



City of Bloomington Community Development Block Grant Program



Analysis of Impediments to Fair
Housing

Updated: 2020

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Purpose:

The Civil Rights Act of 1968, Title VIII, commonly known as the Fair Housing Act (42 U.S.C. 3601) states that it is the policy of the United States to provide fair housing throughout the country. Each grantee that receives Community Development Block Grant (CDBG) funding under Title I of the Housing & Community Development Act is required to further local fair housing efforts and fair housing planning by conducting an analysis of impediments impacting fair housing choice in areas within its jurisdiction.

The Fair Housing Act protects people from discrimination when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. Discrimination is prohibited on the basis of race, color, religion, national origin, sex and gender, physical or mental disability, and familial status. [1] The Illinois Human Rights Act also prohibits discrimination in housing based upon ancestry, age, military status, marital status, sexual orientation or Order of Protection status. [2]

Under Chapter 22 of the of the City of Bloomington’s Municipal Code, it is unlawful to commit an act of housing discrimination based on race, color, sex, religion, age, national origin, marital status, familial status, sexual orientation or physical or mental disability unrelated to ability. [3] This chapter was amended in 2002 to add the prohibition of discrimination on the basis of sexual orientation.

The intent of this report is to provide a thorough and objective review of the current housing market in the community. The report aims to identify any barriers, which prevent or hinder a fair housing market within the community. Lastly, the report identifies steps the City of Bloomington is currently taking to eliminate, reduce and prevent such impediments.

Along with the results of an extensive citizen and stakeholder outreach process for the purposes of the Consolidated Plan, this analysis includes an examination of demographic, economic and housing market data as they relate to housing opportunities in the City of Bloomington.

This report was initially created in 1989 and has been updated in 1996, 2004, 2010, 2014 and 2020.

[1] Title VIII of the Civil Rights Act of 1968 (Fair Housing Act)

[2] Prairie State Legal Services

<https://www.pslegal.org/psls-pdf/FAIR-HOUSING-LAW-2012-revision.pdf>

[3] City of Bloomington Municipal Code, Chapter 22.2-5

Executive Summary:

The City of Bloomington, Community Development Department is the lead agency responsible for implementing the five-year Consolidated Plan. Community Development staff has been responsible for managing housing and community development efforts for more than 40 years. The staff are experienced in all professional and technical requirements demanded by the Community Development Block Grant (CDBG) and other HUD programs. Additionally, staff continues to collaborate with many other local agencies to accomplish the goals identified as needs within the community.

In an effort to examine housing and community development issues on a more regional level, the City partnered with the Town of Normal and the McLean County Regional Planning Commission (MCRPC) in the development of the 2020-2024 Consolidated Plan. All three agencies are members of the Regional Housing Staff Advisory Committee, which also includes representatives from the Behavioral Health Coordinating Council (BHCC), Providing Access to Help (PATH), and the Bloomington Housing Authority (BHA).

Methodology:

Introduction

The McLean County Regional Planning Commission, in partnership with the City of Bloomington and Town of Normal, primarily used the results of the Consolidated Plan outreach process to provide the data needed for the Plan as well as the update to the Analysis of Impediments. The Consolidated Plan outreach implemented a mixed research approach that incorporated both quantitative and qualitative methods to build a picture of McLean County's needs and priorities for housing and community development. Outreach and research activities included:

- A Citizen Survey that yielded 1,210 responses, 774 of which were from Bloomington
- A Stakeholder Survey of not-for-profits, governments and other organizations that provide services to populations which overlap with CDBG target populations that yielded 29 responses
- 5 stakeholder focus groups representing a wide range of issues, client populations and service providers associated with housing and community development in Mclean County.
- A public meeting for residents of Bloomington, which included a resource allocation activity, that was attended by 36 residents of Bloomington
- 1 Spanish-speaking focus group

The joint consolidated planning outreach process for the City of Bloomington and Town of Normal began in Fall 2018, with the development of a joint Citizen Participation Plan for both the City and Town. While the jurisdictions still receive separate funding allocations and submit individualized plans, conducting outreach and planning processes jointly was a more effective use of resources and allows for identifying future regional housing and community development priorities.

The data collection procedures used to develop the Consolidated Plan and Analysis of Impediments came together with the collaboration of the City of Bloomington, Town of Normal and McLean County Regional Planning Commission (MCRPC). Qualitative and quantitative data were collected via surveys, interviews, focus groups and public meetings. Citizen and stakeholder consultation started in late spring of 2019 and continued through July 2019.

Activities

Citizen Survey

The Citizen Survey consisted of seven open-ended and multiple-choice questions. The open-ended questions asked about 1) challenges faced in finding safe, sanitary and affordable housing, 2) specific neighborhoods that should be targeted for revitalization, 3) assistance that would help expand economic opportunities for low- to moderate-income persons, and 4) whether housing discrimination exists in the respondents' community. Respondents were also provided space to enter additional comments. The multiple-choice questions asked respondents to choose 1) what type of public facilities or activities they would like to see added or expanded in their community, and 2) what type of public services they would like to see added or expanded in their community.

Finally, the survey asked a series of demographic questions to provide a picture of who was responding to the survey. All told, 1,210 residents completed the survey: 774 from Bloomington and 430 from Normal.

Stakeholder Survey

In addition to the Citizen Survey, staff at the McLean County Regional Planning Commission, the City of Bloomington and the Town of Normal conducted a secondary survey that targeted stakeholders representing not-for-profits and other organizations that provide services to populations which overlap with CDBG target populations. The Stakeholder Survey asked similar questions to the Citizen Survey, but utilized a different format. Each survey question featured four geographical answers, from which the survey respondent could choose one: "Bloomington," "Normal," "Both," or "Neither." For each question, respondents selected which

geography was most relevant. Twenty-nine stakeholders responded to the survey.

Public Meetings

After the survey period ended, MCRPC, City and Town staff held two public meetings that were open to all residents to supplement the findings of the survey. During the public meetings, staff coordinated a resource allocation activity. Each attendee was given stickers representing available CDBG funds. Attendees were asked to allocate funds to public services and public facilities based on what they determined to be the most important and the best use of CDBG funds. Those public services and public facilities were then ranked based on the total amount allocated. The resource allocation activity provided an opportunity for residents to expand on survey results. While the resource allocation activity was an important part of the feedback gathered at the public meeting, the discussion that followed allowed attendees to explain their choices further. Not including staff, a total of 36 residents attended the Bloomington public meeting and 23 residents attended the Normal public meeting.

Stakeholder Focus Groups

Stakeholders were also given the chance to communicate directly with MCRPC, City and Town staff through a series of focus groups. Based on the results of the stakeholder and citizen surveys, as well as HUD guidelines, five different topical focus groups were held: Homelessness, Housing Programs, Services and Facilities, Health and Infrastructure. Staff gave a brief overview of CDBG regulations and procedures and discussed the results of both surveys. During the discussion, stakeholders were encouraged to elaborate on the needs and priorities they observe from the perspective of the populations they serve. A total of 40 stakeholders attended the focus groups.

Incorporating all of this feedback in its varied forms into the development of priorities for the Consolidated Plan was as complicated as it was important. To overcome this challenge, the McLean County Regional Planning Commission (MCRPC) took inspiration from methods used by the McLean County Health Department in their recent Community Health Needs Assessment. Housing equity issues display strong correlations to community health outcomes.

To determine high, medium and low priorities over the five-year Consolidated Plan period, a prioritization matrix was created that incorporated numerical data from the surveys, public meetings, focus groups and interviews. Priorities were then rated on a numeric scale (1-4) based on three criteria—Dependence, Intent, and Effectiveness. See Appendix for a full explanation of the Prioritization Method.

Community Overview:

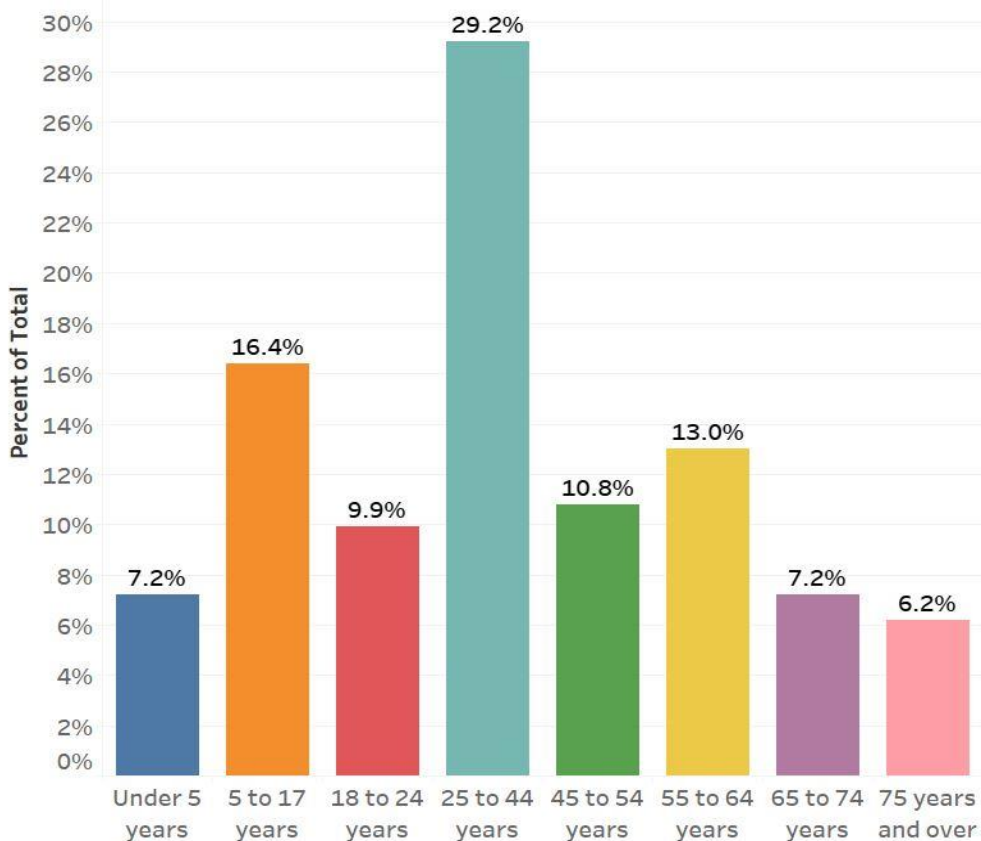
Population

The City of Bloomington has seen significant population growth within the last 60 years, from a population of 36,271 in 1960 to 76,824 in 2010.¹ According to the latest 5 - year population estimates from the American Community Survey (ACS), Bloomington's population is 78,331.² The latest estimates indicate that the population growth is slowing down.

Age

The largest age group by percentage of population in Bloomington is 25 - 44-year olds at nearly 30% of the population, according to the latest estimates from the US Census Bureau. The next largest group is 5 - 17-year olds (16%), followed by 55- 64-year olds (13%).

