

City of Fairbanks
Analysis of the Impediments to Fair Housing Choice
August 29, 2005

Fair Housing

The Fair Housing Act of 1968 required that all HUD programs be administered in a manner that will “Affirmatively Further Fair Housing.” Although the Analysis to the Impediments to Fair Housing Choice (AI) itself is not directly approved or denied, it is a HUD-mandated document. As such, the Consolidated Plan requires each Entitlement Jurisdiction to show its commitment to affirmatively furthering fair housing choice by:

- Conducting an Analysis of Impediments (AI) to Fair Housing Choice;
- Taking appropriate actions to overcome the effects of impediments identified through that analysis; and
- Maintaining records that reflect the analysis and actions

According to HUD, Impediments to Fair Housing Choice(s) are:

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

Subsequently, the AI document is the HUD established measure of fair housing for CDBG (Community Development Block Grant) grantees and is intended to serve as:

- A comprehensive review of the city’s laws, regulations, administrative policies, procedures and practices with regard to Fair Housing in the City of Fairbanks.
- An assessment of how those laws, regulations, administrative policies, procedures affect the location, availability, and accessibility of housing; and
- An assessment of public and private sector conditions affecting Fair Housing Choice.

HUD’s directive is that the AI serve as the substantive, logical basis for fair housing planning and provide essential and detailed information to policy makers, administrative staff, housing providers, lenders and fair housing advocates. In its Fair Housing Planning Guide, HUD emphasizes that:

“although the grantee’s AFFH (Affirmatively Further Fair Housing) obligation arises in connection with the receipt of Federal funding, its AFFH obligation is not restricted to the design and operation of HUD-funded programs at the state or local level. The AFFH obligation extends to all housing-related activities in the grantee’s jurisdictional area whether publicly or privately funded.”¹

In addition, HUD believes the AI should assist in building public support for fair housing efforts both within the city’s boundaries and beyond:

“The principles embodied in the concept of ‘Fair Housing’ are fundamental to healthy communities, and communities must be encouraged and supported to include real, effective fair housing strategies in their overall planning and development process, not only because it is the law, but because it is the right thing to do.”²

In compliance with HUD’s directive, the City of Fairbanks is committed to promoting Fair Housing Choice in an affirmative manner. This commitment was demonstrated in this Analysis to the Impediments to Fair housing Choice. This analysis is incorporated into the 2005 Comprehensive Consolidated Plan. Currently, the city is making affirmative steps to further fair housing. The steps are identified in the city’s 2006 Annual Action Plans and will be reported in the annual CAPERs submitted to the HUD State of Alaska offices.

¹ U.S. Department of Housing and Urban Development Office of Fair housing and Equal Opportunity, *Fair housing Planning Guide*. Washington, D.C. March 1996, p.1-3

² Ibid.

City of Fairbanks Fair Housing Status

The City of Fairbanks does not have housing powers or a community planning department. As such, fair housing is a new issue. Currently, Alaska Housing Finance Corporation works directly with individuals and non-profit agencies to address the housing needs of the Fairbanks community. The City of Fairbanks has dedicated one staff person to participate in this housing continuum.

According to the United States Department of Housing and Urban Development, no fair housing complaints have been received from the Fairbanks area in 2005. Two complaints were received in 2004, one complaint in 2003, 2002, and 2001 and, no complaints were received in 2000. All complaints listed above were allegations of discrimination (report enclosed).

Research Methodology

In order to complete a comprehensive AI, the City of Fairbanks used CDBG funds and the Alaska Housing Finance Corporation survey to gain information of the views and understanding of fair housing issues from property management companies, banking institutions, real estate companies, nonprofit agencies, and rental tenants. One-on-one interviews and group discussions targeting various fair housing practitioners (service providers, advocates, and bankers) about actual and potential impediments to fair housing were conducted. A total of twenty survey responses were received.

Summary of Impediments

This Analysis to the Impediments of Fair Housing Choice reports the impediments identified and the proposed actions to reduce the effects.

First, tenants and residential contractors did not respond to the survey conducted. This indicates renters lack information on fair housing. They are unaware of the fair housing laws.

Second, respondents reported difficulty in finding housing for handicapped persons. The housing stock appropriately constructed for handicapped persons is limited.

Third, all respondents reported the need for an adequate housing at affordable prices. In the last three years alone the price of houses, goods, and labor, have sharply increased. The price of fuel has increased over \$1.00 a gallon. One housing provider indicated they would have to stop accepting Section 8 vouchers because they are not covering the increased fuel costs. This directly restricts the housing choices of persons in the protective class.

