

Rockford, Illinois Analysis of Impediments to Fair Housing Choice

Prepared in Support of the
City of Rockford's
Five-Year Consolidated Plan

**Prepared for the
Rockford Department of Community Development**



Final Report

November 4, 2005

**If you feel that your right to fair housing
has been violated, contact:**

**The Illinois Department of Human Rights
Fair Housing Division**

100 West Randolph Street, Suite 10-100

Chicago, IL 60601

(312) 814-6219

or

(800) 662-3942

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By
Western Economic Services, LLC
212 S.E. 18th Avenue
Portland, Oregon 97214
(503) 239-9091
FAX: (503) 239-0236

November 4, 2005



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Executive Summary

Overview

As part of the Consolidated Plan for Housing and Community Development, entitlement jurisdictions are required to submit to HUD certification regarding Affirmatively Furthering Fair Housing. Doing so involves three things:

- Completing an Analysis of Impediments to Fair Housing Choice (AI);
- Taking actions to overcome the effects of impediments identified through the analysis; and
- Maintaining records reflecting the analysis and actions taken.

This document offers findings of the Analysis of Impediments to Fair Housing Choice and makes suggestions regarding actions the city of Rockford can consider in overcoming the effects of the identified impediments. HUD defines impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

The Illinois Human Rights Act, as amended, prohibits discriminatory activities involving real estate transactions (rentals, sales, and other transactions) involving residential and commercial real property. The Act prescribes protection on the basis of race, color, religion, sex, national origin, ancestry, citizenship status (with regard to employment), age (40 and over), marital status, physical or mental handicap, military service or unfavorable military discharge.¹ Two pieces of legislation have been passed amending the Illinois Human Rights Act. One extends protection to sexual orientation, and the other prohibits interference, coercion, or intimidation in housing. Both take effect on January 1, 2006.

Summary of Background Data

Population

Between 1990 and 2000, Rockford's population rose by 7.7 percent. Those in the age group 35 to 54 years increased the most, with an increase of 25.8 percent, from 32,526 to 40,917. During the decade, the city lost adults between the ages of 25-34, but gained people under the age of 20, as well as those in the prime wage earning years of 35 to 54, positively contributing to the area's economy.

Race and Ethnicity

The racial composition of the city of Rockford has changed along with the overall growth in the population. In 2000, 27.2 percent of the city's population was non-white, an 8.3 percent increase

¹ <http://www.state.il.us/dhr/>

from 1990. During the last decade, the white population in Rockford declined, coinciding with a significant rise in other races.

Racial and ethnic diversity is a positive trend for Rockford, providing the community with new viewpoints and multicultural opportunities.

Disability

The 2000 Census reports that the city had nearly 28,500 persons over the age of five with some form of disability. This represents nearly 19 percent of the total population in Rockford and is fairly equivalent to the national average of 19.3 percent. The census data indicates that the most common type of disability cited in Rockford was one that prevented gainful employment, followed by physical disability. Nearly 44 percent of those with disabilities, or 12,371 persons, had two or more forms of disability.

Income

Changes in the employment sectors of Rockford appear to represent a shift from production to service jobs. The largest increase in employment, 2,564 jobs, was in the education, health and social services sector. The largest decline in jobs occurred in the manufacturing sector, with a decrease of 3,109 jobs. Although job losses have occurred, selected non-traditional, non-manufacturing sectors show promise as further growth comes to Rockford. Utilizing both the existing labor pool and skills of Rockford's workforce presents opportunities for economic expansion and vitality.

Also, household income in Rockford grew significantly between 1990 and 2000. The number of households with income levels less than \$35,000 fell 18 percent overall, while households with incomes between \$35,000 and \$75,000 expanded 21.7 percent over the decade.

Low-Income and Poverty

The median household income in Rockford increased 33 percent between 1990 and 2000. However, the city's poverty rate of 14 percent is higher than the national rate of 12.4 percent. Many of Rockford's households with incomes less than \$20,000 are located on the inner west side. The percentage of low-income households was much lower in the northeast area.

Housing

The composition of the city's households has been changing. About 37 percent of Rockford's households comprise single people and unrelated people living together. Furthermore, the number of married family households both with and without children has been decreasing, which is also the trend nationwide. Statistics combine to indicate smaller households are becoming the norm in Rockford. Most of the growth in occupied housing stock was related to single-family dwellings, either detached or attached, which increased by 12.5 percent over the decade.

Housing Problems

While household size has been generally declining, overcrowding is becoming an issue for a portion of Rockford. There are over 2,186 housing units that are either overcrowded or severely overcrowded. Most households that are overcrowded are renter households, but overcrowding increased between 1990 and 2000 for both renters and owners. Additionally, the number of severely overcrowded units has doubled between 1990 and 2000.

The problem of incomplete plumbing facilities is also a concern in portions of the city. The incidence of incomplete plumbing facilities has risen over 121 percent between 1990 and 2000. For units lacking complete kitchen facilities, the rate has increased 65 percent over the period.

Although the number of unsuitable housing units has increased, the city has been taking steps to eliminate some of the most blighted housing units, and plans to continue doing so.

Fair Housing Complaint and Compliance Review

Access to and use of the HUD fair housing complaint system may be underused in Rockford, with only 12 complaints during the five-year period from 2000 to 2004, just over two per year. This is in contrast to national trends, which indicate that fair housing complaints alleging violations of fair housing law are increasing. However, the Illinois Department of Human Rights (DHR) filed 4 complaints from January through May of 2005, indicating that complaint activity may be occurring with more frequency in Rockford, at least with the DHR.

2005 Fair Housing Survey

As part of the work conducted in completing the 2005 Rockford Analysis of Impediments, a fair housing survey was conducted. The survey contacted and interviewed people with expert knowledge of housing and housing-related services in the city. Findings indicate that respondents feel discrimination may be occurring in Rockford, and that additional outreach and education related to fair housing law and improved understanding of existing impediments to fair housing is desirable. Furthermore, a more broadly understood, uniform, and effective referral system for pursuing fair housing complaints may be needed, along with a mechanism to strengthen enforcement activities. As well, general respondent sentiment favors developing a more formalized fair housing planning process.

Home Mortgage Disclosure Act Data Analysis

Home Mortgage Disclosure Act (HMDA) data was used in the 2005 Rockford Analysis of Impediments. The act requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans. Under the act, financial institutions are required to report the race, sex, loan amount, and income of mortgage applicants and borrowers by census tract.

From 1999 to 2003 the city of Rockford saw a significant number of loan applications, over 80,000. The denial rates of owner-occupied home loans are fairly low, at about 11 percent for the five-year period. However, selected racial and ethnic minorities, especially blacks, experienced much higher denial rates, although denial reasons point primarily to lack of proper credit. This implies a need for enhanced understanding of credit and credit markets by minority consumers.

When home improvement loans are analyzed, the size of the loan and consequent debt were exceedingly high for extremely low-income householders utilizing subprime lending institutions. This may put some homeowners at risk of losing their homes. This too implies a need to better understand credit and credit markets, especially subprime loans by lower income consumers of these credit products.

Summary of Impediments to Fair Housing Choice

Four key impediments to fair housing choice have been identified in Rockford. There are actions the city can consider in overcoming these impediments. Each of these is listed below.

Impediments to Fair Housing Choice

1. Particular areas of the city have unusually high concentrations of racial and ethnic minorities, thereby detracting from overall diversity. According to respondent opinions from the 2005 Fair Housing Survey, sentiment indicated that substandard housing tends to be highly correlated with the location of lower income and minority households. Households with problems such as overcrowding or cost burdens also tend to fall in these areas.
2. Review of responses to the Fair Housing Survey and the level of use of the fair housing complaint system in place in Rockford leads to the conclusion that sufficient understanding of fair housing law is lacking. This is true for both housing consumers and providers.
3. The city of Rockford lacks sufficient fair housing investigation and enforcement mechanisms. This is evidenced by the low use of HUD's complaint system, and a fragmented referral system. While the Rockford Fair Housing Board currently has some fair housing oversight responsibility, a lack of authority to pursue enforcement and limited resources for investigating housing complaints has led to a curtailed fair housing system, as substantiated by sentiments seen in the 2005 Fair Housing Survey.
4. HMDA analysis indicates that several ethnic and racial minorities are being denied homeownership, due likely to lack of good understanding of the credit markets. Furthermore, some extremely low-income households are being placed at risk due to large debt loads.

Actions for the City of Rockford to Consider

Currently, and continually, the city of Rockford faces very difficult resource allocation choices. Increasing resource allocation to fair housing activities may take away from other equally important functions, such as enhancing the overall quality and livability of Rockford's neighborhoods. However, there is one avenue that Rockford may wish to consider that may more effectively use existing resources, thereby gaining an enhanced ability to address some of these fair housing concerns. This is explained below.

Due to such low use of the fair housing complaint system, the city of Rockford may wish to consider revising the operation of the Fair Housing Board (FHB). The city might first consider discontinuing the acceptance of housing complaints at the FHB, and revise its referral procedures. The Illinois Department of Human Rights, Fair Housing Division is considered by HUD to have substantially equivalent status, meaning that HUD will reimburse the department

for its fair housing investigation and enforcement activities; consequently, the FHB should consider this agency as the primary referral entity. The FHB may wish to conduct follow-ups to track the success of the newly-designed referral system. In addition, having the Department of Human Rights field fair housing inquiries will allow the expansion of fair housing investigation and enforcement in the city, as conducted by the Department of Human Rights, without the city incurring expenses or committing substantive resources to such activities.

Further, the FHB should be encouraged to elevate its fair housing planning function to better align such responsibilities with sentiment expressed in the 2005 Fair Housing Survey. For example, in response to the lack of understanding of fair housing and the lack of understanding of the advantages and disadvantages of credit and the credit markets, the city could consider enhancing its outreach and education roles, as well as beginning a fair housing plan that lays out milestones for the city's efforts to affirmatively further fair housing. The city may wish to enlarge its first-time homebuyer training classes, open such classes to renters, or even extend such credit training to the high school curriculum.

Lastly, in response to findings of disproportionate shares of racial and ethnic minorities being concentrated in selected areas, Rockford may consider enhancing its programs so that affordable housing for such groups is made available in other areas of the city.

Section I. Introduction

Background

The federal Fair Housing Act of 1968 made it illegal to discriminate in the area of housing because of a person's race, color, religion, or national origin. Sex was added as a protected class in the 1970s. In 1988, the Fair Housing Amendments Act added familial status and disability to the list, making a total of seven federally protected classes. Familial status includes parents or legal guardians of minors under the age of 18. Disability covers physical and mental disabilities, as well as individuals with AIDS or alcoholism.

The Illinois Human Rights Act prohibits discrimination because of race, color, religion, sex, national origin, ancestry, citizenship status (with regard to employment), age (40 and over), marital status, physical or mental handicap, military service or unfavorable military discharge.² Two amendments to the Illinois Human Rights Act will go into effect on January 1, 2006, extending protection to sexual orientation and prohibiting intimidation, coercion, or harassment in housing.³

Overview

Rockford adopted an ordinance governing fair housing more than thirty years ago. The ordinance extended the federal protection of classes to the city level, and established a nine-member board to assist in carrying out activities promoting fair housing.

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

In 1994, HUD published a rule consolidating four of its housing and community development programs into a single plan called the consolidated plan for Housing and Community Development. The consolidated programs are the Community Development Block Grant program (CDBG), HOME Investment Partnership Program (HOME), the American Dream Downpayment Initiative (ADDI), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). All of these formula grant programs currently are funded in Rockford.

As part of the consolidated planning process, and as a requirement for receiving HUD formula grant funding, the city is required to submit certification to Affirmatively Furthering Fair Housing to HUD. It requires the city to undertake fair housing planning through:

- Completing an Analysis of Impediments to Fair Housing Choice (AI);
- Taking actions to overcome the effects of any impediments identified through the analysis;
- Maintaining records reflecting the analysis and actions taken.

² <http://www.state.il.us/dhr/>

³ See Appendix B for details related to the Illinois Human Rights Act, as amended.

HUD interprets these broad objectives to mean:

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

HUD defines impediments to fair housing choice in terms of their applicability to federal law, such as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choice; or
- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choice on the basis of race, color, religion, sex, disability, familial status, or national origin.

Consequently, the purpose of this report is to document findings of the Analysis of Impediments to Fair Housing Choice, as they are prescribed in Federal law, current and upcoming Illinois law, and commitments that the city has made.

Funding of Study

This study was funded by the Rockford Department of Community Development. The report was prepared by Western Economic Services, LLC, a Portland, Ore., consulting organization that specializes in conducting analysis and research in support of housing and community development planning.

Research Methodology

This Analysis of Impediments represents a thorough examination of a variety of sources related to housing and protected classes. It involves secondary research, which entails the review of existing data and studies, and primary research, which is the collection and analysis of raw data.

Secondary Research

The 2000 Census was used to assess a variety of demographic, economic, and housing-related issues, such as the racial and ethnic make-up of the population, disability status, low-income concentrations, poverty, housing values, housing conditions, and cost burdens.

Housing discrimination complaint records for Rockford in federal fiscal years 1998 through 2004, released by HUD, were tabulated and analyzed. Additionally, the Illinois Department of Human Rights was asked about recent housing complaints in Rockford. Further, the Department of Justice Web site was reviewed for recent housing discrimination cases brought to litigation.

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

Home loan applications were analyzed as well. Congress enacted the Home Mortgage Disclosure Act (HMDA) in 1975 and amended it from 1988 to 1991. The act allows the public to view loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to identify possible discriminatory lending patterns. Financial institutions are required to report data regarding loan applications, as well as information concerning their loan originations and purchases. The HMDA requires many lenders to report the race and sex of home loan applicants. For the City of Rockford AI, HMDA data from 1999 to 2003 were analyzed. This involved evaluation of over 80,000 loan applications over the five-year period.

Primary research

One of the methods HUD recommends to gather public input about perceived impediments to fair housing is to conduct telephone interviews. A telephone survey was conducted, along with interviews of representatives from key agencies, including the Illinois Coalition for Community Services, Patriots’ Gateway Center, the Rockford Association of Realtors, Rockford Area Habitat for Humanity, and the Zion Development Corporation. Rockford’s Department of Community Development prepared a list of 69 prospective respondents for the telephone interviews. Participants in the survey were drawn from a broad array of housing-related professions throughout Rockford, allowing for qualitative analysis of general views and trends experienced around the city. Exhibit I presents the initial sample as well as referrals received during the interview process.

**EXHIBIT I
CITY OF ROCKFORD FAIR HOUSING TELEPHONE INTERVIEW SAMPLE**

Dorothy Galloway	AIDS Care Network	Tammy McNeany	National City Bank
Rev. Leake	Allen Chapel AME Church	Gloria Lundin	Northern Illinois Community Foundation
Steve Stringer	Alpine Bank	Janet Ellis	Northwestern Illinois Area Agency on Aging
Vicky Pruitt	Amcore Bank	Oliver Emerson	Oliver Emerson Development
Brian Kenny	American Red Cross	Jim Flodin	Patriots' Gateway Center
Dan Tonnesen	ANCHOR Group	Gary Halback	PHASE, Inc. / WAVE Domestic Violence
Paul Arena	Arena, Paul	Gail Walsh	Prairie State Legal Services
Tom Walsh	Associated Bank	Rev. Earl Dotson	Progressive West Rockford
Clifford J. Stoner	Boys & Girls Club	Steve Haight	Promised Land Employment
Sidella Hughes	Camaraderie Arts	Julie Bosma	RAMP
Cathy Diederich	Center for Sight and Hearing Impaired	Patrick O’Gorman	Riverside Bank
Don Long	Christ the Carpenter United Methodist	Jerry Flaming	Rockford Apartment Association
Jennifer Jaeger	City of Rockford, Human Services Dept.	Kevin Rudy	Rockford Area Affordable Housing Coalition
Alice Howard	Coldwell Banker Premier	Ed McCaskey	Rockford Area Habitat for Humanity
Kerry Knodle	Comprehensive Community Solutions, Inc.	Terrie Hall	Rockford Association of Realtors
Sharon Peterson	Crusader Clinic	Steve Anderson	Rockford Housing Authority
Helen Parnaby	Emmanuel Lutheran Church	Pastor Betty Mixon	Rockford New Hope, Inc.
Kendal Kerns	Fair Housing Board	Dr. Patrick Clinton	Rockford Rescue Mission
Sunil Puri	First Rockford Group	Stanley Campbell	Rockford Urban Ministries
Jon Lundin, Exec. Dir.	Goodwill Abilities Center	Bill Rogers	Rogers Development
	Growth Enterprises	Robert Villani & Phillip Eaton	Rosecrance Health Network
Debra Marks	Hands That Help, St Paul Church of God & Christ	Sister Marcella	Saint Elizabeth Community Center
Dennis Sweeney	Homebuilders Assn. Of Rockford	Father Brian Geary	Saint Patrick’s Church
Dick Kunnert, Chairman	Homeless Task Force	Major Daniel Sjogren	Salvation Army
Bernie Kleina	Hope Fair Housing Center	Pastor Michael Sollberg	Second Congregational Church
Pastor Mark Williams	House of Refuge Church	Cheryl Rogers	Shelter Care Ministries
Maryjane Seward	Illinois Coalition for Community Services	John Slack	Slack, John
John Jacobson	Illinois Department of Rehabilitative Services	Father Bovey	St. James Church
Dick Rundle	Institute for the Oneness of Humanity	Pastor Scott Malme	St. Paul Lutheran Church
Frank Ware	Janet Wattles Center	Stephen Langley	Stepping Stones of Rockford, Inc.
Marco Lenis	La Voz Latina	Shawn Novak	Trinity House, Inc.
Carol Greene	Lifescapes	Michael Call	United Way of Rock River Valley
Craig Hall	Lobdell Hall	John McNamara	William Charles Investments, Inc.
Pastor Perry Bennett	Macedonia Baptist Church	Wray Howard	YMCA
Annette McLean	MELD	Margaret Hallen	YWCA
Diane Meltmar	Meltmar Realtors	Brad Roos	Zion Development Corporation
Jim Hamilton	Milestone	Khampou Sisouphanthong	Zion Lutheran Church, Asst. Pastor
Melony Walsh	Mother House		

Section II. Socioeconomic Context

Introduction

The following narrative provides general background information from the 2000 Decennial Census. A broad range of socioeconomic characteristics were evaluated, including population, race and ethnicity, disability, employment and poverty, low-income concentrations, and housing statistics. These data provide context to Rockford's housing market and market trends.

City of Rockford Demographics

Population and Age Cohorts

Since 1990, the population of Rockford grew by 7.7 percent, from fewer than 139,426 people to more than 150,000 people. The 2000 Census counted 77,731 females, or 51.8 percent of the population, and 72,384 males, or 48.2 percent of the population. Of the city's population, those in the age group 35 to 54 years increased the most, from 32,526 in 1990 to 40,917 in 2000. This represents a 25.8 percent increase. The population in the age group 25 to 34 years decreased, from 24,324 in 1990 to 22,414 in 2000. These data are presented in Table II.1, below.

