

EXECUTIVE SUMMARY

Background

The Civil Rights Act of 1968 and the Fair Housing Amendments Act of 1988 are both designed to ensure that individuals of similar income levels in the same housing market have the same housing choices regardless of their race, color, religion, sex, disability, familial status, or national origin.

As recipients of federal funds through the Department of Housing and Urban Development (HUD), Polk County and the cities of Lakeland and Winter Haven are periodically required to affirmatively further fair housing. In order to identify appropriate affirmative steps, they must first assess the local status of fair housing. Thus, they undertake an analysis to determine if any impediments exist in the County, and then design a program of affirmative actions to promote fair housing, particularly addressing the impediments. This Analysis is an update of the 1997 Analysis prepared by the County, and of the City of Lakeland's 1998 Analysis. Since the City of Winter Haven will be incorporated into the County's program next year, the recommended actions will only include Lakeland and the County, who will be conducting its actions on a countywide basis.

Purpose

The purpose of this analysis is to examine a number of public and private policy areas to determine whether housing discrimination exists, including any public policies that may contribute to housing discrimination. If the analysis finds any impediments, the County/City will take positive action to remove or address the impediments.

State Fair Housing Law

Part II of Chapter 760 of the Florida Statutes outlines the State's Fair Housing Act, which HUD has found to be in 'substantial compliance' with federal statutes. This Act follows federal law and makes it unlawful to discriminate against any person in any aspect of the rental or sale of housing. This Act created a 12-member Commission on Human Relations and is staffed by the Department of Management Services. The Act established a written complaint process with timelines of the Commission to investigate and resolve such complaints; first through voluntary compliance, and then through civil and criminal sanctions.

Fair Housing Ordinance

Neither Polk County nor the City of Winter Haven has a local fair housing ordinance, but the City of Lakeland does. The City's ordinance is enforced by the City's Code Enforcement Division. All complaints are forwarded to HUD and the state for investigation/resolution.

Polk County's Housing Market Profile

In 2000, Polk County had 483,924 people, up 19% from 1990. Racially, the County is slightly more diverse than the statewide average, but the percentage of Hispanics is far below (9% versus 17%) the statewide average.

Almost half (45%) of the County's households are headed by someone over 55 and 30% are headed by someone over 65.

Reflecting its retiree and working-class nature, the County is not affluent. In 2000, the median (half above/half below) household income was \$36,036, 86% of the national median. One-third of the County's households had incomes below \$25,000 per year.

In 2000, there were 226,376 housing units in the County of which 11% (versus 8% statewide) were held for "seasonal use." Reflecting the County's rural/suburban nature, there are far less multifamily units and far more mobile homes than the statewide average. Over one unit in four (28%) is a mobile home.

When looked at in comparison to state and surrounding regional markets, the County's housing market is more affordable. The median price for a single-family unit in 2000 was \$83,300 well below the statewide median of \$105,500. However, over the last five years housing prices (in part because of a nationwide speculative housing bubble) have risen dramatically, and home values in the County have risen by a third over that time period. While this has certainly benefited the existing owners, it has also locked many younger and low-income families out of the marketplace.

Despite lower overall housing prices, in 2000 one-third (34%) of the County's renters spent over 30% of their incomes on housing and 16% spent over 50%. This is in spite of the fact that 17% of the County's collective rental stock is subsidized through various governmental programs.

The County is one of the top ten counties in the state for farmworkers, with almost 5,000 farmworkers.

Note: In 2004, the County's housing stock was hit by a number of hurricanes which did significant property damage.

Current Fair Housing Program

The City of Lakeland has a Fair Housing ordinance, but the County and the City of Winter Haven do not. Polk County's current Fair Housing Program was adopted in 1997 after an analysis of impediments was prepared. Lakeland's Analysis of Impediments was last updated in 1998. The City of Winter Haven has not completed an Analysis of Impediments, but is in the process of transferring its CDBG program to the County.

The County/Cities maintain fair housing posters and brochures at their housing offices, ensure that all Section 8 landlords are briefed on Fair Housing each year, and receive and forward to HUD all fair housing complaints. The City of Lakeland also maintains a booth and provides fair housing brochures at all City/neighborhood fairs on a continuing basis.

Collectively, these programs utilize a number of methods to keep the issue of Fair Housing in the public awareness and to make information about the Fair Housing Act easily accessible to the general public.

HUD Sanctions

There are no HUD sanctions against Polk County, or the cities of Lakeland or Winter Haven.

Lawsuits

There are no Fair Housing lawsuits.

Fair Housing Complaints

HUD's Regional Fair Housing office tracks the number of fair housing complaints received by HUD or by the State of Florida.

The number of fair housing complaints HUD received has continued to decline from 15 received in 2002 to 8 complaints in 2004. The smaller number of complaints is in some measure a result of HUD's continued public awareness and educational efforts in this area.

