

# FAIR HOUSING PLAN 2020

## & ANALYSIS OF IMPEDIMENTS

CITY OF MIDLAND | PLANNING & COMMUNITY DEVELOPMENT



# City of Midland Fair Housing Plan 2015

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## Introduction and Executive Summary of the Analysis

Federal and state laws protect against discriminatory practices such as refusing to sell or rent to a member of a protected class, sexual harassment, quoting a difference in housing availability or terms, or refusing to rent or sell to a family or individual with children, or failing to provide or allow reasonable accommodations for a person with a disability.

As a Community Development Block Grant (CDBG) entitlement recipient of the US Department of Housing and Urban Development (HUD), the City of Midland considers and supports fair housing laws and obligations to halt discriminatory housing practices. In the creation of this update to the 2015 Fair Housing Plan, the 2006 comprehensive Analysis of Impediments to Fair Housing study completed in collaboration with Legal Services of Eastern Michigan was considered alongside the 2018 Midland County Housing Analysis. This study is limited to the City of Midland.

### A. Summary of Federal, State and Local Fair Housing Laws

The first attempt to ensure equal rights in the purchase or rental of housing dates back to the Civil Rights Act of 1866. Nearly 80 years later, in 1948, the US Supreme Court declared that deed restrictions that prohibited the sale of property or a home to persons based on race were not constitutional. In 1968, the Civil Rights Act of 1964 was amended to include Title VIII, now known as the Fair Housing Act, which prohibits housing discrimination on the basis of race, color, religion or national origin. This act was later amended in 1974 to add sex (or gender), and again in 1988 to add familial status (the presence of a person under the age of 18 or a pregnant woman) and disability as protected classes. Perhaps most important, the 1968 Fair Housing Act provided methods of enforcement of the provisions of the Act. Specifically, Section 804 (U.S.C. 3604) of the Fair Housing Act prohibits specific actions based on race, color, religion, national origin, sex, familial status or disability. Those actions include, with limited exceptions:

1. Refusal to sell: To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.
2. Discrimination in terms, conditions or privileges: To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.
3. Advertising that indicates preferences, limitation or discrimination: To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.
4. Refusal to make a dwelling available for inspection: To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, available.
5. Blockbusting: For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the

neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status, or national origin is prohibited.

The Act also prohibits the following in regards to mortgage lending based on the previously enumerated protected classes:

- Refusal to make or purchase a mortgage loan or provide information regarding loans
- Imposition of different terms/conditions on a loan or for purchasing a loan
- Discrimination in appraising property

While not all courts agree, most recognize home owners insurance as being covered by the Act - in large part because insurance is a prerequisite to obtaining a mortgage. In addition, while not a protected class within the Fair Housing Act, housing discrimination pertaining to household source of income such as tenant-based rental subsidies or public assistance has been addressed by HUD regulations for certain federally-financed or assisted housing programs. (For additional information, the HUD web site provides a complete listing of Federal Acts and Presidential Executive Orders that address housing discrimination.)

Finally, there are exceptions to the federal Fair Housing Act, which include:

- The sale or rental of owner-occupied buildings with no more than four units;
- The sale or rental of single-family housing without the use of a broker;
- Housing operated by organizations and private clubs that limit occupancy to members;
- Housing that meets the Fair Housing Act definition of "housing for older persons", provided that: 1) the U.S. Department of Housing and Urban Development has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program; or 2) it is occupied solely by persons who are 62 or older, or 3) it houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

With regard to state laws and local ordinances regarding housing discrimination, in 1976 the State of Michigan enacted the Elliot-Larson Civil Right Act, which in large part mirrors the federal housing law, but also added age and marital status as protected classes. In the same year, the State also enacted the Persons with Disabilities Civil Rights Act which, among other things, prohibited discriminatory practices in housing transactions including the refusal to allow reasonable modifications necessary for occupation of an apartment or house by a person with a disability.

#### A. Who Conducted

The 2020 Analysis of Impediments to Fair Housing Choice was prepared by City of Midland staff in accordance with the Fair Housing Guide, published by the U.S. Department of Housing and Urban Development (HUD) maintaining the organization and methods enacted by Crescent Consulting, Inc. a private planning consulting firm in the creation of the 2015 Fair Housing Plan.

## B. Participants

The City of Midland Housing Commission held three (3) public community forums in December 2019 and January 2020 which included representation from local landlords, housing focused non-profits and human service agencies. Some of the participants in these forums included representatives from Legal Services of Eastern Michigan, the Reece Endeavor and the Midland County Former Offender Advocacy & Rehabilitation. Additionally, a comprehensive community survey was created, marketed and analyzed as to community perceptions of the availability, need and price of housing in both the rental and owner-occupied markets. Surveys were offered in person, via the E-City Hall web-based platform and via printed paper copy and mailed, if requested.

## C. Methodology Used

The Analysis of Impediments involved the following process:

- A comprehensive review of the City's laws, regulations and administrative procedures, policies, and practices.
- An assessment of how those laws, etc. affect the location, availability, and accessibility of housing.
- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes.

The information needed to conduct the Analysis of Impediments included the following:

- City of Midland Zoning Ordinance and Master Plan updated in 2018, and the 2019 enactment of the RB-2 Zoning District
- City of Midland tax assessment/abatement practices
- US Census 2010 Demographics and American Community Survey Data, 2009-2013
- Comprehensive Housing Affordability Strategy (CHAS) Data, 2011
- Legal Services of Eastern Michigan Fair Housing Testing data, 2016-Present
- 10-Year Plan to End Homelessness, 2006
- 2006 City of Midland Analysis of Impediments to Fair Housing Choice
- Midland County Housing Analysis, completed in 2018
- Survey Responses, Comprehensive Community Survey, 2019-2020

## D. How Funded

No additional funds were required in the creation of this plan outside of staff time. The Midland County Housing Analysis was conducted by czb, LLC was funded as a collaborative effort of the City of Midland Housing Commission, the Dow Chemical Company and the Midland Area Community Foundation.

## E. Conclusions

### 1. Impediments Found

Equal and fair access to residential housing is fundamental to meeting essential needs and pursuing personal, educational, employment, and other goals. Because housing choice is so critical, fair housing is a goal the City and the private market must achieve if equity in housing opportunity is to become a reality. In general, barriers and issues preventing fair housing from being accessed by vulnerable populations such as racial minorities, low- to moderate-income individuals and the disabled include:

- Unequal socioeconomics by neighborhood limits access to housing, jobs, services, and transportation options. *Source: U.S. Census Bureau demographic data by census tract.*
- Residents are unable to find suitable housing for every life stage or income level within the same neighborhood, forcing residents to move from their neighborhood to a new neighborhood. *Source: U.S. Census Bureau housing data by type and contract rent by census tract.*
- Large swaths of the city feature homogeneous housing options, creating neighborhoods that are not responsive to changing needs in the housing market. *Source: U.S. Census Bureau housing data by type by census tract.*
- Increases in lending standards and lower real estate prices have turned many homeowners into renters and visa-versa, which presents new challenges of costs, benefits or rights under the law associated with their new occupancy status. *Source: Realtor.com and U.S. Census Bureau housing data.*
- Decreased funds from the US Department of Housing and Urban Development present challenges in providing assistance at the same level on an annual basis. *Source: Annual Community Development Block Grant entitlement awards.*
- The City of Midland rental housing portion of the Housing Code presents opportunity for substandard housing as it has remained unchanged since its inception in 1970. *Source: City of Midland Code of Ordinances, Chapter 12: Housing Code, Article VII, Rental Units*

### 2. Actions to Address Impediments

These impediments are present in the City of Midland at varying degrees and are identified here so that as we explore the demographic, income and fair housing testing data we may be able to determine the extent to which these or other impediments exist and identify actions to address them. This Analysis of Impediments to Fair Housing Choice will explore the barriers and will address ways to increase fair access to the housing residents require.

## II. Jurisdictional Background Data

### A. Demographic Data

This section provides an overview of population, transportation, income, employment and housing data for the City of Midland.

Publicly provided transportation is limited to Dial-a-Ride (DART) provided by the City of Midland and the County Connection (which serves to provide access throughout Midland County, connections to bordering counties and most pertinently, from the County into the City).

Demographic information compares primarily the US Census of 2010 and the American Community Survey from 2013-2017 at the census tract level and the CDBG boundary level via CPD mapping resources. It is worth noting that several tracts span outside the City's boundaries. In these instances, the maps and data show the entire census tract in an effort to include the entire city as well as populations that affiliate with the city for housing choices. Each table indicates the nature and source of the data.

*Data note: It is important to take note of the **very** small sample sizes that are being used to map the data by tract. In many cases the margin of error American Community Survey data is larger than the findings themselves, which means that the data are only intended to show general characteristics in the City on a map, and are not reliable from a statistical standpoint, nor are they reliable measures of determining actual location or causation of presumed impediments to fair housing. In the same way, the sample size and margins of error of aggregate data for all tracts, either as mapped or in table format, prohibit creating any reliable statistical measure intended to show proof of discrimination in housing alternatives. Often regression analysis, intended to show a correlation among household type, race, and housing type, for instance, is used to highlight a commonality of sorts, and therefore a potential impediment to fair housing.*

In a prior examination of Fair Housing for the community, inclusive of Midland County, an index of dissimilarity was used, which examined the percentage of each minority population by tract or township and concluded that there was discrimination in housing because each minority population was not equally represented in each tract or municipality. The data used in the index was an accurate factual portrayal of the location of minority populations, but could not be used to conclude discrimination with statistical reliability.

In this study we examine the data and draw conclusions where possible, followed by qualitative conclusions, informed by the data, by those involved in the housing community, and the public, which will constitute the best possible outcome considering the body of data available. As with all worthy research, it is important to be persistent in seeking out other reliable data, reexamine conclusions, and change results if merited. Given the data limitations, the initiation and execution of the Midland County Housing Analysis gives an outside perspective and the most recent evaluation of the housing market within the community.

**Table 1 – City of Midland Population Comparison, 2010 – 2018**

Race	2010		2018		2000-2013
	#	%	#	%	Change as % of population
White	38,508	92	36,640	91.0	-1.0
African-American	846	2.02	885	2.2	+.18
American Indian or Alaska Native	146	.35	289	.7	+.35
Asian	1,368	3.27	1,429	3.5	+.23
Native Hawaiian or Pacific Islander	44	.1	63	.1	0
Some Other Race	217	.51	250	.61	+.1
Two or More Races	734	1.75	900	2.2	-.45
TOTAL	41,863	100.0	40,456	100.0	-.03
Hispanic or Latino origin	1,015	2	1,095	2.7	+0.7

Source: US Census 2010 and American Community Survey, 2018

The census identifies five races, as shown in the table. Additionally, the census identifies those of “some other race”, meaning not belonging into one of the five identified races and “two or more races”, for those who are more than one of the identified races. People of Hispanic origin are represented in one or more of the races identified, and as such, the figure for people of Hispanic origin is not additive with any other figures in this table. Hispanic origin is identified as an ethnic minority by the Department of Housing and Urban Development (HUD) that may be used to discriminate in fair housing decisions.

