BBC RESEARCH & CONSULTING

Analysis of Impediments to Fair Housing Choice

City of Grand Forks, North Dakota



FINAL REPORT

FINAL REPORT

August 6, 2012

Analysis of Impediments to Fair Housing Choice

Prepared for
City of Grand Forks and the
Grand Forks Housing Authority
1405 1st Avenue North
Grand Forks, North Dakota 58203

Prepared by
BBC Research & Consulting
1999 Broadway, Suite 2200
Denver, Colorado 80202-9750
303.321.2547 fax 303.399.0448
www.bbcresearch.com
bbc@bbcresearch.com

BBC RESEARCH & CONSULTING

Table of Contents

Executive Summary—
Grand Forks Analysis of Impediments to Fair Housing Choice

Analysis of Impediments Background ES–1
Fair Housing Acts and Ordinance ES–2
AI Methodology ES–3
Summary of Findings ES–4
2012 Fair Housing Impediments ES–5
Fair Housing Action Plan ES–6
Milestones, Timeframes for Completion, Measuring Results ES–10

I. Demographics and Housing Overview

Grand Forks Demographic Profile I–1
Housing Affordability Analysis I–8

II. Public and Private Sector Analysis

Home Mortgage Disclosure Act Data II–1
Complaint and Legal Analysis II–3
Zoning Codes, Planning Fees and Building Code II–4

III. Public Input

Public Participation III–1
Workshop and Focus Group Findings III–2
Survey Results III–4

Executive Summary

Grand Forks Analysis of Impediments to Fair Housing Choice

EXECUTIVE SUMMARY
City of Grand Forks Fair Housing Study

This report is an update to the November 2010 Analysis of Impediments to Fair Housing Choice (AI) for the City of Grand Forks. This update to the AI was prepared by BBC Research & Consulting (BBC) of Denver. BBC is an economic research and consulting firm with a specialty in housing studies, including fair housing.

Analysis of Impediments Background

An AI is a U.S. Department of Housing and Urban Development (HUD) mandated review of impediments to fair housing choice in the public and private sector. The AI is required for the City of Grand Forks to receive federal housing and community development block grant funding[1].

In general, the AI involves:

- A review of a city's laws, regulations, and administrative policies, procedures and practices;
- An assessment of how those laws, policies and practices affect the location, availability and accessibility of housing; and
- An assessment of public and private sector conditions affecting fair housing choice.

According to HUD, impediments to fair housing choice are:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices.
- Any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

Grand Forks completed an initial AI in November 2010, before the release of 2010 Census data. In HUD's review of the city's AI, an update to the 2010 report was requested to incorporate recent and quantitative data, focus more specifically on overt discriminatory practices and include a comprehensive assessment of policies and practices.

[1] The city is also required to submit a Consolidated Plan for Housing and Community Development and an annual performance report to receive funding each year. These reports were prepared separately from the AI and are available from the city.

This update addresses the following findings from HUD's review:

1. Grantee should avoid confusing impediments to affordable housing with impediments to fair housing choice. *This updated AI acknowledges HUD's guidance that lack of affordable housing is an "equal opportunity barrier to housing choice." An analysis of how housing affordability disproportionately affects individuals based on race/ethnicity, color, sex, religion, national origin, familial status or disability is found at the end of Section I.*

2. The Plan [should] describe affirmative efforts by Grantee to solicit participation from members of protected classes, including racial/ethnic minorities and persons with disabilities. *Please see Section VI, page 1.*

3. Grantee might consider preparing a long term Fair Housing Action Plan ("Plan") that addresses impediments over time throughout the course of its upcoming Con Plan cycle. The Plan should include specific timeframes and measurable milestones with a quantitative method to measure results and outcomes. *Please see the Fair Housing Action Plan (FHAP) that appears at the end of this Executive Summary.*

Fair Housing Acts and Ordinance

Federal Fair Housing Act. The Federal Fair Housing Act, passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, gender, familial status and disability. The Fair Housing Act covers most types of housing including rental housing, home sales, mortgage and home improvement lending, and land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons.[2]

HUD has the primary authority for enforcing the Fair Housing Act. HUD investigates the complaints it receives and determines if there is a "reasonable cause" to believe that discrimination occurred. If reasonable cause is established, HUD brings the complaint before an Administrative Law Judge. Parties to the action can also elect to have the trial held in a federal court (in which case the Department of Justice brings the claim on behalf of the plaintiff).[3]

State fair housing law. The State of North Dakota Housing Discrimination Act (N.D.C.C. Chapter 14-02.5) is enforced by the State's Human Rights Division of the Department of Labor. The state's protected categories for housing discrimination include sex, race, color, national origin, religion, age, disability, familial status, marital status and [income from] public assistance.

---

[2] This is a very general description of the Fair Housing Act and the actions and properties covered by the Act. For more detailed information on the Fair Housing Act, please see the full text, which can be found on the U.S. Department of Justice's website, www.usdoj.gov/crt/housing/title8.htm.

[3] "How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws", The U.S. Department of Housing and Urban Development, Office of Policy and Research, April 2002.

These protections exceed the categories covered under the Federal Fair Housing Act in that they include marital status and public assistance. However, the State's definition of "disability" expressly excludes sexual orientation ("Disability…does not apply to an individual because of an individual's sexual orientation or because that individual is a transvestite"). This is not in conflict with the Federal Fair Housing Act but is inconsistent with recent HUD provisions that prohibit discrimination based on sexual orientation or gender identification in federally-funded housing programs.

AI Methodology

BBC's approach to the City of Grand Forks AI was based on the methodologies recommended in HUD's Fair Housing Planning Guide, Vol. I and the April 15, 2011 HUD review of the city's CAPER. It should be noted that this AI was an update to the 2010 AI conducted for the city. The workscope for this AI consisted of the following:

Public participation. The public input portion of the AI included the following elements:

- A paper and online resident survey provided through an accessible online survey site—389 residents responded;

- A focus group with stakeholders, including housing developers, human services specialists, social services professionals, providers of services to refugees and stakeholders interested in fair housing issues. Stakeholders discussed the greatest needs of the Grand Forks residents they serve—16 stakeholders participated;

- A fair housing workshop with Grand Forks residents and stakeholders. The workshop included a presentation of preliminary study findings, background on fair housing law and a discussion of attendees' and/or clients' experience with fair housing choice in Grand Forks. The workshop was held in a location accessible to persons with disabilities. No special accommodations were requested by attendees.

Zoning, land use and housing policy review. BBC reviewed the city's land use and zoning codes for barriers to housing choice.

Analysis of demographic, housing and lending data. In this task, data on mortgage lending approvals, subprime mortgages (from Home Mortgage Disclosure Act or HMDA data), concentrations of protected classes, affordable housing opportunities, recent legal cases and complaints were analyzed to detect potential discriminatory patterns.

Identification of impediments. In this task, BBC compiled the fair housing concerns identified through public participation, data analysis and review of land use policies into impediments to fair housing choice.

Actions to address past and current impediments. In this final task, BBC developed a recommended Fair Housing Action Plan (FHAP) for the city to use to address identified impediments.

Summary of Findings

The primary findings from the research conducted for this AI include the following:

- Stakeholders believe that Not-In-My-Backyard Syndrome (NIMBYism) can create barriers to multifamily housing development, sometimes housing for protected classes. Specifically, stakeholders said that neighbors have expressed resistance to group homes and housing for single women recovering from substance abuse. The resident survey showed that NIMBYism could be a factor, as residents put a high preference on the value of "living near people who are similar to me." (See Figure IV-10).

- One in ten residents say they have experienced housing discrimination—a relatively low proportion. The most common reasons given for the discrimination were age, familial status (having children) and race/ethnicity.

- Because of the city's older housing stock and tight rental market, people with physical disabilities find it difficult to find accessible apartments. "Lack of accessible single and multifamily housing units" was ranked by the 2010 AI as a major or moderate barrier by 60 percent of all survey respondents, the most concentrated opinion in the 2010 AI survey.

- An analysis of racial, ethnic and household concentrations in Grand Forks found no racially or ethnically concentrated Census Tracts. There are, however, many Census Tracts with concentrations of seniors, who have the highest rates of disability in the city. Households living in poverty are largely concentrated around UND.

- According to the AI survey, resident knowledge of who to contact to report housing discrimination is low: just one-third of residents said they knew who to contact and most said they would contact the housing authority.

- Lack of a local or regional fair housing organization is needed, according to stakeholders. Stakeholders representing special needs populations and low income residents believe that many landlords and residents are uninformed about fair housing regulations, especially reasonable accommodations regulations. Stakeholders also believe that unlawful evictions are also common. In the 2010 AI, education about fair housing and landlord/tenant laws and rehabilitation programs to improve accessibility were ranked as "very important" by more than half of the survey respondents.

- Lack of affordable housing in the city may disproportionately affect persons with disabilities, families with children, non-White residents and refugees. A comparison between the clients of the Grand Forks Housing Authority and the income-adjusted population in Grand Forks showed that the housing authority disproportionately serves people with disabilities and low income families with children. In addition, because the poverty rate of many non-White residents and foreign born residents is much higher than White, native-born residents, lack of affordable housing may create greater barriers to housing choice for these groups than for the predominant population in Grand Forks.

- Stakeholders believe that the city is proactive about housing choice. Housing barriers in the city are primarily related to the housing market and lack of funding to provide needed housing and services, rather than the actions of the public sector and its partners.

2012 Fair Housing Impediments

According to HUD, fair housing impediments may *directly* or *have the effect of* (indirectly) create barriers to fair housing choice. To address barriers, communities must "affirmatively further fair housing choice." Recently, HUD has described furthering fair housing choice as creating "balanced" communities where people of all races, ethnicities, genders, age and persons with and without disabilities can live together. HUD has also clarified that a general lack of affordable housing is an "equal opportunity" barrier to affordable housing. For lack of affordable housing to be a fair housing impediment, it must disproportionately affect protected class(es).

The impediment and observations described below represent common themes and repeated occurrences found through the AI research. In keeping with HUD's guidance in identifying impediments,

- An "observation" is a fair housing issue that may create an impediment to fair housing choice; however, there is not a direct link to the cause or effect ("nexus") of the action.
- An "impediment" has the direct or indirect cause or effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.

OBSERVATION NO. 1—Lack of fair housing information and education may limit residents' ability to protect their fair housing rights. As discussed above, the majority of residents in Grand Forks do *not* know who to contact about fair housing information. The only fair housing organization in the state—Fair Housing of the Dakotas—closed in 2011. HUD and the North Dakota Department of Labor conduct fair housing enforcement, but focus on fair housing education and outreach.

Lack of fair housing information can become an impediment if it creates a situation where certain protected classes experience discrimination because they—and private sector housing providers—are unaware of their rights.

OBSERVATION NO. 2—Resistance to housing development (Not-In-My-Backyard Syndrome or NIMBYism) may create barriers to housing for certain protected classes. In the meetings conducted for the AI, stakeholders described incidences of NIMBYism that may have prevented housing to be developed for persons with disabilities and single women.

OBSERVATION NO. 3—The city could improve some elements of its zoning code to facilitate development of affordable housing. Clarion Associates of Denver—a planning and land use firm that BBC works with frequently in housing barriers studies—often cites a 2007 national study prepared by an independent consultant for HUD and the National Association of Home Builders which found that large minimum lot sizes are the single largest regulatory factor raising the costs of single-family homes.

To encourage development of a wide range of housing types in a community, at least one zone district (or overlay district, or permit system) should permit small lots for single-family detached housing. While the appropriate minimum lot size will vary with the character of the city, many communities now allow single-family lots to be platted at sizes ranging from 3,000 to

3,500 square feet. The minimum lot size permitted in Grand Forks single family detached (R-1) district is 7,500 square feet (it is 6,000 square feet in R-2), which does not facilitate the construction of affordable housing. It is noted that the PUD ordinance allows great flexibility in lot sizes, however.

A second, smaller contributor to the price of single-family homes is minimum residential lot width. In its 2040 Comprehensive Plan, the city describes narrow lots as "undesirable." As the city's demographics and residents' housing preferences change, preferences for smaller, narrower lots are likely to increase. Consumer preferences toward New Urbanist lot sizes and planned developments remains very strong nationwide.

IMPEDIMENT NO. 1—Lack of affordable housing may disproportionately affect protected classes. A review of the tenants served through the Grand Forks Housing Authority's programs relative to their income-adjusted representation in the community overall found that persons with disabilities and families with children are more likely to be served by the housing authority than by the private market. In addition, residents of certain races and ethnicities have much higher poverty rates than non-Hispanic, White residents and, as such, have a larger need for affordable housing.

