

# ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE IN LOUISVILLE METRO, KY

Prepared by Metropolitan Housing Coalition

Prepared for Louisville Metro Department of Housing and Family Services

LOUISVILLE METRO, KY

2010

# Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY

Prepared by Metropolitan Housing Coalition

## Table of Contents

<b>INTRODUCTION AND EXPLANATION OF THIS DOCUMENT</b>	2
<b>STATE OF HOUSING CHOICE FOR PROTECTED CLASSES</b>	4
AFRICAN-AMERICANS IN LOUISVILLE	5
IMIGRANTS AND INTERNATIONALS IN LOUISVILLE	7
RELIGIOUS DIVERSITY	9
WOMEN AND FAMILIAL STATUS	9
RESIDENTS WITH DISABILITIES	10
<b>UNIVERSAL THEMES AFFECTING LOUISVILLE’S PROTECTED CLASSES</b>	13
POVERTY	13
OLD HOUSING STOCK	14
HEALTH AND HOUSING	14
HOMELESS YOUTH	16
HIGH-COST LOANS AND FORECLOSURES	17
NOT IN MY BACK YARD MENTALITY	17
TRANSPORTATION	19
<b>ROLE OF THE LAND DEVELOPMENT CODE</b>	20
INCLUSIONARY ZONING	19
<b>FAIR HOUSING ENFORCEMENT</b>	21
LOUISVILLE METRO HUMAN RELATIONS COMMISSION	22
KENTUCKY COMMISSION ON HUMAN RIGHTS	24
FAIR HOUSING COUNCIL	24
<b>IMPEDIMENTS TO FAIR HOUSING CHOICE AND RECOMMENDED ACTION STEPS</b>	25
<b>INTERVIEWS CONDUCTED FOR THIS DOCUMENT AND APPRECIATIONS</b>	31
<b>LEGAL UPDATES</b>	32
<b>REFERENCES</b>	37

# Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY

---

Prepared by Metropolitan Housing Coalition

## Introduction and Explanation of this Document

Since the inception of the U.S. Department of Housing and Urban Development (HUD) in 1965, the agency has been committed to eliminating racial discrimination and racial segregation as it pertains to the development, provision, ownership and management of housing in America. Though this agency was originally created with a focus on racial discrimination, over time, more protected classes have been added. In order to affirmatively further fair housing, HUD's current mission is to "increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships, particularly with faith-based and community organizations, that leverage resources and improve HUD's ability to be effective on the community level." Through the Office of Fair Housing and Equal Opportunity (FHEO), HUD administers and enforces federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Such laws and policies include implementing and enforcing the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of Title I of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

To ensure the prevention and elimination of housing discrimination, and housing segregation as it pertains to fair housing choice, HUD requires all entitlements or jurisdictions directly receiving any of the four HUD formula grant programs, Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnership Program (HOME), and Housing For People With Aids (HOPWA), to certify that the jurisdiction will "affirmatively further fair housing choice" within their area of authority. This requirement is codified in the Consolidated Planning process requirements under 24 Code of Federal Regulations (CFR) 91.225. Receipt of any of the HUD four formula grant programs is predicated upon the receipt of the local jurisdiction's Consolidated Plan along with an Analysis of Impediments to Fair Housing Choice (AI) which identifies the impediments and provides strategies to cure the impediments identified. "Affirmatively furthering fair housing" is defined by HUD as requiring a local jurisdiction to conduct an analysis to identify impediments to fair housing choice within the jurisdiction; to take appropriate actions to overcome the effects of any impediments identified through the analysis; and to maintain records reflecting the AI and actions taken in this regard.

Public and private entity obligations under 24 CFR 91.225 can be grouped into three categories:

**Intent:** the obligation to avoid policies, customs, practices, or processes whose intent or purpose is to impede, infringe, or deny the exercise of fair housing choice on the basis of race, color, religion, sex, national origin, disability and familial status.

**Effects:** the obligation to avoid policies, customs, practices, or processes whose effect or impact is to impede, infringe, or deny the exercise of fair housing rights on the basis of race, color, religion, sex, national origin, disability and familial status.

**Affirmative Duties:** the obligation and fiduciary responsibility of public agencies to anticipate policies, customs, practices, or processes that previously, currently, or may potentially impede, infringe, or deny the exercise of fair housing choice on the basis of race, color, religion, sex, national origin, disability and familial status.

The first two obligations pertain to public agency operations and administration, including employees and agents, while the third obligation extends to private as well as public sector activity.

According to HUD requirements, an Analysis of Impediments to Fair Housing Choice (AI) consists of:

- An overview of demographic and housing market conditions in the local jurisdiction, particularly as they pertain to housing choice.
- A profile of fair housing in the local jurisdiction, including current laws, policies and practices, and the number and status of any fair housing complaints in the local jurisdiction.
- An assessment of various market and public policy impediments to fair housing choice.
- Action steps to remove any impediments.

HUD defines impediments to fair housing choice as:

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

It is important to realize that HUD does not restrict the scope of AI to those actions that are in direct violation of federal, state or local fair housing laws, but rather to actions, omissions or decisions that have the ultimate effect of restricting fair housing choice.

This document, the *2010 Analysis of Impediments to Fair Housing Choice for Louisville Metro, Kentucky*, is broken into five major sections. First this document examines the state of housing choice for the protected classes in Louisville Metro. Second, this document looks at the universal themes that impact on housing patterns, suggesting that there is link between fair housing choice and affordable housing. The third section will look at the role that the Land Development Code has on fair housing choice. Next, this document explains impediments to fair housing choice from the perspective of enforcement agencies and looks at their

reported complaint statistics. The fourth, and perhaps most important section, lists recommended action steps to promote fair housing choice and to eliminate impediments.

All five sections are supported by data and testimony that are listed on the reference page found at the end of this document. A review of current laws that affect fair housing is included in this document.

## State of Housing Choice for Protected Classes

On January 6, 2003, Jefferson County and the City of Louisville merged to become Louisville Metro. As a consolidated city and county government covering the area of Jefferson County, Louisville Metro is now the 16<sup>th</sup> largest city in the nation. However, there remain 12 incorporated cities within the geographic boundaries of Louisville Metro which have their own land development codes. This *Analysis of Impediments of Fair Housing Choice* covers the whole geographic area, but policies and land use laws are not entirely controlled by this jurisdiction.

In Louisville, there are nine classes of people under the combined federal, state and local housing laws. The protected classes are: race, color, national origin, sex, familial status, religion, disability, sexual orientation and gender identity. Added to Louisville's local civil rights ordinance in 1991, sexual orientation and gender identity are the only locally protected classes besides federally protected classes. Also, local fair housing laws pertaining to rental housing are enforced if the owner has just two units instead of the federally mandated four units. In homeownership, the laws cover all transactions, with no minimum.

Like many older American cities, Louisville has well-defined neighborhoods, many with well over a century of history as a neighborhood. The oldest neighborhoods are the riverside areas of Downtown and Portland (initially a separate settlement), representing the early role of the river as the most important form of commerce and transportation. As the city expanded, peripheral neighborhoods like Butchertown, Phoenix Hill, Russell, Shelby Park, Smoketown and others were developed to house and employ the growing population.

The 2000 Census, the most current data source for Jefferson County poverty levels broken down by council districts, shows the council districts with the highest poverty levels are also the same areas with the highest concentrations of subsidized housing, the greatest number of health problems, the least access to healthcare, the greatest concentrations of protected classes, most notably African-Americans, and the greatest number of foreclosures and vacant properties. This illustrates that race, gender, disability, poverty, poor housing conditions, and poor health conditions are concentrated in the same areas of the county. These council districts are 1, 2, 3, 4, 5, 6, 15, and 21.

The areas that repeatedly emerge as over representing high poverty, adverse environmental outcomes and concentrations of protected classes are: the western portion of the city, which contains a predominance of older housing stock; the first ring or older suburbs located south of the downtown; and west of the fairgrounds and airport, and the Newburg area. The maps that accompany the AI continually highlight these areas.

Additionally, the 2008 American Community Survey shows that 12.8 percent of all Jefferson County residents had incomes below the federal poverty level. This is lower than the 2007 American Community Survey, when 14.5 percent lived below the poverty level. However, the percentage of residents living in poverty in the Louisville MSA, which includes the surrounding Kentucky and Indiana counties, was 14.4 percent in 2008, which is higher than the 2007 poverty numbers at 13.2 percent.

### **African-American Residents, Segregation and Access to Homeownership**

Like the nation, Louisville Metro has become more racially and ethnically diverse, yet Louisville remains uniquely segregated by race, especially that of African-American and White residents. To give a frame of reference, analysis of the 2000 Census numbers by Kentucky Population Research, University of Louisville ranked Louisville 26<sup>th</sup> of 150 metropolitans for racial segregation, with a rank of 1 being the most segregated. That same year, Louisville ranked 8<sup>th</sup> among its fourteen peer cities in a comparison of racial segregation (See Peer City Comparison of Housing Segregation, 2000 chart to the right). While Louisville has made strides in becoming more integrated, the fact remains that almost half of Louisville residents (45 percent) live in extreme racial segregation. The legacy of federal, state, and local exclusionary laws and practices such as restrictive covenants, redlining, and panic selling are reflected in the persistent segregation in Louisville Metro. According to Gary Orfield, co-director of the Harvard University Civil Rights Project, “The trends in the 2000 census should be taken as a warning that our historic problem of black exclusion is taking on new and complex

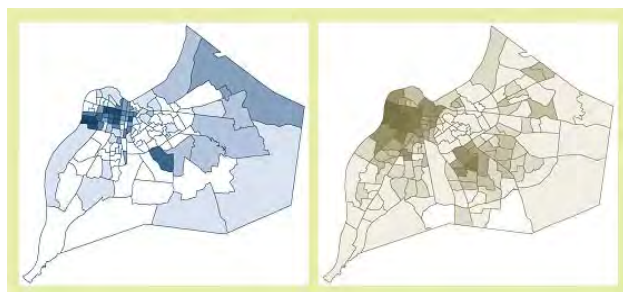
Distribution of White and African American Population by Racial Composition of Census Tract, 2000					
Tract % African-American	Whites	Proportion of Whites	African-Americans	Proportion of African-Americans	Number of tracts
1-4.99%	259,401	48.33%	7,626	5.82%	67
5-9.99%	140,309	26.14%	10,759	8.22%	35
10-24.99%	93,060	17.34%	18,318	13.99%	26
25-49.99%	26,636	4.96%	17,088	13.05%	13
50-79.99%	14,270	2.66%	25,059	19.14%	11
80-94.99%	2,582	0.48%	26,559	20.29%	8
95-98%	463	0.09%	25,519	19.49%	10
Total	536,721		130,928		170

dimensions.”

### **Concentration of African-American Residents** (Darker areas mean more density.)

**1960**

**2000**



In 1960, there were 78,000 African-American residents in Louisville, which constituted 13 percent of its population. By 2000, the African-American population had increased to 131,000 or 19 percent. According to the 2008 American Communities Survey, African-Americans made up 20.6 percent, which is up 1.6 percentage points since 2000. Yet, there were very few Louisville neighborhoods that reflect a proportional distribution of White and

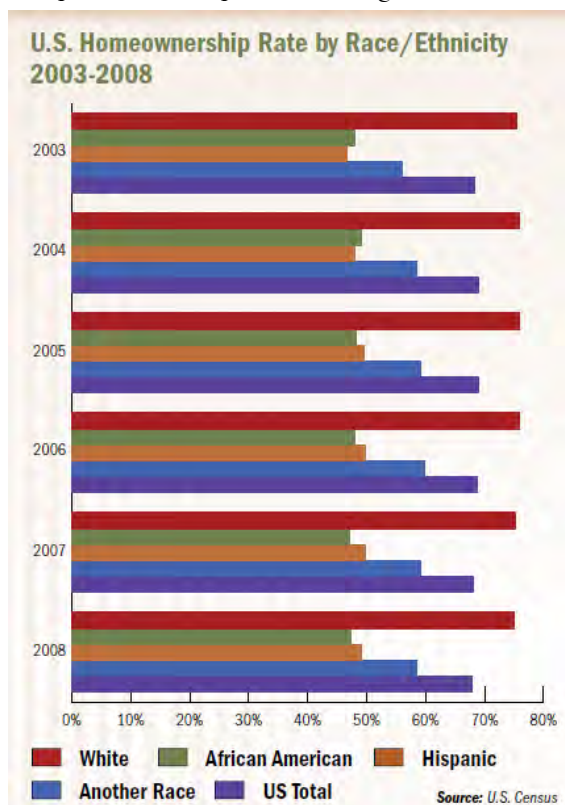
African-American community members. While in 1960, 414,000 White residents (83 percent) of

Louisville/Jefferson County lived in census tracts with less than a 5 percent African-American population, in 2000, more than 250,000 White residents (48 percent) lived in census tracts with an African-American population of less than 5 percent. In 2000, 52,000 African-Americans (40 percent) lived in census tracts that are more than 80 percent African-American. In 1960, 40,000 African-Americans (53 percent) lived in tracts that were more than 80 percent African-American. Therefore, while the percentage of African-Americans living in highly segregated neighborhoods has decreased, the number of African-American residents who are living in highly segregated neighborhoods has increased, giving a sad irony to claims of improved conditions.

In anticipation of the Jefferson County/Louisville Metro merged jurisdiction, a consortium of philanthropic foundations joined together to fund an ongoing project on the needs of Louisville Metro and a vision for its future. In 2002, *Beyond Merger: A Competitive Vision for the Regional City of Louisville*, prepared by the Brookings Institution Center of Urban and Metropolitan Policy, was the first comprehensive review of the health of the new city.

*Beyond Merger* stated that “[t]he persistent segregation of black neighborhoods in the greater Louisville area has hindered the ability of African-American households to build wealth. While the Louisville region has seen its degree of racial segregation drop in the last two decades, it still remains high. The result for African-American homeowners is that their home values do not appreciate as rapidly as those of White homeowners, widening the wealth gap. Reducing this gap requires achieving stable neighborhoods that are economically diverse and racially balanced throughout the metropolitan area.” This report also states that, “Homeownership rates among African-American residents of the new Regional City slumped from 42 percent to 40 percent during the 1990s... This trend is of particular concern because both home-mortgage

lending and homeownership rates increased markedly for African-American citizens in most other metropolitan communities.”



