

**OMAHA-COUNCIL BLUFFS
CONSORTIUM**

ANALYSIS OF IMPEDIMENTS

TO

FAIR HOUSING CHOICE

2010 UPDATE



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INTRODUCTION

The City of Omaha, Nebraska has completed this Analysis of Impediments to Fair Housing Choice (AI) as part of a comprehensive program developed by the Department of Housing and Urban Development (HUD) to assure that communities are meeting requirements "to affirmatively further fair housing" as set forth in the Community Development Block Grant (CDBG) Program. The goal of this analysis is to identify impediments to fair housing and provide recommendations to ameliorate any fair housing impediments. This Analysis is an update of the AI prepared for the City of Omaha in 2004.

Section 808 (e) (5) of the Fair Housing Act requires the Secretary of HUD to administer the Department's housing and urban development programs in a manner to affirmatively further fair housing. One of HUD's Community Planning and Development programs is the Community Development Block Grant Program (CDBG), which was established by the Housing and Community Development Act of 1974. Sections 104 (b)(2) and 106(d)(5) of the Act, as amended, require that a CDBG grantee, also called an entitlement jurisdiction, certify that it will affirmatively further fair housing in carrying out its programs. The City of Omaha is a CDBG grantee or CDBG entitlement jurisdiction and is therefore obligated to certify it affirmatively furthers fair housing.

HUD published review criteria in 1988 which provided that, if a CDBG grantee conducted an Analysis of Impediments to Fair Housing Choice (AI) and took actions to address any identified impediments, HUD would presume that they had met their obligation under the act. In 1992, these review criteria were incorporated in Chapter 24 of the Code of Federal Regulations Part 91 [24 CFR 91.21 (e)] as a way for entitlement jurisdictions to meet their obligation to affirmatively further fair housing. Omaha has since included an AI as part of its Consolidated Planning Process.

This analysis was conducted for the City of Omaha by the Fair Housing Center of NE & IA, a program of Family Housing Advisory Services, Inc.

FAIR HOUSING AND THE COMMUNITY

Fair Housing means that all citizens and non-citizens of the United States and the State of Nebraska are protected in housing transactions without regard to their race, color, national origin, sex, religion, disability, or the presence of children under the age of eighteen years in their households. The City of Omaha also protects persons on the basis of age, marital status, or creed. Fair Housing law very broadly covers appraisal, renting, selling, buying, financing and insuring of housing.

The consequences of housing discrimination includes: the denial of housing in a person's area of choice; emotional harm and financial loss; denial of the benefits of an integrated community and multi-racial/cultural associations; denial of expanding job opportunities in the suburbs; lack of access to greater school choices; negative attitudes toward the community; perpetuation of housing problems and the loss of cultural diversity. Housing discrimination is rarely blatant. It is usually disguised and, more often than not, done with a smile and a handshake. It is important that each community guarantee its current and future residents the opportunity to live where they want and can afford.

Fair Housing is not only established by federal, state, and local law, but through hundreds of court cases on every level. The cost of maintaining an effective fair housing program can be funded through state and federal resources including administrative and/or program-related Community Development Block Grant funds. Nondiscrimination in all aspects of housing - buying, selling, renting, financing, insuring, developing, and regulating - is an established benefit, and an essential foundation of the community.

Why Fair Housing is Important to the Community

Communities need to regard fair housing issues as equally important as business issues. It is important to encourage residents to actively support and work toward an equal housing market. Housing discrimination tears at the very fabric of the community. Housing discrimination encourages an environment where disputes escalate; it sends out a message of apathy; it leads to segregated neighborhoods; it perpetuates other housing problems, and it causes financial loss to the community through lost business opportunities. In assuring equal housing, a community makes its development and growth more successful.

The perception is erroneous that fair housing laws are meant only for "Blacks and Hispanics" or other minorities. Fair housing regulations protect every citizen and non-citizen of the United States, no matter the race, color, national origin, sex, religion, familial status (presence of children), marital status, age, creed, or disability. These categories are known as protected classes. Because a community has a small minority population does not mean that they do not have

impediments to fair housing within the community.

It is important for the City of Omaha to consider fair housing law as a guaranteed protection for all people. Only then can the community help its residents share in an important part of the American Dream - living where they choose, without regard to factors that may negatively impact upon them because of race, color, religion, national origin, sex, familial status or disability.

The Analysis of Impediments to Fair Housing Choice (AI)

The City of Omaha has already completed an important part of its review of the "health" of the community through the development of its Consolidated Plan for Housing Activities. The AI is the next logical step and part of the ongoing process of community development. Its goal is to make recommendations on how to improve upon the current situation. The recommendations will assist in developing a Fair Housing Action Plan that will be a cooperative part of the Comprehensive Plan. As noted in Section 1.0, it is a federal requirement that recipients of the Community Development Block Grant Program undertake such an analysis and actively work to remove any identified impediments to fair housing choice in order to qualify for those funds.

The AI includes a review of the public and private rules, actions and processes that affect fair housing choice. The AI will provide:

- A demographic and economic profile of the community;
- a review of activities and issues concerning the local housing industry;
- a review of current fair housing programs;
- And, identification of impediments to fair housing choice.

The purpose of this analysis is to make the City and the public aware of the fair housing issues that are facing their community and to develop strategies to address those issues. This analysis also helps develop an ongoing process for identifying fair housing concerns and problems in Omaha. The AI is a useful tool for the City to use to inform the citizens of the community about their fair housing rights and responsibilities.

HOUSING MARKET AND NEEDS ASSESSMENTS

"The strengths and weaknesses of a community are the culmination of years of tradition, growth, and change. The resulting conditions have implications for the housing and community development needs of a community. This part of the analysis provides an overview of significant conditions and trends impacting housing choice in Omaha."¹

Community Profile

The 2004 Analysis of Impediments (AI) considered only the City of Omaha. Since then, the City of Omaha has annexed Elkhorn, NE. In addition, the Consolidated Plan includes Council Bluffs, IA as part of the Omaha-Council Bluffs Consortium. Accordingly, this AI will now include data on those additional geographic areas.

All data for 2000 is from the U.S. Census data from 2000 for Omaha, Elkhorn, and Council Bluffs, unless otherwise specified. The most current data from the American Community Survey, part of the U.S. Census, was used for 2008 demographic information for Omaha (including Elkhorn). The American Community Survey 2006-2008 Three Year Estimates were used for Council Bluffs, IA demographic data since it was the most current information available. That city was not included in the 2008 American Community Survey data because it had a population less than 65,000 persons. The Omaha-Council Bluffs Consortium Submission for Community Development Programs for Fiscal Years 2008 to 2012 (Consolidated Plan) was also reviewed in order to not to spend valuable time recreating the information, and to ensure this analysis is consistent with the Consolidated Plan.

Population

The population for the Omaha-Council Bluffs area was 447,462 in the most current American Community Survey data, which represents a decrease of 1.5% from the 2000 Census of 454,337 persons for the same geographic areas. Comparison of the demographic data from the 2000 Census and the American Community Surveys showed that the reduction was in the Omaha-Elkhorn area; going from a population of 396,069 in 2000 to 388,874 in 2008. Council Bluffs showed a small increase in population (from 58,268 to 58,588 over approximately the same time period. This is a major change from the last AI, which showed significant growth in the City of Omaha resulting primarily from annexations between 1990 and 2000.

¹ Omaha-Council Bluffs Consortium Submission for Community Development Programs for Fiscal Years 2008 to 2012, Omaha Planning Department, City of Omaha

Between 2000 and 2008, the population for Douglas County, NE increased from 463,585 (2000 Census) to 502,032 (2008 American Community Survey), an increase of 8.3%. If the population of the entire Omaha-Council Bluffs MSA is considered, it also showed a population increase, 16.8% between 2000 and 2008. These comparisons indicate that the overall geographic area is certainly experiencing growth, while the City of Omaha is losing population.

Race and Ethnicity

For the purposes of the AI, both race and ethnicity are defined the same as they are in the US Census data. The population is divided into five groups on the basis of race: White, Black; American Indian, Eskimo or Aleut; Asian or Pacific Islander; or multi-race. Ethnicity is defined as related to the National Origin of the individual rather than race. For example, Hispanic is an ethnic designation, not a racial designation.

Since the Census considers "Hispanic" to be an ethnic designation, it is categorized as a subset of each race designation in the Census. However, all Census data is based on the person's self-selection when filling out the Census questionnaire. In Census years, a large proportion of the Hispanic population has consistently designated race as "Other" and did not identify itself as belonging to the listed racial categories. In the 2000 Census for the City of Omaha, 50.4% of the Hispanics in Omaha indicated their race was "Other". An additional 5.9% of the Hispanic population indicated "Two or more Races" as their racial designation. It is reasonable to assume that the use of "Other" by Hispanics is also true for the 2008 American Community Survey and the 2006-2008 American Community Survey 3 Year Estimates from the Census Bureau used for the updated demographic information in this AI.

The data for the year 2000 has been updated to include both Elkhorn and Council Bluffs, IA to allow accurate comparisons with the more current data.

It is clear from the racial and ethnic population figures that the Omaha-Council Bluffs Consortium area is becoming increasingly more diversified, at least in Omaha. It is also clear that the diversification is being driven primarily by the increase in the Hispanic population and, to a lesser degree, by the increase in the Asian/Pacific Islander populations. Both the White and Black populations have dropped nearly 5% from 2000 to 2008, and the American Indian population has declined by over one-third in the same time period.

Council Bluffs remains predominantly White (92.8% of the population), followed by Hispanic (5.9% of the population). The Black and Asian communities are very small, making up 1.3% and 1.0% of the population respectively. American Indian numbers are also very small, being only 0.4% of the population in the

ACS Survey.

Between 2000 and 2008 the number and percentage of people identifying themselves as being of Hispanic origin increased dramatically by 51.6%, and therefore contributed significantly to the increased diversity of the area. This continues the earlier trend seen in the last AI. In 1990, a total of 9,703 people identified themselves as being of Hispanic origin within the City compared to 29,397 in the 2000 census. In 2008, 45,156 persons were identified as being Hispanic.

As noted in the 2004 AI, over half of Hispanic persons in the 2000 Census reported their race as "Other". It is reasonable to assume that this identification holds true for the 2008 figures as well, thus adding to the significant increase in this category since the 2000 Census.

Table 1 - Population by Race and Ethnicity 2000 to 2008

RACE	2000	% of Pop.	ACS	% of Pop.	Change
White	366,944	80.8%	349,068	76.7%	-4.9%
Black	52,539	11.6%	50,044	12.8%	-4.7%
Am. Indian/Alaskan Native	2,894	0.6%	1,872	0.4%	-35.3%
Asian/Pacific Islander	7,380	1.6%	9,244	2.2%	+25.3%
Some Other Race	16,316	3.6%	24,100	5.1%	+47.7%
One Race	446,073	98.12	434,328	97.2%	-2.6%
Two or more Races	8,264	1.8%	13,134	2.8%	+58.9%
ETHNICITY	2000	% of Pop.	ACS	% of Pop.	Change
Hispanic – All Races	32,068	7.1%	48,609	10.9%	+51.6%
Non Hispanic – All Races	422,269	92.9%	398,853	89.1%	-5.5%

Source: 2000 Census, 2008 American Community Survey, 2006-2008 American Community Survey 3 Year Estimates

Age of Population

In the 2000 Census, the age category with the most baby boomers, people between the ages of 35 and 64, constituted the largest proportion of the population by age at 36.2% of the population of Omaha, Elkhorn, and Council Bluffs. Children up to 19 year olds were the second largest age group, making 28.8% of the population, followed by those 20 to 34 years of age at 23.2%. The remaining age category (over 65 years) had 11.8% of the population.

In the American Community Survey estimates, baby boomers continue to dominate in 2008. People between the ages of 35 and 64 increased to 37.9% of the Consortium population. Children up to 19 years remained about the same, at 28.6% of the overall population, and those between 20 and 34 years made up an additional 21.3%. Persons over 65 years made up the remaining 12.2% of the population. In terms of the change in populations between 2000 and 2008, the age group from 35 to 64 has increased about 3% while the number of children through the age of 19 has actually decreased about 2%. When combined with the overall decline in population within the City of Omaha, it implies that families with children may be choosing to live outside the City limits.

The dominance of the baby boomers will continue to cause increases in the population of persons 65 years and older over the next five years and beyond. The leading edge of the boomers, those born in 1946, will turn 64 years old this year. This change in the age demographics will impact other areas, especially the need for housing and other services for persons with both physical and mental disabilities.

Households

Households are defined by the U.S. Census as families, as people living by themselves or as people living with other non-related people. The difference between "households" and "families living in households" becomes important when income and housing costs are examined. For example, two non-related persons sharing a household would have one total household income, but their individual incomes would be treated as two separate family incomes.

Family and Non-Family Households, Female Headed Households with Children, and People 65 Years and Older Living Alone

As noted in the Omaha-Council Bluffs Consortium Consolidated Plan 2008-2012, the number of persons per household has a major influence on the demand for housing units, since the number of units needed increases as the number of persons per household declines.¹ The Consortium area continues to show a decline in persons per household.

According to the 2000 Census, the cities of Omaha, Elkhorn and Council Bluffs had a total of 181,627 households. The American Community Survey data for 2008 (ACS 2006-08 average for Council Bluffs) has a total of 182,424 households in the Consortium area. When this total is compared to Census 2000, it shows there has been a modest increase in the total number of

¹ Omaha-Council Bluffs Consortium Consolidated Submission for Community Development Programs: 2008 to 2012 Five-Year Strategy and 2008 Action Plan, p. 5

households of 797 households in spite of the drop in population over the eight year period.

The increase in total households, however, occurred primarily in Council Bluffs. When the cities are compared separately, Omaha showed a very slight increase of 53 households even with the annexation of Elkhorn, while Council Bluffs had an increase of 850 total households since the 2000 Census. Family households continue to decline in the Consortium area, from 61.5% of all households in 2000 to 58% in the 2008 data, a reduction of 5.5%. Householders living alone made up 34.6% of total households in the 2008 data compared to 31.2% in the 2000 Census, a significant increase of nearly 11%.

The area has also seen a significant drop of 29.7% in the number of female headed households with children. While many factors may have caused this change on the past eight years, the closure and demolition of hundreds of HUD-subsidized units certainly has played a role. The Tenant Services Program of Family Housing Advisory Services, Inc. believes that the number of families headed by women doubling up with relatives or friends has significantly increased, in part due to the demolitions of subsidized and other affordable housing.

Table 2 - Change in Household Composition

Category	2000		2008		Change in %
	Number	Percent	Number	Percent	
Families	111,703	61.5%	105,792	58.1%	-5.5%
Non-Family	69,924	38.5%	76,632	42.0%	+9.1%
1 Person	56,723	31.2%	63,106	34.6%	+10.9%
Female Head	23,807	13.1%	23,081	12.7%	-3.1%
Female with Children <18	20,118	11.1%	14,214	7.8%	-29.7%
65 Years+	38,250	21.1%	38,724	21.2%	0.4%
65 Years+ Live Alone	17,486	9.6%	18,819	10.3%	+7.3%
Total Households	181,627		182,424		0.4%

Source: US Census 2000 and 2006-2008 American Community Survey (Council Bluffs), 2008 American Community Survey (Omaha)

The increase in the number of one-person households and particularly those with persons 65 years and older living alone is also worth noting. People living alone are a key reason for the increase in non-family households. In just the City of Omaha, 36% of all households are people living alone, nearly the same

percentage as married-couple families (39%).

While the actual numbers of seniors 65 years and older who live alone are relatively small, they do make up 30% of all people living alone. The number of seniors 65 and over will begin to grow more significantly in 2011 as the baby boomers reach that age group. According to Rebuilding Together, Inc. in its letter of January 2010, the State of Nebraska projects 20% of the Nebraska population will be over age 65 by the year 2025.

In addition, the increasing number of seniors living alone will impact the need for accessible units now and into the future as aging individuals become disabled. According to the 2000 Census, women made up 88% of seniors living alone in Omaha and 77% in Council Bluffs. Using the most current data from the American Community Survey, in Omaha/Elkhorn, 37.7% of persons 65 and over have some type of disability (ACS 2008). In Council Bluffs, 38.3% of persons 65 and older have a disability (ACS 2005-2007 Estimate). According to the 2008 *Alzheimer's Disease: Facts and Figures* report published by the Alzheimer's Association, 13% of all persons 65 and over in the United States have Alzheimer's disease.

Disability Issues

In order to look more closely at the population of persons with disabilities, it was necessary to use the American Community Survey 2005-2007 Averages as the source data for both Omaha and Council Bluffs. This is the most current detailed information available from the U.S. Census.

According to the ACS data, approximately one out of every seven persons 5 years of age and older in Omaha has one or more disabilities. In Council Bluffs, it is slightly higher than one out of every six persons in that age group. While both communities in the Consortium show similar concentrations of disabilities in seniors 65 years and over, Council Bluffs shows a higher percentage of disabled persons in the working years between 16 and 64 years of age, about 27% higher than found in Omaha.

Housing with Section 504 of the Rehabilitation Act obligations is required to ensure that a minimum of 5% of all rental units is fully accessible to persons with mobility-related disabilities and that a minimum of 2% of the units are fully accessible for persons with visual/hearing impairments. The overall percentages of persons with disabilities in the Consortium area clearly exceed the 7% minimum requirements specified by Section 504.

Table 3: Persons with One or More Disabilities by Age and Sex, 2005-07 Averages

Omaha					Council Bluffs				
		With Disability	%	Total			With Disability	%	Total
Male	5-15 yrs	2,636	9.1	28,780	Male	5-15 yrs	467	10.6	4,411
	16-64	16,265	13.2	123,405		16-64	2,977	16.2	18,328
	65+	5,967	34.7	17,190		65+	1,085	37.1	2,921
Female	5-15 yrs	1,524	5.5	27,468	Female	5-15 yrs	229	5.3	4,305
	16-64	15,211	12.3	123,759		16-64	3,055	16.0	19,045
	65+	9,677	38.7	24,983		65+	1,701	39.1	4,355
Total		51,270	14.8	345,585			9,514	17.8	53,365

Source: American Community Survey 2005-2007 Averages

Table 4 identifies the percentage of population in each community having a specific type of disability. The percentages in Table 4 would result as a higher total percentage than shown in Table 3 because one person may have more than one type of disability.

Clearly, the number of persons who would benefit from housing that is fully accessible to persons with either physical disabilities or sensory disabilities is significantly higher than the minimum amounts required under Section 504.

Table 4: Type of Disability as a % of Population 5 Years and Older 2005-2007 Averages

Type of Disability	Omaha	Council Bluffs
Sensory	3.9%	5.2%
Physical	8.8%	11.4%
Mental	5.9%	6.7%

Source: American Community Survey 2005-2007 Averages

The tax credit staff at the Nebraska Investment Finance Authority (NIFA) as well as the tax credit syndicator at Midwest Housing Equity Group in Nebraska have verified that they have not seen builders of multiunit housing use anything other than the minimum percentages required by Section 504 of the Rehabilitation Act, even though the need is approximately double those minimums.

Housing Units

The housing stock in the Consortium area continued to grow somewhat from 2000 to 2008 by 5,227 units, significantly slower than reported in the last AI (a change between 1990 and 2000 of 22,197 units in just the City of Omaha). The vacancy rate for all units showed a significant increase, from 5.5% to 7% of all units, reversing the drop seen between 1990 and 2000.

This increase in total vacant units was driven primarily by the City of Omaha which showed an increase in vacant units from 8,993 in 2000 to 12,576 in 2008.

This correlates with the change in the number of households in the City of Omaha, particularly the decline in family households and those with female heads of household and children under the age of 18.

The number of new units being built has also shown a sharp decrease. Between 1990 and 1998, a total of 18,331 units were built, 8.3% of all available units in 2000. However, between 2000 and 2008, only an estimated 9,401 new units were built, 4.8% of all available units.

Table 5: Housing Units, 2000 to 2008

Households	Number		Percent	
	2000	2008	2000	2008
Occupied housing units	181,627	182,424	94.5%	93.0%
Vacant units	10,478	14,818	5.5%	7.0%
Owner-Occupied	110,112	111,044	57.3%	56.3%
Renter-Occupied	71,515	71,025	37.2%	36.0%
Units built *	16,008	9,401	8.3%	4.8%
Total Units	192,015	197,242		

Source: 2000 Census, SF-1; American Community Survey 2008; American Community Survey 2006-2008 3 Year Averages (Council Bluffs only) . * Between 1990 and 1998 (2000 Census) and between 2000-2008 (American Community Survey) respectively

The 2004 Analysis of Impediments reported that the physical condition of Omaha's housing stock varied considerably with all indicators identifying the area east of 42nd Street as having the most deteriorated housing. The largest area of deteriorated housing is in the North Omaha district (primarily Black), but South Omaha-east (predominantly Hispanic) and the Midtown districts have significant, though less severe deterioration. It also reported that these are also the areas with the oldest housing in the City.

This condition has not changed, although portions of the Midtown district around the Mutual of Omaha area are undergoing significant renewal. Map 1 shows code violations for the City of Omaha as noted on the Douglas-Omaha GIS website. The area of the City east of 72nd Street clearly continues to have the largest proportion of housing code violations.