This suggests that the lack of housing opportunities in the private market creates an impediment to housing choice for some protected classes.

Fair Housing Action Plan

This Fair Housing Action Plan (FHAP) contains BBC's recommendations for addressing the fair housing impediment and observations discussed above.

ACTION ITEM NO. 1—Improve access to information and educate residents about fair and affordable housing.

- **Modify the city and housing authority websites.** We commend the city for addressing fair housing discrimination on its "housing authority" webpage[4]; most cities do not have this amount of information anywhere on their websites.

  This website is certainly a helpful starting point to accessing more fair housing information. However, it could be bolstered by including a link to HUD's excellent fair housing page[5] and describing fair housing protections in more depth. We also recommend a Frequently Asked Questions section with answers to questions such as "If I am not a U.S. citizen but I feel that I have been discriminated against, what can I do?" or "If I am disabled and want to ask my landlord for handicapped accessible modifications to my apartment, what do I do?" Finally, the city should have a link to the fair housing information page on its home page.

  Because many residents said they would contact the Grand Forks Housing Authority if they had a fair housing question or concern, the housing authority should also have this type of information on its website—or link to the city's newly developed fair housing webpage.

---

4 http://www.grandforksgov.com/gfgov/home.nsf/pages/Housing+Authority

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

The following is a nice example of information on a county government webpage in the Denver area:

About Fair Housing

Types of Housing Discrimination

Whether people are trying to rent, buy, sell, or finance a home or apartment, as a tenant, homeowner, or landlord, rights and protections are provided by the Federal Fair Housing Act. Illegal housing discrimination can take many forms:

- *Realtors showing apartments or homes only in certain neighborhoods*
- *Advertising housing only to preferred groups of people*
- *Denials of property insurance*
- *Discriminatory property appraisals*
- *Refusals to make reasonable accommodations for persons with disabilities*

Reports across the country indicate that those who are low-income, seniors or disabled, seeking to purchase, refinance, or secure a reverse mortgage, are often targets for predatory lenders or loan fraud. Predatory lenders take advantage of borrowers with a variety of abusive practices, such as charging excessive interest rates or loan fees.

Why provide fair housing information?

In Douglas County, fair housing information is provided to the public to:

- *Raise awareness of critical fair housing issues*
- *Educate citizens of their rights and responsibilities*
- *Provide a local contact name to discuss fair housing questions*
- *Provide an avenue to file a complaint*

About the Fair Housing Act

The federal Fair Housing Act was adopted in 1968 and amended in 1988. HUD is the agency charged with enforcing the Fair Housing Act. According to HUD, impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices, or the availability of housing choices. HUD also considers any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin to be impediments to fair housing choice. The State of Colorado also has enacted legislation prohibiting housing discrimination, and State law offers the same protections as the Fair Housing Act, with additional protections based on marital status, creed, and ancestry.

Fair Housing Resources

To better understand fair housing rights and responsibilities, visit HUD's website. Click on the following for more details:

- *Fair housing basic facts*
- *Recent changes to the Fair Housing Act*
- *Fair Housing Laws and Presidential Executive Orders*
- *State of Colorado rules and regulations*
- *Fair housing complaint process*
- *Download a complaint form*

Source: http://www.douglas.co.us/CDBG/Fair_Housing.html

- **Establish a fair housing contact.** The city should establish a central point of contact for citizens who have fair housing concerns. This point of contact might be located within the city or housing authority. This point of contact would not take or investigate complaints, but instead provide basic information to residents about their rights and refer residents and landlords with fair housing questions to the appropriate information sources at the state and federal levels.

- **Play a larger role in fair housing.** Grand Forks should increase its role in educating citizens about fair housing rights. Specifically, the city should do the following, perhaps working with the recommended fair housing organization proposed in Action Item No. 2:

  - Implement a fair housing campaign targeted at the city's New Americans, Limited English Proficiency (LEP) and disabled populations.
  - Work with organizations which serve protected classes and low income individuals (e.g., immigrant service providers, mental health providers, advocates for persons with disabilities) to disseminate information about fair housing rights to their clients.
  - Place Public Service Announcements (PSA) on radio stations, public television stations and in newspaper ads as appropriate for each targeted population.
  - Distribute information about fair housing to public schools in target areas; send information flyers home twice a year with school children.
  - Mail residents fair housing information through utility bills.
  - Have fair housing brochures available at community centers and library computer stations.
  - Finally, the city should offer or require some type of fair housing training to landlords as part of the city's rental licensing program.

- **Improve the city's Citizen Participation Plan.** In accordance with HUD's recommendations, the city should amend its Citizen Participation Plan used in the Annual Action Plans for housing and community development funding to encourage all types of residents to participate in the process, specifically by stating that translation services will be provided as requested, providing documents in an accessible format and marketing participation to residents of protected classes.

ACTION ITEM NO. 2.—Support the creation of a fair housing education and/or enforcement organization.[6]

The city should continue conversations with the proposed High Plains Fair Housing Center, which would have a focus on Grand Forks. The city should consider providing some start up and ongoing assistance to the organization.

In the consultant's opinion, such an organization would maintain a fair housing website, conduct fair housing workshops and make presentations on fair housing and rights to targeted populations (LEP persons, immigrants, persons with disabilities) and, longer term, conduct testing and potentially enforcement activities. Such an organization should look to HUD's Fair Housing Assistance Program as a potential funding source.

6 Note that a similar action item was recommended in the State of North Dakota AI, prepared in March 2012.

This fair housing organization should make the following activities a priority:

- Conduct seminars and training sessions with residents who are most vulnerable to fair housing discrimination which focus on common issues such as return of security deposits; tenants' responsibilities under leases; common lease provisions; rights to have service animals; renting to families with children; and reasonable accommodations requests.
- Assist disabled residents with making and receiving funding for requests for reasonable accommodations.
- Conduct fair housing training for landlords on fair housing as well as eviction rules and procedures and good record-keeping practices.
- Resolve landlord/property management issues; explain leases to non-English speakers; mediate problems with landlords (e.g., failure to receive security deposits back without reason).
- Offer a hotline that residents can call when they have fair housing and landlord/tenant questions;
- Produce fair housing materials like the "Blue Fair Housing Book" that was published by the former Fair Housing of the Dakotas.

As funding becomes available, the organization could implement a fair housing testing program to better identify where fair housing violations occur and properly target educational and outreach activities to vulnerable populations and violators.

The organization might also conduct fair housing enforcement activities. HUD funds organizations to enforce fair housing laws on its behalf; these are called Fair Housing Initiative Partners (FHIP). It should be noted that to become a FHIP, organizations must "be qualified fair housing enforcement organizations with at least two years of experience in complaint intake, complaint investigation, testing for fair housing violations, and meritorious claims in the three years prior to the filing of their application."[7]

ACTION ITEM NO. 3—Work to address NIMBYism.

This study did not contain an exhaustive examination of the development approval process in Grand Forks and the extent to which neighborhood organizations impede affordable housing creation. However, stakeholders raised enough concerns about the effect of NIMBYism that the city should examine and, if needed, address the issue of NIMBYism.

[7] For more information on HUD's FHIP program, see http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip

Initially, the city should:

- Examine the role that neighborhood groups are playing in development decisions. Investigate if and how neighborhood groups and/or residents evoked discriminatory reactions to recent proposals for group homes and housing for certain protected classes.

- Educate residents about the need for affordable and special needs housing in Grand Forks, the benefits of moderate density and the consequences of not meeting current and future needs for housing (e.g., increased poverty and cost burden, disabled seniors not being able to find housing they need, increased traffic and congestion if the city continues to sprawl).

ACTION ITEM NO. 4—Examine how land use and zoning regulations could be improved to encourage affordable, mixed-income and special needs housing. The city should conduct an internal review—or use the services of a consultant—to evaluate how to modify its zoning code to be more flexible and encourage the development of a range of housing types. The modifications should allow a larger mix of unit types and densities, smaller lot sizes, narrower lots, and smaller setbacks to facilitate the development of housing with a wider range of prices and styles, including homes with universal design and visitability principles to accommodate the needs of persons with disabilities.

Milestones, Timeframes for Completion, Measuring Results

Please see the following figure , which details the lead agency, activities and timeframe under which the City of Grand Forks intends to complete its Fair Housing Action Plan.

Figure ES-1.
Fair Housing Action Plan Matrix, Goals and Accomplishments, City of Grand Forks, 2012 – 2016

Action Item	Lead Agency	Activities	Goals					Accomplishments				
			2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
1. Improve access to information and educate residents about fair and affordable housing.	**City of Grand Forks**	– Provide relevant information to Mayor's Blue Ribbon Commission on Housing.	✓									
		– Add fair housing information and links to the City and HA web sites.	✓									
		– Incorporate a Limited English Proficiency Plan into the Citizen Participation Plan.	✓									
		– Facilitate placement of fair housing public service announcements (PSAs) on public-access television.		✓								
		– Include fair housing information on City utility bills.		✓								
		– Include fair housing training for landlords as part of city's rental licensing program.			✓							
	High Plains Fair Housing Center (HPFC)	– Engage in comprehensive outreach and education regarding fair housing issues, present community education seminars, and conduct testing and enforcement activities.			✓							
		– Work with tenants, landlords, real estate professionals, non-profit entities, government agencies and community leaders to promote housing policies that foster just housing practices at the local, state, and federal level.			✓							
		– Work with organizations serving protected classes to disseminate fair housing information to their clients.			✓							

Source: BBC Research & Consulting.

Figure ES-1. (CONTINUED)
Fair Housing Action Plan Matrix, Goals and Accomplishments, City of Grand Forks, 2012 – 2016

Action Item	Lead Agency	Activities	Goals					Accomplishments				
			2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
2. Support the creation of a fair housing education and/or enforcement organization.	**City of Grand Forks**	– Provide start-up assistance (technical and financial) to the High Plains Fair Housing Center.	✓	✓								
		– Provide ongoing support to the HPFHC.			✓+							
		– Support implementation of a fair housing education campaign targeted at protected classes, especially LEP and disabled populations.		✓								
		– Direct citizens to the HPFHC as the central point of contact for fair housing concerns.			✓							
	High Plains Fair Housing Center (HPFC)	– Develop a partnership with Legal Services of North Dakota.	✓	✓								
3. Work to address NIMBYism.	**City of Grand Forks**	– Review the reactions of citizens and neighborhood groups to recent housing development proposals and investigate if fair housing issues appear to be, in whole or in part, the basis of neighborhood opposition.		✓								
		– Routinely include information about fair and affordable housing in City presentations to neighborhood groups.		✓								
4. Examine how land use and zoning regulations could be improved to encourage affordable, mixed-income and special needs housing.	**City of Grand Forks**	– In conjunction with the Mayor's Blue Ribbon Commission on Housing, review the current zoning code and evaluate it for potential modifications that would encourage the development of a wider range of housing types, including homes with universal design and visitability principles.	✓	✓								

Source: BBC Research & Consulting.

SECTION I.

Demographics and Housing Overview

SECTION I.
Demographics and Housing Overview

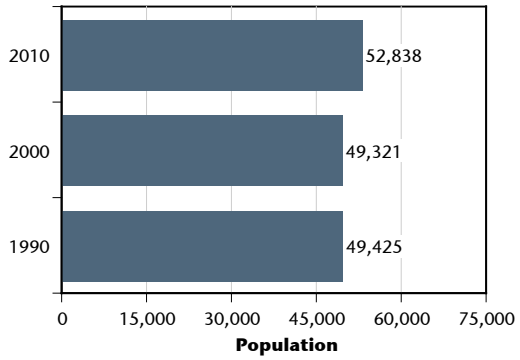
This section provides a demographic and housing market overview of the City of Grand Forks for the AI. Specifically, the section contains the required analysis of racial and ethnic concentrations and determines if lack of affordable housing disproportionately affects members of protected classes.

This section used the most recent data available on the city's population and economy at its writing, including the U.S. Census (2010 and 2000 for trends) and the 2007-2010 American Community Survey (ACS) 3-year estimates. Local data on housing affordability are incorporated where available.

Grand Forks Demographic Profile

Grand Forks' 2010 population was reported by the Census as 52,838, up from 49,321 in 2000. The city has grown modestly in the last 20 years; recent growth is largely attributable to student growth at the University of North Dakota (UND).