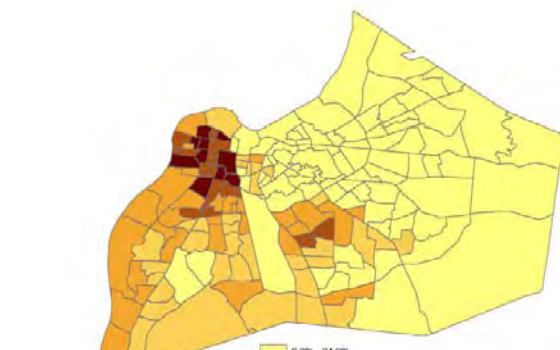
Using this data as a spring board, Metropolitan Housing Coalition (MHC) continues to examine homeownership rates by race and ethnicity. According to the *2009 State of Metropolitan Housing Report*, homeownership rates in the U.S. by race/ethnicity have changed little over the past five years. In 2008, Whites had the highest rate of homeownership at 75 percent, followed by Asian/Native American/Pacific Islander at 58.5 percent, and Hispanics at 49.1 percent. African-Americans had the lowest homeownership rate of any racial or ethnic group at 47.4 percent. This is compared to the overall 2008 homeownership rate in the U.S. of 67.8 percent. This is about race and discrimination, yet there has been little action on the local or state levels to combat this clear disparity. (See chart to the left.)



The final point of *Beyond Merger* explains that, “Racial segregation may also be impeding African-American residents’ build-up of home equity and wealth. Studies have shown that African-American homeowners accumulate less equity in their homes because they often own homes in segregated neighborhoods. In 1990, the average black homeowner in the Louisville metro area had an income of \$30,800 and owned a home worth \$40,600. For every dollar of income, the average black homeowner owned \$1.32 in housing value. White homeowners, by contrast, enjoyed average incomes of \$42,300 and owned much more expensive homes, so that for each dollar of income, white homeowners had \$1.70 worth of house. Thus for each dollar of income, blacks owned homes worth 22 percent less than Whites in 1990. This disparity

### Estimated High-Cost Mortgage Rate by Louisville Metro Census Tracts, 2004-2006

underwritten high-cost home loan. A 2008 study



Source: U.S. Department of Housing and Urban Development, 2008  
 \* Census Tract Level Data on number of loans made between 2004 and 2006 from the Home Mortgage Disclosure Act (HMDA) data and the number of those loans that are high cost (where the rate spread is 3 percentage points above the Treasury security of comparable maturity)

in potential equity-growth was higher in the Regional City than in all of the comparison metropolitan areas.”

When considering homeownership in terms of race, minorities are at much higher risk of receiving a poorly by the National Community Reinvestment Coalition determined that middle-and upper-income African-Americans were at least twice as likely as Whites in the same income bracket to receive high-cost loans in 71.4 percent of metro areas in 2007 (See below graph). While high-cost loans were developed to compensate for additional risk to lenders when the borrower has insufficient or no credit, minorities receive a disproportionate number of these loans, even when controlling for creditworthiness and other housing market factors. Having a high-cost loan can result in a loss of home equity because of higher payments made to lenders, thus creating a barrier to building wealth through homeownership. High-cost loans also create exposure to imprudent types of lending that are more likely to result in default and foreclosure. The map

below shows the high-cost mortgage loan rate in Louisville Metro from 2004 to 2006. In areas west of downtown Louisville 50 to 76 percent of homeowners have high-cost loans, while much of the south and southwest portions of Louisville Metro have high-cost loan rates of 25 to 50 percent. These areas also have the greatest concentration of African-Americans in the city.

While some segregation can be linked to individual attitudes of protected classes who desire living near persons with similar characteristics, such as race, color or religion, extensive studies confirm that actual levels of segregation are far greater than would be expected if this type of “self-segregation” were the defining factor in segregation. The data suggests that groups of people live together not by choice, but rather by not having any other choice.

### Immigrants and Internationals in Louisville

There are an estimated 85,000 Immigrants and Internationals living in Louisville from all parts of the world. “Immigrant” refers to those who arrived in the US with a visa status authorizing them residency in the country. This group may include green-card holders, asylees, and refugees. “Internationals” are those who are in the US for a brief period of time ranging from a few weeks or months to a few years. This group may include foreign students, individuals on temporary work authorization visas, visiting scholars and in some

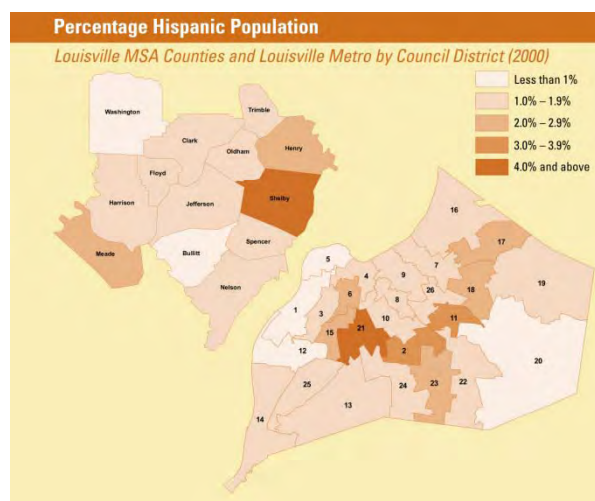


cases tourists. Of that number, an estimated 53,000 people are Hispanic/Latino. The trend to an increasing Immigrant and International presence in Louisville has significantly increased since the mid-1990s and accounts for the increase in Louisville's population adding to the economic boom.

An increase in people from all parts of the world brings new issues in housing choice and housing opportunities. Immigrants coming to Louisville as refugees, are an extremely diverse group. Immigrants, with or without documentation, settle in Louisville for many reasons. Immigrants and Internationals range from highly-trained professionals to those who are not literate in their first language. Some come from upper-income backgrounds while some come from refugee camps. Because the expansion of this population is less than twenty years old, many residents are predominantly first generation immigrants. However, it is important to note that there is a variety of ages within the designation of "first generation" ranging from adults to school age children. Recognizing the diversity within the Immigrant and International community is also critical if we are to provide housing choice and opportunities for residents of this protected class to grow their careers, families and lives in Louisville.

Anecdotally, we know of clustering of Immigrants and Internationals by country of origin, tribe, common first language, and/or religious affiliation. Though much of this clustering is voluntary, growing from peoples' need to be surrounded by community, it is also obvious that due to racial and economic housing segregation, there is much less housing choice for these residents. The areas where these clusters occur are in the west end and south end of town where segregation continues to be a problem. Louisville needs a comprehensive housing plan to offer more fair housing choice to these populations.

Tim Barry, Executive Director of the Louisville Metro Housing Authority, has also stated that housing Immigrant and International residents is especially difficult because their family size is often significantly larger than the size of an average American family. Housing diversity includes units that are responsive to the needs of a growing and diverse population.



### Latino/Hispanic Residents

According to the 2008 American Communities Survey, Latino /Hispanic residents, of any race, were 3.16 percent of the total population. Of the 85,000 Immigrants and Internationals living in Louisville, an estimated 53,000 people are Hispanic/Latino. Although the Latino/Hispanic population, as measured in the 2000 Census, was relatively small, the Dissimilarity Index increased since 1980, from 0.24 to 0.33. The Dissimilarity Index compares the spatial distributions of different groups among units in a metropolitan area. Here, the comparison groups are Latino/Hispanic and White residents. Segregation is the smallest when majority and minority populations

are evenly distributed. The index ranges from 0.0 (complete integration) to 1.0 (complete segregation). Based on these numbers, it seems that the larger the Latino/Hispanic population Louisville Metro is, the more clear the segregation becomes. Additionally, when compared to its sister cities, Louisville ranks 4<sup>th</sup> worst in housing segregation of the Hispanic population. (See chart to the left.)

## Asians Residents

According to the 2008 American Communities Survey, Asians were 1.9 percent of the population of those who stated that they identified solely as Asian. Until the 2010 Census, there will not be much data about Asian residents in Louisville.

## Religious Diversity

As Louisville grows through international diversity, there is an increasing population of those practicing religions that are a minority in Louisville, e.g. Buddhism, Islam. While there have not been housing discrimination complaints based on religion, government services in housing need to be sensitive to the religious requirements of this growing population.

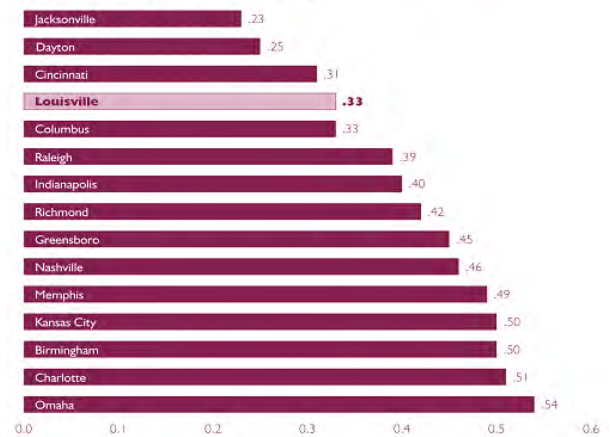
## Women and Familial Status

In 1970, households headed by women made up 22% of all households in our community. By 2000, there were more than 100,000 households headed by women in Louisville or 35% of all households (see map to the right). That number is projected to reach 110,000 by 2020. These households include single mothers, women over age 65 and single women without children.

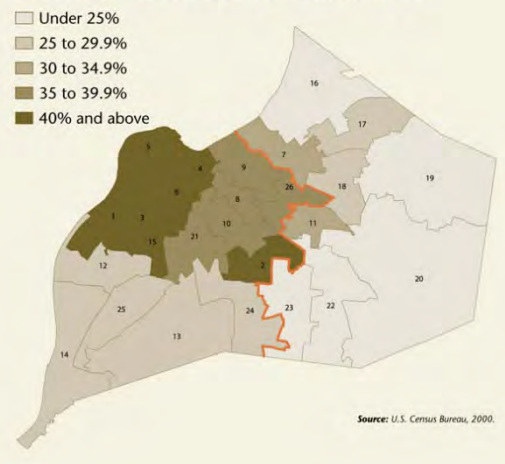
In 2000, nearly 3 of every 10 of these female-headed households were single mothers. Over 40% of single mothers live in just five council districts (1, 2, 4, 5, and 15) where overall poverty rates range from 19 to 47 percent, have the largest percentage of African-America residents and residents living with disabilities. According to the 2000 census, ten percent of Louisville households are headed by women 65 and older. Of these households, there are some concentrations within the urban core, but not as stark or as related to poverty as single mothers.

The Brookings Institution Center on Urban and Metropolitan Policy has long studied affordable housing policies and practices. In a discussion paper published in 2003, the authors stated that “a growing body of research now indicates that living in a high-poverty neighborhood can undermine the well-being of families and children.”

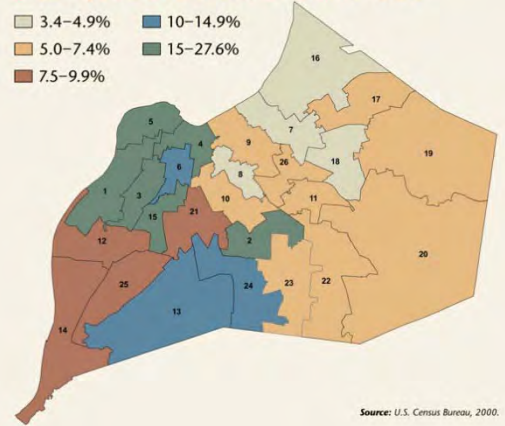
## Peer City Comparison of Housing Segregation Hispanic Population, 2000



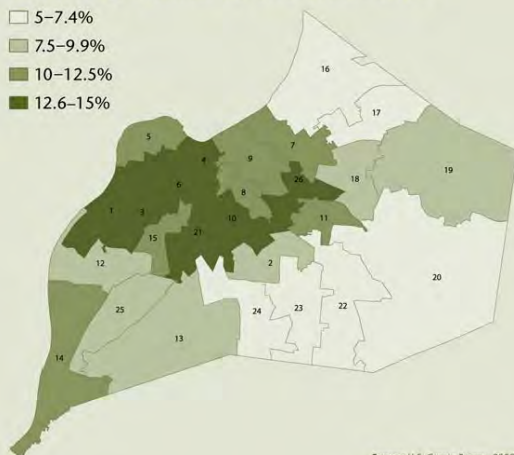
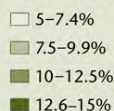
## Thirty-five percent of households in Louisville are headed by women: 2000



## Forty percent of single mothers in Louisville live in just five council districts: 2000

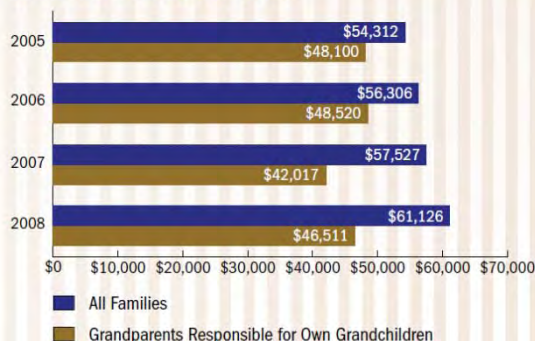


### Ten percent of Louisville households are headed by women 65 and older: 2000



Source: U.S. Census Bureau, 2000.

### Median Family Income for Families with Grandparents Responsible for own Grandchildren Louisville MSA 2005-2008



Source: American Community Survey

## Grandparents Raising Grandchildren

Another rising family configuration is grandparents raising grandchildren. In 2008, there were 12,191 grandparent-headed households in the Louisville MSA who are responsible for taking care of their grandchildren without a parent present. This has increased from 11,447 grandparents in 2007, 11,337 in 2006, and 9,378 in 2005 (American Community Survey, 2005-2008). In 2008, of the grandparents responsible for their own grandchildren, it was estimated that 9,349 were white and 2,842 were African-American. While the number of African-American grandparents caring for their own grandchildren has decreased since 2005 (from 3,280), the number of White grandparents caring for their own grandchildren has increased dramatically from 5,727 in 2005.

Grandparents with primary guardianship or custody of their grandchildren appear to suffer a financial disadvantage in comparison to all families with children in the Louisville MSA. As the chart to the left shows, this family-type consistently has income less than median income for all families.

