

2015 CITY OF TUSCALOOSA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



**CITY OF TUSCALOOSA
DRAFT REPORT FOR PUBLIC REVIEW**

MAY 19, 2015

2015 CITY OF TUSCALOOSA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE:



Prepared for the:
The City of Tuscaloosa Office Federal Programs

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**Draft Report for Public Review
May 19, 2015**

HAS YOUR RIGHT TO FAIR HOUSING BEEN VIOLATED?

If you feel you have experienced discrimination in the housing industry, please contact:

Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
Washington, DC 20410-2000
Telephone: (202) 708-1112
Toll Free: (800) 669-9777
Web Site: <http://www.HUD.gov/offices/fheo/online-complaint.cfm>

Tuscaloosa Housing Counseling Program
2122 6th Street
Tuscaloosa, AL 35401
Telephone: (205) 248-5095
Fax: (205) 349-0135
Email: ddrake@tuscaloosa.com

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EXECUTIVE SUMMARY

AI PURPOSE AND PROCESS

As a requirement of receiving funds under the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grant (ESG), entitlement jurisdictions must submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three elements:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified, and
3. Maintain records reflecting the actions taken in response to the analysis.

In the *Fair Housing Planning Guide*, page 2-8, HUD provides a definition of impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect.¹

The list of protected classes included in the above definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state and local governments may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process affirmatively furthers fair housing involves a thorough examination of a variety of sources related to housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes public input and review via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments, along with actions to overcome the identified impediments.

METHODOLOGY

As part of the consolidated planning process, and as a requirement for receiving HUD formula grant funding, the City of Tuscaloosa is undertaking this AI to evaluate impediments to fair housing choice within the city.

Residents of the City of Tuscaloosa are protected from discrimination in housing choice by the federal Fair Housing Act, which includes protections based on race, color, religion, national origin, sex, disability, and familial status².

¹ U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide*. Vol. 1, p. 2-8. http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf

The purpose of this report is to determine current impediments to fair housing choice at work in the City of Tuscaloosa and to suggest actions that the local community can consider in order to overcome the identified impediments. Thus, this report represents only the first step in the three-part certification process presented on the previous page.

This AI was conducted through the assessment of a number of quantitative and qualitative sources. Quantitative sources used in analyzing fair housing choice in the City of Tuscaloosa included:

- Socio-economic and housing data from the U.S. Census Bureau,
- Employment data from the U.S. Bureau of Labor Statistics,
- Economic data from the U.S. Bureau of Economic Analysis,
- Investment data gathered in accordance with the Community Reinvestment Act,
- Home loan application data from the Home Mortgage Disclosure Act, and
- Housing complaint data from HUD.

Qualitative research included evaluation of relevant existing fair housing research and national and city fair housing legal cases. Additionally, this research included the evaluation of information gathered from several public input opportunities conducted in relation to this AI. This also included the 2015 City of Tuscaloosa Fair Housing Survey distributed to stakeholders, interested parties, and participants in the public input process.

Geographic analyses of racial and ethnic distribution were conducted by calculating race or ethnicity as the percentage of total population and then plotting the data on a geographic map of Census tracts in the City of Tuscaloosa. For the purposes of this AI, maps were produced for several racial and ethnic groups based on both 2000 and 2010 Census data in order to examine how the concentrations of these populations changed over time.

Ultimately, a list of potential impediments was drawn from these sources and further evaluated based on HUD's definition of impediments to fair housing choice, as presented on the previous page. Potential impediments to fair housing choice present within the city were identified; along with actions the city may consider in attempting to address possible impediments.

OVERVIEW OF FINDINGS

This AI includes a review of both public and private sector housing market contexts in the City of Tuscaloosa to identify practices or conditions that may operate to limit fair housing choice in the city. Analysis of demographic, economic, and housing data included in that review establish the context in which housing choices are made. Demographic data indicate the sizes of racial and ethnic populations and other protected classes; economic and employment data show additional factors in influencing housing choice; and counts of housing by type, tenure, quality, and cost indicate the ability of the housing stock to meet the needs of the city's residents.

The contextual analysis described above provides a foundation for detailed review of fair housing laws, cases, studies, complaints, and public involvement data. The structure provided

² 42 U.S.C.A. §3601

by local, city, and federal fair housing laws shapes the complaint and advocacy processes available in the city, as do the services provided by local, city, and federal agencies. Private sector factors in the homeownership and rental markets, such as home mortgage lending practices, have a substantial influence on fair housing choice. In the public sector, policies and practices can also significantly affect housing choice.

Complaint data and AI public involvement feedback further help define problems and possible impediments to housing choice for persons of protected classes, and confirm suspected findings from the contextual and supporting data.

Socio-Economic Context

Tuscaloosa has grown considerably since 2000. In that year it was a city of approximately 78,000. In 2013, Tuscaloosa boasted an estimated population of 95,334. That the city would enjoy such a remarkable growth spurt would not have been obvious a decade earlier—population growth was slow in the first few years after 2000. However, the population has grown markedly every year since 2003, at an average rate of approximately 1,570 new residents per year. Much of the growth between 2000 and 2010 was attributable to an increase in the number of residents aged 20 to 24, along with those aged 5 to 19 and 55 to 64. By contrast, there were fewer elderly residents in 2010 than there had been at the beginning of the decade, and fewer residents aged 35 to 54.

Changes to the racial and ethnic composition of the city were relatively minor: white and black residents, who accounted for more than 95 percent of the population, increased in number by 15.5 and 12.8 percent, respectively. Likewise, though Hispanic residents more than doubled, both in number and as a share of the population, only three percent of the city's population was Hispanic in 2010. The geographic distribution of these groups also changed little over the decade, and black residents tended to be highly concentrated the West End of Tuscaloosa and in the Alberta neighborhood. Hispanic residents tended to account for larger shares of the population in the central and eastern part of the city.

Residents with disabilities also tended to be concentrated in the western part of the city in 2000, when these residents accounted for around one-fifth of the city's population. In a large Census tract to the immediate southwest of the city center, nearly 40 percent of residents were living with some form of disability. In 2009-2013, less than 22 percent of residents in that same tract were living with a disability, and residents with disabilities accounted for 11.3 percent of the population as a whole.³ The highest concentration of disabilities in that period was observed in a large Census tract in the west of the city.

The city also enjoyed strong growth in its labor market after 2003, as well as in the number of employed, and by 2007 the unemployment rate in the city had fallen to 2.9 percent. However, that growth ended abruptly in 2008, and was followed by two years of decline in the number of employed. The result was a peak in the unemployment rate, which rose to 8.5 percent and

³ Note: Lower disability rates in 2009-2013 do not necessarily represent a reduction in the number or share of residents with disabilities: the Census Bureau adopted a new disability framework in 2008 and with it a new set of questions pertaining to disability. For this reason, the Census Bureau discourages direct comparison of disability figures post-2008 to those obtained prior to 2008. In effect, Censuses and surveys from before and after that year measure different populations, though there is considerable overlap between the two.

stayed near that level until 2010. The unemployment rate began to decline after the middle of 2010, and by 2013 it had fallen to 6.1 percent.

Trends in the labor market were reflected in growth in the number of full- and part-time jobs in the county, which fell by over 5,000 from 2008 through 2010, the largest and most sustained drop in the number of jobs in more than forty years. However, growth in the total number of jobs in the county resumed in 2010, and has been steady since that time. The decline in the number of jobs in the county was not accompanied by a corresponding decline in real average earnings per job; however, the county did experience a drop in real per capita income of approximately \$1300 between 2008 and 2009.

However, average earnings per job and per capita income in the county were higher in 2013 than they had been in 2000, a fact that was reflected in a shift in household incomes over the same time period. According to the 2000 Census, 58.1 percent of households in that year earned less than \$35,000 per year, with more than 30 percent earning less than \$15,000. By 2013, the share of households earning less than \$35,000 had fallen to 46.7 percent, while the shares of households increased in all income brackets earning \$35,000 per year or more.

Nevertheless, households earning less than \$15,000 per year continued to account for the largest share of households in the city in 2009-2013, and the poverty rate in the city remained high. In fact, the share of residents living in poverty was observed to have grown between 2000, when 23.6 percent of residents were living in poverty, and 2009-2013, when around 26.3 percent of residents were living in poverty.

Growth in the city's occupied housing stock was roughly on par with growth in the population, and renter-occupied units came to account for a larger share of occupied units as a whole. Around 52 percent of occupied units were occupied by renters in 2000; by 2010, that figure had grown to 57.7 percent, while the share of units that were occupied by their owners fell. From 2000 through 2013, the share of apartment units increased by nearly eight percentage points, while housing units of all other types came to account for smaller shares of the city's housing stock.

The number of vacant units also increased over the decade, and the share of housing units that were vacant grew to 11.4 percent in 2010, an increase of 1.4 percentage points over 2000. Most of this growth was attributable to growth in the number of vacant units for rent or for seasonal, occasional, or recreational use. The number of "other vacant" units throughout the city fell: having accounted for a fifth of all vacant units in 2000, "other vacant" units represented less than 15 percent of the housing stock a decade later. However, these units remained disproportionately concentrated in tracts to the southwest of the city center.

The size of the average household remained roughly the same from 2000 through 2010, with some minor growth in the number and share of larger households. In spite of that growth, the share of overcrowded or severely overcrowded units in the city fell from 3.1 to 1.7 percent.

The share of units with incomplete plumbing facilities also fell, from 0.5 to 0.1 percent, while the share of units with incomplete kitchen facilities edged upward from 0.5 to 0.7 percent.

Considerably more households were impacted by cost-burdening, which describes a situation in which households spend between 30 and 50 percent of their income on housing costs. Nearly 17 percent of households were cost-burdened in 2000, a share that had grown to 18.4 percent by 2013. The share of households that were severely cost-burdened, or in which housing costs took up more than 50 percent of the household income, was larger still: in 2000, 18.9 percent of households were severely cost-burdened. By 2013, that share had grown to 22.4 percent. In both years, rental households were observed to be more heavily impacted by cost-burdening. This discrepancy was stark among households spending more than 50 percent of their income on housing costs: the share of rental units that were cost burdened was more than twice as large as the share of owner-occupied units that were cost-burdened.

The increased incidence of cost burdening came with an increase in median housing costs between 2000 and 2013. In 2000, the median rent price was \$481 per month and the median owner-occupied unit was worth \$99,600. By 2013, the median rent cost had risen to \$570 and the median home value had risen to \$163,500.

Review of Fair Housing Laws, Studies, and Cases

Residents of Tuscaloosa are protected from discrimination in the housing market by laws at the federal and state level. The federal Fair Housing Act represents the foundation for fair housing law and policy in the United States, prohibiting discrimination on the basis of race, color, religion, sex, national origin, familial status, and disability. Alabama's Fair Housing Law prohibits discrimination in the housing market on those same bases.

In spite of the existence of these laws, discrimination persists, though certainly no longer in a form that is as overt and obvious as it was when the laws were passed. Often, housing seekers will not know that they have been subjected to discrimination when a landlord tells them that no apartments are available (only to offer an available room to a prospective tenant of another race or ethnicity a few hours later). Such discrimination often only becomes apparent when properties are subjected to fair housing testing: results of such testing, and national studies of the outcomes of fair housing tests have consistently revealed differences in how applicants are treated when they apply for housing with similar qualifications, but with names that are stereotypically associated with members of different races and ethnicities.

In fact, one of the cases filed by the Department of Justice against a housing provider in Alabama's Northern District relied in part on data gathered through fair housing testing, which revealed that an apartment complex in Boaz was telling prospective African-American tenants that no rooms were available while telling prospective white tenants that rooms were available. That case settled, along with another case involving similar allegations against a Decatur landlord, with the housing providers in question agreeing to pay substantial monetary damages and civil penalties. Both cases were filed and resolved within the last ten years, and both involved allegations of race-based discrimination.

Though the laws that shape fair housing policy at the federal level are firmly established, and have been broadened in scope and legal force over the years, legal and regulatory actions that are currently taking place at the national level are likely to considerably impact the manner in which fair housing policy is carried out. In the first place, the Supreme Court is currently considering whether or not individuals or business can be held liable for discrimination by

enacting policies that are neutral on their face, but have discriminatory effects. Such “discriminatory effects liability”, a long-standing tool in fair housing enforcement, has been upheld in eleven district court decisions but had not been considered by the Supreme Court prior to January of this year. If the court rules that disparate impact liability is not available under the fair housing act, that decision is likely to change fair housing enforcement profoundly.

The decision may also have an impact, albeit indirect, on HUD’s affirmatively furthering fair housing requirement, since many of the cases that trigger an AFFH review by HUD are based on the perceived discriminatory effects of certain policies. However, a rule proposed by HUD in 2013 is likely to have a more direct impact. This proposed rule, which is meant to clarify the AFFH requirement for state and local jurisdictions, would replace the AI with the Assessment of Fair Housing (AFH), among other changes. A final action on the rule, originally scheduled for December of 2014 is still forthcoming as of early May of 2015.

Fair Housing Structure

Just as the federal Fair Housing Act represents the backbone of fair housing law and policy in the United States, the Department of Housing Urban Development, a federal agency, represents the backbone of fair housing enforcement throughout the country. Residents of Tuscaloosa who believe that they have been subjected to unlawful discrimination in the housing market may file a complaint with HUD directly, or may contact the Tuscaloosa Housing Counseling Program. The Housing Counseling Program,

HUD also coordinates with local and state-level organizations throughout the country to provide fair housing resources and enforcement through the Fair Housing Initiatives Program (FHIP), and with local and state governments through the Fair Housing Assistance Program (FHAP). There are at present no FHAP or FHIP grantees serving the residents of Tuscaloosa at the state or local level, though 23 counties in northern Alabama have been served in past years by the Fair Housing Center of Northern Alabama, a FHIP grantee in 2011.

Residents of Tuscaloosa, along with residents throughout the state, may also file a fair housing complaint with the Alabama Department of Economic and Community Affairs. However, at present it is unclear the degree to which the Department is actively engaged in fair housing enforcement, and it appears that most fair housing complaints filed by state residents are filed with HUD.

Fair Housing in the Private Sector

The ability of individuals or families to choose where they live is impacted by a number of factors, including the availability and terms of home loans and home insurance, patterns in small business lending, the incidence of discrimination in the housing market, and the accessibility of new and existing units to those of reduced mobility.

Financial institutions that provide home loans for properties within the City of Tuscaloosa handled 46,562 home loans and loan applications from 2004 through 2013. Many of those loans or applications pertained to refinancing or home improvement; however, over forty percent were home purchase loans, most of which were intended to finance the purchase of a

housing unit in which the loan applicant or recipient intended to live. Some 7,320 “owner-occupied” home purchase loan applications were originated in the city over the decade, while over 1,500 were denied, for an overall denial rate of 17.7 percent. The city saw substantial variation in denial rates from year to year, as the share of loan applications that were denied fell from 20.9 to 9.8 percent from 2005 through 2009, only to rise again, to 21.8 percent in 2013.

In addition to this yearly variation, loan denial rates were observed to vary according to the gender, race, and ethnicity of the loan applicant. Female loan applicants were denied at a rate of 22 percent on average over the decade, a rate that was nearly eight percentage points higher than the denial rate for male applicants. Similarly, 28.1 percent of applications from black loan applicants were denied, compared to a denial rate of 11.2 percent for white applicants. At the same time, the denial rate for Hispanic applicants, at 29.1 percent, was nearly twice the denial rate of non-Hispanic applicants. Not surprisingly, overall denial rates were observed to be highly concentrated in the area to the southwest of the city center, an area with a relatively large share of black residents and residents in poverty. Denial rates were also high in the area around the University of Alabama.

The most common stated reason for these loan denials was “credit history”. Nearly a quarter of denied loans included credit history as a factor in the decision to deny a loan. The second most common factor was “debt-to-income ratio”, cited as a primary factor in nearly 12 percent of denials, on average. Indeed, the denial rates for all applicants fell as the income of the applicant increased, as one might expect. However, the previously observed discrepancies in denial rates by race and ethnicity persisted even when income was taken into account. For example, the denial rate for black applicants earning \$60,000 to \$75,000 per year, at 24 percent, was more than three times the denial rate for white applicants who were similarly situated with respect to income. The denial rates for Hispanic and non-Hispanic applicants in that income range were similar, though the gap between the two was considerably higher in most other income brackets.

Black and Hispanic applicants who were able to secure a loan were also more likely to be issued loans with high annual percentage rates (HALs). On average, 9.5 percent of the owner-occupied home purchase loans issued in the city were HALs (though the HAL rate had been considerably higher in 2004 through 2007). However, more than a fifth of the loans issued to black borrowers were HALs, compared to 5.3 percent of loans issued to white borrowers. Similarly, 23.3 percent of loans issued to Hispanic borrowers were HALs, compared to a HAL rate of 9.1 percent for non-Hispanic borrowers. Again, Census tracts with relatively high HAL rates tended to be located to the southwest of the city center, in high-poverty areas with relatively large concentrations of black residents.

These same areas were also largely bypassed by small business lenders, who tended to be more active in Census tracts in which the median family income was more than 50 percent of the median family income for the Tuscaloosa metropolitan statistical area, which includes the counties of Tuscaloosa, Hale, and Pickens. The most concerted small business lending activity in the city took place in the riverside Census tract to the immediate west of the city center, as well as in the large tract to the north of the river and east of McFarlane Boulevard. Small business lending was also relatively muted in Census tracts in and around the Alberta neighborhood.

A total of fair housing 23 complaints were filed with HUD from 2004 through 2013 by or on behalf of Tuscaloosa residents. More than half of these complaints alleged discrimination on the basis of race, while six cited perceived discrimination on the basis of disability. Discrimination in terms, conditions, or privileges relating to rental was the most common discriminatory act or practice alleged in these complaints, followed by discriminatory acts under Section 818, an example of which is the threat by a landlord to terminate a lease of someone who threatens to file a fair housing complaint, or who otherwise asserts his or her fair housing rights. More than half of the complaints filed by city residents were withdrawn after resolution of the complaint, or were conciliated or settled.

The responses of local housing providers to the 2015 City of Tuscaloosa Rental Vacancy Survey suggest that approximately four percent of the city's rental housing stock is available for rent, and that vacancy rates over the last three years have tended to be low. At the same time, average market rate rents have risen, from an estimated \$674 per month in 2013 to nearly \$800 per month in 2015, on average.

In general, awareness of questionable practices or barriers to fair housing choice in the private sector was limited among respondents to the 2015 City of Tuscaloosa Fair Housing Survey. Few respondents indicated that they were aware of such issues in any of the specific industries or practices mentioned in the survey, and a large share of respondents answered each question with "don't know". Commentary on this portion of the survey was correspondingly sparse, though several respondents noted challenges in the housing market stemming from the growing prevalence of student-oriented housing in the city.

Fair Housing in the Public Sector

Analysis of factors in the public sector that may impact fair housing choice included an examination of the distribution of public-assisted housing units and transit routes in the city, as well as the results of the 2015 City of Tuscaloosa Fair Housing Survey.

Public-assisted housing projects include those that are owned by the Tuscaloosa Housing Authority and funded through the Public Housing program, HUD multifamily projects that are supported through a variety of federal housing subsidies, and projects developed with low income housing tax credits. Assisted housing projects of all types were uniquely located to the south of the river, typically on or within a half mile of the city's public transit routes, which were also located entirely to the south of the river. Public-assisted housing in the city also tended to be located in areas with relatively high rates of poverty.

As had been the case with responses to the private sector portion of the 2015 Fair Housing Survey, few respondents indicated that they were aware of questionable practices or barriers to fair housing choice in any of the private sector industries or practices identified. The most salient issues in the city, as gauged by positive responses to the survey, were the limited provision of government services and the impact of local school districts on housing locational choices. More than 14 percent of respondents (excluding missing responses) were aware of fair housing challenges stemming from limitations in access to government services, notably affordable housing and public transportation options. In addition, 71 percent of respondents affirmed that the quality of local school districts impacts residents' decisions on where to live,

and many respondents noted that schools generally perceived to be of lower quality tended to be located in lower-income areas with relatively large shares of minority residents.

Public Involvement

Efforts to promote public involvement in the AI process included the 2015 Fair Housing Survey, Focus Groups, Outreach Meetings; and a public comment period, during which the City of Tuscaloosa Office of Federal Programs sought public feedback on the findings of the AI and the actions proposed to address those findings.

A total of 93 persons completed the 2015 City of Tuscaloosa Fair Housing Survey. Nearly a quarter of respondents were employed in the housing industry, whether in construction and development or as property managers, while seven served as advocates or service providers. Thirty-four respondents neglected to identify their role in the housing industry, and 11 identified their role as “other”. Approximately 82 percent of respondents were homeowners.

Over 90 percent of respondents considered themselves to be at least “somewhat familiar” with fair housing laws, and most were supportive of fair housing laws in general, considering them to be useful. A majority also found that fair housing laws are not difficult to understand or follow, and were content to keep fair housing laws as written. A majority were also comfortable with the current level of enforcement of fair housing laws, though around 30 percent of respondents felt that current levels of enforcement are insufficient.

Many respondents were aware of a fair housing training process, and many had also participated in such training. Nevertheless, nearly thirty percent of respondents felt that current levels of fair housing outreach and education were insufficient, and most respondents were unaware of any fair housing testing. Nearly three quarters of respondents (again excluding missing responses) were able to correctly identify gender and religion as protected under federal and state fair housing law, and half or more correctly identified color, national origin, and familial status as protected classes. However, nearly a third of respondents identified “age” as a protected class, though it is not designated as such under federal or state fair housing law.

Less than a quarter of residents were aware of any city or county fair housing ordinance, regulation, or plan. Fewer still were aware of any specific geographic areas with fair housing problems; however, those that were identified areas such as Alberta, Crescent Ridge, Holt, and North Tuscaloosa.

Finally, public input opportunities during the 2015 AI process included a fair housing forum and a series of focus group meetings. The fair housing forum discussion covered a range of topics, largely relating to the need for a more robust local fair housing infrastructure, an increased and more geographically dispersed stock of affordable housing, and greater education on a variety of issues touching upon fair housing choice. The three focus group meetings were held on January 21, 2015, and the discussion at each was tailored to a general topic, the three topics being “Homeownership”, “Rental Housing”, and “Policy”. Accordingly, the range of subjects discussed at these meetings was broad. However, much of these conversations revolved around a few general themes, including:

- The challenges associated with credit history and the impact of unpaid medical bills on credit;
- Differences in denial rates along racial and ethnic lines, both in home lending and in applications for rental housing;
- The positive impact of credit and financial counseling on participants, and the need to promote wider participation in and availability of such counseling;
- The need to increase the stock of publicly subsidized housing, potential opportunities for development, and potential areas for development; and
- The impact of the University of Alabama on the local housing market, which is becoming increasingly oriented toward student housing.

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Higher denial rates to black, Hispanic, and female loan applicants. This impediment was identified through a review of data on patterns in home lending gathered under the Home Mortgage Disclosure Act (HMDA) from 2004 through 2013. According to those data, the home purchase loan denial rate for black applicants, at 28.1 percent, was well over twice the denial rate for white applicants. Similarly, Hispanic applicants were denied home purchase loans at a rate of 29.1 percent, nearly twice the denial rate for non-Hispanic applicants. Finally, the denial rate for female applicants, at 22 percent, exceeded that of male applicants by nearly eight percentage points.

Action 1.1: Increase outreach and education to local high school and college students, focusing on the importance of building and maintaining good credit.

Measurable Objective 1.1: The number of outreach and education sessions conducted and the number of participants.

Impediment 2: Lack of understanding of fair housing laws. This impediment was identified through review of responses to the 2015 City of Tuscaloosa Fair Housing Survey. Though a large majority of stakeholders who responded to the survey considered themselves to be “somewhat” or “very” familiar with fair housing laws, nearly thirty percent felt that current levels of fair housing outreach and education were insufficient, suggesting that there is a perception that knowledge of fair housing is not widespread among members of the public.

Action 2.1: Conduct fair housing outreach and education efforts on the subject of fair housing law and policy, focusing on fair housing concerns in the private housing market. Topics to be presented and discussed may include housing discrimination, the rights and responsibilities of housing providers in the housing market, how to identify illegal housing discrimination, and where to turn when you believe that you have been subjected to illegal discrimination in the housing market.

Measurable Objective 2.1: The number of outreach and education sessions offered and the number of participants in those sessions.

Impediment 3: Lack of a fair housing infrastructure in the city. This impediment was identified through a review of fair housing resources available to Tuscaloosa residents as well

as in lack of use of the fair housing complaint system. There is currently no organization at the city, county, or state level that serves Tuscaloosa residents as a participant in the Fair Housing Initiatives Program (FHIP), nor is there a local or state agency that serves city residents as a participant in the Fair Housing Assistance Program (FHAP).⁴

Action 3.1: Locate a Fair Housing Initiative Partnership participant (FHIP) to provide complaint intake and processing to Tuscaloosa residents who believe that they have been subjected to illegal discrimination in the city's housing market.

Measurable Objective 3.1: Record of attempts to contact and engage a FHIP for complaint processing, the number of complaints filed with the FHIP by city residents, and the outcome of those complaints.

Impediment 4: Discrimination on the basis of race and disability. This impediment was identified through review of HUD housing complaints that Tuscaloosa residents filed against housing providers in the city, as well as the 2015 Fair Housing Survey. The most common complaint among those filed with HUD alleged discrimination on the basis of race, followed by disability. In addition, a number of survey respondents cited discrimination on the basis of race and disability.

Action 4.1: Conduct outreach and education, to housing providers and consumers alike, concerning fair housing law and policy.

Measurable Objective 4.1: The number of outreach and education sessions conducted, and the number of participants in those sessions.

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Apparent shortage of family-oriented housing in Tuscaloosa. This impediment was identified through review of the 2015 Fair Housing Survey; as well as in consultation with local stakeholders during the 2015 Fair Housing Forum and Housing Policy Focus Group discussion. Survey respondents frequently cited the perceived shortage of family-oriented housing throughout the city, and maintained that this shortage was driven in large part by a recent emphasis on student housing in new construction. This perception was shared and by participants in the fair housing forum and focus group discussions.

Action 1.1: Promote the production of affordable housing units for households with children.

Measurable Objective 1.1: The number of affordable units added to the city's affordable housing stock.

Impediment 2: Lack of understanding of fair housing law. As noted above, results of the 2015 Fair Housing Survey suggest that knowledge of fair housing law and policy may be limited among local stakeholders. Lack of fair housing knowledge was included as both a private and public sector impediment to underscore the role that the public sector may play in addressing the impediment and the fact that lack of awareness of fair housing law and policy impacts the deployment of resources in the public and private sectors.

⁴ Participants in these programs work in coordination with HUD, and with the aid of federal funding, to provide fair housing enforcement and education at the state and local level.

Action 2.1: Conduct or enhance outreach and education efforts on the subject of fair housing law and policy, focusing on fair housing concerns that are connected to the use of public resources and on the policy process of local government agencies. Topics to be discussed in the course of such education efforts may include fair housing issues in zoning and land use decisions, the requirement to affirmatively further fair housing, and other topics.

Measurable Objective 2.1: The number of outreach and education sessions offered and the number of participants in those sessions.

Impediment 3: Concentrations of assisted housing in areas with higher concentrations of lower-income households. This impediment was identified through analysis of the locations of existing public-assisted housing units, and their relation to areas with higher concentrations of poverty. Housing units that were subsidized by the Public Housing program or various HUD multifamily subsidies were located exclusively to the south of the river, near transit lines and generally in areas with above-average concentrations of poverty.

Action 3.1: Develop a proposal for new apartment or multifamily construction, requiring that a percentage of new developments in the city be dedicated to affordable housing, or that developers wishing to opt out of this requirement pay a one-time fee, to be deposited into an affordable housing trust fund.

Measurable Objective 3.1: Record of discussion and development of proposal, the completed proposal, and subsequent actions taken with regard to the proposal.

Action 3.2: Establish a dialogue between the Housing Authority and Transit Authority to better coordinate the siting of future affordable housing and the expansion of transit routes, with the goal of identifying new areas for affordable housing development beyond those that served by the currently existing transit network.

Measurable Objective 3.2: The establishment and record of dialogue between the transit authority and the housing authority.

Impediment 4: Lack of a fair housing infrastructure in the city. This impediment was identified through a review of fair housing resources available to Tuscaloosa residents as well as in lack of use of the fair housing complaint system. As noted in the description of Private Sector Impediment 2, there is currently no organization at the city, county, or state level that serves Tuscaloosa residents as a participant in the Fair Housing Initiatives Program (FHIP), nor is there a local or state agency that serves city residents as a participant in the Fair Housing Assistance Program (FHAP).⁵

Action 4.1: Solicit the participation of a FHIP in local fair housing enforcement and policy. Establish a contract with the FHIP to provide education and outreach and fair housing testing in the city.

Measurable Objective 4.1: Record of contact with local and state FHIP organizations, the establishment of a contract with the FHIP, and quarterly reports prepared by the FHIP pursuant to the contract.

⁵ Participants in these programs work in coordination with HUD, and with the aid of federal funding, to provide fair housing enforcement and education at the state and local level.

SECTION I. INTRODUCTION

Title VIII of the 1968 Civil Rights Act, also known as the Federal Fair Housing Act, made it illegal to discriminate in the buying, selling, or renting of housing based on a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Federal fair housing statutes are largely covered by the following three pieces of U.S. legislation:

1. The Fair Housing Act,
2. The Housing Amendments Act, and
3. The Americans with Disabilities Act.

The purpose of fair housing law is to protect a person's right to own, sell, purchase, or rent housing of his or her choice without fear of unlawful discrimination. The goal of fair housing law is to allow everyone equal access to housing.

WHY ASSESS FAIR HOUSING?

Provisions to affirmatively further fair housing are long-standing components of the U.S. Department of Housing and Urban Development's (HUD's) housing and community development programs. These provisions come from Section 808(e) (5) of the federal Fair Housing Act, which requires that the Secretary of HUD administer federal housing and urban development programs in a manner that affirmatively furthers fair housing.

In 1994, HUD published a rule consolidating plans for housing and community development programs into a single planning process. This action grouped the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG)⁶, and Housing Opportunities for Persons with AIDS (HOPWA) programs into the Consolidated Plan for Housing and Community Development, which then created a single application cycle.

As a part of the consolidated planning process, states and entitlement communities that receive such funds as a formula allocation directly from HUD are required to submit to HUD certification that they are affirmatively furthering fair housing. The AFFH certification process has three parts:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified through the analysis, and
3. Maintain records reflecting the analysis and actions taken.

In the *Fair Housing Planning Guide*, page 2-8, HUD notes that impediments to fair housing choice are:

⁶ The Emergency Shelter Grants program was renamed the Emergency Solutions Grants program in 2011.

- “Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect.”⁷

State and local governments may enact fair housing laws that extend protection to other groups as well. However, the Alabama Fair Housing Law only extends such protection to those groups that are identified in the federal Fair Housing Act, and the City of Tuscaloosa does not have a local fair housing ordinance.

As discussed above, fair housing protections at the federal level do not include consideration of income and do not address housing affordability outside the context of housing discrimination. While lack of affordable housing can be a significant concern to policymakers, it is not, on its own, a fair housing problem unless members of protected classes face this issue disproportionately. In fact, a large increase in affordable units in close proximity to one another can cause a problem for fair housing choice in some cases, such as the segregation of racial or ethnic minorities. In addition, the AI does not seek to address future affordable housing needs or specific affordable housing production issues.

PURPOSE OF THIS RESEARCH

HUD interprets the broad objectives of affirmatively furthering fair housing to include:

- “Analyzing and working to eliminate housing discrimination in the jurisdiction;
- Promoting fair housing choice for all persons;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to, and usable by, all persons, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.”⁸

The objective of the 2015 AI process was to research, analyze, and identify prospective impediments to fair housing choice throughout the city. The goal of the completed AI is to suggest actions that the sponsoring jurisdictions can consider when working toward eliminating or mitigating the identified impediments.

LEAD AGENCY

The agency that led the effort of preparing this report on behalf of the City of Tuscaloosa was the City of Tuscaloosa Office of Federal Programs.

⁷ *Fair Housing Planning Guide.*

⁸ *Fair Housing Planning Guide*, p.1-3.

Commitment to Fair Housing

In accordance with the applicable statutes and regulations governing the Consolidated Plan, the city certifies that it will *affirmatively further fair housing*. This statement means that it has conducted an AI, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and will maintain records that reflect the analysis and actions taken in this regard.

GEOGRAPHIC SCOPE OF THE ANALYSIS

This AI addresses the status of fair housing within the City of Tuscaloosa. Map I.1 on the following page displays the City of Tuscaloosa, along with selected major highways and county and Census tract boundaries.

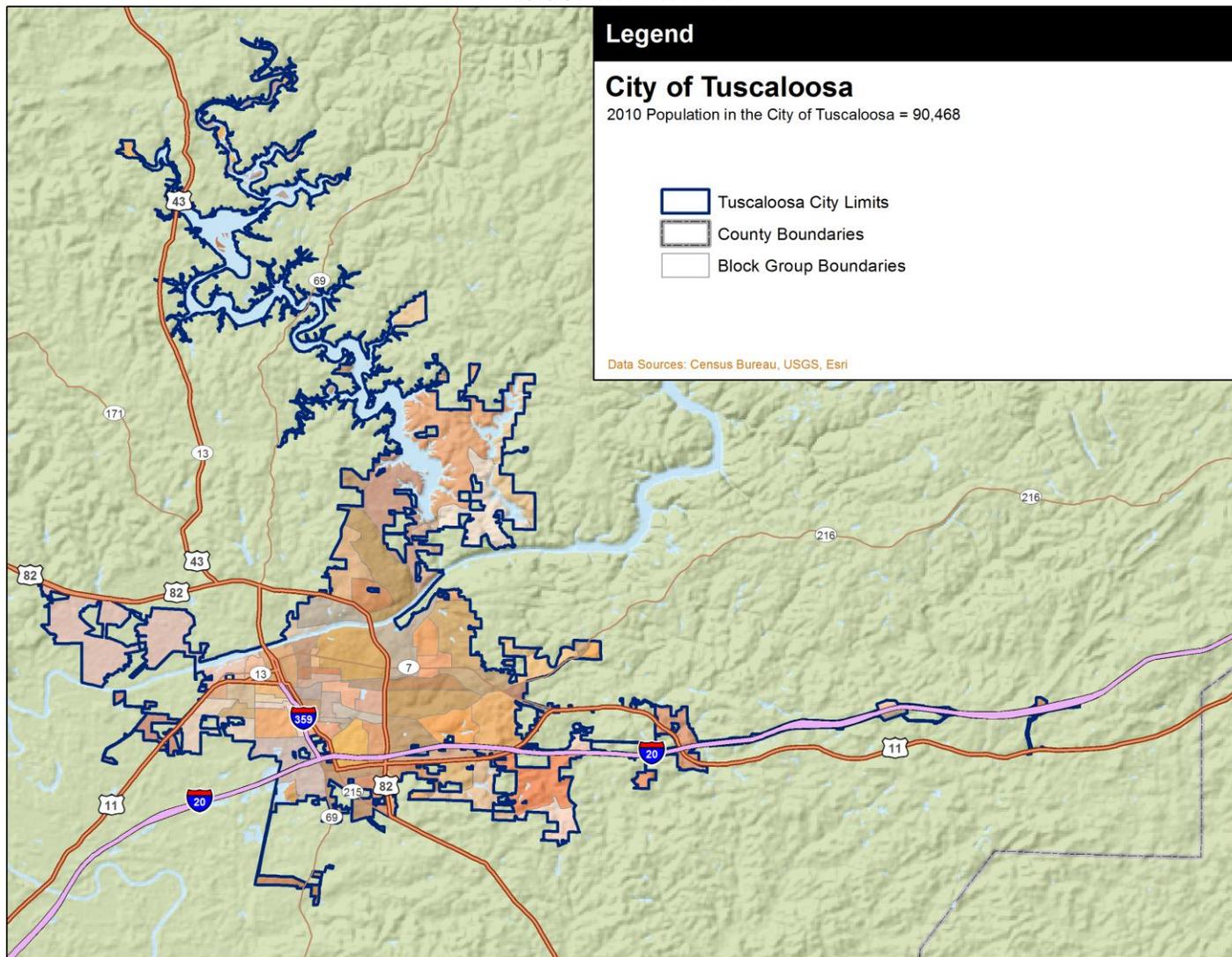
RESEARCH METHODOLOGY

The AI process involves a thorough examination of a variety of data related to housing, particularly for persons who are protected under fair housing laws. AI sources include Census data, employment and income information, home mortgage application data, business lending data, fair housing complaint information, surveys of housing industry experts and stakeholders, and related information found in the public domain. Relevant information was collected and evaluated via four general approaches:

1. *Primary Research*, or the collection and analysis of raw data that did not previously exist;
2. *Secondary Research*, or the review of existing data and studies;
3. *Quantitative Analysis*, or the evaluation of objective, measurable, and numerical data; and
4. *Qualitative Analysis*, or the evaluation and assessment of subjective data such as individuals' beliefs, feelings, attitudes, opinions, and experiences.

Some baseline secondary and quantitative data were drawn from the Census Bureau, including 2000 and 2010 Census counts, as well as American Community Survey data averages from 2009 through 2013. Data from these sources detail population, personal income, poverty, housing units by tenure, cost burdens, and housing conditions. Other data were drawn from records provided by the Bureau of Labor Statistics, the Bureau of Economic Analysis, and a variety of other sources. The following narrative offers a brief description of other key data sources employed for the 2015 AI for the City of Tuscaloosa.

Map I.1 City of Tuscaloosa Study Area City of Tuscaloosa 2010 Census Bureau Data



Home Mortgage Disclosure Act Data

Home Mortgage Disclosure Act (HMDA) data were analyzed to examine possible fair housing issues in the home mortgage market. The HMDA was enacted by Congress in 1975 and has since been amended several times. It is intended to provide the public with loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to assist in identifying possible discriminatory lending patterns. HMDA requires lenders to publicly disclose the race, ethnicity, and sex of mortgage applicants, along with loan application amounts, household income, the Census tract in which the home is located, and information concerning prospective lender actions related to the loan application. For this analysis, HMDA data from 2004 through 2013 were analyzed, with the measurement of denial rates by Census tract and by race and ethnicity of applicants the key research objectives. These data were also examined to identify the groups and geographic areas most likely to encounter higher denial rates and receive loans with unusually high interest rates.

Fair Housing Complaint Data

Housing complaint data were used to analyze discrimination in the renting and selling of housing. HUD provided fair housing complaint data for the city from 2004 through 2013. This information included the basis, or protected class cited in the complaint; the issue, or prospective discriminatory action identified; and the closure status of the alleged fair housing infraction, which relates to the result of the investigation. The review of 23 fair housing complaints from within the city allowed for inspection of the tone, the relative degree and frequency of certain types of unfair housing practices, and the degree to which complaints were found to be with cause. Analysis of complaint data focused on determining which protected classes may have been disproportionately impacted by housing discrimination based on the number of complaints, while acknowledging that many individuals may be reluctant to step forward with a fair housing complaint for fear of retaliation or similar repercussion.

Fair Housing Survey

HUD recommends that surveys be conducted during the AI process to gain input for the public regarding perceived impediments to fair housing choice in an area. As such, the city elected to utilize a survey instrument as a means to encourage public input in the AI process. This step was a cost-effective and efficient method to utilize research resources.

The survey targeted individuals involved in the housing arena, although anyone was allowed to complete the survey. In addition to gathering data, this survey was utilized to help promote public involvement throughout the AI process. The 2015 City of Tuscaloosa Fair Housing Survey, an internet-based instrument, received 93 responses.

The survey was designed to address a wide variety of issues related to fair housing and affirmatively furthering fair housing. If limited input on a particular topic was received, it was assumed that the entirety of stakeholders did not view the issue as one of high pervasiveness or impact. This does not mean that the issue was nonexistent in the city, but rather that there was no widespread perception of its prevalence, as gauged by survey participants. The following narrative summarizes key survey themes and data that were addressed in the survey instrument.

Federal, State, and Local Fair Housing Laws

The first section of the survey asked respondents to address a number of questions related to fair housing laws, including assessment of their familiarity with and understanding of these laws, knowledge of classes of persons protected by these laws, the process for filing fair housing complaints, and an inquiry into whether or not fair housing laws should be changed.

Fair Housing Activities

The second section of the survey evaluated stakeholders' awareness of and participation in fair housing activities in the city, including outreach activities such as trainings and seminars, as well as monitoring and enforcement activities such as fair housing testing exercises.

Barriers to Fair Housing Choice in the Private Sector

This section addressed fair housing in the City of Tuscaloosa's private housing sector and offered a series of two-part questions. The first part asked respondents to indicate awareness of questionable practices or barriers to fair housing choice in a variety of private sector industries, and the second part requested a narrative description of these questionable practices or concerns if an affirmative response was received. The specific areas of the private sector that respondents were asked to examine included the:

- Rental housing market,
- Real estate industry,
- Mortgage and home lending industries,
- Housing construction or accessible housing design fields,
- Home insurance industry,
- Home appraisal industry, and
- Any other housing services.

The use of open-ended questions allowed respondents to address any number of concerns such as redlining, neighborhood issues, lease provisions, steering, substandard rental housing, occupancy rules, and other fair housing issues in the private housing sector of the city.

Fair Housing in the Public Sector

Just as in the section of the survey concerning private sector barriers, respondents were asked to offer insight into their awareness of questionable practices or barriers to fair housing in the public sector. A list of areas within the public sector was provided, and respondents were asked first to specify their awareness of fair housing issues within each area. If they were aware of any fair housing issues, they were asked to further describe these issues in a narrative fashion. Respondents were asked to identify fair housing issues within the following public sector areas related to housing:

- Land use policies,
- Zoning laws,
- Occupancy standards or health and safety codes,
- Property tax policies,

- Permitting processes,
- Housing construction standards,
- The impact of perceived school district quality on housing choice;
- Neighborhood or community development policies, and
- Any other public administrative actions or regulations.

The questions in this section were used to identify fair housing issues in the city regarding zoning, building codes, accessibility compliance, subdivision regulations, displacement issues, development practices, residency requirements, property tax policies, land use policies, and NIMBYism.⁹

Additional Questions

Finally, respondents were asked about their awareness of any local fair housing plans or specific geographic areas of the city with fair housing problems. Respondents were also asked to leave additional comments.

Public Involvement

This section discusses analysis of fair housing in the City of Tuscaloosa as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence of city-wide impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

Research Conclusions

The final list of impediments to fair housing choice for the City of Tuscaloosa was drawn from all quantitative, qualitative, and public input sources, and was based on HUD's definition of an impediment to fair housing choice as any action, omission, or decision that affects housing choice because of protected class status. The determination of qualification as an impediment was derived from the frequency and severity of occurrences drawn from quantitative and qualitative data evaluation and findings.

⁹ "Not In My Backyard" mentality

SECTION II. SOCIO-ECONOMIC CONTEXT

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Economic Analysis, the Bureau of Labor Statistics, and other sources. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends; these data are also available by Census tract, and are shown in geographic maps. Ultimately, the information presented in this section illustrates the underlying conditions that shape housing market behavior and housing choice in non-entitlement areas of the City of Tuscaloosa.

To supplement 2000 and 2010 Census data, data for this analysis was also gathered from the Census Bureau’s American Community Survey (ACS). The ACS data cover similar topics to the decennial counts but include data not appearing in the 2010 Census, such as household income and poverty. The key difference of these datasets is that ACS data represent a five-year average of annual data estimates as opposed to a point-in-time 100 percent count. The ACS data figures, which span the years from 2009 through 2013, are not directly comparable to decennial Census counts because they do not account for certain population groups such as the homeless and because they are based on samples rather than counts of the population. However, percentage distributions from the ACS data can be compared to distributions from the 2000 and 2010 Censuses.

DEMOGRAPHICS

As part of the essential review of the background context of the City of Tuscaloosa markets in which housing choices are made, detailed population and demographic data are included to describe the city’s residents. These data summarize not only the protected class populations, but characteristics of the total population for the entire city, as well as the outcome of housing location choices. These data help to address whether over-concentrations of racial and ethnic minorities exist, and if so, which areas of the city are most affected. Extreme concentrations of protected class populations do not necessarily imply impediments to fair housing choice, but may represent the results of impediments identified in other data.

POPULATION DYNAMICS

Table II.1 at right presents population counts in non-entitlement areas of the City of Tuscaloosa, as drawn from the 2000 and 2010 Census, along with population estimates from 2001 through 2009 and 2011 through 2013. In total, the population in the city grew from 77,906 persons in 2000 to an estimated 95,334 in 2013, an increase of 22.4 percent. According to intercensal population estimates, the rate at which the city’s population has grown accelerated around the middle of the last decade.

Table II.1
Census and Intercensal
Population Estimates
Non-Entitlement Areas of
City of Tuscaloosa
2000, 2010 Census and
Intercensal Estimates

Year	Estimate
Census 2000	77,906
July 2001 Est.	79,260
July 2002 Est.	79,219
July 2003 Est.	79,620
July 2004 Est.	80,294
July 2005 Est.	82,028
July 2006 Est.	84,869
July 2007 Est.	85,731
July 2008 Est.	87,374
July 2009 Est.	89,829
Census 2010	90,468
July 2011 Est.	92,232
July 2012 Est.	93,683
July 2013 Est.	95,334
Change 00 – 13	22.4%

POPULATION BY AGE

The population of Tuscaloosa grew by 16.1 percent between the 2000 and 2010 Censuses. As shown in Table II.2 below, this growth was largely driven by an increase in the number of residents aged 55 to 64, 20 to 24, and 5 to 19. Growth in all of these cohorts exceeded the overall average rate of growth. The number of residents aged less than 5 years grew relatively slowly, as did the number of residents aged 25 to 34, while the number of residents aged 35 to 54 fell by six percent and the number of residents aged 65 and older fell by 3.5 percent.

Table II.2
Population by Age

City of Tuscaloosa
2000 & 2010 Census SF1 Data

Age	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
Under 5	4,451	5.7%	4,497	5.0%	1.0%
5 to 19	16,719	21.5%	19,868	22.0%	18.8%
20 to 24	13,370	17.2%	20,204	22.3%	51.1%
25 to 34	10,536	13.5%	11,628	12.9%	10.4%
35 to 54	18,284	23.5%	17,179	19.0%	-6.0%
55 to 64	5,381	6.9%	8,249	9.1%	53.3%
65 or Older	9,165	11.8%	8,843	9.8%	-3.5%
Total	77,906	100.0%	90,468	100.0%	16.1%

As shown in Table II.3 below, this overall decline in the size of the elderly cohort was driven by a drop in the number of Tuscaloosa residents aged 70 to 79 years of age. All other age cohorts grew from 2000 through 2010; the most pronounced growth, both in absolute terms and as a share of the overall elderly cohort, occurred among residents aged 80 to 84 years. The number of residents in this age group increased by 18.8 percent, and the cohort grew as a share of the overall elderly population by 3.1 percentage points.

Table II.3
Elderly Population by Age

City of Tuscaloosa
2000 & 2010 Census SF1 Data

Age	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
65 to 66	988	10.8%	1,086	12.3%	9.9%
67 to 69	1,418	15.5%	1,446	16.4%	2.0%
70 to 74	2,478	27.0%	1,915	21.7%	-22.7%
75 to 79	1,907	20.8%	1,742	19.7%	-8.7%
80 to 84	1,238	13.5%	1,471	16.6%	18.8%
85 or Older	1,136	12.4%	1,183	13.4%	4.1%
Total	9,165	100.0%	8,843	100.0%	-3.5%

POPULATION BY RACE AND ETHNICITY

The city also experienced a minor shift in its racial and ethnic composition, as shown in Table II.4 on the following page. White and black residents together accounted for the largest share of Tuscaloosa's population, or 95.3 percent of the population in 2010. However, this figure actually represents a slight reduction over 2000, as both groups grew at slower-than-average rate over the decade. Nevertheless, white residents accounted for 53.8 percent of the population in 2010, while black residents represented 41.5 of the population. The number of non-Hispanic residents also grew relatively slowly, at 14.3 percent, while the Hispanic

population more than doubled in number and as a share of the overall population. By 2010, three percent of the city’s residents were Hispanic.

Table II.4
Population by Race and Ethnicity

City of Tuscaloosa
2000 & 2010 Census SF1 Data

Race	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
White	42,143	54.1%	48,684	53.8%	15.5%
Black	33,287	42.7%	37,543	41.5%	12.8%
American Indian	127	.2%	220	.2%	73.2%
Asian	1,162	1.5%	1,666	1.8%	43.4%
Native Hawaiian/ Pacific Islander	19	.0%	22	.0%	15.8%
Other	490	.6%	1,352	1.5%	175.9%
Two or More Races	678	.9%	981	1.1%	44.7%
Total	77,906	100.0%	90,468	100.0%	16.1%
Non-Hispanic	76,814	98.6%	87,763	97.0%	14.3%
Hispanic	1,092	1.4%	2,705	3.0%	147.7%

The black population of Tuscaloosa was largely concentrated in Census block groups to the west of Highway 359 in 2000, as shown in Map II.1 on the following page. In some block groups in that area, black residents accounted for nearly all of the residents. Relatively high concentrations of black residents were also observed in block groups in the Alberta area, as well as in the southern part of the city. The share of black residents tended to be relatively low in block groups to the north and east of the city center, with the exception of those located in and around Alberta. The overall distribution of the black population had changed little by 2010, as shown in Map II.2 on page 25. In that year, concentrations of black residents were high in block groups to the west of Highway 359, in Alberta, and in the southern part of the city, and were low in most other areas.

Unlike the black population, the Hispanic population tended to be concentrated in block groups that were further east, as shown in Map II.3 on page 26. While there were no block groups with disproportionate shares of Hispanic residents in 2000, block groups with above average shares of Hispanic residents lay to the southeast of the city center and the south and east of Alberta. By 2010, the Hispanic population had grown in size and more than doubled as a share of the population of Tuscaloosa. As this population grew it remained concentrated in the eastern part of the city, as shown in Map II.4 on page 27. However, while Hispanic residents had accounted for at most 11.4 percent of any city block group in 2000, they accounted for 13.1 to 18.4 percent of the population in block groups in the extreme east of town in 2010. Block groups with above-average shares of Hispanic residents also covered a wider area in 2010 than they had in 2000.

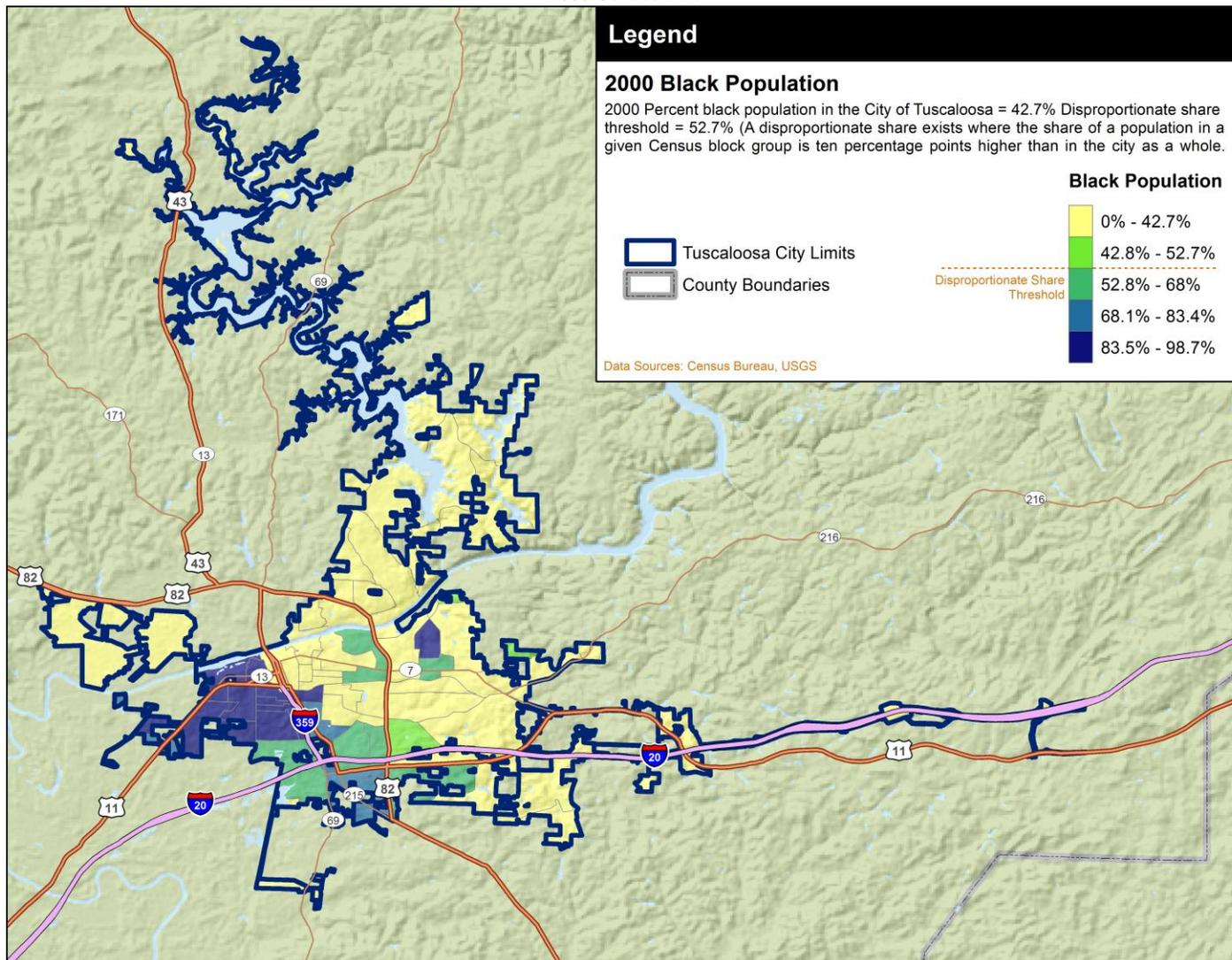
The concentrations of black and Hispanic residents in certain areas of the city suggest that many of these residents are to some degree segregated from residents of other racial and ethnic groups. This portrait is borne out by various indices of segregation in the city, as presented in Table II.5 at right. All of the index values in the table range from 0 to 1, and higher numbers indicate greater degrees of segregation.

