

CITY OF CONCORD
CABARRUS/IREDELL/ROWAN
HOME CONSORTIUM

ANALYSIS OF
IMPEDIMENTS TO
FAIR HOUSING CHOICE



2011-2015

CABARRUS/IREDELL/ROWAN HOME CONSORTIUM



KANNAPOLIS



Researched and written by
Centralina Council of Government under contract by
The City of Concord and the Cabarrus/Iredell/Rowan HOME Consortium



Centralina Council of Governments (CCOG) is the state-designated lead regional organization for the Counties of Anson, Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly and Union. CCOG staff administers state and federal grants including aging, workforce development and community & economic development programs. CCOG also maintains a comprehensive regional data center for the public and private sector with information about population, economy, health services, education, employment, transportation, utilities and climate. CCOG is committed to growing jobs and the regional economy; controlling the cost of government and improving the quality of life.

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EXECUTIVE SUMMARY

The Cabarrus/Iredell/Rowan HOME Consortium was established in 1996 and is funded through the U.S. Department of Housing and Urban Development (HUD). The City of Concord is the lead entity for the Consortium and is authorized to request, submit and receive HOME Investment Partnership Program (HOME) funding from HUD on behalf of the Consortium. The Consortium was formed for the purpose of cooperatively providing safe, decent and affordable housing to low and moderate income individuals and families living in the three counties and six municipalities that make up the Consortium. These municipalities include the Cities of Concord, Kannapolis, Statesville, and Salisbury, the Towns of Davidson and Mooresville and the Counties of Cabarrus, Iredell and Rowan. The Consortium also maintains partnerships and funds four Community Housing Development Organizations (CHDOs) that are located in Davidson, Kannapolis, Mooresville and Salisbury.

The Consortium region experienced significant growth between 2000 and 2010, the overall population of the area increased by 24.4%. However, that growth ranged from a low of 5.2% in the City of Statesville to 73.8% in the Town of Mooresville, both jurisdictions are located in Iredell County. Between 2000 and 2010, the number of housing units in the area increased by 22.2%, with a greater increase in renter occupied units than owner occupied units. The increased growth in population of persons 65 and older (16%) did not keep up with the overall growth in the area (24.4%). However, this is likely to change in the coming years as the region's "Baby Boomers" turn 65 plus.

Purpose

The Analysis of Impediments to Fair Housing Choice (AI) is a comprehensive review of municipal housing, economic and transportation conditions, and public and private sector policies that ensure that housing choices and opportunities for citizens in a community are available. Under HOME and Community Development Block Grant (CDBG) Statutes, the AI document is required by HUD as part of the Consortium's Consolidated Plan. The City of Concord and the Cabarrus/Iredell/Rowan HOME Consortium must certify to HUD to affirmatively further fair housing. This certification has three components, which require government entities to:

1. Complete an Analysis of Impediments to Fair Housing Choice;
2. Set goals and objectives to mitigate the effects of any impediments identified through the analysis (Many of these goals can also be found in the Consortium's Five-year Consolidated Plan 2010-2015); and,
3. Maintain records to support the analysis and actions taken to affirmatively further fair housing (AFFH).

Background

HUD enforces the Fair Housing Acts of 1968 and 1988 and other federal laws that prohibit discrimination and the intimidation of citizens in their homes, apartment buildings, condominium developments, and in housing transactions, including rental and sale of housing and the provision of mortgage loans. Fair Housing is the right of individuals to obtain the housing of their choice, free from discrimination based on race, color, religion, sex, disability, familial status, or national origin. In recognition of equal housing access as a fundamental right, the federal government and the State of North Carolina have each established fair housing as a right protected by law.

As defined by 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 which restrict housing choice or the availability of housing choices; and,
- Any actions, omissions, or decisions which 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.

Impediments Identified: 2011

The impediments to fair housing choice that have been identified as a result of this update are listed below. These impediments were identified by one or more types of evidence that were noted in the methods section, which can be found on page 13 of this report. These items function as barriers or impediments to an individual or family's choices in finding housing. Recommended actions for each impediment have been suggested as ways to minimize these impediments and are detailed in this report. The impediments are listed below, with no particular order or priority. These impediments are common to most communities and are not unique to the Consortium's region. Several of the impediments identified are beyond the control of the public sector; however they are listed below and will be identified as such.

It is recommended that the Consortium members work as a group to implement the suggested actions for overcoming the impediments that were identified in this report. As difficult as it is to remove impediments, it is imperative that the Consortium make efforts to do so.

Public Sector Impediments

Impediment #1: Lack of Access to Affordable Homeownership

Affordable housing continues to be a problem across the Consortium's region; this is an issue that is entwined with the political, economic, cultural and social structure of all of

the Consortium's member governments. The lack of affordability has a significant impact on low-income households or persons, preventing them from meeting their basic needs, such as healthcare and nutrition. Lack of inventory and lack of affordable housing greatly reduces a person's or family's opportunity to purchase a home. The suggested actions listed below are a continuation of current steps that are in place to remove this barrier.

Suggested Actions:

(These activities are carried over from the previous AI)

1. The Consortium administers a number of programs which directly create affordable housing and housing opportunities for very-low, low and moderate income persons and families. This AI is a required component of the Consolidated Planning process and these programs and activities are described in detail in the 2010-2015 Consolidated Plan.

Impediment #2: Over concentration of housing choice vouchers and public housing of racial and ethnic groups

Historically there has been isolation of public housing which has resulted in a higher number of low-income families and persons living in geographically concentrated areas. The case is the same with regards to the geographic concentration of Section 8 voucher usage.

Suggested Actions:

1. Work to expand the number of locations for newly constructed public housing units throughout the region and create and implement policies that would discourage concentration of affordable housing units within individual jurisdictions or portions thereof.
2. Continue to expand the housing inventory to accommodate the varied housing needs of different groups.
3. Establish a program that encourages residents to expand the geographical areas where they typically would seek housing. Possibly develop marketing materials (newspaper ads, brochures, website ads) that feature communities located in a previously undesirable areas and promote the community's updated amenities as an attractor for homebuyers.
4. Expand promotion of the Housing Choice Voucher program to rental property owners located in new market areas. Build confidence in the program for landlords through outreach.
5. Collaboratively market public housing availability/vacancies and Section 8 Voucher program with local housing authorities and affordable housing providers.
6. Create a regional data base listing public housing vacancies and Section 8 availability. Have such a list available for review (and print hardcopies) at public locations such as libraries, Departments of Social Services, etc. Update this list on a periodic (e.g., quarterly) basis.

7. Work with housing authorities and affordable housing providers to ensure marketing plans and de-concentration policies are put into action.
8. Work with local transportation planners and agencies to increase public transportation in these areas.

Impediment # 3: Housing consumers lack knowledge of their fair housing rights, where to go for information, and how to get help if they believe that they have experienced housing discrimination.

Based on responses from a survey of area residents, housing consumers are not well informed regarding their rights under state and federal Fair Housing legislation. Most felt that if they had been discriminated against, that filing a complaint would not accomplish anything or would be too difficult to do. It may also be safe to assume that many consumers are unaware of what housing discrimination entails and may be unable to recognize it when it occurs.

Suggested Actions:

1. The Consortium should continue to provide ongoing educational and outreach programs. These include, but should not be limited to fair housing workshops, roundtable discussions, radio and television advertisements and Fair Housing Month activities.
2. Identify new venues where fair housing materials can be distributed, such as libraries, community centers, Department of Social Services offices, etc. and ensure that materials are prominently displayed for the public.
3. All jurisdictions should increase the visibility of fair housing and the complaint process by making fair housing information easily found on their websites with links between jurisdictions and contracted service providers. Jurisdictions should also insure that materials are displayed in prominent public areas. The information provided, at a minimum, should include a description of fair housing law and a complaint form with instructions on how and where to file the complaint. All jurisdictions should filter complaints in house and then forward them to the NC Human Relations Commission. This will help enable each jurisdiction to monitor the fair housing environment in their specific area.
4. Fair housing complaint outcomes should be published to establish confidence with consumers that solutions can and will be found for all complaints. Outcomes could be published on jurisdiction's websites, located where you would find fair housing information.
5. Ensure that all training and outreach, including materials, are offered in English and Spanish.
6. Partner with statewide organizations, local groups, fair housing based groups, schools, libraries, disability groups, aging groups, non-profits and others to plan and conduct fair housing outreach and educational activities.

Impediment # 4: Zoning, Building codes and property taxes

Local development codes, property taxes, and various utility fees, may limit the availability and location options for development of affordable or higher density housing and/or increase costs and development of affordable housing with the effect of restricting housing choice for low-income families or person.

The Consortium's region has experienced a substantial amount of growth over the past decade. And until the recent downturn in the state and national economies, the region had experienced a residential construction boom. Accordingly, both urban and rural areas have seen dramatic increases in property values. Higher property values can serve as a deterrent for providing housing aimed at low income families and persons. Building code enforcement can have a similar negative impact on low income families and persons. When landlords are forced to adhere to building code standards and are required to improve their properties, rents go up and may no longer be affordable for low-income families and/or persons.

Suggested Actions:

1. Consortium members should review, as an example, the Town of Davidson's affordable housing ordinance, which requires 12.5% of all units in new residential developments be "affordable".¹ Davidson's planning ordinance is an exemplary model that can enforce affordable housing development throughout the region.
2. Outreach efforts should be made to landlords to explain the demand and the need for affordable rental units.
3. CHDOs should continue homeownership counseling – with new property revaluations coming in the future for some member counties; there may be a high demand for counseling homeowners on the appeals process and how to adjust to paying an increase in their property taxes.
4. Review applications for low income tax credits developments to determine their location and target market, i.e., elderly, family, number of bedrooms, and rent structure.

Impediment # 5: Limited number, location, and/or types of public owned rental units that are accessible to and modified for persons with physical disabilities

The Consortium should continue to expand efforts for affordable housing options for area residents. They should also begin incorporating plans to provide housing opportunities for persons with physical and mental disabilities, seniors, families with children, and the homeless, as all of these population groups can benefit from a wider range of housing options.

¹ Town of Davidson "Facts about affordable housing in Davidson"

Suggested Actions:

1. The Consortium should expand their efforts to increase the variety of available rental housing inventory designed for persons with disabilities, homeless, families with children and the elderly.
2. Organize a region-wide inventory and data base of available senior housing and accessible housing for the disabled.
3. Educate developers and non-profit housing providers about how they can enhance accessibility of existing properties.
4. The Consortium should consider creating programs to provide incentives to landlords for making accessibility improvements to rental properties. The four regional CHDOs could implement this type of program.
5. Educate citizens about their right to reasonable accommodations under the fair housing law.
6. Partner financially with private and non-profit developers to build or remodel existing units to make them more accessible.

Impediment #6: Neighborhoods with insufficient public transportation for low-income persons, and persons with mental and/or physical disabilities

Transportation links are essential elements to successful fair housing. A lack of available transportation resources can be detrimental to those residents who do not have cars or for whom public transportation is not a viable option. Lack of transportation can impact where a person lives, works, receives medical care, attends school, shops, etc. Each member government has addressed this by providing various transportation services and links, but transportation resources can always be improved.

Suggested Actions:

1. Jurisdictions should review their service area to ensure they are meeting the needs of the elderly and the disabled throughout the community.
2. Possibly extend service in jurisdictions that do not provide door-to-door transportation services for those with physical disabilities that inhibit them from walking any significant distance; this could also include the elderly.
3. Work with area non-profit organizations to see if there are transportation resources that persons with mental and/or physical disabilities could access at no cost.
4. Include contact information for transit and paratransit operations on all fair housing materials in the respective county.

Private Sector Impediments

The following is a list of impediments that were also identified through the AI. Unfortunately, these barriers exist in the private sector and are beyond the public's

control. However, efforts can be made by local governing bodies to possibly influence the private sector through continued outreach and educational efforts.

1. Deteriorating and declining neighborhoods – where high crime and drugs, lack of transportation, vacant and deteriorating buildings, insufficient recreational facilities, high unemployment, limited commercial enterprises and high rate of affordable housing units exist.

Suggested Actions:

- Include these neighborhoods in revitalization planning.
- Work with local transportation planners to increase public transportation in these areas.
- Encourage local Police Departments to assist neighborhoods in developing community watch groups or neighborhood associations to hold neighborhoods accountable.

2. A shortage in the overall supply of affordable housing, or an inequitable distribution of affordable housing.

Suggested Actions:

- Provide incentives for developers to create owner-occupied dwelling units geared for low-income households, and guidelines so that developers will know what level of government support will be available. In areas with low poverty levels, for example, developers could be eligible for financial incentives in proportion to the number/percent of units that will be affordable by low income households.

3. Lack of available rental units for families with children and/or persons with disabilities.

Suggested Actions:

- Encourage landlords of rental housing that was constructed prior to 1991 (i.e., prior to the adoption of the Americans with Disabilities Act) to make their properties accessible to persons with disabilities.
- Educate developers and non-profit organizations about ways they can enhance the accessibility of existing housing.
- Educate developers and landlords about residents' right to reasonable accommodations under fair housing laws.
- Work with local developers and encourage development of larger apartments, (i.e., with 3+ bedrooms) to accommodate families with children.

4. Discriminatory practices in tenant selection (i.e., landlords who do not rent to minorities, persons of certain ethnic origins or persons receiving government housing or financial assistance).

Suggested Actions:

- Conduct training for landlords, apartment management companies, and realtors so that they can understand the Section 8 voucher program and fair housing practices. By educating people on the Federal, City and County fair housing and public accommodations laws, discriminatory practices are reduced proactively.
- Distribute Fair Housing Act brochures.

5. A disproportionate concentration of minorities in declining and deteriorating neighborhoods.

Suggested Actions:

- Encourage mixed income neighborhoods throughout the community by establishing programs that encourage residents to expand where they look for housing, possibly developing marketing materials (newspaper ads, brochures, website ads) that feature a community's amenities as an attractor.
- Lobby to change zoning laws to allow for mixed use development.

6. Predatory or subprime lenders who concentrate on minority or special population groups.

Suggested Actions:

- Distribute materials to local lenders that outline what predatory lending practices are and highlight the legal and social ramifications predatory lending can cause.
- Include information on predatory lending in fair housing education, outreach and training materials. The dissemination of information will promote awareness to consumers, and can help direct them to sources of pre-homeownership counseling, so that they can be fully aware of lending processes and types.
- Provide resource information for pre-foreclosure and foreclosure counseling for consumers who are in default or about to default on a property due to subprime lending.

7. There are a limited number of minority real estate brokers and agents.

Suggested Actions:

- Reach out to local real estate firms, landlords, rental agencies, and developers to increase efforts to recruit members of minority classes as realtors, property managers, and leasing agents.
- Encourage the use of diversity in images used for marketing materials and on websites for real estate firms, landlords, rental agencies, and developers.

8. Lack of training in fair housing laws for brokers and agents.

The North Carolina Real Estate Commission is committed to promoting fair housing in North Carolina. Licensees and applicants are reminded that any conduct by a broker which violates North Carolina's State Fair Housing Act, Codified as Chapter 41A of the North Carolina General Statutes also constitutes a violation of the Real Estate License Law.²

Suggested Actions:

- Distribute fair housing materials to local real estate firms and financial institutions so that these service providers will be aware of their responsibilities to comply with the federal Fair Housing Act.
- Invite local real estate firms to attend and participate in fair housing activities.

9. Property insurance underwriting practices limit the ability of borrowers to obtain insurance.

Insurance agents are supplied with underwriting guidelines for their respective company. These guidelines are rules that insurance companies use to decide whether to insure a property. Each company has its own underwriting guidelines. These guidelines may include information regarding an individual and the physical condition of that person's house including its upkeep and maintenance. Currently, underwriting guidelines are not public information; however, consumers are now beginning to inquire about gaining access to these underwriting guidelines to see if any patterns of discrimination are occurring.

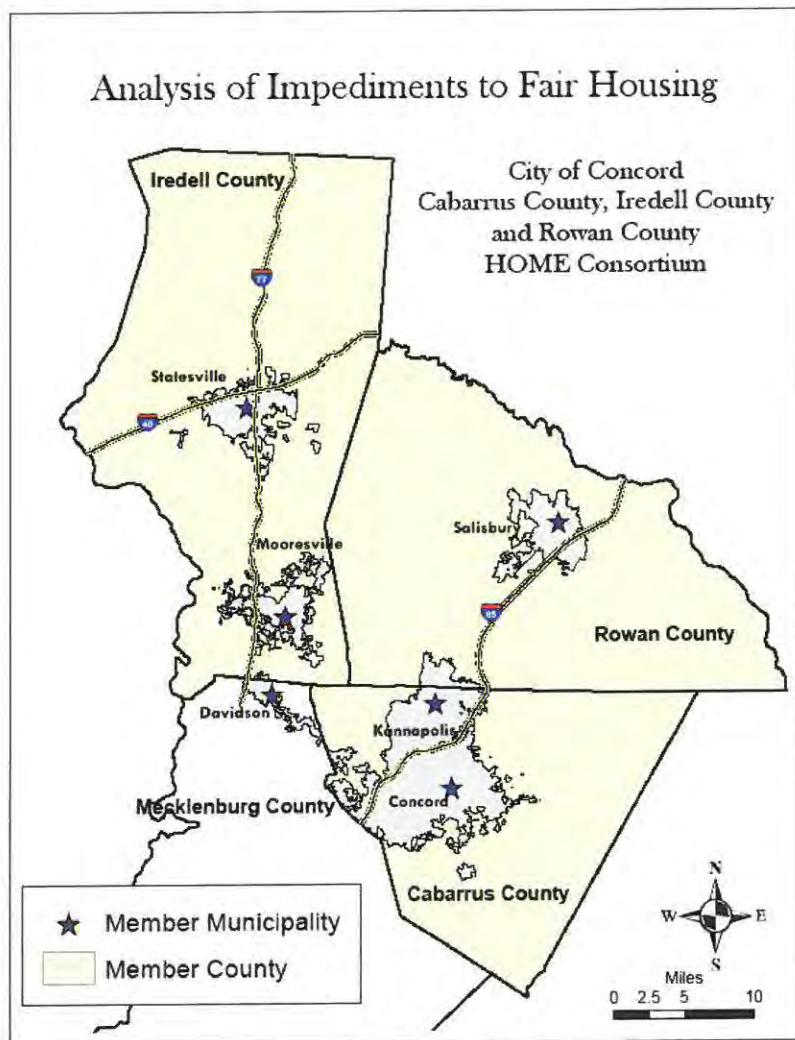
Possible Actions:

- Distribute fair housing materials to local real estate firms, banking institutions, insurance companies, and any other entities that sell homeowners/property insurance, so that these service providers will be better informed regarding their responsibilities to comply with the federal Fair Housing Act.
- Invite local real estate firms, financial institutions, insurance companies, and any other entities that sell homeowners/property insurance to attend and participate in fair housing activities.

² N.C. Real Estate Commission: Rules, Laws and Guidelines

Summary of Progress Since 2005

The Consortium recognizes that barriers to fair housing exist. Unfortunately, however, not all are within the realm of public control. Moreover, the Consortium is committed to taking steps to continually further fair housing choice, by working to eliminate the barriers that are within the public's reach. The Consortium has demonstrated its commitment to promoting equal housing opportunities for all citizens throughout the region, through their far reaching neighborhood revitalization initiatives and through the implementation of CDBG and HOME programs. Various outreach programs provide the public with educational opportunities to learn about and comprehend fair housing laws and how they are applied. The Consortium holds roundtable discussions and other fair housing events throughout the year and also during National Fair Housing Month. The Consortium also partners and supports several local CHDOs. These organizations provide outreach and educate the public and housing industry professionals about fair housing laws. Fair housing progress is ongoing and can be tracked in the Consortium's Consolidated Annual Performance Evaluation Report (CAPER).