Outreach and Community Input

In order to obtain the widest possible input concerning impediments, four levels of outreach were conducted:

1. Public input
2. Staff input
3. Agency interviews
4. Comprehensive survey

No specific instances of housing discrimination were received.

Staff was also concerned about the supply of adequate farmworker housing, since much of the existing stock was damaged during the Hurricanes.

Staff did not believe that housing discrimination was systematic or widespread, but given the rural nature of the County, the number of small landlords, and the large number of low-income households, many have credit problems. Discrimination may still occur.

Agency Interviews

Three agencies in Polk County play a significant role in the provision of housing and the identification of issues related to fair housing. Each was contacted and requested to provide detailed and specific information for this report.

Keystone Challenge Fund, Inc.

Jeff Bagwell heads this non-profit housing lender consortium; the organization is a key provider and is recognized statewide as a leader in the provision of affordable housing. Among many other services, Keystone operates the City of Lakeland's home purchase assistance program and homeownership classes.

Mr. Bagwell provided general information and insight, but stated that he hasn't heard of any discriminatory practices taking place in the programs or client group that his organization serves.

Central Florida Fair Housing Center, Inc.

Established By H.O.P.E., Inc. * in October of 1999, and the recipient of a three-year HUD Fair Housing Initiative Program (FHIP) grant of \$400,000 in fiscal year 2001, the Center's purpose was to provide comprehensive fair housing services to Polk County. Funding to the Fair Housing Center was also provided by the City of Lakeland (\$5,000 in 2002-2003 and \$5,000 in 2003-2004) and by the City of Winter Haven.

During its contract period, the Fair Housing Center distributed Fair Housing brochures to 38 social service agencies throughout the County. The Center also trained 16 testers and utilized them to perform fair housing tests at 50 apartment complexes throughout the Lakeland area. After completing a number of re-tests, this project found that a number of discrimination allegations did exist.

The organization also provided counseling/referral services to 20 people who had various fair housing concerns.

Florida Rural Legal Services, Inc.

Headquartered in Lakeland, this is the organization that provides free legal services to lower income residents. It would naturally be the first place that someone would turn if they feel that they have been mistreated in attempts to rent or purchase a home. Mr. Jerome F. Major, Managing Attorney, stated that he has normally referred anyone with a housing question to the Central Florida Fair Housing Center; he was not aware that the Center is no longer active.

None of the agencies reported any specific discrimination problems.

In 2004, the HUD Fair Housing Initiative Program funded Central Florida Legal Services to create "Alianza for Fair Housing," a three-year project to provide services to underserved rural areas and persons who speak limited English in Orange/Lake/Osceola Counties. It will be recommended that the County conduct discussions with Central Florida Legal Services concerning the possibility of expanding Alianza to include Polk County.

Community Survey

A communitywide six-page fair housing survey was sent to 302 organizations and community leaders to obtain their information, input, and experiences concerning fair housing issues. A copy of the survey form is included in the Appendix section of this report. Of the 20 responses received, only one stated that they were aware of discriminatory practices in Polk County. The comments and suggestions received were utilized in the staff workshop, and incorporated into this study's recommendations.

Local Newspapers

All of the local/daily newspapers that serve Polk County print HUD's 'Published Fair Housing Notice' at the beginning of the Real Estate section of their newspapers on a daily basis.

* Housing Opportunities Project for Excellence, Inc., headquartered in Dade County, Florida.

ANALYSIS OF IMPEDIMENTS

Housing Market

While the County's housing market is relatively affordable from a regional perspective, it is still unaffordable to many. The combination of rapidly rising home prices and the damage from the hurricanes has increased the need for affordable rental housing (and farmworker housing).

Handicapped Accessibility

The County and its cities utilize the Florida version of the Southern Building Congress Building Code, and their respective building departments enforce the Americans with Disabilities Act for handicapped accessibility. All of the County's respective housing authorities have handicapped units.

Lenders

All of the major banks in the County participate in the County's Affordable Housing Consortium and provide low-income households with first-time homebuyer programs. The lenders routinely provide fair housing training to all of their mortgage program personnel. The County/City also work closely with lenders in their own affordable housing programs.

Branch Banks

Much like other retail facilities, the location of branch banks in an area is often driven by the amount of money flowing into a community. As a result, high income areas tend to have more branch banks than low-income areas. Low-income areas also have a higher percentage of households who do not have checking or savings accounts, and deal in the cash economy.

Home Mortgages

Under the Home Mortgage Disclosure Act (HMDA), local banks are required to report on their home mortgage loan activity on a yearly basis to the Federal Reserve. This information provides important clues on whether there is any bias or discrimination in local banking practices.

An analysis of the HMDA data did not reveal any patterns of 'red-lining' or discrimination in the home mortgage market. While minority acceptance rates were below those for white households, they were primarily driven by the generally lower incomes (acceptance levels rise with income). The primary reason for denial was a poor credit history.

