BARRIERS TO AFFORDABLE HOUSING

In previous chapters, the analysis examined some of the specific housing needs due to a household's income, size, and other household characteristics. Barriers to affordable housing are impediments to the choice of housing that meet the specific income, size, and other needs of households. Barriers can be economic or financial, political or policy related, physical or geographic, informational or technological, and/or the result of individual behavior or social values and norms.

The following statements were identified as key barriers to affordable housing in the Lincoln Area. These barriers were identified in stakeholder discussions, then specifically identified by the steering committee as key barriers and are ordered in terms of priority below:

- *The primary barrier to affordable housing is income or the ability of a household to pay for housing*. A related barrier, *the lack of budgeting and financial skills of consumers,* was also considered a key barrier to affordable housing. This barrier was followed closely by another related barrier: *consumers living beyond their means*.
- *The second key barrier to affordable housing in Lincoln is the cost of housing and land.* Many felt that developer costs (including land prices, infrastructure development costs, and fees) were reasons behind this barrier. Others considered the effect of students on housing prices to be a key barrier.
- *NIMBY attitudes toward affordable housing,* including special needs housing, multi-family developments, manufactured homes, and public housing, were identified as the third key barrier to affordable housing.
- *Local regulations (such as zoning, subdivision regulations, and building codes) and other policy (such as property tax rates, tax assessment policy, and development fees) can limit the development or redevelopment of affordable housing or add additional costs.*
- *The fifth most identified barrier to affordable housing is the lack of local incentives to build and support affordable housing.* This barrier includes the lack of funding, soft money, and tax breaks available for building affordable housing. Additionally, the lack of subsidies (including vouchers and aid for supportive services) for rental housing are a barrier.
- *Federal program regulations* are another key barrier. Different sets of regulations for various federal, state, and local programs (that at times contradict each other) make funding projects difficult. Additionally, some regulations raise the cost of housing for the consumer, such as lead-based paint abatement requirements and Fair Market Rent regulations.
- *The general lack of affordable owner and rental housing* is another key barrier. Specifically, rental housing for extremely low-income households and for households with persons with disabilities, was identified as a barrier. Additionally, the lack of housing for sale, with sale prices under $100,000 is a key barrier.
- *The quality of housing, particularly the older housing stock,* is also a key barrier to affordable housing. The quality of rental housing was also identified within this barrier.
- *Language and cultural differences* together were considered to be a key barrier to affordable housing and fair housing as well.

Other potential fair housing barriers worth noting include: rising insurance rates (in some cases tied to specific houses), increasing level of predatory lending, and the level of funding for infrastructure in older neighborhoods.

The following is a more detailed summary of the barriers that exist in the City of Lincoln to Affordable Housing, which is a result of discussions held by the AHNA stakeholder and steering committees, as well as other public discussions on affordable housing, and barriers identified during the quantitative analysis. Because the gathering of quantitative data is costly and time consuming, the statements of stakeholders were often included without having quantitative data to back up such statements. However, most of the statements were supported by other stakeholders and/or identified as barriers to affordable housing on a statewide or national scale. The analysis below should be taken for what it is: the collective opinions of those with knowledge and experience in housing, some of which is supported by hard data.

Chapter 10 will then provide recommendations to resolve those barriers that were identified by stakeholders as priorities and/or addressable at the local level.

Economic and Financial

Generally, economic and financial barriers are the key barriers to affordable housing in Lincoln. There are three key economic and financial barriers to affordable housing, which will be explored below: household capacity and income, consumer housing costs, and development costs.

Household Capacity/Income

Stakeholders stated and the previous analysis supported that the primary barrier to affordable housing is income or the ability of a household to pay for housing. (Income in general, what is included as income, and income by household type was discussed at length in Chapter 6.) The data shows that while the buying power of the median household has increased over the last decade, the income gap between the lowest- and highest-income households has grown. The number of low-skill service jobs with low wages and little or no benefits are increasing at a faster rate than other types of jobs.

Specific types of households have more barriers than others in terms of income. Those households headed by a single-parent, elderly person, person with a disability, or racial and/or ethnic minority are more likely to have lower incomes and live in poverty. Reasons behind lower incomes for each these household types may include some of the following: government assistance levels, education levels, job skills, unemployment levels, types of jobs, and supportive services for employment (i.e., daycare, job training).

