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City of Portage Community Development Block Grant Program

Analysis of Impediments to Fair Housing

EQUAL HOUSING OPPORTUNITY

February 14, 2011

CITY OF PORTAGE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

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I. INTRODUCTION

Federal and state laws protect against discriminatory practices such as refusing to sell or rent to a member of a protected class, sexual harassment, quoting a difference in housing availability or terms, or refusing to rent or sell to a family or individual with children, or failing to provide or allow reasonable accommodations for a person with a disability.

As a Community Development Block Grant (CDBG) entitlement recipient of the US Department of Housing and Urban Development (HUD), the City of Portage considers and supports fair housing laws and obligations to halt discriminatory housing practices. In 2003, with assistance from the Fair Housing Center of Southwest Michigan, a comprehensive update of the Analysis of Impediments to Fair Housing (AI) study was completed. Over the past two fiscal years, again with assistance from the Fair Housing Center of Southwest Michigan, real estate and rental housing audit (or survey) testing was conducted, and an update to Sections II, III and IV of the 2003 AI study was completed. In FY 2010-11, concurrent with the FY 2011-15 Consolidated Plan preparation, a complete update to the AI study was also accomplished.

II. SUMMARY OF FEDERAL, STATE AND LOCAL FAIR HOUSING LAWS

The first attempt to ensure equal rights in the purchase or rental of housing dates back to the Civil Rights Act of 1866. Nearly 80 years later, in 1948, the US Supreme Court declared that deed restrictions that prohibited the sale of property or a home to persons based on race were not constitutional. In 1968, the Civil Rights Act of 1964 was amended to include Title VIII, now known as the Fair Housing Act, which prohibits housing discrimination on the basis of race, color, religion or national origin. This act was later amended in 1974 to add sex (or gender), and again in 1988 to add familial status (the presence of a person under the age of 18 or a pregnant woman) and disability as protected classes. Perhaps most important, the 1968 Fair Housing Act provided methods of enforcement of the provisions of the Act.

Specifically, Section 804 (U.S.C. 3604) of the Fair Housing Act prohibits specific actions based on race, color, religion, national origin, sex, familial status or disability. Those actions include, with limited exceptions:

1. Refusal to sell: To refuse to sell or rent after the making of a bona fide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, familial status, or national origin.

2. Discrimination in terms, conditions or privileges: To discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national origin.

3. Advertising that indicates preferences, limitation or discrimination: To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination.

4. Refusal to make a dwelling available for inspection: To represent to any person because of race, color, religion, sex, handicap, familial status, or national origin that any dwelling is not available for inspection, sale, or rental when such dwelling is, in fact, available.

5. Blockbusting: For profit, to induce or attempt to induce any person to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, handicap, familial status, or national origin is prohibited.

The Act also prohibits the following in regards to mortgage lending based on the previously enumerated protected classes:

- Refusal to make or purchase a mortgage loan or provide information regarding loans
- Imposition of different terms/conditions on a loan or for purchasing a loan
- Discrimination in appraising property

While not all courts agree, most recognize home owners insurance as being covered by the Act - in large part because insurance is a prerequisite to obtaining a mortgage. In addition, while not a protected class within the Fair Housing Act, housing discrimination pertaining to household source of income such as tenant-based rental subsidies or public assistance has been addressed by HUD regulations for certain federally-financed or assisted housing programs. (For additional information, the HUD web site provides a complete listing of Federal Acts and Presidential Executive Orders that address housing discrimination.)

Finally, there are exceptions to the federal Fair Housing Act, which include:

- The sale or rental of owner-occupied buildings with no more than four units;
- The sale or rental of single-family housing without the use of a broker;
- Housing operated by organizations and private clubs that limit occupancy to members;
- Housing that meets the Fair Housing Act definition of "housing for older persons", provided that: 1) the U.S. Department of Housing and Urban Development has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program; or 2) it is occupied solely by persons who are 62 or older, or 3) it houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older.

With regard to state laws and local ordinances regarding housing discrimination, in 1976 the State of Michigan enacted the Elliot-Larson Civil Right Act, which in large part mirror the federal housing law, but also added age and marital status as protected classes. In the same year, the State also enacted the Persons With Disabilities Civil Rights Act which, among other things, prohibited discriminatory practices in housing transactions including the refusal to allow reasonable modifications necessary for occupation of an apartment or house by a person with a disability. As a CDBG Program entitlement grantee, the city annually certifies it will affirmatively further fair housing.

III. DEMOGRAPHIC AND HOUSING CHARACTERISTICS

The FY 2011-15 Consolidated Plan provides extensive data regarding the demographics of the population, housing and market analysis, and a housing needs assessment for the City of Portage based on the most recent US Census data, and Comprehensive Housing Affordability Strategy (CHAS) data available. The following major findings are summarized below:

- Population: Between 2000 and 2009, there was a 2.4% increase in population, from 44,926 to 45,999. This growth rate compared to 9.6% between 1990 and 2000.

- Median Age: Between 2000 and 2009, the median age increased slightly from 36.0 to 36.8 years. Within specific age groups, persons under 19 years, and persons over 65 years of age increased as a percentage of the overall population, while wage earners (25-64 years) decreased as a percentage of the population.

- Race and Ethnicity: The city has become more diverse, with a minority population comprising 12.5% of the total population in 2009, compared to 8.7% in 2000.
  - Of the minority population in 2009: blacks or African American comprised 5.5% of the population, Asian and/or Pacific Islanders comprised 3.5%, and 2.2% of the city population was made up of persons of two or more races. In addition, persons of Hispanic heritage or ethnicity comprised 3% of the population.
  - There are three census tracts in the city (19.06, 19.07 and 20.03) that have a higher concentration of minorities in comparison to the city overall.

- Income and Poverty: In 2009 there were 7,145 low income households (36.8% of all households), compared to 5,737 in 2000 (31.6% of all households). In addition, 6.3% of the Portage population had incomes at or below the federal poverty rate, compared to 4.8% in 2000. Of all low-income households, minorities comprised 16% compared to 12.5% of the total city population.

- Housing Units: Similar to population growth, there was a 2.6% increase in housing units between 2000 (19,380) and 2009 (18,885). Housing tenure has remained unchanged, as 69% of occupied housing units are owner-occupied and 31% are renter occupied.

- Cost of Housing: The median value of owner-occupied housing in 2009 was $157,400, a 30.3% increase from 2000 ($120,800). However, this growth rate is lower in comparison to the previous decade (1990-2000), which had a 67.7% increase in values. The median gross rent has increased to $650 in 2009, from $541 in 2000. Despite recent reductions in housing values, affordability of housing continues to be a problem for low-income households in the community. In addition, mortgage foreclosures have increased over the past five years, which can negatively impact the housing market and neighborhood quality.

- Housing Needs: In 2007, there were 4,350 low-income households (61% of low-income households) with a housing cost burden, paying over 30% of their income on housing expenses, compared to 47% with a housing cost burden in 2000. For low-income homeowners, 62% of households had a housing cost burden, whereas 60% of renter households had a housing cost burden. When the condition of housing is added to housing cost burden, a slightly higher number of households (4,520) had a housing problem, stemming from substandard or overcrowded housing.