TABLE II.1
POPULATION CHARACTERISTICS
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

Subject	1990	2000	% Change
Sex			
Male	66,200	72,384	9.3
Female	73,226	77,731	6.2
Age			
Under 20 years	40,091	44,009	9.8
20 to 24 years	10,123	9,834	-2.9
25 to 34 years	24,324	22,414	-7.9
35 to 54 years	32,526	40,917	25.8
55 to 64 years	11,827	11,832	0.04
65 & over	20,535	21,109	2.8
Total Population	139,426	150,115	7.7

Race and Ethnicity

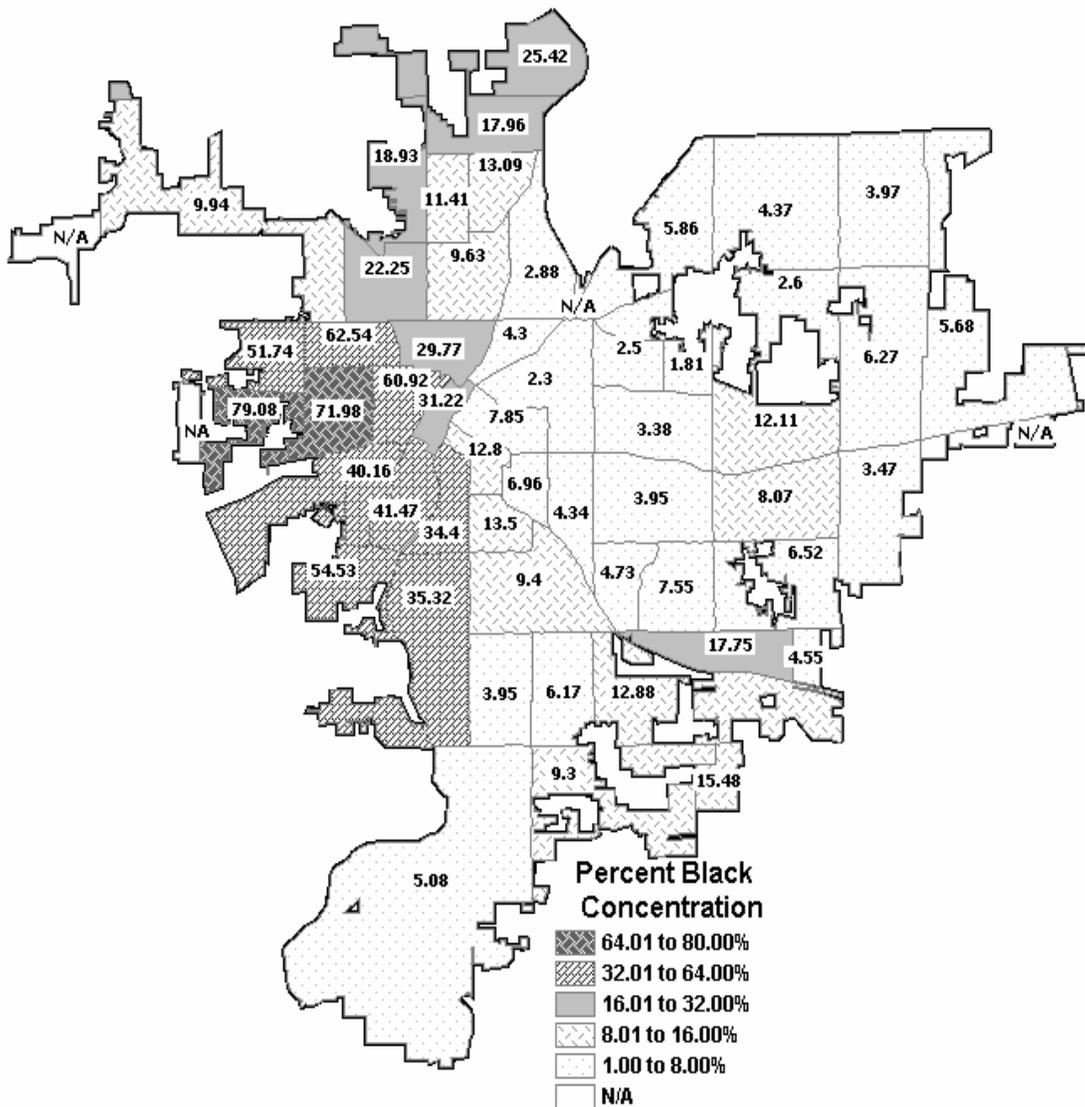
The racial composition in the city of Rockford at the time of the 2000 Census was 72.8 percent white and 17.4 percent black. Asians were the next largest single-race minority group, but comprised just 2.2 percent of the total 2000 Census population. These data are presented in Table II.2, on the following page. The distribution of the population is far from uniform. The west side of the city is predominantly black, with two population census tracts in the western part of the city at 79 percent and 71 percent, respectively. Conversely, there are portions in the northeast part of the city with black concentrations as low as 1.8 and 2.5 percent. These concentrations are represented in Diagram II.1, on the following page.

TABLE II.2
POPULATION BY RACE AND ETHNICITY
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

Race/Ethnicity	1990	2000	% Change
White	113,118	109,303	-3.4%
Black or African American	20,868	26,072	24.9%
American Indian and Alaska Native	356	474	33.1%
Asian	2,136	3,301	54.5%
NH & OPI (1)	15	67	346.7%
Some other race	2,933	7,200	145.5%
Two or more races	.	3,698	.
Total population	139,426	150,115	7.7%
Hispanic	5,841	15,278	161.6%

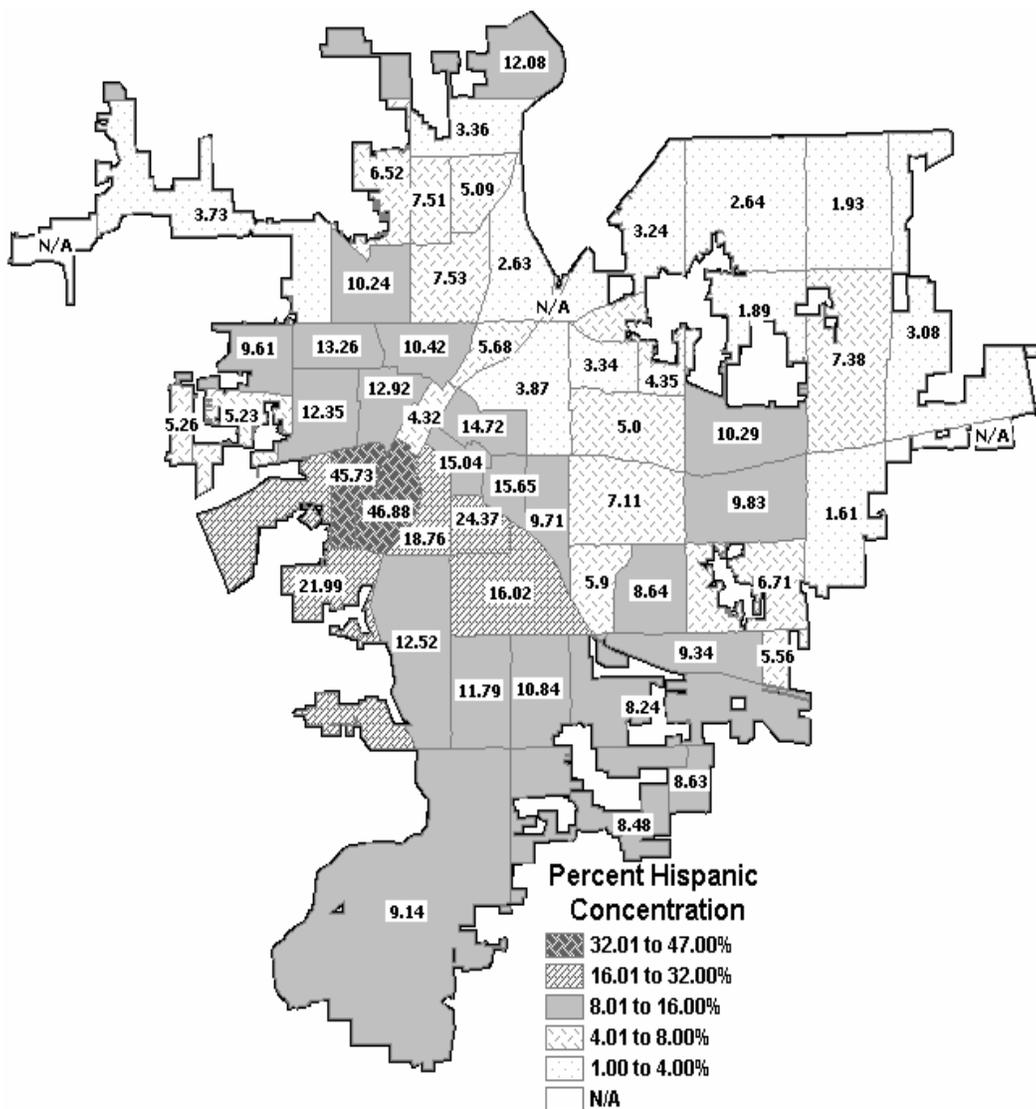
(1) 1990: Pacific Islander: Polynesian, Micronesian, Melanesian, Pacific Islander, not specified.
 2000: NH & OPI: Native Hawaiian and Other Pacific Islander

DIAGRAM II.1
ROCKFORD, PERCENT BLACK MINORITY CONCENTRATION BY CENSUS TRACT
CENSUS 2000



The Hispanic population in Rockford has increased significantly between 1990 and 2000. It increased from just fewer than 6,000 persons at the time of the 1990 Census to 15,278 at the time of the 2000 Census, representing an increase of 161.6 percent. Similar to the concentration of the black population, the concentration of Hispanic population is not uniform throughout the city. The two census tracts with the highest concentrations of the Hispanic population, 45.7 percent and 46.9 percent, are both located in the western part of the city. The lowest percentage of the Hispanic population is again in the northeast area of the city. These data are presented in Diagram II.2, below.

DIAGRAM II.2
ROCKFORD, PERCENT HISPANIC CONCENTRATION BY CENSUS TRACT
CENSUS 2000



Disabled

The 2000 Census defines disability with a broad range of categories, including physical, sensory, and mental disability.⁵ People with disabilities include those with long-standing conditions, as well as those with temporary conditions lasting six months or more, which limit certain activities.

The census breaks disabilities down further into three subcategories. These include people with self-care disabilities (difficulty with activities such as bathing or dressing), go-outside-home disabilities (difficulty walking out of the home), and employment disabilities (difficulty working at a job or business).

The 2000 Census reports that the city had nearly 28,500 persons over the age of five with some form of disability. This represents nearly 19 percent of the total population in Rockford and is fairly equivalent to the national average of 19.3 percent. The most common type of disability cited related to employment; the second most frequent was physical. Nearly 43.5 percent of those with disabilities, or 12,371 persons, have two or more forms of disability. Of the 21,109 persons aged 65 or older, 7,451, or 35 percent, had disabilities, as seen in Table II.3, below.

TABLE II.3
DISABLED INDIVIDUALS BY AGE AND TYPE OF DISABILITY
CITY OF ROCKFORD, ILLINOIS, 2000 CENSUS

Type of Disability	5-15	16-20	21-64	65+	Total
Sensory	162	45	913	862	1,982
Physical	124	44	1,673	1,638	3,479
Mental	1,011	337	818	214	2,380
Self-care	83	15	65	7	170
Go-outside-home (ambulatory)	.	161	593	1,071	1,825
Employment	.	539	5,724	.	6,263
Two or more types	349	634	7,729	3,659	12,371
Total	1,729	1,775	17,515	7,451	28,470

City of Rockford Economics

Employment

There have been significant changes in the employment sectors in the city during the period from 1990 to 2000. These data reflect the trends occurring over time in the city. The largest increase in employment over the period was in the education, health and social services sector, with an increase of 2,564 jobs. The largest increase was in the "other services" sector, with an increase of 41.2 percent, or 1,016 jobs. The largest decline in jobs occurred in the manufacturing sector, with

⁵ The data on disability status were derived from answers to long-form questionnaire items 16 and 17. Item 16 was a two-part question that asked about the existence of the following long-lasting conditions: (a) blindness, deafness, or a severe vision or hearing impairment (sensory disability), and (b) a condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying (physical disability). Item 16 was asked of a sample of the population five years old and over. Item 17 was a four-part question that asked if the individual had a physical, mental, or emotional condition lasting six months or more that made it difficult to perform certain activities. The four activity categories were: (a) learning, remembering, or concentrating (mental disability); (b) dressing, bathing, or getting around inside the home (self-care disability); (c) going outside the home alone to shop or visit a doctor's office (going outside the home disability); and (d) working at a job or business (employment disability). Categories 17a and 17b were asked of a sample of the population five years old and over; 17c and 17d were asked of a sample of the population 16 years old and over. For data products which use the items individually, the following terms are used: sensory disability for 16a, physical disability for 16b, mental disability for 17a, self-care disability for 17b, going outside the home disability for 17c, and employment disability for 17d. For data products which use a disability status indicator, individuals were classified as having a disability if any of the following three conditions was true: (1) they were five years old and over and had a response of "yes" to a sensory, physical, mental or self-care disability; (2) they were 16 years old and over and had a response of "yes" to going outside the home disability; or (3) they were 16 to 64 years old and had a response of "yes" to employment disability.

a decrease of 3,109 jobs, or 15.3 percent. The largest decline in share of jobs occurred in the agricultural, forestry, fishing, hunting and mining sector, with a decline of 69.5 percent, representing a loss of 426 jobs. The changes appear to represent a shift from production jobs to service jobs in Rockford. These data are presented in Table II.4, below.

TABLE II.4
EMPLOYMENT BY INDUSTRY
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

Industry Categories	1990	2000	% Change
Agriculture, forestry, fishing and hunting, and mining	613	187	-69.5%
Construction	2,398	2,980	24.3%
Manufacturing	20,385	17,276	-15.3%
Wholesale trade	2,618	2,315	-11.6%
Retail trade	7,679	7,374	-4.0%
Transportation and warehousing, and utilities	2,629	3,418	30.0%
Information	1,480	1,367	-7.6%
Finance, insurance, real estate and rental and leasing	3,438	3,590	4.4%
Professional, scientific, management, administrative, and waste management services	4,142	5,216	25.9%
Educational, health and social services	11,102	13,666	23.1%
Arts, entertainment, recreation, accommodation and food services	4,581	5,061	10.5%
Other services (except public administration)	2,469	3,485	41.2%
Public administration	1,634	1,933	18.3%
Total	65,168	67,868	4.1%

Individuals in Poverty

The Census Bureau uses a set of income thresholds that vary by family size and composition to determine poverty status. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation using the Consumer Price Index. The official poverty definition counts monetary income earned before taxes and does not include capital gains and non-cash benefits such as public housing, Medicaid, and food stamps. Poverty is not defined for people in military barracks, institutional group quarters, or for unrelated individuals under the age of 15, such as foster children. These people are excluded from the poverty calculations.⁶

In 2000, 20,351 people lived in poverty in Rockford, a rate of 14 percent. This is somewhat higher than the national rate of 12.4 percent. More than 2,500 of these people were under the age of five and nearly 7,800 people were under the age of 18. Another 778 individuals in poverty were over the age of 75. Just over 54 percent of those in poverty were between 18 and 64 years of age. These statistics are presented in Table II.5, on the following page.

⁶ Information available at <http://www.census.gov/hhes/poverty/povdef.html>.

**TABLE II.5
INDIVIDUALS IN POVERTY BY AGE
CITY OF ROCKFORD, ILLINOIS, CENSUS 2000**

Cohort	City of Rockford
Under 5 years	2,505
5 years	509
6 to 11 years	2,702
12 to 17 years	2,070
18 to 64 years	10,998
65 to 74 years	789
75 years and over	778
Total People in Poverty	20,351
Total population for whom poverty status was determined	145,660
Poverty Rate	14.0

Low-Income Concentrations

The Decennial Census also addresses household income and reports household incomes in discrete segments. Overall in 2000, there were 6,352 households in the city of Rockford that had incomes of less than \$10,000; this represents a 31.1 percent decline in the number of households in this income bracket since 1990. Furthermore, there were another 14.1 percent of all households that had incomes from \$10,000 to \$19,999, or 8,325 households.

Households earning between \$100,000 and \$149,999 had the highest percentage increase between 1990 and 2000, a 218 percent increase, or some 2,186 households. These data are presented in Table II.6, below.

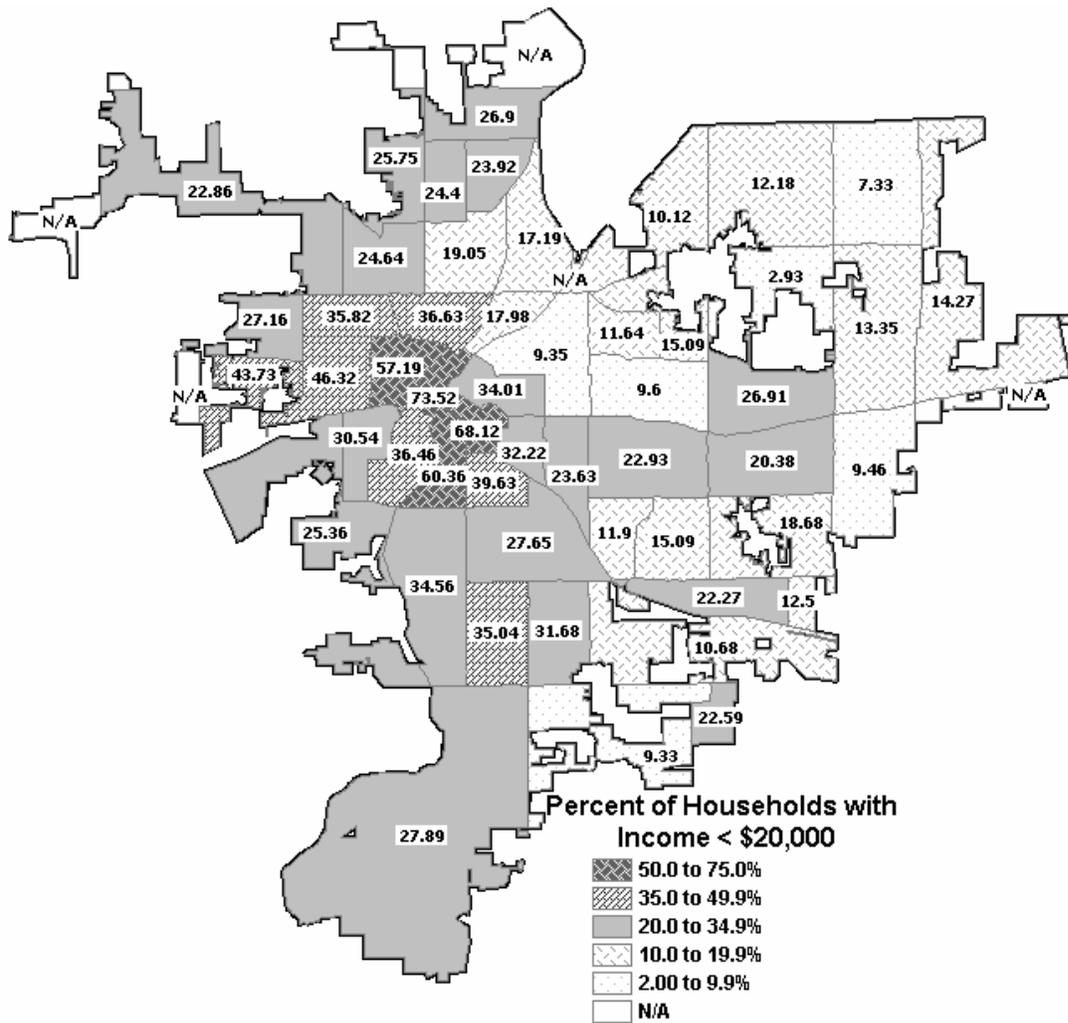
**TABLE II.6
HOUSEHOLDS BY INCOME RANGE
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS**

INCOME RANGE	1990	2000	% Change
Less than \$10,000	9,219	6,352	-31.1%
\$10,000-\$19,999	10,199	8,325	-18.4%
\$20,000-\$34,999	13,811	12,569	-9.0%
\$35,000-\$49,999	10,336	10,572	2.3%
\$50,000-\$74,999	7,486	11,117	48.5%
\$75,000-\$99,999	2,066	5,051	144.5%
\$100,000-\$149,999	1,001	3,187	218.4%
\$150,000 or more	721	1,941	169.2%
Total Households (SF3)	54,839	59,114	7.8%
Error term ⁷	0	44	
Total Households (SF1)	54,839	59,158	7.9%
Median Household Income (\$)	28,282	37,667	33.18%

Median household income in Rockford was \$37,667 in 2000, a 33.2 percent increase from the \$28,282 level seen in 1990. The 2000 Census reported some 14,677 households with total incomes less than \$20,000. In fact, more than 50 percent of the total households in a few census tracts on the west side of the city showed household incomes below \$20,000. All of the city's census tracts, expressed as a percentage share of the number of households having incomes below \$20,000, are presented in Diagram II.3, on the following page.

⁷ The SF1 data presents a 100-percent count of population and housing units of the total population, whereas SF3 data presents responses asked of a sample of the population, approximately "1 in 6" households. The difference between the SF1 and SF3 data are presented here as an *error term*.

DIAGRAM II.3
Rockford, Percent Low-Income Concentration by Census Tract
Census 2000



As shown in the diagram, the concentration of lower-income households was highest in the central areas, particularly in the west side of the inner section of the city. The percentage of low-income households was much lower in the northeast and, to a lesser extent, in the southeast areas of the city.