Income and Poverty

The median income of households in Omaha (including Elkhorn) in 2008 was \$44,358, compared to Omaha alone in the 2000 census of \$40,006. Income data for Elkhorn is not included in the 2000 numbers cited. Since the population in Elkhorn was 98% White, not Hispanic in 2000 and only made up 1% of the

combined Omaha-Elnora households, this omission has little impact on the changes in median income noted between 2000 and 2008.

Median income of Council Bluffs in the ACS 2006-2008 Average was \$42,644 compared to \$36,221 in 2000. The ACS data shows that 82% of Omaha households and 80% of Council Bluffs households received earnings, 25% in Omaha received social security, and 32% in Council Bluffs received social security. The average income from social security was \$14,524 and \$14,283 respectively. In both communities, 15% of the households received retirement income other than social security. It should be noted that some households received income from more than one source.

According to the American Community Survey data, about 15% of the people in the Consortium were in poverty, with 19% of related children under 18 below the poverty line, approximately one out of every five children. In the Omaha-Elnora area in 2008, 14% of people 65 years and older were below the poverty level, and 30% of families with a single female head of household had incomes below the poverty line. In Council Bluffs, only 9% of persons 65 and over were below the poverty level while 28% of families with a single female head of household were below the poverty line.

Household incomes are significantly higher for White not Hispanic households, averaging 17.9% higher than the overall median income for Omaha as a whole in 2008. This concentration of wealth in White households is significantly higher than in the 2000 Census where the median income of White not Hispanic households was 7.9% above the overall Omaha median income.

While the ratio of Black and Asian household median incomes to all households are both nearly the same as they were in 2000, Hispanic households are trending downward. In 2000, the median income of Hispanic households was 12.4% less than that for all households, while it is nearly 20% less by 2008.

Table 6 - Median Household Income by Race: Omaha

Category	2000	2008	% Change 2000-2008	% Less Than 2008 Median for All Households
All Households	\$40,006	\$44,358	10.9%	--
White not Hispanic	\$43,171	\$52,310	21.2%	17.9% More
Black	\$23,883	\$26,244	9.9%	40.8% Less
Hispanic	\$35,033	\$36,006	2.8%	19.8% Less
Asian	\$37,729	\$41,891	11.0%	5.6% Less
American Indian	\$24,951	n/a	n/a	n/a
Other Race	\$33,507	\$35,489	7.0%	20.0% Less

Source: US Census, 2000 and American Community Survey, 2008

The median household income for White not Hispanic households in Council Bluffs is nearly the same as the overall household income in both the 2000 Census and in the 2006-2008 ACS data. This is a reflection of Whites making up nearly 93% of the overall population, thus skewing the income data.

Table 7 - Median Household Income by Race: Council Bluffs, IA

Category	2000	2006-2008 ACS Survey	% Change 2000-2008	% Less Than 2008 Median for All Households
All Households	\$36,221	\$42,644	17.7%	--
White not Hispanic	\$36,549	\$43,403	18.8%	1.8% More
Black	\$17,426	\$25,132	44.2%	41.1% Less
Hispanic	\$33,589	\$36,968	10.1%	13.3% Less
Asian	\$38,229	\$70,505	84.4%	65.3% More
American Indian	\$12,143	n/a	n/a	n/a
Other Race	\$33,794	\$36,227	7.2%	15.0% Less

Source: US Census, 2000 and 2006-2008 American Community Survey, Three Year Estimates

While Black and Asian households show a significant increase in median income, the actual number of households is still quite small for both racial groups. Each racial group constitutes about 1% of the overall population in Council Bluffs. Like the trend noted in the Omaha/Elkhorn data, Hispanic household median income is trending downward in Council Bluffs as well. In 2000, Hispanic median income was 7.3% less than that for all households; it is now 13.3% less.

A review of the detailed household income shows that 28.5% of all Hispanic households had an income of less than \$30,000 in the ACS 2006-2008 data. Over one-third of all Hispanic households (35.1%) in the Omaha/Elnora area have incomes less than \$30,000 a year in 2008. Both the Omaha/Elnora area and Council Bluffs show significant increases in the Hispanic population since 2000. This influx could account for part of the downward trend in median income for Hispanic households if the newer arrivals are younger than the more established population and/or are going into lower wage jobs.

Median earnings for persons with disabilities are significantly lower than the median earnings of persons without disabilities in both Omaha and Council Bluffs. In Omaha, males with disabilities earn 82 cents on the dollar compared to the median earnings of men without disabilities. For women, however, the financial situation is much starker, with women with disabilities earning only 62 cents on the dollar compared to women without disabilities and a mere 47 cents on the dollar compared to men without disabilities.

In Council Bluffs, men with disabilities earn 72 cents on the dollar compared to men without disabilities. Women fare slightly better than they do in Omaha, earning 65 cents on the dollar compared to women without disabilities and 51 cents on the dollar compared to men without disabilities.

Table 8: Median Earnings and Disabilities, 2005-2007 Averages

	With Disability	Without Disability	Earnings Ratio
Omaha			
Males	\$25,594	\$31,271	81.8%
Females	\$14,661	\$23,515	62.3%
Council Bluffs			
Males	\$22,485	\$31,404	71.6%
Females	\$16,029	\$24,698	64.5%

Source: American Community Survey 2005-2007 Averages

Using the same ACS data, it is possible to identify poverty level by type of disability. In the Consortium area, 19% of all persons with sensory disabilities with income in the past 12 months live below the poverty level. For persons with physical disabilities, 24% with income in the past 12 months live below the poverty level. Finally, 32% of persons with mental disabilities and income in the past twelve months live below the poverty level.

Areas of Racial/Ethnic Minority Concentration

For the purposes of the AI, an area of "racial/ethnic minority concentration" is defined as any census tract in which 50% or more of the population are members of a racial/ethnic minority group. The 2004 AI documented that the City of Omaha has two areas that have a significant minority presence, both of

which meet the definition of "Area of Racial/Ethnic Minority Concentration". These areas are located in the northeast and far southeast parts of Omaha. Blacks are concentrated in the northeast part of the City and Hispanics in the southeast part of Omaha.

The 2004 AI clearly showed the overwhelming concentration of Blacks north of Dodge Street and east of 72nd Street, with seventeen census tracts showing Black population densities between 50 and 100%. While not mapped, a review of the 1990 Census shows little change in either the concentration or geographic boundaries of the Black population in Omaha.

Similarly, the 2004 AI showed the strong concentration of Hispanics south of Dodge Street and east of Highway 75, with twelve census tracts showing population densities of 25-100% Hispanic, as well as the increasing density of Hispanics in these census tracts. There was some increase in the Hispanic population between Martha Street and Leavenworth Street also documented, but no appreciable increases west of Highway 75.

The American Community Survey data for the Consortium area in 2008 does not break down the racial and ethnic information into census tracts. However, there is little reason to believe that the very high concentrations of Blacks in northeast Omaha has changed, and that the significant concentration of Hispanics in Southeast Omaha and along Leavenworth Street has also followed the trends noted in 2004. In 2006, the Nebraska Legislature passed LB 1024, dividing the Omaha Public School District into three districts, each with two to three high schools. This division effectively created a Black district in northeast Omaha, a Hispanic district in southeast Omaha, and a White district in the remaining part of Omaha. The overwhelmingly division by race and ethnicity in the resulting three school districts further documents the continued pattern of housing segregation in Omaha.

A review of census tract maps from the 2000 Census shows that Blacks and Hispanics tend to be concentrated in specific areas of Council Bluffs as well. While the total number of Blacks in the population is small, they are concentrated along Broadway and south of Broadway around I-29. Hispanics are also found to live near Broadway, with the highest concentration (9.4-10.5%) in the census tract enclosing the intersection of Broadway and Main Street., followed by the area south of Broadway, including I-29 and east to Highway 275.

The census tract with the highest concentration (97.9-98.0%) of Whites, not Hispanic is in the southeastern portion of Council Bluffs, west of Highway 275, the same area with the lowest percentage of Blacks and Hispanics. There is also a high concentration (94.4-96.5%) of Whites in northeastern Council Bluffs.

Cost of Housing

Housing values are an important factor in the overall health of the Consortium area. Many residents depend on their home for the majority of their personal wealth. The value of one's home has historically been the primary mechanism for the accumulation of wealth among Americans. The ability to buy a home, maintain and improve that home impacts on the ability of the home owner to do other things, such as send their children to college, save for retirement, start a small business or pay off unsecured debt.

The radio and television commercials of home mortgage and investment companies encourage homeowners to utilize the equity or wealth that they have in their homes. It is important for all income groups to amass wealth through the value of their homes. The stronger the value in the market place, the stronger the neighborhoods. As homes lose value from neglect, infrastructure decline, crime, or from other issues, it causes a greater burden on the City to use shrinking resources to address the problems in the neighborhood. It is to the City's advantage to do what it can to maintain neighborhoods and help assure strong housing values.

The Omaha-Council Bluffs Consortium Consolidated Submission for Community Development Programs for Fiscal Years 2008 to 2012, addresses housing value and costs for the Consortium area as documented by the 1990 and 2000 US Census. It notes that the median value of owner-occupied housing within the Consortium rose about 33% from 1990 to 2000, from \$68,000 to \$90,000. Costs for rental value also rose in the same period, from \$506 to \$557, about 8.5% with the rise in that period slightly higher in Council Bluffs than in Omaha.

The more recent American Community Survey data shows that the same trends have continued, with median value growing about 41% in both communities. The ACS 2008 figures for Omaha do include Elkhorn, NE while the 2000 Census figures do not. Housing values and costs were significantly higher in Elkhorn than in Omaha, though Elkhorn makes up only about 1% of total households. Rental costs have increased much faster than before, rising about 26%.

Table 9: Median Housing Values and Rental Costs

Omaha	2000	ACS 2008	% Change
Housing Value	\$94,200	\$133,000	41.2%
Owner Costs*	\$925	\$1,255	21.6%
Rent	\$537	\$674	25.5%
Council Bluffs		ACS 2006-2008	
Housing Value	\$78,200	\$109,700	40.3%
Owner Costs*	\$782	\$1,139	45.7%
Rent	\$550	\$696	26.5%

US Census 2000; American Community Survey 2008; American Community Survey 2006-2008 Averages

*Median monthly owner costs with mortgage from ACS Surveys

While the Consortium Consolidated Plan for 2008-2012 analyzes the overall costs and affordability of housing in the Consortium area, this AI also looks at housing costs as they affect persons with protected characteristics.

Table 10 details owner-occupied housing and rental housing in the Consortium area by race and ethnicity. As can be seen, White households are much more likely to live in owner-occupied housing and Hispanic and non-White Households are significantly more dependent on the rental market. Two out of every three White, non-Hispanic households own the units they occupy. About two out of every five Black households own their units.

Table 10: Owner-Occupied versus Rental Households by Race, 2008 and 2006-2008 Averages

Race	Total Owner Occupied	Pct. owner occupied	Total Rentals	Pct. Rentals
White not Hispanic Only	94,384	66.7%	47,101	33.3%
Black Only	7,553	39.3%	11,684	60.7%
Amer. Indian/Alaskan Native	180	29.9%	423	70.1%
Asian/Pacific Islander	1,289	36.0%	2,293	64.0%
Other Race	3,243	46.3%	3,768	53.7%
Two or More Races	1,205	31.4%	2,633	68.6%
Total:	107,854	61.4%	67,902	38.6%
Ethnicity				
Hispanic, All Races	6,427	48.0%	6,949	52.0%

Source: 2008 American Community Survey (Omaha) and American Community Survey 2006-2008 Averages (Council Bluffs)

A comparison with the 2004 AI shows that Whites, Asians and Hispanics have increased their percentage of homeownership, while Blacks and American Indians lost ground. Hispanics have increased from 34.9% owner-occupied households in the 2000 Census to 48% in 2008, an increase of 22.9%. On the other hand, Blacks decreased from 40.9% owner-occupied households in the 1990 Census to 39.8% in 2000. That group has now dropped again to 39.3% in 2008. It should be noted that the data from the American Community Survey shows housing values prior to the foreclosure crisis significantly impacted the greater Omaha area and thus is not reflected in the available U.S. Census Bureau data.

Cost of Home Ownership

Median income by tenure is not available in the ACS Surveys by race or ethnicity, so overall median income was used to look at housing price as a function of median income and race or ethnicity. In terms of race and ethnicity, there is clearly a disparity in the ability to purchase a house in Omaha.

The ACS data for Omaha indicates that the increase in housing prices is making it more difficult for Blacks, Hispanics and Asians to become homeowners. For Black households, the median price to purchase a house is five times median income; nearly double that for White, not Hispanic households. Hispanic households have the largest change in the ratio, a function of the minimal change to income over the eight year period.

The ACS data for Council Bluffs shows a somewhat different picture. The median price of a house is over four times the median income of Black households, again about double the ratio for White, not Hispanic, households. However, unlike Omaha, the gap in homebuying power for Black and Asian households has narrowed, and the difference between White and Hispanic households is fairly minimal.

Table 11: Housing Price as a Function of Income by Race and Ethnicity

Omaha	2000	ACS 2008	Change
White, not Hispanic	2.18	2.54	16.5%
Black	3.94	5.07	28.7%
Hispanic	2.69	3.69	37.0%
Asian	2.46	3.17	28.9%
American Indian	3.78	n/a	n/a
Some Other Race	2.81	3.75	33.5%
Council Bluffs	2000	ACS 2006-08	Change
White, not Hispanic	2.03	2.53	24.6%
Black	4.49	4.36	-2.9%
Hispanic	2.33	2.97	27.5%
Asian	2.05	1.56	-24.0%
American Indian	6.44	n/a	n/a
Some Other Race	2.31	3.03	31.2%

US Census 2000; 2008 American Community Survey; American Community Survey 2006-2008 Averages

Cost of rentals

As noted earlier, median income by tenure and by race or ethnicity is not available in the ACS Surveys. The overall median income in the Consortium area for renters is significantly less than that for home owners. The median household income for renter-occupied households in Omaha is only \$27,070 in 2008, compared to \$61,517 for owner-occupied households. For Council Bluffs, it is \$28,677 for renter-occupied households and \$54,766 for owner-occupied households. It is also clear from Table 7 that non-White households are much more likely to rent and not own their housing.

Table 9 shows the percentage and number of rental units in the Consortium area by gross rent. According to the Census 2000 glossary, gross rent includes the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).

Table 12: Gross Rent By Percent of Total Units in Consortium 2008, 2006-08 Aver.

Rent	No Cash Rent	< \$300	\$300-499	\$500-749	\$750-999	\$1000+
Percent of Units	2.7%	8.9%	15.8%	38.0%	22.3%	12.4%
Number of Units	2,023	6,690	11,938	28,682	16,809	9,354

2008 American Community Survey (Omaha); American Community Survey 2006-2008 Average (Council Bluffs)

The median gross rent for Omaha in the 2008 ACS was \$674 and in the ACS 2006-2008 Averages for Council Bluffs was \$696. Using the median incomes by race included in Tables 4 and 5, it is possible to determine what percentage of median monthly income is used to cover gross rental costs in each community. However, it should be noted that the more current data does not provide median income for renting households by race, so overall median income had to be used.

Table 13: Comparison of Race, Median Income and Gross Rent-Omaha, 2008; 2006-08

Race/Ethnicity	Median Monthly Income	Median Gross Rent As % Of Median Income	Ratio to White Percentage Devoted to Rent
White not Hispanic	\$4,359	15.5%	1:1
Black	\$2,187	30.8%	1:1.99
Asian	\$3,491	19.3%	1:1.25
American Indian	n/a	n/a	n/a
Other Race	\$2,957	22.8%	1:1.47
Two or More Races		21.3%	1:1.42
Hispanic (all races)	\$3,001	22.5%	1:1.22

2008 American Community Survey (Omaha); American Community Survey 2006-2008 Average (Council Bluffs)

As can be seen in Table 10, Blacks and Hispanics use more of their median income to cover rental expenses than do Whites, with Blacks devoting about twice as much to gross rent compared to Whites.

The median rent in Council Bluffs is somewhat higher than it is in Omaha, while the median incomes are similar, though somewhat lower for Whites and Black households. Asian household income jumped substantially since the 2000 Census. This population is quite small, so the change in income and its impact on housing costs may be statistically irrelevant.

Table 14: Comparison of Race, Median Income and Gross Rent-Council Bluffs 2008, 2006-08 Averages

Race/Ethnicity	Median Monthly Income	Median Gross Rent As % Of Median Income	Ratio to White Percentage Devoted to Rent
White not Hispanic	3,617	19.2%	1:1
Black	2,094	33.2%	1:1.73
Asian	5,875	11.8%	1:0.61
American Indian	n/a	n/a	n/a
Other Race	3,019	23.1%	1:1.20
Two or More Races			
Hispanic (all races)	3,081	22.6%	1:1.18

2008 American Community Survey (Omaha); American Community Survey 2006-2008 Average (Council Bluffs)

According to the American Community Survey Glossary, Gross rent is the amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials which result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment.

Contract rent is the actual amount of the rent itself without any estimated costs for utilities and fuels paid by the renter. In the 2006-2008 American Community Survey, the median contract rent for occupied rental units was Omaha was \$583, a rise of 24% from the 2000 Census data. The median contract rent in the 2006-2008 data for Council Bluffs was \$566, 22% higher than reported in the 2000 Census.

The increasing cost of rentals coupled with the increasing demand from Hispanic and other new immigrant households for rental housing has created a difficult situation for low income individuals and families trying to obtain safe and affordable housing. It is logical to assume that minority and other low-moderate income households use a larger percent of monthly income for housing. This is very clear in the case of persons with disabilities on Social Security Income (SSI), who typically receive less than \$700 a month in total income.

The median monthly cost for owner-occupied housing has also risen since the 2000 Census. For Omaha, the median monthly owner cost for housing units with a mortgage in the 2006-2008 ACS data was 23.3% of household income in Omaha and 22.7% in Council Bluffs. The 2000 Census reported that the median monthly owner costs were 19.6% of household income in both communities. Thus, owners with mortgages have seen increases in their monthly costs as a proportion of their income of 19% in Omaha and 16% in Council Bluffs.

The median monthly owner costs as a percentage of household income for housing units without mortgages was 13.2% in Omaha and 13.4% in Council Bluffs in the 2006-2008 ACS data. In 2000, it was 10.4% in Omaha and 11.4%

in Council Bluffs. While these costs are a smaller portion of household income, they still show an increase of 27% in Omaha and 18% in Council Bluffs since 2000.

Table 15 shows the breakout of owner occupied housing costs for the City of Omaha. The majority of homeowners pay less than 20% of their monthly income for housing costs. However, more than one in four homeowners in Omaha pays at least 30% or more of their monthly income for housing. About one in four homeowners in Council Bluffs also pays 30% or more towards their housing.

**Table 15: Percent of Monthly Income for Owner Occupied Housing
2006-2008 Averages**

	Omaha	Council Bluffs
Total # Units	93,813	15,377
Costs <20%	47.0%	50.0%
Costs 20-29%	25.8%	26.0%
Costs 30%+	26.8%	24.4%
No income	0.4%	0.6%

Source: 2006-2008 American Community Survey 3-year Estimates

In the Consortium area, 55% of homeowners with incomes under \$35,000 a year pay 30% or more of that income for housing costs. In contrast, 91% of homeowners with incomes over \$35,000 pay less than 20% of that income for housing costs. The majority of homeowners paying less than 20% for housing costs (60.2%) fall into the \$75,000+ household income bracket.

Using 2006-2008 ACS data, the City of Omaha has a total owner occupied housing rate of 54.7% of all housing units, down from 59% in the 2004 AI. Council Bluffs has 59.2% owner-occupied units. The U.S. Department of Housing and Urban Development considers a rate less than 50% of owner occupied housing to be unstable.² While the City of Omaha is slightly above that threshold, it has fallen 7.3% and its rate of owner occupied housing is dangerously low and needs to be addressed. Council Bluffs is somewhat higher, but still close to the unstable rate. As a comparison, the national owner-occupied housing rate for the same period was 67%.

² Per conversation with Omaha HUD Office, September 2003

LENDING AND COMMUNITY REINVESTMENT

Mortgage lending practices are at the heart of community integration, one of the two primary goals of the Federal Fair Housing Act. For many people, the goal of home ownership is contingent on their ability to obtain a mortgage. The issue of color, race, national origin, sex, religion, familial status or disability may still shut the door to home ownership. Mortgage lenders are not a presence in low-moderate income neighborhoods and minority neighborhoods, leaving a vacuum often filled by predatory lending practices. This lack of access to credit for homeownership is part of the holdovers from a past that would not allow loans to people who would represent an "inharmonious racial group" to neighborhoods. The historic policies of local lenders, real estate agents and even the federal government (through the Federal Housing Administration and Veterans Administration loan policies) assured that our country would grow with segregated cities. The most basic right of all Americans, to live where they want and can afford, was openly denied throughout the housing market until the passage of the Fair Housing Act in 1968.

