

# 2011 NORTH DAKOTA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

VOLUME I



FINAL REPORT  
MARCH 9, 2012





# 2011 NORTH DAKOTA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE VOLUME I

**Final Report**  
**March 9, 2012**

Prepared for  
The North Dakota Department of Commerce

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# EXECUTIVE SUMMARY

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## AI PURPOSE AND PROCESS

In exchange for federal funds, entitlement jurisdictions are required to submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three required elements:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified, and
3. Maintain records reflecting the actions taken in response to the analysis.

In the *Fair Housing Planning Guide*, page 2-8, HUD provides a definition of 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 housing choices or the availability of housing choices;” and
- Any actions, omissions, or decisions that have the *effect* of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.<sup>1</sup>

The list of protected classes included in the above definition is drawn from the federal Fair Housing Act, which was first enacted in 1968. However, state and local governments may enact fair housing laws that extend protection to other groups, and the AI is expected to address housing choice for these additional protected classes as well.

The AI process involves a thorough examination of a variety of sources related to housing, affirmatively furthering fair housing, the fair housing delivery system, and housing transactions, particularly for persons who are protected under fair housing law.

The development of an AI also includes public input and review via direct contact with stakeholders, public meetings to collect input from citizens and interested parties, distribution of draft reports for citizen review, and formal presentations of findings and impediments, along with actions to overcome the identified impediments.

## METHODOLOGY

As part of the consolidated planning process and as a requirement for receiving HUD formula grant funding, this AI was sponsored by the North Dakota Department of Commerce and evaluated impediments to fair housing choice within the State of North Dakota.

Within North Dakota, fair housing law is covered by the federal Fair Housing Act, which includes the protections of race, color, religion, sex, disability, familial status, and national origin, and the North Dakota Human Rights Act, which includes the federal protections and extends additional protections based on age, marital status, and receipt of public assistance. As

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<sup>1</sup> [http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5\\_TopSevenAFFH.pdf](http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf)

such, fair housing choice was addressed in North Dakota in relation to this list of protected classes.

The purpose of this report is to update the previous statewide AI by determining current impediments to fair housing choice at work in North Dakota and to suggest actions that the State can consider in order to overcome the newly identified impediments. Thus, this report represents only the first element in the certification process presented on the previous page.

This AI was conducted through an assessment of a number of quantitative and qualitative sources. Quantitative sources used for analysis of fair housing choice in North Dakota included:

- Socio-economic and housing data from the U.S. Census Bureau,
- Employment data from the U.S. Bureau of Labor Statistics,
- Economic data from the U.S. Bureau of Economic Analysis,
- Home purchase data from the Home Mortgage Disclosure Act,
- Investment data from the Community Reinvestment Act, and
- Housing complaint data from the U.S. Department of Housing and the Human Rights Division of the North Dakota Department of Labor.

Qualitative research included evaluation of relevant and existing fair housing research regarding the State of North Dakota as well as fair housing law cases relevant to the state. Additionally, qualitative research was involved in the evaluation of information gathered from several public input opportunities conducted in relation to the AI, including a:

- Fair housing survey of 300 stakeholders throughout the state to investigate fair housing issues in the private and public sectors;
- Non-entitlement community survey that examined planning, zoning, and land use issues across the state; and
- Fair housing forum broadcast to several locations around the state to allow public input and reaction to preliminary findings of the AI.

Research conclusions were drawn from these sources and further evaluated based on HUD's definition of impediments to fair housing choice, as presented on the previous page. Ultimately, a list of impediments to fair housing choice in existence within North Dakota was identified, along with actions that could be considered for implementation to overcome or ameliorate the identified impediments.

## **OVERVIEW OF FINDINGS**

### **Socio-Economic Context**

According to the Census Bureau, between 2000 and 2010, the population in the State of North Dakota grew from 642,200 persons to 672,591 persons, or by 4.7 percent. Data for population by age showed that the state's population slowly shifted to comprise more persons over the age of 55, although the age groups with the largest population comprised persons aged 5 to 19 and 35 to 54.

Census Bureau data showed that, since 2000, the racial and ethnic composition of the state has also undergone some change. While the white population increased by only 2.1 percent by 2010, all other racial and ethnic minorities showed double-digit percentage increases in population change. In fact, black, Asian, and Hispanic groups all showed increases of more than 70 percent. Further evaluation of black, Asian, American Indian, and Hispanic population data in geographic terms showed very little increases in concentration of these groups over the past decade in census tracts across the state, with most of the population increases occurring in larger cities. Other groups, including disabled persons, were also slightly concentrated in some areas, as of 2000, such as in some rural tracts and in Fargo.

Economic data for the State of North Dakota demonstrated the impact of the recent recession. Data from the Bureau of Labor Statistics showed that the labor force, defined as people either working or looking for work, increased from around 345,000 persons in 2000 to more than 370,000 in 2010. Despite climbing unemployment rates nationwide, unemployment remained very low in North Dakota, peaking slightly in 2009 at 4.3 percent and remaining near 3.9 percent in 2010. This figure was high for the state but still well below the 9.6 national rate seen at that time. Data from the Bureau of Economic Analysis showed that average earnings per job in the state have historically been well below national figures but were closer to the national average in 2010 than in previous years. In North Dakota, the poverty rate average for 2005 through 2009 was 12.3 percent, with 75,114 persons considered to be living in poverty, and this group was concentrated primarily in the tribal lands in the state.

The number of housing units in the state increased by 6.7 percent, or from 289,677 units to 309,043 units, between 2000 and 2010, with the majority of the housing stock built from 1970 to 1979. The number of building permits issued decreased from 2004 through 2010, but the value of permitted single-family units showed an all-time high in 2008. Of the 289,677 housing units reported in the state in the 2000 census, more than 66 percent were single-family units, and more recent data from the Census Bureau's 2005 to 2009 data averages showed that this percentage stayed exactly the same. In the most recent census, 88.3 percent of units were occupied, and, of these, 65.7 percent were owner-occupied and 34.3 percent were renter-occupied. Of the 32,525 unoccupied housing units counted in North Dakota in 2000, nearly 24 percent were noted as "other vacant" units, defined as units that are not available to the marketplace, which can contribute to blighting influences. Census Bureau data from 2010 showed that the percentage of this type of unit increased by nearly 26.9 percent, to 9,821 units.

At the time of the 2000 census, 1.4 percent of households were overcrowded, and another 0.5 percent of households were severely overcrowded; this housing problem was more common in renter households than in owner households. In North Dakota, in 2000, 1.6 and 2 percent of all households were lacking complete plumbing or kitchen facilities, respectively, and the number of incomplete facilities increased to 2.4 and 2.8 percent in more recent data. Additionally, in 2000, 12 percent of households had a cost burden and 7.8 percent of households had a severe cost burden, and 2005 to 2009 data averages showed that both of these percentages have increased since that time.

## **Review of Fair Housing Laws, Studies, and Cases**

A review of laws, studies, cases, and related materials relevant to fair housing in the State of North Dakota demonstrated the complexity of the fair housing landscape. It was determined

that North Dakota's fair housing law offers protections beyond the scope of the federal Fair Housing Act. Examination of relevant fair housing studies and cases supported the idea that, while housing discrimination activity may have declined in recent years, disabled persons and racial and ethnic minorities remain commonly affected victims of housing discrimination.

## **Fair Housing Structure**

A review of the fair housing profile in North Dakota revealed that two main organizations provide fair housing services: the U.S. Department of Housing and Urban Development (HUD) and the Human Rights Division of the North Dakota Department of Labor, the latter of which exists as an agency substantially equivalent to HUD in the state, with fair housing complaint processing and enforcement powers. These agencies provide outreach and education, complaint intake, and testing and enforcement activities for both providers and consumers of housing.

## **Fair Housing in the Private Sector**

Evaluation of fair housing in the private sector included reviews of home purchase lending information and predatory lending practices, fair housing complaint data, online rental advertisements, and results from the private sector section of the fair housing survey.

Home Mortgage Disclosure Act (HMDA) data were used to analyze differences in denial rates in the State of North Dakota by race, ethnicity, sex, income, and census tract. Evaluated home purchase loan applications from 2004 through 2009 showed that there were 50,082 loan originations and 6,204 loan denials, for an average six-year loan denial rate of 11 percent. Denial rates fell from 12.2 percent in 2006 to 10.1 percent in 2009. These HMDA data also showed that American Indian, black and Hispanic applicants experienced significantly higher rates of loan denials than white and Asian applicants, even after correcting for income. Further, these highly denied racial and ethnic groups appear to have been disproportionately impacted in some geographic areas of the state wherein denial rates were as high as 100 percent.

Analysis of high annual percent interest rate lending showed that American Indian, black, and Hispanic populations were also disproportionately impacted by an unusually higher share of lower-quality loan products; American Indian applicants experienced a rate almost double than that of white applicants, while Hispanic applicants experienced a rate about one and a half times that of white applicants. With such high proportions of these minorities receiving lower-quality, high-interest rate loans, the burden of foreclosure likely tended to fall more heavily upon these particular groups.

Analysis of data from the Community Reinvestment Act (CRA), which was developed to encourage investment in low- and moderate-income areas, showed that business loans were not directed toward areas with higher levels of poverty in the State of North Dakota.

Fair housing complaint data was requested from HUD and the North Dakota Department of Labor Human Rights Division (HRD). HUD data showed that 265 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 32 to 59, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets based on successfully conciliated

complaints were disability, familial status, and race. The most common issues regarding these complaints were:

- Failure to make reasonable accommodation;
- Discriminatory refusal to rent;
- Discriminatory terms, conditions, or privileges relating to rental; and
- Discriminatory advertising, statements, and notices.

Data from the HRD showed that 289 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 34 to 69, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets were disability, familial status, race, and receipt of public assistance. The most common complaint issues in successfully conciliated complaints related to terms of rental, reasonable accommodation, refusal to rent, and advertising.

A review of a sample of more than 400 Craigslist postings throughout the state in September 2011 revealed few instances of poor language choices in advertisements for housing in the rental market, with some preferential statements made based on sex, age, and familial status.

Results from the private sector portion of a fair housing survey, which was conducted as part of the AI process, showed that many respondents see possible issues of housing discrimination in North Dakota's private sector. Issues described by respondents regarding the rental markets related to denial of available units, refusal to rent, discriminatory terms and conditions, and failure to make reasonable accommodation or modification. In the home purchase and lending industries, comments related to refusal to lend based on race and disability. Additional concerns voiced about the private housing sector in North Dakota included failure to comply with disability codes in housing construction and a lack of advocacy organizations for protected groups and others seeking housing.

### **Fair Housing in the Public Sector**

The status of affirmatively furthering fair housing within North Dakota's public sector was primarily evaluated through review of the distribution of public housing and employment centers in the state, results of the public sector section of the fair housing survey, and results of a separate planning and zoning survey administered to non-entitlement city staff.

Evaluation of the placement of Section 8 properties in the state demonstrated that these housing options are more plentiful in the urban areas of the state and less available in rural areas.

An examination of the relationship among the location of employment centers, job training centers, and transit systems in the State of North Dakota revealed that these services appear to be adequate in more populated areas but may be less accessible in the rural and higher poverty areas of the state.

Results from the public sector section of the fair housing survey revealed that some respondents in North Dakota believe there are problematic practices or policies within the public sector. Several comments indicated that development of accessible and group housing is somewhat restricted due to land use policies and zoning codes. Respondents also addressed a lack of enforcement of health and safety codes or occupancy standards that restrict housing

choice for families. Many comments noted that lack of public transportation acts as a barrier to housing, government, and community services.

A survey of planning and zoning staff in non-entitlement communities in North Dakota showed a sample of 27 responses describing current zoning and land use policies and practices. Few respondents were aware of codes and policies in their cities related to housing, although some had restrictive definitions of “dwelling unit” and “family.” Very few respondents reported that their cities include provisions for populations in need of accessible or group housing. Many respondents were unfamiliar with federal requirements for housing provision, including fair housing responsibilities.

## **Public Involvement**

Public involvement opportunities were an intrinsic part of the development of this AI. Activities included a fair housing survey to evaluate current fair housing efforts and a forum wherein citizens were offered the chance to comment on initial findings of the AI and provide feedback on prospective impediments.

Results of the fair housing survey, which was completed by 300 persons throughout North Dakota, showed that most respondents felt that fair housing laws are useful but that they may be difficult to understand or follow. While many respondents said that they were aware of fair housing training such as classes and seminars, only 80 respondents said that they had taken part in any fair housing training. Respondents also showed unfamiliarity with the classes of persons protected by fair housing laws in North Dakota as well as where to refer someone who has a housing complaint. Many respondents noted the need for increased fair housing education and outreach activities, and a moderate need was indicated for increased testing and enforcement activities. Some respondents wanted fair housing laws changed in the state and suggested that sexual orientation and victims of domestic violence be added to the list of protected classes.

A fair housing forum held in November 2011, which was broadcast to several locations throughout North Dakota, allowed citizens and agencies to voice concerns about barriers to fair housing choice. The draft report was released for public review on January 6, 2012, and initiated a 30-day public review period.

## **IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS**

The 2011 AI for the State of North Dakota uncovered many issues regarding fair housing in the state. Selection of these items as impediments to fair housing choice was based on HUD’s definition of impediments as “actions, omissions or decisions that restrict housing choice due to protected class status.” The identified impediments are presented on the following page and are accompanied by appropriate actions that the State can implement in order to alleviate or eliminate these impediments as well as measurable objectives to gauge progress. The goal of these actions is to offer greater housing choice for protected classes and all citizens within the State of North Dakota.

## Responsible Agencies

All testing and enforcement activities will be conducted by or secured with the assistance of the North Dakota Department of Labor's Human Rights Division. Outreach and education efforts, including best practices associated with local government, zoning, and planning issues, will be conducted by or secured by the North Dakota Department of Commerce. Homebuyer education will be conducted by or secured with the assistance of the North Dakota Housing Finance Agency.

## Private Sector Impediments, Actions, and Measurable Objectives

### *Impediment 1: Discriminatory terms and conditions in rental markets*

*Action 1.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 1.1: Number of outreach and education activities conducted*

*Action 1.2: Conduct additional testing and enforcement activities in rental markets*  
*Measurable Objective 1.2: Number of tests conducted*

### *Impediment 2: Failure to make reasonable accommodation or modification*

*Action 2.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 2.1: Number of outreach and education activities conducted*

*Action 2.2: Conduct a sample of audit testing activities in rental markets to determine scope of problem*  
*Measurable Objective 2.2: Number of audit tests conducted*

### *Impediment 3: Discriminatory refusal to rent*

*Action 3.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 3.1: Number of outreach and education activities conducted*

*Action 3.2: Conduct additional testing and enforcement activities in rental markets*  
*Measurable Objective 3.2: Number of tests conducted*

### *Impediment 4: Preferential statements in advertising for rental properties*

*Action 4.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 4.1: Number of outreach and education activities conducted*

### *Impediment 5: Discriminatory terms and conditions in real estate markets*

*Action 5.1: Conduct additional testing and enforcement activities*  
*Measurable Objective 5.1: Number of tests conducted*

*Impediment 6: Denial of home purchase loans*

*Action 6.1: Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars*

*Measurable Objective 6.1: Number of courses and seminars held*

*Impediment 7: Predatory-style lending activities*

*Action 7.1: Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars*

*Measurable Objective 7.1: Number of courses and seminars held*

**Public Sector Impediments, Actions, and Measurable Objectives***Impediment 1: Inadequate fair housing outreach and education activities*

*Action 1.1: Enhance outreach and education efforts to public sector housing providers through webinars, seminars, and other outreach activities*

*Measurable Objective 1.1: Number of outreach and education activities conducted*

*Action 1.2: Distribute fair housing flyers and education materials at annual conferences and other public venues*

*Measurable Objective 1.2: Number of materials distributed*

*Action 1.3: Request technical assistance from HUD to ramp up activities*

*Measurable Objective 1.3: Document requests and results*

*Impediment 2: Lack of sufficient fair housing testing and enforcement activities*

*Action 2.1: Increase testing and enforcement activities*

*Measurable Objective 2.1: Number of tests and enforcement activities conducted*

*Impediment 3: Occupancy standards restrict housing choice for families and others*

*Action 3.1: Encourage local communities to evaluate local occupancy standards*

*Measurable Objective 3.1: Number of communities that have been encouraged*

*Impediment 4: Zoning decisions that affect placement of multifamily, group housing*

*Action 4.1: Encourage local communities to reevaluate decisions that may adversely affect housing placement*

*Measurable Objective 4.1: Number of communities that have been contacted*

*Action 4.2: Provide education and awareness opportunities to communities that may not have planning and zoning ordinances or codes that are in compliance with current practices*

*Measurable Objective 4.2: Number of opportunities offered*

*Impediment 5: NIMBYism (Not in My Backyard) tendencies affect housing availability*

*Action 5.1: Encourage planning decisions by Community Development Block Grant (CDBG) and HOME sub-recipient communities that work to decrease segregation and increase integration of populations*

*Measurable Objective 5.1: Number of communities that have been contacted*

*Impediment 6: Gaps exist in fair housing infrastructure*

*Action 6.1: Continue discussion on how gap left by dissolution of Fair Housing of the Dakotas (FHP) can be filled*

*Measurable Objective 6.1: Investigate possible options for coordinating fair housing activities with the HRD of the Department of Labor as well as the North Dakota Housing Finance Agency*

*Measurable Objective 6.2: The occurrence of a quarterly meeting between these agencies*

*Action 6.2: Investigate opportunities in creating new or reestablishing past FHIP grant recipient*

*Measurable Objective 6.2: Document progress toward having a FHIP grantee operate in North Dakota*



## SECTION I. INTRODUCTION

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### BACKGROUND

Title VIII of the 1968 Civil Rights Act, also known as the Federal Fair Housing Act, made it illegal to discriminate in the buying, selling, or renting of housing because of a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Federal fair housing statutes are largely covered by the following three pieces of U.S. legislation:

- The Fair Housing Act,
- The Housing Amendments Act, and
- The Americans with Disabilities Act.

### WHY ASSESS FAIR HOUSING?

Provisions to affirmatively further fair housing are long-standing components of the U.S. Department of Housing and Urban Development's (HUD's) housing and community development programs. These provisions come from Section 808(e) (5) of the federal Fair Housing Act, which requires that the Secretary of HUD administer HUD's housing and urban development programs in a manner that affirmatively furthers fair housing.

In 1994, HUD published a rule to consolidate plans for housing and community development programs. This action grouped the plans for original consolidated programs, including Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants<sup>2</sup> (ESG), and Housing Opportunities for Persons with AIDS (HOPWA), with additional program components that have been enacted, into the Consolidated Plan for Housing and Community Development..

As a part of the consolidated planning process, states and entitlement communities receiving such funds as a formula allocation directly from HUD are required to submit to HUD certification that they are affirmatively furthering fair housing. This certification has three parts:

1. Complete an Analysis of Impediments to Fair Housing Choice (AI),
2. Take actions to overcome the effects of any impediments identified through the analysis, and
3. Maintain records reflecting the analysis and actions taken.

In the *Fair Housing Planning Guide*, page 2-8, HUD notes that impediments to fair housing choice are:

- "Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices;" and

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<sup>2</sup> The Emergency Shelter Grant was recently renamed the Emergency Solutions Grant.

- Any actions, omissions, or decisions that have the *effect* of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.<sup>3</sup>

State and local governments may enact fair housing laws that extend protection to other groups as well. For example, the State of North Dakota enacted its own Human Rights Act, which extends protections based on age (for persons over age 40), marital status, and receipt of public assistance.

## **PURPOSE OF THIS RESEARCH**

Thus, according to HUD, the AI and certification of affirmatively furthering fair housing involves:

- Analyzing and working to eliminate housing discrimination in the jurisdiction;
- Promoting fair housing choice for all people;
- Providing opportunities for racially and ethnically inclusive patterns of housing occupancy;
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.<sup>4</sup>

The objective of the 2011 North Dakota AI was to research, analyze, and identify prospective impediments to fair housing choice throughout the state and to suggest actions that the lead agency, the North Dakota Department of Commerce, can consider when working toward eliminating or mitigating the identified impediments.

## **GEOGRAPHIC SCOPE OF THE PROJECT**

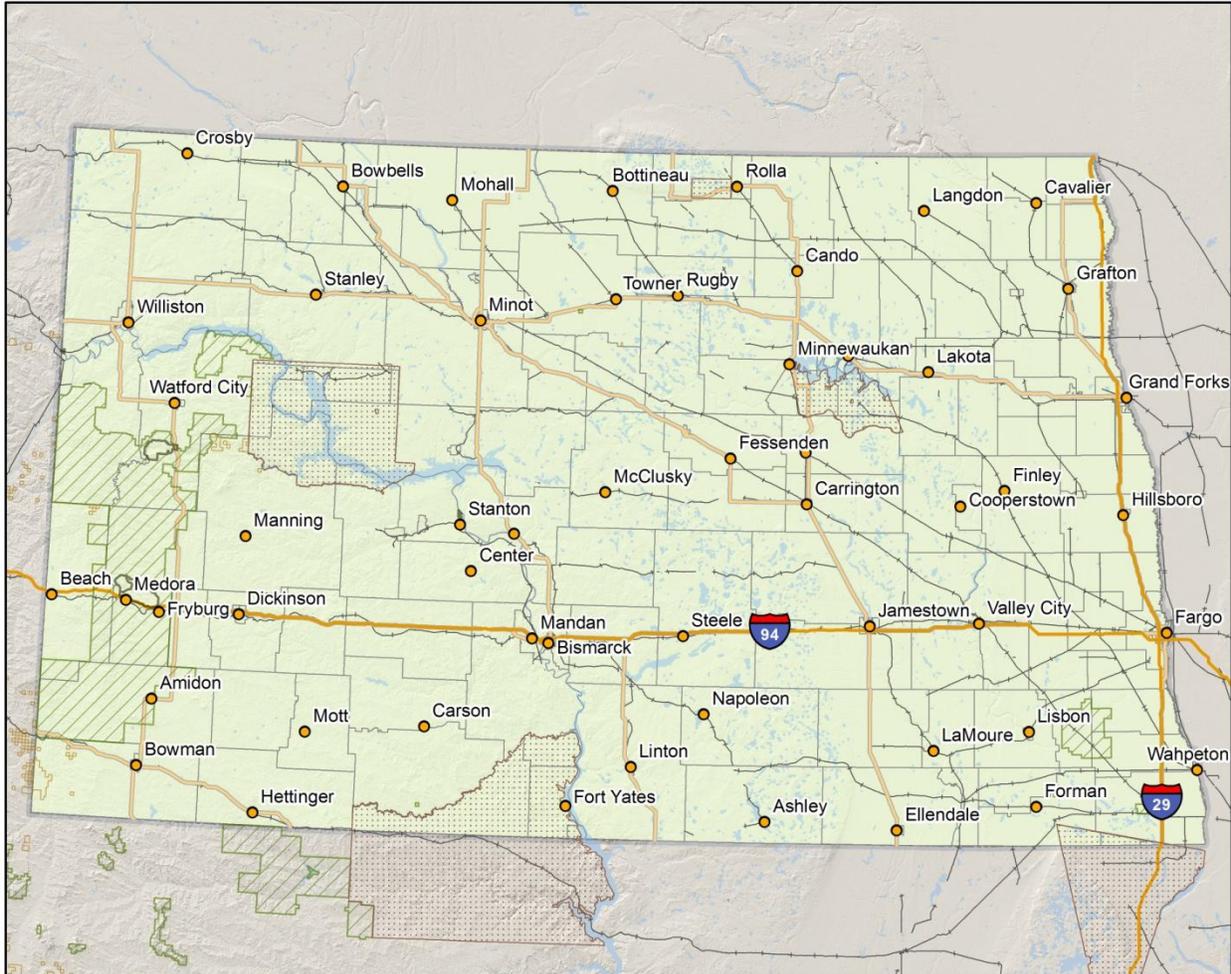
This AI addresses the status of fair housing across the State of North Dakota, including the entitlement cities of Bismarck, Fargo, and Grand Forks. County seats throughout the state are labeled in Map I.1, on the following page.

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<sup>3</sup> [http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5\\_TopSevenAFFH.pdf](http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf)

<sup>4</sup> *Fair Housing Planning Guide*. U.S. Department of Housing and Urban Development. March 1996, pg.1-3.

**Map I.1**  
**State of North Dakota**



**LEGEND**

**North Dakota**

Census Tract Boundaries	US Highways
Tribal Lands	Interstate Highway
Forest Service Land	County Seats
Tribal Land	Railroads
National Parks Service Land	North Dakota State Boundary

Data Source: ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

0 50 Miles

## RESEARCH METHODOLOGY

The AI process involves a thorough examination of a variety of sources related to housing, particularly when it concerns persons who are protected under fair housing law. AI sources include census data, employment and income information, home mortgage application data, fair housing complaint information, surveys of housing industry experts and stakeholders, and related information found in the public domain. Relevant information was collected and evaluated using four general approaches:

1. *Primary Research*, or the collection and analysis of raw data that did not previously exist;
2. *Secondary Research*, or the review of existing data and studies;
3. *Quantitative Analysis*, or the evaluation of objective, measurable, and numerical data; and
4. *Qualitative Analysis*, or the evaluation and assessment of subjective data such as individuals' beliefs, feelings, attitudes, opinions, and experiences.

Some baseline secondary and quantitative data were drawn from the Census Bureau, including 2000 and 2010 census counts as well as 2005 through 2009 American Community Survey data averages. Data from this source included population, personal income, poverty estimates, housing units by tenure, cost burdens, and housing conditions. Other data were drawn from records provided by the Bureau of Labor Statistics, the Bureau of Economic Analysis, and a variety of other sources. The narrative below offers a brief description of other key data sources employed for the 2011 North Dakota AI.

### Home Mortgage Disclosure Act Data

To examine possible fair housing issues in the home mortgage market, Home Mortgage Disclosure Act (HMDA) data were analyzed. The HMDA was enacted by Congress in 1975 and has since been amended several times. It is intended to provide the public with loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to assist in identifying possible discriminatory lending patterns. HMDA requires lenders to publicly disclose the race, ethnicity, and sex of mortgage applicants, along with loan application amounts, household income, the census tract in which the home is located, and information concerning prospective lender actions related to the loan application. For this analysis, HMDA data from 2004 through 2009 were analyzed with the measurement of denial rates by census tract and by race and ethnicity of applicants as the key research objectives. These data were also examined to identify the groups and geographic areas most likely to encounter unfair, high-interest rate loans.

### Fair Housing Complaint Data

Housing complaint data were used to analyze discrimination in the renting and selling of housing. HUD provided fair housing complaint data for the state from January 2004 through June 2011, and the Human Rights Division of the North Dakota Department of Labor also provided complaint data for the state. Complaint data generally included basis or bases of the complaint, issue or issues pursuant to the grievance, and closure status of the alleged fair housing infraction, the latter of which relates to the result of the investigation, including any testing conducted in the enforcement process. The review of more than 260 fair housing

complaints filed within the State of North Dakota allowed for inspection of the tone and relative degree and frequency of certain types of unfair housing practices seen and the degree to which they were found to be with cause. Analysis of complaint data also focused on determining which protected classes may have been disproportionately impacted by housing discrimination based on the number of complaints, all the while acknowledging that many individuals may be reluctant to step forward with fair housing complaints for fear of retaliation or similar repercussion.

## **Fair Housing Survey**

One of the methods HUD recommends for gathering public input about perceived impediments to fair housing choice is to conduct a survey. As such, the State elected to utilize a survey instrument as a means to encourage public involvement in the AI process. This step was a cost-effective, efficient method to target research resources.

The survey targeted individuals involved in the housing arena, although anyone was allowed to complete the survey. The prospective contact list was assembled by the lead agency with the goal of targeting experts in at least the following areas:

- Residential and commercial building codes and regulations;
- State, local, and federal occupancy standards;
- Residential health and safety codes and regulations (structural, water, and sewer);
- State and local land use planning;
- Banking and insurance laws and regulations;
- Real estate development, real estate sales, and management laws and regulations;
- Renter rights and obligations, including civil rights;
- Fair housing, disability, social service, and other advocacy organizations; and
- Habitat for Humanity, public housing agencies, or similar housing providers.

The survey approach also assured that selected target populations, through their in-need service provider network or advocacy organizations, were well represented. Furthermore, these entities were utilized to help publicize fair housing planning activities and to promote public involvement throughout the AI process. The North Dakota fair housing survey, which was conducted primarily online, received 300 responses.

The survey protocol involved sending an email announcement to each prospective respondent with an introduction to the upcoming survey, its purpose, and its intent. A link was provided that directed the respondent to the online survey. The email message also urged respondents to forward the survey announcement to any other individual or agency involved in housing. Furthermore, the announcement and survey link were posted on the lead agency's website, and printed copies were made available during public meetings.

The survey was designed to address a wide variety of issues related to fair housing and affirmatively furthering fair housing. If limited input on a particular topic was received, it was assumed that the entirety of stakeholders did not view the issue as one of high pervasiveness or impact. This does not mean that the issue was non-existent in the state but rather that there was not a large perception of its prevalence as gauged by survey participants.

The following narrative summarizes key survey themes and data that were to be collected from the survey instrument:

#### *Federal, State, and Local Fair Housing Law*

The first section in the survey asked respondents to address a number of questions related to fair housing laws, including assessment of their familiarity with and understanding of these laws, knowledge of classes of persons protected by these laws, the process for filing a fair housing complaint, an evaluation of the adequacy of enforcement of fair housing laws in North Dakota, and an evaluation of whether fair housing laws should be changed.

#### *Fair Housing Activities*

The second section of the survey evaluated stakeholders' awareness of and participation in fair housing activities in the state, including outreach activities such as trainings or seminars and monitoring activities such as fair housing testing exercises.

#### *Barriers to Fair Housing Choice in the Private Sector*

This section addressed fair housing in North Dakota's private housing sector and offered a series of two-part questions. The first part asked the respondent to indicate awareness of questionable practices or barriers to fair housing choice in a variety of private sector industries, and the second part requested a narrative description of these questionable practices or concerns if an affirmative response was received. The specific areas of the private sector that respondents were asked to examine included:

- Rental housing market,
- Real estate industry,
- Mortgage and home lending industries,
- Housing construction or accessible housing design fields,
- Home insurance industry,
- Home appraisal industry, and
- Any other housing services.

The use of open-ended questions allowed respondents to address any number of concerns such as redlining, neighborhood issues, lease provisions, steering, sub-standard rental housing, occupancy rules, and other fair housing issues in the private housing sector of the state.

#### *Fair Housing in the Public Sector*

In a manner similar to the previous section, respondents were asked to offer insight into awareness of questionable practices or barriers to fair housing in the public sector. A list of areas within the public housing sector was provided, and respondents were asked to first specify their awareness of fair housing issues within each area and then, if they were aware of any such fair housing issues, to further describe these areas in a narrative fashion. Respondents were asked to identify fair housing issues within the following public housing sector areas:

- Land use policies,
- Zoning laws,
- Occupancy standards or health and safety codes,
- Property tax policies,
- Permitting processes,
- Housing construction standards,
- Neighborhood or community development policies, and
- Any other public administrative actions or regulations.

Respondents were also asked to identify their awareness of barriers that limit access to government services, including public housing, transportation, and employment services, and also to indicate their awareness of any fair housing compliance issues with local public housing authorities.

The questions in this section were used to identify fair housing issues in the state in relation to zoning, building codes, accessibility compliance, subdivision regulations, displacement issues, development practices, residency requirements, property tax policies, land use policies, and NIMBYism.<sup>5</sup>

### *Additional Questions*

Finally, respondents were asked about their awareness of any local fair housing plans or specific geographic areas of the state with fair housing problems. Respondents were also asked to leave any additional comments that they had.

## **Research Conclusions**

The final list of impediments to fair housing choice for the State of North Dakota was culled from these sources based on HUD's definition of an impediment to fair housing choice as "any action, omission or decision based on protected class status that affects housing choice." Determinations of qualification as an impediment were derived from frequency of occurrence and severity in both quantitative and qualitative findings.

## **LEAD AGENCY**

The North Dakota Department of Commerce served as the lead agency for preparation of the 2011 Analysis of Impediments to Fair Housing Choice. Western Economic Services, LLC, a Portland, Oregon-based consulting firm, specializing in analysis and research in support of housing and community development planning, prepared this AI.

## **Commitment to Fair Housing**

In accordance with the applicable statutes and regulations governing the Consolidated Plan, the State certifies that it will *affirmatively further fair housing*. This statement means that the State has conducted an AI, will take appropriate actions to overcome the effects of any impediments identified through that analysis, and will maintain records reflecting the actions taken regarding this AI.

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<sup>5</sup> "Not In My Backyard" mentality

## **PUBLIC INVOLVEMENT**

The State conducted the public input process associated with this AI with assistance from the consulting agency. The key actions that were used to notify the public of the AI process included email announcements, public postings, newspaper advertisements and notices, phone calls, and other communication activities directed to citizens and stakeholders in the fair housing arena.

As part of the process of involving the public in development of the AI, the State sponsored a fair housing survey as well as a planning and zoning survey for the non-entitlement areas of the state.

Additionally, the State held a public input meeting, or fair housing forum, during the week of October 31, 2011. The forum was broadcast to several locations throughout the state via interactive video conferencing and was designed to offer the public the opportunity to supply commentary on the status of fair housing in North Dakota as well as to provide feedback on the initial findings of the AI. A detailed discussion of this session is presented in Section VII.

The draft report was released for public review on January 6, 2012, and initiated a 30-day public review period. A presentation of findings was made on February 9, 2012, during North Dakota's 21<sup>st</sup> annual Statewide Housing Conference in Bismarck.

## SECTION II. SOCIO-ECONOMIC CONTEXT

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### INTRODUCTION

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Economic Analysis, and the Bureau of Labor Statistics. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends. Ultimately, the information presented in this section helps illustrate the underlying conditions that have shaped housing market behavior and housing choice in North Dakota.

To supplement 2000 and 2010 census data, information for this analysis was also gathered from the Census Bureau's American Community Survey (ACS) data source. The ACS data cover similar topics compared to the decennial counts and intercensal estimates but represent a five-year average; in this case, data averages from 2005 through 2009. The ACS figures are not directly comparable to decennial census counts because they do not account for certain population groups, such as the homeless. However, they are another useful tool for examining population characteristics in a given area.

In many cases, information is presented for the State of North Dakota, along with subtotals for the three non-entitlement areas of the state, the cities of Bismarck, Fargo, and Grand Forks, as well as totals for the remaining non-entitlement areas of the state. Detailed tables and diagrams of Census Bureau data for these cities and communities, in addition to Bureau of Labor Statistics data, can be found in the Technical Appendix.

### DEMOGRAPHICS

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#### POPULATION DYNAMICS

Table II.1, on the following page, compares population estimates in the State of North Dakota, as drawn from the 2000 and 2010 census counts and 2001 through 2009 intercensal estimates. In total, population increased from 642,200 persons in 2000 to 672,591 persons in 2010, or by 4.7 percent. Of the entitlement cities, Fargo had the largest population in both 2000 and 2010, increasing by 16.5 percent during the decade. Bismarck and Grand Forks were closer in size and grew in population by 10.3 percent and 7.1 percent, respectively. The non-entitlement areas of the state grew by only 1.4 percent from 2000 to 2010, suggesting that the population in the state was concentrated more in urban rather than rural areas.

Year	Bismarck	Fargo	Grand Forks	Non-Entitlement Areas	North Dakota
2000	55,532	90,599	49,321	446,748	642,200
2001	55,984	92,077	48,894	439,312	636,267
2002	56,439	91,968	48,895	436,315	633,617
2003	56,716	92,010	49,118	434,965	632,809
2004	56,934	93,082	50,879	435,408	636,303
2005	57,818	91,965	50,775	434,807	635,365
2006	58,633	91,925	51,631	434,582	636,771
2007	59,467	92,872	50,775	435,088	638,202
2008	60,253	93,851	51,328	435,989	641,421
2009	61,217	95,556	51,216	438,855	646,844
2010	61,272	105,549	52,838	452,932	672,591
<b>% Change 00-10</b>	<b>10.3%</b>	<b>16.5%</b>	<b>7.1%</b>	<b>1.4%</b>	<b>4.7%</b>

## POPULATION BY AGE

Data on population by age in 2000 and 2010 in the State of North Dakota, presented below in Table II.2, showed that the largest population groups in both census counts represented persons aged 5 to 19 and 35 to 54. However, these two age cohorts were also the only groups to show a decrease in population between 2000 and 2010, at 11.6 percent and 6.3 percent, respectively. Most age groups did not increase significantly during this period, with the exception of the age group of 55 to 64, which showed an increase of more than 53 percent during this time.

Age	2000 Census		2010 Census		% Change 00 - 10
	Population	% of Total	Population	% of Total	
Under 5	39,400	6.1%	44,595	6.6%	13.2%
5 to 19	144,064	22.4%	127,340	18.9%	-11.6%
20 to 24	50,503	7.9%	58,956	8.8%	16.7%
25 to 34	76,887	12.0%	90,485	13.5%	17.7%
35 to 54	183,435	28.6%	171,919	25.6%	-6.3%
55 to 64	53,433	8.3%	81,819	12.2%	53.1%
65 and Over	94,478	14.7%	97,477	14.5%	3.2%
<b>Total</b>	<b>642,200</b>	<b>100.0%</b>	<b>672,591</b>	<b>100.0%</b>	<b>4.7%</b>

The Technical Appendix shows these data for the entitlement cities and the non-entitlement areas. Patterns were fairly similar to the state rates, although, in Fargo, the population aged 5 to 19 grew by 7.3 percent, and in the three entitlement cities, the 65 and over population grew much more quickly than it did throughout the entire state.

More information regarding the elderly population was also collected from the 2000 and 2010 census counts. As shown on the following page in Table II.3, in both 2000 and 2010, the largest age cohorts among the elderly population represented persons in the age ranges of 70 to 74 and 75 to 79. However, both of these groups decreased in population during this period.

<b>Table II.3</b>					
<b>Elderly Population by Age</b>					
State of North Dakota Census Bureau Data					
Persons	2000 Census		2010 Census		% Change 00 - 10
	Population	% of Total	Population	% of Total	
65 to 66	9,382	9.9%	11,302	11.6%	20.5%
67 to 69	13,760	14.6%	14,726	15.1%	7.0%
70 to 74	22,759	24.1%	20,845	21.4%	-8.4%
75 to 79	19,085	20.2%	18,368	18.8%	-3.8%
80 to 84	14,766	15.6%	15,548	16.0%	5.3%
85 and over	14,726	15.6%	16,688	17.1%	13.3%
<b>Total</b>	<b>94,478</b>	<b>100.0%</b>	<b>97,477</b>	<b>100.0%</b>	<b>3.2%</b>

As the data in the Technical Appendix show, in the entitlement communities, the populations aged 65 to 69 and 80 years of age and older showed growth rates twice as high as in the non-entitlement areas of the state.

### POPULATION BY RACE AND ETHNICITY

Between 2000 and 2010, the white population, representing more than 90 percent of the population in both counts, grew by the largest total number of persons but increased by the smallest percent share of all racial groups, or by only 2.1 percent. Some racial groups showed significant growth, such as the black population, which increased by 103.3 percent; the Asian population, which grew by 91.6 percent; and the population of two or more races, which increased by 60.2 percent. In terms of ethnicity, which is defined separately from race, the Hispanic population increased by 73 percent, or from 7,786 to 13,467 persons between 2000 and 2010. All these data are shown below in Table II.4.

<b>Table II.4</b>					
<b>Population by Race and Ethnicity</b>					
State of North Dakota Census Bureau Data					
Race	2000 Census		2010 Census		% Change 00 - 10
	Population	% of Total	Population	% of Total	
White	593,181	92.4%	605,449	90.0%	2.1%
Black	3,916	0.6%	7,960	1.2%	103.3%
American Indian	31,329	4.9%	36,591	5.4%	16.8%
Asian	3,606	0.6%	6,909	1.0%	91.6%
Native Hawaiian/Pacific Islander	230	0.0%	320	0.0%	39.1%
Other	2,540	0.4%	3,509	0.5%	38.1%
Two or More Races	7,398	1.2%	11,853	1.8%	60.2%
<b>Total</b>	<b>642,200</b>	<b>100.0%</b>	<b>672,591</b>	<b>100.0%</b>	<b>4.7%</b>
Hispanic (Ethnicity)	7,786	1.2%	13,467	2.0%	73.0%

A comparison of race and ethnicity in the entitlement and non-entitlement areas of the state, as presented in the Technical Appendix, showed that, in the three entitlement cities, the black population increased by between 149.1 and 209.3 percent, while the population only grew by 51.2 percent in the non-entitlement areas of the state. The Asian population grew by 111.7 percent in Fargo and 149.6 percent in Grand Forks, well above the statewide change of 91.6 percent, but only by 36.7 percent in Bismarck. The Hispanic population grew by almost 100 percent in Bismarck and Fargo.

The geographic distribution of these racial and ethnic minorities can vary throughout a region. HUD has determined that an area demonstrates a disproportionate share of a population when the percentage of that population is 10 or more percentage points higher than the study area average. For example, the American Indian population in the state represented 4.9 percent of the total in 2000. Therefore, any tract that showed an American Indian population in excess of 14.9 percent held a disproportionate share of this population. This analysis of racial and ethnic distribution was conducted by calculating race or ethnicity as the percentage of total population and then plotting the data on a geographic map of census tracts in the State of North Dakota. For the purpose of this AI, maps were produced for several racial and ethnic groups based on both 2000 and 2010 data in order to examine where these populations were concentrated and how they changed over time.

In 2000, there were no tracts with a disproportionate share of the black population in North Dakota; however a few tracts in all three entitlements, as well as around Minot, Grafton, and west of Grand Forks, had shares higher than the average. These data are presented in Map II.1, on page 24.

The average black population per tract increased from 0.6 percent in 2000 to 1.2 percent in 2010. Map II.2, on page 25, reveals that, in 2010, there were still no tracts with a disproportionate share of the black population, although a few tracts around cities, particularly in the eastern part of the state, continued to show population concentrations above the statewide average.

Map II.3, on page 26, presents the concentration of the Asian population in the State of North Dakota, as of the 2000 census. As with the previous maps, no tracts showed a disproportionate share of this population in excess of 10.6 percent; however, some tracts had a higher percentage than the statewide average. Some of the more rural tracts across the state had an Asian population of more than 0.6 percent, along with some tracts in Fargo and Minot.

The distribution of the Asian population in North Dakota, in 2010, is shown on page 27 in Map II.4. The average percent of Asian population per tract increased by less than half of 1 percent; however, several of the tracts that showed above average concentrations in 2000 did not demonstrate such concentrations in 2010. Areas east of Dickinson and west of Fargo showed increases in the Asian population.

The concentration of the American Indian population, by far the largest of the minority race groups at the time of the 2000 census, is presented on page 28 in Map II.5. The tracts with the highest shares of this population, well above the disproportionate share threshold of 14.9 percent and as high as 96.3 percent, corresponded with some of the tribal land boundaries in the four largest reservations in the state. A few tracts in rural areas outside some of the reservations and in the northwest corner of the state also showed shares of American Indian population above the disproportionate share threshold.

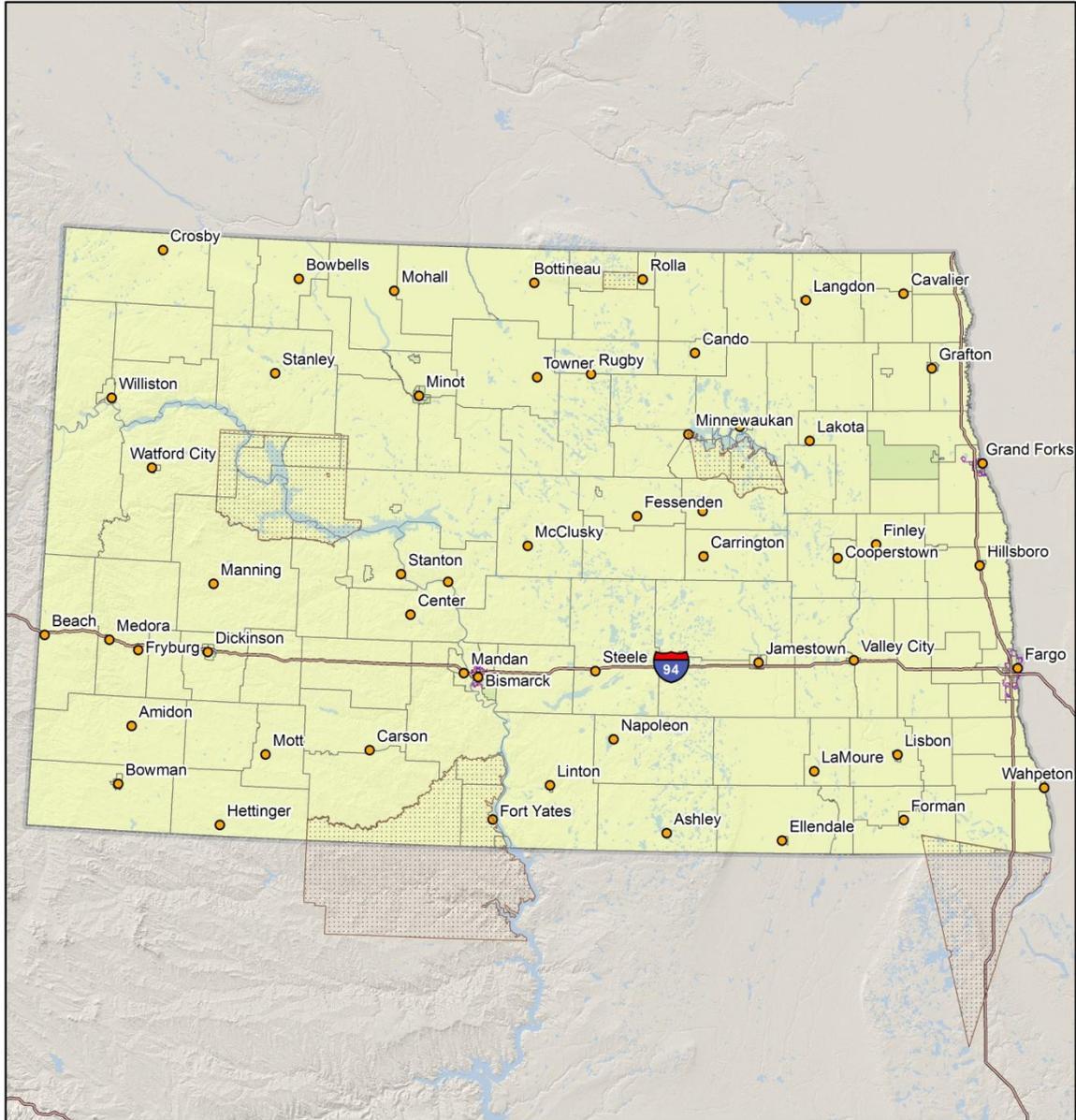
The average American Indian population increased slightly between 2000 and 2010, from 4.9 to 5.4 percent. Many of the same tracts held disproportionate shares of this population, and a few large tracts north and east of Manning and north of Cavalier had increases in American Indian population to levels above the statewide average. These data are shown in Map II.6, on page 29.

