



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce K. Walden, Chief Administrative Officer

**FROM:** Elizabeth H. Tyler, AICP, City Planner/Director

**DATE:** October 16, 2003

**SUBJECT:** **AN ORDINANCE APPROVING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004)**

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### **Description**

As a recipient of entitlement funds from the U.S. Department of Housing and Urbana Development, the City of Urbana is required to update an Analysis of Impediments (AI) to Fair Housing Choice.

Staff requests the Urbana City Council approve the Ordinance approving the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

### **Issues**

The Urbana City Council is requested to review and approve the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

By adopting the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004), the City of Urbana will achieve compliance with the U.S. Department of Housing Urban Development requirement.

### **Background**

As recipient of CDBG and HOME funding from the U.S. Department of Housing and Urban Development, the City of Urbana is required to update their Analysis of Impediments to Fair Housing Choice.

The last update to the Analysis of Impediments to Fair Housing Choice was 1990.

Staff and the Community Development Commission have invested considerable time and effort preparing this update of the Analysis of Impediments (AI) to Fair Housing Choice. The following is a

summary outline of these efforts.

July 2002

Analise Fonza was hired as an intern to begin the process of updating the AI. Ms. Fonza briefed the Community Development Commission on her findings at the July CDC meeting.

January 2003

Melissa Headley joined the Grants Management Divisions as an intern and was assigned to prepare a “working draft” of the AI.

February 2003

The Community Development Commission reviewed the working draft of the Analysis of Impediments. The CDC provided extensive comments on the analysis conducted and the form and structure of the AI and charged staff to incorporate their comments and suggestions.

March 2003

The Community Development Commission reviewed an updated draft of the AI. CDC again provided a significant amount of feedback and direction to staff.

July 2003

Staff provided CDC members a copy of the near final version of the AI for review at the August 2003 CDC regular meeting. Staff indicated that they were requesting that the CDC provide a recommendation concerning the AI to the Urbana City Council at the August CDC meeting.

August 2003

Community Development Commission members provided final comments and suggestions to staff to improve the AI. The CDC provided two specific comments that are notable. The first recommendation is that the Analysis of Impediments be reviewed annually. To make this evident, the Commission members recommended that the cover of the AI note that it applies to the fiscal year 2003-2004. The second recommendation is that staff should encourage continued feedback on the AI. Staff have prepared a “mailer” that will allow persons reviewing the AI to easily submit comments. Staff also plans to provide an e-mail feedback arrangement, when the final version of the AI is placed on the City of Urbana website.

September 22, 2003

A copy of the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004) was included in the Council packet for the September 22, 2003 meeting of the Committee of the Whole with instructions that the matter would be on the agenda for the October 13, 2003 meeting of the Committee of the Whole.

October 6, 2003

Councilperson Esther Patt provided staff two specific comments on the AI. A copy of short memo describing these comments is attached.

In summary the comments provide for the following:

- Delete the recommendation to encourage the use Section vouchers to support homeownership programs.
- Emphasize focus on extremely low-income households related to the use of tax credit projects.
- Add a provision to help build the capacity of Community Housing Development Organizations (CHDOs) to develop affordable multi-family housing for extremely low-income households.

October 13, 2003

In the course of the meeting of the Urbana City Council Committee of the Whole, Councilperson Patt provided a listing of proposed changes to the Analysis of Impediments to Fair Housing. This list is attached.

In summary the proposed changes are as follows:

- Include discrimination factors that are referenced in the Urbana Human Rights Ordinance. These include physical or mental disability, age, creed, class, martial status, personal appearance, sexual orientation, matriculation, political affiliation, prior arrest or conviction record or source of income.
- Change unit of units in Steer Place from 10 to 89.
- Update Section 8 narrative to include recent Section 8 application period.
- Clarify that agencies referenced receive housing complaints, not housing discrimination complaints.
- Remove recommendation to use Section 8 Vouchers to support homeownership
- Reference that housing for extremely low-income persons should be encouraged in tax credit financed projects.
- Add a provision to help CHDO's build capacity to develop affordable multi-family housing for extremely low-income households.

Councilman Hayes noted a concern about the concentration of public and affordable housing in certain area of the City and the lack of these housing choices in other areas of the City.

Councilperson Chynoweth provided a number of comments and suggestions. Staff has summarized these in the following recommendations:

- Consideration should be given to supporting existing programs that provide security and utility deposits.
- Consideration should be given to decreasing the amount of time necessary to process housing discrimination complaints related to the Urbana Human Rights Ordinance.
- Efforts should be given to investigate the use of affordable housing trust funds to support the development of affordable housing.
- Consideration should be given to modifying the Subdivision Ordinance to require that a percentage of homes to built with an accessible design.