Figure I-1.
Historic and Current Population,
City of Grand Forks, 1990, 2000 and 2010

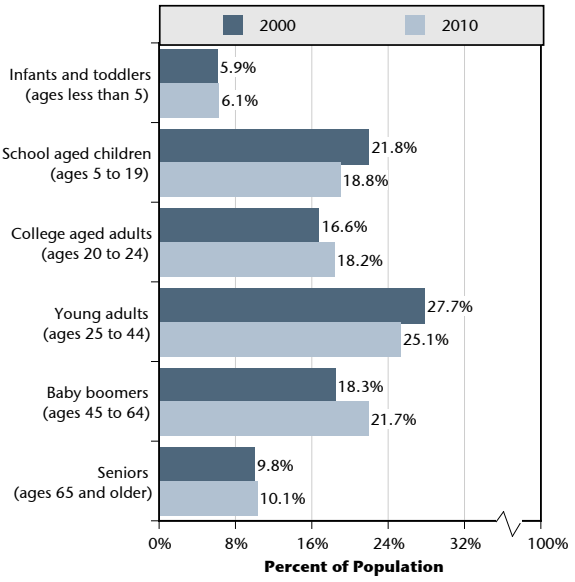


Source: 1990, 2000 and 2010 Census.

Protected classes. Like many rural areas in the Midwest, Grand Forks' residents are mostly White, non-Hispanic. The largest single protected class in the city is persons with disabilities, which make up 8 percent of the city's population according to the 2010 Census, or about 4,200 people.

Seniors and persons with disabilities. Figure I-2 compares the age distribution of the city's population in 2010 to 2000. Growth in the size of the student population at UND has led to a larger proportion of college aged adults in the city. There is now a smaller proportion of young adults and a larger proportion of Baby Boomers; this is a sign that the city's non-student population is aging.

Figure I-2.
Age Distribution,
City of Grand Forks, 2000 and 2010



Source: 2000 and 2010 Census.

The following age pyramid is a useful tool for understanding how the city's age distribution may drive growth in the future. Cities with large college populations have relatively high proportions of 18-24 year olds (undergraduates) and 25-29 year olds (graduate students). These residents may or may not be temporary, depending on their preferences to stay in the city or move.

Another significant aspect of Grand Forks' age pyramid is the high proportions of middle age adults and Baby Boomers and smaller proportion of 35 to 39 year olds.

Figure I-3.
Age Pyramid, City of Grand Forks, 2010

Source:
2008-2010 3-year ACS.

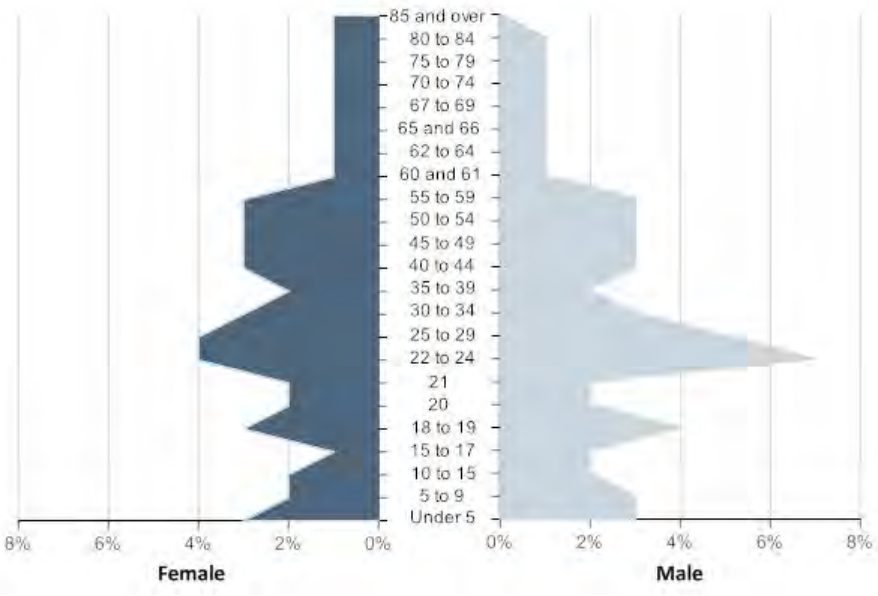
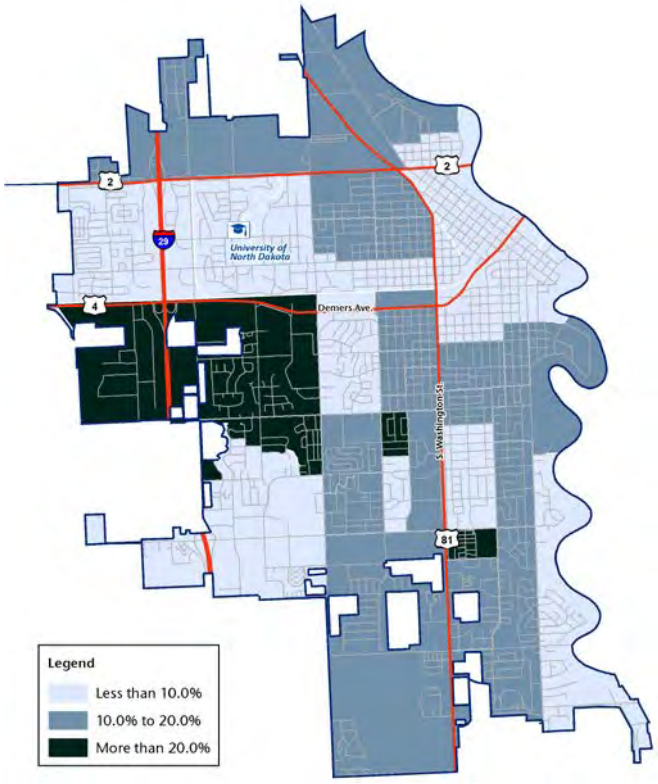


Figure I-4.
Percent Senior Population by Block Group, City of Grand Forks, 2010

Source:
2010 Census.



As the city ages, accessible housing demand and needs will increase as age and disability are correlated. Seniors often require assistance with home maintenance and transportation to ensure they maintain a high quality of life while aging in place. Figure I-4 on the prior page displays the geographic distribution of the city's senior population. Census block groups with the darkest shading represent areas of senior concentrations. These areas contain a higher proportion of seniors than the city overall.

Figure I-5.
Disability Status by Age, City of Grand Forks, 2010

	Number	Percent of Disability in Age Group
Less than 5	**22**	
With a hearing difficulty	22	100.0%
With a vision difficulty	-	0.0%
5 to 17 years old	**187**	
With a hearing difficulty	-	0.0%
With a vision difficulty	10	5.3%
With a cognitive difficulty	177	94.7%
With an ambulatory difficulty	16	8.6%
With a self-care difficulty	31	16.6%
18 to 64 years old	**3,036**	
With a hearing difficulty	605	19.9%
With a vision difficulty	333	11.0%
With a cognitive difficulty	1,660	54.7%
With an ambulatory difficulty	972	32.0%
With a self-care difficulty	411	13.5%
With an independent living difficulty	1,123	37.0%
65 years and older	**1,340**	
With a hearing difficulty	639	47.7%
With a vision difficulty	266	19.9%
With a cognitive difficulty	243	18.1%
With an ambulatory difficulty	818	61.0%
With a self-care difficulty	250	18.7%
With an independent living difficulty	618	46.1%

Note: Percentages will not sum to 100%, as residents can cite more than 1 disability.

Source: 2008-2010 American Community Survey 3-year estimate.

Figure I-5 displays disability status by age. Nearly one in four senior reports having a disability.

More than 3,000 Grand Forks residents aged 18 to 64 reported having a disability. More than half report having a cognitive disability. Persons with cognitive disabilities "have difficulty concentrating, remember or making decisions because of a physical, mental or emotional condition."[1] As such, most persons with a cognitive disability also report having other types of disabilities.

According to the 2010 AI, the Northeast Human Service Center serves more than 800 clients with developmental disabilities and more than 2,400 persons with mental health issues. Social workers estimate that only half of the residents who need treatment for mental health issues are receiving it.

Disabled residents between the ages of 18 and 64 were also most likely to have an independent living disability (37%) and/or an ambulatory difficulty (32%), which is defined by the Census as having trouble walking or climbing stairs.

Seniors are the most likely to have a disability in Grand Forks. Many disabled seniors reported having an ambulatory disability (61%). That means that many of these seniors may have difficulty living in their homes unless important accessibility modifications (e.g., grab bars, wheelchair ramps) are made.

[1] Definition taken from the census glossary.

Race and ethnicity. Grand Forks' population is primarily racially White (90%) and ethnically non-Hispanic (97%). Since 2000, the city's population has experienced racial and ethnic diversification. Although still low in numbers, many of Grand Forks' minority populations grew significantly during the past decade, as shown in Figure I-6.

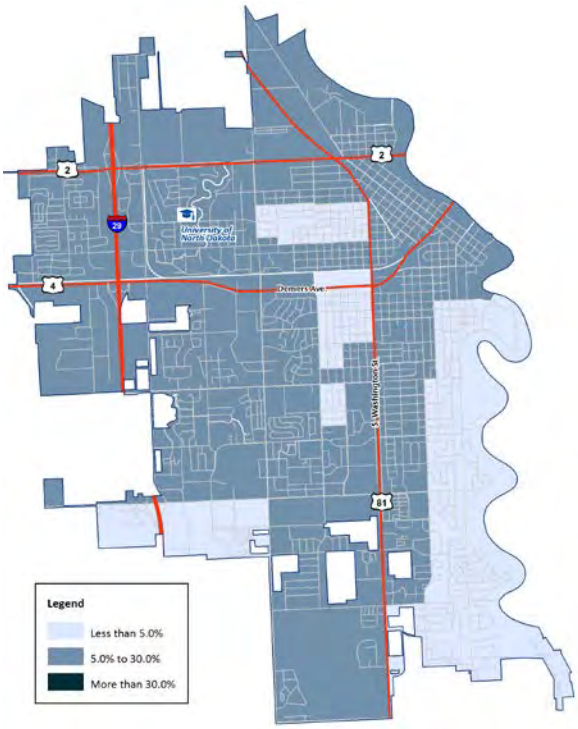
Figure I-6.
Racial and Ethnic Composition, City of Grand Forks, 2010

	2000		2010		Change 2000-2010	
	Number	*Percent*	*Number*	*Percent*	*Number*	*Percent*
Race						
American Indian and Alaska Native	1,357	2.8%	1,515	2.9%	158	11.6%
Asian	472	1.0%	1,178	2.2%	706	150.0%
Black or African American	426	0.9%	1,061	2.0%	635	149.0%
Native Hawaiian or Pacific Islander	28	0.1%	20	0.0%	(8)	-28.6%
White	46,040	93.3%	47,382	89.7%	1,342	2.9%
Some other race	288	0.6%	385	0.7%	97	33.7%
Two or more races	710	1.4%	1,297	2.5%	587	82.7%
Ethnicity						
Hispanic	921	1.9%	1,473	2.8%	552	60.0%
Non-Hispanic	48,400	98.1%	51,365	97.2%	2,965	6.1%

Source: 2010 Census.

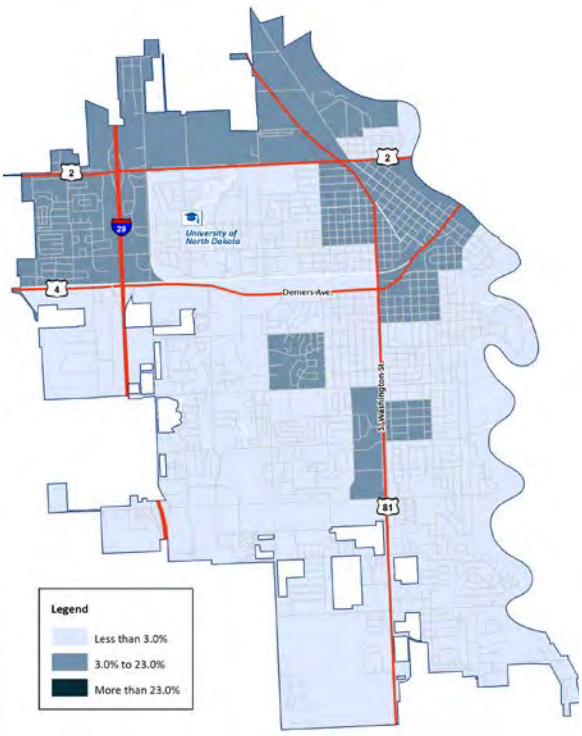
Figures I-7 and I-8 on the following page examine where the city's racial and ethnic minorities reside. According to HUD, "minority impacted areas" occur where a specific racial or ethnic group makes up more than 20 percentage points of a Census block group or tract than their population of a city overall. The maps show that Grand Forks has no minority impacted areas. However, as Figure I-8 shows, the city's Hispanic population is mostly located in the northern portion.

