

August 13, 2024

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

As Approved by the U.S. Department of Housing & Urban Development



**CITY OF
TRAVERSE CITY**



**WAIDE
TRIM**



**EQUAL HOUSING
OPPORTUNITY**

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1.0 INTRODUCTION

Traverse City, Michigan, is a new participant in the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program. Since the inception of CDBG funds to entitlement communities, HUD has required various reports to satisfy the grantee jurisdiction's compliance with all laws, applicable programs, and regulations, and to demonstrate the community's ability to carry out the program in a timely manner. As a condition of compliance, communities who are awarded CDBG funds are instructed by HUD to conduct an Analysis of Impediments to Fair Housing Choice (AI) under 24 Code of Federal Regulations (CFR), Section 570.904[c], of the federal CDBG program.

The purpose of the analysis, which is required in each entitlement area throughout the nation, is to determine the possible existence of impediments to fair housing choice based upon race, religion, sex, color, national origin, disability, or familial status. If any impediments are identified, entitlement communities are directed to suggest necessary steps to reduce and/or eliminate barriers that prevent affirmatively furthering fair housing.

In the Fair Housing Planning Guide, HUD defines the AI as: “. . . A comprehensive review of states or entitlement jurisdiction's laws, regulations, and administrative policies, procedures and practices. The AI involves an assessment of how these laws, policies and procedures affect the location, availability and accessibility of housing and how conditions, both private and public, affect fair housing choice.”

Additionally, HUD updated its requirements in a memorandum dated February 14, 2000, that stated, in part, “the Consolidated Plan regulation (24 CFR 91) requires each state and local government to submit a certification that is affirmatively furthering fair housing. This means that it will (1) conduct an analysis of impediments to fair housing choice, (2) take appropriate actions to overcome the effects of impediments identified through that analysis, and (3) maintain records reflecting the analysis and actions.”

1.1 FAIR HOUSING CHOICE

The Federal Fair Housing Act, passed in 1968 and amended in 1988, prohibits discrimination in housing on the basis of race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability. The Fair Housing Act covers most types of housing including rental housing, home sales, mortgage and home improvement lending, and land use and zoning. Excluded from the Act are owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a real estate agent or broker, housing operated by organizations and private clubs that limit occupancy to members, and housing for older persons. The State of Michigan has a Fair Housing law (Michigan Fair Housing Act of 1968) similar to the Federal Fair Housing Act.

Housing choice throughout the United States has yet to realize the levels of equal access guaranteed in the Civil Rights Act affecting persons who encounter discrimination based on race, color, religion, sex, national origin, disability or familial status. Fair Housing Choice has come a long way over the past 55 years. However, recent reports show that barriers to affirmatively further fair housing still exist.

The National Fair Housing Alliance's (NFHA) 2023 Fair Housing Trend Reports provides up-to-date published findings and show that significant barriers still exist among persons based on race, color, religion, sex, national origin, disability and familial status. Its key findings include:

- Housing discrimination persists nationwide and is severely underreported.
- In 2022, the National Fair Housing Alliance reported a total of 33,007 complaints of housing discrimination, an increase of 5.74% in complaints compared to 2021.
- Discrimination based on disability accounted for the majority (over 53%) of complaints filed.
- Equal access to affordable, quality credit continues to be a major fair lending issue throughout the United States. Underserved populations, including African Americans, Latinos, Native Americans, persons with disabilities, immigrants and women, have long been subjected to various forms of lending bias.
- Many underserved groups continue to be steered to particular neighborhoods, with housing providers lying about availability or cost of apartments for minority populations.
- Persons of color are more likely to receive subprime loans, higher cost loans, and loans with extra fees.
- There were significant increases in complaints based on sex, domestic violence, and source of income.

1.2 METHODOLOGY USED

The purpose of this analysis is to identify any local housing concerns and impediments to the exercise of fair housing choice in Traverse City, Michigan. Traverse City is a coastal town located in the northern-central part of Grand Traverse County in northern Michigan. A small part of in northwestern Traverse City crosses into Leelanau County. Inaugurated in 2024 in the Community Development Block Grant (CDBG) program, the city is a new entitlement grantee, and this is the first Analysis of Impediments to Fair Housing Choice completed by Traverse City.

This analysis attempts to identify any attitudes, barriers, institutional practices and public policies which create barriers to affirmatively further fair housing within Traverse City. Research and analysis of information regarding housing choice and restrictions was based upon review of socioeconomic and housing characteristics. Data sources included historical United States (U.S.) Census figures (1990-2022), HUD's Affirmatively Furthering Fair Housing (AFFH) Data and Mapping Tool, as well as reports and statistics from local, regional, State and Federal agencies, Traverse City and Grand Traverse and Leelanau County data, and interest groups. Reflecting HUD guidelines concerning "recommended

contents,” this analysis incorporates the background of housing choice in Traverse City; federal, state and local public policies; profiles describing socioeconomic conditions of persons who make up Traverse City; and community services provided by the City’s CDBG program. This analysis includes institutional practices that affect the level of choice available within the area’s housing market.

2.0 COMMUNITY PROFILE

The purpose of this profile is to describe the socioeconomic characteristics of Traverse City, Michigan, which is essential to the short and long-term housing goals of the community. Socioeconomic characteristics include, but are not limited to, population size, age, gender, race, employment, housing value, tenure, and housing unit age. Compiling and examining data on these elements will help guide City officials in determining the housing needs of City residents.

Traverse City is located in northwest Michigan on the shore of Grand Traverse Bay (East and West), which connects to Lake Michigan. It is a popular seasonal vacation spot that also has a strong year-round resident population. The area is comprised of various industries and commerce, especially related to tourism and recreation. The entire city is approximately nine square miles and has 243 miles of Lake Michigan coastline, which includes beaches, coves, islands, and bays. Traverse City is primarily within Grand Traverse County, and is about 145 miles from Grand Rapids, approximately 50 miles from Gaylord, and about 120 miles from Mackinaw City.

Traverse City was founded in 1847 and is the county seat for Grand Traverse County. Originally a French settlement, the area was ceded to the United States during the Treaty of Paris in 1783.

Traverse City is known as the cherry capital of the world. The city hosts the national cherry festival, which attracts about half a million visitors annually. The region is also known for wine production and vineyards. Historically, Traverse City thrived on trade and farming. The city continued to grow in population and is the most populated city in Grand Traverse County. Today, the city employs thousands of residents and is comprised of industries in manufacturing, automotive, defense, health care, retail, agriculture, and more.

Today, Traverse City is committed to a policy of diversity and inclusion. Recreation and community engagement are important attributes of the city. In addition to more than 30 parks and recreational spaces, Traverse City offers collaborative community activities, restaurants, retail attractions, and local festivals making the city an engaging place to live and work.

2.1 POPULATION PROFILE

Total Population

Table 1 illustrates population trends in Traverse City and surrounding areas over a 22-year period from 2000 through 2022. According to the 2022 American Community Survey (ACS), Traverse City, Michigan has a population of 10,057,921 people.

Traverse City shows a positive population trend over the past 22 years, with a greater increase in the decade from 2010 to 2022 than from 2000 to 2010. From 2010 to 2022, the population of Traverse City increased by 5.4%. Between 2000 to 2010, Traverse City's population increased by 0.8%. Over the same time, the population in the State of Michigan has decreased then increased slightly compared to Traverse City. While Traverse City's population experienced an overall increase over the past 22 years, the State of Michigan has fluctuated over the past couple decades.

TABLE 1: HISTORICAL POPULATION TRENDS

Place	2000	2010	Change 2000-2010		2022	Change 2010-2022		Change 2000-2022	
			#	%		#	%	#	%
Traverse City	14,551	14,674	123	0.8%	15,468	794	5.4%	917	6.3%
Michigan*	9,938,444	9,883,640	-54,804	-0.6%	10,057,921	174,281	1.8%	119,477	1.4%

Source: 2000, 2010 U.S. Census; 2018-2022 American Community Survey 5-Year Estimates

Racial/Ethnic Population Breakdown

Table 2 illustrates the current (2022) breakdown of Traverse City's total population by race and ethnicity. Due to changes in the U.S. Census data collection methods over the past 20 years, comparison by category is not always accurate. However, the recent data collection methodology has improved.

According to the 2018-2022 American Community Survey (ACS) approximately 95.8% of Traverse City's population is one race. The city has approximately 14,230 persons, or 92%, that identified as White. In comparison, 223 or 1.4% of its population identified as Black or African American, while 650 or 4.2% of its population identified as having two or more races. Additionally, 96 persons or, 0.6% of the City's population identified as being American Indian or Alaskan Indian, and 211 persons, or 1.4%, of the City's population identified as being Asian or Pacific Islander.

TABLE 2: RACIAL DISTRIBUTION

Racial Distribution	2010	Percent of Total Population, 2010	2022	Percent of Total Population, 2022	Percent of Total Change, 2010-2022
	#	%	#	%	%
Population of One Race	14,398	97.5%	14,818	95.8%	2.9%
White	14,061	95.2%	14,230	92.0%	1.2%
Black or African American	62	0.4%	223	1.4%	259.7%
American Indian and Alaskan Indian	151	1.0%	96	0.6%	-36.4%
Asian or Pacific Islander	91	0.6%	211	1.4%	131.9%
Two or More Races	374	2.5%	650	4.2%	73.8%
Some Other Race	33	0.2%	58	0.4%	75.8%
Total Population	14,772	100%	15,468	100%	N/A

Source: 2010 U.S. Census; 2018-2022 American Community Survey 5-Year Estimates

Table 3 describes the racial and ethnic distribution for Traverse City, Michigan. Traverse City is comprised of predominantly White, Non-Hispanic population (96.5%). The Black, Non-Hispanic population comprises 1.4% of the City population, followed by 3.5% Hispanic, and 1.4% Asian or Pacific Islander.

Table 4 shows that since 2010, the Hispanic Origin population has grown slightly in Traverse City. **Table 4** illustrates the change in both the City's Black or African American and White populations during this period. Since 2010, the City's Black or African American population increased by less than half a percent, while the City's White population decreased by 3.9%. The State of Michigan's Black or African American population decreased by 3.5%, and the White population increased by 4.3%. The Hispanic population also has dramatically increased (69.9%).