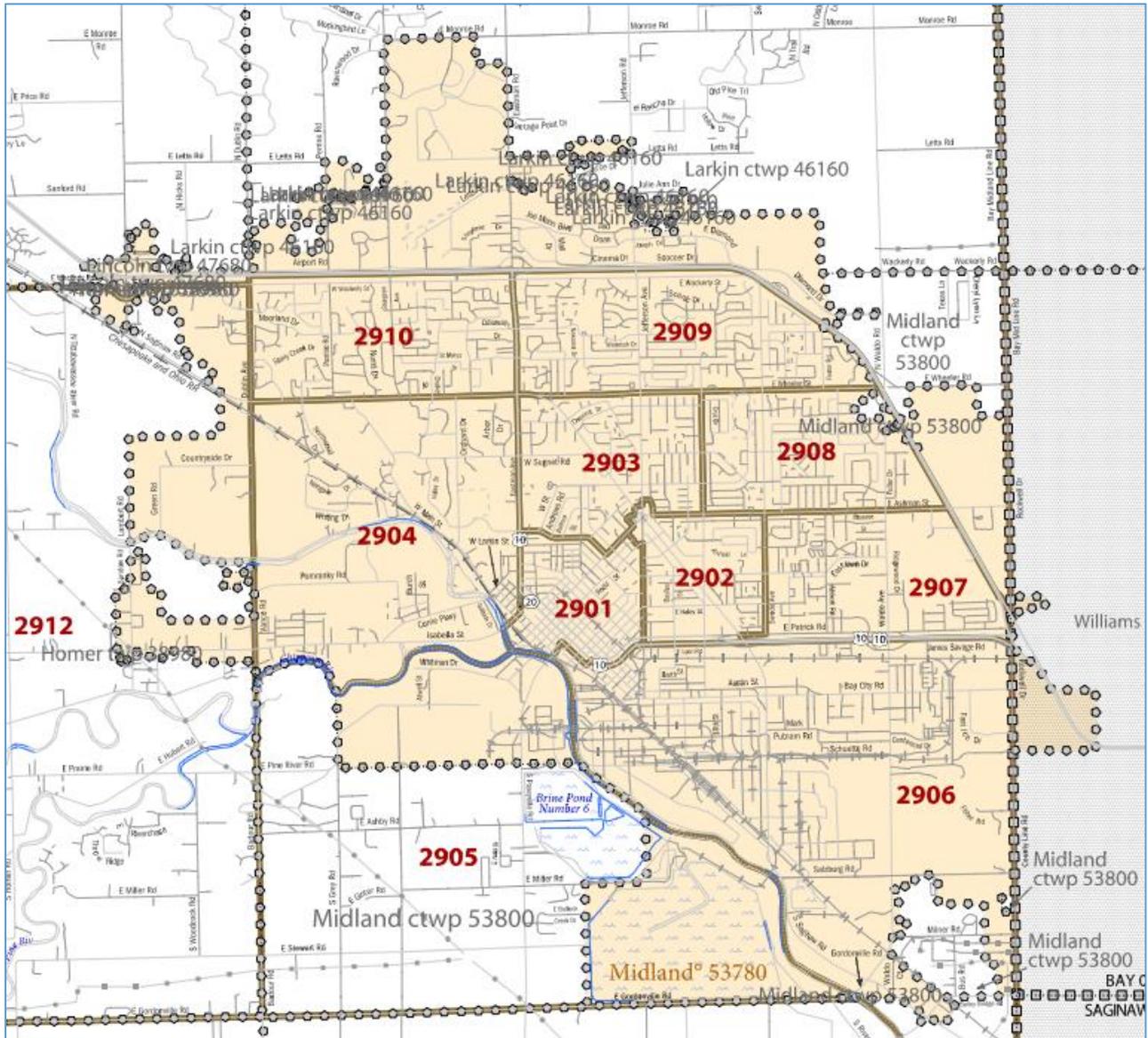
Notable observations in population change within the City of Midland reflect the increase in American Indian or Alaskan Native populations, followed by Asian and Black or African-American populations. While relatively low in value, the increase in the Native American or Alaskan Native population is notable when observing poverty related data later in this report.

Maps 2-6 compare total population and population by race and/or ethnic background in the census tracts in the City. These are mapped to show location for specific races or those of Hispanic origin in an effort to identify spatial distribution of specific races and/or ethnicities within certain areas of the City.

Given that the population of Native Hawaiian or Pacific Islander is very small and those identifying as “other races” is not group of the population that is identified by HUD as a protected class, these two categories of race are not examined further.

## Map 1 – Census Tracts

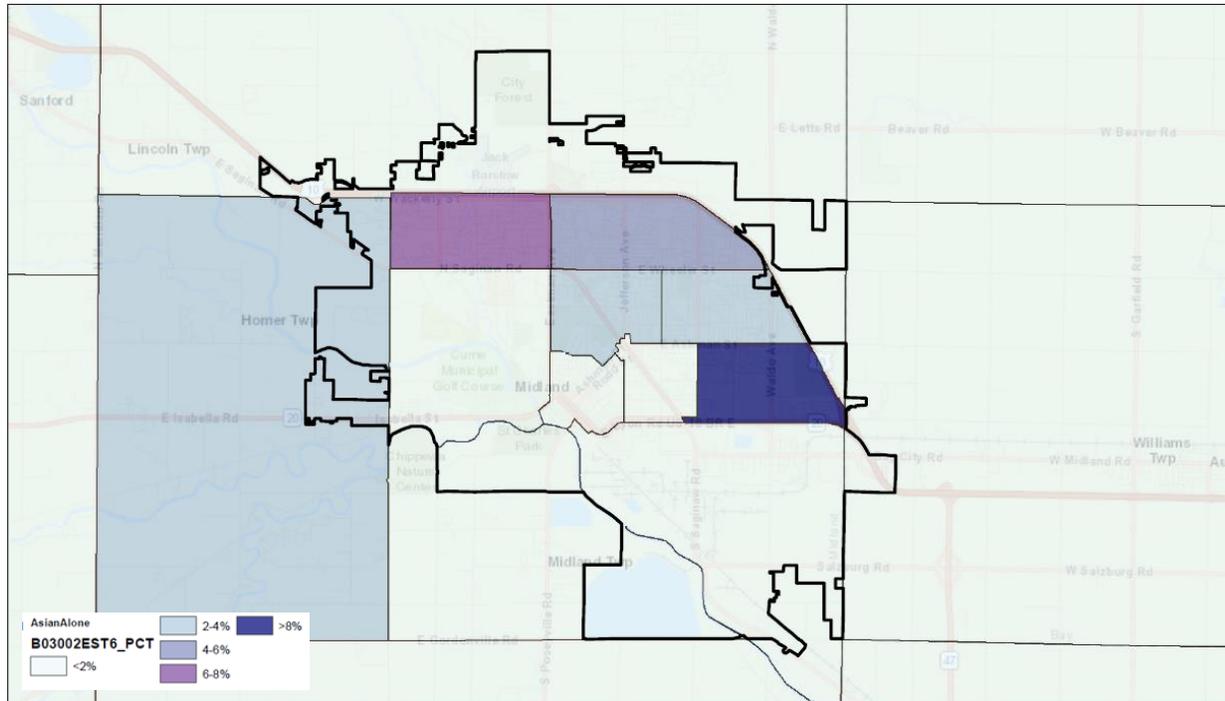
Census tracts 2901, 2902, 2903, 2904, 2907, 2908, 2909, 2910 are entirely within the City of Midland. Tracts 2905 and 2906 span outside of the City. Census tract 2911.02 exists within the City of Midland but is not examined independently within the available data. As in previous datasets, 2911.02 is contained within 2909 and 2910 or the City of Midland, 2911.02 is not examined separately within this study.



## Map 2 – Percent Asian by Census Tract, 2018

Presently, the distribution of the Asian population within the City of Midland is concentrated in census tract 2907 with a population greater than 8%. Census Tract 2910 is comprised of between 6-8% of Asian individuals, followed by 2910 with between 4-6%. The balance of the city has less than 4% Asian population identified. In total, the Asian population comprises around 4% of the population, with 1,675 individuals.

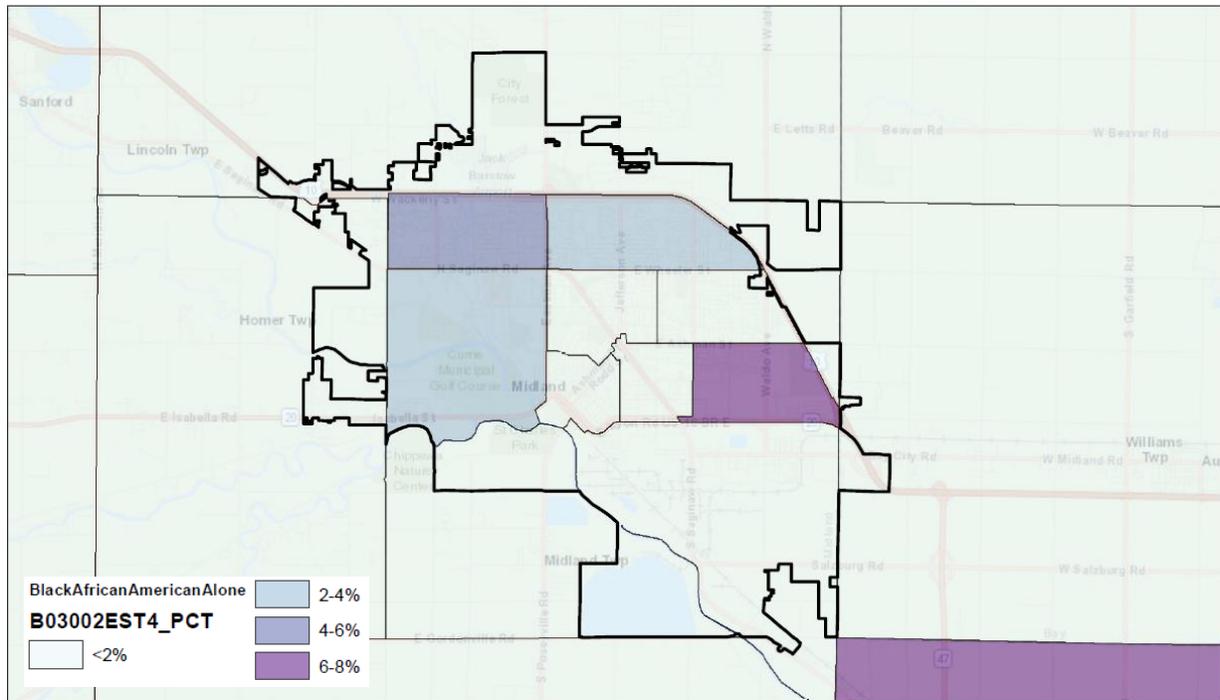
Race & Ethnicity - Asian - Consolidated Planning Tool



**Map 3 – Percent Black or African American by Census Tract, 2018**

The Black or African-American population within the City of Midland primarily resides within census tract 2907 (6-8%), with tract 2909 housing 4-6% of this population. A slightly lesser population of the Black or African-American population lives within tracts 2910 and 2904. In total, Black or African-American persons total 1,042 (2.5%) within the City of Midland.

