



# Analysis of Impediments to Fair Housing

Department of Equity and Workforce  
Development  
July, 2007



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# Executive Summary

This Analysis of Impediments to Fair Housing report was initiated by the city of Tallahassee to help satisfy established federal government conditions involving the continued receipt of affordable housing grant funds.

The city of Tallahassee does not presently show any significant evidence of impediments to fair housing. It is a community where both sale and rental housing is available to all income-eligible persons without regard to any of the bases of discrimination. This position is supported by the absence of any significant fair housing issues in Tallahassee since 2000. In fact, no one interviewed during this study could recall any local fair housing problems.

However, an atmosphere of vulnerability exists, one that could lead to fair housing abuse in Tallahassee. This vulnerable atmosphere consists of

- Marginally funded local fair housing agencies,
- Absence of easily accessible fair housing information by the general public,
- Lack of fair housing logo use on most housing-related ads,
- Lack of routine formal fair housing education programs that involve all area housing-related components,
- Lack of informal cooperative commitments by all area housing-related groups to actively support fair housing,
- Presence of HMDA data that suggests local home loan awards may be reflective of minority status and location,
- Lack of visible and aggressive state and federal government support through clear public policy, legislation and appropriate operational funding for local fair housing activities, and
- Failure of private sector housing lender groups to better protect vulnerable segments of the public from practices that have been proven to strip personal resources and fair housing choice.

Most of these issues involve impediments that are well beyond the realm of Tallahassee’s control. However, these factors still have a significant impact on the ability of all Tallahassee residents and visitors to be assured of proper fair housing choice.



Several national research and watchdog groups have suggested that elements of the nation’s lending industry have initiated practices, involving predatory and subprime lending, that could result in the economic disenfranchisement of a generation of vulnerable minorities. In fact, a 2002 study ranked the Tallahassee MSA at #37 and #23, respectively, among 331 and 154 national MSAs in the areas of Overall Percentage of Subprime Refinance Loans and Percentage of Subprime Refinance Loans for African-Americans. However, those are battles that must be fought and won on national and statewide platforms, and while Tallahassee should remain vigilant about these events, it must responsibly do what it can to protect its residents and visitors from inappropriate local fair housing practices—within the resources that it has to conduct such activities.



During the course of this study, it was discovered that

- Tallahassee has four (4) agencies that provide various levels of fair housing assistance. With the possible exception of the state agency, each of the other three agencies is marginally funded, which significantly limits the impact of the public services that can be provided.
- Aside from fair housing workshops and complaint processing agreements, there is no inter-agency agreement that establishes an on-going fair housing partnership among these agencies.
- Although Tallahassee is home to numerous public and private agencies/organizations that should have a stake in fair housing, there is little consistency in the categories and definitions of the data collected and little apparent communication among these entities. Some groups do not collect fair housing data or choose to provide related insights despite their connection to housing.
- Although both local real estate and builder associations adhere to federal and state fair housing standards, their members are not required to include the HUD fair housing logo on their advertisements, which potentially makes it easier for violators to misuse that professional trust.





- There is a lack of readily accessible sources of fair housing information for the general public. Homebuyers, renters, students and even periodic hurricane victims will not easily find fair housing data on the city’s website, on the websites of local housing providers or through strategically located fliers.
- The Tallahassee Home Builders Association has called for a series of fair housing classes or seminars to be offered at least once every two months.
- The traditional fair housing funding source, CDBG, has been steadily reduced by HUD for several years, and there is no indication that this trend is about to change. This reduction has, in part, resulted in the reduction of fair housing support for the city’s Department of Equity and Workforce Development. Another potential funding source, SHIP, has also been underfunded by the state for several years.
- Tallahassee has two major universities, which only house about 16% of their student body on-campus. However, there is little indication that either institution has established formal efforts to help assure proper off-campus fair housing treatment of these students or to facilitate their complaints, if appropriate.
- Despite the fact that the 2002 and 2004 HMDA reports reflect a correlation between securing home loans and both race and minority occupancy patterns, there has been little significant independent research involving the potential local implications.
- Although the Capital Area Red Cross issued funds to Hurricane Katrina victims for temporary housing, no formal effort was taken to assure that housing providers adhered to existing fair housing laws or that Red Cross volunteers/staff were even familiar with fair housing laws. It was also reported that the efforts of a local fair housing agency to provide counseling to hurricane victims were rebuffed by local Red Cross officials. A national report about the temporary housing relocation efforts of Hurricane Katrina victims found a pattern of racial discrimination in several places that received victims—Florida





study sites included Pensacola, Gainesville and Tallahassee. (It was reported by the survey team that it was unable to closely study Tallahassee’s rental housing conditions.)



- From 2000-2006, relatively few fair housing complaints have been filed in Tallahassee. The reasons are inconclusive—lack of illegal or inappropriate fair housing actions, ignorance of fair housing rights, lack of knowledge about the complaint process and/or belief that the complaint process is too time-consuming with too few tangible results.



Affordable housing is very important. However, this study did not focus on affordable housing. Although there is a link between affordable and fair housing, it should not be assumed that the existence of an adequate supply of affordably priced homes translates into fair housing choice for everyone. Tallahassee continues to need additional affordably priced homes for each of its population components, including the elderly and handicapped. As a result of the Inclusionary Zoning Ordinance, the city has taken a giant step towards providing a vehicle that not only produces more affordable housing, but places that housing in mixed income communities—which can only result in strengthened fair housing choice.



Tallahassee’s policies, ordinances and procedures are adequate to support its various fair housing responsibilities and activities. However, some thought should be given to further expediting the disposition of future complaints, and making sure that the public is aware of its initiatives.



Ten (10) potential impediments to fair housing in Tallahassee were found:



- (1) Lack of easily accessible city webpage information,
- (2) Lack of readily accessible printed information,
- (3) Lack of frequent fair housing seminars,
- (4) Lack of informal public-private fair housing commitment,
- (5) Lack of coordinated effort among local fair housing agencies,
- (6) Lack of adequate and predictable fair housing funding,
- (7) Lack of detailed research on impacts of potential impediments,
- (8) Lack of lender/broker participation in impediments study,
- (9) Lack of focus on local predatory and subprime lending, and
- (10) Lack of testing focus on home ownership vs. rental practices.





It is recommended, therefore, that the city of Tallahassee adopt the following ten (10) initiatives to address these emerging fair housing impediments:

**(1) City Webpage**—At present, it is very difficult for visitors to find fair housing information on the city’s official webpage. The Department of Equity and Workforce Development, the city’s lead fair housing agency, does not provide enough information about its various fair housing activities and related resources. Furthermore, there is no tie to other city agencies with housing-related responsibilities.

The city should redesign its official webpage to make it easier for the public to find key fair housing information, and make sure that other city departments that have a potential fair housing connection (such as Neighborhood & Community Services and Planning) have related “jumps” to this fair housing site.

Related information about this recommendation can be found on pages 19-20, 35-36, 56, 63 and 65-66.

**(2) Printed Information**—There is a lack of printed material that is readily available (citywide) to any person seeking to rent or purchase housing. This lack of information may be contributing to a local failure to know when housing discrimination is taking place and, if so, how to report it.

Produce a set of fair housing brochures and fliers to be routinely provided to the offices of local home builders, realtors, lenders, mortgage brokers, apartment managers and on college campuses.

Related information can be found on pages 19-20, 49-50, 56 and 63-64.

**(3) Seminars**—Annually, the city holds a series of fair housing programs that usually coincide with National Fair Housing Month. Although these activities are comprehensive, there is no local vehicle to routinely address other fair housing issues between annual events. Housing industry members know that fair housing is very important, but busy schedules and changed industry training standards have lessened their focus on fair housing issues.

Therefore, hold a series of bi-monthly seminars with all members of the local housing industry to discuss different aspects of fair housing policy, law and practical applications. These seminars would be organized by the city,





but co-sponsored by local private industry groups and other local public sector fair housing agencies.

Additional information about this recommendation can be found on pages 19, 49-50, 55-56, 64 and 66-67.

**(4) Informal Commitment**—Although there is a sense of commitment to fair housing among various local housing groups and an awareness that fair housing is protected by local, state and federal laws, there appears to be an increasing lack of application of formal advertisement symbols (fair housing logo) or discussions of potential fair housing threats to the community. This increasing sense of informality provides an atmosphere of opportunity for fair housing violators. There needs to be greater collective awareness about the importance of assuring that all Tallahassee residents and visitors enjoy the full benefits of fair housing protection.

Initiate an informal fair housing commitment among all local groups (public and private) that comprise and/or may impact Tallahassee’s housing industry. This initiative should help energize local commitment to fair housing (especially involving advertisement), generate more interest in the bi-monthly seminars, ease public-private relations and help generate funding to help support the production of related materials and services.

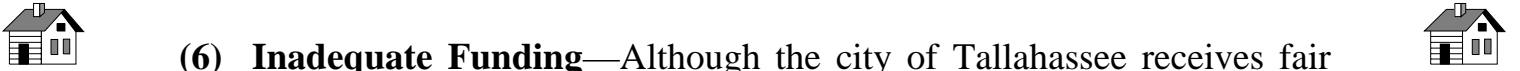
Related information can be found on pages 19-20, 34, 49, 55, 62 and 67.

**(5) Coordinated Effort**—There are four agencies that currently provide fair housing services to Tallahassee. With the exception of the state agency, the fair housing activities of the other three agencies are all marginally funded, and one of those agencies has responsibility for a five-county region. As a result, it is impossible for any of these entities, including the state agency, to provide comprehensive fair housing services to Tallahassee’s residents and visitors. Therefore, a means must be found to better serve the fair housing needs of this community with existing public resources.

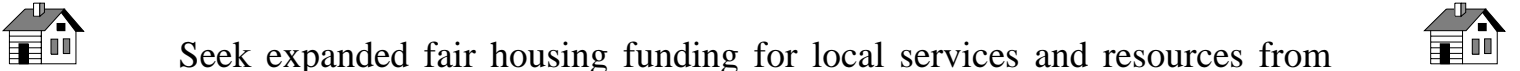
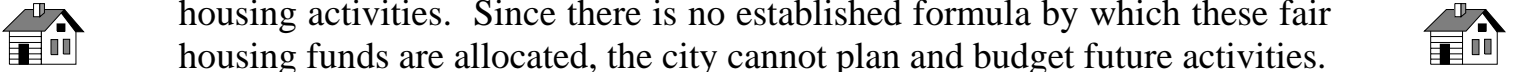
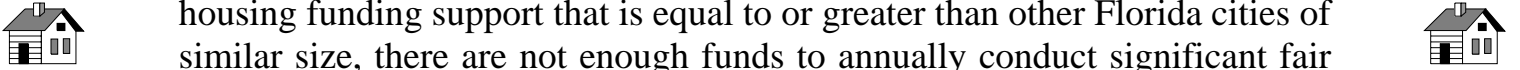
Initiate a “working” commitment among the four local fair housing agencies that informally creates roles for the provision of testing, public education, professional training, complaint investigations/resolution and data exchange.

Related information can be found on pages 31-33, 49 and 63.

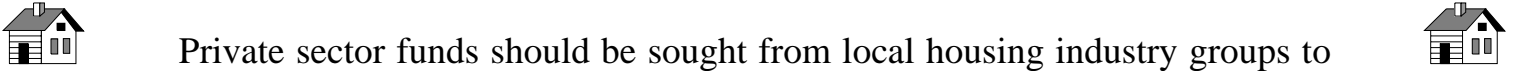
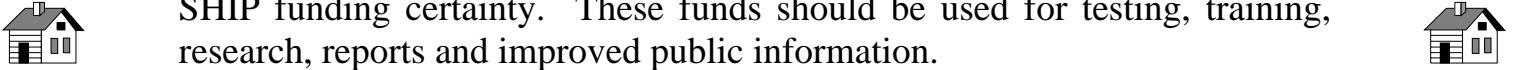
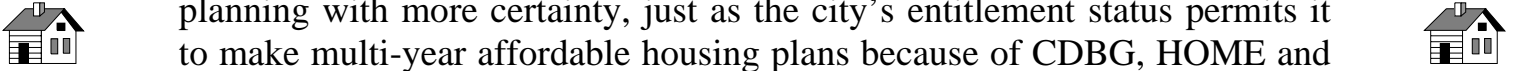
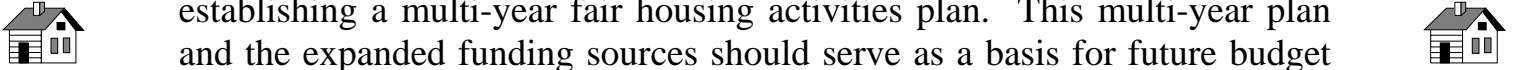
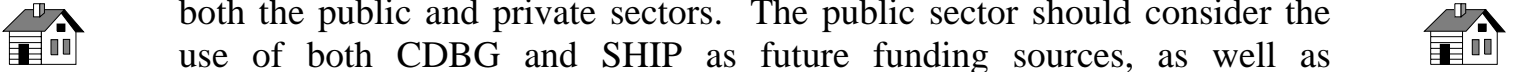




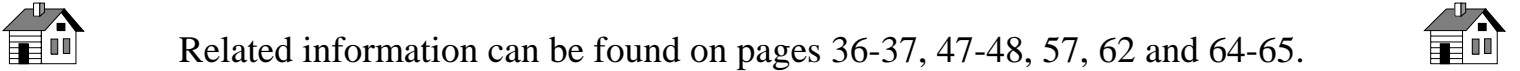
**(6) Inadequate Funding**—Although the city of Tallahassee receives fair housing funding support that is equal to or greater than other Florida cities of similar size, there are not enough funds to annually conduct significant fair housing activities. Since there is no established formula by which these fair housing funds are allocated, the city cannot plan and budget future activities.



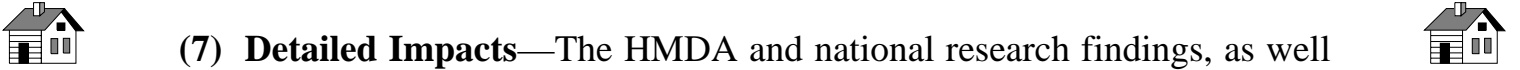
Seek expanded fair housing funding for local services and resources from both the public and private sectors. The public sector should consider the use of both CDBG and SHIP as future funding sources, as well as establishing a multi-year fair housing activities plan. This multi-year plan and the expanded funding sources should serve as a basis for future budget planning with more certainty, just as the city’s entitlement status permits it to make multi-year affordable housing plans because of CDBG, HOME and SHIP funding certainty. These funds should be used for testing, training, research, reports and improved public information.



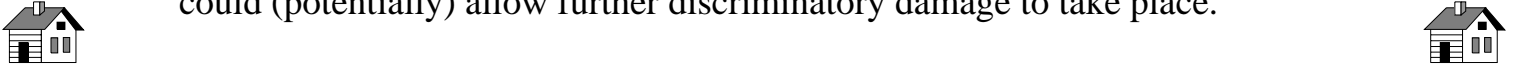
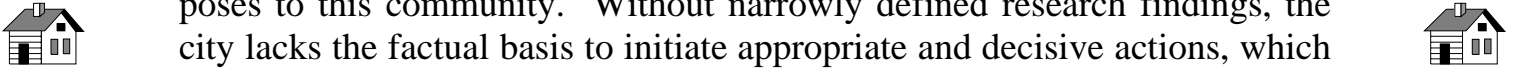
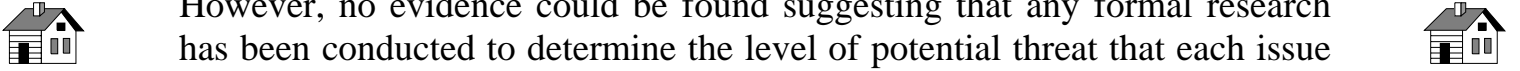
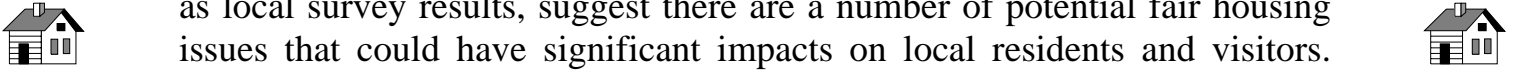
Private sector funds should be sought from local housing industry groups to provide fair housing training and seminar materials, as well as city-produced handouts (brochures and fliers) for potential private sector clients.



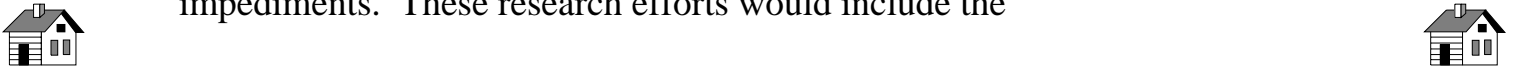
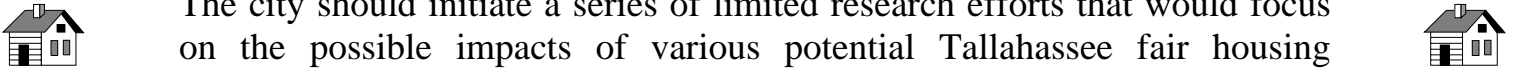
Related information can be found on pages 36-37, 47-48, 57, 62 and 64-65.



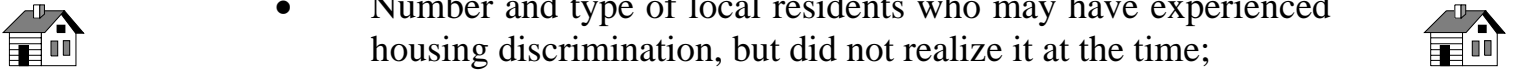
**(7) Detailed Impacts**—The HMDA and national research findings, as well as local survey results, suggest there are a number of potential fair housing issues that could have significant impacts on local residents and visitors. However, no evidence could be found suggesting that any formal research has been conducted to determine the level of potential threat that each issue poses to this community. Without narrowly defined research findings, the city lacks the factual basis to initiate appropriate and decisive actions, which could (potentially) allow further discriminatory damage to take place.



The city should initiate a series of limited research efforts that would focus on the possible impacts of various potential Tallahassee fair housing impediments. These research efforts would include the



- Number and type of local residents who may have experienced housing discrimination, but did not realize it at the time;
- Number and type of local residents who believed that they experienced housing discrimination, but did not report it because of a lack of information and/or anticipated frustration;





- Loan origination disparities involving local minorities, especially blacks and women;
- Off-campus college students’ awareness of their fair housing rights and complaint reporting resources, if necessary; and
- Rental experiences of recent hurricane victims in Tallahassee.

Related information is listed on pages 38, 45-46, 48, 57-61 and 63-64.

**(8) Lender/Broker Participation**—Despite the inclusion of local HMDA data and several national research references to local and statewide lending practices, there was a refusal by two statewide banking and mortgage broker associations to provide any fair housing insights for this report. While these organizations appear to primarily provide statewide lobbying and training services, there are no local or regional lender/broker associations, as is the case with both builders and realtors. The absence of this overall insight was partially offset by comments from two local lenders who are affiliated with major banking institutions. Therefore, this study was able to reflect both national studies and local insights. The local lenders suggested a need for increased “financial literacy,” while the national studies outlined a pattern of racial and sexual disparities in local loan originations, statewide predatory lending abuse and an explosion of subprime lending activity. (Despite the reluctance of the statewide organizations to provide fair housing insights, both local lenders routinely display the HUD fair housing logo in their ads.)

The city should initiate a series of discussions with representatives of both local lending institutions and statewide lender and mortgage broker groups to discuss concerns about local minority lending patterns, what actions they can and should take to change these patterns, and what role the city can play in assisting this process. These meetings should focus on community-based initiatives (e.g., lender discretion and applicant information) vs. system-wide changes (e.g., revised regulations and operational penalties). Every effort should be made to keep these meetings “low-key” vs. “high-profile.”

Related information can be found on pages 49-50, 54 and 65-66.

**(9) Predatory and Subprime Lending**—A series of national studies have indicated that the state of Florida has created an atmosphere of “openness” for predatory and subprime lenders, and that Tallahassee has become a place where subprime lending is especially prevalent for blacks. These national findings are reflected by this study’s review of 2002 and 2004 HMDA data,





which showed that blacks in the Tallahassee MSA have the second highest

loan application rates but the lowest loan approval rates, and that loan

approval rates significantly fell as the concentration of minority families

increased. However, these findings lack local impact because of changing

HMDA methodology, timing of data release, work by national researchers

(with different priorities), lack of local follow-up and the efforts of industry

insiders to protect an incredibly lucrative business (subprime lending) while

systematically understating the impact of these practices on its victims.

The city should initiate a series of studies to narrowly examine the impact of

local lending practices on very poor, elderly and minority (especially black)

residents. These studies should focus on conventional loan applications and

denials, predatory and subprime lending practices, applied loan underwriting

practices, comparative credit ratings and use of lender flexibility. The goal

of these studies should be to determine whether Tallahassee still suffers from

the practices reflected in the HMDA and national research reports, and if so,

if the difference between the origination of loans to minorities, especially

blacks, is primarily due to a pattern of racial discrimination vs. a series of

accidental occurrences resulting from a lack of “financial literacy.” The

city’s fair housing testing program should be used to help investigate this

matter. Both local lenders and statewide lender groups should participate in

these efforts, and seek ways to proactively change the existing (seemingly

discriminatory) pattern of home loans to Tallahassee’s minorities.

Related information is located on pages 38-43, 52-53, 57-61 and 63.

**(10) Ownership Testing**—To date, the city of Tallahassee has focused its testing activities on rental activities, which has helped the city shape its fair housing training programs and improve local rental conditions. While more rental testing is needed, especially involving handicapped accessibility, the city needs to primarily focus on the homeownership process, especially the interface with realtors, lenders, mortgage brokers, insurers and/or builders.

The homeownership arena (buying, selling, refinancing and improving) is more complex than unit rental, and it is the one that has raised the greatest HMDA and national research concerns about potential fair housing abuses. And, this is an area that the city has not previously explored through testing.

Therefore, it is recommended that the city change the focus of its testing activities to emphasize single-family home buying, while still determining



the willingness of local apartments to provide for handicapped accessibility and reasonable accommodations. The results of these efforts should be used to focus the city's subsequent fair housing training and outreach efforts.



Related information can be found on pages 33, 44, 50 and 65.



It is suggested that the city employ a three-year structure to address its fair housing impediments. Since it is unlikely that all of these initiatives could be immediately implemented, a phased process seems most feasible. The three-year structure provides an initial mechanism for long-range program and budget planning. This long-range certainty should also help the city seek funding for its various activities and help to build partnerships.



