

2015 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING  
CHOICE IN LOUISVILLE METRO, KY

Prepared by Metropolitan Housing Coalition for the  
Louisville Metro Government  
Develop Louisville  
Office of Housing and Community Development

**LOUISVILLE METRO, KY**

April 2, 2015

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# 2015 Analysis of Impediments to Fair Housing Choice in Louisville Metro, KY

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Prepared by Metropolitan Housing Coalition

## Introduction

Since the inception of the U.S. Department of Housing and Urban Development (HUD) in 1965, the agency has been committed to eliminating racial discrimination and racial segregation as it pertains to the development, provision, ownership and management of housing in America. Though this agency was originally created with a focus on racial discrimination, over time, more protected classes have been added. In order to affirmatively further fair housing, HUD's current mission is to "increase homeownership, support community development and increase access to affordable housing free from discrimination. To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships, particularly with faith-based and community organizations, that leverage resources and improve HUD's ability to be effective on the community level." Through the Office of Fair Housing and Equal Opportunity (FHEO), HUD administers and enforces federal laws and establishes national policies that make sure all Americans have equal access to the housing of their choice. Such laws and policies include implementing and enforcing the Fair Housing Act and other civil rights laws, including Title VI of the Civil Rights Act of 1964, Section 109 of Title I of the Housing and Community Development Act of 1974, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Title IX of the Education Amendments Act of 1972, and the Architectural Barriers Act of 1968.

To ensure the prevention and elimination of housing discrimination, and housing segregation as it pertains to fair housing choice, HUD requires all entitlements or jurisdictions directly receiving any of the four HUD formula grant programs, Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership Program (HOME), and Housing Opportunities for Persons With Aids (HOPWA), to certify that the jurisdiction will "affirmatively further fair housing choice" within their area of authority. This requirement is codified in the Consolidated Planning process requirements under 24 Code of Federal Regulations (CFR) 91.225. Receipt of any of the four HUD formula grant programs is predicated upon the receipt of the local jurisdiction's Consolidated Plan along with an Analysis of Impediments to Fair Housing Choice (AI) which identifies the impediments and provides strategies to cure the impediments identified. "Affirmatively furthering fair housing" is defined by HUD as requiring a local jurisdiction to conduct an analysis to identify impediments to fair housing choice within the jurisdiction; to take appropriate actions to overcome the effects of any impediments identified through the analysis; and to maintain records reflecting the AI and actions taken in this regard.

Public and private entity obligations under 24 CFR 91.225 can be grouped into three categories:

**Intent:** the obligation to avoid policies, customs, practices, or processes whose intent or purpose is to impede, infringe, or deny the exercise of fair housing choice on the basis of race, color, religion, sex, national origin, disability and familial status.

**Effects:** the obligation to avoid policies, customs, practices, or processes whose effect or impact is to impede, infringe, or deny the exercise of fair housing rights on the basis of race, color, religion, sex, national origin, disability and familial status.

**Affirmative Duties:** the obligation and fiduciary responsibility of public agencies to anticipate policies, customs, practices, or processes that previously, currently, or may potentially impede, infringe, or deny the exercise of fair housing choice on the basis of race, color, religion, sex, national origin, disability and familial status.

The first two obligations pertain to public agency operations and administration, including employees and agents, while the third obligation extends to private as well as public sector activity.

According to HUD requirements, an Analysis of Impediments to Fair Housing Choice (AI) consists of:

- An overview of demographic and housing market conditions in the local jurisdiction, particularly as they pertain to housing choice.
- A profile of fair housing in the local jurisdiction, including current laws, policies and practices, and the number and status of any fair housing complaints in the local jurisdiction.
- An assessment of various market and public policy impediments to fair housing choice.
- Action steps to remove any impediments.
- In addition, this AI will track the actions taken to meet the recommendations.

In the 2010 AI HUD defines impediments to fair housing choice as: “Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict or which have the effect of restricting, housing choices or the availability of housing choice.”

It is important to realize that HUD does not restrict the scope of the AI to those actions that are in direct violation of federal, state or local fair housing laws, but rather to actions, omissions or decisions that have the ultimate effect of restricting fair housing choice.

This document, the *2015 Analysis of Impediments to Fair Housing Choice for Louisville Metro, Kentucky*, is broken into five major sections. First this document examines the state of housing choice for the protected classes in Louisville Metro. Second, this document looks at the universal themes that impact housing patterns, suggesting that there is link between fair housing choice and affordable housing. The third section will look at the role that the Land Development Code has in fair housing choice. Next, this document explains impediments to fair housing choice from the perspective of enforcement agencies and looks at their reported complaint statistics. The fifth, and perhaps most important section, lists recommended action steps to promote fair housing choice and to eliminate impediments.

All five sections are supported by data and testimony that are listed on the reference page found at the end of this document. A review of current laws that affect fair housing is included in this document.

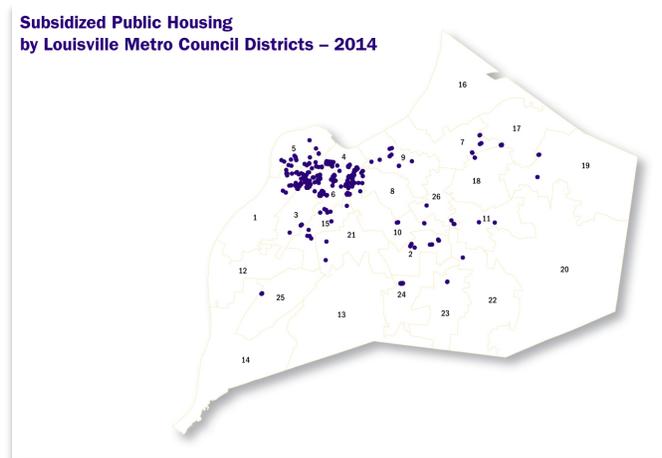
# State of Housing Choice for Protected Classes

On January 6, 2003, Jefferson County and the City of Louisville merged to become Louisville Metro. As a consolidated city and county government covering the area of Jefferson County, Louisville Metro is now the 16<sup>th</sup> largest city in the nation. However, there remain 12 incorporated cities within the geographic boundaries of Louisville Metro which have their own land development codes. This *Analysis of Impediments of Fair Housing Choice* covers the whole geographic area, but policies and land use laws are not entirely controlled by this jurisdiction.

In Louisville, there are nine classes of people under the combined federal, state and local housing laws. The protected classes are: race, color, national origin, sex, familial status, religion, disability, sexual orientation and gender identity. Added to Louisville's local civil rights ordinance in 1991, sexual orientation and gender identity are the only locally protected classes besides federally protected classes. Also, local fair housing laws pertaining to rental housing are enforced if the owner has just two units instead of the federally mandated four units. In homeownership, the laws cover all transactions, with no minimum.

Like many older American cities, Louisville has well-defined neighborhoods, many with well over a century of history as a neighborhood. The oldest neighborhoods are the riverside areas of Downtown and Portland (initially a separate settlement), representing the early role of the river as the most important form of commerce and transportation. As the city expanded, peripheral neighborhoods like Butchertown, Phoenix Hill, Russell, Shelby Park, Smoketown and others were developed to house and employ the growing population. The history of housing segregation in Louisville is thoroughly discussed in the publication of the Louisville Metro Human Relations Commission, *Making Louisville Home for Us All: A 20-Year Action Plan to Further Fair Housing*.

The 2013 American Community Survey shows that areas with the highest poverty levels are the same areas with the highest concentrations of subsidized housing, the greatest number of health problems, the least access to healthcare, the greatest concentrations of protected classes, most notably African-Americans, and the greatest number of foreclosures and vacant properties. This illustrates that race, gender, disability, poverty, poor housing conditions, and poor health conditions are concentrated in the same areas of the county. These council districts are 1, 2, 3, 4, 5, 6, 15, and 21.



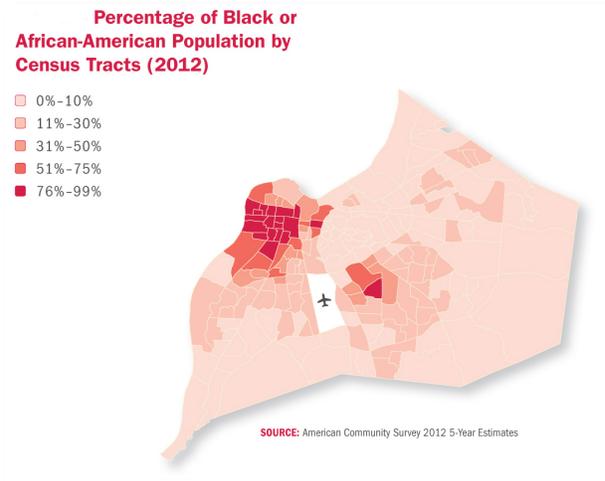
The areas that repeatedly emerge as over representing high poverty, adverse environmental outcomes and concentrations of protected classes are: the western portion of the city, which contains a predominance of older housing stock; the first ring or older suburbs located south of the downtown; and west of the fairgrounds and airport, and the Newburg area. The maps that accompany the AI continually highlight these areas.

Additionally, the 2013 American Community Survey shows that 18.4 percent of all Jefferson County residents had incomes below the federal poverty level. Since the writing of this report in 2010, incomes falling below the federal poverty line have increased by six percent. Further, according to the American Community Survey 2008-2012 5-

year estimates, African Americans in Louisville were twice as likely to live below the federal poverty line as Caucasians. Individuals classified as white alone had a poverty rate of 11 percent compared to a reported 26 percent poverty rate of African Americans.

### African-American Residents, Segregation and Access to Homeownership

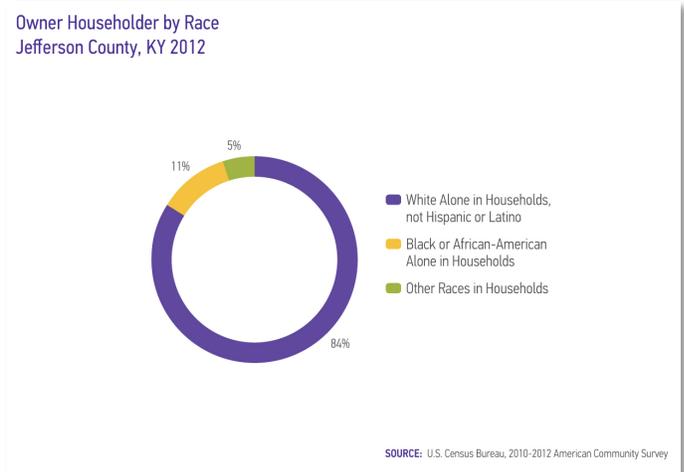
According to the *American Community Survey 2008-2012 5-year estimates*, the vast majority of the population in the Louisville/Jefferson County and the surrounding counties that form the Louisville MSA report as being one race; 2 percent self-identify as two or more races. Most of the population is either white or black/African-American; this accounts for 96 percent of the population in both Louisville/Jefferson County and for the other Kentucky and Indiana counties in the Louisville MSA. Those who are white continue to be the majority in both Louisville/Jefferson County and in the Louisville MSA counties surrounding Louisville (74 percent and 92 percent respectively). The black/African-American population represents 21 percent of the population in Louisville/Jefferson County and 4 percent in the other Louisville MSA counties. As illustrated by the map to the right, the highest concentration of the populations who are black or African-American in Louisville/Jefferson County tend to live in West Louisville and the Buechel-Newburg area, whereas in many areas of Louisville/Jefferson County the representation of those who are black or African-American is 10 percent or less.



While some segregation can be linked to individual attitudes of protected classes who desire living near persons with similar characteristics, such as race, color or religion, extensive studies confirm that actual levels of segregation are far greater than would be expected if this type of “self-segregation” were the defining factor in segregation. The data suggests that groups of people live together not by choice, but rather by not having any other choice.

Historically homeownership represented a family’s largest investment and hence, it has long been an important economic indicator. Since the economic crisis of 2008, homeownership has been much more difficult to achieve and maintain as many American households, including those in the Louisville MSA, have struggled to purchase and keep their home in the face of the foreclosure crisis.

Homeownership in the Louisville MSA saw a 10-year low in 2011, with a rate of 61.7 percent. Over the last two years, homeownership has increased to 64.5 percent in 2013. While this is still well below the 2003 homeownership rate of 70.3 percent, it does



show an increasing trend in householders' ability to afford their own home. In fact, the Louisville MSA is slightly above the home ownership rate for the 75 largest MSAs in the U.S. (63.4 percent).

However, nationally there are still racial disparities in homeownership as black homeownership has dropped more than white homeownership since 2008. Since then, black homeownership has decreased almost twice the percentage of white homeownership (-4.3 percent and -2.1 percent, respectively). Within Jefferson County, according to the American Community Survey 2008-2012 5-year estimates, 71 percent of white households are owner-occupied compared to only 37.5 percent of black households. While 63 percent of all households are owner-occupied, only 12 percent of those are black.

Not only do we see differences in homeownership rates among races, but also familial/household status. According to the 2013 American Community Survey 81.2% of married households own homes, in comparison to 57.9 % for single males and 42.6% for single females. There are also differences among households that are renting. Only 18.8% of married households rent, in comparison to 42.1% single males and 57.4% single females.

### Home Mortgage Disclosure Act Data

For the Louisville Metropolitan Statistical Area, the HMDA data for the years 2010, 2011, 2012 and 2013, aggregated, shows a disadvantage in obtaining a mortgage (owner occupied, single mortgage) for those who are African American or black and for those who are Hispanic or Latino. The comparison of applications denied to mortgages originated is 30% for whites, 58% for blacks and 46% for Hispanics. This alone tells us that there are shortcomings in the ability of minorities to obtain a mortgage.

Group	Mortgages originated	Applications denied
White	128,309	38,391
Black	6,956	4,060
Hispanic	2,456	1,141

### Immigrants and Internationals in Louisville

A July 2014 report titled, *A Profile of New Americans*, indicates the immigrant population in Kentucky grew at a faster rate than all but six other states between 2000 and 2012. The most recent accessible data on the growing immigrant population in Louisville is from a 2004 Urban Institute report titled, *A Profile of the Foreign Born in the Louisville Metropolitan Area*. Because the immigrant population is growing at a fast rate, it is important that updated data collection occur to better gauge the needs of the immigrant community.