- Housing Needs by Race/Ethnicity: When examining housing problems by race and ethnicity, the data indicates several minority and ethnic groups have a high percentage of housing problems, which is disproportionate to the overall low-income population.

- Special Needs Housing: In 2010, there were approximately 120 units of special needs housing available within the city. However, based on 2007 data there are 1,232 households with a disability and housing problem within the community.

- While the city has become more diverse, there are areas of the community with a higher minority concentration. The data in Table 21 of the Consolidated Plan (page 33) indicates that 19% of renter-households are minorities, while only 7% of owner-households are minorities. The census tracts with a higher concentration of minority populations (19.06, 19.07 and 20.03) each have large apartment complexes, such as Walnut Trails, Village Green, the Courtyards, Anna's Vineyard, Pinefield Townhomes, and others that provide rental housing options for residents of the community.

- A disproportionate number of renter-occupied and owner-occupied low-income minority households have greater housing needs (often in significant numbers) compared to the larger population of the city. The most significant housing problem stems from housing affordability in both the low-income renter and homeowner households.

- A significant percentage of households with disabilities, including frail elderly households have housing problems that are also primarily derived from housing cost burden. Additionally, many of these households are in need of special housing that may include congregate or assisted living services, and/or reasonable accommodations for persons with disabilities.

As outlined in the Consolidated Plan, several actions are proposed over the next five years, many that involve the expenditure of CDBG program resources and General Fund resources to the extent feasible, to address the needs of low-income households and neighborhoods within the community.

IV. FAIR HOUSING IN SOUTHWEST MICHIGAN

Historically, complaints and enforcement action regarding housing discrimination in southwest Michigan has been directed to the Michigan Department of Civil Rights, legal aid (Western Michigan Legal Services) and HUD. However, in 2001 the Fair Housing Center of Southwest Michigan was established to provide fair housing education and outreach services, and housing discrimination complaint investigation and enforcement assistance to residents of Kalamazoo County. In 2003, the Center expanded and became a regional fair housing center that now serves nine counties in Southwest Michigan.

The Fair Housing Center of Southwest Michigan has assisted the City of Portage in meeting its obligation to further fair housing and has, in turn, been supported by the city with Community Development Block Grant funds. The aforementioned expansion of the Center to become a regional entity was funded by a HUD Fair Housing Initiative Program (FHIP) grant awarded in 2003, and subsequent HUD grants have funded outreach and education services, as well as housing discrimination enforcement services. Several other local organizations and corporations throughout Southwest Michigan have also helped fund the

Center including, but not limited to, the City of Kalamazoo, the City of Battle Creek, the Kellogg Foundation, the Kalamazoo Community Foundation the Metropolitan Kalamazoo Chapter of the NAACP, local foundations, area banks and REALTOR© associations.

The Fair Housing Center of Southwest Michigan provides education to housing providers and seekers to ensure each knows their rights and responsibilities under fair housing laws. The Center also provides training to staff of other human service agencies so they may refer their clients who may have faced housing discrimination.

When the Center receives a complaint, an extensive review is completed to determine if the concern that has been raised is one that constitutes a fair housing complaint. If it is determined that it is not an issue covered by fair housing laws, the individual is directed to another organization for assistance. For example, the person may be in need of financial assistance, dispute resolution, or legal services to help avoid an eviction and may be referred to the Kalamazoo County Eviction Diversion Partnership, Western Michigan Legal Services or dispute resolution services offered by the Gryphon Place.

In response to fair housing complaints, the Center perform an investigation that usually involves conducting one or more paired-tests to gather evidence of disparity in treatment and validate or refute the complaint. Findings are shared with the claimant and, in the cases when the investigation uncovers a pattern of discrimination, the claimant's options available for resolution are discussed. These options generally include:

- Conciliation (facilitated by the Center or by Dispute Resolution Services);
- Filing of a complaint with an appropriate governmental entity -- HUD, Michigan Department of Civil Rights, or a local government, where appropriate;
- Referral to a private attorney to litigate the complaint in federal or state court.

There are additional entities within the Kalamazoo area which have the resources and experience to independently process or assist the Center with fair housing complaints:

- The Michigan Department of Civil Rights works to prevent discrimination through educational programs that promote voluntary compliance with civil rights. The Department also investigates and resolves discrimination complaints.
- Legal Aid of Western Michigan provides free legal services in non-criminal cases to low income and elderly residents.
- Dispute Resolution Services, offered by the Gryphon Place, provides conciliation, mediation and other voluntary dispute resolution services to persons as an alternative to litigation.

V. ANALYSIS OF POTENTAIL IMPEDIMENTS TO FAIR HOUSING

Public policies formed by local, state and federal units of government, and private institutional practices have the potential to create impediments to fair housing. The following Section A, Public Policies, evaluates policies of the City of Portage that may foster or pose impediments to fair housing. Section B, Private Institutional Practices evaluates processes within the housing industry such rental and home purchase transaction, mortgage lending, and real estate advertising, which may create impediments to fair housing choice.

A. Public Policies

The Consolidated Plan provides an overview of potential barriers to affordable housing, including the impact of public policies. As indicated in the Consolidated Plan, in comparison to the community as a whole, minorities have disproportionate housing needs that mainly stem from housing affordability. In addition, based on 2007 HUD CHAS data, minorities comprise 16% of all low-income households, while minority groups make up 12.5% of the city population. Based on these data for Portage, and similar trend data for many other communities across the country, barriers to affordable housing are often considered to present potential barriers to fair housing choice within a community.

With regard to City of Portage public policies, affordable housing and potential impediments to fair housing, the following is provided:

- Comprehensive Plan and Zoning Code: The Comprehensive Plan was last updated in 2008, while a comprehensive update to the Zoning Code was accomplished in 2003. The Comprehensive Plan recommends a wide range of housing options and designates 21% of residential land use areas for medium to high density residential dwellings. In addition, the Comprehensive Plan acknowledges the importance of neighborhood preservation and providing for affordable housing options. The Zoning Ordinance permits a range of house and lot sizes, creative development options for properties with unique features, and mixed use developments. The Zoning Ordinance maintains relatively small minimum lot sizes (7,800 square feet in the R-1A district) given the development patterns of the city, and a minimum dwelling area of 1,040 square feet for single-family dwellings with a basement. These minimum lot sizes and minimum dwelling area requirements for dwellings are not excessive in comparison to surrounding communities in Kalamazoo County and do not preclude the development of affordable housing. In addition, one-family attached, two-family, multiple-family, modular and manufactured housing, and mixed-use development options are provided in the Zoning Ordinance, consistent with the Comprehensive Plan, to provide for a range of housing options.

- Building Code and Fees: The Department of Community Development administers the Michigan Residential Building Code, which is mandated for all communities in Michigan. Permit fees for construction activities are generated from the estimated valuation of the projects and are in line with those charged in comparable Kalamazoo County communities. There are no development or impact fees.

- Property Tax Policies: Residential property is appraised according to the Michigan State Tax Commission Assessor's Manual, and Portage has historically levied low millage rates that foster affordable housing. In addition, the Portage City Council has granted several residential developments that provide affordable rental housing a tax exemption/Payment in Lieu of Taxes (PILOT).

