



# Analysis of Impediments to Fair Housing Choice

Baltimore Metropolitan Region

**City of Baltimore**

October 2011



## BALTIMORE METRO AREA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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# 1. CITY OF BALTIMORE

## A. Background

An evaluation of the housing fair landscape in the City of Baltimore would be incomplete without an understanding of the context within which current conditions have developed. The latest round of legal actions taken to equalize housing opportunities in the City represents a struggle against segregated housing patterns that has spanned more than a century.

Residential segregation in Baltimore is primarily attributable to a series of public policies that advanced the notion of separation in order to preserve an entrenched racial hierarchy – or, as was argued in some cases, order and property values. The City codified segregation in a 1910 ordinance “to compel by law the separation of the white and black races in their places of residence; to prohibit the negro from intruding himself and his family as permanent residents in a district already dedicated to the white race, and equally, to prevent the white man from forcing himself upon a district given over to the negro.”<sup>1</sup> The so-called West ordinance forbade Black residents from moving to blocks that were more than 50% White, and vice versa. Additionally, the ordinance required developers to specify in permit applications for which race the proposed development was intended. The ordinance was the most pronounced of its kind in the country, later replicated in other cities.<sup>2</sup>

Municipally mandated *de jure* segregation was upheld by state courts, but was declared unconstitutional by the U.S. Supreme Court in 1917.<sup>3</sup> Without legal statute to perpetuate the division of neighborhoods between races, Baltimore property owners were left to rely on racially restrictive covenants, mutual agreements among neighbors not to sell to certain types of buyers. This type of agreement, in which real estate professionals and neighborhood associations commonly became involved, grew especially popular after their validation by a 1926 U.S. Supreme Court decision.<sup>4</sup>

In the 1950s and 1960s, site selection policies for slum clearance and the construction of public housing became another means of lending official sanction to methods of perpetuating segregation. Urban renewal projects resulted in the displacement of tens of thousands of Black residents, the poorest of whom were relocated into high-density, high-rise public housing located in historically Black neighborhoods. An ordinance adopted during this period required that City

<sup>1</sup> “Baltimore Tries Drastic Plan of Race Segregation,” *The New York Times*, December 25, 1910.

<sup>2</sup> Nightingale, Carl H. “The Transitional Contexts of Early 20<sup>th</sup> Century American Urban Segregation.” *Journal of Social History*, March 22, 2006.

<sup>3</sup> *Buchanan v. Warley*, 245 U.S. 60 (1917)

<sup>4</sup> Samuels, Barbara. “The 1968 Riots and the History of Public Housing Segregation in Baltimore.” *Baltimore 68: Riots and Rebirth*. University of Baltimore, April 3-5, 2008

Council approve the locations of all new public housing projects, which would be confined to “slum sites.”<sup>5</sup>

A series of lawsuits, settlements, consent decrees and administrative challenges describe more recent material influences on the context for fair housing in Baltimore. These legal and administrative actions aim to deconcentrate racially and economically segregated neighborhoods, increase the availability of affordable and accessible housing, provide relocation assistance to households displaced as a result of redevelopment activities and encourage local agencies to adhere to their responsibility to affirmatively further fair housing:

- *Thompson v. HUD* (1995) was brought against HUD, Baltimore City and HABC. Plaintiffs argued, among other things, that public housing was sited exclusively in poor neighborhoods that were predominantly Black, which perpetuated racial discrimination. A partial consent decree (“PCD”) was entered in 1996 that allowed the City and HABC to demolish four family high rise public housing developments, create mixed income developments in their place and off-site housing in Non-impacted Areas via a variety of mechanisms, including the Special Mobility Housing Choice Voucher Program. The PCD was later amended to allow for the redevelopment of a fifth family public housing development. Non-impacted Areas are census tracts located in the Baltimore metropolitan area that are listed in the PCD. The PCD provides that HABC may not construct new public housing or acquire units in Impacted Areas using public housing capital funds or State of Maryland Partnership Housing Rental Program funds until the remedies set forth in the PCD have been completed. The allegations not resolved by the PCD were tried in December 2003 and HUD was found liable for failing to affirmatively further fair housing. The City and HABC were found not liable. HUD and the Plaintiffs have been negotiating a remedy to resolve the finding made against HUD. If these negotiations are not successful, the court will impose a remedy.
- *Bailey v. Housing Authority of Baltimore City* (2002) and *United States of America v. Housing Authority of Baltimore City* (2002) accused HABC of discriminating against persons with disabilities. More specifically, the actions alleged that HABC did not provide the appropriate number of units compliant with the Uniform Federal Accessibility Standards (“UFAS”) and that it improperly excluded non-elderly persons with disabilities from its mixed population buildings. These actions resulted in a consent decree entered in 2004 that provides for expanding the number of deeply affordable housing opportunities available to non-elderly persons with disabilities (both in public housing and using vouchers) and creating 755 units that comply with UFAS. Non-elderly persons with a disability is defined in the consent decree as a family whose sole member, head of household, or head of household’s spouse is a person with a disability who

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<sup>5</sup> Ibid.

is under the age of sixty-two (62) and which is eligible for a one-bedroom public housing unit or for a two-bedroom public housing unit because a second bedroom is needed for disability-related reasons; and who is on an HABC waiting list for public or Section 8 subsidized housing.

Although the City is not a party to the Bailey litigation, it entered into a settlement agreement with the Maryland Disability Law Center, counsel for the private plaintiffs in the Bailey case, providing that:

1. The City will contribute 11½ percent of its annual HOME allocation in each of the 10 years following the Federal Court's approval of the consent decree. The HOME funds are to be used for the new construction acquisition or rehabilitation of rental housing opportunities targeted to non-elderly persons with disabilities. More specifically, the funds are to be used to stimulate the creation of 500 project based voucher units for non-elderly persons with disabilities set forth in the consent decree.
2. The City will make \$500,000 in HOME funds available to pay for reasonable modifications to units leased by participants in the Enhanced Leasing Assistance ("ELA") Program, a housing search assistance program for non-elderly persons with disabilities who receive voucher assistance established in accordance with the consent decree.
3. For a period of 10 years, the City will give bonus points in an amount of 10% of the total points available for proposals that include no less than 10% affordable one-bedroom units to be marketed to non-elderly persons with disabilities.
4. For a period of 10 years, the City will support those housing development projects otherwise determined to be viable that include a minimum of 15% of the total project Low Income Housing Tax Credit units as one bedroom units reserved for non-elderly persons with disabilities.

Housing market conditions and mobility in Baltimore are also affected by the policies and practices of neighboring communities, as the City is the urban core of a diverse and populous metropolitan region. Racial minorities are the majority in Baltimore, though this is not the case in Baltimore County or in any county to which the City is contiguous. Nearly 60% of census tracts in the City qualify as areas of racial or ethnic concentration. Of these 114 concentrated areas, 106 (93%) are areas of Black concentration. The limited availability of non-concentrated areas within the City's boundaries limits opportunities for desegregation, as there are few options for affirmative moves within the City of Baltimore. The City simply cannot overcome housing segregation without the consent and active support of surrounding communities. By its nature, fair housing is a regional issue that knows no municipal boundaries.

## B. Demographic Information

### i. Population Trends

As the population core of a diverse metropolitan area, the City of Baltimore has experienced dramatic demographic changes during recent decades. From 1980 through 2008, the City's total population declined 19%. Black residents, who represent the majority of people living in the City, decreased in number by more than 29,000, but increased as a segment of the total population from 54.8% to 63.1%, due to a loss of more than 141,000 White residents. Non-White residents grew by more than 8,800, eventually comprising more than 70% of the total population.

**Figure 1-1  
Population Trends, 1980-2008**

	1980		1990		2000		2008		% Change 1980-2008
	#	%	#	%	#	%	#	%	
<b>Baltimore City</b>	<b>786,775</b>	<b>100.0%</b>	<b>743,616</b>	<b>100.0%</b>	<b>651,154</b>	<b>100.0%</b>	<b>636,919</b>	<b>100.0%</b>	<b>-19.0%</b>
White	345,113	43.9%	287,753	38.7%	205,982	31.6%	203,440	31.9%	-41.1%
Non-White Population	441,662	56.1%	455,863	61.3%	456,533	70.1%	450,493	70.7%	2.0%
Black	431,151	54.8%	435,768	58.6%	418,951	64.3%	401,908	63.1%	-6.8%
Asian/Pacific Islander	4,041	0.5%	7,942	1.1%	9,985	1.5%	12,813	2.0%	217.1%
All Other Races	6,470	0.8%	4,551	0.6%	16,536	2.5%	18,758	2.9%	189.9%
Hispanic	7,638	1.0%	7,602	1.0%	11,061	1.7%	17,014	2.7%	122.8%

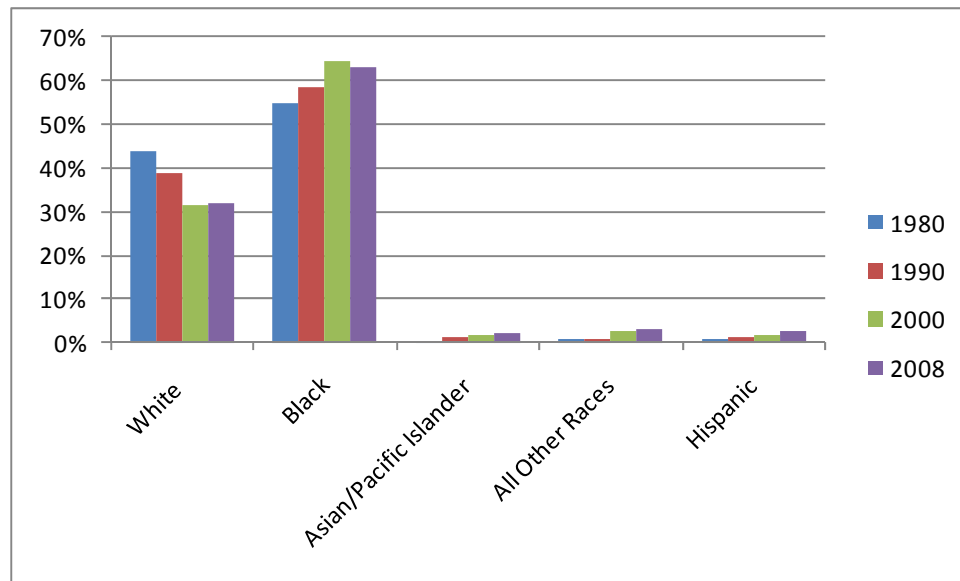
Sources: U.S. Census Bureau, 1980 Census (Table DP-1), 1990 Census (SF1, P008), Census 2000 (SF3, P7), 2008 American Community Survey (B02001, B03002)

Baltimore's non-White population continues to slowly diversify, with increases in the number and percentage of Asian/Pacific Islanders. Although Asian/Pacific Islanders account for only 2% of the population, their numbers have grown to 12,813 from 4,041. Similarly, persons of all other races, comprising 2.9% of the population, increased from 6,470 to 18,758.

For the purposes of this report, detailed analysis is provided for the primary races in the City of Baltimore, which include Whites, Blacks, and Asians. Hispanics are included as an ethnic minority. In all other cases, the sample size of the population of an individual race was identified by the Census Bureau as being too small to analyze.



**Figure 1-2**  
**Trends in Racial and Ethnic Characteristics, 1980-2008**



**OBSERVATION:** Since 1980, the non-White population in the City of Baltimore has increased from 56.1% to 70.7% of the total population. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily.

**ii. Areas of Racial and Ethnic Minority Concentration**

HUD defines areas of racial or ethnic minority concentration as geographical areas where the percentage of a specific minority or ethnic group is 10 percentage points higher than in the City overall. In Baltimore, Blacks constituted 61.7% of the population in 2009. Therefore, an area of racial concentration would include any census tract where the percentage of Black residents is 71.7% or higher. Map 1 on the following page indicates the location of these concentrated areas, which include the western neighborhoods from north along Reisterstown Road south to I-70, most of the area east of State Route 45/146 (exclusive of the far northeast corner of the City), and the Westport/Cherry Hill area southwest of the Inner Harbor.

Asians represented 2.1% of the population in 2009, therefore an area of racial concentration of Asian residents would include those census tracts where the percentage of Asians is 12.1% or higher. These areas, illustrated in Map 2, include neighborhoods located along the central axis north of Downtown Baltimore.

Hispanic residents represented 2.6% of the total population. An area of ethnic concentration would include a census tract where the percentage

of Hispanics is 12.6% of higher. These areas, illustrated in Map 3, include several neighborhoods due east of Downtown Baltimore.

All census tracts in the City of Baltimore meeting the definition of racial or ethnic concentration appear in Figure 1-3.

**Figure 1-3**  
**Racially and Ethnically Concentrated Census Tracts, 2009**

Census Tract	Total Population	White %	Non-White Residents		Hispanic %
			Black %	Asian/Pacific Islander %	
<b>Baltimore City</b>	<b>634,838</b>	<b>34.1%</b>	<b>61.7%</b>	<b>2.1%</b>	<b>2.6%</b>
105	1,974	76.7%	11.1%	2.2%	<b>23.3%</b>
201	1,997	71.8%	16.5%	2.8%	<b>21.1%</b>
202	2,392	63.2%	18.2%	2.8%	<b>41.8%</b>
301	2,533	20.7%	<b>75.0%</b>	1.5%	5.0%
501	2,635	8.1%	<b>85.6%</b>	5.3%	0.6%
604	2,305	14.4%	<b>81.0%</b>	2.2%	2.5%
605	1,221	8.5%	<b>82.2%</b>	7.8%	0.7%
701	2,997	12.8%	<b>83.2%</b>	2.2%	2.7%
702	4,106	9.3%	<b>88.7%</b>	0.5%	1.9%
703	1,313	7.7%	<b>89.6%</b>	0.9%	1.8%
704	1,835	5.8%	<b>92.9%</b>	0.3%	1.3%
801.02	2,546	7.8%	<b>90.5%</b>	1.1%	0.8%
802	2,423	5.4%	<b>93.6%</b>	0.3%	1.7%
803.01	2,611	4.8%	<b>93.8%</b>	0.5%	0.8%
803.02	3,310	5.0%	<b>93.9%</b>	0.4%	0.4%
804	1,851	4.9%	<b>93.7%</b>	0.7%	1.4%
805	2,302	5.7%	<b>92.5%</b>	0.3%	1.5%
806	2,912	5.0%	<b>93.3%</b>	0.7%	1.2%
807	1,562	5.4%	<b>93.0%</b>	0.6%	0.8%
808	1,753	5.4%	<b>92.4%</b>	1.4%	0.0%
901	4,391	13.3%	<b>83.7%</b>	0.9%	1.4%
902	3,213	22.6%	<b>74.3%</b>	1.4%	1.3%
903	4,903	19.8%	<b>75.8%</b>	2.3%	2.2%
904	1,682	14.5%	<b>81.5%</b>	2.3%	0.7%
905	2,099	13.8%	<b>81.3%</b>	2.2%	3.9%
906	4,039	5.5%	<b>92.2%</b>	0.8%	0.5%
907	3,600	5.0%	<b>92.9%</b>	1.0%	0.9%
908	3,726	5.4%	<b>91.8%</b>	0.9%	0.8%
909	2,785	5.0%	<b>93.8%</b>	0.5%	0.8%
1001	2,347	4.5%	<b>94.1%</b>	0.8%	0.4%
1002	3,368	6.7%	<b>91.4%</b>	0.7%	0.7%
1003	4,827	15.9%	<b>83.5%</b>	0.3%	0.5%
1004	907	10.5%	<b>87.9%</b>	0.6%	0.6%
1201	4,620	73.8%	9.8%	<b>14.2%</b>	5.3%
1202	7,540	62.1%	12.7%	<b>21.1%</b>	4.7%
1206	2,607	37.5%	45.6%	<b>13.3%</b>	7.1%
1301	2,633	8.7%	<b>89.0%</b>	0.5%	1.2%
1302	3,145	11.7%	<b>86.2%</b>	0.9%	1.0%
1303	2,275	6.9%	<b>90.7%</b>	0.7%	1.1%
1304	2,331	5.0%	<b>92.9%</b>	0.9%	1.6%
1402	2,805	6.5%	<b>90.8%</b>	1.2%	1.0%
1403	2,741	6.6%	<b>90.5%</b>	1.4%	1.1%

