

ANALYSIS OF IMPEDIMENTS OVERVIEW

The City of Hot Springs and the Housing Authority of the City of Hot Springs have jointly prepared a fair housing study known as an Analysis of Impediments to Fair Housing Choice (AI). This study discusses patterns of race, poverty, and housing needs; access to opportunity; and housing barriers in the region. It also outlines strategies the City and Housing Authority plan to take to improve housing choices for their residents. The study is required by the U.S. Department of Housing and Urban Development for jurisdictions that receive certain community development and affordable housing grant funds.



Community Engagement

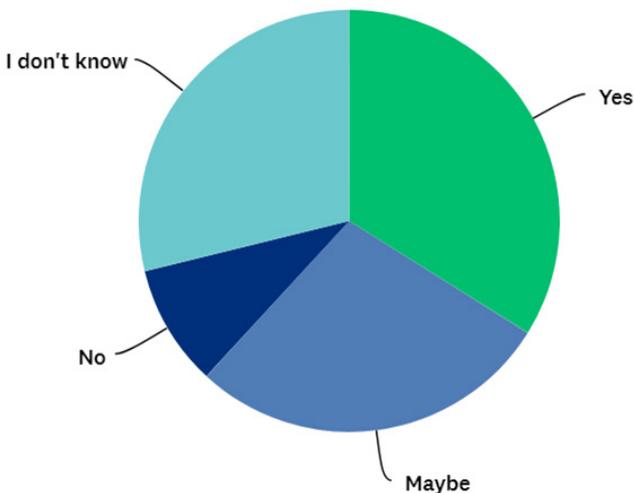
An important part of the AI involved hearing from local residents and other stakeholders. During the community engagement process, 20 people participated in interviews, 38 attended a public meeting or focus group, and 132 responded to a survey.

Survey takers' responses when asked what they like best about their neighborhood are summarized in the word cloud to the right. Proximity to downtown, jobs, shopping, and schools were top responses, along with quiet, neighbors, a sense of community, historic homes, and diversity.



When asked what improvements they would like to see, sidewalks, traffic calming, roadway improvements, property cleanup, and housing improvements were common answers.

Is housing discrimination an issue here?



Survey participants were also asked whether they think housing discrimination is an issue in Hot Springs. About 34% answered “yes” and 28% said it “may be an issue.” About 19% said “no,” and the remaining 29% didn’t know.

Asked to select any factors that may be barriers to fair housing in Hot Springs, more than one-half of survey participants identified the following:

- Neighborhoods that need revitalization or reinvestment
- Discrimination by landlords or rental agents
- Not enough affordable rental housing for individuals
- Limited access to jobs
- Displacement of residents due to rising housing costs
- Not enough affordable rental housing for large families

DEMOGRAPHIC PROFILE

The population of Hot Springs has become more diverse in recent decades. White residents make up the majority of the population at 73%, but both their population share and number have decreased since 1990. Black or African American residents are the second-largest population group at 16%, up from 14% in 1990. The Latino population is the fastest growing of any racial or ethnic group, having increased by more than five times their 1990 population to comprise 7% of the city in 2010.

Foreign-born residents make up 6% of the Hot Springs population and have doubled in both number and population share since 1990. Most of the city's foreign-born residents are from Mexico, Romania, the Philippines, or Canada. About 4% of the city's population has limited English proficiency (LEP). Most of these residents speak Spanish, although Indo-European languages, Vietnamese, and Tagalog are also common among the LEP population.

Segregation/Integration

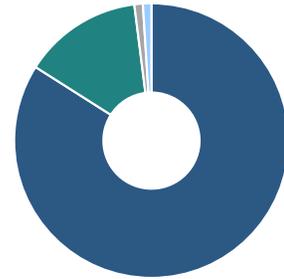
Demographic data indicates low levels of racial and ethnic segregation in Hot Springs as of 2010. The city saw significant declines in segregation for most population groups from 1990 to 2000 and again from 2000 to 2010. One exception was segregation between white and Latino residents, which fell from 1990 to 2000 but then increased, ultimately showing no net change over the two decades.