Bloomington Population by Age



American Community Survey 5-Year Estimates (2013-2018)

¹ US Census Bureau, Decennial Census

² American Community Survey 2013-2018 5 -Year Estimates, Table DP05

Despite the seemingly young population, Bloomington’s senior population is growing. The senior dependency ratio grew from 14.8% in 2010 to 18.4% in 2018.³

Race and Ethnicity

The City of Bloomington is predominantly White, and the racial breakdown has remained fairly consistent since 2010. In 2010, approximately 79% of Bloomington residents were White. According to the most recent estimates from the U.S Census Bureau, approximately 78% of the population is White.⁴ The Black population is the second largest racial group in Bloomington comprising approximately 9% of the population in 2018 (10% in 2010).⁵ Asians make up approximately 8% of the population in 2018 (7% in 2010.)The percentage of the population that is of Hispanic or Latino origin increased from nearly 5% in 2010 to nearly 8% in 2018.⁶

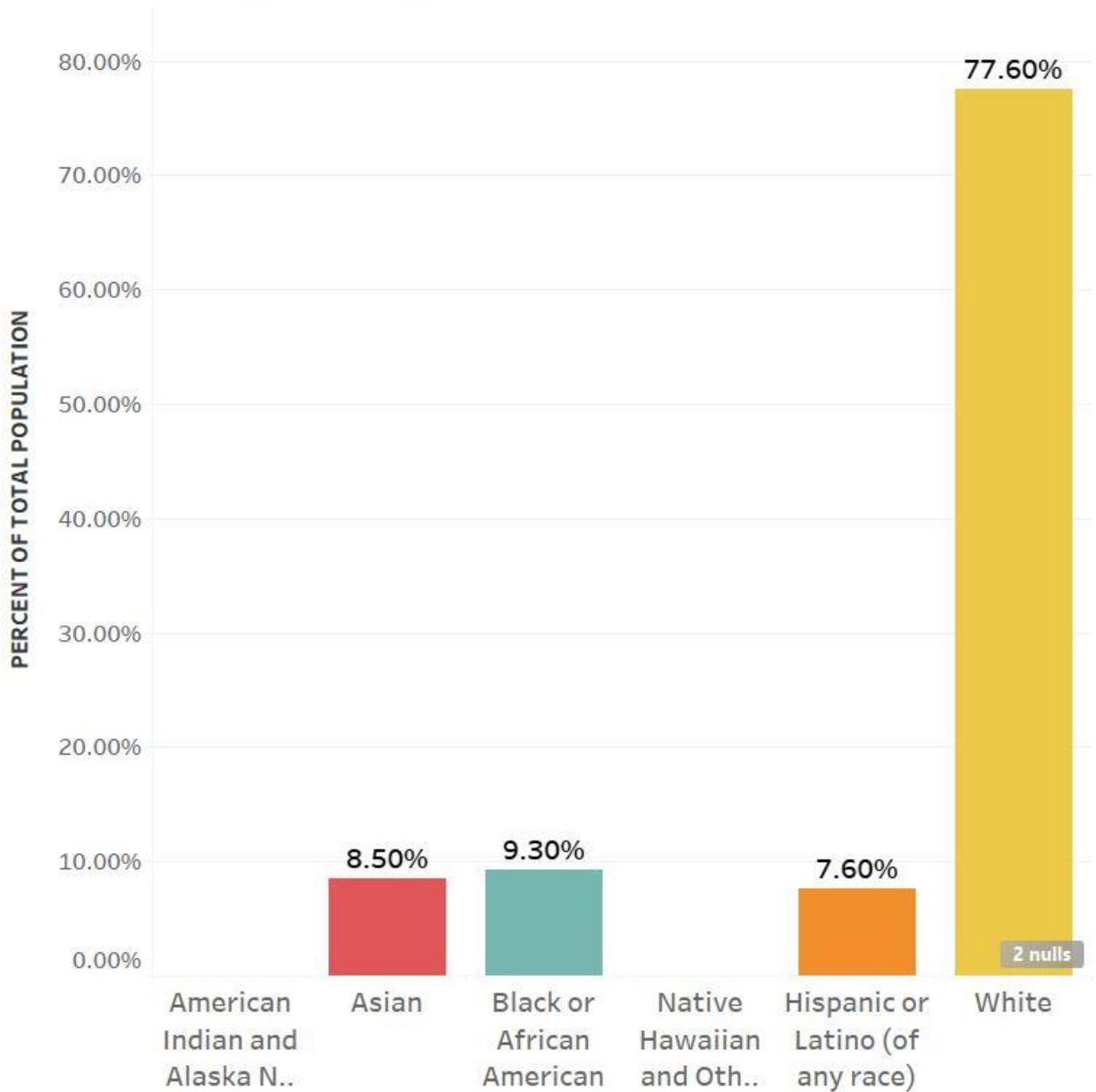
³ American Community Survey 5-Year Estimates (2006-2010); (2013-2018)

⁴ American Community Survey 5-Year Estimates (2013-2018)

⁵ American Community Survey 5-Year Estimates (20006-2010), (2013-2018)

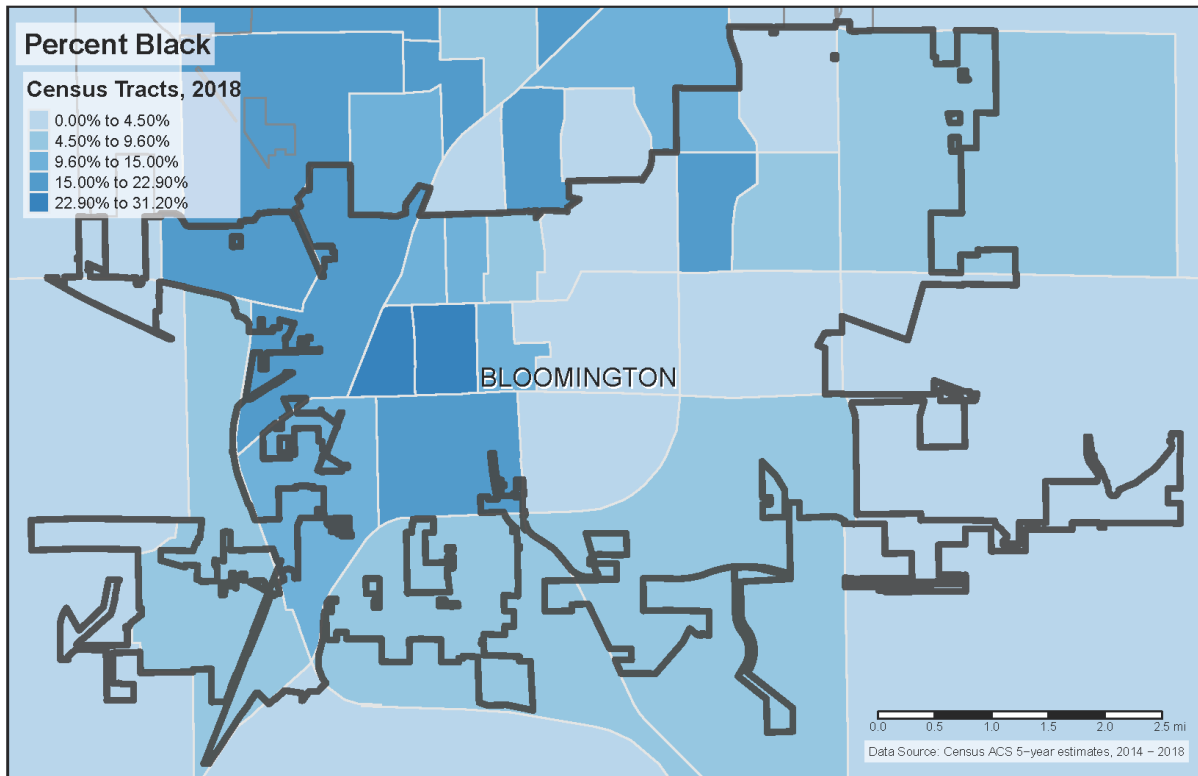
⁶ American Community Survey 5-Year Estimates (20006-2010), (2013-2018)

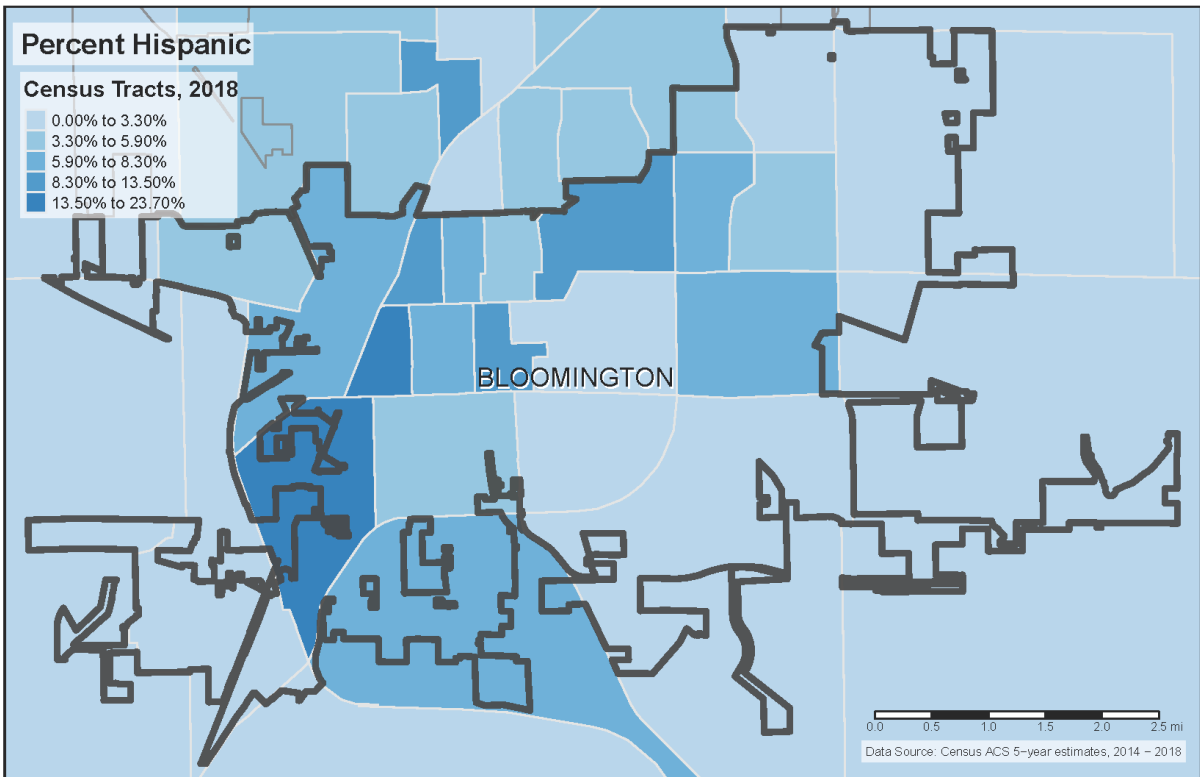
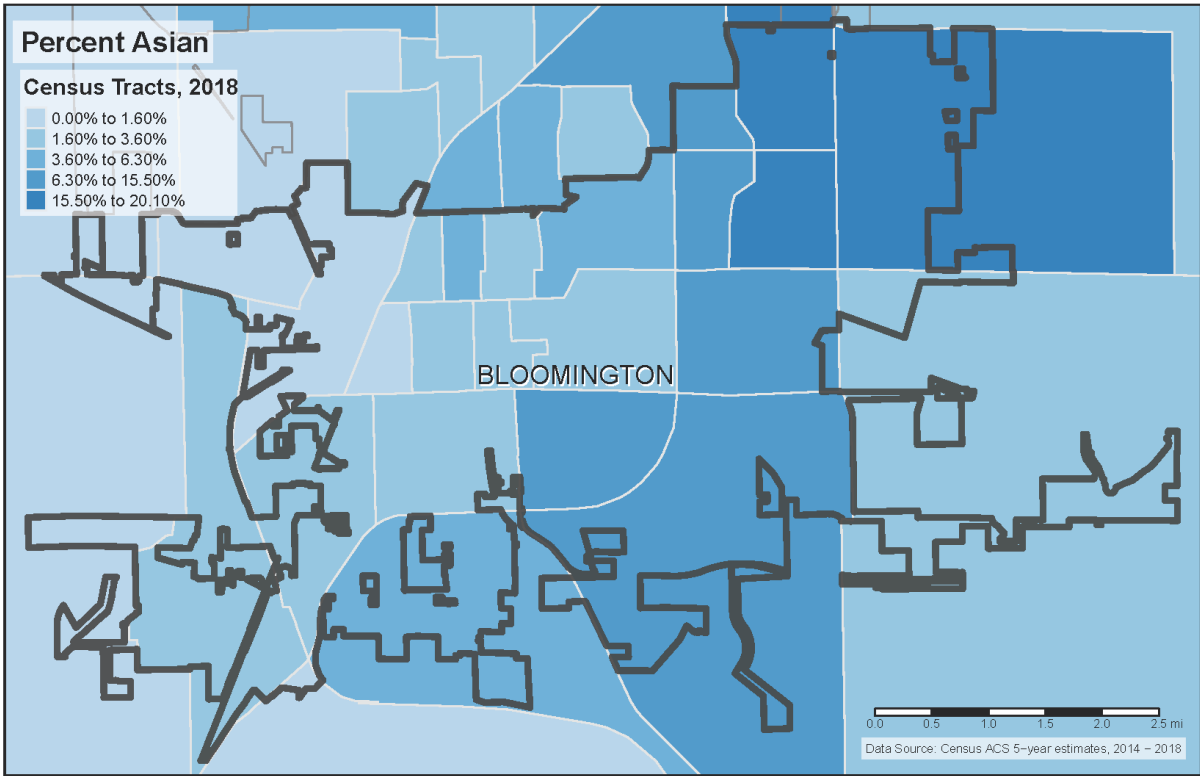
Bloomington Population by Race