Table II.5
Indices of Segregation by Year

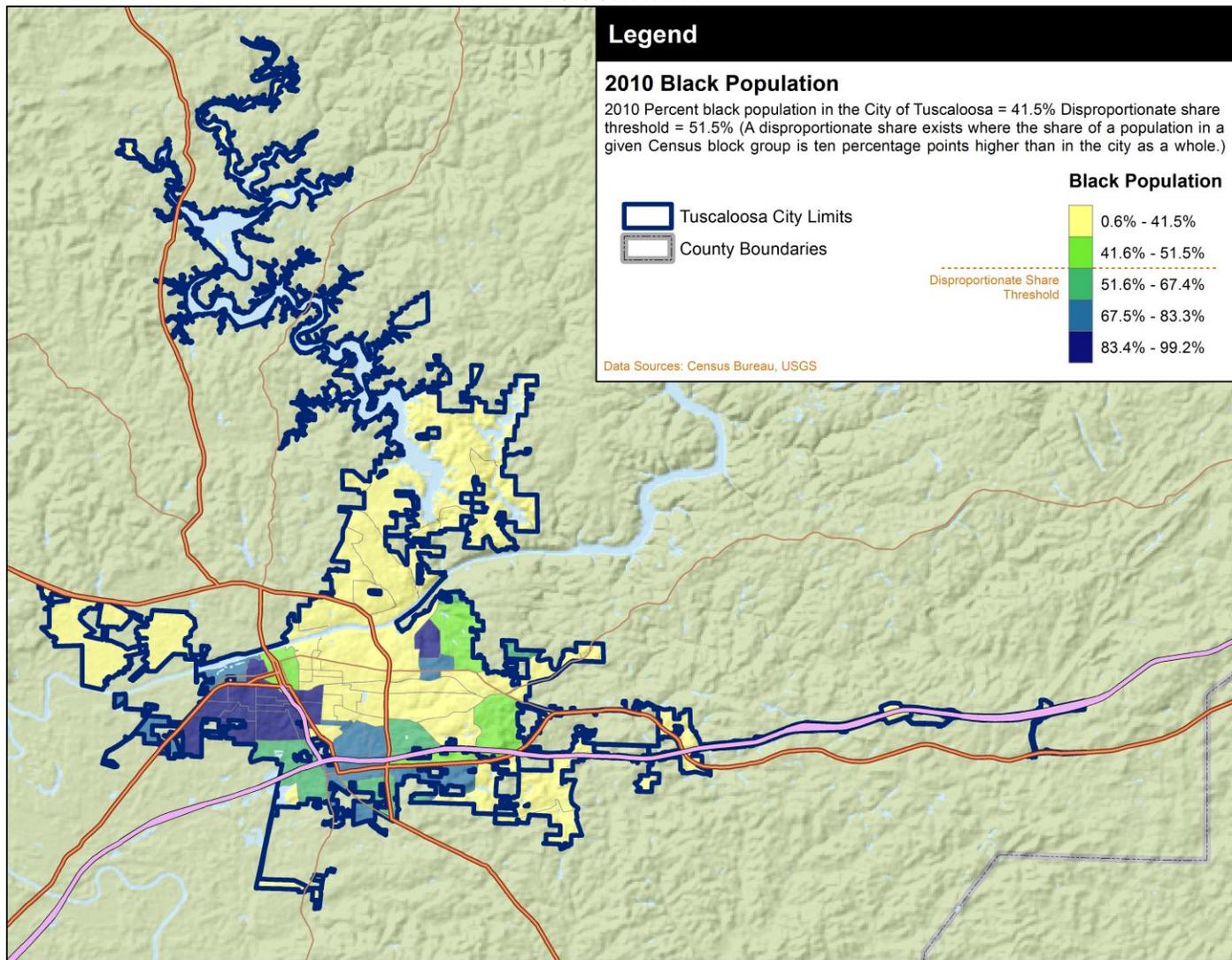
City of Tuscaloosa
2000 and 2010 Census Tracts to City Level

Index	Race/Ethnicity	2000	2010
Isolation Index	Black	0.21	0.23
	Hispanic	0.01	0.02
Diversity Index	Black	0.32	0.35
	Hispanic	0.06	0.04
Dissimilarity Index	Black	0.52	0.55
	Hispanic	0.23	0.30

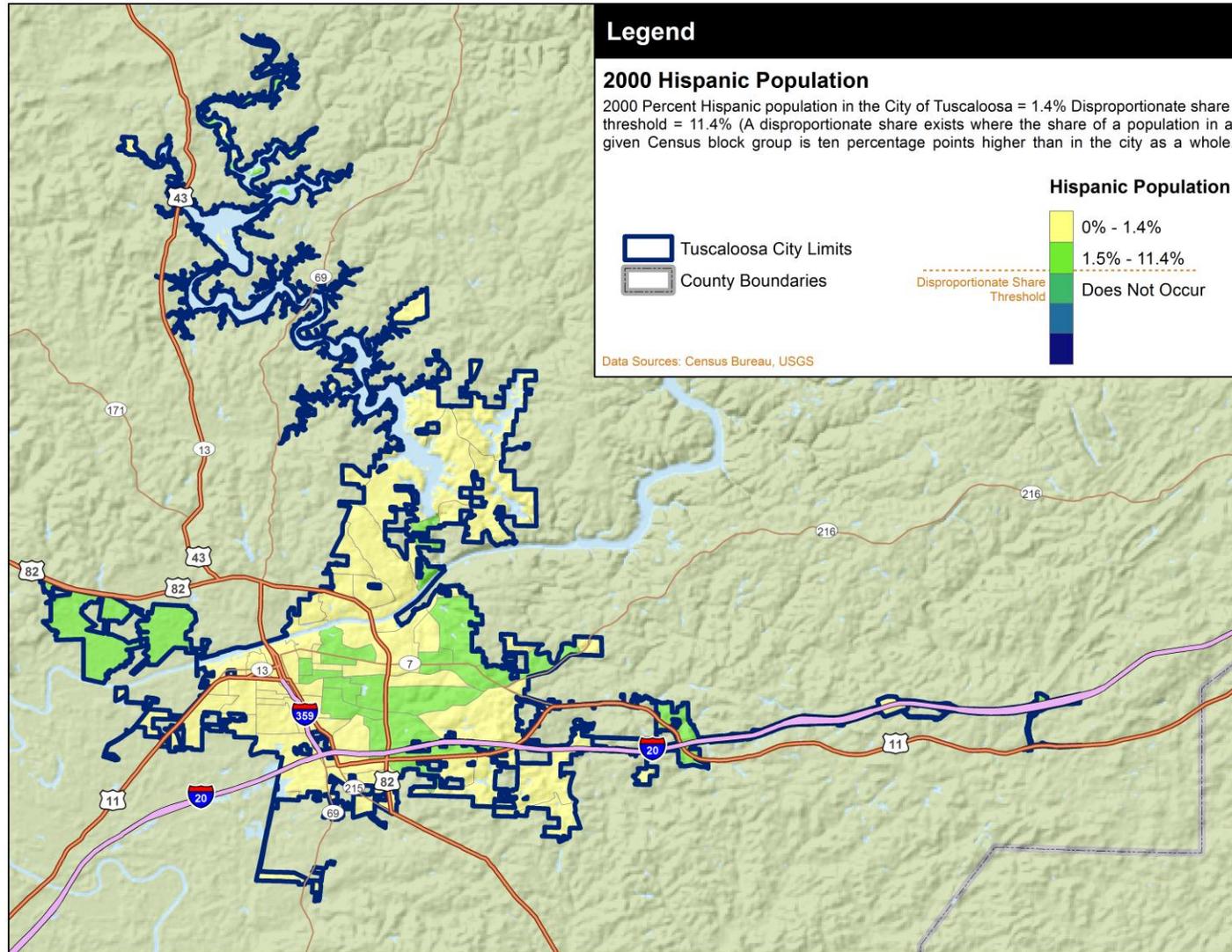
Map II.1
Black Population in 2000
 The City of Tuscaloosa
 2000 Census Data



Map II.2
Black Population in 2010
 City of Tuscaloosa
 2010 Census Data

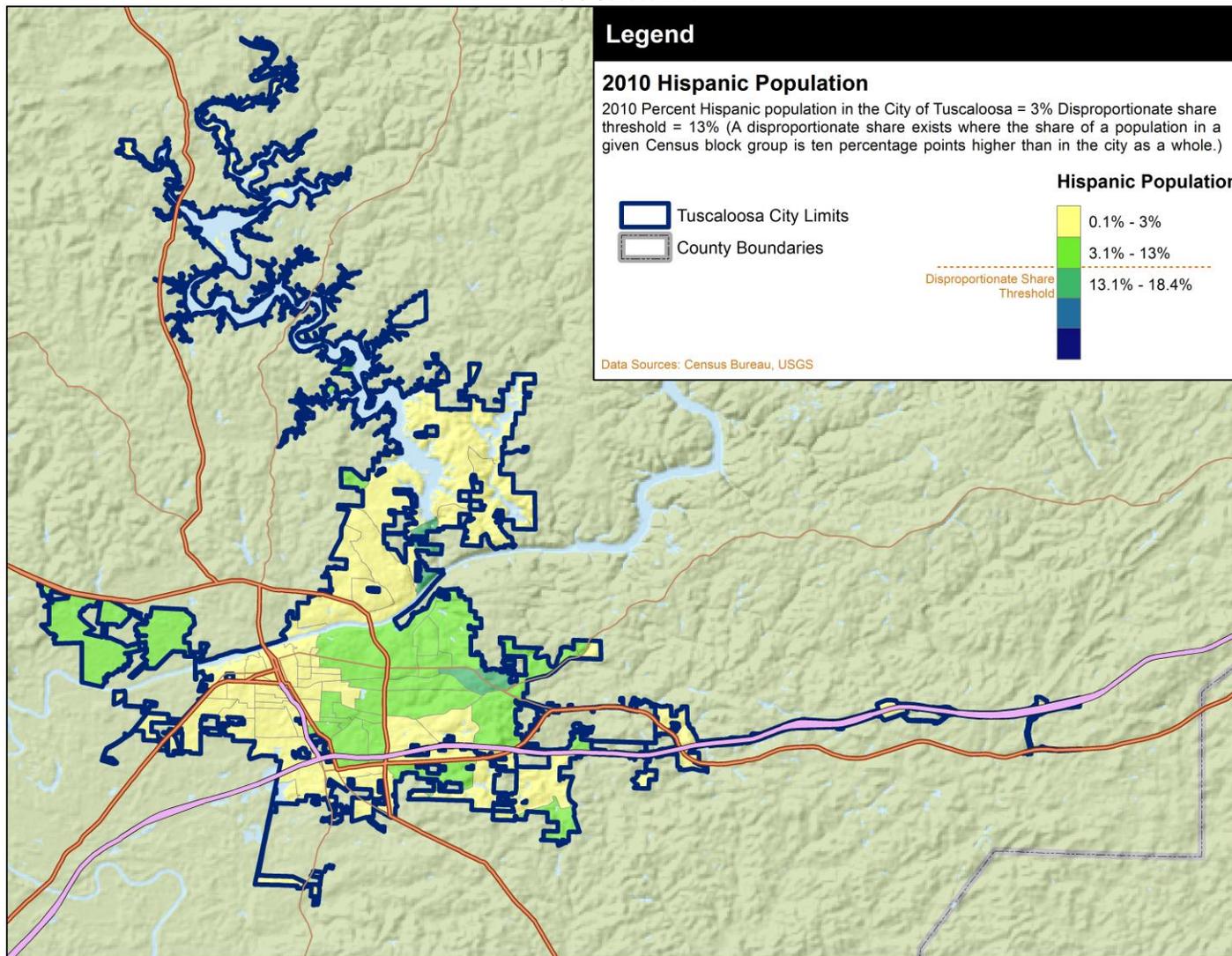


Map II.3
Hispanic Population in 2010
 City of Tuscaloosa
 2000 Census Data



Map II.4 Hispanic Population in 2010

City of Tuscaloosa
2010 Census Data



The isolation index, which is related to the probability that a resident will encounter only residents of the same race or ethnicity, rose for black residents between 2000 and 2010, as did the isolation index for Hispanic residents. The diversity and dissimilarity indices, both measures of “evenness”, indicate the degree to which residents in the city tend to be concentrated in certain Census tracts throughout the city. Like the isolation index, these figures rose over the decade. According to the provisional guidelines set forth by HUD in 2013, a jurisdiction is considered moderately segregated if the dissimilarity index ranges from 0.41 to 0.54, and highly segregated if the dissimilarity index exceeds 0.55. By those guidelines, black residents were observed to be highly segregated in the city in 2010. Furthermore, all of these indices suggest that black and white residents became more segregated between 2000 and 2010, as did Hispanic and non-Hispanic residents.

DISABILITY STATUS

One fifth of the population was living with some form of disability in 2000, as shown in Table II.6 at right: around 14,500 residents. Over 47 percent of the population aged 65 and older was observed to be living with a disability in that year. More recent ACS figures indicate that persons with disabilities represented 11.3 percent of the population in 2009-2013, as shown in Table II.7 below.

Table II.6
Disability by Age
City of Tuscaloosa
2000 Census SF3 Data

Age	Total	
	Disabled Population	Disability Rate
5 to 15	669	7.0%
16 to 64	9,680	17.8%
65 and older	4,121	47.7%
Total	14,470	20.0%

However, it is important to note that the conception of “disability” employed in the 2000 Census was substantively different from that which was employed in the 2009-2013 ACS. For that reason, the Census Bureau discourages direct comparison between the two.¹⁰

Table II.7
Disability by Age
City of Tuscaloosa
2013 Five-Year ACS Data

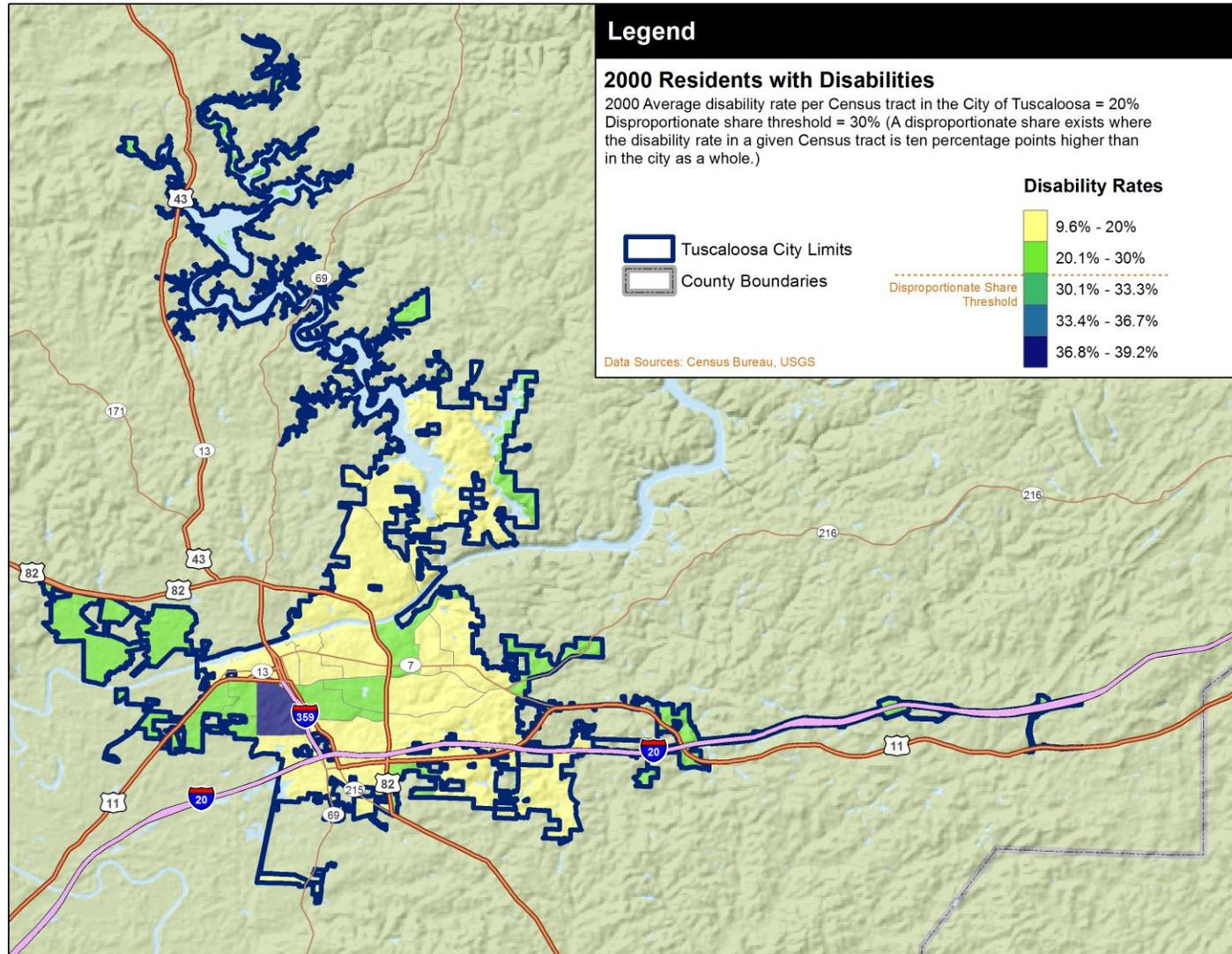
Age	Male		Female		Total	
	Disabled Population	Disability Rate	Disabled Population	Disability Rate	Disabled Population	Disability Rate
Under 5	17	.7%	0	.0%	17	.3%
5 to 17	400	6.1%	117	1.9%	517	4.1%
18 to 34	1,075	6.0%	778	4.1%	1,853	5.0%
35 to 64	1,845	14.7%	2,209	14.6%	4,054	14.7%
65 to 74	607	31.9%	779	30.2%	1,386	30.9%
75 or Older	958	52.9%	1,567	52.0%	2,525	52.3%
Total	4,902	11.4%	5,450	11.3%	10,352	11.3%

¹⁰ *American Community Survey 2012 Subject Definitions*. US Census Bureau, 55. The conception of disabilities as “limitations of activities and restrictions to full participation at school, at work, at home, or in the community” arising from the interaction among individuals’ bodies and the physical and social environments in which they live, work, or play, adopted for the ACS in 2008, differs from the one employed in the 2000 Census. In some cases, residents who met the definitions of disability employed in the earlier Census count would not meet the definition employed in the ACS subsequent to 2008, and vice versa. For this reason, the Census Bureau discourages direct comparisons between the 2000 Census count and ACS estimates from 2008 onward. (See Brault, Matthew W. *Review of Changes to the Measurement of Disability in the 2008 American Community Survey*. September 22, 2009: US Census Bureau. September 8, 2014. http://www.census.gov/people/disability/files/2008ACS_disability.pdf)

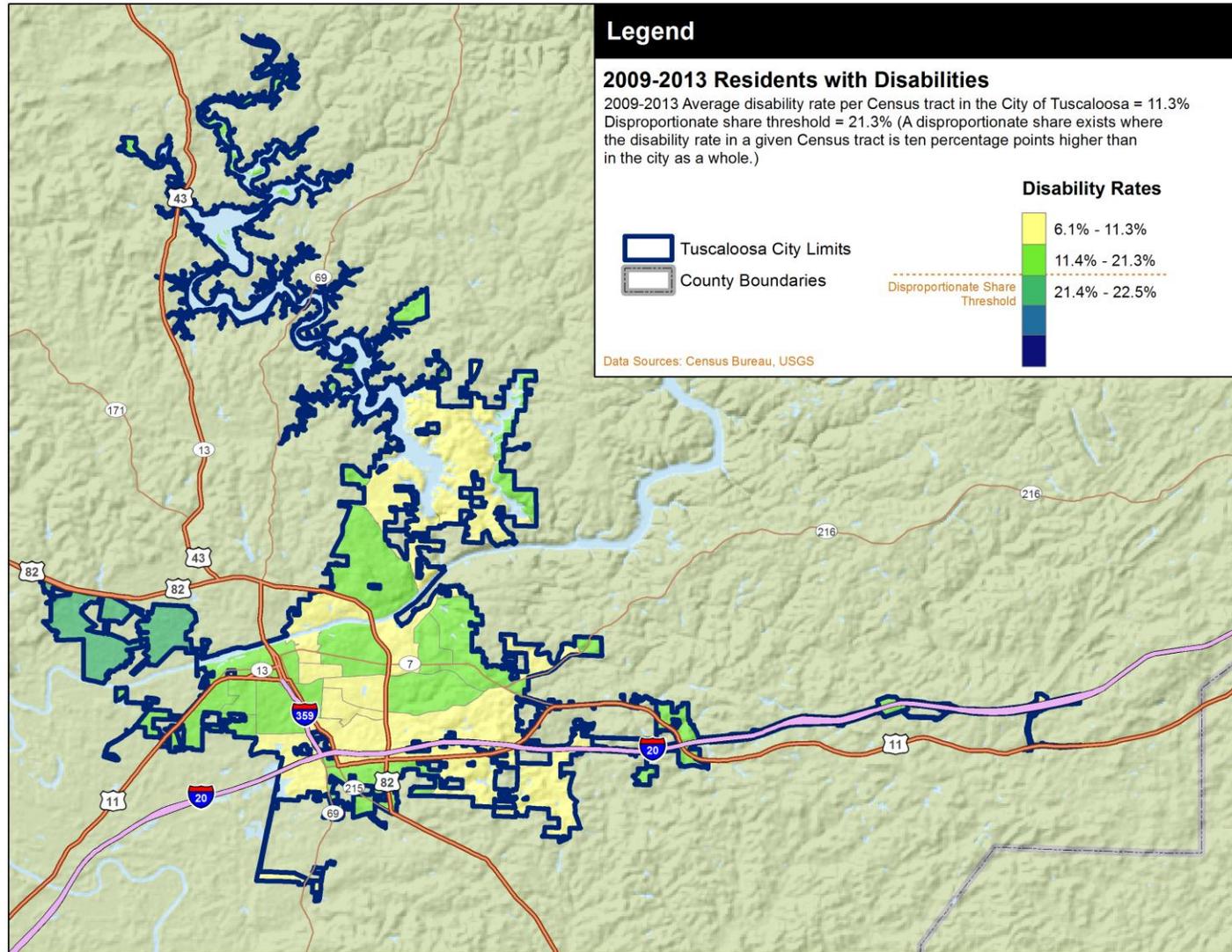
As with racial and ethnic concentrations, high shares of disabled persons in particular Census tracts do not necessarily point to an impediment to fair housing choice, although they may be the direct result of impediments, such as policies that limit accessible multi-family housing. The distribution of the population with disabilities in 2000 is presented by Census tract in Map II.5 on the following page. There was only one Census tract that was observed to hold a disproportionate share of residents with disabilities: this tract was located to the immediate southwest of the city center. In general, Census tracts with above-average concentrations of residents with disabilities tended to be located in tracts to the south and east of the city center, though such concentrations were also observed in several peripheral Census tracts.

The distribution of residents with disabilities had changed considerably by 2013, with above-average shares now appearing in Census tracts encompassing the university, the eastern area of Alberta, and the large Census tract to the north of the river. As shown in Map II.6 on page 31, some of the Census tracts that had held relatively high concentrations of residents with disabilities no longer did so in 2009-2013, in spite of the overall decline in the disability rate. However, the large Census tract to the southwest of the city center still held an above-average concentration of residents with disabilities, as did peripheral Census tracts to the east and west of the city. The highest disability rate, 22.5 percent, was observed in a large Census tract in the west of the city.

Map II.5
Population with Disabilities by Census Tract
 City of Tuscaloosa
 2000 Census Data



Map II.6
Population with Disabilities by Census Tract
 City of Tuscaloosa
 2013 Five-Year ACS Data

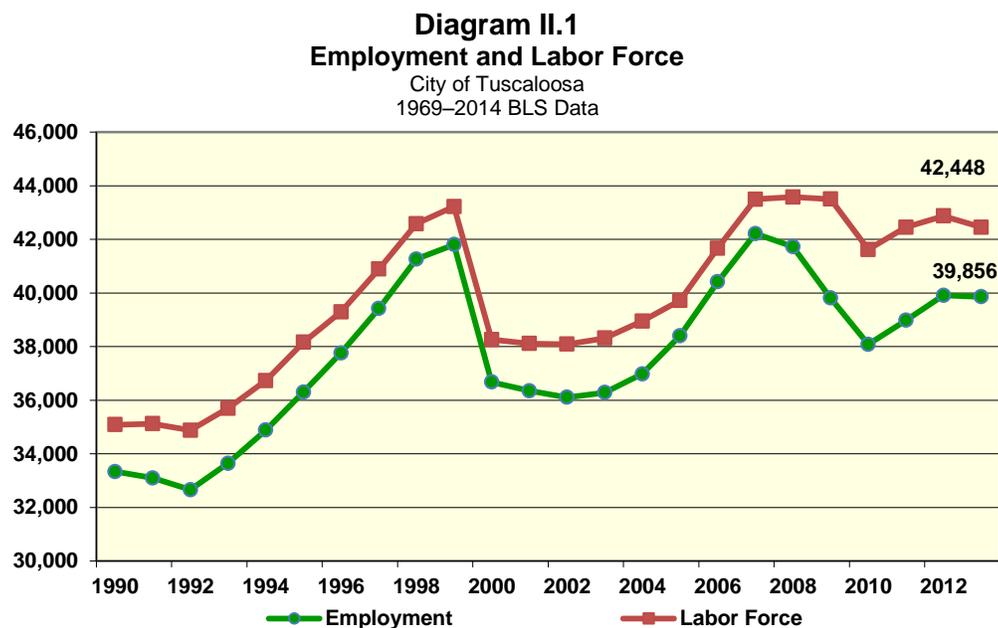


ECONOMICS

Data indicating the size and dynamics of the City of Tuscaloosa's job markets, workforce, incomes, and persons in poverty provide essential contextual background and indicate the potential buying power or other limitations of city residents when making a housing choice. A review of the city's residents in such a context shows where additional attention may be needed to address needs and challenges.

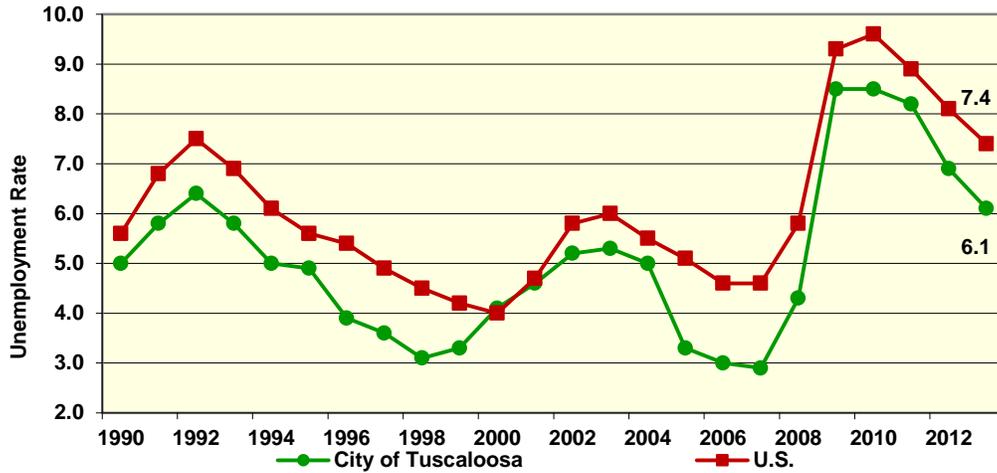
LABOR FORCE AND EMPLOYMENT

The Bureau of Labor Statistics collects data on labor force participation and employment, and represents a count of people either working or seeking work. These data are collected through the Current Employment Statistics program, which surveys about 144,000 businesses and government agencies each month. According to those data, the number of employed persons in Tuscaloosa grew steadily and rapidly from 2003 through 2007, along with the number of persons in the labor force, as shown in Diagram II.1 below. After that year, however, the number of employed began to decline, and continued to decline rapidly through 2010, even as the size of the labor force remained stable. Employment began to grow after 2010 and stood at 39,856 in 2013, roughly the same as what it had been in 2012.



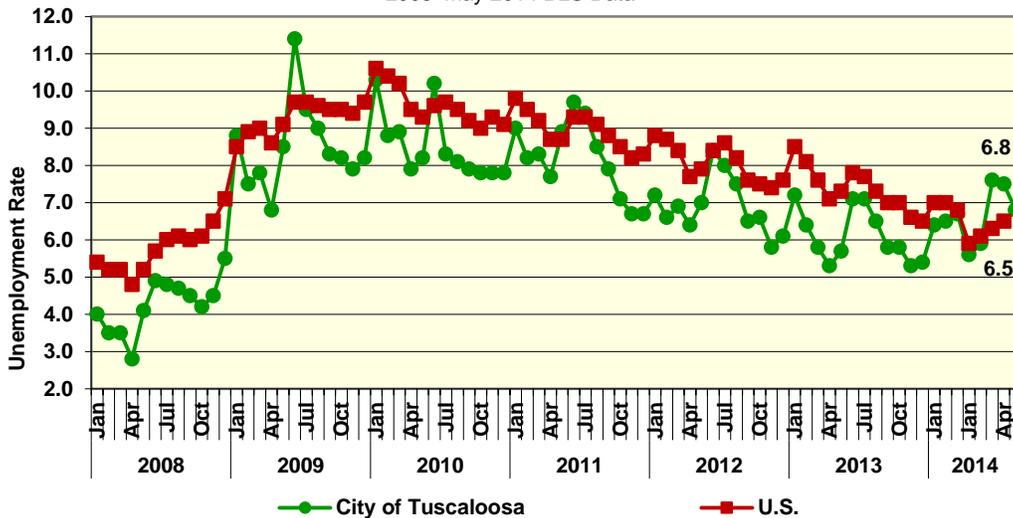
The unemployment rate is based on the gap between the number of employed persons and the total number in the labor force; this gap is represented as a percentage of the total labor force. As shown in Diagram II.2 on the following page, the unemployment rate grew through the early part of the last decade, but fell rapidly after 2004. By 2007 only 2.9 percent of the labor force was unable to find a job. Unfortunately, the unemployment rate increased dramatically over the next two years in the midst of the national recession, climbing to 8.5 percent in 2009 and 2010. Unemployment has fallen steadily since that time, and had dropped to 6.1 percent by 2013.

Diagram II.2
Unemployment Rate
 City of Tuscaloosa
 1990–2014 BLS Data



Monthly unemployment data from the BLS, presented in Diagram II.3 below, indicates that relatively high unemployment persisted through the beginning of 2011, but began to fall steadily thereafter in spite of marked seasonal fluctuations in the unemployment rate.

Diagram II.3
Monthly Unemployment Rate
 City of Tuscaloosa
 2008–May 2014 BLS Data



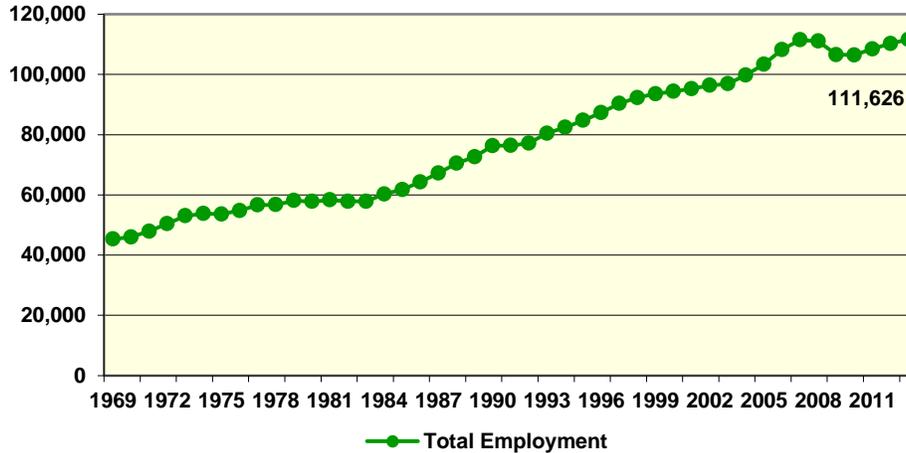
FULL- AND PART-TIME EMPLOYMENT AND EARNINGS

Full employment, as measured by the Bureau of Economic Analysis, refers to the total number of part-time and full-time jobs in the Tuscaloosa County.¹¹ In this respect, it differs from data gathered by the BLS in that the latter represents a county of workers. In data from the BEA, the same worker is counted twice if he or she works more than one job. As shown in Diagram II.4 on the following page, full employment grew steadily from the early nineties through 2007. The rate of job growth increased in the early part of the last decade, just as growth in the

¹¹ Data from the BEA are not available at the city level.

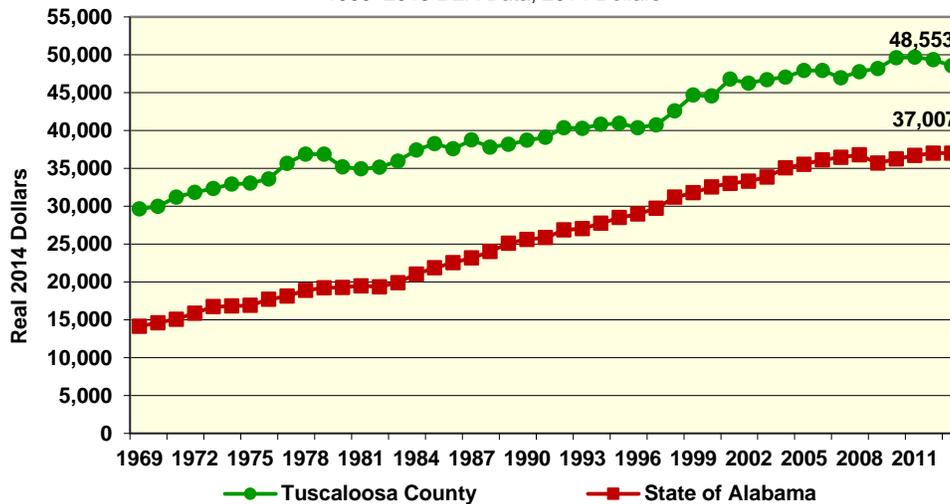
population was beginning to accelerate. However, the number of full and part-time jobs in the county fell considerably after 2008, though there has been steady, positive growth since 2010.

Diagram II.4
Full- and Part-Time Employment
 Tuscaloosa County
 1969–2013 BEA Data



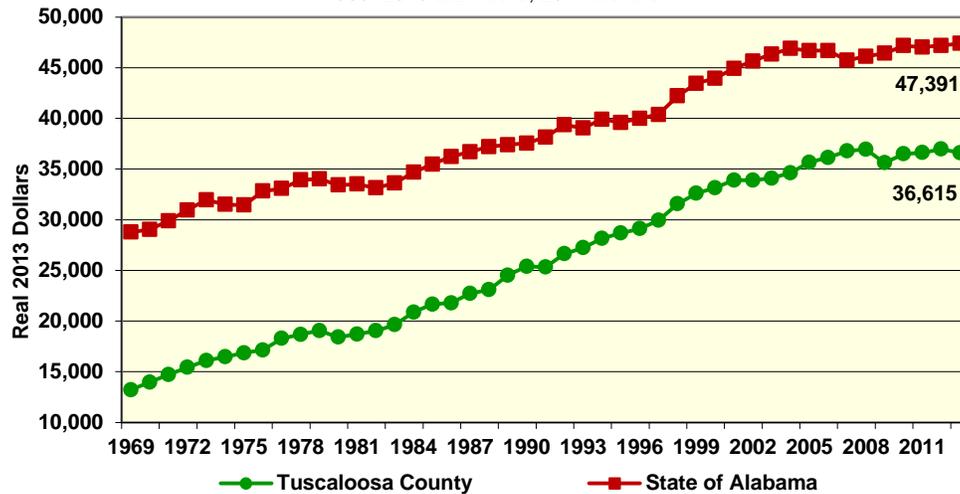
The decline in the number of jobs in the city after 2008 was not accompanied by a decline in real earnings per job, as shown in Diagram II.5 below. In fact, earnings showed moderate growth between 2006 and 2010, though they have declined slightly since their peak in 2011, when the average worker earned \$49,690 at his or her job, in real 2014 dollars. By 2014, the average worker in Tuscaloosa County was earning \$48,553, well over the statewide average of \$37,007.

Diagram II.5
Real Average Earnings Per Job
 Tuscaloosa County
 1969–2013 BEA Data, 2014 Dollars



Unlike real average earnings per job, real per capita income did decline slightly after 2008, as shown in Diagram II.6 on the following page. However, this decline was temporary, and per capita income showed modest growth between 2009 and 2012. By 2013, the average resident of Tuscaloosa County had an annual income of \$36,615, well below the statewide average of \$47,391.

Diagram II.6
Real Average Per Capita Income
 Tuscaloosa County
 1969–2013 BEA Data, 2014 Dollars



HOUSEHOLD INCOME

Households in the city experienced a marked shift toward higher incomes between 2000 and 2012, as measured in current dollars¹². As shown in Table II.8 below, the share of households fell in all income categories below \$35,000 per year, and households earning \$35,000 per year or more grew. In all, the share of households making less than \$35,000 per year fell by ten percent points, and the share of households earning more than \$35,000 increased by the same amount.

Table II.8
Households by Income
 City of Tuscaloosa

2000 Census SF3 & 2013 Five-Year ACS Data

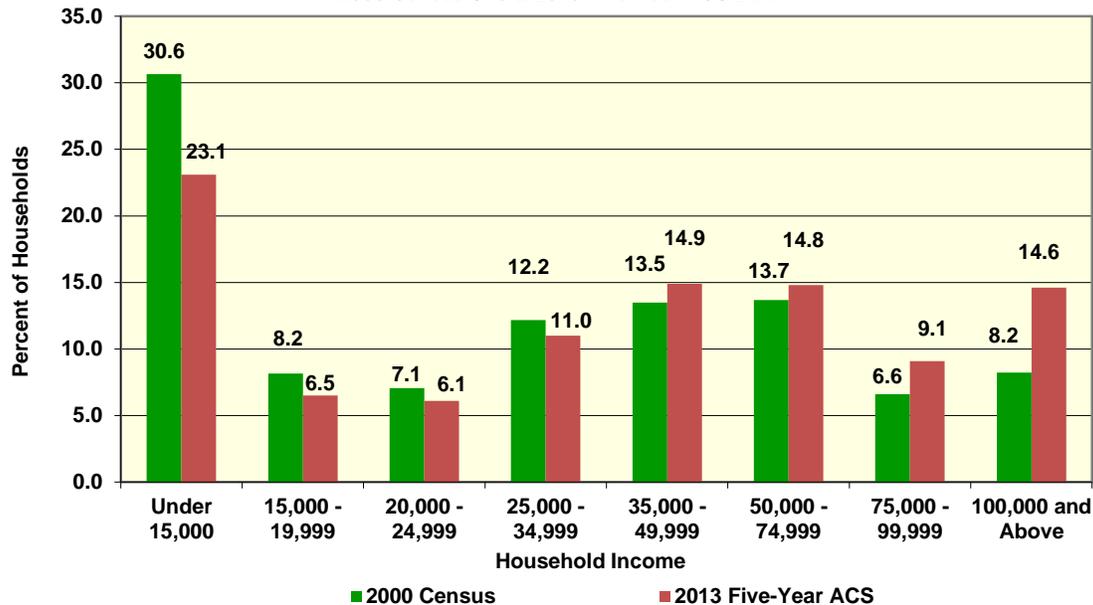
Income	2000 Census		2013 Five-Year ACS	
	Households	% of Total	Households	% of Total
Less than \$15,000	9,684	30.6%	7,310	23.1%
\$15,000 to \$19,999	2,578	8.2%	2,051	6.5%
\$20,000 to \$24,999	2,233	7.1%	1,927	6.1%
\$25,000 to \$34,999	3,843	12.2%	3,461	11.0%
\$35,000 to \$49,999	4,260	13.5%	4,714	14.9%
\$50,000 to \$74,999	4,321	13.7%	4,672	14.8%
\$75,000 to \$99,999	2,083	6.6%	2,871	9.1%
\$100,000 or More	2,600	8.2%	4,600	14.6%
Total	31,602	100.0%	31,606	100.0%

The shift toward higher incomes is displayed in Diagram II.7 on the following page. In spite of that shift, households making less than \$15,000 per year still accounted for the largest share of housing units in the city in 2009-2013.

¹² Current dollars have not been adjusted for inflation.

Diagram II.7
Households by Income

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data



POVERTY

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family’s total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps.

In spite of the shift toward higher household incomes in the city, the share of persons in poverty grew between 2000 and 2013, as shown in Table II.9 below. According to the 2000 Census, 23.6 percent of the population was living in poverty in that year. By 2013 that figure had grown to 26.3 percent, an increase of nearly three percentage points.

Table II.9
Poverty by Age

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Age	2000 Census		2013 Five-Year ACS	
	Persons in Poverty	% of Total	Persons in Poverty	% of Total
Under 6	1,618	9.8%	2,126	9.7%
6 to 17	2,362	14.2%	3,881	17.7%
18 to 64	11,446	69.0%	15,277	69.5%
65 or Older	1,159	7.0%	700	3.2%
Total	16,585	100.0%	21,984	100.0%
Poverty Rate	23.6%	.	26.3%	.

Census tracts with above-average poverty rates tended to be clustered in the center of the city in 2000, while outlying and peripheral Census tracts tended to have lower poverty rates. As shown in Map II.7 on page 38, the highest poverty rate was observed in the Census tract to the immediate east of the university, in the western part of Alberta, where nearly half of all

households were living in poverty. Disproportionate poverty rates were also observed in Census tracts to the immediate east and southwest of the city center. In both areas, more than a third of households were living in poverty in 2000.

As had been the case in 2000, tracts with above-average poverty rates tended to be clustered in the center of the city, while outlying Census tracts tended to have lower poverty rates, as shown in Map II.8 on page 39. However, three notable changes occurred in the distribution of poverty in the city. Firstly, the overall poverty rate increased. Secondly, the maximum poverty rate observed in any particular Census tract increased, from 45.7 percent in 2000 to 71.6 percent by 2013; accordingly, all light or dark blue Census tracts in 2009-2013 had higher poverty rates than any that were observed in 2000. Finally, the number of Census tracts with disproportionate shares of poverty increased.

HOUSING

Simple counts of housing by age, type, tenure, and other characteristics form the basis for the housing stock background, suggesting the available housing in the city from which residents have to choose. Examination of households, on the other hand, shows how residents use the available housing, and shows household size and housing problems such as incomplete plumbing and/or kitchen facilities. Review of housing costs reveals the markets in which housing consumers in the city can shop, and may suggest needs for certain populations.

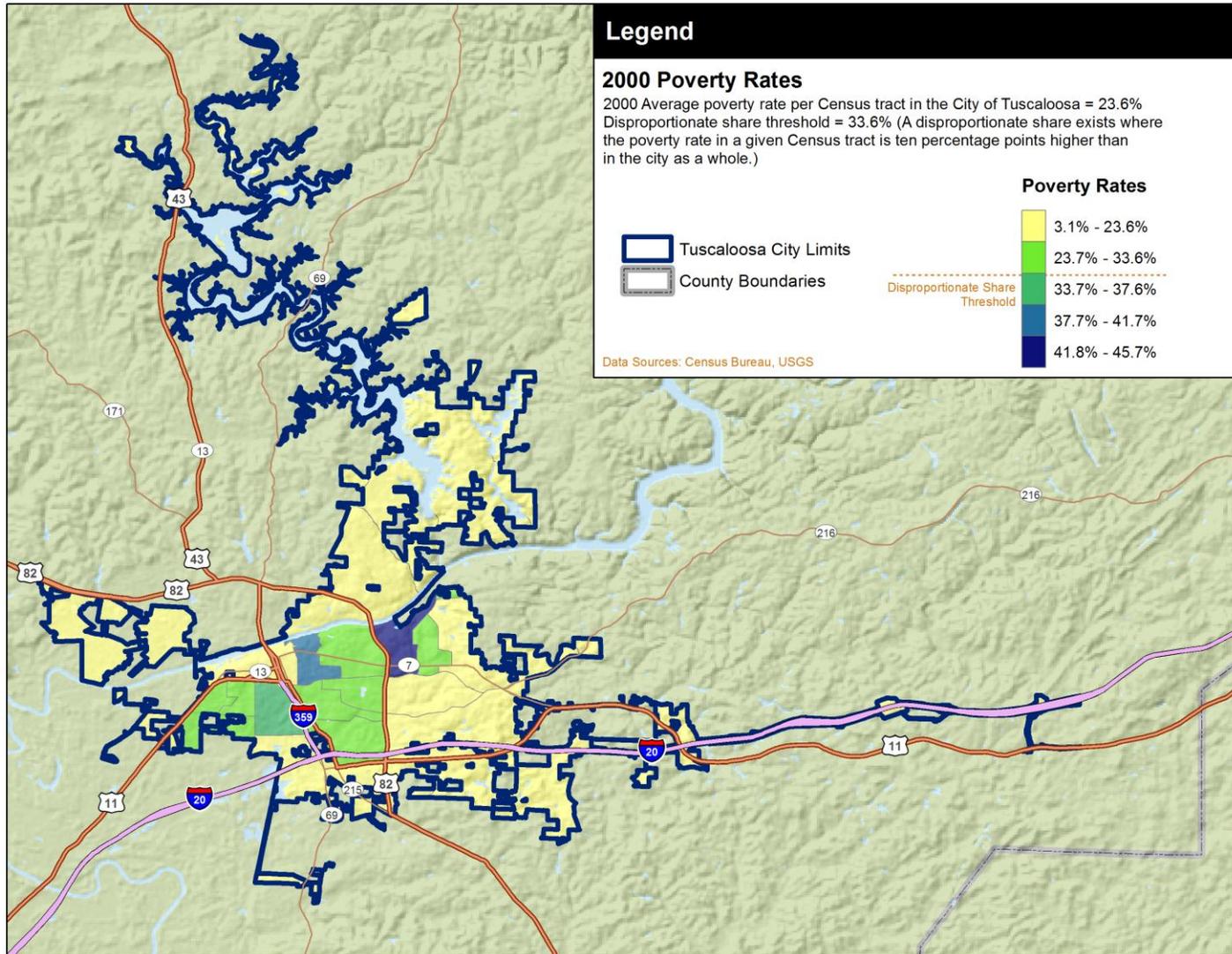
CHARACTERISTICS OF THE HOUSING STOCK

The city's housing stock grew by 17.2 percent between the two Censuses, which was roughly on par with the population growth in the city during that time. However, as shown in Table II.10 below, the number of vacant units in the city grew by 34 percent; nearly twice the rate at which the housing stock grew overall. In addition, the composition of the occupied housing stock tipped markedly toward rental tenancy over the decade. In 2000, renter-occupied units represented 52.3 percent of all occupied units; by 2010 that figure had grown by 5.4 percentage points, to 57.7 percent. Meanwhile, the share of owner-occupied housing units fell by the same amount.

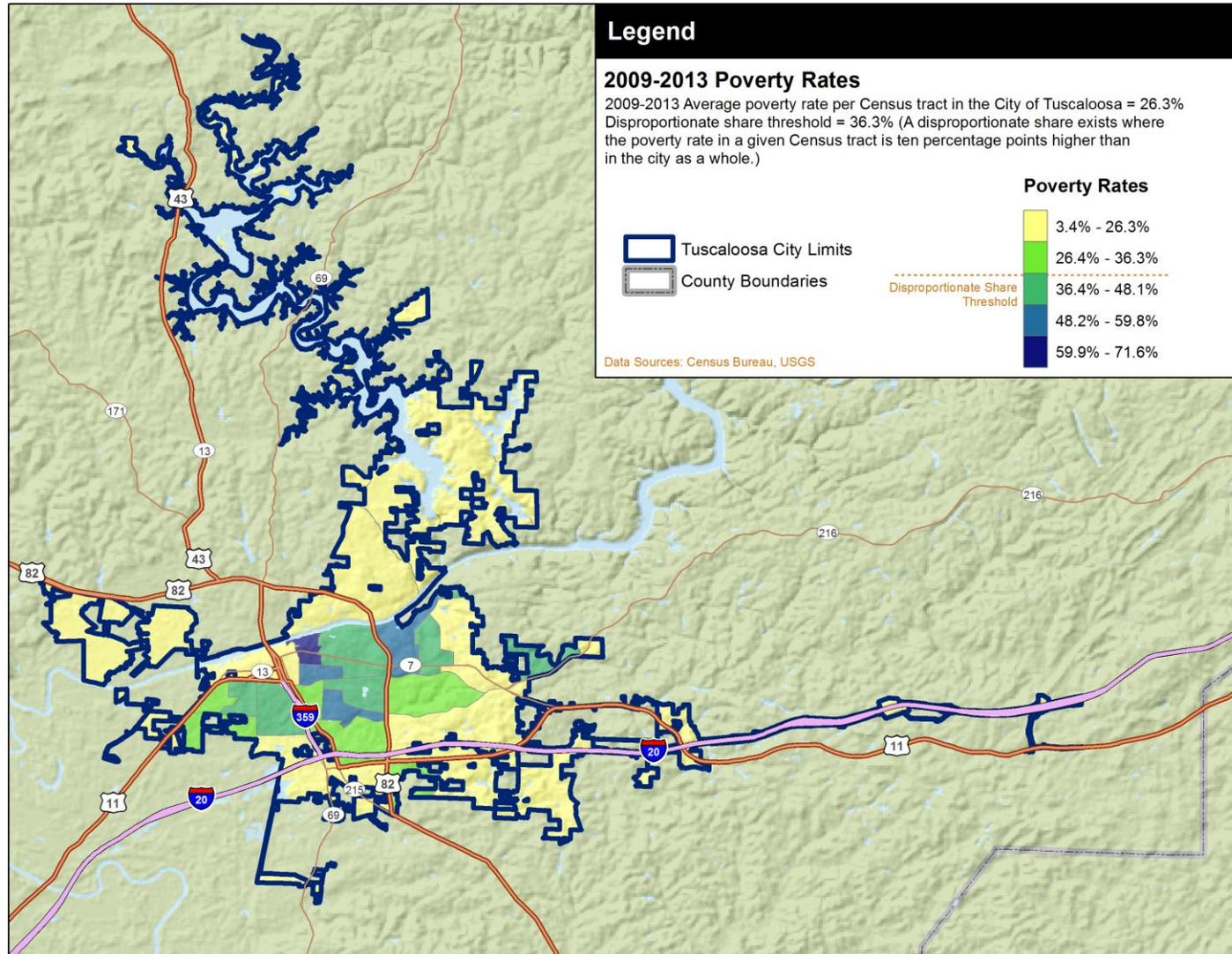
Table II.10
Housing Units by Tenure
City of Tuscaloosa
2000 & 2010 Census SF1 Data

Tenure	2000 Census		2010 Census		% Change 00–10
	Units	% of Total	Units	% of Total	
Occupied Housing Units	31,381	90.0%	36,185	88.6%	15.3%
Owner-Occupied	14,973	47.7%	15,312	42.3%	2.3%
Renter-Occupied	16,408	52.3%	20,873	57.7%	27.2%
Vacant Housing Units	3,476	10.0%	4,657	11.4%	34.0%
Total Housing Units	34,857	100.0%	40,842	100.0%	17.2%

Map II.7
Poverty Rate by Census Tract
 City of Tuscaloosa
 2000 Census Data



Map II.8
Poverty Rate by Census Tract
 City of Tuscaloosa
 2013 Five-Year ACS Data



Central Census tracts tended to have higher concentrations of renter-occupied housing units than did outlying and peripheral Census block groups in 2010, as shown in Map II.9 on the following page. Not surprisingly, much of the rental activity in the city appeared to center around the university, particularly to the immediate southeast of the city center, where nearly all units were rental units.

By contrast, owner-occupied housing units were largely concentrated in outlying block groups in 2010, as shown in Map II.10 on page 42. More than two-thirds, and as much as 96.8 percent, of housing units were owner-occupied in the area to the north of the river, as well as in block groups in the southeast and western parts of the city. As one might expect, relatively small shares of housing units were occupied by their owners in block groups throughout much of the city center. However, homeownership was relatively common in the area to the southwest of the city center.

VACANT HOUSING

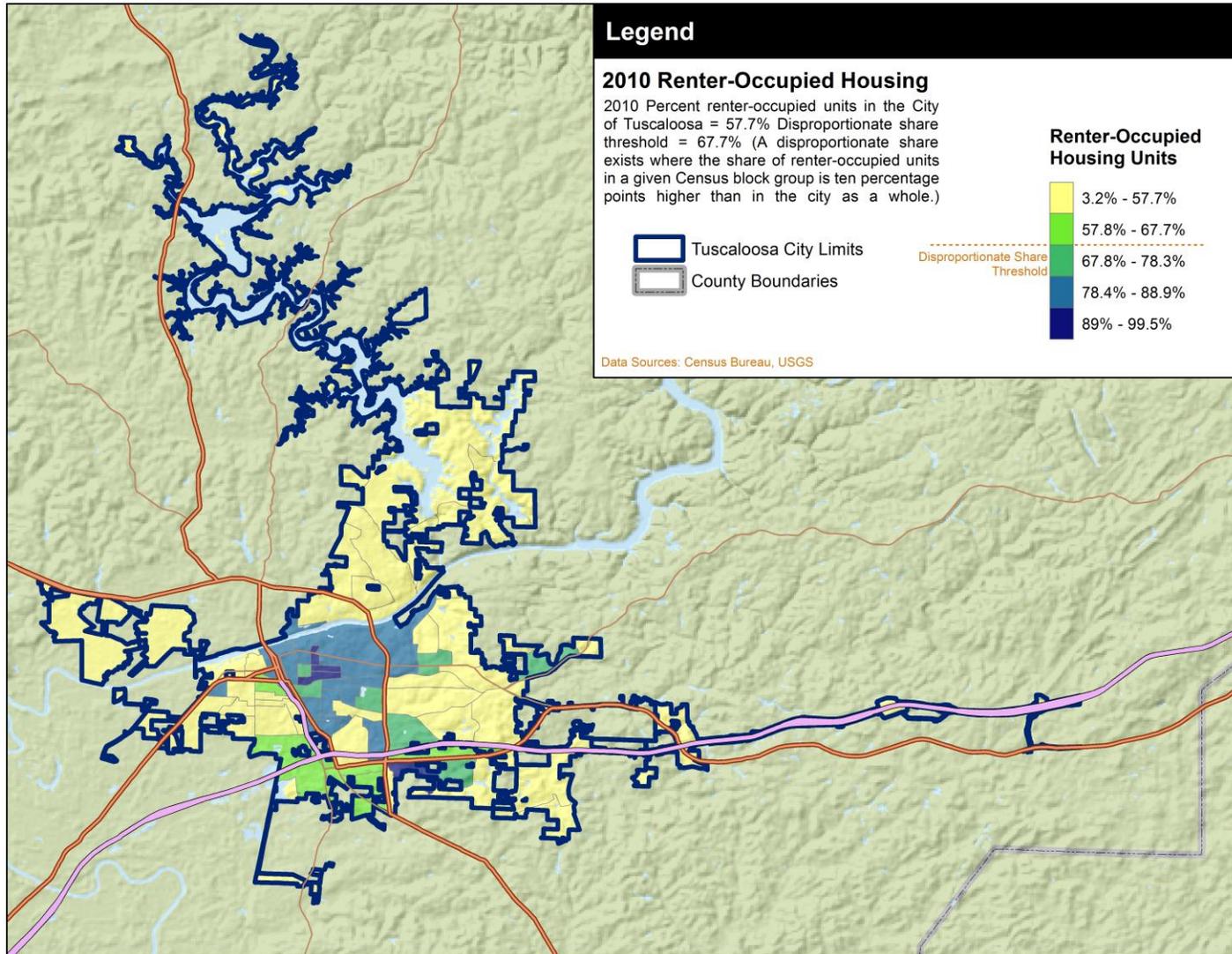
Rental units accounted for a smaller share of vacant housing units in 2010 than they had in 2000, as shown in Table II.11 below. By contrast, a higher percentage of vacant units were available for sale; were rented or sold but unoccupied; or were slated for seasonal, recreational, or occasional use. On an encouraging note, the number of vacant units classified as “other vacant” fell by 8.4 percent. These units tend to be the most problematic, as they are not available to the marketplace and may represent a blighting influence where they are grouped in close geographic proximity.

Table II.11
Disposition of Vacant Housing Units
City of Tuscaloosa
2000 & 2010 Census SF1 Data

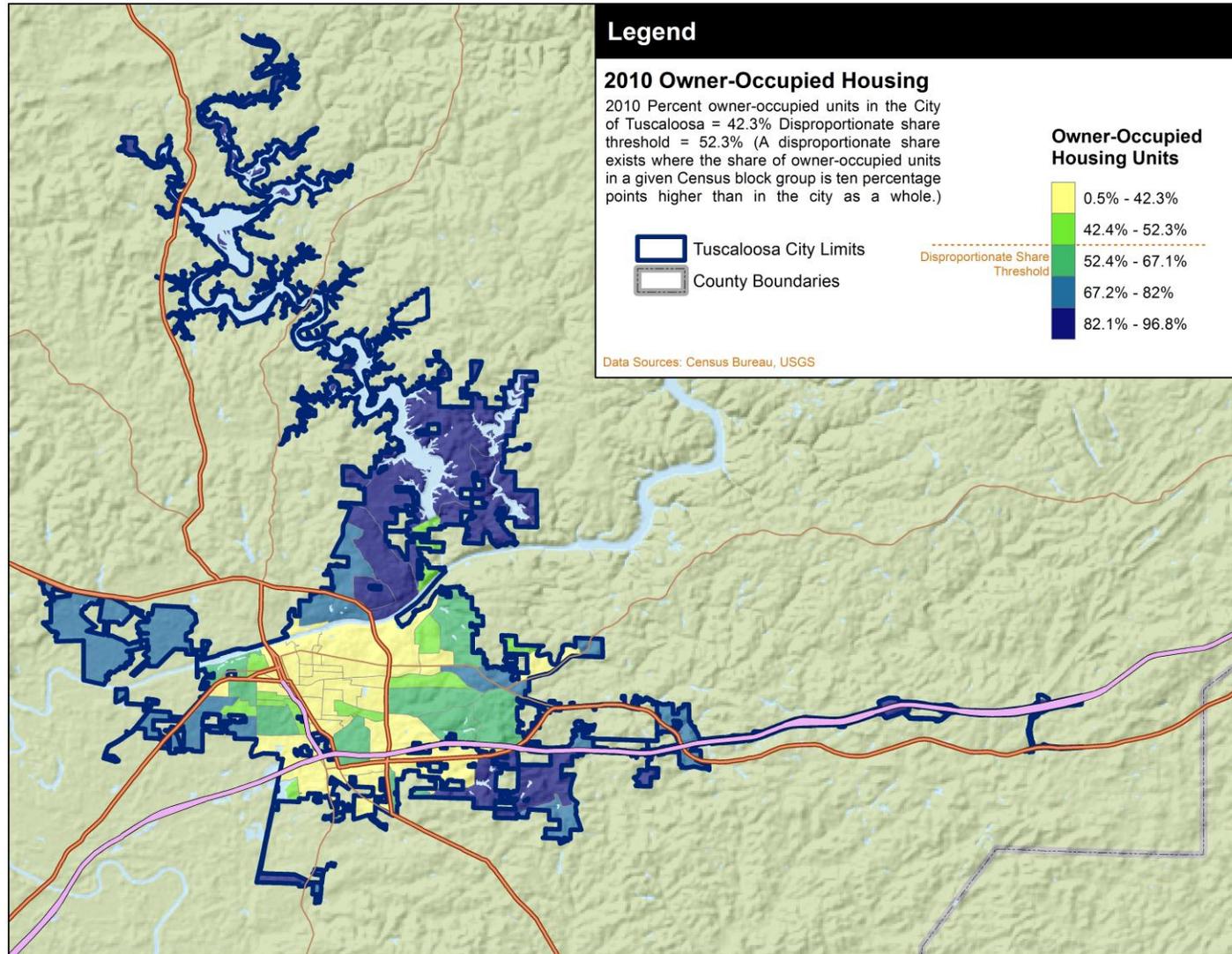
Disposition	2000 Census		2010 Census		% Change 00–10
	Units	% of Total	Units	% of Total	
For Rent	2,091	60.2%	2,612	56.1%	24.92%
For Sale	321	9.2%	447	9.6%	39.25%
Rented or Sold, Not Occupied	157	4.5%	232	5.0%	47.77%
For Seasonal, Recreational, or Occasional Use	153	4.4%	663	14.2%	333.33%
For Migrant Workers	5	0.1%	17	0.4%	240.00%
Other Vacant	749	21.5%	686	14.7%	-8.41%
Total	3,476	100.0%	4,657	100.0%	34.0%

Vacant units also tended to be more concentrated in central Census tracts than in outlying tracts, as shown in Map II.11 on page 43. Vacancy rates were highest in the block groups that encompassed the areas in and around the university, along with the block group that lay to the immediate northwest of the interchange of McFarland and Highway 59. Tracts with above-average vacancy were observed to be distributed throughout the center or the city. Conversely, block groups in which large shares of vacant units that were classified as “other vacant” were highly concentrated in the area to the southwest of the city center, as shown in Map II.12 on page 44.