Staff has reviewed the comments and proposes the following changes to the final draft of the AI.

Page 2: Include specific reference to discrimination factors identified in the Urbana Human Rights Ordinance.

Page 8, Public Housing: Add a bullet to reflect current status of the Section 8 Voucher Program. Add a bullet to note that efforts should be made to investigate the geographic distribution of public and affordable housing opportunities in the City. Delete bullet recommending the use of Section 8 Vouchers to support homeownership.

Page 8, Rental Market: Change bullet to reference support of existing programs. Add a bullet to provide additional assistance for security and utility deposits. Delete bullet recommending the use of Section 8 Vouchers to support homeownership.

Page 8, Housing Discrimination Complaint Process: Add a bullet that references consideration of methods to shorten the length of time to process complaints, without impacting the quality of the investigation.

Page 10, Lack of Affordable Housing: Change the last bullet to incorporate concern about housing for extremely low-income persons and the idea of using the concept of an affordable housing trust fund to support affordable housing.

Page 24: Change table 3-7 to show that Steer Place has 104 units.

Page 25: Add information to reflect current status of the Section 8 Voucher Program. Add provision to support building capacity of CHDOs to develop multi-family housing for extremely low-income households.

Page 27: Change the first sentence by deleting “housing discrimination”.

Page 31: Include the word “benefits” after disability in the second paragraph.

Page 45: Provide current status of the Section 8 Voucher Program.

Page 46, Rental Market: Remove the third bullet about using Section 8 Vouchers to support homeownership.

Page 46, Rental Market: Change the last bullet to include supporting existing programs. Add a bullet to provide additional assistance for security and utility deposits.

Page 47, Housing Discrimination Complaint Process: Add a bullet that references investigation of methods to shorten the length of time to process and complaint, without impacting the quality of the investigation.

Page 50, Lack of Affordable Housing: Change the last bullet to incorporate concern about housing for extremely low-income persons and the idea of using the concept of an affordable housing trust fund to support affordable housing.

Add a bullet that supports building the capacity of CHDO's to development affordable multi-family housing for extremely low-income households.

Each of the above referenced pages is attached for review and will be incorporated into the final draft of the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

After the Urbana City Council has approved the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004) the document will be forwarded to the HUD Regional Office in Chicago.

## **Options**

The Urbana City Council can pursue the following options:

1. Approve the Ordinance that approves the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004) as it is currently drafted, with the proposed changes outlined in this memorandum.
2. Approve the Ordinance that approves the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004) with additional changes to the AI and/or Ordinance.
3. Do not approve the Ordinance that approves the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

## **Fiscal Impacts**

There are no immediate fiscal impacts associated with approving the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

However, in the future, as efforts are made to implement programs to address the impediments to fair housing, CDBG and HOME funds could be used to fund such activities.

## **Recommendations**

Staff recommends that Urbana City Council approval the ORDINANCE APPROVING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004).

### **Memorandum Prepared By:**

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Bob Grewe, AICP  
Manager, Grants Management Division

### Attachments:

AN ORDINANCE APPROVING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004)

Councilperson Esther Patt's October 6, 2003 Memorandum noting comments on the Analysis of Impediments to Fair Housing Choice.

Councilperson Esther Patt's October 13, 2003 Memorandum noting changes to the Analysis of Impediments to Fair Housing Choice.

The following pages from the ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE FOR THE CITY OF URBANA (FY 2003-2004)

Page 2

Page 8

Page 10

Page 24

Page 25

Page 27

Page 31  
Page 45  
Page 46  
Page 47  
Page 50

ORDINANCE NO. 2003-09-103

AN ORDINANCE APPROVING THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING  
CHOICE FOR THE CITY OF URBANA

(FY 2003-2004)

WHEREAS, the City of Urbana receives Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funding from the U.S. Department of Housing and Urban Development;

WHEREAS, as a recipient of these funds, the City of Urbana is required to develop and update an Analysis of Impediments to Fair Housing.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Analysis of Impediments to Fair Housing Choice for the City of Urbana (FY 2003-2004), in the form of the copy of said document attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, is hereby authorized to execute said document as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_

Phyllis D. Clark, City Clerk



APPROVED by the Mayor this \_\_\_\_\_ day of

\_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_

Tod Satterthwaite, Mayor

DATE: October 6, 2003

TO: Mayor Satterthwaite and Urbana  
City Council Members

FR: Esther Patt

RE: Analysis of Impediments to Fair Housing Choice  
October 13 Committee Agenda

When this item is discussed at the October 13 Committee meeting, I will propose a few changes to the text of the document. A great deal of work went into compiling and writing the document and I appreciate the efforts of city staff to ensure that the final product is comprehensive and accurate. There are three changes regarding policy that I would like to make before we approve the Analysis and submit it to HUD. Thank you for your consideration of these concerns before next week's Committee meeting.

