

Baltimore Regional Fair Housing Group

# Analysis of Impediments to Fair Housing Choice

JANUARY 30, 2019

PRESENTED BY

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# Agenda

## **New Schedule for Meetings and Report**

## **Disproportionate Housing Needs & Publicly Supported Housing**

- Introduction (5 min)
- Review of Data and Questions (25 min)

## **Moving Forward: Identifying Contributing Factors and Solutions** (balance of meeting)



# Goals of Work Group

1. Help the jurisdictions, PHAs, BMC, and consultant review and interpret data provided by HUD for this assessment—*complete as of February 20*
2. Help identify easily obtainable local data that would assist with this analysis—*complete as of February 20*
3. Provide ongoing stakeholder input into:
  - Analysis of what this data means and its significance
  - Assessment of past fair housing progress and current fair housing enforcement and outreach capacity
  - Development of fair housing goals and priorities—*March through May*

# Work Group Mtgs—Revised

## Meeting schedule:

- **Oct 23** – Overview and Initial data on segregation and R/ECAPs
- **Nov 8** – Disparities in Access to Opportunity Part 1 (employment and transportation)
- **Dec 13** – Disparities in Access to Opportunity Part 2 (education, community health)
- **Jan 9** – Disability and Access
- **Jan 30** – Disproportionate Housing Needs, Community Reinvestment, Publicly Supported Housing; Contributing Factors
- **Feb. 20** – Enforcement, Capacity, Resources + Action Items for Access & Segregation
- **March 14** – Action Items for Access to Opportunity
- **April 10** – Developing Action Plan Matrix I
- **May 22** – Developing Action Plan Matrix II
- **Sept 17** – Feedback on Draft Regional AI

## Follows key topic areas of the Assessment of Fair Housing:

- ✓ Demographic Summary
- ✓ Segregation/Integration
- ✓ R/ECAPs
- ✓ Disparities in Access to Opportunity
- ✓ Disproportionate Housing Needs
- ✓ Publicly Supported Housing Analysis
- ✓ Disability and Access Analysis

**Where we have been**

# History of Housing Needs and Publicly Supported Housing

- Actions to segregate and deny housing opportunities to racial and ethnic minorities and persons with disabilities were very common in region during early years of job growth and expansion
- Federal protections to prevent discrimination in housing provision and credit access have been in place for 50 years, much less time than disparate treatment of many residents
- Recent legal actions have been instrumental in furthering equitable housing environments:
  - Thompson v. HUD
  - Bailey v. HABC
  - BNI, NAACP v. Baltimore County
  - City of Baltimore v. Wells Fargo
  - Baltimore Regional Housing Campaign v. Maryland DHCD



## Redline Map of Baltimore, 1937



## Local history influences on current state of segregation

- **Racial zoning:** Baltimore was the first city in the U.S. to pass racial zoning (1910)
- The region was also home to early **exclusivity in suburbs:**
  - Suburbs were a way to flee the chaos and public health challenges of rapidly growing cities in the early 1900s.
  - Suburbs like Roland Park promised racial (African American) and ethnic/religious (Jewish) exclusion.
- Baltimore developers had national influence in **(exclusionary)** land use planning and **(exclusionary)** lending.



# Baltimore Metro Fair Housing Accomplishments – 2012 AI

- Removed Local Resolution Requirements for Low Income Housing Tax Credits (LIHTC) and state housing subsidies
- Developed a Regional Preservation Policy and Database
- Continued Fair Housing Group staffing
- Held three AFFH Trainings for high level local officials (2014-2017)
- Held two tours of properties created with Inclusionary Zoning
- Produced & distributed Fair Housing Education booklets (11,000 in three languages)
- Created the new Regional Project-Based Voucher Program
- Worked to streamline Voucher Porting procedures
- Continued commitments to invest in Revitalization of Lower Resourced Neighborhoods

# Baltimore Metro Fair Housing Next Steps

- Rolling out Voucher Portability Booklet and Video
- Maximize usefulness of [www.MdHousingSearch.org](http://www.MdHousingSearch.org)
- Sustain the Regional Project-Based Voucher Program beyond initial seeding
- Evaluate how Booklets are being used; Update and Reprint

## Challenges with Prior Action Steps

- Identifying affordability preservation opportunities and resources
- Working with Maryland DHCD to strike an LIHTC balance – rural/metropolitan and opportunity/revitalization
- Maximizing utility of [www.MdHousingSearch.org](http://www.MdHousingSearch.org)
- Community opposition to affordable housing in opportunity areas
- Resource constraints on affordable housing and public transportation
- Failure of Source of Income legislation at State level.
- Difficulty in evaluating success of fair housing education booklets
- Difficulty in yielding conclusive results from fair housing paired testing