- Public transportation: Transportation linkages between place of employment and place of residence are important to those without a vehicle, and lack of such linkages can be a barrier to affordable housing. A county-wide millage first passed in 2006 provides a dedicated funding source for both fixed-route and demand-response public bus services in areas of Kalamazoo County outside of the City of Kalamazoo. For the City of Portage, this resulted in an expansion of public transportation for residents and employees.

- Public Services: Public services and facilities are available throughout the City of Portage to foster neighborhood preservation and affordable, decent housing, including public infrastructure (e.g. streets, public water, sanitary sewer and storm sewer), parks and recreation facilities, emergency services (police and fire), public education, and so forth. Through both the General Fund and CDBG program, the City of Portage has provided financial support to human/public service agencies that provide assistance to low and moderate income Portage residents, and those living below the poverty level in Portage, which makes up 6.3% of the community.

- CDBG Housing Programs: The City of Portage also administers the following programs for low-income homeowners to make housing improvements, or purchase a home:
  - Housing Rehabilitation Program – provides no interest and low interest deferred loans for a variety of interior and exterior housing improvements.
  - Emergency Repair Grant Program – provides up to $1,000 for housing repairs that pose an immediate threat to the health, safety and welfare of the residents.
  - First-Time Homebuyer Down-payment Assistance Program – provides up to $3,000 for down-payment and closing costs to purchase a home in specified neighborhoods.

  Eligibility is based on the annual maximum income limits based on family size set by HUD. In 2010, the income limit for a family of four was $48,800.

- Fair Housing Activities: As reported in the Consolidated Annual Performance Reports (CAPER) submitted to HUD after the end of each program year, the City of Portage has demonstrated its commitment to further fair housing as summarized below:

  - The city has provided financial support and in-kind professional assistance to the Fair Housing Center of Southwest Michigan. Annual financial support has been provided to sponsor fair housing education conferences and workshops, and the provision of fair housing services including complaint intake and investigation. Funding has also been provided to the Fair Housing Center over the past two fiscal years to receive assistance from the Center with the update of the Analysis of Impediments to Fair Housing. In addition, city staff serves on the Advisory Board of the Center, providing in-kind professional assistance as appropriate.
  - The city has maintained a fair housing log of housing discrimination concerns and has referred complainants to the Fair Housing Center of Southwest Michigan and other agencies as determined appropriate.
  - The city has annually adopted a resolution confirming its commitment to fair housing each April during National Fair Housing Month. In addition, the city has annually published an article in recognition of fair housing month in the Portager newsletter, and continues to publish and disseminate the "Fair Housing Information and Community Resources" guide that provides information on fair housing laws and resources.
  - The city Human Services Board has annually received a report from the Fair Housing Center of Southwest Michigan regarding fair housing activities and concerns within Portage and the greater metropolitan area.

- Legal Action: The City of Portage has not been involved in any legal disputes with HUD, the US Department of Justice, the Michigan Department of Civil Rights or any other entity regarding fair housing concerns.

B. Institutional Practices

- Fair Housing Complaints: In any discussion regarding the number of complaints filed and the basis of those filings, it is important to note that HUD estimates less than one percent of all instances of housing discrimination result in a complaint being filed. Indeed, if even twice as many complaints were filed, the following tables might tell very different stories about the victim of housing discrimination.

  Data on fair housing complaints was compiled and summarized by the Fair Housing Center of Southwest Michigan. The data includes complaints filed directly to HUD, the Michigan Department of Civil Rights or other Fair Housing Assistance Program agencies (FHAPs), and with the Fair Housing Center of Southwest Michigan. The time period for the data collected ranges between 2003 and 2009, which comprises data available since the 2003 AI study was prepared. The following tables depict the basis of complaints received on a national, regional (Southwest Michigan) and City of Portage basis. The number filed by the basis of a complaint will always exceed the number of actual complaints filed because many cite more than one basis for filing. For example, a person may file a complaint alleging discrimination on the basis of both race and familial status.

HUD COMPLAINTS, BY BASIS OF COMPLAINT-NATIONWIDE

	2003	2004	2005	2006	2007	2008	2009	Total
# of Complaints	**2,803**	**2,849**	**2,474**	**2,881**	**2,398**	**2,345**	**2,022**	**17,772**
Basis of Complaints								
Race	1,123	1,173	1,020	1,192	897	726	619	6,750
Sex	338	312	242	288	230	221	167	1,798
Color	43	47	19	34	26	34	41	244
National Origin	273	285	212	294	282	212	175	1,733
Disability	1,195	1,159	1,189	1,350	1,170	1,083	1,063	8,209
Family Status	431	344	283	336	302	477	362	2,535
Religion	76	193	39	91	53	47	39	538
Retaliation	114	126	116	148	102	99	103	808
Total	**3,593**	**3,639**	**3,120**	**3,733**	**3,062**	**2,899**	**2,569**	**22,615**

Source: U.S. Department of Housing and Urban Development, Region V

FHAP COMPLAINTS, BY BASIS OF COMPLAINT-NATIONWIDE

	2003	2004	2005	2006	2007	2008	2009	Total
# of Complaints	**5,476**	**6,667**	**6,982**	**7,706**	**7,864**	**8,436**	**8,068**	**51,199**
Basis of Complaints								
Race	2,129	2,558	2,479	2,878	2,880	2,942	2,621	18,487
Sex	606	702	703	737	857	957	875	5,437
Color	127	117	136	102	198	241	204	1,125
National Origin	786	1,030	1,051	1,155	1,00	1,194	1,097	7,346
Disability	2,041	2,383	2,778	2,991	3,07	3,585	3,497	20,582
Family Status	866	1,037	1,082	1,163	1,68	1,429	1,478	8,223
Religion	169	177	179	180	228	311	234	1,478
Retaliation	318	358	349	500	473	530	550	3,078
Total	**7,042**	**8,362**	**8,757**	**9,706**	**10,144**	**11,189**	**10,556**	**65,756**

Source: U.S. Department of Housing and Urban Development, Region V

The tables above indicate that on a national level, having a disability (physical or mental) is the leading reason (32.6% of the time) why discrimination cases are filed, while racial discrimination ranks second (28.6%), and familial status is the third (12.2%) most often cited reason for filing a housing discrimination complaint.

For the purposes of comparing national trends to regional trends, the table below indicates the basis of complaints filed by residents of Southwest Michigan that were received by either HUD, a Michigan FHAP-funded agency (Michigan Department of Civil Rights).

HUD AND FHAP COMPLAINTS - SOUTHWEST MICHIGAN - 2003 THROUGH 2009

Basis of Complaint	# of Complaints	Race	Family Status	Disability	National Origin	Sex	Religion	Retaliation
County								
Allegan	19	3	9	5	1	2	0	0
Barry	6	0	2	2	1	1	0	1
Berrien	27	14	2	10	4	2	0	2
Branch	5	0	2	2	1	0	1	0
Calhoun	19	10	3	6	0	0	0	1
Cass	6	4	1	2	0	1	0	1
Kalamazoo	66	41	2	21	5	2	1	1
St. Joseph	17	7	3	7	1	1	0	0
Van Buren	9	2	1	7	0	1	0	0
TOTAL	**199**	**81**	**25**	**62**	**13**	**10**	**2**	**6**
% of TOTAL		**40.7%**	**12.6%**	**31.2%**	**6.5%**	**5.0%**	**1.0%**	**3.0%**

Source: U.S. Department of Housing and Urban Development, Region V

Complaint trends filed by residents in southwest Michigan indicate that race is the leading housing discrimination concern, while disability status ranked second and familial status ranked third.