In addition to income, stakeholders emphasized that there are other factors that effect a household’s ability to pay for housing. Other expenses, including transportation, child care, and health care, limit the income available for housing. The ability of a household to manage their finances can determine what it can afford, as well as whether or not they can maintain their rental status, purchase a home, or maintain a home. Lack of good credit, too much debt, and lack of savings or wealth are also barriers related to financial management skills. Although, some household types may experience these barriers for other reasons (i.e., young householders or new

immigrants may lack good credit because they have not had the opportunity to establish a credit history).

Consumer Housing Costs

The information in Chapter 6 showed that the price of owner housing is rising at a faster rate than median income and inflation. The number of homes for sale under $100,000 is rapidly decreasing. Those that are priced low often need rehabilitation and/or will have higher maintenance costs. With the rise in home prices comes a rise in required downpayments and closing costs, which are usually a percentage of the home price.

Additionally, other costs contribute to the rise in owner costs: rising property insurance rates, increasing property tax payments (due to increases in assessed valuation), and rising heating bills (due to increased consumption for larger homes and rising rates). The increasing number of homebuyers relying on a second mortgage to cover downpayment costs also increases mortgage insurance costs.

Additionally, the price of quality rental housing is also high. While overall, the cost of rental housing is rising at a slower rate than median income, there is concern regarding the declining quality of affordable rental housing, particularly in the low-income areas of the City, and rising cost of new rental units. Additionally, because large rental units are scarce, the rents of these units, particularly those located near the University, are high. Required deposits for rental units are also on the rise, sometimes including the first and last month's rent in addition to the deposit. Again, heating oil rates are on the rise, although other utility rates have remained relatively stable. Nevertheless, the average household is using more electricity to power consumer electronics and cool larger and larger units.

Development Costs

Two of the primary barriers to developing affordable housing discussed among housing stakeholders were both the price and the availability of developable lots within the City of Lincoln. Chapter 6 showed that the cost of land has risen faster than the rate of inflation, while the number of lots for sale on the Realtors multiple listing service have declined. According to local stakeholders, the increasing cost of lots coupled with federal subsidies that have declined or not kept up with the pace of inflation have created a disincentive for builders to build affordable housing for low-income households, and has caused them to focus on housing for middle- and upper-income households.

The cost of providing infrastructure to those lots is assessed at the building permit stage of the development process in the form of impact fees. Charging for infrastructure development is not something new to the City; developers or builders have long had to pay fees, whether as impact fees or hook-up fees, for access to utilities. Additionally, developers must cover the cost to develop infrastructure within the development, including service lines and residential streets.

The development process also impacts the cost and availability of land. The length of time that land is held during the administrative review process costs the developer. However, the City is working to streamline the administrative review process to reduce the time land must be held.

Finally, there is limited low-cost funding for rehabilitation of existing properties. Investors that redevelop existing properties rather than build new properties may have greater difficulty in finding funding projects.

Policy Barriers

Barriers can be political or pertain to the local, state, or federal policy of both public and private institutions. Sometimes the barriers are intentional and used to limit the amount of a particular kind of housing in a neighborhood, and other times they are the result of well-intended policy. Policy includes both written regulations as well as generally accepted standards of conduct by institutions. Both private policy, such as that of property management companies, insurance agencies, and financial institutions, and public policy, including that of local and federal governments, will be discussed below.

Private Policy

Policy of Property Managers and Landlords

Property managers and landlords may have policies that create barriers to affordable housing. Some of the policies mentioned by stakeholders and other organizations include: not accepting Section 8 housing certificates and not following local ordinances. Those landlords or managers that do not accept Section 8 certificates, which would allow extremely low- and very low-income households to afford their rents, limit housing choice for these households. Reasons landlords give for not accepting these vouchers include the cost of complying with federal regulations associated with the vouchers, including strict inspections and fair market rents that are too low, as well as not wanting to accept the clientele. However, Lincoln Housing Authority has stated that, while this was a barrier in the past, there are currently enough landlords that accept certificates. Nevertheless, federal cuts in the Section 8 program could further decrease rents, causing fewer landlords to participate in the program.

