



2014 Analysis of Impediments to Fair Housing Choice

**Sponsored by the
Montana Department of Commerce**

Fair Housing Forum



Montana

Analysis of Impediments (AI)

States must:

**certify that they are Affirmatively
Furthering Fair Housing (AFFH)
as a condition of receiving
federal funds from HUD**



Montana AI



Certification means three things:

1. Conduct an AI
2. Take action on impediments, if impediments were found
3. Maintain records of actions



Montana AI



Entire purpose of the Study:

Conduct study to identify any impediments to fair housing choice, then recommend actions that address impediments



Content of an AI



- **Private sector transactions: rental market (applications, interviews, etc.) and sales markets (lending, steering, blockbusting, foreclosure burden, etc.)**
- **Public sector influences: land use codes, zoning, public policy practices, neighborhood resistance, etc.**
- **Assessing barriers to housing choice**



Montana Fair Housing Forum

Present to you context, fair housing information, and preliminary results of analysis

Receive comment, input, and your experiences with fair housing



Definition of Impediments to Fair Housing Choice:



**Actions, omissions, or decisions
which restrict housing choice
because of protected class
status**



Who is protected?



Protected classes

under state and federal law:

**Race, color, creed, religion,
familial status, marital status, age, sex,
disability, and national origin**



Review AFFH Court Cases



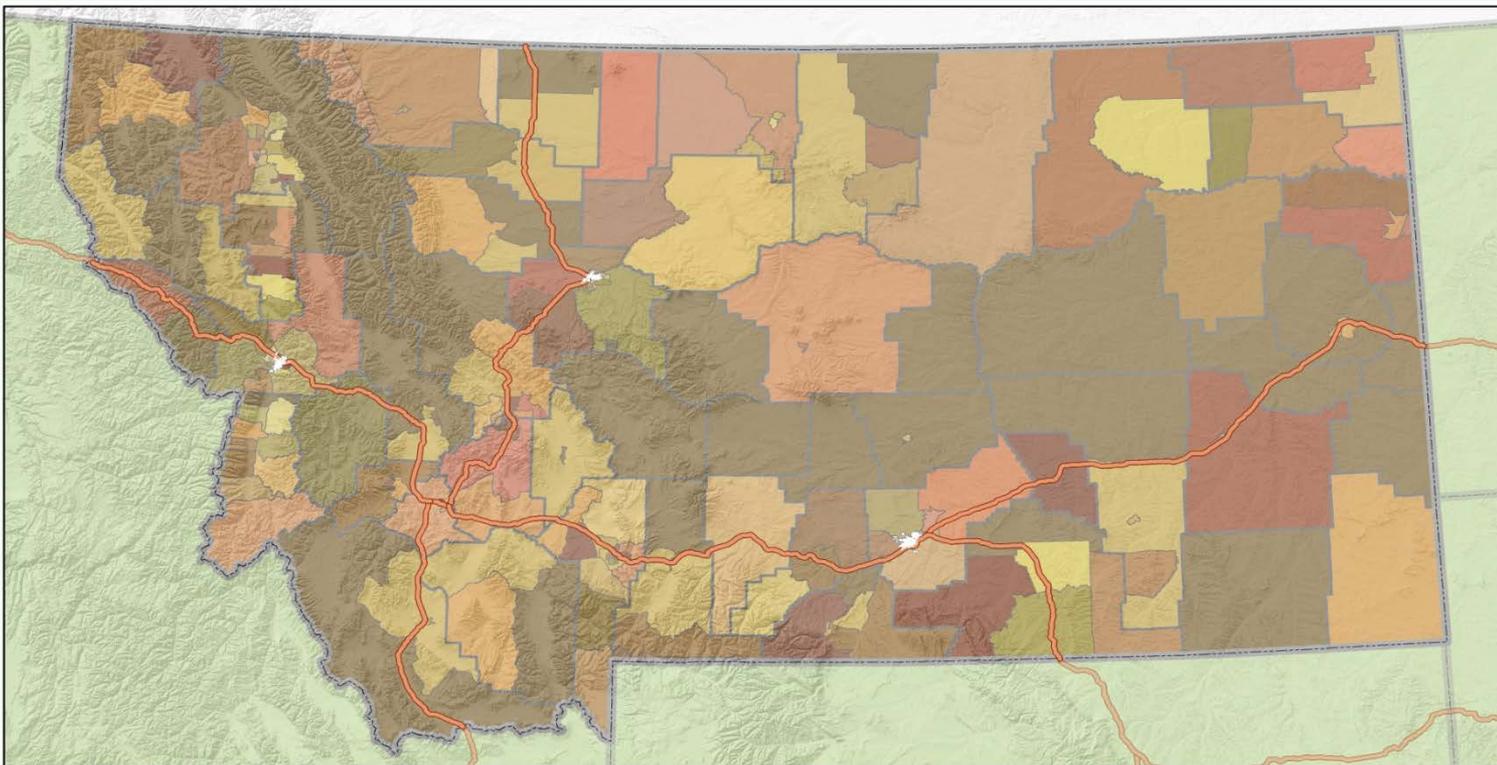
National Significance:

- **Westchester County, NY, vs. Antidiscrimination Center of New York City**
 - ✓ **Falsely claiming certification**
 - ✓ **Forced to pay funding back to HUD**
 - ✓ **Forced to pay legal fees**
 - ✓ **That County now has very close oversight**
 - ✓ **AI scrutiny very high throughout the U.S.**