The concentration of the Hispanic population at the time of the 2000 census is presented on page 30 in Map II.7. As shown, there were many tracts with an Hispanic population above the statewide average, but only in Grafton was the population higher than the disproportionate share threshold.

Census Bureau data showed that the Hispanic population increased slightly, from an average of 1.2 percent in 2000 to 2 percent in 2010. Map II.8, on page 31, reveals that, in rural parts of the state, the Hispanic concentration of tracts with a higher population than the statewide average shifted in many cases, although relatively the same number of tracts, as of 2000, demonstrated higher than average shares. Again, the small tract near Grafton had an Hispanic population above the disproportionate share threshold, and its concentration of the Hispanic population increased from 12.3 in 2000 to 21.4 percent in 2010.

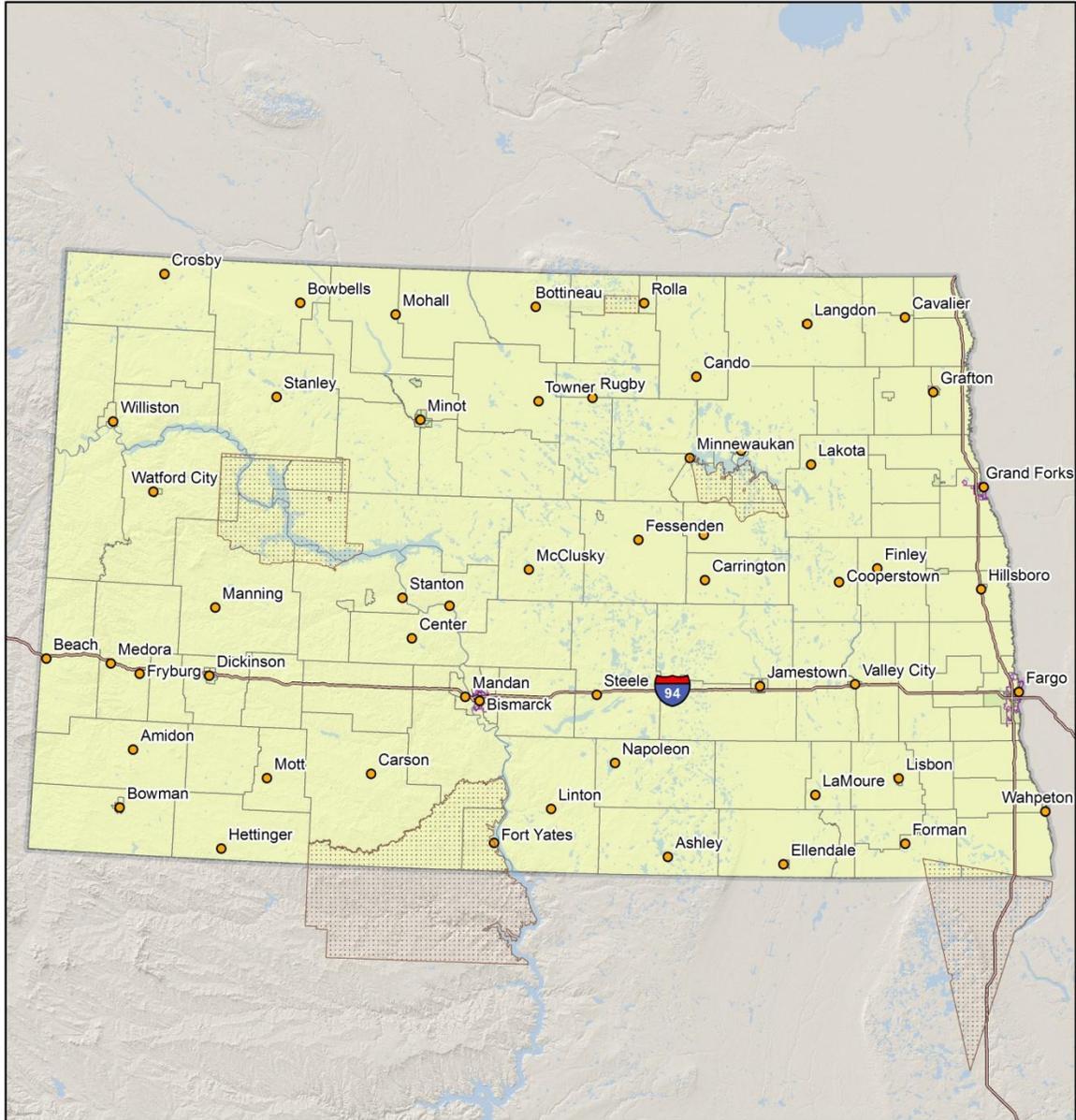
Such increases in concentration of minority racial and ethnic populations can be attributable to several factors aside from potential housing discrimination, including historical influences, socio-economic status, cultural and self-segregation, and even public housing policy standards and practices. Some of these issues are discussed in greater detail later in this document.

**Map II.1**  
**Percent Black Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



<b>LEGEND</b>	
<b>2000 Black Population</b>	
Average Percent Black Population in the State of North Dakota = 0.6%	
Disproportionate Share of Black Population in the State of North Dakota = 10.6%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>LEGEND</b></p> <p>Percent Black</p> <p>0.0 - 0.6</p> <p>0.7 - 10.6</p> <p>Disproportionate Share Threshold</p>	<p>Census Tract Boundaries</p> <p>Interstate Highway</p> <p>County Seats</p> <p>Entitlement Community Boundaries</p> <p>Tribal Lands</p> <p>0 50 Miles</p>

**Map II.2**  
**Percent Black Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2010



**LEGEND**

**2010 Black Population**

Average Percent Black Population in the State of North Dakota = 1.2%

Disproportionate Share of Black Population in the State of North Dakota = 11.2%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent Black

0.0 - 1.2

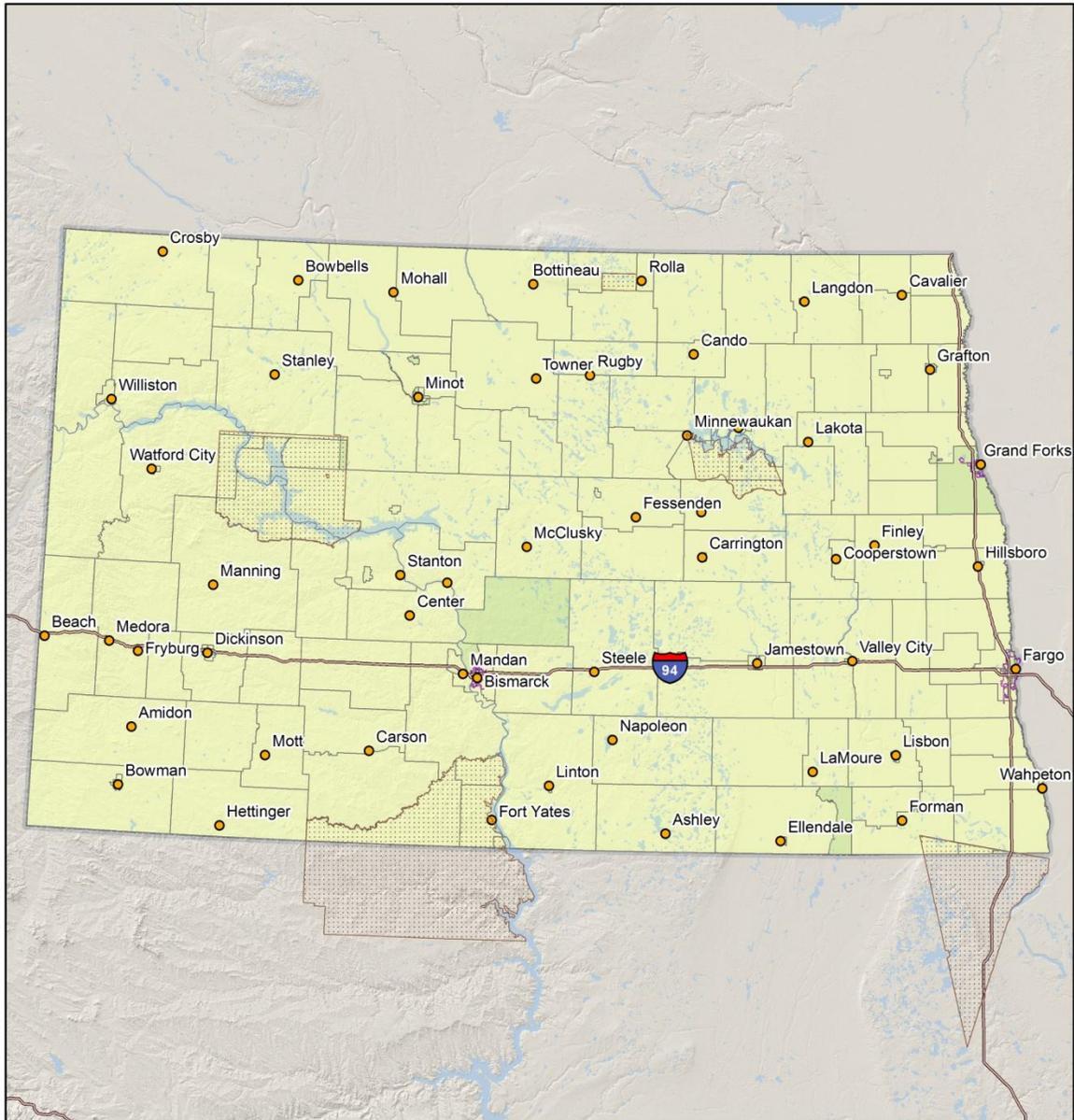
1.3 - 11.2

Disproportionate Share Threshold

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- ▨ Tribal Lands

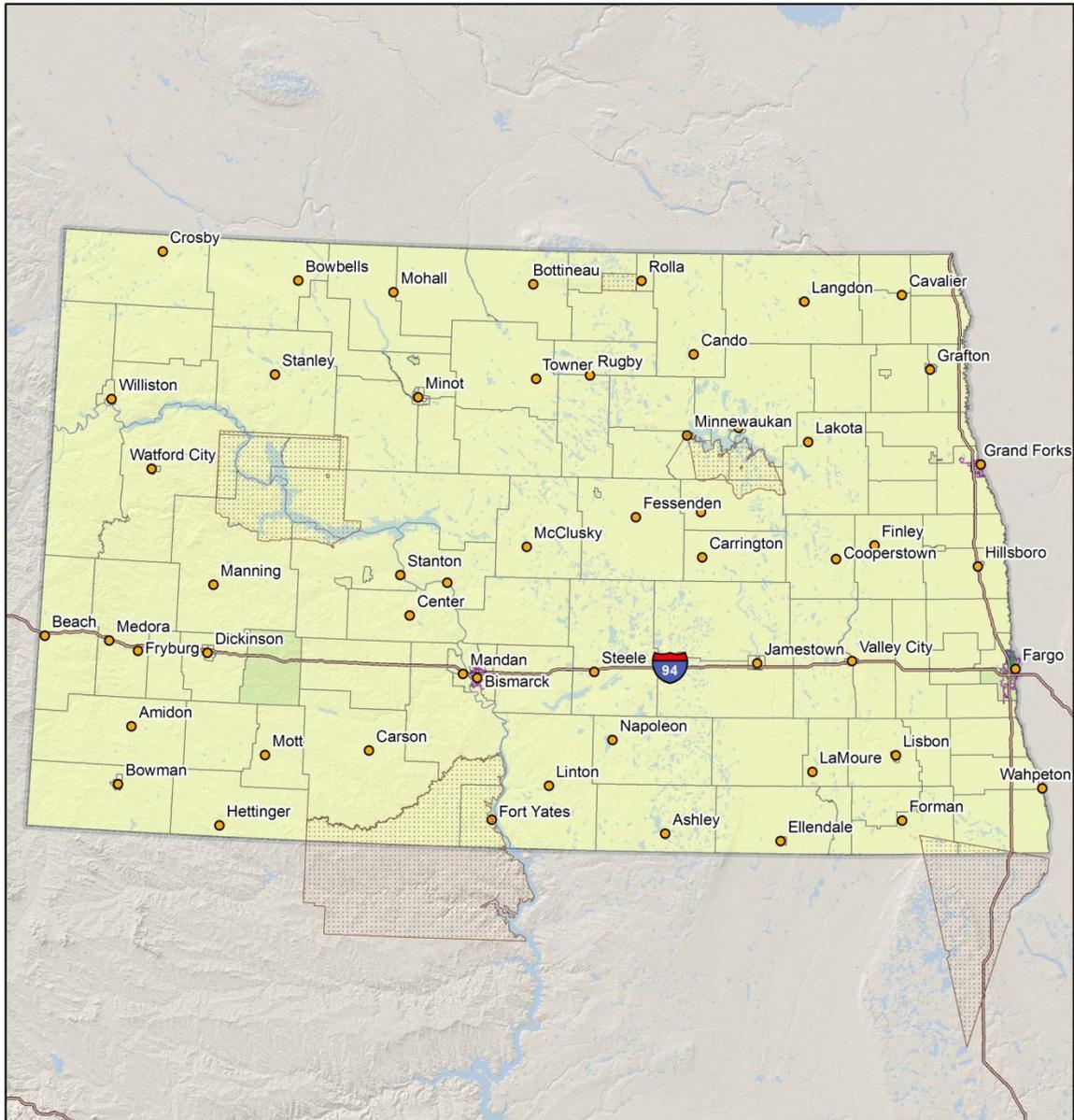
0 50 Miles

**Map II.3**  
**Percent Asian Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



LEGEND	
<p><b>2000 Asian Population</b></p> <p>Average Percent Asian Population in the State of North Dakota = 0.6%</p> <p>Disproportionate Share of Asian Population in the State of North Dakota = 10.6%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>Percent Asian</b></p> <p>0.0 - 0.6</p> <p>0.7 - 10.6</p> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li> Census Tract Boundaries</li> <li> Interstate Highway</li> <li> County Seats</li> <li> Entitlement Community Boundaries</li> <li> Tribal Lands</li> </ul> <p>0 50 Miles </p>

**Map II.4**  
**Percent Asian Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2010



**LEGEND**

**2010 Asian Population**

Average Percent Asian Population in the State of North Dakota = 1.0%

Disproportionate Share of Asian Population in the State of North Dakota = 11.0%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent Asian

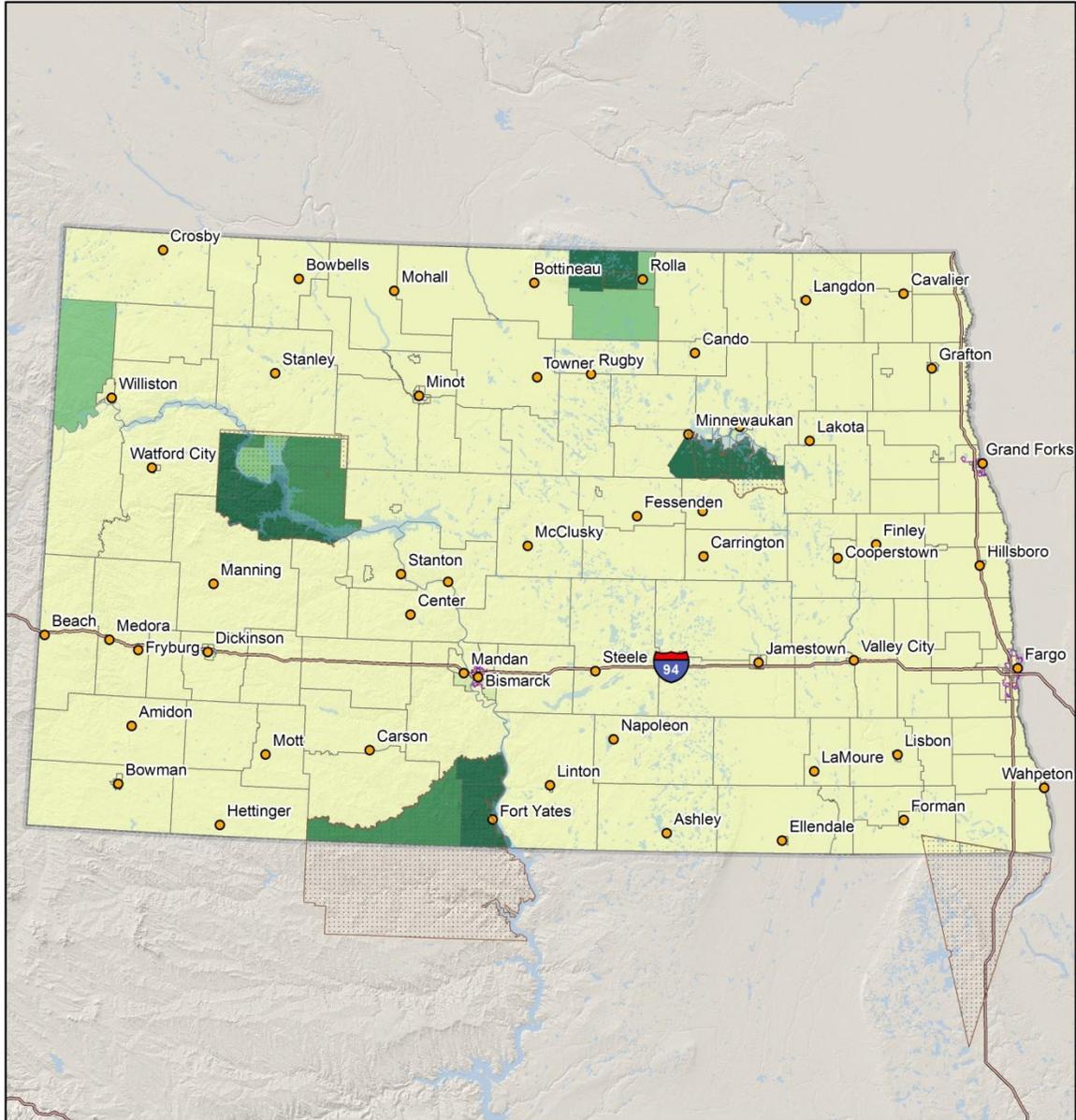
- 0.0 - 1.0
- 1.1 - 11.0
- 11.1 - 12.9

Disproportionate Share Threshold

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- Tribal Lands

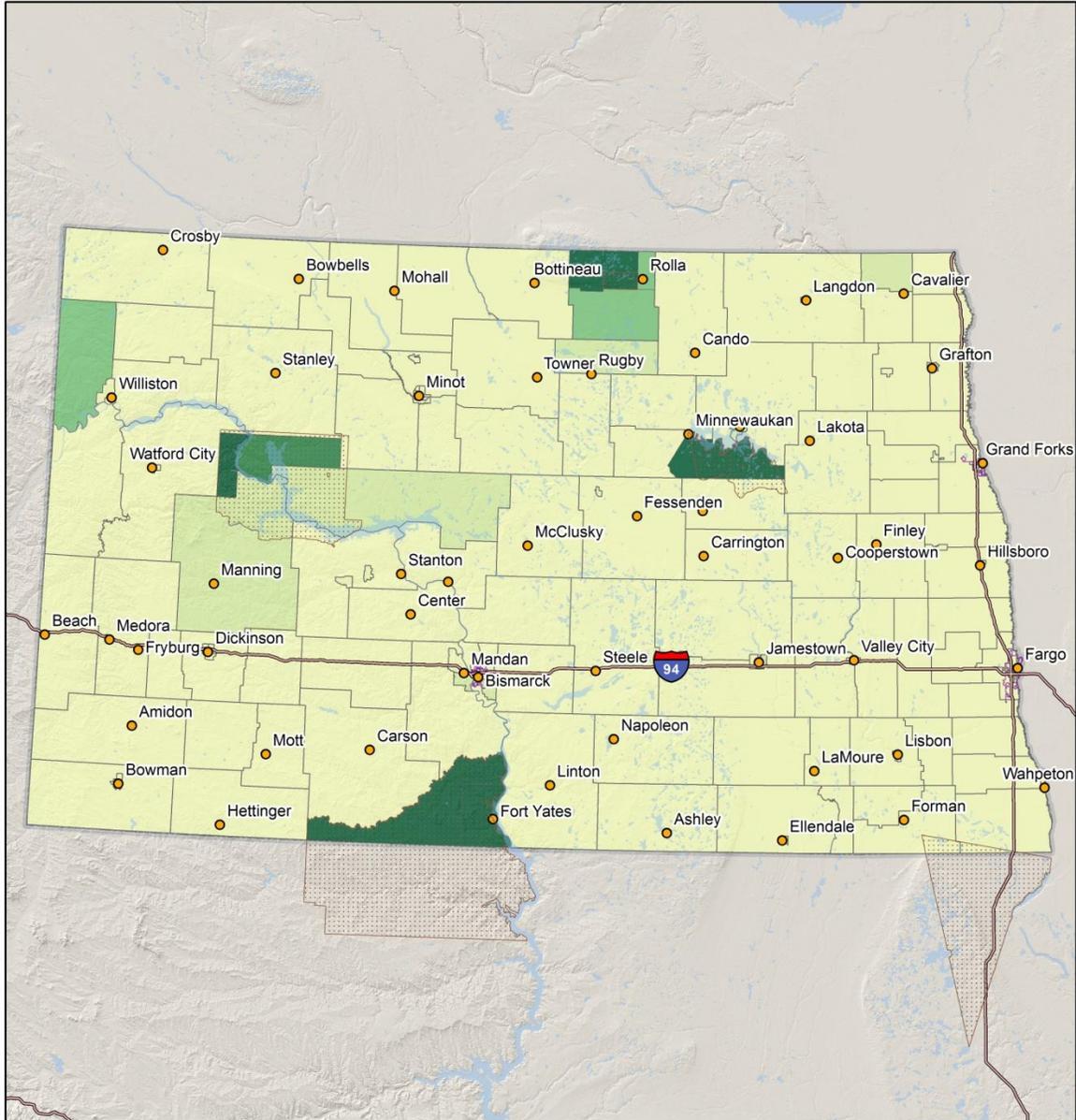
0 50 Miles

**Map II.5**  
**Percent American Indian Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



LEGEND	
<p><b>2000 American Indian Population</b></p> <p>Average Percent American Indian Population in the State of North Dakota = 4.9%</p> <p>Disproportionate Share of American Indian Population in the State of North Dakota = 14.9%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>LEGEND</b></p> <p>Percent American Indian Population</p> <ul style="list-style-type: none"> <li>0.0 - 4.9</li> <li>5.0 - 14.9</li> <li>15.0 - 40.0</li> <li>40.1 - 70.0</li> <li>70.1 - 96.3</li> </ul> <p>Disproportionate Share Threshold</p>	<ul style="list-style-type: none"> <li>Census Tract Boundaries</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

**Map II.6**  
**Percent American Indian Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2010



**LEGEND**

**2010 American Indian Population**

Average Percent American Indian Population in the State of North Dakota = 5.4%

Disproportionate Share of American Indian Population in the State of North Dakota = 15.4%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent American Indian Population

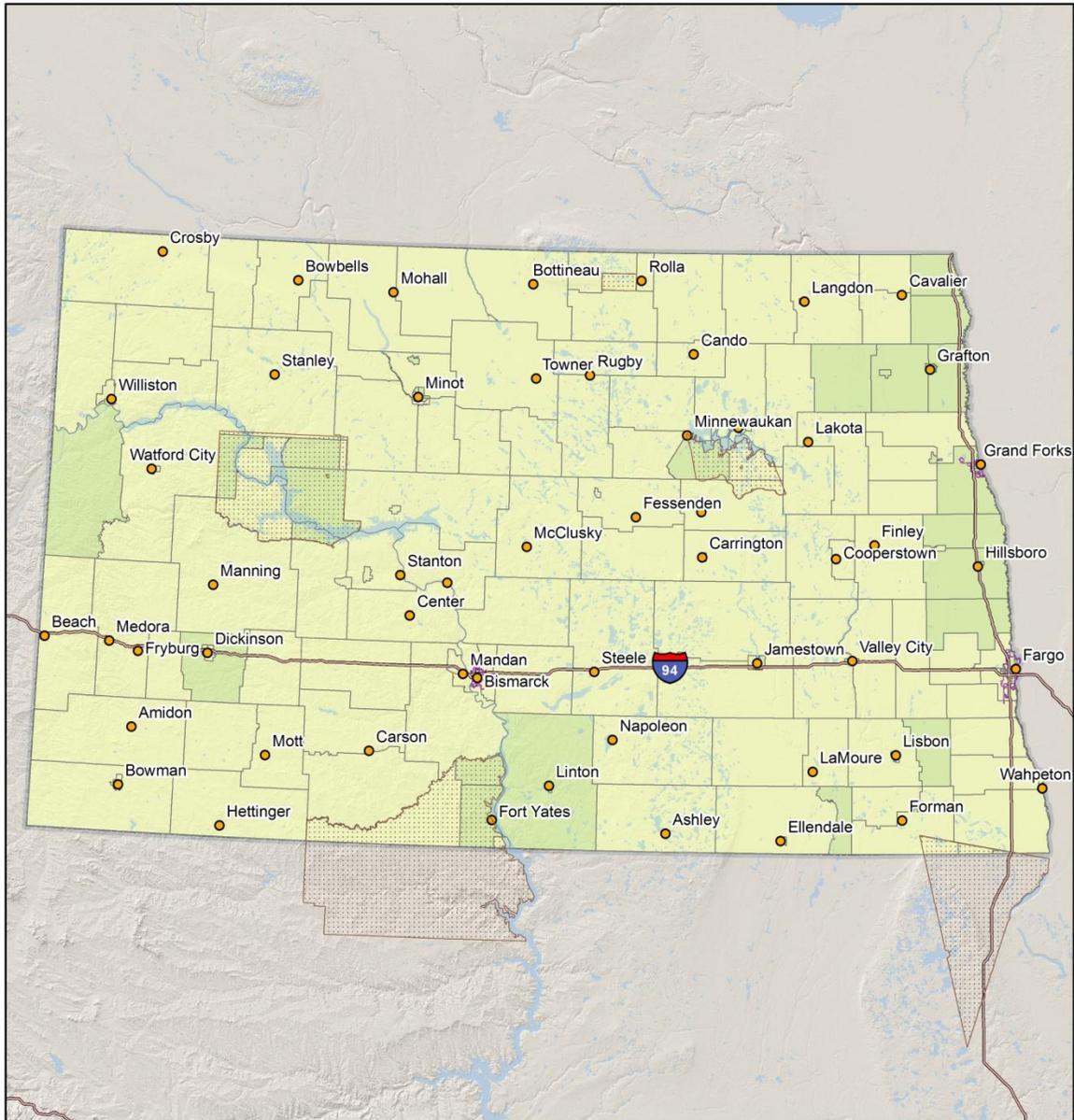
- 0.0 - 5.4
- 5.5 - 15.4
- 15.5 - 40.0
- 40.1 - 70.0
- 70.1 - 96.0

Disproportionate Share Threshold

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- ▨ Tribal Lands

0 50 Miles

**Map II.7**  
**Percent Hispanic Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



**LEGEND**

**2000 Hispanic Population**

Average Percent Hispanic Population in the State of North Dakota = 1.2%

Disproportionate Share of Hispanic Population in the State of North Dakota = 11.2%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent Hispanic

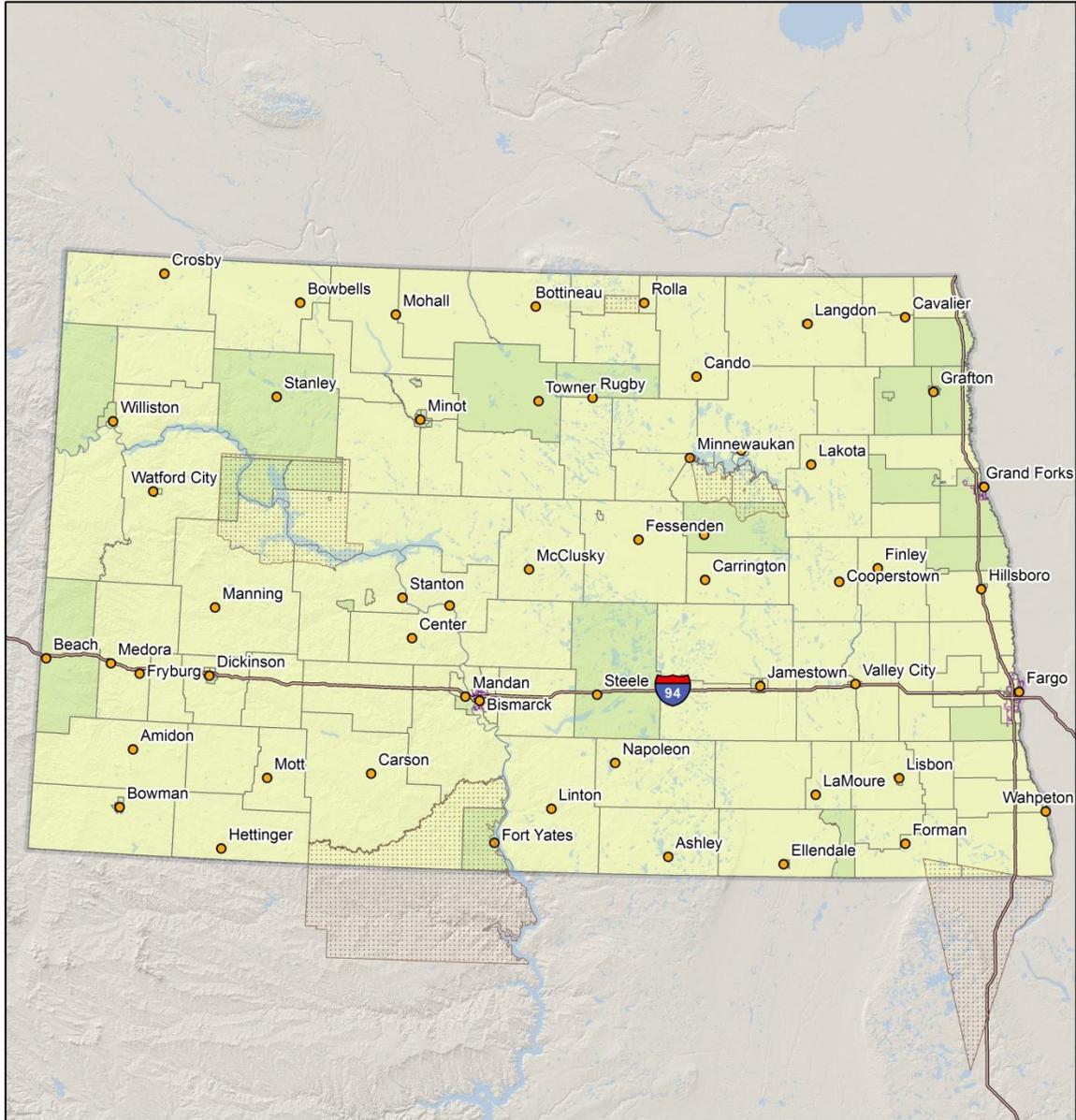
0.0 - 1.2	Light Yellow
1.3 - 11.2	Light Green
11.3 - 12.3	Dark Green

Disproportionate Share Threshold

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- ▨ Tribal Lands

0 50 Miles

**Map II.8**  
**Percent Hispanic Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2010



**LEGEND**

**2010 Hispanic Population**

Average Percent Hispanic Population in the State of North Dakota = 2.0%

Disproportionate Share of Hispanic Population in the State of North Dakota = 12.0%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent Hispanic

0.0 - 2.0	Light Green
2.1 - 12.0	Medium Green
12.1 - 21.4	Dark Green

Disproportionate Share Threshold

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- ▨ Tribal Lands

0 50 Miles

## DISABILITY STATUS

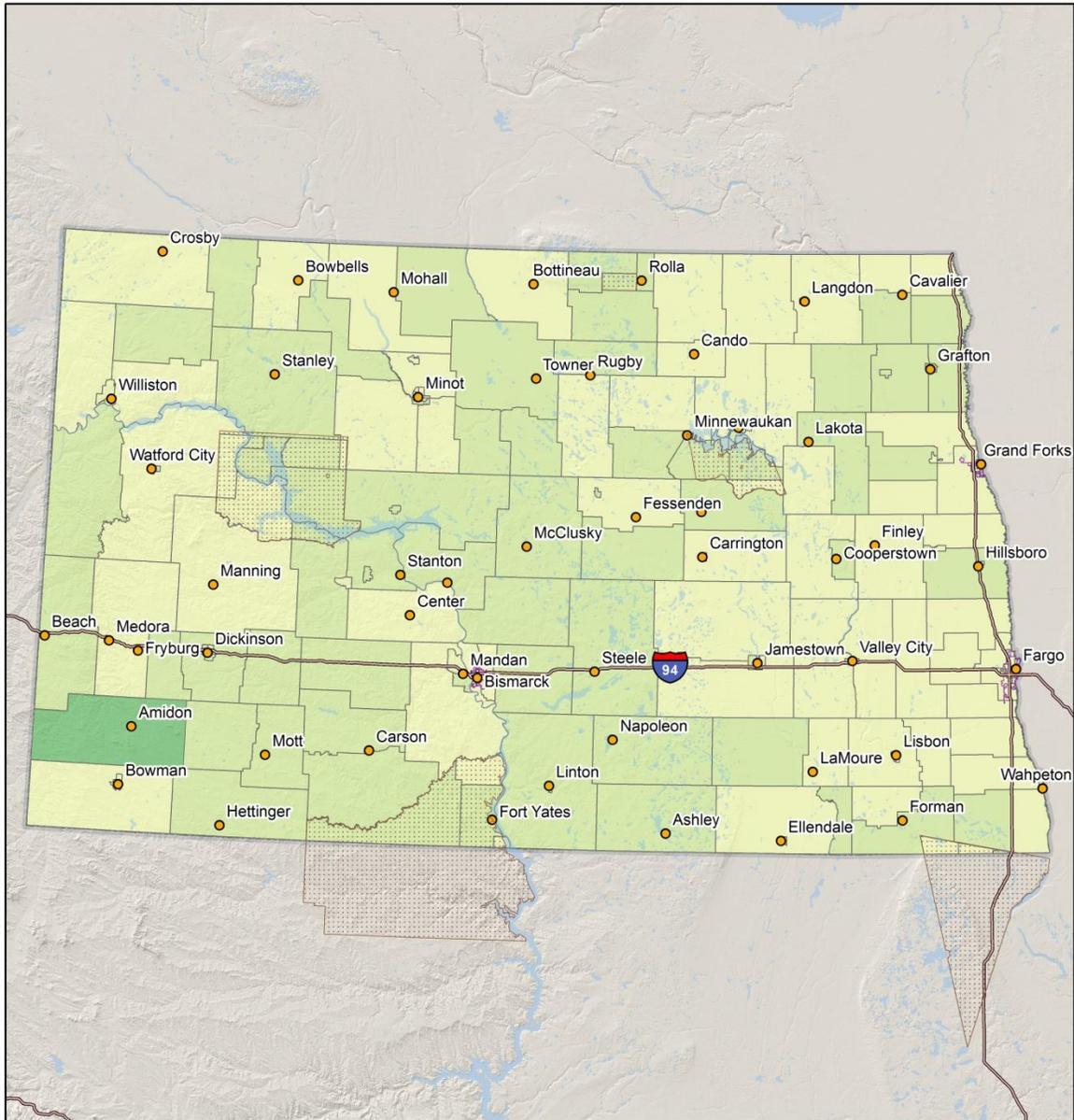
Disability is defined by the Census Bureau as a lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from going outside the home alone or working.

Table II.5, below, presents disability information for 2000; these data were not collected in the 2010 census. For all persons aged 5 years or older, the State of North Dakota had a disability rate of 16.7 percent in 2000, which was slightly lower than the 19 percent national rate at that time. This disability rate represented 97,817 persons living with a disability in the state, including 58,630 persons between the ages of 16 and 64 and 33,601 persons over the age of 65. Fargo and Grand Forks had slightly lower rates of disability than other places in the state.

<b>Table II.5</b>					
<b>Persons with a Disability by Age</b>					
State of North Dakota					
Census Bureau Data, 2000					
<b>Age</b>	<b>Bismarck</b>	<b>Fargo</b>	<b>Grand Forks</b>	<b>Non-Entitlement Area</b>	<b>North Dakota</b>
5 to 15	470	875	449	3,792	5,586
16 to 64	5,371	8,709	4,604	39,946	58,630
Over 65	2,822	3,145	1,629	26,005	33,601
<b>Total</b>	<b>8,663</b>	<b>12,729</b>	<b>6,682</b>	<b>69,743</b>	<b>97,817</b>
Disability Rate	17.1%	15.1%	14.7%	17.2%	16.7%

Geographic distribution of the disabled population in the State of North Dakota, as of the 2000 census, is presented on the following page in Map II.9. This map shows that a few census tracts in Minot, Jamestown, and Bismarck and around Amidon and east of Minnewaukan held disproportionate shares of the disabled population. The few most highly concentrated tracts showed a share of up to 47.5 percent in Fargo. Many tracts across the state had disabled populations above the average but below the disproportionate share. The high disability rate in Fargo could be due to proximity of Disabled American Veterans and North Dakota Association for the Disabled offices.

**Map II.9**  
**Disabled Population by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



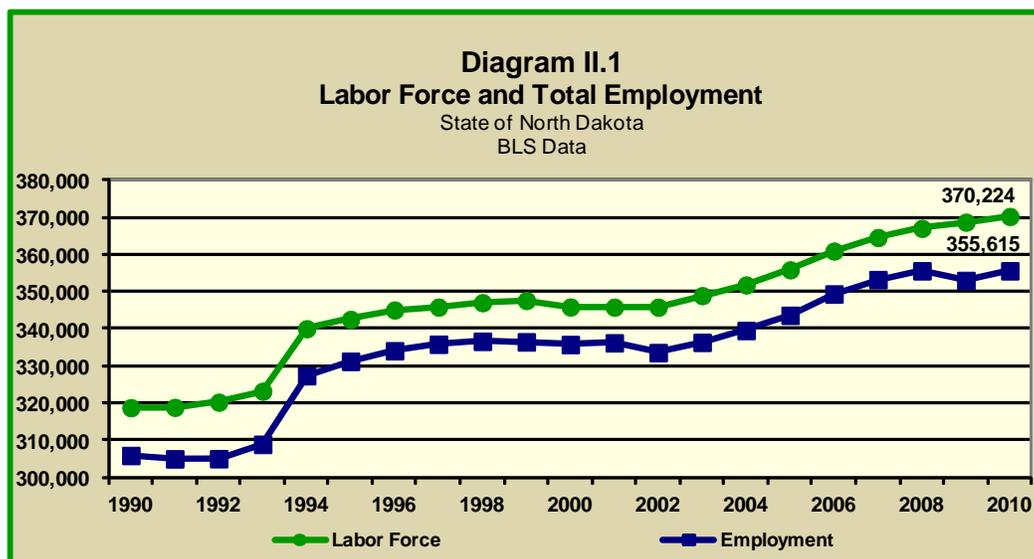
LEGEND	
<p><b>2000 Disabled Population</b></p> <p>Average Percent Disabled Population in the State of North Dakota = 16.7%</p> <p>Disproportionate Share of Disabled Population in the State of North Dakota = 26.7%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>Percent Disabled Population</b></p> <p>0.0 - 16.7</p> <p>16.8 - 26.7</p> <p>26.8 - 35.0</p> <p>35.1 - 40.0</p> <p>40.1 - 47.5</p> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li> Census Tract Boundaries</li> <li> Interstate Highway</li> <li> County Seats</li> <li> Entitlement Community Boundaries</li> <li> Tribal Lands</li> </ul> <p>0 50 Miles </p>

## ECONOMICS

### LABOR FORCE AND EMPLOYMENT

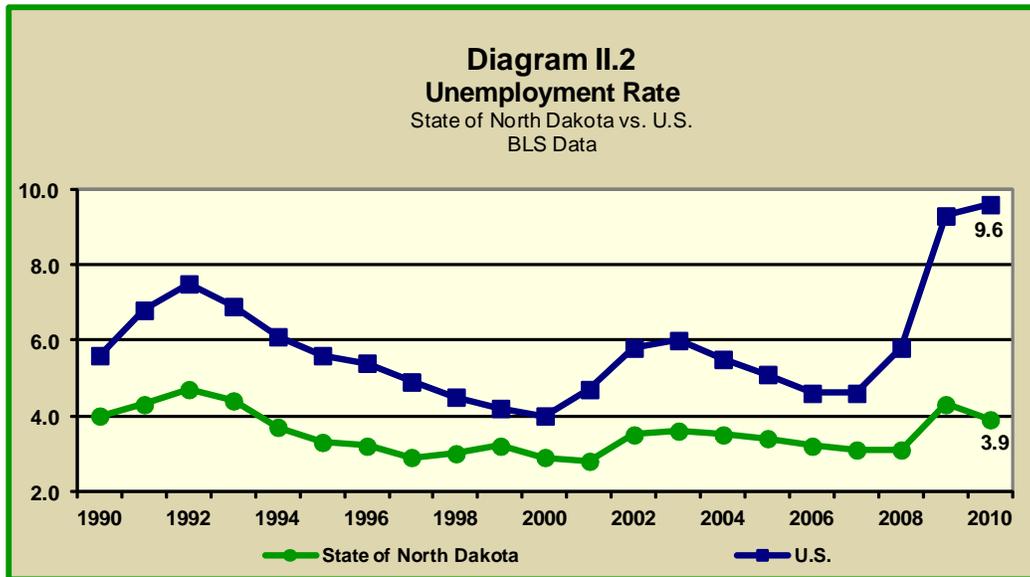
Data regarding economic and employment trends in North Dakota were derived from Bureau of Labor Statistics (BLS) and Bureau of Economic Analysis (BEA) data. The BLS data were available for Bismarck, Fargo, and Grand Forks, so the non-entitlement areas of the state are also identified. The BEA data were available by county or state, so only statewide information is presented in this section.

Data regarding the labor force, defined as the total number of persons working or looking for work, and employment, or the number of persons working, as gathered from the BLS, are presented below in Diagram II.1. As shown, labor force and employment figures in North Dakota showed moderate to mild increases from 2002 through 2008. In 2009, this trend was broken with a drop in employment followed by a slight recovery in 2010. Detailed support data for this diagram are shown in the Technical Appendix.



As presented in the Technical Appendix, the three entitlement cities also showed very strong labor force utilization rates, but the labor force in Grand Forks declined continuously over recent years. The non-entitlement portion of the state tended to have an unemployment rate of about 0.2 percent higher than the state as a whole in 2010.

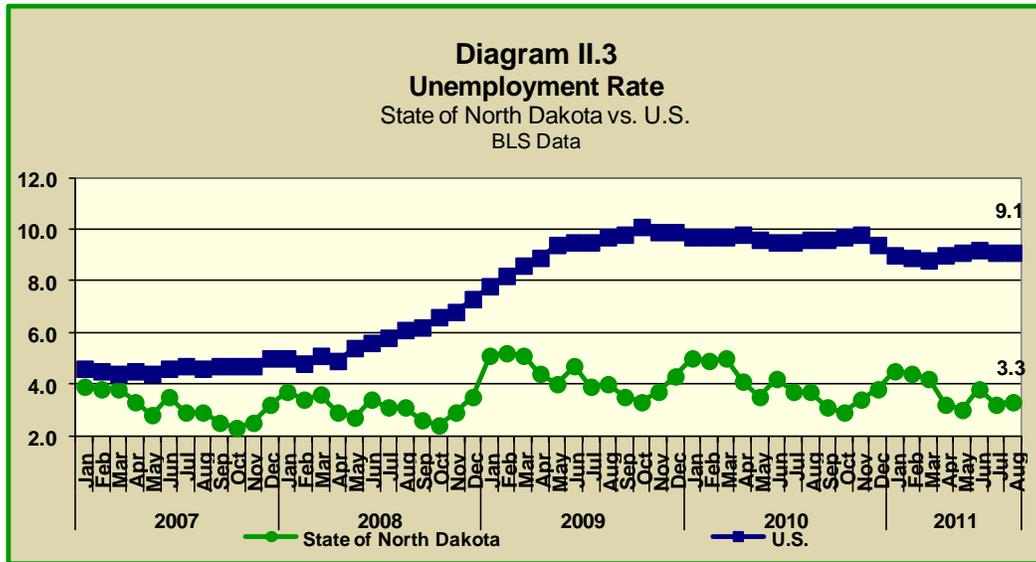
Even though the national unemployment rates have been very high, at slightly under 10 percent in 2010, unemployment in North Dakota has remained below half the national average. Diagram II.2, on the following page, presents the yearly unemployment rate in the State of North Dakota compared to the U.S. from 1990 through 2010. Overall, the unemployment rate in the state ranged from a low of 2.8 percent in 2001 to a high of 4.7 percent in 1992. At its highest in recent years, unemployment was just above 4 percent in 2009 but fell to 3.9 percent in 2010.



The corresponding data table in the Technical Appendix shows that, despite the small change in unemployment rates from 1990 to 2010, in 2010 there were roughly 51,400 more people in the labor force than in 1990 and nearly 50,000 additional people working.

Unemployment rates followed similar patterns in Bismarck and Fargo, where rates were consistently lower than the statewide average and in the non-entitlement areas of the state, where rates were generally higher. Grand Forks' rate fluctuated over time, with peaks higher than the statewide numbers in 1990 and 1997 and lower unemployment than the state as a whole since 1998.

More recent monthly unemployment rate data through August 2011 are presented in Diagram II.3, on the following page. As shown, the unemployment rate in the State of North Dakota showed marked seasonal fluctuations between about 2 and 5 percent from 2007 to 2011. These data showed that the state's economy is very cyclical but that the amplitude of the seasonal fluctuations that were lower a few years ago have been higher during recent years. By June 2011, the unemployment rate in the nation stood at 9.1 percent, which was almost three times as high as the statewide rate at that time, at 3.3 percent.