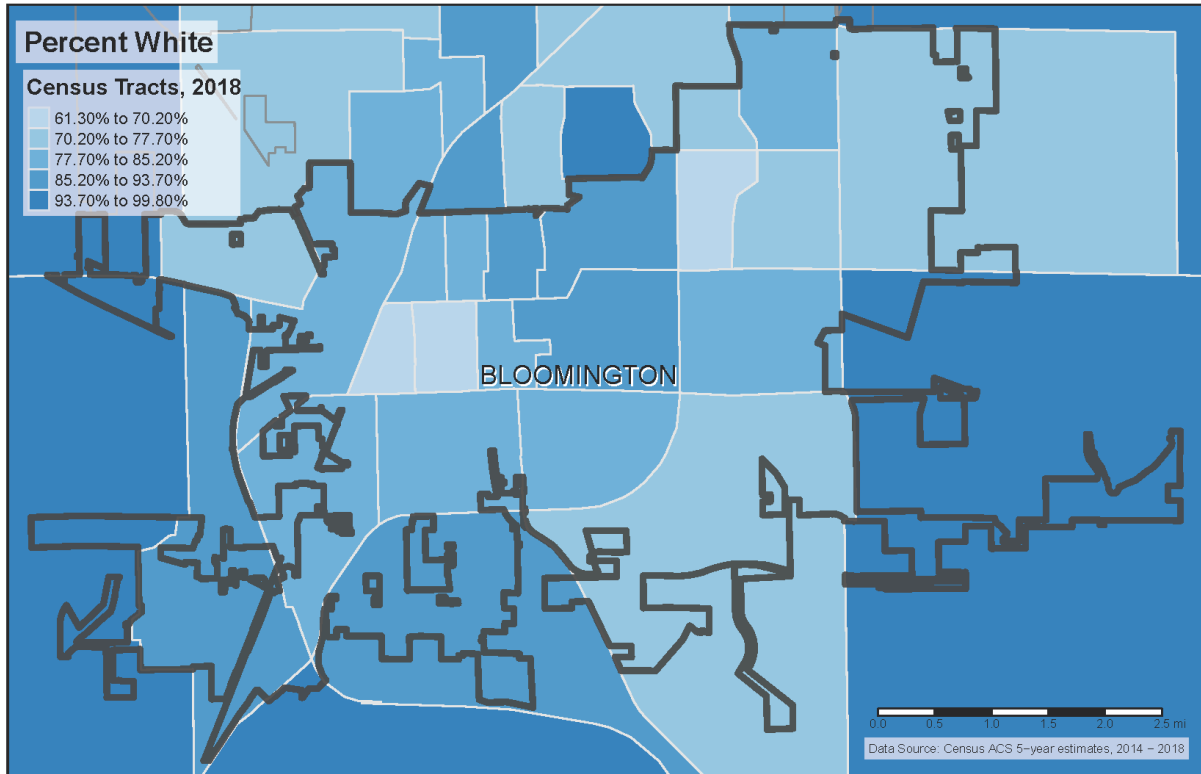


American Community Survey 5-Year Estimates (2013-2018)

As shown on the following maps, Black residents are primarily concentrated in downtown and West Bloomington, Asian residents are concentrated in the Northeast, Hispanic residents are concentrated in the Southwest, and White residents are concentrated on the outer edges of the City.





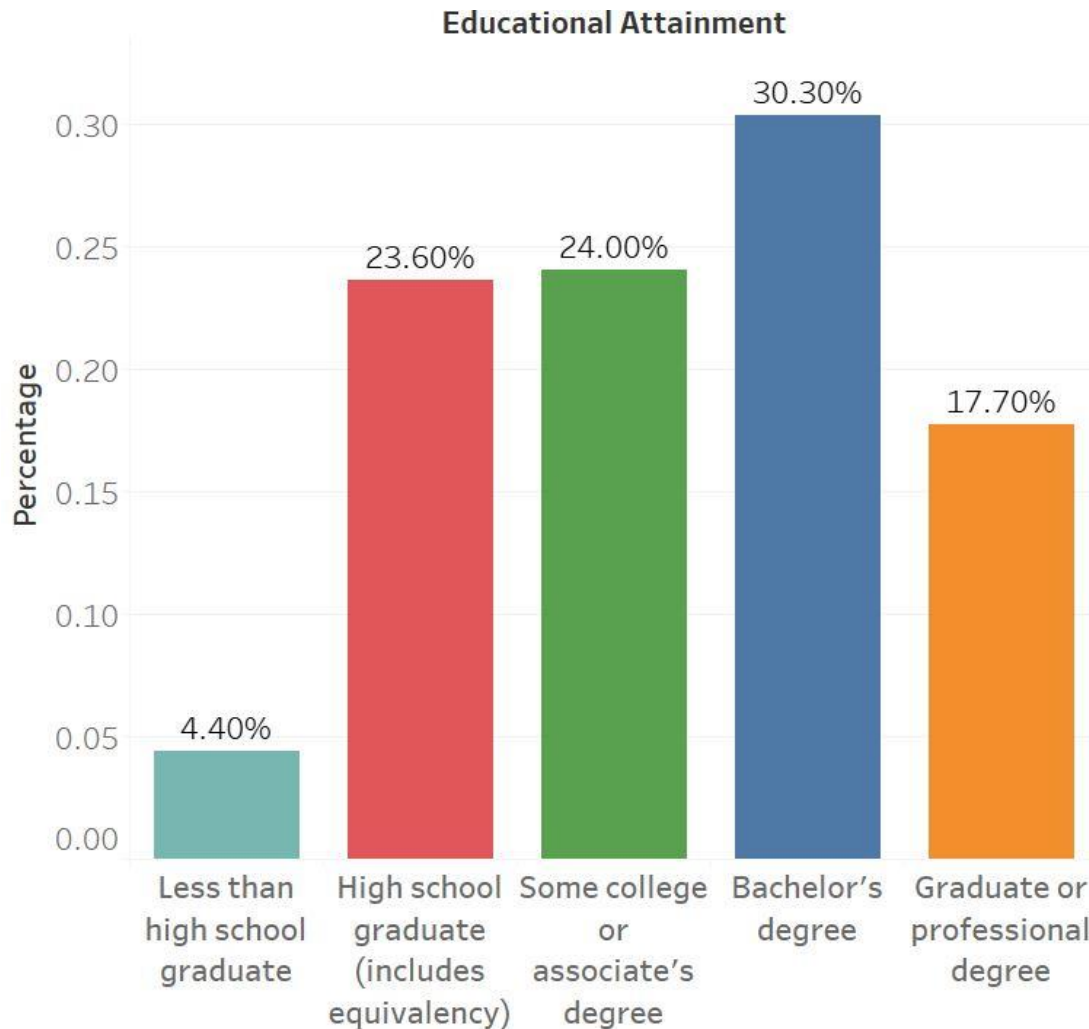


American Community Survey 5-Year Estimates (2013-2018)

Education and Employment

Bloomington is home to Illinois Wesleyan University and enjoys the benefits of being within close proximity of Illinois State University, Heartland Community College, and Lincoln College in Normal. The presence of these institutions also contributes to the relatively high percentage of the population with at least a bachelor’s degree (30%) compared to the overall population of Illinois (21%).⁷

⁷ American Community Survey 5-Year Estimates (2013-2018)



The community benefits from the presence of several large and very stable employers. The top employers in the metropolitan area include State Farm Insurance Companies, Illinois State University, COUNTRY Financial, Unit 5 Schools, Advocate BroMenn Medical Center, and OSF St. Joseph Medical Center. The unemployment rate in McLean County continues to be one of the lowest among central Illinois counties. The November 2019 unemployment rate in McLean County was 3.1% (not seasonally adjusted).