As noted in the 2004 Analysis of Impediments, a strong economy fueled the housing market from the mid 1990's until 2001. The economy extended employment and boosted the income for many Americans. In a positive economic climate, households have a favorable environment to obtain and refinance home loans. A positive economic climate gives households a sense of job security, income growth potential and the ability to afford credit. This was the lending climate when the 2004 AI was written.

Clearly, the economic climate is different now than it was six years ago. The sub-prime and predatory markets for housing loans have crashed, causing massive disruptions in the banking industry and in the economy as a whole. The United States is experiencing the highest rate of unemployment in over 30 years. Even after the various Recovery Acts, attempts to help families caught up in the foreclosure crisis, and significant federal tax credits for home purchases, there is still a surplus of houses on the market, keeping prices down.

While the greater Omaha area did not experience the same level of foreclosure crisis as other parts of the country like Baltimore, Cleveland, and Phoenix, it has been impacted by the mortgage disasters of 2007-10.

Sub Prime and Predatory Lending

What makes a sub prime lender different from a predatory lender? Most sub prime lenders serve a need by targeting borrowers with sub-par (below average) credit histories; some of these lenders can be characterized as predatory lenders. Predatory lenders often target specific populations, such as low income, minority, and/or elderly homeowners. Another characteristic of

predatory lenders is the use of high-pressure marketing techniques, charging excessive fees, frequent refinancing or "flipping" the loan, and often misleading the borrower. In low and moderate income and minority neighborhoods within Omaha, one or two sub prime or predatory lenders would often dominate the market, while prime lenders would have very a small market share or are absent in these neighborhoods.

The 2004 AI reviewed how millions of consumers were targeted by sub prime lending institutions to secure high cost mortgage and/or retail loans. Sub prime lenders specialized in offering credit to consumers who may have had credit blemishes or consumers with "B" or "C" credit, while conventional lenders focused their marketing efforts on consumers with few or no blemishes or those with "A" credit. With promises of easy payment plans, debt consolidation, and quick approval, predatory lenders lured many consumers who have traditionally found it difficult or impossible to access low-cost loans in the conventional market, as well as many unassuming consumers who did, in fact, qualify for traditional loans. Between 25-35% of consumers who receive high cost loans in the sub prime market are actually qualified for conventional loans according to studies by Freddie Mac.³

Since wealth for the vast majority of Americans is tied to property ownership, this system deprived many Americans of their wealth by stripping them of their home's equity and foreclosing on the homes of people who could not afford the exorbitant interest rates and the high points of predatory loans, or the enormous reset payments in the adjustable rate mortgages. It was estimated that approximately 25% of all sub prime loans contained one or more terms that can be classified as predatory.⁴

The ability to determine the extent of predatory lending in the greater Omaha community is made more difficult since many such lenders are not regulated. Frequently, they fall outside the HMDA reporting requirements and thus no aggregate data is available on their loan activity, other than the loans sold in the secondary market to Fannie Mae and Freddie Mac. Sub prime, predatory loans often flowed through mortgage brokers, rather than from established financial institutions. It should be noted, however, that some large financial institutions did have sub prime subsidiaries. For example, Bank of America owned The Money Store at one point, before shutting it down when its egregious lending practices became well known.

Mainstream financial institutions have excluded many of the groups targeted by predatory lenders when marketing loan products. Often, such institutions are much less interested in issuing smaller loans. This leads to fewer loans being

³ Information for this discussion provided by Miami Valley Fair Housing Center, Dayton OH, Freddie Mac studied GSE (Government Sponsored Enterprise). GSE purchases mortgages from lenders and packages them into securities which were then sold to investors.

⁴ Council on Homelessness and Housing in Ohio, 2000

issued in the older neighborhoods with lower property valuations. As noted earlier in the AI, the older neighborhoods are also those areas where high concentrations of minorities, primarily Blacks and Hispanics, live. Thus, the practice of avoiding smaller loans has the potential of resulting in a disparate impact on minority communities in the Consortium area.

Additionally, these unknowing consumers find themselves in these devastating positions through a lack of financial savvy. The lending process is very complicated with numerous forms to complete. Many consumers are ill prepared to deal with the enormous volume of complicated paperwork that is given to them during the loan process. Reports show that consumers simply do not understand the process. Thus, the consumers have little choice but to trust the lender. The very person who is trying to sell them the loan is the only person giving them advice on the quality of that loan and what the terms of the loan mean.

A study of sub prime loans presented at the February 2008 Nebraska Investment Authority conference clearly showed that such loans in danger of foreclosure in Omaha were very clearly concentrated in the zip code areas with the highest percentages of Black and/or Hispanic populations. A review of the lending maps from the 2004 AI also shows that these same areas had few, if any loan offices from the mainstream, established banks (Map Lending 5: Location of Lenders – Omaha 2000 and Map Lending 7: Location of Lenders by % of Minority Population 2000).

Table 16: 2008 Sub Prime Loans in Omaha by Zip Code with Minority Population >25%

Zip Code	#Sub Prime Loans	Outstanding Amount	Amount Delinquent	% Delinquent	% Black	% Hispanic	Total % Minority
68111	832	\$40,000,000	\$ 8,156,000	20.4%	70.9%	4.1%	75.0%
68131	161	\$12,000,000	\$ 2,139,600	17.8%	21.4%	10.5%	31.9%
68112	386	\$26,000,000	\$ 4,531,800	17.4%	19.0%	4.8%	23.8%
68110	227	\$11,000,000	\$ 1,916,200	17.4%	56.4%	4.2%	60.6%
68104	1,003	\$70,000,000	\$11,844,000	16.9%	27.7%	3.1%	30.8%
68108	287	\$17,000,000	\$ 2,786,300	16.4%	2.7%	27.8%	30.5%
68107	542	\$35,000,000	\$ 4,585,000	13.1%	6.5%	34.5%	41.0%
68105	289	\$22,000,000	\$ 2,554,200	11.6%	5.2%	20.2%	25.4%
Total	3,727	\$232,000,000	\$38,513,100	16.6%			
County Total	7,830	\$623,000,000	\$78,023,600	12.5%	11.5%	6.7%	18.2%

Source: Feb. 2008 NIFA Conference; 2000 census

These seven zip codes, which are the areas with the highest minority concentrations, constitute nearly 48% of the sub prime loans and 49% of the delinquent amounts in Douglas County. The delinquency rate is 32.8% higher than that for the county as a whole. According to the analysis done by the National Association of Consumer Bankruptcy Attorneys in 2007 of lending data by county from the Center for Responsible Lending, Douglas County had 6,682

sub prime loans issued between 2005 and 2006, with 1,169 the projected number of cumulative foreclosures and a cumulative foreclosure rate of 18%. The analysis estimated that 88,296 neighboring homes would experience devaluation as a result of foreclosure, impacting 36,563 Blacks and 19,053 Hispanics.

The 2005-2007 American Community Survey estimates that the total Black population for Douglas County at that time was 54,373 persons. This would indicate that about 67% of the Black population lived in homes experiencing devaluation because of neighboring foreclosures. The ACS showed a Hispanic population in the County of 44,648. The data would indicate that about 43% of Hispanics in the county saw devaluation in the homes they lived in as a result of neighboring foreclosures.

According to the same analysis, Pottawattamie County had 1,754 sub prime loans issued in 2005-06, with 307 loans projected as the number of cumulative foreclosures, and a projected cumulative foreclosure rate of 18%. The data estimated that 14,278 neighboring homes would experience decreases in valuation as a result of the foreclosures, affecting 434 Blacks and 1,637 Hispanics.

The 2005-2007 American Community Survey estimates that the total Black population for Pottawattamie County at that time was 923 persons. This would indicate that about 47% of the Black population lived in homes experiencing devaluation because of neighboring foreclosures. The ACS also showed a Hispanic population in the County of 3,660. Thus, about 45% of the Hispanic population in the county also saw devaluation in the homes they lived in as a result of neighboring foreclosures.

The RealtyTrac® U.S. Foreclosure Market Report indicates that foreclosure rates continue to climb in the Omaha area. Douglas County posted the state's highest county foreclosure rate in January, 2010, with one in every 796 housing units receiving a foreclosure filing. The County also led the state with 269 properties with foreclosure filings for the month. As a comparison, Lancaster County had the second highest foreclosure total, documenting 26 properties with foreclosure filings. Sarpy County had the third highest total, reporting 16 properties with foreclosure filings for the month.

Foreclosure activity in Iowa increased in January, 2010 to 621 properties with foreclosure filings, a 9 percent rise from December 2009, but still down 8 percent from January 2009, according to the latest RealtyTrac® U.S. Foreclosure Market Report. One in every 2,141 Iowa housing units received a foreclosure filing in January, the 44th highest foreclosure rate in the nation. The highest rate of foreclosures in Iowa is in Polk County

The 2004 AI pointed out that, according to The Woodstock Institute, which does policy work focusing on community reinvestment and fair lending, between 1993

and 1998, loans made by prime lenders rose substantially slower than those by sub prime lenders. Prime lenders had an increase in home purchase loans of 38% and a 2.5% increase in refinance loans. Corresponding increases among sub prime lenders were 760% and 890% respectively.

One possible reason for this dramatic increase in loans by sub prime lenders is reflected in a bifurcated system of consumer finance. Higher income communities are the main target of more highly regulated banks, thrifts (formerly called savings and loan) and their affiliates who seek to cross-sell account and investment products. At the same time, lending to lower income and minority communities is often viewed as an isolated line of business, in which the focus is on the short-lived transaction and associated fees. Lenders active in these communities tend to be mortgage and finance companies subject to substantially less regulation than banks and thrifts.

Lending Activity

The metropolitan area has an abundant supply of both new and pre-owned homes dispersed throughout the city and surrounding suburban communities. Greater Omaha offers a plentiful supply of reasonably priced new and pre-owned homes throughout the city and surrounding suburban communities. According to the 2010 Greater Omaha Chamber of Commerce website, the median price for an existing home in Greater Omaha was \$135,700, compared to the national average of \$206,300, a difference of 34 percent.

The 2004 AI noted that a very strong economy extended employment and boosted income for many Americans and Omaha in the period between 1996 and 1999. Mortgage interest rates were quite low, ranging between 3.5% and 7%. These positive economic trends provided a favorable environment for households to secure and refinance home loans because they gave consumers a positive sense of job security, income-growth, and the ability to afford credit.

By 2010, the country was experiencing its highest levels of unemployment in 30 years. Massive levels of foreclosures had driven down the price of homes throughout the U.S. The country was experiencing what some began to call the "Great Recession". It is not surprising that the Omaha MSA has experienced a decline in total loan applications. The data describing the various types of loans in this section of the AI is all based on Home Mortgage Disclosure Act (HMDA) reports. The most recent year available is 2008. All data describes the Omaha-Council Bluffs MSA area, so it does include loan activity for the Consortium area as well as additional components of the MSA.

It is also important to remember when considering the lending activity data that the Consortium area did not really begin to feel the impact of the foreclosure crisis until 2008. Since the most current HMDA data is from 2008, it only shows

the beginning impact of the foreclosure issue, and does not give the entire picture. We will have to wait for the 2009 and 2010 data to see the true results of that crisis and its impact on the Consortium area.

Table 17 shows the total number of applications accepted between 2004 and 2008, the most current year available for HMDA data, and the number of originations and denials. The total includes conventional loans, FHA/VA loans, refinances, and home improvement loans for 1-4 family dwellings.

Table 17: Applications and Action Taken All Omaha MSA Applications 2004-2008

	2004		2005		2006		2007		2008	
	#	%	#	%	#	%	#	%	#	%
App.	70,927	100%	69,661	100%	65,237	100%	56,652	100%	45,077	100%
Orig.	40,340	56.9%	39,585	56.8%	37,872	58.1%	32,522	57.4%	26,650	59.1%
Den.	14,720	20.8%	14,393	20.7%	24,620	37.7%	12,572	22.2%	10,699	23.7%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Applications between 2004 and 2008 show a steady decline in the total number of loan applications, with the overall drop from 2004 to 2008 being 36.4%. It is important to remember that this data is based on **reported** loan applications and does not include applications from unregulated lenders. The number of originations followed the fluctuations in the number of applications, with the percentage originated being similar from year to year. There was a slight rise in loans originated in 2008 compared to the other four years. Originations are those loans approved ("originated") by the lending institution.

In 2004 the ratio of originations to denials was 2.74 to 1 and by 2008 the ratio had dropped somewhat to 2.49 to 1. The percentage of originations changed from 2004 (56.9%) to 2008 (59.1%), a slight increase even though the actual number of originations decreased significantly. Both originations and applications rose and fell together with about the same percentage being approved from year to year. Like the data in the 2004 AI, denials over the five years tended to fluctuate. While one in five loans were denied in 2004 and 2005, over one in three were denied in 2006, and nearly one in four were denied in 2008.

Important to a community's financial well-being is home ownership rates. The community expects potential homebuyers to have access to mortgage credit. Programs that offer home ownership must be available without regards to discrimination, income or profession. To truly live up to fair housing law, all persons must have the ability to live where they want and can afford. Access to mortgage credit enables residents to own their homes, and access to home improvement loans allows them to keep older houses in good condition. All of

these help keep neighborhoods attractive and residents vested in their community.⁵

Inadequate lending performance results in various long term and far ranging community problems. The loss of capital or disinvestment is probably the most devastating result. Disinvestment by lenders reduces housing finance options for borrowers and weakens competition in the mortgage market for low and moderate-income neighborhoods. High mortgage costs, less favorable mortgage loan terms, deteriorating neighborhoods, reduced opportunities for home ownership, reduced opportunities for home improvement and the lack of affordable housing are only a few of the consequences of inadequate lending performance. Financial decay in the business section as well as the private sector is also a result of disinvestment, business relocation, closure and bankruptcy. Full service local lenders that have traditionally served residents and businesses are critical to keeping neighborhoods stable.

The physical presence of financial institutions in communities facilitates relationships with banks. Location is the primary concern for a community. Areas without bank branches or that only have access to ATM machines must find alternative sources (check cashing business, finance companies) for services, which can be more expensive than traditional financial institutions or credit unions. Since the 2004 AI, First National Bank has opened a bilingual branch in South Omaha, the heart of the Hispanic communities. In comparison, no new branches have opened in North Omaha, where African American families are concentrated.

While the overall trend in loans related to home ownership is important to community reinvestment, understanding what is happening with home ownership loans as opposed to refinance and home improvement loans gives us a clearer understanding of the lending issues in the Consortium area.

Table 18: Total Applications by Type and Year, Omaha-Council Bluffs MSA

Type	2004	%	2005	%	2006	%	2007	%	2008	%
Conven.	19,350	27.3%	22,033	31.6%	22,514	34.5%	18,087	31.9%	9,704	21.5%
FHA/VA	3,064	4.3%	2,610	3.7%	2,456	3.8%	2,087	3.7%	5,301	11.8%
Refin.	41,180	58.1%	37,206	53.4%	32,255	49.4%	28,715	50.7%	24,033	53.3%
H. Impr.	7,333	10.3%	7,812	11.2%	8,012	12.3%	7,763	13.7%	6,039	13.4%
Total	70,927		69,661		65,237		56,652		45,077	

Source: Home Mortgage Disclosure Act data, FFEIC.com

By 2007, the housing bubble was bursting across America, including the Heartland. We see a tremendous drop in the overall number of conventional

⁵ Federal Reserve Bank of Cleveland, Fall 2000

loans from 2007 to 2008, a decrease of 46% in one year alone. This reduction is not just in the number of loans but also in the percentage of conventional to total loans. There is a significant shift in homeownership loans away from conventional loans in the same period and to FHA/VA by 2008. Conventional loans dropped from 31.9% of total loans in 2007 to 21.5% in 2008, a reduction of 32.6%. Conversely, there was a correspondingly large increase in the percentage of FHA/VA loans, going from 3.7% in 2007 to 11.8% in 2008, more than tripling its share of total loans.

Conventional Home Purchase

Conventional home purchase loans are a strong indicator of how many families are able to purchase single-family housing in the Consortium. Conventional loans are generally available to those with the best credit ratings.

Table 19 shows the number of applications and action taken for conventional loans in the Omaha-Council Bluffs MSA for the five years between 2004 and 2008. The number of conventional loans began to decrease in 2007, although the percentage originated shows a steady increase each year over the five year period. By 2008, the total number of conventional loans had dropped by 57% from the high in 2006.

Table 19: Conventional Applications and Action Taken 2004-2008

	2004		2005		2006		2007		2008	
	#	%	#	%	#	%	#	%	#	%
App.	19,350	100%	22,033	100%	22,514	100%	18,087	100%	9,704	100%
Orig.	14,373	74.3%	16,512	74.9%	17,101	76.0%	14,151	78.2%	7728	79.6%
Den.	2,072	10.7%	2,183	9.9%	2,357	10.5%	1,533	8.5%	785	8.1%

Source: Home Mortgage Disclosure Act data, FFEIC.com

While the denial rate fluctuates somewhat from year to year, there is a clear drop on overall denials in 2007 and 2008 compared to the other three years. From 2006 to 2008, the overall denial rate dropped from 10.5% to 8.1%, a decrease of 23%.

Table 20 shows application, origination and denial rates for conventional home purchase loans by Black, Hispanic and White not Hispanic applicants in 2008.

Table 20: Conventional Loans Omaha-Council Bluffs MSA, 2008

	Applications	% Apps	Originations	% Apps	Denials	% Apps
Black	175	1.8%	118	67.4%	28	16.0%
Hispanic	385	4.0%	256	66.5%	69	17.9%
White, not Hisp.	7,753	79.9%	6,303	81.3%	541	7.0%

Source: Home Mortgage Disclosure Act data, FFEIC.com

As the applications data in Table 20 shows, lenders in the Omaha-Council Bluffs MSA were 44 times more likely to take an application for a conventional loan from Whites than from Blacks and 20 times more likely to take such an application from Whites than Hispanics. As a comparison, the 2004 AI data shows that in 2000, lenders were 30 times more likely to take a conventional loan application from Whites than Blacks and 32 times more likely from Hispanics than Whites. While the 2008 data shows a significant improvement for Hispanics, Blacks are losing ground.

As noted earlier, a high percentage of missing race data creates significant problems in conducting a fair lending analysis. In 2008, HMDA reported that lenders did not provide racial information in about one in ten conventional loans (10.4%). Ethnicity was also not available in about one in ten such loans (10.8%).

Table 21 is a Black/White and Hispanic/White Yield Ratio, which compares a lender's success in turning Black or Hispanic applications into originations with their success in turning White applications into originations. A ratio of 1.0 indicates that Black and White origination rates are equal. A ratio above 1.0 indicates that Black origination rates are greater than White origination rates. A ratio below 1.0 indicates that Black origination rates are less than White origination rates. The same would apply to the Hispanic/White yield ratio.

TABLE 21: Origination Yield Ratio, Omaha-Council Bluffs MSA, 2006-2008

Year	% Black Originated	% Hispanic Originated	% White Not Hosp. Originated	Black/White Yield Ratio	Hispanic/White Ratio
2008	67.4%	66.5%	81.3%	.83	.81
2007	62.7%	69.3%	80.8%	.78	.86
2006	58.1%	67.8%	79.1%	.73	.86

Source: Home Mortgage Disclosure Act data, FFEIC.com

When Black individuals and families did make applications in 2008, origination rates were 83%, showing a steady increase since 2006. Hispanics, however, have lost ground in this area, with their origination rate dropping in 2008. It is important to note that the 2008 rates for Black and Hispanic conventional loans are based on relatively small numbers of applications. Only 1.8% of all conventional loan applicants in the Omaha-Council Bluffs MSA were from Black applicants and only 4.0% were from Hispanic applicants. There were only 175 applications from Blacks in the HMDA data, compared to 1,030 applications in 2006. In 2008 there were only 385 applications from Hispanics or joint Hispanic/not Hispanic households, compared to 1,422 in 2006. The Black population in the MSA was fairly consistent over these three years, and the Hispanic population was growing, so changes in representation in the overall population was not a factor in the significant drop in minority applications.

When comparing Hispanic and White yield ratios, the results are almost the same as for Blacks. This highlights once more the need to market conventional loan products more aggressively to the minority communities in Omaha-Council Bluffs Consortium. Clearly, from the significant drop in the number and percentage of conventional loans to minority borrowers in just two years, Blacks and Hispanics are simply not getting offered these applications.

Table 22 presents data on the percentage of Black, Hispanic and White conventional home purchase applications that ended in a denial and the Black/White denial ratios over the same three year period.

TABLE 22: Denial Yield Ratio, Omaha Council Bluffs MSA, 2006-2008

Year	% Black Denied	% Hispanic Denied	% White Not Hisp. Denied	Black/White Yield Ratio	Hispanic/White Ratio
2008	16.0%	17.9%	7.0%	2.29	2.56
2007	15.9%	14.3%	7.3%	2.18	1.96
2006	22.5%	16.6%	8.7%	2.59	1.91

Source: Home Mortgage Disclosure Act data, FFEIC.com

The White denial rate has steadily declined over the three years, unlike the denial rates for Blacks and Hispanics, indicating it is becoming less likely that Whites will be denied when applying for conventional loans. While both minority groups showed some reduction in the denial rate in 2007 compared to 2006, the rates for both Blacks and Hispanics has once again begun to climb. The denial yield ratio for Hispanics has shown a steady climb in the three year period, indicating it is becoming more likely that Hispanics will be denied conventional loans, even more so than Blacks by 2008.

