CITY OF LITTLE ROCK

ARKANSAS

DRAFT

ANALYSIS OF IMPEDIMENTS

TO FAIR HOUSING CHOICE

December 2015

EQUAL HOUSING OPPORTUNITY

Contact:
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Executive Summary

Introduction

In 1995 the U.S. Department of Housing and Urban Development (HUD) announced that entitlement communities - communities receiving direct federal funding from Community Development Block Grant, HOME Investment Partnerships and Emergency Solutions Grant programs – must conduct a study of existing barriers to housing choice. This required study is referred to as the "Analysis of Impediments" (AI) and is part of entitlement communities' consolidated planning process. In 2014 HUD published draft regulations of the "Assessment of Fair Housing" (AFH) with proposed changes to the 1995 AI requirements. These new regulations are effective for AFH November 2016.

The purpose of the AI is to examine whether or not state and local laws, private, public and non-profit sector regulations, administrative policies, procedures, and practices are impacting the location, availability, and accessibility of housing in a given area. The AI is not a Fair Housing Plan rather it is an analysis of the current state of fair housing choice including barriers and impediments in City of Little Rock, Arkansas. The AI identifies specific barriers that need to be addressed if future fair housing initiatives are to be successful.

Each jurisdiction receiving federal funds must certify that it is affirmatively furthering fair housing choice. The certification specifically requires jurisdictions to do the following:

- Conduct an analysis of impediments to fair housing choice within the local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important to consider when examining fair housing. Any disproportionate impacts on persons of a particular race, ethnicity, or members of the protected classes under fair housing law have been comparatively analyzed to determine to what extent those disparities are limiting fair housing choice. A major impediment is that the limited amount of entitlement funding received makes it difficult for the City to have measurable impact on removing or lessening the impact of some fair housing impediments. City and other non-federal entitlement resources and private sector support will be necessary in order to address some of the impediments. Despite limited funds, the City's efforts will continue to improve and maintain stability, and strengthen its' older housing stock with focus in CDBG eligible areas.

The AI methodology included community engagement interviews and focus group sessions; the construction of a community profile, fair housing index, analysis of the Home Mortgage Disclosure Act (HMDA) data; and a fair housing law and public policy analysis including national landmark court litigation, local legislation, development policies and regulations, fair housing complaints and a review of entitlement grant programs. Remedial actions detailed in this report represent recommendations by the consultant to the City for addressing impediments based on experience and best practices used in other jurisdictions. The City is not obligated to implement the consultant's recommendations and may choose other options to address the impediment based on their evaluation. Some remedial actions are conceptual frameworks for addressing the impediments and will require further research, feasibility and cost analysis, and final program design by the City if they choose to implement them. The following narrative provides a summary of each section of the report.

Community Profiles

Demographics - The demographic analysis of Little Rock concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010 according to the 2010 Census and the American Community Survey (ACS) five year average for 2009 - 2013. Please note that the maps present data by census tract with an overlay of City boundaries. Comparative analysis of the demographic factors and any disparities for persons of a particular race, ethnicity, or members of the protected classes has been incorporated in developing the Community Profile, Fair Housing Index and HMDA Analysis.

Little Rock's Population continues to experience growth and diversity. According to the 2009 - 2013 ACS estimates, over 50 percent of the residents of Pulaski County live in Little Rock (193,524). Pulaski County's population increased by 21,274 or 5.9 percent between 2000 and 2010, and the population of Little Rock increased by 5.7 percent during the same period. In Little Rock, the White population was 48.9 percent of the total, African-Americans were 42.3 percent, and Hispanics represented 6.8 percent of the population in Little Rock. The White population decreased by 6.1 percent in Little Rock between 2000 and 2010, while the Hispanic population increased by 167.5 percent. The African-American population grew by 10.7 percent. There was an 83.6 percent increase in the Asian and Pacific Islander population between 2000 and 2010, accounting for 2.9 percent of the total population of the city in 2010.

Households - The percentage of female-headed households with children in Little Rock, as determined by the ACS 2009-2013 estimated (5 year average), was disproportionately higher among African-Americans at 30.8 percent. Comparatively, female-headed households with children among Whites were 7.4 percent and 12.8 percent for Hispanics. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children. Only 21.9 percent of African-American households were husband/wife family households, compared to 45.7 percent of White Non-Hispanic households and 39.5 percent of Hispanic households.

CITY OF LITTLE ROCK, ARKANSAS
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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December 2015

Introduction and Acknowledgements

Introduction

This report provides an Analysis of Impediments to Fair Housing Choice (AI), commissioned by City of Little Rock, Arkansas. This AI was conducted using a methodology consistent with the U.S. Department of Housing and Urban Development (HUD) guidelines published in the Fair Housing Planning Guide. HUD requires that each jurisdiction receiving federal funds certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.
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- Maintain records reflecting the analysis and actions in this regard.

Lead and Participating Agencies

The City of Little Rock Housing and Neighborhood Program Department served as lead agency for the development of the AI and was responsible for oversight and coordination of the process. City of Little Rock retained J-Quad Planning Group, LLC, a Community Development, Urban Planning and Housing Consulting firm to assist in the preparation of the AI.

Acknowledgements

Data collected in preparing the AI relied in part on input from the public, including information gathered from a public engagement focus group session, key person interviews, and data provided by City Departments. We also acknowledge the participation of the City government officials, non-profits, social service agencies, businesses, home builders, mortgage lenders, fair housing organizations, real estate professionals, advocacy groups and the general public.

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Executive Summary

Introduction

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Community Profiles

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Little Rock's Population continues to experience growth and diversity. According to the 2009 - 2013 ACS estimates, over 50 percent of the residents of Pulaski County live in Little Rock (193,524). Pulaski County's population increased by 21,274 or 5.9 percent between 2000 and 2010, and the population of Little Rock increased by 5.7 percent during the same period. In Little Rock, the White population was 48.9 percent of the total, African-Americans were 42.3 percent, and Hispanics represented 6.8 percent of the population in Little Rock. The White population decreased by 6.1 percent in Little Rock between 2000 and 2010, while the Hispanic population increased by 167.5 percent. The African-American population grew by 10.7 percent. There was an 83.6 percent increase in the Asian and Pacific Islander population between 2000 and 2010, accounting for 2.9 percent of the total population of the city in 2010.

Households - The percentage of female-headed households with children in Little Rock, as determined by the ACS 2009-2013 estimated (5 year average), was disproportionately higher among African-Americans at 30.8 percent. Comparatively, female-headed households with children among Whites were 7.4 percent and 12.8 percent for Hispanics. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children. Only 21.9 percent of African-American households were husband/wife family households, compared to 45.7 percent of White Non-Hispanic households and 39.5 percent of Hispanic households.

Employment data reports opportunities in the employment sectors, unemployment rates, and educational attainment and educational levels of the employees. These factors impact wage earnings, and income, as well as, housing affordability and the location choice of residents. Table 1.5, of the Community Profile, provides an overview of occupation data, which indicate that there has been some shift in the distribution of occupations between 2000 and 2013. Manufacturing and Information occupations each saw a reduction of 2.1 percentage points, falling to 5.5 and 3.3 percent of the workforce respectively. The largest occupation was Education, etc. with almost 31 percent of the workforce, followed by Retail Trade at 10.5 percent and Professional, scientific, etc. at 10.0 percent.

The **Unemployment** data presented in Table 1.6 of the Community Profile provides a portrait of the distribution of the unemployed. Higher levels of unemployment are centered in the African-American and Hispanic communities. Between 2009 and 2013, unemployment looks low to high, with rates ranging from 5.9 percent for White Non-Hispanics, 9.7 percent for Hispanics, to 14.8 percent for African-Americans. According to the U.S. Department of Labor's Bureau of Labor Statistics, the unemployment rate for Little Rock was 4.8 percent in April 2015, compared to 5.5 percent and 5.7 percent for the State of Arkansas and U.S. in April 2015. The American Community Survey data for the 2009 – 2013 period showed an unemployment rate of 9.7 percent for the U.S. and 8.9 percent for Arkansas.

Major Employers - According to the major employer data as published on the Little Rock Regional Chamber website, the largest employers in Little Rock (within the MSA) include the State of Arkansas with an estimated 32,200 employees, local governmental agencies with 28,800 workers, and the Federal government with 9,200 workers. The University of Arkansas for Medical Services had 8,500 employees. Baptist Health had 7,000 employees and the Little Rock Air Force Base had 4,500 workers. Acxiom had 4,380 workers. The Little Rock School District had 3,500 workers, Central Arkansas Veterans Healthcare had 3,500 employees, and Entergy Arkansas had 2,740 employees.

The **Income** data in Table 1.3 and Chart 1.1, as reported in the Community Profile, shows the distribution of income across income classes among Whites, Hispanics, and African-Americans disparately impacting minority and low-income households. The cost of housing compared to the incomes of households reveals that incomes are not keeping pace with the market cost of housing.

The median housing value in the city was $150,500 and the median contract rent was $602 between 2009 and 2013. The average income required to qualify for a mortgage based on the median home value of $150,500 for the City is approximately $40,000 to $50,000 in household income and the average income to qualify for a contract rent of $602 is $25,000 to $35,000. According to the 2009 - 2013 ACS estimates (5-Year average), approximately 52.2 percent of Hispanics, 41.4 percent of African Americans, 17.8 percent of Whites earn annual household incomes of less than $25,000. Approximately 65.3 percent of Hispanics, 56.8 percent of African Americans, and 26.0 percent of Whites earn annual household incomes of less than $35,000. Approximately 79.0 percent of Hispanics, 72.9 percent of African Americans, and 38.4 percent of Whites earn annual household incomes of less than $50,000, making housing affordability a concern for large segments of the City's population regardless of race and ethnicity, and disparately impacting African Americans and Hispanics.

Paying more than 30 percent of household income for housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened". Citywide, 46.37 percent of the renter households were 30 percent cost burdened and 23.92 were 50 percent or more cost burdened during the five-year period of 2009 - 2013. The cost burdened percentages increase the lower the income range. Approximately 73.6 percent of renters earning less than $30,000 were 30% percent cost burdened; 66.27 percent of renters earning $30,000 - $50,000 were 30% percent cost burdened; and 52.67 percent of renters earning $51,000 - $80,000 were 30% percent cost burdened. Cost burden among homeowners is highest for persons earning less than 30 percent of median income. The income data also shows 22.30 percent of owner households citywide were 30 percent or more cost burden and 9.04 percent were 50 percent or more cost burden during the same period.

Poverty data shown in Table 1.5 of the Community Profile reveals poverty is disproportionately impacting the Hispanic and African-American communities. The incidence of poverty among Hispanics in Little Rock was 41.4 percent of their total population between 2009 and 2013, and poverty among African-Americans was reported to be 27.7 percent. Among White Non-Hispanic persons, the data reported 7.6 percent lived in poverty.

Public Transportation and Mobility - Central Arkansas Transit Authority provides transit service in the region. CATA's ability to provide transit services that meet the region's mobility needs is determined, in large part, by available funding. Opportunities for additional funding are being identified, in order to support the region's service goals. CATA provides public transportation services to the Little Rock metro area seven days a week with fixed route and paratransit operations, and a downtown historic streetcar system. The system has 49 buses in service in peak hours from a total fleet of 50 buses. CATA has a weekday fixed route service system of almost 8,500 miles. In 2012, the system totaled over 2.8 million passenger trips, with a 20 percent ridership increase since 2009. CATA has 200 employees, 70 percent of which are in operations.

Housing for City of Little Rock was analyzed based on data provided in the 2010 U.S. Census and 2009 - 2013 ACS estimates (5-year average). According to the 2010 Census, the total number of housing units in Little Rock was 91,288 with 9,270 or 10.2 percent vacant units. There were 84,793 housing units in Little Rock in 2000. This represents a 7.7 percent increase in the number of housing units between 2000 and 2010. In 2010, 50.5 percent were owner-occupied and 39.4 percent were renter-occupied. African Americans and Hispanics are disproportionately impacted by a lack of ownership with 69.2 percent of White households reported as living in owner-occupied housing, compared to 42.8 percent of African-American households and 38.2 percent of Hispanic households. African-American and Hispanic owner households were well below the city average of 56.7 percent of occupied units reported during the 5 year average in 2009 - 2013.

Fair Housing Law, Court Case, Policies, Regulatory, Entitlement Programs and Complaint Analysis

The analysis of the City of Little Rock Fair Housing Ordinance reveals that local fair housing regulations are not deemed substantially equivalent to that of the Federal Fair Housing Act. The primary distinction is that local ordinances do not provide for local enforcement.

Complaint Data - Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Little Rock from June 1, 2010 through May 31, 2015. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) Division of the Fort Worth Regional Office. A total of 258 complaints were filed according to one or more of seven basis, including: national origin, color, religion, familial status, handicap, sex, and race.

Of the 258 complaints, 113 cases were closed with a no cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. There were 41 cases dismissed due to Administrative Closure. There were 46 cases closed due to conciliation, 6 cases closed with Cause determined, 37 cases withdrawn with no action taken, and 15 cases remained open.

Entitlement Funding - An assessment of characteristics affecting housing production, availability, and affordability in Little Rock and utilization of Federal Entitlement Grant funding was conducted. This included an assessment of the adequacy and effectiveness of programs designed and implemented utilizing CDBG Entitlement; the programs' ability to reach their target markets; and how effectively efforts were in identifying and serving those who have the greatest need. The City of Little Rock's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized and our determination is that resources have been used to address fair housing impediments identified prior to 2015.

Development Regulations - The City of Little Rock's zoning ordinances, development codes and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. The land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing. However, the Zoning and Development Policies do not provide incentives for developers to increase the production of affordable housing. The City of Little Rock does provide developers reduced building permit fees in Targeted Neighborhood Enhancements (TNEP) areas in the city. While the Incentives are not mandated by HUD and a lack of such incentives are not deemed violations of the Federal Fair Housing Act, not having incentives to help induce affordable housing is deemed an impediment to fair housing choice. Other jurisdictions have been successful in implementing and administering incentivized regulations as a means of increasing affordable housing.

Industry Practices - Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the Little Rock area were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included FHEO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons. There were no violations of the Federal Fair Housing Act identified.

Community Engagement and Focus Groups, Fair Housing Index, Home Mortgage Disclosure Act Analysis

Fair housing choice within the City of Little Rock encounters a number of impediments, as identified through community engagement process, and the construction of a fair housing index and analysis of the Home Mortgage Disclosure Act (HMDA) data for Little Rock.

Community Engagement - The City of Little Rock, Arkansas followed its designated Community Participation Plan in developing the 2015 Analysis of Impediments. City of Little Rock Housing and Neighborhood Program Department, 500 West Markham, Suite 120W, Little Rock, Arkansas 72201, served as lead agency for the development of the AI. Public Hearings / Focus Group Sessions for the AI were held in conjunction with public hearings for the development of the 2016 – 2020 Consolidated Plan and 2016 Annual Plan. The initial Public Hearing / Public Forum to receive public input was held June 8, 2015 at the Willie Hinton NRC, 3805 West 12th Street, Little Rock, Arkansas. Two Focus Groups to receive input for the Analysis of Impediments and Public Forums / Public Hearings to receive Consolidated Plan input were held on June 22nd, 2015 at Willie Hinton NRC, 3805 West 12th Street and June 23rd, 2015 at the Southwest Community Center, 6401 Baseline Road, Little Rock, Arkansas. Two additional Public Forums / Public Hearings to receive Consolidated Plan input were held on June 29th, 2015 at West Central NRC, 4200 John Barrow Road and June 30, 2015 at Wright Avenue NRC 1813 Wright Avenue, Little Rock, Arkansas. Two meetings of the Consolidated Plan Advisory Committee were held July 16th and July 23rd to review the draft recommendations for the 2016 Annual Plan.

Home Mortgage Disclosure Act Analysis (HMDA) - A lack of financial literacy and credit are limitations faced by many in acquiring housing of their choice. The analysis of HMDA data and the reported reasons for denial of loans showed that the majority related to the applicants' credit history or their debt-to-income ratio.

The **Fair Housing Index** is an analytical technique used to identify census tracts where the sum impact of certain demographic variables and their disparate impacts on protected class members and persons based on their race or ethnicity is adversely affecting a residents' fair housing choices and likely contributing to problems of housing discrimination and issues relative to housing quality and affordability. Areas where minorities and lower income households are most likely to find housing affordable are in older neighborhoods with older housing stock, and some that are minority and low income concentrated census tracts. The demographic characteristics of these areas are disparately impacting their ability to acquire housing of their choice.

As indicated on Map 5.1, in the Fair Housing Index, the census tracts designated as having a High Risk of fair housing related problems can be found in census tracts in central Little Rock. Moderate Risk tracts are found along Little Rock's southeastern city limits and adjacent to the previously identified High Risk tracts.

Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section 6 of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of fair housing impediments in Little Rock. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are recommended to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing impediments. These actions will require further research, analysis, and final program design by City of Little Rock for implementation.

The Analysis of Impediments identified impediments related to **real estate market conditions as impediments**: housing affordability and insufficient Income; **public policy related impediments**: public awareness of fair housing rights; **banking, finance, insurance and other Industry related impediments:** disparate Impacts of mortgage lending on minority populations; inability to qualify for mortgage financing due to poor and limited credit, insufficient income and collateral values; **socio-economic impediments:** Barriers impacting special need populations, minorities and lower income persons; disparate impacts of poverty and low-income on lower income persons and minorities; and **neighborhood conditions related impediments:** limited resources to assist lower income, elderly and indigent homeowners maintain their homes.

Remedial Activities Designed To Address Impediments - Recommended remedial actions include creating partnerships, identifying new federal, state, city, and private resources needed to make housing more affordable.

Section 1: Community Profile

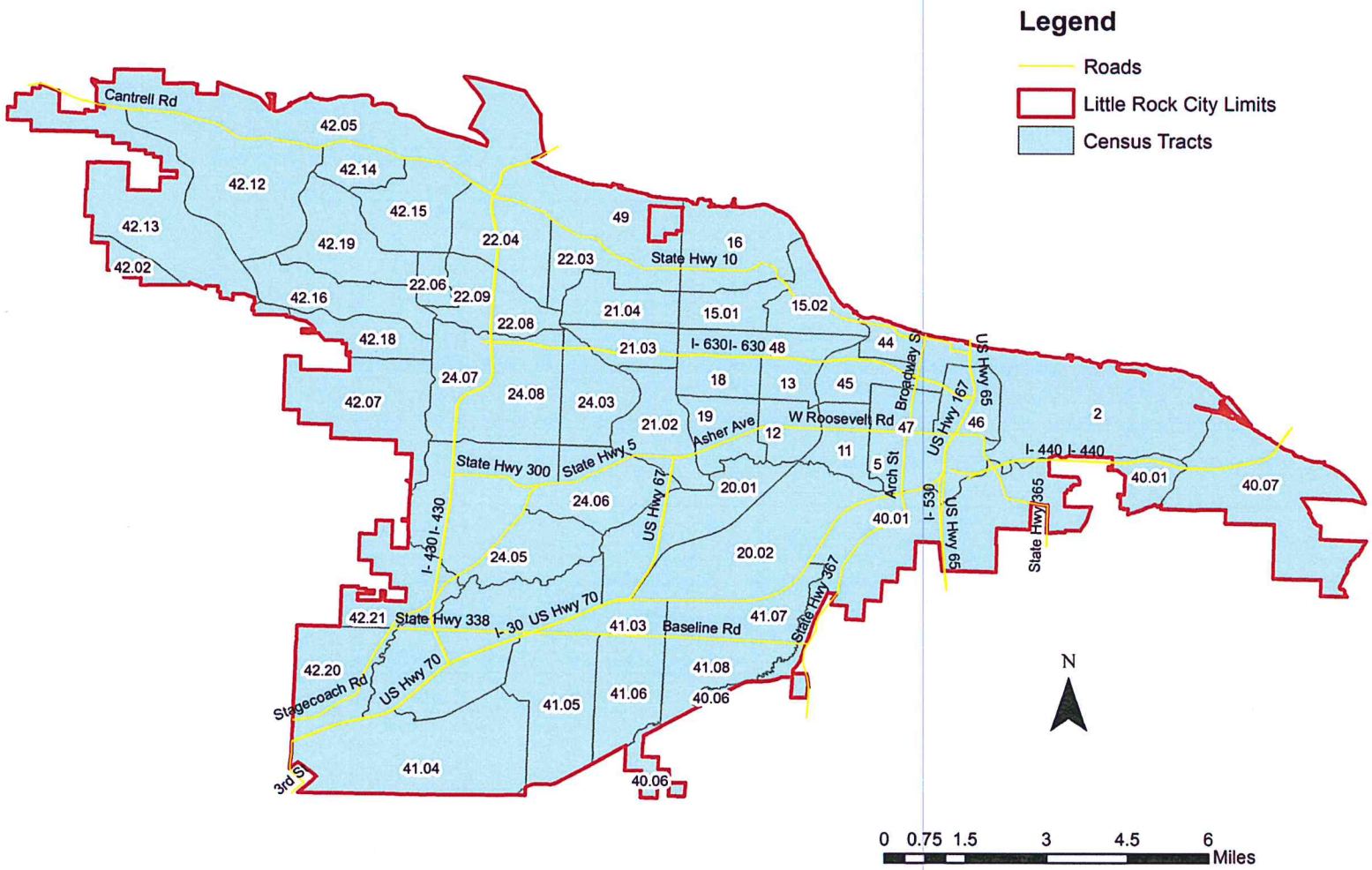
Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Little Rock. The data were gathered from 2009-2013 American Community Survey (ACS) 5-Year estimates; 1990, 2000, and 2010 U.S. Census; and other sources. The following sections provide an analysis of the current status of Little Rock:

- Demographics – documents and analyzes the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major employers.
- Public Transportation – examines access and availability of public transit systems.
- Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on three racial/ethnic groups in Little Rock: White, African-American, and Hispanic. All other groups are smaller in number and percentage and, therefore, the results of their analysis will not be presented in detail. The analysis is supported with tables and maps provided for reference. While most of the data presented in the tables and maps are directly referenced in the text, there may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

Map 1.1: Little Rock Base Map



1.1. Demographics

The demographic analysis of the Little Rock area concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010. Please note that the attached maps present data by census tract with an overlay of the city limits for Little Rock. For reference, Map 1.1, on the previous page, provides a visual representation of Little Rock for comparison with thematic maps.

Race/Ethnicity

The population of Little Rock grew by 5.7 percent between 2000 and 2010.

According to the 2010 Census, the population of Pulaski County was 382,748. Over 50 percent of the residents of the county live in Little Rock (193,524). Table 1.1, on page 4, shows that the county's population increased by 21,274 or 5.9 percent between 2000 and 2010. The population of Little Rock increased by 5.7 percent during the same period.

The White population was about 57 percent in Pulaski County and 49 percent in Little Rock in 2010. Almost seven percent population of Little Rock identified as Hispanic.

In Pulaski County, the largest racial group was White in 2010, with 57.5 percent of the population. In Little Rock, the White population was 48.9 percent of the total. African-Americans were 42.3 percent of the population in Little Rock, and 35 percent of Pulaski County. Hispanics represented 6.8 percent of the population in Little Rock and 5.8 percent of Pulaski County. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity.

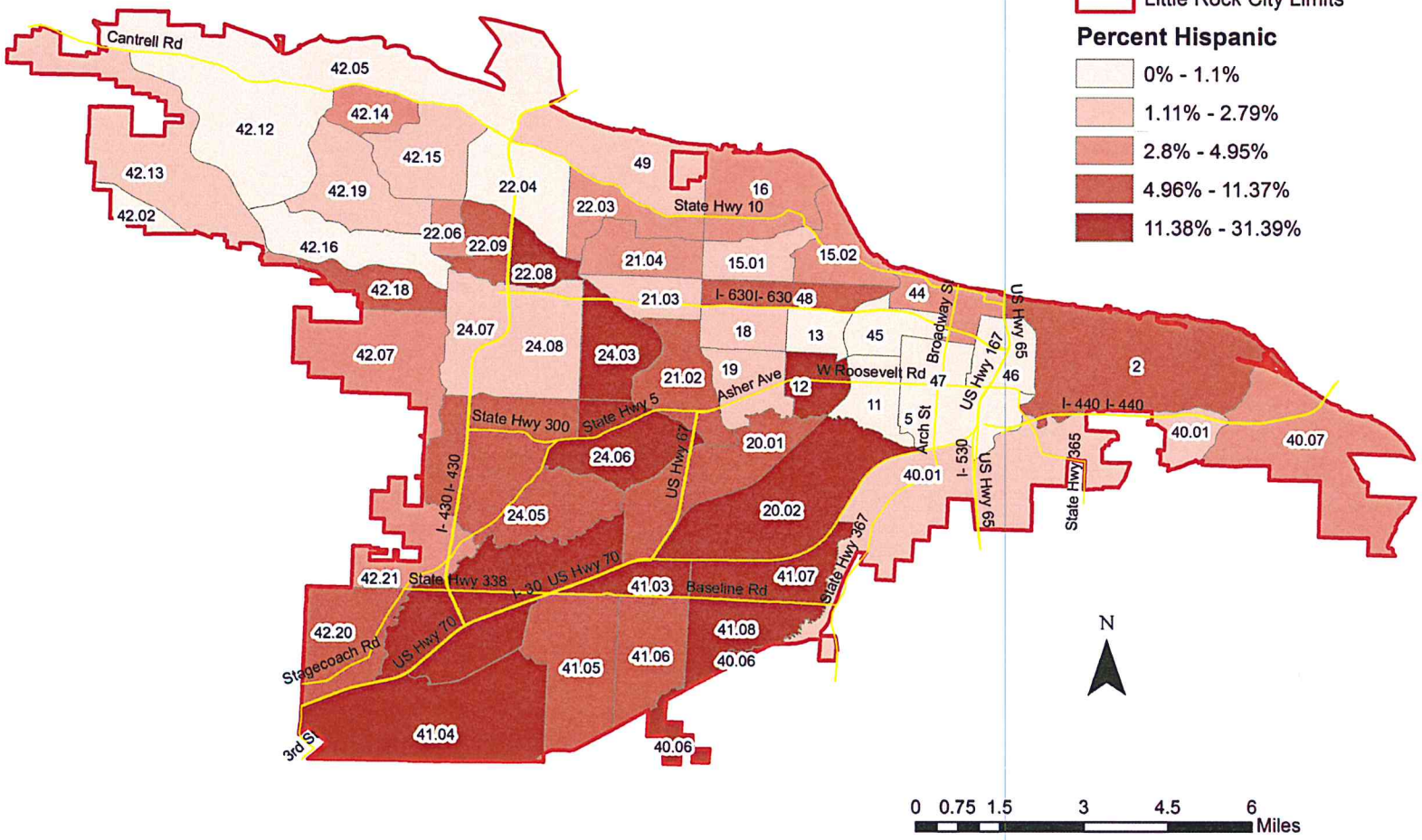
The White population decreased by 6.1 percent in Little Rock between 2000 and 2010, while the Hispanic population increased by 167.5 percent. The African-American population grew by 10.7 percent. There was an 83.6 percent increase in the Asian and Pacific Islander population between 2000 and 2010, accounting for 2.9 percent of the total population of the city in 2010. Maps 1.2 and 1.3, starting on page 5, indicate spatial concentrations of the Hispanic and African-American populations within Little Rock.