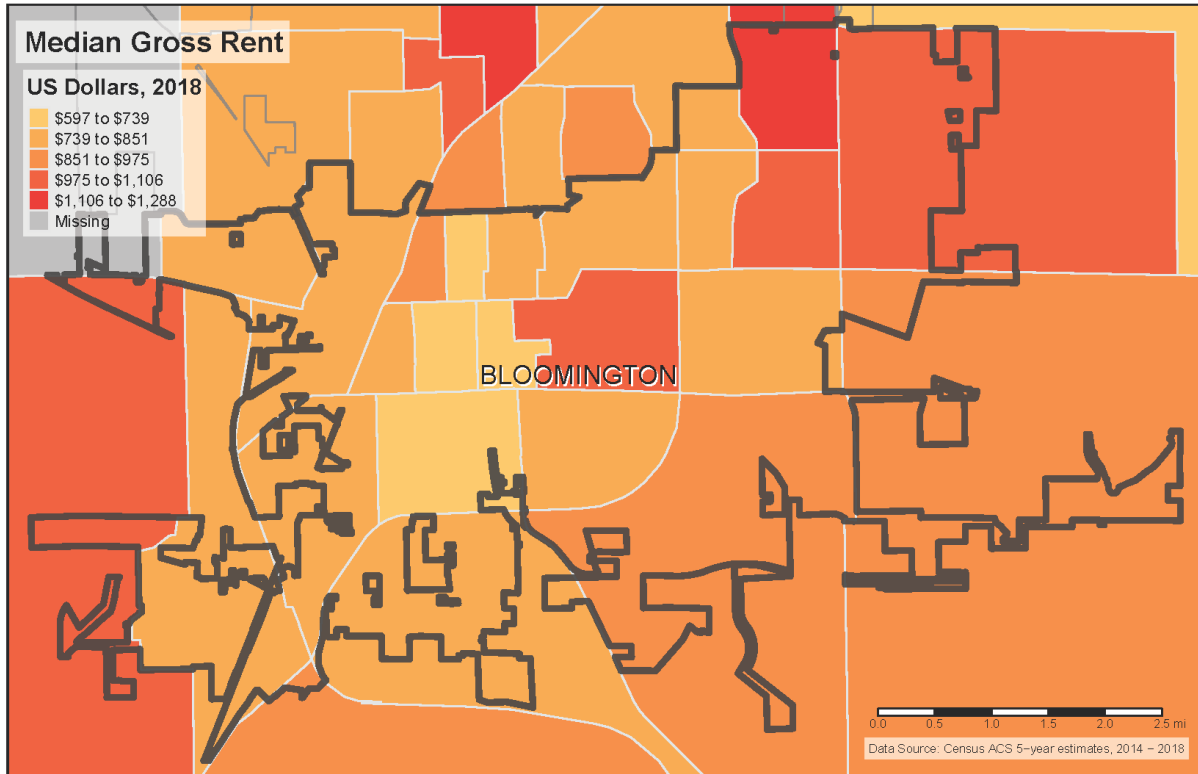
Local Housing Statistics:

The Regional Housing Study, completed in 2017, provides a general overview of the housing market in McLean County. The study found that McLean County is generally overbuilt, meaning that there is more housing than can be absorbed. Approximately two-thirds of McLean County housing units are single-family structures. While comparing the number of housing units to the number of households provides a general overview of how supply and demand are in balance, there are other factors that indicate whether there is a need for additional housing. Some

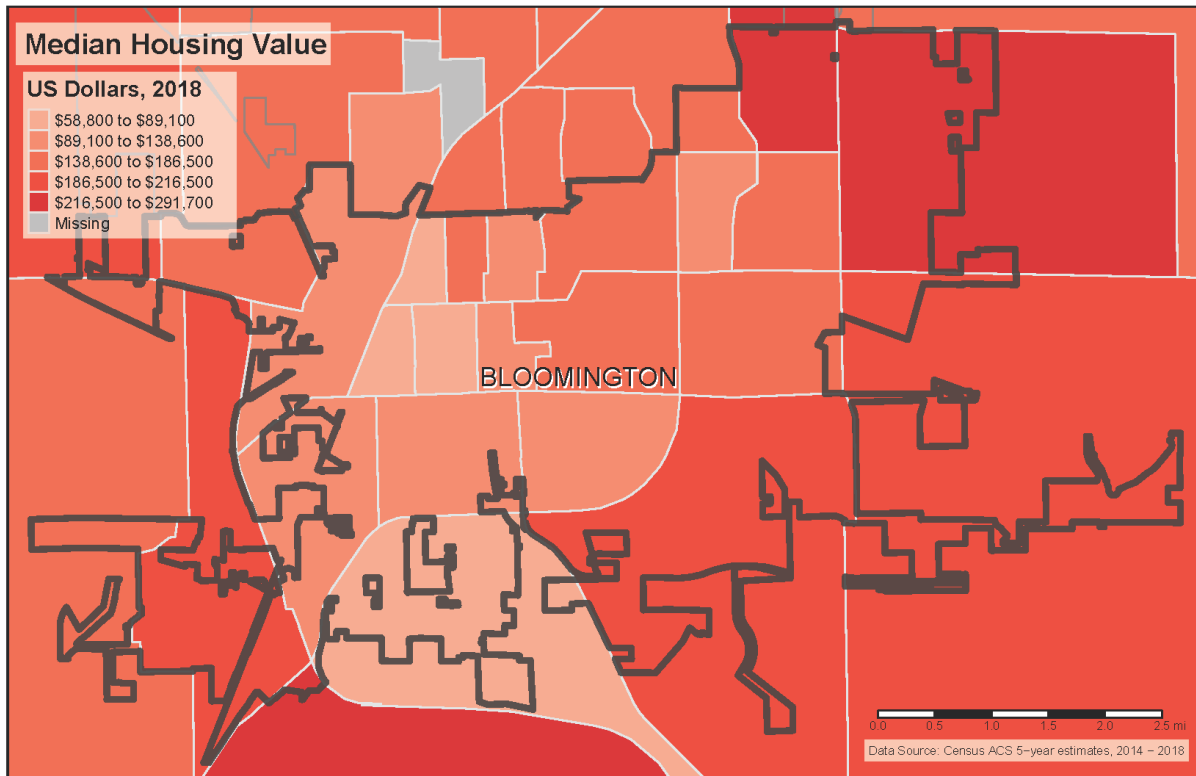
households desire a new house, even if there are an adequate number of existing units from which to select a dwelling. The existing available housing may be largely for rent when households are looking for a unit to purchase, or the sizes of the houses available may be too large or too small for the households seeking housing. An analysis of the housing stock in McLean County indicates that between 2000 and 2010, the number of housing units with three or more bedrooms increased by more than 10,300, while the County added only 2,500 households with three or more persons. In contrast, the County added about 5,500 one- and two-person households but only 2,500 housing units with zero to two bedrooms. About 62% are single-family detached units, and 4.5% are attached. Mobile homes make up another 4% of the units. As households shrink in size, they generally shrink their demand for the size of their housing unit as well. Households are having fewer children, and there is an aging population, both of which contribute to a shrinking average household size. Therefore, there will be a stronger need for smaller housing units in the future.

Between 2010 and 2018, the median gross rent grew by 16%. According to the American Community Survey (ACS) 2013-2018 5-Year Estimates, the median gross rent in the City of Bloomington is \$825 (\$700 in 2010)⁸. However, as seen in the map below, some areas of the City are more expensive than others.

⁸ American Community Survey 5-Year Estimates (2006-2010)

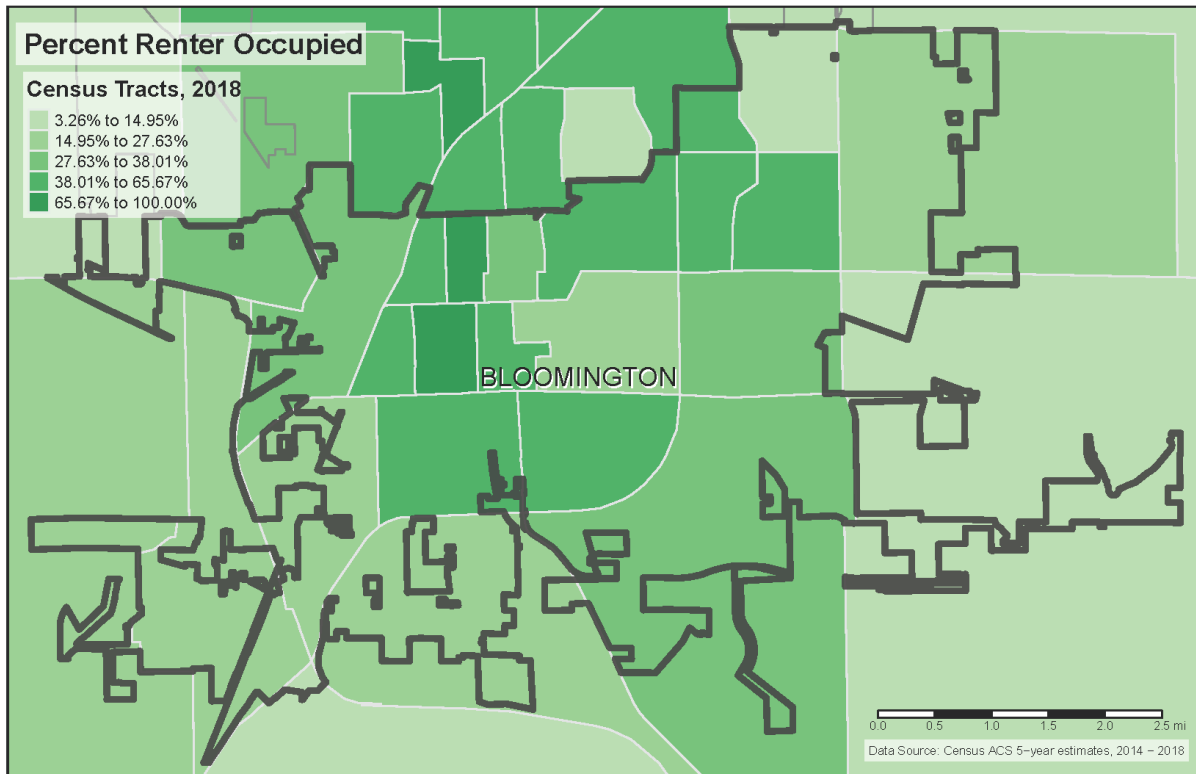


Between 2010 and 2018, the median home value (owner-occupied) grew by nearly 9%, as opposed to rent growth of 16%. The median home value (owner-occupied) is \$167,200, according to the 2013-2018 ACS 5-Year Estimates. As with median rents, median home values differ throughout the jurisdiction.



The City of Bloomington has a slightly higher percentage of renter-occupied housing units (39%) as compared to the State of Illinois (34%).⁹ Rental units tend to be more concentrated in the center of the City.

⁹ American Community Survey 5-Year Estimates (2013-2018)



Analysis of Potential Impediments to Fair Housing:

Housing Discrimination

The Citizen Survey posed a series of single choice and open-ended questions that asked respondents about their ability to find safe, sanitary and affordable housing in their community (Bloomington) and if they believe that housing discrimination exists. Analysis of this data helped to identify certain factors as real, perceived or potential impediments to a fair housing climate in the City of Bloomington.

Each question was analyzed in several ways, including cross-tabulation with dimensions such as age, race, and income. Open-ended questions were analyzed by tagging each response based on its content. Survey results by certain dimensions, such as race or age, were called out if they differed from the overall results of each question.

Respondents were asked the question, “Are you able to find safe, sanitary and affordable housing in your community?” Roughly 81% of respondents said “Yes,” and 19% said “No.” However, those percentages look differently based on different demographics of respondents. Among the 20%

who said they have difficulty finding safe, sanitary, and affordable housing, the following groups responded at a higher rate than the 20% average:

- African American: 33%
- 18-24 Age Group: 35%
- 25-34 Age Group: 24%
- No High School Diploma: 25%
- Renters: 34%

Respondents were then asked to elaborate on the challenges they have faced in finding safe, sanitary and affordable housing. The question was open-ended and responses were tagged by keywords in order to discover which challenges were mentioned most often. The top answer by far to this question was general “Affordability,” followed by “Neighborhood/Safe Area” and “Property Maintenance/Quality.”