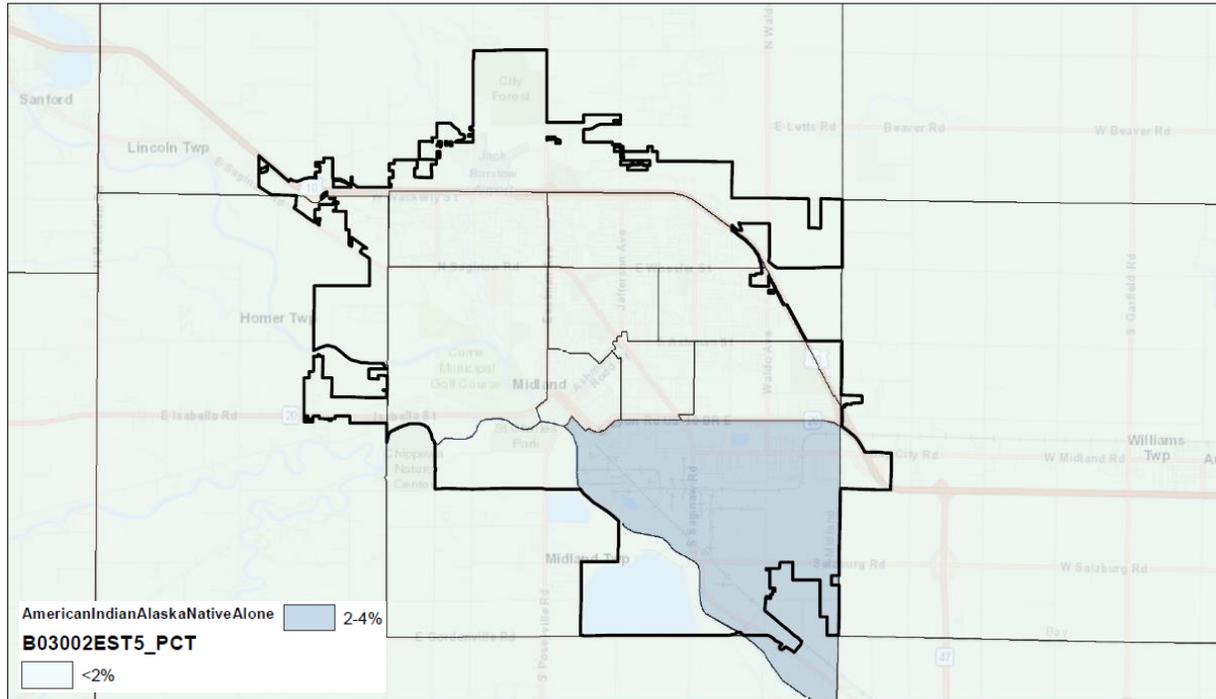
Race & Ethnicity - Black or African-American - Consolidated Planning Tool



### Map 4 – Percent American Indian or Alaska Native, 2018

The population of American Indian or Alaska Native people are markedly small, with just 305 or .7% of the population. It is notable, however, that the population of American Indian individuals is concentrated within census tract 2906 to the southeast of the city.

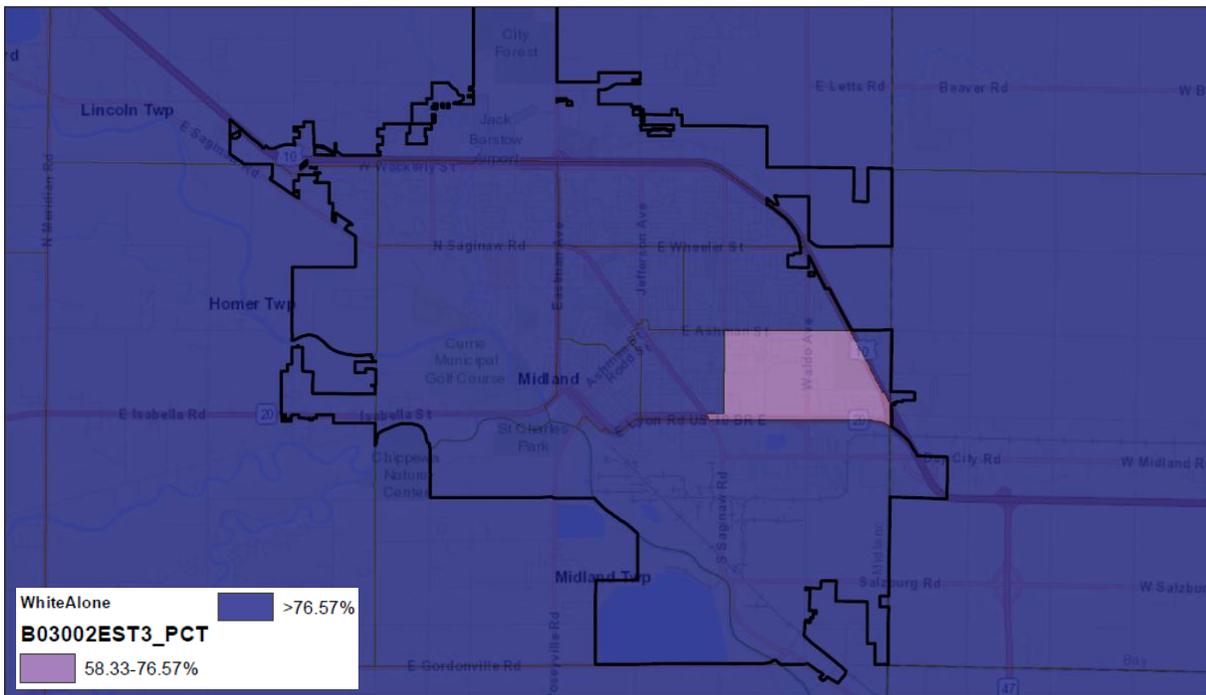
Race & Ethnicity - American Indian or Alaskan Native - Consolidated Planning Tool



### Map 5 – Percent White, 2018

As is expected with such lack of diversity as relates to racial makeup, the indication that the white population is spread quite consistently throughout the city is not surprising. What is worth noting is the slightly decreased presence within census tract 2907. By the numbers, the white population within the City of Midland is 37,605 individuals or 89.6%.

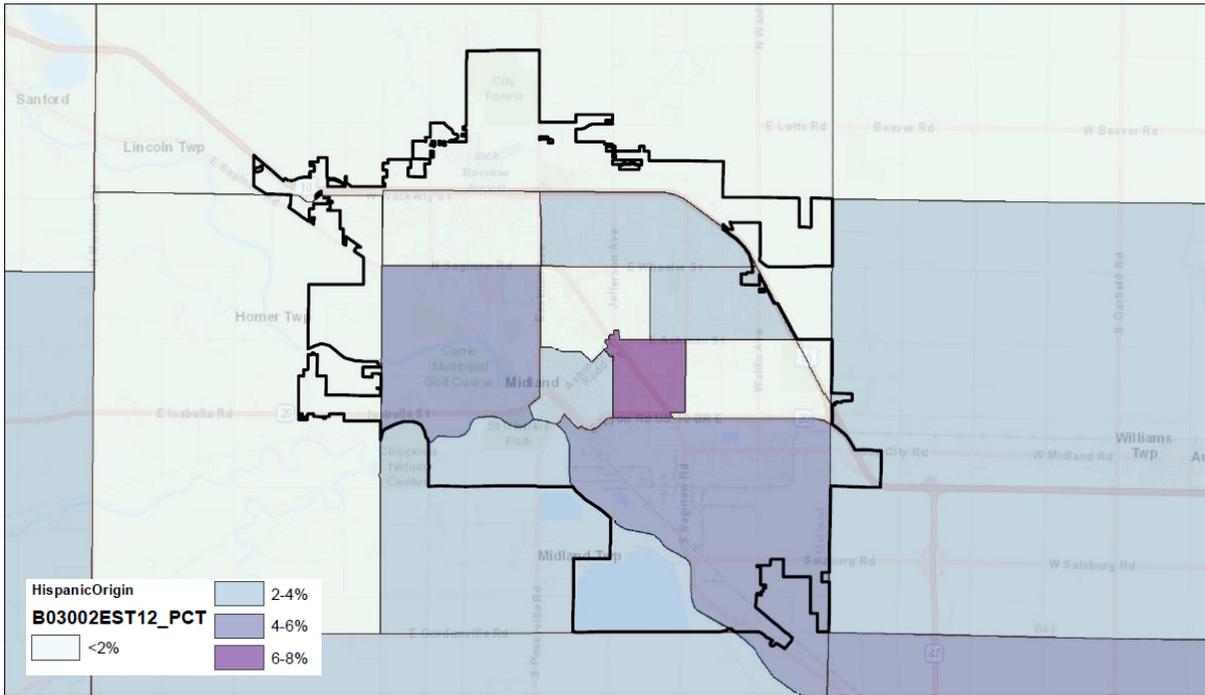
Race & Ethnicity - White Alone - Consolidated Planning Tool



### Map 6 – Percent Persons of Hispanic Origin, 2018

The primary concentration for individuals of Hispanic origin exists at the core of the city, within census tract 2902, followed by 2904 and 2906. By the numbers, there are 1,435 persons of Hispanic origin, reflecting 18% of the City’s population.

Race & Ethnicity - Persons of Hispanic Origin - Consolidated Planning Tool



## Household Types

**Table 2** shows household type as a percentage of the population. This table indicates that the City of Midland is largely populated with Family Households at 61.5%. Non-family households make up 38.5% of the population.

Of family households, husband and wife families comprise the majority at 48% with 43.5% of those families having children. Female householders, with no husband present exist at 9.8% of the family household population.

Non-family households comprise 38.5% of the City of Midland’s household make-up, with female householders at 22.8% and male householders at 15.7%.

