The City of Oak Ridge, Tennessee

Analysis of Impediments to Fair Housing

March 25, 2011

This report was prepared by the Community Development Department, in accordance with the Consolidated Planning Regulation; 24 CFR Part 91

I. Executive Summary

The City of Oak Ridge, Tennessee, initiated an Analysis of Impediments (AI) to Fair Housing Choice in March 2011. The Department of Housing and Urban Development (HUD) requires all state and local governments that receive Community Development Block Grant (CDBG) federal funding to conduct an AI in conjunction with the Consolidated Plan every three to five years in order to understand issues facing the community.

The Analysis of Impediments is a summary of housing and housing-related practices evident throughout the community that inadvertently or deliberately prevents people from living where they choose. Some common factors that might limit housing choice include:

Discrimination based on race, color, national origin, sex, religion, familial status, and disability;

- Lack of affordable housing;
- Lack of housing that is accessible to those holding Section 8 vouchers due to discrimination and holds on vouchers;
- Location of jobs and availability of housing in the area;
- Lack of reasonable and accessible transportation services;
- Inability to obtain a mortgage;
- Inability to obtain homeowner's insurance because of where you live.

HUD interprets the obligation to "affirmatively further fair housing" to mean that the Jurisdiction will:

- Analyze and implement efforts to eliminate housing discrimination in the Jurisdiction;
- Promote fair housing choice for all persons;
- Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability and national origin; particularly persons with disabilities;
- Promote housing that is structurally accessible to, and usable by, all persons, particularly persons with disabilities;
- Foster compliance with the nondiscrimination provisions of the Fair Housing Act.

The AI process resulted in the following impediments being recognized as those most prevalent in the community:

- Lack of education about discrimination and Fair Housing laws;
- Inadequate number of housing options for low income families;
- Accessibility issues for people with physical disabilities;

Recommended strategy for dealing with impediments:

- The City government should continue to support fair housing by proclaiming, "April is Fair Housing Month," by formal City Council action and by input to the media.
- The City should continue to appoint members to the Board of Housing Code Appeals, whereby charges of housing discrimination may be addressed.
- The City should continue to address the issue of emergency housing in a fair manner through its social service programs, implementation of its relocation policy and through referrals to private, state and federal programs.
- The City's housing-related staff should seek out further opportunities for fair housing training.
- The City should distribute fair housing information and encourage schools to educate children about fair housing choice.
- The City staff should use non-traditional, as well as traditional means, aimed to reach the lower-income, less-educated population, to make sure they are aware of fair housing laws and policies.

Funding of Analysis: This AI was funded through the General Fund of the City of Oak Ridge.

Findings: (Identification of Fair Housing Concerns and Problems):

- Lack of education about discrimination and Fair Housing laws
- Inadequate number of housing options for low income families
- Accessibility issues for people with physical disabilities

Background

The City of Oak Ridge adopted a Fair Housing Ordinance on April 21, 1969, which at the time, was one of the first of its kind in the State of Tennessee. The City of Oak Ridge continues to be committed to working with the public, private, and nonprofit partners in the community to ensure fair housing choice for all residents. The AI completed in June 1994 utilized housing data from the 1990 U.S. Census and due to the community's relatively slow rate of growth the housing data reported in the 2000 Census did not change much.

The City of Oak Ridge conducted this Analysis of Impediments in March 2011 to evaluate the state of fair housing in the City and to update the previous AI, which has also not changed much since 1993. The majority of tables in this plan reflect 2000 data because most of the 2010 Census data is unavailable at this time. However, this plan includes 2010 Census data updates where the data is available.

III. Methodology

The City's Community Development Department staff reviewed baseline information from the 1993 AI study, as well as a number of other sources when preparing this document.

Staff analyzed demographic data available through the U.S. Census Bureau, as well as descriptive data pertaining to the housing market and trends in real estate over the past 10 years and locally-generated reports and other relevant data pertaining to the City's housing market, patterns, and local economy.