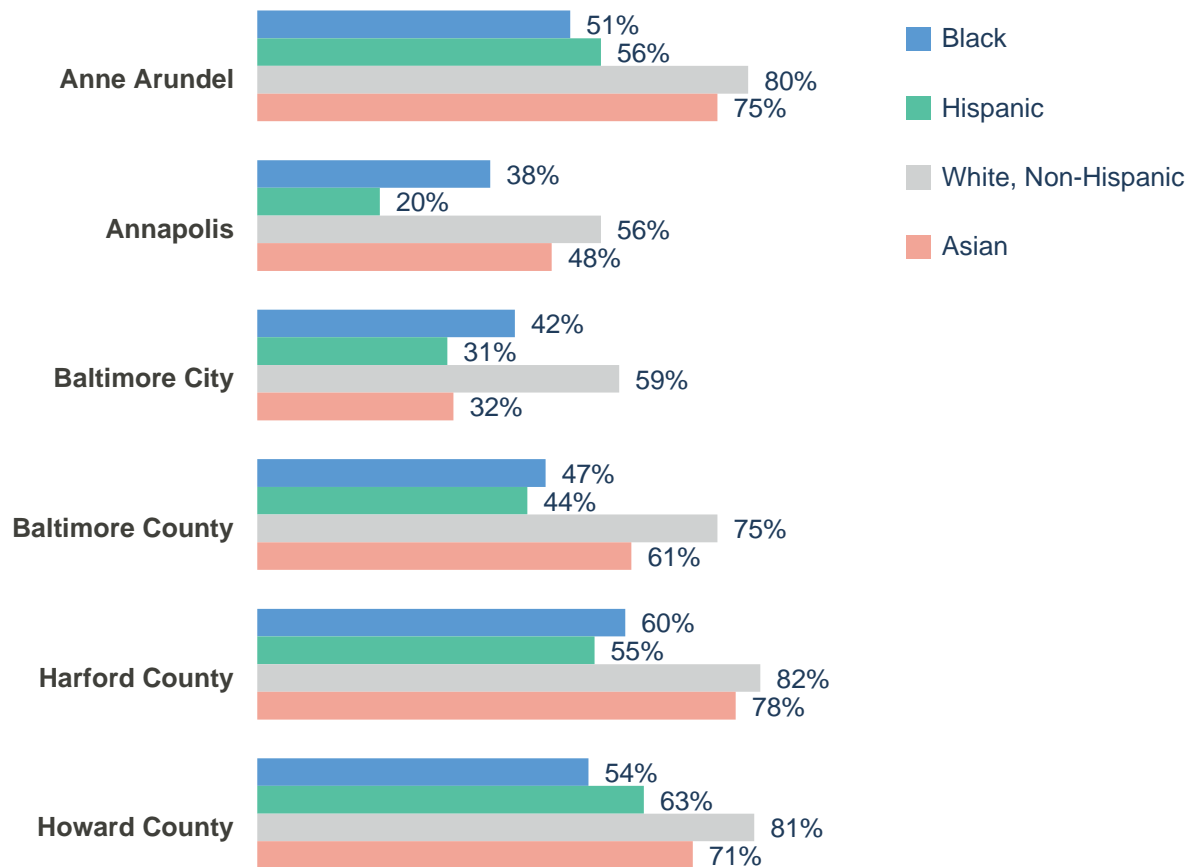
**Where we are today**

# Severe Cost Burden by Race and Ethnicity

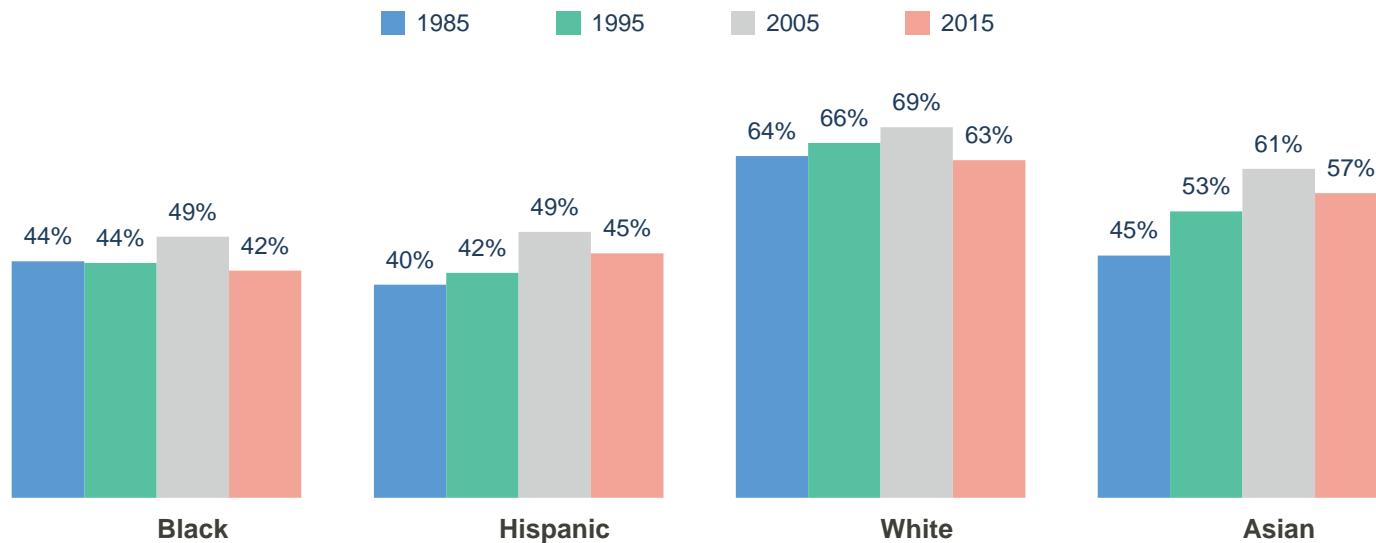
	White, Non-Hispanic	Black, Non-Hispanic	Hispanic	Asian or Pacific Islander, Non-Hispanic	All Residents	Families with < 5 People	Families with > 5 People (Large)	Non-related and Single Households
Region	12%	21%	20%	16%	15%	12%	12%	22%
Anne Arundel	12%	18%	22%	19%	14%	11%	10%	20%
Annapolis	14%	23%	34%	28%	18%	15%	16%	21%
Baltimore City	16%	25%	20%	20%	21%	19%	18%	25%
Baltimore County	13%	18%	20%	15%	15%	11%	10%	22%
Harford County	11%	20%	17%	14%	12%	9%	12%	19%
Howard County	9%	16%	15%	13%	11%	9%	11%	17%

**Severe cost burden** = when a household pays more than 50 percent of their monthly gross income in housing costs. Also an indicator of potential eviction or foreclosure, and homelessness.

# Homeownership by Race and Ethnicity, Region



# Homeownership by Race and Ethnicity, U.S. Trends

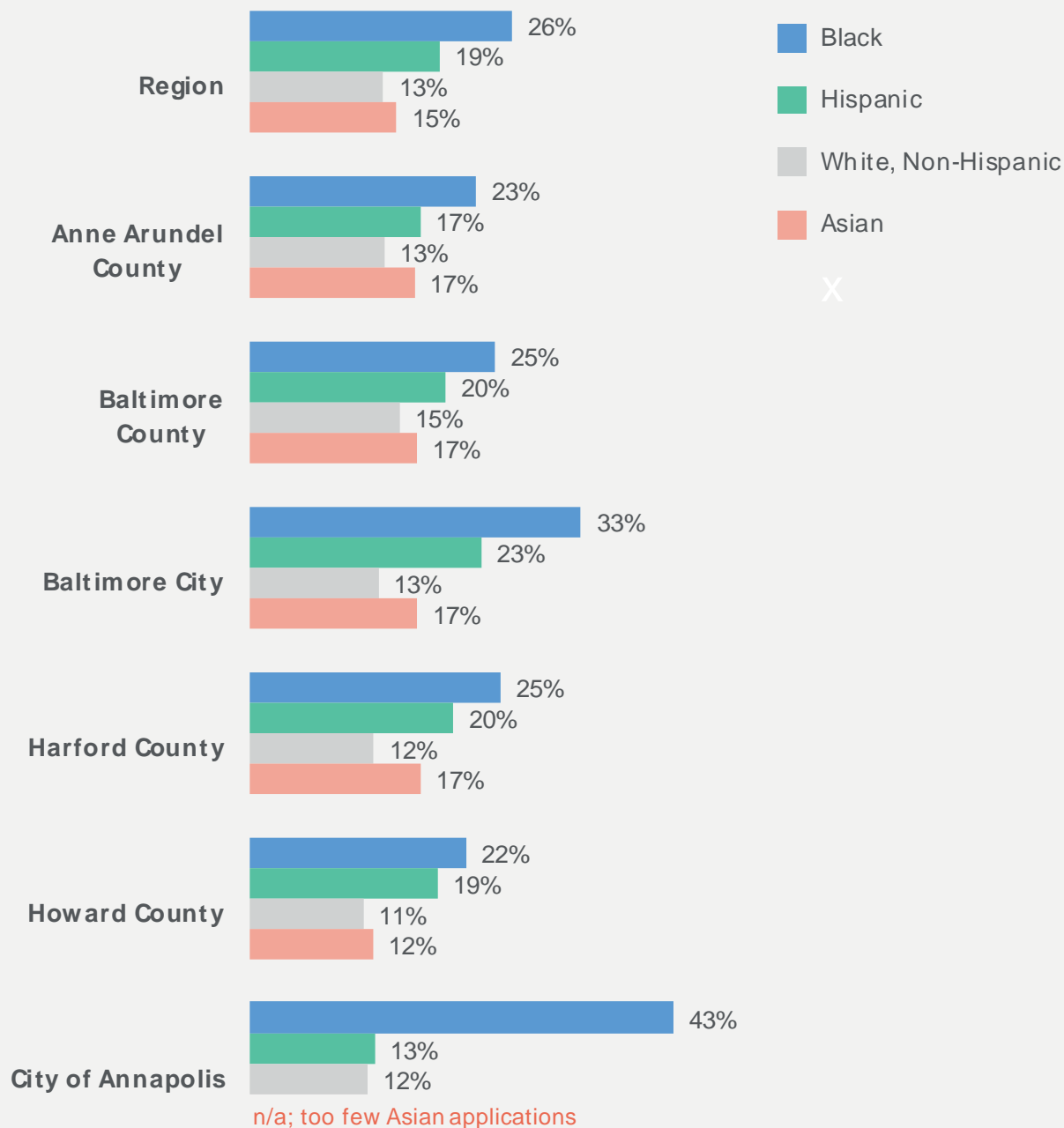


Source: *Homeownership and the American Dream*, Journal of Economic Perspectives, Winter 2018.



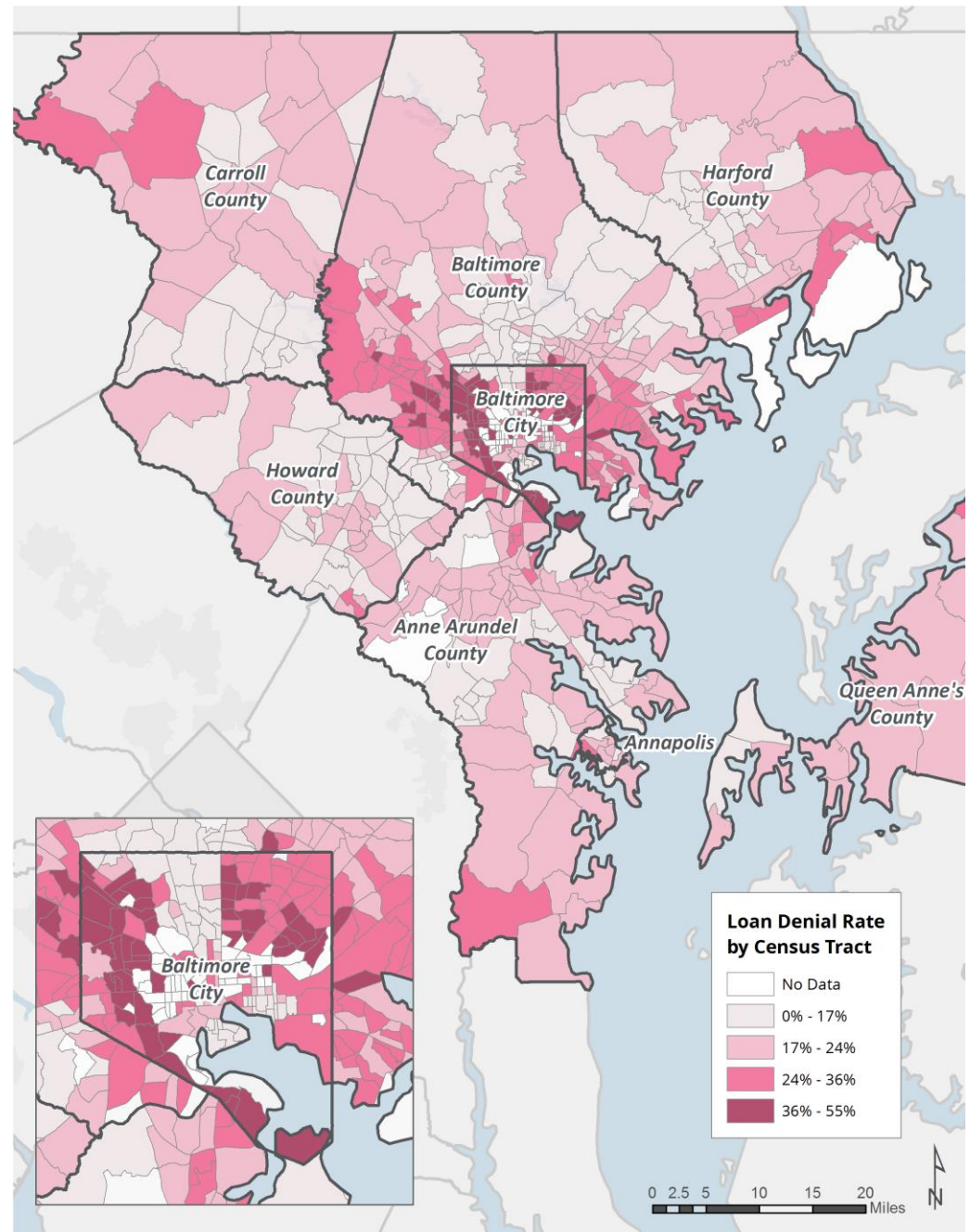
# Mortgage Loans: Denial Rates by Race & Ethnicity