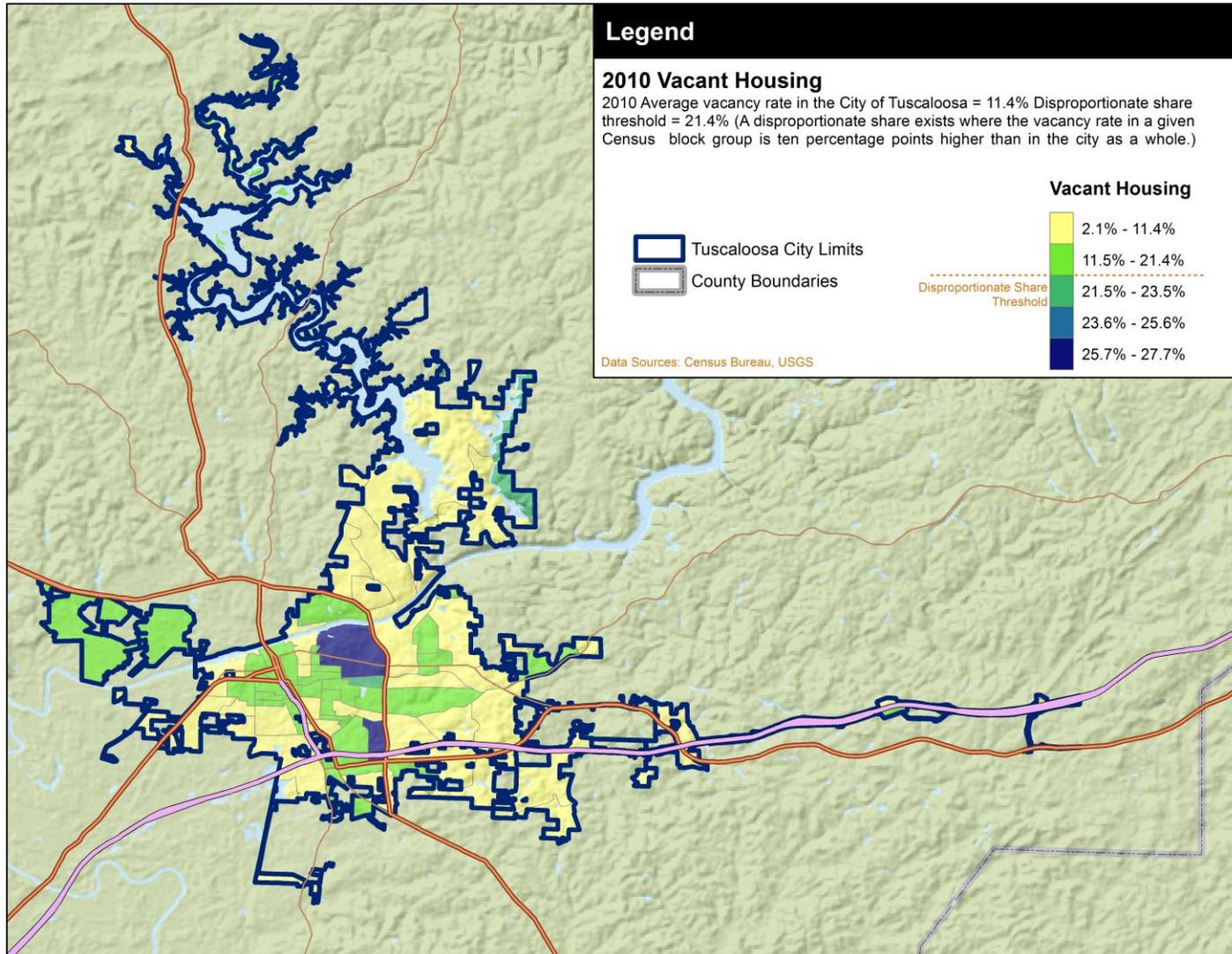
Map II.9
Renter-Occupied Housing Units
 City of Tuscaloosa
 2010 Census Data



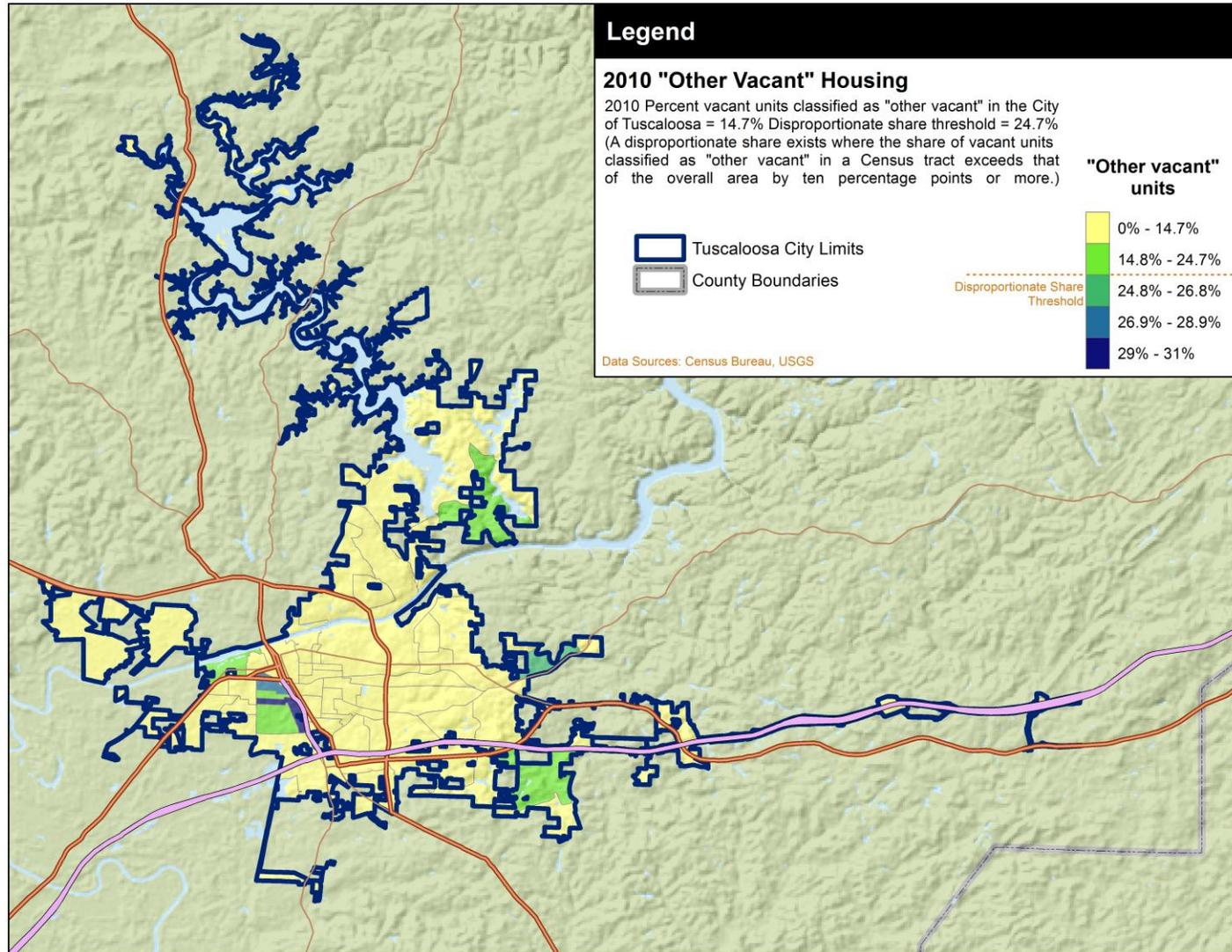
Map II.10
Owner-Occupied Housing Units
 City of Tuscaloosa
 2010 Census Data



Map II.11
Vacant Housing Units
 City of Tuscaloosa
 2010 Census Data



Map II.12
“Other Vacant” Housing Units
 City of Tuscaloosa
 2010 Census Data



HOUSEHOLD SIZE

As the number of households in the city increased by 15.3 percent between 2000 and 2010, the size of the average household increased slightly, as shown in Table II.12 below. One-person households accounted for the largest share of households of any size, or 35.4 percent in 2010. This represents a modest increase over 2000, when 35.2 percent of households were one-person households. The shares of households with two or three members declined slightly over the decade, while the number of households with four persons or more increased slightly. The share of households with seven members or more increased by 0.1 percentage points; however, these households accounted for a relatively small share of households overall, and that 0.1 percentage point increase corresponded to a growth rate of 35.5 percent in absolute terms—more than twice the overall rate of 15.3 percent.

Table II.12
Households by Household Size

City of Tuscaloosa
2000 & 2010 Census SF1 Data

Size	2000 Census		2010 Census		% Change 00–10
	Households	% of Total	Households	% of Total	
One Person	11,058	35.2%	12,809	35.4%	15.8%
Two Persons	10,377	33.1%	11,833	32.7%	14.0%
Three Persons	4,859	15.5%	5,530	15.3%	13.8%
Four Persons	3,169	10.1%	3,707	10.2%	17.0%
Five Persons	1,224	3.9%	1,456	4.0%	19.0%
Six Persons	452	1.4%	522	1.4%	15.5%
Seven Persons or More	242	.8%	328	.9%	35.5%
Total	31,381	100.0%	36,185	100.0%	15.3%

More than half of the city's housing units were single-family units in 2000 and 2009-2013, as shown in Table II.13 below. However, apartment units came to occupy a larger share of the city's housing stock, as the shares of single-family and multi-plex units fell. By 2013, apartment units accounted for 36.3 percent of housing units in the city, while single-family units represented 52.6 percent.

Table II.13
Housing Units by Type

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Unit Type	2000 Census		2013 Five-Year ACS	
	Units	% of Total	Units	% of Total
Single-Family	19,854	56.8%	22,851	52.6%
Duplex	1,091	3.1%	1,264	2.9%
Tri- or Four-Plex	3,227	9.2%	2,890	6.6%
Apartment	9,962	28.5%	15,765	36.3%
Mobile Home	827	2.4%	698	1.6%
Boat, RV, Van, Etc.	8	0.0%	0	0.0%
Total	34,969	100.0%	43,468	100.0%

HOUSING PROBLEMS

While the 2000 Census did not report significant details regarding the physical condition of housing units, some information can be derived from the SF3 data. These data relate to overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. While these data

were not collected during the 2010 Census, data were available for comparison from the 2009 to 2013 ACS averages.

Housing units with one to 1.5 occupants per room are considered overcrowded, and those with more than 1.5 persons per room are considered severely overcrowded. In spite of a slight shift toward larger households in the city from 2000 through 2010, the share of households that were overcrowded or severely overcrowded declined between 2000 and 2009-2013, as shown in Table II.14 below. Around three percent of housing units exhibited some degree of overcrowding in 2000, a share which had fallen by 1.4 percentage points by 2013. Renter-occupied units were more than three times as likely to be overcrowded or severely overcrowded as owner-occupied units in 2000 and nearly eight times as likely in 2009-2013. Even so, less than four percent of renter-occupied units showed any degree of overcrowding in 2000, and that share had fallen below two percent by 2013.

Table II.14
Overcrowding and Severe Overcrowding

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Data Source	No Overcrowding		Overcrowding		Severe Overcrowding		Total
	Households	% of Total	Households	% of Total	Households	% of Total	
Owner							
2000 Census	14,959	98.7%	154	1.0%	46	.3%	15,159
2013 Five-Year ACS	15,763	99.6%	48	.3%	20	.1%	15,831
Renter							
2000 Census	15,548	95.2%	551	3.4%	235	1.4%	16,334
2013 Five-Year ACS	15,297	97.0%	388	2.5%	90	0.6%	15,775
Total							
2000 Census	30,507	96.9%	705	2.2%	281	.9%	31,493
2013 Five-Year ACS	31,060	98.3%	436	1.4%	110	.3%	31,606

Incomplete plumbing or kitchen facilities are other indicators of potential housing problems. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. Likewise, a unit is categorized as deficient when any of the following are missing from the kitchen: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator.

The share of housing units with incomplete plumbing and kitchen facilities was likewise very small. Only 0.5 percent of housing units lacked hot and cold running water, a flush toilet, or a bathtub or shower in 2000, as shown in Table II.15 at right. By 2009-2013, this share had fallen to 0.1 percent. A similar proportion of housing units lacked complete kitchen facilities in 2000, as shown in Table II.16 on the following page. Unlike units with incomplete plumbing, the share of those with incomplete kitchen facilities grew, but only by 0.2 percentage points. Less than one percent of housing units were lacking a sink with piped hot and cold water, a range or cook top and oven, or refrigerator in 2009-2013.

Table II.15
Households with Incomplete Plumbing Facilities

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Households	2000 Census	2013 Five-Year ACS
With Complete Plumbing Facilities	31,334	31,577
Lacking Complete Plumbing Facilities	159	29
Total Households	31,493	31,606
Percent Lacking	.5%	0.1%

Table II.16
Households with Incomplete Kitchen Facilities

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Households	2000 Census	2013 Five-Year ACS
With Complete Kitchen Facilities	31,345	31,390
Lacking Complete Kitchen Facilities	148	216
Total Households	31,493	31,606
Percent Lacking	.5%	.7%

Though the housing problems represented by overcrowding and incomplete kitchen and plumbing facilities affected a relatively small share of households, larger shares of households were cost-burdened or severely cost-burdened, and these shares grew between 2000 and 2009-2013. As shown in Table II.17 below, 16.9 percent of households were cost-burdened in 2000, meaning that 31 to 50 percent of their income went toward housing costs. Those that spent more than 50 percent of their monthly income on housing costs were said to be severely cost-burdened; such units accounted for nearly 19 percent of housing units in 2000. By 2009-2013, the share of cost-burdened and severely cost-burdened households had grown by 5 percentage points. Though rental households were generally more likely to experience cost-burdening than owner-occupied households, the incidence of cost-burdening on homeowners with mortgages increased dramatically after 2000. A complete version of the following table, with data for all households, is included in Appendix D.

Table II.17
Cost Burden and Severe Cost Burden by Tenure

City of Tuscaloosa
2000 Census & 2013 Five-Year ACS Data

Data Source	31%-50%		Above 50%		Total
	Households	% of Total	Households	% of Total	
Owner With a Mortgage					
2000 Census	1,521	16.3%	858	9.2%	9,335
2013 Five-Year ACS	2,184	20.9%	1,521	14.5%	10,462
Owner Without a Mortgage					
2000 Census	263	5.7%	207	4.5%	4,589
2013 Five-Year ACS	292	5.4%	311	5.8%	5,369
Renter					
2000 Census	3,325	20.4%	4,640	28.5%	16,304
2013 Five-Year ACS	3,325	21.1%	5,253	33.3%	15,775
Total					
2000 Census	5,109	16.9%	5,705	18.9%	30,228
2013 Five-Year ACS	5,801	18.4%	7,085	22.4%	31,606

Renters with a severe cost burden are at risk of homelessness. Cost-burdened renters who experience one financial setback often must choose between rent and food or rent and health care for their families. Similarly, homeowners with a mortgage who have just one unforeseen financial constraint, such as temporary illness, divorce, or the loss of employment, may face foreclosure or bankruptcy. Furthermore, households that no longer have a mortgage yet still experience a severe cost burden may be unable to conduct periodic maintenance and repair of their homes, and in turn, may contribute to a dilapidation and blight problem. All three of these situations should be of concern to policymakers and program managers.

HOUSING COSTS

Finally, median housing costs increased between 2000 and 2009-2013, as shown in Table II.18 at right. Median contract rent, which does not include additional charges such as utilities, rose from \$481 to \$570 by 2013, in current dollars. Similarly, median home values in the city rose from \$99,600 to \$163,500.

Table II.18
Median Housing Costs

City of Tuscaloosa
2000 Census SF3 & 2013 Five-Year ACS Data

Housing Cost	2000	2013
Median Contract Rent	\$481	\$570
Median Home Value	\$99,600	\$163,500

The highest housing costs in the city were observed to the north of the river and in several Census tracts in the east and south of the city. Median rental costs to the north of the river were above the citywide median of \$570 in 2009-2013, as shown in Map II.13 on the following page. Median rental costs in the West End were generally well-below median in the same time period. Median home values were also above the citywide median in the area to the north of the river, as well as near the university, and well below median in the West End, as shown in Map II.14 on page 50.

SUMMARY

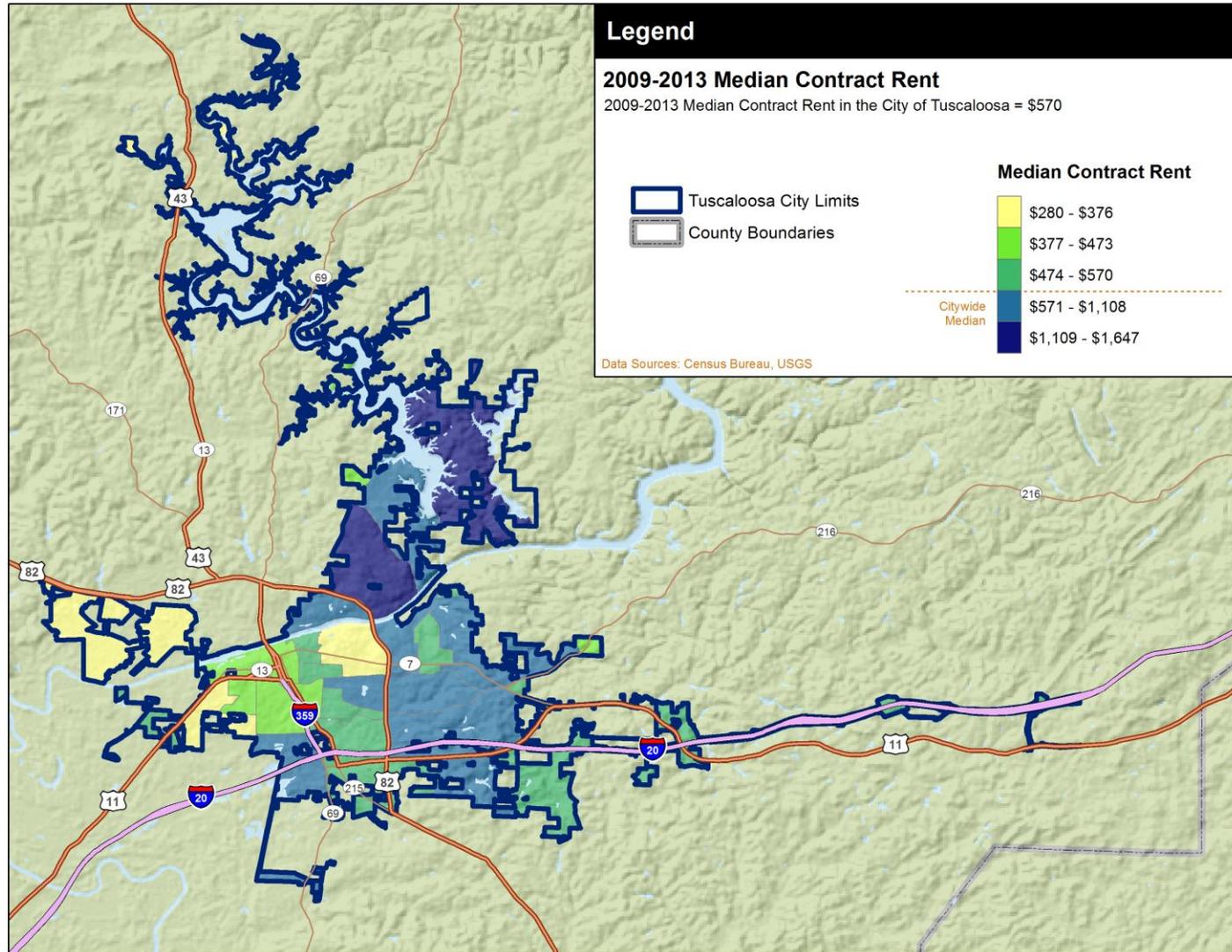
Tuscaloosa has grown considerably since 2000. In that year it was a city of approximately 78,000. In 2013, Tuscaloosa boasted an estimated population of 95,334. That the city would enjoy such a remarkable growth spurt would not have been obvious a decade earlier—population growth was slow in the first few years after 2000. However, the population has grown markedly every year since 2003, at an average rate of approximately 1,570 new residents per year. Much of the growth between 2000 and 2010 was attributable to an increase in the number of residents aged 20 to 24, along with those aged 5 to 19 and 55 to 64. By contrast, there were fewer elderly residents in 2010 than there had been at the beginning of the decade, and fewer residents aged 35 to 54.

Changes to the racial and ethnic composition of the city were relatively minor: white and black residents, who accounted for more than 95 percent of the population, increased in number by 15.5 and 12.8 percent, respectively. Likewise, though Hispanic residents more than doubled, both in number and as a share of the population, only three percent of the city's population was Hispanic in 2010. The geographic distribution of these groups also changed little over the decade, and black residents tended to be highly concentrated the West End of Tuscaloosa and in the Alberta neighborhood. Hispanic residents tended to account for larger shares of the population in the central and eastern part of the city.

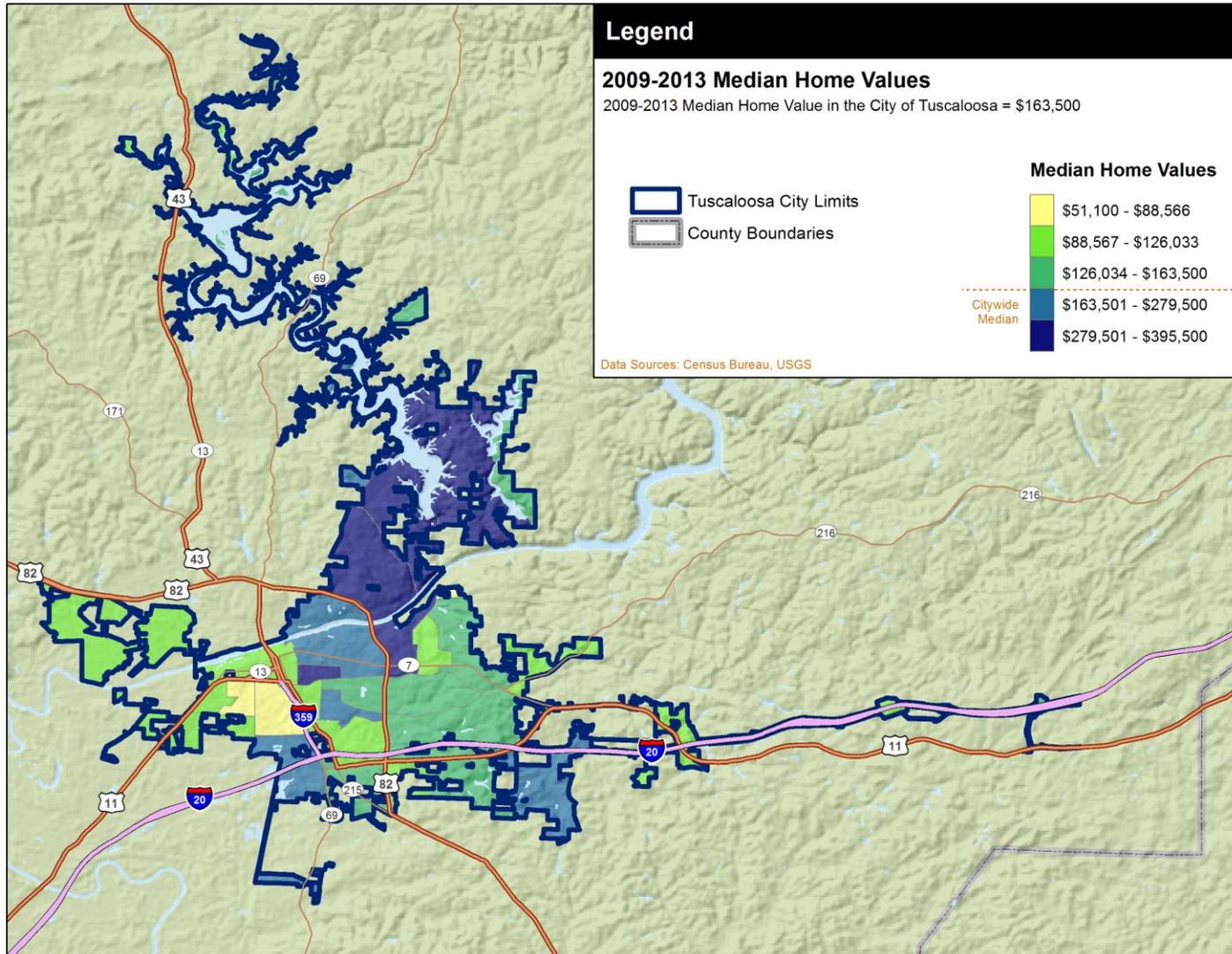
Residents with disabilities also tended to be concentrated in the western part of the city in 2000, when these residents accounted for around one-fifth of the city's population. In a large Census tract to the immediate southwest of the city center, nearly 40 percent of residents were living with some form of disability. In 2009-2013, less than 22 percent of residents in that same tract were living with a disability, and residents with disabilities accounted for 11.3 percent of the population as a whole.¹³ The highest concentration of disabilities in that period was observed in a large Census tract in the west of the city.

¹³ Note: Lower disability rates in 2009-2013 do not necessarily represent a reduction in the number or share of residents with disabilities: the Census Bureau adopted a new disability framework in 2008 and with it a new set of questions pertaining to disability. For this reason, the Census Bureau discourages direct comparison of disability figures post-2008 to those obtained prior to 2008.

Map II.13
Median Contract Rent
 City of Tuscaloosa
 2013 Five-Year ACS Data



Map II.14
Median Home Value
 City of Tuscaloosa
 2013 Five-Year ACS Data



The city also enjoyed strong growth in its labor market after 2003, as well as in the number of employed, and by 2007 the unemployment rate in the city had fallen to 2.9 percent. However, that growth ended abruptly in 2008, and was followed by two years of decline in the number of employed. The result was a peak in the unemployment rate, which rose to 8.5 percent and stayed near that level until 2010. The unemployment rate began to decline after the middle of 2010, and by 2013 it had fallen to 6.1 percent.

Trends in the labor market were reflected in growth in the number of full- and part-time jobs in the county, which fell by over 5,000 from 2008 through 2010, the largest and most sustained drop in the number of jobs in more than forty years. However, growth in the total number of jobs in the county resumed in 2010, and has been steady since that time. The decline in the number of jobs in the county was not accompanied by a corresponding decline in real average earnings per job; however, the county did experience a drop in real per capita income of approximately \$1300 between 2008 and 2009.

However, average earnings per job and per capita income in the county were higher in 2013 than they had been in 2000, a fact that was reflected in a shift in household incomes over the same time period. According to the 2000 Census, 58.1 percent of households in that year earned less than \$35,000 per year, with more than 30 percent earning less than \$15,000. By 2013, the share of households earning less than \$35,000 had fallen to 46.7 percent, while the shares of households increased in all income brackets earning \$35,000 per year or more.

Nevertheless, households earning less than \$15,000 per year continued to account for the largest share of households in the city in 2009-2013, and the poverty rate in the city remained high. In fact, the share of residents living in poverty was observed to have grown between 2000, when 23.6 percent of residents were living in poverty, and 2009-2013, when around 26.3 percent of residents were living in poverty.

Growth in the city's occupied housing stock was roughly on par with growth in the population, and renter-occupied units came to account for a larger share of occupied units as a whole. Around 52 percent of occupied units were occupied by renters in 2000; by 2010, that figure had grown to 57.7 percent, while the share of units that were occupied by their owners fell. From 2000 through 2013, the share of apartment units increased by nearly eight percentage points, while housing units of all other types came to account for smaller shares of the city's housing stock.

The number of vacant units also increased over the decade, and the share of housing units that were vacant grew to 11.4 percent in 2010, an increase of 1.4 percentage points over 2000. Most of this growth was attributable to growth in the number of vacant units for rent or for seasonal, occasional, or recreational use. The number of "other vacant" units throughout the city fell: having accounted for a fifth of all vacant units in 2000, "other vacant" units represented less than 15 percent of the housing stock a decade later. However, these units remained disproportionately concentrated in tracts to the southwest of the city center.

The size of the average household remained roughly the same from 2000 through 2010, with some minor growth in the number and share of larger households. In spite of that growth, the share of overcrowded or severely overcrowded units in the city fell from 3.1 to 1.7 percent.

The share of units with incomplete plumbing facilities also fell, from 0.5 to 0.1 percent, while the share of units with incomplete kitchen facilities edged upward from 0.5 to 0.7 percent.

Considerably more households were impacted by cost-burdening, which describes a situation in which households spend between 30 and 50 percent of their income on housing costs. Nearly 17 percent of households were cost-burdened in 2000, a share that had grown to 18.4 percent by 2013. The share of households that were severely cost-burdened, or in which housing costs took up more than 50 percent of the household income, was larger still: in 2000, 18.9 percent of households were severely cost-burdened. By 2013, that share had grown to 22.4 percent. In both years, rental households were observed to be more heavily impacted by cost-burdening. This discrepancy was stark among households spending more than 50 percent of their income on housing costs: the share of rental units that were cost burdened was more than twice as large as the share of owner-occupied units that were cost-burdened.

The increased incidence of cost burdening came with an increase in median housing costs between 2000 and 2013. In 2000, the median rent price was \$481 per month and the median owner-occupied unit was worth \$99,600. By 2013, the median rent cost had risen to \$570 and the median home value had risen to \$163,500.

SECTION III. FAIR HOUSING LAW, STUDY, AND CASE REVIEW

As part of the AI process, existing fair housing laws, studies, cases, and other relevant materials were reviewed on a national and local scale. Results of this review are presented below.

FAIR HOUSING LAWS

FEDERAL FAIR HOUSING LAWS

Federal laws provide the backbone for U.S. fair housing regulations. While some laws have been previously discussed in this report, a brief list of laws related to fair housing, as defined on the U.S. Department of Housing and Urban Development's (HUD's) website, is presented below:

Fair Housing Act Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and persons securing custody of children under the age of 18), and handicap (disability).¹⁴

Title VIII was amended in 1988 (effective March 12, 1989) by the *Fair Housing Amendments Act*. In connection with prohibitions on discrimination against individuals with disabilities, the Act contains design and construction accessibility provisions for certain new multi-family dwellings developed for first occupancy on or after March 13, 1991.¹⁵

Title VI of the Civil Rights Act of 1964. Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973 Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of the Housing and Community Development Act of 1974 Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990. Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

¹⁴ "HUD Fair Housing Laws and Presidential Executive Orders."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws

¹⁵ "Title VIII: Fair Housing and Equal Opportunity."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/progdesc/title8

Architectural Barriers Act of 1968 The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975 The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972 Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.¹⁶

STATE AND LOCAL FAIR HOUSING LAWS

In addition to the federal laws described above, Alabama residents are protected from discrimination in the housing market by the Alabama Fair Housing Law (§24-8-1, et seq.). The protected classes recognized by Alabama law are the same as those recognized in the federal Fair Housing Act. There is no local fair housing ordinance in the City of Tuscaloosa. As noted in Appendix B of its 2013 Annual Action Plan, the City relies on the Alabama Fair Housing Law as the legal foundation for fair housing enforcement and policy at the local level.

FAIR HOUSING STUDIES

NATIONAL FAIR HOUSING STUDIES

In 2006, the University of Southern California and Oregon State University collaborated to study rental discrimination and race. The universities responded to 1,115 advertisements regarding apartment vacancies in Los Angeles County and signed the bottom of each email with Tyrell Jackson, a traditionally black name; Patrick McDougall, a traditionally white name; or Said Al-Rahman, a traditionally Arab name. Analysis indicated that individuals who were perceived as black were four times more likely to be discouraged from viewing an apartment than persons perceived as white, and individuals considered to be Arab were three times more likely to be discouraged from viewing an apartment than individuals who appeared white. The analysis also noted that applicants perceived as black were more likely to receive negative responses, such as the apartment was no longer available for market rate or above market rate apartments. For example, only an email signed Tyrell Jackson received a reply that reiterated the apartment cost to ensure the apartment was within the applicant's price range. The study also analyzed the responses from private property owners versus corporate property owners, but found no statistical difference in the way the two groups responded to applicants of different races.¹⁷

Released by the Poverty & Race Research Action Council in January 2008, *Residential Segregation and Housing Discrimination in the United States* asserts that many current governmental efforts to further fair housing actually result in furthering unfair housing practices across the U.S. This article suggests that fair housing efforts can cause residential segregation. For example, if the majority of public housing residents are non-white and most public housing accommodations are grouped in the same Census tracts, residential segregation is resultant.

¹⁶ "HUD Fair Housing Laws and Presidential Executive Orders."

¹⁷ Carpusor, Adrian and William Loges. "Rental Discrimination and Ethnicity in Names." *Journal of Applied Social Psychology* 36(4).

Similarly, many Section 8 voucher holders are racial or ethnic minorities, and most housing that accepts Section 8 vouchers is grouped in selected areas, which again results in residential segregation. The report offers recommendations to curb such residential segregation, including dispersing public housing developments throughout cities and communities and providing greater incentives for landlords with several properties to accept the vouchers.¹⁸

National Fair Housing Alliance Annual Reports

The National Fair Housing Alliance (NFHA) is “a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States¹⁹.” In service to its mission to eliminate housing discrimination, the NFHA promotes fair housing choice through “leadership, education, outreach, membership services, public policy initiatives, advocacy and enforcement.” As part of this overall effort, the NFHA publishes reports detailing trends and issues in fair housing, a selection of which are summarized below.

In May 2010, the National Fair Housing Alliance published a fair housing trends report, *A Step in the Right Direction*, which indicated that recent years have demonstrated forward movement in furthering fair housing. The report began with a commendation of HUD’s federal enforcement of fair housing law and noted the agency’s willingness to challenge local jurisdictions that failed to affirmatively further fair housing. In response to the recent foreclosure crisis, many credit institutions have implemented tactics to reduce risk. However, this report suggests that policies that tighten credit markets, such as requiring larger cash reserves, higher down payments, and better credit scores, may disproportionately affect lending options for communities of color and women. *A Step in the Right Direction* concludes with examples of ways in which the fair housing situation could be further improved, including addressing discriminatory internet advertisements and adding gender identity, sexual orientation, and source of income as federally protected classes.²⁰

The positive note that the NFHA struck in its 2010 report carried over into the following year’s *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*, published by the Alliance in April of 2011. This report began by noting an encouraging downward trend in the proportion of individuals in large metropolitan areas living in segregation, which had dropped from 69 to 65 percent between 2000 and 2010, according to census data from 2010. The report also highlighted the work of fair housing organizations to combat systemic and institutionalized discrimination produced by exclusionary zoning, NIMBYism, the dual credit market, and other fair housing challenges, often on limited budgets and with limited personnel. The NFHA closed its 2011 report by praising the work of private fair housing organizations while underscoring the need for continued work.²¹

The 2012 report from the NFHA focused on issues of fair housing in the context of the shifting demographic composition of the United States, where the white population is projected to no

¹⁸ U.S. Housing Scholars and Research and Advocacy Organizations. *Residential Segregation and Housing Discrimination in the United States*. January 2008. http://pracc.org/pdf/FinalCERD_HousingDiscriminationReport.pdf

¹⁹ “About NFHA”. National Fair Housing Alliance website. Accessed January 6, 2015. www.nationalfairhousing.org.

²⁰ *A Step in the Right Direction: 2010 Fair Housing Trends Report*. National Fair Housing Alliance. May 2010. <http://www.nationalfairhousing.org/Portals/33/Fair%20Housing%20Trends%20Report%202010.pdf>

²¹ *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*. National Fair Housing Alliance 2011 Fair Housing Trends Report. April 29, 2011.

longer represent a majority of residents within thirty years. The report discussed encouraging signals from HUD and the Justice Department, who have “increased their efforts and announced landmark cases of mortgage lending, zoning, and other issues that get to the heart of the [Fair Housing] Act: promoting diverse and inclusive communities²².” The report also highlights a new arena for discrimination in housing, which has emerged as a result of the massive level of foreclosures in the country in recent years: uneven maintenance of Real Estate Owned (REO) properties in white and minority areas. In concluding, the report hails the creation of the Consumer Financial Protection Bureau as a new ally for fair housing and equal opportunity.²³

In its 2013 trends report, the NFHA outlined an ambitious policy goal: expansion of the Fair Housing Act to prohibit discrimination based on source of income, sexual orientation, gender identity, and marital status. The report notes that cases of housing discrimination in general increased between 2011 and 2012, and that complaints based on non-protected statuses (source of income, etc.) were included in that upward trend. In spite of this, only 12 states included protections based on source of income in that year; 21 states prohibited discrimination based on sexual orientation, 16 states protected against discrimination based on gender identity, and 22 states offer protections based on marital status. The District of Columbia also extended protections on all of these bases in that year. In concluding the report, the NFHA advocates the modernization and expansion of the FHA to bring the protection of individuals based on source of income, sexual orientation, gender identity, and marital status within its compass.²⁴

In its 2014 Fair Housing trends report, entitled “Expanding Opportunities: Systemic Approaches to Fair Housing”, the NFHA began by lauding the efforts of HUD, DOJ, and private non-profit fair housing organizations for their efforts over the past year in promoting fair housing choice across the United States. The report also noted an increase in the number of fair housing complaints relating to real estate sales, homeowner’s insurance, and housing advertisements, even as the overall number of housing complaints remained relatively steady. The 2014 report also featured a regional analysis of housing discrimination complaints, which indicated that complaints of housing discrimination were more common in the more racially and ethnically segregated metropolitan statistical areas of the country.²⁵

A CHANGING FAIR HOUSING LANDSCAPE

NATIONAL FAIR HOUSING CASES

As noted in the introduction to this report, provisions to affirmatively further fair housing are long-standing components of HUD’s Housing and Community Development programs. In fact, in 1970, *Shannon v. HUD* challenged the development of a subsidized low-income housing project in an urban renewal area of Philadelphia that was racially and economically integrated. Under the Fair Housing Act, federal funding for housing must further integrate community development as part of furthering fair housing, but the plaintiffs in the *Shannon* case claimed

²² *Fair Housing in a Changing Nation: 2012 Fair Housing Trends Report*. National Fair Housing Alliance. April 30, 2012.

²³ *Ibid.*

²⁴ *Modernizing the Fair Housing Act for the 21st Century: 2013 Fair Housing Trends Report*. National Fair Housing Alliance. April 11, 2013.

²⁵ *Expanding Opportunity: Systemic Approaches to Fair Housing*. National Fair Housing Alliance. August 13, 2014.

that the development would create segregation and destroy the existing balance of the neighborhood. As a result of the case, HUD was required to develop a system to consider the racial and socio-economic impacts of their projects.²⁶ The specifics of the system were not decided upon by the court, but HUD was encouraged to consider the racial composition and income distribution of neighborhoods, racial effects of local regulations, and practices of local authorities.²⁷ The Shannon case gave entitlement jurisdictions the responsibility of considering the segregation effects of publicly-funded housing projects on their communities as they affirmatively further fair housing.

More recently, in a landmark fraud case, Westchester County, New York, was ordered to pay more than \$50 million to resolve allegations of misusing federal funds for public housing projects and falsely claiming their certification of affirmatively furthering fair housing. The lawsuit was filed in 2007 by the Anti-Discrimination Center (ADC), a New York-based non-profit organization, under the False Claims Act. According to the ADC, the County “failed to consider race-based impediments to fair housing choice; failed to identify and take steps to overcome impediments; and failed to meet its obligations to maintain records concerning its efforts.”

In a summary judgment in February 2009, a judge ruled that the County had made “false certifications on seven annual AFFH certifications and on more than a thousand implied certifications of compliance when it requested a drawdown of HUD funds”. Pursuant to a settlement agreement brokered by the Obama Administration in April 2009, Westchester County was required to pay more than \$30 million to the federal government, with roughly \$20 million eligible to return to the County to aid in public housing projects. The County was also ordered set aside \$20 million to build public housing units in suburbs and areas with mostly white populations, and to promote legislation “currently before the Board of Legislators to ban ‘source-of-income’ discrimination in housing (§33(g))”.²⁸

Finding that Westchester had failed to affirmatively further fair housing in the manner agreed upon in the earlier settlement, HUD rejected the County’s AFFH certification and discontinued federal funding in 2011. As of April 2013, HUD’s decision had been upheld through several rounds of appeals by the County²⁹. The case is likely to have ramifications for entitlement communities across the nation; activities taken to affirmatively further fair housing will likely be held to higher levels of scrutiny to ensure that federal funds are being spent to promote fair housing and affirmatively further fair housing. The case also signals an increased willingness on the part of HUD to bring enforcement pressure to bear in order to insure that state and local jurisdictions comply with the AFFH requirements.

Affirmatively Furthering Fair Housing

At the same time that HUD has pursued a more active role in fair housing enforcement, the agency has sought to bring additional guidance and clarity to fair housing policy. This effort was inspired in part by the agency’s own assessment of shortcomings in current policy, and in

²⁶ U.S. HUD. *39 Steps Toward Fair Housing*. <http://www.hud.gov/offices/fheo/39steps.pdf>

²⁷ Orfield, Myron. “Racial Integration and Community Revitalization: Applying the Fair Housing Act to the Low Income Housing Tax Credit.” *Vanderbilt Law Review*, November 2005.

²⁸ <http://www.hud.gov/content/releases/settlement-westchester.pdf>

²⁹ *United States v Westchester County* 712 F.3d 761 2013 U.S. App.

part by criticism from other agencies; notably the Government Accountability Office (GAO).³⁰ In 2009, HUD noted that many of the AIs it reviewed as part of an internal study did not conform to the agency's guidelines. This finding was reaffirmed in a 2010 study conducted by the GAO, which sought to assess the effectiveness of Analyses of Impediments as a tool to affirmatively further fair housing, as well as their effectiveness as planning documents. According to the GAO, an estimated 29 percent of CDBG and HOME grantees' AIs were prepared in 2004 or earlier, and were therefore likely to be of limited usefulness in current planning efforts. Furthermore, the GAO found that those AIs that were up to date largely lacked features that would render them more effective as planning documents, including timetables and the signatures of top elected officials. More generally, the GAO noted that HUD guidelines concerning AIs are unclear, and that its requirements for the analyses are minimal³¹. Under those requirements, the agency observed, grantees are "not required through regulation to update their AIs periodically, include certain information, follow a specific format in preparing AIs, or submit them to HUD for review"³².

The conclusion of the GAO study is reflected in its title: *HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans*. In response to the criticism of the GAO, as well as a longstanding recognition on the part of HUD that fair housing policy stood in need of improvement and clarification, the agency developed and published a proposed rule entitled *Affirmatively Furthering Fair Housing* in July of 2013. The proposed rule represents a substantial restructuring of the AFFH process, eliminating the AI and replacing it with the Assessment of Fair Housing (AFH). According to the rule, the AFH will (1) incorporate key demographic and econometric metrics specifically identified by HUD, (2) be completed with nationally uniform data provided by HUD, and (3) be submitted to HUD for review in advance of the consolidated plan to insure that the findings of the fair housing analysis are fully integrated into the consolidated planning process.³³ The comment period for the proposed rule ended in September of 2013. A final action on the rule, originally scheduled for December of 2014, and subsequently slated for March of 2015, is still pending as of early May of 2015.

As noted in the winter edition of the Pennsylvania Association of Housing and Redevelopment Agencies Monitor, "the [proposed rule's] four specifically articulated goals are noble, if not perhaps aspirational:

- "Improve integrated living patterns and overcome historic patterns of segregation;
- Reduce or eliminate racially and ethnically concentrated areas of poverty;
- Reduce disparities in access to community assets such as education, transit access, employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and
- Address disproportionate housing needs by protected classes³⁴."

Nevertheless, according to the author, the Final Rule has the potential to "divert much needed funds away from impacted neighborhoods"; accordingly, "it remains to be seen whether the

³⁰ 24 CFR §5, 91, 92, et al. (2013)(Proposed Rule)

³¹ "HUD Needs to Enhance Its Requirements and Oversight of Jurisdictions' Fair Housing Plans". *Government Accountability Office*. September 2010.

³² *Ibid.*, page 32.

³³ 24 CFR §5, 91, 92, et al. (2013)(Proposed Rule)

³⁴ Poltrock, Leigh A. "Affirmatively Furthering Fair Housing: The Good, the Bad, and the Ugly of the Proposed Rule and Draft Assessment Tool." *Pennsylvania Association of Housing and Redevelopment Agencies Monitor*. Winter 2014-2015, page 19. Accessible at <http://pahra.org/wp-content/uploads/2015/01/PAHRA-Monitor-Winter-2014-15.pdf>

final version of the rule will truly facilitate [meaningful fair housing planning] and lead to greater housing opportunity, mobility, and choice³⁵.” Note that because a final action on the rule is still forthcoming, the current AI effort is being undertaken in conformity to HUD guidance that is currently in place, as articulated in the Fair Housing Planning Guide and subsequent memoranda.

Discriminatory Effects and the Fair Housing Act

In addition to the proposed rule that seeks to update and clarify the AFFH requirements for states and local jurisdictions, HUD finalized a rule in February 2015 that was intended to “formalize HUD’s long-held interpretation of the availability of ‘discriminatory effects’ liability under the Fair Housing Act³⁶.” According to HUD, individuals and businesses may be held liable for policies and actions that are neutral on their face but have a discriminatory effect. This theory of liability had not yet been articulated by the signing of the Civil Rights Acts of 1964 or 1968; however, it has been an important test for discrimination in employment since the Supreme Court found in 1971³⁷ that the Civil Rights Act “proscribes not only overt discrimination but also practices that are fair in form, but discriminatory in operation³⁸.” The first test of “disparate impact theory” in housing law came in 1974, *with United States v. City of Black Jack*³⁹. In that case, the government alleged that the City of Black Jack had “exercised its zoning powers to exclude... a federally-subsidized housing development”, thereby excluding residents of low-income housing, who were disproportionately black.⁴⁰

In deciding on the matter, the Eight Circuit Court maintained that a plaintiff “need prove no more than that the conduct of the defendant actually or predictably results in racial discrimination” to make a case that the conduct is itself discriminatory⁴¹. The theory of discriminatory effect established in this case has been consistently applied in fair housing cases and upheld in every district court decision in which it served to establish or support the charge of housing discrimination.⁴² However, this theory of liability is facing its most severe challenge in decades in a case that is currently before the Supreme Court, as described below.⁴³

Texas Department of Housing and Community Affairs v. The Inclusive Communities Project

In 2008, a Dallas-based non-profit organization called the Inclusive Communities Project (“the Project”) sued the Texas Department of Housing and Community Affairs (“the Department”), claiming that the point system by which it allocates federal tax subsidies serves to concentrate subsidized housing in low-income communities.⁴⁴ In the lawsuit, the Project relies on the theory of disparate impact that has been established through decades of jurisprudence but on which the Supreme Court has never definitively ruled.

³⁵ *Ibid.*

³⁶ 24 CFR §100 (2013)

³⁷ Garrow, David J. “Toward a Definitive History of *Griggs v. Duke Power Company*”. 67 Vand. L. Rev. 197 (2014).

³⁸ *Griggs v. Duke Power Co.*, 401 U.S. 430 (1971).

³⁹ Rich, Joseph D. “HUD’s New Discriminatory Effects Regulation: Adding Strength and Clarity to Efforts to End Residential Segregation.” Lawyers’ Committee for Civil Rights Under Law. May 2013.

⁴⁰ *United States v. City of Black Jack, Missouri*, 508 F.2d 1179, 1184 (8th Cir. 1974)

⁴¹ *Ibid.*

⁴² 24 CFR §100 (2013); Rich, Joseph D. “HUD’s New Discriminatory Effects Regulation: Adding Strength and Clarity to Efforts to End Residential Segregation.” Lawyers’ Committee for Civil Rights Under Law. May 2013.

⁴³ Rich, Joe and Thomas Silverstein. “Symposium: The case for disparate impact under the Fair Housing Act.” Supreme Court of the United States Blog. January 6, 2015. Accessible at <http://www.scotusblog.com/2015/01/symposium-the-case-for-disparate-impact-under-the-fair-housing-act/>

⁴⁴ *Inclusive Communities Project v. Texas Department of Housing and Community Affairs* (2014).

According to the Project, the Department disproportionately allocates low-income housing tax credits in minority areas while denying those credits in predominantly white communities. In addition to the direct effect of concentrating units subsidized through these tax credits, the Project alleges that this manner of allocation leads to the further concentration of Section 8 Housing in those same areas⁴⁵, which serves to limit housing options for low-income, minority residents to areas with high concentrations of racial minority residents.⁴⁶ In its original complaint, the Project argued that the point scheme was intentionally discriminatory and that it produced a disparate impact on minority residents. The District Court for the Northern District of Texas found that the Project had failed to prove intentional discrimination but had proved its disparate impact claim.

Having been upheld in the U.S., Court of Appeals for the Fifth Circuit, it is this claim that is currently the subject of deliberation on the part of the Supreme Court justices.⁴⁷ In asking the Supreme Court to consider the case, the Department presented the court with two questions: First, “are disparate-impact claims cognizable under the Fair Housing Act?”⁴⁸ In other words, does the Act permit disparate-impact claims? In the event that the Court finds that the FHA does allow such claims, the Department also asked it to identify the “standards and burdens of proof that should apply.”⁴⁹ The Court’s decision on this matter is likely to profoundly impact fair housing policy in the United States, either by upholding a key tenet, or removing one of the most important tools, of fair housing enforcement.⁵⁰

LOCAL FAIR HOUSING CASES

Recent U.S. Department of Justice Cases

The U.S. Department of Justice (DOJ) enacts lawsuits on behalf of individuals based on referrals from HUD. Under the Fair Housing Act, the DOJ may file lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights; and
- Where persons who believe that they have been victims of an illegal housing practice file a complaint with HUD or file their own lawsuit in federal or state court.⁵¹

There have been two fair housing complaints filed by the Department of Justice against housing providers in the Northern District of Alabama over the last decade. In the first case, filed in

⁴⁵ *Ibid.* Section 8 housing vouchers, which are not generally accepted by private landlords, cannot be turned down by those who receive low income housing tax credits.

⁴⁶ *Ibid.*

⁴⁷ Howe, Amy. “Will the third time be the charm for the Fair Housing Act and disparate-impact claims? In Plain English.” Supreme Court of the United States Blog. January 6, 2015. Accessible at “<http://www.scotusblog.com/2015/01/will-the-third-time-be-the-charm-for-the-fair-housing-act-and-disparate-impact-claims-in-plain-english/>”

⁴⁸ *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project* (2014). Petition for a Writ of Certiorari.

⁴⁹ *Ibid.*

⁵⁰ Howe, Amy. “Will the third time be the charm for the Fair Housing Act and disparate-impact claims? In Plain English.” Supreme Court of the United States Blog. January 6, 2015. Accessible at “<http://www.scotusblog.com/2015/01/will-the-third-time-be-the-charm-for-the-fair-housing-act-and-disparate-impact-claims-in-plain-english/>”

⁵¹ “The Fair Housing Act.” The United States Department of Justice. http://www.justice.gov/crt/about/hce/housing_coverage.php

January of 2005, an apartment owner and a property manager in Boaz were accused of discriminating against prospective renters on the basis of race by telling African American fair housing testers that no apartments were available in the complex, only to tell white fair housing testers later in the same day that there were available units.⁵² In the second case, a housing provider was also accused of falsely claiming that units were unavailable, as well as making statements that “indicated a preference, limitation, or discrimination based on race”.⁵³ Both cases settled, and in both cases the defendants were required as terms of those settlements to pay substantial monetary damages and civil penalties, and to refrain from establishing and implementing any discriminatory policies in the future.

SUMMARY

Residents of Tuscaloosa are protected from discrimination in the housing market by laws at the federal and state level. The federal Fair Housing Act represents the foundation for fair housing law and policy in the United States, prohibiting discrimination on the basis of race, color, religion, sex, national origin, familial status, and disability. Alabama’s Fair Housing Law prohibits discrimination in the housing market on those same bases.

In spite of the existence of these laws, discrimination persists, though certainly no longer in a form that is as overt and obvious as it was when the laws were passed. Often, housing seekers will not know that they have been subjected to discrimination when a landlord tells them that no apartments are available (only to offer an available room to a prospective tenant of another race or ethnicity a few hours later). Such discrimination often only becomes apparent when properties are subjected to fair housing testing: results of such testing, and national studies of the outcomes of fair housing tests have consistently revealed differences in how applicants are treated when they apply for housing with similar qualifications, but with names that are stereotypically associated with members of different races and ethnicities.

In fact, one of the cases filed by the Department of Justice against a housing provider in Alabama’s Northern District relied in part on data gathered through fair housing testing, which revealed that an apartment complex in Boaz was telling prospective African-American tenants that no rooms were available while telling prospective white tenants that rooms were available. That case settled, along with another case involving similar allegations against a Decatur landlord, with the housing providers in question agreeing to pay substantial monetary damages and civil penalties. Both cases were filed and resolved within the last ten years, and both involved allegations of race-based discrimination.

Though the laws that shape fair housing policy at the federal level are firmly established, and have been broadened in scope and legal force over the years, legal and regulatory actions that are currently taking place at the national level are likely to considerably impact the manner in which fair housing policy is carried out. In the first place, the Supreme Court is currently considering whether or not individuals or business can be held liable for discrimination by enacting policies that are neutral on their face, but have discriminatory effects. Such “discriminatory effects liability”, a long-standing tool in fair housing enforcement, has been upheld in eleven district court decisions but had not been considered by the Supreme Court

⁵² *United States v. Dawson Development Co. and Milburn Long* (2006)

⁵³ *United States v. Crim* (2008)

prior to January of this year. If the court rules that disparate impact liability is not available under the fair housing act, that decision is likely to change fair housing enforcement profoundly.

The decision may also have an impact, albeit indirect, on HUD's affirmatively furthering fair housing requirement, since many of the cases that trigger an AFFH review by HUD are based on the perceived discriminatory effects of certain policies. However, a rule proposed by HUD in 2013 is likely to have a more direct impact. This proposed rule, which is meant to clarify the AFFH requirement for state and local jurisdictions, would replace the AI with the Assessment of Fair Housing (AFH), among other changes. A final action on the rule, originally scheduled for December of 2014 and most recently slated for March of 2015, is still forthcoming as of early May of 2015.

SECTION IV. REVIEW OF THE EXISTING FAIR HOUSING STRUCTURE

The purpose of this section is to provide a profile of fair housing in the City of Tuscaloosa based on a number of factors, including an enumeration of key agencies and organizations that contribute to affirmatively furthering fair housing, evaluation of the presence and scope of services of existing fair housing organizations, and a review of the complaint process.

FAIR HOUSING AGENCIES

FEDERAL AGENCIES

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the federal Fair Housing Act. HUD's regional office in Atlanta oversees housing, community development, and fair housing enforcement in Alabama, as well as Mississippi, Tennessee, Kentucky, North Carolina, South Carolina, Georgia, Florida, the U.S. Virgin Islands, and Puerto Rico. Contact information for HUD is listed below⁵⁴:

Address:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
Washington, DC 20410-2000

Telephone: (202) 708-1112

Toll Free: (800) 669-9777

Web Site: <http://www.HUD.gov/offices/fheo/online-complaint.cfm>

The contact information for the regional HUD office in Atlanta is:

Address:

U.S. Department of Housing and Urban
Development Southeast Office
40 Marietta Street
Atlanta, Georgia 30303

Telephone: (678) 732-2905

Fax: (404) 331-1021

The Office of Fair Housing and Equal Opportunity (FHEO) within HUD's Atlanta office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in the City of Tuscaloosa. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance

with civil rights laws, and works with city and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP), as described below.

Fair Housing Assistance Program

The Fair Housing Assistance Program (FHAP) was designed to support local and city agencies that enforce local fair housing laws, provided that these laws are substantially equivalent to the Fair Housing Act. Substantial equivalency certification is a two-phase process: in the first phase, the Assistant Secretary for Fair Housing and Equal Opportunity makes a *prima facie* determination on the substantial equivalency of a city or local law to the federal Fair Housing Act. Once this determination has been made, and the law has been judged to be substantially equivalent, the agency enforcing the law is certified on an interim basis for a period of three years. During those three years, the local enforcement organization “builds its capacity to operate as a fully certified substantially equivalent agency.” FHAP grants during this time period are issued to support the process of building capacity. When the interim certification period ends after three years, the Assistant Secretary issues a determination on whether or not the city law is substantially equivalent to the Fair Housing Act “in operation”, this is the second phase of the certification process. If the law is judged to be substantially equivalent in operation, the agency enforcing the law is fully certified as a substantially equivalent agency for five years.

HUD will typically refer most complaints of housing discrimination to a substantially equivalent city or local agency for investigation (such complaints are dual-filed at HUD and the city or local agency), if such an agency exists and has jurisdiction in the area in which the housing discrimination was alleged to have occurred. When federally subsidized housing is involved, however, HUD will typically investigate the complaint.

The benefits of substantially equivalent certification include the availability of funding for local fair housing activities, shifted enforcement power from federal to local authorities, and the potential to make the fair housing complaint process more efficient by vesting enforcement authority in those who are more familiar with the local housing market. In addition, additional funding may be available to support partnerships between local FHAP grantees and private fair housing organizations. There are currently no FHAP grantees in the city of Tuscaloosa or State of Alabama.

Fair Housing Initiative Program

The Fair Housing Initiative Program (FHIP) is designed to support fair housing organizations and other non-profits that provide fair housing services to people who believe they have faced discrimination in the housing market. These organizations provide a range of services including initial intake and complaint processing, referral of complainants to government agencies that enforce fair housing law, preliminary investigations of fair housing complaints, and education and outreach on fair housing law and policy.

