

Baltimore Regional Fair Housing Group

# Analysis of Impediments to Fair Housing Choice

SEPTEMBER 17, 2019

PRESENTED BY

Erin Karpewicz, *Arundel Community Development Services*

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# Agenda

- **Sept. 13 Slides for Community Development Network of Maryland Presentation – only focus on new**
- **Latest AI Action Steps**
- **Timeline for Input & Completion**
- **Feedback**



# **September 13 Presentation to Community Development Network of Maryland**

## **Regional AI Overview**

# Fair Housing Overview

## Fair Housing Act (FHA):

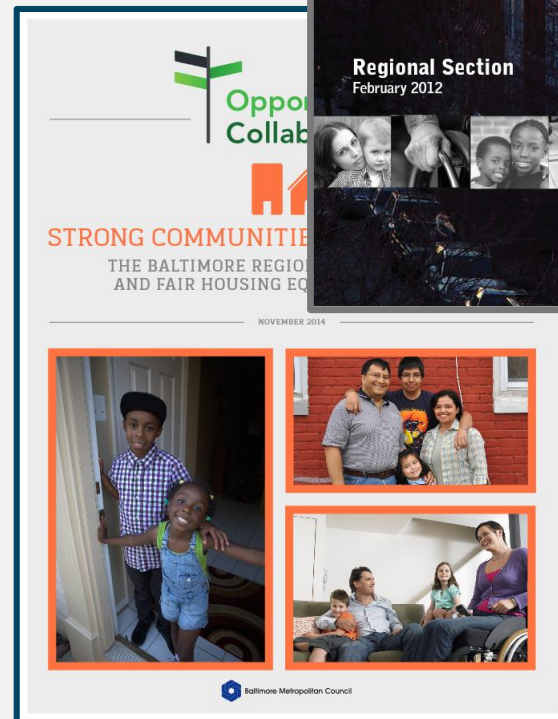
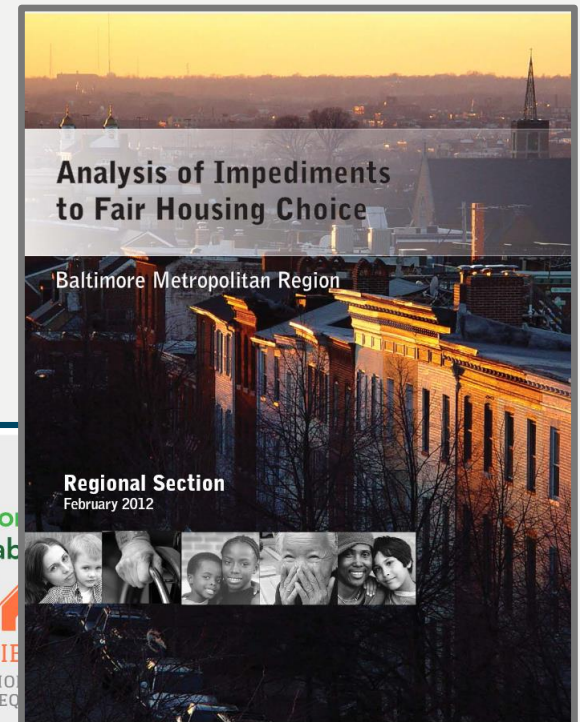
- Title VIII of the Civil Rights Act of 1968, prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex and national origin.
- Amended in 1988 to prohibit discrimination on the basis of disability and familial status and to require accessible units as part of multifamily units built after 1991.

## Affirmatively Furthering Fair Housing(AFFH):

- Requires HUD to administer programs and activities in a manner that affirmatively furthers the policies of the Act. HUD passes requirement to grantees.
- AFFH provision enacted with the Fair Housing Act (FHA of 1968) and executive orders.
- The AFFH obligation extends to all agencies that carry out activities related to housing and urban development.

# Baltimore Regional Fair Housing Planning

- 1996 and 2012 Regional Analyses of Impediments to Fair Housing Choice (AIs)
- Regional collaboration through BMC since 2012
- 2014 Regional Housing Plan and Fair Housing Equity Assessment
- Regional accomplishments including Regional Affordability Preservation Policy and Regional Project-Based Voucher Program (both began 2016)
- **2019 Regional Analysis of Impediments to Fair Housing Choice**



# AI Stakeholder Work Group

- **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
- **March 14** – Additional Publicly Supported Housing Analysis, Enforcement
- **April 10** – Initial Solutions Discussion
- **May 22** – Further Solutions Discussion
- **Aug 14** – Additional Work Group Discussion
- **Sept 17** – Additional Discussion Prior to Draft

Follows key topic areas of the Assessment of Fair Housing:

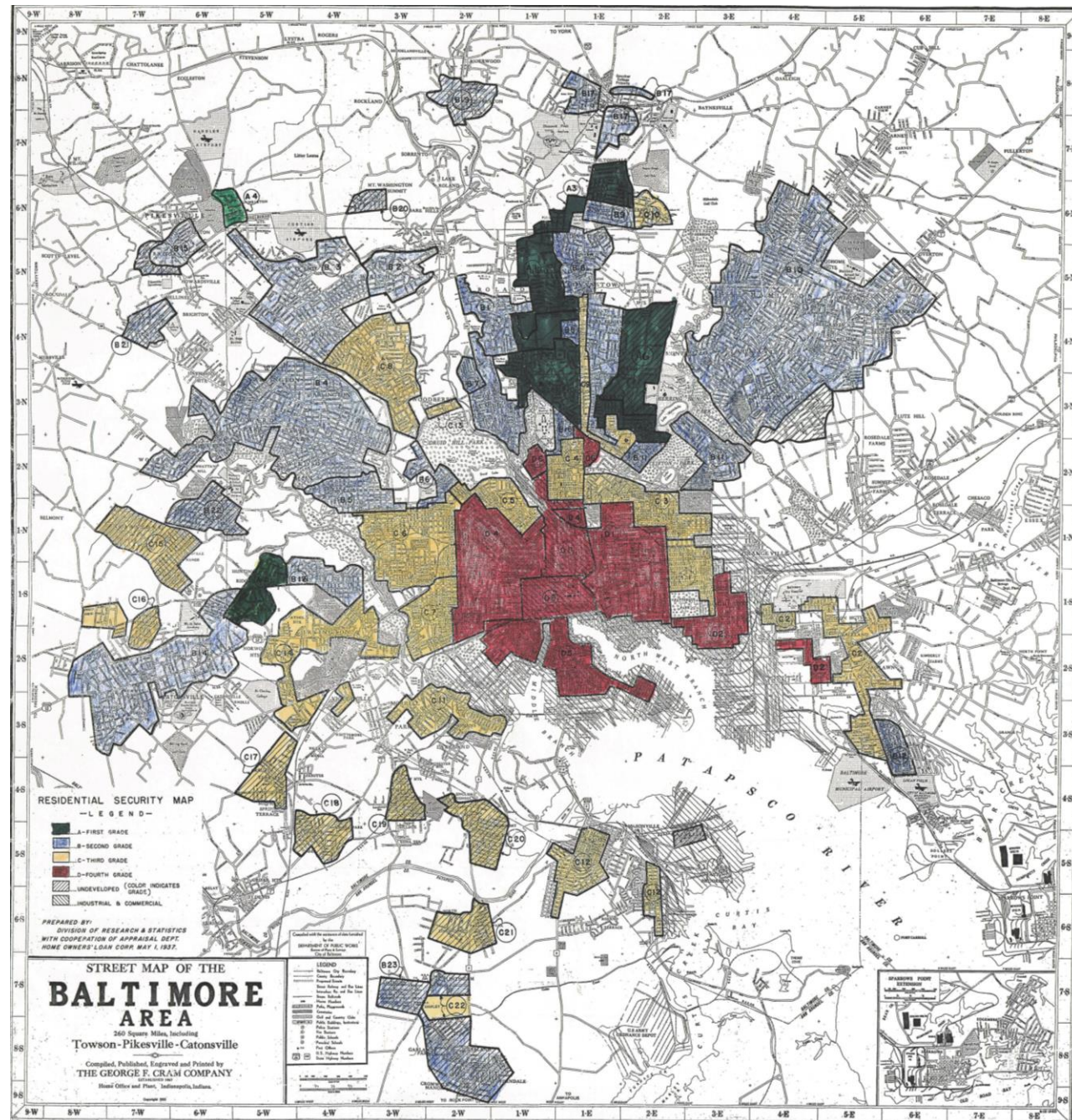
- ✓ Demographic Summary
- ✓ Segregation/Integration
- ✓ R/ECAPs
- ✓ Disparities in Access to Opportunity
- ✓ Disproportionate Housing Needs
- ✓ Publicly Supported Housing Analysis
- ✓ Disability and Access Analysis

# **Fair Housing Background; Demographics & Disparities**



# 1937 Redlining Map of Baltimore

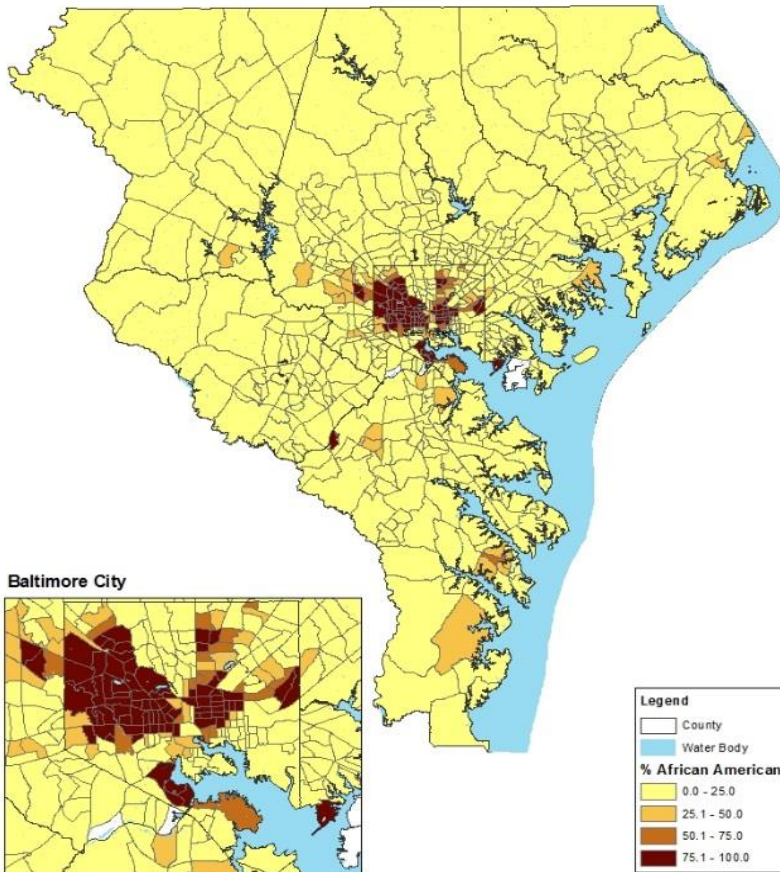
*Home Owners Loan  
Corporation (HOLC)*





# Percent African American by Census Tract 1980 & 2010

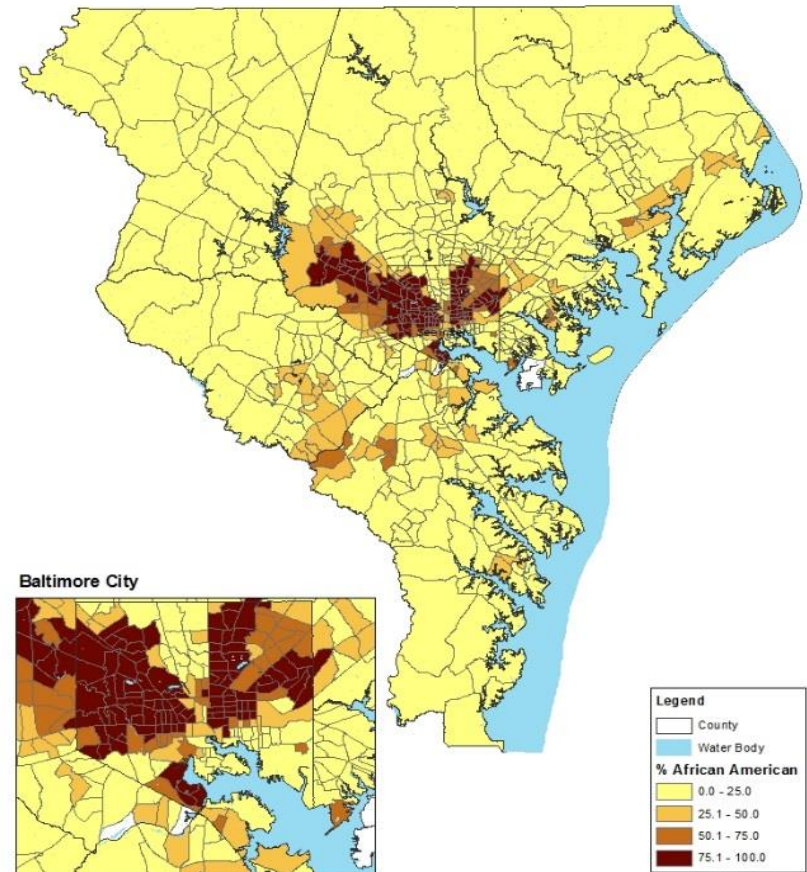
**% African American  
Baltimore Metropolitan Council Region, 1980**