SECTION I: INTRODUCTION AND METHODOLOGY

Fair Housing is the right of individuals to obtain the housing of their choice, free from discrimination based on race, color, religion, sex, disability, familial status, or national origin. In addition, the State of North Carolina Fair Housing Law has been amended to specifically deal with housing affordability.

(g) It is an unlawful discriminatory housing practice to discriminate in land-use decisions or in the permitting of development based on race, color, religion, sex, national origin, handicapping condition, familial status, or, except as otherwise provided by law, the fact that a development or proposed development contains affordable housing units for families or individuals with incomes below eighty percent (80%) of area median income. It is not a violation of this Chapter if land-use decisions or permitting of development is based on considerations of limiting high concentrations of affordable housing.³

In order to insure the prevention and elimination of housing discrimination, HUD requires all governing authorities directly receiving Consolidated Plan Program funds, to submit certification that they will affirmatively further fair housing within their jurisdictions, and that their grants will be administered in compliance with Title VI of the Civil Rights Act of 1964 and the Fair Housing Act of 1968. Title VII of the Civil Rights Act of 1968, as amended, commonly known as the “Fair Housing Act”, prohibits discrimination in the sale or rental of housing on the basis of race, color, religion, sex, and national origin. The Act was amended in 1988 to provide stiffer penalties, establish administrative enforcement mechanism and expand coverage to prohibit discrimination on the basis of familial status and disability. The Cabarrus/Iredell/Rowan HOME Consortium are recipients of HOME funds, therefore requiring members to affirmatively further fair housing in their jurisdiction.

Provisions to affirmatively further fair housing are key and long-standing components of HUD’s Community and Planning Development (CPD) programs. These provisions are derived from Section 808(e)(5) of the Federal Fair Housing Act which requires the Secretary of HUD to administer housing programs in a manner that affirmatively furthers fair housing.⁴

Recipients of Consolidated Plan Program funds meet this obligation by performing an “Analysis of Impediments to Fair Housing Choice” within their communities and developing and implementing strategies and actions to overcome these barriers based on their circumstances, history and experiences. This report identifies and defines the impediments, assesses the current fair housing initiatives, and outlines solutions and

³ North Carolina Fair Housing Law

⁴ Fair Housing Planning Guide Historical Overview

actions the HOME Consortium can take to overcome the impediments identified. HUD requirements for this document include the following:

- A. Grantees are required to complete or update an AI pursuant to HUD's Fair Housing Planning Guidebook every three (3) to five (5) years in coordination with the Consolidated Planning Process;
- B. Grantees are required to use their comprehensive AI study as the basis to formulate a "Fair Housing Plan" with measurable "actions to be taken to overcome the effects of any impediments" and take those appropriate actions; and,
- C. Grantees are required to maintain records, including their AI study and records to support actions taken and to be taken in regard to implementing their Fair Housing Plan.

The last AI was completed and submitted by the HOME Consortium in 2005. This AI will review current information and data available from a number of sources and identify current impediments to fair housing; evaluate the efficacy of the 2005 Plan of Action; and, develop a new Plan of Action to address current impediments. This AI is a supporting document to the 2010-2015 City of Concord, Cabarrus/Iredell/Rowan HOME Consortium Consolidated Plan and needs to be reviewed and evaluated within the context of that Plan.

Methodology

The AI was conducted on behalf of the City of Concord and Cabarrus/Iredell/Rowan HOME Consortium by Centralina Council of Governments (CCOG). The AI is a broad yet thorough examination of a variety of sources related to housing and housing-related services. It involves secondary research, which entails the review of existing data and studies, and primary research, which is the collection and analysis of new raw data.

The following data/research types were used:

- Demographic data available through the 2000 Decennial Census, 2010 Decennial Census, and the 2005-2009 American Community Survey (5-year estimates released December 2010), data reported in the 2010-2015 City of Concord, Cabarrus/Iredell/Rowan HOME Consortium Consolidated Plan, 2009-2010 Consolidated Annual Performance and Evaluation Report (CAPER);
- Mortgage lending trends through the analysis of data available through the Home Mortgage Disclosure Act (HMDA);
- Phone interviews with a wide range of individuals informed on housing issues and who were located in areas or with agencies whose service area was contained in the Consortium's region;

- Practitioner surveys were distributed to individuals informed on housing issues and who were located in areas or with agencies whose service area was contained in the Consortium's region;
- Homeowners/Renters surveys were distributed to residents throughout the Consortium's region; and,
- Housing discrimination complaint records from the NC Human Relations Commission.

To begin an examination of current fair housing policies and strategies, this report will look at past accomplishments and look at communities in the Consortium's region and other communities in North Carolina to provide a basis of comparison.

SECTION II: DEMOGRAPHIC AND ECONOMIC OVERVIEW

The demographics and housing trends of the Consortium region were analyzed using data from the 2000 and 2010 federal Census and 2005-2009 American Community Survey 5-year estimates released in December of 2010. The data was used to describe the area's characteristics and trends and to provide an analysis of the area's housing market and a household's ability to purchase a home. The analysis concludes with a synopsis of housing problems experienced by residents, such as cost burden, physical defects and overcrowding.

The Consortium region experienced significant growth between 2000 and 2010, the overall population of the area increased by 24.4%. However, that growth ranged from a low of 5.2% in the City of Statesville to 73.8% in the Town of Mooresville. Between 2000 and 2010, the number of housing units in the area increased by 22.2%, with a greater increase in renter occupied units than owner occupied units. The increased growth in population of persons 65 and older (16%) did not keep up with the overall growth in the area (24.4%). However, this is likely to change in the coming years as the region's "Baby Boomers" turn 65 plus.

Appendix A provides complete demographic information regarding population, race/ethnicity, income, tenure, age of structures and housing problems.

SECTION III: CURRENT FAIR HOUSING LEGAL STATUS

The North Carolina Human Relations Commission enforces the North Carolina State Fair Housing Act and is substantially equivalent to the Division of Fair Housing within HUD. The North Carolina Human Relations Commission participated in writing and implementing the Fair Housing goals for the North Carolina Comprehensive Housing Affordability Strategy (CHAS) and the North Carolina Consolidated Housing Plan required by HUD. Further, the North Carolina Human Relations Commission also serves as a resource to North Carolina CDBG program in helping them develop adequate fair housing plans. The North Carolina Human Relations Commission receives fair housing complaints, investigates and provides resolution for complaints, and maintains historical records of fair housing complaints filed in North Carolina.

Based on available data from the North Carolina Human Relations Commission the table below lists the fair housing complaints filed from 2008 through 2010.

Table 1: Housing Complaints filed with the NC Human Relations Commission 2008-2010

Jurisdiction	2008	2009	2010
	Type & Status	Type & Status	Type & Status
Cabarrus County	2-Race: Closed 1-Race, Familial Status: Closed	1-Race-Closed	2-Hadicap:Closed 1-National. Origin, Sex: Closed
City of Concord			1-Race, Sex: Closed 1-Race, Handicap: Open
Town of Davidson	-0-	1-Race-Closed	-0-
Iredell County	-0-	-0-	-0-
City of Kannapolis	1-Intimidation:Closed	-0-	1-Handicap-Open 1-Sex, National Origin: Closed
Town of Mooresville	-0-	-0-	1-National Origin: Closed 1-Familial Status: Open
Rowan County	1-Intimidation-Closed	-0-	-0-
City of Salisbury	-0-	-0-	2-Race, Sex: Closed
City of Statesville	1-Race, Sex: Closed 1-Race, Handicap: Closed	-0-	-0-

Source: N.C. Human Relations Commission-Fair Housing Community Relations Unit- March 2011

Data only available for 2008, 2009, 2010

Fair Housing Policies

Each member of the Consortium has procedures in place to address discrimination in housing through the enforcement of Fair Housing ordinances. Each Consortium member has ordinances that prohibit discrimination in housing due to race, color, national, origin, religion, gender, familial status and disability. Each Consortium member also has Fair Housing Compliant Procedures that can be accessed by citizens.

SECTION IV: PUBLIC SECTOR ANALYSIS

Transportation

Transportation links are essential elements to successful fair housing. A lack of available transportation resources can be detrimental to those residents that are not located in commercial areas with access to public transportation or private vehicles. Residents are limited in where they can work; attend school, and where they can purchase goods and services. Insufficient transportation routes also have a negative impact on residents, limiting the selection of housing to neighborhoods located near transportation service areas. Each member government has addressed this by providing various transportation services and links.

Cabarrus County Transportation Service (CCTS)

The CCTS provides transportation services for the elderly and low-income sectors of the County population. This service provides individuals access to necessary medical care and other resources that can improve and enhance their quality of life while promoting an independent lifestyle. CCTS, with a fleet of 23+ vans, provides approximately 225,000 miles of service each year, with more than 100,000 passenger trips.

CK-RIDER

The Concord-Kannapolis Transit System (or "RIDER"), which offers fixed route transit services throughout Concord and Kannapolis to shopping areas, the hospital, doctor's offices, jobs and other locations. Discounted fares are available for persons with disabilities, students and those 65 or older. Buses are ADA accessible and door to door service is also available for people with disabilities upon request.

Iredell County Area Transit System (ICATS)

ICATS is a Community Transportation Program that serves both human service consumers as well as the general public. The service operates between the hours of 5:00 a.m. and 7:00 p.m. Monday through Friday. Some additional evening hours are currently available, including limited weekend service. Services are provided through deviated fixed routes, subscription routes, and demand response service trips. ICATS is a paratransit service provider as well. ICATS has a ridesharing public transportation system that enables routes and schedules to be structured to transport multiple passengers to multiple destinations. Service is provided curb-to-curb unless door-to-door service is requested for special populations.

Charlotte Area Transit System (CATS)

CATS provides various modes of public transportation in and around the greater Charlotte area for municipalities that do not provide their own methods of public transit. CATS' Park and Ride lots are conveniently accessible for residents of Mooresville, Davidson and Concord. Commuters can park their vehicles for free and ride a CATS

bus for the remainder of their commute, which can amount to a considerable savings in time and money. CATS also has several express bus routes that travel to the Town of Davidson and the City of Concord, on a Monday through Friday schedule. STSII is an offshoot of CATS' Special Transportation Service, which provides transportation to people with disabilities to, from, and within Cornelius, Davidson, Huntersville, Mint Hill and unincorporated areas of Mecklenburg County.

Rowan Transit System (RTS)

RTS is part of a transportation network that includes the Federal Transit Administration Section 5311, the NCDOT Public Transportation Division and the Rowan County Board of Commissioners, which serves as the lead agency. RTS is a non-emergency community transportation program for Rowan County residents living in the county and the municipal areas of China Grove, Granite Quarry, Rockwell, Cleveland, and Landis. It operates Monday through Friday with passenger assistance available from 7am to 5pm. Transportation services are provided for 1) seniors 60 years of age and older, 2) individuals with disabilities, 3) rural general public passengers of any age.

Rowan Express

The Rowan Express is a partnership between Salisbury, China Grove, Landis, Kannapolis and Rowan County; the Rowan Express connects these communities with bus service and helps link employment centers, shopping, county services and medical facilities. The service runs hourly between 6:00 a.m. and 9:00 a.m. and between 2:00 p.m. and 5:00 p.m. The fare for the service is \$1.00, with no charge for children under 5 years of age. Transfers from the CK-Rider System and Salisbury Transit System are free.

The Amtrak station in Kannapolis, Town Hall in Landis, the Food Lion on Main Street in China Grove, the China Grove Police Station, and the transfer station on Depot Street in Salisbury serve as the five stops for the route.

The Salisbury Transit System

The Salisbury Transit System has three routes. Each of these routes arrives and departs from the transfer site, which is located on Depot Street. Any bus boarded can take passengers to the transfer site on the inbound part of the route. Any member of the general public may ride the Salisbury Transit bus. Salisbury Transit does not operate on Sundays and some holidays.

Individuals who are unable to use the fixed route bus service because of a functional disability or functional limitation may qualify for ADA paratransit.

Consolidated Plan and Neighborhood Revitalization

The City of Concord, Cabarrus/Iredell/Rowan HOME Consortium carries out federal programs administered by HUD. The Consortium published its Consolidated Five Year Strategic Plan in FY09, which addresses priority needs for the period of 2010-2015. The Action Plan describes the activities to carry out for the current fiscal year and how the Consortium will use local and federal resources to achieve the affirmed objectives and goals. The Action Plan also addresses the needs of the homeless, low and moderate income individuals and families as well as other targeted populations and identifies community resources that will be used to address their needs.

One aspect of fair housing choice is neighborhood revitalization and the provision of good services to areas in which low and moderate income families live. Blacks, Hispanics, and other minorities and persons with disabilities who are most concentrated in such neighborhoods will benefit from better neighborhood environments critical to good housing. The Consortium members are actively engaged in promoting and sustaining affordable and equal access to housing for low and moderate income households. In addition to programs that promote affordable housing, members also engage in a number of improvements to revitalize lower-income neighborhoods and to increase accessibility to public facilities for persons with disabilities. Members undertake housing rehabilitation and emergency repair programs.

HOME Investment Partnership Program (HOME)

The HOME program was designed and implemented in order to increase the amount of affordable housing in the United States, especially for persons and households having incomes below the national and State poverty guidelines. It was designed with four main objectives in mind; (1) to expand the supply of decent and affordable housing in the U.S., while strengthening the abilities of State and local governments; (2) to design and implement strategies for achieving adequate supplies of decent, affordable housing; (3) to provide financial and technical assistance to States and local governments to develop affordable low-income housing; and, (4) to extend and strengthen partnerships among all levels of government in the production and operation of affordable housing.

The primary objective of all HOME activities carried out by the Consortium is to provide decent and affordable housing to low and moderate income families.

HOME Activities:

- Acquisition (New Construction)
- Homeownership/Down payment Assistance
- Rental Housing (New Construction)
- New Construction
- Rehabilitation of Owner-Occupied Housing Units

HOME funds are also used as a resource to fund CHDOs, these organizations carry out the development of affordable housing, and provide direct and indirect assistance to residents in need of safe and decent housing. CHDO funds are distributed among the following organizations:

- Salisbury Community Development Corporations
- Prosperity Unlimited, Inc.
- Community Housing Development Corporation of Mooresville/South Iredell
- Davidson Housing Coalition.

Community Development Block Grant (CDBG)

Entitlement Program

Grants are awarded on a formula basis to certain urban cities and counties to carry out a wide range of community development activities directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and services. Communities develop their own programs and funding priorities. However, grantees must give maximum priority to activities which benefit low and moderate income persons. A grantee may also carry out activities which aid in the prevention or elimination of slum or blight. Additionally, grantees may fund activities that the grantee certifies meets other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs.

The following Consortium members are currently recipients of annual CDBG Entitlement funding:

- ❖ City of Concord
- ❖ City of Kannapolis
- ❖ City of Salisbury

Small Cities Program

The CDBG Small Cities program is operated by the State of North Carolina through the North Carolina Department of Commerce and is open to non-entitlement jurisdictions on a competitive basis. Non-entitlement areas are cities with populations of less than 50,000 (with the exception that the city is not a designated principal city of a Metropolitan Statistical Area), and counties with populations of less than 200,000. Funding is available for projects that enhance the viability of communities by providing decent housing and suitable living environment and by expanding economic opportunities, for persons of low and moderate income.⁵

⁵ NC Department of Commerce

The following Consortium members are currently eligible to receive state CDBG Small Cities funding if they so choose to submit an application for project funding:

- ❖ City of Statesville
- ❖ Town of Davidson
- ❖ Town of Mooresville
- ❖ Cabarrus County
- ❖ Iredell County
- ❖ Rowan County

Community Development Programs

The Consortium members have all targeted areas of their communities that are the focus of revitalization and each member also administers various types of programs that benefit low and moderate income persons, persons of protected classes and quality of housing.

Cabarrus County

- Heating Assistance Program: This program's purpose is to repair and/or replace heating appliances that are inoperable or malfunctioning. This assistance is designed to keep low-income elderly homeowners living independently for as long as possible by providing adequate heating systems in their homes.
- Weatherization Program: The purpose of this program is to provide weatherization assistance to low income, elderly and handicapped persons for more energy efficient homes, thereby reducing energy costs. Typical repairs include caulking, weather-stripping, repair or replacement of doors and windows, attic insulation, water heater replacement, pipe and duct insulation, floor insulation, installation of attic and foundation vents, and building of attic hatches and crawl space doors.
- Housing Rehabilitation: This program allows for full rehabilitation of homes of low-income persons and although the focus is primarily elderly homeowners, the program is open to all low-income homeowners. Typical activities include roof replacement, siding upgrades, replacement of windows and doors, insulation, electrical and plumbing upgrades and repairs, and remodeled bathrooms for accessibility.

City of Concord

The Center City Plan is a ten year plan that has been developed to establish a set of strategies for the future redevelopment and sustainability of existing neighborhoods that surround the City's downtown. Center City is defined as the area bounded by Interstate I-85, US Highway 3 (Branchview Drive), US Highway 601 (Warren C. Coleman Blvd.),

and US Highway 29 (Concord Parkway). In order to evaluate these neighborhoods more closely, Center City was broken down into fourteen (14) neighborhoods. The Center City Plan provides a tool for neighborhood improvement strategies, future land use plans, multi-modal connection opportunities, and development incentives.

The City implemented the neighborhood program, Partnerships for Stronger Neighborhoods, in 2000 to build relationships with the City's neighborhoods in an effort to enhance the quality of life in the City and stimulate activity within neighborhoods and in City events. Neighborhoods are partnered with a City staff member who serves as their liaison and attends neighborhood meetings and assist residents in identifying solutions to problems. Based upon these relationships, City staff is better able to deliver services tailored to the needs of individual neighborhoods and obtain feedback on proposed public improvement projects within these neighborhoods. There are 45 neighborhood organizations that participate in this program.

The City of Concord adopted a policy to waive water and wastewater connection charges and zoning clearance permit fees for affordable housing. In 2007 the Planning Commission rezoned one of the zoning districts to include cluster developments, which allows development on small lots.

Town of Davidson

The Town of Davidson is committed to maintaining an economically diverse community and providing affordable housing opportunities. The Davidson Housing Coalition is an outgrowth of a year-long Land Plan study which revealed that Davidson's traditional mix of housing was threatened by rapid development and sky-rocketing land values in the region. The Davidson Housing Coalition was incorporated to work with the larger community to preserve and create affordable housing options and to prepare families and individuals for financial stability and homeownership. The Davidson Housing Coalition serves as the arm of the Town of Davidson in its implementation of the Affordable Housing Ordinance.

City of Kannapolis

In partnership with Prosperity Unlimited, Inc., the City of Kannapolis funds construction of new housing units that provide affordable housing to qualifying residents and well as providing down payment assistance. The City of Kannapolis also manages the development of neighborhood revitalization and strategic plans to help neighborhoods address needs and challenges. The first project of this nature was for the Carver Area neighborhood. That plan assessed the needs and outlined goals that would address housing, transportation, infrastructure and access to job training for neighborhood residents.