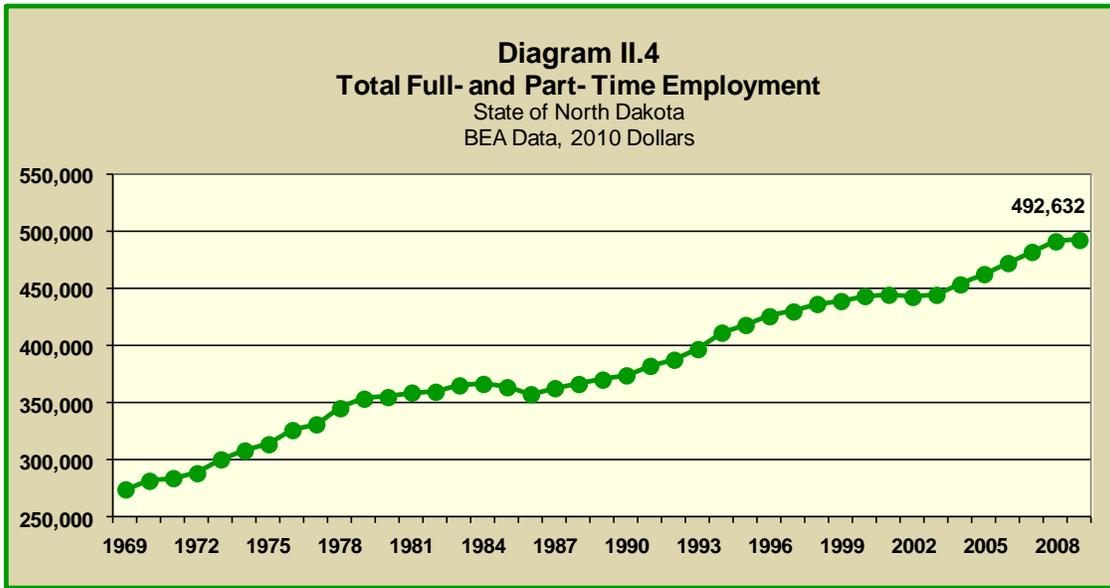


Unemployment rate patterns were very similar in the cities of Bismarck, Fargo, and Grand Forks and the remaining non-entitlement areas of the state. Further, these data showed the same trends: high seasonality of the labor force and extremely low unemployment rates. The non-entitlement areas of the state had the highest unemployment rate, at 4.1 percent in 2010, but still commanded 66.1 percent of the labor force and 66 percent of the employment at that time. See the Technical Appendix for these data in table and diagram form.

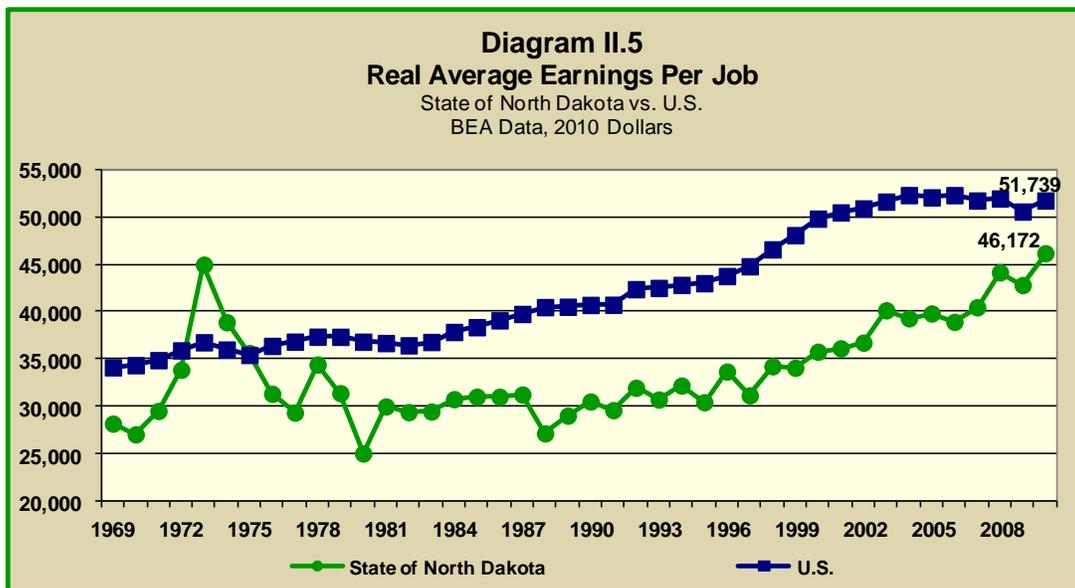
**FULL- AND PART-TIME EMPLOYMENT AND EARNINGS**

The Bureau of Economic Analysis (BEA) provides an alternate view of employment: a count of both full- and part-time jobs. Thus, a person working more than one job can be counted more than once. These data are presented for the entire state of North Dakota in this analysis. As shown in Diagram II.4, on the following page, the total number of full- and part-time jobs in the State of North Dakota increased substantially from 1969 through 2009, by more than 200,000 jobs.<sup>6</sup>

<sup>6</sup> Data are, in part, from administrative records, and the most current BEA data available were through 2010.

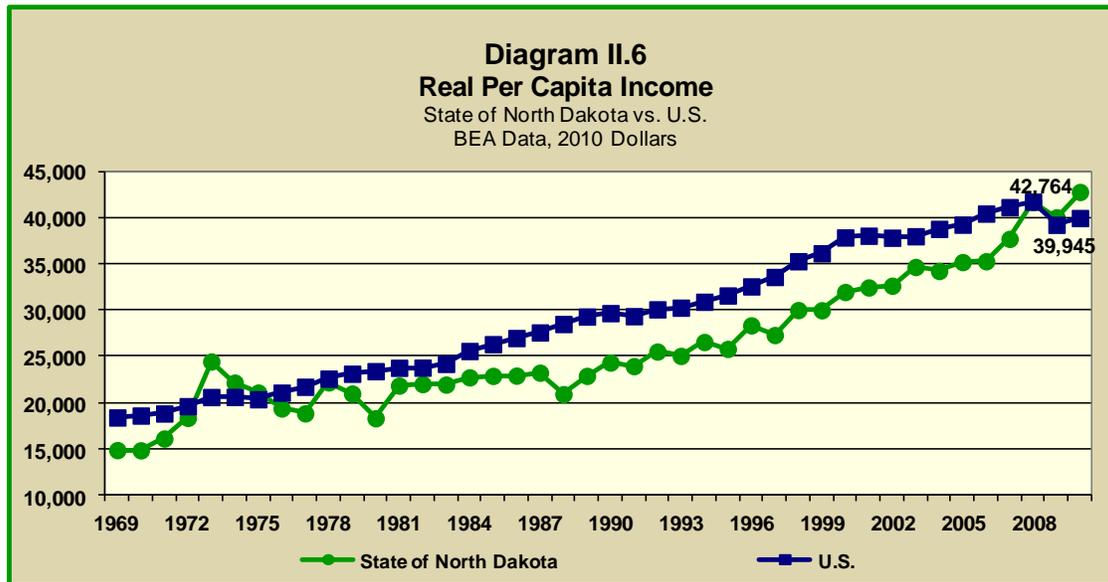


When total earnings from employment is divided by the number of jobs and then deflated to remove the effects of inflation, average real earnings per job is determined. Diagram II.5, below, shows that average earnings per job in the State of North Dakota increased from under \$30,000 in 1969 to \$46,172 by 2010, climbing sharply to well above the national average in 1973 and increasing slowly over the past 20 years. Average earnings per job in the state have been below the national average since 1975, although the two figures have come closer to converging in recent years.



Another gauge of economic health involves comparing the total of all forms of income: wages earned, transfer payments, and property income such as dividends, interest, and rents. When these data are added together and divided by population, per capita income is determined. Diagram II.6, on the following page, compares real per capita income in North Dakota to the U.S. from 1969 through 2010. This diagram shows that per capita income in the state has also

been lower than in the nation for most of this time period, although, in 2008, this figure equaled the national average and has since then been slightly higher.



### HOUSEHOLD INCOME

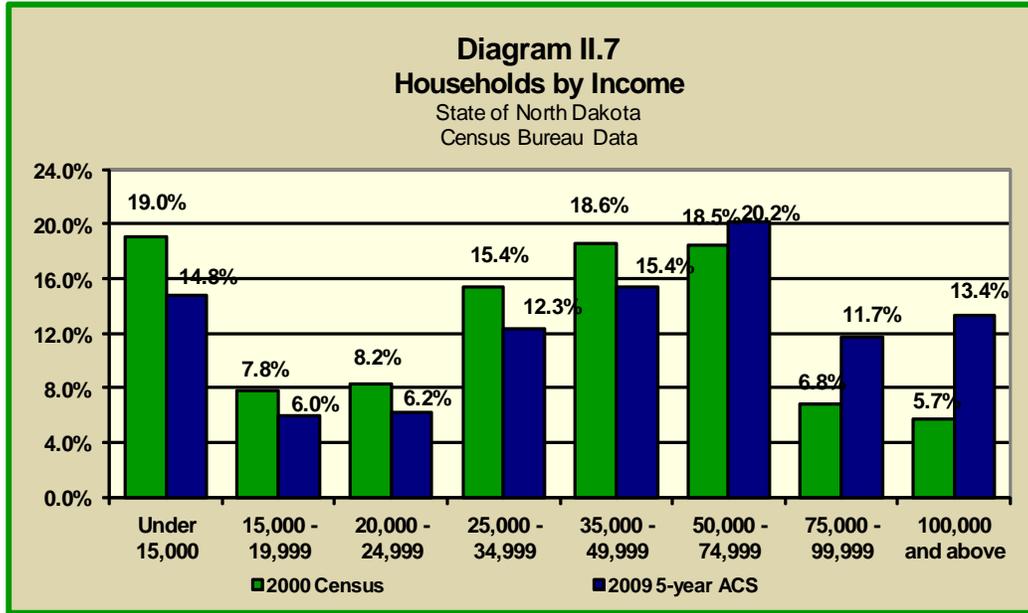
Table II.6, below, presents the number of households in the State of North Dakota by income range, as derived from the 2000 census count and 2009 ACS estimates. In 2000, 48,992 households had incomes under \$15,000, and an additional 41,324 households had incomes between \$15,000 and \$24,999. More recent ACS data showed that the percentage of households with incomes under \$75,000 decreased, and households with incomes over \$75,000 increased. While these tables do not take into consideration inflation over the decade, the higher income categories have grown significantly, and incomes in the state appear to be improving over time.

Income	2000 Census		2009 Five-Year ACS	
	Population	% of Total	Population	% of Total
Under 15,000	48,992	19.0%	40,402	14.8%
15,000 - 19,999	20,153	7.8%	16,385	6.0%
20,000 - 24,999	21,171	8.2%	16,953	6.2%
25,000 - 34,999	39,618	15.4%	33,663	12.3%
35,000 - 49,999	47,810	18.6%	42,041	15.4%
50,000 - 74,999	47,549	18.5%	55,035	20.2%
75,000 - 99,999	17,389	6.8%	32,074	11.7%
100,000 and above	14,552	5.7%	36,482	13.4%
<b>Total</b>	<b>257,234</b>	<b>100.0%</b>	<b>273,035</b>	<b>100.0%</b>

Of the entitlement communities, as presented in the Technical Appendix, Bismarck had a slightly higher percentage of population with annual incomes over \$100,000 at 14.9 percent, but overall the three entitlement cities showed similar shares of income distribution compared

to the statewide numbers. The non-entitlement areas of the state had the highest percentage of households with incomes between \$50,000 and \$74,999, at 21.4 percent.

Diagram II.7, below, presents the number of households by income from the 2000 census count and 2009 ACS five-year data averages and demonstrates the shift from lower- to higher-income households over time.



## POVERTY

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family’s total income is less than the threshold for its size, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts income before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under age 15 such as foster children.

In the State of North Dakota, the poverty rate in 2000 was 10.8 percent, with 66,826 persons considered to be living in poverty, as noted in Table II.7, on the following page. Despite the overall increase in household income over the same period, presented previously, the 2009 ACS data showed that poverty increased in the state to 12.3 percent, and poverty rates increased for persons aged 18 to 64 and 65 and older but decreased for other age groups. In 2009, 8,261 children under the age of 5 were estimated as living in poverty, along with 10,573 persons aged 65 or older.

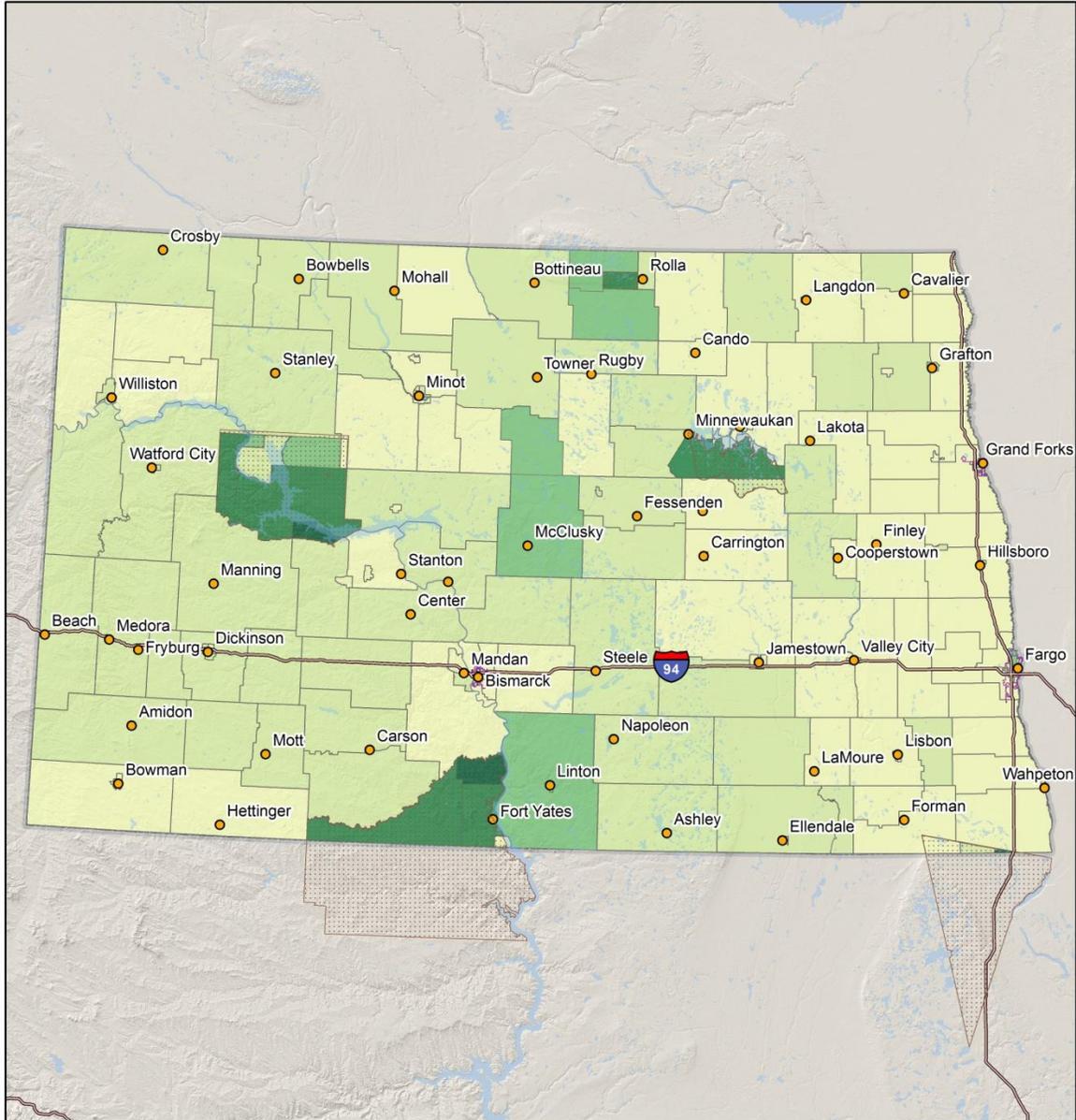
<b>Table II.7</b>				
<b>Poverty by Age</b>				
State of North Dakota				
Census Bureau Data				
<b>Age</b>	<b>2000 Census</b>		<b>2009 Five-Year ACS</b>	
	<b>Population</b>	<b>% of Total</b>	<b>Population</b>	<b>% of Total</b>
Under 6	7,388	11.1%	8,261	11.0%
6 to 17	13,215	19.8%	11,672	15.5%
18 to 64	36,837	55.1%	44,608	59.4%
65 and Older	9,386	14.0%	10,573	14.1%
<b>Total</b>	<b>66,826</b>	<b>100.0%</b>	<b>75,114</b>	<b>100.0%</b>
Poverty Rate	10.8%	.	12.3%	.

Listed per city in the Technical Appendix, findings showed that poverty rates in 2009 were as high as 20.8 percent in Grand Forks and the lowest in Bismarck, at 9.6 percent.

Poverty was not spread evenly throughout the state, as some census tracts had much higher rates of poverty than others. Map II.10, on the following page, presents the 2000 poverty rate geographically. Census tracts that had a disproportionate share of persons living in poverty were areas where the poverty rate was greater than 20.8 percent. As shown, the highest levels of poverty were seen in many tribal lands and some rural areas in the state, at rates as high as 51.3 percent.

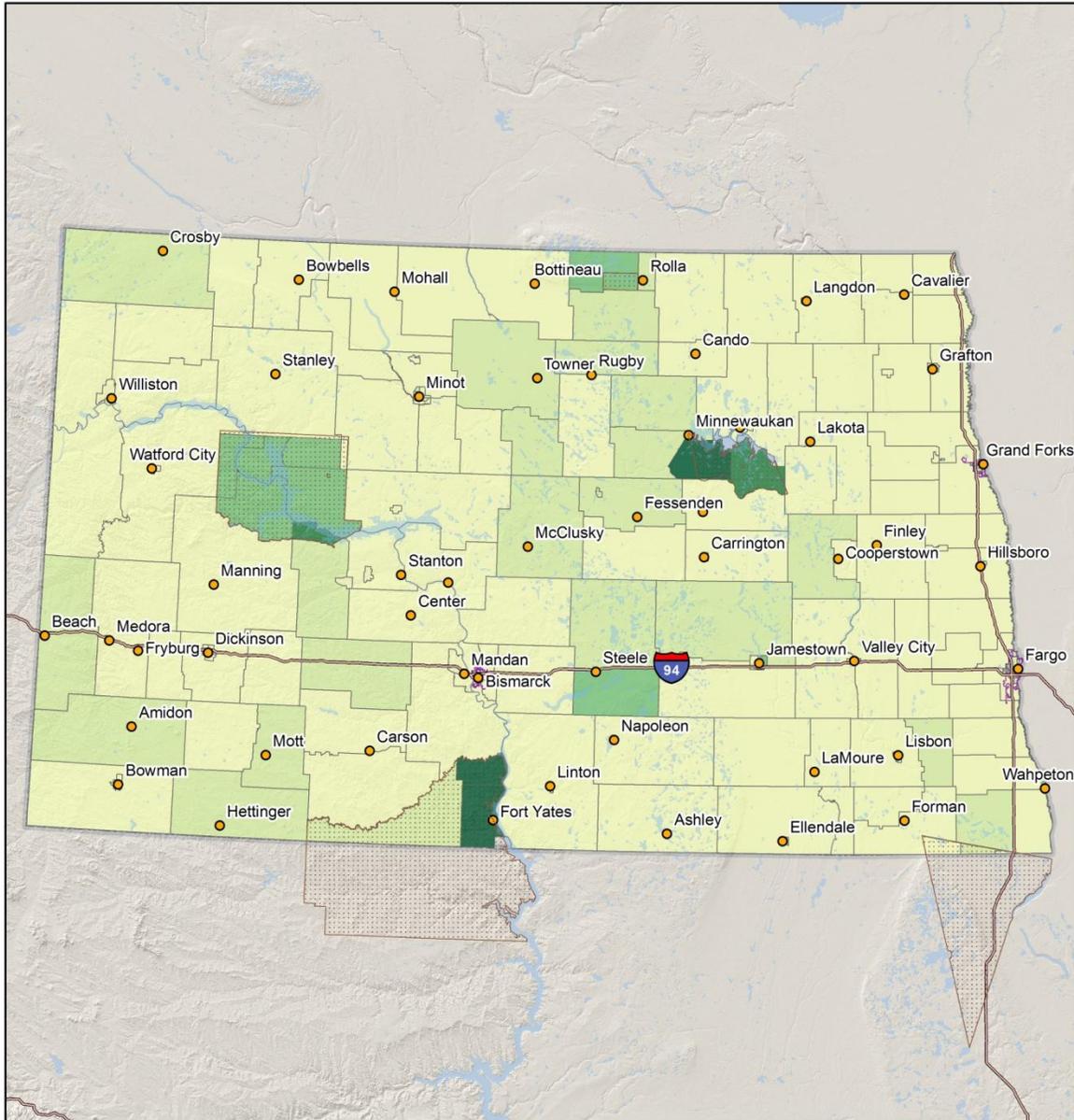
By 2009, while several tracts in the northern and central areas of the state became less concentrated relative to the poverty average, the statewide rate, as well as the maximum percentage of persons per tract in poverty, increased. Map II.11, on page 42, presents poverty data for North Dakota as derived from 2005 through 2009 ACS data averages and shows that poverty was less concentrated in some tracts, and fewer tracts showed a disproportionate share of poverty, or rates in excess of 22.3 percent.

**Map II.10**  
**Poverty Rate by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2000



LEGEND	
<p><b>2000 Poverty Rate</b></p> <p>Average Percent Poverty Rate in the State of North Dakota = 10.8%</p> <p>Disproportionate Share of Poverty Rate in the State of North Dakota = 20.8%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2000 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>LEGEND</b></p> <p>Poverty Rate</p> <ul style="list-style-type: none"> <li>0.0 - 10.8</li> <li>10.9 - 20.8</li> <li>20.9 - 30.0</li> <li>30.1 - 40.0</li> <li>40.1 - 51.3</li> </ul> <p>Disproportionate Share Threshold</p>	<ul style="list-style-type: none"> <li>Census Tract Boundaries</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

**Map II.11**  
**Poverty Rate by Census Tract**  
 State of North Dakota  
 Census Bureau Data, 2009 ACS



LEGEND																									
<b>2005-2009 Averages, Poverty Rate</b>																									
Average Percent of Poverty Rate in the State of North Dakota = 12.3%																									
Disproportionate Share of Poverty Rate in the State of North Dakota = 22.3%																									
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.																									
Data Source: 2009 American Community Survey, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS																									
<table border="1"> <thead> <tr> <th>Poverty Rate</th> <th>Color</th> </tr> </thead> <tbody> <tr> <td>0.0 - 12.3</td> <td>Light Yellow</td> </tr> <tr> <td>12.4 - 22.3</td> <td>Yellow-Green</td> </tr> <tr> <td>22.4 - 35.0</td> <td>Green</td> </tr> <tr> <td>35.1 - 45.0</td> <td>Dark Green</td> </tr> <tr> <td>45.1 - 55.5</td> <td>Very Dark Green</td> </tr> </tbody> </table>	Poverty Rate	Color	0.0 - 12.3	Light Yellow	12.4 - 22.3	Yellow-Green	22.4 - 35.0	Green	35.1 - 45.0	Dark Green	45.1 - 55.5	Very Dark Green	<table border="1"> <thead> <tr> <th colspan="2">LEGEND</th> </tr> </thead> <tbody> <tr> <td></td> <td>Census Tract Boundaries</td> </tr> <tr> <td></td> <td>Interstate Highway</td> </tr> <tr> <td></td> <td>County Seats</td> </tr> <tr> <td></td> <td>Entitlement Community Boundaries</td> </tr> <tr> <td></td> <td>Tribal Lands</td> </tr> </tbody> </table>	LEGEND			Census Tract Boundaries		Interstate Highway		County Seats		Entitlement Community Boundaries		Tribal Lands
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<p>0 50 Miles </p>																									

## HOUSING

Data regarding the number of housing units counted in the State of North Dakota are presented in Table II.8, below. In total, the number of housing units in the state increased by 6.7 percent between 2000 and 2010, from 289,677 units to 309,043 units. However, during this time, the population in the state increased by only 4.7 percent, which suggests that housing production outpaced population growth. Housing unit growth in the entitlement cities ranged from 10.7 to 11.8 percent, but the growth rate in the non-entitlement areas of the state was only 4.8 percent.

Year	Bismarck	Fargo	Grand Forks	Non-Entitlement Areas	North Dakota
2000	24,162	41,277	20,830	203,408	289,677
2010	27,020	45,709	23,064	213,250	309,043
<b>% Change</b>	<b>11.8%</b>	<b>10.7%</b>	<b>10.7%</b>	<b>4.8%</b>	<b>6.7%</b>

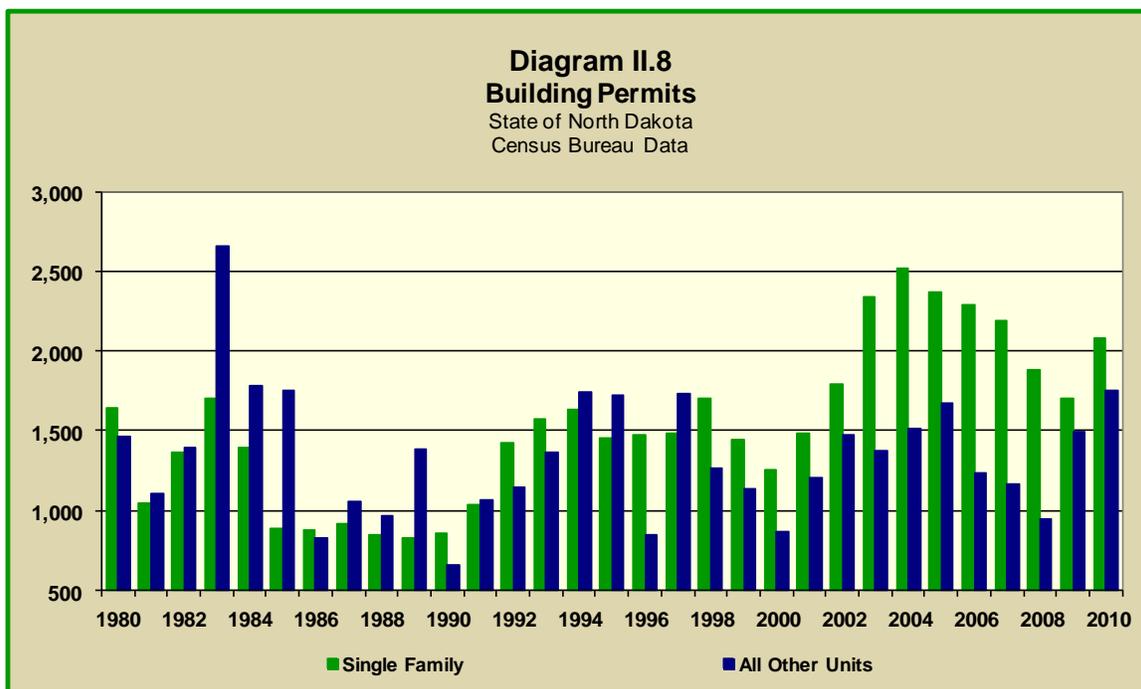
Table II.9, below, shows that, as of 2000, 47,777 units, or 18.6 percent of all units counted in the state, were built in 1939 or earlier. The 2009 ACS data showed that the share of housing units constructed in that time period fell slightly, and all other housing built from 1940 through 1999 also showed decreases in share due to the construction of units built from 2000 onward. More than 19,000 units were constructed between 2000 and 2004, and 8,443 units were built after 2005.

Disposition	2000 Census		2009 Five-Year ACS	
	Households	% of Total	Households	% of Total
1939 or earlier	47,777	18.6%	56,316	18.2%
1940 to 1949	15,805	6.1%	16,344	5.3%
1950 to 1959	29,724	11.6%	31,885	10.3%
1960 to 1969	31,107	12.1%	33,871	11.0%
1970 to 1979	62,463	24.3%	69,092	22.4%
1980 to 1989	35,646	13.9%	39,454	12.8%
1990 to 1999	34,630	13.5%	34,413	11.1%
2000 to 2004	.	.	19,225	6.2%
Built 2005 or Later	.	.	8,443	2.7%
<b>Total</b>	<b>257,152</b>	<b>100.0%</b>	<b>309,043</b>	<b>100.0%</b>

The number of building permits and valuation of constructed units from 1980 through 2010 is presented on the following page in Table II.10. The number of permits issued for construction in the State of North Dakota was highest in 1983 and the mid-2000s. The valuation of single-family units was highest in 2008, at \$177,076.

<b>Table II.10</b>						
<b>Building Permits and Valuation</b>						
State of North Dakota Census Bureau Data						
Year	Authorized Construction in Permit Issuing Areas					Per Unit Valuation Real 2010 Dollars
	Single Family Units	Duplex Units	Tri and Four Plex Units	Multi-Family Units	Total Units	Single Family Units
1980	1,642	168	214	1,087	3,111	109,394
1981	1,049	110	131	865	2,155	108,537
1982	1,366	66	149	1,178	2,759	106,874
1983	1,708	200	316	2,140	4,364	113,027
1984	1,397	142	204	1,442	3,185	110,411
1985	890	126	134	1,491	2,641	112,264
1986	874	102	112	614	1,702	117,282
1987	913	70	98	889	1,970	120,120
1988	848	46	121	800	1,815	125,127
1989	828	34	36	1,312	2,210	130,503
1990	858	10	23	621	1,512	128,623
1991	1,041	20	15	1,030	2,106	121,532
1992	1,427	10	51	1,082	2,570	129,577
1993	1,571	42	101	1,226	2,940	131,984
1994	1,638	38	90	1,613	3,379	129,623
1995	1,458	28	84	1,615	3,185	131,135
1996	1,479	36	50	759	2,324	133,055
1997	1,488	118	42	1,574	3,222	128,800
1998	1,704	176	82	1,012	2,974	139,334
1999	1,443	76	47	1,011	2,577	148,442
2000	1,257	88	119	664	2,128	145,511
2001	1,482	34	114	1,057	2,687	149,534
2002	1,793	104	93	1,275	3,265	156,729
2003	2,344	30	156	1,191	3,721	160,045
2004	2,521	60	98	1,354	4,033	155,376
2005	2,367	70	140	1,461	4,038	163,587
2006	2,297	60	126	1,046	3,529	164,775
2007	2,194	24	125	1,017	3,360	167,757
2008	1,888	44	39	862	2,833	177,076
2009	1,704	44	43	1,404	3,195	172,684
2010	2,084	48	38	1,663	3,833	173,424

Diagram II.8, on the following page, compares the permit totals from single-family units and all other unit types over the 30-year time period. The diagram shows that the number of permitted single-family units significantly outpaced the production of all other units, which included duplexes, tri- and four-plex units, and multi-family units.



Interestingly, in the entitlement cities, single-family building permits were outpaced by permits for all other units, which suggests that many of the single-family homes issued permits in the state were in smaller cities and more rural areas. These data are presented in the Technical Appendix.

**CHARACTERISTICS OF THE HOUSING STOCK**

Of the 289,677 housing units reported in the State of North Dakota in the 2000 census, about 66 percent were single-family units. An additional 18 percent of units were counted as apartments, 9 percent were mobile homes, and 6.8 percent were multi-plexes. ACS data for 2009, representing a 2005 to 2009 data average, showed that the share of single-family units remained at 66.1 percent, while the share of apartments increased to 19.8 percent, and the shares of all other unit types decreased. These data are presented below in Table II.11.

**Table II.11**  
**Housing Units by Unit Type**  
State of North Dakota  
Census Bureau Data

Unit Type	2000 Census		2009 Five-Year ACS	
	Housing Units	% of Total	Housing Units	% of Total
Single-Family Unit	191,600	66.1%	204,260	66.1%
Duplex	7,146	2.5%	7,343	2.4%
Tri- or Four-Plex	12,415	4.3%	12,808	4.1%
Apartment	52,247	18.0%	61,104	19.8%
Mobile Home	26,014	9.0%	23,471	7.6%
Boat, RV, Van, Etc.	255	0.1%	57	0.0%
<b>Total</b>	<b>289,677</b>	<b>100.0%</b>	<b>309,043</b>	<b>100.0%</b>

Comparison of housing units by type in entitlement communities in the state showed higher percentages of apartment housing in Fargo and Grand Forks, which may be attributable to large

student populations enrolled at the University of North Dakota. These data, by entitlement and non-entitlement areas, are presented in the Technical Appendix.

Housing units can also be examined by tenure status. Between 2000 and 2010, the number of occupied housing units increased by 6.2 percent, from 257,152 units to 273,035 units. The share of owner-occupied versus renter-occupied units showed a slight shift to a greater share of renter-occupied units over the time period, meaning that the level of homeownership actually declined over the decade, from 66.6 percent in 2000 to 65.7 percent in 2010. The number of vacant units showed an increase from 11.2 percent to 11.7 percent between 2000 and 2010. These data are presented below in Table II.12.

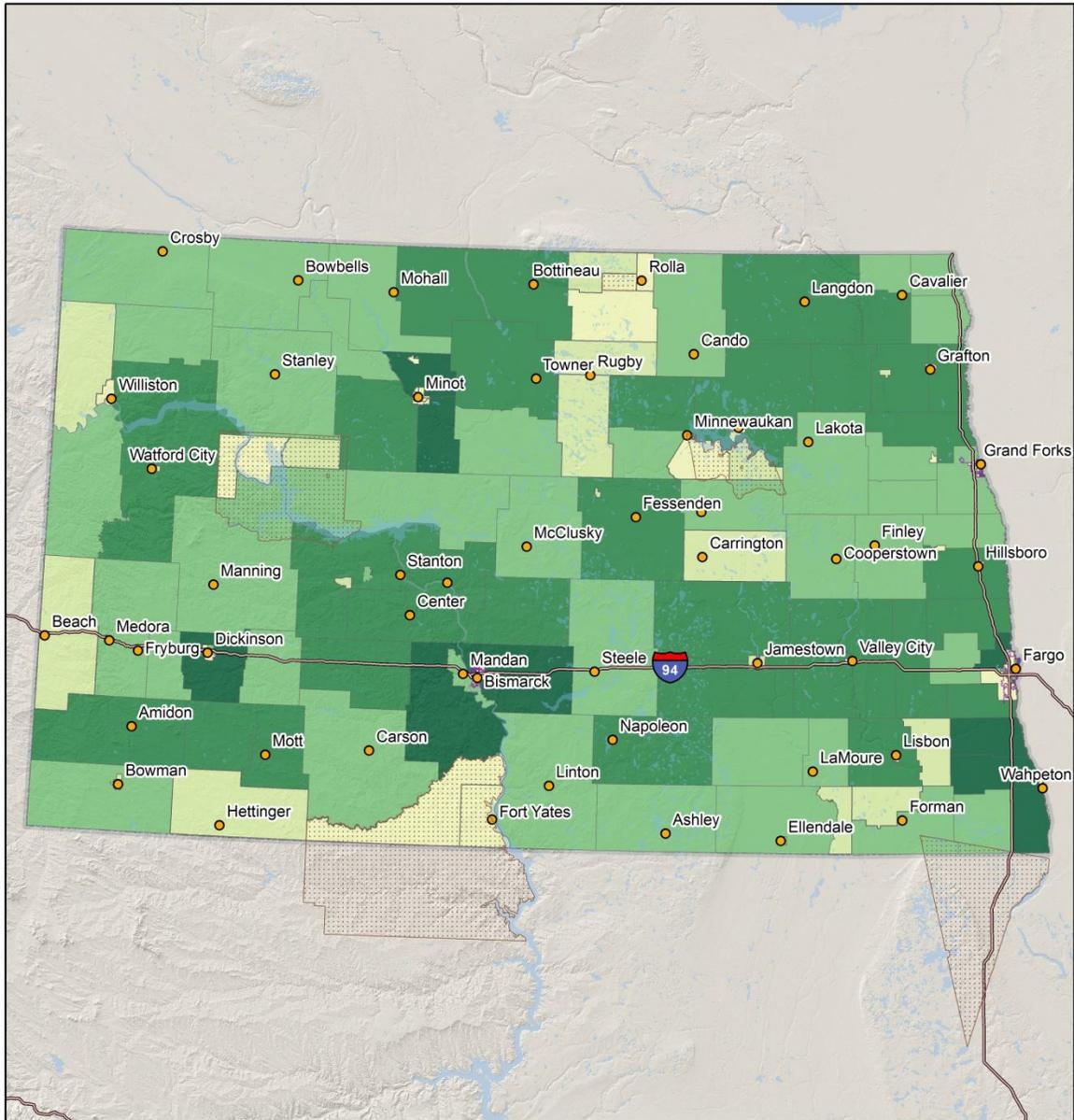
<b>Table II.12</b>					
<b>Housing Units by Tenure</b>					
State of North Dakota					
Census Bureau Data					
<b>Tenure</b>	<b>2000 Census</b>		<b>2010 Census</b>		<b>% Change 00-10</b>
	<b>Housing Units</b>	<b>% of Total</b>	<b>Housing Units</b>	<b>% of Total</b>	
Occupied Housing Units	257,152	88.8%	273,035	88.3%	6.2%
Owner-Occupied	171,310	66.6%	179,318	65.7%	4.7%
Renter-Occupied	85,842	33.4%	93,717	34.3%	9.2%
Vacant Housing Units	32,525	11.2%	36,008	11.7%	10.7%
<b>Total</b>	<b>289,677</b>	<b>100.0%</b>	<b>309,043</b>	<b>100.0%</b>	<b>6.7%</b>

The Technical Appendix shows a comparison of housing units by tenure in the entitlement and non-entitlement communities of the state. The share of occupied housing units was highest in the three largest cities and lowest in the non-entitlement communities. However, the percentage of vacant units also increased dramatically in Fargo and Grand Forks. These cities also tended to have high rates of renter-occupied households, which may be due to large student populations. Bismarck was the only area in the state that saw a slight increase in homeownership, from 63.3 percent to 65.1 percent.

The geographic dispersal of owner-occupied units in the State of North Dakota is presented in Map II.12, on the following page. The average percentage of owner-occupied housing was 65.7 percent in 2010, making the disproportionate share 75.7 percent. Concentrations of owner-occupied housing above the disproportionate share were spread throughout the state, although they were seen considerably less in the tribal lands in the state and in some rural tracts.

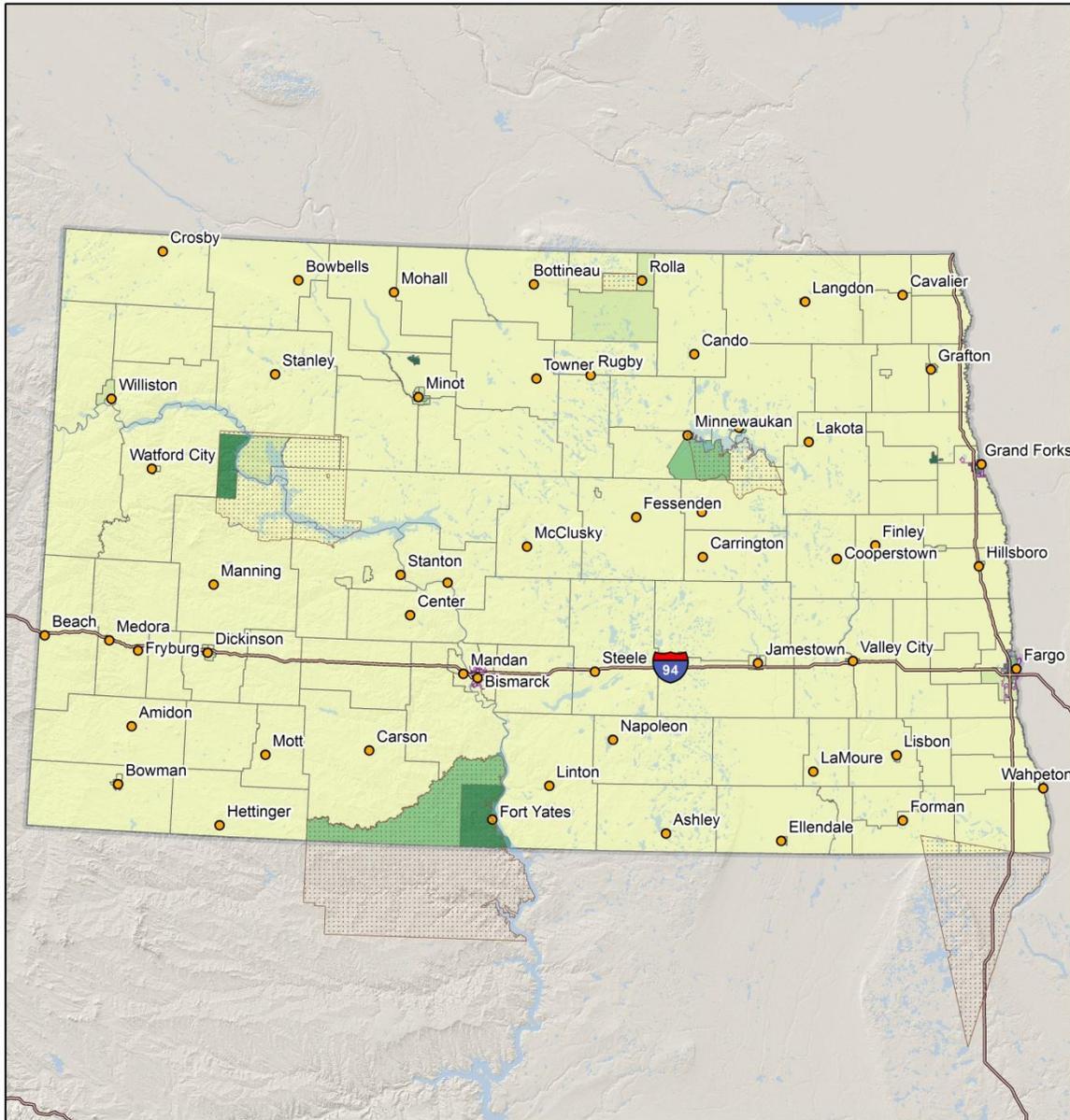
Conversely, the average rate of renter-occupied housing per tract was 34.3 percent. Map II.13, on page 48, shows the distribution of renter-occupied housing within the State of North Dakota. The heaviest distribution of renter households in the state was located in the tribal lands and near Fargo and Grand Forks. Rates above 99 percent were seen in tracts in and around Fargo, Grand Forks, and north of Minot, although the small scale of the map makes this difficult to display.

**Map II.12**  
**Owner-Occupied Housing Units**  
 State of North Dakota  
 Census Bureau Data, 2010



LEGEND								
<b>2010 Owner-Occupied Housing Units</b>								
Average Percent Owner-Occupied Housing Units in the State of North Dakota = 65.7%								
Disproportionate Share of Owner-Occupied Housing Units in the State of North Dakota = 75.7%								
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.								
Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS								
<p><b>LEGEND</b></p> <p>Percent Owner-Occupied Housing Units</p> <table border="1"> <tr> <td>0.0 - 65.7</td> <td rowspan="4">Disproportionate Share Threshold</td> </tr> <tr> <td>65.8 - 75.7</td> </tr> <tr> <td>75.8 - 83.0</td> </tr> <tr> <td>83.1 - 90.0</td> </tr> <tr> <td>90.1 - 98.5</td> <td></td> </tr> </table>	0.0 - 65.7	Disproportionate Share Threshold	65.8 - 75.7	75.8 - 83.0	83.1 - 90.0	90.1 - 98.5		<ul style="list-style-type: none"> <li> Census Tract Boundaries</li> <li> Interstate Highway</li> <li> County Seats</li> <li> Entitlement Community Boundaries</li> <li> Tribal Lands</li> </ul> <p>0 50 Miles </p>
0.0 - 65.7	Disproportionate Share Threshold							
65.8 - 75.7								
75.8 - 83.0								
83.1 - 90.0								
90.1 - 98.5								

**Map II.13**  
**Renter-Occupied Housing Units**  
 State of North Dakota  
 Census Bureau Data, 2010



**LEGEND**

**2010 Renter-Occupied Housing Units**

Average Percent Renter-Occupied Housing Units in the State of North Dakota = 34.3%

Disproportionate Share of Renter-Occupied Housing Units in the State of North Dakota = 44.3%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2010 Census, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

Percent Renter-Occupied Housing Units

0.0 - 34.3	Disproportionate Share Threshold
34.4 - 44.3	
44.4 - 60.0	
60.1 - 80.0	
80.1 - 99.1	

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- Tribal Lands

0 50 Miles

The number of persons per household, as counted in the state at the time of the 2000 and 2010 censuses, is presented below in Table II.13. As shown, in 2000, more than 60 percent of households represented one- or two-person households, nearly 30 percent represented three- or four-person households, and the remainder represented households with five persons or more. Similar findings were seen in 2010, although there was a slight decrease in the number of households with more than three people.

<b>Table II.13</b>					
<b>Persons Per Household</b>					
State of North Dakota Census Bureau Data					
Persons	2000 Census		2010 Census		% Change 00 - 10
	Households	% of Total	Households	% of Total	
One-Person	75,392	29.3%	84,536	31.0%	12.1%
Two-Person	89,423	34.8%	100,789	36.9%	12.7%
Three-Person	37,220	14.5%	37,531	13.7%	0.8%
Four-Person	33,179	12.9%	30,486	11.2%	-8.1%
Five-Person	15,659	6.1%	13,767	5.0%	-12.1%
Six-Person	4,481	1.7%	4,230	1.5%	-5.6%
Seven-Person	1,798	0.7%	1,696	0.6%	-5.7%
<b>Total</b>	<b>257,152</b>	<b>100.0%</b>	<b>273,035</b>	<b>100.0%</b>	<b>6.2%</b>

Households with more than four people declined similarly in Bismarck and the non-entitlement areas of the state, but six-person households actually increased by 57.3 percent in Grand Forks and 41.9 percent in Fargo, where seven-person households also increased by 9.9 percent. In general, one- and two-person households increased more in entitlement cities than they did statewide.

## VACANT HOUSING UNITS

As shown in Table II.14, below, at the time of the 2000 census, the vacant housing stock represented 32,525 units, and by 2010 this figure was 36,008 units. Many of the vacant units in 2000 were for sale or rent or for seasonal, recreational, or occasional use. This was true in 2010 as well, although housing units for sale or rent declined in share. Increases were seen in the number of units for seasonal use and those labeled as "other vacant." The latter type of vacant unit showed an increase of 26.9 percent over the decade, growing from 7,741 units to 9,821 units. "Other vacant" units generally include vacant units that are not for sale or rent and may contribute to blight if grouped in close proximity.