As we look at poverty figures for grandparents who are caring for grandchildren, in 2005 16.7 percent of grandparents caring for their own grandchildren were living below the poverty line. This percentage jumped to 23.4 percent in 2007, but decreased in 2008 to 13.1 percent. Though the percent of grandparents who are caring for grandchildren and living in poverty

fluctuates, it has always been higher than parent-headed households.

It is also important to note that in addition to grandparents taking care of their grandchildren, there is also a growing number of other relatives, such as aunts and uncles, taking care of the children in their families. More research is needed to reach this growing family type.

## Residents with Disabilities

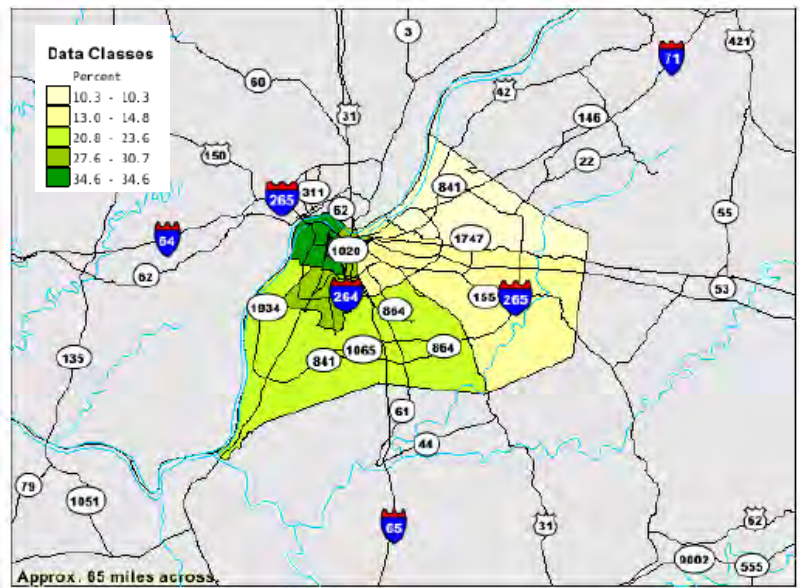
The 2000 Census showed that people, aged 21 to 64, with disabilities were segregated in where they lived. The areas of concentration mirror the areas where many other protected classes live, which is clear in the map to the right. For the most part, these concentrations occur in the west end of Louisville, with further concentration in the north-western Louisville, but also with significant distribution through the southwest part of Louisville. These areas of Louisville also have the highest concentrations of poverty, easily illustrating the need of affordable housing and fair housing choice for people with disabilities, many who live on fixed incomes.



## Concentrations of Residents with Disabilities 2000 Census Data

Disabilities range from physical disabilities to emotional, intellectual or psychological disabilities. Of all the protected classes, disability is the only protected class wherein a landlord is required to make reasonable accommodations or modifications to ensure the environment is user friendly to the particular person and the particular disability. This ranges from building a ramp for accessibility to allowing a working animal where there is a no pet policy.

More people will have disabilities both as the population ages and as war veterans return home. There must be a plan for how to accommodate the range of people with disabilities of all types.



In 2000, the Kentucky State Legislature passed House Bill 843, requiring that each of the 14 mental health centers throughout the state convene a Regional Planning Council to produce a plan for mental health and substance abuse needs and service in that region. Louisville Metro/Jefferson County is the hub of Region Six, which includes six other counties. In 2000, “*HB 843 Report: Region 6 (Seven Counties Services, Inc.) Regional Plan & Recommendations Summary*” reported the recommendations of the Planning Council.

The first goal in the Planning Council’s 2000 Report is to, “Increase the number of supported housing units (including group, individual and independent housing arrangements) in the region for persons with mental illness and substance abuse problems by 50% by 2006. This housing must include supportive services to encourage and sustain independent living. An array of supportive services would include such things as job training and placement, transportation, interpreter/translation services, child care, training in daily living skills, case management, support groups, medication monitoring, nutrition, recreation and socialization activities.”

This increase has not occurred and was not a priority in the Louisville Metro Consolidated Plan, which expires in 2010. It is the recommendation of this document that Louisville Metro honor the goals of the Regional Planning Council.

In 2002, service providers to people who are homeless worked to identify needs to end homelessness. The resulting report, *Blueprint: Louisville’s Ten-Year Plan to End Homelessness*, identifies the need for permanent supportive housing, in significant numbers of units, as a major need for persons whose disabilities have led to them being homeless.

In 2008 the *Journal of Housing & Community Development* defined supportive housing as a combination of housing and services intended as a cost-effective way to help people live more stable, productive lives. Supportive housing works well for those who face the most complex challenges--individuals and families

confronted with homelessness and who also have very low incomes and/or serious, persistent issues that may include substance abuse, addiction or alcoholism, mental illness, HIV/AIDS, or other serious challenges to a successful life. Supportive housing can be coupled with such social services as job training, life skills training, alcohol and drug abuse programs and case management to populations in need of assistance, including the developmentally disabled, those suffering from dementia, including Alzheimer's disease and the frail elderly. Supportive housing is intended to be a successful solution that helps people recover and succeed while reducing the overall cost of care. These permanent supportive housing services make it possible for residents to live in a unit without disturbing the 'quiet enjoyment' of others in their homes.

The Fair Housing Act (FHA) prohibits local governments from making zoning or land-use decisions or implementing land-use policies that exclude or discriminate against individuals with disabilities. The FHA identifies persons recovering from substance abuse as a protected class who are disabled. The Louisville Land Development Code defines a rehabilitation home as *"a building or group of buildings providing residence for persons recovering from the effects of drug or alcohol abuse, psychiatric disorders, or as a condition of their parole or probation. Such homes may provide counseling in educational, vocational, or other areas by a paid or volunteer staff and generally have 24-hour-a-day supervision."* This definition is an impediment to fair housing because it specifically targets a class of disabled people who are covered under the FHA. In this definition, the targeted land-use is secondary to the types of people who are served by these homes.

The fact that a rehabilitation home cannot exist anywhere in Metro Louisville without a Conditional Use Permit (CUP) is another impediment to fair housing. The CUP requirement limits housing opportunities for people with disabilities and fosters an environment where neighborhood stereotypes and fears (NIMBYism) can contribute to these limitations. Since rehabilitation homes are already defined as a permitted land-use only with conditions, many facilitators of these homes may feel they will be denied a CUP if they apply for one, due to pressure from local neighborhood organizations. As a result, many of these homes may attempt to operate under the radar of local regulatory agencies, cutting themselves off from federal funding opportunities as well as neglecting to meet safety and quality requirements, due to no system of accountability being in place. The definition of a rehabilitation home in the Louisville LDC serves to exclude and discriminate against persons recovering from substance abuse. This definition should be amended to focus solely on land-use, rather than on the types of people residing in a particular facility.

Another impediment that was identified through conversations with both the Homebuilders Association and the Kentucky Commission on Human Rights is the failure of local "plan stamping" agencies and officers to enforce fair Housing Act design and construction standards. In simple terms, this means that a builder can get their designs and the finished structure approved by all the appropriate agencies, but never be informed or corrected if there is a fair housing violation.

## Universal Themes Affecting Louisville's Protected Classes

As we look at the concentrations of protected classes in geographic areas, there are other environmental outcomes that emerge in those same geographic areas that make a compelling case that the concentrations of protected classes are not voluntary, but proscribed by limited opportunity to live elsewhere. These outcomes are negative and counter to the outcomes people often seek in their home environment and neighborhoods. They include poor health outcomes, including those caused by environmental factors, concentrations of vacant properties, high-cost mortgage use, foreclosures, unemployment, homeless children, subsidized housing and aging properties.

The predominant characteristic of these concentrations is rooted in the concentration of poverty in these geographic areas. Therefore, the distribution and availability of housing that is affordable to people at or below 80 percent of median income is closely entwined with creating fair housing choice in Louisville Metro.

### Poverty

Though poverty or source of income is not a protected class, it is a social factor that touches most protected classes.

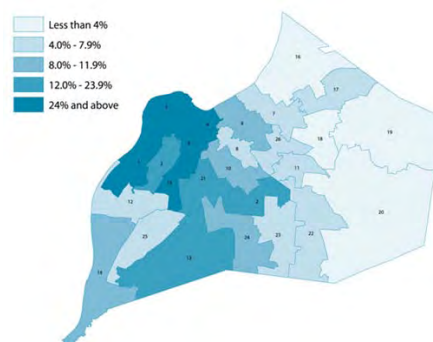
Therefore, it is valuable to look at poverty to gain a better understanding of the concentrations of protected classes.

The 2000 census provides the last census tract-analysis of income in Louisville Metro. Poverty is concentrated in the areas that also have concentrations of protected classes showing that protected classes are over represented in lower economic strata, though this alone does not explain the concentrations.

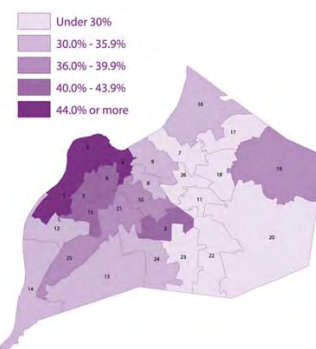
High concentrations of poverty are not accidental, as housing policy has herded low-income people into geographic zones where rent-assisted housing is focused, currently and historically and where multi-family and affordable housing is permitted by zoning. Builders are also encouraged to build affordable housing in areas of high poverty through tax incentives.

Using the *U.S. Census*, the *2007 American Community Survey*, shows that protected classes frequently have median incomes below the median income for Louisville Metro as a whole. Due to historic and current discrimination, the protected classes are also protected from discrimination in employment. Both of which has an effect on income. The Brookings Institution report, *Getting Current: Recent Demographic Trends in Metropolitan America*, states that, "the overall number of people living in poverty and the poverty rate rose from 2000 to 2007: today, working-age Americans account for a larger share of the poor than in the last 30 years....even as poverty spreads throughout the metropolis, the concentration of poverty in highly distressed communities- after dropping in the 1990s- appears to be rising once again in the 2000s."

### Renters with Excessive Cost Burdens, Which is More than 30% of Income of Rent and Utilities Combined 2000 Census Data



### Poverty in Louisville Metro 2000 Census Data



According to *Getting Current*, the 2007 median income for African-American households in Louisville Metro was \$25,935 as compared to the overall 2007 Louisville Metro median income of \$43,262. This was relatively unchanged from the previous year. However, the median household income for Hispanic or Latino households in Louisville Metro dropped from \$40,737 in 2006 to \$36,273 in 2007. In Louisville Metro, 10 percent of households had incomes that were below poverty level. Two-thirds of these families are headed by women with no partner present.

As we look at poverty figures for grandparents caring for grandchildren, in 2008, 13.1 percent of grandparents caring for their own grandchildren were living below the poverty line, higher than the 10.4 percent of all families living below poverty in Louisville Metro. This is occurring as the number of these grandparents-with-grandchildren households have grown from 9,378 in 2005 to 12,191 in 2008. This family configuration is continuing to increase and is a protected class under familial status.

The concentrations of poverty are more exaggerated for African-American families than for White households according to the Brookings Institution. Low-income White households remain less economically segregated than low-income African-American households, despite overall trends toward more concentrated poverty.

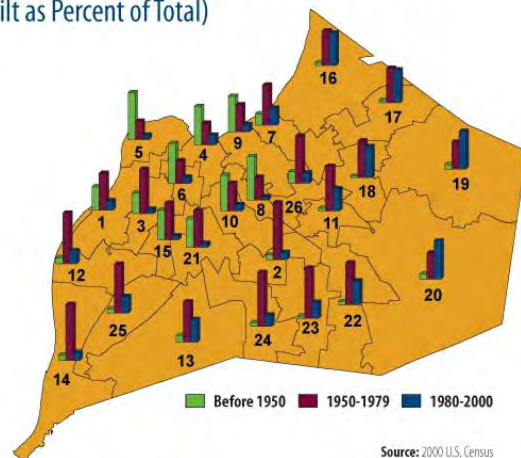
### **Old Housing Stock**

In recognizing that poverty is over-laid with concentrations of protected classes, it is not startling to see that people are cost burdened by housing itself. The areas with high concentrations of protected classes have the oldest housing. Much of this housing was built before 1950, when the first regulations limiting lead appeared nationally and the vast majority was built before the ban on lead in paint in late 1970s. Moreover, most homes were built before 1980 when the building code began requiring insulation. The cost of heating a home in a house that is not properly insulated is tremendous, especially since the cost of heating fuels has risen faster than the median income. Additionally, housing that is older requires maintenance that is costly or the units become dilapidated and are in violation of housing codes and regulations.

### **Health and Housing**

Research has shown that low-income neighborhoods have higher rates of poor birth outcomes, cardiovascular disease, HIV, depression, physical inactivity, and mortality, regardless of individual risk-factors. This may be due in part to greater exposure to air pollution, noise, and pests that can accompany

**Age of Homes by Louisville Metro Council District**  
(Year Built as Percent of Total)





industrial uses in some neighborhoods. Neighborhood design may also be a factor, specifically a lack of open green space, recreational sites, sidewalk and street design, and the convenient location of amenities within safe walking distance of housing. Poor housing conditions disproportionately affect low-income and minority households. According to the Metropolitan Housing Coalition study, *Out of Breath: Childhood Asthma, Poverty and Housing*, low-income families are 2.2 times more likely to live in homes with severe physical problems than other families; African-American families are 1.7 times more likely.

In 2004 and 2005, the Louisville Metro Health Department conducted a study to examine behavioral risk factors across Jefferson County. The *Behavioral Risk Factor Surveillance System Report* included phone interviews with over 2,000 adults, and asked questions related to their physical and mental health, insurance status, and other factors that could potentially affect their health and well-being. The results were divided into groups of council districts, which are described and mapped below.

- Health Care Access

The northwest portion of Louisville Metro had the lowest percentage of residents with health care coverage at 76.6 percent, followed by southwest Louisville at 80.0 percent. Both of these areas have lower percentages of residents with health care coverage than Kentucky as a whole (82.4 percent) and the United States (85.5 percent). Northeast Louisville had the highest percentage of residents with health care coverage at 95 percent. Even more striking is the percentage of residents who needed to see a physician in the previous year, but did not due to cost. The highest percentage, by a wide margin, was in northwest Louisville, with 24.7 percent, followed by 18.7 percent in southwest Louisville. The percentage of residents who did not see a physician in Louisville Metro as a whole was 14.3 percent, and the number was only 6.9 percent for Kentucky as a whole.

