



2014 CITY OF FARMINGTON ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

**FINAL REPORT AUGUST 8, 2014
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2014 CITY OF FARMINGTON ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE:

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Revised December 2015 by City of Farmington Community Development Staff at the
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HAS YOUR RIGHT TO FAIR HOUSING BEEN VIOLATED?

If you feel you have experienced discrimination in the housing industry, please contact:

Office of Fair Housing and Equal Opportunity

Department of Housing and Urban Development

451 Seventh Street SW, Room 5204

Washington, DC 20410-2000

Telephone: (202) 708-1112

Toll Free: (800) 669-9777

Web Site: <http://www.HUD.gov/offices/fheo/online-complaint.cfm>

Fort Worth Regional Office of FHEO

U.S. Department of Housing and Urban Development

801 Cherry Street, Unit #45

Suite 2500

Fort Worth, Texas 76102

Telephone: (817) 978-5900

Toll Free: (800) 669-9777

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Website: <http://www.HUD.gov>

New Mexico Human Rights Bureau

1596 Pacheco Street

Suite 103

Santa Fe, NM 87505

Telephone: (505) 827-6838

Toll free: 1 (800) 566-9471

Email: patricia.wolf@state.nm.us

City of Farmington Community Relations Commission

P.O. Box 192

Farmington, NM 87499

Message Center Telephone: (505)599-8442

Website: <http://www.fmtn.org/index.aspx?nid=359>

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EXECUTIVE SUMMARY

AI PURPOSE AND PROCESS

As a requirement of receiving funds under the Community Development Block Grant (CDBG), the HOME Investment Partnerships (HOME), and the Emergency Solutions Grant (ESG), entitlement jurisdictions must submit certification of affirmatively furthering fair housing to the U.S. Department of Housing and Urban Development (HUD). This certification has three elements:

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

In the *Fair Housing Planning Guide*, page 2-8, HUD provides a definition of impediments to fair housing choice as:

- Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect.¹

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

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

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

OVERVIEW OF FINDINGS

Socio-Economic Data and Trends

The population of the City of Farmington increased by an estimated 1 percent between 2007 and 2012, according to 3-year ACS estimates from those years. The number of families was estimated to have grown by 6.1 percent, while the number of households, which include single persons living alone, grew by an estimated 2.7 percent. ACS

¹ U.S. Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity. *Fair Housing Planning Guide*. Vol. 1, p. 2-8. http://www.hud.gov/offices/cpd/about/conplan/fairhousingexs/Module5_TopSevenAFFH.pdf

estimates from 2010 and 2012, suggest that the City's population declined by 1.2 percent between those years. In 2012, residents under 5 years of age accounted for the greatest proportion of the Farmington population; however, this population is estimated to have declined between 2007 and 2012 by 16 percentage points. Similar declines were observed in the number of residents aged 20 to 29, 40 to 54, 70 to 74, and 80 to 84 years.

Most of the residents of Farmington were white non-Hispanic, American Indian and Alaskan Native non-Hispanic, or Hispanic. In fact, over 95 percent of the population belonged to one of these racial or ethnic groups; white non-Hispanic residents accounted for 51.4 percent of the population, American Indian or Alaskan Native residents who were not Hispanic accounted for 20.9 percent, and Hispanic or Latino residents accounted for 22.8 percent of the population. Each of these populations tended to be concentrated in different areas of the city. White residents were disproportionately concentrated in large tracts in the north of the city, as well as a medium-sized tract in the city center. The American Indian non-Hispanic population was disproportionately concentrated in three tracts in the southern portion of the city, two of which border on the Navajo Nation to the south. Finally, Hispanic residents were disproportionately concentrated in a large Census tract in the southeastern portion of the city.

Persons with disabilities were disproportionately represented among residents aged 65 and older, according to data from the 2012 3-year estimates.

The median family income in the City of Farmington grew by an estimated 12.1 percent between 2007 and 2012, which was a greater percentage increase than occurred in the cities of Albuquerque, Santa Fe, and Las Cruces. The MFI in 2012 was \$63,261 across the City, though median family incomes differed considerably from one Census tract to another. The MFIs in Tracts 2.01 and 2.02 were \$98,941 and \$105,990, respectively. These tracts were located in the northern portion of the city. By contrast, many of the Census tracts in the southern portion of the City had median family incomes that were well below the citywide median. Hispanic households saw the greatest percentage increases in MFI.

In 2012 single-family units constituted the predominant type of housing unit; detached single-family units accounted for 63.7 percent of all housing units in the City in that year. Mobile homes were the second most common type of housing unit, accounting for 17 percent of all units in 2012. However, Farmington had a higher vacancy rate, at 11.4 percent, than all other state MSA's, with the exception of Santa Fe. The vacancy rate for rental units was considerably higher than the vacancy rate for owner-occupied units, at 14.0 and 2.2 percent, respectively.

Cost-burdening was a problem for 28.6 percent of Farmington homeowners; in 2012 these households were making mortgage payments that accounted for more than 30% of their total income. However, homeowners were actually less cost-burdened in 2012 than they had been in 2007. The problem was more pervasive still among rental households; 45.3 percent of renters found that rental costs took up more than 30

percent of their income in 2012. This was a higher degree of cost-burdening than renters had experienced in 2007, when 41.7 percent of rental households were cost-burdened. In both years, renters tended to be cost-burdened to a greater degree than homeowners. A small proportion of housing units, or 0.8 percent, lacked complete plumbing facilities, and a slightly higher proportion, or 1.2 percent, lacked complete kitchen facilities. Finally, higher percentages of rental units were overcrowded in 2012 compared to owner-occupied units, and around 6 percent of households of both types were overcrowded.

Review of Fair Housing Laws, Studies, and Cases

Though none were specific to the City of Farmington, a general review of laws, studies, cases, and related materials relevant to fair housing in the State of New Mexico demonstrates the complexity of the fair housing landscape. The fair housing laws in the State of New Mexico offer protections beyond the scope of the federal Fair Housing Act by prohibiting discrimination based on serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity. Cases included in this discussion highlight the varied forms that housing discrimination can assume as well as the complexity of fair housing laws and how they are applied. The national cases signal an increasing scrutiny on the part of HUD in recent years with respect to fair housing, and the local cases filed by the Department of Justice since 2004 against businesses and individuals in the state highlight discrimination against individuals with disabilities, and offer an illustration of how such discrimination might manifest itself in real life situations. In one case, the alleged discriminatory behavior was directed toward a resident who became disabled while living in the apartment. In the second case, the alleged discrimination was undertaken to deny housing to a prospective resident with disabilities. In the third case, the alleged discrimination took the form of routine abuse against residents with disabilities, and an attempt to coerce them into not revealing the abuse for fear of losing their housing situation.

Fair Housing Structure

The City of Farmington is served by the New Mexico Human Rights Bureau, an office within the Department of Workforce Solutions. This agency is empowered by New Mexico statutes to investigate and enforce fair housing law, though it has not been recognized as a substantially equivalent agency under HUD. HUD also accepts fair housing complaints on behalf of New Mexico residents, though because the list of protected classes is more comprehensive at the state level than at the national level, residents who believe they have faced discrimination on the basis of a serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity must lodge their complaints at the state level. There are no agencies or organizations that serve City of Farmington residents as Fair Housing Initiative Program (FHIP) participants, though the City of Farmington Community Relations Commission does accept complaints from Farmington residents who feel that they have experienced unlawful discrimination in the housing market, employment, and civil rights.

Fair Housing in the Private Sector

Review of the private sector in the fair housing context involved analysis of data collected under the Home Mortgage Disclosure Act (HMDA), complaints lodged with HUD, and survey responses to questions pertaining to factors in the private sector that impact housing choice. Analysis of home loan denial rates revealed that racial and ethnic minority residents were subjected to higher rates of loan denials than white, non-Hispanic residents, even after correcting for income in the year 2012. Geographically, loan denials tended to be concentrated in Census tracts containing high percentages of American Indian and Hispanic residents.

There were only three complaints lodged with HUD between April 17, 2009 and January 11, 2014; these complaints alleged discrimination on the basis of national origin and race, as well as an instance of alleged retaliation. None of these complaints were found to have cause. Among survey respondents, the most salient potential barriers to fair housing choice included poor credit histories and income levels of minority residents, lack of knowledge among landlords and residents concerning fair housing policy, lack of capacity for fair housing organizations dedicated to fair housing, and various burdens and restrictions placed on residents of mobile home parks.

Fair Housing in the Public Sector

A review of transportation services and needs, local policies and codes, and responses to the Public Perceptions of Fair Housing Law Survey constituted the analysis of fair housing in the public sector. The results of a recent study of transportation needs in the City and surrounding communities suggest that the areas of Farmington that were in the most need of enhanced transportation services were in or near the city center. Farmington building codes conform to the 2009 International Building Code, and new building permits are required to conform to the International Code Council/American National Standards Institute's 2003 standards for Accessible and Usable Buildings and Facilities. Zoning codes allow group homes in Mixed Use districts and by Special Use Permit in Multi-Family Housing districts. While zoning districts that are deemed suitable for affordable housing are present in every Census tract in the city, they tend to be more common in areas with higher shares of minority residents and households in poverty.

The City's Unified Development Code (UDC) provides a definition of family as an individual or two or more persons related by blood, marriage, or adoption, as well as a group of up to four persons, living together in a single housing unit. The City of Farmington also recently adopted an ordinance allowing for-profit or non-profit organizations to apply to the City for assistance in developing affordable housing. In results of the Public Perceptions of Fair Housing Law Survey, street infrastructure, code enforcement, and neighborhood revitalization services were the most widely perceived to be distributed unequally throughout the city.

Public Involvement

Efforts to involve members of the public in the AI process included two advertised public meetings, which were held in the San Juan Center for independence and the Sycamore Park Community Center, both in May of 2013. In addition, 122 respondents took the public perceptions of fair housing law survey online, and an additional 92 surveys were given by city staff during on-site survey sessions at five locations around the city. Responses suggest that a considerable number of city residents were not fully informed on various aspects of fair housing law, including what types of actions constitute unlawful discrimination and where to report housing discrimination. In addition, fully 73.8 percent of respondents who believed that they had experienced housing discrimination took no action to address that discrimination.

The following impediments, many of which were identified in the City's 2011 AI, are identified for the City of Farmington in this report:

Private Sector Impediments

Impediment 1: Frequent denial of home purchase loans to American Indian and Hispanic populations.

Impediment 2: Discrimination in the rental housing market by race/ethnicity, disability, and familial status.

Impediment 3: Inadequate fair housing education and awareness in the community.

Public Sector Impediments

Impediment 1: Availability of multi-family and affordable housing limited to areas of high concentrations of minority populations.

Impediment 2: Nimbyism ("Not in My Backyard") attitudes regarding locations of new multi-family and affordable housing projects.

Impediment 3: Lack of affordable housing for low-income American Indian and Hispanic populations, and female heads of households.

Impediment 4: Segregation of Hispanics in Census Tracts 1, 2.05, 4.02, 5.03, and 6.07.

These impediments, including their recommended actions, are discussed in Section VIII, Summary of Findings, and Section IX, Impediments and Recommended Actions.

SECTION I. INTRODUCTION

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

1. The Fair Housing Act,
2. The Housing Amendments Act, and
3. The Americans with Disabilities Act.

The purpose of fair housing law is to protect a person's right to own, sell, purchase, or rent housing of his or her choice without fear of unlawful discrimination. The goal of fair housing law is to allow everyone equal access to housing.

WHY ASSESS FAIR HOUSING?

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

In 1994, HUD published a rule consolidating plans for housing and community development programs into a single planning process. This action grouped the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Shelter Grants (ESG),² and Housing Opportunities for Persons with AIDS (HOPWA) programs into the Consolidated Plan for Housing and Community Development, which then created a single application cycle.

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

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

²The Emergency Shelter Grants program was renamed the Emergency Solutions Grants program in 2011.

3. Maintain records reflecting the analysis and actions taken.

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

- "Any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin which restrict housing choices or the availability of housing choices [and]
- Any actions, omissions, or decisions which have [this] effect."³

State and local governments may enact fair housing laws that extend protection to other groups as well. For example, New Mexico Human Rights Law extends additional fair housing protections based on physical or mental handicap, serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity⁴.

PURPOSE OF THIS RESEARCH

HUD interprets the broad objectives of affirmatively furthering fair housing certification to include:

- "Analyzing and working to eliminate 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 persons, particularly individuals with disabilities; and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act."⁵

The objective of the 2014 AI process was to research, analyze, and identify prospective impediments to fair housing choice throughout the City of Farmington. The goal of the completed AI is to suggest actions that the sponsoring jurisdiction can consider when working toward eliminating or mitigating the identified impediments.

LEAD AGENCY

Western Economic Services, LLC, a Portland, Oregon consulting firm specializing in analysis and research in support of housing and community development planning, prepared this AI.

³ *Fair Housing Planning Guide*.

⁴ New Mexico Statutes §28-1-7, available at <http://public.nmcompcomm.us/nmpublic/gateway.dll?f=templates&fn=default.htm>

⁵ *Fair Housing Planning Guide*, p.1-3.

The agency that led this effort on behalf of the City was the City of Farmington Community Development Department.

Commitment to Fair Housing

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

GEOGRAPHIC SCOPE OF THE ANALYSIS

This AI addresses the status of fair housing in the City of Farmington. Thematic maps included in this report include Census tract boundaries and tract names, selected roads, and the city limit of Farmington.

RESEARCH METHODOLOGY

The AI process involves a thorough examination of a variety of data sources related to housing and housing decisions. Some baseline secondary and quantitative data were drawn from the Census Bureau, including American Community Survey data averages from 2005-2007, 2010-2012, and 2008 through 2012. Data from these sources detailed population, personal income, poverty, housing units by tenure, cost burdens, and housing conditions. Other data were drawn from records provided by the U.S. Department of Labor, the U.S. Department of Health and Human Services, the New Mexico Department of Labor, the Bureau of Labor Statistics, and a variety of other sources. The following narrative offers a brief description of other key data sources employed for the 2014 AI for the City of Farmington.

Home Mortgage Disclosure Act Data

To examine possible fair housing issues in the home mortgage market, Home Mortgage Disclosure Act (HMDA) data were analyzed. The HMDA was enacted by Congress in 1975 and has since been amended several times. It is intended to provide the public with loan data that can be used to determine whether financial institutions are serving the housing credit needs of their communities and to assist in identifying possible discriminatory lending patterns. HMDA requires lenders to publicly disclose the race, ethnicity, and genders of mortgage applicants, along with loan application amounts, household income, the Census tract in which the home is located, and information concerning prospective lender actions related to the loan application. For this analysis, HMDA data from 2012 were analyzed, with the measurement of denial rates by Census tract and by race and ethnicity of applicants the

key research objectives. These data were also examined to identify the groups and geographic areas most likely to encounter higher denial rates and receive loans with unusually high interest rates.

Fair Housing Complaint Data

Housing complaint data were used to analyze discrimination in the renting and selling of housing. HUD provided fair housing complaint data for the City from 2009 through 2014. This information included the basis, or protected class pursuant to the complaint; the issue, or prospective discriminatory action pursuant to the grievance; and the closure status of the alleged fair housing infraction, which relates to the result of the fair housing investigation. The review of fair housing complaints from within the City allowed for inspection of the tone, the relative degree and frequency of certain types of unfair housing practices, and the degree to which complaints were found to be with cause. Analysis of complaint data focused on determining which protected classes may have been disproportionately impacted by housing discrimination based on the number of complaints, while acknowledging that many individuals may be reluctant to step forward with a fair housing complaint for fear of retaliation or similar repercussion.

Fair Housing Survey

HUD recommends that jurisdictions conduct a survey during the AI process to gather public input about perceived impediments to fair housing choice. The City elected to utilize a survey instrument as a means to encourage public input in the AI process. Though the survey targeted individuals involved in the housing arena, everyone was allowed to complete the survey. In addition to gathering data, this survey was utilized to help promote public involvement throughout the AI process. The survey was designed to address a wide variety of issues related to fair housing and affirmatively furthering fair housing in the City of Farmington.

Research Conclusions

The final list of impediments to fair housing choice for the City of Farmington was drawn from all quantitative, qualitative, and public input sources, and was based on HUD's definition of an impediment to fair housing choice as any action, omission, or decision that affects housing choice because of protected class status. The determination of qualification as an impediment was derived from the frequency and severity of occurrences drawn from quantitative and qualitative data evaluation and findings.

PUBLIC INVOLVEMENT

This section discusses analysis of fair housing in the City of Farmington as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence of citywide impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

SECTION II. SOCIO-ECONOMIC DATA AND TRENDS

This section presents demographic, economic, and housing information collected from the Census Bureau, the Bureau of Labor Statistics, and other sources. Data were used to analyze a broad range of socio-economic characteristics, including population growth, race, ethnicity, disability, employment, poverty, and housing trends. Ultimately, the information presented in this section helps illustrate the underlying conditions that shape housing market behavior and housing choice in the City of Farmington by presenting the demographic, economic, and housing stock context.

Much of the information for this analysis was gathered from the Census Bureau's American Community Survey (ACS). The ACS data cover similar topics to the decennial Census counts but include data not appearing in the 2010 Census, such as household income and poverty. The ACS data reported herein span the years from 2005 through 2012, and include three-year averages published in 2007 and 2012, as well as five-year data published in 2012.

DEMOGRAPHICS

Review of demographic and economic data establishes the context for the analysis of the environment in which housing choices are made. These data summarize not only the protected class populations, but characteristics of the total population for the City of Farmington, as well as the outcome of housing location choices. These data help to address whether over-concentrations of protected-class individuals exist, and if so, which areas of the City are most affected. Note that high concentrations of protected class populations do not necessarily imply impediments to fair housing choice, but may represent the results of impediments identified in other data.

POPULATION, HOUSEHOLDS, AND FAMILIES, FOR THE CITY OF FARMINGTON

Table II.1 below shows the percent change in population, households, and families from the 2005-2007 to the 2010-2012 American Community Survey (ACS) 3-Year Estimates for the City of Farmington. The definition of Family is two or more persons living together who are related by blood or marriage. Households include all of the people dwelling in a particular housing unit. Because households include single persons living alone, there are more households than families. Nevertheless, the number of families grew by an estimated 6.1 percent between the 2007 ACS and 2012 ACS, while the number of households grew by 2.7 percent.

Table II.1 Population, Households, and Families - City of Farmington			
	2007 ACS	2012 ACS	Percent Change
Total Population	45,346	45,798	1.0%
Households	15,290	15,696	2.7%
Families	10,659	11,311	6.1%

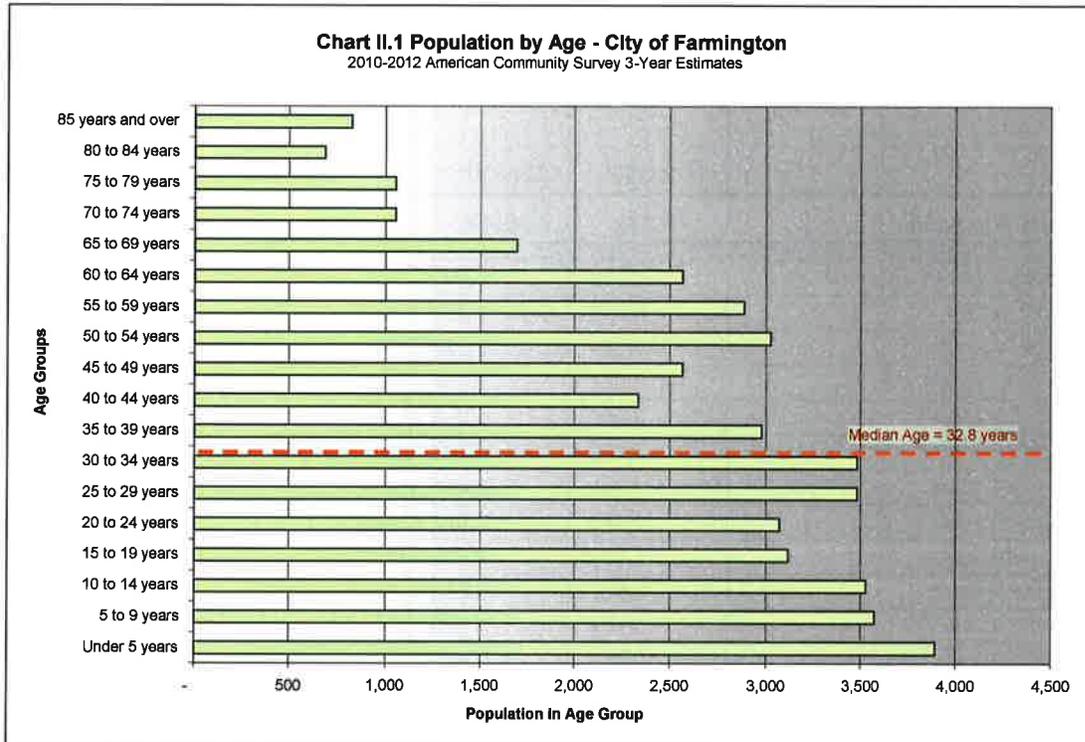
A COMPARISON OF NM MSA POPULATION ESTIMATES

The American Community Survey also produces population estimates for County or MSA level geographies. In Table II.2 below the ACS estimates for 2010 and 2012 for New Mexico and the four New Mexico Metropolitan Statistical Areas show a comparison of the percent change in the population. This timeframe shows a decline in the population of the Farmington MSA of 1.2 percent.

Table II.2 Comparison of NM MSA Population Estimates				
	2010 Estimate	2012 Estimate	Number Change	Percent Change
New Mexico	2,059,180	2,085,538	26,358	1.3%
Farmington MSA	130,044	128,529	-1,515	-1.2%
Albq. MSA	662,564	673,460	10,896	1.6%
Santa Fe MSA	144,169	146,375	2,206	1.5%
Las Cruces MSA	209,234	214,445	5,211	2.5%
American Community Survey 2010 and 2012 Population Estimates - Release April 2013				

POPULATION BY AGE

Chart II.1 on the following page shows the City of Farmington population by age group, from the 2010-2012 American Community Survey (ACS) 3-Year Estimates. The median age in the City of Farmington is 32.8 Years. The age group with the highest population is five years and under, and population sizes tended to fall with increasing age of the cohort. However, there was a peak in population sizes in the cohorts aged between 45 and 64 years.



POPULATION CHANGE BY AGE

Table II.3 on the following page shows the population change from the 2005-2007 to the 2010-2012 ACS 3-Year Estimates broken down by age groups and the percent change in the age groups. The overall percent of change in the total population is 1 percent. Age groups that had a rate of change greater than the overall rate are shaded green. Age groups that declined in population are shaded orange. The highest percent growth rate is 82 percent for the 60 to 64 years group. The second highest growth rate is 44 percent for the 65-69 years group. The 65 years and older category at the bottom of the table shows a 12 percent increase in this broader age group.

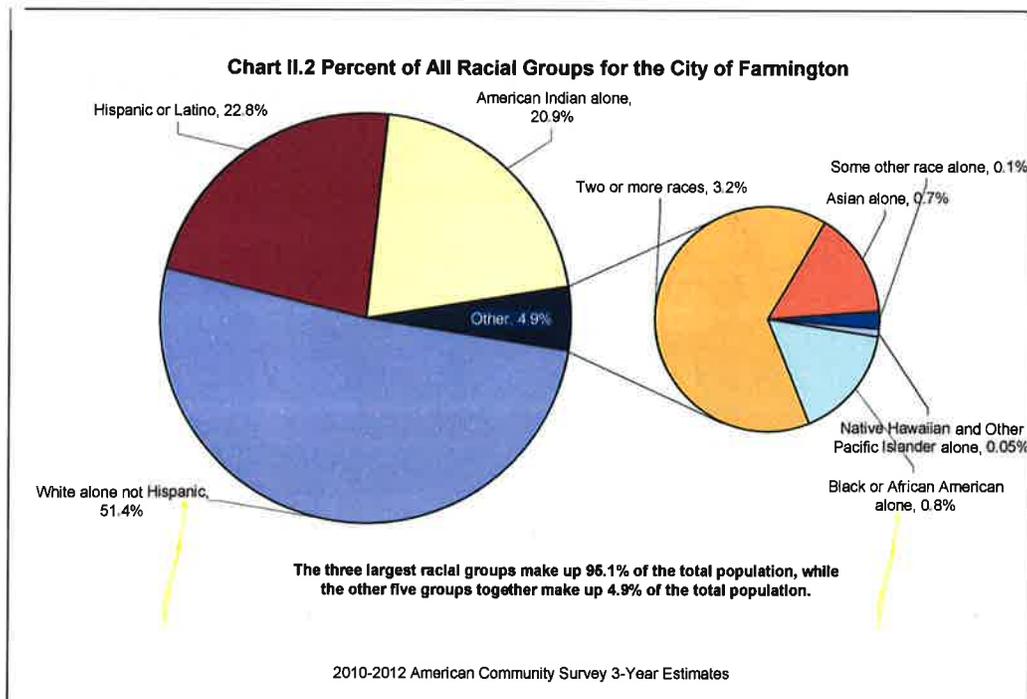
Table II.3 Population Change by Age - City of Farmington			
	2005-2007	2010-2012	% Change in Population from 2007 to 2012
Total Population	45,346	45,798	1.0%
Under 5 years	4,625	3,893	-16%
5 to 9 years	3,310	3,572	8%
10 to 14 years	3,084	3,526	14%
15 to 19 years	3,038	3,114	3%
20 to 24 years	3,809	3,068	-19%
25 to 29 years	4,172	3,481	-17%
30 to 34 years	3,265	3,481	7%
35 to 39 years	2,449	2,977	22%
40 to 44 years	2,585	2,336	-10%
45 to 49 years	2,902	2,565	-12%
50 to 54 years	3,174	3,023	-5%
55 to 59 years	2,766	2,885	4%
60 to 64 years	1,406	2,565	82%
65 to 69 years	1,179	1,695	44%
70 to 74 years	1,224	1,053	-14%
75 to 79 years	816	1,053	29%
80 to 84 years	907	687	-24%
85 years and over	635	824	30%
65 years and over	4,761	5,313	12%
Median Age	30.8	32.8	
Source: 2005-2007 and 2010- 2012 American Community Survey 3-Year Estimates - S0101			
Greater than overall rate			

RACE AND ETHNICITY

Table II.4 on the following page shows the racial breakdown of the city's population. White non-Hispanic, American Indian non-Hispanic, and Hispanic residents together account for 95.1 percent of the total population. Generally, only these three largest racial groups are described or used in tables, charts, and maps in this report. White, non-Hispanic residents accounted for more than half of the overall population, and American Indian residents represented 20.9 percent. Hispanic residents accounted for 22.8 percent of the population.