**Table 2 – Household Types within the City of Midland**

	2018	
	#	%
Total Households	17,506	100
<b>Family Households</b>	<b>10,766</b>	<b>61.5</b>
<i>Male householder</i>	7,928	45.3
<i>Female householder</i>	2,838	16.2
<b>Husband-Wife Families</b>	<b>8,429</b>	<b>48.0</b>
with related children, under 18	3,667	43.5
<b>Female householder, no husband</b>	<b>1,718</b>	<b>9.8</b>
with related children, under 18	1,153	67.1
<b>Nonfamily households</b>	<b>6,740</b>	<b>38.5</b>
<i>Male householder</i>	2,745	15.7
<i>Living alone</i>	2,088	11.9
<i>Female householder</i>	3,995	22.8
<i>Living alone</i>	3,471	19.8

Source: Census, 2010

## B. Income Data

Income data analyzes the income classes of those employed within the City of Midland.

Table 3 shows that income is clustered around the median income value of \$58,910. Fifty-six (56%) of the population of the City of Midland reported incomes of \$35,000 - \$149,999. The largest category of earning was the \$50,000 - \$74,999 range with 17.6% of employed persons.

Demographically, males make up 53% of the workforce.

As the Midland County Housing Analysis also provided comparative analysis of income, it is worthwhile to note the conclusion that Midland County is home to approximately 2,400 renter households earning less than \$20,000 per year; as we examine housing affordability it is worthwhile to note that at this low income, no matter the location, the private market will be unable to adequately serve this population.

**Table 3 – Household Income Classification**

Income Class	City of Midland	
	#	%
Less than \$10,000	1,300	7.4
\$10,000 to \$14,999	844	4.8
\$15,000 to \$24,999	1,828	10.4
\$25,000 to \$34,999	1,423	8.1
\$35,000 to \$49,999	2,249	12.8
\$50,000 to \$74,999	3,093	17.6
\$75,000 to \$99,999	2,285	13.0
\$100,000 to \$149,999	2,302	13.1
\$150,000 to \$199,999	1,054	6.0
\$200,000 or more	1,177	6.7
Total Employed	17,574	100
Male	9,268	53%
Female	8,306	47%

Source: American Community Survey, 2013-2017

**Poverty, by sex, age, race and ethnicity**

Table 4, below, reports the number and percent of people for whom income was at or below poverty rate for the previous 12 months by sex, age, race and ethnicity. Once again, given the very small sample size and the large margins of error in the data, the percentages are not reliable figures of poverty but are shown here as the best information available.

By sex, the data shows that a slightly higher rate of poverty exists among females (11%) than males (10%).

By age, children make up 22% of City of Midland residents in poverty. When considering the relative percentage of female householders alone with children and lower presence in employment, the increased poverty rate among children is understood.

In evaluating for racial disparity as relates to poverty, the American Indian / Alaskan Native population is most heavily affected at 53%, noting the small size of the population at 283 individuals. The Black or African-American population follows at 26% or 191 individuals in poverty in the City of Midland.

**Table 4 – Income in the last 12 months at or Below Poverty level by age and race, 2018**

	City of Midland		
	Total #	# in poverty	%
	39,389	4,309	11%
<b>Sex</b>			
Male	18,949	1,986	10%
Female	20,440	2,323	11%
<b>Age</b>			
Under 5 years	2,236	199	9%
5 to 17 years	6,143	785	13%
18 to 34 years	8,905	1,401	16%
35 to 64 years	15,435	1,469	10%
65 and older	6,580	455	7%
<b>Race &amp; Ethnicity</b>			
White	35,807	3,713	10%
Black / African – American	725	191	26%
Asian	1,381	72	5%
American Indian/Alaskan Native	283	149	53%
Hawaiian/Pacific Islander	63	5	8%
Hispanic	1,435	258	18%

Source: American Community Survey, 2013-2018

### C. Employment Data

This section examines employment rates by race.

The highest rates of unemployment in the City of Midland exist within the Hispanic and Black or African-American populations, at 15.4% and 7.3% respectively. At the low end, the white population unemployment rate is 6.5% and 9.1% for the Asian population.

When evaluating for labor force participation, the Hispanic population is at 63%, followed by the white population at 61%. At the low end, the Black or African-American population is at 50%. To draw conclusions, the unemployment rate, then is more than double for those of Hispanic ethnicity as compared to that of White individuals even considering the significantly larger labor force participation rate of Hispanic individuals.

Worth noting the statistically significant variation in sample size of the non-white populations within this geography.

**Table 5- Employment status by race, 2017**

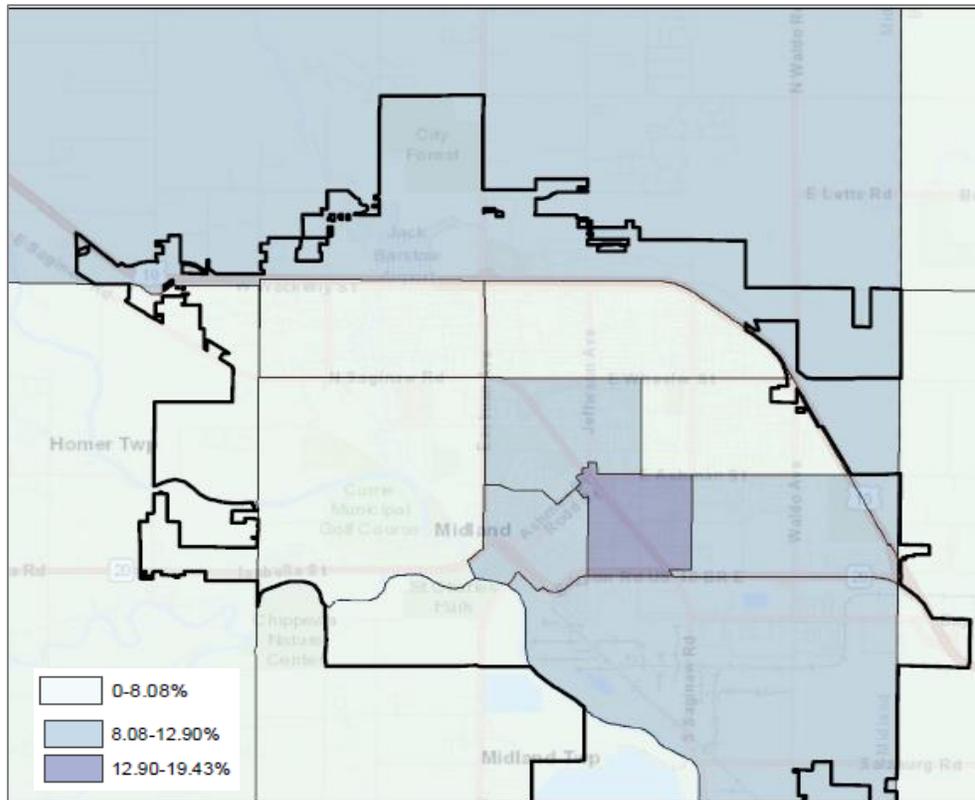
Employment status	White		Asian		African-American		Hispanic	
	#	%	#	%	#	%	#	%
In labor force	18,814	61	673	52	397	50	552	63
Employed	10,799	57	319	47	368	47	467	53
Unemployed	1,223	6.5	61	9.10	29	7.3	85	15.4
Not in labor force	11,827	39	618	48	392	50	327	37
TOTAL	30,641		1,291		789		879	

Source: 2010 Census, American Community Survey, 2013-2017

## Unemployment

The Unemployment map shows that the highest unemployment rates for all persons are concentrated in in census tract 2902 with lower values in 2901, 2903, 2906 and 2907. The lowest unemployment rates are within the west and northwest portion of the city in census tracts 2904, 2908 and 2909 and 2910.

**Map 8 – Unemployment rate, 2017**



## D. Housing Profile

This section looks at housing stock, age of housing stock, vacancy rates and cost burdens.

From 2013-2017, the owner occupied housing unit rate has, by the values presented within this dataset, remained statistically static. However, the Midland County Housing Analysis conducted in 2018 paints a different picture that owner-occupied housing units have declined, particularly in the oldest residentially zoned neighborhoods. To quote the study, “With limited demand for older homes – those built before 1980-in the city’s interior neighborhoods, the economically rational response has been to convert the houses to rental use. Older houses in interior neighborhoods are becoming Midland’s de facto affordable housing solution for poor households.” Further that analysis concludes:

- The ownership market is slowly abandoning the city’s older interior neighborhoods. Low property values for older homes reflect this reality.
- Low values result in decreased levels of maintenance and investment, leading to deteriorating conditions. Many older single-family homes are converting to rental use, and are unlikely to be maintained over time.

By the American Community Survey data provided, it would appear that both the rental and owner-occupied markets are stable and with little vacancy. Again, the housing analysis draws a different conclusion, that there is an excess of ownership units affordable to all households earning less than \$75,000.

**Table 6 – Housing Units, Vacancy Comparison 2013 to 2017**

Housing Units	2013		2017	
	#	%	#	%
Owner occupied	11,301	61.4	11,219	61
Vacant	113	1.0	269	2.4
Renter occupied	6,346	34.5	6,355	34
Vacant	171	2.7	356	5.6
TOTAL	18,506	100	18,675	5.9

Source: U.S. Census 2000, American Community Survey, 2013-2017

## Housing Type

Table 7 shows that housing type is still heavily weighted in the City with single family detached units. With an additional 595 units being added during this period. Keeping in mind that these figures represent some areas outside the City that are part of census tracts that are within the City, the total housing unit type includes 25% multiple family with another 2.5% being mobile homes. The sufficiency of affordable housing is not indicated by these figures but is determined by the housing cost burden represented in the figures that follow

**Table 7 – Housing type, 2013**

Units in Structure	2013		2017	
	#	%	#	%
Single family detached	11,939	64.9	12,534	67.1
Single family attached	947	5.1	1,021	5.5
2 units	664	3.6	628	3.4
3 or 4	642	3.5	427	2.3
5 to 9	1,295	7.0	1,417	7.6
10 to 19	1,049	5.7	984	5.3
20 or more	1277	6.9	1,159	6.2
Mobile home or other	537	2.9	481	2.6
Boat, RV, van, etc.	44	0.2	24	.1
<b>TOTAL</b>	<b>18,406</b>	<b>100</b>	<b>18,675</b>	<b>100</b>

Source: American Community Survey, 2013-2017

Table 8 represents the age of the housing in the City. The highest percentage are those built in the 1950's when there was a nationwide housing boom to house returning veterans starting families. In Midland, the following three decades, 1960-1990, also have strong representation in the age of housing stock. This is the primary time period when the local corporations grew in size, bringing families in need of housing to Midland. As with the "type of housing" chart, these figures do not indicate adequacy of housing.