Source: BMC, U.S. Census, ESRI

Map created by the Housing Strategies Group, NCSG, 2013

**% African American  
Baltimore Metropolitan Council Region, 2010**

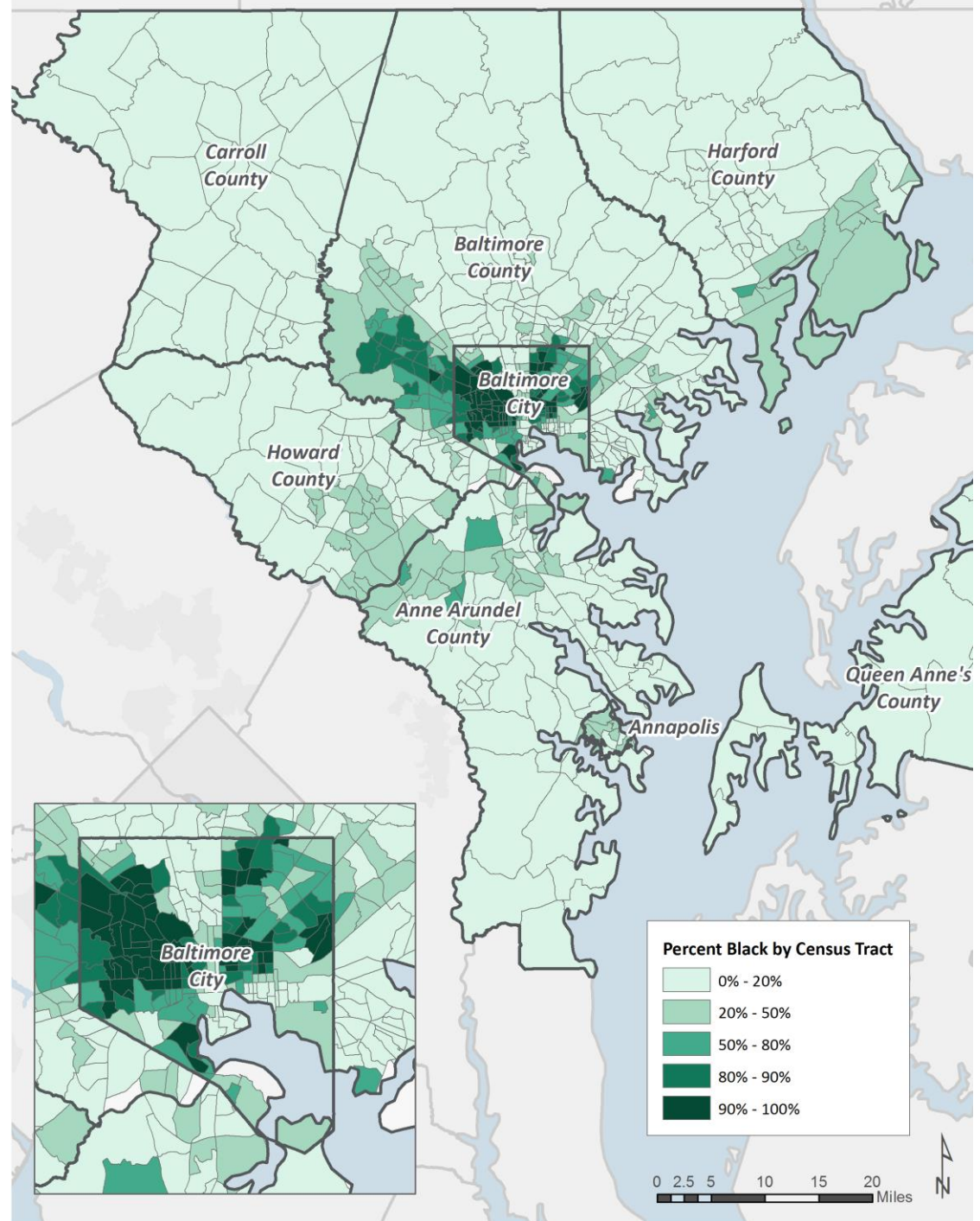


Source: BMC, U.S. Census, ESRI

Map created by the Housing Strategies Group, NCSG, 2013

# Percent African American by Census Tract, 2016

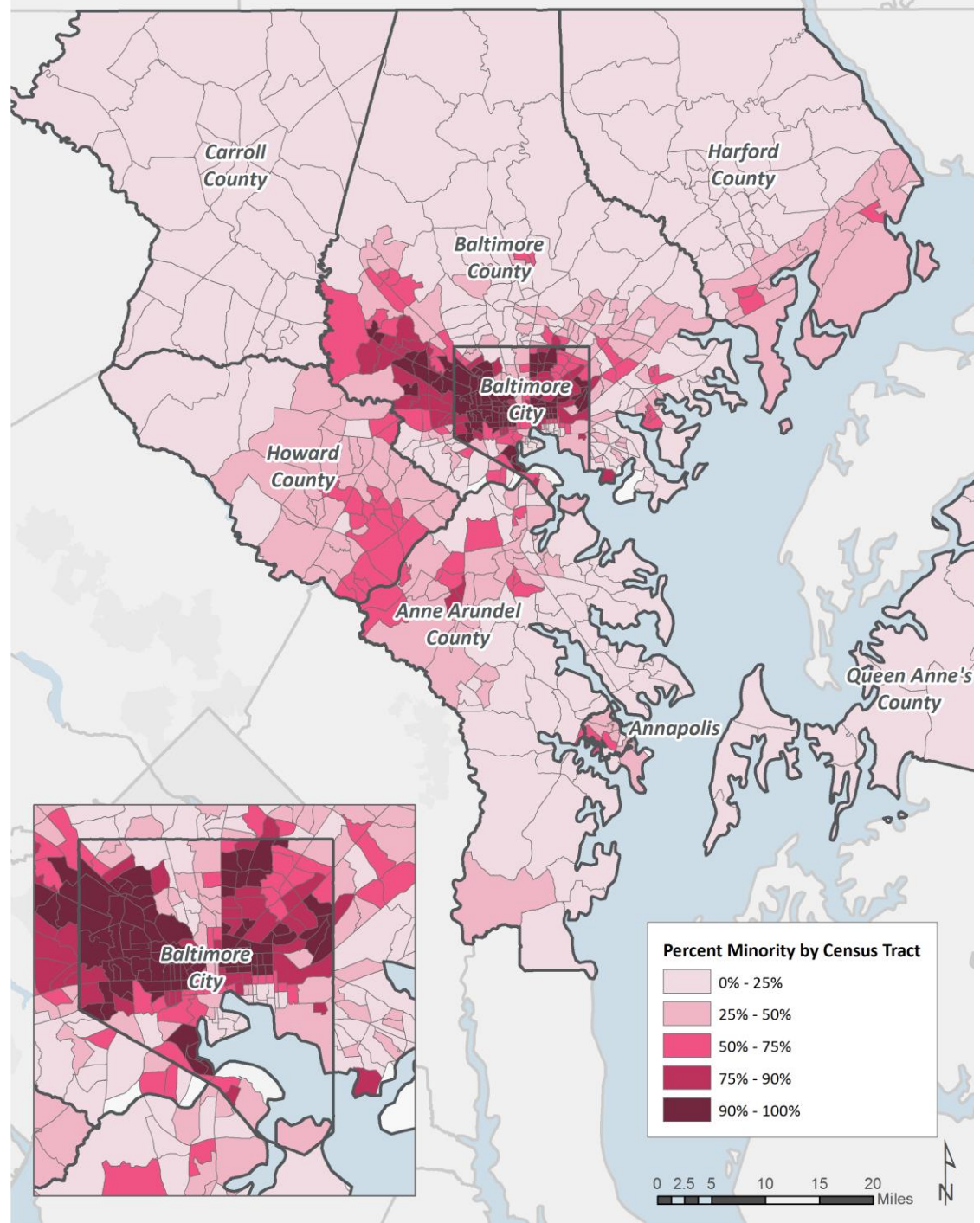
*Region overall = 29% African American*





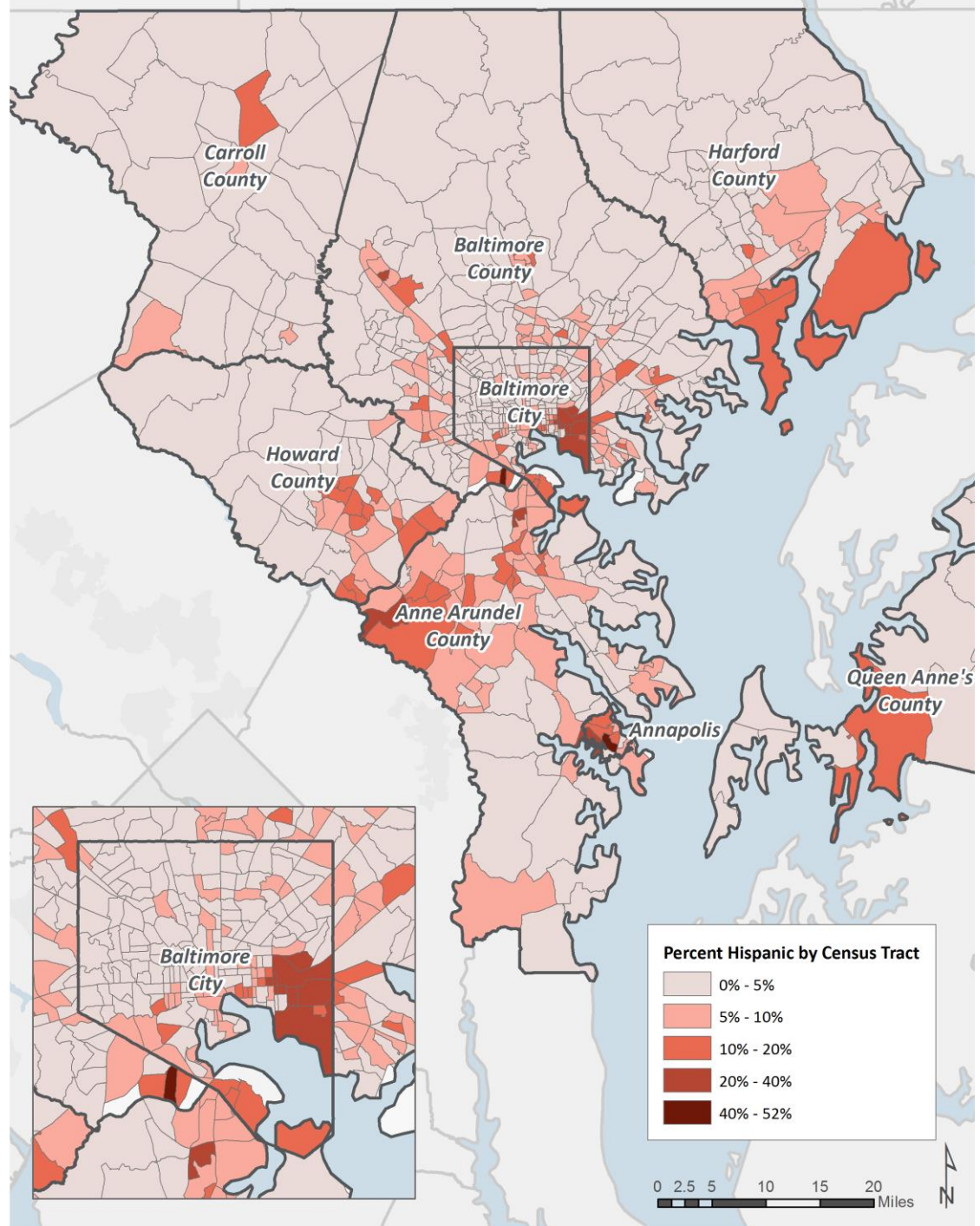
# Percent Minority by Census Tract, 2016

*Region overall = 44% minority*



# Percent Hispanic by Census Tract, 2016

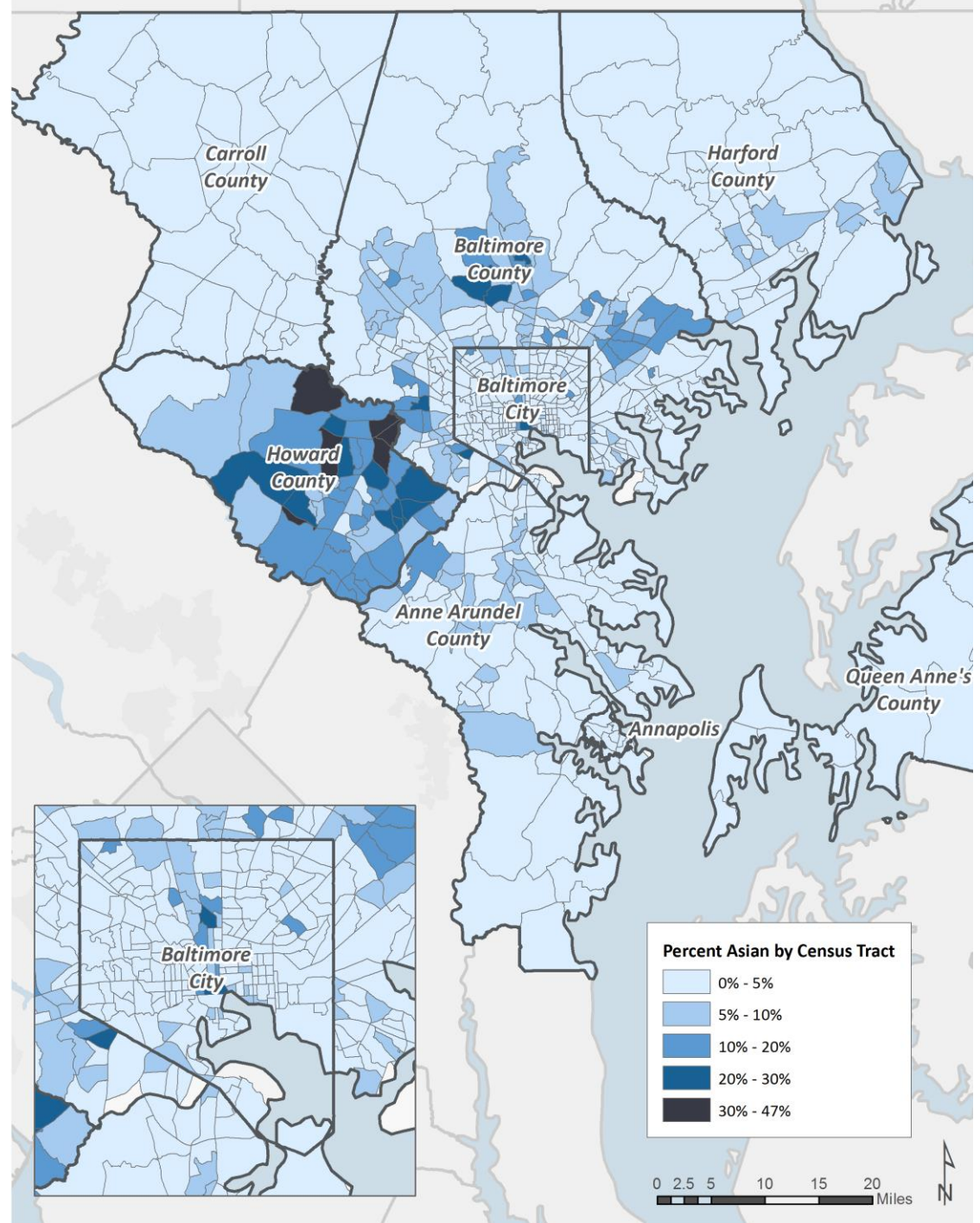
*Region overall = 6% Hispanic*





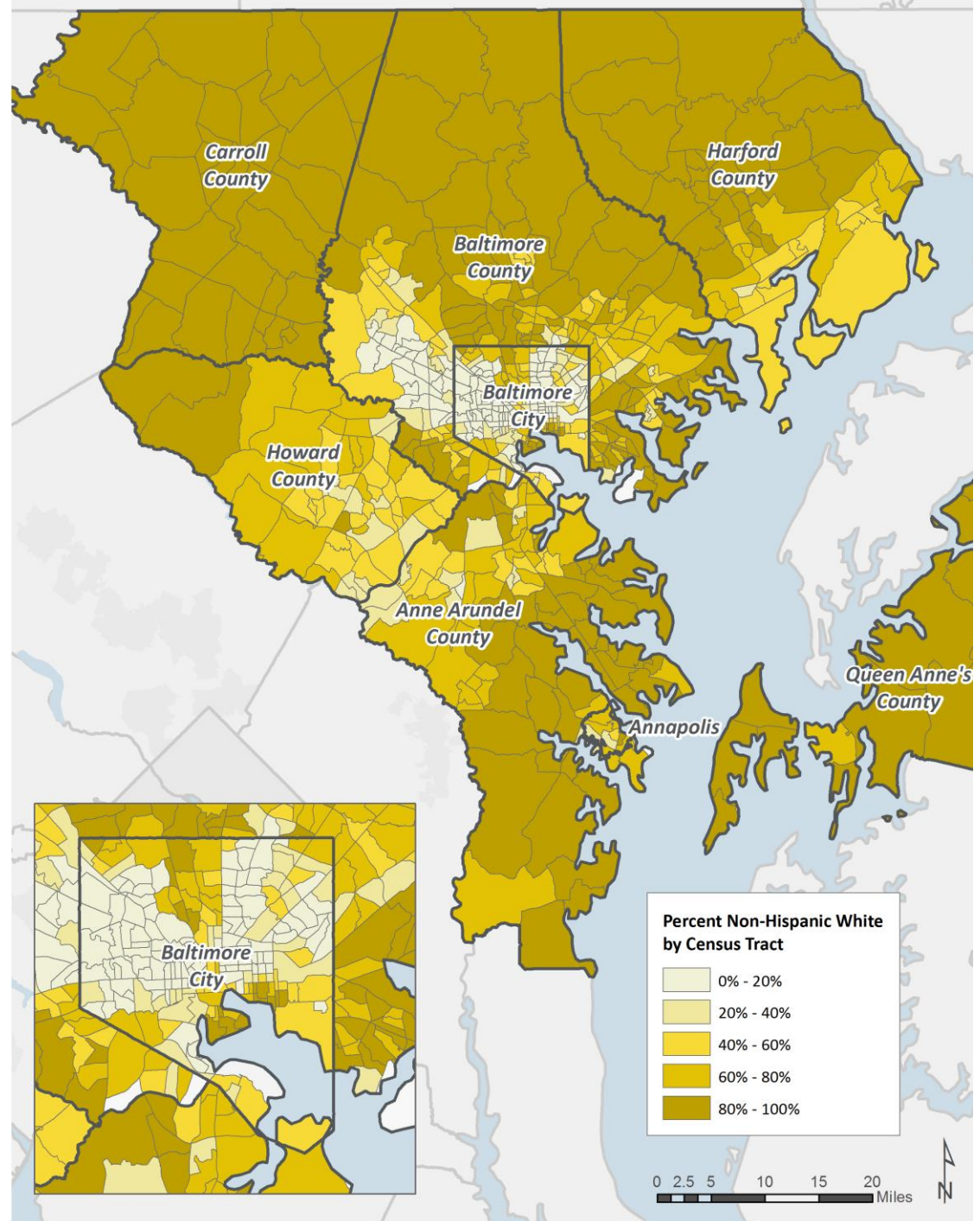
# Percent Asian by Census Tract, 2016

*Region overall =  
6% Asian*



# Percent non-Hispanic White by Census Tract, 2016

*Region overall = 56% non-Hispanic White*



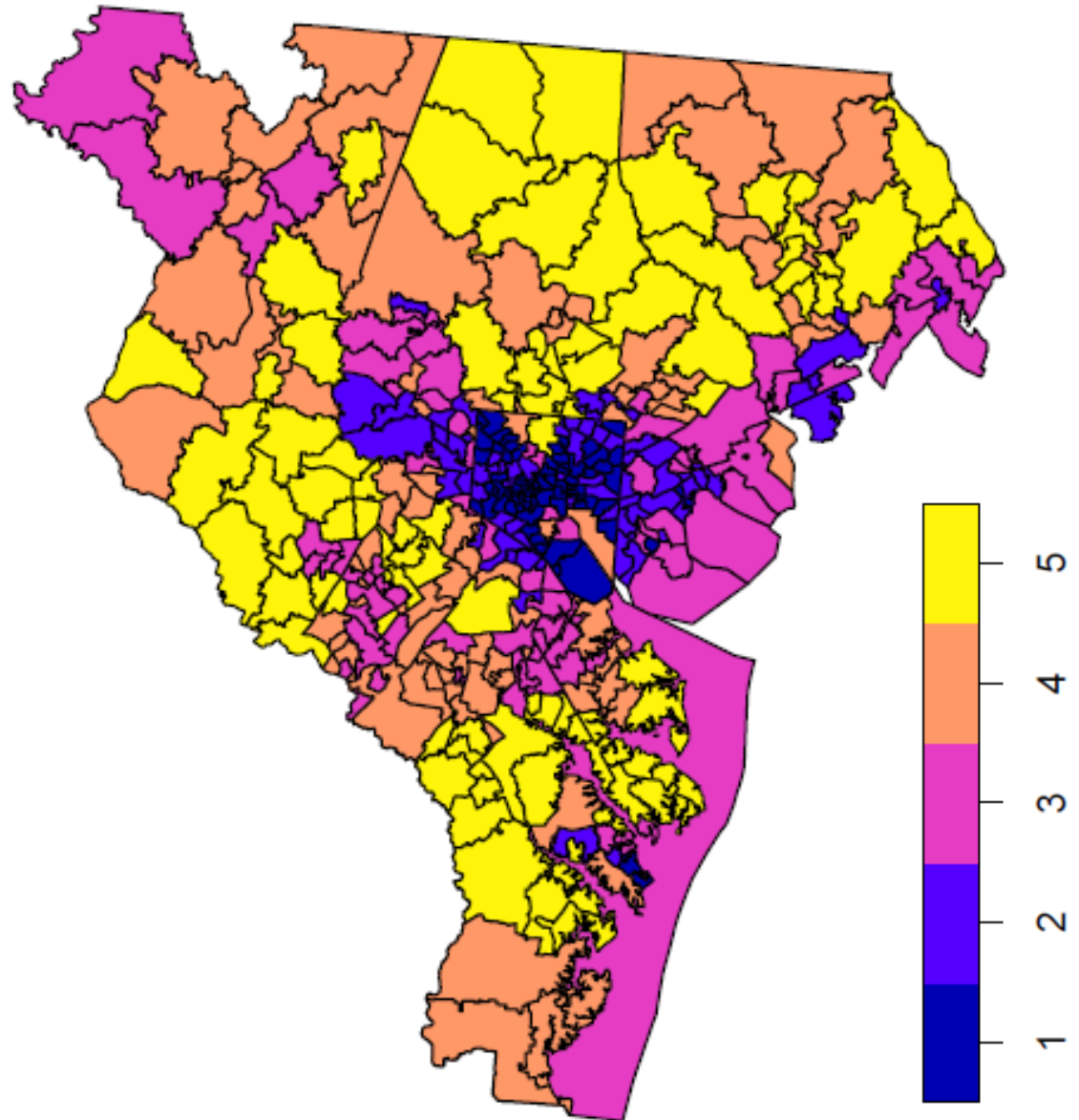


# Elementary School Performance:

English Language Arts (Mathematics map very similar)