Figure I-7.
Percent Non-White Population by Block Group, City of Grand Forks, 2010



Source: 2010 Census.

Figure I-8.
Distribution of Hispanic Population by Block Group, City of Grand Forks, 2010



Source: 2010 Census.

The City of Grand Forks is one of 200 communities nationwide that provides resettlement services for refugees. Since 2005, approximately 2,300 refugees resettled in North Dakota; 462 refugees (20%) have resettled in Grand Forks, which is the 3rd largest resettlement community in the state behind Fargo and West Fargo. In the last three years, Grand Forks has welcomed an average of 93 refugees into the city each year. Most of the state's refugees were from Bhutan (36%), Somalia (21%), Iraq (17%), Burundi (7%), Liberia (5%) and Sudan (4%).

Familial status. Significant changes in the city's household composition during the last 10 years include the following:

- There are fewer husband and wife families living in Grand Forks. Growth in married couple households without children in the last 10 years has been offset by the loss of married couples with children.
- Growth in unmarried male- and female-headed households led to an overall increase in the number of family households in Grand Forks.
- Growth in the UND student population led to an increase in the number of and overall proportion of non-family households in Grand Forks.

As of 2010, the city's households were almost equally split between families and non-family households (people living alone or with roommates), as shown in Figure I-9.

Figure I-9.
Household Composition, City of Grand Forks, 2000 and 2010

	2000		2010	
	Number	*Percent Total Households*	*Number*	*Percent Total Households*
Family Households	**11,054**	**56.2%**	**11,275**	**50.7%**
Husband and wife families	**8,504**	**43.2%**	**8,297**	**37.3%**
with children under 18	3,931	20.0%	3,271	14.7%
without children under 18	4,573	23.2%	5,026	22.6%
Male householder, no wife	**590**	**3.0%**	**820**	**3.7%**
with children under 18	319	1.6%	437	2.0%
without children under 18	271	1.4%	383	1.7%
Female householder, no husband	**1,960**	**10.0%**	**2,158**	**9.7%**
with children under 18	1,404	7.1%	1,424	6.4%
without children under 18	556	2.8%	734	3.3%
Non-family households	**8,623**	**43.8%**	**10,985**	**49.3%**
Total Households	**19,677**	**100.0%**	**22,260**	**100.0%**

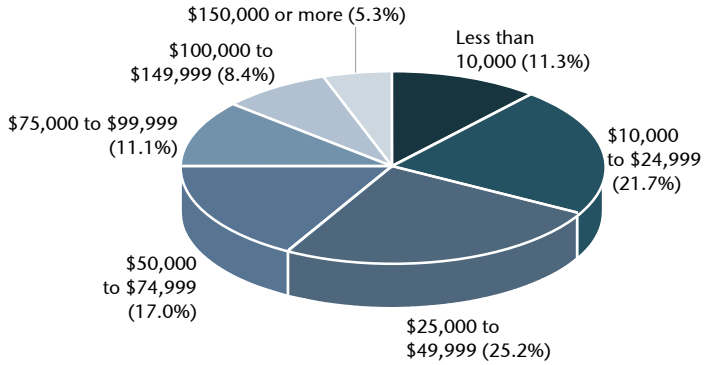
Source: 2000 and 2010 Census.

Grand Forks' overall household composition is similar to other towns hosting a major university. For example, 51 percent of Fargo's (North Dakota State University) households are non-family households. The State of North Dakota (61%) and the U.S. (66%) contain a larger proportion of family households than in Grand Forks.

Income concentration. Figure I-10 displays the city's household income distribution. More than half of the city's households earn less than $50,000 annually (58%). This is not surprising, given the city's large college student population.

Figure I-10.
Household Income Distribution, City of Grand Forks, 2010

Source:
2008-2010 American Community Survey 3-year estimate.



Median Family Income (MFI) is used by HUD and state and local policy makers to qualify households for various federally funded housing programs. According to HUD, the MFI for the Grand Forks MSA is $64,700 in 2012. The following classifications utilize MFI to define income levels according to HUD's categorization:

- Extremely low—30 percent and less of MFI ($19,410 and less);
- Very low—31 to 50 percent of MFI ($19,411 to $32,350);
- Low and moderate—51 to 80 percent ($32,351 to $51,750); and
- Above low and moderate—80 percent and above of MFI (more than $51,750).

Figure I-11 uses HUD income categories to compare the city's income distribution in 2000 and 2012 and determine how the city's family income distribution has changed in the last 12 years. The city now contains slightly higher proportions of extremely low income, very low income and low to moderate income households than in 2000.

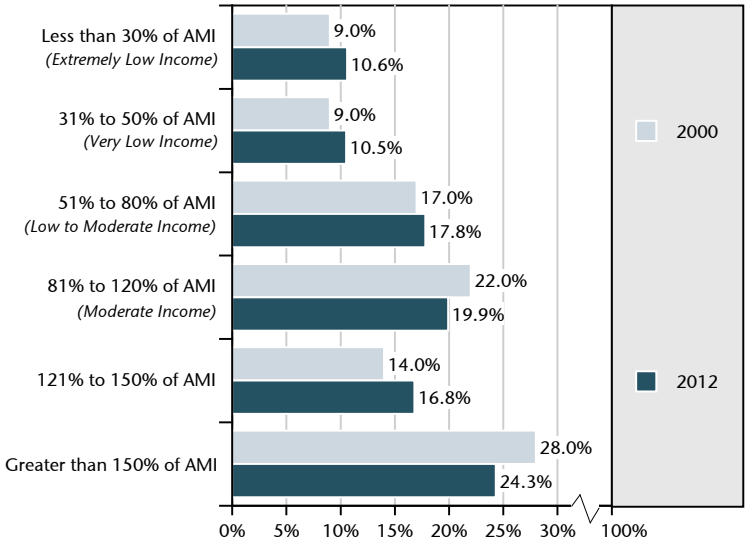
Figure I-11.
Family Income Distribution by HUD MFI, City of Grand Forks, 2000 and 2012

Note:

Utilizes 2012 HUD Income Limits and 2010 Household Income data from the Census.

Source:

2008-2010 American Community Survey 3-year estimate and HUD.



Poverty. The city's poverty rate in 2010 was 20 percent, which is higher than the poverty rate in North Dakota (12%) and the U.S. (14%). This is also higher than the city's poverty rate of 15 percent in 2000.

As demonstrated in Figure I-12, the city's poverty rate is heavily linked to UND's student population.

Figure I-12.
Poverty by Age, City of Grand Forks, 2010

Source:

2008-2010 American Community Survey 3-year estimate.

	Number	Percent in Poverty	Percent in Age Group
Infants and toddlers (0 to 4)	729	7.4%	25.4%
School aged children (5 to 17)	1,057	10.7%	16.3%
College aged adults (18 to 24)	5,059	51.2%	44.6%
Young adults (25 to 44)	1,618	16.4%	12.8%
Baby boomers (45 to 64)	946	9.6%	8.4%
Seniors (65 and older)	471	4.8%	9.2%
Total	**9,880**	**19.9%**	

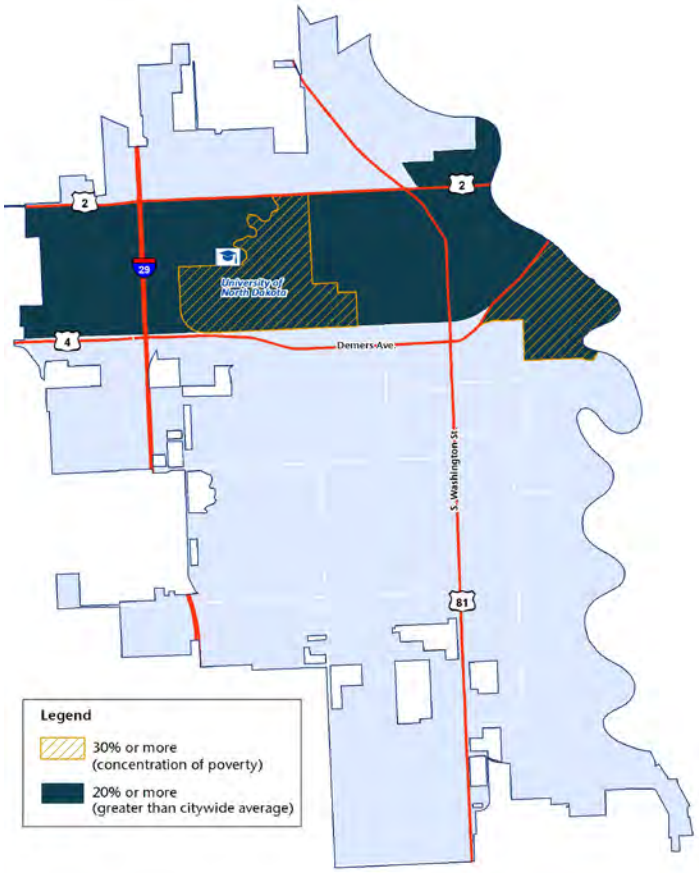
Poverty rates for children aged 0 to 17 increased the most during the last 10 years. The poverty rate for children increased from 15 percent in 2000 to 19 percent in 2010.

Figure I-13 shows the percent of persons living in poverty by Census tract. The location of impoverished residents is highly correlated with proximity to UND, in addition to areas within and immediately surrounding downtown Grand Forks.

Figure I-13.
Percent of Population in Poverty by Census Tract, City of Grand Forks, 2009

Source:

2005-2009 American Community Survey 5-year estimate.



Housing Affordability Analysis

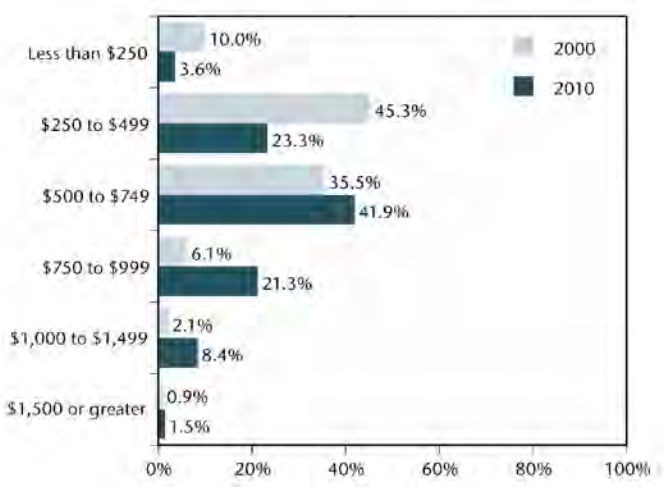
This section analyzes if housing affordability disproportionately affects individuals based on race/ethnicity, color, sex, religion, national origin, familial status or disability. It begins with an overview of housing affordability in Grand Forks.

Rental affordability. Rental rates in Grand Forks have increased in the last 10 years, even as renter incomes have stayed the same. According to the ACS, the median gross rent in Grand Forks was $632 in 2010, compared to $477 in 2000. This means that renters living in the median-priced unit are paying $155 more per month in rent—an increase of 32 percent. To manage this increase, renters would need to earn $6,000 more in 2010 than they did in 2000. According to the U.S. Census, renter incomes were flat during the past decade.

As demonstrated by Figure I-14, the city's rental market now includes a larger proportion of higher priced units. Thirty-one percent of rental units require a rent of $750 or more, compared to just 9 percent in 2000.

Figure I-14.
Distribution of Gross Rental Rates, City of Grand Forks, 2010

Source:
2008-2010 American Community Survey 3-year estimate.



A comparison of supply and demand for rental units in Grand Forks found a shortage of affordable rental units to serve the city's lowest income renters:

- Approximately 2,400 renter households—20 percent of all renter households in Grand Forks—earn less than $10,000. These renters largely consist of UND students, seniors and persons with disabilities living on fixed incomes and other extremely low income households. These households can only afford to pay a maximum $213 per month in rent without being cost burdened (utilities are accounted for separately). Grand Forks has approximately 624 public and private units and rental assistance vouchers for these households—leaving a gap of 1,748 underserved households.

