

CITY OF ROGERS, ARKANSAS

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING



City of Rogers

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-  City of Rogers Mayor and City Council
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-  Residents of Rogers
-  Non-Profit Housing Providers
-  City of Rogers Departments and Agencies
-  Rogers Chamber of Commerce
-  Homeless Providers and Continuum of Care
-  Arkansas Advisory Committee to U.S. Commission on Civil Rights
-  Legal Aid of Arkansas
-  Arkansas Enterprises for the Developmentally Disabled
-  HUD Region IV – Office of Fair Housing and Equal Opportunity, Fort Worth Texas

I. Executive Summary

The preparation of the Analysis of Impediments (AI) serves as a component of the City of Rogers's fulfillment of the requirements of the Housing and Community Development Act of 1974. The 1974 Act requires that any community receiving U.S. Department of Housing and Urban Development Federal Entitlement funding under the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and funding provided under the Public Housing Authorities' public and assisted housing programs must certify that their jurisdiction is "affirmatively furthering fair housing choice."

The 1974 requirement is based on the Federal Fair Housing Act adopted by the U.S. Congress and signed into law by President Lyndon B. Johnson in 1968. The Federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, gender, disability, familial status, or national origin. Persons protected from discrimination by fair housing laws are referred to as "members of the protected classes." Protected class members under the Federal Fair Housing Act are protected "on the basis of race/ethnicity, color, religion, sex, disability, familial status, and national origin." In addition, the U.S. Department of Housing and Urban Development (HUD) issued a Final Rule on February 3, 2012 that prohibits entitlement communities, public housing authorities, and other recipients of federal housing resources from discriminating based on actual or perceived sexual orientation, gender identity, or marital status.

This Analysis of Impediments is a review of demographic data, metrics of discrimination and disparity, local regulations and administrative policies, procedures, and practices that affect the location, availability, and accessibility of housing. The AI also assesses the conditions where housing is located, both public and private, along with public policies and regulations that affect fair housing choice.

A city-wide analysis and discussion on the trends and issues relating to housing supported the development of the AI. The community engagement process sought

multiple perspectives including those of government agencies and departments, City of Rogers elected and appointed boards and commissions, fair housing advocates, social service agencies, housing developers, apartment owners, non-profit organizations, business, industry, civic and neighborhood associations, educational institutions, public and assisted housing residents, and the public.

Strategic planning sessions were held with staff appointed representatives of the City of Rogers Community Development Block Grant Office and other city department representatives with policy, regulatory, and program responsibilities that potentially impact housing, fair housing and neighborhood sustainability. The strategic planning sessions helped refine the AI work plan and to identify key issues and data for the analysis. Agencies, and others were invited to attend a public session on August 29, 2022 to discuss HUD available funding and Fair Housing. Supplemental input was encouraged from city departments, public officials, nonprofit and for-profit developers, continuum of care organizations, community, professionals and industry representatives to obtain information from those unable to attend the August session.

The combination of quantitative data analysis and qualitative research identified a series of factors that significantly contribute to fair housing issues in Rogers. These contributing factors were assigned one of three priority levels: high, medium, or low based on the strength of supporting evidence that initially identified the factor:

- High – factors that limit or deny fair housing choice or access to opportunity, as well as, other factors that are urgent or establish a foundation for future actions
- Medium – moderately urgent or building on prior actions
- Low – limited impact on fair housing issues

The contributing factors are organized into groups that align with the issues discussed in the AI: (B) (i) Segregation/Integration; (B) (ii) Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs); (B) (iii) Disparities in Access to Opportunity; (B)(iv) Disproportionate Housing Needs; (C) Publicly Supported Housing; (D) Disability and

Access; and (E) Fair Housing Enforcement, Outreach Capacity, and Resources. The City of Rogers programs, policies, procedures, waiting list, and regional influences have been reviewed and impediments identified are outlined in Section VI of this report. Section VI also includes recommendations and best practices to address identified impediments.

City of Rogers AI Conclusions

Assessment of characteristics affecting housing production, availability, and affordability were conducted, including the adequacy and effectiveness of housing programs designed, implemented, and operated by City of Rogers Community Development Block Grant Office (CDBGO). The AI assessed the extent to which the CDBGO is currently utilizing programs and funding to address impediments identified in the FY 2017 AI and previous Analysis of Impediments. The analysis also included a review of CDBGO programs, operating procedures, waiting list, tenant composition, and any regional impacts to fair housing. The CDBGO's programs policies and procedures were deemed consistent and in compliance with HUD requirements. There were no impediments identified in the review of CDA programs, policies and procedures. Conclusions of the review of these areas and recommendations of remedial actions are presented in Section VI of this report.

The Analysis of Impediments in Rogers revealed that the cost of new housing development and replacement housing is resulting in higher rental rates for Low-Moderate Income (LMI) persons. Other impediments include prohibitive cost of land, appraisal value after development that does not support financing, and de-concentration of race/ethnicity, poverty and lower income persons. Currently, some privately owned – federally subsidized housing developments need repair and replacement of marginal and obsolete units. Current market values for existing developments versus the land and development cost to build new replacement units makes the sale of existing units and development of comparable replacement units infeasible. The cost to modernize and update existing units are difficult due to limited federal funding and the cost for renovation being equivalent to the cost of new construction on current and alternative sites.

Resources to support expanding housing development and housing affordability is a major impediment. The City of Rogers has experienced tremendous growth in the past five years. The City must identify additional resources to enhance housing affordability, reduce cost of development, and address impediment which constrain new housing production and housing choice. While the City of Rogers is an Entitlement recipient of Community Development Block Grant, it is not designated as an Entitlement Jurisdiction for HOME Investment Partnership Funds. The city should evaluate applying for HOME funding from HUD to increase affordable housing development. Alternatively, Rogers also potentially could qualify for consortia HOME funding (funding operated as a regional fund by contiguous units of local governments with a binding agreement) with neighboring jurisdictions.

An important impediment for the City of Rogers's consideration is enacting a local Fair Housing Ordinance that is substantially equivalent to the Federal Fair Housing Act. The City of Rogers has not enacted substantially equivalent legislation to the Federal Fair Housing Act and does not provide substantially equivalent local enforcement, judicial or city review, and adjudication or penalties for those who violate Fair Housing Law. The City of Rogers provides for a designated Fair Housing Officer (CDBG Administrator) who receives complaints refers fair housing complaints to the HUD FHEO Regional Office in Fort Worth, Texas and Arkansas Fair Housing Commission for investigation and enforcement. The City Fair Housing Officer is responsible for providing public education, training, and outreach of fair housing rights and remedies in Rogers. A federal "substantially equivalent" fair housing ordinance is required to qualify for federal funding to support local enforcement, outreach, and education.

Also reviewed was private sector and industry support for fair housing law and compliance in real estate-related publications advertising the sale or rental of housing and advertising home improvements and remodeling opportunities directed toward persons in the greater Rogers area. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included FHEO statements and/or logos. Including these statements and logos can be a means of educating the

home seeking public that the purchase of property and financing for housing is available to all persons.

Analysis of the City of Rogers's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation submitted by the City of Rogers to HUD were reviewed. The City of Rogers Zoning Ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted. There were no impediments identified in the review of the City of Rogers programs, policies and procedures.

Remedial Actions for Identified Impediments - The major focus of the recommended remedial actions and goals are centered on creating partnerships, identifying new federal resources and leveraging private funding needed to enhance the City of Rogers's ability to increase the supply of affordable housing and its ability to better meet the needs of low-income and moderate-income households in the city. Other remedial actions are recommended as a means of reversing the negative and sometimes disparate impacts of market conditions and mortgage lending that adversely and disproportionately impact minorities and members of the protected classes under the Fair Housing Act. These include sub-prime lending, credit and collateral deficiencies impacting loan origination rates, poverty, unemployment, living wages and limited income.

Recommended remedial actions and goals were identified and prioritized with input from the public. The details of the identified goals and remedial actions are presented in Section VI of the report. Best practice examples are presented to demonstrate alternative ways other jurisdictions have successfully responded to similar impediments identified in their communities. However, the City of Rogers will need to evaluate the fiscal impact of implementing recommendations and the best practice program examples' potential for addressing impediments in Rogers. Recommendations, programs, and approaches will need to be customized for use in Rogers.

II. Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Rogers, Arkansas gathered from the 2020 Census estimates, 2016 - 2020 American Community Survey (ACS) 5 - Year estimates, and data available for Rogers. ESRI GIS mapping data has been incorporated in maps and other graphics. The following sections provide data and analysis summarizing the status of fair and affordable housing in Rogers:

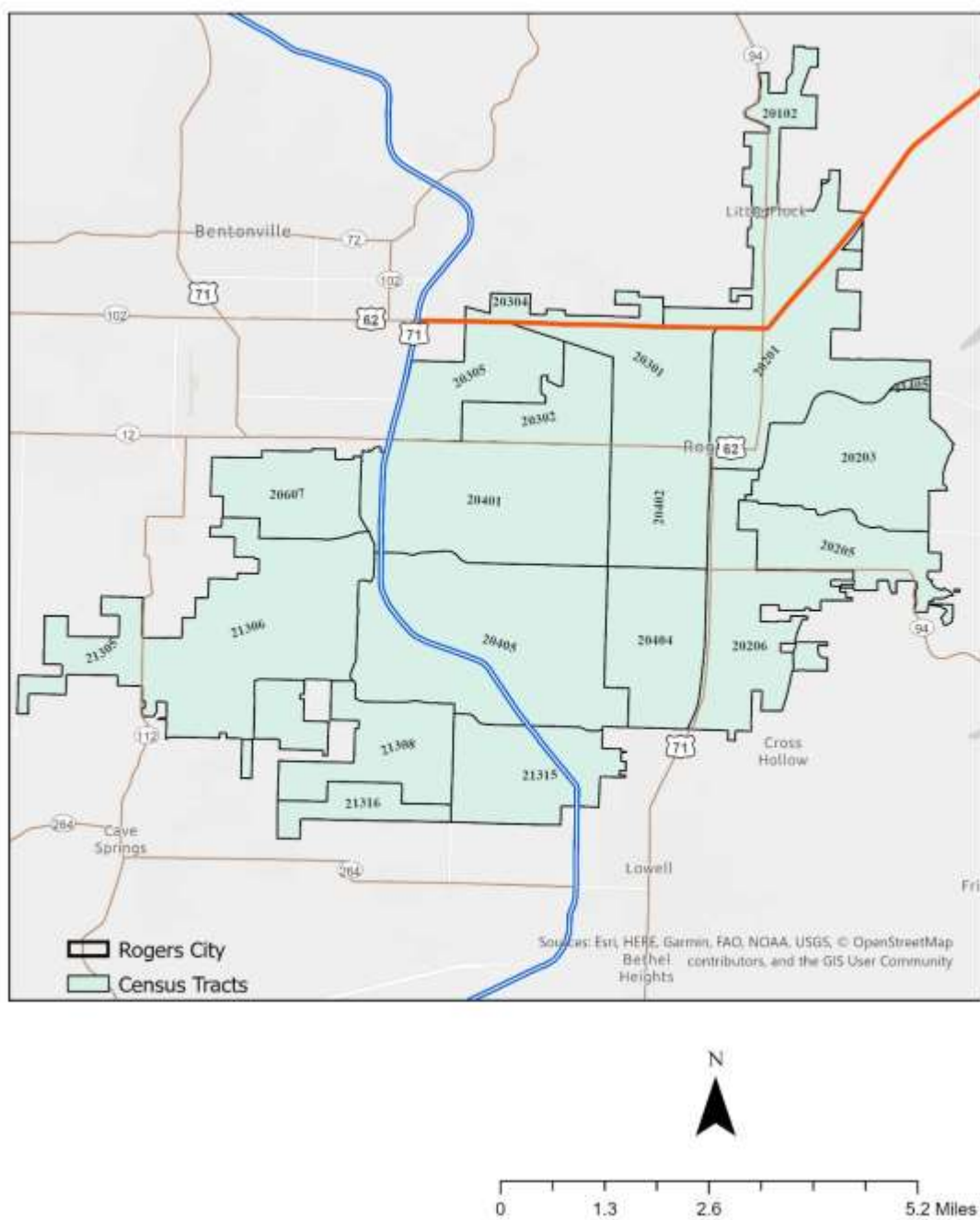
- Demographics - details the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines employment and unemployment rates, occupation trends, and major employers.
- Public Transportation - analyzes access and availability of public transit systems.
- Housing - examines data on housing stock, with particular attention to the age of housing, condition, vacancy rates, tenure, cost and cost burdens.

Detailed analyses concentrate on the three major ethnic groups in Rogers: White, African American, and Hispanics. All other ethnic groups are smaller in number and percentage and, therefore, data are not presented in as much detail in this report. The profiles include tables and maps as reference materials. Most data presented in the tables and maps are summarized in the text. There may be some cases where additional information was included in the maps and graphics for the reader's benefit, though not explicitly noted in the text.

2.1. Demographics

The demographic analysis of Rogers concentrates on the magnitude and composition of the population and changes that occurred between 2010 and 2020. Map 2.1, on the following page, provides a visual representation of Rogers.

Map 2.1 Rogers, Arkansas



Map 2.1: Source: ESRI, USA Minor Highways

According to the 2020 Census estimates, the total population of Rogers was 67,787. Table 2.1, below, shows that the total population of Rogers increased between 2010 and 2020. Rogers experienced an increase in the Black or African American population, increasing 346 percent between 2010 and 2020. The White population increased by 13 percent, and Hispanic population increased 38 percent between 2010 and 2020. Black or African Americans while reflecting a 346 percent increase from 2010 to 2020 remained only 0.17 percent of population. It should also be noted that Census Bureau does not recognize Hispanic as a race, but as an ethnicity. It is a common misidentification for ethnic Hispanics to choose the 'other' category on the Census for a race rather than White or African American. The population identified in the census as "Two or more races" increased by 220 percent between 2010 and 2020. On the following pages are a series of Maps 2.2 through 2.5 illustrating spatial

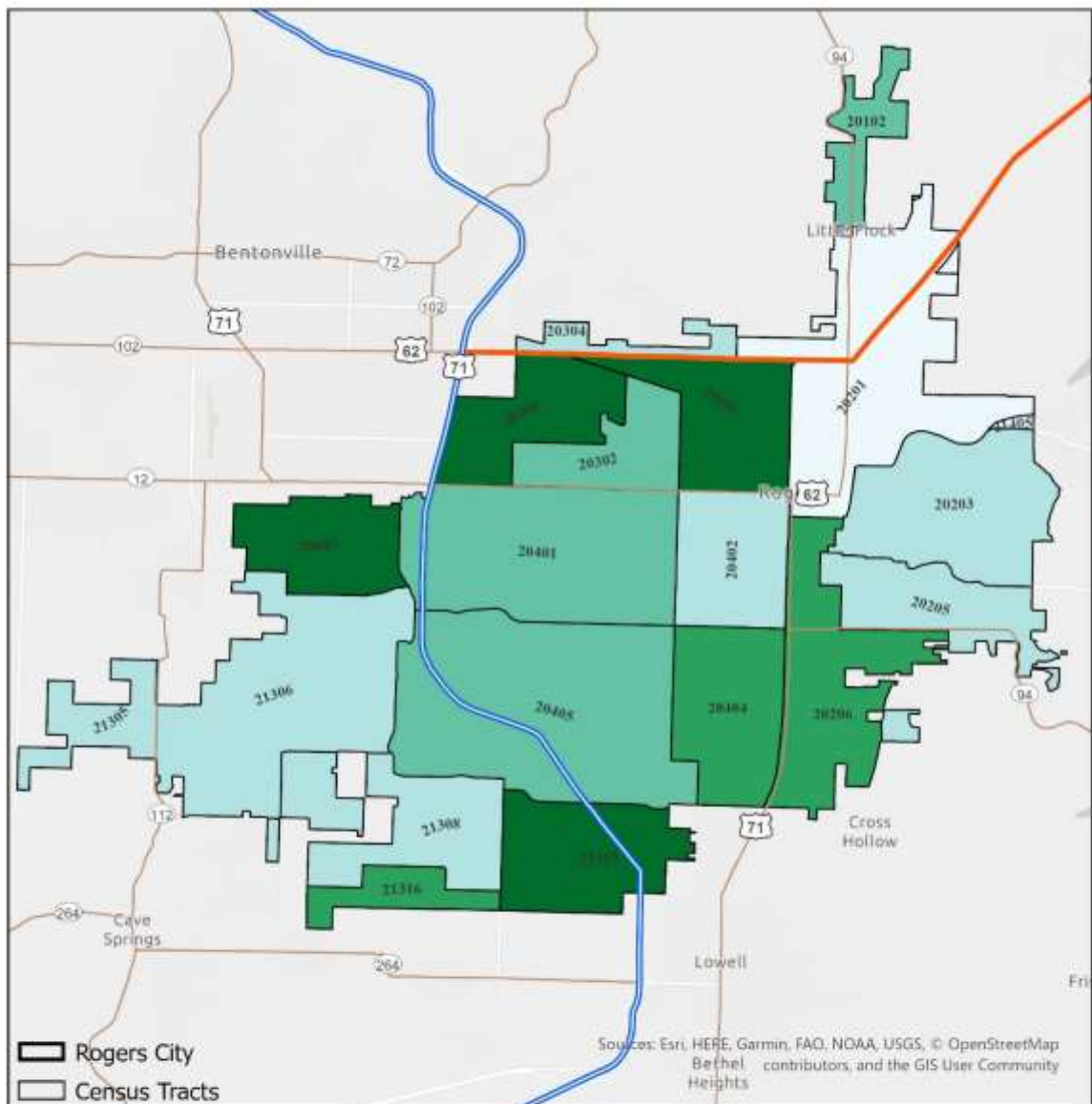
Table 2.1
Total population by race and ethnicity for Rogers, 2010 and 2020

	2010 Population	2020 Population	% Change
Total population	53,207	67,787	27%
White alone	34,065	38,582	13%
Black or African American alone	267	1,198	349%
American Indian and Alaska Native alone	513	329	-36%
Asian alone	1,114	1,658	49%
Native Hawaiian and Other Pacific Islander alone	10	946	9360%
Some other race alone	133	14	-89%
Two or more races	787	2,521	220%
Hispanic or Latino (of any race)	16,318	22,539	38%

Table 2.1 Source: 2010 - 2020 American Community Survey (ACS) – U.S. Census

concentrations of the various racial and ethnic groups within Rogers.

Map 2.2: Percent Black or African American



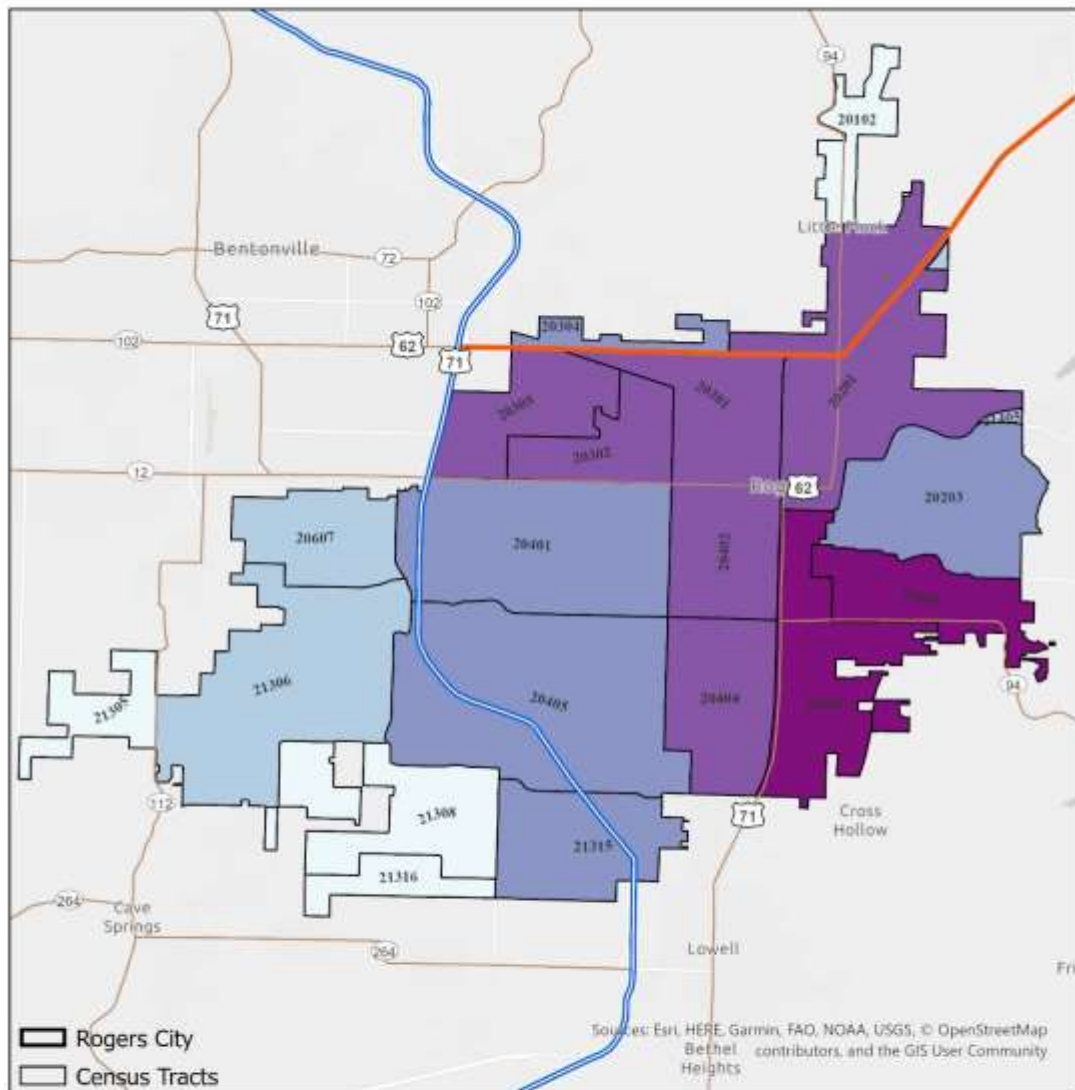
Rogers, Arkansas

Percent Black or African American

- ≤0.23%
- ≤0.66%
- ≤1.17%
- ≤1.97%
- ≤4.08%

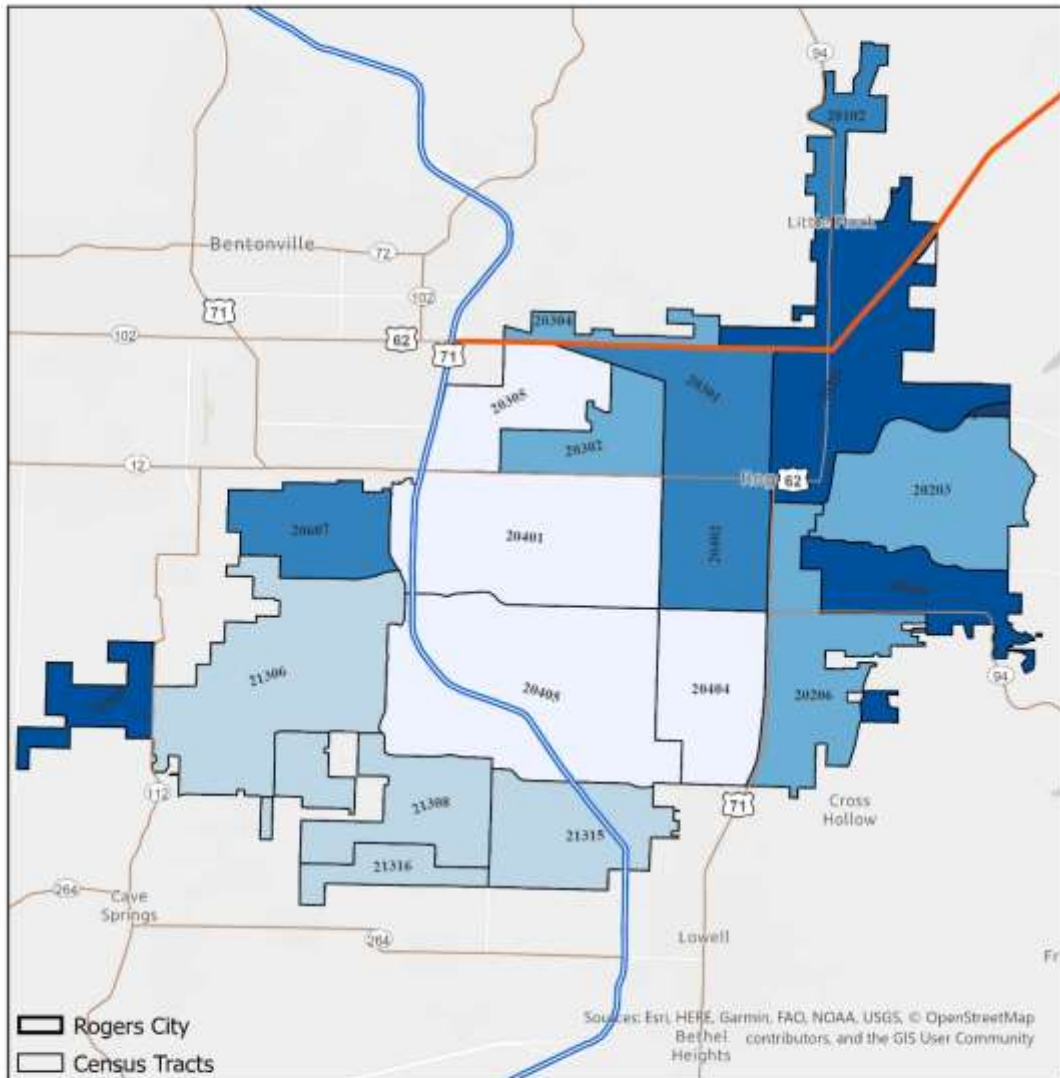
Map 2.2: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Map 2.3: Percent Hispanic



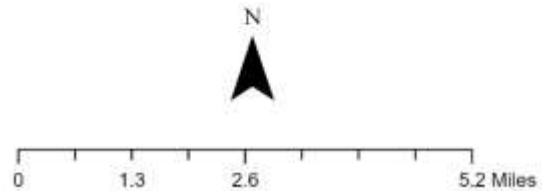
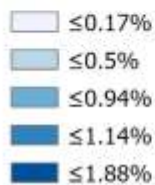
Map 2.3: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Map 2.4: American Indian and Alaskan Native



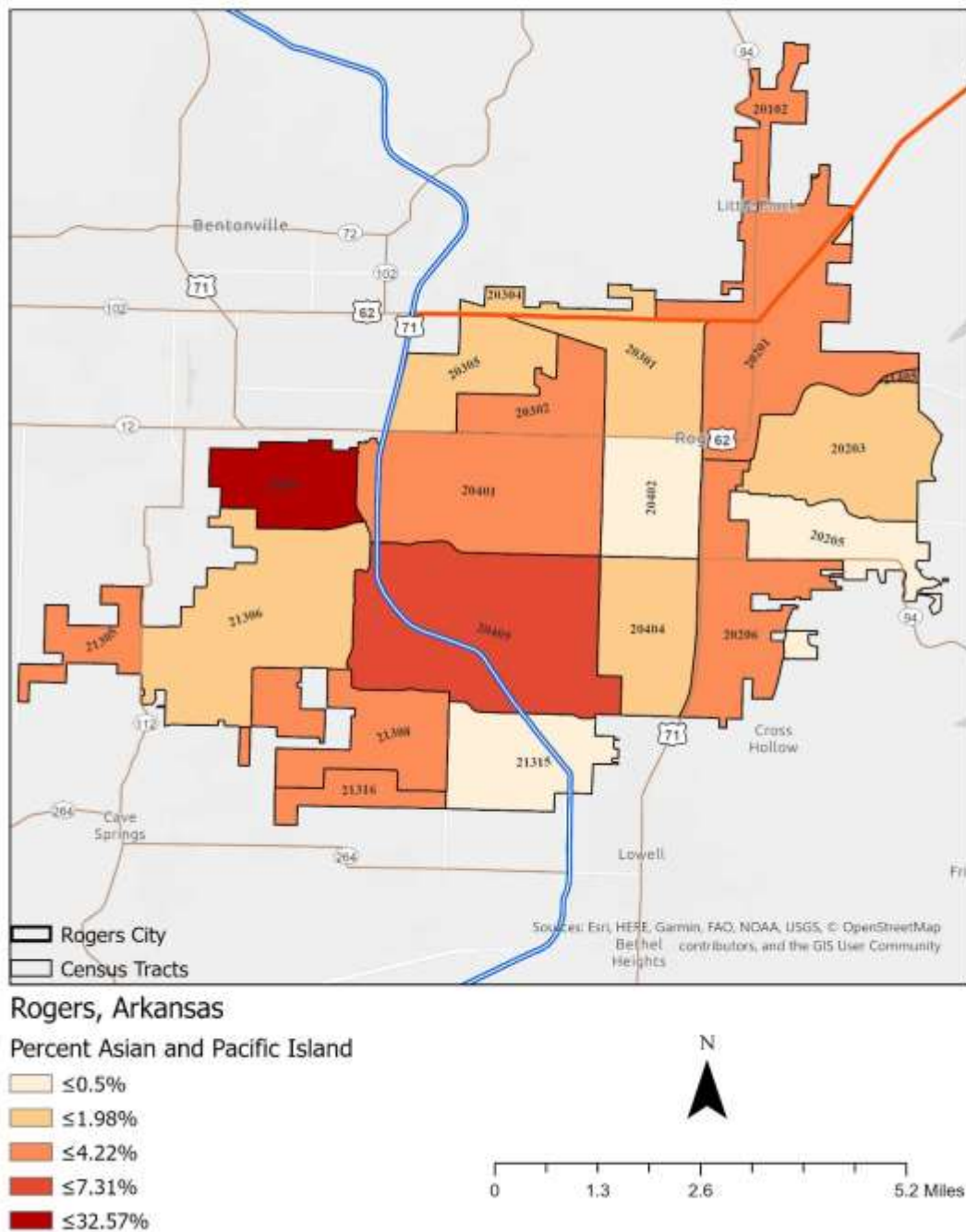
Rogers, Arkansas

Percent American Indian Alaskan Native



Map 2.4: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Map 2.5: Percent Asian and Pacific Island



Map 2.5: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Rogers's population increased between 2010 and 2020 and the City's population has increasingly become more racially and ethnically diverse. There are areas of the city with concentrations of minority populations and concentrated poverty, as represented in our analysis of Racial and Ethnic Concentrated Areas of Poverty (R/E CAP).

Female-headed households - In Rogers, like other communities, female-headed households and female-headed households with children face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of eighteen, sometimes correlate to increased incidents of reported rental property owners' refusal to rent to tenants with children. This factor is evident when comparing the demographics to fair housing complaint data. There are also higher incidents of female-headed households among African American households in Rogers. As shown in Table 2.2, on the following page, the percentage of female-headed households among White households in Rogers was 11 percent, compared to 26 percent among African American households, and 18 percent among Hispanic households. Only 24 percent of African American households were husband/wife family households, compared to 50 percent of White households and 61 percent of Hispanic households. The absence of two wage earners in a family can significantly impact housing choice and housing affordability.

Non-family households as a percentage of total households for all three of the major races/ethnicities were comparable, with Hispanic households lowest of the three. White non-family households made up 35 percent of all White households in Rogers. Non-Family households among African Americans accounted for 35 percent of all African American households. Non-family households accounted for 12 percent of all Hispanic households. Table 2.2, on the following page, shows the family structure of White, African American, and Hispanic households in 2020.

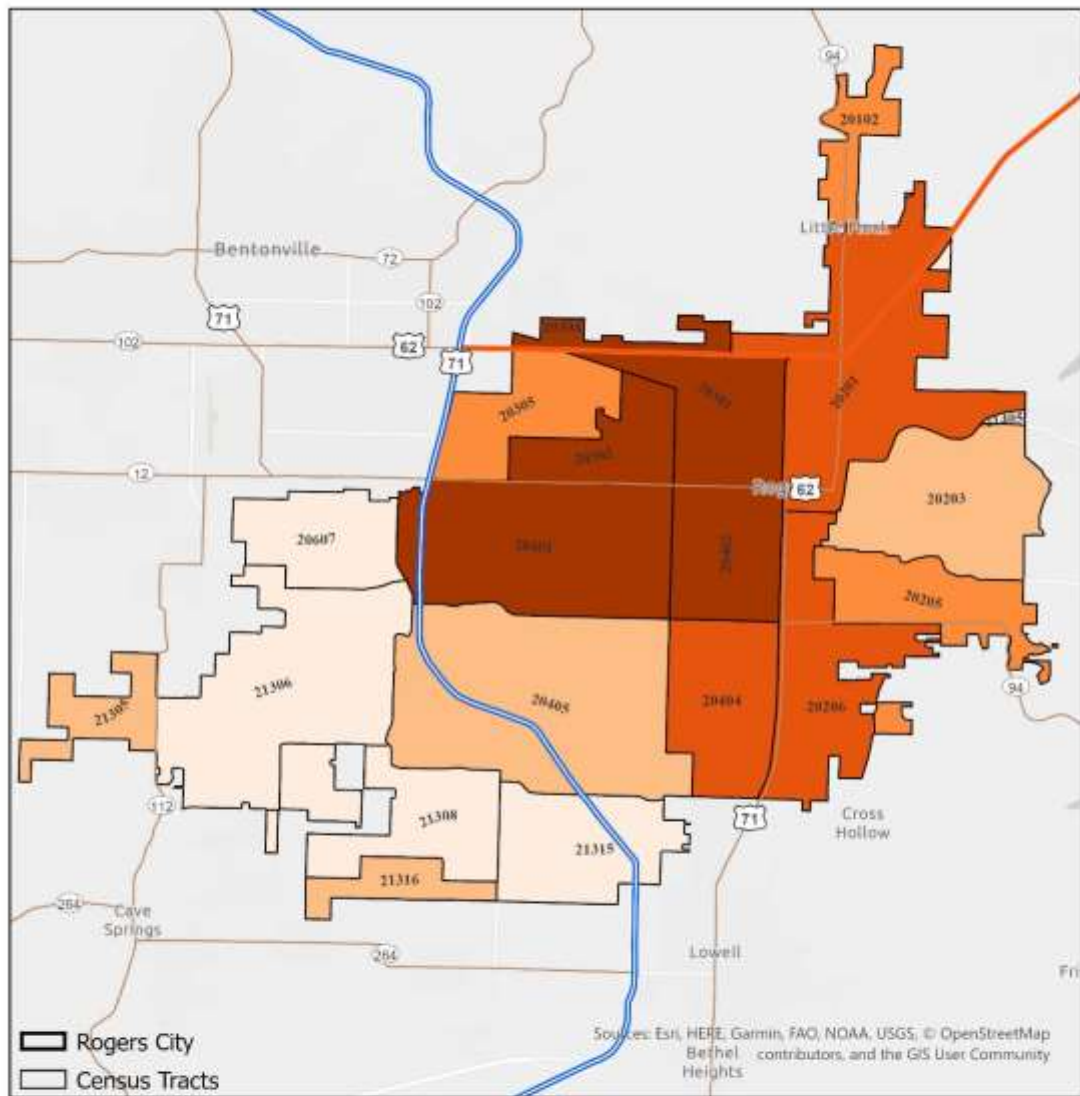
Table 2.2
Household Structure by Race for Rogers, 2016-2020 (5-Year Average)

	White		African American		Hispanic	
	# of	% of	# of	% of	# of	% of
Household Type	HH	HH	HH	HH	HH	HH
Family households:	10,405	65%	259	65%	5,545	88%
Married-couple family	8,060	50%	95	24%	3,870	61%
Other family:	2,345	15%	164	41%	1,675	26%
Male householder, no wife present	518	3%	62	16%	539	9%
Female householder, no husband	1,827	11%	102	26%	1,136	18%
Nonfamily households:	5,640	35%	139	35%	783	12%
Householder living alone	4,816	30%	112	28%	592	9%
Householder not living alone	824	5%	27	7%	191	3%
Total Households	16,045	100%	398	100%	6,328	100%

Table 2.2: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

The spatial distribution of female-headed households with children is shown in Map 2.6, on the following page.

Map 2.6: Percent Female Headed Household



Map 2.6: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

2.2. Income

Low-income households are statistically and historically more likely to be housed in less desirable housing stock and less desirable areas of Rogers than higher income households. Income plays an essential part in securing and maintaining housing that is safe, decent, and affordable. Lack of income for housing often prevents those LMI households from moving to areas where local amenities raise the value of the housing.

The data in Table 2.3 on the following page show the distribution of income-by-income classes among Whites, African American, and Hispanics. Overall, the income distribution data show a higher proportion of low-income households within the African American and Hispanic communities. In general, limitations on fair housing choices are more commonly found to affect housing decisions among low-income persons.

The data in Table 2.3 shows that the modal income classes (the income classes with the highest number of households) for Whites was the \$75,000 to \$99,999 modal income class, with 13 percent of Whites in this income range. The most frequently reported income for African American households were households earning more than \$200,000 with 44 percent of households. It should be noted African Americans household in this income range account for 174 or less than 1 percent of the total households in Rogers. The most frequent income for Hispanic households reported in the 2020 ACS data was the \$60,000 to \$74,999 range, with 15 percent of Hispanics households in this range.

According to the 2020 ACS estimates, the median household income was reported as \$70,586 for White households, \$83,068 for African American households, and \$55,391 for Hispanic households, compared to \$65,511 for Rogers households overall. Therefore, based on median income and household affordability based on paying no more than 30% of household income for housing means White households on average can afford to pay no more than \$1,764 monthly for housing compared to \$2,076 for African American, \$1,384 for Hispanic Households, and \$1,637 for all households in Rogers. Comparatively, the HUD HOME Fair Market Rent for Fayetteville-Springdale-Rogers in 2022 was \$1,229 for a three-bedroom unit. Map 2.7,

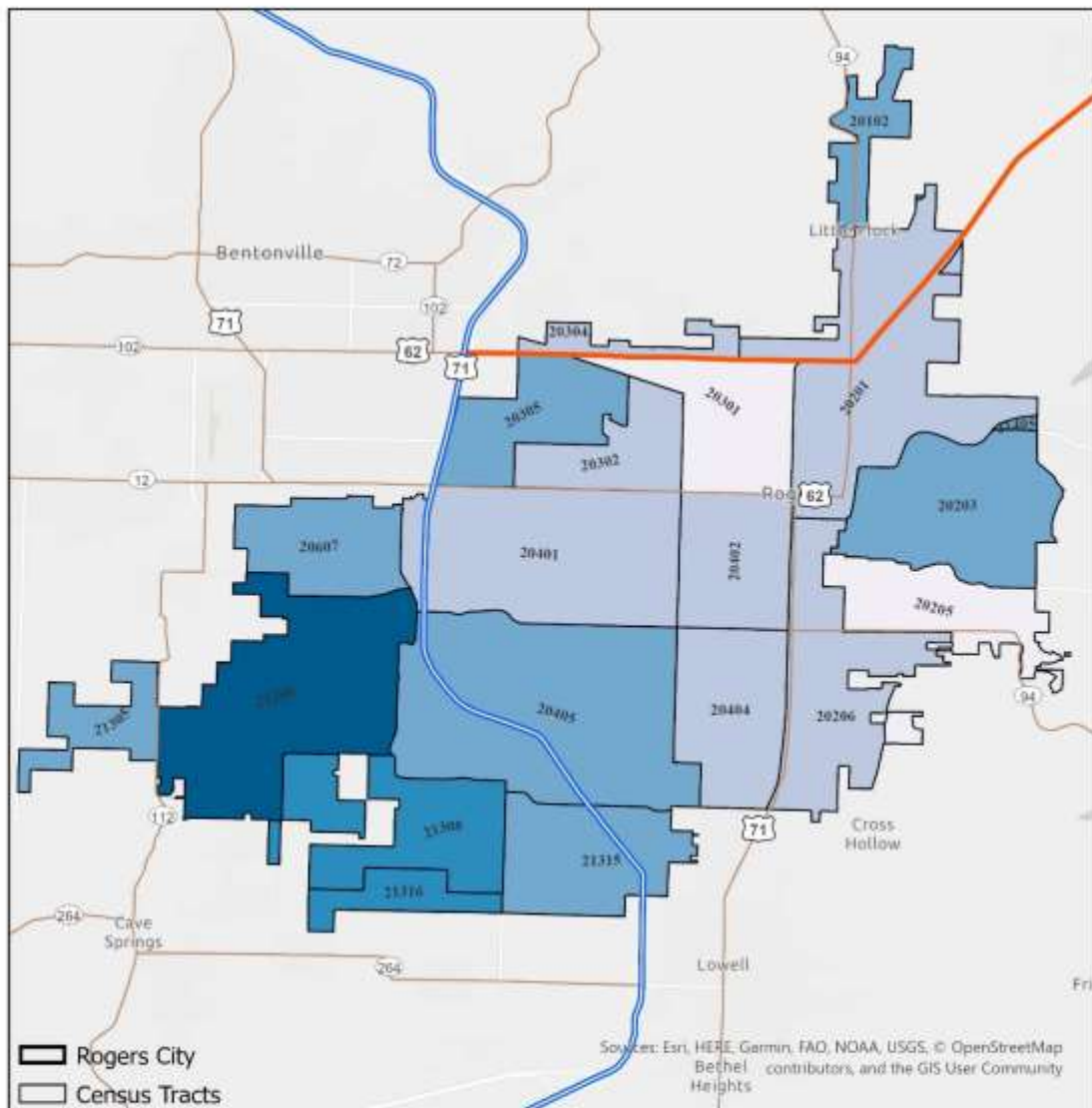
on page 21, shows the median household income by census tract in 2020. Again, there were disparities in median income among African Americans and Hispanics compared to the reported White Non-Hispanic household income.

Household income levels among Hispanics were disproportionately lower compared to Whites and citywide income levels. Household income levels for African Americans were higher than Whites and Hispanics, however the total amount of African American households were significantly smaller

Table 2.3
Households by race by income for Rogers, 2016-2020 (5-Year Average)

	White		African American		Hispanic		City Total	
	# of	% of	# of	% of	# of	% of	# of	% of
Household Type	HH	HH	HH	HH	HH	HH	HH	HH
Less than \$10,000	663	4%	14	4%	415	7%	2,869	10%
\$10,000 - \$14,999	776	5%	44	11%	77	1%	1,676	6%
\$15,000 - \$19,999	640	4%	13	3%	224	4%	1,880	7%
\$20,000 - \$24,999	632	4%	0	0%	282	4%	1,427	5%
\$25,000 - \$29,999	538	3%	35	9%	231	4%	2,112	7%
\$30,000 - \$34,999	667	4%	14	4%	329	5%	1,421	5%
\$35,000 - \$39,999	687	4%	0	0%	270	4%	1,654	6%
\$40,000 - \$44,999	545	3%	7	2%	369	6%	1,477	5%
\$45,000 - \$49,999	519	3%	0	0%	398	6%	1,212	4%
\$50,000 - \$59,999	1,196	7%	0	0%	846	13%	2,212	8%
\$60,000 - \$74,999	1,529	10%	18	5%	946	15%	2,622	9%
\$75,000 - \$99,999	2,130	13%	47	12%	872	14%	2,781	10%
\$100,000 - \$124,999	1,490	9%	0	0%	298	5%	2,080	7%
\$125,000 - \$149,999	1,064	7%	32	8%	278	4%	972	3%
\$150,000 - \$199,999	1,227	8%	0	0%	95	2%	1,017	4%
\$200,000 or more	1,742	11%	174	44%	398	6%	938	3%
Total	16,045	100%	398	100%	6,328	100%	28,350	100%
Median Household Income	\$70,586		\$83,068		\$55,391		\$65,511	

Map 2.7: Median Household Income



Rogers, Arkansas

Median Household Income

- ≤\$47,788.00
- ≤\$60,641.00
- ≤\$103,462.00
- ≤\$139,787.00
- ≤\$188,542.00

Map 2.7: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Table 2.4

Poverty Status by Race Rogers, 2016-2020 (5-Year Average)

	White Non-Hispanic		African American		Hispanic	
	# in	% in	# in	% in	# in	% in
Age Group	Poverty	Poverty	Poverty	Poverty	Poverty	Poverty
Under 6 years	368	1.0%	15	1.2%	503	2.2%
6 to 11 years	354	0.9%	0	0.0%	484	2.1%
12 to 17 years	274	0.7%	8	0.6%	268	1.2%
18 to 59 years	1,630	4.3%	65	5.2%	1,189	5.3%
60 to 74 years	417	1.1%	18	1.4%	242	1.1%
75 to 84 years	132	0.3%	0	0.0%	0	0.0%
85 years and over	137	0.4%	0	0.0%	0	0.0%
Total in Poverty	3,312	8.7%	106	8.4%	2,686	11.9%
Population	38,060		1,260		22,522	
MSA Poverty %	12.1%					

Table 2.4: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

The incidence of poverty was highest among Hispanics with 11.9 percent of the population in 2020, followed by whites with 8.7 and African Americans with 8.4 percent reported for the same period. In comparison, the poverty rate for Fayetteville-Springdale-Rogers Metropolitan Statistical Area (MSA) was 12.1 percent during the period.

Higher percentages of Hispanics lived in poverty, compared to Whites and African Americans.

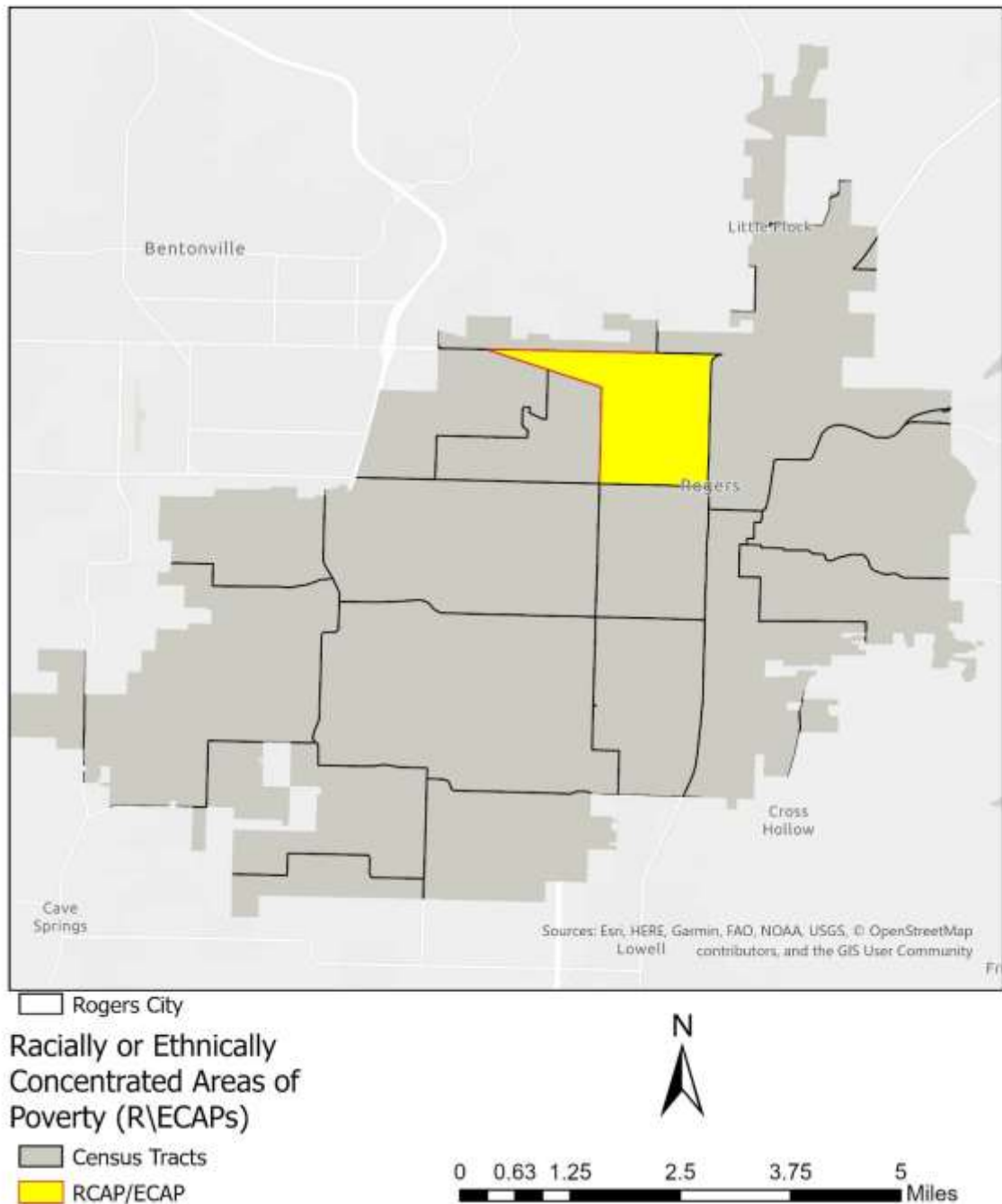
The poverty rate among Hispanics was 11.9 percent and 8.4 percent for African Americans compared to 8.7 percent for Whites in 2020.

Areas of Concentrated Poverty and Racial / Ethnic Concentration and Segregation (RCAP/ECAP)

The U. S. Department of HUD has defined “Areas of Poverty, Racial and Ethnic Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or higher minority population, three times or more the poverty level of the MSA, concentrated public and assisted housing, and areas generally lacking the necessary amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty levels less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas.” Opportunity Areas – areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. Map 2.8 on the following page depicts the census tracts with high concentrations of poverty and minorities.

The MSA poverty rate was 12.1 percent. Three times the poverty rate is 36.3 percent, thus making any census track with a poverty rate over 36.3 percent the threshold for the RCAP/ECAP criteria for Rogers. The map on 2.8 does not identify any census tracts meeting the RCAP/ECAP criteria in Rogers.

Map 2.8 Racially or Ethnically Concentrated Areas of Poverty (R\ECAPs)



Map 2.8 Source: American Community Survey (ACS), 2020; Decennial Census (2010); Brown Longitudinal Tract Database (LTDB) based on decennial census data, 1990, 2000 & 2010.

2.3. Employment

Employment opportunities in the area and educational levels of employees in the workforce significantly impact a resident's housing choices based on affordability and location. Limited educational attainment and job skills have severe impacts on a wage earner's ability to qualify for jobs paying living wages that are comparable to the growing cost of suitable and affordable housing. Table 2.5, below, provides occupation data, which indicates that there have been shifts in the distribution of occupations in 2010 and 2020. Transportation and warehousing, and utilities had the most significant increase during the period, up 144 percent, followed by Agriculture, forestry, fishing and hunting, and mining up 93 percent, and Professional, scientific, and management, and administrative and waste management services with an increase of 67 percent. Information reflected the only decrease of 72 percent.

Table 2.5

Occupation of employed persons for Rogers, 2010 and 2020

Industry	2010	2020	% Change
Agriculture, forestry, fishing and hunting, and mining	121	233	93%
Construction	2,197	2,728	24%
Manufacturing	4,405	6,437	46%
Wholesale trade	801	848	6%
Retail trade	5,938	6,862	16%
Transportation and warehousing, and utilities	720	1,755	144%
Information	521	146	-72%
Finance and insurance, and real estate and rental and leasing	1,098	1,484	35%
Professional, scientific, and management, and administrative and waste management services	1,997	3,339	67%
Educational services, and health care and social assistance	3,767	5,559	48%
Arts, entertainment, and recreation, and accommodation and food services	2,185	3,080	41%
Other services, except public administration	1,169	1,833	57%
Public administration	348	475	36%

Table 2.5: Source: 2020 American Community Survey (ACS) – U.S. Census

The data presented in Table 2.6 provides a portrait of the distribution of those unemployed. In 2020, 2.3 percent of White persons aged sixteen and over reported

being unemployed. Hispanics reported 1.1 percent persons unemployed and African Americans persons in the same age group did not report any person unemployed. Please note the significantly smaller African American population of 905 compared to the other race and ethnic groups. As a comparison, the citywide unemployment rate was 1.5 percent during the period.

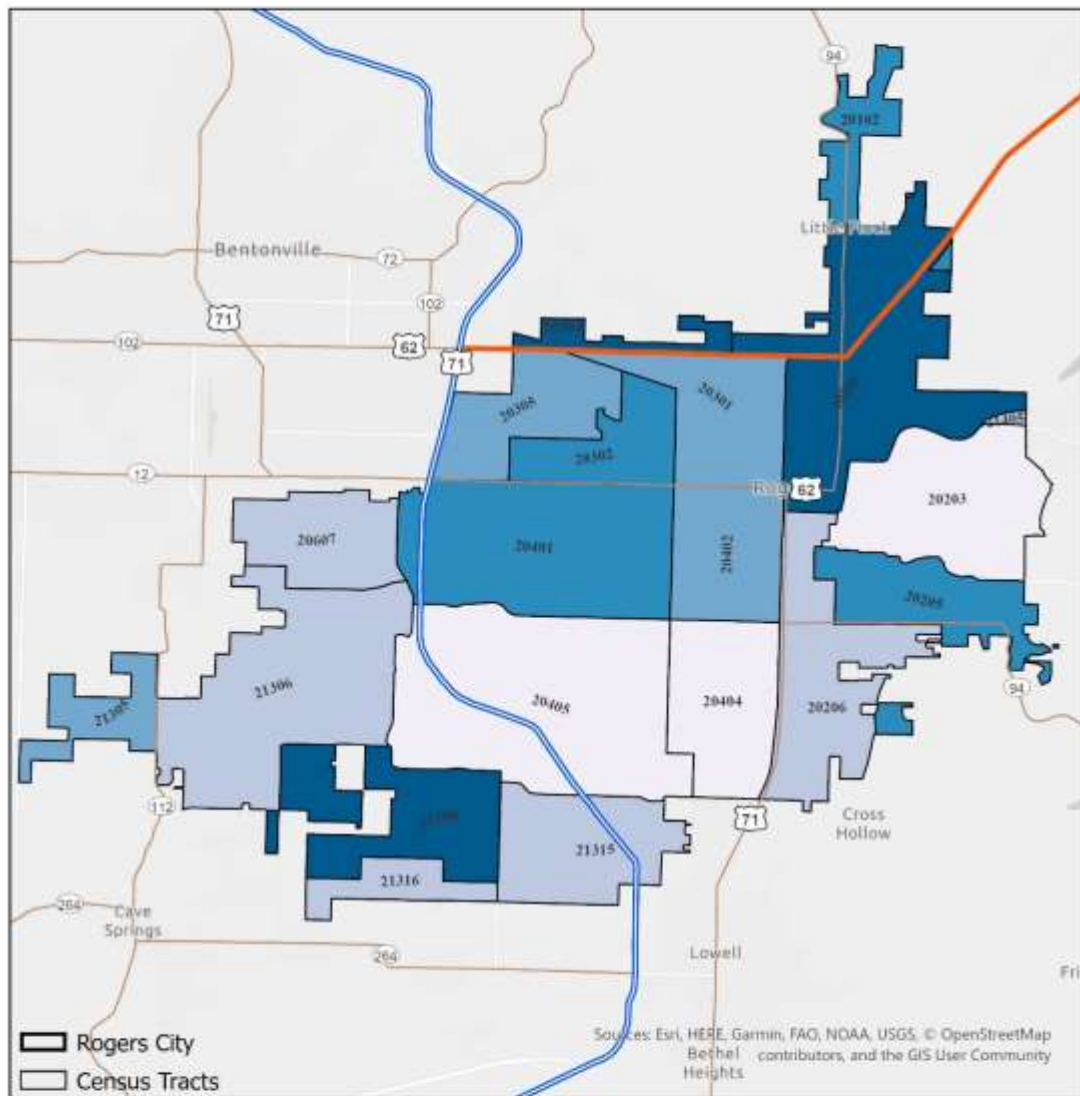
Table 2.6

Employment Status by race for Rogers, 2016-2020 (5-Year Average)

Employment Status	White Non- Hispanic		African American		Hispanic		Total Employment	
	#	%	#	%	#	%		
In Labor Force:	19,578	63.8%	657	72.6%	11,551	74.6%	35,568	69.7%
In Armed Forces	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Civilian	19,578	100.0%	657	100.0%	11,551	100.0%	35,568	100.0%
Employed	19,126	97.7%	657	100.0%	11,385	98.6%	34,779	97.8%
Unemployed	452	2.3%	0	0.0%	166	1.4%	789	1.5%
Not in Labor Force	5,758	18.8%	232	25.6%	3,251	21.0%	15,485	30.3%
Total	30,703	100%	905	100%	15,481	100%	51,053	100%

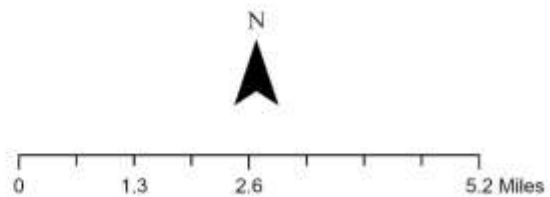
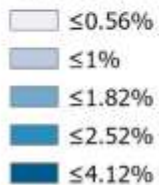
Table 2.6: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Map 2.9: Unemployment Rate



Rogers, Arkansas

Unemployment Rate



Map 2.9: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

According to the Arkansas Economic Development Commission, the major employers in the area with between 1000 – 2,499 employees include Rogers School District, Mercy Health System of Northwest Arkansas. Tyson Foods, Inc., Ozark Mountain Poultry, Inc., and Glad Products Company employ between 500 to 999 employees. Wal-Mart has a significant presence and impact on the Roger's economy, including vendors that support Wal-Mart.

The difference in income and unemployment rates between the three groups may often be attributable to limitations due to educational attainment. According to the 2020 ACS estimates, 7.2 percent of African Americans aged twenty-five and above reported less than a high school education compared to 5.4 percent of Whites and 5.4 percent of Hispanics in the same age group. As a comparison, the percentage of the population with less than a high school education in Rogers was 14.8 percent during the period. High school education attainment among Whites, African Americans and Hispanics was higher when compared to citywide high school education attainment. The analysis was inconclusive as to the probability that the percent of African Americans and Hispanics compared to total population is reflected in higher unemployment percentage of African Americans and Hispanics as a percent of total population. To further examine the impact of employment proximity relative to housing choice for low- and moderate-income persons, we analyzed the use and availability of public transportation. The availability of jobs to low-income persons is mostly dependent on the geographic location of the jobs. If jobs are concentrated in mostly upper-income areas, far removed from lower-income persons, their ability to get to and from work may be difficult, sometimes causing hardships on employees or potential employees.

Whites and Hispanics had generally lower unemployment rates, compared to unemployment rates citywide. African American report no unemployment for 2020, however the African American population is significantly small.

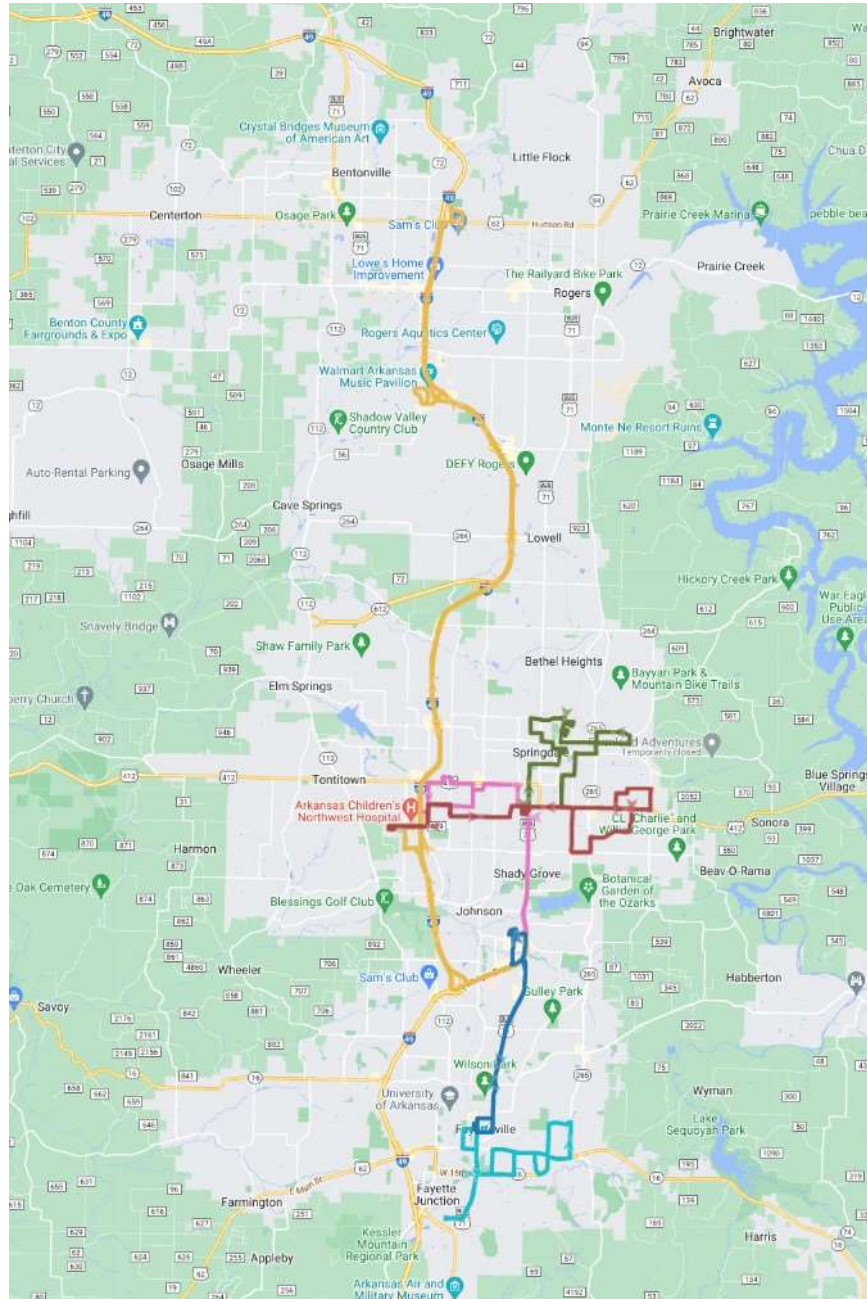
2.4. Public Transportation

Ozark Regional Transit Authority's Demand Response service is available to residents of Washington, Benton, and Madison counties. The purpose of Demand Response is to service those with disabilities who do not qualify for an ADA Paratransit ride and/or live more than 3/4ths of a mile from an Ozark Regional Transit fixed or commuter route.

Complementary Paratransit Service is provided to the following three general groups of persons with disabilities:

- Persons who have specific impairment-related conditions which make it impossible (not just difficult) to travel to or from the bus stop.
- Persons who need a wheelchair lift or ramp and a wheelchair lift-equipped vehicle/bus is unable to deploy its lift/ramp in a particular location due to physical constraints of that particular bus stop.
- Persons who are unable to board, ride, exit or otherwise navigate the fixed route bus system, even if they are able to get to a bus stop.

Map 2.10: Ozark Regional Transit Authority Bus Routes Map



Map 2.10 Ozark Regional Transit Authority

2.5. Housing

According to the 2020 American Community Survey, the total number of housing units in Rogers was 25,883 with 5 percent vacant units. As shown

in Table 2.7, to the right, there were 21,952 housing units in Rogers in 2010, increasing 18 percent between 2010 and 2020. Comparing tenure, homeowners occupied 54 percent of housing units, and renters occupied 41 percent. The remaining 5 percent or 1,375 housing units were vacant. The median housing value in Rogers was \$185,200, and the median contract rent was \$750 in 2020.

Table 2.7

Tenure for housing in Rogers, 2010 and 2020

Tenure	2010		2020	
	#	%	#	%
Owner- occupied	11,730	53%	13,927	54%
Renter-occupied	7,554	34%	10,581	41%
Vacant	2,668	12%	1,375	5%
Total:	21,952	100%	25,883	100%

Table 2.7: Source: 2010 Community Survey (ACS)

Table 2.8, to the right, shows that of all housing units, 67.9 percent were categorized as single-family detached, 7.3 percent as single-family attached, 7.8 percent contained two to four units, 15.3 percent classified as multifamily, and 1.6 percent as a mobile home or other.

Table 2.8

Housing Type for Rogers, 2016-2020 (5-Year Average)

Units in Structure	Number	Percent
Single-Family Detached	17,574	67.9%
Single-Family Attached	1,894	7.3%
2-4 units	2,030	7.8%
Multifamily	3,972	15.3%
Mobile Home or Other	413	1.6%
Total	25,883	100%

Table 2.8: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

An estimated sixty-seven percent of the housing stock in Rogers was single-family detached and more than half of housing stock in the city was owner-occupied in 2020.

Approximately seventy five percent of all housing units in the city were single-family when including single-family attached, and 54 percent were owner-occupied during that same period.

Approximately 21.6 percent of the housing stock in Rogers was built prior to 1979 and therefore may contain lead-based paint or need repairs and maintenance to remain viable housing options.

As shown on Table 2.9, over 41.6 percent of all housing units were built prior to 1990. These units may need significant repairs and maintenance. Approximately 21.2 percent were built prior to 1979 and may contain lead-based paint. The use of lead-based paint was prohibited in 1978 legislation. The housing stock in Rogers may not be as old when compared to other surrounding cities and cities of comparable size.

According to the 2020 ACS data shown in Table 2.10, the homeownership rate among Whites was 59 percent, compared to 52 percent among African Americans, and 54 percent among Hispanics.

Maps 2.11, and Map 2.12, indicate the distribution of single-family and multifamily housing across the city. Map 2.13 provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 2.14 and 2.15, provide a geographic depiction of the distribution of housing values and rents across the city.

Table 2.9

Age of Housing Stock in Rogers, 2020

Total housing units		25,883
Built 2015 or later	1,822	7.0%
Built 2010 to 2013	1,212	4.7%
Built 2000 to 2009	5,530	21.4%
Built 1990 to 1999	6,553	25.3%
Built 1980 to 1989	5,286	20.4%
Built 1970 to 1979	3,212	12.4%
Built 1960 to 1969	798	3.1%
Built 1950 to 1959	715	2.8%
Built 1940 to 1949	205	0.8%
Built 1939 or earlier	550	2.1%

Table 2.9: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Table 2.10

Tenure by Race in Rogers, 2016-2020 (5-Year Average)

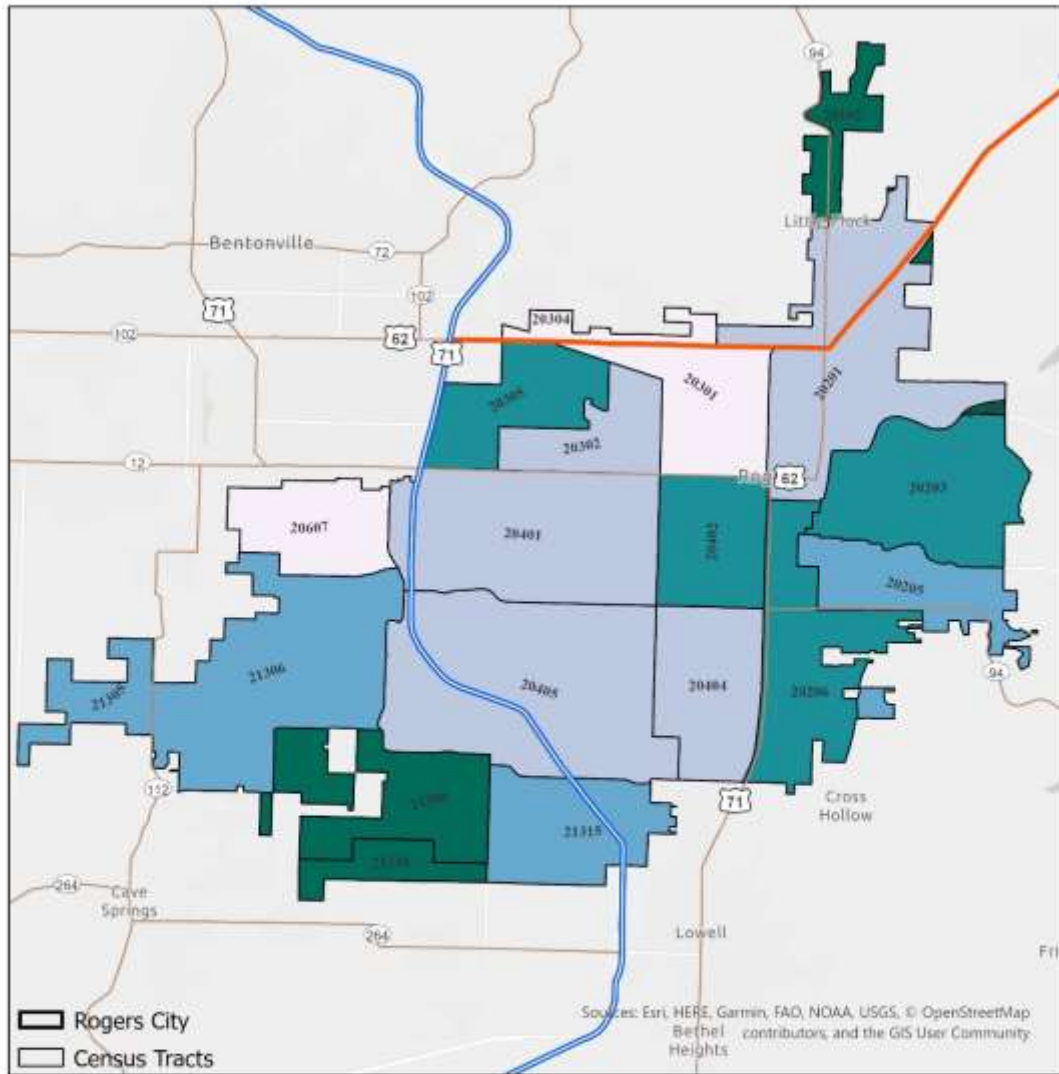
Tenure by Race	Owner-Occupied		Renter-Occupied		Total
	#	%	#	%	
White	9,387	59%	6,658	41%	16,045
African American	206	52%	192	48%	398
Hispanic	3,422	54%	2,906	46%	6,328

Table 2.10: Source: 2016 - 2020 American Community Survey (ACS) – U.S. Census

Homeownership rates were slightly lower among African Americans and Hispanics, compared to Whites.

The homeownership rate among Whites was 59 percent, African Americans 52 percent, and Hispanics 54 percent in 2020.

Map 2.11: Percent Single Family Units



Rogers, Arkansas

Percent Single Family Units

≤65.64%

≤79.08%

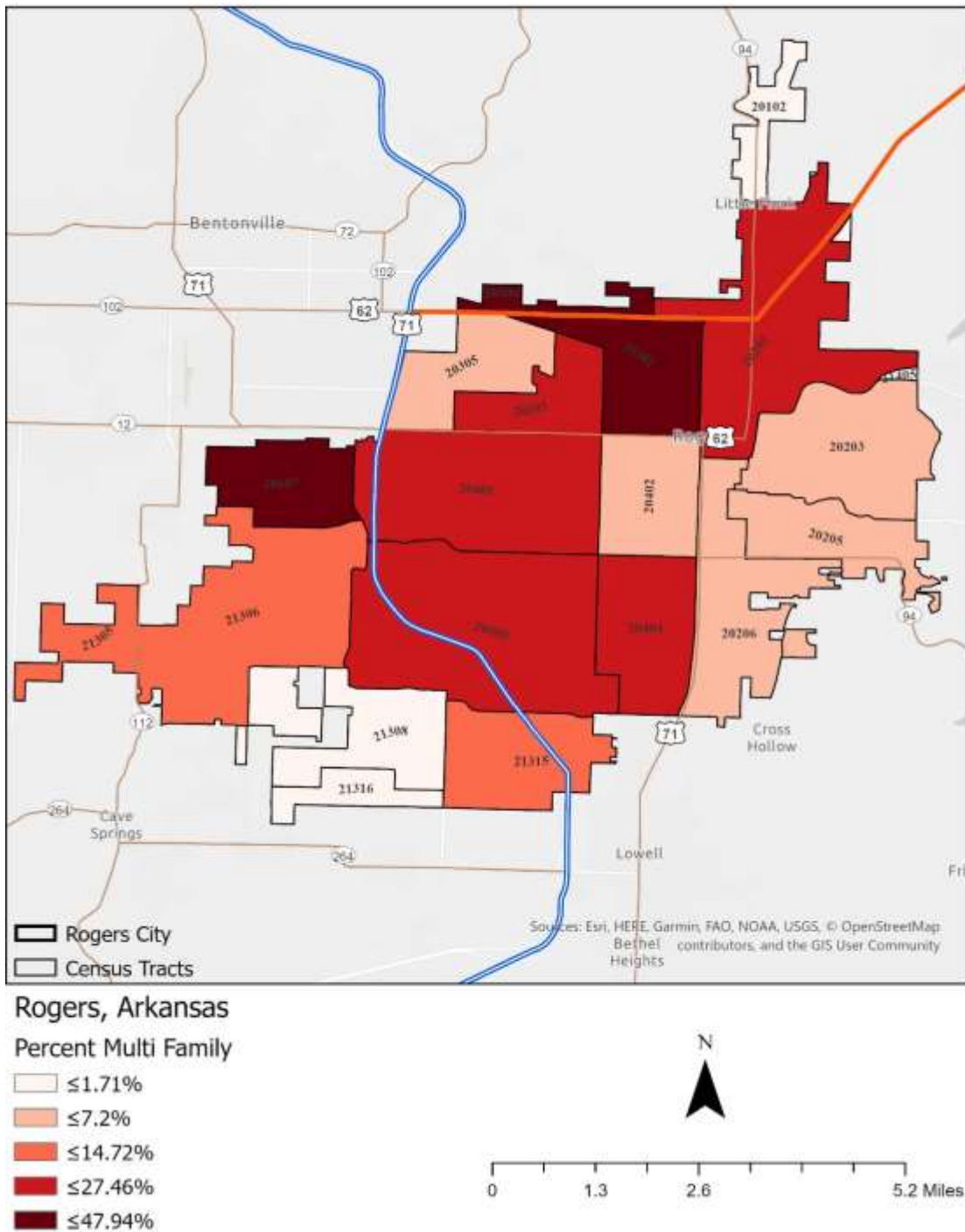
≤85.94%

≤94.42%

≤100%

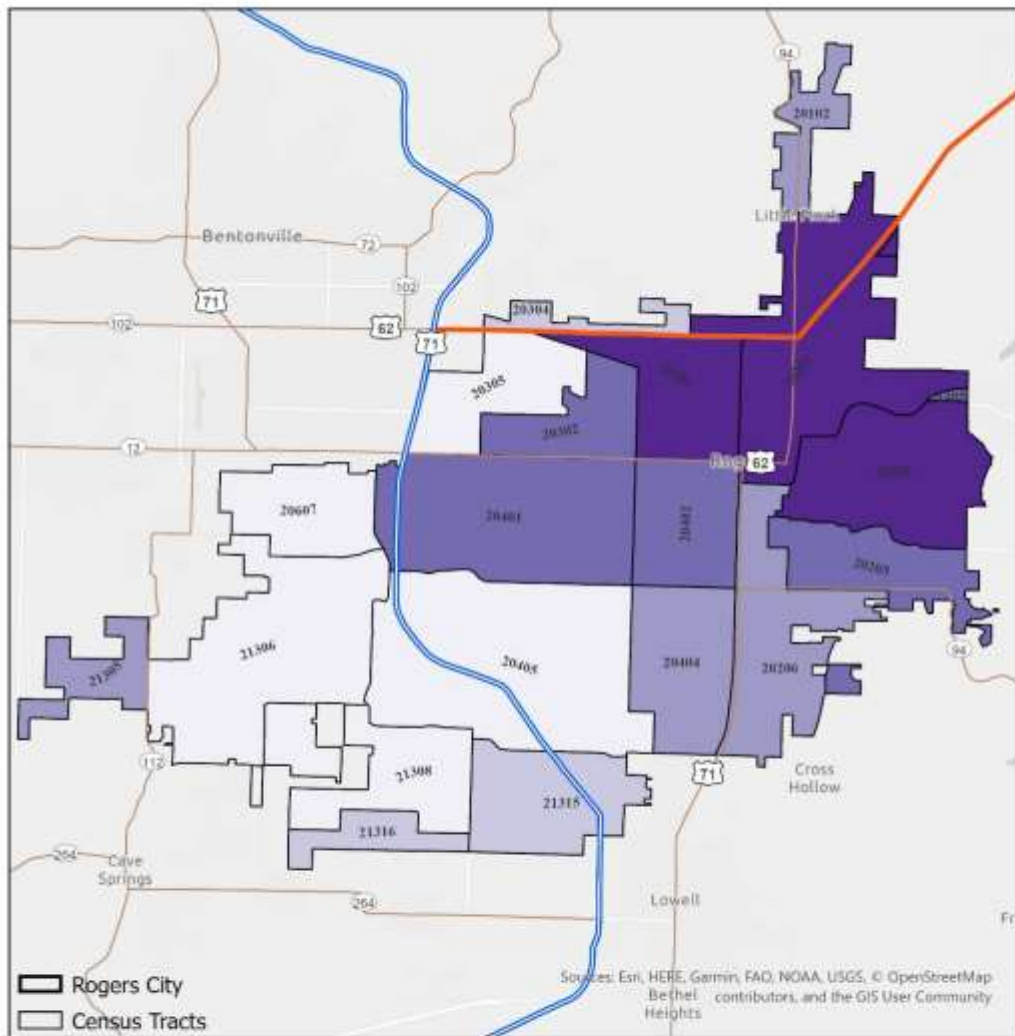
Map 2.11: Source: 2020 American Community Survey (ACS) – U.S. Census

Map 2.12 Percent Multi Family Units



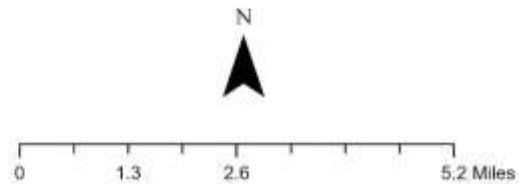
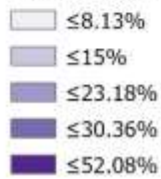
Map 2.12: Source: 2020 American Community Survey (ACS) – U.S. Census

Map 2.13 Percent Built Pre -1980



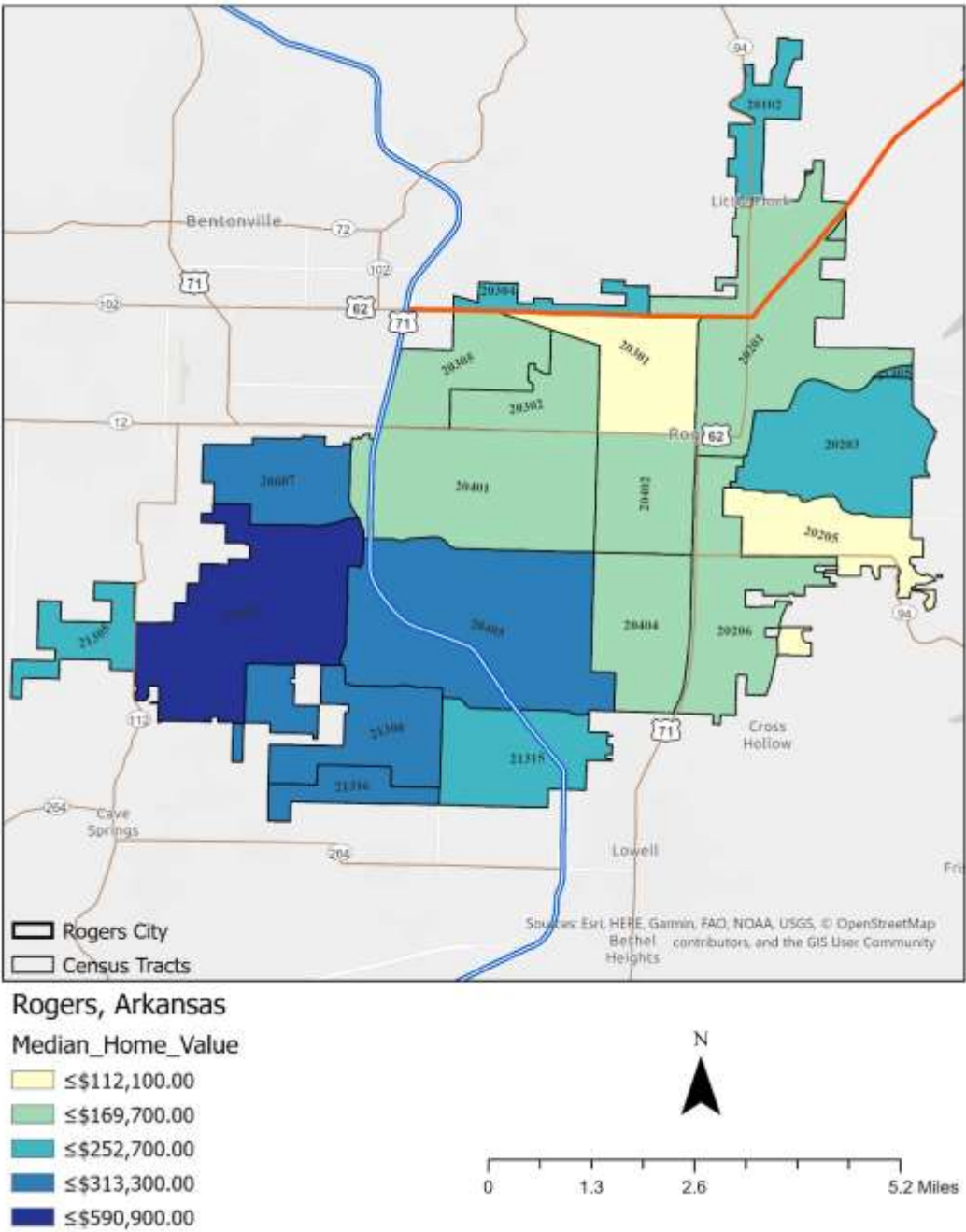
Rogers, Arkansas

Percent Built Pre -1980 Housing Stock



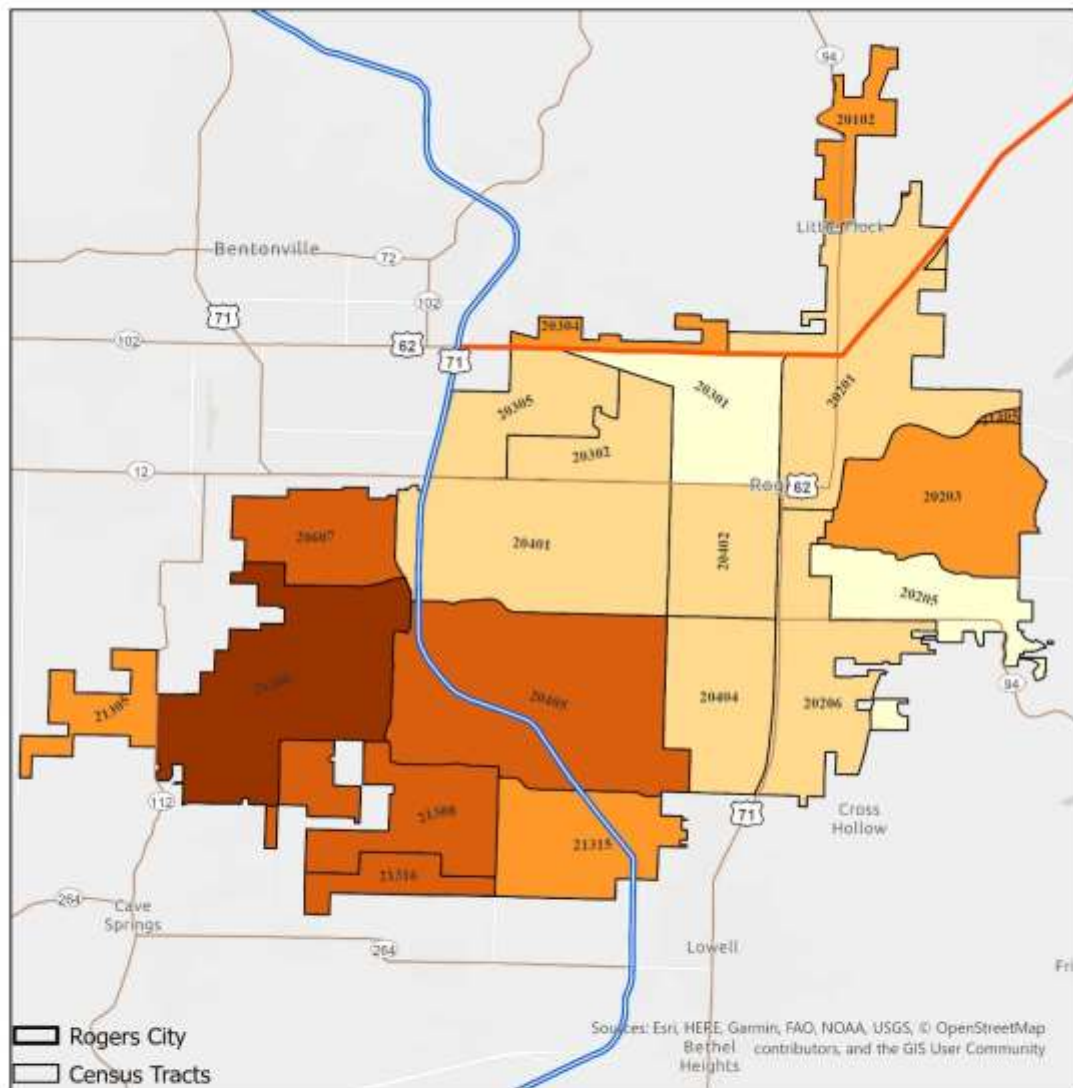
Map 2.13: Source: 2020 American Community Survey (ACS) – U.S. Census

Map 2.14 Median Home Value



Map 2.14: Source: 2020 American Community Survey (ACS) – U.S. Census

Map 2.15 Median Contract Rent



Rogers, Arkansas

Median Contract Rent

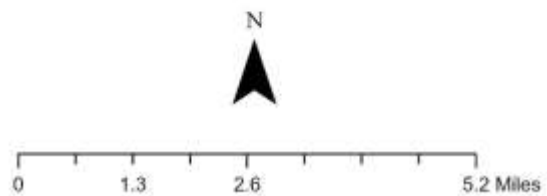
≤\$112,100.00

≤\$169,700.00

≤\$252,700.00

≤\$313,300.00

≤\$590,900.00



Map 2.15: Source: 2020 American Community Survey (ACS) – U.S. Census

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results for 2014 through 2018, duplicated in Table 2.11, indicates that the impact of housing costs on household incomes is very severe for low- and very low-income households in Rogers. The table shows that 69 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 48 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Paying more than 30 percent on housing expenses is considered “Cost Burdened,” and paying more than 50 percent on housing expenses is considered “Severely Cost Burdened.” Looking at households earning between 31 percent and 50 percent of the median family income, 23 percent of low-income renters and 22 percent of low-income homeowners pay more than 50 percent on housing expenses.

Comprehensive Housing Affordability Strategy (CHAS) 2014-2018					
Income by Cost Burden (Renters only)	Cost burden > 30%		Cost burden > 50%		Total
Household Income <= 30% HAMFI	1,170	81%	1,000	69%	1,445
Household Income >30% to <=50% HAMFI	1,635	83%	460	23%	1,980
Household Income >50% to <=80% HAMFI	615	27%	85	4%	2,275
Household Income >80% to <=100% HAMFI	115	10%	0	0%	1,140
Household Income >100% HAMFI	90	3%	20	1%	3,365
Total	3,625	36%	1,565	15%	10,205
Income by Cost Burden (Owners only)	Cost burden >30%		Cost burden >50%		Total
Household Income <= 30% HAMFI	320	62%	250	48%	520
Household Income >30% to <=50% HAMFI	625	60%	230	22%	1,045
Household Income >50% to <=80% HAMFI	515	28%	110	6%	1,825
Household Income >80% to <=100% HAMFI	285	17%	40	2%	1,635
Household Income >100% HAMFI	300	3%	45	1%	8,610
Total	2,045	15%	675	5%	13,630

Table 2.11 Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2014 - 2018

According to the 2020 ACS estimates, shown in Table 2.12 to the right, 62 percent of renter households with household incomes less than \$20,000 paid more than 50 percent of their household income towards rent, 51 percent of the renter households that earned between \$20,000 to \$34,999, and 34 percent of the renter households that earned between \$35,000 to \$49,999, spent more than 30 percent of their household's income towards rent during 2020.

Table 2.12
Gross Rent as a Percent of Household Income

Gross Rent as a Percent of Household Income	2020
Less than \$20,000	2,232
30.0 percent or more	23%
50.0 Percent or more	62%
\$20,000 to \$34,999	1,808
30.0 percent or more	51%
50.0 Percent or more	13%
\$35,000 to \$49,999	1,654
30.0 percent or more	34%
50.0 Percent or more	1%
\$50,000 to \$74,999	2,403
30.0 percent or more	2%
50.0 Percent or more	1%

Table 2.12: Source: 2020 American Community Survey (ACS) – U.S. Census

As shown in Table 2.13, to the right, 48 percent of owner households earning less than \$20,000 were 50 percent cost burden, and 46 percent of owner households earning between \$20,000 to \$34,999 were 30 percent cost burden during the same period. Owner households earning between \$35,000 to \$49,999, the household group earning around 80 percent of the area median income indicates 17 percent of homeowners paying more than 30 percent on owner cost.

Table 2.13
Owner Costs as a Percent of Household Income

Owner Cost as a Percent of Household Income	2020
Less than \$20,000	707
30.0 percent or more	10%
50.0 Percent or more	48%
\$20,000 to \$34,999	1,079
30.0 percent or more	46%
50.0 Percent or more	8%
\$35,000 to \$49,999	1,366
30.0 percent or more	17%
50.0 Percent or more	5%
\$50,000 to \$74,999	2,703
30.0 percent or more	14%
50.0 Percent or more	5%

Table 2.13: Source: 2020 American Community Survey (ACS) – U.S. Census

Renters were most cost burdened in the less than \$20,000 household income range with 23 percent paying more than 30% on rent and 62 percent households paying more than 50% on rent.

One of the most revealing indicators that minorities are more likely to require rental housing and lag far behind Whites in obtaining housing of their choice is in the category of homeownership. However, the disparate impact in Rogers is limited, with a homeownership rate among Whites at 59 percent compared to 52 percent for African Americans and 54 percent for Hispanics.

Other limitations for minorities including lower incomes and a disproportionate number of minority households living in poverty did not reflect disparate impacts. The incidence of poverty among African Americans was 8.4 percent of the population in 2020, and Hispanics were reported to be 11.9 percent. Among White persons, the data reported that 8.7 percent lived in poverty. In comparison, the poverty rate for the MSA was 12.1 percent during the period. Similarly, the median household income was reported to be \$70,586 for White households, \$83,068 for African American households, and \$55,391 for Hispanic households, compared to \$65,551 for the Rogers overall. All these factors demonstrate limited disparate impact on housing choice for Rogers's minority populations.

III. Fair Housing Law, Court Cases, Policy, Regulatory and Complaint Analysis

Introduction

The Analysis of Impediments examine how the City of Rogers's laws, regulations, policies and procedures will affect fair housing choice. Fair housing choice is defined as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be linked to acts that violate a law or acts or conditions that do not violate a law but preclude people with varying incomes and protected classes under fair housing law from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 3.1, will address existing statutory and case law that resulted in interpretation of individual rights under the Federal Fair Housing Act, resulting in removal of impediments, and served to promote fair housing choice. Statutory and case law pertaining to interpretation and enforcement of the Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts, judicial and administrative court rulings. Relevant landmark judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide interpretation, understanding, and support to the Federal Act were also considered.

The City of Rogers has not enacted local law that is substantially equivalent to the Federal Fair Housing Act. To make this determination, the City of Rogers's local statutes were compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and based on that evaluation, whether any Rogers enacted ordinance can be construed as substantially equivalent. The City of Rogers has not enacted ordinances considered substantially equivalent to the Federal Fair Housing Act. Local ordinances do not provide substantially equivalent enforcement, judicial or city administrative review, and adjudication or penalties for those

who violate local laws pertaining to fair housing. The State of Arkansas has enacted Fair Housing Law that is substantially equivalent to Federal Law. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they facilitate fair lending. Section 3.2 summarizes the level of federal fair housing enforcement activity in the City of Rogers.

A more difficult, but intertwined, aspect of evaluating impediments and barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for protected class members and people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for low- and moderate and very low-income households. This included an analysis of city operated housing programs provided in Section 3.3. Documents were collected and analyzed to complete this section. The key documents are the City of Rogers Consolidated Plan (CP), current and previous Annual Action Plans (AP), and Consolidated Annual Performance Evaluation Reports (CAPER). The analysis also included Public and Assisted Housing in the City of Rogers, funded under HUD Housing programs (including documentation on various housing programs including Section 202 and other assisted housing, Section 8 housing choice voucher programs operated by state and local entities and the private sector. City staff also provided information on current and future initiatives to develop affordable housing and acquire additional funds.

Our analysis of development regulations, city advisory board actions and public policy documents are presented in Section 3.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by elected and appointed advisory boards and commissions including City of Rogers City Council, City Planning and Zoning Commission, Zoning Board of

Adjustment, and other appointed boards and agencies responsible for housing and development policy and enforcement of codes.

Section 3.5 provides an analysis of fair housing complaints filed with HUD. Section 2.6 contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Fort Worth, Texas Regional Fair Housing and Equal Opportunity (FHEO) Office has responsibility for enforcement of the Federal Fair Housing Act in Rogers. Official compliant date was requested from the HUD Fort Worth Regional Office, Fair Housing Equal Opportunity Division.

3.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968 and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate based on race, color, sex, religion, national origin, handicap, or familial status. The Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect unoccupied units.
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:

- ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
- ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
- ✓ Advising prospective renters or buyers that they would not meld with the existing residents.
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,
 - ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not whites, for overdue payments or poor credit.
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class.
- Persuade or attempt to persuade people, for profit owners or nonprofit organization, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a minority real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a suitable time to sell or noting the effect of the changing demographics on property values.
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,

- ✓ Implementing a policy that has the effect of excluding a minority area, or
- ✓ Applying different procedures (negative impact) for foreclosures on protected class members.
- Deny persons the use of real estate services.
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Federal Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. Based on previous actions, the fine for the first offense is up to \$11,000; the second offense within a five-year period, up to \$27,500; and for a third violation within seven years up to \$55,000.

The prohibition in the Fair Housing Act against advertising that indicates any “preference, limitation or discrimination” has been interpreted to apply not just to the wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications was conducted. These types of advertisements cover an area larger than just the City of Rogers, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing

law by advertisers. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward whether ads included:

- Advertising included all or models of a single race, gender, or ethnic group.
- Families or children in ad campaigns depicting images of prospective residents.
- Racial groups in service roles (house cleaner, door attendant, servant, etc.
- Racial groups in the background or obscured locations.
- Any symbol or photo with strong racial, religious, or ethnic associations.
- Advertising campaigns depicting one racial group.
- Campaigns run over a period, including different ads, none or few of which include models of other races.
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in the greater Rogers area were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are

substantially equivalent to the Fair Housing Act. Once a state, city or county enacts a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent to participate in the FHAP Program. The local law must at minimum contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent fines for violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's process outlined in federal regulations. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within one hundred days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHIP certification process is contingent on the type of funding for which the agency is applying.

There are four programs to which an agency can apply: Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

The impact of “Landmark Cases” and recent significant court cases were reviewed to examine how court litigation, consent decrees and settlements might be impacting interpretation of Fair Housing Law. The following summarizes key court decisions that provide precedence and interpretation of fair housing law.

Recent Cases

While landmark fair housing cases have declined, protected class discrimination remains a predominant court interpretation issue in 2022. Court decisions continue to set precedence interpreting the Act and needed to address” impediments” faced by protected class members include impacts of poverty and income, bias and access to finance and lending, zoning and regulatory actions, sources of income, sexual orientation and gender identity, and arbitrary preferences based on character and appearance. While State and Local Fair Housing Legislation has expanded to include explicit protections for impediments and classes not named in the 1968 Act, the federal Act has not expanded the designated protected classes in 1968 or protections against regulatory decisions. The most recent local case, *Butler v. City of North Little Rock*, settled in 2014 involved an allegation that City of North Little Rock violated the Fair Housing Act and Americans with Disabilities Act. Butler filed a complaint with the Arkansas Fair Housing Commission, alleging the city violated state and federal fair housing laws by requiring Butler to seek rezoning of the property for his adult care home, which both the Planning Commission and the City Council rejected as permitted by right in some residential districts.

Political discourse resulted in the 2019 Trump Administration suspension of the statutory requirement of “Affirmatively Furthering Fair Housing Choice” by government entities receiving federal funds and private entities involved in lending, housing and commercial enterprise, only to be reinstated in 2020 by the Biden Administration. The Covid-19 pandemic has further escalated fair housing impacts intended to be addressed by the 1968 legislation.

There are, however, significant gains in court case interpretation of violations to the Federal Act. In the 2021 in U.S./City of New York -v- Swiss Village recognized denial by a landlord to a person on the bases that they did not speak English was no different than denial based on race, ethnicity, or national origin under the Act. In the 2022 court case U.S. -v- Bacehus, the landlord was determined guilty of violations of the Act based on Familia Status, and Disability when prospective tenant was denied joint leasing with his child and mother of the child based on his previous medial history of alcohol addiction. In 2021, in U.S. -v- Centanni an Elizabeth, New Jersey case, the courts found that a male landlord’s sexual harassment of female tenants was not only a criminal and civil violation but violated Fair Housing Law as well.

Landmark Cases

Texas Department of Housing and Community Affairs v. Inclusive Communities Project Inc. is the first case to affirm disparate impact must be considered in determining violations to the 1968 Federal Fair Housing Act. On June 25, 2015, the U.S. Supreme Court, in a 5-4 decision written by Justice Kennedy, upheld the disparate impact doctrine under the Fair Housing Act. This precedent-setting opinion affirmed both 40 years of legal jurisprudence and the decisions of 11 U.S. appellate courts in holding that disparate impact is cognizable under the Fair Housing Act.

The Court acknowledges the Fair Housing Act's continuing role in moving the Nation toward a more integrated society. The Court affirmed that disparate impact is an important protection for all of us. This also affirms that those protected under the 1968 Fair Housing

Act, individuals and families, and their right to housing, cannot be restricted because they have children, women who experience domestic violence cannot suffer eviction just because they suffered abuse, or their previous address is a shelter. It also affirmed that communities of color can live with the security of knowing that predatory lending practices that dumped millions of subprime loans into their neighborhoods will not be allowed. Neighborhoods still trying to recover from the monetary crisis, or neighborhood decline caused by concentrated poverty, race and ethnicity can have hope because disparate impact is a crucial tool in addressing unfair practices that contribute to economic and wealth disparities. The courts affirmed that where we live impacts housing affordability and quality of life, but our zip code should not define us. The case centered ratings in low-income tax credit project selection criteria in Texas and unintended impacts on residents.

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for ensuring the elimination of segregation in public and assisted housing. The **Walker** Public Housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of **Walker** resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black or African American public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, except for Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, **Walker III**, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low-income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

- (a) approximately 9,900 new assisted units have been made available to **Walker** class members.
- (b) Approximately \$22 million was made available for the creation of housing opportunities in White areas of the Dallas metroplex.
- (c) \$2 million dollars were provided for the operation of a fair housing organization that focused on the problems of low-income minority families.
- (d) Hope VI funding for 950 units was provided by HUD in the West Dallas project.
- (e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.
- (f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Like the Walker case, **Young v. HUD** represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for ensuring the elimination of segregation in public and assisted housing. The Young case involved seventy plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black developments, desegregation of the tenant population in previously racial

segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

- A. The final judgment that was entered by the Court in 1995,
- B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit three to the order,
- C. The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act "applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant." The case was a class action lawsuit brought by eight African American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family's contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, "Lenders require their borrowers to secure property insurance. No insurance, no loan; no

loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against African American homeowners and African American neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African American buyers away from White neighborhoods and Whites were almost never shown homes in predominantly African American zip codes.

In 2009, a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can “live independently.” CT Fair Housing Center stated, “The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities.”

In *County of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J.

1991), the federal court rejected a state court ruling that recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In *Oxford House-Evergreen v. County of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination." - was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the *Olmstead* case, ruled that community placement is necessary when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the **Anti-Discrimination Center (ADC) against Westchester County, NY**. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had "utterly failed" to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will "affirmatively further fair housing." Because of the

connection to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order's desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey, involving the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor about internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination based on disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability, and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was

entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances like the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them later. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case was not resolved until 2011.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations.
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore, the inability of people to find affordable housing which may lead to homelessness, which conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the

community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore, states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

3.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profit enforcement agencies have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The Department of Housing and Urban Development (HUD) enforce provisions under a local, state and federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status.

The Regional HUD Office in Fort Worth conducts investigations of fair housing complaints that are reported directly to their office. Arkansas is part of HUD's Region IV that includes Arkansas, Louisiana, Oklahoma, New Mexico, and Texas. When HUD Regional Office investigates complaints of discrimination, an investigator spends time in the city, on-site,

interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filled with HUD follows in Section 2.5.

When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in the Federal District Court.

Education and Outreach

The City of Rogers makes referrals to HUD for enforcement. HUD is responsible for fair housing enforcement of provisions under the Federal Fair Housing Act in Rogers. The City of Rogers provide outreach and education to the public, landlords, and tenants, housing and financial providers, as well as citizens, concerning fair housing. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period that

always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

3.3. Production and Availability of Affordable Units

An assessment of characteristics affecting housing production, availability, and affordability in Rogers was conducted, including the adequacy and effectiveness of housing and housing related programs designed, implemented, and operated by the City of Rogers Community Development Block Grant Office and public and other assisted housing entities providing public and assisted housing in the City of Rogers. The assessment included state and local operated Section 8 Voucher Programs and City of Rogers formula entitlement funding from HUD. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the programs administered by public and private entities, and the City of Rogers are currently utilized to address impediments identified in their previous AI. Our analysis for this section is also based on Administrative Plan and Annual Contributions Contract (ACC) and Section 8 Management and Assistance Plans of the State of Arkansas and a review of the City of Rogers's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation provided by the city and housing entities.

3.4. Regulatory and Public Policy Review

The City of Rogers has not enacted substantially equivalent fair housing law. Having a fair ordinance, especially one that is substantially equivalent to the federal Fair Housing Act, exemplifies a jurisdiction's local commitment to enforcing fair housing regulations and it provides public awareness of individuals' rights under the Fair Housing Act. A substantially equivalent law also qualifies the local jurisdiction to apply for federal funding

for enforcement. The City of Rogers zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Rogers's land development codes and zoning regulations address a range of housing types and the provision for making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions.

3.5. Fair Housing Complaints

Fair housing complaint information was received and reviewed from the Fort Worth FHEO Division of the Regional Office of the U.S. Department of HUD. HUD identified eleven complaints filed according to the seven bases, including National Origin, Religion, Familial Status, Handicap, Sex, Disability, and Race-Color in Rogers, four based on Disability and seven based on discrimination according to the remaining six bases. The analysis of HUD complaint data and public engagement concluded limited complaints of discrimination, limited knowledge of the federal fair housing acts, and limited public understanding of the reporting process for complaints or how and where to file a complaint. Substantiation of other impacts based on complaints filed and investigated by the HUD FHEO Regional Office in Fort Worth, Texas was inconclusive due to limited data.

3.6. Conclusions and Implications for Fair Housing Barriers and Impediments

Public and Assisted Housing related conclusions: An assessment of characteristics affecting housing production, availability, and affordability was conducted, including the adequacy and effectiveness of public and assisted housing programs designed, implemented, and operated by various public and private entities. The assessment evaluated Public and Assisted Housing and Section 8 Housing Voucher programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need.

The AI assessed the extent to which the housing authority and private entities currently utilizing programs and funding to address impediments identified in this FY 2022 AI. The analysis also included review of housing programs, operating procedures, waiting list, tenant composition, and any regional impacts to fair housing. Formal review of these areas and recommendations, if any, are presented in Section 06 of this report. Analysis including review of the following:

- Housing Authority Programs, Policies, and Procedures Analysis
- Housing Application, Admission and Continued Occupancy Policies
- Housing Waiting List Policies and Procedures
- Housing Tenant Composition and Waiting List Requirements
- Regional Impediments Impacting Rogers

Housing entities' programs policies and procedures were reviewed and deemed consistent and in compliance with HUD requirements. There were no impediments identified in the review of programs, policies and procedures. However, the cost of new housing and replacement housing, including higher rental rates, fair market rents that are less than market rates, cost of land, existing development value verses property values, and development cost for replacement sites and housing are major impediments to developing more efficient affordable housing and de-concentration of race/ethnicity and poverty and lower income persons. Current market values for existing developments versus the land and development cost to build comparable new or renovated replacement units is often not feasible. The cost to modernize and update the existing units are also difficult due to limited federal funding to subsidize cost for renovation being like the cost for building new replacement units on other sites.

City of Rogers AI related conclusions: The City of Rogers provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights and remedies in Rogers. The City of Rogers has not enacted fair housing law that is substantially

equivalent to the Federal Fair Housing Act. The lack of a federal substantially equivalent fair housing ordinance limits enforcement actions by the local jurisdiction and federal government. Impediments are also impacted by limited funding for fair housing education. The community engagement process reveals limited knowledge of the city and federal fair housing acts, the public's understanding of the reporting process for complaints, or how and where to file a complaint. Substantiation of complaints and investigated by the HUD FHEO Regional Office in Fort Worth, Texas is often difficult.

Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the greater Rogers area were reviewed. Publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons. Analysis of the City of Rogers's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation submitted by the City of Rogers to HUD were also included. The City of Rogers should continue to address impediments relative to limited fair housing education and outreach. The city zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result.

There were no fair housing violations identified in the review of City of Rogers Entitlement Grant programs, policies and procedures. However, the cost of new housing and replacement housing, including higher rental rates, fair market rents that are less than market rates, cost of land, existing development value verses property values, and development cost for replacement sites and housing are major impediments to developing more efficient affordable housing.

Impediments related to de-concentration of race/ethnicity and poverty and lower income persons are difficult to overcome. In this instance, "concentration" is not simply defined as the number and proximity of units, race and ethnicity, poverty, and LMI populations in

a specified geographical area such as the census tract. The basis for R-ECAP designation also includes the extent to which these factors eliminate housing choice and restrict protected class members and LMI populations to areas disproportionately lacking the neighborhood quality enjoyed by others due to these factors and expected and desired for any area within the MSA. The MSA poverty rate was 12.1 percent for Rogers. Three times the poverty rate is 36.3 percent, thus making any census tract with a poverty rate over 36.3 percent the threshold for the RCAP/ECAP criteria for Rogers. The analysis does not identify any census tracts meeting the RCAP/ECAP criteria in Rogers.

IV. Community Engagement

4.1. Introduction

The City of Rogers follows its established citizen participation process to inform the public of available grant funding and programs to address community development, housing, and fair housing. Based on the Community Participation Plan, outreach included a workshop on Tuesday, August 30, 2022 at 10:00 a.m. at Rogers City Hall. The workshop was supplemented with consultation with public and private agencies and individuals to capture input as to impediments to fair housing and suspected violations of fair housing law. Targeted participants and persons included public and private agencies, citizens, neighborhood organizations, nonprofit housing, HUD funded housing agencies and entities, Continuum of Care, Board of Realtors, Chamber of Commerce, public and social service agencies, colleges and universities, elected and appointed officials.

Public Forums and Stakeholder Public engagement sessions are routinely conducted as part of the Annual Plan and Consolidated Plan processes as well. The meeting format included discussions of the communities' identification of barriers and impediments to fair housing. The City of Rogers takes actions as appropriate to encourage its citizens to participate in the development of the Assessment of Fair Housing, but participation is often limited. Focused outreach was also dedicated to non-profit agencies, minorities, persons with disabilities, low-to-moderate-income individuals and families, residents living in slum and blighted areas, and person living in low-moderate census tracts where CDBG funds are proposed to be used.

The analysis utilized data generated during the in-person workshop and from online survey input during the research and data collection phase to supplement and document current impacts on fair housing and access to affordable housing. Conclusions and assessments that follow are also based on research tools used to supplement public input.

4.2. Fair Housing Concerns and Impacts

Social-Economic Conditions – The supply of affordable housing is inadequate and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to local area residents. Poverty and the number of persons lacking sufficient income for housing is on the rise, severely impacting housing choice for the lowest income households. Poverty and limited incomes are also having an adverse impact on the condition and quality of neighborhoods, and single-family owner-occupied housing. The impacts of unemployment, lack of job opportunities and insufficient incomes to afford decent and affordable housing are contributing factors to housing and neighborhood decline.

Greater emphasis should be placed on financial assistance to acquire housing suitable to meet the challenges of increased cost and limited supply of housing needed by the changing demographics in the city and to address needs faced by residents and the working poor. Increased housing counseling-both pre-purchase and post purchase support is needed to help applicants qualify for mortgage financing and rental units and to remain current with mortgage payments and home maintenance needs. Increased funding is needed to provide rental assistance for rent, utilities, and security deposits necessary to initiate a lease. There is increasing need for utility assistance and other essential housing related support to help people remain in housing where they currently reside and avoid eviction and homelessness. Housing programs funded with CDBG, while successful, are experiencing problems with affordability due to cost of taxes and insurance.

Public Policy and Public Awareness of Fair Housing - Public awareness of fair housing rights is a concern. The public has limited awareness of their rights under fair housing law. The number of fair housing complaints and violations reported to HUD and cases substantiated may be much lower than the number of violations occurring. Residents fear retaliation by those who violate fair housing laws. For example, people are reluctant to report fair housing complaints for fear of retaliation by property owners or if they report violations such as housing code, city enforcement actions will result in higher rents or evictions actions by their landlord.

Special Needs Housing and Homelessness - Greater funding is needed for the elderly to age in place, and to provide housing for others in need of special needs housing. Growth among elderly populations over the next decade will elevate this problem. Housing for the homeless and those persons at risk of becoming homeless remains a priority need to be addressed. Representatives of Salvation Army indicated housing for the homeless, victims of domestic violence and others is particularly needed due to the limited supply of shelter, transitional and permanent housing and housing services in Rogers. Nonprofit's reported that shelters are remaining full largely due to families displaced because of rental cost, with no place to go and no housing available.

Public Transportation and Mobility - Limited mobility and a lack of transportation is an impediment to housing choice. Concerns including identifying alternatives to limited public transportation offered in Rogers. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services.

Affordable Housing and Childcare – Affordable housing and subsidized housing is scarce in Rogers. The median price for single-family homes in Northwest Arkansas hit \$350,000 April through June, 2022 up 31.9% at the end of the second quarter of 2021, according to the National Association of Realtors quarterly report. Affordable housing is generally defined as housing on which the occupant is paying no more than 30% of gross income for housing costs, including utilities, according to the federal housing department. Housing-plus-transportation costs compared to income averages 53% in Rogers, 27% for housing and 26% for transportation, according to the center's "H+T Affordability" index. Eighty-four percent of the city's residents spend more than 45% of their household income on housing and transportation. City officials indicated that the city can ensure it has ordinances allow affordable housing developments, but it can't regulate what developers and individuals land purchases and the building and selling of affordable homes or force developers to build affordable dwellings. Most of the city's block grant funds are typically designated for housing rehabilitation projects for low-income home owners. Others indicated that child care is expensive if you're making minimum wage, and it can be hard to justify working.

Transportation - Lack of transportation is also a common challenge for low-income, disabled and elderly residents in the city. Transportation is essential to get to work, unless you're fortunate to live somewhere that has public transportation. Rogers has limited public transportation to meet the public's needs. Transportation to counseling sessions is essential for formerly incarcerated residents. Transportation is also vital for low-income families, who need to get to work and drop off their children at school and daycare. Transportation costs in Rogers -- including auto ownership, auto use and public transit costs -- average 26% compared to income, according to The Center for Neighborhood Technology. The center scored the city's public transportation system a 1.7 out of 10, signifying the city is "car-dependent with very limited or no access to public transportation." Rogers' community development block grant funds will be used for transportation services over the next year. The money will help fund transportation assistance for Sunshine School and Development Center, addiction recovery program Nicole's House, Community Clinic and vocational training center Open Avenues. Contributions to these local organizations through the program are limited, because the city is only allowed to use up to 15% of its block grant funds on services, per a cap imposed by the federal agency. The rest must be used for housing rehabilitation, public facilities and administrative costs. Rogers currently funds on-demand transportation assistance provided by local cab services and 211 system support when clients are unable to reach dispatches for cab services.

Diversified Housing - The Northwest Arkansas Council's Workforce Housing Center, which works with community organizations in areas related to housing affordability, released a list of ways different groups -- from developers to elected officials to faith-based leaders -- could support more attainable housing. Diversifying housing with affordable options has been a design and development principle included in the process of encouraging downtown and neighborhood reinvestment in the city of Rogers.

Affirmatively Furthering Fair Housing - All entitlement cities participating in the Community Development Block Grant program, with the U.S. Department of Housing and Urban Development, are required to conduct an analysis of barriers to housing choice at least once every five years. Rogers must also must certify they are "affirmatively furthering fair housing" by taking action and submitting records of actions taken. The goal of the fair

housing assessment is to provide data that will help community members, organizations and lawmakers identify needs and plan appropriate responses.

Special thanks to all the agencies and organizations attending and contributing to the public engagement workshop on Tuesday, August 30, 2022 at 10:00 a.m. at The City of Rogers City Hall. The City of Rogers would also like to thank the Northwest Arkansas Democrat Gazette for news coverage of the events referenced below.

Photography and Article Courtesy of the Northwest Arkansas Democrat Gazette



Rogers, Arkansas August 30, 2022 Fair Housing Forum – “Lack of affordable housing and access to transportation are challenges to fair housing in Rogers, city leaders heard last week. The City of Rogers is conducting a study of impediments to fair housing. Representatives of local organizations spoke at the meeting about housing prices, homelessness, child care, transportation and other socio economic needs they see in the communities.” Northwest Arkansas Democrat Gazette – Garret Moore Reporting.

V. Home Mortgage Disclosure Act Analysis

Introduction

The Consumer Financial Protection Bureau (CFPB) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. This data is made publicly available by the Federal Financial Institutions Examination Council (FFIEC). The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the Home Mortgage Disclosure Act (HMDA) databases through their website for download and analysis. Data were input into a spreadsheet for analysis. As of 2018, the CFPB has modified, expanded, and removed specific data points under the revised HMDA rule adopted in October 2015.

The data reported in this section are summarized by a variety of methods. Tables 5.1 and Tables 5.2 provide information for Rogers Tables 5.3, and the charts present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tracts for Rogers.

5.1. Analysis

Table 5.1 examines home loan activities in Rogers. The data is presented by loan type, ethnicity, income, and loan purpose. White applicants represented the most significant number of loan applicants at 5,645. Origination rates, the percentage of applications that result in loans being made, for Whites were 66 percent. The next largest applicant group, persons stated their race was not available, submitted 2,085 applications with an origination rate of 42 percent. Hispanics submitted 1,967 applications with an origination rate of 34 percent, followed by Asians with 220 applications submitted with an origination rate of 60 percent. High-income

applicants showed the highest number of applications at 4,245 and the highest origination rate, at 67 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 196 applications from very low-income applicants and an origination rate of over 42 percent. Conventional loans account for the largest number of applications for loan type at 6,700 and an origination rate of 61 percent. Home Purchase loans show the highest number of applications for loan purposes, at 3,428 and the origination rate of over 61 percent. Home improvement loans had an origination rate of about 51 percent with 320 loan applications. Refinance loans had a 61 percent origination rate with 2,699 applications. The newly added loan purpose categories "Cash-out Refinance" and "Other Purpose" had about a 56 percent origination rate with ,1431 applications submitted and a 49 percent origination rate with 343 submitted applications.

Table 5.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within the category, rather than demonstrating the percentage of applications that result in loan originations. For example, the percentage in the "% of Originations" column indicates that 84 percent of originations in the city were for conventional loans compared to 61 percent origination rate from Table 5.1. For comparison, race and ethnic percentages were included under the "% Pop." column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the "Loan Type" category, "Conventional" shows the highest percentage, about 84 percent of all originations in that category. FHA loans, which are government-insured and have more stringent lending criteria, were about 9 percent of all originations. Referring to Table 5.1, the origination rates were about 52 percent for FHA versus approximately 61 percent for conventional.

For Race and Ethnicity, "Whites" shows the highest percentage of origination at 76 percent of the total originations in the city. The percentage of Whites in the

population was over 56.9 percent. Hispanic applicants accounted for about 3 percent of all originations while comprising 33.2 percent of the total population.

The highest income group (>120% median) displays the highest percentage of originations, at about 58 percent of all originations. In contrast, the very low-income group accounts for 2 percent of all originations.

Table 5.3 examines the HMDA data more closely with respect to the possibility of redlining within census tracts in Rogers. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area. The table also compares origination rates between minorities and White applicants for the various loan purposes and income groups. Denials are higher for minorities, especially very low income compared to Whites. For all loan purposes shown, White origination rates are higher than minorities.

Looking at the income group comparison, minorities origination rates are around 5 percentage points lower than Whites in the very low-income group and 5 percentages points lower in the low-income group. With Moderate Income applicants (81-95% MFI), White origination rates are higher than minorities by 8 percentage points. In the High-Income group (>120% MFI), White origination rates are 12 percentage points higher. Within each income group, Whites and minorities are not entering the loan markets with equal incomes.

Chart 5.1 provides data on origination rates by census tract income for the loan types: Conventional, FHA, and VA. All loan types had higher origination rates within the higher income groups of tracts. Conventional loans had the highest origination rate in the high-income group of census tracts, while FHA had the highest origination rate in every other income census tract group.

Chart 5.2 shows origination rates by ethnicity and income of the census tract. Whites and Hispanics are among the higher origination rates of all races in middle- and high-income groups of tracts.

Map 5.1 and maps 5.3 through 5.6 detail loan activity by census tract. The ratio of denials to originations are calculated for each loan purpose and loan type. Tracts shown in the darkest teal indicate those areas where up to 0.313 applications are denied for every application originated. The next category indicates those areas where between 0.256 and 0.313 applications are denied for every 1 application originated. The lightest teal areas show less than 0.121 applications denied for every application originated.

Map 2.7 in the Community Profiles section shows the median household income for Rogers by census tract. Comparing Map 5.1 and Map 2.7, the areas that had higher denial to origination ratio for all types of home loans coincide with areas with lower incomes. This indicates that lower-income census tracts had lower home loan origination rates.

Map 5.2 shows the number of total loan applications by census tract. Most active areas are shown in the darker colors and the least active areas in lighter colors. The lighter areas are meant to indicate areas of concern, either for lack of loan activity or for their low rate of application originations in relation to denials.

5.2. Conclusions

In Rogers, the highest success in loan originations by loan type was in the Conventional loans, and the least success was in USDA loans. Home Purchase and refinance loans were the most frequent loan purpose in the city. Loan applications and originations were less when compared to their percentage in population for Hispanics in the city. The analysis reveals two issues, lower origination rates from minorities and the disproportionate loan denials rates between Whites and minority populations. One explanation for lower loan

originations among minorities could be a lack of credit history, poor credit history, or higher debt-to-income ratio. During 2020, most loan denials for all applicants were related to the applicants' credit history.

While our analysis does not provide conclusive evidence of redlining, the data tend to suggest that characteristics of redlining may exist and therefore impacting lending decisions and higher denial rates in some of the very low-income census tracts in Rogers. While it is expected that very-low-income applicants would not have a very high success rate in their loan applications, within the very low-income census tracts, even high-income applicants showed a poor success rate. Due to a very low number of applications in the lower-income census tracts, any conclusive determination of redlining is impossible for the city.

The higher denial rates for lower-income groups, coupled with the possibility that characteristics of redlining may be adversely impacting originations in lower-income concentrated census tracts, are indicative of impediments to fair housing. Overall, lending activity has decreased in recent years due to economic slowdown and issues relative to the mortgage industry nationwide. However, the outlook for lending in this community remains positive since lower interest rates still exist for borrowers to buy housing or refinance existing higher-interest loans.

Table 5.1
Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Rogers 2020

Loan Type:	Number of Apps	Loans Originated	Origination %
Conventional	6,700	4,083	61%
FHA	808	418	52%
VA	641	333	52%
USDA	106	52	49%
Total	8,255	4,886	59%
Loan Purpose			
Home purchase	3,428	2,099	61%
Home improvement	320	163	51%
Other purpose	343	169	49%
Not Applicable	34	1	3%
Refinancing	2,699	1,649	61%
Cash-Out Refinancing	1,431	805	56%
Total	8,255	4,886	59%
Race			
Two or more minority races	12	7	58%
American Indian or Alaska Native	71	31	44%
Asian	220	132	60%
Black or African American	81	48	59%
Joint	131	89	68%
Native Hawaiian or Other Pacific Islander	8	4	50%
Race Not Available	2,085	866	42%
White	5,645	3,709	66%
Ethnicity			
Ethnicity Not Available	2,878	809	28%
Hispanic or Latino	1,967	667	34%
Joint	237	124	52%
Not Hispanic or Latino	7,530	3,285	44%
Income			
<51% median (very low)	196	82	42%
51-80% median (low)	506	258	51%
81-95% median (moderate)	1,154	682	59%
96-120% median (middle)	816	506	62%
>120% median (high)	4,245	2,853	67%
N/A	1,338	505	38%

Table 5.1: Source: Home Mortgage Disclosure Act (HMDA)

TABLE 5.2
Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories Rogers 2020

Loan Type:	Number of Apps	Loans Originated	Origination %	% Of Originations	
Conventional	2,816	1,579	56%	65%	
FHA	934	372	40%	15%	
VA	920	437	48%	18%	
USDA	60	29	48%	1%	
Total	4,730	2,417	51%	100%	
Loan Purpose					
Home purchase	2,102	1,217	58%	50%	
Home improvement	179	73	41%	3%	
Other purpose	151	59	39%	2%	
Not Applicable	231	0	0%	0%	
Refinancing	1,635	875	54%	36%	
Cash-Out Refinancing	432	193	45%	8%	
Total	4,730	2,417	51%	100%	
Race					% Of Population
Two or more minority races	10	6	60%	0%	3.7%
American Indian or Alaska Native	17	9	53%	0%	0.5%
Asian	71	41	58%	2%	2.4%
Black or African American	838	452	54%	19%	1.8%
Joint	46	29	63%	1%	-
Native Hawaiian or Other Pacific Islander	2	0	0%	0%	1.4%
Race Not Available	1,234	347	28%	14%	-
White	2,512	1,533	61%	63%	56.9%
Ethnicity					
Ethnicity Not Available	1,284	369	29%	15%	
Hispanic or Latino	108	67	62%	3%	33.2%
Joint	48	28	58%	1%	
Not Hispanic or Latino	3,289	1,953	59%	81%	66.8%
Income					
<51% median (very low)	490	209	43%	9%	
51-80% median (low)	858	488	57%	20%	
81-95% median (moderate)	442	242	55%	10%	
96-120% median (middle)	490	277	57%	11%	
>120% median (high)	1,240	778	63%	32%	
N/A	1,210	423	35%	18%	

Table 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Table 5.3
Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for – Rogers
Minority Origination Compared to White

Minority				
Income	Loans Originated	Origination %	Loans Denied	Loan Denial %
<51% median (very low)	15	38%	11	28%
51-80% median (low)	54	47%	20	17%
81-95% median (moderate)	134	53%	38	15%
96-120% median (middle)	97	57%	21	12%
>120% median (high)	606	58%	98	9%
White				
Income				
<51% median (very low)	67	43%	50	32%
51-80% median (low)	204	52%	69	18%
81-95% median (moderate)	548	61%	115	13%
96-120% median (middle)	409	63%	81	13%
>120% median (high)	2247	70%	218	7%
N/A	234	68%	20	6%

Table 5.3: Source: Home Mortgage Disclosure Act (HMDA)

Chart 5.1: Origination Rates by Loan Types by Income of Census Tracts

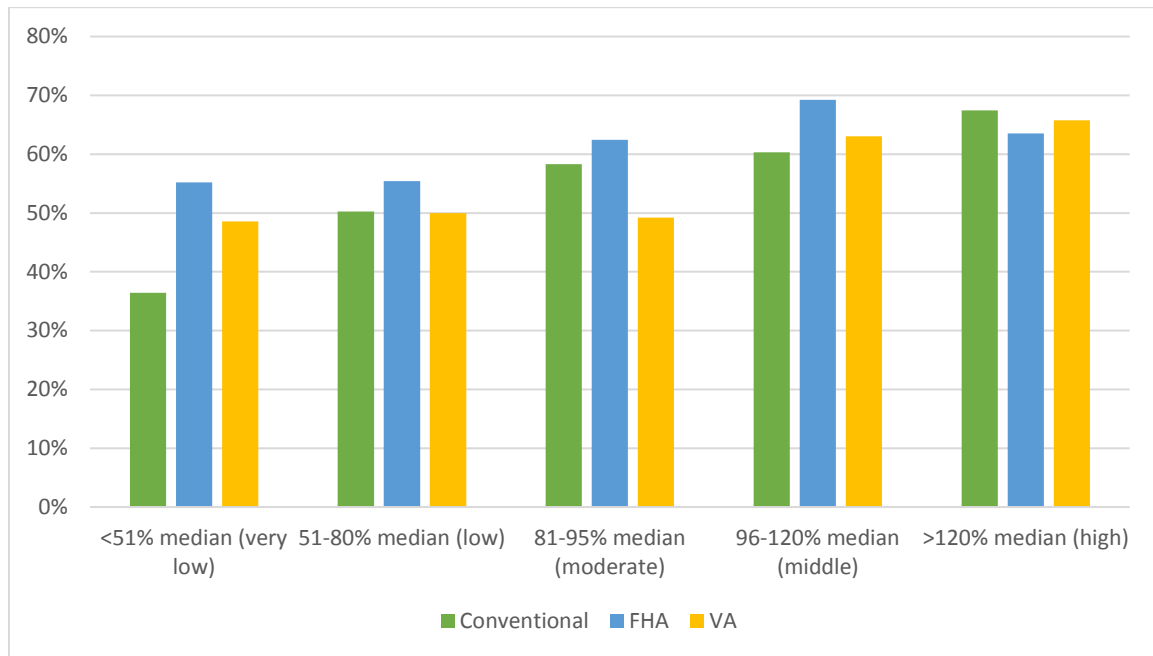


Chart 5.1: Source: Home Mortgage Disclosure Act (HMDA)

Chart 5.2: Origination Rates by Ethnicity by Income of Census Tracts

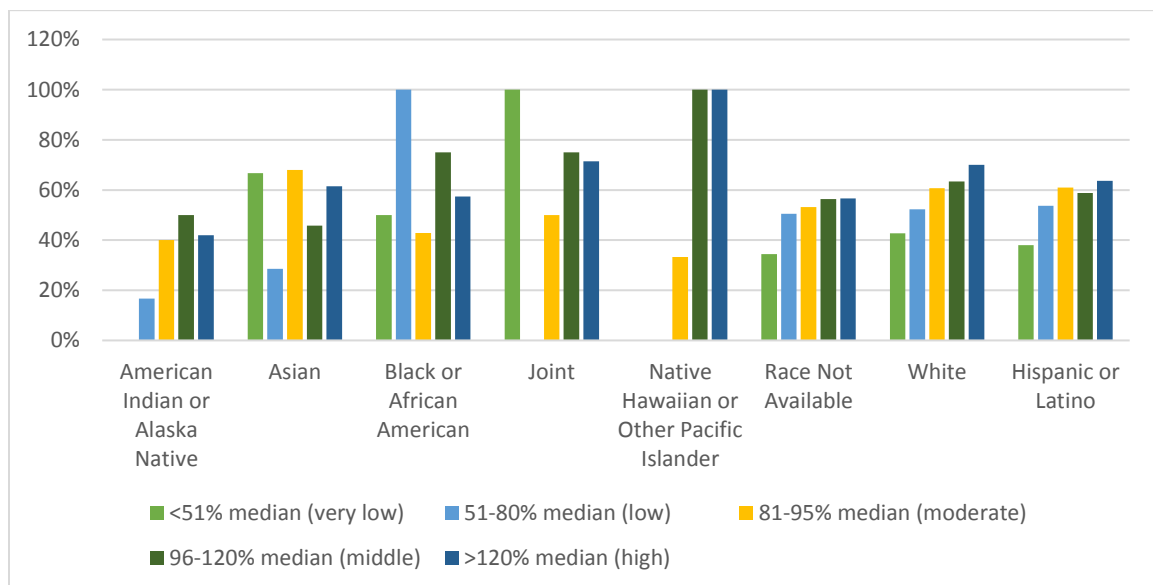
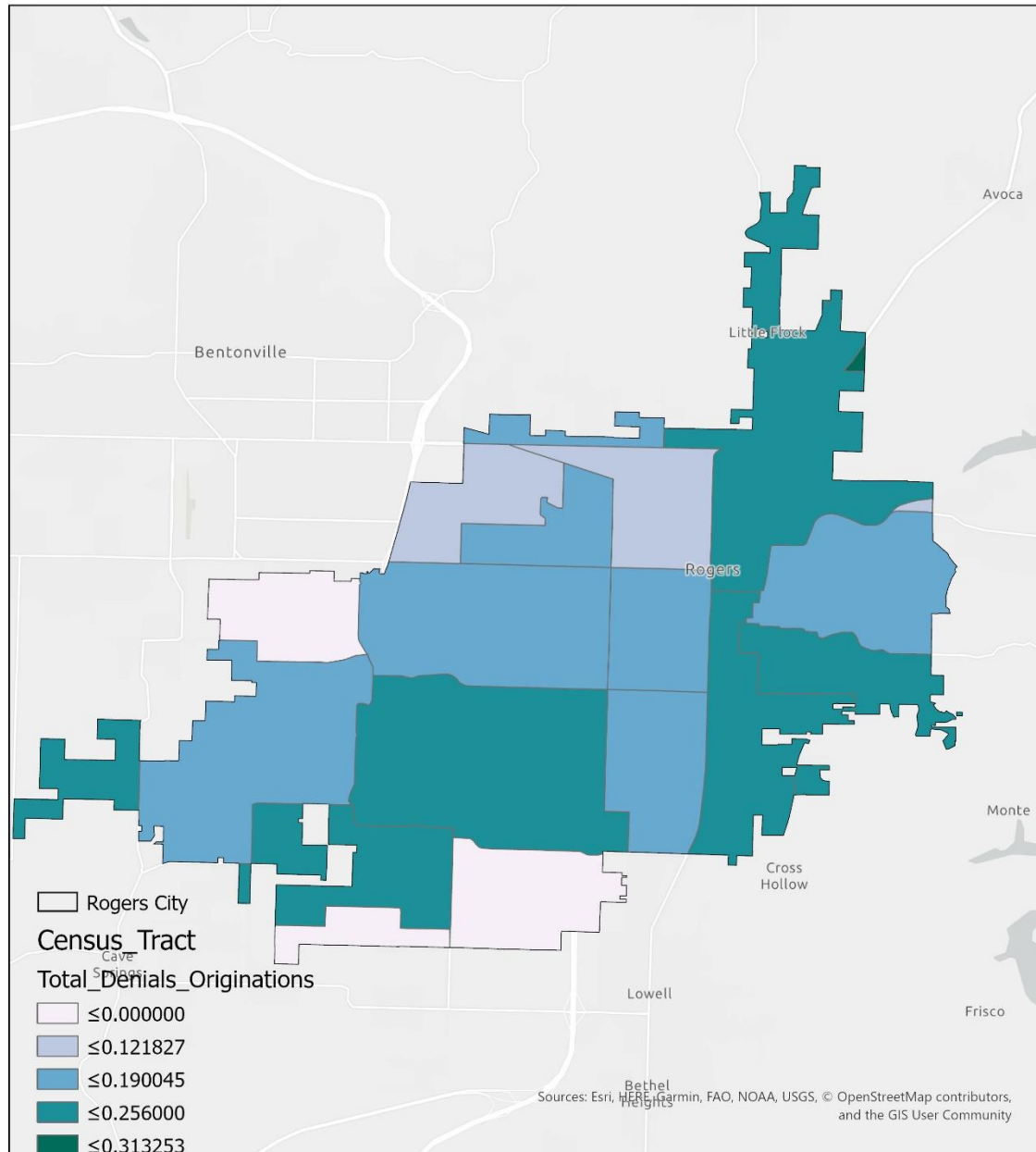


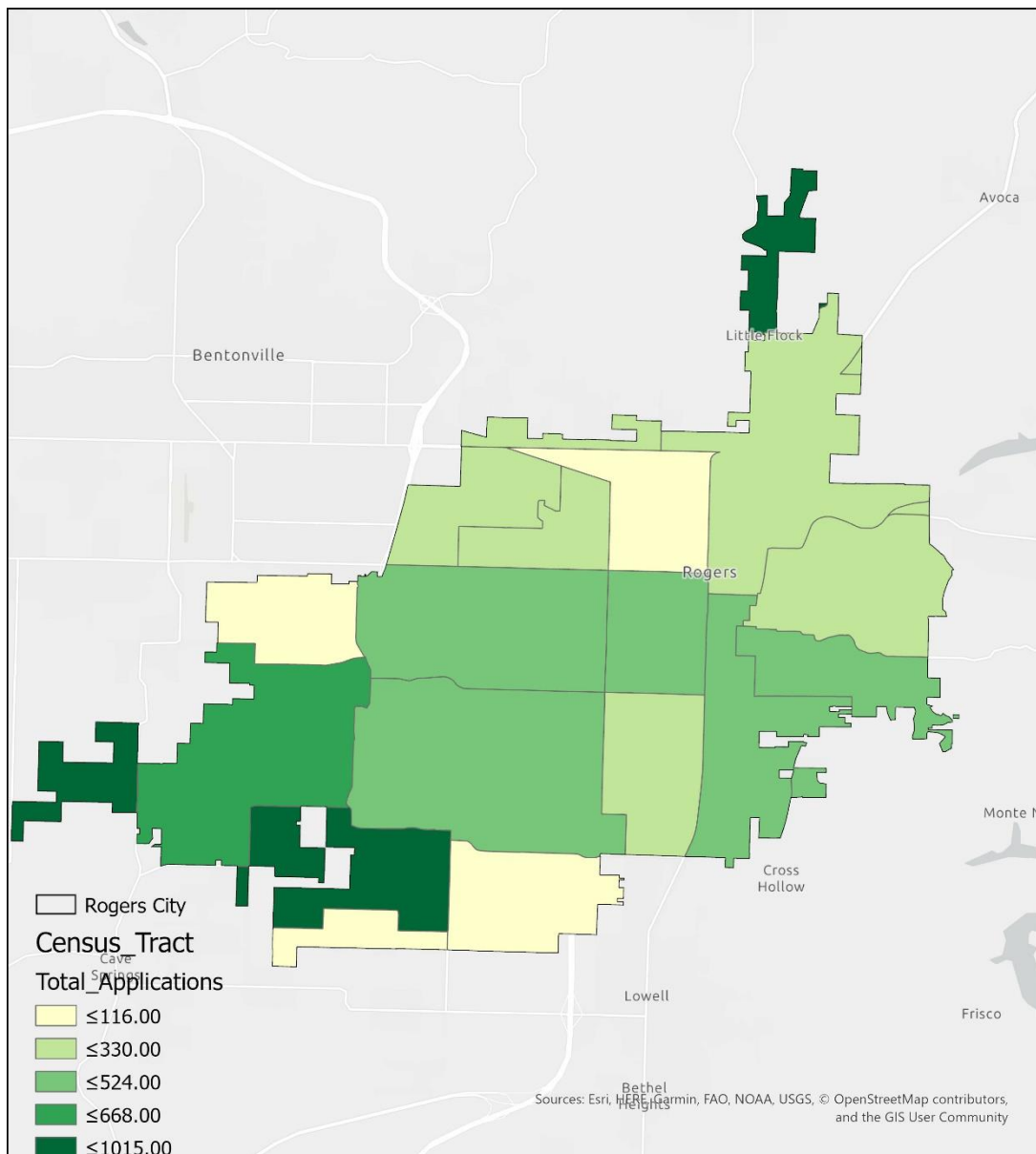
Chart 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.1 Total Ratio Denials to Originations



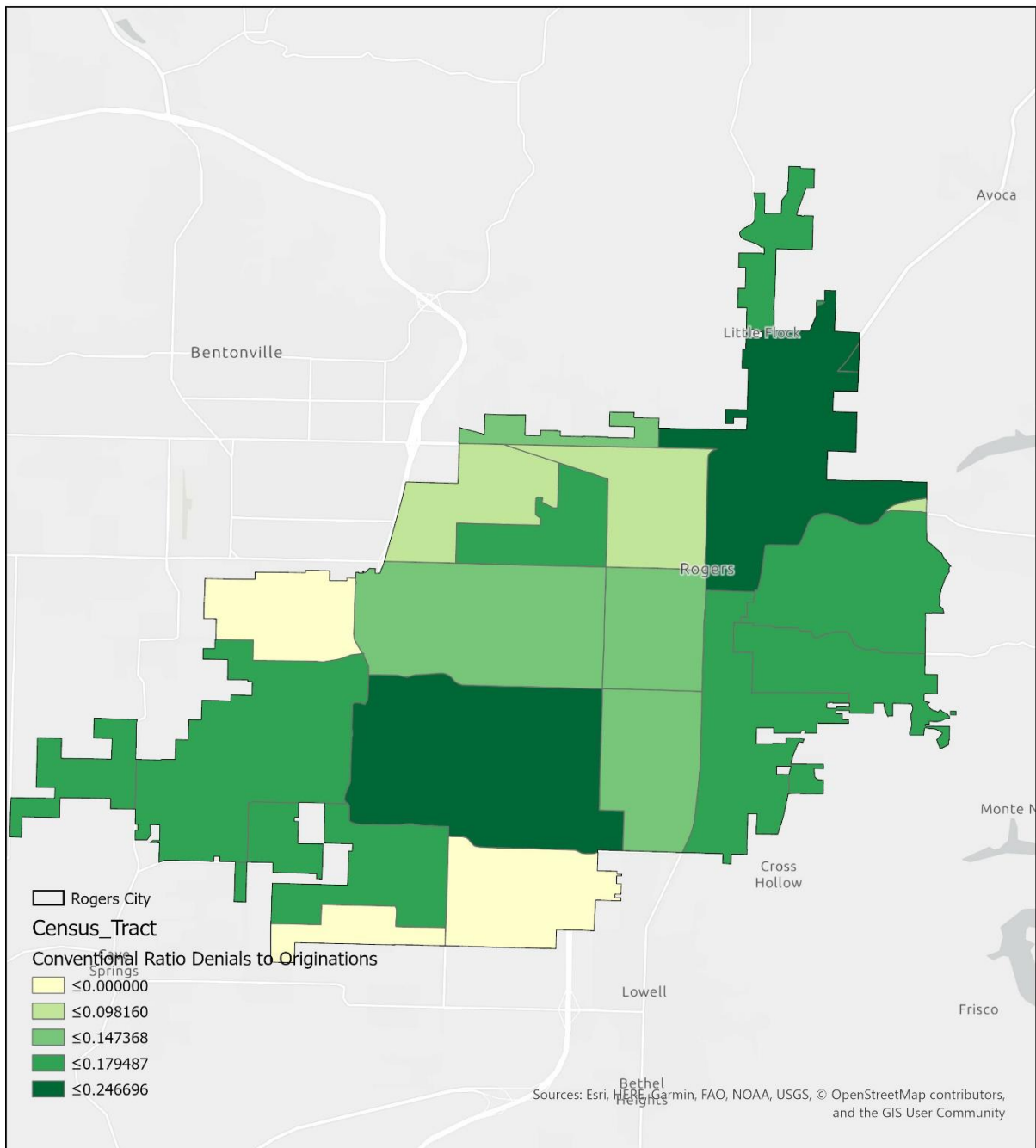
Map 5.1: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.2 Total Applications



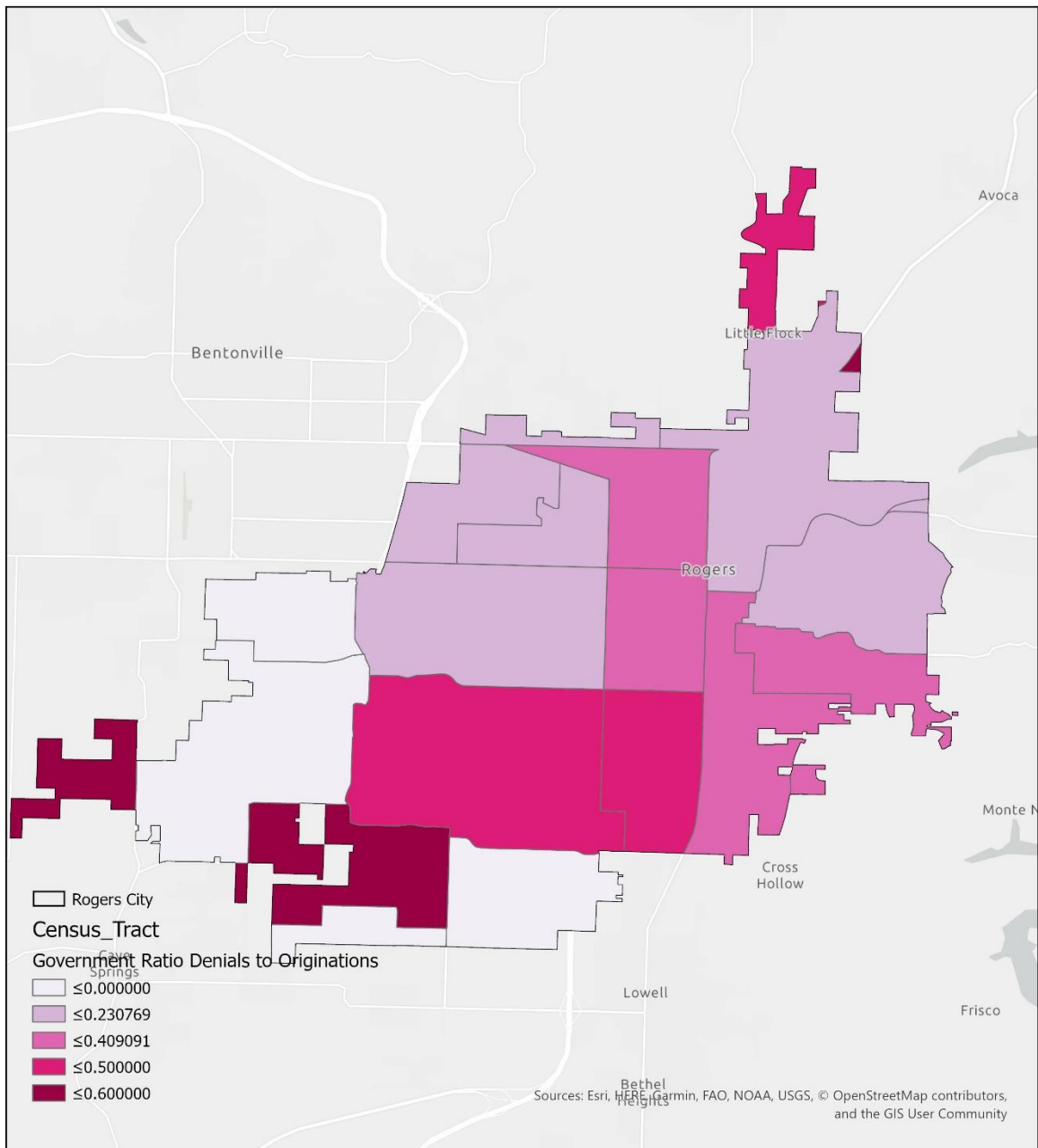
Map 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.3 Conventional Ratio Denials to Originations



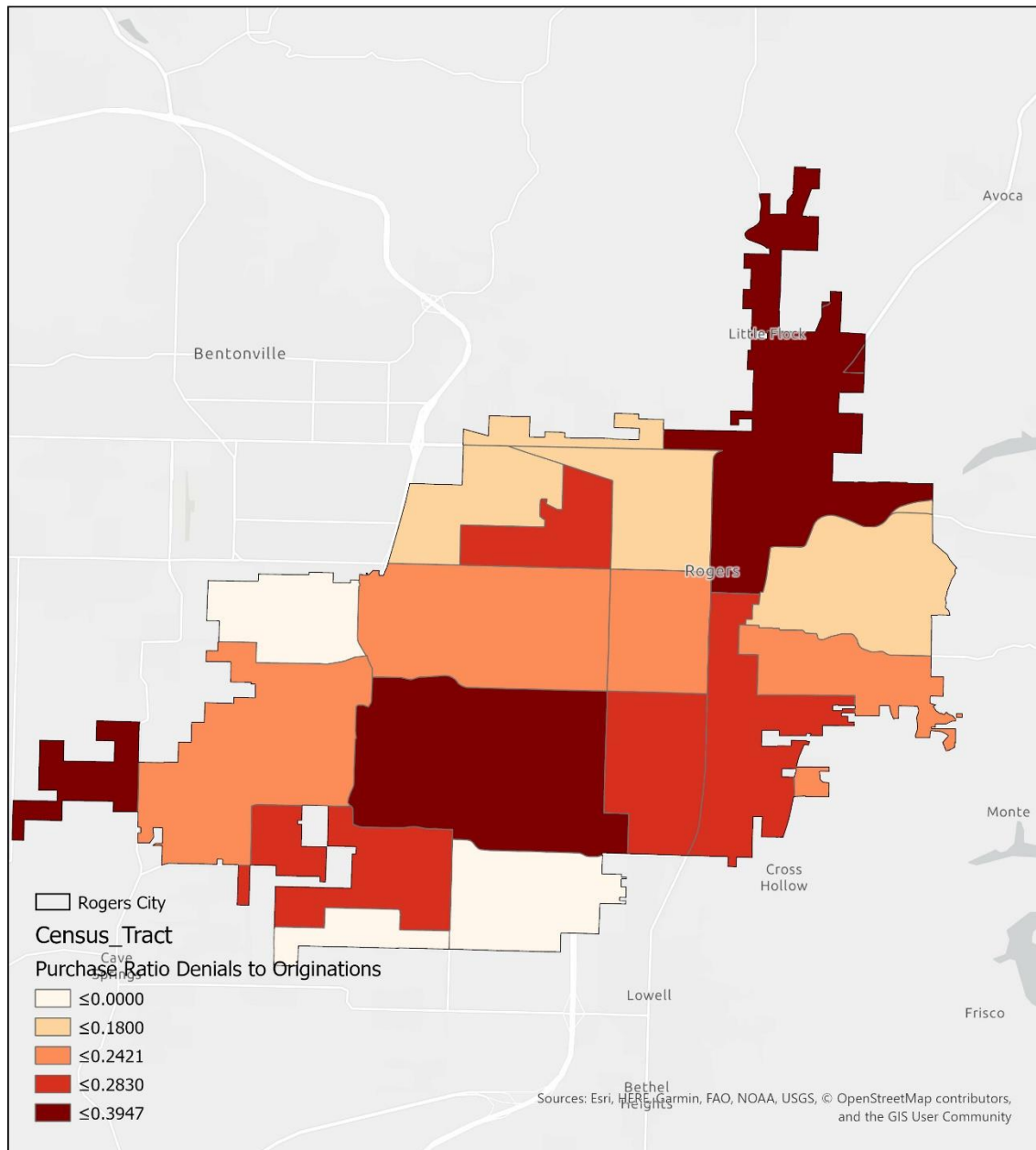
Map 5.3: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.4 Government Ratio Denials to Originations



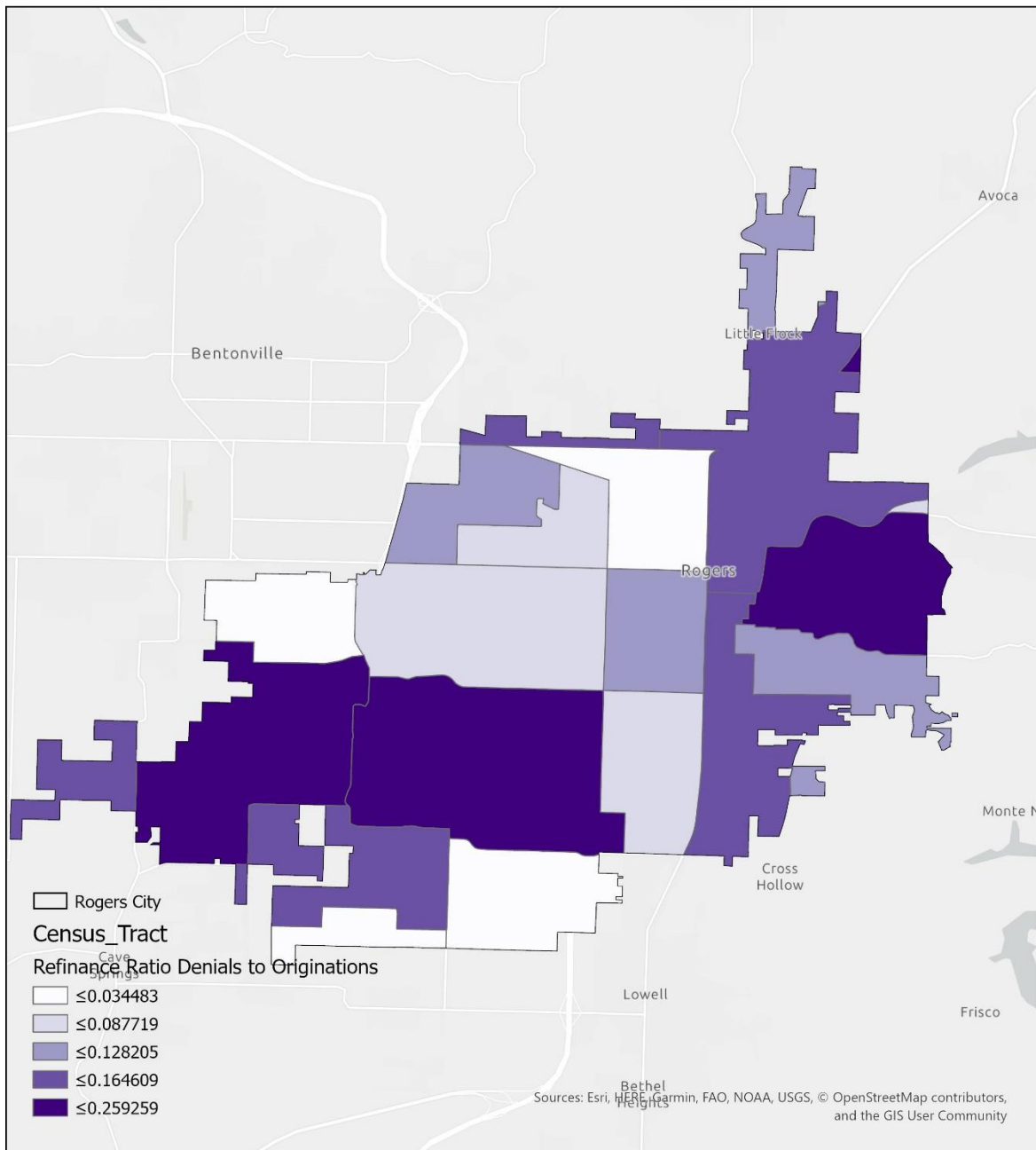
Map 5.4: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.5 Purchase Ratio Denials to Originations



Map 5.5: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.6 Refinance Ratio Denials to Originations



Map 5.6: Source: Home Mortgage Disclosure Act (HMDA)

VI. Fair Housing Impediments Analysis of Impediments

Analysis of Impediments October 31, 2022

Impediments to fair housing choice are detailed in Section VI of the Analysis of Impediments. The impediments identified draw on information collected and analyzed in other sections and provide a context for remedial actions intended to address those impediments. Impediments are generally related to five major factors: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed in this section of the report. Therefore, Section Six includes remedial actions when appropriate, to address each impediment. Remedial actions may be conceptual frameworks for addressing the impediments and conceptual actions and goals may require further research, analysis, and program design by the city prior to implementation.

Goals and Remedial Activities designed to address impediments

The major focus of the recommended remedial actions and goals are to create public - private partnerships, identify new federal, state, and local resources and leverage private funding to enhance the City of Rogers's ability to increase the supply of affordable housing. Additional focus is on policies and programs that assist in meeting the needs of low- and moderate-income households and protected class members under the Fair Housing Act. Remedial actions are intended to reverse disparate impacts of market conditions and mortgage lending trends that adversely and disproportionately impact minorities and members of the protected classes under the federal Fair Housing Act. These include sub-prime lending, access to credit, and collateral deficiencies that impact home ownership, access to rental housing, loan origination rates, poverty, unemployment and income. Goals developed with input from the public, and remedial actions are in Section VI of the report.

The following component of Section VI describes the identified impediments, analysis of data relative to identified impediments, remedial actions needed, and goals for addressing identified impediments to fair housing. The following impediments and impacts relative to fair housing are high priorities.

Impediments

- ✚ Increase Resources for Affordable Housing Development, Homebuyer Assistance, and Housing Rehabilitation with HOME Investment Partnership Entitlement Funding – High Priority; and
- ✚ Increase Homeownership among protected Class Members, Increase Affordability of existing housing, and sustainability – High Priority
- ✚ Eliminating and Maintaining area of deconcentrated Poverty, Income, Race, Ethnicity, Public and Assisted Housing (R-ECAP) Areas – High Priority
- ✚ Limited Development Subsidies and increasing Cost of Development – High Priority
- ✚ Housing Affordability, Insufficient Income, Cost Burden – High Priority
- ✚ Limited Housing Resources to assist lower income, elderly, and disabled homeowners maintain homes and enhance neighborhood stability – High Priority
- ✚ Expand the supply of Affordable Housing, Housing Choices and Access to Financing – High Priority
- ✚ Limited Special Needs housing, regulatory changes and services – High Priority
- ✚ Increase Outreach to Developers, Real Estate Professionals, Landlords, and Citizens on Fair Housing and Development Opportunities – High Priority

Impediment No. 1: Increase Resources for Affordable Housing Development, Homebuyer Assistance, and Housing Rehabilitation with HOME Investment Partnership Entitlement Funding - Neighborhood Conditions Impediment

High Priority – Resources to support expanding housing development and housing affordability. The city must identify additional resources to enhance affordability, reduce cost of development, and address impediment which constrain new housing production and housing choice. While the city of Rogers is an Entitlement recipient of Community Development Block Grant, it is not designated as an Entitlement Jurisdiction for HOME Investment Partnership Funds. The City should evaluate applying for HOME funding from HUD. Alternatively, Rogers also potentially could qualify for consortia HOME funding (contiguous units of local governments with a binding agreement) with neighboring jurisdictions such as Rogers.

Impediments

-  Limited Resources to support Housing Development and Affordability

Alternative Solutions and Best Practices

- Apply for HUD HOME Investment Partnership Entitlement Funds – Fayetteville, Fort Smith, North Little Rock, and Little Rock Arkansas are HOME Entitlements Currently
- Apply for HUD HOME Investment Partnership Entitlement Funds as a Consortium

HOME PROGRAM - HOME Investment Partnership Entitlement – Provides Grants to states and units of local government to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very low-income Americans.

Nature of Program: Participating jurisdictions may use HOME funds for a variety of housing activities, according to local housing needs. Eligible uses of funds include

tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing. Funds may not be used for public housing development, public housing operating costs, or for Section 8 tenant-based assistance, nor may they be used to provide non-federal matching contributions for other federal programs, for operating subsidies for rental housing, or for activities under the Low-Income Housing Preservation Act.

All housing developed with HOME funds must serve low- and very low-income families. For rental housing, at least 90 percent of the families benefited must have incomes at or below 60 percent of the area median income; the remaining 10 percent of the families benefited must have incomes at or below 80 percent of area median income. Homeownership assistance must be to families with incomes at or below 80 percent of the area median income. Each year, HUD publishes the applicable HOME income limits by area, adjusted for family size. HOME-assisted rental units must have rents that do not exceed the applicable HOME rent limits. Each year, HUD publishes the applicable HOME rent limits by area, adjusted for bedroom size. For projects with five or more HOME-assisted rental units, 20 percent of the units must be rented to very low-income families.

HOME-assisted homebuyer and rental housing must remain affordable for a long-term affordability period, determined by the amount of per-unit HOME assistance or the nature of the activity. HOME-assisted homebuyer housing is also subject to resale or recapture requirements.

Applicant Eligibility: States, cities, urban counties, and consortia (contiguous units of local governments with a binding agreement). Participating jurisdictions must provide a 25 percent match of their HOME funds. Participating jurisdictions must also set aside at least 15 percent of their allocations for housing to be owned, developed, or sponsored by community housing development organizations.

Funding Distribution: HOME funds are allocated using a formula designed to reflect relative housing need. Forty percent of the funds are allocated to states, and 60

percent is allocated to units of general local government. States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion for HOME) also can receive an allocation. Communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding. Other localities may participate in HOME by applying for program funds made available by their State. Congress set aside a pool of funding, equivalent to the greater of \$750,000 or 0.2 percent of appropriated funds, which HUD distributes among insular areas.

Legal Authority: Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 *et seq.*). Regulations are at 24 CFR part 92.

Administering Office: Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, DC 20410-7000.

Information Sources: HUD local field offices and state and local community development agencies.

Impediment No. 2: De-concentration of Poverty, Race/Ethnicity, Public and Assisted Housing (R-ECAP) - Neighborhood Conditions Impediment

High Priority – The U. S. Department of HUD has defined “Areas of Poverty, Racial and Ethnic Concentration and Segregation” as areas or census tracts within the city comprised of 50% or greater minority population, and three (3) times or more the poverty level of the Metropolitan Statistical Area (MSA). A lack of basic amenities, neighborhood improvements, poorly maintained privately owned and rental housing, concentrated public and assisted housing, have reduced the quality of life expected and desired for areas within the MSA. It is important to note that concentrated assisted housing units are not simply related to the number of housing units in a census tract and their proximity to other assisted units.

Adverse area conditions limit housing choices and limitations in geographical affordability contribute to concentration of racial/ethnic populations, poverty, and LMI population. These concentrations result in disinvestment, decline in neighborhood conditions, a disproportion of government subsidized affordable housing compared to privately owned affordable housing and market rate housing in census tracts. Map 2.8 on page 23 of Section II: Community Profile depicts the census tracts with high concentrations of poverty and minorities meeting the RCAP/ECAP criteria for Rogers. The MSA poverty rate was 12.1 percent for Rogers. Three times the poverty rate is 36.3 percent, thus making census track with a poverty rate over 36.3 percent the threshold for the RCAP/ECAP criteria for Rogers. The map on 2.8 does not identify any census tracts meeting the RCAP/ECAP criteria in Rogers.

Most impactful for R-ECAP areas involves decline over past decades due to limited reinvestment. These areas generally have limited housing choice in rental and ownership housing. In most R-ECAP areas, there are limited resources to assist LMI renters and to assist LMI, elderly, and disabled homeowners maintain their homes and stability in neighborhoods. In R-ECAP areas, the housing stock can be in fair to good condition, but currently in the early stage of decline. In addition to the early decline in R-ECAP areas, some neighborhoods are in transition, showing advanced characteristic of declining conditions and likely to continue to decline if reinvestment, routine and preventive maintenance does not occur in a timely manner.

Rogers has some census tracts where neighborhoods are aging and reinvestment has decreased over time. Senior and low-moderate income persons are having difficulties in maintaining their aging properties. At the same time, there is an increase in new housing development in recent subdivisions but much of it is not affordable to seniors and low and moderate households. Increased resources for homebuyer assistance and repair of existing structures will be essential in order to maintain neighborhood stability and avoid older areas from becoming R/ECAP areas in the future.

Housing stock 30 years and older have a longer period for the effects of deferred and limited routine maintenance and disinvestment to negatively impact housing condition. In Rogers, over 71.1 percent of all housing units were built prior to 1990. Approximately 21.2 percent

of housing units were built prior to 1979 and may contain lead-based paint. The use of lead-based paint was prohibited in 1978 legislation. While age does not always indicate diminished housing condition, correlations exist. Higher income areas with older but higher priced housing tend to have less correlation between age of housing and condition of housing than lower income areas. Neighborhood covenants and homeowner association regulations, which are associated with higher cost housing, also contribute to stability. The reverse occurs in housing, neighborhoods, and commercial corridors conditions that demonstrate the impact of disinvestment more than others. This supports the correlation between disinvestment, concentrated poverty, race, ethnicity, and assisted housing and areas of decline.

The goal of de-concentration is to achieve minority concentrations and poverty level less than defined as R-ECAP and to transform areas of concentration into “opportunity areas.” Opportunity areas offer access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation.

Alternative Solutions and Best Practices

Inclusionary / Incentivized zoning regulation and General Obligation Bonds for infrastructure. Charleston, South Carolina MU - 2 District and GO Bond Finance.

Magnolia Point North Charleston



Mixton Townhomes North Charleston



Remedial Actions:

The City of Rogers should consider **Inclusionary Zoning – Incentivized Zoning** as a source of funding for affordable housing and to reduce concentrations in R-ECAP impacted areas. Inclusionary Zoning (IZ) refers to a set of strategies that aim to create balanced housing development and mixed-income communities by incentivizing portion of new housing development to be affordable. This strategy may be appropriate to encourage a mix of incomes in the City of Rogers where development may create neighborhoods of homogenous home prices and residents of similar incomes. Mixed-income communities broaden access to services and jobs, as well as provide openings through which lower-wage earning families can buy homes in appreciating housing markets and accumulate wealth. Inclusionary Zoning policies can be voluntary or mandatory.

Low Income Tax Credit Policies and Regulations (LIHTC) – Currently there are concentrations of federally assisted housing and LIHTC developments in areas/census tracts where minority populations, poverty, lower incomes, and poor housing conditions exist as defined by HUD’s definition of concentrated Racial and Ethnic, Poverty and Low Income as R-ECAP. The fair market rents approved for the Section 8 Housing Choice Voucher Program, while in theory intended to support housing choice, are resulting in voucher holders being concentration in these same areas. The areas surrounding the federally assisted housing developments are concentrated areas based on race-ethnicity and lower income persons and exhibit advanced signs of disinvestment and poor housing and living conditions. The need for de-concentration makes revitalization essential to reversing these conditions, a high priority. Recommendations include the City of Rogers taking the following actions:

- Lobby the Arkansas Legislature to amend LIHTC Funding Criteria to include a Location Criteria Policy that incentivizes developers’ applications that do not choose poverty and racial/ethnic concentrated census tracts to help reduce concentrated poverty, race and ethnicity







Impediment No. 3: Limited development subsidies, increasing cost of development, expanded housing types and locations - Neighborhood Condition, Banking and Finance, and Public Policy Impediment

High Priority – Resources to support expanding housing development and housing types in RCAP areas. The city must identify additional resources to reduce cost of development and address impediment which constrain new housing production and housing choice. In the central city, land available for affordable housing is further complicated by the number of vacant privately owned and tax foreclosure or adjudicated properties that cannot be utilized for development due to various legal constraints and tax encumbrances. As a result, new residential production on infill lots are challenging and costly.

Renovations are not cost effective in some instances when developing and renovating affordable housing. Construction cost, which includes materials and labor, have increased due to market demand and natural disasters. Renovation constraints for existing multifamily development include cost benefit of renovation as opposed to replacement cost.

The Consolidated Plan, Needs Assessment and Market Analysis provided data supporting the existence of impediments and identified resources in the 1-year Annual Plan (AP) and 5-year Plan (SP) intended to address impacts relative to Impediment No. 2.

Impediments

-  Expanded resources for housing development
-  Expanded resources for housing assistance – rental and ownership
-  Nonprofit housing developer assistance and incentives
-  Recapture of vacant lots and obsolete building
-  Infrastructure improvements to support housing development
-  Developer incentives to build the type of housing needed

Alternative Solutions and Best Practices

New Market Tax Credits to generate subsidies for housing
Houston, TX BBVA Compass Stadium

Affordable Housing Development and 62+ and Seniors
Charleston, SC

Seven Farms Development – Charleston South Carolina



Impediment No. 4: Housing affordability and insufficient income, and cost burden - Neighborhood Condition, Banking and Finance, and Public Policy Impediment

High Priority - Households having inadequate income to acquire housing available in the market may be the most critical impediment faced by households in Rogers. Cost burden is a major concern as the 2016 - 2020 ACS estimates revealed a significant percentage of the population at all income levels are paying more than 30 percent of their income for rent

and home ownership. HUD defines affordability and housing cost burden as housing cost not exceeding 30 percent of household monthly income.

The report details the following impediments and impacts relative to Impediment No. 3.

Impediments

- ✚ Limited resources for housing assistance – rental and ownership
- ✚ Limited assistance and incentives for nonprofit housing developer
- ✚ Expanded funding for infrastructure improvements to support housing development and rehabilitation
- ✚ Need for expanded self-help, community and faith based and institution initiatives
- ✚ Housing assistance for cost burden persons for all populations, and disparate impact on protected class members
- ✚ Continue to expand job opportunities and industries paying living wages

Alternative Solutions and Best Practices

- Increased self-help initiatives - fix-up," "paint-up," or "clean-up" campaigns, corporate and volunteer repair projects, youth build, compliance store - Dallas, TX
- High school and community college financial literacy courses
Prince Williams County, Virginia
- Lease purchase subdivisions – Lease purchase housing finance

Shreveport, LA Shepard Place and Stoner Hill



Remedial Actions:

Financial Literacy - The first considerations when attempting to increase homeownership rates should include improving the financial literacy and home buying preparedness of potential buyers. Banks and credit agencies collaborate with buyers to educate them on home ownership responsibilities. Homebuyer education classes are a pre-requisite for homebuyer assistance programs providing down payment assistance. The 18 to 35-year-old demographic are most impacted by financial literacy. An early start in managing personal finances can prepare individuals for those major purchases. The City should consider collaborations with local school districts to increase courses that provide financial literacy education for high school juniors and seniors. This includes joint ventures with local lending institutions and real estate professionals to assist in curriculum development and to provide instructors for the classes. The city may consider participation with school districts to identify funding for pilot programs.

Opportunity Zones - The Federal Opportunity Zone Program is a community and economic development tool that aims to drive long-term private investment into low-income communities throughout the country. Legislation enacted by Congress in the Tax Cuts and Jobs Act of 2017 defines the program. It encourages investors with recently realized capital gains to invest in local businesses, real estate, or development projects in exchange for a reduction in their tax obligations. The legislation authorizes Opportunity

Zones to be designated by the governor of each state. The program incentivizes investors to make equity investments in Opportunity Zone-based businesses and development projects by providing:

- A temporary tax deferral for any realized, but not recognized, capital gains reinvested through the program
- The potential for a 10% to 15% reduction in the amount of tax otherwise payable on the Original Gain
- If the investment in the Opportunity Zone is effective for ten years or more, a permanent exclusion of any capital gains derived from the eventual sale or exchange of the Opportunity Zone investment







The Opportunity Zones could provide a source of equity for housing and economic development initiatives like tax credit equity generated by LIHTC. This is important because Rogers's older residential and commercial, and a shift toward diversification of mixed income and mixed housing types, will require unrestricted equity that does not require the concentration of person of low-moderated income in current R-ECAP Areas. It is essential that Rogers develop alternative approaches for utilizing the Opportunity Zone designation to generate reinvestment dollars for neighborhoods suffering decline and areas such as downtown that appear most marketable to younger demographics and those seeking more affordable housing.

Impediment No. 5: Limited Housing Resources to assist lower income, elderly, and disabled homeowners maintain homes and enhance neighborhood stability - Neighborhood Condition, Socio-Economic Conditions, Public Policy Impediments.

High Priority – In general, limitations relative to fair housing choice affect housing decisions among low-income persons and special needs populations. Lower income, poverty and limited resources to make housing affordable for LMI, minority, and senior populations are impacting fair housing choice. Overall, the income distribution data show a higher proportion of low-income households within the African American and Hispanic communities. It is noteworthy that the City of Rogers has made significant advances in the

development of alternative housing for seniors and low-moderate income households. Senior housing, cottage housing and tiny home subdivisions are being developed in Rogers and have demonstrated a market for these types of products. Some of those developments are shown on the next page as examples. The analysis details the following impediments and impacts relative to Impediment No. 4 and No. 5.

Impediments

-  Senior housing needs
-  Younger demographics housing needs
-  Affordable housing needs
-  Employer and faith-based housing development assistance
-  Green building and energy efficiency
-  Special needs housing, homelessness, homeless prevention, transitional housing

Alternative Solutions and Best Practices

- Cottage – Cluster Housing for Seniors;
Tigard, OR Cottage Housing Zoning District
Grand Parent Housing - Kansas City, MO Pemberton Park
- Employer Assisted Housing - Columbus, GA Aflac EAH

Patio Homes, Tiny Homes Subdivisions (example) Rogers, Arkansas

Patio Homes of Persimmon



Eagle Homes Tiny Homes Subdivision



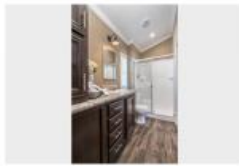
Olive Street Tiny Homes



Tiny Homes Subdivisions (example) Austin, TX Village Farms



Village Tiny Homes Austin, Texas



1 bedroom 400 sq. ft.
\$85,000



Cluster Housing – Dallas Housing Authority Dallas, Texas



Remedial Actions:

Modular Housing as an alternative lower cost housing product – Cities now face a crisis of affordability in the housing industry with difficulty delivering high-performance and durable buildings at an affordable cost. Modular housing is fast becoming a cost-effective alternative to traditional on-site construction. The building components

transported from the factory are assembled on the lot. These industrialized building offers two primary advantages: predictability and time required for construction. Unlike mobile homes, modular housing building must meet local and national building codes. In Shreveport, Louisiana non-profit development organizations have utilized modular housing as a means of lowering the purchase price of new housing, while replicating the architectural style of the existing neighborhood and meeting local building code requirements as well. These units feature siding as opposed to traditional brick construction and offer the residents porches like those on units in the neighborhood. These units could provide alternatives for affordable housing in areas throughout Rogers. Modular housing is regulated by the Rogers's building codes if the construction meets building codes. Unlike mobile homes, modular housing is the same as a traditional single-family housing situated on a permanent foundation. The walls and other components are constructed in factories off site and then transported to the site for assembly. Local building officials are responsible for building permits and evaluating construction to ensure compliance with local codes.

Employer Assisted Housing - The City should collaborate with local employers to market Employer Assisted Housing (EAH) as a means of creating homeownership opportunities for the workforce. It is vital that major employers and financial institutions promote wage levels adequate for people to become homeownership, without down-payment and other assistance. City governments and school districts should also consider initiating programs to assisted qualified employees with becoming homeowners. The city should coordinate with major employers and lenders to design and aid firms in the implementation of Employer- Assisted Housing (EAH) programs, encouraging employers to support employees in their efforts to purchase housing in the Plan area.

Employer-Assisted housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into homeownership. Communities benefit through investment in the neighborhoods where the employers and employees are located. The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings,




interest-rate buy downs, shared appreciation, and home-buyer education provided by an employer-funded counseling agency. Successful EAH programs use a combination of benefits listed above. Fannie Mae has developed a program which not only initiated their own EAH program, but also helps employers implement EAH programs. Fannie Mae's EAH program has made it possible for 2,200 of its employees to become homeowners. Seventy-six (76%) percent of all Fannie Mae employees own their own homes, compared to the national average of sixty-eight (68%) percent.

Cottage Housing - An option for addressing the needs of elderly homeowners may include finding them more appropriate housing rental or owner housing. Elderly homeowners are over-housed once their children have left home. While this is not always a problem, if a homeowner can no longer care for their larger home, something smaller and more easily cared for may be more appropriate. The major concern people in these circumstances face is separation from their familiar surroundings and social networks. Small neighborhood cottage housing developments built in existing neighborhoods can address these concerns. Instead of providing expensive repairs to an “over-sized” housing unit occupied by only one or two persons, buyers can sell and purchase smaller home allowing them to transition to a smaller unit, relieving them of the burden of the larger home. The program would then rehabilitate their home and sale it to a larger family through a new homebuyer program. Cottage housing, or cluster housing is an alternative to continuing ownership of a larger unit that over-houses them or has become too costly to maintain. It is a viable alternative to a grant-funded major rehabilitation when an elderly applicant is living in unsafe conditions and the rehabilitation costs exceed the projected value of the completed structure. There may also be applicants who, because of limited funding, will have to wait years for assistance because their application is on a long rehabilitation program waiting list.

Impediment No. 6: Impediment: Expand Supply of Affordable Housing, Housing Choice, and Access to Financing - Neighborhood Condition, Banking, Finance, Regulatory – High Priority

High Priority - The housing market analysis revealed significant affordability gaps in both ownership and rental units. The housing supply and demand analysis for owner units in the city shows significant gaps in the supply within the price range of all household income categories except for moderate-income households. Affordability within the extremely low and very-low household income categories are limited as ownership opportunities within these lower income levels is cost prohibitive. However, the Home Mortgage disclosure Act shows large gap in the purchaser's ability to qualify for existing supply of owner units, especially minority loan approval rates compared to Whites in LMI and Median income ranges applying for purchase of homes in the \$75,000 to \$150,000 and below range.

Impediments

-  Lower number of loan applications for minorities and low origination rates for minority applicants.
-  After rehabilitation - new construction infill appraisal does not support mortgage loan.
-  Predatory lending practices.

Predatory lending practices are aggressively absorbing the market formerly controlled by FDIC insured banks and other reputable financial institutions. Persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. Consumers face underwriting criteria used by lenders that fail to adjust ratios or provide funding with more favorable terms.

Alternative Solutions and Best Practices

- Lease Purchase Subdivisions – Lease Purchase Housing Finance
Shreveport, LA Shepard Place and Stoner Hill

Modular Housing Infill Housing Shreveport Queensborough Neighborhood



Impediment No. 7: Special Needs Housing, Regulations and Services Socio-Economic, Banking, Finance, Regulatory, Policy – High Priority

High Priority - According the 2016 - 2020 ACS, the population of seniors over sixty-five has significantly increased.

Impediments

- ✚ “Visitable” housing standards
- ✚ Accessibility for persons with disabilities




Alternative Solutions and Best Practices

- Visitable Housing - Atlanta, GA Habitat for Humanities

7. Increase homeownership, rehabilitation, neighborhood stability, finance, and regulatory changes – High Priority

High Priority – Lack of housing affordability and households having inadequate income to acquire housing currently available in the market, may be the most critical impediment. The correlation between median home values and household income underscores this issue.

Impediments

-  Improving housing and neighborhood conditions and character
-  Address lack of affordable and Infill Housing
-  Housing demand, cost, affordability, and access to financing

Alternative Solutions and Best Practices

- Modular Housing – Queenborough Neighborhood Infill Housing
Lease Purchase Subdivisions – Lease Purchase Housing Finance
Shepard Place and Stoner Hill