2014 Montana AI Study Area

Excludes: Billings, Great Falls, and Missoula



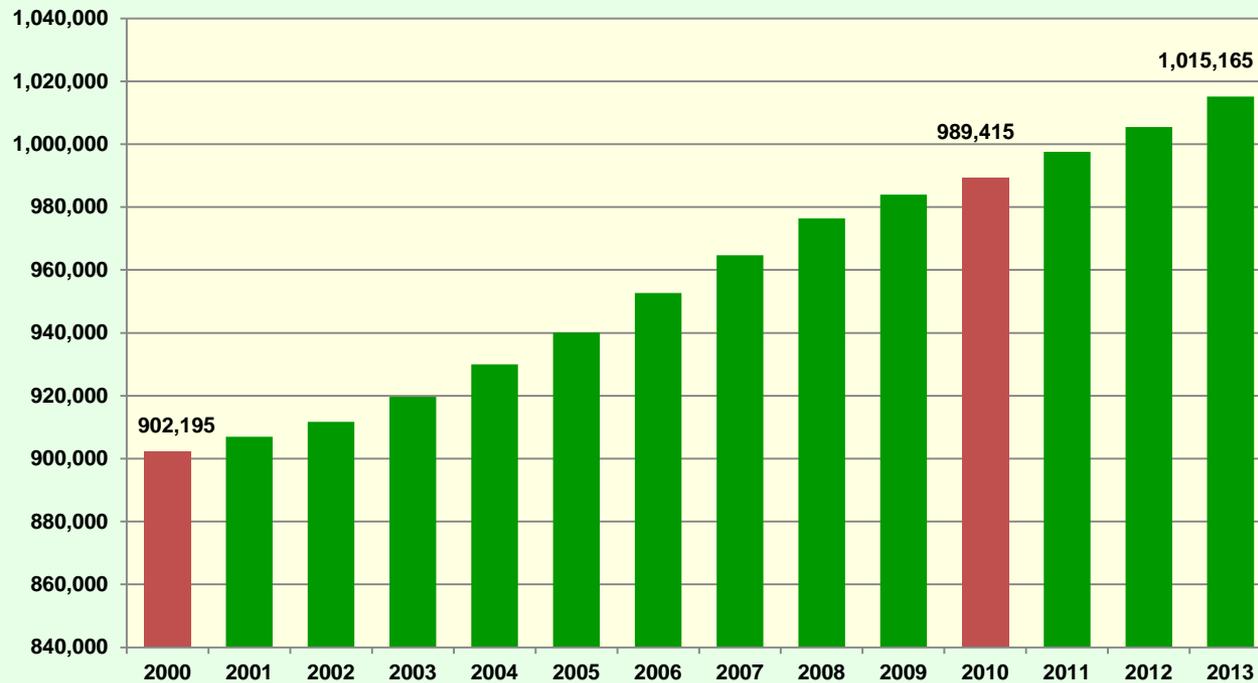


Demographic Change

Population Estimates

State of Montana

Census, Intercensal and Current Estimates: 2000-2013





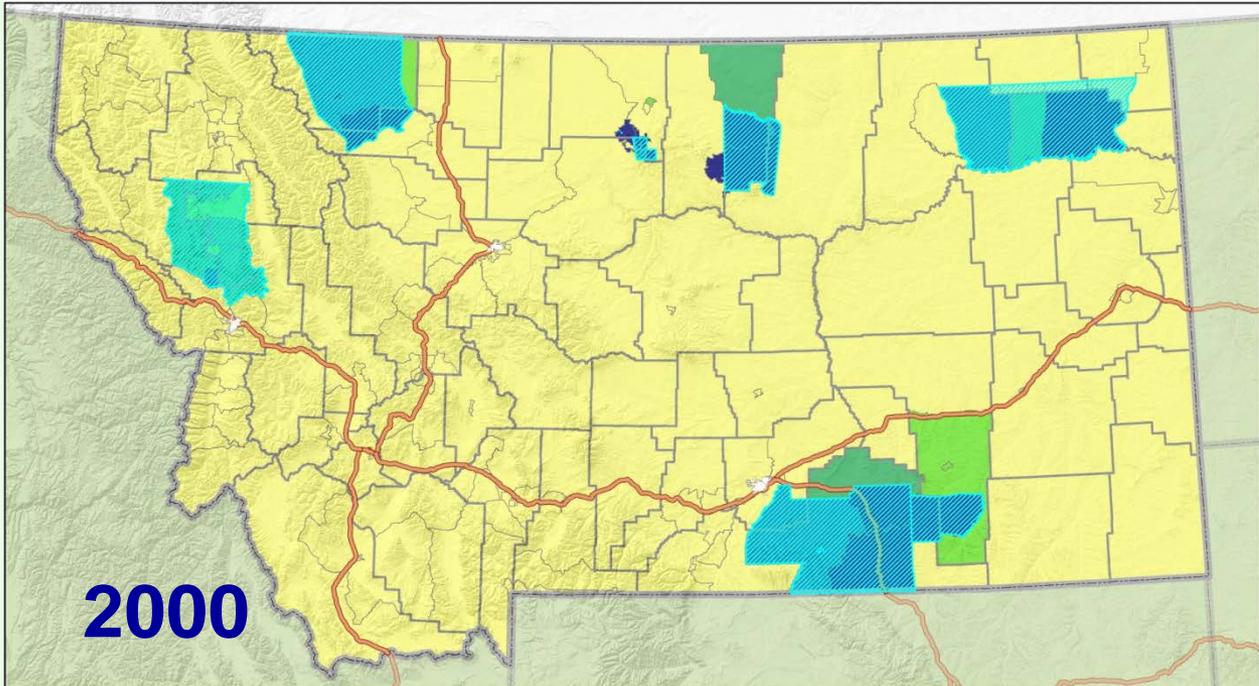
Demographic Change

Population by Race and Ethnicity
 Non-Entitlement Areas of Montana
 2000 & 2010 Census SF1 Data

Race	2000 Census		2010 Census		% Change 00–10
	Population	% of Total	Population	% of Total	
White	630,307	90.2%	678,349	89.3%	7.6%
Black	1,450	.2%	2,230	.3%	53.8%
American Indian	48,751	7.0%	53,156	7.0%	9.0%
Asian	2,970	.4%	4,146	.5%	39.6%
Native Hawaiian/ Pacific Islander	326	.0%	430	.1%	31.9%
Other	3,384	.5%	3,809	.5%	12.6%
Two or More Races	11,417	1.6%	17,832	2.3%	56.2%
Total	698,605	100.0%	759,952	100.0%	8.8%
Non-Hispanic	686,640	98.3%	740,764	97.5%	7.9%
Hispanic	11,965	1.7%	19,188	2.5%	60.4%



Distribution of American Indians



2000 American Indian Population

2000 Percent American Indian Population in non-entitlement areas of the State of Montana = 7%
 Disproportionate Share Threshold = 17%
 (A disproportionate share exists where the share of a population in a given area is at least 10 percentage points greater than the study area average).
 Note: White areas represent entitlement cities.

Sources: 2000 Census

- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

American Indian Population

- 0% - 7%
- 7.1% - 17%
- 17.1% - 43.8%
- 43.9% - 70.7%
- 70.8% - 97.5%

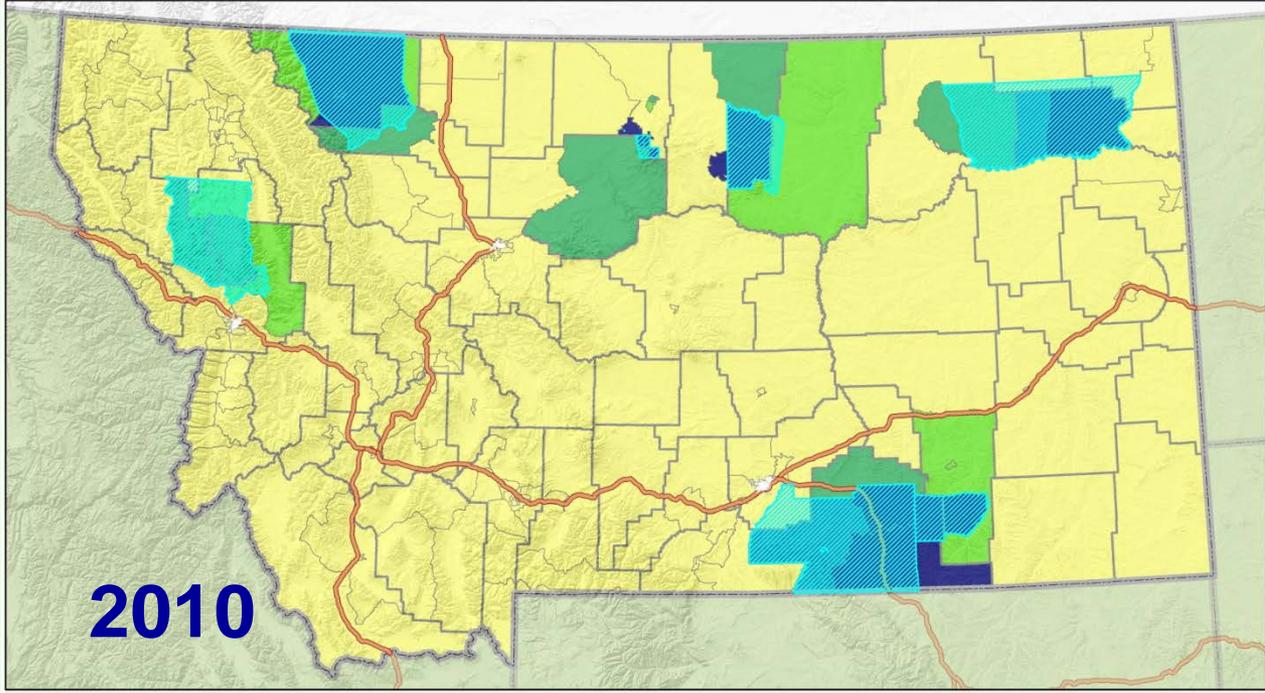
Disproportionate Share Threshold

0 20 40 80 Miles

N



Distribution of American Indians



2010 American Indian Population

2010 Percent American Indian population in non-entitlement areas of the State of Montana = 7%
 Disproportionate Share Threshold = 17%
 (A disproportionate share exists where the share of a population in a given area is at least 10 percentage points greater than the study area average).
 Note: White areas represent entitlement cities.

Sources: 2010 Census

- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads
- Tribal Reservation Areas

American Indian Population

- 0% - 7%
- 7.1% - 17%
- 17.1% - 43.5%
- 43.6% - 70%
- 70.1% - 96.6%

Disproportionate Share Threshold

0 20 40 80 Miles

N



Economic Change

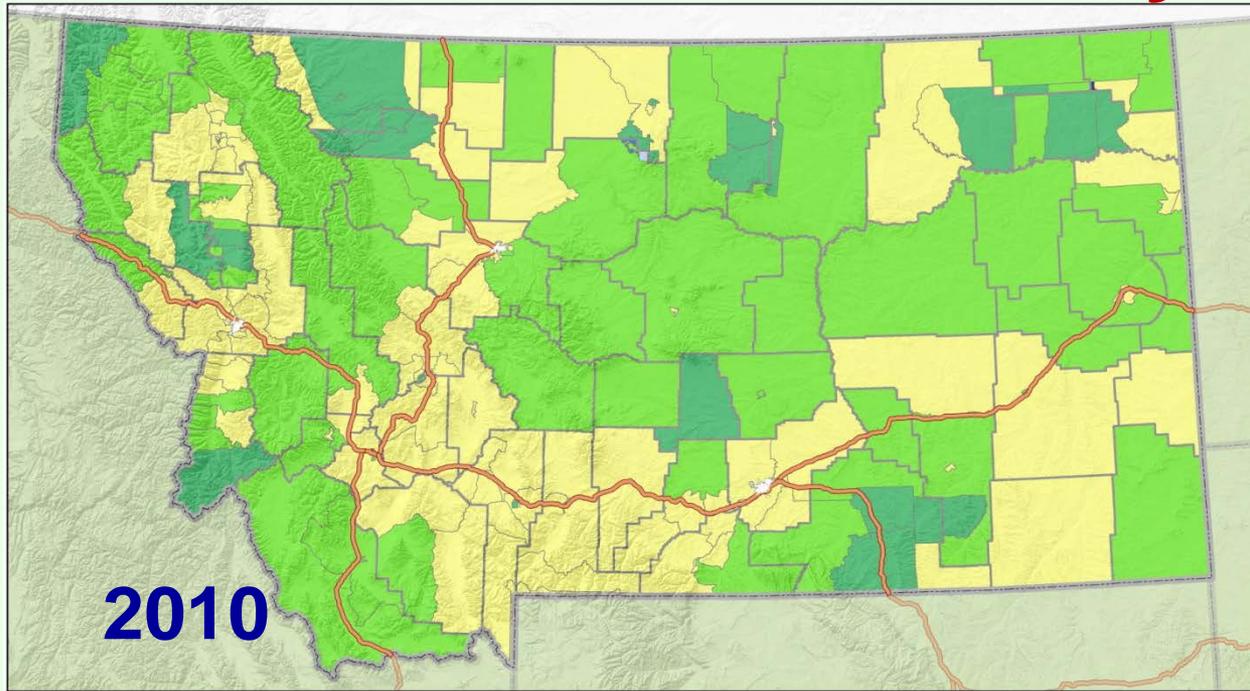
Poverty in Montana

Poverty by Age
 Non-Entitlement Areas of Montana
 2000 Census SF3 & 2012 Five-Year ACS Data

Age	2000 Census		2012 Five-Year ACS	
	Persons in Poverty	% of Total	Persons in Poverty	% of Total
Under 6	10,895	11.0%	12,577	11.8%
6 to 17	23,183	23.4%	20,580	19.3%
18 to 64	56,993	57.4%	63,876	60.0%
65 or Older	8,190	8.3%	9,468	8.9%
Total	99,261	100.0%	106,501	100.0%
Poverty Rate	14.5%	.	14.3%	.