According to the 2004 report an estimated 53,000 Immigrants and Internationals are living in Louisville from all parts of the world. “Immigrant” refers to those who arrived in the US with a visa status authorizing them residency in the country. This group may include green-card holders, asylees, and refugees. “Internationals” are those who are in the US for a brief period of time ranging from a few weeks or months to a few years. This group may include

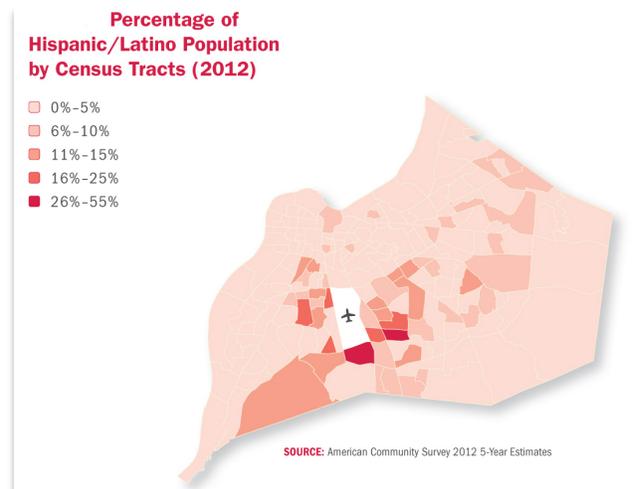
foreign students, individuals on temporary work authorization visas, visiting scholars and in some cases tourists. Of that number, an estimated 55 percent are Hispanic/Latino. The trend to an increasing Immigrant and International presence in Louisville has significantly increased since the mid-1990s and accounts for the increase in Louisville’s population adding to the economic boom.

An increase in people from all parts of the world brings new issues in housing choice and housing opportunities. Immigrants coming to Louisville as refugees are an extremely diverse group. Immigrants, with or without documentation, settle in Louisville for many reasons. Immigrants and Internationals range from highly-trained professionals to those who are not literate in their first language. Some come from upper-income backgrounds while some come from refugee camps. Because the expansion of this population is less than twenty years old, many residents are predominantly first generation immigrants. However, it is important to note that there is a variety of ages within the designation of “first generation” ranging from adults to school age children. Recognizing the diversity within the Immigrant and International community is also critical if we are to provide housing choice and opportunities for residents of this protected class to grow their careers, families and lives in Louisville.

Anecdotally, we know of clustering of Immigrants and Internationals by country of origin, tribe, common first language, and/or religious affiliation. Though much of this clustering is voluntary, growing from peoples’ need to be surrounded by community, it is also obvious that due to racial and economic housing segregation, there is much less housing choice for these residents. The areas where these clusters occur are in the west end and south end of town where segregation continues to be a problem. Louisville needs a comprehensive housing plan to offer more fair housing choice to these populations.

### Latino/Hispanic Residents

According to the 2013 American Community Survey, Latino /Hispanic residents, of any race, made up 4.6 percent of the total population. Of the 53,000 Immigrants and Internationals living in Louisville, 27,463 are Hispanic/Latino. As noted in the American Community Survey 2008-2012 5-year estimates, while the Hispanic/Latino population is dispersed throughout most of Louisville/Jefferson County, one-third of the total Hispanic/ Latino population live in 14 of the 190 census tracts in the county; the neighborhoods with the highest representation of Hispanic and Latino persons are: Buechel-Newburg-Indian Trail, Fairdale, Highview-Okolona, Jeffersontown, South Louisville, South Central Louisville, and Southeast Louisville. The area with the least representation of the Hispanic/Latino population is in West Louisville.



## Asian Residents

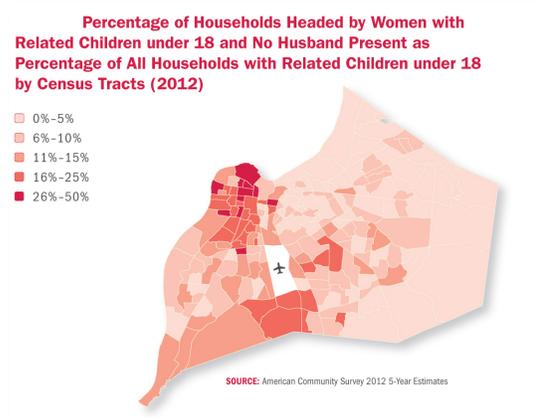
According to the 2013 American Community Survey, those who stated that they identified solely as Asian were 2.7 percent of the population. This is approximately a one percent increase since the writing of this report in 2010.

## Religious Diversity

As Louisville grows through international diversity, there is an increasing population of those practicing religions that are a minority in Louisville, e.g. Buddhism, Islam. While there have not been housing discrimination complaints based on religion, government services in housing need to be sensitive to the religious requirements of this growing population.

## Women and Familial Status

In 1970, households headed by women made up 22% of all households in our community. In 2012, in Louisville/Jefferson County, single-female headed households represented 25% of all households in our community. In fact, 36-percent of all families in poverty in Louisville/Jefferson County are black or African-American female householders with no husband present; among this group 90 percent of these households also include children under 18. Of the black or African-American families in poverty, 79 percent of the householders are single women with no husband present.



## Grandparents Raising Grandchildren

Another rising family configuration is grandparents raising grandchildren. In 2013, there were 13,471 grandparent-headed households in the Louisville MSA who are responsible for taking care of their grandchildren without a parent present. This has increased from 12,191 such households in 2010 (American Community Survey, 2013). In 2013, of the grandparents responsible for their own grandchildren, it was estimated that 69.2% were white and 26.5% were African-American.

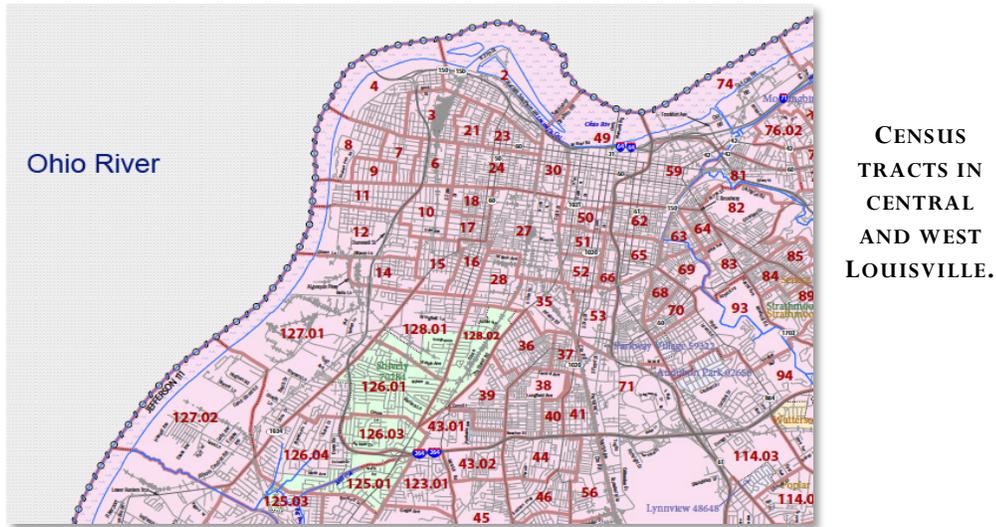
The 2013 American Community Survey reported 3,916 grandparents living with some sort of disability raising grandchildren on their own. While the majority (9,555) did not have a disability, the almost 4,000 grandparents with disabilities face unique obstacles in raising grandchildren, often with limited incomes.

It is also important to note that in addition to grandparents taking care of their grandchildren, there are also a growing number of other relatives, such as aunts and uncles, taking care of the children in their families. More research is needed to reach this growing family type.

## Residents with Disabilities

The 2010 Census showed that people with disabilities were 14.5% of the population. Yet they remain segregated in where they lived. The areas of concentration mirror the areas where many other protected classes live. For the most part, these concentrations occur in the west end of Louisville, with further concentration in north-western Louisville. The census tracts with over 25% of the population being people with disabilities are: 2, 3, 10, 21, 23, 24, 28, 36, 41, 43.02, 50, and 51 which is west of 9<sup>th</sup> Street. Census tract 51 has a population that is 35.6% persons with disabilities. These areas of Louisville also have the highest concentrations of poverty, easily illustrating the need of affordable housing and fair housing choice for people with disabilities, many who live on fixed incomes.

The lowest populations of persons with disabilities are in the east with census tract 115.18 having a population of persons with disabilities of only 2.8%)



Disabilities range from physical disabilities to emotional, intellectual or psychological disabilities. Of all the protected classes, disability is the only protected class wherein a landlord is required to make reasonable accommodations or modifications to ensure the environment is user friendly to the particular person and the particular disability. This ranges from building a ramp for accessibility to allowing a working animal where there is a no pet policy.

More people will have disabilities both as the population ages and as war veterans return home. There must be a plan for how to accommodate the range of people with disabilities of all types.

In 2000, the Kentucky State Legislature passed House Bill 843, requiring that each of the 14 mental health centers throughout the state convene a Regional Planning Council to produce a plan for mental health and substance abuse needs and service in that region. Louisville Metro/Jefferson County is the hub of Region Six, which includes six other counties. In 2000, “*HB 843 Report: Region 6 (Seven Counties Services, Inc.) Regional Plan & Recommendations Summary*” reported the recommendations of the Planning Council.

The first goal in the Planning Council’s 2000 Report is to, “Increase the number of supported housing units (including group, individual and independent housing arrangements) in the region for persons with mental illness and substance abuse problems by 50% by 2006. This housing must include supportive services to encourage and sustain independent living. An array of supportive services would include such things as job training and placement,

transportation, interpreter/translation services, child care, training in daily living skills, case management, support groups, medication monitoring, nutrition, recreation and socialization activities.”

This increase has not occurred and was not a priority in the Louisville Metro Consolidated Plan, which expires in 2015. It is the recommendation of this document that Louisville Metro honor the goals of the Regional Planning Council.

In 2002, service providers to people who are homeless worked to identify needs to end homelessness. The resulting report, *Blueprint: Louisville's Ten-Year Plan to End Homelessness*, identifies the need for permanent supportive housing, in significant numbers of units, as a major need for persons whose disabilities have led to them being homeless.

In 2008 the *Journal of Housing & Community Development* defined supportive housing as a combination of housing and services intended as a cost-effective way to help people live more stable, productive lives. Supportive housing works well for those who face the most complex challenges--individuals and families confronted with homelessness and who also have very low incomes and/or serious, persistent issues that may include substance abuse, addiction or alcoholism, mental illness, HIV/AIDS, or other serious challenges to a successful life. Supportive housing can be coupled with such social services as job training, life skills training, alcohol and drug abuse programs and case management to populations in need of assistance, including persons with developmental disabilities, those suffering from dementia, including Alzheimer's disease, and the frail elderly. Supportive housing is intended to be a successful solution that helps people recover and succeed while reducing the overall cost of care. These permanent supportive housing services make it possible for residents to live in a unit without disturbing the ‘quiet enjoyment’ of others in their homes.

The Fair Housing Act (FHA) prohibits local governments from making zoning or land-use decisions or implementing land-use policies that exclude or discriminate against individuals with disabilities. As new concepts of housing people with disabilities are developed, reconciling those delivery models with the Land Development Code will become a necessary procedure.

Another impediment that was identified through conversations with both the Homebuilders Association and the Kentucky Commission on Human Rights is the failure of local “plan stamping” agencies and officers to enforce Fair Housing Act design and construction standards. In simple terms, this means that a builder can get their designs and the finished structure approved by all the appropriate agencies, but never be informed or corrected if there is a fair housing violation.

## **Elderly**

While “Elderly” or being over a certain age is NOT a protected class in fair housing laws, there is an increasing focus on how people in this category are faring in housing choice. U.S. HUD has included being elderly as being in a protected class in some policies. Since it seems that there may be a trend to one day include age as a protected category in housing and since there will be a marked increase in the population in Louisville, some information on issues of older persons and housing are included. For this purpose, the AI will use the term Elderly and refer to those over the age of 65.

In the 2010 Census, of the Jefferson County population of 741,096 people, 190,496 were over the age of 55 and another 110,757 were ages 45 to 54. That was five years ago. By all estimates, there will be a surge in the number and percent of the population over the age of 60 expected in the next ten years and planning and providing appropriate housing needs to start now. Women generally live longer than men, so the oldest adults are more

women and about two thirds of people over the age of 85 are women. Housing issues for those aging can be entwined with the issues facing people with disabilities and gender discrimination, though they may take the form of more subtle forms of discrimination.

The main fair housing issue for the elderly is affordability and affordable home-based services included in housing costs. This will prevent institutionalization of older adults. The model we see for services connected with housing to avoid institutionalization is the “housing first” model which inextricably links services with success in housing. This is an important model and keeping the total cost affordable is a challenge.

Since 2008 and the economic crisis, the loss of value of savings (not able to totally recoup in the short time to retirement) has lowered savings of the elderly. People work longer but also have less when they stop working. Although only 10% of the elderly are officially in poverty, 40% of the 10% are minorities. Further, if medical costs were deducted from income, more would be at the poverty level. Those not meeting poverty guidelines may still be impoverished. An additional hurdle may be that the person’s “wealth” is not accessible, e.g., tied up in real estate or otherwise not accessible.

Some want to leave home, but cannot because they cannot afford another choice in their neighborhood. Even though, the current home may not be best, e.g. bedroom and/or full bathroom on second floor, people are living beyond their capacity to stay in their home. The home may no longer be safe or accessible.

Even middle-income elderly often cannot afford “assisted living” facilities as they are expensive even for middle income. There is a need for new options because there are currently not many choices for the disabled elderly.

Reverse mortgages are a specific housing problem for the elderly. Those who are 65 or older and need income, especially to pay medical expenses or services to live, may choose this option, but it has dangers. While there is more control of the industry, it is still confusing as to benefits and consequences of choosing to enter into a reverse mortgage. One example is the time limitation of payment and the date the purchaser owns the home outright. In some cases, people are living longer than the reverse mortgage terms and then have to leave the home and no longer have the income. For some even the reverse mortgage does not give sufficient income for their needs, but the person can no longer get at the asset.

An issue shared among people with some types of disabilities is the less than ubiquitous use of Universal Design for accessibility. While the Kentucky Housing Corporation has required Universal Design in units funded by Low Income Housing Tax Credits, there is not widespread use. The concept of Complete Streets is a neighborhood design that will impact the elderly. This initiative is under way in Louisville but at a slow pace.

## **Sexual Orientation and Gender Identity**

As part of a housing needs survey for the Louisville Metro Human Relations Commission, researchers conducted focus groups about housing. One group was constituted from the Lesbian, Gay, Bi-sexual, Transgender and Questioning community. In preliminary analysis of the discussion and responses of this focus group, a theme seemed to emerge that people in this focus group felt more acceptance trying to rent from a landlord that used a manager, and for whom this was a primary business, rather than rent from an individual. The results of the focus group will be studied and released later this year, but this observation is included in the AI as an important first understanding of challenges faced by this community in obtaining housing of their choice.

# Universal Themes Affecting Louisville's Protected Classes

As we look at the concentrations of protected classes in geographic areas, there are other environmental outcomes that emerge in those same geographic areas that make a compelling case that the concentrations of protected classes are not voluntary, but proscribed by limited opportunity to live elsewhere. These outcomes are negative and counter to the outcomes people often seek in their home environment and neighborhoods. They include poor health outcomes, including those caused by environmental factors, concentrations of vacant properties, high-cost mortgage use, foreclosures, unemployment, homeless children, subsidized housing and aging properties.