To analyze municipal policies, procedures, and practices, staff analyzed the Building code for the City of Oak Ridge; the Zoning ordinance for the City of Oak Ridge, and the 2007 Consolidated Plan for the City of Oak Ridge.

In order to review Oak Ridge's compliance with all fair housing requirements, staff reviewed actions recommended in the previous AI study and compliance with the Fair Housing Act and fair housing regulations at 24CFR Parts 100 through 125.

To analyze mortgage lending trends, staff reviewed data available through the Home Mortgage Disclosure Act (HMDA). Enacted by Congress in 1975 and implemented by the Federal Reserve Board's Regulation C, HMDA requires lending institutions to report public loan data. Using the loan data submitted by these financial institutions, the Federal Financial Institutions Examination Council (FFIEC) creates aggregate and disclosure reports for each metropolitan area (MA) that are available to the public at central data depositories located in each MA.

City staff also collected research and/or had discussions with local and regional stakeholders. Representatives of the following agencies and organizations also provided information and input used in the development of this report:

- Aid to Distressed Families of Tennessee (ADFAC)
- Black Elected and Appointed Officials Alliance
- East Tennessee Human Resource Agency (ETHRA)

CITY OF OAK RIDGE, TENNESSEE
LOCAL RELOCATION ASSISTANCE POLICY

Purpose
The City of Oak Ridge Relocation Assistance Policy has been developed to assist residents living in rental units within the City limits with assistance to move from their rental units due to redevelopment efforts. This policy is to be considered a local policy and will be utilized in the event that no Federal or State funding is involved in the project that causes residents to be relocated.

Definitions

1. City refers to the City of Oak Ridge.

2. Authorized Administrator is any private or governmental agency, which administers the relocation policy to eligible clients living within the City limits.

3. Bona fide Resident is a person, eighteen years of age or older who is listed on the City of Oak Ridge utility records with corresponding proof of a valid lease and has been living in the affected rental unit for one year prior to the notice to vacate the unit.

4. Displacement is when tenants are forced to move from their rental units because of action taken by the City.

5. Eligible Tenant is a tenant that applies for assistance who meets the eligibility requirements.

6. Relocation Assistance is money and/or other support to help displaced tenants find a new place to live.

Displacement
Displacement occurs when tenants are forced to move from their rental units because of action taken by the City. The reasons to order a tenant to move include but may not be limited to the following:

1. The building is to be boarded up and/or torn down with government approval.

2. The landlord is ordered by the housing and/or building inspector to make repairs that cannot be made unless the tenants move.

3. The landlord has allowed more people to live in a unit than the law allows, or the landlord has made a separate apartment out of a part of the building, such as an attic or a basement, that is not legal to rent.

4. The building is being taken over by the City to be used to build a school playground, a highway, a neighborhood renewal program, or some other public project.

5. The landlord is not allowed to rent the apartment because of zoning laws.

Relocation Assistance
Relocation assistance is money and/or other support services to help displaced tenants find a new place to live. Tenants that are displaced may or may not receive relocation assistance. Monetary relocation assistance shall be limited to $500 per Eligible Tenant. Available relocation assistance shall be limited to the following:

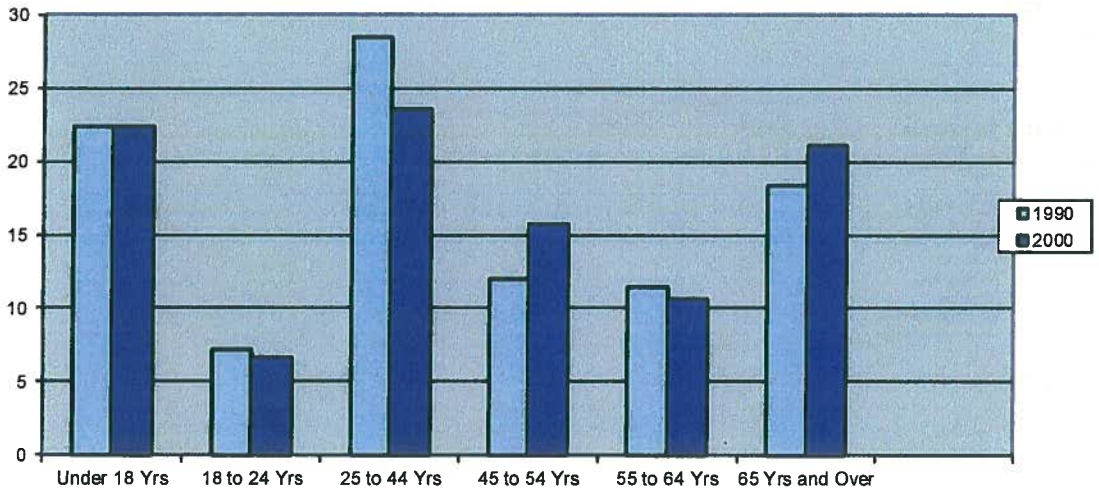
Size		
Housing Units	12,694	13,417
Percent of Vacant Units	7.3%	10.1%
Owner Occupied Units	66.5%	68.4%

Source: Source: Census 1990 and 2000, calculated from data extracted from Summary File 3, Tables H6 and H7

2010 Census Bureau Update:
The City of Oak Ridge's population has increased 7% between 2000 and 2010 to 29,330. The total number of housing units has also increased to 14,494. The number of occupied housing units is 12,772 or 88.1% and the number of vacant housing units is 1,722 or 11.9%.

Population by Age
The chart below provides an overview of Oak Ridge's population by age. Between 1990 and 2000 there has been a steady increase of people between the ages of 45 to 54 years old and 65 years old and over. There has been a decrease in people between the ages of 18 to 24 years old, 25 to 44 years old and 55 to 64 years old. The population for people 18 years and under has remained steady.

Population by Age 1990 and 2000

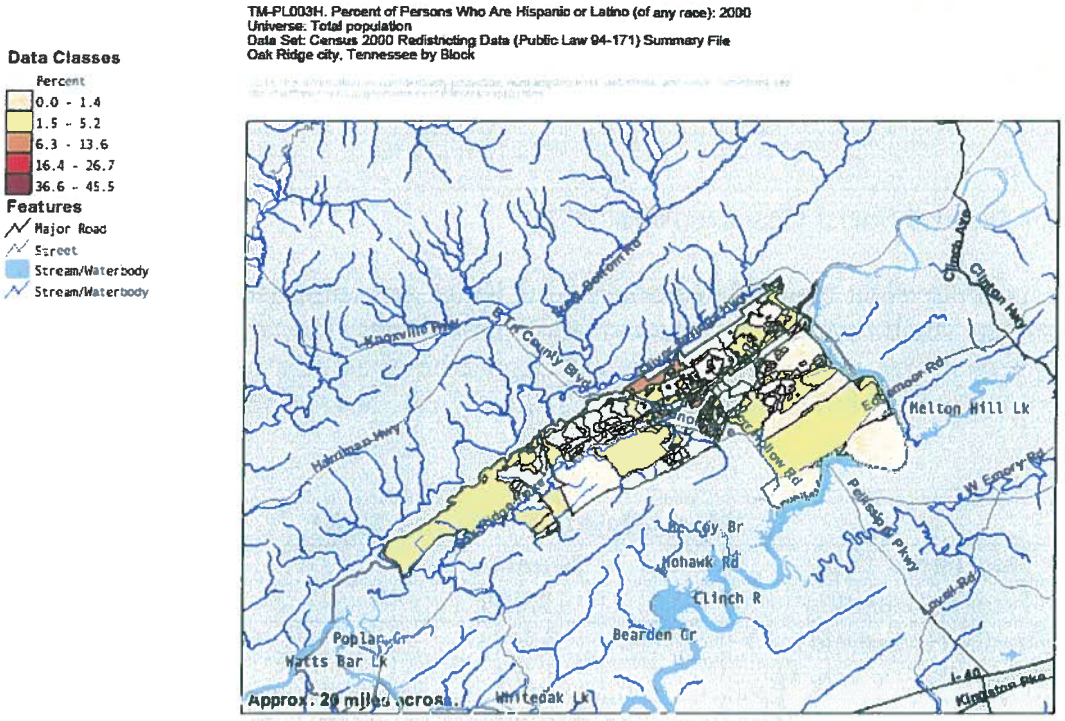


Source: Source: Census 1990 and 2000, calculated from data extracted from Summary File 3, Tables H6 and H7