Table II.4 Number and Percent of Population by Race City of Farmington			
Total:	45,798		
White alone not Hispanic	23,518	51.4%	95.1%
American Indian and Alaska Native alone	9,592	20.9%	
Hispanic or Latino	10,446	22.8%	
Black or African American alone	365	0.8%	4.9%
Asian alone	337	0.7%	
Native Hawaiian and Other Pacific Islander alone	25	0.05%	
Some other race alone	59	0.1%	
Two or more races	1456	3.2%	
2010-2012 American Community Survey 3-Year Estimates - B03002			

Chart II.2 below graphically depicts the data in Table II.4. The larger pie chart shows White Alone, American Indian alone, Hispanic, and the other groups. For clarity, the smaller pie chart details the breakdown of the other racial groups in the City of Farmington

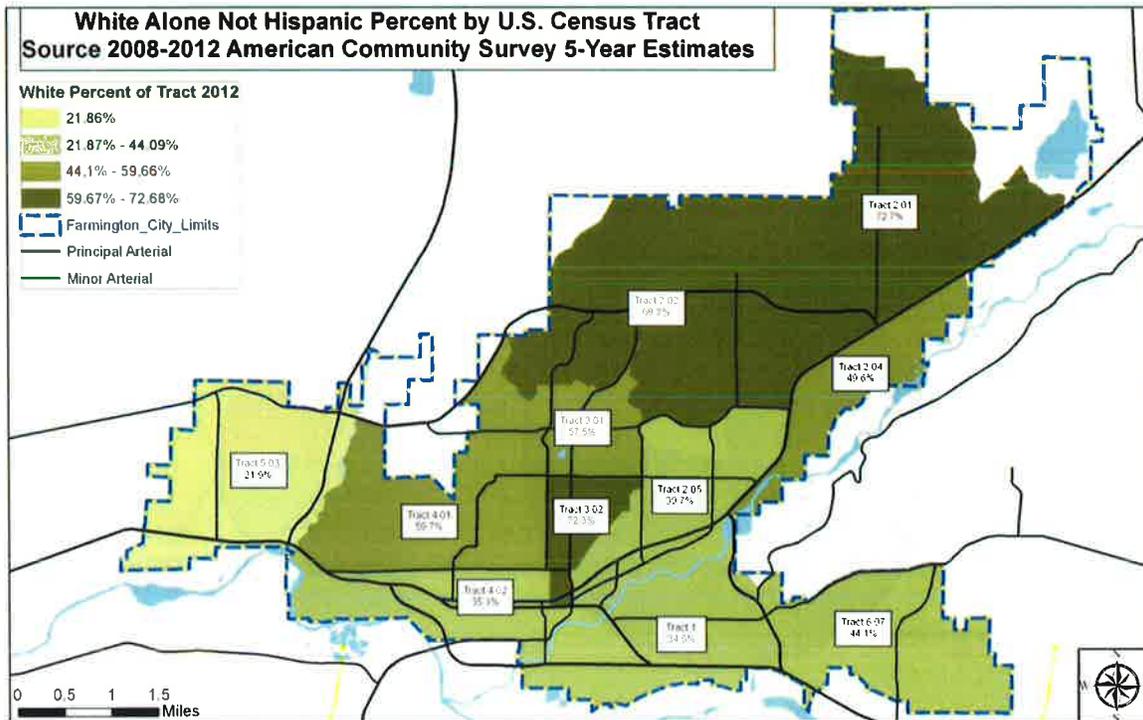


RACIAL CONCENTRATION

The following three maps show the racial concentration in the City of Farmington by U.S. Census Tracts. The darker shading indicates a higher racial concentration. There are some areas within the City limits that are not shaded. These areas represent U.S. Census Tracts that overlap with San Juan County areas. The data for these areas is not included because either all or a majority of the homes in these U.S. Census Tracts are in San Juan County. This makes the data unrepresentative of the population in the City of Farmington.

Demographic data for all three maps were drawn from the 2018-2012 American Community Survey 5-Year Estimates. These data were released on December 17, 2013. The 5-Year estimate is the only source of recent data available that provides the U.S. Census Tract level geography.

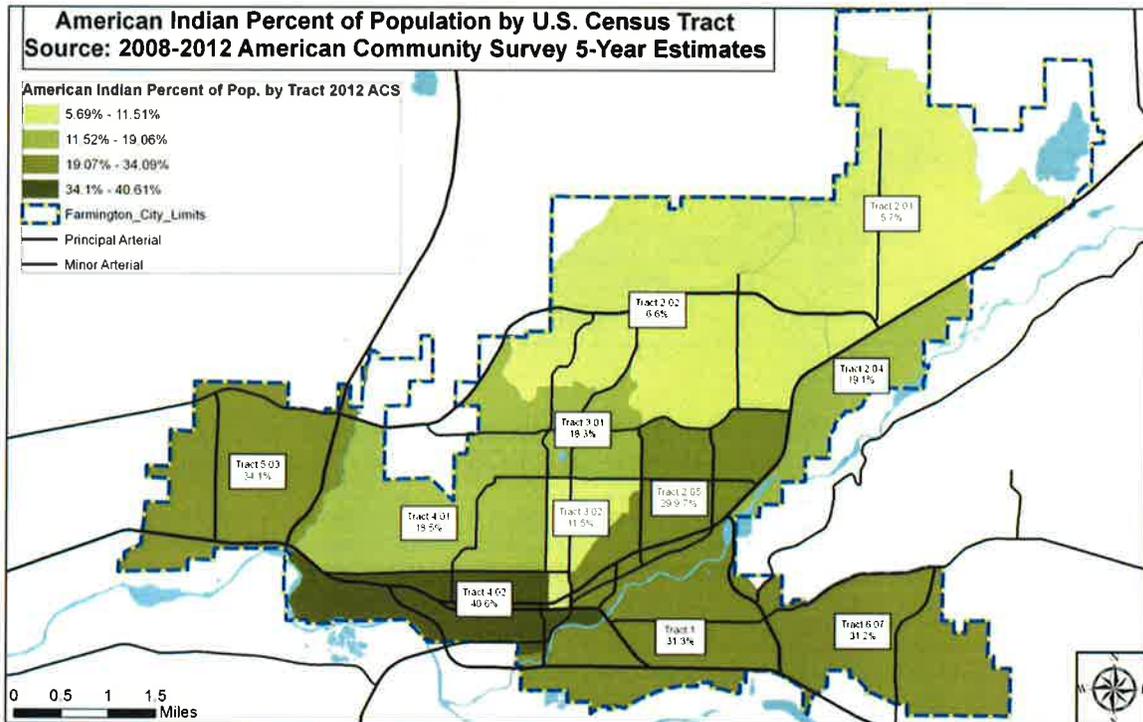
Map II.1 below depicts the concentration of the White Alone Not Hispanic population. The area of highest concentration is Tract 2.01 with 72.7 percent White Alone Not Hispanic. This tract, along with tract 3.02, was observed to hold a disproportionate concentration of white residents, based on the 2012 3-year ACS⁶. By contrast, white, non-Hispanic residents accounted for only 21.9 percent of the population in tract 5.03.



Map II.1

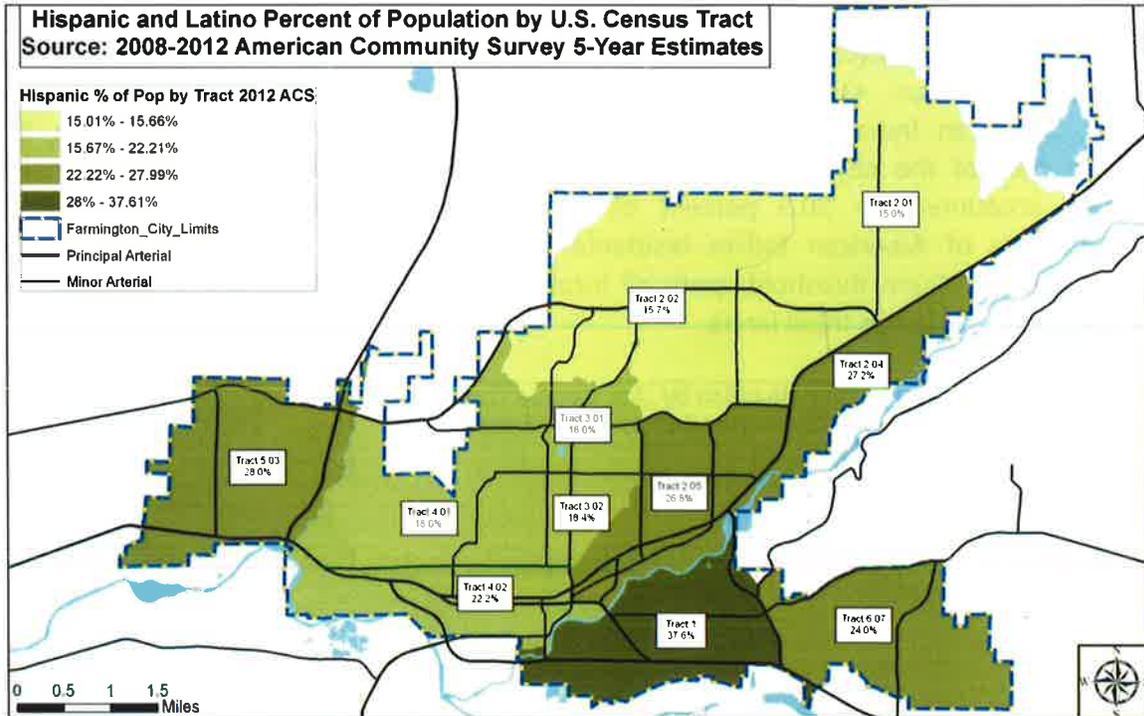
⁶ Geographically, a disproportionate share exists where a given Census tract contains a concentration of members of a demographic group that is 10 percentage points higher than the concentration of that group in the entire study area.

Map II.2 depicts the concentration of the American Indian population. The area of highest concentration is Tract 4.02, where 40.6 percent of residents were American Indian. In general, American Indian residents of Farmington tended to be concentrated in the southern part of the city. According to 2012 ACS 3-years estimates, American Indian residents accounted for 20.9 percent of the population of Farmington. Tracts with concentrations of American Indian residents that were higher than 30.9 percent, the disproportionate share threshold, were all located near the southern city limit, most of which borders on Navajo tribal lands.



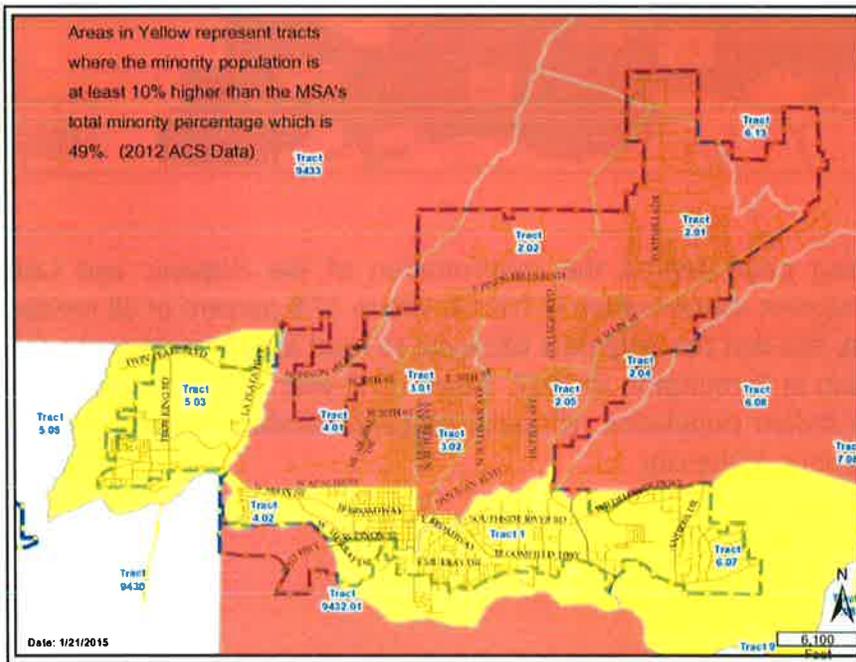
Map II.2

Map II.3 on the following page depicts the concentration of the Hispanic and Latino population. The area of highest concentration is Tract 1, where 37.6 percent of all residents were Hispanic and Latino; this was the only tract observed to hold a disproportionate share of the Hispanic population in Farmington in 2012, based on 3-year ACS estimates of that year. Like the American Indian population, Hispanic residents tended to occupy Census tracts in the southern portions of the city.



Map II.3

The following map provides information regarding the City’s definition of minority concentration neighborhoods and data for the region from the 2012 ACS with the City’s boundaries as of May 2014.



DISABILITY

Table II.5 below shows the number and percent of the population that is disabled by age. Residents aged 65 years and older were disproportionately impacted by disability with 37 percent living with some form of disability, which is 25.8 percent higher than the overall rate.

Table II.5 Disability by Age - City of Farmington		
	Number With a disability	Percent of Total Population with a Disability
Overall Rate of Disability	5,022	11.20%
Age Group		
Population under 5 years	44	1.10%
Population 5 to 17 years	440	4.90%
Population 18 to 64 years	2,638	9.80%
Population 65 years and over	1,900	37.00%
Source: 2010-2012 American Community Survey 3-Year Estimates		
Disproportionate Impact - HUD Defines a Disproportionate Impact as more than 10% above the total population rate.		

Economics

Data indicating the size and dynamics of Farmington’s job markets, workforce, incomes, and persons in poverty provide essential contextual background and indicate the potential buying power or other limitations of city residents when making a housing choice. A review of the city’s residents in such a context is presented below.

Several data sources were employed for this economic review. The American Community Survey provides income data for families and households, as well as individual wages. Family income is generally the highest due to the definition of family being at least two related persons. The definition of Household includes single persons living alone, so the income level is skewed lower than families. Individual wages are always the lowest because it relates only to a single person’s wage.

HUD often refers to AMI or Area Median Income. This is not a figure published by the American Community Survey but a number that HUD generates for Metropolitan Areas from U.S. Census data and inflation rates. HUD also has income limits based upon family sizes. For a family to be eligible for CDBG assistance, their maximum income must be 80% of the Median Family Income or less. MFIs for major New Mexico cities and counties are portrayed in Table II.6 below. It is not possible to directly compare the American Community Survey data with data for income limits by family size. This is because HUD does not publish the income data with detailed population data. The American Community Survey data

allows detailed population breakdowns with income, race, and population. Therefore, American Community Survey data will be used consistently in this report.

MEDIAN FAMILY INCOME IN NEW MEXICO COUNTIES AND CITIES

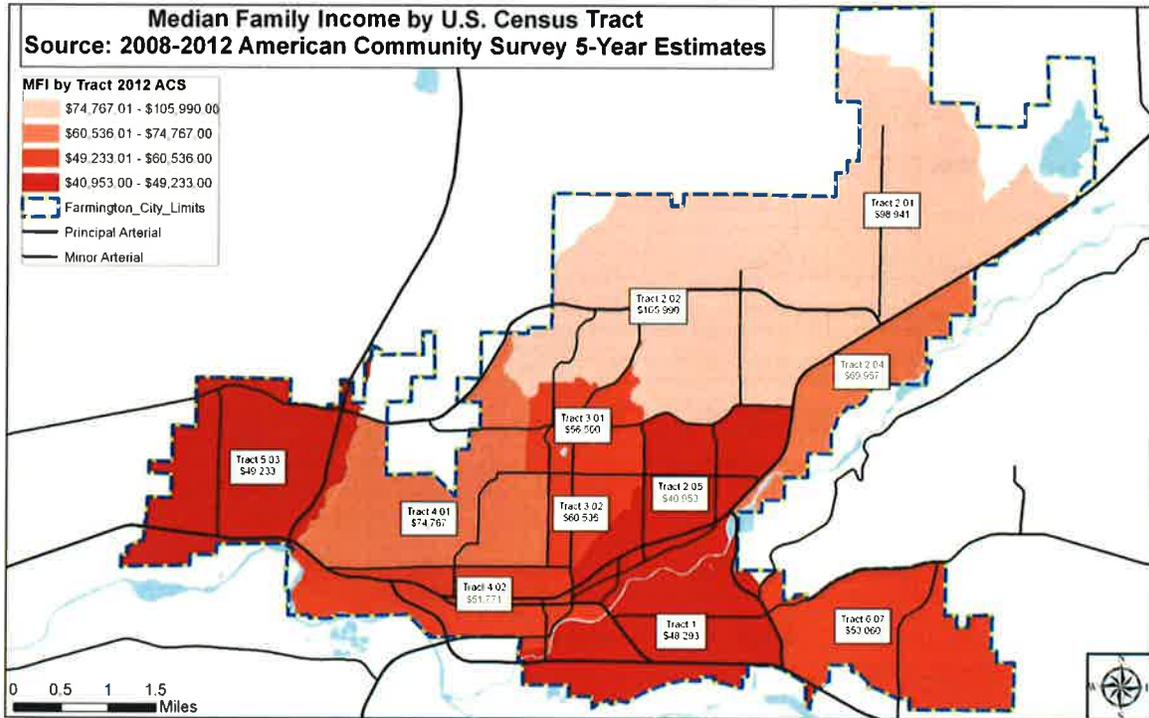
Table II.6 below shows the Median Family Income (MFI) for the principal Cities and the Counties of the four MSA’s in New Mexico. The 2005-2007 and 2010-2012 3-Year Estimates are shown along with the percent change in the MFI. In this timeframe, San Juan County and the City of Farmington show the highest percent change in the Median Family Income.

	2005-2007	2010-2012	% Change
San Juan County	\$49,425	\$56,446	14.2%
City of Farmington	\$56,411	\$63,261	12.1%
Bernalillo County	\$56,000	\$59,376	6.0%
City of Albuquerque	\$56,714	\$58,806	3.7%
Santa Fe County	\$61,796	\$61,147	-1.1%
City of Santa Fe	\$61,151	\$61,328	0.3%
Dona Ana County	\$39,453	\$42,585	7.9%
City of Las Cruces	\$43,813	\$48,934	11.7%

Source: 2005-2007 2010-2012 American Community Survey 3-Year Estimates

MEDIAN FAMILY INCOME BY U.S. CENSUS TRACT

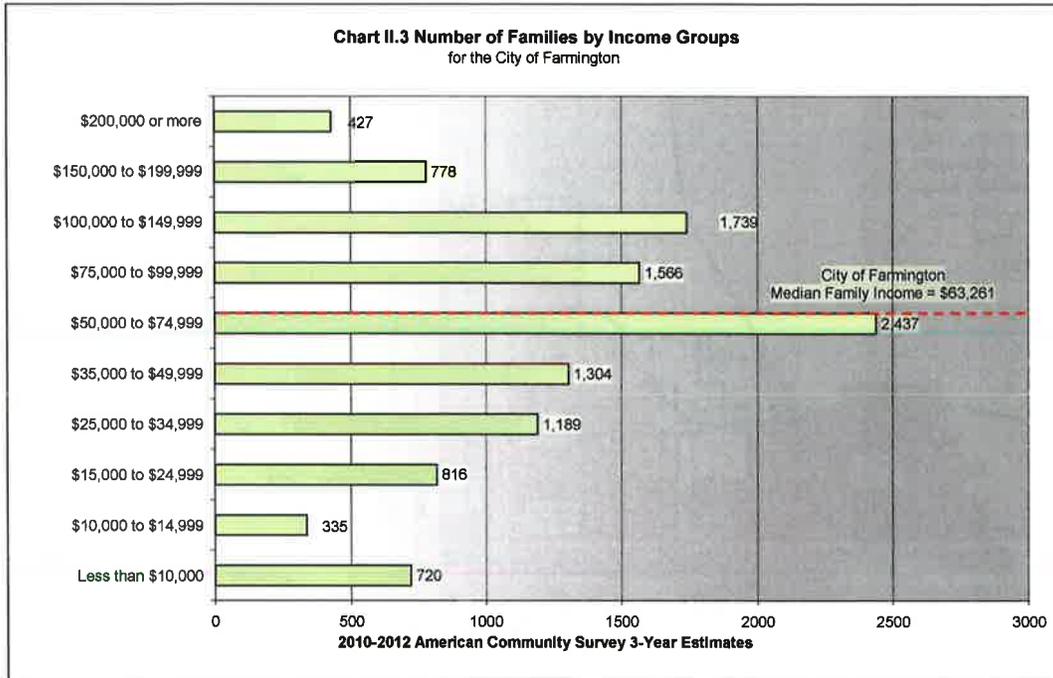
The three red tracts in Map II.4 below have the lowest median family incomes (MFI). Tract 2.05 has the lowest MFI at \$40,953. All of these tracts lay in western and southern Census tracts - areas of high concentrations of American Indian and Hispanic populations, while tracts with relatively high median family incomes lay in the northern portions of the city.



Map II.4

NUMBER OF FAMILIES BY INCOME GROUPS

Chart II.3 on the following page shows the number of families by income group in the City of Farmington from the 2010-2012 American Community Survey 3-Year Estimate. The largest group, with 2,437 families is in the \$50,000 to \$74,999 income group. The Median Family Income shown on the chart is \$63,261.



PERCENT CHANGE IN INCOME OF SOCIOECONOMIC GROUPS

Table II.7 on the following page shows the income and the percent change in income for major socioeconomic groups that can be tracked in the American Community Survey (ACS) in the City of Farmington. At the top of the table are the Median Family Income (MFI) and the 80%, 50%, and 30% levels of the MFI. Beneath are displayed the three most populous racial groups tracked in this report. Also included are age groups, family type, and tenure. On the right side of the table are the incomes of the socioeconomic groups from the 2005-2007 and 2010-2012 ACS. The last column shows the percent change in income for each of the groups. The overall change in the MFI is 12.1 percent during this timeframe. The MFI for the groups shaded in green have increased more than the overall rate. The groups shaded in orange are below the overall rate. The groups shaded in red have had their incomes decline. Renters, young households, and female householders are the groups that show a decline in their incomes. Hispanic Families had the greatest income growth of 30.3 percent and the 15-24 years households had the greatest income decline at -28.3 percent.

The overall increase in the Median Family Income from the 2005-2007 to 2010-2012 ACS 3-Year Estimates is 12.1 percent. Growth in median family income was relatively rapid among Hispanic residents, who saw a 30.3 percent growth in their MFI between the two surveys. By contrast, growth in incomes among white, non-Hispanic residents and American Indian residents fell behind the overall growth rate. MFIs fell among the youngest households, composed of persons aged 15 to 24, as well as in households occupied by single women and rental households.

Table II.7 Percent Change in Median Income of Socioeconomic Groups City of Farmington			
	2005-2007	2010-2012	
Race, Age, Family Type	Median Income	Median Income	Percent Change
Median Family Income (all CoF)	\$56,411	\$63,261	12.1%
80% MFI	\$45,129	\$50,609	12.1%
50% MFI	\$28,206	\$31,631	12.1%
30% MFI	\$16,923	\$18,978	12.1%
RACE of FAMILY			
White alone, not Hispanic or Latino	\$54,513	\$60,721	11.4%
American Indian and Alaska Native	\$36,806	\$40,721	10.6%
Hispanic or Latino origin (of any race)	\$31,686	\$41,275	30.3%
HOUSEHOLD INCOME BY AGE			
15 to 24 years	\$27,114	\$19,449	-28.3%
25 to 44 years	\$44,410	\$55,158	24.2%
45 to 64 years	\$62,500	\$65,072	4.1%
65 years and over	\$32,100	\$37,680	17.4%
FAMILIES			
With own children under 18 years	\$52,292	\$52,632	0.7%
With no own children under 18 years	\$60,422	\$71,950	19.1%
Married-couple families	\$66,256	\$72,037	8.7%
Female householder, no husband present	\$25,824	\$23,773	-7.9%
Male householder, no wife present	\$50,067	\$54,797	9.4%
HOUSEHOLD TENURE			
Owner occupied	\$58,018	\$67,573	16.5%
Renter occupied	\$33,638	\$31,691	-5.8%
Source: 2005-2007 and 2010-2012 American Community Survey 3-Year Estimates S1903 and B25119			
Above the base % change			
Below the base % change			
Decrease in Income			

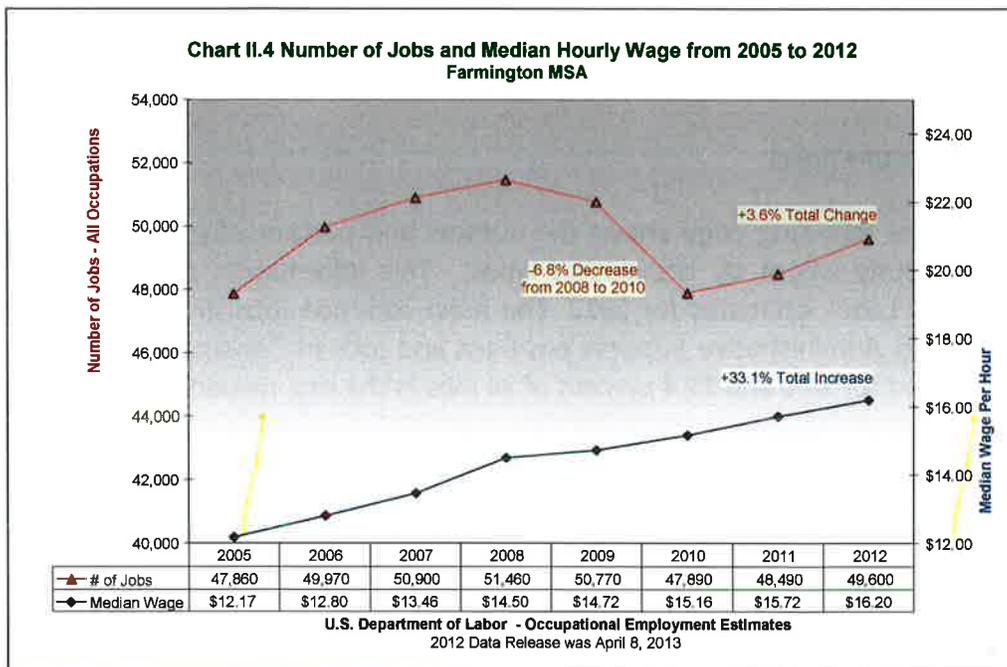
WAGES AND OCCUPATIONS

Table II.8 on the following page shows the number and percent of jobs and their median annual and hourly wages by occupation types. This information comes from the U.S. Department of Labor estimates for 2012. The most common jobs in the City in that year were Office and Administrative Support positions and jobs in Construction and Extraction, which accounted for 14.6 and 12.4 percent of all jobs in the city, respectively.