Fourth, about half of the persons responding did not know the correct agency to which fair housing complaints should be addressed.

Actions to Address Impediments to Fair Housing Choice

The survey and discussions conducted indicate that the City of Fairbanks housing impediments are not directly caused by discrimination. Instead they result from public apathy, inaccessible housing, and increasing rents. In an effort to alleviate these impediments the City of Fairbanks will do the following:

Fair Housing Education

Promote public awareness by participating, advertising, and sponsoring, housing fairs and shows

Provide builders with fair housing information when they apply for building permits

Distribute fair housing "propaganda" pamphlets and information to the public

Participate in the State of Alaska housing continuum meetings

Provide contact information for specific housing inquiries handled by other agencies

Post this Analysis to the Impediments of Fair Housing Choices and other fair housing information on the web at www.ci.fairbanks.ak.us

Accessible Housing

Inform residents about their right to reasonable accommodations under fair housing law

Require new commercial housing structures to be accessible to handicapped persons

Encourage proprietary owners to construct their smaller housing units to be accessible to handicapped persons

Inform builders of the fair housing laws at the housing fairs and other community housing events

Enforce the International Building code design requirements for accessibility. See chapter 11 Sections 1101.2 through 1102.1 (attached)

Affordable Housing

Provide contact information to persons requesting housing assistance, especially individuals from the protective classes

Encourage AHFC and HUD to increase Section 8 voucher amounts to cover the increased rents resulting from the increased costs, such as fuel

Complaint and Enforcement Process

Distribute the telephone and addresses of the Equal Opportunity Office and the Housing of Urban Development Fair Housing office on “propaganda” pamphlets and fair housing advertisement

Make posters identifying the protective classes that encouraging readers to report complaints to the agencies above

Demographics

The purpose of the AI document is to provide essential and detailed information so policymakers, administrative staff and housing advocates can have a thorough understanding of the availability, accessibility, and affordability of housing, especially for low and moderate-income individuals. Awareness of existing demographics may be the primary indicator, when creating positive actions to eliminate impediments to fair housing choice.

Fairbanks Profile

Fairbanks, Alaska is located in the interior of the state between the Alaska Range containing Mt McKinley to the south and the Brooks Range to the north. The 2000 Census population was 30,224. Fairbanks is Alaska’s third largest City; however, the two larger ones are combined City-borough political entities skewing comparisons. Using the borough as the unit of comparison, places Fairbanks at the center of the second most populated area in the state – over twice the size of the third most populated area (City and Borough of Juneau) and less than half the size of the largest (Municipality of Anchorage). Within the Fairbanks North Star Borough, Fairbanks is the commercial, governmental, medical, and social service hub. There are no communities with populations over 10,000 north of Fairbanks and none to the south until Anchorage. Distance to Anchorage is 358 miles (576 km) by road and 258 miles (415 km) by air. The two cities are connected by air, road, and railroad links.

Fairbanks is located at 64° 50’ north latitude – slightly north of Reykjavik, Iceland. It is approximately 150 miles south of the Artic Circle. The high latitude at which the City is located makes it highly variable in both amount of

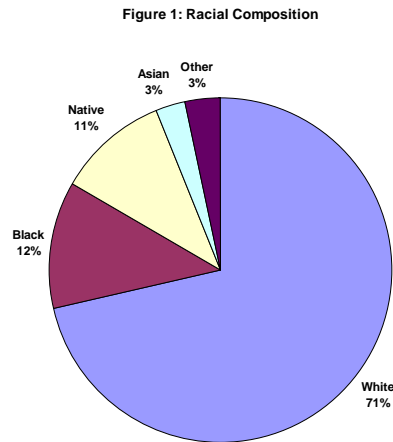
daylight and temperature. Maximum daylight ranges from 21 hours 49 42 minutes in the winter. Temperatures range from an average of -11.9° F

minutes in the summer to 3 hours in January to 60.7° F in July.

The population of Fairbanks decreased by 619 (-2%) from 1990 to 2000. across all demographic indicators. For example, the number of males number of females increased by 423. Males still represent over 51% of the gender disparity was reduced considerably over the decade. As a whole the median age is 35.3.

The decrease was not uniform decreased by 1,042, while the the population; however, the

The racial composition of Fairbanks changed relatively little between 1990 and 2000. Figure 1 shows the racial distribution of people who listed only one race in 2000. This was the first year that respondents could indicate more than one race making comparison to previous censuses difficult. It should be noted that a total of 4,015 people indicated that they were at least some part American Indian/Alaska Native. This is 13% of the total population. An additional 1,656 persons identified themselves as Hispanic origin.