City of Rockford Housing

Household Composition

The composition of households has been changing in Rockford. Of the 59,158 households in the city in 2000, some 21,810 are non-family households, comprising single persons and unrelated persons living together, some 36.9 percent of all households compared with 33.0 percent in 1990. However, the share of family households both with and without children has been falling. By 2000, married family households with their own children residing in the home comprised just 11,358 households, nearly a 10 percent decline since 1990. However, the number of single-parent families with children under the age of 18 is over 7,000 strong, representing a rise of nearly 30 percent since 1990. All of these statistics combine to indicate smaller households are becoming the norm in Rockford. These statistics are presented in Table II.7, below.

TABLE II.7
HOUSEHOLD COMPOSITION IN ROCKFORD
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

Household Type	1990	2000	% Change
All Households	54,839	59,158	7.88
Family Households	36,756	37,348	1.61
Without children under 18	18,584	18,716	0.71
Married	15,161	14,571	-3.89
Not Married	3,423	4,145	21.09
With children under 18	18,172	18,632	2.53
Married	12,567	11,358	-9.62
Not Married	5,605	7,274	29.78
Non-family Households	18,083	21,810	20.61

Overcrowding

HUD defines overcrowded households as those with more than one person per room, and severely crowded households as those with more than 1.5 people per room on average. The city of Rockford had 2,186 overcrowded households at the time of the 2000 Census. As seen in Table II.8, below, 1,308 units were overcrowded and 878 units were severely overcrowded in 2000. Some 61.2 percent of the overcrowding occurred in rental housing, but overcrowding increased from 1990 to 2000 for both renters and owners. Over the decade, 802 more units became overcrowded, with severe overcrowding more than doubling. For a portion of Rockford, overcrowding is becoming an issue.

TABLE II.8
OVERCROWDING BY TENURE
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

People Per Room	Owner		Renter		Total	
	1990	2000	1990	2000	1990	2000
Less than 1 person per room	32,242	35,455	21,213	21,560	53,455	57,015
1.01-1.5 people per room	350	551	598	757	948	1,308
1.51+ people per room	106	298	330	580	436	878
Total Occupied Housing Units (SF3)	32,698	36,304	22,141	22,897	54,839	59,201
Error term	0	-160	0	117	0	-43
Total Occupied Housing Units (SF1)	32,698	36,144	22,141	23,014	54,839	59,158

Cost Burden

Cost burden refers to the percent of household income spent on housing. Renter households experiencing a cost burden spend more than 30 percent of their income on housing, including the monthly rent and energy utilities. For a homeowner, these costs include principal, interest, taxes, insurance, water and sewer costs, refuse collection, and all energy utilities.

The 2000 Census data on cost burdens were separated into cost burden and severe cost burden, and are presented in Table II.9, below. Cost burden represents expenditures absorbing 30 to 50 percent of household income, and severe cost burden represents expenditures above 50 percent of household income. Just over 4,000 renter units experienced a cost burden in 2000, representing 17.7 percent of households, while almost 4,000 additional renter units experienced a severe cost burden. In all, over 34 percent of renter units compared with 19 percent of owner-occupied units suffered from either a cost burden or a severe cost burden.

TABLE II.9
INCOME SPENT ON HOUSING
CITY OF ROCKFORD, ILLINOIS, 2000 CENSUS: SF3 DATA

INCOME RANGE	Specified Renter-Occupied Units ⁸		Specified Owner-Occupied Units ⁹			
			Housing Units with a Mortgage		Housing Units without a Mortgage	
	Households	Percent	Households	Percent	Households	Percent
Less than 29.9 percent	13,438	58.73	16,920	76.31	8,830	88.77
30 to 49.9 percent	4,052	17.71	3,480	15.69	570	5.73
50 percent or more	3,819	16.69	1,667	7.52	397	3.99
Not computed	1,573	6.87	107	0.48	150	1.51
Total	22,882	100.00	22,174	100.00	9,947	100.00

For renters, any unexpected financial setback could cause the householder to fall behind in rental payments, thereby becoming at risk for eviction and homelessness. For homeowners, this data suggests these householders are at higher risk for foreclosure, and they lack sufficient resources to conduct routine and periodic maintenance on their homes. By deferring maintenance, these dwelling units increasingly become at risk of falling into a state of disrepair, becoming dilapidated, and contributing to urban blight.

Unsuitable Housing

The Decennial Census also reports data on unsuitable housing conditions, although the information relates only to whether the housing units lack complete plumbing or kitchen facilities. Between 1990 and 2000, the number of housing units that lacked complete plumbing facilities in Rockford increased by a significant amount, some 121 percent, rising from 185 to 409 units. The number of housing units that lacked complete kitchen facilities increased 65 percent, rising from 347 to 573 units. These statistics are discouraging, as they imply that a number of housing units are not being sufficiently maintained. Rockford's dilapidated housing stock is increasing, even though the city has taken steps over the last decade to eliminate some of the most blighted housing units. These data are presented in Table II.10, on the following page.

⁸ Specified renter-occupied units include all renter-occupied units except 1-unit attached or detached houses on 10 acres or more.

⁹ Specified owner-occupied units are owner-occupied; one-family attached and detached houses on less than 10 acres without a business or medical office on the property.

**TABLE II.10
UNSUITABLE HOUSING**

CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

Suitability Problem: Lacking Complete	1990	2000	% Change
Plumbing facilities	185	409	121.08
Kitchen facilities	347	573	65.13

Housing Stock

The number of both renter and homeowner households increased significantly over the decade. Total housing stock in the city rose by over 5,400 units, or 9.3 percent. Rental housing grew more slowly than homeownership in Rockford. Occupied rental units rose 3.9 percent, an additional 873 renter-occupied households, versus an increase of 3,446 owner-occupied households, or 10.5 percent. This translates into a citywide homeownership rate that rose from 59.6 percent to 61.1 percent over the last decade, a positive and encouraging trend. These data are presented in Table II.11, below.

**TABLE II.11
HOUSING OCCUPANCY**

CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

SUBJECT	ROCKFORD		
	1990	2000	% Change
Housing Occupancy			
Total Housing Units	58,146	63,570	9.3%
Occupied Housing Units	54,839	59,158	7.9%
Owner-occupied Housing Units	32,698	36,144	10.5%
Renter-occupied Housing Units	22,141	23,014	3.9%
Homeownership Rates	59.63	61.10	2.5%
Vacant Housing Units			
Total Vacant	3,307	4,412	33.4%
For Rent	1,490	2,120	42.3%
Rental Vacancy Rate	6.31	8.43	33.8%
For Sale Only	351	621	76.9%
Homeowner Vacancy Rate	1.06	1.69	59.0%
Rented or Sold, Not Occupied	348	309	-11.2%
Seasonal/Recreational/Occ. Use	89	149	67.4%
For Migrant Workers	5	1	-80.0%
Other Vacant	1,024	1,212	18.4%

The citywide growth rate in total housing units over the decade was higher than the growth in households and occupied housing. Most of the growth in occupied housing stock was related to single-family dwellings, either detached or attached, which increased by 12.5 percent over the decade. The number of apartment-style structures increased a modest 1.0 percent in the city over the last decade, at the same time that duplexes declined by over 8 percent and buildings with 10 to 19 units slipped by almost 15 percent, as seen in Table II.12, on the following page.

TABLE II.12
OCCUPIED HOUSING STOCK BY TYPE AND TENURE
CITY OF ROCKFORD, ILLINOIS, 1990 AND 2000 CENSUS

DWELLING TYPE	Owner		Renter		Total	
	1990	2000	1990	2000	1990	2000
1 unit detached	29,606	32,217	3,650	4,629	33,256	36,846
1 unit attached	547	1,185	570	644	1,117	1,829
2 units	1,723	1,865	5,298	4,583	7,021	6,448
3-4 units	224	260	3,904	4,015	4,128	4,275
5-9 units	148	165	2,642	2,854	2,790	3,019
10-19 units	81	82	2,435	2,061	2,516	2,143
20-49 units	.	59	1,192	1,336	1,192	1,395
50 or more units	121	171	2,173	2,688	2,294	2,859
Mobile Home/Trailer	157	300	61	87	218	387
Boat, RV, Van, etc.	91	.	216	.	307	.
Total Occupied Housing Units (SF3)	32,698	36,304	22,141	22,897	54,839	59,201
Error term	.	-160	.	117	.	-43
Total Occupied Housing Units (SF1)	32,698	36,144	22,141	23,014	54,839	59,158

Summary

Population

Between 1990 and 2000, Rockford's population rose by 7.7 percent. Those in the age group 35 to 54 years increased the most, with an increase of 25.8 percent, from 32,526 to 40,917. During the decade, the city lost adults between the ages of 25 and 34, but gained people under the age of 20, as well as those in the prime wage earning years of 35 to 54, positively contributing to the area's economy.

Race and Ethnicity

The racial composition of the city of Rockford has changed along with the overall growth in the population. In 2000, 27.2 percent of the Rockford population was non-white, an 8.3 percent increase from 1990. During the last decade, the white population in Rockford declined, coinciding with a significant rise in other races.

Racial and ethnic diversity is a positive trend for Rockford, providing the community with new viewpoints and multicultural opportunities.

Disability

The 2000 Census reports that the city had nearly 28,500 persons over the age of five with some form of disability. This represents nearly 19 percent of the total population in Rockford. This is fairly equivalent to the national average of 19.3 percent. The census data indicates that the most common type of disability cited in Rockford was one that prevented gainful employment, followed by physical disability. Nearly 44 percent of those with disabilities, or 12,371 persons, had two or more forms of disability.

Income

Changes in the employment sectors of Rockford appear to represent a shift from production to service jobs. The largest increase in employment, 2,564 jobs, was in the education, health and social services sector. The largest decline in jobs occurred in the manufacturing sector, with a

decrease of 3,109 jobs. Although job losses have occurred, selected non-traditional, non-manufacturing sectors show promise as further growth comes to Rockford. Utilizing both the existing labor pool and skills of Rockford's workforce presents opportunities for economic expansion and vitality.

Household income in Rockford grew significantly between 1990 and 2000. The number of households with income levels less than \$35,000 fell 18 percent overall, while households with incomes between \$35,000 and \$75,000 expanded 21.7 percent over the decade.

Low-Income and Poverty

The median household income in Rockford increased 33 percent between 1990 and 2000. However, the city's poverty rate of 14 percent is higher than the national rate of 12.4 percent. Additionally, many of Rockford's households with incomes less than \$20,000 are located on the inner west side. The percentage of low-income households was much lower in the northeast area.

Housing

The composition of the city's households has been changing. About 37 percent of Rockford's households comprise single people and unrelated people living together. Furthermore, the number of married family households both with and without children has been decreasing, which is also the trend nationwide. Statistics combine to indicate smaller households are becoming the norm in Rockford. Most of the growth in occupied housing stock was related to single-family dwellings, either detached or attached, which increased by 12.5 percent over the decade.

Housing Problems

While household size has been generally declining, overcrowding is becoming an issue for a portion of Rockford. There are over 2,186 housing units that are either overcrowded or severely overcrowded. Most households that are overcrowded are renter households, but overcrowding increased between 1990 and 2000 for both renters and owners. Additionally, the number of severely overcrowded units has doubled between 1990 and 2000.

The problem of incomplete plumbing facilities is also a concern in portions of the city. The incidence of incomplete plumbing facilities has risen over 121 percent between 1990 and 2000. For units lacking complete kitchen facilities, the rate has increased 65 percent over the period.

Although the number of unsuitable housing units has increased, the city has taken steps during the past decade to eliminate some of the most blighted housing units, and plans to continue doing so.

Section III. Public and Private Fair Housing Programs

The following narrative provides an enumeration of key agencies and organizations contributing to affirmatively furthering fair housing in the city of Rockford. It concludes with an overview of related housing studies.

Major Agencies and Organizations

The United States Department of Housing and Urban Development

The United States Department of Housing and Urban Development (HUD) oversees, administers, and enforces fair housing law across the nation. The office of Fair Housing and Equal Opportunity (FHEO) of HUD is responsible for administration of fair housing programs and for processing fair housing complaints. The Civil Rights Division of the U.S. Department of Justice is responsible for litigating on behalf of HUD in select cases of fair housing violations.

The HUD Regional Office in Chicago oversees housing, community development, and fair housing enforcement in Illinois as well as in five other states in the jurisdiction: Michigan, Indiana, Minnesota, Ohio, and Wisconsin. The HUD Regional Office is the first point of contact for fair housing claims at HUD, and can be reached at:

Chicago Regional Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development
Ralph H. Metcalfe Federal Building
77 West Jackson Boulevard, Room 2101
Chicago, Illinois 60604-3507
(312) 353-7776 ext. 2453
1-800-765-9372
TTY (312) 353-7143

Fair Housing Assistance and Fair Housing Initiative Programs

Some agencies receive funding directly from HUD as Fair Housing Assistance Programs (FHAPs). HUD also funds Fair Housing Initiative Programs (FHIPs). The fundamental difference between the two programs is that FHAPs require an ordinance or law that empowers a governmental agency to enforce the Fair Housing Act; they are considered “substantially equivalent” to federal agency enforcement activities. HUD contracts with that agency to process fair housing complaints and reimburses the jurisdiction on a per case basis. FHIPs, on the other hand, may be a government agency, a non-profit organization, or a for-profit organization. The FHIP competitive grant program provides funds to organizations to carry out projects and activities designed to enforce and enhance compliance with the Fair Housing Act. Eligible activities include education and outreach to the public and to the housing industry on fair housing rights and responsibilities, and enforcement of fair housing complaints, including testing and activities in support of litigation.

As announced in October of 2004, the FHIP program awarded the following three types of grants across the nation:

- Private Enforcement Initiative (PEI) grants: About \$11.8 million was awarded for 12 to 18-month grants of up to \$220,000 to assist private, tax-exempt fair housing enforcement

organizations in the investigation and enforcement of alleged violations of the Fair Housing Act and substantially equivalent State and local fair housing laws.

- Education and Outreach Initiative (EOI) grants: About \$3.7 million was allocated for one-year grants of up to \$100,000 to inform and educate the public about the rights and obligations under federal, state and local fair housing laws. Within that total amount, about \$500,000 of the grant money, which went to seven groups, is specifically going to programs that have a special focus on the fair housing needs of persons with disabilities.
- Fair Housing Organizations Initiative (FHOI) grants: About \$2.1 million was awarded for three-year grants of about \$1 million for projects that serve rural and immigrant populations in areas where there currently is no existing fair housing organization, or are otherwise underserved.¹⁰

HUD provides Fair Housing Assistance Program (FHAP) grants on a noncompetitive, annual basis to substantially equivalent state and local fair housing enforcement agencies. FHAP grants are given to public, not private, entities. The Illinois Department of Human Rights is the only agency that receives FHAP funding in Illinois. There are three agencies that receive FHAP funding with jurisdiction in the city of Rockford. They are Prairie State Legal Services, Inc., HOPE Fair Housing Center, and Statewide Independent Living Council of Illinois. These agencies and their contact information are listed below.

Illinois Department of Human Rights (IDHR) administers the Illinois Human Rights Act. The Act prohibits discrimination on the basis of race, color, religion, sex, national origin, ancestry, citizenship status (with regard to employment), age (40 and over), marital status, physical or mental handicap, military service or unfavorable military discharge.¹¹ Two amendments to the Illinois Human Rights Act, taking effect on January 1, 2006, extend these protections to sexual orientation and prohibit intimidation, coercion, or harassment in housing.

The Illinois Department of Human Rights (IDHR), Fair Housing Division, takes and investigates charges of discrimination involving real estate transactions (rentals, sales, and other transactions) involving residential and commercial real property. The division also conducts education and outreach activities for home seekers, landlords, property owners, advertisers, and community organizations. In pursuing these activities, the IDHR works in partnership with other governmental entities and private organizations.¹²

On the IDHR Web site, information on education, seminars, training workshops and upcoming fair housing events is available to potential claimants and their advocates about fair housing rights and means to communicate with the IDHR. Illinois fair housing issues can be directed to:

Marian Honel, Housing Coordinator
IDHR Fair Housing Division
100 West Randolph Street, Suite 10-100
Chicago, Illinois 60601
Phone: (312) 814-6219 or (800) 662-3942
Fax: (312) 814-6251

¹⁰ <http://www.hud.gov/news/release.cfm?content=pr04-102.cfm>

¹¹ <http://www.state.il.us/dhr/>

¹² <http://www.state.il.us/dhr/FH/default.htm>

Prairie State Legal Services, Inc., a FHIP, offers free legal services to low-income persons and those over 60 who have need of legal help to resolve serious civil legal problems in northern and central Illinois. In 2004, Prairie Legal Services, Inc. was awarded an Education and Outreach Initiative Grant in the amount of \$80,000.¹³ According to the HUD website, Prairie State Legal Services will use the grant to improve upon current education and outreach activities through an informal series of presentations at community-based organizations serving homeless populations as well as members of Fair Housing Act protected classes. The project will serve 35 counties in northern and central Illinois, including Winnebago County. In its effort to promote fair housing and raise public awareness concerning this issue, the project will update its Web site and make appearances on local television and radio programs. Gail Walsh, Director of Program Development, can be reached at:

Prairie State Legal Services, Inc.
975 North Main Street
Rockford, Illinois 61103-7064
Phone: (815) 965-2134
Fax: (815) 965-1081

HOPE Fair Housing Center (HOPE) is a non-profit agency that works to ensure all people may freely choose a place to live without regard to their race, color, religion, sex, age, national origin, sexual orientation, disability or familial status.¹⁴ HOPE provides enforcement and advocacy programs, conducts training and testing programs for lending institutions, real estate and rental management professionals, and provides presentation and printed materials to areas in Northern and North Central Illinois. Bernie Kleina, Executive Director of the HOPE Fair Housing Center, can be reached at:

HOPE Fair Housing Center
2100 Manchester Road, Suite 1070B
Wheaton, Illinois 60187-4591
Phone: (630) 690-6500
Fax: (630) 690-6586

Statewide Independent Living Council of Illinois (SILC) works to ensure that independent living services and Centers for Independent Living (CILs) for the disabled are accessible by all people with disabilities by sponsoring public hearings, public meetings, policy summits and other educational and outreach efforts, providing information to public officials, state agencies and local organizations and individuals, and by conducting studies, training and research.¹⁵ SILC supports service expansion of new programs into new areas, works to expand existing CILs and independent living services. Executive Director Gerard Broeker can be reached at:

Statewide Independent Living Council of Illinois
510 East Monroe, 3rd Floor
Springfield, Illinois 62701-1204
Phone: (217) 744-7777
Fax: (217) 744-7744

¹³ <http://www.hud.gov/news/fhipblurbs.cfm>

¹⁴ <http://www.state.il.us/dhr/Housenet/private/hope/center.html>

¹⁵ <http://www.silcofillinois.org/aboutsilc.htm>

City of Rockford Agencies and Organizations

Fair Housing Board (FHB) In addition to federal and state fair housing laws, the city of Rockford has enacted a fair housing ordinance that prohibits discrimination on the basis of race, color, religion, sex, national origin, disability or familial status. This protection extends only to prospective discriminatory actions that occur within the city. Prospective discriminatory actions that occur outside the city are referred to local government offices, the Illinois Department of Human Rights, or the fair housing division of the Department of Housing and Urban Development.¹⁶ A message for the Rockford Fair Housing Board can be left at:

Fair Housing Board
425 E State Street
Rockford, IL 61104
Phone: (815) 967-6934

The City of Rockford Department of Human Services (DHS), through its Community Services Block Grant (CSBG) Program, offers several housing services and fair housing activities. These are:

- Fair Housing Complaints for Boone and Winnebago Counties;
- Human Rights complaints;
- Housing Resource Center;
- Family stabilization through the DCFS Family and Foster Youth Advocacy project, Senior/Disabled Independent Living program and the Family and Community Development Case Management Program;
- Information on local shelters and homeless resources;
- Mediation for landlord/tenant complaints;
- Homeless prevention through financial assistance and counseling for those losing their homes; and
- Homeownership through homeownership education and asset building.¹⁷

DHS can be contacted at:¹⁸

Department of Human Services
612 N. Church Street
Rockford, IL 61103
Phone: (815) 987-5782
Fax: (815) 987-5762

Rockford Area Affordable Housing Coalition (RAAHC) is a partnership to help low and moderate-income families in Winnebago County become successful, long-term homeowners through creating, preserving and providing access to safe, decent affordable housing.¹⁹ The coalition is a non-profit agency providing first-time homebuyer programs, housing counseling

¹⁶ <http://www.ci.rockford.il.us/government/community/index.cfm?section=fair&id=207>

¹⁷ <http://www.ci.rockford.il.us/government/human/index.cfm?section=csbg&id=449>

¹⁸ <http://www.ci.rockford.il.us/government/human/index.cfm>

¹⁹ 2004 CONTACT InfoLine Human Services Resource Directory

and purchasing assistance to homebuyers, and default and foreclosure counseling to homeowners.²⁰ The coalition can be contacted at the following office:

Carol Bowman, Housing Counselor/Educator
205 N. Church Street
Rockford, IL 61101
(815) 962-2011

Related National Studies

In November 2000, HUD released results from a study entitled, “Discrimination in Metropolitan Housing Markets.”²¹ The study, HDS2000, measured the extent of housing discrimination in the United States against people because of their race or color. It was the third nationwide effort sponsored by HUD to measure the amount of discrimination faced by minority home seekers.