The predominant characteristic of these concentrations is rooted in the concentration of poverty in these geographic areas. Therefore, the distribution and availability of housing that is affordable to people at or below 80 percent of median income is closely entwined with creating fair housing choice in Louisville Metro.

## Poverty

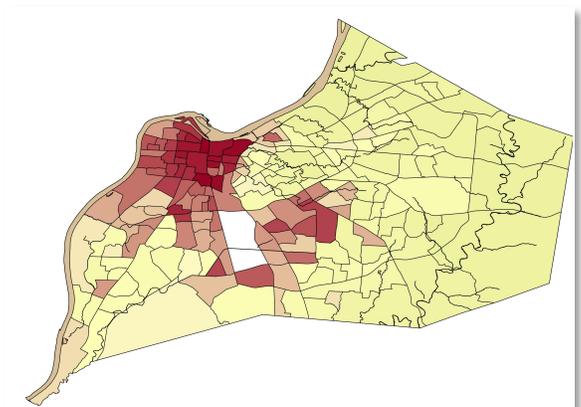
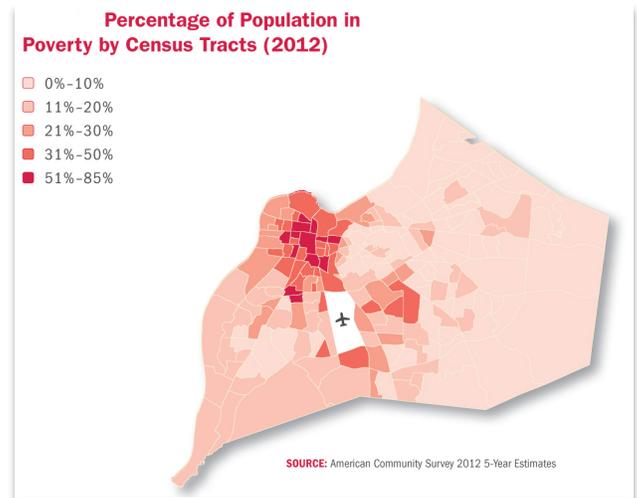
Though poverty or source of income is not a protected class, it is a social factor that touches most protected classes. Therefore, it is valuable to look at poverty to gain a better understanding of the concentrations of protected classes.

Poverty is concentrated in the areas that also have concentrations of protected classes showing that protected classes are over represented in lower economic strata, though this alone does not explain the concentrations.

High concentrations of poverty are not accidental, as housing policy has herded low-income people into geographic zones where rent-assisted housing is focused, currently and historically, and where multi-family and affordable housing is permitted by zoning. Builders are also encouraged to build affordable housing in areas of high poverty through tax incentives. According to data from the Louisville Metro Housing Authority, Kentucky Housing Corporation, and the

Louisville/Jefferson County Information Consortium (LOJIC), public housing is clustered in just four Metro Council districts (1,3,4, and 6). Seventy percent of all Section 8 housing is concentrated within 6 Metro Council districts (1,3,4,5,6, and 15). Council districts 16, 17,18,19,20, and 22 have only one percent or less of subsidized housing located within their district.

In both Louisville/Jefferson County alone and in the Louisville Metropolitan Statistical Area (MSA), 16 percent of individuals reported income below the federal poverty level. For those individuals classified as white alone, the rate



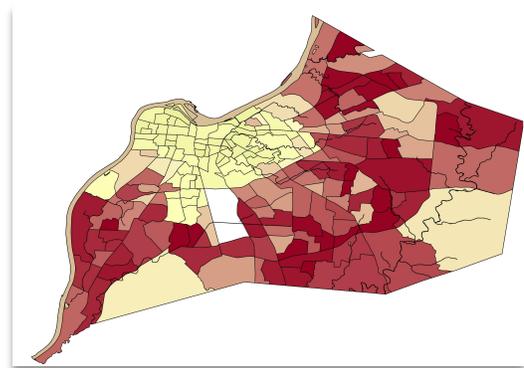
of poverty was lower, 13 percent for Louisville/Jefferson County as compared to 11 percent for the Louisville MSA. African-Americans or black individuals reported twice the rate of poverty than whites in both Louisville/Jefferson County (27 percent) and the Louisville MSA (26 percent).

Poverty rates for persons of Hispanic or Latino origin are higher in Louisville/Jefferson County (29 percent) and the Louisville MSA (30 percent) than for both the African-American or black and white alone population. Overall we find that individuals who are African-American or black and/or Hispanic/Latino have a higher poverty rate than white alone individuals in both Louisville/Jefferson County and the Louisville MSA. The concentrations of poverty are more exaggerated for African-American households than for White households.

For seniors 65 and older in both Louisville/Jefferson County and the Louisville MSA, the poverty rate is 9 percent. For persons with disabilities who are 16 and older, the poverty rate is 25 percent for those who live in Louisville/Jefferson County, and for the entire Louisville MSA, 23 percent of persons with disabilities who are 16 and older have 12-month incomes below the poverty level.

### Inadequate Housing Stock

In recognizing that poverty is over-laid with concentrations of protected classes, it is not startling to see that people are cost burdened by housing itself. The areas with high concentrations of protected classes have the oldest housing. Much of this housing was built before 1950, when the first regulations limiting lead appeared nationally and the vast majority was built before the ban on lead in paint in the late 1970s. Moreover, most homes were built before 1980 when the building code began requiring insulation. The cost of heating a home in a house that is not properly insulated is tremendous, especially since the cost of heating fuels has risen faster than the median income. Additionally, housing that is older requires maintenance that is costly or the units become dilapidated and are in violation of housing codes and regulations.



**PERCENT OF HOUSING UNITS BUILT BEFORE 1950, BY CENSUS TRACT. YELLOW INDICATES HIGHEST PERCENTAGE; PURPLE LOWEST. (SOURCE: 2009-2013 AMERICAN COMMUNITY SURVEY)**

One of the fundamental barriers to fair housing choice is the failure of the market to renew the supply of housing in a manner sufficient to the needs, preferences and purchasing power of low income households. As a consequence, a very large number of these households must dwell in housing stock either inadequate in terms of minimal standards of quality; or in an unsafe or otherwise unsuitable location; or for a cost beyond the reasonable means of the household. In the latter case, disproportionately high housing costs require that the household reduce expenditures on other necessities, and otherwise increase the probability of eviction, foreclosure, transience and household instability.

Housing must be considered a “durable good” – i.e., a product that provides utility over a long period of time, but that is nonetheless subject to depletion and obsolescence. It may be argued that much of the housing stock built prior to 1950 in Louisville has rendered up a large proportion of its utility while also being increasingly obsolescent in terms of size, floor plan, basic amenities, materials, and energy efficiency. Any combination of these characteristics might leave a house or apartment unit in a condition generally considered “inadequate.” While the home construction industry annually produces new units to replace or to substitute for units already existing in the metropolitan inventory, it could not be said that this production matches perfectly the depletion or obsolescence of

the supply across the full spectrum of the market. Put briefly, builders “build for the market,” providing a product that will sell for a reasonable profit to a consumer with the means to finance and purchase the product. Because this model depends to a very large extent upon the potential profitability of the enterprise and the corresponding probability of purchase by a qualified consumer, home builders are naturally inclined to focus upon that segment of market demand where there is the least risk involved, i.e., to build for the market for whom there is the highest probability of successful sales or rental within a reasonable period of time and with a reasonable return on investment.

The production of “affordable” housing is associated with a host of parameters that increase the builder’s risk and decrease the likelihood of a reasonable return on investment; which has therefore ceded the endeavor largely to governmental entities (e.g. public housing authorities) and non-profit community development organizations – entities motivated by a social purpose and not constrained so much by the risks associated with the production and sale of homes in the private market.

Based upon public housing authority waiting lists for housing assistance; upon the number of ostensibly inadequate housing units found throughout the older urban neighborhoods of Louisville, as illustrated; and upon Census data indicating the number and percentage of households paying a disproportionate share of their income (i.e. over 35%) annually for housing costs, it seems reasonable to observe that there is an insufficient supply of adequate and affordable housing in metropolitan Louisville relative to the demand. It is not that poor people are necessarily content with living in structures that are arguably in a condition inadequate, obsolete or unaffordable; it is to say, instead, that the supply of decent, standard, and affordable housing is insufficient relative to the demand.

It is incumbent on government to prevent the deterioration or obsolescence of older housing stock in areas that do not attract market involvement. Principles of preservation, sustainability, neighborhood character and safe, energy efficient housing are those that are on track to be a part of the new Comprehensive Plan for the built environment. Offering innovative financing, incentives and subsidies to ensure that housing stock does not deteriorate, especially in areas where there has been a loss of real estate value, is necessary to provide more choice for those in protected classes. This, combined with changes to the Land Development Code, will offer a balance of improving choice in areas that are impacted and offering choice in areas that have used legal barriers to prevent affordable housing.

With the advent of a franchise fee to Louisville Metro which is paid by households in the Urban Service District for gas usage, looking at the age of the housing stock compels the recommendation of increased energy efficient rehabilitation programs for those areas with the older stock and low-income residents.

## Vacant Properties

Louisville Metro Government received a grant to hire consultants to assess what responses would be most effective to lessen the number of properties that are vacant and abandoned. The Vacant and Abandoned Property Neighborhood Revitalization Study, using the U.S. Census Bureau definition of vacancy, identified that between 1990 and 2012 the housing vacancy rate in West Louisville ranged from 12% to 20%. While this is not the same as vacant and abandoned, the sheer volume speaks to the disparate impact of vacant properties on an area already noted for racial concentrations. The current strategy, as recommended by the study will be to focus on two areas, a larger neighborhood and also a very small neighborhood in urban Louisville to see if the focus can produce results that tip these areas into lower numbers of vacant properties and to attract investment.

## Rental

As stated above in the section on African Americans' access to homeownership, there has been a significant shift into more households renting. Rental units are about 36% of all occupied units, and of the 114,438 renter occupied units in 2012, only 30% were built after 1980 when insulation was required and after lead paint was banned. Protected classes that are disproportionately renters are black, and/or female-headed households with children and/or Latino and/or persons with disabilities. This needs to be recognized as there are many people who make disparaging remarks about renters, and neighborhoods or home owner associations that want to put in place laws that bar renters.

## Public Housing Displacement

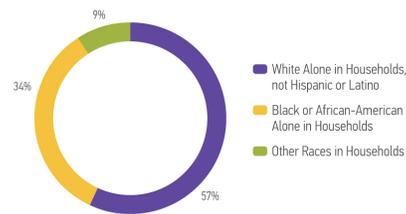
There have been four major public housing projects torn down in Louisville and three have had some or all units replaced. Cotter and Lang Homes has become Park DuValle, Clarksdale has become Liberty Green, Sheppard Square is being replaced and Iroquois Homes was torn down without substantial replacement. Park DuValle did not do a one-for-one replacement of units.

Two things have happened as a result of this work: few units for families exist and most of the replacement units for families have restrictions, including income restrictions. Care is being taken in Sheppard Square to allow more displaced households to return, but it will still be a fraction of those moved out.

In all of these projects the overwhelming racial identification was black, so did the razing of the projects and the ability to move using Section 8 result in greater racial integration? The maps show not. More often the result was that poor black families moved into areas that were black. But one interviewee suggested that the impact was felt in more affluent black areas. Clearly, race was more of a determinant in where people relocated than class. Poor white areas did not see a substantial uptick in racial integration as families from the razed projects relocated. More study is needed.

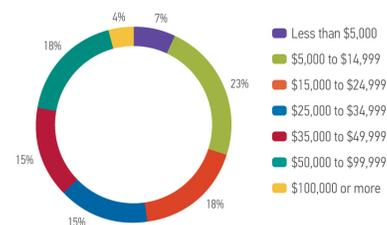
Currently there is a planning grant for a fifth project, Beecher Terrace. As part of the plan, there needs to be a study of the impact of changing or razing the project on current residents, on neighborhoods that are black and on true housing choice.

Renter Householder by Race  
Jefferson County, KY 2012



SOURCE: U.S. Census Bureau, 2010-2012 American Community Survey

Renter Household Incomes  
Jefferson County, KY 2012



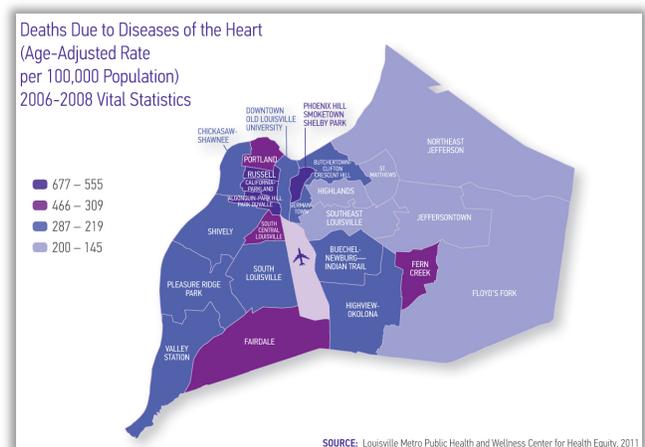
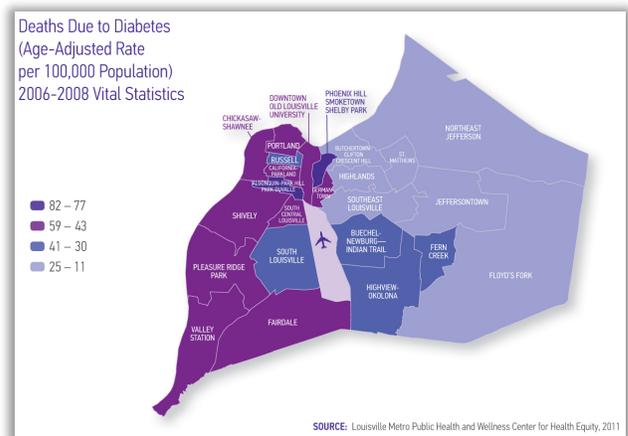
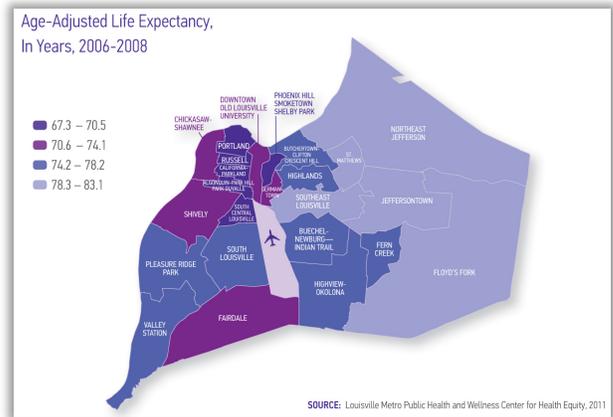
SOURCE: U.S. Census Bureau, 2010-2012 American Community Survey

## Health and Housing

Research has shown that low-income neighborhoods have higher rates of poor birth outcomes, cardiovascular disease, HIV, depression, physical inactivity, and mortality, regardless of individual risk-factors. This may be due in part to greater exposure to air pollution, noise, and pests that can accompany industrial uses in some neighborhoods. Neighborhood design may also be a factor, specifically a lack of open green space, recreational sites, sidewalk and street design, and the convenient location of amenities within safe walking distance of housing. Poor housing conditions disproportionately affect low-income and minority households. According to the Metropolitan Housing Coalition study, *Out of Breath: Childhood Asthma, Poverty and Housing*, low-income families are 2.2 times more likely to live in homes with severe physical problems than other families; African-American families are 1.7 times more likely.