Year One—(1) Redesign the city's webpage to enhance its fair housing services, (2) produce a set of fair housing materials for broad distribution, (3) hold a series of bi-monthly fair housing seminars, (5) establish a coordinated effort among local fair housing agencies, (6) begin to seek expanded fair housing funding support and (8) conduct a series of meetings with local lenders and mortgage brokers about local minority loan patterns.



Year Two—Continue each of the previous actions (1-3, 5-6 and 8), (4) initiate an informal commitment among all local housing industry members and (10) conduct testing to determine the impact of on-going training and information dissemination, especially on home buying.



Year Three—Continue each of the previous actions (1-6, 8 and 10), (7) conduct research to determine how specific potential impediments are impacting Tallahassee's fair housing choice and (9) determine the specific impact of predatory and subprime lending on Tallahassee's residents.



In conclusion, the two most significant potential impediments to fair housing found were lack of information and predatory/subprime lending patterns. By providing increased information through its website, printed materials, coordinated fair housing training and education, Tallahassee can effectively increase the public's fair housing awareness and protection, while gaining the support of its local private housing industry. All of this can be done without significant new funding or the creation of dramatic new public policies or ordinances.





Predatory and subprime lending practices are truly beyond the scope of Tallahassee city officials and staff to change or control because they are private sector practices, shaped by regional or national corporate offices and administered under national and statewide regulatory mandates. However, local lenders are also members of the Tallahassee community. Through proactive local leadership, education and cooperation, the city can diminish the impacts of predatory and subprime lending practices on its residents by



- Identifying apparent patterns of local lending discrimination,
- Expressing its displeasure about the existence of such lending patterns in this community,
- Encouraging local lenders to make increased use of their own loan origination discretion, and
- Working with these lenders to strengthen public awareness of proper lending procedures and resources.



# Introduction



## Overview



This Analysis of Impediments to Fair Housing report was undertaken for two reasons—(1) to update an earlier report that had been conducted in 1999 and (2) to satisfy one of the federal requirements for the city of Tallahassee’s annual receipt of housing and community development assistance funds.



In addition, the city of Tallahassee’s Department of Equity and Workforce Development (EWD) sought a detached view of current local fair housing conditions.



This report is intended to provide current insights into Tallahassee’s fair housing conditions, both traditional and emerging. A variety of expert sources were used to provide related insights and contexts for both potential impediments and suggested actions. This process produced a series of key issues and impediments, along with existing resources. This body of data led to the report’s findings and, subsequently, its recommendations.



Every effort was made to offer a set of “practical” recommendations, or recommendations that are realistic vs. idealistic. Tallahassee is a city that exists within a series of contexts that operate independent of its political and budgetary constraints—Leon County, state of Florida, federal government and the private sector. Although these entities operate within the city’s boundaries, the city does not have the legal, staffing or financial resources to counteract all fair housing impediments that may result from one or more of these entities. An “idealistic” set of recommendations would list all of the fair housing impediments despite the city’s authority to remove them. However, the “practical” recommendations that this report addresses solely focus on those impediments that fall within the ability of the city to reasonably address—through its existing legal, personnel and financial resources.



Fair housing impediments that fall outside of the city’s authority were mentioned, along with the entity that has primary responsibility for action.





## Methodology

This report is primarily focused on “fair” vs. “affordable” housing. While it is recognized that affordable housing is a massive concern in our community and many analyses of impediments to fair housing reports address this issue, it is a different subject, one that could easily distort the impact of this report.

The report’s recommendations are intended to be “practical” vs. “ideal.” In other words, the city of Tallahassee and the programs it administers exist within a framework of resources that are largely shaped by outside entities. While the city can (and should) make the most use of its own resources to safeguard equal fair housing access to all of its residents and visitors, it cannot (and should not) be held primarily responsible for establishing and enforcing standards that address groups and resources beyond its control.

Since the previous analysis of fair housing impediments was written many years ago and there is a relative lack of hard data about fair housing issues in Tallahassee, very few assumptions were made about local fair housing conditions. Therefore, questionnaires were structured in an open-ended manner, in order to report stated insights vs. verify existing assumptions. This approach put the onus upon current observation and investigation. **The only significant assumption was that predatory lending may be a local fair housing issue because it broadly impacts some of the same groups that traditionally suffer fair housing inequities.**

The information from which this report has been compiled comes from several different sources—existing reports, surveys/interviews, newspaper articles, computer searches and organizational resources.

Other key sources were the 2002 and 2004 Home Mortgage Disclosure Act (HMDA) reports, which provided a detached pattern of home loan activities. These reports provided a comparative basis by which certain activities could be viewed over a period of time.

The “Preliminary Observations” section provides an initial, superficial perspective of Tallahassee’s fair housing resources and impediments—the same viewpoint that most residents would have. The balance of this study, in part, addresses these findings through research and related analysis.





Care was taken to elicit insights from a variety of local, state and federal entities (representing both the public and private sectors) that might provide helpful general contexts for and/or direct knowledge about specific fair housing conditions in Tallahassee from 2000 to 2006.

Effort was also taken to include recognition of the fact that Tallahassee is the home of three major institutions of higher education (each of which has a student body that numbers in the thousands) and has become the temporary home of numerous hurricane victims.

Report focus was assured through a series of discussions with and comments by the Director of Tallahassee’s Department of Equity and Workforce Development.

Lastly, effort was taken to keep this report as simple as possible, in order to better focus on its findings and recommendations.

### Key Definitions

Throughout this report several terms and abbreviations will be used. These key terms and abbreviations are

- **Affordable Housing**—Availability of sale or rental housing that reasonably fits within the budgetary constraints of a family.

- **Consolidated Plan**—Document that various state and local governments submit to HUD in order to outline how federal program funds will be spent to address key local needs, while assuring that all federal requirements will be addressed.

- **Elderly**—Persons who are at least 62 years old.

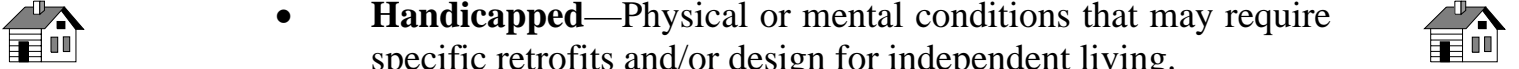
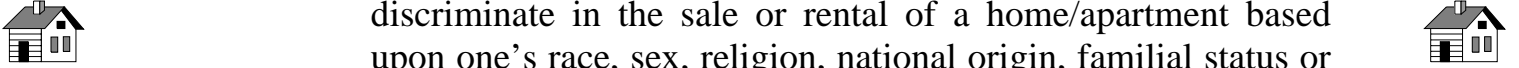
- **EWD**—City of Tallahassee Department of Equity and Workforce Development

- **Fair Housing**—Equal access to sale or rental housing despite one’s race, color, sex, religion, national origin, familial status or disability.

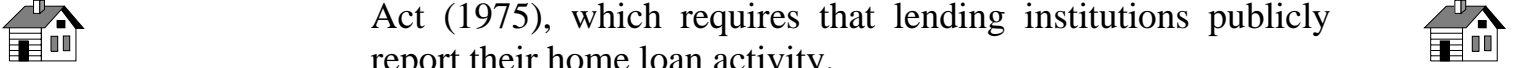




- **Fair Housing Act**—Federal law (1968) that made it illegal to discriminate in the sale or rental of a home/apartment based upon one’s race, sex, religion, national origin, familial status or disability.



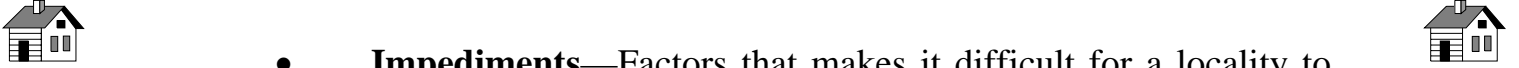
- **Handicapped**—Physical or mental conditions that may require specific retrofits and/or design for independent living.



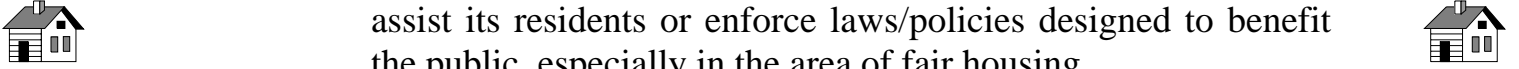
- **HMDA**—Federal Reserve Board’s Home Mortgage Disclosure Act (1975), which requires that lending institutions publicly report their home loan activity.



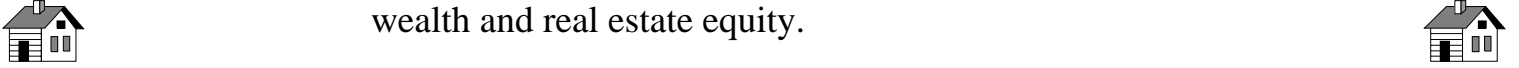
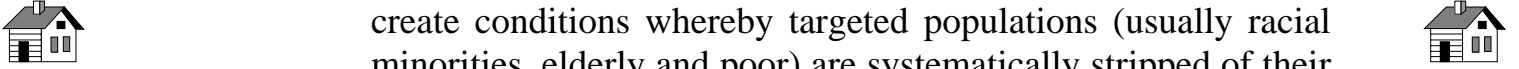
- **HUD**—Department of Housing and Urban Development.



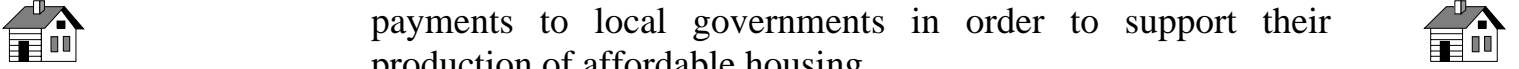
- **Impediments**—Factors that makes it difficult for a locality to assist its residents or enforce laws/policies designed to benefit the public, especially in the area of fair housing.



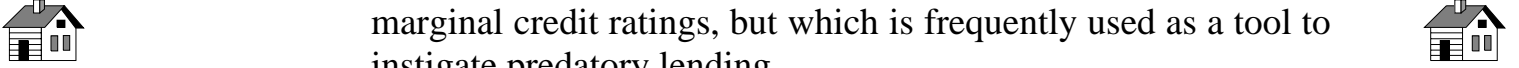
- **Predatory Lending**—Credit and loan practices designed to create conditions whereby targeted populations (usually racial minorities, elderly and poor) are systematically stripped of their wealth and real estate equity.



- **SHIP**—Florida Housing Finance Corporation’s State Housing Initiative Program, which provides annual population-based payments to local governments in order to support their production of affordable housing.

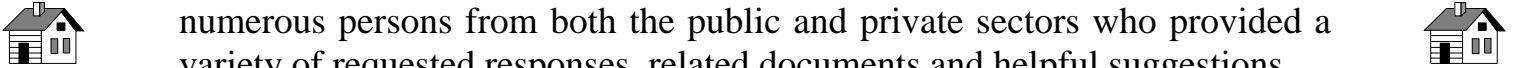
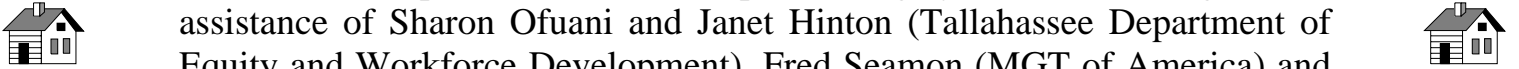


- **Sub-Prime Lending**—Practice of making loans to persons with marginal credit ratings, but which is frequently used as a tool to instigate predatory lending.



### Acknowledgements

The successful production of this report is largely due to the insights and assistance of Sharon Ofuani and Janet Hinton (Tallahassee Department of Equity and Workforce Development), Fred Seamon (MGT of America) and numerous persons from both the public and private sectors who provided a variety of requested responses, related documents and helpful suggestions.





## Preliminary Observations

This project began with several assumptions about the status of fair housing in Tallahassee, which were that

- The public needs to have easy access to information about fair housing, especially
  - What constitutes fair housing?
  - What to do if a fair housing violation has occurred?
  - Who can provide help?
- If the public does not know how to seek help or believes that the process for securing that help is too complicated, there will probably be relatively few formal fair housing complaints.
- If the financial support for fair housing is relatively low, the number of fair housing complaints will also be low.
- The best assurance of continued fair housing is information that is routinely provided to key participants in the housing industry.
- Because of Tallahassee’s unique location and history, it may face some different fair housing challenges than other places, especially in the areas of off-campus student housing and disaster-related temporary housing.


A set of preliminary conclusions were made based upon initial investigator observations and a cursory view of easily accessible information—the same type of information that a typical resident would be able to access.


The initial discovery was that fair housing does not appear to be a significant problem in Tallahassee because of three factors


- (1) Tallahassee has a relatively large concentration of educated people, who are comfortable asking questions and reporting potential problems to the appropriate authorities.




 (2) The ability to afford housing of choice is more important than one's race, sex, national origin, etc., and realtors are more likely

 to show properties that coincide with one's wishes and

 affordability than established places of racial or ethnic


 concentration. (However, lending practices are less obvious.)

(3) Since 2000, there have been very few instances of fair housing


 abuse reported by the local media.


 These impressions were substantiated by subsequent public and private


 sector surveys which suggested that Tallahassee does not have an observed


 (or alleged) fair housing problem and lacks a significant number of fair


 housing complaints filed with any local, regional or state agency charged


 with the receipt of such concerns.


 However, there was also concern about the apparent lack of clear and easily


 accessible information about fair housing resources for local residents and


 visitors.


 • Traditional fair housing logos are occasionally attached to real

 estate ads in various local publications. (The HUD fair housing

 logo is the easiest way for a potential buyer/renter to know that


 the seller supports fair housing in its transactions. However,


 few state and local private sector entities require the use of this

 logo with printed housing ads.)

 • The city of Tallahassee does not have a clearly defined location

 for its fair housing resources on its official website; its

 Department of Equity and Workforce Development (EWD)

 does not clearly mention fair housing on its website, despite the

 fact that it is the city entity charged with handling such issues;

 and the Department of Neighborhood and Community Services,

 which includes a housing office (a place that concerned citizens

 might initially contact), does not have a dedicated web link to

 EWD—the office that handles such concerns. (However, calls

 to either the city's General Information Operator or the

 Department of Neighborhood and Community Services'

 switchboard are referred to EWD, and a "fair housing" search

 of the city's website advises persons to contact EWD.)



- The Big Bend Fair Housing Center and the Florida Commission on Human Relations, entities charged with investigating fair housing complaints at the regional and statewide levels, were relatively difficult to find, despite the fact that both are well known within the housing industry.



The lone exception to a local public entity with an easy access to fair housing information appeared to be the Leon County Division of Health and Human Services, Housing Office, which has a relatively extensive set of fair housing resources on its website.





# Local Profiles



## Historical Characteristics



Tallahassee is the capital of the state of Florida, the fourth most populous state in the nation, and is the Leon County seat of government. Tallahassee is an incorporated city with an estimated population of 178,000 (according to the Tallahassee-Leon County Planning Department’s 2006 Statistical Digest, Population Estimates and Projections). By comparison, the rest of Leon County (its unincorporated portion) has only 98,200 persons. Tallahassee is approximately 102 square miles in diameter.



The name “Tallahassee” was derived from a Muskogean Indian word, meaning “old fields” or “old town.”



It is believed that the earliest residents of this area were Apalachee Indians. During the 1500’s, Spanish explorers colonized this area and established the Mission San Luis de Apalachee, which was part of a network of missions that connected major settlements in Pensacola and St. Augustine. Two years after Spain ceded Florida to the United States in 1821, Tallahassee was selected as the seat of the new territory, in part because it was roughly halfway between Pensacola and St. Augustine. In 1845, Tallahassee became the capital of the state of Florida.



Prior to the Civil War, Tallahassee’s economy was largely dependent upon the production of cotton and tobacco—both requiring significant slave labor. However, after the Civil War (and, in part, due to the loss of slave labor) the continued local production of cotton and tobacco were no longer viable, and other parts of the state began to produce citrus, naval stores, cattle and become tourist destinations. This resulted in Tallahassee’s economy becoming largely dependant upon state government and colleges, especially Florida State University, the area’s first major university, which was founded in 1851 and is the state’s oldest continuous site of higher education.



During the majority of the 20<sup>th</sup> century, Tallahassee remained a relatively small capital and college city.





Tallahassee is now home to seven institutions of higher education—Barry University, Flagler College, Florida A & M University, Florida State University, Keiser College, Lewis M. Lively Area Vocational-Technical School and Tallahassee Community College. The largest of these schools are Florida State University (FSU), Florida A & M University (FAMU) and Tallahassee Community College (TCC). Both FSU and FAMU are part of the State University System, which contains eleven institutions. According to the State University System and Board of Governors’ “Fall 2005, Total Headcount Enrollment” data, FSU had 39,652 students and FAMU had 12,179 students. TCC’s total enrollment is approximately 10,818 students.

In recent years the city has experienced significant growth based upon several factors—increased public investment in state and local government, private investment in government-related services, expansion of local colleges/universities, research activities conducted by these institutions and a retirement location for persons seeking an alternative to South Florida’s relatively high housing prices and dense communities.

**Socioeconomic Characteristics**

According to the US Bureau of the Census and the University of Florida’s Bureau of Economic and Business Research, Florida has 19 metropolitan (multi-county) areas. The Tallahassee metropolitan area includes Gadsden, Jefferson, Leon and Wakulla Counties. From 2000-2005, population in the Tallahassee area grew from 320,304 to 359,924—the eighth fastest growing metropolitan area in the state. From July 1, 2004-July 1, 2005, Tallahassee was also the 63<sup>rd</sup> fastest growing incorporated place in the nation.

Prior to 2000, Leon County’s population grew at a relatively stable pace. Since 2000, the county’s population has grown much faster—7,461 residents (2003), 8,396 (2004) and 7,215 (2005). Between 2000 and 2005, Leon County’s total population grew from 239,452 to 271,111 with Tallahassee’s annual growth averaging 4,831 persons vs. 1,500 persons in Leon County.

The census tracts experiencing the greatest rate of growth (2000-2005) were 26.01 (11.3%), 18.02 (6.1%), 25.04 (5.8%), 16.01 (5.6%) and 24.07 (5.2%). During the same period, the census tracts with the largest number of persons were 24.05 (12,602), 25.02 (11,183), 27 (10,329), 25.04 (10,063) and 20.02 (9,901).





According to 2003 US Census Bureau estimates, Tallahassee had an approximate population of 151,000, which included the following

- Female persons—52.8% (51.2%, statewide),
- Male persons—47.2% (48.8%, statewide),
- Whites (\*)—60.4% (78.0%, statewide)
- Black/African-Americans (\*)—34.2% (14.6%, statewide)
- Hispanic/Latino persons—4.2% (16.8%, statewide)
- Native Americans (\*)—0.3% (0.3%, statewide)
- Asians (\*)—2.4% (1.7%, statewide)
- Pacific Islanders (\*)—0.1% (0.1%, statewide)
- Another reported race (\*)—1.0% (3.0%, statewide)
- Two or more reported races (\*)—1.7% (2.4%, statewide)
  
- High school graduates—89.9% (79.9%, statewide)
- Bachelor’s or higher degrees—45.0% (22.3%, statewide)
  
- Persons/household—2.17 (2.46, statewide)
- Median household income (1999)--\$30,571 (\$38,819 statewide)
- Per capita income (1999)--\$18,981 (\$21,557 statewide)
- Persons below poverty (1999)—24.7% (12.5%, statewide)
  
- Minority-owned businesses (1997)—13.3% (22.0%, statewide)
- Women-owned businesses (1997)—28.6% (25.95, statewide).

(\*) Please note that the race totals are not exact. (Local planners estimate that the area’s population consists of 61.2% non-Hispanic whites, 32.0% non-Hispanic blacks, 4.0% Hispanics and 2.8% other races.)

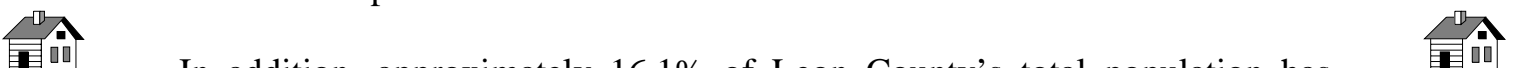
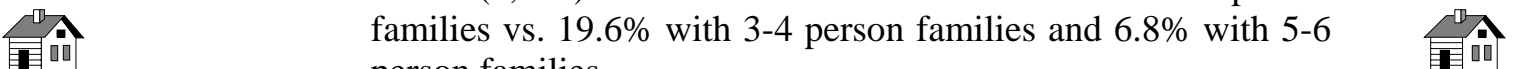
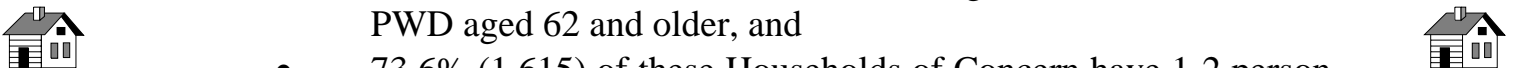
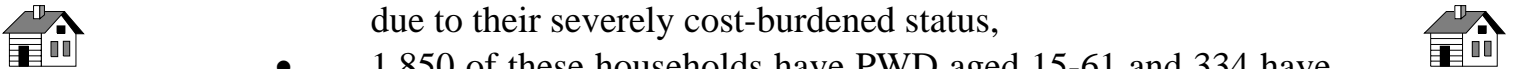
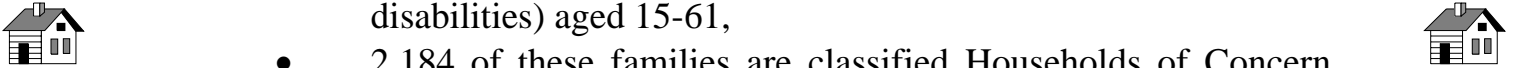
The Tallahassee-Leon County Planning Department’s 2006 Statistical Digest indicates that 62.7% of Leon County’s population occupies the 18-54 age group. However, from 2000-2005 the largest segment of population growth (6.9%) was in 55-64 year old persons, with the second largest growth rate (4.4%) occurring among the 80-plus year olds.