- 2,663 renter households—about 23 percent of all renters—earn between $10,000 and $20,000 and need apartments with rents of between $213 and $405 to avoid being cost burdened. In 2012, these renters had 1,707 affordable units and vouchers available to them, leaving a gap of 956 underserved renter households.

Homeownership affordability. The average sales price of homes sold in Grand Forks between January 1, 2007 and December 2, 2011 was approximately $165,580. The median sales price was $149,900. After a slight drop in home prices in 2009, average and median sales prices increased in 2011 to $175,000 and $155,000, respectively.

Sixty-three percent of homes sold since 2007 were priced between $100,000 and $200,000. Homes priced at $300,000 or more account for a small part of the city's housing market.

An analysis of how well the for sale market is able to serve Grand Forks renter households looking to buy found that the price points at which units are available align fairly well with what renters could afford. In 2011, there were 513 units available to the 1,500 renters interested in buying.

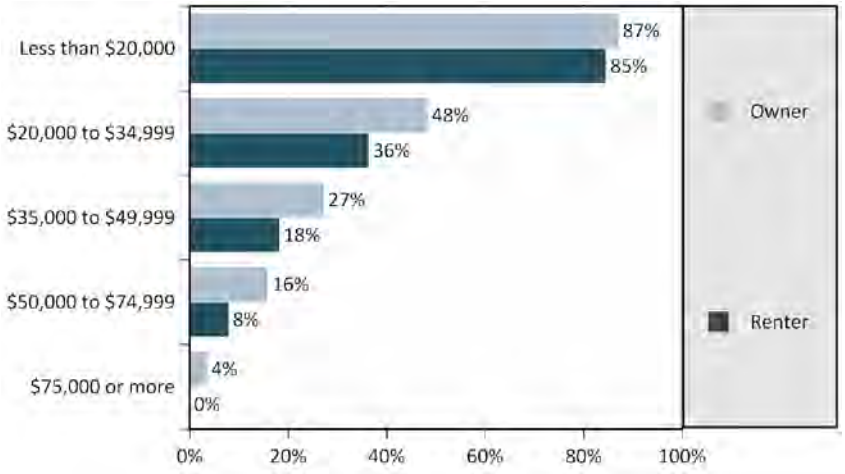
In addition, a comparison of the city's existing homeowners with what they could afford to purchase in 2011 found that, in general, homeowners in Grand Forks would find the city's existing homeownership market relatively affordable. This is especially true of homeowners who want to downsize: approximately 50 percent of the units on the market and/or sold in 2011 were priced at more than $150,000. By comparison, about three-fourths of owners could afford to buy homes priced above $150,000.

Cost burden. Figure I-15 presents the percentage of cost burdened households by household income and tenure. Cost burden is very high (85-87%) for households earning less than $20,000 per year. Except for the lowest income households, renters face higher levels of cost burden than do owners.

Figure I-15.
Cost Burden by Tenure, City of Grand Forks, 2010

Source:

2008-2010 American Community Survey 3-year estimate.



Lack of affordable housing's effect on protected classes. Two methods are used in this section to determine if lack of affordable housing in Grand Forks—as identified through the rental affordability analysis discussed above—disproportionately affects certain protected classes.

- First, the characteristics of the clients of the city's primary affordable housing provider are compared with the income-adjusted population in the city overall to determine if the public and private sector are over- or under serving certain protected classes.

- Second, the incidence of poverty is compared for protected classes. A very high incidence rate and gaps in poverty rates among protected classes suggests that lack of affordable housing may create greater housing barriers for some protected classes.

The Grand Forks Housing Authority (GFHA) is the primary provider of affordable housing in the City of Grand Forks. The GFHA administers the Section 8 voucher program and also manages a number of affordable rental properties in the city. The GHFA does not own any public housing units.

According to the 2010 AI, 75 percent of the clients served by the GFHA earn less than 30 percent of the area median income, which means they are living below the poverty level. Three-fourths of housing authority clients are families with children (77%); 22 percent are seniors; and 36 percent have a household member with a disability.

Overall in the city, 26 percent of people with disabilities live below the poverty level. Twenty-one percent of families with children live in poverty. Comparing the characteristics of the housing authority clients with all households in Grand Forks, adjusting for income, demonstrates that the housing authority disproportionately serves people with disabilities (36% served by the housing authority v. 26% in the city overall) and low income families with children (77% served by the housing authority v. 21% living in poverty in the city overall). This may be an indicator of the limited ability of the private sector to provide affordable housing for these populations.

Another way of examining if the lack of affordable housing disproportionately affects protected classes is to analyze the differences in poverty rates by race, ethnicity and household characteristics. According to the 2006-2010 ACS 5-year estimates (the latest data available on poverty by population characteristic), residents who are American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian/Other Pacific Islander, Two or more races and Foreign Born have poverty rates that are 10 percentage points higher than White, Non-Hispanic, native-born residents.[2] Figure I-16 compares poverty rates by population characteristic and highlights areas of disproportionality.

Figure I-16.
Percent of Population Living in Poverty by Characteristic, 2006-2010

Source:

2006-2010 5-year estimates, American Community Survey.

Population Characteristic	Percent Living in Poverty	Disproportionate Difference? *(10 percentage points higher than predominant category)*
Male	19%	
Female	22%	
American Indian or Alaskan Native	37%	✓
Asian	66%	✓
Black or African American	29%	✓
Native Hawaiian or Pacific Islander	100%	✓
Some other race	16%	
Two or more races	35%	✓
White	19%	
Hispanic/Latino	13%	
Non-Hispanic/Latino	19%	
Native born	20%	
Foreign born	32%	✓

Concentration of housing authority clients. The GFHA administers 1,265 vouchers to Grand Forks residents, including vouchers specifically for veterans. Figure I-17 maps the location of current voucher holders. Except for the far southern part of the city and parts in the far west and far east, vouchers are well distributed in the city.

[2] This comparison uses HUD's definition of "disproportionate need" from the CHAS data. In this definition, a comparison between variables is "disproportionate" if one variable is 10 percentage points higher than the base comparison, which , in Grand Forks' case, is the predominant population characteristic (e.g., White, Non-Hispanic, native born).

Recent analyses of the addresses of New Americans (refugees) have shown that these residents live in many areas of the city. Although such a distribution is desirable to promote housing choice, the scattered approach to housing New Americans makes providing transportation services very challenging for the organizations that serve refugees.

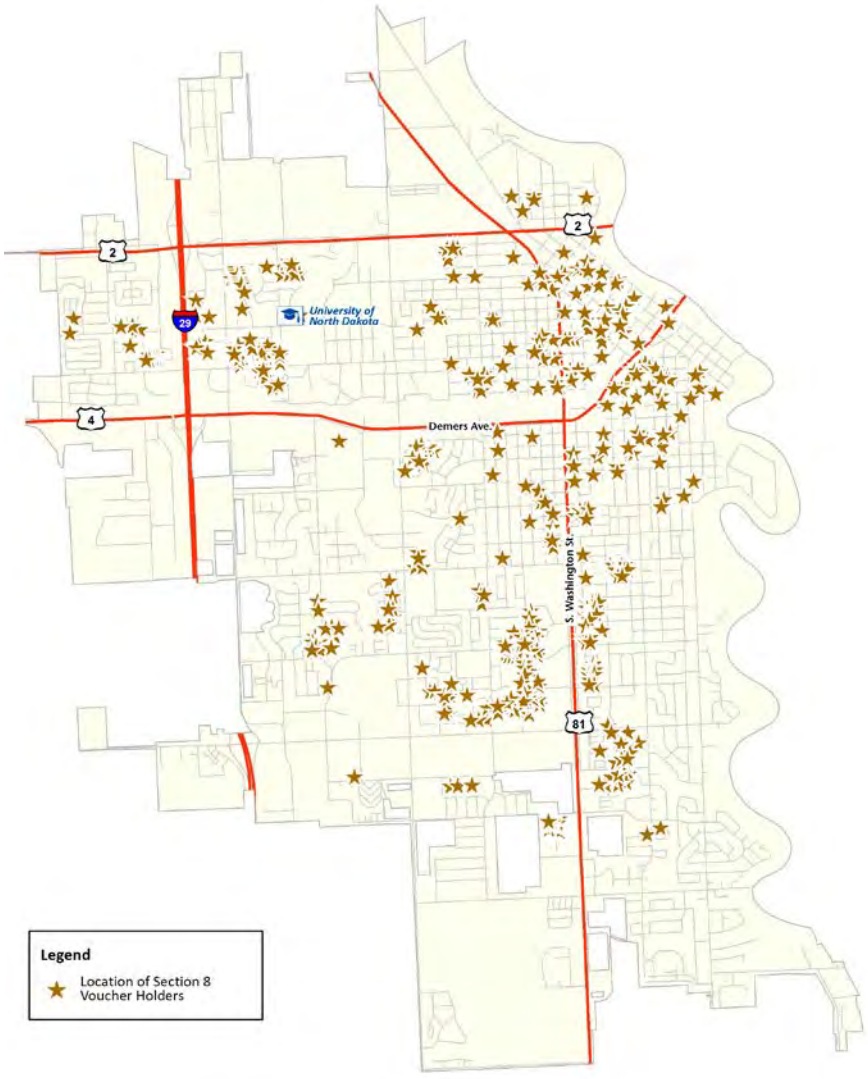
Figure I-17.
Location of Section 8 Voucher Holders, City of Grand Forks, 2012

Note:

Map does not duplicate addresses. If 10 Section 8 Voucher holders live in one building, they will be represented collectively.

Source:

Grand Forks Housing Authority and BBC Research & Consulting.



SECTION II.

Public and Private Sector Analysis

SECTION II.
Public and Private Sector Analysis

This section reviews the land use policies and zoning regulations of the City of Grand Forks, in addition to mortgage loan practices in the private sector. It also discusses fair housing complaint and legal cases.

Home Mortgage Disclosure Act Data

Home Mortgage Disclosure Act, or HMDA data, are widely used to detect evidence of discrimination in mortgage lending. In fact, concern about discriminatory lending practices in the 1970s led to the requirement for financial institutions to collect and report HMDA data. The variables contained in the HMDA dataset have expanded over time, allowing for more comprehensive analyses and better results. However, despite expansions in the data reported, HMDA analyses remain limited because of the information that is not reported.

As such, studies of lending disparities that use HMDA data carry a similar caveat: HMDA data can be used to determine disparities in loan originations and interest rates among borrowers of different races, ethnicities, genders, and location of the property they hope to own. The data can also be used to explain many of the reasons for any lending disparities (e.g., poor credit history). Yet HMDA data do not contain all of the factors that are evaluated by lending institutions when they decide to make a loan to a borrower. Basically, the data provide a lot of information about the lending decision—but not all of the information.

Since 2004, HMDA data contain the interest rates on higher-priced mortgage loans. This allows examinations of disparities in high-cost, including subprime, loans among different racial and ethnic groups. It is important to remember that subprime loans are not always predatory or suggest fair lending issues, and that the numerous factors that can make a loan "predatory" are not adequately represented in available data. Therefore, actual predatory practices cannot be identified through HMDA data analysis. However, the data analysis can be used to identify where additional scrutiny is warranted, and how public education and outreach efforts should be targeted.

HMDA data report several types of loans. These include loans used to purchase homes, loans to make home improvements and refinancing of existing mortgage loans, as defined below.

- **Home purchase loan.** A home purchase loan is any loan secured by and made for the purpose of purchasing a housing unit.
- **Home improvement loan.** A home improvement loan is used, at least in part, for repairing, rehabilitating, remodeling, or improving a housing unit or the real property on which the unit is located.
- **Refinancing.** Refinancing is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower. The purpose for which a loan is refinanced is not relevant for HMDA purposes.

The HMDA data are separated into two primary loan categories: conventional loans and government-guaranteed loans. Government-guaranteed loans are those insured by government agencies—for example, the Federal Housing Administration, the Veterans Administration or the U.S. Department of Agriculture.

This section updates the HMDA analysis conducted in the 2010 AI with 2010 data that were recently released.

2009 HMDA analysis. During 2009, in the Grand Forks—East Grand Forks Metropolitan Statistical Area (MSA), more than 1,200 applications for home mortgage loans were received by more than 150 financial institutions that are required to disclose their lending activities.

Just 5 percent of home purchase applications in the Grand Forks MSA were filed by minority households.