Source: Home Mortgage Disclosure Act (HMDA) reporting



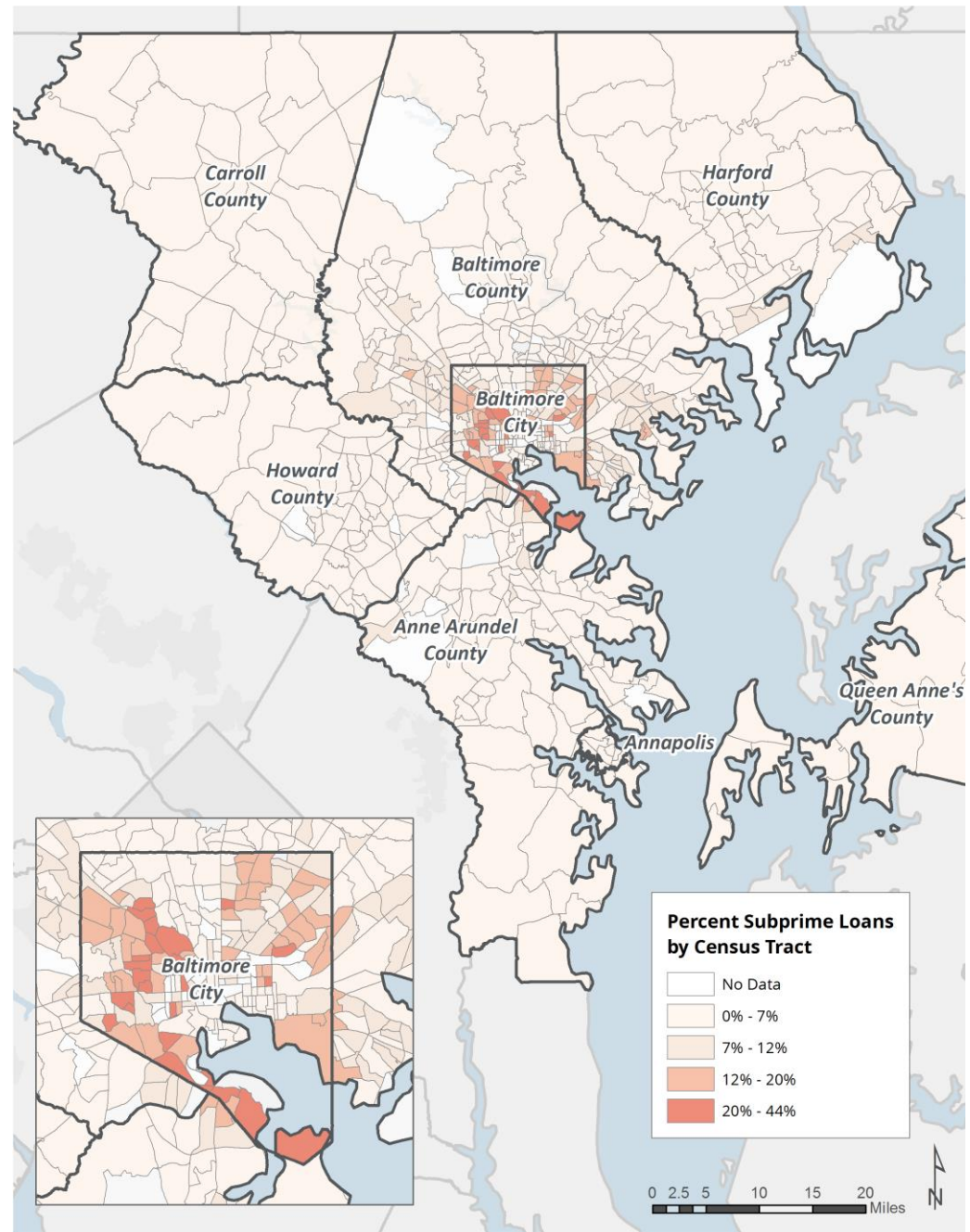
# Mortgage Loans: Denial Rates by Census Tract