- Environmental Factors

Residents in northwest Louisville also had the highest percentage of illnesses caused by poor indoor air quality at 33.7 percent, followed by central Louisville with 31.9 percent. This is in comparison to 26.7 percent in Louisville Metro as a whole. The results are similar for residents with illnesses resulting from air pollution outdoors, with 30.0 percent in northwest Louisville, followed by 20.7 percent in central Louisville and 19.4 percent in Louisville Metro as a whole.

- Chronic Diseases and Other Risk Factors

In northwest Louisville, 22 percent of residents reported asthma, almost twice as many as northeast Louisville at 11.6 percent. 13.3 percent of Kentucky residents and 12.6 percent of U.S. residents reported asthma. The differences between areas of Louisville Metro on the number of residents reporting diabetes are not as great as other risk factors, but the highest percentage is still in northwest Louisville at 11.8 percent, followed closely by southwest Louisville at 11.3 percent. This is compared to 8.9 percent of residents in Kentucky as a whole and 7.3 percent of residents in the U.S. Two other risk factors that are interrelated, high blood pressure and obesity, are also highest in northwest Louisville, with 37.2 percent of residents reporting high blood pressure and 73.9 percent reporting obesity. The next highest percentages were in southeast Louisville with 30.0 percent of residents reporting high blood pressure and 61.2 percent reporting obesity. By comparison, high blood pressure

is reported by 28.2 percent of Kentucky residents and 25.5 percent of U.S. residents. In Kentucky, 64.9 percent of residents are obese, compared to 61.1 percent in the U.S. as a whole.

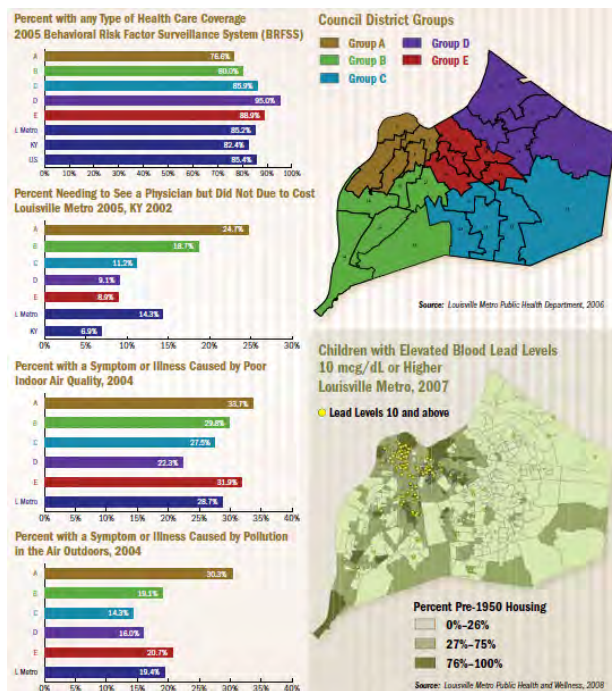
- Exposure to Lead

According to the *American Journal of Public Health*, children can be exposed to potentially harmful levels of lead through lead paint or lead dust, typically found in and around older homes. High levels of lead in the blood (10µg/dL or greater) are associated with a number of adverse effects in children in everything from performance in school to cognitive development. The number of children with high lead levels has been steadily decreasing since 2000 due to increased screening efforts, but in 2007, 1.2 percent of children screened still had high levels of lead in their blood. The vast majority of these cases were concentrated in the northwest and central portions of Louisville Metro. Most of these cases occurred in areas where the majority of the homes were built before 1950, reinforcing the relationship

between housing conditions and the health of residents and their children.

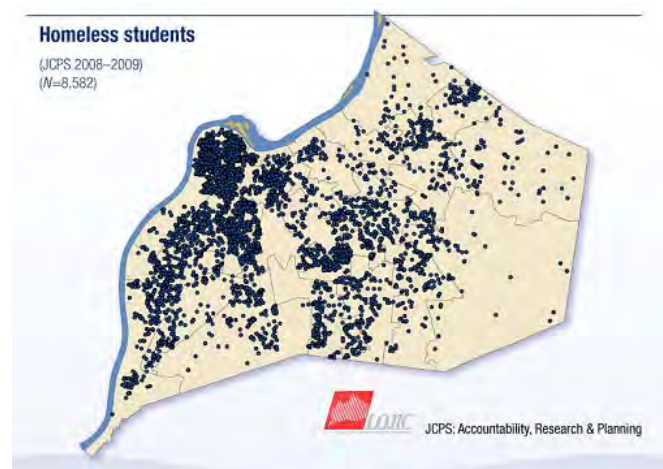
- Health Conclusions

Poor housing conditions can negatively affect the health of residents. When examining the housing conditions and other risk factors related to health, it is clear that adverse conditions are highly concentrated in the northwest and southwest portions of Metro Louisville. Problems related to poor indoor air quality are highly concentrated in these areas, a direct result of housing conditions. Exposure to outdoor air pollution is also the most severe in these areas. These housing and environmental concerns, combined with lower access to health care and other health risk factors, paint a clear picture of housing and health segregation in our community.



## Homeless Youth

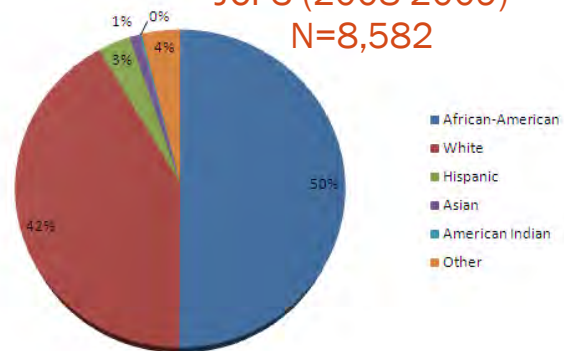
During the 2008-2009 school year, at least 8,582 children in Jefferson County Public Schools, or nearly one in nine, were homeless at some point in the school year. This number is on track to double in the 2009-2010 school year. Of the homeless students, 50% were African-American and 3% were Hispanic. Both are over-representations from the general representation in the community. There clearly is a problem in



housing choice for African-American families which leaves the families without any housing. The accompanying map shows that, while all areas of Louisville Metro have homeless children, there are significant concentrations of homeless children in the areas with concentrations of protected classes.

A Metropolitan Housing Coalition 2009 report, *Where do you live? Louisville's Homeless Children and the Affordable Housing Crisis*, studied the deleterious affect on the educational attainment of children who lack stable housing. Among homeless students in public school, there are significant reading and math achievement gaps that can be seen at all grade levels, beginning with 3<sup>rd</sup> graders. This is a predictor of graduation rates as are attendance data, which is negatively affected by homelessness.

**Homeless Students by Race  
(pre-K – 12)  
JCPS (2008-2009)  
N=8,582**



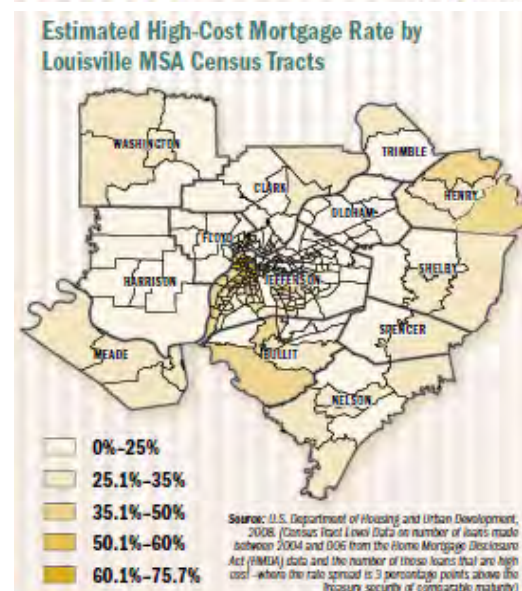
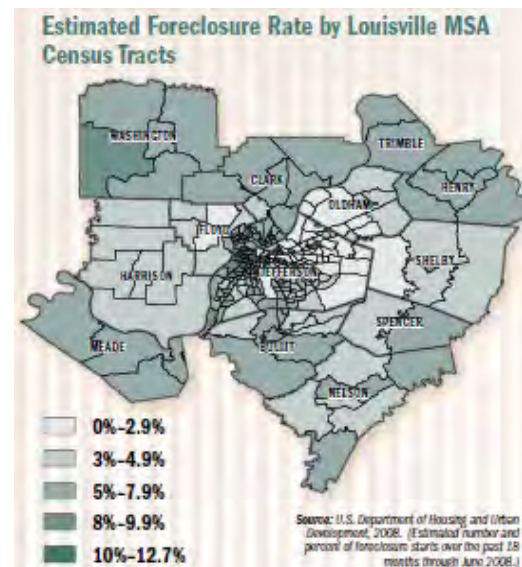
### High-Cost Loans and Foreclosures

While we have already seen the map that shows that African-Americans neighborhoods have high cost mortgages and seen the numbers of African-American households that are sold high-cost mortgages, the following maps show some of the deleterious effects that this has for the neighborhoods with concentrations of protected classes.

The estimated foreclosure rate by Louisville MSA census tracts for 18 months ending June 2008 shows that the geographic areas with high concentrations of persons in protected classes also experienced the highest foreclosure rates in Louisville Metro. Further exacerbating deteriorating conditions are the high numbers of vacancies in these areas and the loss of value of the homes in these areas. Even the existence of these maps, which are not normally done at census tract levels between census dates, demonstrates the overall emergency in all forms of housing provision.

### Not in My Back Yard Mentality

NIMBY is an acronym that stands for “not in my backyard,” that is often used to describe a neighborhood association’s objection to a proposed development in their proximity. This attitude is often characterized by residents fears and prejudices about



certain types of developments, such as affordable or low-income housing, that they worry will negatively affect property values or change the character of their neighborhood.

NIMBYism is viewed as a major impediment to fair housing choice in many localities because local governments often advocate the stance of NIMBYs in determining land-use laws and zoning practices. For instance, in order to be granted a Conditional Use Permit (CUP) in Louisville, an applicant must appear before the Board of Zoning Adjustment (BOZA) at a public hearing. These hearings often provide the forum for NIMBYism and zoning boards are reluctant to vote against the wishes of the residents. The Vision Statement of *Cornerstone 2020 Comprehensive Land Use Plan* for Louisville Metro states as basic values “[c]ommunity residents share a sense of place and take great pride in their established and emerging neighborhoods which are culturally and economically diverse. Residents are proud of their differences in heritage and culture. Economic and educational opportunities are available to all residents, in every neighborhood. Every neighborhood is a safe place to live.” While the Planning Commission and BOZA have guidelines that exclude from consideration who will be living in the property and should look only at what the use of the property will be, neighborhood and political pressure cause the regulatory boards to bring in considerations of “who”, which treads on fair housing issues.

A recent example is a neighborhood that challenged the placement of a homeless shelter. The focus by the neighborhood was on “who” would live there rather than on the land use. The Board of Zoning Adjustment ruled, ten years after the first adoption of the Comprehensive Land Use Plan, that there was no zoning classification in all of Louisville Metro that allowed for homeless shelters. Fortunately, the current shelters were grandfathered in and allowed to keep operating. The line kept blurring between the exclusion of people perceived to be in a protected class, people actually in a protected class, and people too poor to afford housing. While poverty is not a protected class, the distinction between poverty and protected classes was lost.

Louisville Metro convened a task force to make recommendations for amending the Land Development Code to include homeless shelters. However, the recommendations must be voted on by the Louisville Metro Council and the twelve other jurisdictions within Louisville that have their own Land Development Code.

NIMBYism is often concerned with property values. The problem with this view is that it automatically reinforces a pernicious discourse that views people as deficits to neighborhoods, and that they need to be excluded from those neighborhoods in order for those neighborhoods to function economically.

Studies have shown that affordable housing has no demonstrable effect on property values when:

1. Sites are chosen in healthy, vibrant neighborhoods.
2. The structural design of the housing does not change the quality or character of the neighborhood.
3. Affordable housing is dispersed.

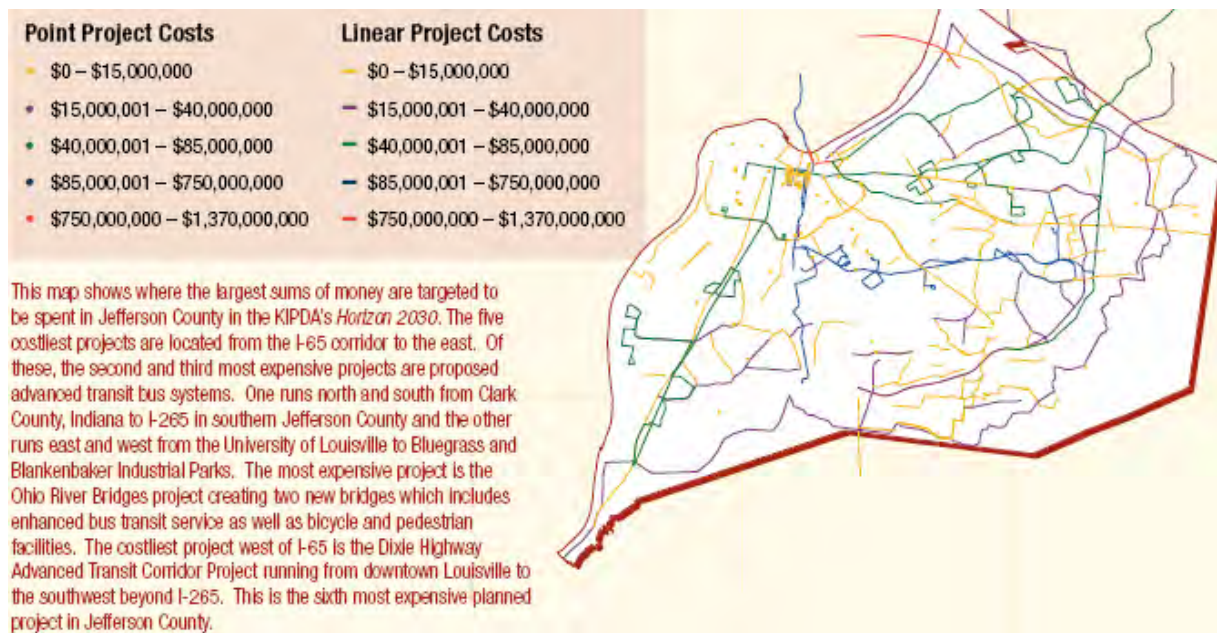
The likelihood that affordable housing will negatively affect property values increases when:

1. The quality, design and management are poor.
2. Affordable housing is located in disadvantaged neighborhoods.
3. Affordable housing is highly concentrated.