The chart below compares Oak Ridge with other similarly sized CDBG entitlement communities in Tennessee. Oak Ridge has the highest percentage (21.1%) of the population 65 years and over. Bristol, TN has 17.7% of its population 65 years and over followed by Morristown, TN with 16.3% and Cleveland, TN with 13.7%. Tennessee and the United States both have 12.4% of the population 65 years and over.

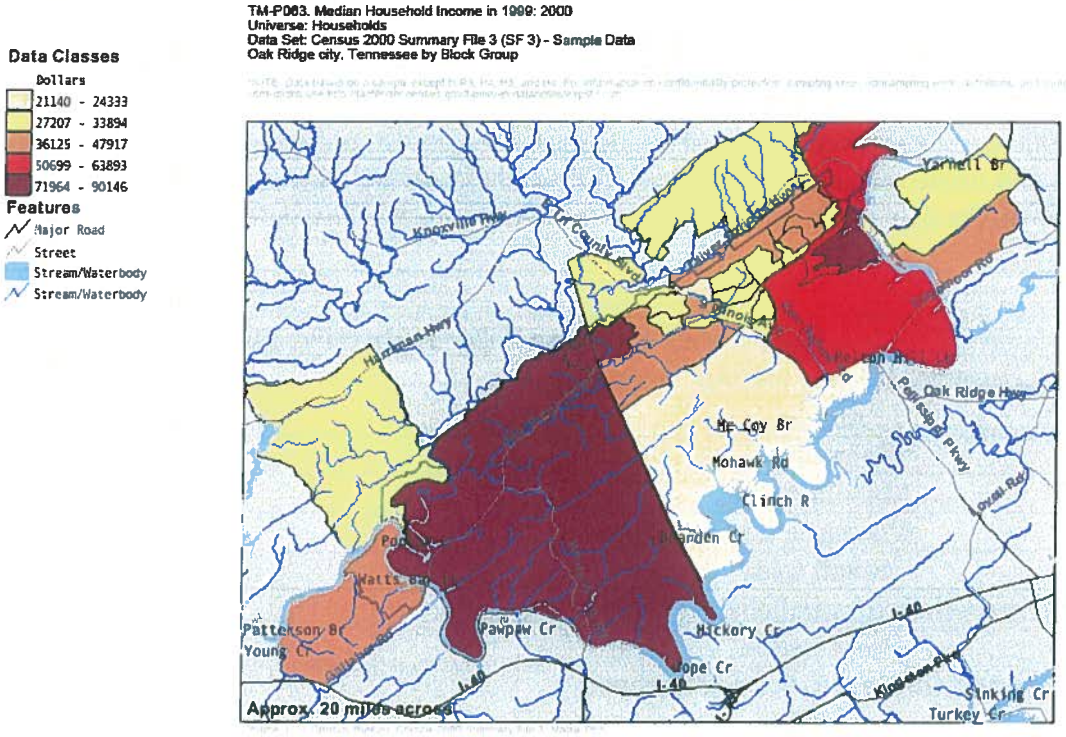
In the map below, the yellow areas in the map indicate the distribution of the Hispanic population over a large area. Despite this wide distribution, Hispanic households are in greater concentration to the north and near the City's center.

While Hispanics make up just 1.9 percent of the total population, the orange areas in the map below indicate much higher concentrations than might be expected, while the yellow areas illustrate low rates of Hispanic population distribution.