TABLE 3: TRAVERSE CITY CDBG

Race/Ethnicity	2010		2020	
	#	%	#	%
White, Non-Hispanic	13,692	93.3%	14,012	89.4%
Black, Non-Hispanic	103	0.7%	154	1.0%
Hispanic	280	1.9%	490	3.1%
Asian or Pacific Islander, Non-Hispanic	104	0.7%	135	0.9%
Native American, Non-Hispanic	238	1.6%	156	1.0%
Two or More Races, Non-Hispanic	245	1.7%	679	4.3%
Other, Non-Hispanic	12	0.1%	329	2.1%
TOTAL	14,674	100%	15,678	100%

Source: 2010 Census; 2020 Census

The Black/African American Population map (Appendix A) shows the distribution of African Americans in the City. In general, there is a very low percentage of Black or African American individuals living within Traverse City; however, these individuals appear to be concentrated in the north central block groups and the southeastern block groups. These areas of the city have concentrations of Black or African American populations of 5% or greater, compared to the rest of the city, which is generally less than 1.5% Black or African American.

The Hispanic and Latino Population Map (Appendix A) shows the distribution of Hispanic or Latino individuals living within the city. In general, there is a very low percentage of Hispanic or Latino individuals living in Traverse City; however, this ethnic group of people appear to be somewhat concentrated in two areas: in several northwestern block groups to the west of Union Street and north of 8th Street, and in a group of northeastern block groups east of Woodmere Avenue, north of 8th Street, and south of Eastern Avenue. These concentrations represent block groups with Hispanic or Latino populations of greater than 5% compared to the rest of the city at less than 5% and less than 1.5%.

TABLE 4: CHANGE IN RACE

Group	2010	2022	2010-2022% Change
Traverse City			
White	13,846	14,230	2.8%
Black	103	223	116.5%
Hispanic Origin	290	544	87.6%
Michigan			
White	7,803,120	7,617,085	-2.4%
Black	1,400,362	1,363,539	-2.6%
Hispanic Origin	436,358	550,427	26.1%

Age

According to the 2018-2022 ACS, the population of Traverse City is relatively older with roughly 57% of its population at 35 years of age or older. The median age in Traverse City is 41.9 years of age. The age and gender breakdown are shown in **Table 5**.

TABLE 5: AGE AND GENDER DISTRIBUTION

Age-Cohort	2010			2021		
	Male	Female	Total	Male	Female	Total
Total Population	6,797	7,975	14,772	7,505	7,963	15,468
Under 5 years	518	626	1144	253	389	642
5 to 9 years	312	384	696	278	440	718
10 to 14 years	253	350	603	385	450	835
15 to 19 years	387	405	792	461	354	815
20 to 24 years	607	429	1036	446	545	991
25 to 34 years	1,027	1,102	2129	1366	1,013	2,379
35 to 44 years	1,044	1,097	2141	1,018	889	1,907
45 to 54 years	982	1,084	2066	869	762	1,631
55 to 59 years	656	682	1338	485	443	928
60 to 64 years	282	404	686	444	560	1,004
65 to 74 years	409	525	934	1,019	1,282	2,301
75 to 84 years	196	446	642	334	418	752
85 years and over	124	441	565	147	418	565
Median age (years)	37.1*	40.5*	38.7*	39.8	44.4	41.9

Source: 2010 U.S. Census; 2018-2022 American Community Survey 5-Year Estimates; 2006-2010 American Community Survey 5-Year Estimates*

Table 6 below details the age and gender distribution within Traverse City. The data show that within the city that about 15% of the population are under the age of 18, nearly 64% are 18 years to 64 years old, and about 21% are 65 years or older. Additionally, according to the 2018-2022 American Community Survey (ACS), gender distribution within the city is evenly divided among male and females.

TABLE 6: AGE AND GENDER DISTRIBUTION

Age	#	%
Under 18	2,627	15.21%
18-64	11,029	63.85%
65+	3,618	20.94%
Sex	#	%
Male	184,221	49.30%
Female	189,475	50.70%

Source: 2018-2022 American Community Survey 5-Year Estimates

Income and Poverty

According to the 2018-2022 American Community Survey (ACS), Traverse City has a median household income of \$70,700 per year, median family income of \$99,595, with 5.4% of families falling below the federal poverty level and 11.2% of individuals falling below the federal poverty level (see **Table 7**).

TABLE 7: INCOME AND POVERTY

Place	Median Household Income	Median Family Income	Per Capita Income	% Families Below Poverty Level	% Individuals Below Poverty Level
Traverse City	\$70,700	\$99,595	\$48,883	5.4%	11.2%
Michigan	\$66,986	\$85,865	\$38,151	9.1%	13.4%

Source: 2018-2022 American Community Survey 5-Year Estimates

According to the 2018-2022 ACS, Traverse City reported that approximately 11.2% of individuals were living below the federal poverty level. This is about 2% lower than the rate of individuals living below the poverty level for the State. The State of Michigan reported approximately 13.4% of individuals were living below the federal poverty level. **Table 8** illustrates the breakdown between race and poverty level in the city, according to the 2018-2022 ACS, provided by the U.S. Census Bureau.

TABLE 8: RACE AND POVERTY

Race and Hispanic Origin	Below Poverty Level	Percent Below Poverty Level
White	1,498	10.9%
Black or African American	53	31.4%
American Indian and Alaska Native	3	4.0%
Asian	0	0.0%
Native Hawaiian and Other Pacific Islander	0	0.0%
Some Other Race	0	0.0%
Two or More Races	109	17.2%
Hispanic or Latino Origin	116	23.1%
White Alone, Not Hispanic or Latino	1,427	10.6%

Source: 2018-2022 American Community Survey 5-Year Estimates

The Low- and Moderate-Income Persons map (Appendix A), indicates that the highest concentrations of low- and moderate-income persons are concentrated to the central part of the city. A low- and moderate-income person earns less than 80% of the Area Median Income (AMI). Traverse City reviews statistical information on an annual basis for all areas that have been determined to have at least 51.00% of its population with low and moderate incomes (80% of the Area Median Income). Currently there are five Block Groups that meet or exceed these criteria in the city.

Opportunity Indicators by Race/Ethnicity

An opportunity analysis promotes the purposes of the Fair Housing Act, as described in the legislative history and reflected in the statute and regulations. As Congress was working to pass the Fair Housing Act, Senator Phillip Hart emphasized the relationship between housing and opportunity stating, “where a family lives, where it is allowed to live, is inextricably bound up with better education, better jobs, economic motivation, and good living conditions”.

Because housing is part of a community, an important component of fair housing planning is to assess how a person’s place of residence, public and private investment choices, and state and local policies relating to schools, transportation, employment, environmental health, and community development affect access to opportunity, and which individuals and groups with protected characteristics are most affected by a lack of, or inability to access, opportunity.

Addressing disparities in access to opportunity may involve a balanced approach that provides for both strategic investments in areas that lack key opportunity indicators and also works to open up housing opportunities in areas with existing opportunity through effective mobility options and the preservation and development of affordable housing in high opportunity areas.

School-related policies have the potential to limit school choice or create situations where students living in concentrated areas of poverty are assigned to a less proficient school because of geography. Such situations could limit access to learning opportunities.

As a new entitlement grantee, this data from the AFFH Data and Mapping tool is not yet available for the City of Traverse City. Future iterations of this analysis will include data from the AFFH Data and Mapping tool as it becomes available.

In general, opportunity indicators tend to show that, historically, of the general population, minority race populations tend to have less access to proficient schools, higher rates of poverty, less access to proximate jobs, and less access to environmentally healthy neighborhoods.

According to HUD data, which is limited for Traverse City as a new entitlement grantee, there are no Census Tracts that qualify as a Racially/Ethnically Concentrated Area of Poverty (R/ECAP).

Education

The correlation between education, employment and income, while not necessarily a Fair Housing matter, does affect housing choice. **Table 10** illustrates the educational attainment for Traverse City. According to the 2018-2022 ACS, a small population over the age of 18 (5%) in Traverse City did not graduate from high school. A significant number of adults (42%) graduated from high school or have some college education but no college degree. Combined, approximately 47% of the population 18 years or older (6,088 adults) do not have a college degree.

TABLE 10: EDUCATIONAL ATTAINMENT, 2021 - POPULATION 25 YEARS AND OLDER

	Age*				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	0	39	0	32	46
9th to 12th grade, no diploma	177	40	67	151	142
High school graduate, GED, or alternative	293	384	272	507	790
Some college, no degree	551	519	478	677	923
Associate's degree	326	279	118	562	119
Bachelor's degree	27	628	603	1,030	759
Graduate or professional degree	0	490	369	604	839

Source: 2018-2022 ACS

*Universe: Population 18 years and over

Limited English Proficiency (LEP) and Linguistic Isolation

An individual who does not speak English as their primary language can be limited English proficient, or “LEP”. The native language of those individuals is often referred to as a LEP Language.

The U.S. Census defines “Linguistically Isolated” as all members 14 years old and over (1) speaks only English or (2) speaks a non-English language and speaks English “very well.” In other words, all members 14 years old and over have at least some difficulties with English. In Traverse City, about 40 households have Limited English Proficiency.

TABLE 11: LINGUISTIC ISOLATION

Households Speaking --	Limited English Speaking Households	Percent LEP Housholds
Spanish	0	0.0%
Other Indo-European Languages	40	28.8%
Asian and Pacific Island Languages	0	0.0%
Other Languages	0	0.0%

Disability

According to the 2018-2022 ACS 5-Year Estimates, disabilities are categorized into six types: hearing difficulty, vision difficulty, cognitive ability, ambulatory difficulty, self-care difficulty, and independent living difficulty. According to the 2018-2022 ACS 5-Year Estimates (the most recent dataset for which disability status is available), approximately 1,838 people or 12.2% of the population in the City of Traverse City is estimated to have a disability. While the majority of disabled persons (781 people) are over 65 years of age, a large number (772) of people between the ages of 18 and 64 years of age are disabled.

Physically disabled persons are those having an impairment which impedes their ability to function independently. Persons who have a physical disability may suffer from a hearing difficulty, vision difficulty, or an ambulatory difficulty. These persons may also have a cognitive, self-care, and independent living impairment as well, and are also included in the developmentally disabled count.

The American Community Survey (ACS) defines disability as a long-lasting physical, mental, or emotional condition. Persons who have a developmental disability may suffer from a cognitive difficulty, a self-care difficulty, or an independent living difficulty. According to the ACS, this condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home or to work at a job or place of business. These persons may also have a hearing, vision, and ambulatory impairment as well, and are also included in the physically disabled count.