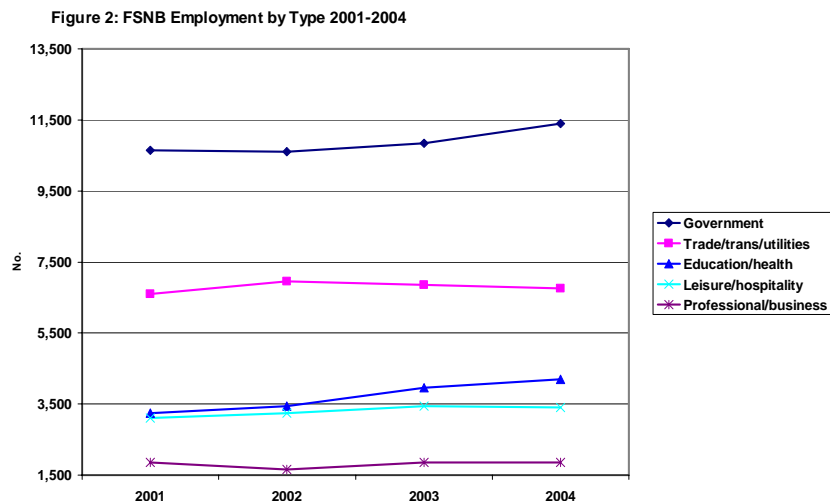
Economic indicators show that Fairbanks has a higher proportion of its population 16 years old and older in the labor force (71.2% vs. 63.9%). Table 1, compares median household income, median family income, and per capita income for Fairbanks, the Fairbanks North Star Borough, and the total United States. The disparities between Fairbanks and the total U.S. would

Table 1: Comparison of Economic Indicators – Fairbanks, FNSB, and U.S.

<i>Indicator</i>	<i>Fairbanks</i>	<i>FNSB</i>	<i>U.S.</i>
Median Household Income	\$40,577	\$49,076	\$41,994
Median Family Income	\$46,785	\$56,478	\$50,046
Per Capita Income	\$19,814	\$21,553	\$21,857
Families below poverty level (%)	7.4%	5.5%	9.2%
Individuals below poverty level	10.5%	7.8%	12.4%

be greater if the higher cost of living in Fairbanks was factored into the figures. For the second quarter of 2003, the cost of living in Fairbanks and the Fairbanks North Star Borough was 26% higher than the average of the 295 urban areas comprising the American Chamber of Commerce Researchers Association Index. The disparities between Fairbanks and the Borough would be greater if Fairbanks data were removed from those for the rest of the Borough. For example, removing Fairbanks from the calculation of per capita income increases the figure for the rest of the Borough by \$1,000.

Average household size in Fairbanks is 2.56 compared to 2.59 for the total U.S. Average family size of 3.15 is slightly higher than the 3.14 for the U.S. Other comparisons are the owner occupied housing (34.9% vs. 66.2%), vacant housing units (10.4% vs. 9%), median value of owner occupied single family homes (\$126,400 vs. \$119,600),



and median monthly owner costs (with mortgage: \$1,224 vs. \$1,088; not mortgaged: \$476 vs. \$295). These statistics indicate that while household and family income is lower in Fairbanks than the rest of the nation, the cost of housing is much higher.

Housing and Homeless Needs Assessment

a. Estimated housing needs: 2004 – 2008

The population of Fairbanks decreased by 2% from the years 1990 to 2000. Since then, the population *estimate* from the U.S. Census Bureau indicates an increase of 556 or 1.8% to 30,780 between the census and July 1, 2002. This increase in population is mirrored in employment trends. Figure 2 shows employment trends for the top five employment types from 2001 to 2004 for the entire Fairbanks North Star Borough (Y axis scale distorted for illustrative purposes). Borough statistics are used because the Alaska Department of Labor does not publish data for the City alone. The month of January is an excellent indicator month because is probably the best reflector of year round employment. Year round employment provides economic stability rather than the “boom and bust” cycle that characterized much of the City’s past. Increases in employment are evident in each area except Professional/Business. Largest increases in both number and rate of growth are observed in Government and Education/Health employment. Government employment reflects the increasing number of uniformed military personnel based at installations within the area. Civilian employment at these installations appears to be decreasing according to data in the Fairbanks Community Research Quarterly, Fall 2003 edition. The over-all job increase for the period was 2,050 – an increase of over 6%. It should be noted that January is the point of lowest employment for several areas of employment with the area. Employment typically spikes during the summer months.