The report states that “Housing discrimination [...] raises the costs of the search for housing, creates barriers to homeownership and housing choice, and contributes to the perpetuation of racial and ethnic segregation.”²² Similar HUD-sponsored studies were conducted in 1977 and 1989, and both found significant levels of racial and ethnic discrimination in both rental and sales markets of urban areas nationwide. The 1989 HUD report included testing conducted in Omaha; the 2000 report did not.

HDS2000 measured discrimination in 23 metropolitan areas with populations greater than 100,000, using 4,600 tests. The study found that discrimination persists in both rental and sales markets of large metropolitan areas nationwide, but that its incidence generally declined after 1989. The exception is for Hispanic renters, who faced essentially the same incidence of discrimination in 2000 as they did in 1989.

In 2002, HUD conducted a nationwide survey of the general public entitled, “How Much Do We Know.”²³ This report found that 14 percent of adults, the equivalent of more than 28 million people, said they had experienced housing discrimination at some point in their lifetime. The study found that “few people who believed they had been discriminated against took any action, with most seeing little point in doing so.”²⁴

In its 2004 Fair Housing Trends Report, the National Fair Housing Alliance (NFHA) states that discrimination based on national origin is largely underreported, specifically by Hispanics, Asian-Americans, and Native Americans. This is due, they state, to “language barriers and other cultural issues which could include immigration status, hesitancy to challenge authority, and a general lack of faith in the justice system.”²⁵

²⁰ <http://www.ci.rockford.il.us/neighborhoods/index.cfm?id=349>

²¹ *Discrimination in Metropolitan Housing Markets: National Results from Phase I HDS 2000*, Final Report, November 2000. Complete report is available at <http://www.huduser.org/publications/hsgfm/hds.html>.

²² *Ibid.* 1-1.

²³ *How Much Do We Know?*, United States Department of Housing and Urban Development, Office of Policy Research and Development, 2002. Results are available at <http://www.huduser.org/Publications>.

²⁴ *Ibid.*, Executive Summary, x.

²⁵ *2004 Fair Housing Trends Report*, National Fair Housing Alliance, Pg. 8. Available at www.nationalfairhousing.org.

It is possible that the length of time necessary to reach complaint resolution also may deter complainants, as pointed out in the U.S. General Accounting Office's (GAO) 2004 report, titled "Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process." The GAO report found that, although the process had improved in recent years, between 1996 and 2003 the median number of days required to complete fair housing complaint investigations was 259 days for HUD's Fair Housing and Equal Opportunity Offices and 195 days for FHAP agencies. The report did find a higher percentage of investigations completed within the Fair Housing Act's 100-day mandate.²⁶

The GAO report also identified the following trends between 1996 and 2003:

- The number of fair housing complaints filed each year showed a steady increase since 1998. An increasing proportion of complaints alleged discrimination based on disability, and a declining proportion of complaints alleged discrimination based on race. Race was still the most cited basis of housing discrimination over the period.
- FHAP agencies conducted more fair housing investigations than FHEO agencies over the period. The total number of investigations completed each year increased somewhat after declining in 1997 and 1998.
- Investigation outcomes changed over the period, with an increasing percentage closed without a finding of reasonable cause to believe discrimination occurred. A declining percentage of investigations were resolved by the parties themselves or with help from FHEO or FHAP agencies.

In January of 2005, the Center for Community Capitalism at The University of North Carolina at Chapel Hill (UNC) reported that predatory loan terms increase the risk of mortgage foreclosure in subprime home loans. The study examined recent home mortgages while holding terms the same such as credit scores, loan terms, and varying economic conditions. Conditions in the home mortgage industry have led to predatory lending practices. Previous studies have found a correlation between subprime lending and foreclosures. This study specifically demonstrates that prepayment penalties and balloon payments lead to additional home losses.²⁷ For example, in the prime lending market only 2 percent of home loans carry prepayment penalties of any length. Conversely, up to 80 percent of all subprime mortgages carry a prepayment penalty, a fee for paying off a loan early. An abusive prepayment penalty extends more than 3 years and/or costs more than six months' interest.²⁸

The article further explains that, according to Fannie Mae, 51 percent of refinance mortgages are in predominantly African-American neighborhoods compared to only 9 percent of refinances in predominantly white neighborhoods. Thus, targeting minorities seems to be an abusive practice in the subprime lending industry. The study also found that consumers appear to be unaware of avoiding "mandatory arbitration." This clause in home mortgage contracts prevents consumers from seeking remedies in court when they find that their home is threatened by illegal and abusive terms.

²⁶ *Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process*, United States General Accounting Office, Report to Congressional Requesters, April 2004.

²⁷ <http://www.kenan-flagler.unc.edu/assets/documents/foreclosurerelease.pdf>

²⁸ <http://www.responsiblelending.org/pdfs/2b003-mortgage2005.pdf>

Increases in foreclosures and evictions are extremely costly to both individual consumers and neighborhoods. As noted previously, those who are experiencing a severe cost burden are only one step away from being at risk of homelessness. With one major financial setback, renters are faced with immediate and challenging housing choices. This impacts homeowners because they must pick and choose very carefully how they will spend their limited funds, and may not be able to conduct normal and periodic maintenance on their homes, thereby contributing to a blighting influence. Similarly, increased foreclosures lead to blight in neighborhoods. An increase in education and outreach regarding typical fees charged and consumers' rights in the home mortgage market would help prevent Rockford residents from becoming victims of predatory lending practices.

Related Illinois Studies

A 2002 study conducted by the Chicago Appleseed Fund for Justice and the Chicago Council of Lawyers, *Discrimination Claims Adjudication in Illinois*,²⁹ notes that there are several areas of concern that should be addressed in the fair housing complaint system for Illinois. The most urgent issue cited in the study was a concern that complaints are being dismissed as without merit, but are not treated to a review by a judge or any formal legal process to ensure that this is the case. The study also found that there appears to be a lack of training, oversight and supervision for Department of Human Rights investigators. Investigators are thus left to serve as both judge and jury with an unknown amount of experience or knowledge about fair housing. Many investigators have no legal training at all; therefore, investigations into fair housing complaints may be incorrectly dismissed due to inadequate education for those staff members making this important decision.

The study also pointed to other areas of concern, and suggested several changes to the current process: review of hiring procedures and qualifications of department investigators; accountability of the department through detailed annual reports and improved record-keeping methods; formation of an oversight committee for the department to monitor its ability to handle discrimination claims; a three-member review panel to review lack of sufficient evidence findings; clarification of existing guidelines for determining the viability of a fair housing complaint; hearings for cases requiring credibility determination, thus ensuring complainants the right to confront and cross-examine witnesses; closer monitoring of the mediation system; and making files available to complainants during the complaint investigation.

²⁹ *Discrimination Claims Adjudication in Illinois: Is Justice Being Served?* by the Chicago Appleseed Fund for Justice and the Chicago Council of Lawyers, March, 2002.

Section IV. Evaluation of the Fair Housing Profile

This section of the Analysis of Impediments reviews the fair housing system, including the complaint process, the degree to which fair housing is affirmatively furthered, the 2005 Fair Housing Survey, home mortgage and lending practices seen in the city, and draws inferences about these relationships.

Complaint and Compliance Review

U.S. Department of Housing and Urban Development

Individuals who believe they have been discriminated against in a housing transaction may file a complaint with the HUD Enforcement Division in Chicago, Illinois. The first step in filing a complaint with HUD is to submit a Housing Discrimination Complaint form explaining the nature of the alleged violation. Housing discrimination complaint forms, HUD-903.1, are available on the Internet at <http://www.hud.gov/complaints/housediscrim.cfm>. A complaint form or additional information may be obtained by calling the HUD Housing Discrimination Hotline at 1-800-669-9777, or by writing to the following address:

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity
Room 5204
451 Seventh St. S.W.
Washington, DC 20410-2000

After receiving the complaint, HUD notifies the alleged violator of the complaint, and that person must submit a response. HUD will investigate the complaint and determine whether reasonable cause exists to believe that the Fair Housing Act has been violated.

If the Fair Housing Act has been violated, HUD will try to reach a conciliation agreement with the respondent. If an agreement is reached, HUD will take no further action on the complaint. If HUD finds reasonable cause to believe that the discrimination occurred, and no conciliation is reached, the case will be heard in an administrative hearing within 120 days. The case may be handled by the Department of Justice (DOJ) and heard in U.S. District Court if requested.

In the administrative hearing, HUD lawyers will litigate the case for the complainant before an Administrative Law Judge (ALJ). If the ALJ decides that discrimination occurred, the respondent can be ordered:³⁰

- To compensate for actual damages, including humiliation, pain, and suffering
- To provide injunctive or other equitable relief; for example, to make housing available
- To pay the federal government a civil penalty to vindicate the public interest
 - The maximum penalties are \$10,000 for a first violation
 - \$27,500 for a second offense
 - \$50,000 for a third violation within seven years
- To pay reasonable attorney's fees and costs

³⁰ <http://www.hud.gov/offices/theo/FHLaws/yourrights.cfm>

Substantially Equivalent Agencies

In some states, a “substantially equivalent agency” may carry out the investigative and enforcement functions of fair housing. To create a substantially equivalent agency, a state or local jurisdiction must first enact a fair housing law that is substantially equivalent to the Federal Fair Housing Act. With the law in place, the jurisdiction may apply to HUD in Washington D.C. for substantially equivalent status. The jurisdiction’s law is examined, and the federal government determines whether it is substantially equivalent. In addition, the local jurisdiction must show both the administrative capability and fiscal ability to carry out the law.

When substantially equivalent status has been granted, complaints of housing discrimination are filed at both the local agency and HUD. Local agencies are reimbursed for complaint intake and investigation and are given money for fair housing training and education. The local agency investigates most complaints; however, when federally subsidized housing is involved, HUD will investigate the complaint.

Illinois Department of Human Rights

Rockford has not enacted a fair housing law that is substantially equivalent to the Federal Fair Housing Act. However, the state of Illinois has enacted such a law, and the Illinois Department of Human Rights (IDHR) is the agency that administers it. As such, the IDHR, as the “substantially equivalent agency,” is responsible for the investigation and elimination of discriminatory housing practices on the basis of race, color, religion, sex, national origin, ancestry, age (40 and over), marital status, physical or mental handicap, military service or unfavorable military discharge in the State of Illinois.³¹

A housing discrimination charge can be initiated by calling, writing or appearing in person at the Department's Chicago office within one year of the filing deadline of the date that the alleged discrimination took place. An investigation of the charge will be made to determine if there is “substantial evidence of discrimination.”³² If such evidence is discovered and if a settlement cannot be reached, a Complaint of Civil Rights Violation is filed with the Human Rights Commission. An administration law judge then oversees the case. A three-member commission is appointed to hear and determine the case, and all findings are enforceable in the Illinois Courts. Appeals may be made to Illinois Appellate Court. HUD provides funds for complaint processing, administrative costs, special enforcement efforts, training, and other projects designed to enhance the administration and enforcement of fair housing law by the IDHR.

Housing Complaint Data

HUD Complaint Data

HUD maintains records of all complaints filed with the agency, including many complaints filed jointly with HUD and the Illinois Department of Human Rights. A Freedom of Information Act (FOIA) request was submitted to HUD for complaint data over the filing period of October 2000 through December 2004. Over this period, HUD reported 12 complaints occurring in Rockford,

³¹ http://www.state.il.us/dhr/DHR_Int/DHR_Intr.htm

³² <http://www.state.il.us/dhr/>

alleging 16 issues, or types of discrimination.³³ The number of complaints peaked in 2002 with four. Table IV.1, below, illustrates the basis for each complaint. The highest number of complaints received for the period was based on disability, one per year, with the exception of three in 2002, for a total of seven complaints. The second highest number was based on race, increasing to three in 2004.

TABLE IV.1
HUD HOUSING COMPLAINT DATABASE
BASIS OF COMPLAINTS: OCTOBER 2000 THROUGH DECEMBER 2004

Year	Disability	Race	Family Status	Religion	Total	Number of Complaints
2000	1	.	.	.	1	1
2001	1	1	.	.	2	2
2002	3	2	.	.	5	4
2003	1	.	1	.	2	2
2004	1	3	.	1	5	3
Total	7	6	1	1	15	12

As seen in Table IV.2, below, four of the 12 complaints were found to have “no cause.” “No cause” refers to a type of outcome of the complaint. The housing discrimination complaint was found by HUD after investigation to be without merit and consequently was dismissed. One was abandoned for administrative problems. A total of seven claims reached some form of settlement, prior to litigation.

TABLE IV.2
HUD HOUSING COMPLAINT DATABASE
DISPOSITION OF COMPLAINTS: OCTOBER 2000 THROUGH DECEMBER 2004

Year	No Cause Determination	Administrative		Settlement Reached	Total Complaints
		Problems, Complaint Abandoned			
2000	1	.	.	.	1
2001	1	.	.	1	2
2002	1	1	.	3	5
2003	.	.	.	2	2
2004	1	.	.	1	2
Total	4	1	.	7	12

There are a number of issues pursuant to these complaints. These issues relate to the perceived violation of fair housing law, and there may be more than one issue supporting any particular complaint. Table IV.3, on the following page, presents complaints by type of fair housing issue, comprising 16 issues. Failure to make reasonable accommodations and discriminatory terms or conditions, privileges, services and facilities relating to rental or sale were filed four times each over the period. Two complaints were filed each for discriminatory financing and refusal to sell.

³³ Because complainants can charge discrimination under more than one protected class, the basis for complaint total is larger than the total number of complaints filed.

TABLE IV.3
HUD HOUSING COMPLAINT DATABASE FOR THE CITY OF ROCKFORD
FREQUENCY OF SELECTED ISSUES: OCTOBER 2000 THROUGH DECEMBER 2004

Discriminatory Actions	2000	2001	2002	2003	2004	Total
Failure to make reasonable accommodation or modification	1	.	2	1	.	4
Discriminatory terms or conditions or privileges or services and facilities, relating to rental or sale	.	.	2	.	2	4
Discriminatory financing	.	2	.	.	.	2
Refusal to Sell	.	.	.	.	2	2
Discriminatory acts under section 818 (coercion, etc)	.	.	1	.	.	1
Discriminatory terms or conditions or privileges or services and facilities	.	.	.	1	.	1
False Representation of Availability	.	.	.	.	1	1
Refusal to Rent	.	1	.	.	.	1
Total	1	3	5	2	5	16

According to the 2004 GAO report “Fair Housing: Opportunities to Improve HUD’s Oversight and Management of the Enforcement Process,” the number of fair housing complaints nationwide has been steadily increasing. While the HUD housing complaint database for Rockford does indicate that the number of claims increased between 2000 and 2004, the number appears extremely small, from one claim filed in 2000 to just three in 2004. However, the Illinois Department of Human Rights has filed four complaints from January through May of 2005. This indicates that complaint activity is now occurring with more frequency in Rockford.

Additionally, the GAO report found an increasing proportion of complaints related to discrimination against the disabled, generally due to reasonable accommodation complaints, and a declining proportion of complaints alleging discrimination based on race. The Rockford data does not appear to reflect these national trends, and shows a relatively steady number of complaints for disability discrimination and an increasing number of race discrimination claims.

This could indicate that there is an under-utilization of the HUD complaint system, perhaps due to insufficient understanding of the complaint system or difficulty with contacting HUD by housing consumers in Rockford.

Illinois Department of Human Rights, Fair Housing Division

A Freedom of Information Act (FOIA) request was placed before the IDHR, requesting the nature of the housing complaints, basis of the complaints, issues pertinent to the complaints, and outcome of the complaints. However, rather than receiving data pertinent *in* the city of Rockford, an error occurred, and the IDHR provided information related to housing complaints *against* the city of Rockford. This indicated only one claim in 1991, for which records are no longer maintained.³⁴

However, the Fair Housing Division has posted on the IDHR website monthly charge filings specific to housing cases, by city for 2004 and 2005. In 2004, there was one discriminatory charge filed in November in Rockford. In 2005, there was one filed in March, two more in April, one in May, and none in June and July, the last month posted at the time this document was written. While no further information was available from the Fair Housing Division, it appears that a few consumers are using the IDHR to process fair housing complaints originating in Rockford.

³⁴Godwin, Yolanda, Illinois Department of Human Rights. Letter to Robert M. Gaudin. 23 June 2005

Fair Housing Board (FHB)

The FHB is a voluntary committee comprised of nine members appointed by the mayor to terms of four years. It is an informational and referral resource for those interested in local, state, and federal housing regulations and resources.³⁵ The FHB staffs public booths at fairs, participates in Fair Housing Month in April, and advertises on billboards in areas of town the FHB feels are most inclined to have fair housing violations. Additionally, the FHB garners public input and support in terms of how and where to invest its limited resources through the city's consolidated planning process.

The FHB meets monthly to review and investigate housing discrimination complaints brought before the board. Members determine what action is to be undertaken. The FHB does not have the ability to file a legal fair housing case or do fair housing testing. If the complaint appears valid, the FHB works closely with the Rockford Department of Human Services, which performs testing for the purpose of validating a fair housing complaint. Then, the board can help file a formal complaint with either IDHR or HUD Fair Housing and Equal Opportunity Office, and make recommendations in court, which enforces fair housing judgments.³⁶ The Fair Housing Board receives from 12 to 15 housing inquiries per month. Unfortunately, resources available to the FHB to actually pursue investigation of a fair housing complaint are very limited. Consequently, very few complaints brought before the FHB proceed, with perhaps one per month appearing to be a valid fair housing complaint.

Furthermore, the utilization of the FHB as a complaint processing entity tends to fit the findings noted in the 2004 National Fair Housing Alliance document, entitled *The Fair Housing Trends Report*, cited in Section III of this document. These sources asserted that minorities and other special populations lack faith in the system, have cultural or language difficulties with the complaint system, are unaware of their rights, or have more than one of the above reasons. Together, these indicators imply that the current usefulness of the Fair Housing Board being the proper vehicle to use in accepting and processing complaints may be in question.

Due to such low use of the HUD fair housing complaint system, the city of Rockford may wish to consider revising the operation of the Fair Housing Board (FHB). The city might first consider discontinuing the acceptance of housing complaints at the FHB, and revise its referral procedures. The Illinois Department of Human Rights, Fair Housing Division is considered by HUD to have substantially equivalent status, meaning that HUD will reimburse the department for its fair housing investigation and enforcement activities; consequently, the FHB should consider this agency as the primary referral entity. The FHB may wish to conduct follow-ups to track success of the newly-designed referral system. In addition, having the Department of Human Rights fielding fair housing inquiries will allow the expansion of fair housing investigation and enforcement in the city, without the city incurring expenses or committing substantive resources to such activities.

However, the FHB should be encouraged to elevate its fair housing planning function to better align such responsibilities with sentiment expressed in the 2005 Fair Housing Survey, cited on the following page. This would include coordination of outreach and education efforts, as well as

³⁵ 2004 CONTACT Connect InfoLine Resource Directory, CONTACT of Rockford, Inc. 2004

³⁶ Collins, Dwayne. Personal Interview. 14 July 2005.

beginning a fair housing plan that lays out milestones for the city’s efforts to affirmatively further fair housing.