<b>Table II.14</b>					
<b>Disposition of Vacant Housing Units</b>					
State of North Dakota Census Bureau Data					
Disposition	2000 Census		2010 Census		% Change 00 - 10
	Housing Units	% of Total	Housing Units	% of Total	
For Rent	7,616	23.4%	6,654	18.5%	-12.6%
For Sale	5,309	16.3%	4,695	13.0%	-11.6%
Rented or Sold, Not Occupied	2,061	6.3%	2,523	7.0%	22.4%
For Seasonal, Recreational, or Occasional Use	9,436	29.0%	12,166	33.8%	28.9%
For Migrant Workers	362	1.1%	149	0.4%	-58.8%
Other Vacant	7,741	23.8%	9,821	27.3%	26.9%
<b>Total</b>	<b>32,525</b>	<b>100.0%</b>	<b>36,008</b>	<b>100.0%</b>	<b>10.7%</b>

As the tables per region show in the Technical Appendix, these areas have also seen a marked change in “other vacant,” with the non-entitlement areas of the state having the largest increase in excess of 9,300 units. These shares increased by 144.9 percent and 145.5 percent in Fargo and Grand Forks, respectively.

## HOUSING PROBLEMS

While the 2000 census did not report significant details regarding the physical condition of housing units, some information can be derived from the one-in-six sample, also called SF3 data.<sup>7</sup> These data relate to overcrowding, incomplete plumbing or kitchen facilities, and cost burdens. While these data were not collected during the course of the 2010 census, data were available for comparison from the 2005 to 2009 ACS averages.

Overcrowding is defined as having more than one but less than 1.5 people per room per residence, with severe overcrowding defined as having more than 1.5 people per room.

At the time of the 2000 census, 3,679 households, or 1.4 percent, were overcrowded in North Dakota, and another 1,361 units, or 0.5 percent of households, were severely overcrowded, as shown in Table II.15, below. This housing problem was far more prevalent in renter households compared to owner households. Much lower figures were found in the more recent ACS data, and the share of overcrowded and severely overcrowded households improved in both renter and owner situations.

Census	No Overcrowding		Overcrowding		Severe Overcrowding		Total
	Households	%	Households	%	Households	%	
<b>Owner</b>							
2000 Census	169,321	98.8%	1,544	0.9%	445	0.3%	171,310
2009 Five-Year ACS	177,881	99.2%	1,269	0.7%	168	0.1%	179,318
<b>Renter</b>							
2000 Census	82,615	96.2%	2,135	2.5%	1,092	1.3%	85,842
2009 Five-Year ACS	92,112	98.3%	1,290	1.4%	315	0.3%	93,717
<b>Total</b>							
2000 Census	251,936	98.0%	3,679	1.4%	1,361	0.5%	256,976
2009 Five-Year ACS	269,993	98.9%	2,559	0.9%	483	0.2%	273,035

Patterns were similar for the entitlement and non-entitlement areas of the state, as shown in the Technical Appendix. In Bismarck and Grand Forks, the rate of severe overcrowding decreased from 0.5 to 0.9 percent, respectively, to 0 percent in both cases.

Incomplete plumbing and kitchen facilities are another indicator of potential housing problems. According to the Census Bureau, a housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower. Likewise, a unit is categorized as deficient when any of the following

<sup>7</sup> Summary File 3 (SF3) consists of 813 detailed tables of 2000 census social, economic, and housing characteristics compiled from a sample of approximately 19 million housing units (about one in six households) that received the 2000 census long-form questionnaire. Source: <http://www.census.gov/Press-Release/www/2002/sumfile3.html>. These sample data include sampling error and may not sum precisely to the 100 percent sample typically presented in the 2000 census.

are missing from the kitchen: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator.

At the time of the 2000 census, a total of 4,747 units, or 1.6 percent of all households in the state, were lacking complete plumbing facilities, as shown below in Table II.16. The 2005 through 2009 ACS data average showed that the percentage of units with this housing problem increased to 2.4 percent, or 7,472 units.

<b>Table II.16</b>		
<b>Housing Units with Incomplete Plumbing Facilities</b>		
State of North Dakota Census Bureau Data		
<b>Facilities</b>	<b>2000 Census</b>	<b>2009 Five-Year ACS</b>
	<b>Housing Units</b>	<b>Housing Units</b>
Complete Plumbing Facilities	284,930	301,571
Lacking Complete Plumbing Facilities	4,747	7,472
<b>Total</b>	<b>289,677</b>	<b>309,043</b>
Percent Lacking	1.6%	2.4%

The rates of households lacking complete plumbing facilities were much lower in the entitlements cities, ranging from 0.2 to 0.4 percent in 2009 compared to the non-entitlement area rate of 3.4 percent and a statewide average of 2.4 percent.

Table II.17, below, shows the number of housing units with incomplete kitchen facilities in the state. In 2000, there was a smaller percentage of units with incomplete kitchen facilities compared to incomplete plumbing facilities, with 2 percent of total units counted with this classification. ACS data representing 2005 to 2009 data averages showed that the percentage of units with incomplete kitchen facilities increased to 2.8 percent.

<b>Table II.17</b>		
<b>Housing Units with Incomplete Kitchen Facilities</b>		
State of North Dakota Census Bureau Data		
<b>Facilities</b>	<b>2000 Census</b>	<b>2009 Five-Year ACS</b>
	<b>Housing Units</b>	<b>Housing Units</b>
Complete Kitchen Facilities	283,955	300,256
Lacking Complete Kitchen Facilities	5,722	8,787
<b>Total</b>	<b>289,677</b>	<b>309,043</b>
Percent Lacking	2.0%	2.8%

As with plumbing facilities, the entitlement cities had lower rates of households that lack facilities than did the non-entitlement and statewide averages. In Bismarck and Grand Forks, only 0.7 and 0.8 percent of households, respectively, were lacking complete kitchen facilities.

The third type of housing problem reported in the 2000 census was cost burden. Cost burden is defined as gross housing costs that range from 30 to 50 percent of gross household income, and severe cost burden is defined as gross housing costs that exceed 50 percent of gross household income. For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage

loan. For renters, this figure represents monthly rent, electricity, and natural gas energy charges.

Below, Table II.18 shows that 12 percent of households had a cost burden and 7.8 percent had a severe cost burden in North Dakota in 2000. These figures were much lower than the 2000 national averages of cost burden and severe cost burden, at 20.8 percent and 19.1 percent, respectively. More than 12 percent of homeowners with a mortgage had a cost burden and 4.7 percent had a severe cost burden, while 15.6 percent of renters had a cost burden and 12.9 percent had a severe cost burden. ACS data averages for 2005 through 2009 showed that the overall percentage of cost burden and severe cost burden increased to 14.1 and 9.9 percent, respectively. The rates also increased for subcategories. For example, the rate of cost burden for owners with a mortgage increased to 16 percent and the rate of severe cost burden for owners with a mortgage increased to 5.9 percent. For renters, the cost burden rate rose to 18 percent and the severe cost burden rate rose to 18.2 percent.

<b>Table II.18</b>									
<b>Cost Burden and Severe Cost Burden by Tenure</b>									
State of North Dakota Census Bureau Data									
Census	Less Than 30%		31% - 49%		50% and Above		Not Computed		Total
	Households	%	Households	%	Households	%	Households	%	
<b>Owner With a Mortgage</b>									
2000 Census	58,535	82.6%	8,779	12.4%	3,334	4.7%	243	0.3%	70,891
2009 Five-Year ACS	76,308	77.7%	15,670	16.0%	5,820	5.9%	434	0.4%	98,232
<b>Owner Without a Mortgage</b>									
2000 Census	45,725	89.3%	2,856	5.6%	1,863	3.6%	743	1.5%	51,187
2009 Five-Year ACS	70,210	86.6%	6,056	7.5%	4,219	5.2%	601	0.7%	81,086
<b>Renter</b>									
2000 Census	50,787	61.1%	12,963	15.6%	10,756	12.9%	8,648	10.4%	83,154
2009 Five-Year ACS	49,907	53.3%	16,886	18.0%	17,077	18.2%	9,847	10.5%	93,717
<b>Total</b>									
2000 Census	155,047	75.5%	24,598	12.0%	15,953	7.8%	9,634	4.7%	205,232
2009 Five-Year ACS	196,425	71.9%	38,612	14.1%	27,116	9.9%	10,882	4.0%	273,035

In the entitlement communities, as shown in the Technical Appendix, the incidence of cost burden and severe cost burden was higher than the statewide average. In both Fargo and Grand Forks, the total percentage of residents who were cost burdened in 2009 was 19.3 percent. Severe cost burdens in the same cities were at 17 percent and 19.1 percent, respectively, which was much higher than the statewide average of 9.9 percent and the non-entitlement area rate of 7.3 percent.

People with a severe cost burden are at risk of homelessness. For example, cost-burdened renters who experience one financial setback are likely to have to choose between rent and food or rent and healthcare for their families. Similarly, homeowners with a mortgage and just one unforeseen financial constraint, such as temporary illness, divorce, or the loss of employment, may be forced to face foreclosure or bankruptcy. Furthermore, households that no longer have a mortgage yet still experience a severe cost burden may be unable to conduct periodic maintenance and repair of their homes and, in turn, contribute to a dilapidation and

blight problem. All three of these situations should be of concern to policy makers and program managers.

## SUMMARY

According to the Census Bureau, between 2000 and 2010, the population in the State of North Dakota grew from 642,200 persons to 672,591 persons, or by 4.7 percent. Data for population by age showed that the state's population slowly shifted to comprise more persons over the age of 55, although the age groups with the largest population comprised persons aged 5 to 19 and 35 to 54.

Census Bureau data showed that, since 2000, the racial and ethnic composition of the state has also undergone some change. While the white population increased by only 2.1 percent by 2010, all other racial and ethnic minorities showed double-digit percentage increases in population change. In fact, black, Asian, and Hispanic groups all showed increases of more than 70 percent. Further evaluation of black, Asian, American Indian, and Hispanic population data in geographic terms showed very little increases in concentration of these groups over the past decade in census tracts across the state, with most of the population increases occurring in larger cities. Other groups, including disabled persons, were also slightly concentrated in some areas, as of 2000, such as in some rural tracts and in Fargo.

Economic data for the State of North Dakota demonstrated the impact of the recent recession. Data from the Bureau of Labor Statistics showed that the labor force, defined as people either working or looking for work, increased from around 345,000 persons in 2000 to more than 370,000 in 2010. Despite climbing unemployment rates nationwide, unemployment remained very low in North Dakota, peaking slightly in 2009 at 4.3 percent and remaining near 3.9 percent in 2010. This figure was high for the state but still well below the 9.6 national rate seen at that time. Data from the Bureau of Economic Analysis showed that average earnings per job in the state have historically been well below national figures but were closer to the national average in 2010 than in previous years. In North Dakota, the poverty rate average for 2005 through 2009 was 12.3 percent, with 75,114 persons considered to be living in poverty, and this group was concentrated primarily in the tribal lands in the state.

The number of housing units in the state increased by 6.7 percent, or from 289,677 units to 309,043 units, between 2000 and 2010, with the majority of the housing stock built from 1970 to 1979. The number of building permits issued decreased from 2004 through 2010, but the value of permitted single-family units showed an all-time high in 2008. Of the 289,677 housing units reported in the state in the 2000 census, more than 66 percent were single-family units, and more recent data from the Census Bureau's 2005 to 2009 data averages showed that this percentage stayed exactly the same. In the most recent census, 88.3 percent of units were occupied, and, of these, 65.7 percent were owner-occupied and 34.3 percent were renter-occupied. Of the 32,525 unoccupied housing units counted in North Dakota in 2000, nearly 24 percent were noted as "other vacant" units, defined as units that are not available to the marketplace, which can contribute to blighting influences. Census Bureau data from 2010 showed that the percentage of this type of unit increased by nearly 26.9 percent, to 9,821 units.

At the time of the 2000 census, 1.4 percent of households were overcrowded, and another 0.5 percent of households were severely overcrowded; this housing problem was more common in

renter households than in owner households. In North Dakota, in 2000, 1.6 and 2 percent of all households were lacking complete plumbing or kitchen facilities, respectively, and the number of incomplete facilities increased to 2.4 and 2.8 percent in more recent data. Additionally, in 2000, 12 percent of households had a cost burden and 7.8 percent of households had a severe cost burden, and 2005 to 2009 data averages showed that both of these percentages have increased since that time.

## SECTION III. FAIR HOUSING LAW, STUDY, AND CASE REVIEW

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As part of the AI process, existing fair housing laws, studies, cases, and other relevant materials were reviewed on a national and local scale. Results of this review are as follows.

### FAIR HOUSING LAWS

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#### FEDERAL FAIR HOUSING LAWS

A myriad of federal laws provide the backbone for U.S. fair housing regulations. While some laws have been previously discussed in this report, a brief list of laws related to fair housing, as shown on the U.S. Department of Housing and Urban Development's (HUD's) website,<sup>8</sup> is presented below.

*"Fair Housing Act.* 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 (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability)."<sup>9</sup>

*Fair Housing Amendments Act of 1988.* This amendment provides federal anti-discrimination protection for people with disabilities. It mandates that every multi-family apartment building containing four or more units and built for first occupancy after March 13, 1991, is subject to certain design and construction requirements. All ground floor units must comply with the requirements, and all units must be served by an elevator.<sup>10</sup>

*"Civil Rights Act of 1964.* Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

*"Rehabilitation Act of 1973.* Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

*"Housing and Community Development Act of 1974.* Section 109 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 Block Grant Program.

*"Americans with Disabilities Act of 1990.* Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and housing referrals.

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<sup>8</sup>HUD Fair Housing Laws and Presidential Executive Orders, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/FHLaws](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws)

<sup>9</sup>*Fair Housing Planning Guide.* U.S. Department of Housing and Urban Development. <http://www.hud.gov/offices/ftheo/images/fhpg.pdf>

<sup>10</sup>HUD, Title VII: Fair Housing and Equal Opportunity, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/progdesc/title8](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/progdesc/title8)

*Architectural Barriers Act of 1968.* The Architectural Barriers Act 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 1968.* The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

*Education Amendments Act of 1972.* Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance."<sup>11</sup>

## STATE FAIR HOUSING LAWS

*North Dakota Human Rights Act of 1983.* Prohibits discrimination in employment, housing, public accommodations, public services, and credit transactions or lending. Discrimination refers to treating a person differently than any other because of a particular characteristic such as race, sex, religion, or disability. In the case of disability, discrimination also means refusing to make an accommodation to allow a person with a disability equal access to employment, housing, or service.

*North Dakota Housing Discrimination Act of 1999.* Offers protection in housing transactions based on the classes of race, color, religion, sex, disability, age, familial status, national origin, and status with respect to marriage or public assistance. In addition, this Act permits the North Dakota Department of Labor to process charges of housing discrimination that do not meet federal jurisdiction such as issues related to age, marital status, and receipt of public assistance. The federal Department of Housing and Urban Development (HUD) has deemed the North Dakota Housing Discrimination Act as "substantially equivalent" to the federal Fair Housing Act.

North Dakota Senate Bill 2278 was introduced in early 2009 and proposed to add sexual orientation, gender identity, and gender expression to existing anti-discrimination laws. The bill stated that:

A person may not refuse to sell or rent, after the making of a bona fide offer, refuse to negotiate for the sale or rental of, or in any other manner make unavailable or deny a dwelling to an individual because of race, color, religion, sex, disability, age, familial status, national origin, sexual orientation, or status with respect to marriage or public assistance. Also, a person may not discriminate against an individual in the terms, conditions, or privileges of sale or rental of a dwelling or in providing services or facilities in connection with a sale or rental of a dwelling because of race, color, religion, sex, disability, age, familial status, national origin, sexual orientation, or status with respect to marriage or public assistance.

The Human Rights Campaign worked closely with the North Dakota Human Rights Coalition (NDHRC) to help build support for the legislation, and on February 18, 2009, the Senate voted 27 to 19 to pass the bill. However, on April 3, 2009, the House voted 34 to 54 against the bill, and the anti-discrimination classes have remained stagnant.<sup>12</sup>

<sup>11</sup> HUD Fair Housing Laws and Presidential Executive Orders, [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/FHLaws](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws)

<sup>12</sup> <http://www.legis.nd.gov/assembly/61-2009/bill-text/JARS0100.pdf>

## FAIR HOUSING STUDIES

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### NATIONAL FAIR HOUSING STUDIES

In 2000, the U.S. Department of Housing and Urban Development (HUD) released a publication entitled “Discrimination in Metropolitan Housing Markets,” which measured the prevalence of housing discrimination based on race and ethnicity in the U.S. This was the third nationwide effort to measure discrimination against minority home seekers since 1977, conducted in three phases.

1. *Phase 1 –Black and Hispanic Populations*

The study, based on 4,600 paired tests in 23 metropolitan cities in the U.S., found large decreases in the levels of discrimination against black and Hispanic home seekers between 1989 and 2000. In the rental markets, a moderate decrease was seen in discrimination toward black individuals, who experienced adverse treatment more often than the white population, whereas Hispanic individuals were more likely to face discrimination in the rental markets than both their black and white counterparts. Many black and Hispanic home seekers were told that units were unavailable, although the same units were available to white home seekers, and the black and Hispanic populations were also shown and told about fewer units. In addition, Hispanic individuals were more likely in 2000 than in 1989 to be quoted a higher rent than white individuals who sought to rent the same unit.

2. *Phase 2 - Asian and Pacific Islander Populations*

This study, conducted in 2000 and 2001 and based on 889 paired tests in 11 metropolitan areas in the U.S., showed that Asian and Pacific Islander individuals who sought to rent a unit experienced adverse treatment compared to white individuals in 21.5 percent of tests, which was similar to the rate black and Hispanic individuals saw. The study also showed that Asian and Pacific Islander prospective homebuyers experienced adverse treatment compared to white prospective homebuyers 20.4 percent of the time, with discrimination occurring in the availability of housing, inspections, assistance with financing, and encouragement by agents.

3. *Phase 3 – American Indian Population*

The last phase of HUD’s nationwide effort to measure housing discrimination involved estimating the level of discrimination experienced by American Indian individuals in their search for housing in metropolitan areas across Minnesota, Montana, and New Mexico. The findings showed that the American Indian population experienced adverse treatments compared to white individuals in 28.5 percent of rental tests. White individuals were consistently told about advertised units, similar units, and more units than American Indian individuals with similar qualifications. The high level of discrimination experienced by the American Indian population in these areas surpassed rates seen by Hispanic, black, and Asian individuals in the metropolitan rental markets nationwide.<sup>13</sup>

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<sup>13</sup> Discrimination in Metropolitan Housing Markets: National Results from Phase 1, Phase 2, and Phase 3 of the Housing Discrimination Study (HDS), <http://www.huduser.org/portal/publications/hsgfin/hds.html>

In April 2002, HUD released a national study that assessed public awareness of and support for fair housing law titled “How Much Do We Know?” The study found that only 50 percent of the population was able to identify most scenarios describing illegal conduct. In addition, 14 percent of the nationwide survey’s adult participants believed that they had experienced some form of housing discrimination in their lifetime. However, only 17 percent of those who had experienced housing discrimination did something about it. Last, two-thirds of all respondents said that they would vote for a fair housing law.<sup>14</sup>

As a follow-up, HUD later released a study in February 2006 called “Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law.” One aim of the study was to determine whether a nationwide media campaign had proven effective in increasing the public’s awareness of housing discrimination, and another goal was to determine desire to report such discrimination. Unfortunately, the study found that overall public knowledge of fair housing laws had not improved between 2000 and 2005. As before, only half of the public knew the law regarding six or more illegal housing activities. In the report, 17 percent of the study’s adult participants claimed to have experienced discrimination when seeking housing; however, after reviewing descriptions of the perceived discrimination, it was determined that only about 8 percent of the situations might be covered by the Fair Housing Act. Four out of five individuals who felt they had been discriminated against did not file a fair housing complaint, indicating that they felt it “wasn’t worth it” or that it “wouldn’t have helped.” Others did not know where to complain, assumed it would cost too much, were too busy, or feared retaliation. One positive finding of the survey was that public support for fair housing laws increased from 66 percent in 2000 to 73 percent in 2005.<sup>15</sup>

In 2004, the U.S. General Accounting Office’s (GAO) released a report titled “Fair Housing: Opportunities to Improve HUD’s Oversight and Management of the Enforcement Process.” The GAO report found that, between 1996 and 2003, the median number of days required to complete fair housing complaint investigations was 259 for HUD’s Fair Housing and Equal Opportunity Offices and 195 for Fair Housing Assistance Program (FHAP) agencies. The report did find a higher percentage of investigations completed within the 100-day mandate. The GAO report also identified the following trends between 1996 and 2003:

- The number of fair housing complaints filed each year steadily increased since 1998. An increasing proportion of grievances alleged discrimination based on disability, and a declining proportion alleged discrimination based on race, although race was still the most cited basis of housing discrimination;
- FHAP agencies conducted more fair housing investigations than Fair Housing and Equal Opportunity (FHEO) agencies over the eight-year period. The total number of investigations completed each year increased slightly after declining in 1997 and 1998; and
- Over this time period, an increasing percentage of investigations closed without finding reasonable cause to believe discrimination occurred. However, a declining percentage of investigations were resolved by the parties themselves or with help from FHEO or FHAP agencies.<sup>16</sup>

<sup>14</sup> *How Much Do We Know?* United States Department of Housing and Urban Development, Office of Policy Development and Research, 2002. Document available at <http://www.huduser.org/Publications>

<sup>15</sup> *Do We Know More Now?* United States Department of Housing and Urban Development, Office of Policy Development and Research, 2006. Document available at <http://www.huduser.org/Publications>.

<sup>16</sup> “Fair Housing: Opportunities to Improve HUD’s Oversight and Management of the Enforcement Process,” United States General Accounting Office, Report to Congressional Requesters, April 2004.

In 2006, the University of Southern California and Oregon State University collaborated to study rental discrimination and race. The universities responded to 1,115 advertisements regarding apartment vacancies in Los Angeles County and signed the bottom of each email with Tyrell Jackson, a traditionally black name, Patrick McDougall, a traditionally white name or Said Al-Rahman, a traditionally Arab name. Analysis indicated that individuals who were perceived as black were four times more likely to be discouraged from viewing an apartment than persons perceived as white, and individuals considered to be Arab were three times more likely to be discouraged from viewing an apartment than individuals who appeared white. The analysis also noted that applicants perceived as black were more likely to receive negative responses such as the apartment was no longer available for market rate or above market rate apartments. For example, only an email signed Tyrell Jackson received a reply that reiterated the apartment cost to ensure the apartment was within the applicant's price range. The study also analyzed the responses from private property owners versus corporate property owners but found no statistical difference in the way the two groups responded to applicants of different races.<sup>17</sup>

Released by the Poverty & Race Research Action Council in January 2008, "Residential Segregation and Housing Discrimination in the United States" asserts that many current governmental efforts to further fair housing actually result in furthering unfair housing practices across the U.S. This article suggests that fair housing efforts can cause residential segregation. For example, if the majority of public housing residents are non-white and most public housing accommodations are grouped in the same census tracts, residential segregation is resultant. Similarly, many Section 8 voucher holders are racial or ethnic minorities, and most housing that accepts Section 8 vouchers is grouped in selected areas, which again results in residential segregation. The report offers recommendations to curb such residential segregation, including dispersing public housing developments throughout cities and communities and providing greater incentives for landlords with several properties to accept the coupons.<sup>18</sup>

Published in 2009 by the National Fair Housing Alliance, "For Rent: No Kids!: How Internet Housing Advertisements Perpetuate Discrimination" presented research on the prevalence of discriminatory housing advertisements on popular websites such as Craigslist. According to the article, while newspapers are prohibited from publishing discriminatory housing advertisements, no such law exists for websites like Craigslist, as they are considered interactive internet providers rather than publishers of content. As such, they are not held to the same legal standards as newspapers. While individual landlords who post discriminatory advertisements may be held responsible, there are no such standards for companies like Craigslist that post the advertisements that are discriminatory. Other publishers of content such as newspapers are required to scan the advertisements they accept for publishing for content that could be seen as discriminatory. This may include phrases like "no children" or "Christian only," which violate provisions of the Fair Housing Act because families with children and religious individuals are federally protected groups.<sup>19</sup>

In May 2010, the National Fair Housing Alliance published a fair housing trends report, "A Step in the Right Direction," which indicated that recent years have demonstrated forward movement in furthering fair housing. The report began with a commendation of HUD's federal

<sup>17</sup> Rental Discrimination and Ethnicity in Names", Adrian G. Carpusor, William E Loges, Journal of Applied Science, 2006

<sup>18</sup> <http://www.prrac.org/pdf/FinalCERDHOusngDiscriminationReport.pdf>

<sup>19</sup> <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=zgbukJP2rMM%3D&tabid=2510&mid=8347>

enforcement of fair housing law and noted the agency's willingness to challenge local jurisdictions that failed to affirmatively further fair housing. In response to the recent foreclosure crisis, many credit institutions have implemented tactics to reduce risk, but this report suggests that policies that tighten credit markets, such as requiring larger cash reserves, higher down payments, and better credit scores, may disproportionately affect lending options for communities of color and women. "A Step in the Right Direction" concludes with examples of ways in which the fair housing situation could be further improved, including addressing discriminatory internet advertisements and adding gender identity, sexual orientation, and source of income as federally protected classes.<sup>20</sup>

## FAIR HOUSING CASES

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### NATIONAL FAIR HOUSING CASES

In a landmark fraud case, Westchester County, New York, was ordered to pay more than \$50 million to resolve allegations of misusing federal funds for public housing projects and falsely claiming their certification of furthering fair housing. The lawsuit, which was filed in 2007 by an anti-discrimination center, alleged that the County failed to reduce racial segregation of public housing projects in larger cities within the county and to provide affordable housing options in its suburbs. The County accepted more than \$50 million from HUD between 2000 and 2006 with promises of addressing these problems. In a summary judgment in February 2009, a judge ruled that the County did not properly factor in race as an impediment to fair housing and that the County did not accurately represent its efforts of integration in its AI. In the settlement, Westchester County will be forced to pay more than \$30 million to the federal government, with roughly \$20 million eligible to return to the county to aid in public housing projects. The County must also set aside \$20 million to build public housing units in suburbs and areas with mostly white populations. The ramifications of this case are expected to affect housing policies of both states and entitlement communities across the nation in which activities taken to affirmatively further fair housing will likely be held to higher levels of scrutiny to ensure that federal funds are being spent to promote fair housing and affirmatively further fair housing.

In 2008, \$3 billion of federal disaster aid was allotted to the Texas state government to provide relief from damage caused by hurricanes Ike and Dolly. These storms ravaged homes in coastal communities, and many of these homes were owned by low-income families that could not afford to rebuild. However, instead of directing the federal funds to the areas most affected by the storms, the State spread the funds across Texas and let local planning agencies spend at will. In reaction to this, two fair housing agencies in the state filed a complaint with HUD stating that the plan violated fair housing laws as well as federal aid requirements that specify that half the funds be directed to lower-income persons. In light of the complaint, HUD withheld \$1.7 billion in CDBG funds until the case was resolved. A settlement was reached in June 2010; the State was required to redirect 55 percent of the amount of the original funds to aid poorer families that lost their homes. The State was also asked to rebuild public housing units that were destroyed by the storms and offer programs to aid minority and low-income residents in relocating to less storm-prone areas or areas with greater economic opportunities.

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<sup>20</sup> <http://www.nationalfairhousing.org/Portals/33/Fair%20Housing%20Trends%20Report%202010.pdf>

## LOCAL FAIR HOUSING CASES

### Fair Housing Suits Filed with the U.S. Department of Justice

The U.S. Department of Justice (DOJ) enacts lawsuits on behalf of individuals based on referrals from HUD. Under the Fair Housing Act, the DOJ may file lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights; and
- Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD or file their own lawsuit in federal or state court.<sup>21</sup>

In 2010, a lawsuit alleged that a North Dakota-based property owner and management company of a 24-unit apartment building in Moorhead, Minnesota, violated the Fair Housing Act. The defendant allegedly prohibited service animals of certain sizes and breeds. The lawsuit arose as a result of a complaint filed by Fair Housing of the Dakotas with HUD. After investigating the complaint, HUD issued a charge of discrimination, and one of the respondents elected to have the case heard in federal court. The consent decree required the defendants to revise their policy to remove the size and breed limitations, attend regular fair housing training, and pay \$3,000 to Fair Housing of the Dakotas.<sup>22</sup>

No other settled local fair housing cases pertinent to the State of North Dakota regarding DOJ cases or otherwise were identified as of April 2011.

## SUMMARY

A review of laws, studies, cases, and related materials relevant to fair housing in the State of North Dakota demonstrated the complexity of the fair housing landscape. It was determined that North Dakota’s fair housing law offers protections beyond the scope of the federal Fair Housing Act. Examination of relevant fair housing studies and cases supported the idea that, while housing discrimination activity may have declined in recent years, disabled persons and racial and ethnic minorities remain commonly affected victims of housing discrimination.

<sup>21</sup> [http://www.justice.gov/crt/about/hce/housing\\_coverage.php](http://www.justice.gov/crt/about/hce/housing_coverage.php)

<sup>22</sup> <http://www.justice.gov/crt/about/hce/documents/powerscomp.php>



## **SECTION IV. REVIEW OF THE EXISTING FAIR HOUSING STRUCTURE**

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The purpose of this section is to provide a profile of fair housing in the State of North Dakota based on an enumeration of key agencies and organizations contributing to affirmatively furthering fair housing, evaluation of the presence and scope of services of existing fair housing organizations, and a review of the complaint process.

### **FAIR HOUSING AGENCIES**

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#### **FEDERAL AGENCIES**

##### **U.S. Department of Housing and Urban Development**

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the Fair Housing Act. HUD's regional office in Denver, Colorado, oversees housing, community development, and fair housing enforcement in North Dakota, as well as Colorado, South Dakota, Montana, Utah, and Wyoming.<sup>23</sup> The Office of Fair Housing and Equal Opportunity (FHEO) within HUD's Denver office enforces the federal Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in North Dakota. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program and Fair Housing Initiative Program, as described below.

##### **Fair Housing Assistance Program**

In the U.S., many agencies receive funding directly from HUD as Fair Housing Assistance Program (FHAP) recipients. FHAP recipients require an ordinance or law that empowers a state or local governmental agency to enforce the state or local fair housing laws; if HUD determines that the local entity can operate on a "substantially equivalent" level to federal agency enforcement activities, HUD contracts with that agency to process fair housing complaints and reimburses the jurisdiction on a per case basis.<sup>24</sup> FHAP grants are awarded to public, not private, entities and are given on a noncompetitive, annual basis to substantially equivalent state and local fair housing enforcement agencies.

To create a substantially equivalent agency, a state or local jurisdiction must first enact a fair housing law that is substantially equivalent to federal law. In addition, the local jurisdiction must have both the administrative capacity and fiscal ability to carry out the law. With these elements in place, the jurisdiction may apply to HUD in Washington, D.C., for substantially equivalent status. The jurisdiction's law would then be examined, and the federal government would make a determination as to whether it is substantially equivalent to federal fair housing law.

When substantially equivalent status has been granted, complaints of housing discrimination are dually filed with the state or local agency and HUD. The state or local agency investigates

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<sup>23</sup> <http://www.hud.gov/offices/fheo/aboutfheo/fhhubs.cfm#hdcent>

<sup>24</sup> <http://www.hud.gov/offices/fheo/progdesc/title8.cfm>

most complaints; however, when federally-subsidized housing is involved, HUD will typically investigate the complaint. The state or local agencies are reimbursed for complaint intake and investigation and are awarded funds for fair housing training and education. FHAP agencies are not required by HUD to make documentation of activities available to HUD or the general public.

The North Dakota Department of Labor exists as a substantially equivalent FHAP agency. A summary of this agency and its services is presented later in this section.

### Fair Housing Initiative Program

A FHIP participant may be a government agency, a private nonprofit, or a for-profit organization. FHIPs are funded through a competitive grant program that provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with fair housing law. Eligible activities include education and outreach to the public and the housing industry on fair housing rights and responsibilities as well as enforcement activities in response to fair housing complaints, including testing and litigation.<sup>25</sup> The following FHIP initiatives provide funds and competitive grants to eligible organizations:

*“The Fair Housing Organizations Initiative (FHOI) provides funding that builds the capacity and effectiveness of non-profit fair housing organizations by providing funds to handle fair housing enforcement and education initiatives more effectively. FHOI also strengthens the fair housing movement nationally by encouraging the creation and growth of organizations that focus on the rights and needs of underserved groups, particularly persons with disabilities...”*

**“[Eligible Grantees:]** Applicants must be qualified fair housing enforcement organizations with at least two years of experience in complaint intake, complaint investigation, testing for fair housing violations, and meritorious claims in the three years prior to the filing of their application...”

**“[Eligible Activities:]** Grants may be used flexibly to support the basic operation and activities of new and existing non-profit fair housing organizations.”<sup>26</sup>

*“The Private Enforcement Initiative (PEI) offers a range of assistance to the nationwide network of fair housing groups. This initiative funds non-profit fair housing organizations to carry out testing and enforcement activities to prevent or eliminate discriminatory housing practices...”*

**“[Eligible Grantees:]** Fair housing enforcement organizations that meet certain requirements related to the length and quality of previous fair housing enforcement experience may apply for FHIP-PEI funding...”

**“[Eligible Activities:]** Funds such activities as conducting complaint-based and targeted testing and other investigations of housing discrimination, linking fair-housing organizations in regional enforcement activities, and establishing effective means of meeting legal expenses in support of fair housing litigation.”<sup>27</sup>

<sup>25</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP)

<sup>26</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP/fhip](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip)

<sup>27</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP/fhip](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip)

*“The Education and Outreach Initiative (EOI) offers a comprehensive range of support for fair housing activities, providing funding to State and local government agencies and non-profit organizations for initiatives that explain to the general public and housing providers what equal opportunity in housing means and what housing providers need to do to comply with the Fair Housing Act...”*

**“[Eligible Grantees:]** State or local governments, qualified fair housing enforcement organizations (those with at least 2 years of experience), other fair housing organizations, and other public or private nonprofit organizations representing groups of persons protected by the Fair Housing Act may apply for FHIP-EOI funding...”

**“[Eligible Activities:]** Funds a broad range of educational activities that can be national, regional, local, or community-based in scope. Activities may include developing education materials, analyzing local impediments to housing choice, providing housing counseling and classes, convening meetings that bring together the housing industry with fair housing groups, developing technical materials on accessibility, and mounting public information campaigns. National projects that demonstrate cooperation with the real estate industry or focus on resolving the community tensions that arise as people expand their housing choices may be eligible to receive preference points.”<sup>28</sup>

*“The Administrative Enforcement Initiative (AEI) helps State and local governments who administer laws that include rights and remedies similar to those in the Fair Housing Act implement specialized projects that broaden an agency's range of enforcement and compliance activities. No funds are available currently for this program.”<sup>29</sup>*

Fair Housing of the Dakotas (FHD), an organization serving North Dakota and South Dakota, was the only HUD FHIP grant recipient in Edmond from 2006 through 2009.

In 2006, the FHIP program awarded \$18.1 million nationwide, \$13.9 million for PEI grants and \$4.2 million for EOI.<sup>30</sup> FHD used its grant for complaint intake, investigation, mediation, referral services, and workshops for housing providers and consumers. It also performed 60 paired tests of the rental market and three of the mortgage-lending market to test for unlawful discrimination.

In 2007, the FHIP program awarded \$14 million for PEI and \$4.1 million for EOI nationwide. FHD used its funds for the same purposes it did in 2006 in North Dakota and South Dakota. It also held 24 fair housing workshops and distributed 30,000 fair housing publications. FHD provided similar testing, workshops, and publications in 2008 with its FHIP funding. It also reached out to 45 underserved communities, coordinated with other fair housing organizations, and focused specifically on accessibility and predatory lending education in the two states.<sup>31</sup>

<sup>28</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP/fhip](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip)

<sup>29</sup> [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/partners/FHIP/fhip](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/partners/FHIP/fhip)

<sup>30</sup> <http://www.hud.gov/offices/fheo/partners/FHIP/fhip.cfm>

<sup>31</sup> <http://www.hud.gov/offices/fheo/partners/FHIP/FY2008FHIP.cfm#mn>

In 2009, FHD conducted more rental and mortgage lending tests and provided fair housing workshops, publications, and trainings. It also reached out to underserved communities and worked with other organizations to eliminate discrimination in housing transactions.<sup>32</sup>

FHD did not receive any FHIP funding in 2010. In 2011, Fair Housing of the Dakotas, which provided fair housing services in North Dakota since 1995 and in South Dakota since 2003, was dissolved due to internal conflict.<sup>33</sup> Thus, the State of North Dakota has been left with no fair housing agency, beyond the Human Rights Division, to address fair housing concerns or accept fair housing complaints. The dissolution of the Fair Housing of the Dakotas has left a gap in the availability of fair housing services in the state.

## STATE AGENCIES

### North Dakota Department of Labor

The North Dakota Department of Labor's (NDDOL's) Human Rights Division, located in Bismarck, is responsible for receiving and investigating complaints alleging unlawful housing discrimination under the North Dakota Housing Discrimination Act. The Act prohibits discrimination in the sale or rental of housing because of a person's race, color, religion, sex, disability, age, familial status, national origin, or status regarding marriage or public assistance. In addition, the North Dakota Housing Discrimination Act permits the NDDOL to process charges of housing discrimination that do not meet federal jurisdiction such as issues related to age, marital status, and receipt of public assistance.

In 2012, the NDDOL was awarded a HUD grant for its partnership with Legal Services of North Dakota (LSND) in conducting fair housing education and outreach across the state, particularly focused in western North Dakota. The more than \$165,000 grant will help combat housing discrimination, through outreach and education aimed largely at landlords and tenants. These efforts will include public service announcements, new fair housing brochures and promotional materials, and public speaking events. Many of this outreach will be led by the NDDOL commissioner and staff, as well as staff from LSND.<sup>34</sup>

## COMPLAINT PROCESS REVIEW

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### COMPLAINT PROCESSES FOR FAIR HOUSING AGENCIES

#### U.S. Department of Housing and Urban Development

According to the HUD website, any person who feels his or her housing rights have been violated may submit a complaint to HUD via phone, mail, or the internet. A complaint can be submitted to the national HUD office at:

<sup>32</sup> <http://www.hud.gov/offices/fheo/partners/FHIP/FY2009FHIP.cfm#nd>

<sup>33</sup> Information provided by a conversation with the Department of Labor.

<sup>34</sup> [http://portal.hud.gov/hudportal/HUD?src=/states/north\\_dakota/news/HUDNo.2012-02-09](http://portal.hud.gov/hudportal/HUD?src=/states/north_dakota/news/HUDNo.2012-02-09)

Office of Fair Housing and Equal Opportunity  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 5204  
Washington, DC 20410-2000  
(202) 708-1112  
1-800-669-9777  
<http://www.hud.gov/offices/fheo/online-complaint.cfm>

In North Dakota, the contact information for the regional HUD office in Denver is:

Denver Regional Office of FHEO  
U.S. Department of Housing and Urban Development  
1670 Broadway  
Denver, Colorado 80202-4801  
(303) 672-5437  
1-800-877-7353  
TTY (303) 672-5248

The contact information for the HUD field office in Fargo is:

Fargo HUD Field Office  
657 2<sup>nd</sup> Avenue North  
Room 366  
Fargo, ND 58108  
(701) 239-5136  
Fax (701) 239-5249

When a complaint is submitted, intake specialists review the information and contact the complainant in order to gather additional details and determine if the case qualifies as possible housing discrimination. Complaints that are specific to a state or locality that is part of HUD's FHAP organization are referred to the appropriate parties, which have 30 days to address the complaint. If HUD is handling the case, the formal complaint is sent to the complainant for review and then sent to the alleged violator for review and response.

Next, the circumstances of the complaint are investigated through conducting interviews and examining relevant documents. During this time, the investigator attempts to rectify the situation through conciliation, if possible.

The case is closed if conciliation of the two parties is achieved or if the investigator determines that there was no reasonable cause of discrimination. If reasonable cause is found, then either a federal judge or an HUD Administrative Law Judge hears the case and determines damages, if any. A respondent may be ordered to:

- Compensate for actual damages, including humiliation, pain, and suffering;
- Provide injunctive or other equitable relief to make the housing available;
- Pay the federal government a civil penalty to vindicate the public interest;
- Pay a maximum penalty of \$10,000 for a first violation and \$50,000 for an additional violation within seven years; and/or

- Pay reasonable attorney's fees and costs.<sup>35</sup>

### **Complaint Process for the Department of Labor Human Rights Division**

The Department of Labor's Human Rights Division accepts housing discrimination complaints from within the state. The contact information for the main office is:

North Dakota Department of Labor  
 600 East Boulevard Avenue, Dept 406  
 Bismarck ND 58505-0340  
 Phone: (701) 328-2660  
 1-800-582-8032: In-state toll-free  
 1-800-366-6888 or 1-800-366-6889: TTY (Relay ND)  
 Fax: (701) 328-2031  
 E-mail: labor@nd.gov  
 humanrights@nd.gov  
<http://www.nd.gov/labor/human-rights/index.html>

As noted on the Department of Labor's website, an individual may initiate a complaint by completing the appropriate intake form and mailing or delivering it to the department. Investigative staff will assess the information provided on the intake form to determine whether there is a basis for filing a formal complaint. If a formal complaint is filed, the department will conduct a thorough, impartial investigation into the allegations made in the complaint. The department will emphasize conciliation to resolve complaints, and the parties may agree to settle a complaint at any time.

If the parties do not agree to settle a complaint, and the department determines that a discriminatory practice has occurred, the department will establish an administrative hearing to create a remedy for the aggrieved party. If the department determines that a discriminatory practice did not occur, it will promptly dismiss the complaint.

Also, individuals who are aware of activity that may be in violation of North Dakota's human rights laws, but do not wish to seek a personal remedy, may report the suspected noncompliance to the department using the complaint inquiry process presented on the department's website.<sup>36</sup>

### **SUMMARY**

A review of the fair housing profile in North Dakota revealed that two main organizations provide fair housing services: the U.S. Department of Housing and Urban Development (HUD) and the Human Rights Division of the North Dakota Department of Labor, the latter of which exists as an agency substantially equivalent to HUD in the state, with fair housing complaint processing and enforcement powers. These agencies provide outreach and education, complaint intake, and testing and enforcement activities for both providers and consumers of housing.

<sup>35</sup> <http://www.hud.gov/offices/fheo/complaint-process.cfm>

<sup>35</sup> <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

<sup>36</sup> <http://www.nd.gov/labor/human-rights/index.html>

## SECTION V. FAIR HOUSING IN THE PRIVATE SECTOR

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As part of the AI process, HUD suggests that the analysis focus on possible housing discrimination issues in both the private and public sectors. Examination of North Dakota's public sector is presented in Section VI, while the focus of this section is on research of fair housing in the state's private sector, including the mortgage lending market, the real estate market, the rental market, and other private housing industries.

### LENDING ANALYSIS

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#### HOME MORTGAGE DISCLOSURE ACT DATA

Since the 1970s, the federal government has enacted several laws aimed at promoting fair lending practices in the banking and financial services industries. A brief description of selected federal laws aimed at promoting fair lending follows:

- The 1968 *Fair Housing Act* prohibits discrimination in housing based on race, color, religion or national origin, and later amendments added sex, familial status, and disability. Under the Fair Housing Act, it is illegal to discriminate against any of these protected classes in the following types of residential real estate transactions: making loans to buy, build, or repair a dwelling; selling, brokering, or appraising residential real estate; and selling or renting a dwelling.
- The *Equal Credit Opportunity Act* was passed in 1974 and prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, and the exercise of any right under the Consumer Credit Protection Act.<sup>37</sup>
- The *Community Reinvestment Act* was enacted in 1977 and requires each federal financial supervisory agency to encourage financial institutions to help meet the credit needs of their entire community, including low- and moderate-income neighborhoods.
- Under the *Home Mortgage Disclosure Act (HMDA)*, enacted in 1975 and later amended, financial institutions are required to publicly disclose the race, sex, ethnicity, and household income of mortgage applicants by the census tract in which the loan is proposed, as well as outcome of the loan application. The analysis presented herein is from the HMDA data system.

The HMDA requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans.<sup>38</sup> Both types of lending institutions must meet a set of reporting criteria as follows:

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<sup>37</sup> *Closing the Gap: A Guide to Equal Opportunity Lending*, The Federal Reserve Bank of Boston, April 1993.

<sup>38</sup> Data are considered "raw" because they contain entry errors and incomplete loan applications. Starting in 2004, the HMDA data made substantive changes in reporting. It modified the way it handled Hispanic data, loan interest rates, as well as the reporting of multifamily loan applications.

- The institution must be a bank, credit union, or savings association;
- The total assets must exceed the coverage threshold;<sup>39</sup>
- The institution must have had an office in a metropolitan statistical area (MSA);
- The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling;
- The institution must be federally insured or regulated; and
- The mortgage loan must have been insured, guaranteed, or supplemented by a federal agency or intended for sale to Fannie Mae or Freddie Mac.

For other institutions, including non-depository institutions, the reporting criteria are as follows:

- The institution must be a for-profit organization;
- The institution’s home purchase loan originations must equal or exceed 10 percent of the institution’s total loan originations, or more than \$25 million;
- The institution must have had a home or branch office in an MSA or have received applications for, originated, or purchased five or more home purchase loans, home improvement loans, or refinancing mortgages on property located in an MSA in the preceding calendar year; and
- The institution must have assets exceeding \$10 million or have originated 100 or more home purchases in the preceding calendar year.

HMDA data represent most mortgage lending activity and are thus the most comprehensive collection of information available regarding home purchase originations, home remodel loan originations, and refinancing.

This AI presents five sets of HMDA information, tabulated and presented for North Dakota, including Bismarck, Fargo, Grand Forks, and the remaining non-entitlement areas of the state. In this section, discussion will address the state in its entirety; however in some cases, tables in this chapter show key differences between entitlement and non-entitlement areas. The complete tables are presented in the Technical Appendix.