Table 1.1
Total population by race and ethnicity for Pulaski County and Little Rock, 2000 and 2010

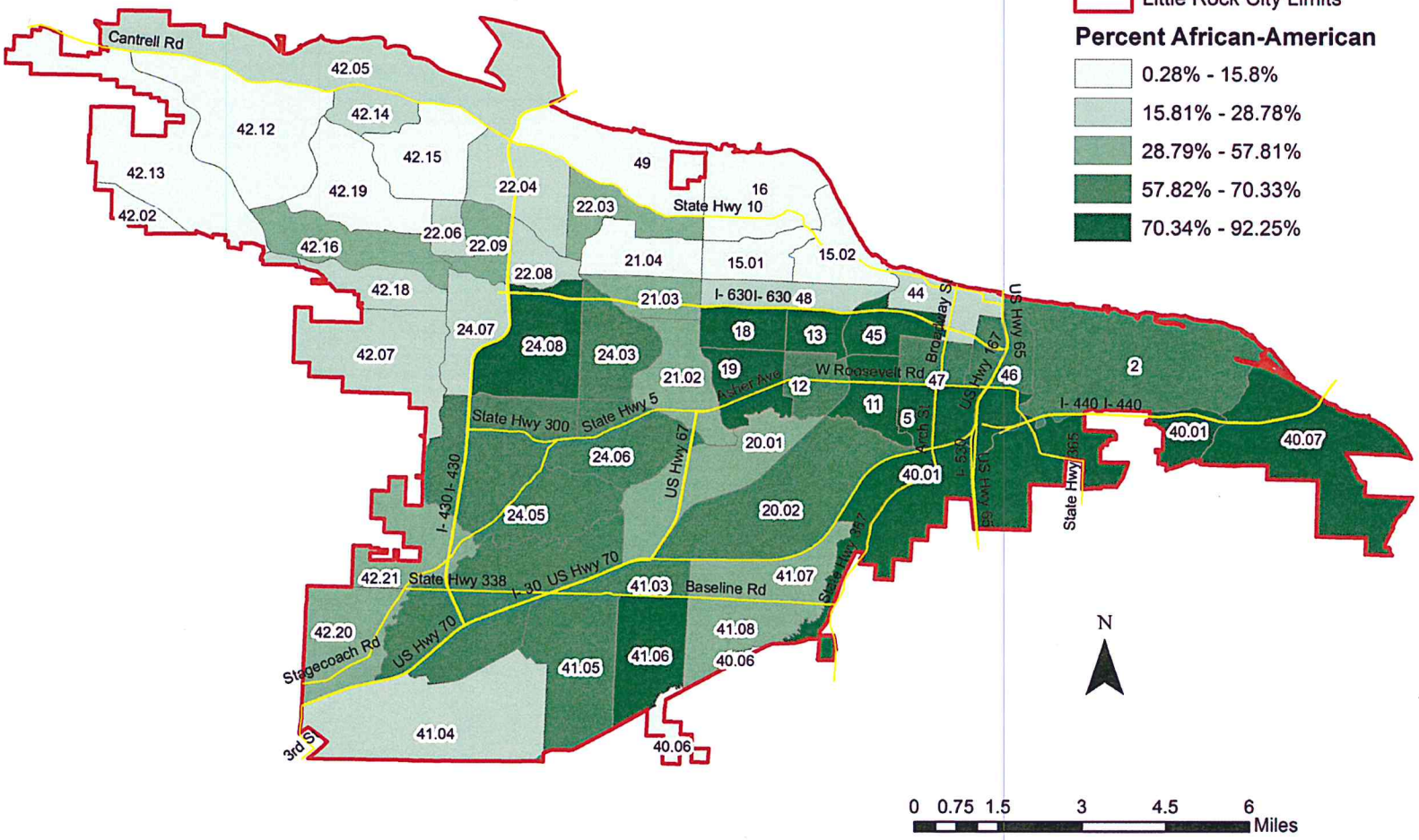
	2000		2010		% Change
Race	**#**	**%**	**#**	**%**	**2000-2010**
Pulaski County					
White	231,211	64.0%	220,051	57.5%	-4.8%
African-American	115,197	31.9%	133,858	35.0%	16.2%
American Indian and Eskimo	1,409	0.4%	1,555	0.4%	10.4%
Asian and Pacific Islander	4,659	1.3%	7,777	2.0%	66.9%
Other Race	3,935	1.1%	11,646	3.0%	196.0%
Two or More Races	5,063	1.4%	7,861	2.1%	55.3%
Total	361,474	100.0%	382,748	100.0%	5.9%
Hispanic (ethnicity)	8,816	2.4%	22,168	5.8%	151.5%
Little Rock					
White	100,848	55.1%	94,665	48.9%	-6.1%
African-American	74,003	40.4%	81,889	42.3%	10.7%
American Indian and Eskimo	500	0.3%	686	0.4%	37.2%
Asian and Pacific Islander	3,096	1.7%	5,684	2.9%	83.6%
Other Race	2,348	1.3%	7,626	3.9%	224.8%
Two or More Races	2,338	1.3%	3,374	1.7%	44.3%
Total	183,133	100.0%	193,524	100.0%	5.7%
Hispanic (ethnicity)	4,889	2.7%	13,076	6.8%	167.5%

Source: 2000 and 2010 US Census

Map 1.2: Percent Hispanic



Map 1.3: Percent African-American



Household Structure

Over 30 percent of all African-American households in Little Rock were female-headed households, compared to 7.4 percent of White Non-Hispanic households.

The percentage of female-headed households with children in Little Rock, as determined by the ACS 2009-2013 estimated (5 year average), was disproportionately higher among African-Americans at 30.8 percent. Comparatively, female-headed households with children among Whites were 7.4 percent and 12.8 percent for Hispanics. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children. This factor is evidenced when comparing this demographic factor to fair housing complaint data. Only 21.9 percent of African-American households were husband/wife family households, compared to 45.7 percent of White Non-Hispanic households and 39.5 percent of Hispanic households.

Non-family households, defined by HUD as a single occupant household or non-related individuals living together as indicated in the census data, among White Non-Hispanics made up 44.5 percent of all White households in Little Rock. Non-family households among African-Americans accounted for 40.9 percent of all African-American households. Non-family households among Hispanics accounted for 37.2 percent of all Hispanic households. Most of the non-family households were householder living alone.

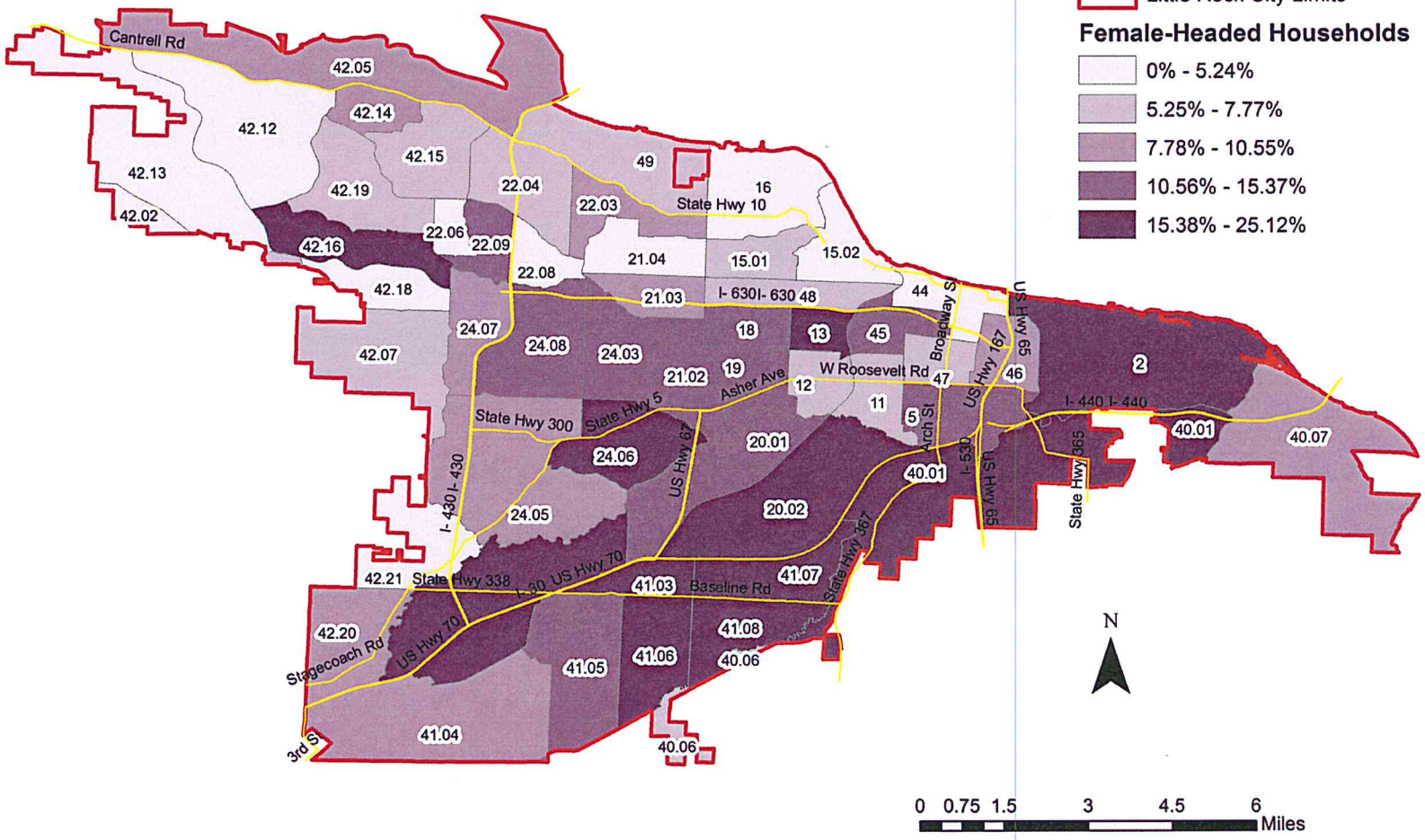
The spatial distribution of female-headed households with children is shown in Map 1.4 on page 9.

Table 1.2
Household structure by race for Little Rock, 2009 – 2013

	White Non-Hispanic		African-American		Hispanic	
Household Type	**# of Households**	**% of Households**	**# of Households**	**% of Households**	**# of Households**	**% of Households**
Family Households	22,799	55.5%	18,679	59.1%	2,401	62.8%
Husband-wife family	18,759	45.7%	6,911	21.9%	1,512	39.5%
Other family:	4,040	9.8%	11,768	37.3%	889	23.2%
Male householder, no wife present	1,019	2.5%	2,038	6.5%	400	10.5%
Female householder, no husband present	3,021	7.4%	9,730	30.8%	489	12.8%
Non-family households:	18,270	44.5%	12,904	40.9%	1,423	37.2%
Householder living alone	15,432	37.6%	11,754	37.2%	1,012	26.5%
Householder not living alone	2,838	6.9%	1,150	3.6%	411	10.7%
Total Households	41,069	100.0%	31,583	100.0%	3,824	100.0%

Source: 2009 - 2013 American Community Survey

Map 1.4: Percent Female-Headed Households



1.2. Income

Low-income households are statistically more likely to be housed in less desirable housing stock and in less desirable areas of the city and county. Lack of income often prevents those households from moving to areas where local amenities raise the value of the housing. Income plays a vital role in securing and maintaining housing.

Household Income

The data in Table 1.4 and Chart 1.1 on page 11 show the distribution of income across income classes among Whites, Hispanics, and African-American. Overall, the income distribution data show some disparity in Little Rock' income distribution across these populations.

While the modal income category for African-American households was the $15,000 to $24,999 range (17.5%), 41 percent earned less than $25,000 in 2013 (5-year average).

Chart 1.1 shows that the modal income classes (the income classes with the highest number of households) for White Non-Hispanics was the $100,000 or more income category with 31 percent of the Non-Hispanic White population. For African-Americans and Hispanics the modal category was the $15,000 to $24,999 category with 17.5 percent of African-Americans and 25.3 percent of Hispanics earning in the income range. Fifty-two percent of Hispanic households earned less than $25,000 per year, compared to 18 percent of White Non-Hispanic households and 41 percent of African-American households.

Table 1.3
Median Income for Little Rock, 2009-2013

	Median Household Income
Little Rock	$44,911

Source: 2009-2013 American Community Survey

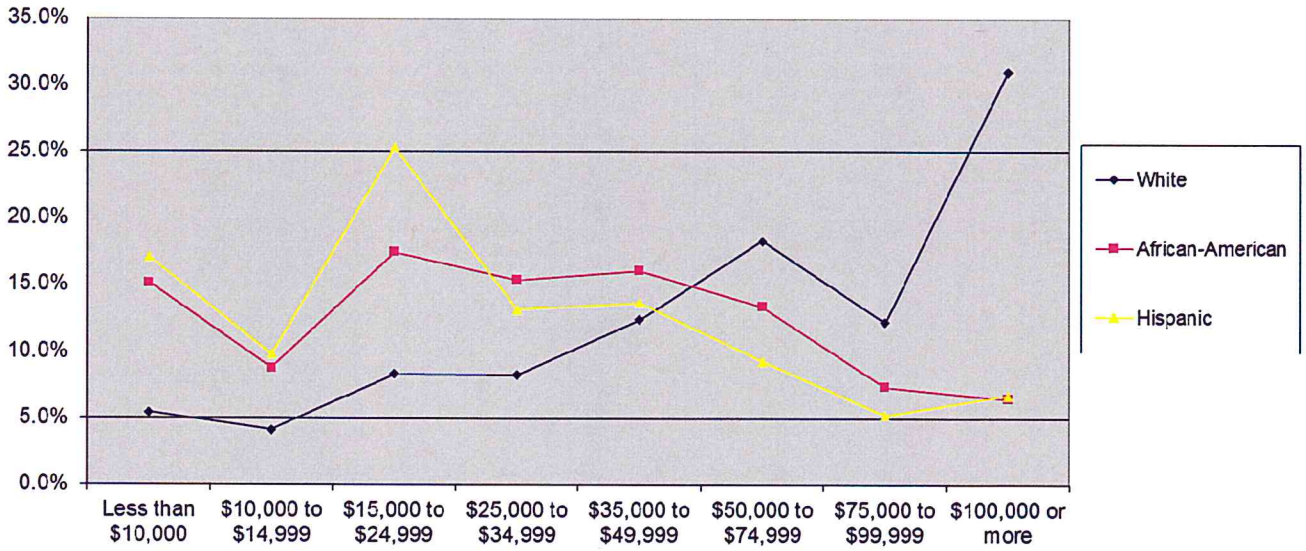
According to the 2009-2013 American Community Survey (ACS) estimates (5-year average), the median household income for White Non-Hispanic households was $64,515, $30,641 for African-American households, and $22,934 for Hispanic households, compared to $44,911 for the overall city. Map 1.5, on page 12, shows the 5-year average median household income by census tract for Little Rock between 2009 and 2013.

Table 1.4
Households by race by income for Little Rock, 2009-2013

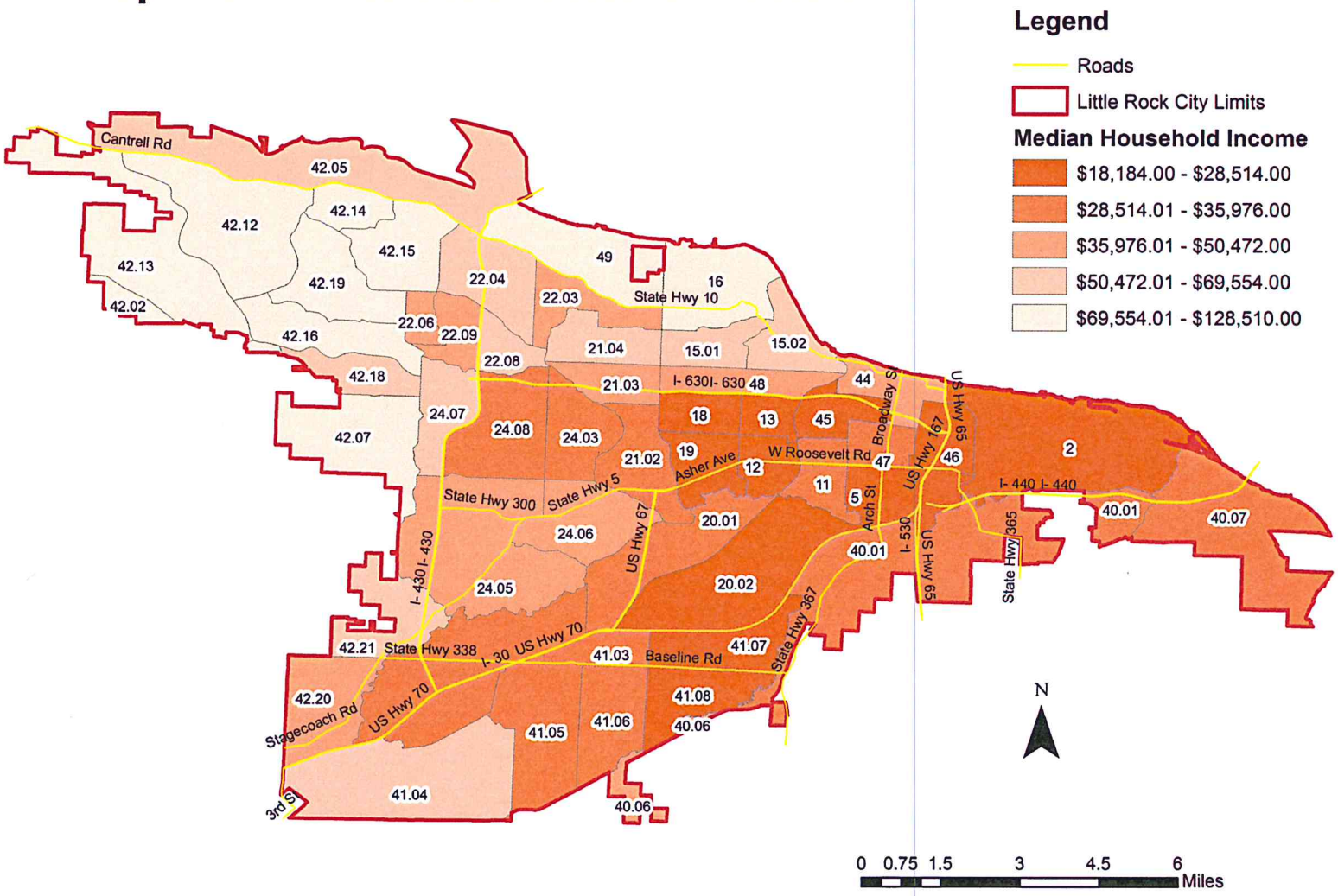
	White Non-Hispanic		African-American		Hispanic	
Income Class	# of Households	% of Households	# of Households	% of Households	# of Households	% of Households
Less than $10,000	2,236	5.4%	4,784	15.1%	652	17.1%
$10,000 to $14,999	1,685	4.1%	2,769	8.8%	374	9.8%
$15,000 to $24,999	3,420	8.3%	5,519	17.5%	967	25.3%
$25,000 to $34,999	3,388	8.2%	4,858	15.4%	502	13.1%
$35,000 to $49,999	5,089	12.4%	5,074	16.1%	522	13.7%
$50,000 to $74,999	7,523	18.3%	4,220	13.4%	354	9.3%
$75,000 to $99,999	5,007	12.2%	2,324	7.4%	198	5.2%
$100,000 or more	12,721	31.0%	2,035	6.4%	255	6.7%
Total	41,069	100.0%	31,583	100.0%	3,824	100.0%
Median Household Income	$64,515		$30,641		$22,934	

Source: Five-Year Estimates, 2009-2013 American Community Survey

Chart 1.1: Percent of Households by Income Class by Race for Little Rock



Map 1.5: Median Household Income



Poverty

The poverty data reported in Table 1.5 reveals that poverty is disproportionately impacting the Hispanic and African-American communities in the city. The incidence of poverty among Hispanics in Little Rock was 41.4 percent of their total population between 2009 and 2013, and poverty among African-Americans was reported to be 27.7 percent. Among White Non-Hispanic persons, the data reported 7.6 percent lived in poverty.

The incidence of poverty among Hispanics was 41.4 percent in Little Rock, compared to 7.6 percent for White Non-Hispanics and 27.7 percent for African-Americans.

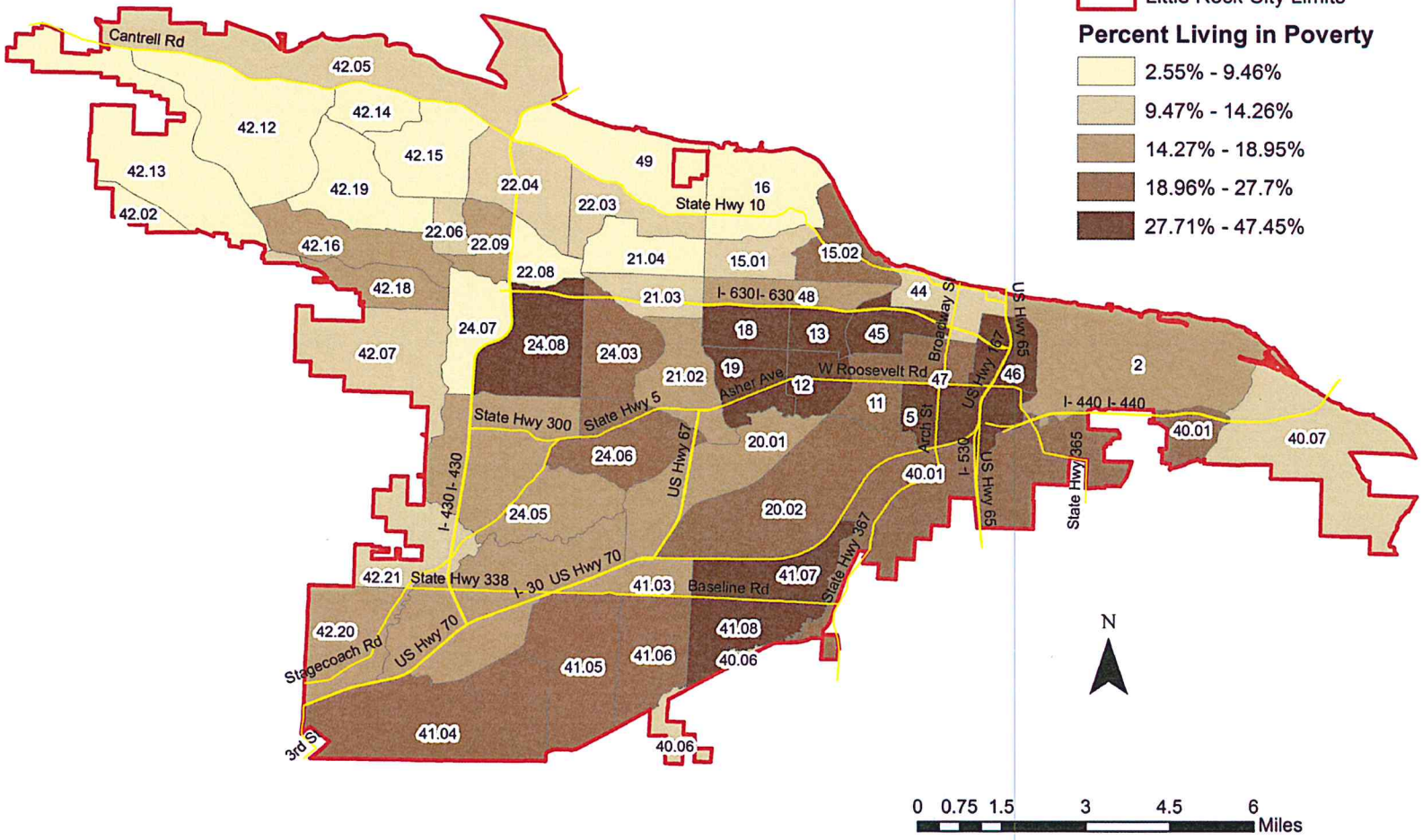
Poverty rates in Little Rock are shown in Table 1.5 below, and depicted on page 14 in Map 1.6. Concentrations are found in central and southern Little Rock, where rates range from 27 to 47 percent by census tract.

Table 1.5
Poverty Status by race for Little Rock, 2009-2013

	White Non-Hispanic		African-American		Hispanic	
Age Group	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Under 5 Years	4,873	12.9%	6628	35.3%	1,528	61.5%
5 Years	857	4.3%	1412	58.8%	231	83.1%
6 to 11 Years	4,984	4.1%	8084	43.7%	1,287	53.5%
12 to 17 Years	4,671	4.0%	7958	29.3%	865	37.8%
18 to 64 Years	58,616	8.3%	51,409	23.9%	7,701	35.1%
65 to 74 Years	8,552	5.9%	3447	19.3%	116	30.2%
75 Years and Over	7,227	6.3%	2261	21.7%	208	26.4%
Total	89,780	7.6%	81,199	27.7%	11,936	41.4%

Source: Five-Year Estimates, 2009 -2013 American Community Survey

Map 1.6: Percent Living in Poverty



1.3. Employment

Occupation

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.6, below, provides a look at occupation data, which indicate that there have been some small shifts in the distribution of occupations between 2000 and 2013. Manufacturing and Information occupations each saw a reduction of 2.1 percentage points, falling to 5.5 and 3.3 percent of the workforce respectively. The largest occupation was Education, etc. with almost 31 percent of the workforce, followed by Retail Trade at 10.5 percent and Professional, scientific, etc. at 10.0 percent.

Manufacturing and Information occupations fell by 2.1 percentage points, while Educational services, etc. occupations grew by 4.8 percentage points.

Moderate increases were seen in Education, etc. (4.8 percentage point increase) and Arts, entertainment, etc. (2.5 percentage point increase).

Table 1.6
Occupation of employed persons for Little Rock, 2000 and 2009-2013 (5-Year Average)

Industry	2000	2009-2013 Average	Percentage Point Change
Agriculture, forestry, fishing and hunting, and mining	0.4%	0.3%	-0.1%
Construction	4.0%	4.7%	0.7%
Manufacturing	7.6%	5.5%	-2.1%
Wholesale trade	3.5%	2.1%	-1.4%
Retail trade	11.3%	10.5%	-0.8%
Transportation and warehousing, and utilities	4.7%	4.1%	-0.6%
Information	5.4%	3.3%	-2.1%
Finance and insurance, and real estate and rental and leasing	8.2%	8.2%	0.0%
Professional, scientific, and management, and administrative and waste management services	9.4%	10.0%	0.6%
Educational services, and health care and social assistance	25.8%	30.6%	4.8%
Arts, entertainment, and recreation, and accommodation and food services	7.0%	9.5%	2.5%
Other services, except public administration	5.7%	4.4%	-1.3%
Public administration	7.0%	6.9%	-0.1%

Source: 2000 US Census and Five-Year Estimates, 2009-2013 American Community Survey

Unemployment

The unemployment rate in Little Rock as of April 2015 was 4.8 percent.