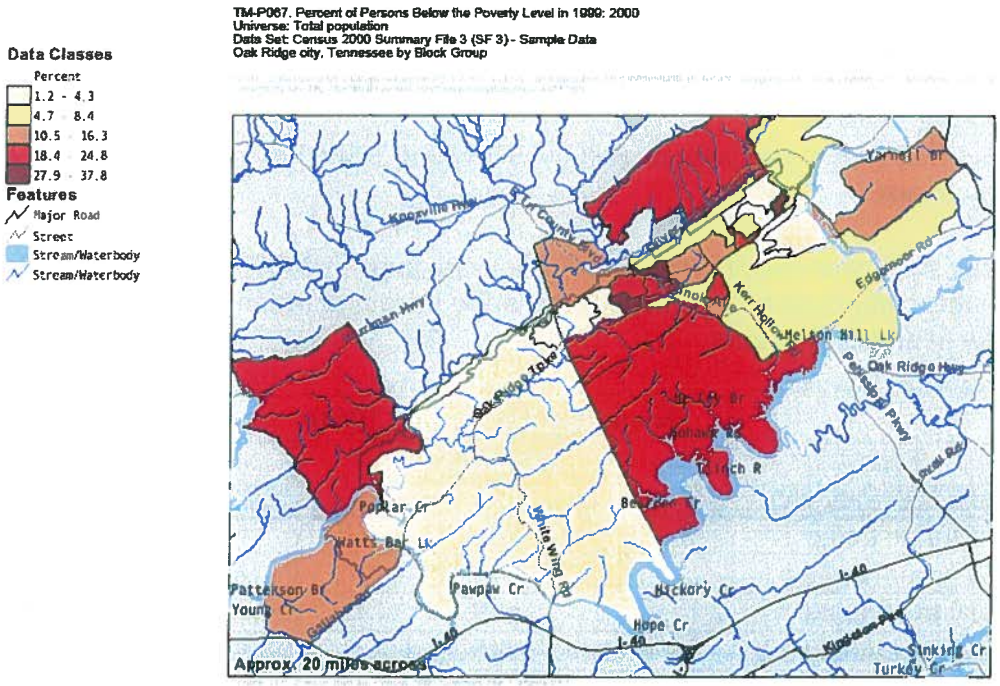


2010 Census Bureau Update:
The total number of persons who are Hispanic or Latino (of any race) has increased between 2000 and 2010. The 2010 Census reports indicate there are now 1,348 people who are Hispanic or Latino (of any race), which is 4.6% of the City's population.

Population by Disability Status
In 2000, 14,604 of the population between the ages of 16 and 64 have a disability and 47.9% were employed. For the population 65 years and over 2,135 have a disability and 38.7% were employed. Within the population aged 16 to 64, 1,305 have a physical disability and 930 have a mental disability. Within the population aged 65 and over, 1,531 have a physical disability and 634 have a mental disability



In the map below, block groups with the highest percentage of people below the poverty level are Block Group 2, Census Tract 205 with 37.8%, Block Group 3, Census Tract 203 with 28.2% and Block Group 4, Census Tract 205 with 27.9%. Highland View redevelopment area is in Census Tract 205.