Census Tract	Total Population	White %	Non-White Residents		Hispanic %
			Black %	Asian/Pacific Islander %	
1501	3,428	5.0%	93.3%	0.4%	0.7%
1502	3,211	4.7%	93.0%	0.6%	1.0%
1503	2,742	5.1%	93.7%	0.5%	0.8%
1504	3,334	4.9%	93.4%	0.5%	0.8%
1505	1,596	4.7%	92.6%	1.7%	1.0%
1506	3,381	5.4%	92.6%	0.7%	1.0%
1507.01	1,963	4.8%	93.4%	0.5%	1.6%
1507.02	2,533	5.7%	92.9%	0.5%	1.0%
1508	4,670	5.8%	92.4%	0.5%	1.4%
1509	3,991	5.1%	92.6%	0.6%	1.6%
1510	5,566	5.4%	92.7%	0.4%	0.9%
1511	6,565	4.8%	93.4%	0.5%	0.8%
1512	4,771	5.2%	92.6%	0.7%	1.2%
1513	4,726	5.1%	93.6%	0.4%	1.0%
1601	3,292	4.7%	93.7%	0.8%	1.9%
1602	2,671	4.8%	92.6%	1.1%	0.8%
1603	1,627	5.5%	93.4%	0.3%	2.3%
1604	3,180	4.7%	94.0%	0.5%	0.4%
1605	4,620	4.8%	93.3%	0.4%	1.4%
1606	3,922	4.7%	93.8%	0.7%	0.4%
1607	5,766	4.8%	93.5%	0.5%	0.8%
1608.01	3,572	4.8%	93.6%	0.4%	1.3%
1608.02	3,490	4.9%	93.2%	0.7%	1.3%
1701	1,665	17.2%	78.7%	2.0%	3.8%
1702	2,806	6.8%	91.2%	0.8%	0.8%
1703	1,671	4.7%	94.4%	0.4%	0.8%
1801	2,156	5.1%	92.6%	1.6%	0.5%
1802	1,239	8.1%	90.5%	0.7%	0.7%
1901	2,597	6.2%	91.7%	0.9%	2.0%
2001	2,136	4.7%	93.4%	0.6%	0.3%
2002	3,263	5.4%	93.2%	0.6%	0.6%
2004	2,009	8.6%	90.1%	0.3%	0.7%
2007.01	4,908	5.0%	93.5%	0.6%	1.0%
2007.02	1,538	6.6%	91.2%	0.5%	0.9%
2008	2,533	22.2%	74.4%	1.6%	1.8%
2501.01	3,759	16.0%	80.8%	1.4%	1.6%
2501.02	3,259	15.6%	81.6%	1.0%	1.2%
2502.03	1,916	6.6%	91.6%	0.7%	0.6%
2502.04	4,504	5.7%	92.7%	0.6%	1.5%
2502.07	2,231	5.8%	92.5%	0.5%	1.1%
2503.01	1,020	24.0%	73.2%	1.5%	1.6%
2503.02	1,505	5.7%	93.2%	0.3%	1.0%
2602.02	6,149	15.5%	81.5%	0.9%	1.7%
2602.03	3,162	13.2%	84.5%	0.6%	1.9%
2603.01	4,484	20.7%	75.8%	1.5%	1.4%
2603.02	6,627	21.5%	76.4%	0.9%	0.7%
2603.03	1,686	20.0%	77.3%	1.2%	1.0%
2604.02	2,319	8.4%	89.4%	0.4%	1.9%
2604.03	1,755	7.8%	90.3%	0.5%	2.1%

Census Tract	Total Population	White %	Non-White Residents		Hispanic %
			Black %	Asian/Pacific Islander %	
2608	2,616	74.0%	18.2%	1.4%	13.3%
2610	2,939	47.1%	44.4%	1.7%	13.2%
2707.01	2,616	8.2%	88.8%	0.6%	2.1%
2708.02	5,265	12.8%	82.9%	2.0%	1.5%
2708.03	6,256	19.4%	77.0%	1.7%	1.7%
2708.05	5,463	15.0%	81.7%	1.2%	1.8%
2709.01	4,292	6.7%	91.6%	0.4%	1.0%
2709.02	5,495	10.5%	87.8%	0.4%	0.4%
2709.03	4,807	11.2%	85.7%	1.2%	2.2%
2710.01	2,599	6.5%	91.1%	0.4%	1.8%
2710.02	5,164	6.3%	91.2%	1.1%	0.7%
2716	5,241	5.8%	92.4%	0.6%	0.6%
2717	5,955	10.6%	87.4%	0.5%	1.3%
2718.01	3,000	6.1%	91.6%	0.5%	0.9%
2718.02	4,024	5.0%	93.0%	0.6%	0.9%
2801.01	3,424	14.1%	82.5%	1.4%	3.5%
2801.02	6,201	6.0%	91.7%	0.5%	1.1%
2802	4,554	6.8%	90.8%	0.7%	0.9%
2803.01	4,377	17.1%	80.8%	0.4%	1.6%
2803.02	2,335	8.4%	89.4%	0.6%	0.6%
2804.01	3,479	20.0%	77.8%	1.1%	1.6%
2804.02	2,025	5.1%	92.9%	0.7%	1.2%
2804.04	4,057	7.3%	91.3%	0.5%	0.6%

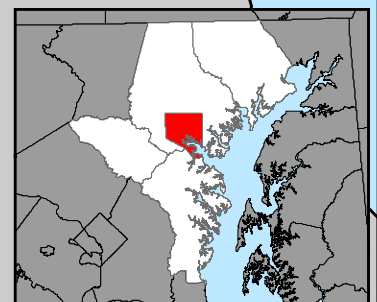
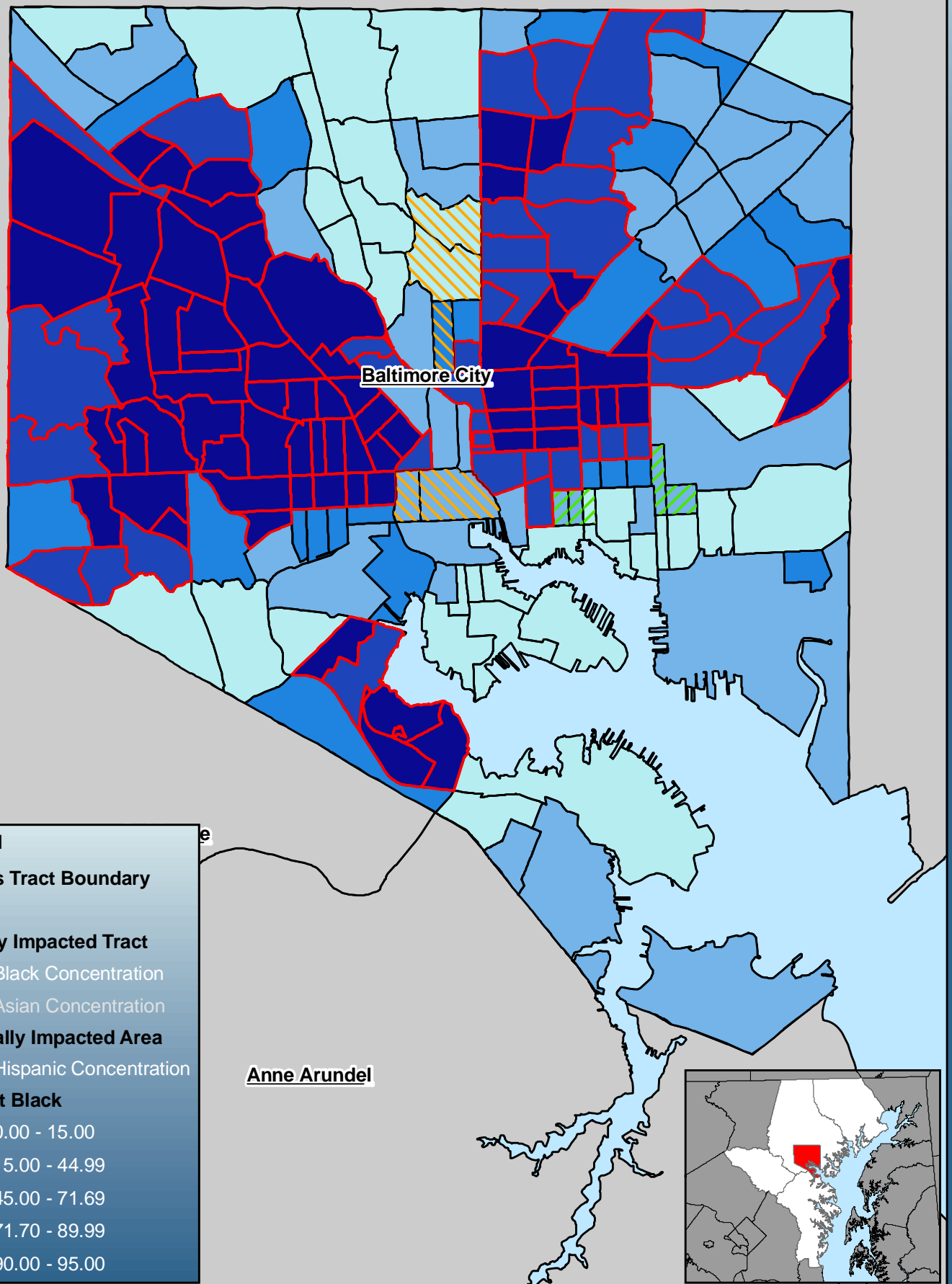
Source: Demographics Now

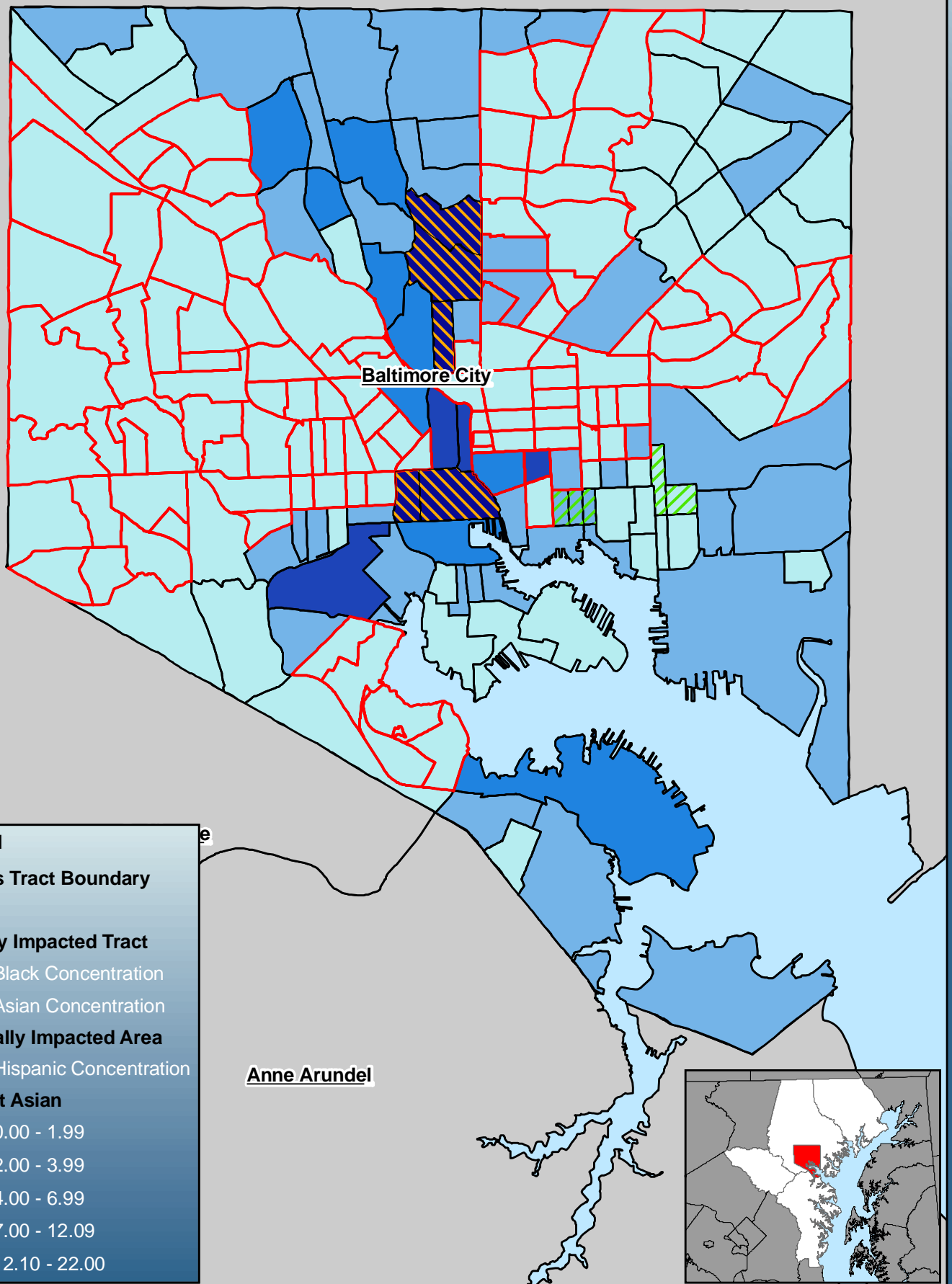
Maps 1, 2 and 3 depict the geographic location of areas of racial and ethnic concentration. In Baltimore City, the census tracts outlined in red are areas of concentration of Black residents. The census tracts denoted in orange cross-hatch are areas of concentration of Asian residents. And, the census tracts denoted with a green cross-hatch pattern are areas of concentration of ethnic (Hispanic) residents. All of these areas of non-White concentration are referred to as concentrated areas. It is within these areas that other demographic characteristics, such as income and housing, will be analyzed.

**OBSERVATION:** In the City of Baltimore, 114 of 194 census tracts (59%) qualify as areas of racial or ethnic concentration. Of these 114 impacted areas, 106 (93%) are areas of Black concentration.