Distribution of Poverty



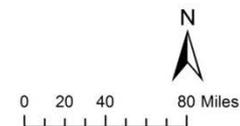
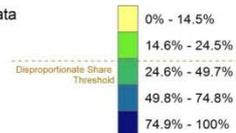
2000 Poverty Rates

2000 Average poverty rate in non-entitlement areas of the State of Montana = 14.5%
 Disproportionate Share Threshold = 24.5%
 (A disproportionate share exists where the share of a population in a given area is at least 10 percentage points greater than the study area average).
 Note: White areas represent entitlement cities.

Sources: 2000 Census

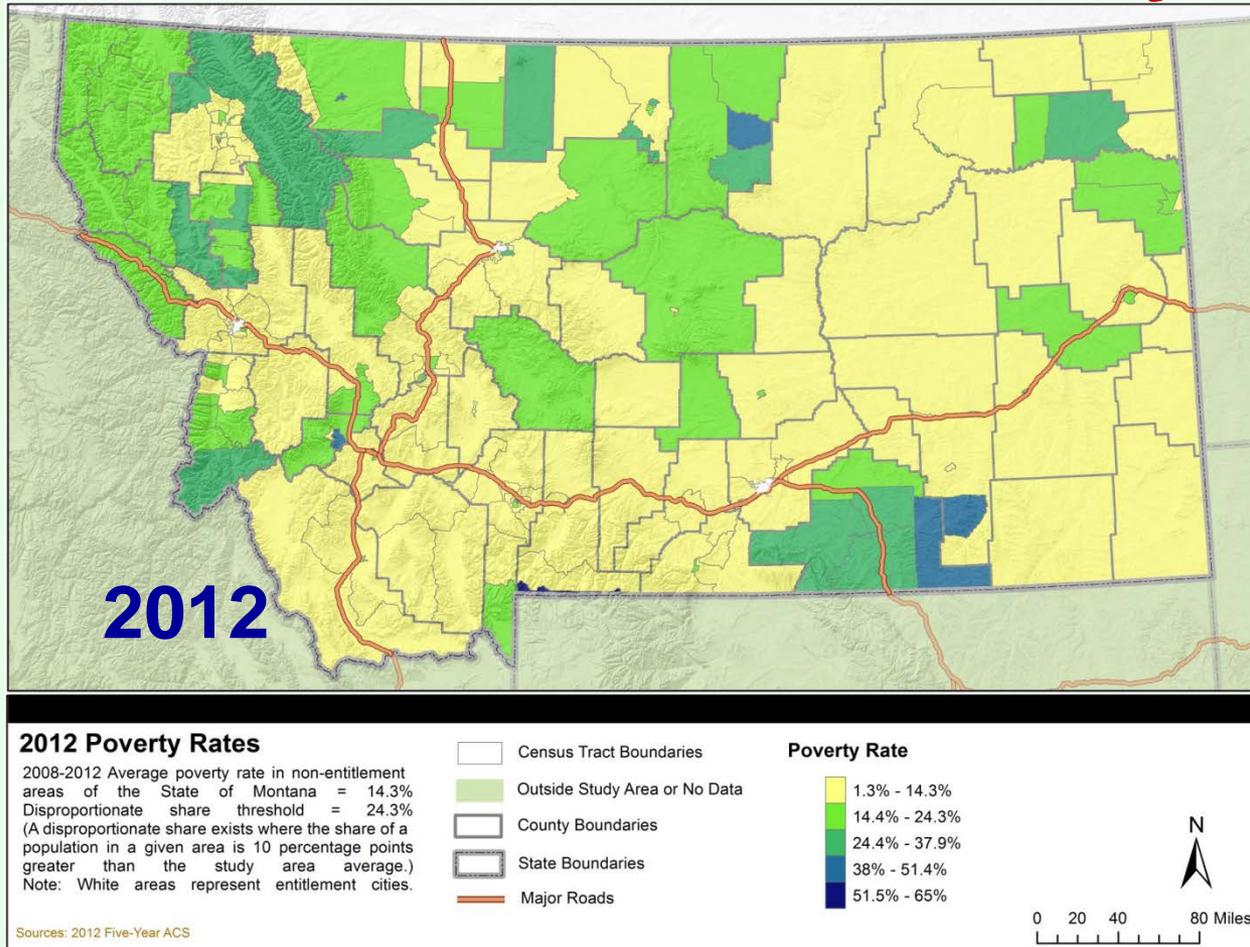
- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

Poverty Rate





Distribution of Poverty

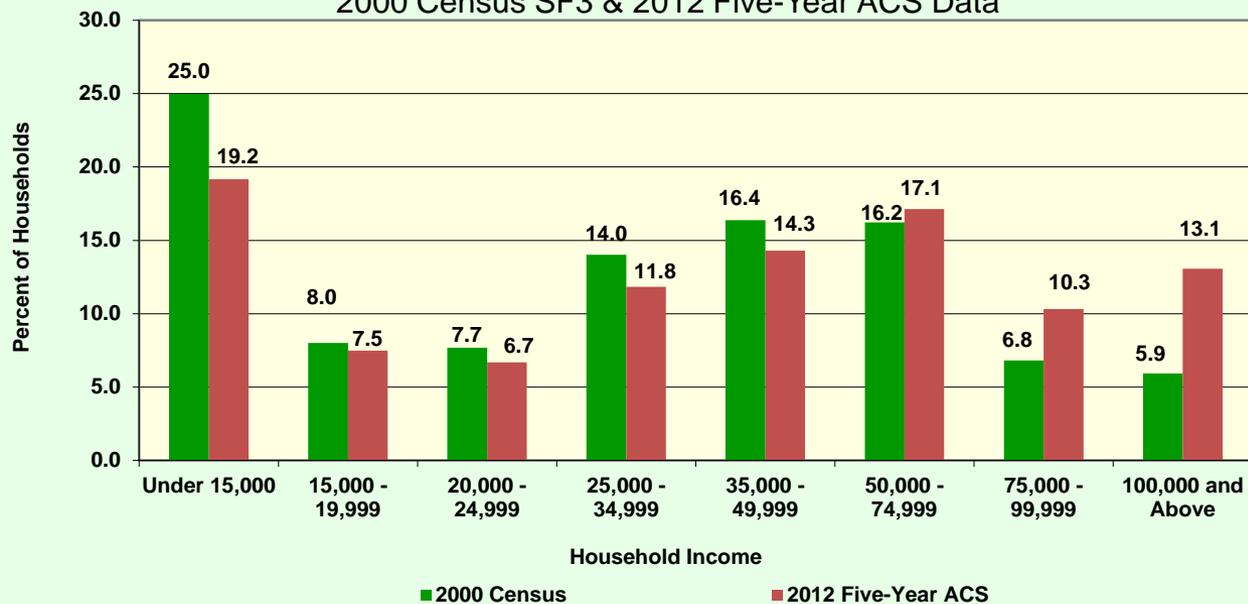




Economic Change

Household Income

Households by Income
 Non-Entitlement Areas of Mississippi
 2000 Census SF3 & 2012 Five-Year ACS Data