Occupation Code		# of Jobs	% of All Jobs	Median Annual Wage	Median Wage
00-0000	All Occupations	49,600		\$33,696	\$16.20
11-0000	Management Occupations	2,100	4.2%	\$79,706	\$38.32
13-0000	Business and Financial Operations Occupations	1,160	2.3%	\$47,486	\$22.83
15-0000	Computer and Mathematical Occupations	260	0.5%	\$51,958	\$24.98
17-0000	Architecture and Engineering Occupations	870	1.8%	\$67,912	\$32.65
19-0000	Life, Physical, and Social Science Occupations	310	0.6%	\$51,210	\$24.62
21-0000	Community and Social Service Occupations	790	1.6%	\$35,422	\$17.03
23-0000	Legal Occupations	120	0.2%	\$58,594	\$28.17
25-0000	Education, Training, and Library Occupations	3,120	6.3%	\$42,328	\$20.35
27-0000	Arts, Design, Entertainment, Sports, and Media	250	0.5%	\$22,027	\$10.59
29-0000	Healthcare Practitioners and Technical Occupations	2,290	4.6%	\$62,608	\$30.10
31-0000	Healthcare Support Occupations	1,620	3.3%	\$23,878	\$11.48
33-0000	Protective Service Occupations	1,320	2.7%	\$34,424	\$16.55
35-0000	Food Preparation and Serving Related Occupations	4,260	8.6%	\$18,429	\$8.86
37-0000	Building and Grounds Cleaning and Maintenance	1,210	2.4%	\$20,030	\$9.63
39-0000	Personal Care and Service Occupations	1,400	2.8%	\$18,346	\$8.82
41-0000	Sales and Related Occupations	4,710	9.5%	\$21,674	\$10.42
43-0000	Office and Administrative Support Occupations	7,220	14.6%	\$27,768	\$13.35
45-0000	Farming, Fishing, and Forestry Occupations	50	0.1%	\$20,114	\$9.67
47-0000	Construction and Extraction Occupations	6,140	12.4%	\$39,291	\$18.89
49-0000	Installation, Maintenance, and Repair Occupations	3,480	7.0%	\$47,944	\$23.05
51-0000	Production Occupations	3,210	6.5%	\$41,122	\$19.77
53-0000	Transportation and Material Moving Occupations	3,720	7.5%	\$37,086	\$17.83

Source: 2012 U.S. Department of Labor Estimates

Chart II.4 below tracks the number of jobs and the median hourly wage from 2005 to 2012. This data comes from the U.S. Department of Labor and is for the Farmington MSA or San Juan County. The May 2012 data was released on April 8, 2013. This chart shows that median wages continued to grow through 2009 and 2010, even as a substantial number of jobs were lost to the national recession of those years.



POVERTY

Table II.9 below shows the changes in the number of persons in poverty by socioeconomic groups from the 2005-2007 to the 2010-2011 ACS 3-Year Estimates. There was a 2.1 percent increase in the number of Farmington residents living in poverty during this timeframe. The cells shaded orange show groups whose poverty rate increased more than the total rate, cells shaded yellow show groups whose poverty rate increased less than the overall rate of 2.1 percent and cells shaded green show the groups whose poverty rate declined (improved) during this timeframe. Residents under the age of 18 had the highest increase in poverty during this timeframe, with 5.9 percent. Female residents were more highly impacted by poverty in both survey years, and by 2012 the poverty rate for female residents was around 18 percent, compared to a poverty rate of 16.5 percent for male residents. The poverty rate for Hispanic applicants was also considerably above the average poverty rate of 17.4 percent, and American Indians were observed to be disproportionately impacted by poverty in that the poverty rate for this group, which was 34.7 percent in 2012, exceeded the overall average by well over ten percentage points.

	2005-2007 ACS		2010-2012 ACS		Change in % Below Poverty Level
	Persons Below Poverty Level	% of Population Below Poverty Level	Persons Below Poverty Level	% of Population Below Poverty Level	
Total Population in Poverty	6,778	15.3%	7,797	17.4%	2.1%
	Persons below Poverty by Group	% of Group Below Poverty Level	Persons below Poverty by Group	% of Group Below Poverty Level	Change in % Below Poverty Level by Group
AGE					
Under 18 years	2,573	20.6%	3,381	26.5%	5.9%
18 to 64 years	3,733	13.6%	4,013	14.9%	1.3%
65 years and over	472	11.0%	403	7.9%	-3.1%
SEX					
Male	2,881	13.3%	3,633	16.5%	3.2%
Female	3,897	17.2%	4,164	18.3%	1.1%
RACE					
White alone, not Hispanic or Latino	2,022	8.4%	1,594	6.8%	-1.6%
American Indian	2,576	30.9%	3,207	34.7%	3.8%
Hispanic or Latino	2,073	21.6%	2,718	26.4%	4.8%

Source: 2010-2012 American Community Survey 3-Year Estimates - S1701

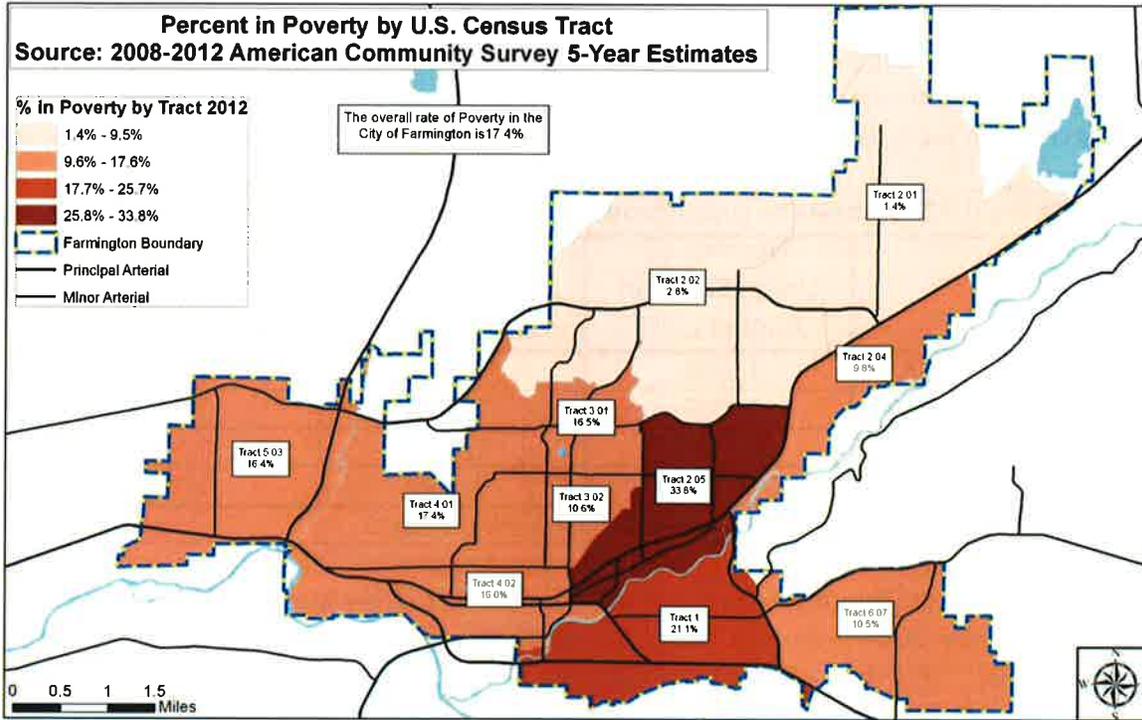
Below the overall rate of change
Above the overall rate of change
Decline in the population below poverty
Disproportionate Poverty

Poverty by U.S. Census Tract in the City of Farmington

The poverty rate of the average Census tract in the City of Farmington was 15.5 percent, according to 2012 5-year ACS estimates. Though the poverty rate was higher than this average rate in several Farmington Census tracts, it was observed to be disproportionately concentrated in only one tract, Tract 2.05. This tract was also observed to hold relatively high concentrations of American Indian and Hispanic residents in 2012.

U.S. Census Tracts	Total Population	# Below Poverty	% Below Poverty
1	5,509	1,161	21.1%
2.01	4,272	60	1.4%
2.02	5,195	147	2.8%
2.04	2,488	245	9.8%
2.05	6,462	2,184	33.8%
3.01	5,531	915	16.5%
3.02	3,297	349	10.6%
4.01	4,728	822	17.4%
4.02	3,170	508	16.0%
5.03	3,271	537	16.4%
6.07	2,673	280	10.5%
Total by Tract	46,596	7,208	15.5%
Source: 2008-2012 American Community Survey 5-Year Estimates - S1701			
***Note - 5-Year estimates are the only available source for the Tract level geography.			
Highest Percent of Poverty and a Disproportionate Impact			
Higher than the Total by Tract Poverty Rate			
Less than the Total by Tract Poverty Rate			

Map II.5 on the following page displays the distribution of poverty in the City of Farmington, according to the 2012 Five-Year ACS. According to those data, the highest poverty rate in the City occurred in Tract 2.05 in the center of the city. Note that this is above the disproportionate share rate of 27.4. In general, tracts with higher poverty rates tended to be concentrated in the south of the city, while tracts with relatively low poverty rates were concentrated in the northern part of the city.



Map II.5

Percent and Number in Poverty by New Mexico MSA's

Table II.11 below shows a comparison of poverty rates in the four New Mexico Metropolitan Statistical Areas (MSA). In the Farmington MSA, an estimated 28,070 persons, or 22.1 percent of the population, lived in poverty in 2012. Of the four MSA's, the Farmington MSA has the second highest percentage of population living in poverty.

	Total County Population	Number below poverty level	Percent below poverty level
Las Cruces MSA	207,364	58,257	28.10%
Farmington MSA	127,218	28,070	22.10%
Albuquerque MSA	660,420	122,243	18.50%
Santa Fe MSA	142,128	25,724	18.10%

Source: 2010-2012 American Community Survey 3-Year Estimates

UNEMPLOYMENT

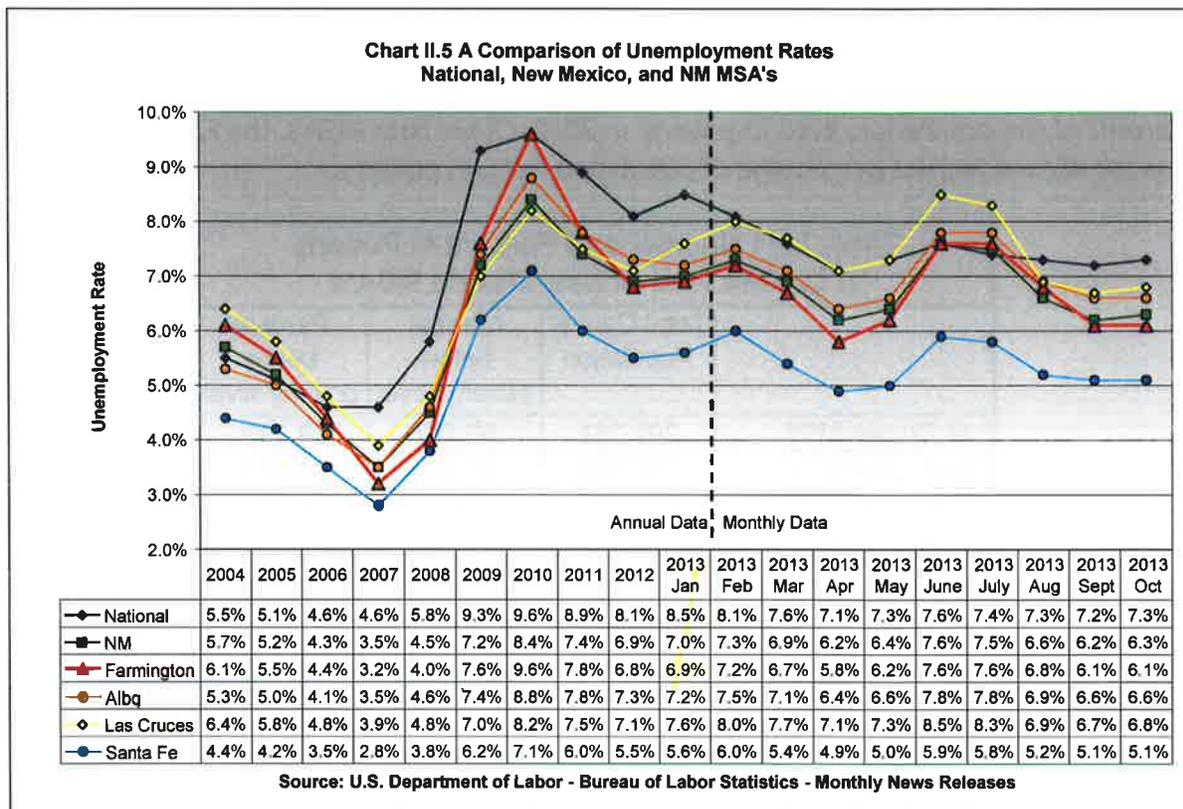
Table II.12 on the following page compares the number of unemployed with the number of job openings in August 2013. The ratio of unemployed workers to job openings is shown on the right side of the table. In August 2013, the Farmington MSA or San Juan County had a

ratio of 1.61 unemployed to job openings. This data is provided by the New Mexico Department of Labor. The number of unemployed is an estimated figure, is not adjusted for seasonal variations in the labor market, and the number of job openings is based upon advertised online job openings. The release date is not posted online.

	Number of Unemployed in August 2013	Job Openings in August 2013	# of Unemployed per Job Opening in August 2013
Las Cruces MSA	6,395	3,572	1.79
Farmington MSA	3,669	2,279	1.61
Albq MSA	20,023	16,772	1.19
Santa Fe MSA	3,867	3,268	1.18

Source: New Mexico Workforce Connection - Supply and Demand

Chart II.5 below tracks the unemployment rates for the U.S., New Mexico, and the four New Mexico MSA's from 2004 to August 2013. Annual data is shown through 2012 and the 2013 data is monthly. This data comes from monthly news releases from the Bureau of Labor Statistics. The October 2013 data was released December 5, 2013. Yearly and monthly trends in unemployment in the Farmington MSA largely reflect trends at the state level, as well as trends in the other New Mexico MSAs.



Housing

Simple counts of housing by age, type, tenure, and other characteristics form the basis for the housing stock background, suggesting the available housing from which residents of Farmington have to choose. Examination of households, on the other hand, shows how residents use the available housing, and shows household size and housing problems such as incomplete plumbing and/or kitchen facilities. Review of housing costs reveals the markets in which housing consumers in the City can shop, and may suggest needs for certain populations.

HOUSING CHARACTERISTICS

Table II.13 below shows the number and percent of housing units by type. The two most common types of housing are single family detached homes, which account for 63.7 percent of all housing; and manufactured homes, which account for 17.1 percent of all housing in the City of Farmington.

The term "Mobile Home" was replaced by "Manufactured Home" in the 1984 Housing Act. However, "Mobile Home" is still used by the U.S. Census Bureau to define manufactured housing.

	Units	Percent
Total housing units	17,723	
1-unit, detached	11,290	63.7%
1-unit, attached	235	1.3%
2 units	481	2.7%
3 or 4 units	1,377	7.8%
5 to 9 units	522	2.9%
10 to 19 units	300	1.7%
20 or more units	468	2.6%
Mobile home	3,028	17.1%
Boat, RV, van, etc.	22	0.1%

Source: 2010-2012 American Community Survey 3-Year Estimates

Occupied and Vacant Housing Units

Table II.14 on the following page compares occupancy and vacancy rates of New Mexico Cities. The City of Farmington has an overall vacancy rate of 11.4 percent, which is the second highest of the MSA's. Moreover, Farmington's rental vacancy rate is 14 percent, which is the highest rate of the four cities. The rental vacancy rate is also considerably higher than the homeowner vacancy rate.

Table II.14 Occupied and Vacant Housing Units Comparison of New Mexico Cities								
HOUSING OCCUPANCY	Farmington		Albuquerque		Las Cruces		Santa Fe	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total housing units	17,723		241,565		41,976		37,134	
Occupied housing units	15,696	88.60%	224,766	93.0%	37,828	90.1%	31,570	85.0%
Vacant housing units	2,027	11.40%	16,799	7.0%	4,148	9.9%	5,564	15.0%
Homeowner vacancy rate		2.2%		1.4%		2.0%		3.0%
Rental vacancy rate		14.0%		6.2%		7.7%		6.8%

Source: 2010-2012 American Community Survey 3-Year Estimates - DP-4

Housing Costs

Chart II.6 below shows the number of households by percent of their income spent on housing costs for housing units with a mortgage for the 2005-2007 and 2010-2012 American Community Survey 3-Year Estimates. In the middle of the chart, is a vertical dashed line at 30 percent, to delineate housing units considered to be “affordable” or “unaffordable”; any household in which more than 30 percent of the household income is spent on housing is considered to be living in unaffordable housing. The 2010-2012 data show that there are an estimated 2,039 households that spend more than 30 percent of their income on housing and an estimated 578 households spending more than 50 percent of their income on housing. These latter units are considered by HUD to be in greatest need.

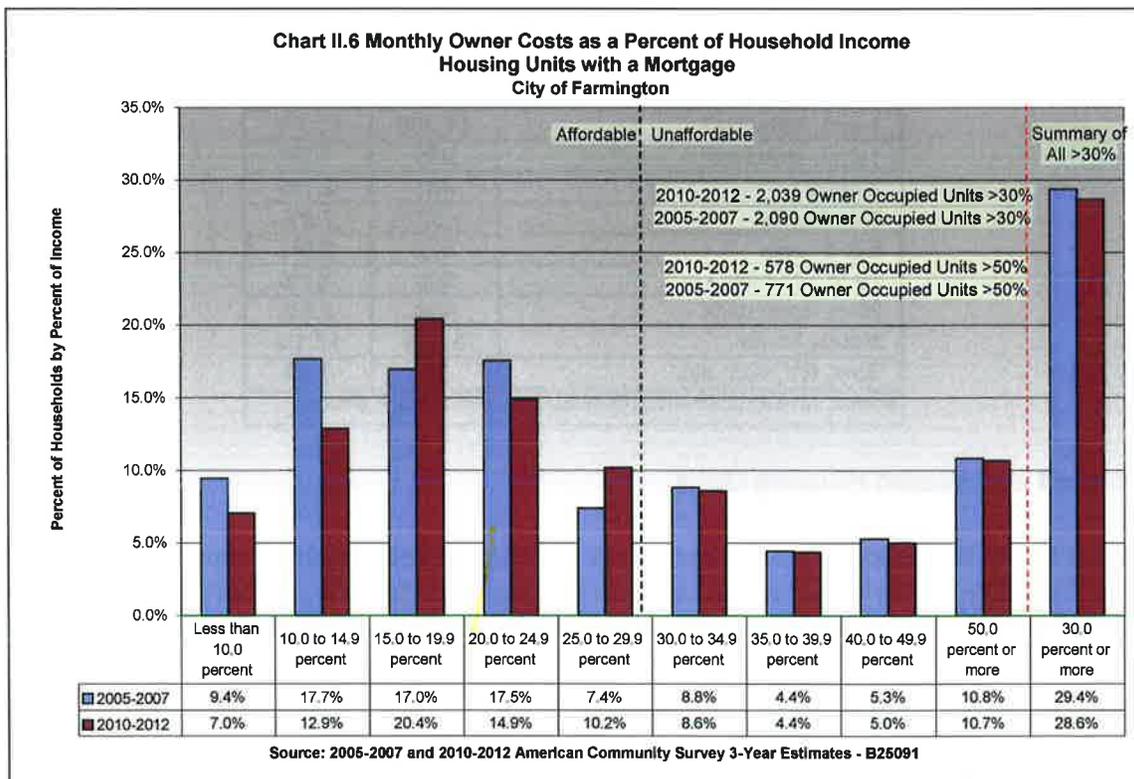
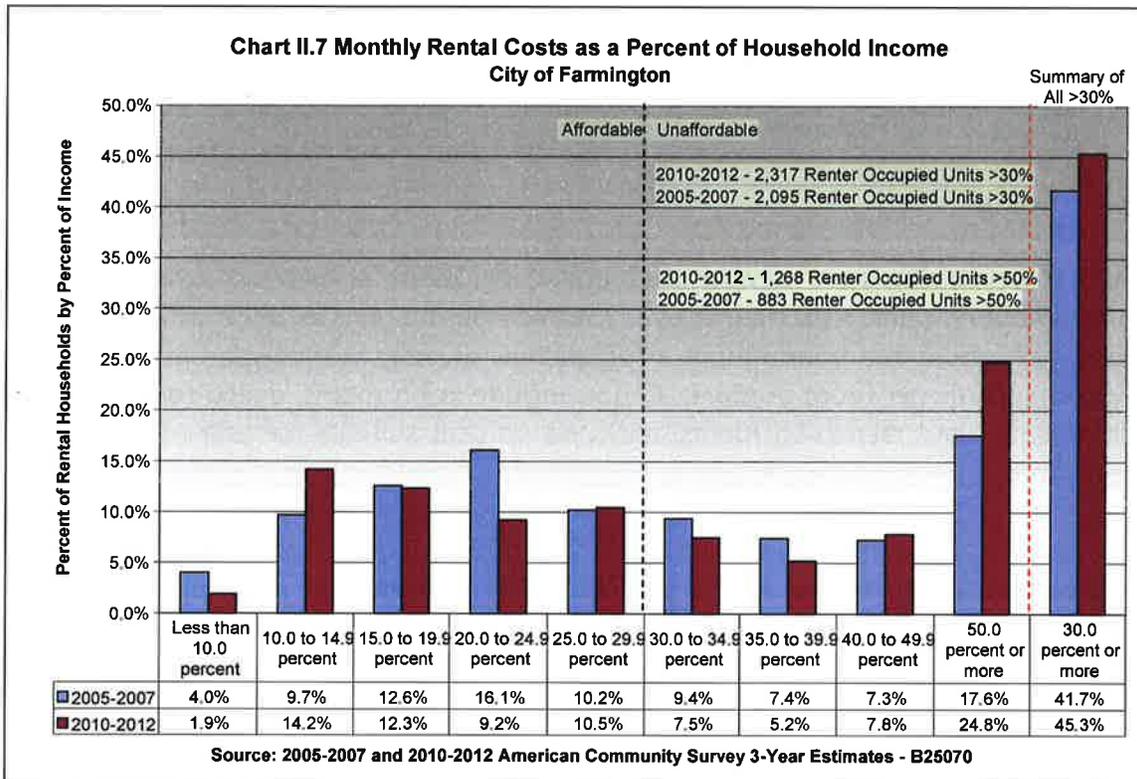


Chart II.7 on the following page shows the number of households by percent of income spent on rental housing for the 2005-2007 and 2010-2012 American Community Survey 3-Year Estimates. The 2010-2012 data show that there are 2,317 households living in housing units that are considered unaffordable. In addition, 1,268 rental households spent more than 50 percent of their income on housing and are considered by HUD to be in greatest need. During this timeframe, there was a 41 percent increase in the number of households considered to be in greatest need.



HOUSING PROBLEMS

Lacking Complete Facilities

Table II.15 on the following page shows the number of housing units that lack complete facilities in the City of Farmington. The percentage of homes in the City of Farmington that are lacking complete plumbing is lower than the overall State of New Mexico rate, as was the percentage of homes lacking complete kitchen facilities. However, the percentage of homes with no telephone service is 6.1 percent in the City, which is higher than the overall State of New Mexico rate of 4.4 percent. In the City of Farmington, the issue of no telephone service may be more of a sign of pervasive cell phone use and the choice of not paying for a landline service, rather than not having access to phone lines.

Despite the low number of homes without complete plumbing and kitchen facilities, housing without complete facilities is considered a serious problem by HUD and the City of Farmington for health and welfare concerns.

Table II.15 Housing that Lacks Complete Facilities City of Farmington				
	City of Farmington		New Mexico	
	#	%	#	%
Occupied housing units	15,696		765,306	
Lacking complete plumbing facilities	131	0.8%	9,724	1.3%
Lacking complete kitchen facilities	186	1.2%	10,257	1.3%
No telephone service available	962	6.1%	33,488	4.4%
Source: 2010-2012 American Community Survey 3-Year Estimates				

Overcrowding

Table II.16 below shows the number of occupants per room for owner occupied and renter occupied housing units. HUD defines overcrowded housing units as those with more than 1 occupant per room in a housing unit. HUD defines severely overcrowded homes as those with 1.5 occupants per room or more. Rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodgers' rooms.

There were 938 occupied households in the City of Farmington that were overcrowded or severely overcrowded in the 2011 3-year ACS. This problem was more prevalent among rental units, nearly 4 percent of which were overcrowded or severely overcrowded, than among owner-occupied housing units, 2 percent of which were overcrowded or severely overcrowded.

Table II.16 Overcrowding - Occupants per Room City of Farmington			
		#	%
	Total Occupied Units →	15,676	
Owner Occupied Housing Units	1.00 or less	10,663	68.0%
	1.01 to 1.50	283	1.8%
	1.51 or more	37	0.2%
Renter Occupied Housing Units	1.00 or less	4,075	26.0%
	1.01 to 1.50	501	3.2%
	1.51 or more	117	0.7%
Source: American Community Survey 2011 3-Year Averages			

SUMMARY

The population of the City of Farmington increased by an estimated 1 percent between 2007 and 2012, according to 3-year ACS estimates from those years. The number of families was estimated to have grown by 6.1 percent, while the number of households, which

include single persons living alone, grew by an estimated 2.7 percent. ACS estimates from 2010 and 2012, suggest that the City's population declined by 1.2 percent between those years. In 2012, residents under 5 years of age accounted for the greatest proportion of the Farmington population; however, this population is estimated to have declined between 2007 and 2012 by 16 percentage points. Similar declines were observed in the number of residents aged 20 to 29, 40 to 54, 70 to 74, and 80 to 84 years.

Most of the residents of Farmington were white, non-Hispanic, American Indian and Alaskan Native and non-Hispanic, or Hispanic. In fact, over 95 percent of the population belonged to one of these racial or ethnic groups; white, non-Hispanic residents accounted for 51.4 percent of the population, American Indian or Alaskan Native residents who were not Hispanic accounted for 20.9 percent, and Hispanic or Latino residents accounted for 22.8 percent of the population. Each of these populations tended to be concentrated in different areas of the city. White residents were disproportionately concentrated in large tracts in the north of the city, as well as a medium-sized tract in the city center. The American Indian, non-Hispanic population was disproportionately concentrated in three tracts in the southern portion of the city, two of which border on the Navajo Nation to the south. Finally, Hispanic residents were disproportionately concentrated in a large Census tract in the southeastern portion of the city.

Persons with disabilities were disproportionately represented among residents aged 65 and older, according to data from the 2012 3-year estimates.

The median family income in the City of Farmington grew by an estimated 12.1 percent between 2007 and 2012, which was a greater percentage increase than occurred in the cities of Albuquerque, Santa Fe, and Las Cruces. The MFI in 2012 was \$63,261 across the city, though median family incomes differed considerably from one Census tract to another. The MFIs in Tracts 2.01 and 2.02 were \$98,941 and \$105,990, respectively. These tracts were located in the northern portion of the city. By contrast, many of the Census tracts in the southern portion of the city had median family incomes that were well below the citywide median. Hispanic households saw the greatest percentage increases in MFI.

In 2012, single-family units constituted the predominant type of housing unit; detached single-family units accounted for 63.7 percent of all housing units in the City in that year. Mobile homes were the second most common type of housing unit, accounting for 17 percent of all units in 2012. However, Farmington had a higher vacancy rate, at 11.4 percent, than all other state MSA's, with the exception of Santa Fe. The vacancy rate for rental units was considerably higher than the vacancy rate for owner-occupied units, at 14.0 and 2.2 percent, respectively.