### iii. Residential Segregation Patterns



Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and lower income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors,











**Legend**

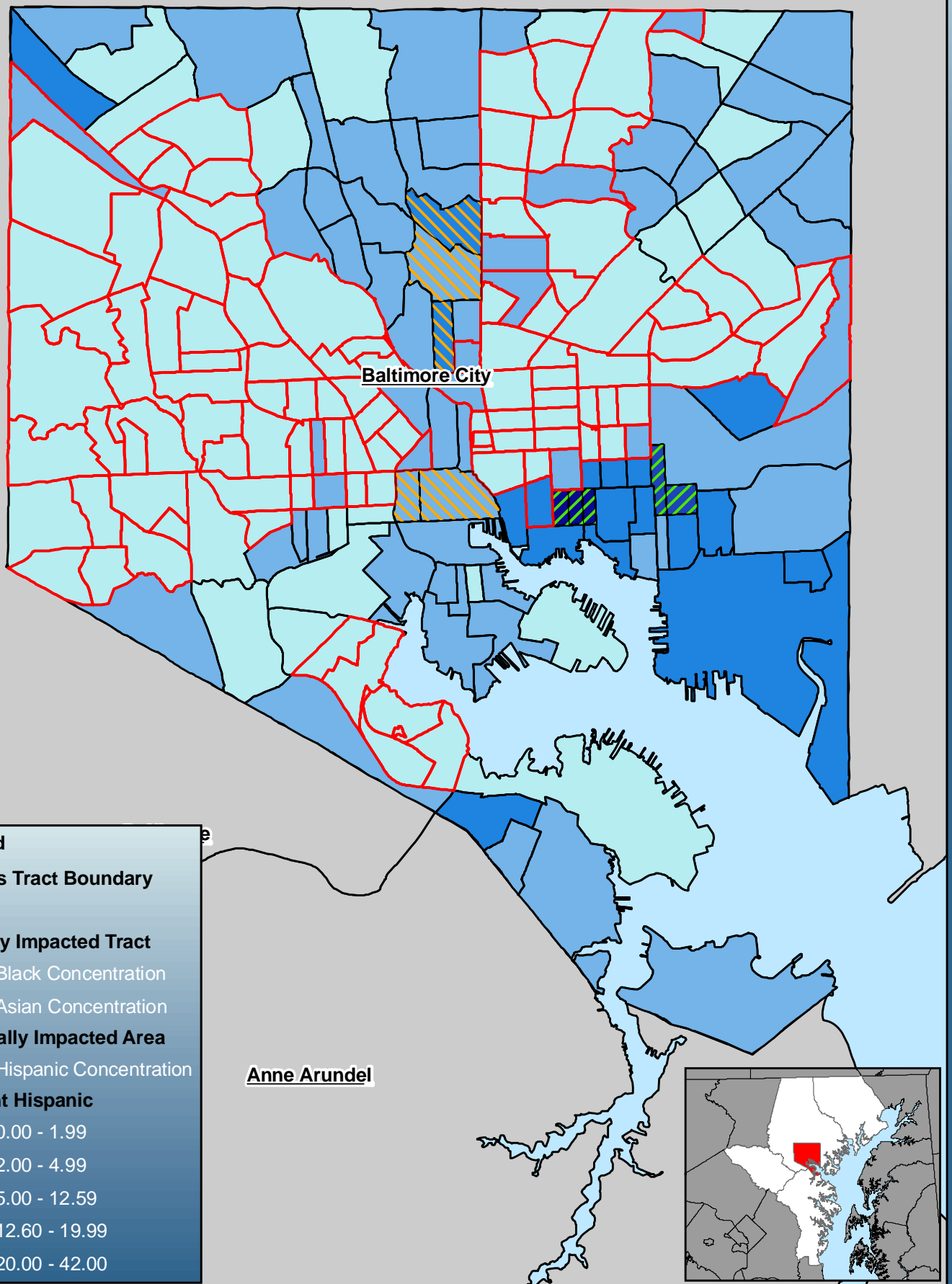
**Census Tract Boundary**  


**Racially Impacted Tract**  
 Black Concentration  
 Asian Concentration

**Ethnically Impacted Area**  
 Hispanic Concentration

**Percent Asian**

	0.00 - 1.99
	2.00 - 3.99
	4.00 - 6.99
	7.00 - 12.09
	12.10 - 22.00



such as real estate practices, limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation.<sup>6</sup> The index is typically interpreted as the percentage of the minority population that would have to move in order for a community or neighborhood to achieve full integration.

In 1990, the City of Baltimore had a White/Black dissimilarity index of 75.9, as illustrated in Figure 1-4. By 2000, the index had decreased to 71.3, indicating a decrease in segregation, but maintaining a rate within the high range. Census 2010 redistricting data demonstrates further racial integration, as the White/Black indexed fell to 69.2. Hispanics, on the other hand, experienced an increased degree of segregation between 1990 and 2010. The White/Hispanic dissimilarity index increased from 34 in 1990 to 36.7 in 2000 and to 43.2 in 2010, reflective of segregated settlement patterns among the rapidly increasing Hispanic population. The White/Asian dissimilarity index remained steady at 41.2 in 1990 and 2000 before dropping to 36.9 in 2010.

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<sup>6</sup> The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to  $1/2 \sum ABS [(b/B)-(a/A)]$ , where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.



**Figure 1-4**  
**Baltimore Dissimilarity Indices, 1990 - 2010**

	Black		Asian		Hispanic	
	Population	DI	Population	DI	Population	DI
<b>1990</b>	435,768	<b>75.9</b>	7,942	<b>41.2</b>	7,602	<b>34.0</b>
<b>2000</b>	418,951	<b>71.3</b>	9,985	<b>41.2</b>	11,061	<b>36.7</b>
<b>2010</b>	395,781	<b>69.2</b>	14,548	<b>36.9</b>	25,960	<b>43.2</b>
<b>Change</b>	-9.2%	-6.7	83.2%	-4.3	241.5%	+ 9.2

Source: U.S. Census 2010 Redistricting Data, Census 1990, 2000 and 2010, Mullin & Lonergan Associates

Since 1990, the number of Hispanic persons in Baltimore has increased substantially, from 7,602 to 25,960, thereby increasing as a percentage of total population from 1% to 4.2%. The new Hispanic residents generally are living in areas of established Hispanic communities, further segregating the City.

Of the 11 cities (with populations exceeding 25,000) and the counties in Maryland for which dissimilarity indices were determined, Baltimore City ranks as the most segregated for the Black population. The City's 2000 dissimilarity index of 71.3 for White persons and Black persons indicated that White persons and Black persons in Baltimore City were segregated to a much greater degree than in surrounding counties.

**Figure 1-5**  
**Maryland Dissimilarity Index Rankings, 2000**

Geography	Rank	Black Population	White Population	Total Population	Dissimilarity Index
<b>Baltimore city</b>	<b>1</b>	<b>418,951</b>	<b>205,982</b>	<b>651,154</b>	<b>71.3</b>
Baltimore County	2	149,976	561,624	754,292	64.9
Annapolis city	3	11,205	21,137	35,838	56.2
Bowie city	4	15,339	30,709	50,269	49.2
Harford County	5	19,831	189,489	218,590	49.1
Anne Arundel County	6	65,280	397,893	489,656	47.6
Rockville city	7	4,200	29,342	47,388	43.6
Gaithersburg city	8	7,457	25,818	52,613	39.6
Howard County	9	35,412	183,886	247,842	36.2
Hagerstown city	10	3,661	31,244	36,687	34.9
Frederick city	11	7,641	39,568	52,767	32.3

Source: 2000 Census, CensusScope, Mullin & Lonergan Associates

**OBSERVATION:** The City of Baltimore is more segregated than every other jurisdiction in the state with a population exceeding 25,000.

Map 4 describes the shifting distribution of Black residents in the City of Baltimore over the latter half of the last century. The most notable trend is the increasing percentage that Black persons constitute of the total population in the City's census tracts. In 1960, the Black population was most heavily concentrated in the inner ring of the City, where tracts were more than 80% Black. The 1980 map panel reflects the Census Bureau's division of the City into smaller tracts, which provides a level of greater specificity. By that year, areas of Black concentration had expanded radially from the City's center. In 2000, more than half the City's tracts were at least 50% Black. Throughout the 40-year span studied in the map set, the percentage of Black residents remains consistently low in certain areas, such as a central northern area of the City zoned for single-unit residences.

**iv. Race/Ethnicity and Income**

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. A review of median household income reveals strong differences by races and ethnicity in Baltimore. The median household income for Whites was highest at \$53,886. Blacks had the lowest median income, equivalent to only 61% that of Whites. Hispanics were also at a financial disadvantage, with a median income equivalent to only 64% that of Whites. Asians, with a median income above the City's, also earned less than Whites.

Higher poverty rates coincided with lower incomes in the City. Overall, the rate of poverty in the City was exceptionally high at 19.6%. Far

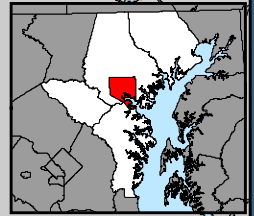
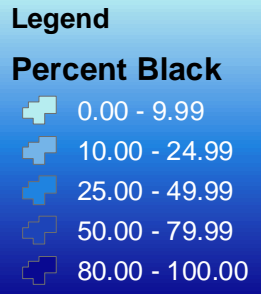
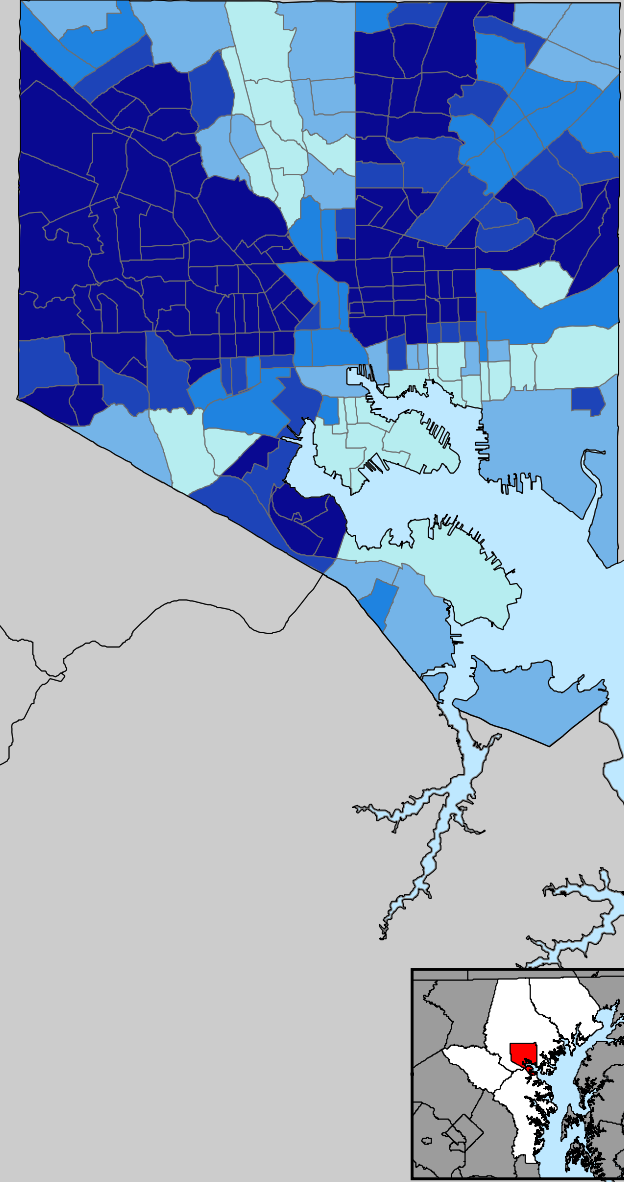
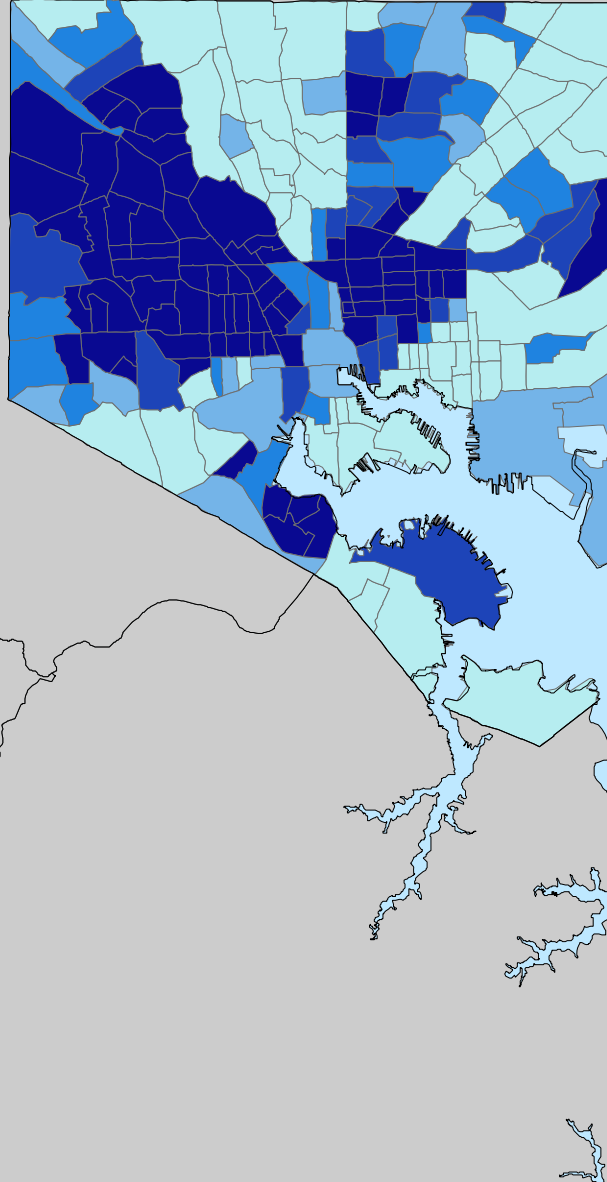
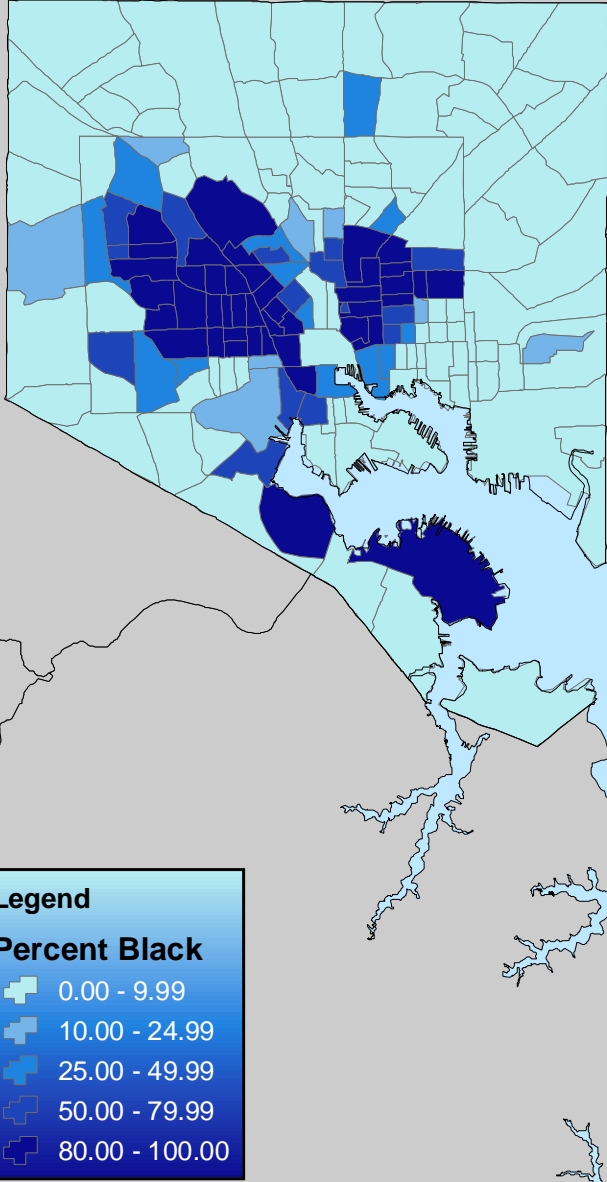
# Map 4: Concentrations of Black Residents in Baltimore City, 1990 - 2000

Baltimore Regional Analysis of Impediments to Fair Housing Choice

1960

1980

2000



exceeding the national rate of 13.2%, one in five Baltimore City residents live in poverty.

**Figure 1-6  
Median Household Income and Poverty Rates by Race/Ethnicity, 2008**

	Median Household Income	Poverty Rate
<b>Baltimore City</b>	<b>\$39,083</b>	<b>19.6%</b>
Whites	\$53,886	13.3%
Blacks	\$32,969	22.9%
Asians	\$45,273	---
Hispanics	\$34,583	18.3%

*Note: The sample size of Asians was too small to calculate and not provided by the Census.*

*Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I & B17001, B17001A, B17001B, B17001D, B17001I)*

A comparison of income brackets by race and ethnicity in Baltimore also reveals stark differences. In 2008, only 23.8% of White households and 25.2% of Asian households had incomes below \$25,000 compared to 38.1% of Blacks and 35.3% of Hispanics. In the highest income range, only 15.2% of Black households and 16% of Hispanic households earned \$75,000 or higher, compared to 22.3% of Asian households and 34.8% of White households.

