Analysis of Impediments - City of Peoria - 2020

Introduction

The following barriers to fair housing in the City of Peoria will be explored:

- Income disparities by zip code
- Poverty rates by race/ethnicity
- Cost burden (both renters and homeowners)
- Mortgage denials
- Lack of investment
- Age/quality of housing stock
- Housing discrimination

Barriers

Income Disparities by Zip Code

As seen in the chart above, there are significant differences in income depending on one’s zip code. The two highest-income zip codes, 61614 and 61615, are in the wealthier northern part of the city. The two lowest-income zip codes, 61605 and 61603, are located within the East Bluff and South Side neighborhoods. The lowest-income zip code, 61605, earns less than one-third the median income earned in the highest-income zip code (61615).
Poverty Rates by Race/Ethnicity

Rates of poverty vary significantly by race in the City of Peoria. The average poverty rate in the City is 20.9%, but the poverty rate for Hispanic residents is nearly 1.5 times that rate. Black residents experience poverty at 1.7 times the rate of the overall population.

Cost Burden
Cost burden is a concern for both low-income homeowners and renters in the City of Peoria. The median family income is $76,900, but cost burden is felt primarily by those below that level. Rental households in the lowest income bracket (less than $20,000) are over 70 times more likely to experience cost burden than rental households in the highest income bracket ($75,000 and more). Even rental households in the second lowest income bracket ($20,000 to $34,999) are nearly 35 times more likely to experience cost burden.

### Mortgage Denials

a. Mortgage denials by race indicate a variance between Black or African Americans and Whites. Nationally, the rate of Black or African Americans’ mortgage denials was 52% higher than the rate of White denials (without controlling for income). In Peoria, that contrast is 104%, or nearly twice as high as the national disparity. Further, a Black or African American in Peoria is 18% more likely to have their mortgage denied than a Black or African American from the national population. Each of these disparities are slightly higher when accounting for denied mortgage dollars.

b. Mortgage denials by sex indicate a variance between male and female applicants. Nationally, the rate of female mortgage denials was 6% higher than the rate of male denials (without controlling for income). In Peoria, that contrast is 55%, or nearly eight times as high as the national disparity. Further, a female in Peoria is 9% more likely to have their mortgage denied than a female from the national population. Each of these disparities are slightly higher when accounting for denied mortgage dollars. Among themselves, females in Peoria were denied mortgage dollars at about the same rate as females from the national population. Peoria females did receive 14% more mortgage dollars per capita than their national counterparts. However, when compared to men, females in Peoria where denied about 11 times (1080%) the mortgage dollars than females vs. males from the national population.

c. Mortgage denials by income indicate a variance by income group. Within Peoria, applicants whose income was less than 50% of the MSA/MD median income were 50% more likely to have their application denied than those earners in the 50-79% of MSA/MD median income bracket. Those in the 50-79% of MSA/MD (Metropolitan Statistical Area/Metropolitan Division) median income bracket were themselves 49% more likely to have their application denied than those earners in the 80-99% of MSA/MD median income bracket. Those making 100% or more of MSA/MD median income experienced denials at about the same rate as the 80-99% of MSA/MD median income bracket. When compared to the national data, applicants of all income tiers in Peoria had fewer applications denied per capita than the national average.

d. Mortgage denials by Census Tract challenge applicants most acutely in the South Side, Averyville, and North Valley neighborhoods. These are also areas with high rates of low-income residents. Rates of denial in Averyville, for example, are around 50%. In the 61605 zip code, 72% of those applying for mortgages were denied. In contrast, the remaining 43 out of 48 census tracts in Peoria County saw mortgage denial rates below 45%. Further, 38 out of 48 tracts had denial rates below 23%, indicating that rates of denial are not only concentrated around Averyville and 61605, but that those concentrations are quite sharp.