FHIP funding is available through three initiatives⁵⁵: the Fair Housing Organizations Initiative (FHOI), the Private Enforcement Initiative (PEI), and the Education and Outreach Initiative (EOI). These initiatives are discussed in more detail below:

- **The Fair Housing Organizations Initiative (FHOI):** FHOI funds are designed to help non-profit fair housing organizations build capacity to effectively handle fair housing enforcement and outreach activities. A broader goal of FHOI funding is to strengthen the national fair housing movement by encouraging the creation of fair housing organizations.
- **The Private Enforcement Initiative (PEI):** PEI funds are intended to support the fair housing activities of established non-profit organizations, including testing and enforcement, and more generally to offer a “range of assistance to the nationwide network of fair housing groups”.
- **The Education and Outreach Initiative (EOI):** EOI funding is available to qualified fair housing non-profit organizations as well as city and local government agencies. The purpose of the EOI is to promote initiatives that explain fair housing to the general public and housing providers, and provide the latter with information on how to comply with the requirements of the FHA.

Non-profit organizations are eligible to apply for funding under each or all of these initiatives. To receive FHOI funding, such organizations must have at least two years’ experience in complaint intake and investigation, fair housing testing, and meritorious claims in the three years prior to applying for funding. Eligibility for PEI funding is subject to “certain requirements related to the length and quality of previous fair housing enforcement experience.” Organizations applying for EOI funding must also have two years’ experience in the relevant fair housing activities; these funds are also potentially available to city and local government agencies.

There are no FHIP grantees currently serving the City of Tuscaloosa. The Fair Housing Center of Northern Alabama, which serves residents of Tuscaloosa who believe that they have been subjected to unlawful discrimination in the housing market, was the recipient of FHIP funding as recently as 2011. In that year, the non-profit organization received \$275,000 in PEI performance-based funding, as it had in prior years as far back as 2006.⁵⁶ The organization received approximately \$220,000 in 2004 and 2005 through the PEI.

STATE AGENCIES

The Alabama Department of Economic and Community Affairs

The Alabama Department of Economic and Community Affairs (ADECA) is charged by Alabama State Code (§24-8-9 *et seq*) with administering the provisions of the Alabama Fair Housing Law. As part of its powers and duties, ADECA is asked to accept fair housing

⁵⁵ Though there are four initiatives included in the FHIP, no funds are currently available through the Administrative Enforcement Initiative.

⁵⁶ Performance based funding is available to FHIP grantees based on results of performance reviews of prior PEI enforcement activity. Information concerning the amount of individual FHIP grants was not available for 2009.

complaints from Alabama residents, investigate those complaints, attempt to broker conciliation agreements between complainants and respondents, designate panels to hear complaints, and oversee the compliance with orders issued by such panels. In addition, ADECA may initiate studies, publish reports, and “promulgate regulations necessary for the enforcement of [the Alabama Fair Housing Law]”, as long as such regulations do not exceed the requirements of the federal Fair Housing Act. ADECA may be contacted through the following information:

Alabama Department of Economic and Community Affairs
 P.O. Box 5690
 Montgomery, Alabama 36103
Telephone: (334) 242-5100
FAX: (334) 242-5099
Email: contact@adeca.alabama.gov

LOCAL AGENCIES AND ORGANIZATIONS

Tuscaloosa Housing Counseling Program

The City of Tuscaloosa offers comprehensive housing counseling assistance to residents of Tuscaloosa through the Housing Counseling Program. The program is available to assist those who believe that they have been subjected to illegal discrimination in the housing market file a complaint of housing discrimination with HUD. Dora Drake is the contact person for the Housing Counseling Program; her email address, along additional contact information for the program, is listed below.

Address:
 2122 6th Street
 Tuscaloosa, AL 35401
Telephone: (205) 248-5095
Fax: (205) 349-0135
Email: ddrake@tuscaloosa.com

COMPLAINT PROCESS REVIEW

COMPLAINT PROCESSES FOR FAIR HOUSING AGENCIES

U.S. Department of Housing and Urban Development

The intake stage is the first step in the complaint process. When a complaint is submitted, intake specialists review the information and contact the complainant (the party alleging housing discrimination) in order to gather additional details and determine if the case qualifies as possible housing discrimination. If the discriminatory act alleged in the complaint occurred within the jurisdiction of a substantially equivalent city or local agency under the FHAP, the complaint is referred to that agency, which then has 30 days to address the complaint. If that agency fails to address the complaint within that time period, HUD can take the complaint back.

If HUD determines that it has jurisdiction and accepts the complaint for investigation, it will draft a formal complaint and send it to the complainant to be signed. Once HUD receives the signed complaint, it will notify the respondent (the party alleged to have discriminated against the complainant) within ten days that a complaint has been filed against him or her. HUD also sends a copy of the formal complaint to the respondent at this stage. Within ten days of receiving the formal complaint, the respondent must respond to the complaint.

Next, the circumstances of the complaint are investigated through interviews and examination of relevant documents. During this time, the investigator attempts to have the parties rectify the complaint through conciliation. The case is closed if conciliation of the two parties is achieved or if the investigator determines that there was no reasonable cause of discrimination. If conciliation fails, and reasonable cause is found, then either a federal judge or a HUD Administrative Law Judge hears the case and determines damages, if any.⁵⁷ In the event that the federal court judge finds the discrimination alleged in a complaint to have actually occurred, the respondent may be ordered to:

- Compensate for actual damages, including humiliation, pain, and suffering;
- Provide injunctive or other equitable relief to make the housing available;
- Pay the federal government a civil penalty to vindicate the public interest, with a maximum penalty of \$10,000 for a first violation and \$50,000 for an additional violation within seven years; and/or
- Pay reasonable attorneys' fees and costs.⁵⁸

If neither party elects to go to federal court, a HUD Administrative Law Judge will hear the case. Once the judge has decided the case, he or she issues an initial decision. If the judge finds that housing discrimination has occurred, he or she may award a civil penalty of up to \$11,000 to the complainant, along with actual damages, court costs, and attorney's fees. When the initial decision is rendered, any party that is adversely affected by that decision can petition the Secretary of HUD for review within 15 days. The Secretary has 30 days following the issuance of the initial decision to affirm, modify, or set aside the decision, or call for further review of the case. If the Secretary does not take any further action on the complaint within 30 days of the initial decision, the decision will be considered final. After that, any aggrieved party must appeal to take up their grievance in the appropriate court of appeals.⁵⁹

Alabama Department of Economic and Community Affairs

According to Alabama Code of Law (§24-8-12), those who feel that they have been subjected to unlawful discrimination in housing market in Tuscaloosa, as in Alabama in general, may file a complaint with the Alabama Department of Economic and Community Affairs (ADECA) within 180 days of the alleged discriminatory act. Once ADECA has received the complaint, it will notify the respondent, i.e., the accused party. With 30 days of the receipt of the complaint, ADECA will investigate the complaint and notify the complainant whether or not the agency intends to resolve the complaint.

⁵⁷ "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/fheo/complaint-process.cfm>

⁵⁸ "Fair Housing—It's Your Right." <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

⁵⁹ "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/fheo/complaint-process.cfm>

The agency has one hundred days to complete the investigation of the complaint. In the time between the filing of the complaint and the end of the investigation, ADECA may attempt to resolve the complaint informally through conference, conciliation, or persuasion. If the complaint has not been resolved through one of these processes, the investigator will submit a statement of facts to ADECA and recommend either that the complaint be dismissed or that a panel be convened to hear the complaint. However, either party has the option of pursuing the matter in a civil court action in lieu of the administrative process.

If ADECA issues an order for a hearing, the complaint will be heard by a panel of three persons designated by ADECA. If the panel determines that the complaint represents a true instance of housing discrimination, it may levy penalties against the respondent. Such penalties, which may not exceed those provided for in the federal Fair Housing Act, potentially include injunctive relief, fines, actual damages, and reasonable attorney's fees. If the panel determines that no unlawful discrimination occurred the case will be dismissed. Either party may appeal the panel's decision.

If either party elects to bring the complaint before a civil court, they must do so within a year of the alleged discriminatory housing practice. If the court finds that discrimination has occurred, it may issue an order for injunctive relief, actual damages, punitive damages, and reasonable attorney's fees.

SUMMARY

Just as the federal Fair Housing Act represents the backbone of fair housing law and policy in the United States, the Department of Housing Urban Development, a federal agency, represents the backbone of fair housing enforcement throughout the country. Residents of Tuscaloosa who believe that they have been subjected to unlawful discrimination in the housing market may file a complaint with HUD directly, or may contact the Tuscaloosa Housing Counseling Program.

HUD also coordinates with local and state-level organizations throughout the country to provide fair housing resources and enforcement through the Fair Housing Initiatives Program (FHIP), and with local and state governments through the Fair Housing Assistance Program (FHAP). There are at present no FHAP or FHIP grantees serving the residents of Tuscaloosa at the state or local level, though 23 counties in northern Alabama have been served in past years by the Fair Housing Center of Northern Alabama, a FHIP grantee in 2011.

Residents of Tuscaloosa, along with residents throughout the state, may also file a fair housing complaint with the Alabama Department of Economic and Community Affairs. However, at present it is unclear the degree to which the Department is actively engaged in fair housing enforcement, and it appears that most fair housing complaints filed by state residents are filed with HUD.

SECTION V. FAIR HOUSING IN THE PRIVATE SECTOR

As part of the AI process, the U.S. Department of Housing and Urban Development (HUD) suggests that the analysis focus on possible housing discrimination issues in both the private and public sectors. Examination of housing factors in the City of Tuscaloosa's public sector is presented in **Section VI**; this section focuses on research regarding the city's private sector, including the mortgage lending market, the real estate market, the rental market, and other private sector housing industries.

LENDING ANALYSIS

HOME MORTGAGE DISCLOSURE ACT

Since the 1970s, the federal government has enacted several laws aimed at promoting fair lending practices in the banking and financial services industries. A brief description of selected federal laws aimed at promoting fair lending follows:

- The 1968 *Fair Housing Act* prohibits discrimination in housing based on race, color, religion, and national origin. Later amendments added sex, familial status, and disability. Under the Fair Housing Act, it is illegal to discriminate against any of the protected classes in the following types of residential real estate transactions: making loans to buy, build, or repair a dwelling; selling, brokering, or appraising residential real estate; and selling or renting a dwelling.
- The *Equal Credit Opportunity Act* was passed in 1974 and prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, and the exercise of any right under the Consumer Credit Protection Act.
- The *Community Reinvestment Act* was enacted in 1977 and requires each federal financial supervisory agency to encourage financial institutions in order to help meet the credit needs of the entire community, including low- and moderate-income neighborhoods.
- Under the *Home Mortgage Disclosure Act (HMDA)*, enacted in 1975 and later amended, financial institutions are required to publicly disclose the race, sex, ethnicity, and household income of mortgage applicants by the Census tract in which the loan is proposed as well as outcome of the loan application.⁶⁰ The analysis presented herein is from the HMDA data system.

⁶⁰ *Closing the Gap: A Guide to Equal Opportunity Lending*, The Federal Reserve Bank of Boston, April 1993. <http://www.bos.frb.org/commdev/closing-the-gap/closingt.pdf>

The HMDA requires both depository and non-depository lenders to collect and publicly disclose information about housing-related applications and loans.⁶¹ Both types of lending institutions must meet the following set of reporting criteria:

1. The institution must be a bank, credit union, or savings association;
2. The total assets must exceed the coverage threshold;⁶²
3. The institution must have had an office in a Metropolitan Statistical Area (MSA);
4. The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling;
5. The institution must be federally insured or regulated; and
6. The mortgage loan must have been insured, guaranteed, or supplemented by a federal agency or intended for sale to the Federal National Mortgage Association (FNMA or Fannie Mae) or the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These agencies purchase mortgages from lenders and repackage them as securities for investors, making more funds available for lenders to make new loans.

For other institutions, including non-depository institutions, additional reporting criteria are as follows:

1. The institution must be a for-profit organization;
2. The institution's home purchase loan originations must equal or exceed 10 percent of the institution's total loan originations, or more than \$25 million;
3. The institution must have had a home or branch office in an MSA or have received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancing mortgages on property located in an MSA in the preceding calendar year; and
4. The institution must have assets exceeding \$10 million or have originated 100 or more home purchases in the preceding calendar year.

HMDA data represent most mortgage lending activity and are thus the most comprehensive collection of information available regarding home purchase originations, home remodel loan originations, and refinancing. The Federal Financial Institutions Examination Council (FFIEC) makes HMDA data available on its website. While HMDA data are available for more years than are presented in the following pages, modifications were made in 2004 for documenting loan applicants' race and ethnicity, so data are most easily compared after that point.

Home Purchase Loans

Residents or prospective residents of Tuscaloosa applied for 46,562 home loans from 2004 through 2013, as shown in Table V.1 on the following page. Over forty percent of those applications were for home purchase loans, which accounted for 19,270 home loan applications. The rest of the loans were for refinancing or home improvement. The following narrative will focus on the outcomes of home purchase loan applications.

⁶¹ Data are considered "raw" because they contain entry errors and incomplete loan applications. Starting in 2004, the HMDA data made significant changes in reporting, particularly regarding ethnicity data, loan interest rates, and the multi-family loan applications.

⁶² Each December, the Federal Reserve announces the threshold for the following year. The asset threshold may change from year to year based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Table V.1
Purpose of Loan by Year
 City of Tuscaloosa
 2004–2013 HMDA Data

Purpose	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Home Purchase	2,212	2,512	3,188	2,919	1,677	1,326	1,251	1,329	1,345	1,511	19,270
Home Improvement	293	391	441	409	244	109	113	108	137	158	2,403
Refinancing	3,126	2,931	2,639	2,255	2,265	2,926	2,287	1,717	2,590	2,153	24,889
Total	5,631	5,834	6,268	5,583	4,186	4,361	3,651	3,154	4,072	3,822	46,562

Most of the home purchase loan applications in Tuscaloosa from 2004 through 2013 were intended to purchase housing units in which the applicant intended to live. As shown in Table V.2 below, such “owner-occupied” home purchase loan applications accounted for 15,155 applications, or 78.6 percent of all home purchase loan applications. Note that the following discussion will focus on loan denials of owner-occupied home purchase loans, as other categories of loans are not necessarily indicative of an applicant’s ability to choose where he or she lives.

Table V.2
Occupancy Status for Home Purchase Loan Applications
 City of Tuscaloosa
 2004–2013 HMDA Data

Status	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Owner-Occupied	1,884	2,099	2,276	1,957	1,206	1,113	1,075	1,151	1,130	1,264	15,155
Not Owner-Occupied	294	403	888	946	450	209	175	173	211	238	3,987
Not Applicable	34	10	24	16	21	4	1	5	4	9	128
Total	2,212	2,512	3,188	2,919	1,677	1,326	1,251	1,329	1,345	1,511	19,270

Denial Rates

After the owner-occupied home purchase loan application is submitted, the applicant receives one of the following status designations:

- “Originated,” which indicates that the loan was made by the lending institution;
- “Approved but not accepted,” which notes loans approved by the lender but not accepted by the applicant;
- “Application denied by financial institution,” which defines a situation wherein the loan application failed;
- “Application withdrawn by applicant,” which means that the applicant closed the application process;
- “File closed for incompleteness” which indicates the loan application process was closed by the institution due to incomplete information; or
- “Loan purchased by the institution,” which means that the previously originated loan was purchased on the secondary market.

These outcomes were used to determine denial rates presented in the following section. It should be noted that HMDA data do not include certain information pertaining to loan denials, such as the credit score of the applicants or down payment amount of the loan. Accordingly, the data do not allow for an assessment of all the factors that led to home loan denials or approvals. However, with that caveat in mind, the ratio of loan originations to loan denials can be seen as an indicator of the overall success or failure of home purchase loan applicants. The outcome of loan applicants submitted in Tuscaloosa from 2004 through 2013 is presented in

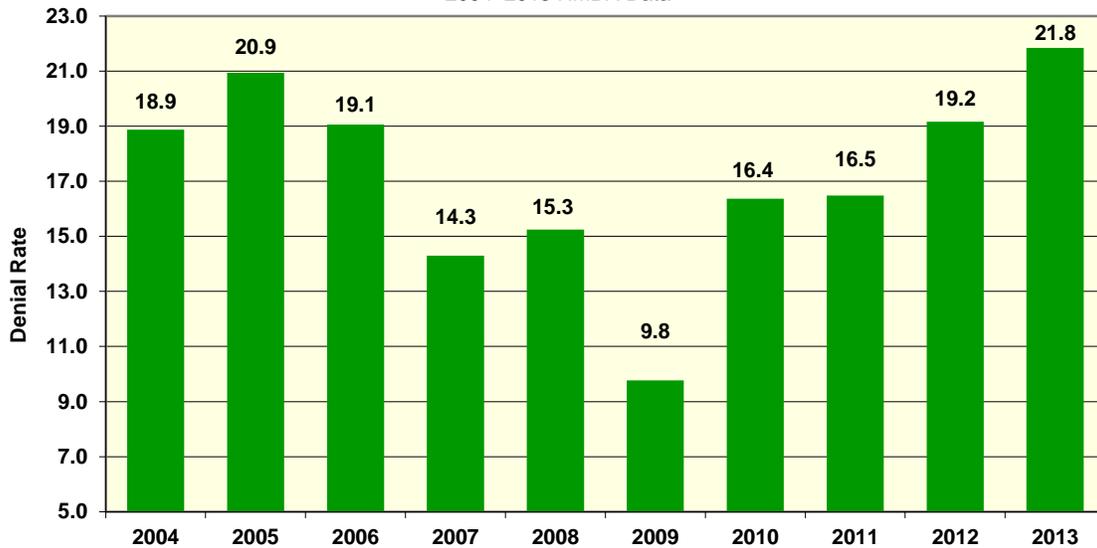
Table V.3 below. Of the 15,155 owner-occupied home purchase applications, 1,572 led to application denials and 7,320 led to loan originations, for a denial rate of 17.7 percent.

Table V.3
Loan Applications by Action Taken
 City of Tuscaloosa
 2004–2013 HMDA Data

Action	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Loan Originated	941	1,019	1,087	971	589	517	511	547	544	594	7,320
Application Approved but not Accepted	114	112	113	67	22	22	24	38	39	41	592
Application Denied	219	270	256	162	106	56	100	108	129	166	1,572
Application Withdrawn by Applicant	95	149	133	95	54	44	49	38	45	55	757
File Closed for Incompleteness	28	35	35	24	17	13	15	10	11	25	213
Loan Purchased by the Institution	487	509	652	638	418	461	376	410	361	383	4,695
Preapproval Request Denied	0	5	0	0	0	0	0	0	1	0	6
Preapproval Approved but not Accepted	0	0	0	0	0	0	0	0	0	0	0
Total	1,884	2,099	2,276	1,957	1,206	1,113	1,075	1,151	1,130	1,264	15,155
Denial Rate	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%

As shown in Diagram V.1 below, the denial rate for owner-occupied loans has varied considerably in the time period from 2004 through 2013. Prior to 2009 the overall trend in low denials was downward: from 20.9 in 2005, the share of loan applications that were denied fell to 9.8 percent in 2009. However, after that year denial rates began to increase considerably. This is likely due to a number of factors, including the tightening of underwriting standards in response to the recent financial crisis, as well as to the introduction of new regulations on home mortgage lending after 2008.⁶³

Diagram V.1
Denial Rates by Year
 City of Tuscaloosa
 2004–2013 HMDA Data



⁶³ Examples of such regulations include a Federal Reserve Board Rule adopted in October 2009, which was designed to curb high priced lending to borrowers who may not have been able to repay the loans, and the Dodd-Frank Act, which included a suite of regulations designed to reform credit and home lending markets.

The highest rates of loan denials from 2004 through 2011 were observed in Census tracts in the western part of the city, as shown in Map V.1 on the following page. In that area, as much as 43.8 percent of home loan applications were denied, and denial rates tended to be at or above the citywide average. The denial rate was also relatively high in the Alberta area, to the immediate southeast of the intersection of McFarland Boulevard and Skyland Boulevard, and in the area surrounding the University of Alabama. Most of these areas were observed to have high shares of black residents in 2000 and 2010. Many of these same areas continued to have high denial rates in 2012-2013, as shown in Map V.2 on page 75. In fact, denial rates in these areas have often been higher in recent years than they had been in 2004-2011.

Female loan applicants were considerably more likely to be denied than male applicants from 2004 through 2013, as shown in Table V.4 below. On average, 22 percent of loan applications from female applicants were denied during that time, 7.8 percentage points higher than the average rate for male applicants. The discrepancy between the two varied somewhat from year to year, ranging from 12.8 points in 2004 to three percentage points in 2007.

Table V.4
Denial Rates by Gender of Applicant
 City of Tuscaloosa
 2004–2013 HMDA Data

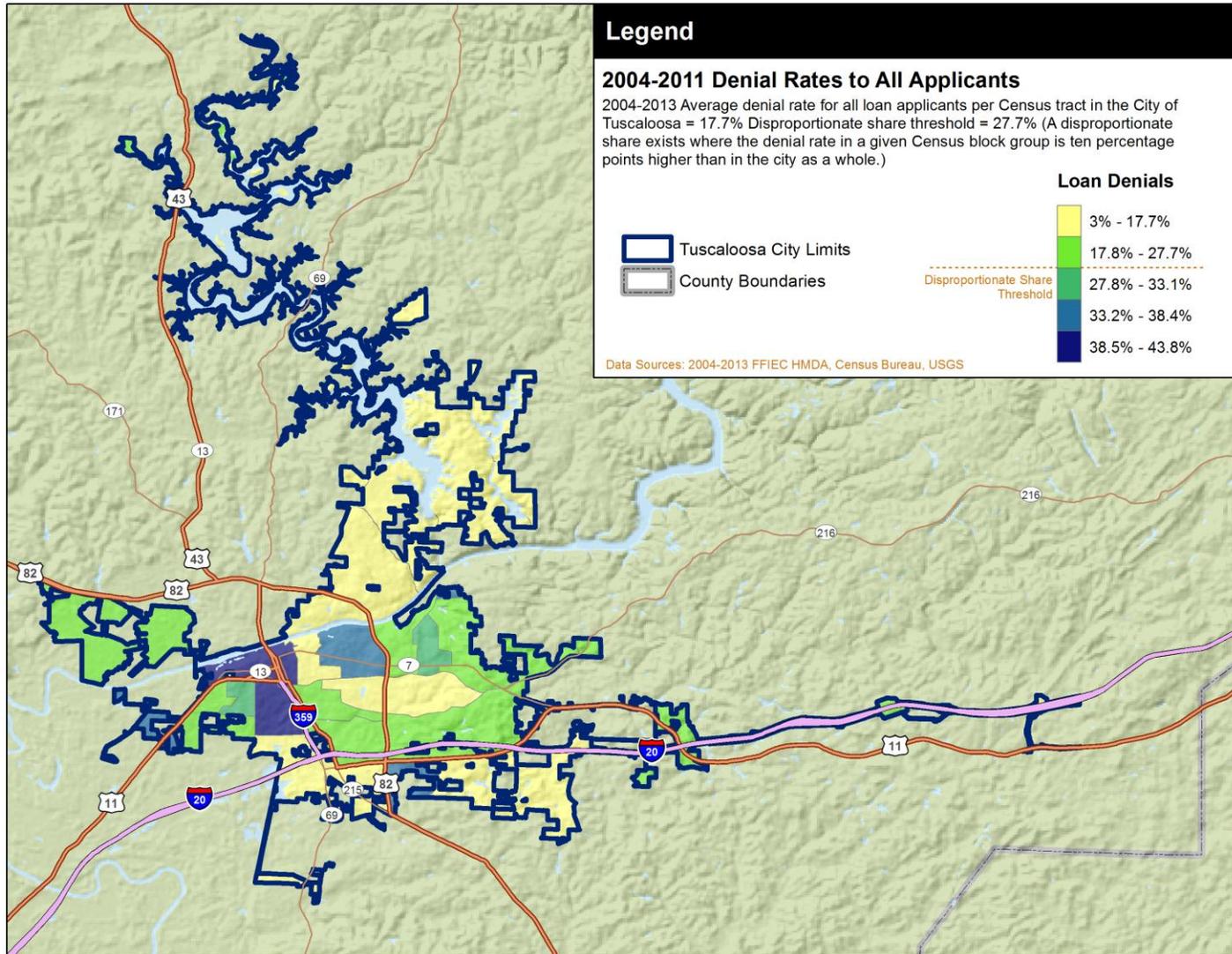
Year	Male	Female	Not Available	Not Applicable	Average
2004	13.2%	26.0%	47.9%	50.0%	18.9%
2005	17.0%	25.3%	44.7%	.0%	20.9%
2006	15.1%	24.8%	28.8%	%	19.1%
2007	12.8%	15.8%	29.4%	%	14.3%
2008	10.7%	19.6%	50.0%	.0%	15.3%
2009	7.7%	11.3%	31.8%	%	9.8%
2010	13.4%	19.8%	38.9%	%	16.4%
2011	13.5%	19.6%	38.1%	50.0%	16.5%
2012	15.8%	24.1%	46.7%	%	19.2%
2013	19.1%	26.4%	29.6%	%	21.8%
Average	14.2%	22.0%	38.4%	33.3%	17.7%

More pronounced still were the differences in denial rates by race and ethnicity, as shown in Table V.5 below. White applicants were denied 11.2 percent of the time over the ten-year period, considerably below the average denial rate of 17.7 percent. Black applicants, who were denied in 28.1 percent of loan applications, were nearly three times as likely to be denied a loan as white residents. Similarly, at 29.1 percent the denial rate for Hispanic applicants was nearly double that of non-Hispanic applicants.

Table V.5
Denial Rates by Race/Ethnicity of Applicant
 City of Tuscaloosa
 2004–2013 HMDA Data

Race/Ethnicity	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
American Indian	33.3%	75.0%	.0%	100.0%	66.7%	%	50.0%	.0%	.0%	%	38.1%
Asian	21.7%	16.7%	10.0%	16.7%	31.3%	9.1%	.0%	.0%	18.2%	12.5%	15.1%
Black	28.6%	27.4%	28.4%	21.2%	18.7%	16.4%	27.2%	31.4%	37.4%	47.6%	28.1%
White	11.4%	14.0%	12.3%	9.6%	10.6%	5.9%	11.4%	9.8%	11.7%	12.1%	11.2%
Not Available	44.7%	49.4%	28.7%	27.5%	37.0%	25.6%	28.6%	37.0%	34.6%	31.6%	35.1%
Not Applicable	33.3%	.0%	%	%	.0%	0%	0%	50.0%	%	%	28.6%
Average	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%
Non-Hispanic	14.7%	18.0%	16.0%	13.4%	13.3%	8.3%	15.1%	14.0%	16.7%	19.7%	15.2%
Hispanic	50.0%	50.0%	18.5%	27.8%	9.1%	50.0%	30.8%	.0%	40.0%	25.0%	29.1%

Map V.1
Denial Rates by Census Tract Before 2011
 City of Tuscaloosa
 2004-2013 HMDA Data



Map V.2
Denial Rates by Census Tract, 2012 and 2013
 City of Tuscaloosa
 2004-2013 HMDA Data

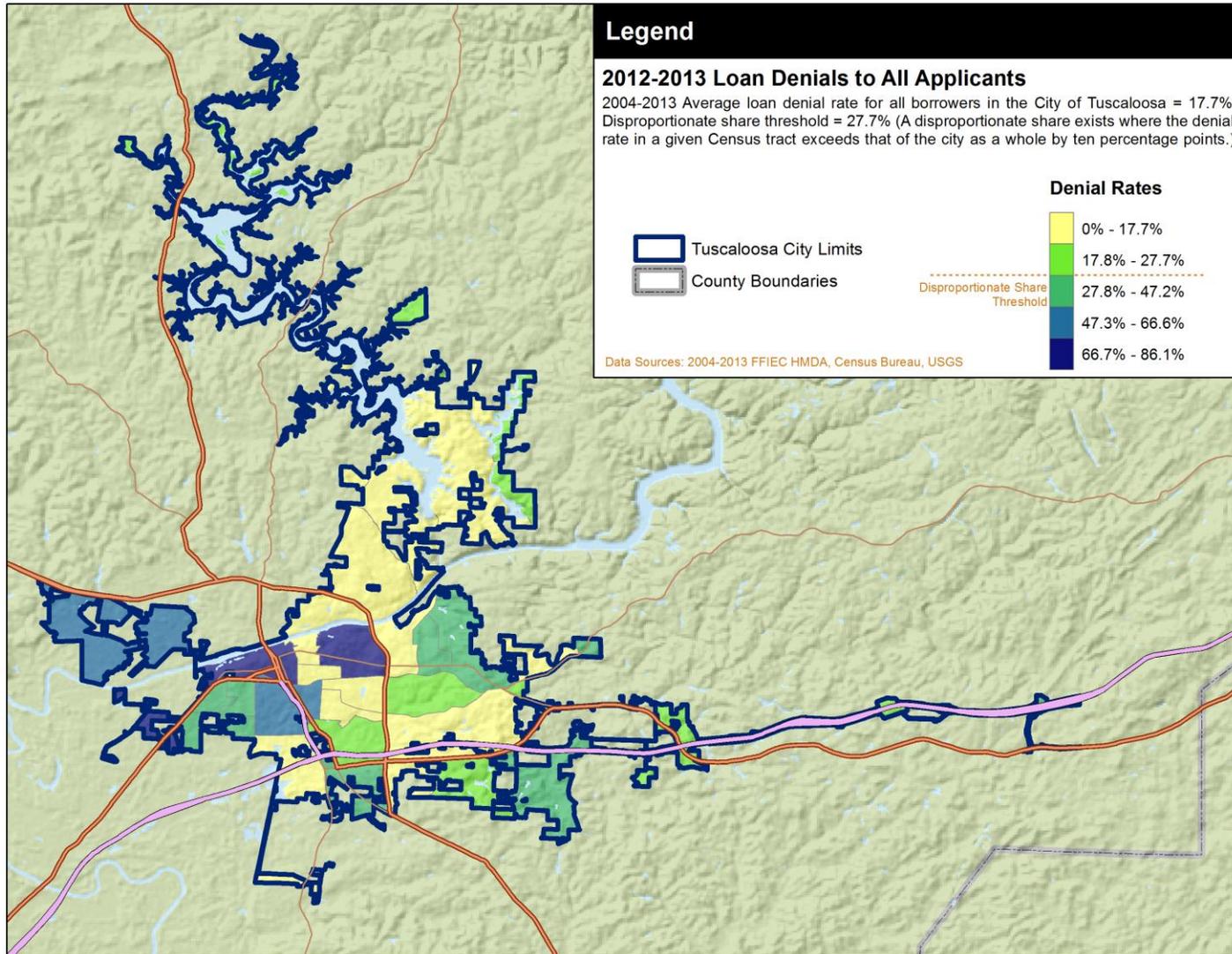
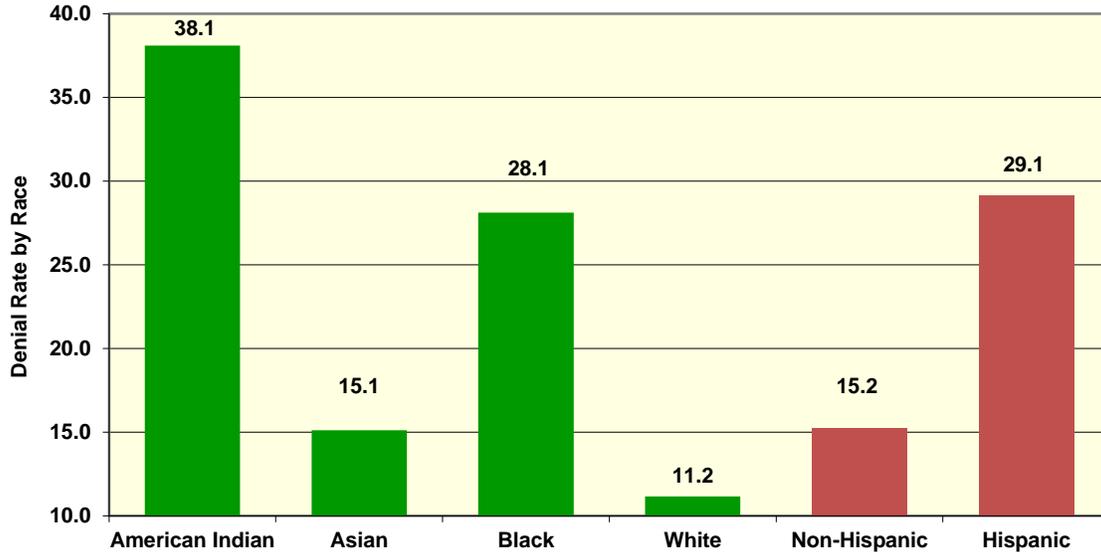


Diagram V.2 below shows overall denial rates by race and ethnicity from 2004 through 2012. Note that though the denial rate for American Indian applicants was considerably higher than that of any other group, these denial rates were based on a small number of loans. In fact, no more than four loan applications in any given year were from American Indian applicants.

Diagram V.2
Denial Rates by Race/Ethnicity of Applicant

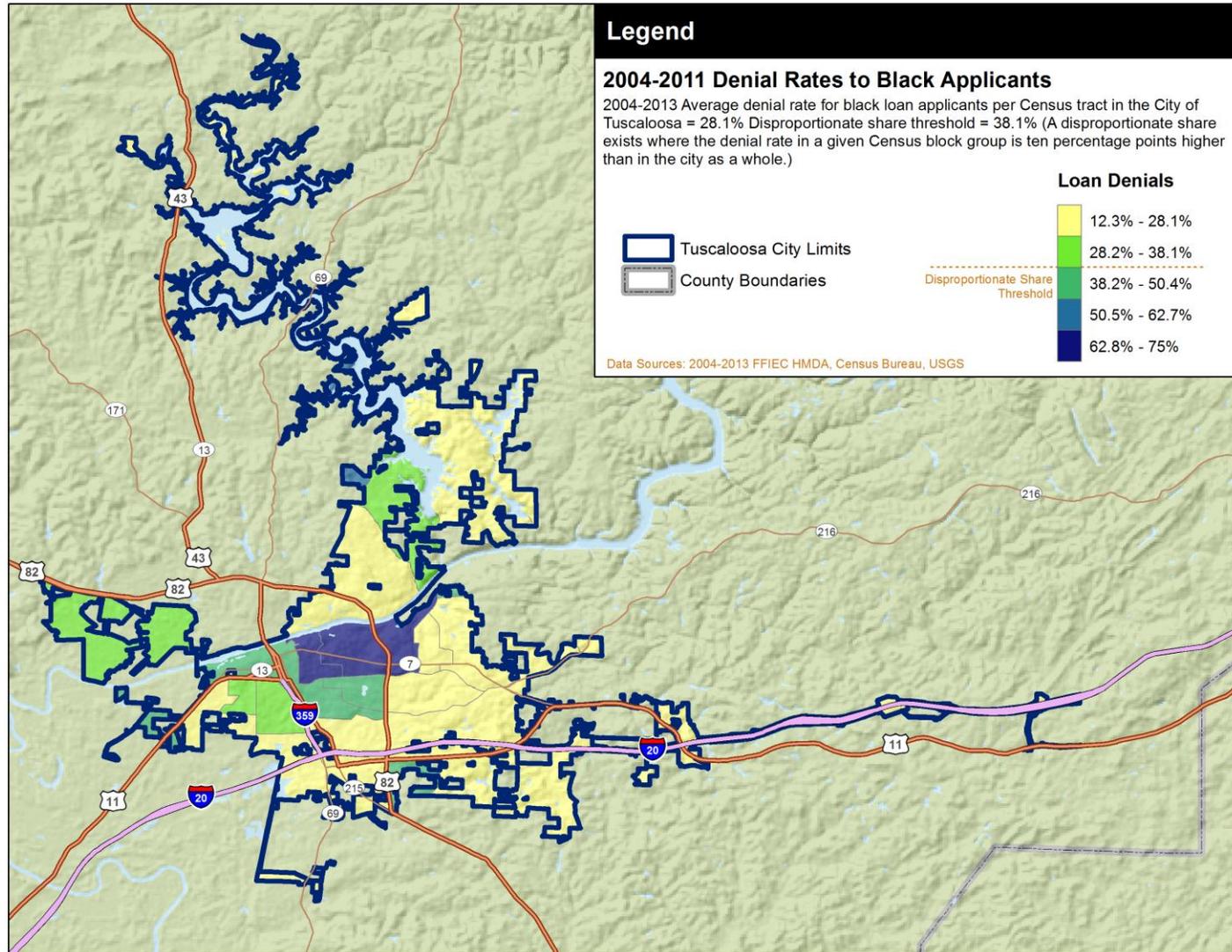
City of Tuscaloosa
 2004–2013 HMDA Data



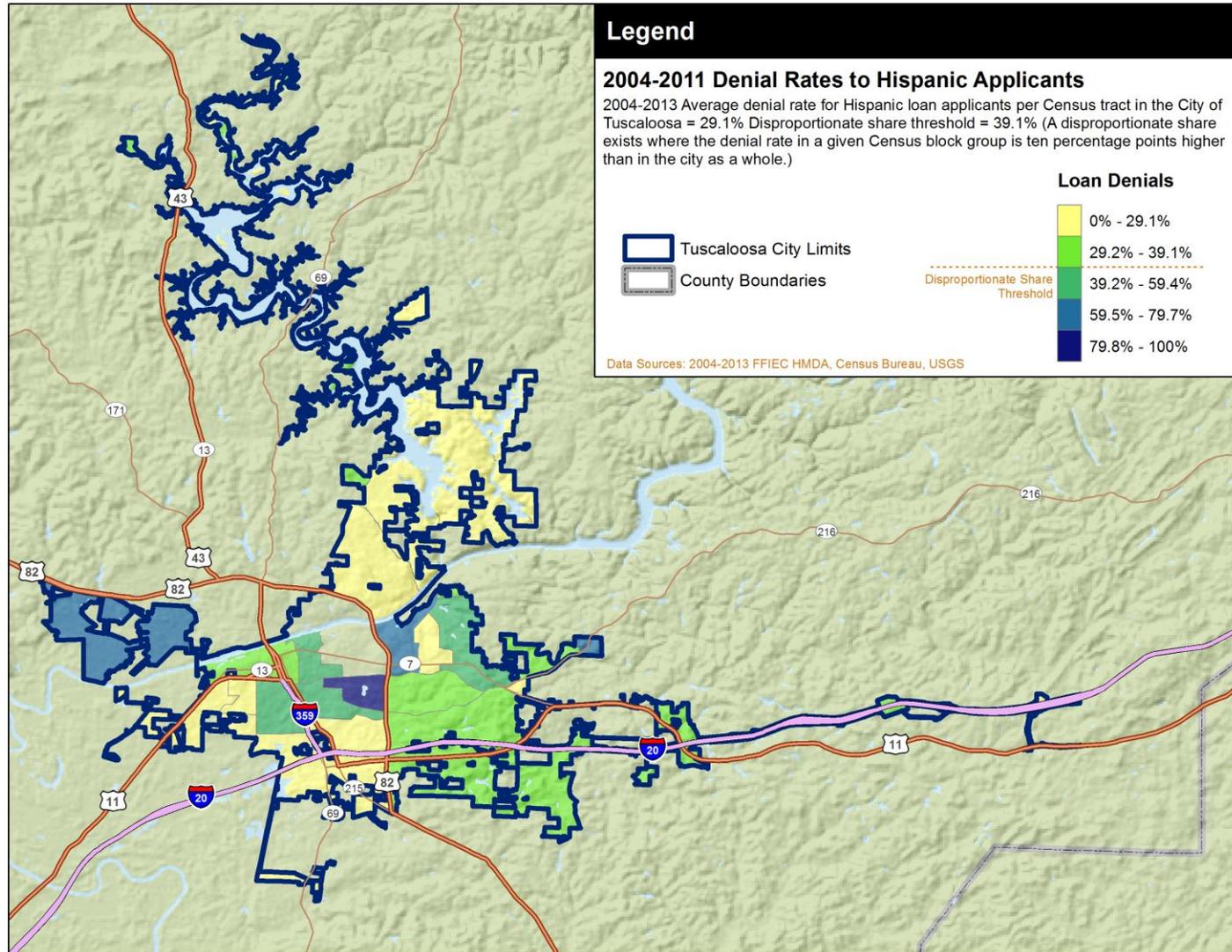
Denial rates to black applicants tended to be at or above average in many of the areas with high concentrations of black residents from 2004 through 2011, as shown in Map V.3 on the following page. However, applications from black applicants were also turned down at disproportionately high rates in Census tracts to the immediate south of the University; the share of black residents in these tracts was at or below average in 2000 and 2010. Note that the highest denial rates, represented as dark blue Census tracts in the map, were based on less than five applications.

Denial rates to Hispanic applicants were also relatively high in Census tracts surrounding the University, particularly those to the west, southwest, and east of the university, as shown in Map V.4 on page 78. Applications from Hispanic applicants were also denied at an above-average rate in most Census tracts in the southeast of the city.

Map V.3
Denial Rates for Black Applicants, 2004-2011
 City of Tuscaloosa
 2004-2011 HMDA Data



Map V.4
Denial Rates for Hispanic Applicants, 2004-2011
 City of Tuscaloosa
 2004-2011 HMDA Data



Credit history and unfavorable debt-to-income ratios were among the most common reasons given for loan denials in Tuscaloosa, along with credit history, as shown in Table V.6 below. Credit history was cited in just over 20 percent of loan denials in 2004. By 2009, nearly 45 percent of denials cited credit history as a factor. The share of loans denied due in part to debt-to-income ratios also increased after 2004, but to a lesser degree. In 2005, around 6 percent of loan denials cited “debt-to-income” as a factor in the denial. By 2010 that figure had grown to over 15 percent.

Table V.6
Loan Applications by Reason for Denial

City of Tuscaloosa
2004–2013 HMDA Data

Denial Reason	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Debt-to-Income Ratio	23	17	23	20	14	9	18	11	20	25	180
Employment History	2	6	9	6	3	1	4	1	0	3	35
Credit History	41	55	70	56	42	25	24	21	24	32	390
Collateral	4	14	13	9	1	3	9	7	8	8	76
Insufficient Cash	3	2	2	5	1	2	5	2	1	5	28
Unverifiable Information	4	6	13	6	4	2	3	0	1	1	40
Credit Application Incomplete	6	4	16	6	4	2	4	1	4	3	50
Mortgage Insurance Denied	0	0	0	0	0	0	0	0	0	0	0
Other	30	47	27	9	7	4	3	7	9	4	147
Missing	106	119	83	45	30	8	30	58	62	85	626
Total	219	270	256	162	106	56	100	108	129	166	1,572

As one might expect, the share of loan applications that were denied dropped considerably as the income of the applicant increased. As shown in Table V.7 below, more than half of loan applicants from those making less than \$15,000 per year were denied. That denial rate fell progressively with entry into higher income categories—for those making \$75,000 per year, the denial rate was 6.5 percent.

Table V.7
Denial Rates by Income of Applicant

City of Tuscaloosa
2004–2013 HMDA Data

Income	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
\$15,000 or Below	51.4%	62.2%	58.6%	28.6%	37.5%	33.3%	62.5%	100.0%	66.7%	85.7%	56.1%
\$15,001–\$30,000	38.1%	37.3%	31.8%	28.9%	31.3%	19.6%	34.7%	27.9%	45.9%	57.4%	35.4%
\$30,001–\$45,000	15.8%	21.9%	24.2%	17.4%	18.7%	13.2%	14.3%	26.3%	21.3%	27.9%	20.1%
\$45,001–\$60,000	22.9%	12.8%	16.1%	9.6%	12.4%	10.5%	21.2%	18.4%	20.6%	22.8%	16.3%
\$60,001–\$75,000	8.1%	18.7%	12.3%	20.7%	13.2%	.0%	9.7%	9.2%	12.3%	14.3%	12.6%
Above \$75,000	3.2%	9.3%	8.5%	6.1%	7.1%	4.4%	5.7%	5.0%	6.2%	7.3%	6.5%
Data Missing	20.8%	21.1%	24.3%	18.5%	66.7%	10.0%	50.0%	40.0%	33.3%	.0%	24.2%
Total	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%

Though denial rates tended to fall with entry into higher income categories, this was not universally the case for black loan applicants. For example, black loan applicants earning between \$60,000 and \$75,000 per year were denied at a higher rate than those earning \$45,000 to \$60,000. In addition, black applicants making more than \$75,000 per year were denied home loans more frequently than white applicants in the same income range, and this pattern held in all income ranges, as shown in Table V.8 on the following page.

Table V.8
Denial Rates of Loans by Race/Ethnicity and Income of Applicant

City of Tuscaloosa
 2004–2013 HMDA Data

Race	<= \$15K	\$15K–\$30K	\$30K–\$45K	\$45K–\$60K	\$60K–\$75K	Above \$75K	Data Missing	Average
American Indian	100.0%	60.0%	.0%	33.3%	75.0%	.0%	%	38.1%
Asian	33.3%	20.0%	25.0%	30.0%	27.3%	1.3%	50.0%	15.1%
Black	67.2%	38.2%	23.6%	20.9%	24.0%	12.0%	63.2%	28.1%
White	42.4%	27.1%	14.7%	11.7%	7.7%	5.7%	9.6%	11.2%
Not Available	66.7%	62.9%	43.2%	32.3%	25.9%	14.1%	50.0%	35.1%
Not Applicable	%	%	%	%	%	.0%	50.0%	28.6%
Average	56.1%	35.4%	20.1%	16.3%	12.6%	6.5%	24.2%	17.7%
Non-Hispanic	51.4%	31.2%	17.7%	14.1%	11.4%	5.8%	19.0%	15.2%
Hispanic	100.0%	34.4%	25.8%	35.0%	12.5%	18.8%	100.0%	29.1%

Predatory Lending

In addition to modifications implemented in 2004 to correctly document loan applicants' race and ethnicity, the HMDA reporting requirements were changed in response to the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA). Consequently, loan originations are now flagged in the data system for three additional attributes:

1. If they are HOEPA loans;⁶⁴
2. Lien status, such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and
3. Presence of high annual percentage rate (APR) loans (HALs), defined as more than three percentage points higher than comparable treasury rates for home purchase loans, or five percentage points higher for refinance loans.⁶⁵

Of the 7,320 owner-occupied home purchase loans originated from 2004 through 2013, some 698 were HALs, or 9.5 percent, as shown in Table V.9 below. However, as shown in Diagram V.3 on the following page, the HAL rate fell considerably after 2006 with the decline of the mortgage-backed securities market.⁶⁶ Increased regulation of financial institutions after the recent financial crisis was designed, in part, to make it more difficult for financial institutions to issue high priced loans without verifying an applicant's ability to repay those loans.⁶⁷

Table V.9
Originated Owner-Occupied Loans by HAL Status

City of Tuscaloosa
 2004–2013 HMDA Data

Loan Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Other	859	816	873	874	545	495	508	531	530	591	6,622
HAL	82	203	214	97	44	22	3	16	14	3	698
Total	941	1,019	1,087	971	589	517	511	547	544	594	7,320
Percent HAL	8.7%	19.9%	19.7%	10.0%	7.5%	4.3%	.6%	2.9%	2.6%	.5%	9.5%

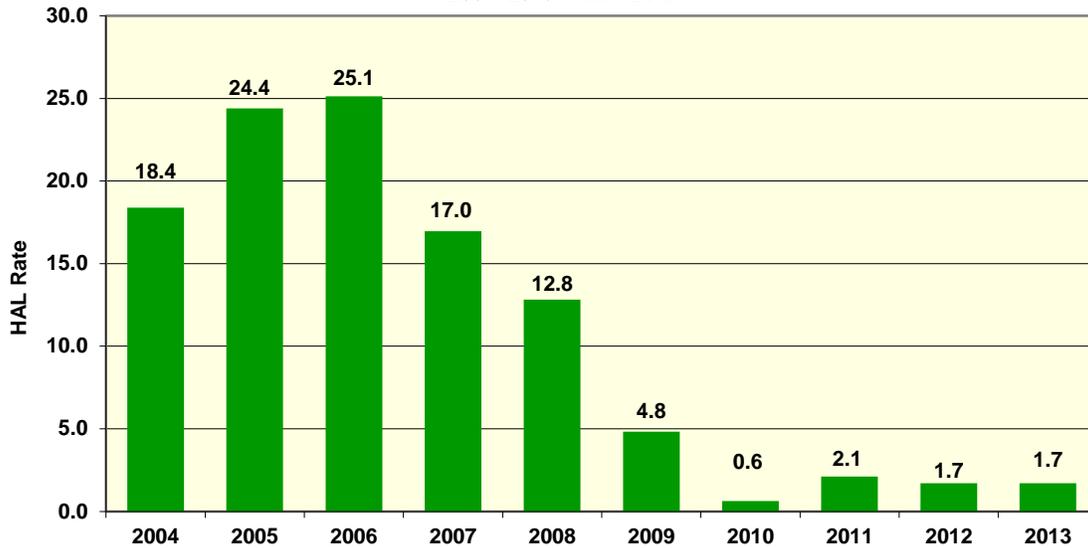
⁶⁴ Loans are subject to the HOEPA if they impose rates or fees above a certain threshold set by the Federal Reserve Board. "HMDA Glossary." <http://www.ffiec.gov/hmda/glossary.htm#H>

⁶⁵ 12 CFR Part 203, http://www.ffiec.gov/hmda/pdf/regc_020702.pdf

⁶⁶ For more on the impact of the financial crisis on home lending, see Avery et al. *The 2009 HMDA Data: The Mortgage Market in a Time of Low Interest Rates and Economic Distress*. Federal Reserve Board Bulletin. December 2010.

⁶⁷ Such regulations include a Federal Reserve Board rule issued in 2009, which required financial institutions to insure that loan recipients could repay high cost loans, and the Dodd-Frank Act, which was enacted in 2010.

Diagram V.3
HAL Rates by Year
 City of Tuscaloosa
 2004–2013 HMDA Data



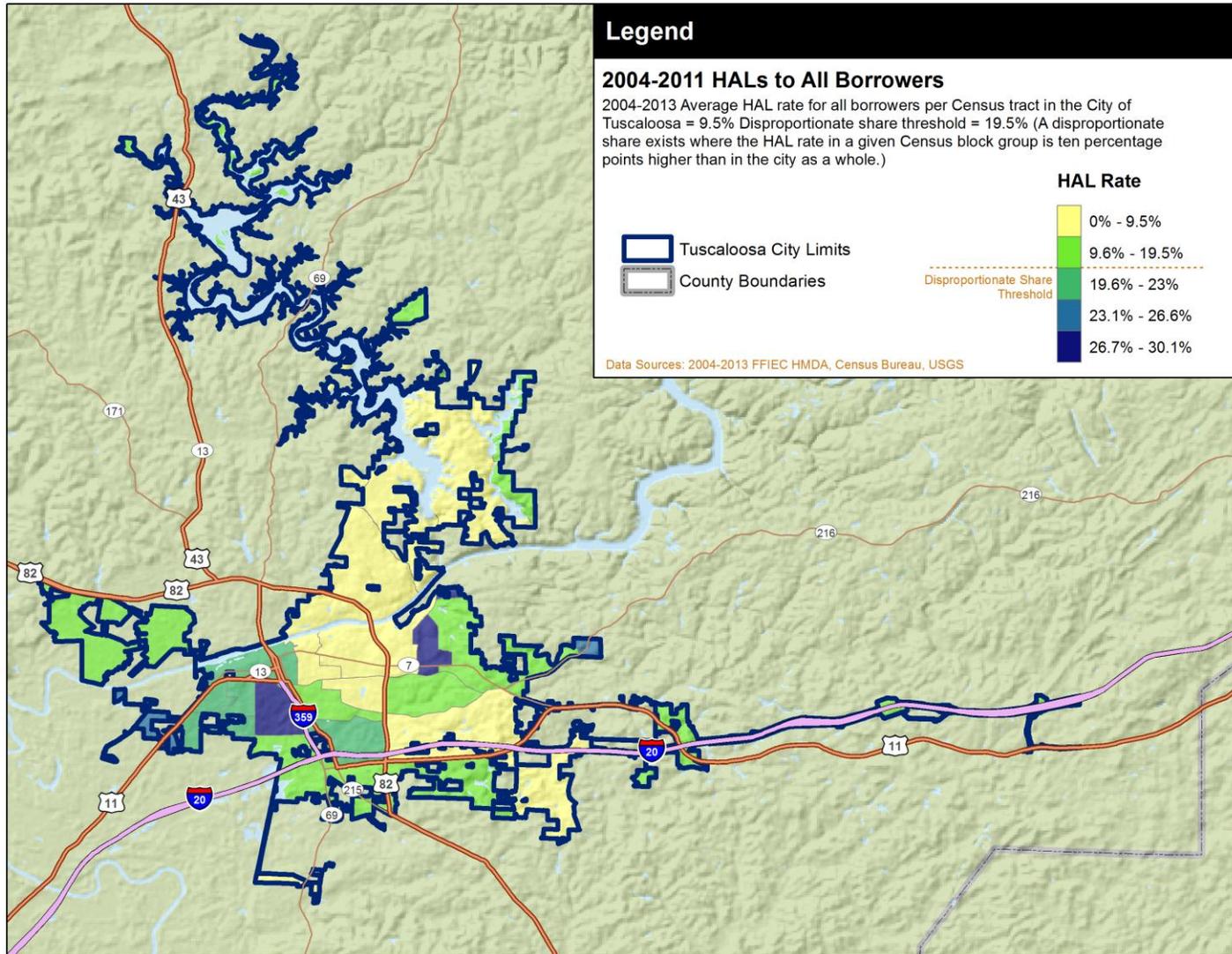
Overall trends in the geographic distribution of HALs tended to mirror trends in loan denial rates. As shown in Map V.5 on the following page, HAL rates tended to be relatively high in Census tracts to the west of Highway 359 from 2004 through 2011. These high price loans accounted for around one-fifth of all home purchase loans in that area. HAL rates were also relatively high in the eastern and southern portions of the city. In 2012-2013 HAL rates continued to be relatively high in Census tracts in the west of the city, as shown in Map V.6 on page 83. However, as noted above, the overall HAL rate was low in those years.

Like denial rates, HAL rates were observed to vary considerably according to the race or ethnicity of the borrower. As shown in Table V.10 below, 5.3 percent of the loans issued to white borrowers were HALs. By contrast, more than a fifth of loans issued to black borrowers were HALs during the period from 2004-2013. Similarly, over one-fifth of loans issued to Hispanic borrowers were HALs, compared to a HAL rate of 9.1 percent for non-Hispanic applicants.