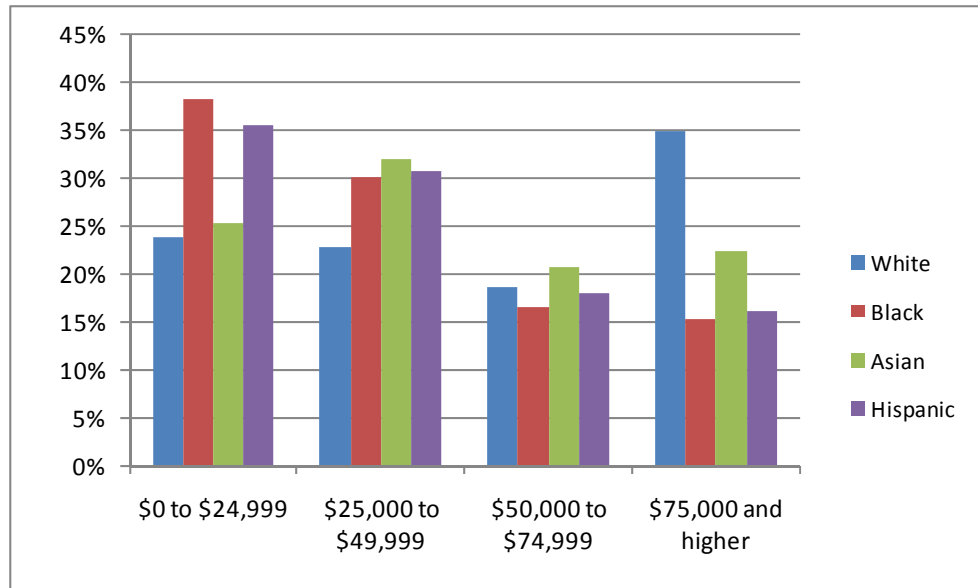
**Figure 1-7  
Household Income Distribution by Race/Ethnicity, 2008**

	Total	\$0 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$74,999		\$75,000 and higher	
		#	%	#	%	#	%	#	%
<b>Baltimore City</b>	<b>235,777</b>	<b>76,651</b>	<b>32.5%</b>	<b>64,984</b>	<b>27.6%</b>	<b>41,057</b>	<b>17.4%</b>	<b>53,085</b>	<b>22.5%</b>
White Households	84,706	20,180	23.8%	19,331	22.8%	15,706	18.5%	29,489	34.8%
Black Households	141,156	53,807	38.1%	42,422	30.1%	23,428	16.6%	21,499	15.2%
Asian Households	4,644	1,168	25.2%	1,482	31.9%	958	20.6%	1,036	22.3%
Hispanic Households	4,181	1,485	35.5%	1,278	30.6%	747	17.9%	671	16.0%

*Source: U.S. Census Bureau, 2008 American Community Survey (C19001, B19001A, B19001B, B19001D, B19001I)*

**OBSERVATION:** The median household income for Blacks and Hispanics in the City of Baltimore is significantly lower than for Whites and Asians. This situation restricts housing choice for Blacks and Hispanics.

**Figure 1-8**  
**Household Income Distribution in Baltimore by Race/Ethnicity, 2008**



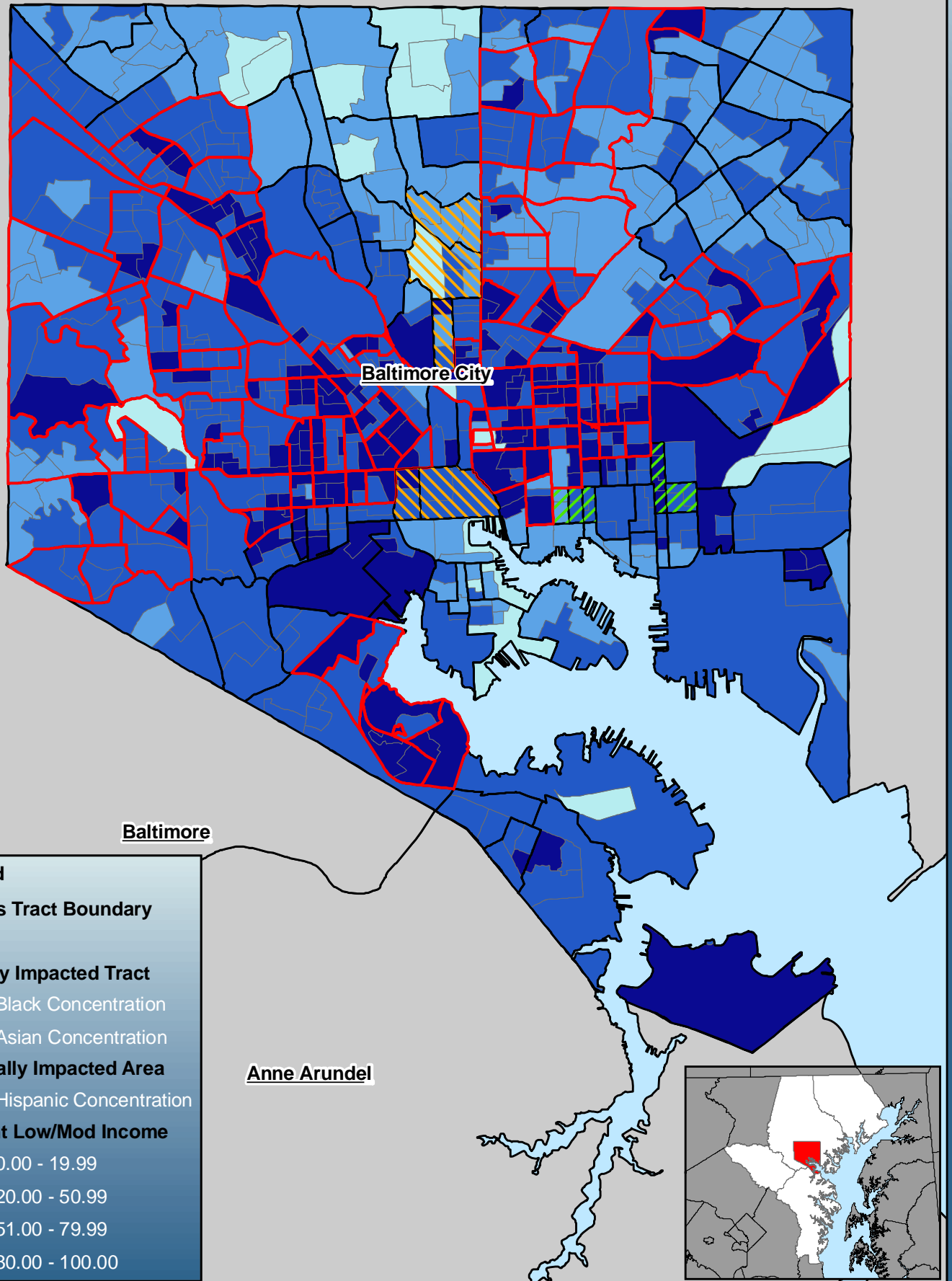
HUD’s CDBG program includes a statutory requirement that most activities benefit low and moderate income persons. As a result, HUD provides the percentage of low and moderate income persons in each census block group for entitlements such as Baltimore City. Map 5 on the following page illustrates the location of the numerous low- and moderate-income (LMI) census tracts where at least 51% of residents (for whom this rate is determined) meet the criteria for LMI status.<sup>7</sup> It is evident that most of the LMI census tracts are also concentrated areas of minority residents. Consequently, areas of racial and ethnic concentration are more likely to be also areas of concentration of low- and moderate-income persons. In total, 77.5% of the City’s 710 block groups qualify as LMI.

**OBSERVATION:** As of 2010, 550 (77.5%) of the City’s block groups qualified as predominantly low- and moderate-income, with at least 51% of household incomes below the HUD income threshold. The location of LMI areas is highly correlated with areas of racial concentration.

**v. Disability and Income**

The Census Bureau reports disability status for non-institutionalized disabled persons age 5 and over. As defined by the Census Bureau, a disability is a long-lasting physical, mental or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This

<sup>7</sup> The 51.0% threshold is determined by HUD.



condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental, or emotional handicap, provided “reasonable accommodation” can be made. Reasonable accommodation may include changes to address the needs of disabled persons, including adaptive structural (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal). In the City of Baltimore, 27.5% of the civilian non-institutionalized population 5 years and over reported at least one type of disability in 2000.

According to the National Organization on Disabilities, a significant income gap exists for persons with a disability, given their lower rate of employment. In Baltimore, the percentage of persons with a disability living in poverty was higher than that for persons without a disability. In 2000, among all persons with a disability, 26.9% lived below the level of poverty. However, among all persons without a disability, 20.3% were living in poverty.<sup>8</sup>

**OBSERVATION:** The percentage of persons with a disability living in poverty was higher than that for persons without a disability. In Baltimore, 26.9% of persons with disabilities were living in poverty, compared to 20.3% of persons without a disability.

**vi. Familial Status and Income**

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families and other families made up of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

Women have protection under Title VIII of the Civil Rights Act of 1968 against discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

Female-headed households, including those with children, have been decreasing. In 1990, female-headed households comprised 24.6% of all households; by 2008, they accounted for only 23.3%. A similar trend was noted among female-headed households with children, which decreased from 13.3% to 11.4%. By comparison, male-headed households increased from 4.6% to 5.1%, and male-headed households with children also increased slightly. Non-family and 1-person

<sup>8</sup> U.S. Census Bureau, Census 2000 (SF3, PCT34)

households increased from 36.6% of all households to 46.6%. In 2000, zero- or one-bedroom units comprised only 21% of the City's total rental housing stock, while 34.9% of all households had only one person.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the reluctance of some landlords to rent their units to families with children. In Baltimore in 2000, female-headed households with children accounted for 61.8% of all families living in poverty and comprised only 23.1% of families who were living above the poverty level.<sup>9</sup>

**Figure 1-9**  
**Households by Type and Presence of Children, 1990-2008**

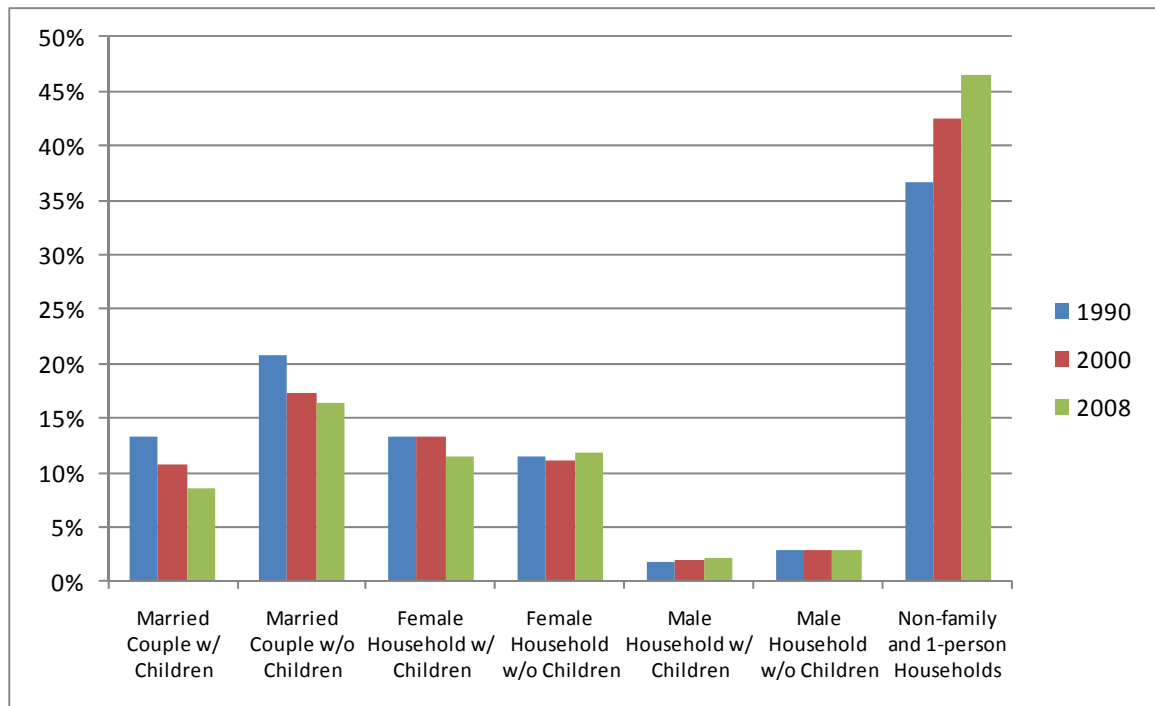
	1990		2000		2008	
	#	%	#	%	#	%
<b>Baltimore City</b>	275,977	100.0%	257,788	100.0%	235,777	100.0%
Family Households	175,032	63.4%	148,167	57.5%	125,981	53.4%
Married-couple family	94,345	34.2%	72,065	28.0%	58,851	25.0%
<b>With Children</b>	<b>36,926</b>	<b>13.4%</b>	<b>27,623</b>	<b>10.7%</b>	<b>20,365</b>	<b>8.6%</b>
Without Children	57,419	20.8%	44,442	17.2%	38,486	16.3%
<b>Female-Headed Households</b>	<b>68,008</b>	<b>24.6%</b>	<b>63,211</b>	<b>24.5%</b>	<b>55,027</b>	<b>23.3%</b>
<b>With Children</b>	<b>36,582</b>	<b>13.3%</b>	<b>34,380</b>	<b>13.3%</b>	<b>26,973</b>	<b>11.4%</b>
Without Children	31,426	11.4%	28,831	11.2%	28,054	11.9%
Male-Headed Household	12,679	4.6%	12,891	5.0%	12,103	5.1%
<b>With Children</b>	<b>4,858</b>	<b>1.8%</b>	<b>5,335</b>	<b>2.1%</b>	<b>5,314</b>	<b>2.3%</b>
Without Children	7,821	2.8%	7,556	2.9%	6,789	2.9%
Non-family and 1-person Households	100,945	36.6%	109,621	42.5%	109,796	46.6%

Sources: U.S. Census Bureau, 1990 (SF3-P019); Census 2000 (SF3-P10); 2008 American Community Survey (B11001 & B11003)

<sup>9</sup> U.S. Census Bureau, Census 2000 (SF-3, P90)



**Figure 1-10**  
**Households by Type and Presence of Children, 1990-2008**



**OBSERVATION:** Female-headed households with children accounted for 61.8% of families living below the level of poverty in Baltimore in 2000, despite representing less than 15% of all households.

**vii. Ancestry and Income**

It is illegal to refuse the right to housing based on place of birth or ancestry. Census data on native and foreign-born populations in the City of Baltimore revealed that 6.6% of residents in 2008 were foreign-born or born outside of the U.S. in Puerto Rico or on U.S. island areas.<sup>10</sup> Among families with children with foreign-born parents, 47.1% were living *under* 200% of the poverty level.<sup>11</sup>

Persons with limited English proficiency (LEP) are defined by the federal government as persons who have a limited ability to read, write, speak or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important for a community to recognize the presence of LEP person and the potential for discrimination, whether intentional or inadvertent, and

<sup>10</sup> U.S. Census Bureau, American Community Survey 2008 (C05002)

<sup>11</sup> U.S. Census Bureau, American Community Survey 2008 (C05010)

establish policies to eliminate language barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the 1964 Civil Rights Act.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. According to the 2006-08 reports, the five languages with the highest number of persons who speak English less than “very well” in the City of Baltimore are Spanish, Chinese, Russian, French and African languages. To determine whether translation of vital documents is required, a HUD entitlement community must calculate the number of LEP persons in a single language group who are likely to qualify for and be served by the City’s programs.

**Figure 1-11**  
**Language Spoken at Home by Ability to Speak English in Baltimore, 2006-08**

Language Group	Number of LEP Persons	% of Total Population
Spanish	7,973	1.3%
Chinese	1,667	0.3%
Russian	1,197	0.2%
French	939	0.2%
African languages	844	0.1%

Source: U.S. Census Bureau, 2006-08 American Community Survey Three-Year Estimates (B16001)

The Census Bureau has identified the number of LEP persons who speak Spanish at home and also speak English less than “very well.” There were an estimated 7,973 LEP Spanish speakers in Baltimore in 2008, as well as 1,667 LEP Chinese speakers and 1,197 Russian speakers.

Generally, when these numbers exceed 1,000, the entitlement jurisdiction is obligated to translate vital documents into those languages. The term “vital document” refers generally to any publication that is needed to gain access to the benefits of a program or service. This obligation would also extend to the local housing authorities and all sub-recipients of the City.

For the purpose of general estimates for the AI, it is assumed that all citizens of the City are potential program beneficiaries. Given this parameter, the size of the population groups speaking Spanish, Chinese and Russian triggers a need to conduct the four-factor analysis to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing the City’s federal entitlement programs.<sup>12</sup> If it is determined that the need for a Language Access Plan exists, the City must prepare

<sup>12</sup> The four-factor analysis is outlined in the Federal Register of January 22, 2007, and at [www.lep.gov](http://www.lep.gov).

such a plan in order to comply with Title VI of the Civil Rights Act of 1964.