Respondents were also asked, “Do you believe housing discrimination exists in your community?” Overall, 242 respondents (about 31%) said “No,” 228 (about 29%) said “Yes,” 79 (about 10%) replied “Don’t Know,” and the rest did not reply. Similar to the first question asked regarding respondents’ ability to find safe, sanitary and affordable housing, responses are different based on demographics.

- By Race: African Americans ranked “Yes” (42) much higher than “No” (14).
- By Age: 18-24 and 25-34 age groups ranked “Yes” (8 and 44, respectively) higher than “No” (4 and 30, respectively); all other age groups ranked “No” much higher than “Yes.”
- By Gender: Females marked “Yes” much higher (141 “Yes,” 102 “No”), but males marked “no” much higher (76 “Yes,” 121 “no”).
- By Housing Tenure: Owners marked “No” much higher (184 “No”, 145 “Yes”), but renters marked “Yes” higher (44 “No,” 62 “Yes”).

Respondents were asked to elaborate further on what types of discrimination they have faced or believe exist in the community. The question was open-ended and responses were tagged by keywords in order to discover which types of discrimination were mentioned most often. The top answer to this question was general “Income Based Discrimination,” followed by “Discrimination Against Minority Groups” and “Possibly, but Have Not Personally Experienced It.” African Americans ranked “Discrimination Based on Background” and “Discrimination Issues with Landlords/Realtors” highest, while those ranked in the middle on the overall responses graph.

Respondents with a Graduate Degree or Higher ranked “Discrimination Against Minority Groups” higher than other groups.

The stakeholder survey also asked respondents which populations they believe are having difficulty finding affordable housing in Bloomington-Normal. The highest-ranked answer among stakeholders was “Persons with Disabilities.” Stakeholders indicated that this is an issue in both Bloomington and Normal. Other populations identified included “Registered Sex Offenders,” “Formerly Incarcerated,” and “Low Income populations.”

From these responses, it is evident that some of the potential impediments to fair housing impact certain demographic groups more than others.

In addition to feedback received from the outreach process, fair housing complaints made to the Illinois Department of Human Services (IDHS) and the City of Bloomington Human Relations Commission can help identify fair housing issues in the community. According to information obtained from IDHS and the Commission, there have been no fair housing complaints submitted in the City of Bloomington between 2010 and 2019.

Other potential impediments identified through outreach, data analysis and staff knowledge include:

Housing Market Conditions

The Regional Housing Study, completed in 2017, provides a general overview of the housing market in McLean County. As mentioned previously, the study found that McLean County is generally overbuilt, meaning that there is more housing than can be absorbed. Approximately two-thirds of McLean County housing units are single-family structures. While comparing the number of housing units to the number of households provides a general overview of how supply and demand are in balance, there are other factors that indicate whether there is a need for additional housing. Some households desire a new home, even if there is an adequate number of existing units from which to select a dwelling. The existing available housing may be largely for rent when households are looking for a unit to purchase or the sizes of the houses available may be too large or too small for the households seeking housing. An analysis of the housing stock in McLean County indicates that between 2000 and 2010 the number of housing units with three or more bedrooms increased by more than 10,300 while the County added only 2,500 households with three or more persons. In contrast, the County added about 5,500 one- and two-person households but only 2,500 housing units with zero to two bedrooms; about 62% are single-family detached units and 4.5% are attached. Mobile homes make up another 4% of the units. As households shrink in size, they generally shrink their demand for the size of their housing unit as well. Households are having fewer children and there is an aging

population, which are both shrinking the average household size. Therefore, there will be a greater need for smaller housing units in the future.

Many responses to the questions on the Citizen survey related to subpar conditions of rental units. One of the most prevalent barriers to residential investment in McLean County is low average market values in certain areas of the community. Many existing homes in these areas are not in great condition and require significant investment in order to make them livable. Due to low market values, however, the investment required to purchase and improve the property is much higher than what the property will be worth after improvements. Market conditions such as this deter potential homeowners from purchasing in these areas, as well as deter property owners from making improvements to properties they own.

Market conditions of supply and demand certainly influence housing and rental prices. The for-sale housing market rapidly expanded in the early part of the 2000's. Even though supply increased substantially, the average housing prices of both new and used homes grew at a steady rate. However, according to the most recent report from the Bloomington-Normal Association of Realtors (2019), the local housing market has slowed down. Real estate agents identified low inventory as the main cause of the slow down. While average prices increased 3.4% statewide, the average price for a home sold in Bloomington-Normal remained the same. The number of newly built homes sold in 2019 fell to 49, down 43% from 2018.¹⁰

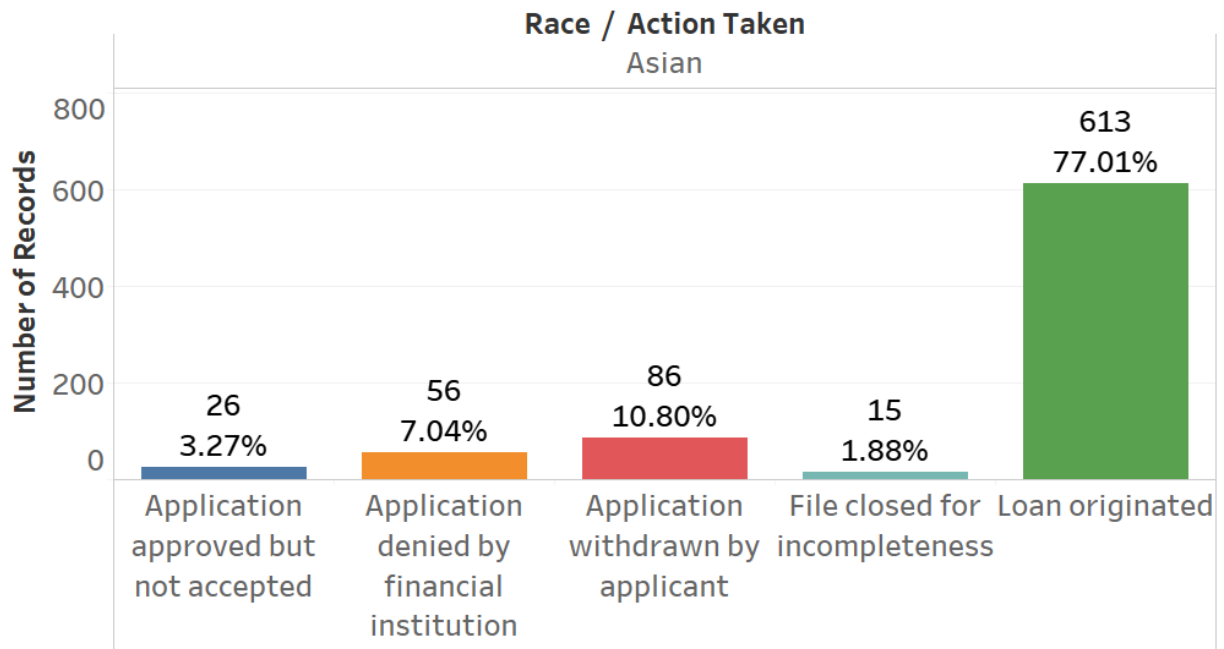
Access to Housing

One of the greatest Impediments to purchasing a home is a lack of access to mortgage credit. While numerous financial institutions in the area offer mortgage products, many potential buyers are unable to access them due to low credit scores, bad debt-to-income ratio, etc. The Home Mortgage Disclosure Act requires banks to report their mortgage activity on a yearly basis. The following chart represents the actions taken on mortgage applications (home purchase only) in McLean County between 2010 and 2017 by selected races.¹¹

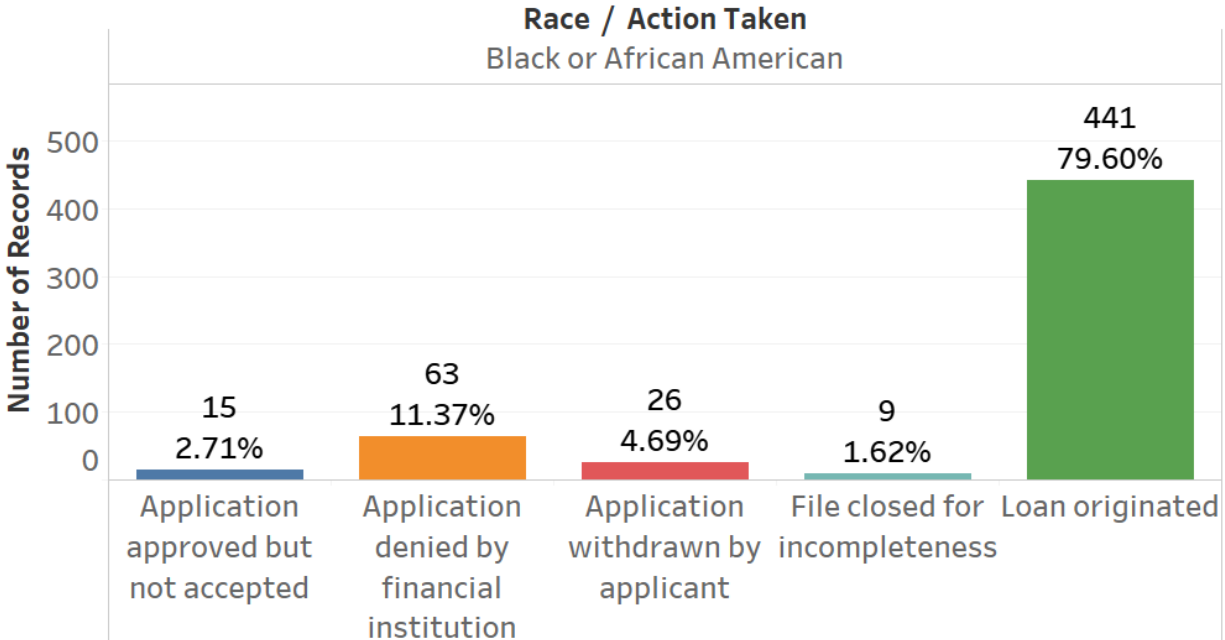
¹⁰ <https://www.wglt.org/post/sales-slow-prices-flat-b-n-housing-market-2019>

¹¹ Home Mortgage Disclosure Act (HMDA) data is reported to, and was sourced from, the Consumer Financial Protection Bureau. The data analyzed here includes mortgage applications for one-to-four-unit family dwellings (other than manufactured housing), owner-occupied as a principal dwelling where primary applicants identified a race between 2010-2017 in McLean County. Co-applicant race was not included due to the number of variables that would add. Data from 2018 was not included because the reporting format and variables changed, disallowing an analysis of multi-year data.