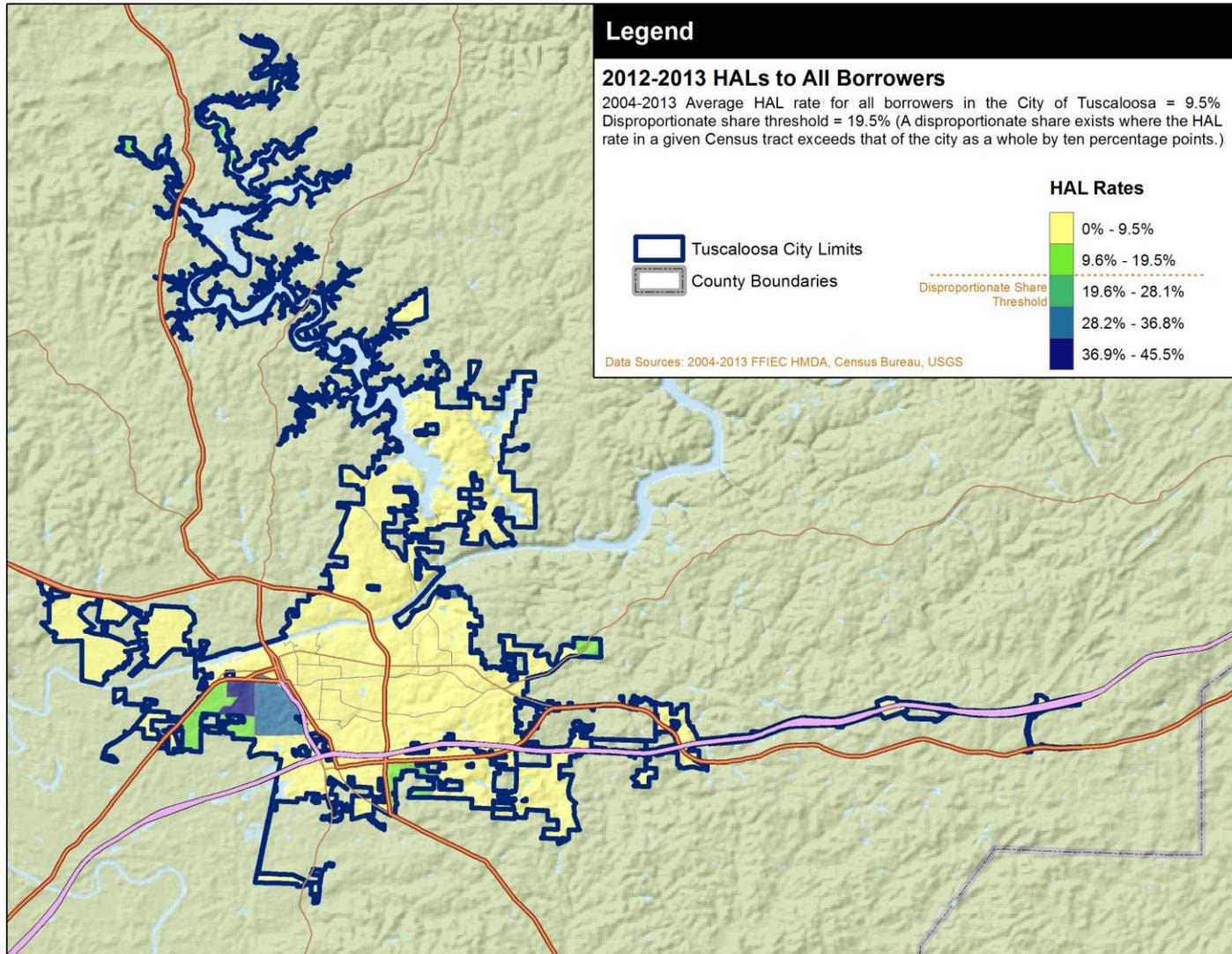
Table V.10
Rate of HALs Originated by Race/Ethnicity of Borrower
 City of Tuscaloosa
 2004–2013 HMDA Data

Race	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average
American Indian	.0%	.0%	50.0%	%	.0%	%	.0%	.0%	50.0%	%	23.1%
Asian	11.1%	6.7%	33.3%	4.0%	9.1%	.0%	.0%	.0%	.0%	.0%	7.5%
Black	18.9%	42.9%	37.8%	16.7%	13.4%	4.7%	.9%	6.9%	9.3%	1.0%	21.1%
White	4.8%	9.5%	10.6%	8.1%	5.4%	4.3%	.6%	1.7%	.7%	.4%	5.3%
Not Available	10.6%	18.6%	20.6%	2.0%	3.4%	3.1%	.0%	5.9%	.0%	.0%	9.7%
Not Applicable	50.0%	.0%	%	%	.0%	%	%	.0%	%	%	20.0%
Average	8.7%	19.9%	19.7%	10.0%	7.5%	4.3%	.6%	2.9%	2.6%	.5%	9.5%
Non-Hispanic	7.9%	20.0%	17.9%	10.3%	7.7%	4.1%	.6%	2.3%	2.5%	.5%	9.1%
Hispanic	50.0%	20.0%	50.0%	23.1%	.0%	50.0%	.0%	.0%	.0%	.0%	23.3%

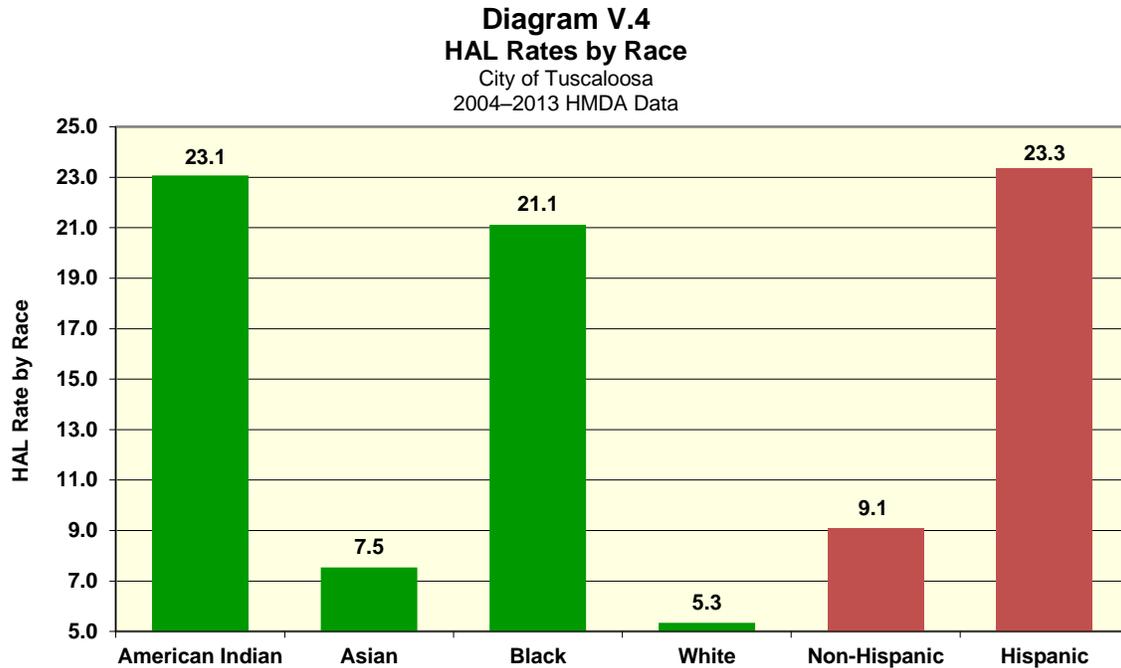
Map V.5
Rate of HALs, 2004-2011
 City of Tuscaloosa
 2004-2013 HMDA Data



Map V.6
Rate of HALs, 2012-2013
 City of Tuscaloosa
 2004-2013 HMDA Data



As shown in Diagram V.4 below, the rate at which HALs were issued to black borrowers was nearly quadruple the rate of HALs for white borrowers. Similarly, the HAL rate of 23.3 percent for Hispanic borrowers was more than twice the rate at which HALs were issued to non-Hispanic borrowers.



Overall HAL rates tended to be higher in areas with relatively high concentrations of black residents from 2000 through 2011. Black borrowers tended to be issued HALs at a higher rate in many of those same areas, including Census tracts in central Alberta and to the immediate southwest of the city center, as shown in Map V.7 on the following page. In those areas, more than 30 percent of loans issued to black borrowers were HALs. Note that high rates of predatory lending in Census tracts to the immediate west and east of the university are based on a small number of loans.

The total number of HALs issued to Hispanic residents did not exceed seven in any of the city’s Census tracts from 2004-2011.

COMMUNITY REINVESTMENT ACT DATA

Economic vitality of neighborhoods can partly be measured through Community Reinvestment Act (CRA) data. According to these data, 30,140 small business loans were extended to businesses in the City of Tuscaloosa during the period from 2000 to 2013. Of these, 14,288 loans went to businesses with annual revenues of less than \$1 million. A majority of all loans, over 25,000, were valued under \$100,000. Tables with complete CRA data are presented in Appendix A.

Diagram V.5 on page 86 presents the distribution of small business loans by value and by percent of MFI by Census tract. Less than five percent of these loans were issued in Census tracts in with a median family income below 50 percent of the area median family income. The largest share of loans was issued in moderate income tracts, or roughly 45 percent.

Map V.7
HALs to Black Applicants, 2004-2011
 City of Tuscaloosa
 2004-2011 HMDA Data

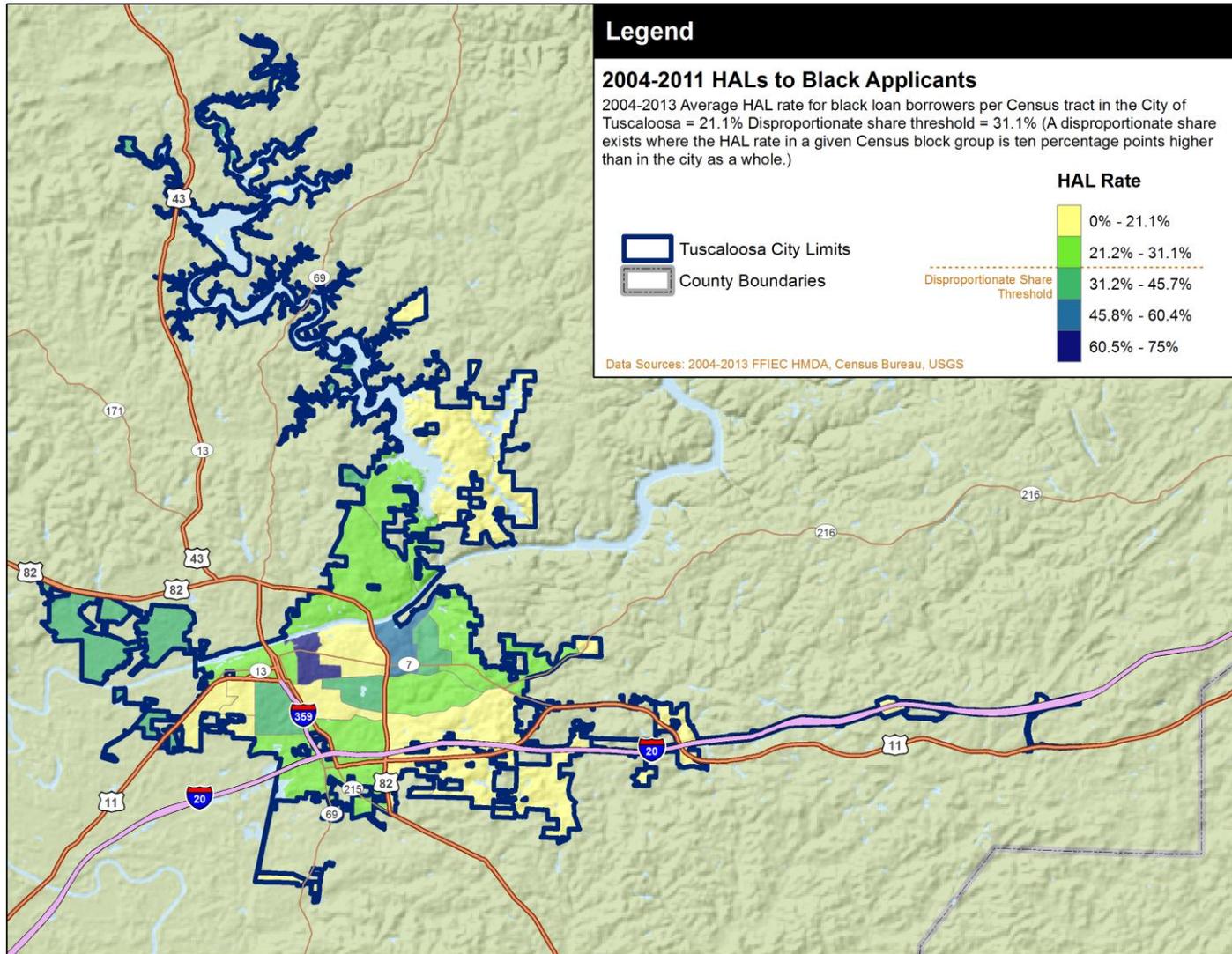
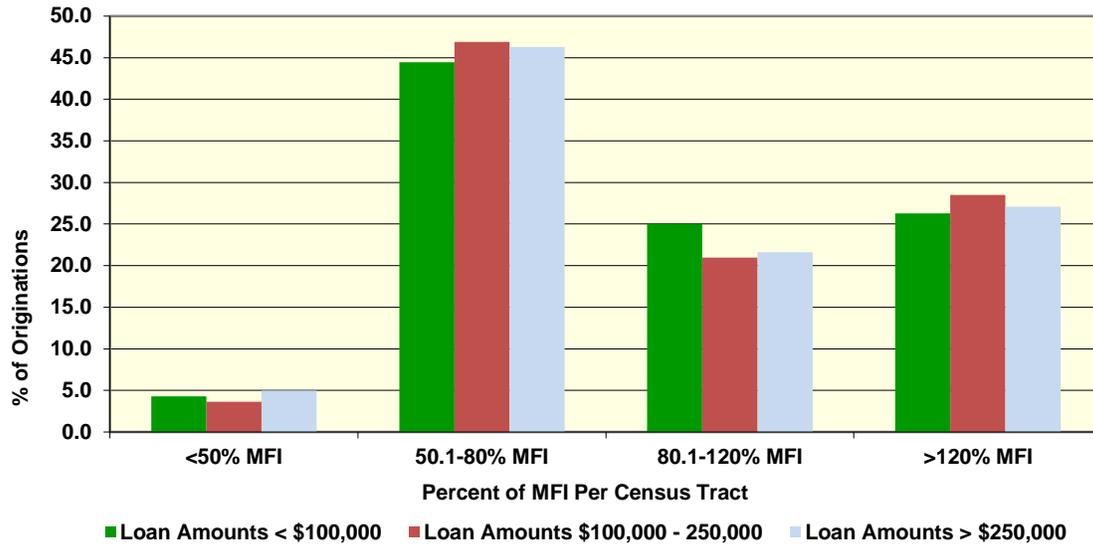


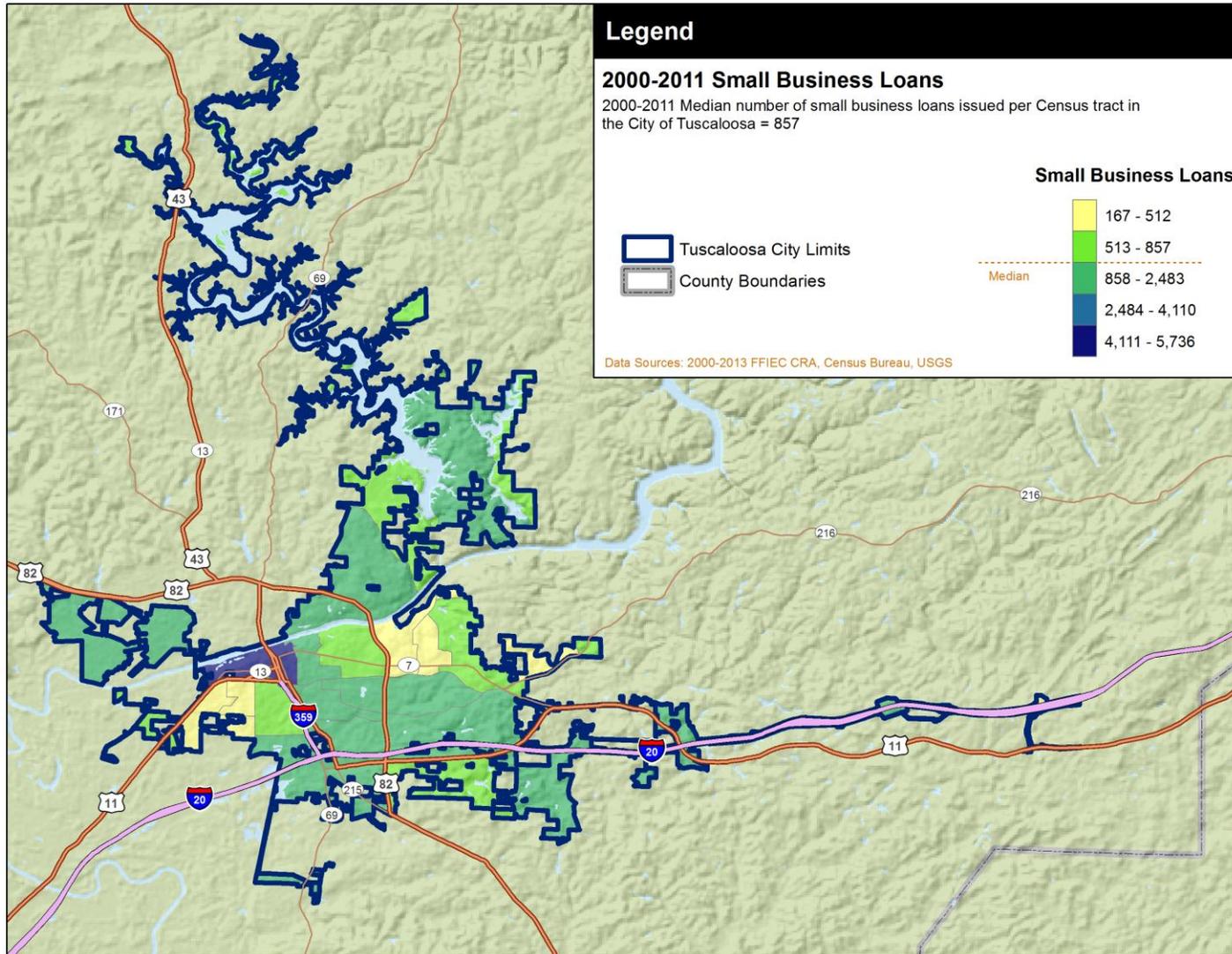
Diagram V.5
Percent of Small Business Loans Originated by Census Tract MFI
 City of Tuscaloosa
 2000–2013 CRA Data



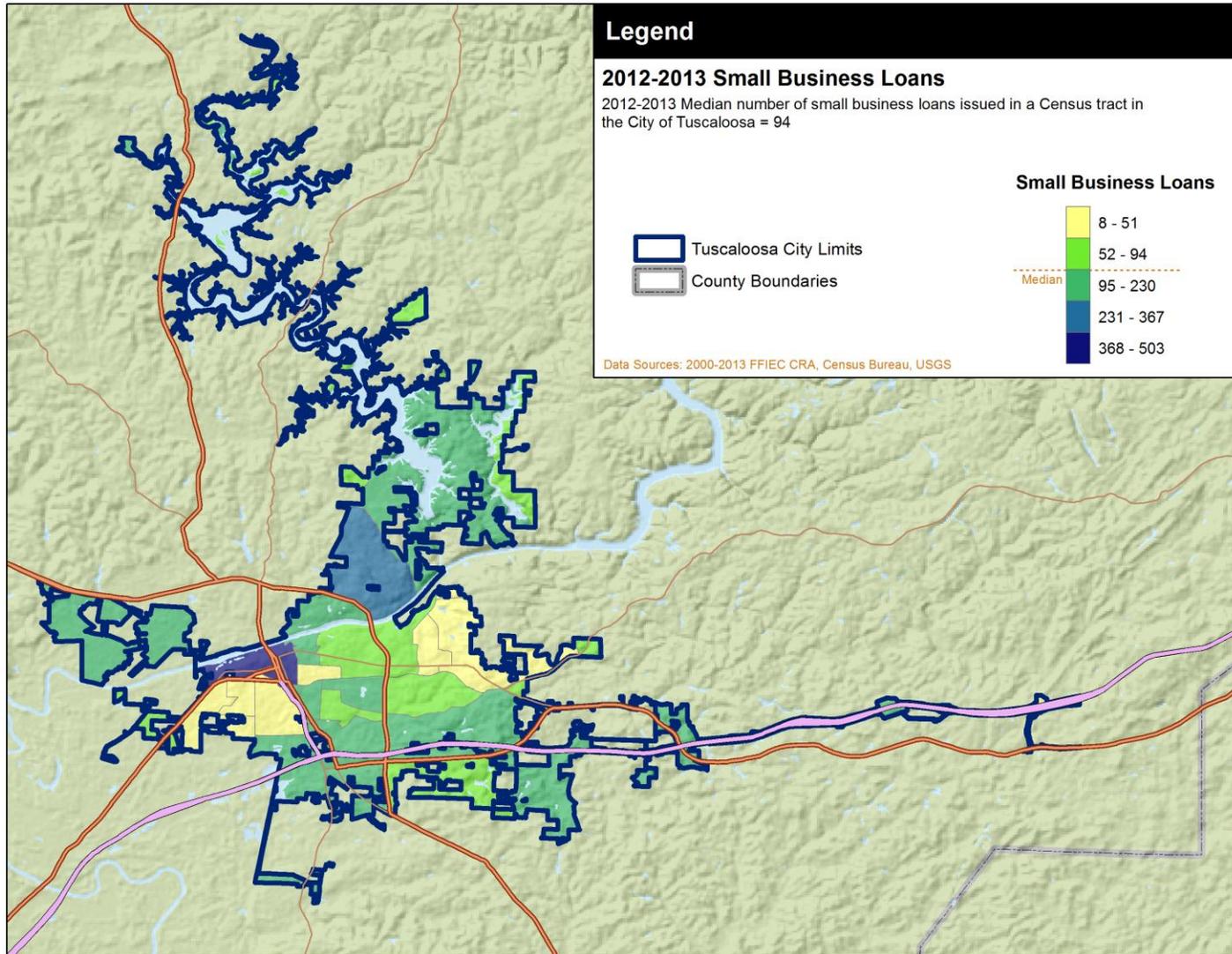
The median number of small business loans issued per Census tract in the city from 2000 through 2011 was 857. As shown in Map V.8 on the following page, the number of small business loans tended to be below the citywide median in Census tracts in the west of the city, as well as in those located in the neighborhood of Alberta. Both of these areas were observed to hold relatively high concentrations of black residents in 2000 and 2010. Areas with relatively high numbers of loans were scattered throughout the city, and the highest number of loans went to the Census tract to the immediate west of the city center on the Black Warrior River, where 5,736 loans were issued from 2000 through 2011.

As shown in Map V.9 on page 88, the overall geographic pattern in small business lending from 2012 through 2013 was similar to that of the previous eight-year period. The number of loans issued in western Census tracts tended to be below the citywide median; the same was true in Census tracts in Alberta. Elsewhere, the number of loans exceeded the citywide median, and the highest number of loans was issued in the riverside tract to the west of the city center. A relatively large number of loans was also issued in the Census tract to the immediate north of the river and to the east of McFarlane Boulevard.

Map V.8
Number of Small Business Loans, 2000-2011
 City of Tuscaloosa
 2000-2013 CRA Data



Map V.9
Number of Small Business Loans, 2012-2013
City of Tuscaloosa
2000-2013 CRA Data



It is not surprising that the areas that received the greatest number of loans also tended to receive the greatest number of loan dollars, as shown in Map V.10 on the following page. Small businesses in the large Census tract to the immediate west of the city center, which received 5,736 loans from 2000 through 2011, received \$402,750 in loan dollars over the same time period. The value of loans issued in the large Census tract to the immediate north of the river was also above the citywide median, as was the value of loans issued throughout much of the city to the south of the river. By contrast, the total value of loans issued in Census tracts to the west of Highway 359 tended to be below the citywide median, as did the total value of loans issued in the neighborhood of Alberta.

This overall pattern in the geographic distribution of loan dollars continued into 2012 and 2013, as shown in Map V.11 on page 91. Business in the Census tract to the immediate west of the city center continued to enjoy considerable investment, as did businesses in the large Census tract to the north of the river. Also in keeping with the trend observed in the prior eight years was the relative paucity of investment in the western Census tracts, as well as those located in and around the Alberta area.

FAIR HOUSING COMPLAINTS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD maintains records of complaints that represent potential and actual violations of federal housing law, as described previously in the Complaint Process Review. According to those data, 23 complaints were filed in the city of Tuscaloosa from 2004 through November 2014.⁶⁸ As shown, there were few complaints submitted in any given year: the six complaints lodged in 2007 represented the maximum, and in some years no complaints were received. The most common complaint basis, or alleged motivation for discrimination, was race, followed by disability, as shown in Table V.11 below. This trend is somewhat at odds with national patterns in complaints, in which disability is consistently the most common perceived basis for discrimination.⁶⁹ Note that more than one basis may be cited in each complaint.

Table V.11
Fair Housing Complaints by Basis

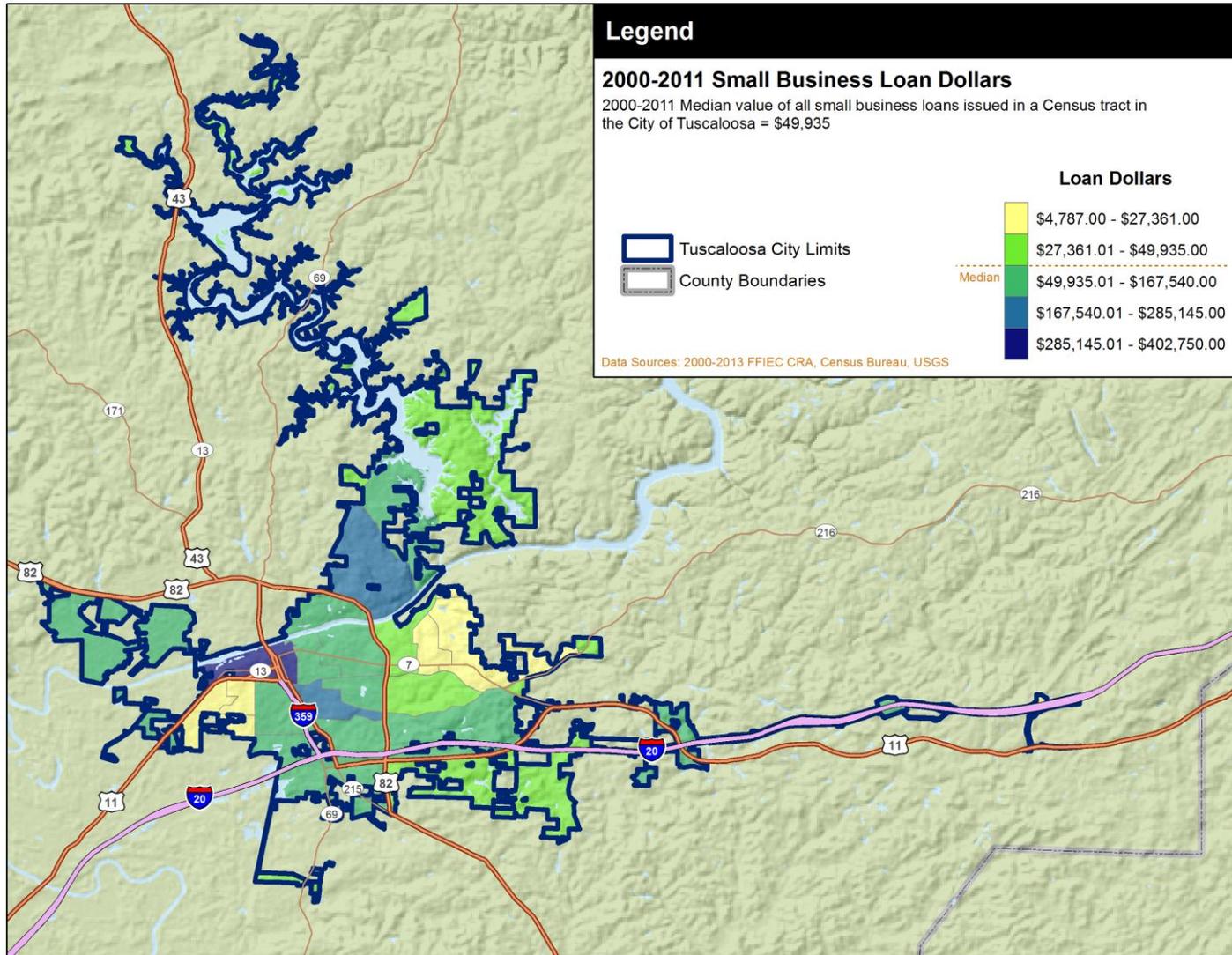
City of Tuscaloosa
2004–2014 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Race	3	1	2	4		1	2		2			15
Disability				4	1	1						6
Sex			2	1			1					4
Family Status	1		1	1								3
National Origin			1						1			2
Color			1									1
Retaliation					1							1
Total Bases	4	1	7	10	2	2	3		3			32
Total Complaints	3	1	4	6	2	2	2		3			23

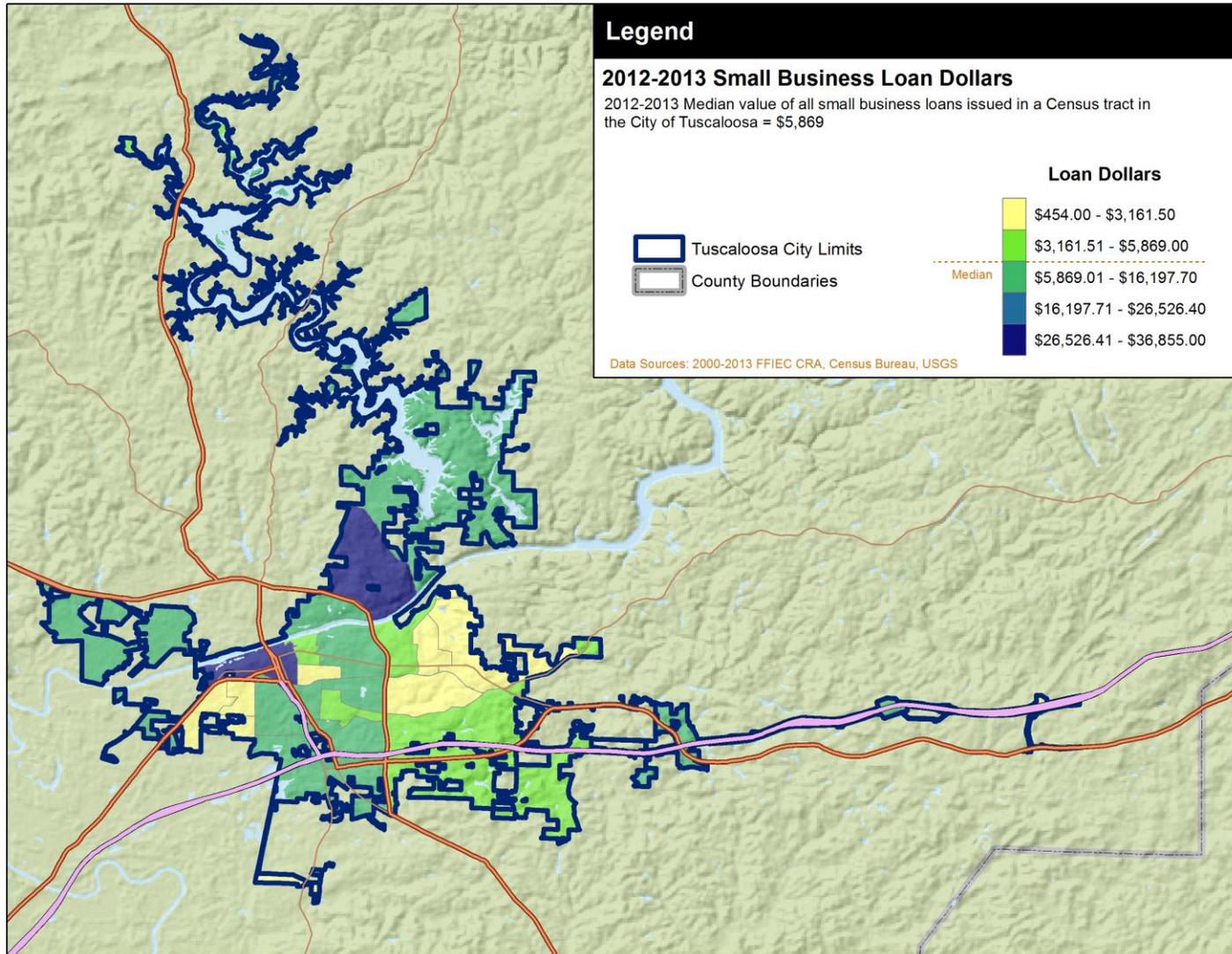
⁶⁸ Data were provided by HUD's Birmingham office.

⁶⁹ *Expanding Opportunity: Systemic Approaches to Fair Housing*. National Fair Housing Alliance. August 13, 2014.

Map V.10
Amount of Small Business Loan Dollars Per Resident, 2000-2011
 City of Tuscaloosa
 2000-2013 CRA Data



Map V.11
Amount of Small Business Loan Dollars, 2012-2013
 City of Tuscaloosa
 2000-2013 CRA Data



In addition to the basis for discrimination, HUD records the issue, or alleged discriminatory action or practice related to each complaint. As shown in Table V.12 below, several of the most common discriminatory issues concerned discrimination in the rental market: discrimination in terms, conditions, or privileges relating to rental was cited in 9 complaints, along with the following practices, each cited in three complaints:⁷⁰

- Discriminatory refusal to rent;
- Discriminatory refusal to rent and negotiate for rental; and
- False denial or representation of availability—rental.

The second most commonly alleged practice was “discriminatory acts under Section 818”, which was cited in 6 complaints. This issue refers to coercion against individuals who are seeking to exercise the rights granted them by the Fair Housing Act. An example of a practice prohibited under Section 818 is the threat by a landlord to evict a tenant for lodging a complaint of housing discrimination. A complete version of this table with yearly complaint data is included in Appendix D.

Table V.12
Fair Housing Complaints by Issue
 City of Tuscaloosa
 2004–2014 HUD Data

Issue	Total
Discrimination in term, conditions or privileges relating to rental	9
Discriminatory acts under Section 818 (coercion, etc.)	6
Discriminatory terms, conditions, privileges, or services and facilities	5
Discriminatory refusal to rent	3
Discriminatory refusal to rent and negotiate for rental	3
False denial or representation of availability - rental	3
Discriminatory advertising, statements and notices	2
Failure to make reasonable accommodation	2
Discriminatory refusal to sell	1
False denial or representation of availability	1
Discriminatory financing (includes real estate transactions)	1
Otherwise deny or make housing available	1
Failure to permit reasonable modification	1
Total Issues	38
Total Complaints	23

Housing complaints filed with HUD can also be examined by closure status, as shown in Table V.13 on the following page. As shown, ten complaints were withdrawn after resolution between the complainant and the housing provider, and three were successfully conciliated or settled. In five complaints, an investigation by HUD ended with a “no cause” determination, which means that HUD did not find sufficient evidence to conclude that illegal discrimination had occurred or was about to occur.

⁷⁰ Recall that several issues may be cited in a single complaint. For example, a single complainant may have cited both “discriminatory refusal to rent” and “false denial or representation of availability-rental” in the same complaint.

Table V.13
Fair Housing Complaints by Closure Status

City of Tuscaloosa
2004–2014 HUD Data

Closure Status	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Withdrawal After Resolution	2	1	2	2		2			1			10
No Cause			2	1	1		1					5
Conciliated / Settled	1			1					1			3
Unable to Locate Respondent				2								2
Withdrawal Without Resolution					1				1			2
Lack of Jurisdiction							1					1
Total Complaints	3	1	4	6	2	2	2		3			23

For the purposes of this AI, complaints that were withdrawn after resolution and conciliated or settled were considered to have cause. As shown in Table V.14 below, race was the most common bases for complaints considered to have cause, cited in nine complaints, followed by disability and sex, each cited in three complaints.

Table V.14
Fair Housing Complaints Found With Cause by Basis

City of Tuscaloosa
2004–2014 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Race	3	1	2	1		1			1			9
Disability				2		1						3
Sex			2	1								3
Family Status	1			1								2
National Origin									1			1
Total Bases	4	1	4	5		2			2			18
Total Complaints	3	1	2	3		2			2			13

The thirteen complaints found to be with cause are separated by issue, or discriminatory action, in Table V.15 below. As had been the case with fair housing complaints in general, discrimination in terms, conditions, or privileges relating to rental was the most common discriminatory issue among complaints considered to have cause, alleged in five complaints. A complete version of this table with yearly complaint data is included in Appendix D.

Table V.15
Fair Housing Complaints Found With Cause by Issue

City of Tuscaloosa
2004–2014 HUD Data

Issue	Total
Discrimination in term, conditions or privileges relating to rental	5
Discriminatory terms, conditions, privileges, or services and facilities	3
Discriminatory refusal to rent	2
Discriminatory acts under Section 818 (coercion, etc.)	2
Failure to make reasonable accommodation	2
Discriminatory refusal to sell	1
Discriminatory refusal to rent and negotiate for rental	1
Discriminatory advertising, statements and notices	1
False denial or representation of availability	1
False denial or representation of availability - rental	1
Otherwise deny or make housing available	1
Failure to permit reasonable modification	1
Total Issues	21
Total Complaints	13

2015 CITY OF TUSCALOOSA RENTAL VACANCY SURVEY

The availability of rental housing units in the city was assessed through the 2015 City of Tuscaloosa Rental Vacancy Survey. A total of 125 housing providers were contacted during the survey, which was conducted in late March of 2015. The housing providers who participated in the survey owned or managed a total of 16,260 rental units at the time of the survey, four percent of which were vacant.

As shown in Table V.16 at right, two-bedroom units were the most common type of rental housing unit in the city, representing just over half of all units (excluding missing responses). Only an estimated 2.9 percent of these units were available for rental. The vacancy rate for three bedroom units, though higher, was still relatively low at 3.4 percent.

Table V.16
Units by Bedroom Size
City of Tuscaloosa
2015 Rental Vacancy Survey

Bedroom Size	Units	Available Units	Vacancy Rate
Studio	235	2	0.9%
One	2,367	40	1.7%
Two	4,306	125	2.9%
Three	1,041	35	3.4%
Four	541	1	0.2%
Five	55	0	0.0%
Missing	7,715	446	5.8%
Total	16,260	649	4.0%

Table V.17
Available Units by Year
City of Tuscaloosa
2015 Rental Vacancy Survey

Bedroom Size	2013	2014	2015
Studio	0	1	2
One	5	25	40
Two	18	42	125
Three	4	22	35
Four	0	0	1
Five	0	1	0
Missing	135	263	446
Total	162	354	649
Vacancy Rate	1.0%	2.2%	4.0%

Nevertheless, a greater share of rental housing units in the city were available in 2015 than had been available in previous years. As shown in Table V.17 at left, the vacancy rate in 2014 was 2.2 percent. The year before that, only an estimated one percent of rental units in the city had been available for rent at the time of the survey.

Market rate rents, presented in Table V.18 at right, were also seen to increase over the three-year period. In 2013, the average rent cost in the city was an estimated

\$674. By the same time in 2014, housing providers were charging \$738 for rent, on average. In 2015, the average rental unit cost \$796 per month.

Table V.18
Market Rate Rents
City of Tuscaloosa
2015 Rental Vacancy Survey

Bedroom Size	2013	2014	2015
Studio	\$580	\$639	\$669
One	\$591	\$618	\$654
Two	\$672	\$715	\$769
Three	\$849	\$958	\$1,037
Four	\$553	\$749	\$789
Five	\$555	\$1,550	\$1,560
Total	\$674	\$738	\$796

FAIR HOUSING SURVEY – PRIVATE SECTOR RESULTS

Additional evaluation of fair housing within the City of Tuscaloosa was conducted via an online survey of stakeholders that began in October 2014. The purpose of the survey, a relatively qualitative component of the AI, was to gather insight into the knowledge, experiences, opinions, and feelings of stakeholders and interested citizens regarding fair housing. Results and comments related to the questions in the private sector are presented in the following narrative, and additional survey results are discussed in **Sections VI and VII**.

The 2015 City of Tuscaloosa Fair Housing Survey was completed by 93 respondents and was conducted entirely online. Individuals solicited for participation included representatives of housing groups, minority organizations, disability resource groups, real estate and property

management associations, banking entities, and other groups involved in the fair housing arena. Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although many questions allowed the respondent to offer written comments. When many respondents reported that they were aware of questionable practices or barriers, or when multiple narrative responses indicated similar issues, findings suggested likely impediments to fair housing choice.

Numerical tallies of results and summaries of some comment-driven questions are presented in this section. A complete list of written responses is available in Appendix B.

FAIR HOUSING IN THE PRIVATE SECTOR

In order to address perceptions of fair housing in the City of Tuscaloosa’s private housing sector, survey respondents were asked to identify their awareness of possible housing discrimination issues in a number of areas within the private housing sector, including the:

- Rental housing market,
- Real estate industry,
- Mortgage and home lending industry,
- Housing construction or accessible housing design fields,
- Home insurance industry,
- Home appraisal industry, and
- Any other housing services.

If respondents indicated that they were aware of possible discriminatory issues in any of these areas, they were asked to further describe issues in a narrative fashion. Tallies for each question are presented below in Table V.19. As shown, awareness of questionable practices or barriers to fair housing choice was limited among survey respondents. No more than six respondents professed to be aware of any such issues in any of the industries or fields identified in the survey. Relatively large shares of respondents to each question responded with “Don’t Know”, or failed to respond entirely. Commentary submitted with these questions was sparse, but several respondents maintained that the prevalence of student-oriented housing in the city has the effect of pricing lower-income families out of the rental housing market.

Table V.19
Barriers to Fair Housing in the Private Sector
 City of Tuscaloosa
 2015 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total
Are you aware of any questionable practices or barriers to fair housing choice in:					
The rental housing market?	5	42	13	33	93
The real estate industry?	4	44	12	33	93
The mortgage and home lending industry?	5	40	14	34	93
The housing construction or accessible housing design fields?	5	38	16	34	93
The home insurance industry?	2	37	18	36	93
The home appraisal industry?	4	38	17	34	93
Maintenance of foreclosed vacant properties by mortgage lenders?	6	30	24	33	93
Any other housing services?	2	38	18	35	93

SUMMARY

The ability of individuals or families to choose where they live is impacted by a number of factors, including the availability and terms of home loans and home insurance, patterns in small business lending, the incidence of discrimination in the housing market, and the accessibility of new and existing units to those of reduced mobility.

Financial institutions that provide home loans for properties within the City of Tuscaloosa handled 46,562 home loans and loan applications from 2004 through 2013. Many of those loans or applications pertained to refinancing or home improvement; however, over forty percent were home purchase loans, most of which were intended to finance the purchase of a housing unit in which the loan applicant or recipient intended to live. Some 7,320 “owner-occupied” home purchase loan applications were originated in the city over the decade, while over 1,500 were denied, for an overall denial rate of 17.7 percent. The city saw substantial variation in denial rates from year to year, as the share of loan applications that were denied fell from 20.9 to 9.8 percent from 2005 through 2009, only to rise again, to 21.8 percent in 2013.

In addition to this yearly variation, loan denial rates were observed to vary according to the gender, race, and ethnicity of the loan applicant. Female loan applicants were denied at a rate of 22 percent on average over the decade, a rate that was nearly eight percentage points higher than the denial rate for male applicants. Similarly, 28.1 percent of applications from black loan applicants were denied, compared to a denial rate of 11.2 percent for white applicants. At the same time, the denial rate for Hispanic applicants, at 29.1 percent, was nearly twice the denial rate of non-Hispanic applicants. Not surprisingly, overall denial rates were observed to be highly concentrated in the area to the southwest of the city center, an area with a relatively large share of black residents and residents in poverty. Denial rates were also high in the area around the University of Alabama.

The most common stated reason for these loan denials was “credit history”. Nearly a quarter of denied loans included credit history as a factor in the decision to deny a loan. The second most common factor was “debt-to-income ratio”, cited as a primary factor in nearly 12 percent of denials, on average. Indeed, the denial rates for all applicants fell as the income of the applicant increased, as one might expect. However, the previously observed discrepancies in denial rates by race and ethnicity persisted even when income was taken into account. For example, the denial rate for black applicants earning \$60,000 to \$75,000 per year, at 24 percent, was more than three times the denial rate for white applicants who were similarly situated with respect to income. The denial rates for Hispanic and non-Hispanic applicants in that income range were similar, though the gap between the two was considerably higher in most other income brackets.

Black and Hispanic applicants who were able to secure a loan were also more likely to be issued loans with high annual percentage rates (HALs). On average, 9.5 percent of the owner-occupied home purchase loans issued in the city were HALs (though the HAL rate had been considerably higher in 2004 through 2007). However, more than a fifth of the loans issued to black borrowers were HALs, compared to 5.3 percent of loans issued to white borrowers. Similarly, 23.3 percent of loans issued to Hispanic borrowers were HALs, compared to a HAL rate of 9.1 percent for non-Hispanic borrowers. Again, Census tracts with relatively high HAL

rates tended to be located to the southwest of the city center, in high-poverty areas with relatively large concentrations of black residents.

These same areas were also largely bypassed by small business lenders, who tended to be more active in Census tracts in which the median family income was more than 50 percent of the median family income for the Tuscaloosa metropolitan statistical area, which includes the counties of Tuscaloosa, Hale, and Pickens. The most concerted small business lending activity in the city took place in the riverside Census tract to the immediate west of the city center, as well as in the large tract to the north of the river and east of McFarlane Boulevard. Small business lending was also relatively muted in Census tracts in and around the Alberta neighborhood.

A total of fair housing 23 complaints were filed with HUD from 2004 through 2013 by or on behalf of Tuscaloosa residents. More than half of these complaints alleged discrimination on the basis of race, while six cited perceived discrimination on the basis of disability. Discrimination in terms, conditions, or privileges relating to rental was the most common discriminatory act or practice alleged in these complaints, followed by discriminatory acts under Section 818, an example of which is the threat by a landlord to terminate a lease of someone who threatens to file a fair housing complaint, or who otherwise asserts his or her fair housing rights. More than half of the complaints filed by city residents were withdrawn after resolution of the complaint, or were conciliated or settled.

The responses of local housing providers to the 2015 City of Tuscaloosa Rental Vacancy Survey suggest that approximately four percent of the city's rental housing stock is available for rent, and that vacancy rates over the last three years have tended to be low. At the same time, average market rate rents have risen, from an estimated \$674 per month in 2013 to nearly \$800 per month in 2015, on average.

In general, awareness of questionable practices or barriers to fair housing choice in the private sector was limited among respondents to the 2015 City of Tuscaloosa Fair Housing Survey. Few respondents indicated that they were aware of such issues in any of the specific industries or practices mentioned in the survey, and a large share of respondents answered each question with "don't know". Commentary on this portion of the survey was correspondingly sparse, though several respondents noted challenges in the housing market stemming from the growing prevalence of student-oriented housing in the city.

SECTION VI. FAIR HOUSING IN THE PUBLIC SECTOR

While the previous section presented a review of the status of fair housing in the private sector, this section will focus specifically on fair housing in the public sector. The U.S. Department of Housing and Urban Development (HUD) recommends that the AI investigate a number of housing factors within the public sector, including health and safety codes, construction standards, zoning and land use policies, tax policies, and development standards. The AI should also examine the placement of public housing as well as its access to government services.

PUBLIC SERVICES

Public or assisted housing can exist in several forms, including low-income housing projects, housing voucher programs, and supportive housing. The objective of public and other forms of assisted housing is to provide housing that is suitable for persons with special needs or families of low- to moderate-income levels and to promote access to jobs, transportation, and related community resources. Uneven distribution of public and assisted housing can be the result of an impediment such as land use policies that discourage multi-family or low-income housing in some areas, thus leading to segregation of low-income and other populations.

PUBLIC HOUSING UNITS

Public housing units are subsidized by HUD, but are owned and administered by the Tuscaloosa Housing Authority. Eligibility for these units is subject to limits on the maximum income a family earns, which are set by HUD on a yearly basis. Residents of public housing units pay reduced rental costs for these units, the remainder of which is covered by the Housing Authority. As shown in Map VI.1 on the following page, the city's public housing projects were all located south of the river, largely in areas with relatively high concentrations of poverty. All public housing units are located within a half mile of the nearest bus stop.

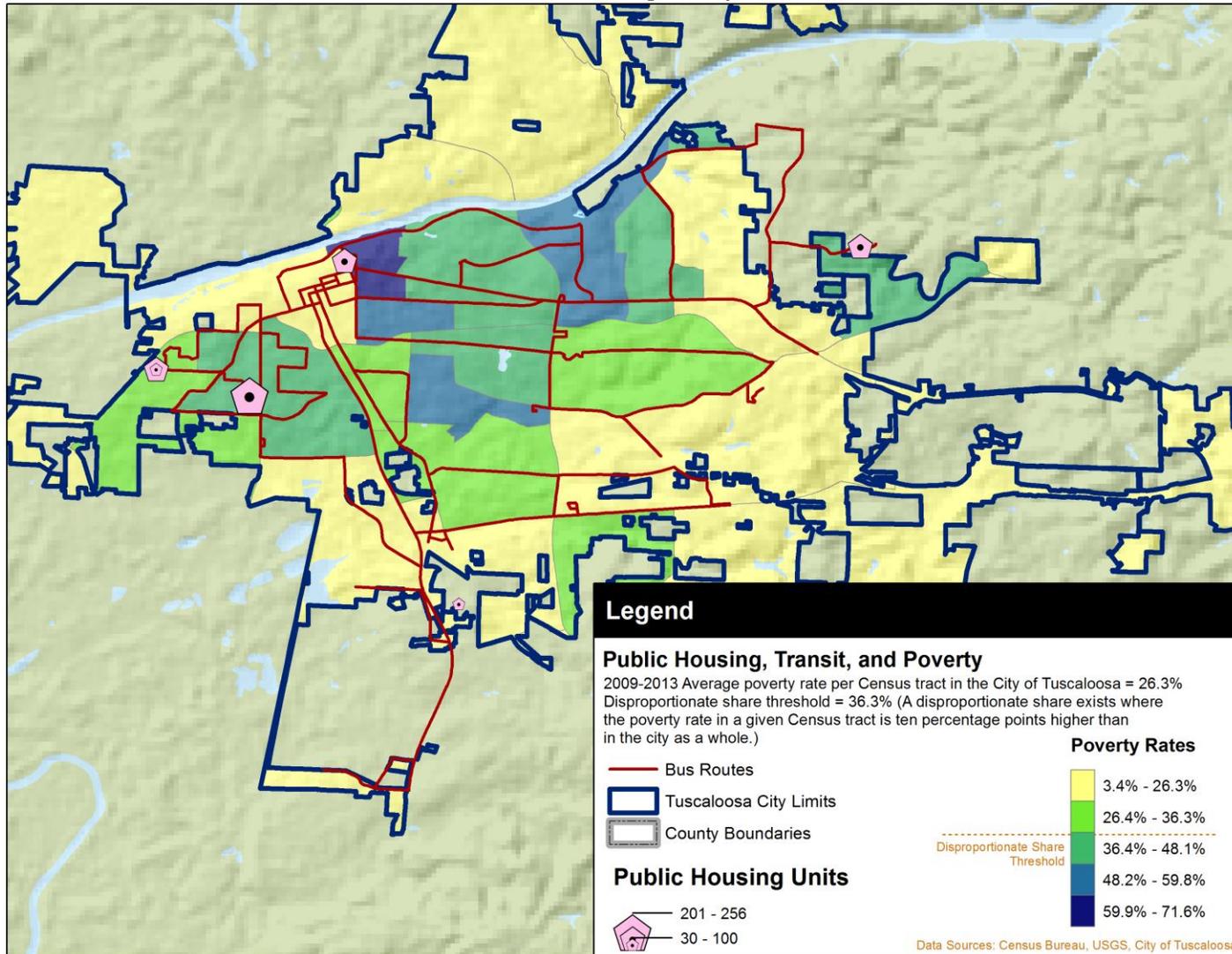
MULTI-FAMILY ASSISTED HOUSING UNITS

HUD maintains an online database of multifamily housing projects throughout the country. Multifamily projects in Tuscaloosa, which are financed through a variety of federal programs⁷¹, are presented by location in Map VI.2 on page 101. As had been the case with public housing units, HUD multifamily units were located exclusively to the south of the river. Most were located on or near public transit routes, though there were two exceptions; a medium-sized project in the south of the city and a small project in the west of the city. Most multifamily assisted projects were located in or around areas with above-average concentrations of poverty.

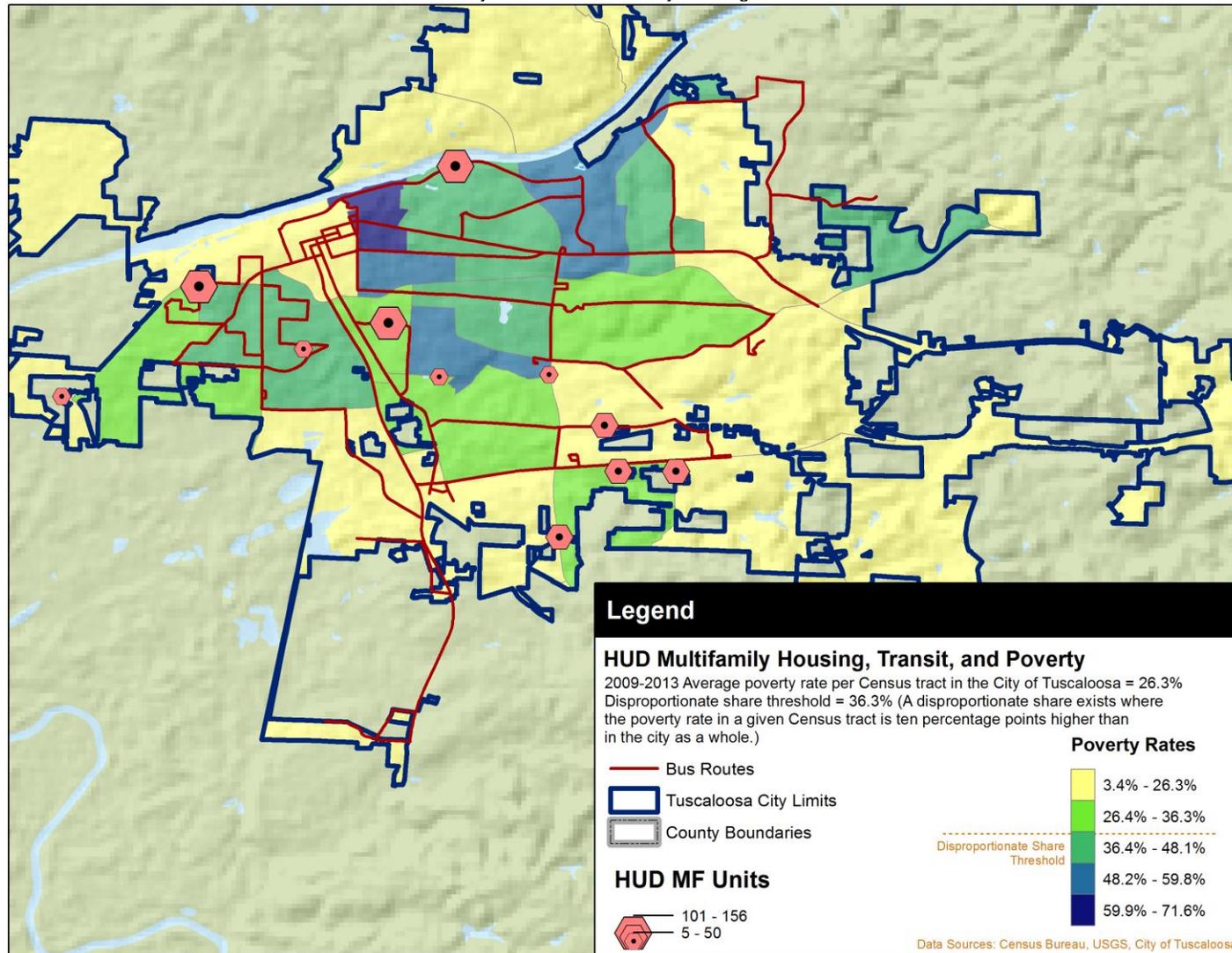
⁷¹The HUD Multifamily database includes data on units subsidized through Section 811/202 funding, which is intended to finance housing for the elderly and those with disabilities, as well as Section 8 and other housing subsidies. The database is generally updated on a monthly basis, and is available at http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/exp/mfhdiscl.

Map VI.1 Public Housing Units

City of Tuscaloosa
2015 Tuscaloosa Housing Authority Website



Map VI.2
HUD Multifamily Housing Units
 City of Tuscaloosa
 February 2015 HUD Multifamily Housing Database



LOW-INCOME HOUSING TAX CREDIT PROGRAM

The LIHTC program is designed to promote investment in affordable rental housing by providing tax credits to developers of qualified projects. To qualify for the tax credits, housing projects must be residential rental properties in which a proportion of available units are rent-restricted and reserved for low-income families. Property owners are required to maintain rent and income restrictions for at least thirty years, pursuant to the HUD-mandated minimum affordability period, though in some areas they are required to operate under these restrictions for longer time periods. As shown in Map VI.3 on the following page, units funded through low-income housing tax credits were more widely distributed throughout the city than either Public Housing or HUD Multifamily projects. However, like those other subsidized units, LIHTC units only appeared to the south of the river, and tended to be more highly concentrated in areas with above-average rates of poverty. All of these projects were located within a half mile of transit routes, with the exception of one in the south of the city.

FAIR HOUSING SURVEY – PUBLIC SECTOR RESULTS

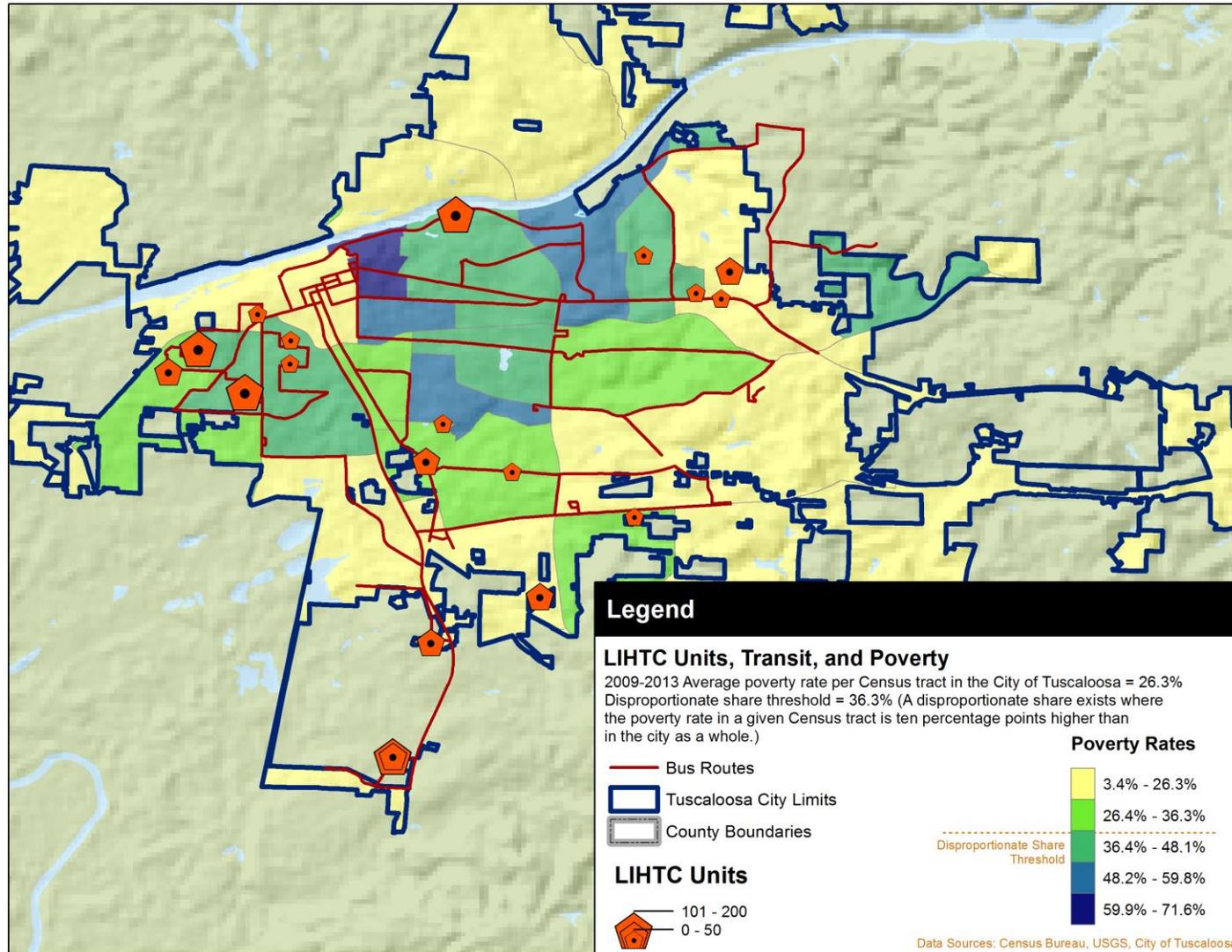
As mentioned previously, further evaluation of the status of fair housing within the City of Tuscaloosa was conducted via an online 2015 Fair Housing Survey, which was completed by 93 stakeholders and citizens. Those solicited for participation included a wide variety of individuals in the fair housing arena. Most questions in the survey required “yes,” “no,” or “don’t know” responses, and many allowed the respondent to offer written comments. While the numerical tallies of results are presented in this section, along with summaries of some comment-heavy questions, a complete list of written responses is available in Appendix B. Other survey results are also discussed in **Sections V** and **VII**.