1. Page 46. Delete the third bullet point under recommendations for Section D. (Rental Market) which reads:

- Encourage the HACC program to allow Section 8 voucher holders to use their vouchers towards a mortgage payment. This may help reduce the number of people in the rental housing market, thus making units available for other people.

*For the most part, the policy decision about using Section 8 vouchers for mortgage payments is about the income level of people served by the Section 8 program. Currently, most people who use Section 8 vouchers from the Housing Authority are people whose incomes are so low that they cannot afford rents in Urbana or Champaign. While anyone with income up to 80% of area median is eligible for participation in the Section 8 program, people with household income close to \$40,000.00 per year do not currently apply for Section 8 rent subsidies. A household earning \$40,000.00 per year would not need assistance to afford market rent.*

*The use of Section 8 vouchers for mortgages allows higher-income households (e.g. \$40,000.00 annual income) to receive the assistance instead of lower-income households (e. g. \$15,000.00 annual income). While helping people afford mortgages is a worthy goal, it should not be accomplished by reducing the number of near-homeless households receiving rent subsidies.*

*Congress has cut funding for the existing Section 8 voucher program by 5% and is funding no new vouchers. Locally, that means approximately 50 fewer households served. Redevelopment of Burch Village will eliminate another 50 affordable housing units. Now is not the time to divert money from rent subsidy programs to mortgage assistance programs.*

2. Page 50. Change Section N - Lack of Affordable Housing, Recommendations delete strike-through; add underscored words):

- Investigate innovative approaches to encourage affordable housing ~~such as~~ using tax credits to finance affordable housing for extremely low-income households.

*Our experience in Urbana is that tax credit housing does not provide affordable housing that is any cheaper than rental housing in the near vicinity of the tax credit complexes. For example, several apartment complexes in the Sunnycrest Mall area rent two-bedroom apartments for \$50-\$75 per month lower rent than the Sunnycrest II complex which is a tax-credit project.*

3. Page 50. Change Section N - Lack of Affordable Housing, Recommendations

Add a bullet point:

- Help build the capacity of CHDO's to develop affordable multi-family housing to address the housing needs of extremely low-income households.

*When the City Council and Community Development Commission met last year to discuss housing concerns, one of the top three recommendations was to develop more multifamily housing for extremely low-income households. With the Housing Authority moving in the opposite direction (eliminating rather than creating new affordable housing), one strategy for increasing the stock of affordable housing would be to work with Community Housing Development Organizations to develop multifamily housing for extremely low, very low, and low income households.*

## Changes to Analysis of Impediments to Fair Housing

### Page 2.

The AI is an exploration of many housing and housing-related policies and practices in use throughout the Jurisdiction that inadvertently or deliberately prevent people from living where they choose.

Some factors that might limit housing choice include:

- Discrimination based on race, color, national origin, sex, religion, familial status, and physical or mental disability, age, creed, class, marital status, personal appearance, sexual orientation, matriculation, political affiliation, prior arrest or conviction record or source of income.

### Page 24: Table 3-7 Public Housing Capacity and Occupancy Rates

Change "Total # of units - 1991" for Steer Place from 10 to 89

### Page 25.

#### 4. Housing Need

The Housing Authority of Champaign County (HACC) administers the Section 8 Voucher Program and Rental Assistance program for the Champaign-Urbana area. According to the HACC PHA Plans: 5 Year Plan for FY 2003-2007, Annual Plan for FY 2003, the Section 8 Voucher Program waiting list ~~is~~ was closed and ~~is going to~~ would open this year. ~~Currently, the Section 8 list has 125 extremely low income people waiting for assistance.~~ During the first two weeks of July 2003, the Section 8 waiting list was opened and 1300 households applied. The waiting list for public housing is currently open and has 190 people on it. The waiting lists are one indicator of the need for affordable housing in the Champaign-Urbana area. ~~There are at least 315 families, and it is likely a higher number is in need of affordable housing in the area.~~ The reopening of the Section 8 list demonstrates that there is probably a greater need for assistance in the area. These lists only provide one indicator or gauge of the need for affordable housing in the area. The lists do not take into account people who were turned away because the list was closed or those who could not wait to get through the process, which can take months to have a background check completed.