**LOAN DENIAL**

As presented below in Table V.1, HMDA information was collected for the State of North Dakota for 2004 through 2009. During this time, 204,377 loan applications were reported by participating institutions for home purchases, home improvements, and refinancing mortgages. A total of 88,197 of these loan applications were specifically for home purchases.

<b>Table V.1</b>							
<b>Purpose of Loan by Year</b>							
State of North Dakota							
HMDA Data							
<b>Purpose</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Home Purchase	14,711	17,270	16,955	14,874	12,506	11,881	88,197
Home Improvement	3,320	3,790	3,716	3,931	3,076	2,643	20,476
Refinancing	17,706	16,210	13,883	13,276	13,364	21,265	95,704
<b>Total</b>	<b>35,737</b>	<b>37,270</b>	<b>34,554</b>	<b>32,081</b>	<b>28,946</b>	<b>35,789</b>	<b>204,377</b>

<sup>39</sup> Each December the Federal Reserve announces the threshold for the following year. The asset threshold may change from year to year, based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

Within this set of data, it is of prime importance to evaluate only the owner-occupied home purchase transactions. Home purchases and access to homeownership are the focus of this particular analysis because the other categories typically apply to units already purchased and thus do not reflect the ability of an individual to choose an owner-occupied home. As seen in Table V.2, below, of the 88,197 home purchase loan applications submitted in this time period, 81,288 were specifically for owner-occupied homes. The number of owner-occupied home purchase loan applications was highest in 2005, at 15,802.

<b>Status</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Owner-Occupied	13,492	15,802	15,559	13,663	11,553	11,219	81,288
Not Owner-Occupied	1,114	1,367	1,326	1,144	901	624	6,476
Not Applicable	105	101	70	67	52	38	433
<b>Total</b>	<b>14,711</b>	<b>17,270</b>	<b>16,955</b>	<b>14,874</b>	<b>12,506</b>	<b>11,881</b>	<b>88,197</b>

Owner occupancy status for applications made in the three entitlement cities and in the non-entitlement areas is also presented in the Technical Appendix.

After the owner-occupied home purchase loan application is submitted, the applicant receives one of the following status designations:

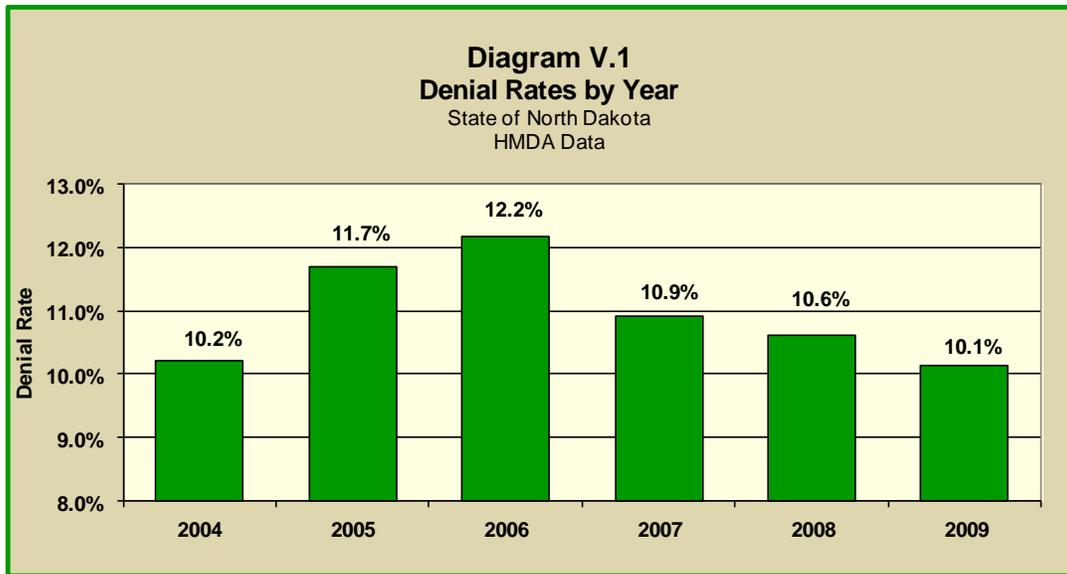
- “Originated,” which indicates that the loan was made by the lending institution;
- “Approved but not accepted,” which notes loans approved by the lender but not accepted by the applicant;
- “Application denied by financial institution,” defined as a situation wherein the loan application failed;
- “Application withdrawn by applicant,” which means that the applicant closed the application process;
- “File closed for incompleteness,” which indicates that the loan application process was closed by the institution due to incomplete information; or
- “Loan purchased by the institution,” which means that the previously originated loan was purchased on the secondary market.

These outcomes were used to determine denial rates presented herein. For this analysis, only loan originations and loan denials were inspected as an indicator of the underlying success or failure of home purchase loan applicants. Altogether, there were 50,082 loan originations and 6,204 applications denied, for an average six-year denial rate of 11 percent, as seen on the following page in Table V.3.

**Table V.3**  
**Owner-Occupied Home Purchase Loan Applications by Action Taken**  
State of North Dakota  
HMDA Data

Action	2004	2005	2006	2007	2008	2009	Total
Loan Originated	8,685	9,564	9,113	8,304	7,267	7,149	50,082
Application Approved But Not Accepted	434	562	705	517	464	286	2,968
Application Denied	987	1,266	1,264	1,018	862	807	6,204
Application Withdrawn By Applicant	741	1,004	841	658	594	684	4,522
File Closed for Incompleteness	265	368	380	319	151	68	1,551
Loan Purchased by the Institution	2,380	3,033	3,251	2,846	2,215	2,222	15,947
Preapproval Request Denied	0	5	4	1	0	3	13
Preapproval Approved but Not Accepted	0	0	1	0	0	0	1
<b>Total</b>	<b>13,492</b>	<b>15,802</b>	<b>15,559</b>	<b>13,663</b>	<b>11,553</b>	<b>11,219</b>	<b>81,288</b>
Denial Rate	10.2%	11.7%	12.2%	10.9%	10.6%	10.1%	11.0%

Denial rates varied by year, as seen below in Diagram V.1. Overall, the number of loans denied in the state fell from a high of 12.2 percent in 2006 to 10.1 percent in 2009.



As mentioned previously, HMDA data were collected and analyzed for the three entitlement cities in North Dakota and for the remaining non-entitlement areas as well as for the state as a whole. Geographically detailed tables are presented in the Technical Appendix; however, Table V.4, below, also compares denial rate data for all five study areas. As shown, the non-entitlement areas of the state tended to have a denial rate substantively higher than the three entitlement communities, at 12.5 percent versus 8.2 percent, respectively.

**Table V.4**  
**Percent Denial Rates**  
State of North Dakota  
HMDA Data

Area	2004	2005	2006	2007	2008	2009	Total
Bismarck	8.2%	9.2%	9.9%	8.0%	6.1%	7.2%	8.3%
Fargo	7.6%	8.5%	8.7%	8.3%	9.7%	5.8%	8.1%
Grand Forks	6.9%	9.5%	8.5%	9.4%	6.9%	8.0%	8.3%
Non-Entitlement Area	11.7%	13.2%	13.8%	12.2%	11.7%	11.8%	12.5%
Statewide Denial Rate	10.2%	11.7%	12.2%	10.9%	10.6%	10.1%	11.0%

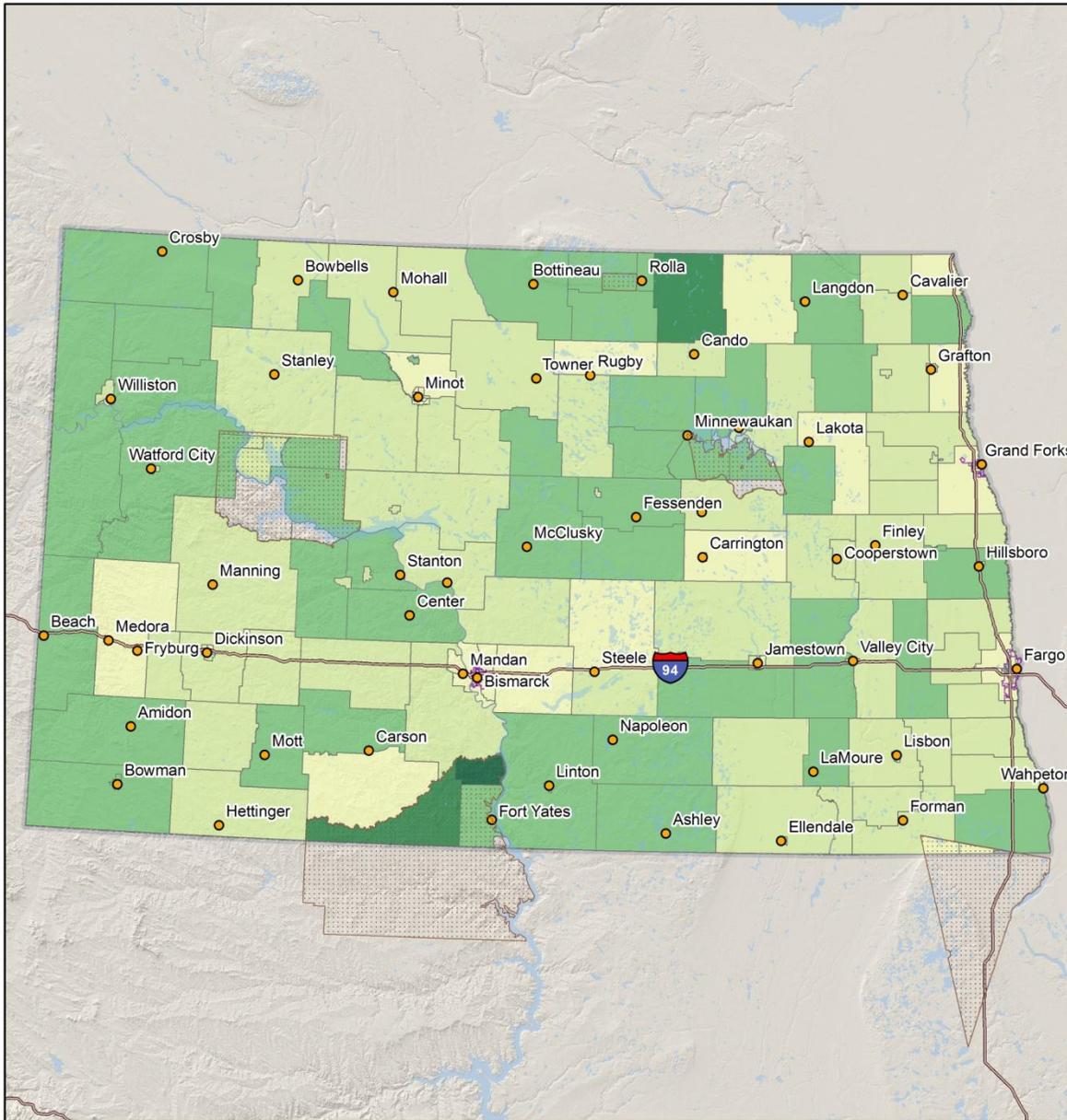
The uneven distribution of denial rates throughout North Dakota can also be shown geographically. As presented in Map V.1, on the following page, numerous census tracts in the state had denial rates well above the statewide average of 11 percent, and several had rates higher than the 21 percent disproportionate share threshold. Tracts with the highest denial rates were located primarily in rural areas, particularly in tribal lands, where denial rates reached 100 percent. Tracts shown without color had no data available regarding applications originated and denied and were primarily located in tribal lands.

HMDA data were also used to determine denial rates by gender. Table V.5, below, shows that, with applications in which gender was provided by the applicant, denial rates were uneven, with females experiencing higher denial rates compared to males. On average, between 2004 and 2009, male applicants experienced a denial rate of 9.8 percent, while female applicants experienced a denial rate of 13.8 percent. In 2005 and 2006, the differences were greater: 10 percent for males and 15 percent for females. However, by 2009, these differences had declined to 9.6 and 11.1, respectively.

<b>Table V.5</b> <b>Denial Rate for Owner-Occupied Home Purchase Loan</b> <b>Applications by Gender</b> State of North Dakota HMDA Data					
Year	Male	Female	Not Available	Not Applicable	Total
2004	9.1%	12.7%	22.0%	0.0%	10.2%
2005	10.2%	15.8%	13.5%	0.0%	11.7%
2006	10.6%	15.2%	20.3%	0.0%	12.2%
2007	10.0%	13.4%	13.3%	0.0%	10.9%
2008	9.4%	13.3%	19.9%	0.0%	10.6%
2009	9.6%	11.1%	14.1%	0.0%	10.1%
<b>Total</b>	<b>9.8%</b>	<b>13.8%</b>	<b>16.7%</b>	<b>0.0%</b>	<b>11.0%</b>

See the Technical Appendix for similar tables for Bismarck, Fargo, Grand Forks, and the non-entitlement areas of the state. The three entitlement cities had similar merging trends, as did the non-entitlement areas, with the latter showing higher denial rates overall. The highest overall difference between denial rates for males and females was in Bismarck, although denial rates for females were as high as 16.1 percent in the non-entitlement areas of the state.

### Map V.1 HMDA Denial Rate by Census Tract State of North Dakota HMDA Data, 2004 – 2009



LEGEND	
<b>Denial Rate for All Applicants, 2004-2009</b>	
Average Denial Rate for All Applicants in the State of North Dakota = 11.0%	
Disproportionate Share of Denial for All Applicants in the State of North Dakota = 21.0%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>Denial Rate for All Applicants</b></p> <ul style="list-style-type: none"> <li>0.0 - 11.0</li> <li>11.1 - 21.0</li> <li>21.1 - 50.0</li> <li>50.1 - 75.0</li> <li>75.1 - 100.0</li> </ul> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>No Data</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

Denial rates were also calculated by race and ethnicity of the loan applicants, and these data are presented below in Table V.6. As shown therein, American Indian, black, and Hispanic applicants experienced higher denial rates than white and Asian applicants. American Indian applicants had the highest denial rate in this time period, at 27.2 percent, followed by black applicants at 14.8 percent, compared to the white applicant denial rate of 10.3 percent and the Asian denial rate of 9.9 percent. Hispanic applicants experienced a denial rate of 19.3 percent during this time.

Race	2004	2005	2006	2007	2008	2009	Total
American Indian or Alaskan Native	26.5%	39.0%	24.5%	22.5%	26.3%	24.7%	27.2%
Asian	12.8%	8.7%	12.2%	8.4%	8.7%	9.0%	9.9%
Black	22.9%	18.8%	3.2%	10.5%	17.0%	18.4%	14.8%
White	9.2%	10.6%	11.5%	10.5%	10.0%	9.7%	10.3%
Not Available	26.5%	21.6%	20.3%	15.6%	18.9%	14.5%	19.7%
Not Applicable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>10.2%</b>	<b>11.7%</b>	<b>12.2%</b>	<b>10.9%</b>	<b>10.6%</b>	<b>10.1%</b>	<b>11.0%</b>
Hispanic (Ethnicity)	16.0%	22.1%	19.0%	16.0%	21.5%	22.6%	19.3%

Diagram V.2, below, shows the differences in overall denial rates by race and ethnicity in the State of North Dakota from 2004 through 2009.

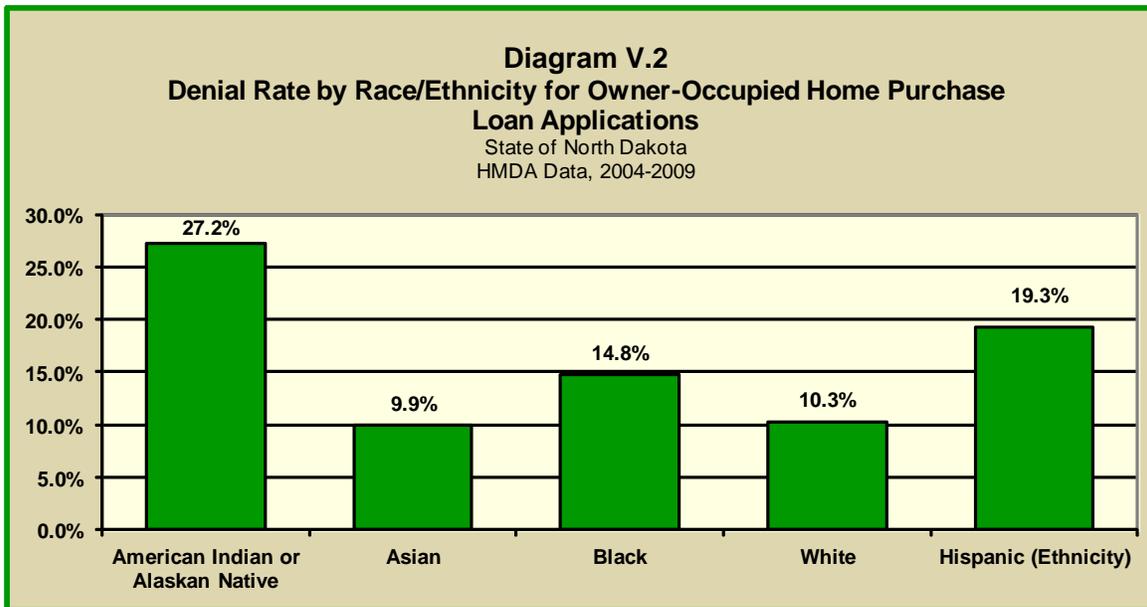


Table V.7, on the following page, shows the differences in denial rates by geographic area. White applicant denial rates were consistent across the three larger cities, at 7.5 percent in all three cases, but racial and ethnic minority applicant denial rates varied a rather large amount; American Indian applicants experienced a denial rate of 44.7 percent in Fargo but only an 8.1 percent denial rate in Bismarck and an 11.4 percent denial rate in Grand Forks. The denial rate for black applicants was highest in Bismarck, but Grand Forks and Fargo had lower-than-statewide-average denial rates, at 13 and 11.5 percent, respectively.

<b>Table V.7</b> <b>Denial Rate by Race and Ethnicity</b> Geographic Areas in North Dakota HMDA Data, 2004-2009					
Race	Bismarck	Fargo	Grand Forks	Non-Entitlement Area	Total Statewide
American Indian or Alaskan Native	8.1%	44.7%	11.4%	28.1%	27.2%
Asian	18.2%	10.1%	4.5%	10.5%	9.9%
Black	23.8%	11.5%	13.0%	15.2%	14.8%
White	7.5%	7.5%	7.5%	11.7%	10.3%
<b>Average</b>	<b>8.3%</b>	<b>8.1%</b>	<b>8.3%</b>	<b>12.5%</b>	<b>11.0%</b>
Hispanic (Ethnicity)	13.3%	13.3%	23.7%	20.4%	19.3%

Denial rates by race and ethnicity were plotted on several maps to examine concentration of loan denials.

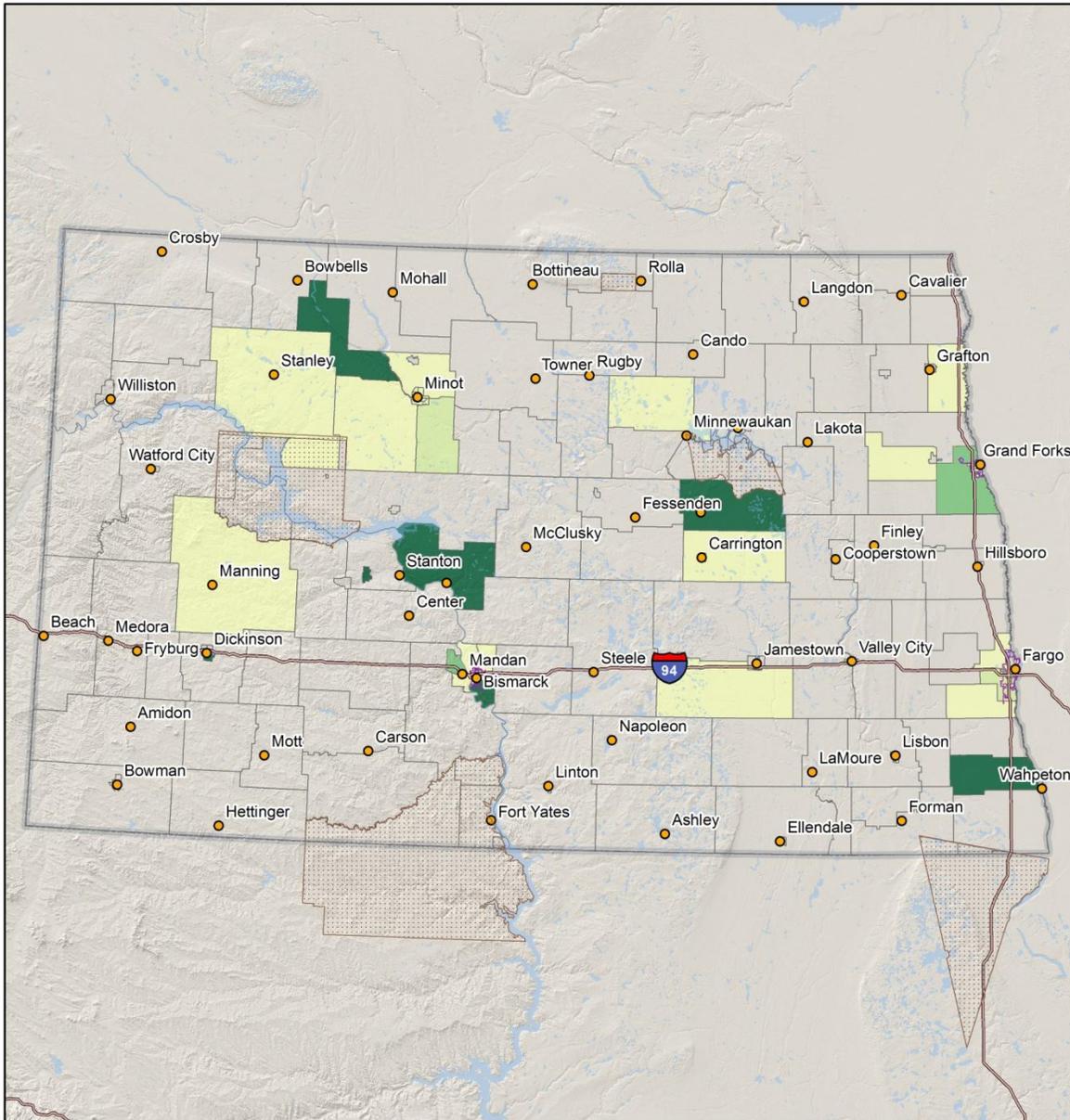
Data regarding the concentration of denial rates for black applicants in the State of North Dakota is presented on the following page in Map V.2. While in some tracts there were no loan applications or denials for black applicants, in other areas, denial rates were above the disproportionate share of 24.8 percent and as high as 100 percent, although such extreme findings may represent total denial of very few applicants. Tracts with the highest concentrations were primarily seen in rural areas but also in Bismarck and south of Grand Forks.

Map V.3, on page 78, presents geographic data on denial rates for Asian applicants in the State of North Dakota. A few tracts demonstrated rates as high as 100 percent, although, again, this high rate can be representative of total denial of very few applicants, and several tracts around Bismarck and Fargo had shares above the disproportionate share threshold of 19.9 percent.

Map V.4, on page 79, shows home loan application denial rates in North Dakota for American Indian applicants. The average denial rate for this group across the state was 27.2 percent, and rates in some areas were as high as 100 percent. Regardless, areas with high rates of American Indian applicant denial were strewn throughout the state, primarily in rural areas and in Fargo.

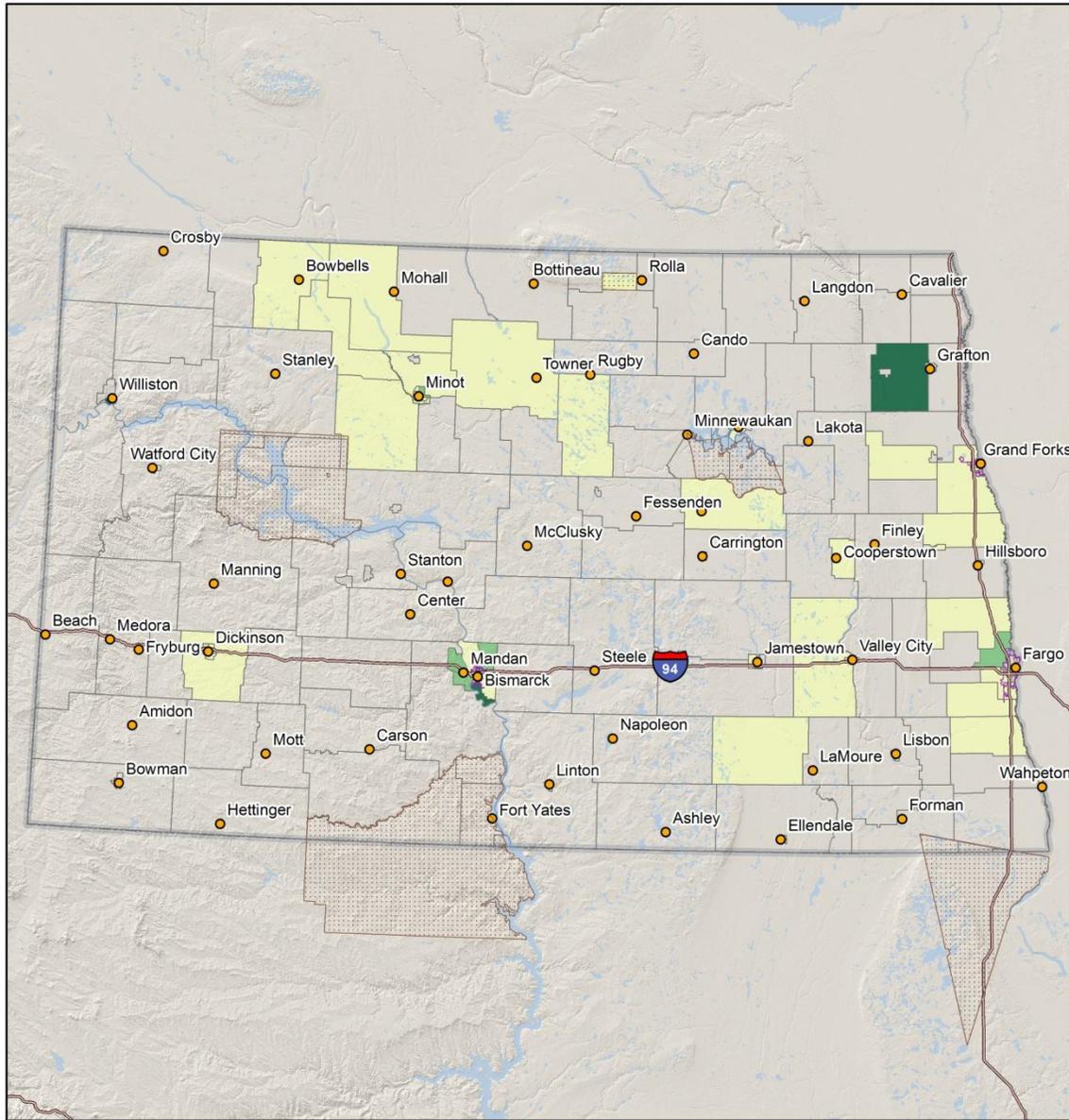
Data regarding denial rates for Hispanic applicants are presented in Map V.5, on page 80, and show that many census tracts in the state had denial rates in excess of the disproportionate share threshold of 29.3 percent and as high as 100 percent. Denial rates for Hispanic applicants also tended to be higher outside of the entitlement cities.

### Map V.2 Denial Rate for Black Applicants by Census Tract State of North Dakota HMDA Data, 2004 – 2009



LEGEND	
<b>Denial Rate for Black Applicants, 2004-2009</b>	
Average Denial Rate for Black Applicants in the State of North Dakota = 14.8%	
Disproportionate Share of Denial for Black Applicants in the State of North Dakota = 24.8%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>Denial Rate for Black Applicants</b></p> <ul style="list-style-type: none"> <li>0.0 - 14.8</li> <li>14.9 - 24.8</li> <li>24.9 - 50.0</li> <li>50.1 - 75.0</li> <li>75.1 - 100.0</li> </ul> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>No Data</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

**Map V.3**  
**Denial Rate for Asian Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



**LEGEND**

**Denial Rate for Asian Applicants, 2004-2009**

Average Denial Rate for Asian Applicants in the State of North Dakota = 9.9%

Disproportionate Share of Denial for Asian Applicants in the State of North Dakota = 19.9%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

**LEGEND**

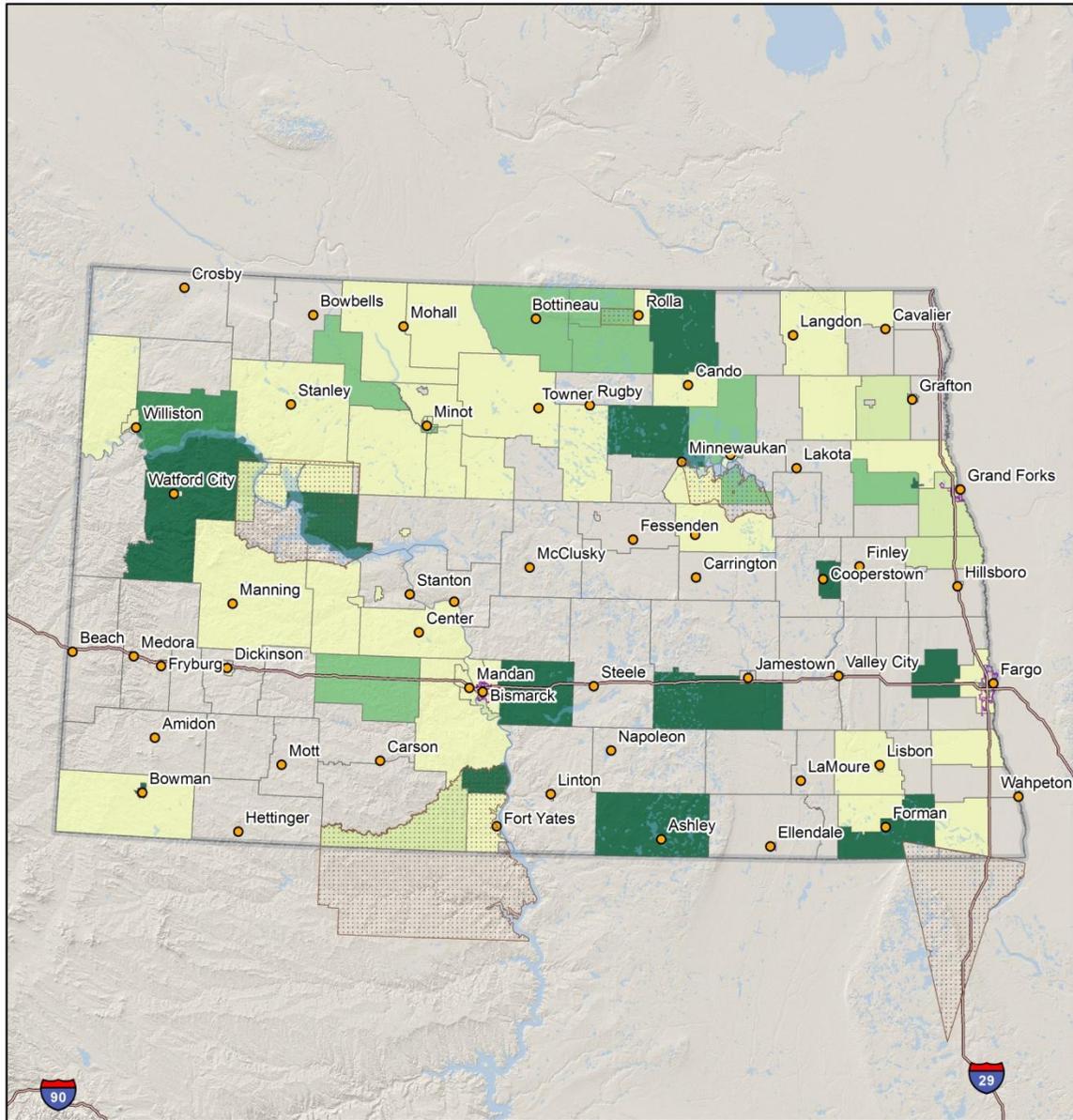
Denial Rate for Asian Applicants

	0.0 - 9.9
	10.0 - 19.9
	20.0 - 50.0
	50.1 - 75.0
	75.1 - 100.0

-----  
Disproportionate Share Threshold

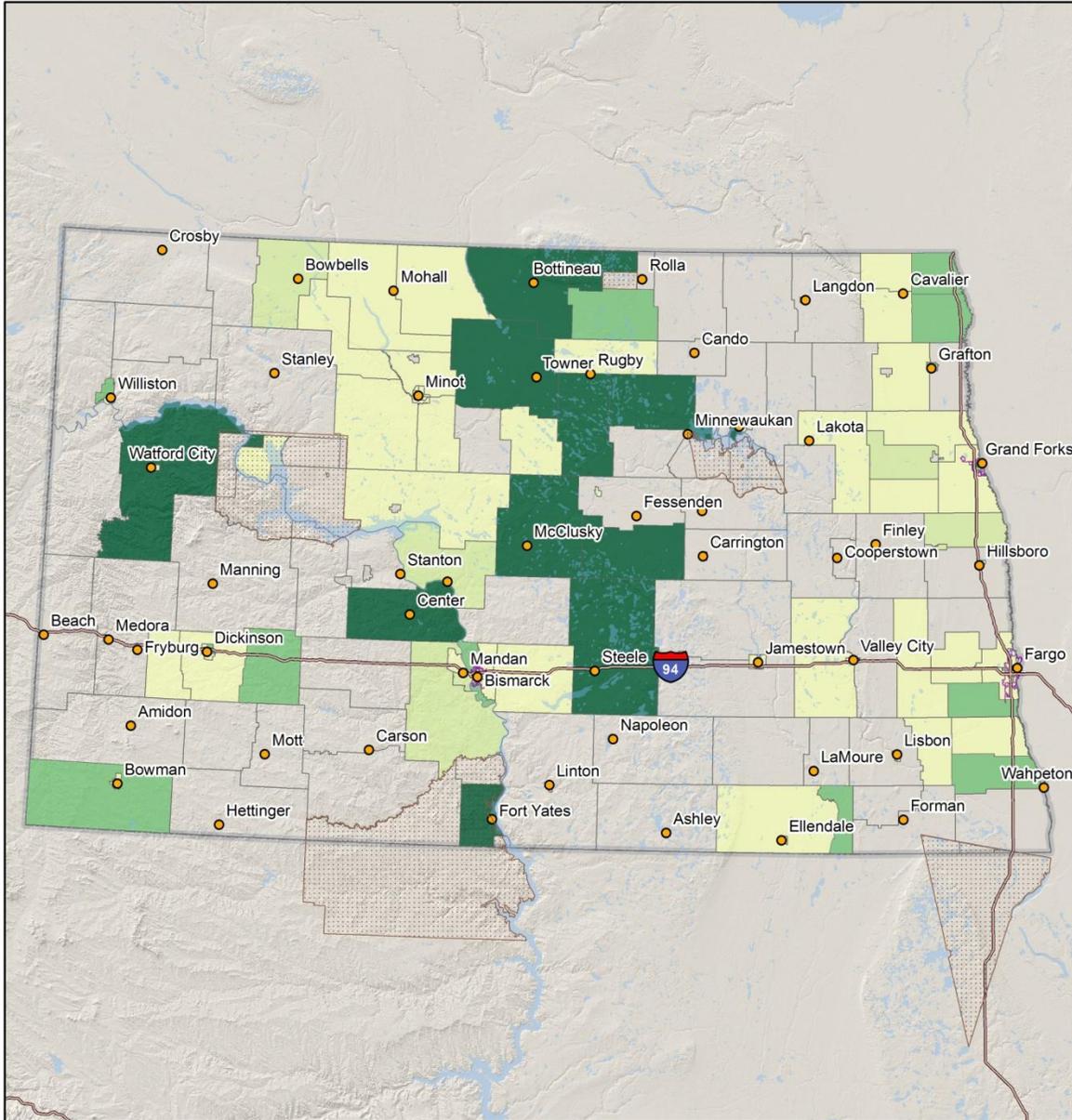
<table border="0"> <tr> <td style="width: 20px; height: 10px; border: 1px solid black;"></td> <td>No Data</td> </tr> <tr> <td style="width: 20px; height: 10px; border-bottom: 2px solid red;"></td> <td>Interstate Highway</td> </tr> <tr> <td style="width: 10px; height: 10px; border: 1px solid orange; border-radius: 50%;"></td> <td>County Seats</td> </tr> <tr> <td style="width: 20px; height: 10px; border: 1px dashed purple;"></td> <td>Entitlement Community Boundaries</td> </tr> <tr> <td style="width: 20px; height: 10px; background: repeating-linear-gradient(45deg, transparent, transparent 2px, gray 2px, gray 4px);"></td> <td>Tribal Lands</td> </tr> </table>		No Data		Interstate Highway		County Seats		Entitlement Community Boundaries		Tribal Lands	<p>0 50 Miles</p>
	No Data										
	Interstate Highway										
	County Seats										
	Entitlement Community Boundaries										
	Tribal Lands										

**Map V.4**  
**Denial Rate for American Indian Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



LEGEND	
<p><b>Denial Rate for American Indian Applicants, 2004-2009</b></p> <p>Average Denial Rate for American Indian Applicants in the State of North Dakota = 27.2%</p> <p>Disproportionate Share of Denial for American Indian Applicants in the State of North Dakota = 37.2%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>Denial Rate for American Indian Applicants</b></p> <p>0.0 - 27.2</p> <p>27.3 - 37.2</p> <p>37.3 - 50.0</p> <p>50.1 - 75.0</p> <p>75.1 - 100.0</p>	<p><b>LEGEND</b></p> <p>Denial Rate for American Indian Applicants</p> <p>Disproportionate Share Threshold</p> <p>No Data</p> <p>Interstate Highway</p> <p>County Seats</p> <p>Entitlement Community Boundaries</p> <p>Tribal Lands</p> <p>0 50 Miles</p>

**Map V.5**  
**Denial Rate for Hispanic Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



LEGEND	
<b>Denial Rate for Hispanic Applicants, 2004-2009</b>	
Average Denial Rate for Hispanic Applicants in the State of North Dakota = 19.3%	
Disproportionate Share of Denial for Black Applicants in the State of North Dakota = 29.3%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>Denial Rate for Hispanic Applicants</b></p> <ul style="list-style-type: none"> <li>0.0 - 19.3</li> <li>19.4 - 29.3</li> <li>29.4 - 50.0</li> <li>50.1 - 75.0</li> <li>75.1 - 100.0</li> </ul> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>No Data</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

Part of the HMDA data includes information about the reason for loan denial, although financial institutions are not uniformly required to fill out this field. Nevertheless, the most frequently cited categories of denials were credit history and debt-to-income ratio, as shown below in Table V.8. The problem of credit history could potentially be reduced through enhancing programs for consumers to better understand the importance of establishing good credit.

Denial Reason	2004	2005	2006	2007	2008	2009	Total
Debt-to-Income Ratio	157	149	199	160	173	193	1,031
Employment History	29	28	34	28	32	49	200
Credit History	227	351	345	237	195	196	1,551
Collateral	88	105	114	91	115	101	614
Insufficient Cash	29	38	28	25	26	24	170
Unverifiable Information	19	35	41	33	20	18	166
Credit Application Incomplete	57	57	86	41	25	20	286
Mortgage Insurance Denied	1	0	1	1	1	5	9
Other	121	277	145	77	53	38	711
Missing	259	226	271	325	222	163	1,466
<b>Total</b>	<b>987</b>	<b>1,266</b>	<b>1,264</b>	<b>1,018</b>	<b>862</b>	<b>807</b>	<b>6,204</b>

Similar patterns were seen in the subareas examined in the Technical Appendix. In Fargo, mortgage insurance denial was also a commonly cited reason for denial, but this reason was rarely cited in the other two cities or in the non-entitlement areas. In the non-entitlement areas, lack of sufficient collateral was also commonly reported.

Table V.9, below, shows denial rates by income for the State of North Dakota. As expected, households with lower incomes tended to be denied for loans more often. Households with incomes from \$15,000 to \$30,000 were denied an average of 21.1 percent of the time, but those with incomes above \$75,000 were denied only 6.5 percent of the time, on average.

Income	2004	2005	2006	2007	2008	2009	Total
\$15,000 or less	45.9%	50.8%	52.1%	46.3%	55.7%	65.1%	50.8%
\$15,001 to \$30,000	18.5%	21.1%	21.4%	21.2%	22.4%	24.1%	21.1%
\$30,001 to \$45,000	10.6%	13.2%	13.8%	12.5%	11.5%	11.2%	12.2%
\$45,001 to \$60,000	8.8%	10.3%	10.6%	9.9%	9.9%	9.6%	9.9%
\$60,001 to \$75,000	5.1%	7.4%	9.3%	8.0%	8.0%	6.5%	7.5%
More than \$75,000	5.1%	5.3%	7.7%	7.1%	6.9%	6.1%	6.5%
Data Missing	13.3%	16.5%	15.9%	6.0%	7.4%	8.6%	12.2%
<b>Total</b>	<b>10.2%</b>	<b>11.7%</b>	<b>12.2%</b>	<b>10.9%</b>	<b>10.6%</b>	<b>10.1%</b>	<b>11.0%</b>

Table V.10, on the following page, presents denial rates segmented by race or ethnicity and income. Even when correcting for income, minority racial and ethnic applicants often faced much higher loan denial rates than white applicants. For example, American Indian applicants

experienced much higher loan denial rates than white applicants across all income levels. At income levels below \$15,000, American Indian applicants had a denial rate of 56 percent compared to a white denial rate of 49.9 percent, and at incomes over \$75,000, American Indian applicants had a denial rate of 17.2 percent compared to 6 percent for white applicants. At almost every income level, Hispanic and black applicants had higher denial rates than white and Asian applicants.

<b>Race</b>	<b>&lt;= \$15K</b>	<b>\$15,001- \$30K</b>	<b>\$30,001- \$45K</b>	<b>\$45,001- \$60K</b>	<b>\$60,001- \$75K</b>	<b>Above \$75K</b>	<b>Data Missing</b>	<b>Total</b>
American Indian or Alaskan Native	56.0%	37.0%	27.8%	23.0%	24.7%	17.2%	25.0%	27.2%
Asian	20.0%	31.1%	10.1%	9.8%	5.3%	5.2%	33.3%	9.9%
Black	100.0%	35.7%	14.6%	16.7%	7.7%	5.4%	0.0%	14.8%
White	49.9%	19.5%	11.5%	9.1%	7.1%	6.0%	10.9%	10.3%
Not Available	62.2%	39.6%	21.9%	18.2%	10.5%	11.7%	37.1%	19.7%
Not Applicable	.	0.0%	0.0%	0.0%	0.0%	.	0.0%	0.0%
<b>Total</b>	<b>50.8%</b>	<b>21.1%</b>	<b>12.2%</b>	<b>9.9%</b>	<b>7.5%</b>	<b>6.5%</b>	<b>12.2%</b>	<b>11.0%</b>
Hispanic (Ethnicity)	66.7%	40.5%	15.2%	15.6%	11.1%	10.4%	54.5%	19.3%

The Technical Appendix presents tables that break down denial rates by race and ethnicity and by income for the entitlement and non-entitlement areas of the state. The percentages of applicants from minority groups with high incomes are representative of few applicants for the three entitlement cities, but similar conditions were seen in the non-entitlement areas of the state with sufficient representative numbers.

### **SUB-PRIME LENDING**

In addition to modifications implemented in 2004 for documenting loan applicants' race and ethnicity, the HMDA reporting requirements were changed in response to the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA). Consequently, loan originations are now flagged in the data system for three additional attributes:

1. If they are HOEPA loans;
2. Lien status such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and
3. Presence of high annual percentage rate loans (HALs), defined as more than three percentage points for home purchases when contrasted with comparable treasury instruments or five percentage points for refinance loans.

Originated owner-occupied home purchase loans qualifying as HALs were identified for 2004 through 2009. These high-interest loans are considered predatory in nature. Table V.11, on the following page, shows that, between 2004 and 2009, there were 5,765 owner-occupied HALs originated in the State of North Dakota. Fortunately, the number of HALs decreased significantly after 2006, and by 2009 the overall rate of HALs compared to other loans was down to 8.2 percent.

<b>Loan Type</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Other Originated	8,021	8,224	7,615	7,431	6,461	6,565	44,317
High APR Loan	664	1,340	1,498	873	806	584	5,765
<b>Total</b>	<b>8,685</b>	<b>9,564</b>	<b>9,113</b>	<b>8,304</b>	<b>7,267</b>	<b>7,149</b>	<b>50,082</b>
Percent High APR	7.6%	14.0%	16.4%	10.5%	11.1%	8.2%	11.5%

The rate of HALs tended to be lower in the larger cities, with the exception of Bismarck, where the HAL rate was 11.7 percent. The rate was generally higher in non-entitlement areas, with a total HAL rate of 12.7 percent. See the Technical Appendix for more detailed information.

Despite the generally downward trending HAL rate in most areas, this figure is a measure of North Dakota's underlying foreclosure risk for recent homeowners, and it is important to examine characteristics of the applicants who purchased these HALs during the six-year time period. As shown below in Table V.12, the group with the greatest number of HALs was white applicants, with 5,216 such loans. American Indian applicants had 99 HALs, black applicants had 41 HALs, and Asian applicants had 31 HALs. Hispanic applicants received a total of 80 HAL-type loans over the six-year period. The number of HALs decreased from 2006 to 2009 for all racial and ethnic groups, except for American Indian and Hispanic applicants, for whom the number of HALs increased again in 2008 and 2009.