FAIR HOUSING IN THE PUBLIC SECTOR

Public sector effects on housing can be complex and varied. The questions in this section of the survey asked respondents to think about possible barriers to fair housing choice within very specific areas of the public sector, as follows:

- Land use policies,
- Zoning laws,
- Occupancy standards or health and safety codes,
- Property tax policies,
- Permitting processes,
- Housing construction standards,
- Neighborhood or community development policies,
- Access to government services, and
- Any other public administrative actions or regulations.

Map VI.3
Low-Income Housing Tax Credit (LIHTC) Units
 City of Tuscaloosa
 2015 HUD LIHTC Database



If respondents indicated affirmatively that they were aware of possible discriminatory issues in any of these areas, they were asked to further describe issues in a narrative fashion. Tallies for each question are presented in Table VI.1 below. As had been the case in questions concerning private sector fair housing issues, relatively few respondents were aware of any questionable practices or barriers to fair housing choice in any of the policies or practices identified above. Fewer than ten percent of respondents claimed to be aware of barriers to fair housing choice in all of the public policy areas identified, with two exceptions: approximately 14.5 percent of respondents stated that they were aware of barriers to fair housing choice that were connected to limited access to government services, and 71 percent of respondents maintained that the quality of local school districts affects the housing locational choices of area residents.

As had been the case with questions pertaining to private sector fair housing issues, relatively few respondents provided additional commentary on most questions concerning the public sector. Among the issues cited in commentary were limitations on the availability of affordable housing, on the feasibility of development of new affordable units, and on the availability of public transportation for those who may need it. A larger number of respondents weighed in on the impact of school quality on area residents' choice of neighborhood: most affirmed that school quality, real or perceived, has an impact on where people choose to live. Several respondents maintained that schools that are generally considered to be of lower quality tend to be located in lower-income areas with high shares of minority residents.

Table VI.1
Barriers to Fair Housing in the Public Sector
City of Tuscaloosa
2015 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total
Are you aware of any questionable practices or barriers to fair housing choice in:					
Land use policies?	5	34	16	38	93
Zoning laws?	5	33	18	37	93
Occupancy standards or health and safety codes?	2	36	18	37	93
Property tax policies?	4	30	21	38	93
Permitting process?	3	30	23	37	93
Housing construction standards?	4	33	18	38	93
Neighborhood or community development policies?	5	32	17	39	93
Limited access to government services, such as employment services?	8	34	13	38	93
Does the quality of the local public school district affect the location of where households choose to live?	40	6	10	37	93
Public administrative actions or regulations?	2	27	27	37	93

SUMMARY

Analysis of factors in the public sector that may impact fair housing choice included an examination of the distribution of public-assisted housing units and transit routes in the city, as well as the results of the 2015 City of Tuscaloosa Fair Housing Survey.

Public-assisted housing projects include those that are owned by the Tuscaloosa Housing Authority and funded through the Public Housing program, HUD multifamily projects that are supported through a variety of federal housing subsidies, and projects developed with low income housing tax credits. Assisted housing projects of all types were uniquely located to the south of the river, typically on or within a half mile of the city's public transit routes, which

were also located entirely to the south of the river. Public-assisted housing in the city also tended to be located in areas with relatively high rates of poverty.

As had been the case with responses to the private sector portion of the 2015 Fair Housing Survey, few respondents indicated that they were aware of questionable practices or barriers to fair housing choice in any of the private sector industries or practices identified. The most salient issues in the city, as gauged by positive responses to the survey, were the limited provision of government services and the impact of local school districts on housing locational choices. More than 14 percent of respondents (excluding missing responses) were aware of fair housing challenges stemming from limitations in access to government services, notably affordable housing and public transportation options. In addition, 71 percent of respondents affirmed that the quality of local school districts impacts residents' decisions on where to live, and many respondents noted that schools generally perceived to be of lower quality tended to be located in lower-income areas with relatively large shares of minority residents.

SECTION VII. PUBLIC INVOLVEMENT

This section discusses analysis of fair housing in the City of Tuscaloosa as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence of citywide impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

FAIR HOUSING SURVEY

As discussed in previous sections, a 2015 Fair Housing Survey comprised a large portion of the public involvement efforts associated with the development of the 2015 AI. While data from the survey regarding policies and practices within the private and public sectors have already been discussed, the remaining survey findings are presented below.

The purpose of the survey, a relatively qualitative component of the AI, was to gather insight into knowledge, experiences, opinions, and feelings of stakeholders and interested citizens regarding fair housing as well as to gauge the ability of informed and interested parties to understand and affirmatively further fair housing. Many organizations throughout the city were solicited to participate.

A total of 93 persons in the City of Tuscaloosa completed the survey, which was conducted entirely online. Written comments that respondents submitted with their survey responses are included in Appendix B. Other survey results are also discussed in **Sections V and VI**.

Respondents of the 2015 Fair Housing Survey were asked to identify their primary role within the housing industry. As shown in Table VII.1 at right, eleven respondents worked in the construction/development industry, eleven in property management, and seven were advocates or service providers. These categories represented the most common roles that survey respondents played in the housing industry, along with the eleven respondents who identified their role as “other”. Thirty-four respondents did not respond to this question.

Table VII.1
Role of Respondent

City of Tuscaloosa
2015 Fair Housing Survey Data

Primary Role	Total
Construction/Development	11
Property Management	11
Advocate/Service Provider	7
Appraisal	4
Service Provider	4
Law/Legal Services	2
Local Government	2
Other Role	11
Missing	34
Total	93

Table VII.2
How Familiar are you with Fair Housing Laws?

City of Tuscaloosa
2015 Fair Housing Survey Data

Familiarity	Total
Not Familiar	6
Somewhat Familiar	23
Very Familiar	43
Missing	21
Total	93

The next question asked respondents about their familiarity with fair housing laws. Results of this question are presented in Table VII.2 at left. As shown, most respondents who answered the question professed to be “somewhat” or “very” familiar with fair housing laws. Only six respondents maintained that they were not familiar with fair housing laws.

Most of the respondents to the Fair Housing Survey owned their own homes, as shown in Table VII.3 on the following page. Only

six respondents were renters, while 75 were homeowners, a group which accounted for over 82 percent of survey respondents.

Table VII.3
What is Your Current Housing Situation?

City of Tuscaloosa
2015 Fair Housing Survey Data

Housing Situation	Total
Homeowner	75
Renter	6
Other	10
Missing	2
Total	93

In the next series of questions, survey respondents were asked for a general assessment of federal, state, and local fair housing laws. The responses to these questions are presented in Table VII.4 below. As shown, a large majority of respondents felt that fair housing laws are useful, and only two respondents maintained that they were not. A majority of respondents also did not find those laws to be difficult to understand, though nearly a quarter of respondents felt that such laws were difficult to understand. Over 65 percent of respondents also were content with fair housing laws as written, though eight respondents felt that the laws should be changed. Some respondents, in providing additional commentary on this question, underscored the perceived infringement of fair housing laws and policies on property rights, though most favored expanding protections offered in the law, or otherwise enhancing its effectiveness. Finally, a majority of respondents felt that fair housing laws were adequately enforced, though a sizeable minority, around 30 percent, did not.

Table VII.4
Federal, State, and Local Fair Housing Laws

City of Tuscaloosa
2015 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total
Do you think fair housing laws are useful?	63	2	5	23	93
Are fair housing laws difficult to understand or follow?	17	47	6	23	93
Do you think fair housing laws should be changed?	8	45	15	25	93
Do you think fair housing laws are adequately enforced?	41	19	5	28	93

The next section in the survey related to fair housing activities, including outreach and education and testing and enforcement. As shown on the following page in Table VII.5, a majority of respondents, or around 63 percent, stated that they were aware of a fair housing training process, and 36 respondents noted that they had participated in fair housing training. Few respondents were aware of fair housing testing; only around 16 percent of respondents.

Survey takers were also asked to gauge the current level of fair housing activities in the city. Nineteen respondents felt that the current levels of outreach and education were not sufficient, though the same number felt that current levels were appropriate. Respondents were less divided on the question of fair housing testing: five thought that current levels were insufficient, while nine considered current levels to be appropriate and one felt that they were excessive. The latter question attracted a considerable number of "don't know" responses.

Table VII.5
Fair Housing Activities
 City of Tuscaloosa
 2015 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total	
Is there a training process available to learn about fair housing laws?	41	19	5	28	93	
Have you participated in fair housing training?	36	14	1	42	93	
Are you aware of any fair housing testing?	10	38	16	29	93	
Testing and education	Too Little	Right Amount	Too Much	Don't Know	Missing	Total
Is there sufficient outreach and education activity?	19	19		27	28	93
Is there sufficient testing?	5	9	1	50	28	93

As part of the process of measuring understanding of fair housing law through the survey instrument, respondents were asked to list their awareness of classes of persons protected by fair housing laws on federal, city, and local levels. Race and disability were offered as examples of protected classes in the question narrative, and respondents were encouraged to continue on and list other protected classes. Results of this question are presented at right in Table VII.6. Some respondents were able to correctly identify several of the protected classes, including gender, religion, family status, national origin, and color. More than twenty respondents correctly identified each of these protected classes. However, several respondents included groups that are not protected under any of the laws applicable to Tuscaloosa; notably age and sexual orientation, identified by 16 and 6 respondents, respectively.

Table VII.6
Protected Classes
 City of Tuscaloosa
 2015 Fair Housing Survey Data

Protected Class	Total
Gender	37
Religion	37
Family Status	31
National Origin	31
Color	25
Age	16
Disability	13
Race	9
Sexual Orientation	6
Marital Status	5
Ethnicity	4
Income	2
AIDS	1
Military	1
Criminal History	1
AIDS	1
Other	16
Total	235

Table VII.7 below presents tallied responses to survey questions related to the status of fair housing in the City of Tuscaloosa. First, respondents were asked if they were aware of a fair housing plan in their communities. Only thirteen respondents stated that they were, while twenty-five respondents professed to be unaware of any local ordinance and fifteen responded with “don’t know”. Similarly, only nine respondents were aware of any geographic areas with fair housing problems. Specific areas cited by those respondents included Alberta, Crescent Ridge, Holt, and North Tuscaloosa.

Table VII.7
Local Fair Housing
 City of Tuscaloosa
 2015 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total
Are you aware of any city or county fair housing ordinance, regulation, or plan?	13	25	15	40	93
Are there any specific geographic areas that have fair housing problems?	9	21	25	38	93

Respondents were also asked to offer any additional comments that they might have regarding fair housing in their communities. Several respondents expressed a need for greater emphasis among city policy makers on the issue of fair housing, with one commentator observing that “no one benefits when important plan such as Fair Housing are put on the shelf once finalized only to collect dust over the years.” However, another respondent urged restraint on the part of

the government where the housing market was concerned, maintaining that “the best thing that the government can do is provide incentives to insure that investor are willing to work in the sector of the market that serves those with lower incomes.”

FAIR HOUSING FORUM AND FOCUS GROUPS

FAIR HOUSING FORUM

One fair housing forum was held in the City of Tuscaloosa as part of the AI process: this meeting took place on April 8, 2015 in the City of Tuscaloosa. The purpose of the presentation and subsequent discussion was to provide the public with an opportunity to learn more about the AI process and why it was conducted, and to share preliminary findings from the study. The complete minutes from the meeting are presented in Appendix C. Discussions at the forum covered a diverse set of topics, though there were several dominant themes that recurred in the course of the discussion, including the need for a more engaged and robust local fair housing infrastructure, challenges and potential approaches to increasing the city’s stock of affordable housing, and the need for education of local housing consumers and providers on issues pertaining to fair housing:

- **Local fair housing infrastructure:** Participants noted that there is currently no local agency or organization handling complaint intake and investigation or performing fair housing testing. Several organizations were suggested as potential partners in future fair housing efforts, including the University of Alabama Law School, the Alabama Center for Real Estate, Legal Services Alabama, and the local city government. Concerning the latter, one respondent suggested that the city’s role in fair housing enforcement should be limited to the facilitation of partnerships rather than one in which it would be involved in monitoring and tracking of complaints, in order to minimize the potential for political pressure on the complaint process.
- **Affordable housing:** Several participants noted that the city’s stock of affordable housing is limited: one commenter maintained that decent, working class housing is in particularly short supply, and another considered the issue of affordable housing to be central to many of the challenges facing the city, including in the area of fair housing. Participants in the forum suggested several potential policy approaches to mitigate the shortage, including the establishment of an affordable housing trust fund and the introduction of a requirement that developers of multifamily housing dedicate a portion of new rental complexes to affordable units, or pay a fee to have the requirement waived. Fees collected from developers who opt out of the affordable requirement could then be directed to the development of more affordable housing in the city. It was also felt that generating local funding streams for affordable housing would allow for greater flexibility in the placement and development of such units.

Other participants noted that challenges to affordable housing are more extensive than the problem of securing funding for their construction: according to one, the Tuscaloosa Housing Authority experiences considerable difficulty in locating land for new development, outside of the West End, that is affordable and that satisfies HUD’s criteria for the use of funding available under the public housing program. Furthermore, when suitable land is located, efforts to develop affordable housing often face

considerable opposition from communities, owing to negative perceptions of the impact that affordable housing will have on housing prices and the quality of neighborhoods. Finally, the limited range of the city's transit network was perceived to limit the placement of affordable housing to sites south of the river.

- **Education:** The discussion returned at several points to the need for greater education on issues pertaining to fair housing. This issue was perceived to be integrally connected to both of the issues identified above: according to participants, those who experience discrimination in the housing markets may be unaware of their rights, and may not know where to turn to resolve their complaints. In addition, housing providers may be unaware of their responsibilities vis à vis fair housing, including those relating to accessibility and reasonable modifications and accommodation. Lack of education was also considered to be a factor in the persistence of a “not in my backyard” mentality regarding affordable housing.

FOCUS GROUPS

Local stakeholders and policy makers also contributed to the development of the AI through participation in a series of three focus group meetings held via webinar on January 21, 2015. Each meeting focused on a different topic, the three topics being “Homeownership”, “Rental Housing”, and “Policy”. Each focus group presentation included demographic data on the distribution of racial minority residents and poverty in the city, data detailing patterns in home lending and fair housing complaints in the city, fair housing complaint data, and a summary of responses to the 2015 Fair Housing Survey that were current as of the presentation date. Following the presentation, participants in each focus group discussed issues and challenges highlighted in the data, as well as potential avenues by which those challenges might be addressed. Brief summaries of each presentation and subsequent discussion are presented below. The complete minutes of each meeting are included in Appendix C.

Homeowner Focus Group

During and following the presentation, focus group participants offered observations and input on the data and findings presented. During that discussion commenters focused on the following topics:

- The challenges to homeownership associated with poor credit histories, the impact of unpaid medical bills on credit, and pending legislation prohibiting the consideration of medical expenses as part of an individual's credit history;
- The positive impact of financial and credit counseling, and the need to promote understanding of credit and its impact on the ability to secure a loan and own a home;
- The effect of strict zoning laws on housing construction and storm recovery;
- The potential for a more active engagement on fair housing on the part of real estate professionals.

Rental Housing

During and following the rental focus group presentation, participants weighed in on a number of challenges and issues relating to fair housing in the rental housing market. Among the topics discussed by focus group participants were the following:

- The forthcoming Supreme Court decision in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project* and the potential impact a decision in that case may have on future fair housing policy;
- The perception that differential denial rates along racial and ethnic lines may point to underlying variations in credit histories;
- The impact of unpaid medical bills on credit history; and
- Publicly subsidized housing, the possibility of including a financial literacy component to applications for subsidized housing units.

In connection with this latter topic, participants raised the question of whether applicants see publicly subsidized housing as a long term solution or as a means to help them transition to greater financial stability and independence, and eventually out of publicly subsidized housing. In addition to the topics listed above, focus group participants also discussed fair housing challenges associated with local school districting.

Policy

During and after the Policy Focus Group presentation, participants discussed a variety of issues and challenges in the housing market, focusing on how those challenges may impact and be impacted by fair housing policy. Among the topics and observations under discussion were the following:

- The challenges associated with growth in the University and in student housing in the city center, which has increased the cost of land and housing development, along with the opportunity costs associated with the development of affordable housing;
- The displacement of lower income residents from the city center, which is increasingly unaffordable to them, and the resulting increase in the cost of transportation;
- Limitations in available public transportation;
- The potential for promoting mixed-income development in the city center, where housing market conditions would naturally preclude the development of large scale affordable housing projects, allowing for the development of smaller projects that are more easily integrated into the neighborhood; and
- The potential for development of affordable housing units in storm-damaged areas like Alberta, as well as the possibility that the area may be targeted for development of additional student housing, driving up land and development costs in those areas.

SUMMARY

Efforts to promote public involvement in the AI process included the 2015 Fair Housing Survey, Focus Groups, Outreach Meetings; and a public comment period, during which the City of Tuscaloosa Office of Federal Programs sought public feedback on the findings of the AI and the actions proposed to address those findings.

A total of 93 persons completed the 2015 City of Tuscaloosa Fair Housing Survey. Nearly a quarter of respondents were employed in the housing industry, whether in construction and development or as property managers, while seven served as advocates or service providers. Thirty-four respondents neglected to identify their role in the housing industry, and 11 identified their role as “other”. Approximately 82 percent of respondents were homeowners.

Over 90 percent of respondents considered themselves to be at least “somewhat familiar” with fair housing laws, and most were supportive of fair housing laws in general, considering them to be useful. A majority also found that fair housing laws are not difficult to understand or follow, and were content to keep fair housing laws as written. A majority were also comfortable with the current level of enforcement of fair housing laws, though around 30 percent of respondents felt that current levels of enforcement are insufficient.

Many respondents were aware of a fair housing training process, and many had also participated in such training. Nevertheless, nearly thirty percent of respondents felt that current levels of fair housing outreach and education were insufficient, and most respondents were unaware of any fair housing testing. Nearly three quarters of respondents (again excluding missing responses) were able to correctly identify gender and religion as protected under federal and state fair housing law, and half or more correctly identified color, national origin, and familial status as protected classes. However, nearly a third of respondents identified “age” as a protected class, though it is not designated as such under federal or state fair housing law.

Less than a quarter of residents were aware of any city or county fair housing ordinance, regulation, or plan. Fewer still were aware of any specific geographic areas with fair housing problems; however, those that were identified areas such as Alberta, Crescent Ridge, Holt, and North Tuscaloosa.

Finally, public input opportunities during the 2015 AI process included a fair housing forum and a series of focus group meetings. The fair housing forum discussion covered a range of topics, largely relating to the need for a more robust local fair housing infrastructure, an increased and more geographically dispersed stock of affordable housing, and greater education on a variety of issues touching upon fair housing choice. The three focus group meetings were held on January 21, 2015, and the discussion at each was tailored to a general topic, the three topics being “Homeownership”, “Rental Housing”, and “Policy”. Accordingly, the range of subjects discussed at these meetings was broad. However, much of these conversations revolved around a few general themes, including:

- The challenges associated with credit history and the impact of unpaid medical bills on credit;
- Differences in denial rates along racial and ethnic lines, both in home lending and in applications for rental housing;
- The positive impact of credit and financial counseling on participants, and the need to promote wider participation in and availability of such counseling;
- The need to increase the stock of publicly subsidized housing, potential opportunities for development, and potential areas for development; and
- The impact of the University of Alabama on the local housing market, which is becoming increasingly oriented toward student housing.

SECTION VIII. SUMMARY OF FINDINGS

This AI reviews both the public and private sector contexts for the City of Tuscaloosa's housing markets, in order to determine the effects these forces have on housing choice. As part of that review, analysis of demographic, economic, and housing data provide background context for the environments in which housing choices are made. Demographic data indicate the sizes of racial and ethnic populations and other protected classes; economic and employment data show additional factors in influencing housing choice; and counts of housing by type, tenure, quality, and cost indicate the ability of the housing stock to meet the needs of the city's residents.

Once this contextual background analysis has been performed, detailed review of fair housing laws, cases, studies, complaints, and public involvement data can be better supported by the background information. The structure provided by local, state, and federal fair housing laws shapes the complaint and advocacy processes available in the city, as do the services provided by local, state, and federal agencies. Private sector factors in the homeownership and rental markets, such as home mortgage lending practices, have considerable influence on fair housing choice. In the public sector, policies and codes of local governments and a limited location of affordable rental units can significantly affect the housing available in each area, as well as neighborhood and community development trends. Complaint data and AI public involvement feedback further help define problems and possible impediments to housing choice for persons of protected classes, and confirm suspected findings from the contextual and supporting data.

Socio-Economic Context

Tuscaloosa has grown considerably since 2000. In that year it was a city of approximately 78,000 residents. In 2013, Tuscaloosa boasted an estimated population of 95,334. That the city would enjoy such a remarkable growth spurt would not have been obvious a decade earlier. However, the population has grown markedly every year since 2003, at an average rate of approximately 1,570 new residents per year. Much of the growth between 2000 and 2010 was attributable to an increase in the number of residents aged 20 to 24, along with those aged 5 to 19 and 55 to 64. By contrast, there were fewer elderly residents in 2010 than there had been at the beginning of the decade, and fewer residents aged 35 to 54.

Changes to the racial and ethnic composition of the city were relatively minor: white and black residents, who accounted for more than 95 percent of the population, increased in number by 15.5 and 12.8 percent, respectively. Likewise, though Hispanic residents more than doubled, both in number and as a share of the population, only three percent of the city's population was Hispanic in 2010. The geographic distribution of these groups also changed little over the decade, and black residents tended to be highly concentrated the West End of Tuscaloosa and in the Alberta neighborhood. Hispanic residents tended to account for larger shares of the population in the central and eastern part of the city.

Residents with disabilities also tended to be concentrated in the western part of the city in 2000, when these residents accounted for around one-fifth of the city's population. In a large Census tract to the immediate southwest of the city center, nearly 40 percent of residents were living with some form of disability. In 2009-2013, less than 22 percent of residents in that same

tract were living with a disability, and residents with disabilities accounted for 11.3 percent of the population as a whole.⁷² The highest concentration of disabilities in that period was observed in a large Census tract in the west of the city.

The city also enjoyed strong growth in its labor market after 2003, as well as in the number of employed, and by 2007 the unemployment rate in the city had fallen to 2.9 percent. However, that growth ended abruptly in 2008, and was followed by two years of decline in the number of employed. The result was a peak in the unemployment rate, which rose to 8.5 percent and stayed near that level until 2010. The unemployment rate began to decline after the middle of 2010, and by 2013 it had fallen to 6.1 percent.

Trends in the labor market were reflected in growth in the number of full- and part-time jobs in the county, which fell by over 5,000 from 2008 through 2010, the largest and most sustained drop in the number of jobs in more than forty years. However, growth in the total number of jobs in the county resumed in 2010, and has been steady since that time. The decline in the number of jobs in the county was not accompanied by a corresponding decline in real average earnings per job; however, the county did experience a drop in real per capita income of approximately \$1300 between 2008 and 2009.

However, average earnings per job and per capita income in the county were higher in 2013 than they had been in 2000, a fact that was reflected in a shift in household incomes over the same time period. According to the 2000 Census, 58.1 percent of households in that year earned less than \$35,000 per year, with more than 30 percent earning less than \$15,000. By 2013, the share of households earning less than \$35,000 had fallen to 46.7 percent, while the shares of households increased in all income brackets earning \$35,000 per year or more.

Nevertheless, households earning less than \$15,000 per year continued to account for the largest share of households in the city in 2009-2013, and the poverty rate in the city remained high. In fact, the share of residents living in poverty was observed to have grown between 2000, when 23.6 percent of residents were living in poverty, and 2009-2013, when around 26.3 percent of residents were living in poverty.

Growth in the city's occupied housing stock was roughly on par with growth in the population, and renter-occupied units came to account for a larger share of occupied units as a whole. Around 52 percent of occupied units were occupied by renters in 2000; by 2010, that figure had grown to 57.7 percent, while the share of units that were occupied by their owners fell. From 2000 through 2013, the share of apartment units increased by nearly eight percentage points, while housing units of all other types came to account for smaller shares of the city's housing stock.

The number of vacant units also increased over the decade, and the share of housing units that were vacant grew to 11.4 percent in 2010, an increase of 1.4 percentage points over 2000. Most of this growth was attributable to growth in the number of vacant units for rent or for

⁷² Note: Lower disability rates in 2009-2013 do not necessarily represent a reduction in the number or share of residents with disabilities: the Census Bureau adopted a new disability framework in 2008 and with it a new set of questions pertaining to disability. For this reason, the Census Bureau discourages direct comparison of disability figures post-2008 to those obtained prior to 2008. In effect, Censuses and surveys from before and after that year measure different populations, though there is considerable overlap between the two.

seasonal, occasional, or recreational use. The number of “other vacant” units throughout the city fell: having accounted for a fifth of all vacant units in 2000, “other vacant” units represented less than 15 percent of the housing stock a decade later. However, these units remained disproportionately concentrated in tracts to the southwest of the city center.

The size of the average household remained roughly the same from 2000 through 2010, with some minor growth in the number and share of larger households. In spite of that growth, the share of overcrowded or severely overcrowded units in the city fell from 3.1 to 1.7 percent.

The share of units with incomplete plumbing facilities also fell, from 0.5 to 0.1 percent, while the share of units with incomplete kitchen facilities edged upward from 0.5 to 0.7 percent.

Considerably more households were impacted by cost-burdening, which describes a situation in which households spend between 30 and 50 percent of their income on housing costs. Nearly 17 percent of households were cost-burdened in 2000, a share that had grown to 18.4 percent by 2013. The share of households that were severely cost-burdened, or in which housing costs took up more than 50 percent of the household income, was larger still: in 2000, 18.9 percent of households were severely cost-burdened. By 2013, that share had grown to 22.4 percent. In both years, rental households were observed to be more heavily impacted by cost-burdening. This discrepancy was stark among households spending more than 50 percent of their income on housing costs: the share of rental units that were cost burdened was more than twice as large as the share of owner-occupied units that were cost-burdened.

The increased incidence of cost burdening came with an increase in median housing costs between 2000 and 2013. In 2000, the median rent price was \$481 per month and the median owner-occupied unit was worth \$99,600. By 2013, the median rent cost had risen to \$570 and the median home value had risen to \$163,500.

Review of Fair Housing Laws, Studies, and Cases

Residents of Tuscaloosa are protected from discrimination in the housing market by laws at the federal and state level. The federal Fair Housing Act represents the foundation for fair housing law and policy in the United States, prohibiting discrimination on the basis of race, color, religion, sex, national origin, familial status, and disability. Alabama’s Fair Housing Law prohibits discrimination in the housing market on those same bases.

In spite of the existence of these laws, discrimination persists, though certainly no longer in a form that is as overt and obvious as it was when the laws were passed. Often, housing seekers will not know that they have been subjected to discrimination when a landlord tells them that no apartments are available (only to offer an available room to a prospective tenant of another race or ethnicity a few hours later). Such discrimination often only becomes apparent when properties are subjected to fair housing testing: results of such testing, and national studies of the outcomes of fair housing tests have consistently revealed differences in how applicants are treated when they apply for housing with similar qualifications, but with names that are stereotypically associated with members of different races and ethnicities.

In fact, one of the cases filed by the Department of Justice against a housing provider in Alabama’s Northern District relied in part on data gathered through fair housing testing, which

revealed that an apartment complex in Boaz was telling prospective African-American tenants that no rooms were available while telling prospective white tenants that rooms were available. That case settled, along with another case involving similar allegations against a Decatur landlord, with the housing providers in question agreeing to pay substantial monetary damages and civil penalties. Both cases were filed and resolved within the last ten years, and both involved allegations of race-based discrimination.

Though the laws that shape fair housing policy at the federal level are firmly established, and have been broadened in scope and legal force over the years, legal and regulatory actions that are currently taking place at the national level are likely to considerably impact the manner in which fair housing policy is carried out. In the first place, the Supreme Court is currently considering whether or not individuals or business can be held liable for discrimination by enacting policies that are neutral on their face, but have discriminatory effects. Such “discriminatory effects liability”, a long-standing tool in fair housing enforcement, has been upheld in eleven district court decisions but had not been considered by the Supreme Court prior to January of this year. If the court rules that disparate impact liability is not available under the fair housing act, that decision is likely to change fair housing enforcement profoundly.

The decision may also have an impact, albeit indirect, on HUD’s affirmatively furthering fair housing requirement, since many of the cases that trigger an AFFH review by HUD are based on the perceived discriminatory effects of certain policies. However, a rule proposed by HUD in 2013 is likely to have a more direct impact. This proposed rule, which is meant to clarify the AFFH requirement for state and local jurisdictions, would replace the AI with the Assessment of Fair Housing (AFH), among other changes. A final action on the rule, originally scheduled for December of 2014 and most recently slated for March of 2015, is still forthcoming as of early May of 2015.

Fair Housing Structure

Just as the federal Fair Housing Act represents the backbone of fair housing law and policy in the United States, the Department of Housing Urban Development, a federal agency, represents the backbone of fair housing enforcement throughout the country. Residents of Tuscaloosa who believe that they have been subjected to unlawful discrimination in the housing market may file a complaint with HUD directly, or may contact the Tuscaloosa Housing Counseling Program. The Housing Counseling Program,

HUD also coordinates with local and state-level organizations throughout the country to provide fair housing resources and enforcement through the Fair Housing Initiatives Program (FHIP), and with local and state governments through the Fair Housing Assistance Program (FHAP). There are at present no FHAP or FHIP grantees serving the residents of Tuscaloosa at the state or local level, though 23 counties in northern Alabama have been served in past years by the Fair Housing Center of Northern Alabama, a FHIP grantee in 2011.

Residents of Tuscaloosa, along with residents throughout the state, may also file a fair housing complaint with the Alabama Department of Economic and Community Affairs. However, at present it is unclear the degree to which the Department is actively engaged in fair housing

enforcement, and it appears that most fair housing complaints filed by state residents are filed with HUD.

Fair Housing in the Private Sector

The ability of individuals or families to choose where they live is impacted by a number of factors, including the availability and terms of home loans and home insurance, patterns in small business lending, the incidence of discrimination in the housing market, and the accessibility of new and existing units to those of reduced mobility.

Financial institutions that provide home loans for properties within the City of Tuscaloosa handled 46,562 home loans and loan applications from 2004 through 2013. Many of those loans or applications pertained to refinancing or home improvement; however, over forty percent were home purchase loans, most of which were intended to finance the purchase of a housing unit in which the loan applicant or recipient intended to live. Some 7,320 “owner-occupied” home purchase loan applications were originated in the city over the decade, while over 1,500 were denied, for an overall denial rate of 17.7 percent. The city saw substantial variation in denial rates from year to year, as the share of loan applications that were denied fell from 20.9 to 9.8 percent from 2005 through 2009, only to rise again, to 21.8 percent in 2013.

In addition to this yearly variation, loan denial rates were observed to vary according to the gender, race, and ethnicity of the loan applicant. Female loan applicants were denied at a rate of 22 percent on average over the decade, a rate that was nearly eight percentage points higher than the denial rate for male applicants. Similarly, 28.1 percent of applications from black loan applicants were denied, compared to a denial rate of 11.2 percent for white applicants. At the same time, the denial rate for Hispanic applicants, at 29.1 percent, was nearly twice the denial rate of non-Hispanic applicants. Not surprisingly, overall denial rates were observed to be highly concentrated in the area to the southwest of the city center, an area with a relatively large share of black residents and residents in poverty. Denial rates were also high in the area around the University of Alabama.

The most common stated reason for these loan denials was “credit history”. Nearly a quarter of denied loans included credit history as a factor in the decision to deny a loan. The second most common factor was “debt-to-income ratio”, cited as a primary factor in nearly 12 percent of denials, on average. Indeed, the denial rates for all applicants fell as the income of the applicant increased, as one might expect. However, the previously observed discrepancies in denial rates by race and ethnicity persisted even when income was taken into account. For example, the denial rate for black applicants earning \$60,000 to \$75,000 per year, at 24 percent, was more than three times the denial rate for white applicants who were similarly situated with respect to income. The denial rates for Hispanic and non-Hispanic applicants in that income range were similar, though the gap between the two was considerably higher in most other income brackets.

Black and Hispanic applicants who were able to secure a loan were also more likely to be issued loans with high annual percentage rates (HALs). On average, 9.5 percent of the owner-occupied home purchase loans issued in the city were HALs (though the HAL rate had been considerably higher in 2004 through 2007). However, more than a fifth of the loans issued to

black borrowers were HALs, compared to 5.3 percent of loans issued to white borrowers. Similarly, 23.3 percent of loans issued to Hispanic borrowers were HALs, compared to a HAL rate of 9.1 percent for non-Hispanic borrowers. Again, Census tracts with relatively high HAL rates tended to be located to the southwest of the city center, in high-poverty areas with relatively large concentrations of black residents.

These same areas were also largely bypassed by small business lenders, who tended to be more active in Census tracts in which the median family income was more than 50 percent of the median family income for the Tuscaloosa metropolitan statistical area, which includes the counties of Tuscaloosa, Hale, and Pickens. The most concerted small business lending activity in the city took place in the riverside Census tract to the immediate west of the city center, as well as in the large tract to the north of the river and east of McFarlane Boulevard. Small business lending was also relatively muted in Census tracts in and around the Alberta neighborhood.

A total of fair housing 23 complaints were filed with HUD from 2004 through 2013 by or on behalf of Tuscaloosa residents. More than half of these complaints alleged discrimination on the basis of race, while six cited perceived discrimination on the basis of disability. Discrimination in terms, conditions, or privileges relating to rental was the most common discriminatory act or practice alleged in these complaints, followed by discriminatory acts under Section 818, an example of which is the threat by a landlord to terminate a lease of someone who threatens to file a fair housing complaint, or who otherwise asserts his or her fair housing rights. More than half of the complaints filed by city residents were withdrawn after resolution of the complaint, or were conciliated or settled.

The responses of local housing providers to the 2015 City of Tuscaloosa Rental Vacancy Survey suggest that approximately four percent of the city's rental housing stock is available for rent, and that vacancy rates over the last three years have tended to be low. At the same time, average market rate rents have risen, from an estimated \$674 per month in 2013 to nearly \$800 per month in 2015, on average.

In general, awareness of questionable practices or barriers to fair housing choice in the private sector was limited among respondents to the 2015 City of Tuscaloosa Fair Housing Survey. Few respondents indicated that they were aware of such issues in any of the specific industries or practices mentioned in the survey, and a large share of respondents answered each question with "don't know". Commentary on this portion of the survey was correspondingly sparse, though several respondents noted challenges in the housing market stemming from the growing prevalence of student-oriented housing in the city.

Fair Housing in the Public Sector

Analysis of factors in the public sector that may impact fair housing choice included an examination of the distribution of public-assisted housing units and transit routes in the city, as well as the results of the 2015 City of Tuscaloosa Fair Housing Survey.

Public-assisted housing projects include those that are owned by the Tuscaloosa Housing Authority and funded through the Public Housing program, HUD multifamily projects that are supported through a variety of federal housing subsidies, and projects developed with low

income housing tax credits. Assisted housing projects of all types were uniquely located to the south of the river, typically on or within a half mile of the city's public transit routes, which were also located entirely to the south of the river. Public-assisted housing in the city also tended to be located in areas with relatively high rates of poverty.

As had been the case with responses to the private sector portion of the 2015 Fair Housing Survey, few respondents indicated that they were aware of questionable practices or barriers to fair housing choice in any of the private sector industries or practices identified. The most salient issues in the city, as gauged by positive responses to the survey, were the limited provision of government services and the impact of local school districts on housing locational choices. More than 14 percent of respondents (excluding missing responses) were aware of fair housing challenges stemming from limitations in access to government services, notably affordable housing and public transportation options. In addition, 71 percent of respondents affirmed that the quality of local school districts impacts residents' decisions on where to live, and many respondents noted that schools generally perceived to be of lower quality tended to be located in lower-income areas with relatively large shares of minority residents.

Public Involvement

Efforts to promote public involvement in the AI process included the 2015 Fair Housing Survey, Focus Groups, Outreach Meetings; and a public comment period, during which the City of Tuscaloosa Office of Federal Programs sought public feedback on the findings of the AI and the actions proposed to address those findings.

A total of 93 persons completed the 2015 City of Tuscaloosa Fair Housing Survey. Nearly a quarter of respondents were employed in the housing industry, whether in construction and development or as property managers, while seven served as advocates or service providers. Thirty-four respondents neglected to identify their role in the housing industry, and 11 identified their role as "other". Approximately 82 percent of respondents were homeowners.

Over 90 percent of respondents considered themselves to be at least "somewhat familiar" with fair housing laws, and most were supportive of fair housing laws in general, considering them to be useful. A majority also found that fair housing laws are not difficult to understand or follow, and were content to keep fair housing laws as written. A majority were also comfortable with the current level of enforcement of fair housing laws, though around 30 percent of respondents felt that current levels of enforcement are insufficient.

Many respondents were aware of a fair housing training process, and many had also participated in such training. Nevertheless, nearly thirty percent of respondents felt that current levels of fair housing outreach and education were insufficient, and most respondents were unaware of any fair housing testing. Nearly three quarters of respondents (again excluding missing responses) were able to correctly identify gender and religion as protected under federal and state fair housing law, and half or more correctly identified color, national origin, and familial status as protected classes. However, nearly a third of respondents identified "age" as a protected class, though it is not designated as such under federal or state fair housing law.

Less than a quarter of residents were aware of any city or county fair housing ordinance, regulation, or plan. Fewer still were aware of any specific geographic areas with fair housing

problems; however, those that were identified areas such as Alberta, Crescent Ridge, Holt, and North Tuscaloosa.

Finally, public input opportunities during the 2015 AI process included a fair housing forum and a series of focus group meetings. The fair housing forum discussion covered a range of topics, largely relating to the need for a more robust local fair housing infrastructure, an increased and more geographically dispersed stock of affordable housing, and greater education on a variety of issues touching upon fair housing choice. The three focus group meetings were held on January 21, 2015, and the discussion at each was tailored to a general topic, the three topics being “Homeownership”, “Rental Housing”, and “Policy”. Accordingly, the range of subjects discussed at these meetings was broad. However, much of these conversations revolved around a few general themes, including:

- The challenges associated with credit history and the impact of unpaid medical bills on credit;
- Differences in denial rates along racial and ethnic lines, both in home lending and in applications for rental housing;
- The positive impact of credit and financial counseling on participants, and the need to promote wider participation in and availability of such counseling;
- The need to increase the stock of publicly subsidized housing, potential opportunities for development, and potential areas for development; and
- The impact of the University of Alabama on the local housing market, which is becoming increasingly oriented toward student housing.

SECTION IX. IMPEDIMENTS AND SUGGESTED ACTIONS

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

Private Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Higher denial rates to black, Hispanic, and female loan applicants. This impediment was identified through a review of data on patterns in home lending gathered under the Home Mortgage Disclosure Act (HMDA) from 2004 through 2013. According to those data, the home purchase loan denial rate for black applicants, at 28.1 percent, was well over twice the denial rate for white applicants. Similarly, Hispanic applicants were denied home purchase loans at a rate of 29.1 percent, nearly twice the denial rate for non-Hispanic applicants. Finally, the denial rate for female applicants, at 22 percent, exceeded that of male applicants by nearly eight percentage points.

Action 1.1: Increase outreach and education to local high school and college students, focusing on the importance of building and maintaining good credit.

Measurable Objective 1.1: The number of outreach and education sessions conducted and the number of participants.

Impediment 2: Lack of understanding of fair housing laws. This impediment was identified through review of responses to the 2015 City of Tuscaloosa Fair Housing Survey. Though a large majority of stakeholders who responded to the survey considered themselves to be “somewhat” or “very” familiar with fair housing laws, nearly thirty percent felt that current levels of fair housing outreach and education were insufficient, suggesting that there is a perception that knowledge of fair housing is not widespread among members of the public.

Action 2.1: Conduct fair housing outreach and education efforts on the subject of fair housing law and policy, focusing on fair housing concerns in the private housing market. Topics to be presented and discussed may include housing discrimination, the rights and responsibilities of housing providers in the housing market, how to identify illegal housing discrimination, and where to turn when you believe that you have been subjected to illegal discrimination in the housing market.

Measurable Objective 2.1: The number of outreach and education sessions offered and the number of participants in those sessions.

Impediment 3: Lack of a fair housing infrastructure in the city. This impediment was identified through a review of fair housing resources available to Tuscaloosa residents as well as in lack of use of the fair housing complaint system. There is currently no organization at the city, county, or state level that serves Tuscaloosa residents as a participant in the Fair Housing Initiatives Program (FHIP), nor is there a local or state agency that serves city residents as a participant in the Fair Housing Assistance Program (FHAP).⁷³

⁷³ Participants in these programs work in coordination with HUD, and with the aid of federal funding, to provide fair housing enforcement and education at the state and local level.

Action 3.1: Locate a Fair Housing Initiative Partnership participant (FHIP) to provide complaint intake and processing to Tuscaloosa residents who believe that they have been subjected to illegal discrimination in the city's housing market.

Measurable Objective 3.1: Record of attempts to contact and engage a FHIP for complaint processing, the number of complaints filed with the FHIP by city residents, and the outcome of those complaints.

Impediment 4: Discrimination on the basis of race and disability. This impediment was identified through review of HUD housing complaints that Tuscaloosa residents filed against housing providers in the city, as well as the 2015 Fair Housing Survey. The most common complaint among those filed with HUD alleged discrimination on the basis of race, followed by disability. In addition, a number of survey respondents cited discrimination on the basis of race and disability.

Action 4.1: Conduct outreach and education, to housing providers and consumers alike, concerning fair housing law and policy.

Measurable Objective 4.1: The number of outreach and education sessions conducted, and the number of participants in those sessions.

Public Sector Impediments, Suggested Actions, and Measurable Objectives

Impediment 1: Apparent shortage of family-oriented housing in Tuscaloosa. This impediment was identified through review of the 2015 Fair Housing Survey; as well as in consultation with local stakeholders during the 2015 Fair Housing Forum and Housing Policy Focus Group discussion. Survey respondents frequently cited the perceived shortage of family-oriented housing throughout the city, and maintained that this shortage was driven in large part by a recent emphasis on student housing in new construction. This perception was shared and by participants in the fair housing forum and focus group discussions.

Action 1.1: Promote the production of affordable housing units for households with children.

Measurable Objective 1.1: The number of affordable units added to the city's affordable housing stock.

Impediment 2: Lack of understanding of fair housing law. As noted above, results of the 2015 Fair Housing Survey suggest that knowledge of fair housing law and policy may be limited among local stakeholders. Lack of fair housing knowledge was included as both a private and public sector impediment to underscore the role that the public sector may play in addressing the impediment and the fact that lack of awareness of fair housing law and policy impacts the deployment of resources in the public and private sectors.

Action 2.1: Conduct or enhance outreach and education efforts on the subject of fair housing law and policy, focusing on fair housing concerns that are connected to the use of public resources and on the policy process of local government agencies. Topics to be discussed in the course of such education efforts may include fair housing issues in zoning and land use decisions, the requirement to affirmatively further fair housing, and other topics.

Measurable Objective 2.1: The number of outreach and education sessions offered and the number of participants in those sessions.

Impediment 3: Concentrations of assisted housing in areas with higher concentrations of lower-income households. This impediment was identified through analysis of the locations of existing public-assisted housing units, and their relation to areas with higher concentrations of poverty. Housing units that were subsidized by the Public Housing program or various HUD multifamily subsidies were located exclusively to the south of the river, near transit lines and generally in areas with above-average concentrations of poverty.

Action 3.1: Develop a proposal for new apartment or multifamily construction, requiring that a percentage of new developments in the city be dedicated to affordable housing, or that developers wishing to opt out of this requirement pay a one-time fee, to be deposited into an affordable housing trust fund.

Measurable Objective 3.1: Record of discussion and development of proposal, the completed proposal, and subsequent actions taken with regard to the proposal.

Action 3.2: Establish a dialogue between the Housing Authority and Transit Authority to better coordinate the siting of future affordable housing and the expansion of transit routes, with the goal of identifying new areas for affordable housing development beyond those that served by the currently existing transit network.

Measurable Objective 3.2: The establishment and record of dialogue between the transit authority and the housing authority.

Impediment 4: Lack of a fair housing infrastructure in the city. This impediment was identified through a review of fair housing resources available to Tuscaloosa residents as well as in lack of use of the fair housing complaint system. As noted in the description of Private Sector Impediment 2, there is currently no organization at the city, county, or state level that serves Tuscaloosa residents as a participant in the Fair Housing Initiatives Program (FHIP), nor is there a local or state agency that serves city residents as a participant in the Fair Housing Assistance Program (FHAP).⁷⁴

Action 4.1: Solicit the participation of a FHIP in local fair housing enforcement and policy. Establish a contract with the FHIP to provide education and outreach and fair housing testing in the city.

Measurable Objective 4.1: Record of contact with local and state FHIP organizations, the establishment of a contract with the FHIP, and quarterly reports prepared by the FHIP pursuant to the contract.

⁷⁴ Participants in these programs work in coordination with HUD, and with the aid of federal funding, to provide fair housing enforcement and education at the state and local level.

SECTION X. GLOSSARY

Accessible housing: Housing designed to allow easier access for physically disabled or vision impaired persons.

ACS: American Community Survey

AI: Analysis of Impediments to Fair Housing Choice

AMI: Area median income

BEA: Bureau of Economic Analysis

BLS: Bureau of Labor Statistics

CDBG: Community Development Block Grant

Census tract: Census tract boundaries are updated with each decennial census. They are drawn based on population size and ideally represent approximately the same number of persons for each tract.

Consolidated Plan: Consolidated Plan for Housing and Community Development

Cost burden: Occurs when a household has gross housing costs that range from 30.1 to 50 percent of gross household income. A **severe cost burden** occurs when gross housing costs represent 50.1 percent or more of gross household income.

CRA: Community Reinvestment Act

Disability: A lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work.

Disproportionate share: Exists when the percentage of a population is 10 percentage points or more above the study area average.

DOJ: U.S. Department of Justice

ESG: Emergency Shelter Grants program

Fannie Mae: Federal National Mortgage Association (FNMA), a government-sponsored enterprise that purchases mortgages from lenders and repackages them as mortgage-backed securities for investors.

Family: A family is a group of two people or more related by birth, marriage, or adoption and residing together.

FFIEC: Federal Financial Institutions Examination Council

FHAP: Fair Housing Assistance Program

FHEO: Fair Housing and Equal Opportunity

FHIP: Fair Housing Initiative Program

Floor area ratio: The ratio of the total floor area of a building to the land on which it is situated, or the limit imposed on such a ratio.

Freddie Mac: Federal Home Loan Mortgage Corporation (FHLMC), a government-sponsored enterprise that purchases mortgages from lenders and repackages them as mortgage-backed securities for investors.

GAO: U.S. General Accounting Office

Gross housing costs: For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent and electricity or natural gas energy charges.

HAL: High annual percentage rate (APR) loan, defined as more than three percentage points higher than comparable treasury rates for home purchase loans, or five percentage points higher for refinance loans.⁷⁵

HMDA: Home Mortgage Disclosure Act

HOME: HOME Investment Partnerships

HOPWA: Housing Opportunities for Persons with AIDS

Household: A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall.

Housing problems: Overcrowding, incomplete plumbing or kitchen facilities, or cost burdens

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

Incomplete kitchen facilities: A housing unit is classified as lacking complete kitchen facilities when any of the following are not present: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator.

Incomplete plumbing facilities: A housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower.

Labor force: The total number of persons working or looking for work

MFI: Median family income

Mixed-use development: The use of a building, set of buildings, or neighborhood for more than one purpose.

MSA: Metropolitan Statistical Area

NIMBYism: "Not in my backyard" mentality among community members, often in protest of affordable or multi-family housing.

Other vacant units: Housing units that are not for sale or rent

Overcrowding: Overcrowding occurs when a housing unit has more than one to 1.5 persons per room. **Severe overcrowding** occurs when a housing unit has more than 1.5 persons per room.

Poverty: The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

Predatory loans: As defined by the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA), loans are considered predatory based on:

1. If they are HOEPA loans;⁷⁶
2. Lien status, such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and
3. Presence of HALs. For full definition, see **HAL**.

⁷⁵ 12 CFR Part 203, http://www.ffiec.gov/hmda/pdf/regc_020702.pdf

⁷⁶ Loans are subject to the HOEPA if they impose rates or fees above a certain threshold set by the Federal Reserve Board. "HMDA Glossary." <http://www.ffiec.gov/hmda/glossary.htm#H>

Protected Class: Group of people protected from discrimination and harassment. Tuscaloosa residents are protected from housing discrimination based on race, sex, religion, national origin, color, familial status, or disability.

Public housing: Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

RDA: Redevelopment agency

Severe cost burden: (See **Cost Burden**).

Severe overcrowding: (See **Overcrowding**)

Steering: Actions of real estate agents or landlords to discourage a prospective buyer or tenant from seeing or selecting properties in certain areas due to their racial or ethnic composition.

Tenure: The status by which a housing unit is held. A housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

APPENDICES

The following sections present additional data prepared in development of the City of Tuscaloosa Analysis of Impediments to Fair Housing Choice.

A. COMMUNITY REINVESTMENT ACT DATA

Table A.1
Small Business Loans Originated: \$100,000 or Less by Tract MFI
 City of Tuscaloosa
 2000–2013 CRA Data

Year	<50% MFI	50.1-80% MFI	80.1-120% MFI	>120% MFI	Missing MFI	Total
Number of Loans						
2000	70	404	165	62	0	701
2001	65	572	192	72	0	901
2002	53	611	310	76	0	1,050
2003	115	1,345	750	581	0	2,791
2004	66	1,179	663	742	0	2,650
2005	51	1,364	739	785	0	2,939
2006	53	1,298	798	912	0	3,061
2007	102	1,297	792	1,011	0	3,202
2008	58	1,040	529	700	0	2,327
2009	41	492	222	406	0	1,161
2010	39	392	206	353	0	990
2011	59	430	231	393	0	1,113
2012	157	389	394	295	0	1,235
2013	152	420	332	254	0	1,158
Total	1,081	11,233	6,323	6,642	0	25,279
Loan Amount (\$1,000s)						
2000	787	8,904	2,990	1,093	0	13,774
2001	1,521	12,738	4,119	1,137	0	19,515
2002	845	12,982	4,625	1,463	0	19,915
2003	2,143	24,374	12,869	14,089	0	53,475
2004	1,236	24,806	12,710	16,357	0	55,109
2005	1,309	24,930	12,210	16,195	0	54,644
2006	1,004	22,088	12,159	16,011	0	51,262
2007	1,244	19,931	10,710	18,009	0	49,894
2008	760	17,685	8,577	12,849	0	39,871
2009	994	12,244	4,618	9,342	0	27,198
2010	361	8,635	3,255	7,857	0	20,108
2011	983	7,968	3,192	8,086	0	20,229
2012	3,224	6,851	7,082	6,506	0	23,663
2013	2,640	7,852	6,773	5,808	0	23,073
Total	19,051	211,988	105,889	134,802	0	471,730

Table A.2
Small Business Loans Originated: \$100,001 to \$250,000 by Tract MFI

City of Tuscaloosa
 2000–2013 CRA Data

Year	<50% MFI	50.1-80% MFI	80.1-120% MFI	>120% MFI	Missing MFI	Total
Number of Loans						
2000	2	42	10	0	0	54
2001	4	71	18	6	0	99
2002	2	89	25	6	0	122
2003	12	142	76	88	0	318
2004	3	146	63	82	0	294
2005	3	109	62	93	0	267
2006	4	118	63	84	0	269
2007	8	119	50	76	0	253
2008	6	98	37	78	0	219
2009	8	81	36	66	0	191
2010	3	58	21	51	0	133
2011	1	54	23	42	0	120
2012	24	45	33	36	0	138
2013	14	45	27	32	0	118
Total	94	1,217	544	740	0	2,595
Loan Amount (\$1,000s)						
2000	395	6,713	1,531	0	0	8,639
2001	556	11,847	2,896	972	0	16,271
2002	264	14,778	4,353	1,066	0	20,461
2003	2,225	24,695	13,226	14,805	0	54,951
2004	420	26,078	11,215	13,357	0	51,070
2005	459	19,234	10,255	15,123	0	45,071
2006	687	19,939	10,601	14,116	0	45,343
2007	1,327	20,041	8,416	13,054	0	42,838
2008	1,150	16,536	6,369	13,928	0	37,983
2009	1,406	13,452	5,883	11,160	0	31,901
2010	550	9,545	3,610	8,738	0	22,443
2011	250	9,358	4,520	7,477	0	21,605
2012	4,254	8,103	5,709	6,369	0	24,435
2013	2,549	7,816	4,453	5,269	0	20,087
Total	16,492	208,135	93,037	125,434	0	443,098

Table A.3
Small Business Loans Originated: More than \$250,000 by Tract MFI
 City of Tuscaloosa
 2000–2013 CRA Data

Year	<50% MFI	50.1-80% MFI	80.1-120% MFI	>120% MFI	Missing MFI	Total
Number of Loans						
2000	8	18	7	3	0	36
2001	8	71	9	3	0	91
2002	10	87	12	1	0	110
2003	15	119	49	64	0	247
2004	2	120	52	80	0	254
2005	4	93	58	71	0	226
2006	4	102	55	72	0	233
2007	9	104	59	82	0	254
2008	8	95	45	73	0	221
2009	9	56	29	51	0	145
2010	4	53	28	34	0	119
2011	2	48	19	25	0	94
2012	16	51	34	29	0	130
2013	14	32	34	26	0	106
Total	113	1,049	490	614	0	2,266
Loan Amount (\$1,000s)						
2000	4,395	9,485	2,846	1,150	0	17,876
2001	4,992	36,307	4,175	975	0	46,449
2002	5,461	41,623	6,754	361	0	54,199
2003	8,642	62,924	24,135	31,033	0	126,734
2004	1,064	60,773	24,881	40,979	0	127,697
2005	2,105	44,025	31,426	39,391	0	116,947
2006	2,076	52,086	28,256	36,206	0	118,624
2007	5,974	52,625	27,257	41,102	0	126,958
2008	3,506	48,696	21,544	35,783	0	109,529
2009	5,601	31,894	14,208	26,955	0	78,658
2010	1,836	28,219	14,158	17,534	0	61,747
2011	1,490	22,832	9,712	13,349	0	47,383
2012	9,126	24,730	15,773	15,550	0	65,179
2013	7,732	17,006	16,249	11,390	0	52,377
Total	64,000	533,225	241,374	311,758	0	1,150,357

Table A.4
Small Business Loans to Businesses with Gross Annual Revenues of Less Than
\$1 Million by Tract MFI

City of Tuscaloosa
 2000–2012 CRA Data

Year	<50% MFI	50.1-80% MFI	80.1-120% MFI	>120% MFI	Missing MFI	Total
Number of Loans						
2000	31	263	96	38	0	428
2001	50	475	146	61	0	732
2002	35	405	131	55	0	626
2003	69	807	425	454	0	1,755
2004	30	844	454	567	0	1,895
2005	24	779	394	514	0	1,711
2006	18	636	364	468	0	1,486
2007	35	581	323	457	0	1,396
2008	15	433	235	326	0	1,009
2009	17	297	134	260	0	708
2010	11	228	112	202	0	553
2011	29	237	124	248	0	638
2012	83	213	226	177	0	699
2013	89	235	170	158	0	652
Total	536	6,433	3,334	3,985	0	14,288
Loan Amount (\$1,000s)						
2000	3,034	15,367	5,226	1,693	0	25,320
2001	5,518	41,055	9,148	2,130	0	57,851
2002	5,357	38,756	9,947	2,700	0	56,760
2003	7,707	74,684	29,752	42,014	0	154,157
2004	1,612	65,694	33,001	48,327	0	148,634
2005	2,400	55,837	31,984	44,114	0	134,335
2006	1,991	53,633	26,954	42,230	0	124,808
2007	1,688	39,632	17,099	31,245	0	89,664
2008	1,347	39,432	13,533	33,726	0	88,038
2009	2,809	29,366	12,809	26,104	0	71,088
2010	1,887	22,465	9,278	19,981	0	53,611
2011	1,135	15,583	7,362	14,160	0	38,240
2012	6,989	16,585	14,370	12,798	0	50,742
2013	3,843	13,702	12,764	9,892	0	40,201
Total	47,317	521,791	233,227	331,114	0	1,133,449

B. FAIR HOUSING SURVEY OPEN QUESTIONS

FEDERAL, STATE, AND LOCAL LAWS

Table B.1

Where would you file a complaint if you felt that your fair housing rights had been violated?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
Department of Housing and Development Department of Housing and Urban Development Department of Housing and Urban Development (HUDA) Dept of housing ,hud Fair Housing Administration fair housing app FBI Federal Building in Tuscaloosa Federal Court Federal Housing Administration HUD HUD field office, Federal Court, Attorney General HUD, Attorney General, HOPE HUD: US Department of Housing and Urban Development Hud.gov HUD/Birmingham office division I don't know If I thought it would do any good. Lawyer not sure The Alabama Real Estate Commission and The Governor's office. The City The owner's designated persons department of urban and housing development department of justice legal services Tuscaloosa County Courthouse? Up to my attorney US Department of Housing US Dept of HUD With HUD with HUD With HUD I assume

Table B.2

What "Other" type of Tenure?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
Architect Housing Authority Housing Authority Employee Housing Provider Local Housing Counseling Agency, CHDO Property Manager Property owner SECTION 8 HOUSING SPECIALIST

Table B.3
How did you become aware of fair housing laws?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>As a REALTOR, we are required to take CE classes and be very familiar and adhere to Fair Housing Laws.</p> <p>Attending training</p> <p>back ground as a real estate agent, have attended fair housing classes</p> <p>Being involved in a journalistic capacity in stories about public housing and housing access.</p> <p>Classes</p> <p>consulting services to govt/quasi-govt on housing properties</p> <p>Continuing education and reading landlord tenant act.</p> <p>Development of Fair Housing Projects with THA</p> <p>Education from real estate industry sources & organizations</p> <p>fair housing classes</p> <p>From working in the industry I know the guidelines for housing finance. I also own a rental property and am familiar with rental regulations, although I have a property manager that handles it for me.</p> <p>HUD Training Sessions</p> <p>I am a veteran REALTOR with 37 years experience in housing. I have had numerous trainings on Fair Housing.</p> <p>I am currently a social work professor with emphasis on social welfare policy. I have also worked in the mortgage industry and for a public housing authority as the home-ownership coordinator and HOPE VI coordinator.</p> <p>I have been in real estate for 31 years and attended seminars. Prior to that I was denied a rental because of my age & my parents were denied an equity loan because of their age.</p> <p>I own rental property and ask for advice concerning the law</p> <p>I teach Pre-License and have in the past taught Fair Housing as a Continuing Ed Course</p> <p>It is part of what I have to be aware of in advising my clients involved in real estate related matters.</p> <p>Licensed Realtor and Home Builder so I was educated on it early in my career</p> <p>Multiple fair housing courses for real estate.</p> <p>News articles received through banking</p> <p>Operated Sec 8 project in Demopolis,AL for 40 years.</p> <p>Part of our traunung</p> <p>Part of required knowledge for Alabama real estate license.</p> <p>Practice in real estate Real estate mandatory law classes on fair housing</p> <p>Real Estate broker/licensee</p> <p>Real estate classes</p> <p>Real Estate classes and continuing education.</p> <p>Real Estate Continuing Education (CE) training.</p> <p>Real estate training</p> <p>Seminars and reading.</p> <p>staying up on local, state and federal laws</p> <p>Taking real estate courses.</p> <p>The internet</p> <p>There are seven classes of protected groups under Fair Housing</p> <p>Through my training as a full time Realtor</p> <p>Through Real Estate</p> <p>Tuscaloosa Association of Realtors continuing education classes</p> <p>Work</p>

Table B.4
How should fair housing laws be changed?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>Age should be a protected class.</p> <p>Better information materials that deal with language problems of some citizens</p> <p>Definition of what constitutes a 'family' might be reconsidered</p> <p>I think a homeowner should have the right to sell to whomever that feel would work best for their neighbors. These people have invested a lot in their home and the wrong neighbor could bring down the resale value of the whole neighborhood.</p> <p>I think that an open market should drive this type of economic activity. In reference to question 6, I am not aware of any recent cases that involve violations of the fair housing laws.</p> <p>Landlords have certain property rights as well and if a certain "protected class" of people have a history of causing damage to his/her property, then he/she should have the right to deny them as a Lessee. Let me clarify that we lease to all protected classes, but there are times when our gut tells us the tenant would be a bad fit, but we are unable to deny them based on fair housing laws. It is a simple conflict between fair housing and property rights.</p> <p>N/A</p> <p>Students should be a protected class</p> <p>zoning laws exclude some protected classes based upon the restricted occupancy requirements of number of occupants related or unrelated, the moratorium on the number of apartments or bedrooms allowed outside the "box" can be a prohibiting factor for affordable housing construction</p>

LOCAL FAIR HOUSING

Table B.5
Are there any specific geographic areas that have fair housing problems?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>Historic districts should not be allowed to limit the number of unrelated tenant occupants. There's no justifiable, plausible, logical reasoning behind this mindset.</p> <p>The Yacht Club and North Tuscaloosa are slowly adding minority owners and renters.</p> <p>Western Cluster, North Eastern Cluster (Alberta, Crescent Ridge, Holt)</p>

Table B.6
Please share any additional comments.