## Transportation

The distribution of transportation dollars is biased against those in protected classes and limits fair housing choice. The map below shows the distribution of transportation dollars, which bypasses the areas of concentration of protected classes. As stated above, protected classes are disproportionately represented in low-income strata, so the increased provision of public transit would significantly increase fair housing choice, as well as employment opportunities.



## Role of the Land Development Code and Its Affects to Impediments

Louisville and Jefferson County first established planning and zoning codes in the 1940s. These codes followed earlier zoning patterns that were used throughout the country to guide development. These codes were designed to separate land use between commercial, residential and industrial districts. Following the population growth after World War II and the development of the interstate highway system, most of the undeveloped land throughout Jefferson County was zoned residential to enable subdivision developments to be built without having to file for a zoning change. Most of this land was zoned single-family residential and required minimum square-footage lot standards on single-family, detached homes. For instance, a one-story single-family home in Prospect must be at least 2,500 square feet.

The patterns of residential growth and zoning codes have served to limit housing choice within the Louisville area. 75 percent of all the land in Metro Louisville is zoned residential, with 69 percent of this land zoned R-4, which requires that homes be built on lots no smaller than 9,000 square feet, or have 4.84 dwellings per acre. There are few, if any, R-4 lots within the old City limits. These zoning classifications

have not been updated since the 1940s, and serve as a remnant of the prevailing attitudes and policies of that era which promote economic and racial segregation. The vast areas and location of land zoned R-4 limits housing choice for a large percentage of the population. For instance, people who live in multifamily apartments instead of single-family dwellings are excluded from over half the residential land in Louisville Metro.

The American Planning Association (APA) addressed this form of housing discrimination in its *2006 Policy Guide on Housing* by stating:

“Too many people who are members of racial or ethnic minorities, who are disabled, or who live in non-traditional household types confront discrimination in the housing market. Traditional zoning and planning and other land use controls may limit the supply and availability of affordable housing, thereby, raising housing prices. The regulatory environment plays a crucial role in housing production. Large lot zoning, restrictive single-family definitions, minimum square footage for single-family homes, housing location policies, expensive subdivision design standards, prohibitions against manufactured housing, time-consuming permitting and approval processes are some examples of policies and regulations that constrict the development of affordable and supportive housing.”

The APA recommends identifying regulatory policies that may be noncompliant with the Fair Housing Act, updating zoning codes to address new demographic trends, and expanding the range of housing choice for all income groups.

### **Inclusionary Zoning**

The 2007 *Analysis of Impediments to Fair Housing Choice in Louisville Metro* found that there is a “lack of support for planning and zoning statutes which would support developer incentives as a means to guarantee the development of a minimum percentage of desirable affordable housing and special needs population housing units...” In June 2000, Louisville and Jefferson County replaced its 21-year-old comprehensive plan with Cornerstone 2020. This plan outlined its housing goals around determining housing needs and preventing barriers to affordable housing. The Land Development Code (LDC), effective March 2003, was ostensibly designed to put these goals and objectives into practice. However, the only place where the LDC addressed the goals of affordable housing is in Chapter 4, Part 5: Alternative Development Incentives (ADI).

While the LDC could be a component within the larger goal of public policy of ending historic patterns of segregation, the ADI does not do enough to support inclusive housing policies. Inclusionary zoning requires developers to make a certain percentage of the units within their market rate residential developments available at prices or rents that are affordable to specified income groups, or offer incentives that encourage them to do so. ADI has characteristics similar to inclusionary zoning, but it is solely a voluntary, incentive program. The difference between the two are that inclusionary zoning requires that new residential developments must dedicate a minimum percentage of the housing units for low-to moderate-income families, whereas the Louisville Metro ADI regulations is not strictly for the inclusion of affordable homes. The regulation also awards density bonuses if a development provides open space, preserved cultural resources, demonstrates efficient land use or land conservation techniques, or includes higher-priced

housing in poor neighborhoods. The result is zoning legislation that is not concentrated on the community's need to meet the demands for affordable housing units.

ADI does not include the production of any housing units other than single-family. By restricting the developments to lots zoned R-4 and R-5, alternative-housing developments that often contain affordable housing units such as apartments and condominiums are ignored. If expanded to include any residential zone on any size lot, ADI could be an effective tool for regenerating older, declining neighborhoods, as well as providing more housing choice.

Since its inception in 2003, only 12 ADI developments have been built. Housing experts have known for some time that voluntary inclusionary zoning does not work. Even though incentives are often used as tools to encourage the inclusion of affordable housing units with residential developments, the effectiveness of such measures may be limited, given their voluntary nature. Adopting mandatory inclusionary zoning ordinances are an assurance that affordable housing options are a part of any residential development, regardless of its location within the county; in other words, it levels the playing field. Under mandatory inclusionary zoning, developers are required to dedicate a set percentage of units in any new residential development for low-and moderate-income households. If such a program were in place in Louisville Metro, the overall effect could be an expanded diversity of housing choice, ending the historic segregation and isolation of poverty within the community.

## Trends in Fair Housing Complaints and Enforcement

While HUD has primary responsibility for enforcing the Fair Housing Act (FHA), a fair housing complaint or claim can be filed not only with HUD but also with a local “substantially equivalent” agency or the judicial system. A “substantially equivalent” agency is one that HUD has certified as enforcing a law that “provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act”. Discriminatory acts covered by state and local housing laws, but not by the FHA, are filed with a state or local fair housing agency or human rights agency. There is a one-year statute of limitations to file a complaint with HUD or a substantially equivalent agency and two-year statute if filing within the judicial system.

After receiving a complaint, HUD or the local substantially equivalent agency has 100 days from the complaint filing date to either investigate or send written notification to both parties as to why an investigation was not completed. If the investigation finds discrimination or “reasonable cause” to believe the law was violated, a charge is issued against the person or entity committing the alleged discriminatory act, which will result in further legal action. The FHA requires that HUD or the substantially equivalent agency first attempt to reconcile each complaint before issuing a charge. If a resolution cannot be reached, the complainant may choose to have the charge decided in federal district court with the Department of Justice or before a HUD administrative law judge.

In Louisville Metro there are additional categories of protected classes beyond the FHA and the state fair housing law. In addition to race, religion, color, gender, familial status, national origin and disability,



protected classes include sexual orientation and gender identity. There is also a local trigger for when the local fair housing law applies to all protected classes in a rental situation. Instead of four units, there only has to be two units and one can be the owner's unit. So virtually all rental situations are covered by either the local law alone or the local, state and federal fair housing laws. When a complaint arises from a situation, either through the protected class or the lower trigger point, which is only covered by the local fair housing law, the local County Attorney's office is the prosecutor.

Further local variation is the Louisville Metro Human Relations Commission (Louisville HRC) is the Fair Housing Assistance Program (FHAP) designated by HUD for Louisville Metro. The statewide Kentucky Commission on Human Rights (Kentucky CHR) defers to the Louisville HRC to take complaints unless the six month limitation on filing a complaint has expired. The Kentucky CHR has a longer filing limitation, one year. So the Kentucky CHR takes cases where the reporting of the complaint occurs more than six months and less than one year after the incident. But Kentucky CHR can only take complaints that meet its criteria, not including the added categories and lower unit thresholds.

The Lexington Fair Housing Council (FHC), which is a Fair Housing Initiatives Program (FHIP) designated by HUD, takes complaints and conducts investigations in a jurisdiction that includes Louisville Metro. The FHC will also be an advocate for the complainant as the case proceeds, although the FHC does not prosecute cases.

### **Louisville Metro Human Relations Commission**

The Human Relations Commission receives complaints from individuals who believe that they have been subject to unlawful housing discrimination. The process begins with the complainant signing the complaint and having sworn to the fact that the complaint is true. Next the complaint is filed with the Commission. Once filed, the complaint is assigned to a compliance officer for investigation.

During the period July 2007 through June 2008 and July 2008 through June 2009, the Human Relations Commission docketed a total of 89 new housing discrimination complaints (46 complaints during the period July 2007-June 2008 and 43 complaints during the period July 2008-June 2009) with allegations based on race (33) accounting for the largest proportion. Disability (26), familial status (10) and national origin (9) were the next three largest categories of complaints. However, complaints based on disability substantially exceeded ones based on race during the period July 2008-June 2009.

During the period July 2007 through June 2008, the Commission closed 35 housing discrimination cases with 71 percent found to have no probable cause; and the remaining 29% of the cases were found to have probable cause OR the parties agreed to a settlement OR the complainants withdrew his or her case OR were administratively closed OR through litigation.

During the period July 2008 through June 2009, the commission closed 25 housing discrimination cases with 44 percent found to have no probable cause; and the remaining 56% of the cases were found to have probable cause OR the parties agreed to a settlement OR were administratively closed OR were judicial dismissals.

During the period July 2008 through June 2009, the trends in fair housing complaints received by the Commission have been housing discrimination cases with allegations of race or disability. This trend follows the data for at least the past 5 years. During this same period of time, familial status and national origin continued to be the next highest categories of complaints, varying which is higher year to year.

Looking at the length of time that cases have been open, it is clear that the amount of time before cases move forward has increased. The main reason appears to be an insufficient allocation of resources that impedes being able to handle current cases. Any increase due to a better public awareness campaign would further burden the system. On average, it takes two years to resolve a case. Cases that have lost their immediacy also lose status in court and in trying to reach resolution. When a case is stale, the complainant has less ability to get a positive resolution where discrimination has clearly occurred.

The staffing of the Louisville HRC has been cut dramatically. There is only one full time investigator in housing and that person has other responsibilities; there used to be three people doing investigations. The Louisville area had a FHIP that only served this area; now the only FHIP serving Louisville is based in Lexington. While they do a significant job, both in numbers and in quality, the fact is that the largest city in Kentucky does not have a FHIP located in the jurisdiction.

The ability to conduct public awareness campaigns is almost non-existent. The Louisville HRC does not have staff to conduct a public awareness campaign. The local government administrations have not included fair housing in high profile speeches or public service announcements. The Louisville HRC has some billboards and is attempting to give a more eye-catching and modern theme. Still, this begs the question of what an increase in complaints would do to the already overburdened system.

The County Attorney is the office that prosecutes fair housing complaints that have been investigated and deemed to have merit when the complaint arises from a protected class that only local law covers or if the threshold number of rental units is below the federal threshold, but meets the local threshold. These cases are not made a priority and are not processed with the speed necessary for them to retain their impact.

The Human Relations Commission has received complaints from individuals who believe that they have been subject to unlawful housing discrimination. The process begins with the complainant signing the complaint and having sworn to the fact that the complaint is true. Then the complaint is filed with the Commission. Once filed, the complaint is assigned to a compliance officer for investigation.

During the period July 2004 through June 2005 and July 2005 through June 2006, the Human Relations Commission docketed a total of 88 new housing discrimination complaints (40 complaints during the period July 2004-June 2005 and 48 complaints during the period July 2005-June 2006) with allegations based on race (36) accounting for the largest proportion. Disability (16), national origin (10) and sex (6) discrimination were the next three largest categories of complaints.

There was an increase of 40 new complaints received by the Commission from June 2005 to June 2006. During the period July 2004 through June 2005, the Commission received a total of 160 complaints covering housing, employment, public accommodations and hate crimes. During the period July 2005

through June 2006, the Commission received a total of 200 complaints covering housing, employment, public accommodations and hate crimes.

During the period July 2004 through June 2005, the Commission closed 40 housing discrimination cases with 78 percent found to have no probable cause; and the remaining 22% of the cases were found to have probable cause OR the parties agreed to a settlement OR the complainants withdrew his or her case.

During the period July 2005 through June 2006, the commission closed 44 housing discrimination cases with 61 percent found to have no probable cause; and the remaining 39% of the cases were either settled by the parties OR the complainants withdrew his or her case.

During the period July 2006 through September 2007, the trends in Fair Housing complaints received by the Commission have been housing discrimination cases with allegations of race and disability. The Commission has also noticed a substantial drop in predatory lending cases. The Commission had a total of 10 housing discrimination complaints pending hearings or litigations during the period July 2004-June 2005 and a total of 6 housing discrimination complaints pending hearings or litigations during the period July 2005-June 2006.

### **Kentucky Commission on Human Rights**

The Kentucky Commission on Human Rights has many of the same impediments as the Louisville Metro Human Relation Commission. Its staff has also been stripped to a barebones operation by recent budget cuts, leaving staff to assume several roles at once. The Housing Unit has suffered the most with four program budget cuts in the last six years and the loss of a Housing Supervisor role. Despite these cuts, HUD's funding scheme has not changed to allow cases more time to be investigated and closed. Under this new staff structure, cases are taking much longer to process and complainants are often frustrated by the process. Some even choose not to engage in the long process. Investigators and their managers attend the HUD Fair Housing Academy, but training opportunities for attorneys and intake staff are extremely limited for budget reasons. This means that intake staff, who are often yelled at by an upset complainants at least once a week, are not given the tools needed to succeed in high stress situations.

### **Fair Housing Council**

In 2008-2009 there were 42 calls to the FHC about housing discrimination in Louisville Metro. Of those, 25 were sent to the Louisville HRC for more action after initial investigation for credible allegation.

The FHC reported that rental housing was the subject of the overwhelming number of complaints, but there were home ownership issues as follows: one in the sale of a condominium, one in mortgage lending and one in zoning. The issues in rental usually fell into the area of term and conditions of renting.

The FHC found some commonalities between the type of complaint and the protected class. There were 25 calls from people claiming they were discriminated against due to their disability and the typical call was about what is reasonable modification/accommodation. There were 6 calls from people claiming that they were discriminated against due to their familial status and the typical call was about a failure to rent to the family. There were 3 calls from people claiming that they were discriminated against due to their gender

and the typical call was about sexual harassment. While there were 5 calls from people who claimed they were discriminated against due to their race, 2 calls by people who claimed that they were discriminated against due to their national origin and one call by a person who claimed they were discriminated against due to their sexual orientation, there were no common trends identified from those calls.