Cost-burdening was a problem for 28.6 percent of Farmington homeowners; in 2012 these households were making mortgage payments that accounted for more than 30% of their total income. However, homeowners were actually less cost-burdened in 2012 than they had

been in 2007. The problem was more pervasive still among rental households; 45.3 percent of renters found that rental costs took up more than 30 percent of their income in 2012. This was a higher degree of cost-burdening than renters had experienced in 2007, when 41.7 percent of rental households were cost-burdened. In both years, renters tended to be cost-burdened more frequently than homeowners. Because of lower family median incomes, cost burdens for housing for low-income American Indian and Hispanic populations and female heads of households are greater, making the lack of affordable housing for those groups an impediment. A small proportion of housing units, or 0.8 percent, lacked complete plumbing facilities, and a slightly higher proportion, or 1.2 percent, lacked complete kitchen facilities. Finally, higher percentages of rental units were overcrowded in 2012 compared to owner-occupied units, and around 6 percent of households of both types were overcrowded.

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

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

FAIR HOUSING LAWS

FEDERAL FAIR HOUSING LAWS

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

Fair Housing Act. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and persons securing custody of children under the age of 18), and handicap (disability)...⁷

Title VIII was amended in 1988 (effective March 12, 1989) by the *Fair Housing Amendments Act* . . . In connection with prohibitions on discrimination against individuals with disabilities, the Act contains design and construction accessibility provisions for certain new multi-family dwellings developed for first occupancy on or after March 13, 1991.⁸

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

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

Section 109 of the Housing and Community Development Act of 1974. Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in

⁷ "HUD Fair Housing Laws and Presidential Executive Orders."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws

⁸ "Title VIII: Fair Housing and Equal Opportunity."

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/progdesc/title8

programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

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

Architectural Barriers Act of 1968. The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975. The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Title IX of the Education Amendments Act of 1972. Title IX prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance...⁹

STATE AND LOCAL FAIR HOUSING LAWS

In addition to federal law, citizens of State of New Mexico are also protected by New Mexico Statutes, Article 28. This article, as part of the New Mexico Human Rights Law, extends additional fair housing protections based on physical or mental handicap, serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity¹⁰. City ordinances do not explicitly provide for fair housing protections, except in the case of affordable housing¹¹, and though San Juan County statutes include a fair housing ordinance, this ordinance applies only to unincorporated areas of the county¹².

FAIR HOUSING STUDIES

NATIONAL FAIR HOUSING STUDIES

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

1. Phase 1 – Black and Hispanic Populations

⁹ "HUD Fair Housing Laws and Presidential Executive Orders."

¹⁰ New Mexico Statutes §28-1-7, available at <http://public.nmcompcomm.us/nmpublic/gateway.dll/?f=templates&fn=default.htm>

¹¹ Farmington City Ordinances §22-7-5

¹² San Juan County Ordinance §26-3(A)

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

2. Phase 2 – Asian and Pacific Islander Populations

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

3. Phase 3 – American Indian Population

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

In April 2002, HUD released a national study that assessed public awareness of and support for fair housing law titled *How Much Do We Know?: Public Awareness of the Nation's Fair Housing Laws*. The study found that only 50 percent of the population was able to identify most scenarios describing illegal conduct. In addition, 14 percent of the nationwide survey's adult participants believed that they had experienced some form of housing discrimination

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

in their lifetime. However, only 17 percent of those who had experienced housing discrimination had taken action to resolve the issue, such as filing a fair housing complaint. Finally, two-thirds of all respondents said that they would vote for a fair housing law.¹⁴

As a follow-up, HUD later released a study in February 2006 called *Do We Know More Now?: Trends in Public Knowledge, Support and Use of Fair Housing Law*. One aim of the study was to determine whether a nationwide media campaign had proven effective in increasing the public's awareness of housing discrimination, and another goal was to determine the public's desire to report such discrimination. Unfortunately, the study found that overall public knowledge of fair housing law did not improve between 2000 and 2005. As before, just half of the public knew the law regarding six or more illegal housing activities. The report showed that 17 percent of the study's adult participants experienced discrimination when seeking housing; however, after reviewing descriptions of the perceived discrimination, it was determined that only about 8 percent of the situations might be covered by the Fair Housing Act. Four out of five individuals who felt they had been discriminated against did not file a fair housing complaint, indicating that they felt it "wasn't worth it" or that it "wouldn't have helped." Others did not know where to complain, assumed it would cost too much, were too busy, or feared retaliation. One positive finding of the survey was that public support for fair housing law increased from 66 percent in 2000 to 73 percent in 2005.¹⁵

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

- The number of fair housing complaints filed each year steadily increased since 1998. An increasing proportion of grievances alleged discrimination based on disability and a declining proportion alleged discrimination based on race, although race was still the most cited basis of housing discrimination;
- FHAP agencies conducted more fair housing investigations than Fair Housing and Equal Opportunity (FHEO) agencies over the eight-year period. The total number of investigations completed each year increased slightly after declining in 1997 and 1998; and

¹⁴ U.S. Department of Housing and Urban Development, Office of Policy Development and Research. *How Much Do We Know?: Public Awareness of the Nation's Fair Housing Laws*. April 2002. <http://www.huduser.org/portal/publications/fairhsg/hmwk.html>

¹⁵ U.S. Department of Housing and Urban Development, Office of Policy Development and Research. *Do We Know More Now?: Trends in Public Knowledge, Support and Use of Fair Housing Law*. February 2006. <http://www.huduser.org/portal/publications/hsgfin/FairHsngSurvey.html>

- Over this time period, an increasing percentage of investigations closed without finding reasonable cause to believe discrimination occurred. However, a declining percentage of investigations were resolved by the parties themselves or with help from FHEO or FHAP agencies...¹⁶

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

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

Published in 2009 by the National Fair Housing Alliance, *For Rent: No Kids!: How Internet Housing Advertisements Perpetuate Discrimination* presented research on the prevalence of discriminatory housing advertisements on popular websites such as Craigslist. According to the article, while newspapers are prohibited from publishing discriminatory housing

¹⁶ U.S. General Accounting Office. "Fair Housing: Opportunities to Improve HUD's Oversight and Management of the Enforcement Process." April 2004. <http://gao.gov/products/GAO-04-463>

¹⁷ Carpusor, Adrian and William Loges. "Rental Discrimination and Ethnicity in Names." *Journal of Applied Social Psychology* 36(4).

¹⁸ U.S. Housing Scholars and Research and Advocacy Organizations. *Residential Segregation and Housing Discrimination in the United States*. January 2008. <http://prrac.org/pdf/FinalCERDHOHousingDiscriminationReport.pdf>

advertisements, no such law exists for websites like Craigslist, as they are considered interactive internet providers rather than publishers of content. As such, they are not held to the same legal standards as newspapers. While individual landlords who post discriminatory advertisements may be held responsible, there are no such standards for companies like Craigslist that post the discriminatory advertisements. Newspapers and other publishers of content are required to screen the advertisements they accept for publishing for content that could be seen as discriminatory. This may include phrases like “no children” or “Christian only,” which violate provisions of the Fair Housing Act that state families with children and religious individuals are federally protected groups.¹⁹

In May 2010, the National Fair Housing Alliance published a fair housing trends report, *A Step in the Right Direction*, which indicated that recent years have demonstrated forward movement in furthering fair housing. The report began with a commendation of HUD’s federal enforcement of fair housing law and noted the agency’s willingness to challenge local jurisdictions that failed to affirmatively further fair housing. In response to the recent foreclosure crisis, many credit institutions have implemented tactics to reduce risk. However, this report suggests that policies that tighten credit markets—such as requiring larger cash reserves, higher down payments, and better credit scores—may disproportionately affect lending options for communities of color and women. *A Step in the Right Direction* concludes with examples of ways in which the fair housing situation could be further improved, including addressing discriminatory internet advertisements and adding gender identity, sexual orientation, and source of income as federally protected classes.²⁰

The positive note that the NFHA struck in its 2010 report carried over into the following year’s *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*, published by the Alliance in April of 2011. This report began by noting an encouraging downward trend in the proportion of individuals in large metropolitan areas living in segregation, which had dropped from 69 to 65 percent between 2000 and 2010, according to census data from 2010. The report also highlighted the work of fair housing organizations to combat systemic and institutionalized discrimination produced by exclusionary zoning, NIMBYism, the dual credit market, and other fair housing challenges, often on limited budgets and with limited personnel. The NFHA closed its 2011 report by praising the work of private fair housing organizations while underscoring the need for continued work.²¹

The 2012 report from the NFHA focused on issues of fair housing in the context of the shifting demographic composition of the United States, where the white population is

¹⁹ National Fair Housing Alliance. *For Rent: No Kids!: How Internet Housing Advertisements Perpetuate Discrimination*. August 2009. <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=zgbukJP2rMM%3D&tabid=2510&mid=8347>

²⁰ National Fair Housing Alliance. *A Step in the Right Direction: 2010 Fair Housing Trends Report*. May 2010. <http://www.nationalfairhousing.org/Portals/33/Fair%20Housing%20Trends%20Report%202010.pdf>

²¹ *The Big Picture: How Fair Housing Organizations Challenge Systemic and Institutionalized Discrimination*. National Fair Housing Alliance 2011 Fair Housing Trends Report. 29 April 2011. <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=SbZH3pTEZhs%3d&tabid=3917&mid=5321>

projected to no longer represent a majority of residents within thirty years. The report discussed encouraging signals from HUD and the Justice Department, who have “increased their efforts and announced landmark cases of mortgage lending, zoning, and other issues that get to the heart of the [Fair Housing] Act: promoting diverse and inclusive communities²².” The report also highlights a new arena for discrimination in housing, which has emerged as a result of the massive level of foreclosures in the country in recent years: uneven maintenance of Real Estate Owned (REO) properties in white and minority areas. In concluding, the report hails the creation of the Consumer Financial Protection Bureau as a new ally for fair housing and equal opportunity.²³

The most recent report from the NFHA outlines an ambitious policy goal: expansion of the Fair Housing Act to prohibit discrimination based on source of income, sexual orientation, gender identity, and marital status. The report relates that cases of housing discrimination in general increased between 2011 and 2012, and that complaints based on non-protected statuses (source of income, etc.) were included in that upward trend. In spite of this, only 12 states include protections based on source of income, 21 states prohibit discrimination based on sexual orientation, sixteen states protect against discrimination based on gender identity, and 22 states offer protections based on marital status (the District of Columbia also extends protections on all of these bases). In concluding the report, the NFHA advocates the modernization and expansion of the FHA to bring the protection of individuals based on source of income, sexual orientation, gender identity, and marital status within its compass.

FAIR HOUSING CASES

NATIONAL FAIR HOUSING CASES

As noted in the introduction to this report, provisions to affirmatively further fair housing are long-standing components of HUD’s Housing and Community Development programs. In fact, in 1970, *Shannon v. HUD* challenged the development of a subsidized low-income housing project in an urban renewal area of Philadelphia that was racially and economically integrated. Under the Fair Housing Act, federal funding for housing must further integrate community development as part of furthering fair housing, but the plaintiffs in the Shannon case claimed that the development would create segregation and destroy the existing balance of the neighborhood. As a result of the case, HUD was required to develop a system to consider the racial and socio-economic impacts of their projects.²⁴ The specifics of the system were not decided upon by the court, but HUD was encouraged to consider the racial composition and income distribution of neighborhoods, racial effects of local regulations,

²² <http://www.nationalfairhousing.org/LinkClick.aspx?fileticket=GBv0ZVJp6Gg%3d&tabid=3917&mid=5321>

²³ *Ibid.*

²⁴ U.S. HUD. *39 Steps Toward Fair Housing*. <http://www.hud.gov/offices/ftheo/39steps.pdf>

and practices of local authorities.²⁵ The Shannon case gave entitlement jurisdictions the responsibility of considering the segregation effects of publicly-funded housing projects on their communities as they affirmatively further fair housing.

More recently, in a landmark fraud case, Westchester County, New York, was ordered to pay more than \$50 million to resolve allegations of misusing federal funds for public housing projects and falsely claiming their certification of furthering fair housing. The lawsuit, which was filed in 2007 by an anti-discrimination center, alleged that the County failed to reduce racial segregation of public housing projects in larger cities within the County and to provide affordable housing options in its suburbs. The County had accepted more than \$50 million from HUD between 2000 and 2006 with promises of addressing these problems. In a summary judgment in February 2009, a judge ruled that the County did not properly factor in race as an impediment to fair housing and that the County did not accurately represent its efforts of integration in its AI. In the settlement, Westchester County was forced to pay more than \$30 million to the federal government, with roughly \$20 million eligible to return to the County to aid in public housing projects. The County was also ordered to set aside \$20 million to build public housing units in suburbs and areas with mostly white populations, and to promote legislation "currently before the Board of Legislators to ban 'source-of-income' discrimination in housing (§33(g))."²⁶ In complying with the latter requirement, the County Executive's actions were limited to sending five letters to various fair housing advocates, encouraging them to continue their advocacy, and one letter to the Board of Legislators expressing support for the legislation. This bill failed to pass during the 2009 legislative session, and a similar bill was taken up during the 2010 session. In the meantime, Westchester voters elected Rob Astorino to the position of County Executive. Astorino declined to promote the source-of-income legislation before the Board, and when a weakened version of the bill passed in early 2010, he vetoed it. Finding that Westchester had failed to affirmatively further fair housing in the manner agreed upon in the earlier settlement, HUD rejected the County's AFFH certification and discontinued federal funding. As of April 2013, HUD's decision had been upheld through several rounds of appeals by the County²⁷. The ramifications of this case are expected to affect housing policies of both states and entitlement communities across the nation; activities taken to affirmatively further fair housing will likely be held to higher levels of scrutiny to ensure that federal funds are being spent to promote fair housing and affirmatively further fair housing.

In 2008, \$3 billion of federal disaster aid was allotted to the Texas state government to provide relief from damage caused by hurricanes Ike and Dolly. These storms ravaged homes in coastal communities, many of which were owned by low-income families that could not afford to rebuild. However, instead of directing the federal funds to the areas most affected by the storms, the State spread funds across Texas and let local planning

²⁵ Orfield, Myron. "Racial Integration and Community Revitalization: Applying the Fair Housing Act to the Low Income Housing Tax Credit." *Vanderbilt Law Review*, November 2005.

²⁶ <http://www.hud.gov/content/releases/settlement-westchester.pdf>

²⁷ *United States v Westchester County* 712 F.3d 761 2013 U.S. App.

agencies spend at will. In reaction to this, two fair housing agencies in the state filed a complaint with HUD stating that the plan violated fair housing laws as well as federal aid requirements that specify half of the funds be directed to lower-income persons. In light of the complaint, HUD withheld \$1.7 billion in CDBG funds until the case was resolved. A settlement was reached in June 2010; the State was required to redirect 55 percent of the amount of the original funds to aid poorer families that lost their homes. The State was also asked to rebuild public housing units that were destroyed by the storms and to offer programs that aid minority and low-income residents in relocating to less storm-prone areas or areas with greater economic opportunities.²⁸

In a recent audit of rental properties in the Dallas-Fort Worth area, the North Texas Fair Housing Center (NTFHC) measured the nature and extent of discrimination based on race and familial status in the North Texas region. The NTFHC discussed the findings of this study in a report published in 2011. According to the report, prospective African-American renters in the Dallas-Fort Worth metroplex can “expect to encounter discrimination in 37 percent of their housing searches”, while Hispanic renters will encounter housing discrimination in 33 percent of housing searches, and families with children will face discrimination in 20 percent of housing searches. Although the study relied on limited sample sizes (particularly in testing for discrimination against Hispanic applicants and those with children), the findings suggest that housing discrimination is a live issue in the Dallas-Fort Worth area.²⁹

LOCAL FAIR HOUSING CASES

Recent U.S. Department of Justice Cases

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

- Where there is reason to believe that a person or entity is engaged in what is termed a “pattern or practice” of discrimination or where a denial of rights to a group of people raises an issue of general public importance;
- Where force or threat of force is used to deny or interfere with fair housing rights; and
- Where persons 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.³⁰

²⁸ <http://www.relmanlaw.com/docs/FinalConciliationAgreementTexas.pdf>

²⁹ Rental Audit: Dallas-Fort Worth Metroplex. North Texas Fair Housing Center. April 2011.

http://www.northtexasfairhousing.org/86bfb8ffc7_sites/www.northtexasfairhousing.org/files/2011_NTFHC_Rental_Audit_Report_FINAL.pdf

³⁰ “The Fair Housing Act.” The United States Department of Justice. http://www.justice.gov/crt/about/hce/housing_coverage.php

The Department of Justice website lists three fair housing complaints brought against individuals or businesses in State of New Mexico in the last ten years. All of these cases have involved discrimination against New Mexico residents on the basis of disability, though the cases differ in the alleged discriminatory action, or "issue". In *United States v. Croom*, the primary issue was a landlord's refusal to make reasonable accommodation for a person with a disability, and the termination of his lease in response to the request for accommodation. In *United States v. Guntharp*, the complainant alleged that the prospective landlord made an apartment unavailable to the complainant because of a disability. In *United States v. David Madrid*, an owner and landlord of an apartment complex was alleged to have engaged in a pattern of abuse against tenants with mental disabilities and threatened to evict them if they reported the abuse.

United States v. Croom

In this case, the owner of four single-family homes and a four-plex in Albuquerque refused to allow his tenant to make modifications to the apartment when the latter became ill with multiple sclerosis in 2011 and required the use of a wheelchair. These modifications were to have been undertaken by the tenant at the tenant's own expense. Initially, the owner agreed to allow the tenants to place a wooden ramp at the front and back doors; however, when the tenant's father requested more substantial modifications, the owner responded by refusing to allow the modifications, even though the father had offered to restore the home to its original condition when his son moved out. The following day, the owner sent a Notice of Default and Termination of Tenancy to the tenant. In a letter to the tenant explaining his decision to terminate the lease, the owner maintained that his decision was motivated by the tenants frequent late rent payments; however, in the same letter, the owner wrote "I have tried to be supportive and cooperative, but I have been receiving demands to modify my rental house to comply with your needs. The simple truth is that my rental house no longer meets your needs. I'm sorry. You need to find living quarters that meet your requirements for daily living." The complainant subsequently filed a fair housing complaint with HUD, who referred the matter to the Department of Justice in accordance with the wishes of the tenant and his family.³¹

United States v. Guntharp

In 2006, the mother of a prospective tenant of Rock Creek apartments in Albuquerque called the owners to inquire about the apartment of behalf of her son, who has hearing impairments and mental disabilities. During the phone call, the owners made unlawful inquiries into the nature of the son's disabilities, and indicated that they would prefer not to rent their home to people with certain types of disabilities. The mother interpreted these statements as a refusal to show them an apartment. Later in the same year, the mother and son filed a complaint with HUD, who determined that there was cause to believe that illegal

³¹ *United States v. Croom*, 2012

discrimination had occurred. The mother and son elected to proceed in federal district court, and HUD referred the case to the Department of Justice. Both parties agreed to settle the matter in 2009. As a condition of the settlement the remaining owner of the apartment (the other owner had died by that time) agreed to pay \$3,000 to two local organizations that provide services to persons with disabilities.³²

United States v. David Madrid

In 2004, a fair housing complaint was filed with HUD against the former owner and manager of Trinity Housing Services, a provider of apartment housing for individuals with mental disabilities in Albuquerque³³. The complaint alleged that the owner had engaged in a pattern of abuse and discriminatory behavior toward his tenants, and had threatened to evict those tenants if they reported the abuse, thereby violating § 3617 of the Federal Fair Housing Act, which prohibits acts of interference, coercion, or intimidation designed to prevent persons from enjoying their right to fair housing choice³⁴. The matter was settled the following year, and as a condition of the settlement the manager was required to pay \$67,500 in compensation to the allegedly aggrieved persons (the manager denied any wrongdoing), to pay \$7,500 in civil penalties, and to refrain from personally managing any group home facilities for five years.³⁵

SUMMARY

Though none were specific to the City of Farmington, a general review of laws, studies, cases, and related materials relevant to fair housing in the State of New Mexico demonstrates the complexity of the fair housing landscape. The fair housing laws in the State of New Mexico offer protections beyond the scope of the federal Fair Housing Act by prohibiting discrimination based on serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity. Cases included in this discussion highlight the varied forms that housing discrimination can assume as well as the complexity of fair housing laws and how they are applied. The national cases signal an increasing scrutiny on the part of HUD in recent years with respect to fair housing, and the local cases filed by the Department of Justice since 2004 against businesses and individuals in the state highlight discrimination against individuals with disabilities, and offer an illustration of how such discrimination might manifest itself in real life situations. In one case, the alleged discriminatory behavior was directed toward a resident who became disabled while living in the apartment. In the second case, the alleged discrimination was undertaken to deny housing to a prospective resident with disabilities. In the third case, the alleged discrimination took the form of routine abuse against residents with disabilities, and an

³² *United States v. Guntharp*, 2009.

³³ *United States v. David Madrid*, 2005.

³⁴ 42 U.S.C. §3617

³⁵ *United States v. David Madrid*, 2005.

attempt to coerce them into not revealing the abuse for fear of losing their housing situation.

SECTION IV. REVIEW OF THE EXISTING FAIR HOUSING STRUCTURE

The purpose of this section is to provide a profile of fair housing in the State of New Mexico based on a number of factors, including an enumeration of key agencies and organizations that contribute to affirmatively furthering fair housing, evaluation of the presence and scope of services of existing fair housing organizations, and a review of the complaint process.

FAIR HOUSING AGENCIES

FEDERAL AGENCIES

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) oversees, administers, and enforces the federal Fair Housing Act. HUD's regional office in Fort Worth oversees housing, community development, and fair housing enforcement in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. Contact information for HUD is listed below³⁶:

Address:

Office of Fair Housing and Equal Opportunity
Department of Housing and Urban Development
451 Seventh Street SW, Room 5204
Washington, DC 20410-2000

Telephone: (202) 708-1112

Toll Free: (800) 669-9777

Web Site: <http://www.HUD.gov/offices/fheo/online-complaint.cfm>

The contact information for the regional HUD office in Fort Worth is:

Address:

Fort Worth Regional Office of FHEO
U.S. Department of Housing and Urban Development
801 Cherry Street, Unit #45
Suite 2500
Fort Worth, Texas 76102

Telephone: (817) 978-5900

Toll Free: (800) 669-9777

TTY: (817) 978-5595

Website: <http://www.HUD.gov>

The Office of Fair Housing and Equal Opportunity (FHEO) within HUD's Fort Worth office enforces the Fair Housing Act and other civil rights laws that prohibit discrimination in housing, mortgage lending, and other related transactions in New Mexico. HUD also provides education and outreach, monitors agencies that receive HUD funding for compliance with civil rights laws, and works with state and local agencies under the Fair Housing Assistance Program (FHAP) and Fair Housing Initiative Program (FHIP), as described below.

Fair Housing Assistance Program

The Fair Housing Assistance Program (FHAP) was designed to support local and state agencies that enforce local fair housing laws, provided that these laws are substantially equivalent to the Fair Housing Act. Substantial equivalency certification is a two-phase process: in the first phase, the Assistant Secretary for Fair Housing and Equal Opportunity makes a *prima facie* determination on the substantial equivalency of a state or local law to the federal Fair Housing Act. Once this determination has been made, and the law has been judged to be substantially equivalent, the agency enforcing the law is certified on an interim basis for a period of three years. During those three years, the local enforcement organization "builds its capacity to operate as a fully certified substantially equivalent agency." FHAP grants during this time period are issued to support the process of building capacity. When the interim certification period ends after three years, the Assistant Secretary issues a determination on whether or not the state law is substantially equivalent to the Fair Housing Act "in operation"—this is the second phase of the certification process. If the law is judged to be substantially equivalent in operation, the agency enforcing the law is fully certified as a substantially equivalent agency for five years.

HUD will typically refer most complaints of housing discrimination to a substantially equivalent state or local agency for investigation (such complaints are dual-filed at HUD and the State or local agency), if such an agency exists and has jurisdiction in the area in which the housing discrimination was alleged to have occurred. When federally subsidized housing is involved, however, HUD will typically investigate the complaint.

The benefits of substantially equivalent certification include the availability of funding for local fair housing activities, shifted enforcement power from federal to local authorities, and the potential to make the fair housing complaint process more efficient by vesting enforcement authority in those who are more familiar with the local housing market. In addition, additional funding may be available to support partnerships between local FHAP grantees and private fair housing organizations. There are no FHAP grantees in the State of New Mexico.

Fair Housing Initiative Program

The Fair Housing Initiative Program (FHIP) is designed to support fair housing organizations and other non-profits that provide fair housing services to people who believe they have faced discrimination in the housing market. These organizations provide a range of services including initial intake and complaint processing, referral of complainants to government agencies that enforce fair housing law, preliminary investigations of fair housing complaints, and education and outreach on fair housing law and policy.

FHIP funding is available through three initiatives³⁷: the Fair Housing Organizations Initiative (FHOI), the Private Enforcement Initiative (PEI), and the Education and Outreach Initiative (EOI). These initiatives are discussed in more detail below:

- **The Fair Housing Organizations Initiative (FHOI):** FHOI funds are designed to help non-profit fair housing organizations build capacity to effectively handle fair housing enforcement and outreach activities. A broader goal of FHOI funding is to strengthen the national fair housing movement by encouraging the creation of fair housing organizations.
- **The Private Enforcement Initiative (PEI):** PEI funds are intended to support the fair housing activities of established non-profit organizations—including testing and enforcement—and more generally to offer a “range of assistance to the nationwide network of fair housing groups”.
- **The Education and Outreach Initiative (EOI):** EOI funding is available to qualified fair housing non-profit organizations as well as State and local government agencies. The purpose of the EOI is to promote initiatives that explain fair housing to the general public and housing providers, and provide the latter with information on how to comply with the requirements of the FHA.

Non-profit organizations are eligible to apply for funding under each or all of these initiatives. To receive FHOI funding, such organizations must have at least two years’ experience in complaint intake and investigation, fair housing testing, and meritorious claims in the three years prior to applying for funding. Eligibility for PEI funding is subject to “certain requirements related to the length and quality of previous fair housing enforcement experience.” Organizations applying for the EOI must also have two years’ experience in the relevant fair housing activities; EOI funds are also potentially available to State and local government agencies.

There have been no FHIP grantees in the State of New Mexico since 2008. Prior to that year, three organizations or agencies were granted FHIP funding at different points in time. New Mexico Legal Aid was granted \$220,000 under the Private Enforcement Initiative in 2004.

³⁷ Though there are four initiatives included in the FHIP, no funds are currently available through the Administrative Enforcement Initiative.

This organization, along with the City of Santa Fe, served New Mexicans as a FHIP grantee in that year. There were no FHIP participants in New Mexico in 2005. From 2006 to 2008, fair housing services in the state were provided by the now-defunct Association of Community Organizations for Reform Now, or ACORN, a former FHIP grantee in New Mexico.