The HMDA data does report reasons for denial of applications for conventional loans. In 2008, the most common reason for Blacks to be denied a conventional loan was credit history, followed by "other", then debt-to-income ratio. No explanation of "other" was included in the data. The most common reason for Hispanics being turned down was also credit history, followed by debt-to-income ratio. "Other" was nearly the same as debt-to-income ratio as a reason for the denial. Whites not Hispanic were denied because of credit history and debt-to-income ratio as well, followed by collateral.

Government Backed Applications

Government-backed loans consist of FHA, VA and FSA/RHS loans. FSA/RHS are guaranteed by the Farm Service Agency or by Rural Housing Service. FHA has always been the lender for low-income households, minorities and those with less than stellar credit. In 2008, FHA made up 20.9% of all purchase loans nationally, according to the *FHA-Insured Single-Family Mortgage Originations*

and Market Share Report published by HUD in 2009. In the Omaha-Council Bluffs MSA, FHA/VA loans made up 11.8%, still far behind the national average. The reasons for the lag are unclear, though the concentration of sub-prime, non government backed loans in low income and minority zip codes may certainly be one of the reasons.

Table 23 shows the number of applications and action taken for government backed applications in the Omaha-Council Bluffs MSA for the five years between 2004 and 2008. The number of FHA/VA loans shows a steady decrease in the number of applications between 2004 and 2007, followed by a sharp upsurge in 2008. By 2008, the total number of government backed loans had risen by 254% from the low in 2007. The significant increase in government-backed loans by 2008 is attributable to the virtual shutdown of the subprime and adjustable rate mortgage lending market and the tightening up of similar credit, beginning in 2007.

Table 23: FHA/VA Applications and Action Taken 2004-2008

	2004		2005		2006		2007		2008	
	#	%	#	%	#	%	#	%	#	%
App.	3,064	100%	2,610	100%	2,456	100%	2,087	100%	5,301	100%
Orig.	2,540	82.9%	2,243	85.9%	2,144	87.3%	1,734	83.1%	4,388	82.8%
Den.	195	6.4%	138	5.3%	123	5.0%	144	6.9%	425	8.0%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Omaha had 5,301 FHA applications in 2008, which constituted 11.8% of the total market. Of that total, 726 applications were from all minorities, including Hispanics. This constitutes 13.7% of all FHA applications, a significant drop from the 48.6% reported in the 2004 AI. This would indicate that the sharp increase in FHA/VA loans was primarily driven by White applicants.

Table 24 shows application, origination and denial rates for FHA/VA home purchase loans by Black, Hispanic and White, not Hispanic applicants in 2008.

Table 24: FHA/VA Loans Omaha-Council Bluffs MSA, 2008

	Applications	% Apps	Originations	% Apps	Denials	% Apps
Black	228	4.3%	150	65.8%	36	15.8%
Hispanic	345	6.5%	295	85.5%	22	6.4%
White, not Hisp.	4,219	79.6%	3,554	84.2%	304	7.2%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Lenders in the Omaha-Council Bluffs MSA were 18 times more likely to receive an application for an FHA/VA loan from Whites than from Blacks and 12 times more likely to receive an application from Whites than Hispanics. In 2000, lenders were 13 times more likely to take a government-backed loan application

from Whites than Blacks and 8 times more likely from Hispanics than Whites. Both Blacks and Hispanics are losing market share of government-backed loans.

The denial rate for Blacks was about the same for government-backed loans as it was for conventional loans, even though FHA/VA loans are designed to be easier to obtain. Conversely, Hispanics were significantly more successful at obtaining FHA/VA loans than conventional loans. The denial rate for the government-backed loans was only 6.4%, lower than that for Whites, while the denial rate for conventional loans was 17.9%.

As noted earlier, a high percentage of missing race data, combined with the relatively small sample of minority applications creates significant problems in conducting a fair lending analysis. In 2008, HMDA reported that lenders did not provide racial information in about one in sixteen loans (6.4%). Ethnicity data was also missing in about one out of every 16 (6.3%) government-backed loans.

In 2008, the market share for Black and Hispanic FHA/VA applications was 13.6% and the actual number was only 573 total applications. The 2004 AI reported that, in 2002, Blacks and Hispanics comprised 44.6% of the government-backed applications. Of all minorities Hispanics submitted the majority of applications for FHA loans (345), placing slightly less applications than all the other minorities combined (381).

Conventional mortgage loan applications lost significant market share to government-backed loans in 2008. Table 25 is a comparison of the two loans in terms of their market share as home purchase loans.

Table 25: Comparison of Conventional and All Government Backed Applications – Omaha-Council Bluffs MSA

	2004	2005	2006	2007	2008
Conventional	86.3%	89.4%	90.2%	89.7%	64.7%
Government Backed	13.7%	10.6%	9.8%	10.3%	35.3%
Total Purchase loans	22,414	24,643	24,970	20,174	15,005

Source: Home Mortgage Disclosure Act data, FFEIC.com

While there was a significant increase in market share for government-backed purchase loans, this does not explain the tremendous drop in conventional loan applications from Blacks and Hispanics in 2008. The actual number of loan applications is still quite low.

It is difficult to determine the specific causes for this drop in minority applications. Two factors that may account for at least some of this drop are:
 (1) the loss of home values in the Black community resulting from foreclosures discussed in the Sub Prime and Predatory Lending portion of this analysis, and

(2) The movement of these applications to lending products in the lending and sub prime market outside of the HMDA data.

Table 26 is a Black/White and Hispanic/White Yield Ratio, which compares a lender's success in turning Black or Hispanic government-backed loan applications into originations with their success in turning White applications into originations. A ratio of 1.0 indicates that Black and White origination rates are equal. A ratio above 1.0 indicates that Black origination rates are greater than White origination rates. A ratio below 1.0 indicates that Black origination rates are less than White origination rates. The same would apply to the Hispanic/White yield ratio.

TABLE 26: FHA/VA Origination Yield Ratio, Omaha-Council Bluffs MSA

Year	% Black Originated	% Hispanic Originated	% White Not Hisp. Originated	Black/White Yield Ratio	Hispanic/White Ratio
2008	65.8%	85.5%	84.2%	.78	1.02
2007	82.9%	75.9%	84.4%	.98	.90
2006	77.9%	84.5%	88.9%	.88	.95

Source: Home Mortgage Disclosure Act data, FFEIC.com

When Black individuals and families did make FHA/VA applications, origination rates were only 66% in 2008, a significant drop from the prior two years. The Origination yield ratio for Blacks had been at parity with Whites in the past, but has now decreased 20%. Unlike prior years, the origination rate for Blacks was very similar to that for conventional loans. Hispanics, however, have gained significant ground in this area, with their ratio now showing that they have a slightly better chance than Whites to have a government-backed loan originated.

It is important to remember that the 2008 rates for Black and Hispanic conventional loans are based on a relatively small sample. Only 4.3% of all government-backed loan applicants in the Omaha-Council Bluffs MSA were Black applicants and 6.5% were Hispanic applicants. There were only 228 actual applications from Blacks in the HMDA data and 345 applications from Hispanics or joint Hispanic/not Hispanic households. While these numbers are higher than the previous two years, they are still quite low.

When comparing origination yield ratios, the results are almost the same as for Blacks in Hispanics in 2006 and 2007, with Hispanics being slightly closer to parity with White applicants. This changes in 2008, when Blacks lose significant ground and Hispanics continue to have higher percentages of originations, actually surpassing Whites for the first time. This highlights once more the need to market conventional loan products more aggressively to the minority communities in Omaha-Council Bluffs Consortium, especially with potential Black applicants. Clearly, from the small number of minority applicants even with the

significant increase in government-backed applications, Blacks and Hispanics are still not adequately represented in the overall applications.

Table 27 presents data on the percentage of Black, Hispanic and White government-backed home purchase applications that ended in a denial and the Black/White denial ratios over the same three year period.

TABLE 27: FHA/VA Denial Yield Ratio, Omaha Council Bluffs MSA

Year	% Black Denied	% Hispanic Denied	% White-Not Hisp. Denied	Black/White Yield Ratio	Hispanic/ White Ratio
2008	15.8%	6.4%	7.2%	2.19	.89
2007	10.2%	6.8%	6.1%	1.67	1.11
2006	7.1%	6.6%	4.1%	1.73	1.61

Source: Home Mortgage Disclosure Act data, FFEIC.com

The White denial rate has steadily increased over the three years, like the denial rates for Blacks. The denial rate for Hispanics has held fairly steady, with a small decrease in 2008. While both minority groups showed some increase in the denial rate in 2007 compared to 2006, the rate for Blacks climbed significantly in 2008.

The denial yield ratio for Hispanics has shown a steady reduction in the three year period, indicating it is becoming more likely that Hispanics will be approved for government-backed loans than both Whites and Blacks by 2008. A Black/Hispanic denial yield ratio for 2008 would be 2.47; indicating Blacks would be 2 ½ times more likely to be denied a government-backed loan than Hispanics.

The HMDA data does report reasons for denial of applications for government-backed loans. In 2008, the most common reason for Blacks to be denied a government-backed loan was credit history, followed by debt-to-income ratio, then collateral. The most common reason for Hispanics being turned down was also credit history, followed by collateral, then debt-to-income ratio. Whites were denied because of credit history and debt-to-income ratio as well, followed by collateral.

Refinance Loans

While loans involving home purchase are of great importance, the single largest category of home-related loans in the Consortium area and in the MSA was in the area of refinancing. Table 28 summarizes the refinance applications between 2004 and 2008.

Table 28: Refinance Applications and Action Taken 2004-2008, Omaha-Council Bluffs MSA

	2004		2005		2006		2007		2008	
	#	%	#	%	#	%	#	%	#	%
App.	41,180	100%	37,206	100%	32,255	100%	28,715	100%	24,033	100%
Orig.	19,827	48.1%	17,051	45.8%	14,338	44.5%	12,633	44.8%	11,745	48.9%
Den.	9,932	24.1%	9,397	25.3%	8,746	27.1%	8,424	29.3%	7,149	29.7%

Source: Home Mortgage Disclosure Act data, FFEIC.com

The number of refinancing loans has been steadily dropping since at least 2004, although they still make up 53% of all loans in 2008. This is in direct contrast to the pattern documented in the 2004 AI. In that analysis, refinancing loans saw a steep rise from 1997 to 1998 and from 2000 to 2001. As refinancing applications increased, the number of originations increased at almost the same pace while denials remained relatively steady during the same six year period in the 2004 AI, the same pattern as was noted for conventional home loans.

While the origination rate between 2004 and 2008 shows some fluctuation over the five years, it is nearly the same in 2008 as it was in 2004. The denial rate, however, has increased somewhat every year and is now 23% higher in 2008 than it was in 2004. Denial rates for refinancing are higher than the overall denial rates for conventional loans or government-backed loans.

Table 29 shows application, origination and denial rates for refinance loans by Black, Hispanic and White, not Hispanic applicants in 2008.

Table 29: Refinance Loans Omaha-Council Bluffs MSA, 2008

	Applications	% Apps	Originations	% Apps	Denials	% Apps
Black	1,229	5.1%	330	26.9%	637	51.8%
Hispanic	1,105	4.6%	397	35.9%	462	41.8%
White, not Hisp.	18,430	76.7%	9,594	52.1%	4,986	27.1%

Source: Home Mortgage Disclosure Act data, FFEIC.com

The data shows a drastic difference across the board between number of applications and their results for Blacks and Hispanics compared to Whites. Lenders were 15 times more likely to receive an application for refinancing from Whites than from Blacks and 17 times more likely to receive one from Whites than from Hispanics. This is a somewhat different pattern than seen in purchase loans, where Hispanics had a higher number of loans than Blacks in both conventional loans and in government-backed loans.

While origination rates for refinancing loans were lower than home ownership mortgages and denials were higher for all races, Whites still had a much higher percentage of originated loans and a lower percentage of denials than Black or Hispanic applicants. This pattern is consistent with the 2004 AI, although the percentage of originations was higher for all groups and the percentage of denials was smaller. The earlier AI reported that, in 2001, Blacks had 49.5% of refinance loan applications originated and 26.1% denied. Hispanics had 58.5% originated and 18.1% denied. Whites had 78.5% originated and only 7.5% denied.

Given the way credit tightened once the foreclosure crisis hit in 2007, one would expect to see lower rates of originations and higher rates of denials. Table 30 shows a Black/White and Hispanic/White Yield Ratio from 2006 to 2008. As noted in the analysis of home purchase loans, a ratio of 1.0 indicates that the Black or Hispanic origination rates are equal to the White origination rates. A ratio above 1.0 indicates that Black or Hispanic originations rates are greater than White origination rates. A ratio below 1.0 indicates that Black or Hispanic origination rates are less than White origination rates.

Table 30 summarizes the origination yield ratios for 2006-2008 in the Omaha-Council Bluffs MSA.

TABLE 30: Refinance Loan Origination Yield Ratio, Omaha-Council Bluffs MSA

Year	% Black Originated	% Hispanic Originated	% White Not Hosp. Originated	Black/White Yield Ratio	Hispanic/White Ratio
2008	26.9%	35.9%	52.1%	.52	.69
2007	29.7%	31.6%	48.7%	.61	.65
2006	33.5%	37.6%	49.6%	.68	.76

Source: Home Mortgage Disclosure Act data, FFEIC.com

The rate of origination pattern for refinance loans mirrors that for the home purchase loans. As credit tightened, there was a corresponding decrease in the percentage of refinance loans originated for Blacks. However, that was not true for Hispanics or for Whites, after a dip in the percentages in 2007. Blacks have significantly less loan originations than Whites and the yield ratio gets more disparate each year. Between 2006 and 2008, the origination yield ratio for Blacks compared to Whites dropped nearly 25%.

Hispanics also have significantly less loan originations than Whites, but the origination rate compared to Whites showed improvement between 2007 and 2008. While the Hispanic origination yield ratio did drop in 2007, it rebounded somewhat in 2008. The drop between 2006 and 2008 is now about 10%, up from about 15% in 2007.

Table 31 presents data on the percentage of Black, Hispanic and White refinance applications that ended in a denial and the Black/White denial ratios over the same three year period.

TABLE 31: Refinance Loan Denial Yield Ratio, Omaha Council Bluffs MSA

Year	% Black Denied	% Hispanic Denied	% White-Not Hisp. Denied	Black/White Yield Ratio	Hispanic/ White Ratio
2008	51.8%	41.8%	27.1%	1.91	1.54
2007	41.7%	36.2%	26.8%	1.56	1.35
2006	38.9%	32.0%	24.1%	1.62	1.33

Source: Home Mortgage Disclosure Act data, FFEIC.com

The percentage of denials for Blacks, Hispanics, and Whites did increase over the three year period, as would be expected. The denial yield ratio for both Blacks and Hispanics does show that the gap between those groups and Whites has been widening over the past three years. While the Black denial rate increased by 33% and the Hispanic rate by 30%, the White rate only increased by 12%.

The 2004 AI documented the Black denial rates for refinance loans in 1999-2001 as rising from 16.7% to 26.1%. During that three year period, denial rates for Hispanics declined from 25.3% in 1999 to 18.1% in 2001. As a comparison, White denial rates in the same time period dropped from 11.2% to 7.5%.

Like purchase loans, the most common reason given for the denial of a refinance loan was credit history for Blacks, Hispanics and for Whites, followed by debt-to-income ratio and then collateral for all three groups.

Home Improvement Loans

Home Improvement loans are the third most common loan application, about 13% of all loans between 2006 and 2008. Even with the significant increase in government-backed purchase loans in 2008, there are still more home improvement applications than there are FHA/VA loans. Like refinance loans, it would seem logical that home improvement loans should be easier to obtain than home purchase loans because the lender has a known borrower with equity in the dwelling.

This logic does not apply as well since the foreclosure crisis, given the reduction on housing value caused by the foreclosures. The tightening of the credit market combined with the decline in housing values would lead us to expect lower rates of originations and higher rates of denials than seen in the 2004 AI. Table 32 shows the home improvement loan applications and the action taken between 2004 and 2008.

Table 32: Home Improvement Applications and Action Taken 2004-2008, Omaha-Council Bluffs MSA

	2004		2005		2006		2007		2008	
	#	%	#	%	#	%	#	%	#	%
App.	7,333	100%	7,812	100%	8,012	100%	7,763	100%	6,039	100%
Orig.	3,560	48.5%	3,779	48.4%	4,289	53.5%	4,004	51.6%	2,789	46.2%
Den.	2,521	34.4%	2,675	34.2%	2,474	30.9%	2,471	31.8%	2,340	38.7%

Source: Home Mortgage Disclosure Act data, FFEIC.com

The number of applications rose until 2007, and then showed a drop by 2008 to below the 2004 level. The percentage of originations followed a similar pattern, increasing through 2006, and then beginning to decline in 2007 as the credit market tightened. Even with the significant drop in applications in 2008, there were still more applications than there were in the five years reviewed in the 2004 AI. Between 1996 and 2001, the highest level of home improvement applications was 5,459 in 2000. The lowest origination percentage was 51.8% in 2000 and the highest denial rate was 34.4% in 1998.

Clearly, the treatment of home improvement loans changed in 2008. Table 33 shows application, origination and denial rates for home improvement loans by Black, Hispanic and White, not Hispanic applicants in 2008. Race was not available in 16.4% of all applications, and ethnicity was not available in 16.8% of all applications.

Table 33: Home Improvement Loans Omaha-Council Bluffs MSA, 2008

	Applications	% Apps	Originations	% Apps	Denials	% Apps
Black	371	6.1%	101	27.2%	231	62.3%
Hispanic	350	5.8%	115	32.9%	180	51.4%
White, not Hisp.	4,172	69.1%	2,130	51.1%	1,418	34.0%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Low home improvement origination rates and high denial rates are a concern for the community. Homeowners who are unable to secure home improvement loans cannot maintain and improve their properties, and subsequently will be unable to command a fair market price for their homes. In the case of older homes, found in the areas where both Blacks and Hispanics are concentrated, the inability to obtain mainstream home improvement loans can also lead to houses falling below the minimum dwelling standards for the City of Omaha and the City of Council Bluffs. This can lead to deteriorating neighborhoods and, ultimately if not corrected, to higher levels of demolitions and vacant lots in the older sections of the Consortium area.

Table 34 summarizes the home improvement loan origination yield ratios for 2006-2008 in the Omaha-Council Bluffs MSA.

TABLE 34: Home Improvement Loan Origination Yield Ratio, Omaha-Council Bluffs MSA

Year	% Black Originated	% Hispanic Originated	% White Not Hosp. Originated	Black/White Yield Ratio	Hispanic/White Ratio
2008	27.2%	32.9%	52.1%	.52	.63
2007	39.1%	36.9%	57.2%	.68	.65
2006	38.0%	44.9%	59.5%	.64	.75

Source: Home Mortgage Disclosure Act data, FFEIC.com

Blacks, Hispanics, and Whites have experienced declining origination rates between 2006 and 2008. While Blacks and Hispanics have seen their origination rates drop approximately 28% from 2006 to 2008, Whites have only experienced a drop of about 12%, less than half that of the two minority groups.

The origination yield ratio shows that, unlike the other types of loans reviewed, Hispanics have seen a steady decrease on their origination percentages compared to Whites. Blacks have also experienced a significant decrease in origination percentages compared to Whites, although Blacks did see a better ratio of originations in 2007. The decline in the origination yield ratios from 2006 to 2008 was about 19% for Blacks and 16% for Hispanics.

Table 35 presents data on the percentage of Black, Hispanic and White home improvement applications that ended in a denial and the Black/White denial ratios over the same three year period.

TABLE 35: Home Improvement Loan Denial Yield Ratio, Omaha-Council Bluffs MSA

Year	% Black Denied	% Hispanic Denied	% White-Not Hosp. Denied	Black/White Yield Ratio	Hispanic/White Ratio
2008	62.3%	51.4%	34.0%	1.83	1.51
2007	47.7%	43.6%	27.0%	1.77	1.58
2006	45.8%	44.9%	25.9%	1.77	1.73

Source: Home Mortgage Disclosure Act data, FFEIC.com

Blacks are nearly twice as likely to be denied home improvement loans as Whites. The Hispanic/White denial yield ratio has shown steady improvement since 2006, though Hispanics are still about 1 ½ times as likely to be denied as Whites in 2008.

In 2008, Blacks were much more likely to be denied home improvement loans based on credit history. This was given as the reason for the loan denial 65% of the time for Blacks, compared to 49% of the time for Hispanics and 50% for Whites who were not Hispanic. The debt-to-income ratio was the second most common reason given for Blacks (16%) and Hispanics (24%). Collateral was the second most common reason for Whites (20%).

Lending Activity by Race and Ethnicity

Blacks have their smallest percentage of applications in conventional loans and their high percentage of applications in home improvement loans. Hispanics had their lowest percentage of applications in conventional loans and their highest percentage in government-backed loans.