Currently, the City operates according to a Communications Protocol that specifies document publication standards to promote readability. When considering whether to translate a document, the City's policy is to weigh the following:

- The number of applicants and residents in the jurisdiction who do not speak English and speak the other language
- Estimated cost of translation per client
- Availability of local organizations to provide translation services to non-English speaking families
- Availability of bilingual staff to provide translation for non-English speaking families

These standards are commendable for considering the translation needs of the target population in light of available resources. They are, however, inconsistent with the directive of Title VI to proactively provide for the needs of LEP clients. Using the four-factor analysis to determine which vital documents should always be published in alternate languages may ensure that residents in those language groups have immediate access to City programs. In the example of applications for housing programs, it is critically important that potential beneficiaries are able to access application documents within the timeframe of deadlines. The process should not place the burden of arranging translation on the applicant.

In recognition of the need to fully understand the language needs of the population of potential program beneficiaries, Baltimore Housing has begun the process of conducting the four-factor analysis.

**OBSERVATION:** Upon completion of the four-factor analysis to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing federal entitlement programs, the City must determine whether the need for a Language Access Plan exists. If so, the City must prepare such a plan in order to comply with Title VI of the Civil Rights Act of 1964.

### **viii. Protected Class Status and Unemployment**

Unemployment in the City of Baltimore is much higher than unemployment across Maryland. In 2008, the percentage of the total civilian labor force unemployed in was 5.4%, compared to 9.1% in Baltimore. Blacks were three times more likely than Whites to be unemployed in the City. Higher unemployment, whether temporary or permanent, diminishes the ability of individuals and families to cover housing expenses.

**Figure 1-12  
Civilian Labor Force, 2008**

	Maryland Total	%	Baltimore City Total	%
<b>Total Civilian Labor Force (CLF)</b>	<b>3,118,499</b>	<b>100.0%</b>	<b>319,375</b>	<b>100.0%</b>
Employed	2,951,517	94.6%	290,382	90.9%
Unemployed	166,982	5.4%	28,993	9.1%
<b>Male CLF</b>	<b>1,583,022</b>	<b>100.0%</b>	<b>147,931</b>	<b>100.0%</b>
Employed	1,495,322	94.5%	131,106	88.6%
Unemployed	87,700	5.5%	16,825	11.4%
<b>Female CLF</b>	<b>1,535,477</b>	<b>100.0%</b>	<b>171,444</b>	<b>100.0%</b>
Employed	1,456,195	94.8%	157,026	91.6%
Unemployed	79,282	5.2%	14,418	8.4%
<b>White CLF</b>	<b>1,920,280</b>	<b>100.0%</b>	<b>113,037</b>	<b>100.0%</b>
Employed	1,844,199	96.0%	108,253	95.8%
Unemployed	76,081	4.0%	4,784	4.2%
<b>Black CLF</b>	<b>902,248</b>	<b>100.0%</b>	<b>191,339</b>	<b>100.0%</b>
Employed	826,754	91.6%	165,934	86.7%
Unemployed	75,494	8.4%	25,405	13.3%
<b>Asian CLF</b>	<b>163,472</b>	<b>100.0%</b>	---	---
Employed	157,535	96.4%	---	---
Unemployed	5,937	3.6%	---	---
<b>Hispanic CLF</b>	<b>203,296</b>	<b>100.0%</b>	---	---
Employed	189,879	93.4%	---	---
Unemployed	13,417	6.6%	---	---

Note: The sample sizes of the Asian and Hispanic populations were too small and not provided by the Census.

Source: U.S. Census Bureau, 2008 American Community Survey (C23001, C23002A, C23002B, C23002D, C23002I)

**OBSERVATION:** In 2008, Black residents of Baltimore were substantially less likely to be employed than White residents.

## C. The Housing Market

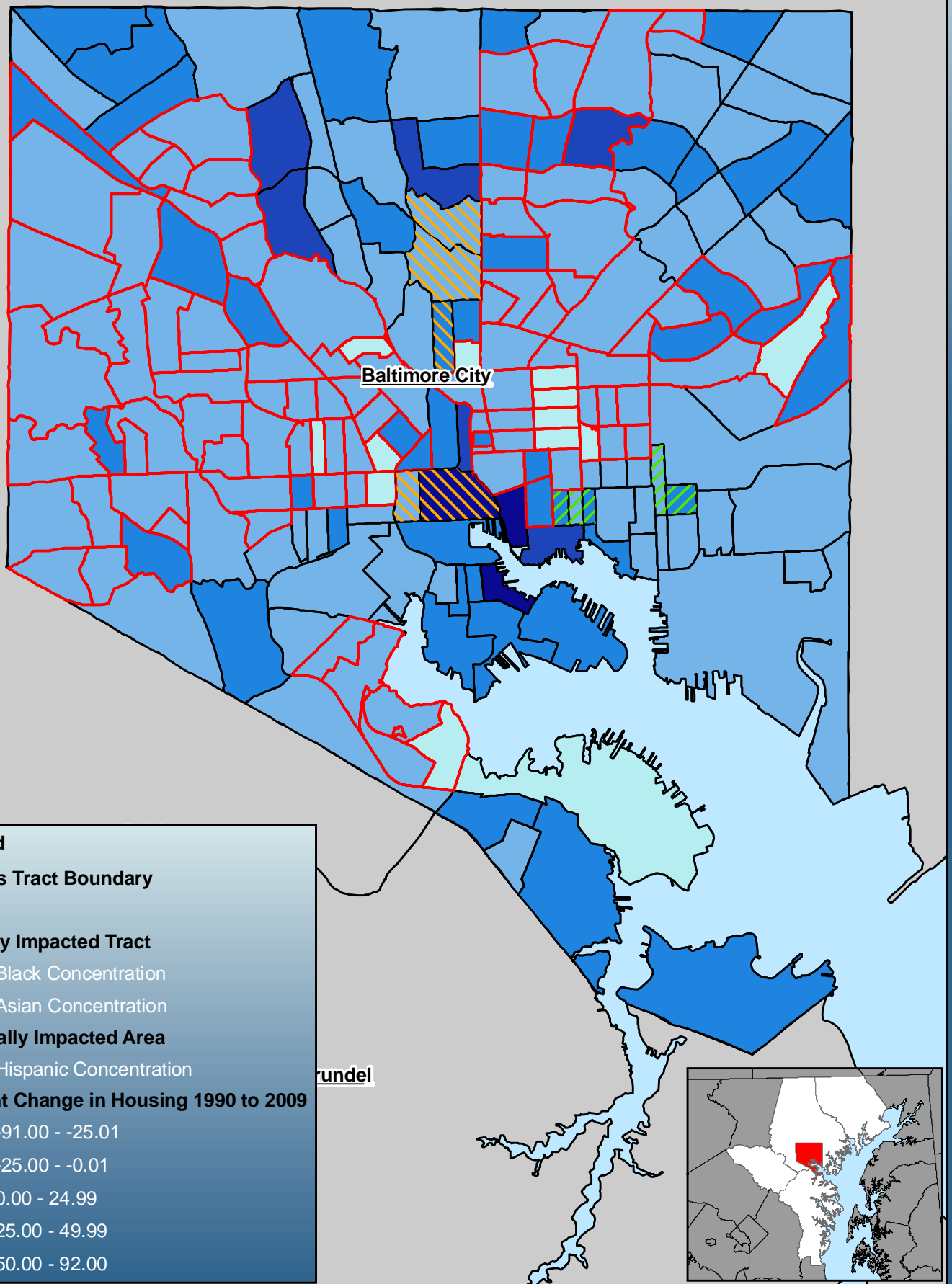
### i. Housing Inventory

The City's housing inventory decreased 3.8% in 2009 to 293,783 units from 305,379 in 1990. Of the 196 census tracts that comprise the City of Baltimore, a net loss of housing units occurred in 143 tracts. The locations of these census tracts, as illustrated on the following map, are contiguous with most of the areas of minority concentrations.

Map 6 on the following page illustrates the housing inventory loss and gain between 1990 and 2009. While there was some new residential development in racially concentrated areas (Perring Loch, New Northwood and Ashburton, among others), most of the newer residential development during this period occurred in non-concentrated areas through the central part of the City, such as Coldspring, Woodberry, Blythewood, Loyola/Notre Dame, Downtown and Federal Hill. New

# Map 6: Change in Total Housing Units by Census Tract in Baltimore City, 1990 - 2009

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Legend**

**Census Tract Boundary**



**Racially Impacted Tract**



Black Concentration



Asian Concentration

**Ethnically Impacted Area**



Hispanic Concentration

**Percent Change in Housing 1990 to 2009**



-91.00 - -25.01



-25.00 - -0.01



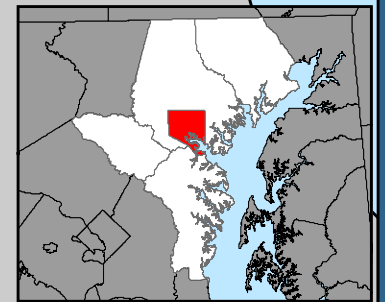
0.00 - 24.99



25.00 - 49.99



50.00 - 92.00



housing development in non-concentrated areas can be attributed primarily to private financing.

By comparison, a net loss of at least 25% of units occurred in Broadway East, Middle East and Heritage Crossing, all of which are areas of racial concentration. In Broadway East and Heritage Crossing, high-rise units were demolished and replaced by mixed income communities partially financed by HOPE VI grants per the requirements of the Thompson partial consent decree. The loss of units in Broadway East can also be attributed to the East Baltimore Development Initiative, through which units are expected to be brought back online upon the stabilization of the housing market. In many cases, the units lost from the inventory in these neighborhoods were vacant, abandoned and/or otherwise unsuitable for habitation.

The following table contains detailed information on the rate of inventory growth or loss by census tract.

**Figure 1-13**  
**Trends in Housing Inventory in the City, 1990-2009**

Census Tract	1990	2000	2009	Change 1990-2009		Census Tract	1990	2000	2009	Change 1990-2009	
	#	#	#	#	%		#	#	#	#	%
<b>City Total</b>	<b>303,704</b>	<b>300,477</b>	<b>292,095</b>	<b>-11,609</b>	<b>-3.8%</b>	1401	3,607	3,270	3,472	-135	-3.7%
101	1,628	1,651	1,598	-30	-1.8%	1402	1,562	1,600	1,314	-248	-15.9%
102	1,571	1,574	1,503	-68	-4.3%	1403	1,893	1,863	1,749	-144	-7.6%
103	1,196	1,223	1,178	-18	-1.5%	1501	1,578	1,564	1,535	-43	-2.7%
104	1,275	1,391	1,573	298	23.4%	1502	1,624	1,499	1,444	-180	-11.1%
105	1,135	1,152	1,159	24	2.1%	1503	1,196	1,197	1,101	-95	-7.9%
201	1,111	1,136	1,095	-16	-1.4%	1504	1,747	1,685	1,442	-305	-17.5%
202	1,018	1,089	1,140	122	12.0%	1505	717	704	738	21	2.9%
203	1,497	1,794	2,101	604	40.3%	1506	1,861	1,778	1,484	-377	-20.3%
301	1,063	1,134	1,216	153	14.4%	1507.01	831	859	827	-4	-0.5%
302	1,012	1,091	1,580	568	56.1%	1507.02	1,224	1,179	1,128	-96	-7.8%
401	1,126	1,197	2,156	1,030	91.5%	1508	2,274	2,424	2,094	-180	-7.9%
402	505	519	497	-8	-1.6%	1509	1,689	1,658	1,597	-92	-5.4%
501	1,398	1,200	1,152	-246	-17.6%	1510	2,424	2,489	2,251	-173	-7.1%
601	1,328	1,335	1,288	-40	-3.0%	1511	2,848	2,959	2,859	11	0.4%
602	1,587	1,603	1,556	-31	-2.0%	1512	2,215	2,261	2,069	-146	-6.6%
603	1,056	979	937	-119	-11.3%	1513	2,186	2,173	1,835	-351	-16.1%
604	1,531	1,376	1,343	-188	-12.3%	1601	2,223	2,055	1,983	-240	-10.8%
605	594	610	691	97	16.3%	1602	1,628	1,543	1,536	-92	-5.7%
701	1,132	1,119	1,069	-63	-5.6%	1603	1,209	893	877	-332	-27.5%
702	1,711	1,661	1,643	-68	-4.0%	1604	1,815	1,706	1,512	-303	-16.7%
703	1,033	877	580	-453	-43.9%	1605	2,024	2,000	1,823	-201	-9.9%
704	1,274	942	909	-365	-28.6%	1606	1,849	1,789	1,648	-201	-10.9%
801.01	1,466	1,464	1,414	-52	-3.5%	1607	2,427	2,440	2,223	-204	-8.4%
801.02	920	916	893	-27	-2.9%	1608.01	1,338	1,370	1,317	-21	-1.6%
802	1,307	1,113	1,078	-229	-17.5%	1608.02	1,223	1,254	1,197	-26	-2.1%
803.01	1,212	1,131	1,080	-132	-10.9%	1701	720	882	817	97	13.5%
803.02	1,362	1,369	1,310	-52	-3.8%	1702	1,426	1,525	1,471	45	3.2%
804	974	808	794	-180	-18.5%	1703	2,136	1,040	1,051	-1,085	-50.8%
805	860	834	799	-61	-7.1%	1801	1,295	905	966	-329	-25.4%
806	1,916	1,620	1,312	-604	-31.5%	1802	712	635	614	-98	-13.8%
807	1,270	901	783	-487	-38.3%	1803	1,087	1,160	1,072	-15	-1.4%
808	1,406	1,129	907	-499	-35.5%	1901	1,429	1,371	1,347	-82	-5.7%
901	1,951	1,862	1,780	-171	-8.8%	1902	1,149	1,259	1,241	92	8.0%
902	1,278	1,301	1,253	-25	-2.0%	1903	1,474	1,433	1,219	-255	-17.3%
903	1,772	1,748	1,907	135	7.6%	2001	954	1,005	976	22	2.3%
904	820	808	777	-43	-5.2%	2002	1,409	1,404	1,288	-121	-8.6%
905	934	936	901	-33	-3.5%	2003	1,118	1,008	873	-245	-21.9%
906	1,453	1,411	1,349	-104	-7.2%	2004	1,036	935	887	-149	-14.4%
907	1,521	1,512	1,364	-157	-10.3%	2005	1,493	1,548	1,395	-98	-6.6%
908	1,790	1,687	1,450	-340	-19.0%	2006	1,207	1,252	1,195	-12	-1.0%
909	1,624	1,481	1,291	-333	-20.5%	2007.01	1,968	2,018	1,944	-24	-1.2%
1001	998	953	895	-103	-10.3%	2007.02	581	591	565	-16	-2.8%
1002	1,264	1,270	1,191	-73	-5.8%	2008	985	1,037	1,012	27	2.7%
1003	0	0	0	0		2101	1,161	1,101	1,071	-90	-7.8%
1004	465	401	382	-83	-17.8%	2102	1,578	1,629	1,569	-9	-0.6%
1101	1,953	2,244	2,551	598	30.6%	2201	2,090	2,255	2,366	276	13.2%
1102	3,350	3,511	3,515	165	4.9%	2301	871	878	867	-4	-0.5%
1201	3,109	3,050	2,942	-167	-5.4%	2302	1,118	1,195	1,227	109	9.7%
1202	4,102	4,512	4,016	-86	-2.1%	2303	563	592	571	8	1.4%
1203	1,912	1,981	1,947	35	1.8%	2401	1,061	1,061	1,216	155	14.6%
1204	1,180	1,030	795	-385	-32.6%	2402	887	1,185	1,393	506	57.0%
1205	1,180	1,158	1,151	-29	-2.5%	2403	1,075	1,119	1,193	118	11.0%
1206	1,774	2,001	1,804	30	1.7%	2404	1,175	1,190	1,349	174	14.8%
1207	1,207	1,175	1,130	-77	-6.4%	2501.01	1,471	1,462	1,450	-21	-1.4%

