

# Analysis of Impediments to Fair Housing Choice 2010



City of New Albany, IN



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June 15, 2010

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## **Prepared for**

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## I. Introduction and Executive Summary

### A. Who Conducted

The Analysis of Impediments to Fair Housing Choice (AI) was prepared by the City of New Albany in accordance with the requirements of the U.S. Department of Housing and Urban Development (HUD). In order to receive federal grant funds for housing and community development, New Albany is required to prepare a Consolidated Plan describing needs, resources, strategies, priorities and proposed actions. The Consolidated Plan includes an annual certification by New Albany that it is taking actions to Affirmatively Further Fair Housing (AFFH). The purpose of these actions is to eliminate discrimination and segregation in housing on the basis of race, color, religion, sex, age, disability, familial status or national origin, and to expand housing choices for all residents of New Albany.

As part of the effort to achieve this goal, HUD requires communities to engage in fair housing planning. This process requires the development of an Analysis of Impediments to Fair Housing Choice. The AI will serve as the substantive, logical basis for fair housing planning, as well as provide detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates. This document ultimately identifies impediments to equal access to housing choice, and reviews the necessary steps to address those impediments.

The contents of the AI involve the following:

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

According to HUD, impediments to fair housing choice are:

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

The AI consists of three broad areas:

- An overview of demographic and housing market conditions in New Albany, particularly as they pertain to housing choice.
- A profile of fair housing in New Albany, including current laws, policies and practices, and the number and status of any fair housing complaints in New Albany.
- A description and discussion of various market and public policy impediments to fair housing choice.

### B. Participants

Key participants in the development of the AI Update were:

- Scott Wood (New Albany Redevelopment Commission/New Albany Fair Housing Officer)

- John Rosenbarger (New Albany Redevelopment Commission)
- Cyndi Krauss (New Albany Redevelopment Commission)
- Larry Strange (Consultant, Mp2planning, llc)
- Tammy Robinson Butler (Consultant, Engaging Solutions)
- Thirteen individuals representing local stakeholders who responded to a survey that included questions regarding fair housing.

### **C. Methodology Used**

The 2010 AI is an update of the 2006 AI prepared by ICHHI’s Community Research and Membership Services staff (CRMS). The update has been prepared by a consulting firm in cooperation with the City of New Albany Redevelopment Commission. Since the majority of the information contained in the Community and Housing Profile has not changed since the last AI, a complete rework of the AI was not done. However, the update does focus on capturing the progress and continued/new impediments since the last AI. The Updated AI has been organized according to the format specified in the Fair Housing Planning Guide, Chapter 2 – Appendix.<sup>1</sup>

Procedure for completing the Analysis of Impediments:

- *Community data* – reviewed existing demographic, economic, employment and housing market information for New Albany using Census, HUD’s Community Housing Affordability Strategy (CHAS), and the city’s Consolidated Plan. As noted earlier, much of the community data remains the same as in the 2006 AI.
- *Local policy* – reviewed information about the city’s current housing policies and programs that influence fair housing choice and impediments. This task included a review of the procedures and materials used by the city and other entities to educate New Albany residents about their fair housing rights; collect and process fair housing complaints; and provide fair housing training.
- *Compliance data* – examined all available data regarding compliance with local, state and federal Fair Housing Law, including the Home Mortgage Disclosure Act (HMDA), the Fair Housing Act and the Community Reinvestment Act (CRA).
- *Workshop and interviews* –The 2010 update includes information from a workshop with organizations and neighborhood associations with direct relationship to housing activities in New Albany.
- *Identification of impediments* – examined data to identify impediments and determine what barriers to fair housing exist in New Albany.
- Reviewed *fair housing complaints* received by the City’s Fair Housing Office over the last five years.
- *Recommendations* – developed a recommended action plan for addressing the identified impediments, fair housing monitoring and record keeping activities.

### **D. How Funded**

The AI was funded through Community Development Block Grant planning funds.

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<sup>1</sup> Fair Housing Planning Guide, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, prepared by Fair Housing Information Clearing House.

## E. Conclusions

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI. HUD defines impediments to fair housing choice as:

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

HUD further states that “...Policies, practices, or procedures that appear neutral on their face, but which operate to deny or adversely affect the availability of housing to persons because of race, ethnicity, disability, and families with children may constitute such impediments.”

*“Impediments to fair housing choice include actions or omissions in the State or Entitlement jurisdiction that:*

- *Constitute violations, or potential violations of the Fair Housing Act.*
- *Are counterproductive to fair housing such as: Community resistance when minorities, persons with disabilities and/or low-income persons first move into white and/or moderate to high-income areas; and/or Community resistance to the siting of housing facilities for persons with disabilities because of the persons who will occupy the housing.*
- *Have the effect of restricting housing opportunities on the basis of race, color, religion, sex, disability, familial status, or national origin.*

Based on the review associated with this Analysis of Impediments (which is an update of the 2006 AI) the impediments to fair housing choice in the city are:

- The lack of affordable housing in some areas of the City;
- The lack of reliable and convenient public transportation throughout the City which restricts living options;
- The potential for resistance to development of Affordable Housing in some neighborhoods as evidenced in the Linden Meadows situation;
- Lack of a fair housing testing program to determine whether discrimination is occurring which can't be determined through data analysis; and,
- General lack of understanding about Fair Housing and its issues.

The following recommendations submitted.

- The City should continue its support of the completion of the Linden Meadows project.
- The City should use the NSP to leverage additional affordable housing in the NSP target areas.
- The City should engage in a regional fair housing testing program in association with the greater metropolitan area.
- The City should update its Fair Housing page on the website and provide information about Fair Housing, what constitutes a violation, and how people should report a violation.

## II. Jurisdictional and Background Data

### A. Demographic Data

This section of the AI describes the population, housing patterns, and socioeconomic characteristics of residents in New Albany to set the context of the fair housing analysis. As noted earlier, because this information is based on 2000 census data or 2005 updates, it is relatively unchanged from the 2006 AI. Discussion with staff at the Redevelopment Commission reiterates that there has been no significant shift or trend that would alter any conclusions from this information.

As of 2000, the U.S. Census reported a population of 37,603, a slight increase of 3.5 percent from 1990 (Table 1). This is significantly lower than the population growth experienced between 1950 and 1960 due to a major annexation. Although there was a population increase in recent decades, generally New Albany has been experiencing a steady decrease in population since the 1970's. According to STATS Indiana population estimates, this trend does not appear to be changing. The continual decline in population may suggest a need for more affordable housing and employment opportunities.

<b>Table 1 Population Trends</b>			
Year	Population	Numerical Change	Percent Change
1900	20,628		
1910	20,629	1	0.0%
1920	22,992	2,363	11.45%
1930	25,819	2,827	12.30%
1940	25,414	-405	-1.57%
1950	29,346	3,932	15.47%
1960	37,812	8,466	28.85%
1970	38,402	590	1.56%
1980	37,103	-1,299	-3.38%
1990	36,322	-781	-2.10%
02000	37,603	1,281	3.53%

Population estimates by STATS Indiana as shown in Table 2 indicate that New Albany's population has been relatively stable with minor declines in the early part of the decade and similarly minor increases in the latter part of the decade.

<b>Table 2 Annual Estimates of New Albany's Population</b>					
2008	2007	2006	2005	2004	2000
37,296	36,973	36,801	36,646	36,773	37,603
Source: STATS Indiana					

Race data in the 2000 Census are not directly comparable to the 1990 Census and other previous censuses. In the 2000 Census, people were able to identify with more than one race, whereas in previous censuses, people could indicate only one race. Therefore, calculations reflecting the percent change in race and ethnicity from 1990 to 2000 could vary from actual experience. However, the positive or negative direction of change is likely to be accurate (Table 3).

<b>Table 3</b>					
<b>Change in Racial Composition from 1990 to 2000</b>					
<b>Race Categories in 1990</b>		<b>Race Categories in 2000</b>		<b>Numeric Change</b>	<b>Percent Change</b>
White	33,842	White	33,844	2	0.0%
Black	2,251	Black or African American	2,607	356	15.82%
American Indian, Eskimo, or Aleut	68	American Indian and Alaska Native	118	50	73.53%
Asian or Pacific Islander	96	Asian or Native Hawaiian and Other Pacific Islander	173	77	80.21%
Other race	65	Some other race	346	281	432.31%
Hispanic origin (of any race)	178	Hispanic or Latino (of any race)	512	334	187.64%
<b>Total Minority</b>	<b>2,658</b>	<b>Total Minority</b>	<b>3,756</b>	<b>1,098</b>	<b>41.31%</b>
Source: U.S. Census Bureau					

With a population that is 90 percent white, New Albany is comparably homogenous, and therefore, lacking in ethnic and racial diversity. In spite of this fact, the numbers of ethnic and racial minority residents has increased. While the black population grew by little more than 15.8 percent, the Asian/Pacific Islanders population experienced an increase of 80.2 percent. The greatest proportional increases were among the Hispanic population, which increased by 187.6 percent respectively, between 1990 and 2000. The 2000 Census also indicates that 1.3 percent of New Albany residents were born in foreign countries and that nearly half of them entered the United States between 1990 and 2000.

### **Areas of Minority Concentration**

One of the key components of fair housing analysis is an examination of the concentration of racial and ethnic minorities within a community to detect evidence of segregation. Housing discrimination creates and magnifies other inequalities across racial groups. Housing discrimination contributes to lower levels of wealth among minority households, to racially segregated housing patterns, and to restricted life opportunities for those minority families trapped in declining inner-city neighborhoods.

New Albany experiences many of the problems that commonly affect older urban areas, including a declining population, deteriorating public facilities, a large quantity of substandard housing, and a large concentration of low-income households. Most of these problems are concentrated within the older, more urbanized portion of New Albany, otherwise referred to as the inner-city. It is in the inner-city and the inner-ring suburbs that poverty has become significantly more concentrated geographically, and where racial/ethnic minorities remain disproportionately concentrated as well. Segregated living patterns contribute to inequality in education, employment, health, and other areas.

As the first national law to address racial discrimination in housing, the 1968 Fair Housing Act prohibited homeowners, real estate agents, lenders, and other housing professionals from engaging in a range of

practices they had been commonly used to keep neighborhoods racially segregated, such as refusing to sell or rent to a person because of his or her race, lying about the availability of a dwelling, or blockbusting (inducing white owners to sell by telling them that blacks were moving into the neighborhood). In some cases, minority concentrations are a reflection of preferences – i.e., minorities may choose to live where they have access to grocery stores or restaurants that cater to them. Housing prices are also a major factor in influencing where minorities live.

Neighborhoods with a disproportionately high number of minorities are said to be areas of minority concentration, while areas with a disproportionately high percentage of whites are said to be areas of non-minority concentration (Table 4).

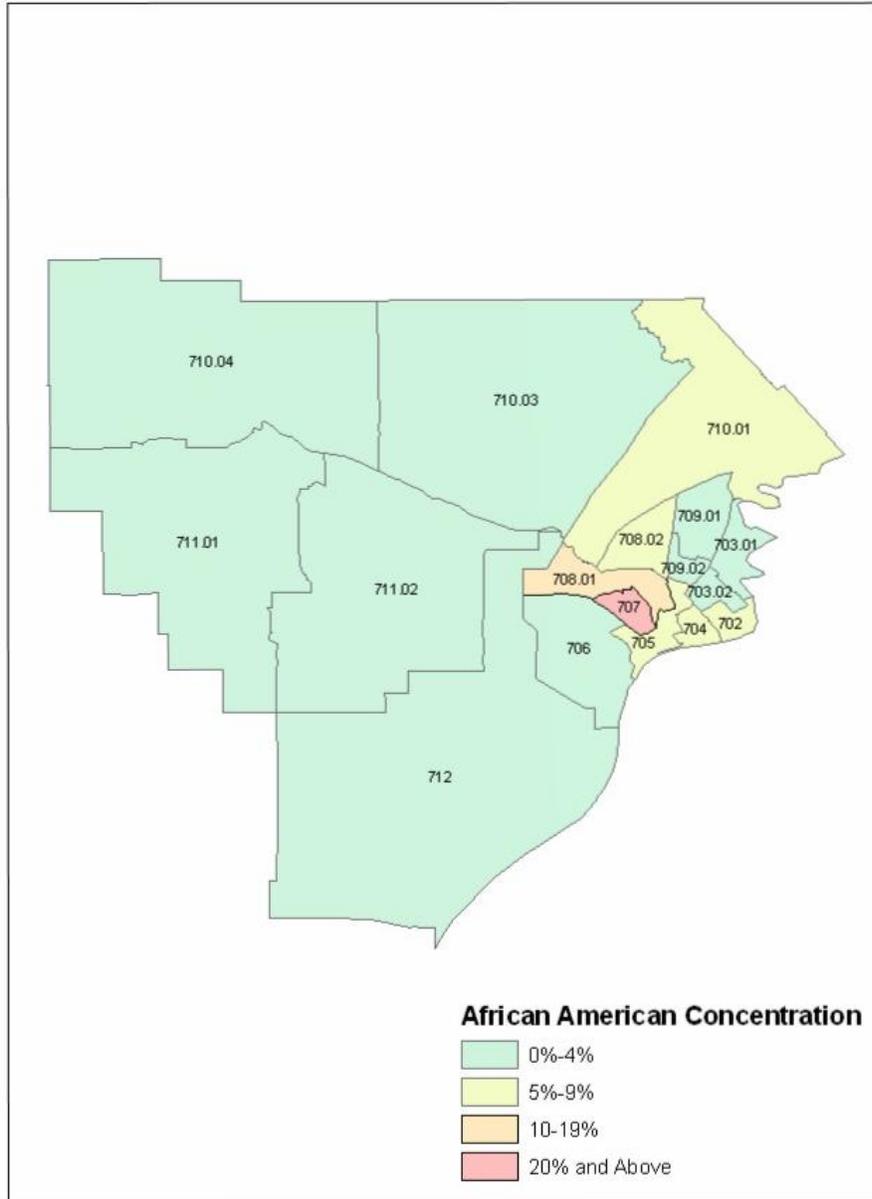
<b>Table 4 Race by Census Tract</b>						
Census Tract	Number of Persons	Percent of Whites	Percent of Blacks/African Americans	Percent of American Indian and Alaska Native	Percent of Asian	Percent of Native Hawaiian/Other Pacific Islander
Place Total	37,603	90.0%	6.9%	0.3%	0.4%	0.0%
702	2,078	89.6%	7.5%	0.6%	0.1%	0.0%
703.01	2,916	97.3%	1.2%	0.1%	0.2%	0.0%
703.02	3,437	95.9%	2.4%	0.1%	0.2%	0.0%
704	3,007	91.2%	5.4%	0.7%	0.3%	0.1%
705	3,091	89.9%	6.5%	0.6%	0.5%	0.0%
706	2,579	96.9%	1.5%	0.0%	0.5%	0.0%
707	2,565	75.4%	20.5%	0.8%	0.0%	0.2%
708.01	3,501	77.5%	17.2%	0.2%	0.5%	0.1%
708.02	4,576	90.2%	6.9%	0.1%	0.7%	0.0%
709.01	5,595	93.5%	3.6%	0.3%	0.6%	0.0%
709.02	1,757	92.7%	4.7%	0.3%	0.1%	0.1%
710.01	12,004	92.0%	5.3%	0.1%	1.0%	0.1%

Source: U.S. Census Bureau, 2000

### African-American Concentration by Census Tract

The 2000 Census indicates that African-Americans were most concentrated in Census Tracts 707 and 708.01 (Figure 1). These Census Tracts are situated within the low-income area of the City, also known as the inner city portion of New Albany. It is important to note that Census 2000 data is rather low for other minority racial/ethnic groups, and thus insignificant to illustrate in a map format.