Housing indicators reflect similar trends as those for population and employment. Figure 3 shows the five year trend in rental apartments available for the Fairbanks North Star Borough between 1999 and 2003 using September as the indicator month [source: Fairbanks North Star Borough, Community Research Center, *Community Research Quarterly*, 26(3), 2003 and 25(1), 2002]. Assuming 2 and 3 bedroom units are necessary for families, Figure 4 indicates the supply of available units is limited and will be a challenge to future development if the population continues to grow as apparent since Census 2000. Rental rates have continued an upward trend for the five year period as well. Figure 4 shows HUD Fair Market Rents for existing housing at October 1, 2004. [source: Alaska Housing Finance Corporation]

Figure 3: Rental Apts. Available (FNSB) 1999 - 2003

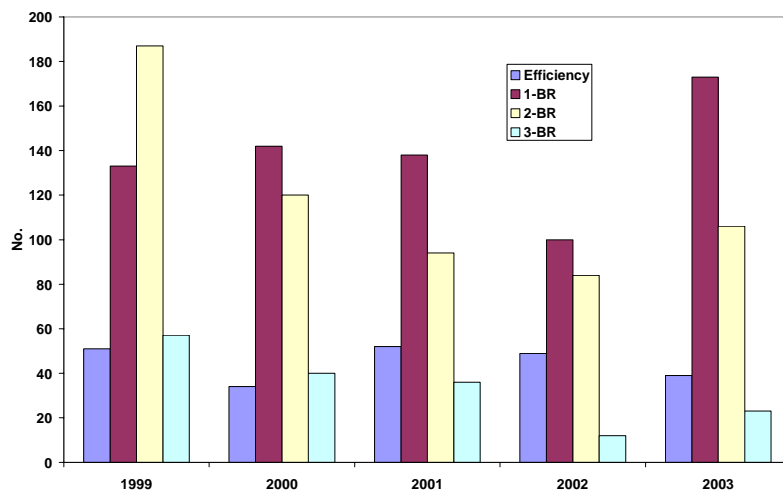
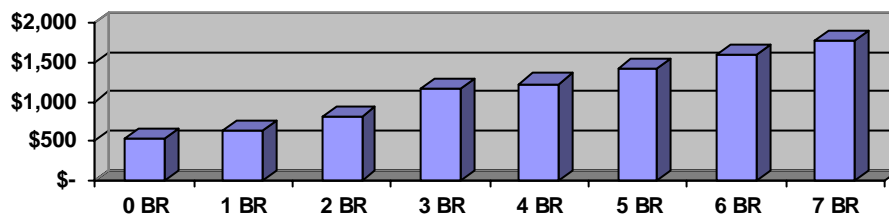


Figure 4: Fairbanks Rental Housing Costs October 1, 2004



The cost of home ownership in the Fairbanks area is increasing as well. The Alaska Housing Finance Corporation reported in their Spring 2003, *Alaska Housing Market Indicators*, “The average sales price of a single-family home in Fairbanks for the first half of 2003 was \$170,475, **up 26%** from the prior year” (emphasis added). While condominiums constitute a much smaller portion of the market (18 sales versus 317) than single family homes, the cost of condominiums decreased 5.5% during the same twelve month period. [source: Alaska Housing Finance Corporation, *Alaska Housing Market Indicators*, Spring 2003]

The U.S. Census data shows a slight decrease in housing units between 1990 and 2000. There were 12,537 in 1990 and 12,414 in 2000 – a decrease of just under 1%. The number of occupied units increased during that period from 10,885 to 11,127. Vacant housing units decreased by 365 during the decade to 1,287. This still represents about 10% of all housing units. 65% of housing units were occupied by renters. The median age of housing units in 2000 was 29 years. 8,434 housing units (68% of total) were built in 1979 or earlier.

Lead poisoning in children is not a problem in Alaska. According to the State Epidemiology lab, since the federal law banning the use of lead additives in paint was passed in 1978, there has not been a single incident of lead-based poisoning reported in Fairbanks. In 1999 there were 2 children with elevated lead blood levels identified elsewhere in the State. Both of the children had conducted the lead from locations outside of the State of Alaska.

The median contract rent in 2000 for Fairbanks was \$637 for all rental units. 17% of the City’s residents in rental units paid more than 30% of their household income for rent. For all renters, the median proportion of income paid for rent was 25.8%. The median value of owner owned housing was \$126,400. 73.2% of owner occupied housing have mortgages. Owner costs for housing as a proportion of household income reported in the 2000 Census was 23.2% for units with mortgages and 10.9% for units without mortgages. Median real estate tax was \$1,898.