The data presented in Table 1.7, below, provide a portrait of the distribution of the unemployed. Looking at the table, unemployment looks low to high, with rates ranging from 5.9 percent for White Non-Hispanics, 9.7 percent for Hispanics, to 14.8 percent for African-Americans. According to the US Department of Labor's Bureau of Labor Statistics, the unemployment rate for the Little Rock was 4.8 percent in April 2015. By comparison, the US unemployment rate was 5.5 percent and 5.7 percent for the State of Arkansas in April 2015. The American Community Survey data for the 2009 – 2013 period as reported for Little Rock in the table, showed an unemployment rate of 9.7 percent for the US and 8.9 percent for Arkansas. Map 1.7, on page 18, shows the distribution of unemployed in Little Rock.

Table 1.7
Employment Status by race for Little Rock, 2009-2013

Employment	White Non-Hispanic		African-American		Hispanic		Total	
Status	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In Labor Force:	51,729	66.9%	40,249	65.9%	6,247	75.0%	102,530	66.8%
In Armed Forces	138	0.3%	0	0.0%	19	0.3%	157	0.2%
Civilian:	51,591	99.7%	40,249	100.0%	6,228	99.7%	102,373	99.8%
Employed	48,533	93.8%	34,273	85.2%	5,687	91.0%	92,459	90.2%
Unemployed	3,058	5.9%	5,976	14.8%	541	8.7%	9,914	9.7%
Not in Labor Force	25,619	33.1%	20,833	34.1%	2,087	25.0%	50,860	33.2%
Total	77,348	100.0%	61,082	100.0%	8,334	100.0%	153,390	100.0%

Source: Five-Year Estimates, 2009-2013 American Community Survey

Educational Attainment

Over 37 percent of Hispanics over the age of 25 had less than a high school diploma.

Looking at education, Table 1.8 on page 17 shows the percentage of the population aged 25 or older with less than a high school diploma in Little Rock. The second column shows the percentage of the total population without a high school diploma and the remaining three columns show the

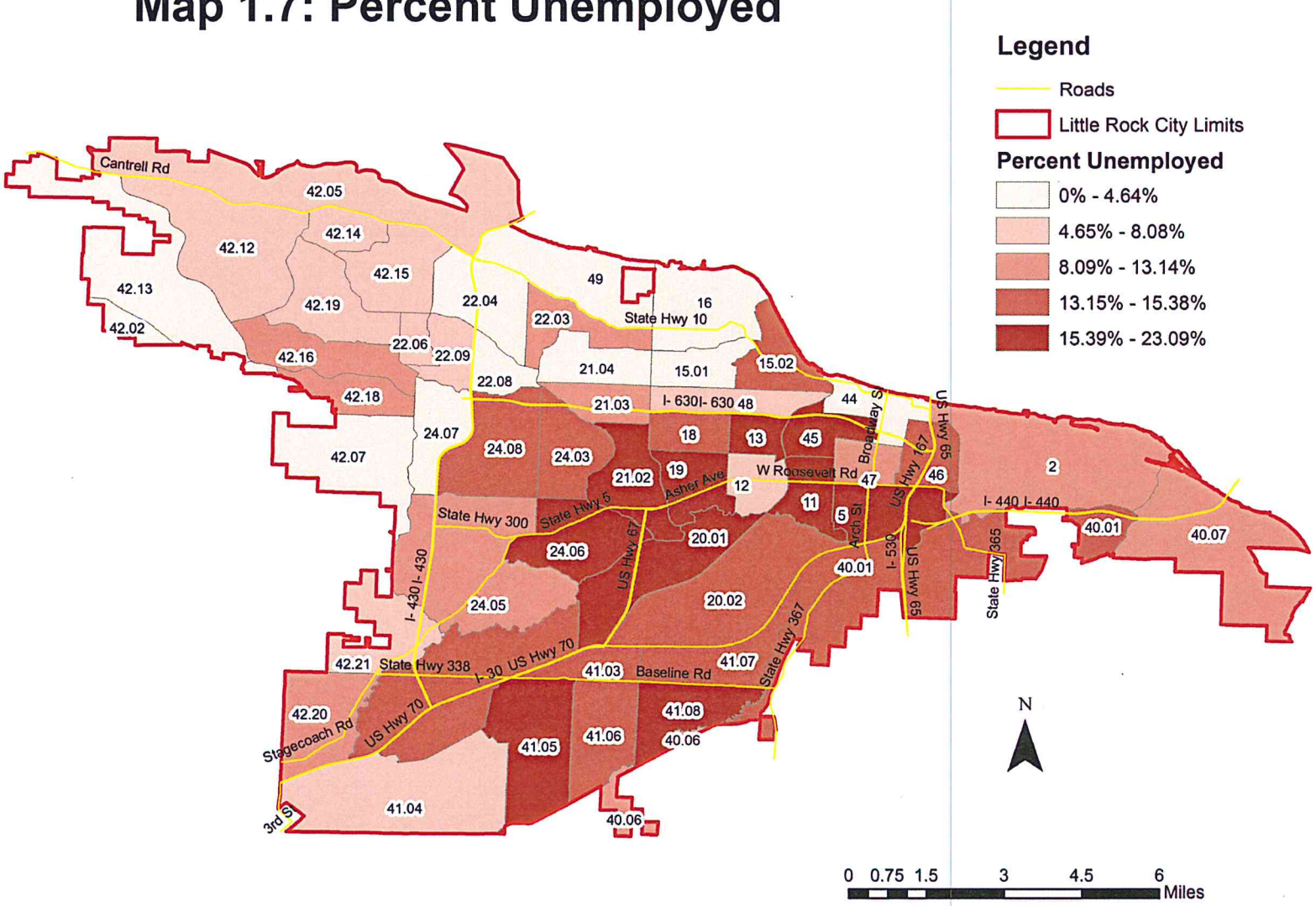
percentage by race. The data show a total percentage of the population over 25 years without a high school diploma at 10.4 percent. When looking at the distribution by race/ethnicity, the data show a Hispanic rate of 37.4 percent. The White Non-Hispanic population had 5.2 percent with less than a high school diploma. For African-Americans, the rate was 14.7 percent.

Table 1.8
Less than High School Degree for Little Rock, 2009-2013

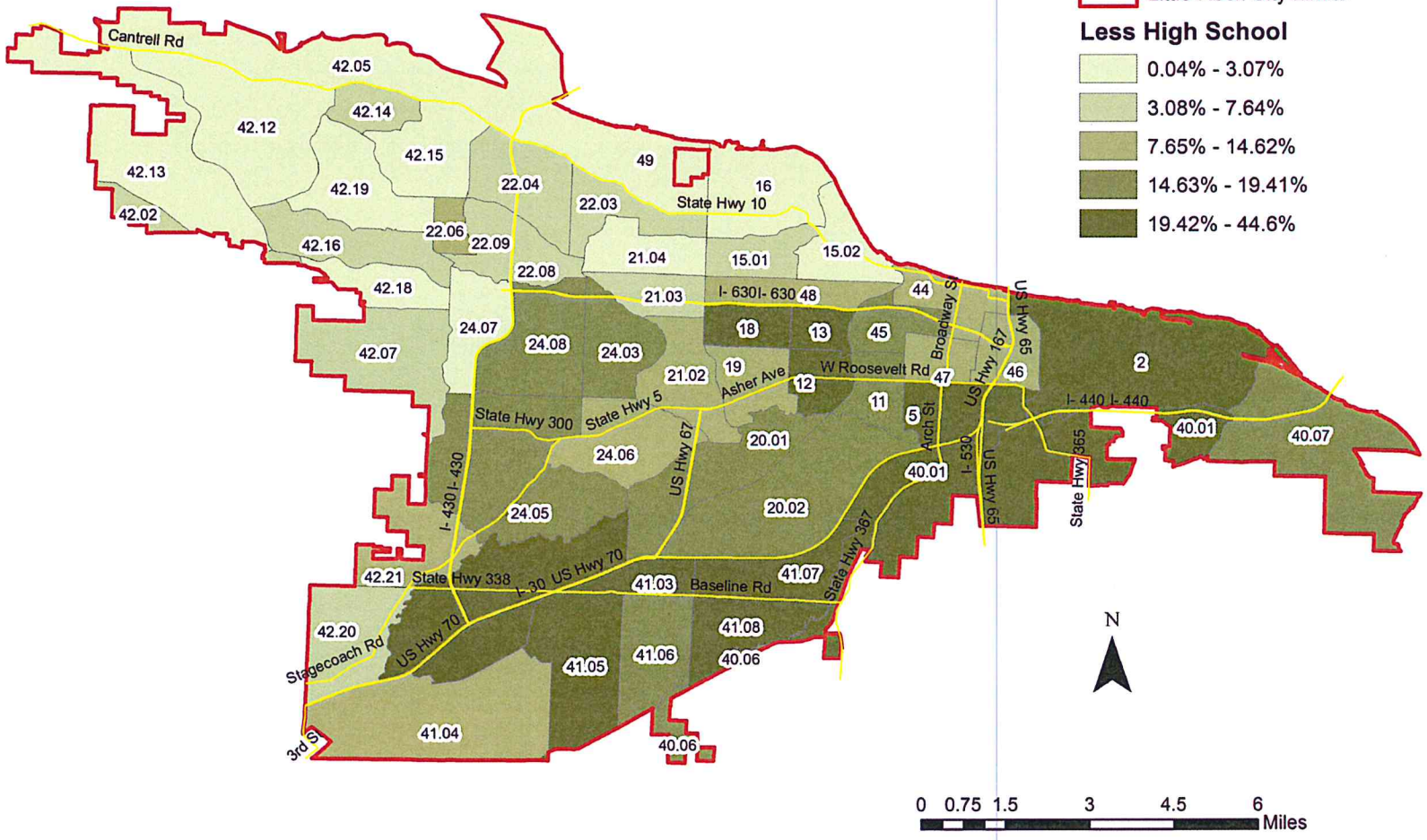
	% Less than High School Diploma	White Non-Hispanic % Less HS	Black % Less HS	Hispanic % Less HS
Little Rock	10.4%	5.2%	14.7%	37.4%
Source: Five-Year Estimates, 2009 - 2013 American Community Survey				

Map 1.8 on page 19 shows the percentage of less than high school diploma by census tract in Little Rock.

Map 1.7: Percent Unemployed



Map 1.8: Percent with Less than a High School Diploma



Largest Employers

The largest employer in the Little Rock MSA was the Arkansas State Government with an estimated 32,200 employees.

According to the major employer data as published on the Little Rock Regional Chamber website, the largest employers in Little Rock (within the MSA) include the State of Arkansas with an estimated 32,200 employees, local governmental agencies with 28,800 workers, and the Federal government with 9,200 workers. The University of Arkansas for Medical Services had 8,500 employees. Baptist Health had 7,000 employees and the Little Rock Air Force Base had 4,500 workers. Acxiom had 4,380 workers. The Little Rock School District had 3,500 workers, Central Arkansas Veterans Healthcare had 3,500 employees, and Entergy Arkansas had 2,740 employees.

Table 1.9
Major Employers, Little Rock (and within MSA)

COMPANY	PRODUCT/ SERVICE	MOST RECENT EMPLOYMENT DATA
State Government - within the MSA	Government	32,200
Local Government - within the MSA	Government	28,800
Federal Government - within the MSA	Government	9,200
University of Arkansas for Medical Svs.	Education/Medical Services	8,500
Baptist Health	Medical Services	7,000
Little Rock Air Force Base	Government	4,500
Acxiom	Data Processing	4,380
Little Rock School District	Education	3,500
Central Arkansas Veterans Healthcare	Medical Services	3,500
Entergy Arkansas	Utility (Electric)	2,740
Pulaski County Special School District	Education	2,700
AT&T	Utility (Telephone)	2,600
St. Vincent Health System	Medical Services	2,600
Arkansas Children's Hospital	Medical Services	2,470
Dillard's Inc.	Department Store	2,400
Verizon Wireless	Communications/Telecommunications	2,000
Union Pacific Railroad	Transportation (Railroad)	2,000
Arkansas Blue Cross Blue Shield	Insurance	1,800
Dassault Falcon Jet Corp.	Falcon Aircraft Models	1,700

Source: Little Rock Regional Chamber

1.4. Public Transportation

Central Arkansas Transit Authority has embarked on Move Central Arkansas – a Comprehensive Strategic Plan to chart the future course of transit service in the region. The goal of Move Central Arkansas is to develop a vision for CATA that will improve existing services, support the economic development of Central Arkansas, and build on the region's existing efforts to develop a vibrant, dynamic, and desirable place to live. Move Central Arkansas Transit Authority will focus on three major service areas. The plan will analyze how well the existing network meets the needs of current passengers, and will identify and prioritize opportunities for service expansion and improvement.

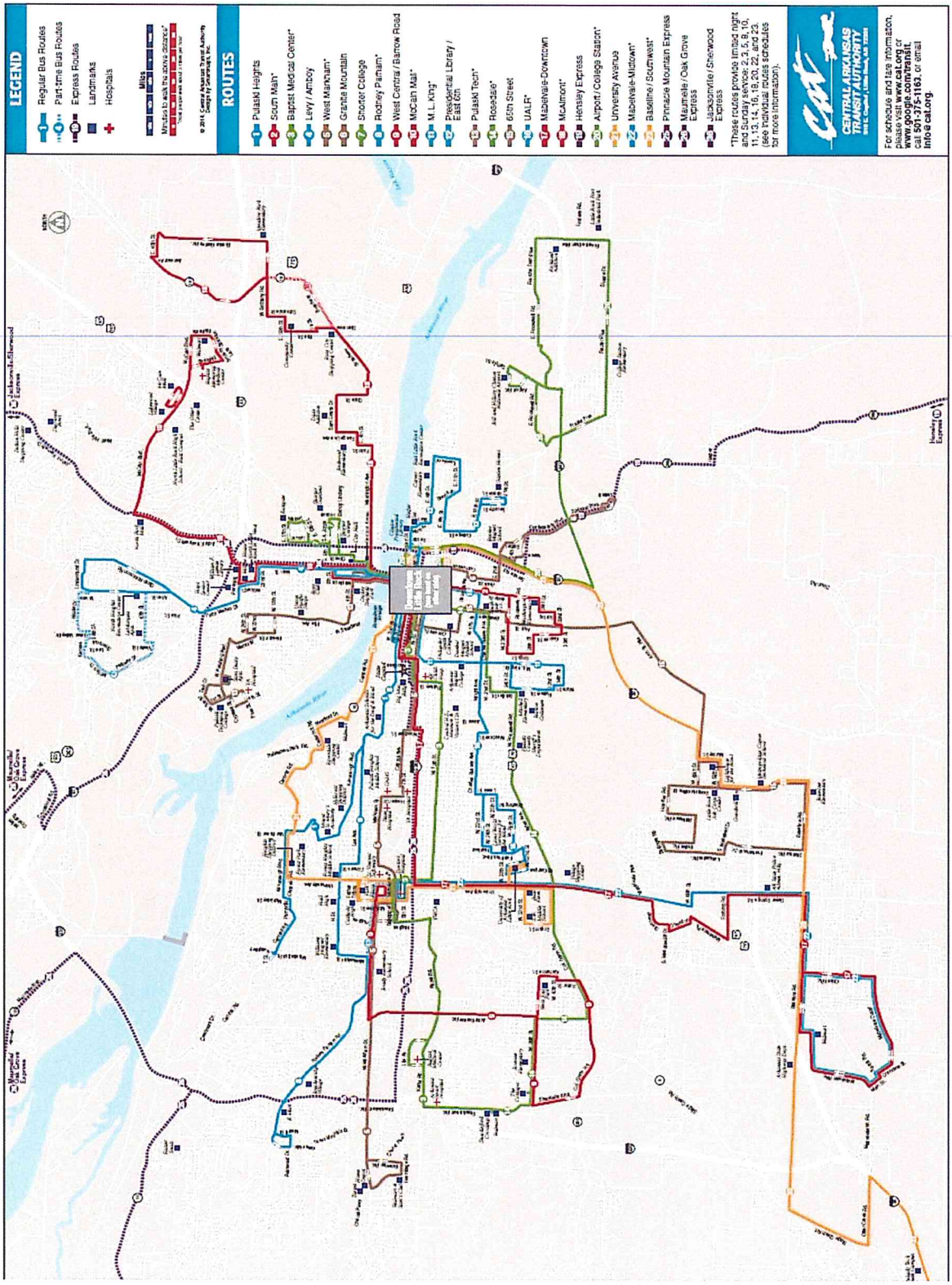
Funding - CATA's ability to provide transit services that meet the region's mobility needs is determined, in large part, by available funding. This study will compare CATA's current approach to transit funding to best practices found around the country. Opportunities for additional funding will be identified, in order to support the region's service goals.

Branding - The Comprehensive Strategic Plan will present recommendations for new and contemporary branding for all aspects of CATA service, including vehicles, signage, and passenger information materials. The planning effort is being led by the Central Arkansas Transit Authority working with an array of partners, including cities, schools, chambers of commerce, county officials, developers, advocacy organizations, human service agencies, and businesses. Nelson\Nygaard Associates, Inc., is managing a consulting team that includes GCR, Inc., based in New Orleans and The Communications Group in Little Rock.

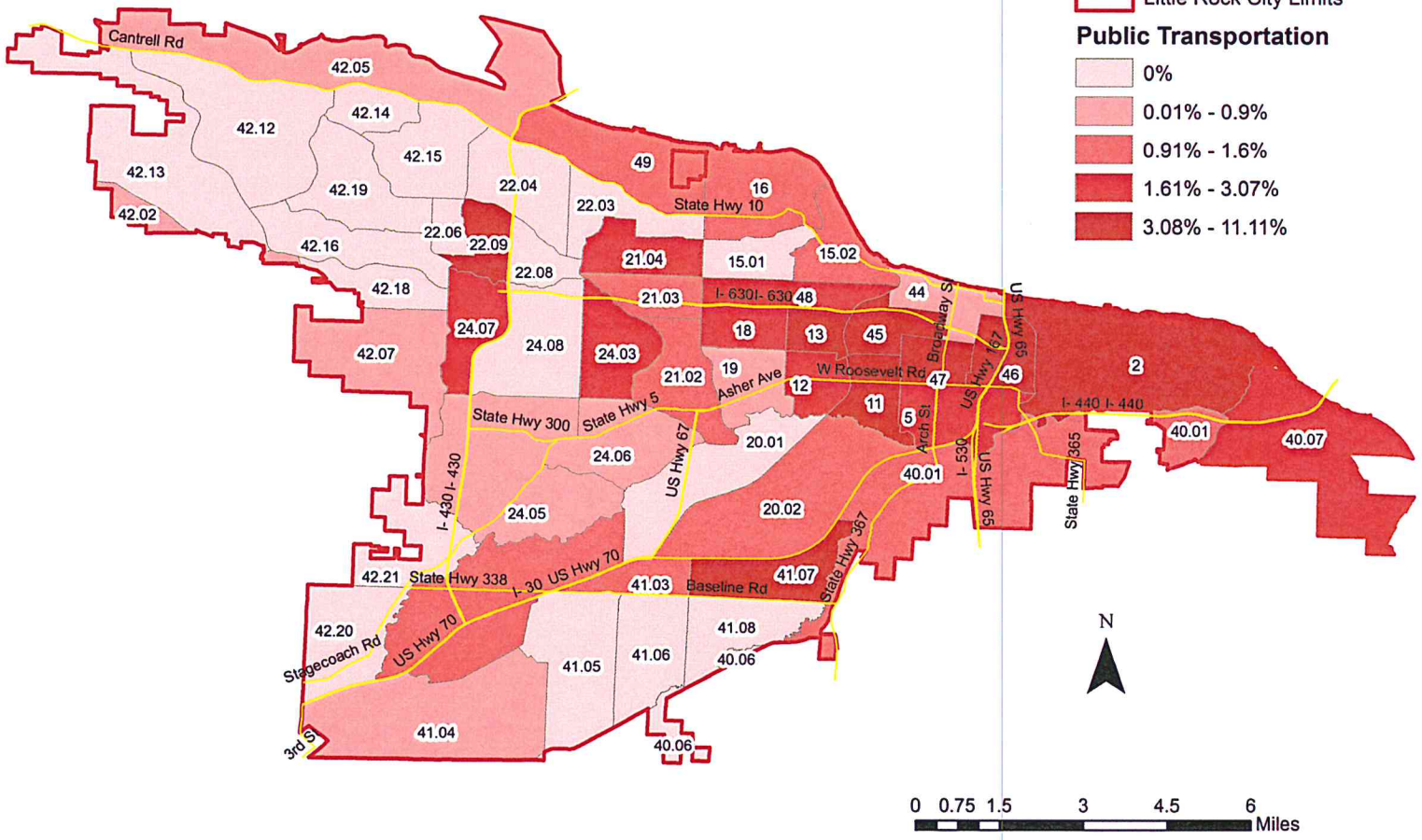
CATA provides public transportation services to the Little Rock metro area seven days a week with fixed route and paratransit operations, and a downtown historic streetcar system. The system has 49 buses in service in peak hours from a total fleet of 50 buses. CATA has a weekday fixed route service system of almost 8,500 miles. In 2012, the system totaled over 2.8 million passenger trips, with a 20 percent ridership increase since 2009. CATA has 200 employees, 70 percent of which are in operations.

Map 1.9 shows a map of the bus routes in Little Rock and the surrounding area and Map 1.10 shows public transit usage by census tract.

Map 1.9 Bus Routes in Little Rock



Map 1.10: Percent Taking Public Transportation to Work



1.5. Housing

Tenure

The number of housing units in Little Rock rose by 7.7 percent between 2000 and 2010.

According to the 2010 Census, the total number of housing units in Little Rock was 91,288 with 9,270 or 10.2 percent vacant units. As shown in Table 1.10, below, there were 84,793 housing units in Little Rock in 2000. This represents a 7.7 percent increase in the number of housing units between 2000 and 2010. In 2010, 50.5 percent were owner-occupied and 39.4 percent were renter-occupied. The median housing value in the city was $150,500 and the median contract rent was $602 between 2009 and 2013.

Table 1.10
Tenure for housing in Little Rock, 1990, 2000, and 2010

	1990		2000		2010	
Tenure	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Owner-occupied	40,790	50.4%	44,372	52.3%	46,078	50.5%
Renter-occupied	31,783	39.2%	32,980	38.9%	35,940	39.4%
Vacant	8,422	10.4%	7,441	8.8%	9,270	10.2%
Total	80,995	100.0%	84,793	100.0%	91,288	100.0%

Source: 1990, 2000, and 2010 US Census

Looking at tenure by race as shown in Table 1.11, 69.2 percent of White Non-Hispanic households lived in owner-occupied housing, compared to 42.8 percent of African-American households and 38.2 percent of Hispanic households. African-American and Hispanic owner households were well below the city average of 56.7 percent of occupied units in 2009-2013.

Table 1.11
Tenure by Race in Little Rock, 2009-2013

	Owner-Occupied		Renter-occupied	
Tenure by Race	**Number**	**Percent**	**Number**	**Percent**
White Non-Hispanic	28,410	69.2%	12,659	30.8%
African-American	13,515	42.8%	18,068	57.2%
Hispanic	1,462	38.2%	2,362	61.8%

Source: Five-Year Estimates, 2009-2013 American Community Survey

Housing Type

Table 1.12, below, shows that of all housing units in Little Rock, 61.7 percent were categorized as single-family detached, 2.1 percent as single-family attached, 6.6 percent contained two to four units, 26.4 percent as multifamily, and 3.2 percent as mobile home or other.

Almost 62 percent of housing units in Little Rock were single-family detached.

Table 1.12
Housing type for Little Rock, 2009-2013

Units in Structure	Number	Percent
Single-family Detached	57,170	61.7%
Single-family Attached	1,984	2.1%
2-4 Units	6,078	6.6%
Multifamily	24,426	26.4%
Mobile Home or Other	2,938	3.2%
Total	92,596	100.0%

Source: Five-Year Estimates, 2009-2013 American Community Survey

Age of Housing

As shown on Table 1.13, below, 11.5 percent of all housing units in the Little Rock were built prior to 1950, 10.3 percent were built between 1950 and 1959, 14.0 percent were built between 1960 and 1969, 20.8 percent were built between 1970 and 1979, and 43.4 percent were built after 1979. About 57 percent of the housing stock is more than 30 years old, built prior to 1980. These units may contain lead-based paint or likely to be in need of repairs and maintenance.

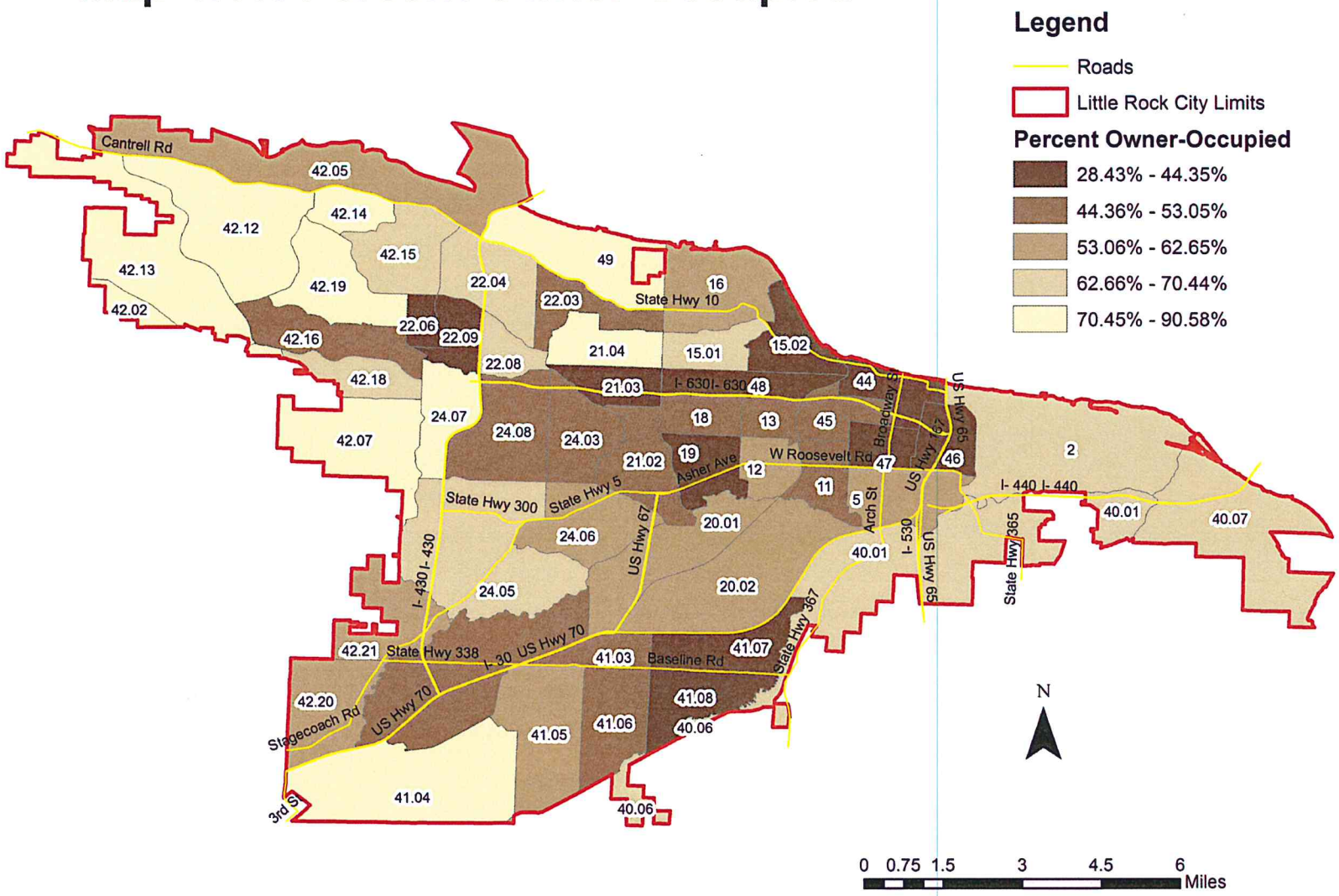
Almost 57 percent of housing units in Little Rock are more than 30 years old. These housing units may contain lead-based paint or likely to be in need of repairs and maintenance.