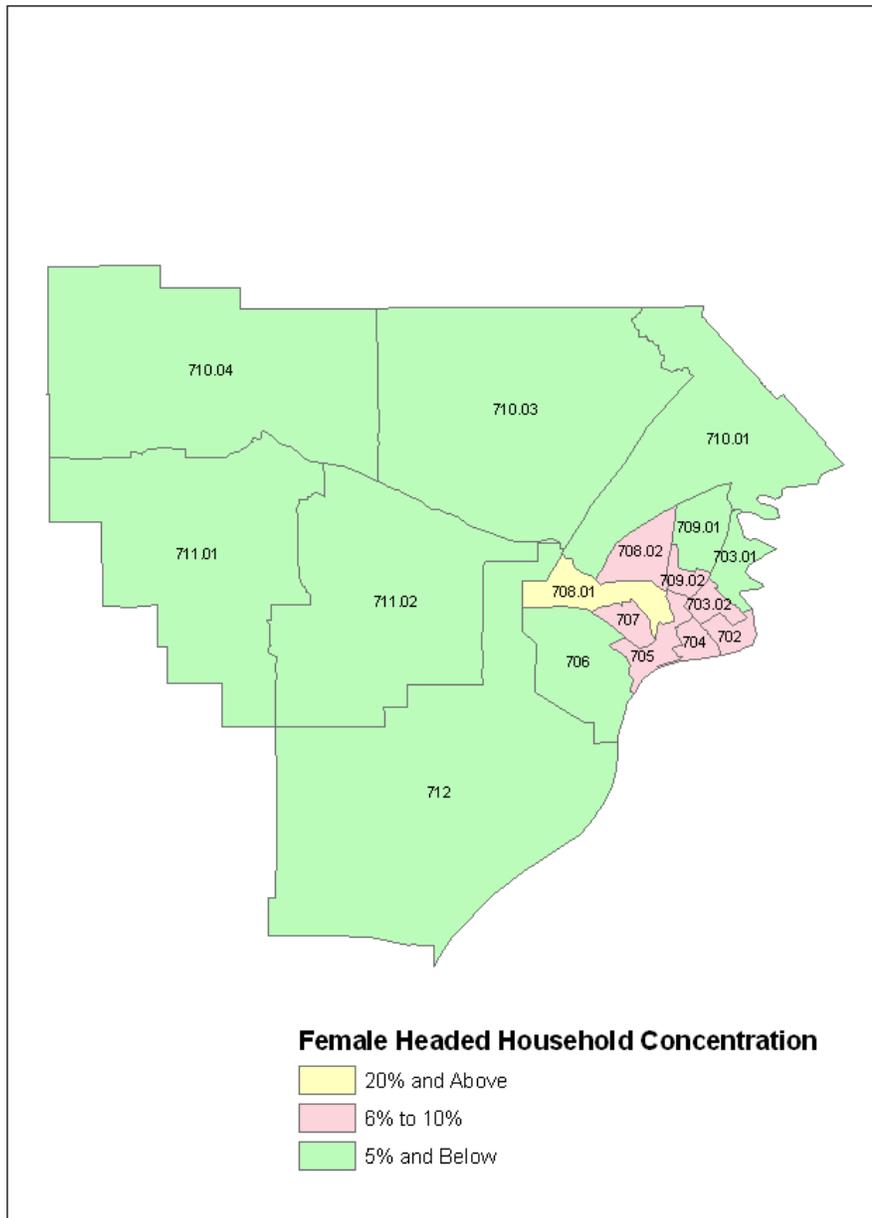
Figure 1 - African-American Concentration by Census Tract



## Female-headed Household Concentration by Census Tract

The 2000 Census indicates that female-headed households are mostly concentrated in the western part of the city, and extending beyond New Albany's city boundaries. Census Tract 708.01 is the only tract with 20 percent or more female-headed households (Figure 2).

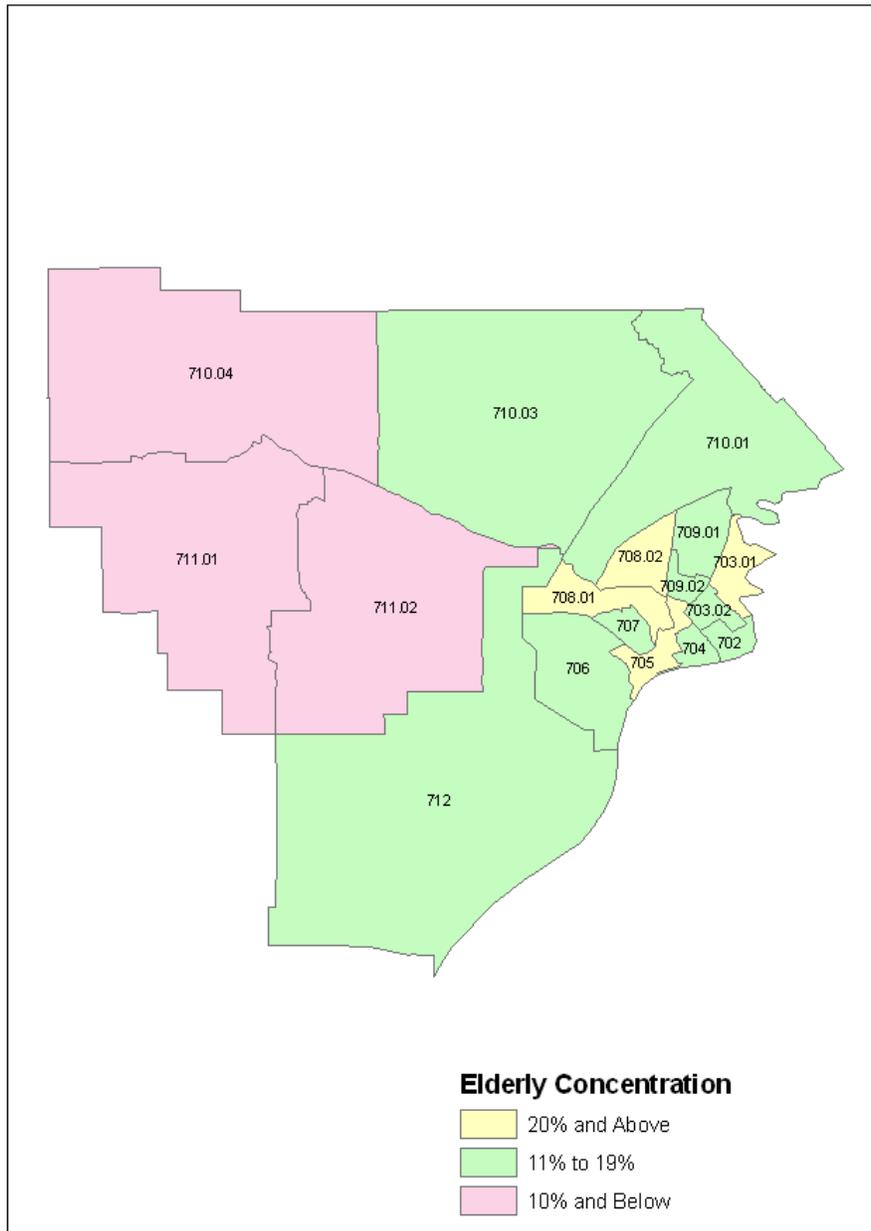
**Figure 2 - Female-Headed Household Concentration by Census Tract**



### Elderly Concentration by Census Tract

With regards to the elderly population, they are mostly concentrated in Census Tracts 703.01, 705, 708.01, and 708.02 (Figure 3).

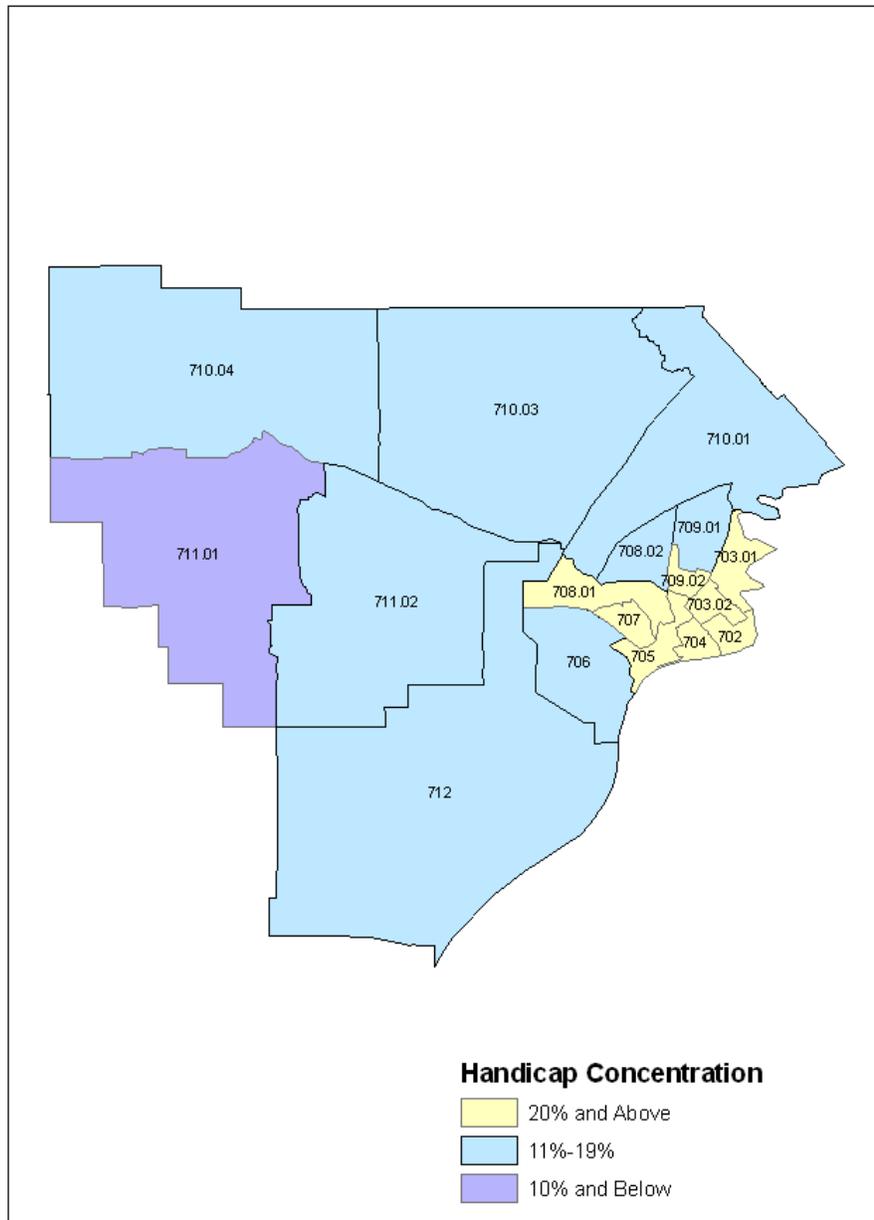
Figure 3 - Elderly Concentration by Census Tract



### Concentration of People with Disabilities by Census Tract

There is a high concentration of the population of people with disabilities towards the center city with percentages of 20 percent and above (Figure 4). This is not surprising given that the Riverview Towers and other assisted living facilities are generally in the core area of New Albany.

**Figure 4 - Concentration of People with Disabilities by Census Tract**



## B. Income Data

It is commonplace in America to assume that, since housing discrimination has been illegal since 1968, segregation by race merely reflects differences in income among racial and ethnic groups. There has been a long standing myth that differences in where people live must simply reflect differences in what they can afford. Yet, on average African Americans and Latinos have disadvantages compared to whites in housing markets. As a consequence, a smaller share of African Americans and Latinos than of whites can afford housing in neighborhoods or jurisdictions whose housing prices require relatively high incomes.

The U.S. Census figures indicate that 75 percent of New Albany’s African-American population is low-income, which contrasts sharply with the 44.9 percent low-income concentration of the general population. Many of these African-American households reside within the low-income area of New Albany. It could be concluded that the relationship between concentrations of African-American households in the inner city is a direct result of that being the only place affordable housing is available, regardless of where they may prefer to live.