Table 12 shows disabilities by type in Traverse City. The three most prevalent disability types in the city are ambulatory difficulty (4.7%), cognitive difficulty (6.1%), and independent living difficulty (5.8%).

TABLE 12: DISABILITY BY TYPE

Traverse City (CDBG Jurisdiction)		
Disability Type	#	%
Hearing difficulty	561	3.7%
Vision difficulty	313	2.1%
Cognitive difficulty	881	6.1%
Ambulatory difficulty	681	4.7%
Self-care difficulty	240	1.7%
Independent living difficulty	727	5.8%

Source: 2018-2022 American Community Survey

National Origin

As a new entitlement grantee, there is no data available through the AFFH Data and Mapping Tool related to National Origin; however, according to the 2018-2022 American Community Survey (ACS), in Traverse City, the most common regions of National Origin, outside of the United States of America, are Europe, Asia, and Latin America.

2.2 HOUSING PROFILE

Housing Inventory

According to the 2011-2015 American Community Survey (ACS), there were a total of 7,573 housing units in Traverse City. Approximately 90.2% of the units were occupied while 9.8% of the units were vacant. However, according to the 2018-2022 ACS, there were a total of 8,302 housing units in Traverse City. Approximately 90.6% of these units were occupied. Traditionally, residential vacancy rates have been used as an indicator of equilibrium between supply and demand in a given housing market.

TABLE 13: HOUSING TENURE

Housing Tenure	ACS 2015	ACS 2022	Change 2015-2022
Owner Occupied	3,980	4,377	10.0%
Renter Occupied	2,487	2,727	9.7%
Vacant	1,106	1,198	8.3%
Homeowner Vacancy Rate	0.0	0.8	0.8%
Rental Vacancy Rate	9.8	8.6	-1.2%
Total Housing Units	7,573	8,302	729 Units

Source: 2011-2015 & 2018-2022 American Community Survey 5-Year Estimates

The total number of housing units in the City of Traverse City increased slightly over the past decade. The City had a total of 7,471 housing units at the time of the 2008-2012 ACS and 8,302 housing units at the time of the 2018-2022 ACS, representing a growth in total number of housing units of 11%.

TABLE 14: ALL RESIDENTIAL PROPERTIES BY NUMBER OF UNITS

Property Type	Number	%
1-unit detached structure	5,155	62.1%
1-unit, attached structure	348	4.2%
2-4 units	698	8.4%
5-19 units	1,315	15.8%
20 or more units	746	9.0%
Mobile Home, boat, RV, van, etc.	40	0.5%
Total	8,302	100%

Data Source: 2018-2022 ACS

As shown in **Table 14**, data from the 2018-2022 ACS shows that the majority of residential properties are single units (66.3%). Single-unit properties are either detached structures (62.1%) or attached structures (4.2%). Residential properties are further categorized into properties within 2-4 unit structures (8.4%), properties within 5-19 unit structures (15.8%), and properties within 20 or more-unit structures (9.0%).

These categories comprise 99.5% of the City’s housing stock. The remainder of residential properties in the City is classified as mobile home, boat, RV, van, etc. (0.5%).

Age of Structure

The age of a dwelling unit is a factor used to evaluate the structural quality of the unit. The average industry standard for the life span of a single-family dwelling is generally 50 years. However, this typical life span often depends on the quality of the original construction and continued maintenance of the unit. Using this standard, most homes found within the city were constructed prior to at least 50 years ago and may be approaching the end of their utility or are in need of rehabilitation.

Table 15 identifies the age of residential structures in the city. Evidently, the majority of the units in Traverse City were built from 1950 to 1979, with a significant number built prior to 1950. This is typical of many regions nationwide as the United States experienced a housing boom that began after World War II.

When considering the average life span of a dwelling unit, the homes built before 1980 will generally need rehabilitation. Thus, over 81% of the city’s owner-occupied housing units and 69% of renter-occupied units have reached their life span. These homes require regular maintenance to remain structurally sound.

In **Table 15**, only 12% of owner-occupied units and only 13% of renter-occupied units were built since 2000. The primary reason for a decrease in construction of new homes in the city is the result of the broader state and national economy and the potential redevelopment of older residential structures. Most of the city’s future population will be served by existing residential units, redevelopment of existing units, and infill housing.

TABLE 15: YEAR UNIT BUILT

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	532	12%	364	13%
1980-1999	320	7%	490	18%
1950-1979	1,469	34%	1,087	40%
Before 1950	2,056	47%	786	29%
Total	4,377	100%	2,727	100%

Data Source: 2018-2022 ACS

The age of housing within City of Traverse City is detailed in **Table 15**. Of the 4,377 owner-occupied housing units, approximately 81% were built prior to 1980 and 19% were built after 1980. Of the 2,727 renter-occupied housing units, approximately 69% were built prior to 1980 and only 31% were built after 1980. Over half of the City of Traverse City’s housing units were built after 1950, with 47% of owner-occupied units and 29% of renter-occupied units built before 1950.

Risk of Lead-Based Paint

The risk of lead-based paint hazards within Traverse City is estimated in **Table 16**. Because the actual number of housing units in the City with lead-based paint is not available, an assumption must be made. For the purposes of this plan, a housing unit built before 1980 is presumed to have a higher risk of lead-based paint. Therefore, the table shows the total number of owner-occupied and renter-occupied units that were built before 1980, as well as those built before 1980 with children present. The data for this table is from the 2018-2022 ACS and 2016-2020 CHAS.

TABLE 16: RISK OF LEAD-BASED PAINT HAZARD

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	3,525	80.5%	1,873	68.6%
Housing Units built before 1980 with children present	220	5%	80	3%

Data Source: 2018-2022 ACS (Total Units); 2016-2020 CHAS (Units with Children present)

As shown in **Table 16**, 3,525 or about 80.5% of owner-occupied housing units in the City were built prior to 1980, while 220 or 5% were built before 1980 and have children present. For renter-occupied housing units, 1,873 or 68.6% were built prior to 1980 while 80 or 3% were built prior to 1980 and have children present. Although there is a high percentage of owner-occupied housing units built before 1980, there is a low percentage of owner-occupied housing units with children present. Similarly, the percentage of renter-occupied housing units built before 1980 and built before 1980 with children present is low.

Number of Households and Types

Table 17 shows the number and type of households by HUD Adjusted Median Family Income (HAMFI). The default data source is the 2016-2020 CHAS database developed by HUD.

The highest number of households is in the greater than 100% HAMFI group with 3,350 households. The second highest is the >50-80% HAMFI group (1,145). Approximately 895 households or approximately 13% of all households in the City of Traverse City earn below 30% of HAMFI.

Small family households are households that have a family with two to four members. The highest number of small family households is within the >100% HAMFI group (1,335). The second-highest number of small family households is within the >50-80% HAMFI group (310). About 85 households or approximately 6% of small family households in the City of Traverse City earn below 30% of HAMFI.

Large family households are households that have a family of five or more members. Again, the highest number of large family households is within the >100% HAMFI group (255). The second-highest number of large family households is within the >80-100% HAMFI group (20). No large family households in the City of Traverse City earn below 30% of HAMFI.

Table 17 also provides data on households that contain at least one person considered to be elderly. The data suggests that among income groups, the largest number of households with a person 62-74 years of age is within the >100% HAMFI income group (960). The largest number of households with a person

75 years or older is also within the >100% HAMFI income group (340). About 425 households contain at least one person 62 years or older and earn below 30% of HAMFI, representing approximately 14% of elderly households.

Finally, data provided in **Table 17** shows the number of households with one or more children 6 years old or younger. Among the household income groups identified, the highest number of households with children 6 years or younger is within the >100% HAMFI income category (260). The second highest number of households with children 6 years old or younger is within the >30-50% HAMFI group (115). Approximately 19% of households with one or more children 6 years old or younger make less than 30% HAMFI.

TABLE 17: TOTAL HOUSEHOLDS TABLE

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	895	885	1,145	615	3,350
Small Family Households	85	140	310	235	1,335
Large Family Households	0	0	4	20	255
Household contains at least one person 62-74 years of age	295	335	265	165	960
Household contains at least one-person age 75 or older	130	240	175	35	340
Households with one or more children 6 years old or younger	50	115	105	80	260

Source: HUD IDIS Output, May 2024: 2016-2020 CHAS

Housing Problems

Table 18 displays the number of households with housing problems by tenure and HUD Adjusted Median Family Income (HAMFI) according to the default 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) data developed by HUD.

As defined by HUD, housing problems include:

- Substandard housing lacking complete plumbing facilities
- Substandard housing lacking complete kitchen facilities
- Overcrowded households with 1.01 to 1.5 people per room, excluding bathrooms, porches, foyers, halls, or half-rooms
- Households with housing cost burden greater than 30% of income

The first housing problem, substandard housing, is defined as a household without hot and cold piped water, a flush toilet and a bathtub or shower, and kitchen facilities that lack a sink with piped water, a range or stove, or a refrigerator.

The second housing problem identified is households living in overcrowded conditions. There are two forms of overcrowding defined by HUD and identified in **Table 18**:

1. Severely overcrowded is defined as a household having complete kitchens and bathrooms but housing more than 1.51 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.
2. Overcrowded is defined as a household having complete kitchens and bathrooms but housing more than 1.01 to 1.5 persons per room excluding bathrooms, porches, foyers, halls, or half-rooms.

The final housing problem identified is cost burden. Cost burden is a fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities.

For owners, housing costs include mortgage payment, taxes, insurance, and utilities. Cost burden is broken into two categories based on severity:

- Severe housing cost burden greater than 50% of income
- Housing cost burden greater than 30% of income

As shown in **Table 18**, among the "housing problem" categories, households within the City of Traverse City are most impacted by housing cost burden (greater than 30% of income) and severe housing cost burden (greater than 50% of income).

As shown in **Table 18**, 805 renters have a cost burden greater than 30% of income and 540 renters have a cost burden greater than 50% of income. An estimated 260 owners have a cost burden greater than 30% of income and 270 owners have a cost burden greater than 50% of income.