Town of Mooresville

The Town sponsors a Housing Rehabilitation Program for qualified homeowners and includes both a loan program for homeowners needing substantial housing repairs; and an Emergency Repairs Program. The Town also partners with the Community Housing Development Corporation of Mooresville/South Iredell (CHDC/MSI), a private, non-profit organization, to provide decent, affordable housing for low and moderate income families through collaborative and innovative programs, financing, and human development. The CHDC/MSI provides homebuyer classes and counseling that assist prospective home buyers in preparing for their responsibilities that come with homeownership.

The Town also administers revitalization/redevelopment plans. The Town adopted a redevelopment master plan for the Cascade neighborhood in 2005. Town officials were concerned with the deteriorated physical conditions and crime problems associated with the Cascade Mill Village. There was a substantial amount of vacant dilapidated housing, much of it owned by a former resident who died, leaving the estate in disarray. The Town felt a plan of action was necessary to save this fragile neighborhood. The goals of the redevelopment plan included:

- the elimination of slum and blight;
- improving the quality of housing through a formal housing rehabilitation program;
- preserving the historical and architectural aspects of the neighborhood; and
- providing home ownership opportunities by developing affordable housing as a means of stimulating community involvement and private investment.

City of Salisbury

The Salisbury Community Development Corporation (CDC) is a key partner in the City's neighborhood revitalization programs. The CDC is a non-profit organization dedicated to assisting low and moderate income individuals and families with housing needs, including homeownership, housing rehabilitation and foreclosure prevention.

For a number of years, the City has focused its revitalization efforts and resources in the following four neighborhoods: West End Neighborhood, Park Avenue Neighborhood, Jersey City Neighborhood and the East End Neighborhood. These neighborhoods were designated for revitalization by the City of Salisbury because they met HUD income specifications and have experienced persistent issues with housing deterioration and vacancy that impact property values, livability and neighborhood stability.

City of Statesville

The Statesville Housing Authority (SHA) provides area residents with affordable, quality housing for low and moderate income persons to improve their quality of life. SHA offers Public Housing and Section 8 assistance through their Housing Operations Department. They offer residents participation in the HUD Family Self-Sufficiency

program and a Home Ownership program. SHA also offers financial and workshop consulting to help educate other agencies throughout the City.

Affordable Housing Needs and Activities

Faced with a declining economy, the Consortium's region has been hit especially hard with business closings, record high unemployment, an abundance of home foreclosures, and dwindling federal and local government resources. As a result, it is difficult for the Consortium to develop a housing strategy that meets the needs of all the priority areas that have been previously identified. However, the Consortium has identified housing priorities and objectives in the 2010-2015 Consolidated Plan. These programs are designed to implement various housing assistance strategies, which include affordable new construction, neighborhood improvements, and rehabilitation of existing affordable housing stock, first time homebuyer down payment assistance programs, and creating economic opportunities. These programs are targeted to persons and/or households that are at or below 80% of the area median income.

Table 2: Housing Priorities

Rehabilitation of homes with substandard conditions
Increase affordable home opportunities for low-moderate income households
Increase new affordable housing stock for low-moderate income households
Reduce cost burden for low-moderate income households by providing down payment assistance
Develop and sustain public/private/non-profit relationships to create innovated affordable housing opportunities
Develop transitional housing opportunities
Continue referral system to provide housing for individuals representing a special need such as HIV/AIDS, disability, and elderly
Assisting elderly and disabled homeowners
Providing advocacy for protected classes
Providing Community Housing Development Organizations funding for HOME & CDBG activities
Providing housing assistance for homeless
Providing homeowner education for low and moderate income persons and households

(Source: 2010-2015 Consolidated Plan: City of Concord, Cabarrus/Iredell/Rowan HOME Consortium)

Public Housing Authority

Public Housing Authorities (PHA) in the Consortium region share HUD's mission to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination. PHA's receive federal funds from HUD to administer the Housing Choice Voucher Section 8 program, which provides assistance to very low-income families, the elderly and the disabled. Through the Section 8

program, a housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. PHA's are also responsible for the management and operation of its local public housing program. They may also operate other types of housing programs.

PHAs located in the Consortium's region include:

- Statesville Housing Authority
- Concord Housing Authority
- Mooresville Housing Authority
- Salisbury Housing Authority
- Rowan County Housing Authority
- Charlotte Housing Authority

Institutional Structure

Throughout the Consortium region, area non-profits are a key component to promoting and developing permanent solutions to the housing issues and increasing access to services through collaboration among service providers. Member agencies include the Davidson Housing Coalition, Prosperity Unlimited, Inc., Salisbury Community Development Corporation, and the Community Housing Development Corporation of Mooresville-South Iredell.

Lead-Based Paint Hazard Reduction

Childhood lead poisoning remains a major environmental health problem throughout the United States. Although exposure to high concentrations of lead can be harmful to all age groups, the effects are more prominent among young children aged six months to six years. Lead is more dangerous to children because children's growing bodies absorb more lead and their brains and nervous systems are more sensitive to the damaging effects of lead. Some high level effects include slowed growth, hearing problems, headaches, behavioral and learning problems and damage to the brain and nervous system.

"To reduce exposure to lead, the EPA regulations now mandate that any contractor or maintenance staff, from plumbers to electricians to painters, who disturbs more than six feet of lead paint, replaces windows or does any demolition while working in a pre-1978 home, school or day-care center, must now be Lead-Safe Certified and trained in lead-safe work practices. The regulations are now the standard of care for the industry."⁶

⁶ <http://www.epa.gov/lead/pubs/leadinfo.htm#resources>

The North Carolina Department of Health and Human Services, Division of Public Health, Health Hazards Control Unit (HHCU) administers two lead-based paint programs in North Carolina: The Lead-Based Paint Hazard Management Program for abatement activities (LHMP) and the Lead-Based Paint Hazard Management Program for Renovation, Repair and Painting (LHMP-RRP). The LHMP requires a person who performs an inspection, risk assessment, abatement or abatement design work in a child-occupied facility (such as daycares, pre-schools, etc.) or target housing (built before 1978) to be certified and establishes the requirements for certification, including the oversight of required training. It also requires a person who conducts an abatement of a child-occupied facility or target housing to obtain a permit for the abatement. Beginning January 1, 2010 North Carolina law requires dust sampling technicians, firms, and individuals performing renovation, repair and painting projects for compensation who disturb lead-based paint in homes and child-occupied facilities built before 1978, be certified and follow specific work practices to prevent lead contamination. Child-occupied facilities include, but are not limited to child care facilities and schools with children under the age of 6 years of age that were built before 1978. The RRP program mandates that contractors, property managers and others working for compensation, in homes and child-occupied facilities built before 1978, be trained and use lead-safe work practices. They are also required to provide the lead pamphlet "Renovate Right; Important Lead Hazard Information for Families, Child Care Providers and Schools" to owners and occupants before starting renovation work.⁷

Consortium members ensure the reduction of adverse health effects on area residents caused by rehabilitation of lead-base paint surfaces by providing educational materials to all housing contractors and citizens receiving housing rehabilitation assistance. In addition, all Consortium members uphold federal and state lead based paint practices in all housing rehabilitation programs to ensure the health and safety of all area citizens.

Zoning and Site Selection

Cabarrus County

The following uses and their definitions are permitted by right in all Residential zoning districts:

Family care home - A home with support and supervisory personnel that provides room and board, personal care, and rehabilitation services in a family environment for not more than six (6) resident elderly or handicapped persons. "Handicapped person" means a person with a temporary or permanent physical, emotional, or mental disability including but not limited to mental retardation, cerebral palsy, epilepsy, autism, hearing and sight impairments, emotional disturbances, and orthopedic impairments but not including mentally ill persons who are dangerous to others, as defined in General Statutes 122-58.2 (1) b.

⁷ NC Department of Health and Human Services, Division of Public Health, Health Hazards Control Unit

Group care facility - A licensed facility caring for seven to fifteen unrelated individuals (excluding supervisory personnel). Residents are handicapped, aged or disabled and are undergoing rehabilitation or extended care. The group care facility includes group homes for all ages, half-way houses, foster and boarding homes but does not include facilities treating alcohol or drug addiction nor persons being transitioned from prison life.

City of Concord

The City of Concord's Planning Commission recently adopted a text change that would allow for development of residential units on smaller lots, where facilities and services exists with the capacity to serve the development. These residential clusters provide a means of permanently protecting open space, rural character, and important agricultural resources.

City of Salisbury⁸

The City of Salisbury Land Development Ordinance (LDO) was adopted in November 2007 and went into effect on January 1, 2008. The ordinance contains several provisions that help reduce some of the barriers to affordable housing that existed under the previous zoning and subdivision codes.

LDO provisions include:

- Smaller lot sizes equating to higher densities in most residential zoning districts;
- Streamlined review process that helps reduce overall development costs;
- On-street parking to count toward parking requirements in many districts, further reducing development costs;
- More administrative review of most types of projects as long as they meet the standards. In districts where multi-family housing is allowed, this will help eliminate the lengthy and often contentious, legislative review process that can hinder the development of apartments and other multi-unit housing;
- Multiple housing options, such as accessory units or granny flats, and allows for some alternative housing types (i.e., live-work units).
- More compact, pedestrian-friendly development and mixed use projects that will improve accessibility of services to all City residents.
- In terms of barriers that could impede the development of affordable housing, the City does not impose growth limits or adequate public facilities fees that could unduly drive up the cost of development.

⁸ City of Salisbury 2010-2014 Consolidated Plan

Town of Davidson

The Town of Davidson has made a priority of maintaining an economically diverse citizenry and encouraging the production of affordable housing. In 2001, the Town Board adopted an affordable housing ordinance requiring 12.5% of all developments, with a few exceptions, to be “affordable”. In 2005, 2007, and 2008 the ordinance was amended to include affordable housing guidelines and standards. Developments with seven or fewer units must either provide one affordable unit or make a payment-in-lieu to the Town of Davidson’s affordable housing fund. Developments with eight or more are required to set aside 12.5% of the units as being “affordable”. Developers are required to distribute the affordable units among different income categories. The Town prefers that affordable units be constructed on-site, especially in locations close to transit, but the developer may opt out of the minimum required percentage by making a payment-in-lieu of \$69,400 per affordable unit to the Town’s affordable housing fund. The ordinance requires that permanently affordable units be “functionally equivalent” to market rate units (e.g., when features are included in market rate units, such as kitchen cabinets, countertops, dishwasher, etc., then equivalent features must be included in the affordable units). The Town requires deed restrictions which impose resale and rental price limitations. These covenants are designed to preserve affordability for future qualified home-buyers or renters. Affordability must be continued for 99 years. Income eligible households for these units have been traditionally defined as those whose income is 80% or less of the area median income. As of (enter year), there were 46 affordable housing units in Davidson, which were developed as a result of the Town’s affordable housing ordinance. In addition, sixty-eight affordable housing units are held in a land trust by the Davidson Housing Coalition. The Town has collected or is owed approximately \$600,000 in payment-in-lieu fees.

Strategies to Meet Underserved Need

As outlined in the City of Concord, Cabarrus/Iredell/Rowan HOME Consortium’s 2010-2011 Action Plan, the Consortium receives approximately \$1.27 million annually in HOME Investment Partnership funds. All HOME funding was used for the production of affordable housing units that benefited households <80% of the median income based on family size. Funds were distributed throughout the Consortium’s region by a formula allotment based on population, poverty and age of housing. It was estimated that 110 affordable housing units would be constructed or rehabilitated with the use of HOME funds in combination with 30% of the City of Concord’s CDBG funds. The Consortium strives to make sufficient investments and to encourage private investment throughout each of its member jurisdictions so that funds will be allocated to more distressed neighborhoods where considerable and sustainable impacts can take place.

The Consortium’s strategy has five guiding principles for promoting and providing fair, safe and affordable housing:

1. Benefit low and moderate income persons and families;

2. Focus on the affordable housing stock, including stronger code enforcement, improved infrastructure, public facilities, new construction and renovation of existing homes;
3. Promote appropriate awareness of affordable and fair housing issues;
4. Improve the conditions of potential and current homeless persons; and,
5. Encourage more collaborative approaches to community development.⁹

⁹ City of Concord & Cabarrus/Iredell/Rowan Housing Consortium 2010 Consolidated Plan Annual Action Plan

SECTION V: FAIR HOUSING AND THE PRIVATE SECTOR

Homeownership is the key component to the idea of the “American Dream.” It is thought to benefit not only the individual in the form of asset building and life satisfaction, but also to society as a whole through increased property values, reduction in crime, and general neighborhood prosperity and sustainability.¹⁰ With the passage of the federal Community Reinvestment Act (CRA) of 1977, access to credit has drastically improved for underserved populations. This Act encourages depository institutions to help meet the credit needs of the communities in which they operate, including low-and moderate income neighborhoods, consistent with safe and sound banking operation and prohibits redlining (denying or increasing the cost of banking to residents of racially defined neighborhoods).¹¹

The availability of mortgage credit enables residents to own their own homes, and obtain access home improvement loans. Credit availability allows homeowners to maintain older housing stock, which, in turn, prevents neighborhood blight. Having access to mortgage credit and other forms of financing for housing also promotes the sustainability of neighborhoods and gives homeowners pride in their communities.

Over the past decade, our nation has made enormous progress in expanding access to capital for previously underserved borrowers. Despite these steps forward, however, too many families still suffer because of a growing incidence of abusive practices in a segment of the mortgage lending market. Predatory mortgage lending practices strip borrowers of home equity and threaten families with foreclosure, destabilizing the very communities that are beginning to enjoy the fruits of our nation’s economic success.¹²

An abundance of poorly performing loans in a region can have a multitude of negative effects on a community. The Consortium’s region, much like the rest of the United States, has unfortunately seen these effects firsthand. The Urban Institute states that there are three major areas of impact that poor performing loans and foreclosures have on neighborhoods and communities:

1. Declining Property Values and Physical Deterioration
2. Crime, Social Disorder, and Population Turnover
3. Local Government Fiscal Stress and Deterioration of Services

Impacts can range from short-term to long-term depending on the sheer volume and longevity of the existing problems.

¹⁰ National Poverty Center: “Homeownership: America’s Dream?” by Raphael W. Bostic and Kwan Ok Lee

¹¹ Office of the Comptroller of the Currency, U.S. Department of the Treasury

¹² U.S. Department of Housing and Urban Development

Lending Legislations and Laws

In addition to the Community Reinvestment Act, the federal government has enacted several laws aimed at promoting fair lending practices in the banking and financial services industries. A brief description of several of these laws follows:

The Fair Housing Act of 1968 prohibits discrimination in housing based on race, color, religion or national origin. Later amendments added sex, familial status and disability. Under the Act, it is illegal to discriminate against any of the protected classes in the following types of residential real estate transactions: making loans to buy, build or repair a dwelling; selling, brokering or appraising residential real estate; or selling or renting a dwelling.

The Equal Credit Opportunity Act was passed in 1974 to prohibit discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act.⁹

Under the Home Mortgage Disclosure Act (HMDA), enacted in 1975 and later amended, financial institutions are required to publicly disclose the race, sex, ethnicity and household income of mortgage applicants by the census tract in which the loan is proposed, as well as the outcome of the loan application. HMDA data represent most mortgage lending activity and is the most comprehensive collection of information regarding home purchase originations, home remodel loan originations and refinancing available.

In 1999, North Carolina enacted the first "anti-predatory lending law," which took aim at abusive mortgage practices designed to charge borrowers unnecessary or exorbitant fees or direct borrowers into high cost loans. North Carolina's anti-predatory law was directed toward mortgage lenders that fell just below the standards set by the 1994 Federal Home Ownership Equity Protection Act (HOEPA).

Lending in the Consortium Region-HMDA Analysis

The HMDA requires both depository and non-depository lenders to collect and publicly disclose information about housing related loans and applications for such loans. Both types of lending institutions must meet a set of reporting criteria:

1. The institution must be a bank, credit union or savings association;
2. The total assets must exceed the coverage threshold;
3. The institution must have had a home or branch office in a metropolitan statistical area (MSA);
4. The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling;

5. The institution must be federally insured or regulated; and,
6. The mortgage loan must have been insured, guaranteed or supplemented by a federal agency or intended for sale to Fannie Mae or Freddie Mac

For other institutions, including non-depository institutions, the reporting criteria are:

1. The institution must be a for-profit organization;
2. The institution's home purchase loan originations must equal or exceed 10% of the institution's total loan originations, or more than \$25 million;
3. The institution must have had a home or branch office in an MSA or have received applications for, originated or purchased five or more home purchase loans, home improvement loans, or refinancing mortgages on property located in an MSA in the preceding calendar year; and,
4. The institution must have assets exceeding \$10 million or have originated 100 or more home purchases in the preceding year.

HMDA data represent most mortgage lending activity and is, therefore, the most comprehensive collection of information regarding home purchase originations, home remodel loan originations and refinancing available.

HMDA raw data was collected for the three counties covered by the Consortium. (Data are considered "raw" because they contain entry errors and incomplete loan applications.)

Table 3: Purpose of Loan 2007-2009

CABARRUS COUNTY						
Purpose of Loan	2007	2008		2009		
Home Purchase	8,865	48.10%	5,252	37.87%	3,654	26.17%
Home Improvement	907	4.92%	760	5.48%	312	2.23%
Refinancing	8,658	46.98%	7,855	56.65%	9,996	71.59%
Total	18,430		13,867		13,962	
IREDELL COUNTY						
Purpose of Loan	2007	2008		2009		
Home Purchase	6,434	42.79%	2,937	29.25%	2,916	24.36%
Home Improvement	766	5.09%	620	6.18%	356	2.97%
Refinancing	7,837	52.12%	6,483	64.57%	8,699	72.67%
Total	15,037		10,040		11,971	
ROWAN COUNTY						
Purpose of Loan	2007	2008		2009		
Home Purchase	3,681	35.94%	2,389	31.43%	1,631	24.56%
Home Improvement	712	6.95%	503	6.62%	254	3.82%
Refinancing	5,848	57.1%	4,708	61.9%	4,756	71.6%
Total	10,241		7,600		6,641	

(Source: HMDA Data March 2011)

Home purchases and access to homeownership is the focus of this study. Therefore, further analysis was done on home purchase loans, specifically for owner-occupied homes. Other categories typically apply to units purchased for investment property and do not reflect the ability of an individual to choose an owner-occupied home.

After a loan application is submitted, the financing institution makes one of a number of decisions:

- “Originated” means that the loan was made by the lending institution.
- “Approved, but not accepted” notes loans that have been approved by the lender but not accepted by the applicant.

- “Application denied by financial institution” defines a situation where the loan application failed.
- “Application withdrawn by applicant” means that the loan application process was closed by the institution due to incomplete information.
- “Loan purchased by the institution” indicates that the previously originated loan was purchased on the secondary market.

For this analysis, only loan originations and loan denials were looked at as an indicator of the success or failure of home purchase loan applicants.

Table 4: Actions Taken on Loans and Denial Rates

Action	Cabarrus County			Iredell County			Rowan County		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Loan Originated	3,798	2,398	1,665	2,900	1,709	1,297	1,499	1,091	773
Application Approved but Not Accepted	435	224	87	311	145	98	180	84	37
Application Denied	593	404	258	487	307	222	392	231	171
Application Withdrawn by Applicant	432	332	198	298	245	205	178	171	110
File Closed for Incompleteness	100	50	45	76	38	41	42	33	25
Loan Purchased by the Institution	2,054	1,305	1,178	1,316	984	801	706	489	390
Preapproval Request Denied	1	0	8	3	0	3	1	0	4
Preapproval Request Approved but Not Accepted	0	0	0	1	0	0	0	0	0
Total	7,413	4,713	3,439	5,392	3,428	2,667	2,998	2,099	1,510
Denial Rate	13.50%	14.42%	13.42%	14.38%	15.23%	14.61%	20.73%	17.47%	18.11%

(Source: HMDA Data March 2011)

HMDA data were also used to determine denial rates by gender and race. The following tables show denial rates for those applications in which gender was provided by the applicant and also denial rates by race/ethnicity. Denial rates are generally higher for females, but not significantly so. African Americans do have the highest rates of denial. This may be a result of income levels.