<b>Race</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
American Indian	22	19	21	10	11	16	99
Asian	3	10	8	4	3	3	31
Black	2	12	12	7	7	1	41
White	602	1,193	1,339	785	752	545	5,216
Not Applicable	35	106	118	67	33	17	376
No Co-Applicant	0	0	0	0	0	2	2
<b>Total</b>	<b>664</b>	<b>1,340</b>	<b>1,498</b>	<b>873</b>	<b>806</b>	<b>584</b>	<b>5,765</b>
Hispanic (Ethnicity)	10	15	25	18	5	7	80

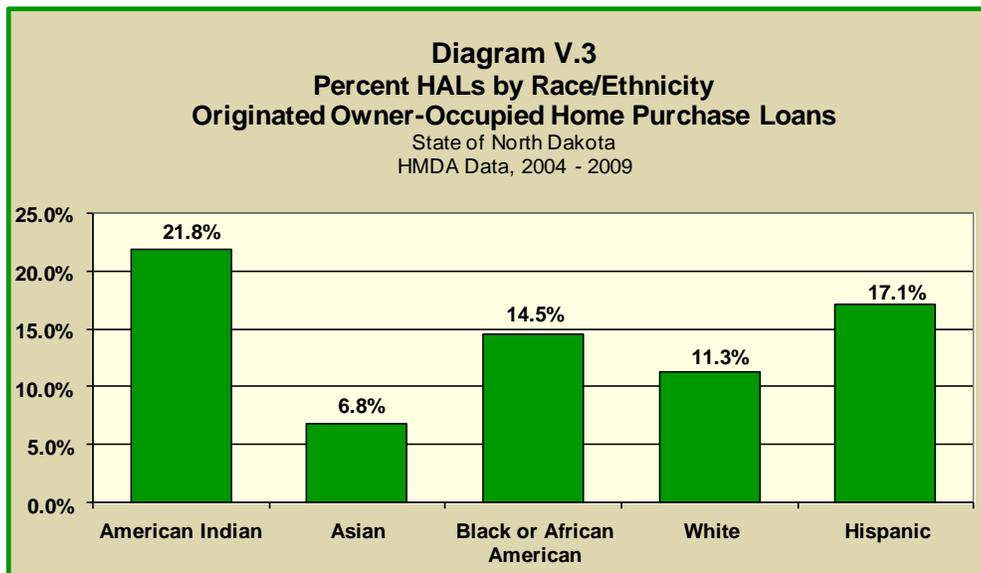
As with denial rate data within the entitlement cities, there were so few loans that it was difficult to attribute patterns by race for HALs. However, in the non-entitlement areas, American Indian applicants purchased 81 HALs over the time period, second only to white applicants, at 3,735 HALs. These data are shown in the Technical Appendix.

Despite the relatively small numbers, further evaluation of the HMDA data revealed a higher proportion of HALs made to American Indian, black, and Hispanic applicants, as shown on the following page in Table V.13. In total, nearly 22 percent of all loans taken by American Indian applicants were HALs, while Hispanic borrowers received HAL loans at a rate of 17.1 percent. Asian applicants experienced a rate of HALs well below the rate for white applicants, at 6.8 percent compared to 11.3 percent.

**Table V.13**  
**Percent of Predatory Owner-Occupied Home Purchase Loans Originated**  
**by Race and Ethnicity**  
 State of North Dakota  
 HMDA Data

Race	2004	2005	2006	2007	2008	2009	Total
American Indian	29.3%	29.7%	25.3%	11.6%	15.1%	21.9%	21.8%
Asian	4.0%	10.6%	12.3%	4.6%	4.8%	4.2%	6.8%
Black or African American	5.4%	21.4%	20.0%	13.7%	17.9%	2.5%	14.5%
White	7.4%	13.6%	16.0%	10.4%	11.1%	8.2%	11.3%
Not Applicable	10.8%	18.6%	22.3%	13.5%	11.5%	4.9%	14.7%
No Co-Applicant	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	3.6%
<b>Total</b>	<b>7.6%</b>	<b>14.0%</b>	<b>16.4%</b>	<b>10.5%</b>	<b>11.1%</b>	<b>8.2%</b>	<b>11.5%</b>
Hispanic (Ethnicity)	11.2%	20.3%	30.9%	20.2%	8.1%	9.7%	17.1%

Diagram V.3, below, shows the proportion of HALs issued to applicants by race and ethnicity and demonstrates that American Indian, black, and Hispanic applicants experienced HAL rates much higher than the white rate of 11.3 percent, and Asian applicants experienced the lowest rate, at 6.8 percent.



The concentration of HALs in the State of North Dakota is presented on the following page in Map V.6. Several tracts within the state showed average HAL rates in excess of the disproportionate share threshold of 21.5 percent, and HAL rates as high as 100 percent were seen in the tribal lands in the north central part of the state, and high rates were also seen near Amidon.

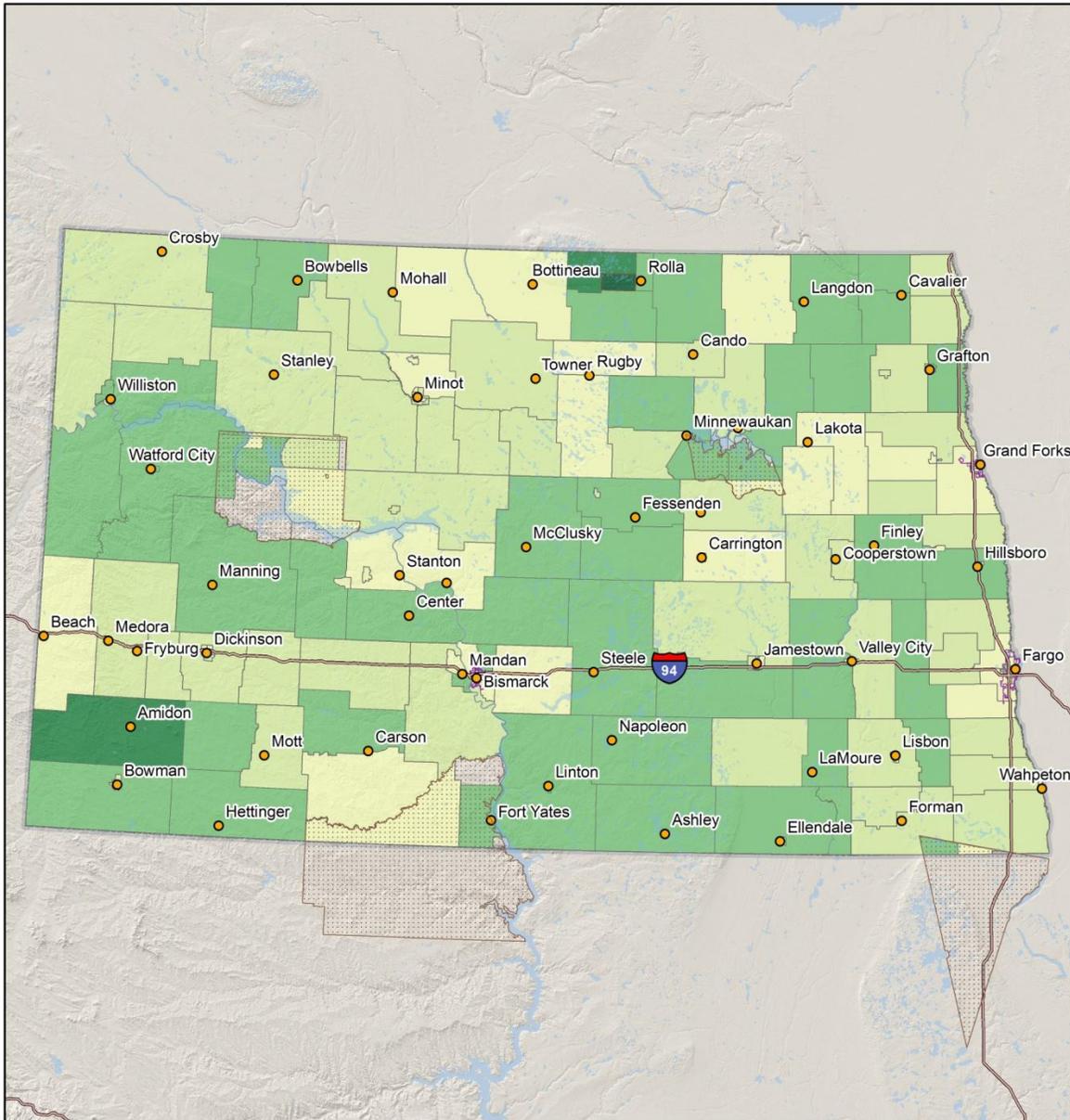
The concentration of HAL-type loans for black applicants is shown in Map V.7, on page 87. Tracts with the highest rates of HALs were scattered across rural areas of the state, some areas experiencing as high as 100 percent high rate loans around Bismarck, Fargo, and Grand Forks. A few rural and more populated areas had rates below the statewide average of 14.5 percent. In tracts where no color is displayed, there were no data.

Data on the rate of HALs for Asian applicants are presented in Map V.8, on page 88. The rate of HALs to Asian applicants was lower than the rate to black applicants, at 6.8 percent. This map shows more tracts across the state with low rates of HALs and a few tracts where up to 100 percent of loans were HALs, particularly in the northern part of the state. However, this rate may indicate a very small total number of applicants who received HAL loans. HAL rates to Asian applicants were low in Bismarck, Fargo, and Grand Forks.

Map V.9, on page 89, presents the dispersal of HAL-type loans for American Indian applicants in the State of North Dakota. HAL rates for American Indian applicants were higher than the average of 21.8 percent across the state in rural areas and reached 100 percent across the northern part of the state and in the southwest corner. However, many rural and urban tracts had HAL rates for American Indian applicants below the average as well.

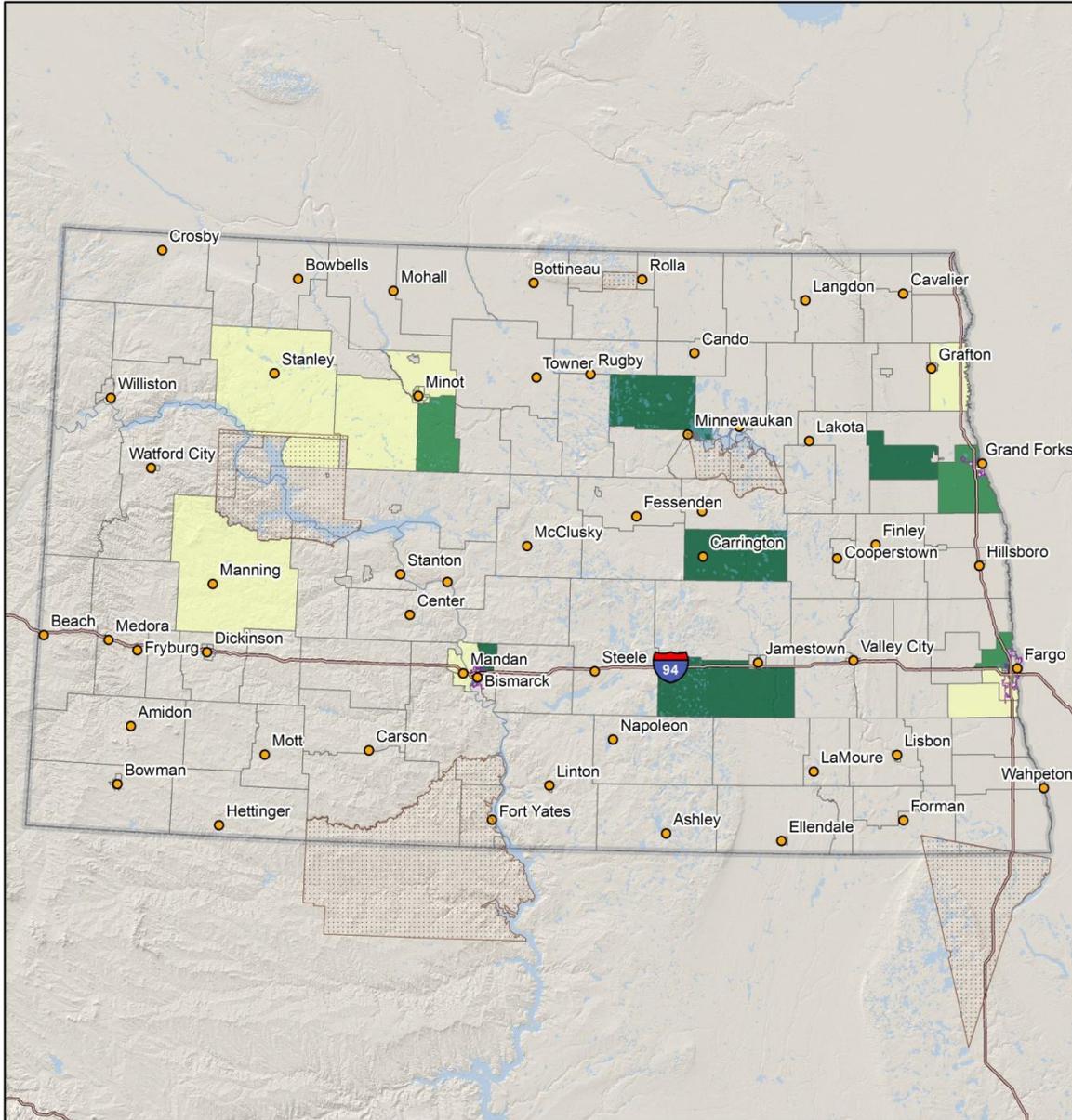
HAL rates for Hispanic applicants are presented in Map V.10, on page 90, and shows that tracts with high HAL rates for this population were scattered throughout the state and mixed with tracts with lower-than-average HAL rates. Tracts with the highest incidence of HALs to Hispanic applicants, more than 50 and 75 percent of loans, tended to be more rural, although some tracts around Bismarck, Fargo, and Grand Forks also had rates above the disproportionate share threshold of 27.1 percent.

### Map V.6 Rate of HAL Loans by Census Tract State of North Dakota HMDA Data, 2004 – 2009



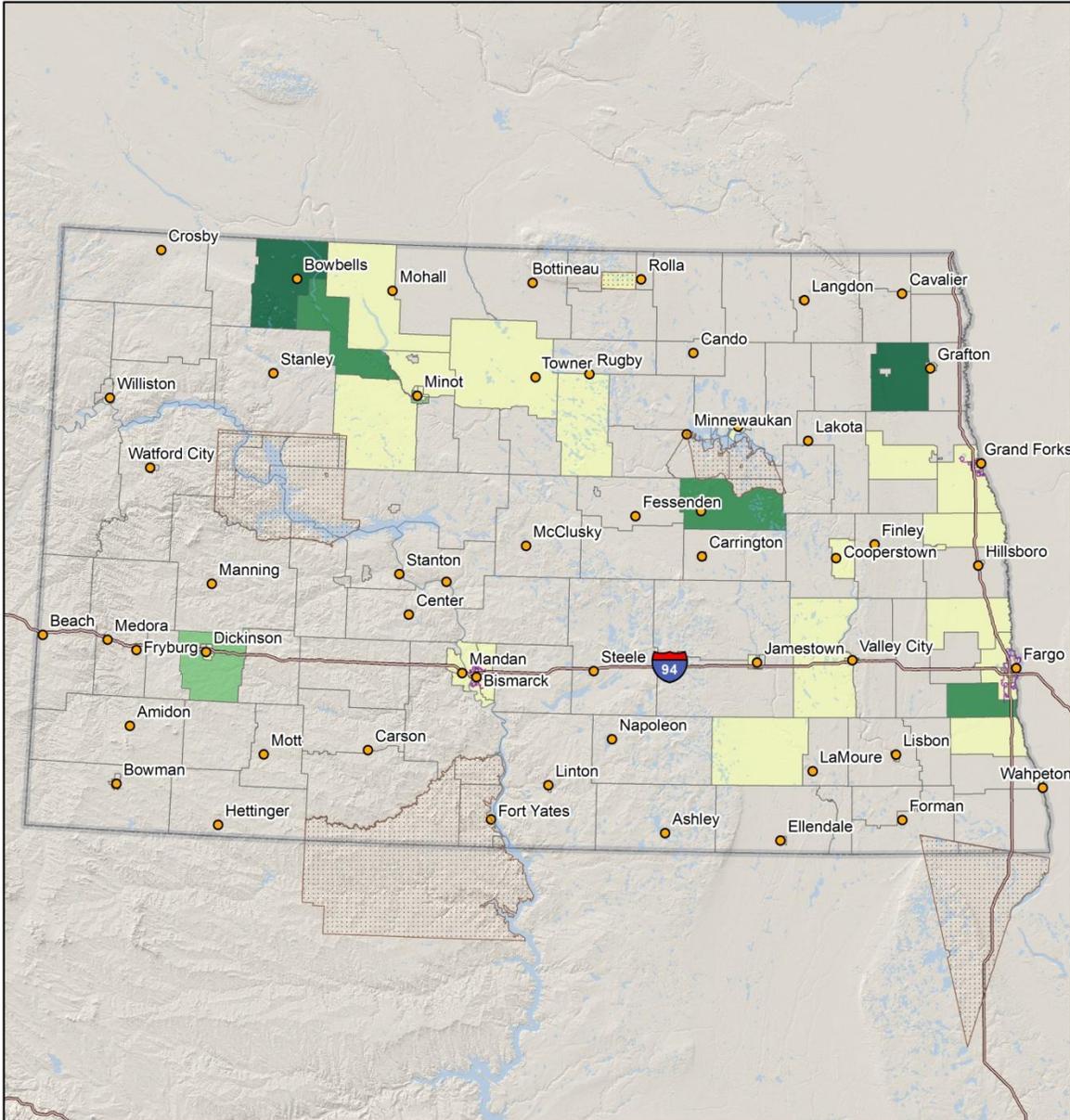
LEGEND															
<b>Rate of HALs to All Applicants, 2004-2009</b>															
Average Rate of HALs to All Applicants in the State of North Dakota = 11.5%															
Disproportionate Share of HALs to All Applicants in the State of North Dakota = 21.5%															
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.															
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS															
<table border="1"> <thead> <tr> <th colspan="2">LEGEND</th> </tr> </thead> <tbody> <tr> <td>Rate of HALs to All Applicants</td> <td>No Data</td> </tr> <tr> <td>0.0 - 11.5</td> <td>Interstate Highway</td> </tr> <tr> <td>11.6 - 21.5</td> <td>County Seats</td> </tr> <tr> <td>21.6 - 50.0</td> <td>Entitlement Community Boundaries</td> </tr> <tr> <td>50.1 - 75.0</td> <td>Tribal Lands</td> </tr> <tr> <td>75.1 - 100.0</td> <td></td> </tr> </tbody> </table>	LEGEND		Rate of HALs to All Applicants	No Data	0.0 - 11.5	Interstate Highway	11.6 - 21.5	County Seats	21.6 - 50.0	Entitlement Community Boundaries	50.1 - 75.0	Tribal Lands	75.1 - 100.0		<p>0 50 Miles</p>
LEGEND															
Rate of HALs to All Applicants	No Data														
0.0 - 11.5	Interstate Highway														
11.6 - 21.5	County Seats														
21.6 - 50.0	Entitlement Community Boundaries														
50.1 - 75.0	Tribal Lands														
75.1 - 100.0															

### Map V.7 Rate of HALs for Black Applicants by Census Tract State of North Dakota HMDA Data, 2004 – 2009



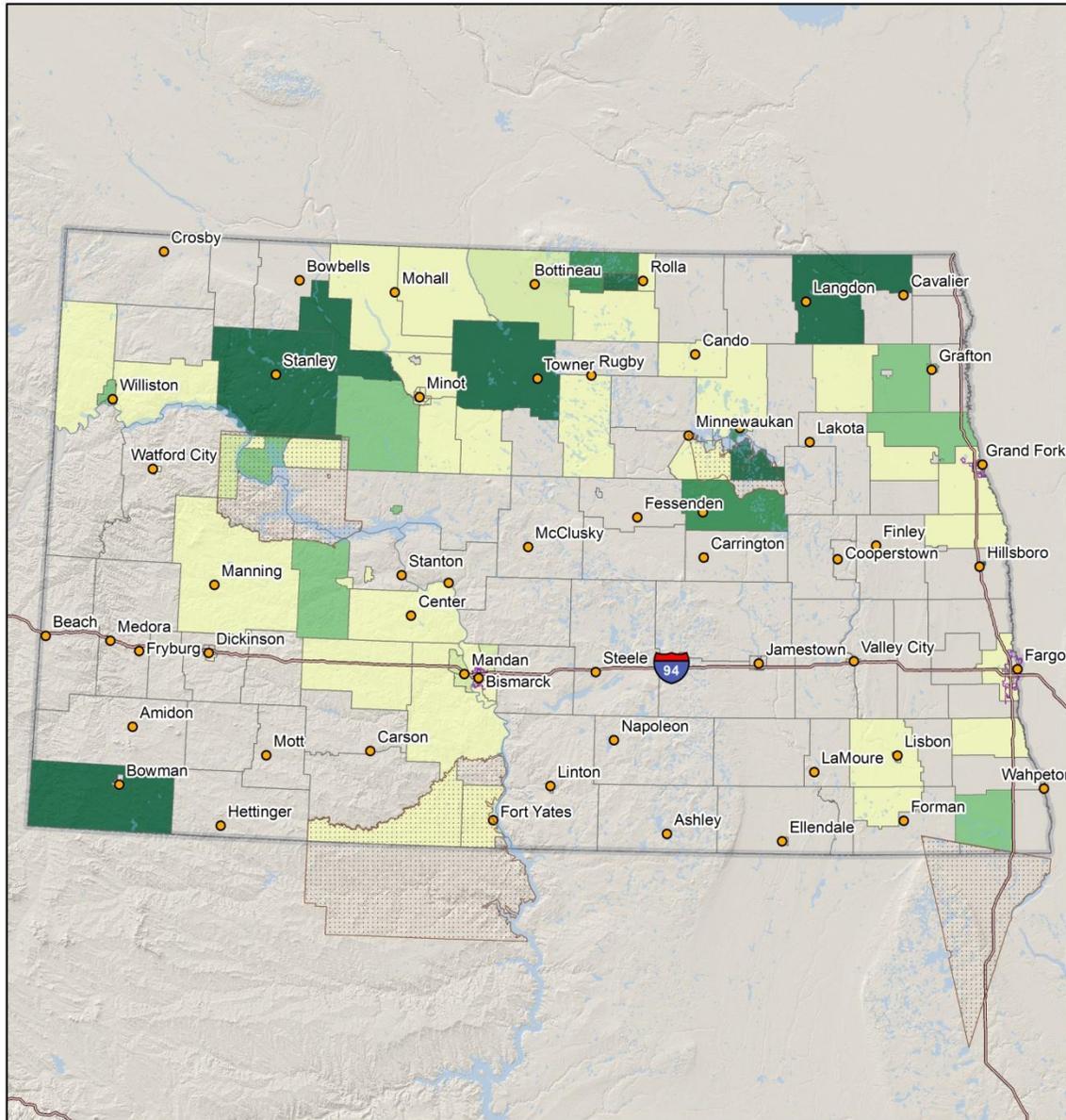
LEGEND	
<b>Rate of HALs to Black Applicants, 2004-2009</b>	
Average Rate of HALs to Black Applicants in the State of North Dakota = 14.5%	
Disproportionate Share of HALs to Black Applicants in the State of North Dakota = 24.5%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>Rate of HALs to Black Applicants</b></p> <p>0.0 - 14.5</p> <p>14.6 - 24.5</p> <p>24.6 - 50.0</p> <p>50.1 - 75.0</p> <p>75.1 - 100.0</p> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <p>No Data</p> <p>Interstate Highway</p> <p>County Seats</p> <p>Entitlement Community Boundaries</p> <p>Tribal Lands</p> <p>0 50 Miles</p>

**Map V.8**  
**Rate of HALs for Asian Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



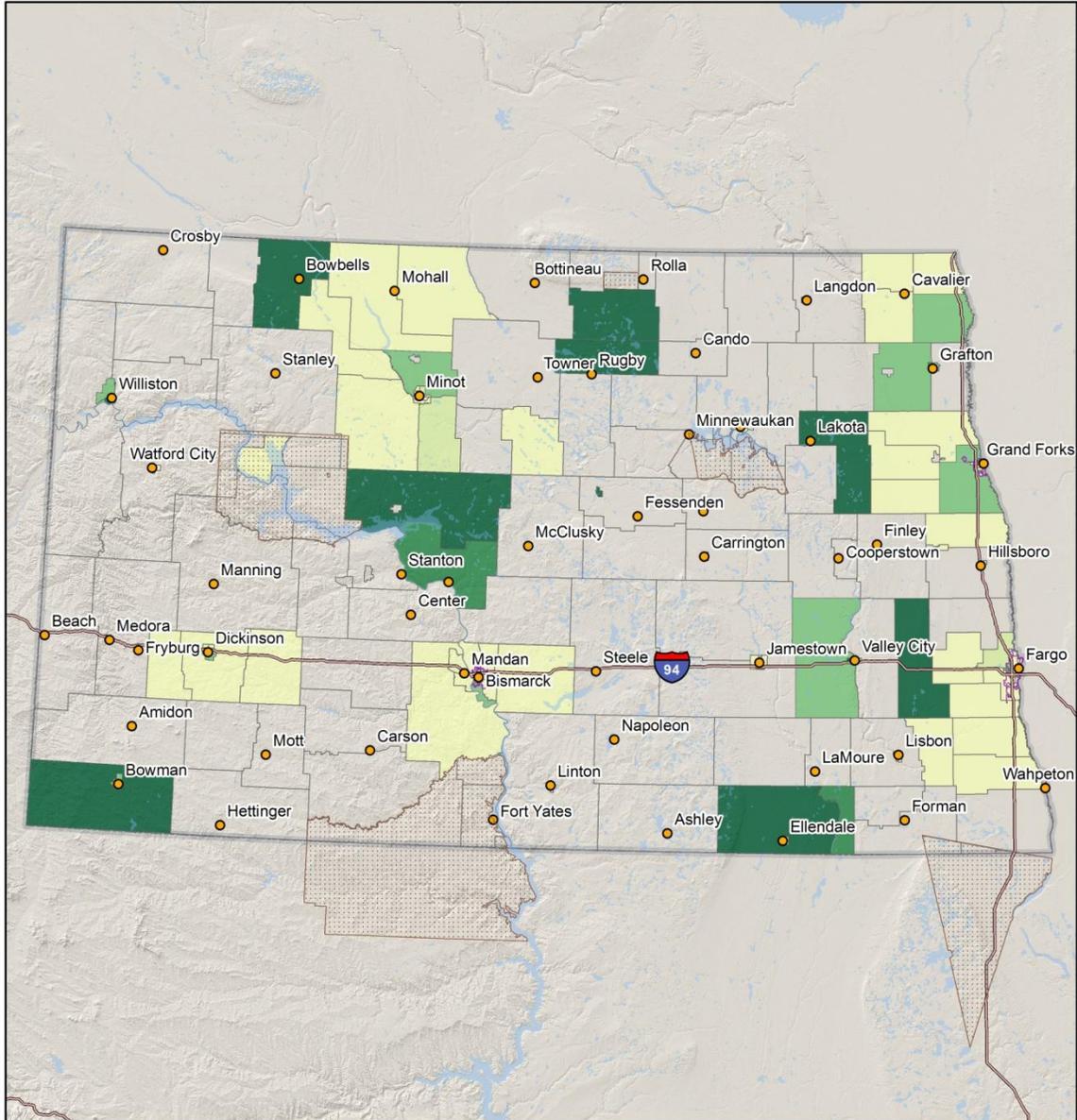
LEGEND	
<b>Rate of HALs to Asian Applicants, 2004-2009</b>	
Average Rate of HALs to Asian Applicants in the State of North Dakota = 6.8%	
Disproportionate Share of HALs to Asian Applicants in the State of North Dakota = 16.8%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS	
<p><b>Rate of HALs to Asian Applicants</b></p> <p>0.0 - 6.8</p> <p>6.9 - 16.8</p> <p>16.9 - 40.0</p> <p>40.1 - 70.0</p> <p>70.1 - 100.0</p>	<p><b>LEGEND</b></p> <p>No Data</p> <p>Interstate Highway</p> <p>County Seats</p> <p>Entitlement Community Boundaries</p> <p>Tribal Lands</p> <p>0 50 Miles</p>

**Map V.9**  
**Rate of HALs for American Indian Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



LEGEND	
<p><b>Rate of HALs to American Indian Applicants, 2004-2009</b></p> <p>Average Rate of HALs to American Indian Applicants in the State of North Dakota = 21.8%</p> <p>Disproportionate Share of HALs to American Indian Applicants in the State of North Dakota = 31.8%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>Rate of HALs to American Indian Applicants</b></p> <ul style="list-style-type: none"> <li>0.0 - 21.8</li> <li>21.9 - 31.8</li> <li>31.9 - 50.0</li> <li>50.1 - 75.0</li> <li>75.1 - 100.0</li> </ul> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>No Data</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

**Map V.10**  
**Rate of HALs for Hispanic Applicants by Census Tract**  
 State of North Dakota  
 HMDA Data, 2004 – 2009



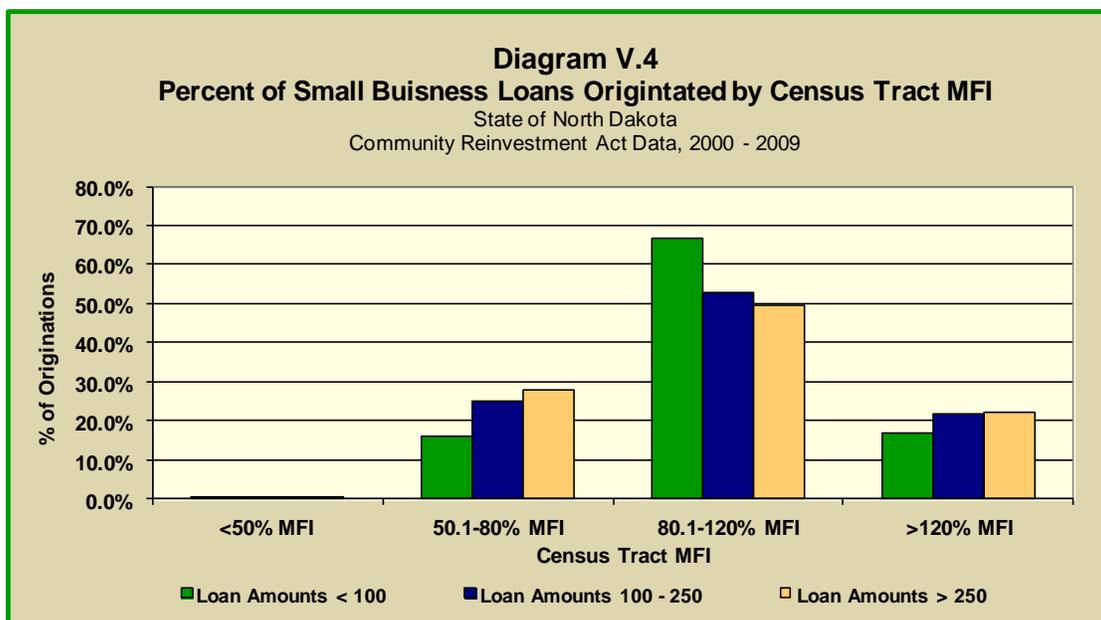
LEGEND	
<p><b>Rate of HALs to Hispanic Applicants, 2004-2009</b></p> <p>Average Rate of HALs to Hispanic Applicants in the State of North Dakota = 17.1%</p> <p>Disproportionate Share of HALs to Hispanic Applicants in the State of North Dakota = 27.1%</p> <p>NOTE: A disproportionate share when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: 2009 HMDA Data, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS</p>	
<p><b>Rate of HALs to Hispanic Applicants</b></p> <ul style="list-style-type: none"> <li>0.0 - 17.1</li> <li>17.2 - 27.1</li> <li>27.2 - 50.0</li> <li>50.1 - 75.0</li> <li>75.1 - 100.0</li> </ul> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>No Data</li> <li>Interstate Highway</li> <li>County Seats</li> <li>Entitlement Community Boundaries</li> <li>Tribal Lands</li> </ul> <p>0 50 Miles</p>

## COMMUNITY INVESTMENT

Economic aid to businesses can be measured through the Community Reinvestment Act (CRA) data. The CRA was enacted in 1977 and is intended to encourage lending institutions to meet the credit needs of the communities in which they operate, including low- and moderate-income areas. Along with Home Mortgage Disclosure Act Data, which was presented previously, the Federal Financial Institutions Examination Council also releases data mandated by the CRA.

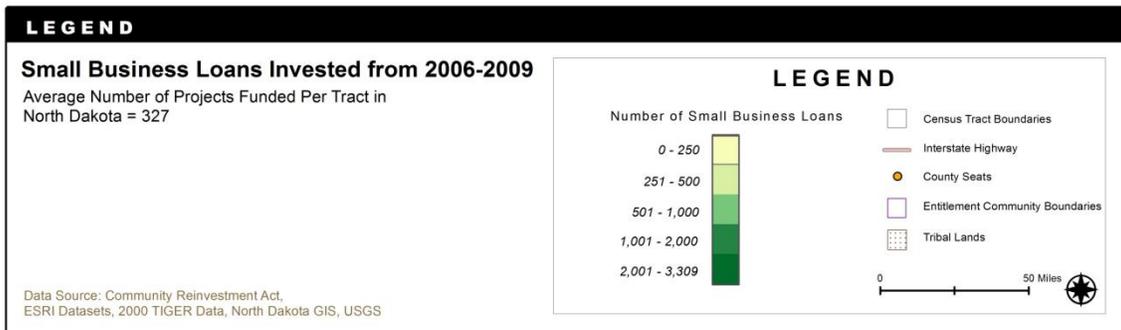
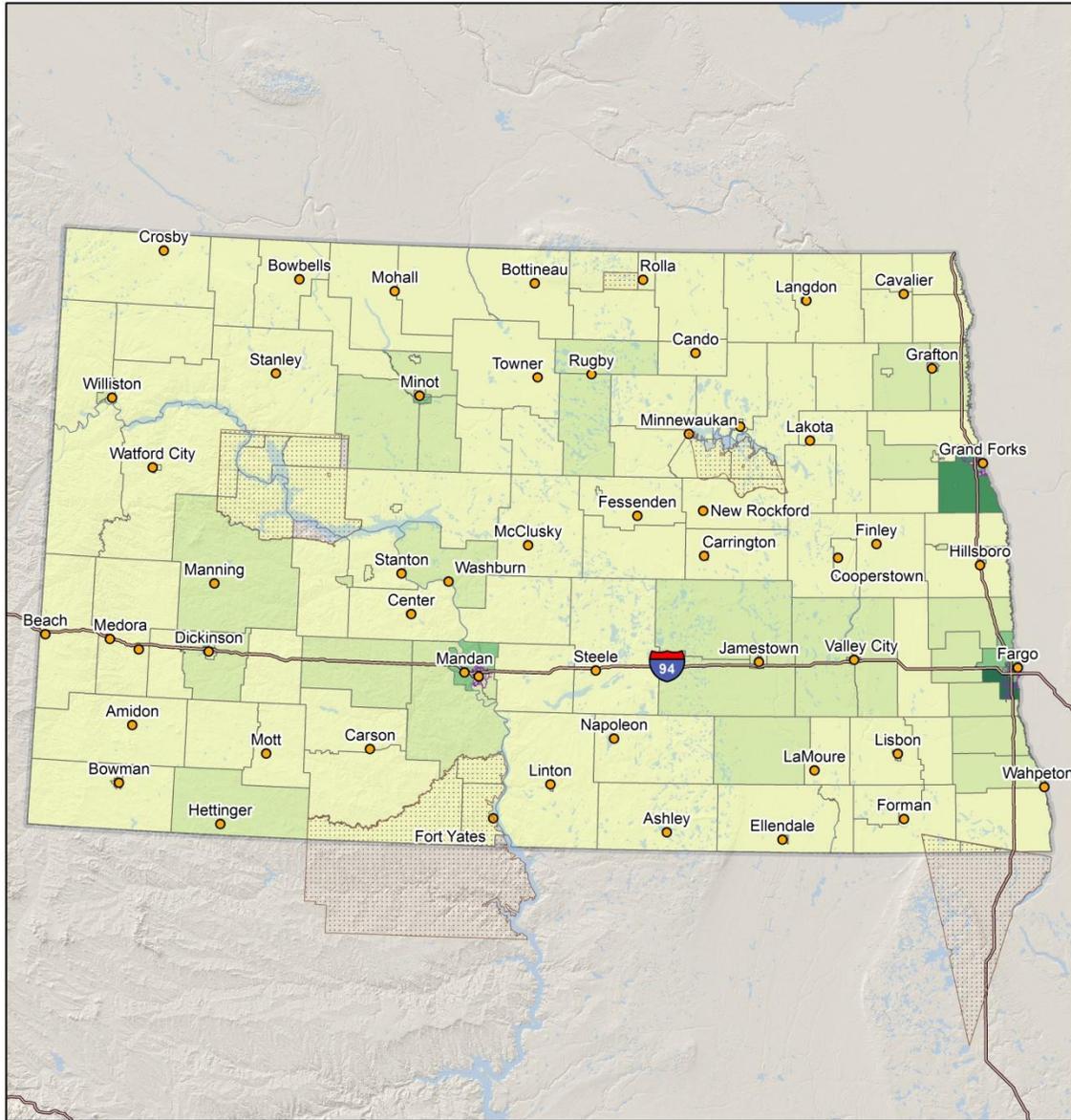
Examination of CRA data revealed that 72,225 business loans were extended to businesses in the State of North Dakota between 2006 and 2009. Of these, 33,787 went to businesses with annual revenues of less than \$1 million. Of all loans, most were valued under \$100,000. Tables with complete CRA data are presented in the Technical Appendix.

These loans were also analyzed to determine the location of funding in relation to Median Family Income (MFI) levels. Diagram V.4, below, shows the distribution of small business loans by value and by census tract MFI and demonstrates that very few of these loans were directed to areas with an MFI below 50 percent despite the fact that these loans are designed to aid low- and moderate-income areas.

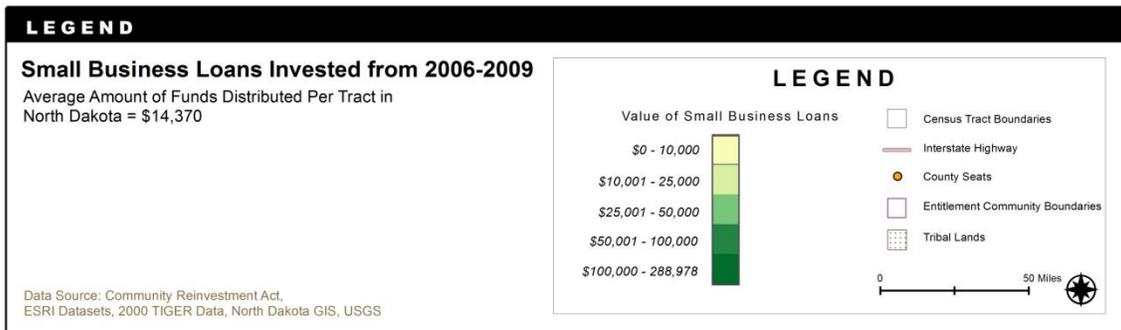
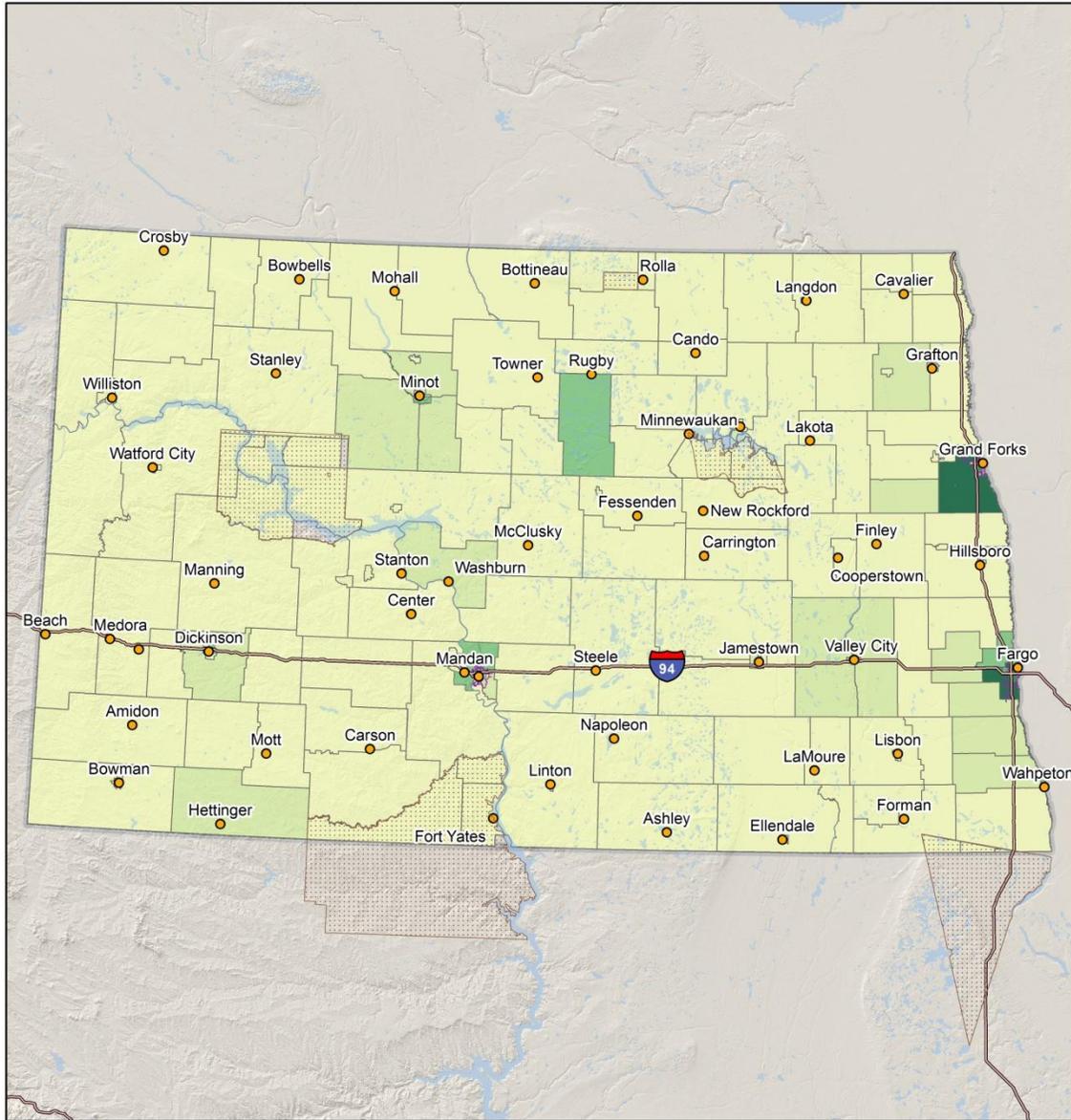


Map V.11, on the following page, illustrates the number of business loans issued in the state from 2006 through 2009. The tracts receiving the greatest number of loans were located in and around Grand Forks, Mandan, and Minot. Map V.12, on page 93, illustrates the dispersal of loan funding for businesses by loan amount and shows that the highest community funding amounts were seen in tracts near Minot, Mandan, Rugby, Grand Forks, and Fargo. Tracts that received the most funding were not the same as those with the most projects; tracts with higher numbers of projects but lower funding levels received funding for more projects with a lower average grant amount. When comparing this map to Map II.9, which presents recent poverty data, it can be seen that the areas that received high funding did not coincide with the areas that demonstrated higher levels of poverty such as in some tribal lands.

**Map V.11**  
**Number of Small Business Loans**  
 State of North Dakota  
 CRA Data, 2006 – 2009



### Map V.12 Value of Small Business Loans State of North Dakota CRA Data, 2006 – 2009



## FAIR HOUSING COMPLAINTS

### COMPLAINTS FILED WITH THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD maintains records of complaints for violations of federal housing law. Over the January 2004 through June 2011 time period, HUD reported a total of 265 complaints filed from within the State of North Dakota, as shown below in Table V.14. The total number of complaints ranged from a high of 59 in 2007 to a low of 32 in 2010, excluding 2011 as a partial year. The decline in total complaints that has occurred of late may be partially attributable to the collapse of Fair Housing of the Dakotas.

This table also presents complaint data by basis, or the protected class status of the person alleged to have been aggrieved in the complaint. Complainants may cite more than one basis, so the number of bases cited can exceed the total number of complaints. As shown therein, a total of 323 bases were cited in relation to the 265 complaints filed. Disability was the most commonly cited basis in the complaints, with 163 total citations. Familial status and race were also commonly cited, with 57 and 47 citations, respectively.

<b>Basis</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>5/2011</b>	<b>Total</b>
Disability	26	24	30	19	31	24	9	163
Familial Status	7	6	15	9	14	4	2	57
Race	4	5	18	7	5	6	2	47
National Origin	3	4	7	3	1	3	1	22
Retaliation	1	1	0	1	5	2	3	13
Sex	2	4	3	2	1	0	0	12
Religion	0	3	0	4	1	0	1	9
<b>Total Bases</b>	<b>43</b>	<b>47</b>	<b>73</b>	<b>45</b>	<b>58</b>	<b>39</b>	<b>18</b>	<b>323</b>
<b>Total Complaints</b>	<b>37</b>	<b>37</b>	<b>59</b>	<b>36</b>	<b>51</b>	<b>32</b>	<b>13</b>	<b>265</b>

HUD complaint data were collected and analyzed for the three entitlement cities in North Dakota, the remaining non-entitlement areas, and the state as a whole. For the three cities, it is difficult to analyze larger trends and movements because there were so few complaints; however, detailed tables for these four subareas are presented in the Technical Appendix. In all places, disability was the most commonly cited basis for complaints, but in the non-entitlement areas, familial status and race were also commonly cited bases.

The issue, or alleged discriminatory action related to each complaint, is presented in Table V.15, on the following page. In the same way that bases are reported, more than one issue may be associated with each complaint. In this case, 457 issues were cited, with failure to make reasonable accommodation cited 113 times; discrimination in terms, conditions, or privileges relating to rental cited 76 times; discriminatory terms, conditions, privileges, or services and facilities cited 68 times; discriminatory acts under Section 818, which refers to issues of intimidation or coercion, cited 61 times; and discriminatory refusal to rent cited 50 times. The most commonly cited issues in this complaint data set related predominantly to

rental transactions, which suggests that discriminatory acts leading to the filing of fair housing complaints are more commonly associated with the rental market.