**Table 8 – Age of Housing Stock, 2017**

Year built	#	%
Pre 1939	1,427	7.7
1940-1949	1,237	6.7
1950-1959	3,530	19.7
1960-1969	2,681	14.5
1970-1979	3,226	17.4
1980-1989	2,809	15.2
1990-1999	2,214	12.0
2000-2009	1,264	6.8
2010 to 2013	207	1.1
2014+	80	0.4
<b>TOTAL</b>	<b>18,675</b>	<b>100</b>

Source: American Community Survey, 2013-2017

1 – This category represents only three years rather than a decade as represented by all other previous categories.

Table 9 reports Tenure by Race.

**Table 9 - Tenure by Race, 2010 Census**

Tenure by race	Owner occupied	Renter occupied
	%	%
White	94.3	29.3
Asian	2.1	1.3
Black or African-American	1.1	.9
Hispanic or Latino	1.6	.7

Source: Census, 2010

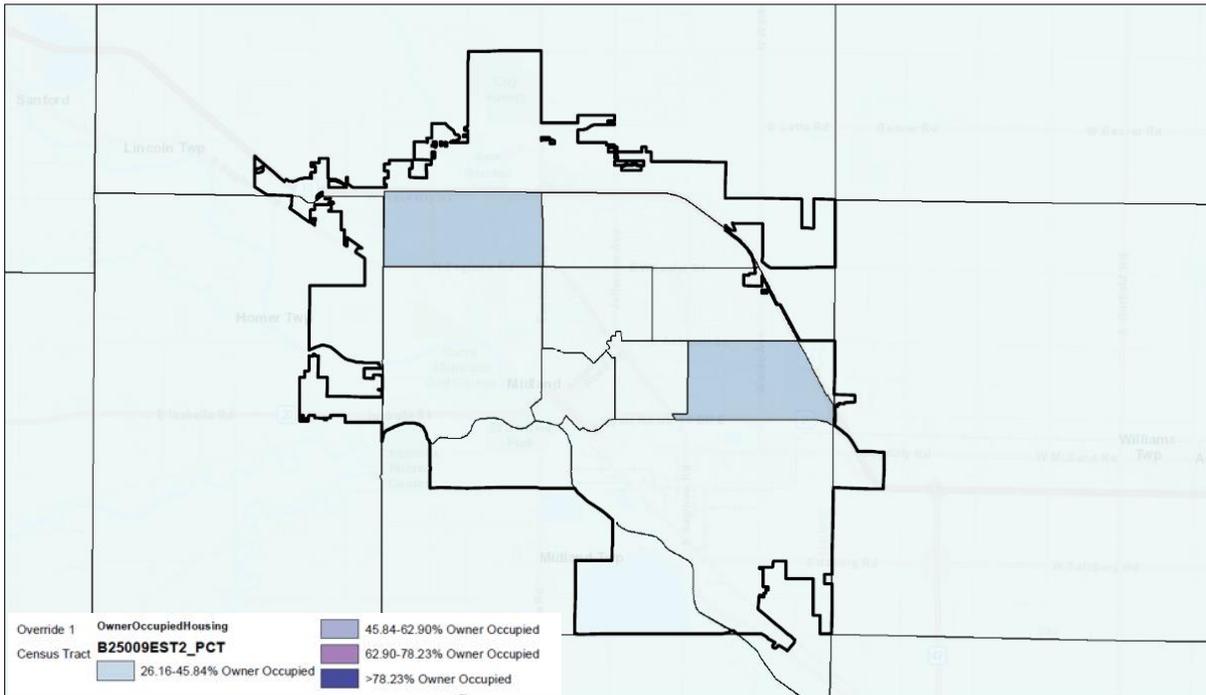
Of all owner occupied units, 94.3% are occupied by whites, followed by 1.6% by Hispanics, and 1.1 and 2.1% respectively for African Americans and Asians.

When considering rental occupied units, as is consistent with the racial makeup of the community, whites occupy 29.3 percent of rental units, Asians at a rate of 1.3 percent. African Americans at .9 percent and Hispanics occupy rental units at rates of .7 percent.

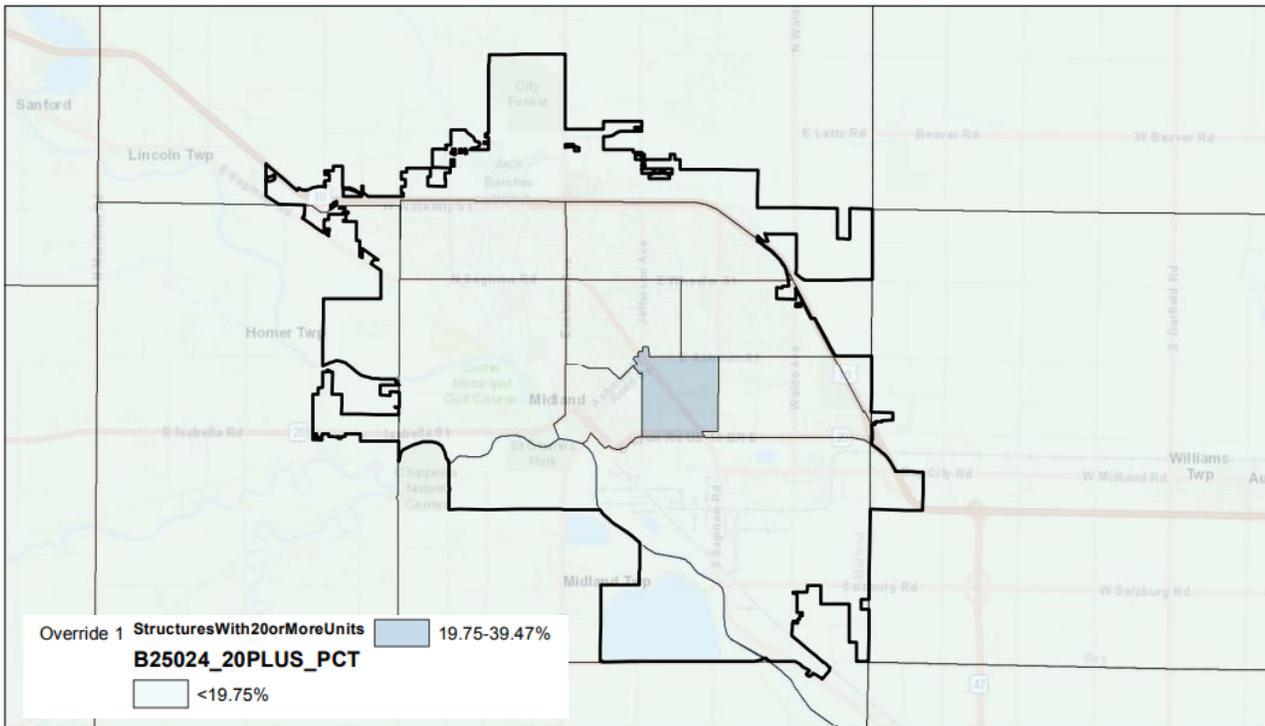
The highest concentration of multiple-family units within the city is located in tracts 2910 at the northwest area of the city and 2907 at the east edge of the city. Census tract 2902 at the center of the city has the highest concentration of structures of more than twenty units.

**Map 10 - Percent Multiple Family Housing Units, 2017**

% Structures with 5-19 Units - Consolidated Planning Tool



### % Structures with 20+ Units - Consolidated Planning Tool

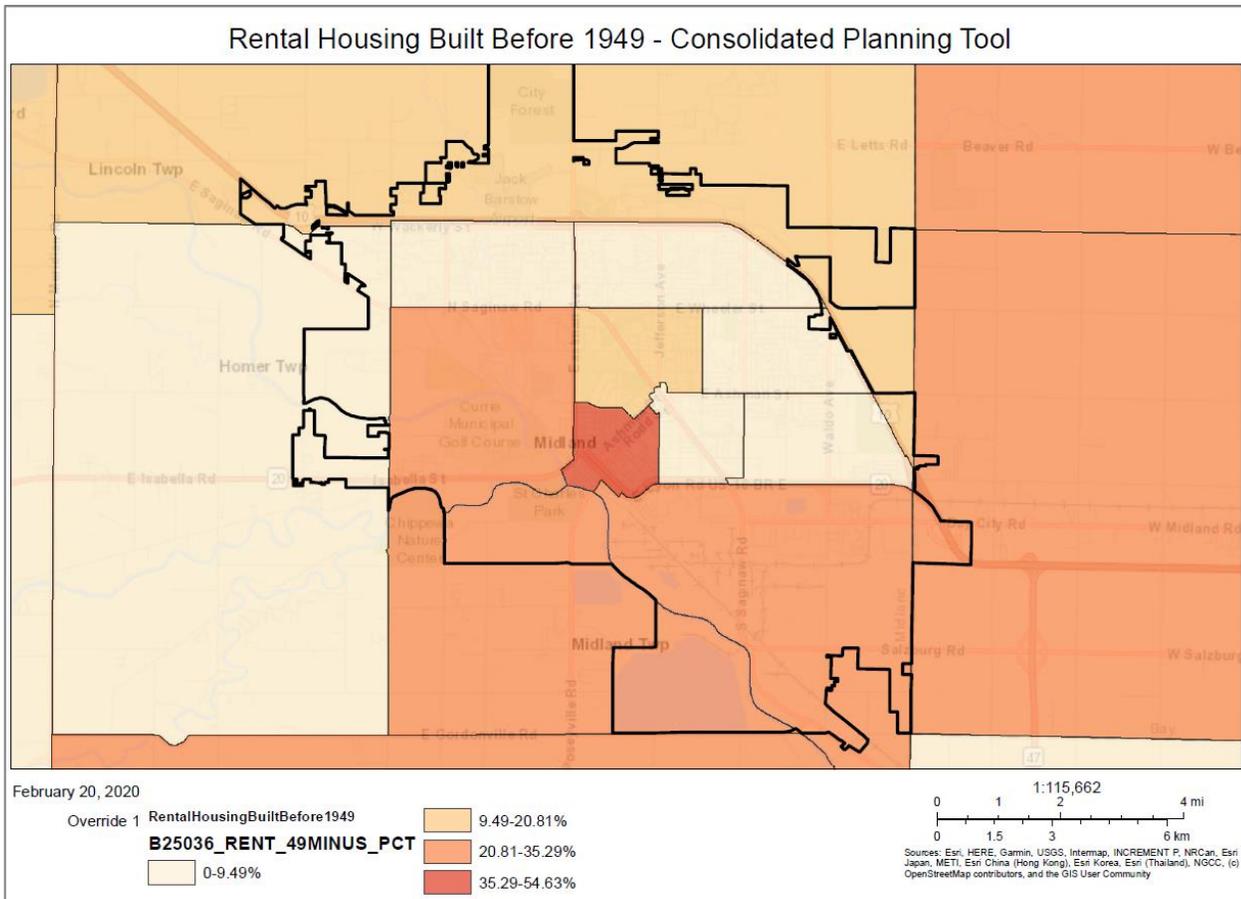


## Age of Housing

The oldest housing stock in the City, those units built before 1949, are concentrated in the central portion of the city in tracts 2901, 2904, 2905 and 2906 and to a slightly lesser degree, 2903. While the quality of housing is not always directly correlated to the age of the same, as the lowest housing value is in the southeast portion of the city in tract 2906, followed by 2901 and 2902 at the core of the city. As is consistent with a sprawled style of development, home values are highest toward the edges of the city, this is shown graphically a bit later in Map XX.

