

EXECUTIVE SUMMARY

AI PURPOSE AND PROCESS

As part of the Consolidated Planning process and in exchange for housing and community development federal funds, entitlement jurisdictions are required to submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three elements:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI);
2. Take actions to overcome the effects of any impediments identified; and
3. Maintain records reflecting the actions taken in response to the analysis.

In the *Fair Housing Planning Guide*, page 2-6, HUD provides a definition of impediments to fair housing choice as:

- “Actions omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices
- 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.”

The list of protected classes included in the above definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state or local government may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes a public input and review process via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments along with actions to overcome the identified impediments.

METHODOLOGY

As a requirement for receiving HUD formula grant funding, this AI evaluated impediments to fair housing choice in Tulsa, Oklahoma. Within the City of Tulsa, fair housing law is covered by the Oklahoma Anti-Discrimination Act, which includes the federal protections of race, color, religion, national origin, sex, disability and familial status but also includes the additional protection of age for persons over 18 years of age. As such, fair housing choice was addressed in the City of Tulsa in relation to this list of protected classes.

The AI was conducted through analysis of a variety of both quantitative and qualitative sources. Quantitative sources utilized for examination of fair housing choice within Tulsa included:

- Socio-economic and housing data from the U.S. Census Bureau,
- Employment data from the U.S. Bureau of Labor Statistics,
- Economic data from the U.S. Bureau of Economic Analysis,
- Investment data from the Community Reinvestment Act,
- Home purchase data from the Home Mortgage Disclosure Act,
- Housing complaint and intake data from the U.S. Department of Housing and Urban Development, the Tulsa Human Rights Department, and Metropolitan Fair Housing of Oklahoma.

Qualitative research included evaluation of relevant existing fair housing studies and cases. Additionally, qualitative research was involved in the evaluation of information gathered from several public input opportunities conducted in relation to the AI including:

- A fair housing survey of nearly 170 stakeholders throughout the area to investigate fair housing issues in the private and public sectors,
- Three fair housing focus groups involving persons in the housing industry to more deeply evaluate fair housing in relation to several issues including special needs populations, the home purchase market, and zoning and land use policies and practices,
- Fair housing forums to allow public input and reaction to preliminary findings of the AI.

Research conclusions were drawn from these sources and further evaluated based on HUD's definition of impediments to fair housing choice, as presented on the previous page. Ultimately, a list of impediments to fair housing choice in existence within the City of Tulsa was identified along with actions that could be implemented to overcome or ameliorate the identified impediments.

OVERVIEW OF FINDINGS

Socio-Economic Context

According to the U.S. Census Bureau, between 2000 and 2010 the population in the City of Tulsa decreased slightly from 393,049 to 391,906 persons or by 0.3 percent. American Community Survey data for population by age, representing a 2005 to 2009 average, show that most persons in the city were between the ages of 35 and 54. In terms of race and ethnicity, since 2000, the white population in the city actually declined by more than 10.0 percent while all other racial groups grew in size. The Hispanic ethnic population was also shown to have increased over the last decade and actually almost doubled in size to 55,266 persons. Some racial and ethnic populations, especially black and Hispanic groups, have been geographically concentrated in select areas of the city, specifically in North Tulsa. At the time of the 2000 census, the city had a disability rate of 20.5 percent, which was slightly higher than the 19.0 percent national rate. The disabled population was also slightly concentrated in select areas of the city, particularly in the northwestern portion.

Data from the Bureau of Labor Statistics showed that the labor force in Tulsa, defined as people either working or looking for work, held relatively stable at 190,155 persons between 2008 and 2009, but total employment figures dropped significantly to 177,867 persons. As a result of the increasing labor force and decreasing employment rate, the unemployment rate increased to 6.5 percent in 2009 and then to 7.1 percent by the end of 2010. Data from the Bureau of Economic Analysis showed that average earnings per job in Tulsa have been stronger than state figures with the city average almost \$10,000 greater than the average for Oklahoma. In Tulsa, the poverty rate average for 2005 through 2009 was 19.0 percent with 71,041 persons considered to be living in poverty, and this group was concentrated primarily in the northern part of the city. Evaluation of the location of job and employment centers in relation to transportation showed that the placement of these services may not be adequately addressing the needs of North Tulsa. Further, analysis of community investment data demonstrated that North Tulsa may not be receiving equitable community lending.