### Page 27.

Several agencies report that they receive and process complaints ~~of housing discrimination about~~ housing in Urbana: the Champaign-Urbana Tenant Union, the Urbana Human Relations Division, and the Building Safety Division.

### Page 46 - Section D. Rental Market, Recommendations

- ~~Encourage the HACC program to allow Section 8 voucher holders to use their vouchers towards a mortgage payment. This may help reduce the number of people in the rental housing market, thus making units available for other people.~~

### Page 50 - Section N - Lack of Affordable Housing Recommendations:

- Investigate innovative approaches to encourage affordable housing such as using tax credits to finance affordable housing for extremely low-income households.

Add a bullet point:

- Help build the capacity of CHDO's to develop affordable multi-family housing to address the housing needs of extremely low-income households.

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## **A. Purpose**

The Analysis of Impediments to Fair Housing Choice (AI) is required of all state and local governments that receive federal funds from the U.S. Department of Housing and Urban Development (HUD). This primarily includes grants in the form of the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME). Each state or local unit of government (hereinafter referred to as “the Jurisdiction”) that receives these housing funds must certify to HUD that it will affirmatively further fair housing and that it will conduct an analysis to identify impediments to fair housing choice within the Jurisdiction. HUD recommends that the Jurisdiction update its AI every three to five years. The City of Urbana last conducted an AI in 1991.

The AI is an exploration of many housing and housing-related policies and practices in use throughout the Jurisdiction that inadvertently or deliberately prevent people from living where they choose. Some factors that might limit housing choice include:

- Discrimination based on race, color, national origin, sex, religion, familial status, and disability
- In addition to the federally protected classes listed above, the Urbana’s Human Rights Ordinance protects people from discrimination based on following: creed, class, age, marital status, personal appearance, sexual preference, matriculation, political affiliation, prior arrest or conviction record, source of income, or any other discrimination based upon categorizing or classifying a person rather than evaluating a persons unique qualifications.
- Lack of affordable housing
- Lack of housing that is accessible to the disabled
- Lack of housing that is accessible to those holding Section 8 vouchers due to discrimination and holds on vouchers
- Location of jobs and availability of housing in the area
- Lack of reasonable and accessible transportation services
- Inability to obtain a mortgage
- Inability to obtain homeowner’s insurance because of where you live

HUD interprets the obligation to “affirmatively further fair housing” to mean that the Jurisdiction will:

- Analyze and eliminate housing discrimination in the Jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for inclusive patterns of housing occupancy regardless of race, color, religion, sex, familial status, disability, and national origin
- Promote housing that is structurally accessible to, and usable by all persons, particularly persons with disabilities
- Foster compliance with the nondiscrimination provision of the Fair Housing Act

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- Community Development Target Area: The target area was created to focus the City's investment of entitlement funds into the areas of greatest need. The creation of the target area may have the effect of precluding residents in need from receiving assistance
    - The City should consider redefining the Target Area
  - Public Housing: The Section 8 waiting list was reopened in July 2003 and 1,300 people applied. Prior to the reopening of the wait list there was a lack of timely utilization of Section 8 vouchers has adversely affected many groups, primarily women and children and persons with disabilities to the extent they have sought housing elsewhere
    - Investigate reason for the hold on adding people to the Section 8 waiting list
    - Research ways to shorten the time it takes to go through the application process
    - ~~○ Encourage the HACC program to allow Section 8 voucher holders to use their vouchers towards mortgage payments~~
    - Investigate ways to address the unbalanced spatial distribution of affordable housing in the community
  - Rental Market: The rental market is influenced by the student population
    - Study the housing market to find out if the supply of affordable rental housing is meeting the demand
    - Continue to invest HOME funds to create new affordable housing developments
    - ~~○ Encourage the HACC program to allow Section 8 voucher holders to use their vouchers towards a mortgage payment. This would reduce the number of people in the rental housing market, thus making more units available~~
    - Consider supporting programs providing assistance with security and utility deposits
    - Consider creating a program providing additional assistance with security and utility deposits
  - Housing Market: Home prices are rising in Urbana. This can be an impediment because not all homeowners can afford to live where they choose.
    - Study the housing market to find out if the supply of affordable housing is meeting the demand
    - Investigate new financing options to close the gap between what is affordable to low and moderate income residents and market value of homes
    - Investigate ways to encourage and increase mixed-income housing developments
  - Housing Discrimination Complaint Process: The process to file a complaint at the state and local levels is extremely slow and emotionally demanding.
    - Conduct testing to see if there are problems with discrimination in the housing market.
    - Educate non-profit agencies on local programs offering assistance to people going through the complaint process
    - Increase education of fair housing laws and the human rights ordinance for people working in the housing market and potential homebuyers and renters.
    - Encourage the Urbana Human Rights Commission to review the process for submitting a discrimination complaint under local ordinance to find ways to shorten the length of time it takes to process a complaint without impacting the quality of the decision-making process