Not following local ordinances can drive up rents or reduce the quality of rentals. Some neighborhood stakeholders complain that landlords drive up rents close to campus by renting to more than three unrelated students. Landlords can charge more for large units, if the cost can be spread out among more tenants, making the small number of large rentals rent at a premium. Additionally, some landlords do not maintain their properties to meet minimum housing standards. While housing that does not meet these minimum standards may cost less, it is not truly part of the affordable housing stock, if it is unsafe. Because the city does not inspect single-family and duplex rental units, it is difficult to quantify how big the maintenance problem really is.

Insurance Regulation

Insurance regulation is becoming a larger barrier to affordable housing. Obtaining insurance is an important step in the home buying process, as most lenders will not loan without it. Many mortgage and homeowners insurance policy carriers now require credit checks before they will insure. Carriers may charge higher rates or refuse to insure applicants with an insufficient traditional credit history or job history. However, the history of the applicant is not the only item under review; insurers may not insure properties that have filed recent claims, even under new

ownership. Additionally, carriers have dropped or refused to renew policies on which applicants have filed claims.

In general, insurance rates have also increased over the last few years. Claims filed on damages due to natural disasters in recent years, not including the attacks of September 11, 2001, have caused some companies to fold and others to charge higher rates to cover the expense.

Financial Institution Policy

Financial institutions are highly regulated, both by the government and indirectly by the secondary market. Banks have little room in determining what criteria to use when underwriting borrowers. However, banks do have the flexibility to work with non-profits (i.e., NIFA, Neighborhoods, Inc.) and government sponsored programs (i.e., FHA, VA) that provide loan guarantees and interest rate buydowns for riskier mortgages. Banks that do not regularly use these programs limit options and create barriers for low-to-moderate income buyers.

Home Mortgage Disclosure Act data from 2000 showed that applicants of Hispanic origin or descent are more likely to be denied a loan, file an incomplete application, and withdraw an application than any other type of applicant (i.e., white, black, Asian) regardless of income, according to a study funded by the Urban Development Department. Because communication is so important to the home buying process, banks that do not have bilingual loan officers and translated applications and product information create barriers to applicants whose first language is something other than English. Additionally, new immigrants sometimes face other barriers in the home buying process, including lacking a long-term, traditional credit or job history or documentation required by the bank.

Some lending, however, is intentionally discriminatory and/or abusive. Predatory lending generally targets vulnerable homeowners (particularly seniors, minorities, and/or those who are less educated about the lending process) who have equity in their homes. Loans are sold with payments based upon the equity in the home rather than the ability to repay. Hidden fees, such as unnecessary life insurance, high origination fees, and closing costs, serve to strip equity from the home. Additionally, payday loans, another form of predatory lending, often force borrowers into a cycle of debt that is difficult to stop. There is no hard data on the extent to which households in Lincoln have been taken by predatory lenders. However, government entities and non-profits are seeing an increasing number of cases of households who believe they have conventional loans until the loans are reviewed by the organization. Additionally, payday loan and check cashing businesses have increased from almost none in 1990 to over 20 such business listings in 2004 the phone book alone.

In addition to obstacles faced in the home buyers market, obtaining financing for multi-family housing, especially that which caters to low-to-moderate income families, in Lincoln can be very difficult. Some banks are not as willing to finance projects that rely on a number of subsidized funding sources, such as low-income tax credits.

Local Public Regulations

Zoning, Subdivision Regulations, and Building Codes

Zoning, subdivision regulations, and building codes can hamper the development of new affordable housing, rehabilitation of existing affordable housing, and creation of housing for

special populations if precautions are not taken. Cities often struggle to find a balance between the costs (to property owners, residents, the community, etc.) of regulating versus not regulating. Stakeholders have explained that new affordable housing development has been hindered by requiring large minimum lot sizes in newly developing areas of Lincoln. However, Planned Unit Developments and other more flexible regulations permitted by the City may allow affordable housing developers to include affordable housing in their plans.

Neighborhood design standards and historic designations, and downzoning can also limit the development and rehabilitation of affordable housing within existing neighborhoods according to stakeholders. Requiring specific design standards and attention to historic architectural detail without providing technical (in terms of best practices) and/or financial support can raise the cost of a project and, therefore, the housing cost. Additionally, downzoning limits multi-family housing options, particularly the option to rent more affordable housing, in traditionally single-family neighborhoods.