Suits Filed By the Department of Justice

Under the Fair Housing Act, the Department of Justice (DOJ) may bring lawsuits in the following instances:

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination, or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights, the DOJ may institute criminal proceedings; and,
- Where people who believe that they have been victims of an illegal housing practice file a complaint with HUD, or file their own lawsuit in federal or state court. The DOJ brings suits on behalf of individuals based on referrals from HUD.

Recent case law demonstrates the involvement of the DOJ in Rockford’s fair housing arena. DOJ records do not list on their website any recent cases regarding violations of federal fair housing law in Rockford.

The 2005 Fair Housing Survey

Respondents to the 2005 Fair Housing Survey

During the early summer of 2005, 73 persons were selected to be contacted for a series of fair housing interviews. While nearly everyone was contacted, some 28 telephone interviews were completed. Six people were not reached, as indicated by Table IV.4, below. The goal of the survey process was to contact people having expert knowledge about housing or housing-related services and assess their knowledge of fair housing compliance, collect their thoughts on perceived impediments to fair housing choice, and solicit their feelings of other barriers to and constraints on fair housing in Rockford. Results provide qualitative insights into various issues pertaining to fair housing.

TABLE IV.4
2005 ROCKFORD
FAIR HOUSING SURVEY

Disposition	Number
Completed	28
Bad Name/Number	6
Refused	3
Left Messages, No Response	34
No Answer	2
Total	73

Individuals from a number of different occupations were involved in the process, from bank officials to executive directors of community services and property managers. Selected categories are seen in Table IV.5, on the following page. Seven respondents were low-income housing service providers or referral agencies and five were other types of service providers. There were three respondents each from banking, pastors of churches and housing agencies. Other categories represented were advocates, Realtors and community activists.

TABLE IV.5
SURVEY RESPONDENT ORGANIZATIONS
2005 ROCKFORD FAIR HOUSING SURVEY

Organization	Respondents
Low-income Housing Service/Referral	7
Other Service Providers	5
Bank Officials	3
Pastors	3
Housing Agencies	3
Development Corporations	2
Advocates	2
Realtors	2
Community Activists	1
Total	28

Understanding of Fair Housing Law. Federal law prohibits housing discrimination based on race, color, national origin, religion, gender, disability, or familial status. Illinois has extended protection to include ancestry, age (40 and over), military service or unfavorable military discharge; however, none of these Illinois protected classes were mentioned in the interviews. The initial goal of the interview was to ascertain respondents' knowledge of fair housing laws governing housing activities in the city. Participants were asked, "Who do you think is protected by fair housing law?" While only one individual correctly listed all protected classes, generally respondents supplied a partial list of the protected classes, as shown in Table IV.6, below. Interestingly, seven of the 28 thought the law covered "everyone," and one respondent stated they did not know who is covered by the laws. Since so few of the sampled housing experts had a solid understanding of who is protected under both state and federal fair housing law, this condition implies that the lay public, or general housing consumers, are much less likely to understand their protections.

TABLE IV.6
UNDERSTANDING OF FAIR HOUSING LAWS
2005 ROCKFORD FAIR HOUSING SURVEY

Who is protected by fair housing laws?	Number
Partial list of protected classes	9
Everyone	7
"All protected classes"	3
Racial minorities	2
Correctly listed the protected classes	1
Don't know	1
Landlords and tenants	1
Tenants	1
People for economic reasons	1
Consumers	2
Total	28

More than half of those interviewed, 16 of 28, indicated that fair housing laws are difficult to understand or follow, as seen in Table IV.7, on the following page. Again, since the survey was designed to reach out to experts in the housing community, if such a large portion of this group had difficulties understanding fair housing laws, the lay public must be proportionally in greater need for enhanced understanding of fair housing and fair housing law.

TABLE IV.7
UNDERSTANDING OF FAIR HOUSING LAWS
2005 ROCKFORD FAIR HOUSING SURVEY

Are they difficult to understand or follow?	Number
No	12
Yes	16
Total	28

Another line of inquiry related to the validity of the referral system. Table IV.8, below, lists the agencies to which the interviewees would refer an individual who felt that they had been a victim of a fair housing violation. The Fair Housing Board was most frequently cited. The second most likely cited organization was the Housing Authority of Rockford, and the third most frequently cited agency in the survey was the general response “the appropriate agency.” The Illinois Department of Human Rights, the state’s only substantially equivalent agency, was mentioned only once. Since the FHB was most often cited as the referral, but so few complaints are actively filed, it appears that the complaint system is not working properly. A revision of the operations and goals of the FHB may need to be implemented.

TABLE IV.8
REFERRALS FOR VICTIMS OF HOUSING DISCRIMINATION
2005 ROCKFORD FAIR HOUSING SURVEY

Resource	Number
Fair Housing Board	6
Housing Authority of Rockford	4
"The appropriate agency"	4
City Government	3
Human Services Department	3
Attorney	2
City of Rockford Community Development Department	2
HUD	1
Legal Aid	1
Don't Know	1
Illinois Department of Human Rights	1
Total	28

Table IV.9, on the following page, presents a summary of several other lines of inquiry posed by the fair housing survey. Nearly all respondents felt that the fair housing laws serve a useful purpose. The sole dissenting respondent felt that the laws exist, but are not enforced. Over half, 16 of the 28, have concerns about fair housing in the city of Rockford. Of the 16 who cited specific areas, the expressed concerns most frequently noted were dilapidated housing on the west side of the river and the inability of minorities to afford to live in the more moderate- to high-income regions of the city on the east side of the river.

Eleven respondents were aware of incidents of discrimination. Those who cited instances of discrimination in the city gave examples such as increasing discrimination against Hispanics; continuing discrimination against African-Americans; failure to show homes in certain areas on the east side of the city to protected class homebuyers; consumers’ lack of education about their rights; and denial of rental units that remain vacant to members of protected classes. Sentiments such as these are indicators that violations of fair housing law appear to persist, particularly in rental housing.

TABLE IV.9
FAIR HOUSING CONCERNS – SUMMARY TABLE
2005 ROCKFORD FAIR HOUSING SURVEY

Question	Yes	No	Don't know	Total
Does the fair housing law serve a useful purpose?	25	1	2	28
Do you have concerns about fair housing?	16	12	0	28
Are there areas in the city with fair housing problems?	16	10	2	28
Do you know of unfair housing practices or discrimination?	11	16	1	28
Are there city, county, or state policies adversely affecting fair housing?	8	12	8	28
Do you think the city needs to enhance its fair housing law?	12	9	7	28
Do you see a need for a city fair housing plan?	18	7	3	28

Eight respondents cited city, county or state policies impeding fair housing. The emotions expressed here related to inadequate funding of affordable housing for protected populations. When asked about the need for enhancing fair housing law in the city, 12 said yes, with nine saying no. Of the 12 respondents indicating the need for enhanced fair housing law, three respondents spoke of adding source of income and two others suggested adding sexual orientation as protected classes. While noting that the city is working toward furthering this policy, 18 respondents felt that there is a need for a fair housing plan in Rockford. Recommendations for this plan include investigating the best use of limited resources at the city level and furthering fair housing by increasing education and outreach, including educating consumers as to their rights in the housing market and their responsibilities with their credit. It would seem sentiment favors a more formalized planning process for affirmatively furthering fair housing.

Table IV.10, below, presents two additional considerations important to the community. When asked outright if there is currently sufficient outreach and education, fourteen respondents said no, there is not enough. Eight respondents indicated that the level of outreach and education appears to be sufficient.

TABLE IV.10
FAIR HOUSING UNDERSTANDING AND EDUCATION
2005 ROCKFORD FAIR HOUSING SURVEY

Question	Yes	No	Don't know	No Comment
Is there enough outreach and education about fair housing?	8	14	5	1
Do you feel more fair housing testing is needed?	11	1	14	2

When asked if more testing was needed, 14 did not know how to respond and 11 respondents felt that more fair housing testing was needed. HUD and the Illinois Department of Human Rights were mentioned as agencies which could most effectively increase testing in the city.

Two additional themes can be drawn from comments provided by participants in the survey. The first related to concerns about the condition of some rental properties and that the lower-quality, or less suitable, rental stock, is concentrated in pockets on the west side of town, occupied by predominantly protected classes, racial and ethnic minorities. The second theme pertains to the acceptance of Section 8 vouchers. Here, sentiment notes two concerns; that the vouchers were accepted most frequently in the lower-quality housing units, and that rental owners may discriminate against the holders of the vouchers.

Home Mortgage Disclosure Act (HMDA) Data Analysis

Information from the HMDA for 1999 through 2003 was collected and analyzed. This information includes residential mortgage lending activities reported by commercial lenders in

Rockford. The data are considered “raw” loan account records, and some individual entries may contain errors or omissions. Additional HMDA data is available in Appendix A.

Table IV.11, below, presents the number of total loan applications received over the five-year period between 1999 and 2003, separated by loan type. Of the 80,291 applications, the largest portion, 63.1 percent, were for refinancing. Another 24,002 loan applications, 29.9 percent of the total, were for home purchases.

TABLE IV.11
HOME MORTGAGE DISCLOSURE ACT DATA
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Home Purchase	Home Improvement	Refinance	Multi-family	Total Loan Applications
1999	4,690	1,404	7,754	47	13,895
2000	4,439	1,267	4,926	25	10,657
2001	4,069	1,096	9,593	39	14,797
2002	4,711	801	10,601	47	16,160
2003	6,093	884	17,754	51	24,782
Total	24,002	5,452	50,628	209	80,291

Of the 24,002 home purchase loan applications from 1999 through 2003, about 88 percent of loans were for owner-occupied housing. There was a 29 percent increase in total loan applications from 2002 to 2003, from 4,711 loans to 6,093 loans. These data are presented in Table IV.12, below.

TABLE IV.12
HOME MORTGAGE DISCLOSURE ACT DATA
HOME PURCHASE LOAN APPLICATIONS
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Owner Occupied	Not Owner Occupied	Not Available	Total Loan Applications
1999	4,211	450	29	4,690
2000	4,027	387	25	4,439
2001	3,633	417	19	4,069
2002	4,061	615	35	4,711
2003	5,227	833	33	6,093
Total	21,159	2,702	141	24,002

Home loan applications were examined by guarantor, or financial backer. Nearly all of these loan applications have occurred in the conventional market, some 13,000 applications, or 61.5 percent. Another 7,600 application were made in the FHA market. Nearly 500 applications were made in the VA Guaranteed market. These data are presented in Table IV.13, on the following page.

TABLE IV.13
HOME MORTGAGE DISCLOSURE ACT DATA
OWNER OCCUPIED HOME LOAN APPLICATIONS
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Conventional	FHA Insured	VA Guaranteed	Rural Housing or Farm Service Agency	Total
1999	2,502	1,570	132	7	4,211
2000	2,461	1,464	100	2	4,027
2001	2,181	1,357	94	1	3,633
2002	2,422	1,551	83	5	4,061
2003	3,438	1,702	87	.	5,227
Total	13,004	7,644	496	15	21,159

Table IV.14, below, presents denial rates for owner-occupied home loan applications. Interestingly, overall home loan denials declined after 2000, from a high of 14 percent. Both 2002 and 2003 were considerably lower, with just 8.4 and 10 percent denial rates, respectively.³⁷ There were 12,990 loan originations over the five-year period. Another 1,625 loans were denied over the period.

TABLE IV.14
HOME MORTGAGE DISCLOSURE ACT DATA
LOAN ACTION TAKEN ON OWNER OCCUPIED HOME LOAN APPLICATIONS
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Loan Originated	Approved But Not Accepted	Loan Denied	Withdrawn By Applicant	Closed for Incompleteness	Loan Purchased by the Institution	Total	Average Denial Rate
1999	2,402	185	337	278	56	953	4,211	12.3%
2000	2,385	174	391	200	43	834	4,027	14.1%
2001	2,367	113	298	182	25	648	3,633	11.2%
2002	2,592	146	237	203	37	846	4,061	8.4%
2003	3,244	219	362	357	74	971	5,227	10.0%
Total	12,990	837	1,625	1,220	235	4,252	21,159	11.1%

Denials were reviewed by denial reason. This particular data field in the HMDA database is not required to be completely filled in by responding institutions. Consequently, there are a number of denial reasons missing from the data. Nevertheless, the main difficulties that borrowers seem to face relate to poor credit histories and high debt-to-income ratios, as seen in Table IV.15, on the following page.

³⁷ These loan actions are defined as follows:

1. *Loan originated*: Loan was made by the lending institution.
2. *Approved but not accepted*: Loan was approved by the lender but not accepted by the applicant.
3. *Loan denied*: Loan was denied by the lending institution.
4. *Withdrawn by applicant*: Applicant chose to close the application process early.
5. *Closed for incompleteness*: Loan application process was closed by the lending institution due to incomplete information.
6. *Loan purchased by the institution*: Previously originated loan was purchased on the secondary market.

TABLE IV.15
HOME MORTGAGE DISCLOSURE ACT DATA
DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY DENIAL REASON
CITY OF ROCKFORD: 1999 THROUGH 2003

Denial Reason	1999	2000	2001	2002	2003	Total
Debt-to-income Ratio	30	49	55	37	60	231
Employment History	9	7	10	2	9	37
Credit History	125	153	105	85	104	572
Collateral	23	29	23	14	19	108
Insufficient Cash	3	7	4	1	3	18
Unverifiable Information	2	8	2	7	18	37
Credit Application Incomplete	9	11	13	13	25	71
Mortgage Insurance Denied	.	.	.	.	1	1
Other	25	38	26	30	47	166
Missing Reason	111	89	60	48	76	384
Total	337	391	298	237	362	1,625

Table IV.16, below, presents the denial rates by gender over the 1999 through 2003 period. Here, females typically have a higher denial rate than males. In 2001, this was more than 5 percentage points higher. It appears more reasonable in 2003, with females within 1.6 percentage points of the denial rate for males.

TABLE IV.16
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY GENDER
CITY OF ROCKFORD: 1999 THROUGH 2003

Gender	1999	2000	2001	2002	2003	Total
Male	11.0%	11.6%	8.5%	7.5%	9.3%	9.6%
Female	14.3%	15.4%	13.9%	9.6%	10.9%	12.6%
Total	12.3%	14.1%	11.2%	8.4%	10.0%	11.1%

Table IV.17, below, presents the denial rates for selected minority racial and ethnic populations. Over the five-year period, blacks, Asians and Hispanics had the highest denial rates, 20.2, 11.5, and 10.6 percent respectively. Whites had the lowest denial rates, with just an 8.8 percent denial rate. These statistics have varied by year, with blacks exceeding a 25 percent denial rate in 2000, and Asians having just a 5.6 percent denial rate in 2002. Even so, such high denial rates for some minorities do not conclusively prove that there may be problems in the lending markets. However, these statistics are most certainly of concern.

TABLE IV.17
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	1999	2000	2001	2002	2003	Total
American Indian/Alaskan Native	6.1%	14.3%	.	.	.	7.0%
Asian or Pacific Islander	8.6%	11.1%	12.2%	5.6%	15.4%	11.5%
Black	20.6%	25.6%	23.9%	13.2%	16.9%	20.2%
Hispanic	14.1%	13.1%	7.9%	6.6%	11.1%	10.6%
White	9.9%	10.0%	8.4%	7.9%	8.0%	8.8%
Other	16.7%	18.2%	10.0%	11.1%	15.6%	14.5%
Total	12.3%	14.1%	11.2%	8.4%	10.0%	11.1%

Table IV.18, below, presents loan denial reasons, segmented by race and ethnicity. In terms of denial reasons, Native Americans, blacks, Hispanics, and whites together tend to have a relatively similar share of denial reasons missing. Only Asians have a low percentage of denial reasons missing. Because the level of missing denial reasons for whites, blacks, and Hispanics are within close proportion to each other, it cannot be concluded that there is a racial motivation for overlooking the denial reasons.

TABLE IV.18
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL REASONS BY RACE: CITY OF ROCKFORD: 1999 THROUGH 2003

Denial Reason	Native American	Asian	Black	Hispanic	White	Other	Not Provided	Not Available	Total
Debt-to-income Ratio	.	5	45	30	126	1	24	.	231
Employment History	.	1	4	8	20	1	3	.	37
Credit History	3	7	102	57	328	5	68	2	572
Collateral	.	2	16	14	61	2	13	.	108
Insufficient Cash	.	.	3	3	8	.	4	.	18
Unverifiable Information	.	.	3	10	21	.	3	.	37
Credit Application Incomplete	.	1	16	5	36	.	13	.	71
Mortgage Insurance Denied	.	.	1	.	.	.	.	.	1
Other	1	8	15	18	92	5	27	.	166
Missing Reason	1	3	57	62	170	2	89	.	384
Total	5	27	262	207	862	16	244	2	1,625
Percent Missing Denial Reason	20.0%	11.1%	21.8%	30.0%	19.7%	12.5%	36.5%	.	23.6%

Table IV.19, below, has segmented the lenders into three types: Those having the majority of their business from sub-prime loans, those with a majority of their business making loans for manufactured housing, and all other lenders, herein termed “prime lenders”. Prime lenders have been serving Rockford consumers the best, with a relatively low 8.5 percent denial rate. Throughout the five-year period, manufactured home lenders comprised a relatively small portion of the home loan market, with just 64 loan originations, with a denial rate of 48 percent. This compares with a 39 percent denial rate for subprime lenders over the five-year history. Unfortunately, subprime lending activity is rising quickly. While 118 subprime loans were originated in 1999, the industry has grown to originating nearly twice as many loans in 2003.

TABLE IV.19
HOME MORTGAGE DISCLOSURE ACT DATA
HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY LENDER TYPE
CITY OF ROCKFORD: 1999 THROUGH 2003

Application Action	1999	2000	2001	2002	2003	Total
Prime Lenders						
Loan Originated	2,260	2,260	2,254	2,469	3,015	12,258
Application Denied	239	274	215	157	248	1,133
Denial Rate	9.6%	10.8%	8.7%	6.0%	7.6%	8.5%
Subprime Lenders						
Loan Originated	118	108	94	123	225	668
Application Denied	73	100	74	78	107	432
Denial Rate	38.2%	48.1%	44.0%	38.8%	32.2%	39.3%
Manufactured Home Lenders						
Loan Originated	24	17	19	.	4	64
Application Denied	25	17	9	2	7	60
Denial Rate	51.0%	50.0%	32.1%	100.0%	63.6%	48.4%

Denial rates by lender type were further segmented by race and ethnicity. Prime lenders' denial rates are higher for selected minority racial and ethnic populations when grouped in this manner, as seen in Table IV.20, below. Overall, this implies that these households face difficulties that other populations do not. This implies a need for additional outreach and education related to the operation and enhancement of credit ratings.

TABLE IV.20
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY RACE
PRIME LENDERS: CITY OF ROCKFORD: 1999 THROUGH 2003

Race	1999	2000	2001	2002	2003	Total
American Indian/Alaskan Native	14.3%	15.0%	.	.	.	9.1%
Asian or Pacific Islander	8.6%	9.1%	12.2%	3.0%	11.4%	9.4%
Black	17.5%	18.8%	18.5%	7.7%	12.7%	15.2%
Hispanic	11.1%	12.3%	6.9%	6.5%	9.6%	9.3%
White	7.8%	7.8%	6.3%	5.6%	6.4%	6.8%
Other	6.3%	5.3%	11.1%	11.8%	3.6%	7.1%
Total Prime Lenders	9.6%	10.8%	8.7%	6.0%	7.6%	8.5%

Within the subprime lending market, Asians have the highest denial rate, followed by blacks and Hispanics. The rate of denials for Hispanics is very close to that of applicants listing their race as white. In 1999, 2000, and 2003, race or ethnicity categorized as "other" reached 100 percent, as seen in Table IV.21, below. However, these statistics are slightly misleading, as there are so few minority loans being made by the subprime lenders. For example, the 100 percent denial rate in 2003 represents a total of four loan applications made and denied. This information is presented in the detailed Table A.6 in the Appendix A. When segmented by race and ethnicity, too few loan records appear in the manufactured housing market to draw reasonable conclusions. See Table A.7 in Appendix A for further data.