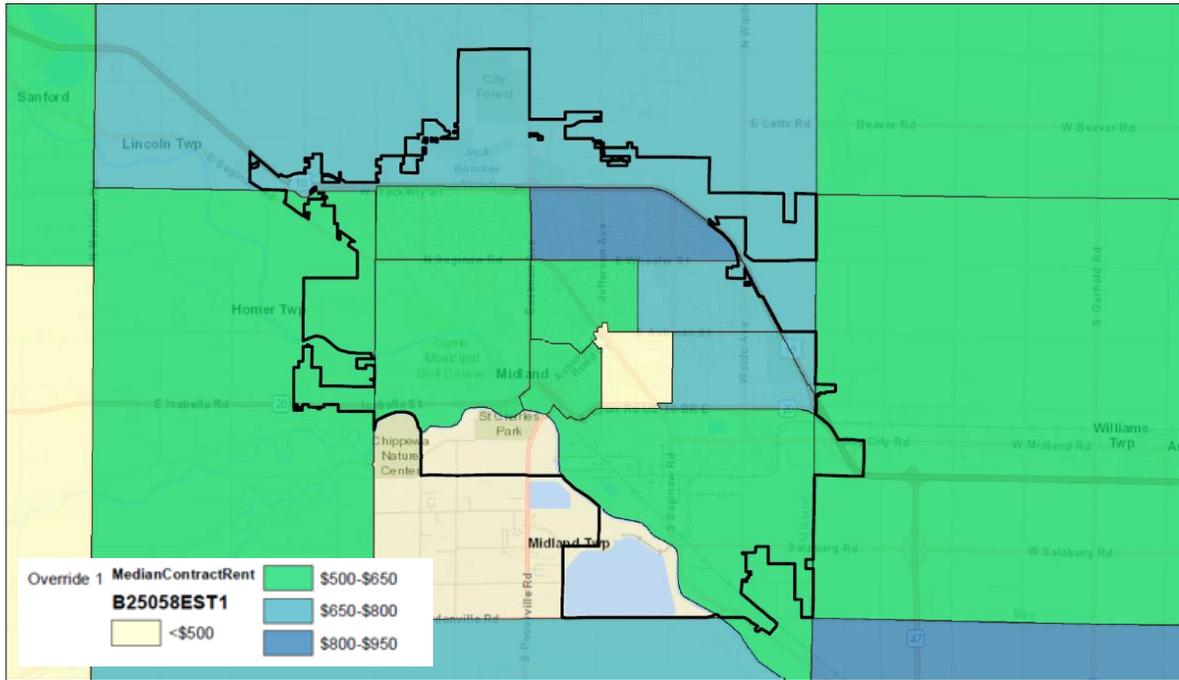
The highest concentration of Pre-1949 Rental housing stock is located in tract 2901, this also happens to be the lowest income area of the city, with lower median property values. This reinforces the conclusion drawn by the Midland County Housing Analysis that as older homes are being vacated, the properties are being turned to rental units.

**Map 11 – Percent pre 1970 Housing Stock**



**Map 12 – Median Contract Rent, 2013**

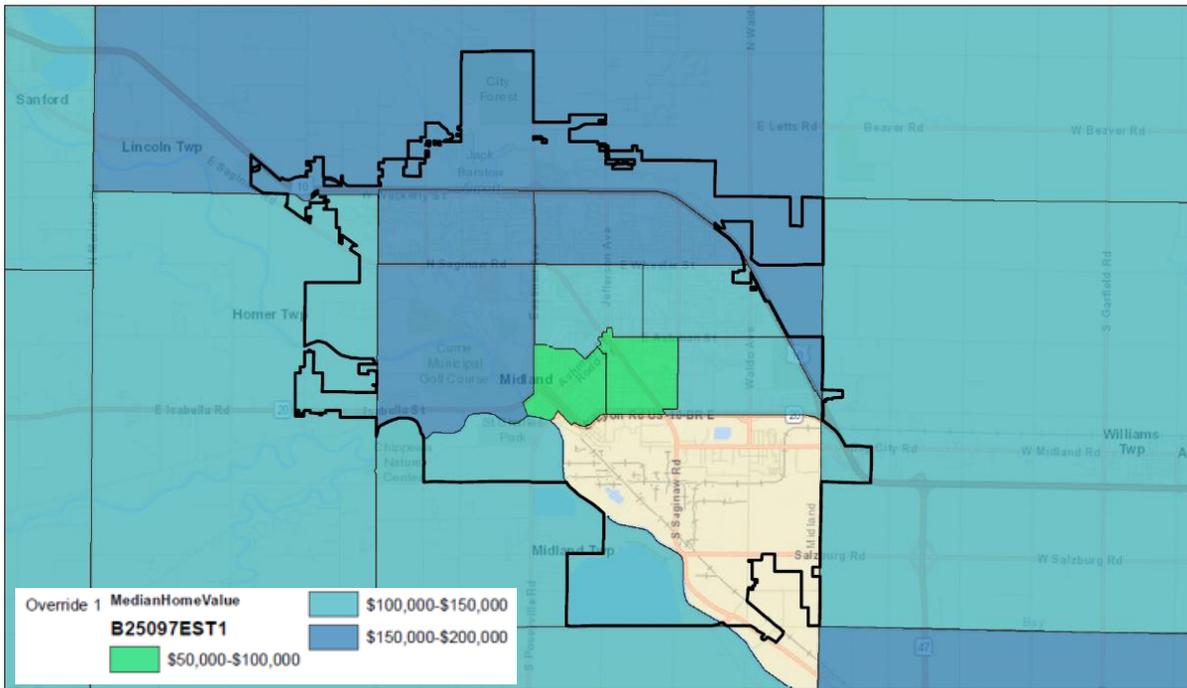
Median Contract Rent - Consolidated Planning Tool



Median contract rent is lowest in tract 2902, which also claims the lowest property values and the oldest housing stock. Further, this tract contains two large subsidized senior and family housing facilities, Cleveland Manor and the city-owned Washington Woods Senior Living Community both serving low/moderate income seniors. A third housing facility serving the low and moderate income population, with a focus on those with disabilities, Greenhill Apartments suffered a catastrophic fire and has remained vacant for the past 2 years.

### Map 13 – Median Housing Value, 2017

Median Home Value - Consolidated Planning Tool



Consistent with other census tract data indicating housing choices and needs, the southeast and central portions of the City have the lowest home value in the city. As was previously mentioned, the highest values exist consistent with a sprawled style of development with property values rising toward its edge. In the City of Midland, this takes place to the north and west of the core in tracts 2909, 2910 and 2911.02 where newer, single family homes have been constructed.

#### Cost Burdened Housing

The cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities.) For owners, housing cost is referred to as “select monthly owner costs” which includes mortgage payment, utilities, association fees, insurance and real estate taxes.

The cost burden is computed by HUD based on three levels of HUD Area Median Family Income (HAMFI). The table shows the overall income distribution as a percentage of the costs spent on housing. As demonstrated in the Income Distribution Overview portion of Table 10, the household income of greater than 100% of HAMFI represents 6,795 of all homeowners, or 63%, well over the balance of all other HAMFI classifications. As is expected, home ownership decreases as income as a percentage of housing cost decreases, to a low of 500 (5%) home owners in the less than or equal to 30% of HAMFI category. Among renters, this figure is spread more evenly among income levels with renters making up the majority of the lower income categories as a percentage of HAMFI categories.

The HAMFI is measured in the three levels shown in the table below. In the Housing Cost Burden section of Table 10, a cost burden of  $\leq 30\%$  means that less than or equal to 30% of all household income is spent on housing. This is the largest category for both renters and owners and is considered a safe level by many lenders and financial advisors. However, many people spend more than this on housing due to lack of income, lack of housing choice, discrimination, or several other primary reasons that this study is intended to try to identify.

**Table 10 – Cost Burden by Income and Tenure, 2011**

<b>Income Distribution Overview</b>	<b>Owner</b>	<b>Renter</b>	<b>Total</b>	<b>Percent</b>
Household Income $\leq 30\%$ HAMFI	500	2,065	2,565	15%
Household Income $>30\%$ to $\leq 50\%$ HAMFI	805	1,165	1,970	11%
Household Income $>50\%$ to $\leq 80\%$ HAMFI	1,600	1,190	2,790	16%
Household Income $>80\%$ to $\leq 100\%$ HAMFI	1,160	670	1,830	11%
Household Income $>100\%$ HAMFI	6,795	1,410	8,205	47%
<b>Total</b>	<b>10,855</b>	<b>6,495</b>	<b>17,355</b>	
<b>Housing Cost Burden Overview</b>				
	<b>Owner</b>	<b>Renter</b>	<b>Total</b>	
Cost Burden $\leq 30\%$	9,425	3,465	12,890	74
Cost Burden $>30\%$ to $\leq 50\%$	885	1,389	2,274	11
Cost Burden $>50\%$	510	1,340	1,850	13
Cost Burden not available	30	305	335	2
<b>Total</b>	<b>10,855</b>	<b>6,495</b>	<b>17,355</b>	

The following three sections of this table measure the income by cost burden for owners and renters together and then separately for owners and for renters. The lower a household income as a percentage of HAMFI and the higher the cost burden, the more distressed the financial, and likely housing, condition of the household. For instance, people with a household income less than or equal to 30% of the HUD Area Median Family Income and a cost burden of greater than 50%, are most stressed in their financial and housing situations. This category is highlighted in blue in the first table in this section as an example.

Housing is not an elastic good. People with the lowest income are paying the greatest percentage of that income for housing. There is a limited amount of variation in the cost of housing and we all must have it, so a lack of choice, one of the impediments to finding housing, is especially detrimental to this low income group of people. People who are able to purchase a house generally have more income and so there are fewer of them in the very distressed category.