For additional comparison purposes, the following table shows complaints received by the Fair Housing Center of Southwest Michigan during the time period from 2003-2009.

FAIR HOUSING CENTER OF SOUTHWEST MICHIGAN COMPLAINTS - 2003 THROUGH 2009

Basis of Complaint	# of Complaints	Race	Family Status	Disability	National Origin	Sex	Religion	Retaliation
County								
Allegan	7	2	3	2	0	0	0	0
Barry	2	0	0	1	0	1	0	0
Berrien	41	25	8	6	1	1	0	0
Branch	4	0	0	0	1	3	0	0
Calhoun	54	26	9	15	2	2	0	0
Cass	5	0	1	3	1	0	0	0
Kalamazoo	245	107	41	75	16	6	0	0
St. Joseph	27	11	8	6	2	0	0	0
Van Buren	18	4	3	9	1	1	0	0
TOTAL	**403**	**175**	**73**	**117**	**24**	**14**	**0**	**0**
% of TOTAL		**43.4%**	**18.1%**	**29%**	**6%**	**3.5%**	**0%**	**0%**

Source: Fair Housing Center of Southwest Michigan, Inc.

With regard to complaints received by the local Fair Housing Center, race was also the leading discrimination concern, followed by disability, and familial status. No complaints regarding religion or retaliation were received by the local Fair Housing Center.

With regard to complaints specifically received involving Portage residents, property owners or housing industry professionals, from 2003-2009, the following complaints were received by HUD, FHAP agencies and the local Fair Housing Center:

HUD, FHAP, FAIR HOUSING CENTER OF SOUTHWEST MICHIGAN (FHCSWM)
PORTAGE COMPLAINTS – 2003 THROUGH 2009

Basis of Complaint	# of Complaints	Race	Family Status	Disability	National Origin	Sex	Religion	Retaliation
Portage								
HUD & FHAP	11	7	1	3	0	0	0	0
FHCSWM	46	14	11	18	3	0	0	0
TOTAL	**57**	**21**	**12**	**21**	**3**	**0**	**0**	**0**
% of TOTAL		**36.8%**	**21.1%**	**36.8%**	**5.3%**	**0%**	**0%**	**0%**

Source: U.S. Department of Housing and Urban Development, Region V, and Fair Housing Center of Southwest Michigan, Inc.

Based on the above data, between 2003-2009, there were a total of 602 complaints filed with HUD, FHAP agencies and the Fair Housing Center of Southwest Michigan in the southwest Michigan region. Of those fair housing complaints, 57 or 9.5% of all complaints involved Portage. With regard to the basis of complaints in Portage and in comparison to regional trends, race and disability were of equal concern (with each comprising 36.8% of total complaints) and familial status was the next most common complaint with regard to discrimination. It is noted, however, that because of the small number of complaints filed involving Portage residents, property owners, or housing industry professionals, conclusions as to the extent or patterns of discrimination within the City of Portage should be avoided.

The following provides an overview of the disposition of complaints filed with HUD, FHAP agencies and the Fair Housing Center of Southwest Michigan. "Administrative Closure" means that cases were closed because the claimant withdrew the complaint, the agency lost contact with the claimant, the claimant was uncooperative or the claim was not filed with HUD or the Michigan Department of Civil Rights within the required timeframe. "No Cause" indicates that the agency investigating or adjudicating the allegation did not find fair housing law-related justification for the complaint. "Conciliation/Settlement" refers to those complaints that were conciliated or adjudicated to the satisfaction of or in favor of the claimant.

DISPOSITION OF COMPLAINTS FILED – 2OO3 THROUGH 2009

AGENCY	Administrative Closure	No Cause	Conciliation/ Settlement
HUD - Nationwide	23.4%	40.4%	36.2%
FHAP - Nationwide	12.4%	53.0%	34.6%
HUD & FHAP - Southwest Michigan	18.1%	48.9%	33.0%
FHCSWM - Southwest Michigan	26.2%	52.6%	21.3%
HUD & FHAP - City of Portage	36.4%	54.5%	9.1%
FHCSWM - City of Portage	23.7%	57.9%	18.4%

Source: U.S. Department of Housing and Urban Development, Region V, and Fair Housing Center of Southwest Michigan, Inc.

As shown above, at the national level, nearly half of complaints were closed because fair housing-related justification was not found (i.e., No Cause). However, about a third of complaints filed nationwide were closed through conciliation or settlement.

With regard to complaints filed in southwest Michigan, a higher percentage (52.6-54.5%) of complaints were closed due to No Cause, and within Portage 54.5-57.9% of discrimination complaints were found to have no fair housing-related justification. With regard to complaints that were satisfactorily resolved, a lower percentage of fair housing complaints in Portage were resolved in comparison to the southwest Michigan region. However, with regard to Portage complaints handled by the Fair Housing Center of Southwest Michigan, a higher percentage of complaints were resolved through Conciliation/Settlement compared to those handled by HUD or the Michigan Department of Civil Rights.

- Fair Housing Testing: Fair housing testing can also provide an indication of the prevalence of housing discrimination in the community. Between 2005–2009 the Fair Housing Center of Southwest Michigan periodically conducted systemic testing (also referred to as survey or audit testing) to determine the frequency of housing discrimination, which has been typically accomplished via grant contracts from various funding agencies. In 2008, the Center conducted a series of 15 systemic tests for the City of Portage, funded by its CDBG Program, to utilize in this update of the Analysis of Impediments to Fair Housing Study.

  In the same way testing is done in response to a complaint, testers conduct paired tests and report their experiences. Written reports prepared by testers are then analyzed to determine if differential treatment occurred as defined under the Fair Housing Act. These audit tests should not be viewed as conclusive evidence of discrimination, as each property is tested only once. If the Center is testing as part of its investigation of a complaint, multiple tests would be completed before a determination of discrimination could be rendered.

  The first table shows the number of tests that detected disparity in treatment and the total number of tests conducted. (e.g., 1/5 means one out of a total of 5 tests that were conducted showed a disparity.) The second table shows the percentage of the same tests that detected disparity in treatment. City of Portage data is included in Kalamazoo County.