The rehabilitation of existing structures for affordable housing can also be hindered by existing building codes. The City does not have a rehabilitation sub-code, which would allow for more flexibility in the rehabilitation of existing structures. Those who wish to rehabilitate the upper floors of commercial buildings, deconvert converted single-family homes, and reuse industrial or other building types may find the cost of meeting codes for new structures cost prohibitive.

Zoning Ordinance 27.03.220 prohibits more than three unrelated individuals from renting one housing unit. Students have complained that this ordinance makes it difficult for students to afford housing. However, neighborhood advocates state that this ordinance is only enforced when students who are breaking this law choose to behave unneighborly (i.e., holding parties, not maintaining property). Conversely, as discussed under private landlord policy, landlords who do not follow this ordinance could be driving up the price of large rentals.

Opportunities for special needs housing have been limited by current zoning regulations, according to some housing stakeholders. For example, zoning which restricts the location of additional group homes within close proximity of one another can limit the number of units available for persons with disabilities within the more affordable areas of the City. The Mayor formed a task force in May of 2004 to examine balancing the needs of group homes with the needs of neighborhoods.

Taxes and Fees

Property taxes may discourage the rehabilitation of existing housing and the maintenance of housing. Property reassessments that occur as the result of rehabilitation increases annual owner costs. Some stakeholders feel that property assessments are inconsistent, and not easy to change through the appeals process. Additionally, reassessing property taxes only every five or more years creates unexpected increases in annual housing costs.

Impact fees are also an additional cost which may create a barrier to affordable housing. Because builders must pay the same fee for all new single-family houses constructed, no matter what the selling price of a house will be, impact fees make up a higher proportion of the cost of lower priced homes. However, there are exemptions, including a 100 percent exemption for new houses sold to persons earning less than 60 percent of the median area income for their family size, and a 50 percent exemption for new houses sold to persons earning 60 to 80 percent of the

median. Nevertheless, new rentals constructed within low-to-moderate income areas of the City are not exempt from impact fees.

Local Programs/Incentives

Local incentives to develop and preserve affordable housing are mostly limited to financial incentives provided through federal funding sources (directly or indirectly through the state and local government, private, and non-profit entities). The City does not provide local tax breaks for affordable housing (i.e., tax abatement), nor allocate general funds toward affordable housing. The money that the City does contribute toward affordable housing is federal (i.e., CDBG, HOME, ADDI, and ESG) and insufficient in addressing existing needs.

The City also does not require developers to construct or preserve affordable housing (i.e., set-asides) as a part of their plans. For example, tearing down low-income housing to build higher income housing in older areas can displace households and reduces their affordable housing options. Some stakeholders feel that the lack of both a carrot and stick approach to developing and preserving affordable housing is exacerbating the existing supply problem.

Administration and Enforcement

The administration and enforcement of regulations can be barriers in and of themselves. Additionally, inconsistencies in enforcement and interpretation of regulations can create unexpected costs and delays.

In the past, there were complaints that the development approval process, including project design, building permit, and subdivision review, was slow and therefore increased the cost of new housing developments. However, City departments are working with local developers to streamline this process and reduce the administrative burden.

Another concern of stakeholders is that accessibility standards are not enforced during construction. Sometimes enforcement does not occur until after the units have been constructed, increasing the overall cost of the project, which can become increased costs for the consumer. Those that are not enforced at all mean fewer accessible units for those that need them.

Federal and State Regulations and Programs

Service providers, both public and private, find that federal regulations and programs are difficult to work with at times. Strict federal program requirements make addressing specific local needs difficult. Lead-based paint abatement requirements are an unfunded mandate that add to the cost of rehabilitation projects; and, therefore, make some projects unfeasible. Environmental regulations can add to the cost of developing affordable housing.

Criteria used to determine housing affordability is too general. Requirements that households spend 30 percent of their incomes toward housing is too high for some households, especially those that are extremely low income. On the other hand, banks will allow some households to spend more than 30 percent of their incomes toward housing costs.