In 2014, the Louisville Metro Health Department published *Louisville Metro Health Equity Report: The Social Determinants of Health in Louisville Metro Neighborhoods*, a detailed analysis of the disparities in health/death outcomes among Louisville neighborhoods. The report mapped out where chronic illnesses such as diabetes, cancer, HIV & AIDS, stroke and alcohol and drug use occur most frequently. According to the 2014 report the above listed chronic illnesses are disproportionately represented in poverty stricken, predominantly African-American neighborhoods.

The above-mentioned report found Louisville is experiencing higher death rates than the national average resulting from diabetes, heart disease, cancer, HIV/AIDS, and stroke. Sixty-two percent of Louisville's population is living in areas that are experiencing higher diabetes death rates than the national average. Approximately 38% of Louisville's population lives in an area deemed to be high-risk for heart disease. Sixty-five percent of Louisville's population is living in areas experiencing rates exceeding the national death rates for cancer. Similar findings were reported for stroke, with approximately 29% of Louisville's population living in areas above the national death rate average. The overall trend among chronic illnesses in Louisville demonstrates an over-concentration in the Central downtown area.



Furthermore, the report found that the determinants of poor health and increased death rates in Louisville are attributed to income levels, education, environmental factors, stress, inadequate access to quality care, discrimination and biases and geography. Living in poverty was among the most significant contributing factors to poor health outcomes and ultimately death rates in Louisville. Access to health care plays an important factor in health and death outcomes. According to Kynect, the health insurance exchange created by the state of Kentucky in accordance with the Patient Protection and Affordable Care Act, 640,000, or 14.9% of Kentuckians, did not have health insurance in 2013. According to a 2014 Medicaid expansion report, among individuals under the age of 65, Louisville/Jefferson County has 101,366 or 16.1% that are not insured, higher than the overall state average. Each of these determinants significantly impact outcomes for chronic illnesses and death rates in Louisville.

- **Exposure to Lead**

According to the *American Journal of Public Health*, children can be exposed to potentially harmful levels of lead through lead paint or lead dust, typically found in and around older homes. High levels of lead in the blood (5g/dL or greater) are associated with a number of adverse effects in children in everything from performance in school to cognitive development. The number of children with high lead levels has been steadily decreasing since 2000 due to increased screening efforts, but in 2007, 1.2 percent of children screened still had high levels of lead in their blood. The vast majority of these cases were concentrated in the northwest and central portions of Louisville Metro. Most of these cases occurred in areas where the majority of the homes were built before 1950, reinforcing the relationship between housing conditions and the health of residents and their children.

- **Health Conclusions**

Poor housing conditions can negatively affect the health of residents. When examining the housing conditions and other risk factors related to health, it is clear that adverse conditions are highly concentrated in the northwest and southwest portions of Metro Louisville. Problems related to poor indoor air quality are highly concentrated in these areas, a direct result of housing conditions. Exposure to outdoor air pollution is also the most severe in these areas. These housing and environmental concerns, combined with lower access to health care and other health risk factors, paint a clear picture of housing and health segregation in our community.

## Homeless Youth

At least 6,846 children in Jefferson County Public Schools (JCPS) were homeless at some point during the 2013-2014 school year, according to Jefferson County Public Schools. This is a sharp decrease in numbers from those reported for the 2012-2013 school year. However, again according to the Jefferson County Public Schools, this decrease is attributed to internal changes at JCPS in how homeless students are identified, including a more detailed questionnaire and more nuanced consideration of students accessing state services. Thus, the reported decrease in homeless students in Jefferson County does not necessarily reflect an actual decrease in homelessness.

A 2009 Metropolitan Housing Coalition report, *Where do you live? Louisville's Homeless Children and the Affordable Housing Crisis*, studied the deleterious effect on the educational attainment of children who lack stable housing. Among homeless students in public school, there are significant reading and math achievement gaps that can be seen at all grade levels, beginning with 3<sup>rd</sup> graders. This is a predictor of graduation rates as are attendance data, which is negatively affected by homelessness.

## Not in My Back Yard Mentality

NIMBY is an acronym that stands for “not in my backyard,” that is often used to describe a neighborhood association’s objection to a proposed development in their proximity. This attitude is often characterized by residents’ fears and prejudices about certain types of developments, such as affordable or low-income housing, which they worry will negatively affect property values or change the character of their neighborhood.

NIMBYism is viewed as a major impediment to fair housing choice in many localities because local governments often advocate the stance of NIMBYs in determining land-use laws and zoning practices. For instance, in order to be granted a Conditional Use Permit (CUP) in Louisville, an applicant must appear before the Board of Zoning Adjustment (BOZA) at a public hearing. These hearings often provide the forum for NIMBYism and zoning boards are reluctant to vote against the wishes of the residents. The Vision Statement of *Cornerstone 2020 Comprehensive Land Use Plan* for Louisville Metro states as basic values “[c]ommunity residents share a sense of place and take great pride in their established and emerging neighborhoods which are culturally and economically diverse. Residents are proud of their differences in heritage and culture. Economic and educational opportunities are available to all residents, in every neighborhood. Every neighborhood is a safe place to live.” While the Planning Commission and BOZA have guidelines that exclude from consideration who will be living in the property and look only at what the use of the property will be, neighborhood and political pressure cause the regulatory boards to bring in considerations of “who”, which treads on fair housing issues.

Kentucky Revised Statutes 12.070 requires that boards and commissions reflect the diversity of the area. Such representation would help guide the activities of the board or commission, reflect the community at large, and show that there is an important and integrated role for people in protected classes in our community.

NIMBYism is often concerned with property values. This view automatically reinforces a pernicious discourse that views certain people as deficits to neighborhoods and encourages the exclusion of some in a mistaken belief that this is needed for those neighborhoods to function economically.

Studies have shown that affordable housing has no demonstrable effect on property values when:

1. Sites are chosen in healthy, vibrant neighborhoods.
2. The structural design of the housing does not change the quality or character of the neighborhood.
3. Affordable housing is dispersed.

The likelihood that affordable housing will negatively affect property values increases when:

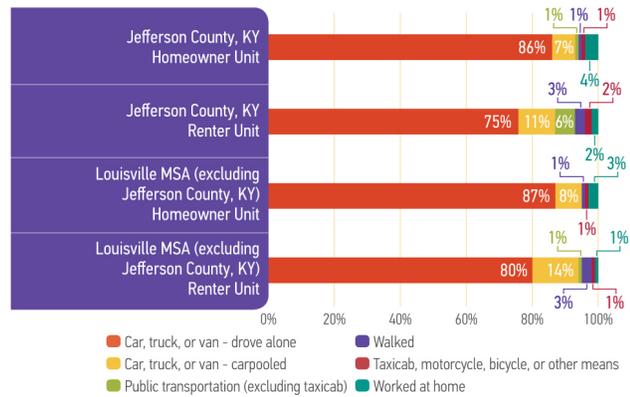
1. The quality, design and management are poor.
2. Affordable housing is located in disadvantaged neighborhoods.
3. Affordable housing is highly concentrated.

## Transportation

The Metropolitan Planning Organization is the policy board for transportation planning in Louisville/Jefferson County, Bullit and Oldham counties in Kentucky and Clark and Floyd counties in Indiana. Our local name for this MPO is the Transportation Policy Committee (TPC). The constitution of this body gives greater voting power to suburban areas over urban areas. Louisville gets one vote on the TPC and it represents 741,096 persons according to the 2010 census of whom about 23% are African American or two races. Other, smaller cities within Jefferson County get a full vote, for instance Middletown which is 26,595 persons of whom less than 10% are African American. The time and place of meetings of the TPC and supporting committees exclude participation by those using public transit and these meetings are not shown electronically or on local access television.

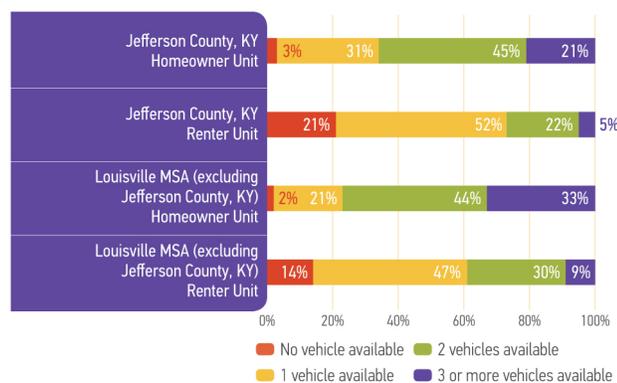
A newly organized Louisville government has embarked on a series of planning processes that include the public, including Move Louisville, which is solely about a vision of transportation in Louisville. This includes public transit services to allow people economize on travel, planning for roads and other modes of transportation. This was done separately from the TPC and Move Louisville has yet to bring change to the TPC decision making. However, it presents a strong case with a lot of public input for Louisville to be a strong advocate.

Means of Transportation to Work by Tenure  
Workers 16 Years and Older  
2012



SOURCE: U.S. Census Bureau, 2010-2012 American Community Survey

Vehicles by Tenure  
2012

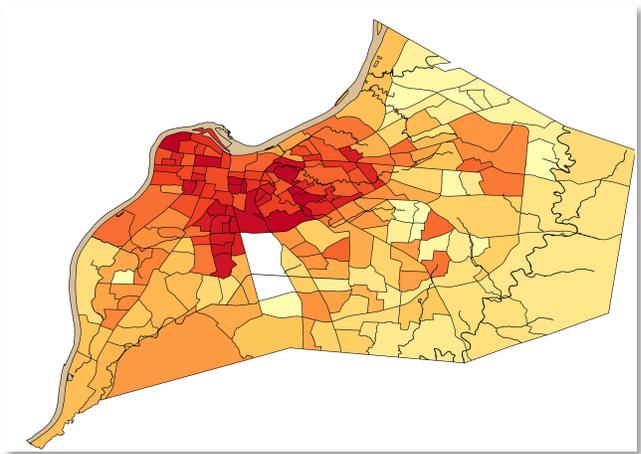


SOURCE: U.S. Census Bureau, 2010-2012 American Community Survey

## Role of the Land Development Code and Its Affects to Impediments

Louisville and Jefferson County first established planning and zoning codes in the 1940s. These codes followed earlier zoning patterns that were used throughout the country to guide development. These codes were designed to separate land use between commercial, residential and industrial districts. Following the population growth after World War II and the development of the interstate highway system, most of the undeveloped land throughout Jefferson County was zoned residential to enable subdivision developments to be built without having to file for a

zoning change. Most of this land was zoned single-family residential and required minimum square-footage lot standards on single-family, detached homes. For instance, a one-story single-family home in Prospect must be located on a lot sized at least 2,500 square feet. The patterns of residential growth and zoning codes have served to limit housing choice within the Louisville area. 75 percent of all the land in Metro Louisville is zoned residential, with 69 percent of this land zoned R-4, which requires that homes be built on lots no smaller than 9,000 square feet, or have 4.84 dwellings per acre. There are few, if any, R-4 lots within the old City limits. These zoning classifications have not been updated since the 1940s, and serve as a remnant of the prevailing attitudes and policies of that era, which continue to promote economic and racial segregation. The vast areas and location of land zoned R-4 limits housing choice for a large percentage of the population. For instance, people who live in multifamily apartments instead of single-family dwellings are excluded from over half the residential land in Louisville Metro.



**DENSITY OF EXISTING HOUSING UNITS BUILT BEFORE 1950. REDS INDICATE HIGHER DENSITIES, YELLOW THE LOWEST. (SOURCE: 2009-2013 AMERICAN COMMUNITY SURVEY)**

As early as 1999, the AI (a combined AI for both the city of Louisville and Jefferson County) identified the Land Development Code zoning as an impediment. In its recommendations, the 1999 AI stated “Planning and zoning guidelines can promote the development of affordable housing options throughout the county.” It explains that “... zoning ordinances can either

promote greater variation of lower income housing in neighborhoods or can impede it.” The 2007 *Analysis of Impediments to Fair Housing Choice in Louisville Metro* found that there is a “lack of support for planning and zoning statutes which would support developer incentives as a means to guarantee the development of a minimum percentage of desirable affordable housing and special needs population housing units...”

In Louisville homeownership is at 71% for white households and at 37.5% for black households. Therefore laws (such as zoning) and policies (such as homeowner association agreements) that exclude those who are not homeowners, especially zoning, present a legal barrier to racial diversity.

The American Planning Association (APA) addressed this form of housing discrimination in its *2006 Policy Guide on Housing* by stating:

“Too many people who are members of racial or ethnic minorities, who are disabled, or who live in non-traditional household types confront discrimination in the housing market. Traditional zoning and planning and other land use controls may limit the supply and availability of affordable housing, thereby, raising housing prices. The regulatory environment plays a crucial role in housing production. Large lot zoning, restrictive single-family definitions, minimum square footage for single-family homes, housing location policies, expensive subdivision design standards, prohibitions against manufactured housing, time-consuming permitting and approval processes are some examples of policies and regulations that constrict the development of affordable and supportive housing.”

The APA recommends identifying regulatory policies that may be noncompliant with the Fair Housing Act, updating zoning codes to address new demographic trends, and expanding the range of housing choice for all income groups.

### **Comprehensive Plan and the vision of Louisville's built environment**

In June 2000, Louisville and Jefferson County replaced its 21-year-old comprehensive plan with Cornerstone 2020. This plan outlined its housing goals around determining housing needs and preventing barriers to affordable housing. The Land Development Code (LDC), effective March 2003, was ostensibly designed to put these goals and objectives into practice. However, the only place where the LDC addressed the goals of affordable housing is in Chapter 4, Part 5: Alternative Development Incentives (ADI). Cornerstone 2020 does not mention fair housing or affordable housing or any principles of keeping housing affordable through sustainability goals. Louisville is about to update its Comprehensive Plan and these principles are already on the table. However, Louisville still favors incentives as the way to promote diverse housing at different price and rental points. Inclusionary zoning requires developers to make a certain percentage of the units within their market rate residential developments available at prices or rents that are affordable to specified income groups, or offer incentives that encourage them to do so. Adopting mandatory inclusionary zoning ordinances are an assurance that affordable housing options are a part of any residential development, regardless of its location within the county; in other words, it levels the playing field. Under mandatory inclusionary zoning, developers are required to dedicate a set percentage of units in any new residential development for low-and moderate-income households. If such a program were in place in Louisville Metro, the overall effect could be an expanded diversity of housing choice, ending the historic segregation and isolation of poverty within the community.