A 2004 report by the Florida Housing Data Clearinghouse provided several insights about Tallahassee’s households that have “persons with disabilities”

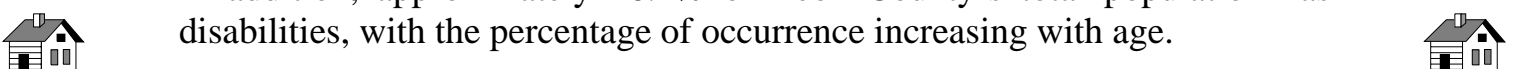




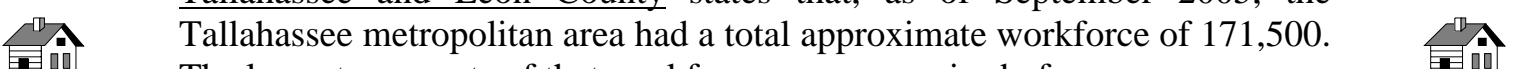
- 69.1% of the total 13,572 families have PWD (persons with disabilities) aged 15-61,
- 2,184 of these families are classified Households of Concern due to their severely cost-burdened status,
- 1,850 of these households have PWD aged 15-61 and 334 have PWD aged 62 and older, and
- 73.6% (1,615) of these Households of Concern have 1-2 person families vs. 19.6% with 3-4 person families and 6.8% with 5-6 person families.



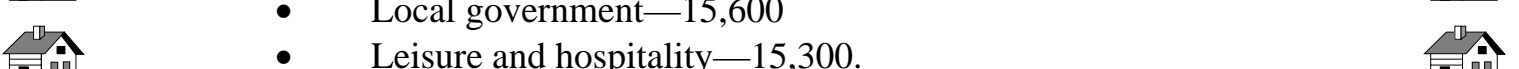
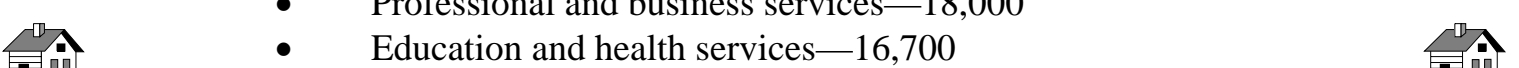
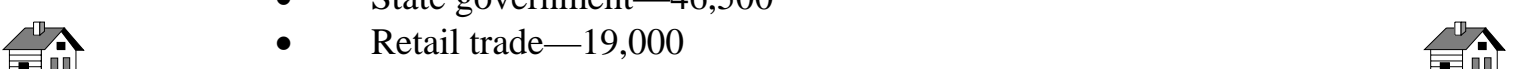
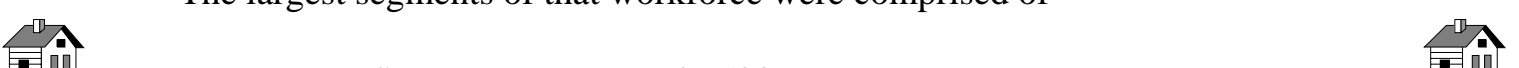
In addition, approximately 16.1% of Leon County’s total population has disabilities, with the percentage of occurrence increasing with age.



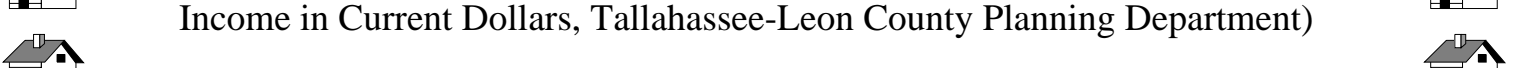
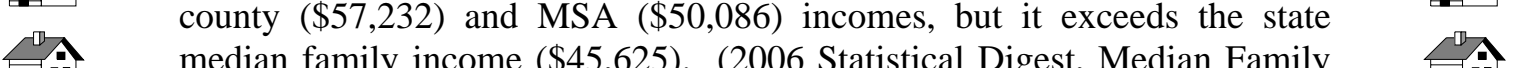
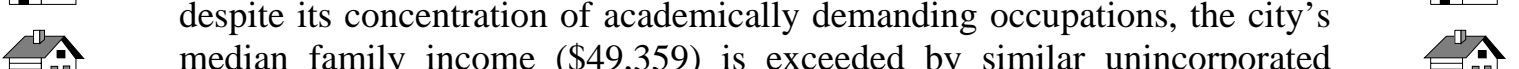
The Third Quarter 2005 Quarterly Economic and Demographic Report for Tallahassee and Leon County states that, as of September 2005, the Tallahassee metropolitan area had a total approximate workforce of 171,500. The largest segments of that workforce were comprised of



- State government—46,500
- Retail trade—19,000
- Professional and business services—18,000
- Education and health services—16,700
- Local government—15,600
- Leisure and hospitality—15,300.



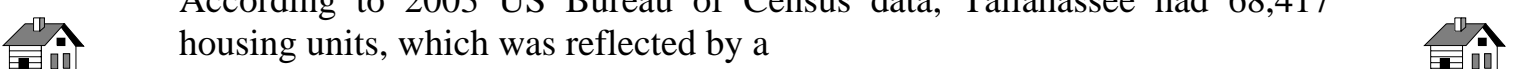
Tallahassee’s population is both racially and culturally diverse. However, despite its concentration of academically demanding occupations, the city’s median family income (\$49,359) is exceeded by similar unincorporated county (\$57,232) and MSA (\$50,086) incomes, but it exceeds the state median family income (\$45,625). (2006 Statistical Digest, Median Family Income in Current Dollars, Tallahassee-Leon County Planning Department)



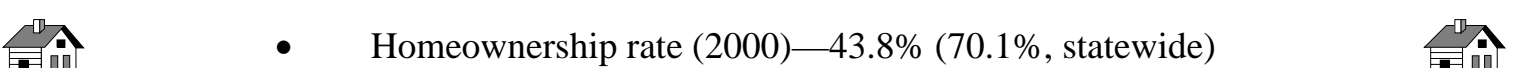
**Housing Characteristics**



According to 2003 US Bureau of Census data, Tallahassee had 68,417 housing units, which was reflected by a



- Homeownership rate (2000)—43.8% (70.1%, statewide)





- Median value of owner-occupied units (2000)—\$102,500 (\$105,500 statewide).

The 2006 Statistical Digest reveals that

- More permitted units were constructed in 2005 (3,355) than in any prior year since 1985.
- From 2002-2005, 13,266 total housing units were permitted, the largest four-year total since 1987-1990 (13,824).
- From 2002-2005, an average of 1,430 detached single-family residential building permits were issued, the largest annual issuance of similar building permits since the 1987-1994 period, which saw annual issuances of 1,410 building permits.
- From 2002-2005, a total of 5,475 multi-family building permits were issued, which was the largest four-year total since 1985.
- The 228 mobile home permits was the lowest total since 1985.
- As of 2005, Leon County had an estimated total of 116,493 residential units, approximately two-thirds of which are located within Tallahassee.
- From 2006-2030, the total number of residential housing units in Tallahassee is expected to increase from 80,852 to 110,331 (an average annual increase of 7,370) vs. 39,309 to 54,119 in the unincorporated portion of Leon County (an annual increase of 3,702).
- The 2004 apartment vacancy rate dropped from 6.1% to 4.5% in 2005.
- The average apartment rent now exceeds \$800 per month, and the average square footage continues to increase, reflective of the student-oriented units with 3-4 bedrooms per apartment.
- The 2005 fourth quarter saw the following median home prices
  - Detached single-family homes (\$215,000),
  - Condominiums (\$156,450),
  - Townhomes (\$152,000),
  - Manufactured/mobile homes (\$71,000).

Tallahassee lies at the core of a residential construction boom in Florida’s Panhandle. Its central location to Pensacola and Jacksonville, easy access to the nearby Gulf shore beaches, relative safety from hurricanes and comparatively affordable homes, as well as being the center of government and commerce in Northwest Florida, make it an attractive place for both





workers and retirees. In addition, Tallahassee annually retains many of the graduates from its universities.



Due to this combination of growth factors, there is every reason to believe that Tallahassee will continue to grow and produce housing for all segments of its population, including those families needing affordably priced housing and especially its cost-burdened families that have Persons with Disabilities. According to a 2004 Florida Housing Data Clearinghouse report, 10.5% of Tallahassee’s cost-burdened families (229) live in substandard housing units. (Since most existing data is based upon projections of 2000 Census data, it is very difficult to provide precise indications of current need for various types of affordable housing, including that needed by handicapped persons. However, the number and household size of PWD Households of Concern is the best “ballpark” indicator of unmet affordable housing need.)





# Existing Resources

## Laws, Procedures and Public Policies

Tallahassee’s Department of Equity and Workforce Development operates under a variety of local, state and federal laws, regulations and procedures designed to protect the right of equal access to sale and rental properties. These guidelines are designed to work together to provide individual protections, public enforcement tools and an atmosphere of trust.

Key federal fair housing laws and presidential executive orders include the

**Fair Housing Act**—Title VIII of the Civil Rights Act (1968), as amended, prohibits discrimination in the sale, rental or financing of dwellings based upon race, color, national origin, religion, sex, familial status or disability.

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

**Section 504 of the Rehabilitation Act (1973)**—Any program or activity receiving federal financial assistance is prohibited from discriminating against persons with disabilities.

**Section 109 of Title I, Housing and Community Development Act (1974)**—Prohibits discrimination based upon race, color, national origin, sex or religion in programs or activities receiving HUD Community Development Block Grant Program funds.

**Title II, Americans with Disabilities Act (1990)**—Prohibits discrimination based upon disability in services provided by public entities, especially when it relates to state and local public housing, housing assistance and housing referrals.



**Architectural Barriers Act (1968)**—Requires that buildings and facilities produced or made available with federal funds must be accessible to and useable by handicapped persons.



**Age Discrimination Act (1975)**—Prohibits discrimination on the basis of age involving programs or activities receiving federal funds.



**Equal Credit Opportunity Act**—Prohibits creditors from discriminating against any applicant based upon race, color, religion, national origin, sex, marital status, age or income, and requires a statement of reasons for adverse action be given to applicants.



**Community Reinvestment Act (1977)**—Requires each insured lending institution to record methods taken to help address the credit needs of the entire community served by that institution, and that those records will be periodically evaluated to help justify future lender practices.



**Home Mortgage Disclosure Act (1975)**—Requires that certain financial institutions annually submit to the Federal Reserve Board records of its loan data, which is made available to regulators and the public to help enforce fair lending laws.



**Executive Order 11063**—Prohibits discrimination in the disposition of properties and facilities owned or operated by the federal government or provided with federal funds.



**Executive Order 12892**—Requires federal agencies to affirmatively further fair housing in their programs and activities, makes the HUD Secretary responsible for coordinating this effort and establishes the President’s Fair Housing Council.



**Executive Order 13217**—Requires federal agencies to evaluate their policies and programs to determine if any can be revised to improve the availability of community-based living arrangements for persons with disabilities.



The **Florida Civil Rights Act (1992)** is the primary foundation upon which the state of Florida provides fair housing assistance. This act, also known as





Chapter 760 of the Florida Statutes, secures freedom from discrimination for all individuals despite race, color, religion, sex, national origin, age, handicap or marital status, in order to protect their personal dignity, make their full productive capacities available to the state, help secure against civil disorder, preserve public safety and welfare, and promote the interests, rights and privileges of (all) individuals within the state. This is the statute that also establishes the responsibilities of the Florida Commission on Human Relations—the state agency charged with promoting and assuring fair housing.



Other important Florida fair housing statutes include the



**Florida Human Rights Act (1977)**—Expanded the authority of the Commission on Human Relations to include enforcement.



**Florida Fair Housing Act (1983)**—As amended in 1989, makes it illegal to discriminate in the sale, rental, advertising, financing and provision of brokerage services for housing. (This state act is intended to parallel the Federal Fair Housing Act.)



**State Comprehensive Plan (Chapter 187, FS)**—Eliminates public policies which result in housing discrimination, and encourages development of policies which provide housing opportunities for all Florida citizens.



**Affordable Housing Study Commission (Section 420.609, FS)**—Creates the Affordable Housing Study Commission which is charged with conducting housing studies, including issues related to fair housing and predatory lending.



**Housing Finance Corporation Act (Part V, Chapter 420, FS)**—Prohibits the issuance of bonds that result in the production of housing projects that discriminate on the bases of race, color, religion, sex, national origin or marital status.



In 1990, the Leon County Board of Commissioners approved a Fair Housing Ordinance that complies with both state and federal fair housing and Small Cities CDBG requirements. The Fair Housing Ordinance contains policies that prohibit discrimination involving race, color, ancestry, national origin, sex, religion, familial status, marital status, handicap or age.





The Tallahassee Code of Ordinances, as specified in Article II/Section 12-11

through 31, provides detailed guidance for the direction of the city’s fair

housing activities, including public policy, illegal activities, administrator

duties, complaint processing, alternative resolutions and key definitions.

The city of Tallahassee and Leon County, through the Housing Element of

their joint Comprehensive Plan, have agreed that

- The city, in conjunction with its Fair Housing Ordinance, shall

- investigate or request an investigation of reported incidences,

- practices or trends of residential mortgage lending disparities

- by financial institutions doing business within the city. (Policy

- 1.10.1 [HC])

- The city, in conjunction with community-based, non-profit and

- faith-based organizations, shall facilitate the provision of

- financial literacy training involving residential mortgages.

- (Policy 1.10.2 [HC])

In October 2005, Tallahassee adopted both the Florida Accessibility Code

and the Fair Housing Section to its multi-family building construction

process.

Although Tallahassee’s recent Inclusionary Housing Ordinance is primarily

designed to provide affordable housing through mixed income communities,

it could become a vehicle for fair housing promotion because related units

should become available in expanding communities across Tallahassee.

### Fair Housing Agencies

Tallahassee has four agencies that provide fair housing services—Florida

Commission on Human Relations, Big Bend Fair Housing Center, Leon

County Division of Health and Human Services (Housing Office) and the

city of Tallahassee Department of Equity and Workforce Development.

The Florida Commission on Human Relations is the primary state agency

charged with identifying and eliminating unlawful discrimination in

employment, housing, private clubs, public accommodation service and state

employee “Whistle Blower” retaliation. The Commission serves as an

impartial administrative, investigative and decision making entity, which

neither advocates for nor represents a complainant or the respondent. It



routinely partners with a variety of federal, state and local agencies. Other resources provided by the Commission include education and community mediation. A housing complaint that cannot be conciliated is investigated. Potential remedies can result in injunctions, restraining orders, actual and punitive damages, court costs and/or attorney’s fees. (Although this agency has a statewide scope, it is the only fair housing enforcement agency listed by fairhousinglaw.org located in Tallahassee.)



The Big Bend Fair Housing Center, Inc. is one of 11 Florida state and local Fair Housing Assistance Program agencies listed by HUD on its fair housing website, including the Florida Commission on Human Relations. The Center is also one of 21 state and local Fair Housing Initiatives Program agencies identified on the state’s (MyFlorida.com/AbilityForum.com) website, along with the Commission. The Center serves the five-county area of Leon, Jefferson, Gadsden, Taylor and Madison Counties. It conducts education, outreach, testing and referrals involving residential sales, rental, accessibility and design. Fair housing complaints are referred to the Florida Commission on Human Relations.



The Leon County Division of Health and Human Services’ Housing Department has lead responsibility for the county’s fair housing activities. At present, these resources chiefly consist of two things—maintenance of a fair housing component of the division’s Housing website and referrals to appropriate agencies, usually the Big Bend Fair Housing Center.



Tallahassee’s Department of Equity and Workforce Development (EWD) is charged with assisting the city’s compliance with Title VIII of the Civil Rights Act and the Americans with Disabilities Act. This department is also charged with creating an atmosphere that encourages cultural diversity. These goals are achieved through a combination of public education, organizational development, equal opportunity programs, complaint intake and production of statistical reports. Regarding fair housing, it produces an annual Town Hall Meeting, takes complaints, provides training and conducts testing. Complaints are directed to the Florida Commission on Human Relations for resolution.



The April 19, 2006, Town Hall Meeting included discussion about affordable housing, inclusionary housing and fair housing, and it attracted a group of local residents, housing providers, bankers, realtors and investors.





This department also organizes another annual event, the Mayor’s Initiative on Race Relations, which has a broader mission than fair housing.



In 2002 and 2005, EWD conducted testing on area apartments. During June 2006, another round of rental testing was conducted. (Eight individuals conducted 70-71 separate tests involving race.) Testing is important because it provides a basis for the type of fair housing education most needed by the housing community.



### **Related Resources**



There are several resources that provide both direct and indirect support to Tallahassee’s fair housing efforts. Some of these resources are provided by local groups that partner with EWD to make its efforts more effective for local residents and businesses. Some resources take the form of information requirements and formats that reduce the likelihood of fair housing abuses. Still other resources serve as information and training reservoirs that help assure that EWD remains current with latest practical fair housing insights.



### Local/State Fair Housing Agencies



Both the Big Bend Fair Housing Center and the Florida Commission on Human Relations periodically partner with EWD to provide training and to assure that local fair housing complaints are processed in an expeditious manner. Both of these Tallahassee-based agencies are listed on various websites as lead fair housing agencies.



Unfortunately, neither of these agencies provides Tallahassee with “ideal” fair housing support. The Big Bend Fair Housing Center appears to be significantly under funded and, at the time of this report, was trying to provide comprehensive services to its five-county region with a staff of one. The Florida Commission on Human Relations has a statewide mandate and fair housing is only one of its many responsibilities.



Income-eligible persons can receive legal assistance from Legal Services of North Florida, Florida Legal Services and the Tallahassee Bar Association’s Legal Aid Foundation. However, it is questionable whether the existence of these agencies is properly known to potential clients and local fair housing agencies.





## Advertisement



The *Tallahassee Democrat* requires that all persons advertising sale or rental properties in its publications refrain from using certain words and phrases that suggest illegal fair housing practices. The “Tallahassee.com Terms of Service, Real Estate Advertisements/Equal Housing Opportunity” clause requires that all real estate advertised be subject to the Federal Fair Housing Act and Florida fair housing law.



This requirement is important because neither the Tallahassee Builders Association nor the Tallahassee Association of Realtors require member use of the fair housing logo with their ads. The fair housing logo is the most widely accepted symbol of proper fair housing practice.



Despite the fact that use of the fair housing logo is not mandated, some local firms routinely use the symbol in the *Tallahassee Democrat* and *Tallahassee.com Real Estate Weekly*—Tallahassee Board of Realtors, St. Joe, Consumer Mortgage Information page, Benchmark Property Management, Sheldon, Good & Company, JP King, Turner Heritage Homes, and Premier Construction & Development.



## Outreach and Promotion



Tallahassee’s Department of Equity and Workforce Development (EWD) uses a series of annual Fair Housing Month activities to remind the public that fair housing is important to everyone. During April 2006, the following weekly activities were conducted:



- Week 1/Universities & Fair Housing—Forums were held with each of the three major local institutions of higher learning to discuss discrimination and fair housing issues.
- Week 2/Children & Fair Housing—Fair housing was discussed with students from various public schools. These students were encouraged to translate related fair housing themes into posters, with the winners receiving \$50. Also, students were asked to conduct “Disability Role Play” in order to better understand the challenges faced by disabled persons and to gage the need for future discussion topics.





- Week 3/Community & Fair Housing—Various public and private sector groups participated in a Town Hall Meeting to discuss affordable housing and fair housing in Tallahassee.
- Week 4/Fair Housing Tallahassee—All of the participants in the month’s previous activities were invited to attend “Dessert & Dialogue” to discuss the prior week’s fair housing activities and to officially award the poster winners.



During the course of this month, EWD provides fair housing information, such as prohibited advertisement phrases and predatory lending insights, to local housing providers, managers, realtors and residents.



EWD also provides periodic fair housing information to many local home owners through the use of Insight, a monthly city of Tallahassee-published flier that is enclosed in utility bills and/or notices. The April 2006 issue contained a reminder that April is Fair Housing Month, practices that are prohibited by fair housing law and contact information for further insights.



Websites



The Leon County Division of Health and Human Services (Housing Department) provides a website that contains a wide range of fair housing information and resources for local residents. In addition to mentioning its partnerships with the Tallahassee Department of Equity and Workforce Development, Florida Commission on Human Relations and the US Department of Housing and Urban Development, this website



- Defines fair housing,
- Describes housing discrimination,
- Specifies protected groups,
- Specifies applicable residential real estate transactions,
- Outlines both renter and landlord rights/responsibilities,
- Provides specific examples of illegal housing discrimination,
- Outlines the complaint process and potential remedies, and
- Provides state and federal contact information.



The Melbourne (FL) Department of Housing & Community Development provides a very good fair housing component on its website, which offers easy access to key fair housing information and related contacts, as well as a





caution that “If You Don’t Report Discrimination, It Can’t Be Stopped!” This caution is followed by instructions for filing a complaint.



University Housing



*College Rentals in Tallahassee* is an independently produced apartment rental publication that focuses on “serving students at FSU, FAMU and TCC.” This publication lists virtually every Tallahassee apartment complex that caters to area college students. The Spring/Summer 2006 issue listed 26 rental properties, and only five of these properties did not include the fair housing logo. However, three of those five properties showed interracial models, and one of the remaining two properties showed empty scenes.



Statewide and National Insights



The Florida Department of Community Affairs produced the State of Florida Consolidated Plan: Federal Fiscal Years 2005-2010, which contains a wide range of data and insights about statewide and local housing issues, including Fair Housing Choice (chapter 10). The combination of affordable housing, special needs housing, fair housing, key program profiles, demographics and strategic plans, helps frame fair housing resources and perspectives within the larger structure of statewide housing priorities.



At the national level, HUD’s The State of Fair Housing: FY 2005 Annual Report on Fair Housing provides several useful insights about the state’s efforts to adopt a Safe Harbor Building Code for handicapped accessibility and intended treatment of Hurricane Katrina victims.



Training and Support



Fair housing training, news about key activities involving other fair housing agencies and practical applications of fair housing laws are provided by the National Fair Housing Training Academy, National Fair Housing Alliance and National Fair Housing Advocate Online (a project of the Tennessee Fair Housing Council).



**Financial Support**



Tallahassee’s Department of Equity and Workforce Development has a two-person fair housing staff, which also has responsibility for several unrelated





activities. Therefore, no city staff support funds are specifically earmarked for fair housing. Instead, EWD annually receives CDBG funds from the Department of Neighborhood and Community Services to pay for fair housing activities and materials. During FY 2005-2006, the level of fair housing support was \$12,000. For FY 2006-2007, that amount will probably be \$10,000. EWD uses these funds to conduct testing, print materials and generate fair housing reports. (Tallahassee uses part of its HUD-funded CDBG administrative fee to support its fair housing activities.)

There is no established formula for the annual allocation of city fair housing funds. The designated amount is usually a result of inter-departmental discussions about anticipated fair housing activities during the next fiscal year and the anticipated level of CDBG administrative funds. While this process provides a welcomed level of flexibility, it does not facilitate long-range planning or more costly projects.