Denial rates varied by race and ethnicity. Even though the total pool of minority applicants was small (65 in 2009), it is worth noting the proportional difference in denial rates. For applicants identifying themselves only as White (1,139 applications in 2009), the denial rate was 8 percent. In 2009, denial rates for racial and ethnic minority applicants were nearly double the rate for whites (15%).

When accounting for income level, the disparity is just as pronounced. Low and moderate income minority homebuyer applicants experienced denial rates two to three times that of non-minority borrowers.

Despite the dramatic disparity in denial rates, the reasons for denial differed among applicants; the most common reasons were poor or lack of credit history, high debt-to-income ratio and lack of collateral. In 2009, 50 percent of minority applicants in Grand Forks were rejected because of credit history. Credit was the reason for denial for 26 percent of white non-Hispanic applicants. An equal number in this group was denied because of debt-to-income ratios being too high.

HMDA also contain information on the disposition of applications by the Census tract in which the subject property, not the applicant, is located.

During 2009, the average denial rate in the Grand Forks MSA was approximately 8 percent. Five Census tracts had denial rates that exceed the MSA average, with the denial rate in the near north and near south side neighborhoods (census tracts 101 and 110) double the MSA rate.

2010 HMDA analysis. During 2010, Grand Forks households applied for 2,321 mortgage loans. Most (72%) were conventional; the rest were government-insured. Most loans were for refinancing existing mortgage loans (58%), followed by home purchases (34%).

The overall denial rate in 2010 was 13 percent, higher than in 2009. Denial rates continue to vary by race and ethnicity with Hispanic, American Indian/Alaskan Native and African American applicants facing much higher denial rates than non-Hispanic Whites: Hispanic applicants were denied 28 percent of the time; American Indian/Alaskan Natives, 23 percent; African Americans, 20 percent of the time. This compares to a denial rate of 12 percent for White applicants. As in

2009, the number of loans from minority applicants was too low to draw definitive conclusions about lending disparities.

Subprime lending in 2010 was very low, with just 2 percent of originated loans receiving subprime rates.

Complaint and Legal Analysis

The authors of the 2010 AI contacted HUD, Fair Housing of the Dakotas (no longer in operation), and Options Interstate Resource Center for Independent Living for information about complaints, actions and patterns of discrimination affecting Grand Forks residents.

At the time, Fair Housing of the Dakotas reported that, in the last five years, there has only been one case involving a Grand Forks landlord/tenant issue that had gone to trial. This case (ND Fair Housing of the Dakotas v. Riemers) involved discriminatory advertising due to receipt of public assistance. A judgment against the defendant was upheld by the State Supreme Court on October 24, 2008. There were no reports filed with HUD or the FHEO office specific to Grand Forks.

However, according to stakeholders contacted as part of the 2010 AI, fair housing complaints are more frequent than what the data suggest. The 2010 AI survey of fair housing issues asked stakeholders about complaints of discrimination that the respondents had received. Forty percent of respondents reported receiving at least one fair housing complaint in the last two years. Eight of nine respondents to this question reported receiving complaints related to disability, while 44 percent of respondents reported receiving complaints related to familial status.

In the resident survey conducted for the 2012 AI, very few residents reported having experienced discrimination related to disability. In contrast, many cited familial status as the reason they felt they had been discriminated against.

A review of legal cases on the websites of the Federal Department of Justice and the National Fair Housing Advocate online found two recent fair housing legal cases in North Dakota, one in Bismarck and one in Fargo; no cases were found in Grand Forks. These two cases are included here to demonstrate the complexities and trends in fair housing litigation.

Riverside Park Condos Unit Owners Association v. Lucas. This 2009 case was by a Bismarck resident against a condominium association. The owner (Lucas) was sued by the owners association on the basis that he kept a dog in his unit and the association covenants prohibited this. Lucas requested accommodations under the Federal Fair Housing Act, which the association repeatedly denied. The case went to trial and a judgment was made that Lucas did not have a valid claim for accommodation under the Federal Fair Housing Act. The case was appealed by both parties for various reasons but the general conclusion of the trial court was upheld.

State of North Dakota v. Matrix Properties. This 2009 case was brought in 2005 by a Fargo resident who is disabled and uses a wheelchair. The resident alleged that the developer of the apartment complex in which she lived had committed discriminatory acts by failing to comply with federal and state design and construction requirements. The apartment building had received a certificate of occupancy from the City of Fargo in 1998. The North Dakota

Department of Labor issued a determination of reasonable cause and the developer agreed to have the case held in district court. At issue in the case was if the statute of limitations under the Federal Fair Housing Act had expired since the apartment complex was built in the late-1990s and the claim was brought in 2005. The court dismissed the case on the grounds that any action concerning the design and construction of the apartment complex should have been brought within two years from the certificate of occupancy issuance in 1998.

Zoning Codes, Planning Fees and Building Code

As part of the AI, we reviewed the City of Grand Forks' Land Development Code, including Article 2—Zoning Regulations, Article 3—Rules and Regulations, Article 7—Conditional Use Permits, Article 8—Comprhensive Plan, Article 9—Subdivision Regulations and Article 11 for fees. These articles were reviewed to assess potential fair housing concerns or opportunities resulting from the development process.

This section summarizes the findings from this review. BBC utilized a "Review of Public Policies and Practices (Zoning and Planning Codes)" form recently circulated by the Los Angeles fair housing office of HUD. This section poses the questions from this checklist, along with responses about the city's code.

Zoning code review. Does the code definition of "family" have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement? No. "Family" is defined in the city's zoning regulations as "any number of individuals, related by blood, legal adoption, or marriage or a group of not more than four (4) persons who need not be related by blood or marriage, living together on the premises as members of a single housekeeping unit; as distinguished from a group occupying a boardinghouse, lodginghouse or hotel as herein described."

A "group home" is defined as a "community based residential home licensed by the appropriate North Dakota State licensing authority that provides room, board, personal care, habitation, services or supervision in a family environment."

Zoning Regulation Impediment: Does the Code definition of "family" have the effect of discriminating against unrelated individuals with disabilities who reside together in a congregate or group living arrangement? N/A, see above.

Zoning Regulation Impediment: Is the Code definition of "disability" the same as the Fair Housing Act? The term "disabled" is not defined in city zoning regulations.

The Federal Fair Housing Act defines handicap as: "with respect to a person--

1. a physical or mental impairment which substantially limits one or more of such person's major life activities,

2. a record of having such an impairment, or

3. being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802))."

Practice Impediment: Does the zoning ordinance restrict housing opportunities for individuals with disabilities and mischaracterize such housing as a "boarding or rooming house" or "hotel"? No.

Practice Impediment: Does the zoning ordinance deny housing opportunities for disabled individuals with on site housing supporting services? No.

Does the jurisdiction policy allow any number of unrelated persons to reside together, but restrict such occupancy, if the residents are disabled? No; zoning regulations limit the number of unrelated persons residing together in one dwelling unit to four (4); group homes are limited to six (6) unrelated individuals in R-1 zoning district. R-2 allows up to 16 developmentally disabled people.

Does the jurisdiction policy not allow disabled persons to make reasonable modifications or provide reasonable accommodation for disabled people who live in municipal-supplied or managed residential housing? No.

Does the jurisdiction require a public hearing to obtain public input for specific exceptions to zoning and land-use rules for disabled applicants and is the hearing only for disabled applicants rather than for all applicants? No.

Does the zoning ordinance address mixed uses? Yes. Mixed use is defined generally as: A development with two (2) or more complementary and integrated uses, such as, but not limited to, residential, office, retail, or public.

How are the residential land uses discussed? What standards apply? The zoning regulations contain six residential districts. The allowed uses are summarized below:

R-1. Allows single family detached dwellings, except for mobile homes. Group homes with six (6) or less persons are allowed by right.

Multifamily residential units are allowed with a conditional permit and only under the following conditions:

1. Must be within an existing structure found to be of historic significance by the Grand Forks Historic Preservation Commission. The commission shall identify in writing the historic, architectural, archeological or other factors that make the building significant.
2. Developer shall file with the Planning Department a petition demonstrating the approval of fifty-one (51) percent of the property owners within four hundred (400) feet of the proposed development.
3. Conversion of existing single family structures to multifamily is prohibited.
4. All other provisions of the city code must be met.

R-2. Allows single family detached dwellings and two-family dwellings. Group homes serving up to 16 developmentally disabled people are also allowed.

R-3. According to the zoning regulations, the R-3 district is "intended to allow development of townhouses, condominiums, apartments and other types of medium density multiple-family units." R-3 also allows "congregate" housing by right.

R-4. The R-4 district provides for "residential uses of all types and other compatible uses in a pleasant and stable environment. This district may also be used as a transition zone between lower density resident districts and commercial districts."

R-5. This district is exclusively reserved for mobile homes.

The city also has an R-M district. The intent of R-M is to "increase the supply of housing and a variety of housing types available to the public by establishing a method to locate manufactured homes on permanent foundations on private lots while protecting the surrounding neighborhood from potential adverse effects." All uses permitted in R-1 are allowed in R-M.

Does the zoning ordinance describe any areas in this jurisdiction as exclusive? No.

Are there any restrictions for Senior Housing in the zoning ordinance? If yes, do the restrictions comply with Federal law on housing for older persons (i.e., solely occupied by persons 62 years of age or older or at least one person 55 years of age and has significant facilities or services to meet the physical or social needs of older people)? No.

Does the zoning ordinance contain any special provisions for making housing accessible to persons with disabilities? No.

Does the zoning ordinance establish occupancy standards or maximum occupancy limits? Yes, for some uses. Zoning regulations limit the number of unrelated persons residing together in one dwelling unit to four (4); group homes are limited to six (6) unrelated individuals.

Does the zoning ordinance include a discussion of fair housing? No.

Describe the minimum standards and amenities required by the ordinance for a multiple family project with respect to handicap parking. Accessible parking spaces shall be a minimum of eight (8) feet by eighteen and one-half (18.5) feet exclusive of aisle width. Each accessible parking space shall also have an adjunct access aisle at least five (5) feet wide. Two (2) accessible parking spaces may share a common access aisle.

Parked vehicle overhangs shall not reduce the clear width of a route. Accessible parking spaces and access aisles shall be level with surface slopes not exceeding one and fifty one-hundredths (1.50) (2%) in all directions. One (1) in every eight (8) accessible spaces but not less than one (1), shall be served by an access aisle ninety-six-inches wide minimum and shall be designated "van accessible."

Accessible parking spaces shall be designated by signage as required by NDCC, 39-01-15 site specific code. Spaces for vans shall have an additional sign "van accessible" mounted below the symbol of accessibility. Such signs shall be located so they cannot be obscured by a vehicle parked in the space.

The required number of accessible spaces varies depending on the total parking spots in the lot. For 1-25 parking spots, one accessible space is required; for 26-50 spots, two accessible spaces are required. For very large parking lots (500+), two percent of the total spots are required to be accessible. For lots over 1,000 spaces, the requirement is 20 accessible space plus one for each 100 over 1,000.

Does the zoning code distinguish senior citizen housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)? No.

Does the zoning code distinguish handicapped housing from other single family residential and multifamily residential uses by the application of a conditional use permit (cup)? No.

How is "special group residential housing" defined in the jurisdiction zoning code? Group homes are defined in accordance with state law.

Does the jurisdiction's planning and building codes presently make specific reference to the accessibility requirements contained in the 1988 amendment to the Fair Housing Act? Yes. *Is there any provision for monitoring compliance?* Yes, for parking requirements.

Planning fees. A review of the city's building permit fees found them to be reasonable. The level of fees do not create barriers to housing development.

Building, occupancy and health and safety codes. Grand Forks has adopted and uses the 2009 International Building Code (IBC), with some modifications.

SECTION III.

Public Input

SECTION III.
Public Input

This section presents the findings from the public input process conducted for the AI.

Public Participation

The efforts that were conducted to elicit participation of members of protected classes, both directly and through stakeholders who could represent their points of view, included:

- A fair housing workshop with Grand Forks residents and stakeholders. The workshop included a presentation of preliminary study findings, background on fair housing law and a discussion of attendees' and/or clients' experience with fair housing choice in Grand Forks. The workshop was held in a location accessible to persons with disabilities. No special accommodations were requested by attendees.

- A survey of Grand Forks residents on a variety of housing topics—389 residents responded. The survey was available both in print and online and included questions about residents' experience with housing discrimination and barriers to housing choice.