Loan officers, Realtors, and others that assist clients in the home buying process have difficulty keeping up with local and federal program changes. These changes are not communicated regularly or clearly at times. Additionally, those in the private sector that do not frequently work with federal or local programs have difficulty keeping informed.

The City is limited in the amount of loans, vouchers, and other assistance it provides by the amount of money it receives from the federal government. The Section 8 funds being provided to the City are rapidly declining, and already low fair market rents must be lowered to help compensate.

Declining federal funds for some programs, coupled with increasing local costs and inflation, reduces the money available for housing development and preservation. Additionally, the lack of other sources of soft money (i.e., Fannie Mae, Federal Home Loan Bank) brought to the local level for housing development make it difficult for both public and private organizations to develop affordable housing.

Physical/Geographic/Bricks and Mortar Barriers

Physical barriers to affordable housing pertain to barriers that exist because of tangible impediments or the lack of infrastructure. Barriers due to supply problems, quality concerns, and location are all discussed below.

Supply/Availability

In Chapter 7, we found housing gaps due to both the insufficient supply of housing for certain income groups and the mismatch of housing and households. This section focuses on the barrier of insufficient supply. The lack of an adequate supply of developable land, new affordable homes, and rental housing for specific household types are all barriers to affordable housing discussed below.

Supply of Developable Land

Some stakeholders believe that the supply of developable lots is not meeting the demand for new lots, which explains why new lots are selling at a premium. The Planning Department is examining the issue with private partners, but stresses that the shortage is among individual developers rather than in the community as a whole. Some developers keep final platted land in reserve, developing the land in increments as financial resources become available.

The supply of basic infrastructure, water and sewer lines in particular, is primary to the supply of developable land. Some stakeholders stated that the City is too slow in extending basic infrastructure to raw land. The Planning Department explained that the key to providing infrastructure to new areas is ensuring that the Six-Year Capital Improvements Plan (CIP) matches the growth outlined in the Comprehensive Plan. To do so, the City must identify the financing to fund these infrastructure improvements. The City must also have public support to make these improvements. The City's infrastructure task force (made up of persons from public and private interests) developed a plan in 2003 and 2004 for keeping up with infrastructure needs, and offered a series of public information sessions in 2004.

Supply of Affordable Homes for Sale

The supply of affordable homes for sale is declining. The development of new affordable homes priced for households making less than 80 percent of the median is not keeping up with the demand for affordable homes outside of the urban core. Additionally, the sales price of existing homes is continuing to rise at a rate faster than incomes are rising.

Supply of Affordable Rental Units for Specific Household Types

There is also a lack of affordable rental housing for specific sub-populations. There is a shortage of rental units affordable to households making less than 30 percent of the median income for the City. The shortage is exacerbated by the number of existing rental units that do not meet housing quality standards.

Because single-parent households and households headed by racial and/or ethnic minorities, persons 75 and older, persons under 25, persons with disabilities, refugees, and/or persons whose first language is not English are more likely to be in poverty, these households are more likely to face barriers to rental housing due to inadequate supply. These subpopulations are also more likely to live in substandard rental housing and face cost overburden.

The lack of affordable housing designed for persons with mobility disabilities is evidenced by the demand for barrier removal programs. According to the League of Human Dignity, the demand for assistance in removing barriers in rental and owner housing for persons with disabilities is greater than the supply of funds.

Additionally, there is a lack of affordable rental housing for large, low-income families. Stakeholders have stated that large rental units rent at a premium because of the low supply and high demand by students.

Finally, the lack of affordable rental housing with supportive services can create barriers for persons finding and maintaining a home.

Quality

Because a housing conditions analysis has not been conducted within the last ten years, quantifying the existing barriers to affordable housing due to poor housing quality is difficult. Unfortunately, some rental and owner housing units that are counted as part of the affordable housing stock should not be, because they are unsafe and unsound.

The qualitative data presented by housing stakeholders reveal that the poor quality of housing affordable to low-income households is a major barrier. Housing “affordable” to the low-income, first-time home buyer, may be of low quality and not affordable once rehabilitation costs are added. Additionally, federal funding received by the City is not sufficient to address the continued deterioration of the older rental housing stock.