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>As much time, effort and resources(\$) should be exhausted to disseminate the new plan as utilized to develop and create same. No one benefits when important plans such as Fair Housing are put on the shelf once finalized only to collect dust over the years. Tuscaloosa is fortunate to have the Alabama Center for Real Estate (ACRE) as a part of its community. ACRE is capable of such a role related to community dissemination "after the completion of report" and as such should be in the "next step" discussion once report is completed by consultants. ACRE's education director, Jim Lawrence, is a 30+ year industry professional and instructor and has expertise in the area of Fair Housing.</p> <p>Housing is a key economic activity in which the government should have the minimal amount of interference. The best thing that the government can do is provide incentives to insure that investors are willing to work in the sector of the market that serves those with lower incomes.</p> <p>I feel that understanding and implementing fair housing practices is a critical element in our society. I have worked tirelessly in my career to overcome discrimination in this arena. I believe our local industry do a good job in this aspect.</p> <p>It has been said in some national publication that Tuscaloosa, Alabama is one of the most successfully integrated cities in the United States. That is probably true. We are diverse and progressive.</p> <p>Our companies are now in commercial real estate investing only. We did develop about 1,500 acres of residential subdivisions in the in the 1950-1980 time period. We also did considerable multifamily as well</p> <p>There is a definite need for locally offered Fair Housing training in Tuscaloosa. Individuals who might travel to another area for training opportunities are most probably those that may not have the greatest need</p>

FAIR HOUSING IN THE PRIVATE SECTOR

Table B.7
Are you aware of any questionable practices or barriers to fair housing choice in the rental housing market?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>House rental costs are too high because many are rented to students. Individuals with families are priced out.</p> <p>The vast amount of cost prohibitive "student housing" in comparison with affordable housing designed for families.</p>

Table B.8
Are you aware of any questionable practices or barriers to fair housing choice in the real estate industry?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>See 1</p>

Table B.9
Are you aware of any questionable practices or barriers to fair housing choice in the mortgage and home lending industry?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>I have seen racial minorities offered LOWER interest rates with home mortgages, which allows them to buy in areas where people all others are paying higher interest rates and higher incomes. This, in my opinion, is unfair to the higher income families. See lending ratios in the Tuscaloosa MSA This is a many-layered issue. Mortgages are typically not available for persons with poor or no credit histories. Poor credit is often related to embedded practices with a very long history - lack of health insurance so high medical collections, lowered wages for women, lack of affordable childcare, reliance of lower income persons to use payday loans- so social issues are built into the attainment of a reasonable mortgage options.</p>

Table B.10
Are you aware of any questionable practices or barriers to fair housing choice in the housing construction or accessible housing design fields?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>I think new housing should have wider doors as a standard possible absence of elevators Rentals with less than a certain number of dwelling units (4 units i think?) do have not comply with ADA, and as such do not promote certain types of accessibility features including entry into the unit itself (especially in the U designated zones of the city zoning with a 2' high minimum building floor level.). in buildings not required to have a ramp, then accessibility is not provided for even the simplest functions such as entry. Very little new rental housing in this area is designed for families Would like to believe that all this new construction is being properly monitored for being accessible to the disabled but doubt that it is.</p>

Table B.11
Are you aware of any questionable practices or barriers to fair housing choice in the home insurance industry?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>Again - poor credit means higher or no insurance coverage.</p>

Table B.12
Are you aware of any questionable practices or barriers to fair housing choice in the home appraisal industry?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>Yes I believe that certain neighborhood prices are kept depressed through subjective appraisal.</p>

Table B.13
Are you aware of any questionable practices or barriers to fair housing choice in any other housing services?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>In a subtle way, the approval of the City of Tuscaloosa of too many huge student oriented housing complexes (rentals) have priced many lower and middle class families out of the housing market and created false high rental prices. By renting the units "by the bedroom.", single mothers with children and young families are no longer able to afford the artificially inflated prices of the newer rental complexes. In my estimation, greed has created a glut of overpriced rentals that are outside the financial ability of most young renting families who do not want to "share the expense" with others. This has created "student only" complexes that is a form of discrimination, although not unlawful. Some older areas are not barrier free for individuals with disabilities.</p>

FAIR HOUSING IN THE PUBLIC SECTOR

Table B.14

Are you aware of any questionable practices or barriers to fair housing choice in land use policies?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>Certain areas fight to prohibit low income housing from being developed in their area. possibly zoning/rezoning and District plans</p> <p>The 7 acre proposed assemblage of 24 lots fronting 10th Ave. and running from 29th St. to 27th St. were limited to the zoning of MX3 (3 bedroom max) for the purpose of preventing student housing development in order to benefit a nearby 9 acre vacant rental lot property owner with strong local political ties. Since 10th Ave. is a four-lane which runs straight to the University of Alabama Bryant Denny Stadium with it's own UofA Student Bus Route it obviously would've been the best choice in town to build four bedroom units for students, thus benefiting the general public by providing direct and easy access to campus without creating traffic congestion.</p> <p>the moratorium on number of units of affordable apartments or bedrooms outside the box, no land use banks,</p>

Table B.15

Are you aware of any questionable practices or barriers to fair housing choice in zoning laws?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>District/City plans</p> <p>The 7 acre proposed assemblage of 24 lots fronting 10th Ave. and running from 29th St. to 27th St. were limited to the zoning of MX3 (3 bedroom max) for the purpose of preventing student housing development in order to benefit a nearby 9 acre vacant rental lot property owner with strong local political ties. Since 10th Ave. is a four-lane which runs straight to the University of Alabama Bryant Denny Stadium with it's own UofA Student Bus Route it obviously would've been the best choice in town to build four bedroom units for students, thus benefiting the general public by providing direct and easy access to campus without creating traffic congestion.</p>

Table B.16

Are you aware of any questionable practices or barriers to fair housing choice in occupancy standards or health and safety codes?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>Building code issues are enforced more in high income areas more than in low income areas like westend. Occupancy standards are only enforced in historic districts and forest lake. Never in low income areas.</p>

Table B.17

Are you aware of any questionable practices or barriers to fair housing choice in property tax policies?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>Either lack of incentives or lack of education about incentives for low income and disabled housing.</p> <p>The recent aggressive over valuing and assessing of affordable housing (2x to 3x more than it has been for 25 years) that just happened by the Tuscaloosa County Tax Assessors in 2014 threatens the feasibility of affordable developments and raises the rents of the affordable residents making them rent overburdened. There are no incentives or tax incentives for reasonable accommodations or building / developing affordable housing;</p>

Table B.18

Are you aware of any questionable practices or barriers to fair housing choice in the permitting process?

City of Tuscaloosa
2015 Fair Housing Survey Data

Comments:
<p>English is our language. If I moved to Mexico, I would learn Spanish or get an interpreter for important documents.</p> <p>I am sure this is an issue across the board in most agencies in Tuscaloosa.</p>

Table B.19
Are you aware of any questionable practices or barriers to fair housing choice in housing construction standards?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
Over reaching standards prohibits affordable housing. While codes are often easily found, it is often very hard to determine which codes, IBC, IRC, ADA, ADAAG, UFAS, etc. are applicable and to what extent. Designers, Builders, and Users often are not aware of what standards are required... and when not required, what standards are easily implemented at little or no cost to go above and beyond the minimums in an effort to be fully inclusive.

Table B.20
Are you aware of any questionable practices or barriers to fair housing choice in neighborhood or community development policies?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
(No commentary received)

Table B.21
Are you aware of any barriers that limit access to government services, such as a lack of transportation or employment services?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
Lack of public transportation Lack of sidewalks in many highly populated/lower income communities. Lack of public transportation after dark. Public transportation is not easily accessible from the lower income communities into the business hubs where services and employment is readily available. Transportation is definitely an impediment and barrier for those living in and around Tuscaloosa; many have none and can only be picked up once a week. White's have been discriminated against for many years with respect to obtaining employment with the federal government. Everywhere you look you see unqualified, overpaid token employees you speak and act as though they barely have a ninth grade education with low IQs.

Table B.22
Are you aware of any questionable practices or barriers to fair housing choice in any other public administrative actions or regulations?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
Several of the zoning choices and development plans after April 2011 have concentrated student housing in areas where there used to be affordable housing with access to amenities such as transportation.

Table B.23
Does the quality of the local public school district affect the location of where households choose to live?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>100% of the time. If a person can afford to move Ina better school district they always will. Central and West side is the poorest city vs county schools/living in proximity to selected private schools Good: Verner & Rock Quarry I am not a long-time local, so I cannot say which schools are "bad", but I know which ones are "good" and will only buy real estate in these zones. I can not tell you to what degree this goes on, but there is a perception that the north of the river elementary schools are superior to the other elementary schools in town and that definitely drives people that can afford to be in a district of one of these schools to move to a home in these areas. I don't know of quality per se. But schools are the one thing that is probably talked about most when people are looking for a new home. I think they all are good, but some are perceived to be inadequate. Those located in the Western cluster. Alberta was also, but they just opened a new School this week, with state of the art everything. I, as a white male, do not believe in discriminating against anyone. That includes blacks...many of whom are my closest friends. It is an absolute atrocity of racial discrimination that the wealthy historic section of homes near the university of Alabama would be zoned for Rock Quarry on the other side of the river in an effort to prevent their children from having to go to school with nearby blacks. It's not that one district is 'good' or 'poor'. Because of historically long perceptions, some districts may be perceived to be 'better' than others. I personally don't have that perception. I believe all the schools in Tuscaloosa are basically the same. People will always seek out the best school district that they can afford if they have children or plan to. Some also seek housing in the better school zones based on re-sale value. Prospective homeowners and tenants if they have children most often research the school districts, on-line info, visit schools and talk with friends and co-workers to determine where they want to live. When I begin working with a family they most often tell me in what school zone they want to live in. published ratings of schools/testing Some school districts are considered better than others. Some schools are better than others. You can go to school rating sites to determine which are considered better than others. Tenants more often like to be in the Tuscaloosa County School system versus the Tuscaloosa City School system. The current zoning practices makes little to no sense to most people. People still tend to shy away from areas like Alberta. Northridge is probably viewed as the top Public school in the city at this time. The perception that a school zone is better would affect buying decision for many parents of school aged children. Since many affluent families live in the Rock Quarry area, it is perceived to be better than others by many home buyers. I personally prefer my neighborhood in Woodland Forest Elementary, but that is an individual's decision. The real estate profession is guilty of saying : "this is a good school zone." This is not a good school zone." there is a disconnect between the school systems and the real estate community. This is the norm in any part of the country. If households desire a particular school, or if it is perceived better because it is newer or offers something another school doesn't, then this is where people want to live. I don't believe it has anything to do with fair housing, except for the fact that a school district is offering something to one group that they might not offer to another group. This is the ultimate decision maker for families with kids. No parent wants to knowingly place there child in an underperforming school. Unfortunately, when it comes to race, the under performing schools in Tuscaloosa are historically located in lower-income and black communities. The city schools have made great strides this past year in the graduation rate and I applaud that. I hope it increases the desirability of real estate in the communities they serve. Tuscaloosa has three failing schools according to news accounts. They are located in predominately low income areas in West Tuscaloosa. Best schools are in 35406 ZIP Code. ZIP 35405 seems generally successful. We have a lot of families with elementary school age children request Huntington School zone. I also have a lot of request for Verner school zone & county high schools</p>

Table B.24
Are you aware of any questionable practices or barriers in the Maintenance of foreclosed vacant properties by mortgage lenders?

City of Tuscaloosa
 2015 Fair Housing Survey Data

Comments:
<p>We have numerous foreclosed properties and they vary greatly in the way they are maintained.</p>

C. MINUTES FROM FAIR HOUSING FORUMS AND FOCUS GROUPS

Fair Housing Forum

Comment 1: The denial rates. We are looking at one by race and then another by income. Is there any data that the denial rate is a proportional amount or the amount asked for the loan proportional to the income? Is there any of that data available?

Rob Gaudin: There is a denial reason. There is actually three reasons that can be filled out for each of these records so we can tell if it is due to credit, employment history, and so on. Largely they say that it is credit, but we do not have their credit score.

Comment 2: For any individual in this room no matter their race or their income if you go and ask for a loan, for a home purchase or a remodel or whatever and you are going to ask for a dollar amount loan that is disproportional to your income you are going to get denied no matter where you are in the income or the race stuff. If I want to go by a million dollar home and I know that I can't afford it. If I make an application for that I am going to get denied and that is going to show up in your data correct.

Rob Gaudin: If you were to apply for a million dollar home, you would think that the bank would advise you to not bother, but...

Comment 3: You are saying some of that is probably weeded out.

Rob Gaudin: I would think so.

Comment 4: But they have to count those applications. If you come in and say that I am making \$50,000 a year and I want to apply and buy this home for one million dollars. That technically is an application.

Rob Gaudin: It is not.

Comment 5: It is not? If I tell you my income level that was the education that we just received.

Rob Gaudin: You have to fill out forms and your credit is checked and so on. So there is a pre and in this data there are preauthorization.

Comment 6: The change in denial rates over the last few years, over previous years, is that a result of the banks tightening up a little bit?

Rob Gaudin: You are referring to this here, yes, but other jurisdictions the denial rates have continued to fall, because some jurisdictions they weed out those with lower quality credit rating. Others there is an increase. I think it is independent. The concern I have is this. That blacks and whites are so different. It is true that if you go in and ask for a million dollar loan and you have a \$50,000 income no matter you are going to get denied, but why are blacks so much higher than whites? Do only blacks want a million dollar house who make \$50,000? No, I think it is more. There is institutional problem and why that is I am not sure.

Comment 7: Is that something that HUD continues to work with lenders on? Where the houses are that other information we were looking at I don't see how that relates to where someone's is denied a mortgage application.

Rob Gaudin: There is antidotal evidence that indicates that where blacks want to buy. It happens to be where other blacks live and there are problems with insurance and there are problems with other types of things. So the institutional structure might be limiting their choices. There might be other reasons as well. The Federal Reserve says about this data that you cannot conclusively say that the lenders are being discriminatory. So that sends up a yellow flag to me that this event seems to play out where ever I go.

(Presentation)

Comment 8: I guess that could have lasting effects on their credit, which can affect future transactions.

(Presentation)

Comment 9: I have received a lot. You know what I am saying. I have just heard a lot of stories from people who where living in slumlord situations. I am from Habitat for Humanity. So I am amazed. I think they just do not know where to go.

Comment 10: I totally agree with that.

Comment 11: Because we try to give them the number to the people in Birmingham to call.

Comment 12: Do you think too, that there are a high percentage of folks who just have accepted it and this is the way that life is and I don't like it but oh well.

Comment 13: I think so.

Comment 14: They have become apathetic, not apathetic but disheartened enough to where they are just and they don't bother to complain anymore.

Comment 15: Particularly in a situation where there is not a Fair Housing Center or a HUD Field Office in the immediate area, because there is not a lot of advertising about where to file a fair housing complaint or what is a fair housing violation. So they become used to it and because they don't know what to do with it so they accept it.

Comment 16: There is no alternative. I mean you saw the occupancy rate or lack of the unoccupied rate is 4 percent. Where are you going to go if you live in a house with a roof that leaks like a sieve? That may be better than not having a place to live. There are so few alternatives.

Rob Gaudin: Right. This data was 2014. The 4 percent vacancy rate was this year 2015. So it was 1 and 2 percent when we had zero people complaining.

Comment 17: To think that you have a high degree in this community of hopelessness contributes to a lot of bad things in a community. The poverty, the crime, which I think directly, related to hopelessness is a something that is hard to cure.

Comment 18: You think about the prevalence of the payday lenders and what that does to your credit score and that would be I would image disproportionately those agencies or companies would be disproportionately used by black people. They may not be, but that is such a horrible thing for your credit, because every time you renew it is a new hit. That would contribute to the denial rate if they do try to buy a house or whatever to rent.

Comment 19: I think one thing we don't talk about often enough is about how segregated our community is. It really is and everything that we have seen here underscores that and verifies it. I think we all know it does and I think it has a lot to do with it.

Comment 20: What is the solution to that. I guess that is what we all need to think about and talk about. We mentioned the cost of land in some of the higher income areas. The idea is to spread government assisted housing throughout the city and not concentrate it in what you said the lower income areas only. How do you do that? How do you buy those very expensive properties in the higher income areas and convince the folks that live there that government assisted housing on this piece of property is a good idea.

Comment 21: It goes back to affordable housing and not necessarily government assisted housing, but making housing affordable.

Comment 22: With HUD we are talking about government assisted.

Comment 23: True, true. That is one form of affordable housing, but I think the bigger picture of affordable housing in the City of Tuscaloosa has to be addressed.

Comment 24: I can remember an incidence several years ago where this was proposed in one off the higher income areas of town and you would have thought we were ending the world there. How do you get over that?

(Presentation)

Comment 25: Before we get too far on this topic. I could have sworn that UA Law School had some kind of work in this area. You might want to call the Law School and ask if there are some groups working in the housing area and request the data. I guess these calculations need to show up at HUD, but I would call the Law School. It is the institute and they do work in this area.

Comment 26: Even though we do not have a lot of complaints or any complaints in some cases you are not suggesting that we do to have a problem.

Rob Gaudin: I am suggesting that there is a problem. There are institutional barriers.

(Inaudible)

Rob Gaudin: One person at a time. If we don't have an organization to lean on to serve this need. Where can we go? We can report to HUD. Actually, Alabama Department of Economic and Community Affairs are supposed to be the state's agency, but they don't do it either. State law is structured that ADECA is the entity that receives complaints and processes them, but they don't do any of that for whatever reason. So, we are left a little bit in a lurch on that.

Comment 27: With the right resources we would gladly take on the challenge.

Rob Gaudin: Which challenge is that?

Comment 28: Having a solution that complaints are organized and kept. They is no way that in 2014 there were zero complaints. That is not realistic.

Rob Gaudin: I agree. In 2011, 13, and 14 there was nothing registered. I do think that is unrealistic.

(Presentation)

Comment 29: Have additional surveys been done since last time we meet? That was part of the discussion.

Rob Gaudin: Then it was 76 and now it is 93. I checked it this morning, but 93 is still a little low.

(Presentation)

Comment 30: Do we know the race of the proportion of people who answered that survey?

Rob Gaudin: No.

Comment 31: And if they are in users or knowledgeable participants. I would consider myself to be knowledgeable on very few of those categories, but in user of many of those categories.

Rob Gaudin: We have a question that asks them if they are a homeowner, renter, or other as well as their role in the housing industry. So we can sort them by these things, but there aren't really enough to make that a meaningful conversation, because with five they are probably familiar with the rental market, but no is fairly significant.

(Presentation)

Comment 32: Is the missing, they just didn't answer that question?

Rob Gaudin: Correct.

Comment 33: If we do this again ever can we change it to where it is a forced response and can't move on until we get rid of all of this missing data?

Comment 34: Basically to encourage people that if you really don't know to put don't know. It is OK not to know any of them. That is an answer and that is important.

Rob Gaudin: If we were to say that you must answer this then all the other questions would be missing. People would just quit. So we can't put a barrier.

(Presentation)

Comment 35: What are HUD's guidelines for having a local office. Do they have a geographical area that they won't duplicate? It sounds like they have one in Birmingham. That would be the closest.

Comment 36: Right, the HUD Field Office is in Birmingham. There was an RFP out last year for the FHIP for local municipalities which we did apply, but we weren't one of the ones that were granted. So it is possible to have a program in your local area.

Comment 37: I would think just based on these numbers that it probably wouldn't have to be a large office. Maybe just a satellite with one or two or three people could probably handle it. That may be something that we get in contact with HUD and keep applying for these grants and things.

Rob Gaudin: Some jurisdictions have been able to locate a FHIP participant. There were three in the state and now there are two and provide them with a little bit of funding to open an office or stop by or be available for inquiries. You could advertise that group. So that is something to consider hiring that service. You could also have them do outreach and education.

Comment 38: You mentioned earlier a lack of enforcement and people answered largely yes. I don't know who would be doing the enforcing. To say there was a field office who collected significantly more complaints be that mortgage lending, be that rental rates or whatever, who then takes that data off the spreadsheet and does something with it? This is a regional question. What have other cities done to help enforce these complaints other than just resolving them by getting them leased? If you show up on the door you might get it resolved and you might get a lease for that one person. Who typically enforces these on a larger scale if anybody ever?

Rob Gaudin: That really depends on the jurisdiction. We are talking about having HUD be the entity that processes the housing complaint. The FHIP largely will defer the complaint to HUD, but they will look at it first. So, if you can get it reconciled prior to going to HUD that is a good thing and it is good for everyone. It is handled in a lot of different ways depending upon the finances, the political structure, and organization whether it is a city or a county or a bunch of cities or a regional government or a state government. A lot of different things can occur. So the question we have to decide upon is what we are going to do about it? What is Tuscaloosa going to do about this? This is what the study does. It recommends actions and give you measurements. So what I want you to do is buy in on what I am asking you to do, but if you don't like it you can modify it or whatever, but in the end it is your study. It belongs to you.

Comment 39: I know the city, we being in planning and development services we respond to propriety maintenance issues. We get a lot of calls for there is a hole in my roof and the landlord won't fix it. We can enforce that and it may be something there that we can publicize that service a whole lot more that if you do have living condition problems you can get in touch with us and we have laws and ordinances that can handle that.

Comment 40: Does the city or the municipality assist in either enforcing or collecting fair housing complaints?

Rob Gaudin: The city is involved, as this gentleman just described policing the physical condition of the unit. That landlord might not discriminate. He might be crappy to everybody. That is what I think you are talking about is the crappy landlords.

Comment 41: I don't know if we get involved with the discrimination side of things. We would get involved if there is a physical problem with the unit from the building, like cockroaches, holes in the roof, busted pipes.

Comment 42: We don't discriminate by ownership. If you have a dilapidated house you have to fix it.

Comment 43: It doesn't matter who owns it.

Rob Gaudin: I don't think the city has an ordinance on the books to enforce for fair housing. That could be something that you could consider for example writing and ordinance then you have a lever to enforce fair housing.

Comment 44: So could you write an ordinance or something that says that for instance all of the people who rent housing in the City of Tuscaloosa or originate loans. Loan originators already have education that they have to go through, but all of the people who rent have to go through education on what they are required to do in orders of maintaining their property. What they are required to do in terms of making accommodation for people with disabilities or whatever.

Comment 45: Building code has built in and depending on the type of structure building that a certain number of units have to be accessible. So that is partly there.

Comment 46: I am just thinking about the houses, the little rental shotgun houses in the west end basically, other places too, but primarily in the west end that you know. What are the requirements? Are those landlords required to make accommodation for people who aren't or how are in a wheelchair or have whatever disability.

Rob Gaudin: They aren't, but the tenant needs to...

Comment 47: So the landlord of those units, they don't have to make every unit accessible. Only X number of their housing stock as a whole is my understanding. So they are not required to make. If it is less than three units they are not required out of the gates with three or less to be accessible. I may be wrong, but as an entity can provide fair housing in terms of accessibility.

Rob Gaudin: Right, if a tenant wants accessibility they fall outside the guidelines. It is the tenant's responsibility to chip in the dough. Then you can ask them to remove it when they are done, the tenant. So that is part of making reasonable modification. Accommodation may be changing apartment policy so they can park closer to their door.

Comment 48: So back to your point. Education and being holistic is actually a huge part to this. It keeps going back to the lenders, the consumer, and the professionals. So education is going to be a big.

Comment 49: It could be more effective than any enforcement I think.

Comment 50: If I am right and this is one of the things that I was speaking with someone from HUD about and very recently at the NCRC Conference is even in Tuscaloosa, if you and all over the country, if you want to get any kind of a downpayment assistance for home purchase or if you are looking to increase your credit score so that you go through the credit building in order to obtain a lease. We do a wonderful job of teaching people about fair housing and how to recognize fair housing violations, but we don't do anything for those folks that they are trying to get a lease form. That is not a requirement of a regular updated certificate that you have in fair housing training for the most part it is up to the individual landlord. So, I totally agree with her that there should be some kind of requirement, because what it would do is lessen the burden on the city. Say hey you need to go and have some fair housing training. Then you don't have this glut of folks that are coming back and saying that I have been discriminated against and this person cannot say that I wasn't aware, but I will do better next time. The other thing that I wanted to say that in the conversation about the city beginning to accept complaints monitor and to track complaints. I think you totally lose your arm's length distance when you do that and I just don't think, because of my history and my background is fair housing. I don't think you want to get involved in that at that level. Where you are now I think that is a good place for you and if you have an auxiliary or a partnership or something

that is available for you to refer people to and they do the monitoring and tracking then that leaves you kind of neutral. If that makes any sense.

Comment 51: So we could refer then to you all.

Comment 52: That with the proper funding.

Comment 53: That policy program might, in the discussion you mentioned, in a perfect world the complaint would go into an entity and hopefully it is mitigated so it doesn't get to HUD. In a perfect world it is mitigated that way it doesn't filter up to HUD. Is there things in place that you get punished for a compliant going to HUD?

Rob Gaudin: No.

Comment 54: I just wanted to make sure. The HUD data that might be why there is zero, because everybody might be trying to mitigate it at the local level so that mother HUD doesn't come down hard in the community. This is a process question.

Rob Gaudin: There are so few complaints. It is surprising.

Comment 55: I think one of the practical things that we could do is the city does a lot with some of our prevention programs and rental assistance and there are several agencies that provide different types of utility or rental assurance and asking that part of the community to come together and requiring almost if a person comes in wanting assistance with rent whether they have fair housing issues or not doing that. Taking that few minutes of time to educate them and make that a set part of the process, because you are already beholden to care anyway if we have something they want. So they could spend ten minutes with you and talk about that. You may find things out. The other thing I would say and I think she gets this too, I could probably check my voicemail now and get someone complaining about their landlord or something be it fair housing or whatever. When it is a fair housing issue and it is a physical issue I say two things. You can call and report this property as an issue, you can do that. The second thing I say is there is someone who can handle this and I refer them to the local Field Office, but that is our process is to answer like if someone was to call us. If it is to, we try to, if it is not a physical issue with the property and it is straight up discrimination and you can't do whatever we very strongly encourage them to call so that they can do whatever. We also work with legal services on things and have talked to them in the past about doing a clinic around parts of the community with regard to Landlord/Tenant Act, fair housing, and just letting people know what their rights are and what they need to do or not do and how to be a good tenant.

Comment 56: Is that a city initiative?

Comment 57: Non-profit, but they handle a ton and a lot of what legal services does ends up being, my landlord wouldn't fix something so I stopped paying the rent, which we all know that you can't do. If we could educate them on the front end than half of that stuff wouldn't even make it to court, because they will know I can't do this. This is how I handle this. They don't know how to properly negotiate with their landlord to begin with just based on that kind of stuff. They don't know that they have to put it in writing. They don't know that they need to keep copies of things. They just don't know. They don't know how to negotiate a business transition period much less deal with a landlord that are holding housing over their heads. If you take people in crisis already and we have slumlords, what are they supposed to do?

Comment 58: I would ask the question and may be you in your nationwide experience would know this. What would you consider a comp city to Tuscaloosa? Somebody who is doing it right? Somebody whose numbers represent a proactive community. I know that is probably a complicated question because it needs to be similar geographic stuff, similar size, similar HUD status, but I went to see them and we do comps and everything we do. We do zoning and what not. Who is a comp that we could look to learn from?

Rob Gaudin: I can tell you the best thing to do is have a FHIP here or nearby and engaged. Recently the one lost funding and I think in your geographic area and so we might to try to outreach to them and because they are still around, but they are kind of a skeleton at this point, but for you guys I think that is kind of the path for you. It is not like real estate where you measure comparable and decide what to do. You have to work through your own situation in this case. We have limited resources. Maybe you had limited level of political leadership or political will to find the resources to pursue this matter. So that is also a challenge, but to take some resources of some form that is really you need someone, something, an entity to take those steps. I really like your suggestions. It is absolutely correct and to have an agent if you will operate for you. It is really the best thing.

Comment 59: I do think it would be helpful to see what other cities have done. They may have had other ideas that worked for them that we would never think of just because the broader your base of ideas the better you choose to do those things or not. I do think it would be helpful to know what other cities, who have been successful in making significant improvements what did they do. What did they do to improve their status? There is no sense in reinventing the wheel. I think we all need to have input and we have to go through our process, but if we can get ideas from other people who have done this before than I think that would be very helpful.

Comment 60: Looking at some of the data there is a significant issue here. Is Tuscaloosa going to be serious about fair housing or not or is this report just for the file and push it another decade? I think at some point the City of Tuscaloosa leadership at the Mayors level is going to get serious about this. If we are and it is going to take some resources. It is not going to cut it to solve this issue long term. So what do you think the Mayor's gut is?

Comment 61: I never imagined understanding that, but to me there is this huge correlation to affordable housing and fair housing. If we solve the affordable housing issue citywide, holistically then it would probably go a long way to eliminating fair housing issues. That is just my basic thoughts on it. I look to and I don't know maybe she can speak to this, but as far as affordable housing are we just reliant on CDBG funds? Are you not collecting any other types of funds? Are we just doing HOME program? What are we doing for affordable housing? The HOME program or CDBG funds?

Comment 62: Really combine all of them. The HOME funds are so limited now that if a developer is not coming and structuring a multilevel deal we are not going anywhere with it. With the HOME funds combined with tax credits to do affordable housing and then DR has some money for it. You guys are doing rental and homes.

Comment 63: So it is rental assistance programs?

Comment 64: We have another program for rental assistance and the rents alone were affordable in TBRA. That is also a part of HOME.

Comment 65: So as those funds dwindle and it is just like transportation funds nationwide, cities are going to be saddled with those costs for maintaining transportation structure just like housing infrastructure. So, I don't know and I just think big picture that the city is going to have to start generating funds for this and for transportation and for other things. I think the mayor has done very well, especially with the transportation stuff, but I think it is equally to housing.

Comment 66: We have 4,000, almost 4,000 apartments in Tuscaloosa and the lower the price we have worse occupancy in that than higher the price. The higher end ones are the very best occupancy. So there are some affordable options out there.

Comment 67: Can that be resolved if you keep lowering the price and the prime rates are going up and your issues are going up and then that complex has a problem?

Comment 68: I don't think so. We do a pretty good job with ours and but certain and not every area in town you can lease for the same amount.

Comment 69: That is just it and housing affordability goes beyond the price of rent. There is a huge transportation component to that that really just gets overlooked. When you have low rents in a place that is isolated from work and things that people need every day their transportation costs increase and you really haven't solved a problem. I think it is a bigger picture that we have to come up with holistic solutions that maybe don't rely so much on federal funding. I know one municipality that I was looking at recently and I think we mentioned that to you. They collect impact fees for large scale developments, but they also have an affordable housing requirement that a certain number of affordable units have to be developed within every say multi-family project that comes along, but in lieu of that the city will take a cash payment if you don't want to build those, but they take those millions of dollars and they invest it into the programs. The extensive array of programs and projects that disperse affordable housing units across the city. I think that is just genius. We missed an opportunity on a lot of those instances where we could collect those dollars, but there are other ways of doing things I think than simply relaying on the federal funds. I don't know what the answer is.

Comment 70: I know and everybody knows the Low-Income Housing Coalition is pushing for the funding of the Housing Trust Fund. One of the reasons that I am pushing for it is because I come from and my last employer was a municipality where we were able to do so much through funds through State Housing Improvement. We got as you were saying an inherent problem. When I came here I was so amazed that you had, if you will, housing that was extremely low in price, but was undesirable and then you have this very high-end housing and not very much in the working class housing here, but we have a glut of student housing and just perhaps unintentionally the city created more of a problem in affordable housing in allowing so much student housing to be constructed without the kind of forward thinking of the affordable housing availability. I sit here and I want to stress that very much that affordable housing doesn't mean for individuals who are very low-income in poverty. People who go to work every day and working class people still need affordable housing. I understand what you are saying can we start putting government assisted housing in a neighborhood and that people panicked, but even internally we need to look at how we state things. Look at the wording that we use in a campaign and to make certain that we are not coming out of the box with things that would be offensive to some of the residents of the city.

Comment 71: I agree. I think that terminology is being confused. Affordable housing in this community seems to synonymous with government subsidies or government subsidized housing or Tuscaloosa Housing Authority or something like that.

Comment 72: It comes back to education. (Inaudible) When you say affordable most folks think government assisted.

Comment 73: I think it exacerbates the whole problem too is the racial and income divide that we have in the community and it just all works together.

Comment 74: Where is our affordable housing located? Based on what you have shown us it is mostly in similar areas. I didn't see any on the north side of the river.

Comment 75: No, I don't know a lot of the background. My involvement if we want to call it affordable housing or assisted housing is working with the Tuscaloosa Housing Authority. We have tried to help them identify by sites for development. We have worked with them on redevelopment of some of their communities here like Rosedale, McKenzie Court. Just recently we were at the planning commission a few months ago. We insisted or they actually ended up finding a property that meet the criteria for them to do a multi-family development and it was in the west end of town. I don't know what all they have to try to meet. Some of the things that I do know about is they have to identify a site that is in the proximity to grocery stores and doctors' offices.

Comment 76: Near public transportation.

Comment 77: See we don't have that north of the river. There is no public transportation north of the river so you can't.

Comment 78: The Housing Authority is desperately trying to find something that meets these criteria on the east end of town. I showed one of the development partners a piece of property yesterday and he is going to start searching and see if it can fit the criteria. I don't know what bumps some of our locations in town out of this.

Comment 79: You are only dealing with or it sounds like you are dealing with the Housing Authority and you are dealing with federal programs and programmatic type dollars. I am wondering if there is a way that the city can create its own system. That doesn't rely on all of those factors and constraints that the city could actually get the dollars and get the programs to put housing where it needs to be.

Comment 80: So is the city going to become a developer of affordable housing or are they going to provide the means to?

Comment 81: Maybe there are partnerships, but I know there are communities that we could explore that they have done it.

Comment 82: Why are we only building? It seems it me you are talking about buzz words.

(Inaudible)

Comment 83: There are working the system that is there. The only system that is and if we create another system and can solve affordable housing it could go a long way to abate crime. We go a long way to relieve the segregation, the sense of hopelessness. It all works together.

Comment 84: It is a big thing and I don't have the answer. Any time I talk about stuff people say what is the answer and I don't know. The community has got to help figure that out I think.

Comment 85: You were talking about earlier there were a certain number of units in a large development or whatever size development that would be set aside for affordable housing or they would have to pay. I don't think you would have to do that only when the development was new. You could do that say beginning in January 2017 or whenever. You could implement that you need to set aside a certain number of affordable housing units or you need to pony up X number of dollars per unit that you were required to provide that you did not provide.

Comment 86: It would be a very tricky.

Comment 87: It could be done. It is more political than illegal.

Comment 88: You are going to come to a developer that just built something three years ago and say you have to change the income or the rental rate of some of your multi-family housing or you are going to have to offset that by putting money in this fund.

Rob Gaudin: I just want to emphasize that we are straying a little bit off track from our goal which is trying to decide what to do about the impediments that we are experiencing here. Some of that is indeed where to locate affordable housing and mechanisms to help, but the larger issue is what are we going to do? Outreach and education is really a good first step for you all.

Homeownership Focus Group

Comment 1: I say that they are being denied right now for credit issues. That is the biggest problem that I see right now. The biggest one is for medical collections are causing a lot of folks to not be able to get into houses. It is the biggest problem that I see in this county, medical collection. I wish somebody would do something to stop medical collections from appearing on credit reports.

Comment 2: Someone in the last session said that they are bringing it before legislation to take it off.

Comment 3: It needs to. It is a scam in this county.

Comment 4: Let me ask you this question. Do they, are the ones where people leave the hospital and are paying a monthly fee to the hospital?

Comment 5: No, these people have no idea that they owed the money. I don't want to call DCH, but 99 percent call DCH. They walk in the front door and they never get a letter, that cost \$30 or \$60, than that \$30 or \$60 turns into \$100 after a couple of years. It is the thing that I find with most loans around here are medical collections.

Rob Gaudin: I have heard this before that medical history and debts that cause that have led to these groups. What can we do about that?

Comment 6: The law needs to change the legislation on credit reports. That is how you stop it and do some more notification of folks. Let people you owe \$30 and where you owe and say that they have received this information and confirm it. It is preventing so many people from getting their homes, because it kills their credit score and everything that we do now is credit score driven.

Rob Gaudin: Is there anything we can do and you are talking about the vendors. The suppliers service, is there anything we can do in corporation with the lendeer or attempted lendeer or client?

Comment 7: The government agencies are collecting those credit scores and those collections against go into those credit scores. Unless you revamp and say you cannot put medical collections in these scores anymore or put them in credit report. There has to be another means to collect that, but not in credit reports.

Comment 8: What do you do about those people who totally refuse to pay their medical bills when they know. Me and you both know that a big part of that is that people just ignore the medical bills. So how can you punish everybody else?

Comment 9: Things like a notification when you are going out that you are in a hospital and you owe this and here is a time frame to get it resolved and maybe there is a way to deal with it at that point. Most of what I see is under \$100 and they have collections that they never knew about. I see it all the time. It is a big problem here.

Comment 10: I think that one of the culprits is to require to make sure that that notification has been presented and require to be signed.

Comment 11: We treat that as credit but it doesn't go under any of the other regulations that anything else. Say you go for an MRI and you copay is \$250. It is not treated like it is a credit account, but it appears on your credit report. If that is the only thing that is on your credit report and we see that a lot in homeownership as well as folks who come to us for rental leases and we have a credit score that doesn't work and we have to deny people.

Rob Gaudin: I am still stuck on the client. The consumer if you will. Is there something we can do with them to help them understand what appears on their credit report and how they might improve that?

Comment 12: We go through the credit counseling with them. We have a debt service counselor that we go through and will come him and fix these things and come back in six months and see if it actually happened that way. We can go to CreditReport.com and go online and if they don't think it is theirs then dispute it. If that dispute works out to come back in six months and see where they stand at this point.

Comment 13: We have in-house programs for individuals who have been either denied a lease, mortgage, or in default where they go through our credit building program where they work with people.

Rob Gaudin: You are with the Housing Authority?

Comment 14: No, I am with Community Service Program for West Alabama. We among many things are a local Housing Counseling Agency.

Rob Gaudin: How successful are the people who come out of your program?

Comment 15: Let's define success. If the individual sits through a four hour class, they are going to leave that class with a better understanding of credit reports, how things are filed on their credit report, and what to do when things are there. If they go on and take the next step and begin a one-on-one relationship with a counselor than the success rate is very high for them to improve their credit score. They have short term and long term bench marks. They have a coach and a cheerleader that is helping them through the process. Of course that helps and as everybody at this table knows, there is not a lot of funding for that kind of thing.

Comment 16: How long does it take your client to make a drastic increase in their credit score from the time they have counseling.

Comment 17: It really depends on what is on the credit score. If you are talking about an individual that doesn't have a lot of accounts and the negative on their credit report is say maybe a home account and the two or three times that they went to the emergency room. That is impacted quickly. What we instruct folks to do is when you go to DCH and make that \$50 payment towards that balance and have them call it in. They call it in right then and so you begin to see it drop right away. Now we get other folks all the way from very low income to more moderate income people and sometimes they have a lot of stuff going on and that takes a while. I think that the education piece is probably the most important piece because it stops you from adding on stuff. You know that when you go.

Comment 18: In your experience the credit issues are a bigger problem for the client than income levels and debt to ratio.

Comment 19: The ratios are sometimes a problem. We are a credit union and I can do a pay instead of qualified mortgages. So I can go over the ratio a little bit. Income alone is another problem. Why place limits on people's income to better themselves. What you do is you start putting people incomes in the same area and you don't spread it out. You have income limitations. So you are penalizing someone for bettering themselves. They you take someone with the same income level in the same community then that community never changes and never grows. You are saying that if I am a builder that I am only going to build that certain house, because that is all that this code allows me to do. If you take income locations away then you have higher priced people starting to move back into the area. You get more diversity there.

Comment 20: The other thing is the entails are they new purchases or is it refis and new purchases combined.

Rob Gaudin: The denials are just home purchase. Not refis and not home improvement loans. Whether that is the purchase of a newly constructed unit or an older unit, that is a mixed bag.

Comment 21: In these numbers can you identify why those people are denied?

Rob Gaudin: Each record has three fields where the lending institution can offer a reason. I think there are seven or eight reasons. Credit is one. Other is another. Employment history and debt to equity is another. It really is about credit other.

Comment 22: What are the top three? Look at the top three then you start whittling away at those top three.

Rob Gaudin: I don't have a credit score, but I have this narrative credit history and employment history and debt to equity ratio. Those are largely the three most frequent. The problem in the last few years is this category called Other has expanded quite a bit. It could be the largest now and now there is one called Missing even though this is required there are seven institutions that regulate all of these different flavors of lenders, brokers, banks, and even HUD is involved because there is manufactured housing lenders in here. They don't necessarily have the same rules in place. So this missing is also a category and when we compute that we see that is missing. What I look to see is if some racial group has a higher percentage of missing than another and that does not seem to be the case usually.

(Presentation)

Comment 23: I think that the biggest thing is that they are head of household. They are carrying all of the debt. The same thing with the collections. They have kids and they have to take them to the doctor and they are a single parent and they are trying to run a household. It is just more difficult. So instead having a married couple do it you have one lady trying to raise three kids and think about what all of that takes on. That is the reason why with higher ratios and worse credit.

(Presentation)

Comment 24: It is very low in my opinion. Our main lending source went out of business. So funding became very sparse. We also have had a lot of manufacturing companies that we here and went out of business due to that.

Rob Gaudin: Manufacture housing has under gone some sort of a stress. Some geographic areas in the south these manufactures tend to sell to certain minority groups over others and they tend to sell them as a predatory-style lending instrument, but because those HALs have gone away it has dissipated from the market place as well. So that is really very good.

Comment 25: Historically it has been about nine or ten years ago we used to have manufacturing housing companies contact real estate companies locally. What they would do is try to entice the people to come to their lot and sell it as a package deal and the interest rate was astronomical, but that hasn't happened in years. The biggest lending source for manufactured housing was a company called Green Tree.

Rob Gaudin: They are out of business.

Comment 26: They are from the manufacturing side. They are back, but they are doing more lending from housing not manufacturing housing.

(Presentation)

Comment 27: I think also that the predatory lending is also a factor in why you don't see more complaints concerning home purchase is because what happen is when those individuals come up against problems in getting standard mortgage that is when they turn to predatory type lending process. So they get a mortgage. It just is not an affordable mortgage. Maybe they are just so happy to get a mortgage that they just don't complain. So when they tried to just get a standard mortgage product and were denied, they didn't stop. A lot of times they get steered toward substandard products.

Rob Gaudin: I appreciate what you are saying there. I think that is true. If I understand you also to say that there are little manufactured home placement in Tuscaloosa.

Comment 28: There is a huge need here for them.

Comment 29: Yes, we just really don't have a place to put them. We have an area called Holt that was devastated by the tornado. There are areas where there were single family type structures that were blown away in the tornado. We are going back to manufactured housing.

Comment 30: You can't have them in the city limits.

Rob Gaudin: You cannot have them in city limits. That is interesting that you say that. Are you saying that manufactured housing is not allowed in the city now?

Comment 31: I think that has been a thing.

Comment 32: It is.

Comment 33: That is part of the reason that we did not have FEMA trailers after the tornado. That was something that I asked the mayor about. Why we didn't have those and he said that we don't allow those in the city limits period.

Rob Gaudin: What is the community sentiment about that zoning law?

Comment 34: I have been here less than five years and I haven't heard a word about it.

Comment 35: Me neither.

Comment 36: I think the concern from the city and I can kind of and I hesitate to even say this, but I think the concern is with the FEMA trailer was that they would never go away. I think that was the concern with that and getting people to move and to transition out of that to an apartment or permanent housing.

Rob Gaudin: I can certainly appreciate communities that are thinking about a 1972 manufacture house that sits on tires being one type of a dwelling.

Comment 37: I think it is with that type of thing.

Rob Gaudin: A separate type of issue with something built with existing building codes and energy efficiency and is designed to fit on a permanent foundation.

Comment 38: You are talking about modular housing which is part of manufactured housing.

Comment 39: Do you think that a lot of people would maintain it to city codes? We have a really strict city code.

Comment 40: Yes you do.

Comment 41: Better than other loans because those are mobile and they have to be moved. They are free solid structures now.

Comment 42: They are used a lot and it has to be solid construction. I think it is the perception.

Comment 43: That is exactly what it is.

Comment 44: What percentage of your builders build modular homes?

Comment 45: None.

Comment 46: That is what I thought.

Comment 47: We had a builder in town that tried to do it in 07 or 06. Somewhere around there when the market was so hot that he bought up some lots and his plan was that he would have these homes ready in two or three weeks rather than in three months. It did not go over well even with the market. At that time what he was trying to get for them I was building a site built home four lots down for the same price.

Comment 48: I get it. They were like why would do this.

Comment 49: When you go to resale there is going to be a difference. It was different if you were buying the modular home for \$40,000 less than the stick built, but it wasn't. They were carrying the same price. There are other things. The new energy code that is coming out. They are not held to those standards that builders are. So they are not going to be as efficient. They are not going to be as tight, but even being a builder I can argue both sides of those stance everyday on whether that is the right stance to take.

Comment 50: Modular does fall into the manufacture housing which has different code compliance. That is an issue.

Comment 51: It is. Also when you bring in a modular home you do not have to get city inspection and you can buy a permit to bring it in. You know how we have to go through this process. There is nobody inspecting it.

Comment 52: I have never heard of that. That is crazy.

Rob Gaudin: No building permits, right? Would you need to have it inspected for electrical and plumbing permits need to be pulled?

Comment 53: Basically it is like a final. That is how it was back then when he did those model homes. Like I am saying we really didn't have anybody in the area doing them.

Comment 54: Except it was probably a loophole.

Comment 55: The last conversation we had about modular housing was in 2012 after the storm. We had a company a couple of companies come in trying to expand that modular program here, but it didn't go anywhere.

Rob Gaudin: Is that because people don't want it or it was not attractive for people to purchase or was it...

Comment 56: We are pretty hardheaded here in the south.

(Laughter)

Comment 57: Manufactured homes carry a much higher interest rate and in qualified mortgages came out a few years ago all the lenders got scared to death of them so we cut them off. We are actually in the process of redeveloping a manufactured home programs and I will have one ready in about two months. We are slowly getting back into it, but the knee jerk reaction is cut them off completely because we did not want to be on the radar for doing anything that was considered predatory.

Comment 58: A doublewide manufactured home is not called \$29,000 anymore. They call it the \$85 and \$90 and so when you go to, and it depends on the lending as long as your credit is good and upstanding and you can get appraisals for your property, you can get your property refinanced. A manufactured home, like you said they got scared and everybody just quit doing it. So then you are stuck. I don't know if you all have a study on this or not, when the foreclosure market hit you all got hit with a lot of manufactured homes. There were ways that people did ARM loans where the interest rate was cheap back on 05 and 06. Interest rates right now are very very low still, but people get ARM loans where they were fixed for five years and then they went variable. Then when they went to refinance those manufactures homes they could not. They could not get the appraisals. They could not get the money. So they walked away from it. In my opinion what a manufacture home cost to put here the numbers just don't work.

(Presentation)

Comment 59: I know they changed the whole occupancy thing with two or more unrelated near the campus, but that really had to do with the students and having student housing. They would rent these houses and you would get all of these people in there. I don't think that is citywide. I think that it is primarily near the campus.

Comment 60: It is in an area in and around.

Comment 61: Zoning here is really really strict. It is. From a builders standpoint there are areas that we would have attempted to build in that were lost from the storm, but due to the local city requirements. Everything cost a dollar and we have to pass that along to the consumer. There gets to be a point where you start to look at the bottom line and the figures and you realize that the area will not support just because you want to build it back. There were areas that did not have underground utilities as far as power, sidewalks and those things. The city came back and said that you were required to do those. That costs money and it costs the builder money and it is hard you pass that onto the consumer. I think that is another reason. They have easements on some of that. Haven't they?

Comment 62: Only where these vacant lands are, you are required now. You can get by if you build and you find a lot that was damaged on an existing street you don't have to meet those qualifications.

Comment 63: That was an issue.

Rob Gaudin: So they started down one road if you will and realized that they made a mistake so they changed that to allow this infill in some of the areas that were hurt by the storm?

Comment 64: Exactly.

Comment 65: At the desecration of the housing tsar.

Comment 66: It is kind of sad because I think immediately we would have had more building going back, but once you were hit with that I hate to say this and it puts this bad taste in your mouth and you just go to other areas and try to get it off the plate. I think that to some degree that did hurt.

Comment 67: Some of it I think it was a factor from when they were very careful. Particularly in Alberta I heard that they were really careful about how they did that and not let things increase. They rezoned some of the business so that some businesses could go in, instead of predatory lending. I appreciate that side of it. I wonder if it had others.

Comment 68: Commercial zoning was a lot tougher than residential zoning even though there were complications in residential zoning.

(Presentation)

Comment 69: That is opening a big can of worms.

Rob Gaudin: What do you mean?

Comment 70: Are you talking about retro fitting so someone can come and visit that is handicapped?

Rob Gaudin: Not so much retrofiring, but for these things being introduced either through building and zoning codes like requiring that of all new construction or whether it is voluntarily being introduced to the market place.

Comment 71: So you are saying every house that is being built has a handicapped door in residential construction, has a ramp to the door way if there are steps?

Rob Gaudin: Voluntary compliance would be one in ten or once in a while. Requirement by the city to suggest that the home be visitable, would be some door, and it wouldn't have to be the front door. It could be the back door, but some way a person could get into the house and use the bathroom on the main floor and go around on their wheelchair. The doorways on the floor would be wide enough for someone to visit.

Comment 72: This is a personal opinion and when you get into that you get into the private sector. That is my private property and I should be able to design and have that housing the way that I want it because I am not feeding the public sector. Now if it was something that the public sector went into day in and day out then yes those requirements have to be there. There are already laws in effect for that, but on my private property I should be able to within the legal system do what I want to do on my property and build my house the way I want to build it. For the most part I think that most houses are on a slab low enough that almost anybody can access the doorways now.

Comment 73: That is all a matter of market. That might not be important to the folks in this market. I spent a number of years building in south Florida where people intend to age in place and so that is very important especially if I am already a senior obtaining property. When I obtain a property I am going to be aware of whether that is going to be a problem for me in the future. Just when I look at this slide it is real clear to me that I don't know how to answer this question.

(Laughter)

Comment 74: I moved to Tuscaloosa and I began to look for a home. One of the things that landlords were saying to me is it ok if I give you a seven month lease so I can get you back on the calendar. So I can get my property back on the calendar where it should be. Where should it be sir?

Comment 75: Here it is August.

(Laughter)

Comment 76: That is kind of a preference, but that is not really right. I think that people don't even know when there is a fair housing violation or a situation has even occurred.

Comment 77: I was done exactly the same way when I rented this condominium here. They want to get you on the calendar.

Comment 78: It is a mindset here.

Comment 79: I am not affiliated with the university in any way.

Comment 80: What they should say is our rental period is from this to this.

Comment 81: In one way the landlords is crazy because you were ready to sign a 12 month lease and in seven months if you wanted to leave you only have a seven month. It is really detrimental. It is just odd.

Comment 82: That same mindset has bought into and I am thinking and I know when I have been house hunting. A lot of the market rate developments that are going on inside the city are not structured in some kind of way toward student housing.

Comment 83: They put a hiatus on some of that.

Comment 84: That got a moratorium on some of that. Very little development since 2207 period, but we just have started back with some developments in the City of Tuscaloosa and North Fort. So it is beginning to come back a little bit as far as the development side. I think that most people and it goes back to the percentage you showed a while ago and the high number declines that once you start requiring certain things to be done to a house it is like you raise the price. When you start raising the price of the house you eliminate a lot of people from the opportunity to buy and what you were talking about the visitability of the people getting to the home. It plays a part in that increase in price. Even if it is \$1000, a \$1000 eliminated somebody from being able to purchase a home.

Comment 85: I have never heard that term before visitability.

Comment 86: I have never heard of it.

Rob Gaudin: It is hard to say, but...

Comment 87: It is hard to say.

(Presentation)

Comment 88: I speak to that and I am the education Director for the Alabama Centre for Real Estate. I have traveled the state and not just Tuscaloosa teaching risk management courses and teaching federal regulation courses which includes fair housing. I can tell you that we could do as an industry a better job on fair housing and antitrust. I know antitrust is not your bag.

Comment 89: Still who are the people that return that information, but still you have 32 of those general public out there that is saying is there a training process? Well yes there is a training process. They are in an industry that requires the training so they are getting the training.