TABLE 18: HOUSING PROBLEMS TABLE (HOUSEHOLDS WITH ONE OF THE LISTED NEEDS)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Substandard Housing - Lacking complete plumbing or kitchen facilities	0	15	0	0	15	0	0	0	4	4
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	0	0	45	0	45	0	0	0	0	0
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	0	0	0	0	0	0	0	0	0	0
Housing cost burden greater than 50% of income (and none of the above problems)	360	160	20	0	540	140	45	60	25	270
Housing cost burden greater than 30% of income (and none of the above problems)	105	370	280	50	805	20	85	145	10	260
Zero/negative Income (and none of the above problems)	105	0	0	0	105	10	0	0	0	10

Source: HUD IDIS Output, May 2024: 2016-2020 CHAS

Additional Housing Problems

Table 19 displays the number of households with no housing problems, one or more housing problems, and negative income by tenure and HUD Area Median Income (AMI). The Default Data Source is the 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) data developed by HUD.

As the data reveals in **Table 19**, of the total 880 households having one or more of four housing problems, the majority are renter households. Renters and owners in the 0-30% AMI group experience the highest occurrence of one or more of the four housing problems when compared to other income groups. Regardless of tenure, a total of 500 households below 30% AMI experience some form of housing problem. In the 0-30% AMI group, more renter households than owner households (360 and 140, respectively) have one or more of the four housing problems.

No households have negative income but none of the other four identified housing problems.

TABLE 19: HOUSING PROBLEMS 2 (HOUSEHOLDS WITH ONE OR MORE SEVERE HOUSING PROBLEMS: LACKS KITCHEN OR COMPLETE PLUMBING, SEVERE OVERCROWDING, SEVERE COST BURDEN)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Having 1 or more of four housing problems	360	180	60	0	600	140	45	60	35	280
Having none of four housing problems	345	485	515	295	1,640	45	175	510	290	1,020
Household has negative income, but none of the other housing problems	0	0	0	0	0	0	0	0	0	0

Source: HUD IDIS Output, May 2024: 2016-2020 CHAS

Disproportionately Greater Need: Housing Costs Burdens

Again, a disproportionately greater need exists when the members of racial or ethnic group at an income level experience housing problems at a greater rate (10 percentage points or more) than the income level as a whole. Per the regulations at 91.205(b)(2), 91.305(b)(2), and 91.405, a grantee must provide an assessment for each disproportionately greater need identified; however, as a new entitlement grantee, this information is not currently available. The best available data is from the 2016-2020 CHAS data available through the U.S. Department of Housing and Urban Development (HUD).

Table 20 displays cost burden information for the City of Traverse City including no cost burden (less than 30%), cost burden (30-50%), severe cost burden (more than 50%), and no data available. The default data source for this data is the 2016-2020 Comprehensive Housing Affordability Strategy (CHAS) data developed by HUD.

As the data in **Table 20** suggests, renter households tend to have an overall greater cost burden or severe cost burden when compared to their owner household counterparts, within their current housing situation. No race or ethnicity data is available at this time.

TABLE 20: HOUSING COST BURDEN BY TENURE

Housing Cost Burden	Owner		Renter		Total Households
	Total	%	Total	%	
No Cost Burden (<=30%)	3,590	74.9%	1,200	25.1%	4,790
Cost Burden (30-50%)	315	27.6%	825	72.4%	1,140
Severe Cost Burden (>50%)	280	33.3%	560	66.7%	840
Cost Burden Not Available	10	8.7%	105	91.3%	115

Source: June 2024: 2016-2020 CHAS

3.0 MORTGAGE ACTIVITY

Mortgage Based on Income

Tables 21 through 24 provide information on mortgage applications and originations for Grand Traverse County (numbers do not include Leelanau County). The data is further broken down into categories based on race or ethnicity.

In general, it can be expected that a higher percentage and number of loans are provided to applicants with higher incomes, which is not unexpected. Fewer loans were originated in Grand Traverse County for minority race groups; however, it is important to note that this may be due to an overall low number of minority race persons within the county.

TABLE 21: LOAN TYPE BY RACE

Type of Loan by Race	# of Records	\$ Amount
Conventional, 2 or more minority races	2	600,000
Conventional, American Indian or Alaska Native	19	2,665,000
Conventional, Asian	42	10,750,000
Conventional, Black or African American	12	1,930,000
Conventional, Joint	51	14,385,000
Conventional, Native Hawaiian or Other Pacific Islander	0	0
Conventional, Race Not Available	688	259,000,000
Conventional, White	3,384	794,240,000
FHA, 2 or more minority races	1	125,000
FHA, American Indian or Alaska Native	8	2,300,000
FHA, Asian	1	295,000
FHA, Black or African American	1	425,000
FHA, Joint	4	790,000
FHA, Native Hawaiian or Other Pacific Islander	0	0
FHA, Race Not Available	63	13,205,000
FHA, White	209	46,875,000
VA, 2 or more minority races	0	0
VA, American Indian or Alaska Native	2	370,000
VA, Asian	2	570,000
VA, Black or African American	0	0
VA, Joint	4	1,460,000
VA, Native Hawaiian or Other Pacific Islander	1	335,000
VA, Race Not Available	47	14,935,000
VA, White	148	48,910,000
USDA, 2 or more minority races	0	0
USDA, American Indian or Alaska Native	0	0
USDA, Asian	0	0
USDA, Black or African American	0	0
USDA, Joint	0	0
USDA, Native Hawaiian or Other Pacific Islander	0	0
USDA, Race Not Available	3	425,000
USDA, White	11	2,255,000

Source: HDMA 2022

TABLE 22: LOAN TYPE BY ETHNICITY

Type of Loan by Ethnicity	# of Records	\$ Amount
Conventional, Ethnicity Not Available	735	271,585,000
Conventional, Hispanic or Latino	56	12,160,000
Conventional, Not Hispanic or Latino	3,365	792,615,000
FHA, Ethnicity Not Available	63	13,375,000
FHA, Hispanic or Latino	5	985,000
FHA, Not Hispanic or Latino	217	49,125,000
VA, Ethnicity Not Available	45	14,555,000
VA, Hispanic or Latino	2	460,000
VA, Not Hispanic or Latino	152	49,890,000
USDA, Ethnicity Not Available	3	425,000
USDA, Hispanic or Latino	0	0
USDA, Not Hispanic or Latino	11	2,255,000

Source: HDMA 2022

TABLE 23: ACTION TAKEN BY RACE

Action Taken by Race	# of Records	\$ Amount
Loan Originated, 2 or more minority races	2	440,000
Loan Originated, American Indian or Alaska Native	12	2,550,000
Loan Originated, Asian	25	7,075,000
Loan Originated, Black or African American	5	1,285,000
Loan Originated, Joint	35	10,225,000
Loan Originated, Native Hawaiian or Other Pacific Islander	0	0
Loan Originated, Race Not Available	386	164,560,000
Loan Originated, White	2,323	591,795,000
Application denied, 2 or more minority races	0	0
Application denied, American Indian or Alaska Native	6	570,000
Application denied, Asian	9	1,435,000
Application denied, Black or African American	3	325,000
Application denied, Joint	8	1,860,000
Application denied, Native Hawaiian or Other Pacific Islander	1	335,000
Application denied, Race Not Available	118	20,770,000
Application denied, White	615	103,295,000

Source: HDMA 2022

TABLE 24: ACTION TAKEN BY ETHNICITY

Action Taken by Ethnicity	# of Records	\$ Amount
Loan Originated, Ethnicity Not Available	400	168,290,000
Loan Originated, Hispanic or Latino	32	8,630,000
Loan Originated, Not Hispanic or Latino	2,325	594,445,000
Application denied, Ethnicity Not Available	132	23,060,000
Application denied, Hispanic or Latino	19	2,635,000
Application denied, Not Hispanic or Latino	599	101,415,000

Source: HDMA 2022

The above tables provide information on mortgage originations based on race. In general, a higher number of loans were provided to persons identifying as White. Fewer loans were originated in Grand Traverse County for minority race groups. Again, it is important to note that this may be due to an overall low number of minority race persons within the county.

3.1 INTEGRATION AND ISOLATION

In order to affirmatively further fair housing, Traverse City must recognize barriers to fair housing choice and provide actions to increase choice. An analysis of isolation and integration across the city helps to identify areas where these barriers may exist. Residential isolation produces damaging socioeconomic outcomes for minority and low-income groups. Housing patterns across the United States, and Traverse City continue to show lasting areas of separation for certain races and income groups. The social and public policies of our past, like Jim Crow laws and Federal Housing Administration's early redlining policies, brought about much of the segregation in housing that is still seen today. More recent trends in residential isolation are generally attributed to suburbanization, discrimination, and personal preferences.

An analysis of historical U.S. Census data by researchers at Harvard and Duke Universities for the Manhattan Institute for Policy Research, indicates that racial separation has diminished since the 1960s. The report, published by the Manhattan Institute for Policy Research, indicates that the separation of Black/African American residents from other races is now lower than the national average from 1970. In addition, separation continued to drop over the last decade. The Manhattan Institute published “The End of the Segregated Century: Racial Separation in American’s Neighborhoods, 1890- 2010” which indicated that 522 out of 658 housing markets recorded a decline in segregation.

Despite recent trends in integration, Black/African American households remain the most isolated racial group and are in fact hyper-separated in many of the largest metropolitan areas, including Baltimore, Chicago, Cleveland, Detroit, Houston, Los Angeles, New Orleans, New York, Philadelphia and

Washington, D.C. according to “A Right to Housing: Foundation for a New Social Agenda” published by Temple University. Hispanics are the second most isolated racial group, primarily in northern metropolitan areas.

Patterns for income segregation are derived from the National Survey of America's Families, the Census and Home Mortgage Disclosure Act data, which indicate income segregation grew between 1970 and 1990. Poor families are becoming more isolated. Whereas in 1970 only 14 percent of poor families lived in predominantly poor areas, this number increased to 28 percent in 1990 and continues to rise according to the Urban Institute who published “Residential Segregation and Low-Income Working Families.” Current trends in racial and income based residential isolation are attributed to several factors, including:

A. Exclusionary zoning and land use practices

The "separate but equal" laws established in the early part of the 20th Century specified exclusively Black/African American, White/Caucasian and mixed districts and legally established segregation in housing opportunities. Many cities, particularly in the South and mid-South, developed and adopted racial zonings between 1910 and 1915. By 1917, the Supreme Court ruled that racial zoning was illegal, but many local governments continued to enforce racial segregation through alternative land use designations. While these actions occurred a century ago, the impact is still felt because of their significant influence on settlement patterns.

Today, many jurisdictions adopt land-use zoning regulations such as large-lot zoning, minimum house size requirements, and bans on secondary units which make housing more expensive. The result is often the exclusion of lower income households from certain communities and/or neighborhoods.