Table 36 summarizes the proportionate share of Black, Hispanic, and White not Hispanic applications by each type of loan between 2006 and 2008.

Table 36: % of Total Loans by Type and Race or Ethnicity, Omaha-Council Bluffs MSA

		Conventional	FHA/VA	Refinance	Home Improv.
Black	2008	1.8%	4.3%	5.1%	6.1%
	2007	3.4%	5.0%	6.1%	6.0%
	2006	4.6%	5.7%	6.4%	6.1%
Hispanic	2008	4.0%	6.5%	4.6%	5.8%
	2007	5.5%	7.8%	5.6%	6.3%
	2006	6.3%	7.4%	4.8%	5.6%
White- Not Hisp	2008	79.9%	79.6%	76.7%	69.1%
	2007	78.1%	77.6%	73.1%	67.3%
	2006	75.9%	73.6%	71.3%	67.9%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Certainly the most dramatic shift is the reduction in the percentage of Black applications for conventional loans between 2006 and 2008, a drop of nearly 61%. Blacks also lost ground in the area of government-backed loans, dropping about 25% in the same timeframe. Hispanics saw a reduction in the percentage of conventional loans of about 37% between 2006 and 2008 and a drop in government-backed loans of 12%. Clearly, while both minority communities are losing ground in getting applications in the door for home purchases, Blacks are losing it at a much faster rate than Hispanics.

Blacks also lost ground in the area of applications for refinancing homes, showing a drop in the percentage of applications of 20% between 2006 and 2008. Hispanics, on the other hand, initially gained ground (17%) in 2007, but then retreated to slightly below the 2006 percentage of applications by 2008.

There was little significant change in terms of the proportion of home improvement loans submitted by Blacks and Hispanics over the three year period.

The percentages of applications by race and ethnicity show that significantly fewer Blacks and Hispanics are applying for home purchase loans by 2008, at least with lenders required to report HMDA data. In addition, fewer Blacks are applying for loans to refinance their homes, though they are retaining their proportionate share of home improvement loan applications.

While it is clear that just getting applications from Blacks and Hispanics is an issue, it is also important to understand what occurs once the application is received. Table 37 summarizes the origination yield ratio of Blacks, Hispanics, and Whites who are not Hispanic in each type of loan between 2006 and 2008.

Table 37: Origination Yield Rate of Loans by Type and Race or Ethnicity, Omaha-Council Bluffs MSA

		Conventional	FHA/VA	Refinance	Home Improv.
Black	2008	.83	.78	.52	.52
	2007	.78	.98	.61	.58
	2006	.73	.88	.68	.64
Hispanic	2008	.81	1.02	.69	.63
	2007	.86	.90	.65	.65
	2006	.86	.95	.76	.75

Source: Home Mortgage Disclosure Act data, FFEIC.com

Ironically, while the percentage of conventional loan applications from Blacks has dropped precipitously since 2006, the origination yield ratio shows that Blacks have increased their rate of originations in comparison to Whites by nearly 14%. For all other types of loans, however, Blacks have lost ground between 2006 and 2008, getting proportionately fewer originations compared to Whites.

Hispanics have actually achieved parity with White applicants in terms of originations of government-backed loans in 2008, with nearly a one to one ratio. Hispanics did lose ground in the areas of conventional loans, refinancing and home improvement loans.

Table 38 summarizes the denial yield ratio of Blacks, Hispanics, and Whites who are not Hispanic in each type of loan between 2006 and 2008.

Table 38: Denial Yield Rate of Loans by Type and Race or Ethnicity, Omaha-Council Bluffs MSA

		Conventional	FHA/VA	Refinance	Home Improv.
Black	2008	2.29	2.19	1.91	1.83
	2007	2.18	1.67	1.56	1.77
	2006	2.59	1.73	1.62	1.77
Hispanic	2008	2.56	.89	1.54	1.51
	2007	1.96	1.11	1.35	1.58
	2006	1.91	1.61	1.33	1.73

Source: Home Mortgage Disclosure Act data, FFEIC.com

While Blacks have increased their origination rate compared to Whites for conventional loans, they are more than twice as likely to be denied as Whites in 2008. Regardless of type of loan, applications from Blacks are denied about twice as frequently as Whites by 2008.

By 2008, Hispanics are more likely than Blacks to be denied conventional loans when compared to White non Hispanic applicants, being denied at about 2 ½ times the rate of Whites. However, they are much less likely to be denied government-backed loans, generally FHA loans and in 2008, Hispanics are actually are denied at a rate less than Whites. In the area of refinance and home improvement loans, Hispanics are denied about 1 ½ times as frequently as Whites in 2008, compared to Blacks being denied twice as often as Whites.

The lack of originations and the higher rate of denials in the area of refinance loans by 2008 is particularly troubling, given the data on the number of subprime loans in danger of foreclosure by 2008 in the zip codes in Omaha with the highest percentages of Blacks and Hispanics. These zip codes were experiencing the highest level of sub prime loans in trouble in Douglas County while Blacks and Hispanics were also experiencing significant drops in the number of refinance applications, as well as in the percentage of originations. This is compounded by the higher rates of denials of such loans.

Conventional Home Purchase - Applicant Income

While the identification of impediments to fair housing choice is not equivalent to issues related to income, it is still valuable to consider income issues, since minorities and persons with disabilities are disproportionately represented in the lower income levels across the Consortium.

Table 39: Household Median Income by Race/Ethnicity, 2008

	Black	Hispanic	White	Overall
Omaha	\$25,201	\$36,225	\$52,689	\$45,979
Council Bluffs	\$25,132	\$39,968	\$43,403	\$42,644
MSA	\$27,831	\$39,426	\$59,611	\$55,138

Source: 2006-2008 Averages, American Community Survey

The median income is shown for the Omaha-Council Bluffs MSA because the HMDA lending data is for that geographical area and not just the Consortium area. Median incomes in parts of Douglas and Sarpy counties outside the Consortium area tend to have higher median incomes than found in the Consortium. Since those areas also have significantly higher concentrations of White households than found in Omaha and Council Bluffs, the higher incomes impact the White median income level more than the Black and Hispanic levels.

In the MSA, the median income for Black households is 50.5% of the overall median income. The median income for Hispanic households is 71.5% of the overall median income for the MSA. Therefore, it is important for the Consortium to make mortgage credit available to persons of low-moderate income, which is defined as 80% or less of the median household income.

The HMDA database provides an income breakdown of mortgage loan applicants at the application, origination and denial stage of the lending process based on MSA median income.

Table 40: 2008 Conventional Loan Origination and Denial Rates Income vs. Race/Ethnicity

Loan Type		% All Applications	Origination Rate	Denial Rate
Conventional	<80% Median Income Applicants	38.9%	70.7%	14.7%
	All Black Applicants	1.8%	67.4%	16.0%
	All Hispanic Applicants	4.0%	66.5%	17.9%
FHA/VA	<80% Median Income Applicants	47.4%	80.2%	10.0%
	All Black Applicants	4.3%	65.8%	15.8%
	All Hispanic Applicants	6.5%	85.5%	6.4%
Refinance	<80% Median Income Applicants	31.6%	38.7%	39.6%
	All Black Applicants	5.1%	26.9%	51.8%
	All Hispanic Applicants	4.6%	35.9%	41.8%
Home Improvement	<80% Median Income Applicants	39.3%	36.8%	48.6%
	All Black Applicants	6.1%	27.2%	62.3%
	All Hispanic Applicants	5.8%	32.9%	51.4%

Source: Home Mortgage Disclosure Act data, FFEIC.com

Table 40 shows a comparison of the origination and denial rates for conventional loan applications from households with less than 80% of the MSA median income to applications from all Black and Hispanic households.

According to the 2006-2008 ACS data, 80% of the MSA overall median income would be \$44,110. From the same dataset we can determine that 66% of all Blacks in the Omaha-Council Bluffs MSA live in households with a total income of less than \$40,000 and have a median income of \$27,831. Hispanics also have a high percentage of households in this category, with 51% of all Hispanic

households having a total income of less than \$40,000 a year and a median income of \$39,426.

While nearly 40% of all applications for conventional mortgage loans come from households with less than 80% of the MSA median income, not quite 2% of those applicants are Black households and 4% are from Hispanic households even though both groups fall predominantly into this income classification. Both Black and Hispanic households are still more likely to be denied conventional loans as well even when only considering all applications from low-moderate incomes (less than 80% of median income).

It should be noted that the HMDA data does not provide racial or ethnic data by income level. Thus, the origination and denial rates cited for Black and Hispanic applicants also include those applicants with incomes greater than 80% of the median income for the MSA. It is unlikely that the income breakdowns by race and ethnicity have changed significantly from those used in the 2004 AI, given the high percentages of Black and Hispanic households still below the 80% median income in the current data.

In terms of government-backed loans, Blacks still have a significantly lower origination rate and higher denial rate, even when only looking at all applications in the low-moderate income category. Blacks, regardless of income, are 28% less likely to have an FHA/VA loan originated than all applicants in the low-moderate income bracket. They are also more than 1 ½ times as likely to be denied a government-backed loan.

Hispanics, on the other hand are more likely to have such loans originated and less likely to have them denied. As noted in the discussion on government-backed loans, Hispanics are actually more likely than Whites to have such loans originated and not denied.

The same pattern of a smaller percentage of originations and a higher percentage of denials for Blacks continues to be true when reviewing refinance loans and home improvement loans. In both cases, Blacks of all incomes are about 30% less likely to have originations of these loans and to experience denials compared to all applicants in the low-moderate income bracket. Hispanics are also less likely to have these loans originated and more likely to have them denied than all applicants with incomes below 80% of median income, though the differences are smaller than for Black applicants.

While Hispanic applicants have experienced some improvements since the 2004 AI, especially in the area of government-backed loans, Blacks continue to see a decline in originations and an increase in denials as the credit market tightened up. It is beyond the scope of this analysis to identify the specific factors that have caused the better results for Hispanic applicants.

It should be noted that two factors may well have contributed significantly to this positive change. First, Family Housing Advisory Services, Inc. was able to offer ongoing HUD-certified homebuyer education classes in Spanish in the between 2005 and 2009. These classes included opportunities for one-on-one counseling on finance issues and credit repair. Second, First National Bank opened an office in the heart of the Hispanic community in 2005 and staffed that office with bilingual personnel. These two relatively small changes may well have been key factors in the improvement in Hispanic loan originations and the reduction in denials, especially in the area of FHA/VA loans.

Community Lending Efforts

On the positive front, there are a number of community lending products available on the market that are designed to increase the participation of low and moderate income individuals and families in home purchases. As noted in the previous section, these products were primarily designed by Fannie Mae and Freddie Mac and are being offered through individual lenders and through a consortium of lenders operating as Omaha 100, Inc. in Omaha and Metro 100, Inc. in Council Bluffs.

These products offer flexible credit guidelines to help such individuals and families with limited cash reserves to afford to purchase a home. The smaller banks and the credit unions generally do not offer these products and are limited to the more standardized choices of loan products. Some of the other lenders, such as Cendant, may also offer these products.

The Fannie Mae "My Community Mortgage" is a group of loan products requiring low down payments, often no higher than \$500 from the prospective homebuyer's funds. The remaining down payment can be obtained from a wide variety of sources, including gifts from family members or a grant or loan from the City of Omaha or from an employer. Some of these products do not require reserves at closing. These products do have one drawback, however, as they often have higher interest rates than other loan products available on the market, thus limiting their use.

In addition, the Nebraska Investment Finance Authority (NIFA) offers a group of loan products that provide another option for low and moderate income homeowners across Nebraska. These include the Single Family Homeownership Program which is a package of loans that offer eligible buyers thirty year mortgages at below market rates. These loans are processed through local lenders across the state.

Because such products are part of the loan choices at all the major banks, this makes them readily available to potential homebuyers. There are a few drawbacks, however, in the commercial arena. First, many low and moderate

income individuals and families need much more time and attention to get through the loan process successfully and to obtain the best and most cost-effective loan product for their set of circumstances. Without the extra time paid to their application, the prospective low or moderate income buyer often ends up with higher closing costs and or interest rates than they could have qualified for. The low income buyer may fall through the cracks and end up being classified as having withdrawn from the application process.

Often, the low or moderate income home purchaser requires some level of credit repair which may take several months to complete. Profit-oriented institutions cannot always take the requisite time to work through these and similar issues with the client. In addition, because most loan officers are required to meet performance goals, they cannot devote the many hours needed to work with a client who has credit and other issues to resolve in order to originate a successful loan.

Loan officers are trained to maximize the use of the computer-driven programs, such as Underwriter, and not to make the individualized, personal adjustments needed by the low or moderate income applicant. As a result, some low and moderate income borrowers are referred to subprime products or lenders when it may not be necessary, increasing the costs of their loans. Those higher costs can, in turn, increase the risks that the borrower may have to default if they run into unexpected financial difficulties in the future.

A second drawback relates to the geographic location of the banks' mortgage loan offices and their hours. As seen in Section 3, the two largest minority populations in Omaha are primarily clustered in northeast and southeast Omaha, with northeast Omaha being predominantly Black and southeast Omaha being heavily Hispanic. The mortgage loan offices for the major banks are located at some distance from these communities.

Addresses within or immediately adjacent to the high minority population areas of northeast and southeast Omaha are shown in bold italics. Out of thirty-five possible locations for the ten largest lenders, only five addresses for three lenders are located in or near the high minority areas. The loan offices of the commercial banks keep normal business hours which also can make it difficult for prospective homebuyers to meet with a loan officer to gain access to the community lending products.

Omaha 100, Inc. was begun in 1990 by the Holy Name Housing Corporation in conjunction with John Mahoney, former Vice President of Commercial Federal Bank, Sister Marilyn Ross and former Omaha Mayor Mike Boyle. Omaha 100 is a 501c (3) non-profit corporation and is currently a subsidiary of Family Housing Advisory Services, Inc.

Omaha 100 represents a consortium of lending institutions which pool funds to provide mortgage financing to homebuyers and cash subsidies to nonprofit developers to produce decent and affordable housing. Many financial institutions have taken a large interest in this organization because of their commitment to re-investing in the Omaha community. All of the commercial banks included in the list of ten largest lenders are part of the consortium, although the mortgage lenders which are not banks are not included.

Omaha 100, Inc helps participating institutions fulfill the needs of the community while increasing their Community Reinvestment Act activity. The following eight banks are the current Omaha 100 consortium of lenders as of 2010:

- 1) First National Bank of Omaha
- 2) Bank of the West
- 3) Wells Fargo Bank Nebraska
- 4) American National Bank
- 5) Great Western Bank
- 6) U.S. Bank
- 7) Mutual of Omaha Bank

The major goal of Omaha 100 is to help renters become homeowners. Its mission is to provide mortgage loans to low and moderate-income borrowers in order for them to purchase safe and sanitary homes at an affordable cost. Omaha 100 achieves its mission with the support of 10 non-profit housing developers and public housing authorities that provide the homes for the applicants to purchase. Omaha 100 also has five supporting partners that provide additional financing assistance.

In the 2004 AI, there were ten non-profit housing developers associated with Omaha 100. This number has now been reduced to five, in part due to the tightening economy and the difficulty for such developers to sustain their organizations and obtain the needed credit. The following are the five non-profit housing developers and two public housing authorities partnering with Omaha 100:

- 1) GESU Housing Incorporated
- 2) Holy Name Housing Corporation
- 3) NeighborWorks Omaha
- 4) Habitat for Humanity
- 5) Omaha Housing Authority
- 6) Douglas County Housing Authority

The following are the five current supporting partners. The only change from the 2004 AI is that the Nebraska Department of Economic Development is no longer on the list.

- 1) City of Omaha Nebraska
- 2) City of Council Bluffs, Iowa (under the name Metro 100)
- 3) Federal Home Loan Bank of Topeka
- 4) Nebraska Investment Finance Authority
- 5) Family Housing Advisory Services, Inc.

Since Omaha 100's inception in 1990, the Mortgage Lending Program has provided 901 mortgage loans and \$54 million in total loan production to low to moderate individuals and families in North and South Omaha. Also, Omaha 100 has leveraged \$14 million in federal Community Development Block Grant (CDBG) or HOME funds from the City of Omaha. This use of CDBG/HOME funds to provide additional financial assistance through the "City Second" mortgages is critical in expanding homeownership to those in the lower income brackets who are disproportionately minorities.

LOCAL FAIR HOUSING PROGRAMS AND ACTIVITIES

There are four governmental bodies and one private, nonprofit agency providing fair housing services in the City of Omaha or in Council Bluffs. They are:

- U.S. Department of Housing and Urban Development, Fair Housing and Equal Opportunity Offices (HUD)
- Nebraska Equal Opportunity Commission (NEOC)
- City of Omaha's Human Rights and Relations Department (OHRRD)
- Fair Housing Center of Nebraska - Iowa (FHC)
- City of Council Bluffs Civil Rights Commission

Both the NEOC and OHRRD are classified as "Substantially Equivalent" agencies by the Secretary of HUD. This classification is earned when the State statutes or City ordinances are determined to be, at a minimum, equivalent to the Federal Fair Housing laws. Both the State of Nebraska's statutes and the City of Omaha's ordinance have been determined to be equivalent and protect the seven classes covered in the Federal legislation: race, color, religion, national origin, sex, familial status, and disability. In addition, the City of Omaha ordinances covers two additional protected classes: age (40 and over) and marital status. The Council Bluffs ordinance has not been deemed by HUD to be substantially equivalent and, as a result, its Commission does not file claims with nor does it receive cases from HUD.

Since HUD has determined that both the OHRRD and NEOC have laws and ordinances which are substantially equivalent to the Federal protections, it has entered into contracts with each governmental agency to enforce fair housing laws and to conduct fair housing complaint intake and investigation in Omaha. HUD also has a Nebraska State Office located in Omaha which conducts fair housing intake and investigations as well.

All three governmental agencies have the capacity to conduct investigations of fair housing complaints in Omaha and to conciliate or settle those complaints. These agencies act as impartial investigators and they have the power to subpoena records and require witness testimony.

The governmental agencies are charged with the responsibility to conciliate the complaint whenever possible. If a State or City complaint is not settled in the earlier stages of the administrative complaint process, it goes before an appointed body which then determines if there is "cause" or "no cause" to believe discrimination occurred. State cases go before the NEOC Commission and City complaints go before the Civil Rights Hearing Board. If cause is found and the

principals involved have not settled, then the case can go to an administrative hearing. At any time in the process, the complainant also has the right to file the complaint as a private action in federal court.

The Fair Housing Center of Nebraska, begun in 1994, is one of five major program components of Family Housing Advisory Services, Inc. (FHAS). FHAS is a multidisciplinary housing agency that provides assistance in locating housing for homeless and lower income individuals, education in the home buying process, mortgage default counseling, as well as intake, investigation, and testing of fair housing complaints. FHAS was established as an independent non-profit agency by the Urban League in 1968 and is the most experienced HUD-certified comprehensive housing counseling agency in the greater Omaha metropolitan area, serving residents in Nebraska and in western Iowa. Its full range of services is provided at three locations: its headquarters in the center of Omaha's Black community, a satellite office in the heart of Omaha's Hispanic community and a second satellite office in Council Bluffs, IA.

The Fair Housing Center works to end housing discrimination through its comprehensive testing program, its investigation of complaints, its advocacy and mediation services, and its education and outreach activities. It is a full-service Center providing investigation, broad based testing, and mediation services for all persons protected by Federal, State and local Fair Housing laws. The Center is the only non-profit agency designated as a Qualified Fair Housing Enforcement Organization (QFHO) by HUD in the states of Nebraska and Iowa.

The Center's work since 1994 has included the performance of both contracts and grants primarily centered on the delivery of fair housing investigative and testing services. Fair housing testing is the process of using matched pairs of individuals to contact providers of housing services and present themselves as consumers of services. The process allows for the measurement of the housing provider's standard business practices with regard to its customers based on the race or color, national origin, ethnicity, sex, disability, familial status or other protected characteristic of one or more of the testers. Fair housing testing is a well established means of proving the existence of discriminatory practices in housing related transactions. The Center has conducted tests in response to complaints (complaint-based tests) and without complaints (audit/survey tests).

Currently the Center offers such testing services to both OHRRD and to the NEOC. In addition to its investigative and testing services, the Center works collaboratively with HUD, the NEOC, and OHRRD to provide education and other outreach services in the greater Omaha area. It also provides fair housing education on a contract basis to various property management companies and to the Omaha Housing Authority.

Fair Housing Complaint information – General

As part of this AI update, the City of Omaha has requested information on the numbers and types of complaints from the agencies engaged in enforcement work in order to obtain a more complete picture of fair housing complaints and issues in the City of Omaha. The information collected may have duplications if a complaint heard by one agency was referred to another for further action. It is also important to note that one complaint can have more than one basis of discrimination. For example, a complaint may be made alleging discrimination based on both race and familial status (the presence of children in the family). Below is a summary of the complaint data obtained.

All agencies were asked to provide one year of data matching their fiscal year.