Ideally, the goal of adequate housing in a community is to have housing that meets all income levels without an undue burden. We use tables such as these to identify the number and trends of this groups of people seeking housing in both the rental and owner categories. This table tells us that in Midland there is a need for more very low income and low income housing. It does not indicate that that lack is due to an impediment, only that the situation exists.

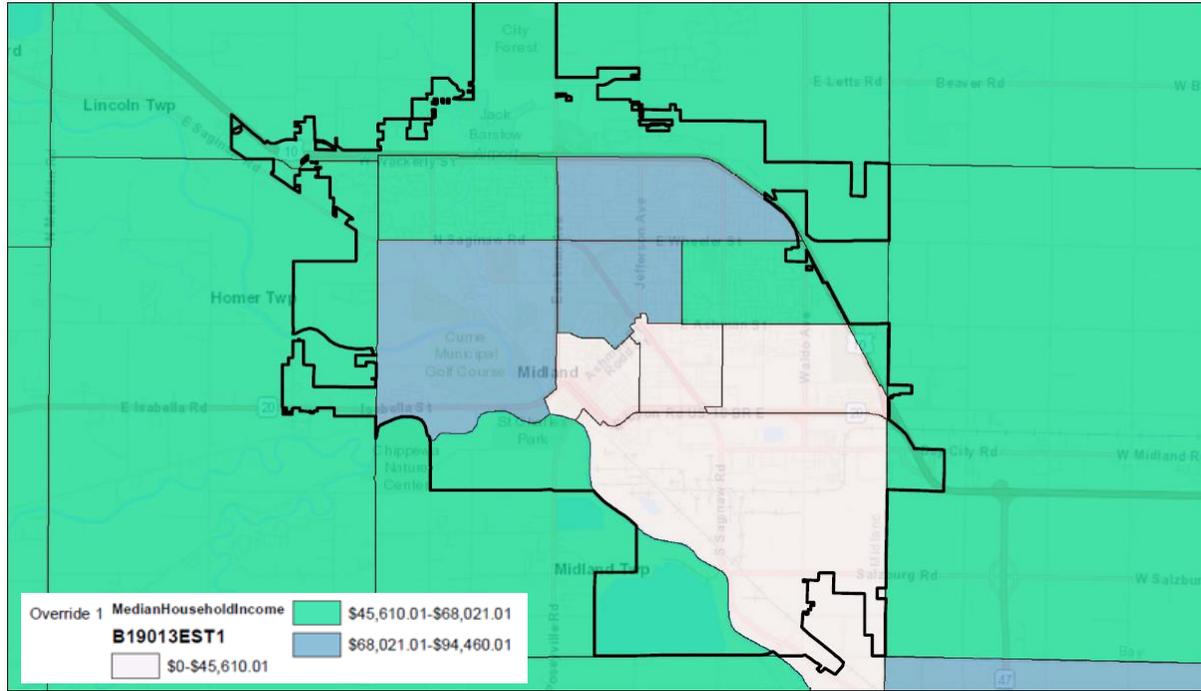
To consider collectively the data presented, alongside that of the Midland County Housing Analysis, this is an excerpt from page 14, "...Data from around the country suggests that rents would need to exceed \$1,200 per month to justify construction. Rents at this level are far out of reach for Midland County's poorest renters, who can afford no more than \$500 per month." While a more localized estimation of development costs is necessary, the indication from this study is that development of new affordable units is unlikely to happen given the \$700 gap that exists between the cost of developing new units and the rent affordable to those most in need.

Income by Cost Burden (Owners and Renters)	Cost burden		Total	Percent Overburdened
	> 30%	> 50%		
Household Income <= 30% HAMFI	1,865	1,280	2,600	73%
Household Income >30% to <=50% HAMFI	1,285	320	1,970	65%
Household Income >50% to <=80% HAMFI	720	190	2,790	26%
Household Income >80% to <=100% HAMFI	90	-	1,830	5%
Household Income >100% HAMFI	165	60	8,200	2%
<b>Total</b>	<b>4,125</b>	<b>1,850</b>	<b>17,355</b>	<b>73%</b>
Income by Cost Burden (Renters only)	Cost burden		Total	Percent Overburdened
	> 30%	> 50%		
Household Income <= 30% HAMFI	1,460	960	2,065	71%
Household Income >30% to <=50% HAMFI	920	255	1,165	79%
Household Income >50% to <=80% HAMFI	295	75	1,190	25%
Household Income >80% to <=100% HAMFI	0	0	670	0%
Household Income >100% HAMFI	54	50	1,410	4%
<b>Total</b>	<b>2,729</b>	<b>1,340</b>	<b>6,495</b>	<b>42%</b>
Income by Cost Burden (Owners only)	Cost burden		Total	Percent Overburdened
	> 30%	> 50%		
Household Income <= 30% HAMFI	420	335	535	79%
Household Income >30% to <=50% HAMFI	365	65	805	45%
Household Income >50% to <=80% HAMFI	425	115	1,625	26%
Household Income >80% to <=100% HAMFI	90	0	1,160	8%
Household Income >100% HAMFI	110	10	6,795	2%
<b>Total</b>	<b>1,410</b>	<b>525</b>	<b>10,915</b>	<b>13%</b>

Source: HUD Comprehensive Affordability Strategy (CHAS) Tables, 2006-2016.

**Map 14 – Median Household Income, 2013-2017**

Median Household Income - Consolidated Planning Tool



Map 15 shows that the highest income people live to the north and central areas of the City. This portion of the city contains a mix in home value, age of housing stock and unit type (single- or multiple-family). A locally designated district of higher value, historically significant housing stock exists to the immediate northwest of the center of the city.

### III. Evaluation of Jurisdiction’s Current Fair Housing Legal Status

#### A. Fair housing complaints or compliance reviews where the Secretary has issued a charge of or made a finding of discrimination

There have been no fair housing complaints or compliance reviews where the Secretary has issued a charge or made a finding of discrimination in the City of Midland in the previous twelve years.

#### B. Fair housing discrimination suit filed by the Department of Justice or private Plaintiffs

There have been no fair housing discrimination suits filed by the Department of Justice or private plaintiffs in the City of Midland in the previous eight years. Legal Services of Eastern Michigan reported that there is a current case of discrimination based upon race undergoing re-testing.

#### C. Discussion of other fair housing concerns or problems

No other fair housing concerns have been raised. The City receives complaints from tenants regarding adequacy of housing. Each is followed up with a contact to the landlord to determine the nature of the complaint and possible resolutions but these are apart from fair housing situations.

### IV. Identification of Impediments to Fair Housing Choice

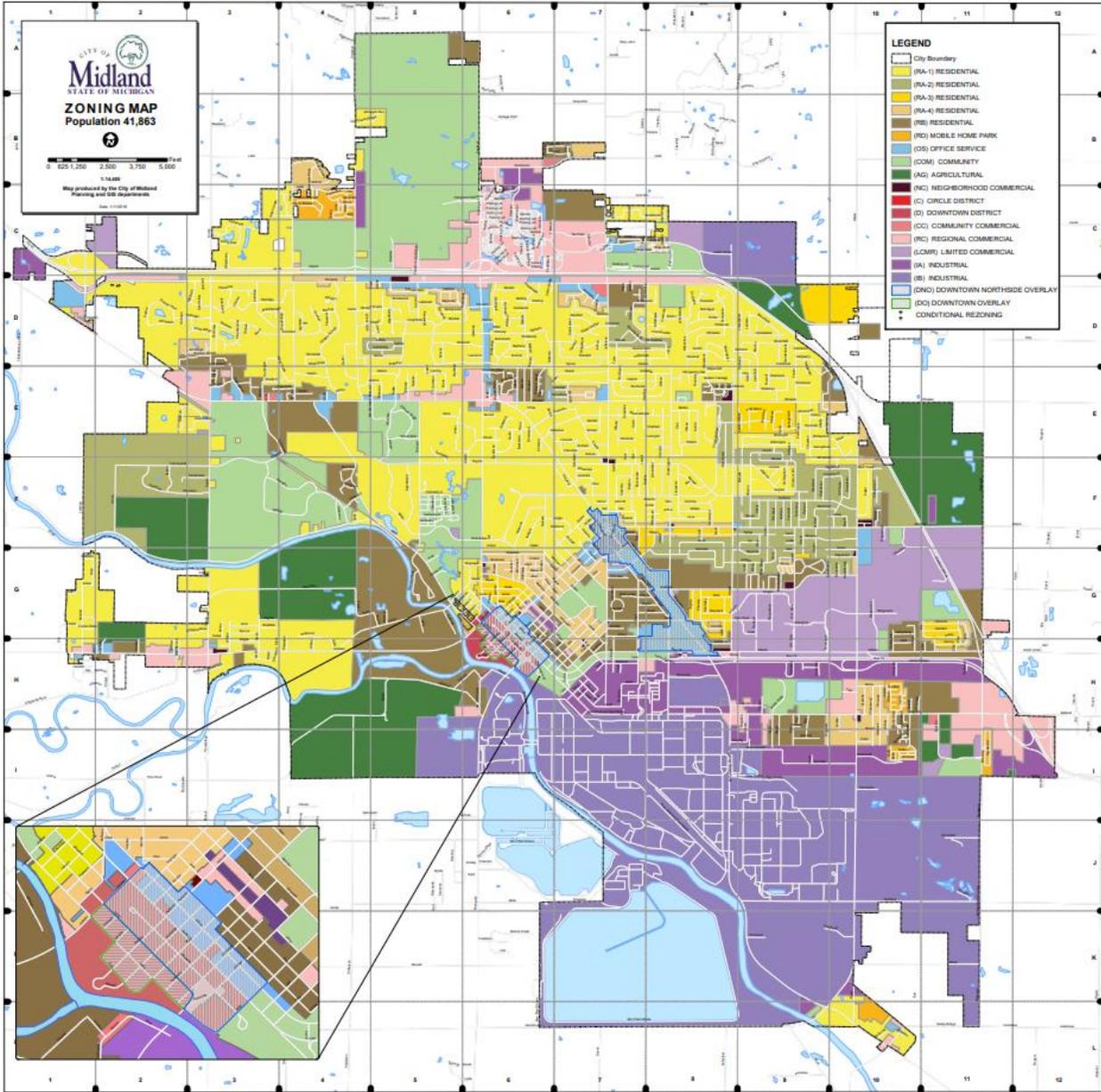
#### A. Public Policies

##### 1. Zoning and Site Selection

No impediments are identified as a result of the zoning process.

The City of Midland provides areas in the Future Land Use map and Zoning ordinance and map where multiple family housing and other affordable housing options are permitted. These areas are shown in the areas designated as RA-3, RA-4, Mobile Home, and as upper units in several commercial districts in the map on the following page.