TABLE IV.21
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY RACE
SUBPRIME LENDERS: CITY OF ROCKFORD: 1999 THROUGH 2003

Race	1999	2000	2001	2002	2003	Total
American Indian/Alaskan Native	3.8%	.	.	.	.	3.7%
Asian or Pacific Islander	.	100.0%	.	33.3%	50.0%	50.0%
Black	50.0%	58.8%	50.0%	47.1%	30.0%	45.9%
Hispanic	64.7%	26.7%	42.9%	14.3%	28.1%	35.9%
White	38.3%	42.1%	41.0%	37.3%	26.0%	35.5%
Other	100.0%	100.0%	.	.	100.0%	72.7%
Total Prime Lenders	38.2%	48.1%	44.0%	38.8%	32.2%	39.3%

Denial rates were segmented by race and ethnicity and then by household income. While extremely low-income householders are much less likely to get a home purchase loan, those with higher incomes should be able to become homeowners. However, denial rates are still higher for selected minority racial and ethnic populations when their household income exceeds \$75,000, as seen in Table IV.22, below. Overall, this implies that these households face difficulties that other populations do not. According to the HMDA data, since Asians are able to get a relatively high percentage of loans and are being denied less frequently than other races most of the time, it is less likely that there is a bias in underwriting methods. It is more likely that denial rates are due largely to credit problems. This implies a need for additional outreach and education related to the operation and enhancement of credit and the credit markets.

TABLE IV.22
HOME MORTGAGE DISCLOSURE ACT DATA
DENIAL RATES ON HOME LOAN APPLICATIONS BY SELECTED INCOME CATEGORIES AND BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Data	Less than	\$15,000-	\$30,000-	\$45,000-	\$60,000-	More than	Total
	Missing	\$15,000	\$30,000	\$45,000	\$60,000	\$75,000	\$75,000	
American Indian/Alaskan Native	.	.	7.4%	21.4%	.	.	.	7.0%
Asian or Pacific Islander	14.3%	100.0%	13.5%	13.7%	9.1%	3.6%	11.8%	11.5%
Black	37.5%	37.8%	24.8%	16.3%	16.6%	13.8%	17.0%	20.2%
Hispanic	18.8%	20.0%	9.1%	11.7%	9.0%	9.8%	19.0%	10.6%
White	12.4%	36.6%	12.8%	8.8%	7.5%	4.4%	4.2%	8.8%
Other	.	50.0%	25.0%	11.4%	14.3%	.	6.3%	14.5%
Total All Lenders	14.6%	36.7%	14.4%	11.0%	9.3%	6.3%	6.0%	11.1%

A similar line of inquiry was used to inspect originated home improvement loans. As seen in Table IV.23, below, there were a total of 5,452 applications for home improvement loans over the five-year period from 1999 through 2003. The majority, some 96 percent, were for owner-occupied homes, while very few, just fewer than 4 percent, were for homes not occupied by the homeowner.

TABLE IV.23
HOME MORTGAGE DISCLOSURE ACT DATA
HOME IMPROVEMENT LOAN APPLICATIONS
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Owner Occupied	Not Owner Occupied	Not Available	Total Loan Applications
1999	1,363	37	4	1,404
2000	1,226	38	3	1,267
2001	1,045	47	4	1,096
2002	771	30	.	801
2003	834	46	4	884
Total	5,239	198	15	5,452

Of the 5,239 loan applications for owner-occupied homes, some 2,338 loans were actually originated and some 2,097 were denied, as seen in Table IV.24, on the following page. The remaining loans fell into other categories listed, including approved but not accepted, loan denied, or closed for incompleteness. In each of the five years, the denial rates for home improvement loans averaged about 50 percent.

TABLE IV.24
HOME MORTGAGE DISCLOSURE ACT DATA
LOAN ACTION TAKEN ON OWNER OCCUPIED HOME IMPROVEMENT LOAN APPLICATIONS
CITY OF ROCKFORD: 1999 THROUGH 2003

Year	Loan Originated	Approved But not Accepted	Loan Denied	Withdrawn By Applicant	Closed for Incompleteness	Loan Purchased By the Institution	Total	Average Denial Rate
1999	636	138	483	82	8	16	1,363	43.2%
2000	489	147	512	52	7	19	1,226	51.1%
2001	445	77	450	49	13	11	1,045	50.3%
2002	374	49	315	17	10	6	771	45.7%
2003	394	46	337	28	16	13	834	46.1%
Total	2,338	457	2,097	228	54	65	5,239	47.3%

The average loan size, by lender type, was separated by level of household income. As shown in Table IV.25, below, the average loan amount appears to be very high in comparison to the homeowner's income, particularly for subprime lenders. This should concern the city's policy makers and implies a need to be sure that those who use subprime lenders are fully aware of their credit situation.

TABLE IV.25
HOME MORTGAGE DISCLOSURE ACT DATA
OWNER OCCUPIED HOME IMPROVEMENT: AVERAGE LOAN AMOUNT
CITY OF ROCKFORD: 1999 THROUGH 2003

Income Range	Prime	Subprime	MFG Home
< \$15,000	9,267	16,667	.
\$15 - \$30,000	11,225	15,000	9,833
\$30 - \$45,000	12,779	12,450	21,000
\$45 - \$60,000	14,142	30,500	23,429
\$60 - \$75,000	15,751	36,000	16,000
> \$75,000	24,370	22,000	27,750

Summary

Fair Housing Complaint and Compliance Review

Access to and use of the HUD fair housing complaint system may be underused in Rockford, with only 12 complaints during the five-year period from 2000 to 2004, just over two per year. This is in contrast to national trends, which indicate that fair housing complaints alleging violations of fair housing law are increasing. However, the Illinois Department of Human Rights (DHR) filed four complaints from January through May of 2005, indicating that complaint activity may be occurring with more frequency in Rockford, at least with the DHR.

2005 Fair Housing Survey

As part of the work conducted in completing the 2005 Rockford Analysis of Impediments, a fair housing survey was conducted. The survey contacted and interviewed people with expert knowledge of housing and housing-related services in the city. Findings indicate that respondents feel discrimination may be occurring in Rockford, and that additional education and outreach related to fair housing law and improved understanding of existing impediments to fair housing is desirable. Furthermore, a more broadly understood, uniform, and effective referral system for pursuing fair housing complaints may be needed, along with a mechanism to strengthen

enforcement activities. As well, general respondent sentiment favors developing a more formalized fair housing planning process.

Home Mortgage Disclosure Act Data Analysis

Home Mortgage Disclosure Act (HMDA) data was used in the 2005 Rockford Analysis of Impediments. The Act requires both depository and non-depository lenders to collect and publicly disclose information about housing-related loans and applications for such loans. Under the Act, financial institutions are required to report the race, sex, loan amount, and income of mortgage applicants and borrowers by census tract.

From 1999 to 2003 the city of Rockford saw a significant number of loan applications, over 80,000. The denial rates of owner-occupied home loans are fairly low, at about 11 percent for the five-year period. However, selected racial and ethnic minorities, especially blacks, experienced much higher denial rates, although denial reasons point primarily to lack of proper credit. This implies a need for enhanced understanding of credit and credit markets by minority consumers.

When home improvement loans are analyzed, the size of the loan and consequent debt were exceedingly high for extremely low-income householders utilizing subprime lending institutions. This may put some homeowners at risk of losing their homes. This too implies a need to better understand credit and credit markets, especially subprime loans by lower income consumers of these credit products.

Section V. Summary of Impediments & Actions to Consider

Four key impediments to fair housing choice have been identified in Rockford. There are actions the city can consider in overcoming these impediments. Each of these is listed below.

Impediments to Fair Housing Choice

1. Particular areas of the city have unusually high concentrations of racial and ethnic minorities, thereby detracting from overall diversity. According to respondent opinions from the 2005 Fair Housing Survey, sentiment indicated that substandard housing tends to be highly correlated with the location of lower income and minority households. Households with problems such as overcrowding or cost burdens also tend to fall in these areas.
2. The Fair Housing Survey and level of use of the fair housing complaint system in place in Rockford leads to the conclusion that sufficient understanding of fair housing law is lacking. This is true for both housing consumers and providers.
3. The city of Rockford lacks sufficient investigation and enforcement mechanisms. This is evident by the low use of the complaint system, lack of authority to pursue enforcement and limited resources for investigating housing complaints, as substantiated by sentiments seen in the Fair Housing Survey.
4. HMDA analysis indicates that several ethnic and racial minorities are being denied homeownership, due likely to lack of understanding of the credit markets. Furthermore, some extremely low-income households are being placed at risk due to large debt loads.

Actions for the City of Rockford to Consider

Currently, and continually, the city of Rockford faces very difficult resource allocation choices. Increasing resource allocation to fair housing activities may take away from other equally important functions, such as enhancing the overall quality and livability of Rockford's neighborhoods. However, there is one avenue that Rockford may wish to consider that may more effectively use existing resources; thereby gaining an enhanced ability to address some of these fair housing concerns. This is explained below.

Due to such low use of the fair housing complaint system, the city of Rockford may wish to consider revising the operation of the Fair Housing Board (FHB). The city might first consider discontinuing the acceptance of housing complaints at the FHB, and revise its referral procedures. The Illinois Department of Human Rights, Fair Housing Division is considered by HUD to have substantially equivalent status, meaning that HUD will reimburse the department for its fair housing investigation and enforcement activities; consequently, the FHB should consider this agency as the primary referral entity. The FHB may wish to conduct follow-ups to track success of the newly-designed referral system. In addition, having the Department of Human Rights fielding fair housing inquiries will allow the expansion of fair housing investigation and enforcement in the city, as conducted by the Department of Human Rights, without the city incurring expenses or committing substantive resources to such activities.

Further, the FHB should be encouraged to elevate its fair housing planning function to better align such responsibilities with sentiment expressed in the 2005 Fair Housing Survey. For example, in response to the lack of understanding of both fair housing and lack of understanding of the advantages and disadvantages of credit and the credit markets, the city could consider enhancing its outreach and education roles, as well as beginning a fair housing plan that lays out milestones for the city's efforts to affirmatively further fair housing. The city may wish to enlarge its first-time homebuyer training classes, open such classes to renters, or even extend such credit training to the high school curriculum.

Lastly, in response to findings of disproportionate shares of racial and ethnic minorities being concentrated in selected areas, Rockford may consider enhancing its programs so that affordable housing for such groups is made available in other areas of the city.

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Appendix A: HMDA Tables

TABLE A.1
HOME MORTGAGE DISCLOSURE ACT DATA
ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Action Taken	1999	2000	2001	2002	2003	Total
American Indian or Alaskan Native	Loan Originated	31	18	7	5	5	66
	Application Denied	2	3				5
	Denial Rate %	6.1%	14.3%				7.0%
Asian or Pacific Islander	Loan Originated	32	40	36	34	66	208
	Application Denied	3	5	5	2	12	27
	Denial Rate %	8.6%	11.1%	12.2%	5.6%	15.4%	11.5%
Black	Loan Originated	200	224	178	211	222	1035
	Application Denied	52	77	56	32	45	262
	Denial Rate %	20.6%	25.6%	23.9%	13.2%	16.9%	20.2%
Hispanic	Loan Originated	310	345	328	353	408	1744
	Application Denied	51	52	28	25	51	207
	Denial Rate %	14.1%	13.1%	7.9%	6.6%	11.1%	10.6%
White	Loan Originated	1,726	1,636	1,662	1,673	2,243	8,940
	Application Denied	190	182	152	143	195	862
	Denial Rate %	9.9%	10.0%	8.4%	7.9%	8.0%	8.8%
Other	Loan Originated	15	18	18	16	27	94
	Application Denied	3	4	2	2	5	16
	Denial Rate %	16.7%	18.2%	10.0%	11.1%	15.6%	14.5%
Not Provided by Applicant	Loan Originated	86	104	137	299	272	898
	Application Denied	34	68	55	33	54	244
	Denial Rate %	28.3%	39.5%	28.6%	9.9%	16.6%	21.4%
Not Applicable	Loan Originated	2		1	1	1	5
	Application Denied	2					2
	Denial Rate %	50.0%					28.6%
Total	Loan Originated	2,402	2,385	2,367	2,592	3,244	12,990
	Application Denied	337	391	298	237	362	1,625
	Denial Rate %	12.3%	14.1%	11.2%	8.4%	10.0%	11.1%

TABLE A.2
HOME MORTGAGE DISCLOSURE ACT DATA
ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY GENDER
CITY OF ROCKFORD: 1999 THROUGH 2003

Gender	Action Taken	1999	2000	2001	2002	2003	Total
Male	Loan Originated	1,789	1,662	1,667	1,694	2,192	9,004
	Application Denied	221	218	155	138	226	958
	Denial Rate %	11.0%	11.6%	8.5%	7.5%	9.3%	9.6%
Female	Loan Originated	533	653	628	727	898	3,439
	Application Denied	89	119	101	77	110	496
	Denial Rate %	14.3%	15.4%	13.9%	9.6%	10.9%	12.6%
Not Provided by Applicant	Loan Originated	78	68	71	171	153	541
	Application Denied	27	54	42	22	26	171
	Denial Rate %	25.7%	44.3%	37.2%	11.4%	14.5%	24.0%
Not Applicable	Loan Originated	2	2	1		1	6
	Application Denied						
	Denial Rate %						
Total	Loan Originated	2,402	2,385	2,367	2,592	3,244	12,990
	Application Denied	337	391	298	237	362	1,625
	Denial Rate %	12.3%	14.1%	11.2%	8.4%	10.0%	11.1%

TABLE A.3
HOME MORTGAGE DISCLOSURE ACT DATA
DENIED HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY DENIAL REASON
CITY OF ROCKFORD: 1999 THROUGH 2003

Denial Reason	1999	2000	2001	2002	2003	Total
Debt-to-income Ratio	30	49	55	37	60	231
Employment History	9	7	10	2	9	37
Credit History	125	153	105	85	104	572
Collateral	23	29	23	14	19	108
Insufficient Cash	3	7	4	1	3	18
Unverifiable Information	2	8	2	7	18	37
Credit Application Incomplete	9	11	13	13	25	71
Mortgage Insurance Denied	.	.	.	.	1	1
Other	25	38	26	30	47	166
Missing	111	89	60	48	76	384
Total	337	391	298	237	362	1,625

TABLE A.4
HOME MORTGAGE DISCLOSURE ACT DATA
HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES BY LENDER TYPE
CITY OF ROCKFORD: 1999 THROUGH 2003

Application Action	1999	2000	2001	2002	2003	Total
Prime Lenders						
Loan Originated	2,260	2,260	2,254	2,469	3,015	12,258
Application Denied	239	274	215	157	248	1,133
Denial Rate	9.6%	10.8%	8.7%	6.0%	7.6%	8.5%
Subprime Lenders						
Loan Originated	118	108	94	123	225	668
Application Denied	73	100	74	78	107	432
Denial Rate	38.2%	48.1%	44.0%	38.8%	32.2%	39.3%
Manufactured Home Lenders						
Loan Originated	24	17	19	.	4	64
Application Denied	25	17	9	2	7	60
Denial Rate	51.0%	50.0%	32.1%	100.0%	63.6%	48.4%

TABLE A.5
HOME MORTGAGE DISCLOSURE ACT DATA
PRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS OWNER OCCUPIED HOMES BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Action Taken	1999	2000	2001	2002	2003	Total
American Indian or Alaskan Native	Loan Originated	6	17	7	5	5	40
	Application Denied	1	3	.	.	.	4
	Denial Rate %	14.3%	15.0%	.	.	.	9.1%
Asian or Pacific Islander	Loan Originated	32	40	36	32	62	202
	Application Denied	3	4	5	1	8	21
	Denial Rate %	8.6%	9.1%	12.2%	3.0%	11.4%	9.4%
Black	Loan Originated	188	203	159	193	179	922
	Application Denied	40	47	36	16	26	165
	Denial Rate %	17.5%	18.8%	18.5%	7.7%	12.7%	15.2%
Hispanic	Loan Originated	304	334	324	347	385	1694
	Application Denied	38	47	24	24	41	174
	Denial Rate %	11.1%	12.3%	6.9%	6.5%	9.6%	9.3%
White	Loan Originated	1,652	1,565	1,585	1,594	2,115	8,511
	Application Denied	139	133	107	95	145	619
	Denial Rate %	7.8%	7.8%	6.3%	5.6%	6.4%	6.8%
Other	Loan Originated	15	18	16	15	27	91
	Application Denied	1	1	2	2	1	7
	Denial Rate %	6.3%	5.3%	11.1%	11.8%	3.6%	7.1%
Not Provided by Applicant	Loan Originated	61	83	126	283	241	794
	Application Denied	17	39	41	19	27	143
	Denial Rate %	21.8%	32.0%	24.6%	6.3%	10.1%	15.3%
Not Applicable	Loan Originated	2	.	1	.	1	4
	Application Denied	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.
Total	Loan Originated	2,260	2,260	2,254	2,469	3,015	12,258
	Application Denied	239	274	215	157	248	1,133
	Denial Rate %	9.6%	10.8%	8.7%	6.0%	7.6%	8.5%

TABLE A.6
HOME MORTGAGE DISCLOSURE ACT DATA
SUBPRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS, OWNER OCCUPIED HOMES BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Action Taken	1999	2000	2001	2002	2003	Total
American Indian or Alaskan Native	Loan Originated	25	1	.	.	.	26
	Application Denied	1	.	.	.	.	1
	Denial Rate %	3.8%	.	.	.	.	3.7%
Asian or Pacific Islander	Loan Originated	.	.	.	2	4	6
	Application Denied	.	1	.	1	4	6
	Denial Rate %	.	1	.	33.3%	50.0%	50.0%
Black	Loan Originated	12	21	19	18	42	112
	Application Denied	12	30	19	16	18	95
	Denial Rate %	50.0%	58.8%	50.0%	47.1%	30.0%	45.9%
Hispanic	Loan Originated	6	11	4	6	23	50
	Application Denied	11	4	3	1	9	28
	Denial Rate %	64.7%	26.7%	42.9%	14.3%	28.1%	35.9%
White	Loan Originated	50	55	59	79	128	371
	Application Denied	31	40	41	47	45	204
	Denial Rate %	38.3%	42.1%	41.0%	37.3%	26.0%	35.5%
Other	Loan Originated	.	.	2	1	.	3
	Application Denied	1	3	.	.	4	8
	Denial Rate %	100.0%	100.0%	.	.	100.0%	72.7%
Not Provided by Applicant	Loan Originated	25	20	10	16	28	99
	Application Denied	15	22	11	13	27	88
	Denial Rate %	37.5%	52.4%	52.4%	44.8%	49.1%	47.1%
Not Applicable	Loan Originated	.	.	.	1	.	1
	Application Denied	2	.	.	.	.	2
	Denial Rate %	100.0%	.	.	.	.	66.7%
Total	Loan Originated	118	108	94	123	225	668
	Application Denied	73	100	74	78	107	432
	Denial Rate %	38.2%	48.1%	44.0%	38.8%	32.2%	39.3%

TABLE A.7
HOME MORTGAGE DISCLOSURE ACT DATA
MANUFACTURED HOME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS
OWNER OCCUPIED HOMES BY RACE
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Action Taken	1999	2000	2001	2002	2003	Total
American Indian or Alaskan Native	Loan Originated	.	.	.	.	.	.
	Application Denied	.....	.....	.....	.....	.....	.....
	Denial Rate %	.	.	.	.	.	.
Asian or Pacific Islander	Loan Originated	.	.	.	.	.	.
	Application Denied	.....	.....	.....	.....	.....	.....
	Denial Rate %	.	.	.	.	.	.
Black	Loan Originated	.	.	.	.	1	1
	Application Denied	.....	.....	1	.....	1	2
	Denial Rate %	.	.	100.0%	.	50.0%	66.7%
Hispanic	Loan Originated	.	.	.	.	.	.
	Application Denied	2	1	1	.....	1	5
	Denial Rate %	100.0%	100.0%	100.0%	.	100.0%	100.0%
White	Loan Originated	24	16	18	.....	.....	58
	Application Denied	20	9	4	1	5	39
	Denial Rate %	45.5%	36.0%	18.2%	100.0%	100.0%	40.2%
Other	Loan Originated	.	.	.	.	.	.
	Application Denied	1	.....	.....	.....	.....	1
	Denial Rate %	1	.	.	.	.	100.0%
Not Provided by Applicant	Loan Originated	.	1	1	.	3	5
	Application Denied	2	7	3	1	.....	13
	Denial Rate %	100.0%	87.5%	75.0%	100.0%	0.0%	72.2%
Not Applicable	Loan Originated	.	.	.	.	.	.
	Application Denied	.....	.....	.....	.....	.....	.....
	Denial Rate %	.	.	.	.	.	.
Total	Loan Originated	24	17	19	.	4	64
	Application Denied	25	17	9	2	7	60
	Denial Rate %	51.0%	50.0%	32.1%	100.0%	63.6%	48.4%