B. Discriminatory homeownership practices

Discriminatory homeownership practices include redlining and steering. In 1944, the Federal Housing Administration adopted maps developed by the federally created Home Owners' Loan Corporation that coded areas as “credit-worthy” based on race and the age of the housing stock. These maps, called Residential Security Maps, established and sanctioned "redlining." It became common practice for banks to deny residents in predominately minority neighborhoods long-term mortgages because they lived in redlined areas.

The United States Supreme Court defines steering as a “practice by which real estate brokers and agents preserve and encourage patterns of racial segregation by either steering members of racial and ethnic groups to certain neighborhoods occupied by similar groups and away from neighborhoods inhabited primarily by members of other races or groups.” Essentially, real estate agents “steer” people of color toward neighborhoods of color, while White/Caucasian homebuyers are directed to primarily White/Caucasian neighborhoods, continually reinforcing separation and isolation. The Fair Housing Act made discrimination in housing illegal. However, there is a belief that steering is still common. For example, some real estate agents may

indirectly and possibly unknowingly steer families through using language such as “ethnic mix” or “multicultural.”

C. Attitudes and preferences towards housing location

Residential preferences of persons of color may, in some instances, be categorized by social-psychological and socioeconomic demographic characteristics. The theory behind social-psychological residential preference is that separation is a result of persons of color choosing to live together because of cultural similarities, maintaining a sense of racial pride, or a desire to avoid living near other groups because of fear of racial hostility. Other theories suggest demographic and socioeconomic factors such as age, gender and social class influence residential choice more than race. Evidence explaining these assumptions are generally limited and anecdotal in nature [Farley, Reynolds; Fielding, Elaine L.; Krysan, Maria (1997). "The residential preferences of blacks and whites: A four-metropolis analysis". *Housing Policy Debate* 8 (4): 763–800].

Data suggests that foreign-born Hispanics, Asians and Black/African Americans often have higher rates of isolation than do native-born individuals from these same groups. Separation of immigrants is generally associated with language barriers. Support networks often exist in these enclaves to assist with linguistic isolation. Research on assimilation shows that while new immigrants settle in homogenous ethnic communities, isolation declines as they gain socioeconomic status and move away from these communities, integrating with the native-born. This provides some support to the idea that socioeconomic status plays a significant role in housing choice, possibly more than race.

D. Location of Public Housing

Racial separation in public housing occurs when high concentrations of a certain minority group occupy one specific public housing development. Income segregation occurs when high concentrations of public housing are located in one specific area of a community or region. Of the 310 public housing units constructed by the Public Works Administration and the U.S. Housing Authority before World War II, 279 were segregated by race. After World War II, antidiscrimination laws were passed which made segregated public housing illegal. However, the historical pattern was set.

In addition, most of the housing projects built between 1932 and 1963 were located primarily in “slum” areas and vacant industrial sites according to the Urban Land Institute (ULI), which published “Residential Segregation and Low-Income Working Families.” This trend continued between 1964 and 1992 when most projects were located in the older parts of core cities that were considered low income. Due to these practices, public housing is concentrated, increasing the density of low-income families in certain parts of communities.

E. Gentrification

Gentrification is another form of residential separation, generally by class or economic status, and is defined by new higher income residents displacing lower income residents in emerging urban neighborhoods. The most commonly held belief about gentrification is that residential turnover of an area is from one that is predominantly residents of color to one that is populated by higher income White/Caucasians. However, definitions of gentrification do not typically mention this racial component.

Integration and Isolation in Traverse City

Areas of racial integration and isolation can be found in Traverse City (see Integration map – Appendix A). The greatest percentage of the city’s population is white; however, there is evidence of integration within the city.

Non-White persons make up 8% of the total population of Traverse City. Based on this percentage, an assumption can be made that a Census tract with at least 8% of people that identify as non-white would be fairly integrated per city averages. Census tracts with percentages much higher or much lower than 8% would be considered more isolated for the demographic group that lives in the Census Tract.

HUD defines racial concentration as an area having more than 50 percent non-White/Caucasian population. Listed in **Table 25** are the census tracts within the Traverse City whose minority population is greater than 50%.

TABLE 25: CONCENTRATIONS OF MINORITY POPULATIONS BY CENSUS TRACT

Census Tract	Total Population	Total Minority Population	% of Total
5509	5,323	272	5.1%
5510	4,520	326	7.2%
5511	3,849	272	7.1%
5512	3,563	298	8.4%
5513.01	1,540	178	11.6%
5513.03	2,896	294	10.2%
5514	5,061	312	6.2%
5515	3,247	177	5.5%
9706.01	3,927	241	6.1%

Source: 2020 Census (Census Tracts within Traverse City & Grand Traverse County). Minority population includes Black or African American, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, Asian, Other Race, and Two or more Races.

A dissimilarity index is used to measure the degree to which two groups are evenly distributed across a geographic area. It is a tool used to assess residential segregation between two groups. The dissimilarity index provides values ranging from 0 to 100, where higher numbers indicate a higher degree of segregation among the two groups measured. The table below, **Table 26** demonstrates the general

relationship between dissimilarity index values and the level of segregation.

TABLE 26: DISSIMILARITY INDEX

	Value	Level of Segregation
Dissimilarity Index Value (0-100)	0-39	Low Segregation
	40-54	Moderate Segregation
	55-100	High Segregation

Source: AFFH Data and Mapping Tool

However, context is important in interpreting the dissimilarity index. The index does not indicate spatial patterns of segregation, just the relative degree of segregation; and, for populations that are small in absolute number, the dissimilarity index may be high even if the group's members are evenly distributed throughout the area. The index measures only two groups at a time, and therefore it is less reliable as a measure of segregation in areas with multiple racial or ethnic groups.

Since this is the first year that Traverse City is participating in the CDBG program as an entitlement grantee, dissimilarity data is not currently available. Based on data provided by the U.S. Census Bureau for the 2020 Census and 2018-2022 American Community Survey (ACS), it can be assumed that Traverse City currently experiences low to moderate segregation between different racial groups.

Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs)

A racially or ethnically concentrated area of poverty (R/ECAP) is a geographic area with significant concentrations of poverty and minority concentrations. A large body of research has consistently found that the problems associated with segregation are intensified when combined with concentrated poverty. Neighborhoods of concentrated poverty may isolate residents from the resources and networks needed. Concentrated poverty has also been found to have a long-term effect on outcomes for children growing up in these neighborhoods related to a variety of indicators, including crime, health and education, future employment, and lifetime earnings. A R/ECAP analysis addresses concerns raised in the legislative history of the Fair Housing Act. The 1968 Kerner Commission on Civil Disorders acknowledged that "segregation and poverty" create "a destructive environment".

Data collected from the AFFH Data and Mapping Tool does not identify any Census Tracts as a R/ECAP within Traverse City. According to the 2018-2022 ACS, the city has a poverty rate of 11.2% among the entire population.

4.0 TRAVERSE CITY FAIR HOUSING PROGRAM ACTIONS

Traverse City does not have enough funding to address all impediments every program year. As a new entitlement community, Traverse City is in the process of establishing policies, processes, and routines for disseminating information related to Fair Housing and its regulations. In the future, this section will detail all actions taken during the 2024-2028 Consolidated Plan Reporting period, subject to the availability of HUD funding and the availability of local resources (staff and funding).

No specific fair housing actions have been taken in recent history (the last five years). The city understands the importance of supporting Fair Housing and will continue to make best efforts to address the recommendations provided in the AI.

5.0 OVERVIEW OF COMMUNITY INPUT

On May 22, 2024, the city conducted a public meeting for stakeholders and housing providers to discuss the needs for CDBG funding, including fair housing.

5.1 OPEN DISCUSSION – FAIR HOUSING NEEDS AND CONCERNS

In an effort to provide an environment that would allow for all attendees to participate, an open discussion where citizens were asked to discuss issues and concerns publicly was conducted. During the open discussion citizens were asked to speak their mind on fair housing issues and concerns affecting their respective community. Through this process many issues were brought to the city's attention. Listed below are issues that were discussed during the open discussion:

- Accessibility in older buildings/units.
- Affordable housing construction.
- Rental costs have increased.
- Fair housing education.
- Aging-in-Place.

5.2 SURVEY – FAIR HOUSING NEEDS AND CONCERNS

In an effort to provide an environment that would allow for all attendees to participate, the public was asked to fill out a survey. They were also able to openly discuss concerns with the project team. Listed below are the issues that were discussed and gathered from survey input:

- Lack of knowledge about fair housing among the public.
- Need for affordable housing, including down-payment assistance and rental assistance.

6.0 FAIR HOUSING COMPLAINTS, CHALLENGES, AND IMPEDIMENTS

Fair Housing Complaint Activity

Residents of Traverse City who believe they have experienced fair housing discrimination may file their complaints through entities, including but not limited to: the State of Michigan Department of Civil Rights (MDCR); the Fair Housing Center of West Michigan (FHCWM); and the HUD Detroit Office of Fair Housing and Equal Opportunity (FHEO).

As part of the AI, the FHCWM and the FHEO were contacted and requested to provide summary information about cases that had been filed by or against organizations or residents in Traverse City. Presented in **Table 27** shows the provided fair housing complaint data dating back to 2019 (data pending from Fair Housing Center of West Michigan).

The Fair Housing Center of West Michigan (FHCWM) is a non-profit fair housing organization that is committed to providing fair housing services to residents within their regions, including:

1. General information sessions/presentations
2. Technical training on fair housing laws and practices
3. One-on-one technical support via phone or email
4. Annual community fair housing events and interactive workshop series
5. Housing tester program to survey the market for housing discrimination
6. Complaint filing and case management for alleged incidents of discrimination
7. Mediation and resolution support for alleged incidents of discrimination
8. Fact sheets, guidebooks, and more on our website
9. Classroom activities and other learning opportunities

According to the FHCWM’s 2023 Annual Report, the FHCWM “received over 1,400 calls and emails regarding housing concerns, made over 1,670 community referrals, initiated 140 new cases and managed a total of 276 fair housing cases. The 140 cases initiated last year resulted from 166 separate allegations of housing discrimination.”

The majority of allegations by protected class were cited as disability status (43% of reported discriminations), and race/color (27% of reported discriminations). This includes all reported cases within the FHCWM service area of 12 counties, including Allegan, Grand Traverse, Ionia, Isabella, Kent, Mecosta, Montcalm, Muskegon, Newaygo, Oceana, Osceola, and Ottawa Counties. Data specific to Traverse City, Michigan, is pending from the Fair Housing Center of West Michigan (see **Table 27**).