With the exception of direct HUD funding, CDBG is the most common source for Florida local government support of its fair housing activities. HUD requires that each local government receiving housing-related funds, especially CDBG and HOME, periodically report its fair housing activities. However, continued funding reductions of federal housing programs have resulted in the reduced availability of funds from which local fair housing activities can be supported. Since most Florida cities still face significant unmet affordable housing needs, the remaining housing funds are usually earmarked for housing production or rehabilitation—and Tallahassee is no exception.

However, unlike most states, Florida has another funding source for affordable housing production, SHIP. This state funding source offers local governments a reliable annual funding source that is relatively flexible, to accommodate changing local government needs and priorities. (The Florida Housing Finance Corporation, which administers SHIP, has stated that SHIP can be used to support local fair housing activities. To date, Hollywood is the only local government that has indicated its partial use of SHIP funds to support its fair housing activities.)





# Existing and Emerging Issues/Insights



## National and State Insights

Although the purpose of this report is to provide an Analysis of Impediments to Fair Housing for the city of Tallahassee, it is important to remember that Tallahassee exists within a larger universe of public and private entities, many of which independently contribute to the quality of fair housing, both nationally and statewide. This section attempts to provide several insights into issues that shape or describe major fair housing concerns at the national and state levels.

During the past few years there have been very few, if any, comprehensive research efforts that examine the state of fair housing in Tallahassee. Therefore, it is important to look at several national and statewide reports because they outline fair housing issues that exist within the larger universe in which Tallahassee exists. Tallahassee-specific testing and research alone can determine the extent to which national and state fair housing issues have permeated Tallahassee’s housing market.

The following reports, articles and insights reflect national fair housing concerns about

- Predatory lending,
- Persons with disabilities,
- Hurricane victims, and
- Funding resources.

There is no “standard” definition for **predatory lending**, which is the first problem it presents for those seeking to diminish its impacts. One “working definition” suggests that it is a series of fraudulent, discriminatory or unfavorable lending practices (some illegal, others inappropriate) that appear designed to place the borrower at an unfair advantage compared to other loans originated, often resulting in lost borrower equity. **Predatory lending** is often associated with **subprime lending**, a practice that involves making high-interest loans to persons with marginal credit ratings.





The following statements have been made about **predatory lending**



- The Predatory Lending Fact Sheet, published by the Center for Responsible Lending, estimates that abusive mortgage lending practices cost homeowners \$9.1 billion annually. Predatory lenders often target borrowers with difficult financial situations, and subprime lenders seek home loans for people with impaired or limited credit histories. Current federal laws do not address many related practices, such as excessive fees, abusive prepayment penalties, kickbacks to brokers, loan “flipping,” unnecessary products, mandatory arbitration, steering and targeting. It should also be known that



- During the past 10 years, the subprime lending industry has grown by 1000%.
- Approximately 75% of the subprime mortgages from 2001-2002 were refinances.
- In 2002, upper-income blacks in predominantly black neighborhoods were three (3) times more likely to have a subprime loan than a low-income white borrower.
- In 2002, Latinos and blacks were 2.5 and 4.1 times, respectively, more likely than whites to use a subprime lender to refinance a loan.
- Elderly borrowers (age 65 and older) are five (5) times more likely to receive subprime loans than younger borrowers (less than 35).



- In May 2002, CNNMoney.com reported the results of a study by the Center for Community Change which concluded that blacks and Hispanics are disproportionately represented in the subprime home refinance market, and the racial disparity between whites and minorities actually increases as incomes rise. More specifically,



- Lower-income blacks receive 2.4 times as many subprime loans as lower-income whites, while upper-income blacks receive three (3) times as many subprime loans as upper-income whites.
- Lower-income Hispanics receive 1.4 times as many subprime loans as do lower-income whites, while upper-income Hispanics receive 2.2 times as many subprime loans as their white upper-income counterparts.





- In December 2004, *USA Today* revealed that
  - “Well-off” blacks who refinanced their homes in the greater Boston area in 2002 were more than six times as likely as “well-off” whites to use higher-cost, subprime loans.
  - The Massachusetts Community & Banking Council found that blacks earning more than \$90,000 annually were three times more likely to use subprime lenders than whites with annual incomes up to \$38,000.
  - Although there is no data proving discrimination, the high levels of subprime lending among minorities suggest that minorities are more likely to be targeted by unscrupulous lenders.
  - According to Glenn Canner, a Federal Reserve Board senior advisor, HMDA changes should detect about 80% of subprime lending, starting in 2005. However, this data is supposed to “identify potential problems. It’s not supposed to be evidence of a problem.”
  - From 1994-2003, subprime lending grew by 25% a year. As of 2004, it was a \$330 billion per year industry that provides one in nine mortgages nationally.
  - Recent immigrants and minorities appear more likely to be victimized by predatory lending than whites. In response to federal data showing that affluent blacks are more likely to use subprime loans than whites, some consumer groups believe that minorities are being unfairly diverted to the subprime market.
  - The AARP (American Association of Retired Persons) is concerned that significant home equity may make elderly persons targets of subprime lenders. Therefore, AARP has started a major campaign of education and litigation.
  - In Memphis, predatory lenders have targeted black neighborhoods, resulting in numerous foreclosures.
  - Two of the prime agents in the mortgage loan industry, brokers (who originate about 50% of subprime loans) and national banks, either have scant state licensing and monitoring or are entirely exempted from state laws, respectively.
  - While some, such as Federal Reserve Governor Edward Gramlich, argue that subprime lending has made it



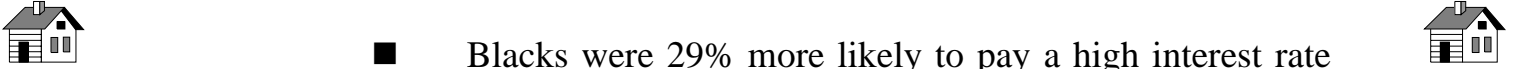


possible for record numbers of families (including minorities) to become homeowners, critics contend that those opportunities have too high a price tag.

- Some of the significant investors who participate in the subprime industry are Citigroup, Wells Fargo and H&R Block, with related bonds being offered by Morgan Stanley and Lehman Bros.
- Subprime clients are constantly urged to buy other products—zero-interest loans, interest-only financing and home equity loans (using up to 125% of home equity). Each new loan involves more elevated risk. These messages may appear through telephone calls, television ads, computer pop-ups and direct mailings.
- Franklin Raines, former Fannie Mae CEO, has said that “Done right, subprime lending provides an important source of mortgage financing for families with imperfect financial or credit histories. Done wrong, subprime lending is a huge rip-off that siphons wealth—and hope—from people who have very little to begin with.”
- Although Mr. Gramlich of the Federal Reserve initially stated that persons with credit scores below 620 are generally regarded as higher risks and less likely to receive prime loans without large down payments, he had to change his statement to “a good credit history alone does not guarantee prime status” when informed that about half of subprime borrowers had higher credit scores than 620.
- In 2003, Florida ranked fourth (4<sup>th</sup>) nationally as the state with the highest percentage of subprime mortgage loans (12.8%).

- In June 2006, MSNBC.com released an article which stated that black and Hispanic home buyers are more likely to pay higher mortgage rates than white borrowers with similar credit ratings and income levels. The Center for Responsibility Lending study behind this article claimed that either loan originators are charging higher rates to minority customers or steering them to loan sellers that specialize in higher rates. Using 2004 data, it was also noted that

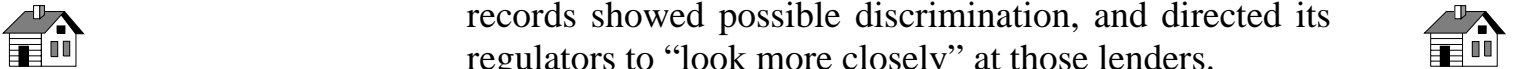




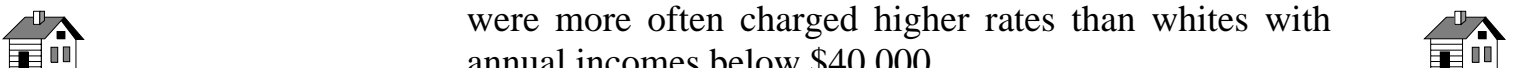
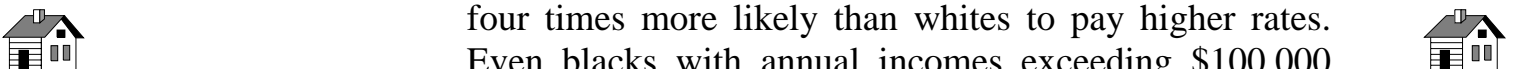
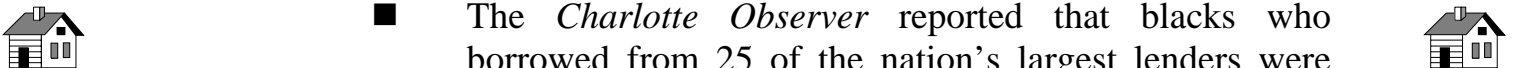
- Blacks were 29% more likely to pay a high interest rate on a fixed-rate, home purchase loan.



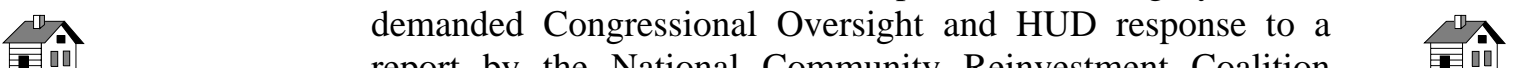
- The Federal Reserve noted about 200 lenders whose records showed possible discrimination, and directed its regulators to “look more closely” at those lenders.



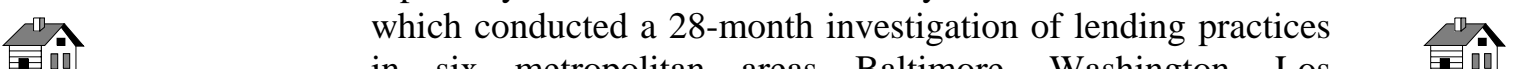
- The *Charlotte Observer* reported that blacks who borrowed from 25 of the nation’s largest lenders were four times more likely than whites to pay higher rates. Even blacks with annual incomes exceeding \$100,000 were more often charged higher rates than whites with annual incomes below \$40,000.



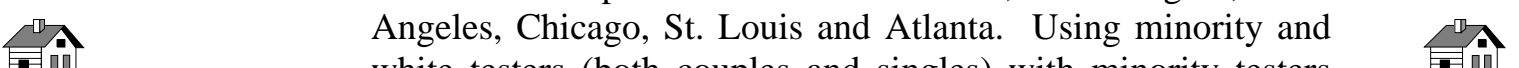
- On June 21, 2006, New York Representative Gregory Meeks demanded Congressional Oversight and HUD response to a report by the National Community Reinvestment Coalition which conducted a 28-month investigation of lending practices in six metropolitan areas—Baltimore, Washington, Los Angeles, Chicago, St. Louis and Atlanta. Using minority and white testers (both couples and singles) with minority testers having higher credit scores and incomes, the study revealed that



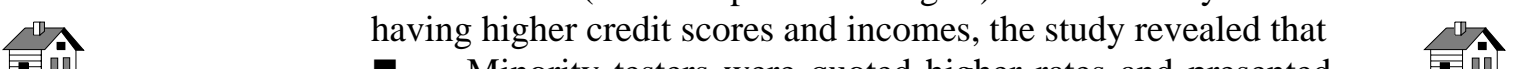
- Minority testers were quoted higher rates and presented fewer loan options than white testers.



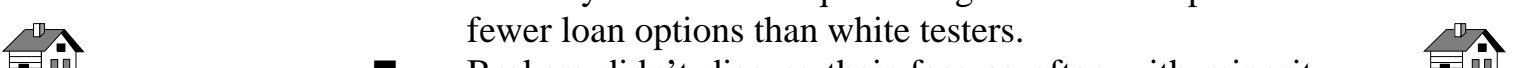
- Brokers didn’t discuss their fees as often with minority shoppers as with their white counterparts.



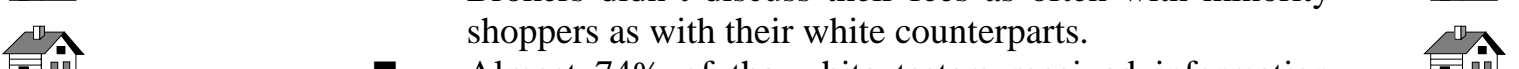
- Almost 74% of the white testers received information about fees, while only about 30% of the minority testers received similar information.



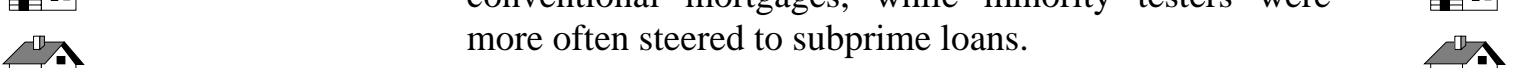
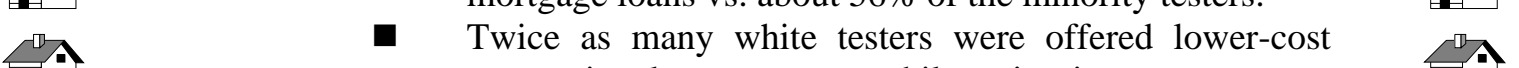
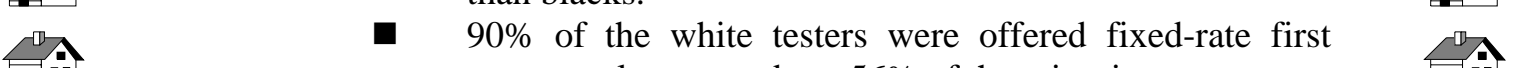
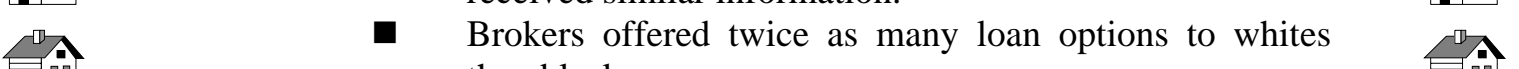
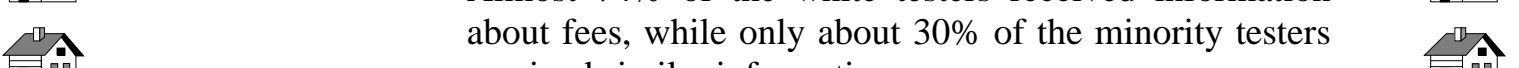
- Brokers offered twice as many loan options to whites than blacks.



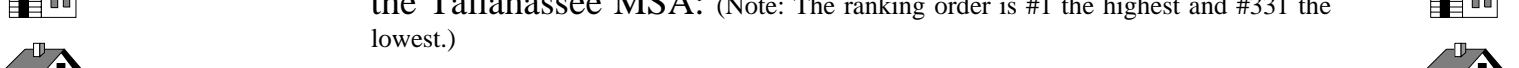
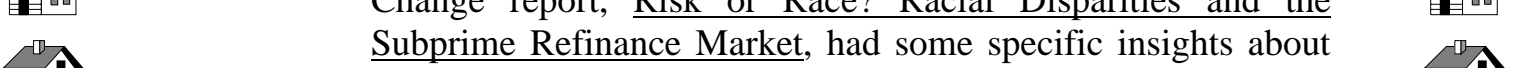
- 90% of the white testers were offered fixed-rate first mortgage loans vs. about 56% of the minority testers.



- Twice as many white testers were offered lower-cost conventional mortgages, while minority testers were more often steered to subprime loans.



- The previously mentioned May 2002 Center for Community Change report, Risk or Race? Racial Disparities and the Subprime Refinance Market, had some specific insights about the Tallahassee MSA: (Note: The ranking order is #1 the highest and #331 the lowest.)





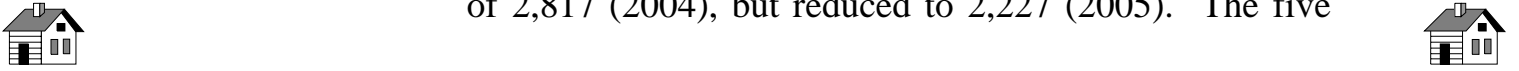
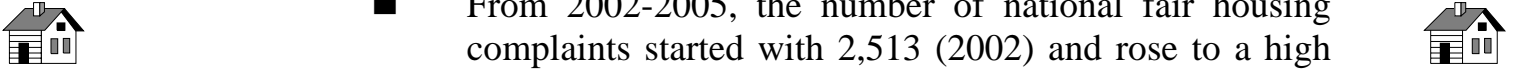
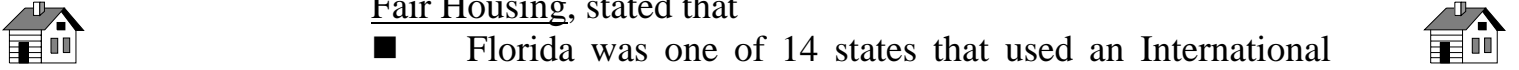
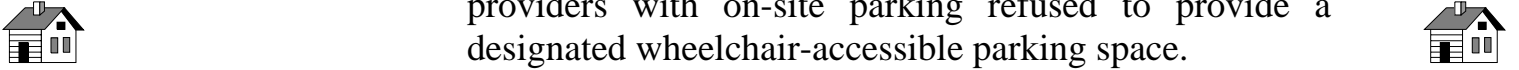
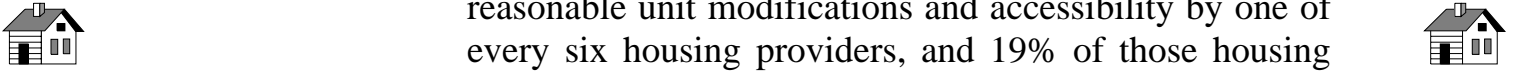
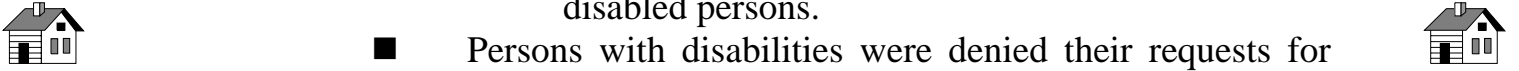
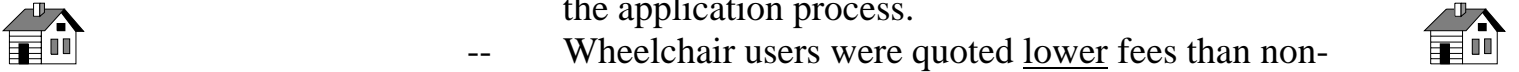
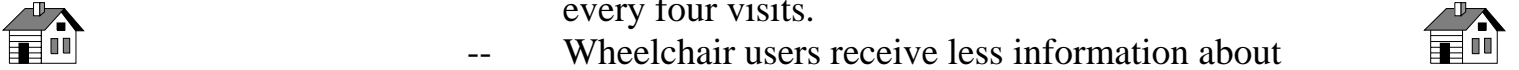
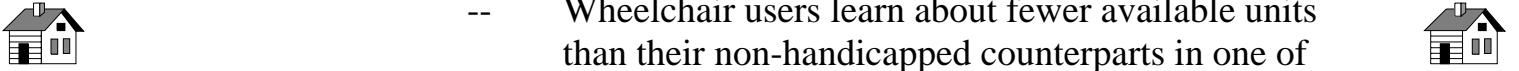
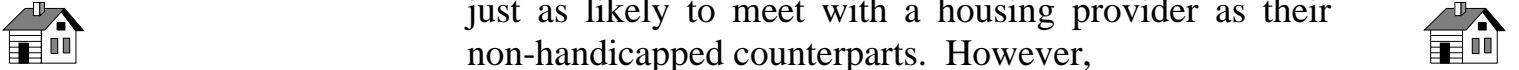
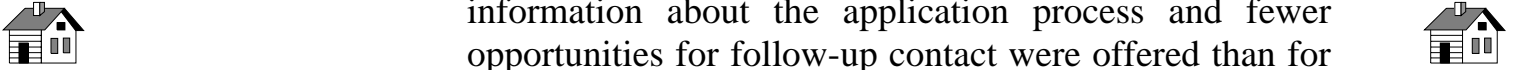
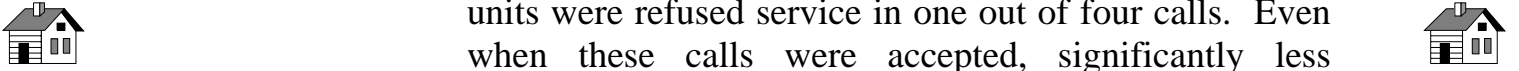
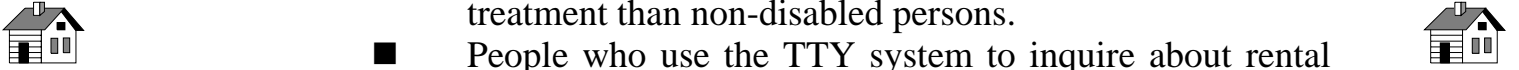
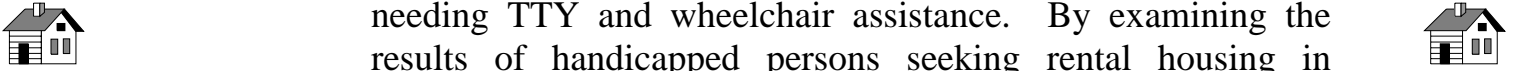
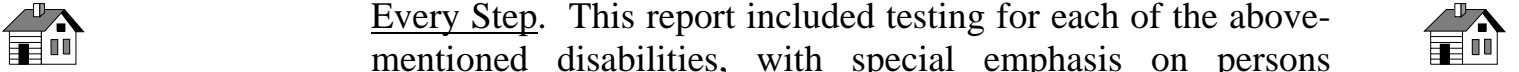
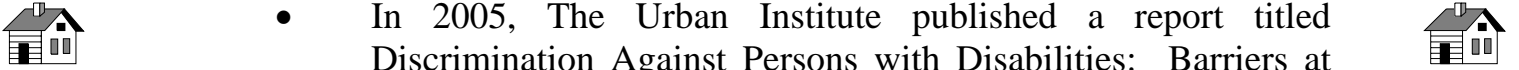
- It ranks 37<sup>th</sup> worst among a nationwide field of 331 MSAs concerning the Overall Percentage of Subprime Refinance Loans.
- It ranks 23<sup>rd</sup> worst among a nationwide field of 154 MSAs concerning the Percentage of Subprime Loans for African-Americans.
- Although 10 Florida MSAs rank among the top 50 of 99 national MSAs, Tallahassee is not mentioned concerning Percentage of Subprime Refinance Loans for Hispanics.
- There is no mention of Florida MSAs concerning the Percentage of Subprime Loans for Native Americans.
- Tallahassee ranked #42 among 154 national MSAs concerning Disparity in the Percentage of Subprime Lending for African-Americans Compared to Whites.