Residential Patterns

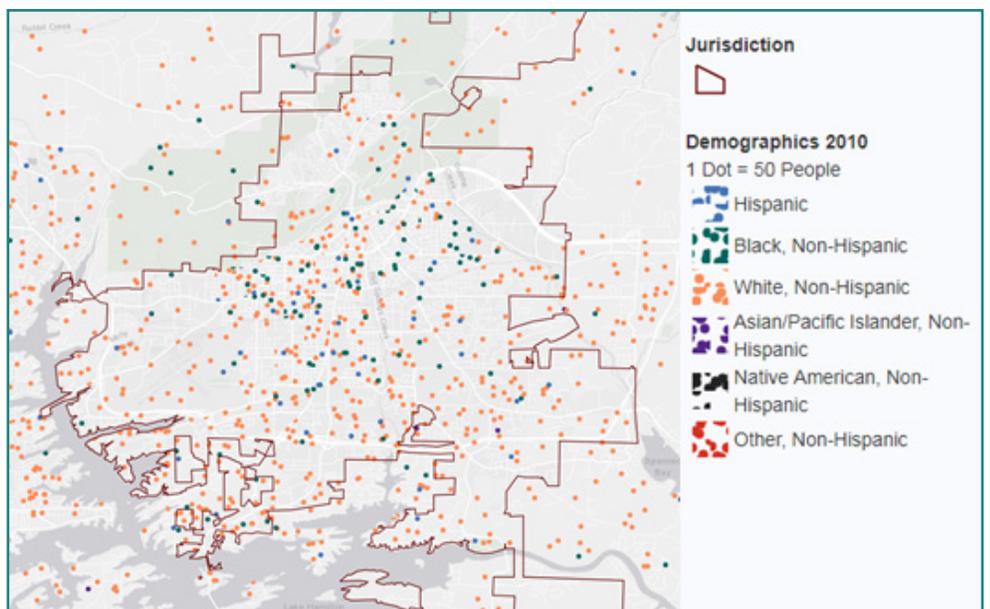
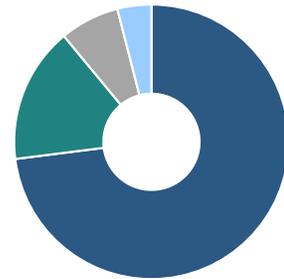
The map shows the distribution of the population by race and ethnicity in Hot Springs. Black residents make up higher shares of the population in the geographic center of the city, especially north of the railroad tracks. The Latino population is more evenly distributed geographically. Non-Hispanic white residents live throughout the city, with somewhat higher population density downtown and to the south.

HUD uses a methodology that combines demographic and economic indicators to identify racially or ethnically concentrated areas of poverty (RECAPs). These areas are defined as census tracts that have an individual poverty rate of 40% or more and a non-white population of 50% or more. There are no census tracts in Hot Springs that meet HUD's RECAP definition.

Race and Ethnicity, 1990



Race and Ethnicity, 2010



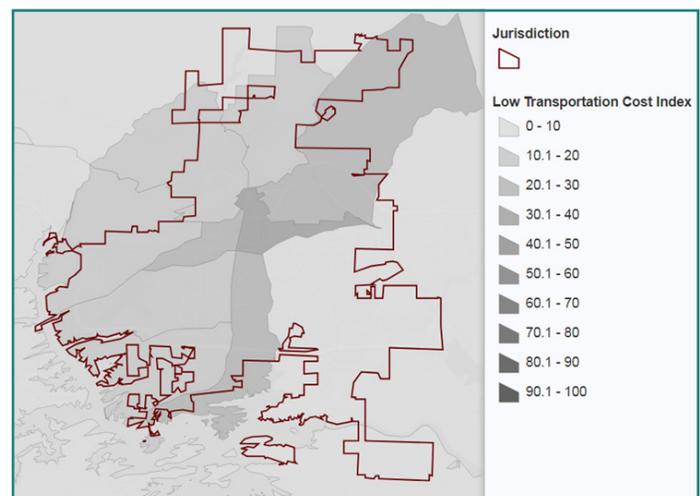
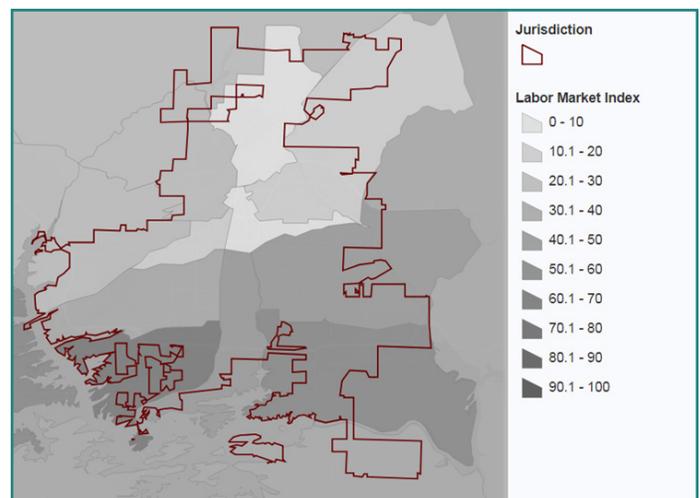
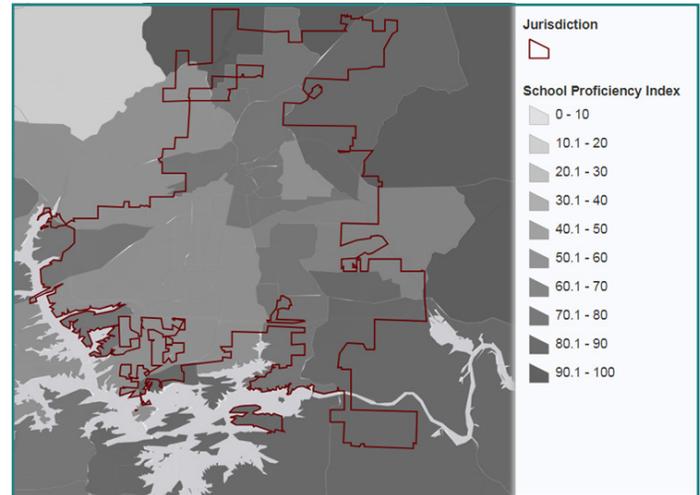
ACCESS TO OPPORTUNITY