*Source: Home Mortgage Disclosure Act (HMDA) reporting*

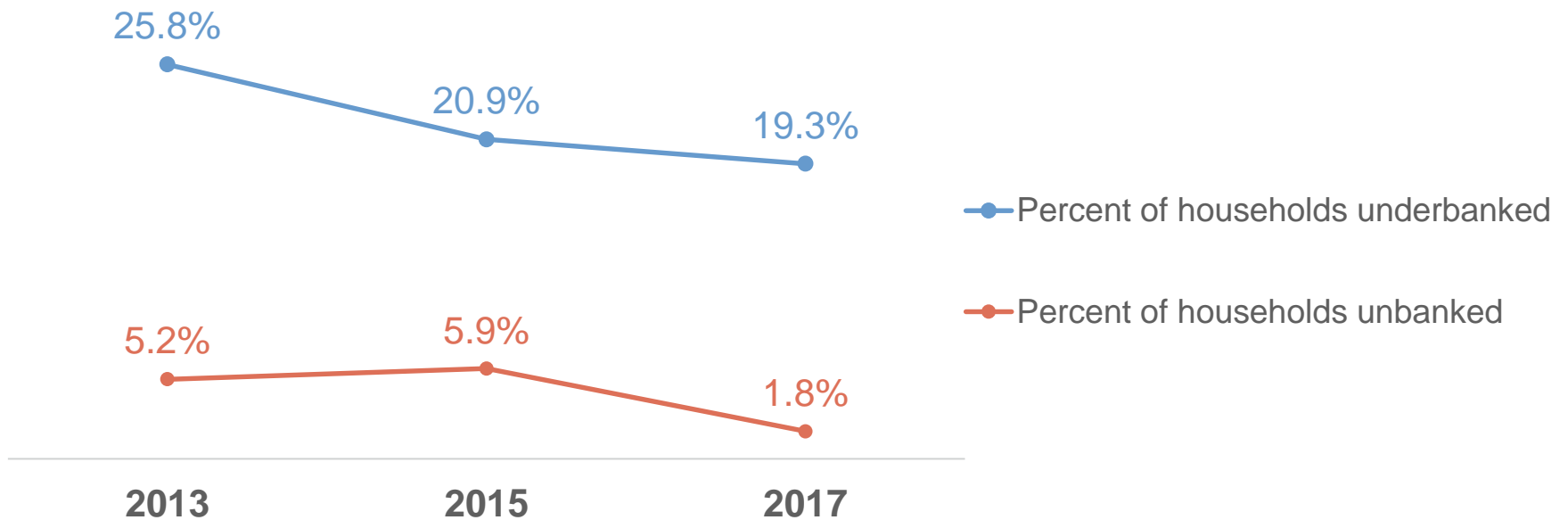


# Mortgage Loans: Subprime Rates by Census Tract

*Source: Home Mortgage Disclosure Act (HMDA) reporting*



# Unbanked and Underbanked Households



# Table 6 - Publicly Supported Households by Race/ Ethnicity

*Source: U.S. Dept.  
of Housing and  
Urban Development  
(HUD)*

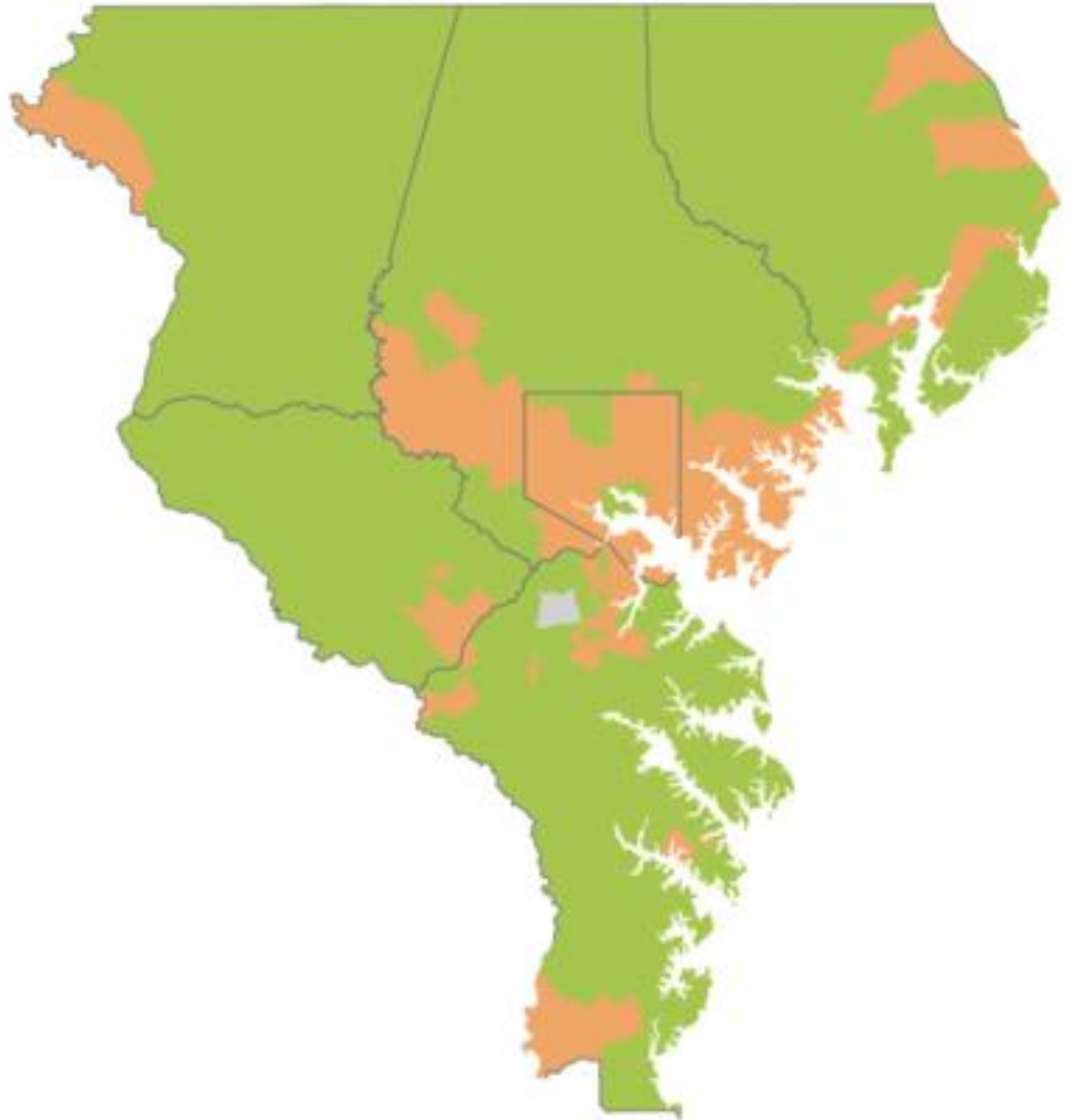
	White	Black	Hispanic	Asian or Pacific Islander
Region				
Public Housing	6%	93%	1%	1%
Project-Based Section 8	23%	72%	1%	4%
Other Multifamily	49%	47%	0%	3%
HCV Program	16%	82%	1%	0%
Annapolis				
Public Housing	4%	94%	2%	0%
Project-Based Section 8	5%	93%	2%	0%
Other Multifamily	N/a	0%	N/a	N/a
HCV Program	13%	87%	0%	0%
Baltimore City				
Public Housing	2%	97%	0%	1%
Project-Based Section 8	14%	84%	1%	1%
Other Multifamily	28%	71%	0%	1%
HCV Program	5%	95%	1%	0%
Anne Arundel County				
Public Housing	38%	58%	0%	4%
Project-Based Section 8	66%	31%	1%	1%
Other Multifamily	73%	21%	0%	6%
HCV Program	24%	71%	2%	2%
Baltimore County				
Public Housing	N/a	0%	N/a	N/a
Project-Based Section 8	47%	47%	1%	5%
Other Multifamily	54%	41%	1%	5%
HCV Program	24%	75%	1%	0%
Harford County				
Public Housing	22%	64%	12%	2%
Project-Based Section 8	46%	48%	3%	1%
Other Multifamily	83%	15%	0%	1%
HCV Program	48%	48%	3%	1%
Howard County				
Public Housing	N/a	0%	N/a	N/a
Project-Based Section 8	17%	48%	3%	32%
Other Multifamily	60%	38%	0%	2%
HCV Program	12%	85%	1%	1%

# Baltimore Regional Housing Partnership Opportunity Map

Used for Baltimore Regional  
Project-Based Voucher  
(PBV) Program

Green = Opportunity Area

*Source: BRHP*



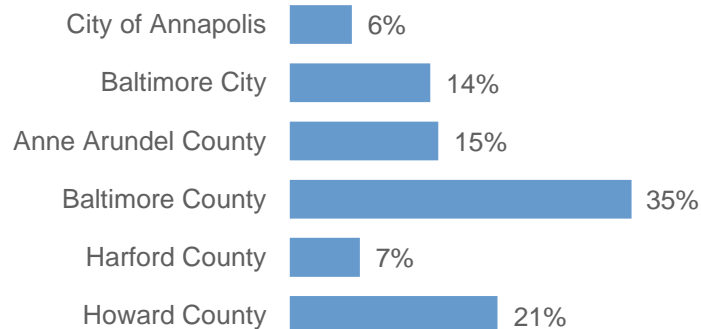


# Publicly Supported Rental Housing Compared to Market-Rate\*

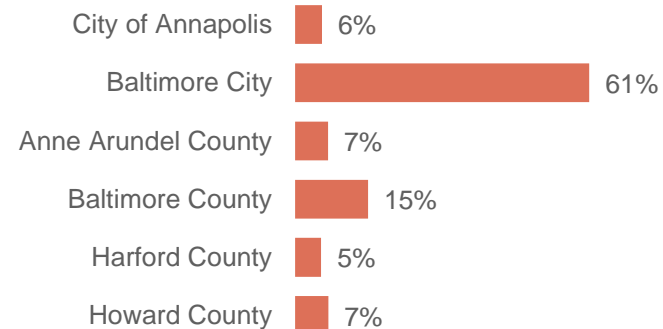
	BRHP Opportunity Areas			Total Units in BMC Dbase			Pct. In BRHP Oppty Areas		
	Subsidized Units		Market-Rate Units*	Subsidized Units		Market-Rate Units*	Subsidized		Market-Rate*
	Elderly/Mixed	Family		Elderly/Mixed	Family		Elderly/Mixed	Family	
City of Annapolis	633	1,052	3,517	633	1,996	3,913	100.0%	52.7%	89.9%
Anne Arundel Co.	307	547	11,759	1,328	2,115	19,360	23.1%	25.9%	60.7%
Baltimore City	1,664	505	9,456	14,402	16,912	33,683	11.6%	3.0%	28.1%
Baltimore County	2,427	316	30,634	5,272	2,618	75,297	46.0%	12.1%	40.7%
Harford County	760	399	5,186	1,235	2,193	6,377	61.5%	18.2%	81.3%
Howard County	1,301	2,744	14,961	1,558	3,210	17,013	83.5%	85.5%	87.9%
Totals	7,092	5,563	75,513	24,428	29,044	155,643	29.0%	19.2%	48.5%

\*Units in market-rate multifamily rental properties with more than 40 units

**Distribution of Opportunity Area Units  
(Subsidized & Market in BMC dbase) by Jurisdiction**



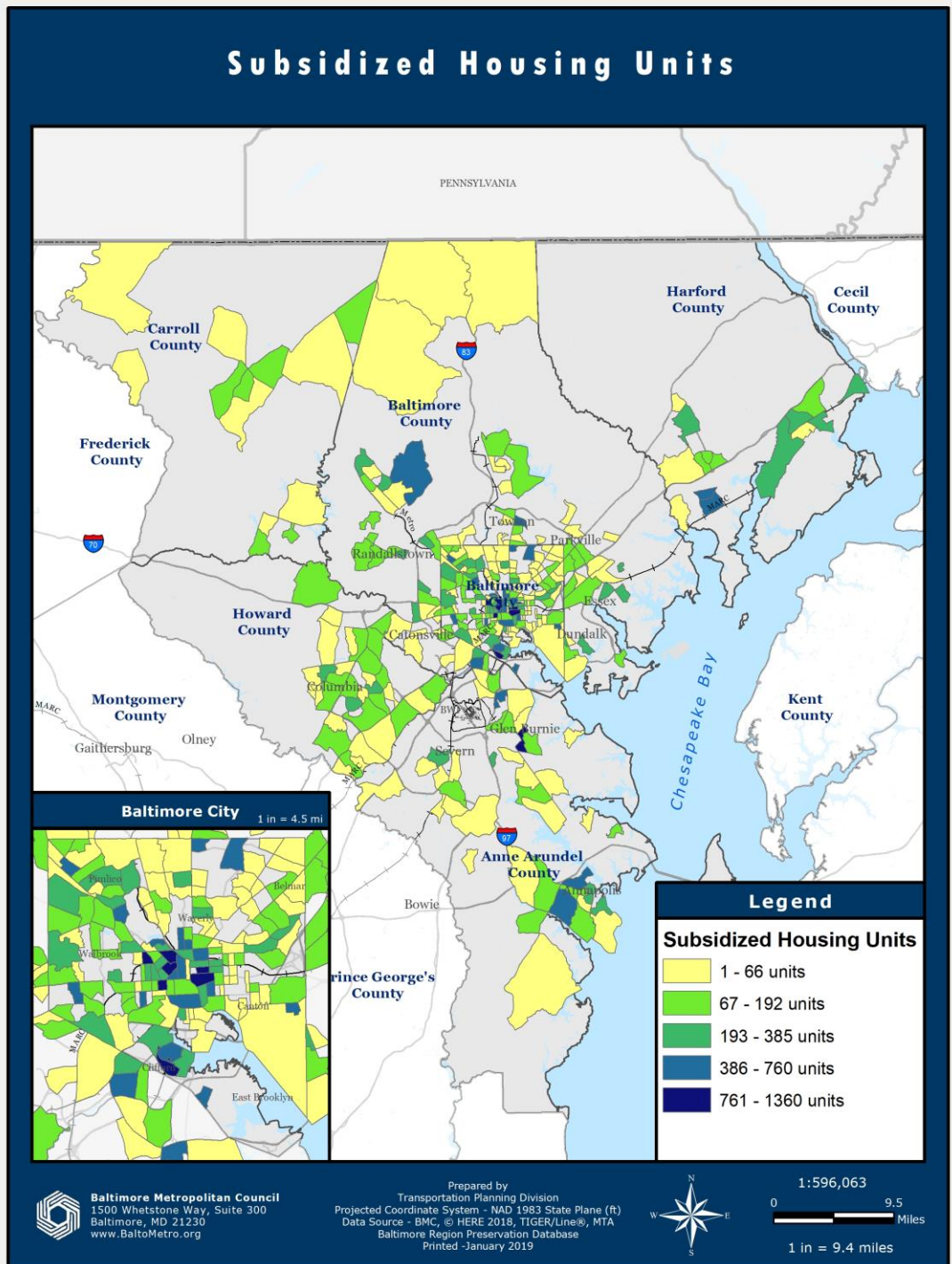
**Distribution of All Subsidized  
by Jurisdiction**