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- o Investigate other means for deciding where a family sends their children to school
  - Lack of Affordable Housing: The affordable housing needs of the community have not been determined
    - o Study the supply and demand for affordable housing
    - o Encourage CHDOs to leverage funds and become more like private developers
    - o Encourage creation of more CHDOs or non-profit housing groups
    - o Investigate ways to encourage affordable housing using tax credits or an affordable housing trust fund to finance affordable housing for extremely low-income households
    - o Help build the capacity of CHDO's to develop affordable multi-family housing to address the housing needs of extremely low-income households.
  - Tax Rates: Tax rates may impact the affordability of housing in Urbana because it increases the cost of owning a home.
    - o Investigate how tax rates may impact housing affordability
    - o Encourage programs such as *Build Urbana* which give owners of newly constructed homes rebates on the difference in property taxes between Urbana and the City of Champaign
    - o Increase awareness of programs such as *Build Urbana*.

Table 3-6 Change in Median Rent and Home Value

|                      | 1980   | 1990   | 2000   |
|----------------------|--------|--------|--------|
| Median Contract Rent | 202    | 340    | 537    |
| Median Home Value    | 50,600 | 69,000 | 89,300 |

3. Public and Subsidized Housing:

The Housing Authority of Champaign County owns and rents both elderly and family apartments in Urbana. These housing units include Steer Place, Lakeside Terrace, and Dunbar Court. Dunbar Court, which is located in northeast Urbana and in CT53, was built in 1950. According to HACC staff, there have been no significant physical and/or structural improvements, with the exception of Americans With Disabilities Act (ADA) changes, since that time. It was noted in the 1991 AI that the Housing Authority Comprehensive Plan for Modernization stated “four of five public housing complexes for families in Champaign County are over 35 years old and are an extreme burden on the PHA’s resources because of age and wear and tear.”

Recently, the HACC constructed a tax credit housing site in Champaign, but no further changes have been made to the units in Urbana. According the HACC PHA Plans: 5-Year Plan for FY 2003-2007, Annual Plan for FY2003 there are plans to demolish Lakeside Terrace in FY2003 and 99 units would be affected. The Plan states that the redevelopment plan will be consistent with the City’s Consolidated Plan. The Urbana HOME Consortium and City of Urbana Consolidated Plan for Program Years 2000-2004 strategy 5D states:

“If redevelopment of Lakeside Terrace and Dunbar Court is possible without a significant reduction in the total number of permanent, subsidized housing units affordable to the lowest income families with children in the community, the City of Urbana will work with the Housing Authority of Champaign County to develop a HOPE VI application for the redevelopment of Lakeside Terrace and Dunbar Court to create a mixture of public housing, rental or homeownership units and residents representing a mix of incomes. The City will assist in developing a plan which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to replace the demolished units with a combination of new on-site units, scattered-site units and Section 8 rent subsidies. Although Section 8 vouchers or certificates may be used to relocate households living at these complexes at the time of redevelopment, at least 80% of demolished units will be replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children, irrespective of their income.”

Demographically, Steer Place is predominantly Caucasian and is located in CT57. Dunbar Court, predominantly African American, is located in CT53 and Lakeside Terrace, also predominantly African American is also located in CT54. The following is a table of the capacity and recent occupancy percentages.

Table 3-7 Public Housing Capacity and Occupancy Rates

| Public Housing Units | Year Established | Total # of units – 1991 | Total # of units - 2002 | Occupancy as of 5/31/02 |
|----------------------|------------------|-------------------------|-------------------------|-------------------------|
| Steer Place          | 1971             | 104                     | 104                     | 87%                     |
| Lakeside Terrace     | 1951             | 99                      | 99                      | 77%                     |
| Dunbar Court         | 1950             | 24                      | 25                      | 88%                     |



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It is important to note that at Lakeside Terrace, the units are primarily single female-headed households with a large number of children under the age of 18. The same is true for Dunbar Court. At Steer Place, the units are mostly occupied by female senior residents. All residents at these units receive some form of public housing assistance.

In addition to public housing, Section 8 vouchers are distributed by the HACC. Current data from HACC shows that 397 families receive Section 8 vouchers in Urbana to date. Of these recipients 89% are female, head of household, and 75% are African American. In Urbana, the Homestead Corporation for Affordable Single Family Rental Housing Program, a Community Housing Development Organization (CHDO), openly markets rental housing to persons with Section 8 vouchers. Homestead has a total of six houses in Urbana and three in Champaign. The Urban League of Champaign County also rents housing to persons with Section 8 vouchers on a lease to purchase program. The City of Urbana's Annual Action Plan provides for limited continued funding through fiscal year 2003-2004.

In order to assess the performance of PHAs, HUD requires PHAs to submit data to HUD's Real Estate Assessment Center (REAC) for scoring purposes. HUD scores PHAs on four criteria: physical, financial, management operations, and a customer survey. There is an overall PHAS score that is issued based on those four factors for each PHAS. There are four designations a PHA can be assessed: a high performer, standard performer, overall troubled, or troubled in one area. According to HACC's profile they initially received a designation of troubled performer. HACC has been reevaluated as a standard performer.

#### 4. Housing Need

The Housing Authority of Champaign County (HACC) administers the Section 8 Voucher Program and Rental Assistance Program for the Champaign-Urbana area. According to the HACC PHA Plans: 5 Year Plan for FY 2003-2007, Annual Plan for FY 2003, the Section 8 Voucher Program waiting list was closed, but the waiting list reopened July 2003 and approximately 1,300 people applied. Prior to the reopening of the Section 8 waiting list, the Section 8 list had 125 extremely low-income people waiting for assistance. The waiting list for public housing is currently open and has 190 people on it. The waiting lists are one indicator of the need for affordable housing in the Champaign-Urbana area. There are at least 1,300 families in need of affordable housing in the area. The reopening of the Section 8 list demonstrates that there is probably a greater need for assistance in the area. These lists only provide one indicator or gauge of the need for affordable housing in the area. The lists do not take into account people who were turned away because the list was closed or those who could not wait to get through the process, which can take months to have a background check completed.

Three agencies report that they receive and process complaints about housing in Urbana: the Champaign-Urbana Tenant Union, the Urbana Human Relations Division, and the Building Safety Division.

**A. Champaign-Urbana Tenant Union**

The Champaign-Urbana Tenant Union (CUTU) refers discrimination complaints to the appropriate agency - the Urbana Human Relations Commission, the Champaign Community Relations Office, or the Illinois Human Rights Commission and/or HUD. In addition to these referrals, the Tenant Union accepts complaints of discrimination and attempts resolution, when possible. According to CUTU Director, Esther Patt, if the agency cannot resolve a complaint, the time period for government agencies to resolve a complaint through the hearing process is at least one year or longer. The Charge Process at a Glance for the State of Illinois Department of Human Rights effectively illustrates how difficult and time consuming the process can be (see appendix page 83 for the Charge Process at a Glance). This discourages people from pursuing their complaints through government agencies.

In 2001 and 2002, the number of complaints have steadily decreased. The usual range is 30 to 50 complaints. In 2002, there was one Urbana complaint filed with the CUTU. Out of all the complaints filed with the CUTU, 85.7% allege discrimination on the basis of race and familial status. (See Appendix page 78 for detailed charts from previous years).

Table 4-1

| <b>Allegations of Discrimination Reported to CUTU</b> |  |                  |               |                    |              |
|---|--|------------------|---------------|--------------------|--------------|
| <b>2002</b>   |  |                  |               |                    |              |
|   |  | <b>Champaign</b> | <b>Urbana</b> | <b>Rantoul</b>     | <b>Total</b> |
| Race  |  | 2                | 1             | 0                  | 3            |
| Familial Status                                       |  | 3                | 0             | 0                  | 3            |
| Sexual Harrassment                                    |  | 0                | 0             | 0                  | 0            |
| Disability  |  | 0                | 0             | 0                  | 0            |
| Ancestry  |  | 0                | 0             | 0                  | 0            |
| Marital Status  |  | 1                | 0             | 0                  | 1            |
| Arrest/Conviction                                     |  | 0                | 0             | 0                  | 0            |
|   |  |                  |               |                    |              |
| <b>Total:</b>   |  | <b>6</b>         | <b>1</b>      | <b>0</b>           | <b>7</b>     |
| Race and Familial Status account for:                 |  |                  | 85.7%         | of all allegations |              |

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human service agents is that there is not enough housing stock in Urbana, especially affordable housing development. Jim Rose, the Executive Director of the Homestead Corporation, believed there are widespread misconceptions about affordable housing. “Affordable housing doesn’t mean cheap housing,” said Rose, “it is affordable for those living in it.”