Table 41: Complaints by Agency and Basis by Fiscal Year

	OHRRD	HUD	NEOC	FHC	Council Bluffs	TOTAL	PERCENT
Total Complaints	27	47	27	220	0	321	
Total Closed	15	44	25	177	0	261	81.3%
Complaint Basis:							
Race/Color	5	14	6	35	0	60	17.9%
National Origin	5	9	3	16	0	33	9.9%
Disability	13	24	9	121	0	167	49.9%
Sex	3	5	4	16	0	28	8.4%
Religion	0	1	0	3	0	4	1.2%
Familial Status	0	5	1	19	0	25	7.5%
Retaliation	0	3	4	3	0	10	3.0%
Age	1	-	-	1	0	2	0.6%
Marital Status				6	0	6	1.8%
Total Bases	27	61	27	220	0	335	

Source: Data provided by each agency directly for their fiscal year

As can be seen in Table 41, the highest number of complaints by far relate to disability, followed by race/color. The third highest category of complaints is national origin. Of the 321 complaints received by the four enforcement agencies, the Fair Housing Center processed the most -68% of the total number.

There was one additional complaint based on marital status handled by the City of Omaha's Planning Department and the Fair Housing Center. This case involved discrimination based on marital status at one of the larger shelters and provider of temporary housing in Omaha. As a result of those negotiations, the shelter did agree to change its policy and allow unmarried couples into its housing. In a separate case, the Fair Housing Center negotiated the change of a similar policy with another provider of transitional and temporary housing, opening up 320 spaces for unmarried couples.

According to the HUD national studies, one of the reasons people don't make complaints is because they feel it will accomplish nothing if they do. Table 2 provides a summary of the actions resulting from the complaints received in the Consortium area. As seen in Table 41, the City of Council Bluffs reported no complaints were received in 2009. The results from the Fair Housing Center do include eighteen complaints from Council Bluffs and Pottawattamie County.

Table 42: Results of Complaints and Inquiries by Agency (One Fiscal Year)

	OHRRD	HUD	NEOC	FHC*	Total
#conciliated or settled	3	11	3	66	83
Awards/Value	\$525	\$3,070	\$545	\$162,815	\$166,955
Other Types of Relief	Letter of apology	FH Training	FH Training	FH Training	
	Housing	Debt forgiven		Past rent forgiven	
		Accommodations granted		Accommodations or modifications granted	
		Kept housing		Obtained or kept housing	
				Kept Sec.8 Vouchers	
				Early release from leases	
				Eviction stopped or expunged	
				Deposits returned	
			Policies changed		

Source: Data provided by agencies; *FHC Award total does not include duplication of awards obtained by the other agencies in cases referred to them by FHC.

It should be noted that the dollar value of settlements for the Fair Housing Center includes one court award in a disability case of \$83,769, including attorney fees. Unlike the government agencies, the Center also captures the dollar value of relief it obtains for its clients. For example, a complainant with a Housing Choice (section 8) voucher may have been evicted because they have a service animal in a no pets building. Obtaining the accommodation to allow the animal and reversing the eviction will also return the Housing Choice voucher to the complainant. This could be worth, for the purposes of this example, \$300 for the remaining three months of the lease, a value of \$900 for the client.

Fair Housing Center Results

The testing and complaint intake activities of the Center and its collaboration with other local fair housing programs in these areas provides the Center with a unique vantage point regarding the assessment of barriers to fair housing choice in Omaha. Although the testing and complaint activities of the Center are not

designed to scientifically sample the housing practices in the community as a whole, they do identify some patterns of real estate rental, sales, appraisal, insurance and lending related transactions that present barriers to fair housing choice.

Fair Housing Center Complaint Data

The Center's records document the complaint information summarized in Table 1 for the year reported. Clearly, disability at 55% of all complaints received by the Center is the most significant category of complaint activity. This total is significantly higher than reported in the 2004 AI, where disability complaints made up 31% of complaints received by all agencies and 37% of those received by FHC.

Unlike the governmental agencies, FHC has the capacity to assist persons with disabilities negotiate and obtain reasonable accommodations or modifications so that they can fully enjoy their housing. This is a critical function since a person with a disability often needs the assistance immediately and the government agencies cannot act until the request has actually been refused. Once they act, it can take up to 100 days, sometimes longer, for those cases to be finally settled. FHC handles an average of about one request for help with an accommodation or modification per week. It is successful at obtaining positive results for the client in about 85% of all such requests.

Race continues to be the second most common complaint issue, making up about 16% of all complaints receive by FHC, followed by familial status (9%). Complaints related to national origin and sex (both 7%) are the third highest areas of complaint activity.

TABLE 43: Fair Housing Center of NE-IA Complaint Type

TYPE	2006-2007	2008-2009	TOTAL	Change	2006-2007	2008-2009	Change
Lending	24	19	45	-5	3.8%	4.8%	+26%
Rental	584	358	942	-226	93.7%	89.8%	-4%
Sale	14	19	33	+5	2.2%	4.8%	+118%
Insurance	0	1	1	+1	-	0.3%	
Other	2	1	3	-1	0.3%	0.3%	-
TOTAL	624	398	744	-226	100.0%	100.0%	

Source: Fair Housing Center of Nebraska database, as of 3/24/10

"Other" includes zoning cases and a case involving both sales and lending. The most significant change between the two two-year periods is the drop in the number of complaints, primarily caused by the decrease in rental-related cases. During 2008, the Center had to curtail its educational and outreach activities to a significant degree because of lack of funding. Its primary funding source, a HUD

grant allows only a small percentage of the federal funds to be used for such activity.

Complaint Outcomes

Of the 398 Fair Housing complaints investigated or tested between 2008 and 2009, 139 complaints (34.9%) showed sufficient evidence to support the allegations of discrimination and 75 (18.8%) were successful requests for help in obtaining reasonable accommodations or modifications by persons with disabilities. Of the 398 cases, 99 complaints (24.9%) were referred to governmental enforcement agencies or cooperating attorneys for further investigation. Most of these 99 cases are included in the 139 cases showing evidence of discrimination. The Fair Housing Center directly assisted another 34 complainants (8.5%) in successfully resolving their complaints. An additional 22 cases (5.5%) remain open and under investigation by the Center in 2010.

Race-Based Complaints

As noted earlier, a single complaint may have one or more bases. In addition, it can have one or more issues cited as the type of discrimination experienced. For the purposes of this portion of the analysis, only the primary basis and the primary issue are used.

A total of 72 complaints received by the Center in 2008-2009 cited race as a basis of discrimination. Of that number, 27.8% cited a difference in price, terms or conditions and 25% cited a refusal to rent or sell as the primary problem. This category includes claims that the landlord or agent indicated that the housing in question was not available when it was still available. An additional 12.5% of the cases indicated harassment, intimidation, or threats as the chief concern, and 8.3% cited a dispute related to financing, including predatory lending and predatory rent to one case. Of all cases citing race, 5% were from the Asian communities, 5% were from Native Americans, and 12% were from Whites. The remaining 78% were from Blacks, including both African refugees and African-Americans.

An analysis of the 112 complaints involving Black individuals or families from 2008-2009 reveals that discrimination based on race was the primary complaint only 40.2% of the time (45 cases). It should be noted that this category also includes complaints from African refugees as well as from African-Americans. Of the 112 complaints, 16(14.3%) came from African refugees, primarily Somali and Sudanese individuals or families.

Table 44 shows the primary basis cited in the 112 complaints from Black individuals or families to the Fair Housing Center.

TABLE 44: 2008-09 COMPLAINTS FROM BLACKS

Primary Basis	Number	Percentage
Race	45	40.2%
Disability	40	35.7%
Sex	6	5.4%
Familial Status	6	5.4%
National Origin	4	3.6%
Religion	1	0.9%
Predatory Lending	8	7.1%
Retaliation	2	1.8%
Total	112	100.1

Source: Fair Housing Center of Nebraska-Iowa database, as of 3/12/10

It is important to understand that complaints from a particular community, in this case the Black community, do not revolve around one issue. While complaints based on race make up the majority of complaints received by the Fair Housing Center from Black individuals and families, disability complaints are also significant, making up more than one-third of all complaints from the Black community.

The majority of complaints from Black individuals and families during 2001-2003 were related to rental properties (91.1%). The remaining cases (8.9%) relate to lending or sales issues.

National Origin-Based Complaints

As noted in the review of complaints from Black individuals and families, not all national origin complaints come from the Hispanic communities in Omaha. A total of 38 cases cited national origin as a primary or secondary issue. Of that total, 3% were from Asians, 42% were from African refugees, and 10% were from Whites citing various ethnic backgrounds. 15 of the 38 cases (39.5%) cited disputes over price, terms, or conditions as the primary issue and 7 (18.4%) cited a refusal to sell or rent.

30 cases between 2008 and 2009 involved Hispanic individuals or families. Of that total, 9 (30%) cases cited predatory lending/predatory rent to own as the primary issue and 5 (16.7%) were disputes related to prices, terms, or conditions.

15 cases (50%) cited national origin as the primary basis for the complaint.

Table 45 summarizes the primary basis of all complaints received from 2008-2009 from Hispanic individuals and families.

TABLE 45: 2008-09 COMPLAINTS FROM HISPANICS

Primary Basis	Number	Percentage
National Origin	15	50.0%
Disability	4	13.3%
Sex	1	3.3%
Race/Color	1	3.3%
Predatory Lending	9	30.0%
Total	30	100.0

Source: Fair Housing Center of Nebraska-Iowa database, as of 3/25/10

Similar to the data in the Race Complaints section, complaints from Hispanic individuals and families are not related to a single issue. While 50% of the complaints cite national origin as the primary basis of discrimination, predatory lending is the basis for 30% of the complaints from 2008-2009 and disability issues constitute an additional 13.3% for a total of 83.3% of the total complaints. Half of the complaints from Hispanic individuals and families during 2008-2009 were related to rental properties. The remaining complaints were sales (20%), lending (26.7%), and insurance (3.3%) cases.

The Omaha-Council Bluffs area continues to become more diversified. According to the New Immigrant Center, one of the newer emerging groups is from the area formerly known as Burma. With any newer immigrant group, having limited English skills creates a significant barrier to fair housing choice and can result in disparate treatment based on national origin even when no intent to discriminate is present. According to the 2008 American Community Survey, of the households in Omaha where a language other than English is spoken, 41.4% are linguistically isolated. In Council Bluffs, 31.5% of such households are linguistically isolated according to the 2006-2008 American Community Survey 3-Year Estimates, the most current data available for Council Bluffs.

Disability-Based Complaints

193 complaints received by the Center in 2008-2009 cited disability as the primary fair housing issue. Of that total, 130 of these cases (67.4%) related to the need for reasonable accommodations or modifications in rental housing. Most of the 130 cases (57.7%) were resolved through requests for the accommodation or modification needed, and 9.2% are still in process. Prices, terms or conditions were the reason given in 8.3% (16) cases. In 5.2% (13) cases, the complaints related to alleged harassment, intimidation and/or threats. A refusal to rent /sell or a dispute over the availability of the housing was cited in an additional 8% of the disability cases during the same time period.

Persons with physical or mental disabilities face multiple impediments to fair housing choice. The income levels of these individuals and families are frequently low or very low. They also face the additional hurdles of needing reasonable accommodations to policies or physical modifications to their rental

housing in order to be able to enjoy the same benefits of living there as other tenants. The need for such accommodation or modification is widespread in both the private rental market and public housing available in Consortium area.

While great strides have been made to ensure that all new multi-family construction in Omaha meets the design and construction standards of the Fair Housing Act, this housing provides only the basic requirements for physical disabilities. In many cases, the housing that meets the design and construction standards is often unaffordable to many disabled individuals and families with disabilities. In 2009, the Center filed three design and construction complaints based on testing in the Council Bluffs area. Unfortunately, Iowa state law does not include the same provisions as Nebraska requiring a fair housing review of blueprints at the permit stage of construction of multi-unit dwellings.

Groups such as the League of Human Dignity, Community Alliance, and the Paralyzed Veterans of America have been of great assistance in providing assistance to persons with disabilities by helping them obtain appropriate housing or by providing the necessary services to retain their housing. However, these agencies and others like them have very limited resources and cannot provide services to all who qualify for, let alone need, their assistance.

Real Estate Complaints

The Center had real estate companies or individual real estate agents named as respondents in 20 of the 398 fair housing cases handled between 2008 and 2009. Of that total, 14 involved rentals, 4 involved sales, and 2 involved lending. Real estate testing was not a priority during this timeframe, primarily because of the impact the foreclosure crisis had on the real estate market. Sales slowed down considerably, especially after credit tightened up, making it more difficult to ensure testers would not stand out in the market.

Since 70% of the cases naming a real estate company or an agent as a respondent involved rental properties, it is incumbent that the real estate industry understand the applicability of fair housing laws to rentals and not just how it applies to real estate sales. Of the 20 total cases, 9 cases (45%) related to disability issues.

Of the remaining real estate-related cases, 20% involved race, and 30% involved national origin (Hispanic). All 4 of the cases involving individual agents related to predatory lending or predatory rent to own issues and the complainants in all of these cases were Hispanic. One case (5%) involved sex as the discriminatory basis.

Lending Complaints

Between 2008 and 2009, the Center handled 30 lending cases; 23 were complaints involving potential predatory lending or predatory rent to own schemes. A predatory rent to own issue was also cited as a secondary basis of complaint in one other case, for a total of 24 such cases. In 8 of those cases (33.3%), the respondent named was a lending company. Only two of those cases involved a bank that is included in the HMDA data. The remaining six involved mortgage companies, such as Countrywide, Nebraska Mortgage Company, Popular Mortgage, and New Century Mortgage. In the other sixteen cases, private investment groups, real estate agents, or individuals were cited.

Fourteen of the predatory cases (58.3%) related to disputes on the financing. Another six (24%) involved prices, terms or conditions, and three (12.5%) cited false statements by the real estate agent or mortgage company. All predatory lending or predatory rent to own cases received a legal review of their documents by an attorney.

The remaining six lending cases cited lenders as the respondent in five cases and a real estate agent in the remaining case. Three (50%) of these six lending cases involved race, two (33.3%) involved national origin and one (16.7%) involved disability as the basis of the alleged fair housing violation. Two of the six cases were referred to HUD as possible fair lending violations.

Hate Crimes

There is no Omaha City Ordinance defining hate crimes however Nebraska State Statutes define hate crimes to be any of the enumerated crimes committed "against a person or a person's property because of the person's race, color, religion, ancestry, national origin, gender, sexual orientation, age, or disability or because of the person's association with a person of a certain race, color, religion, ancestry, national origin, gender, sexual orientation, age, or disability." Nebraska Revised Statutes 28-111 (1997).

With the passage of Legislative Bill 90 in 1997, commonly referred to as the Hate Crimes Bill, the Nebraska Crime Commission developed a system for reporting hate crimes. Law enforcement agencies voluntarily submit quarterly reports to the Commission on the number of hate crime incidents. Reported are the types of crime, a general description of the location and type of bias motivation. The Nebraska Crime Commission reports that, of the 162 law enforcement agencies asked to participate in hate crime reporting, 105 agencies submitted at least one quarterly report during 2001 with 49 of those agencies reporting all four quarters.

Omaha is reported to have submitted quarterly reports for all four quarters of 2001 (the most current year available).

A limitation of the Nebraska Hate Crimes reporting is the requirement that hate be substantiated as the primary motivation in order for a crime to be classified as a hate crime. Crimes in which there is clear evidence of such intent may not be reported if the perpetrator is not apprehended.

The Federal Bureau of Investigation information reported by type of bias is shown for Omaha and Council Bluffs. All hate crime data comes from the FBI website. Table 46 summarizes the reported hate crimes in the City of Omaha. Race is the most common hate crime in Omaha, making up half of the reported hate crimes, and race was the only basis of hate crime reported in Council Bluffs. In Omaha, the second most common basis reported was religion.

Table 46: OMAHA-COUNCIL BLUFFS INCIDENTS OF HATE CRIMES 2006

	Omaha	Council Bluffs	Total
Race	3	1	4
Religion	2	0	2
Sexual orientation	0	0	0
Ethnicity	1	0	1
Disability	0	0	0
TOTAL:	6	1	7

Source: FBI.Gov Hate Crime Statistics 2006

Table 47 provides a summary of the hate crimes reported in Nebraska and Iowa for 2006. Race is the leading basis of hate crimes in both states, followed by ethnicity in Nebraska and sexual orientation in Iowa.

Table 47: STATE RATES OF HATE CRIMES IN 2006

	Nebraska	Iowa	Total
Race	35	12	47
Religion	4	3	7
Sexual Orientation	5	8	13
Ethnicity	12	4	19
Disability	0	1	1
TOTAL:	57	28	85

Source: FBI.Gov Hate Crime Statistics 2006

Finally, Table 48 provides a comparison of the number of hate crimes in Omaha and Council Bluffs as a percentage of the hate crimes reported in the State of Nebraska. Approximately one out of every 12 hate crimes in Nebraska and Iowa occur in Omaha and Council Bluffs respectively.

Table 48: OMAHA AND COUNCIL BLUFFS AS A % OF EACH STATE IN 2006

	Omaha	Council Bluffs
Race	8.6%	8.3%
Religion	50.0%	--
Sexual Orientation	--	--
Ethnicity	8.3%	--
Disability	--	--
TOTAL:	10.5%	3.6%

Source: FBI.Gov Hate Crime Statistics 2006

Education and Outreach

According to the report submitted to the Mayor's Fair Housing Taskforce, OHRRD conducted its annual salute to Martin Luther King as part of Black History Month. It did not conduct general community presentations during 2009, nor did it hold any training sessions for any respondents.

The Omaha office of the NEOC provides fair housing education in the Omaha area, including mandatory fair housing training for respondents in fair housing cases. During 2009, the NEOC conducted a total of seven trainings in the Omaha area. Two of those were training for respondents as a result of complaints and five were for the general public. One of the five community presentations was offered in Spanish.

In 2009, the Fair Housing Center participated in 126 outreach meetings and educational workshops and seminars, including workshops for persons with disabilities and for persons with limited English proficiency. Thirty-four (27%) of the meetings and workshops were held in Council Bluffs.

The Center conducted workshops for property managers, realtor associations, public housing authorities, and a wide range of social service agencies. Staff also reviewed fair housing and fair lending issues for first-time homebuyers and provided information in English and Spanish to such agencies as the Mission for All Nations and the South Omaha Community Care Council. Center staff reached over 3,000 persons through these seminars and meetings.

The Center, however, is not funded to provide education and outreach programs and, in fact, is limited by its federal grant in providing these activities. As a result, a number of the workshops for property management companies and for public housing authorities were done under contract. The Center has been trying to fulfill the need for such education in the Consortium area, but may need to reduce its efforts in this area once it reduces its staff in 2010.

Changes in Fair Housing Law

There have been no changes to the federal fair housing laws since the 2004 AI was done. Case law continues to develop and clarify the application of fair housing and other applicable laws. In the Eight Circuit, Judge Urbom, in *US v. Koch*, refuted the elements of the *Halprin* decision from a different federal Circuit. The *Halprin* decision indicated that the federal fair housing law applied to the initial rental or sales process, but did not apply once the person was living in the housing. This effectively eliminated the ability in that Circuit to prosecute sexual harassment cases under the federal fair housing law. The *Koch* decision strongly disagrees with the *Halprin* analysis of the law. The *Koch* decision is thus the prevailing case law in the federal circuit affecting Nebraska and Iowa.

On the larger national scale, the settlement in the fraud case against Westchester County, NY for falsifying its certifications that the County was meeting its obligation to affirmatively further fair housing is having far-reaching consequences. The US Department of Housing and Urban Development has made it clear that it will be paying very close attention to this duty throughout the United States and that all entities receiving federal funds carrying the duty to affirmatively further fair housing choice will have much closer scrutiny than in the past. HUD is also in the process of rewriting its procedures and regulations relating to this obligation and hopes to have them out for public comment during 2010.

On the state level in Nebraska, the NEOC's substantially equivalency was challenged by HUD because of the State Attorney General's non-action on cases where reasonable cause was found by the NEOC. The Attorney General's office, the NEOC, and HUD have come to an agreement that will hopefully ensure complainants in these situations will have legal representation in any state court proceedings where cause was found and conciliation has failed. It remains to be seen if that agreement will be successful. HUD officials at the regional and national level continue to watch this situation.

There have been no changes in the fair housing laws at the State level in Nebraska since the 2004 AI. There has been a significant change in Iowa, however. Effective in 2008, the State of Iowa expanded all civil rights protections, including fair housing, to cover sexual orientation and gender identity. All shelters and temporary housing providers have been made aware of this change through education provided at meetings of the Metro Area Continuum of Care for the Homeless (MACCH).

In addition, a 2008 decision of the Iowa State Supreme Court in an appeal of a summary judgment has limited liability in fair housing design and construction cases in that state. In the *State of Iowa ex. Rel. Alicia Claypool v. Michael Evans, MTE Project Development, and Anderson-Bogert Engineers & Surveyors, Inc., and State of Iowa, ex rel. Jeff Frank v Michael Evans, and MTE Project*

Development, the court limited the continuing violation theory of discrimination to the date of the sale of the last condo in the development. This decision hinged heavily on the definition of sale in the applicable State statute and thus is limited to sales and does not, at this time, apply to rental units.