Table 5: Denial Rate by Gender

Year	Cabarrus		Iredell		Rowan	
	Male	Female	Male	Female	Male	Female
2007	12.6%	15.2%	13.8%	15.0%	17.4%	20.6%
2008	14.0%	14.6%	12.8%	19.9%	17.0%	17.4%
2009	12.5%	13.6%	14.6%	14.4%	17.7%	18.5%

(Source: HMDA Data March 2011)

Table 6: Denial Rate by Race/Ethnicity

Year	CABARRUS			IREDELL			ROWAN		
	White	African American	Hispanic (Ethnicity)	White	African American	Hispanic (Ethnicity)	White	African American	Hispanic (Ethnicity)
2007	10.83%	26.58%	17.89%	12.89%	38.41%	24.09%	16.26%	32.65%	25.81%
2008	12.32%	22.54%	18.12%	13.31%	29.70%	14.85%	15.60%	28.40%	30.16%
2009	11.52%	16.09%	20.00%	14.24%	21.13%	25.76%	16.51%	35.94%	26.19%

(Source: HMDA Data March 2011)

Part of the HMDA data includes information about the reason for the loan denial, although financial institutions are not uniformly required to fill out this field. Nevertheless, the most frequently cited category of denials was credit history.

Table 7: Denial Reason for Cabarrus, Iredell and Rowan Combined (2007-2009)

	White	African American	Hispanic
Debt-to-income Ratio	487	81	42
Employment History	85	10	8
Credit History	561	146	49
Collateral	317	39	29
Insufficient Cash	155	35	19
Unverifiable Information	121	26	17
Credit Application Incomplete	92	28	16
Mortgage Insurance Denied	12	3	1
Other	372	79	23

(Source: HMDA Data March 2011)

Alternative Lending Sources

The sub-prime market grew exponentially over the past decade and became the fastest growing sector in the mortgage industry. Sub-prime loans or non-conforming loans are often offered to borrowers with credit blemishes, poor employment histories, lack of income documentation, and high debt to income ratios. Subprime loans are usually obtained from finance and specialty mortgage companies, through independent mortgage brokers. Proponents of subprime lending maintain that the practice extends credit to people who would otherwise not have access to the credit market. Sub-prime loans typically have higher interest rates to help offset the risk to the lender. It has been estimated that a typical subprime borrower may pay up to \$5,222 more during the first four years of a \$166,000 mortgage compared to a similar borrower who received a loan directly from a lender.¹³ Sub-prime loans often include prepayment penalties that do not allow borrowers to pay off the loan early, making it difficult and expensive to refinance or retire the loan prior to the end of its term. Some of these loans also come with balloon maturities, which require a large final payment. Still others come with artificially low introductory rates that can substantially increase the monthly payment by as much as 50%.

Predatory Lending

Predatory mortgage lending drains wealth from families and has been cited as a significant cause of home foreclosures in the United States. According to the Center for Responsible Lending, predatory lending costs Americans more than \$9.1 billion each year. Predatory lending is generally defined as any unfair credit practice that harms the

¹³ Center for Fair Lending

borrower or supports a credit system that promotes inequality and poverty. A substantial amount of abusive lending occurs in the sub-prime market. Predatory lenders target consumers with low income, weak or blemished credit history or little or no financial experience.

North Carolina passed two main pieces of legislation that protect North Carolina consumers from predatory lending. The North Carolina Predatory Lending Law (Senate Bill 149), regulates the terms of a predatory home loan, and also mandates that consumers considering a high cost home loan receive pre-homeownership counseling before they can complete the loan process. Second, the North Carolina Mortgage Lending Act (Senate Bill 904), requires licensing for mortgage bankers, mortgage brokers and loan officers, and regulates the brokering on a home loan in North Carolina.

Payday Lenders

Another source of loans is check cashing establishments or “payday lenders”. Payday lenders cash payroll, government and person checks for a fee. Payday loans are extremely expensive cash advances that must be repaid in full on the borrower's next payday to keep the personal check required to secure the loan from bouncing. Low-income consumers are the main targets of payday lenders because these consumers often struggle to make ends meet. These individuals often find it difficult to repay the cash advances in full because of their limited monthly salary. As a result, consumers run the risk of becoming trapped in repeat borrowing, exorbitant interest rates, unaffordable repayment terms, and coercive collection tactics made possible by check-holding. The North Carolina payday loan laws are viewed by most as a great move to eliminate such practices from occurring, but consumers can benefit from it only if they are aware of their legal rights.

In 1997 North Carolina passed legislation that made payday lending legal in the state. But in 2001, the State adopted additional payday loan legislation that made such establishments illegal. Accordingly, there are no payday loan companies operating in North Carolina. Most of these companies have closed their North Carolina operations or have become licensed consumer finance lenders and are governed under North Carolina usury laws. North Carolina law has placed a ceiling on the APR (annual percentage rate) these entities can charge on payday loans, whether it is a short-term cash advance or just any other type of lending program. Such interest rates cannot exceed 36% per annum.

SECTION VI: SUMMARY OF PROGRESS SINCE 2005

This section details` the Fair Housing Analysis Conclusions for the City of Concord and Cabarrus/Iredell/Rowan HOME Consortium 2004-2009 Consolidated Plan. It provides a listing of actions taken to address impediments to fair housing choice that were identified in the Consortium's last AI that was completed in 2005.

The 2005 Analysis of Impediments to Fair Housing Choice report stated, "...housing discrimination remains an obstacle for many residents of the Consortium planning area...progress has been made on many fronts, many of the impediments cited continue to present barriers toward full and equal access to housing opportunities and choice in the planning area." The Consortium identified the following impediments in the 2005 Analysis of Impediments:

- High degree of spatial segregation between minority and non-minority neighborhoods
- Increased cost of land
- Lack of affordable housing
- Shortage of highly qualified contractors participating in affordable housing programs
- High water and sewer tap fees and adequate facility fees
- Payday loans charging high interest rates
- Poor credit history and FICO Scores

Summary of Progress Since 2005

The Consortium recognizes that barriers to fair housing exist. Unfortunately, however, not all are within the realm of public control. Moreover, the Consortium is committed to taking steps to continually and affirmatively further fair housing choice to eliminate barriers that are within the reach of the public's control. The Consortium has demonstrated its commitment to promoting equal housing opportunities for all citizens throughout the region, through their far reaching neighborhood revitalization initiatives and through the implementation of CDBG and HOME programs. Various outreach programs provide the public with educational opportunities to learn about and comprehend fair housing laws and how they can be applied. The Consortium holds roundtable discussions and other fair housing events throughout the year and also during National Fair Housing Month. The Consortium also partners with and supports several local CHDOs. These organizations provide outreach to educate the public and housing industry professionals about fair housing laws. Fair housing progress is ongoing and can be tracked and is reported annually in the Consortium's Consolidated Annual Performance Evaluation Report (CAPER).

Actions to Overcome the Effects of Impediments - 2010 Action Plan

Fair Housing Education

Fair housing education is a never ending process. The Consortium recognizes that many area residents, like many residents throughout the country, are unaware of their fair housing rights, how to recognize discrimination or what to do about it. The Consortium will continue to support and rely on the four CHDOs to provide educational classes for first time homebuyers and information to housing industry professionals. Potential homebuyers throughout the jurisdictional area of the Consortium are required to attend homebuyer education and financial planning classes. They are also provided information on fair housing. The CHDOs and other nonprofits also offer foreclosure prevention classes and information on predatory lending practices.

Public and Private Partnerships

The Consortium will continue to maintain and create new partnerships to encourage opportunities to prevent homelessness. Partnerships with entities such as Prosperity Unlimited make a significant difference in identifying the needs and strategies. In the upcoming year, the City of Concord will partner with Prosperity Unlimited to provide classes to first time homebuyers, provide foreclosure counseling and a fair housing workshop. The Cities of Mooresville, Davidson, Kannapolis and Salisbury will also continue to partner with local CHDOs to provide training and information to low and moderate income families.

Affordable Housing Opportunities

One of the primary objectives of the Consortium is to produce homes that are affordable to low and moderate income persons. As evidenced in the planned activities for the upcoming year, over 100 affordable homes/rental units will be made available to low and moderate income persons at a cost of approximately \$950,000. The City of Concord will provide approximately \$18,000 in grants for water and sewer connections to Habitat for Humanity for construction of affordable housing within the city limits.¹⁴ Cabarrus County will continue with their program to waive adequate facilities fees and the Town of Davidson will continue their incentive program to promote development of affordable housing. Members of the Consortium will continue their efforts to obtain low cost infill lots on which affordable housing can be constructed. Members will also continue to leverage CDBG and HOME funds to construct affordable rental units for low and moderate income persons and families.

Transitional Housing

Although opportunities for transitional housing are limited, the Consortium will continue to assist in the development of these types of housing opportunities. In the upcoming year, two homes will be purchased and rehabilitated for use as transitional housing for the homeless through a partnership with Cooperative Christian Ministry.¹⁴

¹⁴ 2010 Annual Action Plan: City of Concord, Cabarrus/Iredell/Rowan HOME Consortium

APPENDIX A

Demographic Profile

According to the 2010 Census, the population for the area covered by the Consortium is 486,820 with 77.7% of the population is white, 14.2% is African American and 8% is Hispanic. The largest growth of any of these is in the Hispanic or Latino (of any race) population. In addition, minority populations are much larger, proportionately, in most of the Consortium's municipalities compared to the underlying counties. Over 40% of the populations of both Salisbury and Statesville were either African American or Latino, according to the Census. Davidson's populations, however, had the smallest minority concentration, with just 10% of the population being either African American or Latino.

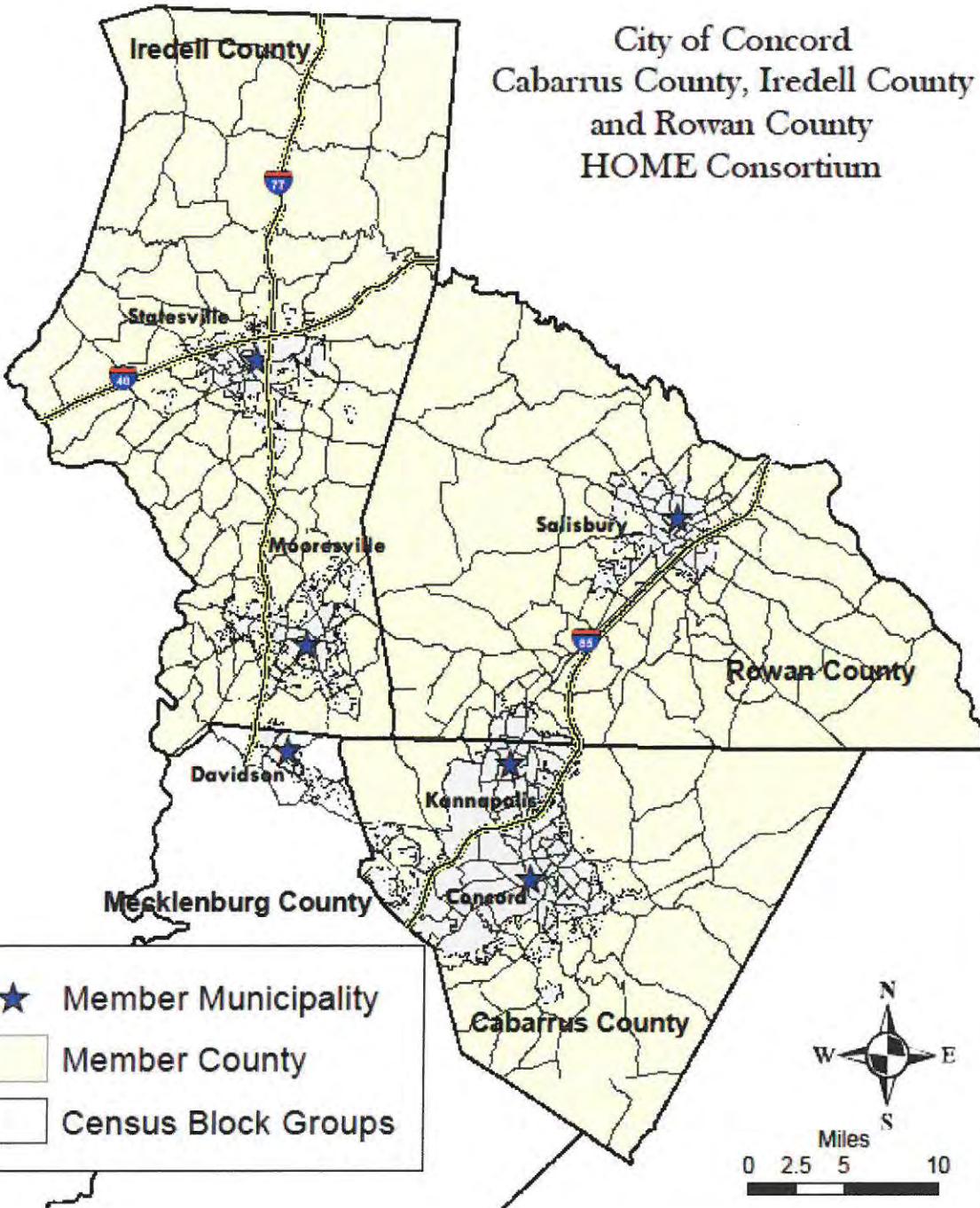
Table 7: Population by Race

	Total population	White	White	Black or African American	Black or African American	Hispanic or Latino (of any race)	Hispanic or Latino (of any race)
Jurisdiction			Percent		Percent		Percent
Cabarrus	178,011	134,149	75.4%	27,219	15.3%	16,767	9.4%
Concord	79,066	55,691	70.4%	14,110	17.8%	9,754	12.3%
Davidson	10,944	9,609	87.8%	695	6.4%	411	3.8%
Iredell	159,437	128,646	80.7%	19,047	11.9%	10,844	6.8%
Kannapolis	42,625	29,214	68.5%	8,659	20.3%	5,166	12.1%
Mooresville	32,711	26,229	80.2%	3,567	10.9%	2,252	6.9%
Rowan	138,428	105,923	76.5%	22,392	16.2%	10,644	7.7%
Salisbury	33,662	17,652	52.4%	12,694	37.7%	3,563	10.6%
Statesville	24,532	13,436	54.8%	8,471	34.5%	2,665	10.9%

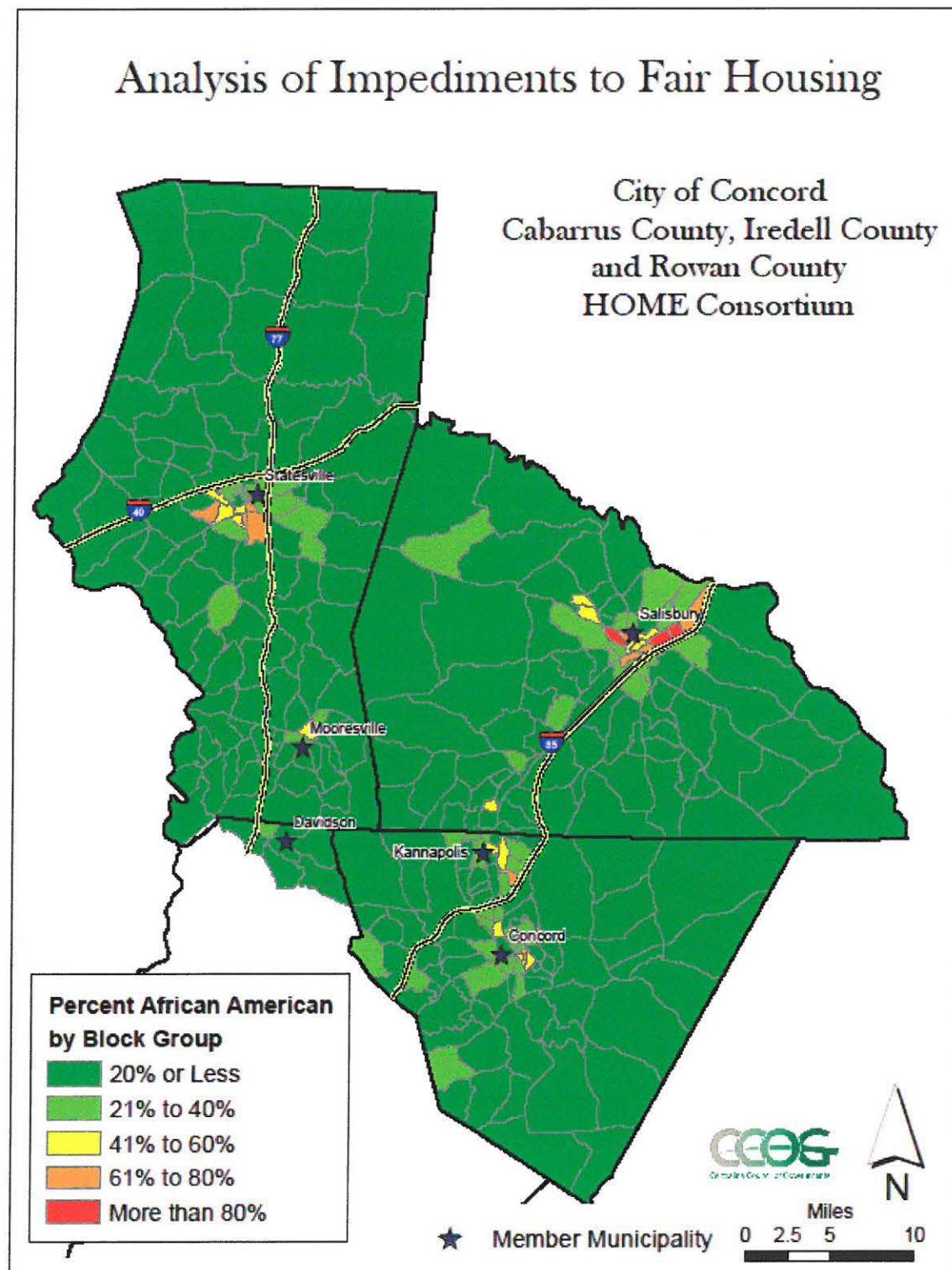
Table 8: Change in Population 2000 - 2010

Jurisdiction	Change in Total Population 2000-2010	Change in White Population 2000-2010	Change in African American Population 2000-2010	Change in Hispanic or Latino (of any race) Population 2000-2010
Cabarrus County	35.8%	30.1%	69.9%	153.3%
Concord	41.2%	26.2%	67.0%	122.2%
Davidson	53.3%	52.0%	19.6%	152.1%
Iredell County	30.0%	27.6%	13.6%	159.3%
Kannapolis	15.5%	1.8%	42.6%	121.1%
Mooresville	73.8%	70.9%	33.1%	369.2%
Rowan County	6.2%	1.6%	8.9%	98.2%
Salisbury	27.2%	16.4%	27.7%	213.1%
Statesville	5.2%	-3.9%	14.0%	60.7%