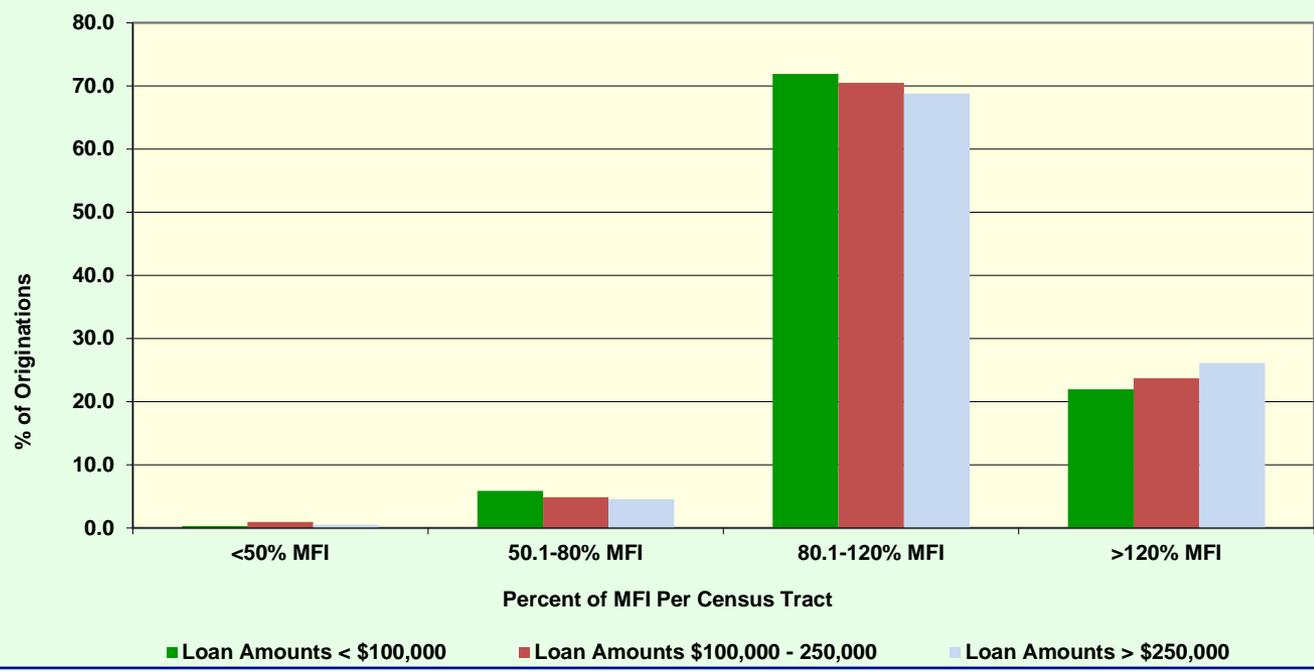




Economic Change

Community Reinvestment Act

Percent of Small Business Loans Originated by Census Tract MFI
 Non-Entitled Areas of Montana
 2000–2012 CRA Data





Housing Choices

Housing Units by Tenure
 Non-Entitlement Areas of Montana
 2000 & 2010 Census SF1 Data

Tenure	2000 Census		2010 Census		% Change 00-10
	Units	% of Total	Units	% of Total	
Occupied Housing Units	273,167	84.6%	311,280	82.1%	14.0%
Owner-Occupied	196,549	72.0%	220,437	70.8%	12.2%
Renter-Occupied	76,618	28.0%	90,843	29.2%	18.6%
Vacant Housing Units	49,698	15.4%	67,692	17.9%	36.2%
Total Housing Units	322,865	100.0%	378,972	100.0%	17.38%



Vacant Housing

Disposition of Vacant Housing Units

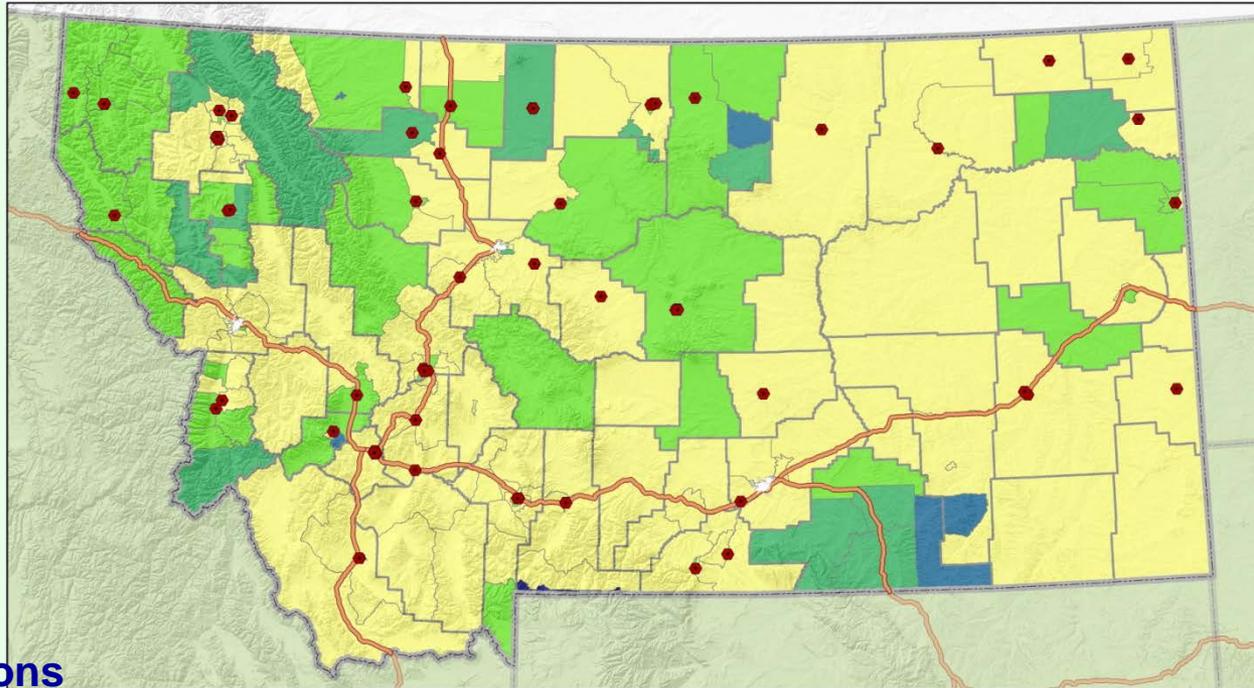
Non-Entitlement Areas of Montana
2000 & 2010 Census SF1 Data

Disposition	2000 Census		2010 Census		% Change 00-10
	Units	% of Total	Units	% of Total	
For Rent	7,290	14.7%	7,742	11.4%	6.20%
For Sale	4,967	10.0%	5,022	7.4%	1.11%
Rented or Sold, Not Occupied	2,225	4.5%	1,814	2.7%	-18.47%
For Seasonal, Recreational, or Occasional Use	23,838	48.0%	37,845	55.9%	58.76%
For Migrant Workers	248	0.5%	279	0.4%	12.50%
Other Vacant	11,130	22.4%	14,990	22.1%	34.68%
Total	49,698	100.0%	67,692	100.0%	36.2%



Public Sector Housing Choices

Distribution
Of Project
Based
Section 8
And
Concentrations
Of Poverty



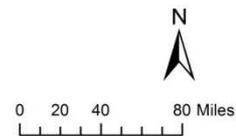
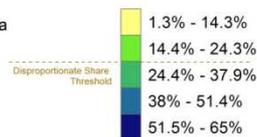
Project-Based Section 8 Units and 2012 Poverty

2008-2012 Average poverty rate in non-entitlement areas of the State of Montana = 14.3%
Disproportionate share threshold = 24.3%
(A disproportionate share exists where the share of a population in a given area is 10 percentage points greater than the study area average.)
Note: White areas represent entitlement cities.

Sources: 2012 Five-Year ACS, MDOC

- Project-Based Section 8 Unit
- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

Poverty Rate

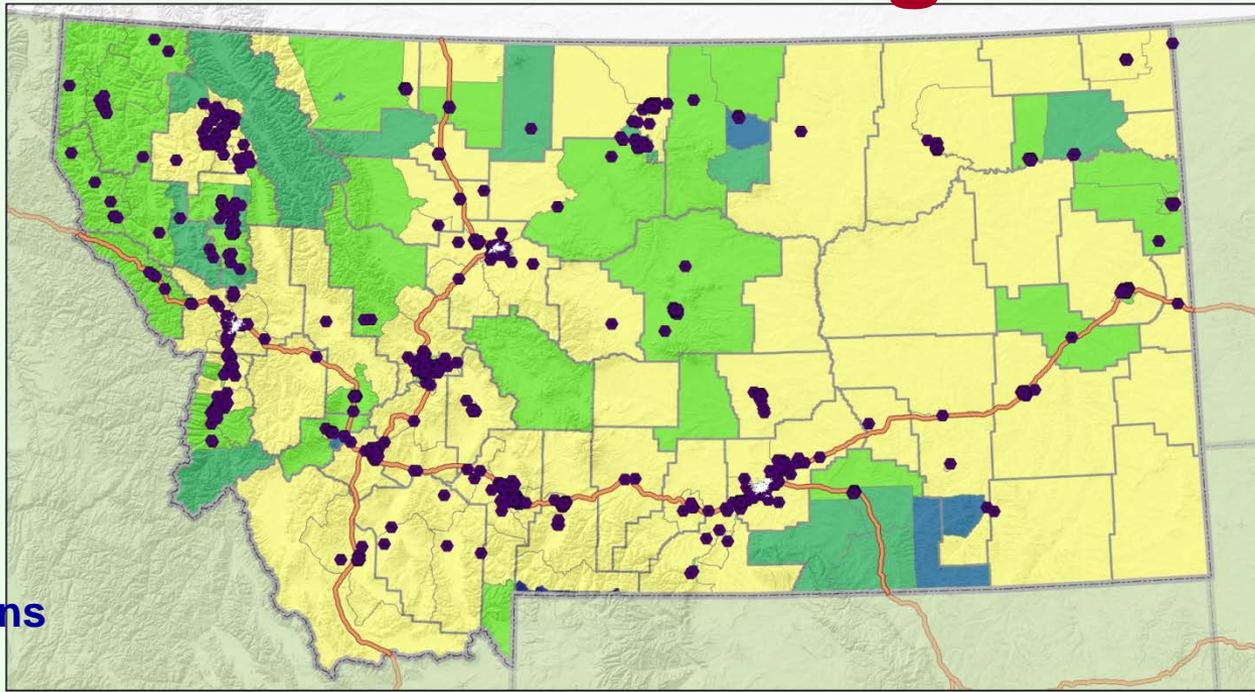




Public Sector Housing Choices



Distribution
Of Section 8
Vouchers
And
Concentrations
Of Poverty



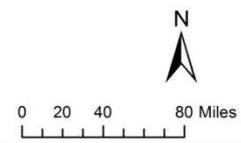
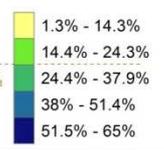
Section 8 Vouchers and 2012 Poverty

2008-2012 Average poverty rate in non-entitlement areas of the State of Montana = 14.3%
 Disproportionate share threshold = 24.3%
 (A disproportionate share exists where the share of a population in a given area is 10 percentage points greater than the study area average.)
 Note: White areas represent entitlement cities.