... cont'd

Census Tract	1990	2000	2009	Change 1990-2009		Census Tract	1990	2000	2009	Change 1990-2009	
	#	#	#	#	%		#	#	#	#	%
1301	2,286	1,824	1,611	-675	-29.5%	2501.02	1,279	1,313	1,266	-13	-1.0%
1302	1,747	1,717	1,689	-58	-3.3%	2501.03	1,984	1,910	1,645	-339	-17.1%
1303	1,449	1,586	1,203	-246	-17.0%	2502.03	1,158	786	790	-368	-31.8%
1304	1,211	1,261	1,203	-8	-0.7%	2502.04	1,780	1,424	1,699	-81	-4.6%
1306	1,906	1,921	1,836	-70	-3.7%	2502.05	1,720	1,723	1,677	-43	-2.5%
1307	2,735	2,930	3,055	320	11.7%	2502.06	1,046	1,075	1,129	83	7.9%
1308.03	1,442	1,390	1,372	-70	-4.9%	2502.07	932	926	911	-21	-2.3%
1308.04	1,042	1,029	983	-59	-5.7%	2503.01	478	492	447	-31	-6.5%
1308.05	421	507	578	157	37.3%	2503.02	742	867	575	-167	-22.5%
1308.06	511	505	671	160	31.3%	2503.03	1,065	1,068	1,021	-44	-4.1%
2504.01	1,491	1,599	1,535	44	3.0%	2707.03	1,254	1,288	1,259	5	0.4%
2504.02	2,026	2,096	2,024	-2	-0.1%	2708.01	1,734	1,748	1,675	-59	-3.4%
2505	2,271	2,507	2,452	181	8.0%	2708.02	2,397	2,377	2,274	-123	-5.1%
2506	454	44	43	-411	-90.5%	2708.03	2,983	2,976	2,930	-53	-1.8%
2601.01	2,028	2,052	2,033	5	0.2%	2708.04	1,537	1,589	1,580	43	2.8%
2601.02	1,946	1,956	1,897	-49	-2.5%	2708.05	2,188	2,189	2,127	-61	-2.8%
2602.01	2,395	2,410	2,322	-73	-3.0%	2709.01	1,692	1,754	1,694	2	0.1%
2602.02	2,686	2,768	2,812	126	4.7%	2709.02	1,714	1,680	2,514	800	46.7%
2602.03	1,059	1,061	1,131	72	6.8%	2709.03	1,412	1,463	1,397	-15	-1.1%
2603.01	1,724	1,777	1,703	-21	-1.2%	2710.01	1,093	1,083	1,048	-45	-4.1%
2603.02	2,615	2,708	2,667	52	2.0%	2710.02	1,806	1,868	2,029	223	12.3%
2603.03	916	868	830	-86	-9.4%	2711.01	1,021	1,020	1,029	8	0.8%
2604.01	1,410	1,405	1,343	-67	-4.8%	2711.02	714	953	1,030	316	44.3%
2604.02	1,640	969	1,081	-559	-34.1%	2712	2,443	2,425	2,394	-49	-2.0%
2604.03	1,812	1,759	1,856	44	2.4%	2713	1,164	1,264	1,309	145	12.5%
2604.04	788	777	758	-30	-3.8%	2714	1,794	1,756	1,573	-221	-12.3%
2605.01	2,316	2,297	1,974	-342	-14.8%	2715.01	1,939	1,944	1,888	-51	-2.6%
2606.04	1,201	1,190	1,137	-64	-5.3%	2715.03	735	693	662	-73	-9.9%
2606.05	2,071	2,002	1,930	-141	-6.8%	2716	2,167	2,100	2,005	-162	-7.5%
2607	884	893	854	-30	-3.4%	2717	2,595	2,471	2,397	-198	-7.6%
2608	1,106	1,234	1,262	156	14.1%	2718.01	1,542	1,606	1,216	-326	-21.1%
2609	1,215	1,181	1,191	-24	-2.0%	2718.02	1,683	1,522	1,491	-192	-11.4%
2610	1,497	1,356	1,270	-227	-15.2%	2719	1,581	1,673	1,695	114	7.2%
2611	1,116	1,035	988	-128	-11.5%	2720.01	3,642	3,747	2,941	-701	-19.2%
2701.01	732	729	698	-34	-4.6%	2720.02	3,253	3,210	3,605	352	10.8%
2701.02	1,591	1,646	1,582	-9	-0.6%	2720.03	2,165	2,205	2,370	205	9.5%
2702	861	876	837	-24	-2.8%	2801.01	1,405	1,455	1,407	2	0.1%
2703.01	1,314	1,360	1,340	26	2.0%	2801.02	2,508	2,595	2,480	-28	-1.1%
2703.02	745	783	752	7	0.9%	2802	1,786	1,878	1,736	-50	-2.8%
2704.01	2,110	2,193	2,147	37	1.8%	2803.01	2,030	2,019	1,957	-73	-3.6%
2704.02	1,406	1,440	1,384	-22	-1.6%	2803.02	1,082	1,074	1,029	-53	-4.9%
2705.01	1,817	1,852	1,782	-35	-1.9%	2804.01	1,563	1,622	1,479	-84	-5.4%
2705.02	2,019	2,007	1,843	-176	-8.7%	2804.02	684	686	739	55	8.0%
2706	1,977	2,023	1,954	-23	-1.2%	2804.03	2,415	2,335	2,265	-150	-6.2%
2707.01	1,277	1,272	1,215	-62	-4.9%	2804.04	1,895	1,883	1,831	-64	-3.4%
2707.02	1,086	1,090	1,067	-19	-1.7%						

Source: DemographicsNow

**OBSERVATION:** There has been a 3.8% net loss in housing units across the City since 1990. Loss was greater in areas of minority concentration, while growth occurred Downtown and along Federal Hill near the Inner Harbor and in the less concentrated northern central sector of the City.



**ii. Types of Housing Units**

Of the 300,477 housing structures in Baltimore in 2000, 65.1% were single-family units. Most of the remaining units were in multi-family properties of all sizes. The locations of disproportionately high percentages of multi-family units do not appear to correspond in any meaningful way with the locations of racially concentrated areas, though multi-family structures seem to be generally more common on the northwestern side of the City.

Details on the distribution of stock by structure size appear in the following table.

**Figure 1-14  
Housing Units in Structures in the City, 2000**

Census Tract	Total Units	Single-family units (detached & attached)	Multi-family units					Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more	Total		
<b>City Total</b>	<b>300,477</b>	<b>195,729</b>	<b>43,409</b>	<b>17,449</b>	<b>12,688</b>	<b>30,985</b>	<b>104,531</b>	<b>162</b>	<b>55</b>
101	1,662	1,387	157	11	18	89	275	0	0
102	1,563	1,516	37	0	0	10	47	0	0
103	1,160	1,035	125	0	0	0	125	0	0
104	1,423	815	172	13	0	423	608	0	0
105	1,183	758	306	104	15	0	425	0	0
201	1,145	786	302	37	20	0	359	0	0
202	1,080	695	351	26	0	8	385	0	0
203	1,781	772	316	63	31	585	995	0	14
301	1,147	700	294	17	73	63	447	0	0
302	1,072	463	174	29	41	365	609	0	0
401	1,137	21	140	79	0	897	1,116	0	0
402	534	49	90	15	34	346	485	0	0
501	1,264	528	94	33	110	488	725	11	0
601	1,346	1,268	78	0	0	0	78	0	0
602	1,592	1,446	115	0	0	31	146	0	0
603	990	796	184	10	0	0	194	0	0
604	1,362	651	220	44	8	439	711	0	0
605	613	403	117	30	14	49	210	0	0
701	1,119	993	86	15	14	0	115	11	0
702	1,661	1,525	125	11	0	0	136	0	0
703	884	768	61	14	0	41	116	0	0
704	935	603	107	80	78	67	332	0	0
801.01	1,464	1,322	142	0	0	0	142	0	0
801.02	818	738	64	16	0	0	80	0	0
802	1,211	1,187	14	0	0	10	24	0	0
803.01	966	892	67	0	7	0	74	0	0
803.02	1,352	1,005	210	8	0	129	347	0	0
804	990	736	236	0	10	8	254	0	0
805	822	773	17	8	0	24	49	0	0
806	1,632	1,303	181	13	16	109	319	10	0
807	891	828	63	0	0	0	63	0	0
808	1,139	949	81	8	91	0	180	10	0
901	1,862	1,266	236	126	57	177	596	0	0
902	1,301	1,187	68	5	41	0	114	0	0
903	1,748	1,508	139	74	27	0	240	0	0
904	868	726	63	33	39	7	142	0	0
905	876	615	129	99	33	0	261	0	0
906	1,411	1,260	119	12	20	0	151	0	0
907	1,512	1,343	105	23	41	0	169	0	0
908	1,701	1,418	214	23	20	26	283	0	0
909	1,467	1,072	134	15	12	227	388	7	0
1001	982	814	144	9	0	8	161	7	0
1002	1,233	768	125	57	48	235	465	0	0

... cont'd

Census Tract	Total Units	Single-family units (detached & attached)	Multi-family units				Total	Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more			
1003	0	0	0	0	0	0	0	0	0
1004	409	170	8	0	0	231	239	0	0
1101	2,237	138	471	570	95	963	2,099	0	0
1102	3,518	195	341	957	310	1,703	3,311	0	12
1201	3,050	674	50	166	90	2,070	2,376	0	0
1202	4,493	939	819	287	202	2,246	3,554	0	0
1203	1,969	990	704	91	33	151	979	0	0
1204	1,042	672	347	9	14	0	370	0	0
1205	1,211	384	679	75	17	48	819	8	0
1206	2,020	268	568	330	101	753	1,752	0	0
1207	1,122	968	122	18	0	9	149	5	0
1301	1,927	313	549	256	152	657	1,614	0	0
1302	1,717	357	989	320	41	10	1,360	0	0
1303	1,564	936	259	262	18	89	628	0	0
1304	1,283	715	266	245	57	0	568	0	0
1306	1,818	1,445	219	139	0	15	373	0	0
1307	2,930	1,492	256	143	38	1,001	1,438	0	0
1308.03	1,390	911	89	102	282	6	479	0	0
1308.04	1,021	788	116	69	33	15	233	0	0
1308.05	506	299	9	20	0	178	207	0	0
1308.06	514	390	71	20	0	33	124	0	0
1401	3,270	594	687	293	111	1,585	2,676	0	0
1402	1,595	562	452	253	169	159	1,033	0	0
1403	1,868	1,030	640	74	60	64	838	0	0
1501	1,567	1,007	249	130	15	166	560	0	0
1502	1,531	1,243	207	66	8	7	288	0	0
1503	1,162	1,026	120	16	0	0	136	0	0
1504	1,677	1,314	168	7	70	118	363	0	0
1505	712	396	184	36	18	78	316	0	0
1506	1,778	1,253	263	64	61	137	525	0	0
1507.01	854	724	130	0	0	0	130	0	0
1507.02	1,184	879	209	63	8	25	305	0	0
1508	2,424	835	873	342	243	131	1,589	0	0
1509	1,658	1,211	366	64	17	0	447	0	0
1510	2,489	1,231	840	239	109	70	1,258	0	0
1511	2,959	1,930	738	70	105	116	1,029	0	0
1512	2,261	1,470	302	23	11	445	781	10	0
1513	2,173	1,649	191	85	248	0	524	0	0
1601	2,145	761	792	231	23	338	1,384	0	0
1602	1,608	763	634	77	0	134	845	0	0
1603	908	469	374	56	9	0	439	0	0
1604	1,626	1,338	279	0	0	9	288	0	0
1605	2,000	1,558	116	99	205	22	442	0	0
1606	1,789	1,472	89	7	12	209	317	0	0
1607	2,350	1,931	200	129	58	19	406	13	0
1608.01	1,353	1,054	243	36	20	0	299	0	0
1608.02	1,271	1,143	116	6	0	6	128	0	0
1701	870	219	150	180	32	289	651	0	0
1702	1,531	534	350	93	141	413	997	0	0
1703	1,046	351	284	75	121	215	695	0	0

... cont'd

Census Tract	Total Units	Single-family units (detached & attached)	Multi-family units					Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more	Total		
1801	938	426	218	90	147	57	512	0	0
1802	610	331	80	63	7	129	279	0	0
1803	1,152	742	294	93	9	14	410	0	0
1901	1,420	619	555	99	54	84	792	0	9
1902	1,247	909	275	53	10	0	338	0	0
1903	1,396	1,135	154	8	0	99	261	0	0
2001	1,047	829	177	21	0	20	218	0	0
2002	1,362	1,307	55	0	0	0	55	0	0
2003	1,027	818	194	15	0	0	209	0	0
2004	916	810	63	43	0	0	106	0	0
2005	1,530	1,330	80	0	0	120	200	0	0
2006	1,270	1,222	48	0	0	0	48	0	0
2007.01	2,018	1,703	135	9	0	171	315	0	0
2007.02	600	577	14	0	0	9	23	0	0
2008	1,028	778	115	55	7	73	250	0	0
2101	1,077	986	39	52	0	0	91	0	0
2102	1,653	1,455	17	17	17	147	198	0	0
2201	2,250	1,070	179	86	141	774	1,180	0	0
2301	915	628	188	0	0	99	287	0	0
2302	1,158	890	199	0	14	55	268	0	0
2303	592	509	27	0	0	50	77	6	0
2401	1,051	965	74	0	0	12	86	0	0
2402	1,185	876	90	0	14	205	309	0	0
2403	1,141	861	119	15	0	146	280	0	0
2404	1,178	1,083	58	0	13	24	95	0	0
2501.01	1,462	1,162	198	102	0	0	300	0	0
2501.02	1,316	1,089	96	76	55	0	227	0	0
2501.03	1,870	1,183	241	65	31	350	687	0	0
2502.03	800	764	36	0	0	0	36	0	0
2502.04	1,424	1,154	50	191	21	0	262	8	0
2502.05	1,723	1,434	8	80	177	24	289	0	0
2502.06	1,108	941	157	10	0	0	167	0	0
2502.07	893	420	100	176	189	8	473	0	0
2503.01	520	487	33	0	0	0	33	0	0
2503.02	883	782	101	0	0	0	101	0	0
2503.03	1,066	892	39	0	0	135	174	0	0
2504.01	1,588	1,126	462	0	0	0	462	0	0
2504.02	2,117	1,497	587	0	21	12	620	0	0
2505	2,518	1,744	578	44	59	93	774	0	0
2506	30	26	4	0	0	0	4	0	0
2601.01	2,052	1,271	249	294	170	68	781	0	0
2601.02	1,928	1,739	110	23	46	0	179	10	0
2602.01	2,410	960	87	367	851	145	1,450	0	0
2602.02	2,768	1,382	95	289	817	185	1,386	0	0
2602.03	1,089	833	32	119	73	32	256	0	0
2603.01	1,777	1,590	174	7	0	6	187	0	0
2603.02	2,687	2,374	293	0	0	20	313	0	0
2603.03	912	663	19	23	15	192	249	0	0
2604.01	1,361	1,341	6	14	0	0	20	0	0