According to the 2000 Census, the median household income in New Albany is \$41,993, which is below the State Median Family Income of \$57,300. According to HUD Low/Mod data in Table 7, approximately 48 percent of New Albany’s residents may qualify for state or federal housing assistance programs. Table 5, contains income limits that applicants must meet in order to be eligible for assistance through CDBG and HOME Programs.

<b>Table 5 HUD Income Limits</b>								
Louisville, KY-IN HMFA	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8+ Person
30% of Median	12,350	14,100	15,900	17,650	19,050	20,450	21,900	23,300
Very Low Income	20,600	23,550	26,500	29,450	31,800	34,150	36,500	38,850
Low-Income	32,950	37,700	42,400	47,100	50,850	54,650	58,400	62,150
Source: HUD 2006								

Household income also determines a family’s or individual’s ability to afford housing and housing expenses. Household income for New Albany is presented in Table 6. Household income information is fundamental in determining housing policy and regulation for a community. A community’s housing stock must be appropriate to serve all residents, regardless of race, ethnicity, age, or income. At the local level, regulations can indirectly exclude African Americans and Latinos from some jurisdictions when they raise housing prices or limit rental housing. And at the regional level, regulations can increase housing costs for all residents, but the costs of higher housing costs may fall disproportionately upon low-income people, who are disproportionately African American and Hispanic.

<b>Table 6 Household Income New Albany, IN</b>			
Household Income in (1999)	Percentage	Household Income in (1999)	Percentage
Less than \$10,000	11.9%	\$75,000 to \$99,999	8.7%
\$10,000 to 14,999	8.1%	\$100,000 to \$149,999	3.5%
\$15,000 to \$24,999	14.8%	\$150,000 to \$199,999	0.6%
\$25,000 to \$34,999	15.3%	\$200,000 or more	0.7%
\$35,000 to \$49,999	19.6%	Total Households (2000)	15,959
\$50,000 to \$74,999	16.8%		
Source: U.S. Census Bureau 2000			

The city of New Albany participates in the U.S. Department of Housing and Urban Development’s Community Development Block Grant program (CDBG). The main purpose of the CDBG program is to develop viable urban communities by providing safe, decent and affordable housing and a suitable living environment, and by expanding economic opportunities, principally for persons of low and moderate income.

Table 7 provides HUD data on areas that qualify as low and moderate income under the CDBG program. Estimates were originally prepared at the Census Bureau’s Geographic Summary Level “090”: State-County-County Subdivision-Place/Remainder-Census Tract-Urban/Rural-Block Group. They were then totaled to the city level for New Albany. Estimates are calculated at three income levels: Moderate Income (80 percent) level, Low Income (50 percent), and Very Low Income (30 percent) level. Estimates are calculated for (1) the number of family households below each income level; (2) the number of non-family households below each income level; (3) persons in family households below each income level; (4) persons in non-family households below each income level; (5) total households below each income level; and (6) total persons in households below each income level.

<b>Table 7 HUD Low/Mod Data</b>						
New Albany	Low/Mod Residents	Low/Mod Universe	% Low/Mod	Moderate Income Families	Low-Income Families	Very Low-Income Families
City Total	17,622	36,679	48.0%	4,342	2,319	1,283
Source: HUD						

While low-income households are not considered a protected class, income level has the effect of restricting housing choices for protected classes. It is with this understanding that the discussion of areas of low income concentration is included in the Analysis of Impediments.

HUD defines an area of low income concentration as any census tract in which more than 40 percent of the population is living below the poverty line. The Community Development Block Grant program provides an additional definition of low income concentration as any census tract in which more than 50 percent of the persons qualify as low or moderate income (less than 80 percent of median family income for the metropolitan area). Poverty thresholds are set nationally, and are generally lower than the local low and moderate income thresholds.

Table 8 shows poverty status for individuals and families by census tract.

<b>Table 8 Poverty Status by Census Tract</b>						
Census Tract	Total Individuals	Number of Individuals below poverty level	Percent of Individuals below poverty level	Total Families	Number of Families below poverty level	Percent of Families below poverty level
702	2,065	468	22.7%	554	108	19.5%
703.01	2,914	120	4.1%	864	27	3.1%
703.02	3,437	244	7.1%	914	49	5.4%
704	2,994	603	20.1%	746	117	15.7%
705	2,848	638	22.4%	734	118	16.1%
706	2,570	103	4.0%	782	17	2.2%
707	2,508	575	22.9%	664	134	20.2%
708.01	3,350	1,420	42.4%	920	371	40.3%
708.02	4,357	228	5.2%	1,238	39	3.2%
709.01	5,579	139	2.5%	1,560	40	2.6%
709.02	1,741	278	16.0%	461	64	13.9%
710.01	11,653	540	4.6%	3,369	121	3.6%

Source: U.S. Census Bureau, 2000

### Poverty Concentration by Census Tract

Again, poverty in New Albany appears to be concentrated in the inner-city with a concentration of 20 percent to 30 percent while census tract 708.01 has the highest concentration with 31 percent and above (Figure 5).

Analysis of income distribution by race also shows a distinct pattern, with racial/ethnic minorities more likely than non-minorities to be low income. This is particularly pronounced for the very low income category (less than 50 percent of median), where minorities are nearly twice as likely as non-minorities to fall into this category. Tables 9 and 10 provide information concerning disparities in poverty among racial groups.

Each year, the U.S. Census Bureau updates the poverty threshold which is the original version of the federal poverty measure. The thresholds are used mainly for statistical purposes. While the thresholds in some sense represent families' needs, the official poverty measure should be interpreted as a statistical yardstick rather than as a complete description of what people and families need to live. Many of the government's aid programs use different dollar amounts as eligibility criteria. Table 11 lists 2005 poverty thresholds by size of family and number of related children under 18 years.

Figure 5 - Poverty Concentration by Census Tract



**Table 9  
Poverty Status by Race and Ethnicity**

Race	Total for All Individuals	Number of Individuals below poverty level	Percent of Individuals below poverty level	Total for All Families	Number of Families below poverty level	Percent of Families below poverty level
White	33,042	4,177	12.6%	9,061	956	10.6%
Black or African American	2,545	596	23.4%	774	164	21.2%
American Indian and Alaskan Native	The requested table is not available for this geographic area because the population of the selected race or ethnic group, or ancestry group, is less than the threshold(s).					
Asian						
Native Hawaiian and Other Pacific Islander						
Some other race						
Two or more races	663	201	30.3%	116	23	19.8%
Hispanic or Latino (of any race)	The requested table is not available for this geographic area because the population of the selected race or ethnic group, or ancestry group, is less than the threshold(s).					

**Table 10  
White (Non-Hispanic) Households in Need of Housing Assistance by Income Level**

Income Level	Renters	Home Owners	Households
Very-Low	66.1%	62.6%	65.2%
Low	59.1%	47.7%	53.9%
Moderate	21.8%	33.2%	28.3%
Middle	4.1%	6.5%	5.9%
Total Households	34.4%	18.6%	24.7%

<b>Table 11 Poverty Thresholds 2005</b>									
<b>Household Size</b>	<b>Related Children Under 18 Years</b>								
	None	One	Two	Three	Four	Five	Six	Seven	Eight or more
Single Person	\$10,160								
Two Persons	\$13,078	\$13,461							
Three Persons	\$15,277	\$15,720	\$15,735						
Four Persons	\$20,144	\$20,474	\$19,806	\$19,874					
Five Persons	\$24,293	\$24,646	\$23,891	\$23,307	\$22,951				
Six Persons	\$27,941	\$28,052	\$27,474	\$26,920	\$26,096	\$25,608			
Seven Persons	\$32,150	\$32,350	\$31,658	\$31,176	\$30,277	\$29,229	\$28,079		
Eight Persons	\$35,957	\$36,274	\$35,621	\$35,049	\$34,237	\$33,207	\$32,135	\$31,862	
Nine Persons or more	\$43,254	\$43,463	\$42,885	\$42,400	\$41,603	\$40,507	\$39,515	\$39,270	\$37,757

Source: U.S. Census Bureau

Based on the information in Table 12, the greatest need for housing assistance as a percentage of population is among Black (Non-Hispanic) households. Table 12 illustrates the level of need.

<b>Table 12 Black (Non-Hispanic) Households in Need of Housing Assistance by Income Level</b>			
<b>Income Level</b>	<b>Renters</b>	<b>Home Owners</b>	<b>Households</b>
Very-Low	61.6%	0.0%	59.5%
Low	85.9%	12.5%	71.3%
Moderate	10.8%	67.6%	22.7%
Middle	12.5%	0.0%	4.0%
Total Households	45.4%	8.7%	32.4%

**C. Employment Data**

Data on employment centers are important for Fair Housing Planning (FHP) and should focus on:

- The location of job centers in the jurisdiction and in nearby jurisdictions which now offer or will offer jobs (including job training opportunities) to minorities, women and persons with disabilities at the lower-income levels of the wage/salary scale.
- The geographic relationship of such centers to the current and planned locations of housing for lower-income households (employment opportunity/housing linkage impacts heavily on fair housing choice for lower-income persons).
- The need for accessible public transportation, including train or bus service, and subsidized low- or no-cost van pools to link job centers with lower-income housing locations (transportation services are essential where employment opportunities are not near lower-income housing supplies).

Manufacturing provides the employment base for the City of New Albany. However, most of the activity is centered within the industrial parks, which are located some distance from the inner city, and low income-households residing therein.

As listed in Table 13, manufacturing was the largest sector of employment; followed by educational, health and social services and related services as the second largest sector; and retail trade as the third largest sector. These three leading sectors account for approximately 49.3 percent of the employment in New Albany. Table 14 presents some of the major employers in New Albany.

<b>Table 13</b>	
<b>Jobs by Selected Industry</b>	<b>Percent</b>
Agriculture, forestry, fishing and hunting, and mining	0.1%
Construction	7.0%
Manufacturing	19.9%
Wholesale trade	3.7%
Retail trade	10.6%
Transportation and warehousing, and utilities	5.8%
Information	2.6%
Finance, insurance, real estate, and rental and leasing	5.5%
Professional, scientific, management, administrative, and waste management services	7.0%
Educational, health and social sciences	18.8%
Arts, entertainment, recreation, accommodation and food services	9.5%
Other services (except public administration)	4.7%
Public Administration	4.8%
Source: U.S. Census Bureau, 2000	

<b>Table 14 Major Employers</b>		
<b>Employer</b>	<b>Type of Business</b>	<b># of Employees</b>
New Albany-Floyd County School District	School	1,612
Floyd Memorial Hospital & Health Services	Hospital/Healthcare Services	1,409
Beach Mold and Tool	Plastics moldings tooling and assembly	575
Discount Labels	Labels manufacturing	567
Samtec, Inc.	Electronics Components	550
Pillsbury/General Mills	Refrigerated baked goods	488
FKI Security Group	Fireproof files, fire/burglary resistant safes	482
Hitachi Cable	Brake hose assembly manufacturing	450
Indiana University Southeast	College/University	450
Wal-Mart New Albany	Department Store	385
Air Guard of Indiana	Air Filter manufacturing	235
Green Valley Care Center	Nursing/Retirement home	250
Source: One Southern Indiana Chamber and Economic Development (2010)		

As noted above, the important thing relative to fair housing is whether people can obtain housing that enables them to reach existing jobs. Public transportation (provided by the Transit Authority of River City does generally provide access to most jobs, although the service is limited and infrequent. One of the largest employers (Floyd Memorial Hospital and Health Services) is located in the same general area as some of the higher concentrations of poverty in the community.

#### **D. Housing Profile**

Housing trends indicate that there is a parallel between trends in household formation and types of housing units (i.e. single family and multifamily). Because the household is defined as one or more persons occupying a housing unit (U.S. Census Bureau), the number of households at any given time will be limited by the number of housing units available. Similarly, the housing stock reflects the demand of a population for housing, and helps to shape that demand.

The number of households in New Albany had increased slightly as of the 2000 census (Table 15) and has not changed appreciably since then (based on information provided in Table 2).

<b>Table 15 Household Trends</b>			
<b>Year</b>	<b>Households</b>	<b>Numerical Change</b>	<b>Percentage Change</b>
1990	14,691		
2000	15,959	1,268	8.63%

Source: U.S. Census Bureau

### Household Size and Characteristics

Tables 16 and 17 present information on population and household size. The number of households in New Albany increased 8.63 percent between 1990 and 2000 from 14,691 to 15,959. Table 18 summarizes the percent change in households from 1990 to 2000. Based on the information presented in Table 2, there has been little change in the City's overall population since that time. However there was an increase in the number of family households with no husband present, for whom housing is often an issue.

<b>Table 16</b>	
<b>Population by Household</b>	<b>Percent</b>
In Households	98.2%
- Householder	42.4%
- Spouse	18.0%
- Child	28.2%
- Under 18	21.7%
- Other Relatives	4.1%
- Under 18	1.6%
- Non-relatives	5.5%
- Unmarried Partner	2.7%
In Group Quarters	1.8%
- Institutionalized Population	1.6%
- Non-institutionalized Population	0.2%
Total Population	37,603

<b>Table 17</b>		
<b>Persons Per Household</b>		
<b>Year</b>	<b>Persons per owner-occupied unit</b>	<b>Persons per renter-occupied unit</b>
1990	2.52	2.26
2000	2.40	2.18

Source: U.S. Census Bureau, 2000

<b>Table 18</b>				
<b>Changes in Household Type from 1990 to 2000</b>				
<b>Households</b>	<b>1990</b>	<b>2000</b>	<b>Numeric Change</b>	<b>Percent Change</b>
<b>Family Households</b>	<b>9,960</b>	<b>10,059</b>	<b>99</b>	<b>0.99%</b>
- Married - couple family	7,126	6,787	-339	-4.76%
- Female householder, no husband present	2,354	2,567	213	9.05%
<b>Non-Family Households</b>	<b>4,731</b>	<b>5,900</b>	<b>1,169</b>	<b>24.71%</b>
- Householder living alone	4,151	4,917	766	18.45%
- Other Non - Family Household Types	580	983	403	69.48%
<b>Total Households</b>	<b>14,691</b>	<b>15,959</b>	<b>1,268</b>	<b>8.63%</b>

## Housing Supply

Housing is one of the most important elements in any community. Housing stock is the largest long-term asset in most towns, cities, and counties. Since residential development is usually the predominant user of urban land, taxes on housing constitute a principal source of local government revenue. Housing can also be a major expenditure for local government entities and housing definitely represents the largest purchase made by many individuals and families. For those who rent or lease, housing usually represents their largest monthly expenditure. As an industry, housing represents a major portion of the economic life of any community.