Sources: 2012 Five-Year ACS

- Section 8 Voucher-Assisted Unit
- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

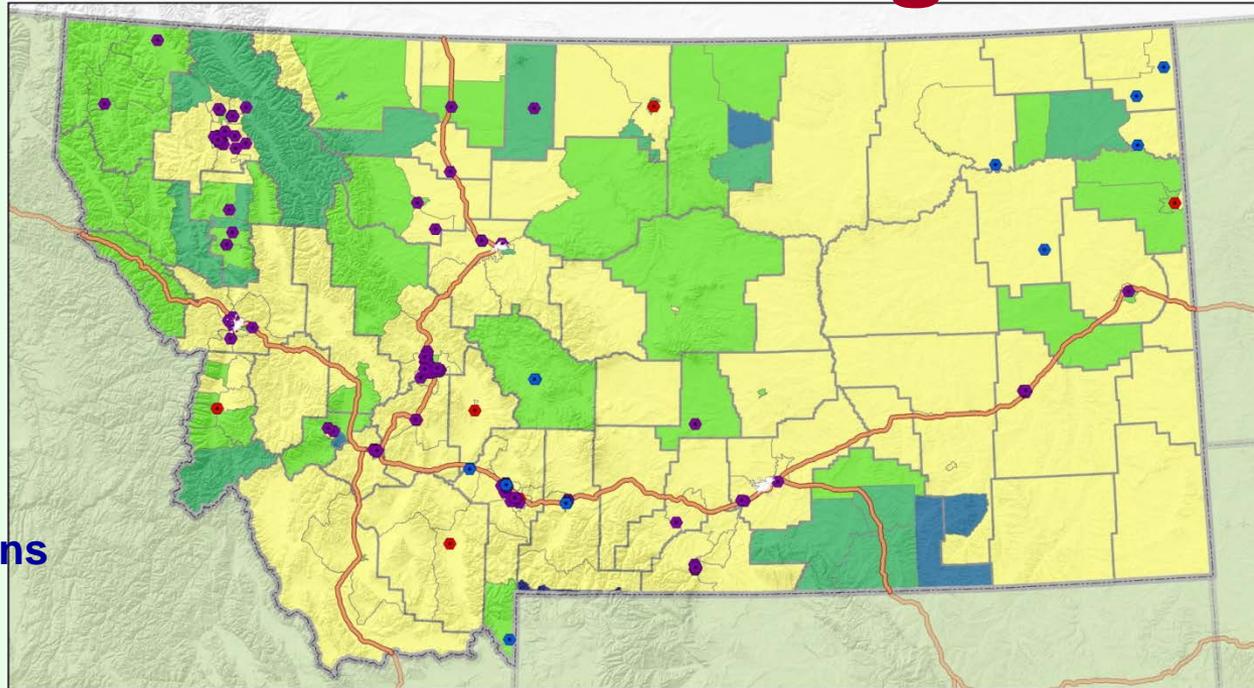
Poverty Rate





Public Sector Housing Choices

HOME
Investments
And
Concentrations
Of Poverty



HOME Investment and 2012 Poverty

2008-2012 Average poverty rate in non-entitlement areas of the State of Montana = 14.3%
 Disproportionate share threshold = 24.3%
 (A disproportionate share exists where the share of a population in a given area is 10 percentage points greater than the study area average.)
 Note: White areas represent entitlement cities.

Sources: 2012 Five-Year ACS, MDOC

- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

- Poverty Rate**
- 1.3% - 14.3%
 - 14.4% - 24.3%
 - 24.4% - 37.9%
 - 38% - 51.4%
 - 51.5% - 65%
- Disproportionate Share Threshold*

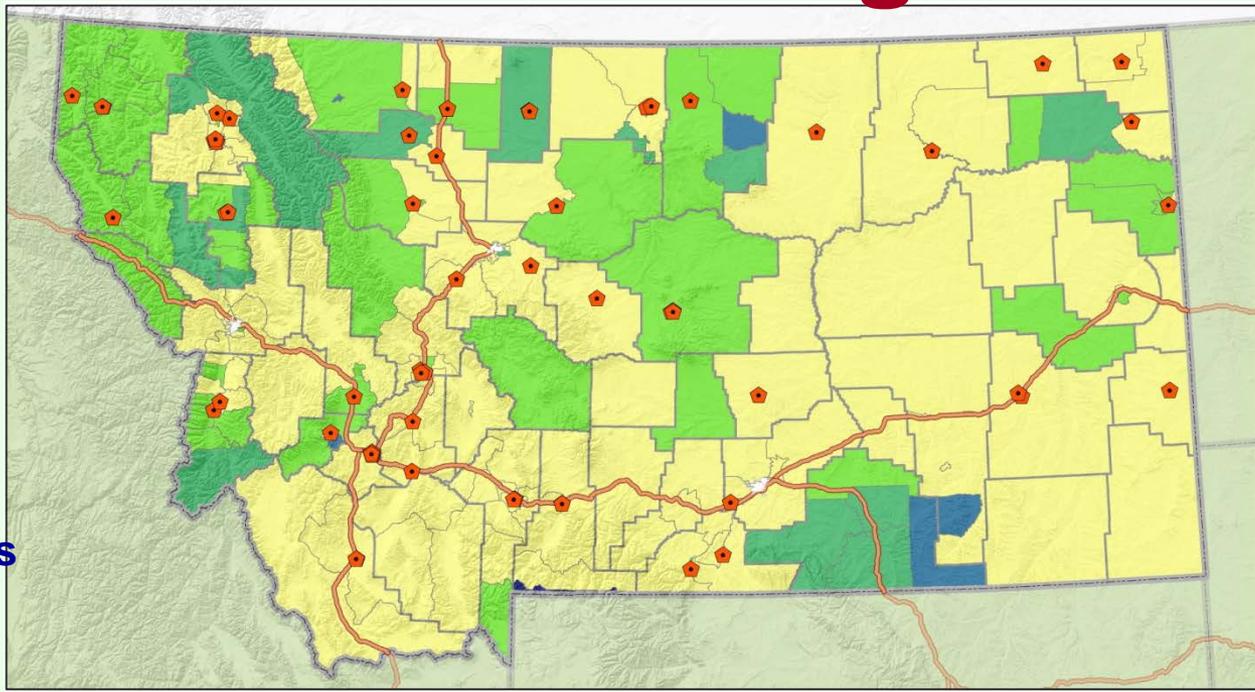
- HOME Funding Type**
- Homeowner Rehabilitation
 - Rental Housing
 - Homebuyer



Public Sector Housing Choices



LIHTC
Units
And
Concentrations
Of Poverty



LIHTC Units and 2012 Poverty

2008-2012 Average poverty rate in non-entitlement areas of the State of Montana = 14.3%
 Disproportionate share threshold = 24.3%
 (A disproportionate share exists where the share of a population in a given area is 10 percentage points greater than the study area average.)
 Note: White areas represent entitlement cities.