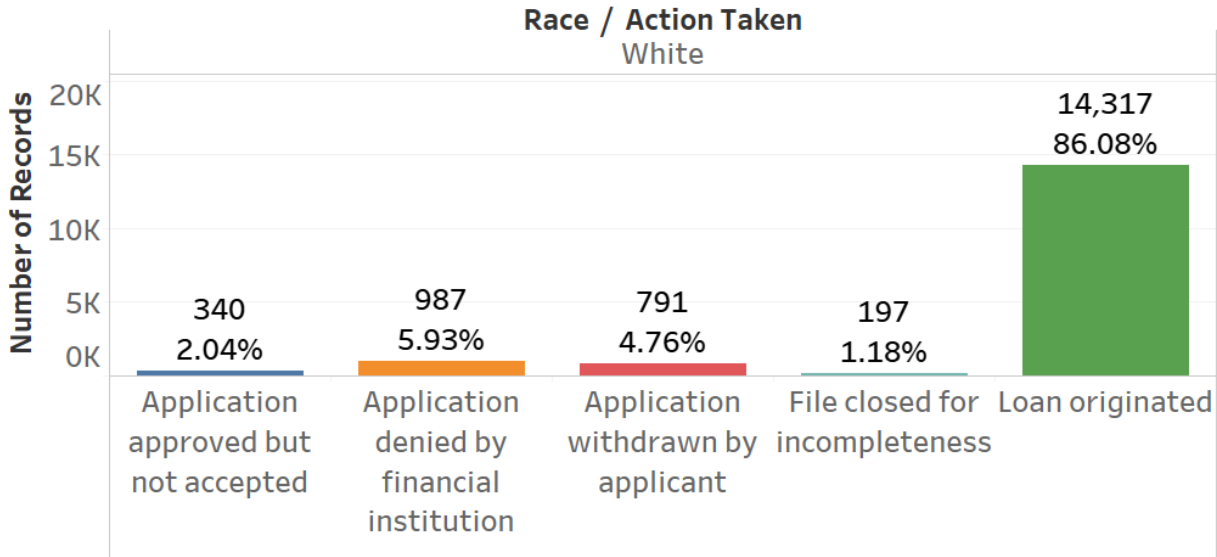
Asian



Black or African American



White



Of applicants who reported their race, Whites were most likely to have their loan originated (86.08%), followed by Black or African Americans (79.6%), then Asians (77.01%). However, Black or African Americans were most likely to have their application denied (11.37%), followed by Asians (7.04%), then Whites (5.93%).

The following table shows the number and percentage of mortgage applications (all actions taken) by race and the number and percentage of householders in McLean County that identify as that race alone.

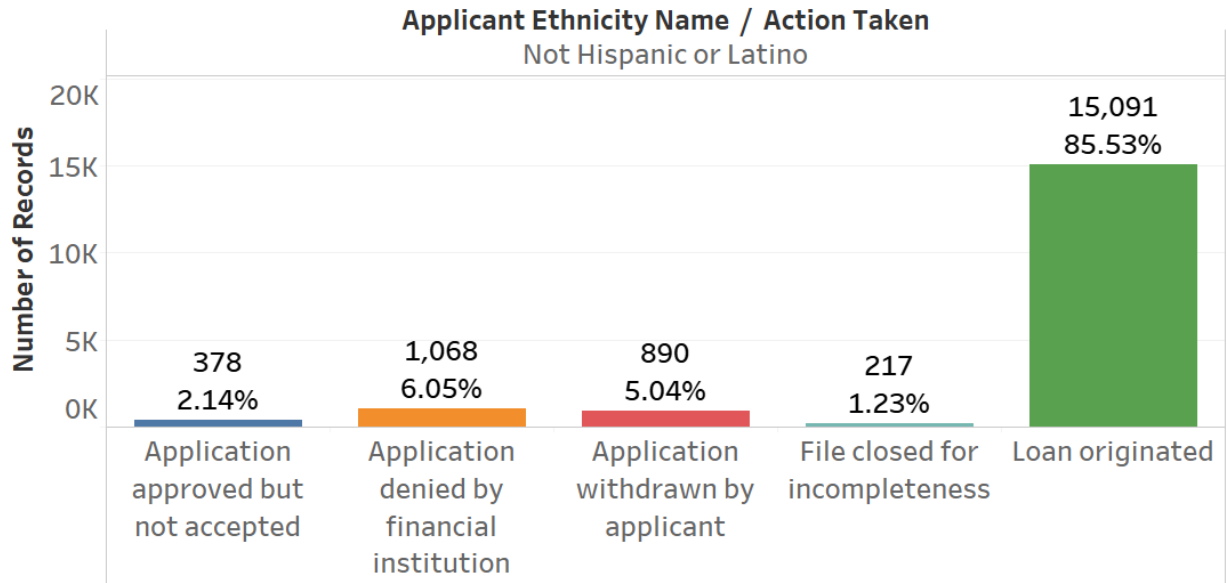
| Race | Householders (ACS 2013-2018 5-Year Estimates) | % of Total Householders | Number of Mortgage Applications (HMDA 2010- 2017) | % of Mortgage Applications |
|--|--|----------------------------|---|-------------------------------|
| White | 56,568 | 87.05% | 1,6632 | 92.17% |
| Black | 5,156 | 7.93% | 554 | 3.07% |
| Asian | 3,182 | 4.9% | 796 | 4.41% |
| (American Indian or Alaskan Native)* | 80 | 0.12% | 42 | 0.23% |
| (Native Hawaiian or Other Pacific Islander Alone)** | 0 | 0 | 21 | 0.12% |

*American Indian or Alaskan Native Alone and Native Hawaiian or Other Pacific Islander Alone are included for reference. They were not included in the analysis of mortgage applications action taken due to low numbers that preclude a meaningful analysis.

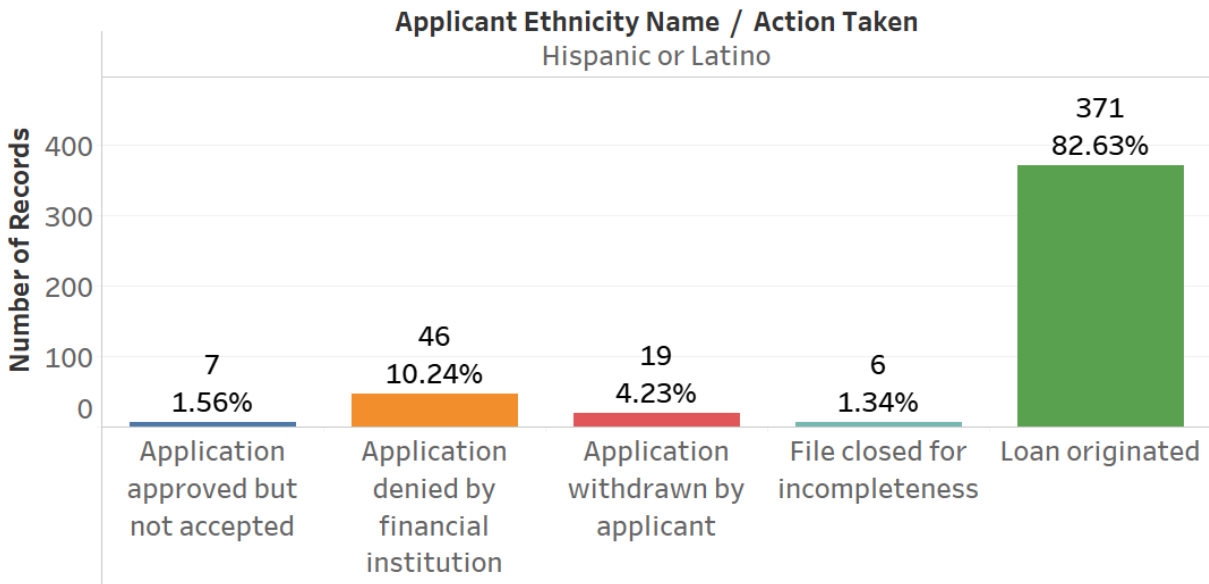
**The reason Native Hawaiian or Other Pacific Islander Alone shows a population of '0' is potentially due to the fact that the American Community Survey (ACS) is sent out randomly each year and may not have been sent to any households identifying as such during that time.

The Home Mortgage Disclosure Act data separates ethnicity from race. Of applicants who reported their ethnicity, those who identified as Not Hispanic or Latino were slightly more likely to have their loan originated (85.53%) than those who identified as Hispanic or Latino (82.63%). There was also a slight difference in the rates of application denials, with 6.05% of applications by those who identify as Not Hispanic or Latino denied and 10.24% of applications by those who identify as Hispanic or Latino were denied.

Not Hispanic or Latino



Hispanic or Latino



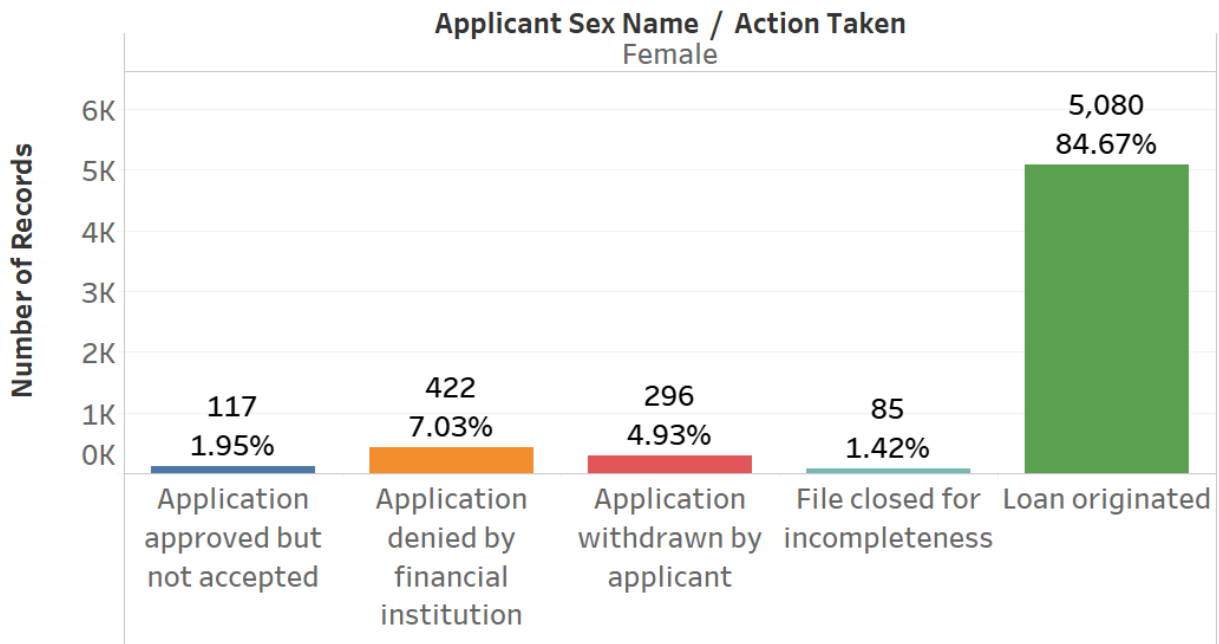
The following tables demonstrate the number and percentage of mortgage applications (all actions taken) by ethnicity and the number and percentage of householders in McLean County that identify as that ethnicity. Data for ethnicity of householder in McLean County comes from

the 2010 Census, as that data is not collected through the annual American Community Survey (ACS).¹²

| Ethnicity | Householders (2010 Census) | % of Householders | Number of Mortgage Applications | % of Mortgage Applications |
|----------------------------------|----------------------------|-------------------|---------------------------------|----------------------------|
| Hispanic or Latino (of any race) | 1,872 | 2.88% | 449 | 2.48% |
| Not Hispanic or Latino | 63,232 | 97.12% | 17,644 | 97.52% |