The number of housing units in Tulsa County increased by 9.5 percent or from 243,953 units to 267,021 units between 2000 and 2009. Still, the majority of the housing stock was built in the 1970s. Of the 243,953 housing units reported in the 2000 census, about 65.0 percent were single-family units, and more recent data from the U.S. Census Bureau showed that this percentage held steady. A total of 165,842 units were occupied housing units, and, of these, 55.6 percent were owner-occupied and 44.4 percent were renter-occupied. Of the unoccupied housing units counted in the city in 2000, 2,421 were noted to be “other vacant” units that are uninhabitable and can contribute to blighting influences; more recent data show that the percentage of this type of unit may be increasing in the city. At the time that the 2000 census was taken, 4,233 or 2.6 percent of households were overcrowded and another 3,253 or 2.0 percent of households were severely overcrowded, but 2005 to 2009 data averages show that the percentage of units with this housing problem might be decreasing. In Tulsa, 0.7 and 0.9 percent of all households were lacking complete plumbing or kitchen facilities, respectively, in 2000 but this housing problem was shown to have worsened in more recent data. Additionally, in 2000 14.7 percent of households had a cost burden and 10.8 percent of households had a severe cost burden, but 2005 to 2009 data averages showed that both of these percentages increased since that time by nearly 4.0 percentage points.

Evaluation of the Fair Housing Profile

A review of the fair housing profile in the City of Tulsa revealed that the City has a solid and present fair housing structure. There are several organizations that provide fair housing services, including outreach and education, complaint intake, and testing and enforcement activities, for both providers and consumers of housing. These organizations include the U.S. Department of Housing and Urban Development (HUD), the Oklahoma Human Rights Commission, which exists as a substantially equivalent agency to HUD in the state, the Tulsa Human Rights Department, the Metropolitan Fair Housing Council of Oklahoma, and the Tulsa Fair Housing Partnership. Many of these groups accept fair housing complaints, and the complaint process within these organizations is accessible and straightforward. Examination of both national and local fair housing studies and cases supported the idea that while housing discrimination has improved in recent years, both nationally and locally, problems still exist.

Fair Housing in the Private Sector

Home Mortgage Disclosure Act (HMDA) data were used to analyze differences in denial rates in the city by race, ethnicity, gender, income and census tract. Evaluated home purchase loan applications from 2004 through 2009 showed that there were 38,457 loan originations and 7,568 loan denials, for an average six-year loan denial rate of 16.4 percent. These HMDA data also showed that American Indian, black and Hispanic applicants experienced significantly higher rates of loan denials than white or Asian applicants, even after correcting for income. Further, these highly denied racial and ethnic groups appear to have been disproportionately impacted in some geographic areas of the city, primarily in North Tulsa, where denial rates at times exceeded 80.0 percent. Analysis of high annual percentage rate loans (HALs) showed that the black and Hispanic populations were also disproportionately impacted by an unusually higher share of these lower-quality and potentially predatory loans and therefore may be more likely to carry a larger burden of foreclosure.

Fair housing complaint data was collected from HUD and the Tulsa Human Rights Department. Data from these sources showed that more than 120 complaints were filed in the city from 2004 through 2010. The protected classes appearing to be disproportionately impacted by discrimination in rental markets were disability and race, and the common complaint issues related to discriminatory terms, conditions, privileges, or services and facilities, especially relating to the rental market. Intake data from Metropolitan Fair Housing of Oklahoma showed similar frequent bases.

A review of Craigslist postings for a sample of days in February 2011 also revealed instances of poor language choices in advertisements in the rental market with preferential statements made based on age, family status and religion. These statements may be construed as discriminatory preferences in advertising of housing.

Results from the fair housing survey that was conducted as part of the AI process showed that many respondents see possible issues of housing discrimination in Tulsa's private housing sector. In the rental market, preferences in rental advertising, refusal to rent, and discriminatory terms and conditions made were identified as possible barriers to fair housing. In the real estate market, respondents noted that steering activities occur, and in the home purchase markets, redlining and predatory lending were noted to be concerns. Redlining was also noted to be a barrier to fair housing in the insurance industry along with inflated insurance prices.

Fair Housing in the Public Sector

The status of affirmatively fair housing within Tulsa's public fair housing sector was primarily evaluated through the fair housing survey of stakeholders in the city. Results from the public sector section of the fair housing survey showed that many respondents in Tulsa believe there are questionable practices or policies within the public sector. Most comments portrayed fair housing issues in relationship to problems in existence in North Tulsa. For example, comments suggested possible differences in construction standards between North and South Tulsa, a lack of focus on community development in the north part of the city, and also lack of access to government services including transportation and trash service in North Tulsa.

Additional concerns related to a lack of accessibility and accommodation for persons with disabilities within public housing agencies.