## Impediments to Fair Housing Choice and Recommended Action Steps

### 1. Lack of commitment to fair housing recommendations and action steps

The *2007 Analysis of Impediments to Fair Housing Choice in Louisville Metro, Kentucky* is in such disuse that no one has an electronic copy of the report. The only copy that exists is a scanned copy that is too large to be emailed, let alone posted on a website. Needless to say, the first and most important impediment to fair housing choice is the lack of follow-up to recommendations made through the *2007 Analysis of Impediments to Fair Housing Choice in Louisville*. This is not unique to Louisville; fair housing does not garner the attention that it once had in resources or conversation.

The *2007 Analysis of Impediments to Fair Housing Choice in Louisville Metro, Kentucky* lists three major impediments to fair housing choice affecting all neighborhoods and/or communities throughout Louisville Metro, along with action steps. It is the recommendation of this updated *2010 Analysis of Impediments to Fair Housing Choice* that the previous impediments be addressed. Below are all of the 2007 recommendations, the bolded phrases are where action has occurred.

- 1) The lack of support for planning and zoning statutes which would promote and support developer incentives as a means to guarantee the development of a minimum percentage of desirable affordable housing and special-needs-population housing (meeting the requirements of the American Disabilities Act) units (both rental and sale) per housing complex and/or subdivision in all neighborhoods and communities throughout the Louisville Metro jurisdiction.
  - a) Make affordable housing a priority when housing development plans and specifications are being reviewed for approval;
  - b) Make available to developers of affordable housing various development incentives such as waiver and/or reduction of building impact fees, deferred water and sewer fee, etc.;
  - c) Amend the ADI (Alternative Development Incentives section in the Land Development Code) to include and promote the development of affordable multi-family housing (both rental and sale);
  - d) Strengthen the ADI by requiring that a certain percentage of affordable housing units be included in each new single-family subdivision and multi-family development that is built throughout each community in Louisville Metro;
  - e) Assess current compliance with federal Fair Housing Act Amendments as it pertains to multi-family properties being constructed for individuals with physical disabilities and initiate appropriate actions to prompt remediation.

- 2) The fact that the majority of existing affordable housing and housing for special-needs-populations (both rental and sale) is very segregated by race, ethnicity, and income and is located solely in specifically designated neighborhoods and communities throughout the Louisville Metro jurisdiction.
  - a) Design and implement a strategic approach to developing affordable housing in all communities throughout the jurisdiction;
  - b) Promote integration of diversity in housing types and price points in all communities throughout the jurisdiction;
  - c) Seriously consider and implement all of the recommendations of the *2006 Comprehensive Housing Strategy for Louisville Metro- some recommendations implemented*;
  - d) Work with the Planning and Design Division to develop a written policy to help guide decision-making concerning impediments to fair housing choice;
  - e) Create fair housing choice literature that would provide information as to the availability of affordable housing and special-needs-population housing throughout the Louisville Metro jurisdiction;
  - f) Develop and implement affirmative marketing strategies to promote affordable housing opportunities for all persons throughout the Louisville Metro jurisdiction.
  
- 3) The lack of innovative housing finance mechanisms to support the development, and subsequent rental or sale of desirable affordable housing units and special-needs-population housing units in all neighborhoods and communities throughout the Louisville Metro jurisdiction.
  - a) Create new sources of affordable housing and special-needs-population financing tools and products that can be leveraged with private sector dollars to create a diversity of housing products with good project design and price points for all communities and/or neighborhoods throughout the jurisdiction- *Federal stimulus money from the Neighborhood Stabilization Program is being used mostly in very low-income neighborhoods, but also in some low-income neighborhood and the Louisville Metro Housing Authority is intentionally acquiring units for public housing throughout the jurisdiction as HOPE VI replacement units*;
  - b) Create a local Affordable Housing Trust Fund (AHTF) to provide the necessary local dollars to assist with the development of affordable housing and special-needs-population housing to be developed in all communities and/or neighborhoods throughout the jurisdiction- *The local AHTF was created and a board appointed and the first meeting took place in March 2010 and Louisville Metro has seeded the new AHTF with \$1 million*;
  - c) Develop public-private partnerships that will facilitate the development of affordable housing and special-need-population housing in all communities and/or throughout the jurisdiction- *The federally funded Neighborhood Stabilization Program and Weatherization Programs have promoted private- public partnerships*;
  - d) Promote greater use of the Low-Income Housing Tax Credit Program in tandem with other local and federal programs as a means to develop affordable rental housing with good project design in all neighborhoods and/or communities throughout the jurisdiction.

Additionally, the 2007 *Analysis of Impediments to Fair Housing Choice in Louisville Metro* found that there is a “lack of support for planning and zoning statutes which would support developer incentives as a means to guarantee the development of a minimum percentage of desirable affordable housing and special needs population housing units...” In June 2000, Louisville and Jefferson County replaced its 21-year-old comprehensive plan with *Cornerstone 2020*. This plan outlined its housing goals around determining housing needs and preventing barriers to affordable housing. The Land Development Code (LDC), effective March 2003, was ostensibly designed to put these goals and objectives into practice. However, the only place where the LDC addressed the goals of affordable housing is in Chapter 4, Part 5: Alternative Development Incentives (ADI).

## 2. Impediments to people based on national origin

- Communication is an impediment to housing choice, particularly for home ownership. Language is a barrier both in accessing government assistance that will help with increasing income, understanding of financial systems and direct housing programs. This is true for private industry as well as for government, which is not universally trained on this issue.

### Recommended Action Steps:

1. Provide instruction and written materials and interpreters.
  2. Provide financial literacy courses, as basic as how checking and saving accounts work.
  3. Provide specific home ownership counseling and assistance.
  4. Provide courses in home maintenance, both rental and ownership.
  5. Train government personnel on the requirements to provide interpreters.
- Points of distribution of information should be attuned to where Immigrant and International residents are connected to the larger community to get services and information.

### Recommended Action Steps:

1. Information on programs and housing opportunities should be distributed at English as a Second Language (ESL) course site, ethnic restaurants where both clientele and workers are often Immigrants and Internationals, churches that conduct services in home country languages, radio stations and print media in home-country languages.
2. Create and encourage the creation of housing that is responsive to the family size of Immigrant and International residents. Many of the households are larger than the current average households and units are not available that will allow families to be in one unit. Assisted housing must be part of this plan, especially public housing which already houses many International families. Alternatively, allow some flexibility with the required minimum number of bedrooms for a Section 8 Voucher to be used.
3. Eliminate the Kentucky law that allows the state to seize a home purchased by an immigrant if the person does not become a citizen in seven years. This law was used to block mortgage lending to Immigrants and Internationals. While it is largely ignored now, it is still on the books and has a chilling effect.

4. Ensure that Internationals are appointed to boards and task forces, especially those that have implications on housing, such as the Planning Commission, the Board of Zoning Adjustments, etc.

### **3. Transportation funds allocation and use does not promote fair housing choice**

- The distribution of transportation dollars is biased against those in protected classes and limits fair housing choice. Louisville must fairly represent the interests of those in protected classes at the Metropolitan Planning Organization level , including all powers available, to ensure fair housing choice.

#### Recommended Action Steps:

1. Include sidewalks and bike paths in all residential zoning classifications of R4 or lower.
2. Laws should be enacted to require all property owners to construct sidewalks along any property boundary that is parallel to an adjacent roadway.
3. Include bike paths in all local road repair plans.

### **4. Impediments to fair housing choice for persons with disabilities**

#### Recommended Action Steps:

1. In addition to the recommendations in Section 3 of the 2007 AI, create a source of funding for environmental accommodations for persons with disabilities, as frequently, persons with disabilities with fixed low incomes must, by law, put money in an escrow account so that the accommodation can be undone when a person leaves.
2. Change the designation of “rehabilitation homes” in the Land Development Code to allow by right existence.

### **5. Impediments to fair housing home ownership opportunities by race**

- African-Americans, regardless of income, are sold high cost mortgages at more than twice the rate of White households in the same income bracket in Louisville Metro. There has been no effort to understand this radical phenomenon which substantially impedes the ability to afford a home. In addition, regardless of the home ownership counseling programs proven effectiveness in making stable homeowners, insurance coverage is higher in the areas where there is a concentration of protected classes. This has led to a disproportionate impact of foreclosures on protected classes.

#### Recommended Action Steps:

1. Coordinate with the Kentucky Attorney General’s office to investigate the racial mortgage practices of lending institutions. These investigations are specialized and are beyond the ability of a local Fair Housing Enforcement agency.



2. Begin discussions with the Kentucky Department of Insurance to meet with insurance agencies so they will uniformly offer discounts to people who have successfully completed an approved home ownership counseling program.

#### **6. Both public and governmental NIMBYism impedes fair housing choice**

- NIMBYism is viewed as a major impediment to fair housing choice in many localities because local governments often advocate the stance of NIMBYs in determining land-use laws and zoning practices. This attitude is often characterized by resident's fears and prejudices about certain types of developments, such as affordable or low-income housing, that they worry will negatively affect property values or change the character of their neighborhood.

##### Recommended Action Steps:

1. Pass an amendment to the Land Development Code to allow homeless shelters to exist in residential neighborhoods by right, so long as they meet the zoning requirements
2. An educational campaign to reduce fear and prejudice on the part of neighborhoods.
3. Encourage an open dialogue between neighborhood associations and fair housing advocates.

#### **7. Land Development Code (LDC) and city planning presents impediments**

- The patterns of residential growth and zoning codes have served to limit housing choice within the Louisville area. Like the APA, this document recommends identifying regulatory policies that may be noncompliant with the Fair Housing Act, updating zoning codes to address new demographic trends, and expanding the range of housing choice for all income groups.
- While the LDC could be a component within the larger goal of public policy of ending historic patterns of segregation, the ADI does not do enough to support inclusive housing policies. Inclusionary zoning is a proven and viable solution that should be implemented in Louisville.

##### Recommended Action Steps:

1. Place a higher emphasis on *Cornerstone 2020's* goals and objectives on housing by making the expansion of housing choice an important element of each residential development, thereby acknowledging that ADI is only one of several planning tools to advance supply of affordable housing units within Louisville Metro.
2. Update the LDC and rezone some percentage of the residential land in Louisville Metro from R-4 to a higher density to provide multifamily housing in a larger area of the city.
3. Lower the minimum lot size for a standard R-4/R-5 single-family home subdivision.
4. Adopt mandatory inclusionary zoning within the LDC.
5. Provide incentives for the construction of multifamily units within ADI.
6. Offer density bonuses on land zoned R-4, with a higher incentive specifically reserved for R-4 zones.

#### **8. Lack of support for fair housing enforcement agencies**

- Fair housing enforcement agencies are not properly supported and complaints are not quickly processed which discourages reporting of discrimination and has a deleterious effect on complaints that are filed. This includes the judicial processing of cases.

Recommended Action Steps:

1. Restore staffing levels of Louisville HRC for investigators. This is necessary to show any commitment to complainants and to set a good example of speedy resolution to others who have been discriminated against so there is not discouragement against filing a complaint.
2. Staff an outreach/public awareness campaign slot with the Louisville HRC.
3. Work to bring a FHIP physical presence in Louisville by partnering with the Fair Housing Council to have a satellite office in Louisville Metro/Jefferson County.
4. Train County Attorneys on fair housing cases so they are prepared for fair housing cases and make fair housing a priority.

## **9. Restrictive covenants on deeds still use racist and exclusionary language**

- Restrictive covenants contained in deeds were a common practice to exclude sales of homes in a subdivision to African-Americans and to Jews. Although these covenants are no longer enforceable, the language still appears in deeds that are being written even today as properties are sold. Though it is not technically enforceable, Lisa Stephenson Executive Vice President of the Board of the Greater Louisville Association of Realtors and a local realtor, notes that this has a chilling effect for potential buyers.

Recommended Action Step:

1. Work with the Kentucky General Assembly to pass a law that requires these restrictive covenants of sales to protected classes to be removed from deeds as they are written for current transactions.

## **10. Local “plan stamping” doesn’t include fair housing standards**

- Today, any builder can get their designs and the finished structure approved by all the appropriate agencies, but never be informed or corrected if there is a fair housing violation.

Recommended Action Step:

1. Local “plan stamping” agencies and officers must identify and enforce Fair Housing Act design and construction standards before project completion.

## Interviews Conducted for this Document

### Individual Interviewees

Tim Barry, Executive Director, Louisville Metro Housing Authority  
 Manfred Reid, Chair of Board, Louisville Metro Housing Authority  
 Lisa Osanka, Section 8 Coordinator, Louisville Metro Housing Authority  
 Edgardo Mansilla, Executive Director, Americana Community Center  
 Dawn Warrick, Assistant Director, Louisville Metro Planning & Design  
 Gale Lively, Executive Director, Louisville Apartment Association  
 Chuck Kavanaugh, Executive Director, Homebuilders Association of Louisville  
 Tara Brinkmoeller, Director of Public Affairs & Communications, Homebuilders Association of Louisville  
 Lisa Stephenson, Executive Vice President, Greater Louisville Association of Realtors  
 Linda Cecil, Chair of Board, Greater Louisville Association of Realtors  
 Morgan Ransdell, Managing Attorney, Kentucky Commission on Human Rights  
 Art Crosby, Executive Director, Fair Housing Council of Lexington  
 Carolyn Miller-Cooper, Executive Director, Louisville Metro Human Relations Commission  
 Nick Valenzuela, Compliance Officer, Louisville Metro Human Relations Commission  
 Marilyn Givens, Supervisor, Louisville Metro Government, Metro Call  
 Christie McCravy, Director of Housing Services and Neighborhood Revitalization, Louisville Urban League  
 Kirk Owens, President of the Board of Directors, KY Alliance against Racist & Political Oppression  
 Joe Gliessner, Executive Director, New Directions Housing Corporation

### Individual Interviewees via Survey

Lee Ann Thomas, Housing Program Manager, Center for Accessible Living  
 Janel Temple, Director of Outreach and Family Services, Habitat for Humanity of Metro Louisville  
 Marlene Gordon, Executive Director, Coalition for the Homeless  
 Ben Carter, Attorney At Law, Legal Aid Society

### Interviewed Groups

Non-Profit Housing Alliance  
 Metropolitan Housing Coalition Board of Directors  
 Fair Housing Coalition

U.S. HUD Fair Housing declined to be interviewed, as they thought it would be a conflict of interest.