Another factor that appears to drive borrowers to predatory and subprime lenders is the relative impact of interest rates, which have steadily risen over the past 18 months. The rising interest rates have made adjustable rate mortgages less affordable and resulted in reduced ability to access conventional, affordable fixed-rate mortgage loans—conversely making subprime loan products appear more attractive. The increased interest rates have contributed to a slow-down of the housing market.

Next to racial discrimination, many believe that bias against **persons with disabilities** is the most common form of housing discrimination. This type of discrimination includes persons with mental, hearing, vision and mobility impairments.

- On May 17, 2004, the Department of Housing and Urban Development and the Department of Justice issued a joint statement involving Reasonable Accommodations under the Fair Housing Act. The purpose of this statement was to ensure equal access to and enjoyment of a residence by persons with disabilities. This Act also prohibits providers from
  - Refusing residency to handicapped persons or placing conditions on their residency because those persons require reasonable accommodations.
  - Refusing handicapped residents the right to make reasonable structural modifications to units and common spaces in order to better access and enjoy the dwelling.




















































- In 2005, The Urban Institute published a report titled Discrimination Against Persons with Disabilities: Barriers at Every Step. This report included testing for each of the above-mentioned disabilities, with special emphasis on persons needing TTY and wheelchair assistance. By examining the results of handicapped persons seeking rental housing in Chicago, it was learned that

- Disabled persons face significant higher levels of adverse treatment than non-disabled persons.
- People who use the TTY system to inquire about rental units were refused service in one out of four calls. Even when these calls were accepted, significantly less information about the application process and fewer opportunities for follow-up contact were offered than for non-hearing impaired applicants.
- Persons who visited properties using wheelchairs were just as likely to meet with a housing provider as their non-handicapped counterparts. However,
  - Wheelchair users learn about fewer available units than their non-handicapped counterparts in one of every four visits.
  - Wheelchair users receive less information about the application process.
  - Wheelchair users were quoted lower fees than non-disabled persons.
- Persons with disabilities were denied their requests for reasonable unit modifications and accessibility by one of every six housing providers, and 19% of those housing providers with on-site parking refused to provide a designated wheelchair-accessible parking space.

- HUD's The State of Fair Housing: FY 2005 Annual Report on Fair Housing, stated that

- Florida was one of 14 states that used an International Code Council grant to adopt a Safe Harbor Building Code.
- From 2002-2005, the number of national fair housing complaints started with 2,513 (2002) and rose to a high of 2,817 (2004), but reduced to 2,227 (2005). The five



most frequent bases of complaints were disability, race, familial status, sex and national origin—with disability and race easily being the two most serious issues.

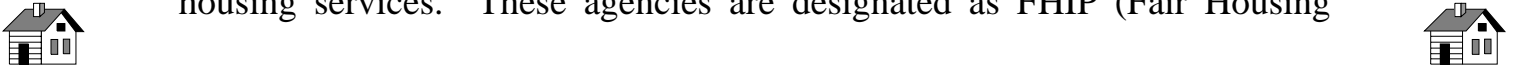
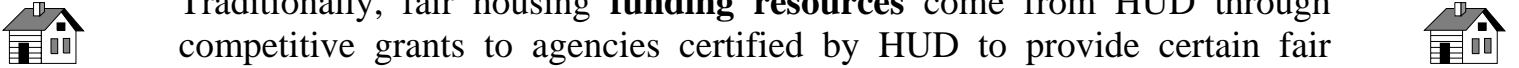
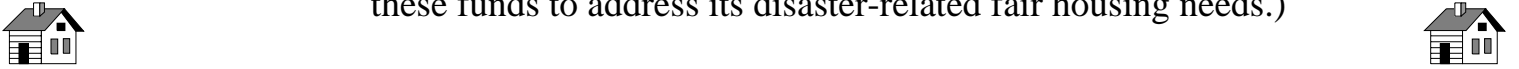
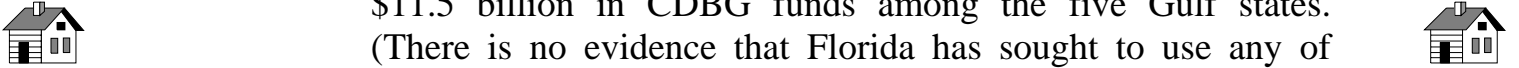
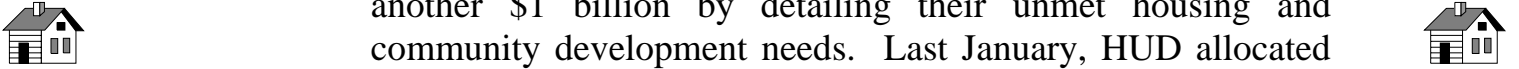
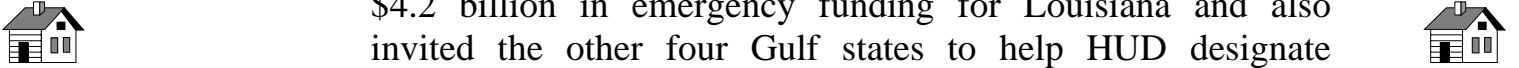
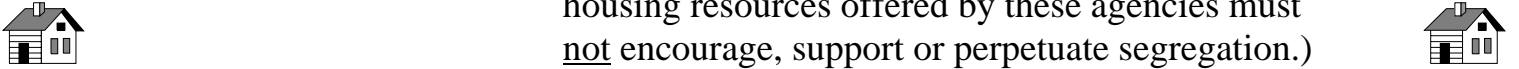
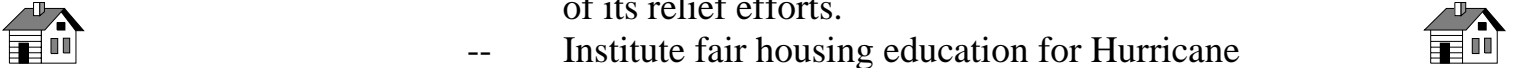
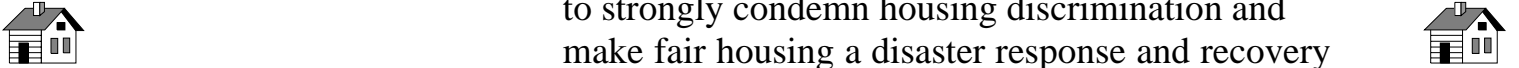
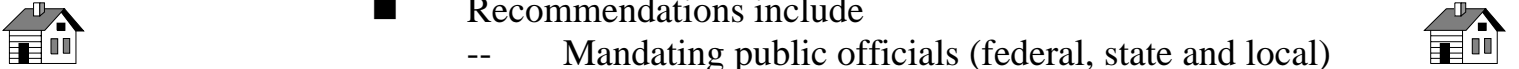
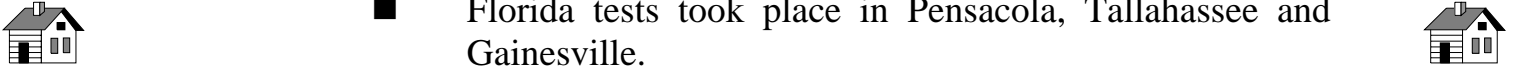
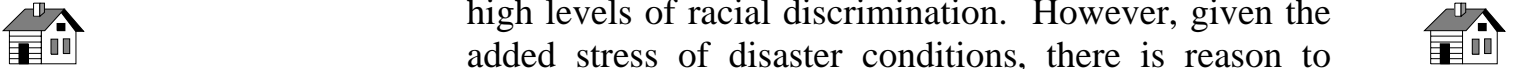
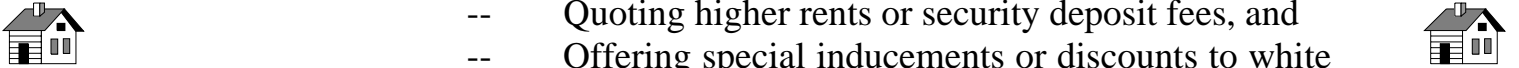
- The three most frequently reported areas of complaint were (1) terms and conditions in the sale or rental of a property, (2) refusal to rent and (3) failure to make reasonable accommodations.

For hundreds of years Florida has been known for its hurricanes. However, it was not until Hurricane Andrew that federal, state and local officials began to view the impacts of these events in significant multi-dimensional terms, including long-range evacuation and temporary housing. Even before 2005's Hurricane Katrina, Tallahassee had become a temporary home to **hurricane victims**.

Tallahassee appears to be attractive to **hurricane victims** because it is miles away from major bodies of water (Atlantic Ocean and Gulf of Mexico) and relatively safe from traditional hurricane-related damage, is easily accessible by interstate or air, has relatively flexible short-term rental housing resources and is the seat of statewide, if not regional, disaster-related decision making.

Although 2005 was not the first time that Tallahassee became a temporary destination for persons escaping a hurricane, Hurricane Katrina was the first event that caused Tallahassee to become home to so many victims seeking temporary, if not permanent, shelter. However, Tallahassee was only one of many destinations sought by Hurricane Katrina victims.

- On December 20, 2005, the National Fair Housing Alliance published No Home for the Holidays: Report on Housing Discrimination Against Hurricane Katrina Survivors. This report revealed the results of groups of testers in five states (Alabama, Florida, Georgia, Tennessee and Texas), who were charged with determining whether housing discrimination was being practiced against persons forced to evacuate because of Hurricane Katrina. Specific findings included the following
  - In 65 rental housing tests, blacks were discriminated against 66% of the time.
  - Differential treatment received by black testers involved
    - Failure to be told about available apartments,
    - Failure to return telephone messages,



- Failure to provide rental information,
- Quoting higher rents or security deposit fees, and
- Offering special inducements or discounts to white renters.

- Under “normal” circumstances, studies have documented high levels of racial discrimination. However, given the added stress of disaster conditions, there is reason to believe that minority hurricane survivors face even greater levels of racial discrimination.

- Florida tests took place in Pensacola, Tallahassee and Gainesville.

- Recommendations include

- Mandating public officials (federal, state and local) to strongly condemn housing discrimination and make fair housing a disaster response and recovery priority.
- Mandate FEMA to make fair housing a component of its relief efforts.
- Institute fair housing education for Hurricane Katrina victims.
- Ensure that Red Cross, United Way and other charitable organizations are administered in strict accord with federal, state and local fair housing laws vs. having these charities being exempted from standard fair housing requirements. (The housing resources offered by these agencies must not encourage, support or perpetuate segregation.)

- In a July 11, 2006 news release, HUD announced an additional \$4.2 billion in emergency funding for Louisiana and also invited the other four Gulf states to help HUD designate another \$1 billion by detailing their unmet housing and community development needs. Last January, HUD allocated \$11.5 billion in CDBG funds among the five Gulf states. (There is no evidence that Florida has sought to use any of these funds to address its disaster-related fair housing needs.)

Traditionally, fair housing **funding resources** come from HUD through competitive grants to agencies certified by HUD to provide certain fair housing services. These agencies are designated as FHIP (Fair Housing



Initiatives Programs) and/or FHAP (Fair Housing Assistance Programs).

Nationally, these FHIP and FHAP agencies comprise a fraction of the local fair housing agencies. The majority of the public and private agencies that provide fair housing services frequently receive CDBG funds, often from entitlement communities. However, during the past few years the level of all HUD housing grant funding (including FHIP, FHAP and CDBG) has steadily decreased, which has resulted in increased competition for a smaller funding pool.

From 2003-2006, HUD’s allocation for CDBG Entitlement Communities dropped \$3.04 billion to \$2.59 billion, a 9.9% reduction in funding, and the overall CDBG budget went from \$4.9 billion to \$4.2 billion, an 11.1% drop.

In most communities, the production and retention of affordable housing is the primary housing goal for scarce federal funds. Fair housing is not seen as a “pressing need.” After all, fair housing is “the law of the land,” and everyone knows that “it is the right thing to do.” Furthermore, the production of affordable housing provides “tangible” evidence of how the funds have been spent vs. a public service that leaves little evidence of its impact—most localities do not measure “changed behavior.”

Consequently, the amount of federal funding for fair housing has continued to diminish, leaving local governments fewer resources to assure that old discriminatory habits do not return. Equally bad is the assumption that the production of affordable housing will result in that same housing made available to all members of the community—without regard to traditional types of discrimination.

Another notable national fair housing issue was identified by a February 2006 study, Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law, by The Urban Institute. This report revealed that, while most people are aware of and support most aspects of fair housing law, a significant number of persons believed that they had been subjected to discrimination but failed to formally pursue remedies because of beliefs that the results were not worth the effort. They were too busy, the process cost too much, the process was too lengthy or they feared retaliation. Others stated that they were unaware of local fair housing resources.

Although the Florida Commission on Human Relations is the primary state agency charged with fair housing education and compliance, the Florida





Department of Community Affairs (DCA) provides a comprehensive view of the state's fair housing issues in its statewide consolidated plan. Like Tallahassee, which receives annual CDBG entitlement funds and is required to periodically submit consolidated plans, DCA receives Small Cities CDBG funds for the state and is required to periodically submit consolidated plans.



DCA's State of Florida Consolidated Plan: Federal Fiscal Years 2005-2010 provides several important insights about statewide fair housing issues and resources



- CDBG funds can be used to support local fair housing activities through administrative, planning or management components.



- Overall unmet needs include many activities, but fair housing is not among them.



- Actions taken by local governments to address fair housing needs should consider the inclusion of



- Public information and education programs, especially for minorities and women, and



- Meeting with local lending institutions to encourage broad lending practices.



- Local governments can take any combination of the following actions to address potential fair housing issues



- Public awareness and education



- Central information contact



- Homebuyer training courses



- Fair housing brochures, posters and billboards



- Fair housing booths at local events



- Fair housing seminars, workshops and classes



- Homebuyer education in Spanish



- Inter-local government agreements to more effectively provide outreach, education and enforcement



- Fair housing (audit) testing



- Realtor participation in marketing and member education



- Tax credits for mixed income housing developments



- Fair housing help lines



- Funding for PSA campaigns



- Inform Section 8 clients of properties outside of predominantly low-income and minority areas



- Analyses of Impediments



- Comprehensive policies involving the planning and construction of handicapped accessible rental units





- Financial support for low-income legal representation
- Housing expos for lenders and builders that include fair housing topics
- Handle and investigate fair housing complaints
- Leon County (35.9%) is one of the counties that occupy the state’s second highest quartile of minority population concentration (25-38.6%).
- As one of the state’s eleven most populous counties, Leon County occupies the highest quartile for urban county economic segregation with household incomes ranging from \$16,880-\$120,763.
- Private sector activities that impact fair housing include
  - Banking and insurance policies and practices (such as housing finance, sale, rehabilitation and rental)
  - Sale and rental practices (including blockbusting, deed restrictions, trust or lease provisions, apartment conversions, handicapped accessibility design and construction and occupancy “quotas”)
  - Availability of financial assistance and related information (private home accessibility)
  - Discriminatory provision of brokerage services
- A statewide survey of impediments to fair housing resulted in these related issues
  - Discrimination in housing sales and rental
  - Lack of existing/available affordable housing stock and the physical location of that housing
  - Lack of public education and awareness about prevailing fair housing laws
  - Lack of dedicated fair housing funds and resources
  - Lack of effective local fair housing ordinances and related enforcement mechanisms
  - Sudden, significant influx of non-English speaking persons in areas of the state lacking previous experience
  - Unintentional effects of local land use regulations, policies and implementation
  - Lack of a visible, clearly defined state policy regarding fair housing and fair housing choice





According to DCA's Consolidated Plan, it was noted that the Florida Commission on Human Relations (FCHR) provides mediation, housing investigation, conciliation and education.

Between 2003-2004, FCHR reported 336 instances of housing discrimination, which were divided along the following bases

- Handicap—33.3%
- Race—23,2%
- Familial status—15.5%
- National origin—13.4%
- Sex—7.7%
- Color—3.3%
- Religion—1.2%
- Other—2.4%
- Housing discrimination complaints (372) were categorized as
  - Terms & conditions—35.8%
  - Modifications—17.7%
  - Coercion & intimidation—11.3%
  - Refusal to rent—10.8%
  - Refusal to sell—8.6%
  - Discriminatory financing—5.1%
  - Refusal to negotiate—2.2%
  - False representation—2.2%
  - Steering—1.3%
  - Service—1.1%
  - Non-compliance with design/construction—0.8%
  - Senior criteria—0.3%
  - Discriminatory advertising/statement—0.3%
  - Otherwise deny/availability—0.3%
  - Other discriminatory—2.4%
- From 2001-2004, 711 complaints resulted in these actions
  - Finding of no cause—61.5%
  - Conciliation achieved—12.5%
  - Withdrawal—11.8%
  - Finding of cause—9.1%
  - No jurisdiction—5.1%.

During 2003, the Consolidated Plan also noted that HUD and various local agencies handled 536 complaints, which were divided along these bases

- Handicap—34.4%





- Race—28.6%
- Familial status—14.1%
- Sex—10.1%
- National origin—8.0%
- Religion—3.2%
- Color—1.6%.

In its August 2005 issue of FAAST Housing Facts, The Florida Alliance of Assistive Services and Technology referenced the importance of HUD’s Discrimination Against Persons with Disabilities: Barriers at Every Step, even though the study was set in Chicago. The April edition of this newsletter was used to announce the importance of Fair Housing Month.

The September 14, 2005 issue of Fair Housing Technical Assistance Bulletin by the Florida Association of Homes for the Aging provided highlights of an educational seminar on the Fair Housing Act and how it applies to the association’s membership. It also urged all members to display the HUD fair housing logo.

The January 30, 2006 issue of SunBuilt, the Florida Association of Home Builders newsletter, expressed concern about the state’s decision to continue under-funding of its two key affordable housing programs (SHIP and SAIL), and it also outlined the importance of HUD’s Discrimination Against Persons with Disabilities report.

The Center for Responsible Lending’s “State Legislative Scorecard” listed a 50-state comparison of the relative strength of state laws designed to protect their citizens against predatory lending. Using the federal government’s Home Ownership and Equity Protection Act (1994) as a standard, this report used six criteria to rank each state—strong, moderate or weak. The six criteria were

- (1) Types of mortgages covered,
- (2) Protections against excessive points and fees,
- (3) Restrictions on subprime prepayment penalties,
- (4) Protections against flipping (harmful refinance loans),
- (5) High-cost loan protections, and
- (6) Remedies for violations of high-cost protections.





Florida ranked “weak” in all but one category, remedies for violations of

high-cost protections, which was rated “strong.” Twenty-eight of 50 states

ranked worst than Florida.

During the 2005 Legislative Session, Senator Walter Campbell and Rep. Ari

Porth, both from Broward County, proposed legislation that would have

been Florida’s first effort to protect homeowners from opportunistic,

predatory foreclosures. Their bill was defeated. This year, they tried

again—again their bill was defeated.

Although Florida Legal Services attorney Alice Vickers has lamented

Florida’s failure to initiate efforts to “go after the predators” like other states,

economists predict a rise in foreclosures driven by adjustable rate mortgages

and other creative” lending practices, with a widening pool of potential

victims.

April Charney, a Jacksonville attorney, has stated that, “Florida has yet to

realize the depths of our foreclosure problem. The bottom line is that other

states have taken steps to stop these home muggers, and we have not. It will

be the economic equivalent of a crack epidemic. The homeowner is there,

desperate for some way to relieve their pain. And these bottom feeders are

the pushers.” (*St. Petersburg Times* article by Will Van Sant, May 14, 2006)

### Local Insights

In order to secure a range of local insights about fair housing conditions in

Tallahassee, a series of interviews were conducted with both public and

private entities. Each of these entities represented a unique view of local fair

housing resources and issues, as well as informed perspectives about related

needs.

Survey participants were taken from state and local government agencies,

non-profit fair housing agencies, and both state and local professional













































associations. Insight was sought from other cities of similar population size

to determine how fair housing issues were handled there. Some statewide

professional associations (with Tallahassee headquarters) were also invited

to participate because they could bring both statewide and residential







-  Tallahassee Dept. of Neighborhood & Community Services (NCS) 
-  Tallahassee Dept. of Equity & Workforce Development (EWD) 
-  Leon County Division of Health & Human Services (LCHHS) 
-  Florida Commission on Human Relations (FCHR) 
-  Florida Dept. of Financial Services (FDFS) 
-  State of Florida Office of the Attorney General (FAG) 
-  Florida Housing Finance Corporation (FHFC) 
-  Tallahassee Board of Realtors (TBR) 
-  Tallahassee Builders Association (TBA) 
-  Tallahassee Housing Authority (THA) 
-  Tallahassee Lenders Consortium (TLC) 
-  Florida Association of Centers for Independent Living (FACIL) 
-  Florida Association of Homes for the Aging (FAHA) 
-  Florida League of Cities (FLC) 
-  Capital Area Red Cross (CARC) 
-  Big Bend Fair Housing Center (BBFH) 
-  Capital City Apartment Association (CCAA) 
-  SunTrust Bank/Tallahassee (ST) 
-  Wachovia Bank/Tallahassee (W) 
-  City of Orlando (O) 
-  City of Hollywood (H) 
-  Broward County (BC) 

Unfortunately, contributions were not received from every group or entity invited to participate. The most notable absence came from the mortgage lending community, which does not have any local organizational affiliates, only state associations located in Tallahassee. Therefore, insights were not provided by either the Florida Bankers Association or the Florida Association of Mortgage Brokers. (Neither of these groups appeared to understand why their fair housing insights might be sought.) However, this void was partially addressed through insights provided by two local lenders (Wachovia and SunTrust) but their comments did not address the practices or experiences of other local lenders. (Although HMDA provides a lot of information about local mortgage activities, much of that data has become increasingly difficult to properly interpret, and it fails to provide key insights about local practices.) Another significant omission from this study's interview pool was a representative of the insurance industry.


Although an individual set of questions was provided to each participant, there were several common themes involving their individual perspectives of

























 local fair housing issues and the context within which they exist. Almost all   
 were asked to identify existing and emerging fair housing issues. 

 The following insights were gained from these interviews: 











 Is fair housing still a problem, statewide and in Tallahassee/Leon County? 