STATE AGENCY

New Mexico Human Rights Commission

The New Mexico Human Rights Commission was established in 1969 by an Act of the New Mexico State Legislature. The Commission is empowered by New Mexico Human Rights Law to “hear complaints and issue orders, including cease and desist orders concerning alleged unlawful discriminatory practice” and conduct hearings related to housing discrimination³⁸. Additional powers are vested in the labor relations division of the Department of Workforce Solutions to investigate housing complaints. Those wishing to file a complaint under New Mexico Human Rights Law are encouraged to contact the Human Rights Bureau, which is the office within the Labor Relations Division of the DWS that investigates fair housing complaints. The contact information for the bureau is included below:

Address:

Human Rights Bureau
1596 Pacheco Street
Suite 103
Santa Fe, NM 87505

Telephone: (505) 827-6838

Toll free: 1 (800) 566-9471 (Toll free within the State of New Mexico)

Email: patricia.wolf@state.nm.us (Patricia Wolf is the Investigation and Compliance Supervisor for the Human Rights Bureau).

LOCAL AGENCY

City of Farmington Community Relations Commission

The City of Farmington Community Relations Commission also accepts complaints from individuals who feel that they have been subjected to unlawful discrimination in the housing market. The complaint forms are available for download and printing from the City of Farmington website. Completed complaint forms may be sent to the following address, and complaints will be referred to the appropriate investigation and enforcement agency:

Address:

³⁸ NMSA 28-1-4 (A).

Community Relations Commission
P.O. Box 192
Farmington, NM 87499

Message Center Telephone: (505)599-8442

Website: <http://www.fmtn.org/index.aspx?nid=359>

COMPLAINT PROCESS REVIEW

COMPLAINT PROCESSES FOR FAIR HOUSING AGENCIES

U.S. Department of Housing and Urban Development

The intake stage is the first step in the complaint process. When a complaint is submitted, intake specialists review the information and contact the complainant (the party alleging housing discrimination) in order to gather additional details and determine if the case qualifies as possible housing discrimination. If the discriminatory act alleged in the complaint occurred within the jurisdiction of a substantially equivalent state or local agency under the FHAP, the complaint is referred to that agency, which then has 30 days to address the complaint. If that agency fails to address the complaint within that time period, HUD can take the complaint back.

If HUD determines that it has jurisdiction and accepts the complaint for investigation, it will draft a formal complaint and send it to the complainant to be signed. Once HUD receives the signed complaint, it will notify the respondent (the party alleged to have discriminated against the complainant) within ten days that a complaint has been filed against him or her. HUD also sends a copy of the formal complaint to the respondent at this stage. Within ten days of receiving the formal complaint, the respondent must respond to the complaint.

Next, the circumstances of the complaint are investigated through interviews and examination of relevant documents. During this time, the investigator attempts to have the parties rectify the complaint through conciliation. The case is closed if conciliation of the two parties is achieved or if the investigator determines that there was no reasonable cause of discrimination. If conciliation fails, and reasonable cause is found, then either a federal judge or a HUD Administrative Law Judge hears the case and determines damages, if any.³⁹ In the event that the federal court judge finds the discrimination alleged in a complaint to have actually occurred, the respondent may be ordered to:

- Compensate for actual damages, including humiliation, pain, and suffering;

³⁹ "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/ftheo/complaint-process.cfm>

- Provide injunctive or other equitable relief to make the housing available;
- Pay the federal government a civil penalty to vindicate the public interest, with a maximum penalty of \$10,000 for a first violation and \$50,000 for an additional violation within seven years; and/or
- Pay reasonable attorneys' fees and costs.⁴⁰

If neither party elects to go to federal court, a HUD Administrative Law Judge will hear the case. Once the judge has decided the case, he or she issues an initial decision. If the judge finds that housing discrimination has occurred, he or she may award a civil penalty of up to \$11,000 to the complainant, along with actual damages, court costs, and attorney's fees. When the initial decision is rendered, any party that is adversely affected by that decision can petition the Secretary of HUD for review within 15 days. The Secretary has 30 days following the issuance of the initial decision to affirm, modify, or set aside the decision, or call for further review of the case. If the Secretary does not take any further action on the complaint within 30 days of the initial decision, the decision will be considered final. After that, any aggrieved party must appeal to take up their grievance in the appropriate court of appeals.⁴¹

New Mexico Human Rights Bureau Complaint Process

New Mexico residents who feel that they have been subject to discrimination in housing choice may file a written complaint with the human rights division of the labor department within three hundred days of the alleged discriminatory act. Upon receipt of the complaint, the director will advise the party against whom the complaint has been lodged, and investigate the matter to determine whether or not the complaint has probable cause. If the director determines that there is no cause, the complaint will be dismissed and both parties notified.

If the director finds that the complaint has cause, he or she will inform the complainant and respondent and attempt to broker a process of "persuasion and conciliation" between the two. If this process fails, or if the director has reason to believe that an informal conciliation process will not lead to resolution of the complaint, the commission will issue a complaint against the respondent (unless the complaint has requested a waiver of right to hearing). This complaint will articulate the "alleged discriminatory practice, the secretary's regulation or section of the Human Rights Act alleged to have been violated, and the relief requested"⁴². Following the issuance of this complaint, the respondent will be required to address the allegations in a hearing between ten and fifteen days after service of the complaint.

⁴⁰ "Fair Housing—It's Your Right." <http://www.hud.gov/offices/ftheo/FHLaws/yourrights.cfm>

⁴¹ "HUD's Title VIII Fair Housing Complaint Process." <http://www.hud.gov/offices/ftheo/complaint-process.cfm>

⁴² New Mexico Statutes §28-1-10(F)

At the hearing the complainant and respondent will present their cases, and each party will have the right to amend his or her complaint or answer. Three members of the Human Rights Commission will constitute a panel that presides over the hearing. If the respondent is not found to have committed any discriminatory acts during the course of the hearing, the commission will present these findings and serve both parties with an order dismissing the complaint. If the commission finds that the respondent has discriminated against the complainant, the commission may order the respondent to compensate the complainant for actual damages and reasonable attorneys' fees, and may require the respondent to take "such affirmative action as the commission considers necessary"⁴³. Either party has the right to appeal the decision of the commission.⁴⁴

City of Farmington Community Relations Commission

The process by which complaints are processed by the Commission is an informal one; complaints submitted to the City of Farmington Community Relations Commission are typically forwarded by the Commission to an appropriate fair housing enforcement agency.

SUMMARY

The City of Farmington is served by the New Mexico Human Rights Bureau, an office within the Department of Workforce Solutions. This agency is empowered by New Mexico statutes to investigate and enforce fair housing law, though it has not been recognized as a substantially equivalent agency under HUD. HUD also accepts fair housing complaints on behalf of New Mexico residents, though because the list of protected classes is more comprehensive at the state level than at the national level, residents who believe they have faced discrimination on the basis of a serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity must lodge their complaints at the state level. There are no agencies or organizations that serve City of Farmington residents as Fair Housing Initiative Program (FHIP) participants, though the City of Farmington Community Relations Commission does accept complaints from Farmington residents who feel that they have experienced unlawful discrimination in the housing market, employment, and civil rights.

⁴³ New Mexico Statutes §28-1-11(E)

⁴⁴ New Mexico Statutes §28-1

SECTION V. FAIR HOUSING IN THE PRIVATE SECTOR

As part of the AI process, the U.S. Department of Housing and Urban Development (HUD) suggests that the analysis focus on possible housing discrimination issues in both the private and public sectors. Examination of housing factors in Farmington's public sector is presented in **Section VI**, while this section focuses on research regarding the city's private sector, including the mortgage lending market, the real estate market, the rental market, and other private sector housing industries.

LENDING ANALYSIS

HOME MORTGAGE DISCLOSURE ACT

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

- The 1968 *Fair Housing Act* prohibits discrimination in housing based on race, color, religion, and national origin. Later amendments added sex, familial status, and disability. Under the Fair Housing Act, it is illegal to discriminate against any of the protected classes in the following types of residential real estate transactions: making loans to buy, build, or repair a dwelling; selling, brokering, or appraising residential real estate; and selling or renting a dwelling.
- The *Equal Credit Opportunity Act* was passed in 1974 and prohibits discrimination in lending based on race, color, religion, national origin, sex, marital status, age, receipt of public assistance, and the exercise of any right under the Consumer Credit Protection Act.
- Under the *Home Mortgage Disclosure Act (HMDA)*, enacted in 1975 and later amended, financial institutions are required to publicly disclose the race, sex, ethnicity, and household income of mortgage applicants by the Census tract in which the loan is proposed as well as outcome of the loan application.⁴⁵ The analysis presented herein is from the HMDA data system.

⁴⁵ *Closing the Gap: A Guide to Equal Opportunity Lending*, The Federal Reserve Bank of Boston, April 1993. <http://www.bos.frb.org/commdev/closing-the-gap/closingt.pdf>

The HMDA requires both depository and non-depository lenders to collect and publicly disclose information about housing-related applications and loans.⁴⁶ Both types of lending institutions must meet the following set of reporting criteria:

1. The institution must be a bank, credit union, or savings association;
2. The total assets must exceed the coverage threshold;⁴⁷
3. The institution must have had an office in a Metropolitan Statistical Area (MSA);
4. The institution must have originated at least one home purchase loan or refinancing of a home purchase loan secured by a first lien on a one- to four-family dwelling;
5. The institution must be federally insured or regulated; and
6. The mortgage loan must have been insured, guaranteed, or supplemented by a federal agency or intended for sale to the Federal National Mortgage Association (FNMA or Fannie Mae) or the Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac). These agencies purchase mortgages from lenders and repackage them as securities for investors, making more funds available for lenders to make new loans.

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

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

HMDA data represent most mortgage lending activity and are thus the most comprehensive collection of information available regarding home purchase originations, home remodel loan originations, and refinancing. The Federal Financial Institutions Examination Council (FFIEC) makes HMDA data available on its website. While HMDA data are available for more years than are presented in the following pages, modifications were made in 2004 for documenting loan applicants' race and ethnicity, so data are most easily compared after that point.

⁴⁶ Data are considered "raw" because they contain entry errors and incomplete loan applications. Starting in 2004, the HMDA data made significant changes in reporting, particularly regarding ethnicity data, loan interest rates, and the multi-family loan applications.

⁴⁷ Each December, the Federal Reserve announces the threshold for the following year. The asset threshold may change from year to year based on changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers.

The Home Mortgage Disclosure Act (HMDA) provided data on lending practices in the Farmington MSA or San Juan County. Some of the data available is by U.S. Census Tract and this allows City of Farmington information to be presented in some cases. The 2012 HMDA data was released on May 17, 2013.

Chart V.1 on the following page shows the number of applications for conventional home loans and the percent of loans denied from 2004 to 2012. Applications peaked in 2005 and declined by 82.1 percent through 2010. Denial rates fell steadily from 27 percent to 19 percent between 2004 and 2007, though the denial rate shot briefly back up to 25 percent in 2008. From 2010 to 2012 there was a 119 percent increase in the number of applications. The denial rate more than doubled over the same time period.

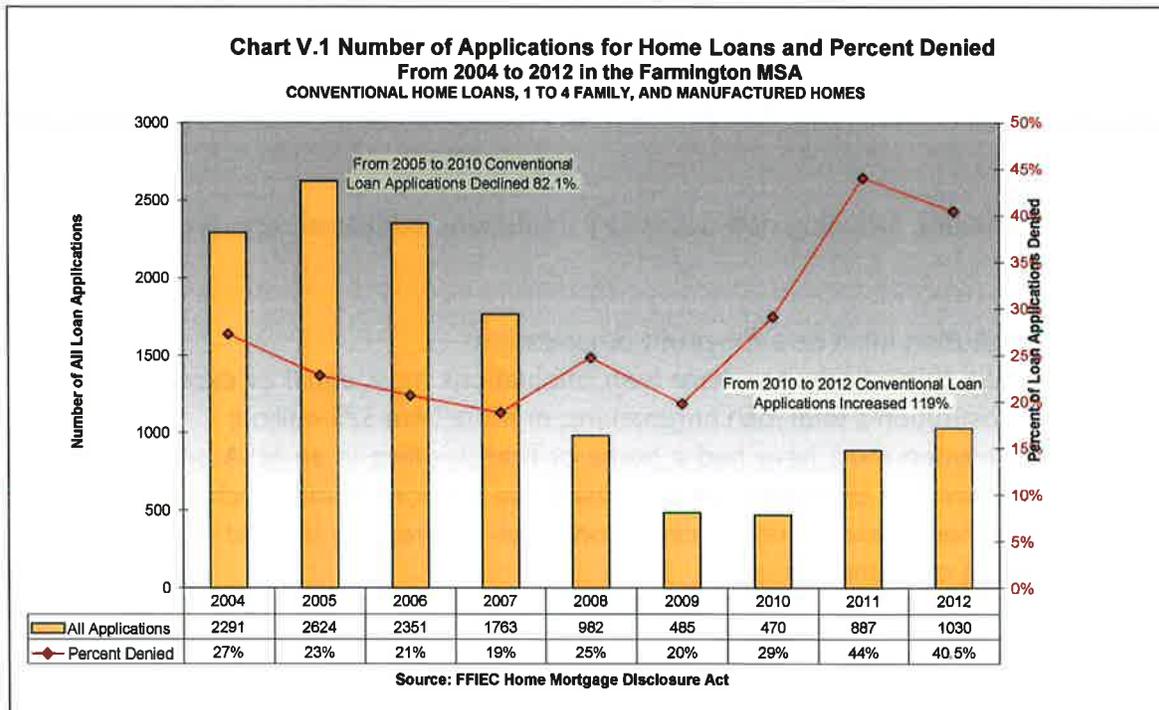
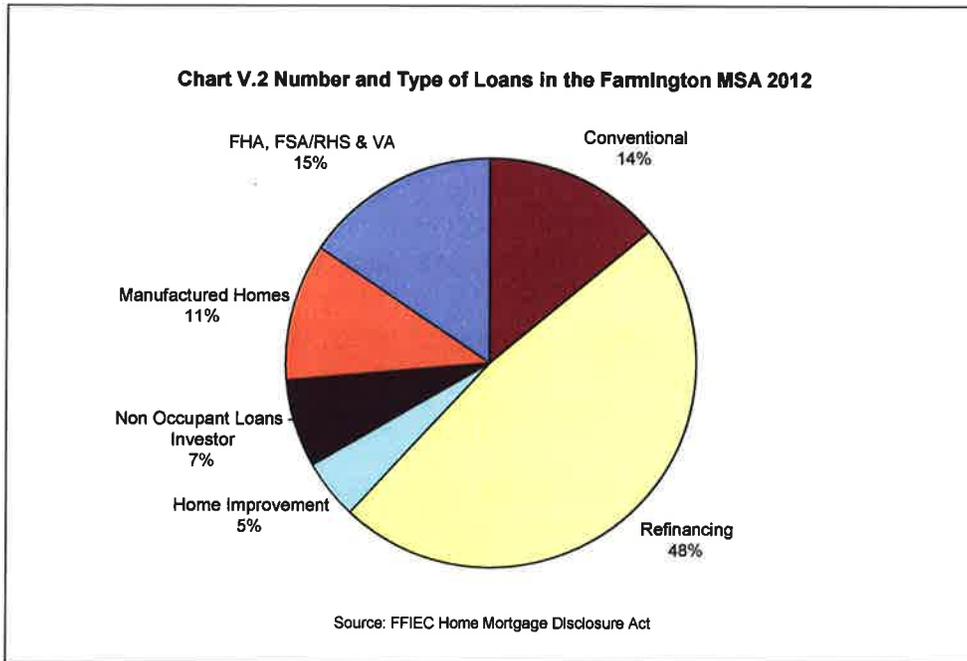


Chart V.2 below shows the number and type of loans in the Farmington MSA or San Juan County during 2012. Refinancing was the most common type of loan, at 48 percent. However, conventional loans and loans on manufactured homes will be the focus of this analysis. Together, these loans accounted for 25 percent of all loans reported under the HMDA in 2012.



Denial Rates

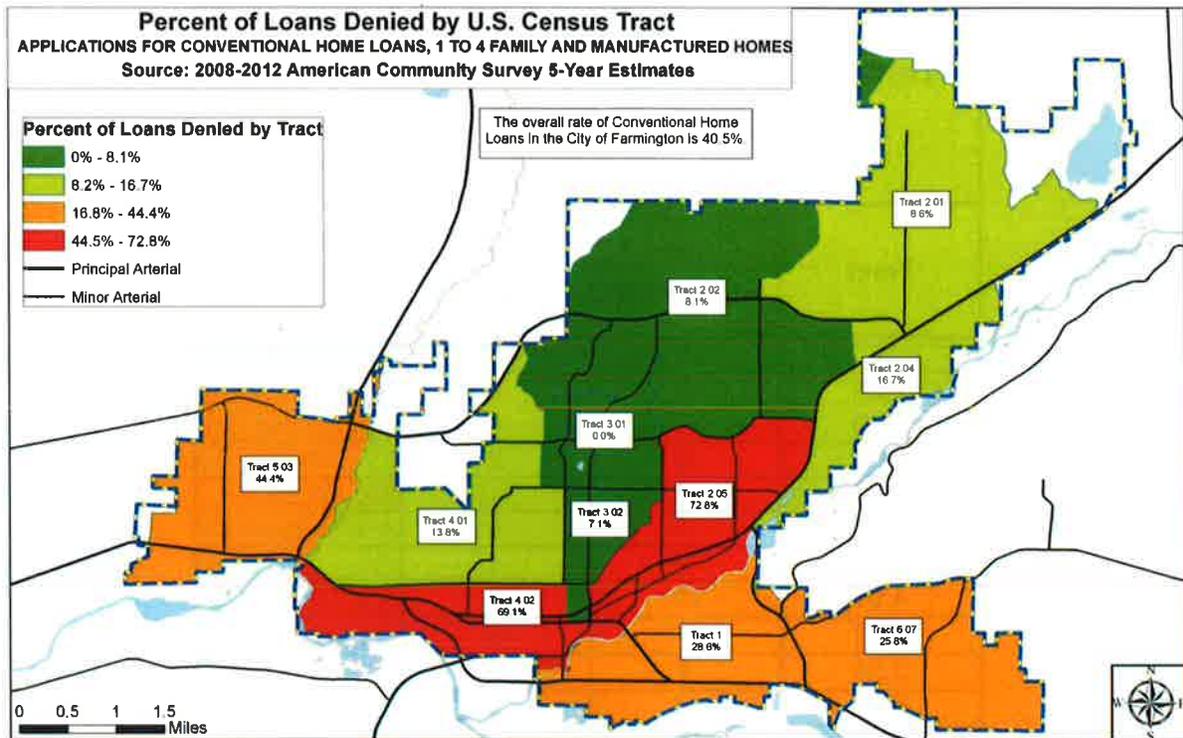
After the owner-occupied home purchase loan application is submitted, the applicant receives one of the following status designations:

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

Table V.1 below shows the percent and number of conventional loans and loans for manufactured housing denied by U.S. Census Tract in 2012. The overall loan denial rate in 2012 was 40.5 percent, making the disproportionate share threshold 50.5 percent. Loan denial rates in tracts 2.05 and 4.02 were disproportionately high: 72.8 percent of loan applications for homes in tract 2.05 were denied, along with 69.1 percent of applications in tract 4.02.

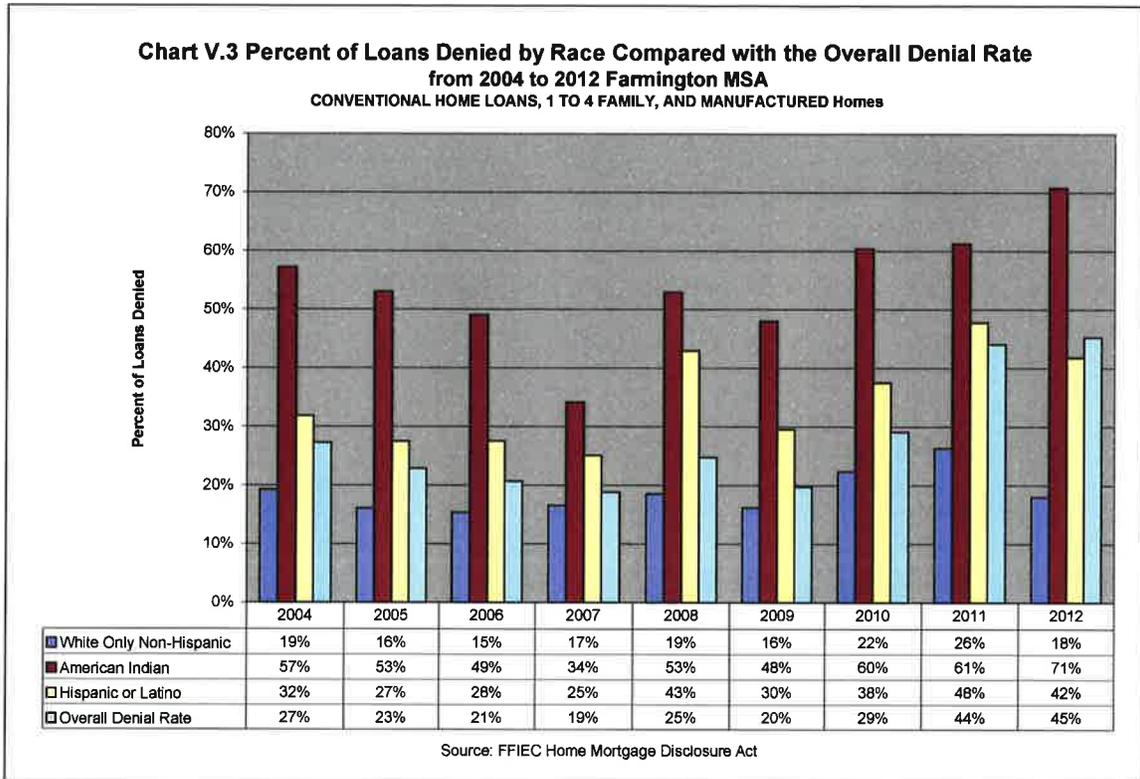
Table V.1 Percent and Number of Loans Denied by U.S. Census Tract - 2012 Data City of Farmington CONVENTIONAL HOME LOANS, 1 TO 4 FAMILY, AND MANUFACTURED HOMES			
Tract	All Applications	Loans Denied	% of Loans Denied by Census Tract
1	21	6	28.6%
2.01	70	6	8.6%
2.02	62	5	8.1%
2.04	12	2	16.7%
2.05	151	110	72.8%
3.01	19	0	0.0%
3.02	14	1	7.1%
4.01	29	4	13.8%
4.02	81	56	69.1%
5.03	9	4	44.4%
6.07	31	8	25.8%
All City Tracts	499	202	40.5%
Source: FFIEC Home Mortgage Disclosure Act			
Less Than the All Tracts Rate			
Higher Than the All Tracts Rate			
Disproportionate (+10%)			

Loan denials were observed to be the most prevalent in tracts in the southern portion of the city, while denial rates were generally below average in tracts in the north of the city, as shown in Map V.1 below.



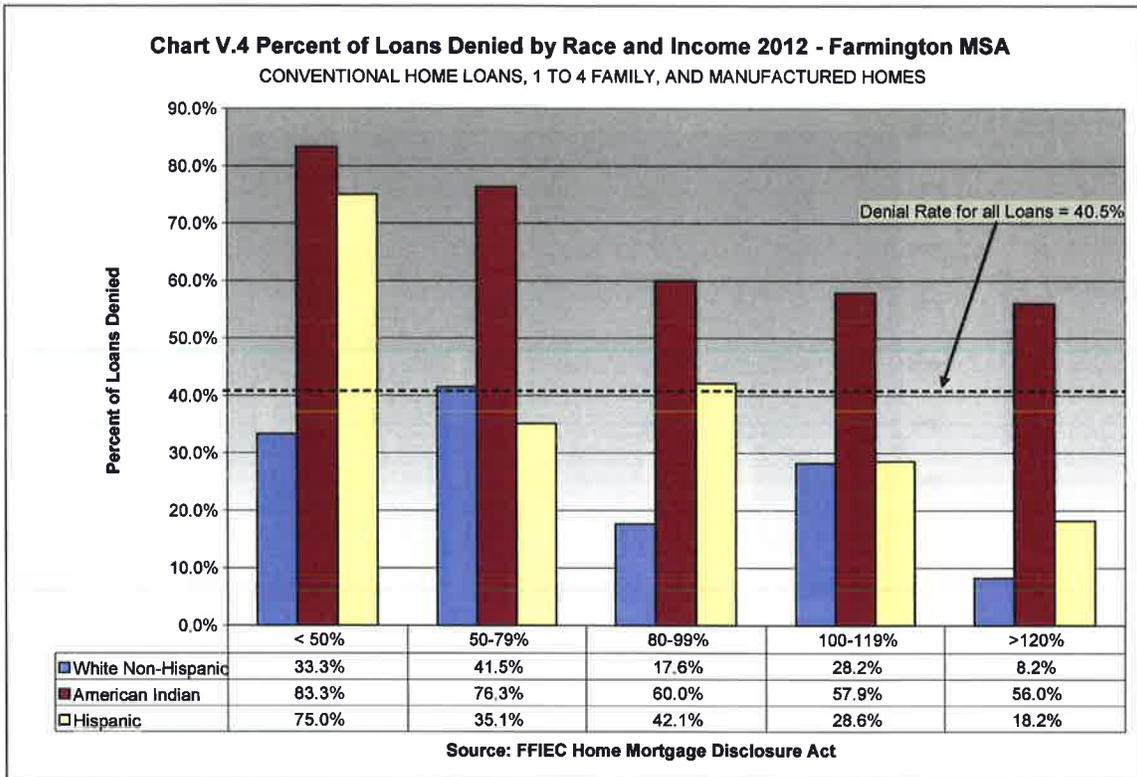
Map V.1

Chart V.3 on the following page shows the percent of loans denied by race compared with the overall denial rate from 2004 to 2012. American Indian residents had the highest rates of loan denials in every year shown on the chart during that time. Between 2004 to 2011, the Hispanic group also consistently exceeded the overall loan denial rate every year. In 2012, however, the group had a loan denial rate that was below the overall loan denial rate. More frequent denials of home loans to American Indian and Hispanic populations is identified as an impediment.