As Table 19 listed below illustrates, 6.7 percent of housing units in New Albany are vacant, which is above Floyd County's average of 5.4 percent and below the state's average of 7.7 percent.

Area	Occupied	Vacant
New Albany	93.3%	6.7%
Floyd County	94.6%	5.4%
Indiana	92.3%	7.7%
Source: U.S. Census Bureau, 2000		

From 1990 to 2000, New Albany's total housing stock increased from 15,593 to 17,098 which is a 10 percent increase. However, during that same time period occupied housing units increased by 9 percent while vacant housing units increased 26 percent.

## Housing Tenure

Housing in New Albany is typical of most urban areas where the inner city has the older, sometimes deteriorating, housing stock and high concentrations of rental housing and the quality and incidence of owner-occupied housing increases on the outer edges of the community. As mentioned earlier, the concentrations of low-income and minority people are in the inner city area which leads to the following conclusions: the poorest people live where the least expensive housing exists and the majority of housing that exists for people with low incomes (who generally represent protected classes relative to fair housing and equal housing opportunity issues) is in the inner city.

Vacancy is perhaps the most important indicator of residential demand. Generally, vacancy rates of about 5 percent are considered healthy. Higher vacancy rates indicate low residential demand relative to supply; low vacancy rates indicate a tight housing market. In 2000, the vacancy rate was 5.7 percent, and was 5.2 percent in 1980.

Table 20 indicates housing tenure status, whether the unit is owner- or renter-occupied. As Table 20 illustrates, 59.3 percent of housing units in New Albany are owner-occupied, which is below Floyd's average of 72.5 percent and the state's average of 71.4 percent.

<b>Table 20 Housing Tenure</b>		
<b>Area</b>	<b>Owner-Occupied</b>	<b>Renter-Occupied</b>
New Albany	59.3%	40.7%
Floyd County	72.5%	27.5%
Indiana	71.4%	28.6%
Source: U.S. Census Bureau, 2000		

From 1990 to 2000, New Albany’s total owner-occupied housing units increased from 8,714 to 9,459 which is a 9 percent increase (Table 21). However, during that same time period renter-occupied housing units also increased from 5,977 to 6,500, which is a 9 percent increase.

<b>Table 21 Housing Tenure by Age</b>				
<b>Age Group</b>	<b>Owner-Occupied Housing Units</b>		<b>Renter-Occupied Housing Units</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
15 to 24 Years	171	1.8%	968	14.9%
25 to 34 Years	1,154	12.2%	1,635	25.2%
35 to 44 Years	1,946	20.6%	1,355	20.8%
45 to 54 Years	2,038	21.5%	936	14.4%
55 to 64 Years	1,437	15.2%	551	8.5%
65 to 74 Years	1,371	14.5%	502	7.7%
75 to 84 Years	1,041	11.0%	400	6.2%
85 Years and Over	301	3.2%	153	2.4%
Total	9,459	100.0%	6,500	100.0%

Non-white populations typically have lower homeownership rates than whites. This is, in part, related to non-whites having lower incomes than whites. The difference in ownership between whites and non-whites is also influenced by the affordability of the housing stock.

New Albany has one of the oldest housing stocks in the State of Indiana, with fully 62 percent of all dwellings built prior to 1945 and 79 percent built prior to 1980. Much of the old housing stock has not been maintained in an appropriate manner; some has been remodeled prior to modern building codes and presents safety hazards to the occupants. Compounding the age of the housing stock are a number of factors; including small lot sizes in the inner-city that are often seen by young families as too small for raising a family. In addition, the lack of uniform code enforcement in the City that has led to an appearance of disinvestment, which has especially been focused in the older, inner-city neighborhoods.

Indiana’s Division of Historic Preservation and Archaeology (DPHA) is the state agency that manages the National Register of Historic Places and all related federal and state programs within Indiana. DPHA was

created by statute within the Department of Natural Resources in 1981 to carry out federal-state partnerships set forth by the 1966 Historic Preservation Act. To qualify for the National Register of Historic Places, a property should be at least 50 years old and have historical significance at the local, state, or national level according to several criteria set by the National Register of Historic Places. The Division also administers programs with grants and tax credits.

New Albany has one of the oldest housing stocks in the State of Indiana, with fully 62 percent of all dwellings built prior to 1945 and 79 percent built prior to 1980 (Table 22). It is essential that New Albany update and rehabilitate its housing stock to maintain safe, decent, and quality housing. In the last several years, the City has adopted a stringent code enforcement policy and employed staff to enforce the policy. This is an important effort to address this issue. Table 23 further demonstrates how housing units in New Albany are aging, as about 51 percent of householders lived in their homes for more than 10 years.

Owners of income-producing properties listed in or deemed eligible for the National Register may be entitled to tax credits for approved rehabilitation work. Income tax credits are the principal governmental subsidy available for privately owned and funded historic preservation activities. Both the federal government and the state of Indiana offer a Rehabilitation Investment Tax Credit (RITC) equaling 20 percent of rehabilitation costs for qualified work at income-producing properties that are certified historic buildings. A net subsidy equaling 40 percent of qualified rehabilitation costs may be yielded by participation in both programs. Eligible properties include commercial buildings, factories, or even old houses but they must be income producing, such as rental properties.

Owner-occupied private residences are eligible only for the Indiana Residential Historic Rehabilitation Credit (RHRC). This program offers owner-occupants of historic houses a credit equal to 20 percent of qualified rehab expenses against state tax liability.

### Housing Condition

In addition to Tables 22 and 23, Tables 24 through 26 present information about housing stock in New Albany. These include year built, year occupied, number of units in the structure, number of rooms, and home value.

<b>Table 22 New Albany, IN</b>	
<b>Year Structure Built</b>	<b>Percent</b>
1999 to March 2000	0.5%
1995 to 1998	3.9%
1990 to 1994	5.8%
1980 to 1989	8.7%
1970 to 1979	15.5%
1960 to 1969	13.4%
1940 to 1959	27.8%
1939 or earlier	24.4%

<b>Table 23 New Albany, IN</b>	
<b>Year Householder Moved In</b>	<b>Percent</b>
1999 to March 2000	20.4%
1995 to 1998	28.6%
1990 to 1994	14.3%
1980 to 1989	13.4%
1970 to 1979	10.7%
1969 or earlier	12.6%
<b>Total Occupied Housing Units</b>	<b>15,918</b>

Total Housing Units	17,058
Source: U.S. Census Bureau, 2000	

Source: U.S. Census Bureau, 2000

Table 24 Units in Structure New Albany, IN	
Units in Structure	Percent
1 unit, detached	66.1%
1 unit, attached	0.9%
2 units	5.8%
3 or 4 units	6.6%
5 to 9 units	7.7%
10 to 19 units	5.8%
20 or more units	5.6%
Mobile Home	1.4%
Boat, RV, van, etc.	0.1%

Table 25 Number of Rooms New Albany, IN	
Number of Rooms	Percentage of Total
1	0.3%
2	2.8%
3	8.6%
4	20.7%
5	27.4%
6	18.2%
7	10.4%
8	6.1%
9	5.6%
Median (rooms)	5.1

Table 26 Home Values New Albany, IN			
Value	Percent	Value	Percent
Less than \$50,000	10.2%	\$300,000 to \$499,999	0.6%
\$50,000 to \$99,999	56.2%	\$500,000 to \$999,999	0.1%
\$100,000 to \$149,999	24.1%	\$1,000,000 or more	0.2%
\$150,000 to \$199,999	6.7%	Median (dollars)	87,300
\$200,000 to \$299,999	1.8%		
Source: U.S. Census Bureau, 2000			

The condition of a city’s housing stock is not in itself an impediment to fair housing; however, a significant amount of New Albany’s housing stock is in need of rehabilitation since 62 percent of them were built prior to 1945 and 79 percent built prior to 1980. For many low income renters, substandard housing is the only housing available at an affordable price.

### Housing Affordability

Although low-income individuals are not a protected class under the Fair Housing Act, the provision of affordable housing is an important component of fair housing policy, because many of the protected classes contain a large percentage of low-income individuals. In general, persons with disabilities, single parent families (protected under familial status), and non-white tend to have lower incomes than non-protected classes.

Affordability is a critical issue in the choice of where and how one chooses to live. The key to affordability is not only income, which is reflective of wage rates, labor force patterns, unemployment rates, and the like; also important is the cost of living, most importantly the cost of housing. Affordable housing is defined as gross housing costs (rent or mortgage payment plus utilities) totaling no more than 30 percent of household's gross income. A household paying more than 30 percent of their total income towards their rent or mortgage is considered to be cost burdened. A household paying more than 50 percent of their income towards their rent or mortgage is considered to be severely cost burdened. Cost burden also varies depending on whether the household is owner-occupied or renter-occupied because financing and tax advantages of homeownership can reduce the financial burden. Typically, renter-occupied units have a higher percentage of low-income households than owner-occupied units. Therefore a higher percentage of renters spend a larger percentage of their income on gross rent.

Comprehensive Housing Affordability Strategy (CHAS) data are used by CDBG and HOME jurisdictions to prepare their consolidated plans. According to HUD programs, households spending more than 30 percent of income for these housing costs are considered to be "cost-burdened." Households spending more than 50 percent are considered to be "severely cost-burdened." Housing is generally considered to be affordable if the household pays less than 30 percent of income.

According to the 2000 HUD CHAS data (Table 27), approximately 14.3 percent of renters and 5.3 percent of homeowners in New Albany are considered to be cost burdened. And 31.4 percent of renters and 17.3 percent of homeowners in New Albany are considered to be severely cost burdened. The number of financially burdened households, combined with the number of low-income households, suggests assistance will be needed to meet the housing needs of New Albany.

**Table 27**  
**Cost Burden**  
**New Albany, IN (2000 HUD CHAS)**

Income Level	Renters		Owners		Total Households	
	>30%	>50%	>30%	>50%	>30%	>50%
Very-Low	63.8%	46.1%	61.1%	32.1%	63.1%	42.6%
Low	56.6%	7.9%	45.1%	18.8%	51.7%	12.4%
Moderate	15.5%	0.3%	33.1%	7.5%	25.0%	4.2%
Middle	1.2%	0.0%	5.4%	0.5%	4.3%	0.4%
Total Households	31.4%	14.3%	17.3%	5.3%	23.0%	8.9%

### Housing Cost

Housing costs in general are a primary determinant of the need for housing assistance. The two main factors affecting housing cost are household income and housing condition. Household income levels directly impact the level of housing costs families can afford. The conditions of housing units largely determine the actual costs of those units. As a result, housing quality usually correlates with household income. As household income increases, families can afford higher quality, more expensive housing.

Higher priced housing is typically characterized by newer components (with a longer life expectancy because of advanced technology and less wear and tear), large living spaces that help prevent overcrowding, and basic amenities that ensure adequate plumbing, heating and kitchen facilities as required by more recent building codes. Substandard housing units typically have lower rents and purchase prices because of reduced marketability.

Tables 28-34 provide statistical data about Maximum Affordable Housing Costs, Fair Market Rents and the income needed to be able to afford them. The following information is from “Out of Reach” an annual analysis of the affordability of rental units based on a comparison of affordable rents and minimum wages prepared by The National Low-Income Housing Coalition (NLIHC).