**Table V.15**  
**Fair Housing Complaints by Issue**  
State of North Dakota  
HUD Data

Issues	2005	2006	2007	2008	2009	2010	5/2011	Total
Failure to make reasonable accommodation	15	13	24	13	24	18	6	113
Discrimination in terms, conditions or privileges relating to rental	6	6	17	13	16	14	4	76
Discriminatory terms, conditions, privileges, or services and facilities	11	10	16	11	11	6	3	68
Discriminatory acts under Section 818 (coercion, etc.)	5	10	8	8	12	10	8	61
Discriminatory refusal to rent	14	6	13	5	8	3	1	50
Discriminatory advertising, statements and notices	10	7	4	6	11	3	1	42
Discriminatory advertisement - rental	4	1	3	1	7	0	0	16
Steering	4	1	1	2	1	0	0	9
Failure to permit reasonable modification	1	0	1	0	2	2	0	6
Discrimination in the terms or conditions for making loans	2	0	0	0	1	0	0	3
Discrimination in terms, conditions, privileges relating to sale	3	0	0	0	0	0	0	3
Otherwise deny or make housing available	0	0	0	0	0	2	0	2
Non-compliance with design and construction requirements	1	0	0	0	1	0	0	2
Discriminatory refusal to sell	0	0	1	0	0	0	0	1
Discriminatory refusal to sell and negotiate for sale	0	0	0	0	1	0	0	1
False denial or representation of availability	0	0	0	0	1	0	0	1
Discriminatory financing (includes real estate transactions)	1	0	0	0	0	0	0	1
Discrimination in making of loans	0	0	0	0	1	0	0	1
Discrimination in services and facilities relating to rental	0	0	0	0	1	0	0	1
<b>Total Issues</b>	<b>77</b>	<b>54</b>	<b>88</b>	<b>59</b>	<b>98</b>	<b>58</b>	<b>23</b>	<b>457</b>
Total Complaints	37	37	59	36	51	32	13	265

In the non-entitlement areas of the state, discrimination in terms, conditions, or privileges relating to rental was most commonly cited, followed closely by failure to make reasonable accommodation, suggesting that discrimination issues in the rental market are particularly present in smaller cities and rural areas. These data are shown in the Technical Appendix.

Housing complaints filed with HUD can also be examined by closure status, as shown on the following page in Table V.16. Of the 265 total complaints, in 110 cases, cause was found, and these complaints were successfully conciliated or settled. An additional 97 complaints were found to have a no cause determination, which means that discrimination was not found. The rate of successful conciliation varied slightly throughout the time period, ranging from a high of 59 percent of complaints in 2009 to only 32 percent in 2007, again excluding 2011 as a partial year.

<b>Closure</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>5/2011</b>	<b>Total</b>
Conciliation/settlement successful	17	16	19	12	30	15	1	110
No cause determination	14	12	31	15	14	8	3	97
Case still open	1	2	1	4	2	4	7	21
Complaint withdrawn by complainant after resolution	1	1	3	2	1	0	2	10
Complaint withdrawn by complainant without resolution	1	3	1	2	1	0	0	8
FHAP Judicial consent order	2	2	2	0	1	0	0	7
Complainant failed to cooperate	0	0	0	1	0	4	0	5
Dismissed for lack of jurisdiction	1	0	1	0	0	0	0	2
FHAP judicial dismissal	0	0	0	0	2	0	0	2
Litigation ended – no discrimination found	0	1	1	0	0	0	0	2
Close because Trial has begun	0	0	0	0	0	1	0	1
<b>Total</b>	<b>37</b>	<b>37</b>	<b>59</b>	<b>36</b>	<b>51</b>	<b>32</b>	<b>13</b>	<b>265</b>

In Grand Forks, the rate of successful settlements of complaints was as high as 68 percent over the time period, much higher than the statewide average of about 42 percent. In the non-entitlement areas, the rate was lower overall, at 34 percent. See the Technical Appendix for these tables.

Table V.17, below, presents details relating to the complaints found to be with cause and successfully conciliated or settled. In the 110 complaints found to be with cause, there were 124 bases cited, with 63 related to disability, 37 related to familial status, 12 related to race, and five related to national origin, with the few remaining bases related to retaliation and sex.

<b>Basis</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>5/2011</b>	<b>Total</b>
Disability	11	10	10	6	14	11	1	63
Familial Status	5	3	7	6	13	3	0	37
Race	1	3	3	0	2	3	0	12
National Origin	1	1	2	0	1	0	0	5
Retaliation	0	0	0	0	3	1	0	4
Sex	0	1	1	1	0	0	0	3
Religion	0	0	0	0	0	0	0	0
<b>Total Bases</b>	<b>18</b>	<b>18</b>	<b>23</b>	<b>13</b>	<b>33</b>	<b>18</b>	<b>1</b>	<b>124</b>
Total Complaints with Cause	17	16	19	12	30	15	1	110

The Technical Appendix presents information on successfully conciliated complaints in the entitlement cities and non-entitlement areas. Disability was the most common basis for complaints found to be with cause in all four areas.

Table V.18, on the following page, shows the successful complaints separated by issue. Failure to make reasonable accommodation; discriminatory refusal to rent; discrimination in terms, conditions, or privileges relating to rental; discriminatory advertising, statements, and notices; and discriminatory terms, conditions, privileges, or services and facilities were all commonly cited in the complaints found to be with cause.

**Table V.18**  
**Fair Housing Complaints Found With Cause by Issue**  
 State of North Dakota  
 HUD Data

Issues	2005	2006	2007	2008	2009	2010	5/2011	Total
Failure to make reasonable accommodation	11	6	9	4	11	7	1	49
Discriminatory refusal to rent	12	3	7	2	6	2	0	32
Discrimination in term, conditions, or privileges relating to rental	3	3	3	6	8	3	0	26
Discriminatory advertising, statements, and notices	6	5	2	3	6	1	0	23
Discriminatory terms, conditions, privileges, or services and facilities	1	3	5	3	6	4	0	22
Discriminatory acts under Section 818 (coercion, etc.)	0	3	0	2	3	5	0	13
Discriminatory advertisement - rental	2	1	2	0	7	0	0	12
Steering	2	1	0	2	1	0	0	6
Discriminatory refusal to sell and negotiate for sale	0	0	0	0	1	0	0	1
Discrimination in the terms or conditions for making loans	1	0	0	0	0	0	0	1
Discrimination in services and facilities relating to rental	0	0	0	0	1	0	0	1
<b>Total Issues</b>	<b>38</b>	<b>25</b>	<b>28</b>	<b>22</b>	<b>50</b>	<b>22</b>	<b>1</b>	<b>186</b>
Total Complaints with Cause	17	16	19	12	30	15	1	110

Failure to make reasonable accommodation was the most common issue cited in Bismarck and Fargo, but in Grand Forks, discriminatory refusal to rent was slightly more common, and in the non-entitlement areas, discrimination in terms, conditions, or privileges relating to rental and discriminatory advertising, statements, and notices were most common. Again, these issues relate to fair housing problems in the rental housing market.

#### COMPLAINTS FILED WITH THE HUMAN RIGHTS DIVISION

The North Dakota Department of Labor's Human Rights Division (HRD), as a substantially equivalent agency to HUD in North Dakota, also accepts complaints that are related to violations of federal or state fair housing laws. Complaint data for the State of North Dakota from 2005 through May 2011 are presented below in Table V.19. In total, 289 complaints were filed with the agency during this time period, with the majority of complaints filed in the non-entitlement areas of the state and the fewest complaints filed in Grand Forks.

<b>Table V.19</b> <b>Fair Housing Complaints</b> State of North Dakota Department of Labor, Human Rights Division Data					
Year	Bismarck	Grand Forks	Fargo	Non-Entitlement Area	Total
2005	18	4	8	7	37
2006	7	6	10	16	39
2007	11	5	16	37	69
2008	10	6	7	18	41
2009	18	4	14	20	56
2010	7	2	14	11	34
5/2011	4	0	6	3	13
<b>Total</b>	<b>75</b>	<b>27</b>	<b>75</b>	<b>112</b>	<b>289</b>

Table V.20, below, illustrates the bases associated with the fair housing complaints filed with the HRD. Disability was the most common basis in this data set, followed by familial status, race, and receipt of public assistance. These findings were similar to HUD data, although in this data set, receipt of public assistance, age, and marital status are included because these protected classes are covered by state fair housing law.

<b>Total V.20</b>								
<b>Fair Housing Complaints by Basis</b>								
State of North Dakota								
Department of Labor, Human Rights Division Data								
<b>Basis</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>5/2011</b>	<b>Total</b>
Disability	25	24	34	19	33	26	9	170
Familial Status	8	6	17	8	15	4	2	60
Race	6	5	18	7	6	5	3	50
Receipt of Public Assistance	3	3	6	7	10	5	0	34
National Origin	1	4	7	3	1	2	1	19
Color	0	1	10	1	2	2	1	17
Gender	2	3	4	2	1	1	0	13
Religion	1	2	0	4	0	0	1	8
Age	1	0	1	0	1	3	0	6
Marital Status	0	0	0	1	0	0	0	1
<b>Total Bases</b>	<b>47</b>	<b>48</b>	<b>97</b>	<b>52</b>	<b>69</b>	<b>48</b>	<b>17</b>	<b>378</b>
<b>Total Complaints</b>	<b>37</b>	<b>39</b>	<b>69</b>	<b>41</b>	<b>56</b>	<b>34</b>	<b>13</b>	<b>289</b>

More detailed information on the bases for fair housing complaints by basis filed with the HRD is available for the non-entitlement areas and the entitlement cities, presented in the Technical Appendix. However, in the three entitlement cities, particularly in Grand Forks, which had the smallest number of complaints, it can be difficult to analyze issues because not many complaints were filed.

The issues associated with the HRD complaints are presented on the following page in Table V.21. More than one issue can be associated with each complaint. Overall, terms of rental was found to be the most common issue associated with the complaints, followed by reasonable accommodation, refusal to rent, and discriminatory advertising.

The same issues of unfair rental terms and reasonable accommodation were frequently cited in the entitlement and non-entitlement areas, as shown in the Technical Appendix.

<b>Total V.21</b> <b>Fair Housing Complaints by Issue</b> State of North Dakota Department of Labor, Human Rights Division Data								
Issues	2005	2006	2007	2008	2009	2010	5/2011	Total
Terms of Rental	17	19	39	23	20	20	6	144
Reasonable Accommodation	19	14	25	15	22	17	6	118
Refusal to Rent	16	7	16	10	11	6	1	67
Advertising	14	7	7	8	19	1	1	57
Harassment	2	6	6	4	5	7	3	33
Retaliation	3	1	5	1	8	1	3	22
Steering	3	0	1	3	0	0	0	7
Financing	3	0	0	0	1	0	0	4
Reasonable Modification	0	0	1	0	1	2	0	4
Sexual Harassment	0	3	1	0	0	0	0	4
Refusal to Sell	0	0	1	0	1	0	0	2
Terms of Sale	2	0	0	0	0	0	0	2
Accessibility	0	1	0	0	0	0	0	1
Eviction	1	0	0	0	0	0	0	1
Receipt of Public Assistance	0	0	1	0	0	0	0	1
Refusal to Show	0	0	0	0	1	0	0	1
Restrictive Occupancy Code	0	0	1	0	0	0	0	1
Statements	0	0	0	0	0	1	0	1
<b>Total Issues</b>	<b>80</b>	<b>58</b>	<b>104</b>	<b>64</b>	<b>89</b>	<b>55</b>	<b>20</b>	<b>470</b>
Total Complaints	37	39	69	41	56	34	13	289

Table V.22, below, shows that 119 of the 289 complaints were found to have reasonable cause and were settled. This figure represents about 40 percent of the total complaints filed with the HRD during this time period. Another 105 were found to have no probable cause.

<b>Total V.22</b> <b>Fair Housing Complaints by Closure Status</b> State of North Dakota North Dakota Department of Labor Human Rights Division Data								
Closure	2005	2006	2007	2008	2009	2010	5/2011	Total
Settled	17	15	24	15	32	15	1	119
No Probable Cause	14	13	34	17	14	10	3	105
Charge Issued	3	6	5	4	4	0	0	22
Withdrawn with Resolution	1	1	5	2	1	0	2	12
Withdrawn without Resolution	1	4	0	2	3	0	0	10
Dismissed	1	0	1	1	2	4	0	9
Settled after Charge Issued	0	0	0	0	0	1	0	1
Remain Open	0	0	0	0	0	4	7	11
<b>Total</b>	<b>37</b>	<b>39</b>	<b>69</b>	<b>41</b>	<b>56</b>	<b>34</b>	<b>13</b>	<b>289</b>
<b>Total Closed</b>	<b>37</b>	<b>39</b>	<b>69</b>	<b>41</b>	<b>56</b>	<b>30</b>	<b>6</b>	<b>278</b>

Tables presented in the Technical Appendix demonstrate that, in Bismarck and Grand Forks, complaints were settled at a higher rate than the statewide average of 40 percent, but they were only settled 33 percent of the time in Fargo and 38 percent in the non-entitlement areas.

## DISCRIMINATION IN RENTAL ADVERTISING

Housing discrimination in rental markets can also be examined through the prevalence of discriminatory advertising for rental properties. As established previously, according to federal law, it is illegal to prohibit sale, lease, rental, assignment, or sublease based on familial status, sex, national origin, color, religion, disability, or race. State law includes the federally protected classes as well as age, marital status, and receipt of public assistance. Consequently, it is also illegal to directly or indirectly advertise that the sale, lease, rental, assignment, or sublease of housing is unwelcome or objectionable for any of the aforementioned protected classes. Laws do generally have an exception regarding sex in that an individual may advertise that he or she prefers a male or female renter if he or she resides in the dwelling or the dwelling permits no more than two families living independently. It is also not illegal to advertise that potential tenants must be above a certain age if the housing is specifically designated for seniors.

### ANALYSIS OF CRAIGSLIST ADVERTISEMENTS

In order to examine the prevalence of discrimination in advertising for rental housing in North Dakota, a sample of advertisements was gathered from the Craigslist website. This website allows rental management companies and individuals to post advertisements for rental units. Two types of rental advertisements are posted: apartments or houses and rooms or shared living quarters.

A sample of more than 400 advertisements posted within several regions in North Dakota on the Craigslist website from September 1 to September 15, 2011, was generated and inspected for preferential phrasing or possible discriminatory language. The majority of the advertisements related to available rental units, 349 of the 405 in the sample, and the remainder were for available rooms or shared living quarters.

As shown below in Table V.23, a total of 15 advertisements demonstrated preferential phrasing that might restrict housing choice. In the housing/apartments listings, one advertisement showed phrasing that indicated preference based on sex, while three showed preference based on familial status. Of the advertisements listing rooms or shared living quarters, two showed preference based on age and nine listed a preference based on sex. Although this type of advertisement limits housing choice based on a protected class status, stated preferences based on sex may represent an exception to the rule, as discussed above.

<b>Table V.23</b>			
<b>Preferences Stated in Advertisements</b>			
State of North Dakota			
Craigslist Data, September 1 – 15, 2011			
<b>Housing Type</b>	<b>Sex</b>	<b>Age</b>	<b>Familial Status</b>
Apartments/Housing	1	0	3
Rooms/Shared	9	2	0
<b>Total</b>	<b>10</b>	<b>2</b>	<b>3</b>

Pets are mentioned often in housing advertisements. While it is legal for advertisements to note a pet policy, individuals with service animals may not be aware that housing advertised as “no pets” must allow service animals. If an individual with a service animal does not know his or

her rights, it may hinder his or her ability to find housing. In total, 131 advertisements were posted indicating that “no pets” were allowed, that size restrictions existed, or that “cats only” were accepted. These data are presented below in Table V.24.

<b>Table V.24</b>	
<b>Advertised Pet Policies</b>	
State of North Dakota	
Craigslist Data, September 1 – 15, 2011	
<b>Housing Type</b>	<b>Pet or Size Restrictions</b>
Apartments/Housing	115
Rooms/Shared	16
<b>Total</b>	<b>131</b>

While only 1 percent of advertisements demonstrated preferential phrasing in the apartments/housing listings, 20 percent of listings in the rooms/shared living quarters showed preference. Because most of the listings for apartments and homes were posted by large leasing companies that list multi-family units, these findings suggest that larger leasing establishments are aware of fair housing laws and do not advertise in a discriminatory manner. However, some questionable phrasing was found in the rooms or shared living quarters listings, and these advertisements appeared to be mostly posted by individuals or small property managers rather than large management companies. Housing providers with only a few units or persons offering only one room for rent may benefit from additional education on fair housing laws.

## **FAIR HOUSING SURVEY – PRIVATE SECTOR RESULTS**

Additional evaluation of fair housing within North Dakota was conducted via a survey of stakeholders. The purpose of the survey, a relatively qualitative component of the AI, was to gather insight into the knowledge, experiences, opinions, and feelings of stakeholders and interested citizens regarding fair housing. Results and comments related to questions regarding fair housing in the private sector are presented below, and additional survey results are discussed in Sections VI and VII.

Three hundred persons in North Dakota completed the fair housing survey, which was conducted mostly online. Individuals solicited for participation included representatives of housing groups, minority organizations, disability resource groups, real estate and property management associations, banking entities, and other groups involved in the fair housing arena. Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although many questions allowed the respondent to offer written comments. While the numerical tallies of results are presented in this section, along with summaries of some comment-driven questions, a complete list of written responses is available in the Technical Appendix.

The fair housing survey first asked respondents which area of the state they were addressing, and responses can be traced by the geographic location respondents wished to address. Most of the responses were about the non-entitlement areas of the state, with 140 respondents; however, 70 responses addressed Bismarck, 63 addressed Fargo, and 27 addressed Grand Forks. Detailed tables per area are presented in the Technical Appendix.

**FAIR HOUSING IN THE PRIVATE SECTOR**

In order to address perceptions of fair housing in North Dakota’s private housing sector, survey respondents were asked to identify their awareness of possible housing discrimination issues in a number of areas within the private housing sector, including the:

- Rental housing market,
- Real estate industry,
- Mortgage and home lending industry,
- Housing construction or accessible housing design fields,
- Home insurance industry,
- Home appraisal industry, and
- Any other housing services.

Tallies for each question are presented below in Table V.25. While more than 37 percent of respondents skipped this set of questions for the private sector, results of each question are discussed on the following pages. If respondents indicated affirmatively that they were aware of barriers in any of these areas, they were asked to further describe these issues in a narrative fashion. While many comments noted problems concerning a lack of affordable housing or insufficient accessible housing production, these issues do not necessarily qualify as fair housing issues; only comments that related to fair housing issues based on HUD’s definition are presented.

<b>Table V.25</b>					
<b>Barriers to Fair Housing in the Private Sector</b>					
State of North Dakota					
2011 Fair Housing Survey Data					
Question	Yes	No	Don't Know	Missing	Total
<b>Are you aware of any or barriers to fair housing choice in:</b>					
The rental housing market?	59	78	51	112	300
The real estate industry?	26	83	79	112	300
The mortgage and home lending industry?	17	89	82	112	300
The housing construction or accessible housing design fields?	25	82	81	112	300
The home insurance industry?	1	89	96	114	300
The home appraisal industry?	11	82	95	112	300
Any other housing services?	13	81	92	114	300

**Rental Housing**

In regard to barriers to fair housing choice in the rental housing market, a total of 59 respondents noted that they were aware of fair housing issues in this area. This suggests that, of those who answered the question, 31.4 percent showed awareness of possible discrimination in the rental market.

As indicated previously, respondents were also asked to discuss these barriers specifically in narrative format. While several comments related to a lack of affordable housing, an issue in the rental market, these items are more closely related to housing production and do not fit the definition of an impediment to fair housing choice. Relevant comments were synthesized, and pertinent comments included:

- Denial of availability of vacant units based on race, color, familial status, or disability, particularly for persons with service animals;
- Refusal to rent based on age, familial status, disability, or race;
- Unevenly required credit checks and some unfair evictions based on race or color;
- Refusal to make reasonable accommodations for persons with mental and physical disabilities, including service animals;
- Issues of hesitancy to file complaints based on fear of retaliation; and
- Placement of discriminatory advertisements for rental properties.

## **Real Estate Industry**

Twenty-six respondents noted awareness of barriers to fair housing choice in the real estate industry; this total represented 13.8 percent of respondents who answered this question. Of those who indicated awareness of questionable practices or barriers to fair housing choice in the real estate market, several offered more detailed explanations of these issues. Again, many comments related to housing production issues, such as a shortage of available housing or accessible housing, but these issues do not necessarily qualify as impediments to fair housing based on HUD's definition. Other comments referenced no specific issues but cited discriminatory practices based on color and national origin.

## **Mortgage and Home Lending Industry**

In regard to barriers to fair housing choice in the lending or mortgage industries, a total of 17 respondents noted that they were aware of fair housing issues. Thus, 9 percent of persons who answered this question showed awareness of possible discrimination in the lending or mortgage markets. Comments included refusal to lend primarily related to discrimination based on disability, national origin, and race, especially for American Indians.

## **Housing Construction or Accessible Housing Design Fields**

Barriers to fair housing choice in the housing construction or accessible housing design fields were also addressed in the survey. A total of 25 respondents were aware of fair housing issues in these fields, which equated to 13.3 percent of persons who answered this question. Persons who were aware of issues in the housing construction or accessible housing design fields were also asked to provide specific examples of these issues, and comments mentioned failure to follow accessibility requirements in multi-family housing.

## **Home Insurance Industry**

Only one respondent noted barriers to fair housing choice in the home insurance industry; however, this respondent's comment did not address a barrier to fair housing choice based on federal or state fair housing law.

## **Home Appraisal Industry**

The home appraisal industry was also investigated as part of the survey. Only 11 respondents noted that they were aware of barriers to fair housing choice in the home appraisal industry, which represented nearly 6 percent of all respondents who answered this question. Only one

comment addressed fair housing and noted that homes are often penalized for accessible features, but the rest of the comments addressed the lack of appraisers in respondents' communities.

### **Any Other Housing Services**

Respondents were also asked to discuss their awareness of barriers to fair housing in any other area of the private housing sector. Thirteen respondents noted awareness of other issues and included further concern about housing for persons with disabilities and service animals, lack of group housing for persons with mental disabilities, and lack of advocacy organizations for residents with fair housing issues.

### **SUMMARY**

Evaluation of fair housing in the private sector included reviews of home purchase lending information and predatory lending practices, fair housing complaint data, online rental advertisements, and results from the private sector section of the fair housing survey.

Home Mortgage Disclosure Act (HMDA) data were used to analyze differences in denial rates in the State of North Dakota by race, ethnicity, sex, income, and census tract. Evaluated home purchase loan applications from 2004 through 2009 showed that there were 50,082 loan originations and 6,204 loan denials, for an average six-year loan denial rate of 11 percent. Denial rates fell from 12.2 percent in 2006 to 10.1 percent in 2009. These HMDA data also showed that American Indian, black and Hispanic applicants experienced significantly higher rates of loan denials than white and Asian applicants, even after correcting for income. Further, these highly denied racial and ethnic groups appear to have been disproportionately impacted in some geographic areas of the state wherein denial rates were as high as 100 percent.

Analysis of high annual percent interest rate lending showed that American Indian, black, and Hispanic populations were also disproportionately impacted by an unusually higher share of lower-quality loan products; American Indian applicants experienced a rate almost double than that of white applicants, while Hispanic applicants experienced a rate about one and a half times that of white applicants. With such high proportions of these minorities receiving lower-quality, high-interest rate loans, the burden of foreclosure likely tended to fall more heavily upon these particular groups.

Analysis of data from the Community Reinvestment Act (CRA), which was developed to encourage investment in low- and moderate-income areas, showed that business loans were not directed toward areas with higher levels of poverty in the State of North Dakota.

Fair housing complaint data was requested from HUD and the North Dakota Department of Labor Human Rights Division (HRD). HUD data showed that 265 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 32 to 59, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets based on successfully conciliated complaints were disability, familial status, and race. The most common issues regarding these complaints were:

- Failure to make reasonable accommodation;
- Discriminatory refusal to rent;
- Discriminatory terms, conditions, or privileges relating to rental; and
- Discriminatory advertising, statements, and notices.

Data from the HRD showed that 289 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 34 to 69, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets were disability, familial status, race, and receipt of public assistance. The most common complaint issues in successfully conciliated complaints related to terms of rental, reasonable accommodation, refusal to rent, and advertising.

A review of a sample of more than 400 Craigslist postings throughout the state in September 2011 revealed few instances of poor language choices in advertisements for housing in the rental market, with some preferential statements made based on sex, age, and familial status.

Results from the private sector portion of a fair housing survey, which was conducted as part of the AI process, showed that many respondents see possible issues of housing discrimination in North Dakota's private sector. Issues described by respondents regarding the rental markets related to denial of available units, refusal to rent, discriminatory terms and conditions, and failure to make reasonable accommodation or modification. In the home purchase and lending industries, comments related to refusal to lend based on race and disability. Additional concerns voiced about the private housing sector in North Dakota included failure to comply with disability codes in housing construction and a lack of advocacy organizations for protected groups and others seeking housing.



## **SECTION VI. FAIR HOUSING IN THE PUBLIC SECTOR**

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While the previous section presented a review of the status of fair housing in the private sector, this section will focus specifically on fair housing in the public sector. HUD recommends that the AI investigate a number of areas within the public housing sector, including health and safety codes, construction standards, zoning and land use policies, tax policies, and development standards. The AI should also examine the placement of public housing as well as access to government services.

### **LOCATION OF PUBLIC SERVICES**

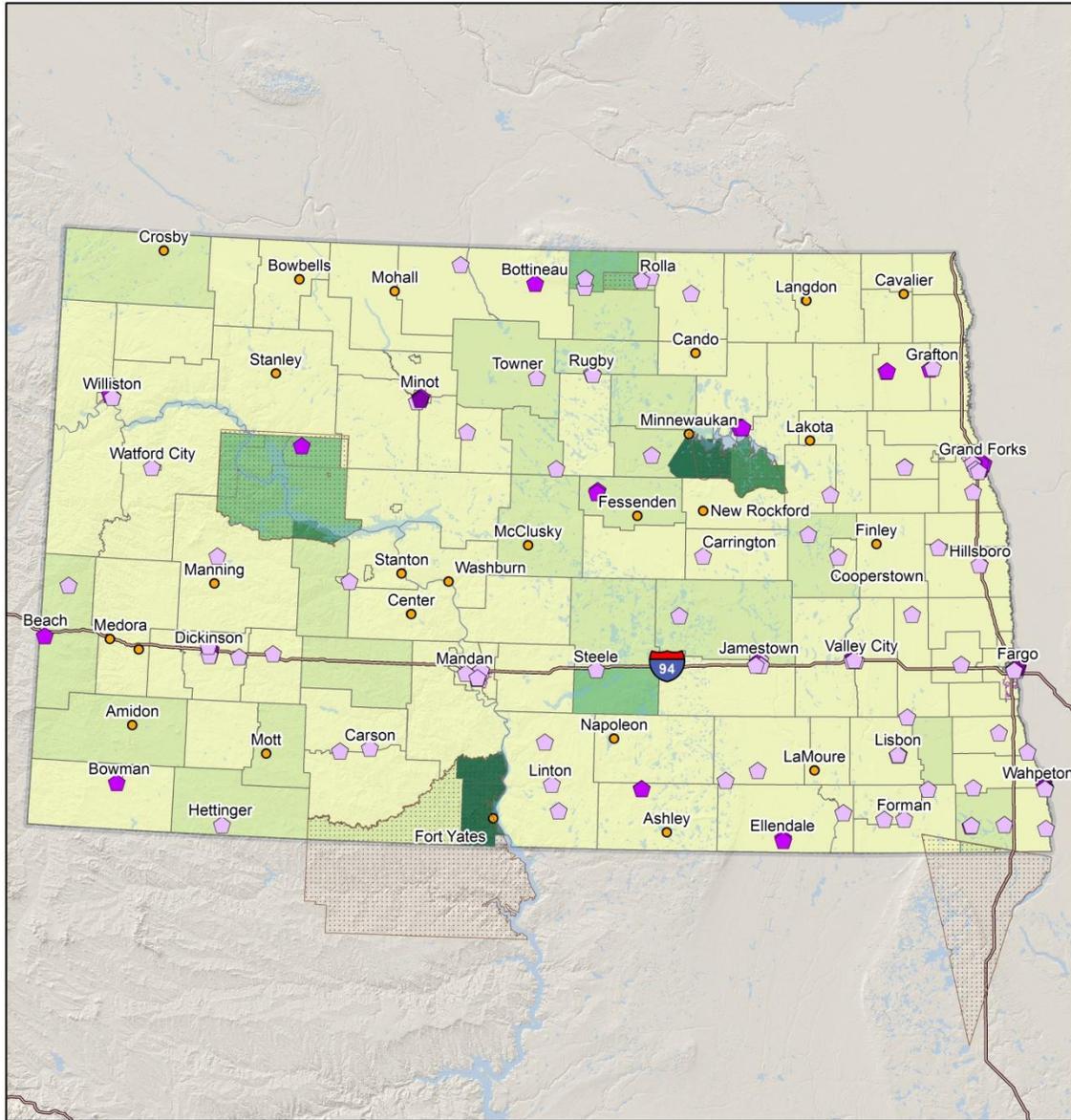
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#### **PUBLIC OR ASSISTED HOUSING**

Public or assisted housing can exist in several forms, including low-income housing projects, housing voucher programs, and supportive housing. The objective of public and other forms of assisted housing is to provide housing that is suitable for persons with special needs and families of low- to moderate-income levels and to promote access to jobs, transportation, and services.

The Section 8 voucher program allows renters to utilize vouchers for housing assistance. Persons apply to become Section 8 recipients, with restrictions based on income and other factors. Map VI.1, on the following page, presents the location of Section 8 voucher properties compared to the concentration of poverty in the state. As shown, Section 8 units were scattered throughout North Dakota, although they were somewhat more concentrated in the eastern part of the state. Section 8 properties were generally absent in many of the higher poverty tracts, particularly in tribal lands. Many of the Section 8 units in rural areas had less than 25 units, while some properties in Bismarck, Fargo, Wahpeton, and Minot had 90 or more units.

**Map VI.1**  
**Section 8 Assisted Units**  
 State of North Dakota  
 HUD Data, 2011



**LEGEND**

**Section 8 Assisted Units and 2009 Poverty Rate**

Number of Section 8 Assisted Units

- 0 - 25
- 26 - 75
- 76 - 117

2009 Poverty Rate

- 0.0 - 12.3
- 12.4 - 22.3
- 22.4 - 35.0
- 35.1 - 45.0
- 45.1 - 55.5

Disproportionate Share Threshold

**LEGEND**

- Census Tract Boundaries
- Interstate Highway
- County Seats
- Entitlement Community Boundaries
- Tribal Lands

Data Source: 2009 American Community Survey, ESRI Datasets, 2010 TIGER Data, North Dakota GIS, USGS

0 50 Miles

## TRANSIT AND EMPLOYMENT LOCATIONS

The following maps examine the relationship among the locations of employment areas, job training centers, and transportation in the state.

Map VI.2, on the following page, presents the concentration of employment within the State of North Dakota and shows that many large employers are highly concentrated in the three entitlement cities and in Minot, although many employment locations are also located near highways. Employers with more than 50 employees were seen across the state, with a few in rural areas and some employers with more than 1,000 employees in Bismarck, Fargo, and Grand Forks.

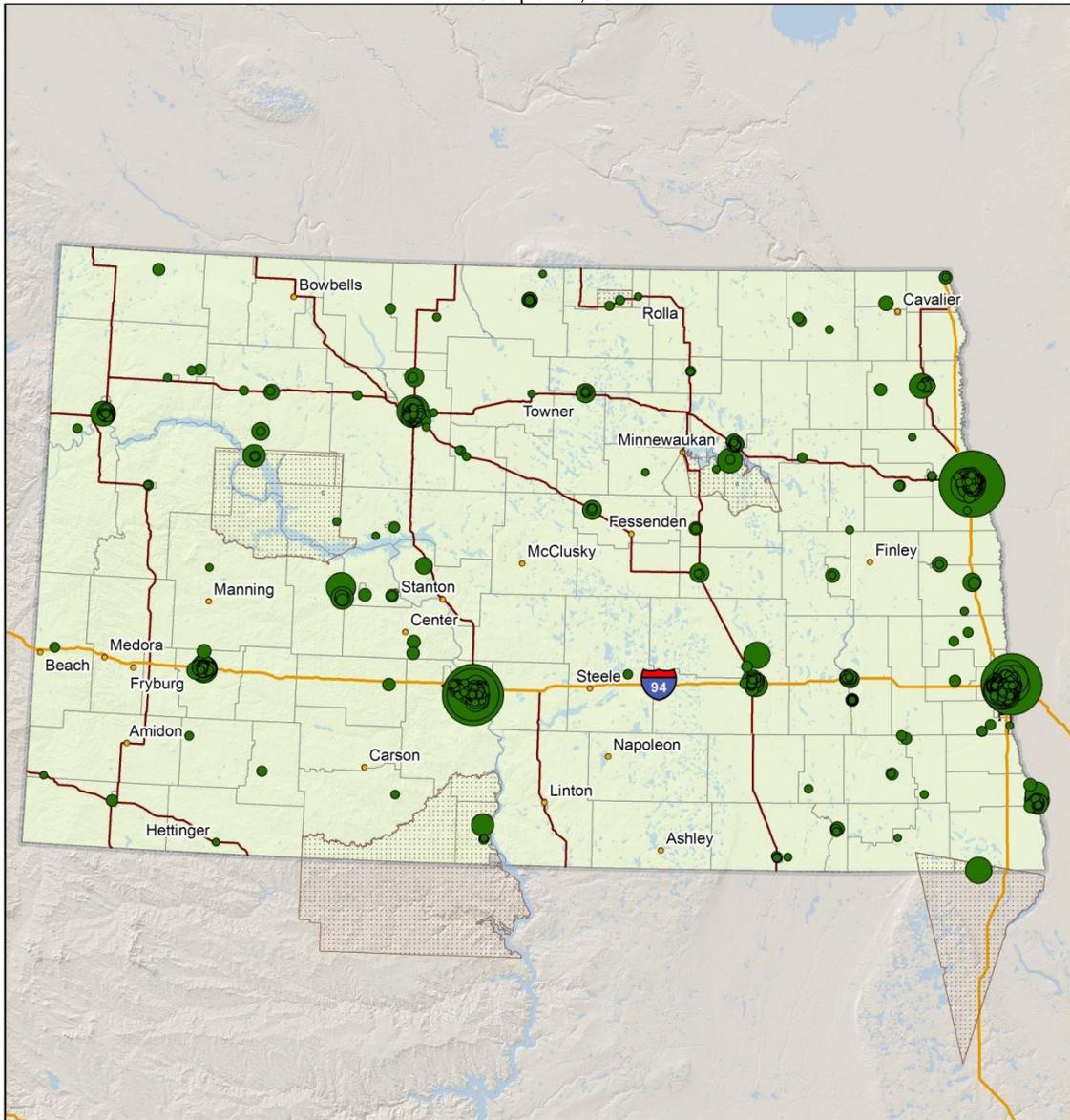
A comparison of poverty rates and job training locations is presented in Map VI.3, on page 111, and shows the locations of state-run Job Service North Dakota offices. Job Service North Dakota offices are distributed relatively evenly throughout the state, although some tracts with very high poverty rates, such as those made up of reservations, are not served with a nearby office.

In addition to poverty and job search assistance, we can examine public transit availability to understand the accessibility of job training programs for low-income residents. Map VI.4, on page 112, shows the locations of Job Service North Dakota offices and public transit lines in Bismarck, for which there are bus stops and bus routes around most parts of the city that extend to the training facility and the lowest-income areas.

The Job Service North Dakota office and public transit lines in the Fargo area are presented on page 113 in Map VI.5. This area has a public transit system that geographically covers most of the lowest-income areas and serves the Job Service North Dakota center.

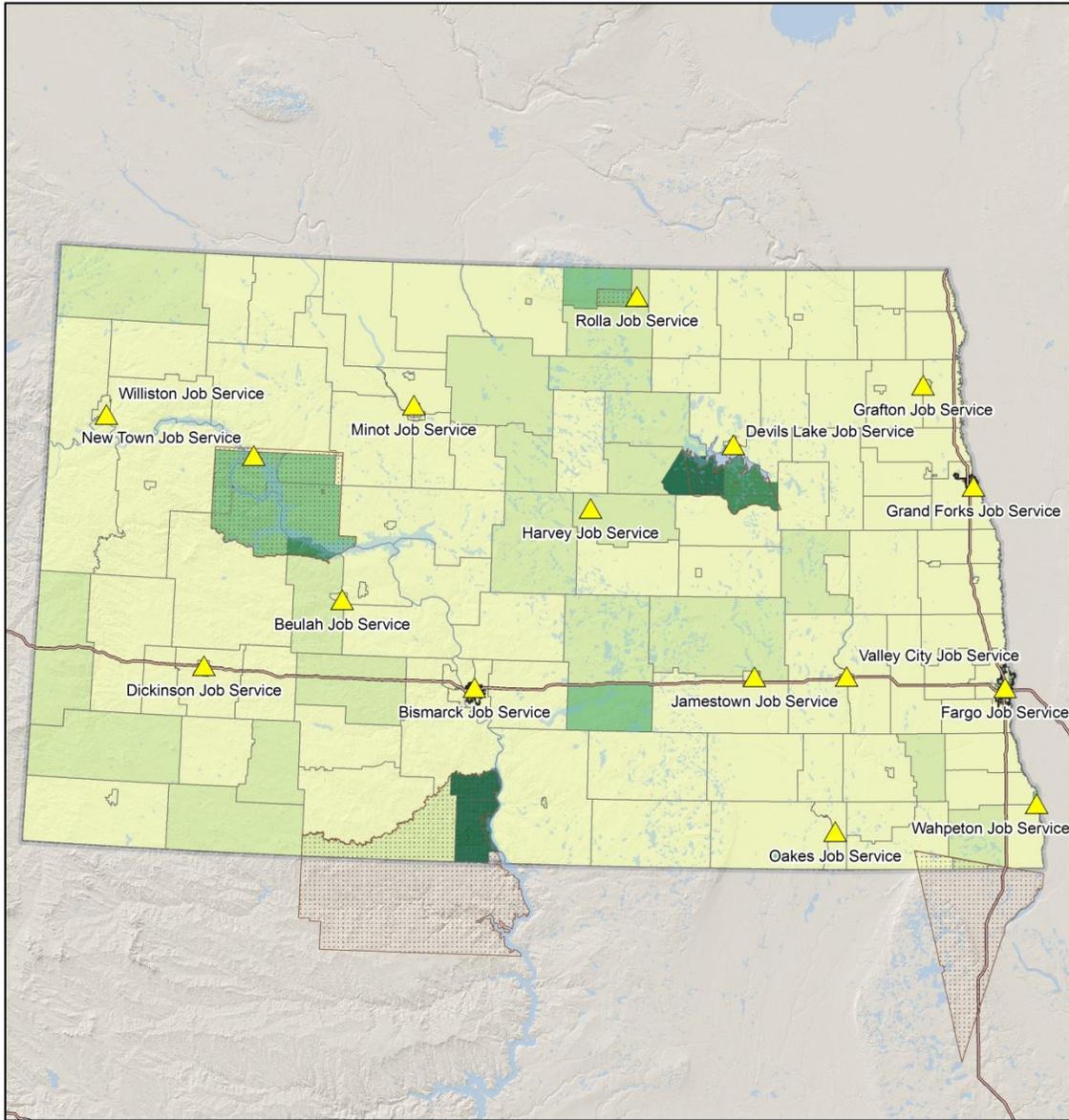
Map VI.6, on page 114, shows the locations of the Job Service North Dakota office and public transit lines in the Grand Forks area. The bus lines do serve the Job Service North Dakota branch, but it should be noted that bus service in Grand Forks does not use designated stops, so passengers have to wave at buses to signal their intent to ride.

### Map VI.2 Employment Concentration State of North Dakota InfoGroup Data, 2011



<b>LEGEND</b>	
<b>North Dakota Employment Concentration</b>	
Employment centers providing 50 - 3,500 jobs	
NOTE: Circle size is proportional to number of employees.	
Data Source: InfoGroup, 2009 ACS, ESRI Datasets, 2010 TIGER Data	
<p><b>LEGEND</b></p> <p>Employment Centers (Proportional Display)</p> <ul style="list-style-type: none"> <li>50 Employees</li> <li>100 Employees</li> <li>1,000 Employees</li> </ul>	<ul style="list-style-type: none"> <li>Census Tracts</li> <li>US Highways</li> <li>Interstate Highway</li> <li>Tribal Land</li> <li>County Seats</li> </ul> <p>0 50 Miles</p>

**Map VI.3**  
**Job Service North Dakota Offices**  
 State of North Dakota  
 Job Service North Dakota Data, 2011



**LEGEND**

**Job Service North Dakota Offices and 2005-2009 Poverty Rate**  
 Average Percent of Poverty Rate in the State of North Dakota = 12.3%  
 Disproportionate Share of Poverty Rate in the State of North Dakota = 22.3%

NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.