## Appreciations

Thanks to all those who helped inform this paper by participating in interviews, completing surveys and sharing your thoughts about impediments to fair housing choice.

Special thanks to the Metropolitan Housing Coalition Board of Directors who supported staff in this endeavor. Staff include: Cathy Hinko, Executive Director, Doug Magee, Non-Profit Housing Alliance Program Director, Phoenix Lindsey-Hall, Development Director and Special Projects Coordinator, and Theresa Boyd, Administrative Assistant. Interns include: Josh Poe, graduate student at the School of Urban and Public Affairs at the University of Louisville and Erin Raidt, undergraduate student in the Communications Department at the University of Louisville. Legal updates were gathered by law student, Leah Campbell, of the Brandeis School of Law at the University of Louisville.

## Legal Updates

This section provides an overview of the fair housing situation in Louisville METRO/Jefferson County, Kentucky. It includes a review of fair housing laws, enforcement agencies, trends in fair housing complaints and other fair housing activities in the jurisdiction.

Fair housing in Louisville METRO/Jefferson County, Kentucky is bound by a number of federal and local laws and Presidential executive orders. Below is a summary of the relevant legislation and executive orders currently in effect.

### Federal Fair Housing Laws<sup>1</sup>

- *Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended.* Prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and handicap (physical or mental impairment which substantially limits one or more of such person's major life activities). Amendments also established that new multi-family buildings must meet specified accessibility standards for person with disabilities.
- *Title VI of the Civil Rights Act of 1964.* Prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.
- *Section 504 of the Rehabilitation Act of 1973.* Prohibits discrimination based on disability in any program or activity receiving federal financial assistance.
- *Section 109 of Title I of the Housing and Community Development Act of 1974.* Prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Black Grant Program.
- *Title II of the American with Disabilities Act of 1990.* Prohibits discrimination based on disability in programs, services and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.
- *Architectural Barriers Act of 1968.* Requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.
- *Age Discrimination Act of 1975.* Prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- *Title XI of the Education Amendments Act of 1972.* Prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

---

<sup>1</sup> HUD, OFHEO (Office of Fair Housing and Equal Opportunity) 2004b

Fair Housing-Related Presidential Executive Orders<sup>2</sup>

- *Executive Order 11063.* Prohibits discrimination in the sale, leasing, rental or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- *Executive Order 11246, as amended.* Bars discrimination in federal employment because of race, color, religion, sex or national origin.
- *Executive Order 12892, as amended.* Requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The order also establishes the President's Fair Housing Council, which is chaired by the Secretary of HUD.
- *Executive Order 12898.* Requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color or national origin.
- *Executive Order 13166.* Eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally subsidized and federally conducted programs and activities.
- *Executive Order 13217.* Requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

## CITY OF LOUISVILLE ORDINANCES

- Ordinance No. 21, Series 1967: As amended, an Ordinance to implement the State Statute relative to discriminatory practices in places of public accommodation, resort or amusement.
- Ordinance No. 116, Series 1968: As amended by ordinance No. 139, series 1975, an ordinance to effect equal employment opportunities for all citizens.
- Ordinance No.9, Series 1999: An ordinance that prohibits discriminatory employment practices due to sexual orientation or gender identity.
- Ordinance No. 88, Series 2001: An ordinance that amended Ordinance No. 9 to include housing and public accommodations.

---

<sup>2</sup> *Ibid.*

- Ordinance No. 349, Series 1991: An ordinance that makes housing laws substantially equivalent to Title VII of the Federal Civil Rights Act.
- Ordinance No. 281, Series 1991: An ordinance empowering the Louisville and Jefferson County Metro Human Relations Commission to investigate complaints by persona alleging tortuous interference with their person and/or property motivated by discriminations.
- Ordinance No.41, Series 1969: As amended by ordinance No. 140, Series 1975, an ordinance requiring the implantation of certain provisions insuring equal opportunity into all contracts.
- Ordinance No. 68, Series 1978: As amended by ordinance 211, Series 1993, an ordinance concerning the requirements of an affirmative action plan for contactors and vendors doing business with the City of Louisville.
- Ordinance No. 140, Series 1988: An ordinance empowering minority, female and handicap business enterprises.

JEFFERSON COUNTY ORDINANCE AND RESOLUTIONS: A resolution to implement the State statute relative to equal employment opportunity as Amended by Resolution No. 15, Series 1967.

- Ordinance No. 2, Series 1993: An ordinance relating to real estate transactions.
- Ordinance No. 8, Series 1988: An ordinance implementing the State statue relative to discriminatory practices in places of public accommodation, resort or amusement.
- Ordinance No. 16, Series 1987: An ordinance concerning the requirement of an affirmative action plan for contractors and vendors doing business with the Jefferson County Fiscal Court.
- Ordinance No. 36, Series 199: An ordinance that prohibits discriminatory practices in housing, employment and places of public accommodation due to sexual orientation or gender identity.

#### LOUISVILLE AND JEFFERSON COUNTY METRO ORDINANCES

- Ordinance No.129-2003: An ordinance creating separate enforcement and advocacy bodies; transferring enforcement authorities to the Louisville Metro Human Relations Commission- Enforcement; and amending the complaint procedure for enforcing anti-discrimination laws.
- Ordinance No. 214, Series 2005: An ordinance requiring that all persons or companies doing business with Louisville METRO Government, in excess of ten thousand dollars (\$10,000) be equal employment opportunity employers.

- Ordinance No.193-2004: An ordinance prohibiting discrimination based upon race, color, national origin, religion, familial status, age, disability, sex gender identity, and sexual orientation.

The most important piece of legislation pertaining to fair housing is the federal Fair Housing Act (FHA). The FHA was initially enacted as Title VIII of the Civil Rights Act of 1968.<sup>3</sup> It was later amended by the Fair Housing Amendment Act (FHAA) of 1988 and currently prohibits housing discrimination based on race, color, national origin, religion, sex, familial status, and handicap. Familial status includes children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18. Handicap is a physical or mental impairment that substantially limits one or more a person's major life activities.

Under the FHA, housing discrimination incorporates rentals, sales; mortgage lending, appraisals, homeowners insurance, zoning, tax assessment, blockbusting and advertising.<sup>4</sup> Specifically, the FHA prohibits taking any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- refusing to rent or to sell after an offer, refusing to negotiate to rent or to sell, or otherwise making unavailable or denying housing;
- discriminating in the terms, conditions, or privileges of the sale or rental of housing;
- representing that a dwelling is not available for inspection, sale, or rental when it is, in fact, available;
- inducing or attempting to induce for profit the sale or rental of any dwelling by the entry of or prospective entry of a person into the neighborhood (also referred to as blockbusting);
- denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing;
- refusing to make a mortgage loan or to provide information on a mortgage loan;
- imposing different terms or conditions on a mortgage loan (such as interest rates, points, or fees);
- discriminating in appraising a property; and
- refusing to purchase a mortgage loan or setting different terms for purchasing a loan

In addition, the FHA prohibits:

- making, printing, publishing, or causing to be made any advertisement or notice for the sale or rental of housing that indicated a preference or limitation based on race, color, national origin, religion, sex, familial status, or handicap (the prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act);
- coercing, intimidating, interfering, or threatening of an individual's ability to exercise their rights under the FHA; and
- retaliating against an individual because they exercised their FAH rights

---

<sup>3</sup> 42 U.S.C §§ 3601-3619.

<sup>4</sup> 42 U.S.C §§ 3604-3619.



The FHA includes exemptions for owner-occupied buildings with no more than four units; the sale or rental of single-family homes without the use of a real estate agent if the owner has no more than three properties; the sale, rental or occupancy of housing operated by a religious organization or private club to its members; or the limiting of familial status in the housing for the elderly.<sup>5</sup>

Additional provisions of the FHA require allowing handicapped persons to make “reasonable modifications” to housing that they occupy or will be occupying so that they can afford full enjoyment of the premises. The landlord, can, however, require a handicapped person to pay for any modifications and, in the case of rental housing, require the tenant to restore the apartment back to its original condition prior to modification. Landlords must also make “reasonable accommodations” in rules, policies, practices, or services if necessary for a disabled person to use the housing.<sup>6</sup>

Finally, the FHA requires multifamily buildings that are ready for first occupancy after March 13, 1991, have an elevator, and have four or more units to meet minimum standards of accessibility for persons with disabilities:

- All public and common-use areas must be readily accessible to and usable by handicapped persons.
- All doors designed to allow passage into and within all apartments must be sufficiently wide to permit access by handicapped persons in wheelchairs.
- All apartments must contain an accessible route into and through the living space; light switches, electrical outlets, thermostats, and other environmental controls in accessible locations; reinforcements in bathroom walls to allow later installation of grab bars; and usable kitchens and bathrooms such that an individual in a wheelchair can maneuver about the space.

If a building with four or more units has no elevator and will be ready for occupancy after March 13, 1991, these standard apply to ground floor units only.

While the FHA has federal jurisdiction, local, county and state laws, such as these ordinances that exist in Louisville METRO/Jefferson County, can include similar or additional protections for their residents against housing discrimination. State, county and local laws cannot revoke any protection guaranteed by the FHA, but they can expand protections to include classes of persons not covered under federal laws. For example, 14 states plus the District of Columbia have passed laws that provide protection for gays, lesbians, bisexuals, and transgender people, who are not federally protected by the Fair Housing Act.<sup>7</sup>

---

<sup>5</sup> 42 U.S.C. §§ 3604-3619.

<sup>6</sup> 42 U.S.C. §§ 3604.

<sup>7</sup> Leadership Conference on Civil Rights education Fund 2005.

## References

*Analysis of Impediments to Fair Housing Choice in the City of Naperville, IL.* (2007).

Charles, Camille Z. 2005. "Can We Live Together? *Racial Preferences and Neighborhood Outcomes*. Brookings Institution Press.

Journal of Housing & Community Development. (March/April 2008). *Public Housing Authorities: helping to end homelessness through permanent supportive housing*, p18.

Louisville Metro Health Department, Office of Policy Planning and Evaluation. (2006). *Behavioral Risk Factor Surveillance System Report*.

Louisville Metro Department of Housing. (2007). *Analysis of Impediment to Fair Housing Choice in Louisville METRO/Jefferson County, Kentucky*.

Metropolitan Housing Coalition (2009). *Where do you live? Louisville's Homeless Children and the Affordable Housing Crisis*.

Metropolitan Housing Coalition (2009). *2009 State of Metropolitan Housing Report*.

Louisville Metro Department of Housing. (2007). *Analysis of Impediment to Fair Housing Choice In Louisville METRO/Jefferson County, Kentucky*.

Greater Louisville Project. (2010). *Deep Driver: Jobs*.

<http://www.greaterlouisvilleproject.org/jobs/tabid/76/Default.aspx>

Metropolitan Housing Coalition (2009). *Where do you live? Louisville's Homeless Children and the Affordable Housing Crisis*.

Metropolitan Housing Coalition (2009). *2009 State of Metropolitan Housing Report*.

Metropolitan Housing Coalition. (2008). *Louisville's Foreclosure Crisis*.

Metropolitan Housing Coalition. (2007). *The Dividing Line: Women and Housing Patterns in Louisville*.

Metropolitan Housing Coalition. (2007). *Opening the Door: 40 Years of Open Housing*.

Metropolitan Housing Coalition. (2005). *Out of Breath: Childhood Asthma, Poverty and Housing*.

The Brookings Institution Center on Urban & Metropolitan Policy. (2002). *Beyond Merger: A Competitive Vision for the Regional City of Louisville*.

The Brookings Institute. (23 Jan 2005). *Distinctive, Equitable, Competitive (Louisville)*.

[http://www.brookings.edu/opinions/2005/0123metropolitanpolicy\\_katz.aspx](http://www.brookings.edu/opinions/2005/0123metropolitanpolicy_katz.aspx)

The Brookings Institute, Washington DC. ( 2009). *Getting Current: Recent Demographic Trends in Metropolitan America*. [http://www.brookings.edu/reports/2009/03\\_metro\\_demographic\\_trends.aspx?p=1](http://www.brookings.edu/reports/2009/03_metro_demographic_trends.aspx?p=1)

The 2008 American Community Survey

U.S. Census Bureau. Analysis by Kentucky Population Research, University of Louisville.

William Frey, Alan Brube, Audrey Singer, Jill H. Wilson. (2010). *Current: Recent Demographic trends in Metropolitan America*.

Zierolod, K. and Andersen, H. (2004). American Journal of Public Health, 94 (9), 1513-1515.

the 2007 American Community Survey

# Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY

---

## Appendix A: Interview/Survey Questions Asked to Industry Professionals:

MHC has been contracted by the Louisville Metro Housing Department to write the *Analysis of Impediments to Fair housing Choice in Louisville*. This document will inform the Consolidated Plan which guides the future for housing in our community for the next five years. We are thrilled at the chance to work with the Housing Department on this vital document, but know we can't do it alone. Please fill out and email back this survey to tell us what you see as impediments or barriers to fair housing in Louisville.

**Your name and title:**

**Organization or business name:**

In a sentence or two, describe what your organization or business does in the area of housing in Louisville?

Underline the ways that your organization, business, or agents work within Louisville's housing area:

Homeownership	Construction	Planning and zoning
Rental	Rehabilitation	Owners/renters' rights
Make loans	Foreclosures	Owners/renters training
Insurance	Subsidized housing	Other:

Below are the nine classes that are covered in Louisville's fair housing laws. Underline the protected classes who you and your business work with or provide housing for:

Race	Sex	National origin
Color	Disability	Sexual orientation
Religion	Familial status	Gender identity

**General Open ended Questions: Your answers can be as short or long as you see fit. If a question doesn't apply to you, please feel free to skip it.**

Are there any *governmental* laws, act, rules and regulations or common practices that you see as an impediment to fair housing choice in Louisville? Please explain.

Similarly, are there any private organizations, businesses, citizens or other non-government agencies that (intentionally or not) impose impediments to fair housing choice in Louisville in their policies or practices? Please explain.

What training do the staff and leaders in your organization or business get about fair housing issues?

What is the relationship between your organization or business and fair housing enforcement agencies such as Louisville Metro Human Relation Commission or the KY Commission on Human Rights?