Sources: 2012 Five-Year ACS, MDOC

- LIHTC Unit
- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

Poverty Rate

- 1.3% - 14.3%
- 14.4% - 24.3%
- 24.4% - 37.9%
- 38% - 51.4%
- 51.5% - 65%

Disproportionate Share Threshold

N

0 20 40 80 Miles



Housing Complaints

Fair Housing Complaints

Fair Housing Complaints by Basis
 Non-Entitlement Areas of Montana
 2004–2013 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Disability	18	11	8	8	3	1	6	9	5	7	.	76
Race	4	10	3	1	1	1	1		1	2	.	24
Family Status	1	4	5	1			2	8	2		.	23
Sex		6	2	1					3		.	12
Religion	1	2	2				1	1			.	7
Retaliation	1	3	1					1		1	.	7
National Origin	2	1								1	.	4
Total Bases	27	37	21	11	4	2	10	19	11	11	0	153
Total Complaints	22	27	17	11	4	2	9	15	10	8	.	125



Housing Complaints

Fair Housing Complaints

Fair Housing Complaints by Issue
 Non-Entitlement Areas of Montana
 2004–2014 HUD Data

Issue	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Failure to make reasonable accommodation	4	4	6	7	2	1	4	9	3	7		47
Discriminatory refusal to rent	7	12	7	3	1	1	2	6	2	1		42
Discriminatory advertising, statements and notices		2	8	2			3	9	3	4		31
Discriminatory terms, conditions, privileges, or services and facilities	3	7	1	1	1		1	3	8	6		31
Discriminatory acts under Section 818 (coercion, etc.)	2	10	3	1			1	1	4	4		26
Discrimination in term, conditions or privileges relating to rental	5	6	7	2		1		3	1			25
Otherwise deny or make housing available							1	2	6	4		13
All Other	10	3	8	3	1	0	4	13	2	3	0	47
Total Issues	31	44	40	19	5	3	16	46	29	29	0	262
Total Complaints	22	27	17	11	4	2	9	15	10	8		125



Housing Complaints

Fair Housing Complaints

Fair Housing Complaints by Basis Found to be With Cause
 Non-Entitlement Areas of Montana
 2004–2013 HUD Data

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Disability	8	2	3	2			5	7	3	2		32
Family Status	1	3	3					6				13
Retaliation		1	1					1		1		4
Sex			1						3			4
Race			1						1			2
Religion								1				1
Total Bases	9	6	9	2			5	15	7	3		56
Total Complaints	8	6	6	2			5	12	6	2		47



Housing Complaints

Fair Housing Complaints

Fair Housing Complaints by Basis
 Non-Entitlement Areas of Montana
 Montana Fair Housing Data 2004 - 2013

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Disability	33	17	8	7	3	13	26	9	7	11	134
Familial Status	8	6	4	3	2	9	1	4	4	7	48
Design and Construction	19	.	.	.	.	9	.	.	2	1	31
National Origin	1	9	.	1	2	.	6	.	1	7	27
Age	.	1	.	2	.	9	4	.	.	8	24
Marriage	.	.	.	.	.	9	.	.	4	2	15
Sex	2	2	2	.	2	.	.	.	.	2	10
Religion	1	2	5	.	1	.	.	.	.	.	9
Race	4	.	1	.	2	.	.	.	.	.	7
Retaliation	1	.	.	.	.	.	.	.	.	1	2
Sexual Harassment	1	.	.	.	1	.	.	.	.	.	2
Total Basis	70	37	20	13	13	49	37	13	18	39	309
Total Complaints	48	33	18	11	9	22	30	9	14	22	216



Housing Complaints

Fair Housing Complaints

Fair Housing Complaints Found with Cause by Basis

Non-Entitlement Areas of Montana
 Montana Fair Housing Data 2004 - 2013

Basis	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Disability	13	9	4	1	3	12	6	1	5	2	56
Familial Status	.	3	4	1	2	9	1	.	2	3	25
Age	.	.	.	1	.	8	1	.	.	4	14
Marriage	.	.	.	.	.	8	.	.	4	2	14
Design and Construction	7	.	.	.	.	2	.	.	1	.	10
Sex	.	.	.	.	1	.	.	.	.	2	3
Religion	.	.	2	.	.	.	.	.	.	.	2
Total Basis	20	12	10	3	6	39	8	1	12	13	124
Total Complaints	13	12	10	2	5	15	7	1	9	7	81



Mortgage Lending

Purpose of Loan by Year
 Non-Entitlement Areas of Montana
 2004–2012 HMDA Data

Purpose	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Home Purchase	21,480	25,076	25,858	21,219	13,336	12,085	11,081	11,021	12,516	153,672
Home Improvement	3,878	4,748	5,320	6,211	3,978	3,089	2,026	1,761	1,776	32,787
Refinancing	33,340	31,570	30,601	30,528	25,914	40,279	28,044	21,952	28,144	270,372
Total	58,698	61,394	61,779	57,958	43,228	55,453	41,151	34,734	42,436	456,831



Mortgage Lending

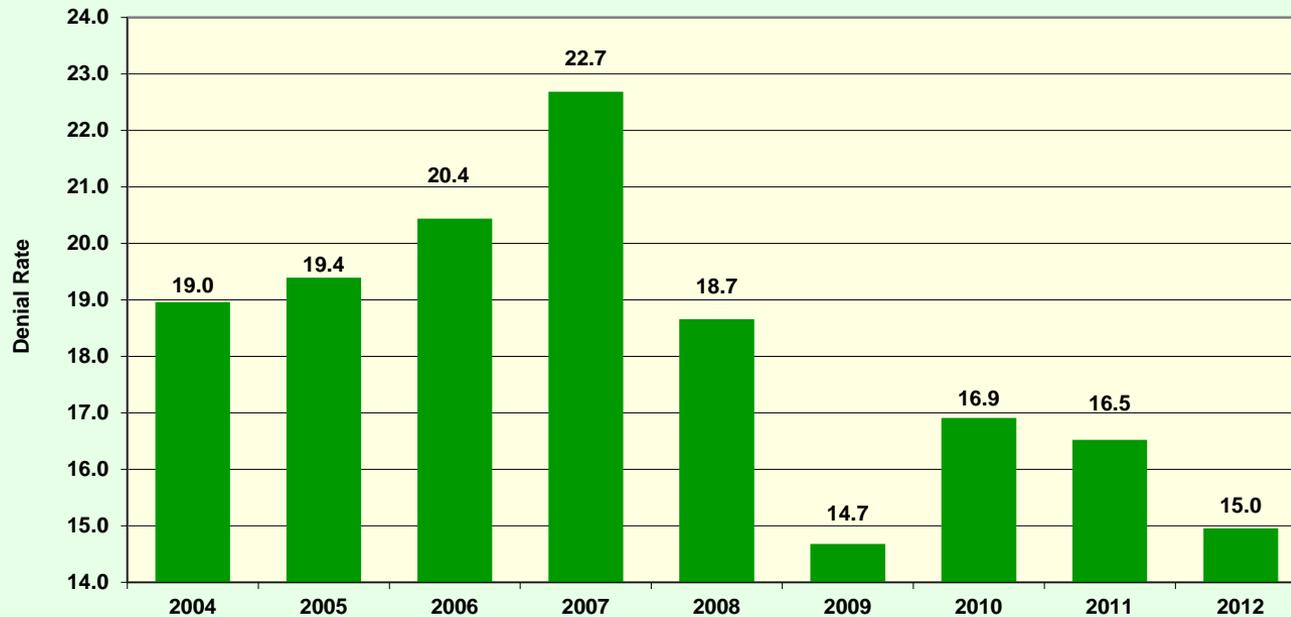
Loan Applications by Action Taken
 Non-Entitlement Areas of Montana
 2004–2012 HMDA Data

Action	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
<i>Loan Originated</i>	9,316	10,311	10,199	8,662	5,999	5,415	4,663	4,667	5,475	64,707
Application Approved but not Accepted	1,002	1,106	1,106	907	573	438	484	414	355	6,385
<i>Application Denied</i>	2,180	2,481	2,620	2,542	1,376	932	949	924	963	14,967
Application Withdrawn by Applicant	1,316	1,794	1,471	1,069	728	567	472	573	723	8,713
File Closed for Incompleteness	244	229	239	189	98	71	74	54	59	1,257
Loan Purchased by the Institution	3,825	4,682	5,477	4,256	2,703	3,432	3,043	2,877	3,228	33,523
Preapproval Request Denied	0	1	2	2	5	6	4	3	1	24
Preapproval Approved but not Accepted	0	0	3	0	1	0	0	0	0	4
Total	17,883	20,604	21,117	17,627	11,483	10,861	9,689	9,512	10,804	129,580
Denial Rate	19.0%	19.4%	20.4%	22.7%	18.7%	14.7%	16.9%	16.5%	15.0%	18.8%