... cont'd

Census Tract	Total Units	Single-family units (detached & attached)	Multi-family units					Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more	Total		
2604.02	960	306	0	188	444	22	654	0	0
2604.03	1,820	1,377	0	77	271	95	443	0	0
2604.04	725	670	46	0	9	0	55	0	0
2605.01	2,297	1,865	371	24	24	13	432	0	0
2606.04	1,182	1,005	131	40	0	6	177	0	0
2606.05	2,010	1,409	94	196	250	54	594	7	0
2607	904	713	167	24	0	0	191	0	0
2608	1,265	1,078	90	8	8	81	187	0	0
2609	1,139	991	148	0	0	0	148	0	0
2610	1,390	1,270	106	8	6	0	120	0	0
2611	1,001	893	108	0	0	0	108	0	0
2701.01	725	644	73	8	0	0	81	0	0
2701.02	1,679	1,428	234	0	0	17	251	0	0
2702	847	639	195	7	0	0	202	6	0
2703.01	1,374	1,131	213	30	0	0	243	0	0
2703.02	769	622	138	0	9	0	147	0	0
2704.01	2,193	1,825	141	77	59	91	368	0	0
2704.02	1,440	1,079	317	18	26	0	361	0	0
2705.01	1,852	1,628	224	0	0	0	224	0	0
2705.02	2,007	1,471	301	81	108	46	536	0	0
2706	2,023	1,653	312	58	0	0	370	0	0
2707.01	1,316	514	258	167	171	206	802	0	0
2707.02	1,109	765	137	96	75	36	344	0	0
2707.03	1,225	984	207	19	15	0	241	0	0
2708.01	1,748	1,435	197	37	41	28	303	10	0
2708.02	2,377	1,262	872	107	33	92	1,104	11	0
2708.03	3,060	1,542	401	323	139	655	1,518	0	0
2708.04	1,505	675	424	67	100	239	830	0	0
2708.05	2,189	1,738	397	12	8	22	439	12	0
2709.01	1,754	1,234	137	205	141	37	520	0	0
2709.02	1,680	1,609	58	6	7	0	71	0	0
2709.03	1,463	901	233	295	8	26	562	0	0
2710.01	1,095	798	49	165	83	0	297	0	0
2710.02	1,856	1,583	199	7	23	44	273	0	0
2711.01	1,025	442	64	187	103	229	583	0	0
2711.02	948	459	39	126	0	324	489	0	0
2712	2,425	2,076	155	107	51	36	349	0	0
2713	1,264	785	140	94	15	225	474	0	5
2714	1,756	1,029	109	106	25	487	727	0	0
2715.01	1,949	1,244	185	231	156	133	705	0	0
2715.03	688	141	61	150	37	299	547	0	0
2716	2,100	1,333	283	153	310	21	767	0	0
2717	2,471	1,659	289	148	26	349	812	0	0
2718.01	1,606	1,037	242	26	23	278	569	0	0
2718.02	1,522	1,254	170	77	21	0	268	0	0
2719	1,673	1,175	279	20	63	136	498	0	0
2720.01	3,747	987	684	350	470	1,256	2,760	0	0
2720.02	3,210	792	184	790	375	1,069	2,418	0	0
2720.03	2,205	1,206	184	209	209	388	990	0	9
2801.01	1,455	913	61	222	243	16	542	0	0
2801.02	2,595	1,665	568	142	153	61	924	0	6
2802	1,878	1,356	388	93	11	30	522	0	0
2803.01	2,019	798	320	189	326	386	1,221	0	0
2803.02	1,133	482	402	94	146	9	651	0	0
2804.01	1,550	1,066	119	180	120	65	484	0	0
2804.02	699	647	29	23	0	0	52	0	0
2804.03	2,335	1,454	309	291	271	10	881	0	0
2804.04	1,883	600	585	439	243	16	1,283	0	0

Source: U.S. Census Bureau, Census 2000 (SF3-H30)

Map 7 on the following page compares the location of multi-family structures with areas of heavy minority population. In many neighborhoods, areas of concentration are more likely to consist predominantly of renter-occupied housing units. This is not the case in Baltimore, where areas of concentration include a wide variety of neighborhood types.

**OBSERVATION:** Areas of racial and ethnic concentration across the City contain a wide distribution of housing structure types, as some are comprised almost entirely of single-family homes, while others are almost exclusively multi-family. Most fall between the two extremes. Having an adequate supply of rental housing available for various household types and income levels enables sufficient housing choice for members of the protected classes.

### iii. Protected Class Status and Homeownership

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate. According to one study, "a family that puts 5 percent down to buy a house will earn a 100 percent return on the investment every time the house appreciates 5 percent."<sup>13</sup>

Historically, minorities tend to have lower home ownership rates than Whites. In 2000, Whites had the highest rate of homeownership in Baltimore at 61%. Blacks and Hispanics had much lower rates, at 44.5% and 34.5%, respectively. Asian/Pacific Islanders had the lowest home ownership rate, at 29.9%.

As noted previously, median incomes for Hispanics and Blacks are significantly lower than those of Whites. This is one among several factors that contributes to the relatively lower homeownership rates. Asians, on the other hand, have a median income equivalent to 96% of Whites, and yet still have a significantly lower homeownership rate.

**OBSERVATION:** Blacks, Asians and Hispanics are much more likely to be renters than to own homes in the City.

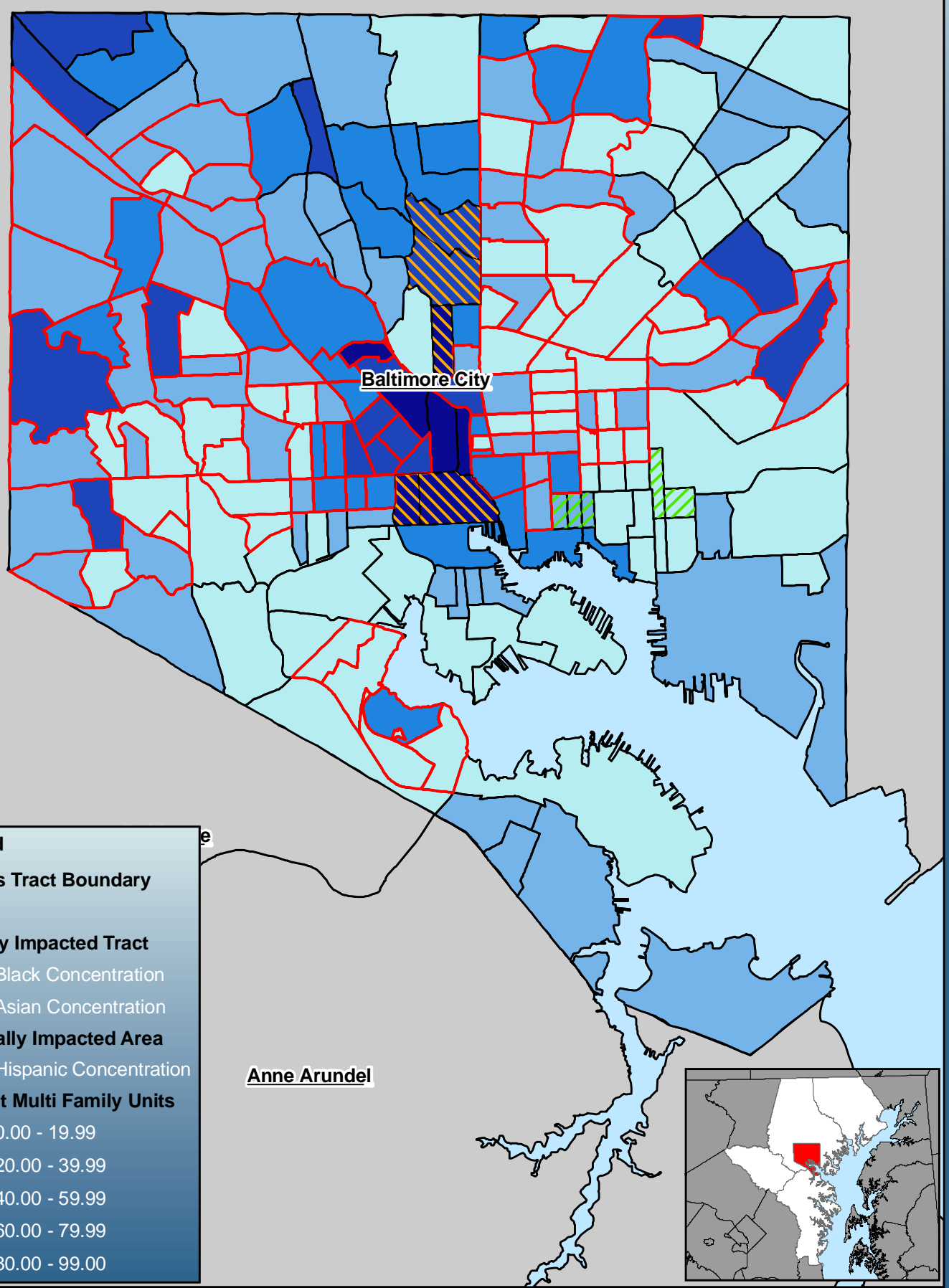
### iv. The Tendency of the Protected Classes to Live in Larger Units

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household,

<sup>13</sup> Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in *Segregation: The Rising Costs for America*, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 82.

# Map 7: Percentage Multi-Family Units by Census Tract in Baltimore City, 2000

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Legend**

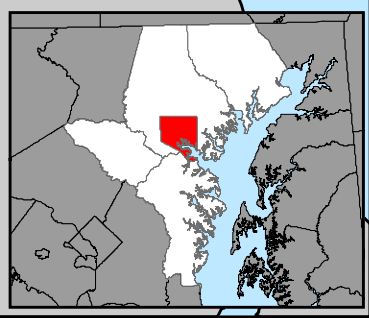
**Census Tract Boundary**

**Racially Impacted Tract**  
 Black Concentration  
 Asian Concentration

**Ethnically Impacted Area**  
 Hispanic Concentration

**Percent Multi Family Units**

	0.00 - 19.99
	20.00 - 39.99
	40.00 - 59.99
	60.00 - 79.99
	80.00 - 99.00



whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the number of persons who can live in a unit will have a negative impact on members of the protected classes.

In Baltimore City, minorities were far more likely than Whites to live in families with four or more persons. Among individual minority groups, Hispanics had the highest rate at 50.7% of family households consisting of four or more people. Black families also had a higher rate at 39.4%. Asian families had a rate of 37.4%, and White families had the lowest large-family rate of 36.2%.

**Figure 1-15**  
**Families with Four or More Persons, 2000**

Race	Families with Four or More Persons	
	#	%
Baltimore City	53,599	36.2%
White	12,970	28.6%
Black	38,485	39.4%
Asian	660	37.4%
Hispanic	1,067	50.7%

Source: Census 2000 (SF 4, PCT-17)

In general, adequately housing larger families requires a sufficient supply of larger dwelling units consisting of three or more bedrooms. In Baltimore, only 31% of the renter-occupied housing stock in 2009 contained three or more bedrooms, compared to 76.4% of the owner-occupied housing stock. Row homes that are identified as renter-occupied are included in that figure.

According to Census data, zero- and one-bedroom units comprised 21% of City's total rental stock, while 34.9% of all households had only one person. This fact would seem to suggest that the City's rental market is short on housing options suited to one-person households. It is worth noting that many one-person households, not all of whom represent protected classes, may be living in owner-occupied housing or in larger rental units.



**Figure 1-16**  
**Housing Units by Number of Bedrooms, 2009**

Size of Housing Units	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
	Number of Units	% of Rental Housing Units	Number of Units	% of Owner Housing Units
0-1 bedroom	43,063	37.2%	3,124	2.6%
2 bedrooms	36,833	31.8%	24,946	20.9%
3 or more bedrooms	35,847	31.0%	91,027	76.4%
<b>Total Occupied Units</b>	<b>115,743</b>	<b>100.0%</b>	<b>119,097</b>	<b>100.0%</b>

Source: 2009 American Community Survey (B25042)

**OBSERVATION:** Only 31% of the City’s renter-occupied housing stock in 2009 contained three or more bedrooms, compared to 76.4% of the owner-occupied housing stock. A recent rise in non-family and one-person households, which constituted 46.6% of all City households in 2008, indicates an increased general demand for smaller units. This need is demonstrated by HABC’s waiting lists, which are comprised primarily of minority households and indicate a large unmet need for one- and two-bedroom units. At the same time, the City must continue to monitor the needs of minority renters, who are more likely to live in families with four or more residents.

**v. Cost of Housing**

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods or communities because of a lack of affordable housing in those areas.

The median owner-occupied housing value in Baltimore has increased 65.2% between 1990 and 2008 after adjusting for inflation.<sup>14</sup> This was in contrast to the median gross rent, which increased 13% during the same period. By comparison, real household income decreased 6.4%.

While the 2008 American Community Survey estimated the median value of owner-occupied housing at \$154,600, more recent data indicates that by this measure, the City did not experience a dramatic overall decline in valuation as a result of the market crisis beginning in that year. The 2009 ACS estimated the median owner-occupied housing value at \$168,400, with a margin of error around \$4,000. The bump in value is corroborated by aggregate Trulia real estate market data for June to August 2011, which reported a median sales price of \$160,000, 10.3% higher than the same months of the previous year. At the same time, the 2009 ACS reported a median income of \$38,772, lower than the 2008

<sup>14</sup> Housing value is the Census respondent’s estimate of how much the property (house and lot, mobile home and lot, or condominium unit) would sell for if it were for sale. This differs from the housing sales price which is the actual price that the house sold for.

median of \$39,083. More information about the sales market appears in a subsequent section.

**Figure 1-17**  
**Trends in Median Housing Value, Rent and Income, 1990-2008**

Baltimore City	1990	2000	2008	% Change 1990-2008
<b>Median Owner-Occupied Housing Value</b>				
Actual Dollars	\$53,900	\$69,100	\$154,600	186.8%
2008 Inflation-Adjusted Dollars	\$93,587	\$89,300	\$154,600	65.2%
<b>Median Gross Rent</b>				
Actual Dollars	\$413	\$498	\$810	96.1%
2008 Inflation-Adjusted Dollars	\$717	\$644	\$810	13.0%
<b>Median Household Income</b>				
Actual Dollars	\$24,045	\$30,078	\$39,083	62.5%
2008 Inflation-Adjusted Dollars	\$41,750	\$38,871	\$39,083	-6.4%

Sources: U.S. Census Bureau, 1990 Census (STF3-H061A, H043A, P080A), Census 2000 (SF3-H76, H63, P53), 2008 American Community Survey (B25077, B25064, B19013); Calculations by Mullin & Lonergan Associates, Inc.

**OBSERVATION:** The median owner-occupied housing value in Baltimore increased 65.2% between 1990 and 2008, while the inflation-adjusted median household income fell by 6.4%.

**a. Rental Housing**

At the same time that real household income was failing to keep pace with median rents, Baltimore was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than \$1,000/month decreased by 39,961 units, or 33.6% of all units in that price range. At the same time, the number of higher-rent units (\$1000/month or higher) increased by 27,685. While the fair market rent for a one-bedroom unit in the Baltimore-Towson metropolitan area is \$1,052, this analysis reveals the significant loss of units renting for less than \$1,000/month. In this sense, “loss” includes rental units that have been demolished or removed from the rental market, as well as units for which demand has caused an increase in monthly rental rates.

**Figure 1-18**  
**Loss of Affordable Rental Housing Units, 2000-2008**

Units Renting for:	2000	2008	Change 2000-2008	
			#	%
Less than \$500	62,695	23,893	-38,802	<b>-61.9%</b>
\$500 to \$699	38,083	17,471	-20,612	<b>-54.1%</b>
\$700 to \$999	18,156	37,609	19,453	<b>107.1%</b>
\$1,000 or more	5,456	33,141	27,685	<b>507.4%</b>

Note: Figures are not inflation-adjusted.

Sources: U.S. Census Bureau, Census 2000 (SF3-H62), 2008 American Community Survey (B25063)

**OBSERVATION:** It is becoming more expensive to rent an apartment in the City of Baltimore. Between 2000 and 2008, the number of units renting for less than \$1,000/month declined by more than 39,900 (33.6%), while units renting for \$1,000/month or more increased by more than 27,600 (507%). The decrease represents both the physical loss of units from the inventory and cases in which the demand for units has caused an increase in monthly rental rates.

HUD's 2008 Comprehensive Housing Market Analysis noted that the rental vacancy rate (8%) is higher in the City than in the surrounding suburban markets.<sup>15</sup> The highest vacancies were reported in large, new developments, particularly downtown, which are in ample supply. The vacancy rate for these Class A units was 20% in 2008. The Analysis projects that the market for these units will eventually improve as the economy recovers.

The number of building permits issued for multifamily construction averaged 80 during the 1990s, jumping to an average of 310 annually from 2000 to 2008. The HUD Analysis projects a demand for an additional 400 rental units downtown between 2008 and 2011, rents for which would start at \$1,100 for an efficiency unit, \$1,350 for a one-bedroom, \$1,600 for a two-bedroom and \$2,200 for a three-bedroom.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in counties and cities in the U.S. for 2009. In the City of Baltimore, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,037. In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household

<sup>15</sup> Office of Policy Development and Research, U.S. Department of Housing and Urban Development. "Comprehensive Housing Market Analysis: Baltimore, Maryland." April 1, 2008.

must earn \$3,457 monthly or \$41,480 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a housing wage of \$19.94.