Do you think that fair housing is linked to affordable housing? Why or why not?

What actionable steps do you think the city and decision makers can do to lessen impediments to fair housing in Louisville?

Do you have any other thoughts?

**Specific Industry Questions:** If one of these categories explains what you do, or if you simply like a question, please share your answer with us.

#### Specific Questions for Housing Developers

The Louisville Metro Housing Authority recognizes the difficulty of housing Louisville's growing immigrant population whose family size is significantly larger than non-immigrant residents. What barriers or impediments stand in the way of those protected classes covered by familial status and national origin?

The Louisville Metro Human Relations Commission has received more discrimination complaints based on disability than any other protected class. What can Louisville Metro or other decision makers do to lessen the cost and barriers that discourage building or rehab for people with disabilities? What could be done to encourage building for this class?

#### Specific Question for Organizations Working with Homeownership and Loans:

In 2007, 42% percent of Louisville's middle-and-upper income African-American families were sold high rate mortgages compared to 19% of White families in the same income bracket. In your professional opinion, what are the reasons for this drastic difference?

#### Specific Question for Organizations Working with Rental:

The 2000 Census, the most current data source for Jefferson County poverty levels broken down by council districts, shows the council districts with the highest poverty levels are also the same areas with the highest concentrations of subsidized housing, the greatest number of health problems, the least access to healthcare, the greatest of foreclosures and vacant properties, and the greatest number of African-Americans. This illustrates that race, poverty, poor housing conditions, and poor health conditions are concentrated. In your professional opinion, how does this affect rental housing? What can be done to level the playing field?

#### Specific Questions for Organizations Working with Neighborhoods:

How has the absence of the Louisville tenants association affected Louisville? Do you think a revived tenants association would help prevent and enforce fair housing choice in Louisville?

What role does transportation and sidewalks play in fair housing?

## Appendix B: Responses from Online Survey

The results below are from the “Test Your Fair Housing IQ” survey, written by the Metropolitan Housing Coalition for the *2010 Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY*. This internet based survey is not intended to be viewed as a scientific study, but rather it is a tool to gauge general public awareness about fair housing laws and issues. We understand the limitations internet surveys have in terms of access and privilege, and also see the benefits of polling those who we can reach in an easy and quick manner.

---

The results of the “Test Your Fair Housing IQ” survey show a need for more public education on who is in a protected class. Over 45% of the respondents did not know of the local protected classes: gender identity and sexual orientation. The term ‘familial status’ is not well known. Although most people knew that a landlord could not deny housing to a family with a child, 27.7% of the respondents were unaware of this protected class.

Education on barriers to housing choice for people with disabilities is needed, with an emphasis on what is a reasonable modification/accommodation. The public knows that racial discrimination takes place, but is not as well educated on what happens to people in other protected classes.

Almost 93% of respondents think that Louisvillians do not understand what fair housing means. Over 70% think that NIMBYism (Not In My Back Yard) is the largest impediment, but three other impediments were also recognized as significant by respondents (who were allowed to choose more than one answer). The lack of residents’ knowledge of their housing right was acknowledged by 53.9% of the respondents as a major impediment to fair housing choice, as was racism (45.5%) and planning and zoning of public housing and other affordable housing developments (42.7%).

Almost 60% of respondents thought that fair housing discrimination is about the same; 17.7 thought that it was getting better in Louisville and 22.9% thought that it had worsened.

It is clear that getting the public involved and rejuvenating the public education campaigns is an imperative.

## Question 1

46.2% of respondents correctly answered that race, color, religion, sex, disability, familial status, national origin, sexual orientation, and gender identity were the covered classes. 47.6 failed to identify sexual orientation and gender as covered classes. 34.7% of respondents failed to identify familial status and national origin as covered classes. These answers demonstrate the need for more education concerning fairness issues within housing as well as defining familial status.

1. What are the covered classes in Louisville's Fair Housing Laws?		
Answer Options	Response Percent	Response Count
<b><u>a. Race, color, religion, sex, disability, familial status, national origin, sexual orientation and gender identity</u></b>	<b><u>46.2%</u></b>	<b><u>96</u></b>
b. Race, religion, sex, age, and disability	28.4%	59
c. Race, color, religion, sex and sexual orientation and gender identity	6.3%	13
d. Race, color, religion, sex, disability, familial status, national origin	19.2%	40
<b><i>answered question</i></b>		<b>208</b>
<b><i>skipped question</i></b>		<b>9</b>

## Question 2

Only 35.2% of respondents identified the Louisville Metro Human Relations Commission as the agency to call if they feel they have been a victim of housing discrimination, although 57.5% of respondents did identify a fair housing enforcement agency. Interestingly, 20% would call the Louisville Metro Housing Authority, which operates assisted housing programs based on income. The low awareness of the Louisville Metro Human Relations Commission highlights the need to provide more public awareness concerning housing discrimination complaints. It also demonstrates a need for more accessibility through public relations on the part of the Louisville Metro Human Relation Commission as well as fair housing advocates. Only 1% of respondents answered that they would not call any agency, suggesting that public apathy is not as prevalent of an issue when addressing fair housing complaints as a lack of awareness.



**2. If you live in Louisville, and think you have been discriminated against in a housing situation, who would you call first?**

Answer Options	Response Percent	Response Count
a. Louisville Metro Housing Department	5.7%	12
b. Louisville Metro Housing Authority	20.0%	42
<b><u>c. Louisville Metro Human Relations Commission</u></b>	<b><u>35.2%</u></b>	<b><u>74</u></b>
d. Kentucky Commission on Human Rights	19.0%	40
e. US Department of Housing and Urban Development (HUD)	3.3%	7
f. Metro United Way	1.0%	2
g. Legal Aid Society	10.0%	21
h. I wouldn't call any agency	1.0%	2
i. Other (please specify)	4.8%	10
<b><i>answered question</i></b>		<b>210</b>
<b><i>skipped question</i></b>		<b>7</b>

### Question 3

While 73.3% of respondents recognize that families with children fall are a protected class within the Fair Housing Act, there still remained 26.7% who did not know this.

**3. In a typical rental situation, does a landlord have the right to deny housing to a family or person who has a child?**

Answer Options	Response Percent	Response Count
a. Yes	26.7%	56
<b><u>b. No</u></b>	<b><u>73.3%</u></b>	<b><u>154</u></b>
<b><i>answered question</i></b>		<b>210</b>
<b><i>skipped question</i></b>		<b>7</b>

## Question 4

About half of respondents in this question failed to identify the components in the definition of familial status.

This question along with previous questions

regarding familial status suggests a need for more public awareness and education concerning familial status as a protected class within Fair Housing Laws. Perhaps the term is too technical.

### 4. Familial status covers:

Answer Options	Response Percent	Response Count
a. Pregnant Women	0.5%	1
b. A family with at least one child under 18	9.5%	20
c. Both A and B	41.9%	88
<b><u>d. All families regardless of make up</u></b>	<b><u>48.1%</u></b>	<b><u>101</u></b>
<b><i>answered question</i></b>		<b>210</b>
<b><i>skipped question</i></b>		<b>7</b>

### 5. The most reported housing discrimination in Louisville is based on:

Answer Options	Response Percent	Response Count
a. Age	1.0%	2
b. National Origin	4.3%	9
c. Race	52.9%	110
<b><u>d. Disability</u></b>	<b><u>17.3%</u></b>	<b><u>36</u></b>
e. Familial Status	24.5%	51
<b><i>answered question</i></b>		<b>208</b>
<b><i>skipped question</i></b>		<b>9</b>

## Question 5

17.3% of the respondents correctly identified disability as the most reported housing discrimination in Louisville. Race is a close second and was the popular choice in respondents. There needs to be more public education on the impediments faced by people with disabilities in finding housing and what are reasonable modifications/accommodations.

## Question 6

77.5% of respondents answered correctly that a realtor's primary role in house hunting with a client is to guide the client to houses in their price point, regardless of neighborhoods. Nearly 20%

answered that the realtor's job was to find a mortgage lender for the client which is a red flag for ensuring competitive shopping for mortgage products. Only 3.3% answered that the realtor's job was to guide the client to neighborhoods where they will fit in, although this is still too high a percentage. These answers suggest that most respondents were aware of steering, predatory lending and discriminatory real estate practices.

6. What is a realtor's primary role in house hunting with a client?		
Answer Options	Response Percent	Response Count
a. To guide the client to the neighborhood where they will fit in	3.3%	7
<b><u>b. To guide the client to houses in their price point, regardless of neighborhoods</u></b>	<b><u>77.5%</u></b>	<b><u>162</u></b>
c. To help find a home and a mortgage lender for the client	19.1%	40
<b><i>answered question</i></b>		<b>209</b>
<b><i>skipped question</i></b>		<b>8</b>

## Question 7

56% of respondents correctly identified the Fair Market Rent (FMR) for a two-bedroom in Louisville as \$680. 10.5% thought that the FMR was lower, while 33.5% answered that it was higher. 80% of respondents identified the FMR as being within \$45 of the actual number, while only 8.6% answered that it was \$200 higher than the actual value. These answers suggest that respondents in this survey have an understanding of current local housing market conditions.

7. What is the Fair Market Rent (the standard for a modest, affordable rent, which includes utility costs) for a two-bedroom in Louisville today?		
Answer Options	Response Percent	Response Count
a. \$525	10.5%	22
<b><u>b. \$680</u></b>	<b><u>56.0%</u></b>	<b><u>117</u></b>
c. \$725	24.9%	52
d. \$880	8.6%	18
<b><i>answered question</i></b>		<b>209</b>
<b><i>skipped question</i></b>		<b>8</b>

## Question 8

8.8% of respondents in this question correctly identified African Americans as having the lowest homeownership rate in the nation. Nearly as many (46.9%) listed Hispanics as having the lowest rate.

### 8. In 2008, which of the ethnicities below had the lowest homeownership rate in the nation?

Answer Options	Response Percent	Response Count
<b><u>a. African American</u></b>	<b><u>48.8%</u></b>	<b><u>102</u></b>
b. Caucasian	0.5%	1
c. Hispanic	46.9%	98
d. Asian, Native American, Pacific Islander	3.8%	8
<b><i>answered question</i></b>		<b>209</b>
<b><i>skipped question</i></b>		<b>8</b>

## Question 9

77% of respondents answered this question correctly, and only 3.3% responded that both groups were sold similar loans, suggesting that respondents are aware that discrimination exists in local housing markets. Several workshops and media coverage last year highlighted this racially linked mortgage lending phenomena, which may demonstrate the efficacy of public awareness campaigns. When combined with previous questions, these answers also demonstrate an awareness of the approximate proportions of this discrimination.

### 9. In 2007, what percentage of Louisville's Middle and Upper income African-American families were sold high rate mortgages compared to Caucasian families of the same income bracket?

Answer Options	Response Percent	Response Count
<b><u>a. 40% for African American borrowers vs. 20 % for Caucasian borrowers</u></b>	<b><u>77.0%</u></b>	<b><u>161</u></b>
b. 30% for African American borrowers vs. 25% for Caucasian borrowers	13.4%	28
c. 20% for African American borrowers vs. 30% for Caucasian borrowers	6.2%	13
d. It was the same percent; both groups were sold similar loans	3.3%	7
<b><i>answered question</i></b>		<b>209</b>
<b><i>skipped question</i></b>		<b>8</b>

## Question 10

These answers to this question do not demonstrate a significant awareness of the 1968 Fair Housing Act. Over one third of respondents answered that Fair Housing laws have existed only since 1985.

### 10. How many years ago were both the National and Kentucky Fair Housing Acts passed?

Answer Options	Response Percent	Response Count
a. 25 years ago	36.4%	76
b. 33 years ago	24.4%	51
<b><u>c. 42 years ago</u></b>	<b><u>34.9%</u></b>	<b><u>73</u></b>
d. 61 years ago	4.3%	9
<b><i>answered question</i></b>		<b>209</b>
<b><i>skipped question</i></b>		<b>8</b>

## Scores

Scores were evenly disturbed around an overall 50% correct-answer average. 56.3% of respondents fell within 40% to 70% range, and 44.2% fell within the 60% to 90% range. Only 6% scored above 90%, and only 1.8% scored below 10%. Since 52 people skipped this question, the actual results could be somewhat skewed. Please note that 52 respondents skipped this question, looking at the individual questions and responses is more accurate.

### What was your score?

Answer Options	Response Percent	Response Count
100	3.0%	5
90	3.0%	5
80	10.9%	18
70	11.5%	19
60	21.8%	36
50	23.0%	38
40	11.5%	19
30	7.3%	12
20	6.1%	10
10	1.8%	3
<b><i>answered question</i></b>		<b>165</b>
<b><i>skipped question</i></b>		<b>52</b>

## Respondents Thoughts

- **Do you think that Louisvillians understand what fair housing means?**

92.7% responded that they do not think Louisvillians understand what fair housing means. This answer demonstrates a strong need for housing policies that support public awareness and public relations concerning Fair Housing laws.

- **What are impediments and barriers to fair housing choice?**

While NIMBYism was the only impediment consistently listed by a large majority, other impediments were also chosen at a significant rate. A lack of resident's knowledge was chosen by 53.9% of respondents. Since the respondents were not asked to rank the impediments in order, but were able to choose all that apply, there is no way to rank the data. However, it is clear that respondents in this survey consistently see NIMBYism as a large impediment to Fair Housing in Louisville.

**What do you see as the largest impediments or barriers to fair housing choice for all Louisvillians? (Please chose all that apply)**

Answer Options	Response Percent	Response Count
Racism	45.5%	81
NIMBYism- The phenomenon where residents are afraid of changing neighborhoods, affordable housing and diverse housing with multiple price points, and don't want "those" people living near them. NIMBY stands for Not In My Back Yard.	71.9%	128
Lack of residents' knowledge of their housing rights	53.9%	96
Planning and zoning of public housing and affordable housing developments	42.7%	76
Other (please specify)	7.9%	14
<b>answered question</b>		<b>178</b>
<b>skipped question</b>		<b>39</b>

- **Do you sense that fair housing discrimination in Louisville is getting:**

59.4% of respondents chose that fair housing discrimination is about the same. 17.7% chose that it was getting better, and 22.9% chose that it was getting worse.

- **Whether you have reported it or not, have you been a victim of fair housing discrimination?**

88.7% of respondents stated that they had not been a victim of fair housing discrimination.