TABLE A.8
HOME MORTGAGE DISCLOSURE ACT DATA
PRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS
OWNER OCCUPIED HOMES BY GENDER
CITY OF ROCKFORD: 1999 THROUGH 2003

Gender	Action Taken	1999	2000	2001	2002	2003	Total
Male	Loan Originated	1,708	1,587	1,597	1,619	2,049	8,560
	Application Denied	158	161	115	98	159	691
	Denial Rate %	8.5%	9.2%	6.7%	5.7%	7.2%	7.5%
Female	Loan Originated	491	611	588	688	825	3,203
	Application Denied	66	79	65	45	71	326
	Denial Rate %	11.8%	11.4%	10.0%	6.1%	7.9%	9.2%
Not Provided by Applicant	Loan Originated	59	60	68	162	140	489
	Application Denied	15	34	35	14	18	116
	Denial Rate %	20.3%	36.2%	34.0%	8.0%	11.4%	19.2%
Not Applicable	Loan Originated	2	2	1	.	1	6
	Application Denied	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.
Total	Loan Originated	2,260	2,260	2,254	2,469	3,015	12,258
	Application Denied	239	274	215	157	248	1,133
	Denial Rate %	9.6%	10.8%	8.7%	6.0%	7.6%	8.5%

TABLE A.9
HOME MORTGAGE DISCLOSURE ACT DATA
SUBPRIME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS
OWNER OCCUPIED HOMES BY GENDER
CITY OF ROCKFORD: 1999 THROUGH 2003

Gender	Action Taken	1999	2000	2001	2002	2003	Total
Male	Loan Originated	68	63	55	75	143	404
	Application Denied	46	52	37	39	62	236
	Denial Rate %	40.4%	45.2%	40.2%	34.2%	30.2%	36.9%
Female	Loan Originated	31	37	36	39	71	214
	Application Denied	16	35	33	32	37	153
	Denial Rate %	34.0%	48.6%	47.8%	45.1%	34.3%	41.7%
Not Provided by Applicant	Loan Originated	19	8	3	9	11	50
	Application Denied	11	13	4	7	8	43
	Denial Rate %	36.7%	61.9%	57.1%	43.8%	42.1%	46.2%
Not Applicable	Loan Originated	.	.	.	.	.	.
	Application Denied	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.
Total	Loan Originated	118	108	94	123	225	668
	Application Denied	73	100	74	78	107	432
	Denial Rate %	38.2%	48.1%	44.0%	38.8%	32.2%	39.3%

TABLE A.10
HOME MORTGAGE DISCLOSURE ACT DATA
MANUFACTURED HOME LENDERS: ORIGINATED AND DENIED HOME LOAN APPLICATIONS
OWNER OCCUPIED HOMES BY GENDER
CITY OF ROCKFORD: 1999 THROUGH 2003

Gender	Action Taken	1999	2000	2001	2002	2003	Total
Male	Loan Originated	13	12	15	.	.	40
	Application Denied	17	5	3	1	5	31
	Denial Rate %	56.7%	29.4%	16.7%	100.0%	100.0%	43.7%
Female	Loan Originated	11	5	4	.	2	22
	Application Denied	7	5	3	.	2	17
	Denial Rate %	38.9%	50.0%	42.9%	.	50.0%	43.6%
Not Provided by Applicant	Loan Originated	.	.	.	.	2	2
	Application Denied	1	7	3	1	.	12
	Denial Rate %	100.0%	100.0%	100.0%	100.0%	0.0%	85.7%
Not Applicable	Loan Originated	.	.	.	.	.	.
	Application Denied	.	.	.	.	.	.
	Denial Rate %	.	.	.	.	.	.
Total	Loan Originated	24	17	19	.	4	64
	Application Denied	25	17	9	2	7	60
	Denial Rate %	51.0%	50.0%	32.1%	100.0%	63.6%	48.4%

TABLE A.11
HOME MORTGAGE DISCLOSURE ACT DATA
ORIGINATED AND DENIED HOME LOAN APPLICATIONS: OWNER OCCUPIED HOMES
BY RACE AND SELECTED INCOME CATEGORIES
CITY OF ROCKFORD: 1999 THROUGH 2003

Race	Action Taken	Missing	<\$15K	\$15-30K	\$30-45K	\$45-60K	\$60-75K	>\$75K	Total
American Indian or Alaskan Native	Loan Originated	.	4	25	11	17	4	5	66
	Application Denied	.	.	2	3	.	.	.	5
	Denial Rate %	.	.	7.4%	21.4%	.	.	.	7.0%
Asian or Pacific Islander	Loan Originated	6	.	32	63	50	27	30	208
	Application Denied	1	1	5	10	5	1	4	27
	Denial Rate %	14.3%	100.0%	13.5%	13.7%	9.1%	3.6%	11.8%	11.5%
Black	Loan Originated	10	28	346	308	176	94	73	1,035
	Application Denied	6	17	114	60	35	15	15	262
	Denial Rate %	37.5%	37.8%	24.8%	16.3%	16.6%	13.8%	17.0%	20.2%
Hispanic	Loan Originated	26	44	850	534	182	74	34	1,744
	Application Denied	6	11	85	71	18	8	8	207
	Denial Rate %	18.8%	20.0%	9.1%	11.7%	9.0%	9.8%	19.0%	10.6%
White	Loan Originated	183	83	1,946	2,579	1,828	985	1,336	8,940
	Application Denied	26	48	286	250	148	45	59	862
	Denial Rate %	12.4%	36.6%	12.8%	8.8%	7.5%	4.4%	4.2%	8.8%
Other	Loan Originated	2	1	21	39	12	4	15	94
	Application Denied	.	1	7	5	2	.	1	16
	Denial Rate %	.	50.0%	25.0%	11.4%	14.3%	.	6.3%	14.5%
Not Provided by Applicant	Loan Originated	91	4	190	219	138	109	147	898
	Application Denied	16	17	71	67	37	18	18	244
	Denial Rate %	15.0%	81.0%	27.2%	23.4%	21.1%	14.2%	10.9%	21.4%
Not Applicable	Loan Originated	3	.	.	.	.	1	1	5
	Application Denied	.	.	2	.	.	.	.	2
	Denial Rate %	.	.	100.0%	.	.	.	.	28.6%
Total	Loan Originated	321	164	3,410	3,753	2,403	1,298	1,641	12,990
	Application Denied	55	95	572	466	245	87	105	1,625
	Denial Rate %	14.6%	36.7%	14.4%	11.0%	9.3%	6.3%	6.0%	11.1%

Appendix B: Federal and State Fair Housing Laws

Federal Fair Housing Act of 1968

Title VIII of the Civil Rights Act of 1968 is known as the Fair Housing Act. The Act, as amended in 1974 and 1988, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status, and disability. These seven classifications are collectively termed federally protected classes. The federal familial status provision protects children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

Three significant changes to the Fair Housing Act were made recently.³⁸ These changes are described briefly as follows:

1. The Housing for Older People Act of 1995 (HOPA) made several changes to the 55 and older exemption. Since the 1988 Amendments, the Fair Housing Act has exempted from its familial status provisions properties that satisfy the Act's 55 and older housing condition. First, HOPA eliminated the requirement that 55 and older housing have “significant facilities and services” designed for the elderly. Second, HOPA established a “good faith reliance” immunity from damages for people who in good faith believe that the 55 and older exemption applies to a particular property, if they do not actually know that the property is not eligible for the exemption and if the property formally stated in writing that it qualifies for the exemption.
2. Changes were made in the Act to enhance law enforcement, including making amendments to criminal penalties in section 901 of the Civil Rights Act of 1968 for violating the Fair Housing Act.
3. Changes were made to provide incentives for self-testing by lenders for discrimination under the Fair Housing Act and the Equal Credit Opportunity Act. See Title II, subtitle D of the Omnibus Consolidated Appropriations Act, 1997, P.L. 104 - 208 (9/30/96).

The Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

The Act in its entirety may be found online at <http://www.usdoj.gov/crt/housing/title8.htm>. The Fair Housing Act and its amendments refer to a number of prohibited actions. These actions are summarized briefly in the following pages.³⁹

In the Sale and Rental of Housing: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disability:

- Refuse to rent or sell housing;

³⁸ Information available at <http://www.hud.gov/offices/fheo/FHLaws/yourrights.cfm>

³⁹ *Ibid.*

- Refuse to negotiate for housing;
- Make housing unavailable;
- Deny a dwelling;
- Set different terms, conditions or privileges for sale or rental of a dwelling;
- Provide different housing services or facilities;
- Falsely deny that housing is available for inspection, sale, or rental;
- For profit, persuade owners to sell or rent (blockbusting); or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

In Mortgage Lending: No one may take any of the following actions based on race, color, national origin, religion, sex, familial status or disability:

- Refuse to make a mortgage loan;
- Refuse to provide information regarding loans;
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees;
- Discriminate in appraising property;
- Refuse to purchase a loan; or
- Set different terms or conditions for purchasing a loan.

In Addition: It is illegal for anyone to do the following:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right; or
- Advertise or make any statement that indicates a limitation or preference based on race, color, national origin, religion, sex, familial status, or handicap. This prohibition against discriminatory advertising applies to single-family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

Additional Protection if You Have a Disability: If you or someone associated with you:

- Have a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities;
- Have a record of such a disability; or
- Are regarded as having such a disability,

Your landlord may not:

- Refuse to let you make reasonable modifications to your dwelling or common use areas, at your expense, if necessary for the disabled person to use the housing (Where reasonable, the

landlord may permit changes only if you agree to restore the property to its original condition when you move).

- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

Requirements for New Buildings: In buildings that are ready for first occupancy after March 13, 1991, and have an elevator and four or more units:

- Public and common areas must be accessible to people with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
 - a) An accessible route into and through the unit;
 - b) Accessible light switches, electrical outlets, thermostats and other environmental controls;
 - c) Reinforced bathroom walls to allow later installation of grab bars; and,
 - d) Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

Housing Opportunities for Families: Unless a building or community qualifies as housing for older people, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age of 18 live with:

- A parent;
- A person who has legal custody of the child or children; or,
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under 18.

Housing for older people is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly people under a Federal, State or local government program; or
- It is occupied solely by people who are 62 or older; or
- It houses at least one person who is 55 or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house people who are 55 or older.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

Additional Federal Laws

Since the 1970s, the federal government has enacted several other laws that are aimed specifically at promoting fair lending practices in the banking and financial services industries. Although the record generally is improving, discriminatory lending practices have not been eliminated entirely.

A brief description of federal laws aimed at promoting fair lending follows:

- Equal Credit Opportunity Act (ECOA): Passed in 1974, the ECOA prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, or the exercise of any right under the Consumer Credit Protection Act.⁴⁰
- Home Mortgage Disclosure Act (HMDA): In 1975, Congress enacted the HMDA, and then amended the act from 1988 through 1991. Under the act, financial institutions are required to report the race, sex, and income of mortgage applicants and borrowers by Census tract. Examination of HMDA data can reveal if loans are denied at higher rates for certain races, for example. A substantive analysis of HMDA data for the city of Rockford is contained in this report.
- Community Reinvestment Act (CRA): The CRA was enacted in 1977 to require each federal financial supervisory agency to encourage financial institutions to help meet the credit needs of their entire community, including low- and moderate-income neighborhoods within those communities. New regulations went into effect at the beginning of 1996.
- Americans with Disabilities Act (ADA): Passed in 1990, the ADA prohibits discrimination against people with disabilities in the provision of goods as well as services, including credit services.
- Fair Lending – Best Practices Agreements: HUD has been working with the lending industry to promote these agreements. The agreements represent voluntary efforts to improve individual bank performance in providing homeownership opportunities to minorities and low-income people by eliminating discriminatory barriers.

Detailed information about individual banks is available. All banking institutions in the United States fall under one of the following four federal regulatory agencies: the Office of the Comptroller of the Currency, the Federal Reserve System, the Office of Thrift Supervision, or the Federal Deposit Insurance Corporation.

No central agency within the city receives reports from the banking regulatory agencies about compliance with fair lending laws. However, such reports are public information and are available from the regulatory agencies themselves or at the individual banks.

⁴⁰ *Closing the Gap: A Guide to Equal Opportunity Lending*. The Federal Reserve Bank of Boston, April 1993.

Illinois Human Rights Act

The State of Illinois Human Rights Act contains a section enumerating civil rights violations in the Real Estate sector. This is the State's Fair Housing Law. Beginning in January of 2006, the Interference, Coercion or Intimidation in Housing Bill (HB0917; PA 94-0078) and the Sexual Orientation Bill (SB 3186; PA 93-1078) will be added to the Act. The following extracts from the Illinois General Assembly Web site display the State of Illinois' Fair Housing Law, followed by the aforementioned additions to the Law.

(775 ILCS 5/) Illinois Human Rights Act.

(775 ILCS 5/3-102) (from Ch. 68, par. 3-102)

Sec. 3-102. Civil Rights Violations; Real Estate Transactions. It is a civil rights violation for an owner or any other person engaging in a real estate transaction, or for a real estate broker or salesman, because of unlawful discrimination or familial status, to

(A) Transaction. Refuse to engage in a real estate transaction with a person or to discriminate in making available such a transaction;

(B) Terms. Alter the terms, conditions or privileges of a real estate transaction or in the furnishing of facilities or services in connection therewith;

(C) Offer. Refuse to receive or to fail to transmit a bona fide offer to engage in a real estate transaction from a person;

(D) Negotiation. Refuse to negotiate for a real estate transaction with a person;

(E) Representations. Represent to a person that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or to fail to bring a property listing to his or her attention, or to refuse to permit him or her to inspect real property;

(F) Publication of Intent. Print, circulate, post, mail, publish or cause to be so published a written or oral statement, advertisement or sign, or to use a form of application for a real estate transaction, or to make a record or inquiry in connection with a prospective real estate transaction, which expresses any limitation founded upon, or indicates, directly or indirectly, an intent to engage in unlawful discrimination;

(G) Listings. Offer, solicit, accept, use or retain a listing of real property with knowledge that unlawful discrimination or discrimination on the basis of familial status in a real estate transaction is intended.

(Source: P.A. 86-910.)

(775 ILCS 5/3-102.1) (from Ch. 68, par. 3-102.1).

Sec. 3-102.1. Handicap.

(A) It is a civil rights violation to refuse to sell or rent or to otherwise make unavailable or deny a dwelling to any buyer or renter because of a handicap of that buyer or renter, a handicap of a person residing or intending to reside in that dwelling after it is sold, rented or made available or a handicap of any person associated with the buyer or renter.

(B) It is a civil rights violation to alter the terms, conditions or privileges of sale or rental of a dwelling or the provision of services or facilities in connection with such dwelling because of a person's handicap or a handicap of any person residing or intending to reside in that dwelling after it is sold, rented or made available, or a handicap of any person associated with that person.

(C) It is a civil rights violation:

(1) to refuse to permit, at the expense of the handicapped person, reasonable modifications of existing premises occupied or to be occupied by such person if such modifications may be necessary to afford such person full enjoyment of the premises; except that, in the case of a rental, the landlord may, where it is reasonable to do so, condition permission for a modification on the renter agreeing to restore the interior of the premises to the condition that existed before modifications, reasonable wear and tear excepted. The landlord may not increase for handicapped persons any customarily required security deposit. However, where it is necessary in order to ensure with reasonable certainty that funds will be available to pay for the restorations at the end of the tenancy, the landlord may negotiate as part of such a restoration agreement a provision requiring that the tenant pay into an interest bearing escrow account, over a reasonable period, a reasonable amount of money not to exceed the cost of the restorations. The interest in any such account shall accrue to the benefit of the tenant. A landlord may condition permission for a modification on the renter providing a reasonable description of the proposed modifications as well as reasonable assurances that the work will be done in a workmanlike manner and that any required building permits will be obtained;

(2) to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford such person equal opportunity to use and enjoy a dwelling; or

(3) in connection with the design and construction of covered multifamily dwellings for first occupancy after March 13, 1991, to fail to design and construct those dwellings in such a manner that:

(a) the public use and common use portions of such dwellings are readily accessible to and usable by handicapped persons;

(b) all the doors designed to allow passage into and within all premises within such dwellings are sufficiently wide to allow passage by handicapped persons in wheelchairs; and

(c) all premises within such dwellings contain the following features of adaptive design:

(i) an accessible route into and through the dwelling;

(ii) light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;

(iii) reinforcements in bathroom walls to allow later installation of grab bars; and

(iv) usable kitchens and bathrooms such that an individual in a wheelchair can maneuver about the space.

(D) Compliance with the appropriate standards of the Illinois Accessibility Code for adaptable dwelling units (71 Illinois Administrative Code Section 400.350 (e) 1-6) suffices to satisfy the requirements of subsection (C)(3)(c).

(E) If a unit of local government has incorporated into its law the requirements set forth in subsection (C) (3), compliance with its law shall be deemed to satisfy the requirements of that subsection.

(F) A unit of local government may review and approve newly constructed covered multifamily dwellings for the purpose of making determinations as to whether the design and construction requirements of subsection (C)(3) are met.

(G) The Department shall encourage, but may not require, units of local government to include in their existing procedures for the review and approval of newly constructed covered multifamily dwellings, determinations as to whether the design and construction of such dwellings are consistent with subsection (C)(3), and shall provide technical assistance to units of local government and other persons to implement the requirements of subsection (C)(3).

(H) Nothing in this Act shall be construed to require the Department to review or approve the plans, designs or construction of all covered multifamily dwellings to determine whether the design and construction of such dwellings are consistent with the requirements of subsection (C)(3).

(I) Nothing in subsections (E), (F), (G) or (H) shall be construed to affect the authority and responsibility of the Department to receive and process complaints or otherwise engage in enforcement activities under State and local law.

(J) Determinations by a unit of local government under subsections (E) and (F) shall not be conclusive in enforcement proceedings under this Act if those determinations are not in accord with the terms of this Act.

(K) Nothing in this Section requires that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of others or would result in substantial physical damage to the property of others.

(Source: P.A. 86-910.)

(775 ILCS 5/3-103) (from Ch. 68, par. 3-103)

(Text of Section before amendment by P.A. 93-1078)

Sec. 3-103. Blockbusting. It is a civil rights violation for any person to:

(A) Solicitation. Solicit for sale, lease, listing or purchase any residential real estate within this State, on the grounds of loss of value due to the present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, marital status, familial status or handicap.

(B) Statements. Distribute or cause to be distributed, written material or statements designed to induce any owner of residential real estate in this State to sell or lease his or her property because of any present or prospective changes in the race, color, religion, national origin, ancestry, age, sex, marital status, familial status or handicap of residents in the vicinity of the property involved.

(C) Creating Alarm. Intentionally create alarm, among residents of any community, by transmitting communications in any manner, including a telephone call whether or not conversation thereby ensues, with a design to induce any owner of residential real estate in this state to sell or lease his or her property because of any present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, marital status, familial status or handicap.

(Source: P.A. 86-910.)

(Text of Section after amendment by P.A. 93-1078)

Sec. 3-103. Blockbusting. It is a civil rights violation for any person to:

(A) Solicitation. Solicit for sale, lease, listing or purchase any residential real estate within this State, on the grounds of loss of value due to the present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap.

(B) Statements. Distribute or cause to be distributed, written material or statements designed to induce any owner of residential real estate in this State to sell or lease his or her property because of any present or prospective changes in the race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap of residents in the vicinity of the property involved.

(C) Creating Alarm. Intentionally create alarm, among residents of any community, by transmitting communications in any manner, including a telephone call whether or not conversation thereby ensues, with a design to induce any owner of residential real estate in this state to sell or lease his or her property because of any present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap.

(Source: P.A. 93-1078, eff. 1-1-06.)

(775 ILCS 5/3-104.1) (from Ch. 68, par. 3-104.1)

Sec. 3-104.1. Refusal to sell or rent because a person has a guide, hearing or support dog. It is a civil rights violation for the owner or agent of any housing accommodation to:

(A) refuse to sell or rent after the making of a bonafide offer, or to refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny property to any blind, hearing impaired or physically handicapped person because he has a guide, hearing or support dog; or

(B) discriminate against any blind, hearing impaired or physically handicapped person in the terms, conditions, or privileges of sale or rental property, or in the provision of services or facilities in connection therewith, because he has a guide, hearing or support dog; or

(C) require, because a blind, hearing impaired or physically handicapped person has a guide, hearing or support dog, an extra charge in a lease, rental agreement, or contract of purchase or sale, other than for actual damage done to the premises by the dog.
(Source: P.A. 83-93.)