HUD funded incentives, such as housing vouchers are not considered during the review of a potential development. Multiple housing complexes throughout the City accept housing vouchers, are specifically for seniors, and have units and accommodations for the disabled.



Map 16 – Zoning Map

## 2. Neighborhood Revitalization

The City partners annually with Midland County Habitat for Humanity to identify an area of the community that is predominantly low / moderate income and would benefit from the use of CDBG funds and other local assistance in rehabilitation of existing homes. At this time, the funds are targeted for two (2) larger scale critical home repairs that assist homeowners with large scale repairs. This program is both privately and publically funded. Further, under the guidance of skilled crew leaders, volunteers from across the community come together to accomplish this effort.

The City of Midland has provided skilled building staff in teaching and supervising the construction of a home for the last 27 years, built by the high school's Building Trades class. Since 2008, this program has led to the creation of ten barrier free homes which have been sold to a person, family, or organization that is low income, disabled or serves the needs of a disadvantaged population in the community.

## 3. Property Tax Policies

The City has granted Payment in Lieu of Taxes (PILOT) options to eighteen developments in the City in the past. The City's Housing Commission has studied and made recommendations regarding changes to this policy but no action has been taken to revise the policy to date.

## 4. Building Codes (Accessibility)

The City of Midland has adopted the Michigan Building Code. This code references the International Building Code which is considered the leading building code for both accessibility and safety.

## 5. Housing Rehabilitation and Accessibility Improvements

The City of Midland through the CDBG program has actively funded housing rehabilitation programs to meet the needs of low- and moderate-income homeowners by through a subrecipient partnership with Home to Stay (formerly Midland Area Homes). A designated program for assisting with accessibility concerns (interior and exterior ramps) and necessary mobility modifications has been funded throughout the previous Consolidated Plan.

## B. Private Sector Lending Policies and Practices

"The Home Mortgage Disclosure Act (HMDA) was enacted by Congress in 1975 and implemented by Federal Reserve Board regulations. These regulations require certain banks and other mortgage lending institutions to report information about mortgage applications (amount, location of property, and type of loan), the applicant (race, sex, and income), and the application resolution (approved, denied, etc.). These files are distributed annually and made available to the public. The HMDA data were intended to assist in:

- Determining whether financial institutions are successfully meeting their communities' housing credit needs
- Targeting community development funds in ways that attract private investment to areas most in need
- Identifying potentially discriminatory lending patterns

By requiring lending information to be publicly released, the HMDA legislation recognized that community groups have a vital role to play in the enforcement of fair lending. Indeed, such groups' due diligence supplements the efforts of the government agencies formally charged with regulating the banks.

HMDA data limitations: Because not all institutions are required to file under HMDA, mortgage lending coverage for any one neighborhood may be incomplete. Coverage is particularly limited for nonmetropolitan and low-homeownership areas. Although HMDA data can provide valuable information for these areas, users should be cautious in drawing conclusions on the basis of HMDA data alone.

HMDA data provide less complete coverage of the mortgage markets in nonmetropolitan and smaller counties for several reasons.

First, depository institutions located in nonmetropolitan areas—or non-depository institutions with solely nonmetropolitan markets—are not required to file under HMDA. Second, metropolitan-based institutions are only required to enter property location information for loans originated within the metropolitan areas in which they have a branch. Thus, even if these institutions make a loan in a nonmetropolitan area, they are not required to report any geographic information. Finally, institutions do not have to identify the census tract for properties located in counties with populations of 30,000 or less as of the 2000 Census.

The HMDA data are also less useful in capturing demographic or economic changes in neighborhoods with low homeownership rates. Changes in home purchase loan amounts for one- to four-family structures might suggest changes in an area's rent levels, but only in a very indirect sense. For larger structures, HMDA data until 2004 combined all multifamily housing loans, including those for purchase, refinancing, or improvement. This mix makes the loan amount for the earlier years very hard to interpret because home improvement loans tend to be relatively small, while purchase loans tend to be relatively large. As discussed later, institutions began reporting structure type and loan purpose separately in 2004, allowing for the creation of less ambiguous multifamily indicators. While this clarifies the interpretation of the indicators, the small number of loans in a given year and not knowing the number of units in each building limits the usefulness of HMDA in understanding the multifamily housing market." Source: DataPlace, A Guide to the Home Mortgage Disclosure Act data

## C. Public and Private Sector

### 1. Fair Housing Enforcement

Legal Services of Eastern Michigan (LSEM) is contracted by the City through the Community Development Block Program (CDBG) to investigate fair housing complaints and conduct paired testing to determine if discriminatory practices take place within the evaluation of otherwise qualified applicants when seeking housing opportunity.

Annually, Legal Services of Eastern Michigan conducts approximately 12-15 paired testing activities with the ultimately goal of identifying instances of discrimination based upon protected classes as identified by HUD. Fair housing paired tests are for measuring and documenting variations in the quality, quantity, and content of information and services

offered by housing service providers to various home seekers in the protected classes. Testing is a simulation of a housing transaction for the purposes of comparing the responses given by housing providers to home seekers in different protected classes in order to determine whether or not evidence of difference in treatment is occurring. For example, a test for racial discrimination in rental housing might involve sending both a Black or African-American and a White tester, at about the same time, to an apartment building to inquire about the same or similar type of apartment.

When a test results in a positive or inconclusive manner, the housing provider is retested. If the retest results in a positive, LSEM files a complaint to HUD through the Title VIII Complaint Process. During the 2017 and 2018 years, LSEM has filed three complaints, two citing alleged racial discrimination and one citing discrimination on the basis of national origin. At this time, no further action on those three have been reported to staff. During the 2019 year, LSEM advised that there has been one instance of discrimination that will require further testing.

## 2. Informational Programs

Legal Services of Eastern Michigan has provided training to landlords in fair housing practices in the past as well as having staff attend several community agency meetings throughout the city such as the InterAgency Network and the Midland County Continuum of Care, of which the City of Midland is an active member.

### D. Unlawful Segregation

Unlawful segregation has not been identified in the City according to the following definition provided for this analysis by HUD:

Unlawful segregation is “Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973, or where the Secretary has issued a charge under the Fair Housing Act regarding assisted housing within a recipient’s jurisdiction, an analysis of the actions which could be taken by the recipient to help remedy the discriminatory condition, including actions involving the expenditure of funds by the jurisdiction.”

## V. Conclusions and Recommendations to Address Fair Housing

### Recommendations:

1. Work with Home to Stay to obtain an up to date list of all housing that may be classified as affordable based on contract rent, size, acceptance of housing assistance, disability features, rental practices and location. This list should be updated frequently and posted to the City of Midland website.
2. Continue to conduct paired testing on a regular and frequent basis, as funding allows. Testing should include an even variety of categories and protected classes.
3. Provide materials via the rental certification program regarding fair housing.
4. Provide materials via City of Midland website (Building Department nearby the Rental Certification information) to landlords regarding fair housing practices.

## VI. Action Plan

The following action plan is to outline the steps needed to address the conclusions and recommendations of the 2015 Fair Housing Plan and the dedicated time in which to take these steps.

### Upon Adoption

1. Create a clear, concise reporting form for the fair housing testing results to be transmitted. While data is provided upon request, follow up from previous reporting periods is not currently communicated. This report shall include results of fair housing paired testing activities, status and any upcoming and completed training activities.
2. A fair housing action item shall be added to the Housing Commission quarterly meeting agenda.
  - a. This agenda item shall serve as the means for the City's Planning & Community Development staff to report on the fair housing activities conducted within the most recent quarter of the year.
  - b. This agenda item will also allow for the Housing Commission to review the fair housing activities of the city on a regular and scheduled basis.
3. Fair housing law reminder shall be included within the rental certification mailings.
  - a. Rental certification within the City is required every two years. Within the notification mailing reminding landlords to renew certification, text should be included to remind landlords of their equal opportunity legal obligations under the federal and state fair housing acts.
4. A full review of the rental certification program shall be conducted, to ensure alignment with best practices as relates to maintaining a safe, standard quality of life within the rental market.
5. A unit accessibility and affordability survey shall be included within the rental certification mailings.
  - a. Rental certification within the City is required every two years. Within the notification mailing reminding landlords to renew certification, a survey shall be included which will allow each landlord to report on the number of accessible and affordable units within the rental development.
  - b. The survey results will be used to acquire and update the record of number of units within the city which are identified as accessible and/or affordable.

### **Quarterly**

1. The Housing Commission shall review fair housing activities during each quarterly meeting under the added fair housing action agenda item.

### **Every Two (2) Years**

1. The housing list of affordable and/or accessible units shall be updated in concurrence with the city's biennial rental certification program.
  - a. Reporting by landlords on a two-year cycle will allow for this rental housing list to be fully updated every two years.
2. The rental housing list of affordable and/or accessible units shall be distributed to nonprofit housing service providers.

### **Every Five (5) Years**

1. At minimum, the City's Fair Housing Plan, which includes the Analysis of Impediments to Fair Housing Choice, shall be fully reviewed and readopted by the Housing Commission and City Council, as required by the U.S. Department of Housing and Urban Development for communities receiving Community Development Block Grant funds.

## **VII. Monitoring and Maintenance of Records**

This section summarizes the ongoing responsibilities of the jurisdiction relative to oversight of efforts to implement the remedial actions recommended in this report. It also sets forth the monitoring and maintenance of records procedures that will be undertaken to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

The Analysis of Impediments process has been conducted under the oversight and coordination of the City of Midland, Community Planning and Development Department, with the support of an independent consultant.

The Community Planning and Development Department and the City's Housing Commission will be responsible for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the jurisdictions' progress in implementing the remedial actions and other efforts to further fair housing choice and will therefore provide oversight of the following activities.

1. Evaluate each of the recommendations and remedial actions presented in this report, and ensure consultation with appropriate City departments and outside agencies and organizations to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on City policies, fiscal impacts, anticipated impact on or remedy to the fair housing impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. They will provide recommendations for implementation to the City Manager based on this evaluation.
2. Continue to insure that all subrecipients receiving CDBG funds have a current Affirmative Fair Housing Plan, display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate, and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

3. Ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.
4. Incorporate fair housing requirements in its grant program community outreach and training sessions.

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the City of Midland will maintain the following data and information as documentation of the City's efforts to affirmatively further fair housing choice.

1. A copy of the Analysis of Impediments and any updates will be maintained and made available upon request.
2. A list of actions taken as part of the implementation of this report and the City's Fair Housing Plan will be maintained by city staff and made available upon request.
3. The City of Midland will submit an update of its progress to HUD at the end of each program year as part of the Consolidated Annual Performance and Evaluation Report (CAPER).

## VIII. Approval Page

City of Midland Housing Commission, recommended for approval on:

Midland City Council Resolution of Approval, approval date: