

Logan City
Analysis of Impediments to Fair Housing

EXECUTIVE SUMMARY

Analysis of Impediments

The Analysis of Impediments (AI) is a comprehensive review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

HUD defines impediments to fair housing choice as:

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

Findings

After an extensive look at housing and economic data for the City of Logan it does not appear that housing choice is effected by race, color, religion, sex, disability, familial status, or national origin.

Housing opportunities exist for both renters and buyers throughout Logan, despite the fact that median incomes are increasing at only 1.5% per year. The supply of rental housing is increasing as fast as or faster than the demand within Logan allowing even low income to find affordable housing. Further, for those of extremely low income, financial assistance is available to help make housing affordable.

For those looking to purchase housing, Logan has a wide diversity of homes in many price ranges. The lending industry is also making mortgage loans equally to all, regardless of racial background.

Potential Impediments

While Logan provides a significant amount of rental housing there is the potential that landlords illegally screen potential tenants based on race or other factors. While the evidence to support discrimination is hard to come by, there have been complaints to the Bear River Association of Governments about the appearance of discriminatory behavior.

Logan's Zoning Ordinance provides for the separation land use based on the incompatibility of those uses. While zoning has many positive community benefits, it also has the effect of segregating neighborhoods based on race and income. In terms of impediments to fair housing, zoning can effectively prevent fair housing choice in some neighborhoods.

INTRODUCTION

[Why does Logan City Need an Analysis of Impediments to Fair Housing?](#)

In 2004 Logan City's population reached a level that qualified it to become an "Entitlement Jurisdiction" in the United States Department of Housing and Urban Development (HUD) Community Development Block Grant program (CDBG). Becoming an Entitlement Jurisdiction allowed Logan to receive CDBG funds directly from HUD rather than through the State of Utah and the Association of Governments. Along with CDBG funds, Entitlement also brought along several Federal regulations which must be followed as part of the CDBG program. Of principle concern is compliance with Section 808 of the Fair Housing Act which has the principle objective to "*improve housing opportunities for all residents of the United States, particularly members of disadvantaged minorities, on a non-discriminatory basis.*"¹

The Fair Housing Act prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, gender, religion, national origin, familial status, disability, source of income, or sexual orientation. In practical terms this means it is illegal for anyone to refuse to rent or sell housing, refuse to negotiate for housing, falsely deny that housing is available for inspection, make housing unavailable, deny a dwelling unit, set different terms, conditions for the sale or rental of a dwelling, or deny financing for housing based on race, color, gender, religion, national origin, familial status, disability, source of income, or sexual orientation.

As part of the CDBG requirements, HUD requires Logan City to certify it is "*affirmatively furthering fair housing*". The certification requires Logan City to:

1. Conduct an analysis to identify impediments to fair housing choice
2. Take appropriate actions to overcome the effects of impediments
3. Maintain records reflecting the analysis and actions taken

This analysis is intended to fulfill the first element of the certification process and to establish a framework for future actions.

[What Is in the Analysis of Impediments?](#)

The purpose of the Analysis of Impediments (AI) is to assess how adequately the public and private sector in and around Logan is fulfilling the objectives of the Fair Housing Act. The (AI) should look at the existence, nature, extent, and cause of all fair housing problems including actions or decisions taken which restrict housing choice or the availability of housing to any protected class. The AI should include:

- A comprehensive review of Logan City's laws, regulations, and administrative policies, procedures, and practices involving housing and housing-related activities
- An assessment of how those laws, etc. affect the location, availability, and accessibility of housing

¹ Fair Housing Planning Guide, HUD

- An assessment of conditions, both public and private, affecting fair housing choice for all protected classes
- An assessment of the availability of affordable, accessible housing in a range of unit sizes

What Information Is Used to Complete the Analysis?

HUD does not require Entitlement jurisdictions to conduct a primary data collection effort for the AI. Existing data sources for this analysis include Federal agency databases and studies, State and local information sources, private housing industry reports, and college and university studies. Data sources include:

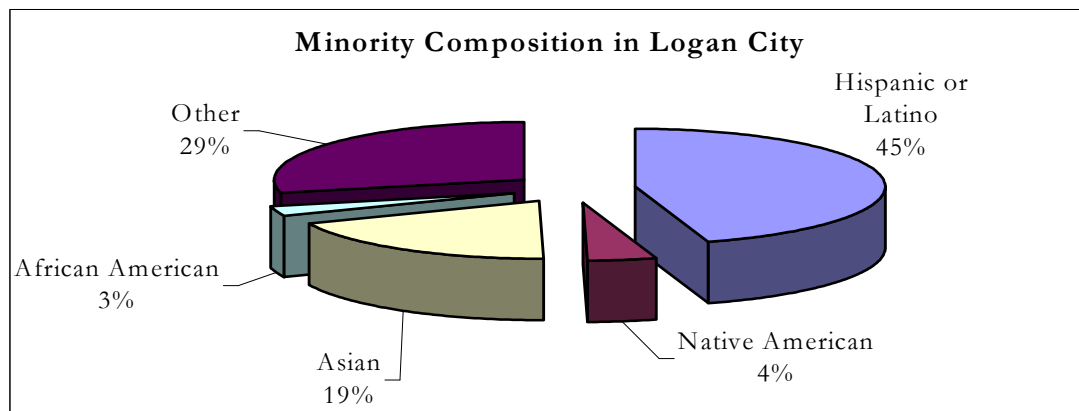
- U.S. Census Bureau
- Federal and State Income Tax data
- Home Mortgage Disclosure Act data from the Federal Financial Institutions Examination Council (FFIEC)
- Patterns of occupancy in Section 8, Public and Assisted Housing, and private rental housing
- Public policies, practices, and procedures involving housing and housing related activities
- Zoning and land use policies

DEMOGRAPHICS

The purpose of the AI is to determine whether or not housing opportunities in Logan are fairly distributed to people regardless of race, color, gender, religion, national origin, familial status, disability, source of income, or sexual orientation. To this end, this AI will first look at the demographic make up of the residents of Logan, especially the disadvantaged groups, and then look to the housing characteristic of the City to see how they compare.

Race and Ethnicity

According to the 2000 U.S. Census Bureau², the population of Logan City was predominately white. Of the 42,725 residents in Logan, 36,630 or approximately 86% were white. Logan’s minority population of about 6,095 is comprised mainly of people of Hispanic and Latino origin, those of more than one race, and Asians. However, it should be pointed out that the U.S. Census does not get an accurate count of minority populations due to apprehension on the part of undocumented individuals of taking part in the count. Therefore the number of Hispanic and Latinos is surely significantly higher than shown here.

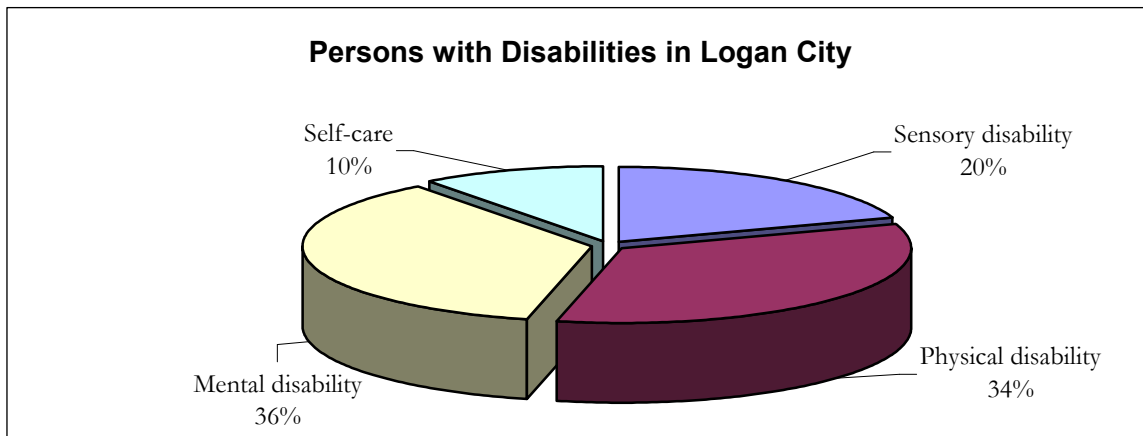


Elderly and Disabled

The life expectancy of the average American is increasing every year. In most communities this means that the population of elderly is increasing as well and Logan is no exception. However the elderly population in Logan is not growing as rapidly as the rest of the general population. From 1990 to 2000 the population of individuals over 65 has increased by nearly 5% in Logan, while Cache County and Utah increased 13% and 21% respectively over the same time period³.

² 2000 U.S. Census Bureau SF 3 Tables P6 and P7.

³ 1990 Census Bureau SF 1 Table P011 and 2000 U.S. Census Bureau SF 1 Table P8

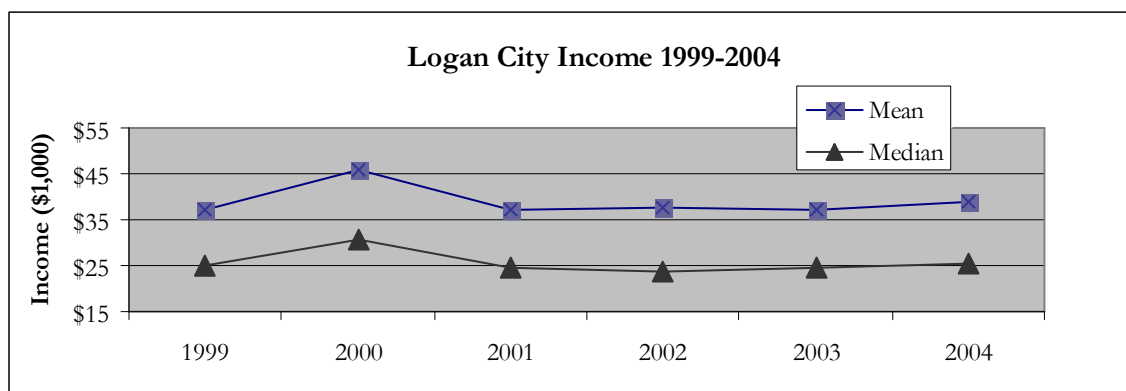


According to the 2000 Census approximately 10% of the population in Logan City has some form of a disability⁴. This percentage is similar to Cache County and slightly less than the rest of Utah, which is just over 13%.

Many of Logan’s elderly and disabled have special housing needs. These needs often require modifications to existing homes such as the addition of ramps and widening of doorways to accommodate wheelchairs and medical equipment.

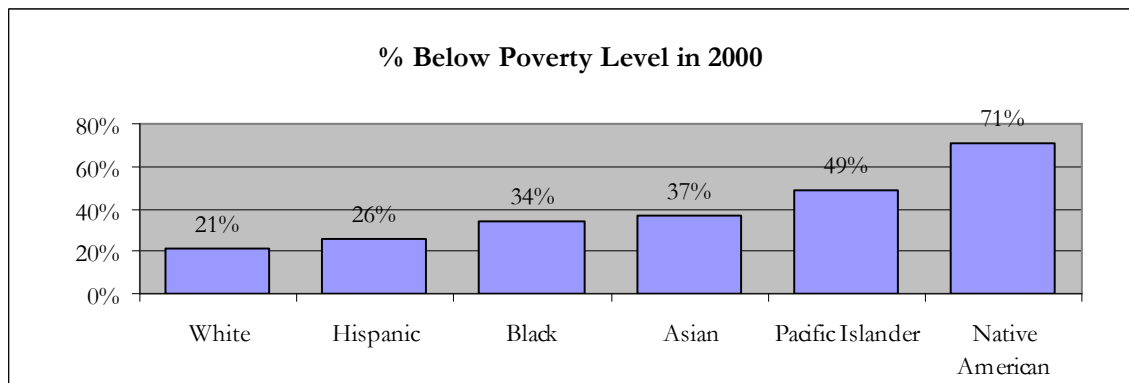
INCOME

Household income is an important part of housing choice because as income increases so too does the variety of options for housing increase. Since 1999, the average and median incomes in Logan City have held fairly steady at about \$37,500 and \$25,000 respectively⁵. During the same time, the number of households making under \$25,000 annually has also stayed level at nearly 7,800. However, the number of people under the poverty level has

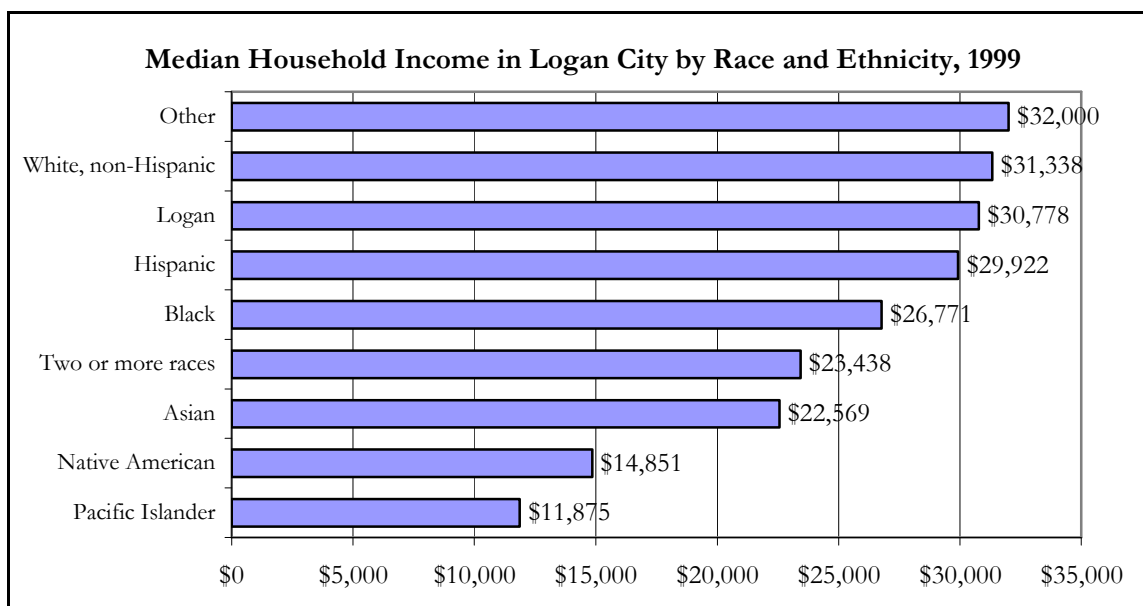


⁴ 2000 U.S. Census Bureau SF 3 Table P41

⁵ Utah Income and Corporate Tax Statistics, <http://tax.utah.gov/esu/income/>



increased 35% between 1990 and 2000⁶. Further, it is apparent that poverty is not spread equally across households of different races. In 2000, 21% of Logan’s white population fell under the poverty level but 34%, 49%, and 71% of all blacks, Pacific Islanders, and Native Americans were below the poverty level at the same time⁶. Further, the number of minority individuals in poverty rose 125% between 1990 and 2000 while the white population increased 21%.



⁶ 2000 U.S. Census Bureau SF 3

HOUSING

The housing market in Logan City, both for home owners and renters, is quite different than many housing markets in the quickly growing West. While rapid price escalation and severe shortages of affordable housing are common in other communities, the availability of affordable housing in Logan has, for the most part, kept pace with growth in population.

The relatively affordable cost of housing in Logan City is due to two major factors. First, the large amount of rental housing forces landlords to keep rents low and gives prospective renters a large selection to choose from. Based on U.S. Census and home construction reports there are 8,850 rental units in Logan⁷. This is approximately 54% of the housing stock. Secondly, a vibrant home construction industry is keeping up with the demand for new housing and preventing the cost of housing from escalating too rapidly. Home construction in Logan City appears to have kept pace with population growth since the 2000 Census count. Based on construction permits, a total of 1,675 new housing units were permitted for construction between 2000 and December 2005⁸.

Notable Housing Changes in Logan City, 1990-2000

	1990	2000	2005 est.
Population	32,762	42,670	46,785
Total Households	11,069	13,902	16,022
Total Housing Units	11,440	14,727	16,402
(% Owner Occupied)	57%	44%	46%

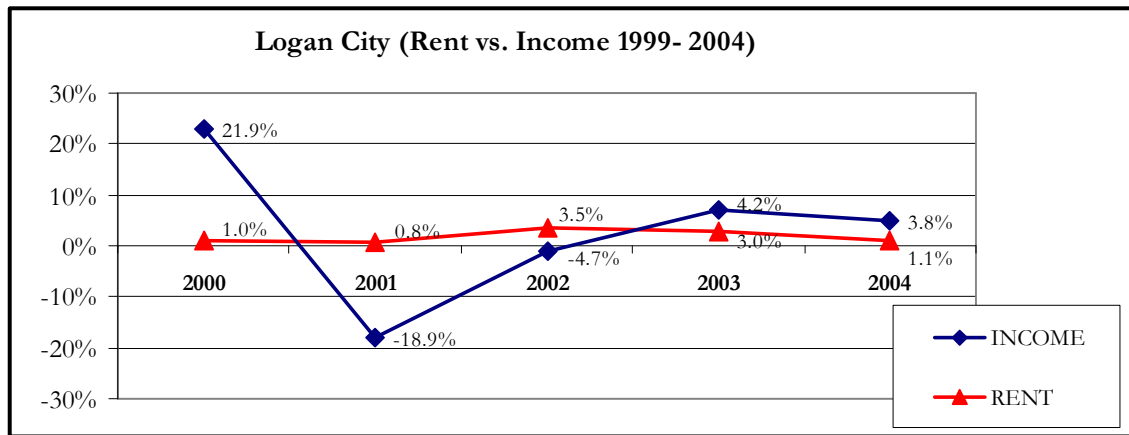
Permitted Construction in Logan City, 2000-2005⁸

Housing Type	Number of Buildings	Dwelling Units
Single Family Homes	742	742
Multi Family Units	168	933
Duplexes and Twin	46	92
Condominiums	80	334
Apartments -3 or 4 Units	4	15
Apartments - 5 or more	38	492
Total Units	910	1,675

⁷ 1990 Census Bureau and 2000 U.S. Census Bureau SF 3

⁸ University of Utah Bureau of Economic and Business Research, *Construction Information Database*, <http://www.business.utah.edu/go/bebr/1363/>

The high percentage of rental units has allowed the cost of renting to keep pace with incomes. Since 1999, HUD fair market rent for a 2-bedroom has increased an average of 1.86% per year while median incomes have increased 1.26% per year⁹. Though median income does appear to be keeping pace with rents in Logan City, it would be unfair not to point out that the number of households earning less than \$30,000 per year has increased 38% over the same time. These households are the ones most likely to face difficulties finding housing that they can afford especially as rents continue to increase over time.



Rentals

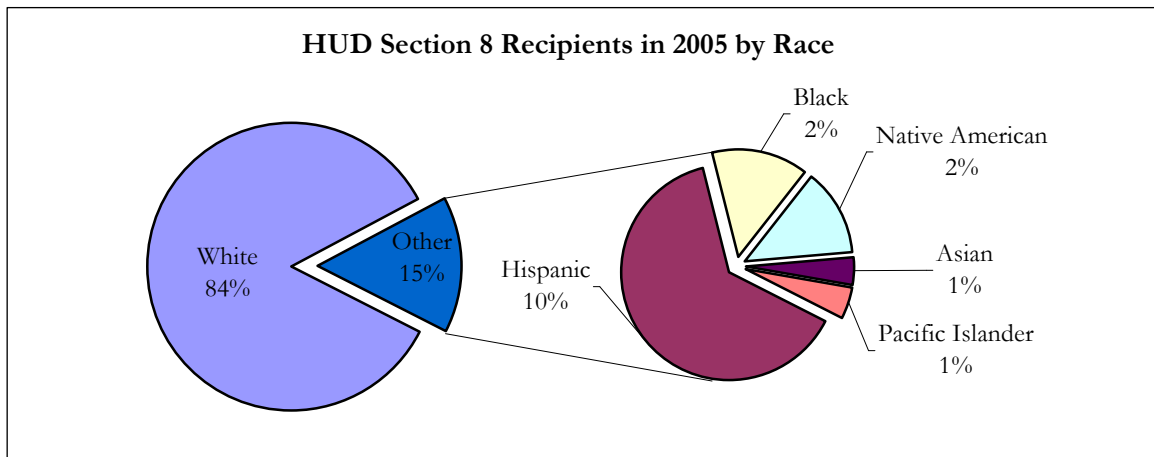
The Fair Housing Act provides for equal availability of housing choices regardless of race, color, religion, sex, disability, familial status, or national origin. Potential impediments to rental housing opportunities come from discriminatory practices of landlords, increases in rents which could make rents unaffordable to the low income, and the lack of rental units in some neighborhoods.

Discriminatory Practices- In the Bear River Association of Government’s 2001 Fair Housing Plan, they did not find direct evidence of discriminatory practices in the rental policies of the larger property management companies. However, BRAG did receive complaints from prospective tenants of “screening” by landlords in accessory units or smaller multi-family units. The complaints stemmed from questions regarding religious affiliation and family status asked by the landlord during informal interviews. BRAG could not define the extent of these kinds of discriminatory actions but nevertheless, admitted that problems do exist.

Low Income- As stated before, the number of households earning less than \$25,000 is staying steady at about 7,800. At an annual salary of \$25,000, a household could afford a monthly rent payment (including utilities) of about \$625.

⁹ HUD Fair Market Rents for a 2-bedroom apartment, <http://www.huduser.org/datasets/fmr.html>

¹⁰ Utah Income and Corporate Tax Statistic, <http://tax.utah.gov/esu/income>



For those of extremely low income, government assistance from the HUD Section 8 Rental Assistance Program is available to help make rental payments affordable. The program requires renters to pay 30% of their income towards rent while the rental assistance pays whatever remains up to fair market rent. As of February 2006, the racial composition of Section 8 recipients was 84% white and 15% minorities¹¹. This composition matched the racial makeup of the Logan City quite well indicating that the HUD Rental Assistance program is administered in a fair manner.

Rental Availability- Due to zoning restrictions and market forces, some neighborhoods have more rental availability than others. The *Distribution of Rental Units* map on the next page shows that rentals make up between 80 and 100% of all the housing units in the neighborhoods around Utah State University, while rentals on the eastern benches make up 20% or less of the housing units.

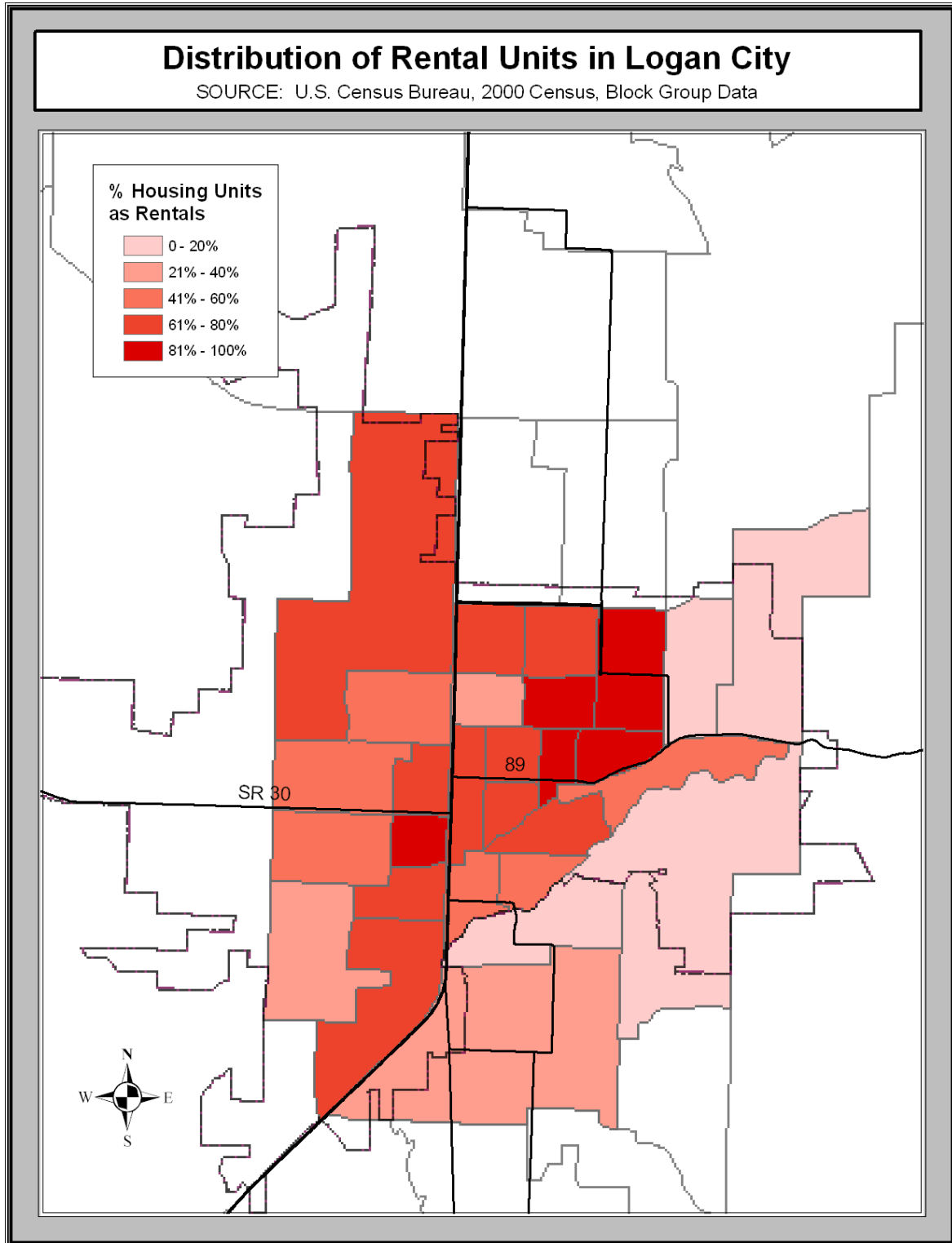
Owner Occupied Housing

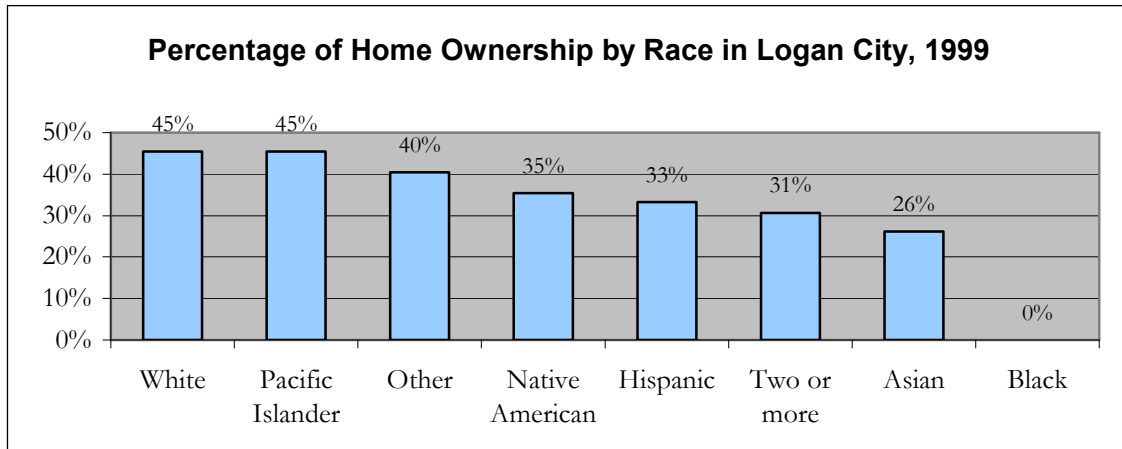
The Fair Housing Act provides for equal availability of housing choices regardless of race, color, religion, sex, disability, familial status, or national origin. This applies to home ownership opportunities just as it does to home rental opportunities. Potential impediments to home ownership opportunities come from a variety of sources, such as the lending industry, zoning and land use regulation, and high housing costs.

Looking at the racial demographics of homeowners in Logan shows that there is a disparity in home ownership based on race. Based on information from the 2000 Census, nearly 45% of whites owned their own home but only 27% of Asians and no black households were homeowners¹². While this information raises suspicion of discrimination within the housing industry it not necessarily the case.

¹¹ Bear River Association of Governments, Section 8 Rental Assistance Program, Intake data

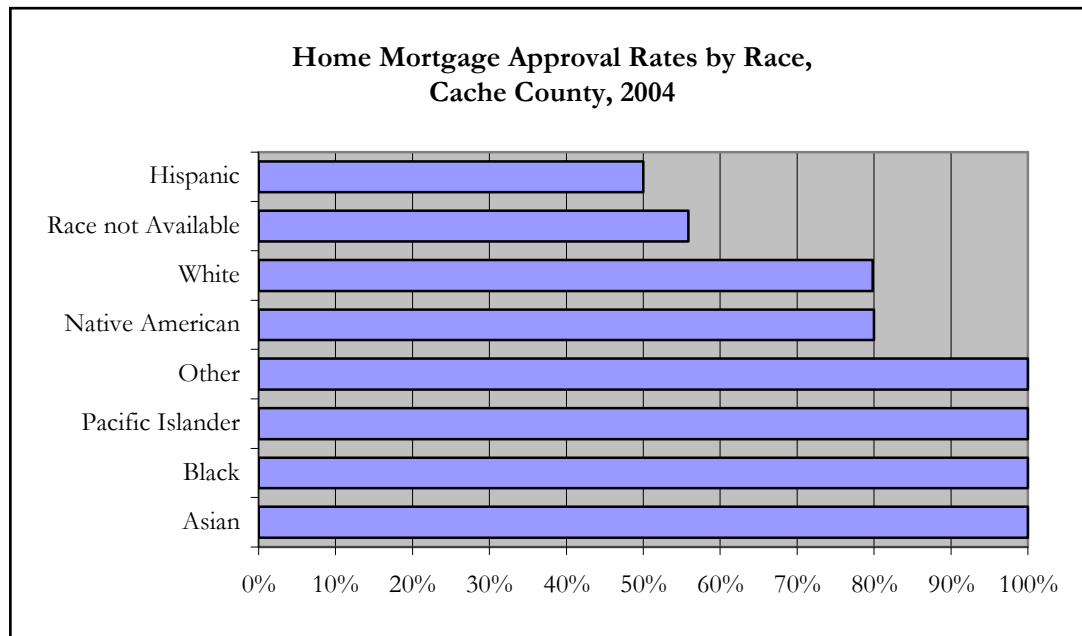
¹² 2000, U.S. Census Bureau, SF3 Data Tables H11 and H12





Lending Practices- the Fair Housing Act applies to mortgage lending just as it does to other aspects of housing. Lenders may not: refuse to make a mortgage loan; refuse to provide information regarding loans, impose different terms or conditions on a loan (such as different interest rates, points, or fees); or discriminate in appraising property based on race, color, national origin, religion, sex, familial status, or handicap. Most lending institutions are required to report to the Federal Financial Institutions Examination Council (FFIEC) on their lending practices. Information from the FFIEC is consolidated at a county level and made available to the public. An examination of mortgage applications made in 2004 (the most recent year date is available) does not lead one to believe that discriminatory lending practices exist¹³.

To the contrary, a number of mortgage lenders in the region have targeted marketing to minority populations and specialize in bilingual loan officers. In addition, Zions Mortgage, Cache Mortgage, and First Utah Mortgage are all participants in HUD-Mortgage Bankers Association of America (MBA) Fair Lending – “Best Practices” Master Agreement Initiative.



are all participants in HUD-Mortgage Bankers Association of America (MBA) Fair Lending – “Best Practices” Master Agreement Initiative.

This means these lenders not only commit to meet their responsibilities under the Fair Housing Act,

¹³ 2004, Home Mortgage Disclosure Act data, <http://www.ffiec.gov/>

but also are making serious comprehensive effort to exceed those requirements. The agreement they signed committed them to 1) maintain a strong policy providing for adherence to fair lending practices; 2) administer a review process for loan applications so that applicants will be given every opportunity to qualify for a mortgage; 3) make loans of any size so that all borrowers may be served; 4) provide information on all loan programs for which an applicant qualifies; 5) engage in consumer education to explain fair lending laws and loan eligibility requirements; and finally 6) bolster their relationships with community organizations that promote fair lending.

Land Use Regulation- Cities regulate the allowable uses of private property through zoning laws. These laws are designed primarily to protect citizen health, safety, and welfare. But zoning is also used to manage traffic, separate incompatible uses, and protect property values. However, for all the benefits zoning can bring to the community and property owners, it can also have the effect of segregating a community by race and class when used inappropriately. Large lot and single family residential zones can become exclusive neighborhoods only available to those of high incomes. Zoning can also result in neighborhoods of concentrated poverty and minorities when large areas are zoned as multifamily high density.