On the local level, there have been no changes in city ordinances or in case law specific to the fair housing ordinances. The City of Omaha did pass an ordinance to ensure a process for reasonable accommodations to city ordinances, such as those for group homes in response to the 2004 AI and to fair housing complaints from group homes. In addition, the City Planning Department has negotiated policy changes with an agency contracted with the City to ensure its compliance with the local fair housing ordinance related to marital status.

Changes to Capacity

There have been some significant changes in 2009 and 2010 to the structure of the City of Omaha's Human Rights and Relations Department that will likely impact its capacity to educate the community and to enforce the fair housing ordinances and laws. The national economic downturn in 2009-2010 has led to significant budget issues for the City of Omaha. As a result, OHRRD has been subsumed into the Personnel Department and it now has reduced its investigative staff to only two civil rights investigators. These two investigators handle all civil rights complaints, including those related to employment and public accommodations as well as housing.

Since the beginning of 2010, there have been three different directors supervising OHRRD. This turnover also impacts the effectiveness of the department. The current director has a corporate background that does not appear to include experience in housing issues or fair housing law. It is a concern that the two civil rights investigators no longer have their investigative cases reviewed by someone with significant knowledge of fair housing law, especially on-going changes in federal case law.

The City attorney's office not handling cause finding cases within the time limits is also a concern. A pattern of failure to handle such cases threatens the City's standing as being considered a substantially equivalent agency by HUD and thus threatens the HUD contract with OHRRD to take housing discrimination cases.

Because of the employee and budget cutbacks, OHRRD has no real capacity to help the address barriers to fair housing choice in the area of education and outreach to the community and to the housing-related industries. During 2009, its only community outreach activity was the annual celebration of Martin Luther King's birthday.

The City has one other group working to further fair housing. The Mayor's Fair Housing Advisory Group is an appointed group of thirteen members from housing-related industries, non-profit organizations and the general community. Its duties are to assess barriers to fair housing choice, identify additional avenues of inquiry, barriers; and to develop activities to further fair housing choice and eliminate identified barriers. Given the \$80 million+ fraud case against Westchester County for falsely certifying it was fulfilling its duty to affirmatively further fair housing and HUD's significant focus on this issue with all recipients of Community Development Block Grant (CDBG) and other federal funds, the importance of this group's activities is truly of major importance to the City. Currently, this Taskforce is the only City function working on community education and helping people understand their fair housing rights.

The Taskforce has had a number of successes in this area. In 2008, the Taskforce raised significant funds and sponsors for a television advertising campaign focusing primarily on lending rights with spots running in prime time. In 2009 and again in 2010, a full page ad on fair housing rights ran for two months in the premier apartment rental magazine covering Omaha, Council Bluffs, Lincoln, and Fremont. All costs for the television and print campaigns over these three years were covered by donations.

As noted in an earlier section of this report, the Omaha City Planning Department has also been active in promoting fair housing choice. It successfully conciliated a contract-related complaint and negotiated policy changes to bring one of the area's largest providers of temporary housing into compliance with the City's fair housing ordinance.

On the Nebraska state level, the NEOC has also been experiencing turnover. The Executive Director left the NEOC in the fall of 2009 and that position has been filled by an interim director. In addition, the political upheaval and controversy with the State Attorney General's office has resulted in negative publicity affecting the NEOC's enforcement efforts as well, especially in the area of national origin discrimination.

The controversy primarily dealt with the Attorney General's refusal to consider cases from immigrants who did not have proper documentation, although the Attorney General refused other cases as well. Anecdotal information from agencies working with immigrant groups and from clients of the Fair Housing Center indicates unwillingness in new immigrant communities to file potential complaints with the NEOC, even in cases where the individuals have no documentation issues.

COMMUNITY ISSUES

In March, 2010, the Fair Housing Center of Nebraska-Iowa sent a survey via Survey Monkey to 46 Consortium area agencies and organizations focusing on housing issues in the Omaha area. The survey was sent to a wide variety of organizations including, legal services, social service agencies, real estate sales persons, public housing authorities, and property management companies. At least one-third of the surveys were sent to agencies and organizations in Council Bluffs. A total of seventeen responses were obtained, a return rate of 37%.

The survey offered five questions designed to obtain input on what the agencies and organizations saw as the key housing discrimination-related issues in the Consortium area. Three of the five questions asked those answering to rate the issue or specific questions on a four point scale, with 4 being the highest rating. The remaining two questions were more open-ended, allowing the respondents to identify specific issues they believed were important.

The first question asked respondents to rank the issue of housing discrimination in terms of its importance in the Omaha-Council Bluffs area. Fourteen of the seventeen answers rating housing discrimination as somewhat of a problem or a significant problem, with an overall rating of 3.24 out of 4. Only three persons indicated it was a minor problem and no one selected "no problem."

The second question asked that respondents list the three most important housing discrimination issues in the Consortium area. The three issues were ranked by importance and the survey design required an answer be filled in for at least the first, most important issue. All seventeen completed surveys listed a first and second issue. Twelve of the seventeen surveys listed three prioritized issues. Six of the surveys indicated an issue related to disability as the most important issue and five listed race discrimination as the most important issue. The remaining answers were listed once each. Table 1 summarizes the answers.

Table 49: Most Important Housing Discrimination Issue, 2010

# Responses	Issue
6	Persons with disability; housing and mental illness; disability accessibility; treatment of disabled and elderly; lack of accessible rental housing for disabled; institutional segregation of disabled
5	Race (3); race and ethnicity; racial discrimination
1	Education for housing providers
1	Children and families
1	Language barrier
1	Sexual orientation
1	Young adults
1	Housing discrimination

Source: Survey Monkey Community Survey, March 2010

There were seventeen answers identifying a second most important housing discrimination issue in the Omaha-Council Bluffs area. Three answers related to economic issues as a source of discrimination and three related to disability issues. Two identified education/lack of awareness of rights as an issue and two identified families with children. Nationality was cited twice as well. Table 2 summarizes the answers to the second most important issue.

Table 50: Second Most Important Housing Discrimination Issue, 2010

# Responses	Issue
3	Money; economic discrimination; treatment of low-income families
3	Ability/disability; Lack of disability vouchers; Ensuring choice of facilities
2	Community education; lack of awareness of rights
2	People don't want to rent to single parents; adults with children
2	Minority, immigrant populations; nationality
1	Color
1	Housing for sex offenders
1	Profiling
1	Age
1	People don't believe that complaining will help

Source: Survey Monkey Community Survey, March 2010

There were twelve answers identifying a third most important housing discrimination issue. Three related to discrimination against minorities, including new immigrants. Family size or composition was cited twice. Table 51 summarizes the responses to this question.

Table 51: Third Most Important Housing Discrimination Issue, 2010

# Responses	Issue
3	Discrimination against minorities; profiling; lack of LEP services
2	Household size/composition; family size
1	Age discrimination
1	Education for the community
1	Affordability
1	Criminal history
1	NEOC lacks focus and professionalism
1	Landlords not following eviction processes
1	Lead poisoning problems

Source: Survey Monkey Community Survey, March 2010

Overall, twelve responses cited race, color and/or national origin as a key housing discrimination issue and nine responses cited disability. Five indicated familial status was a problem. Economic discrimination or affordability was listed four times, as was the need for education on fair housing rights. Concerns about the complaint process were also brought up twice. The third question in the survey required respondents to rank four educational issues from not important at all to very important, again using a four point scale. Only one answer per rating was permitted. Eight of the seventeen respondents answered this question.

Two educational choices tied with a rating of 3.22 out of four. They were fair housing education for the community and education for housing providers on fair housing law. Ranked third was professional education for lenders, real estate agents on fair housing, and the fourth ranking went to education on fair housing and the complaint process for social service and similar agencies.

The fourth question asked the respondents to identify any other fair housing issues they felt were important. There were six answers to this question, including one that simply said "none." The five other answers were:

1. Predatory lending
2. Handicapped accessibility
3. Amending the process for filing a complaint as a housing provider the ease and assistance at which residents can file with NO evidence, documentation, proof. The excessive filing of unfounded complaints is an administrative burden to our staff.
4. Knowledge of agencies that could assist them.
5. Unwarranted evictions by landlords.

The final question of the survey dealt specifically with types of housing. It asked the respondents to rate types of housing in terms of need for themselves or for their clients. All seventeen answered this question, though not all answered each part of the question. Table 52 summarizes the results of those responses.

Table 52: Need for Types of Housing, 2010

Type	Not Needed	Somewhat Needed	Needed A Fair Amount	Very Much Needed	Rating Average
Studio-1 bed	0	4	2	7	2.93
2 or less bed units	0	3	5	8	3.18
3+ bed Units	0	2	8	1	3.43
Fully access. Units	0	0	7	1	3.47
Units with support svcs.	0	1	11	0	3.63
Single fam. Homes with Accessible Features	0	2	6	0	3.25
Condos with Accessible Features	0	3	2	0	2.69
Group Homes	0	5	5	0	3.00
Congregate Living	1	6	6	0	2.87

Source: Survey Monkey Community Survey, March 2010

Of the top four choices, three related to persons with disabilities. The two housing choices rated the highest were rental units with supportive services followed by fully accessible rental units. The third choice was rental units with three or more bedrooms, and the fourth choice was single family homes with accessible features available for purchase. The lowest two ratings went to congregate housing and to one bedroom or studio rental units.

SUMMARY AND RECOMMENDATIONS

Demographic Summary

The makeup of household in the Omaha and Council Bluffs area are changing, with a drop in traditional families and increases in non-family households, persons living alone, and households of persons 65 years and older. The increase in the number of seniors does not yet include the aging Baby Boomers, as the leading edge of the Boom reached 63 in 2009. The Boomers continue to dominate as the largest population group in the Consortium area, and this trend will continue for some years to come. This will have far-reaching implications for planning as the Boomers reach retirement and their senior years. As the Baby Boom ages, the trend to more senior households and households of persons living alone will continue to grow, as will the need for housing to accommodate a variety of disabilities.

The demographic analysis shows that the Consortium area continues to grow more diversified every year, primarily from significant increases in the Hispanic population. This community has been consistently growing since the mid 1990's, as documented in the 2004 AI. As of 2008, the Hispanic and Black populations are nearly equal, together making up 24% of the overall population. The Asian population, though small, also continues to grow, increasing by about 25% from 2000 to 2008. Much of this change is attributable to new immigrant and refugee populations.

Persons with disabilities make up about 15% of the Omaha population and 18% of the Council Bluffs population. If disability was considered in the same category as race and ethnicity, persons with disabilities would make up the largest minority group in the Consortium area. In terms of income, persons with disabilities have the lowest median incomes in both Omaha and Council Bluffs, followed by Blacks.

Both Blacks and Hispanic households have seen reductions in median income compared to the overall median income for Omaha and for Council Bluffs. Black household incomes are about 41% less than the overall median income in 2008 in both Omaha and Council Bluffs. Hispanic median incomes are about 20% less in Omaha and 13% less in Council Bluffs. The lower median incomes for Blacks, Hispanics, and persons with disabilities make the cost of housing a higher percentage of their incomes, and thus limit housing choice for all three groups.

In the Consortium area, about 15% of the overall population lives below the poverty level. About one in five children are below the poverty level, often living in single female-headed households. One in four persons with physical disabilities and about one in three persons with mental disabilities live below the poverty level.

Lending Summary

As in the 2004 AI, we still see very few loan applications from Blacks and Hispanics being processed by banks in the Consortium area. The market share of minority loans continues to be abysmal. Not only are there few applications, in most cases, the denial rates for Blacks and Hispanics significantly exceed that for White non Hispanic households, regardless of income.

There were only 175 application from Black households and 385 from Hispanic households for conventional loans out of a total of 9,704 applications. Both Blacks and Hispanics were denied conventional loans more than twice as often as White non Hispanics households. Perhaps more significant is that the denial rate for Whites continues to decline over time, while the rate for both Blacks and Hispanics is once again climbing.

In the area of government-backed loans, such as FHA/VA loans, there were only 228 applications from Black households and 345 from Hispanic households, compared to a total of 5,301 applications in 2008. Two significant changes were identified with government-backed loans. First, the market share for Blacks and Hispanics totals 13.6% of all applications in 2008, compared to 44.6% in 2002, a radical drop. Second, even though the number of loans was relatively small, for the first time, Hispanic households were more likely than White non Hispanic households to have their loan applications approved. Black households, however, continue to have a denial rate more than twice that of White households.

The subprime loan analysis showed that the highest foreclosure rates in Douglas County fall in those zip codes with high percentages of Black and/or Hispanic households, including 68111, 68104, and 68107. These minority communities have borne the brunt of the subprime loan crash of 2007-08. The devaluation caused in neighborhoods by foreclosures significantly impacts the Black and Hispanic populations. Foreclosure rates continue to climb in the Omaha area, with Douglas County having the highest county rate in the state as of January 2010.

Foreclosures and loan delinquency rates were clearly an issue in the Black and Hispanic communities in 2008. At the same time, both Black and Hispanic households experienced significantly lower origination rates of loans to refinance their housing and significantly higher denial rates. The denial rates for refinance loans for Black and Hispanic households continued to increase at a higher rate than for White non Hispanic households over the three years studied. Between 2006 and 2008, Black denial rates rose from 39% of all refinance applications to 52%, and Hispanic denials rose from 32% to 42%.

The same patterns hold true for home improvement loans, with small percentages of applications for such loans from Black and Hispanic households

and significantly higher denial rates. For all types of loans discussed, the percentage of applications for Blacks continues to decrease each year, as does the percentage from Hispanic households. The percentage of loan applications from White non Hispanic households continues to rise each year, regardless of loan type.

Local Fair Housing Programs Summary

The data from the agencies handling fair housing complaints shows that persons with disabilities report the highest level of housing discrimination, with most agencies reporting about half their fair housing complaints are based on disability. The second most common basis cited was race, followed by national origin. While the national origin cases were predominantly from Hispanic individuals and families, both race and national origin discrimination claims may include complainants who are refugees, primarily from the Sudanese or Somali refugee communities.

The Fair Housing Center handles the highest number of claims, consistent with national data. This is due, at least in part, to the Center's ability to assist clients before a complaint is actually filed. For instance, the Center staff assists disabled clients request and obtain reasonable accommodations or modifications so the client can fully utilize and enjoy his or her housing. A complaint will only be filed when such a request is denied.

The Consortium area is faced with a significant change in the available capacity of the local fair housing programs. The Omaha Human Rights and Relations Department has gone through significant restructuring in 2010 and no longer operates at full capacity. Thus, it is very limited in its ability to handle complaints or perform fair housing education and outreach. It is also important that the City Attorney litigate fair housing cases with reasonable cause findings in a timely manner in order to ensure OHRRD retains eligibility to receive HUD contracts.

The NEOC has also experienced turmoil over the past two years and is currently reinstating its search for a new Executive Director. Its substantial equivalency was brought into question by HUD because the Attorney General declined to follow through on housing discrimination cases with reasonable cause findings. It nearly lost its contract to handled fair housing complaints. In addition, it has limited resources to perform education for the community at large, particularly with the ongoing state budget cuts.

Currently, the only agency performing significant education and outreach in the Consortium area is the Fair Housing Center of NE-IA. While the Center has been very active in the past in providing these services, it is currently reducing its staff because of budget issues. In addition, its primary funding source, a HUD competitive private enforcement grant, only allows 10% of those resources to be

used for education and outreach activities. With such limited resources, the Center may not be able to continue to provide educational services for the community, unless they are provided on a contract basis.

Race continues to be a fair housing issue in the Consortium area, second only to disability issues. The lending analysis shows that Blacks in the Consortium area are clearly losing ground when it comes to obtaining the resources needed for homeownership and to retain or improve owner occupied homes. National origin discrimination is also a significant issue, particularly with the continued growth of new immigrant communities in the Consortium area.

Community Issues

The poll of community agencies and organizations had results consistent with the findings of the local fair housing agencies. Of those answering the survey, 82% indicated that housing discrimination was an issue in the Consortium area. Disability was the primary fair housing issue cited followed by race and ethnicity. Interestingly, economic discrimination was the key secondary issue raised; suggesting discrimination based on source of income is a problem in the local area. In the area of education, fair housing education for the community at large and for housing providers were the key needs identified.

The types of housing seen as most needed in the Consortium area were those needed by persons with disabilities, primarily fully accessible rental units and rental units with supportive services available. Large rental units with three or more bedrooms were also identified as a need, potentially indicating that larger families with children are having difficult finding housing.

RECOMMENDATIONS

This Analysis has repeatedly identified the discrimination faced by persons with disabilities in the Omaha-Council Bluffs area, as well as the need for fully accessible housing and housing with supportive services. The affordability of that housing is also critical, given the rates of poverty experienced by persons with physical or mental disabilities. The demographics show that the aging population will only increase the need as the Boomers move into their senior years.

Disability

Recommendation 1: That the City of Omaha and the City of Council Bluffs create incentives that would increase the supply of fully accessible housing for rent and for sale as well as units with supportive services readily available.

Recommendation 2: That the minimum requirements of Section 504 of the Rehabilitation Act requiring 5% of new units be fully accessible for persons with physical disabilities and that 2% be accessible for persons with sensory disabilities be reviewed with the City Planning Departments, NIFA, IFA, and Midwest Housing Equity with the goal of increasing the local standards to more accurately reflect local need. As part of this goal, the City should also consider changes to its building codes to require universal design or adaptable features in all future multi-unit construction.

Lending

There are still few applications from Blacks or Hispanics for housing loans, especially to purchase homes. Their market share of applications has fallen, even for government-backed loans although Hispanics are now originating government-backed loans at a rate slightly better than Whites. Both minority groups still have significant problems originating conventional loans, refinancing loans or obtaining home improvement loans. The inability to successfully refinance is of particular concern, given the high concentration of subprime and other loans in danger of foreclosure in zip codes with high Black and/or Hispanic concentrations.

Recommendation 3: That lending institutions in the Consortium area be encouraged to market more aggressively to minority markets as part of their fulfillment of their CRA responsibilities and as good business practice.

Recommendation 4: That Omaha and Council Bluffs continue to support bilingual (Spanish), high quality homeownership classes that include education on fair lending practices for the consumers and that offer individual counseling and credit repair at no or minimal cost.

Poverty and Discrimination

Minorities, persons with disabilities, and single women with children have the highest poverty rates in the Consortium area. The amount of subsidized housing and housing vouchers available is relatively small, given the need. Less expensive rental units are in geographic areas with the oldest, most deteriorated housing stock.

Recommendation 5: That the City studies the pros and cons of instituting a registration process for all rental units, including routine inspection to ensure the housing stock is maintained at the minimum dwelling standards.

Fair Housing Education

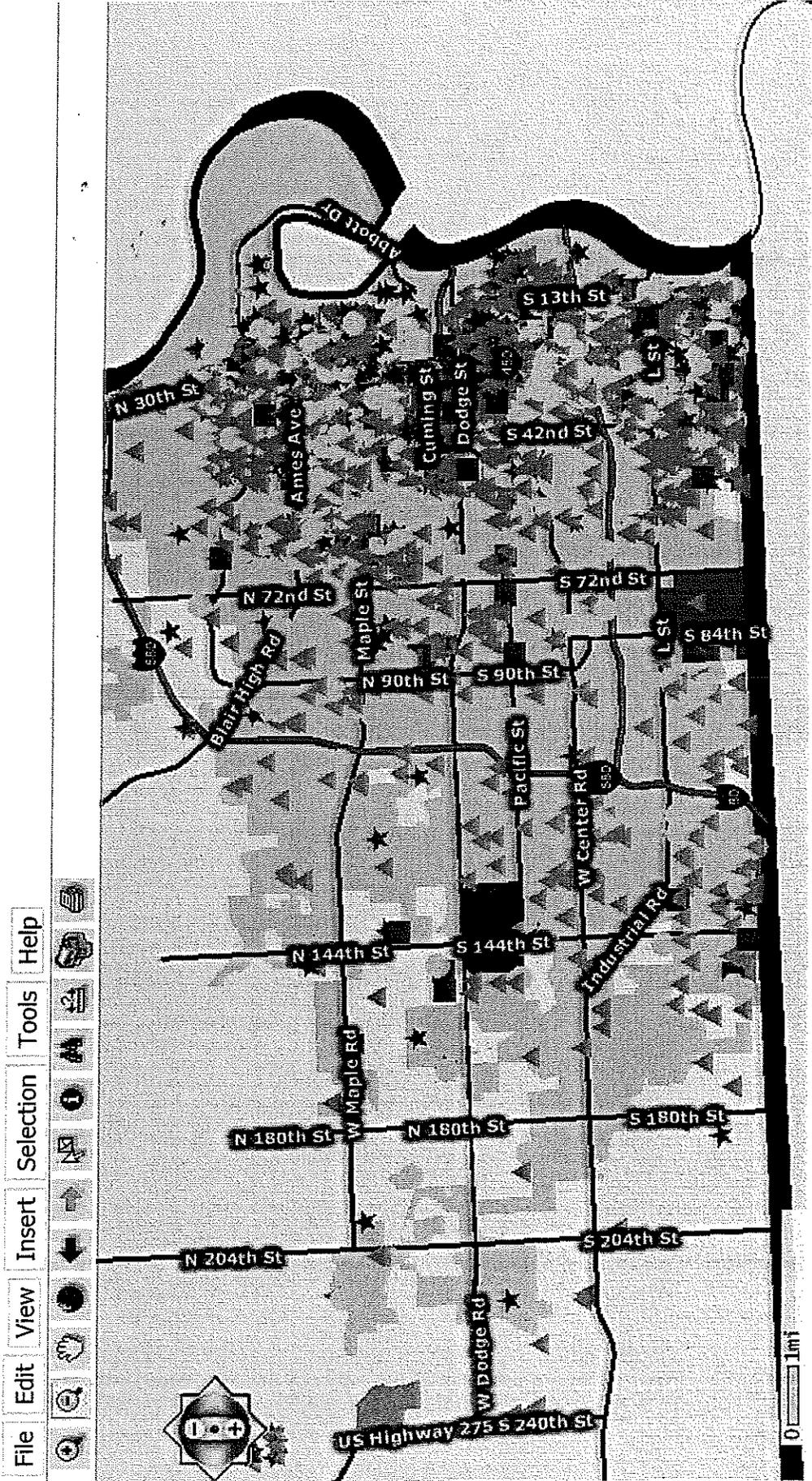
Recent case law points out the dangers of any government entity not clearly fulfilling its duty to affirmatively further fair housing. In addition, the analysis clearly shows an ongoing need for fair housing education for the community at large and for housing providers. Both groups need to understand their rights and responsibilities in meeting the two goals of the Fair Housing Act; preventing housing discrimination and promoting integration across the Consortium. The review of local fair housing groups, especially the role of OHRRD, shows the capacity for providing such education has diminished in the Consortium area.