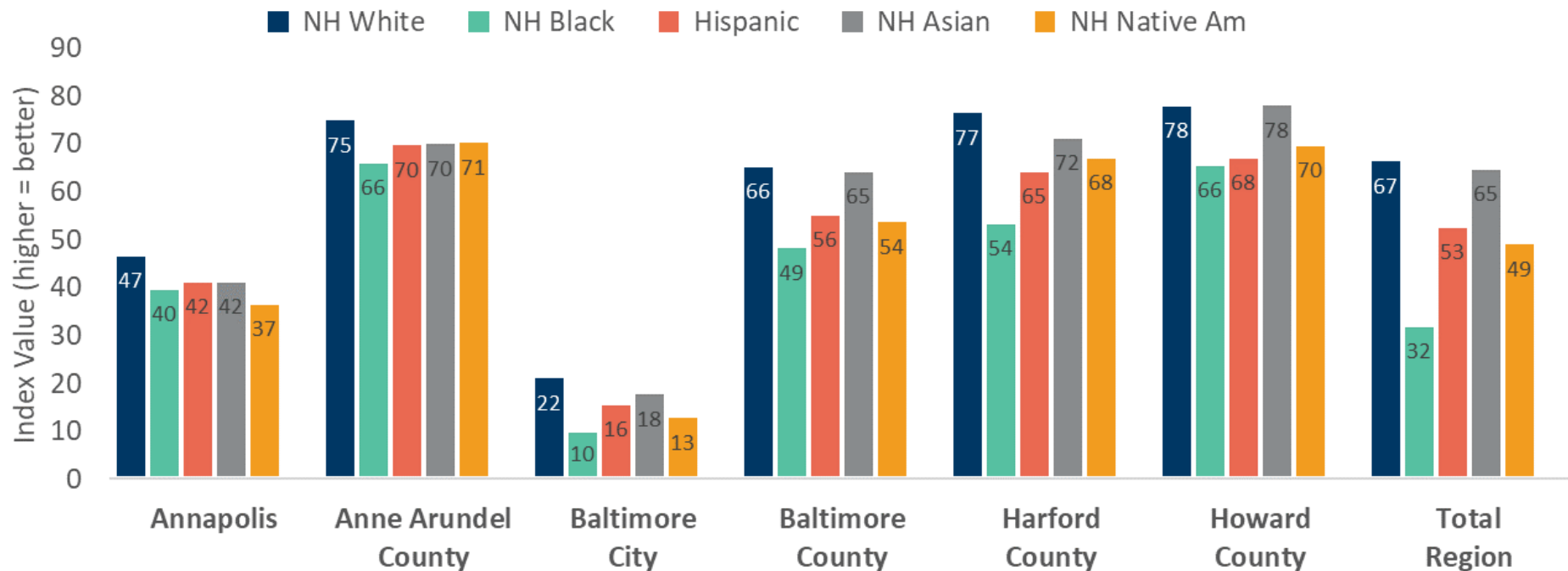
*2017 data compiled and analyzed by the Baltimore Regional Housing Partnership. Reflects PARCC score data from MSDE's 2017 Maryland Report Card for grade levels 3, 4, and 5.*

## English Language Arts Met or Better Quintile



Source: Baltimore Regional Housing Partnership, based on MSDE data

# HUD AFFH Opportunity Indicator: School Proficiency Index (all residents)



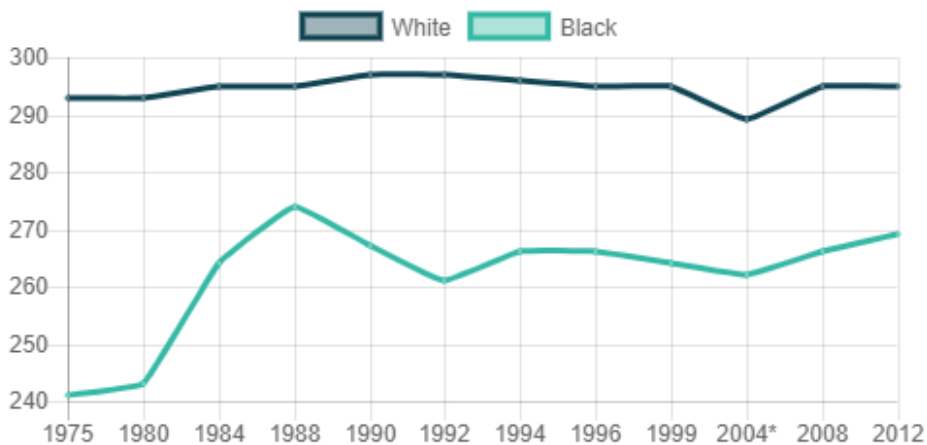
## Key issues:

- Differences in NH White and minorities within each jurisdiction
- Differences between jurisdictions (particularly Baltimore City)

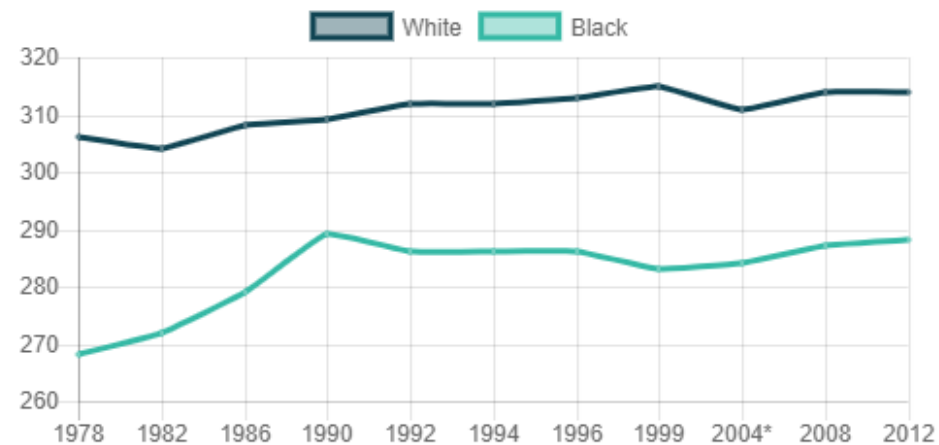
# School Integration & Achievement

*“After the nation’s schools were desegregated, black achievement rose dramatically on the National Assessment of Educational Progress. By 1988, at the point the schools were most integrated the gap between white and black achievement was smallest. Then schools began to resegregate, and progress stalled. Today the gap is still significant.” - Baltimore Sun, “Bridging the Divide” 2017*

Average reading score for 17-year olds



Average math score for 17-year olds

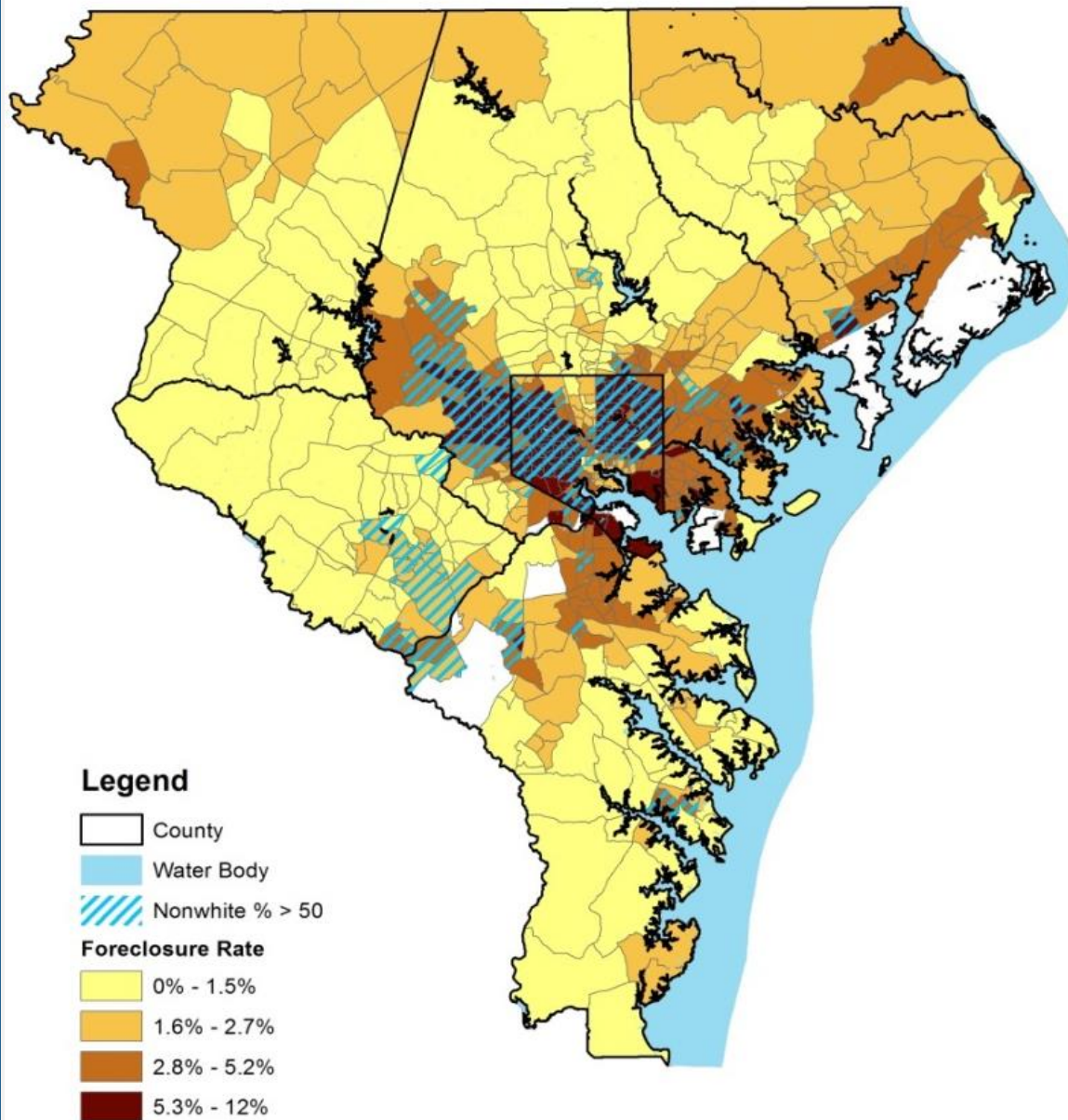


*\*In 2004, the format of the assesment changed.*

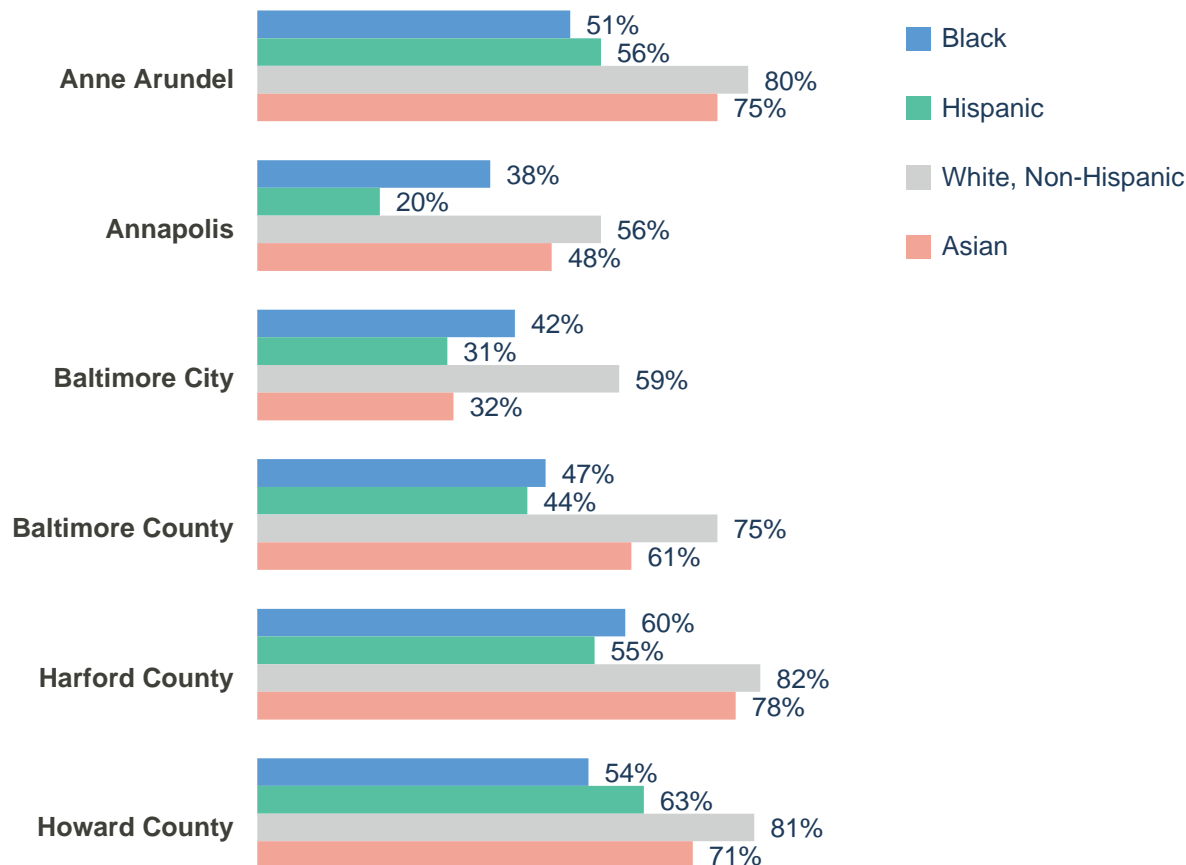
# Foreclosure and Race

Communities of color disproportionately affected by subprime loans and foreclosures that followed.