Among the many factors that drive housing choice for individuals and families are neighborhood characteristics including access to quality schools, jobs, transit, and a healthy environment. To measure these conditions at a neighborhood level, HUD developed a methodology to quantify the degree to which a neighborhood provides such opportunities. For each block group in the U.S., HUD provides a score on several “opportunity dimensions,” including school proficiency, poverty, labor market engagement, job proximity, transportation costs, transit trips, and environmental health. Higher scores (and darker shading on the maps to the right) indicate greater access to opportunity.

School proficiency is evaluated based on elementary school student performance on state reading and math exams. Variation in levels of access to proficient schools is relatively low in the city of Hot Springs, and access to school proficiency does not vary significantly by race and ethnicity.

The labor market engagement index is based on unemployment rate, labor force participation rate, and educational attainment. Labor market engagement is higher in the southern half of the city of Hot Springs compared to the northern half. Overlaying this map with residential patterns shows some disparity among racial and ethnic groups in Hot Springs. Asian and white residents live in areas with higher levels of labor market engagement, while Black residents, on average, reside in areas with lower labor market engagement. In terms of proximity to jobs, opportunity levels are relatively strong throughout Hot Springs for all racial and ethnic groups.

The low transportation cost index is based on proximity to public transportation and the cost of transport. Scores are relatively low throughout Hot Springs, indicating limited access to public transportation, with the exception of downtown and surrounding neighborhoods. Overlaying this map with residential patterns shows little disparity in transportation cost index scores by race and ethnicity. African American and Latino residents tend to reside in areas with slightly lower transportation costs and higher transit usage than white residents, although these differences are not substantial.



HOUSING NEEDS

The availability of quality affordable housing plays a vital role in ensuring housing opportunities are fairly accessible to all residents. On the surface, high housing costs in certain areas are exclusionary based solely on income. But the disproportionate representation of several protected class groups in low and middle income levels can lead to unequal access to housing options and neighborhood opportunity in high-cost housing markets. Black and Hispanic residents, immigrants, people with disabilities, and seniors often experience additional fair housing barriers when affordable housing is scarce.

Housing Needs

To assess affordability and other types of housing needs, HUD defines four housing problems:

1. Cost burdens: Monthly housing costs exceed 30% of monthly income.
2. Overcrowding: More than one person per room, not including kitchens or bathrooms.
3. Lack of complete kitchen facilities: Lacks cooking facilities, a refrigerator, or a sink with piped water.
4. Lack of complete plumbing facilities: Lacks hot and cold piped water, a flush toilet, or a bathtub or shower.