Maps 1.11, on page 26, and Map 1.12, on page 27, indicate the distribution of owner- and renter-occupied housing across Little Rock. Map 1.13, on page 28, shows the distribution of the oldest housing stock in Little Rock. Maps 1.14 and 1.15, on pages 29 and 30, provide a geographic depiction of the distribution of housing values and rents across Little Rock.

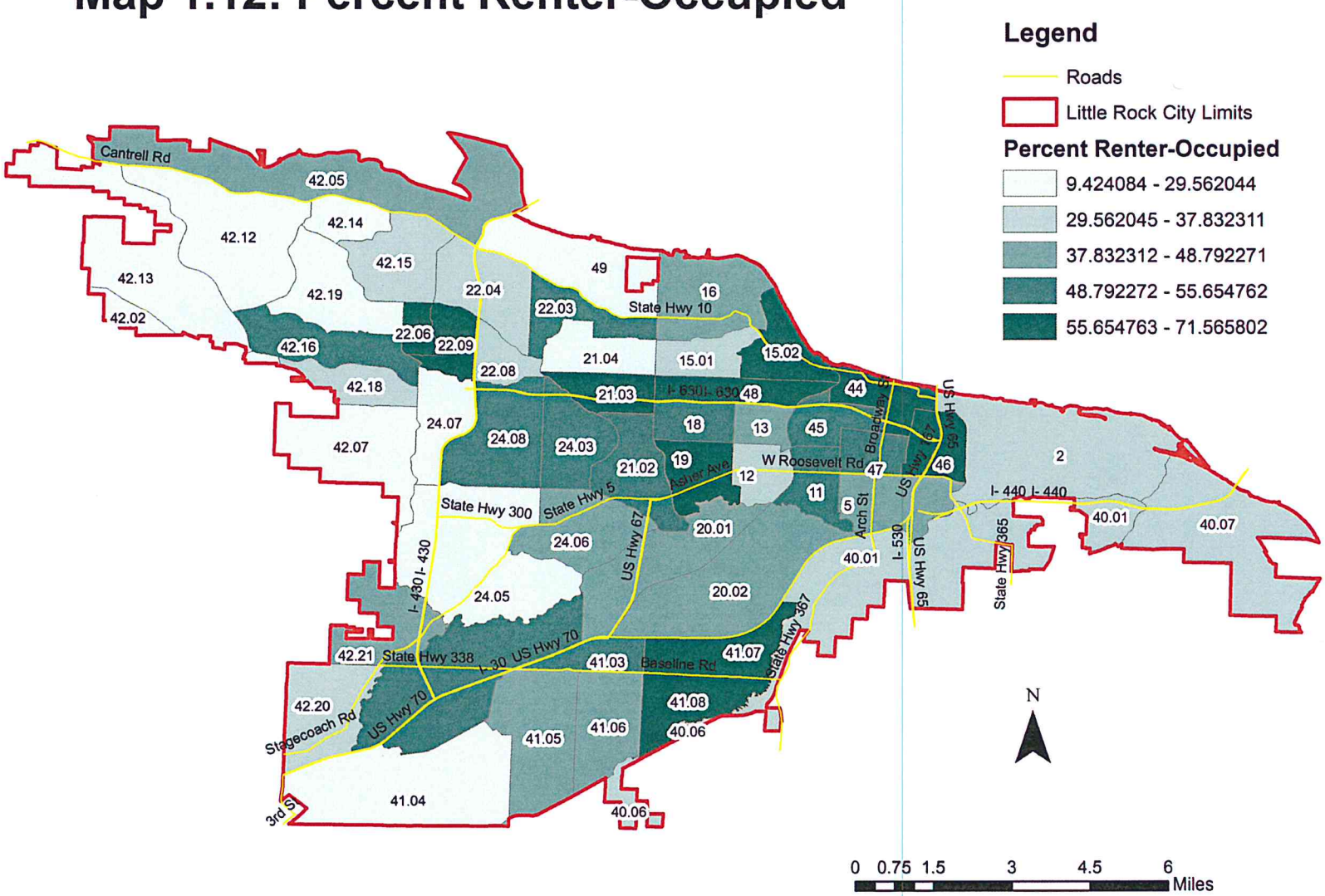
Table 1.13
Age of Housing Stock in Little Rock, 2009-2013

Year Built	Number	Percent
Built 2010 or Later	446	0.5%
Built 2000 to 2009	10,658	11.5%
Built 1990 to 1999	11,879	12.8%
Built 1980 to 1989	17,235	18.6%
Built 1970 to 1979	19,303	20.8%
Built 1960 to 1969	12,989	14.0%
Built 1950 to 1959	9,502	10.3%
Built 1940 to 1949	4,031	4.4%
Built 1939 or Earlier	6,553	7.1%
Total	92,596	100.0%
Source: Five-Year Estimates, 2009-2013 American Community Survey		

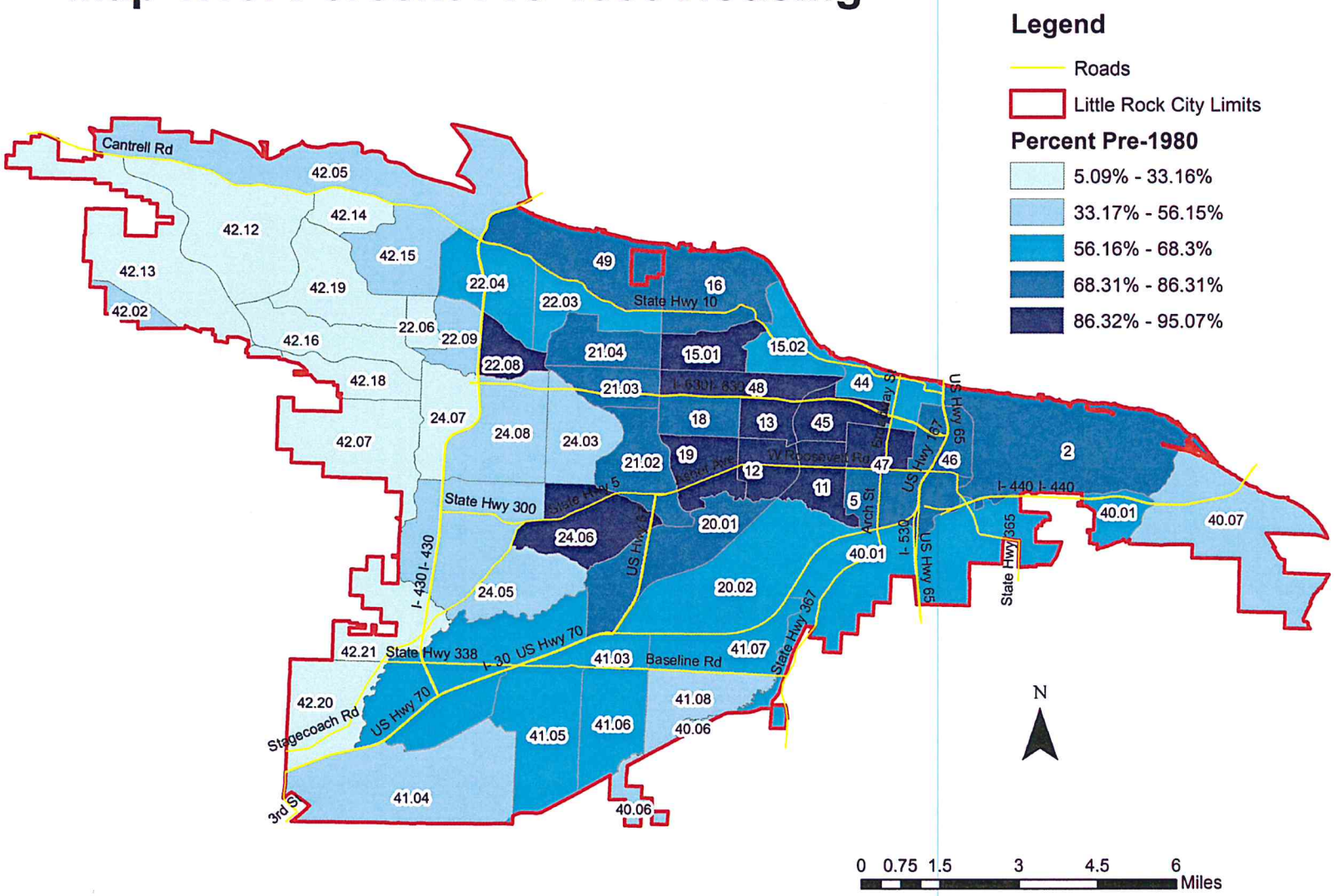
Map 1.11: Percent Owner-Occupied



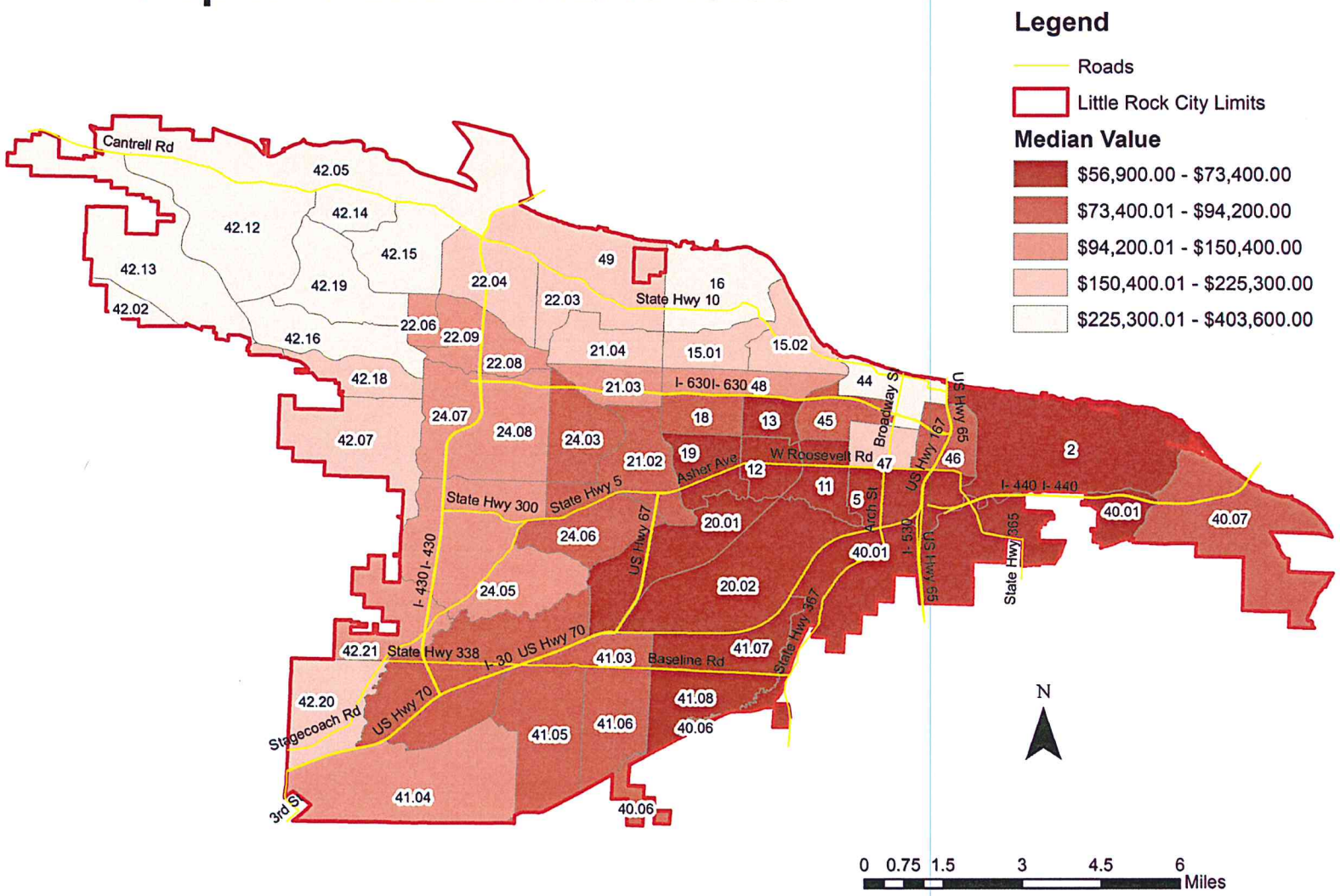
Map 1.12: Percent Renter-Occupied



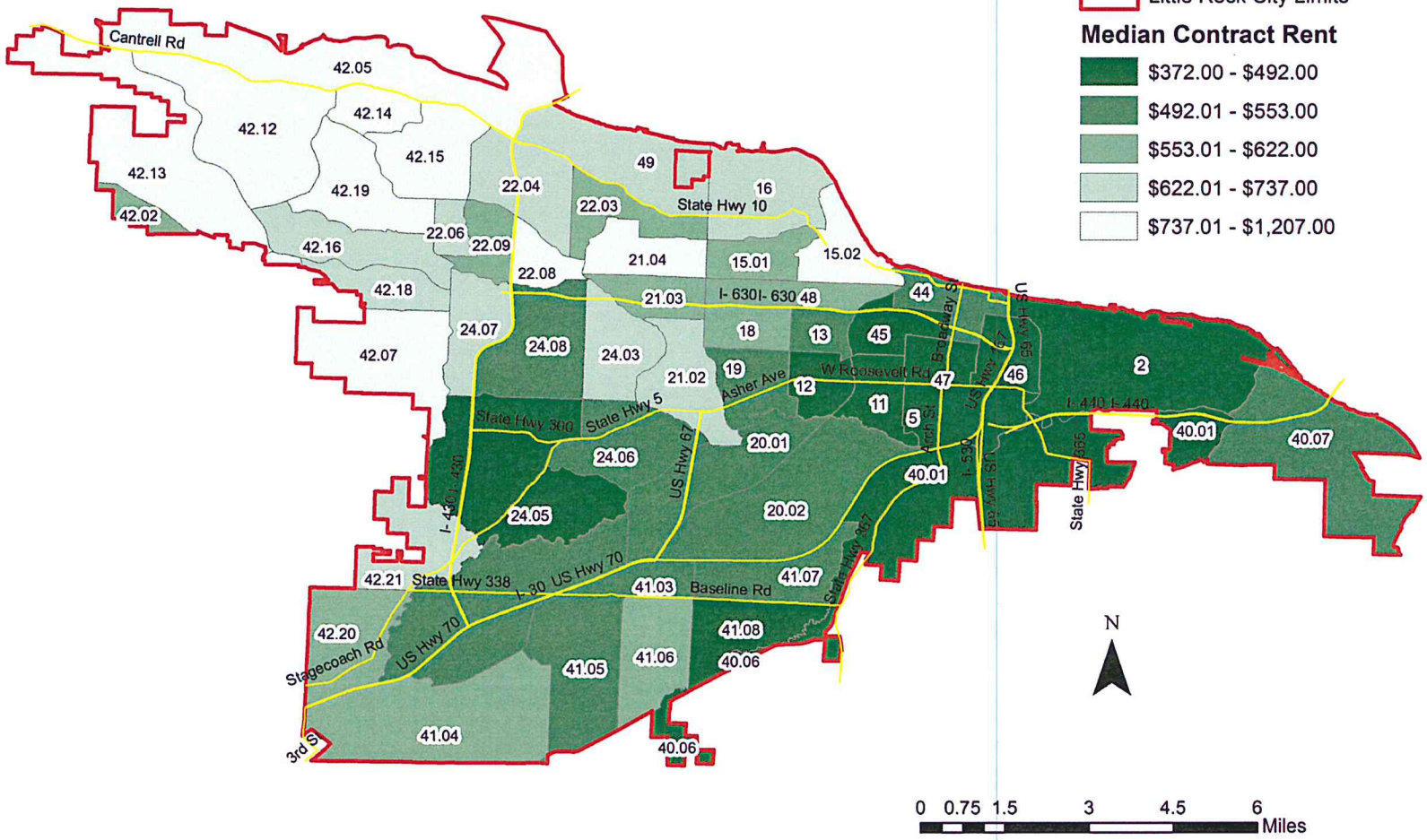
Map 1.13: Percent Pre-1980 Housing



Map 1.14: Median Home Value



Map 1.15: Median Contract Rent



Cost Burden

Sixty-five percent of very low-income renter households in Little Rock are severely cost burdened, paying more than 50 percent of their incomes on housing expenses.

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2008 through 2012, duplicated in Table 1.14, on page 32, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households in Little Rock. The table indicates that 65 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and over 60 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Further, almost 10 percent more very low-income renters and 14 percent more very low-income homeowners pay between 30 and 50 percent of their incomes on housing expenses. Paying more than 30 percent on housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened".

Looking at households earning between 31 percent and 50 percent of the median family income, 28 percent of low-income renters and 29 percent of low-income homeowners pay more than 50 percent on housing expenses. Also, 54 percent of renters and 32 percent of homeowners are paying between 30 and 50 percent on housing expenses in the Little Rock. Overall, 22 percent of homeowners in Little Rock are cost burdened, as are 46 percent of renters. Included in those numbers are those with severe cost burden, over nine percent of homeowners and 24 percent of renters.

Over 73 percent of households earning less than 30% of the area median family income are renters.

Over 73 percent of households earning less than 30% of the area median family income in Little Rock are renters. Renters continue to dominate tenure by income group from the next lowest income group. For the income group earning more than 100% of the area median, over 76 percent are homeowners.

Table 1.14: Cost Burden by Tenure and Household Income

Income Distribution Overview	Owner	%	Renter	%	Total
Household Income <= 30% HAMFI	3,355	26.94	9,100	73.06	12,455
Household Income >30% to <=50% HAMFI	3,260	33.73	6,405	66.27	9,665
Household Income >50% to <=80% HAMFI	6,115	47.33	6,805	52.67	12,920
Household Income >80% to <=100% HAMFI	3,700	52.93	3,290	47.07	6,990
Household Income >100% HAMFI	29,270	76.71	8,885	23.29	38,155
Total	45,700	56.99	34,485	43.01	80,185

Income by Cost Burden (Owners and Renters)	Cost burden > 30%	%	Cost burden > 50%	%	Total
Household Income <= 30% HAMFI	9,325	74.87	7,965	63.95	12,455
Household Income >30% to <=50% HAMFI	7,245	74.96	2,725	28.19	9,665
Household Income >50% to <=80% HAMFI	5,690	44.06	1,220	9.45	12,915
Household Income >80% to <=100% HAMFI	1,490	21.32	205	2.93	6,990
Household Income >100% HAMFI	2,430	6.37	265	0.69	38,160
Total	26,180	32.65	12,380	15.44	80,185

Income by Cost Burden (Renters only)	Cost burden > 30%	%	Cost burden > 50%	%	Total
Household Income <= 30% HAMFI	6,830	75.05	5,935	65.22	9,100
Household Income >30% to <=50% HAMFI	5,250	81.97	1,770	27.63	6,405
Household Income >50% to <=80% HAMFI	3,065	45.04	460	6.76	6,805
Household Income >80% to <=100% HAMFI	540	16.41	55	1.67	3,290
Household Income >100% HAMFI	305	3.43	30	0.34	8,885
Total	15,990	46.37	8,250	23.92	34,485

Income by Cost Burden (Owners only)	Cost burden > 30%	%	Cost burden > 50%	%	Total
Household Income <= 30% HAMFI	2,495	74.37	2,030	60.51	3,355
Household Income >30% to <=50% HAMFI	1,995	61.20	955	29.29	3,260
Household Income >50% to <=80% HAMFI	2,625	42.93	760	12.43	6,115
Household Income >80% to <=100% HAMFI	950	25.68	150	4.05	3,700
Household Income >100% HAMFI	2,125	7.26	235	0.80	29,270
Total	10,190	22.30	4,130	9.04	45,700

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables from ACS, 2008-2012

As shown in Table 1.15, to the right, 29 percent of owner households with a mortgage in Little Rock were cost burdened according to the 2009-2013 five-year average from the American Community Survey. Cost burden among homeowners is highest for the lowest income, as would be expected. The table shows that 97 percent homeowners earning less than $20,000 per year are cost burdened. The percentage shrinks to 81.6 for those earning between $20,000 and $34,999. The percentage is still large at 47.1 percent for those earning between $35,000 and $49,999.

Table 1.15
Owner Housing Costs as a Percent of Household Income in Little Rock, 2009-2013

Housing Costs as a Percentage of Household Income	Number of Owner of Households	Cost Burden 30%
With a Mortgage		
Less than $20,000	2,317	
Less than 30.0 Percent	71	
30.0 Percent or More	2,246	96.9%
$20,000 to $34,999	3,312	
Less than 30.0 Percent	608	
30.0 Percent or More	2,704	81.6%
$35,000 to $49,999	3,808	
Less than 30.0 Percent	2,016	
30.0 Percent or More	1,792	47.1%
$50,000 or More	21,279	
Less than 30.0 Percent	19,137	
30.0 Percent or More	2,142	10.1%
Total Owner Households	30,716	
Less than 30.0 Percent	21,832	
30.0 Percent or More	8,884	28.9%
Not Mortgaged		
Less than $20,000	2,542	
Less than 30.0 Percent	1,025	
30.0 Percent or More	1,517	59.7%
$20,000 to $34,999	2,292	
Less than 30.0 Percent	2,110	
30.0 Percent or More	182	7.9%
$35,000 to $49,999	2,036	
Less than 30.0 Percent	2,003	
30.0 Percent or More	33	1.6%
$50,000 or More	6,789	
Less than 30.0 Percent	6,744	
30.0 Percent or More	45	0.7%
Total Owner Households	13,659	
Less than 30.0 Percent	11,882	
30.0 Percent or More	1,777	13.0%

Source: Five-Year Estimates, 2009-2013 American Community Survey

Table 1.16, below, shows a similar situation for renters. Overall, 47 percent of renter households in Little Rock are cost burdened. For the lowest income households, those earning less than $10,000, 63.7 percent are cost burdened. Eighty-seven percent of those earning between $10,000 and $19,999 were also cost burdened.

Eighty-seven percent of renter households earning between $10,000 and $19,999 pay more than 30 percent of their incomes on housing expenses.

Table 1.16
Gross Rent as a Percent of Household Income in Little Rock, 2009-2013

Gross Rent as a Percentage of Household Income	Number of Households	Cost Burden 30%
Less than $10,000	5,941	
Less than 30.0 Percent	262	
30.0 Percent or More	3,783	63.7%
$10,000 to $19,999	6,883	
Less than 30.0 Percent	652	
30.0 Percent or More	5,984	86.9%
$20,000 to $34,999	8,202	
Less than 30.0 Percent	2,846	
30.0 Percent or More	5,044	61.5%
$35,000 to $49,999	5,212	
Less than 30.0 Percent	4,080	
30.0 Percent or More	972	18.6%
$50,000 or More	8,148	
Less than 30.0 Percent	7,475	
30.0 Percent or More	496	6.1%
Total Renter Households	34,386	
Less than 30.0 Percent	15,315	
30.0 Percent or More	16,279	47.3%

Source: Five-Year Estimates, 2009-2013 American Community Survey

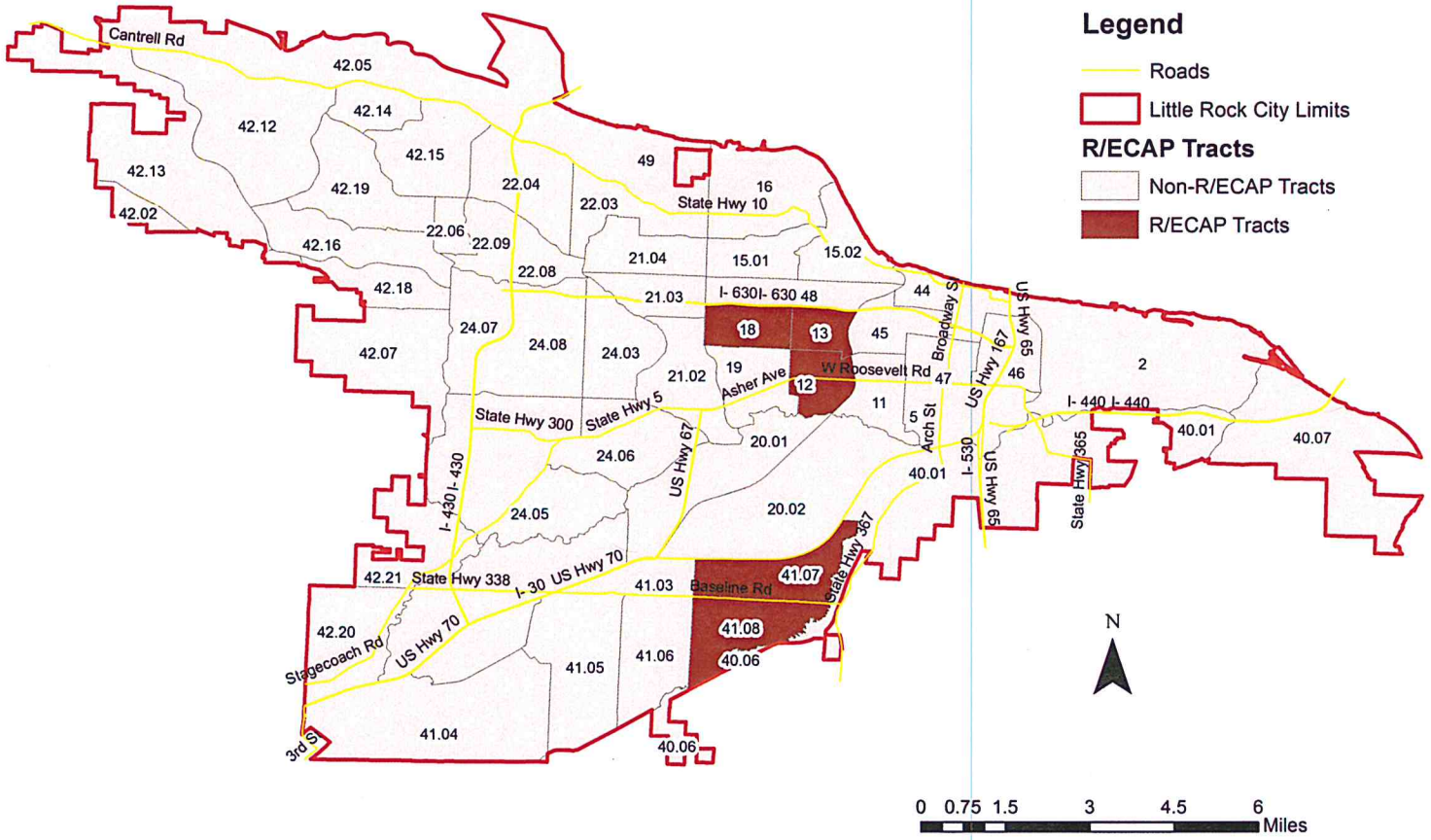
1.6. Areas of Concentrated Poverty and Racial/Ethnic Concentration and Segregation (RCAP/ECAP)

The U. S. Department of HUD has defined "Areas of Poverty, Racial and Ethnic Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and three times or more the poverty level of the city and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the county. The goal of de-concentration would be to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into "Opportunity Areas". Opportunity Areas – areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. The Map 1.16 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

The poverty rate in Little Rock is 18.6 percent. Three times the poverty rate is 55.8 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. Five census tracts within Little Rock are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate and are located in central and southern Little Rock as shown on the following map.