RENTAL AUDIT TESTS – 2005 -2009
NUMBER OF TESTS SHOWING DISPARITY IN TREATMENT

COUNTY	RACE	FAMILY STATUS	NATIONAL ORIGIN
Berrien	11/31	--	--
Branch	1/4	--	--
Calhoun	13/55	0/1	--
Cass	0/2	--	--
Kalamazoo (including Portage)	28/81	2/4	0/3
Van Buren	3/8	--	--
TOTAL	56/181	2/5	0/3

Source: Fair Housing Center of Southwest Michigan

RENTAL AUDIT TESTS – 2005-2009
PERCENTAGE OF TESTS SHOWING DISPARITY IN TREATMENT

COUNTY	RACE	FAMILY STATUS	NATIONAL ORIGIN
Berrien	35.5%	--	--
Branch	25.0%	--	--
Calhoun	23.6%	0.0	--
Cass	0.0%	--	--
Kalamazoo (including Portage)	34.6%	50.0%	0.0%
Van Buren	37.5%	--	--
TOTAL	30.9%	40.0%	0.0%

Source: Fair Housing Center of Southwest Michigan

Based on the above data, Van Buren County had the highest percent of test results that indicated disparity in treatment with regard to race in 37.5% of the cases. Berrien County followed, with 35.5% of the tests showing differential treatment for race, and Kalamazoo County was third with regard to race (34.6%) disparities. With regard to familial status, Kalamazoo and Calhoun counties were the only two tested, and Kalamazoo County tests indicated differential treatment towards families in 50% of the cases. The table below shows the results of real estate sales testing in Kalamazoo and Calhoun counties.

REAL ESTATE SALES AUDIT TESTS – 2006 - 2009
RACE TESTS SHOWING DISPARITY IN TREATMENT

COUNTY	NUMBER	PERCENT
Calhoun	3/3	100%
Kalamazoo	12/21	57%
TOTAL	15/24	63%

Source: Fair Housing Center of Southwest Michigan

When the Center conducted systemic sales tests, they were "assigned" to the community in which the sales office is located. However, the tests are not always aimed at uncovering whether an apparent discrimination involves, or is limited to, that same community. For example, a real estate office or individual agent that is located in Portage is the target of the test and not the community. Therefore, even if there is a disparity of treatment found, it likely means that, regardless of which community that office or agent is located, the testers would have received the same treatment. The tests indicate for race, in Calhoun County racial disparity was found in all cases, and differential treatment was apparent in 57% of the tests completed for race in Kalamazoo County.

Tests conducted in 2008 in Portage showed disparity in 13 out of 24 tests for race (54%), three out of six tests for familial status (50%), and zero of two tests for national origin. The testing indicated the highest rate of disparity for both race and familial status compared to six counties where testing was conducted during the same time period. In addition, at one-third of the locations, testers were not able to identify a fair housing sign, which is suggested by Fair Housing regulations. Finally, when comparing testing results included in the 2003 AI study, compared to more recent testing, there was an increase in the rates of potential differential treatment in both the race and familial status categories within Portage. However, due to the relatively small number of tests conducted in Portage (in both the 2002–2003, as well as the 2005–2009 time segments), the extent of discrimination in the City of Portage is not conclusive.

- Advertising Analysis: A review of real estate advertising can also be helpful in determining the potential impediments to fair housing. While specific data regarding properties for sale or rent located in the City of Portage were not examined, it is helpful to consider the following review of real estate advertising.

  For a two week period in 2010 (March 29–April 10th), the Kalamazoo Gazette, Craigslist.com, forrent.com, apartments.com and mynewplace.com were monitored to determine if discriminatory ads appeared. None were found. In fact, to its credit, the Kalamazoo Gazette prints at the beginning of its "Furnished Apartment" section, and at the beginning of its "Homes for Sale" classified listing, a notice that "...advertising in this newspaper is subject to the Federal Fair Housing Amendments Act, the Michigan Civil Rights Act, and the Kalamazoo Municipal Code..." The notice also describes what constitutes an illegal advertisement and directs citizens to report discrimination to the Fair Housing Center of Southwest Michigan and/or the U.S Department of Housing and Urban Development. Similarly, craigslist.com includes a notice that reads "stating a discriminatory preference in a housing post is illegal", and by clicking on the statement, a link to a web page entitled "Fair Housing is Everyone's Right!" is accomplished, which provides a basic explanation of the Fair Housing Act. In addition, apartments.com provides in its Frequently Asked Questions section information regarding fair housing guidelines. No information on fair housing was included on either mynewplace.com, or forrent.com.

- Mortgage Lending Analysis: As indicated in the 2003 Analysis of Impediments to Fair Housing Study, the Home Mortgage Disclosure Act (HMDA) makes available information that communities, regulators and lenders use to analyze where home mortgages are given, to whom they are given to, and to where and who mortgages are rejected. This information is helpful to identify impediments because access to home loans permits choice as to where a household buys a home, and access to home improvement loans allows households to maintain a quality housing stock. Homeowners who obtain subprime loans may fall victim to predatory lending practices, and may in turn loose their homes to foreclosure, which has been observed in recent years throughout the region, state and country.

  At the request of the Fair Housing Center of Southwest Michigan, the National Community Reinvestment Coalition (NCRC) conducted a residential lending analysis for the City of Portage (using 2008 Home Mortgage Disclosure Act data), and the full report is included in the Appendix. In particular, the NCRC evaluated prime (or market-rate) and subprime (or high-cost) lending by race and ethnicity of borrowers, and by minority level of census tract. The analysis also controlled for income when assessing lending patterns to minorities. The following provides summary observations from the data analysis provided by NCRC:

  - Middle and upper income level borrowers were more likely to receive prime or market rate loans than were low and moderate income borrowers, who received a disproportionately higher number of subprime or high cost loans.

  - The number of loans for minority groups, when broken down by income, was too small to permit any meaningful comparison.

- While the analysis did not find lending disparities by neighborhood, or on the census tract level, after controlling for race and income level, the share of high-cost loans originated to African Americans and Hispanics was greater than for white borrowers.

- African American borrowers were denied single-family loans 23% of the time, 1.4 times more often than white borrowers. Hispanic and Asian borrowers were less likely than whites to be denied a single-family loan. It is further noted that the borrowers of all three lower income categories were less likely to receive a denial on their loan application than upper-income borrowers.

In comparison to data included in the 2003 AI study, the data reinforces that household income is the key factor in determining whether a loan is granted. In addition, while there are still disparities in lending practices, some recent improvement is apparent based on 2008 HMDA data. In the 2003 AI study, data indicated the loan rejection rate for African-American applicants was 33% compared to 23% based on the 2008 data evaluated by NCRC. In addition, in 2000, African-Americans were 2.6 times as likely to be rejected a loan application in comparison to whites, whereas this statistic improved slightly since 2008 (to 1.4 time that rejection rate of whites). However, it is also noted that subprime lending patterns over the past several years resulted in a higher rate of approval for all loans, and that many studies show that minorities received a higher rate of subprime high cost loans.

In summary, further investigation, including testing of lenders would be helpful to draw more definitive conclusions on this issue.

VI. RECOMMENDATIONS TO ADDRESS IMPEDIMENTS

Based on the above review of socioeconomic data, public policies and private policies and practices, the following impediments to fair housing choice have been identified. It is noted that the findings of this AI study are consistent with those presented in the 2003 AI study, and that the recommended actions to address impediments are based on city resources (financial and in-kind professional assistance) and expertise to address housing discrimination and to affirmatively further fair housing choice within the community.

- Impediment: Lack of knowledge as to the prevalence of housing discrimination

  Recommended Action:
  - Encourage efforts by the Fair Housing Center of Southwest Michigan and other civil rights organizations to annually publish results of investigation and enforcement action so that occurrences of discriminatory conduct may be further understood by the general public and housing industry professionals.

- Impediment: Lack of knowledge by the general public and housing industry professionals about fair housing law.