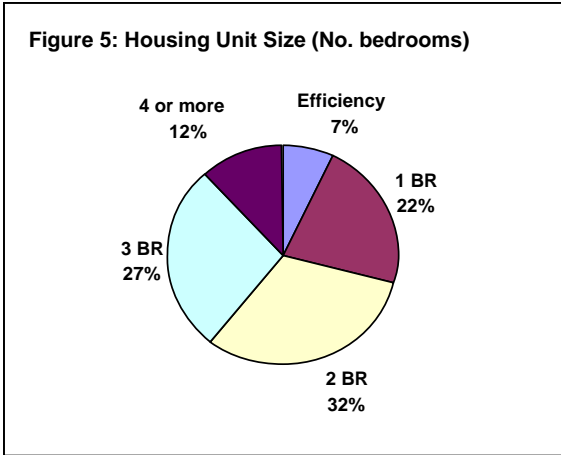


Table 2: HUD Income Classifications (family)

Classification	Census 2000		FY'03	
	Upper	Lower	Upper	Lower
Moderate	\$56,852	\$28,427	\$66,000	\$33,001
Low	\$28,426	\$17,057	\$33,000	\$19,801
Very Low	\$17,056	none	\$19,800	none

These classifications assume a family of four. Adjustments are made for larger and smaller households and family sizes. HUD uses both family and household incomes. Very low income households are included in the classification of low income as used in these CBDG plans.

Census tracts with median family or household incomes below the Fairbanks North Star Borough medians are, by definition, areas where the majority of persons are considered Moderate or Low Income. In Fairbanks, these are Census Tracts 1, 2, 3, and 5. This includes the area within the City bounded on the East by the Steese Highway and on the West by Peger Road. While low and moderate income residents of any part of the City can benefit from activities carried out under the plan, activities such as sidewalks and lighting must be carried out in these areas or as even further refined to the level of specific blocks within these areas.

Affordability or cost burden is a major issue. Data reported for the entire Fairbanks North Star Borough indicate that 28.9% of renter households are cost burdened (over 30% of income spent on housing) and 12.7% are severely cost burdened (over 50% of income spent on housing). Within Fairbanks, 71% of all Low and Very Low Income households have a cost burden in excess of 30% of their income. This includes both renters and owners.

Elderly households in Fairbanks are growing rapidly in both number and proportion of the City’s population. 55% of all elderly renter households with incomes equal or below 30% of the median family income (\$14,035 or less depending on size of household) have one or more of the three housing problems defined by HUD. Over 95% of

elderly households who own their housing unit have one or more housing problems. In addition, over three-quarters of them have a cost burden exceeding 50% of their income. Low Income elder households (excluding very low income levels) report cost burdens over 30% at 16% and 65.2% for renters and owners respectively.

Addressing the cost burden of housing is a state-wide issue. The Alaska Housing Finance Corporation (AHFC) has programs to assist some buyers, but can do little to relieve the burden of present owners. Tax relief through a dedicated sales tax has been rejected by the electorate. Given funds available, the City's most viable strategy appears to promote development that stabilizes the population and adds to the over-all property tax base. Stabilizing the population by making the City more livable for families is important to avoid the situation where smaller numbers of people are left to support essential City infrastructure. Utilizing land where basic infrastructures, like utilities, are already present is another means to maximize land usage.

The Alaska Housing Finance Corporation (AHFC) is the public housing authority for the State of Alaska. AHFC operates 4 developments in Fairbanks. In addition, AHFC administers the Housing Choice Vouchers (HCV) and Multifamily (Section 8) programs in Fairbanks. Currently, there are 329 housing units under lease using the vouchers. While AHFC has 349 vouchers allocable to Fairbanks, due to budgeting restraints, they are unable to administer the rest. Vouchers are allocated to participants based on a points scale. Vouchers are given to persons with the highest number of points applicable. A copy of Alaska Housing Finance Corporation Preference points is attached. The Wait Lists for public housing and tenant-based housing assistance are considerable.

Public Transportation

The Fairbanks North Star Borough runs a bus transit system for the community of Fairbanks. In the winter months the fare on the bus system is free.

Conclusion

We hope this Analysis to the Impediments to Fair Housing in the City of Fairbanks has been informative. While the City of Fairbanks has no housing authority, we are committed in participating in the process of furthering fair housing for our citizens.

Steve M. Thompson, Mayor

Appendix A
Notices of Public Hearings

Appendix B
Supplementary Attachments