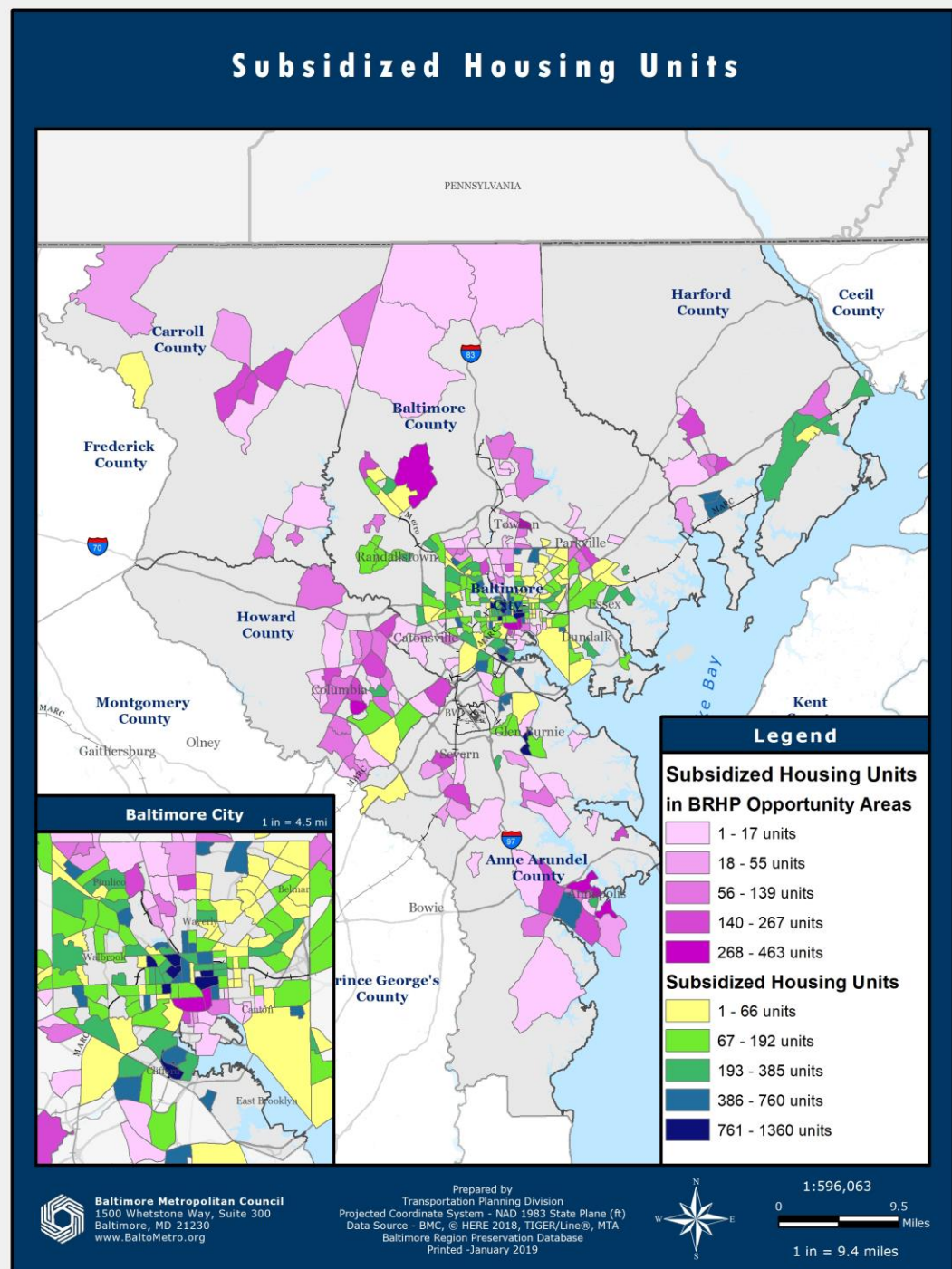
# Subsidized Housing Units in the Baltimore Region