Comment 90: Who were those 78? Who get this survey?

Rob Gaudin: Well, 30 didn't answer their primary role.

Comment 91: How did they get the survey?

Rob Gaudin: It was sent to them by Heather in the city, but I don't know how many she sent to. Maybe a few hundred?

(Presentation)

Policy Planning Focus Group

Comment 1: I have a couple questions. On the denial rates, are we starting those as true denials or is it possible that those are just closed files where the applicant doesn't complete the application process?

Rob Gaudin: Those are true denials. I excluded all the other issues whether exactly as you suggested that we closed for an incomplete process. I only took originations and true denials. Sometimes they are approved and don't go through with it because the applicant elects to do something else. Maybe they can't agree on something, but it is just those which are truly denied and those which were truly originated to the seven categories of outcome.

Comment 2: The other question does the student housing, the non-permanent residents population show in the density surveys?

Rob Gaudin: In this data here?

Comment 3: Yes.

Rob Gaudin: These Census tract maps? Yes.

Comment 4: Can you go forward to the 2012, 2013? I wondered about that. Some of those areas being close to the campus.

Comment 5: They show little to no income.

Comment 6: Considering what some of those kids drive they are not in the poverty range either.

Comment 7: So that explains the blue in the campus area.

Comment 8: Somehow if we are including that population in it, it is going to skew the density everywhere.

(Inaudible)

Rob Gaudin: Technically poverty is computed and excludes people that reside in group quarters. So if you live in a dormitory you are not included in poverty. You either need to be in a house or renting a house, but there is plenty of students housing near the campus, but it is not necessarily on campus.

Comment 9: I wasn't even questioning the campus. Just the high density around campus. Pretty much where that purple and blue is between 82 and the interstate. Go back three or four slides where you show the density shift from 2000 to ...

Rob Gaudin: This one?

Comment 10: Yes, go back one? You are not going to have one close to the density. If you knew where to look at it today it would be more so because you lost all that housing in Alberta.

Comment 11: Where did that go? (Inaudible)

Comment 12: That lived in Alberta?

Rob Gaudin: I can't quite hear the gentleman speaking.

Comment 13: As far as the Alberta community goes a lot of it was not rebuilt and a lot of it was transient in nature.

Comment 14: We have a lot of families that we doubled up because they were kind of in and out where. They are doubled up because they when you got to move, you got to move. We have homeless population.

Comment 15: We have a lot of people. We work mainly in Alberta and Westlake and we have a lot of people in Alberta that stay in Alberta and just moved out of the tornado area. They stay with family or rent a house around the corner. I have seen a lot of people come back and you were renting at the time, but now want to own. I am very surprised on the poverty map with the showing the density of poverty that West End is not more distinct or more profound. We have a lot of housing issues as far as remodels. I think it would show more on the map. Although you can't directly correlate housing and income.

Comment 16: If you look at the categories there, there is poverty rated around 26 percent citywide. So the green is 26 to 36 percent. The darker green is 38 to 48 percent. That is just the concentration of poverty.

Comment 17: It depends on how they are counting it too.

(Presentation)

Comment 18: Primarily who got the survey? I got one. Is it the general public, professionals who are knowledgeable?

Rob Gaudin: It was distributed by the city. So I don't know precisely who got them. I am assuming it was stakeholders.

Comment 19: It was primarily people in different leadership positions from businesses to all the way across the board or public sector and private sector, public housing, HUD, funded by folks, but people who were in more of a leadership position.

Comment 20: People who are on the Fair Housing Committee distributed the list.

Comment 21: Yes.

Rob Gaudin: In your opinion should we send them to some public housing residents or John Q. Public?

Comment 22: I took the survey and I answered no to every one of them except for housing construction and accessible housing. I knew nothing of rental real estate. To me I knew to only answer one of those with any knowledge base. So I had to say no to everything else.

Rob Gaudin: So what about the public sector. The quality of the school district affects it certainly, but land use policies we have a little bit more going on here. Is there some group in the public that we are missing that might know some more about public policy?

Comment 23: I think it wouldn't hurt to reach out to low-income residents. You mentioned public housing rentals.

Comment 24: You might have to make a paper copy available.

Comment 25: That brings up a good point. The Housing Authority can distribute these surveys in a paper form. A lot of the residents do not have access to the internet. So we can distribute them to our property managers and I think we could get a pretty good response.

Rob Gaudin: If you can do that and then just ship them back to me we will get the data entered. I think that would be really interesting to see what roles these folks are and what their experience has been. I think we might see something else coming out of that.

Comment 26: It seems to me that one of the things you are trying to look at in terms of the density is the availability of new products. There is just not any. Our lender clients are not really in a position to extend credit to somebody that is going to develop the product that would serve the lower income community. They can't have a customer that is building up a large portfolio in rental property anymore. Quite frankly without those incentives or other sources of funding you are not going to have developers that do that. The market is very small. That is what his company does, but it is a very narrow corridor that they work in and you just don't get outside of that at all.

Rob Gaudin: So the question is what barriers are there for production?

Comment 27: It is just availability of funding. If you look at your density map you are not going to change that map unless there are other sources of funding to build new product or to repurpose an existing product. It is just not coming in the market.

Comment 28: As far as new product certain zones are, some are astronomical, unattainable even. There are buffer zones that are still extremely high need.

(Inaudible)

Comment 29: We have policies that would for affordable housing such as one unit for every 100 student apartments. From my perspective it seems to suck the energy out of the development.

Comment 30: It is hard to find development land.

Rob Gaudin: Is someone suggesting that land is a problem?

Comment 31: Available affordable lands.

Comment 32: At least in the last five years student housing and the growth of the university and the growth of the student population has really created a boom in terms of new student housing and that has eaten up a lot of the available land. The demographics of the students they can afford expensive housing, so it is driving out other possibilities. From a policy standpoint too and your market here.

Comment 33: The student rental market seems to trump every other market out there. You have the potential for the downtown to have housing that could accommodate other demographics and you have other demographics that want to live in these areas, but the

developer goes to the student market first because that is what pays back and that is what drives up the land cost.

Comment 34: They lease on a per bed basis and so you have the others that are per apartment bases.

Comment 35: What that does and it exposes another factor that is often overlooked in the affordability equation is transportation. What it does if force the person of lesser means to live further out and it increases their transportation cost. Their transportation cost is in proportion to their income is much greater than and so. Those are not necessarily fixed costs but the proportion of my income that is dedicated to transportation is far less than someone who is making half of less of what I am making or a quarter of what I make. So if those people are forced to live further out and away from their employment and their goods and services that is a tremendous burden on them. So that goes back to land cost and how do you get the person that needs to live much closer to their employment and goods and services.

Comment 36: They have to use the bus.

Comment 37: That goes back to our transportation is challenged too. Our street network is not designed for not necessarily the most efficient public transportation. So that has been an impediment to having really efficient public transportation. There are a lot of factors that contribute to it, but some of them are often over looked.

Comment 38: One of the things I wonder about is zoning. So if I go to the Win Dixie on one side of town verses the Win Dixie on the other side I am seeing totally different things. I am being offered totally different products.

Comment 39: That has nothing to do with zoning. That is all market driven.

Comment 40: What is even available. So in one side of town there are way more pawn shops verses another side of town where they are not allowed. You know what I mean.

Comment 41: We have only recently begun restricting certain uses like that and of course when you restrict in one place you have potential to concentrate in others. So I don't know if that have an effect on housing.

Comment 42: What people do for their resources? So personally I am not going to live where there is a whole bunch of stuff that I am not and I can't get what I need at a pawn shop or a whatever. I am going to go to a part of town where that stuff is. Then if I can't afford that side of town I am going to have to move out of town and then there is this whole.

Comment 43: You are going to go where you can afford and mostly that is probably driven by your rent. Again even the consumer, the resident may not always factor that transportation cost into their equation as well. They just look at the rent. This is half the cost of the rent that I would pay over here. It goes back to land prices which is completely driven by the student market. It is frustrating for the planner. We want to see diversity. We want to see universal housing and yet in almost any case if you are within a mile of the campus or the downtown you want to build student specific housing.

Comment 44: Unfortunately what is great about the university area is there are very few new developments that are on a huge scale. The last thing that we want is a large scale low-income

development. You want to mix it into the entire area. So what is prime about the area is that you can mix in low-income housing throughout there and there would be almost no visual impact. The values to the neighbors and the communities in terms of the stigma of it, but because of the single nature of the houses the value, if it somehow could work I think that the situation is ideal for mixed income housing.

Comment 45: Then you get back to funding requirements and tax credits you can't do scatter site.

Comment 46: Concentration seems to go against the principle that Rob opened up with. You can't concentrate it.

Comment 47: Can you do like really small developments where it is a really small number of units?

Comment 48: What I am saying is Rob is saying that HUD says you don't qualify if you concentrate, but other policies are forcing you into concentration. Am I reading that right?

(Inaudible)

Comment 49: They allow you to do rehab, but new construction...

Comment 50: It sounds like there are conflicting policies at federal level.

Comment 51: To a certain extent to what his group does there is an economy of scale situation. In a higher density he can produce a lot more product than he could in a scattered site.

(Inaudible)

Comment 52: You have done some things like that. (Inaudible)

Comment 53: Then in Tuscaloosa to get that you have to go way out.

Comment 54: We have similar issues and some of ours is self-imposed.

Comment 55: We made the commitment to Alberta City because of the tornado and we made the commitment to West End because of the concentration of poverty and housing needs. So even our board made the decision that we are going to focus on this area. We are going to focus on West End so you we talking about other parts of town. We would love to build there, but even though it is more challenging to build infill, we would still do it, but right now...

Comment 56: From this perspective it seems like you have tied your own hands. If we are going to make an impact to those two areas.

Comment 57: From my experience with Habitat and our role in the development process has been infill. So I assumed that was Habitats general mode of operation. Does Habitat, I guess in other circumstances like to find large swaths of land to...

Comment 58: We have got it. I mean we have done that up on East Drive.

Comment 59: Available lots.

(Inaudible)

Comment 60: If you concentrate the resources it is easier to manage the project.

Comment 61: Be more efficient.

(Inaudible)

Comment 62: Have any of those homeownership units that we have done through Housing Authority, they have all been, there has been at least two or three together each time.

Comment 63: Yes, we have been lucky because we have had continuous lots. Now we are running into an issue where we are going to have to do some infill. A lot here and a lot there. We have been working right now to try to get a bigger parcel. Like you said it just makes sense to do the development together verses scattered.

Comment 64: In the big affordable housing picture is homeownership still a real priority with HUD and why?

Comment 65: Be it permanents supportive or permanent.

Comment 66: Is there a reason why that HUD is advocate for homeownership verse good rental options?

Comment 67: I think that is one of those conflicting policy things.

Comment 68: I don't know if you have someone or a city allocated the Housing Authority a bit of the CDBG funds for this year all going towards homeownership.

Comment 69: That is kind of where my mind went.

Comment 70: From a city's perspective I think that and although it could be used for those the city with homeownership and that is a priority for us to. We obviously have rental and Section 8 public housing, but we focus on homeownership as much as we can.

Comment 71: There are so little funds available as opposed to rental.

Comment 72: I am thinking about what happened in the housing market back in the mid-2000s. I guess in some respects the rate of return on homeownership isn't what it was and probably won't ever be that way. I was just wondering with the focus shifting away from that nationally you do have a pretty significant trend of folks like me who are choosing to rent over owning because the same dynamic aren't there. The same return is not there. So who have a demographic that is choosing to rent. I wonder are local municipalities or state or even the Federal Government still in the homeownership push when maybe that is not the best way. I don't know.

Comment 73: I am with you on the homeownership. Obvious we are in that business to try to help people move from rental to homeownership. The way we see it specifically the family that is paying \$600 a month for rent for a house that is not in good condition, but basically substandard housing and utilities are sky high. That homeownership to us is a goal, because it is a huge improvement to more permanent. It lowers their monthly bills considerably and the new house with pride of ownership.

Comment 74: I think there is...

Comment 75: I think there is a certain aspect that contributes.

Comment 76: What I have found is that homeownership is the end game. As long as you have someone who is moderate to very low-income in a rental situation, the chances of them falling back into needed rental assistance is much greater than if you can get them into an affordable homeownership situation. The problem and we have had this conversation recently is that because of our location there is not a lot of funding available that makes homeownership units affordable. You have to be able to, from development and construction, get that cost down enough that you can get somebody into that unit that they have an affordable mortgage. So you continue to get the denial for mortgage if the end game is not affordable. The other thing I wanted to say that until you get down to the lower end of moderate to very low income that American dream homeownership being the best situation. Those individuals in that demographic really don't concern themselves with that much on return on investment. It is this is our home. This is where we own it. It is ours and nobody can ever sell it more so than my value has increased.

Comment 77: I think an answer to that, that there is a cavern between in terms of federal funding; the rental sector says that there is all this federal funding for homelessness and homelessness prevention we get. Then there is the HOME and CDBG money and the best way to use that is to combine it with HOME and CDBG are used for different things, but if you put them together and make them work together you get more return for what you are doing. That leaves this huge gap to repair. What you are talking about is there are no preparing people for homeownership for either helping them to stay on the outskirts of things. That is not even an option for them and there is no preparation in between. You have this and you can either get homeless help or you can get homeownership help, but no, you just don't go from homeless to homeownership. There is this whole other route you need to go. Our funding isn't.

Comment 78: You have to have that additional investment on the front end to make it work. Like he said they don't have a product unless you have the funding.

Comment 79: Our homeownership program there is about 35 percent of the development cost of those units is the debt that is being forgiven through the homeownership program. So you take a \$100,000 house which is basically what they are and you are selling it for \$65,000. The reason it works right now is even though the folks that are buying those units are paying a little bit higher of an interest rate, still the rate is so low that it is affordable. If we get back up to a 9 or 10 percent base rate it is not going to be available. Again those mortgage payments they are paying is always lower than their rent amount. So if you just provide that initial investment to get them into that first-time homeownership opportunity they can afford it. You have to have that on the front end to make it happen. It would seem to me in a perfect world what HUD is doing to make the funds available for her group that is you're in between. Then you graduate from that into homeownership. Instead and I am not saying it is good or bad, but the Housing Authority you basically have permanent residency in a lot of those units. There is no graduating.

Comment 80: There is no question about it. If you took some of that rental assistance and just projected it out 20 years and provided that into a homeownership opportunity with the same level of funding, I think that would make a lot in better in terms of a long term policy decision.

Comment 81: It is ironic because all of the research says that housing first is the way to go, but then we have fooled around with let's keep them in emergency and transitional housing and hopefully get them into Housing Authority someday. It is so much cheaper just dollar per dollar to put someone literally off the street into a permanent home. In the long run you save so much money.

Rob Gaudin: That is a very admirable goal.

(Presentation)

Comment 82: More data and more surveys.

Rob Gaudin: I agree with that. It has only been out a few weeks. I think it went out January 5.

Comment 83: I was saying that you can have all the outreach and education in the world if there is no product available, if there is no market, it is irreverent.

Comment 84: As I looked at these questions I really was wondering exactly who are we talking about, because I and my staff we are also required to have an extensive amount of fair housing education and testing. Most of the time and this has been a complaint that I have made directly to HUD is that for folks in Tuscaloosa and other areas we are just about required to travel to Birmingham or someplace to get any. So I couldn't understand if you meant it was professional basis or is that meant for an individual resident of the area? Is there education available?

Rob Gaudin: For anyone who replies to the survey they can reply to the first question here. Is there a training process available to you to learn about fair housing laws in your profession? So in that regard we are asking bankers, lenders or realtors and did they participate. It is amazing the number of folks that say no. A bunch of folks are I don't know, but these are a mishmash of questions. Have you participated gives us a feel on whether there is adequate outreach and education and I am not talking about driving to Birmingham to get that. It is more of is it here and can we make it here? Can we do it here? Can we bring somebody in? Can we ask for somebody to do something for us? Then the testing, the outreach and education testing and enforcement is another piece that HUD hires other organizations, Fair Housing Initiative Programs participants to conduct the outreach and education. For the very few who actually answered it we have most saying I don't know. What about testing and enforcement, people are not aware of it is there sufficient; I don't have the slightest idea. So it seems that within that fair housing arena we are missing some pieces in out" infrastructure." fair housing infrastructure should be built on knowledge, but if we don't have a mechanism in place to build that foundation.

Comment 85: Would you mind going back to that previous slide for just a second. I think that there might be some confusion or may be it is just me. What made me think about this was him commenting on the response to the question. You notice at the top that you have barriers to fair housing in the public sector, but then right above where the question starts you have are you aware of any questionable practices or barriers that effect fair housing choice. I think the reason you have a lot of no and a lot of don't knows is if you are asking if you are aware rather than are then any, if your see where I am going with that. If you had just are there any questionable practices or barriers, then you would have a lot of don't knows verses no. So I think it is just the way that that is asked is the reason. Basically the way you are asking it now is no and didn't know are the same thing.

Comment 86: Especially with that block right underneath.

Comment 87: Right. I am sure he believes and I am not speaking for you, but I am, he believes there may be some barriers, but he is just not aware of them. You see. You asked specifically why we had so many nos. I don't think people are saying no there aren't any barriers, but they are saying that they don't know because of the way that the question is worded.

Rob Gaudin: That is a good point.

Comment 88: I think question is the available of product or fair housing. The issue is Tuscaloosa is the availability of fair housing or is it the concentration of fair housing?

Comment 89: Or lack of?

(Inaudible)

Comment 90: So your question is do we have enough?

Comment 91: If I needed fair housing assistance could I get it? If I could then the issue is could I only get it in this one spot?

Comment 92: That is part of it, but I think the other part is are we engaging in covert practices that shut down the availability of housing and fair housing for others?

Comment 93: If you look at it from the land use policy perspective, say in Alberta where everything, most everything got destroyed. You have zoning laws for the most part that property was zoned single family with one house per lot and very low density or fairly low density. When we adopted the new zoning codes over there we allowed somebody with one of those lots to build more on it. More houses and maybe an attached unit. So in essence we were enabling affordability to come in and the problem that we are experiencing is that we are so close to the university that when the developer looks at that zoning they think student housing and I can do more student housing now. The chances are that is going to drive up the property values, but it is a little too early to tell in Alberta. There is that same potential for that university dynamic to trump what needs to happen there regardless of the zoning laws. The zoning laws potentially enabled more student housing to infiltrate so what do you do?

Comment 94: You have some lots over there that were the size of this conference room and they had houses sitting three feet off the property on property lines. I don't know how much resubmission was done over there, but you had some seriously nonconforming structures.

Comment 95: Yes, but they were buildable lots. Say if we didn't change the zoning you could come back and put one house there verses the changes that were made theoretically should allow you to do more with the property. In other words if you were to pass those costs on I know a lot of the focus is on how do you build that unit cheaper through materials, construction methods, or whatever. Where zoning can help is it can allow you to build more units over less land and that in and of itself could create more affordability. The problem is or higher profit margins. I don't know if land use policies can have such an effect on this as much as. I think it would be more detrimental with the land use policies that we have the very low density single family zones are really more detrimental to affordable housing. I think we are heading into the right direction in land use, but then when the free market takes over it really

gets out of whack. They take advantage of those land use policies that could help promote affordable housing units.

Comment 96: I understand that the only way to combat the market is by providing, whether it is zoning or land use. If you want to combat market rates you have to incentivize somehow and that takes either capital from somebodies pocket to see a benefit in that.

Comment 97: Or you need to do that. I know that is student housing and I know that is special regulations because it is student housing, but you can't do it.

Comment 98: Students aren't a protected class.

(Laughter)

Rental Market Focus Group

Comment 1: I don't want to get into a big discussion of it. Is it correct to presume that the impending Supreme Court case that is coming up will potentially have a big impact on this whole area?

Rob Gaudin: You mean the case where the proposed rule?

Comment 2: The Texas case pending before the Supreme Court that they decided to take. The Wall Street Journal has a big article about it yesterday. It is based out in Texas. Basically the Texas Department that allocated tax credit was giving priority if you were in qualified Census tracts which typically are lower income Census tracts and can be often minority Census tracts. A lower court held that that they had violated fair housing by giving extra points or priority. As a result in Alabama they are now making it very hard to get funded in qualified Census tracts.

Rob Gaudin: Right. That is actually an interesting question. Many states have gone away from having extra points for low-income areas. They have written their QAP so that is no longer apart of the criteria for which a project is awarded. So that is and continues to play out.

Comment 3: You are not working with the State of Alabama by any chance? Just curious.

Rob Gaudin: Yes I am.

Comment 4: Ok.

Comment 5: I know that they are dealing with the same question. It is related to what we are doing here in Tuscaloosa in fact.

Rob Gaudin: That is correct that particular topic is related to the Westchester County and it is related to what you have to deal with. Ideally the ideal situation in the AI is to take, if you will, an audit. It is a loose term. An audit of all of our past decisions that we have made based on what we know today has the sum of all our past decisions been correct or do we need to change them a little bit? In a way that is what we are trying to do here and hopefully at some point we will be able to collect where vouchers are used and where public housing is located or tax credits are located and put those on a map and see if they are in areas of high concentrations of poverty or high concentrations of racial or ethnic minorities. That is the hope so hopefully we can get there. I don't have that today, but I am glad you brought that up. That is what we are headed towards.

(Presentation)

Comment 6: Could you compare Tuscola to say like Auburn another college town? I am looking at slide on page 25. Have you looked at Tuscaloosa compared to anybody else in Alabama? Like Auburn, Lee County. Have you had a chance to compare Tuscaloosa to another city? You mentioned that Tuscaloosa is very low. How does it compare to other cities in Alabama?

Rob Gaudin: Alabama over all does not have very many complaints either. I didn't compare communities. I have to request the data from HUD and we have to analyze it. I can with my experience compare it to other communities of like size else where and the tendency is for the other communities to have more complaints, two to three times as many complaints. So for whatever reason people are not using it or maybe there is no reason to complain. That is a

valid concern we don't have fair housing problems here maybe, but more likely people are not sure of where to go or what to do. Maybe if the market place has enough housing they will say forget this guy I will just go down the street to the next rental.

(Presentation)

Comment 7: In my experience that if they are getting denied, but regardless the largest reason for denial is based off race. They don't give the indication that that is the reason is that they don't meet very standard application criteria and that is very consistent across the racial platform in Tuscaloosa. So from an honest perspective if I were to compile some data I would say that the majority of the applicants that are receiving denials on a rental level and on a homeownership level and I represent a lot of real estate transactions, it is because they are not meeting the fundamental requirement to purchase to lease that piece of property and consistently that is through... I could probably compile data to say that that has an ethnic thread running through it. So black individuals most consistently have lower credit scores than white individuals. If we are going to address how do we make these numbers balance out a little more we are going to have to look more at qualification standards and things like that. Would you be in agreement with that?

Comment 8: Yes. I can't argue with that.

Rob Gaudin: So you are suggesting that we have different qualification standards?

Comment 9: No, I am saying that could fix the problem, but I am not saying that is the correct solution. It could fix the problem. I have a friend of mine that he goes into law school. In order to get into law school he had to score around 160 on the LSAT. His buddy and this was an African American individual his entry was only 149 and so. That was based on an affirmative action type of thing. So if we look in that direction we would see that these numbers would balance out as little bit more. If not I think that we could create an in town committee or something and start compiling this data, but just in my opinion and 15 years of history in the market I think it is going to play out like I have said. There are going to be lower credit scores and qualification standards in these ethnic groups. In the Hispanic community the majority of our Hispanic community or a large portion are contractors and they make a pretty good bit of money. Their stated income is pretty high, but they can't show any evidence of that. That is always a hurdle to overcome as far as approving individuals to get into apartments and homes.

Rob Gaudin: So if short of offering different standards for different representatives of some minority groups, would you agree with the statement that enhanced education about the qualities and reasons for obtaining and keeping good credit would be in play?

Comment 10: Majority. I have smaller tenants that I have gotten close with or inherited from purchasing other properties and I have cultivated relationships with those tenants especially on a college level, black females or males. I will actually have a ten minute session with them about what I found on their credit report and the importance of keeping their credit healthy and what we can do if they get into a situation coming into my office and need helping them to understand how to keep these things off of their credit report. So they, down the road will not get denied at another apartment complex and almost without fail people are just completely ignorant of what goes on your credit and what is affecting their apartment, out decisions to give them housing. A large part is medical bills and I think there is some legislation right now that is

trying to remove some medical bills. I think you will see if that legislation passes and you will see a spike or a rise in minorities getting housing.

Rob Gaudin: That might be possible.

Comment 11: A large part of our credit score is compiled off of medical bills. I would say that it is almost 60 percent of the people that have poor credit it is because they have medical bills that were negatively affecting their score.

Comment 12: If we got rid of that and predatory lending we would be in good shape.

Rob Gaudin: The payday lenders are a little bit problematic as well. I will try not to get up on that soapbox. I agree with you totally that enhanced outreach and education to these minorities groups about the value and how to get a credit rating and how to keep a good credit rating that that is very important and not just to buy a house, but also to rent. So your statement is totally valid.

(Presentation)

Comment 13: You see that even with those situations doesn't have a high complaint rate of people discriminating. As far as my office is concerned the facts are the facts. When they go in and we give them a full copy of their report and they sign off on the bottom of it saying that they acknowledged it. There is not a lot that we do outside the parameters of our preset approval terms and what happens is a lot of people that apply for housing don't follow that preset approval terms. So we refer them to some sort of government assistance program like the Housing Authority or something like that. Then they apply or they already have a voucher and stuff like that. They will accept the voucher, because it is not an issue because they are spoken for. So that is our policy as how we address low credit. We can overlook that if we have someone cosigning or speaking on your behalf like Section 8.

Comment 14: When people go through the Section 8 process and then come back to you and now are stable or whatever their credit increases because they are stable or are they making better choices at all?

Comment 15: I have not found that to be. It really seems more like an educational money management type thing. It is almost like they are getting assistance and their house is taken care of. There is still no intent to keep your credit up and now almost even more so it is counterintuitive because if your housing is paid for and you qualify. If you are allowed to keep this Section 8 voucher then you don't have a need for credit that much.

Comment 16: We do have other programs where we educate them to become homeowners from the program. It is not just a handicap for everyone.

Comment 17: Some use it that way.

Comment 18: Can we change that to where it is a policy to where if you move into a Section 8 property that they have to go through and not necessarily homeownership classes, but some sort of financial literacy so that there is and that affects everything.

Comment 19: That is offered to them.

Comment 20: What if we made it a condition.

Comment 21: This is probably more federal legislation because this is federal money we are talking about, but if it became a condition of if you are going to receive Section 8 you are going to have to go through financial literacy and pass it before you qualify to get Section 8 or obtain your voucher. Does that feel like it is striking a cord or feel like it is a possible solution to it because I would say that people on housing vouchers also consistently have lower and I don't want to make a blanket statement but I see it as a consistency in the market. Where often times they have lower credit scores. Would that help to bring education? Education and if I just put a sign out in the road and say next Saturday we are having this free seminar I can't get that many people to show up, but if I and we make it a requirement or a condition before you receive benefits now suddenly people are more motivated to go to these types of seminars and understand a little bit more about what it takes to keep and maintain good credit.

Rob Gaudin: I like the concept to the outreach and the education a lot. The recruitment is the challenge. I am not sure we can change those federal rules, but I do believe the first part of that, the outreach and education is an important role in this process.

Comment 22: How do you create measuring to determine if your outreach and education is working? That is the big question. If you start with the concept that we need to educate. Well now once we educate how we determine if that education is actually making a difference.

Comment 23: You have to have qualifiers. (Inaudible) there would have to be raw data of scores and credit scores. It would be an interesting study.

Comment 24: We would have to create a sample size and be a little intrusive into their lives. Get their credit scores and things like that and maybe on a population of 1,000 or 5,000 or something like that. Then of those people that finish the program and benchmarks and see. That would be a fun little thing to do. I think we are and definitely thinking long term. We just don't want to provide a short term solution and make sure to create long term results in our county.

Comment 25: Another way you could look at that is not only their credit and stuff like that, but how many public assistance applications are made. How many times do they go to Salvation Army and get a food bag or rental assistance or contact social services or whoever and where ever, but you ideally if you are getting that financial literacy aspect and some of those life skills that come along with that you are not needed assistance as much. So we can track that through our homelessness and our computer system that all of those things are in there so that we could create reports. As long as people put the names and stuff in and keep up with the data on an agency level or whoever it would spit that out for us.

Comment 26: You would know a little bit about this. When does a person, the qualification for Section 8 is based most readily on income?

(Inaudible)

Comment 27: As well as credit.

Comment 28: (Inaudible) check and see if they hold previous landlords and utilities companies. That alone will.

Comment 29: If they have good standing rental standings or with utilities if they reach a certain income threshold then do they roll off the program. Do they have to requalify ever year? If they get a job somewhere, do they not qualify anymore?

Comment 30: They reapply and if they become over the income where they are paying 100 percent of their rent. (Inaudible) if something happens to their job or they are disabled we will turn around.

Comment 31: In your experience do you feel that the overall and this is an honest evaluation, the overall attitude towards the program is to get off the program or to stay on the program.

Comment 32: That is some of them. I can't say as a whole.

(Inaudible)

Comment 33: Some of them have been quite successful.

Comment 34: Would you say that it is more common for individuals to get into your program and then step out of the program because they reach certain income levels and they are able to qualify on their own or is it more common for individual once they are in the program to stay in the program indefinitely?

Comment 35: (Inaudible)

Comment 36: So that in itself is the data that needs to be analysed and looked closer at to say how can we motivate individuals to repair their credit and become a legal contributing member of society then let somebody else do it as well. Some people that qualify for Section 8, obviously I do not want to make too many blanket statements, but some people who qualify for Section 8, 60 or 70 year old women who are disabled and she is not going to go out and try to be a CEO of a company or something like that or even get job. She is just trying to make it. So some individuals when they qualify and I know that I acquired a property with Section 8 people in it, these types of individuals and their whole thing was I don't want to make money because I will lose my voucher. They were trying to track with the system and they were rougher on the apartment. They were rougher on the overall atmosphere. It was very and there were a lot of loop holes that they were playing to their advantage and I didn't appreciate that because I lease to people that come in there and really try. I like those types of people because they are trying to do something better and they need help to help them transition. I guess it would be another thing for us to look at and say what do we do for the people that are trying to game the system and would normally get denied, but are in government assistance programs and staying on that track because the money is free coming in?

(Presentation)

Comment 37: One thing I was talking to one of our police officers at lunch today and I am actually going to check in on it but I don't know the absolute validity of it, but I heard that in our area and we were talking about different parts of town and distribution that he told me that from working in the West End the white kids that live in West End get shipped to the white school and West End is historically the lower income side of town. He said that the black kids get shipped to the black school and that is on the other side of town. I think that speaks volumes. I didn't even realize that they could do that.

Comment 38: I have two teachers that actually are a part of the inclusion program and that is one of their big spearheads.

Comment 39: That is why I wanted to check.

Comment 40: They want more desirable zoning and they are bussing a lot of the kids in from West End. A lot of the properties (inaudible) another thing to that we have to overcome...

(Inaudible)

Comment 41: This isn't an education phone call, but another to look at as far as schooling is concerned once children or kids get into a certain school system they move in the hopes of staying in that school system. Even if the school system is considered failing or is inferior we have moved parents from property to property and then those parents have said are we zoned for this school because my kids have been going here for three years already and I want to make sure they stay in this school. By the way, is the worst performing school in the county. So there is a sense of security there. There is a sense of I want my kids to hang out with his friends therefore the West End which is our lowest income side of town. The West End people stay in West End though they are zoned for central. So they stay there and they are not interested in moving to a rental property that we have zoned in another. That is why the inclusion program has said well I guess we are going to bring you to us. We are going to put the option out there to like 100 students and then we are going to bus them to Verner which is one of the premiere school zones in our county.

Comment 42: They didn't have the option...

Comment 43: I think that is what it is. They have zoned some areas just to keep the schools from being segregated and they are trying to keep them resegregated. So that is why they are doing it. They are looking at it a little bit differently now. I don't know if this is a topic for this conversation. They are looking at rezoning and what they had done because they are hauling kids so much back and forth across the town. In May that should be something different. Something different should be done with that.

Comment 44: You are telling me you did this across the county. What are the impediments to fair housing that you see often?

Rob Gaudin: The ones that are really kind of coming up time and time again. I mean the higher denial rates for black and Hispanics is everywhere. It is at different levels. Somewhere it is 40 percent. If I do one on Montana near the Indian Reservation we will see denial rates of Native Americans at 60 percent, but what that really comes down to is teaching people financial literacy, outreach and education for homebuyer classes and that kind of thing. What kind of thing can you do to effect change? So there is that. What has been coming since Westchester County is really a comparison of we have all of our public resources have been utilized, like the old QAPs giving them points for low-income areas then you wind up with all of these housing units in low-income areas. So the question is becoming now what can we do to spread this out differently? That is coming as the newer issues. Outreach and education is common. What is less common is when you begin to tackle policy and say well couldn't we have a residential zone that is comprised of small lots or mixed size of lots so it makes some of the units affordable, because land is expensive. So those are some thing and kind of a new wrinkle that is coming about for new areas that are expanding. Those that are static or declining have different sets of challenges when you are trying to do this kind of a study, because the

population is growing older and people are leaving. That is a long winded answer to your question, but I hope I answered it.

Comment 45: I think you said mostly denials, high rate of denials for one group or another. What about for current residents. I am not talking about the application process, but what do you see as far as fair housing compliance for people from their current landlord?

Rob Gaudin: What is typical there is disability and ADA compliance often occurs. Sometime a recently constructed building will have been constructed without full ADA compliance and so that is an oops, made a mistake, I built a long term liability in my building, but people who want to have reasonable accommodation the landlords often don't understand that the tenant can be expected to pay for it and they can also be expected to tear it out when they leave. So there really is no reason that they should restrict that and so that is something that occurs also. In the rental markets largely disabilities, physical disabilities, but there are other kinds of disabilities as well. Then some communities have challenges when they are siting some form of group home. Maybe they site too many in one location and may be they don't site any in some location. So there are those kinds of concerns as well. Some communities have real challenges for example; if you were to have a protection on source of income then the voucher would be protected. They can't say no vouchers because that is just a source of income. There are loop holes that other communities have been able to get through that and brush that aside, but source of income is challenged. So it depends a little bit on the community in the legal protections that are offered and ways in which this challenge can be taken. I think that the biggest problem is the recognition on the part of the unit of government whether that is a state or whether it is a regional government or whether it is a county, an urban county or even an entitlement like Tuscaloosa acknowledging that they have this responsibility and they need to do something about it. Sure it is expensive to do stuff. Sure maybe you have staff time and you can do something in April each year in Fair Housing Month and contribute to cosponsor something. It is just the ability to get something done on the behalf of the folks that have had these barriers in their way. I am still unloading a perceived set of ideas for you.

Comment 46: I have question. You mentioned source of income and I know that has been a local ordinance that has been added in certain places as a protected class. What are other class, protected classes that you have seen that have been added to the big seven?

Rob Gaudin: Well one that is popular in the press with the gay marriage of course would be sexual orientation. Age is another. Familial status is already there, but Martial status is not. So those kinds of things could very easily be a part of that type of thing. Some states like Nevada has all of those. So it is not dependent on the size of the population or whether it is an urban state or anything like that. It doesn't necessarily have to be.

Comment 47: Have you in your other workings with places around the country, have you seen programs that have given or maybe approaches that seem to be yielding a good bit of success in reducing this disparity?

Rob Gaudin: There is and I have a client, the state of Wyoming and I know that it is a western state and they probably have different things there than you all do, but what I really like about that is the State Housing Authority has hired this guy to go to high schools and offer financial literacy to students coming out of high school. That is something you can do for yourself with your own high schools. You can probably find a retired baker or a teacher or something to do this at a very nominal cost and go to the senior class for a week or two near the end of the year

and talk to them about why they should be careful grabbing all of the credit cards that they get sent in the mail and cashing them and stuff like that. Try to teach them before they get out in the real world what kind of land mines lay before them and try to recognize them.

Comment 48: If they had decent jobs they wouldn't have to run up these credit cards. So I think it is a bigger issue than that. I think it goes a little deeper than that.

Rob Gaudin: OK.

Comment 49: One comment that was made earlier today. It seems to be that important role for and the large role that the student population plays in this rental market and the number of rental units and those things. I don't know if you have done any other cities that have a large comparable student population it seems to me that would make it a little bit of an apples comparison in terms of these numbers to provide some content to the overall Census numbers. We talked about earlier affordable housing production. It is a challenge with the high housing cost which has been driven up by the student housing. That has had an impact and can be extravagated by zoning and other things that are in place. Those comments were made earlier today in the public policy.

Rob Gaudin: I currently have at least one other city and a little bit bigger than you guys and has a predominately and is maybe twice your size and it is Rochester, New York. They have a large student population there as well and their challenges between city and county. The city has all poverty and everybody lives and the population is declining actually not increasing. So there are differences, but when you look at it in combination there are other problems for some of these communities. They have 62 percent renter occupancy and 37 percent owner occupancy.

D: ADDITIONAL AND OVERSIZED TABLES

ADDITIONAL CENSUS TABLES

Table D.1
Cost Burden and Severe Cost Burden by Tenure

City of Tuscaloosa
 2000 Census & 2013 Five-Year ACS Data

Data Source	Less Than 30%		31%-50%		Above 50%		Not Computed		Total
	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total	
Owner With a Mortgage									
2000 Census	6,863	73.5%	1,521	16.3%	858	9.2%	93	1.0%	9,335
2013 Five-Year ACS	6,713	64.2%	2,184	20.9%	1,521	14.5%	44	0.4%	10,462
Owner Without a Mortgage									
2000 Census	4,029	87.8%	263	5.7%	207	4.5%	90	2.0%	4,589
2013 Five-Year ACS	4,650	86.6%	292	5.4%	311	5.8%	116	2.2%	5,369
Renter									
2000 Census	6,779	41.6%	3,325	20.4%	4,640	28.5%	1,560	9.6%	16,304
2013 Five-Year ACS	5,949	37.7%	3,325	21.1%	5,253	33.3%	1,248	7.9%	15,775
Total									
2000 Census	17,671	58.5%	5,109	16.9%	5,705	18.9%	1,743	5.8%	30,228
2013 Five-Year ACS	17,312	54.8%	5,801	18.4%	7,085	22.4%	1,408	4.5%	31,606

ADDITIONAL HUD COMPLAINT TABLES

Table D.2
Fair Housing Complaints by Issue
 City of Tuscaloosa
 2004–2014 HUD Data

Issue	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Discrimination in term, conditions or privileges relating to rental	1			4	1	1	1		1			9
Discriminatory acts under Section 818 (coercion, etc.)			1	1	2		1		1			6
Discriminatory terms, conditions, privileges, or services and facilities			3						2			5
Discriminatory refusal to rent	1		1			1						3
Discriminatory refusal to rent and negotiate for rental				1					2			3
False denial or representation of availability - rental				1					2			3
Discriminatory advertising, statements and notices									2			2
Failure to make reasonable accommodation				2								2
Discriminatory refusal to sell		1										1
False denial or representation of availability	1											1
Discriminatory financing (includes real estate transactions)							1					1
Otherwise deny or make housing available									1			1
Failure to permit reasonable modification						1						1
Total Issues	3	1	5	9	3	3	3	0	11	0	0	38
Total Complaints	3	1	4	6	2	2	2	0	3	0	0	23

Table D.3
Fair Housing Complaints Found With Cause by Issue

City of Tuscaloosa
 2004–2014 HUD Data

Issue	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Discrimination in term, conditions or privileges relating to rental	1			2		1			1			5
Discriminatory terms, conditions, privileges, or services and facilities			2						1			3
Discriminatory refusal to rent	1					1						2
Discriminatory acts under Section 818 (coercion, etc.)				1					1			2
Failure to make reasonable accommodation				2								2
Discriminatory refusal to sell		1										1
Discriminatory refusal to rent and negotiate for rental									1			1
Discriminatory advertising, statements and notices									1			1
False denial or representation of availability	1											1
False denial or representation of availability - rental									1			1
Otherwise deny or make housing available									1			1
Failure to permit reasonable modification						1						1
Total Issues	3	1	2	5	0	3	0	0	7	0	0	21
Total Complaints	3	1	2	3		2			2			13

ADDITIONAL HMDA TABLES

Table D.4
Owner-Occupied Home Purchase Loan Applications by Loan Type
 City of Tuscaloosa
 2004–2013 HMDA Data

Loan Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Conventional	1,492	1,773	1,945	1,607	677	534	498	629	654	721	10,530
FHA - Insured	341	275	293	250	481	514	520	444	305	287	3,710
VA - Guaranteed	50	51	38	36	46	65	56	77	59	77	555
Rural Housing Service or Farm Service Agency	1	0	0	64	2	0	1	1	112	179	360
Total	1,884	2,099	2,276	1,957	1,206	1,113	1,075	1,151	1,130	1,264	15,155

Table D.5
Loan Applications by Selected Action Taken by Race/Ethnicity of Applicant
 City of Tuscaloosa
 2004–2013 HMDA Data

Race		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
American Indian	Originated	2	1	4	0	1	0	1	2	2	0	13
	Denied	1	3	0	1	2	0	1	0	0	0	8
	Denial Rate	33.3%	75.0%	.0%	100.0%	66.7%	50.0%	50.0%	.0%	.0%	.0%	38.1%
Asian	Originated	18	15	18	25	11	10	11	8	9	21	146
	Denied	5	3	2	5	5	1	0	0	2	3	26
	Denial Rate	21.7%	16.7%	10.0%	16.7%	31.3%	9.1%	.0%	.0%	18.2%	12.5%	15.1%
Black	Originated	227	308	307	257	157	107	115	116	107	98	1,799
	Denied	91	116	122	69	36	21	43	53	64	89	704
	Denial Rate	28.6%	27.4%	28.4%	21.2%	18.7%	16.4%	27.2%	31.4%	37.4%	47.6%	28.1%
White	Originated	645	651	661	639	390	368	359	403	409	449	4,974
	Denied	83	106	93	68	46	23	46	44	54	62	625
	Denial Rate	11.4%	14.0%	12.3%	9.6%	10.6%	5.9%	11.4%	9.8%	11.7%	12.1%	11.2%
Not Available	Originated	47	43	97	50	29	32	25	17	17	26	383
	Denied	38	42	39	19	17	11	10	10	9	12	207
	Denial Rate	44.7%	49.4%	28.7%	27.5%	37.0%	25.6%	28.6%	37.0%	34.6%	31.6%	35.1%
Not Applicable	Originated	2	1	0	0	1	0	0	1	0	0	5
	Denied	1	0	0	0	0	0	0	1	0	0	2
	Denial Rate	44.7%	49.4%	28.7%	27.5%	37.0%	25.6%	28.6%	37.0%	34.6%	31.6%	28.6%
Total	Originated	941	1,019	1,087	971	589	517	511	547	544	594	7,320
	Denied	219	270	256	162	106	56	100	108	129	166	1,572
	Denial Rate	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%
Non-Hispanic	Originated	800	936	953	910	547	484	478	522	520	557	6,707
	Denied	138	206	182	141	84	44	85	85	104	137	1,206
	Denial Rate	14.7%	18.0%	16.0%	13.4%	13.3%	8.3%	15.1%	14.0%	16.7%	19.7%	15.2%
Hispanic	Originated	10	5	22	13	10	2	9	7	3	9	90
	Denied	10	5	5	5	1	2	4	0	2	3	37
	Denial Rate	50.0%	50.0%	18.5%	27.8%	9.1%	50.0%	30.8%	.0%	40.0%	25.0%	29.1%

Table D.6
Loan Applications by Reason for Denial by Race/Ethnicity of Applicant

City of Tuscaloosa
 2004–2013 HMDA Data

Denial Reason	American Indian	Asian	Black	White	Not Available	Not Applicable	Total	Hispanic (Ethnicity)
Debt-to-Income Ratio	0	7	76	79	18	0	180	5
Employment History	0	2	15	14	4	0	35	0
Credit History	1	6	181	147	54	1	390	10
Collateral	0	0	31	43	2	0	76	1
Insufficient Cash	0	0	9	18	1	0	28	2
Unverifiable Information	0	1	22	13	4	0	40	1
Credit Application Incomplete	0	2	20	22	6	0	50	1
Mortgage Insurance Denied	0	0	0	0	0	0	0	0
Other	0	2	56	68	21	0	147	4
Missing	7	6	294	221	97	1	626	13
Total	8	26	704	625	207	2	1,572	37
% Missing	87.5%	23.1%	41.8%	35.4%	46.9%	50.0%	39.8%	35.1%

Table D.7
Loan Applications by Selected Action Taken by Gender of Applicant

City of Tuscaloosa
 2004–2013 HMDA Data

Gender		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Male	Originated	636	652	695	621	382	337	330	352	369	394	4,768
	Denied	97	134	124	91	46	28	51	55	69	93	788
	Denial Rate	13.2%	17.0%	15.1%	12.8%	10.7%	7.7%	13.4%	13.5%	15.8%	19.1%	14.2%
Female	Originated	279	340	355	326	193	165	170	181	167	181	2,357
	Denied	98	115	117	61	47	21	42	44	53	65	663
	Denial Rate	26.0%	25.3%	24.8%	15.8%	19.6%	11.3%	19.8%	19.6%	24.1%	26.4%	22.0%
Not Available	Originated	25	26	37	24	13	15	11	13	8	19	191
	Denied	23	21	15	10	13	7	7	8	7	8	119
	Denial Rate	47.9%	44.7%	28.8%	29.4%	50.0%	31.8%	38.9%	38.1%	46.7%	29.6%	38.4%
Not Applicable	Originated	1	1	0	0	1	0	0	1	0	0	4
	Denied	1	0	0	0	0	0	0	1	0	0	2
	Denial Rate	50.0%	.0%	%	%	.0%	%	%	50.0%	%	%	33.3%
Total	Originated	941	1,019	1,087	971	589	517	511	547	544	594	7,320
	Denied	219	270	256	162	106	56	100	108	129	166	1,572
	Denial Rate	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%

Table D.8
Loan Applications by Income of Applicant: Originated and Denied
 City of Tuscaloosa
 2004–2013 HMDA Data

Income		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
\$15,000 or Below	Loan Originated	18	14	12	10	5	2	3	0	3	1	68
	Application Denied	19	23	17	4	3	1	5	3	6	6	87
	Denial Rate	51.4%	62.2%	58.6%	28.6%	37.5%	33.3%	62.5%	100.0%	66.7%	85.7%	56.1%
\$15,001 –\$30,000	Loan Originated	146	170	146	106	66	74	62	80	59	43	952
	Application Denied	90	101	68	43	30	18	33	31	50	58	522
	Denial Rate	38.1%	37.3%	31.8%	28.9%	31.3%	19.6%	34.7%	27.9%	45.9%	57.4%	35.4%
\$30,001 –\$45,000	Loan Originated	224	218	241	214	113	118	138	101	96	106	1,569
	Application Denied	42	61	77	45	26	18	23	36	26	41	395
	Denial Rate	15.8%	21.9%	24.2%	17.4%	18.7%	13.2%	14.3%	26.3%	21.3%	27.9%	20.1%
\$45,001 –\$60,000	Loan Originated	148	184	182	178	113	85	67	71	85	95	1,208
	Application Denied	44	27	35	19	16	10	18	16	22	28	235
	Denial Rate	22.9%	12.8%	16.1%	9.6%	12.4%	10.5%	21.2%	18.4%	20.6%	22.8%	16.3%
\$60,001 –\$75,000	Loan Originated	114	87	121	88	66	54	56	59	57	72	774
	Application Denied	10	20	17	23	10	0	6	6	8	12	112
	Denial Rate	8.1%	18.7%	12.3%	20.7%	13.2%	.0%	9.7%	9.2%	12.3%	14.3%	12.6%
Above \$75,000	Loan Originated	272	331	357	353	224	175	181	230	242	268	2,633
	Application Denied	9	34	33	23	17	8	11	12	16	21	184
	Denial Rate	3.2%	9.3%	8.5%	6.1%	7.1%	4.4%	5.7%	5.0%	6.2%	7.3%	6.5%
Data Missing	Loan Originated	19	15	28	22	2	9	4	6	2	9	116
	Application Denied	5	4	9	5	4	1	4	4	1	0	37
	Denial Rate	20.8%	21.1%	24.3%	18.5%	66.7%	10.0%	50.0%	40.0%	33.3%	.0%	24.2%
Total	Loan Originated	941	1,019	1,087	971	589	517	511	547	544	594	7,320
	Application Denied	219	270	256	162	106	56	100	108	129	166	1,572
	Denial Rate	18.9%	20.9%	19.1%	14.3%	15.3%	9.8%	16.4%	16.5%	19.2%	21.8%	17.7%

Table D.9
Loan Applications by Income and Race/Ethnicity of Applicant: Originated and Denied

City of Tuscaloosa
 2004–2013 HMDA Data

Race		<= \$15K	\$15K–\$30K	\$30K–\$45K	\$45K–\$60K	\$60K–\$75K	> \$75K	Data Missing	Total
American Indian	Loan Originated	0	2	3	2	1	5	0	13
	Application Denied	1	3	0	1	3	0	0	8
	Denial Rate	100.0%	60.0%	.0%	33.3%	75.0%	.0%	%	38.1%
Asian	Loan Originated	2	12	21	14	16	79	2	146
	Application Denied	1	3	7	6	6	1	2	26
	Denial Rate	33.3%	20.0%	25.0%	30.0%	27.3%	1.3%	50.0%	15.1%
Black	Loan Originated	21	485	607	368	127	184	7	1,799
	Application Denied	43	300	187	97	40	25	12	704
	Denial Rate	67.2%	38.2%	23.6%	20.9%	24.0%	12.0%	63.2%	28.1%
White	Loan Originated	38	417	871	761	590	2,203	94	4,974
	Application Denied	28	155	150	101	49	132	10	625
	Denial Rate	42.4%	27.1%	14.7%	11.7%	7.7%	5.7%	9.6%	11.2%
Not Available	Loan Originated	7	36	67	63	40	159	11	383
	Application Denied	14	61	51	30	14	26	11	207
	Denial Rate	66.7%	62.9%	43.2%	32.3%	25.9%	14.1%	50.0%	35.1%
Not Applicable	Loan Originated	0	0	0	0	0	3	2	5
	Application Denied	0	0	0	0	0	0	2	2
	Denial Rate	%	%	%	%	%	.0%	50.0%	28.6%
Total	Loan Originated	68	952	1,569	1,208	774	2,633	116	7,320
	Application Denied	87	522	395	235	112	184	37	1,572
	Denial Rate	56.1%	35.4%	20.1%	16.3%	12.6%	6.5%	24.2%	17.7%
Non-Hispanic	Loan Originated	54	863	1,444	1,115	724	2,409	98	6,707
	Application Denied	57	392	310	183	93	148	23	1,206
	Denial Rate	51.4%	31.2%	17.7%	14.1%	11.4%	5.8%	19.0%	15.2%
Hispanic	Loan Originated	0	21	23	13	7	26	0	90
	Application Denied	3	11	8	7	1	6	1	37
	Denial Rate	100.0%	34.4%	25.8%	35.0%	12.5%	18.8%	100.0%	29.1%

Table D.10
Loans by Loan Purpose by HAL Status

City of Tuscaloosa
 2004–2013 HMDA Data

Loan Purpose		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Home Purchase	Other	859	816	873	874	545	495	508	531	530	591	6,622
	HAL	82	203	214	97	44	22	3	16	14	3	698
	Percent HAL	8.7%	19.9%	19.7%	10.0%	7.5%	4.3%	.6%	2.9%	2.6%	.5%	9.5%
Home Improvement	Other	57	90	84	90	59	31	39	22	37	53	562
	HAL	41	36	49	41	12	6	3	2	1	1	192
	Percent HAL	41.8%	28.6%	36.8%	31.3%	16.9%	16.2%	7.1%	8.3%	2.6%	1.9%	25.5%
Refinancing	Other	703	581	491	470	511	1,031	859	603	1,098	792	7,139
	HAL	242	241	223	155	108	51	3	7	14	3	1,047
	Percent HAL	25.6%	29.3%	31.2%	24.8%	17.4%	4.7%	.3%	1.1%	1.3%	.4%	12.8%
Total	Other	1,619	1,487	1,448	1,434	1,115	1,557	1,406	1,156	1,665	1,436	14,323
	HAL	365	480	486	293	164	79	9	25	29	7	1,937
	Percent HAL	18.4%	24.4%	25.1%	17.0%	12.8%	4.8%	.6%	2.1%	1.7%	1.7%	11.9%

Table D.11
Loans by HAL Status by Race/Ethnicity of Borrower
 City of Tuscaloosa
 2004–2013 HMDA Data

Race	Loan Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
American Indian	Other	2	1	2	0	1	0	1	2	1	0	10
	HAL	0	0	2	0	0	0	0	0	1	0	3
	Percent HAL	.0%	.0%	50.0%	%	.0%	%	.0%	.0%	50.0%	%	23.1%
Asian	Other	16	14	12	24	10	10	11	8	9	21	135
	HAL	2	1	6	1	1	0	0	0	0	0	11
	Percent HAL	11.1%	6.7%	33.3%	4.0%	9.1%	.0%	.0%	.0%	.0%	.0%	7.5%
Black	Other	184	176	191	214	136	102	114	108	97	97	1,419
	HAL	43	132	116	43	21	5	1	8	10	1	380
	Percent HAL	18.9%	42.9%	37.8%	16.7%	13.4%	4.7%	.9%	6.9%	9.3%	1.0%	21.1%
White	Other	614	589	591	587	369	352	357	396	406	447	4,708
	HAL	31	62	70	52	21	16	2	7	3	2	266
	Percent HAL	4.8%	9.5%	10.6%	8.1%	5.4%	4.3%	.6%	1.7%	.7%	.4%	5.3%
Not Available	Other	42	35	77	49	28	31	25	16	17	26	346
	HAL	5	8	20	1	1	1	0	1	0	0	37
	Percent HAL	10.6%	18.6%	20.6%	2.0%	3.4%	3.1%	.0%	5.9%	.0%	.0%	9.7%
Not Applicable	Other	1	1	0	0	1	0	0	1	0	0	4
	HAL	1	0	0	0	0	0	0	0	0	0	1
	Percent HAL	50.0%	.0%	%	%	.0%	%	%	.0%	%	%	20.0%
Total	Other	859	816	873	874	545	495	508	531	530	591	6,622
	HAL	82	203	214	97	44	22	3	16	14	3	698
	Percent HAL	8.7%	19.9%	19.7%	10.0%	7.5%	4.3%	.6%	2.9%	2.6%	.5%	9.5%
Non-Hispanic	Other	737	749	782	816	505	464	475	510	507	554	6,099
	HAL	63	187	171	94	42	20	3	12	13	3	608
	Percent HAL	7.9%	20.0%	17.9%	10.3%	7.7%	4.1%	.6%	2.3%	2.5%	.5%	9.1%
Hispanic	Other	5	4	11	10	10	1	9	7	3	9	69
	HAL	5	1	11	3	0	1	0	0	0	0	21
	Percent HAL	50.0%	20.0%	50.0%	23.1%	.0%	50.0%	.0%	.0%	.0%	.0%	23.3%

Table D.12
Loans by HAL Status by Income of Borrower

City of Tuscaloosa
 2004–2013 HMDA Data

Income		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
\$15,000 or Below	Other	10	14	8	9	4	2	3	0	3	1	54
	HAL	8	0	4	1	1	0	0	0	0	0	14
	Percent HAL	44.4%	.0%	33.3%	10.0%	20.0%	.0%	.0%	%	.0%	.0%	20.6%
\$15,001 –\$30,000	Other	131	118	105	88	61	66	62	75	54	42	802
	HAL	15	52	41	18	5	8	0	5	5	1	150
	Percent HAL	10.3%	30.6%	28.1%	17.0%	7.6%	10.8%	.0%	6.3%	8.5%	2.3%	15.8%
\$30,001 –\$45,000	Other	197	167	187	190	102	114	137	98	92	105	1,389
	HAL	27	51	54	24	11	4	1	3	4	1	180
	Percent HAL	12.1%	23.4%	22.4%	11.2%	9.7%	3.4%	.7%	3.0%	4.2%	.9%	11.5%
\$45,001 –\$60,000	Other	132	133	131	162	108	81	66	65	81	95	1,054
	HAL	16	51	51	16	5	4	1	6	4	0	154
	Percent HAL	10.8%	27.7%	28.0%	9.0%	4.4%	4.7%	1.5%	8.5%	4.7%	.0%	12.7%
\$60,001 –\$75,000	Other	105	76	97	82	63	54	55	58	57	72	719
	HAL	9	11	24	6	3	0	1	1	0	0	55
	Percent HAL	7.9%	12.6%	19.8%	6.8%	4.5%	.0%	01.8%	1.7%	.0%	.0%	7.1%
Above \$75,000	Other	265	294	323	328	205	169	181	230	241	267	2,503
	HAL	7	37	34	25	19	6	0	0	1	1	130
	Percent HAL	2.6%	11.2%	9.5%	7.1%	8.5%	3.4%	.0%	.0%	.4%	.4%	4.9%
Data Missing	Other	19	14	22	15	2	9	4	5	2	9	101
	HAL	0	1	6	7	0	0	0	1	0	0	15
	Percent HAL	.0%	6.7%	21.4%	31.8%	.0%	.0%	.0%	16.7%	.0%	.0%	12.9%
Total	Other	859	816	873	874	545	495	508	531	530	591	6,622
	HAL	82	203	214	97	44	22	3	16	14	3	698
	Percent HAL	8.7%	19.9%	19.7%	10.0%	7.5%	4.3%	.6%	2.9%	2.6%	.5%	9.5%