Source: Strong Communities, Strong Region: The Baltimore Regional Housing Plan and Fair Housing Equity Assessment, 2014; Realty Trac 2006-2009Q3



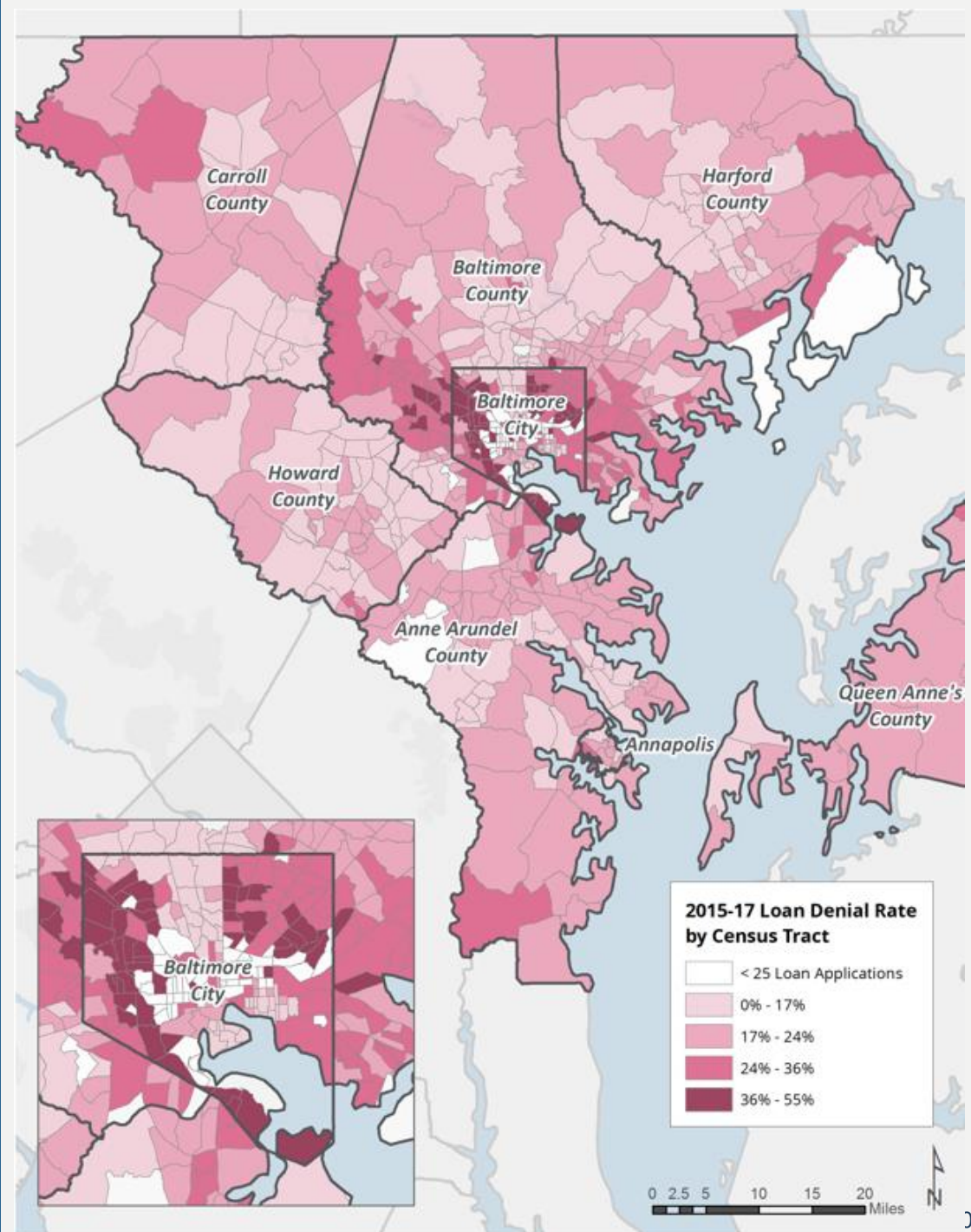
# Homeownership by Race and Ethnicity, Region





# Residential Property Loan Denials

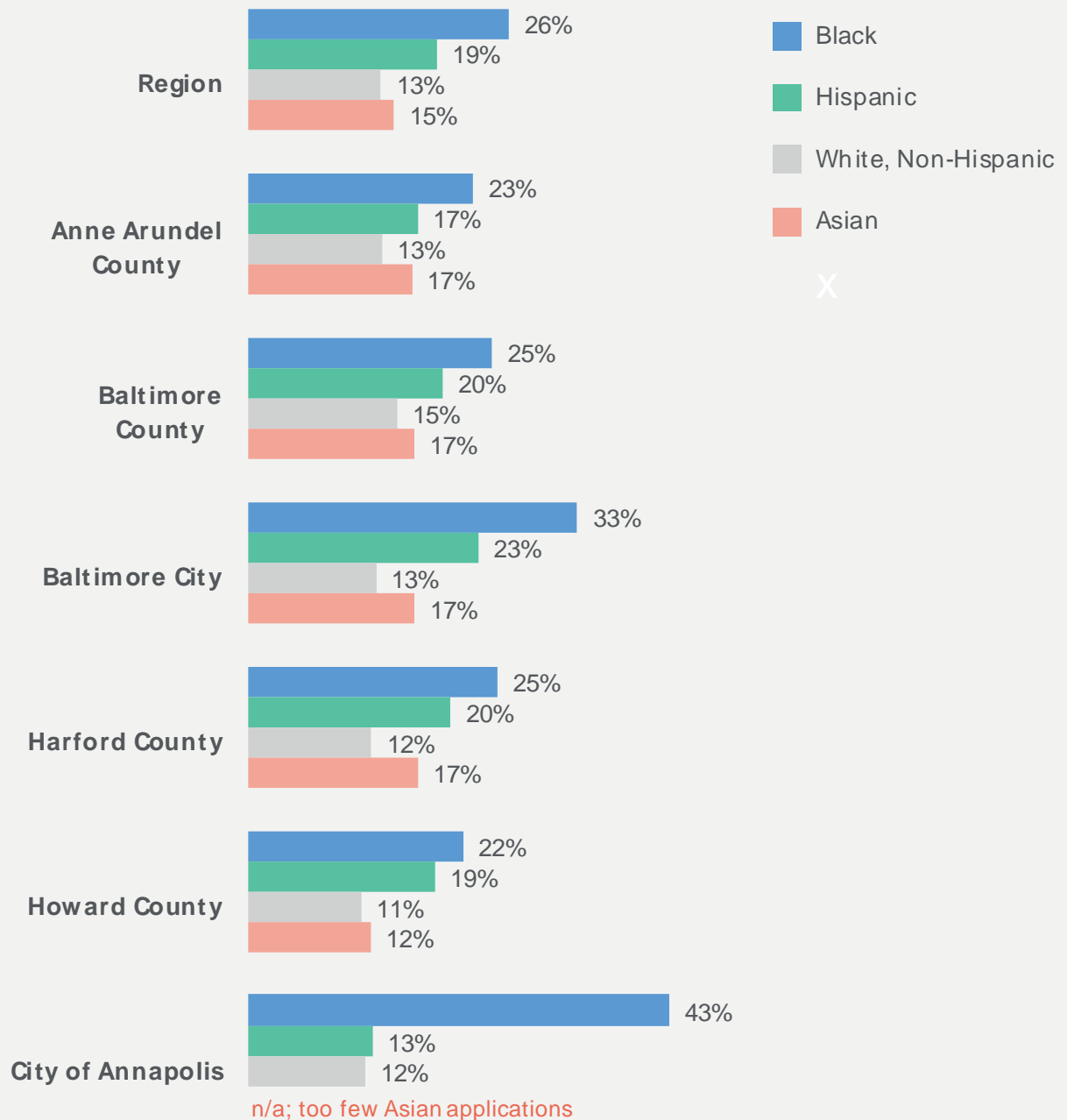
Source: 2017 Home  
Mortgage Disclosure Act  
(HMDA)



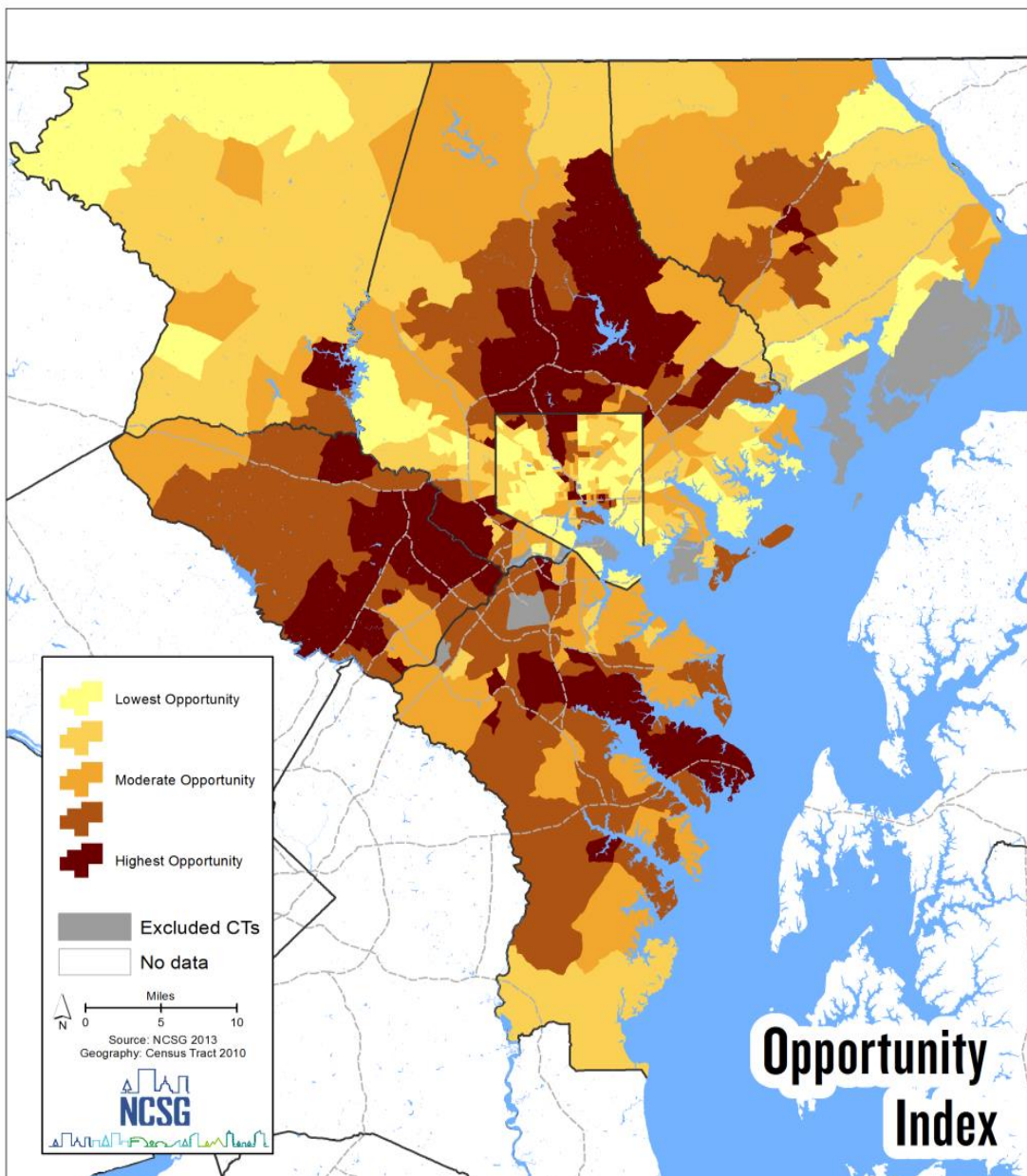


# Mortgage Loans: Denial Rates by Race & Ethnicity

Source: Home Mortgage Disclosure Act (HMDA) reporting



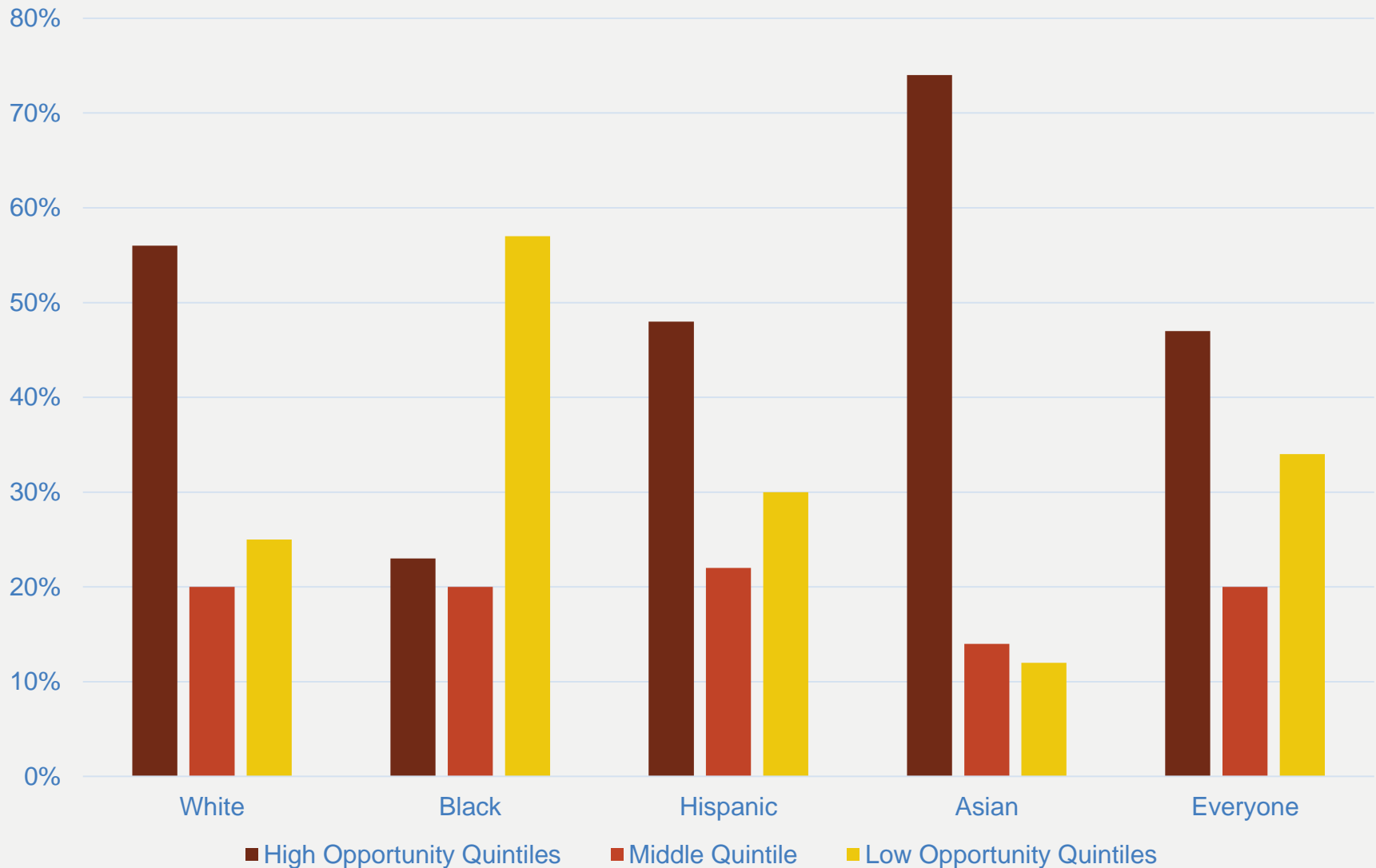
# OMAP Composite Opportunity Index



## Indicators

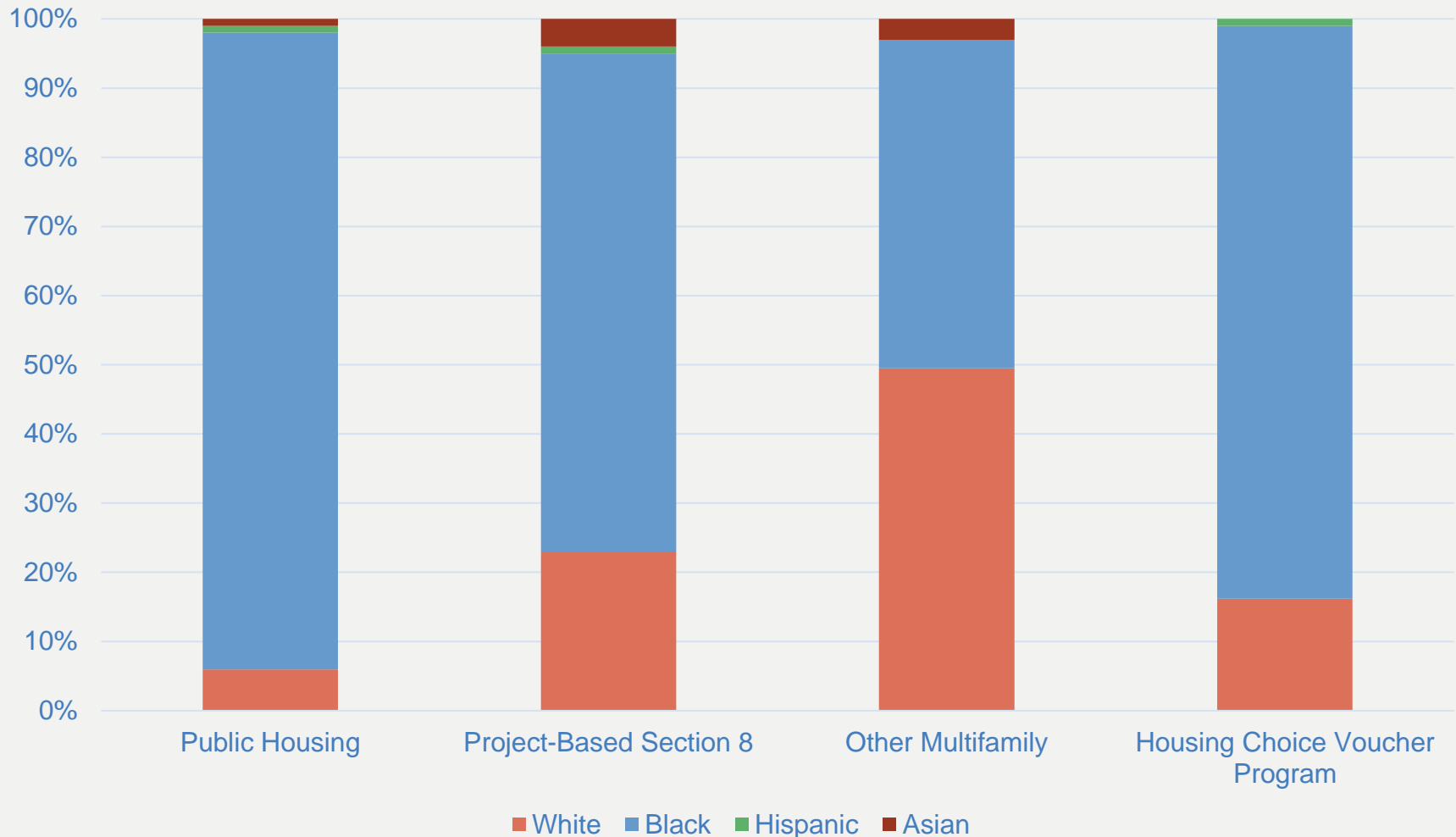
- Education
- Housing/Neighborhood
  - Home Value
  - Percent Vacant & Abandoned
- Social Capital
  - Racial Diversity
  - Percent with Bachelor's Degree
- Public Health & Safety
  - Crime Risk
  - Rate Low Birth Weight
  - Access to Parks
- Employment & Workforce
  - Job Growth
  - Jobs within Short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

# Residence by Opportunity Quintile



# **Analysis of Publicly Subsidized Housing**

# Publicly Supported Housing by Race in Baltimore Region



# Affordable Rental Unit Shortage 2009-2013

Elderly affordability shortage is about  $\frac{1}{4}$  of overall shortage.