Subprime/Predatory Lending

The strong surge in home refinancing across the County, whether to achieve a better interest rate or remove equity for other purposes (such as paying off high-interest credit card debt or for family emergencies) has fueled the rise of the subprime refinance market and the practice of predatory lending. The subprime housing refinancing market provides loans to borrowers who do not meet the credit standards for the normal 'prime' lending market. HUD has documented a wave of foreclosures within this market. Predatory lending can most easily be described as lenders that target less-well educated homeowners who are encouraged to refinance their homes, with the intent to charge unusually higher than market interest, or even in some instances, to ultimately foreclose on the property.

In May 2002, the Center for Community Change prepared a report: *“Risk or Race? Disparities in the Subprime Refinance Market,”* that examined this issue on a national and Metropolitan Statistical Area basis.

The report found that African-Americans and Hispanics are disproportionately represented in the subprime home refinance market, regardless of income levels.

Polk County ranked 22 out of 331 MSAs in the country with 37% of its refinance loans using subprime lenders.

Brokerage Services

The Polk County Association Board of Realtors (BOR) represents the County’s professional real estate community. As part of the services the BOR provides to its membership is an orientation session for all new brokers/realtors. As part of this process the new members are briefed and tested on Fair Housing laws. In addition, yearly seminars and continuing education programs feature fair housing complaints.

Apartment Owners

The Statewide Apartment Owners Association holds twice yearly seminars for its members at which time national experts on fair housing make training presentations.

Home Insurance

Homeowners insurance does not appear to be an issue in the County. Vacancy rates are tight and property values are rising. There are more than 100 independent insurance offices located in the County that represent all major insurance companies. Insurance rates in general are rising due to recent hurricanes.

Based on this information it does not appear that any insurance carriers are ‘red-lining’ any areas of the County.

Large Families

Only 3% of the County’s units were found to be overcrowded (1.01 or more persons per room), half the statewide/national rate. Families with children appear to be welcome in all non-senior neighborhoods and types of housing. This does not appear to be a problem.

Public Policies

Relocation Policies – The County and cities, as required by state and federal laws has long standing relocation policies. In addition, the State of Florida has the most liberal condemnation law in the nation to ensure that any resident or business displaced by governmental action is amply compensated.

Both the County and cities adopted five-year Consolidated Plans, which do not anticipate activities that would require relocation.

Appropriate Siting for Group Homes (single room occupancy) – In 1995, both the County and cities amended their Land Development Codes to adopt locational siting criteria

and to allow group homes as a conditional use in all residential areas as required by state law. The County currently has a wide-range of group homes.

Building Codes – Polk County and its cities utilize the Florida Building Code, which is an amended version of the Southern Building Code Congress International Building Code, the nation’s standard building code. This code was adopted after Hurricane Andrew.

Regulatory Reduction – As a recipient of state housing funds under the State’s Housing Initiatives Partnership program (SHIP) both cities and the County are required to conduct regulatory self review of their local ordinances in order to reduce the cost of providing housing. This self review is officially titled the Affordable Housing Incentive Plan (AHIP), and is consistent with HUD’s requirements for regulatory reduction.

IDENTIFICATION OF IMPEDIMENTS

This analysis found that impediments to Fair Housing continue to exist in two areas:

- Housing Discrimination
- Need for Affordable Housing

ACTIONS TO CORRECT IMPEDIMENTS

Polk County and the cities of Lakeland and Winter Haven will ensure that any complaints that are received are forwarded to HUD for investigation. In addition, the following actions will be taken to raise public awareness on this issue.

Polk County

1. Adopt a Fair Housing Ordinance by February 2006.
2. Proclaim February of each year Fair Housing Month in January 2006. Display fair housing posters in all public buildings and on the County’s public access TV channel.
3. Print and distribute (in English/Spanish) fair housing bookmarkers to all the County’s libraries by February 2006.
4. Provide HUD’s Fair Housing Complaint forms at the County’s offices and libraries (ongoing).
5. Request HUD to provide the County with copies of their fair housing commercials for continued use on the County’s public access TV channel by June 2006.
6. Request HUD to provide a brochure (or TV commercial) on the dangers of the subprime home refinancing market for distribution in minority neighborhoods through churches and social service organizations by June 2006. Research other sources if not available through HUD.

7. Discuss with Central Florida Legal Services the possibility of expanding Alianza into Polk County. By June 2006.

City of Lakeland

1. Proclaim February of each year Fair Housing Month in January 2006. Display fair housing posters in all public buildings (ongoing).
2. Print and distribute (in English/Spanish) fair housing bookmarkers in their library by February 2006.
3. Provide HUD's Fair Housing Complaint forms at City offices and the library by February 2006.
4. Contact the Board of Realtors and the apartment managers' association to volunteer to participate in fair housing training at their meetings, symposiums, and housing events. By June 2006.
5. Continue the practice of providing Fair Housing information at a "booth" at public events and symposiums. Ongoing.

The actions outlined above will demonstrate the County's and cities' commitment to affirmatively further fair housing.