### Lack of Investment

In terms of actual mortgage dollars originated by Census Tract, the neighborhoods mentioned in the previous section saw very little investment. The six tracts with the least originated dollars each received less than $650,000. In the worst case, a census tract in the 61605 zip code received only $65,000. In general, more northern census tracts received larger aggregate mortgage dollars, climaxing with the Brimfield – Dunlap – Kickapoo tract receiving about $79 million. Some factors that influence the low number of mortgage dollars in these riverside communities are outlined below.

1. These communities have a high concentration of low-income residents and rental properties. When applications are submitted by homeowners for their residents, applications are more often rejected since the applicants tend to have fewer assets and other collateral resources.
2. Many of the properties are assessed between $5,000 - $20,000 in value. Loans are seldom underwritten for such small amounts.
3. Because the sales prices of these properties are so low, transfers of ownership are more often conducted in cash or by trade; thus, mortgage activity is often unrecorded.

**Age/Quality of Housing Stock**

<table>
<thead>
<tr>
<th>Year Structure Built</th>
<th>Estimated Number of Units</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 or later</td>
<td>271</td>
<td>0.5%</td>
</tr>
<tr>
<td>2010-2013</td>
<td>834</td>
<td>1.6%</td>
</tr>
<tr>
<td>2000-2009</td>
<td>4,619</td>
<td>8.7%</td>
</tr>
<tr>
<td>1990-1999</td>
<td>3,891</td>
<td>7.3%</td>
</tr>
<tr>
<td>1980-1989</td>
<td>3,668</td>
<td>6.9%</td>
</tr>
<tr>
<td>1970-1979</td>
<td>7,808</td>
<td>14.6%</td>
</tr>
<tr>
<td>1960-1969</td>
<td>7,319</td>
<td>13.7%</td>
</tr>
<tr>
<td>1950-1959</td>
<td>8,442</td>
<td>15.8%</td>
</tr>
<tr>
<td>1940-1949</td>
<td>4,418</td>
<td>8.3%</td>
</tr>
<tr>
<td>1939 or earlier</td>
<td>12,055</td>
<td>22.6%</td>
</tr>
<tr>
<td><strong>Total housing units</strong></td>
<td><strong>53,325</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Over 60% of the housing stock in the City of Peoria is at least 50 years old. Oftentimes, low-income individuals and families rent or buy homes older, substandard homes because the upfront cost is less expensive. However, these homes are far less energy efficient than newer homes, resulting in much larger utility costs for low-income households. Older homes are also more susceptible to plumbing and electrical issues, which can be costly to repair and create hazardous living conditions. Finally, since the majority of homes in Peoria were built before lead paint was banned in 1978, there is a high likelihood that those older homes are contaminated with lead paint, which puts these mostly low-income households at risk of associated health concerns.

**Housing Discrimination**

![Types of Housing Discrimination and Where Housing Discrimination Exists](chart.png)
As part of the Consolidated Plan outreach, citizens were asked about housing discrimination. When asked about housing discrimination in their community, or if they themselves had faced discrimination in their pursuit of finding housing, 12.4% of the 428 respondents cited racial discrimination, while an additional 5.6% cited segregation. 12.1% of respondents mentioned income discrimination, while 2.3% mentioned discrimination against individuals with criminal records.

In FY 2018, there were 6 fair housing complaints filed in Peoria County. This was an increase from previous years (FY 2017: 4 complaints; FY 2016: 3 complaints; FY 2015: 1 complaint). It is unclear if these complaints originated from within the City of Peoria or outside of city limits. No complaints were made to the City’s Fair Housing Commission directly.

**Additional Citizen Input**

The Consolidated Plan outreach included additional questions about impediments to fair housing:

![Housing Needs Assessment diagram]
Assistance for homeowners to make housing repairs and energy efficiency improvements for existing housing ranked highest, with weighted averages of 2.52 out of 3 points for each. Housing for individuals with disabilities and family housing followed close behind, at weighted averages of 2.40 and 2.39 respectively. The other housing needs were ranked at 2.34 or below. Narrative comments on housing needs included rehabilitation of older neighborhoods/homes and neighborhood improvement opportunities, services to lower income individuals, and the need for landlords to make repairs to rental units. These findings correlate with the data referenced above.