Currently there are proposed changes to the Land Development Code, under the old Comprehensive Plan, that propose by-right ability and incentives to have diverse housing types (single and multi-family and different lot sizes for ownership) as well as incentives to have diverse price and rental points. These are the result of a community wide process of recommended changes.

There are other planning processes that affect the built environment, including a plan from a new Office of Sustainability.

ADI does not include the production of any housing units other than single-family. By restricting the developments to lots zoned R-4 and R-5, alternative-housing developments that often contain affordable housing units such as apartments and condominiums are ignored. If expanded to include any residential zone on any size lot, ADI could be an effective tool for regenerating older, declining neighborhoods, as well as providing more housing choice.

### **Trends in Fair Housing Complaints and Enforcement**

While HUD has primary responsibility for enforcing the Fair Housing Act (FHA), a fair housing complaint or claim can be filed not only with HUD but also with a local “substantially equivalent” agency or the judicial system. A “substantially equivalent” agency is one that HUD has certified as enforcing a law that “provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act”. Discriminatory acts covered by state and local housing laws, but not by the FHA, are filed with a state or local

fair housing agency or human rights agency. There is a one-year statute of limitations to file a complaint with HUD or a substantially equivalent agency and two-year statute if filing within the judicial system.

After receiving a complaint, HUD or the local substantially equivalent agency has 100 days from the complaint filing date to either investigate or send written notification to both parties as to why an investigation was not completed. If the investigation finds discrimination or “reasonable cause” to believe the law was violated, a charge is issued against the person or entity committing the alleged discriminatory act, which will result in further legal action. The FHA requires that HUD or the substantially equivalent agency first attempt to reconcile each complaint before issuing a charge. If a resolution cannot be reached, the complainant may choose to have the charge decided in federal district court with the Department of Justice or before a HUD administrative law judge.

In Louisville Metro there are additional categories of protected classes beyond the FHA and the state fair housing law. In addition to race, religion, color, gender, familial status, national origin and disability, protected classes include sexual orientation and gender identity. There is also a local trigger for when the local fair housing law applies to all protected classes in a rental situation. Instead of four units, there only has to be two units and one can be the owner’s unit. So virtually all rental situations are covered by either the local law alone or the local, state and federal fair housing laws. When a complaint arises from a situation, either through the protected class or the lower trigger point, which is only covered by the local fair housing law, the local County Attorney’s office is the prosecutor.

Further local variation is the Louisville Metro Human Relations Commission (Louisville HRC) is the Fair Housing Assistance Program (FHAP) designated by HUD for Louisville Metro. The statewide Kentucky Commission on Human Rights (Kentucky CHR) defers to the Louisville HRC to take complaints unless the six month limitation on filing a complaint has expired. The Kentucky CHR has a longer filing limitation, one year. So the Kentucky CHR takes cases where the reporting of the complaint occurs more than six months and less than one year after the incident. But Kentucky CHR can only take complaints that meet its criteria, not including the added categories and lower unit thresholds.

The Lexington Fair Housing Council (FHC), which is a Fair Housing Initiatives Program (FHIP) designated by HUD, takes complaints and conducts investigations in a jurisdiction that includes Louisville Metro. The FHC will also be an advocate for the complainant as the case proceeds, although the FHC does not prosecute cases.

### **U.S. Department of Housing and Urban Development, Fair Housing Division**

As stated above, after receiving a complaint, HUD or the local substantially equivalent agency has 100 days from the complaint filing date to either investigate or send written notification to both parties as to why an investigation was not completed. HUD uses the appropriate investigative and enforcement agencies, but does keep some cases for investigation by HUD.

These are cases that involve allegations against federally funded organizations, such as the Louisville Metro Housing Authority. These cases were handled directly by HUD.

## **Report of cases with federal funds for the city of Louisville (Jefferson County) from 10/1/2013 through 9/30/2014:**

Total of FHAP/HUD cases: 45  
HUD investigated (federal funds involved): 1  
Disability: 13  
Familial Status: 8  
National Origin: 5  
Race: 16  
Sex: 3

### **Louisville Metro Human Relations Commission**

The Louisville Metro Human Relations Commission (LMHRC) receives complaints from individuals who believe that they have been subject to unlawful housing discrimination. The process begins with the complainant signing the complaint and having sworn to the fact that the complaint is true. Next the complaint is filed with the Commission. Once filed, the complaint is assigned to a compliance officer for investigation.

During the period July 2011 through February 2015, the LMHRC docketed a total of 177 new housing discrimination complaints with allegations based on disability (70) accounting for the largest proportion. Race (68), familial status (30) and national origin (12) were the next three largest categories of complaints. This is demonstrative of the current trend for more filings of disability cases than race cases as had been the pattern in the past.

During the period July 2011 through February 2015, the Commission closed 195 housing discrimination cases with 117 found to have no probable cause; and the remaining cases were found to have probable cause OR the parties agreed to a settlement OR the complainant withdrew his or her case OR it was administratively closed OR was litigated.

Looking at the length of time that cases have been open, it is clear that the amount of time for case processing has decreased in the last two years. This may be partially attributed to the hiring in May of 2013 of a Supervisor who keeps close track on the aging of cases. In FY 2012, 50% of cases were closed within 100 days of filing. In FY 2014, 82 cases were closed within 100 days. In the current fiscal year, that percentage has further increased.

The staffing of the LMHRC has remained at a consistent level during the 2011 – February 2015 time period. There continues to be one full time investigator and one part-time investigator. Both have other responsibilities, but are very experienced. During the 2014 fiscal year, the LMHRC has hired four additional testers, for a total of five. Louisville has only one FHIP serving Louisville and it is based in Lexington. While they do a significant job, both in numbers and in quality, the fact is that the largest city in Kentucky does not have a FHIP located in the jurisdiction. Under the current HUD Partnership Grant, LMHRC has contracted with the Lexington Fair Housing Council for additional testing in the Metro area. Testing has resulted in 16 Commissioner's complaints being filed during the FY 2015 from July 1, 2014 through March 10, 2015.

The LMHRC conducts outreach when possible with its small staff. Funds have been granted from HUD to update materials regarding discrimination in housing. The LMHRC is able to provide informational brochures in eight languages. HUD also furnished funding for the 20-Year Action Plan which has been distributed widely in the community. This plan is discussed below. The LMHRC sponsors at least one event in April of each year for Fair

Housing Month and others throughout the year. Staff participates in other events and trainings throughout each year.

The County Attorney’s office prosecutes fair housing complaints that have been investigated and deemed to have merit, including those cases where the complaint arises from a protected class that is only covered by local ordinance or if the threshold number of rental units is below the federal threshold, but meets the local threshold.

**MAKING LOUISVILLE HOME FOR US ALL, A 20 YEAR ACTION PLAN FOR FAIR HOUSING**

In 2012, the LMHRC applied for a Partnership Grant from HUD for the creation of a Fair Housing Action Plan for affirmatively furthering fair housing in Louisville. The plan was researched and produced for the HRC by the University of Louisville’s Anne Braden Institute for Social Justice in cooperation and consultation with the Metropolitan Housing Coalition. It was presented at the LMHRC’s Race and Relations Conference in February of 2014. The report is available at the LMHRC website at [louisvilleky.gov/sites/default/files/human\\_relations/reports\\_publications/louisville\\_metro\\_20-year\\_action\\_plan.pdf](http://louisvilleky.gov/sites/default/files/human_relations/reports_publications/louisville_metro_20-year_action_plan.pdf).

The report is comprised of six sections discussing the purpose of Fair Housing, the protected classes, the history of housing in Louisville and Jefferson County, the current state of fair housing in Louisville, the roles of zoning, and the current state of housing choice for protected classes. Finally, the report outlines action steps to be taken by local government and the community to affirmatively further fair housing in Metro Louisville. There are steps to be accomplished within three years, four to seven years, and eight to twenty years, depending on their complexity.

The LMHRC has hired staff, through a HUD grant, exclusively to meet with Metro agencies and community groups to work on implementation of the steps. Each step will be assigned to the appropriate agency and the LMHRC will monitor their progress in meeting them.

The 20-Year Action Plan also mandates the creation of a Fair Housing Assessment lens to be used throughout Metro government. The LMHRC is currently working on that assessment tool. Further, thanks to a current HUD Partnership Grant to be completed by the end of fiscal year 2015, the LMHRC has contracted with the Anne Braden Institute at the University of Louisville and the Metropolitan Housing Coalition to produce a market analysis of housing needs in Metro Louisville. This analysis will be invaluable in determining the types of housing needed by various protected classes in the community.

**LMHRC HOUSING CASES**

	2011-2012		2012-2013		2013-2014		2014-2/19/2015	
<b>Cases Opened</b>	70		46		35		26	
Race	35	50%	18	39%	10	28%	5	19%
Religion	1	0.01%	2	4%	0	0	0	0
Age	0	0%	0	0	0	0	0	0
Sex	9	12%	3	6%	5	14%	2	7%
Sexual Orientation	1	0.01%	1	0.02%	2	0.05%	0	0

Gender Identity	0	0	0	0	0	0	0	0
Disability	22	31%	23	50%	15	42%	10	38%
Familial Status	12	17%	5	10%	5	14%	8	30%
National Origin	4	5%	7	15%	0	0	1	0.03%
Color	1	0.01%	0	0	0	0	0	0
Retaliation	1	0.01%	0	0	3	8%	1	0.03%

	2011-2012		2012-2013		2013-2014		2014-2/19/2015	
<b>Cases Closed</b>	65		64		43		23	
No Probable Cause	40	61%	48	75%	20	46%	9	39%
Conciliations	6	9%	7	10%	8	18%	9	39%
Withdrawals Admin.	2	3%	5	7%	2	4%	0	0
Closures	5	7%	3	4%	8	18%	2	8%
Probable Cause	12	18%	1	1%	5	11%	3	13%

### Analyzing the cases

Discrimination cases are primarily coming from the western and southern areas of Louisville, zip codes 40203, 40212 and 40214. Most of the cases involve rentals. In housing cases, LMHRC primarily get cases involving disability, race and familial status. The trend has been from race to disability in our cases. Observed high season for housing complaints is spring; summer has the lowest filing of complaint.

The majority of cases are deemed “no probable cause” or are conciliated/settled. Case processing time has decreased significantly in the last year, with most cases being completed within 100 days of filing. Quick resolution is advantageous to complainants as it eliminates much frustration with the system and they can move forward with their lives.

Since 2010, the trend has been toward more disability related housing cases being filed, and fewer race cases. LMHRC had an increase in familial status cases due to targeted testing and reviewing advertisements for rentals in violation of Fair Housing statutes. The increase in disability cases can be attributed to more advocacy in the disability community and more aggressive action when persons with disabilities believe they are being discriminated against.

The LMHRC was able to conduct “testing” which is when two controlled persons apply for housing, one of the persons is in a minority or other protected class and the other is not. The testing was in the area of familial status- which means the presence of children in the household. There was a trend to have ads that only wanted adults. These ads tended to be placed by people with only a few units to rent. By doing the outreach, ad review and testing, LMHRC documented that there are discriminatory ads and treatment, although LMHRC has not gotten many cases alleging discrimination on the basis of familial status. Once notified by LMHRC of the violation, every owner of rental property was willing to change wording and practice. One conclusion is that educating owners of a small number of units in the law is an effective practice. This work was very useful to identify an area of concern where people are not reporting, but where practices show discrimination. It was equally useful as an education tool also showing that much of the practice was due to lack of information rather than wrongful intent.

All LMHRC data are used to judge performance and in strategic planning to provide better service to the community. HUD tracks the work of LMHRC in an annual assessment it requires of all FHAPs. LMHRC is required to show the quality and timeliness of the work as well as all outreach activities.

LMHRC intake staff takes training through the National Fair Housing Training Academy as does all our staff working with Housing matters. In Louisville, people have a choice between HUD, the Kentucky Commission on Human Rights and the Louisville Metro Human Relations Commission for filing complaints. Some people in the community are aware of these agencies and what they do while others have no idea. One needed activity is to raise awareness.

LMHRC work is promoted through outreach events and some advertising, such as through billboards, as well as by alerting media to attract coverage of events. This is done with a small budget for advertising.

HUD has been supportive of the work of the LMHRC through training and Partnership Grants over the years. LMHRC collaborates with the Kentucky Commission on Human Rights on trainings and outreach. Unfortunately there has been an advisory notice that there will be no further Partnership Grants available through HUD.

## **Kentucky Commission on Human Rights**

### **Trends in Fair Housing Complaints and Enforcement**

The Kentucky Commission on Human Rights (Kentucky CHR) has statewide jurisdiction to enforce the Kentucky Civil Rights Act (KCRA). The KCRA prohibits housing discrimination based on race, color, national origin, religion, sex, familial status and disability. Housing discrimination complaints under the KCRA must be filed within one year from the date of violation. In cases where a local commission may have concurrent jurisdiction, the Kentucky CHR will advise the complainant of his/her right to file the complaint with the local commission. Some local commissions have additional protected classes not covered by KCRA, such as sexual orientation and gender identity. In such cases, the Kentucky CHR will refer the complainant to the appropriate local commission.

Notwithstanding continuing fiscal challenges, faced by all state agencies, the Kentucky CHR has managed to effectively maintain, and actually increase its caseload. Its staff is dedicated and thorough in its investigations and administrative duties. While additional resources would be most welcome, the Kentucky CHR staff meets or exceeds standards for investigation, enforcement and adjudication of violations of the Kentucky Civil Rights Act.

The Kentucky CHR receives, investigates and adjudicates cases throughout the Commonwealth of Kentucky. Since obtaining enforcement powers in 1966, the Kentucky CHR has received, investigated and adjudicated virtually every kind of housing discrimination case, including disparate treatment in obtaining apartments, unfair and discriminatory enforcement of landlord rules, policies and eviction proceedings; sexual and/or racial harassment; denials of requests by disabled tenants for reasonable accommodations and/or modifications; denials by landlords to permit disabled tenants to have service or emotional support animals; and discriminatory lending practices.

The Kentucky CHR receives, investigates and adjudicates cases of alleged discrimination based on all of the protected classes within the KCRA, including race, color, national origin, disability, sex, and familial status. The numbers and types of housing discrimination claims received by the Kentucky CHR are fairly uniform throughout the year. Once a housing discrimination complaint is filed with the Kentucky CHR, the case is assigned to an investigator who generally completes the investigation within 100 days, during which the parties will have an opportunity to conciliate all claims. If the parties fail to conciliate during investigation, the case will either be

dismissed on a finding of no probable cause (NPC) or transferred to the legal unit to prepare a formal charge of discrimination. Once the case is transferred to the legal unit, the parties may conciliate, adjudicate or pursue the case in the appropriate circuit court. Generally, a final resolution may be obtained within 6 months after the case has been transferred to the legal unit, though it may take considerably longer if the case must be adjudicated or is transferred to circuit court.