Certain areas of the City have higher concentrations of poor quality housing. The continued lack of investment by owners (both owner-occupants and landlords) can perpetuate the decline in quality of surrounding houses.

The quality of some new housing being constructed is a also concern of some stakeholders. Measures used to cut costs to make housing affordable initially (i.e., using less-durable materials), increase future maintenance costs.

Location

Housing affordable to low-income persons and, thus, low-income households tend to be concentrated, particularly in the urban core of the City. Lincoln Housing Authority has made a deliberate effort to build public housing outside the low-to-moderate income areas of the City to help deconcentrate poverty.

Low-income households are less likely to have access to reliable, private transportation. Therefore, it is important for affordable housing to be located near public transportation and other services. However, public bus routes are more accessible in the urban core, perpetuating the need for low-income households without private transportation to live in this area.

Housing affordable to low-income households is more likely to be located near less favorable environmental conditions, including being located in floodplains, near incompatible land uses (i.e., industrial areas), and near other potentially hazardous sites (i.e., brownfields).

Informational/Educational/Technological Barriers

The lack of information and access to information sharing technology by both consumers and providers can create barriers to affordable housing.

Consumer Information

Language/Communication/Culture

The ability to communicate is vital to the rental and particularly the home buying process. New Americans, unless they immigrated from English-speaking countries, often face large language barriers in renting and owning. Because it takes newcomers an average of seven years to master the English language, new Americans often need additional assistance with the rental and home buying process long after they first arrive.

A variety of public and private organizations in Lincoln (including government entities, non-profits, and financial institutions) provide information on renting and home buying in languages other than English. Additionally, these organizations have bilingual or multilingual staff or translators that they use to work with English language learners. However, there are many other organizations that do not provide these services, either because they do not know about translation services, the services can be costly, or they are unwilling to make the effort to work with new Americans.

Persons with severe hearing, speech, and/or vision impairments also face communication barriers, and may need additional assistance or accommodation in the rental and home buying processes.

Whether or not your first language is English, understanding your rights as a consumer or tenant, the credit process, the home buying process, etc. are important in the ability of a household to

obtain and maintain affordable housing. Not having at least a high-school education can be a barrier to affordable housing, in terms of earning potential, communication skills, and ability to learn other skills (i.e., budgeting). Poor financial and budgeting skills can prevent households from finding adequate, affordable housing because they have a poor credit record, too much debt, and/or not enough savings. Additionally, poor living skills can be a barrier. For example, a household with a bad reputation of among landlords, will have a harder time renting. Also, a household that does not undertake preventative maintenance on their homes, will face higher maintenance costs in the future.

Because so much information is now available over the internet, not having access to a computer or an understanding of how to use one can be a barrier to the rental and home buying process.

Provider Information

Providers can also have an impact on housing affordability because of what they know or do not know. Loan officers, Realtors, etc. need access to information on housing programs and program changes as they occur. Barriers are created when providers are not provided with program updates in a timely manner, or when providers choose not to learn about programs. Inexperience can also be a barrier to affordable housing on the provider side.

Public entities must also keep informed on the current affordable housing situation in order to make the most efficient use of federal dollars. Because the census only comes out every ten years, it is important for the City to gather data and monitor indicators to measure market and housing conditions. However, there are very few "outcome" measurements that the City currently monitors on an annual or regular basis. For example, without a database on existing housing conditions, it is difficult for our local government to be sure that housing programs are targeting the right households or areas, or making the greatest impact.

Communication between public and private entities and within City government is vital to breaking down affordable housing barriers. Private entities can assist the City in maintaining information on the housing market. For example, the Realtor's Association conducts an annual survey of multifamily housing providers, as well as conducts an analysis of the houses and land sold through the multiple listing service. Many public and non-profit agencies do not currently share housing needs with each other, because there is not currently a method to share that information in an efficient and timely manner and many do not collect such information in the first place. Additionally, communication between different departments within the City could be improved.

Barriers Due to Individual Perceptions/Behavior and Social Values/Norms

Views and beliefs held by individuals, groups, or the community as a whole can create barriers to affordable housing. In general, persons who have low incomes may face barriers to affordable housing, not only because of their ability to pay, but because they may be looked upon less favorably by other individuals. Persons of other sub-groups may also face barriers because of their race, ethnicity, nationality, color, language, religion, gender, age, disability, sexual orientation, etc.