Public Input

A number of public involvement activities conducted through the AI process, including a fair housing survey, fair housing focus groups, and fair housing forums, provided insight into fair housing issues in the city. Results from the fair housing survey showed that most respondents feel that fair housing laws are useful but that they are difficult to understand or follow; this was reaffirmed by indication of some confusion as to which classes of persons are protected by state and federal laws as well as where to refer someone with a fair housing complaint. Misunderstanding was also shown in comments that included housing production and affordable housing issues as barriers to fair housing choice. Additionally, it was noted that enhanced testing and outreach and education activities may be needed. Comments gathered from housing stakeholders in the city during a series of focus groups demonstrated concerns about: a lack of understanding of fair housing and enforcement of fair housing laws in the city, a high number of predatory loans in the city which have led to further problems of foreclosure and blight, and continued disparities in housing and housing services for North Tulsa. Three fair housing forums, or public input opportunities, were also held in the city, and attendants cited concerns including steering, lack of enforcement of fair housing laws, and a need for greater city-wide commitment to fair housing.

IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

The 2011 AI for the City of Tulsa uncovered many issues in housing in the city. Selection of items as impediments to fair housing choice was based on HUD's definition of impediments as *actions, omissions or decisions that restrict housing choice due to protected class status*. The identified impediments are presented below and are followed by appropriate actions that the City can implement in order to mitigate, alleviate or eliminate these impediments and thereby offer greater housing choice for protected classes as well as for all citizens of Tulsa.

Impediments to Fair Housing Choice

Private Sector

1. Discriminatory terms, conditions, privileges, or services and facilities in the rental markets
2. Refusal to rent or negotiate for rent
3. Failure to make reasonable accommodation or modification
4. Statement of preferences in advertising for rental properties
5. Steering, redlining, reverse red-lining and blockbusting in residential sales
6. Denial of home purchase loans
7. Predatory lending activities
8. Unequal investment of Community Reinvestment Act resources
9. "Not in My Backyard" (NIMBY) tendencies
10. Failure to actively participate in the fair housing system

Public Sector

1. Ineffective fair housing outreach and education efforts
2. Failure to adequately enforce fair housing laws
3. Historical establishment of policies and practices resulting in segregation of minority populations
4. Inequitable community development activities
5. Land use and planning decisions resulting in unequal access to government services such as transportation and trash pickup
6. Failure to provide reasonable accommodation in public housing

Suggested Actions to Resolve Impediments

The City of Tulsa benefits from a substantive fair housing infrastructure. The City should focus fair housing efforts on continuing current activities as well as including additional efforts and activities as follows:

Private Sector

1. Impediment: Discriminatory terms, conditions, privileges, or services and facilities in the rental markets
Recommended Actions: Conduct testing and enforcement activities; continue to educate landlords and property management companies in fair housing law; continue to educate housing consumers in fair housing rights
2. Impediment: Refusal to rent or negotiate for rent
Recommended Actions: Conduct testing and enforcement activities; continue to educate landlords and property management companies in fair housing law; continue to educate housing consumers in fair housing rights
3. Impediment: Failure to make reasonable accommodation or modification
Recommended Actions: Conduct testing and enforcement activities; hold training sessions to educate housing providers in requirements regarding reasonable accommodation or modification
4. Impediment: Statement of preferences in advertising for rental properties
Recommended Actions: Educate landlords and property management companies in fair housing law
5. Impediment: Steering, redlining, reverse red-lining and blockbusting in residential sales
Recommended Actions: Conduct testing activities to determine the severity of the problem; work to resolve these issues in the real estate industry through education and enforcement

6. Impediment: Denial of home purchase loans
Recommended Actions: Conduct testing activities to determine the severity of the problem; educate buyers through credit counseling and home purchase training
7. Impediment: Predatory lending activities
Recommended Actions: Conduct testing activities to determine the severity of the problem; conduct enforcement activities as needed; educate buyers through credit counseling and home purchase training
8. Impediment: Unequal investment of Community Reinvestment Act resources
Recommended Actions: Monitor Community Reinvestment Act lending practices; advise Bankers' Association of findings, iterate the need for city-wide investment strategies; build vision of citywide investment approach
9. Impediment: "Not in My Backyard" (NIMBY) tendencies
Recommended Actions: Work to promote development of residential housing in North Tulsa and public housing outside of North Tulsa
10. Impediment: Failure to actively participate in the fair housing system
Recommended Actions: Enhance current outreach and education efforts to make fair housing more approachable and accessible for housing consumers