*Source: BMC Preservation Database*

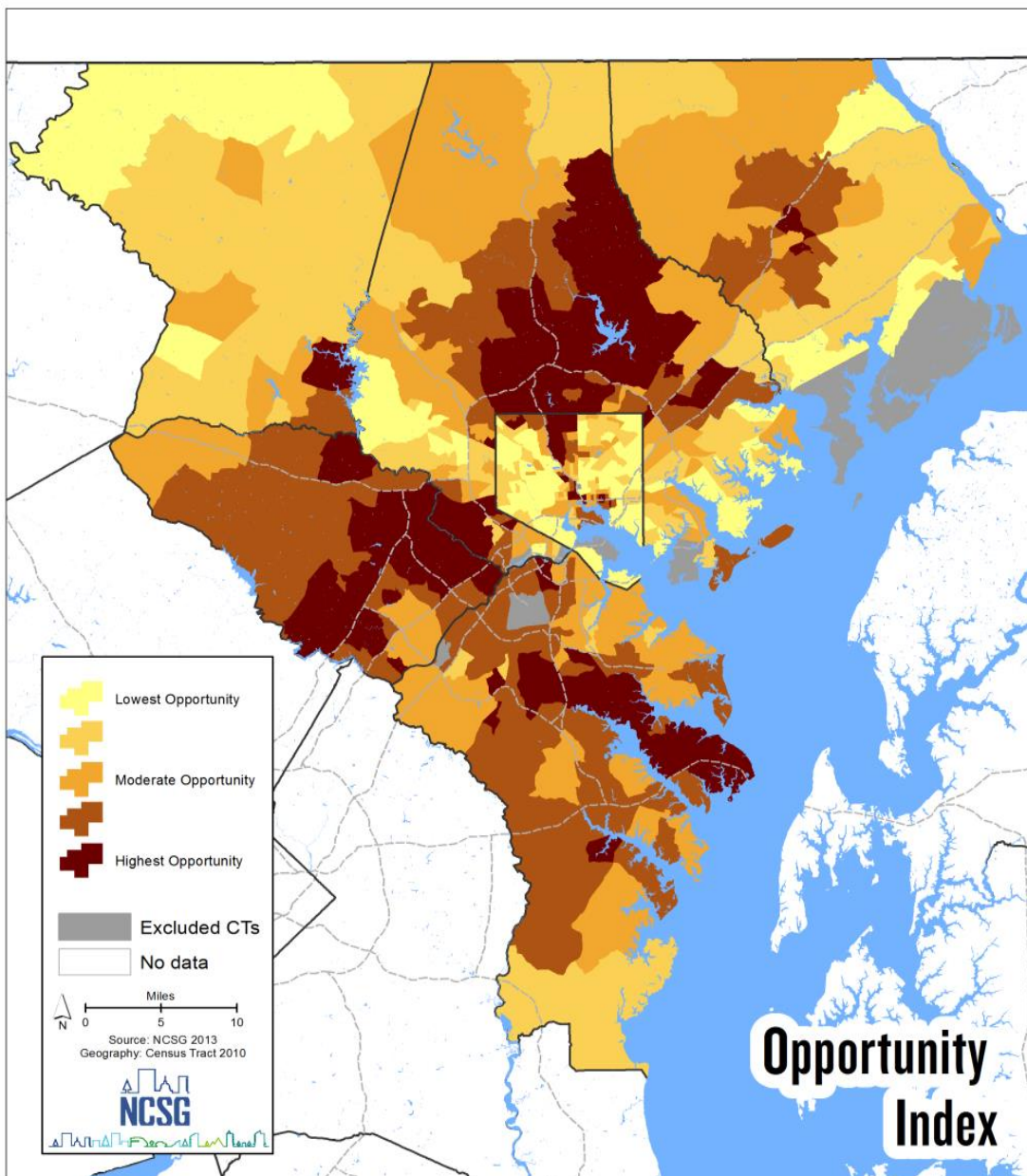


# Subsidized Housing Units in the Baltimore Region, Showing units in BRHP Opportunity Areas

Source: BMC Preservation Database



# OMAP Composite Opportunity Index



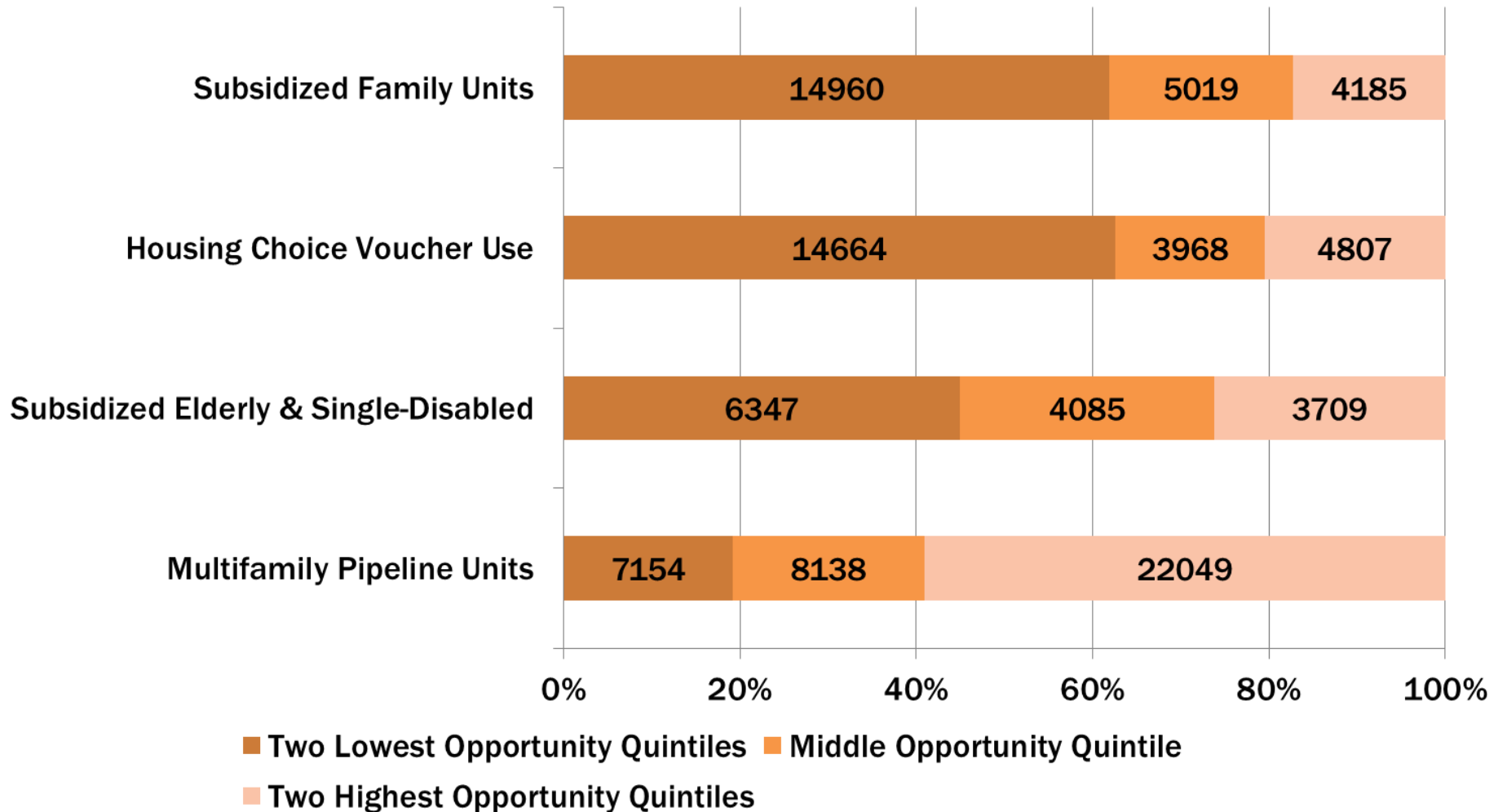
## Indicators

- Education
- Housing/Neighborhood
  - Home Value
  - Percent Vacant & Abandoned
- Social Capital
  - Racial Diversity
  - Percent with Bachelor's Degree
- Public Health & Safety
  - Crime Risk
  - Rate Low Birth Weight
  - Access to Parks
- Employment & Workforce
  - Job Growth
  - Jobs within Short Commute
- Transportation & Mobility
  - Short Commutes
  - Walk Score
  - Access to Transit



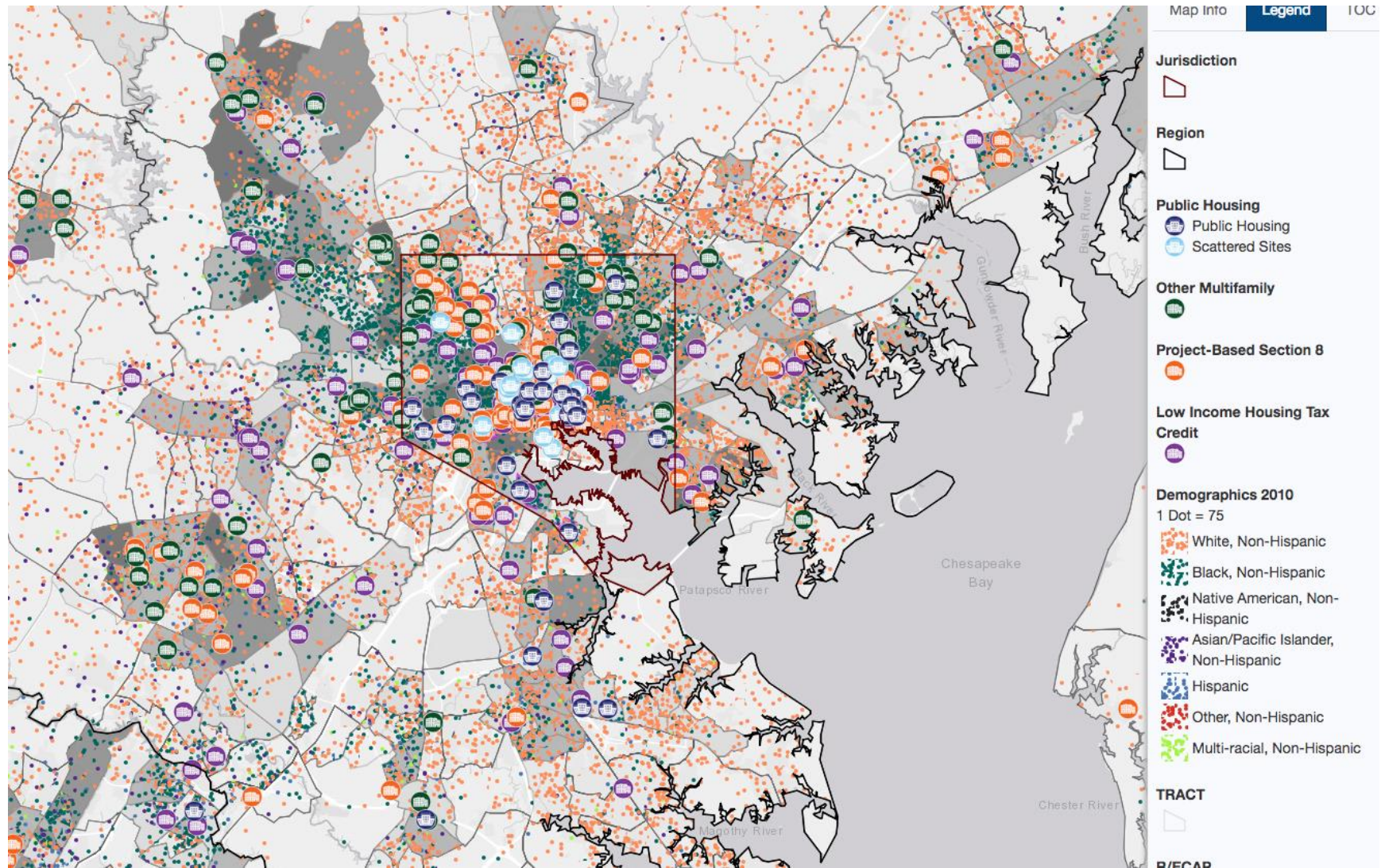
# Housing and Opportunity

From 2014 Baltimore Fair Housing Equity Assessment



# Distribution of Publicly Subsidized Housing and Vouchers

(Gray shading shows voucher concentration. Source: HUD)