 Three Florida groups (FACIL, FHFC and FAHA) said that fair housing is a   
 problem statewide. Six local groups (W, TBR, TBA, THA, CCAA and   
 CARC) reported no knowledge of local fair housing complaints vs. three   
 groups (ST, BBFH and TLC) which voiced concerns about housing finance,   
 rental practices and uneven distribution of housing information. 









 What fair housing advertisement does your association/agency require? 











 Four (4) local groups (TBR, TBA, CCAA and CARC) said none, but both   
 lenders (ST and W) require HUD fair housing logo use. Two statewide   
 groups were uncertain and only FAHA required the HUD fair housing logo   
 on all member signs and documents. 

 What type of fair housing training is required of your members/staff? 

 Five groups (four locally—TBR, TBA, TLC and CHRC) had no formal fair   
 housing training requirements vs. five groups that required such training,   
 including the CCAA. FHFC mandates fair housing training before any   
 housing development team can begin initial lease-up, and both lenders (ST   
 and W) require annual fair housing training for continued employment. 

 Since 2000, how many fair housing complaints have your agency received? 

 FACIL—12 (2005-2006)(statewide)	 FAG—10-15 (annually)(statewide)
 EWD—4 (2003-2006)(Tallahassee)	 BBFH—38 (2003-2004)(Leon Co.)
 O—86 (2000-2006)(Orlando)	 LCHHR—24 (2003-2006)(Leon Co.)
 FAHA—2-3 (statewide)	 FCHR—53 (2003-2006)(Leon Co.)

 Eight local groups (W, ST, TBR, TBA, THA, TLC, CCAA and CARC) did   
 not report any fair housing complaints. Both BBFH and LCHHS showed   
 gradual annual reductions in their complaints. EWD never reported more   
 than two complaints during any year. However, most EWD calls relate to   
 landlord-tenant issues, which were not part of this report. FCHR numbers 





started with five (2003), rose to a high of 33 (2004) and declined to four (2006, to-date). Only Orlando has shown a gradual increase in its complaint numbers.



What fair housing complaints are most prevalent?



According to FCHR and BBFH, from 2003-2006 race and familial status were the most frequent bases of fair housing complaint. Other local concerns were raised about predatory lending and handicapped accessibility. In other parts of the state, concerns about handicapped accessibility and insurance costs were most prevalent.



What types of fair housing issues or complaints appear to be emerging?



The need for fair housing information and education were raised by four local groups/agencies (TBA, THA, TLC and NCS). Accessibility issues, especially acceptance of service animals, were identified by FACIL, BC and FACH. Predatory lending was voiced by two agencies (O and NCS). ST noted that “bad” home loan information is rarely discovered until the next loan application process or the receipt of information about loan practices.



What issues appear to impede local fair housing assistance?



The lack of fair housing information and education were identified by six groups, four of which are local (ST, TBR, TBA and TLC). Three entities, including BBFH and LCHHS, said that the lack of funding was critical to support education and investigative staff, respectively. However, four local groups (W, THA, CCAA and CARC) were unaware of any issues that impeded local fair housing assistance.



What types of fair housing assistance are most needed in Tallahassee?









Eleven respondents, including seven local (TBR, TBA, BBFH, THA, TLC, LCHHS and NCS) identified information and training. Three groups felt there was a need for leadership in the coordination and outreach of local fair housing assistance. W noted a need for a series of “financial literacy” courses and related resources, and ST sought the use of routine PSAs (e.g., public service ads on local television and radio stations) to identify local fair housing resources.















 What is the size of your fair housing staff? 







-  EWD—2 
-  O—2 
-  BBFH—1 



 Broward County cities do not have dedicated fair housing staff members.   
 Instead, the county provides fair housing staff and services to each of its   
 municipalities. Portions of Orlando’s fair housing activities (event planning   
and intake) are assigned to various members of its Human Rights staff.







 What is the size of your total housing budget (including SHIP)? 

	Tallahassee (FY 2006-2007)	\$5,743,255	
	Orlando (FY 2005-2006)	8,678,999	
	Hollywood (FY 2006-2007)	2,488,366	







 What level of funding does your fair housing program receive? 





	Tallahassee (FY 2006-2007)	\$10,000	
	Orlando (FY 2005-2006)	15,000	
	Hollywood (FY 2006-2007)	7,500	

 What percentage of the housing budget does fair housing receive? 

	Tallahassee (FY 2006-2007)	approximately 0.175%	
	Orlando (FY 2005-2006)	approximately 0.173%	
	Hollywood (FY 2006-2007)	approximately 0.301%	

 What funding sources are used to support your fair housing programs? 

	Tallahassee (FY 2006-2007)	CDBG	
	Orlando (FY 2005-2006)	CDBG	
	Hollywood (FY 2006-2007)	CDBG, SHIP and HOME	

 FHFC notes that local governments can use up to 5% of their annual SHIP   
allocation for fair housing activities, and it is possible for additional SHIP   
funds to be used for this purpose. 

 **HMDA Insights** 

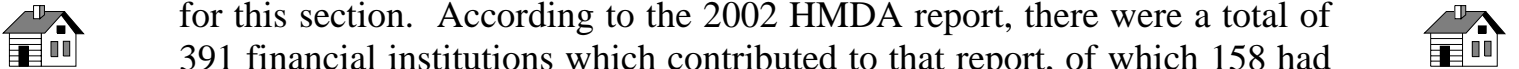




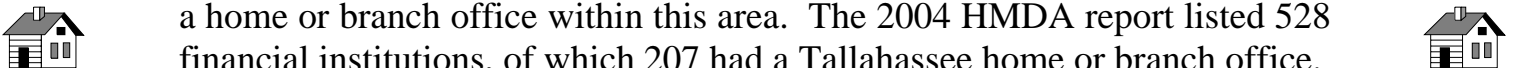
The 2002 and 2004 Home Mortgage Disclosure Act (HMDA) Aggregate Report for the Tallahassee Metropolitan Statistical Area were used as bases for this section. According to the 2002 HMDA report, there were a total of 391 financial institutions which contributed to that report, of which 158 had a home or branch office within this area. The 2004 HMDA report listed 528 financial institutions, of which 207 had a Tallahassee home or branch office.



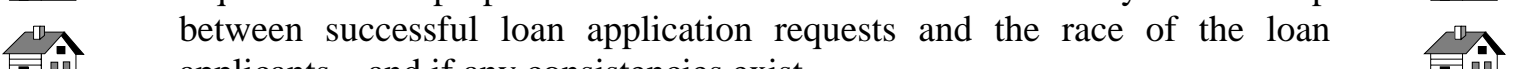
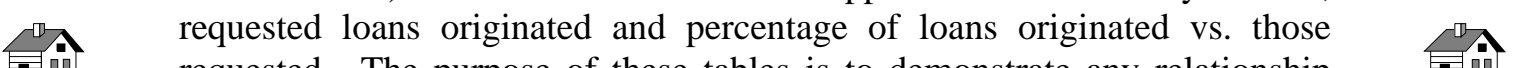
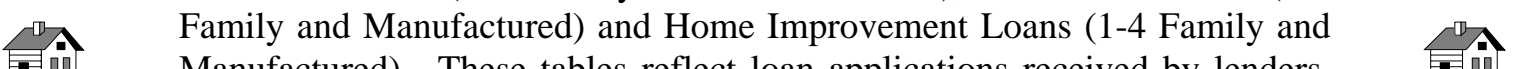
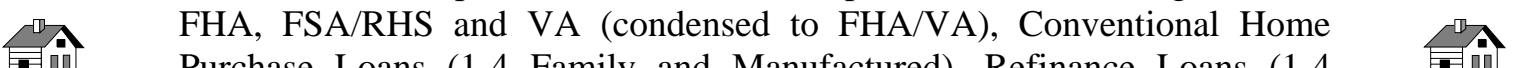
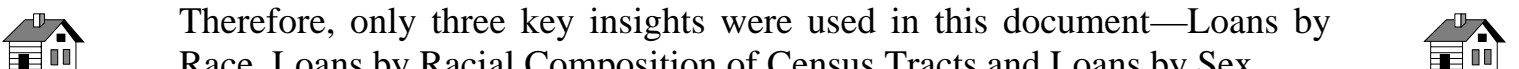
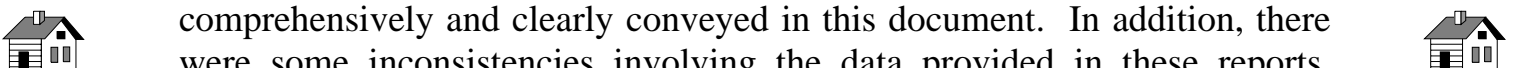
Both of these reports contained a wide variety of data—too much to be comprehensively and clearly conveyed in this document. In addition, there were some inconsistencies involving the data provided in these reports. Therefore, only three key insights were used in this document—Loans by Race, Loans by Racial Composition of Census Tracts and Loans by Sex.



Loans by Race



Several related reports were combined to produce the following tables—FHA, FSA/RHS and VA (condensed to FHA/VA), Conventional Home Purchase Loans (1-4 Family and Manufactured), Refinance Loans (1-4 Family and Manufactured) and Home Improvement Loans (1-4 Family and Manufactured). These tables reflect loan applications received by lenders, requested loans originated and percentage of loans originated vs. those requested. The purpose of these tables is to demonstrate any relationship between successful loan application requests and the race of the loan applicants—and if any inconsistencies exist.



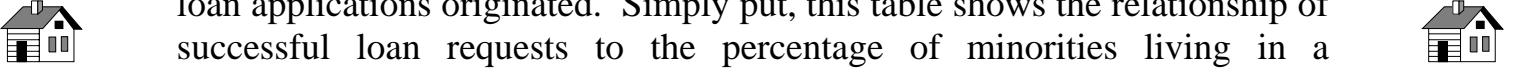
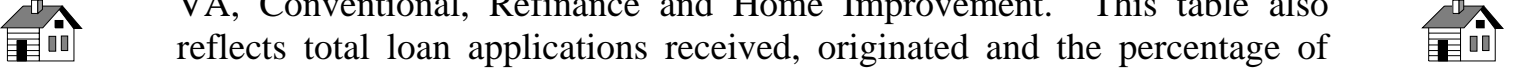
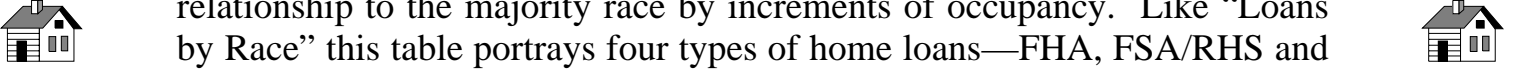
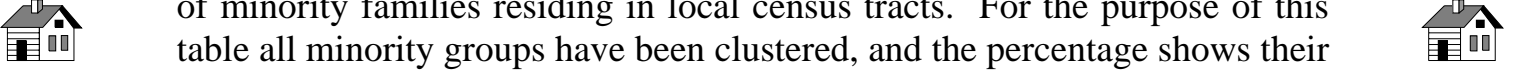
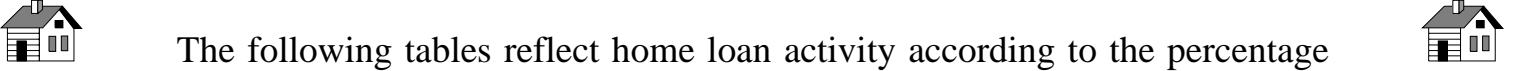
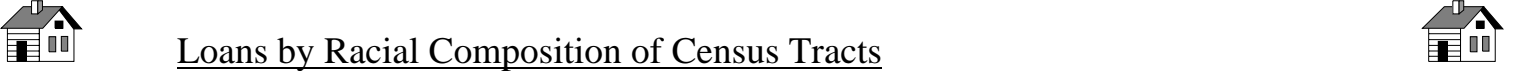
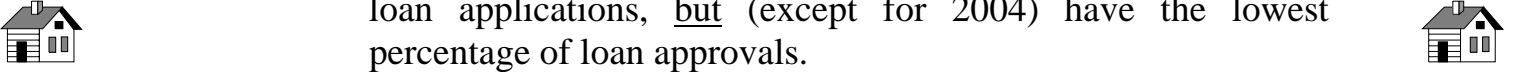
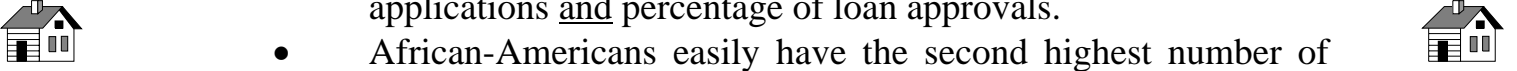
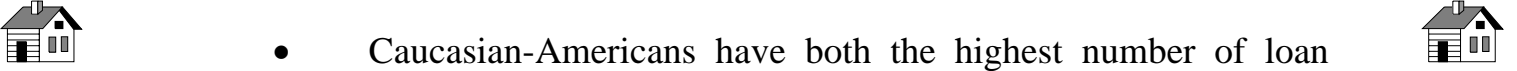
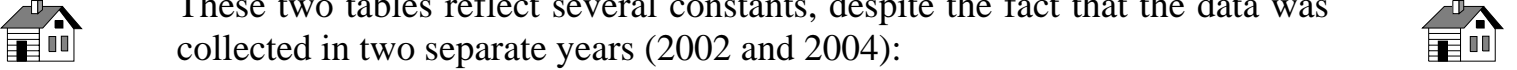
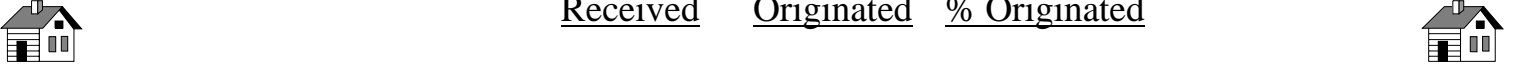
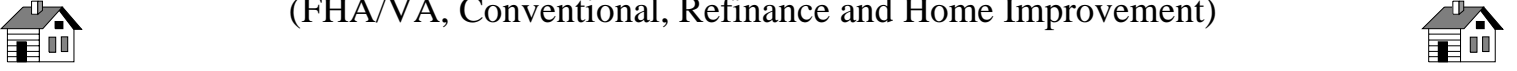
Loans by Race (2002)

(FHA/VA, Conventional, Refinance and Home Improvement)



	<u>Received</u>	<u>Originated</u>	<u>% Originated</u>
Native-American	202	149	73.76
Asian-American	251	182	72.51
African-American	2,765	1,261	45.61
Hispanic-American	357	239	66.95
Caucasian-American	12,070	9,023	74.76
	15,645	10,854	69.38





## Loans by Race (2004)

(FHA/VA, Conventional, Refinance and Home Improvement)

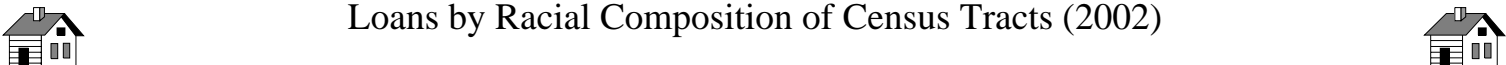
	<u>Received</u>	<u>Originated</u>	<u>% Originated</u>
Native-American	108	42	38.89
Asian-American	454	277	61.01
African-American	5,348	2,093	39.14
Hispanic-American	585	316	54.02
Caucasian-American	17,160	10,641	62.01
	23,655	13,369	56.52

These two tables reflect several constants, despite the fact that the data was collected in two separate years (2002 and 2004):

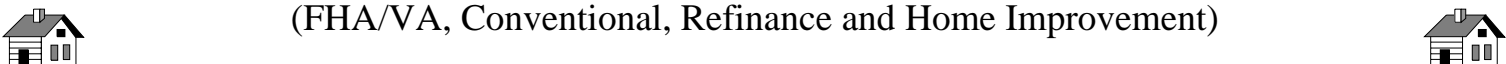
- Caucasian-Americans have both the highest number of loan applications and percentage of loan approvals.
- African-Americans easily have the second highest number of loan applications, but (except for 2004) have the lowest percentage of loan approvals.

## Loans by Racial Composition of Census Tracts

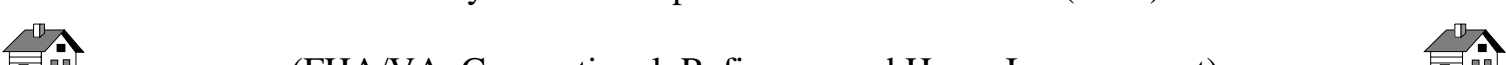
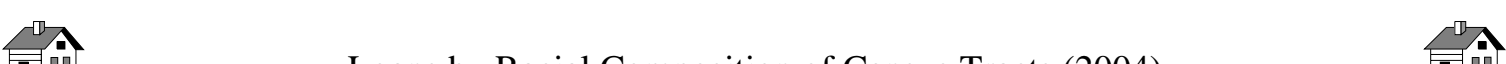
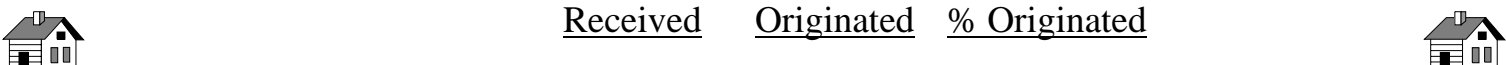
The following tables reflect home loan activity according to the percentage of minority families residing in local census tracts. For the purpose of this table all minority groups have been clustered, and the percentage shows their relationship to the majority race by increments of occupancy. Like “Loans by Race” this table portrays four types of home loans—FHA, FSA/RHS and VA, Conventional, Refinance and Home Improvement. This table also reflects total loan applications received, originated and the percentage of loan applications originated. Simply put, this table shows the relationship of successful loan requests to the percentage of minorities living in a community.



Loans by Racial Composition of Census Tracts (2002)



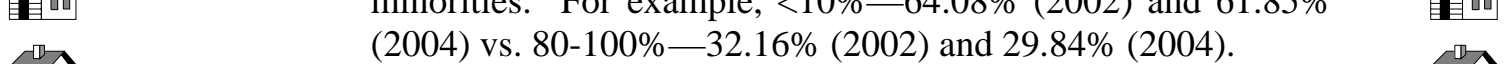
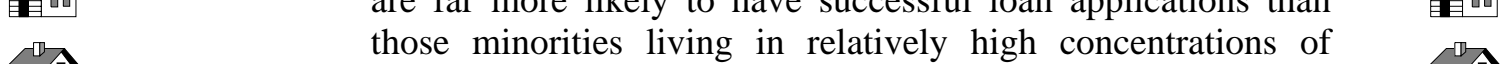
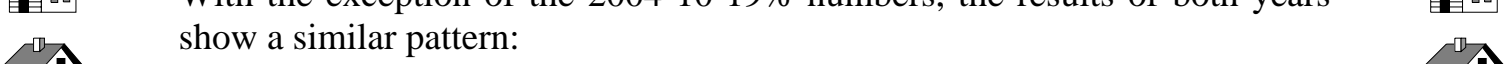
(FHA/VA, Conventional, Refinance and Home Improvement)



Loans by Racial Composition of Census Tracts (2004)



(FHA/VA, Conventional, Refinance and Home Improvement)



	<u>Received</u>	<u>Originated</u>	<u>% Originated</u>
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<10%	4,480	2,871	64.08
10-19%	8,514	5,426	63.73
20-49%	7,273	4,084	56.15
50-79%	984	405	41.16
80-100%	1,347	430	31.92
	22,598	13,216	58.48

	<u>Received</u>	<u>Originated</u>	<u>% Originated</u>
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<10%	325	201	61.85
10-19%	6,388	4,099	64.17
20-49%	12,597	6,825	54.18
50-79%	3,629	1,425	39.27
80-100%	1,665	533	32.01
	24,604	13,083	53.17

With the exception of the 2004 10-19% numbers, the results of both years show a similar pattern:

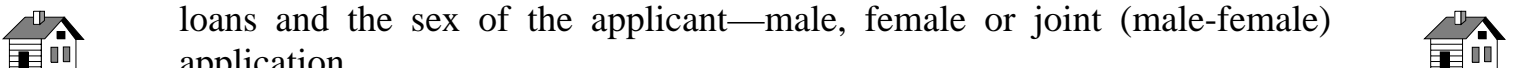
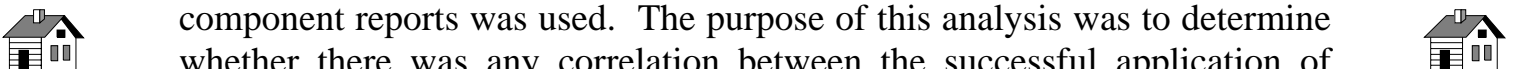
- Minorities living in relatively low minority concentration areas are far more likely to have successful loan applications than those minorities living in relatively high concentrations of minorities. For example, <10%—64.08% (2002) and 61.85% (2004) vs. 80-100%—32.16% (2002) and 29.84% (2004).



Loans by Sex



The following tables reflect the origination of home loans based upon the sex of the applicant. Like the two previous sets of tables, the same set of component reports was used. The purpose of this analysis was to determine whether there was any correlation between the successful application of loans and the sex of the applicant—male, female or joint (male-female) application.



Loans by Sex (2002)



(FHA/VA, Conventional, Refinance and Home Improvement)



Received      Originated      % Originated



Male                      4,351              2,831              65.07



Female                    4,096              2,609              63.70



Joint                      7,161              5,398              75.38



15,608              10,838              69.44



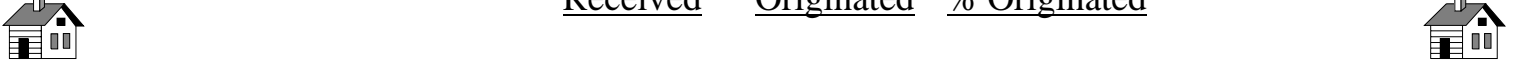
Loans by Sex (2004)



(FHA/VA, Conventional, Refinance and Home Improvement)



Received      Originated      % Originated



Male                      7,533              4,162              55.25



Female                    6,881              3,598              52.29



Joint                      9,161              5,738              62.64



23,575              13,498              57.26



These tables suggest three constants:





- Despite 2003 US Census data that shows more local females than males in Tallahassee, the number of male loan applicants is higher than the number of female applicants.
- The number of joint male-female loan applicants is higher than either male or female loan applicants.
- The success rate of male applicants is higher than that of female applicants, and the success rate of joint male-female applicants is higher than that of either male or female applicants.