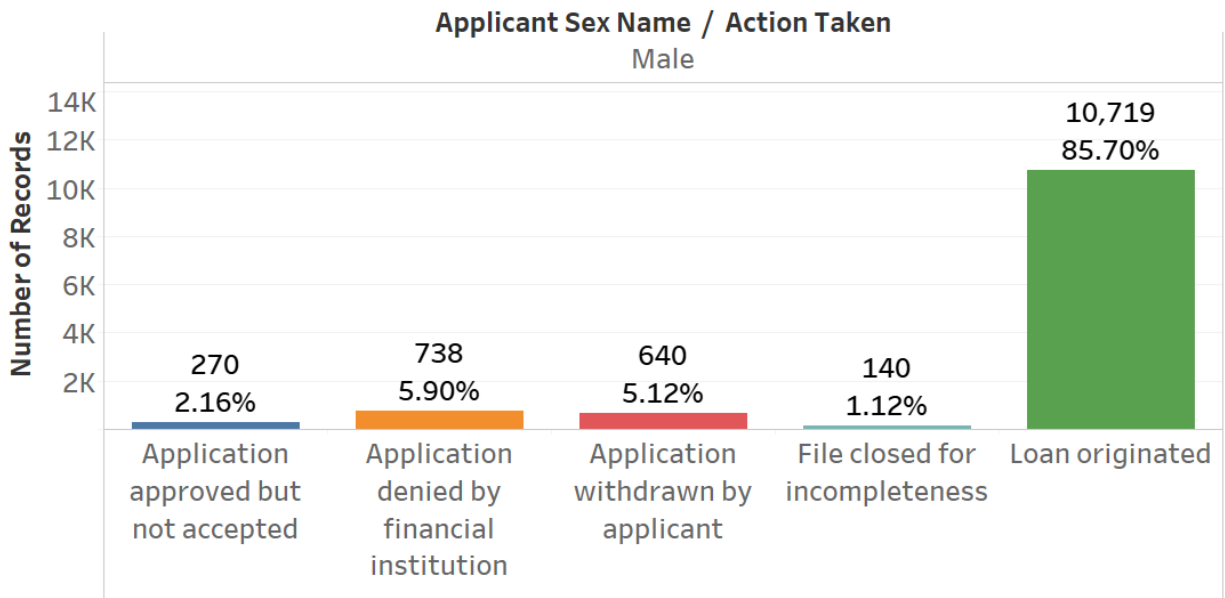
The following chart represents the actions taken on mortgage applications (home purchase only) in McLean County between 2010 and 2017 by gender for applicants that identified a gender.

Female



¹² Ethnicity of the population of McLean County is collected through the ACS, but this number includes children who are too young to be a householder. Thus, the data would not be comparable to the ethnicity of mortgage applicants.

Female



Of applicants that reported their gender, there was little difference in the rates for actions taken amongst reported genders. Male applicants had their mortgage applications originated at a rate of 85.7%, while female applicants had their applications approved at a rate of 84.67%. Male applicants had their applications denied at a rate of 5.9%, while females had their applications denied at a rate of 7.03%.

Housing Cost Burdens

Based on the Department of Housing and Urban Development's (HUD) 2011-2015 Comprehensive Housing Affordability Survey (CHAS) data, approximately 24% of households in Bloomington are experiencing high housing cost burdens, housing costs greater than 30% of household income. Of those with high housing cost burdens, 53% are experiencing costs greater than 30% but equal than or less to 50%, and 47% have cost burdens greater than 50%. Of households with cost burdens greater than 30% but lower than 50% of household income, roughly 78% are Caucasian, followed by 14% Black/African American and 3% Hispanic. Among households with costs burdens of 50% or greater, approximately 64% are Caucasian, 27% are Black/African American, and 7% are Hispanic. This data shows that minorities are more likely to be affected by higher cost burdens.

Each year the National Low Income Housing Coalition publishes a report titled "Out of Reach" which documents the gap between renters' wages and the cost of rental housing across the United States. The report's central statistic, the Housing Wage, is an estimate of the hourly wage a full-time worker must earn to afford a modest rental home at HUD's fair market rent (FMR) without spending more than 30% of his or her income on housing costs, the accepted

standard of affordability. The 2019 report found that a worker making minimum wage (\$8.25/hour) in McLean County would need to work 85 hours a week in order to afford a modest one-bedroom rental at fair market rent. The annual income needed to afford a two-bedroom rental is \$33,840 (National Low Income Housing Coalition, Out of Reach 2019: Illinois).

Supply of “Income-Qualified” Housing

While data from the American Community Survey (ACS) and other national data sets are informative, local planning initiatives and results of outreach efforts form the core of the Needs Assessment. A regional housing study, BN Home (October 2017), identified housing needs for the diverse populations of Bloomington and Normal, while providing guidance on housing policy to municipal officials, social service providers, housing authorities, home owners, realtors, developers, management companies, and other stakeholders.

As a result of this study, the Regional Housing Advisory Committee completed research and published a variety of white papers on issues related to affordable housing in McLean County. One such white paper examined the different types of “income-qualified” housing in McLean County, quantifying the availability of those units and comparing that to the need for such units based on household income brackets. Income-qualified housing refers to rental housing units designated for households making less than 80% of the area median income; tenants in these programs must be “income-qualified.” In McLean County, income-qualified housing includes Low Income Housing Tax Credit (LIHTC) units, Project Based Section 8 Rental Assistance (PBRA) units, USDA Section 515 Rural Multifamily Housing units, Public Housing units and Section 8 Housing Choice Voucher units. This research found that only 14% of occupied rental units in McLean County are income-qualified, while nearly 72% of households that rent in McLean County qualify for housing units or vouchers restricted to 80% AMI and approximately 53% of them qualify for units restricted to 50% AMI. Additionally, the white paper examined the affordability requirements and subsidy expirations tied to income-qualified units and found that in the next 10 years, 625 of 1,721 total LIHTC units will reach their 30-year expiration and face a potential loss of affordability or income restriction. Of those units, about 40% are in Bloomington. In the next 10 years, 266 out of 640 total PBRA units will reach the end of their current contracts, and face a potential loss of affordability in the form of income-restricted units. Some of these units are also assisted by LIHTC and would maintain LIHTC affordability after the PBRA contract ends. Of those 266 units, about half are located in Bloomington. In the next 10 years, 27 of 117 USDA Section 515 units will reach their loan maturation date, and face a loss of affordability or income restrictions. Some of these units are also assisted by LIHTC and

would maintain LIHTC affordability after the Section 515 contract ends. None of these units are in Bloomington.

The key points of this research are that income-qualified housing needs in McLean County far exceed housing unit availability, and a significant number of existing income-qualified units are at risk of losing their affordability or income restrictions in the next 10 years.

Housing for Persons with Disabilities

During stakeholder outreach for the Consolidated Plan, organizations that serve persons with disabilities frequently mentioned the need for more physically accessible housing and that universal design can meet the needs of many special populations. More integrated housing (group homes within traditional neighborhoods) was also mentioned, along with a need for group housing with 24/7 support services for certain populations. Additionally, parents of teens and young adults with autism expressed a need for autism-friendly supportive housing for their children, especially as they become incapable of providing for the care themselves. Service providers also identified a gap in supportive services for youth with disabilities. Another need that was continually brought up by stakeholders in the Focus Groups was the need for additional employees to provide supportive services. Providers also expressed fear that the impending increase of the minimum wage to \$15/hr. in Illinois could negatively impact the number of supportive services that organizations, especially nonprofits, will be able to provide.

Respondents to the Citizen Survey also expressed a need for expanded housing for persons with disabilities in the community:

“Individuals with disabilities (specifically those with autism) who need support have limited to no options available to them. They need varying levels of support, access to services, in-home accommodations.”

“Twin sons with developmental disabilities including autism face challenges in finding appropriate, affordable, group home housing in McLean County. Waiting lists are too long, particularly for low functioning adults like them.”

“Our daughter is special needs and will require support in a group home. There is limited housing of this type available and PUNS funding has an extensive waiting list.” particularly for low functioning adults like them.”

Perception of Affordable Housing and/or Tenant Background

Through the outreach conducted for the Consolidated Plan, it was evident that a stigma still exists surrounding affordable housing in the community.

Feedback indicated a shortage of landlords that are willing to rent to people with poor credit, unfavorable rent history, or criminal background. Additionally, it is difficult for people with housing choice vouchers to find landlords willing to rent to them. Comments received through the Citizen Survey reflect these challenges:

“Some landlords won't rent to you if you say you have a housing voucher.”

“People don't want to rent to people with Section 8.”

“If you have a felon on drug charges or fighting it is hard to get a place.”

“I have heard of stories of unfair landlords, or landlords that have unreasonable requirements and expectations for tenants (proof of citizenship, large rental deposits, proof of salary, etc.)”

Housing Conditions

According to HUD's 2011-2015 CHAS data, 60% of households in Bloomington that earn at or below 30% of the Area Median Income (AMI) experience at least one of four severe housing problems.¹³ Black/African American residents appear to be disproportionately affected by severe housing problems. When looking at households with one or more of the four housing problems for residents with an income at or below 30% of AMI, 30% are Black/African American. The percentage remains the same for those with an annual income 30 - 50% of AMI. It increases to 38% for Black/African Americans with an annual income 50 - 80% of AMI. American Community Survey (ACS) data indicates the Black/African American population in Bloomington at 14.3%.

The condition of housing has been a part of numerous community conversations over the past few years. Residents and organizations have voiced their concern over substandard housing conditions in the City, mostly rental property that is affordable to households with very low- to low incomes.

As mentioned previously, many responses to the questions on the Citizen survey related to subpar conditions of rental units. Comments related to housing conditions received through the Citizen Survey include:

“I can find safe, and sanitary housing. It's the affordable housing that is lacking. Unless you have perfect credit. Our family goes through great financial sacrifice to live in a safe and sanitary home. Because the affordable housing is NOT safe or sanitary. You can't find all 3 in one.”

¹³ The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

“The majority of properties that are economical are run down and belong to property owners who don't care about the safety of their tenants.”

“Old pipes, mold, and lead paint are some of the specific problems I've experienced when I was renting.”

Actions Intended to Eliminate Impediments:

The impediments identified in this analysis present current or potential barriers to fair and affordable housing in the City of Bloomington. The City intends to continue many of its meaningful efforts in eliminating these impediments and to undertake a number of new initiatives aimed at improving equitable, safe, and affordable housing throughout the community. Strategies and actions meant to combat each of the identified impediments are outlined below.