Recommendation 6: That the City develop or sponsor a program of fair housing education, such as a conference or similar event, to provide community education on fair housing issues designed for the general public and for housing providers.

Affirmatively Furthering Issues

Recent case law points out the critical need for government entities that receive federal funds to ensure they fulfill their duty to affirmatively further fair housing. In Omaha, the Mayor's Fair Housing Taskforce is a critical resource in making sure those obligations are met. While they have done an excellent job, the Taskforce has no financial resources to use in meeting that obligation.

Recommendation 7: That the Mayor's Fair Housing Taskforce be provided with adequate resources to help them carry out their mission to ensure the City affirmatively furthers fair housing.



APPENDIX
 CONCENTRATION OF VIOLATIONS OF CITY OF OMAHA'S
 MINIMUM DWELLING STANDARDS AS OF APRIL, 2010

1. FAIR HOUSING SURVEY

As part of its Consolidated Plan, the City of Omaha develops an Analysis of Impediments to Fair Housing Choice. Your comments are very important in helping us identify the fair housing needs in the Omaha-Council Bluffs area.

1. Fair housing is often confused with the idea of affordable housing. Fair housing deals with discrimination - treating people differently in housing because of who they are rather than what they can afford. How would you rank the issue of housing discrimination in the greater Omaha area?

	No problem here	Minor problem	Somewhat of a problem	Significant Problem
Housing Discrimination is:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. What do you see as the three most important housing discrimination issues in the Omaha-Council Bluffs area

Most Important	<input type="text"/>
Second Most Important	<input type="text"/>
Third Most Important	<input type="text"/>

3. What do you see as the most important educational issues related to fair housing in the Omaha-Council Bluffs area?

	Not important at all	Somewhat important	Pretty important	Very important
Education for the community so people know their rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Not important at all **Somewhat important** **Pretty important** **Very important**

Education for housing providers on fair housing law

Professional education for Lenders, Real Estate Agents on fair housing

Education on fair housing, complaint process for social service and similar agencies

Other (please specify)

4. What other fair housing issue(s) do you feel are important?

5. Ensuring fair housing choice for all its residents is an important goal of the City of Omaha. From your perspective, rate the following types of housing in terms of need for you or your clients.

	Not needed	Needed somewhat	Needed a fair amount	Very much needed	N/A
Rental units with supportive services	<input type="radio"/>				
Rental units with 2 or less bedrooms	<input type="radio"/>				
Rental units with 3 or more bedrooms	<input type="radio"/>				
Condo units with accessible features	<input type="radio"/>				
One bedroom or studio rental units	<input type="radio"/>				
Single family homes to buy with accessible features	<input type="radio"/>				
Fully accessible rental units	<input type="radio"/>				
Group homes	<input type="radio"/>				
Congregate Living	<input type="radio"/>				

Other (please specify)

1. FAIR HOUSING SURVEY

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Third Most Important	<input type="text"/>

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	Not important at all	Somewhat important	Pretty important	Very important
Education for the community so people know their rights	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Education for housing providers on fair housing law

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Condo units with accessible features	<input type="radio"/>				
One bedroom or studio rental units	<input type="radio"/>				
Single family homes to buy with accessible features	<input type="radio"/>				
Fully accessible rental units	<input type="radio"/>				
Group homes	<input type="radio"/>				
Congregate Living	<input type="radio"/>				

Other (please specify)



February 15, 2011

Mr. James Thele, Assistant Director
 City of Omaha Planning Department
 Housing and Community Development Division
 1819 Farnam Street, Suite 1111
 Omaha, Nebraska 68183

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 Omaha, Nebraska 68111
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METRO 100
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 712.322.4436/Fax 712.322.4443

Re: Analysis of Impediments to Fair Housing Choice

Mr. Thele,

This letter is intended to respond to your concern regarding the Analysis of Impediments (AI) Recommendation 5, "That the City stud[y] pros and cons of instituting a registration process for all rental units, including routine inspection to ensure the housing stock is maintained at the minimum dwelling standards." Specifically, this is to address the concern about the lack of support in the factual findings of the AI to support this recommendation.

Although the AI data shows the area of east of 42nd street as having the most deteriorated and aged housing stock, it should not be mistaken that housing west of 42nd street is compliant with minimum housing codes. Though not referenced in the AI, the City's Code Enforcement records indicate that, from the 2003 implementation of the new International Building Code until the present, 34.8% (or 3,801 of the total of 10,905 housing code violations) in the city occurred West of 45th Street (see table enclosed). In two recent articles found on Omaha.com dated 2/2/11 and 2/6/11 (see attachments) the city of La Vista reported the results of the first year of the city's Rental Inspection Program. "In the first round of inspections, more than 70% of registered rental houses in La Vista failed inspection with major violations. Major violations included problems with locks, smoke detectors, wiring, venting, combustion air equipment, plumbing and mold." Upon re-inspection 89% of these same properties passed inspection. It is also worthy of note that not all rental property in La Vista has been inspected. Please note the enclosed news article, which states that the city is in the process of identifying unregistered rental housing properties.

This information was not available at the time the AI was completed and should be considered as supportive of the above-referenced recommendation in the AI. The recommendation suggests a study of the "pros and cons" of such an approach and certainly the structure of any such inspection scheme could also address concerns about burdening relatively compliant housing with the cost of inspection. The City of Lincoln, Nebraska for instance has a provision in its code that reduces

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Letter to James Thele
February 15, 2011
Page 2 of 2

the percentage of units required to be re-inspected following initial inspection in the absence of complaints. Thus, fewer complaints about housing conditions will minimize any burden of inspection. In short, the geographic distribution of code violations, the recent experience of La Vista and the option of utilizing a program design that anticipates the burden issue all suggest that the recommendation should be seriously considered.

For your convenience, I have also attached, from the City of La Vista's website, information regarding their Rental Inspection Program. If you believe additional information is needed to support this recommendation please let me know. I'm not sure what additional resources we can garner to study this further but I do feel it is a significant recommendation and one that should be considered despite obvious political difficulties. Thanks for the opportunity to comment on this matter.

Sincerely,

A handwritten signature in black ink that reads "Joseph Garcia". The signature is stylized and includes a long horizontal line extending to the right.

Joseph Garcia
Director of Fair Housing

Enclosures

cc. Teresa C. Hunter

City of Omaha Code Violations by Zip Code
10/2003-2/11/2011

ZIP CODE	# OF CODE VIOLATIONS	EAST/WEST OF 45 th STREET
68007	4	W
68069	10	W
68116	34	W
68064	54	W
68022	53	W
68118	10	W
68130	38	W
68135	32	W
68142	5	W
68164	132	W
68154	75	W
68144	167	W
68137	282	W
68122	26	W
68134	312	W
68114	151	W
68124	116	W
68127	126	W
68152	282	W
68104	991	W
68132	308	W
68106	310	W
68117	283	W
68112	242	E
68111	1639	E
68131	849	E
68105	1311	E
68107	1263	E
68110	641	E
68102	173	E
68108	986	E
TOTAL	10,905	WEST-3,801/EAST-7,104

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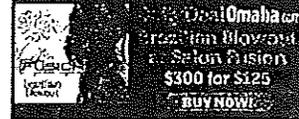
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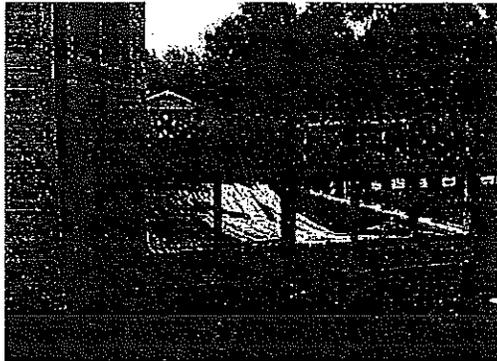
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Submitted photo

A photo from the City of La Vista's Rental Inspection Program report shows a dangerous deck that was found during an inspection. The deck has since been fixed by the owner.

Published Wednesday February 2, 2011

Inspection program reveals code violations

By Trenton Albers
Times/Sun Editor
La Vista Sun

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The City of La Vista recently reported the results of the first year of the city's Rental Inspection Program.

The program, aimed at bringing La Vista's many rental houses up to city code, began Jan. 1, 2010. The program was narrowly approved in August 2009 and was met with backlash from many La Vista landlords who argued it wasn't necessary or that it was an invasion of privacy.

In its first year, however, the program has gone a long way in improving many code violations, according to La Vista buildings officials.

In the first round of inspections, more than 70 percent of registered rental houses in La Vista failed inspection with major violations. Major violations included problems with locks, smoke detectors, wiring, venting, combustion air equipment, plumbing and mold.

About 89 percent of the properties re-inspected passed.

In 2010, the city did 340 total inspections — 210 initial inspections and 130 re-inspections.

La Vista Chief Building Inspector Don Simmons said the typical inspection takes about 20 to 30 minutes and using a checklist inspectors take a top-to-bottom look at each rental house to identify potential safety hazards.

"We try to make it as consistent as possible," he said.

Simmons said he and Chief Building Official Jeff Slinnett had anticipated "a bit of animosity" from landlords going into the new program, but for the most, inspections have gone smoothly.

According to the inspectors, the first batch of inspections of properties with landlords ready and willing to comply with the program came up relatively clean. But a few months into the program, the crew started to encounter a number of major violations such as dangerous decks, potential carbon monoxide hazards and unsanitary conditions.

While some landlords have been outspoken against the process, Simmons said the program has been received well by tenants and alleviated potential tenant complaints.

"There hasn't been one tenant that wasn't happy we were there, and when we found something, they were happy we

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round it," he said.

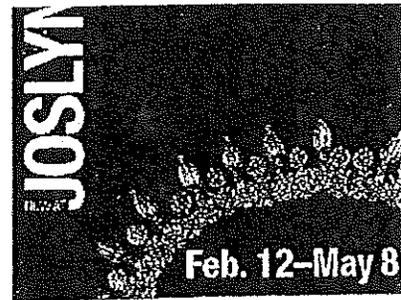
On the part of landlords, Simmons said many of them seemed relieved after they had gone through and passed the process. In some cases, inspections revealed code violations and potential safety hazards the landlord wasn't aware of. He said the program has given landlords a clearer understanding of "where they have to be."

Sinnett said when inspectors find a code violation they try to help the landlords fix the violation by discussing solutions, giving them tips to fix it and, if needed, providing contact lists of area contractors who can do the work.

"You'd think it would be a good selling or renting point (to say) 'The city has already been here, inspected it and it's up to code,'" Sinnett said.

Community Development Director Ann Birch said the city has made tweaks to the program, most notably letting landlords and tenants schedule appointments for inspections rather than the city arbitrarily setting a time for each inspection.

Birch said the city is now trying to identify unregistered rental housing properties.



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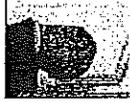
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Published Sunday February 6, 2011

Rental inspection called a success

By Trenton Albers
WORLD-HERALD NEWS SERVICE
« Metro/Region

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La Vista's year-old Rental Inspection Program has gone a long way in addressing code violations, say city building officials.

In the first round of inspections, more than 70 percent of registered rental houses in La Vista failed inspection with major violations, according to a report prepared on the first year of the new program. Major violations included problems with locks, smoke detectors, wiring, venting, plumbing and mold.

Nearly 90 percent of the properties passed when re-inspected.

In 2010, the city did 340 inspections — 210 initial inspections and 130 re-inspections.

Because adoption of the program had been controversial, Chief Building Inspector Don Simmons said he had anticipated "a bit of animosity" from landlords going into the new program, but, for the most, inspections have gone smoothly.

While some landlords have been outspoken, Simmons said, the program has been received well by tenants.

In some cases, inspections revealed code violations and potential safety hazards the landlord wasn't aware of. Simmons said the program has given landlords a clearer understanding of "where they have to be."

Community Development Director Ann Birch said the city has made tweaks to the program, such as letting landlords and tenants schedule appointments for inspections rather than the city arbitrarily setting a time for each inspection.

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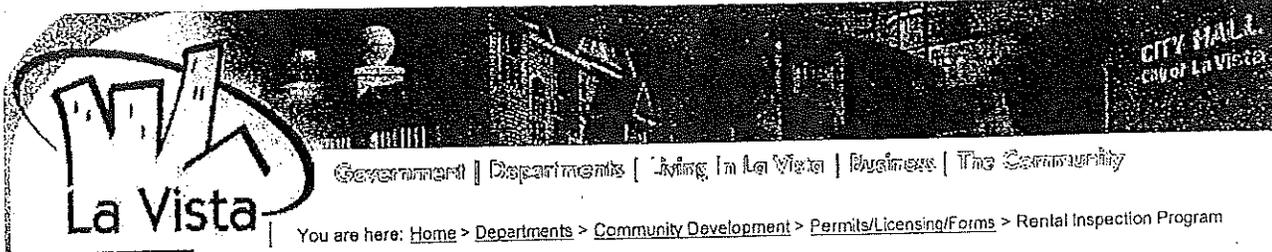
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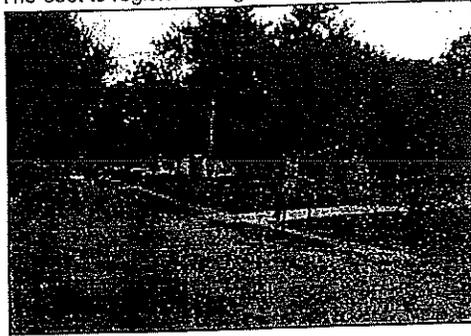
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Rental Inspection Program

Rental Inspection Program

The City of La Vista has established a Rental Inspection Program. The intent of the program is to promote the health, safety, and welfare of those living in or near rental housing, prevent or eliminate substandard or deteriorating rental housing, and preserve residential rental properties, property values, and neighborhoods.

The program becomes effective on January 1, 2010, and landlords will have until March 31, 2010 to register their existing properties with the City. The cost to register a single family dwelling is \$50.00 and the cost to register multi-family dwellings is \$6.00 per unit. A late fee will be assessed if the application is not received by March 31st. In an effort to facilitate a smooth transition into this new program, the City Council has made a decision to waive the initial registration fee. Property owners are required to register their property in 2010; however, there will be no fee charged in 2010.



A [registration application](#), appropriate fee, and proof of a pest control inspection are to be returned to the City. The property owner will be contacted by the City to set up an appointment for inspection of the property. There is no fee for inspections, except in cases where violations are noted during an inspection. In those instances, a \$50.00 re-inspection fee will be assessed.

A [Rental Inspection Property Checklist](#) can assist you in reviewing your rental unit(s) for compliance. Inspectors will be focusing on major health and life safety violations. If the property has minor or no code violations, you will not be subject to inspection again for two years. If the property has major code violations but successfully passes a follow-up inspection, the property will not be subject to inspection again for one year. Newly constructed rental property will not be subject to inspection for three years. However, if violations are reported or observed, additional inspections may be required. Please note that even though an inspection may not be required for a period of time, properties must be registered with the City on an annual basis.

Again, the intent of this program is to prevent substandard housing and preserve property values and neighborhoods by ensuring the property is maintained in compliance with La Vista City Codes. See [Ordinance No. 1095](#).

Please contact [Jeff Sinnett](#), in the Community Development Department, at La Vista City Hall, 402-331-4343 if you have any questions.

ADDENDUM 2

Response to Analysis of Impediments To Fair Housing Choice Recommendations

Recommendation 1: That the City of Omaha and the City of Council Bluffs create incentives that would increase the supply of fully accessible housing for rent and for sale as well as units with supportive services readily available.

Response: The Omaha/Council Bluffs Consortium recognizes that demographic trends indicate that the need for accessible units, both with and without supportive services, will continue to increase as the Baby Boomer population ages. The Consortium will continue to make low cost financing and grants available to non-profit and private sector developers who incorporate accessibility features, where possible, into the design of affordable housing units constructed under its programs. Further, the Consortium will pursue partnerships with developers of housing for persons having special needs due to physical or mental disabilities.

Recommendation 2: That the minimum requirements of Section 504 of the Rehabilitation Act requiring 5% of new units be fully accessible for persons with physical disabilities and that 2% be accessible for persons with sensory disabilities be reviewed with the City Planning Departments, HIFA, IFA, and Midwest Housing Equity with the goal of increasing the local standards to more accurately reflect local need. As part of this goal, the City should also consider changes to its building codes to require universal design or adaptable features in all future multi-unit construction.

Response: The Omaha/Council Bluffs Consortium will initiate discussion with affordable housing finance entities, such as Nebraska Investment Finance Authority, Iowa Finance Authority, and Midwest Housing Equity Group, regarding the increasing market for accessible housing and the feasibility of incorporating additional accessibility requirements or incentives into their funding guidelines. The City of Omaha will consider modification of building codes and design standards for multi-unit construction to incorporate more adaptable features.

Recommendation 3: That lending institutions in the Consortium area be encouraged to market more aggressively to minority markets as part of their fulfillment of their CRA responsibilities and as good business practice.

Response: The Consortium recognizes the limited influence it has with private sector lenders. However, it will continue its partnership with Omaha 100, a consortium of private lenders that make affordable mortgage financing available to low- and moderate-income persons, including those purchasing homes in predominately minority neighborhoods and through City-sponsored affordable housing programs. Participation by member banks provides an opportunity for those lenders to see the business potential of serving minority and underserved markets. The City, through its Fair

Housing Advisory Group, will continue to explore innovative ways to partner with private sector lenders to enhance their understanding of fair lending practices.

Recommendation 4: That Omaha and Council Bluffs continue to support bilingual (Spanish), high quality homeownership classes that include education on fair lending practices for the consumers and that offer individual counseling and credit repair at no or minimal cost.

Response: The Consortium members will continue to partner with HUD-certified providers of bi-lingual high quality homeownership classes and individual counseling, such as Family Housing Advisory Services. These educational and counseling services help clients identify discriminatory practices, remove barriers to securing affordable housing and participation in City-sponsored housing programs, and improve the chances of successful homeownership.

Recommendation 5: That the City studies the pros and cons of instituting a registration process for all rental units, including routine inspections to ensure the housing stock is maintained at the minimum dwelling standards.

Response: The City of Omaha currently enforces minimum dwelling standards on a complaint basis. A large proportion of the complaints are related to properties in the older sections of the City. While this practice does not identify all substandard units, it does identify many. Enforcement generally results in the repair or demolition of substandard units in accordance with City ordinance. The City will consider the pros and cons of instituting a registration process or other strategy to enforce minimum dwelling standards and address the problems associated with deteriorated housing stock.

Recommendation 6: That the City develop or sponsor a program of fair housing education, such as a conference or similar event, to provide community education on fair housing issues designed for the general public and for housing providers.

Response: The City, through its Human Rights and Relations Department and the Fair Housing Advisory Group, is engaged in several types of educational outreach to the public and to persons involved in housing-related industries. The City will continue these activities, such as working with broadcast media, the public schools, and making presentations to professional and neighborhood organizations, to increase awareness of fair housing law. The City will continue its fair housing outreach efforts through hosting the annual Martin Luther King celebration, participation in community events, and will also consider co-sponsoring the annual Lincoln Civil Rights Conference.

Recommendation 7: That the Mayor's Fair Housing Taskforce be provided with adequate resources to help them carry out their mission to ensure the City affirmatively furthers fair housing.

Response: The current federal and local budget climate does not allow for additional expenditures at this time. The City will consider providing some funding to this group when federal and local funding levels allow.