The Kentucky CHR engages in both internal and outside training opportunities, including NFHTA and other HUD sponsored programs. Last year, two members of the legal unit attended a weeklong HUD course in Washington, DC pertaining to legal issues in housing discrimination cases.

The Kentucky Commission on Human Rights has many of the same impediments as the Louisville Metro Human Relations Commission. Its staff has also been stripped to a barebones operation by recent budget cuts, leaving staff to assume several roles at once. The Housing Unit has suffered the most with four program budget cuts in the last six years and the loss of a Housing Supervisor role. Despite these cuts, HUD's funding scheme has not changed to allow cases more time to be investigated and closed. Under this new staff structure, cases are taking much longer to process and complainants are often frustrated by the process. Some even choose not to engage in the long process. Investigators and their managers attend the HUD Fair Housing Academy, but training opportunities for attorneys and intake staff are extremely limited for budget reasons. This means that intake staff, who are often confronted by upset complainants at least once a week, are not provided the tools needed to succeed in high stress situations.

BASIS	ISSUE	INCIDENT DATE	DATE FILED	DATE PC LETTER SENT	DATE CLOSED	CLOSURE TYPE
Disability	Denied the opportunity to rent	6/1/2009	2/16/2010	NPC	5/20/2010	
Race	Denied Full and Equal Enjoyment	7/8/2010	10/7/2010	Withdrawal w/Settlement	2/24/2011	Private settlement
Race, Sex	Denied Full and Equal Enjoyment	5/9/2011	9/19/2011	NPC		
Familial status	Denied Full and Equal Enjoyment	11/10/2011	1/6/2012	Withdrawal	4/19/2012	
Race	Eviction	4/19/2012	2/5/2013	NPC	6/20/2013	
Disability	Eviction	2/8/2013	3/15/2013	NPC	8/15/2013	
Retaliation	Harassment	3/11/2013	3/21/2013			
Race	Denied Full Enjoyment	2/1/2013	5/13/2013	NPC	9/19/2013	
Race	Denied Full Enjoyment	9/26/2012	5/21/2013	Withdrawal w/Settlement	9/19/2013	Private settlement
Race	Denied Full Enjoyment	6/28/2013	7/30/2013	NPC	10/17/2013	
Disability	Denied Full Enjoyment	7/1/2013	8/7/2013	NPC	10/17/2013	
Race, Sex	Denied Full and Equal Enjoyment	9/23/2013	9/26/2013	NPC	1/16/2014	
Race	Denied Rental Property	3/22/2013	10/10/2013	NPC	2/5/2014	
National Origin	Denied Full and Equal Enjoyment	10/3/2013	11/26/2013	NPC	3/4/2014	
Race, Disability	Differential Treatment	1/7/2014	1/13/2014	Withdrawal	4/17/2014	
Disability	Harassment	1/13/2014	2/4/2014	NPC	6/19/2014	
Race, Disability	Denied Full and Equal Enjoyment	8/14/2013	2/11/2014	NPC	6/19/2014	
Race	Evicted	11/1/2013	4/11/2014	NPC	9/18/2014	
National Origin	Denied Full and Equal Enjoyment	5/8/2014	5/13/2014	Withdrawal w/Settlement	11/20/2014	Private settlement
National Origin	Denied Full and Equal Enjoyment	11/15/2013	5/27/2014	NPC	8/21/2014	
National Origin	Evicted	6/9/2014	6/23/2014	Withdrawal w/Settlement	8/21/2014	Private settlement
Race, Disability	Denied Return of Deposit	12/13/2013	7/21/2014	NPC	11/20/2014	
Sex	Sexual Harassment & Evicted	6/14/2014	7/22/2014	NPC	1/15/2015	
Disability	Denied Full and Equal Enjoyment	4/1/2014	7/24/2014	Conciliation	11/20/2014	Pkng space provided non-monetary settlement
Disability	Evicted	6/11/2014	7/31/2014			
Disability	Denied Full and Equal Enjoyment	4/24/2014	9/24/2014			
Disability	Denied Full and Equal Enjoyment	10/13/2014	10/17/2014			
National Origin, Race & Disability	Eviction	10/1/2014	10/28/2014			
Religion, Disability & Familial Status	Denied Full and Equal Enjoyment	12/29/2014	1/8/2015			
Disability	Denied Full and Equal Enjoyment	1/26/2015 cont.	2/10/2015			

## Fair Housing Council

In 2010-2014 there were 93 calls to the FHC alleging incidents of housing discrimination in Louisville Metro. Of those, 43 were sent to the Louisville HRC, the Kentucky Human Rights Commission, or HUD for more action after initial investigation for credible allegation.

The FHC reported that rental housing was the subject of the overwhelming number of complaints, but there were other issues, such as: lending, sales, issues with a condominium association, issues with a homeowners association, harassment by neighbors, issues involving emergency shelter, and zoning issues. The issues in rental usually fell into the area of term and conditions of renting.

The FHC found some commonalities between the type of complaint and the protected class. There were 51 cases involving people claiming they were discriminated against due to their disability and the typical call was about what qualifies as reasonable modification/accommodation. There were 9 cases involving people claiming that they were discriminated against due to their familial status and the typical call was about a failure to rent to the family. There were 5 cases involving people claiming that they were discriminated against due to their gender and the typical call was about sexual harassment. There were 20 cases involving people who claimed they were discriminated against due to their race, 3 cases involving people who claimed that they were discriminated against due to their national origin, 3 cases involving people who claimed they were discriminated against due to their sexual orientation, and 2 cases involving people who claimed they were discriminated against due to their religion.

# Impediments to Fair Housing Choice and Recommended Action Steps

## Part One: 2010 AI Recommendations and Actions Taken

### 2010 Identified Impediment: Lack of commitment to fair housing recommendations

#### **1. Planning and zoning:**

**Actions Taken:** Conducted a public participation review of all the current Land Development Code parts with hundreds of people participating. One sub-committee of the review process was called “Fair and Affordable Housing” and 43 people met for two years to produce recommendations. But the process included other areas that affect fair and affordable housing, such as infill rules and tree canopy. Recommendations coming from this process are being presented to Metro Council for adoption and are in the committee process.

Prepared to amend the Comprehensive Plan, called Cornerstone 2020, and will include in the new plan fair housing, affordable housing and sustainable housing principles. This marks a shift in outlook about the importance of both fair housing and affordable housing by government and the public.

Produced a 20-Year Plan to Further Fair Housing that is adopted by the Louisville Metro government that is specific and with schedules to meet in moving forward. This Plan is attached as a blueprint of activity for furthering fair housing. Please note that the first substantive item is: “[h]ave a clear policy that states that fair housing is a mandatory lens for review of all actions by all parts of government using a Fair Housing Assessment which is developed and coordinated by a designated body.” This is a significant commitment to fair housing.

Included equity values in most planning documents such as: Move Louisville (transportation) and Sustainable Louisville plans.

#### **2. Segregation of special needs populations and segregation of affordable housing:**

**Actions Taken:** The Kentucky Housing Corporation, the state housing finance agency, has promulgated Low Income Housing Tax Credit allocation rules that do not allow for producing new housing using LIHTCs in high impact areas without significant review. Louisville Metro honored that rule.

There has been a special effort to house those most at risk in the last five years. The Rx Housing initiative to get the most vulnerable into housing was successful in Louisville as a national model because the Louisville Metro Housing Authority allocated vouchers to be used. The model is that vouchers which leverage funds, such as funds for services, are to be encouraged.

There is a commitment now to house every veteran that is homeless. The number and people have been identified and the Louisville Metro Housing Authority has committed vouchers to supplement the number gotten through the Veterans program.

A study by local leaders through Leadership Louisville Bingham Fellows focused on the hardest hit segregated area, western Louisville. The study resulted in a plan called One West, which includes a community development organization being created to address the concentration of poverty. While One West does not address fair housing

per se, it nonetheless will have a significant impact on people in protected classes who are the overwhelming population (i.e., race, female headed households with children, and people with disabilities) in the areas affected.

Louisville Metro Housing Authority received a U.S. HUD planning grant to fund a two-year process to look at one of the few family public housing projects still remaining in Louisville that has not been razed and not replaced or replaced under HOPE VI. This public housing is in one of the most segregated areas of the city. This effort to address concentrations is part of the commitment to raise the quality of life in impacted areas.

Louisville Metro Housing Authority is well on the way to completion of a HOPE VI renovation of Sheppard Square, a public housing complex that housed people in protected classes, including by national origin as well as race, female headed households and disabled persons. There is a commitment to allow people who were residents back into the complex.

### **3. Innovative financing mechanisms:**

**Actions Taken:** Louisville Metro government has proposed a Local Initiative for Transformation tax program which requires a Kentucky Constitution amendment to allow for the tax. It lets localities vote for a temporary sales tax to accomplish a specific activity. This is intended for many purposes, but affordable housing is one of the listed proposals. This has not made it through the legislative session despite good efforts. It will remain on the agenda for future years.

The Louisville Affordable Housing Trust Fund received \$1 million in HOME funds for the purpose of increasing and testing capacity with a view to a dedicated, public, renewable source of funding. There is work to pass a 1% increase to the insurance premium tax, an activity that does not require state legislative action, but only local action.

The administration is supporting One West, the creation of a community development corporation.

Two non-profits have set up a separate non-profit corporation and are following procedures to get U.S. Treasury certification as a Community Development Financial Institution that focuses on housing and micro-business lending. LHOME or Louisville Housing Opportunities and Micro Enterprise Corporation has received support in some grant monies to one of the partners for working on this initiative.

The state of Kentucky has modified its Historic Preservation Tax Credit to give more predictability to how much money a qualified applicant would receive.

Louisville Metro proposed changes to the state Land Bank legislation which would give more power and tools and a funding mechanism to the Land Bank to deal with vacant, deteriorated and abandoned property.

**Remaining issues:** Voucher use is surprisingly concentrated, despite Exception Rents and case management. With the advent of new job centers created throughout Louisville as well as new medical services centers in areas other than the downtown central business district, there are new areas that are magnets for affordable and diverse housing opportunities for workers and clients. There is an increasing effort to encourage new affordable housing. This effort should be encouraged over the next five years and include amenities such as transportation and services.

## **2010 Identified Impediment: Impediments based on national origin**

**Actions Taken:** There are more materials from enforcement agencies and the school system for people who are not native speakers.

There are more opportunities for English as a Second Language courses. The Louisville Metro Human Relations Commission is producing a market study which included focus groups, one of which was focused on internationals. So study is under way. But items still remain to be done.

**Remaining issues:** Communication is an impediment to housing choice, particularly for home ownership. Language is a barrier both in accessing government assistance that will help with increasing income, understanding of financial systems and direct housing programs. This is true for private industry as well as for government, which is not universally trained on this issue.

### **Recommended Action Steps:**

1. Provide instruction and written materials and interpreters.
2. Provide financial literacy courses, as basic as how checking and saving accounts work.
3. Provide specific home ownership counseling and assistance.
4. Provide courses in home maintenance, both rental and ownership.
5. Train government personnel on the requirements to provide interpreters.
6. Points of distribution of information should be attuned to where Immigrant and International residents are connected to the larger community to get services and information.
7. Information on programs and housing opportunities should be distributed at English as a Second Language (ESL) course sites, ethnic restaurants where both clientele and workers are often Immigrants and Internationals, churches that conduct services in home country languages, radio stations and print media in home-country languages.
8. Create and encourage the creation of housing that is responsive to the family size of Immigrant and International residents. Many of the households are larger than the current average households and units are not available that will allow families to be in one unit. Assisted housing must be part of this plan, especially public housing which already houses many International families. Alternatively, allow some flexibility with the required minimum number of bedrooms for a Section 8 Voucher to be used.
9. Eliminate the Kentucky law that allows the state to seize a home purchased by an immigrant if the person does not become a citizen in seven years. This law was used to block mortgage lending to Immigrants and Internationals. While it is largely ignored now, it is still on the books and has a chilling effect.
10. Ensure that Internationals are appointed to boards and task forces, especially those that have implications on housing, such as the Planning Commission, the Board of Zoning Adjustments, etc.

## **2010 Identified Impediment: Transportation funding allocation and use does not support fair housing choice**

**Actions Taken:** Louisville Metro Government conducted a public input and study for a plan for transportation solely for the city (not the Metropolitan Planning Organization) called Move Louisville. This is the first step to asserting more influence with the MPO. But the 2010 problems remain.

**Remaining issues:** The distribution of transportation dollars is biased against those in protected classes and limits fair housing choice. Louisville must fairly represent the interests of those in protected classes at the Metropolitan Planning Organization level, including all powers available, to ensure fair housing choice.

### **Recommended Action Steps:**

1. Include sidewalks and bike paths in all residential zoning classifications of R4 or lower.
2. Laws should be enacted to require all property owners to construct sidewalks along any property boundary that is parallel to an adjacent roadway.
3. Include bike paths in all local road repair plans.

## **2010 Identified Impediment: Impediments to fair housing choice for persons with disabilities**

**Actions Taken :** Two programs, RX Housing and Homeless Veterans housing have used vouchers to serve an underserved population and to allow for more choice in where to live.

**Remaining issues:** The data shows continued concentrations of persons with disabilities.

### **Recommended Action Steps:**

1. In addition to the recommendations in Section 3 of the 2007 AI, create a source of funding for environmental accommodations for persons with disabilities, as frequently, persons with disabilities with fixed low incomes must, by law, put money in an escrow account so that the accommodation can be undone when a person leaves.

## **2010 Identified Impediment: Impediments to home ownership opportunities by race, especially predatory products**

**Actions Taken:** Since 2010, many programs have not received full funding to help with home ownership. As reported, the Home Mortgage Disclosure Act data shows a significant difference between race and ethnicity minorities and whites in getting approved loans. The city has devoted resources to Bank On to get persons who are not part of the traditional banking system to have access. The city has also begun work with the Credit Builders Alliance to see if the opportunity to provide good credit scores for renters based on rental payment is possible in Louisville.

**Remaining issues:** The causes of the disparity of outcomes is speculative, even at a national level. A coordinated effort to delve deeper into the proximate causes of the differences is needed to understand what is happening locally. In addition, regardless of the home ownership counseling programs' proven effectiveness in making stable homeowners, insurance coverage is higher in the areas where there is a concentration of protected classes. This is an opportunity to encourage effective counseling programs and consumer participation.

## **2010 Identified Impediment: NIMBYism**

**Actions Taken:** The best effort has been Louisville Metro Government’s 20-Year Plan to Further Fair Housing, which includes a 20-year strategy for ending housing segregation that includes a public outreach and education component. Though released in 2014, the plan has yet to be implemented.