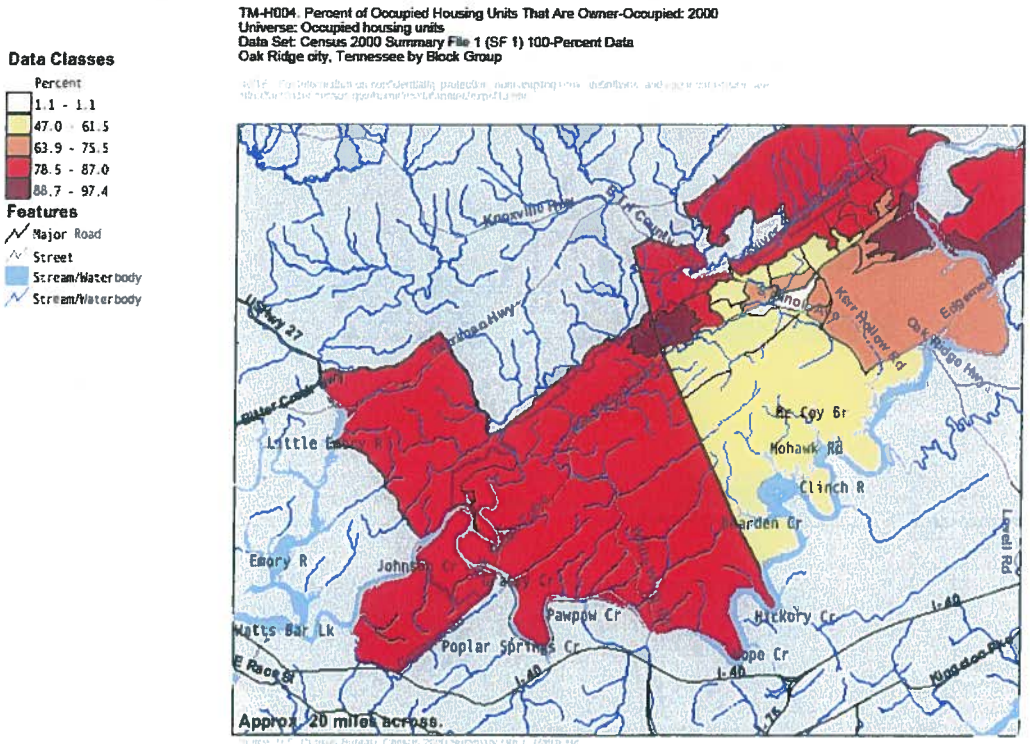
Age and Condition

Based on the 2000 census, 54.3 percent of the total housing stock in Oak Ridge was built in 1959 or earlier. Nearly 82 percent of the stock was built in 1979 or earlier, making lead-based paint a potential hazard. This is higher than the national average of 56 percent. These statistics have implications for the future housing supply, since many older units need substantial financial investments in major structural systems to remain sound and livable. For low-income home owners these repairs are frequently unaffordable, and deferred maintenance hastens the deterioration of their units. Often low-income rental housing does not generate enough revenue to make improvements without the owner raising the rent to pay for the repairs.

Tenure

The 2000 homeownership rate was 68.4 percent, which was lower than the Anderson County average of 72.5 percent and higher than the nationwide rate of 66.2 percent.

The map below shows the distribution of the 8,246 homeowners throughout Oak Ridge



While it is not surprising that the block group with the highest income also appears as one of those with the highest homeownership rate. Block group 2, Census Tract 201 (central) has the lowest homeownership rate. However, this is the downtown commercial area with apartment complexes at the boundaries. Not surprisingly, the block groups with the lowest income levels also experience the lowest levels of homeownership.

Section VI. Mortgage Lending Trends

This section profiles Oak Ridge's mortgage lending trends by reviewing data available through the Home Mortgage Disclosure Act (HMDA). An overview of the number of mortgage loans by race, gender and income, as well as, the number of subprime loans and conventional loans is provided. The number of loans denied by race and gender is also reported.

In 2007, 89% of home purchasing loans were granted to Whites, followed by 5.1% to Blacks, 2.6% to Mixed Race pairs, 1.3% to Hispanics, .3% to Non-Hispanic borrowers and no loans were granted to Native Americans.

Home Purchase Loans by Race, 2007	
Asian/Pac. Islanders	1.8%
Blacks	5.1%
Hispanics	1.3%
Mixed Race Pairs	2.6%
Native American	0.0%
Non-Hispanic Multiracial borrowers	0.3%
Whites	89%

Source: dataplace.org/place?category=4

In 2007, 42.5% of home loans were granted to high-income earners and 26.4% were granted to middle-income earners. Only 22.1% of home loans were granted to low-come earners so it appears that low-income earners have less fair housing choices than middle to high income earners.