Data Source: Job Service North Dakota, 2009 ACS, ESRI Datasets, 2010 TIGER Data

**LEGEND**

**Poverty Rate**

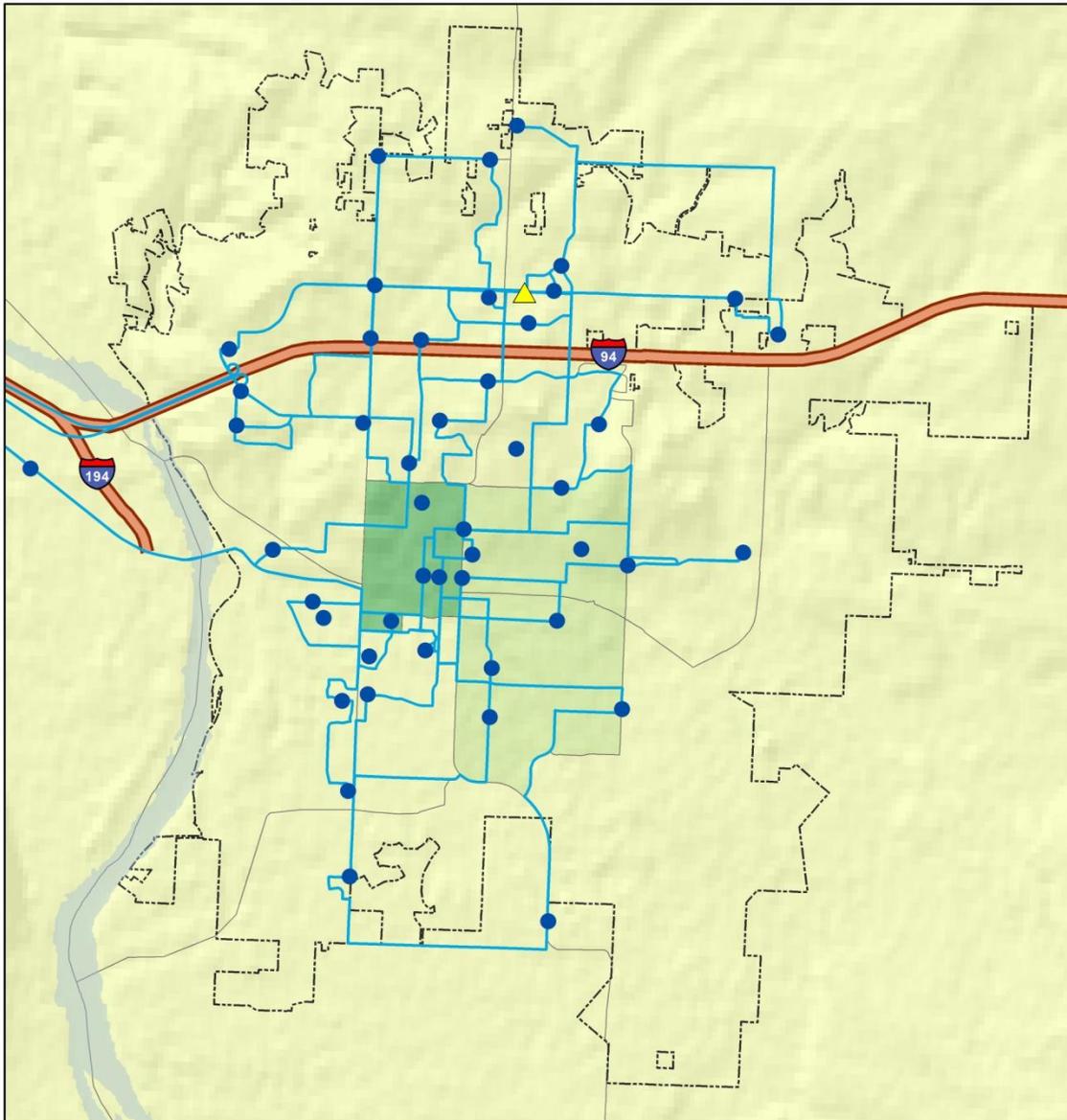
0.0 - 12.3	Lightest Green
12.4 - 22.3	Light Green
22.4 - 35.0	Medium Green
35.1 - 45.0	Dark Green
45.1 - 55.5	Darkest Green

Disproportionate Share Threshold (Red dashed line)

- Census Tract Boundaries (Thin grey line)
- City Boundary (Dashed black line)
- Interstate Highway (Thick red line)
- Job Service North Dakota Office (Yellow triangle)

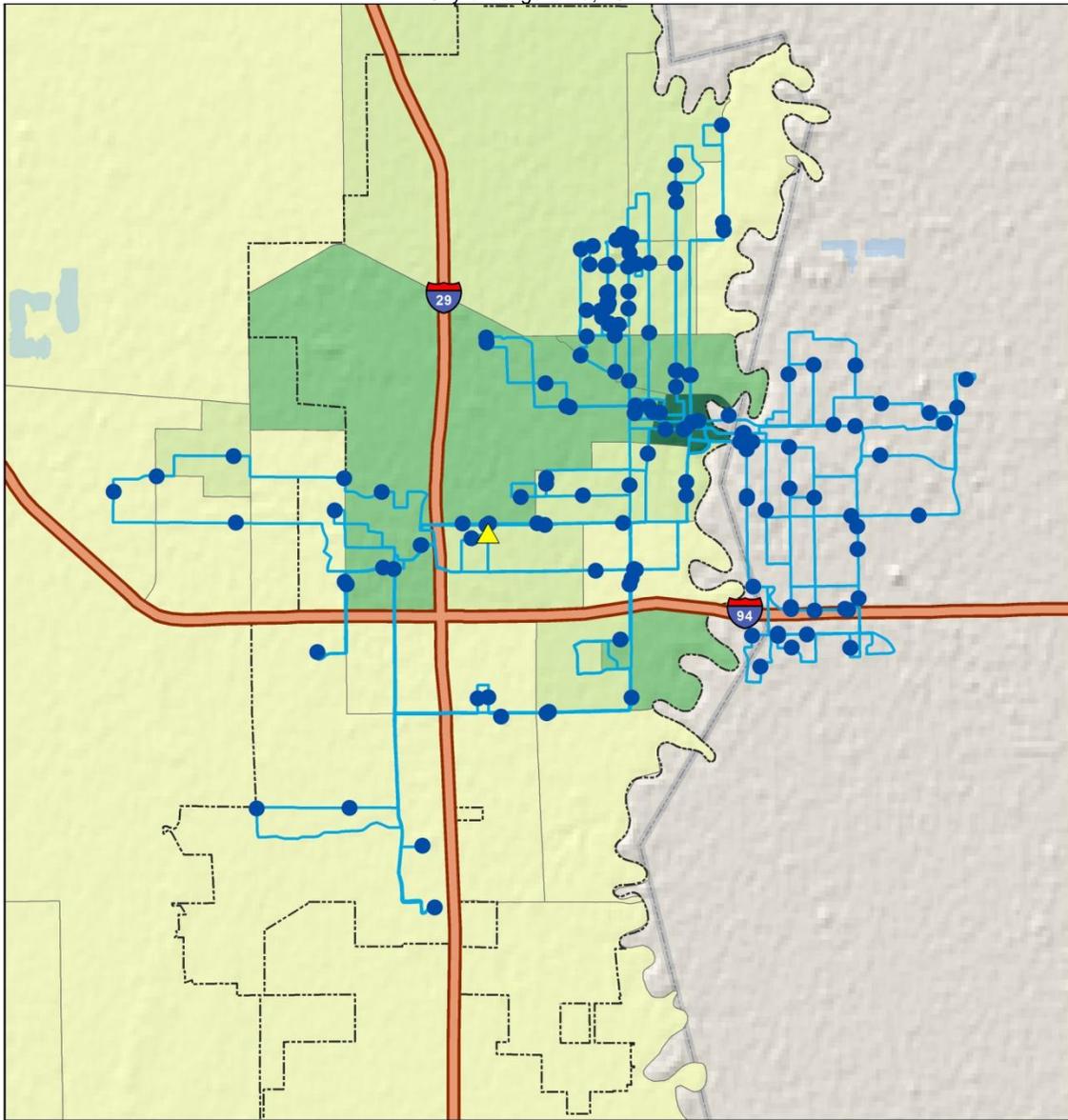
0 50 Miles

**Map VI.4**  
**Job Service North Dakota Offices and Public Transit**  
 City of Bismarck  
 City of Bismarck Data, 2011



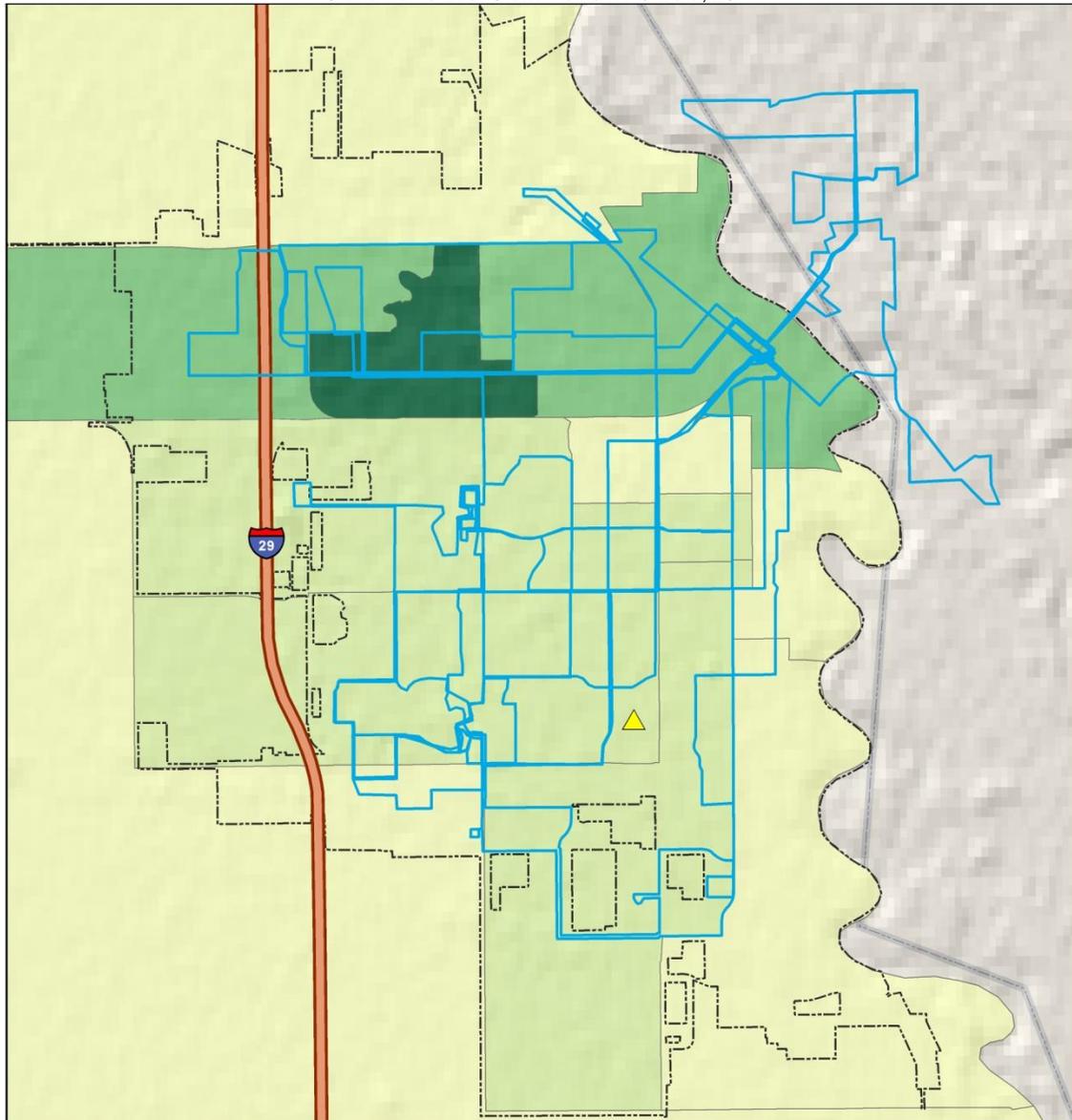
LEGEND	
<b>Bismarck Bus Routes and 2009 Poverty Rate</b>	
Average Percent of Poverty Rate in the State of North Dakota = 12.3%	
Disproportionate Share of Poverty Rate in the State of North Dakota = 22.3%	
NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.	
Data Source: City of Bismarck, 2009 ACS, ESRI Datasets, 2010 TIGER Data	
<p><b>Poverty Rate</b></p> <p>0.0 - 12.3</p> <p>12.4 - 22.3</p> <p>22.4 - 35.0</p> <p>35.1 - 45.0</p> <p>45.1 - 55.5</p> <p>Disproportionate Share Threshold</p>	<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li> Census Tract Boundaries</li> <li> City Boundary</li> <li> Interstate Highway</li> <li> Bismarck Bus Routes</li> <li> Bus Stops and Shelters</li> <li> Job Service North Dakota Office</li> </ul> <p>0 1 Miles </p>

**Map VI.5**  
**Job Service North Dakota Offices and Public Transit**  
 City of Fargo  
 City of Fargo Data, 2011



LEGEND	
<p><b>Fargo Bus Routes and 2009 Poverty Rate</b></p> <p>Average Percent of Poverty Rate in the State of North Dakota = 12.3%</p> <p>Disproportionate Share of Poverty Rate in the State of North Dakota = 22.3%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: City of Fargo, 2009 ACS, ESRI Datasets, 2010 TIGER Data</p>	
<p><b>LEGEND</b></p> <p>Poverty Rate</p> <ul style="list-style-type: none"> <li>0.0 - 12.3</li> <li>12.4 - 22.3</li> <li>22.4 - 35.0</li> <li>35.1 - 45.0</li> <li>45.1 - 55.5</li> </ul> <p>Disproportionate Share Threshold</p>	<ul style="list-style-type: none"> <li>Census Tract Boundaries</li> <li>City Boundary</li> <li>Interstate Highway</li> <li>Fargo Bus Routes</li> <li>Primary Bus Stop or Shelter</li> <li>Job Service North Dakota Office</li> </ul> <p>0 2 Miles</p>

**Map VI.6**  
**Job Service North Dakota Offices and Public Transit**  
 City of Grand Forks  
 Grand Forks-East Grand Forks MPO Data, 2011



LEGEND	
<p><b>Grand Forks Bus Routes and 2009 Poverty Rate</b></p> <p>Average Percent of Poverty Rate in the State of North Dakota = 12.3%</p> <p>Disproportionate Share of Poverty Rate in the State of North Dakota = 22.3%</p> <p>NOTE: A disproportionate share exists when the share of a population in a given area is at least 10 percentage points greater than the study area average.</p> <p>Data Source: Grand Forks-East Grand Forks MPO, 2009 ACS, ESRI Datasets, 2010 TIGER Data</p>	
<p><b>LEGEND</b></p> <p><b>Poverty Rate</b></p> <ul style="list-style-type: none"> <li>0.0 - 12.3</li> <li>12.4 - 22.3</li> <li>22.4 - 35.0</li> <li>35.1 - 45.0</li> <li>45.1 - 55.5</li> </ul> <p>Disproportionate Share Threshold</p>	<ul style="list-style-type: none"> <li>□ Census Tract Boundaries</li> <li>⋯ City Boundary</li> <li>— Interstate Highway</li> <li>— Grand Forks Bus Routes</li> <li>▲ Job Service North Dakota Office</li> </ul> <p>0 1 Miles</p>

## FAIR HOUSING SURVEY – PUBLIC SECTOR RESULTS

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As mentioned previously, further evaluation of the status of fair housing within the State of North Dakota was gathered via a fair housing survey, which was conducted online and completed by 300 stakeholders and citizens. Individuals solicited for participation included representatives of housing groups, minority organizations, disability resource groups, real estate and property management associations, banking entities, and other groups involved in the fair housing arena. Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although many questions allowed the respondent to offer written comments. While numerical tallies of results are presented in this section, along with summaries of some comment-driven questions, a complete list of written responses is available in the Technical Appendix. Other survey results are also discussed in Sections V and VII.

The fair housing survey first asked respondents which area of the state they were addressing, and responses were tracked by the geographic location respondents wished to address. Most of the responses concentrated on the non-entitlement areas of the state, with 140 respondents; however, 70 persons addressed Bismarck, 63 addressed Fargo, and 27 addressed Grand Forks. Detailed tables per each area are presented in the Technical Appendix.

### FAIR HOUSING IN THE PUBLIC SECTOR

The public sector can be fairly complex, so the questions in this section asked respondents to think about possible barriers to fair housing choice within very specific areas of the public sector. The list of areas presented to respondents was as follows:

- Land use policies,
- Zoning laws,
- Occupancy standards or health and safety codes,
- Property tax policies,
- Housing construction standards,
- Neighborhood or community development policies,
- Public housing authorities,
- Access to government services, and
- Any other public administrative actions or regulations.

If respondents indicated affirmatively that they were aware of possible discriminatory issues in any of these areas, they were asked to further describe issues in a narrative fashion. Tallies for each question are presented in Table VI.1, on the following page.

It should be noted that, throughout this section of the survey, respondents mentioned issues that were outside the realm of fair housing issues, including problems related to affordable housing production and a lack of availability of housing for low- and moderate-income families. As such, these responses are included in the Technical Appendix but not analyzed in this section.

<b>Table VI.1</b>					
<b>Barriers to Fair Housing in the Public Sector</b>					
State of North Dakota					
2011 Fair Housing Survey Data					
Question	Yes	No	Don't Know	Missing	Total
<b>Are you aware of any barriers to fair housing choice in:</b>					
Land use policies?	2	94	81	123	300
Zoning laws?	5	95	77	123	300
Occupancy standards or health and safety codes?	5	103	69	123	300
Property tax policies?	2	92	81	125	300
Housing construction standards?	9	93	72	126	300
Neighborhood or community development policies?	10	89	73	128	300
Compliance issues with any public housing authority?	5	124	43	128	300
Limited access to government services, such as employment services?	31	96	44	129	300
Public administrative actions or regulations?	8	79	89	124	300

## Land Use Policies

Two respondents, or about 1 percent of those who answered this question, noted that they were aware of barriers to fair housing choice related to land use policies. As indicated previously, respondents were also asked to discuss these questionable practices or barriers specifically in narrative format. No comments received for this question related to fair housing issues.

## Zoning Laws

Zoning laws were also investigated as part of the survey. In total, five respondents, or 2.8 percent of those who answered this question, noted awareness of barriers to fair housing choice due to zoning laws. Comments included challenges for families and other groups seeking housing in single-family residential zones, where there were strict occupancy restrictions, and for group housing in these zones.

## Occupancy Standards or Health and Safety Codes

Five respondents noted that they were aware of fair housing issues caused by occupancy standards or health and safety codes. As indicated previously, respondents were also asked to discuss these questionable practices or barriers specifically in narrative format. Comments expressed that occupancy standards are not enforced by property management companies or city inspectors and that, due to lack of housing, many residents are forced to live in overcrowded housing that does not meet codes.

## Property Assessment and Tax Policies

An inquiry into barriers to fair housing choice in property tax policies showed that two respondents were aware of such issues; this figure represented about 1 percent of persons who opted to answer this question. One comment suggested that the current tax code makes accessible housing more expensive to build than inaccessible housing.

## Housing Construction Standards

Barriers to fair housing choice in housing construction standards were also addressed in the survey. Nine persons, or more than 5 percent of those who answered this question, noted fair housing issues in this area. Narrative comments received in relation to this question included the following items:

- Lack of building inspector or building codes in small areas and
- Codes that do not adequately address accessible housing.

## Neighborhood or Community Development Policies

A total of 10 respondents, or nearly 6 percent of persons who responded to this question, noted awareness of barriers to fair housing choice in neighborhood or community development policies. Specific comments stated that NIMBY attitudes were prevalent in some respondents' communities, particularly related to housing for persons with disabilities.

## Compliance Issues with Public Housing Authorities

Five respondents, or almost 3 percent of those who answered this question, noted awareness of compliance issues with public housing authorities in North Dakota. Examples that were provided primarily related to public housing authorities who failed to provide adequate assistance for persons with disabilities.

## Limited Access to Government Services

The survey was also used to examine awareness of situations wherein groups face limited access to government services, including public transportation, public housing, and employment services. A total of 31 respondents, or more than 18 percent of those who answered this question, noted limited access to these services as a problem in North Dakota. Specific comments they provided included:

- Public transportation was not available, particularly in the rural areas of the state;
- Access to public and employment services was limited by the lack of transportation; and
- Education about public services was lacking, and guidelines were sometimes difficult to understand.

## Any Other Public Administrative Actions or Regulations

Respondents were also asked to discuss their awareness of barriers to fair housing in any other public administrative actions or regulations. Eight respondents, or 4.5 percent of those who answered this question, noted awareness of other issues, and relevant comments related to problems in local government policies that create fair housing barriers. Lack of access to public transportation and NIMBYism toward housing for disabled and elderly persons were also mentioned.

## NON-ENTITLEMENT COMMUNITY SURVEY

As part of the AI process of examining fair housing in the public sector, a survey was used to more thoroughly evaluate public policies, specifically those regarding zoning and land use, in the non-entitlement areas of North Dakota. The survey was conducted online and directed to city managers, planning directors, building officials, and other local planning personnel throughout the non-entitlement areas of the state. A total of 27 survey responses were received, with written responses to all questions presented in the Technical Appendix. On some questions, very few written comments are shown due to the low number of total responses received.

The survey began with discussion of city codes and policies relating to the provision of housing, and the first question inquired about the existing definitions of “dwelling unit” and “residential unit.” The definitions of these terms can hinder the provision of housing for disabled or other special needs persons and can discriminate against boarding or care facilities. Only six respondents noted the existence of such a definition, as shown in Table VI.2, below. Of the definitions provided, many were technical but broad such as “a residence designed for or occupied by [a family or set number of families], with separate housekeeping and cooking facilities,” although others included more specific requirements. The term “cooking” and designation based on “family” could present barriers to providing housing for temporary or group housing. One definition of dwelling unit excluded mobile homes, boarding houses, and apartments, grouping them with “structures designed or used primarily for transient residents.” This definition is also biased toward permanent housing for families and could present problems for persons in need of group or special needs housing.

Mixed-use housing can represent both an opportunity and a challenge for fair and affordable housing. Allowing nontraditional dwelling units provides more housing, which can often be inaccessible to disabled persons. The code allowance of “mixed-use” housing was not familiar to many respondents, although four said their cities have codes that encourage mixed-use development or conversion, with special zoning or overlay districts that allow mixed-use projects. None mentioned offering funding assistance to developers. These data are presented in Table VI.2 and in written comments in the Technical Appendix.

While housing policies do not always include provisions for affordable housing, ensuring the availability of housing for low- and moderate-income residents can address problems of lack of fair housing choice. Only two respondents had policies requiring developers to make a portion of the units in their projects affordable to low- and moderate-income households. No comments received were relevant to fair housing.

<b>Table VI.2</b>					
<b>Housing Policies</b>					
Non-Entitlement Areas of North Dakota					
2011 Non-Entitlement Survey Data					
<b>Does your jurisdiction have:</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
Definitions for "dwelling unit" or "residential unit"?	6	5	15	1	27
Guidelines that encourage development of mixed-use housing?	4	5	16	2	27
Guidelines that encourage development of affordable housing units?	2	8	16	1	27

Occupancy standards can also serve as barriers to the provision of housing for families with children or for those in need of group housing. The next part of the survey addressed policies regarding the number and type of persons allowed in dwelling units. The questions and a tabulation of responses are shown below in Table VI.3. Only six respondents had definitions for “family,” some of which included limits on unrelated persons, in addition to those related, and some of which allowed unrelated persons of up to four or five. “Related” was usually defined as relation by blood, marriage, adoption, or foster care. Only two respondents, however, had residential occupancy standards or limits by bedroom or other measure, one of whom stated that occupancy was based on two persons per bedroom. Written answers to these questions are presented in the Technical Appendix.

<b>Table VI.3</b>					
<b>Occupancy Standards</b>					
Non-Entitlement Areas of North Dakota 2011 Non-Entitlement Survey Data					
<b>Does your jurisdiction have:</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
A definition for the term "family"?	6	3	16	2	27
Residential occupancy standards or limits?	2	4	19	2	27

Table VI.4, below, presents data regarding questions related to special needs housing. The first questions addressed accessible housing. The inclusion of provisions for accessibility for persons with disabilities, as well as plan-checking for accessibility compliance, can help ensure the availability of housing for disabled persons. Four respondents had definitions for “disability” in their city codes, and five used development standards for housing for disabled persons; some comments mentioned the standard ADA and international building codes. Of the 23 respondents who answered this question, 18 did not have accessible housing standards or did not know, which indicates that a majority of cities surveyed were not aware of or compliant with housing accessibility requirements.

Some processes for requesting special provisions for accessible housing can create obstacles for those who need such housing. However, if there is no process in place, disabled persons may not feel able to request variances. Four respondents said that their cities had a process by which disabled persons could request reasonable accommodations or modifications to the city’s policies. See Table VI.4 and the Technical Appendix for more detailed information.

<b>Table VI.4</b>					
<b>Special Needs Housing</b>					
Non-Entitlement Areas of North Dakota 2011 Non-Entitlement Survey					
<b>Does your jurisdiction have:</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
A definition for the term "disability"?	4	4	15	4	27
Development standards for making housing accessible to persons with disabilities?	5	4	14	4	27
A process by which persons with disabilities can request modification to the jurisdiction's policies?	4	3	15	5	27
Standards for the development of senior housing?	3	5	15	4	27
Guidelines that distinguish senior citizen housing from other residential uses?	2	6	15	4	27
Guidelines for developing housing for any other special needs populations?	.	7	15	5	27

Seniors make up another population that often requires specialized housing and needs a variety of housing opportunities. Seniors can be disabled or on limited incomes, and often, policies based on minimum age limits help provide housing to those over 55 or 62. Three respondents reported that their codes had specific standards for the development of senior housing, as shown on the previous page in Table VI.4. However, only one comment affirmed these standards, stating that these standards were only applied when the project was financed with funding for senior housing.

Housing for other special needs populations can include group homes or care facilities for homeless persons, those afflicted by substance abuse, HIV/AIDS survivors, youth in crisis, and victims of domestic violence. These groups often require group or temporary housing in dedicated homes, often in residential areas. No respondents had guidelines for developing special needs housing, and no comments were received for this question.

Another set of questions inquired as to the level of commitment the local unit of government had in affirmatively furthering fair housing, as presented below in Table VI.5. Three respondents claimed to have fair housing ordinances, policies, or regulations. However, even without a fair housing plan, cities could affirmatively further fair housing in other ways, but no respondents said they had any fair housing policies or practices. This suggests that, even among the three respondents whose cities had fair housing policies, few actions to affirmatively further fair housing occurred.

<b>Table VI.5</b>					
<b>Fair Housing Policies</b>					
Non-Entitlement Areas of North Dakota					
2011 Non-Entitlement Survey Data					
<b>Does your jurisdiction have:</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
A fair housing ordinance, policy, or regulation?	3	3	15	6	27
Policies or practices for "affirmatively furthering fair housing"?	.	3	18	6	27

The final question in the survey was open-ended and requested any further questions or comments about the survey or fair housing. The comments were generally related to respondents' lack of knowledge about planning and zoning. See the Technical Appendix for these and other written responses.

## SUMMARY

The status of affirmatively furthering fair housing within North Dakota's public sector was primarily evaluated through review of the distribution of public housing and employment centers in the state, results of the public sector section of the fair housing survey, and results of a separate planning and zoning survey administered to non-entitlement city staff.

Evaluation of the placement of Section 8 properties in the state demonstrated that these housing options are more plentiful in the urban areas of the state and less available in rural areas.

An examination of the relationship among the location of employment centers, job training centers, and transit systems in the State of North Dakota revealed that these services appear to be adequate in more populated areas but may be less accessible in the rural and higher poverty areas of the state.

Results from the public sector section of the fair housing survey revealed that some respondents in North Dakota believe there are problematic practices or policies within the public sector. Several comments indicated that development of accessible and group housing is somewhat restricted due to land use policies and zoning codes. Respondents also addressed a lack of enforcement of health and safety codes or occupancy standards that restrict housing choice for families. Many comments noted that lack of public transportation acts as a barrier to housing, government, and community services.

A survey of planning and zoning staff in non-entitlement communities in North Dakota showed a sample of 27 responses describing current zoning and land use policies and practices. Few respondents were aware of codes and policies in their cities related to housing, although some had restrictive definitions of “dwelling unit” and “family.” Very few respondents reported that their cities include provisions for populations in need of accessible or group housing. Many respondents were unfamiliar with federal requirements for housing provision, including fair housing responsibilities.



## SECTION VII. PUBLIC INVOLVEMENT

This section analyzes fair housing in North Dakota based on various public involvement efforts conducted as part of the AI process. Sources include additional survey data and feedback collected from public input sessions.

### FAIR HOUSING SURVEY

As discussed in previous sections, a fair housing survey comprised a large portion of the public involvement efforts associated with the development of the North Dakota AI. While data from the survey regarding policies and practices within the private and public sectors have already been discussed, the remaining portions of the survey findings are presented in the narrative below.

The purpose of the fair housing survey, a relatively qualitative component of the AI, was to gather insight into knowledge, experiences, opinions, and feelings of stakeholders and interested citizens regarding fair housing as well as to gauge the ability of informed and interested parties to understand and affirmatively further fair housing. Many organizations throughout the state were solicited to participate.

A total of 300 persons in North Dakota completed the survey, which was conducted mostly online. Individuals solicited for participation included representatives of housing groups, minority organizations, disability resource groups, real estate and property management associations, banking entities, and other groups involved in the fair housing arena.

Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although many questions allowed the respondent to offer written comments. While the numerical tallies of results are presented in this section, along with summaries of some comment-heavy questions, a complete list of responses is included in the Appendix.

Respondents were asked to identify their primary role within the housing industry. As shown in Table VII.1, at right, 57 respondents identified themselves as representatives of advocate/service provider organizations in the state, while 56 respondents were identified as representatives of local government, and an additional 52 respondents said that they worked in banking or financial services.

The next question in the survey asked respondents to gauge their familiarity with fair housing law. Results of this question are presented on the following page in Table VII.2. As shown, many of the respondents who answered the question, 53.7 percent, indicated that they were somewhat familiar with fair housing law, and 31.3 percent said that they were very familiar with fair housing law, while only 15 percent said that they were unfamiliar.

<b>Role</b>	<b>Total</b>
Advocate/Service Provider	57
Local government	56
Banking/Finance	52
Property management	52
Homeowner	27
Construction/Development	12
Real estate	10
Law/Legal services	1
Other (please specify)	31
Missing	2
<b>Total</b>	<b>300</b>

<b>Table VII.2</b>		
<b>Familiarity with Fair Housing Laws</b>		
State of North Dakota 2011 Fair Housing Survey		
<b>Familiarity with Fair Housing Laws</b>	<b>Respondents</b>	<b>% of Those Who Answered</b>
Not Familiar	32	15.0%
Somewhat Familiar	115	53.7%
Very Familiar	67	31.3%
Missing	86	-
<b>Total</b>	<b>300</b>	<b>100.0%</b>

Table VII.3, below, shows the responses made to a number of questions regarding federal, state, and local fair housing laws. First, respondents were asked to indicate their understanding of the usefulness of fair housing laws in their communities. As shown, the majority of respondents indicated that fair housing laws are useful, with only five respondents who did not believe fair housing laws are useful.

First, respondents were asked if fair housing laws are difficult to understand or follow. As shown, 39 respondents said that fair housing laws are difficult to understand or follow, which represents 18.6 percent of respondents who answered this question. This finding suggests that fair housing laws may be perceived as complex, and outreach and education efforts may need to make the laws more approachable for the general public.

The third question in this section inquired if fair housing laws were adequately enforced. A total of 57 respondents indicated that fair housing laws are adequately enforced, while 52 said that fair housing laws are inadequately enforced, 86 did not know, and 105 did not answer the question.

<b>Table VII.3</b>					
<b>Federal, State and Local Fair Housing Laws</b>					
State of North Dakota 2011 Fair Housing Survey					
<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
Do you think fair housing laws are useful?	174	5	33	88	300
Are fair housing laws difficult to understand or follow?	39	112	59	90	300
Do you feel that fair housing laws are adequately enforced?	57	52	86	105	300

The next section of the survey related to fair housing activities, including outreach and education and testing activities. When asked if there was a training process available to learn about fair housing laws, 90 respondents indicated affirmatively and 80 respondents noted that they had actually participated in fair housing training. Respondents were also asked about their awareness of fair housing testing, and only 36 respondents were aware of such activity.

Questions in this section also invited respondents to gauge the current levels of fair housing activities in their communities. A total of 45 respondents suggested that there is a sufficient level of fair housing outreach and education activity in the state, as shown on the following page in Table VII.4, but 95 respondents said that outreach and education activities are insufficient. In terms of fair housing testing, most respondents did not appear to understand fair housing testing activities because most opted not to answer the question, but the persons who did elect to answer this question generally indicated that there is the right amount or too little fair housing testing activity.

**Table VII.4**  
**Fair Housing Activities in North Dakota**  
 State of North Dakota  
 2011 Fair Housing Survey

Question	Yes	No	Don't Know	Missing	Total	
Is there a training process available to you to learn about fair housing laws?	90	30	77	103	300	
Have you participated in fair housing training?	80	29	6	185	300	
Are you aware of any fair housing testing?	36	112	49	103	300	
	Too Little	Right Amount	Too Much	Don't Know	Missing	Total
Is there sufficient outreach and education activity?	95	45	2	55	103	300
Is there sufficient testing activity?	13	20	.	28	239	300

As part of the process of measuring understanding of fair housing law through the survey instrument, respondents were asked to list their awareness of classes of persons protected by fair housing law on a federal, state, and local level. Race and disability were offered as examples of protected classes in the question narrative. Results of this question are presented at right in Table VII.5 and show that, while many respondents were able to correctly identify several of the protected classes, including religion, age, familial status, national origin, sex, and color, comments also included a number of classes that have no such protection in the state such as economic status and income level. This finding falls in line with research presented in the literature review section of this document, which suggested that, nationally, many persons are not able to correctly list classes of persons protected by fair housing law in their community.

**Table VII.5**  
**Protected Classes Cited**  
 State of North Dakota  
 2011 Fair Housing Survey

Protected Classes	Total
Religion	94
Age	64
Familial Status	64
National Origin	61
Sex	61
Color	52
Gender	40
Marital Status	38
Public Assistance	21
Sexual Orientation	15
Race	11
Income Level	10
Elderly	9
Ethnicity	7
Handicap	6
Children	5
Source of Income	5
Disabled	4
Single Parents	3
Economic Status	2
Other	36
<b>Total</b>	<b>608</b>

**Table VII.6**  
**Fair Housing Violation Referrals**  
 State of North Dakota  
 2011 Fair Housing Survey

Referral	Total
Department of Labor	42
Fair Housing Office	28
HUD	21
Don't know	18
Housing Authority	12
Other	11
Attorney General	6
State	5
City	4
Department of Commerce	4
Secretary of State	4
Legal Aid	3
Google	1
<b>Total</b>	<b>159</b>

Respondents were also asked to indicate their awareness of where to refer persons who wished to file a fair housing complaint. Most respondents suggested

the Department of Labor, a "fair housing office," or HUD. However, many respondents said that they did not know, and many suggested generic references, including a fair housing office, city, state, and Google. Results are presented in Table VII.6, at left.

Table IV.7, on the following page, shows tallied responses to survey questions related to the status of fair housing in North Dakota. First, respondents were asked if they were aware of a fair housing plan in their communities. A total of 37 respondents indicated affirmatively, but many respondents said that they did not know or did not answer this question.

Respondents were also asked to offer information regarding any specific geographic areas within the state that might have increased fair housing problems. Again, while a number of respondents elected not to answer the question or indicated that they did not know, 19 respondents noted that certain geographic areas of North Dakota have fair housing issues, and written comments suggested that the following geographic areas may have increased problems with fair housing:

- Areas with high minority racial or ethnic concentrations such as in or near tribal lands or places with large migrant labor forces;
- Rural parts of the state where fair housing education activities might be less accessible; and
- Several cities, including Bismarck, Dickinson, Fargo, Grand Forks, Minot, and Williston.

The final question in this section asked respondents to evaluate if and how fair housing laws in the state should be changed. A total of 23 respondents indicated that fair housing laws in North Dakota should be changed, and comments suggested that:

- Clearer definitions are needed in terms of what constitutes a service animal, and
- Sexual orientation and victims of domestic violence should be included as protected classes.

<b>Table VII.7</b>					
<b>Status of Fair Housing</b>					
State of North Dakota 2011 Fair Housing Survey					
<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Don't Know</b>	<b>Missing</b>	<b>Total</b>
Are you aware of a fair housing plan in your community?	37	95	39	129	300
Are there geographic areas that have fair housing problems?	19	56	94	131	300
Do you think fair housing laws should be changed?	23	71	111	95	300

Respondents were also asked to offer any additional comments that they might have regarding fair housing in their communities, and many comments noted the need for an increased availability of fair housing agencies and services in the state for education and outreach activities, such as first-time homebuyer courses as well as testing and enforcement activities, particularly in the rural areas of the state.

## FAIR HOUSING FORUM

A public input opportunity, or fair housing forum, was held in Bismarck on November 3, 2011. The presentation was made available to several locations throughout the state through interactive video teleconferencing. The purpose of the forum was to allow the public the chance to learn more about the AI process, including why the AI was conducted as well as what preliminary findings were discovered. Comments, including reactions to the initial list of impediments and suggestions for proposed actions, were accepted from both agencies and citizens in attendance. A recording of the comments received at this presentation is on file with the DOC.

## SUMMARY

Public involvement opportunities were an intrinsic part of the development of this AI. Activities included a fair housing survey to evaluate current fair housing efforts and a forum wherein citizens were offered the chance to comment on initial findings of the AI and provide feedback on prospective impediments.

Results of the fair housing survey, which was completed by 300 persons throughout North Dakota, showed that most respondents felt that fair housing laws are useful but that they may be difficult to understand or follow. While many respondents said that they were aware of fair housing training such as classes and seminars, only 80 respondents said that they had taken part in any fair housing training. Respondents also showed unfamiliarity with the classes of persons protected by fair housing laws in North Dakota as well as where to refer someone who has a housing complaint. Many respondents noted the need for increased fair housing education and outreach activities, and a moderate need was indicated for increased testing and enforcement activities. Some respondents wanted fair housing laws changed in the state and suggested that sexual orientation and victims of domestic violence be added to the list of protected classes.

A fair housing forum held in November 2011, which was broadcast to several locations throughout North Dakota, allowed citizens and agencies to voice concerns about barriers to fair housing choice. The draft report was released for public review on January 6, 2012, and initiated a 30-day public review period.



## **SECTION VIII. RESEARCH CONCLUSIONS**

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Data from the Census Bureau showed that, between 2000 and 2010, the population in the State of North Dakota grew from 642,200 persons to 672,591 persons, or by 4.7 percent. During this time, the composition of the population changed to represent a greater share of racial and ethnic minority groups. Changes in distribution of these groups between 2000 and 2010 revealed that several populations, including black, Asian, and Hispanic groups, experienced double-digit increases in population. Some of these racial and ethnic groups were also slightly concentrated in some parts of the state, although the changes in concentration between 2000 and 2010 were only slight. Other groups, including disabled persons, also showed slight disproportionate concentrations in census tracts such as in some rural tracts and in Fargo, as of 2000.

A review of laws, studies, cases, and related materials relevant to fair housing in the State of North Dakota demonstrated the complexity of the fair housing landscape. It was determined that North Dakota's fair housing law offers protections beyond the scope of the federal Fair Housing Act. Examination of relevant fair housing studies and cases supported the idea that, while housing discrimination activity may have declined in recent years, disabled persons and racial and ethnic minorities remain commonly affected victims of housing discrimination.

A review of the fair housing profile in North Dakota revealed that two main organizations provide fair housing services: the U.S. Department of Housing and Urban Development (HUD) and the Human Rights Division of the North Dakota Department of Labor, the latter of which exists as an agency substantially equivalent to HUD in the state, with fair housing complaint processing and enforcement powers. These agencies provide outreach and education, complaint intake, and testing and enforcement activities for both providers and consumers of housing.

Home Mortgage Disclosure Act (HMDA) data were used to analyze differences in denial rates in the State of North Dakota by race, ethnicity, sex, income, and census tract. Evaluated home purchase loan applications from 2004 through 2009 showed that there were 50,082 loan originations and 6,204 loan denials, for an average six-year loan denial rate of 11 percent; denial rates fell from 12.2 percent in 2006 to 10.1 percent in 2009. These HMDA data also showed that American Indian, black, and Hispanic applicants experienced significantly higher rates of loan denials than white and Asian applicants, even after correcting for income. Further, these highly denied racial and ethnic groups appear to have been disproportionately impacted in some geographic areas of the state wherein denial rates were as high as 100 percent.

Analysis of high annual percent interest rate lending showed that American Indian, black, and Hispanic populations were also disproportionately impacted by an unusually higher share of lower-quality loan products. American Indian applicants experienced a rate almost double than that of white applicants, while Hispanic applicants experienced a rate about one and a half times that of white applicants. With such high proportions of these minorities receiving lower-quality, high-interest rate loans, the burden of foreclosure likely tended to fall more heavily upon these particular groups.

Analysis of data from the Community Reinvestment Act (CRA), which was developed to encourage investment in low- and moderate-income areas, showed that business loans were not directed toward areas with higher levels of poverty in the State of North Dakota.

Fair housing complaint data was requested from HUD and the North Dakota Department of Labor Human Rights Division (HRD). HUD data showed that 265 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 32 to 59, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets based on successfully conciliated complaints were disability, familial status, and race. The most common issues regarding these complaints were:

- Failure to make reasonable accommodation;
- Discriminatory refusal to rent;
- Discriminatory terms, conditions, or privileges relating to rental; and
- Discriminatory advertising, statements, and notices.

Data from the HRD showed that 289 complaints were filed in the state from January 2005 through May 2011. The number of complaints filed with this agency varied by year and ranged from 34 to 69, with 2011 excluded as a partial year. The protected classes most impacted by discrimination in rental markets were disability, familial status, race, and receipt of public assistance. The most common complaint issues in successfully conciliated complaints related to terms of rental, reasonable accommodation, refusal to rent, and advertising.

A review of a sample of more than 400 Craigslist postings throughout the state in September 2011 revealed few instances of poor language choices in advertisements for housing in the rental market, with some preferential statements made based on sex, age, and familial status.

Results from the private sector portion of a fair housing survey, which was conducted as part of the AI process, showed that many respondents saw possible issues of housing discrimination in North Dakota's private sector. Issues described by respondents regarding the rental markets related to denial of available units, refusal to rent, discriminatory terms and conditions, and failure to make reasonable accommodation or modification. In the home purchase and lending industries, comments related to refusal to lend based on race and disability. Additional concerns voiced about the private housing sector in North Dakota included failure to comply with disability codes in housing construction and a lack of advocacy organizations for protected groups and others seeking housing.

Evaluation of the placement of Section 8 properties in the state demonstrated that these housing options are more plentiful in the urban areas of the state and less available in rural areas.

An examination of the relationship among the location of employment centers, job training centers, and transit systems in the State of North Dakota revealed that these services appear to be adequate in more populated areas but may be less accessible in the rural and higher poverty areas of the state.

Results from the public sector section of the fair housing survey revealed that some respondents in North Dakota believe there are problematic practices or policies within the

public sector. Several comments indicated that development of accessible and group housing is somewhat restricted due to land use policies and zoning codes. Respondents also addressed a lack of enforcement of health and safety codes or occupancy standards that restrict housing choice for families. Many comments noted that lack of public transportation acts as a barrier to housing, government, and community services.

A survey of planning and zoning staff in non-entitlement communities in North Dakota showed a sample of 27 responses describing current zoning and land use policies and practices. Few respondents were aware of codes and policies in their cities related to housing, although some had restrictive definitions of “dwelling unit” and “family.” Very few respondents reported that their cities include provisions for populations in need of accessible or group housing. Many respondents were unfamiliar with federal requirements for housing provision, including fair housing responsibilities.

Results of the fair housing survey, which was completed by 300 persons throughout North Dakota, showed that most respondents felt that fair housing laws are useful but that they may be difficult to understand or follow. While many respondents said that they were aware of fair housing training, such as classes or seminars, only 80 respondents said that they had taken part in any fair housing training. Respondents also showed unfamiliarity with the classes of persons protected by fair housing law in North Dakota as well as where to refer someone with a housing complaint. Many respondents noted the need for increased fair housing education and outreach activities, and a moderate need was indicated for increased testing and enforcement activities. Some respondents wanted fair housing laws changed in the state and suggested that sexual orientation and victims of domestic violence be added to the list of protected classes.

A fair housing forum held in November 2011, which was broadcast to several locations throughout North Dakota, allowed citizens and agencies to voice concerns about barriers to fair housing choice. The draft report was released for public review on January 6, 2012, and initiated a 30-day public review period.



## SECTION IX. IMPEDIMENTS AND SUGGESTED ACTIONS

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Provisions to affirmatively further fair housing are long-standing components of HUD's housing and community development programs. In exchange for receiving federal funds from HUD, the State certifies that it is affirmatively furthering fair housing. The requirements of such certification comprise the following elements:

1. Conduct an Analysis of Impediments to Fair Housing Choice,
2. Take actions to remedy impediments if impediments are identified, and
3. Maintain records of the analysis and actions taken.

This report, which represents the first element in the certification process noted above, has identified several impediments to fair housing choice. HUD's definition of an impediment, reprinted from the *Fair Housing Planning Guide*, page 2-8, notes that Impediments to fair housing choice are:

- "Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices;" and
- Any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin.<sup>40</sup>

While several issues within the housing market were uncovered in the process of conducting this AI, only the issues that qualify as impediments to fair housing choice were included based on the definition printed above, with the inclusion of age, marital status, and receipt of public assistance as protected classes within the State of North Dakota.

The identified impediments are listed below for both the private and public housing sectors and are accompanied by specific actions that the State will follow to attempt to remedy these issues.<sup>41</sup>

### IMPEDIMENTS TO FAIR HOUSING CHOICE AND SUGGESTED ACTIONS

#### Private Sector Impediments, Actions, and Measurable Objectives

*Impediment 1:* Discriminatory terms and conditions in rental markets

*Action 1.1:* Conduct outreach and education activities for housing providers

*Measurable Objective 1.1:* Number of outreach and education activities conducted

*Action 1.2:* Conduct additional testing and enforcement activities in rental markets

*Measurable Objective 1.2:* Number of tests conducted

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<sup>40</sup> [http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5\\_TopSevenAFFH.pdf](http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf)

<sup>41</sup> Specific details regarding funding activities and timelines will be included in the next Annual Action Plan.

*Impediment 2: Failure to make reasonable accommodation or modification*

*Action 2.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 2.1: Number of outreach and education activities conducted*

*Action 2.2: Conduct a sample of audit testing activities in rental markets to determine scope of problem*  
*Measurable Objective 2.2: Number of audit tests conducted*

*Impediment 3: Discriminatory refusal to rent*

*Action 3.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 3.1: Number of outreach and education activities conducted*

*Action 3.2: Conduct additional testing and enforcement activities in rental markets*  
*Measurable Objective 3.2: Number of tests conducted*

*Impediment 4: Preferential statements in advertising for rental properties*

*Action 4.1: Conduct outreach and education activities for housing providers*  
*Measurable Objective 4.1: Number of outreach and education activities conducted*

*Impediment 5: Discriminatory terms and conditions in real estate markets*

*Action 5.1: Conduct additional testing and enforcement activities*  
*Measurable Objective 5.1: Number of tests conducted*

*Impediment 6: Denial of home purchase loans*

*Action 6.1: Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars*  
*Measurable Objective 6.1: Number of courses and seminars held*

*Impediment 7: Predatory-style lending activities*

*Action 7.1: Enhance homebuyer understanding of real estate transactions and establishing and keeping good credit through courses and seminars*  
*Measurable Objective 7.1: Number of courses and seminars held*

**Public Sector Impediments, Actions, and Measurable Objectives***Impediment 1: Inadequate fair housing outreach and education activities*

*Action 1.1: Enhance outreach and education efforts to public sector housing providers through webinars, seminars, and other outreach activities*  
*Measurable Objective 1.1: Number of outreach and education activities conducted*

*Action 1.2:* Distribute fair housing flyers and education materials at annual conferences and other public venues

*Measurable Objective 1.2:* Number of materials distributed

*Action 1.3:* Request technical assistance from HUD to ramp up activities

*Measurable Objective 1.3:* Document requests and results

*Impediment 2:* Lack of sufficient fair housing testing and enforcement activities

*Action 2.1:* Increase testing and enforcement activities

*Measurable Objective 2.1:* Number of tests and enforcement activities conducted

*Impediment 3:* Occupancy standards restrict housing choice for families and others

*Action 3.1:* Encourage local communities to evaluate local occupancy standards

*Measurable Objective 3.1:* Number of communities that have been encouraged

*Impediment 4:* Zoning decisions that affect placement of multifamily, group housing

*Action 4.1:* Encourage local communities to reevaluate decisions that may adversely affect housing placement

*Measurable Objective 4.1:* Number of communities that have been contacted

*Action 4.2:* Provide education and awareness opportunities to communities that may not have planning and zoning ordinances or codes that are in compliance with current practices

*Measurable Objective 4.2:* Number of opportunities offered

*Impediment 5:* NIMBYism (Not in My Backyard) tendencies affect housing availability

*Action 5.1:* Encourage planning decisions by Community Development Block Grant (CDBG) and HOME sub-recipient communities that work to decrease segregation and increase integration of populations

*Measurable Objective 5.1:* Number of communities that have been contacted

*Impediment 6:* Gaps exist in fair housing infrastructure

*Action 6.1:* Continue discussion on how gap left by dissolution of Fair Housing of the Dakotas (FHP) can be filled

*Measurable Objective 6.1:* Investigate possible options for coordinating fair housing activities with the HRD of the Department of Labor as well as the North Dakota Housing Finance Agency

*Measurable Objective 6.2:* The occurrence of a quarterly meeting between these agencies

*Action 6.2:* Investigate opportunities in creating new or reestablishing past FHIP grant recipient

*Measurable Objective 6.2: Document progress toward having a FHIP grantee operate in North Dakota*

## Impediments Matrix

Table IX.1, on the following page, lists all impediments, by private and public sector, and demonstrates which sources support the issue as an impediment to fair housing choice within the non-entitlement areas of the state. The protected classes most often cited in relation to the impediment are included as well. Furthermore, the matrix includes a ranking code that indicates the severity of the problem with “H” indicating high, “M” indicating moderate, and “L” indicating low.

<b>Table IX.1</b>												
<b>Impediments Matrix</b>												
State of North Dakota												
2011 Analysis of Impediments to Fair Housing Choice												
Impediment	Source									Protected Classes Affected	Severity Ranking	
	Census Data	Review of Fair Housing Profile	Literature/Case Review	HMDA Data	Housing Complaint Review	Advertisement Analysis	Fair Housing Survey	Non-Entitlement Community Survey	Fair Housing Forum			Other
<b>Private Sector</b>												
Discriminatory terms and conditions in rental markets			X		X		X				Race, National Origin, Disability	H
Failure to make reasonable accommodation or modification					X		X				Race, National Origin, Disability	M
Discriminatory refusal to rent					X		X				Disability, Race, National Origin	M
Preferential statements in advertising for rental properties					X	X	X				Disability, Familial Status	H
Discriminatory terms and conditions relating to sale					X						Race, National Origin	L
Denial of home purchase loans				X			X				Race, National Origin	M
Issuance of predatory-type loans in the home purchase markets				X			X				Race, National Origin	M
<b>Public Sector</b>												
Inadequate fair housing outreach and education services		X			X		X				All	H
Lack of sufficient fair housing testing and enforcement activities		X			X		X				All	H
Occupancy standards restrict housing choice							X	X			Familial Status	M
Zoning decisions that affect placement of multi-family, group housing							X			X	Familial Status, Disability	M
NIMBY (Not in My Backyard) tendencies affect housing availability							X	X			Familial Status, Disability	M
Inadequate fair housing structure despite existence of state fair housing law		X			X		X				National Origin	H