Source:

Rental Housing Shortage in Maryland, Maryland Department of Housing and Community Development, October 2016.

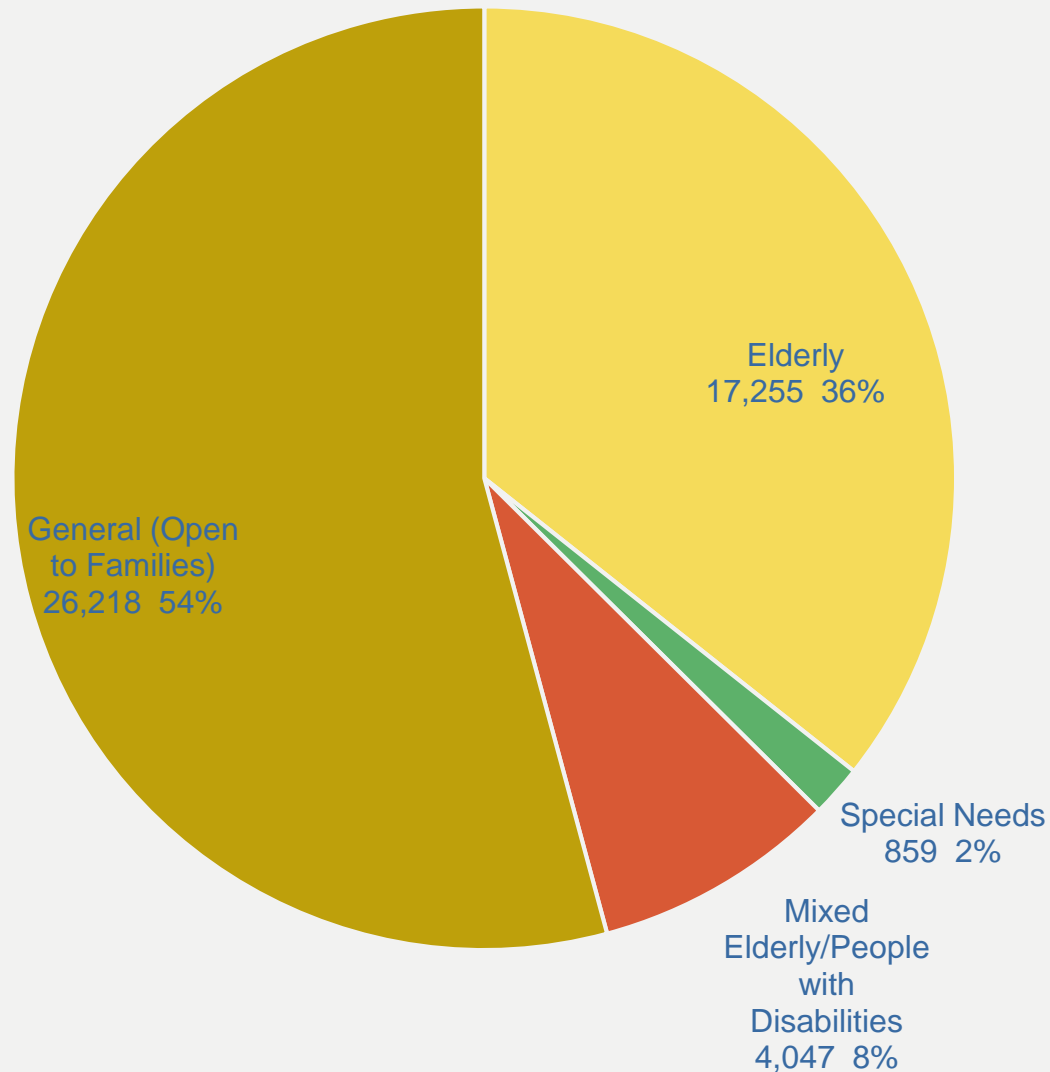
	Shortage of Affordable Rentals		
	0-30% MFI	0-50% MFI	0-80% MFI
	Renters	Renters	Renters
Anne Arundel County	-4,939	-8,885	-7,693
Baltimore County	-16,637	-22,954	-7,859
Harford County	-2,681	-3,141	-8
Howard County	-2,796	-4,799	-5,146
Baltimore City	-27,780	-23,429	-1,796
Region	-54,833	-63,208	-22,502

	Shortage of Affordable Rentals: Elderly Households Only		
	0-30% MFI	0-50% MFI	0-80% MFI
	Renters	Renters	Renters
Anne Arundel County	-1,093	-1,829	-1,248
Baltimore County	-4,588	-6,632	-3,159
Harford County	-648	-815	-14
Howard County	-728	-1,248	-1,042
Baltimore City	-5,698	-4,436	-218
Region	-12,755	-14,960	-5,681

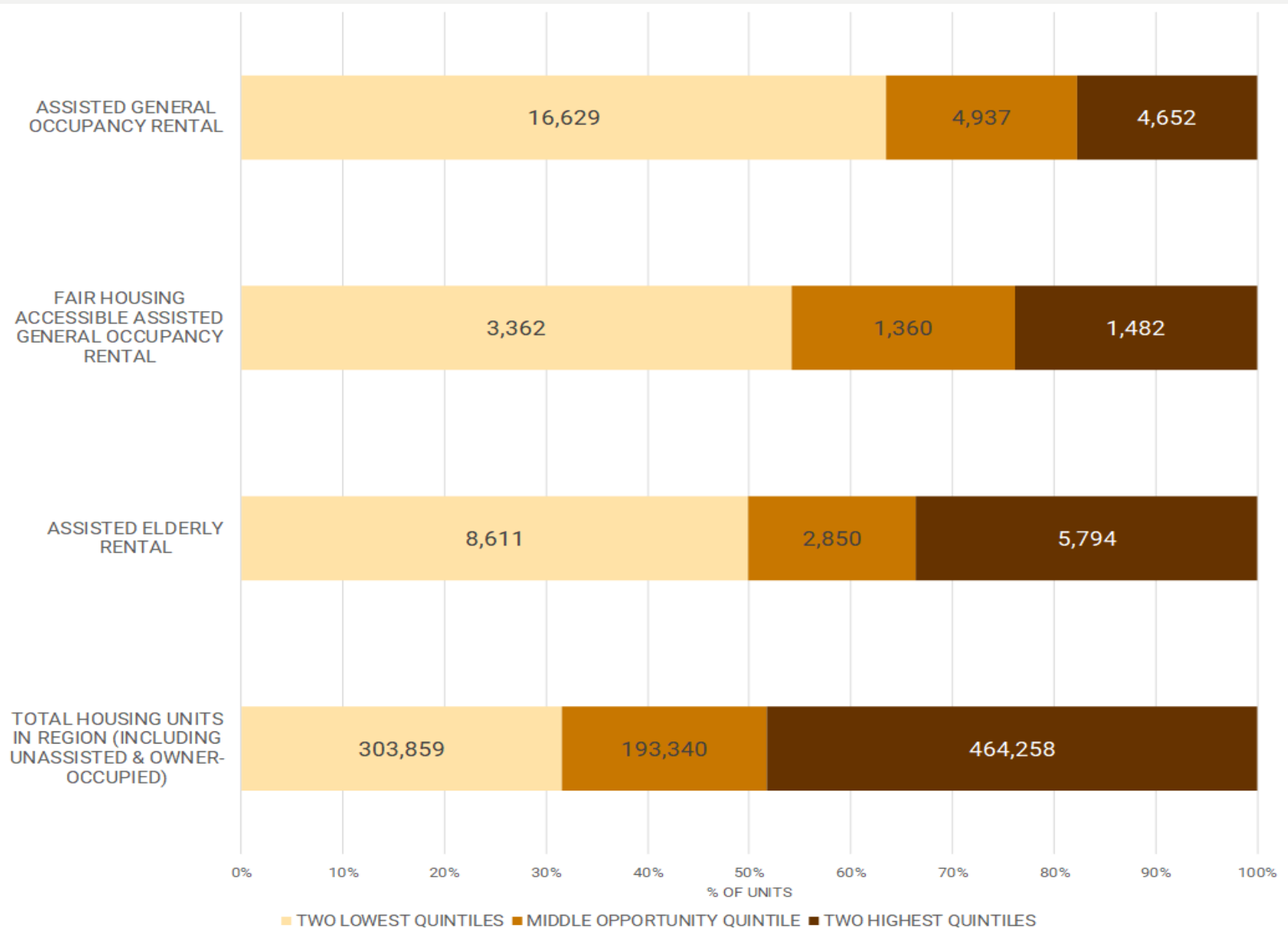


# Assisted Units by Population

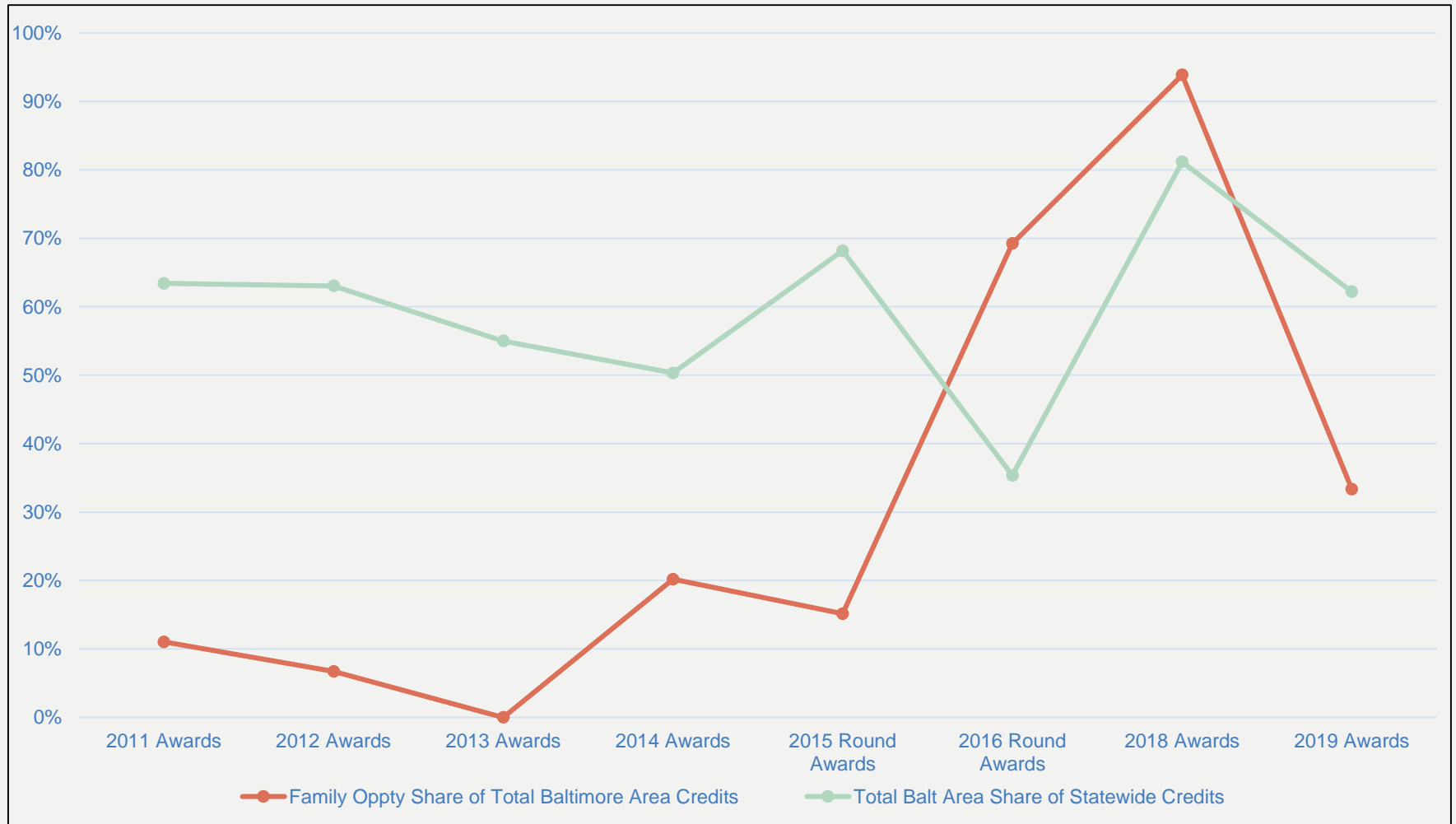
- Inventory restricted to elderly is 36% of total.
- Inventory restricted to elderly and mixed (including non-elderly with disabilities) together is 44% of total.