## Findings and Impediments

This study sought to view the condition of fair housing in Tallahassee from a variety of perspectives—both informal and analytical. Since local residents and visitors only view fair housing from the standpoint of whether or not they are fairly treated when it comes to home sales or rental and related services, it was important to include the “Preliminary Observations” section. However, many impediments can only be detected as a result of formal research and subsequent analyses. As a result of both approaches, the following findings and impediments to fair housing were discovered.

Although Tallahassee receives HUD housing funds and is responsible for submitting periodic analyses of impediments to fair housing, there are far more factors impacting local fair housing conditions than those controlled by Tallahassee through its receipt of HUD funds.

This study sought to identify significant existing and emerging impediments to fair housing in Tallahassee, despite the source, in order that the city may be aware of these forces and be better prepared to initiate those actions that are within its purview.

Some of the factors that impact Tallahassee’s fair housing resources, but lie beyond the city’s control include

- Diminishing state and federal program funding pools,
- Lack of comprehensive private sector commitment to fair housing for everyone,
- Private sector reluctance to routinely use the fair housing logo,
- Lack of strong and consistent state and federal enforcement of all existing fair housing laws,
- Practice of minimizing private sector fair housing violations when committed in relationship to major disasters,
- Lack of overview of various fair housing-related data gathered by different state agencies that could reveal emerging issues,



- Lack of strong fair housing commitments (backed by funding) by chief elected and appointed federal government officials, and the
- Expanding practice of lending institutions' use of practices that strip real estate wealth and monies from the nation's most vulnerable populations.

The 2002 and 2004 HMDA reports for Tallahassee revealed that

- Although whites have the largest number of loan applications and loan approval rates, blacks have the second highest number of loan applications but the lowest rate of loan approvals.
- As the percentage of minority concentration in a community increases, there is a steady (and significant) decrease in the rate of successful loan applications.
- Although females comprise the majority of the area population, their rate of successful loan applications is the lowest behind both male and joint (male-female) loan application approvals.

Other findings that impact the status of Tallahassee's fair housing resources include the following:

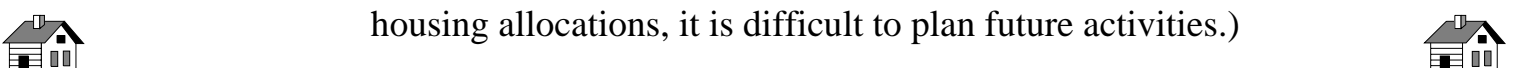
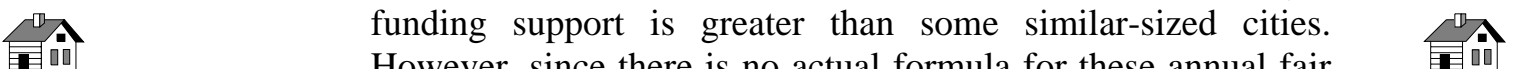
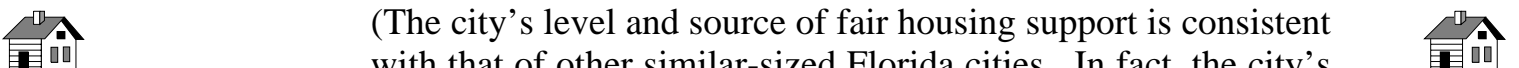
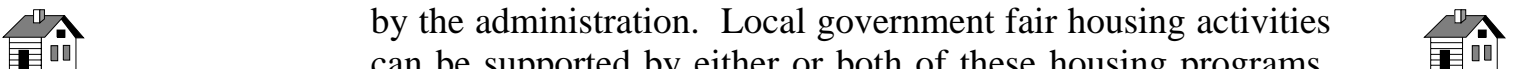
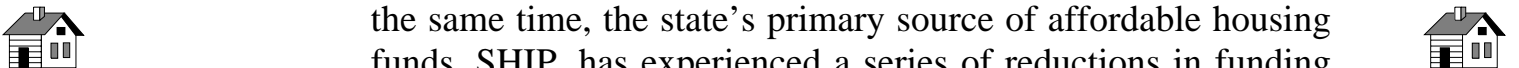
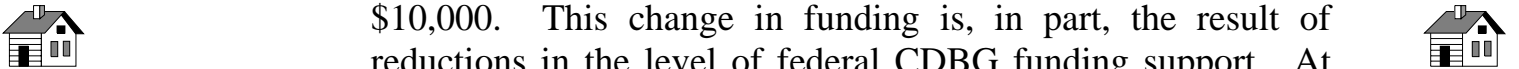
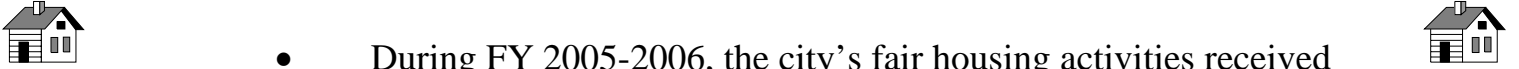
- There are four Tallahassee-based agencies that provide fair housing services. The fair housing activities of three of these agencies (Tallahassee Department of Equity and Workforce Development, Leon County Division of Health and Human Services and Big Bend Fair Housing Center) appear to be marginally funded. Also, it is unclear whether these agencies routinely communicate about local fair housing issues. The exception appears to be the Florida Commission on Human Relations, which provides a variety of services (including fair housing) statewide, and receives complaints or referrals from the other three local agencies.
- There are few means by which the general public can easily find fair housing information, including widely available fliers, brochures and a place on the city's official website.



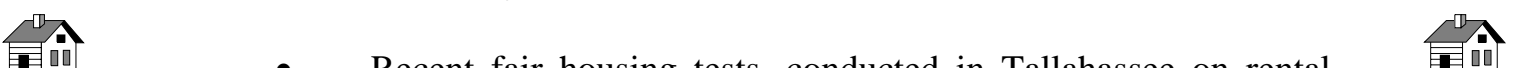
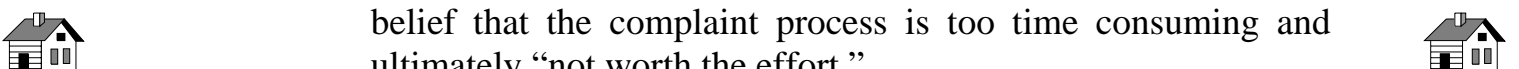
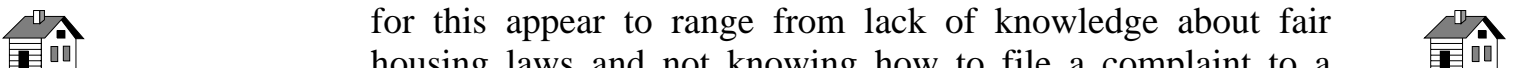
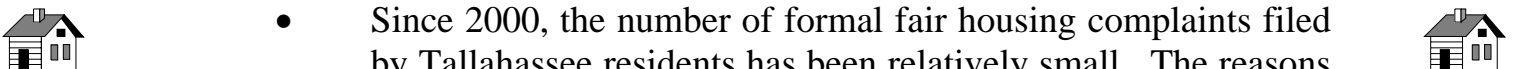


- The act of fair housing discrimination has become much more subtle than in “the old days” when housing providers might routinely deny access because of race, marital status, sex or religion. Today, a person can be the victim of discrimination without knowing it—or not realizing it until afterwards.
- When discrimination is detected, it is debatable whether victims decide to file complaints because of a lack of awareness of the process or where to go for help. There are also victim concerns that the complaint process “isn’t worth the trouble.”
- Some members of the local housing industry, especially the home builders, want more fair housing training and discussion than is presently available—at least once every two months vs. annually.
- Two Tallahassee universities (Florida State and Florida A & M) had a combined 2004-2005 enrollment of approximately 51,831 but were only able to accommodate about 16% of their students on-campus, leaving approximately 43,500 students to find off-campus housing within or near Tallahassee. However, neither institution appears to have a clear, formal mechanism to ensure that these students receive fair housing information.
- Last year, Tallahassee was once again a temporary destination of persons fleeing a major hurricane. Around the Gulf of Mexico, Hurricane Katrina forced hundreds of thousands of persons to escape its ravages. Recent interviews revealed that that neither local Red Cross volunteers nor temporary housing providers were required to take fair housing training or show evidence that fair housing laws were being observed. Instead, the responsibility for assuring fair housing treatment was placed on the victims, and efforts by a local fair housing agency to provide fair housing training for these hurricane victims were declined by local Red Cross officials. Although no known fair housing complaints were originated locally, Tallahassee was part of a regional study of Hurricane Katrina victim fair housing treatment, which revealed an unmistakable pattern of racial discrimination by temporary housing providers.

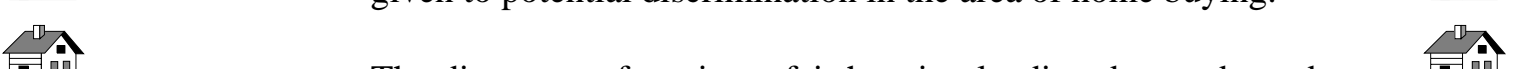
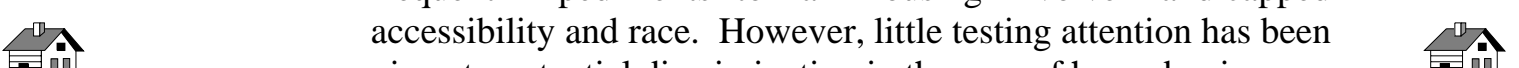
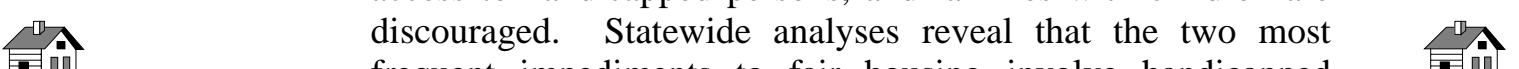
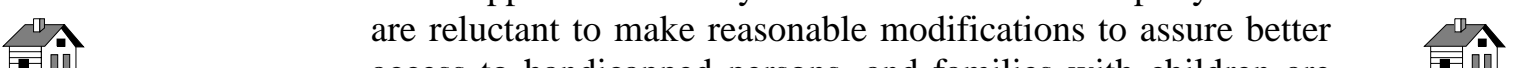
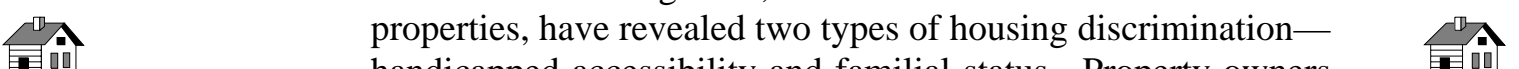




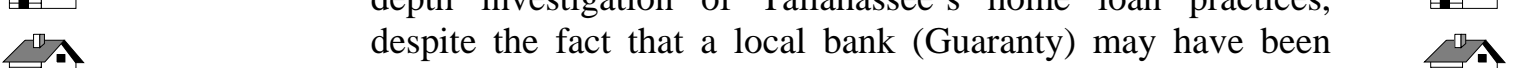
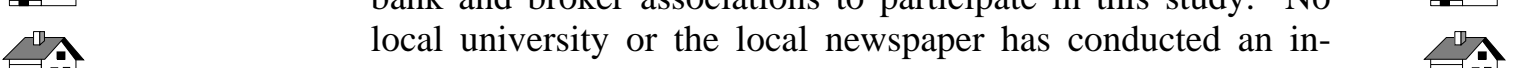
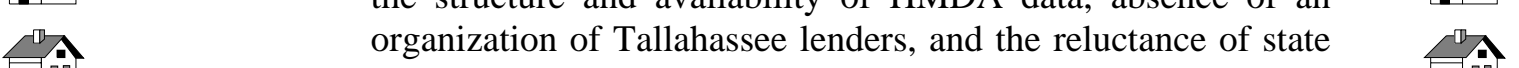
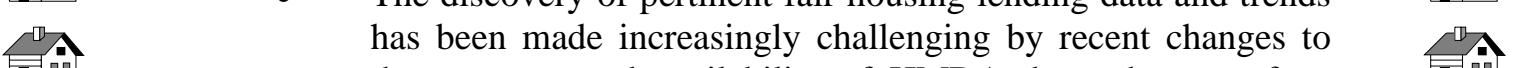
- During FY 2005-2006, the city’s fair housing activities received \$12,000 from the city’s CDBG entitlement funds. For FY 2006-2007, the level of fair housing support has been set at \$10,000. This change in funding is, in part, the result of reductions in the level of federal CDBG funding support. At the same time, the state’s primary source of affordable housing funds, SHIP, has experienced a series of reductions in funding by the administration. Local government fair housing activities can be supported by either or both of these housing programs. (The city’s level and source of fair housing support is consistent with that of other similar-sized Florida cities. In fact, the city’s funding support is greater than some similar-sized cities. However, since there is no actual formula for these annual fair housing allocations, it is difficult to plan future activities.)



- Since 2000, the number of formal fair housing complaints filed by Tallahassee residents has been relatively small. The reasons for this appear to range from lack of knowledge about fair housing laws and not knowing how to file a complaint to a belief that the complaint process is too time consuming and ultimately “not worth the effort.”



- Recent fair housing tests, conducted in Tallahassee on rental properties, have revealed two types of housing discrimination—handicapped accessibility and familial status. Property owners are reluctant to make reasonable modifications to assure better access to handicapped persons, and families with children are discouraged. Statewide analyses reveal that the two most frequent impediments to fair housing involve handicapped accessibility and race. However, little testing attention has been given to potential discrimination in the area of home buying.



- The discovery of pertinent fair housing lending data and trends has been made increasingly challenging by recent changes to the structure and availability of HMDA data, absence of an organization of Tallahassee lenders, and the reluctance of state bank and broker associations to participate in this study. No local university or the local newspaper has conducted an in-depth investigation of Tallahassee’s home loan practices, despite the fact that a local bank (Guaranty) may have been





closed (in part) because of its alleged lending practices. In addition, both of the state agencies charged with professional and/or criminal oversight of banking practices do not collect data in a manner that would assist local governments. In fact, there is little indication this information is shared with local governments. Conversely, an increasing number of industry observers have warned about the growing crisis in predatory and subprime lending. Some of these observers have noted that Florida state law is very favorable to predatory lending. In fact, recent efforts to strengthen state lending laws have been defeated—two years in a row.



One other troubling factor not directly linked to fair housing activities, but is certainly a concern when considering an overall atmosphere of racial impediments, is the fact that Florida now ranks second nationally with 50 organized hate groups, some of which are headquartered in North Florida and the Panhandle. The possibility exists that in some way the attitudes and actions of their supporters might impact local housing choice.

Although each of these findings can be viewed as an impediment to fair housing, the primary purpose of this study is to focus on those impediments that Tallahassee can reasonably address. Therefore, the primary findings and subsequent recommendations focus only on those fair housing issues that fall within the ability of the city of Tallahassee to responsibly address.

As a result of this perspective, the primary findings involving Tallahassee’s fair housing impediments are that

- There is a lack of readily available information about local fair housing resources—laws, types of inappropriate behavior, types of assistance, places where assistance can be provided, how to file complaints, the complaint process and results of previous complaints. Regular citizens, students, housing professionals and visitors need the ability to quickly and consistently find the city’s fair housing resources.
- All members of Tallahassee’s housing industry (builders, lenders, realtors, rental managers, various government agencies and policy makers) need to receive frequent training and information about various aspects of fair housing. This issue is





too complicated to be solely presented during annual seminars. Those seminars are very important, and should be continued. However, if a series of classes and/or discussions could be provided every two months, the level of overall fair housing knowledge would increase and there is a good chance that this increased knowledge would lead to tangible support in the areas of strengthened public policy and funding to help support those training activities.



- There is a “spirit” of local fair housing cooperation but no framework within which to express that cooperation. Without a framework for local fair housing cooperation, Tallahassee may easily succumb to the groups that support predatory lending and special treatment for the “privileged.” Conversely, by working together Tallahassee’s public and private sectors can clearly demonstrate how fair housing should operate. Local leadership is needed to create, implement and sustain this directive—the city of Tallahassee is the most logical leader.



In addition to these primary local fair housing impediments, predatory lending and a lack of demonstrative public and financial support are the greatest national impediments to fair housing. These factors limit the ability of local agencies, such as EWD, to provide fair housing services to the public and, conversely, force that public to make uninformed decisions about actions that can irrevocably and systematically strip the most vulnerable community members of generations of hard-earned assets, especially their homes.



In conclusion, ten (10) specific impediments to fair housing in Tallahassee were found:



- (1) Lack of easily accessible city webpage information,
- (2) Lack of readily accessible printed information,
- (3) Lack of frequent fair housing seminars,
- (4) Lack of informal public-private fair housing commitment,
- (5) Lack of coordinated effort among local fair housing agencies,
- (6) Lack of adequate and predictable fair housing funding,
- (7) Lack of research on detailed impact of known impediments,
- (8) Lack of lender/broker participation in impediments study,
- (9) Lack of focus on local predatory and subprime lending, and
- (10) Lack of focus on ownership vs. rental testing.





## Recommendations

What Tallahassee can do to combat the issues underscoring the previously mentioned fair housing impediments and to strengthen its community is to provide a comprehensive campaign of fair housing information to every local individual and group that should know about fair housing—which is almost everyone.

If “knowledge is power,” Tallahassee can arm its residents with the power to combat the forces of greed and deception that stand ready violate scores of “hard won” fair housing rights.




Attachment A-1 provides a comprehensive summary of all impediments that appear to impact proper fair housing choice in Tallahassee, including those impediments that are clearly beyond the city’s ability to solely and directly impact. This attachment outlines the impediment, a related recommendation and the entities with lead responsibility for corrective action.



The following recommendations are intended to provide a set of practical suggestions about ways that the city can address those issues that currently threaten its ability to assure that its residents fully benefit from existing federal, state and local fair housing laws:





- (1) **City Webpage**—Redesign the city of Tallahassee’s official website to make it easier for the public to find key fair housing information and contacts. Make sure that the Department of Equity and Workforce Development is “quick jump” linked to the websites of any other city departments that have a potential fair housing connection, especially Neighborhood & Community Services, Growth Management and Planning.
- (2) **Printed Information**—Produce sets of fair housing materials (fliers, brochures and manuals) to be routinely distributed at the offices of local home builders, developers, realtors, bankers, mortgage brokers, housing counselors, loan counselors, insurance agents, apartment managers and at student centers.










 (3) **Seminars**—Hold a series of bi-monthly seminars with all members of the local housing community to provide training and discuss practical applications of fair housing policy, law and procedures, local testing results, emerging local issues, and local implications of statewide and national fair housing issues. 

 (4) **Informal Commitment**—Initiate an informational fair housing commitment involving all local groups (public and private) that comprise and/or impact Tallahassee’s housing industry. The purpose of this commitment is to “energize” fair housing within the private sector, encourage the expanded use of the fair housing logo, initiate proactive private sector activities and support various city initiatives. The city of Tallahassee (EWD) is the most logical entity to lead this initiative because it has the legal mandate, a history of related efforts and the overall respect to draw together both public and private participants. 

   (5) **Coordinated Effort**—Initiate a cooperative process involving the four locally based fair housing agencies to provide coordinated public services, including testing, information hotline, public education, professional training, complaint investigation and resolution, data exchange and analysis of local data. 

   (6) **Inadequate Funding**—Seek expanded fair housing funding for local services and resources from both the public and private sectors. Potential public sector sources should include both CDBG and SHIP. Private sector sources could include local builder and realtor groups, banks, mortgage brokers and home insurers. Any private sector proceeds should be solely used to produce educational and training materials for joint meetings, as well as handout materials to be given to private sector clients and/or the general public. However, EWD should be solely responsible for the production of all materials. Expanded public funds should be used for training, testing, information dissemination and research. In addition, the city should create a long-range plan for its anticipated fair housing activities. 

  (7) **Detailed Impacts**—Initiate a series of studies that focus on ways that specific fair housing issues impact Tallahassee 





residents. These studies would surpass the ability of a standard analysis of impediments report to focus on various aspects of an issue and investigate areas that are clearly beyond the scope of normal testing. The results of these studies could also be used to help shape new education topics and gain additional public support for future fair housing initiatives. These studies might address (the)



- Relationship of available fair housing information with the number complaints filed,
- Relationship of chief elected officials’ public comments with the public perception of fair housing practice,
- Whether individuals failed to report suspected housing discrimination because of ignorance of the complaint process or a belief that their efforts would be wasted,
- Local lender responses to national research suspicions of local predatory lending,
- Reality of local minority family loan experiences vs. local HMDA home loan results,
- Role of fair housing logo as a practical indicator of fair housing choice,
- Whether the absence of off-campus fair housing resources really translates into additional fair housing abuses, and
- Whether any recent hurricane victims experienced housing discrimination during their temporary stays in Tallahassee.

(8) **Lender/Broker Participation**—Lender participation in the fair housing process is fundamental. The city should initiate a series of discussions with representatives of both local lending institutions and statewide lender and mortgage broker groups to discuss the city’s concerns about local lending patterns, what actions should take place to change these patterns, and what role the city can play in assisting this process. The focus of these meetings should be community initiatives vs. system-wide changes. Reluctant participants should be reminded that a combination of factors (including local HMDA data, national reports, flawed financial regulations and failure to contribute to this report) suggest a growing indifference to the role that their groups play in local fair housing choice.





(9) **Predatory and Subprime Lending**—The city should initiate a series of studies to narrowly examine the impact of local lending practices on very poor, elderly and minority (especially black) residents. These studies should focus on conventional loan applications and denials, predatory and subprime lending practices, applied loan underwriting practices, comparative credit ratings and use of lender loan origination flexibility. The goals of these studies should be to determine whether in Tallahassee the difference between the origination of loans to minorities, especially blacks and women, is due to a pattern of discrimination vs. a series of individual “bad” or “uninformed” applicant decisions. In either case, this community needs to know exactly what is happening and why, so that the proper initiatives can be taken. (If the city does not encourage the receipt of this insight, supported by the application of its own testing efforts, there is little reason to believe that such insight will be independently initiated or that the lending institution will voluntarily change its practices.)



(10) **Ownership Testing**—The city should change the focus of its testing to more fully address single-family home buying. This concentration would provide insights to lender, broker, realtor and builder actions, including potential predatory and subprime lending. A related component of this testing should address the efforts of subprime lenders to target very low-income, elderly and minority families, urging them to seek refinance and equity loans. However, there is also a need to continue to focus on handicapped accessibility and reasonable accommodations in rental properties.

In order to initiate these changes without significant immediate funding, it is suggested that the ten recommended actions be phased-in over the next three (3) years. By applying a long-range planning approach, EWD can better forecast its anticipated activities and related budget needs to both public and private supporters. This structure also gives HUD additional insight about how the city plans to address its fair housing impediments. Lastly, next year’s budget has already been approved and the Year One activities should be able to be accomplished within the designated budget. However, the subsequent two years will require additional budgetary resources, and this structure provides enough insight for EWD to begin to seek those resources.