  Recommended Actions:
  - Each April, pass an annual resolution in recognition of Fair Housing Month that recognizes the commitment by the city to affirmatively further fair housing.
  - Each April, receive an update on fair housing issues in Portage and the greater metropolitan area from the Fair Housing Center of Southwest Michigan.
  - Disseminate the "Fair Housing Information and Community Resources" guide at City Hall, the Portage District Library, Portage Community Center, and other key locations throughout the city. In addition, disseminate fair housing information through local print and electronic media, such as the Portager newsletter and city web site.
  - Annually support and sponsor (with grants and in-kind professional assistance) fair housing education projects in conjunction with the Fair Housing Center of Southwest Michigan.

- Impediment: Potential differential terms/conditions within housing transactions

  Recommended Actions:
  - Administer complaint intake and referrals for investigation and enforcement.
  - Support with grants or in-kind professional assistance testing efforts of housing industry professionals in response to complaints. In addition, support audit or survey testing research used to determine the prevalence of housing discrimination.
  - Encourage efforts that provide tenant/landlord and dispute resolution services in the community, which can be enhanced through partnerships with existing organizations.

- Impediment: Less frequent home mortgages provided to minorities

  Recommended Actions:
  - Require completion of home buyer counseling for all City of Portage home buyer assistance program participants provided by a HUD-approved counseling agency such as Kalamazoo Neighborhood Housing Services.
  - Encourage home buyer workshops offered by lenders, realtors, and local non-profit organizations. More widespread knowledge of the home buying industry will increase fair housing opportunities.
  - Encourage efforts by lenders and other organizations that provide credit restoration and counseling for marginally acceptable loan applicants.

- Impediment: Protected classes have disproportionate housing needs

  Recommended Actions:
  - Continue CDBG Housing Programs, and to the extent that resources are available, tax abatements (PILOTS) to provide housing opportunities to low and moderate-income households.
  - To the extent that resources are available, continue General Fund and CDBG program funding to support the provision of human/public services to low income individuals.
  - Annually review development regulations, fees, and other city code requirements that may be impediments to affordable and fair housing.
  - Continue to actively participate on the Kalamazoo LISC Affordable Housing Partnership to address affordable housing issues to all residents of Kalamazoo County.

In the context of affirmatively furthering fair housing, the city will continue to implement actions recommended above to the extent that financial resources are available. In addition, in-kind professional assistance will be considered to partner with for-profit and non-profit organizations to further fair housing opportunities within the community. Specific fair housing activities will be provided annually in the Annual Action Plans and reported in the Consolidated Annual Performance Evaluation Report (CAPER) submitted to HUD each year.

APPENDIX

NCRC's 2008 Home Lending Analysis for City of Portage, MI

The National Community Reinvestment Coalition (NCRC) conducted a portfolio and market share analysis using 2008 Home Mortgage Disclosure Act (HMDA) data with the following specifications for the City of Portage, Michigan (MI): all single family lending, loans to owner-occupants, and first lien loans. All single-family loans include loans for home purchase, home improvement, and refinances.

For the portfolio share analysis, NCRC evaluated the prime (or market-rate) and subprime (or high-cost) lending performances by race and ethnicity of borrower (i.e. African American, White, Asian, or Hispanic); and by minority level of census tract (substantially minority or substantially white census tract). [1] Moreover, in order to control for income when assessing lending patterns to minorities in Portage, MI, NCRC also conducted two separate analyses for low- and moderate-income (LMI) minorities and middle- and upper-income (MUI) minorities. Lending patterns were then compared to the demographics of Portage, MI, to illustrate potential lending disparities.

The market share analysis compares the portion of high-cost loans made to a particular borrower group to all loans (market-rate loans plus high-cost loans) made to that same borrower group. The disparity ratio illustrates how much more often lenders made high-cost loans to one borrower group compared to another.

High-cost loans are those with the price information reported under the Home Mortgage Disclosure Act (HMDA). For more information about HMDA, please visit www.ncrc.org.
Market-rate loans are loans made at prevailing interest rates to borrowers with good credit histories. High-cost loans, in contrast, are loans with rates higher than prevailing rates made to borrowers with credit blemishes. The higher rates compensate lenders for the added risks of lending to borrowers with credit blemishes. While responsible high-cost lending serves legitimate credit needs, public policy concerns arise when certain groups in the population receive a disproportionate amount of high-cost loans. When high-cost lending crowds out market-rate lending in traditionally underserved communities, price discrimination and other predatory practices become more likely, as residents face fewer product choices.

Portfolio Share Analysis of All Single Family Lending in Portage, MI

Based on the U.S. Census 2000, city of Portage is a majority white community with only 3.6 percent African-American, 2.27 percent Asian, and 1.31 percent Hispanic households. Table 1a provides the breakdown of lending by race and ethnicity. The percentage of all loans to each race

[1] The highest percentage of minority in a census tract of Portage is 13.3 percent. Hence, as a majority white city, a substantially minority census tract is identified as one with 10 to 20 percent minority and a substantially white census tract is one with less than 10 percent minority.

or ethnic group is comparable to the race/ ethnicity representation in the community. However, African-American borrowers in the area are more likely to receive high-cost loans, when they are less likely to receive prime loans. The African-American borrowers received 2.21 percent of prime loans. Yet, they were the recipients of 7.14 percent of the high-cost loans (see table 1a and chart 1a).

The lenders in the area seem to favor the middle- and upper-income (MUI) borrowers with prime loans than low- and moderate-income borrowers. Breakdown of loans by income of borrower are given in Table 2a. More than two-thirds of the households (68.86 percent) in the City of Portage fall in the middle- and upper-income categories and a corresponding number of mortgages (69.5 percent) originated in the area went to middle- and upper-income borrowers (see Table 2a). On the other hand, 31.14 percent of LMI borrowers received 28.59 percent of all prime loans and 46.24 percent of all high-cost loans.

When broken down both by race and income level, the pattern of lending observed at the aggregate level persisted even after controlling for income. Lending to low- and moderate-income (LMI) whites, both prime and high-cost loans, were comparable to their proportion of households in the city. Namely, LMI whites comprised 29.14 percent of all households in Portage and received 27.35 percent of all loans originated. The prime versus high-cost divide indicates that LMI whites were more likely to receive high-cost loans. The LMI whites received 38.64 percent of all high-cost loans compared to the 26.03 percent of all prime loans received (see Table 3a). The middle- and upper-income (MUI) whites, who comprised 63.07 percent of all households, received 65.45 percent of all prime loans in the city when they only received 49.44 percent of high-cost loans (see Table 4a). The number of loans for the minority groups when broken down by income is too small to permit any meaningful comparison.

Finally, lending disparities were not clearly evident on a tract level. While almost 60 percent of the owner-occupied units in the City of Portage were located in predominantly non-minority tracts (i.e. tracts that are under 10 percent minority), borrowers in these tracts have received over 55.2 percent of all prime and about 51.6 percent of all high-cost loans in 2008. Residents in minority tracts (or those comprised of 10 to a 20 percent minorities), on the other hand, received merely 44.78 percent of prime and over 48.39 percent of high-cost loans, while encompassing about 40.5 percent of all owner-occupied units (see Table 5a.).