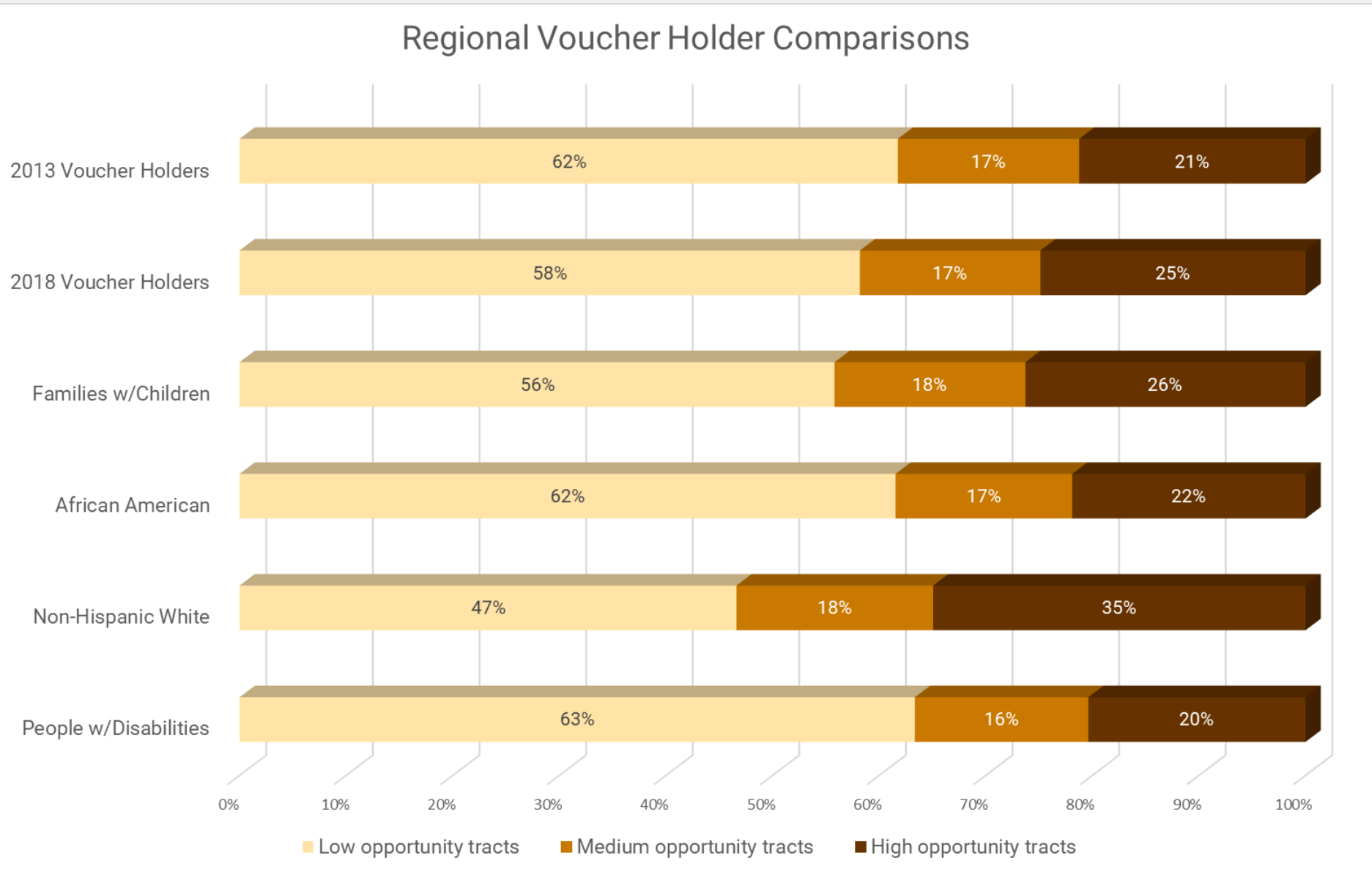
# Regional Housing Unit Comparison



# Md. Low Income Housing Tax Credit Trends 2011-2019



# Regional Voucher Comparisons



# Community Revitalization

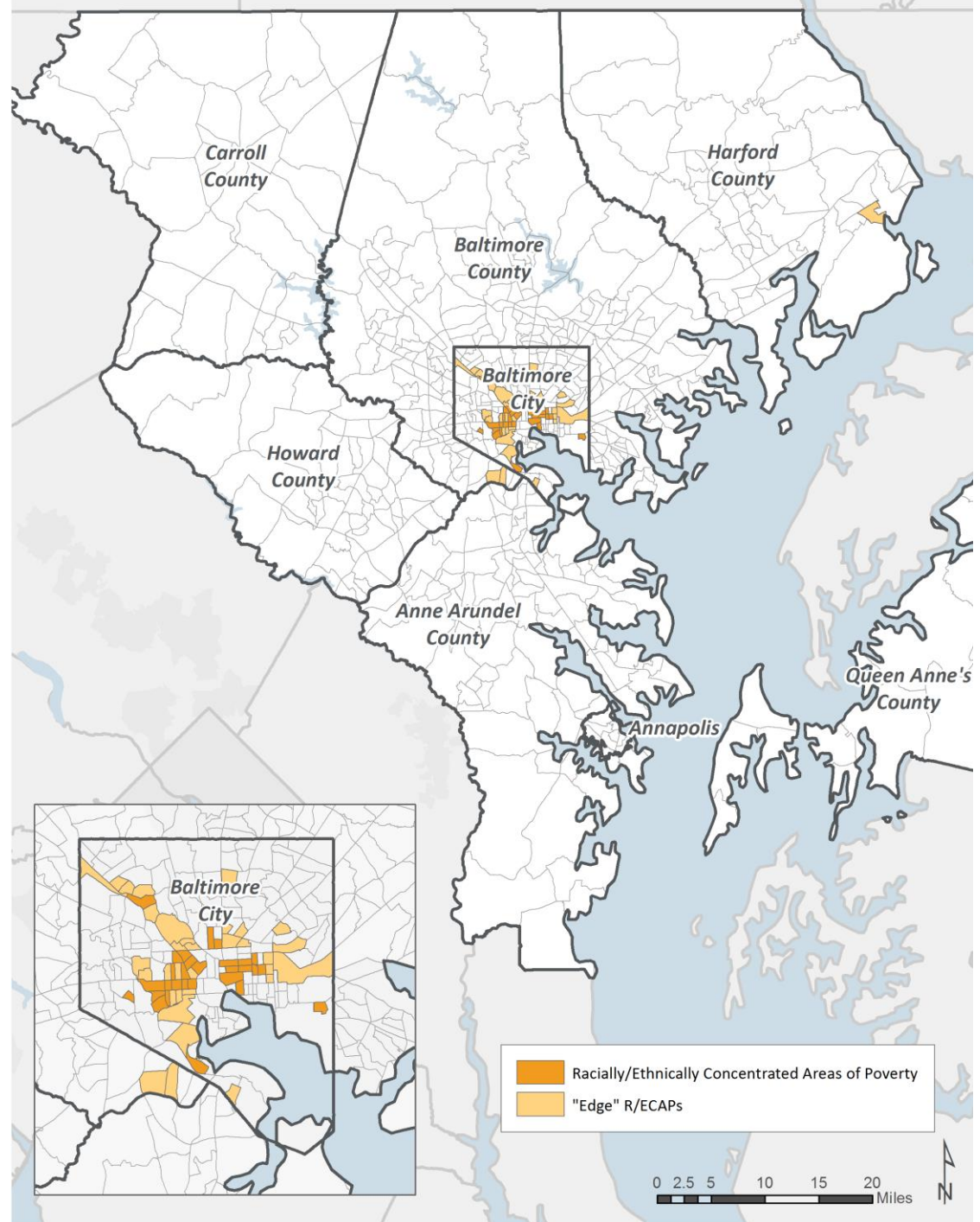
# Racially and Ethnically Concentrated Areas of Poverty

*50%+ Minority and  
≥38.5% Poverty*

## Tract Quick Facts:

- 631 total CTs
- 249 minority 50%+
- 31 poverty ≥38.5%
- 29 R/ECAPs

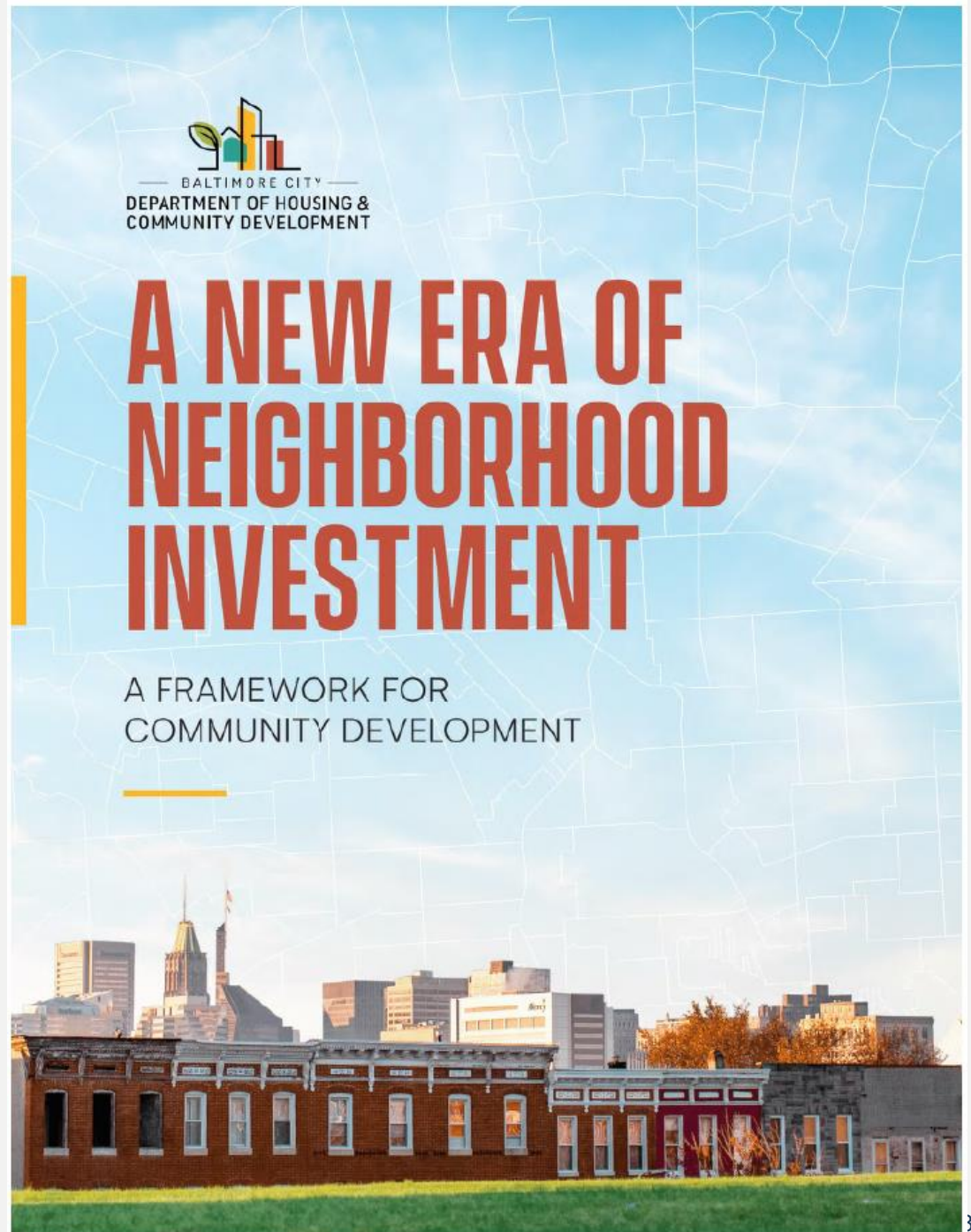
*Another 34 CTs are on the  
edge of being R/ECAPs  
(50%+ minority and 30% -  
38% poverty)*





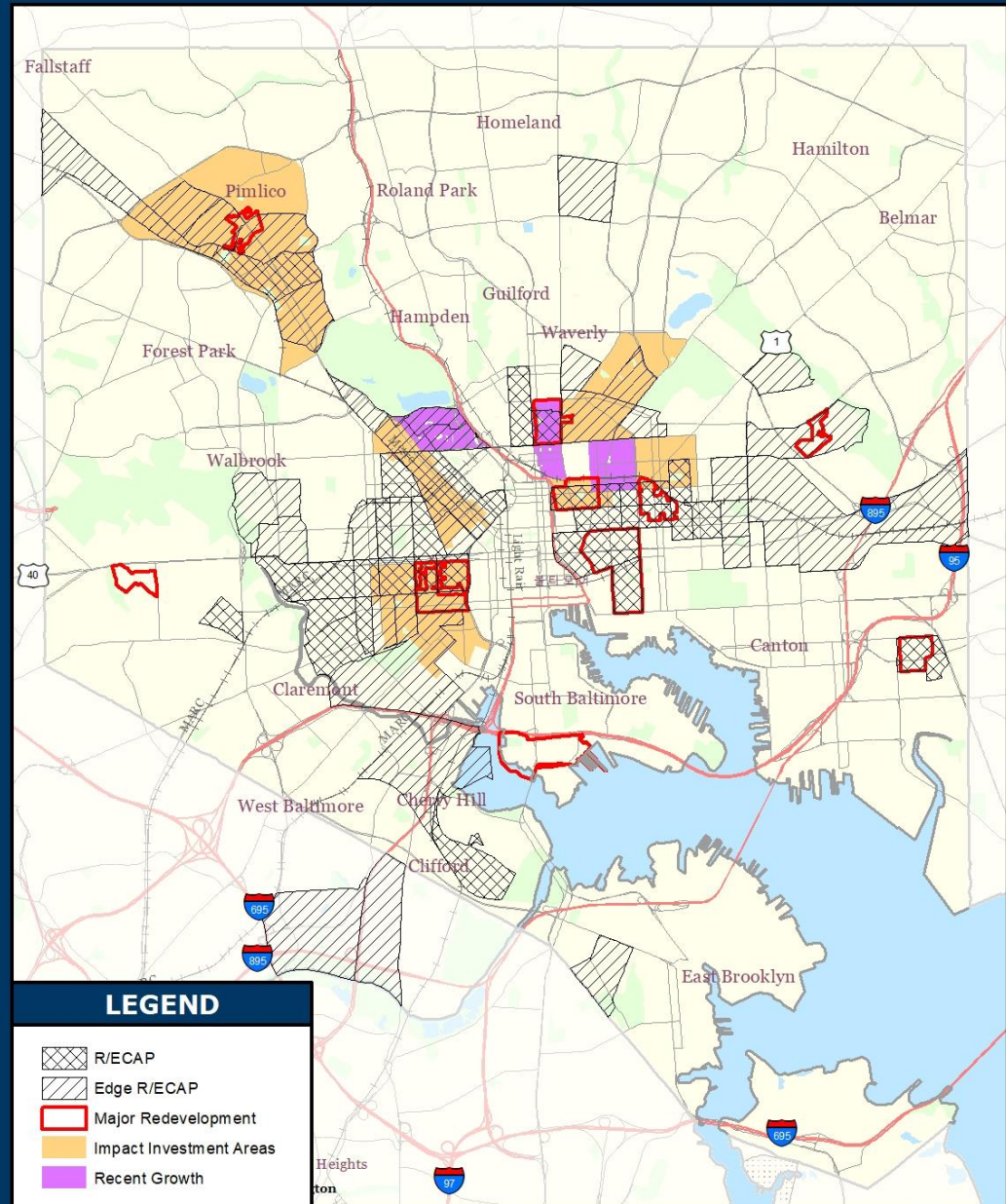
# Baltimore City Framework for Community Development

February 2019



# RCAP Overlay on Baltimore City Impact Investment Areas

## Impact Investment Areas & R/ECAP



Baltimore Metropolitan Council  
1500 Whetstone Way, Suite 300  
Baltimore, MD 21230  
[www.BaltoMetro.org](http://www.BaltoMetro.org)

Prepared by  
Transportation Planning Division  
Projected Coordinate System - NAD 1983 State Plane (ft)  
Data Source - BMC, © HERE 2018, TIGER/Line®, MTA,  
Baltimore City Department of Housing & Community Development  
Printed - August 2019



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Miles

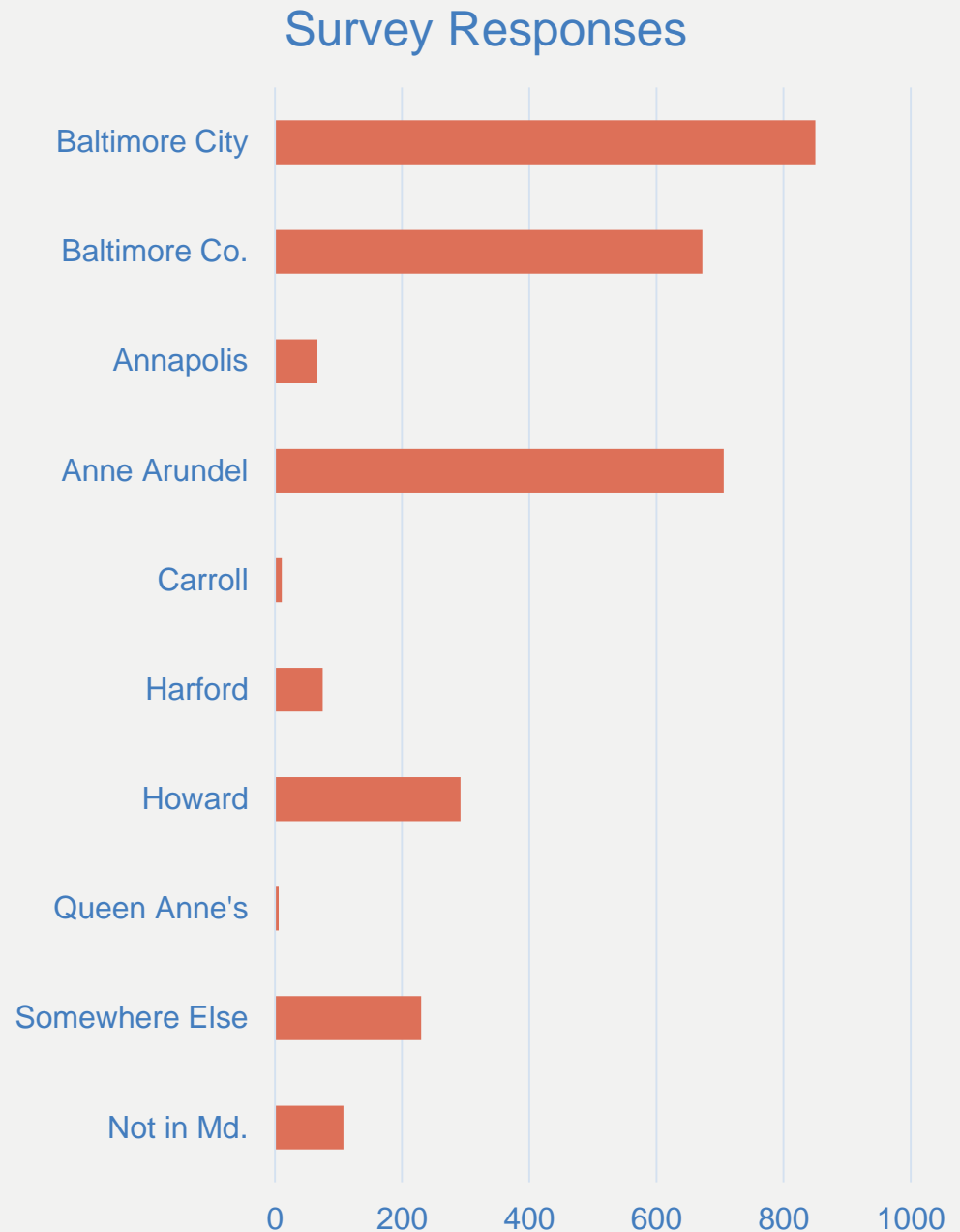
# **Community Survey: Preliminary Results**