Year One—(1) Redesign the city’s webpage to enhance its fair housing services, (2) produce a set of fair housing materials for broad distribution, (3) hold a series of bi-monthly fair housing seminars, (5) establish a formal agreement among local fair housing agencies, (6) begin to seek expanded fair housing funding support and (8) conduct a series of meetings with local lenders and mortgage brokers to discuss local minority home loan patterns.

Year Two—Continue each of the previous activities (1-3, 5-6 and 8), (4) initiate an informal commitment among all local housing industry members and (10) conduct testing to determine the impact of on-going training and information dissemination, especially on home buying.

Year Three—Continue each of the previous activities (1-6, 8 and 10), (7) begin to conduct research designed to determine the extent to which specific impediments are impacting Tallahassee’s fair housing choice and (9) determine the specific impact of predatory and subprime lending activities on Tallahassee residents.

Lastly, Tallahassee’s elected officials should discuss whether they, collectively or in the company of other local elected officials, wish to participate in a focused effort to vigorously address the existing economic and political practices that enable current predatory and subprime lending practices to exist in this community. These national and statewide practices threaten to destroy the lives and strip the wealth of countless vulnerable homeowners—most of whom are elderly, minority and/or possess very limited resources. As previously noted by Franklin Raines, former Fannie Mae CEO, “Done right, subprime lending provides an important source of mortgage financing for families with imperfect financial or credit histories. Done wrong, subprime lending is a huge rip-off that siphons wealth—and hope—from people who have very little to begin with.”

Despite any decision to initiate a campaign against predatory lending at the national or state levels, Tallahassee officials will (by adopting the report’s ten recommendations) assure themselves that the city has done everything that is practical and reasonable to provide full fair housing protections to all of its residents and visitors, and that it has gained the cooperation and support of all key housing industry components in the identification and application of enhanced local fair housing resources.





# Attachments



A-1 Fair Housing Impediments, Recommended Action and Lead Implementation Responsibility



A-2 Statewide Fair Housing Impediments vs. Existing Tallahassee Initiatives



A-3 Report Questionnaire/Interview Sources



A-4 Selected Data Sources (Reports, Articles, Studies and Other Key Data Providers)



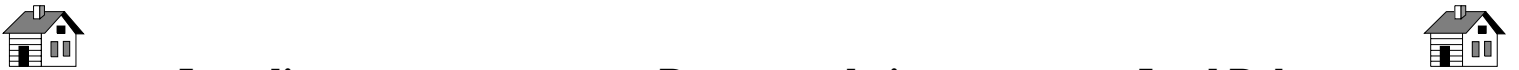
A-5 Tallahassee Census Tracts



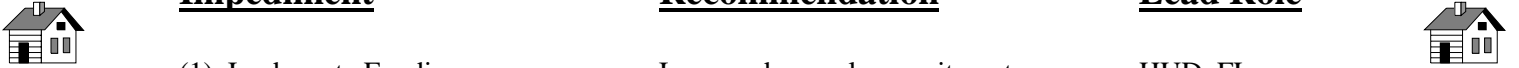


Attachment A-1

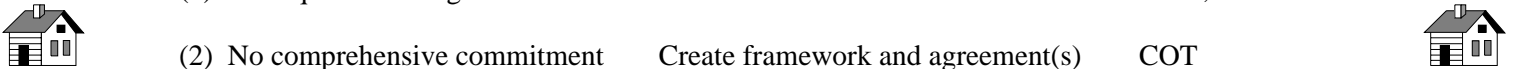
# Fair Housing Impediments, Recommended Action(s) and Lead Implementation Responsibility



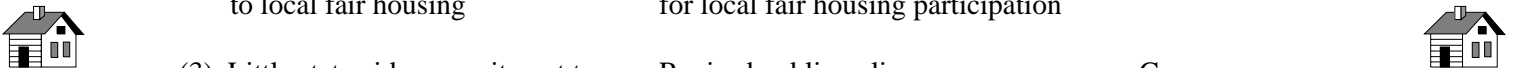
<u>Impediment</u>	<u>Recommendation</u>	<u>Lead Role</u>
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(1) Inadequate Funding	Increased annual commitments	HUD, FL
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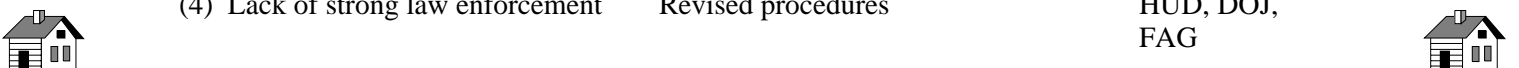
(2) No comprehensive commitment to local fair housing	Create framework and agreement(s) for local fair housing participation	COT
-------------------------------------------------------	------------------------------------------------------------------------	-----



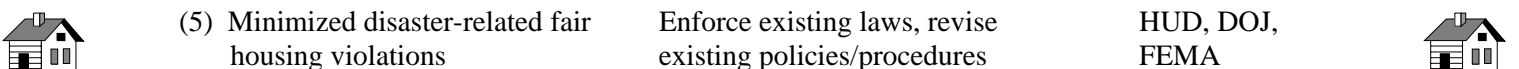
(3) Little statewide commitment to fair housing	Revised public policy	Governor
-------------------------------------------------	-----------------------	----------



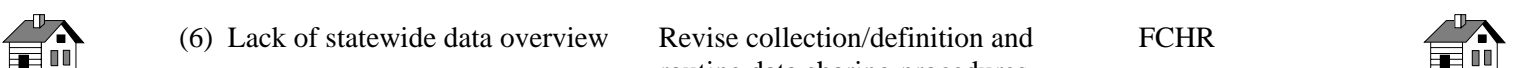
(4) Lack of strong law enforcement	Revised procedures	HUD, DOJ, FAG
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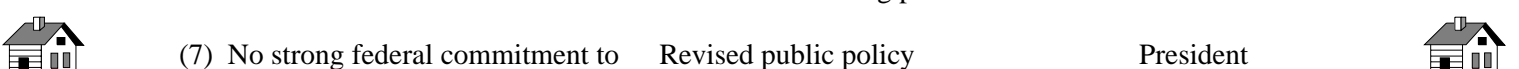
(5) Minimized disaster-related fair housing violations	Enforce existing laws, revise existing policies/procedures	HUD, DOJ, FEMA
--------------------------------------------------------	------------------------------------------------------------	----------------



(6) Lack of statewide data overview	Revise collection/definition and routine data sharing procedures	FCHR
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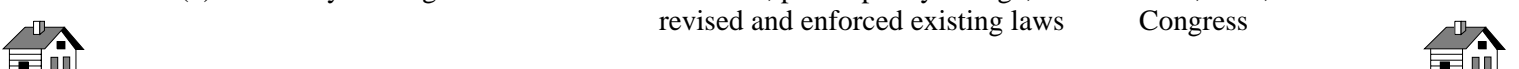
(7) No strong federal commitment to full fair housing support	Revised public policy	President
---------------------------------------------------------------	-----------------------	-----------



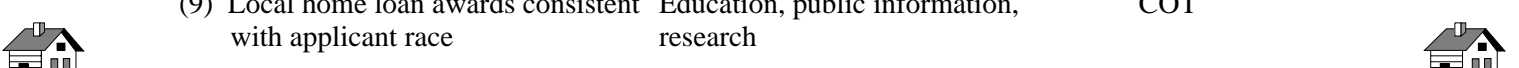
(8) Predatory lending	Research, public policy change, revised and enforced existing laws	FRB, DOJ, Congress
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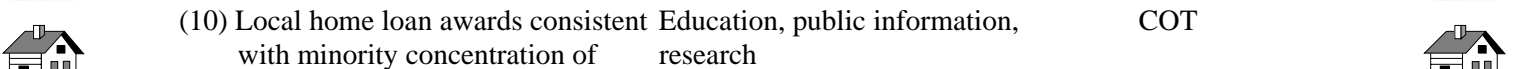
(9) Local home loan awards consistent with applicant race	Education, public information, research	COT
-----------------------------------------------------------	-----------------------------------------	-----



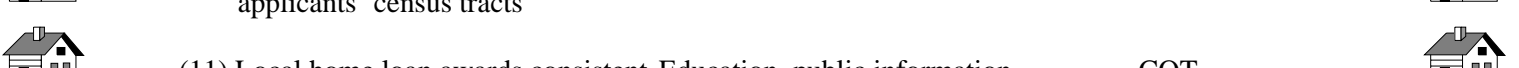
(10) Local home loan awards consistent with minority concentration of applicants' census tracts	Education, public information, research	COT
-------------------------------------------------------------------------------------------------	-----------------------------------------	-----



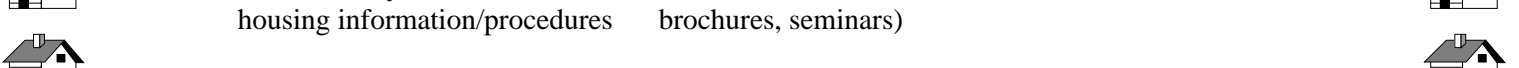
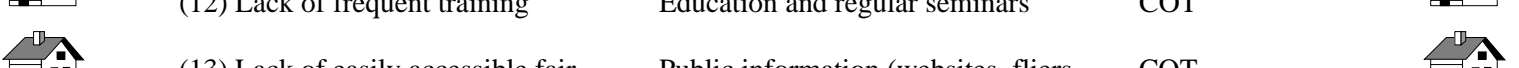
(11) Local home loan awards consistent with applicant sex	Education, public information, research	COT
-----------------------------------------------------------	-----------------------------------------	-----



(12) Lack of frequent training	Education and regular seminars	COT
--------------------------------	--------------------------------	-----



(13) Lack of easily accessible fair housing information/procedures	Public information (websites, fliers, brochures, seminars)	COT
--------------------------------------------------------------------	------------------------------------------------------------	-----





- (14) Failure to report discrimination      Public information and training      COT
- (15) Lack of fair housing information      Revised policies/procedures, public      COT, FSU,
  - for local off-campus students      information      FAMU
- (16) Lack of fair housing information      Revised policies/procedures, training      DCA, HUD,
  - for disaster victims in Tallahassee           FEMA
- (17) Continued rental denials based on      Testing, education, public information      COT
  - handicapped and racial status
- (18) Failure of fair housing named as      Revised policy, applied research      DCA
  - a statewide unmet need





Attachment A-2

# Statewide Fair Housing Impediments vs. Existing Tallahassee Initiatives



<u>Statewide Fair Housing Impediments</u>		<u>Existing Tallahassee Initiative</u>
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Public awareness and education campaigns	yes	
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Central contact person	no	
------------------------	----	--

Homebuyer training courses	yes	
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Fair housing brochures, posters, billboards	no	
---------------------------------------------	----	--

Fair housing booths at local events	yes	
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Fair housing workshops, seminars, classes	yes	
-------------------------------------------	-----	--

Homebuyer education in Spanish	yes	
--------------------------------	-----	--

Inter-local agreements for enforcement, training and outreach	yes	
---------------------------------------------------------------	-----	--

Fair housing audit tests (testing)	yes	
------------------------------------	-----	--

Realtor subscription to Voluntary Affirmative Marketing Agreement and member education	no	
----------------------------------------------------------------------------------------	----	--

Tax credit scoring to encourage mixed income housing and denial of local grant funds for developments not providing mixed income housing	no	
------------------------------------------------------------------------------------------------------------------------------------------	----	--

Fair housing help lines and hot lines	no	
---------------------------------------	----	--

Local government funding of PSA campaigns	yes	
-------------------------------------------	-----	--

Inform Section 8 clients of available properties outside of low-income, minority concentration areas	yes	
------------------------------------------------------------------------------------------------------	-----	--

Analyses of impediments	yes	
-------------------------	-----	--

Comprehensive plan policies on displacement, enforcement of fair housing laws, accessible design and construction standards for multi-family units	yes	
----------------------------------------------------------------------------------------------------------------------------------------------------	-----	--

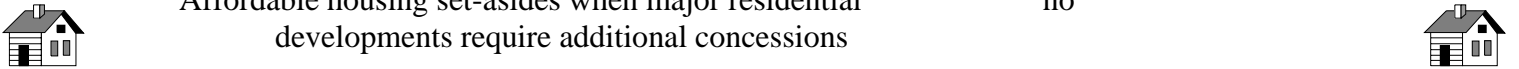
Legal representation funding for low-income housing discrimination victims	yes	
----------------------------------------------------------------------------	-----	--

Annex land for affordable housing production	no	
----------------------------------------------	----	--

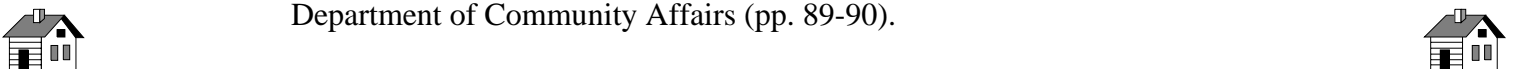
Housing expo for builders and lenders re: fair housing	no	
--------------------------------------------------------	----	--

Handle and investigate fair housing complaints	yes	
------------------------------------------------	-----	--

Affordable housing set-asides when major residential developments require additional concessions	no	
--------------------------------------------------------------------------------------------------	----	--



Source: State of Florida Consolidated Plan: Federal Fiscal Years 2005-2010, Florida Department of Community Affairs (pp. 89-90).





Attachment A-3

Report Questionnaire/Interview Sources

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-  
-  
-  
-   Big Bend Fair Housing Center, Inc. (Rena Brown)
-   Broward County Civil Rights Division (Jane Lalou and Ana DeWelde)
-   Capital Area Red Cross (Chris Floyd)
-   Capital City Apartment Association (Dan Isaacs)
-   City of Hollywood Department of Housing and Redevelopment  
(Alan Grisby)
-   City of Orlando Housing Department (Lelia Allen and Paulette Edwards)
-   City of Orlando Office of Human Relations (Shirley James)
-   City of Tallahassee Department of Equity and Workforce Development  
(Sharon Ofuani and Janet Hinton)
-   City of Tallahassee Department of Neighborhood and Community Services  
(Tom Lewis and Michael Hervey)
-   Florida Association of Centers for Independent Living (Martina Schmid and  
Dan Moore)
-   Florida Association of Homes for the Aging (Gail Matillo)
-   Florida Commission on Human Relations (Regina Owens)
-   Florida Department of Financial Services (Holly Hinson, Rick White, Andy  
Gromaire and Alex Hager)
-   Florida Housing Finance Corporation (Darlene Raker and Laura Cox)
-   Florida League of Cities (Desinda Wood-Carper)
-   Florida State University Housing Department (Rita Moser and  
Frank Cuevas)
-   Leon County Division of Health and Human Services, Department of  
Housing Services (Don Lanham and Latheria Charleston)
-   State of Florida Office of the Attorney General (Allison Finn, Allison Bethel  
and Alan Moudy)
-   SunTrust Bank/Hospital Branch, Tallahassee (Pat Gaver)
-   Tallahassee Board of Realtors (Steven Louchheim)
-   Tallahassee Builders Association (Jerry Edmonston)
-   Tallahassee Housing Authority (Claudette Cromartie)
-   Tallahassee Lenders Consortium (Nicole Everett)
-   Wachovia Bank/Tallahassee Region (Frank Jameson and Valerie Hendricks)





## Selected Data Sources (Reports, Articles, Studies and Other Key Data Providers)



2005 Annual Report, Florida Commission on Human Relations.



2006 Statistical Digest, Tallahassee-Leon County Planning Department.



“Active U.S. Hate Groups in 2005,” Southern Poverty Law Center’s Intelligence Project.



“Analysis of Impediments to Fair Housing Choice,” 2006 Advocates’ Guide to Housing and Community Development Policy, National Low Income Housing Coalition.



Bureau of Economic & Business Research at the University of Florida.



College Rentals in Tallahassee, (Spring/Summer 2006).



Discrimination Against Persons with Disabilities: Barriers at Every Step, The Urban Institute (2005).



Do We Want More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law, The Urban Institute (Feb. 2006).



FAAST Housing Facts, Florida Alliance for Assistive Services and Technology (Aug. 2005).



Fair Housing Technical Assistance Bulletin, Florida Association of Homes for the Aging (Sept. 14, 2005).



Fair Housing Planning Guide, Volume 1, US Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity.



Florida Housing Data Clearinghouse, Shimberg Center for Affordable Housing at the University of Florida.



Foreclosure Information Library, RealtyTrac (Aug. 2006).



“Hate Groups in Florida,” Florida Trend by Amy Keller (Sep. 2006).



Homes & Land of Tallahassee (Volume 34, Number 06).



Housing Needs and Household characteristics of Persons with Disabilities in Florida: an analysis of 2000 Census Data, Florida Housing Data Clearinghouse, Shimberg Center for Affordable Housing at the University of Florida (Jan. 30, 2004).





Insight, City of Tallahassee (Apr. 2006).







Long Range Program Plan: State Fiscal Years 2006/7 through 2010/11, Florida Housing Finance Corporation.











 No Home for the Holidays: Report on Housing Discrimination Against Hurricane Katrina Survivors, National Fair Housing Alliance (Dec. 20, 2005). 



 Quarterly Economic and Demographic Report, Tallahassee-Leon County Planning Department (3<sup>rd</sup> Quarter 2005). 



 “Predatory Lending,” 2006 Advocates’ Guide to Housing and Community Development Policy, National Low Income Housing Coalition. 



 Predatory Mortgage Lending, Center for Responsible Lending (2005). 



 Real Estate Weekly, *Tallahassee Democrat*. 



 Rental Guide Apartments (Volume 28, Number 2), Homes & Land (Jul., Aug. and Sep. 2006). 



 Risk or Race: Racial Disparities and the Subprime Refinance Market, Center for Community Change, Calvin Bradford (May 2002). 



 “Sale, or foregone foreclosure,” *St. Petersburg Times*, Will VanSant (May 14, 2006). 



 “State Legislative Scorecard,” Center for Responsible Lending (Dec. 31, 2005). 



 State of Florida Consolidated Plan: Federal Fiscal Years 2005-2010, Florida Department of Community Affairs. 



 SunBuilt, Florida Association of Home Builders (Jan. 30, 2006). 



 Tallahassee Code of Ordinances, Sections 11-31 through 11-35. 



 The Predatory Lending Fact Sheet, Center for Responsible Lending. 



 The State of Fair Housing: FY 2005 Annual Report, US Department of Housing and Urban Development. 



 US Census Bureau 



 US Department of Housing and Urban Development, Fair Housing and Equal Opportunity website ([www.hud.gov/offices/fheo](http://www.hud.gov/offices/fheo)). 



 

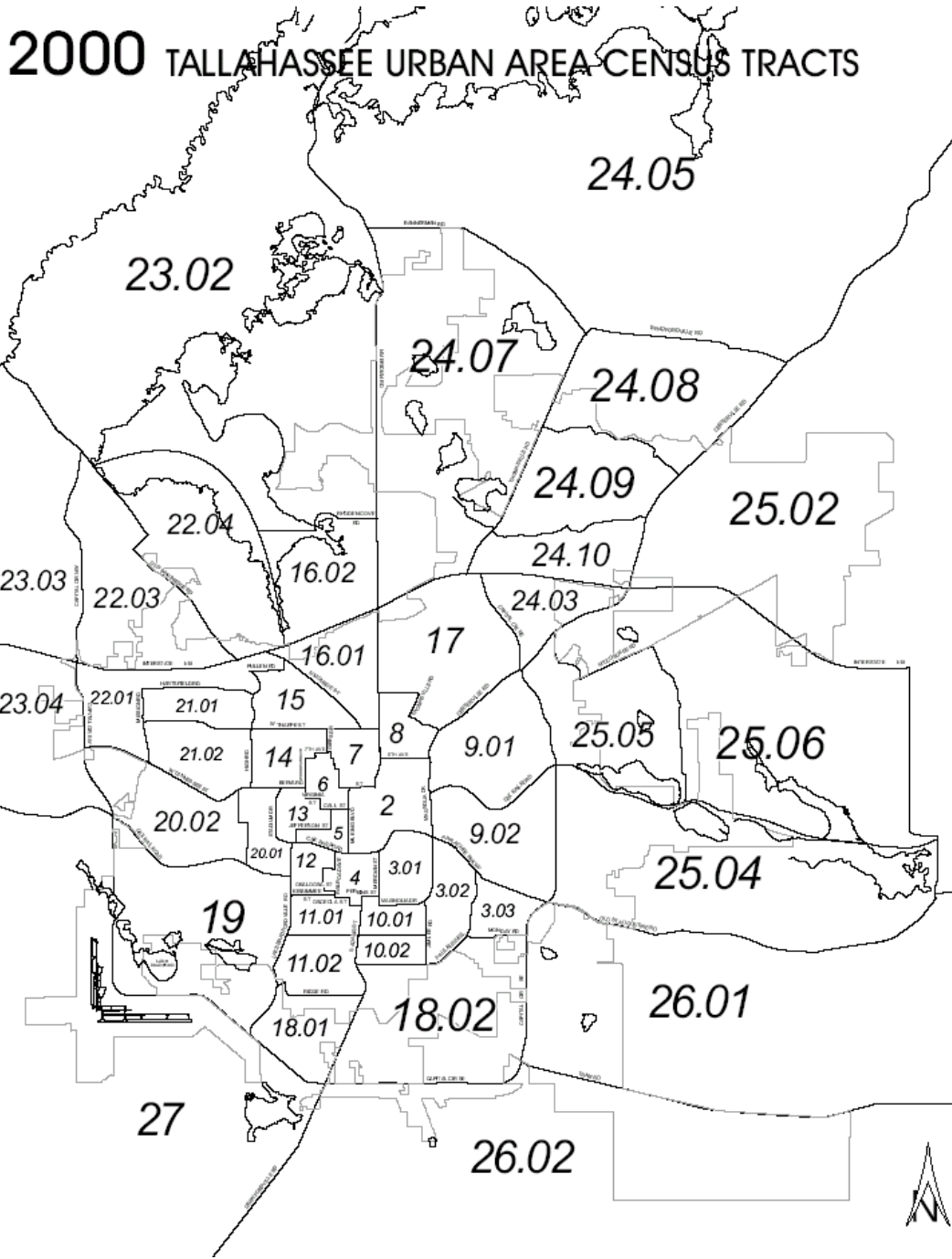
 



# Tallahassee Census Tracts



Source: Tallahassee-Leon County Planning Department