# Distribution of Vouchers and Poverty Rate

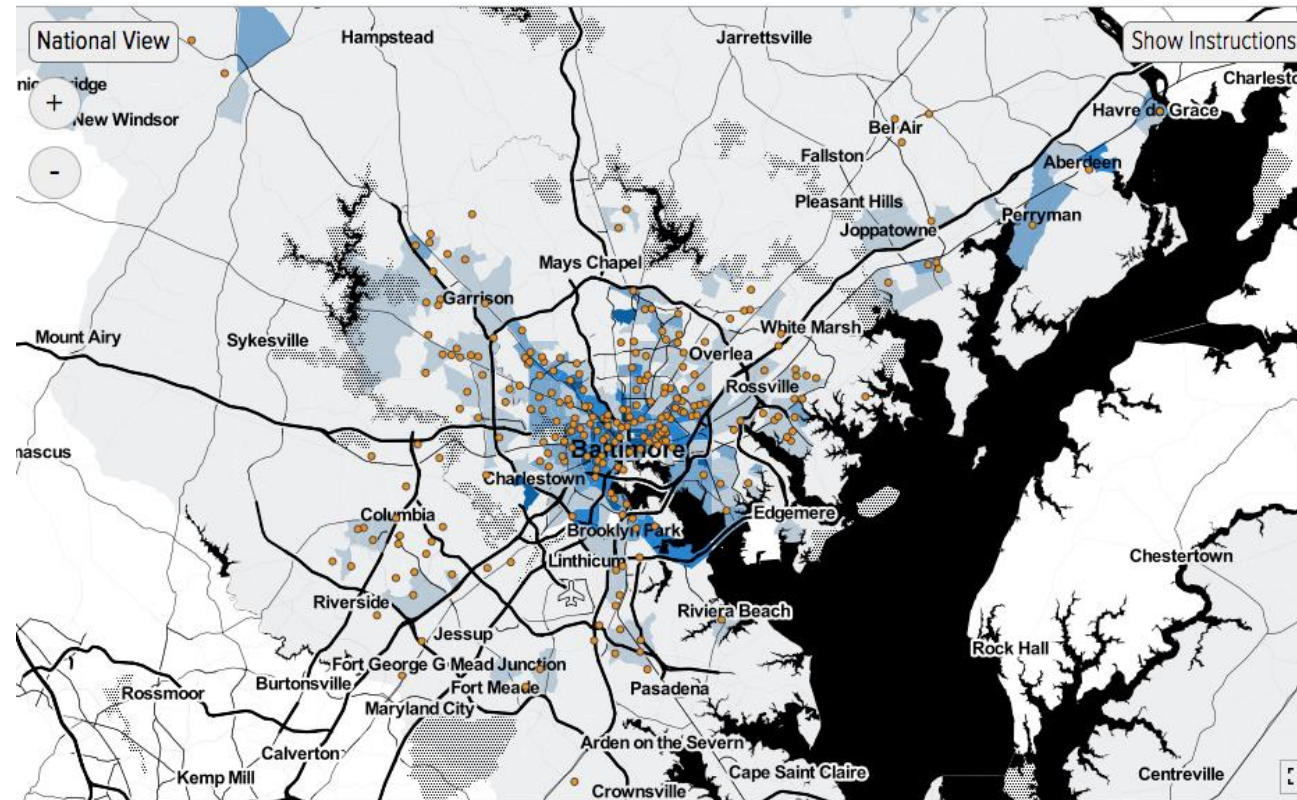
Source: Center on Budget and Policy Priorities

Pick a metro area or click on the map below:

Baltimore-Columbia-Towson, MD

Pick a dataset:

Poverty Rate



Poverty Rate

0% 10% 20% 30% 40% 100%

☒ Each orange dot represents 100 households receiving vouchers.

# Distribution of Vouchers and People of Color

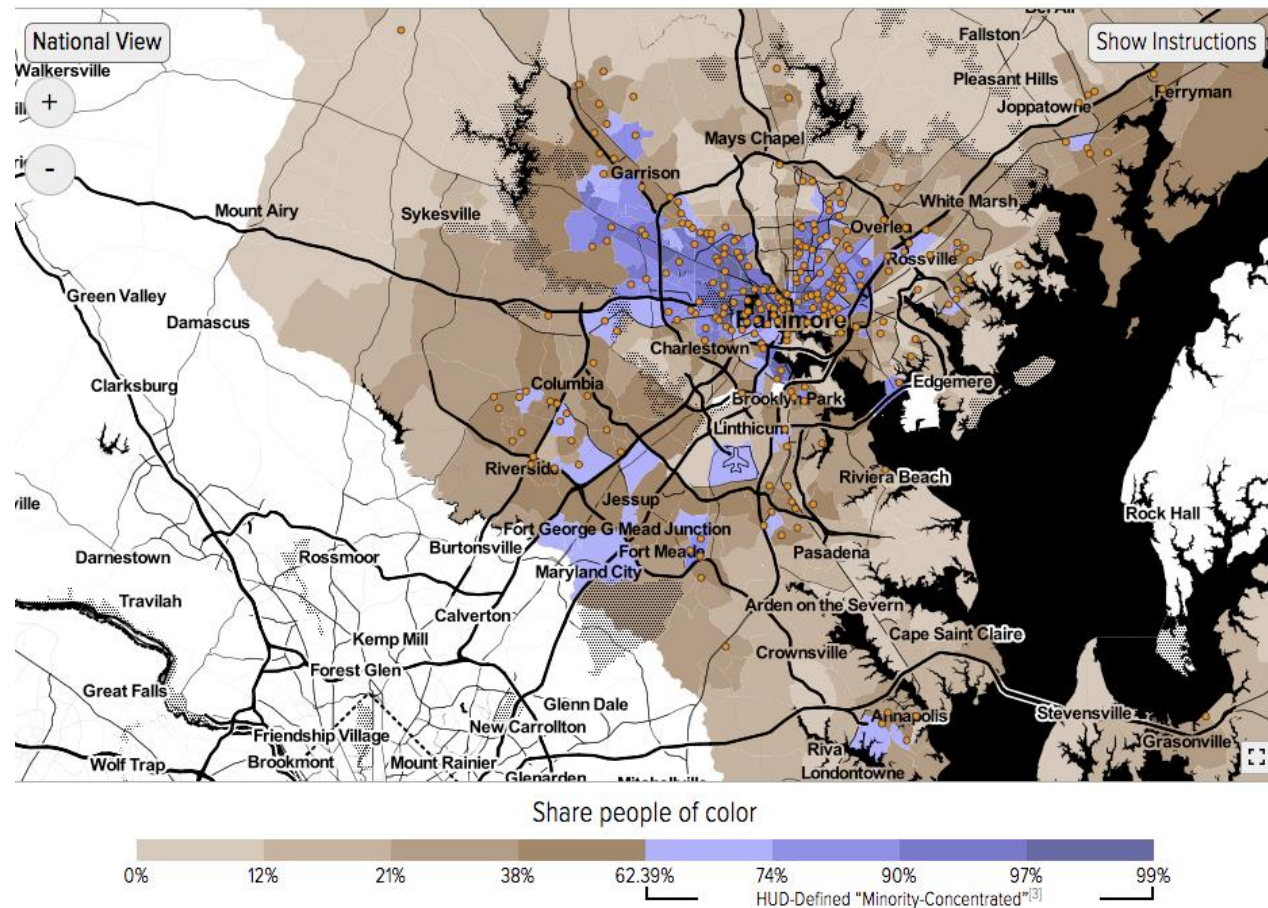
Source: Center on Budget and Policy Priorities

Pick a metro area or click on the map below:

Baltimore-Columbia-Towson, MD

Pick a dataset:

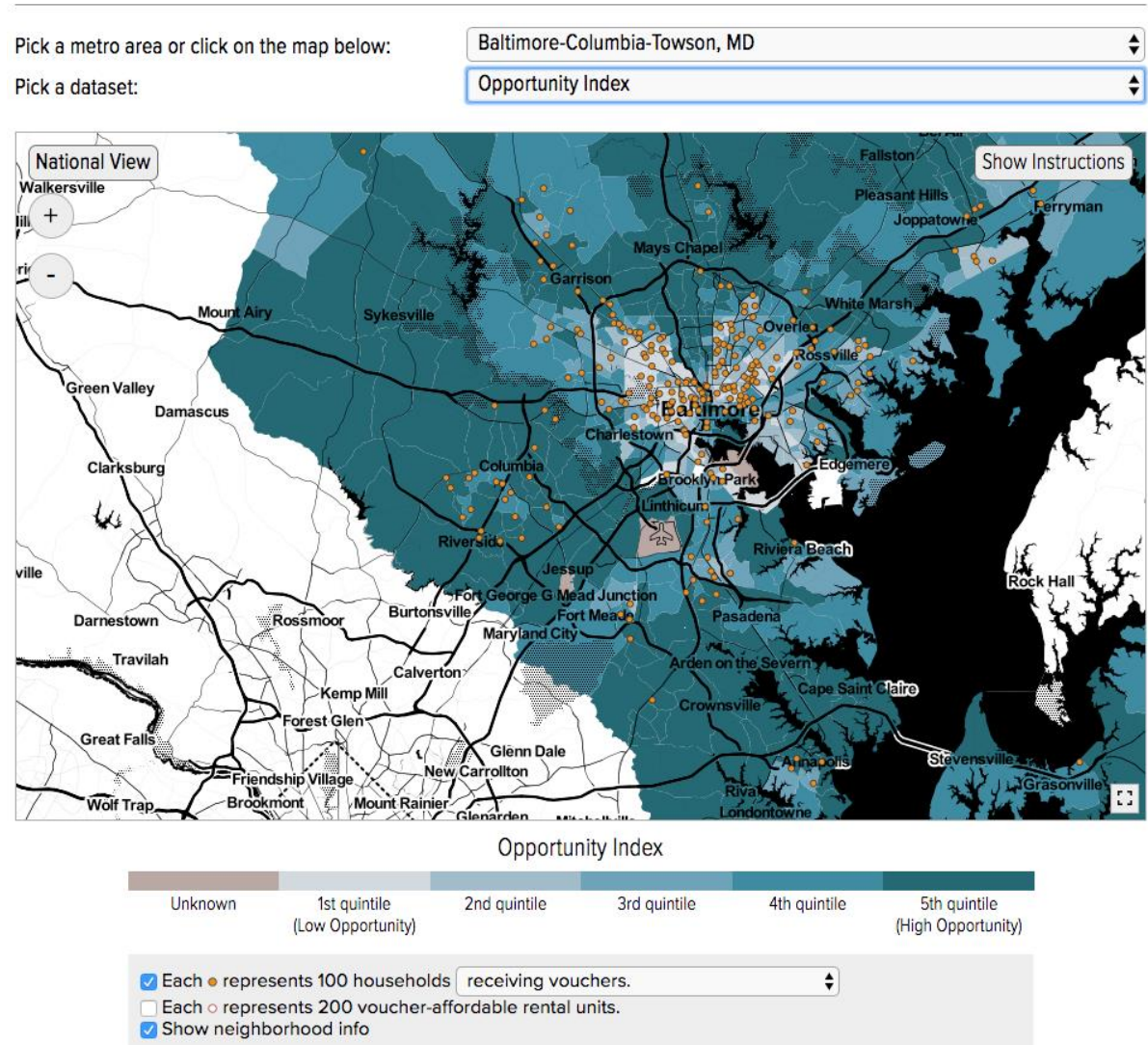
Share people of color





# Distribution of Vouchers and Opportunity Areas

Source: Center on Budget and Policy Priorities

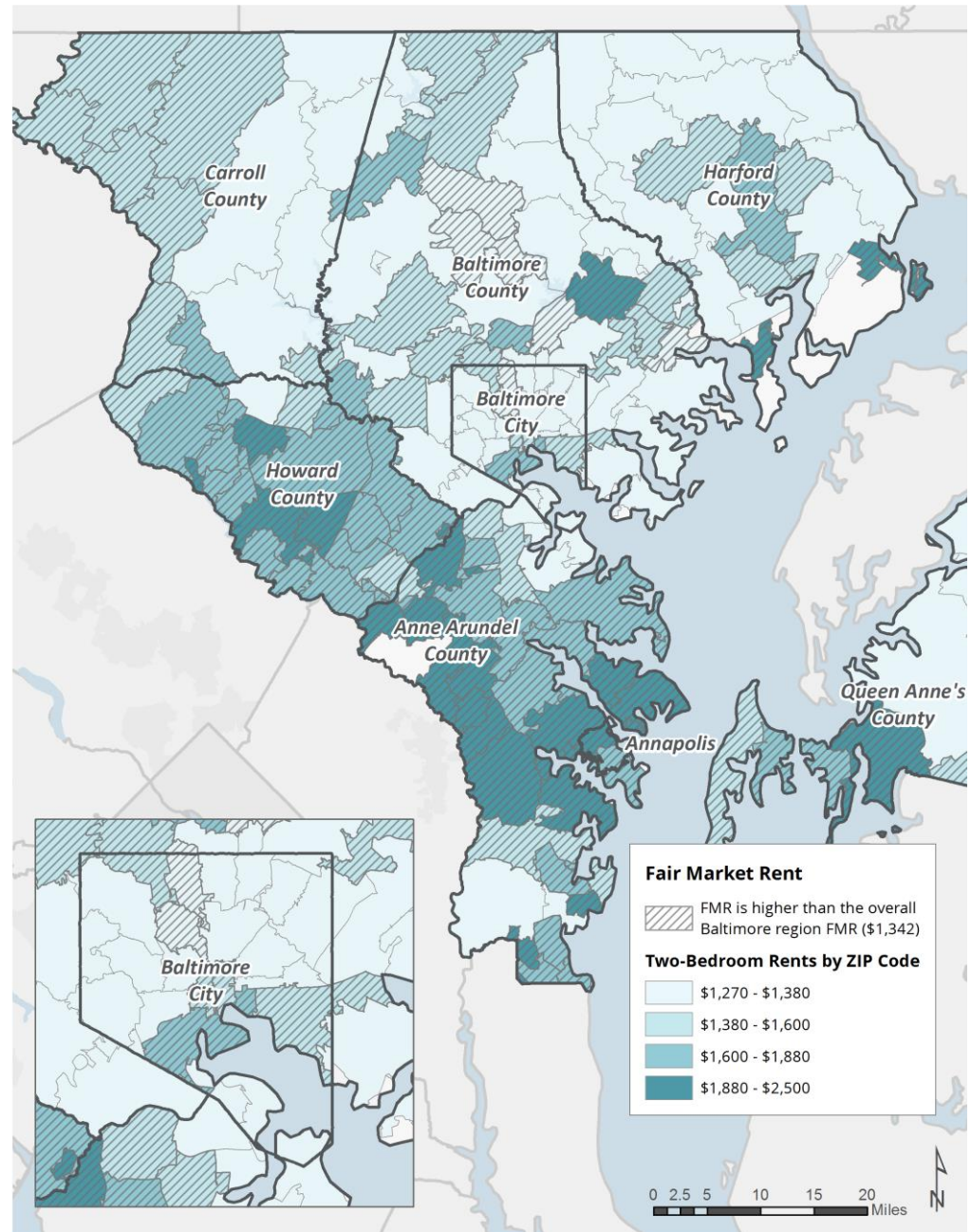


# FY 2019 HUD Small-Area Fair Market Rents (FMRs)

Optional in Baltimore region

FY 2019 metropolitan-wide  
FMR currently in use as basis  
for public housing authority  
voucher payment standards:  
\$1,342 for 2-bedroom home

Source: [www.huduser.org](http://www.huduser.org)



# Summary of Fair Housing Issues

## Disproportionate Housing Needs

- Past actions created an unlevel playing field for housing access. This is still evident in gaps in homeownership rates and the burden housing costs place on household incomes
- Lack of economic opportunity among low income people has exacerbated differences in homeownership and cost burden
- Mortgage denial rates suggest bias in lending in areas of racial and ethnic and poverty concentrations
- Baltimore City provides more than 60% of all subsidized housing units in the region v. 22% of the region's residents
- Challenges to locating affordable housing in opportunity areas of the metropolitan area continue to exist, both for construction and for housing choice voucher use
- Others?

# **Action Plan Development**

# Approach

1. This and next 3 meetings will be dedicated to development of a Fair Housing Action Plan. “Actions” are different from goals in that they are not as aspirational. Action items provide a **visible path to making a difference** in addressing the region’s fair housing challenges
2. We will start by identifying Actions to address Contributing Factors to fair housing issues in the region then work backward to develop goals. Must have both regional and local goals and actions
3. Can revisit items from past AIs that were not successful
4. Can offer “wish list” or idealistic ideas
5. Action items can be short term, long term, and “tabled” for a time when a more realistic option
6. Consultant team will also develop action items. March and April meetings will involve “vetting” of these and development of draft Goals and Action Item matrix (see next slide)

# HUD Goals and Action Items Matrix

Goal	Contributing Factors	Fair Housing Issues	Metrics, Milestones, and Timeframe for Achievement	Responsible Program Participant(s)

Discussion:

# Today's Exercise

1. Review Contributing Factors placed around this room

2. If you believe that:

**the Contributing Factor significantly creates, contributes to, perpetuates, or increases the severity of fair housing issues related to disproportionate housing needs and publicly supported housing in the Baltimore region**

...then indicate with the marker provided

3. Recommend Action Items to address if you have ideas



# Contributing Factors that create the Disproportionate Housing Needs in the prior slides:

Renters cannot find affordable units in a range of sizes

Renters have been displaced due to economic pressures

Homeowners have been displaced due to economic pressures

Low income residents lack access to areas of opportunity due to high housing costs

There is a lack of private investments in specific neighborhoods (which neighborhoods?)

There is a lack of public investments in specific neighborhoods (which neighborhoods?)

Some communities have restrictive land use and zoning laws (which communities and which laws?)

Lending discrimination exists

There has been a loss of affordable housing due to redevelopment, units being purchased by the private market

# Contributing Factors that create the Disproportionate Housing Needs in the prior slides:

Landlords discriminate based on source of income, preventing some residents (those on SSDI) from renting on the private market

Community opposition to affordable housing

PHA admission and occupancy policies and preferences (which policies and preferences?)

Impediments to mobility (movement throughout the region)

Lack of access to areas of high opportunity

Lack of meaningful language access

Lack of local or regional cooperation

# Contributing Factors that create the Disproportionate Housing Needs in the prior slides:

Lack of private investment in neighborhoods with public housing

Lack of public investment in neighborhoods with public housing

Loss of public and affordable housing

Site selection, including discretionary aspects of LIHTC QAP

Discrimination by landlords and property managers

Lack of resources dedicated to housing solutions

Public resources exist but are prioritized for other issues (economic development)

Lack of employer commitment to solving housing challenges

Lack of commitment by leadership to solving housing challenges

# Action Items Ideas to Consider

From the group (we will complete together):

From the consultant:

1. Facilitate the creation of a regional housing trust or loan fund to acquire land for mixed-income development and revitalization of housing in depressed market areas
2. Analyze the length of entitlement process for affordable housing and market rate housing and identify ways to streamline; address zoning barriers
3. Transform publicly owned and underutilized land into housing
4. Engage lenders in discussions about mortgage lending and credit gaps and how to address; receive a commitment to address
5. Raise awareness about the costs of lack of social mobility among city and county leadership; commit to address as a region
6. Adopt meaningful affirmative marketing requirements of developers
7. Analyze how capital improvements are distributed in the region and how this distribution affects the price and type of housing that is developed. Consider the opportunity to add an equity consideration to these decisions

**Next meeting Feb 20:  
Enforcement, Capacity,  
Resources + More Action  
Items**