In addition to poverty, racial and ethnic concentrations and segregation, this area is likely to contain housing units in very poor condition and neighborhood conditions and infrastructure that is in need of improvement in order for conditions to be reversed and become an area of opportunity.

Map 1.16: Racial/Ethnic Concentrations of Poverty



Section 2: Fair Housing Law, Court Case, Policies, Regulatory, Entitlement Programs and Complaint Analysis

Introduction

It is important to examine how the City of Little Rock laws, regulations, policies and procedures will ultimately affect fair housing choice. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Relevant judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

The City of Little Rock has not enacted local fair housing legislation that is substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on the State of Arkansas Fair Housing Act. In the analysis the State of Arkansas statues were compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and is construed as being substantially equivalent to the Federal Act. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending. Section 2.2 summarizes the level of fair housing enforcement activity in the City of Little Rock.

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of any City of Little Rock funded Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG) and Home Investment Partnership Act (HOME) programs utilizing federal entitlement funding and Little Rock Housing Authority Public and Assisted Housing programs detailed in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are City of Little Rock Consolidated Plans, Annual Action Plans, and the Consolidated Annual Performance Evaluation Reports (CAPER) and Little Rock Housing Authority Five Year Plan and Annual Plans. City and PHA staff also provided information on its current and future initiatives utilizing CDBG funds and other federal grants.

Our analysis of development regulations, advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by City Departments, advisory boards and City Commission.

Section 2.5 provides an analysis of fair housing complaints filed with HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Fort Worth Regional Office, Fair Housing and Equal Opportunity (FHEO) Division has responsibility for fair housing enforcement in Little Rock. Official compliant data was received from the HUD Fort Worth Regional Office, Fair Housing Equal Opportunity Division.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
  - ✓ Providing false or misleading information about a housing opportunity,
  - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
  - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
  - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
  - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
  - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
  - ✓ Using different provisions in leases or contracts for sale,
  - ✓ Imposing slower or inferior quality maintenance and repair services,
  - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,
  - ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or

- ✓ Evicting minorities, but not whites, for late payments or poor credit;

- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
  - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
  - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
  - ✓ Using different procedures or criteria to evaluate credit worthiness,
  - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
  - ✓ Implementing a policy that has the effect of excluding a minority area, or
  - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act at the national level, in March 2008, the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to

$11,000; the second offense within a five year period, up to $27,500; and for a third violation within seven years up to $55,000.

The prohibition in the Fair Housing Act against advertising that indicates any "preference, limitation or discrimination" has been interpreted to apply not just to the wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from March and April 2015 was conducted. These types of advertisements cover an area larger than City of Little Rock, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;
- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in Little Rock were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD

will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHAP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply: Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

Court Decisions play a major role in interpreting the Federal Fair Housing Act and defining the protections under the Act. A review of the ruling for landmark and other significant cases has been incorporated into the AI methodology to identify actions, omissions, policies, and regulations resulting in litigations that serve to inform jurisdictions, industries, advocacy groups and the general public prior to those same actions being challenged in their jurisdictions. The following provides highlights of select cases:

On Thursday, June 25, 2015, the Supreme Court released a 5-4 ruling that allows housing policies and practices to be challenged under the Federal Fair Housing Act based on disparate impact. The U.S Supreme Court's ruling in **Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, et. al**, was one of the most highly anticipated rulings in the area of fair housing and the placement of tax credit developments. This lawsuit was originally filed in 2008 when The Inclusive Communities Project (ICP) filed a disparate impact claim against the Texas Department of Housing and Community Affairs (TDHCA) alleging that it was disproportionately awarding most of the tax credits in racially segregated neighborhoods. Disparate impact is when a policy or practice has an adverse impact on any one racial or ethnic group. More specifically ICP claimed that TDHCA was preserving racial segregation in the manner in which it was awarding the tax credits. This claim contended that although TDHCA's policies appeared race neutral, they in fact had a discriminatory effect on poor, minority communities.

The lawsuit was brought so that TDHCA would change its rules and policies and therefore distribute awards of low income housing tax credits in more suburban areas. The District Court found that ICP had established its claim of disparate impact and provided that TDHCA create new selection criteria for the awarding of the credits to assure a more equal distribution of the credits. TDHCA appealed the district court ruling, but the Fifth Circuit upheld the District Court and found that the disparate impact claims are recognizable under the Fair Housing Act ("FHA"). Prior to this ruling, HUD issued new regulation, the Assessment of Fair Housing (AFH), which set out the federal government's

interpretation of disparate impact liability under the Fair Housing Act. This regulation indicated that the plaintiff had the burden of showing that the challenged practice had a discriminatory effect before the burden then shifts to the defendant to show that the practice is in fact necessary. For this reason, the Fifth Circuit also held that it was not the burden of TDHCA to prove there were "less discriminatory methods for allocating the tax credits". TDHCA filed a writ of certiorari or request to be heard by the Supreme Court, for a ruling on whether disparate impact cases are in fact recognizable under the Fair Housing Act. And it is in response to that request that the Supreme Court has ruled.

Although the Supreme Court ruled that TDHCA's policies can be challenged under the Fair Housing Act, they also weighed the concerns of a developer's ability to make decisions about where to build based upon market and other real estate reasons. They encouraged that one time decisions should not be construed as overall policy. The case showed that the Supreme Court also understood that there had to also be consideration given to rebuilding and revitalizing low income and inner city neighborhoods which is also one of the intents of the tax credit program. The ruling stated that "if the specter of disparate-impact litigation causes private developers to no longer construct or renovate housing units for low-income individuals, then the Fair Housing Act would have undermined its own purpose as well as the free-market system."

This case was the third disparate impact that the Supreme Court agreed to hear in the last four years. However, the other two were settled prior to oral argument. The housing world will continue to await any further decisions that may be rendered by the Fifth Circuit as the case was also remanded for further proceedings.

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Walker public housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial

discrimination in housing. The early stage of Walker resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, Walker III, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) approximately 9,900 new assisted units have been made available to Walker class members.

(b) approximately $22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) $2 million was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) $94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) $10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, **Young v. HUD** represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and $13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

A. The final judgment that was entered by the Court in 1995,

B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order,

C. The agreement between the plaintiffs and the State of Texas for the last $4.4 million of the total $13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act "applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant." The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family's contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, "Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable." A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a $100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for $250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes' real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

In 2009 a landmark housing discrimination case was settled between the **Connecticut Fair Housing Center and the New Horizons Village Apartments**. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can "live independently." The Connecticut Fair Housing Center stated

"The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities."

In **County of Edmonds v. Oxford House**, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In Oxford House v. Township of Cherry Hill, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In Oxford House-Evergreen v. County of Plainfield, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination."- was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the Olmstead case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the **Anti-Discrimination Center (ADC) against Westchester County, NY,** the U.S. Supreme Court defined "affirmatively furthering fair housing choice" as a required intent of the Federal Fair Housing Act. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had "utterly failed" to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will "affirmatively further fair housing." Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order's desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a $10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of $5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay $300,000 to persons with disabilities for not making its housing facility fully accessible, with $75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a $3,000 civil penalty.

In 2005, the **Connecticut Commission on Human Rights and Opportunities (CHRO)** issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of $10,000 and imposed a civil penalty of $1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, **the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas.** The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over $38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized

the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is pending appeal.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not generally covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore, the inability of people to find affordable housing which may lead to homelessness, is in conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a

discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profits have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The U.S. Department of Housing and Urban Development enforces federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status. The Fair

Housing and Equal Opportunity (FHEO) Division of the Fort Worth, Texas Regional Office is responsible investigations of fair housing complaints that are reported directly to their office. Little Rock, Arkansas is part of the HUD Region VI that includes Arkansas, Oklahoma, Louisiana, New Mexico, and Texas. When the HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5. When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

The City of Little Rock Department of Housing and Neighborhood Programs' designated Fair Housing Officers direct fair housing complaints to and makes referrals to HUD for enforcement. The department is also responsible for conducting public education, training and outreach of fair housing rights in Little Rock. Education of the public regarding the rights and responsibilities afforded by fair housing law is an essential ingredient of fair housing enforcement. This includes outreach and education to the general public, landlords and tenants, housing and financial providers, as well as citizens, concerning fair housing and discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, housing providers may impose unreasonable occupancy standards that have the effect of excluding families with children. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory.

2.3. Production and Availability of Affordable Units / CDBG Grant Administration

An assessment of characteristics affecting housing production, availability, and affordability in Little Rock and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG and HOME Entitlement. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. The City of Little Rock's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized and our determination is that resources have been used to address fair housing impediments identified prior to 2015.

2.4. Regulatory and Public Policy Review

The City of Little Rock has not enacted local fair housing legislation that is substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on the State of Arkansas Fair Housing Act. In the analysis the State of Arkansas statues were compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and is construed as being substantially equivalent to the Federal Act.

The zoning ordinances and development codes for the City of Little Rock were examined to reveal any current ordinances or policies that impede fair housing choice. The City of Little Rock's land development codes and zoning regulations address affordable housing

and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. Regulations allow unrelated persons to reside in a single family structure and have adequate provisions for group homes and special needs populations.

The Zoning and Development Policies for the City of Little Rock does not provide incentives for developers to increase the production of affordable housing, and do not provide for reduced fees or expedited permitting and zoning to developers who propose affordable housing citywide. However, the City does provide reduced fees for building permits in Target Neighborhood Enhancement (TNEP) areas in the city. Incentives are not mandated by HUD but have been successfully administered in other jurisdictions as a means of increasing affordable housing. Community participants in Little Rock were particularly vocal on this concern and wanted the City to consider both policy changes as well as future programs aimed at revitalization and rehabilitation of existing affordable housing and neighborhoods such as Land Banks, infill housing programs, inclusionary zoning/incentivized zoning, and density and height allowances for developers proposing affordable housing.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Little Rock from June 1, 2010 through May 31, 2015. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) Division of the Fort Worth Regional Office. A total of 258 complaints were filed according to one or more of seven basis, including: national origin, color, religion, familial status, handicap, sex, and race. Table 2.5.1, shows the breakdown. The total actually sums to 310 because some cases cited multiple basis for the complaint. The data represents a significant increase in complaints filed for the five year period.

Table: 2.5.1: Fair Housing Complaints by the Basis of Complaint June 2010 - May 2015

Protected Class	Race/ Color	National Origin	Familial Status	Handicap Disability	Sex	Religion	Retaliation Harassment	Total
2010	17	3	3	17	5	0	4	**49**
2011	17	4	4	19	7	0	6	**57**
2012	22	1	6	11	4	0	0	**44**
2013	20	3	5	13	7	0	4	**52**
2014	28	9	16	25	11	5	8	**102**
2015	1	0	1	2	2	0	0	**6**
Total	**105**	**20**	**35**	**87**	**36**	**5**	**22**	**310**

Source: U.S. Department of Housing and Urban Development – Fort Worth Regional Office

Of the 258 complaints, 113 cases were closed with a no cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. There were 41 cases dismissed due to Administrative Closure. There were 46 cases closed due to conciliation, 6 cases closed with Cause determined, 37 cases withdrawn with no action taken, and 15 cases remained open. Table 2.5.2 shows case closure by year.

Table: 2.5.2: Type of Case Closure (2010 - 2015)

Type of Closure	2010	2011	2012	2013	2014	2015	Total
Cases remain open	0	0	0	0	8	7	**15**
Case Conciliated / FHAP Judicial Consent Order	7	8	4	8	15	4	**46**
No Probable Cause / FHAP Judicial Dismissal	15	26	18	16	12	26	**113**
Cause	1	0	2	1	2	0	**6**
Withdrawn/No Action Taken	3	8	8	2	14	2	**37**
Unable to Locate Complainant / Complainant failed to cooperate	0	0	0	0	0	0	**0**
Administrative Closure	3	5	4	9	15	5	**41**
Lack of Jurisdiction/Administrative	0	0	0	0	0	0	**0**
Totals	**29**	**47**	**36**	**36**	**66**	**44**	**258**

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

Fair Housing Law – The City of Little Rock has not enacted local fair housing legislation that is substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on the State of Arkansas Fair Housing Act. In the analysis the State of Arkansas statues were compared to the Federal Fair Housing Act and a determination made that it offered similar rights, remedies, and enforcement to the federal law and is therefore construed as being substantially equivalent to the Federal Act.

Development Regulations - The City of Little Rock's zoning ordinances, development codes and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. The land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing. However, the Zoning and Development Policies do not provide incentives for developers to increase the production of affordable

housing. The City of Little Rock does provide developers reduced building permit fees in Targeted Neighborhood Enhancements (TNEP) areas in the city. While the Incentives are not mandated by HUD and a lack of such incentives are not deemed violations of the Federal Fair Housing Act, not having incentives to help induce affordable housing is deemed an impediment to fair housing choice. Other jurisdictions have been success in implementing and administering incentivized regulations as a means of increasing affordable housing.

Industry Practices - Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the Little Rock area were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included FHEO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons. There were no violations of the Federal Fair Housing Act identified.

Entitlement Funding - An assessment of characteristics affecting housing production, availability, and affordability in Little Rock and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG and HOME Entitlement program funding.

Funding was used appropriately and in accordance with HUD regulations to address impediments identified in previous Analysis of Impediments and affordable housing and community development needs of low and moderate income populations.

Fair Housing Complaint Data - Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Little Rock from June 1, 2010 through May 31, 2015. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) Division of the Fort Worth Regional Office. A total of 258 complaints were filed according to one

or more of seven basis, including: national origin, color, religion, familial status, handicap, sex, and race.

Of the 258 complaints, 113 cases were closed with a no cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. There were 41 cases dismissed due to Administrative Closure. There were 46 cases closed due to conciliation, 6 cases closed with Cause determined, 37 cases withdrawn with no action taken, and 15 cases remained open.

Section 3: Focus Group Sessions and Community Engagement

Introduction

The City of Little Rock, Arkansas followed its designated Community Participation Plan in developing the 2015 Analysis of Impediments. City of Little Rock Housing and Neighborhood Program Department, 500 West Markham, Suite 120W, Little Rock, Arkansas 72201, served as lead agency for the development of the AI.

Public Hearings / Focus Group Sessions for the AI were held in conjunction with public hearings for the development of the 2016 – 2020 Consolidated Plan and 2016 Annual Plan. The initial Public Hearing / Public Forum to receive public input was held June 8, 2015 at the Willie Hinton NRC, 3805 West 12th Street, Little Rock, Arkansas. Two Focus Groups to receive input for the Analysis of Impediments and Public Forums / Public Hearings to receive Consolidated Plan input were held on June 22nd, 2015 at Willie Hinton NRC, 3805 West 12th Street and June 23rd, 2015 at the Southwest Community Center, 6401 Baseline Road, Little Rock, Arkansas. Two additional Public Forums / Public Hearings to receive Consolidated Plan input were held on June 29th, 2015 at West Central NRC, 4200 John Barrow Road and June 30, 2015 at Wright Avenue NRC 1813 Wright Avenue, Little Rock, Arkansas. Two meetings of the Consolidated Plan Advisory Committee were held July 16th and July 23rd to review the draft recommendations for the 2016 Annual Plan.

Attendees for the Focus Group and Public Forum were gathered through email invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notice published in the local newspaper. At the Focus Group and Public Forum, general issues related to the housing market, neighborhoods conditions, community development needs and concerns pertaining to fair housing choice in the City of Little Rock were discussed.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants. JQUAD has made every effort to document all comments as provides as matter of record. Therefore comments presented on the following pages represent our summary of the comments as we heard them, and we have made every effort to not alter those comments to reflect our analysis, investigation or substantiation of information obtained during the session. Focus Group comments were later analyzed and to the extent substantiated or collaborated by the data and analysis, included in Section Six: Impediments and Remedial Actions.

A summary of the comments from Focus Group participants are detailed in the section below.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

Social-economic issues were of major concern to participants in the focus group session. Frequently mentioned in the focus group session was the perceptions that lower income persons and seniors were particularly impacted as the supply of affordable housing in good condition becomes more limited and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed the number of persons lacking sufficient income for housing and housing related cost was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that insufficient income and cost burden is a major concern, especially elderly and lower income households. Quality of housing is suffering. Limited incomes are having an adverse impact on the condition and quality of single family owner occupied housing due to deferred maintenance and residents inability to afford maintenance and utility cost.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants recommended the need for senior housing and renovations and building standards that support seniors aging in place; increased funding to support new affordable housing development and funding for emergency repair and substantial renovation of owner occupied housing. Others were concerned with landlord tenant disputes with tenants having little recourse when land lords fail to maintain property or when paying high utility cost due to a lack of energy efficiency. Decreased funding for entitlement funded programs was also viewed as primary barriers to affordable housing.

Public Policy, Regulatory, and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite fair housing education, training and outreach programs funded locally, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by landlords and owners who violate the housing regulations, if they report maintenance and housing code violations to the city.

Community participants in Little Rock were particularly vocal on this concern and wanted the City to consider both policy changes as well as future programs aimed at revitalization and rehabilitation of existing affordable housing and neighborhoods such as Land Banks, infill housing programs, inclusionary zoning/incentivized zoning, and density and height allowances for developers proposing affordable housing. Other participants wanted greater emphasis on code enforcement as a means of improving housing conditions.

Access to Financial Institutions Products, and Basic Goods and Services

Predatory lending practices were identified as an issue. The perception was that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and are fast becoming lenders of choice for low-income persons and those with limited income to pay for housing, transportation or other essential needs.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a barrier that limits housing choice. Credit issues appeared to be the major barrier, based on focus group participants' comments. Financial literacy was considered a major issue and participants wanted a greater emphasis on financial literacy for special needs populations and financial literacy incorporated as a part of adult literacy programs.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice and a major hurdle for low income persons. These limitations include a concern for seniors, disabled and severely mentally ill persons in need of affordable housing and public transportation in close proximity or convenient to affordable housing and services; and the lack of availability of public transportation for persons to travel back and forth to work, school, medical and social service facilities.

Special Needs Housing

Participants were concerned that greater funding needs to be provided for the elderly to age in place, and to provide housing for others in need of special needs housing.

3.2. Solutions

The JQUAD facilitator discussed some possible solutions for improving neighborhood conditions. Homeless and social service advocates supported increased emphasis on centralized intake and case management, coordination of services, and homeless prevention. Participants also supported greater emphasis on financial literacy and housing consumer counseling.

Section 4: Home Mortgage Disclosure Act (HMDA) Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the HMDA databases through their website for download and analysis. Data inputted into a spreadsheet for analysis. For this analysis, the FFIEC databases were utilized for 2007 through 2013.

The data reported in this section are summarized by a variety of methods. Tables 4.1 through 4.4 provide information for Pulaski County. Charts 4.1 through 4.6 display the data graphically. The maps, provided at the end of this section, present data by census tracts for the County with Little Rock city boundaries shown on the maps.

4.1. Analysis

Over 114,500 conventional loan applications were reported in the county between 2007 and 2013.

Table 4.1 provides a look at the number of loan applications and origination rates in the county by loan type, ethnicity, income, and loan purpose. Looking first at loan type, conventional loans were the most frequent home loan applications with almost 68 percent of home loan applications, with government-insured home loans (FHA and VA) showing lower origination rates, 39.4 percent compared to 48.0 percent for conventional loans. About 33 percent of the conventional home loan applications were submitted in the first two years of the study period, 2007 through 2008, as detailed in Table 4.3 and shown in Chart 4.6. In 2007, over 23,900 conventional applications were recorded, compared to less than 3,600 for government-insured loans. By 2009 conventional applications had dropped to about 16,300, still higher than the number of government-insured applications reported at 10,216. Conventional

applications continued to fall through 2011 to just over 12,600 applications. Government-insured loan applications peaked in 2009.

The White applicants origination rate for all loans during the period from 2007 through 2013 was 55.6 percent.

The second section of Table 4.1 reports number of loan applications and origination rates by ethnicity. The largest number of applications was from White applicants with over 100,200, with the highest origination rate at 55.6 percent. The second largest number of applications was from African-American applicants at over 28,200 applications. African-American origination rates were lower than Whites at 40.1 percent. Hispanic applications numbered 2,958 with origination rates at 46.7 percent. Comparing origination rates by ethnicity by applicant income in Chart 4.2 shows much higher origination rates for White applicants within all income groups when compared to the other two largest racial/ethnic populations. Asians and Native Hawaiians had high overall origination rates for the higher income categories. Asians had a relatively low number of loan applications, however, at fewer than 3,000 applications and Native Hawaiians even fewer at 288. African-American applicants, the second highest number of applications reported, showed much lower origination rates, even when comparing low-income White applicants to high-income African-American applicants. High-income African-American origination rates were about 46 percent, compared to the low-income White origination rate of about 52 percent.

High and low income applicants had the two largest number of applications by income group.

The third section of Table 4.1 shows the distribution of loan applications by applicant income. The largest number of applications reported was from high-income applicants with almost 65,000 applications and an origination rate at 53.9 percent. The next largest number was from low-income applicants with almost 29,500 applications and an origination rate of 48.3 percent. Not surprisingly, the table shows that each

successive higher income group had a higher origination rate then the previous income group, with the exception of low-income applicants whose origination rate equaled that of the middle-income category.

There were over 89,900 refinance loan applications submitted during the study period.

The last section of Table 4.1 shows loan applications and origination rates by loan purpose. The most loan applications were for refinance loans at 89,973, compared to 67,678 for home purchase loans and almost 11,000 for home improvement loans. Home purchase loans had the highest origination rate at 47.2 percent, compared to 43.6 percent for refinance loans and 46.1 percent for home improvement loans. These data are reflected in Chart 4.1.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose) for the county with percentages taken within category rather than demonstrating the percentage of applications that result in loan originations. For instance, Table 4.2 indicates that 72.1 percent of originations for the county were for conventional loans whereas the origination rate is 48.0 percent from Table 4.1. For comparison, ethnic percentages were included under the "Percent of Population" column to compare the percentage of originations by ethnic group to their percentage in the population.

Over 72 percent of home loan originations were for conventional loans.

For Loan Type, "Conventional" shows the highest percentages, at 72.1 percent. Government-insured loans, which are government insured and have more stringent lending criteria, were approximately 28 percent of the originations. Referring back to Table 4.1, government insured loans had a lower origination rate than conventional, at 39.4 percent for government insured versus 48.0 percent for conventional.

In the county, for Ethnicity, "White" shows the highest percentage of originations at 73 percent of the total. The percentage of originations is well above the percentage of Whites in the population; though census data show Hispanics as White when looking at race, so the non-Hispanic White population is somewhat less than 51.6 percent. African-Americans account for 42.2 percent of the population, compared to 14.9 percent of loan originations. Hispanic applicants accounted for 1.8 percent of all originations, with 6.7 percent of the total population. This is likely a reflection of the reality that African-Americans and Hispanics are more likely to fall within lower-income groups and, therefore, less likely to qualify for mortgage financing.

Whites accounted for 73 percent of all loan originations during the study period.

For Income, the highest income group (>120% median) displays the highest percentage of originations, 45.9 percent of all originations. It stands to reason that the highest income group would have the greatest success in being approved for loans. Loan Purpose data show that refinance loans accounted for about 51 percent of the originations. Home purchase loans were the second most frequent purpose with 41.9 percent. Home improvement loans accounted for 6.6 percent of all originations.

Table 4.3 examines origination rates, total number of applications, and denials, all by years and loan types. The changes in the housing market over the study period show up in some interesting patterns. The most noticeable change over the seven years shown is the steep decline in conventional loan applications from a high of over 23,900 in 2007 down to a low of under 12,625 in 2011. Home improvement loan applications also show a steady decline from 2007, falling from a high in 2007 of 2,526 applications to 1,023 applications in 2011. Government-insured and refinance loans were the only categories where large declines were not seen over the seven-year period, with refinance starting at 11,300

Conventional loan applications submitted dropped from a high of over 23,900 in 2007 to under 12,625 in 2011.

applications in 2007 and peaking in 2009 at about 15,600 applications and peaking again in 2012 at 15,367, after a small drops in 2008 and 2011. Government loan applications started at 3,588 in 2007, peaked at 10,935 in 2009, but fell back to less than 7,800 applications by 2011. These data are shown in Chart 4.6

Origination rates for home purchase applications peaked at over 48 percent in 2008.

Origination rates for conventional loans rose during the seven years of the study period, starting at about 43 percent, and peaking in 2012 at a high of 51.7 percent. Government-insured origination rates peaked at 41 percent in 2012. Refinance origination rates rose from a low of 36.6 percent in 2007 to a high of 48.3 percent in 2012. Home purchase origination rates varied from 46.2 percent in 2007 to 48.6 percent in 2008, dropping to 45.1 percent in 2009 before rising to peak again at 48.4 percent in 2012. These data are shown in Chart 4.5.

Debt-to-income ratio was the largest category for loan denials, in the early years of the study.

The total number of denials showed fairly consistent decline through the seven-year period for conventional, refinance, and home improvement loans. These data reflect the decline in total number of loan applications during the study period. Government-insured loan application denials peaked in 2009. These data are shown in Charts 4.3 and 4.4. Chart 4.4 shows that the reasons for loan denials were primarily due to debt-to-income ratio throughout the span of the study. Credit history and collateral were other significant factors.