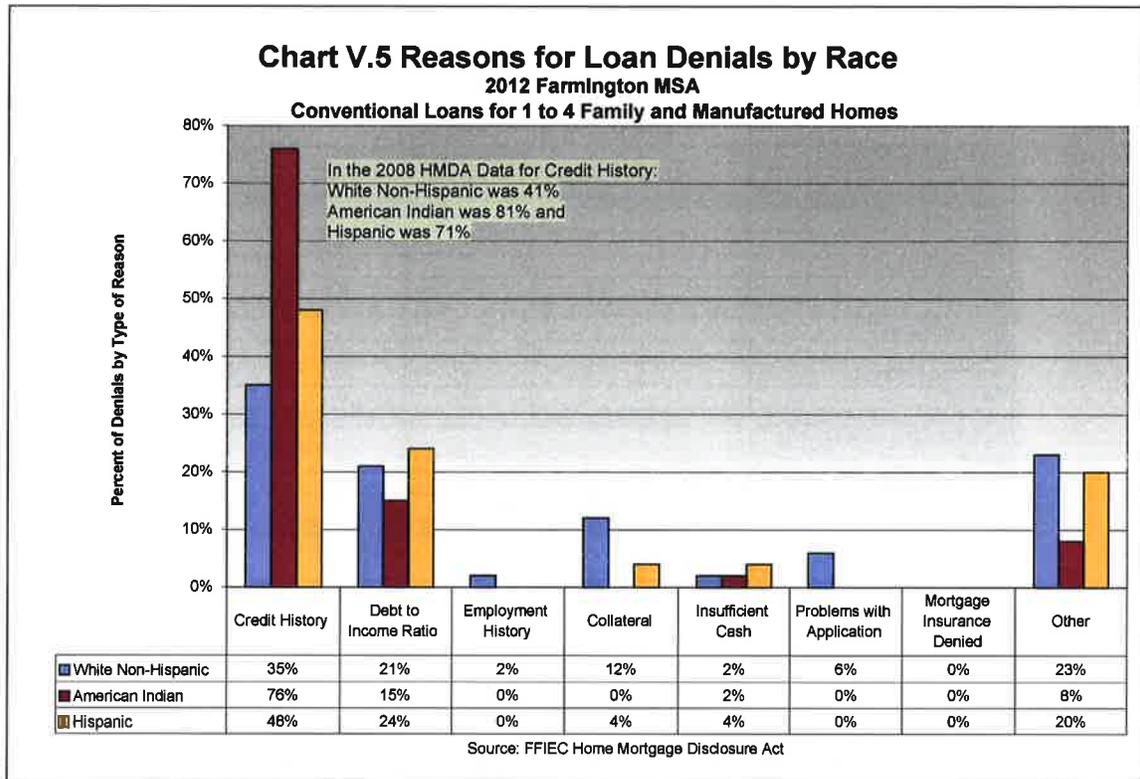
Percent of Loans Denied by Race and Income

Chart V.4 on the following page compares the loan approval rates by income and race in 2012. The three vertical bars in each column show the approval rates of the three most common race groups. The dashed line shows the overall loan denial rate of 40.5%. At all income levels the denial rate for American Indian applicants was more than 10 percentage points higher than the overall loan denial rate.



Reasons for Loan Denial by Race

Chart V.5 on the following page shows the reasons for home loan denials by race. Credit History is the obvious standout on this table for all races. However, Credit History is an even larger factor for Native Americans, representing 76% of all denials.



Predatory Style Lending

High Annual Percentage Rate Loans (HALs) are defined by the Home Mortgage Disclosure Act as a loan with an interest rate that is three percentage points higher than comparable treasury for prime rates for home purchase loans, or five percentage points higher for refinance loans. The percentage of HALs relative to the total number of loans can indicate or define predatory mortgage lending in the local lending market.

The Home Mortgage Disclosure Act (HMDA) provides data on HALs. Table V.2 on the following page shows the types of loans by race and the percentage points higher than the average prime rate. The loan types and race groups are in the left column. The number of loans by percentage points higher than the average prime rate is in the center columns. The percentage of HALs is shown in the right column. In the 2012 HMDA data, there were no instances of HALs in any racial group or home loan type.

Table V.2 High Annual Percentage Rate Loans (HALs)					
Farmington MSA					
Loan Percentage Points Above Average Prime Rate by Loan Type and Race					
Loan Type and Race	Percentage Rate Above Average Prime				Percent of HALs by Loan Type and Race
	<1.5	1.5-2.99	Home HALs 3.0-4.99	5.0+	
FHA Home Loans					
White	143	6	0	0	0%
American Indian	29		0	0	0%
Hispanic	23	2	0	0	0%
VA Home Loans					
White	35	0	0	0	0%
American Indian	11	0	0	0	0%
Hispanic	4	0	0	0	0%
Conventional Home Loans					
White	164	2	0	0	0%
American Indian	4	0	0	0	0%
Hispanic	19	0	0	0	0%
FHA Refinancing					
White	160	4	3	0	0%
American Indian	13	0	1	0	0%
Hispanic	25	2	0	0	0%
VA Refinancing					
White	79	0	0	0	0%
American Indian	6	0	0	0	0%
Hispanic	9	0	0	0	0%
Conventional Refinancing					
White	522	3	0	0	0%
American Indian	15	1	0	0	0%
Hispanic	56	3	0	0	0%
Conventional Home Improvement Loans					
White	25	1	0	0	0%
American Indian	0	0	0	0	0%
Hispanic	26	1	0	0	0%
Source: FFIEC Home Mortgage Disclosure Act - Home-Purchase Loans, First Lien, 1- To 4-Family Owner-Occupied					

The US Department of Housing and Urban Development provides the following information on predatory lending on its webpage⁴⁸:

Predatory lending strips borrowers of home equity and threatens families with foreclosure. Often borrowers are deceived into accepting unfair loan terms, usually through aggressive sales tactics. Often they are taken advantage of because of their lack of understanding of terms and involvement in complicated transactions. Even more informed consumers are occasionally fooled. Anecdotal information suggests predatory lending is concentrated in poor and minority communities, where better loans are not readily available. Signals of predatory lending practices include, but are not limited to:

- Aggressive and deceptive marketing
- Making loans without ample consideration to the borrower's ability to pay
- Financing excessive fees into loans

⁴⁸ http://lobby.la.psu.edu/_107th/105_Predatory_Lending/Agency_Activities/HUD/HUD_PredatoryLending.htm

- *Charging higher interest rates than a borrower's credit allows*
- *Home improvement scams*

What Tactics Do Predatory Lenders Use?

- *A lender or investor tells you that they are your only chance of getting a loan or owning a home. You should be able to take your time to shop around and compare prices and houses.*
- *The house you are buying costs a lot more than other homes in the neighborhood, but isn't any bigger or better.*
- *You are asked to sign a sales contract or loan documents that are blank or that contain information which is not true.*
- *You are told that the Federal Housing Administration insurance protects you against property defects or loan fraud - it does not.*
- *The cost or loan terms at closing are not what you agreed to.*
- *You are told that refinancing can solve your credit or money problems.*
- *You are told that you can only get a good deal on a home improvement if you finance it with a particular lender.*

According to an article published by New Mexico State University, November 2012, entitled Small-Dollar Predatory Lending and Bad Loans, the highest concentrations of predatory lending stores tend to be in smaller cities and cities with high minority populations and/or high poverty rates, such as Gallup, Grants, and Farmington, which collectively represented six times the HAL rate of the rest of New Mexico in 2000.

Using the same methodology as in the study cited above, on January 16, 2014, an online search of Small-Dollar Predatory Lending businesses found that there are 41 locations in the City of Farmington. This gives a current rate of 1,117 people in the City of Farmington per lender. This shows that since 2000, there has been an increase in the ratio of lenders to population.

FAIR HOUSING COMPLAINTS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Table V.3 below shows all discrimination complaints filed with HUD from April 17, 2009 through January 11, 2014. During that time, there have been only three complaints filed, and all three complaints were closed with no cause or without resolution. The bases for these complaints were national origin, retaliation, and race.

HUD Filing Date	Basis	Issues	Closure Reason	City
04/13/12	National Origin	Discriminatory terms, conditions, privileges, or services and facilities.	Withdrawal Without Resolution	Farmington
04/26/12	Retaliation	Discriminatory acts under Section 818 (coercion, Etc.).	No Cause	Farmington
07/15/13	Race	Discriminatory refusal to rent - Discriminatory terms, conditions, privileges, or services and facilities - Discriminatory acts under Section 818 (coercion, Etc.).	Unable to Locate Complainant	Farmington

Source: U.S. Department of Housing and Urban Development

CITY OF FARMINGTON COMMUNITY RELATIONS COMMISSION

The City of Farmington Community Relations Commission accepts complaints from city residents who believe that they have been subject to discrimination in housing, employment, and other contexts. According to a letter from Assistant City Manager Bob Campbell dated March 17, 2014, the Commission received 26 complaints from 2010 through 2013. None of the complaints received during these four years related to housing discrimination. The letter is included in Appendix A.

PUBLIC PERCEPTIONS OF FAIR HOUSING LAW SURVEY – PRIVATE SECTOR

The goal of the Public Perceptions of Fair Housing Law Survey is to assess the level of knowledge of and support for fair housing law among the public, to understand their experiences with housing and discrimination, and to identify barriers to fair housing in the community. A more detailed description of the Survey, including a discussion of the survey methodology, public outreach efforts, and data analysis, is included in **Section VII**. However, a discussion of the survey results pertaining to barriers to fair housing choice in the private sector is presented below.

FAIR HOUSING IN THE PRIVATE SECTOR

Responses to the first question concerning private sector barriers to fair housing are presented in Table V.4 on the following page. Of the four specific barriers mentioned in the question, survey respondents took poor credit histories of minority borrowers to represent the most substantial barrier to fair housing, with 97 respondents, or 53 percent, describing it as a serious barrier. "Income levels of minority and female-headed households" was also described as a serious barrier by 79 survey respondents, nearly 43 percent of respondents to that question. Concentration of affordable housing in certain areas was also a concern, with 68 respondents, more than one in three who responded to that question, describing it as a serious barrier. By contrast, relatively few respondents felt that lack of representation of real estate professionals by persons of differing races, ethnicities, disabilities, and gender amounted to a serious barrier to fair housing in the city.

Table V.4 Public Perceptions of Fair Housing Law Survey "To what degree, if at all, do you think the following Issues are a Barrier to Fair Housing in Farmington?"					
Answer Options	Not a Barrier	Minor Barrier	Modest Barrier	Serious Barrier	Response Count
Lack of representation of real estate professionals by persons of differing races, ethnicities, disabilities, and gender.	69	55	42	18	184
Poor credit histories of minority borrowers.	11	22	53	97	183
Concentrations of affordable housing in certain areas.	19	28	66	68	181
Income levels of minority and female headed households.	15	25	66	79	184
				<i>answered question</i>	190
				<i>skipped question</i>	24

Additional barriers to fair housing choice in the private sector are presented in Table V.5 on the following page. The factors that were perceived to represent the most significant barriers to fair housing concerned the lack of knowledge regarding fair housing policy among small landlords and residents and the limited capacity of a local organization devoted to fair housing investigation and testing. In all three cases, more than a quarter of respondents felt that these factors represented serious barriers to fair housing in the City of Farmington. Lack of knowledge among residents was considered to be the most serious barrier; one-third of respondents identified this factor as a serious barrier, and relatively few felt that it was not a barrier.

Answer Options	Not a Barrier	Minor Barrier	Modest Barrier	Serious Barrier	Response Count
Lack of knowledge among appraisers regarding fair housing.	38	55	58	22	173
Lack of knowledge among insurance industry representatives regarding fair housing.	41	54	53	21	169
Lack of knowledge among bankers/lenders regarding fair housing.	37	55	50	29	171
Lack of knowledge among real estate agents regarding fair housing.	38	57	49	26	170
Lack of knowledge among small landlords regarding fair housing.	17	47	62	51	177
Lack of knowledge among large landlords/property managers regarding fair housing.	25	49	69	34	177
Lack of knowledge among residents regarding fair housing.	15	37	64	61	177
Limited capacity of a local organization devoted to fair housing investigation/testing.	22	45	56	51	173
				<i>answered question</i>	180
				<i>skipped question</i>	34

Table V.6 on the following page details responses to the final set of factors presented to participants in the survey. In this set of potential barriers, the two most commonly perceived to represent serious barriers to fair housing in the City of Farmington concerned restrictions on residents of mobile home parks. More than 32 percent of respondents felt that requirements that prohibited children from playing outside in mobile home parks, as well as the threat of eviction for failing to pay additional fees and rents in those parks, represent serious barriers to fair housing in the city. It should be noted, however, that all of the factors presented in this question were relatively salient to survey respondents as barriers to fair housing choice, and all of them were perceived to represent serious barriers by at least one-fifth of respondents.

Table V.6					
Public Perceptions of Fair Housing Law Survey					
"To what degree, if at all, do you think the following issues are a Potential Barrier to Fair Housing in Farmington?"					
Answer Options	Not a Barrier	Minor Barrier	Modest Barrier	Serious Barrier	Response Count
Housing provider falsely denying that housing is available.	29	52	40	45	166
Housing providers placing certain tenants in the least desirable units in a development.	31	50	42	45	166
Housing provider refusing to make reasonable accommodations for tenants with disabilities.	24	45	51	46	166
Housing providers using discriminatory advertising.	44	45	40	35	164
Owners of mobile home parks prohibiting children from playing outside.	34	41	39	54	167
Owners of mobile home parks threatening evictions unless tenants pay additional fees and rents.	29	44	39	54	165
Real estate agents directing clients to rental or sale of housing only in certain neighborhoods.	37	36	55	36	164
Insurance agency discrimination in decision to insure certain parties.	39	45	39	40	163
Sellers of homes refusing to show their home to certain buyers.	42	51	41	40	170
				<i>answered question</i>	172
				<i>skipped question</i>	42

SUMMARY

Review of the private sector in the fair housing context involved analysis of data collected under the Home Mortgage Disclosure Act (HMDA), complaints lodged with HUD, and survey responses to questions pertaining to factors in the private sector that impact housing choice. Analysis of home loan denial rates revealed that racial and ethnic minority residents were subjected to higher rates of loan denials than white, non-Hispanic residents, even after correcting for income in the year 2012. Geographically, loan denials tended to be concentrated in Census tracts containing high percentages of American Indian and Hispanic residents. There were only three complaints lodged with HUD between April 17, 2009 and January 11, 2014; these complaints alleged discrimination on the basis of national origin and race, as well as an instance of alleged retaliation. None of these complaints were found to have cause. Among survey respondents, the most salient potential barriers to fair housing choice included poor credit histories and income levels of minority residents, lack of knowledge among landlords and residents concerning fair housing policy, lack of capacity

for fair housing organizations dedicated to fair housing, and various burdens and restrictions placed on residents of mobile home parks.

SECTION VI. FAIR HOUSING IN THE PUBLIC SECTOR

While the previous section presented a review of the status of fair housing in the private sector, this section will focus specifically on fair housing in the public sector. The U.S. Department of Housing and Urban Development (HUD) recommends that the AI investigate a number of housing factors within the public sector, including the placement of public housing as well as access to government services.

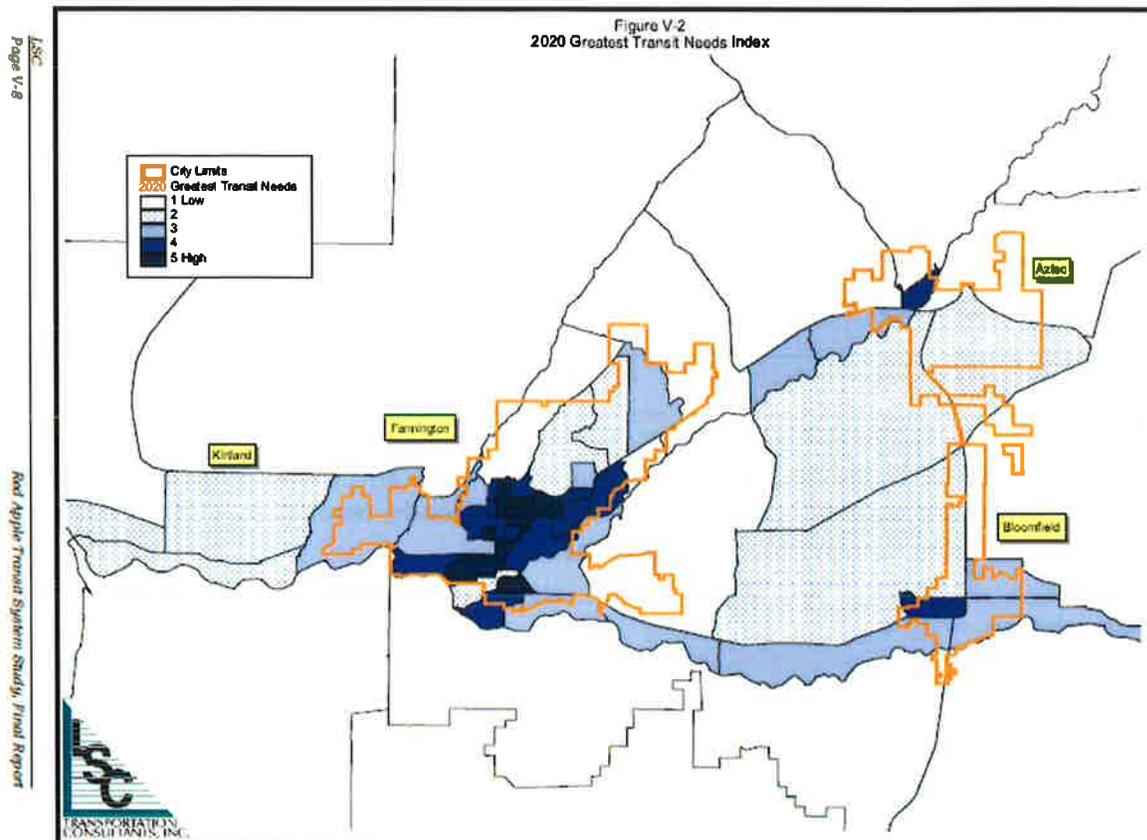
PUBLIC SERVICES

Community features, including public services and facilities, and the location of public and assisted housing are essential parts of good neighborhoods, leading to a more desirable community and more demand for housing in these areas.

Transportation

The City of Farmington provides transit services through the Red Apple Transit, a relatively small scale bus system that primarily serves the City of Farmington, but has links to Aztec, Bloomfield and parts of San Juan County. The Metropolitan Planning Organization (MPO) adopted the 2010-2035 Metropolitan Transportation Plan on April 15, 2010 and amended the plan in April 2011. Chapter 5.4 of this plan looks at the Greatest Transit Needs of the community. This section prioritizes Census Block Group areas based upon, zero-vehicle households, elderly population, disabled population, and below-poverty population. Using these categories, a transit need index was developed by the LSC Transportation Consultants Inc. to determine the greatest transit need areas. Map VI.1 was presented in the plan and shows Farmington, Aztec, and Bloomfield and the areas with a high transportation need, and as shown, areas with the highest need for enhanced transit services were located near the center of town.

This type of methodology to determine transportation needs focuses on the special needs populations that the CDBG program is charged to address. Any future route changes or Red Apple expansions that follow this planning methodology is consistent with the City's Certification to Affirmatively Further Fair Housing.



Map VI.1

POLICIES AND CODES

City Ordinances

The Fair Housing Act prohibits a broad range of practices that discriminate against individuals on the basis of race, color, religion, sex, national origin, familial status, and disability. The Act does not pre-empt local zoning laws. However, the Act applies to municipalities and other local government entities and prohibits them from making zoning or land use decisions or implementing land use policies that exclude or otherwise discriminate against protected persons, including individuals with disabilities.

The Fair Housing Act makes it unlawful:

- To utilize land use policies or actions that treat groups of persons with disabilities less favorably than groups of non-disabled persons. An example would be an ordinance prohibiting housing for persons with disabilities or a specific type of disability, such as mental illness, from locating in a particular area, while allowing other groups of unrelated individuals to live together in that area.

- To take action against, or deny a permit, for a home because of the disability of individuals who live or would live there. An example would be denying a building permit for a home because it was intended to provide housing for persons with mental disabilities.
- To refuse to make reasonable accommodations in land use and zoning policies and procedures where such accommodations may be necessary to afford persons or groups of persons with disabilities an equal opportunity to use and enjoy housing

What constitutes a reasonable accommodation is a case-by-case determination. Not all requested modifications of rules or policies are reasonable. If a requested modification imposes an undue financial or administrative burden on a local government, or if a modification creates a fundamental alteration in a local government's land use and zoning scheme, it is not a "reasonable" accommodation.

Building Codes

The City of Farmington began enforcing the 2009 International Building Code (adopted by the 2009 N.M. Commercial Building Code) on January 1st, 2011. The City also follows the ICC/ANSI 2003 Accessibility Code, which is also adopted by the State of New Mexico. All new building permits, for commercial and residential construction, are reviewed by the City of Farmington Building Division for compliance with State of New Mexico accessibility standards.

Group Care Facilities and Group Care Homes

The City of Farmington Unified Development Code (UDC) allows Group Care Facilities as permitted uses in the Mixed Use district or as a Special Use Permit in Multi-Family zoning districts. Group Care Facilities allow for the care of more than eight adults or more than 12 minors. The UDC allows Group Care Homes as permitted uses in the Mixed Use zoning district and Multi-Family zoning district. The UDC also allows Group Care Homes with a special use permit in any other residential zoning district. Group Care Homes allow the care of up to eight adults or up to 12 minors. There is no separation or density requirement for group care homes in Farmington and the special use permit review focuses on how the use differs from uses by right, not on the type of care being provided.

Family Definition

The Farmington UDC provides the following definition of a family:

"An individual or two or more persons related by blood, marriage or adoption, or a group of not more than four persons who need not be related by blood or marriage, living together as a single housekeeping unit in a dwelling."

Affordable Housing Plan

On May 24, 2011 the City of Farmington adopted its first Affordable Housing Plan. This plan built on the housing needs assessment developed for the 2009-2014 Consolidated Plan and on the Housing Affordability 2010 Update. The Affordable Housing Plan has a section that identifies barriers to affordable housing which is a component of this report.

- High land and construction costs
Limited land availability, especially land that is appropriately zoned
- Current zoning and subdivision regulations that prohibit three story buildings, require large lot size, and otherwise limit affordable housing development
- Limited availability of construction financing for developers
- Credit issues and lack of financial stability of consumers
- Neighborhood resistance to multifamily development, especially for low-income projects

All of these findings from the Affordable Housing Plan relate to various sections in this Analysis of Impediments to Fair Housing Choice Report.

Affordable Housing Program

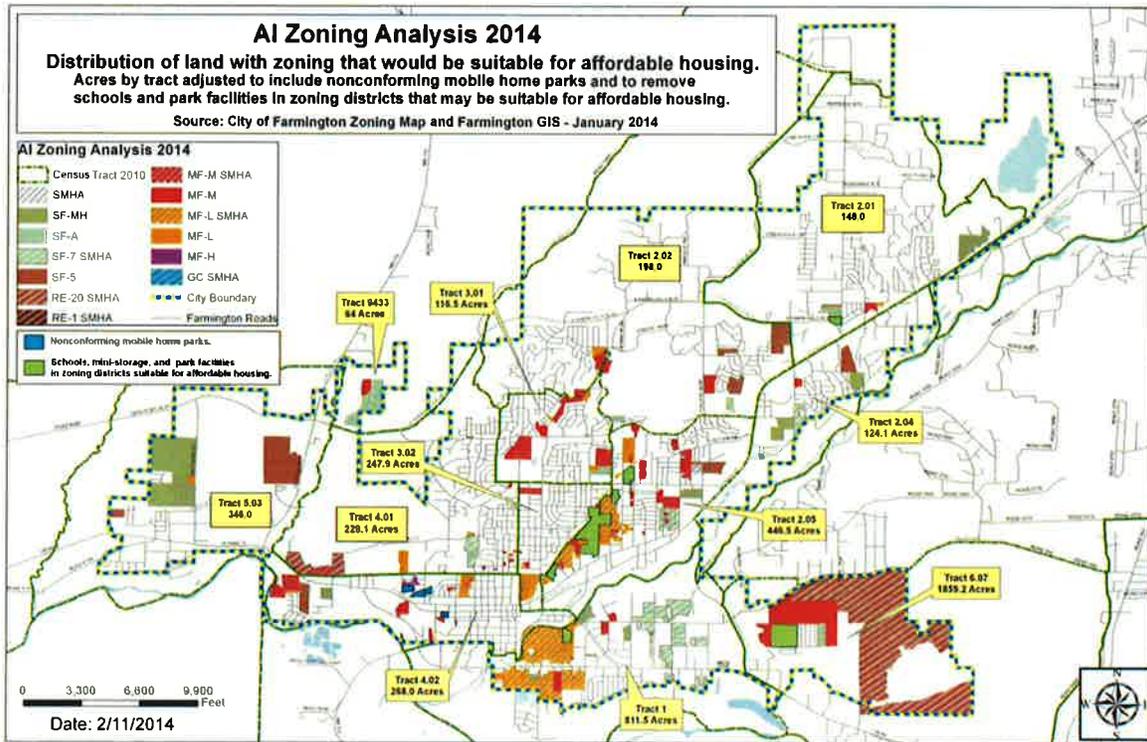
The City of Farmington adopted Affordable Housing Ordinance No. 2012-1261, on November 27, 2012. This ordinance allows for-profit or nonprofit organizations to apply to the City of Farmington for assistance for the purpose of developing affordable housing. If approved, the City of Farmington could then provide general funds or City owned land to subsidize a project. To date no organization has applied for an affordable housing grant under this ordinance.

Zoning and Land Area for Affordable Housing

The City of Farmington adopted a new Unified Development Code (UDC) in 2007 with Ordinance No. 2007-1184. The prior zoning ordinance was adopted in 1969. All residential zoning districts make up 77.43 percent of the City. Low-density zoning districts that are not suitable for low-income housing make up 63.54 percent of the city. Higher density zoning districts, manufactured housing districts, and overlays that would be suitable for affordable housing make up 13.88 percent of the City zoning. While this is an improvement over the 8.6% reported in the 2011 AI, more improvements are needed to address this and the NIMBYism that still exists in the community that comprise impediments. The pending Update to the 2002 Comprehensive provides the City an opportunity to make improvements.

Map VI.2 on the following page displays the distribution of zoning districts that are deemed suitable for affordable housing units. All shaded areas are zoning districts that are suitable for affordable housing. The U.S. Census Tract boundaries are also shown on the map for

reference. In general, areas that are deemed suitable for affordable housing units are more extensive in areas with higher concentrations of American Indian and Hispanic residents, and are less widespread in areas with higher concentrations of white residents. In addition, areas with more land available for multi-family affordable housing units tend to have higher incidences of households living below the poverty line.



Map VI.2

PUBLIC PERCEPTIONS OF FAIR HOUSING LAW SURVEY – PUBLIC SECTOR

The Public Perceptions of Fair Housing Law Survey included a section relating to the provision of public services in the City of Farmington. This section was designed to determine whether or not members of the public felt that public services were provided to all neighborhoods of the City in equal measure. The results of the survey are discussed below, and the accompanying discussion highlights those services that were widely perceived to be unequally distributed.

Relative Equity of Public Service Provisions

Table VI.1 on the following page shows the number of responses of yes, no, or not sure to each of the public services listed in the survey. Street infrastructure, code enforcement, and neighborhood revitalization activities are the three lowest ranked public services for all respondents. More than 45 percent of respondents found that street infrastructure services

are not distributed evenly throughout the city, excluding those who answered “not sure”. Nearly 51 percent of respondents who answered “yes” or “no” felt that not all neighborhoods have equal access to code enforcement, and 58.5 percent felt that neighborhoods did not have equal access to neighborhood revitalization services.