TABLE 27: FAIR HOUSING COMPLAINT ACTIVITY (2019 – 2024)

Date Received	Type of Inquiry	Follow Up
TBD	TBD	TBD
TBD	TBD	TBD

Source: Fair Housing Center of West Michigan (2019 – 2024), HUD Fair Housing and Equal Opportunity (2019-2024).

7.0 ANALYSIS OF IMPEDIMENTS

While most of the general demographics provided for Traverse City, Michigan are intended to paint a picture of the overall make-up of the community, the information can also point to some issues that may be influencing fair housing conditions and possibly impeding fair housing choice. The continued isolation of certain demographic groups in the city indicates challenges in breaking down racial barriers to foster an environment conducive to integration. Poverty and the myriad challenges that face households experiencing poverty reduces housing choice and often contributes to isolation. Finally, the protected classes continue to experience discrimination and often face more housing problems than other demographics.

Examination of the latest available HMDA data for the Warren-Troy-Farmington Hills MI MSA/MD at the Census Tract level showed that lending practices of financial institutions in the area may be interpreted to be an impediment to fair housing choice for minorities. Although discriminatory lending practices cannot be definitively identified by correlation of HMDA data elements, the data can display patterns in lending practices. In this case, analysis of the data revealed that minority applicants, overall, have a lower number of originations. Since analysis of the data cannot conclusively determine a correlation unless a more sophisticated analysis is done, which will take into account other factors affecting underwriting decisions; and since the analysis undertaken for the above-referenced area indicates a certain degree of discrimination in lending based on minority racial/ethnic characteristics of the property location, it may be inferred that lending issues and/or credit issues may play a role in the outcome of the analysis. This outcome calls for a unified approach in which both the private sector and the public sector would work together to first identify the causes for the higher rate of denial and second find a solution.

The AI analysis pointed to an aging population with an increase in elderly residents and fewer households with children. This will have an effect in housing needs and choice. This demographic shift will increase the demand for assisted living units with accessible features and other adaptive changes to residential buildings. According to the report, much of the region's housing stock is designed to meet the needs of families with children or those of seasonal residents. As residents' health, lifestyle and preferences change due to age and physical ability, certain barriers such as narrow doors, hallways, etc. become impediments. Generally speaking, concentrations of racial and ethnic minorities frequently coincide with the concentration of lower income households.

In addition, review of the State of Michigan Building Code, which is the document followed by the city when rehabilitating dwelling units, and review of Michigan Planning Enabling Act (Act 33 of 2008) revealed that there were no specific rules or policies addressing the needs of persons with disabilities except for those persons residing in residential facilities (group homes).

Based on the above and analysis of data available, the following impediments, recommendations, and actions to reduce impediments to Fair Housing within Traverse City have been formulated.

The U.S. Department of Housing and Urban Development requires an identification of the Fair Housing challenges facing the city. To accomplish this task, the identification was based on the intersection of the data collected for the plan, the information gathered during the stakeholder meeting, the results of public comment, and fair housing activity over the course of the past several years. The more a topic intersected within these forms of information, the higher the priority that should be placed.

After the challenges were identified, goals and action items to address fair housing issues were required to be created. Consideration had to be given to certain constraints and/or realities facing the city like staffing, funding, etc.

In addition, the support from local organizations and nonprofits on fair housing issues need to be considered. The results are a set of goals and action items for the five-year period of the plan.

The following are the Fair Housing issues facing Traverse City. The challenges identified are based on the process outlined above.

- Substandard Housing
 - A significant portion of the population suffers from at least one of the following housing issues: crowding, cost burden (greater than 30% or 50%), and other insufficiencies within of the physical structure. Housing problems are more prevalent among those with a household income below 50% AMI. This is true among both renter and owner-occupied households.
- Discrimination
 - Minority populations had lower proportion of loans originated and greater loan denial than their White counterparts; however, the discrepancies are not extreme. A discrepancy of this type may impact housing choice for minority populations. Certain populations may be refused rental or directed to a particular neighborhood.
- Affordability Challenges
 - Cost of owning homes and paying rent is a burden for many populations. Specifically, those with a household income below 50% AMI.

Placement of new or rehabilitated affordable housing for elderly and lower-income people is one of the most controversial issues communities can face. If fair housing objectives are to be achieved, the goal must be to avoid high concentrations of low-income housing. “NIMBYism” seriously affects the availability of housing for low-income families, persons with disabilities, homeless persons, or lower-income minorities and is one of the most difficult challenges jurisdictions encounter in promoting fair housing objectives. The attitude of local government officials, public pronouncements of general policy, and careful planning and implementation of individual housing efforts by

providers are key aspects for overcoming resistance of this kind. In addition, contextual planning of new affordable housing with relationship to scale, size, density, and architectural character of the neighborhoods where it will be located is vital to integration and success.

- Accessibility Challenges
 - There is a lack of public transportation for lower income populations within Traverse City as well as lack of affordable, senior housing in proximity to job and commercial centers.
- Fair Housing Awareness and Education
 - There is a lack of awareness of Fair Housing practices among landlords and the public. This is a continued struggle for communities to adequately provide education and awareness specific to fair housing.

8.0 IMPEDIMENTS AND ACTION ITEMS

8.1 IMPEDIMENT #1 – ENSURE FAIR HOUSING REPORTS ARE SHARED WITH LENDING INSTITUTIONS, HOUSING PROVIDERS, AND PARTICIPATING COMMUNITIES

Action: *Increase efforts to provide fair housing reports to the public and private sectors, initiate dialogue, and solicit assistance.*

Recommendation #1: Traverse City should make the AI and any subsequent fair housing reports available to all lending institutions in the study area. The purpose of the dialogue is to discuss the impediments to fair housing, assess fair housing efforts, and seek commonality and participation in fair housing efforts.

Recommendation #2: The findings and reports from the Fair Housing Center of West Michigan should be shared with housing providers, community development corporations, developers, lenders, participating communities and other stakeholders. Impediment #1 is linked to Impediment #2, as noted below.

Recommendation #3: Initiate dialogue with local lending institutions and seek their commitment and assistance in responding to the findings in the AI and other fair housing reports. After the AI is made available to the local lending institutions; a dialogue should be initiated aimed at seeking their commitment to participate in the dissemination of fair housing information and education for the responsible use of credit.

8.2 IMPEDIMENT #2 – LACK OF FAIR HOUSING EDUCATION, AWARENESS, AND INFORMATION WITHIN THE PUBLIC SECTOR AND THE PRIVATE SECTOR

As a new entitlement community, the city will start efforts to disseminate fair housing information to public housing agencies, municipalities and the public. However, a review of the City, County, and lending institutions websites revealed that fair housing education, housing discrimination complaint resources, and other fair housing-related information is scarce.

Action: Establish a process for disseminating Fair Housing Education Efforts through deliberate and targeted strategies.

Recommendation #4: The City should include links on its website to agencies that provide fair housing information or services such as the Fair Housing Center of West Michigan and the Fair Housing and Equal Opportunity (FHEO) Office of HUD.

Recommendation #5: The City should request that all service providers providing housing and related services using CDBG funds include fair housing information on their website, link to fair housing agencies, and fair housing information in applications for funding, including the fair housing logo and where to file fair housing complaints.

Recommendation #6: The City should coordinate with local lending institutions for the provision of fair housing information and housing and credit counseling information through its website. The City should include fair housing information in their main website. Additionally, links to other entities offering housing and credit counseling should be enabled.

Action: Increase efforts to disseminate fair housing information and educate local officials, employees and residents on fair housing laws

Recommendation #7: The City should use existing resources and programs to disseminate fair housing information and provide fair housing education on fair housing laws and best practices to local officials, landlords, and the public. The City should utilize other media outlets and avenues to disseminate fair housing information to the public, among others: cable TV, newsletters, pamphlets, fairs, and public announcements. The City should include fair housing information in related training opportunities and meetings with stakeholders and service providers.

Recommendation #8: The City should request and use HUD Technical Assistance in implementing strategies to further fair housing.

Action: Increase the availability of fair housing materials through electronic means and ensure that the fair housing logo and fair information is included in all related housing materials.

Recommendation #9: The City should request participating service providers and public housing agencies to include fair housing logo and information in all materials in electronic format.

It is anticipated that this coordination can start during the first year of implementation of the AI. Posting of the fair housing and credit counseling information on the website is anticipated to occur during the second year of the AI and posting of the fair housing and credit counseling

information in the local lending institutions is anticipated to occur during the third year of the AI and should be monitored on an ongoing basis as bank mergers occur.

8.3 IMPEDIMENT #3 – RACIAL AND ETHNIC MINORITIES ARE CONCENTRATED GEOGRAPHICALLY WITHIN THE CITY

The City should look into the real estate practices, and the home-seeking choices made by residents to determine the extent of perceived or actual unlawful discriminatory practices.

Action: *Review regulations and policies that may have an impact on the location, cost and supply of housing.*

Recommendation #10: The City should use existing public education programs, advocacy groups and regional groups such as the Fair Housing Center of West Michigan and HUD to spread information about the positive effects of affordable housing on local communities and help dispel myths.

Recommendation #11: The City, with participating communities, should increase local educational campaign on the community benefits of providing affordable and inclusive housing options.

8.4 IMPEDIMENT #4 – AVAILABILITY OF AFFORDABLE HOUSING FOR PROTECTED CLASSES

Challenges for providing new affordable housing within much of the Traverse City CDBG Jurisdiction are cost of land (especially in the downtown and near the coast), NIMBY-ism, and lack of a coordinated effort and funding to develop programs to address affordable housing.

Efforts to address the future increase in demand for affordable housing have been one charge of the Traverse City Planning & Zoning Department through initiatives seeking to establish collaborative efforts with key stakeholders throughout the County, Region, and State in order to address the evolving and transitional need of the city's population.

Traverse City responded to the need for affordable housing by making it a priority need and seeking to address housing concerns in the coming years.

Action: *Encourage the development affordable housing for the persons included in the protected classes*

Recommendation #12: To address the increasing demand for affordable housing, specifically for the elderly, the City should work with participating service providers, developers, and housing providers to develop programs that could rehabilitate existing homes and build new construction properties to encourage affordable and functional use of housing.

8.5 IMPEDIMENT #5 – ADA EDUCATION

Much like the State of Michigan as a whole, Traverse City has an aging population. As a result, the rate of individuals requiring accessibility accommodations is increasing. Some efforts may be made in the next five years to utilize CDBG funding for ADA improvements within the city.