(775 ILCS 5/3-105) (from Ch. 68, par. 3-105)

Sec. 3-105. Restrictive Covenants.)

(A) Agreements. Every provision in an oral agreement or a written instrument relating to real property which purports to forbid or restrict the conveyance, encumbrance, occupancy or lease thereof on the basis of race, color, religion, or national origin is void.

(B) Limitations.

(1) Every condition, restriction or prohibition, including a right of entry or possibility of reverter, which directly or indirectly limits the use or occupancy of real property on the basis of race, color, religion, or national origin is void.

(2) This Section shall not apply to a limitation of use on the basis of religion of real property held by a religious institution or organization or by a religious or charitable organization operated, supervised, or controlled by a religious institution or organization, and used for religious or charitable purposes.

(C) Civil Rights Violations. It is a civil rights violation to insert in a written instrument relating to real property a provision that is void under this Section or to honor or attempt to honor such a provision in the chain of title.

(Source: P.A. 81-1216.)

(775 ILCS 5/3-106) (from Ch. 68, par. 3-106)

(Text of Section before amendment by P.A. 93-1078)

Sec. 3-106. Exemptions. Nothing contained in Section 3-102 shall prohibit:

(A) Private Sales of Single Family Homes. Any sale of a single family home by its owner so long as the following criteria are met:

(1) The owner does not own or have a beneficial interest in more than three single family homes at the time of the sale;

(2) The owner or a member of his or her family was the last current resident of the home;

(3) The home is sold without the use in any manner of the sales or rental facilities or services of any real estate broker or salesman, or of any employee or agent of any real estate broker or salesman;

(4) The home is sold without the publication, posting or mailing, after notice, of any advertisement or written notice in violation of paragraph (F) of Section 3-102.

(B) Apartments. Rental of a housing accommodation in a building which contains housing accommodations for not more than five families living independently of each other, if the lessor or a member of his or her family resides in one of the housing accommodations;

(C) Private Rooms. Rental of a room or rooms in a private home by an owner if he or she or a member of his or her family resides therein or, while absent for a period of not more than twelve months, if he or she or a member of his or her family intends to return to reside therein;

(D) Reasonable local, State, or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling.

(E) Religious Organizations. A religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of a dwelling which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.

(F) Sex. Restricting the rental of rooms in a housing accommodation to persons of one sex.

(G) Persons Convicted of Drug-Related Offenses. Conduct against a person because such person has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined in Section 102 of the federal Controlled Substances Act (21 U.S.C. 802).

(H) Persons engaged in the business of furnishing appraisals of real property from taking into consideration factors other than those based on unlawful discrimination or familial status in furnishing appraisals.

(I) Housing for Older Persons. No provision in this Article regarding familial status shall apply with respect to housing for older persons.

(1) As used in this Section, "housing for older persons" means housing:

(a) provided under any State or Federal program that the Department determines is specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or

(b) intended for, and solely occupied by, persons 62 years of age or older; or

(c) intended and operated for occupancy by persons 55 years of age or older and:

(i) at least 80% of the occupied units are occupied by at least one person who is 55 years of age or older;

(ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subdivision (c); and

(iii) the housing facility or community complies with rules adopted by the Department for verification of occupancy, which shall:

(aa) provide for verification by reliable surveys and affidavits; and

(bb) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii).

These surveys and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

(2) Housing shall not fail to meet the requirements for housing for older persons by reason of:

(a) persons residing in such housing as of the effective date of this amendatory Act of 1989 who do not meet the age requirements of subsections (1)(b) or (c); provided, that new occupants of such housing meet the age requirements of subsections (1)(b) or (c) of this subsection; or

(b) unoccupied units; provided, that such units are reserved for occupancy by persons who meet the age requirements of subsections (1)(b) or (c) of this subsection.

(3) (a) A person shall not be held personally liable for monetary damages for a violation of this Article if the person reasonably relied, in good faith, on the application of the exemption under this subsection (I) relating to housing for older persons.

(b) For the purposes of this item (3), a person may show good faith reliance on the application of the exemption only by showing that:

(i) the person has no actual knowledge that the facility or community is not, or will not be, eligible for the exemption; and

(ii) the facility or community has stated formally, in writing, that the facility or community complies with the requirements for the exemption. (Source: P.A. 89-520, eff. 7-18-96.)

(Text of Section after amendment by P.A. 93-1078)

Sec. 3-106. Exemptions. Nothing contained in Section 3-102 shall prohibit:

(A) Private Sales of Single Family Homes. Any sale of a single family home by its owner so long as the following criteria are met:

(1) The owner does not own or have a beneficial interest in more than three single family homes at the time of the sale;

(2) The owner or a member of his or her family was the last current resident of the home;

(3) The home is sold without the use in any manner of the sales or rental facilities or services of any real estate broker or salesman, or of any employee or agent of any real estate broker or salesman;

(4) The home is sold without the publication, posting or mailing, after notice, of any advertisement or written notice in violation of paragraph (F) of Section 3-102.

(B) Apartments. Rental of a housing accommodation in a building which contains housing accommodations for not more than five families living independently of each other, if the lessor or a member of his or her family resides in one of the housing accommodations;

(C) Private Rooms. Rental of a room or rooms in a private home by an owner if he or she or a member of his or her family resides therein or, while absent for a period of not more than twelve months, if he or she or a member of his or her family intends to return to reside therein;

(D) Reasonable local, State, or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling.

(E) Religious Organizations. A religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of a dwelling which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.

(F) Sex. Restricting the rental of rooms in a housing accommodation to persons of one sex.

(G) Persons Convicted of Drug-Related Offenses. Conduct against a person because such person has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined in Section 102 of the federal Controlled Substances Act (21 U.S.C. 802).

(H) Persons engaged in the business of furnishing appraisals of real property from taking into consideration factors other than those based on unlawful discrimination or familial status in furnishing appraisals.

(H-1) The owner of an owner-occupied residential building with 5 or fewer units (including the unit in which the owner resides) from making decisions regarding whether to rent to a person based upon that person's sexual orientation.

(I) Housing for Older Persons. No provision in this Article regarding familial status shall apply with respect to housing for older persons.

(1) As used in this Section, "housing for older persons" means housing:

(a) provided under any State or Federal program that the Department determines is specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or

(b) intended for, and solely occupied by, persons 62 years of age or older;
or

(c) intended and operated for occupancy by persons 55 years of age or older and:

(i) at least 80% of the occupied units are occupied by at least one person who is 55 years of age or older;

(ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subdivision (c); and

(iii) the housing facility or community complies with rules adopted by the Department for verification of occupancy, which shall:

(aa) provide for verification by reliable surveys and affidavits; and

(bb) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii).

These surveys and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

(2) Housing shall not fail to meet the requirements for housing for older persons by reason of:

(a) persons residing in such housing as of the effective date of this amendatory Act of 1989 who do not meet the age requirements of subsections (1)(b) or (c); provided, that new occupants of such housing meet the age requirements of subsections (1)(b) or (c) of this subsection; or

(b) unoccupied units; provided, that such units are reserved for occupancy by persons who meet the age requirements of subsections (1)(b) or (c) of this subsection.

(3) (a) A person shall not be held personally liable for monetary damages for a violation of this Article if the person reasonably relied, in good faith, on the application of the exemption under this subsection (I) relating to housing for older persons.

(b) For the purposes of this item (3), a person may show good faith reliance on the application of the exemption only by showing that:

(i) the person has no actual knowledge that the facility or community is not, or will not be, eligible for the exemption; and

(ii) the facility or community has stated formally, in writing, that the facility or community complies with the requirements for the exemption.

(Source: P.A. 93-1078, eff. 1-1-06.)⁴¹

Public Act 094-0078

HB0917 Enrolled LRB094 08090 WGH 38274 b

AN ACT concerning human rights.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Human Rights Act is amended by adding Section 3-105.1 as follows:

(775 ILCS 5/3-105.1 new)

Sec. 3-105.1. Interference, coercion, or intimidation. It is a civil rights violation to coerce, intimidate, threaten, or interfere with any person in the exercise or enjoyment of, or on account of his or her having exercised or enjoyed, or on account of his or her having aided or encouraged any other person in the exercise or enjoyment of, any right granted or protected by this Article 3.

Section 99. Effective date. This Act takes effect January 1, 2006.

⁴¹ Source:

<http://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=077500050HArt%2E+3&ActID=2266&ChapAct=775%2F&ChapterID=64&ChapterName=HUMAN+RIGHTS&SectionID=64488&SeqStart=3800&SeqEnd=5500&ActName=Illinois+Human+Rights+Act%2E>

Public Act 093-1078

SB3186 Enrolled LRB093 20455 WGH 46241 b

AN ACT concerning human rights.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

Section 5. The Illinois Human Rights Act is amended by changing Sections 1-102, 1-103, 3-103, and 3-106 and the heading of Article 1 and adding Section 1-101.1 as follows:

(775 ILCS 5/Art. 1 heading)

ARTICLE 1.

GENERAL PROVISIONS ~~TITLE, POLICY AND DEFINITIONS~~

(775 ILCS 5/1-101.1 new)

Sec. 1-101.1. Construction. Nothing in this Act shall be construed as requiring any employer, employment agency, or labor organization to give preferential treatment or special rights based on sexual orientation or to implement affirmative action policies or programs based on sexual orientation.

(775 ILCS 5/1-102) (from Ch. 68, par. 1-102)

Sec. 1-102. Declaration of Policy. It is the public policy of this State:

(A) Freedom from Unlawful Discrimination. To secure for all individuals within Illinois the freedom from discrimination against any individual because of his or her race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental handicap, military status, sexual orientation, or unfavorable discharge from military service in connection with employment, real estate transactions, access to financial credit, and the availability of public accommodations.

(B) Freedom from Sexual Harassment-Employment and Higher Education. To prevent sexual harassment in employment and sexual harassment in higher education.

(C) Freedom from Discrimination Based on Citizenship Status-Employment. To prevent discrimination based on citizenship status in employment.

(D) Freedom from Discrimination Based on Familial Status-Real Estate Transactions. To prevent discrimination based on familial status in real estate transactions.

(E) Public Health, Welfare and Safety. To promote the public health, welfare and safety by protecting the interest of all people in Illinois in maintaining personal dignity, in realizing their full productive capacities, and in furthering their interests, rights and privileges as citizens of this State.

(F) Implementation of Constitutional Guarantees. To secure and guarantee the rights established by Sections 17, 18 and 19 of Article I of the Illinois Constitution of 1970.

(G) Equal Opportunity, Affirmative Action. To establish Equal Opportunity and Affirmative Action as the policies of this State in all of its decisions, programs and activities, and to assure that all State departments, boards, commissions and instrumentalities rigorously take affirmative action to provide equality of opportunity and eliminate the effects of past discrimination in the internal affairs of State government and in their relations with the public.

(H) Unfounded Charges. To protect citizens of this State against unfounded charges of unlawful discrimination, sexual harassment in employment and sexual harassment in higher education, and discrimination based on citizenship status in employment.

(Source: P.A. 87-579; 88-178.)

(775 ILCS 5/1-103) (from Ch. 68, par. 1-103)

Sec. 1-103. General Definitions. When used in this Act, unless the context requires otherwise, the term:

(A) Age. "Age" means the chronological age of a person who is at least 40 years old, except with regard to any practice described in Section 2-102, insofar as that practice concerns training or apprenticeship programs. In the case of training or apprenticeship programs, for the purposes of Section 2-102, "age" means the chronological age of a person who is 18 but not yet 40 years old.

(B) Aggrieved Party. "Aggrieved party" means a person who is alleged or proved to have been injured by a civil rights violation or believes he or she will be injured by a civil rights violation under Article 3 that is about to occur.

(C) Charge. "Charge" means an allegation filed with the Department by an aggrieved party or initiated by the Department under its authority.

(D) Civil Rights Violation. "Civil rights violation" includes and shall be limited to only those specific acts set forth in Sections 2-102, 2-103, 2-105, 3-102, 3-103, 3-104, 3-104.1, 3-105, 4-102, 4-103, 5-102, 5A-102 and 6-101 of this Act.

(E) Commission. "Commission" means the Human Rights Commission created by this Act.

(F) Complaint. "Complaint" means the formal pleading filed by the Department with the Commission following an investigation and finding of substantial evidence of a civil rights violation.

(G) Complainant. "Complainant" means a person including the Department who files a charge of civil rights violation with the Department or the Commission.

(H) Department. "Department" means the Department of Human Rights created by this Act.

(I) Handicap. "Handicap" means a determinable physical or mental characteristic of a person, including, but not limited to, a determinable physical characteristic which necessitates the person's use of a guide, hearing or support dog, the history of such characteristic, or the

perception of such characteristic by the person complained against, which may result from disease, injury, congenital condition of birth or functional disorder and which characteristic:

(1) For purposes of Article 2 is unrelated to the person's ability to perform the duties of a particular job or position and, pursuant to Section 2-104 of this Act, a person's illegal use of drugs or alcohol is not a handicap;

(2) For purposes of Article 3, is unrelated to the person's ability to acquire, rent or maintain a housing accommodation;

(3) For purposes of Article 4, is unrelated to a person's ability to repay;

(4) For purposes of Article 5, is unrelated to a person's ability to utilize and benefit from a place of public accommodation.

(J) Marital Status. "Marital status" means the legal status of being married, single, separated, divorced or widowed.

(J-1) Military Status. "Military status" means a person's status on active duty in the armed forces of the United States, status as a current member of any reserve component of the armed forces of the United States, including the United States Army Reserve, United States Marine Corps Reserve, United States Navy Reserve, United States Air Force Reserve, and United States Coast Guard Reserve, or status as a current member of the Illinois Army National Guard or Illinois Air National Guard.

(K) National Origin. "National origin" means the place in which a person or one of his or her ancestors was born.

(L) Person. "Person" includes one or more individuals, partnerships, associations or organizations, labor organizations, labor unions, joint apprenticeship committees, or union labor associations, corporations, the State of Illinois and its instrumentalities, political subdivisions, units of local government, legal representatives, trustees in bankruptcy or receivers.

(M) Public Contract. "Public contract" includes every contract to which the State, any of its political subdivisions or any municipal corporation is a party.

(N) Religion. "Religion" includes all aspects of religious observance and practice, as well as belief, except that with respect to employers, for the purposes of Article 2, "religion" has the meaning ascribed to it in paragraph (F) of Section 2-101.

(O) Sex. "Sex" means the status of being male or female.

(O-1) Sexual orientation. "Sexual orientation" means actual or perceived heterosexuality, homosexuality, bisexuality, or gender-related identity, whether or not traditionally associated with the person's designated sex at birth. "Sexual orientation" does not include a physical or sexual attraction to a minor by an adult.

(P) Unfavorable Military Discharge. "Unfavorable military discharge" includes discharges from the Armed Forces of the United States, their Reserve components or any National Guard or Naval Militia which are classified as RE-3 or the equivalent thereof, but does not include those characterized as RE-4 or "Dishonorable".

(Q) Unlawful Discrimination. "Unlawful discrimination" means discrimination against a person because of his or her race, color, religion, national origin, ancestry, age, sex, marital status, handicap, military status, sexual orientation, or unfavorable discharge from military service as those terms are defined in this Section.

(Source: P.A. 93-941, eff. 8-16-04.)

(775 ILCS 5/3-103) (from Ch. 68, par. 3-103)

Sec. 3-103. Blockbusting.) It is a civil rights violation for any person to:

(A) Solicitation. Solicit for sale, lease, listing or purchase any residential real estate within this State, on the grounds of loss of value due to the present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap.

(B) Statements. Distribute or cause to be distributed, written material or statements designed to induce any owner of residential real estate in this State to sell or lease his or her property because of any present or prospective changes in the race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap of residents in the vicinity of the property involved.

(C) Creating Alarm. Intentionally create alarm, among residents of any community, by transmitting communications in any manner, including a telephone call whether or not conversation thereby ensues, with a design to induce any owner of residential real estate in this state to sell or lease his or her property because of any present or prospective entry into the vicinity of the property involved of any person or persons of any particular race, color, religion, national origin, ancestry, age, sex, sexual orientation, marital status, familial status or handicap.

(Source: P.A. 86-910.)

(775 ILCS 5/3-106) (from Ch. 68, par. 3-106)

Sec. 3-106. Exemptions.) Nothing contained in Section 3-102 shall prohibit:

(A) Private Sales of Single Family Homes. Any sale of a single family home by its owner so long as the following criteria are met:

(1) The owner does not own or have a beneficial interest in more than three single family homes at the time of the sale;

(2) The owner or a member of his or her family was the last current resident of the home;

(3) The home is sold without the use in any manner of the sales or rental facilities or services of any real estate broker or salesman, or of any employee or agent of any real estate broker or salesman;

(4) The home is sold without the publication, posting or mailing, after notice, of any advertisement or written notice in violation of paragraph (F) of Section 3-102.

(B) Apartments. Rental of a housing accommodation in a building which contains housing accommodations for not more than five families living independently of each other, if the lessor or a member of his or her family resides in one of the housing accommodations;

(C) Private Rooms. Rental of a room or rooms in a private home by an owner if he or she or a member of his or her family resides therein or, while absent for a period of not more than twelve months, if he or she or a member of his or her family intends to return to reside therein;

(D) Reasonable local, State, or Federal restrictions regarding the maximum number of occupants permitted to occupy a dwelling.

(E) Religious Organizations. A religious organization, association, or society, or any nonprofit institution or organization operated, supervised or controlled by or in conjunction with a religious organization, association, or society, from limiting the sale, rental or occupancy of a dwelling which it owns or operates for other than a commercial purpose to persons of the same religion, or from giving preference to such persons, unless membership in such religion is restricted on account of race, color, or national origin.

(F) Sex. Restricting the rental of rooms in a housing accommodation to persons of one sex.

(G) Persons Convicted of Drug-Related Offenses. Conduct against a person because such person has been convicted by any court of competent jurisdiction of the illegal manufacture or distribution of a controlled substance as defined in Section 102 of the federal Controlled Substances Act (21 U.S.C. 802).

(H) Persons engaged in the business of furnishing appraisals of real property from taking into consideration factors other than those based on unlawful discrimination or familial status in furnishing appraisals.

(H-1) The owner of an owner-occupied residential building with 5 or fewer units (including the unit in which the owner resides) from making decisions regarding whether to rent to a person based upon that person's sexual orientation. (I) Housing for Older Persons. No provision in this Article regarding familial status shall apply with respect to housing for older persons.

(1) As used in this Section, "housing for older persons" means housing:

(a) provided under any State or Federal program that the Department determines is specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or

(b) intended for, and solely occupied by, persons 62 years of age or older;
or

(c) intended and operated for occupancy by persons 55 years of age or older and:

(i) at least 80% of the occupied units are occupied by at least one person who is 55 years of age or older;

(ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subdivision (c); and

(iii) the housing facility or community complies with rules adopted by the Department for verification of occupancy, which shall:

(aa) provide for verification by reliable surveys and affidavits; and

(bb) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii).

These surveys and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

(2) Housing shall not fail to meet the requirements for housing for older persons by reason of:

(a) persons residing in such housing as of the effective date of this amendatory Act of 1989 who do not meet the age requirements of subsections (1)(b) or(c); provided, that new occupants of such housing meet the age requirements of subsections (1)(b) or (c) of this subsection; or

(b) unoccupied units; provided, that such units are reserved for occupancy by persons who meet the age requirements of subsections (1)(b) or (c) of this subsection.

(3) (a) A person shall not be held personally liable for monetary damages for a violation of this Article if the person reasonably relied, in good faith, on the application of the exemption under this subsection (I) relating to housing for older persons.

(b) For the purposes of this item (3), a person may show good faith reliance on the application of the exemption only by showing that:

(i) the person has no actual knowledge that the facility or community is not, or will not be, eligible for the exemption; and

(ii) the facility or community has stated formally, in writing, that the facility or community complies with the requirements for the exemption.

(Source: P.A. 89-520, eff. 7-18-96.)