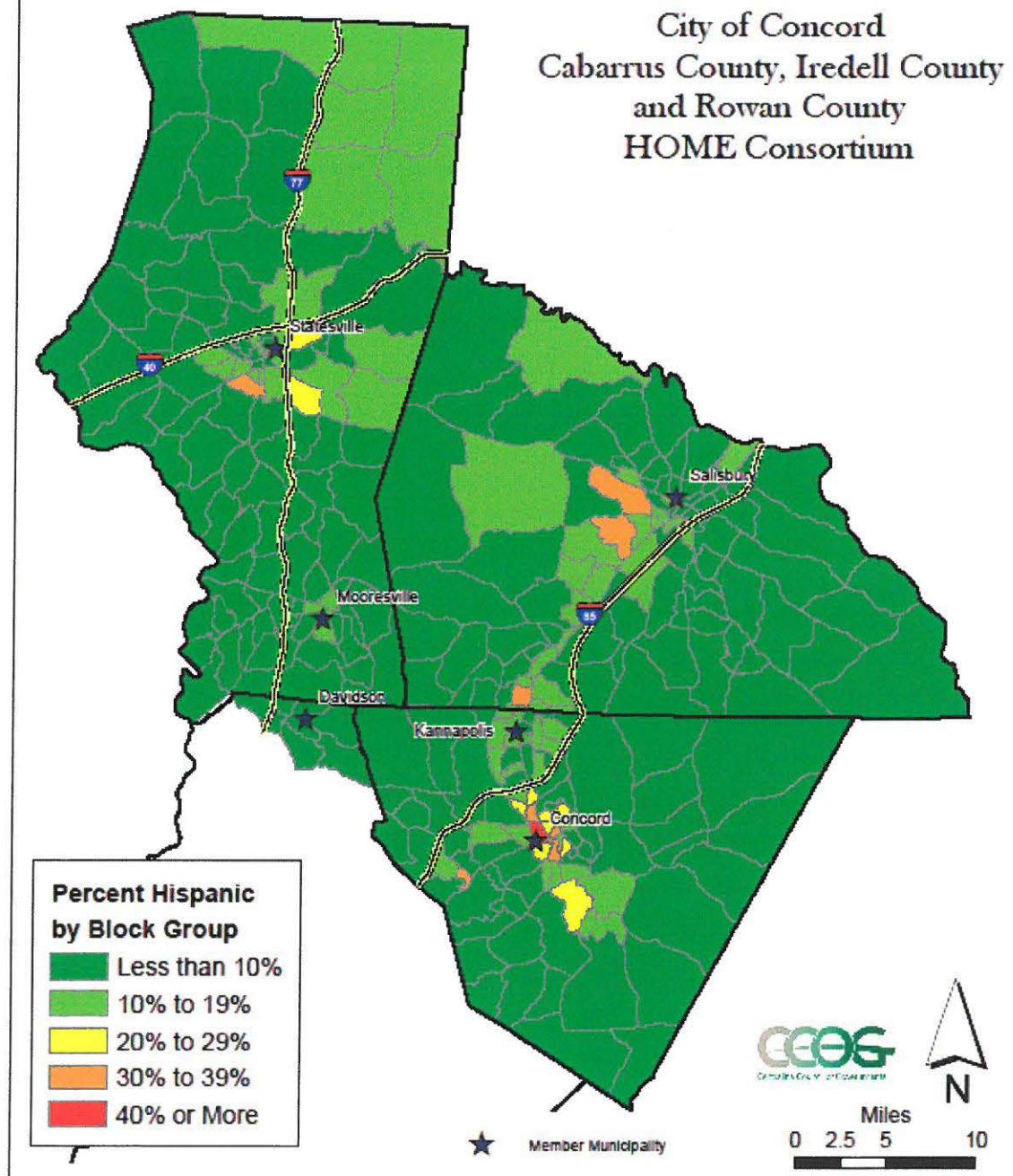
Analysis of Impediments to Fair Housing



The following maps show the distribution of Hispanic and African American populations.



Analysis of Impediments to Fair Housing



Income Profile

According to the American Community Survey 2005-2009 five-year estimates (released in 2010), the median incomes for the communities in the Consortium are widely varied. The highest of these is in the Town of Davidson, with a median income of \$81,111. The lowest is the City of Statesville, with a median income of \$36,409. Poverty rates appear to trend along the same lines as race: the highest poverty rates are found in the communities with the highest percentage of minority populations. As shown in Table 4, Salisbury and Statesville have the highest rates of poverty (19.1% and 18.6%, respectively). These two cities also had the highest proportion of minorities of all consortium jurisdictions (39.3% and 35.4%, respectively.)

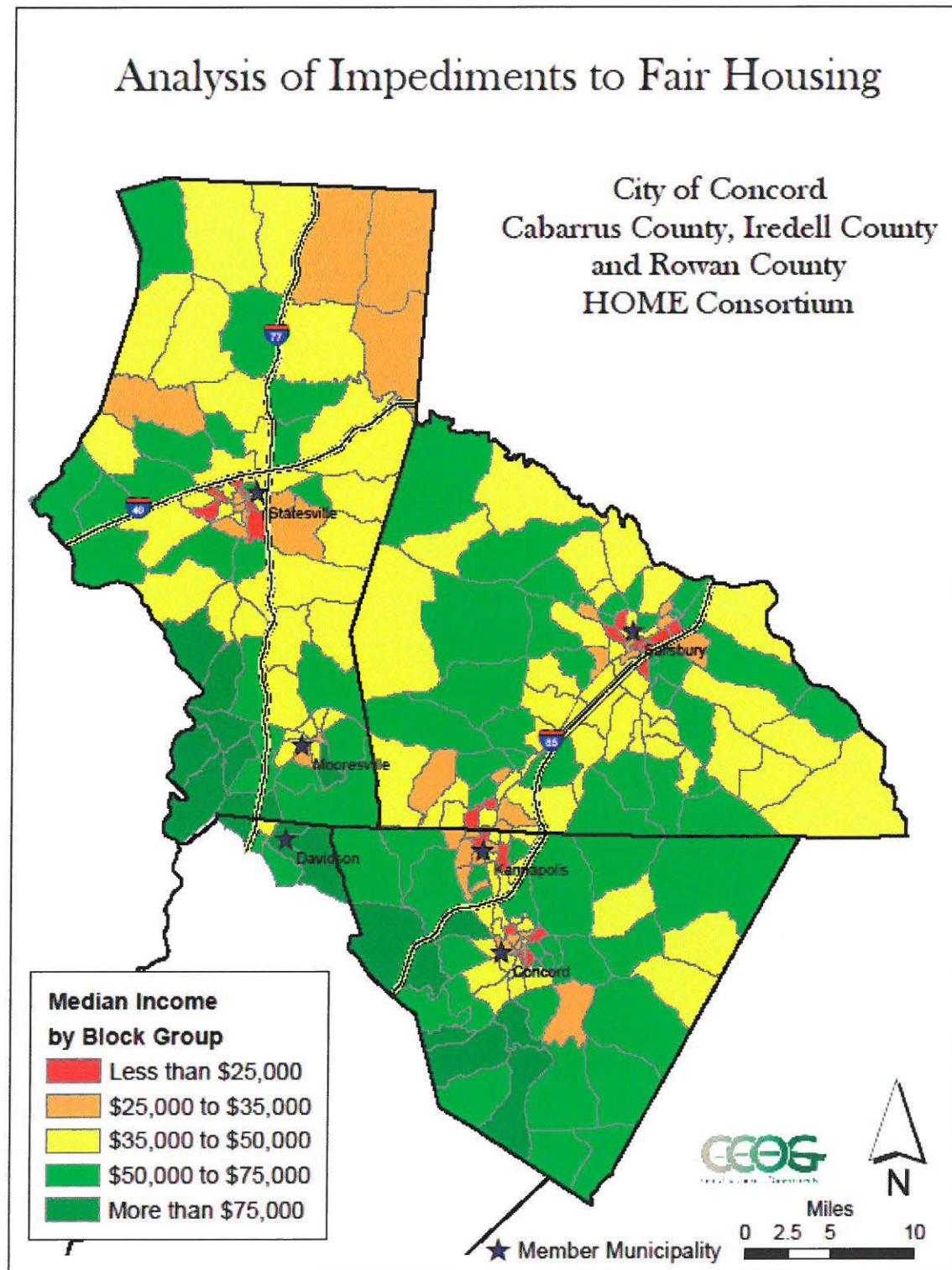
Table 9: Median Income AMI

Jurisdiction	Median Income
Cabarrus County	\$54,274
Concord	\$53,792
Davidson	\$81,111
Iredell County	\$48,234
Kannapolis	\$38,936
Mooresville	\$54,198
Rowan County	\$45,253
Salisbury	\$40,247
Statesville	\$36,409

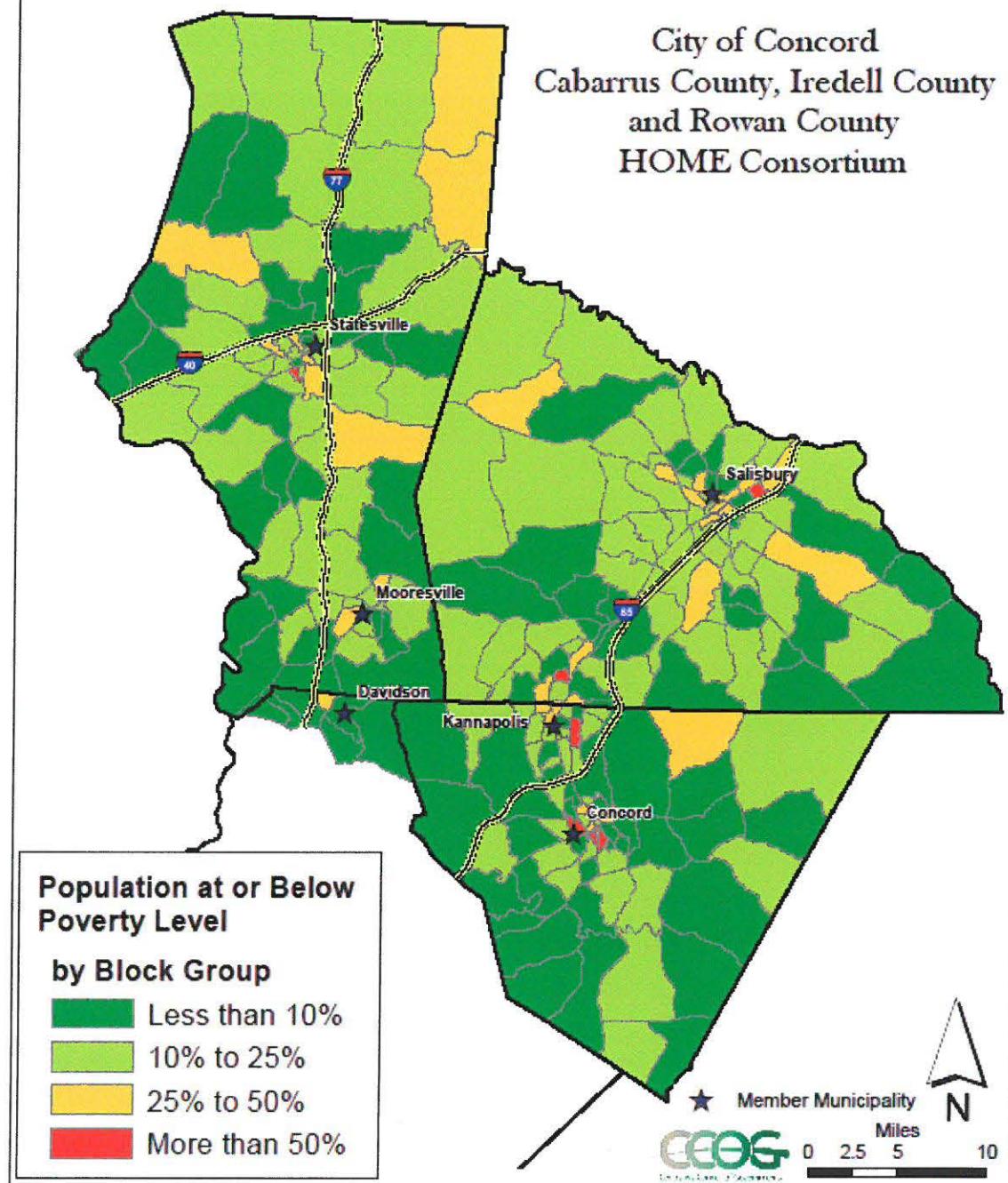
Table 10: Percent Living Below the Poverty Level

Jurisdiction	Percent of People Living Below the Poverty Level
Cabarrus County	10.9%
Concord	11.2%
Davidson	11.8%
Iredell County	12.7%
Kannapolis	18.6%
Mooresville	11.3%
Rowan County	14.9%
Salisbury	19.1%
Statesville	17.4%

The following maps depict median income in the Consortium area (by block group) and percentage of population living below the poverty level. Areas of low income are concentrated around city centers.

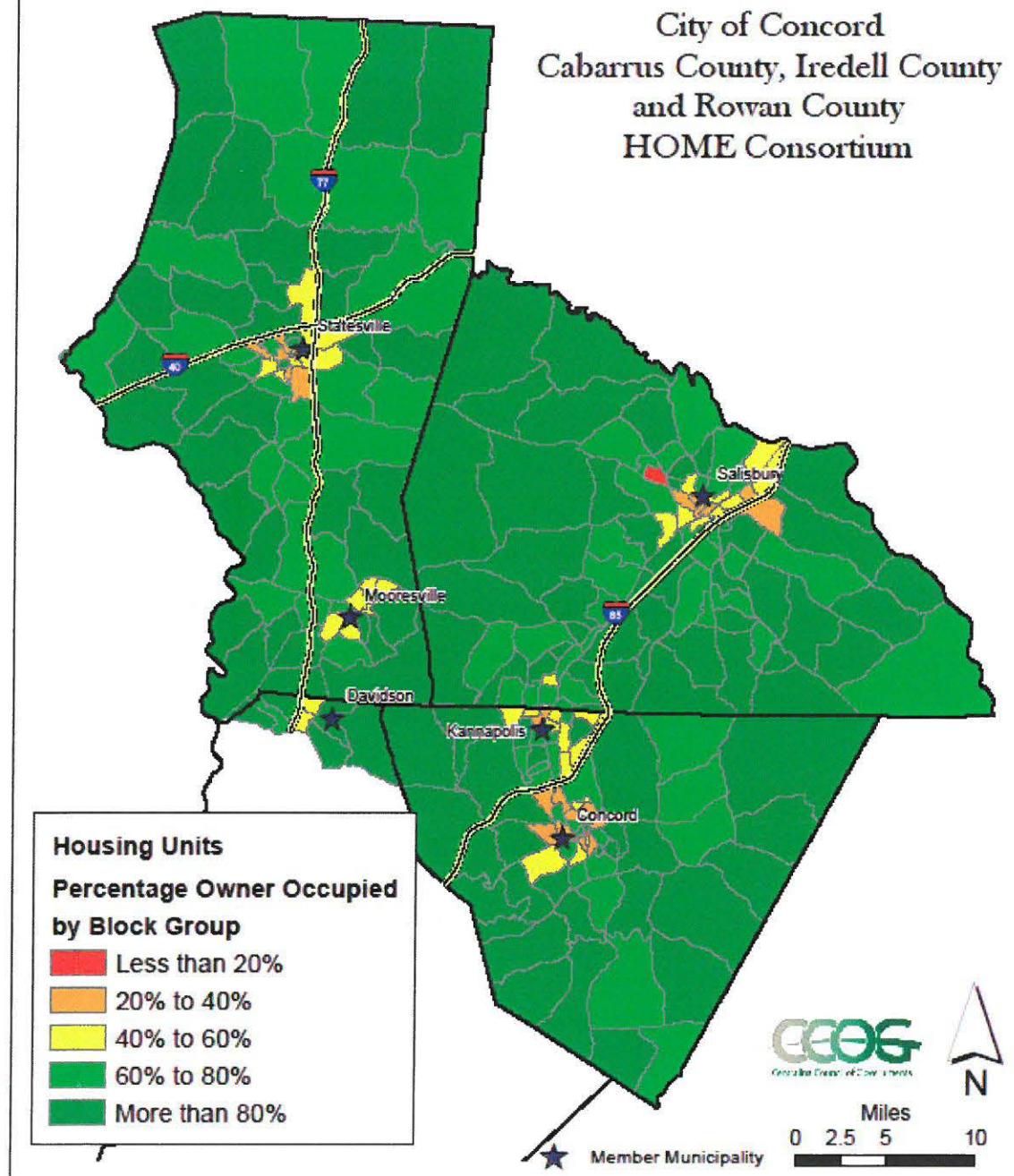


Analysis of Impediments to Fair Housing

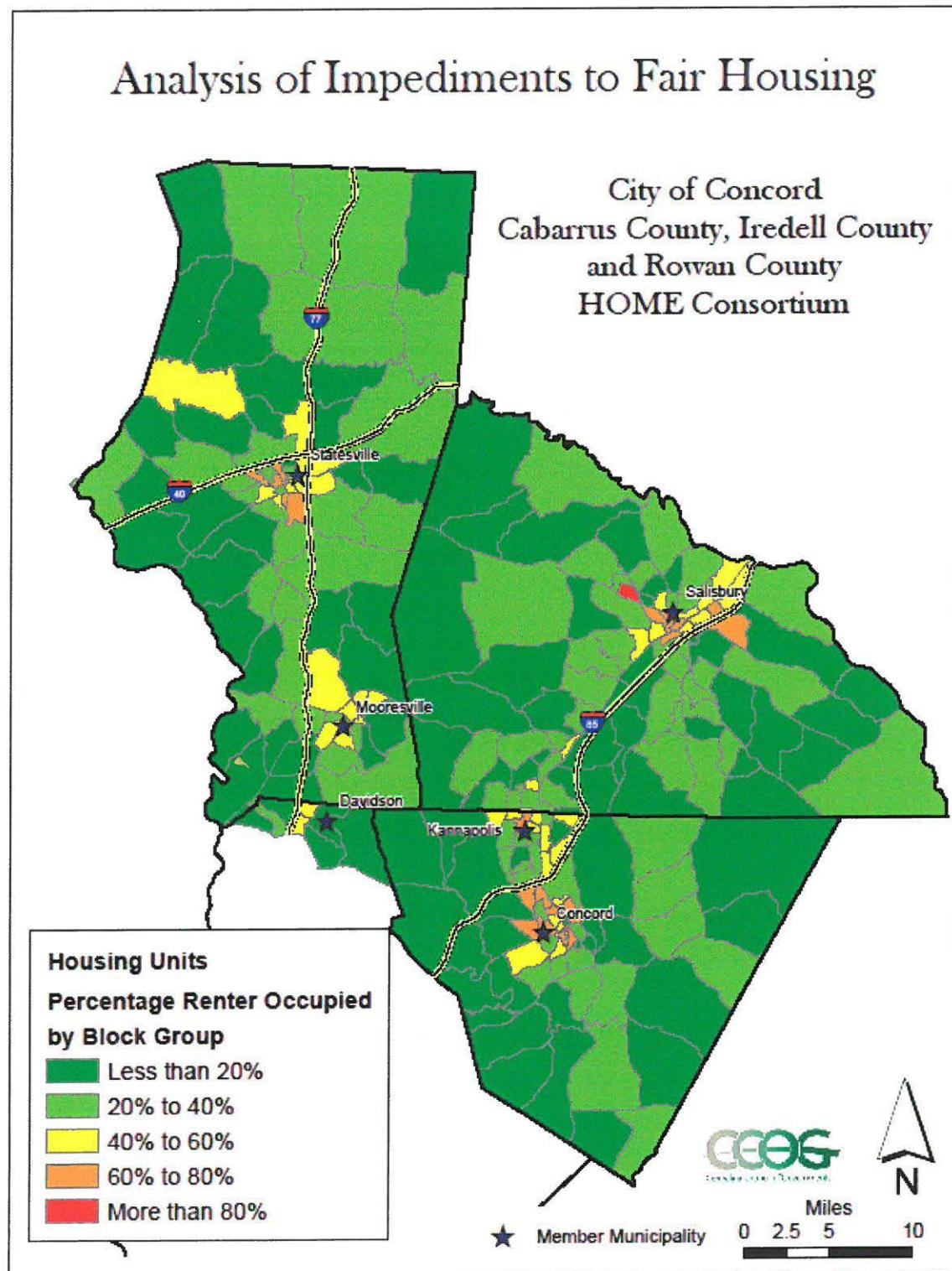


Analysis of Impediments to Fair Housing

City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium



Analysis of Impediments to Fair Housing



Housing Profile

Housing Age and Condition

Based on American Community Survey 2005-2009 five-year estimates (released in 2010), 25% of the housing stock in the area covered by the Consortium was built before 1960, and is, therefore, now more than 50 years old. In addition, 46.1% of the housing stock was built prior to 1980, making lead-based paint a potential hazard.