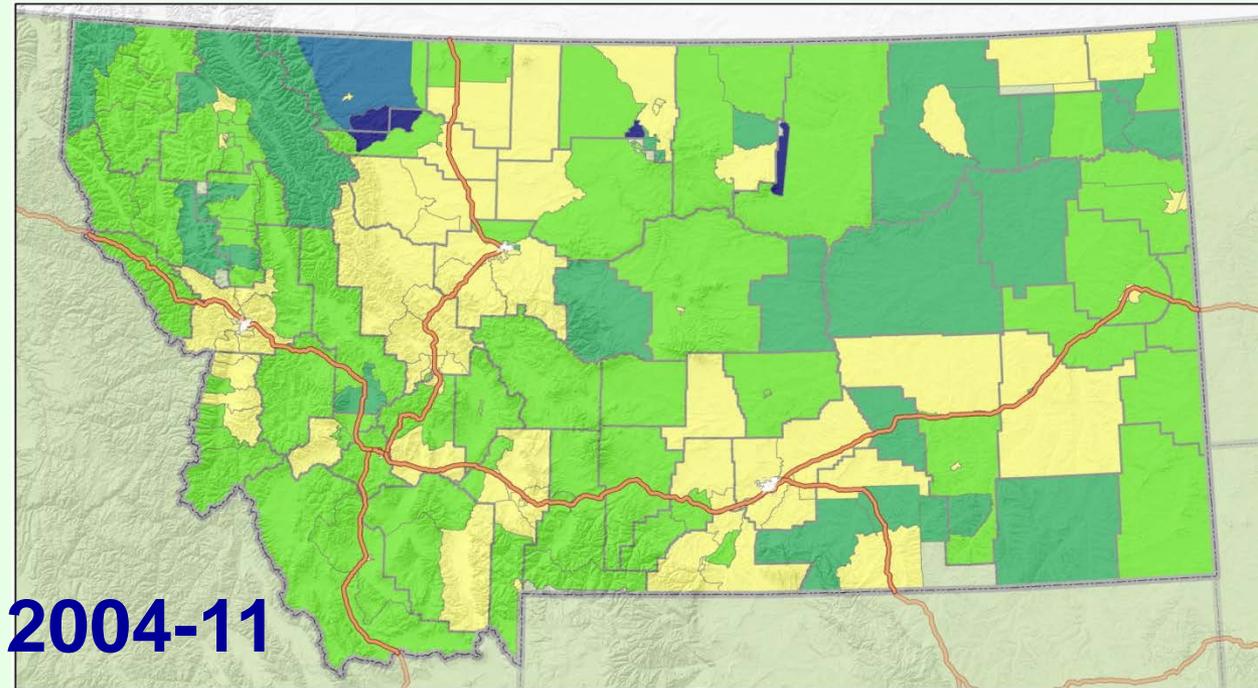
Mortgage Lending

Denial Rates by Year
Non-Entitlement Areas of Montana
2004–2012 HMDA Data





Distribution of Denial Rates



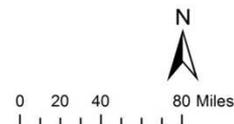
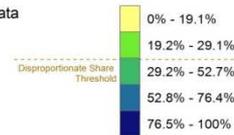
2004-2011 Loan Denials

2004-2012 Rate of loan denials to all applicants in non-entitlement areas of the State of Montana = 19.1%
 Disproportionate share threshold = 29.1%
 (A disproportionate share exists where the denial rate in a given areas is 10 percentage points greater than the study area average.
 Note: White areas represent entitlement cities.

Sources: 2004-2012 FFIEC HMDA

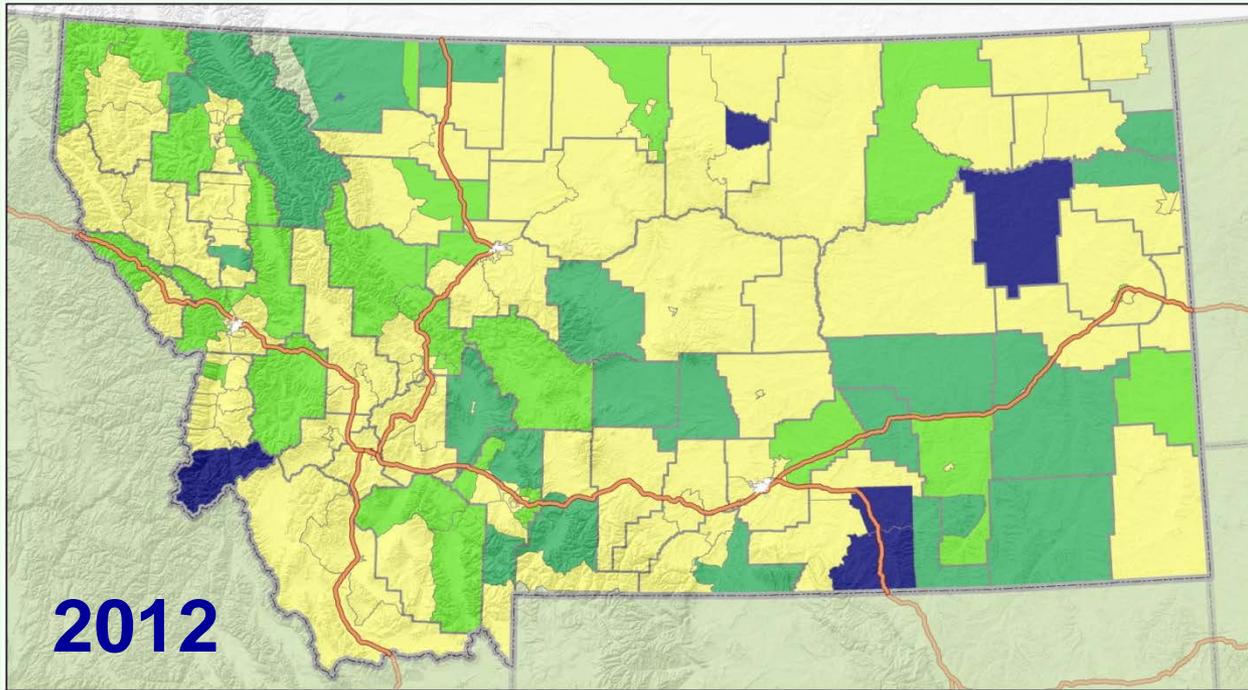
-  Census Tract Boundaries
-  Outside Study Area or No Data
-  County Boundaries
-  State Boundaries
-  Major Roads

Denial Rates





Distribution of Denial Rates



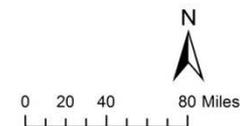
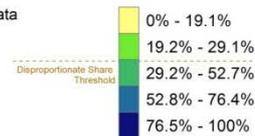
2012 Loan Denials

2004-2012 Rate of loan denials to all applicants in non-entitlement areas of the State of Montana = 19.1%
 Disproportionate share threshold = 29.1%
 (A disproportionate share exists where the denial rate in a given areas is 10 percentage points greater than the study area average.
 Note: White areas represent entitlement cities.

Sources: 2004-2012 FFIEC HMDA

- Census Tract Boundaries
- Outside Study Area or No Data
- County Boundaries
- State Boundaries
- Major Roads

Denial Rates



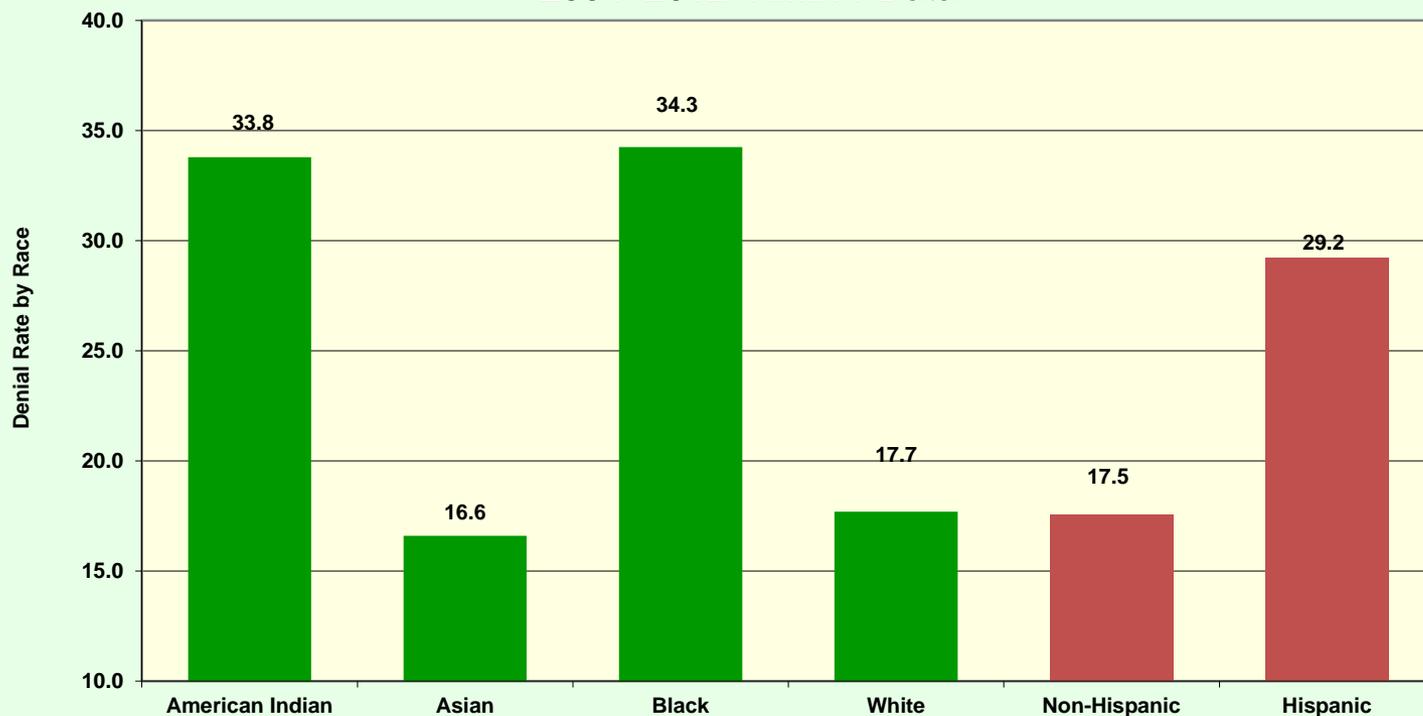


Mortgage Lending

Denial Rates by Race and Ethnicity

Non-Entitlement Areas of Montana

2004–2012 HMDA Data





Predatory Style Mortgage Lending



Originated Owner-Occupied Loans by HAL Status
 Non-Entitlement Areas of Montana
 2004–2012 HMDA Data