The percentage of applications received from Whites was larger than those received from minorities for home purchase loans, refinance, and home improvement loans.

Table 4.4 compares applications reported between minorities and White applicants for the various loan purposes and income groups. For all three loan purposes shown (Purchase,

Refinance and Home Improvement), the number of loan applications from White applicants was higher than from Minorities. For home purchase loans, the percentage of applications from Whites was over 58 percent and 22 percent for minorities. White applicants for home improvement loans represented about 54 percent of applications. Refinance loans reported 60 percent submitted by Whites. As shown earlier, Whites account for about 52 percent of the population of the county, less those Hispanics reporting White as race in the census.

Looking at the income group comparison, similar patterns hold up for all income categories. The percentage of applications from Whites is highest for all of the income categories. The percentage peaks at about 41 percent minority for the very low-income group. Not surprisingly, denials were highest for the very low-income group, for minorities, Whites, and not provided, as well. The high-income group also had the most applications, with the low-income group second.

The maps show applications and the ratio of denials to originations with the darkest shaded areas showing where the least activity is located or where the least success in originating loans occurs.

Map 4.2 through 4.7 present loan activities by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest shades indicate those areas where denials were highest in comparison to originations. Map 4.7 shows the ratio for all loan types combined. The ratio for the least successful areas, those in the darkest shades in each map, represents those areas where more loans were denied for each loan originated. Lighter shaded areas have more successful loan applicants.

Map 4.1 shows the total number of loan originations by census tract. Less active areas are shown in the darker colors, with the most active areas in lighter colors. Like the other maps, the dark areas are meant to indicate areas of concern,

either for a lack of loan activity or for their low rate of application originations in relation to denials.

4.2. Conclusions

In the county, the least success in borrowing was found in the home improvement loan sector, given the number of applications submitted, and the highest success was found in home purchase loan sector, particularly in conventional loans. Refinance loans were the most frequent loan type.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans in the county. Though, African-Americans accounted for the second highest number of applications after Whites, the percentage of loan originations was considerably lower compared to their percentage in population in the county.

Applicants' debt-to-income ratio or credit history accounted for the highest percentage of loan denials among all races and ethnicities, with a significant showing for the lack of collateral category, particularly in the middle years of the study period.

Overall, the lending activity decreased in the middle years of the study due to the impacts of the economic slowdown and the sub-prime lending crises.

Lending activity decreased over the seven years of the study period, reflecting the impacts of the economic slowdown and the national housing crisis.

Table 4.1

Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Application and Origination Rates
Pulaski County
2007 - 2013

	Number of Apps.	Orig. Rate
Loan Type:		
Conventional	114,569	48.0%
Government-insured	54,072	39.4%
Ethnicity:		
Native American	584	42.8%
Asian	2,977	52.9%
African American / Black	28,225	40.1%
Hawaiian	288	44.8%
White	100,206	55.6%
Hispanic	2,958	46.7%
Not Provided	14,046	34.6%
Not Available	22,315	10.8%
Income:		
<50% median (very low)	14,221	35.9%
50-79% median (low)	29,470	48.3%
80-99% median (moderate)	18,716	46.6%
100-120% median (middle)	15,650	48.3%
>120% median (high)	64,976	53.9%
Not Available	25,508	26.6%
Loan Purpose:		
Purchase	67,678	47.2%
Home Improvement	10,990	46.1%
Refinance	89,973	43.6%
Totals	168,641	45.2%

Table 4.2

Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Pulaski County
2007 - 2013

	Number of Originations	Percent of Originations	Percent of Population
Loan Type:			
Conventional	54,952	72.1%	
Government-insured	21,288	27.9%	
Ethnicity:			
Native American	250	0.3%	0.4%
Asian	1,575	2.1%	2.9%
African American / Black	11,332	14.9%	42.2%
Hawaiian	129	0.2%	< 0.1%
White	55,686	73.0%	51.6%
Hispanic	1,382	1.8%	6.7%
Not Provided	4,856	6.4%	
Not Available	2,412	3.2%	
Income:			
<50% median (very low)	5,109	6.7%	
50-79% median (low)	13,016	17.1%	
80-99% median (moderate)	8,767	11.5%	
100-120% median (middle)	7,562	9.9%	
>120% median (high)	34,991	45.9%	
Not Available	6,795	8.9%	
Loan Purpose:			
Purchase	31,954	41.9%	
Home Improvement	5,064	6.6%	
Refinance	39,222	51.4%	
Totals	76,240		

Table 4.3

Analysis of Home Mortgage Disclosure Act Data, 2007-2013
Applications, Originations, and Denials by Year and Loan Type
Pulaski County

Origination Rates

Year	Conv.	Gov.	Purchase	Home Improvement	Refinance
2007	42.8%	39.2%	46.2%	47.4%	36.6%
2008	48.4%	39.3%	48.6%	50.7%	40.8%
2009	47.2%	39.1%	45.1%	47.0%	43.0%
2010	50.2%	38.0%	47.9%	43.5%	44.2%
2011	48.8%	38.3%	47.4%	38.8%	43.8%
2012	51.7%	41.0%	48.4%	46.1%	48.3%
2013	49.4%	40.7%	47.7%	43.4%	46.2%

Total Number of Applications

Year	Conv.	Gov.	Purchase	Home Improvement	Refinance
2007	23,914	3,588	13,648	2,526	11,328
2008	14,431	7,665	9,989	2,062	10,045
2009	16,320	10,935	10,216	1,454	15,585
2010	14,624	8,993	8,611	1,142	13,864
2011	12,622	7,287	7,733	1,023	11,153
2012	16,951	8,177	9,456	1,305	15,367
2013	15,707	7,427	9,025	1,478	12,631

Denials by Year by Loan Type

Year	Conv.	Gov.	Purchase	Home Improvement	Refinance
2007	4,213	388	1,351	883	2,367
2008	2,750	1,110	920	724	2,216
2009	2,049	1,314	710	495	2,158
2010	2,178	1,123	673	475	2,153
2011	2,086	892	666	459	1,853
2012	2,332	987	701	541	2,077
2013	2,704	916	766	661	2,193

Table 4.4

Analysis of Home Mortgage Disclosure Act Data
Activity for Pulaski County, 2007-2013

	# Apps.	% of Apps.	% Denied
Home Purchase Loans			
Minorities	15,035	22.2%	17.3%
White	39,695	58.7%	6.9%
Not Provided/NA	14,481	21.4%	4.7%
Home Improvement Loans			
Minorities	3,023	27.5%	57.9%
White	5,984	54.4%	26.9%
Not Provided/NA	2,151	19.6%	44.8%
Refinance Loans			
Minorities	16,974	18.9%	30.1%
White	54,527	60.6%	13.4%
Not Provided/NA	19,729	21.9%	14.6%
Income Groups			
<50% MFI			
Minorities	5,776	40.6%	38.8%
White	6,927	48.7%	26.0%
Not Provided/NA	2,086	14.7%	40.1%
50 to 79% MFI			
Minorities	9,608	32.6%	29.3%
White	16,767	56.9%	14.8%
Not Provided/NA	3,850	13.1%	28.1%
80 to 99% MFI			
Minorities	4,769	25.3%	26.2%
White	11,979	63.7%	12.5%
Not Provided/NA	2,411	12.8%	21.4%
100 to 120% MFI			
Minorities	3,442	22.0%	24.5%
White	10,473	66.9%	11.0%
Not Provided/NA	1,987	12.7%	20.9%
>120% MFI			
Minorities	9,105	14.0%	20.8%
White	48,879	75.2%	8.6%
Not Provided/NA	7,848	12.1%	15.9%

Chart 4.1: Origination Rates by Loan Type by Tract Income Group

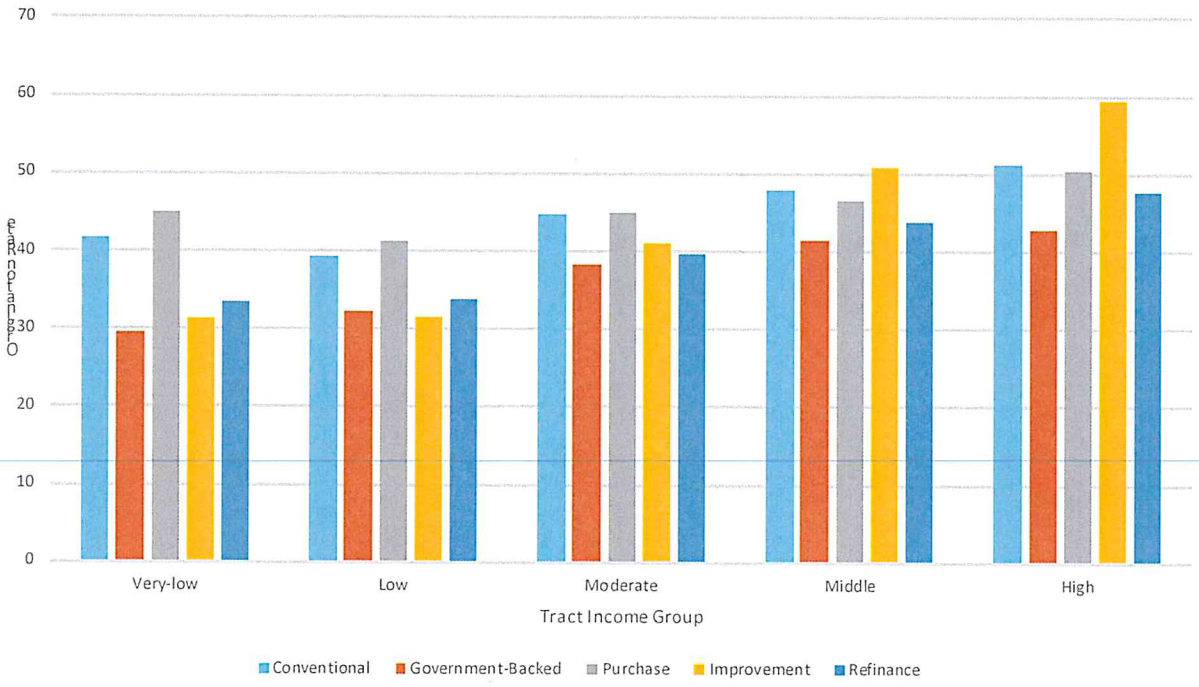


Chart 4.2: Origination Rates by Race/Ethnicity by Applicant Income Group

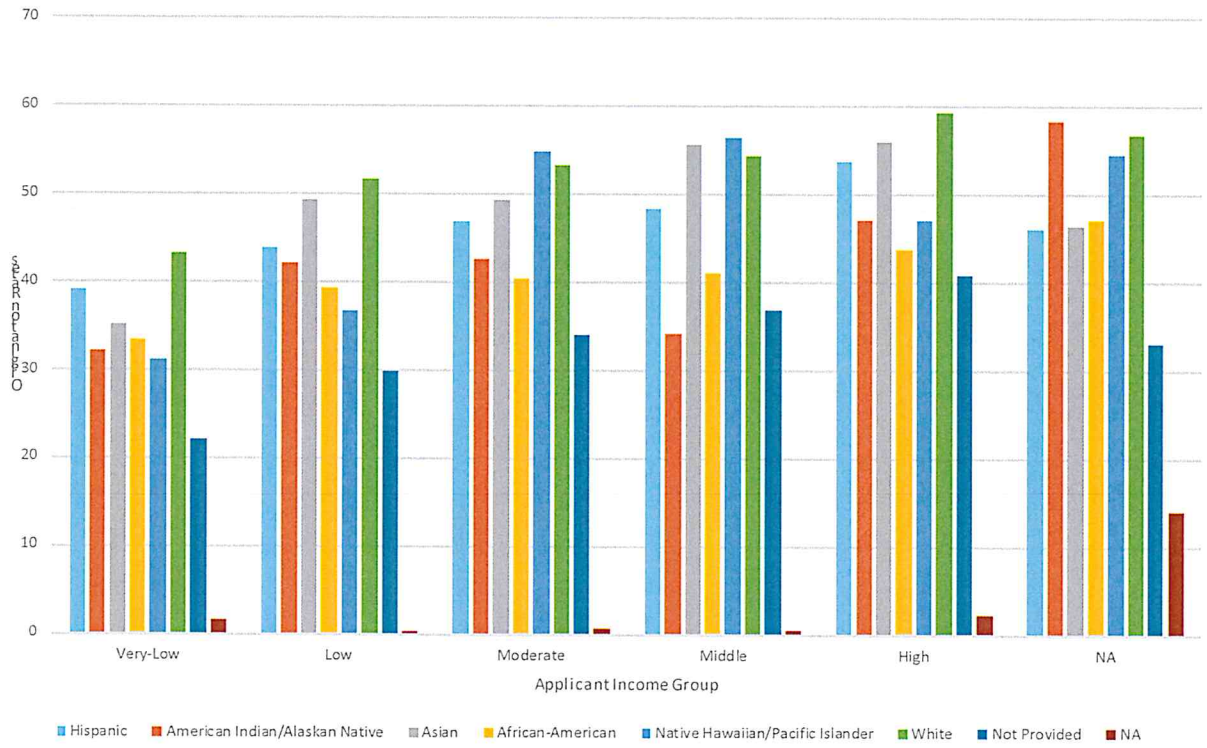


Chart 4.3: Reason for Denial by Year

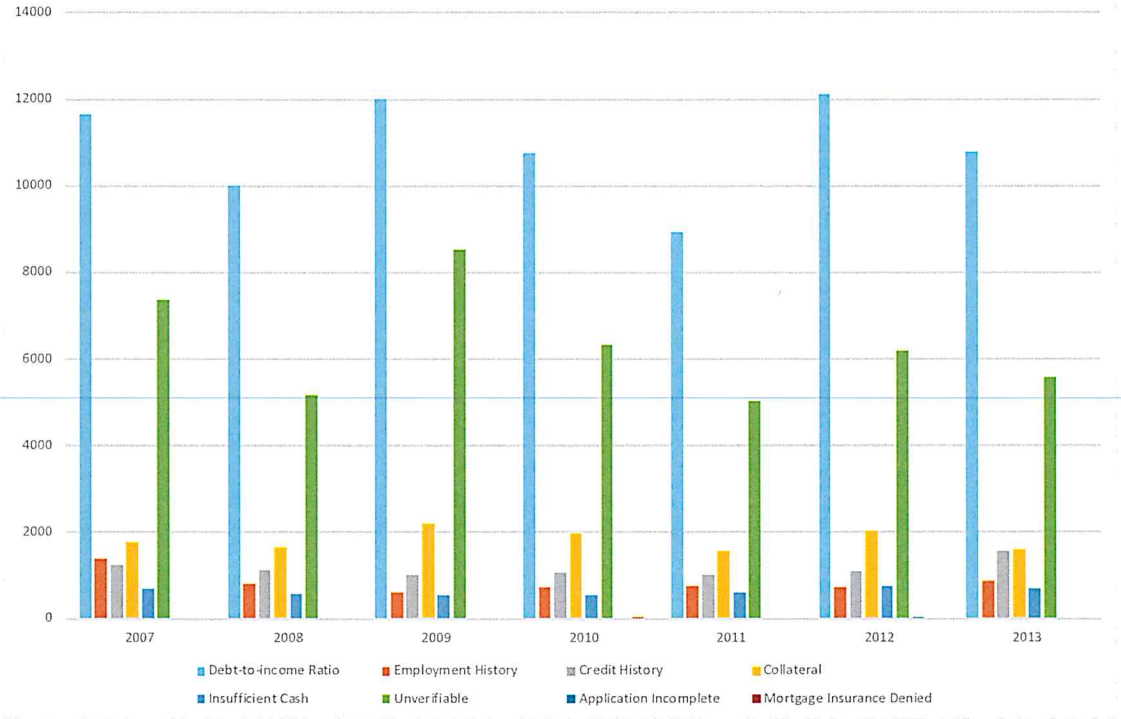


Chart 4.4: Reason for Denial by Loan Type

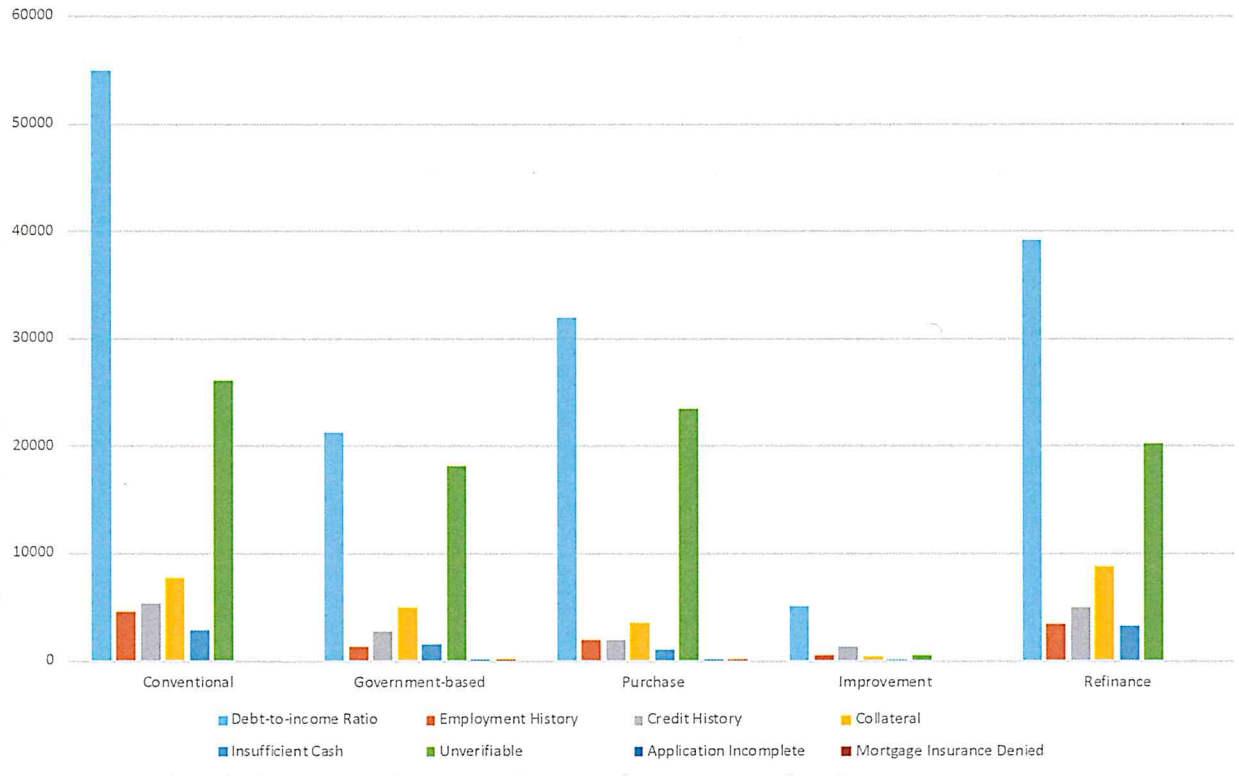


Chart 4.5: Origination Rates by Loan Type by Year

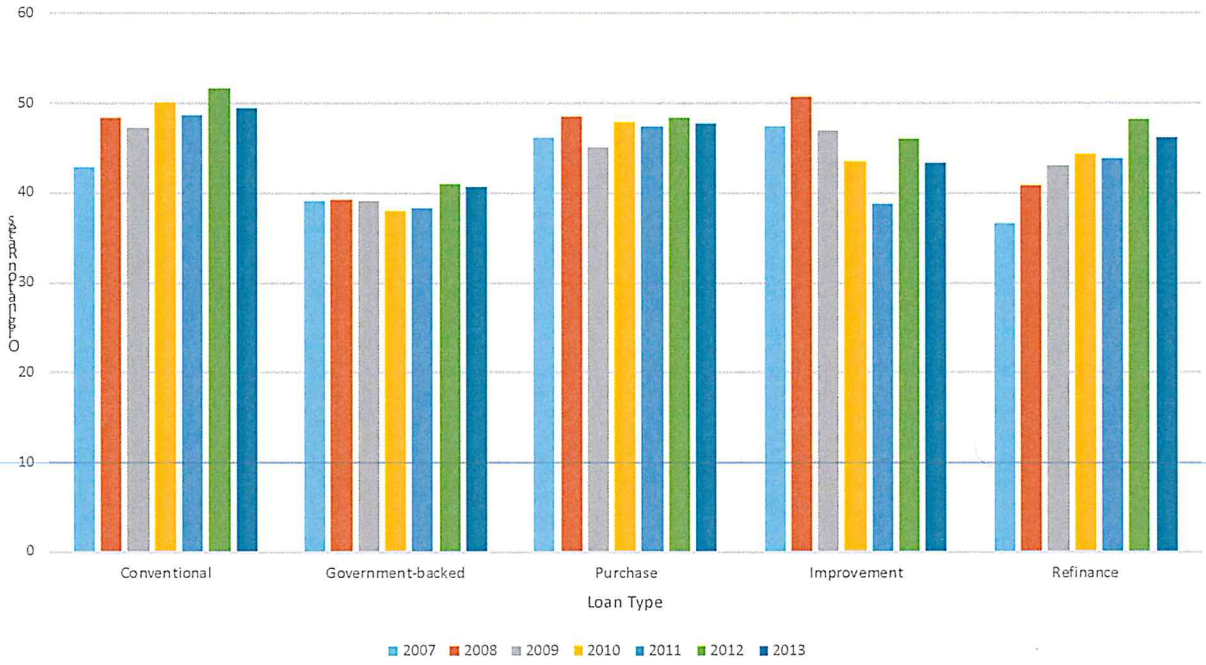
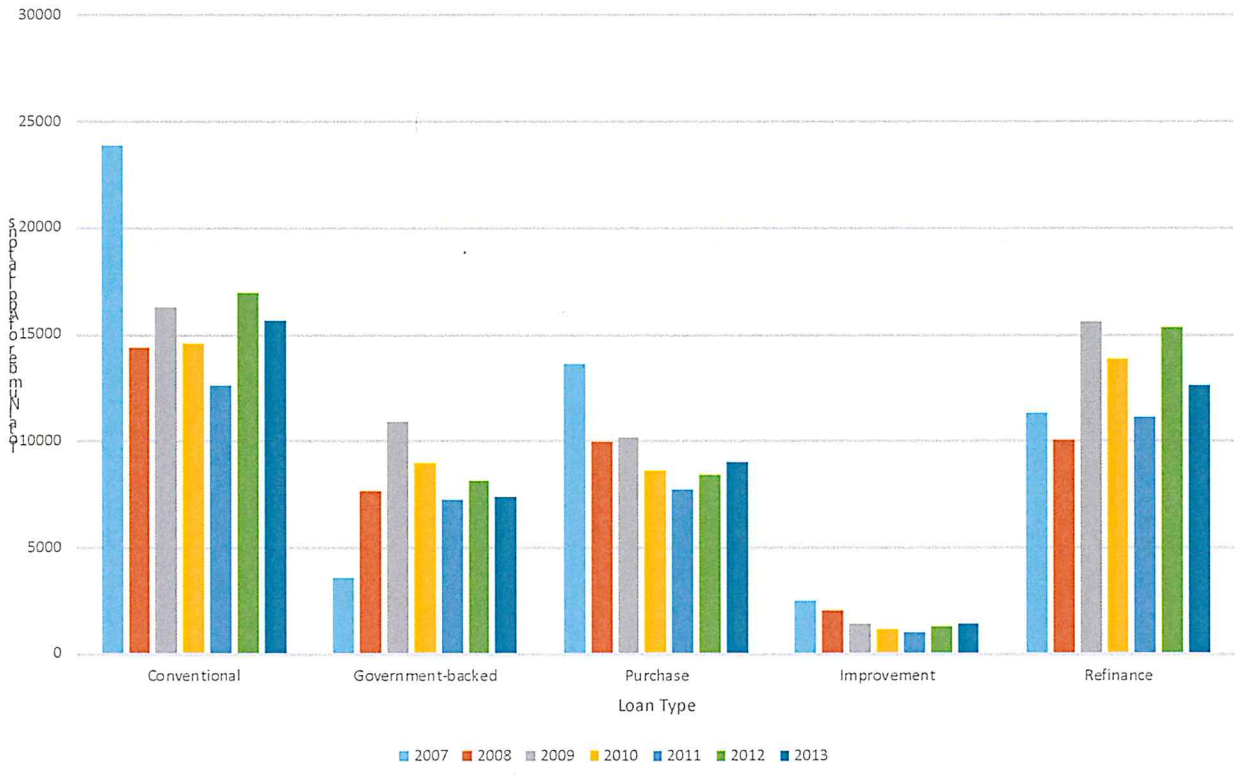
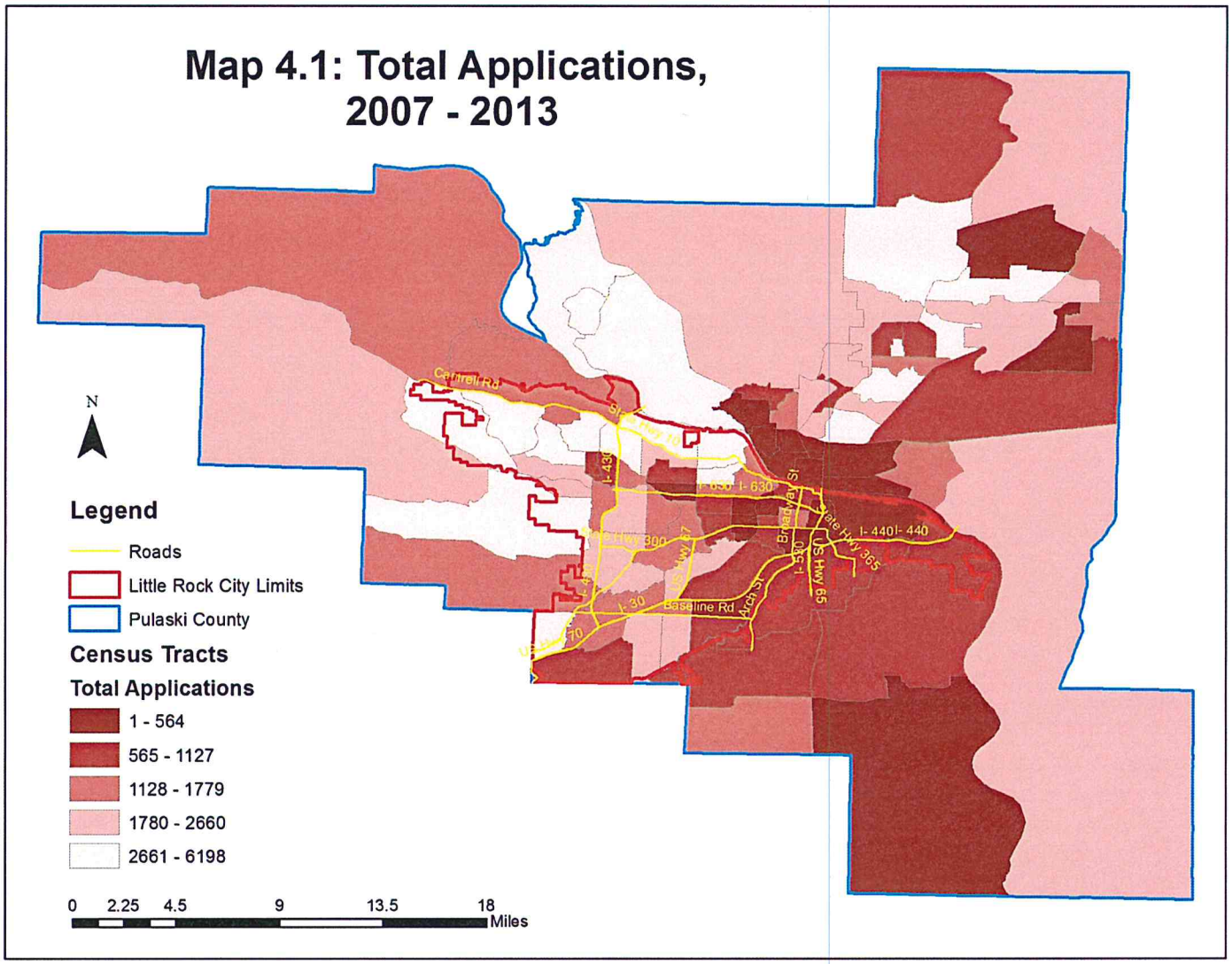