## **2010 Identified Impediment: Land Development Code (LDC) and city planning**

**Actions Taken:** All the activities on this and the great progress made are identified under the first impediment updated in this section, “Lack of commitment to fair housing recommendations”.

## **2010 Identified Impediment: Lack of support for fair housing enforcement agencies**

**Actions Taken:** During this time period, there has been growth in fair housing enforcement staff. In fact, a new program in Louisville with testing and review of advertising has identified “familial status” as a problem area even though there were few complaints. In doing this work, the real issue is community education not a will by owners to violate fair housing.

## **2010 Identified Impediment: Restrictive covenants on deeds that include racist and exclusionary language.**

**Actions Taken:** This practice has diminished and is no longer a problem

## **2010 Identified Impediment: Local “plan stamping” doesn’t include fair housing standards**

**Actions Taken:** Louisville Metro Government’s 20-Year Plan to Further Fair Housing includes the goal of changing state building codes to allow local inclusion of fair housing building into its code.

## **Part Two: 2015 Identified Impediments taken from Louisville Metro 20-Year Action Plan to Further Fair Housing Government Commitment to Fair Housing**

- **Action Steps to be completed in 3 years**

1. Have a clear policy that states that fair housing is a mandatory lens for review of all actions by all parts of government using a Fair Housing Assessment which is developed and coordinated by a designated body.
2. Designate authority to a Louisville Metro agency or department to oversee implementation of action steps of the 20 Year Plan.
3. Begin a market analysis to assess housing demand, including, but not limited to, demand for rental as well as ownership, areas where there will be housing demand and type, price and rental cost points, expected demographics, expected job centers.

4. Continue to provide mobility counseling and assistance for Housing Choice Voucher recipients to identify options and negotiate with landlords in areas with few households renting using Housing Choice Vouchers, especially in areas where the Louisville Metro Housing Authority has established Exception Rents.
  5. Encourage the Louisville Metro Authority to use data of the market analysis and the Fair Housing Assessment in determining the configuration of one-for-one replacement of public housing units unless in conflict with the requirements of the U.S. Department of Housing and Urban Development.
  6. Engage Jefferson County Public Schools in planning and discussions on how to create housing opportunities for households in protected classes throughout Jefferson County. Encourage JCPS to designate a representative for housing planning.
  7. Discuss with the Kentucky State Department of Insurance mechanisms to be put in place to lower private home owner insurance costs for purchasers who have participated in home ownership counseling with personal finance counseling.
- **Action Steps to be completed in 4-7 years**
    1. Continue to educate government officials and workers and those on boards appointed by Louisville Metro Government about fair housing, protected classes, and how decisions can have consequences for protected classes.
    2. Evaluate for cost impact and feasibility, including time delays, all fees and costs that are controlled by Louisville Metro Government to see if they can be waived for creating or rehabilitating low-income housing in low-impact areas or to waive fees for projects that will positively impact housing value in areas with concentrations of households in protected classes.
    3. Continue to assess all boards appointed by government to ensure that people in protected classes are represented through the appointments process and take affirmative steps to ensure such appointments when they are not present.
    4. Dialogue with the Kentucky Attorney General’s office on a program that eliminates lending practices that prevent households in protected classes from receiving the best lending products, insurance products and developer products.
  - **Action Step to be completed in 8-20 years**
    1. After eight years, institute biennial reviews of the 20-Year Plan to add and update steps and to mark progress in accomplishment.

## Community Education and Engagement

- **Action Steps that are ongoing over the whole 20-year plan**
  1. Launch and sustain a public education campaign with prominent community leaders on this 20-Year plan—focusing on its values and the steps that apply to their respective constituencies.
  2. Hold at least one community group meeting each year that focuses on the 20-Year Plan and solicit input from the community on new steps and in help achieving current steps.
  3. Continue the Fair and Affordable Housing informal industry group meetings, including the Home Builders of Louisville, Louisville Apartment Owners Association, the Board of Realtors and advocacy groups along with appropriate governmental departments.
  4. Ensure continued training opportunities for members of private industry sector who are engaged in housing—e.g., home builders, mortgage lenders, realtors, landlords, leasing agents, insurance brokers.

- **Action Steps to be completed in 3 years**
  1. Formalize a community education program about the benefits of diversity.
- **Action Steps to be completed in 4-7 years**
  1. Educational materials will be provided in multiple languages, including Braille, on the Uniform Residential Landlord and Tenant Act.
  2. Provide home ownership counseling materials (for both purchases and mortgage protections) in multiple languages, including Braille.
  3. Create fair-housing choice literature in multiple languages, including Braille, that would provide information as to the availability of affordable housing and special-needs population housing throughout the Louisville Metro jurisdiction.
  4. Distribute information on programs and housing opportunities at Neighborhood Place sites, English as a Second Language (ESL) course sites, ethnic restaurants where both clientele and workers are often immigrants and internationals, houses of worship that conduct services in congregants' language of fluency, and radio stations and print media in consumers' language of fluency.

## **Built Environment: Specifics for government review and action**

### **Coordination**

- **Action Steps to be completed within 3 years**
  1. Establish coordination of all aspects of the built environment to further fair housing.
  2. Work through the Vision Louisville process to have a comprehensive approach.

### **Comprehensive Plan and Land Development Code**

Studies have shown that economic segregation perpetuates lack of economic mobility, locking those in protected classes into static (mostly lower-income) economic strata. The Comprehensive Plan and Land Development Code, as currently proscribed, has effectively excluded those in protected classes, who are disproportionately low-income, from many geographic areas of residence. The way land use is assigned is basic to whether affordable housing can be developed, and affordable housing is a prime tool in expanding fair-housing opportunities.

- **Action Steps to be completed within 3 years**
  1. Amend the Comprehensive Plan to include goals and objectives to expand housing choice and to specifically reference fair housing as one of its goals.
  2. Mandate that a Fair Housing Assessment be part of any submission to the Louisville Metro Department of Planning and Design for residential development.
  3. Amend the Land Development Code to include incentives for affordable housing.
- **Action Steps to be completed in 4-7 years**
  1. Investigate incentives in the Land Development Code for housing that meets the needs of those with special needs or who have disabilities requiring housing adaptation.
  2. Investigate incentives to build near transit corridors and disincentives to build where no public transit exists
- **Action Steps to be completed in 8-20 years**

1. Continue to review the Land Development Code to create incentives and remove barriers that have the effect of limiting choice for households in protected classes in substantial contiguous areas of Louisville.

### **Building Code**

- **Action Step to be completed in 3 years**
  1. *See: legislative action steps*
- **Action Steps to be completed in 4-7 years**
  1. Investigate incentives to renovate housing to meet “visitability” standards so that persons with disabilities can visit others.

### **Transportation**

- **Action Steps to be completed in 3 years**
  1. Increase the federal transportation funds apportioned to public transit by 20 percent.
  2. Ensure proportional representation for those in protected classes at the Metropolitan Planning Organization, which is a federally mandated body that oversees how federal transportation dollars are spent and which is staffed by the Kentuckiana Regional Planning and Development Agency. Currently, the Metropolitan Planning Organization (locally known as the Transportation Planning Committee) apportions votes to give greater weight to areas that do not have concentrations of people in protected classes.
  3. Ensure protected class members are appointed to the Metropolitan Planning Organization.
  4. Host all meetings of the Metropolitan Planning Organization at a time, place, and day of the week so that those using public transit can attend and those with majority working hours can attend.
  5. Broadcast meetings of the Metropolitan Planning Organization live on Metro TV and other transmittal media.
  6. Encourage multi-modal transportation, including bicycle lanes, to work centers.
- **Action Step to be completed in 4-7 years**
  1. Increase the federal transportation funds apportioned to public transit by 45 percent.
- **Action Step to be completed in 8-20 years**
  1. Fund and have a public transit system that can take residents from any residential neighborhood to work and business sites, including park and ride or bike and ride.

### **Environmental factors**

- **Action Step to be completed in 3 years**
  1. Continue to seek funding for lead-based paint remediation programs for areas with concentrations of households in protected classes with children.
- **Action Steps to be completed in 4-7 years**
  1. Encourage frequent and regular testing, remediation, and education programs to improve air and soil quality in areas with concentrations of households in protected classes.
- **Action Steps to be completed in 8-20 years**
  1. Work to remediate or contain all residential units for lead based-paint in areas with concentrations of households with children in protected classes.

## Rehabilitation of older housing where concentrations of households in protected classes live

- **Action Step to be completed in 3 years**
  1. Continue to seek funding for rehabilitation of residential structures for energy efficiency and to lower utility usage and cost to households in areas with concentrations of households in protected classes including rental housing, in accord with the market analysis and Fair Housing Assessment.
- **Action Steps to be completed in 4-7 years**
  1. Continue community education on safe and best practices for rehabilitating older housing.
- **Action Step to be completed in 8-20 years**
  1. Develop a program and seek funding with the goal to rehabilitate all residential structures built before 1980 in areas with concentrations of households in protected classes in accord with the market analysis and Fair Housing Assessment.

## Vacant properties in areas with concentrations of households in protected classes

- **Action Steps to be completed in 3 years**
  1. Continue work to set definitions for various types of vacancy and use of Vacant and Abandoned Property Statistics as a measurement tool.
  2. Identify and map potential infill sites and determine where infrastructure improvements may be needed.
  3. Continue foreclosure and budget counseling and single point of access in Louisville Metro for referrals to these programs.
- **Action Steps to be completed in 4-7 years**
  1. Devise a registry of vacant properties for agreed-upon definitions.
  2. Continue to involve neighborhoods in developing a strategy for use of vacant properties.
  3. Seek to create incentives for a home-repair program to preserve neighborhoods where the value of housing has decreased substantially.
  4. Formalize legal merger or coordination of powers between the Louisville Jefferson County Landbank Authority, Inc. and the Urban Renewal Commission & Community Development Agency of Louisville, and the Vacant Property Review Commission to streamline urban revitalization and redevelopment efforts in predominately low-income areas.
- **Action Step to be completed in 8-20 years**
  1. Continue to work to revitalize neighborhoods.

## Funding and Economic Development

- **Action Steps to be completed in 3 years**
  1. Continue work to create a funding source for the Louisville Affordable Housing Trust Fund, a fund created by Louisville Metro Ordinance to address the housing needs of people with incomes below 80 percent of median income for Louisville.
  2. Continue work on Bank On, a program that encourages and enables people who are unbanked to have access to banking products.
  3. Continue Individual Development Account programs, a matched saving program for specific uses such as purchasing a home, starting a business, or getting an education.

4. Continue youth Individual Development Account programs, a matched savings program for specific use, such as to purchase a computer, establish good savings behavior, or learn about handling finances.
  5. Support the existence of a local Community Development Finance Institution, a bank that is able to attract capital for public purposes by offering tax advantages that focuses on housing and micro businesses in targeted areas.
  6. Use bonding powers to further fair housing by assessing bonding issues for impact on fair housing using the Fair Housing Assessment
  7. Work with the Kentucky Housing Corporation to ensure that urban areas receive competitive points in the Low Income Housing Tax Credit program at the same level as rural areas.
  8. Work with the Federal Home Loan Bank to ensure that urban areas receive competitive points in the grants program at the same level as rural areas.
- **Action Steps to be completed in 4-7 years**
    1. Investigate how to protect long-term owners from gentrification with policies that create a property tax break for those who upgrade their property, so these owners have incentives to improve their properties.
    2. Devise a neighborhood and public/private sector plan for micro-enterprise lending.
    3. Assess the advantages of a loan loss pool as a possible tool to encourage private partnerships in economic development.
  - **Action Step to be completed in 8-20 years**
    1. Investigate other tools to create a financing pool for housing and economic development.

### **Legislative action: All ongoing over twenty years**

1. Support the repeal K.R.S. 381.300, the Kentucky law that allows the state to seize a home purchased by non-resident alien if the person does not become a citizen in eight years.
2. Work to change the federal policies of the Low Income Housing Tax Credit to eliminate bonus incentives to develop in Qualified Census Tracts (census tract in which 50% or more of the households are income eligible) as this adds more low-income housing to areas that are already low-income.
3. Work to change K.R.S 198 (B) which limits incorporating into local building codes the federal requirements on building to meet needs of disabled persons.
4. Investigate best practices of other states in requiring that deeds be filed within a specified time period.
5. Advocate for voter-driven, local funding options/opportunities, including those already authorized and future possibilities, such as LIFT, that can aid in community development and neighborhood revitalization through infrastructure investment and catalytic capital projects.

## 2015 Fair Housing Survey Results

A fair housing survey was released to the public utilizing the online service Survey Monkey. The 16 questions in the survey were intended to assess people's knowledge of fair housing issues and opinions of fair housing in metro Louisville. The survey was promoted via social media links and email lists of partner organizations. The survey was open for three weeks and received a total of 42 responses.

While generalizations should be limited due to the limited number of responses, it does seem that respondents are aware of local fair housing rules and procedures. 27 respondents, 64%, correctly identified all protected classes covered by fair housing laws, which include federal, state, and local laws. Louisville laws include protections for individuals based on sexual orientation and gender identity, which are not covered in federal or state law.

Question two asked who people in Louisville should contact first if they feel they have been discriminated against in a housing situation. Sixty-nine percent of respondents correctly identified the Louisville Metro Human Relations Commission as the appropriate first point of contact for housing discrimination claims in metro Louisville.

Eighty-five percent of respondents correctly indicated that landlords do not have the right to deny housing to a family or person with a child in a typical rental situation. Fifty-one percent of respondents correctly identified those protected under the familial status class.

Respondents were closely split as to the basis for the majority of reported housing discrimination claims in Louisville. Forty-three percent responded they believed race is the basis for the majority of reports of housing discrimination in Louisville, while 36% correctly believe disability was the basis for most claims.

Sixty-eight percent of respondents correctly indicated that a realtor's job is to guide clients to homes in their price point, regardless of the area.

Only 52% of respondents identified \$705 as current fair market rent for a two-bedroom apartment in Louisville, with 31% responding that FMR would be \$650 for the unit and 10% responding that \$810 would be FMR for the unit.

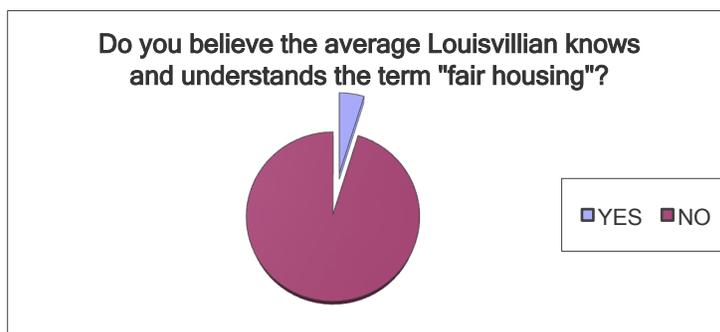
Respondents were almost equally divided in their beliefs about which ethnicity had the lowest rate of homeownership at the end of 2014. Fifty-percent of respondents believe African-Americans had the lowest rate of homeownership, but 45% of respondents believe Hispanics had the lowest rate.