As the demographic make-up of our City has changed over the last ten years, so have the social norms and individual behaviors within our community. While some individuals and organizations have embraced the change, others have resisted it. Some of the resistence can be described as denial, some as fear, and some as discrimination. This resistance has created barriers to our City's newcomers, as well as long-term residents.

Individual Attitudes and Beliefs

The beliefs, attitudes, and behaviors of some individuals can create barriers for others or even themselves. Landlords and property managers are not required to accept Section 8 housing vouchers. Some choose not to because their rents are too high and would not meet fair market rents and others prefer not to deal with the regulations. However, others choose not to because of their beliefs about Section 8 recipients.

Some property owners choose not to maintain their properties, and ignore the effect disinvestment has on others. Those who let their property fall into disrepair lose may lose equity in their own investment, as well as decrease their neighbors' property values. These property owners who are also landlords not only hurt their own investment, but also create unsafe and unsanitary conditions for their tenants. Failing to maintain housing reduces the supply of safe and decent affordable housing, and creates problems for neighborhoods as well.

Tenants can create barriers for themselves by not helping landlords maintain their properties. Tenants who are destructive and do not keep their property clean, can lose their deposit, be charged for repairs, and gain a reputation that will prevent them from renting from other landlords.

Additionally, while the stakeholders generally feel that most Realtors, landlords, loan officers, government employees, architects, developers, property owners, etc. do their job in a manner that is respectful of people, there are some that choose to let personal beliefs guide their actions regardless of regulations or ethics. For example, stakeholders have pointed out that some private developers and architects choose to ignore accessibility guidelines and requirements. Additionally, a broker for a mobile home park is selling mobile homes to persons without disclosing that the park is closing and the mobile homes just purchased will need to be demolished. (See also "discriminatory or malicious behavior" below.)

Social Values and Norms

General values held by our society and community can guide and misguide our behavior and local policy. Our commonly held values can sometimes create barriers to affordable housing, whether or not that was the intended consequence. Nevertheless, some of these values are held in higher esteem than our collective desire for affordable housing.

Americans love to consume, which is not only evident by our waistlines, but how we live and in what we live. Developers are building homes and apartments with more square footage to meet current demand. A portion of the increase in new home prices is due to this increase in square footage. Additionally, buyers and renters are requiring more amenities, which also add to the costs of units. Many renters want disposals, dishwashers, washers and dryers, access to pools and fitness facilities, etc. and are willing to pay more than 30 percent of their incomes for these amenities. Additionally, many consumers are spending more than they can afford on other

housing related items, including utilities, cable, furniture, etc. This consumption is negatively correlated to the capacity of households to accumulate wealth.

Another commonly held value in our City is the value of single-family homes and homeownership. Any other type of housing that threatens the investment of the owner in the single-family home is not typically welcomed into a neighborhood. NIMBYism, or Not in My Backyard-ism, is a barrier to affordable housing in that it limits affordable housing options and the location of those options for renters, as well as populations with particular needs. In the past, NIMBYism has prevented rental housing, particularly rental housing for low-income persons, from being built in some neighborhoods, as well as congregate living facilities, single-room occupancy units, manufactured homes, and other special needs housing. In some cases, there are shortages of this type of housing within the City. Downzoning can be an example of NIMBYism when it goes too far. Downzoning limits density to the carrying capacity of existing infrastructure and is used to protect neighborhood land use by limiting the construction of housing structures with more than two units. Downzoning, therefore, also limits the construction of multi-family rental units and the potential for affordable housing options within existing neighborhoods.

Another commonly held belief by some is that some older neighborhoods are bad investments, unsafe, bad places to live, etc. These misconceptions perpetuate existing problems, such as commercial disinvestment and low homeownership rates. Problems can be further perpetuated by the City, if local policy (i.e., redevelopment policy) and/or City staff do not support older neighborhoods and older homes in particular.

The perception of government assistance and those who participate in government programs can be a barrier to affordable housing as well. While it was previously mention that some landlords did not accept Section 8 vouchers because of their perception of those that use the program, this perception spreads beyond landlords to the general public. This perception also causes some of those that would benefit from assistance not to seek help, not only in rental assistance, but also in owner-occupied programs.