The Cities of Statesville and Kannapolis have the oldest housing stock in the Consortium area, with 32.4% and 41.4% of their respective housing stocks being more than 50 years old. Mooresville and Davidson, however, have the newest housing stocks, with only approximately 15% of their respective housing stocks being more than fifty years old. This is largely accounted for by spillover suburban growth from Charlotte that has taken place within the last twenty years.

Table 11: Age of Housing Stock by Jurisdiction

YEAR STRUCTURE BUILT	Cabarrus	Concord	Davidson	Iredell	Kannapolis	Mooresville	Rowan	Salisbury	Statesville
Total housing units	66,969	26,226	3,832	66,821	18,593	8,745	59,437	13,457	12,679
2005 or later	3,901	1,734	167	3,552	638	860	1,406	426	297
2000 to 2004	10,512	4,339	687	10,345	1,894	2,400	5,474	1,725	1,303
1990 to 1999	15,682	6,475	1,596	15,450	2,785	2,296	11,773	1,877	1,200
1980 to 1989	9,378	3,669	510	9,502	1,661	626	9,322	1,897	1,757
1970 to 1979	6,931	2,069	212	8,718	1,552	788	8,573	1,614	1,740
1960 to 1969	5,496	1,945	62	6,531	2,358	461	6,298	1,564	1,660
1950 to 1959	5,685	2,268	230	5,103	3,113	318	6,420	1,706	1,906
1940 to 1949	3,754	1,714	172	3,303	2,023	404	4,540	986	1,289
1939 or earlier	5,630	2,013	196	4,317	2,569	592	5,631	1,662	1,527
More than 50 Years Old	22.5%	22.9%	15.6%	19.0%	41.4%	15.0%	27.9%	32.4%	37.2%

Housing Stock by Type

According to the American Community Survey 2005-2009 five-year estimates (released in 2010), single-family detached housing was the most prevalent housing type for the entire Consortium area. In total, single-family detached housing represented 69.4% of all housing units. This is followed by manufactured homes with 15.9% of housing units. Multi-family housing (housing with more than four units per structure) comprised only 7.6% total housing units.

Table 12: Housing Unit Type

UNITS IN STRUCTURE	Cabarrus		Iredell		Rowan	
Total housing units	66,969		66,821		59,437	
1-unit, detached	50,833	75.9%	48,559	72.7%	40,860	68.7%
1-unit, attached	1,122	1.7%	1,120	1.7%	1,055	1.8%
2 units	1,533	2.3%	1,080	1.6%	1,770	3.0%
3 or 4 units	1,009	1.5%	1,029	1.5%	1,141	1.9%
5 to 9 units	2,118	3.2%	1,900	2.8%	1,437	2.4%
10 to 19 units	2,233	3.3%	1,669	2.5%	1,022	1.7%
20 or more units	1,325	2.0%	970	1.5%	803	1.4%
Mobile home	6,796	10.1%	10,494	15.7%	11,334	19.1%
Boat, RV, van, etc.	0	0.0%	0	0.0%	15	0.0%
UNITS IN STRUCTURE	Concord		Davidson		Kannapolis	
Total housing units	26,226		3,832		18,593	
1-unit, detached	18,883	72.0%	2,369	61.8%	14,420	77.6%
1-unit, attached	607	2.3%	503	13.1%	221	1.2%
2 units	813	3.1%	40	1.0%	683	3.7%
3 or 4 units	575	2.2%	138	3.6%	407	2.2%
5 to 9 units	1,106	4.2%	228	5.9%	902	4.9%
10 to 19 units	1,874	7.1%	322	8.4%	239	1.3%
20 or more units	1,110	4.2%	232	6.1%	211	1.1%
Mobile home	1,258	4.8%	0	0.0%	1,510	8.1%
Boat, RV, van, etc.	0	0.0%	0	0.0%	0	0.0%
UNITS IN STRUCTURE	Mooresville		Salisbury		Statesville	
Total housing units	8,745		13,457		12,679	
1-unit, detached	5,832	66.7%	7,791	57.9%	8,736	68.9%
1-unit, attached	394	4.5%	602	4.5%	408	3.2%
2 units	291	3.3%	953	7.1%	613	4.8%
3 or 4 units	202	2.3%	818	6.1%	678	5.3%
5 to 9 units	753	8.6%	936	7.0%	870	6.9%
10 to 19 units	512	5.9%	701	5.2%	750	5.9%
20 or more units	313	3.6%	647	4.8%	435	3.4%
Mobile home	448	5.1%	1,009	7.5%	189	1.5%
Boat, RV, van, etc.	0	0.0%			0	0.0%

Vacant Units

Vacancy is a proportion of unoccupied units to all housing units. Based on 2010 Census data, the overall vacancy rate in the area covered by the Consortium is 10.8%.

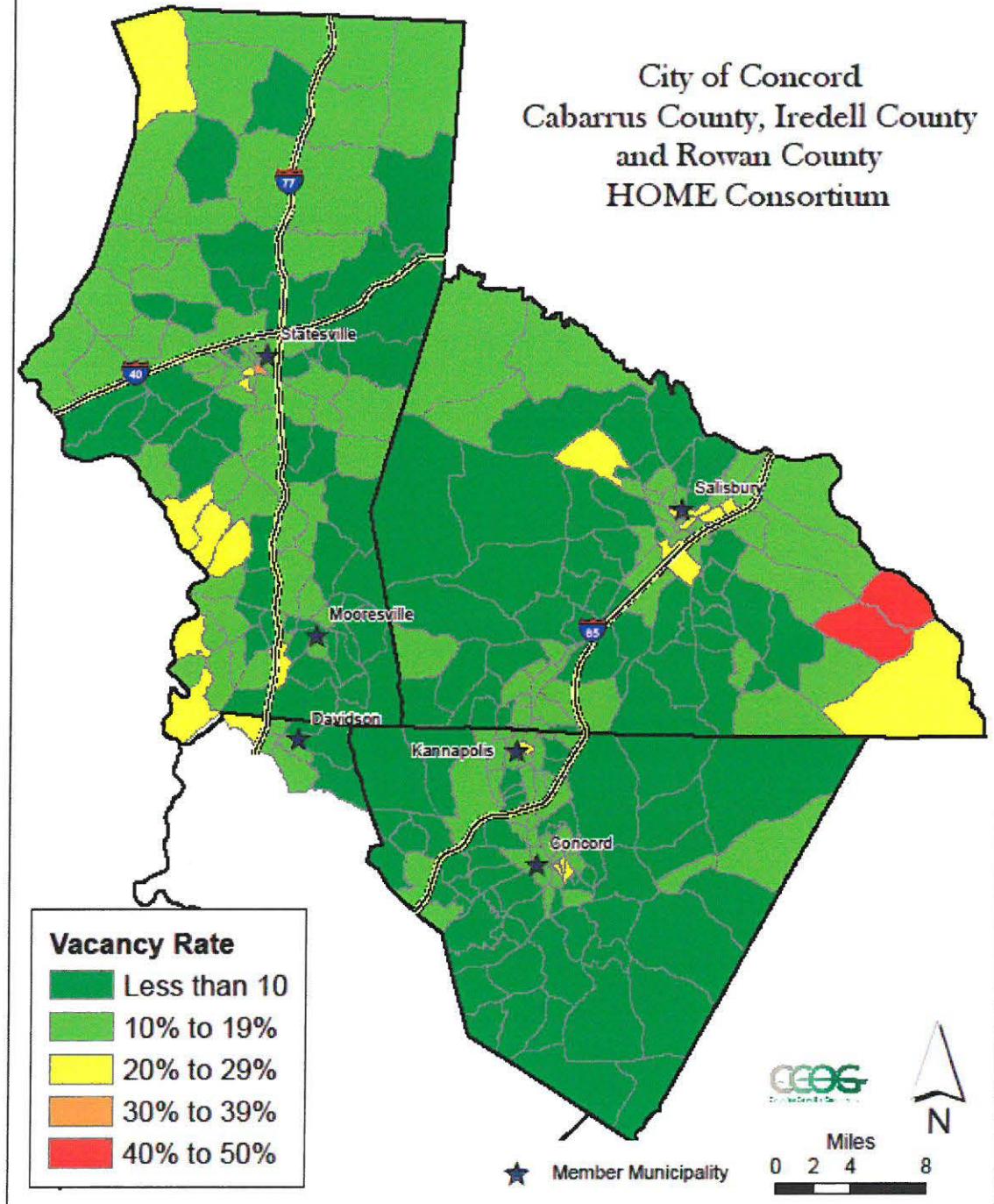
Table 12: Vacant Units

Municipality	Total Housing Units	Occupied Housing Units	Occupied Housing Units	Vacant Housing Units	Vacant Housing Units
			Percent		Percent
Cabarrus	71,937	65,666	91.3%	6,271	8.7%
Concord	32,130	29,137	90.7%	2,993	9.3%
Davidson	4,253	3,671	86.3%	582	13.7%
Iredell	69,013	61,215	88.7%	7,798	11.3%
Kannapolis	18,645	16,375	87.8%	2,270	12.2%
Mooresville	13,655	12,374	90.6%	1,281	9.4%
Rowan	60,211	53,140	88.3%	7,071	11.7%
Salisbury	14,626	12,567	85.9%	2,059	14.1%
Statesville	11,554	9,965	86.2%	1,589	13.8%
Total	205,414	183,692	89.4%	321,722	10.6%

The highest vacancy rate is in the City of Salisbury, with 14.1%, followed by the City of Statesville at 13.8% and the Town of Davidson at 13.7%.

The following map shows vacancy rates (by block group) for the Consortium region, based on 2010 Census data.

Analysis of Impediments to Fair Housing



Housing Problems

By Department of Housing and Urban Development (HUD) standards, there are three criteria by which a household is determined to have a housing problem:

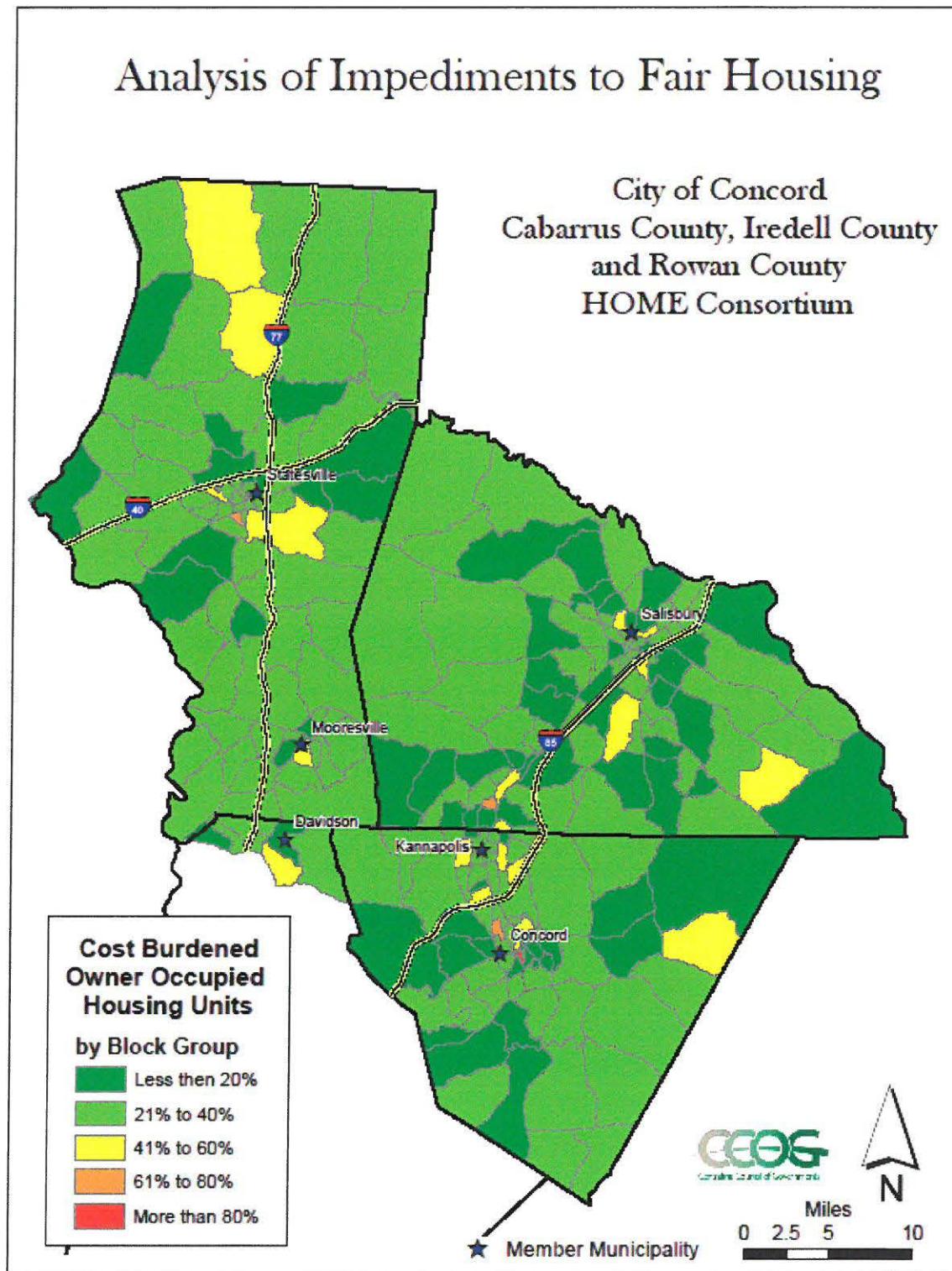
- If a household pays more than 30 percent of its gross monthly income for housing, it is considered cost-burdened. HUD considers households that pay more than 50 percent of their income on housing costs to be severely cost-burdened. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payments, taxes, insurance and utilities.
- If a household occupies a unit that lacks a complete kitchen or bathroom, the unit has a physical defect.
- If a household contains more members than the unit has rooms, the unit is overcrowded.

Based on HUD's definition and American Community Survey data, 39.2% (18,362) of the renters in the area covered by the Consortium were cost-burdened in 2009, including 18.8% (8,802) who were severely cost-burdened. A smaller percentage of homeowners experienced this housing problem with 24.1% (31,692) being cost burdened in 2009.

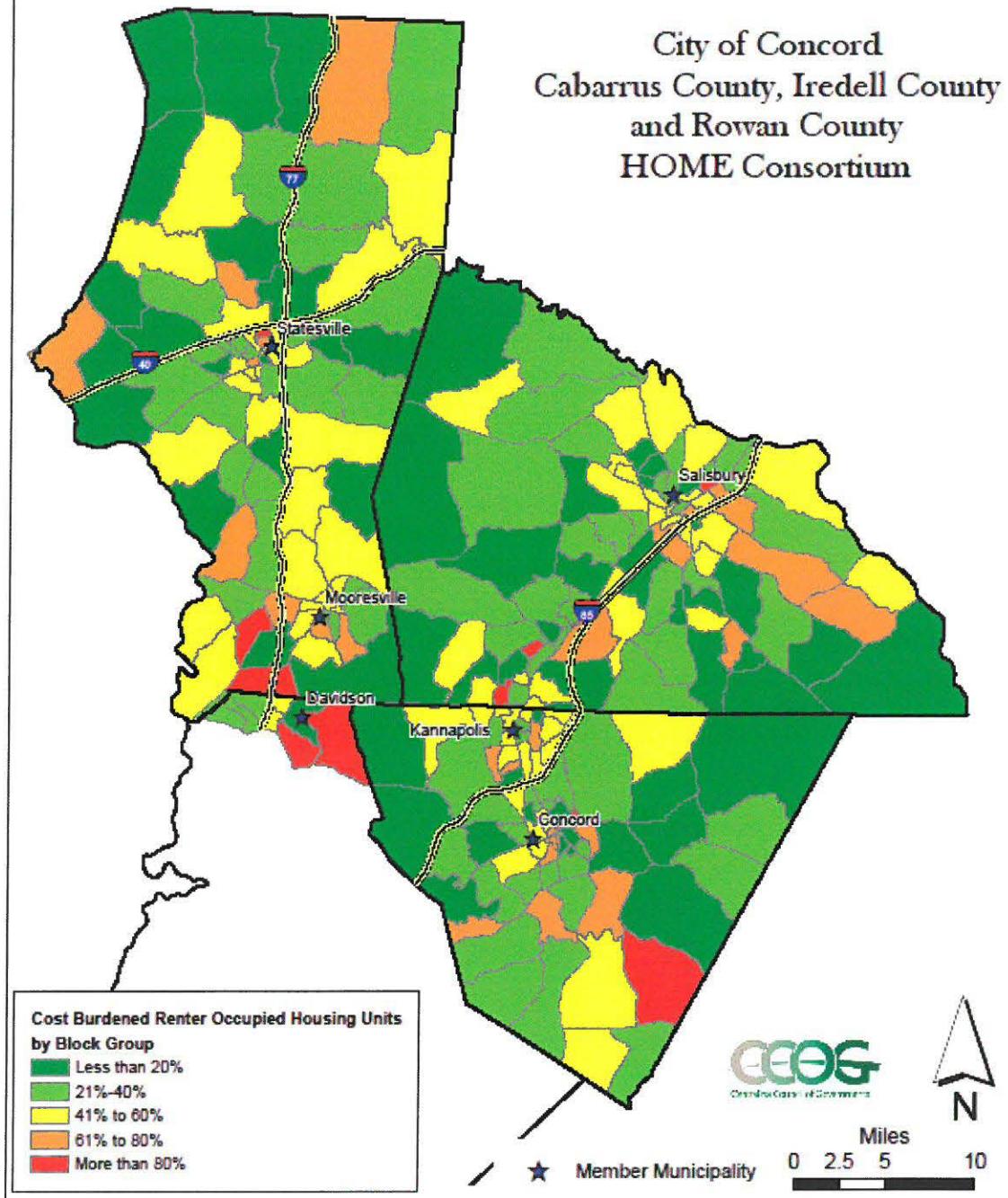
According to American Community Survey 2005-2009 five-year estimates (released in 2010):

- 517 households lacked adequate plumbing facilities (245 owner occupied and 631 renter occupied households);
- At the same time, 661 households lacked complete kitchen facilities (459 owner occupied and 202 renter occupied);
- 3,454 (1.9%) of the area's households were overcrowded. These were comprised of 1,277 (1%) of owner-occupied households. 2,117 (4.6%) of renter occupied households were overcrowded.