Human and social service agents note that their participants and consumers receiving disability benefits and/or Section 8 vouchers are not able to afford rents higher than HUD’s Fair Market Rent, and there are very long waiting lists at the HACC. Members of the Champaign County Apartment Association report that the rental value of Urbana apartments is often driven up by the student population whose parents and student loans will pay their rent.

In addition to the practical issues raised by social service and housing advocates, many interviewed discussed the lack of knowledge and awareness of housing laws, which make it illegal to discriminate. For instance, staff at the Men’s SAFE House noted that “prior arrest record” is the primary reason for denial of rental space to persons graduating from the program. SAFE House residents were not aware of the Urbana Human Rights Ordinance, which includes prior arrest record and conviction as a protected class. Similarly, many women at A Woman’s Fund (AWF) are also not aware of protection under family status. However, even in the event that a woman with children may be protected, the need to find safe housing immediately far outweighs the length of time that it will take to file and go through with a complaint. Thus, in the case of women and domestic violence, filing a complaint is not high on the priority list. AWF staff note that “most women end up doing nothing and moving on, and sometimes they return to their abusers in the failure to find adequate housing.”

Staff at Persons Assuming Control of their Environment (PACE), which is a center for independent living, maintain a list of local housing landlords and apartments that are visitor-friendly to persons with disabilities. This serves as a guide for persons with disabilities who may need assistance finding apartments. However, it is often the case that apartment buildings have stairs and no ramp to enter the building. Even when the units might be accessible or adaptable, the inability to reasonably enter the building, in addition to the costs they will incur with the placement and removal of accommodations (at their expense), is a significant barrier to persons with disabilities.

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- *Encourage agencies such as the Champaign-Urbana Tenant Union and the Urbana Human Relations Commission to provide more brochures and packets of information in many languages to increase awareness of housing laws and rights.*
  - *Working with organizations such as the East Central Illinois Refugee Mutual Assistance Center to have interpreters to make sure tenants are fully aware of what is expected of them under their lease agreement and offer landlords a resource for communicating with their tenants.*
  - *Encourage organizations working with multi-cultural groups to act as a liaison for education of fair housing rights to people speaking another language and aiding in the translation of materials*
  - *Grants Management Division should coordinate with the Human Rights Commission to work with among groups, such as landlords, tenants and prospective homebuyers to educate on fair housing laws.*
  - *Currently there is a group forming to study issues facing migrant farm workers, such as language barriers leading to problems with housing and employment. The study should be reviewed to address fair housing issues facing this growing population.*

## **B. COMMUNITY DEVELOPMENT TARGET AREA:**

**The target area was created to focus the City's investment of entitlement money into areas of the greatest need. Focusing funds on a specific area may preclude an otherwise qualified citizen who lives outside the Target Area from access to aid. This can be an impediment because if a homeowner outside the Target Area cannot afford to make improvements to their home without some form of assistance they may be forced to find other living arrangements.**

### ***Recommendation:***

- *Consider redefining current Community Development Target Area. The City may at a future date undertake this endeavor.*

## **C. PUBLIC HOUSING:**

**For two years, the HACC did not add people to their waiting list for Section 8 vouchers. This lack of timely utilization adversely affected many groups, primarily women and children and persons with disabilities, to the extent that they have sought to find housing elsewhere. July 2003 the Section 8 wait list was reopened and 1,300 people applied.** Many holding Section 8 vouchers and Social Security Disability Insurance are not able to afford higher rents paid by university and college students.

### ***Recommendations:***

- *Investigate reasons no one was added to the Section 8 waiting list. Find ways to ensure the existing vouchers made available to the HACC are fully utilized.*

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- *Research ways to reduce the time for the application process (e.g. it can take 3 to 4 months to have a criminal background check done).*
  - ~~*Encouraging the HACCC program allowing Section 8 voucher holders to use their vouchers towards a mortgage payment. This may help alleviate the problems associated with the high rents in the area.*~~
  - *Investigate ways to address the unbalanced spatial distribution of affordable housing in the community*

#### **D. RENTAL MARKET:**

**The student population impacts the rental market in Urbana. 2000 Census data indicates that Urbana is a predominately renter-occupied community with 63% renters. Over half the households in Urbana are non-family households meaning persons not married to each other. Since 1990, the median gross rent has increased 30%. Escalating rents in the area are an impediment to low and moderate-income populations because they cannot afford to live where they choose.**