- A focus group with stakeholders, including housing developers, human services specialists, social services professionals, providers of services to refugees and stakeholders interested in fair housing issues. Stakeholders discussed the greatest needs of the Grand Forks residents they serve.

The focus groups were advertised through emails and flyers sent to 40 organizations that represent protected classes, including persons with physical and developmental disabilities, persons with mental illness, New Americans, migrant farm workers, as well as low income households.

Figure III-1 shows the organizations represented at the focus group and workshop. Organizations listed more than once had more than one staff member attend.

Figure III-1.
Organizations Represented at the Focus Group and Workshop, 2012

Date and Location	Agency	Projected Class/ Clientele Served/Interest
Thursday, April 19, 2012 *The Link Community Center 300 Cherry Street Grand Forks, North Dakota 58201*	University of North Dakota Social Work Department	University department; Citizen
	Northeast Human Service Center	General assistance
	City of Grand Forks Urban Development Department	City government
	City of Grand Forks Urban Development Department	City government
	Salvation Army	General assistance
	Mountainbrooke Recovery Center	Disability
	Northeast Human Service Center	General assistance
	St. Joseph's Social Care	General assistance
	Northeast Human Service Center	General assistance
	University of North Dakota Housing Department	UND Student Housing
Friday, April 20, 2012 *Conference Room, Urban Development 1405 1st Avenue North Grand Forks, North Dakota 58203*	Northeast Human Service Center	General assistance
	Northeast Human Service Center	General assistance
	Northeast Human Service Center	General assistance
	Grand Forks Board of Realtors	Realtors/Apartment Association
	Crary Real Estate	Realtor
	City of Grand Forks Planning Department	General
	Greater Grand Forks Senior Citizens Association	Age
	Salvation Army	General assistance
	Prairie Harvest Mental Health	Disability
	Prairie Harvest Mental Health	Disability
	Prairie Harvest Mental Health	Disability
	Global Friends Coalition	Race/Color/National Origin
	The Chamber	Chamber of Commerce
	Grand Forks Region Economic Development Corp.	General
	St. Joseph's Social Care	General assistance
	Grand Forks Housing Authority	Housing provider
	Grand Forks Housing Authority	Housing provider
	Grand Forks Housing Authority	Housing provider

Source: BBC Research & Consulting, 2012.

Workshop and Focus Group Findings

The primary themes from the fair housing workshop and focus group are summarized in this section. The comments are mostly related to lack of affordable housing for certain populations in Grand Forks. Although many of the comments do not relate directly to fair housing choice, they are included here because they capture some of the challenges protected classes may have in finding affordable housing in the city.

Fair housing concerns—stakeholder perspectives. With respect to fair housing, stakeholders who participated in the focus groups identified the following issues:

- Not-In-My-Backyard Syndrome (NIMBYism) does occur, especially in the form of resistance to multifamily dwellings. It is common for a vocal minority to get the city off track. Residents believe that higher density, affordable housing will lower their property values. There have also been cases of neighborhood resistance to a group home and housing for single women recovering from substance abuse.

- Refugees have trouble understanding tenants' rights and are often unaware of the need to report problems with maintenance (e.g., mold). They also do not always understand the provisions in their lease, especially the conditions of getting their security deposit returned.

- Although social service agencies try not to concentrate refugees and people with disabilities in certain apartment complexes or areas of Grand Forks, most refugees live in larger apartment complexes and people with physical disabilities are limited to accessible apartments, which are difficult to find. Group homes are well integrated into the community.

- Linden Place is a very nice option for people with disabilities—the bathrooms are all accessible, doors are wide, there is one level and the complex has a nice community room.

- "Walkability" is very important for people with physical disabilities, especially those who are vision impaired. Streets need to have curb cuts, housing should be located on a bus line, bus stops should have a shelter and streets need to have good snow removal.

- The North Dakota Department of Labor, Human Rights Division, is the only non-federal resource for fair housing complaints and investigation. They seem to be overwhelmed with cases. Grand Forks needs a local fair housing organization that will 1) Offer a hotline that residents can call when they have fair housing and landlord/tenant questions; 2) Produce fair housing materials like the "Blue Fair Housing Book" that was published by the former Fair Housing of the Dakotas. These materials should focus on the fair housing rights of persons with disabilities.

- Landlords do not seem to know much about fair housing regulations. They are also uninformed about eviction procedures and good record keeping practices. This can lead to unlawful evictions. It would be ideal to offer or require some type of fair housing training to landlords as part of the city's rental licensing program.

Rental housing needs—stakeholder perspectives. In focus groups, stakeholders identified the following as the greatest rental housing needs in Grand Forks:

- People with criminal backgrounds and/or who have violated housing rules in the past have very few options in Grand Forks. They end up renting in small towns in the county from landlords who do not require background checks or living in cheap motels, often living in substandard or unsafe conditions. This becomes a greater concern when they have children.

- There is a severe shortage of affordable rental units for residents with poor credit, legal histories and/or who have been formerly homeless.

- Landlords would be more willing to rent to higher-risk tenants if there was a "safety net"—e.g., a fund for making repairs when a tenant has not kept up an apartment, case managers who visit once a week, a guardian who is responsible for allocating their rent payment. This is especially important when rental vacancies are low and landlords are more selective about to whom they rent.

- Grand Forks has good institutional structure and a strong network of service providers. The main problem is a shortage of rental housing for special needs populations and people who are hard to house.

- Supportive service expansions—especially 24 hour support for residents with severe special needs—are also needed. Funding cuts have reduced service provision, which affects the ability of special needs residents to live semi-independently.

- The largest barrier to housing for people with disabilities and seniors is that the most affordable housing is older and often does not have accessibility features or cannot add accessibility features. "I can't tell you the last time I moved someone into an apartment."

Homeownership housing needs—stakeholder perspectives. With respect to homeownership, stakeholders identified the following needs:

- Building housing under $200,000 is challenging. Infrastructure costs are high (averaging $1 million for a 35-lot development). What most buyers want—2,000 square feet, three bedrooms, two baths on a 10,000 square foot lot—requires $145 per square foot price. The construction window is short, which limits volume and the ability to react quickly to demand.

- The city seems to be doing "everything they can" to reduce development processing time and facilitate needed residential development. Fees are reasonable.

- Residents oppose density. Four stories is considered tall for the city.

- Rehabilitation of older homes is a large need.

- Incentives are needed to reduce the risk of unconventional, diverse product types such as 1) Visitable housing units, and 2) Small lots/cottage homes.

Survey Results

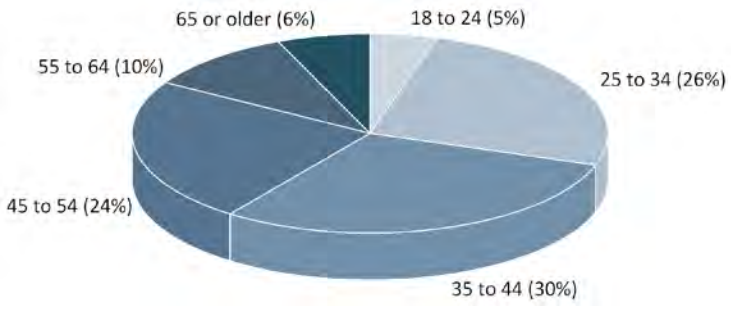
This first section on the survey results describes the demographics of survey respondents. Residents participating in the survey responded to a series of questions about themselves and their households. Respondents to the resident survey are more likely to be homeowners, have children under the age of 18 and somewhat higher incomes, compared to the population as a whole. A greater proportion of survey respondents' households include an unemployed member.

Age. About 30 percent of respondents to the resident survey are younger than 35. The median age cohort of respondents is 35 to 44.

Figure III-2.
Age of Respondent

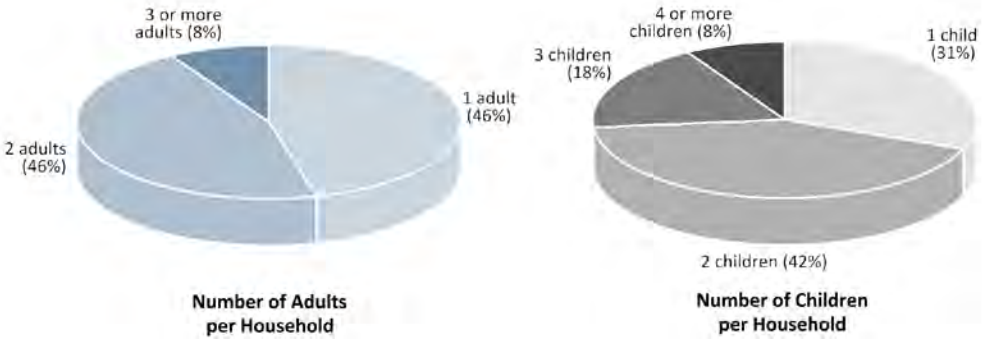
Note:
n=285.

Source:
BBC Research & Consulting from Grand Forks 2011 Resident Survey.



Household composition and size. More than half of the respondents report living in a home with two or more adults, as shown in Figure III-3. Overall, 46 percent of the households represented in the survey include children. This is a higher proportion than the community overall. Among those households, two in five include two children and more than a quarter include three or more.

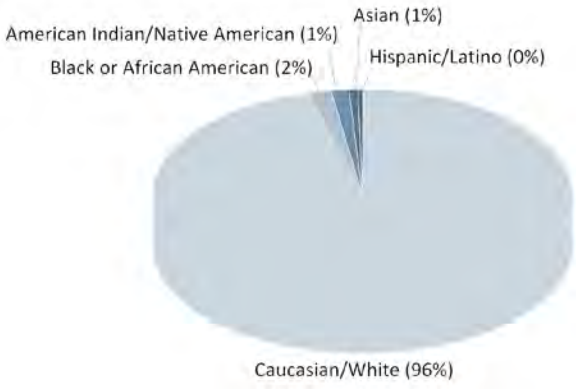
Figure III-3.
Household Composition and Size



Note: n=389 and n=177.
Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Race/ethnicity. Nearly all respondents characterized the racial or ethnic composition of their households as white. This aligns with the city's population overall. Figure III-4 presents the racial and ethnic composition of survey respondents' households.

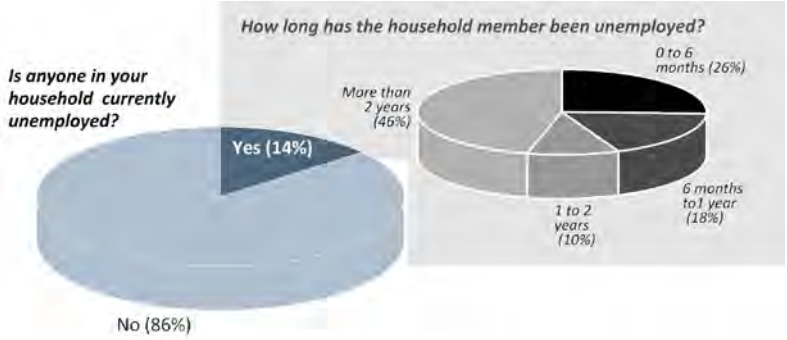
Figure III-4.
Respondent Race/Ethnicity



Note: n=292.
Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Employment and occupation. As shown in Figure III-5, 14 percent of respondents report that someone in the household is currently unemployed. This is a higher rate than the city overall (3.2 percent). Of those who are unemployed, nearly half have been unemployed for more than two years.

Figure III-5.
Unemployment and Duration of Unemployment



Source:
BBC Research & Consulting from Grand Forks 2011 Resident Survey.

Figure III-6 presents the industries in which working adults represented in the survey are employed. As shown, education is the primary industry, followed by health care and government. The majority report that their employer is located in Grand Forks.

Figure III-6.
Industry of Employed Adults

Note:
n=448 employed adults.
The industries shown represent 82% of all industries reported.

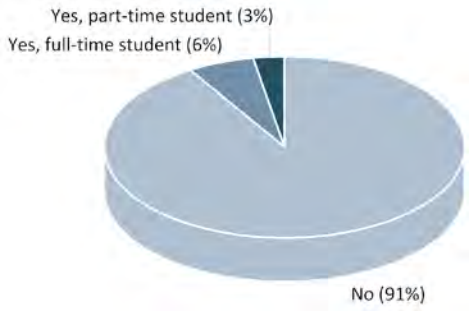
Source:
BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Top 20 Industries	Percent of Employed Adults	*continued…*	Percent of Employed Adults
Education	22%	Social Services	2%
Health Care	10%	Financial Services	2%
Government	7%	Housing	2%
UND	4%	Administrative support	2%
Retail	4%	Student	2%
Nonprofit sector	4%	Research	2%
Professional services	4%	Construction	2%
Human Services	3%	Customer Service	2%
Restaurant	3%	Military	1%
Transportation	3%	Technology	1%

Student status. About one in ten respondents to the survey are either full or part-time students, as shown in Figure III-7.