# Community Survey Initial Results

3,017 total responses

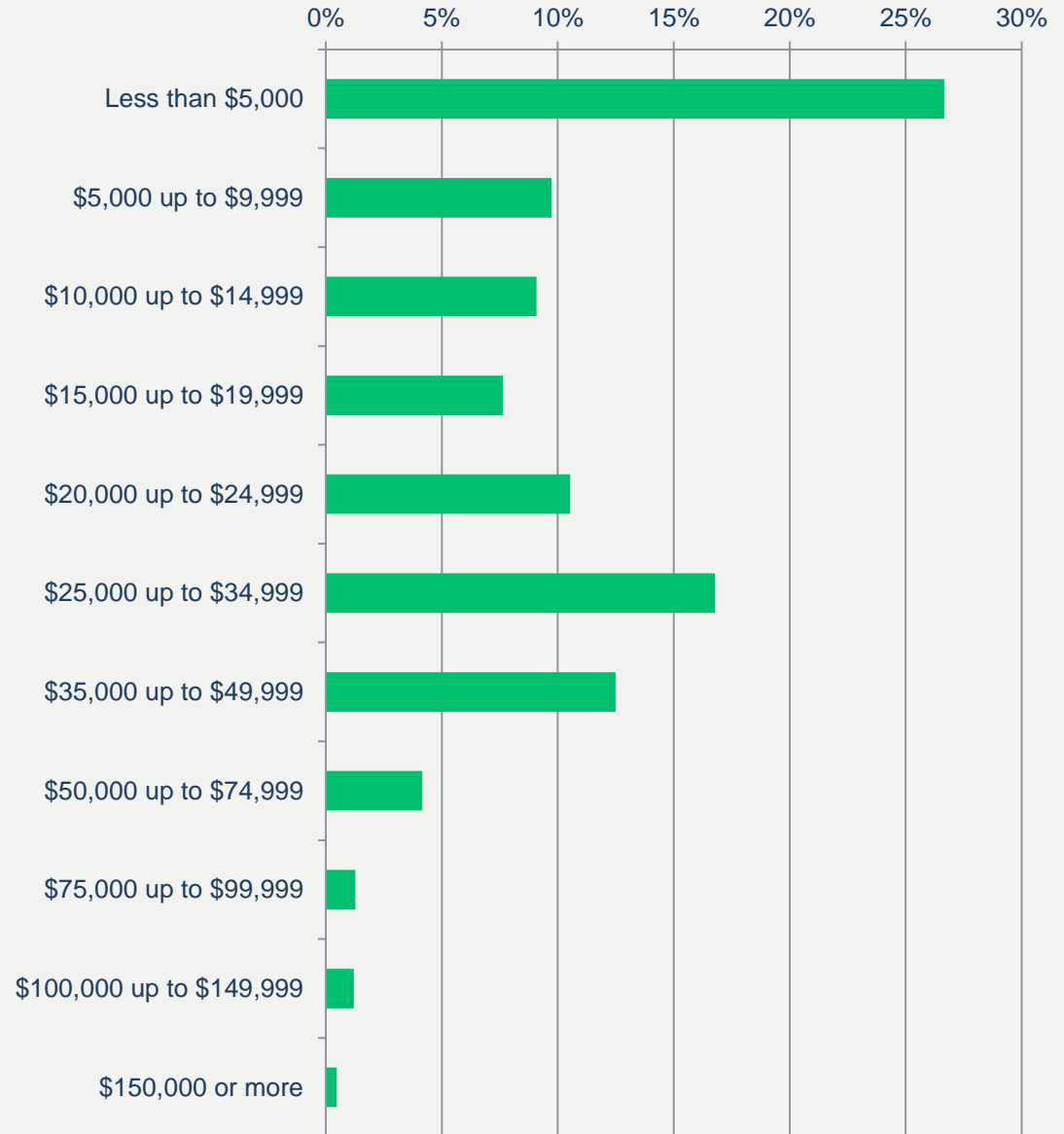
773 live in assisted housing

1,414 live in unassisted housing

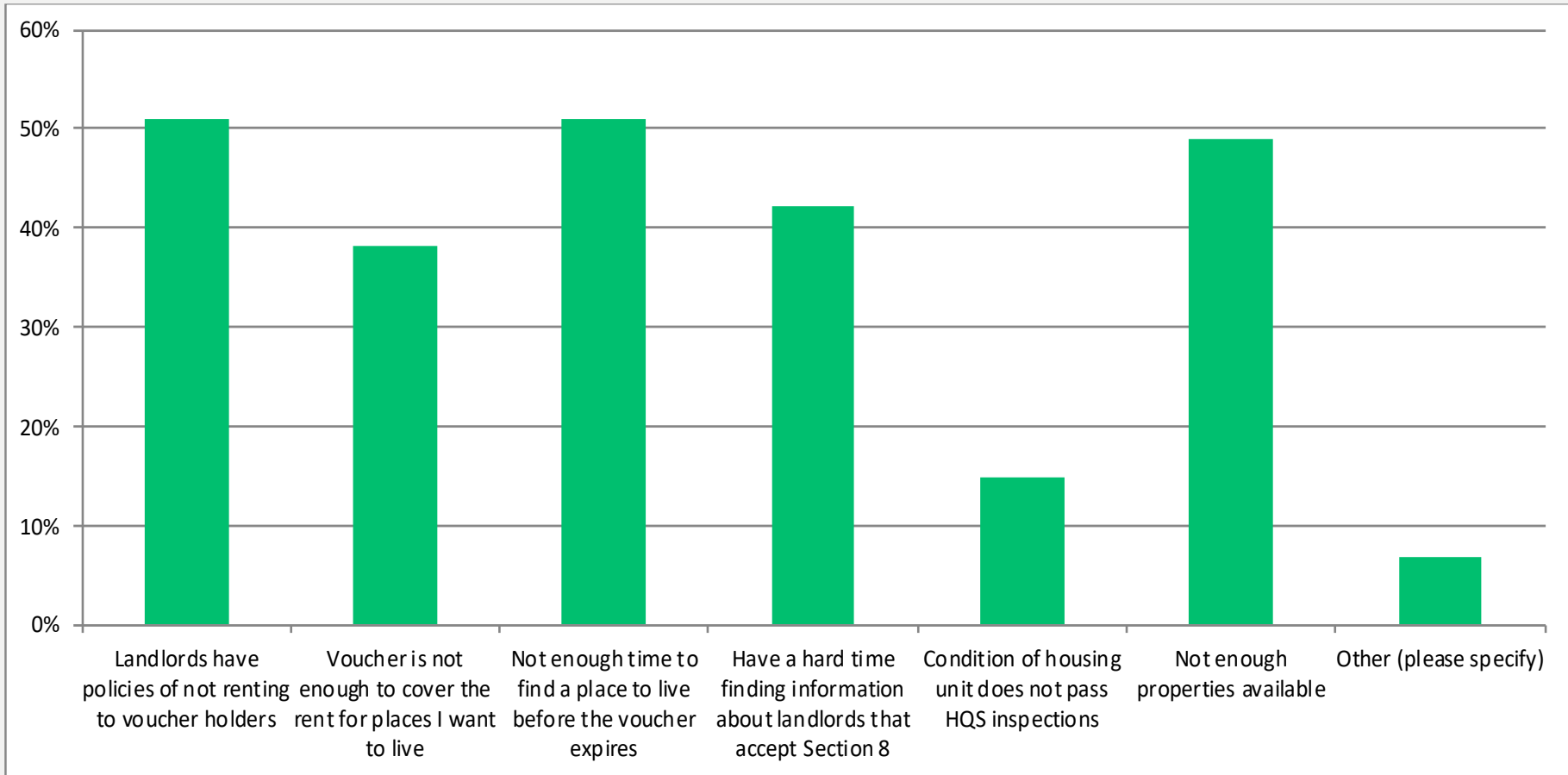


# Household Income Distribution

## Community Survey Initial Results



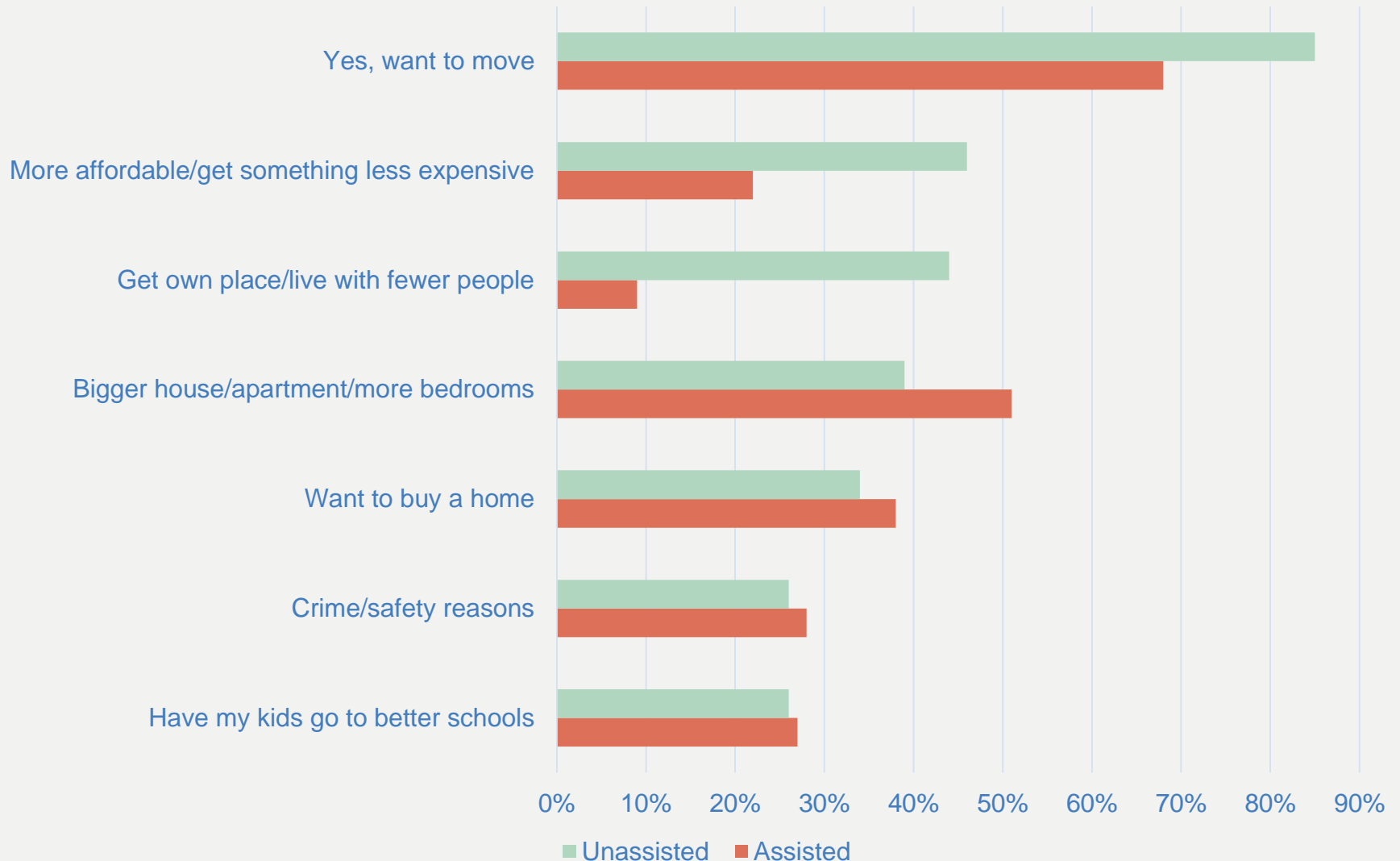
# Why is it difficult to use a voucher?



Proportions represent voucher holders who said it was “somewhat” or “very” difficult to use their voucher (n=338)

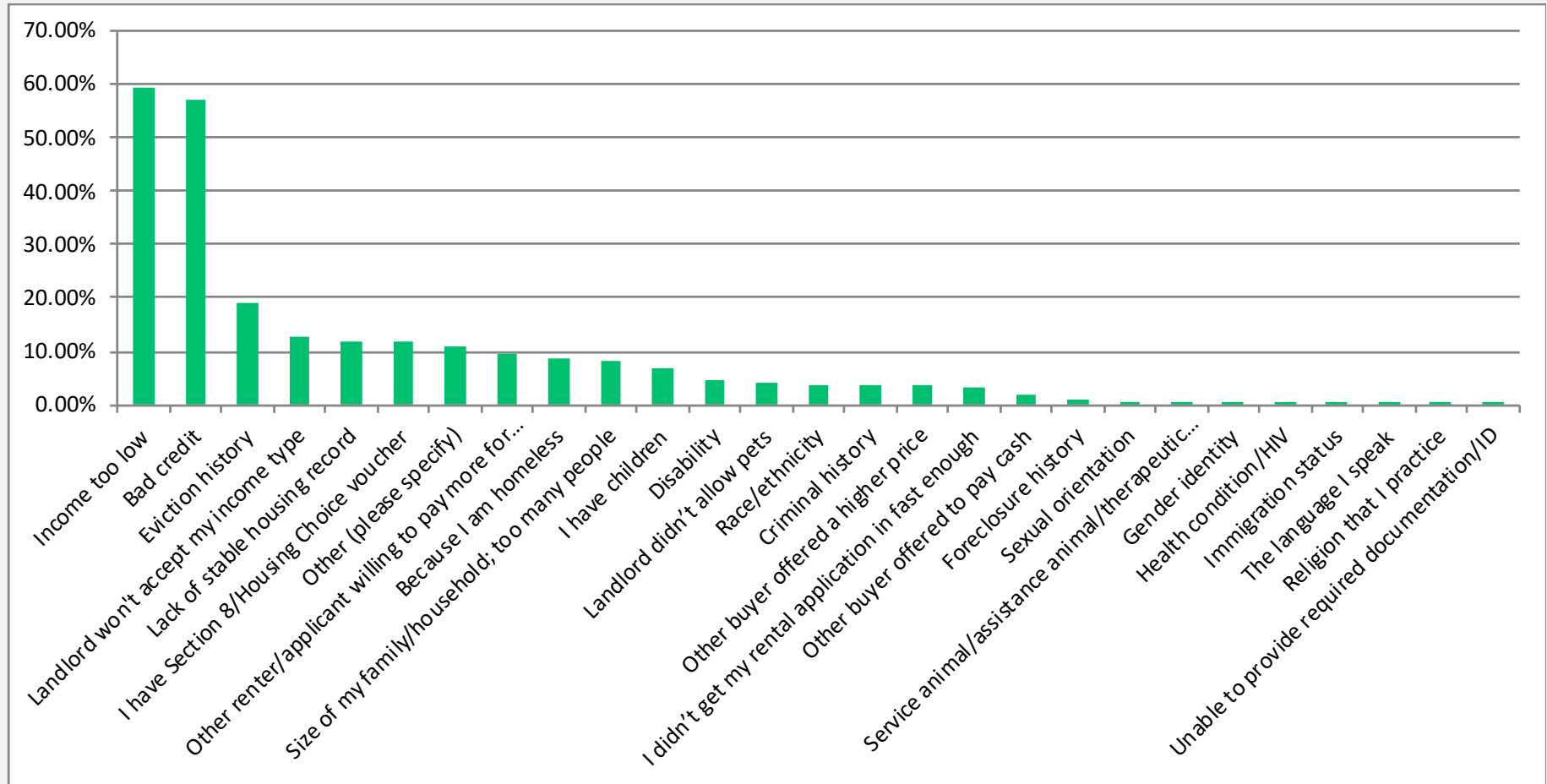


# Would you like to move, and, if so, why?



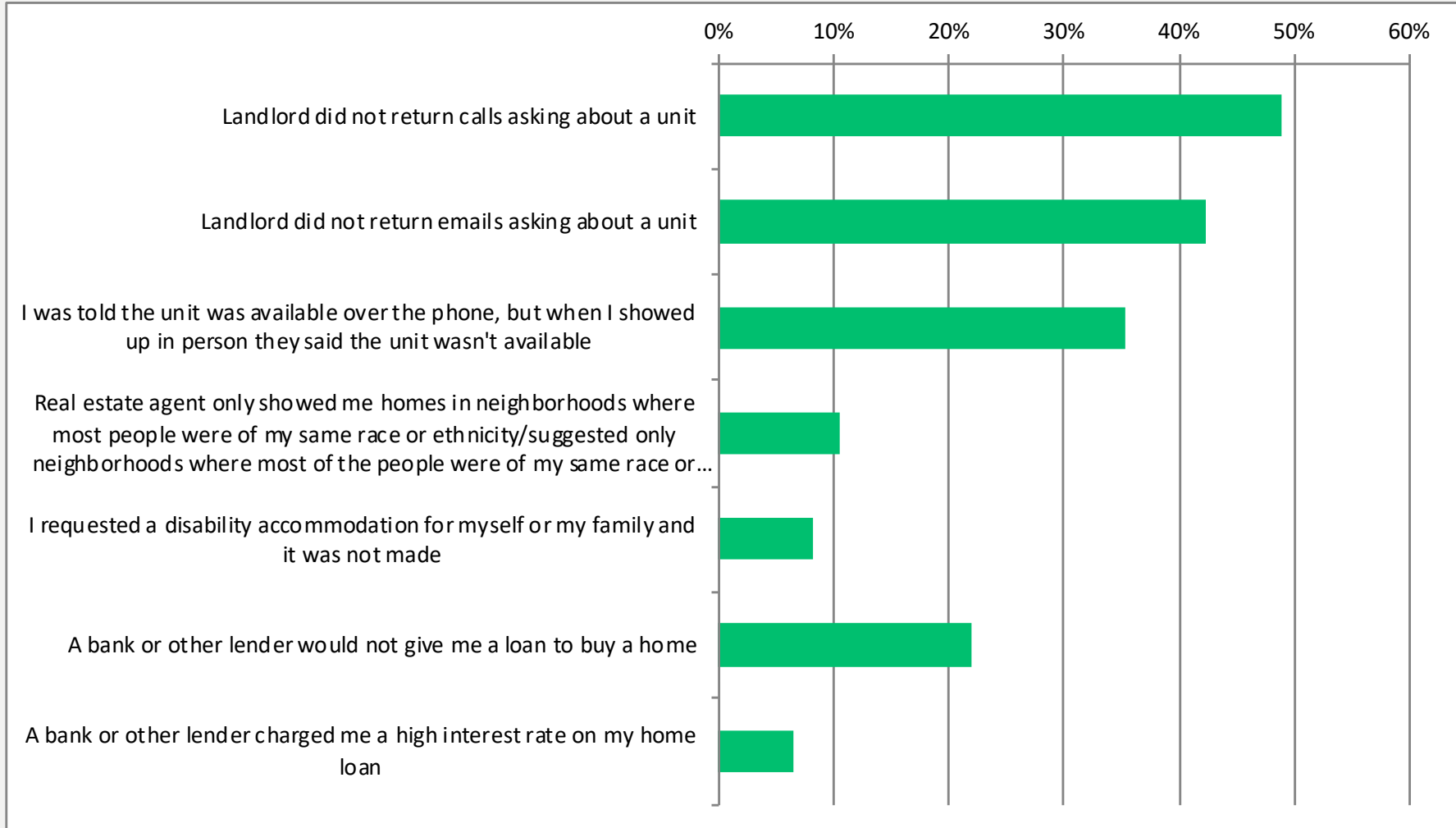
**Answers to “why” are a subset of respondents who want to move**