The following maps illustrate the above issues for the area covered by the Consortium at the Census block group level.

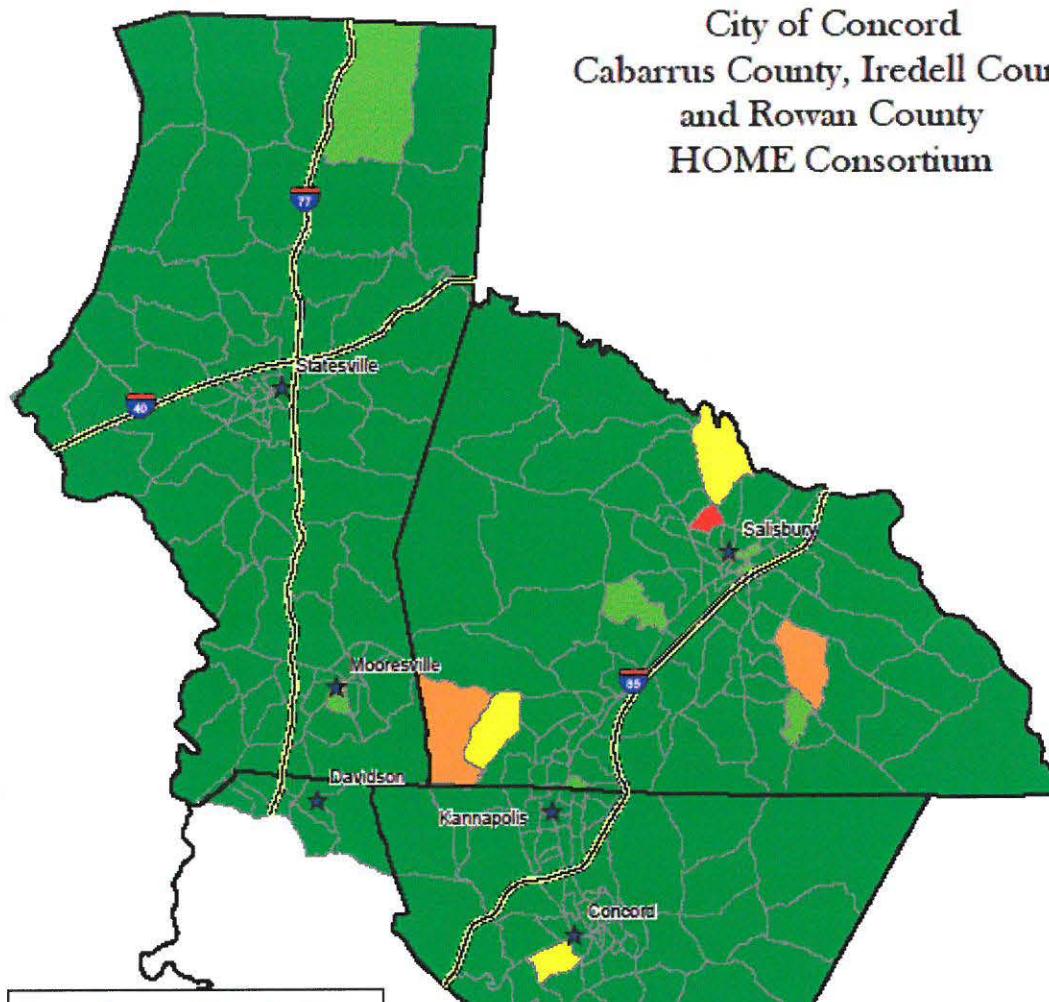


Analysis of Impediments to Fair Housing



Analysis of Impediments to Fair Housing

City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium



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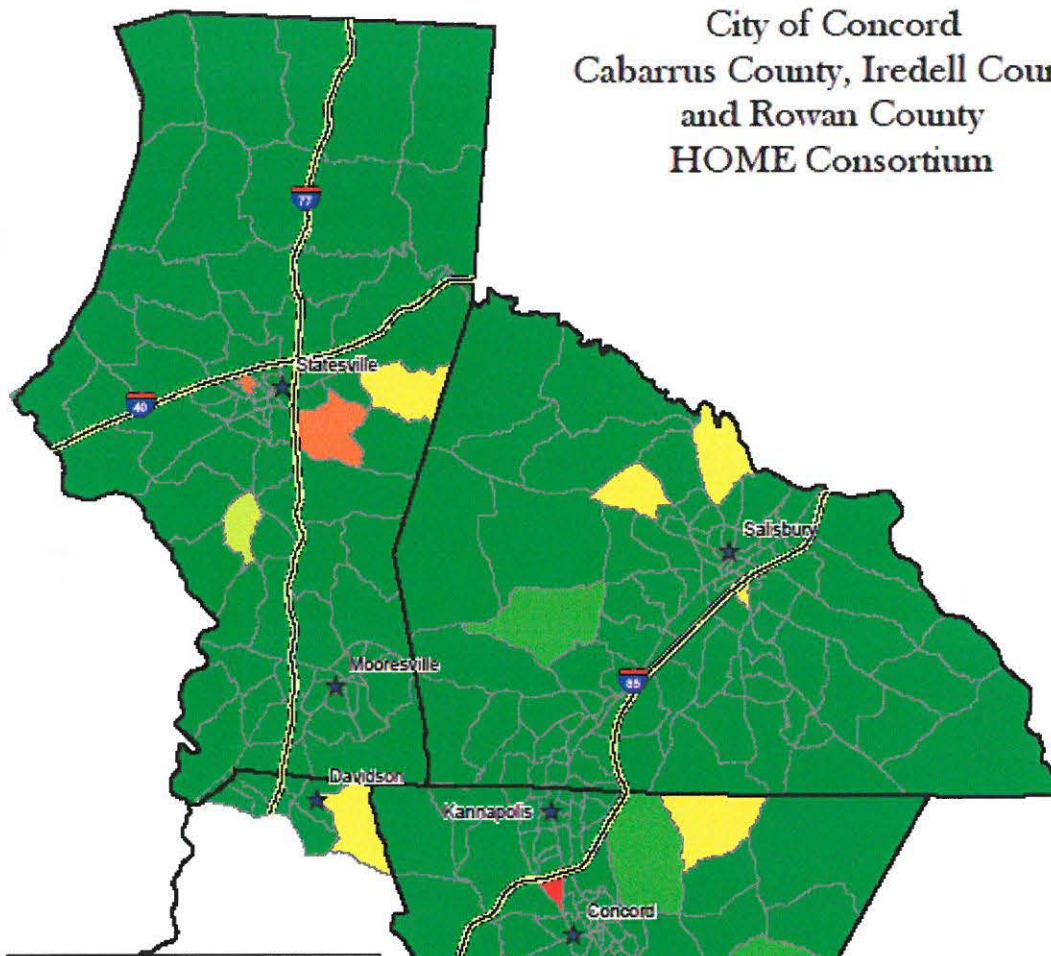


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★ Member Municipality

Analysis of Impediments to Fair Housing

City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium



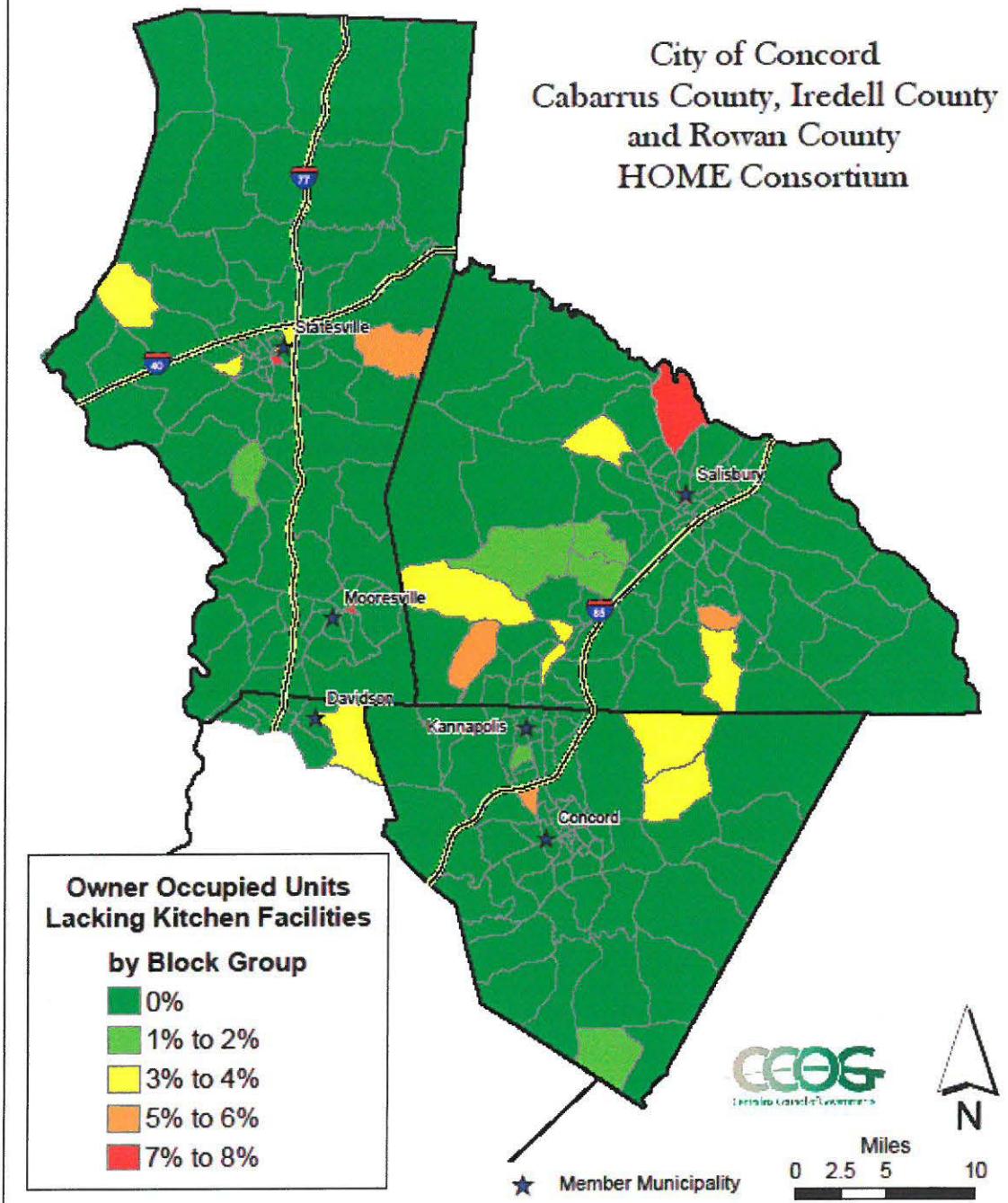
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Carolina Council of Governments



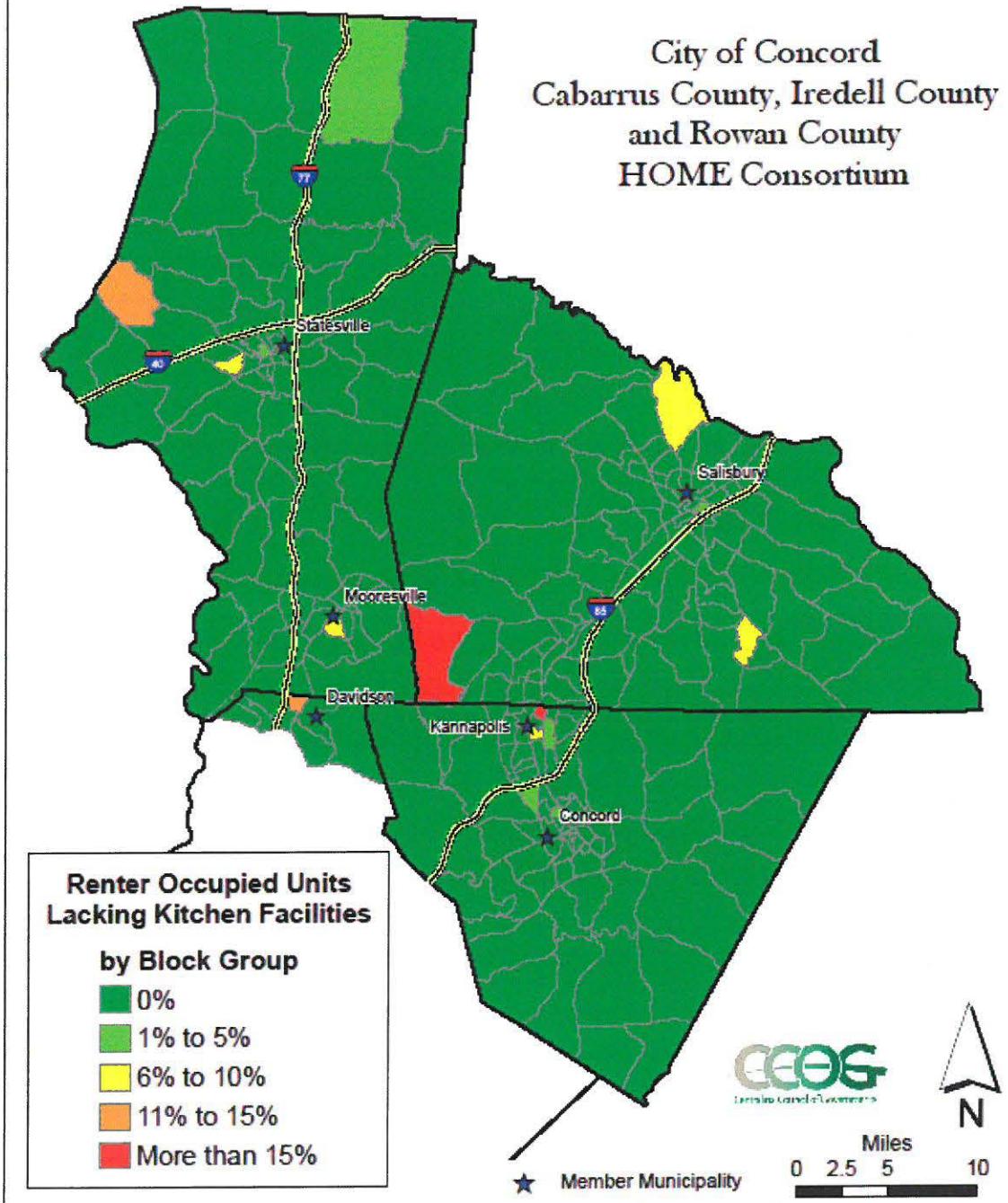
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Analysis of Impediments to Fair Housing