Household income. Figure III-8 presents respondents' household income. One in ten households earn less than $25,000 per year, and the median income is $50,000 to less than $75,000. This is higher than the city's overall median household income of $41,499.

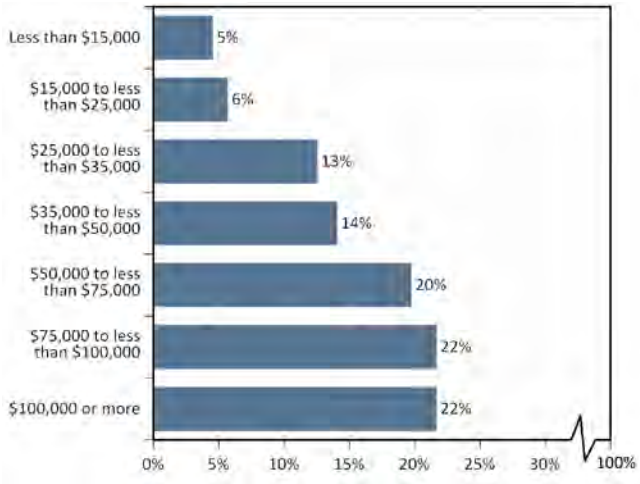
Figure III-7.
Student Status



Note: n=285.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Figure III-8.
Household Income.



Note: n=263.

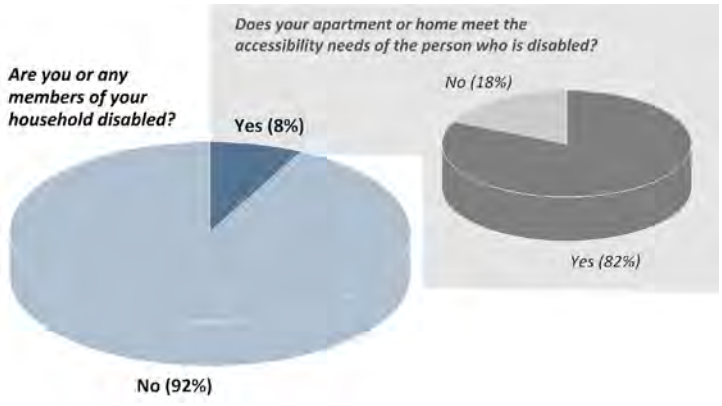
Source: BBC Research & Consulting from Grand Forks Resident Survey

Disability. Slightly less than one in ten households includes a member with a disability, as shown in Figure III-9. This is the same proportion as in the city overall.

Among those households with a disabled member, nearly one in five are living in housing that does not meet their accessibility needs. Grab bars; main floor bedrooms, bathrooms, laundry facilities; and modifications to entries are the types of accessibility modifications desired.

Figure III-9.
Disability and Housing Accessibility

Source:
BBC Research & Consulting from Grand Forks 2012 Resident Survey.



Concern about future housing needs. Residents expressed a variety of concerns about the ability of the city's housing stock to meet their future housing needs. These include a lack of product for older adults, the increasing number of single family homes being turned into rentals, rising property taxes, and the quality of the housing stock in the north end.

Specific comments included:

- "Affordable senior housing—not assisted living."
- "Because the inventory of houses in our price range is quite low and when one does come available it sells within days of coming on the market."
- "Because we own pets it is hard for us to find decent housing in decent neighborhoods. We cannot afford to buy a home, but our pets are a committed part of our family as are our children. The house we live in now is in a questionable north end neighborhood, where the back door has been kicked in, two bikes stolen, and my car stolen from the back yard."
- "The cost of housing/living will continue to go up—people won't be able to buy so rental of homes will continue to increase. This will not help the appraisal of homes in neighborhoods with rental and will not help the 'family neighborhood feeling people with children are looking for.' "
- "Do not enjoy apartment complexes; want more single family homes available for rent."

- "It is hard to find nicer homes in established neighborhoods. I have no desire to live in a south end development as I prefer mature trees, etc. There is little opportunity for homes above the median value in these kids of neighborhoods, especially new homes. Urban development seems to be in a hurry to get homes built as soon as possible, without much thought to the effect they will have on the future of a neighborhood."

- "I'm afraid the City Council won't expand growth to meet the desires of the greater—not most vocal—community...to the south."

- "I am concerned about the sprawl heading south. It threatens what would otherwise be a downtown with potential."

- "I am worried that the built environment won't meet my desire to be able to walk for the majority for my trips to work, school, the store, entertainment etc."

- "I want to buy a condo in a development for seniors (55+) but none exist."

- "More and more of the $130,000 and under houses are being bought and turned into rentals, leaving fewer and fewer lower cost single family housing options. This also drops the value of our neighborhoods."

- "Not ready for Baby Boomer retirement housing—independent living with amenities."

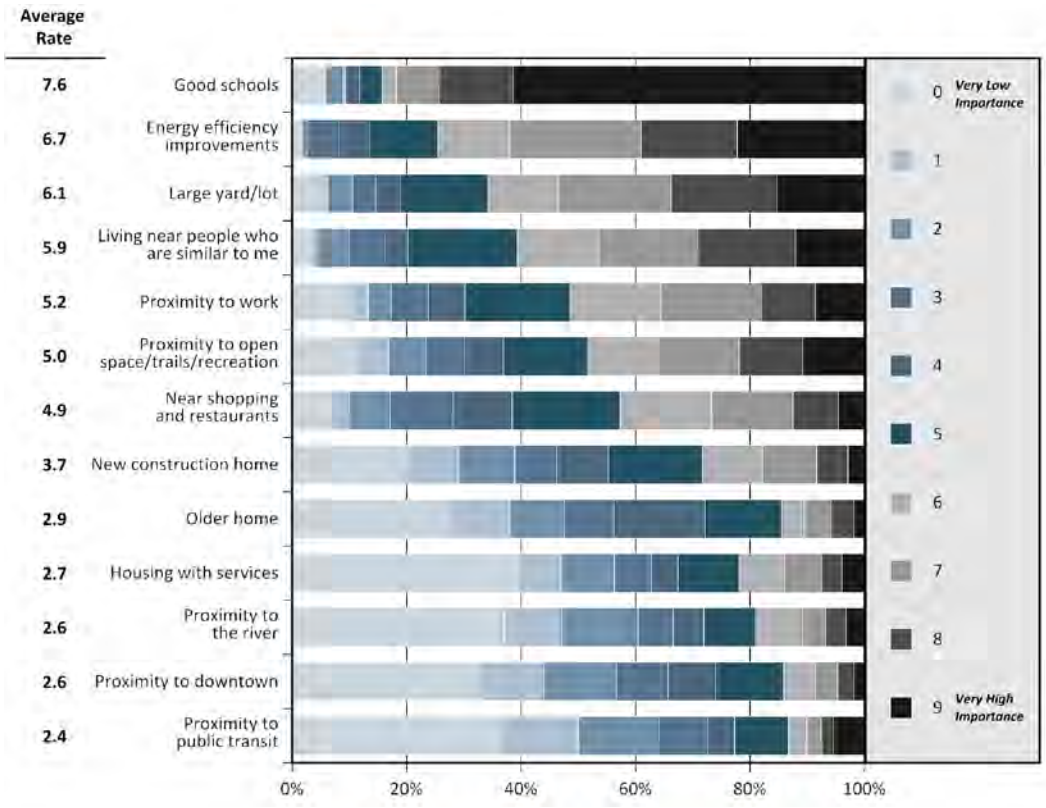
- "Property taxes are way too high."

- "We do not want to pay $250,000 for a house. They are overpriced here in Grand Forks. We have starter homes and high end priced homes but very few middle priced homes in-between."

- "Will we be able to afford the taxes after we retire?"

Importance of housing and neighborhood factors. Residents rated the importance of several housing and neighborhood factors to them personally. As shown in Figure III-10, good schools; energy efficient improvements; large yard/lot; and living near people who are similar to me (e.g., age, family structure and occupation) are the most important factors to residents. Proximity to the river, downtown and public transit are the least important.

Figure III-10.
Importance of Housing and Neighborhood Factors to Residents



Note: n=282.

Source: BBC Research & Consulting from Grand Forks 2012 Resident Survey.

Best things about living in Grand Forks. Figure III-11 visually depicts the more than 800 comments residents made regarding the best things about living in Grand Forks. The larger a word is presented the more frequently it was mentioned. As shown, the best things about living in Grand Forks include a friendly community, good schools, the people, low crime, small town feel; it's safe and family-oriented.

Figure III-11.
Best Things about Living in Grand Forks

Note:

n=819 comments.

Source:

BBC Research & Consulting from Grand Forks 2012 Resident Survey.



Worst things about living in Grand Forks. The cost of housing, weather, property taxes and a lack of activities for youth, teens and families and limited shopping and restaurant options are things that residents like least about living in Grand Forks, as shown in Figure III-12.

Figure III-12.
Like Least about Living in Grand Forks

Note:

n=673 comments

Source:

BBC Research & Consulting from Grand Forks 2012 Resident Survey.



Experience with housing discrimination. One in ten residents who participated in the survey believes they have experienced housing discrimination when looking for housing in Grand Forks. As shown in Figure III-13, residents selected multiple reasons to explain the discriminatory acts. These include age, familial status, and race or ethnicity. Not all of the reasons listed are protected under the Fair Housing Act, specifically income, pets, student status, credit and sexual orientation.

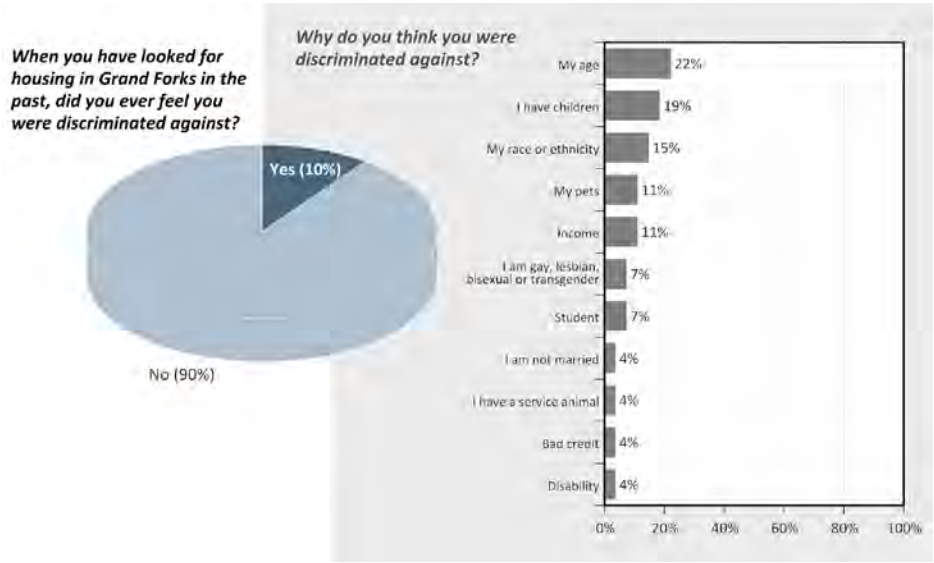
Figure III-13.
Experience with Housing Discrimination

Note:

n=290 and n=27. Percentages for discriminatory reasons add to greater than 100 percent due to multiple responses.

Source:

BBC Research & Consulting from Grand Forks 2012 Resident Survey.



Reporting housing discrimination. Two residents who experienced housing discrimination made reports. One contacted HUD and the other contacted the manager of the apartment complex.

Overall, Grand Forks residents do not know who to contact to learn about their fair housing rights or report housing discrimination. Of those who know who to contact, the majority would contact the Grand Forks Housing Authority, followed by HUD and the City of Grand Forks. Others would look in phone books or online for information. Two residents said they would contact Fair Housing of the Dakotas (which, it should be noted, is no longer in operation).

Figure III-14.
Knowledge of Who to Contact for Fair Housing Information

Note:
n=273.

Source:
BBC Research & Consulting from Grand Forks 2012 Resident Survey.