<b>Table 28</b>			
<b>Location</b>	<b>Number of Households (2000)</b>		
	<b>Total Households</b>	<b>Renter Households</b>	<b>Renter Households as Percent of Total Households</b>
Indiana	2,336,306	667,223	29%
Floyd County	27,511	7,562	27%

Source: National Low Income Housing Coalition, Out of Reach 2005

<b>Table 29</b>							
<b>Family Income (2005)</b>							
<b>Location</b>	<b>Area Median Income (AMI)</b>			<b>Maximum Affordable Monthly Housing Cost by % of Family AMI</b>			
	<b>Annual</b>	<b>Monthly</b>	<b>30% of AMI</b>	<b>30%</b>	<b>50%</b>	<b>80%</b>	<b>100%</b>
Indiana	\$57,973	\$4,831	\$17,392	\$435	\$725	\$1,159	\$1,449
Floyd County	\$57,300	\$4,775	\$17,190	\$430	\$716	\$1,146	\$1,433

Source: National Low Income Housing Coalition, Out of Reach 2005

<b>Table 30</b>					
<b>Fair Market Rents by Number of Bedrooms</b>					
<b>Location</b>	<b>Zero</b>	<b>One</b>	<b>Two</b>	<b>Three</b>	<b>Four</b>
Indiana	\$450	\$512	\$622	\$797	\$851
Floyd County	\$411	\$473	\$563	\$785	\$834

Source: National Low Income Housing Coalition, Out of Reach 2005

<b>Table 31</b>										
<b>Income Needed to Afford</b>										
<b>Location</b>	<b>Annual Income</b>					<b>Percent of Family AMI</b>				
	<b>Zero - Bedroom FMR</b>	<b>One - Bedroom FMR</b>	<b>Two - Bedroom FMR</b>	<b>Three - Bedroom FMR</b>	<b>Four - Bedroom FMR</b>	<b>Zero - Bedroom FMR</b>	<b>One - Bedroom FMR</b>	<b>Two - Bedroom FMR</b>	<b>Three - Bedroom FMR</b>	<b>Four - Bedroom FMR</b>
Indiana	\$18,010	\$20,462	\$24,888	\$31,870	\$34,026	31%	35%	43%	55%	59%

Floyd County	\$16,440	\$18,920	\$22,520	\$31,400	\$33,360	29%	33%	39%	55%	58%
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Source: National Low Income Housing Coalition, Out of Reach 2005

**Table 32**

Location	Hourly Wage Needed to Afford (@40 hrs./wk.)				
	Zero-Bedroom FMR	One-Bedroom FMR	Two-Bedroom FMR	Three-Bedroom FMR	Four-Bedroom FMR
Indiana	\$8.66	\$9.84	\$11.97	\$15.32	\$16.36
Floyd County	\$7.90	\$9.10	\$10.83	\$15.10	\$16.04

Source: National Low Income Housing Coalition, Out of Reach 2005

**Table 33**

Location	Housing Wage as % of Minimum Wage					Housing Wage as % of Mean Renter Wage				
	Zero-Bedroom	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Zero-Bedroom	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Indiana	168%	191%	232%	298%	318%	83%	94%	115%	147%	157%
Floyd County	153%	177%	210%	293%	311%	95%	109%	130%	181%	193%

Source: National Low Income Housing Coalition, Out of Reach 2005

**Table 34**

Location	Work Hours/Week Necessary at Minimum Wage to Afford					Work Hours/Week Necessary at Mean Renter Wage to Afford				
	Zero-Bedroom FMR	One-Bedroom FMR	Two-Bedroom FMR	Three-Bedroom FMR	Four-Bedroom FMR	Zero-Bedroom FMR	One-Bedroom FMR	Two-Bedroom FMR	Three-Bedroom FMR	Four-Bedroom FMR
Indiana	67	76	93	119	127	33	38	46	59	63
Floyd County	61	71	84	117	125	38	44	52	73	77

Source: National Low Income Housing Coalition, Out of Reach 2005

### Homeownership by Race and Ethnicity

The U.S. Census Bureau uses a standard set of definitions of the area included in each “metropolitan statistical area” (MSA) or “primary metropolitan statistical area” (PMSA). In most cases, both the central city (or sometimes two or more central cities) and the ring of surrounding suburbs are included. Therefore, if there is more than one central city in a metropolitan area, what is reported is combined data for all cities. For example, the following data which compares homeownership rates among differing racial/ethnic groups represents aggregate data for both Louisville, KY and New Albany, IN.

According to the Lewis Mumford Center for Comparative Urban and Regional Research, a research center focused on changes on the U.S.’s urban political economy, metropolitan data for New Albany

show that 53.4 percent of homes were owned in 2000, compared with 55.4 percent in 1990. The overall change can be compared for white, black, Hispanic, and Asian households. Table 35 shows how homeownership rates differ among groups. Households are classified by the race/ethnicity of the head of household.

**Table 35**  
**Homeownership by Race and Ethnicity According to Tenure Status**  
**Homeowners and Renters in the Central City Area:**  
**New Albany, IN and Louisville, KY**

Tenure Status	Total Households	White Households	Black Households	Hispanic Households	Asian Households
<b>1990 Total</b>	127,943	95,408	30,934	740	614
<b># Owners</b>	70,937	57,828	12,593	278	151
<b>% Owners</b>	<b>55.4</b>	<b>60.6</b>	<b>40.7</b>	<b>37.6</b>	<b>24.6</b>
<b># Renters</b>	57,006	37,580	18,341	462	463
<b>% Renters</b>	<b>44.6</b>	<b>39.4</b>	<b>59.3</b>	<b>62.4</b>	<b>75.4</b>
<b>2000 Total</b>	127,373	88,186	34,838	1,827	1,471
<b># Owners</b>	68,005	54,056	12,659	379	533
<b>% Owners</b>	<b>53.4</b>	<b>61.3</b>	<b>36.3</b>	<b>20.7</b>	<b>36.2</b>
<b># Renters</b>	59,368	34,130	22,179	1,448	938
<b>% Renters</b>	<b>46.6</b>	<b>38.7</b>	<b>63.7</b>	<b>79.3</b>	<b>63.8</b>

The Lewis Mumford Center for Comparative Urban and Regional Research

Table 36 uses the dissimilarity index (D) to demonstrate differences in homeownership among racial and ethnic groups. The first column for each year shows the overall level of segregation between two groups. For example, in New Albany's central city area in 2000, the level of segregation between white and black households was 70.3.

If segregation were caused mainly by differences in homeownership, the values in the second and third columns (owners of both groups and renters of both groups) would be much lower than 70.3. For example, consider a situation where blacks live in different neighborhoods than whites solely because blacks are less likely to be able to buy a house. Black homeowners in that area would not be segregated from white homeowners. And black renters would not be segregated from white renters. Therefore, if the values in the second and third columns are considerably less than those in the first column (if they are even ten points less), we would say that unequal access to homeownership plays a major role in segregation in this region. Conversely, if there is little difference in the values we would conclude that segregation is not related to homeownership.

In New Albany, the segregation rate between black and white homeowners in 2000 was 81.3; between black and white renters, 60.0.

### Public Housing Authority Policies

The policies and procedures of the New Albany Housing Authority (NAHA) were reviewed as part of the AI. The NAHA policy review and discussions revealed the following:

According to the Admissions and Continued Occupancy Policy which defines the New Albany Housing Authority’s policies for the operation for the Public Housing Program, families wishing to apply for the Public Housing Program will be required to complete an application for housing assistance.

**Table 36**  
**Homeownership by Race and Ethnicity According to the Dissimilarity Index (D)**  
**Homeowners and Renters in the Central City Area:**  
**New Albany, IN and Louisville, KY**

Segregation of one group from another	1990			2000		
	All members of both groups	Homeowners of both groups	Renters of both groups	All members of both groups	Homeowners of both groups	Renters of both groups
<b>White from black</b>	73.6	86.7	63.0	70.3	81.3	60.0
<b>White from Hispanic</b>	29.0	29.5	30.2	40.0	27.9	41.2
<b>White from Asian</b>	46.4	36.5	50.5	43.0	38.9	47.7
<b>Black from white</b>						
<b>Black from white</b>	73.6	86.7	63.0	70.3	81.3	60.0
<b>Black from Hispanic</b>	58.3	73.7	50.8	63.0	73.4	58.9
<b>Black from Asian</b>	65.7	77.7	61.5	69.6	81.3	64.6
<b>Hispanic from white</b>						
<b>Hispanic from white</b>	29.0	29.5	30.2	40.0	27.9	41.2
<b>Hispanic from black</b>	58.3	73.7	50.8	63.0	73.4	58.9
<b>Hispanic from Asian</b>	39.6	43.6	45.6	29.2	37.7	32.8
<b>Asian from white</b>						
<b>Asian from white</b>	46.4	36.5	50.5	43.0	38.9	47.7
<b>Asian from black</b>	65.7	77.7	61.5	69.6	81.3	64.6
<b>Asian from Hispanic</b>	39.6	43.6	45.6	29.2	37.7	32.8

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There are five eligibility requirements for admission to public housing: qualifies as a family, has an income within the income limits, meets citizenship/eligible immigrant criteria, provides documentation of Social Security numbers, and signs consent authorization documents. In addition to the eligibility criteria, families must also meet the New Albany Housing Authority screening criteria in order to be admitted to public housing.

The New Albany Housing Authority currently has no developments that have been approved by HUD as being designated for persons with disabilities only. In filling vacancies in any development that may be so designated in the future, first priority will be given to disabled families.

It is New Albany Housing Authority’s policy to assist in deconcentrating poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments.

The New Albany Housing Authority operates 1,083 housing units (approximately 17% of all rental housing in the City) in two high-rise buildings that serve the elderly and/or disabled tenants, and five apartment communities that serve mostly non-elderly. All of these units are located within the CDBG Target Area. None of the complexes are obsolete although construction of the facilities ranges from immediately after World War II to the early 1980’s. Regular investment in maintenance and routine upgrades (which continues today) has resulted in apartments that are in adequate to good condition. Currently, HANA has 100% occupancy and 300 families on its waiting list. There are no known issues with accessible housing at the housing authority. HANA continues to be interested in a program to reduce the density of units at its largest complex and to increase its Section 8 housing program. A study of the Parkview/Broadmeade Terraces area has been included in the City’s Consolidated Plan to address this issue.

NAHA currently administers approximately 392 Section 8 vouchers.

- To be eligible for a Section 8 voucher, a prospective tenant must meet income requirements and pass a background check. Prospective tenants who have been evicted are not eligible for Section 8 until three years after the eviction.
- After a tenant receives a voucher, NAHA gives them a list of landlords in New Albany who accept Section 8. The tenant has 60 days to locate a property.
- Overall, the city does not appear to have a problem with the supply of Section 8 units; however, there is a mismatch between affordability and the rent levels of available Section 8 units. Households earning less than 30% of the AMI have a particularly difficult time finding units. The supply of units to accommodate large families is also limited.

Table 37 provides a list of Subsidized and/or Below Market Rate Housing units in New Albany. Section 8 Housing Voucher and Public Housing programs in New Albany are administered by the New Albany Housing Authority.

<b>Table 37 Subsidized and/or Below Market Rate Housing Units</b>			
<b>Project-Based Section 8 Developments</b>		<b>Public Housing</b>	
<b>Property</b>	<b># of Units</b>	<b>Property</b>	<b># of Units</b>
Carriage House New Albany 4202 Grant Line Rd. New Albany, IN 47150 Phone: (317) 469-0400	120	Beechwood Court	106
		Crystal Court	18
Cross Creek Apartments 2606 Green Valley Rd. New Albany, IN 47150 Phone: (502) 634-9830	59	Parkview Terrace	350
		Vance Court	48
Manor House Apartments	19	Broadmeade Terrace	78

715 Scribner Dr. New Albany, IN 47150 Phone: (812) 283-2778		Parkview Towers	100
Valley Ridge Apartments 200 Village Drive West New Albany, IN 47150 Phone: (317) 554-2100	64	Riverview Towers	164
		Riverside Terrace	120
		Mark Elrod Towers	101
<b>RHTC and Multifamily Bond Volume Properties</b>			
<b>Property</b>	<b># of Units</b>	<b>Property</b>	<b># of Units</b>
Valley Ridge Apartments 200 Village Drive West New Albany, IN 47150	124	89 LIHC 117 814 Culbertson Ave. New Albany, IN 47150	1
512 E. 5 <sup>th</sup> St. New Albany, IN 47150	1	Prestwick Square of New Albany 4100 Prestwick Square Drive New Albany, IN 47150	52
1125 Crystal Ave. New Albany, IN 47150	1		
1414 Culbertson Ave. New Albany, IN 47150	1	Southern Indiana Domestic Violence Residential Facility 4919 Charlestown Road New Albany, IN 47150	10

### Housing Problems of Elderly and Persons with Special Needs

In addition to affordable units, it is important to examine the distribution of units targeted specifically to persons of protected classes who have special needs. These largely consist of units and facilities to house persons with disabilities.

Group quarters house persons with disabilities – both physical and mental – as well as persons with severe mental illnesses. Group quarters should be equally distributed so that persons with disabilities are not segregated into certain areas within a city. However, persons occupying group quarters often require services that are more readily available in the central city. As such, group quarters are often more concentrated there.

The U.S. Census Bureau measures two general types of group quarters: institutional (e.g., nursing homes, mental hospitals or wards, hospitals or wards for chronically ill patients, hospices, and prison wards) and non-institutional (e.g., college or university dormitories, military barracks, group homes, shelters, missions and flophouses). Table 38 shows the population of group quarters for 2000.

<b>Table 38 Group Quarters Population New Albany, IN</b>		
<b>Institutionalized population</b>	<b>Number</b>	<b>Percent</b>
Correctional institutions	97	14.3%
Nursing homes	509	74.9%
Hospitals/wards and hospices for chronically ill	0	0.0%
Mental (Psychiatric) hospitals or wards	0	0.0%
Juvenile institutions	9	1.3%
Other institutions	0	0.0%
<b>Non-institutionalized population</b>	<b>Number</b>	<b>Percent</b>
College dormitories	0	0.0%
Military quarters	0	0.0%
Other non-institutionalized group quarters	65	9.6%
U.S. Census Bureau, 2000		

Persons with disabilities may also be housed in nursing homes. According to the 2000 Census, there were 509 nursing home residents in New Albany.

### **Housing Problems of Large Families**

Large households, defined by HUD as a household with 5 or more members, usually have more difficulty finding housing – particularly affordable rental housing – due to a lack of supply. They are also at greater risk of experiencing housing discrimination based on familial status. According to the U.S. Census, there are 396 large renter families and 596 large owner families in New Albany. Large households face particular problems securing decent affordable housing. At all income levels, including moderate income and above, rates of overcrowding are also much higher.

### **Female-Headed Households and Persons with Disabilities**

Female-headed households are also at risk of experiencing fair housing discrimination based on familial status. Persons with disabilities face some of the greatest barriers to finding adequate housing. Many persons with disabilities require housing that has accessibility features, is near public transit and supportive services, and is affordable. Persons with disabilities are also at risk of experiencing housing discrimination. According to U.S. Census data, there are 2,567 female-headed households in New Albany.

### **E. Maps**

There are no maps in addition to those shown in this section.

## **F. Other Relevant Data**

### **Comprehensive Plan**

The Comprehensive Plan is an important policy document in its guidance of the land use process. It is a document or series of documents prepared by the plan commission with input from citizens and community leaders that set forth policies for the future development of the community. When adopted by a local legislative body, it serves as a guide for public decisions relating to total physical and economic development. A comprehensive plan should include three parts:

- Statement of objectives for the future development;
- Statement of policy for land use development, and;
- Statement of policy for the development of public ways, public places, public lands, public structures, and public utilities.