Public Sector

1. Impediment: Ineffective fair housing outreach and education efforts
Recommended Actions: Evaluate current fair housing outreach and education efforts; examine ways in which these activities could be made more effective; implement enhancements
2. Impediment: Failure to adequately enforce fair housing laws
Recommended Actions: Increase the level of monitoring, testing and enforcement of laws related to fair housing; select some testing results for enforcement including conciliation and/or litigation
3. Impediment: Historical establishment of policies and practices resulting in segregation of minority populations
Recommended Actions: Review land use and planning policies and practices in the city; encourage change, such as enhanced inclusionary zoning policies or waiving impact fees for affordable housing projects, and modification of planning and zoning ordinances and land use practices as needed
4. Impediment: Inequitable community development activities
Recommended Actions: Refocus community development efforts to more broadly address community development issues in North Tulsa; coordinate with citywide private investment strategies

5. Impediment: Land use and planning decisions resulting in unequal access to government services such as transportation and trash pickup
Recommended Actions: Evaluate current and future planning decisions in relation to placement of government services such as bus routes and trash collection; make changes to improve equity
6. Impediment: Failure to provide reasonable accommodation in public housing
Recommended Actions: Conduct testing and enforcement activities; advise public housing agencies of scope and severity of problem; request and monitor change

THREE CITY COUNCIL INITIATIVES

Completion of adequate fair housing planning is a requirement of the Consolidated Plan, and HUD's FHEO review and approval of that plan will be accomplished when specific actions with measurable outcomes are described in the upcoming Annual Action Plan. Furthermore, specific City agencies such as the Department of Grants Administration (DGA), the Department of Human Rights (DHR), or another agency altogether must take lead responsibility for one or more of these actions, at the discretion of the City Council.

Nevertheless, the aforementioned public and private sector fair housing actions could have either a broad or narrow definition or approach, depending on the resource commitment made by the City and the City Council. Such definition will need to be provided by and approved by the City Council.

To initiate this dialogue, the 2011 Tulsa AI suggests that the City Council approve and the City allocate 2.0 percent of its annual HUD CPD formula grant toward these additional fair housing activities. In fiscal 2010, this would have been 2.0 percent of roughly \$6.8 million dollars, or \$138,000.

The 2.0 percent allocation would be used to contractually secure fair housing services through one or more of the existing entities comprising Tulsa's fair housing infrastructure with the contractual arrangements specifying the level and scope of outreach, education, testing and enforcement that Tulsa will conduct over the upcoming federal fiscal year.

In summary, the 2011 Tulsa AI recommends that:

1. The City Council designate a responsible agency for each impediment and its consequent action; and,
2. The City Council designate an appropriate percent allocation from the HUD CPD grant to be dedicated to fair housing service activities, if 2.0 percent is not acceptable; and,
3. The City Council approve the final contract, or contracts, to be let for fair housing services each year.

SECTION I. INTRODUCTION

BACKGROUND

Title VIII of the 1968 Civil Rights Act, also known as the federal Fair Housing Act, made it illegal to discriminate in the buying, selling or renting of housing because of a person's race, color, religion or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Federal fair housing statutes are largely covered by the following three pieces of U.S. legislation:

- The Fair Housing Act,
- The Housing Amendments Act, and
- The Americans with Disabilities Act.

State or local government may enact fair housing laws that extend protection to other groups as well. For example, the Oklahoma Anti-Discrimination Act includes the federal protections of race, color, religion, national origin, sex, disability and familial status but also extends additional protections by age to persons aged 18 or older.

WHY ASSESS FAIR HOUSING?

Provisions to affirmatively furthering fair housing are long-standing components of the U.S. Department of Housing and Urban Development's (HUD) housing and community development programs. These provisions flow from Section 808(e) (5) of the Federal Fair Housing Act, which requires that the Secretary of HUD administer its housing and urban development programs in a manner that affirmatively furthers fair housing.

In 1994, HUD published a rule consolidating plans for housing and community development programs into the Consolidated Plan for Housing and Community Development. This document grouped the plans for original consolidated programs including Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants¹ (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) along with additional program components that have been enacted.

As a part of the consolidated planning process, states and entitlement communities receiving such funds as a formula allocation directly from HUD are required to submit to HUD certification that they are affirmatively furthering fair housing. This certification has three parts:

- Complete an Analysis of Impediments to Fair Housing Choice (AI);
- Take actions to overcome the effects of any impediments identified through the analysis; and
- Maintain records reflecting the analysis and actions taken.

HUD interprets these three certifying elements to entail:

¹ The Emergency Shelter Grant was recently renamed the Emergency Solutions Grant.