Because Lincoln is a City where a substantial portion, although decreasing percentage, of the population is students, student behavior or our behavior toward students can create barriers to affordable housing. For example, students that value affordability over quality are willing to forgo some amenities, personal space, and even safety to live in poor quality housing.

On the other hand, the value of some health and safety concerns guide our local policy, sometimes to the detriment of families and affordability. Because of limits on the number of persons per livable room in our rental housing, large families must sometimes be split up in order to meet these regulations. Another example of health and safety overriding the need for affordable housing is the requirements for rehabilitation of existing homes or reuse of existing structures. Regulations keep some housing in need of rehabilitation in poor condition, while it removes other housing from the affordable housing stock after rehabilitation due to the expense.

Discriminatory or Malicious Behavior

Whether or not discrimination is intentional or unknowingly committed, it can create barriers to affordable housing. Examples of discrimination in housing may include a landlord advertising an apartment as a "bachelor pad," a nursing home not allowing persons with motorized scooters used because of a disability, a Realtor steering a Latino couple to a neighborhood that has a higher percentage of Spanish speaking people, a loan officer that provides less assistance filling out a mortgage application because the applicant is black, etc. "Discrimination" still persists in Lincoln against persons based on their sexual orientations, incomes, and ages (in some cases).

Unfortunately, it is difficult to quantify the prevalence of discrimination in our City. There are very few housing discrimination cases filed with the Lincoln Commission on Human Rights every year, and most show no evidence of true discrimination. Discrimination may often occur without the person knowing. Additionally, the burden of proof falls on those who believe discrimination has occurred. Without solid evidence, many cases are never filed, are withdrawn, or are inconclusive.

A total of 94 housing discrimination cases have been filed with the Commission over the past ten years. The majority of these cases, 61 percent, were filed on the basis of race, followed by national origin (22 percent), disability (17 percent), marital status (13 percent), familial status (12 percent), gender (9 percent), and religion (3 percent).

Table 8.1: Housing Cases Filed, Lincoln Commission on Human Rights, City of Lincoln, 1995 to 2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Race	*5	*14	*8	*5	4	0	0	6	7	8
Color	0	0	0	0	0	0	0	0	0	0
Sex	0	3	0	0	0	1	1	0	0	3
Religion	0	0	0	0	0	0	0	0	2	1
Disability	1	4	2	1	0	1	1	3	2	1
National Origin	1	3	0	1	1	2	1	6	3	3
Retaliation	0	3	1	0	0	1	1	1	0	0
Marital Status	1	1	2	4	1	1	1	0	0	1
Familial Status	1	3	1	3	0	0	1	1	1	NA
Ancestry	0	0	0	0	0	0	0	0	0	0
TOTAL	9	31	14	15	6	6	6	17	15	12
ACTUAL TOTAL	7	23	11	11	4	4	4	13	9	8

Source: Lincoln Commission on Human Rights
* For 1995, 1996, 1997, and 1998, race and color were calculated together.
NA = No annual reports for individual statistics.

In 2004, of the eight cases file, all eight were found as "no reasonable cause;" however, five of these received pre-determination settlements before a determination of evidence took place. Of

the 94 cases filed statewide with the NEOC during Fiscal Year 2003, nine were found to have reasonable cause.

However, testing preformed by the Fair Housing Center of Nebraska among lenders, Realtors, and rental companies between 1998 and 2002 documented barriers to housing choice in the Lincoln area in the areas of accessibility, familial status, race (African-American), and national origin (Hispanic). Results showed conclusive evidence to prove a discrimination charge in 47 percent of the 37 tests conducted between 2001 and 2002, and 54 percent of the 24 tests conducted between 1998 and 2000.

Additionally, discrimination in employment can also create barriers to affordable housing by affecting the ability of individuals to pay for housing. For example, in 2003, there were six cases of employment discrimination found to have reasonable cause and another 11 pre-determination settlements out of 102 employment discrimination cases filed. These numbers may seem small compared to the number of people that apply for or hold jobs in Lincoln. However, again, not all those that experience discrimination make a complaint, nor even realize discrimination has occurred.