The typical plan predicts or forecasts community needs for up to 20 years into the future. It is both long-range and comprehensive.

### **Consolidated Plan/Community Development Block Grant Program**

New Albany's Consolidated Plan for Housing & Community Development serves four separate but integrated functions:

- It is a community-based planning document for the City;
- It is the application to the U.S. Department of Housing & Urban Development for the City's formula-based Community Development Block Grant (CDBG);
- It describes the strategies the City will follow in carrying out its CDBG programs; and
- It includes an annual action plan against which performance can be measured.

The Community Development Block Grant (CDBG) program is currently the only federal formula grant program covered by New Albany's consolidated plan. The CDBG program provides federal funds to cities to undertake certain kinds of community development and housing activities. Activities proposed by the City must meet the objectives and eligibility criteria of CDBG legislation. The primary CDBG objective is the development of viable urban communities, including decent housing and a suitable living environment, and expanding economic opportunity, principally for persons of low-and moderate-income.

The ultimate goal of New Albany's Community Development Block Grant program is to reduce the number of people living in poverty. The City will give funding priority to programs which, in addition to complying with federal regulations and addressing a priority outlined in the Consolidated Plan, are consistent with the anti-poverty strategy for resource allocation. The recently adopted 2010 to 2014 Consolidated Plan has several projects directly related to improving the condition and availability of affordable housing in the CDBG target area.

## **Planning Fees**

The planning fees are largely standard and do not raise any significant concerns. New Albany's fees are among the lowest in the region. Variances, Special Exceptions and Zone Change fees are \$100. Planned Unit Development Districts (PUDDs) is a two step process and costs \$250. Subdivision is a flat fee of \$100, plus \$25 for each lot. Building permit fees are based on square footage, for example, a 1200 sq. ft. house would be approximately \$170. The historic preservation fee is \$10.

## **Building, Occupancy, and Health and Safety Codes**

New Albany has one of the oldest housing stocks in the State of Indiana. In addition, the lack of uniform code enforcement in the City that has led to an appearance of disinvestment, which has especially been focused in the older, inner-city neighborhoods. The two most severe housing problems are disinvestment in the in the housing stock and lack of standard, affordable housing available for purchase by first-time home-buyers in the CDBG Target Area. To address this issue, the City has enacted and staffed a Code Enforcement program.

The primary obstacles to meeting housing needs include the City's lack of funds to apply to the problems of affordable housing, housing rehabilitation and assistance to first-time home-buyers; the relatively-small CDBG entitlement award; the lack of a systematic approach to housing code enforcement; and, lack of private, for-profit housing initiatives to develop new housing choices in the inner-city.

New Albany adheres to the Uniform Building Code and the Indiana One and Two Family Code, which are legislated and administered by the State of Indiana. The State of Indiana has also adopted the best practices and recommendations made by national builders' associations and trade organizations. The State Code has adopted the Americans and Disabilities Act (ADA) requirements that all new construction of multifamily units include units that are easily convertible to accessible units for persons with disabilities. The Office of the Building Commissioner is the main entity that works to identify substandard housing conditions that could be hazardous to health and safety.

## **Displacement**

If displacement occurs due to a Housing and Urban Development (HUD) Indiana Housing Community Development Authority (IHCDA) – assisted project, the City of New Albany provides relocation assistance to displaced persons in accordance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

New Albany also maintains a policy of minimizing displacement in its activities funded through CDBG as indicated in its Anti-displacement Plan of March 22, 1995. The Anti-displacement Plan specifies the general types and levels of assistance that the jurisdiction will make available to persons in the event of displacement. In the event a CDBG activity would cause displacement, the City will have an informational meeting for affected persons.

## **Coordination among Jurisdictions**

As part of the Consolidated Planning process, recommendations were made to encourage participation and discussion on countywide economic development efforts. The Consolidated Plan also recognized

possible partnerships with county, regional, state, and federal agencies. This partnership should focus in areas such as joint marketing and advertising, trade shows, business recognition, infrastructure improvements, zoning, training, incentives, etc. New Albany, however, should not be the sole source of funding for these endeavors. Since economic development is a vast topic covering many issues, to be successful, both private and public agencies need to be involved.

There are many layers of government in the New Albany area: City and County Government: (New Albany City and Floyd County – of which New Albany is the Seat of Government); Clark County, immediately to the east of New Albany; Clarksville, which borders New Albany; Jeffersonville, immediately adjacent to the east of Clarksville; and, Louisville, Jefferson County, Kentucky, are among a score of local, county, and state governments in this immediate vicinity.

These layers of government make regional cooperation difficult, and they mean virtually nothing to the individual or family searching for housing. Since only Louisville and New Albany have in-place Fair Housing commission, a Louisville resident whose rights are violated in Clarksville, for example, has nowhere to turn in Clarksville, and unless they are particularly knowledgeable, they will likely not file a complaint and therefore allow the discrimination to go on unchecked.

A viable regional fair housing advocacy organization, with an equitable relationship with Louisville's Fair Housing Council, would adequately address this problem, and other impediments identified in this Analysis.

### **III. Evaluation of Jurisdictions Current Fair Housing Legal Status**

#### **A. Fair Housing Complaints or Compliance Reviews by the Secretary**

No known housing complaints or compliance reviews have been issued in New Albany nor has there been a charge by the Secretary of HUD or finding of discrimination.

#### **B. Fair Housing Discrimination Suit filed by the Department of Justice or Private Plaintiffs**

No known fair housing suits exist at this time.

#### **C. Reasons for Any Trends or Patterns**

Over the last several years the City supported the now dormant Community Housing Development Corporation (CHDO) in the Linden Meadows project.<sup>2</sup> This project is currently in limbo because of financial issues experienced by the CHDO. The City is committed to identifying a way to complete the project and has funds in its proposed 2010 – 2014 Consolidated Plan to support that objective.

The community resistance to the location of affordable housing units in the neighborhood regardless of the legal rulings (which eventually led to a ruling that the project should proceed) is problematic from the standpoint of Fair Housing Planning. In Section 2.7 of HUD's Fair Housing Planning Guide<sup>3</sup> one of the impediments to fair housing choice were actions or omissions that are counterproductive to fair housing choice, such as "...Community resistance when minorities, persons with disabilities and/or low-income persons first move into white and/or moderate- to high-income areas.

This trend is troubling in a City that is relatively small like New Albany which has a demonstrated lack of affordable housing. Short of locating such housing in already distressed neighborhoods, options for development of new housing are limited.

#### **D. Discussion of other Fair Housing Concerns or Problems**

The City of New Albany Fair Housing Officer monitors calls received concerning fair housing issues. In the most recent documented period (1 July 2008 – 30 June 2009) there was one fair housing complaint, 26 Landlord-Tenant calls, and one call categorized as other. The Fair Housing officer also monitors local media for Fair Housing Review. During the most recent monitored period there were no known violations of Publishers Notice (PN) or Fair Housing Review (FHA).

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<sup>2</sup> The Linden Meadows project is a project that involved donation of 17 houses from Floyd Memorial Hospital to the CHDO, which then relocated them to an area west of the hospital known as Linden Meadows. The houses were in the process of being rehabilitated as units for affordable housing when the CHDO ceased operation.

<sup>3</sup> Fair Housing Planning Guide, U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity, prepared by Fair Housing Information Clearing House.

## IV. Identification of Impediments to Fair Housing Choice

### A. Public Sector

#### 1. Zoning and Site Selection

Land use regulation emerged in the United States in the late 1800s and early 1900s. The earliest forms of public regulation were zoning and subdivision control.

Zoning specifies permitted and prohibited uses for private land, limits the intensity (density) of development, and sets a maximum building envelope. Starting with the earliest zoning ordinances, there has always been a distinction between hierarchical (or Euclidean) zoning and exclusive-use zoning. Hierarchical zoning permits all, or almost all, uses in its least restrictive category, protecting single-family residential homes in a category of their own. Industrial zones, that is, can also usually accommodate all other uses in a Euclidean zoning scheme. Exclusive-use zoning, by contrast, prohibits residential uses in industrial zones, commercial uses in residential zones, and so on.

Subdivision control governs the division of land for resale and primarily ensures the availability of adequate infrastructure (streets, water supply, sewage disposal, and so on). Subdivision regulation also provides a process through which local governments review development applications.

Land use zoning and subdivision regulation have clear and straightforward objectives. Zoning, in particular, helps to minimize negative externalities such as noise and odors. Subdivision regulations were designed to protect housing consumers, who frequently bought lots sight unseen, and to ensure that local governments would not bear the long-term costs of providing infrastructure to areas with legal lots but without infrastructure. By requiring that public services be provided as a precondition of development, subdivision regulation helps to reduce public fiscal costs.

Land use regulations can indeed be used to include and protect racial minorities. First, they can ensure wider housing opportunity and more mixed neighborhoods and communities. Some regulatory regimes include affordable housing and inclusionary elements that are designed to lower the costs of construction and broaden choices to more housing segments. Some programs include measures to ensure an adequate supply of land for dwellings of many types. By permitting, or encouraging, the construction of smaller and denser forms of housing, housing units are made available at lower prices and rents, even though the cost per unit of housing services may be higher. Local governments sometimes complement strategies to ensure adequate land supply and a range of housing types with housing subsidy programs and programs that encourage or require provision of affordable housing by private sector builders.

Second, land use regulations and growth management can reduce the cost of infrastructure per unit, thereby lowering housing costs. Infrastructure controls can indirectly increase housing densities, creating housing in structure types (attached units and small-lot single-family homes, for example) that are less expensive and open to rental occupancy and thus more often occupied by lower-income racial and ethnic minorities. They can also ensure that existing capacities are fully employed before new facilities are built and help capture economies of scale through regionalization. Ordinances requiring adequate public facilities and fees based on the impact of growth can favor the construction of attached or higher-density housing to make more efficient use of the infrastructure, whose costs are borne by landowners and new residents instead of the general public.

Third, land use regulations and other growth programs can be designed in ways that protect and enhance the health, safety, and quality of life for African Americans and Hispanics. In particular, they can enact zoning that avoids the siting of noxious facilities in minority neighborhoods and near schools, hospitals, and other necessary facilities. Regulations and growth programs can also help ensure convenient access to shopping, transportation, schools, parks, and other necessities of urban life.

New Albany's zoning regulations, comprehensive plan and planning fees were reviewed to assess potential fair housing concerns or opportunities resulting from the development process. This review did not identify any clear fair housing problems. The city's zoning regulations allow for a wide range of development types and the city's planning and zoning bodies have regularly supported variances or zone changes to help create affordable housing. Overall, the zoning regulations appear appropriate. In addition, when the city council considered a zoning ordinance to increase the minimum lot frontage from 25' to 50' (which would have been an impediment to developing affordable housing) the planning commission staff presented reasonable objections and the ordinance did not pass.

The single-family detached zoning districts permit lots as small as 7,200 square feet and minimum ground floor areas of 750 square feet for two-story and split level homes. The multi-family zoning districts permit single-family lots as small as 5,000 square feet. The multi-family zoning districts permit densities up to 48 dwelling units per acre and minimum floor areas as small as 400 square feet plus 150 square feet per bedroom. Thus, the zoning districts permit smaller lots, smaller dwelling units and higher densities for single-family detached, single-family attached and multi-family attached dwellings for low and moderate income housing construction, and do not pose a barrier to the construction of low and moderate income housing. Moreover, the treatment of manufactured homes as single-family homes permits a wider range of on-site versus off-site housing to ensure lower price housing.

## **2. Neighborhood Revitalization, Municipal and Other Services, Employment-Housing-Transportation Linkage**

The City is actively engaged in neighborhood revitalization. The Neighborhood Stabilization Program (NSP) grant received by the City is being used to help the S. Ellen Jones/Midtown neighborhood. An important part of the program will be improving the housing stock in the area which will increase the supply of safe, decent, and affordable housing. Perhaps the biggest impediment to fair housing choice in the City is the lack of good public transportation. There is a lack of general public transportation in New Albany. Two fixed routes provide service to the City with headways most of the day ranging from 60 to 90 minutes. Headway is the frequency at which a bus travels past a specific point on a route. This lack of transportation can be a barrier to fair housing because people are limited to their housing choice because of access.

## **3. PHA and Other Assisted/Insured Housing Provider Tenant Selection Procedures; Housing Choices for Certificate and Voucher Holders**

The City's public housing authority has a very small Section 8 program due to a policy shift in the 1990's to not pursue additional Section 8 vouchers. This has severely curtailed the ability to transition people from public housing to Section 8 rental. This is seen as an impediment to fair housing choice.

#### **4. Sale of Subsidized Housing and Possible Displacement**

There is no information available relevant to this category.

#### **5. Property Tax Policies**

There is no information available relevant to this category.

#### **6. Planning and Zoning Boards**

The City of New Albany has an established Planning Commission that reviews all planning and zoning issues within the City. The Commission is supported by an experienced staff with a full understanding of fair housing issues. The existing planning and zoning regulatory system in the City is not seen as an impediment to fair housing choice in the City.

#### **7. Building Codes (Accessibility)**

The City has in place building codes to assure safe, sanitary, and affordable housing. It also has dedicated funds to a Concentrated Code Enforcement program to ensure that the codes are being complied with throughout the City.

### **B. Private Sector**

#### **Lending Policies and Practices**

Passed by Congress in 1977, the Community Reinvestment Act (CRA) states that “regulated financial institutions have continuing and affirmative obligations to help meet the credit needs of the local communities in which they are chartered.” The act then establishes a regulatory regime for monitoring the level of lending, investments, and services in low-and moderate-income neighborhoods. According to the National Community Reinvestment Coalition:

“Approximately once every two years examiners from four federal agencies assess and ‘grade’ lending institutions’ activities in low- and moderate-income neighborhoods. If a regulatory agency finds that a lending institution is not serving these neighborhoods, it can delay or deny that institution’s request to merge with another lender or to open a branch or expand any of its other services. The financial institution regulatory agency can also approve the merger application subject to specific movements in a bank’s lending or investment record in low-and moderate-income neighborhoods.”