Market Share Analysis of All Single Family Lending in City of Portage, MI

The share of high-cost loans out of all loans originated to African-Americans and Hispanics was significantly greater than for white borrowers.

African-American borrowers were more than two-and-a-half (2.65) times more likely than white borrowers to receive a high-cost loan (this ratio is calculated by dividing the percent of all loans to African Americans that were high-cost, 27.3 percent, by the percent of all loans to whites that were high-cost 10.3 percent). In comparison, only one (out of 16) Hispanic borrower and none among the Asian borrowers received a high-cost loan. (see Table 1b and Chart 1b).

As the borrower's level of income increases, the likelihood of receiving a prime loan gradually increases when the likelihood of receiving a high-cost loan decreases (see Table 2b). Using the upper-income borrower as the comparison category, the likelihood of receiving a prime loan increases from 0.87 times for the low-income borrower to 0.94 times for the middle-income borrower. On the other hand, the low-income borrower is almost thrice (2.93 times) as likely as an upper-income borrower to receive a high-cost loan. The middle-income borrower is 1.87 times more likely to receive a high-cost loan as an upper-income borrower.

Again, our analysis on a tract minority-level does not reveal clear lending disparities with residents of predominantly minority tracts being 1.07 times as likely to receive a high-cost loan as were residents of non-minority tracts (see Table 5b).

Denial Disparity Analysis

As indicated in Table 1c, African-American borrowers in Portage, MI were denied single-family loans 23.08 percent of the time, or 1.4 times more often than white borrowers (calculated by dividing 23.08 percent by 16.53 percent). Hispanic and Asian borrowers were less likely than whites to be denied a single-family loan. The borrowers of all three lower income categories (i.e., low-, moderate-, and middle-income borrowers) were more likely to receive a denial on their loan application than the upper-income borrowers (see Table 2c).

Table 1. All Single Family Lending to Owner-Occupants, Portage, MI 2008
By Race of Borrower

Table 1a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
Borrower Race										
White	679	78	757	93.66%	92.86%	93.57%	16,684	92.21%	1.02	1.01
Black or African American	16	6	22	2.21%	7.14%	2.72%	652	3.60%	0.61	1.98
Hispanic or Latino	15	1	16	2.06%	1.19%	1.97%	238	1.32%	1.57	0.91
Asian	21	0	21	2.90%	0.00%	2.60%	411	2.27%	1.28	0.00
Total1	766	93	859	100.0%	100.0%	100.0%	18,094	100.00%		

Table 1b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
Borrower Race							
White	679	78	757	89.7%	10.3%	1.00	1.00
Black or African American	16	6	22	72.7%	27.3%	0.81	2.65
Hispanic or Latino	15	1	16	93.8%	6.3%	1.05	0.61
Asian	21	0	21	100.0%	0.0%	1.11	0.00
Total1	766	93	859	89.2%	10.8%	0.99	1.05

Table 1c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial
	Applications	Denials	Percentage	
Borrower Race				
White	1,210	200	16.53%	1.00
Black or African American	39	9	23.08%	1.40
Hispanic or Latino	21	3	14.29%	0.86
Asian	31	4	12.90%	0.78
Total1	1,420	244	100.00%	

Notes

1 "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

Table 2 All Single Family Lending to Owner-Occupants, City of Portage, MI, 2008
By Income Level of Borrower

Table 2a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to all			Households*		Ratio of Prime Portfolio Share to Percent of Households	Ratio of High-Cost Portfolio Share to Percent of Households
	Prime	High-Cost	All	Prime	High-Cost	All	Count	Percent		
Income Level										
Low (<50% MSA Income)	54	12	66	7.05%	12.90%	7.68%	2,834	15.66%	0.45	0.82
Moderate (50-79.99% MSA Income)	165	31	196	21.54%	33.33%	22.82%	2,800	15.47%	1.39	2.15
Middle (80-119.99% MSA Income)	214	28	242	27.94%	30.11%	28.17%	3,279	18.12%	1.54	1.66
Upper (120% or More MSA Income)	333	22	355	43.47%	23.66%	41.33%	9,181	50.74%	0.86	0.47
LMI (<79.99% MSA Income)	219	43	262	28.59%	46.24%	30.50%	5,634	31.14%	0.92	1.48
MUI (>80% MSA Income)	547	50	597	71.41%	53.76%	69.50%	12,460	68.86%	1.04	0.78
Total[1]	766	93	859	100.00%	100.00%	100.00%	18,094	100.00%		

Table 2b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Income Level (Market Share)		Ratio of that Income Level to Upper-Income (Market Share	
	Prime	High-Cost	All	Prime	High-Cost	Prime	High-Cost
Income Level							
Low (<50% MSA Income)	54	12	66	81.82%	18.18%	0.87	2.93
Moderate (50-79.99% MSA Income)	165	31	196	84.18%	15.82%	0.90	2.55
Middle (80-119.99% MSA Income)	214	28	242	88.43%	11.57%	0.94	1.87
Upper (120% or More MSA Income)	333	22	355	93.80%	6.20%	1.00	1.00
LMI (<79.99% MSA Income)	219	43	262	83.59%	16.41%	0.91	1.96
MUI (>80% MSA Income)	547	50	597	91.62%	8.38%	1.00	1.00
Total[1]	766	93	859	89.17%	10.83%	0.95	1.75

Table 2c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Income Level to Upper-Income (Denial Ratio)
	Applications	Denials	Percentage	
Income Level				
Low (<50% MSA Income)	136	32	23.53%	1.86
Moderate (50-79.99% MSA Income)	327	52	15.90%	1.25
Middle (80-119.99% MSA Income)	413	91	22.03%	1.74
Upper (120% or More MSA Income)	544	69	12.68%	1.00
LMI (<79.99% MSA Income)	463	84	18.14%	1.09
MUI (>80% MSA Income)	957	160	16.72%	1.00
Total[1]	1,420	244	17.18%	1.35

NOTES

[1]"Total" refers to total loans to all persons, including those applications with "income not available" reported. Thus, "total" may be a slightly larger number than the sum of "Low," "Middle," "Moderate," and "Upper." *These four categories form a mutually exclusive group; likewise, "LMI" and "MUI" form a mutually exclusive group independent of "Low," "Middle," "Moderate," and Upper."

In the case of "Low," "Moderate," "Middle," and "Upper," the index for this ratio (that is, the denominator of the ratio) is "Upper." In the case of "LMI" and "MUI," the index is "MUI."