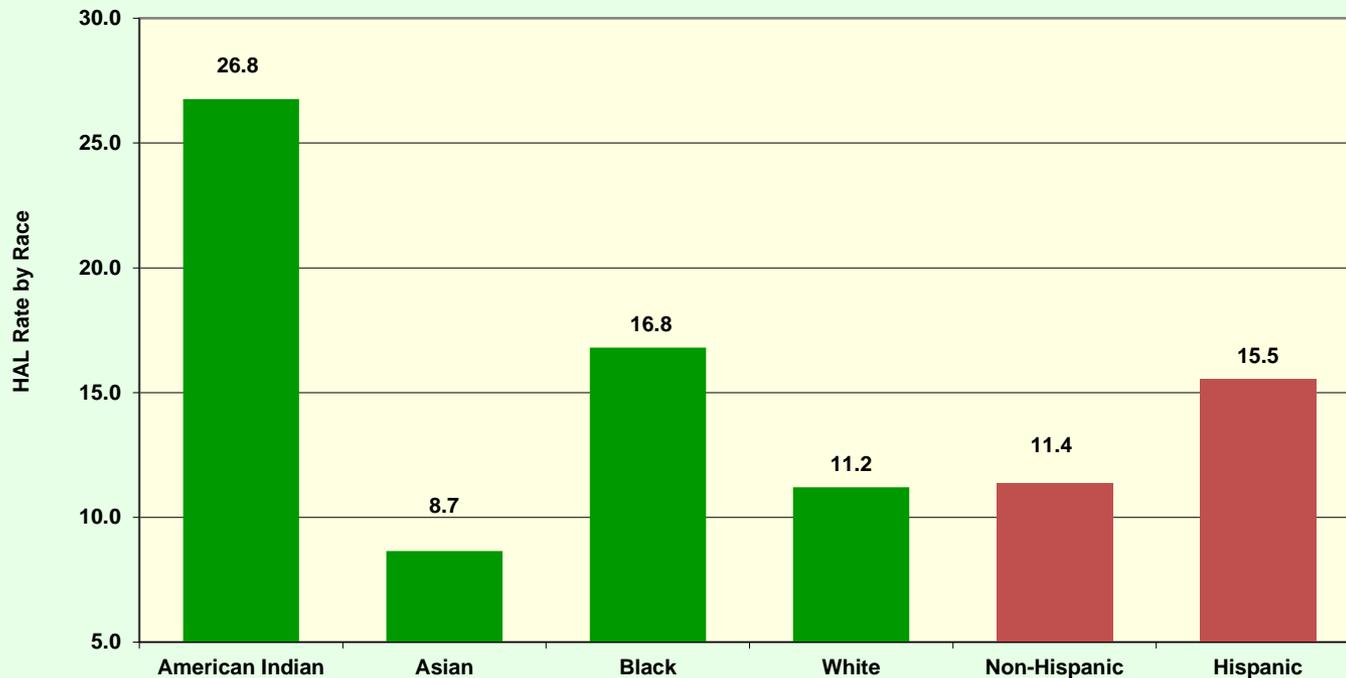
Loan Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Other	8,399	8,272	8,120	7,605	5,465	5,032	4,534	4,497	5,321	57,245
HAL	917	2,039	2,079	1,057	534	383	129	170	154	7,462
Total	9,316	10,311	10,199	8,662	5,999	5,415	4,663	4,667	5,475	64,707
Percent HAL	9.8%	19.8%	20.4%	12.2%	8.9%	7.1%	2.8%	3.6%	2.8%	11.5%



Predatory Style Mortgage Lending



HAL Rates by Race and Ethnicity
Non-Entitlement Areas of Montana
2004–2012 HMDA Data





2014 Montana AI

Fair Housing Survey Questions

Role of Respondent

State of Montana

2014 Fair Housing Survey Data

Primary Role	Total
Other Role	20
Service Provider	16
Local Government	11
Advocate/Service Provider	9
Renter/Tenant	9
Homeowner	8
Property Management	7
Land Use Planner	6
Real Estate	4
Banking/Finance	2
Construction/Development	2
Elected Official	1
Public Works	1
Missing	1
Total	97

<https://www.research.net/s/2014MontanaFairHousingSurvey>



2014 Montana AI

Fair Housing Survey Questions

Perceptions About Fair Housing Laws

State of Montana
2014 Fair Housing Survey

Question	Yes	No	Don't Know	Missing	Total
Are fair housing laws difficult to understand or follow?	25	39	16	17	97
Do you think fair housing laws should be changed?	18	38	24	17	97
Do you thing fair housing laws are adequately enforced?	40	31	5	21	97



2014 Montana AI

Fair Housing Survey Questions

Please evaluate the severity of the following impediments to the provision of fair housing opportunities in the PRIVATE SECTOR
 State of Montana
 2014 Fair Housing Survey Data

Question	Not	Slightly Severe	Moderately Severe	Very Severe	Missing	Total
Insurance agencies or agents refuse to issue policies or limit coverage for person based on their status in a protected class	34	10	7	2	44	97
Inability of prospective home buyers to obtain financing based on their status in a protected class	27	13	12	2	43	97
Real estate appraisers base home values of a neighborhood on the protected classes of the residents	24	16	10	2	45	97
Presence of unfair lending practices such as the promotion of subprime mortgages or predatory lending	26	16	8	2	45	97
Realtors® showing properties only in certain areas to prospective buyers based on their status in a protected class	28	14	10	2	43	97
New housing units are being constructed that are not accessible for persons with disabilities	19	22	13	1	42	97
Rental unit owners refusing to rent to prospective tenants based on their status in a protected class	15	21	15	5	41	97
Lack of knowledge or understanding regarding fair housing laws	10	15	22	10	40	97
Other	3		1		93	97



2014 Montana AI

Fair Housing Survey Questions



Please evaluate the severity of the following impediments to the provision of fair housing opportunities in the

PUBLIC SECTOR

State of Montana

2014 Fair Housing Survey Data

Question	Not an Impediment	Slightly Severe	Moderately Severe	Very Severe	Missing	Total
Lack of knowledge or understanding regarding housing opportunities	13	23	13	6	42	97
Lack of information regarding housing opportunities in languages other than English	23	18	13	2	41	97
Lack of information regarding housing opportunities provided in accessible formats for persons with disabilities	16	23	11	2	45	97
Health and safety codes are enforced differently in certain neighborhoods based on the residents protected class	23	17	8	2	47	97
Lack of mechanisms for identifying and alleviating discrimination	18	17	12	3	47	97
Insufficient monitoring, oversight, or enforcement of fair housing laws	15	20	15	2	2	97
Inadequate access to public transportation	15	14	15	12	12	97
Inadequate access to employment opportunities	18	23	10	2	2	97
Inadequate access to employment opportunities	16	18	14	6	6	97
New housing units are being constructed that are not accessible for persons with disabilities	21	19	10	1	1	97
Inadequate representation of protected classes on local government bodies, housing advisory boards, or similar committees	18	16	12	5	5	97
Lack of knowledge or understanding regarding fair housing laws	11	20	17	8	8	97



2014 Montana AI

Fair Housing Survey Questions

Local Fair Housing
 State of Montana
 2014 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total
Are you aware of any city or county fair housing ordinance, regulation, or plan?	17	22	20	38	97
Are you aware of any policies or practices for “affirmatively furthering fair housing”	13	27	20	37	97
Are there any specific geographic areas that have fair housing problems?	13	9	38	37	97



2014 Montana AI

Fair Housing Survey Questions

Fair Housing Activities State of Montana 2014 Fair Housing Survey Data

Question	Yes	No	Don't Know	Missing	Total	
Are you aware of educational activities or training opportunities available to learn about fair housing law?	40	31	5	21	97	
Have you participated in fair housing training?	29	17		51	97	
Are you aware of any fair housing testing of any sort in the State?	13	50	14	20	97	
Testing and education	Too Little	Right Amount	Too Much	Don't Know	Missing	Total
Is there sufficient outreach and education activity?	28	21	1	27	20	97
Please assess the current level of fair housing testing in the State	11	10		56	20	97



2014 Montana AI

Fair Housing Survey Questions

Other Comments Shared by Respondents:

- **Additional fair housing protections needed, such as sexual orientation**
- **Discrimination exists, lack of local resources to address fair housing**
- **Landlords do not comply with the law and tenants are unaware of their rights**





2014 Montana AI



Preliminary Impediments – Private Sector:

- Discriminatory terms and conditions in the rental markets
- Failure to make reasonable accommodation
- Lack of understanding of fair housing laws
- Higher denial rates for American Indians
- Higher incidence of predatory style loans for American Indian householders



Montana AI



Preliminary Impediments – Public Sector:

- Insufficient testing and enforcement
- Lack of protections for selected subpopulations
- Insufficient outreach and education



Conclusion

Contact Information:

Ms. Jennifer H. Olson

Grants Bureau Chief

406-841-2770

jeolson@mt.gov