While denials of bank applications are rare, federal agencies can make approvals conditional upon specific improvements in a bank’s CRA performance. Also, dialogue between banks and community organizations often result in bank commitments to increase lending and/or start affordable housing and small business lending programs.

The CRA requires that financial institutions progressively seek to enhance community development within the area they serve. On a regular basis, financial institutions submit information about mortgage loan applications as well as materials documenting their community development activity. The records

are reviewed to determine if the institution satisfied CRA requirements. The assessment includes a review of records as related to the following:

- Commitment to evaluating and servicing community credit needs;
- Offering and marketing various credit programs;
- Record of opening and closing offices;
- Discrimination and other illegal credit practices; and
- Community development initiatives

The data is evaluated and a rating for each institution is determined. The ratings for institutions range from substantial noncompliance in meeting credit needs to an outstanding record of meeting community needs. Table 39 represents CRA Compliance for the 18 financial institutions subject to CRA in New Albany based on a search of the FFIEC website in April 2010.

<b>Table 39 Most Recent CRA Rating of Examined New Albany, IN Banks, 2004</b>		
Rating	Examined Banks	
	Number	Percent
Outstanding	4	21%
Satisfactory	15	79%
Needs to Improve	0	0.0%
Substantial Noncompliance	0	0.0%
Source: FFIEC Interagency CRA Rating, 2010		

As shown in the table above, 4 institutions identified in New Albany currently have a rating of outstanding while the other 15 institutions have a current rating of satisfactory. This compares well with the national average, as does the fact that not a single financial institution reviewed in New Albany was found to need improvement or was substantially noncompliant with the CRA.

### **HMDA Data Analysis**

Home Mortgage Disclosure Act (HMDA) data consists of information about mortgage loan applications for financial institutions, savings and loans, savings banks, credit unions and some mortgage companies. The data contain information about the location, dollar amount, and types of loans made, as well as racial and ethnic information, income, and credit characteristics of all loan applicants. The data are available for government loans, home purchases, loan refinances, and home improvement loans. The data is available through the Federal Financial Institutions Examination Council (FFIEC) web site.

HMDA data can provide a picture of how different applicant types fare in the mortgage lending process. These data can be used to identify areas of potential concern that may warrant further investigations. For example, by comparing loan approval rates of minority applicants with non-minorities that have similar income and credit characteristics, areas of potential discrimination may be detected. HMDA was also enacted by Congress to provide investors and public agencies with information to guide investments in housing. Likewise, HMDA analysis can be used to forge partnerships among banks and community organizations in underserved minority or low-income neighborhoods. When federal regulators examine financial institutions, they use HMDA data to determine if applicants of a certain gender, race or ethnicity are rejected at statistically significant higher rates than applicants with other characteristics. The Federal Reserve uses a combination of sophisticated modeling and loan file sampling and review to detect lending discrimination.

The HMDA data tables in this section present summary HMDA data for the Floyd County. This will be referred to as county in the report. The HMDA data used in this study included more than 4,359 mortgage loan applications made by county borrowers in 2008. The applications were limited to the following:

- Owner-occupied homes, i.e., those homes intended for use as a borrower’s principal dwelling (not as a second home or investment property).
- Originated loans, loans that were denied, withdrawn, closed, purchased by another institution and approved but not accepted were included. Loans purchased by the institution and preapproval requests are excluded.
- Loans made for home purchases, refinances and home improvements are all included.

After screening all loans based on those parameters, 3,452 loans were identified. Of these, 2,483 (72%) were conventional loads, 905 (26%) were FHA, 50 (1%) were VA, and less than one percent were other types of loans. In comparison to the 2006 AI (where the data was for the Louisville KY/IN MSA 2004), the denial rate was about double (26% as reported in Table 40 as opposed to 13% in 2006). One item that should be noted is the highest number of denials is for home improvement loans. While this is not uncommon, it is worthy of note in New Albany because of the aging housing stock and the need to help people get the resources they need to keep their homes in good condition.

<b>Table 40 Loan Applications Received, by Loan Type Floyd County, IN (2008)</b>				
	<b>Total</b>	<b>Home Purchase</b>	<b>Refinance</b>	<b>Home Improvement</b>
Loan originated	1,839 (53%)	709	116	1,014
Approved, not accepted	252 (7%)	83	25	144
Denied	897 (26%)	150	113	634
Withdrawn	383 (11%)	83	27	273
Files Closed for Incompleteness	81 (2%)	22	4	55
<b>Total</b>	<b>3,452 (100%)</b>	<b>1,047</b>	<b>285</b>	<b>2,120</b>

Source: FFEIC HMDA Raw Data 2008, Floyd County, IN

Table 41 presents information about disposition for loans in Floyd County in 2008. As can be seen, applications for applicants classified as White had a denial rate of 20% while all other classifications were higher. The denial rates for applicants classified as Black or African American was 43%. The total denial rate of 26 percent is slightly lower than the rate for both Indiana metropolitan areas and rural areas (29% and 32% respectively based on 2008 HMDA data).

A higher denial rate for minorities does not necessarily indicate fair housing problems. It can be explained, in part, by minorities having lower incomes than non-minorities. It is also possible that credit histories vary among applicants with different racial/ethnic characteristics. Without a detailed analysis of each applicant (such data are unavailable in the HMDA records due to confidentiality), it is unclear if the reason for the difference is due to variables other than income that are considered in making the lending decision (e.g., credit history, debt to income ratios) or if discrimination in lending could be occurring.

As would be expected, denial rates tend to decline as incomes rise. Among higher income applicants, joint applicants have lower denial rates than males or females. For all other income ranges, however, denial rates appear relatively similar regardless of gender. Males have slightly higher denial rates than females or joint applicants at nearly every income level, but the differences are minimal. The 2004 denial rates listed do not provide evidence of gender discrimination in loan approvals.

<b>Table 41 Dispositions of Applications by Race Floyd County, IN (2008)</b>					
Race	Applications Received	Loans Originated	Loans Approved but Not Accepted, Withdrawn or Filed for Incompleteness	Loans Denied	Percentage Denied
American Indian/Alaskan Native	6 (0%)	1	2	3	50%
Asian	25 (1%)	12	6	7	58%
Black or African American	108 (3%)	38	23	47	44%
Native Hawaiian/Other Pacific Islander	3 (0%)	1	1	1	33%
White	2,997 (87%)	1,663	611	723	24%
NA/Unknown	313 (9%)	124	73	116	37%
Hispanic or Latino	41 (1%)	14	5	22	53%

Source: FFEIC HMDA Raw Data 2008, Floyd County, IN

Table 42 presents the reason for loan application denials. As can be seen, credit history is the single largest reason. This would suggest that programs to help people improve their current credit rating should be given a high priority. In addition, the number of applicants with insufficient collateral indicates that programs such as the City’s down payment assistance program

<b>Table 42 Reasons for Denials of Loan Application, Floyd County 2008</b>		
<b>Reason</b>	<b>Number</b>	<b>Percent</b>
Debt-to-income ratio	109	16%
Employment history	20	3%
Credit history	232	34%
Collateral	135	20%
Insufficient cash	29	4%
Unverifiable information	23	3%
Credit application incomplete	69	10%
Mortgage insurance denied	6	1%
Other	66	10%

Source: FFEIC HMDA Raw Data 2008, Floyd County, IN

Figures 6 through 9 present a more detailed look at denials in the City of New Albany based on census tract. This continues to show that the areas with the lower income residents have greater numbers of denials.

**C. Public and Private Sector**

**1. Fair Housing Enforcement**

The City of New Albany has a Fair Housing Department and a designated Fair Housing Officer (FHO). The FHO monitors fair housing issues; responds to calls and complaints about fair housing, landlord tenant, and related issues; prepares quarterly reports about fair housing calls; and is responsible for implementation of HUD fair housing guidelines, including the AI.

**2. Informational Programs**

The City has in place information about Fair Housing as required by HUD.

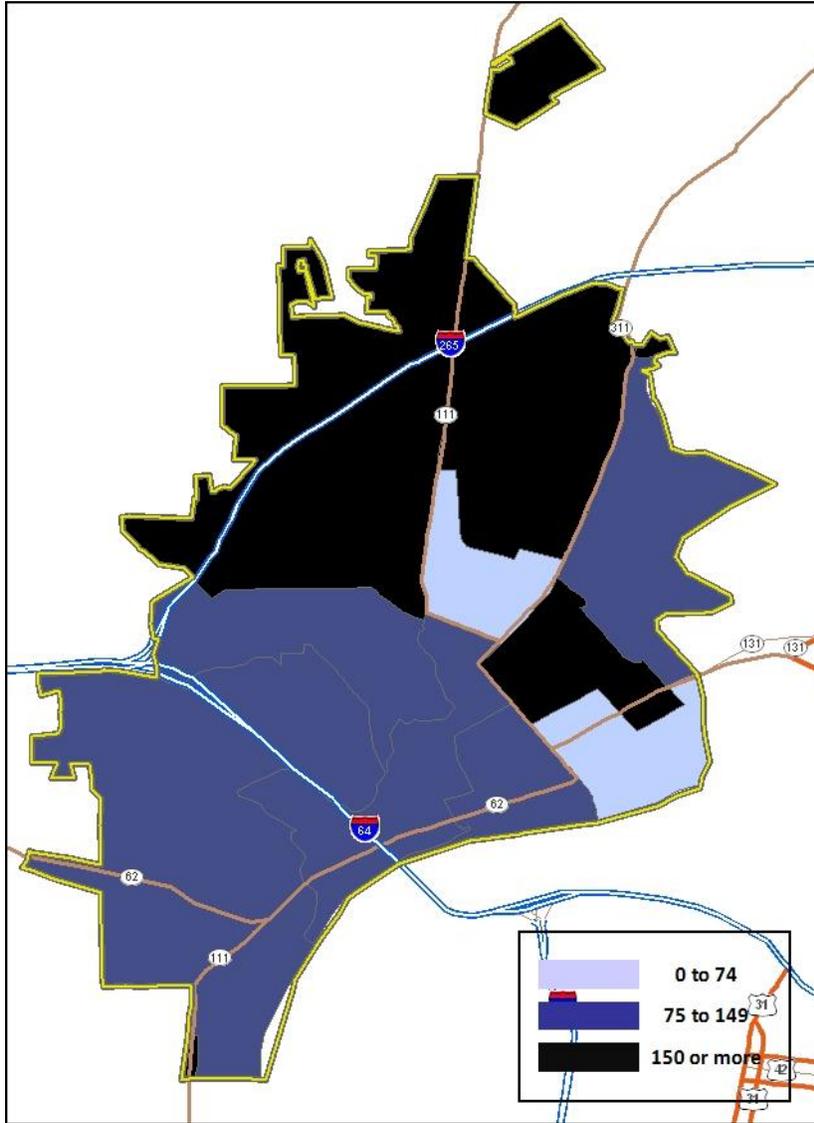
**3. Visitability in Housing**

Visibility in housing relates to housing that can be visited by people with disabilities such as houses that include zero step entry, bathrooms on the first level, doorways that can accommodate wheelchairs, etc. Because of the age of New Albany’s housing stock, there is a good probability that many existing houses are not suitable for visits by people with disabilities without modification.

**D. Determination of Unlawful Segregation or Other Housing Discrimination**

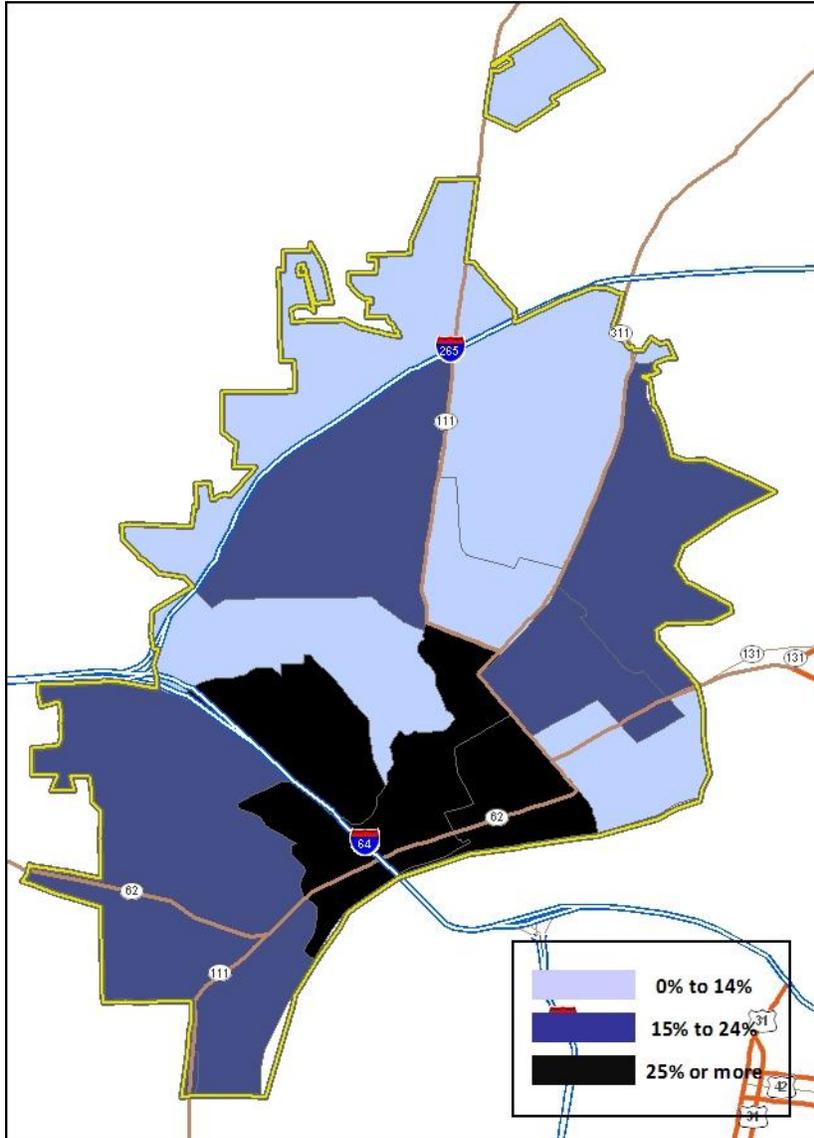
There is no such determination in existence at this time.