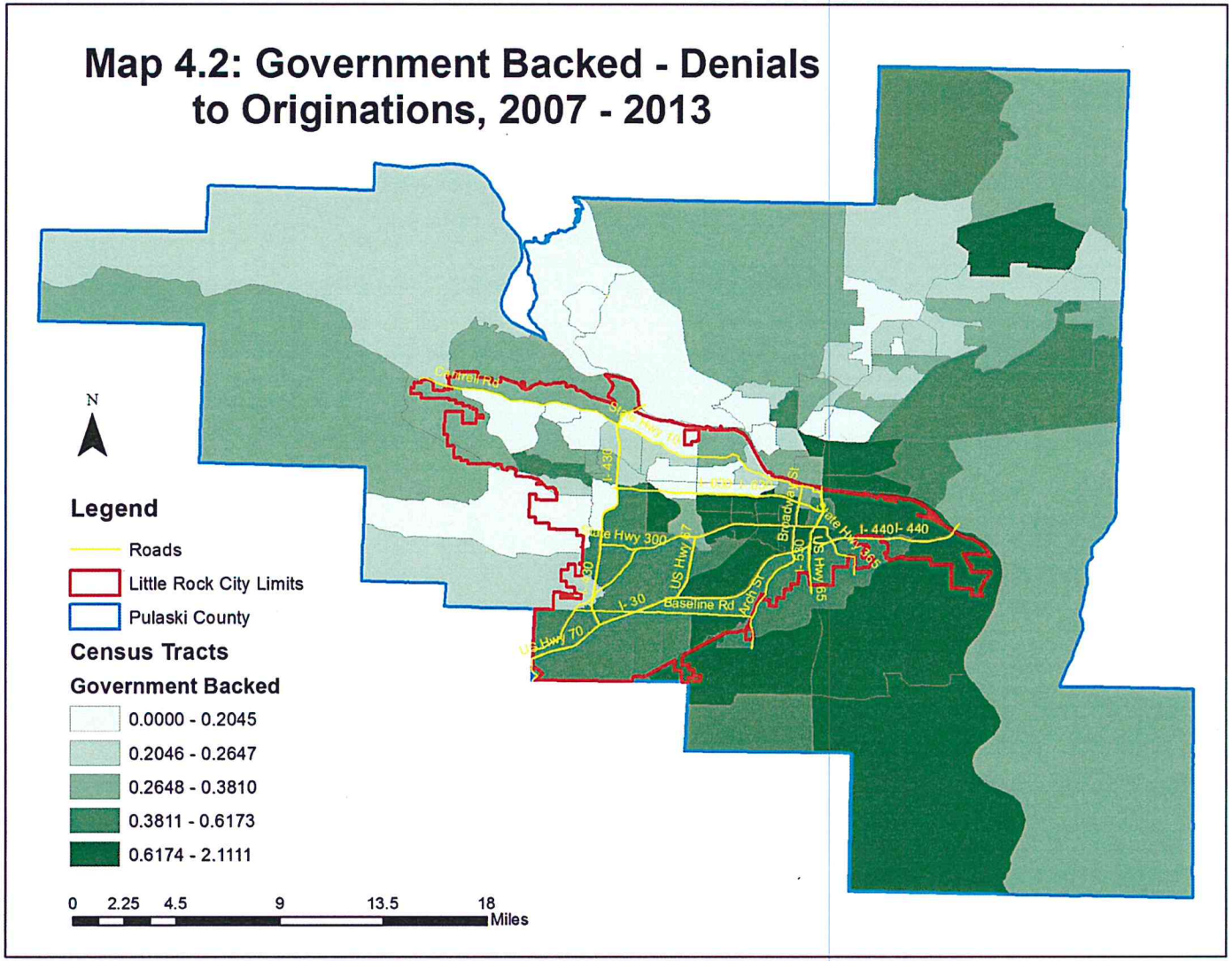
Chart 4.6: Total Applications by Loan Type by Year



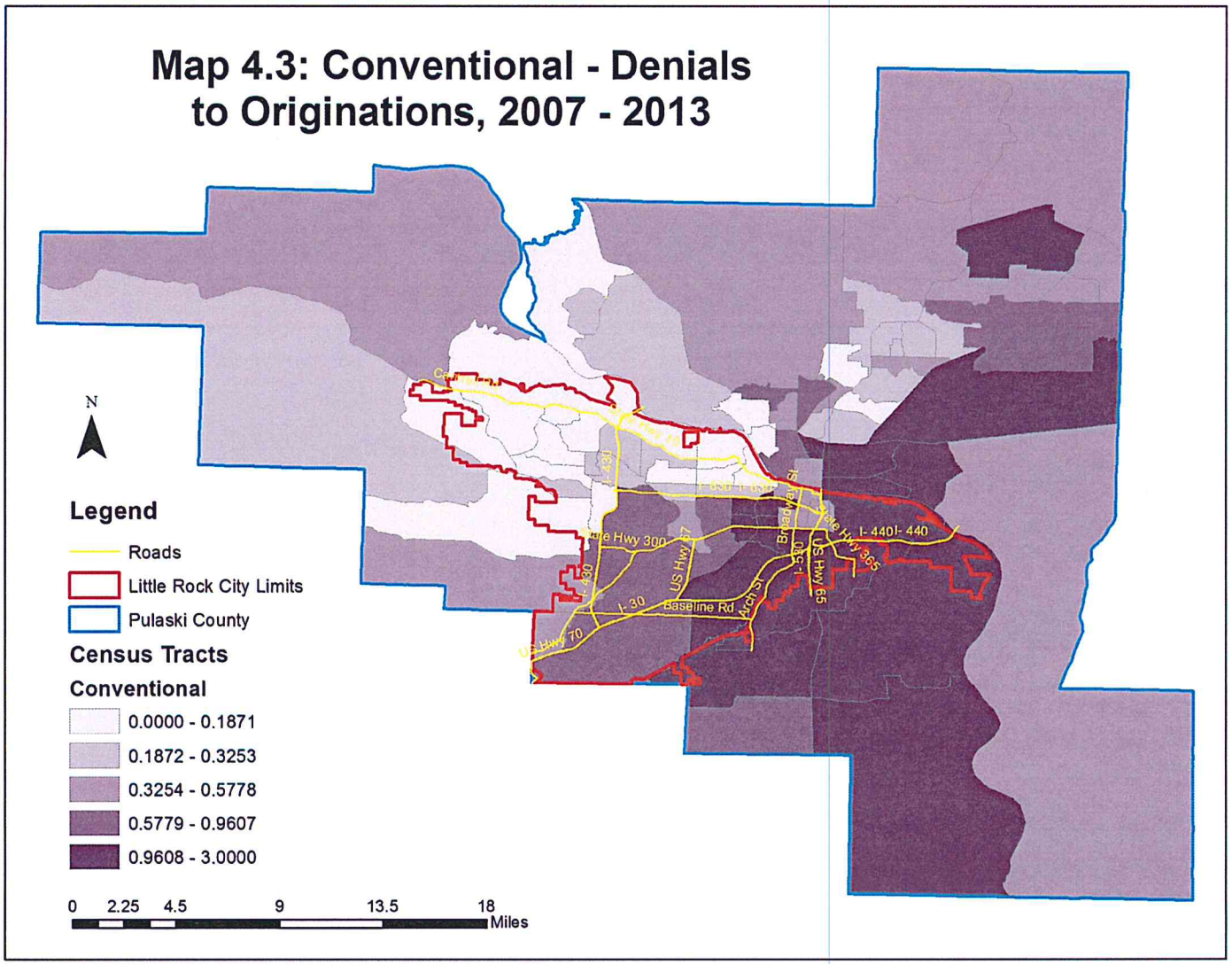
Map 4.1: Total Applications, 2007 - 2013

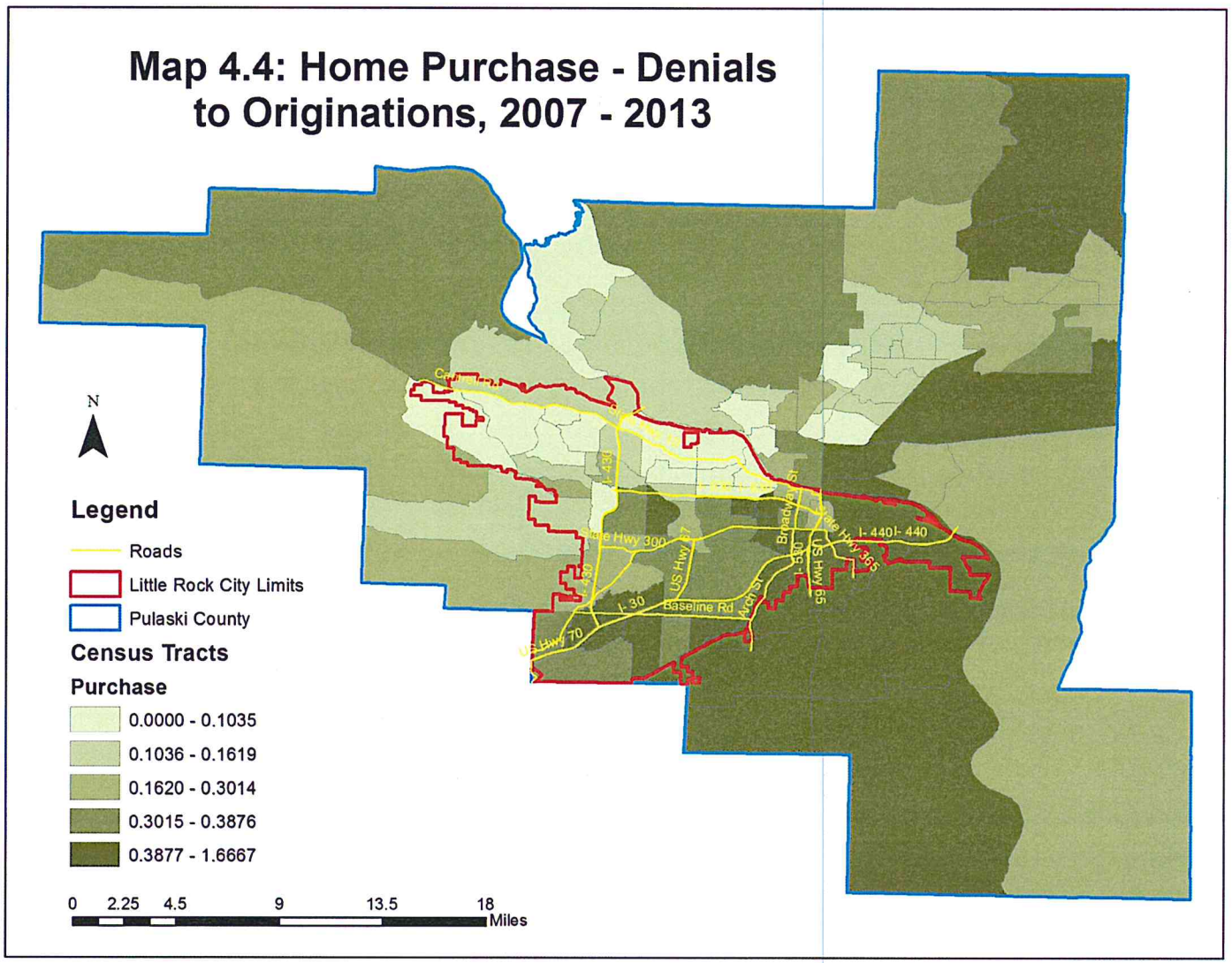


Map 4.2: Government Backed - Denials to Originations, 2007 - 2013

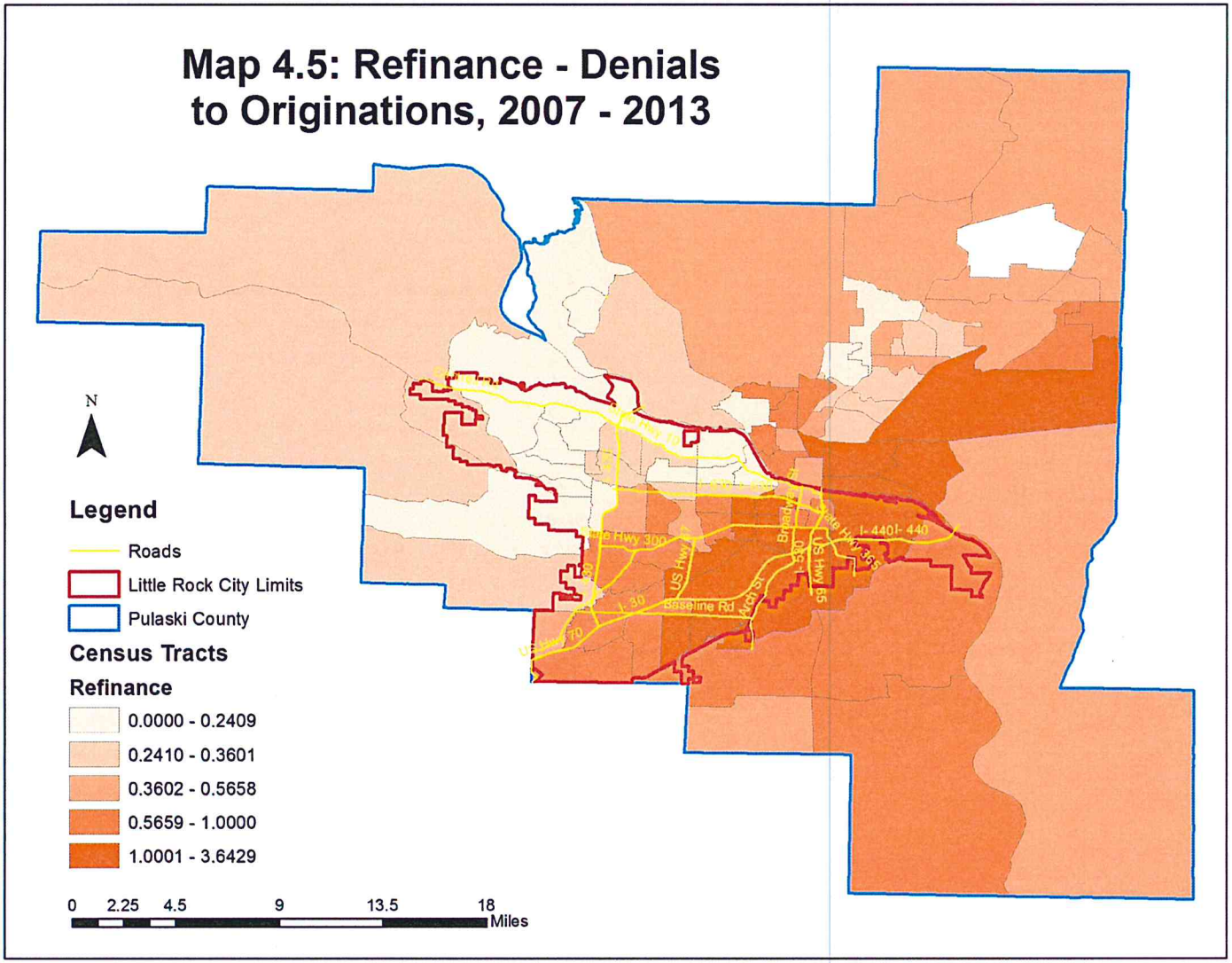


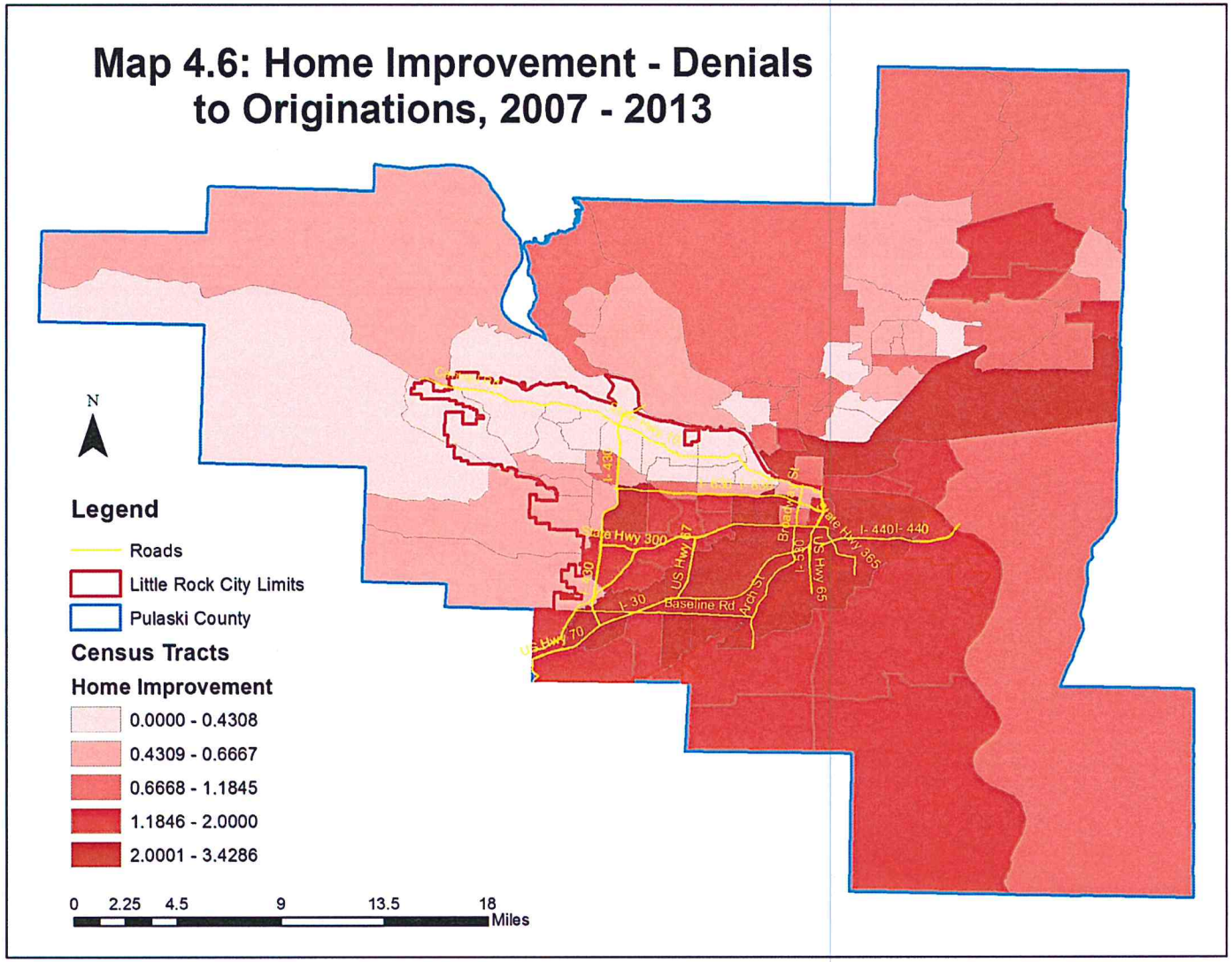
Map 4.3: Conventional - Denials to Originations, 2007 - 2013



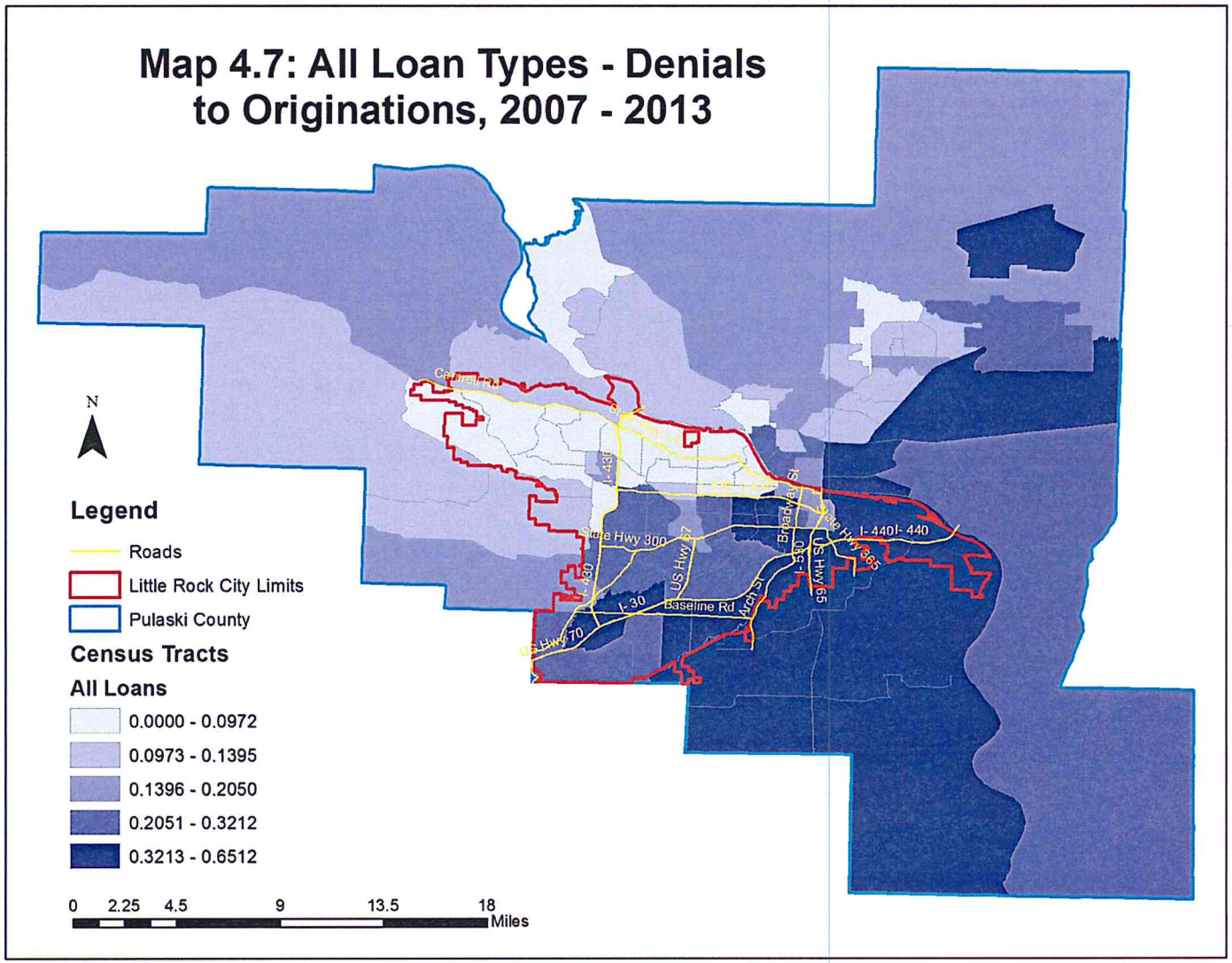

Map 4.4: Home Purchase - Denials to Originations, 2007 - 2013
N
Legend
Roads
Little Rock City Limits
Pulaski County
Census Tracts
Purchase
0.0000 - 0.1035
0.1036 - 0.1619
0.1620 - 0.3014
0.3015 - 0.3876
0.3877 - 1.6667
0 2.25 4.5 9 13.5 18
Miles
I-430
State Hwy 300
US Hwy 67
I-30
Baseline Rd
US Hwy 70
Arch St
Broadway St
I-530
US Hwy 65
State Hwy 365
I-440
I-440

Map 4.5: Refinance - Denials to Originations, 2007 - 2013




Map 4.6: Home Improvement - Denials to Originations, 2007 - 2013
N
Legend
Roads
Little Rock City Limits
Pulaski County
Census Tracts
Home Improvement
0.0000 - 0.4308
0.4309 - 0.6667
0.6668 - 1.1845
1.1846 - 2.0000
2.0001 - 3.4286
0 2.25 4.5 9 13.5 18
Miles
I- 440
I- 440
State Hwy 365
US Hwy 65
I- 530
Broadway St
Arch St
Baseline Rd
I- 30
US Hwy 67
State Hwy 300
US Hwy 70

Map 4.7: All Loan Types - Denials to Originations, 2007 - 2013



Section 5: Fair Housing Index

Introduction

The Fair Housing Index is a measure developed by JQUAD specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table, are standardized and added to classify the conditions in various census tracts into degree of problems that may cause impediments to fair housing choice. The map provides a general indication of geographic regions within Pulaski County and Little Rock, where residents may experience some level of impediments to housing choice, housing discrimination or have problems finding affordable, appropriate housing. From a social equity perspective, the Fair Housing Index serves to quantify the extent to which sub-populations within a given geography suffer from a lack of opportunity, which can lead to an unsafe or unhealthy environment, characterized by concentrations of poverty, unemployment, and other demographic indicators. The analysis is highly technical and utilizes advance statistical techniques. Therefore, in addition to the methodology in Section 5.1 below that describes the statistical techniques, Section 5.2 presents the key findings in less technical terms.

5.1. Methodology

Data for 10 variables were gathered, by census tract, for analysis. These 10 variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1980, median household income, percent of the population with less than a high school diploma, percent of the workforce that is unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2007 through 2013 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions

Examination Council. With the exception of the HMDA data, all other data were found in the 2009-2013 American Community Survey (ACS) 5-Year estimates. Each variable contained data for every census tract in the county as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and ranges in value from –1.0 to 1.0) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.8471.

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, from a fair housing perspective, high minority concentrations raise suspicions that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the

current residents are likely not having problems with fair housing choice. High housing value, therefore, would be assigned a positive value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High Risk areas as those census tracts with standard scores below –1.50. Scores between -1.49 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Included following the map is the correlation table (Table 5.1). MedValue is the median home value according to the 2009-2013 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre80 is the percent of housing built prior to 1980. MedHHI is the median household income. XLessHS is the percent of the

population 25 years of age and older that has less than a high school diploma. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. TotalRat is the ratio of denials to originations from the HMDA data from 2007 to 2013.