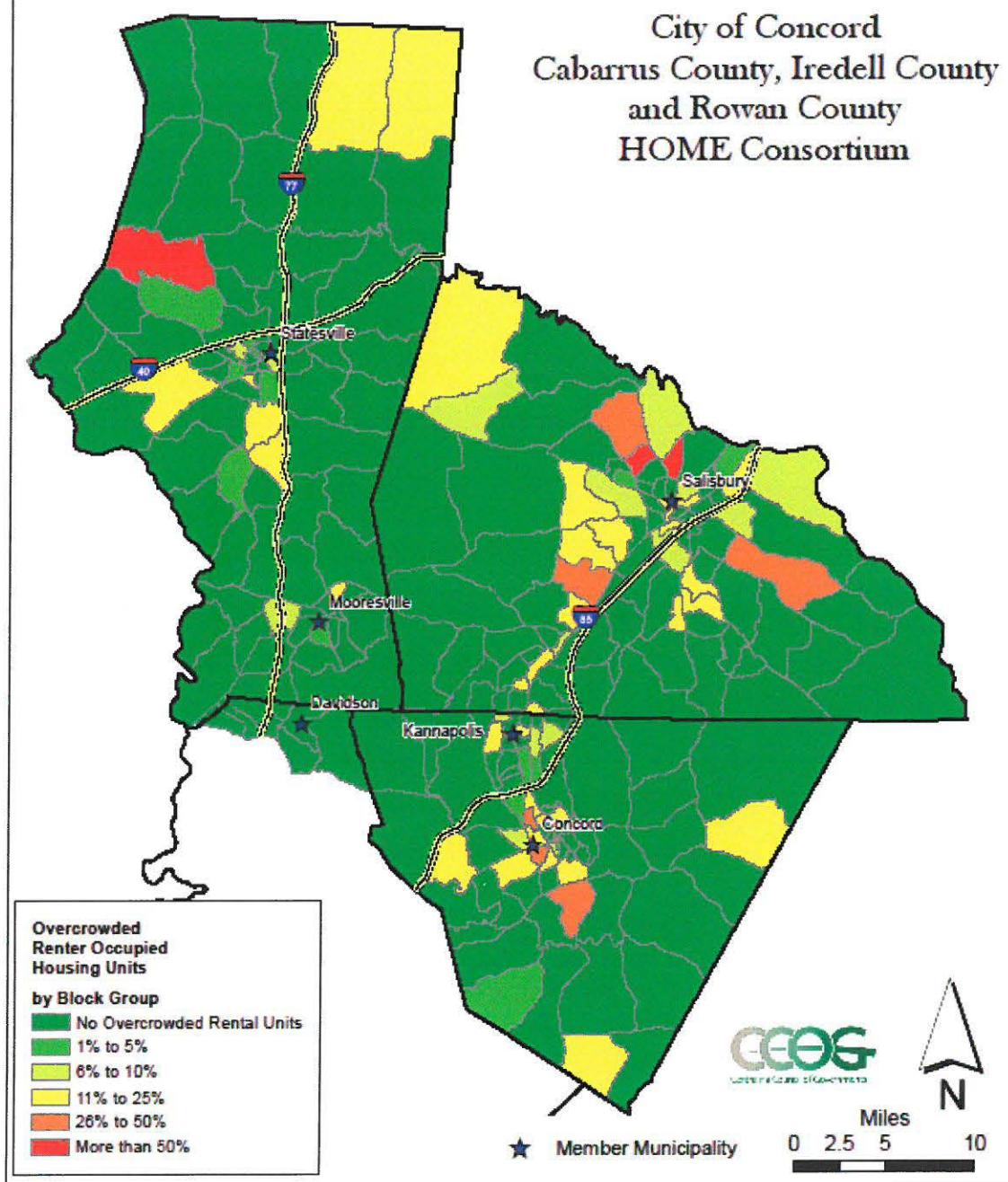


Analysis of Impediments to Fair Housing



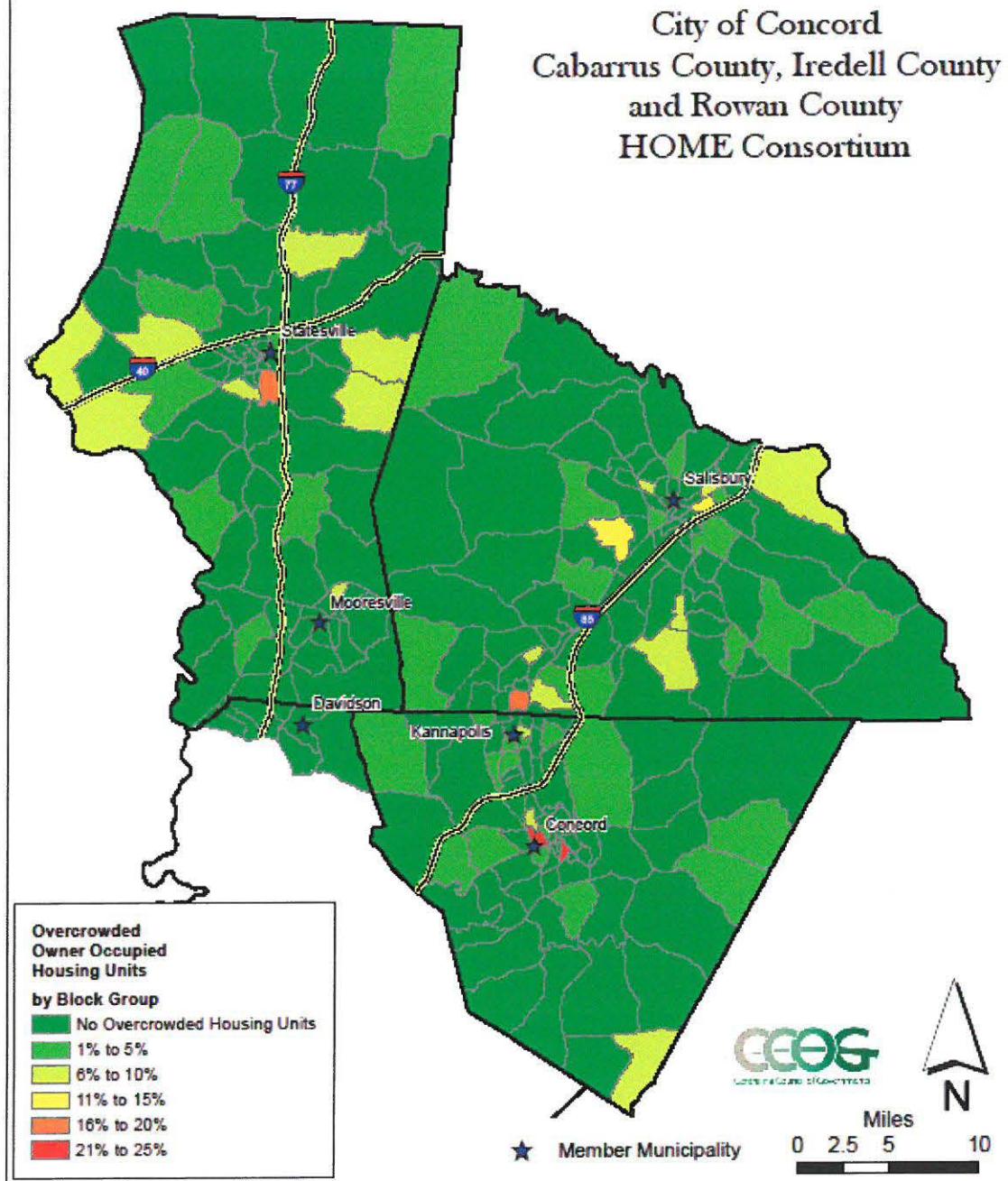
Analysis of Impediments to Fair Housing

City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium



Analysis of Impediments to Fair Housing

City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium



Analysis of Impediments to Fair Housing

Iredell County (37097)



**City of Concord
Cabarrus County, Iredell County
and Rowan County
HOME Consortium**

Rowan County (37159)

Mecklenburg County

* Member Municipality

2010 Census Block Groups

Member County

CCOG
Centralina Council of Governments



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APPENDIX B

Practitioner's Survey IMPEDIMENTS TO FAIR HOUSING ANALYSIS

Centralina Council of Governments is conducting an analysis of Impediments to Fair Housing for the City of Concord, Cabarrus County, Iredell County and Rowan County HOME Consortium. The purpose of this analysis is to help the Consortium comply with U.S. Department of Housing and Urban Development requirements, and to help develop a plan to identify and address problems in order to better promote Fair Housing in the Consortium's geographical region.

Impediments to fair housing are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices, or have the effect of restricting housing choices for families or individuals in the Consortium's geographical region.

I represent the following: (please check all that apply)

<input type="checkbox"/> Real Estate agency	<input type="checkbox"/> Housing Service Provider	<input type="checkbox"/> Lender/Appraiser
<input type="checkbox"/> Insurance	<input type="checkbox"/> Developer/Builder	<input type="checkbox"/> Government Agency
<input type="checkbox"/> Community Development agency	<input type="checkbox"/> Social Service Agency	
<input type="checkbox"/> Other _____		

I represent the following area: (please check all that apply)

<input type="checkbox"/> Statesville	<input type="checkbox"/> Concord
<input type="checkbox"/> Mooresville	<input type="checkbox"/> Cabarrus County
<input type="checkbox"/> Kannapolis	<input type="checkbox"/> Iredell County
<input type="checkbox"/> Davidson	<input type="checkbox"/> Rowan County
<input type="checkbox"/> Salisbury	

PART I: SPECIFIC IMPEDIMENTS, BY CATEGORY

1. Banking and Lending Practices: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Banking practices that limit fair housing choice, such as: unfair procedures in loan origination and processing, prescreening, assessing credit risk, conducting appraisals and/or selecting appraisers, underwriting decisions, providing mortgage insurance or selecting insurers.
- b. Redlining - that is, an unwillingness of a financial institution to invest in declining or deteriorating neighborhoods, neighborhoods with a high concentration of minorities, or neighborhoods undergoing cultural and social change.
- c. Unequal application of "compensating factors" in conducting credit assessments of minorities or special population groups. [Compensating factors may include such things as: homebuyer education classes, a higher down payment or a down payment paid solely by the borrower, a strong credit score, length of employment, or savings.]
- d. Mortgage or loan rejection at a higher rate for minorities or special population groups than the general population.
- e. Offering less favorable loan terms to minorities or special population groups.
- f. Predatory or subprime lenders who concentrate on minority or special population groups.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

2. Real Estate Practices: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Housing brokerage practices that limit fair housing choice, such as: "steering" minority or other clients away from all-white neighborhoods; discriminatory deed restrictions; false denials of housing availability; and/or "blockbusting".
- b. Lack of training in fair housing laws for brokers and agents.
- c. A limited number of minority real estate brokers and agents.
- d. Exclusion of minority real estate brokers and sales agents from participation in multiple listing services.
- e. Assignment of brokers and sales agents by census tracts or other geographic areas related to racial or ethnic composition.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

3. Property Insurance: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- Property insurance underwriting practices that limit the ability of borrowers to obtain insurance.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

4. Rental Housing: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Landlords who won't rent to minorities or persons of certain ethnic origins.
- b. Landlords who won't rent to persons receiving government housing or financial assistance.
- c. Section 8 and/or affordable housing opportunities being available only in areas of high minority concentration.
- d. Discriminatory practices in tenant selection.
- e. Unequal maintenance practices for apartments or housing units rented by minorities or other population groups.
- f. Actual segregation among rental complexes.
- g. Lack of available rental units for families with children and/or persons with disabilities.
- h. Landlords who will not rent to families with children and/or persons with disabilities.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

5. Zoning Laws and Building Codes: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. The existence of local zoning laws (and/or decisions) that limit the

availability and location options for development of affordable or higher density housing, with the effect of restricting housing choice for low-income families or persons.

- b. Building codes, fees and charges, and/or taxes that unreasonably increase the costs and development of affordable housing, with the effect of restricting housing choice for low-income families or persons.
- c. Zoning laws and occupancy codes that limit the location and availability of group homes for the mentally disabled, shelters for the homeless or other special housing so that such housing is concentrated in specific neighborhoods, or is difficult to develop.
- d. Policies and practices that limit minority or special population representation on planning and zoning boards.
- e. Zoning requirements limit the availability of rental units within your jurisdiction.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

6. Persons with Physical Disabilities: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Limited number, location, and/or types of public and privately owned rental units that are accessible to, and modified for, persons with physical disabilities.
- b. Local government or housing industry offices that do not meet handicapped accessibility (ADA) standards.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

7. Neighborhood Environment: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Neighborhoods without effective public transportation to jobs and job training opportunities (including persons with mental and/or physical disabilities).
- b. Neighborhoods that are experiencing racial conflict.
- c. Deteriorating and declining neighborhoods – where high crime and drugs, lack of transportation, vacant and deteriorating buildings, insufficient recreational facilities, high unemployment, and limited commercial enterprises exist.
- d. Unequal provision of municipal services to specific neighborhoods.
- e. A disproportionate concentration of minorities in declining and deteriorating neighborhoods.
- f. Affordable housing that is concentrated in deteriorating and declining neighborhoods.
- g. A shortage in the overall supply of affordable housing, or an inequitable distribution of affordable housing within the City.
- h. Neighborhood resistance to minorities, low-income persons, or persons with disabilities moving into a white neighborhood, or moderate to high-income neighborhood.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

8. Government Assisted Housing: Please indicate by checking the box for any of the impediments to fair housing choice listed below that you believe exist in your area.

- a. Limited advertising of vacancies is conducted.
- b. Restrictions in location options for holders of Section 8 vouchers and certificates.
- c. Site-based Section 8 housing that is predominately located in minority and low-income concentrated communities.
- d. Policies and procedures that pressure clients to choose a neighborhood where their race predominates (steering).
- e. Residency requirements that restrict housing choice for applicants who live outside the jurisdiction.
- f. Concentrations of racial and ethnic groups in public housing.

Briefly explain any impediments that you checked:

Please list possible solutions to any of the impediments identified above:

9. Other Impediments

Are you aware of any other impediments to fair housing choices within your jurisdiction that have not been covered above? Yes No

If yes, please list these impediments and briefly describe them:

Please list possible solutions to any of the impediments identified above:

PLEASE ANSWER QUESTIONS ONLY IF YOU ARE A LENDER,

10. Does your institution have special Community Reinvestment Act (CRA) projects/activities or initiatives which target the Consortium's region?
 Yes NO

11. What criteria or standards do you use in your lending assessment?

- a. Housing expense ratio (ratio of principal, interest, taxes, and insurance to monthly gross income)
- b. Debt to income ratio (ratio of total debt service to monthly gross income)
- c. Credit Score (Please list in the space provided below what range of scores)
- d. Income level
- e. Job Stability
- f. Down payment
- g. Loan-to-value ratio

Please list any additional criteria used and also elaborate on any items you may have selected from the choices above.

PLEASE ANSWER ONLY IF YOU ARE A REALTOR.

12. Is the local association of realtors a Voluntary Affirmative Marketing Agreement (VAMA) signatory?

Yes No

Part II: Fair Housing Actions

Fair housing actions are those actions that may be taken by governments or private entities to increase the opportunity for all individuals or households to obtain housing of their choice in a location of their choice.

In your opinion, are any of the Fair Housing actions listed below taking place in your jurisdiction? Please indicate by checking the box for any of the Fair Housing actions listed below taking place in your jurisdiction.

- a. The jurisdiction periodically obtain reports from housing providers regarding the race, ethnicity, family, and/or disability status of mortgage applicants to financial institutions subject to the Home Mortgage Disclosure Act.
- b. The jurisdiction works with lenders by reviewing lending and appraisal practices to determine if there are practices that restrict fair housing choices, and they work with lenders to remove restrictive practices.
- c. There is aggressive marketing of the availability of mortgages and home improvement loans within minority and low-income communities.
- d. Neighborhood revitalization initiatives are encouraged and assisted.
- e. The jurisdiction has implemented changes to zoning laws, building codes, the tax structure, or other ordinances to encourage the increased development of affordable housing in a wider spectrum of communities.
- f. Training and orientation is conducted for representatives of financial institutions to initiate affirmative lending actions in deteriorating and declining neighborhoods
- g. There is local participation in a region-wide or other clearinghouse for assisted housing.
- h. A fair housing enforcement program exists for pursuing and settling housing complaints.

- i. Outreach, education, and information programs have been developed to create a good understanding among civic leaders, educators, and citizens of all ages about fair housing issues, and to reduce the adverse effects of negative attitudes within the community concerning people who are different racially, ethnically, or culturally, or who are disabled.
- j. Other actions (explain below)

Briefly explain any of the actions checked above. Provide specific examples, if possible:

If you have any additional comments on any of the topics covered in this survey please list them in the space provided below or you may attach additional pages if needed.

Fair Housing Survey-Tenants & Homeowners

Fair housing is a right protected by Federal and State laws. Each resident is entitled to equal access to housing opportunities regardless of race, color, religion, sex, national origin, disability, familial status, marital status, age, ancestry, sexual orientation, source of income, or any other arbitrary reason.

Signs of discrimination include:

- The rent or deposit quoted is higher than advertised
- The manager says the unit is rented but the ad or sign is still posted
- The manager says "You probably won't like it here", "We've rented out the family units", or "There is no place for your children to play"
- A real estate agent keeps "steering" you to look for houses in neighborhoods different than the ones you desire and you think you can afford
- The manager denies your request to make minor modifications to your unit to accommodate your disability

Several local municipalities in the Cabarrus/Iredell/Rowan region are conducting an Analysis of Impediments to Fair Housing Choice. They want to hear from you about your experience with fair housing issues and concerns. Please fill in the following survey. All responses are completely anonymous. Thank you for your participation.

1. I live in the following area

Statesville Mooresville Kannapolis Davidson
 Salisbury Concord Cabarrus County
 Iredell County Rowan County

2. Have **you ever experienced discrimination in housing?**

YES NO (If NO, please skip to Question 10)

3. Who do you believe discriminated against you?

A landlord/property manager
 A real estate agent
 A mortgage lender
 Mortgage insurer
 A city/county staff person
 Other (please specify) _____

4. Where did the act of discrimination occur?

An apartment complex
 A condo development

A single-family neighborhood
 A public or subsidized housing project
 A trailer or mobile home park
 When applying for city/county programs
 Other (please specify) _____

5. On what basis do you believe you were discriminated against (check all that apply)?

Race
 Color
 Religion
 National Origin
 Ancestry
 Gender
 Marital Status
 Sexual Orientation
 Age
 Family Status (e.g. single-parent with children, family with children or expecting child)
 Source of Income (e.g. welfare, unemployment insurance)
 Disability (either you or someone close to you)
 Other (please elaborate) _____

6. Have you ever been denied "reasonable accommodation" (flexibility) in rules, policies, or practices to accommodate your disability?

YES NO N/A

If YES, what was your request? _____

7. If you believe you have been discriminated against, have you reported the incident?

YES NO

If you answered NO to the above question – Why?

don't know where to report
 afraid of retaliation
 don't believe it makes any difference
 too much trouble

8. If you own your home, are you already in the foreclosure process or at risk of foreclosure?

YES NO

9. If you answered YES to question #8, are you in foreclosure or at risk of foreclosure due to (check all that apply):

- Loss of income/unemployment
- Unable to refinance home to a lower interest rate
- Unable to refinance home to a fixed-rate loan
- Balloon payment required
- Significant increases in other housing costs (e.g. insurance, taxes, utilities, etc.)

10. Has any hate crime been committed in your neighborhood?

YES NO

11. If you answered YES to question #10, what was the basis (check all that apply)

- Race
- Color
- Religion
- National Origin
- Ancestry
- Gender
- Marital Status
- Sexual Orientation
- Age
- Family Status
- Source of Income
- Disability
- Other (please elaborate) _____

APPENDIX C

DRAFT-SAMPLE Fair Housing Complaint Procedure

Any person wishing to file a complaint of housing discrimination in the [Insert Jurisdiction] may do so by informing the [designate a point of contact] of the facts and circumstances of the alleged discriminatory acts or practice.

1. Upon receiving a housing discrimination complaint, the [designated point of contact] shall acknowledge the complaint within 10 days in writing and inform the North Carolina Human Relations Commission about the complaint.
2. The [designated point of contact] shall offer assistance to the Commission through the investigation and reconciliation of all housing discrimination complaints which are based on events occurring in the City.

WHAT TO DO IF YOU ARE DISCRIMINATED AGAINST

If you feel you have been discriminated against you can:

- Contact the [designated point of contact] will assist you with filing a complaint to the North Carolina Human Relations Commission.
1318 Mail Service Center
Raleigh, North Carolina 27699-1318
Toll Free: 1-866-324-7474 (1-866-Fair Hsg)
- Contact Legal Aid North Carolina
785 Davidson Drive, NW
Concord, NC 28025
Toll Free: 1-800-849-8009
- Contact the North Carolina Fair Housing Center
114 West Parrish Street
Durham, NC
(919) 667-0888 ext. 30

APPENDIX D DEFINITIONS

Affirmatively Furthering Fair Housing (AFFH): HUD defines it as requiring a grantee to, 1) conduct an analysis to identify impediments to fair housing choice within the jurisdiction, 2) take appropriate actions to overcome the effects of any impediments identified through the analysis, 3) maintain records reflecting the analysis and actions taken in this regard.

Affordable Housing: The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. Affordable may also mean housing that is income qualified to persons or households with annual income less than 80% of their County's median income based on family size.

Community Development Block Grant Program (CDBG): The CDBG program provides annual grants on a formula basis to 1209 general units of local government and States. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

Community Housing Development Organization (CHDO): A CHDO is a private nonprofit, community-based, service organization that has, or intends to obtain, staff with the capacity to develop affordable housing for the community it serves. HUD designates CHDO's. The HOME Program guarantees CHDOs funds. At least 15 percent of a HOME participating jurisdiction's (PJ's) annual allocation must be set aside for affordable housing activities to be undertaken by CHDOs. These set-aside funds must be invested in eligible housing.

Consolidated Plan: The Consolidated Plan is prepared by the grantee in accordance with 24CFR Part 91, and describes needs, resources, priorities and proposed activities to be undertaken for a 3-5 year period with respect to HUD's CPD formula programs, including CDBG & HOME. An approved Consolidated Plan is one which has been approved by HUD. Actual programs and activities are implemented under annual action plans.

Entitlement CDBG Program: The Entitlement Program is the portion of the CDBG Program that provides formula grants to metropolitan cities and urban counties. The Entitlement Program is the largest component of the CDBG Program receiving 70 percent of CDBG appropriations. Participating local governments automatically receive an annual allocation of CDBG funds. The grant amounts are determined by the higher of two formulas: Data based on overcrowded housing, population and poverty; or Data based on age of housing, population growth lag, and poverty.

HOME Investment Partnership Program (HOME): HOME provides formula grants to States and localities that communities use often in partnership with local nonprofit

groups-to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people. HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households.

Housing Choice Section 8 Voucher Program: The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

Low income Household/Family: A household/family having an income equal to or less than the Section 8 very low income limit (50% of the area median income) as established by HUD.

Low-Moderate Income Household/Family: A household/family having an annual income equal to or less than 80% of area median income based on family size as established by HUD.

Substandard Housing: Residential property that fails local building, health, or housing codes.

Workforce housing: is a term that is increasingly used by planners, government, and organizations concerned with housing policy or advocacy. Workforce housing can refer to any form of housing, including ownership of single or multi-family homes, as well as occupation of rental units. Workforce housing is generally understood to mean affordable housing for households with earned income that is insufficient to secure quality housing in reasonable proximity to the workplace.

Small Cities CDBG Program: delegated to State agencies by HUD for smaller municipalities and counties (that are non-entitlement communities). The States design their own programs and activities then award the CDBG funds, usually on a competitive basis, to local governments.

Low-income Tax Credits: a means to provide multi-family rental units (maybe new construction, renovated existing units or adaptive re-use of existing building i.e. a school for income eligible persons/households at levels less than 60% of an area's median income. Authorized by Section 42 of the IRS code.