* Source: U.S. Census Bureau, Census 2000 and Home Mortgage Disclosure Act Data 2008

Table 3. All Single Family Lending to Low- and Moderate-Income (LMI) Borrowers, Portage, MI
By Race of Borrower

Table 3a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
Borrower Race & Income Level										
LMI White	196	34	230	26.03%	38.64%	27.35%	5,273	29.14%	0.89	1.33
LMI Black or African American	4	4	8	0.53%	4.55%	0.95%	331	1.83%	0.29	2.48
LMI Hispanic or Latino	3	0	3	0.40%	0.00%	0.36%	n/a	n/a	--	--
LMI Asian	5	0	5	0.66%	0.00%	0.59%	81	0.45%	1.48	0.00
Total (LMI+MUI)[1]	766	93	859	100.0%	100.0%	100.0%	18,094	100.00%		

Table 3b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
Borrower Race & Income Level							
LMI White	196	34	230	85.2%	14.8%	1.00	1.00
LMI Black or African American	4	4	8	50.0%	50.0%	0.59	3.38
LMI Hispanic or Latino	3	0	3	100.00%	0.00%	1.17	0.00
LMI Asian	5	0	5	100.0%	0.0%	1.17	0.00
LMI Total[1]	219	43	262	83.6%	16.4%	0.98	1.11

Table 3c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
Borrower Race & Income Level				
LMI White	391	69	17.65%	1.00
LMI Black or African American	13	2	15.38%	0.87
LMI Hispanic or Latino	5	2	40.00%	2.27
LMI Asian	8	1	12.50%	0.71
LMI Total[1]	463	84	100.00%	

Notes

1 "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

Table 4. All Single Family Lending to Middle- and Upper-Income (MUI) Borrowers, Portage, MI
By Race of Borrower

Table 4a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Races (Portfolio Share)			Households		Ratio of Prime Portfolio Share to Percent of Households	Ratio of Subprime Portfolio Share to Percent of Households
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
Borrower Race & Income Level										
MUI White	483	44	527	65.45%	49.44%	63.72%	11,411	63.07%	1.04	0.78
MUI Black or African-American	12	2	14	1.63%	2.25%	1.69%	321	1.77%	0.92	1.27
MUI Hispanic or Latino	12	1	13	1.62%	1.12%	1.57%	n/a	--	--	--
MUI Asian	16	0	16	2.17%	0.00%	1.93%	330	1.82%	1.19	0.00
Total (LMI+MUI)[1]	766	93	859	100.0%	100.0%	100.0%	18,094	100.00%		

Table 4b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Race (Market Share)		Ratio of that Race to White (Market Share Ratio)	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
Borrower Race & Income Level							
MUI White	483	44	527	91.7%	8.3%	1.00	1.00
MUI Black or African-American	12	2	14	85.7%	14.3%	0.94	1.71
MUI Hispanic or Latino	12	1	13	92.31%	7.69%	1.01	0.92
MUI Asian	16	0	16	100.0%	0.0%	1.09	0.00
MUI Total[1]	547	50	597	91.6%	8.4%	1.00	1.00

Table 4c. Loan Denial Disparity Ratios	Denial Rate			Ratio of that Race to White (Denial Ratio)
	Applications	Denials	Percentage	
Borrower Race & Income Level				
MUI White	819	131	16.00%	1.00
MUI Black or African-American	26	7	26.92%	1.68
MUI Hispanic or Latino	16	1	6.25%	0.39
MUI Asian	23	3	13.04%	0.82
MUI Total[1]	957	160	100.00%	

Notes

1 "Total" refers to total of all races, which includes races in addition to the four included in this analysis. Therefore, the "Total" may not necessarily equal the sum of "White," "Black or African American," "Hispanic or Latino," and "Asian." This note holds true for both the lending analysis and the number of households.

Table 5. All Single-Family Lending to Owner Occupants, Portage, MI 2008
By Minority Level of Census Tract

Table 5a. Portfolio Share Analysis	Count of Loans			As a Percent of Loans to All Minority Levels (Portfolio Share)			Owner-Occupied Housing Units (OOHU)		Ratio of Prime Portfolio Share to Percent of OOHU	Ratio of Subprime Portfolio Share to Percent of OOHU
	Prime	Subprime	All	Prime	Subprime	All	Count	Percent		
Minority Level										
<10% Minority	423	48	471	55.22%	51.61%	54.83%	10,760	59.47%	0.93	0.87
10-19% Minority	343	45	388	44.78%	48.39%	45.17%	7,334	40.53%	1.10	1.19
20-100% Minority	0	0	0	0.00%	0.00%	0.00%	0			
Total	766	93	859	100.00%	100.00%	100.00%	18,094			

Table 5b. Market Share Analysis	Count of Loans			As a Percent of Loans to that Minority Level (Market Share)		Ratio of that Minority Level to 0-10% Minority (Market Share Ratio)1	
	Prime	Subprime	All	Prime	Subprime	Prime	Subprime
Minority Level							
<10% Minority	423	48	471	89.17%	10.83%	1.00	1.00
10-19% Minority	343	45	388	88.40%	11.60%	0.99	1.07
20-100% Minority	0	0	0	--	--	--	--
Total	766	93	859	89.17%	10.83%	1.00	1.00

Table 5c. Loan Denial Disparity Ratio	Denial Rate			Ratio of that Minority Level to 0-49% Minority (Denial Ratio)
	Applications	Denials	Percent Denied	
Minority Level				
<10% Minority	791	138	17.45%	1.00
10-19% Minority	629	106	16.85%	0.97
20-100% Minority	0	0	0.00%	--
Total	1,420	244	17.18%	1.00

Chart 1A - Prime Loans by Race and Ethnicity in Census Tracts of City of Portage, MI, 2008									
State	MSA	County	Census Tracts	Total Loans	White	White (Not Hispanic)	Black	Hispanic or Latino	Asian
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.02 (Mid) Portage	41	39	38	1	1	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.04 (Mid) Portage	16	15	15	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.05 (Mid) Portage	49	44	42	1	1	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.06 (Mid) Portage	60	55	53	1	2	3
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.07 (Mid) Portage	67	61	59	1	1	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.02 (Mid) Portage	46	43	42	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.03 (Upr) Portage	106	87	83	4	2	8
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.04 (Upr) Portage	101	85	83	3	2	4
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.05 (Upr) Portage	61	54	53	0	1	2
26 MI	28020 Kalamazoo-	077 Kalamazoo	0021.01 (Upr) Portage	152	135	133	5	3	2
26 MI	28020 Kalamazoo-	077 Kalamazoo	0021.02 (Upr) Portage	67	61	60	0	2	2
		Total		766	679	661	16	15	21

Source: Home Mortgage Disclosure Act (HMDA) data, 2008

Note: Loan applications are neither prime, nor subprime, as the loan has not been originated at this point.

Chart 1B - High-Cost Loans by Race and Ethnicity in Census Tracts of City of Portage, MI, 2008									
State	MSA	County	Census Tracts	Total Loans	White	White (Not Hispanic)	Black	Hispanic or Latino	Asian
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.02 (Mid) Portage	13	12	11	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.04 (Mid) Portage	2	1	1	1	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.05 (Mid) Portage	13	11	11	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.06 (Mid) Portage	9	8	8	1	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0019.07 (Mid) Portage	11	11	11	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.02 (Mid) Portage	4	3	3	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.03 (Upr) Portage	7	5	5	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.04 (Upr) Portage	5	3	3	1	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0020.05 (Upr) Portage	5	5	5	0	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0021.01 (Upr) Portage	16	12	12	3	0	0
26 MI	28020 Kalamazoo-	077 Kalamazoo	0021.02 (Upr) Portage	8	7	6	0	1	0
			Total	93	78	76	6	1	0

Source: Home Mortgage Disclosure Act (HMDA) data, 2008

Note: Loan applications are neither prime, nor subprime, as the loan has not been originated at this point.