Home Purchase Loans by Income, 2007	
Median borrower income for owner-occupied purchasing 1 to 4 families excluding manufactured homes	$58,000
Median borrower income for owner-occupied purchases of manufactured Homes	$28,000
Percent of owner-occupied home purchase loans to high-income borrowers	42.5%
Percent of owner-occupied home purchase loans to low-income borrowers	22.1%
Percent of owner-occupied home purchase loans to middle-income borrowers	26.4%
Percent of owner-occupied purchase loans to very low-income borrowers	9.0%

Source: dataplace.org/place?category=4

Loan Denials by Gender, 2007	
Denial rate of conventional home purchase loans to female applicants	15.3%
Denial rate of conventional home purchase loans to male applicants	18.9%
Denial rate of conventional purchase loans to male/female co-applicants	9.0%
Denial rate of conventional purchasing loans to co-applicants of the same gender	7.1%

Source: dataplace.org/place?category=4

From the 2005 data below, it appears that subprime lenders handle more conventional refinancing loans, 20.8%, than conventional home mortgage loans, 12.3%.

Loans from subprime lenders, total and by purpose, 2005	
Percent of conventional home purchase mortgage loans by subprime lenders	12.3%
Percent of conventional refinancing mortgage loans by subprime lenders	20.8%
Percent of gov't-insured home purchase loans by subprime lenders	0.0%
Percent of gov't.-insured refinanced mortgage loans by subprime lenders	0.0%

Source: dataplace.org/place?category=4

Section VII. Impediments to Fair Housing

The following impediments were identified by staff.

Impediment #1: Lack of education about discrimination and Fair Housing laws. One identified impediment to fair housing is that tenants are often uninformed about discrimination and fair housing laws. It is unclear whether landlords provide fair housing choice literature to tenants before occupancy and there is no information on the City's website.

Recommended Actions:

- Display information about fair housing laws on the City of Oak Ridge website
- Encourage managers of multi-family housing to distribute fair housing information
- Use existing points of contact (i.e., Realtors Association, Chamber of Commerce) to distribute Fair Housing information
- Encourage schools to educate children about fair housing through creative activities
- Continue declaring April as Fair Housing month and participate in local fair housing event.
- Develop a brochure and make it available through the City's Utility Billing Office and Public Library
- Continue an active Board of Building and Housing Code Appeals whereby charges of housing discrimination may be addressed

Impediment #2: Inadequate number of housing options for low income families. Another identified impediment is that there are limited housing options for low income families. There simply are not enough low income housing options for low income families who cannot afford to move. This is especially problematic for individuals who report being harassed.

state and local laws. The second most common basis of complaints was race (alleged in 31 percent of complaints), followed by familial status (alleged in 20 percent of complaints)."[3]

Section IX. Fair Housing Strategy:

Recommended strategy for dealing with impediments:

1. The City government should continue to support fair housing by proclaiming, "April is Fair Housing Month," by formal City Council action and by input to the media. Participate in local fair housing event each April.
2. The City should continue to appoint members to the Board of Building and Housing Code Appeals whereby charges of housing discrimination may be addressed.
3. The City should continue to address the issue of emergency housing in a fair manner through its social service programs, implementation of its relocation policy and through referrals to private, state and federal programs.
4. The City's housing-related staff should seek out further opportunities for fair housing training.
5. The City should distribute fair housing information and encourage schools to educate children about fair housing choice.
6. The City staff should use non-traditional, as well as traditional means, aimed to reach the lower-income, less-educated population, to make sure they are aware of fair housing laws and policies.
7. The City should have information on its website and utility bills that Fair Housing is the City's policy, with a telephone number for questions.
8. The City should support housing accessibility improvements.

X. Certification

I, Mayor Tom Beehan, certify that the City of Oak Ridge, Tennessee will affirmatively further fair housing and that:

- This Analysis of Impediments to Fair Housing Choice was conducted by the City of Oak Ridge, Tennessee, in 2011, and this document is an accurate representation of the analysis process;
- The City of Oak Ridge will take appropriate actions as identified in this analysis; and
- The City of Oak Ridge will maintain records of this Analysis and the actions taken to overcome the impediments to fair housing choice.

_____ _____

Tom Beehan, Mayor of Oak Ridge, Tennessee Date

[3] http://nationalmortgageprofessional.com/news19079/hud-fair-housing-report-finds-disability-discrimination-tops-list-complaints