Answer Options	Yes - Services are provided equally.	No - Services are not provided equally.	Not Sure	Response Count
Neighborhood revitalization activities	46	65	61	172
Parks and recreation	113	35	27	175
Code enforcement	61	62	51	173
Trash pick-up	121	16	38	175
Public transportation	79	66	33	178
Quality schools	87	64	25	176
Fire services	126	21	31	177
Water and sewer infrastructure	98	45	33	176
Police services	120	29	27	176
Street infrastructure	68	57	52	177
			<i>answered question</i>	184
			<i>skipped question</i>	30

SUMMARY

A review of transportation services and needs, local policies and codes, and responses to the Public Perceptions of Fair Housing Law Survey constituted the analysis of fair housing in the public sector. The results of a recent study of transportation needs in the City and surrounding communities suggest that the areas of Farmington that were in the most need of enhanced transportation services were in or near the city center. Farmington building codes conform to the 2009 International Building Code, and new building permits are required to conform to the International Code Council/American National Standards Institute’s 2003 standards for Accessible and Usable Buildings and Facilities. Zoning codes allow group homes in Mixed Use districts and by Special Use Permit in Multi-Family Housing districts. The City’s Unified Development Code (UDC) also provides a definition of family as an individual or two or more persons related by blood, marriage, or adoption, as well as a group of up to four persons, living together in a single housing unit. While zoning districts that are deemed suitable for affordable housing are present in every Census tract in the city, they tend to be more common in areas with higher shares of minority residents and households in poverty. The City of Farmington also recently adopted an ordinance allowing for-profit or non-profit organizations to apply to the City for assistance in developing affordable housing. In results of the Public Perceptions of Fair Housing Law Survey, street

infrastructure, code enforcement, and neighborhood revitalization services were the most widely perceived to be distributed unequally throughout the city.

SECTION VII. PUBLIC INVOLVEMENT

This section discusses analysis of fair housing in the City of Farmington as gathered from various public involvement efforts conducted as part of the AI process. Public involvement feedback is a valuable source of qualitative data about impediments, but, as with any data source, citizen comments alone do not necessarily indicate the existence of citywide impediments to fair housing choice. However, survey and forum comments that support findings from other parts of the analysis reinforce findings from other data sources concerning impediments to fair housing choice.

PUBLIC PERCEPTIONS OF FAIR HOUSING LAW SURVEY

The goal of the Public Perceptions of Fair Housing Law Survey is to assess the level of knowledge of and support for fair housing law among the public, to understand their experiences with housing and discrimination, and to identify barriers to fair housing in the community.

Public Outreach

The City of Farmington participated in several events designed to promote awareness of fair housing and affirmatively furthering fair housing. In August 2013 representatives of the City set up a booth at the San Juan County Fair and gave Powerpoint presentations on the subject of fair housing. Representatives of the City also participated in the San Juan County Homebuilders Expo several times in March 2013, and have done so every March since 2011. Participation in this event included the distribution of HUD Fair Housing fliers and a continuously run slide show with fair housing information in English and Spanish. Finally, in April 2012 the Mayor of Farmington issued a proclamation for Fair Housing Month.

Advertised Public Meetings

Two advertised public meetings were held, one was at San Juan Center for Independence on May 9, 2013 and the other was at Sycamore Park Community Center on May 31, 2013. A public notice was published in the Farmington Daily Times, and e-mail lists of public service providers were used to provide notification.

Group Meetings

CDBG staff attended four group meetings with: Comprehensive Homeless Assistance Providers (CHAP), Four Corners Economic Development, the Farmington Chamber of Commerce, and the Farmington Community Relations Commission. At each of these meetings, CDBG staff presented the background of the survey and requested that those in

attendance take the online survey and that they distribute the survey in the organizations and businesses that they represent.

Distribution of the Survey Link

The online survey link was forwarded to: nonprofit public service providers, the private business community, City of Farmington staff, other local government agencies, and minority contacts. The survey link was also presented to the public at the San Juan County Fair on August 5, 2013 and again on August 10, 2013; this was the only survey outreach that was undertaken outside of the City of Farmington.

After this outreach effort, it appeared that the Public Perceptions of Fair Housing Law Survey was overrepresented by persons who work for a governmental entity. One possible explanation for this is that the City staffs of Farmington, Aztec, and Bloomfield were all invited to take the survey. It also appeared that the survey was underrepresented by American Indian and Hispanic groups. Therefore, the CDBG program developed a plan to obtain additional survey responses.

On-Site Survey Outreach

The on-site survey was conducted at the Farmington Public Library, the Farmington Indian Center, the Farmington Senior Center, the Sycamore Park Community Center, and the Boys and Girls Club. At all locations, City staff conducted a 2-hour session with paper copies of the survey. The focus of the on-site survey outreach was to obtain additional survey responses from the general public, minority groups, and special needs groups. This additional survey outreach collected 92 paper survey responses, which were hand entered into Survey Monkey.

Survey Sample Size

A total of 214 responses were collected from May 2013 to February 2014.

Data Analysis

All online survey responses were collected in Survey Monkey, which is an internet survey service. All paper copies of survey responses were hand entered into Survey Monkey so that all results could be tabulated in one system.

Of the 214 survey respondents, 80 indicated that they live in San Juan County. County residents were invited to participate in the survey for two reasons. First, HUD provides direction that the needs of the larger community should be considered and that neighboring municipalities should be consulted. Second, almost all of the public outreach

was done inside of the City of Farmington and the outreach efforts still connected with county residents while they were in the City of Farmington. People who live in San Juan County do business, use services, and work in the City of Farmington, and their perspectives are valued.

Although this survey was advertised through public notices, outreach efforts focused on distributing the survey through organizations and community centers that serve the public, minority, low-income, and special needs populations. This survey reflects a more qualitative assessment of perspectives, opinions, and experiences of residents of the City of Farmington and San Juan County than most of the data previously discussed.

Housing Situation

Table VII.1 on the following page shows the percent and number of respondents who were homeowners, renters, were staying with friends or family, or who were homeless. The largest group of survey respondents was homeowners at 60.6 percent. Renters accounted for 27.7 percent of survey respondents, while those who were staying with family or friends and homeless respondents accounted for 11.7 percent of respondents.

Answer Options	Response Percent	Response Count
I am a homeowner	60.6%	129
I am a renter	27.7%	59
I am staying with friends or family	10.8%	23
I am homeless	0.9%	2
	<i>answered question</i>	213
	<i>skipped question</i>	1

Employment Type

Table VII.2 below shows the percent and number of respondents by their employment type. The largest percentage of responses to this survey came from government workers, at 41.5 percent or 88 responses. Private sector workers accounted for 17 percent of respondents, while unemployed persons, employees of non-profit public service providers, and retirees account for between 9 and 11 percent of respondents each.

Table VII.2 Public Perceptions of Fair Housing Law Survey Employment type		
Answer Options	Response Percent	Response Count
I am an elected or appointed official.	1.9%	4
I work for a private business.	17.0%	36
I own a private business.	9.0%	19
I work for a governmental entity.	41.5%	88
I work for a non-profit public service provider.	10.4%	22
I am unemployed.	9.4%	20
I am retired.	10.8%	23
	<i>answered question</i>	212
	<i>skipped question</i>	2

Place of Residence

Table VII.3 on the following page shows the percent and number of respondents who lived in the City of Farmington, in San Juan County, or outside of San Juan County. A majority of survey respondents, 60.4 percent, lived in the city. Most of the remaining respondents lived in the county, and only 4 respondents resided outside of the county.

Table VII.3 Public Perceptions of Fair Housing Law Survey Place of Residence		
Answer Options	Response Percent	Response Count
In the City of Farmington	60.4%	128
In San Juan County, but not in the City of Farmington	37.7%	80
Outside of San Juan County	1.9%	4
	<i>answered question</i>	212
	<i>skipped question</i>	2

Knowledge and Support of Fair Housing Law

Survey respondents were asked to read three scenarios and answer whether or not they thought that the actions in the scenario were legal, illegal, or they did not know. The overall respondent answers for the three scenarios are shown below. To look at different perspectives within the survey, the answers were broken down by all minorities and renters.

Scenario One – Familial Status

A single mother of a 13 year old made an appointment to look at an apartment for rent. The landlord met her and her child at the apartment. When he discovered that she had a child, he told her he doesn't allow children in his apartment complex.

Do you think that the landlord's refusal to rent to the woman and child is legal or illegal?

Table VII.4 below shows the percent and number of respondents by their answers to the question. The majority of respondents, 61.7 percent correctly answered that the landlord's refusal was illegal. However, 38.3 percent of respondents were incorrect or indicated that they did not know the answer.

Answer Options	Response Percent	Response Count
Legal	27.8%	58
Illegal	61.7%	129
Don't Know	10.5%	22
	<i>answered question</i>	209
	<i>skipped question</i>	5

Scenario Two – Steering

A Hispanic family wants to buy a house and finds a real estate agent to show them houses in their price range. The real estate agent is also Hispanic. Their agent only shows them houses in areas with mostly Hispanic population, even though there are houses they could afford in other neighborhoods, because she thinks they will be more comfortable in the Hispanic neighborhood.

Do you think the real estate agent's decision to only show the family homes in Hispanic parts of town is legal or illegal?

Table VII.5 below shows the percent and number of respondents by their answers to the question. The majority of respondents, 64.6 percent correctly answered that the steering of the clients to a particular neighborhood was illegal. However, 35.3 percent of the respondents incorrectly stated that this practice was legal or indicated that they did not know the answer.

Answer Options	Response Percent	Response Count
Legal	22.6%	48
Illegal	64.6%	137
Don't Know	12.7%	27
	<i>answered question</i>	212
	<i>skipped question</i>	2

Scenario Three – Reasonable Accommodation for a Disability

An apartment building owner is renting to someone who uses a wheelchair. The building is old and does not have a wheelchair ramp. The renter asks if he could arrange to have a ramp built so he can get into the building more easily. The renter has offered to pay for the ramp. The owner thinks a ramp will ruin the look of the building, so he refuses to allow one to be built.

Do you think that the apartment building owner's decision to refuse to have a ramp built is legal or illegal?

Table VII.6 on the following page shows the percent and number of respondents by their answers to the question. The majority of respondents, 80.6 percent, correctly answered that refusing to allow a ramp to be installed is illegal. Of the three fair housing scenarios, the public scored the best on reasonable accommodation.

Answer Options	Response Percent	Response Count
Legal	10.4%	22
Illegal	80.6%	170
Don't Know	9.0%	19
	<i>answered question</i>	211
	<i>skipped question</i>	3

Reporting Discrimination

Table VII.7 below shows the percent and number of respondents who answered a question about whether they knew who they should contact to report housing discrimination. Of all respondents, only 21.4 percent stated that they knew who to contact. Nearly 80 percent of respondents stated that they did not know who to contact.

Answer Options	Response Percent	Response Count
Yes	21.4%	44
No	78.6%	162
	<i>answered question</i>	206
	<i>skipped question</i>	8

Survey respondents were also given a list of choices and asked to whom they would report housing discrimination. Table VII.8 on the following page shows the percent and number of responses. The survey allowed the checking of multiple boxes so the responses add up to more than 100 percent.

The one agency that is ultimately responsible for housing discrimination is the U.S. Department of Housing and Urban Development (HUD). Of all the respondents, 43.1 percent selected HUD as the agency to contact. The City of Farmington Community Relations Commission also handles housing discrimination complaints locally, but only 22.8 percent of respondents selected this local agency. The San Juan County Housing Authority had the highest response rate at 57.4 percent. As a countywide provider of Section 8 Tenant Based Rental Assistance, the San Juan County Housing Authority has significant exposure in the community. However, their web page has no links to fair housing information or to the complaint process.

Table VII.8
Public Perceptions of Fair Housing Law Survey
"Who would you report housing discrimination to? Check any and all that apply."

Answer Options	Response Percent	Response Count
Do not know	22.3%	45
The City of Farmington Community Relations Commission	22.8%	46
A State agency	15.8%	32
NAACP/La Raza/A.I.M.	4.5%	9
The Office of Civil Rights/Human Rights	30.7%	62
The Farmington Police	6.9%	14
A community organization	5.9%	12
The U.S Department of Housing and Urban Development (HUD)	43.1%	87
The property owner	24.3%	49
A Federal agency/EEOC/ADA	16.3%	33
The District Attorney's office	11.9%	24
A local government agency or official	15.8%	32
An attorney/Legal Aid/ACLU	22.8%	46
The San Juan County Housing Authority	57.4%	116
The Better Business Bureau	27.2%	55
Other	3.0%	6
	<i>answered question</i>	202
	<i>skipped question</i>	12

Have You Ever Experienced Housing Discrimination

Table VII.9 below shows the percent and number of respondents that felt that they had ever experienced housing discrimination. Of all the respondents, 21.1 percent indicated that they thought they had experienced housing discrimination. When the responses were filtered to show only the answers for all minorities and all renters, 29.6 percent of minority residents stated that they thought they had experienced housing discrimination and 31.6 percent of renters stated that they thought they had experienced housing discrimination. Because of the high percentage of renters reporting discrimination in the survey, discrimination in the rental housing market by race/ethnicity, disability, and familial status is identified as an impediment.

Table VII.9
Public Perceptions of Fair Housing Law Survey
"Do you think you've ever experienced housing discrimination?"

Answer Options	Response Percent	Response Count
Yes	21.1%	44
No	78.9%	165
	<i>answered question</i>	209
	<i>skipped question</i>	5

Reasons for Housing Discrimination

Respondents who indicated that they thought they had experienced housing discrimination were asked to answer why they thought they had been discriminated against. Respondents were allowed to check all of the reasons that may have applied so the percent of responses do not add up to 100 percent.

In all, 42 respondents felt that they had experienced some form of discrimination in the housing market. Table VII.10 below shows the percent and number of all respondents that indicated types of housing discrimination that they thought they had experienced. Race and ethnicity was the most common basis for discrimination, cited by 35.7 percent of the respondents who felt they had experienced discrimination. The next most common bases for discriminatory acts that survey respondents claimed to have experienced were bad credit/bankruptcy/debts, the landlord's refusal to make repairs, and the presence of a pet in the home. It should be noted that these are not, in and of themselves, bases for discrimination under the fair housing act. Discrimination against a resident due to the presence of a pet may be considered a violation of fair housing law if the pet is a service animal for a person with a disability, but in general pet owners do not constitute a protected class. Many of the reasons for discrimination cited on this table do not constitute violations of fair housing law, though some of them may represent discriminatory acts where they were motivated by a desire to discriminate on the basis of a protected class status. Discrimination or refusal to rent based upon unmarried partners, children, disability, age, gender, or race/ethnicity are violations of Fair Housing Law.

Answer Options	Response Percent	Response Count
I'm a student	9.5%	4
Criminal record	11.9%	5
Bad credit/bankruptcy/debts	31.0%	13
Unmarried partners	11.9%	5
Landlord refused to make repairs/charged for repairs	23.8%	10
Pets	23.8%	10
Physical disability	7.1%	3
Age	16.7%	7
Gender	14.3%	6
Race/ethnicity	35.7%	15
Children	19.0%	8
Other	21.4%	9
	<i>answered question</i>	42
	<i>skipped question</i>	172

What Respondents Did About Discrimination

Respondents who indicated that they thought they had experienced housing discrimination were asked to state what they had done about the discrimination. Respondents were allowed to check all of the actions that may have applied so the percent of responses do not add up to 100 percent. Table VII.11 on the following page shows that of all the responses, 73.8 percent of respondents indicated that they had not done anything. While many of the possible actions described in the table may be fruitful, the two most direct and effective actions to take would be to contact the U.S. Department of Housing and Urban Development (HUD) and the City of Farmington Community Relations Commission. Only 4.8 percent of respondents did either.

Table VII.11
Public Perceptions of Fair Housing Law Survey
What did you do about the discrimination?
Check any and all that apply.

Answer Options	Response Percent	Response Count
Do not know	14.3%	6
Nothing	73.8%	31
Called the City of Farmington Community Relations Commission	2.4%	1
Called a State agency	4.8%	2
Called NAACP/La Raza/A.I.M.	0.0%	0
Called the Office of Civil Rights/Human Rights	0.0%	0
Called the Farmington Police	2.4%	1
Called a community organization	0.0%	0
Called the U.S Department of Housing and Urban Development (HUD)	4.8%	2
Called the property owner	2.4%	1
Called a Federal agency/EEOC/ADA	2.4%	1
Called the District Attorney's office	0.0%	0
Called a local government agency or official	2.4%	1
Called an attorney/Legal Aid/ACLU	4.8%	2
Called the San Juan County Housing Authority	4.8%	2
Called the Better Business Bureau	2.4%	1
Other (please specify)		9
	<i>answered question</i>	42
	<i>skipped question</i>	172

Fair Housing Information

Table VII.12 on the following page shows the percent and number of responses indicating how respondents would seek out information on Fair Housing. The largest proportion of respondents, 47.3 percent, indicated that they would search for fair housing information on the internet. The next most common avenue that information seekers would undertake was to contact the Housing Authority; 47.3 percent of respondents stated that they would take

this route to learn more about fair housing, Finally, 41.5 percent of respondents indicated that they would look to the HUD website. The highest response rate was internet search, indicating that making fair housing information available online should be a priority of fair housing organizations serving the city.

Table VII.12
Public Perceptions of Fair Housing Law Survey
"How would you get information about your fair housing rights? Check any and all that apply."

Answer Options	Response Percent	Response Count
Government agency	25.4%	52
BBB/Chamber of Commerce	14.6%	30
HUD website	41.5%	85
City of Farmington website	18.5%	38
Library	19.0%	39
Housing Authority	46.8%	96
Call a lawyer/ACLU/Legal Aid	17.6%	36
Call City Council/Mayor	9.8%	20
Real Estate Offices/Realtors	20.5%	42
Internet search	47.3%	97
Phone Book	6.8%	14
Don't know	24.4%	50
Other	1.5%	3
	<i>answered question</i>	205
	<i>skipped question</i>	9

Opinions on Discrimination in Farmington

Table VII.13 on the following page shows the percent and number of responses by the type of discrimination that respondents thought occurred most frequently in Farmington. Under other, there were 31 respondents who wrote in their thoughts on discrimination. Note that respondents were permitted to check all of the actions that may have applied, and thus the percentages of all responses do not add up to 100 percent. According to the opinion of those survey respondents, race/ethnicity, disability, and familial status were the most common bases for discrimination in the city. Race/ethnicity was cited as a frequent reason for discrimination by 73.2 percent of respondents, followed by disability and familial status, cited by 50.3 and 38 percent of respondents, respectively.

Table VII.13 Public Perceptions of Fair Housing Law Survey "In your opinion, which of the following reasons for housing discrimination occur most frequently, if at all, in Farmington? Check any and all that apply."		
Answer Options	Response Percent	Response Count
Religion	15.6%	28
Gender	19.0%	34
National origin	30.7%	55
Sexual orientation	32.4%	58
Familial Status	38.0%	68
Disability (e.g., physical, mental, HIV/AIDS)	50.3%	90
Race/ethnicity	73.2%	131
Discrimination doesn't exist	6.7%	12
Other (please specify)		31
	<i>answered question</i>	179
	<i>skipped question</i>	35

SECTION VIII. SUMMARY OF FINDINGS

This AI reviews both the public and private sector contexts for Farmington's housing markets, in order to determine the effects these forces have on housing choice. As part of that review, analysis of demographic, economic, and housing data provide background context for the environments in which housing choices are made. Demographic data indicate the sizes of racial and ethnic populations and other protected classes; economic and employment data show additional factors in influencing housing choice; and counts of housing by type, tenure, quality, and cost indicate the ability of the housing stock to meet the needs of the city's residents.

Once this contextual background analysis has been performed, detailed review of fair housing laws, cases, studies, complaints, and public involvement data can be better supported by the background information. The structure provided by local, state, and federal fair housing laws shapes the complaint and advocacy processes available in the city, as do the services provided by local, state, and federal agencies. Private sector factors in the homeownership and rental markets, such as home mortgage lending practices, have considerable influence on fair housing choice. In the public sector, policies and codes of local governments can significantly affect the housing available in each area, as well as neighborhood and community development trends. Complaint data and AI public involvement feedback further help define problems and possible impediments to housing choice for persons of protected classes, and confirm suspected findings from the contextual and supporting data.

Socio-Economic Data and Trends

The population of the City of Farmington increased by an estimated 1 percent between 2007 and 2012, according to 3-year ACS estimates from those years. The number of families was estimated to have grown by 6.1 percent, while the number of households, which include single persons living alone, grew by an estimated 2.7 percent. ACS estimates from 2010 and 2012, suggest that the city's population declined by 1.2 percent between those years. In 2012, residents under 5 years of age accounted for the greatest proportion of the Farmington population; however, this population is estimated to have declined between 2007 and 2012 by 16 percentage points. Similar declines were observed in the number of residents aged 20 to 29, 40 to 54, 70 to 74, and 80 to 84 years.

Most of the residents of Farmington were white non-Hispanic, American Indian and Alaskan Native non-Hispanic, or Hispanic. In fact, over 95 percent of the population belonged to one of these racial or ethnic groups; white non-Hispanic residents accounted for 51.4 percent of the population, American Indian or Alaskan Native residents who were not Hispanic accounted for 20.9 percent, and Hispanic or Latino residents accounted for 22.8 percent of the population. Each of these populations tended to be concentrated in different areas of

the city. White residents were disproportionately concentrated in large tracts in the north of the city, as well as a medium-sized tract in the city center. The American Indian non-Hispanic population was disproportionately concentrated in tracts in the southern portion of the city, two of which border on the Navajo Nation to the south. Finally, Hispanic residents were disproportionately concentrated in a large Census tract in the southeastern portion of the city.

A total of eight (8) census tracts in or near Farmington have been identified by HUD/FHEO as having minority concentrations, based on the City's definition: Tracts where the minority population is at least 10% higher than the MSA's total minority percentage, which for Farmington is 49%. These census tracts include CT 1, CT 2.05, CT 4.02, CT 5.03, CT 5.05, CT 6.07, CT 9430, and CT 9432.01. It is noted, however, that

- No portion of the City is located in CT 5.05 as it is located outside the City's western boundaries.
- No portion of the City is located in CT 9430, as it is wholly located within the Navajo Nation and associated tribal lands
- Only a small portion of the City is located in CT 9432.01, and what portion that does exist in the City does not contain more than five (5) housing units according to research completed in 2014 by the City for the area's annexation. Outside the City, the census tract encompasses primarily tribal lands.

The proximity of the Navajo Nation to the City can generally account for the high percentages of American Indian populations that was reported in the 2010 US Census for Census Tracts 1 (23%), 2.05 (27%), 4.02 (38%), 5.03 (50%), and 6.07 (31%). The highest reporting census tracts (CT 4.02 and CT 5.03) in 2010 are the closest to the Navajo Nation. Additionally, the Navajo Nation, utilizing HUD funds, has partnered with a land development within CT 5.03 to sponsor a first-time homebuyer program, which is attracting many Navajo families to move to the City's west side.

While the proximity of tribal lands to Farmington can provide an explanation for the high percentages of American Indian populations, the same cannot be said for Hispanic populations. The high percentages of Hispanic populations that were reported in the 2010 US Census include CT 1 (38%), 2.05 (27%), 4.02 (22%), 5.03 (28%), and 6.07 (26%). The concentration of Hispanic residents in these tracts indicates an impediment.

Persons with disabilities were disproportionately represented among residents aged 65 and older, according to data from the 2012 3-year estimates. Additional study is needed to determine if this is an impediment. A housing needs assessment for persons with disabilities is planned to be completed prior to the next AI to provide this determination.

The median family income in the City of Farmington grew by an estimated 12.1 percent between 2007 and 2012, which was a greater percentage increase than occurred in the cities

of Albuquerque, Santa Fe, and Las Cruces. The MFI in 2012 was \$63,261 across the city, though median family incomes differed considerably from one Census tract to another. The MFIs in Tracts 2.01 and 2.02 were \$98,941 and \$105,990, respectively. These tracts were located in the northern portion of the city. By contrast, many of the Census tracts in the southern portion of the City had median family incomes that were well below the citywide median. Hispanic households saw the greatest percentage increases in MFI.

In 2012 single-family units constituted the predominant type of housing unit; detached single-family units accounted for 63.7 percent of all housing units in the City in that year. Mobile homes were the second most common type of housing unit, accounting for 17 percent of all units in 2012. However, Farmington had a higher vacancy rate, at 11.4 percent, than all other state MSA's, with the exception of Santa Fe. The vacancy rate for rental units was considerably higher than the vacancy rate for owner-occupied units, at 14.0 and 2.2 percent, respectively.

Cost-burdening was a problem for 28.6 percent of Farmington homeowners; in 2012 these households were making mortgage payments that accounted for more than 30% of their total income. However, homeowners were actually less cost-burdened in 2012 than they had been in 2007. The problem was more pervasive still among rental households; 45.3 percent of renters found that rental costs took up more than 30 percent of their income in 2012. This was a higher degree of cost-burdening than renters had experienced in 2007, when 41.7 percent of rental households were cost-burdened. In both years, renters tended to be cost-burdened to a greater degree than homeowners. A small proportion of housing units, or 0.8 percent, lacked complete plumbing facilities, and a slightly higher proportion, or 1.2 percent, lacked complete kitchen facilities. Finally, higher percentages of rental units were overcrowded in 2012 compared to owner-occupied units, and around 6 percent of households of both types were overcrowded.

Review of Fair Housing Laws, Studies, and Cases

Though none were specific to the City of Farmington, a general review of laws, studies, cases, and related materials relevant to fair housing in the State of New Mexico demonstrates the complexity of the fair housing landscape. The fair housing laws in the State of New Mexico offer protections beyond the scope of the federal Fair Housing Act by prohibiting discrimination based on serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity. Cases included in this discussion highlight the varied forms that housing discrimination can assume as well as the complexity of fair housing laws and how they are applied. The national cases signal an increasing scrutiny on the part of HUD in recent years with respect to fair housing, and the local cases filed by the Department of Justice since 2004 against businesses and individuals in the state highlight discrimination against individuals with disabilities, and offer an illustration of how such discrimination might manifest itself in real life situations. In one case, the alleged discriminatory behavior was directed toward a resident who became disabled while living in

the apartment. In the second case, the alleged discrimination was undertaken to deny housing to a prospective resident with disabilities. In the third case, the alleged discrimination took the form of routine abuse against residents with disabilities, and an attempt to coerce them into not revealing the abuse for fear of losing their housing situation.