#### ***Recommendations:***

- *Study the housing market to find out if the supply of affordable housing is meeting the demand.*
- *Continue to invest HOME funds to create new affordable housing developments.*
- ~~*Encourage the HACCC program to allow Section 8 voucher holders to use their vouchers towards a mortgage payment. This may help reduce the number of people in the rental housing market, thus making units available for other people.*~~
- *Consider supporting programs providing assistance with security and utility deposits.*
- *Consider creating a program to provide additional assistance with security and utility deposits*

#### **E. HOUSING MARKET:**

**Between 1990 and 2000, the median value of owner-occupied homes has increased almost 30%. The increasing home prices are an impediment to low and moderate-income populations because they cannot afford to live where they choose. The increase in home price can take homes out of the affordability range for low and moderate-income people.**

#### ***Recommendations:***

- *Study the housing market to find out if the supply of affordable housing is meeting the demand.*
- *Investigate new financing options to close the gap between what is affordable to low and moderate income people and the market value of homes in the community*
- *Investigate ways to encourage and increase mixed-income housing development. This can be done through different initiatives. Some ways this can be done are to:*

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- Offer density bonuses for creating a certain number of affordable units in new developments
  - Encourage the use of tax credits or other incentives to get affordable housing in new subdivisions.
  - Investigate a system that would allow affordable housing projects to qualify for waivers from local development fees.

## **F. HOUSING DISCRIMINATION COMPLAINT PROCESS:**

**Since 2001, the number of cases filed with the CUTU have significantly declined. National data from the 2002 Fair Housing Trend Report show that housing enforcement agencies represent only about one percent of the annual estimated incidences of housing discrimination. The process to file a complaint at the state and local level is extremely slow and emotionally demanding. Often the time-consuming process forces people to look for housing elsewhere instead of pursuing the fair housing complaint.**

### ***Recommendations:***

- Consider testing to find out if there are any discriminatory rental practices used in the community.
- Educate the public and not-for-profit agencies in the area on programs to help people through the complaint process such as special emergency assistance programs and other services available
- Increase education of landlords on fair housing laws and the Urbana Human Rights Ordinance to ensure they are informed on local and federal housing laws that prohibit housing discrimination to protected class members.
- Educate potential tenants and potential homebuyers on their rights under federal and local laws.
- Encourage the Urbana Human Rights Commission to review the process for submitting a discrimination complaint under local ordinance to find ways to shorten the length of time it takes to process a complaint without impacting the quality of the decision-making process.

## **G. CITIZENS' GENERAL LACK OF KNOWLEDGE OF THE HUMAN RIGHTS ORDINANCE AND FAIR HOUSING LAWS:**

**The Urbana Human Rights Ordinance is the most comprehensive in the area. However, due to the rate of residential turnover in the community many people are unaware that it exists. More public awareness of the ordinance is needed.**

### ***Recommendations:***

- More advertising for educational programs and possibly creating a television production on fair housing that could be aired on Urbana Public Television (UPTV).

**potential to limit fair housing choice because realtors and lenders may be instituting practices that are discriminatory without realizing it.**

***Recommendations:***

- *Identify opportunities for training related to fair housing*
- *There is a lack of data pertaining to the issue of steering potential homebuyers towards or away from certain areas. Periodically conduct testing to ensure that prospective homebuyers are not being intentionally steered away from these racially distinctive areas.*

**M. EDUCATIONAL OPPORTUNITIES:**

**In Urbana, where a person lives determines where their children will go to school. This impedes fair housing choice because someone may not be able to afford to live in a neighborhood with the best schools. Due to the fact that certain neighborhoods attend specific schools this can also be used as a tool for steering people away from an area. For example, a realtor could tell a prospective buyer to stay away from areas assigned to a lower performing school, but the real reason is because there is a high concentration of minorities represented at that school.**

***Recommendations:***

- *Encourage cooperation between the Urbana School District and area resource centers to work with families to encourage informal learning opportunities outside the school.*
- *Investigate other means for deciding where a family sends their children to school*
- *Educate realtors to ensure they are aware that subtle forms of discrimination are violations of fair housing laws.*

**N. LACK OF AFFORDABLE HOUSING:**

**Presently, there are two CHDOs and a few not-for-profit housing organizations advocating and providing affordable and single room occupancy housing in Urbana. The affordable housing needs of the community have not been assessed.**

***Recommendations:***

- *Study the supply and demand of affordable housing in Urbana.*
- *Encourage CHDOs to leverage funds and become more like private developers.*
- *More CHDOs or non-profit housing groups should be created*
- *Investigate ways to encourage affordable housing using tax credits or an affordable housing trust fund to finance affordable housing for extremely low-income households*
- *Help build the capacity of CHDO's to develop affordable multi-family housing to address the housing needs of extremely low-income households.*