Fifty-five percent of respondents correctly identified the year the national and Kentucky Fair Housing Acts were passed.

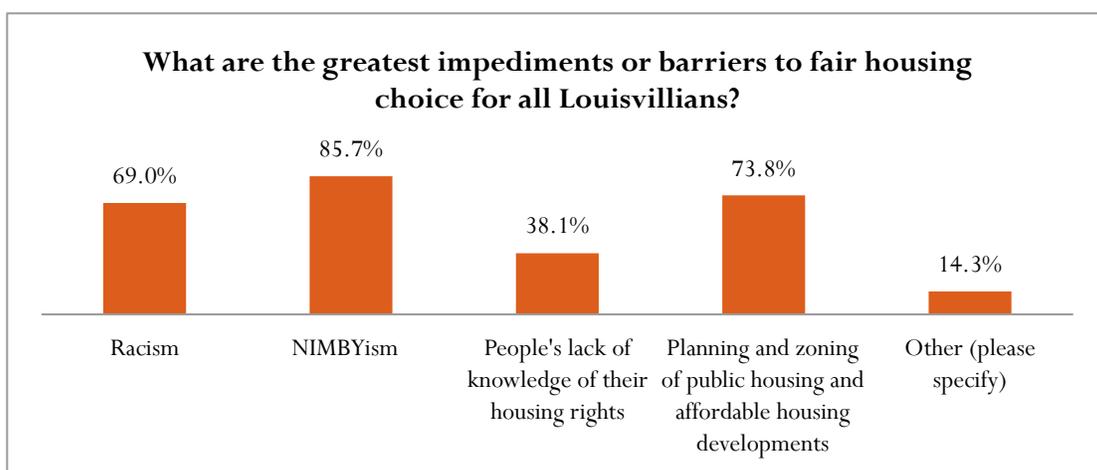
Ninety-three percent of respondents correctly indicated that Louisville Metro Government's 20-year Action Plan to Further Fair Housing includes public education and outreach components, a call for zoning changes to increase housing choice, creation of a "fair housing lens" to be used to review all departmental policies, procedures, and planning, and legislative action at the state level.

The final questions allowed respondents to share their opinions of fair housing issues in Louisville.

Ninety-five percent of respondents indicated they do not believe the average resident of Louisville knows and/or understands the term "fair housing".



When asked what the greatest impediments or barriers to fair housing choice for all Louisvillians are, 86% of respondents said NIMBYism, 74% said the planning and zoning of public and affordable housing developments, 69% said racism, and 38% cited people’s lack of knowledge of their housing rights.



Fourteen percent of respondents indicated OTHER and provided specific responses:

- Segregated housing patterns - racial & socioeconomic; and deterioration of housing stock in old neighborhoods that would make great transit-accessible affordable homes with the proper incentives & investments
- Money
- Lack of law enforcement efforts by housing discrimination complaint investigation agencies
- Segregation of housing by price
- Continued funding of low income developments in already segregated low income areas of protected classes
- Slumlords, lack of multiple family dwellings/zoning allotted for such, severe public housing shortage, overload of vacant properties/no squatters' rights

To the question of whether fair housing discrimination in Louisville is improving, worsening, or staying the same, 24% responded that discrimination is improving, 22% said it is worsening, and 54% said housing discrimination remains the same.

Eighty-one percent of respondents indicated that they had never personally been a victim of housing discrimination, 17% said they had been a victim, and 2% said they were not sure. Respondents were provided additional space to share their opinions:

- Community Education is an important element to change the trend
- Rent controlled buildings
- The 20-Year Action Plan for Fair Housing lacks much emphasis on law enforcement aspects against illegal housing discrimination
- Price of home is often determined by neighborhood physical conditions as much as housing stock....enforcement is not the issue for the most part....assistance for neighborhoods to upgrade the curb appeal is great and should be a function of Brightside as well as public rights of way.
- HUD needs to take a serious look at how housing funding in Louisville gets awarded
- I believe there is significant resistance to mixed income communities in Louisville. While some of it is based on race, I think middle and upper income people prefer to have low income people concentrated and away from where they live.

# Interviews Conducted for this Document

## Individual Interviewees

Tim Barry, Executive Director, Louisville Metro Housing Authority  
Lisa Osanka, Director of Leased Housing, Louisville Metro Housing Authority  
Edgardo Mansilla, Executive Director, Americana Community Center  
Emilie Dyer, Family Coach, Americana Community Center  
Chuck Kavanaugh, Executive Director, Building Industry Association of Greater Louisville  
Art Crosby, Executive Director, Fair Housing Council of Lexington  
Martha Lawfer, Human Relations Supervisor, Louisville Metro Human Relations Commission  
Sherita Davis, Enforcement Manager, Kentucky Commission on Human Rights  
Keith Duerr, Managing Attorney, Kentucky Commission on Human Rights  
Michelle Roundtree, Equal Opportunity Specialist, FHEO Center, U.S. Department of Housing and Urban Development  
Barbara Gordon, Director, Division of Social Services, KIPDA Area Agency on Aging and Independent Living/Aging and Disability Resource Center  
Giselle Danger-Mercaderes, Homeless Education Program Coordinator, Jefferson County Public Schools  
Lisa J. Houston, LJH Infinity Realtors  
John I. Trawick, AICP

## Individual Interviewees via Survey

Lee Ann Thomas, Housing Program Manager, Center for Accessible Living  
Natalie Harris, Executive Director, Coalition for the Homeless

## Legal Updates

This section provides an overview of the fair housing situation in Louisville METRO/Jefferson County, Kentucky. It includes a review of fair housing laws, enforcement agencies, trends in fair housing complaints and other fair housing activities in the jurisdiction.

Fair housing in Louisville METRO/Jefferson County, Kentucky is bound by a number of federal and local laws and Presidential executive orders. Below is a summary of the relevant legislation and executive orders currently in effect.

### Federal Fair Housing Laws<sup>1</sup>

- *Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended.* Prohibits discrimination in the sale, rental and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and handicap (physical or mental impairment which substantially limits one or more of such person's major life activities). Amendments also established that new multi-family buildings must meet specified accessibility standards for person with disabilities.
- *Title VI of the Civil Rights Act of 1964.* Prohibits discrimination on the basis of race, color or national origin in programs and activities receiving federal financial assistance.
- *Section 504 of the Rehabilitation Act of 1973.* Prohibits discrimination based on disability in any program or activity receiving federal financial assistance.
- *Section 109 of Title I of the Housing and Community Development Act of 1974.* Prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Black Grant Program.
- *Title II of the American with Disabilities Act of 1990.* Prohibits discrimination based on disability in programs, services and activities provided or made available by public entities. HUS enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals.
- *Architectural Barriers Act of 1968.* Requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.
- *Age Discrimination Act of 1975.* Prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.
- *Title XI of the Education Amendments Act of 1972.* Prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

### Fair Housing-Related Presidential Executive Orders<sup>2</sup>

- *Executive Order 11063.* Prohibits discrimination in the sale, leasing, rental or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.
- *Executive Order 11246, as amended.* Bars discrimination in federal employment because of race, color, religion, sex or national origin.

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<sup>1</sup> HUD, OFHEO (Office of Fair Housing and Equal Opportunity) 2004b

<sup>2</sup> *Ibid.*

- *Executive Order 12892, as amended.* Requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The order also establishes the President’s Fair Housing Council, which is chaired by the Secretary of HUD.
- *Executive Order 12898.* Requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color or national origin.
- *Executive Order 13166.* Eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally subsidized and federally conducted programs and activities.
- *Executive Order 13217.* Requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

#### CITY OF LOUISVILLE ORDINANCES

- Ordinance No. 21, Series 1967: As amended, an Ordinance to implement the State Statute relative to discriminatory practices in places of public accommodation, resort or amusement.
- Ordinance No. 116, Series 1968: As amended by ordinance No. 139, series 1975, an ordinance to effect equal employment opportunities for all citizens.
- Ordinance No.9, Series 1999: An ordinance that prohibits discriminatory employment practices due to sexual orientation or gender identity.
- Ordinance No. 88, Series 2001: An ordinance that amended Ordinance No. 9 to include housing and public accommodations.
- Ordinance No. 349, Series 1991: An ordinance that makes housing laws substantially equivalent to Title VII of the Federal Civil Rights Act.
- Ordinance No. 281, Series 1991: An ordinance empowering the Louisville and Jefferson County Metro Human Relations Commission to investigate complaints by persona alleging tortuous interference with their person and/or property motivated by discriminations.
- Ordinance No.41, Series 1969: As amended by ordinance No. 140, Series 1975, an ordinance requiring the implantation of certain provisions insuring equal opportunity into all contracts.
- Ordinance No. 68, Series 1978: As amended by ordinance 211, Series 1993, an ordinance concerning the requirements of an affirmative action plan for contactors and vendors doing business with the City of Louisville.
- Ordinance No. 140, Series 1988: An ordinance empowering minority, female and handicap business enterprises.

JEFFERSON COUNTY ORDINANCE AND RESOLUTIONS: A resolution to implement the State statute relative to equal employment opportunity as Amended by Resolution No. 15, Series 1967.

- Ordinance No. 2, Series 1993: An ordinance relating to real estate transactions.

- Ordinance No. 8, Series 1988: An ordinance implementing the State statute relative to discriminatory practices in places of public accommodation, resort or amusement.
- Ordinance No. 16, Series 1987: An ordinance concerning the requirement of an affirmative action plan for contractors and vendors doing business with the Jefferson County Fiscal Court.
- Ordinance No. 36, Series 199: An ordinance that prohibits discriminatory practices in housing, employment and places of public accommodation due to sexual orientation or gender identity.

#### LOUISVILLE AND JEFFERSON COUNTY METRO ORDINANCES

- Ordinance No.129-2003: An ordinance creating separate enforcement and advocacy bodies; transferring enforcement authorities to the Louisville Metro Human Relations Commission-Enforcement; and amending the complaint procedure for enforcing anti-discrimination laws.
- Ordinance No. 214, Series 2005: An ordinance requiring that all persons or companies doing business with Louisville METRO Government, in excess of ten thousand dollars (\$10,000) be equal employment opportunity employers.
- Ordinance No.193-2004: An ordinance prohibiting discrimination based upon race, color, national origin, religion, familial status, age, disability, sex gender identity, and sexual orientation.

The most important piece of legislation pertaining to fair housing is the federal Fair Housing Act (FHA). The FHA was initially enacted as Title VIII of the Civil Rights Act of 1968.<sup>3</sup> It was later amended by the Fair Housing Amendment Act (FHAA) of 1988 and currently prohibits housing discrimination based on race, color, national origin, religion, sex, familial status, and handicap. Familial status includes children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18. Handicap is a physical or mental impairment that substantially limits one or more a person’s major life activities.

Under the FHA, housing discrimination incorporates rentals, sales; mortgage lending, appraisals, homeowners insurance, zoning, tax assessment, blockbusting and advertising.<sup>4</sup> Specifically, the FHA prohibits taking any of the following actions based on race, color, national origin, religion, sex, familial status or handicap:

- refusing to rent or to sell after an offer, refusing to negotiate to rent or to sell, or otherwise making unavailable or denying housing;
- discriminating in the terms, conditions, or privileges of the sale or rental of housing;
- representing that a dwelling is not available for inspection, sale, or rental when it is, in fact, available;
- inducing or attempting to induce for profit the sale or rental of any dwelling by the entry of or prospective entry of a person into the neighborhood (also referred to as blockbusting);
- denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing;
- refusing to make a mortgage loan or to provide information on a mortgage loan;
- imposing different terms or conditions on a mortgage loan (such as interest rates, points, or fees);
- discriminating in appraising a property; and

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<sup>3</sup> 42 U.S.C §§ 3601-3619.

<sup>4</sup> 42 U.S.C §§ 3604-3619.

- refusing to purchase a mortgage loan or setting different terms for purchasing a loan

In addition, the FHA prohibits:

- making, printing, publishing, or causing to be made any advertisement or notice for the sale or rental of housing that indicated a preference or limitation based on race, color, national origin, religion, sex, familial status, or handicap (the prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act);
- coercing, intimidating, interfering, or threatening of an individual's ability to exercise their rights under the FHA; and
- retaliating against an individual because they exercised their FAH rights

The FHA includes exemptions for owner-occupied buildings with no more than four units; the sale or rental of single-family homes without the use of a real estate agent if the owner has no more than three properties; the sale, rental or occupancy of housing operated by a religious organization or private club to its members; or the limiting of familial status in the housing for the elderly.<sup>5</sup>

Additional provisions of the FHA require allowing handicapped persons to make “reasonable modifications” to housing that they occupy or will be occupying so that they can afford full enjoyment of the premises. The landlord, can, however, require a handicapped person to pay for any modifications and, in the case of rental housing, require the tenant to restore the apartment back to its original condition prior to modification. Landlords must also make “reasonable accommodations” in rules, policies, practices, or services if necessary for a disabled person to use the housing.<sup>6</sup>

Finally, the FHA requires multifamily buildings that are ready for first occupancy after March 13, 1991, have an elevator, and have four or more units to meet minimum standards of accessibility for persons with disabilities:

- All public and common-use areas must be readily accessible to and usable by handicapped persons.
- All doors designed to allow passage into and within all apartments must be sufficiently wide to permit access by handicapped persons in wheelchairs.
- All apartments must contain an accessible route into and through the living space; light switches, electrical outlets, thermostats, and other environmental controls in accessible locations; reinforcements in bathroom walls to allow later installation of grab bars; and usable kitchens and bathrooms such that an individual in a wheelchair can maneuver about the space.

If a building with four or more units has no elevator and will be ready for occupancy after March 13, 1991, these standard apply to ground floor units only.

While the FHA has federal jurisdiction, local, county and state laws, such as these ordinances that exist in Louisville METRO/Jefferson County, can include similar or additional protections for their residents against housing

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<sup>5</sup> 42 U.S.C. §§ 3604-3619.

<sup>6</sup> 42 U.S.C. §§ 3604.

discrimination. State, county and local laws cannot revoke any protection guaranteed by the FHA, but they can expand protections to include classes of persons not covered under federal laws. For example, 14 states plus the District of Columbia have passed laws that provide protection for gays, lesbians, bisexuals, and transgender people, who are not federally protected by the Fair Housing Act.<sup>7</sup>

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<sup>7</sup> Leadership Conference on Civil Rights education Fund 2005.

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## Appreciations

Thanks to all those who helped inform this paper by participating in interviews, completing surveys and sharing your thoughts about impediments to fair housing choice.

Special thanks to the Metropolitan Housing Coalition Board of Directors who supported staff in this endeavor. Staff include: Cathy Hinko, Executive Director, and Dana Loustalot Duncan, Development Director. MHC staff wishes to thank MSSW intern Donia Addison, of the Spalding University School of Social Work, for her hard work on this report.