Fair Housing Structure

The City of Farmington is served by the New Mexico Human Rights Bureau, an office within the Department of Workforce Solutions. This agency is empowered by New Mexico statutes to investigate and enforce fair housing law, though it has not been recognized as a substantially equivalent agency under HUD. HUD also accepts fair housing complaints on behalf of New Mexico residents, though because the list of protected classes is more comprehensive at the state level than at the national level, residents who believe they have faced discrimination on the basis of a serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity must lodge their complaints at the state level. There are no agencies or organizations that serve City of Farmington residents as Fair Housing Initiative Program (FHIP) participants, though the City of Farmington Community Relations Commission does accept complaints from Farmington residents who feel that they have experienced unlawful discrimination in the housing market, employment, and civil rights.

Fair Housing in the Private Sector

Review of the private sector in the fair housing context involved analysis of data collected under the Home Mortgage Disclosure Act (HMDA), complaints lodged with HUD, and survey responses to questions pertaining to factors in the private sector that impact housing choice. Analysis of home loan denial rates revealed that racial and ethnic minority residents were subjected to higher rates of loan denials than white, non-Hispanic residents, even after correcting for income in the year 2012. Geographically, loan denials tended to be concentrated in Census tracts containing high percentages of American Indian and Hispanic residents.

There were only three complaints lodged with HUD between April 17, 2009 and January 11, 2014; these complaints alleged discrimination on the basis of national origin and race, as well as an instance of alleged retaliation. None of these complaints were found to have cause. Among survey respondents, the most salient potential barriers to fair housing choice included poor credit histories and income levels of minority residents, lack of knowledge among landlords and residents concerning fair housing policy, lack of capacity for fair housing organizations dedicated to fair housing, and various burdens and restrictions placed on residents of mobile home parks.

Fair Housing in the Public Sector

A review of transportation services and needs, local policies and codes, and responses to the Public Perceptions of Fair Housing Law Survey constituted the analysis of fair housing in the public sector. The results of a recent study of transportation needs in the City and surrounding communities suggest that the areas of Farmington that were in the most need of enhanced transportation services were in or near the city center. Farmington building codes conform to the 2009 International Building Code, and new building permits are required to conform to the International Code Council/American National Standards Institute's 2003 standards for Accessible and Usable Buildings and Facilities. Zoning codes allow group homes in Mixed Use districts and by Special Use Permit in Multi-Family Housing districts. While zoning districts that are deemed suitable for affordable housing are present in every Census tract in the city, they tend to be more common in areas with higher shares of minority residents and households in poverty.

The City's Unified Development Code (UDC) provides a definition of family as an individual or two or more persons related by blood, marriage, or adoption, as well as a group of up to four persons, living together in a single housing unit. The City of Farmington also recently adopted an ordinance allowing for-profit or non-profit organizations to apply to the City for assistance in developing affordable housing. In results of the Public Perceptions of Fair Housing Law Survey, street infrastructure, code enforcement, and neighborhood revitalization services were the most widely perceived to be distributed unequally throughout the city.

Public Involvement

Efforts to involve members of the public in the AI process included two advertised public meetings, which were held in the San Juan Center for Independence and the Sycamore Park Community Center, both in May of 2013. In addition, 122 respondents took the Public Perceptions of Fair Housing Law Survey online, and an additional 92 surveys were given by City staff during on-site survey sessions at five locations around the City. Responses suggest that a considerable number of city residents were not fully informed on various aspects of fair housing law, including what types of actions constitute unlawful discrimination and where to report housing discrimination. Inadequate fair housing education and awareness in community is an impediment to fair housing choice. In addition, fully 73.8 percent of respondents who believed that they had experienced housing discrimination took no action to address that discrimination.

Additionally, a 30-day public review of the draft AI was provided prior to the public hearing and adoption of the report.

SECTION IX. IMPEDIMENTS AND RECOMMENDED ACTIONS

Private Sector Impediments and Recommended Actions

Impediment 1: Frequent denial of home purchase loans to American Indian and Hispanic populations. This impediment was identified through the review of home purchase loan data collected under the Home Mortgage Disclosure Act (HMDA) from 2004 to 2012. On average, the rate of loan denials to American Indian applicants was more than twice the rate for all applicants and nearly three times the rate of loan denials to white residents during that time. Similarly, loan applications from Hispanic applicants were denied at a higher-than-average rate; over 6.5 percentage points higher in an average year. The discrepancy between American Indian and white loan applicants remained even when applicants were similarly situated with respect to income.

Recommended Action: Beginning February 2016, the City of Farmington will use CDBG funding from the 2012 Action Plan in the amount of \$10,000 to sponsor a series of financial literacy and credit repair classes to be held in City facilities, including community centers, located in targeted neighborhoods within the southern portion of the City. The first series will be held at the Sycamore Park Community Center located in Census Tract 1. Assistance to limited English proficiency (LEP) persons will be provided during the classes. Additionally, children of parents attending the classes will be invited to attend activities at the community center during the classes so that their parents can focus in on the information presented in the classes. Marketing flyers for the classes will be developed in English, Spanish, and Navajo. The flyers will be sent to HUD-approved housing counselors, mortgage lenders, realtors, social service agencies, large employers, and to residents of targeted neighborhoods.

Impediment 2: Discrimination in the rental housing market by race/ethnicity, disability, and familial status. This impediment was identified through analysis of the results of the Public Perceptions of Fair Housing Law Survey. Though 21.1 percent of all survey respondents claimed to have experienced housing discrimination, the figure was higher for rental tenants, at 31.6 percent. Race/ethnicity was cited as a frequent reason for discrimination by 73.2 percent of the survey's respondents, followed by disability and familial status, which were cited by 50.3 and 38 percent of respondents respectively.

Recommended Action: By July 1, 2016, the City will partner with a local organization of realtors to develop and begin implementing an education and outreach program for landlords and property managers, with the purpose of highlighting fair housing issues, including federal protections based on race/ethnicity, disability, and familial status, and fair housing accommodations and modifications for disabled persons. Utilizing non-CDBG funds, this program will be held in City facilities and will be designed to provide continuing educational credits.

Impediment 3: Inadequate fair housing education and awareness in the community. This impediment was identified through review of the fair housing survey

results. In questions pertaining to private sector impediments to fair housing choice, lack of knowledge of fair housing was consistently identified as a modest or serious barrier to fair housing choice by at least 40 percent of survey respondents. The lack of knowledge among landlords, property managers, and residents was especially salient as a barrier to fair housing choice among survey respondents. Deficits in knowledge of fair housing law were borne out in responses to questions specifically designed to gauge respondents' understanding of fair housing policy. In a series of hypothetical scenarios describing instances of illegal discrimination, sizeable minorities of survey respondents described the discrimination as "legal" in each case. Furthermore, 22 percent of survey respondents did not know to whom they could address complaints of unlawful discrimination, and many respondents indicated that they would report housing discrimination to agencies that are not directly involved in fair housing enforcement.

Recommended Action: The City of Farmington, utilizing non-CDBG funds, will continue to provide education and outreach activities pertaining to fair housing and affirmatively furthering fair housing during Fair Housing Month, at the Annual San Juan County Home Builders HOME EXPO, and other annual events in the region. Activities will include a Proclamation at the City Council in April and distributing brochures and flyers at public events. Additionally, the City will encourage a local non-profit over the next year to apply for Fair Housing Initiative Program funding through the Education and Outreach Initiative (EOI).

Public Sector Impediments and Recommended Actions

Impediment 1: Availability of multi-family and affordable housing limited to areas of high concentrations of minority populations. This impediment was also identified in the 2011 AI. All residential zoning districts make up 77.43 percent of the City. Low-density zoning districts that are not suitable for low-income housing make up 63.54 percent of the city. Higher density zoning districts, manufactured housing districts, and overlays that would be suitable for affordable housing make up 13.88 percent of the City zoning. While this is an improvement over the 8.6% reported in the 2011 AI, more improvements are needed to address this situation.

Recommended Action: Beginning in July 2016 and utilizing non-CDBG funds, the City of Farmington will develop an assessment of undeveloped parcels located in non-minority concentrated neighborhoods (census tracts) that could be developed for multi-family and affordable housing projects. Upon completion of the assessment, staff would contact the owners of those parcels to encourage zoning those parcels to promote the development of multi-family and affordable housing within those parcels. The parcels would then be marketed to multi-family and affordable housing developers, and those projects would be marketed to residents of minority-concentrated neighborhoods.

Additionally, the City of Farmington will revise and implement its Affordable Housing Ordinance by December 2016, in order to provide incentives to developers to locate affordable housing projects throughout the City.

Impediment 2: Nimbyism ("Not in My Backyard") attitudes regarding locations of multi-family and affordable housing projects. This impediment was also identified in the 2011 AI. Public opposition against multi-family and affordable housing projects has

limited its development in the community. This is evidenced by the low percentage of land that is zoned for these developments, and by a review of recent petitions for such developments.

Recommended Action: The City will continue to ensure that the principles of fair housing are maintained during the review and consideration of new multi-family and affordable housing projects. Additionally, education and outreach regarding the benefits of higher density and the need for affordable housing in the community will be developed and provided at various public events in the community beginning March 2016 at the Annual San Juan County Home Builders HOME EXPO.

Impediment 3: Lack of affordable housing for low-income American Indian and Hispanic populations, and female heads of households. This impediment, also identified in the 2011 AI, was identified through a review of median family income and cost-burdening for housing. Cost-burdening was a problem for 28.6 percent of Farmington homeowners; in 2012 these households were making mortgage payments that accounted for more than 30% of their total income. However, homeowners were actually less cost-burdened in 2012 than they had been in 2007. The problem was more pervasive still among rental households; 45.3 percent of renters found that rental costs took up more than 30 percent of their income in 2012. This was a higher degree of cost-burdening than renters had experienced in 2007, when 41.7 percent of rental households were cost-burdened. In both years, renters tended to be cost-burdened more frequently than homeowners. Because of lower family median incomes, cost burdens for housing for low-income American Indian and Hispanic populations and female heads of households are greater, making the lack of affordable housing for those groups an impediment.

Recommended Action: The City of Farmington will revise and implement its Affordable Housing Ordinance by December 2016, in order to provide incentives to developers to locate affordable housing projects throughout the City.

Impediment 4: Segregation of Hispanics in Census Tracts 1, 2.05, 4.02, 5.03, and 6.07. A total of eight (8) census tracts in or near Farmington have been identified by HUD/FHEO as having minority concentrations, based on the City's definition: Tracts where the minority population is at least 10% higher than the MSA's total minority percentage, which for Farmington is 49%. These census tracts include CT 1, CT 2.05, CT 4.02, CT 5.03, CT 5.05, CT 6.07, CT 9430, and CT 9432.01. It is noted, however, that

- No portion of the City is located in CT 5.05 as it is located outside the City's western boundaries.
- No portion of the City is located in CT 9430, as it is wholly located within the Navajo Nation and associated tribal lands.
- Only a small portion of the City is located in CT 9432.01, and what portion that does exist in the City does not contain more than five (5) housing units according to research completed in 2014 by the City for the area's annexation. Outside the City, the census tract encompasses primarily tribal lands.

The proximity of the Navajo Nation to the City can generally account for the high percentages of American Indian populations that was reported in the 2010 US Census for Census Tracts 1 (23%), 2.05 (27%) 4.02 (38%), 5.03 (50%), and 6.07 (31%). The highest reporting census tracts (CT 4.02 and CT 5.03) in 2010 are the closest to the Navajo Nation, Additionally, the Navajo Nation, utilizing HUD funds, has partnered with a land development within CT 5.03 to sponsor a first-time homebuyer program, which is attracting many Navajo families to move to the City's west side.

While the proximity of tribal lands to Farmington can provide an explanation for the high percentages of American Indian populations, the same cannot be said for Hispanic populations. The high percentages of Hispanic populations that were reported in the 2010 US Census include CT 1 (38%), 2.05 (27%) 4.02 (22%), 5.03 (28%), and 6.07 (26%). The concentration of Hispanic residents in these tracts indicates an impediment.

Recommended Action: The City of Farmington will continue to monitor the changes in the census tracts mentioned above and will prepare a study by December 2016 regarding the possible reasons for the high concentration of Hispanics in those neighborhoods. The City will also revise and implement its Affordable Housing Ordinance by December 2016 in order to provide incentives to developers to locate affordable housing projects throughout the City. Projects in non-minority concentrated neighborhoods will be specifically marketed to residents in in the minority concentrated neighborhoods.

SECTION X. GLOSSARY

Accessible housing: Housing designed to allow easier access for physically disabled or vision impaired persons.

ACS: American Community Survey

AI: Analysis of Impediments to Fair Housing Choice

AMI: Area median income

BEA: Bureau of Economic Analysis

BLS: Bureau of Labor Statistics

CDBG: Community Development Block Grant

Census tract: Census tract boundaries are updated with each decennial census. They are drawn based on population size and ideally represent approximately the same number of persons for each tract.

Consolidated Plan: Consolidated Plan for Housing and Community Development

Cost burden: Occurs when a household has gross housing costs that range from 30.1 to 50 percent of gross household income.

CRA: Community Reinvestment Act

Disability: A lasting physical, mental, or emotional condition that makes it difficult for a person to conduct daily activities of living or impedes him or her from being able to go outside the home alone or to work.

Disproportionate share: Exists when the percentage of a population is 10 percentage points or more above the study area average.

DOJ: U.S. Department of Justice

ESG: Emergency Shelter Grants program

Family: A family is a group of two people or more related by birth, marriage, or adoption and residing together.

FFIEC: Federal Financial Institutions Examination Council

FHAP: Fair Housing Assistance Program

FHEO: Fair Housing and Equal Opportunity

FHIP: Fair Housing Initiative Program

Floor area ratio: The ratio of the total floor area of a building to the land on which it is situated, or the limit imposed on such a ratio.

Freddie Mac: Federal Home Loan Mortgage Corporation (FHLMC), a government-sponsored enterprise that purchases mortgages from lenders and repackages them as mortgage-backed securities for investors.

GAO: U.S. General Accounting Office

Gross housing costs: For homeowners, gross housing costs include property taxes, insurance, energy payments, water and sewer service, and refuse collection. If the homeowner has a mortgage, the determination also includes principal and interest payments on the mortgage loan. For renters, this figure represents monthly rent and electricity or natural gas energy charges.

HAL: High annual percentage rate (APR) loan, defined as more than three percentage points higher than comparable treasury rates for home purchase loans, or five percentage points higher for refinance loans.⁴⁹

HMDA: Home Mortgage Disclosure Act

HOME: HOME Investment Partnerships

HOPWA: Housing Opportunities for Persons with AIDS

Household: A household consists of all the people who occupy a housing unit. A house, an apartment or other group of rooms, or a single room, is regarded as a housing unit when it is occupied or intended for occupancy as separate living quarters; that is, when the occupants do not live with any other persons in the structure and there is direct access from the outside or through a common hall.

Housing problems: Overcrowding, incomplete plumbing or kitchen facilities, or cost burdens

HUD: U.S. Department of Housing and Urban Development

Incomplete kitchen facilities: A housing unit is classified as lacking complete kitchen facilities when any of the following are not present: a sink with piped hot and cold water, a range or cook top and oven, and a refrigerator.

Incomplete plumbing facilities: A housing unit is classified as lacking complete plumbing facilities when any of the following are not present: piped hot and cold water, a flush toilet, and a bathtub or shower.

Labor force: The total number of persons working or looking for work

MFI: Median family income

Mixed-use development: The use of a building, set of buildings, or neighborhood for more than one purpose.

MSA: Metropolitan Statistical Area

NIMBYism: "Not in my backyard" mentality among community members, often in protest of affordable or multi-family housing.

Other vacant units: Housing units that are not for sale or rent

Overcrowding: Overcrowding occurs when a housing unit has more than one to 1.5 persons per room.

Poverty: The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. If a family's total income is less than the family's threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically, but they are updated for inflation using Consumer Price Index (CPI-U). The official poverty definition uses money income before taxes and does not include capital gains or noncash benefits (such as public housing, Medicaid, and food stamps).

Predatory loans: As defined by the Predatory Lending Consumer Protection Act of 2002 as well as the Home Owner Equity Protection Act (HOEPA), loans are considered predatory based on:

1. If they are HOEPA loans;⁵⁰

⁴⁹ 12 CFR Part 203, http://www.ffiec.gov/hmda/pdf/regc_020702.pdf

⁵⁰ Loans are subject to the HOEPA if they impose rates or fees above a certain threshold set by the Federal Reserve Board. "HMDA Glossary." <http://www.ffiec.gov/hmda/glossary.htm#H>

2. Lien status, such as whether secured by a first lien, a subordinate lien, not secured by a lien, or not applicable (purchased loans); and
3. Presence of HALs. For full definition, see **HAL**.

These loans are referred to in this report as "predatory style loans", or loans that are "predatory in nature".

Protected Class: Group of people protected from discrimination and harassment. Farmington residents are protected from housing discrimination based on race, sex, religion, familial status, disability, national origin, color, physical and mental handicap, serious medical condition, spousal affiliation, ancestry, age, sexual orientation, and gender identity.

Public housing: Public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

RDA: Redevelopment agency

Severe cost burden: Occurs when gross housing costs represent 50.1 percent or more of gross household income.

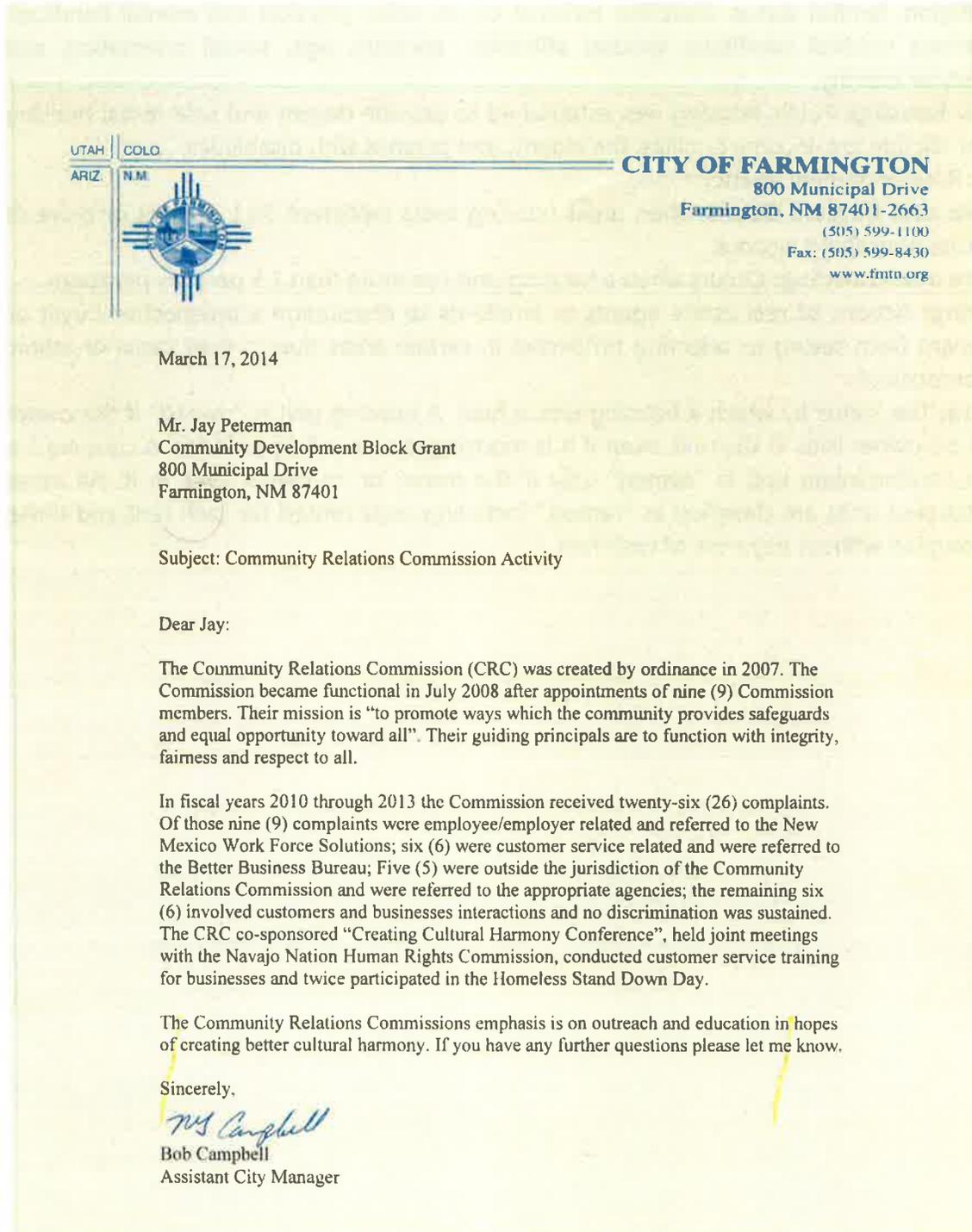
Severe overcrowding: Occurs when a housing unit has more than 1.5 persons per room.

Steering: Actions of real estate agents or landlords to discourage a prospective buyer or tenant from seeing or selecting properties in certain areas due to their racial or ethnic composition.

Tenure: The status by which a housing unit is held. A housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

SECTION X. APPENDICES

APPENDIX A: COMMUNITY RELATIONS COMMISSION COMPLAINTS



APPENDIX B: PUBLIC PERCEPTIONS OF FAIR HOUSING LAW SURVEY QUESTIONS

KNOWLEDGE & SUPPORT OF FAIR HOUSING LAW

SCENARIO 1—HOUSING DISCRIMINATION BASED ON FAMILIAL STATUS

"A single mother of a 13 year old made an appointment to look at an apartment for rent. The landlord met her and her child at the apartment. When he discovered that she had a child, he told her he doesn't allow children in his apartment complex."

Is the landlord's refusal to rent to the woman and child legal or illegal?

- Legal
- Illegal
- Don't Know

In your opinion, should it be legal?"

- Legal
- Illegal
- Don't Know

SCENARIO 2—STERING

"A Hispanic family wants to buy a house and finds a real estate agent to show them houses in their price range. The real estate agent is also Hispanic. Their agent only shows them houses in Hispanic areas of town, even though there are houses they could afford in other neighborhoods, because she thinks they will be more comfortable in the Hispanic neighborhood."

Is the real estate agent's decision to only show the family homes in Hispanic parts of town legal?

- Legal
- Illegal
- Don't Know

In your opinion, should it be legal?"

- Legal
- Illegal
- Don't Know

SCENARIO 3—MORTGAGE DISCRIMINATION

"A Native American couple applies for a mortgage loan at a local bank and their application is approved. The loan officer who makes the loan decides to charge them a higher interest rate than he did a white couple he made a loan to the day before, even though their credit

was just as good. He does this because he believes that Native Americans are more likely to default on their loans than whites.”

Is the loan officer’s decision to charge borrowers different interest rates based on their race legal?

- Legal
- Illegal
- Don’t Know

In your opinion, should it be legal?”

- Legal
- Illegal
- Don’t Know

SCENARIO 4—REFUSAL TO MAKE REASONABLE ACCOMMODATIONS FOR TENANT WITH DISABILITY

“An apartment building owner is renting to someone who uses a wheelchair. The building is old and does not have a wheelchair ramp. The renter asks if he could arrange to have a ramp built so he can get into the building more easily. The renter has offered to pay for the ramp. The owner thinks a ramp will ruin the look of the building, so he refuses to have one built.”

Is the apartment building owner’s decision to refuse to have a ramp built legal or illegal?

- Legal
- Illegal
- Don’t Know

In your opinion, should it be legal?”

- Legal
- Illegal
- Don’t Know

HOUSING EXPERIENCES

My current housing type is:

- Single Family Site Built Home
- Townhome, Condo, or Duplex
- Apartment
- Manufactured Home
- Other
- Homeless

How satisfied are you with your current housing situation:

- Very satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Very dissatisfied

Housing situation changes needed to increase satisfaction (if not very satisfied):

- Major repairs
- Affordability/Economy/Interest Rates
- Own rather than rent
- Different neighborhood
- Lower cost of utilities
- Landscaping
- Energy efficiency
- Roof
- Bigger/more space
- Better landlord
- Remodel/update décor
- Other
- Don't Know/None

Affordability and availability.

During the past five years, have you had trouble finding a place to live that you could afford because the rent or mortgage was too expensive?

- Yes
- No
- NA

During the past 5 years, have you had trouble finding a place to live because of limited availability?

- Yes
- No
- NA

Households with disabled members and accessibility needs.

Do you or does any member of your family have a disability?

- Yes
- No

Does your (or your family members) home currently live in meet your accessibility needs?

What kind of improvements are needed to make your (or your family members) home more accessible?

Support for affordable housing development.

Should the cities of Aztec, Bloomfield, and Farmington and San Juan County support the development of affordable housing?

Yes

No

Don't Know

HOUSING DISCRIMINATION

What would you recommend someone do if they experience housing discrimination?

Police

Realtor Association/State Board of Realty

City/City Council

Community Relations Commission

Research who to contact

Find another realtor/lender/landlord

HUD

District Attorney

Nothing

Other

Housing Authority

Move to another house/apartment

Better Business Bureau

File a complaint

Legal Aid/ACLU

Get a lawyer

I don't know

Do you know who you should contact to report housing discrimination?

Yes

No

Who would you report housing discrimination to?

Community Relations Commission

State agency

Research who to contact

NAACP/La Raza/A.I.M.

Office of Civil Rights/Human Rights

Do not know

Police

Community organization

HUD

Property owner

Federal agency/EEOC/ADA

Other

The District Attorney's office

Local government agency or official

An attorney/Legal Aid/ACLU

Housing Authority

Better Business Bureau

Who do you think investigates housing discrimination?

State agency
Research who to contact
NAACP/La Raza/A.I.M.
Office of Civil Rights/Human Rights
Do not know
Police
Community organization
HUD
Property owner
Federal agency/EEOC/ADA
The District Attorney's office
Local government agency or official
An attorney/Legal Aid/ACLU
Housing Authority
Better Business Bureau
Other

Do you think you've ever experienced housing discrimination?

Yes
No

What was the reason you were discriminated against?

I'm a student
Criminal record
Bad credit/bankruptcy/debts
Unmarried partners
Landlord refused to make repairs/charged for repairs
Pets
Physical disability
Age
Gender
Race/ethnicity
Children
Other

What did you do about the discrimination?

Called federal agency
Called Housing Authority
Tried to get information/
complain and couldn't
Talked to a lawyer/Legal Aid/ACLU
Called HUD
Called local government official/ mayor's office/city council
Talked to property owner
Filed a complaint

Looked for another place/Moved out
Nothing
Other

How would you get information about your fair housing rights?

Government agency
BBB/Chamber of Commerce
HUD website
City of Farmington website
Library
Housing Authority
Call a lawyer/ACLU/Legal Aid
Call City Council/Mayor
Real Estate Offices/Realtors
Internet search
Don't know
Other

When you want to learn about housing or government issues in Farmington, what information sources do you use?

Church/synagogue forums
Radio
Specialty publication
Specific websites
Library
TV
Realtor
Phonebook
Word of mouth
Local Newspaper
Local government sources/officials
Internet search
Don't know
Other