Table 5.2 provides a sense of the disparity between the low and high values for each variable in the analysis (range), along with the median value to provide perspective as to the extent to which that disparity impacts social equity as measured by each variable. The same 10 variables are shown in this table.

5.2. Findings

Looking at the correlation table (Table 5.1), the variable representing the ratio of mortgage loan denials to originations for all loan types between the years of 2007 and 2013 (TotalRat), shows very high positive correlations to the percentage of the population with less than a high school diploma (0.7190), percent unemployed (0.6133) and percent minority (0.6840) and negative correlations to the median household income (-0.6626) and median value (-0.6708). These correlations indicate that in tracts where mortgage applicants have less success when applying for mortgage loans there are markedly higher percentages of persons with low levels of education, high unemployment, and concentrations of minority populations, and where property values, rents, and incomes are lower.

Percentage with less than a high school diploma is also highly correlated with median housing hold income (-0.7367), percent minority (0.6833), median housing value (-0.7145), and median rents (-0.6576). These data show that lower education levels likely live in lower value housing, have lower incomes, and high concentrations of minorities.

Median household income is negatively correlated to percent minority (-0.7132), female-headed household (-0.4420), and the unemployment rate (-0.4352), and

positively correlated to median housing value (0.8471) and median rents (0.7051). These correlations indicate that in tracts with higher median incomes there are lower percentages of female-headed households, lower concentrations of minorities, fewer unemployed persons, and higher housing values.

Percent of households with children headed by female householders is correlated with percent minority, indicating a strong tendency for female-headed households to be minority.

As indicated on Map 5.1, on the following page, the census tracts designated as having a High Risk of fair housing related problems can be found in census tracts in central Little Rock. Moderate Risk tracts are found along Little Rock's southeastern city limits and adjacent to the previously identified High Risk tracts. The remaining tracts in the county are categorized as low or very low risk.

These areas of greatest concern in the county contain the housing stock most likely experiencing a decline in housing conditions, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. These areas contain a concentration of lower income groups and lower valued housing stock and rents.

Map 5.1: Fair Housing Index
Pulaski County

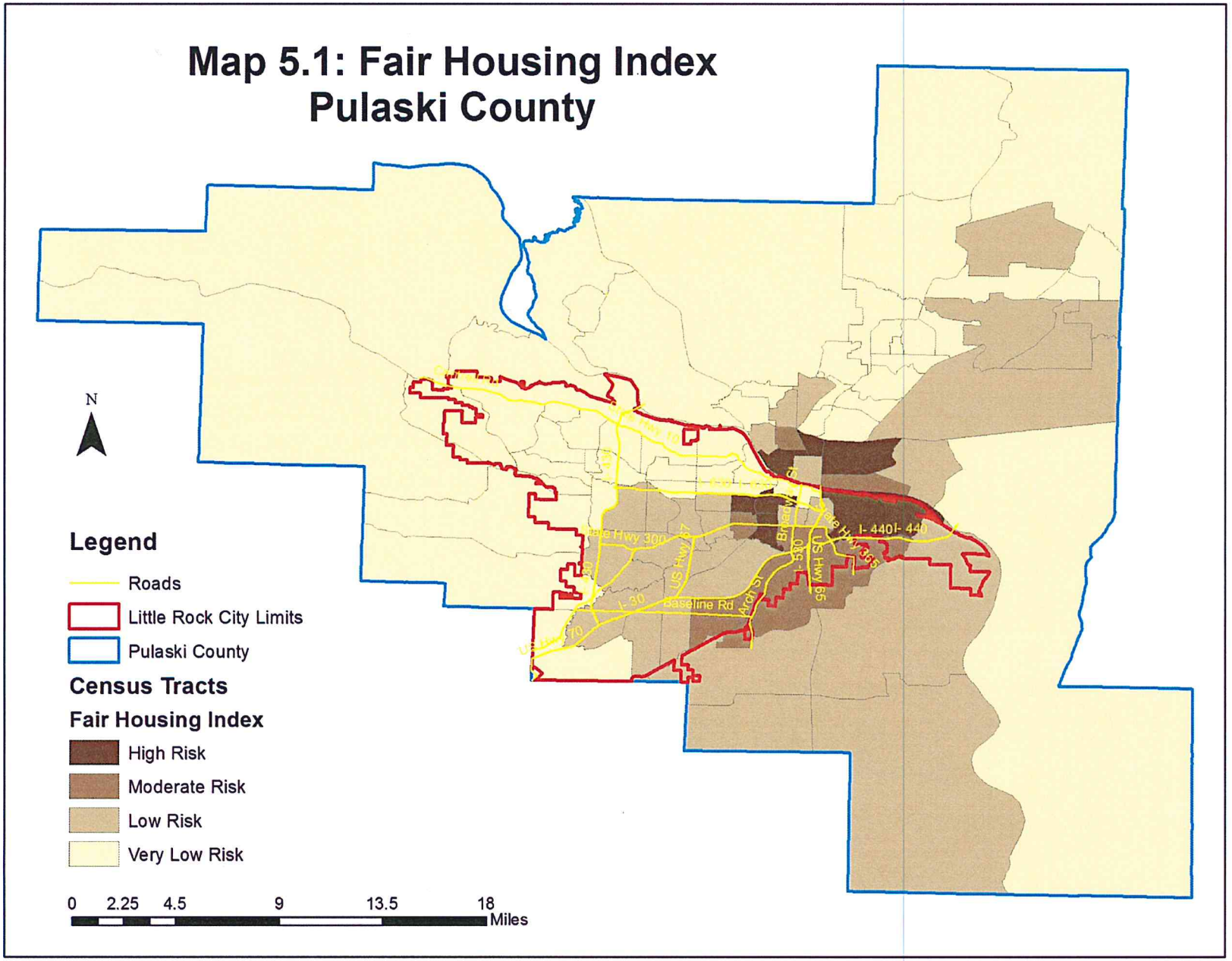


Table 5.1: Correlation Table of Fair Housing Index Variables

	TotalRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre80	MedRent	MedValue	XMinority	XFemHH
TotalRat	1.0000									
XPubTrans	0.3062	1.0000								
XLessHS	0.7190	0.2553	1.0000							
XUnemp	0.6133	0.5947	0.5573	1.0000						
MedHHI	-0.6626	-0.4358	-0.7367	-0.6638	1.0000					
XPre80	0.3708	0.4730	0.3549	0.4434	-0.5884	1.0000				
MedRent	-0.4835	-0.4047	-0.6576	-0.4924	0.7051	-0.3967	1.0000			
MedValue	-0.6708	-0.3178	-0.7145	-0.5823	0.8471	-0.5102	0.6663	1.0000		
XMinority	0.6840	0.4564	0.6833	0.7555	-0.7132	0.4040	-0.5421	-0.6215	1.0000	
XFemHH	0.4804	0.3241	0.5139	0.5957	-0.5267	0.3145	-0.4317	-0.5039	0.6701	1.0000

Variable	Definition
XFemHH	% Female Headed Households, 2009-2013
XMinority	% Minority, 2009-2013
MedValue	Median Home Value, 2009-2013
MedRent	Median Contract Rent, 2009-2013
XPre80	% of Housing Built Prior to 1980, 2009-2013
MedHHI	Median Household Income, 2009-2013
XLessHS	% Less than High School Degree, 2009-2013
XUnemp	% Unemployed, 2009-2013
XPubTrans	% Taking Public Transportation to Work, 2009-2013
TotRat	Ratio of Home Loan Denials to Originations, All Loan Types, 2007-2013

Table 5.2: Disparity Between High and Low Values by Variable

	TotalRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre80	MedRent	MedValue	XMinority	XFemHH
Low Value	0	0%	0.4%	0.00%	$14,209	5.1%	$229	$48,200	6.4%	0.0%
Median Value	0.1756	0.6%	11.5%	8.4%	$41,799	56.7%	$568	$120,350	37.2%	8.0%
High Value	0.6512	16.4%	44.6%	31.7%	$128,510	95.1%	$1,207	$403,600	99.6%	30.9%
Disparity High-Low	0.6512	16.4%	44.2%	31.7%	$114,301	90.0%	$978	$355,400	93.2%	30.9%

Section 6: Impediments and Recommended Remedial Actions

Introduction

The Impediments and Remedial Actions are integral components and contribute to the critical underpinnings of the City of Little Rock's certification of Affirmatively Furthering Fair Housing Choice. Through the planning process and analyses, the City of Little Rock strives to create a more inclusive conversation on fair housing, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process or may have little knowledge of their rights and protections under the Federal and State Fair Housing Acts. The resulting plan provides insight into the disparate burdens and benefits experienced by the diverse populations across the city. Recommendations are intended to address these disparities.

The analysis of impediments is designed to identify and reduce fair housing impediments and disparate impacts on protected class member under the Federal Fair Housing Act by increasing the effectiveness of existing regulations, policies and programs. More comprehensively, it offers considerable value in assessing fair housing issues and identifying solutions that can help mitigate impediments to fair housing from a regional perspective. This is important since fair housing issues that are most intractable are not locally restricted and solutions are most certainly in need of a diverse group of regional participants in order to successfully resolve or lessen their impact.

This section includes an examination of best practice policies, ordinances, and regulations that affirmatively further fair housing to inform alternative approaches to addressing impediments and remedial actions. This includes compiling examples of community development strategies that reduces fair housing impediments by improving infrastructure, housing, and neighborhood amenities, while maintaining a mix of housing types, affordability, and access to quality goods and services. This section seeks to identify gaps between current conditions with recommended improvements such as housing subsidies, livable wages, job creation, education, job training, and infrastructure improvements needed to support new affordable housing, the renovation of existing affordable housing, as well as mobility and public transportation.

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act components of this report were analyzed to identify any census tracts that were Racial – Ethnic and Poverty Concentrated Areas (RCAP-ECAP) as defined by the U.S. Department of HUD. RCAP-ECAP areas are defined as meeting 3 criteria: census tracts having 40% or greater or 3 times the tract level of poverty of the MSA; 50 percent or greater racial and ethnic concentrations; and areas impacted by historical concentrations of public and assisted housing. The Map 1.16 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

The poverty rate for the Little Rock-North Little Rock MSA is 18.6 percent. Three times the poverty rate is 55.8 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the city. Five census tracts within Little Rock are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate and are located in central and southern Little Rock.

The analyses revealed disparate impacts on minority populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. Some area characteristics and physical conditions where minority populations and lower income persons are most likely to find housing affordable, are indicative of the ways in which the economy and housing and neighborhood conditions has suffered as a result of housing market distortions and disinvestment, and demonstrating that public policy and programmatic investments have only minimally improved the situation. Policies and strategies have been recommended that the City, industry, and its sub-recipients collectively, should undertake to remove and or lessen the impediments to fair housing choice, and improve collaboration between government, the community, non-profit and private sectors.

Impediments to fair housing choice and remedial actions to remove or lessen their impacts are detailed in this section of the report. This section draws on the information

collected and analyzed in previous sections to provide a detailed analysis of impediments to fair housing choice. Five major categories of impediments were analyzed and identified: Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments. Remedial actions detailed in this report represent recommendations to the City by the consultant based on experience and best practices. Some of the remedial actions recommended are conceptual frameworks for addressing the impediments and will require further research, feasibility and cost analysis, and final program design by the City if they choose to implement them.

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Determinant: The inability to qualify for mortgage financing and a lack of affordability in rental housing are impeding housing choice in the City of Little Rock. In order to acquire housing, more households are "cost burdened", paying more than 30% of income for housing or "severely cost burdened", paying more than 50% of household income for housing by HUD standards.

The cost of housing compared to the incomes of households reveals that incomes are not keeping pace with the market cost of housing. There is a lack of housing affordable to population groups making less than 60%, 50% and 30% of Area Median Income (AMI). Minimum wage is far below a 'living wage', and a person could be working full-time and still not earn enough money to afford rental housing or to purchase a home in the City.

Determinant: Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in the City. The analysis included the

correlation between median home values and household income, and the distribution of income across income classes for Whites, African-American, Asians and Hispanics.

The median housing value in the city was $150,500 and the median contract rent was $602 between 2009 and 2013. The average income required to qualify for a mortgage based on the median home value of $150,500 for the City is approximately $40,000 to $50,000 in household income and the average income to qualify for a contract rent of $602 is $25,000 to $35,000. As a reference, $25,000 per year is approximately $12.01 per hour for a forty-hour workweek, 52 weeks a year for a single wage earner and $45,000 per year is approximately $23.43 per hour. According to the 2009 - 2013 ACS estimates (5-Year average), approximately 52.2 percent of Hispanics, 41.4 percent of African Americans, 17.8 percent of Whites earn annual household incomes of less than $25,000. Approximately 65.3 percent of Hispanics, 56.8 percent of African Americans, and 26.0 percent of Whites and earn annual household incomes of less than $35,000. Approximately 79.0 percent of Hispanics, 72.9 percent of African Americans, and 38.4 percent of Whites and earn annual household incomes of less than $50,000, making housing affordability a concern for large segments of the City's population regardless of race and ethnicity, and disparately impacting African Americans and Hispanics.

The income distribution data show median incomes above $25,000 for all ethnic and racial groups in the City of Little Rock except Hispanics. According to the 2009 - 2013 ACS estimates (5-year average), the median household income for White Non-Hispanic households was $64,515, $30,641 for African-American households, and $22,934 for Hispanic households, compared to $44,911 for the overall city. The modal income classes (the income classes with the highest number of households) for Whites was the $100,000 or more income category with 31 percent of the White population, compared to a modal income class of $15,000 to $24,999 for African Americans and Hispanics with 17.5 percent and 25.3 percent respectively earning in the modal income range.

Paying more than 30 percent of household income for housing expenses is considered "Cost Burdened" and paying more than 50 percent on housing expenses is considered "Severely Cost Burdened". Citywide, 46.37 percent of the renter households were 30 percent cost burdened and 23.92 were 50 percent or more cost burdened during the five-year period of 2009 - 2013. The cost burdened percentages increase the lower the income range. Approximately 73.6 percent of renters earning less than $30,000 were 30% percent cost burdened; 66.27 percent of renters earning $30,000 - $50,000 were 30% percent cost burdened; and 52.67 percent of renters earning $51,000 - $80,000 were 30% percent cost burdened. Cost burden among homeowners is highest for persons earning less than 30 percent of median income. The income data also shows 22.30 percent of owner households citywide were 30 percent or more cost burden and 9.04 percent were 50 percent or more cost burden during the same period.

Impediment #1: Overall, the income data show a higher proportion of African-American, Hispanic and lower income households disparately impacted by the cost of housing. Minorities and lower income persons are disproportionately dependant on subsidized housing to meet their housing needs and more likely to have incomes that are insufficient to acquire housing that is affordable without being cost burdened.

Impediment #2: Areas where minorities and lower income households are most likely to find housing affordable are in older neighborhoods with older housing stock, and some that are minority and low income concentrated census tracts. The demographic characteristics of these areas are disparately impacting their ability to acquire housing of their choice. As indicated on Map 5.1, in the Fair Housing Index, the census tracts designated as having a High Risk of fair housing related problems can be found in census tracts in central Little Rock. Moderate Risk tracts are found along Little Rock's southeastern city limits and adjacent to the previously identified High Risk tracts. These areas are shown in dark red and red on the map.

Impediment #3: Household Incomes are not keeping pace with the market prices of housing and many households are "cost burdened" paying more than 30 percent and even "severely cost burdened" by HUD definition paying 50 percent or more of their household income for housing and housing related expenses.

Impediment #4: Additional funding is needed to provide subsidies that make homeownership attainable, maintenance of existing housing more affordable and to increase availability of rental subsidies for low-income and moderate-income persons, special needs populations such as seniors, victims of domestic violence, former convicted felons, and people with disabilities.

Recommended Remedial Actions:

Action #1: City of Little Rock will continue to support the increased production of affordable housing through public private partnerships with developers and capacity building for nonprofits with the Entitlement Funds.

Action #2: City of Little Rock will continue to help facilitate access to below-market-rate priced units by using its' federal funds to leverage nonfederal entitlement funding such as state low income tax credit and federal home loan bank funding and private sector participation in financing affordable housing and for neighborhood reinvestment.

Action #3: City of Little Rock will continue to maintain a list of private partner lenders providing affordable housing financing and subsidies or offering buyers access to down payment, closing cost or favorable underwriting that supports buyers.

Action #4: City of Little Rock will continue to identify and support private and nonprofit developers seeking additional federal, state and private sources of funds for affordable housing as they become available.

Action #5: City of Little Rock will continue to encourage private sector support for affordable housing developed as a component of market rate and mixed use development.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: Public Awareness of Fair Housing and greater Outreach and Education are needed for the public, protected class members under the Fair Housing Act and industries such as landlords, finance, social service agencies and community organizations.

Determinant: City and State Fair Housing regulations were compared to the Federal Fair Housing Act and the analysis has determined that the City of Little Rock has not enacted regulations that offer similar rights, remedies, and enforcement to the Federal Fair Housing Act. State of Arkansas Fair Housing regulations are construed as being substantially equivalent to the Federal Fair Housing Act. It is important to note that neither the State Act nor the Federal Act offer protections for persons based on "source of income for housing" or those receiving "public assistance". Persons living in Little Rock who are low-income, live on fixed incomes, have incomes sources limited to public assistance, or prior rental histories that included shelters and public and assisted housing, including housing choice vouchers, are not currently protected as class members under the State or Federal Fair Housing Acts.

Determinant: Continued emphasis on public awareness of fair housing is needed. General public education and awareness of fair housing issues need to be increased. Of particular concern is that tenants and homebuyers often do not completely understand their fair housing rights. To address this issue, the City should continue to support fair housing education and outreach programs to both housing providers and the general public. Fair housing outreach through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio

advertisements have proved effective in increasing awareness. Outreach to immigrant populations that have limited English proficiency and other protected classes should be targeted as well. Landlords and other industry groups should also be targeted for education and outreach.

Impediment #5: Greater Public Awareness, outreach and education of Fair Housing is needed.

Impediment #6: Continued emphasis on fair housing enforcement, including training and testing is needed.

Impediment #7: Continued emphasis on targeted outreach and education to immigrant populations that have limited English proficiency, language speaking barriers, and to other protected classes with language barriers is needed.

Recommended Remedial Actions:

Action #6: City of Little Rock will increase fair housing education and outreach in an effort to raise awareness and increase the effectiveness of fair housing ordinances. The City will target funding for fair housing education and outreach to the rapidly growing Hispanic and other immigrant populations as funding becomes available. The City will also continue supporting fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage.

Action #7: City of Little Rock will partner with local industry to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include supporting joint fair housing training sessions, public outreach and education events, utilization of the City website and other media outlets to provide fair housing information, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #8: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. City of Little Rock will encourage HUD to provide increased fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, HUD will be asked to share its findings with the City that will offer outreach to landlords that showed differential treatment during the test.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Disparate Impacts of mortgage lending on minority populations and lower income areas; and the lingering impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Determinant: Overall, the number of applications and origination rates among Whites were higher than that of minorities in all loan types home purchase, home improvement and refinance loans. Hispanics and African-Americans accounted for lower percentage of loan applications and originations compared to their percentage in population in Pulaski County and the City of Little Rock. White applicants had the highest percentage of originations at 73 percent of the total, well above the percentage of Whites in the population at 51.6 percent. African-Americans account for 42.2 percent of the population, compared to 14.9 percent of loan originations. Hispanic applicants accounted for 1.8 percent of all originations, with 6.7 percent of the total population.

Determinant: A lack of financial literacy and credit are limitations faced by many in acquiring housing of their choice. The analysis of HMDA data and the reported reasons for denial of loans showed that the majority related to the applicants' credit history, their debt-to-income ratio, or inadequate collateral in the ten years for which data were provided.

Determinant: The higher denial rates for minorities and lower income groups, coupled with lower origination among all income groups in lower income census

tracts is adversely impacting fair housing conditions. While the HMDA Analysis of this report does not provide conclusive evidence of the existence of redlining's as fair housing impediments, the data reveals that the characteristics of redlining may be adversely impacting lending decisions in some of the very low-income census tracts in the city. The characteristic of redlining as revealed can be summarized as follows: while it is expected that very low-income applicants have lower success rates in their loan applications than higher income applicants, within very low-income census tracts even high-income applicants showed a poor success rate. It would appear that loan denial are largely due to the value of the collateral, neighborhood conditions, appraisal values, comparable, and collateral conditions adversely impacting the loan decision more than the credit worthiness of the borrower. In order to fully evaluate this issue, a more in depth analysis of loan application data will need to be performed and additional input received from the mortgage and appraisal industries. Mortgage industry representatives interviewed indicated that since the sub-prime mortgage crisis, underwriting and income verification requirements have tighten making it more difficult for higher income borrowers to qualify.

Impediments #8: Minority and lower income persons are disparately impacted by higher loan denial percentages and lower number of applications submitted to lenders. Loan origination rates in lower income census tracts are lower among all income groups in lower income census tracts compare to that of Whites and when comparing minority percentage of persons in the population to their percentage of loan approvals and originations.

Recommended Remedial Actions:

Action #9: City of Little Rock will support applications for competitive and non-Entitlement State and Federal funding and assistance to nonprofit intermediaries providing financial literacy education programs. Financial literacy will be emphasized as a means of preventing poor credit and understanding the importance of good credit.

Action #10: City of Little Rock will encourage bank and traditional lenders to offer products addressing the needs of households with poor and marginal credit negatively impacting their ability to qualify for mortgages. These products can assist persons negatively impacted by their current utilizing predatory lenders. This may require traditional lenders and banks to establish "fresh start programs" for those with poor credit and previous non-compliant bank account practices.

Action #11: City of Little Rock will encourage the appraisal industry to evaluate concerns that comparability for new affordable housing units when evaluated for financing is limited in some areas if new housing construction has not occurred in recent years. Industry representatives should be encouraged to perform comparability studies to identify real estate comparables that more realistically reflect the values of new homes being built in lower income areas as a means of supporting infill housing development. The City does not have regulatory authority to address this concern. Therefore, this recommendation is dependent on industry action from financial and appraisal industry to help address this issue.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations, minorities and low income.

Determinant: The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act (HMDA) Analyses all revealed disparate impacts on minority and low income populations when comparing income, educational attainment, poverty, unemployment, mortgage and housing lending, homeownership and other characteristics to that of Whites. In areas where minorities and lower income households are most likely to find housing affordable, the demographic characteristics areas are disparately impacting their ability to acquire housing of their choice.

Determinant: Elderly Persons and Households. Seniors are living longer; lifestyles are changing and desire for a range of housing alternatives increasing. Issues such as aging in place, smaller units with lower maintenance cost, and rental accommodations that cater to those with live-in care givers are of major concern. For other seniors, the need is accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver's income may make the senior ineligible for the affordable unit.

Determinant: Persons with Disabilities. Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Determinant: Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of

evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

Determinant: Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many Spanish-speaking households, refugee populations and other LEP populations rely on a cash economy, and lack the record keeping and financial legitimacy that lenders require. National origin is emerging as a one of the more common bases for fair housing complaints filed with fair housing enforcement agencies.

Impediment #9: Expansion of the supply and increased affordability of housing for senior, special needs housing and housing for disabled persons is needed.

Impediment #10: Removal of barriers for persons with limited English proficiency enabling them to better access the housing market is needed.

Recommended Remedial Actions:

Action #12: City of Little Rock will continue to support language assistance to persons with limited English proficiency.

Action #13: City of Little Rock will continue to encourage recruitment of industry and job creation that provide "living wages", incomes to pay for basic necessities of food, shelter, transportation, to persons currently unable to afford market rate housing.

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Action #14: City of Little Rock will support developments requesting State assistance that provides alternative housing product choices for seniors such as Low Income Housing Tax Credits and Senior Housing Tax Credits.

6.5 Neighborhood Conditions Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Determinant: The potential for neighborhood decline and increasing instability in City of Little Rock's older neighborhoods is a growing concern. Neighborhoods relatively stable today will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic maintenance and renovations. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The City must increase activities and programs that provide support for residents and landlords unable to keep pace with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood "Image and Identity" and help attract new residents and retain existing residents and businesses.

Most of all, there is a need to encourage participation and cooperation from residents to maintain their homes, and to actively participate in community empowerment activities and self-help initiatives in older neighborhoods.

Impediment# 11: Expanded resources are needed to assist lower income persons, seniors and other special needs groups with maintaining homes and improving neighborhood stability.

Recommended Remedial Action:

Action #15: The City currently supports programs that provide assistance to income qualified low and moderate income households utilizing its' Entitlement Grants Programs and support self help initiatives utilizing nonprofit and private sector resources. The City will continue its support and implementation of these programs. Other activities that will be considered include:

- **Increase self-help "fix-up," "paint-up or clean-up" campaigns.** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners.

- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.

Section 7: Oversight, Monitoring and Maintenance of Records

Introduction

This section summarizes the ongoing responsibilities of the City of Little Rock relative to oversight of efforts to implement the remedial actions recommend in Section Six of this report. It also sets forth the monitoring and maintenance of records procedures that will be implemented by the jurisdictions to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

Oversight and Monitoring

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Little Rock Housing and Neighborhood Program Department (HNPD) with the support of an independent consultant.

The HNPD has been designated as the lead agency for the City of Little Rock with responsibility for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the City's progress in implementing the applicable remedial actions and other efforts to further fair housing choice identified in this report. HNPD, as the designated lead agency, will therefore provide oversight, as applicable, of the following activities.

■HNPD will evaluate each of the recommendations and remedial actions presented in this report, and ensure consultation with appropriate City departments and outside agencies to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on city policies, fiscal impacts, anticipated impact on or remedy to the impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. HNPD will provide recommendations for implementation to the City Manager, Mayor and City Council based on this evaluation.

■HNPD will continue to ensure that all sub-grantees receiving CDBG, HOME, and other grant funds have an up-to-date Affirmative Fair Housing Marketing Plan; display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate; and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

■HNPD will ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.

■HNPD will continue to support Fair Housing outreach and education activities through its programming for sub-recipients and its participation in community fairs and workshops; providing fair housing information to the public; and sponsoring public service announcements with media organizations that provide such a service to local government.

■HNPD will incorporate fair housing requirements in its grant program planning, outreach and training sessions.

■HNPD will continue to refer fair housing complaints and direct persons desiring information or filing complaints to the HUD FHEO Division in the Fort Worth Texas Regional Office.

Maintenance of Records

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, HNPD will maintain the following data and information as documentation of the City's certification that its efforts are affirmatively further fair housing choice.

■A copy of the 2015 Analysis of Impediments to Fair Housing Choice and any updates will be maintained and made available upon request.

■A list of actions taken as part of the implementation of this report and the City's Fair Housing Programs will be maintained and made available upon request.

■An update of the City's progress in implementing the FY 2015 AI will be submitted to HUD at the end of each program year, as part of City of Little Rock's Consolidated Annual Performance and Evaluation Report (CAPER).