Action: Continue and Evaluate and Improve ADA Education

Recommendation #13: The City should provide ADA education to their employees; provide contractors and builders with information packets regarding ADA requirements; post requirements on the City website; and incorporate ADA requirements in the development review and permitting process of housing construction and rehabilitation.

8.6 IMPEDIMENT #6: LACK OF FORMALIZED FAIR HOUSING COMPLAINT AND MONITORING PROCEDURES

Although the City makes referrals for those who have experienced discrimination related to fair housing choice, the City does not have a formal fair housing complaint procedure.

Action: Work to prepare a formalized fair housing complaint procedure and fair housing monitoring procedures

Recommendation #14: Traverse City should work with relevant agencies and City staff to prepare to procedure for filing fair housing complaints from residents. Additionally, the City should make this procedure and any resulting forms and documents available to service providers and the public.

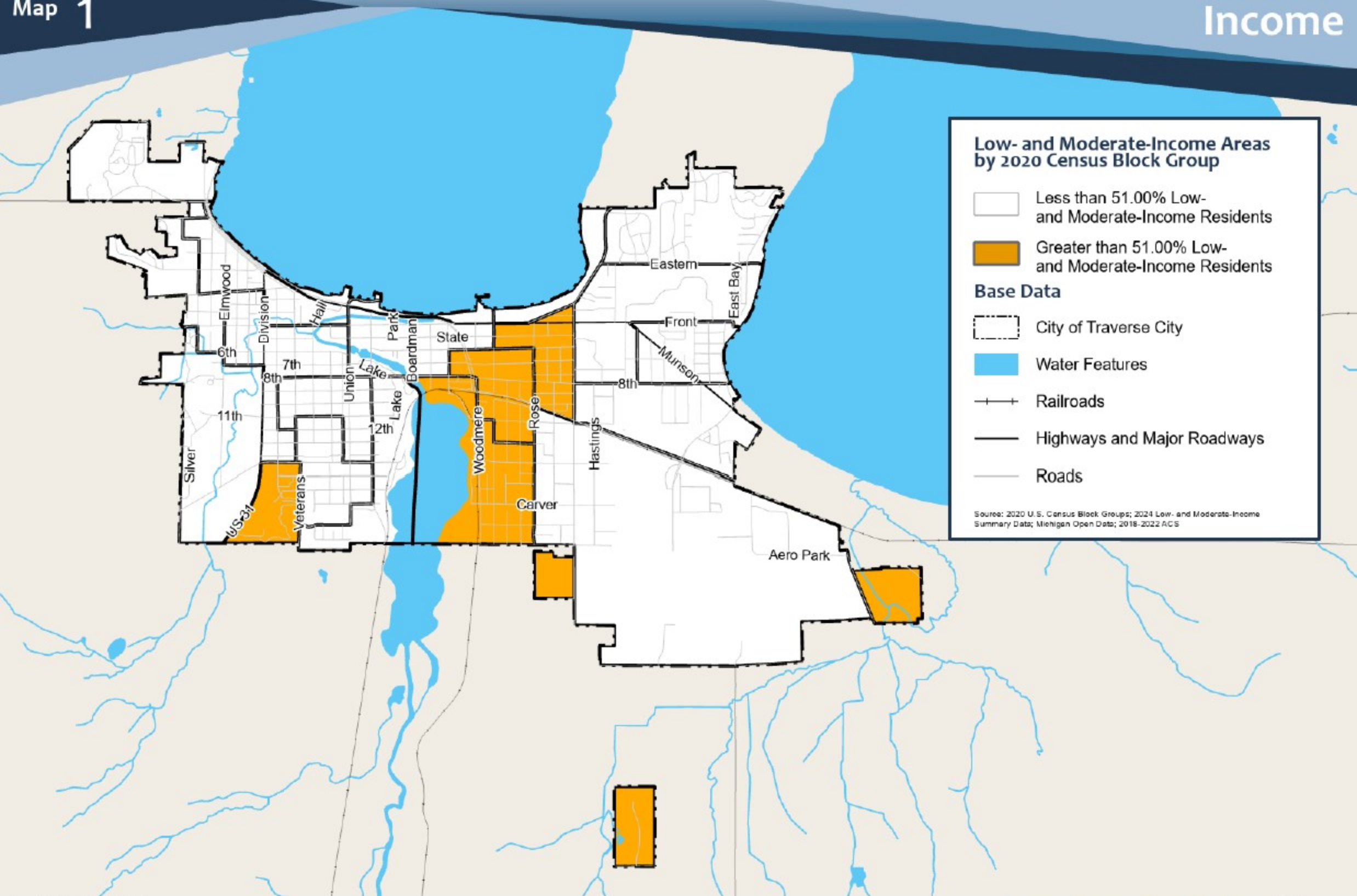
Recommendation #15: Develop and implement a sub-recipient fair housing monitoring policy.

LIST OF MAPS

1. Low- and Moderate-Income Areas Map
2. Low Income Map
3. Black/African American Population Map
4. Hispanic Population Map
5. Households with Persons 18 Years and Under Map
6. Population of Age 65 and Over Map
7. Disability Status Map
8. Poverty Status Map
9. Rental Units Map
10. Integration Map