Impediments to Fair Housing and Actions to Address Impediments

| Impediments | Actions |
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| <p>Housing Discrimination: A number of respondents to both the citizen and stakeholder surveys for the 2020-2024 Consolidated Plan identified discrimination based on income, race/ethnicity, and physical ability as an existing impediment to fair housing in Bloomington.</p> | <p>In 2019, the City of Bloomington engaged in a partnership with Prairie State Legal Services to provide a new fair housing and anti-discrimination program for Bloomington residents. The 2020 program will include funding to initiate a fair housing testing program. The City intends to continue this partnership throughout the 2020-2024 Consolidated Plan period. Additionally, the Bloomington Human Relations Commission will continue to hear fair housing complaints, as necessary.</p> |
| <p>Housing Market Conditions: The high cost of maintaining and rehabilitating renter- and owner-occupied housing in certain areas of the community is a barrier to many Bloomington residents.</p> | <p>The City has managed a homeowner housing rehabilitation loan program for many decades. Currently, the City offers housing rehabilitation on single-family, owner-occupied housing units through several funding sources. The City's program funded with CDBG dollars offers homeowners up to \$25,000 in assistance through a 0% interest, deferred mortgage. Through the Illinois Housing Development Authority's Single Family Rehabilitation Program, the City offers homeowners up to</p> |

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| | <p>\$45,000 in assistance through a 0% interest, five-year forgivable loan. For homeowners needing assistance with accessibility improvements, the City offers the Illinois Housing Development Authority’s Home Accessibility Program. The Home Accessibility Program provides up to \$25,000 in assistance through a 0% interest, five-year forgivable loan. All housing rehabilitation programs are available to households with an income at or below 80% of the Area Median Income.</p> <p>The City supports Habitat for Humanity’s A Brush with Kindness program. Habitat assists income-qualified homeowners with small-scale, exterior renovations. Homeowners receive assistance through a grant.</p> |
| <p>Access to Housing: The high cost of owning or renting a residence in Bloomington makes access to housing difficult for those making less than 80% of the Area Median Income. New construction of affordable housing is cost-prohibitive without incentives.</p> | <p>The City partners with Habitat for Humanity, YouthBuild and other non-profits for the construction and rehabilitation of affordable housing on an in-fill basis. When the City obtains title to a blighted property that is considered “buildable”, it demolishes all blighted structures, clears the property of debris, and provides connection to City water and sewer services, as needed. The property is then donated to Habitat for Habitat for construction of new, affordable housing. Habitat’s homeowner program is limited to households at or below 50% of the Area Median Income.</p> <p>The 2020-2024 Consolidated Plan identifies job training and workforce development as high priority needs for Bloomington. In 2020, the City will partner with Dreams Are Possible, a job training program for low-income women. Dreams Are Possible prepares women to enter a skilled-trade through which they can earn a living wage.</p> |

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| | <p>When the City obtains title to a housing unit that does not meet the criteria for blight, it donates the property to a local not-for-profit for rehabilitation. A grant up to \$25,000 is provided to assist with rehabilitation expenses. Once the project is complete, the not-for-profit must sell or rent the housing unit to an income-qualified household.</p> |
| <p>Housing Cost Burden: Data suggests a low-wage earner living in McLean County needs to work 2.5 full-time jobs in order to afford rent on a modest, one-bedroom rental.</p> | <p>The 2020-2024 Consolidated Plan identifies job training and workforce development as high priority needs. These are new priority areas from previous Consolidated Plans. In 2020, the City will utilize CDBG funding to support Dreams Are Possible, a job training program for low-income women. Dreams Are Possible prepares its students to enter the skilled-trade workforce and, therefore, provides their ability to earn a living wage.</p> <p>The City partners with the Bloomington Housing Authority each year to provide job and life-skills training opportunities for Section 3 residents. Typically, two, week-long job training programs and a job fair are offered to public housing residents and Housing Choice Voucher program participants.</p> <p>The City will continue to seek other funding opportunities and partnerships to support job training and workforce development initiatives. Ultimately, the goal is to increase a household’s earning potential and, therefore, reduce or eliminate its housing cost burden.</p> |
| <p>Supply of Income-Qualified Housing: Income-qualified housing needs in McLean County far exceed housing unit availability, and a significant number of income-qualified units are at risk of losing their affordability or income restrictions within the next 10 years.</p> | <p>The McLean County Regional Housing Staff Advisory Committee will continue its work of researching and tracking the number of income-qualified units throughout the county. Committee members will reach out to property owners encourage the renewal of</p> |

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| | <p>their subsidy and/or maintaining their low-income affordability.</p> <p>The City reviews fees routinely and periodically requests that the City Council enact increases. The City will continue to monitor these fees and attempt to identify the balance between affordability and accessible City services and amenities.</p> <p>Building and inspection permit fees are waived for all not-for-profit organizations building/rehabilitating affordable housing for income-qualified households. This practice extends to private contractors performing work under CDBG and IHDA programs.</p> <p>The City works with developers throughout the process of affordable housing construction. The City supports developers in a variety of ways including but not limited to: waiving fees, providing incentives, providing funding for rental assistance, and assisting with Low Income Housing Tax Credit and Historic Tax Credit applications.</p> <p>In recent years, the City has supported two new, affordable housing projects. Lincoln Lofts will provide more than 50 new units of affordable housing on the City's East side. Bloomington Housing Authority will provide Housing Choice Vouchers at 17 of the units. Construction will begin in 2020 with an additional phase of construction possible in the future. The second project, Washington Senior Apartments, converted the historic Bloomington High School building to affordable senior housing.</p> |
| <p>Housing for Persons with Disabilities: During outreach for the Consolidated Plan, individuals and organizations that serve persons with</p> | <p>The City receives funding from the Illinois Housing Development Authority's Home Accessibility Program (HAP). HAP provides up to \$25,000 in assistance for home accessibility</p> |

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| <p>disabilities frequently mentioned the need for more physically accessible housing units.</p> | <p>improvements such as accessibility ramps, chair lifts, bathroom bars/handles, wider doors, etc. The funds are made available through a 0% interest, 5-year forgivable mortgage.</p> <p>The City utilizes CDBG funding to support its partnership with AMBUCS. AMBUCS utilizes its volunteer base to construct accessibility ramps and the City pays for materials. Assistance is offered through a grant to the homeowner.</p> <p>The City participates in the Regional Housing Staff Advisory Committee. In addition to City staff, the Committee is comprised of representatives from the Town of Normal, McLean County Regional Planning Commission, PATH, McLean County, and Bloomington Housing Authority. There are two sub-committees – Affordable and Supportive Housing and Innovative Housing Solutions.</p> |
| <p>Public Perception of Affordable Housing: Outreach conducted for the Consolidated Plan illustrated that a stigma still exists surrounding affordable housing in the community.</p> | <p>The City will continue to partner with the McLean County Regional Housing Staff Advisory Committee and local public service providers to educate the public and officials on the need for and benefits of affordable housing.</p> <p>In 2019, the Advisory Committee created a series of white papers on affordable housing. The first paper in the series, “What is Affordable Housing in McLean County?”, provides a broad overview of the different types of affordable housing and introduces the term “Income Qualified Housing”, the topic of the 2nd and 3rd papers in the series. The 2nd paper addresses income qualified housing as it relates to Area Median Income. Real world comparisons are provided for each level of income. For example, a fire fighter making an entry-level wage could qualify for a housing</p> |

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| | <p>unit restricted to a household making at or below 50% AMI.</p> <p>https://mcplan.org/projects-and-programs/bn-home-/research</p> |
| <p>Housing Conditions: According to comments collected during the Consolidated Plan outreach and consultation process, owner-occupied housing tends to be in better condition than renter-occupied housing in Bloomington.</p> | <p>The City’s Rental Registration and Inspection Program is designed to ensure safe, code compliant rental housing. The City employs (2) rental inspectors who perform complaint-based rental inspections in addition to inspections on a rolling cycle. The City also employs (3) property maintenance inspectors performing complaint-based inspections.</p> <p>In 2015, the City implemented an Administrative Court in an effort to gain compliance from homeowners and landlords of dwellings with property maintenance issues. Fines and court fees are typically waived on all units if code compliance is achieved within a reasonable timeframe.</p> |
| <p>Infrastructure: During the Consolidated Plan outreach process, the deteriorating condition of the City’s streets and sidewalks was mentioned frequently. Accessibility issues for those using sidewalks was a common concern.</p> | <p>The City uses Community Development Block Grant (CDBG) funds for infrastructure projects in low and moderate income areas. The 2020-2024 Consolidated Plan identifies sidewalk and accessibility improvements as high priority needs. Sidewalk projects will be limited to low-income census tracts as identified by HUD. In addition to CDBG, the City allocates funding from its general fund to support infrastructure improvements.</p> |

Conclusion:

The City is committed to addressing all barriers and impediments to fair and affordable housing in Bloomington. As noted in the Analysis of Impediments and the City’s 2020-2024 Consolidated Plan, there are a number of both actual and perceived barriers which may affect an individual or family’s ability to obtain housing in Bloomington. The City does not intentionally create policies, codes, or rules aimed at creating barriers to affordable housing,

but rather faces many of the same realities experienced by most municipalities – increasing construction costs, complexity of financing for larger projects, and an affordability gap between incomes and housing costs. Moreover, most policies, ordinances and/or codes are established to maintain compliance with local, state, and federal guidelines or for safety considerations.

The City of Bloomington will continue to address and remove impediments to fair and affordable housing opportunities whenever possible. Utilizing CDBG and other funding sources, the City will work to eliminate housing discrimination, preserve and maintain existing affordable housing, offset costs associated with building affordable housing, improve household and community accessibility, educate the public and community leaders as to the need for affordable housing, and advocate for new housing developments that also meet the needs of the community. On an institutional and administrative level, the City will also continue to periodically evaluate building codes and fees, zoning ordinances, and City policies to reduce barriers to affordable housing for renters, homeowners, and those with special needs.

Appendix

Consolidated Plan Prioritization Exercise

In the “Priority Matrix” spreadsheet, we are trying to repurpose the *Hanlon Method for Prioritizing Health Problems* and apply it to the list of activities which need to be prioritized in the respective consolidated plans. To incorporate the survey data into this method, we first added categories for the various surveys and scored activities based on how highly they were ranked. The Hanlon Method then calls for us to rate activities on a numeric scale (1-4 in this case) based on three criteria—Dependence, Intent, Effectiveness. These are described below:

Dependence is a rating of how many other programs cover an activity and how many funds they receive from sources outside of the scope of the Consolidated Plan.

- Example – “Street Improvements”: Street resurfacing and other improvements are covered by many other sources including local, state, and federal programs which result in many millions of dollars going towards street improvements every year in Bloomington-Normal, so this activity might well get a 1 in this category.

Intent is a rating of how well an activity aligns with not only the intent of the CDBG program, but also with goals established in the regional housing study and in relevant sections of the local plans.

- Example – “Police Sub-stations”: Building or renovating police stations has not been identified as a need in the housing study or in the housing-related portions of the comprehensive plans, so this activity might be a 1 in this category.

Effectiveness is a rating of how far funds allocated to this activity from CDBG will go towards producing meaningful results.

- Example – “Mental Health Services”: While this is an important activity and ranked very highly in almost all of the surveys, the amount of money available through CDBG with the services cap is quite limited. This, compared to the massive need and the expenses involved, means that this activity may receive a 1 in this category.

Once this step is complete, we could eliminate activities using PEARL – “Propriety, Economics, Acceptability, Resources, Legality”. However, as the activities are fairly broad and come from HUD’s categories, it may be safe to assume that all of them meet these basic feasibility factors.

Finally, we will create an equation to derive a priority score from these rankings, and rank each activity based on that score. This will require some deliberation over how highly the different categories should be weighted, and how the survey rankings should be incorporated. A weighted mean would likely be best, as not every activity has a score for every survey.