**Figure 6 – Number of Loan Applications by Census Tract**



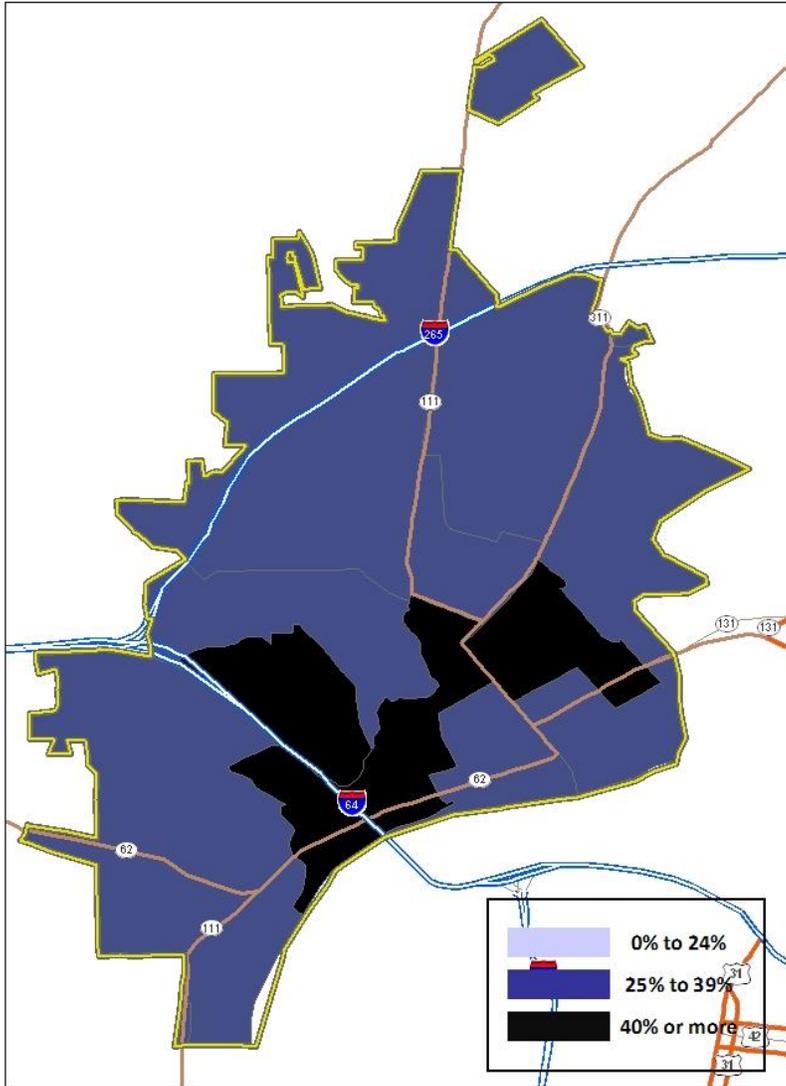
Source: FFEIC HMDA Raw Data 2008, City of New Albany (the maximum number of loan applications for a single census tract was 666)

**Figure 7 – Denial Rate for Home Purchase Applications**



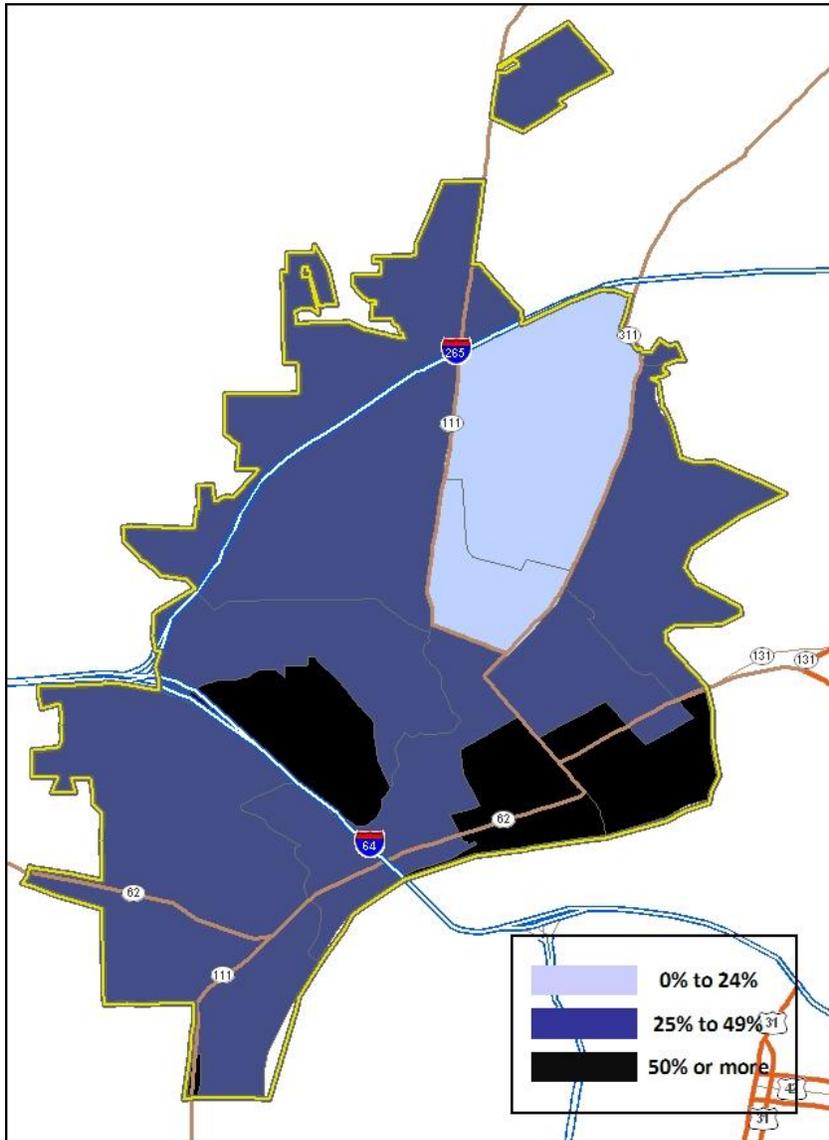
Source: FFEIC HMDA Raw Data 2008, City of New Albany (the maximum denial rate for any tract was 33%)

**Figure 8 – Denial Rate for Home Refinance Loan Applications**



Source: FFEIC HMDA Raw Data 2008, City of New Albany

**Figure 9 – Denial Rate for Home Improvement Applications**



Source: FFEIC HMDA Raw Data 2008

## **V. Assessment of Current Public and Private Fair Housing Activities in the Region**

### **A. Positive Actions**

New Albany has made positive efforts towards addressing the issue of affordable housing in several ways:

Various service providers currently make public outreach efforts such as distributing informational brochures on fair housing or doing presentations for groups such as realtors and landlords associations.

The City also sponsored seminars and training programs for landlords. In addition, New Albany has made aggressive strides to improving the access of home-ownership to low-income individuals and people with disabilities through a number of programs. Other area entities with investment in housing issues in the community are the Kentucky Fair Housing Council which is a private nonprofit agency dedicated to ending housing discrimination in Kentucky and southern Indiana.

The City supported the Linden Meadows project with funding and staff support.

### **B. City and Housing Authority Policies**

The Housing Authority of the City of New Albany (NAHA) is engaged in regular activities that seek to eliminate impediments to fair housing choice, to remedy discrimination and to promote fair housing rights and fair housing choice. They include:

1. Staff have been actively engaged in the founding, development and operation of a New Albany-Floyd County Community Housing Development Organization (CHDO) as a new, viable resource in building quality affordable housing locally.
2. Designing and implementing broadened and diverse landlord outreach activities with the goal of expanded housing opportunities for eligible households in areas throughout the city and county.
3. NAHA has been building a service relationship with the Housing Partnership, Inc. (HP) to provide all phases of (HUD certified) home ownership counseling on or near Public Housing neighborhood sites, with a promotion emphasis, as well, to Section 8 tenants. Resources are being budgeted for “tenant scholarships” and for marketing and outreach activities to be delivered by HP with NAHA case management supports, as needed.
4. NAHA’s Five Year Strategic Plan contains a general focus on both improving and transforming Public Housing developments, especially in light of the concentrations of low income families at Parkview and Broadmeade Terraces and the racial and economic segregation observed in the Vance and Crystal Courts area.

Among other activities, NAHA staff assisted in the founding, growth and continuing activities of the Southern Indiana Housing Initiative (SIHI), a 31-member “coalition” devoted to all aspects of affordable housing across eleven counties. Its Continuum of Care document and consequent SUPERNOFA application were awarded HUD funds providing significant capacity building in the areas of emergency housing/shelter and transitional housing.

### **C. Supply of Affordable Housing**

The City seeks to expand the supply of affordable housing throughout the community, particularly in unique partnerships with for-profit developers that are removing dwellings in order to convert properties for commercial or residential uses. Finally, the City and Redevelopment Commission seek to create a code-enforcement environment in New Albany that assures that the housing supply is safe and decent and that spurs private investment in inner-city housing.

The primary obstacles to meeting housing needs include the City's lack of funds to apply to the problems of affordable housing, housing rehabilitation and assistance to first-time home-buyers; the relatively-small CDBG entitlement award; the lack of a systematic approach to housing code enforcement; and, lack of private, for-profit housing initiatives to develop new housing choices in the inner-city.

In the period since the last AI was prepared, the City has supported the development of affordable housing, particularly in the previously referenced Linden Meadows Project. The City has established fee-waivers for not-for-profit affordable housing developers so that sewer tap fees and building/zoning fees are typically waived, so long as housing meets affordability requirements. Generally, the land use and zoning controls have not been a hindrance or barrier to the development of affordable housing. In addition, the City has enacted and funded a concentrated Code Enforcement Program that is dedicated to increasing the supply of safe, sanitary, and affordable housing in the City.

Indeed, the City's Comprehensive Plan calls for the preservation of affordable housing where it presently exists and the development of additional affordable housing throughout the planning jurisdiction. The City's Board of Zoning Appeals has supported the development of affordable housing by granting variances or exceptions to zoning requirements in cases where affordable housing was planned. It should also be noted that the City Council attempted to require a minimum of 50' of lot frontage for all single-family lots (either redevelopment or new construction). The result of this policy would have been the loss of a substantial right to develop housing in the inner-city, especially affordable housing. The City's Plan Commission defeated the proposal and the Council took no further action on the request.

The Redevelopment Commission remains ready to assist the Common Council for the City in determining the possibility of creating incentive packages to encourage for-profit development of affordable housing in the City, possibly including tax abatement or other tools that would help the City achieve its stated goal of increasing the availability of affordable housing, not just in the inner-city, but throughout the community. The Redevelopment Commission, Economic Development office, and other city departments remain willing and ready to assist in developing the tools necessary to enhance affordable housing opportunities in the City.

### **D. Lack of Some Types of Discrimination**

Overt discrimination is no longer prevalent with regards to banks, real estate agencies and appraisers. These industries are closely regulated to ensure compliance with federal fair lending and housing legislation and thus train and educate their personnel accordingly. However, it also appears that even though banks and real estate agencies are aware of their responsibility to prevent discrimination, only a small number are actually actively involved in promoting fair housing.

According to housing discrimination complaints filed between 2003 and 2006, housing discrimination based on familial status, age, national origin, and disability status appear to be rare. However, the low

number of fair housing complaints from these protected classes likely means that people are not fully aware of their fair housing rights.

## VI. Conclusions and Recommendations

This section summarizes the impediments to fair housing choice identified in the research conducted for the AI. HUD defines impediments to fair housing choice as:

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

HUD further states that “...Policies, practices, or procedures that appear neutral on their face, but which operate to deny or adversely affect the availability of housing to persons because of race, ethnicity, disability, and families with children may constitute such impediments.”

*“Impediments to fair housing choice include actions or omissions in the State or Entitlement jurisdiction that:*

- *Constitute violations, or potential violations of the Fair Housing Act.*
- *Are counterproductive to fair housing such as: Community resistance when minorities, persons with disabilities and/or low-income persons first move into white and/or moderate to high-income areas; and/or Community resistance to the siting of housing facilities for persons with disabilities because of the persons who will occupy the housing.*
- *Have the effect of restricting housing opportunities on the basis of race, color, religion, sex, disability, familial status, or national origin.*

Based on the review associated with this Analysis of Impediments (which is an update of the 2006 AI) the impediments to fair housing choice in the city are:

- The lack of affordable housing in some areas of the City;
- The lack of reliable and convenient public transportation throughout the City which restricts living options;
- The potential for resistance to development of Affordable Housing in some neighborhoods as evidenced in the Linden Meadows situation;
- Lack of a fair housing testing program to determine whether discrimination is occurring which can't be determined through data analysis; and,
- General lack of understanding about Fair Housing and its issues.

The following recommendations submitted. These are DRAFT and will be reviewed with the City and its Fair Housing Officer before this AI is finalized.

- The City should continue its support of the completion of the Linden Meadows project.
- The City should use the NSP to leverage additional affordable housing in the NSP target areas.
- The City should engage in a regional fair housing testing program in association with the greater metropolitan area.
- The City should update its Fair Housing page on the website and provide information about Fair Housing, what constitutes a violation, and how people should report a violation.

## **VII. Signature Page**

The Analysis of Impediments to Fair Housing Choice is acknowledged in the certifications submitted with the City's 2010 – 2014 Consolidated Plan.