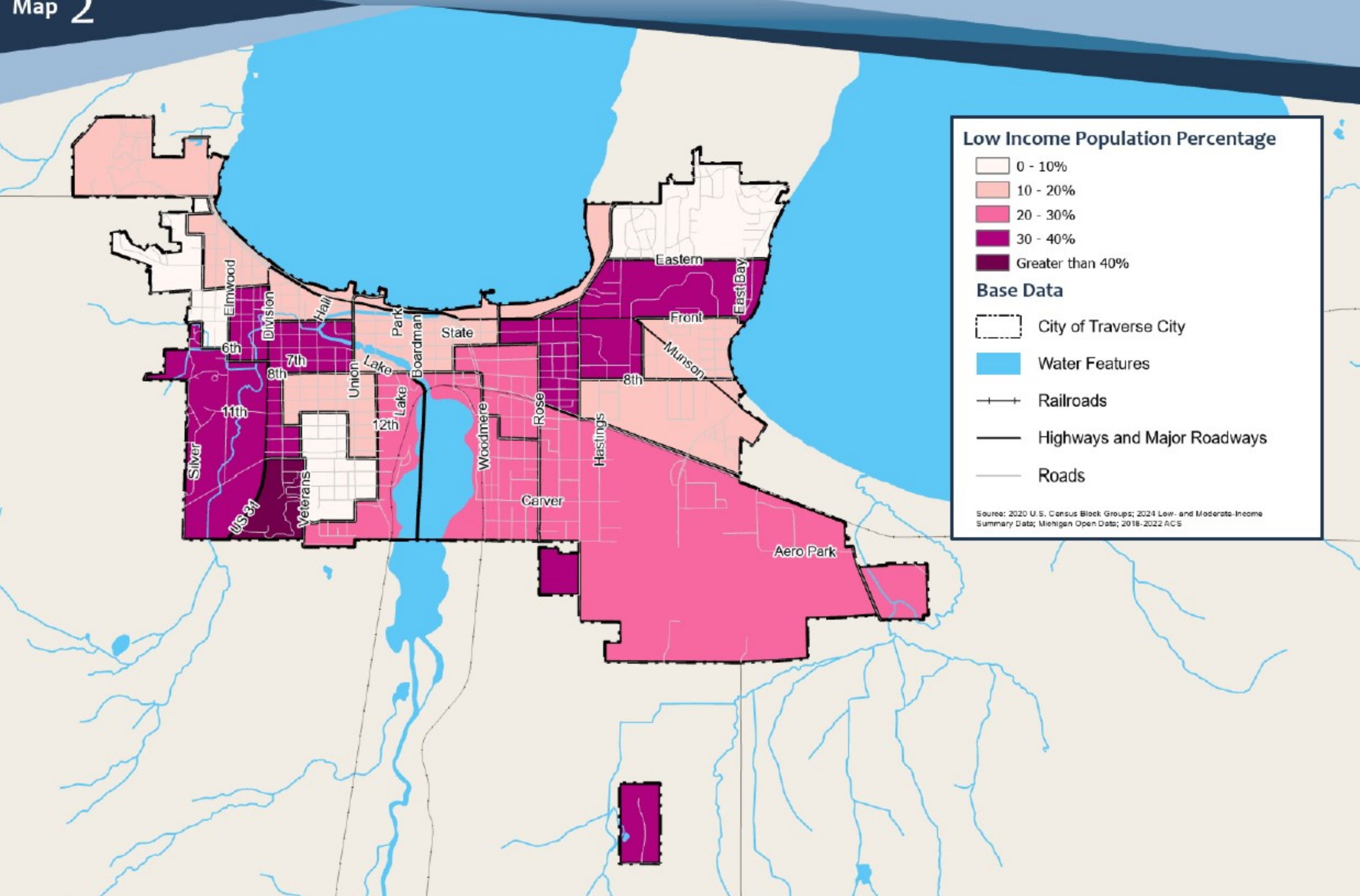
Low & Moderate Income

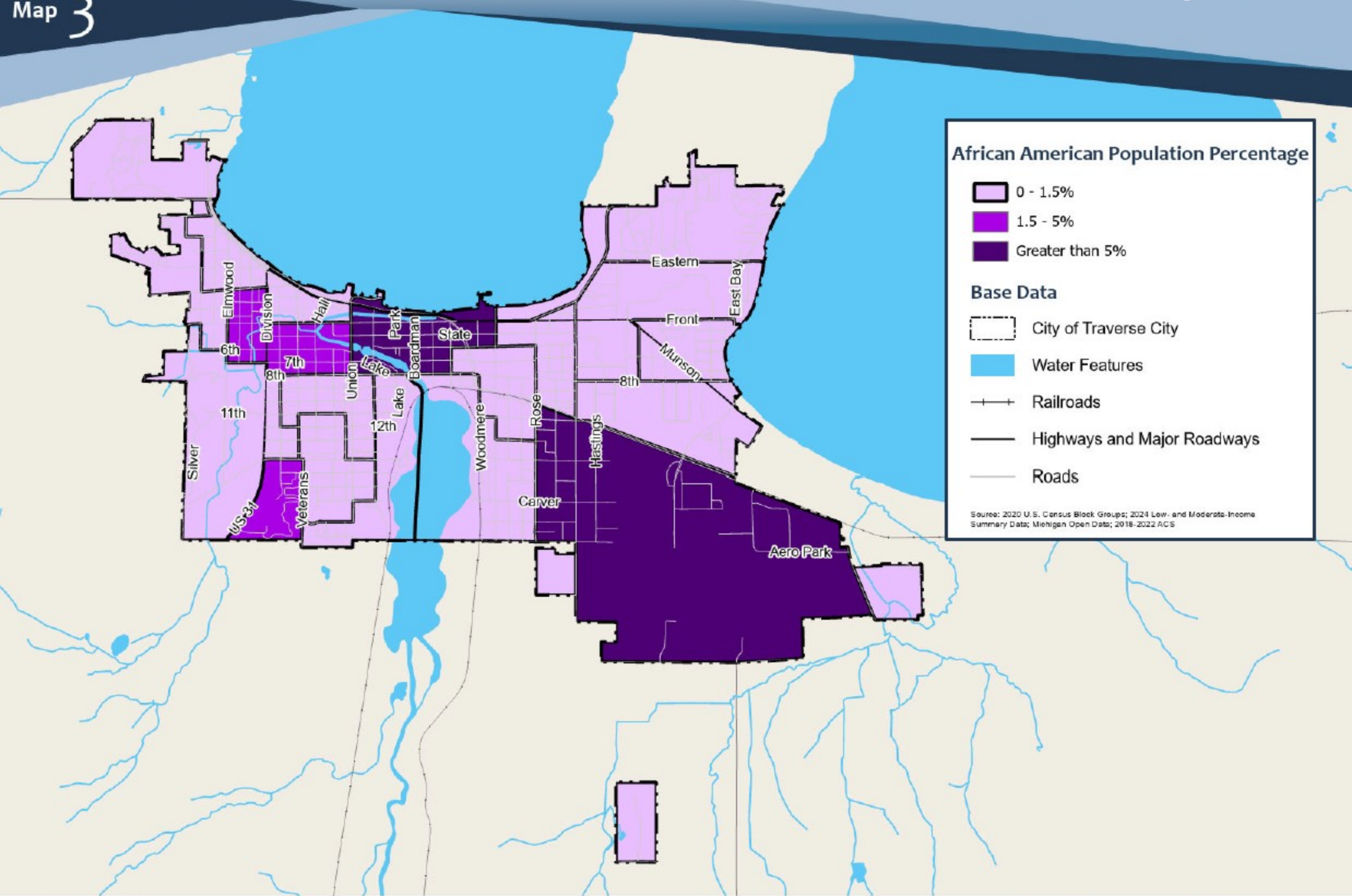
Map 1

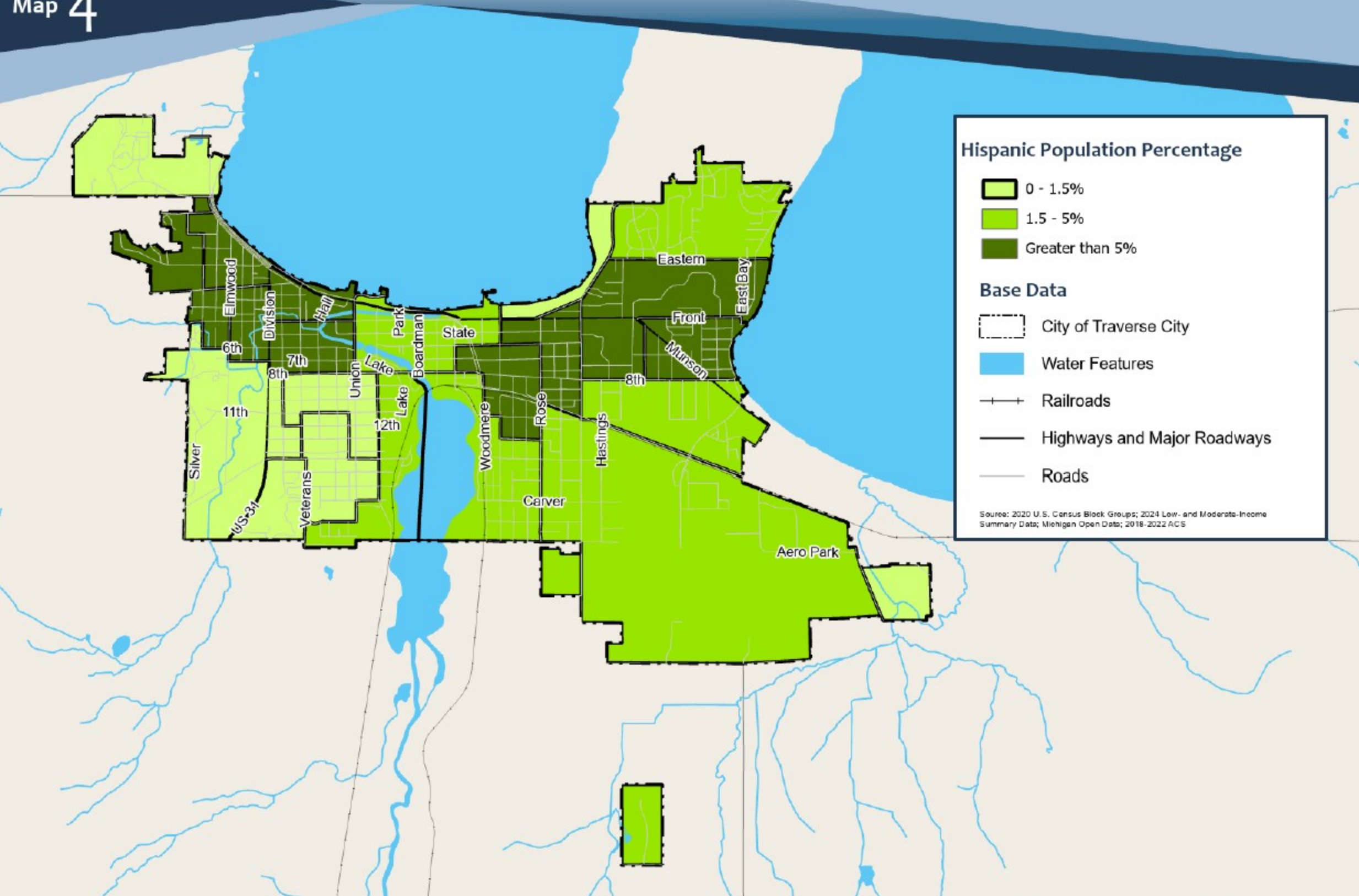


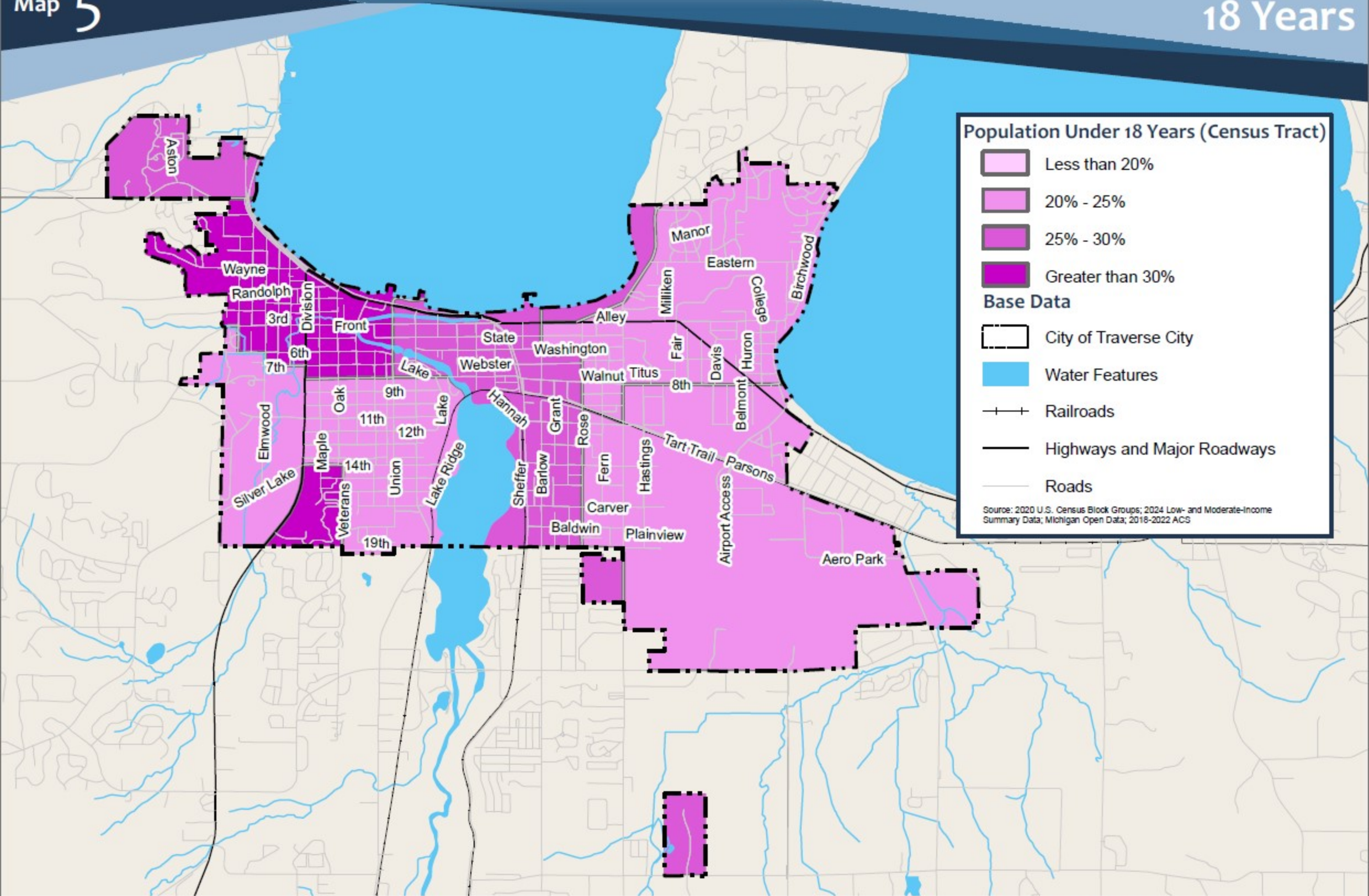
City of Traverse City
Consolidated Plan 2024 - 2028











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