# If you were denied housing in last five years, why?

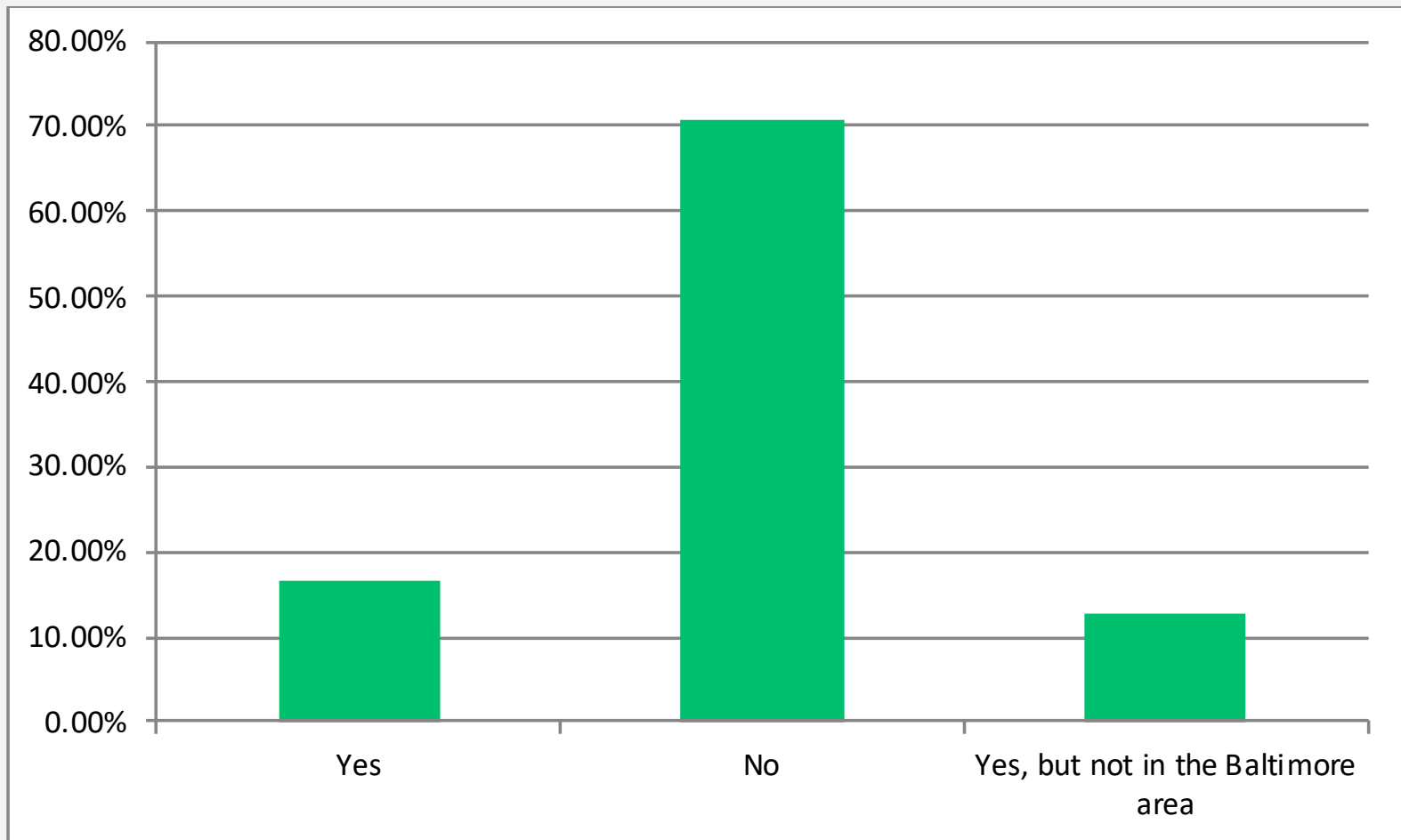


**26% of respondents were denied housing in the past 5 years**

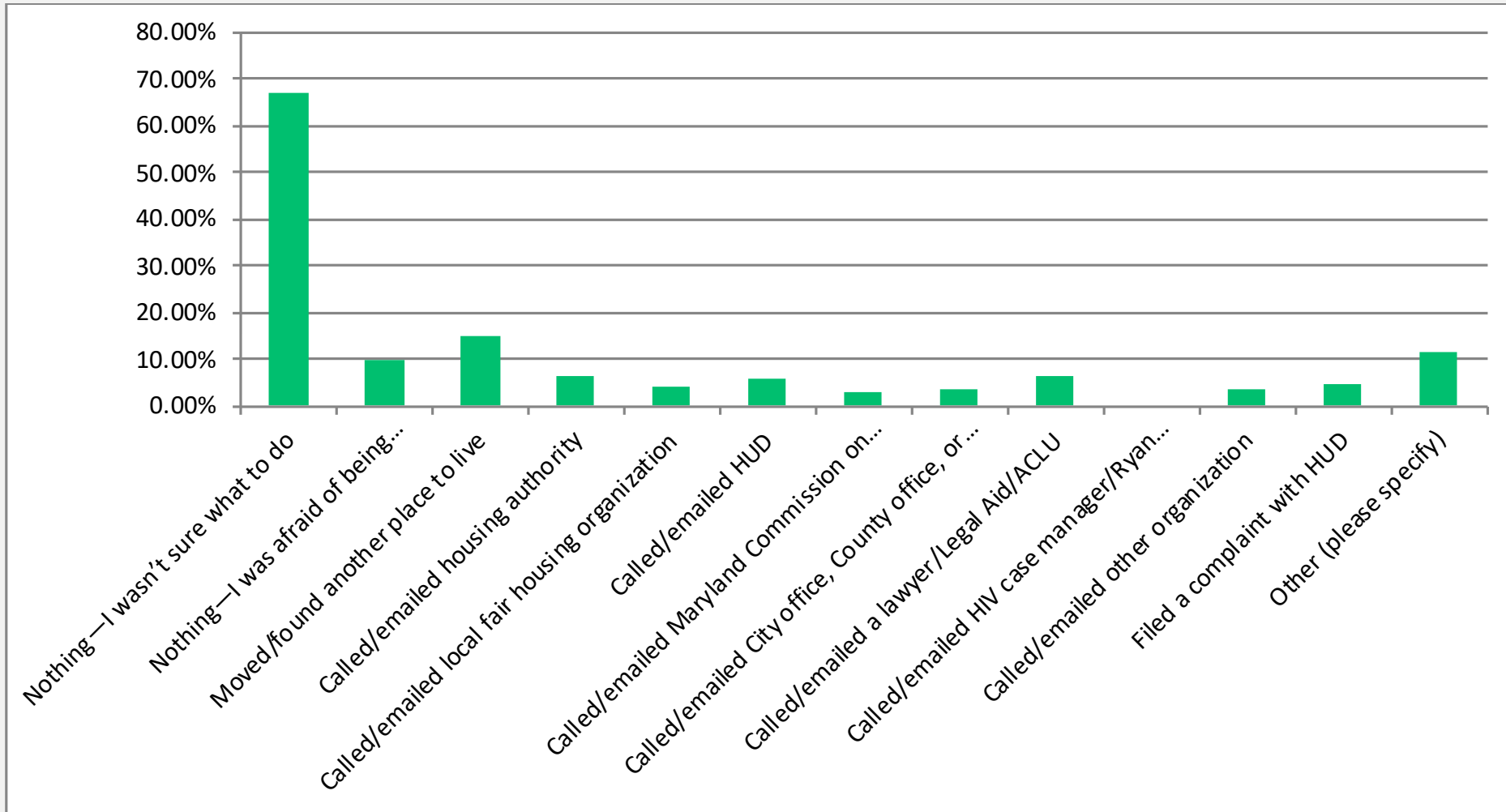
# Did you experience the following when looking for housing?



# In looking for housing, have you felt discriminated against in the Baltimore area?



# If so, what did you do?



# **Feedback from Community Development Network of Maryland**



# September 13 CDN Feedback

- Need for operating support: Capital revitalization investment without capacity to use it could have limited impact.
- Black homeownership – now at a lower level than before the Fair Housing Act:
  - National Association of Real Estate Brokers (NAREB): <http://www.nareb.com/five-key-facts-that-underscore-the-alarming-crisis-in-black-homeownership/>
  - Urban Institute May 2019 report: [https://www.urban.org/sites/default/files/publication/100204/building\\_black\\_ownership\\_bridges\\_1.pdf](https://www.urban.org/sites/default/files/publication/100204/building_black_ownership_bridges_1.pdf)
  - Urban Institute July 2019 talk: <https://www.urban.org/events/black-homeownership-gap-research-trends-and-why-growing-gap-matters>
  - Prosperity Now June 2019: <https://prosperitynow.org/blog/black-homeownership-how-do-we-fix-whats-wrong>
  - Prosperity Now info-graphic: <https://prosperitynow.org/blog/infographic-racial-wealth-gap>
- Need for investment in African American neighborhoods.
- Importance of financial coaching (more intensive than standard homeownership counseling).
- Importance of estate planning assistance to pass home wealth to heirs smoothly.

**Draft AI Action Steps**

# Regional Coordination & Action

1. Continue to support housing policy coordination staffing at BMC.
2. Coordinate regionally to support the new Fair Housing Action Center of Maryland, including systematic paired testing for discrimination.
3. BMC continue to convene local and State housing agencies with housing practitioners and advocates through BMC's Housing Committee to review progress on implementing 2019 Regional AI action steps and strategize on further action.
4. Support transformative investments in Racially/Ethnically Concentrated Areas of Poverty (R/ECAPs) and similarly highly challenged markets, such as the renewal of State Project CORE funding for Baltimore City.
5. BMC and Fair Housing Group facilitate meetings of local school district officials and housing agency leaders in 3-5 jurisdictions to explore coordinated action to benefit high quality, equitable education.

# Affordable Housing – Regional Coordination

6. Monitor Maryland DHCD's awards of Low Income Housing Tax Credits (LIHTC) and advocate for Qualified Allocation Plan (QAP) policies that:
  - a. Achieve a balance [to be defined] between opportunity and revitalization area awards and
  - b. Ensure the Baltimore metropolitan area receives tax credits in proportion to its share of the State's low income population.
7. Through Regional Preservation Task Force, assist local governments in designing affordable housing contracts to facilitate preservation at their expiration.
8. Continue to engage with Maryland DHCD to make [www.MdHousingSearch.org](http://www.MdHousingSearch.org) an effective clearinghouse and affirmative fair housing marketing tool, including for accessible housing.

# Accessing Opportunity

9. Sustain the Baltimore Regional Project-Based Voucher Program beyond the initial 2015 HUD seed grant.
10. Engage lenders in discussions about homeownership and mortgage lending disparities and how to address. Seek investments in financial literacy programs (including in schools) and assistance in helping subprime loan holders refinance to conventional loans.
11. Support improved public transit access to suburban job centers and opportunity areas with multifamily housing.
12. Explore State or regional/federal support for alternatives to public transportation, such as Vehicles for Change, Lyft, Uber, etc.
13. Support passage of statewide legislation to add source of income as a protected class for housing.
14. Consider applying for the \$25 million HUD Mobility Demonstration when HUD issues a Notice of Funding Availability (NOFA) with additional detail.



# Regional Education and Training

15. Using the latest research, prepare educational materials on the benefits that subsidized and accessible housing can bring to all members of vibrant communities.
16. Conduct a training for local government and public housing authority officials on the duty to affirmatively further fair housing following each State election cycle.
17. BMC and Fair Housing Group sponsor fair housing trainings for property managers at least twice per year.
18. Figure out the best way (e.g. electronic, paper) to disseminate information regarding fair housing rights and responsibilities to renters, property owners and managers, homebuyers, and real estate agents.

# Anne Arundel: Expand Workforce & Affordable Housing Opportunities

- Housing needs analysis in County's new General Plan
- Based on analysis, if needed, establish an inclusionary zoning ordinance.
- Analyze possible places where logical to expand the development envelope (e.g. near transportation corridors and jobs) to absorb demand for housing.
- Reinstate policy to give first priority to use County surplus land, as suitable, for development of affordable housing for both renters and homeowners.
- Explore dedicated funding source for affordable housing and redevelopment in target revitalization areas.
- Explore adoption of small area fair market rent (FMR) payment standards for housing choice voucher program.
- Continue and possibly expand housing voucher program created through locally controlled funds.
- Continue and expand resources for case management, housing search assistance, and other supportive services for low income households.
- Invest in credit counseling to support sustainable homeownership and reduce disparities by protected class.
- Explore partnerships with area hospitals and health providers to support affordable housing and support services.

# Anne Arundel: Fair Housing and Access to Economic Activity

- Create local fair housing ordinance. (Check!)
- Support fair housing testing, Language Access Planning, diversity in housing and planning boards, investigating housing discrimination, and collaborative efforts with local and regional stakeholders
- Initiate conversations between housing and school officials to explore possible reinforcing action to support integrated schools and neighborhoods.
- Implement equity framework in public resource allocation decision-making. Allocation of resources should result in an equitable approach to bring neighborhoods into similar standards of service delivery and amenities.
- Create a home/apartment accessibility modification program to serve low income renters with disabilities. Expand the existing program that serves homeowners.

# City of Annapolis Action Steps

- Improve public's knowledge of Fair Housing Act & related laws & requirements, including affirmatively furthering fair housing by:
  - Updating information available in English and Spanish to residents and property owners, including rental licensing and inspections and permits.
  - Continue to support City's Human Relations Commission.
  - Adopt Limited English Proficiency (LEP) Plan.
  - Work with Housing Authority on landlords refusing housing choice vouchers despite source of income protection.
  - Add immigration status as a protected class.
- Develop policy regarding Payment in Lieu of Taxes (PILOT) and explore other incentives to encourage affordable housing construction.
- Work with lenders and provide resources to assist with reduction of the denial of home mortgage applications based on credit history to reduce disparities by protected class.

# Baltimore City: Affordable Housing

1. Create new publicly subsidized rental housing opportunities across a range of geographies, including opportunity area census tracts and non-opportunity areas where the development activity will have a significant revitalizing impact on the area.
2. Continue to produce wheelchair accessible affordable housing for persons with disabilities in excess of the minimum amount required by federal regulation to replace UFAS units lost from the affordable housing inventory.
3. Continue to foster homeownership opportunities for under-represented households.
4. Preserve existing publicly subsidized affordable rental housing in any area in which improvements will significantly extend the amount of time housing units will remain a viable part of the city's publicly subsidized affordable housing inventory.
5. In housing markets that are experiencing, or likely to experience, demographic changes that will significantly erode the availability of unassisted affordable rental and for-sale housing:
  - a. Design and implement, initially on a pilot basis, a program to preserve affordable rental housing.
  - b. Assist existing homeowners to remain in their homes.

# Baltimore City: Revitalization

- 6. Revitalization plans:** Work with the Baltimore City Department of Planning to support residents in all types of communities in creating comprehensive, transformative revitalization plans focused on development without displacement.
- 7. Preservation & wealth-building tools:** As part of such plans, support a wide range of viable affordability preservation and wealth-building tools, such as community land trusts, tax credits, housing counseling, and homeownership incentives, where appropriate.
- 8. Inter-agency coordination:** Work with other City and quasi-City agencies (e.g. Police Department, Safe Streets, Health Department, Baltimore Development Corporation, Housing Authority of Baltimore City, Mayor's Office of Employment Development) to coordinate investments and activities so that community revitalization efforts include improved education, public safety (including consistent, constitutional policing and violence interrupter activity), public health, and economic opportunities.



# Baltimore City: Fair Housing and Diversity

9. Identify and support areas that currently have achieved racial and ethnic integration:
  - a. Identification of such areas and a consensus definition of what constitutes integration.
  - b. Analysis of social and physical characteristics that make up these areas, and
  - c. As appropriate, design & implementation of strategies that will strengthen these areas and maintain and improve their racial integration.
10. Support Fair Housing Access
  - a. Support creation of a fair housing agency that will conduct fair housing testing and training and investigate and pursue fair housing claims.
  - b. Continue implementation of Language Access Planning
11. Ensure that HOME-funded developers create and implement meaningful affirmative marketing plans and that agreements encompass federal site and neighborhood standards.

# Harford County Action Items

1. Support fair housing enforcement, testing and outreach in the County. Work with regional partners to provide sustained support and grow capacity of the Fair Housing Action Center of Maryland.
2. Invest in older communities to support revitalization, commerce, jobs and homeownership as well as preserve affordable housing units.
3. Continue to fund affordable housing for families, primarily in opportunity areas.
4. Continue to foster opportunities for homeownership throughout the County including housing counseling and down payment assistance for first time homebuyers.
5. Explore increased FMRs and/or Increased exception payment standards and provide mobility counseling to encourage voucher location in areas of opportunity.
6. Promote Family Self-Sufficiency (FSS) program and connect clients with transportation and employment opportunities.

# Howard County Action Items

- 1. Explore existing County policies that may inhibit the creation of affordable housing**, such as County Bill 18-2014
- 2. Support fair housing enforcement, testing and outreach** in the County. Work with regional partners to provide sustained support and grow capacity of the Fair Housing Action Center of Maryland.
- 3. Invest in older communities** to support revitalization, commerce, jobs and homeownership as well as preserve affordable housing units, especially in areas along transportation routes.
- 4. Support efforts to nurture and sustain racially integrated communities in Howard County**, such as the new Columbia Housing Center.
- 5. Open up new land use** opportunities through zoning changes (e.g. commercial and industrial zones could allow affordable units) and/or donated land.
- 6. Continue or increase funding** for creating units and/or subsidizing tenant rents in opportunity areas. (e.g. dedicated funding source for affordable housing).
- 7. Explore increased FMRs and/or Increased exception payment standards and provide mobility counseling** to encourage voucher location in Opportunity Areas.

# Regional AI Schedule from Here

- **October** – Draft Regional AI Released for Public Comment (announcement two weeks ahead)
- **Oct 29** – Public Hearing at Baltimore Metropolitan Council, 6:00 pm (wait for confirmation)
- **Late 2019** – Regional AI Finalized
- **Winter/Spring 2019-2020** –
  - Local jurisdictions incorporate Action Steps into five-year Consolidated Plans and Annual Plans that guide use of federal housing funds.
  - Public Housing Authorities incorporate Action Steps into five-year and annual PHA Plans that start July 1, 2020.