76% of the 663 survey takers who answered the question responded that they were able to find safe, decent, and affordable housing in the community, while 23.8% said they are not.

Out of those unable to find safe, decent, and affordable housing—as well as individuals who wanted to provide further commentary—nearly 23% cited high cost as a barrier, while over 11% cited unsafe/unsanitary conditions, and 13.9% cited crime.
Assets

• The City of Peoria’s Fair Employment and Housing Commission split into two separate commissions as of 2019. This was done in order to better focus on each issue independently. The duty of the Fair Housing Commission is “to serve an instrument of government, empowered by the municipal code, to exercise any power and perform any function pertaining to the protection of the public welfare in the matter of fair housing, and public accommodations. The FHC has the authority to monitor city fair practice policies and procedures, while providing a forum through which the citizens of Peoria may be provided access to equality of treatment and opportunity, regardless of protected class status. To receive and rule upon complaints of discrimination in housing.”
• Financial literacy and homebuyer education programs are available through various community partners such as METEC, Prairie State Legal Services, Peoria Citizens’ Committee for Economic Opportunity (PCCEO), Ameren Illinois, Navicorp, and Habitat for Humanity.
• The City of Peoria, as well as community partners such as PCCEO and Ameren Illinois, provide homeowner assistance programs to improve the quality of housing and quality of life. Programs are available for roof replacements, emergency repairs (such as broken water heaters or furnaces), ADA ramp installation, home weatherization, and energy efficiency upgrades.
• The City of Peoria has a long history of positive working relationships with neighborhood associations, faith communities, nonprofit groups, and other community organizations. These relationships have proven valuable in obtaining community input regarding the needs of the community.
• The City of Peoria employs a full-time Chief Diversity and Inclusion Officer in the Equal Opportunity Office. The Equal Opportunity Office (EOO) was established to facilitate fair practice in the administration of City of Peoria operations, and eliminate discrimination in the treatment of the citizens of Peoria in the areas of Employment, Housing and Public Accommodations. The EOO is responsible for the enforcement of the City’s Municipal Code pertaining to fair practices in the areas of employment, housing and contract compliance. The main function of the office is to develop and implement strategies that recognize and prevent discrimination in recruitment, selection, training, personnel practices and conditions of employment. Additionally, the office works to ensure city facilities, programs and services are accessible to people with disabilities and it also provides services to public citizens and employees of the City of Peoria. The Equal Opportunity Office is dedicated to ensuring the City of Peoria engages in employment practices that promote and builds a diverse workforce. The Office encourages the use of fair practice principles in the administration of the business operations of the City to facilitate equal access and opportunity.
• Multiple City of Peoria initiatives are aimed at improving the quality of life in targeted low-income neighborhoods. The East and South Village Growth Cell Tax Increment Financing District (TIF) Housing Program is a grant program which provides up to $15,000 of assistance to property owners of single-family residential, owner-occupied properties (duplexes and mixed-use structures are excluded from the program) for certain permanent building and site improvements on parcels within the boundary of the East Village Growth Cell TIF. The purpose of the Program is to increase the owner-occupancy rate, improve the outward appearances of homes, and increase the assessed valuation of properties within the East and South Village Growth Cell Boundaries.).

Conclusion

There are a number of opportunities for the City of Peoria to improve its fair housing policies and practices:
• Increase investment in low-income, minority areas (i.e. 61603 and 61605) to minimize disparities in income, poverty rate, and cost burden.
• Continue to invest in homeowner rehabilitation and energy efficiency projects to minimize the utility and emergency costs of living in older homes.
• Due to the old age of the housing stock, provide lead paint abatement programs.
• Educate citizens about ways to report and resolve housing discrimination.
• Engage community partners in progressive ways to educate and support low-income households.

References

Data in this analysis was derived from:
• Home Mortgage Disclosure Act (HMDA)
• Illinois Department of Human Rights (IDHR)
• 2013-2017 American Community Survey (ACS) 5-Year Estimates
• City of Peoria HUD Consolidated Plan Outreach Results Report