In Hot Springs, about 38% of households citywide have one or more of the four housing problems. Levels of housing need vary by race and ethnicity. About one-third of white households (3,730 households or 32%) have a need, compared to over half of Black households (1,280 households or 58%) and two-thirds of Latinos (520 households or 66%).

| Disproportionate Housing Needs | City of Hot Springs | | |
|---|--|-----------------|-----------------|
| | Households Experiencing any of the Four Housing Problems | # with problems | # of households |
| Race/Ethnicity | | | |
| White, Non-Hispanic | 3,730 | 11,654 | 32.0% |
| Black, Non-Hispanic | 1,280 | 2,224 | 57.6% |
| Hispanic | 520 | 793 | 65.6% |
| Asian or Pacific Islander, Non-Hispanic | 70 | 135 | 51.9% |
| Native American, Non-Hispanic | 70 | 145 | 48.3% |
| Other, Non-Hispanic | 120 | 153 | 78.4% |
| Total | 5,785 | 15,094 | 38.3% |

Homeownership and Lending

Homeownership rates in Hot Springs vary significantly by race and ethnicity. About 60% of white households own their homes, compared to 31% of Black households and 39% of Hispanic households. Home Mortgage Disclosure Act data shows that households of color also face disparity in access to mortgage lending. Of applicants for home mortgage loans in Hot Springs from 2013 to 2017, about one-fifth of white applicants were denied a home loan compared to about one-third of people of color. Denial rates for home mortgage refinance loans were also higher for people of color (55%) than white applicants (33%).

Evictions

A common concern reported by stakeholders in Hot Springs involved evictions and the eviction process. In Arkansas, a landlord may evict a tenant for failure to pay rent through a civil proceeding giving the tenant a 3-day notice to vacate or face an unlawful detainer suit. Alternatively, a landlord can evict a tenant using a failure to vacate action, which is a criminal proceeding. The quick eviction process, along with the criminal charges that can be attached to an eviction, put many low-income renters, including many Black and Latino households and single-female householders, at risk of housing instability and homelessness in the face of an economic setback and difficulty paying their rent.

IDENTIFICATION OF IMPEDIMENTS

Based on the data and public input collected for this analysis, the following fair housing impediments have been identified. For each impediment, selected activities planned to address the impediment are shown below. The full report contains descriptions of each impediment and a complete listing of associated activities, goals, timelines, and responsible parties.

| | |
|-----------------------|--|
| IMPEDIMENT #1: | <p>Poor Rental Housing Conditions Limit Mobility and Choice</p> <ul style="list-style-type: none"> • Develop a rental inspections program based on best practices used in other jurisdictions for consideration by the City Board. • Provide fair housing education to landlords, including those most likely to have properties in poor condition. |
| IMPEDIMENT #2: | <p>Continued Need for Neighborhood Reinvestment</p> <ul style="list-style-type: none"> • Continue providing economic development support to new businesses. • Continue making data about City liens on vacant lots available to non-profit housing partners. • Explore funding opportunities for limited expansion of transit past 6 pm. |
| IMPEDIMENT #3: | <p>Additional Fair Housing Enforcement and Education is Needed</p> <ul style="list-style-type: none"> • Hold annual fair housing education programs for the public and housing industry professionals, including an annual Housing Summit. • Raise awareness of the City of Hot Springs Housing Officer and housing complaint procedures. If warranted, consider a fair housing testing program. |
| IMPEDIMENT #4: | <p>Eviction Regulations Contribute to Housing Instability</p> <ul style="list-style-type: none"> • Consider working with a local nonprofit partner to develop a pilot program for eviction mediation that assists tenants and landlords avoid evictions and criminal charges. |
| IMPEDIMENT #5: | <p>Zoning Code Ambiguity May Limit Accessible Housing Options</p> <ul style="list-style-type: none"> • Amend the zoning ordinance to clarify that housing for people with disabilities may be sited equally with other single-family housing for unrelated persons. |
| IMPEDIMENT #6: | <p>Publicly Supported Housing Choices are Limited</p> <ul style="list-style-type: none"> • Continue efforts to recruit new landlords into the Housing Choice Voucher program. |
| IMPEDIMENT #7: | <p>Racial Disparities Exist in Access to Homeownership</p> <ul style="list-style-type: none"> • Continue homebuyer education classes that connect graduates with downpayment assistance. • Reach out to local lenders to educate them about disparities in lending access and discuss participation in homebuyer assistance programs. |
| IMPEDIMENT #8: | <p>Vacation Rentals May Constrain Affordable Housing Supply</p> <ul style="list-style-type: none"> • Research mechanisms to monitor or limit the number of short-term rentals. Evaluate the need for such mechanisms in Hot Springs and identify preferred alternatives for presentation to City Board. |