In Baltimore City and throughout Maryland, a minimum-wage worker earns an hourly wage of \$7.25. In order to afford the FMR for a two-bedroom apartment, a minimum-wage earner must work 110 hours per week, 52 weeks per year. Or, a household must include 2.75 minimum-wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Baltimore, the estimated average wage for a renter is \$17.59 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 45 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.1 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

Monthly Supplemental Security Income (SSI) payments for an individual are \$674 in Baltimore and across Maryland. If SSI represents an individual's sole source of income, \$202 in monthly rent is considered affordable, while the FMR for a one-bedroom is \$868.

**OBSERVATION:** Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in the City of Baltimore. This situation forces these individuals and households to double up with others or lease inexpensive substandard units from unscrupulous landlords. Minorities and female-headed households are disproportionately impacted due to their lower incomes.

#### **b. Sales Housing**

During the past few months, real estate indicators for the sales market in the City of Baltimore have demonstrated some measure of recovery from the precipitous decline of the past few years. Historically low interest rates and the federal home buyer tax credit stirred demand during the first half of 2010. These incentives stimulated increased sales in 60% of the City's neighborhoods over the same period in 2009.<sup>16</sup> The Baltimore Sun's analysis of real estate sales data noted that first-time buyers and bargain-hunting investors played an important role in the increase, as seven of the 10 neighborhoods with the top sales gains had average prices under \$150,000. Despite these increases in sales, home prices in the City remain depressed due to the negative pressure exerted by excessive supply. Additionally, the expiration of the tax credit and the

<sup>16</sup> Hopkins, Jamie Smith. "Home price declines ease in Baltimore area." *The Baltimore Sun*, 8/6/2010

continued prevalence of unemployment will probably work against a price rebound.

A 2008 Comprehensive Housing Market Analysis conducted by HUD characterized the City's sales market as "slightly soft," with comparatively high vacancy rates driven by a large supply of unsold older, single-family homes.<sup>17</sup> Since 2000, the downtown area has become increasingly appealing to young professionals and retirees, resulting in a greater number of building permits issued. According to HUD, a large portion of new development across the City has been condominiums, which constituted 75% of the 1,100 sales units that were in the construction pipeline between 2008 and 2011.<sup>18</sup>

As is the case in virtually all large cities, there is a large disparity in affordability among various neighborhoods in Baltimore and in the larger metropolitan area. The national economic downturn, the housing market bust and the resulting avalanche of foreclosures have left many opportunities to purchase inexpensive housing in the City, but not universally. The Baltimore Sun maintains a database of real estate sales by price range in the greater metropolitan area, from which Figure 1-19 was generated. It is evident in view of the map, which displays a random sample of 500 sales from January 1 to August 31, 2010, that sub-\$100,000 closings in the region are concentrated within City limits, and that sales exceeding \$300,000 are confined to certain neighborhoods. Many of the higher-end sales occur in neighborhoods identified by The Sun in 2008 as the City's most expensive, based on 2007 average sale prices:<sup>19</sup>

- North Roland Park/Poplar Hill (\$614,846)
- Inner Harbor (\$604,796)
- Homeland (\$582,500)
- Guilford (\$561,268)
- Roland Park (\$543,773)
- Little Italy (\$543,460)
- Bellona-Gittings (\$506,208)
- Otterbein (\$442,236)
- Fells Point (\$411,373)
- Federal Hill (\$370,239)

According to the same criteria, The Sun found the following City neighborhoods to be the least expensive:

- Broadway East (\$38,884)

<sup>17</sup> Office of Policy Development and Research, U.S. Department of Housing and Urban Development. "Comprehensive Housing Market Analysis: Baltimore, Maryland." April 1, 2008.

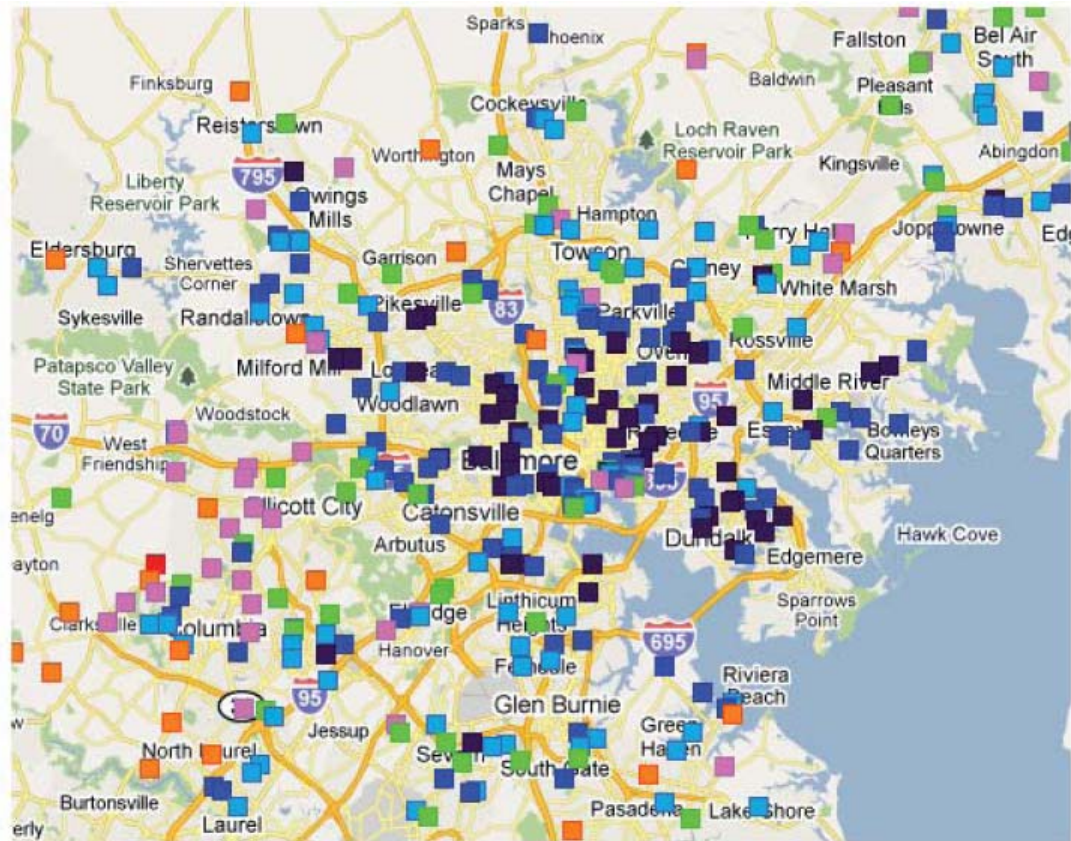
<sup>18</sup> Ibid.

<sup>19</sup> Hopkins, Jamie Smith. "Most and least expensive." *The Real Estate Wonk, The Baltimore Sun*, 2/19/2008.

- Shipley Hill (\$39,113)
- Penn North (\$39,952)
- Milton-Montford (\$44,842)
- Midtown-Edmondson (\$45,610)
- Oliver (\$48,088)
- Carrollton Ridge (\$50,467)
- Mondawmin (\$50,732)
- Darley Park (\$51,673)
- Mosher (\$51,988)

Nine out of the 10 least expensive neighborhoods qualify as areas of minority concentration, with a population that is at least 71.7% Black. None of the 10 most expensive neighborhoods are located within areas of minority concentration.

**Figure 1-19**  
**Distribution of Home Sales by Price Range, January – August, 2010**



- |                   |                   |
|-------------------|-------------------|
| ■ Under \$100K    | ■ \$400K - \$500K |
| ■ \$100K - \$200K | ■ \$500K - \$1M   |
| ■ \$200K - \$300K | ■ Over \$1M       |
| ■ \$300K - \$400K |                   |

Source: *The Baltimore Sun*  
 Central Maryland Home Sales  
 Online at [essentials.baltimoresun.com/micro\\_sun/homes2/](http://essentials.baltimoresun.com/micro_sun/homes2/)

**OBSERVATION:** While an excess of supply in the City of Baltimore has depressed housing values and the City remains the lowest-priced area of the region in which to purchase a home, there is a large disparity in markets among City neighborhoods, with the lowest sales prices occurring in areas of Black concentration. As the City's Black households have a median income equivalent to only 61% of the White household income, Black residents are more likely to experience neighborhood limitations in locating an affordable home to purchase. This situation underscores the need to expand affordable housing opportunities in areas that do not have a concentration of minorities, the majority of which are located outside of Baltimore City.

**vi. Foreclosure Trends**

According to the 2010 midyear report from RealtyTrac, an aggregator of nationwide residential foreclosure, loan and property sales data, the state of Maryland had the 10<sup>th</sup> highest foreclosure rate among all states in June 2010 with 6,304 foreclosure filings, one for every 370 housing units. Filings include default notices, auction sale notices and bank repossessions. This represents a 7.7% increase from May 2010 and a 103% increase from June 2009. RealtyTrac detected two trends in the national data: Fewer properties entered foreclosure proceedings as lenders exercised more aggressive short sale and loan modification actions, and more properties completed the foreclosure process as lenders worked to clear a backlog of delinquent properties.<sup>20</sup>

Maryland's recently rising rates are contrary to national patterns, as filings across the U.S. fell by 3% between May 2010 and June 2010 and by nearly 7% from June 2009.<sup>21</sup> However, rates in Maryland remain comparatively low due to the survival of a competitive housing market in which those who default on mortgages can still sell properties before foreclosure. The recent surge in Maryland foreclosures follows a lull from 2008 to mid-2009 that can be attributed largely to changes in state law intended to delay or prevent foreclosures. The increase, which is projected to continue into 2011, reflects a rising number of owners becoming unable to meet housing costs due to such factors as unemployment or interest increases on adjustable-rate mortgages.

HUD provides foreclosure data on more specific levels. The agency estimated the incidence of foreclosure across 18 months (January 2007 to June 2008) for counties, cities and census tracts across the country. The data is not an exact count, but distributes the results of a national survey across geographic areas according to a model considering rates of metropolitan area home value decline, unemployment and high-cost mortgages.

<sup>20</sup> *ibid*

<sup>21</sup> "1.65 Million Properties Receive Foreclosure Filings in First Half of 2010," RealtyTrac press release, July 15, 2010

According to HUD foreclosure data, the City of Baltimore's foreclosure rate during the study period ranked second highest among 24 Maryland jurisdictions, tied by Prince George's County and exceeded only by Somerset County. There were an estimated 4,376 foreclosure filings for 81,414 mortgages, a rate of 5.4%. This compares to rates of 3.2% in surrounding Baltimore County and rates below 3% in Anne Arundel County, Harford County and Howard County.

Within the City, 38 census tracts (19%) had estimated foreclosure rates exceeding 8%. These tracts were scattered throughout Baltimore, but were located primarily in LMI areas of Black concentration. Foreclosure rates were especially low through the center of the city, from the northern central neighborhoods (Homeland, Roland Park, Windhurst and Hampden, among others) through Downtown and along the harbor. These estimates suggest that households in racially concentrated areas are more likely to experience foreclosure.



**Figure 1-20**  
**Residential Foreclosure Rankings by Census Tract, January 2007 – June 2008**

Census Tract	Total Households	Estimated Foreclosure Filings	Estimated Total Mortgages	Estimated Foreclosure Rate	Census Tract	Total Households	Estimated Foreclosure Filings	Estimated Total Mortgages	Estimated Foreclosure Rate
<b>Citywide</b>	<b>115,857</b>	<b>1,834</b>	<b>36,409</b>	<b>5.0%</b>	120300	1,660	15	417	3.6%
010100	1,439	23	1,183	1.9%	120400	719	4	90	4.4%
010200	1,416	29	1,031	2.8%	120500	757	5	76	6.6%
010300	933	23	878	2.6%	120600	1,825	10	207	4.8%
010400	1,221	15	709	2.1%	120700	959	16	344	4.7%
010500	1,047	10	489	2.0%	130100	1,512	14	223	6.3%
020100	910	14	586	2.4%	130200	1,215	18	344	5.2%
020200	890	15	419	3.6%	130300	1,144	15	264	5.7%
020300	1,435	12	646	1.9%	130400	883	9	117	7.7%
030100	1,078	7	160	4.4%	130600	1,648	24	940	2.6%
030200	418	10	367	2.7%	130700	2,707	19	819	2.3%
040100	903	2	83	2.4%	130803	1,340	16	566	2.8%
040200	482	0	12	0.0%	130804	933	17	468	3.6%
050100	1,231	3	46	6.5%	130805	513	14	286	4.9%
060100	1,020	22	423	5.2%	130806	408	11	298	3.7%
060200	1,224	25	566	4.4%	140100	2,945	14	512	2.7%
060300	707	9	276	3.3%	140200	1,196	11	135	8.1%
060400	893	7	138	5.1%	140300	1,129	10	158	6.3%
060500	540	0	1	0.0%	150100	1,225	6	71	8.5%
070100	904	16	170	9.4%	150200	1,163	10	117	8.5%
070200	1,190	12	145	8.3%	150300	1,027	13	175	7.4%
070300	543	2	24	8.3%	150400	1,462	13	169	7.7%
070400	670	1	9	11.1%	150500	556	8	99	8.1%
080101	1,317	37	630	5.9%	150600	1,440	18	218	8.3%
080102	775	20	224	8.9%	150701	704	14	204	6.9%
080200	783	3	44	6.8%	150702	1,073	24	273	8.8%
080301	916	6	70	8.6%	150800	2,036	32	415	7.7%
080302	1,221	16	206	7.8%	150900	1,477	36	440	8.2%
080400	542	2	25	8.0%	151000	2,113	51	655	7.8%
080500	676	4	61	6.6%	151100	2,752	72	1,075	6.7%
080600	1,200	7	74	9.5%	151200	1,887	23	247	9.3%
080700	529	3	36	8.3%	151300	1,818	19	220	8.6%
080800	820	2	28	7.1%	160100	1,338	5	83	6.0%
090100	1,659	42	679	6.2%	160200	969	7	90	7.8%
090200	1,218	44	715	6.2%	160300	465	2	32	6.3%
090300	1,564	46	808	5.7%	160400	1,203	6	75	8.0%
090400	653	6	76	7.9%	160500	1,787	24	298	8.1%
090500	752	14	186	7.5%	160600	1,517	16	177	9.0%
090600	1,199	23	290	7.9%	160700	2,221	32	365	8.8%
090700	1,263	15	174	8.6%	160801	1,273	31	381	8.1%
090800	1,298	10	116	8.6%	160802	1,140	30	338	8.9%
090900	1,174	5	65	7.7%	170100	798	5	150	3.3%
100100	814	7	84	8.3%	170200	1,375	2	21	9.5%
100200	1,136	5	66	7.6%	170300	756	8	131	6.1%
100400	303	0	3	0.0%	180100	827	4	46	8.7%
110100	1,980	11	388	2.8%	180200	472	7	69	10.1%
110200	3,086	7	239	2.9%	180300	871	12	222	5.4%
120100	2,868	12	603	2.0%	190100	1,026	9	115	7.8%
120200	3,651	13	539	2.4%	190200	866	13	214	6.1%

Census Tract	Total Households	Estimated Foreclosure Filings	Estimated Total Mortgages	Estimated Foreclosure Rate	Census Tract	Total Households	Estimated Foreclosure Filings	Estimated Total Mortgages	Estimated Foreclosure Rate
190300	979	9	119	7.6%	260800	1,037	17	340	5.0%
200100	752	4	50	8.0%	260900	1,064	18	709	2.5%
200200	1,168	9	108	8.3%	261000	1,137	23	466	4.9%
200300	760	4	51	7.8%	261100	859	16	725	2.2%
200400	661	3	34	8.8%	270101	647	19	378	5.0%
200500	1,287	12	150	8.0%	270102	1,569	76	1,146	6.6%
200600	1,064	17	224	7.6%	270200	715	23	446	5.2%
200701	1,865	31	396	7.8%	270301	1,193	44	740	5.9%
200702	504	10	129	7.8%	270302	737	23	415	5.5%
200800	934	23	278	8.3%	270401	1,958	94	1,374	6.8%
210100	881	32	735	4.4%	270402	1,342	49	856	5.7%
210200	1,274	31	537	5.8%	270501	1,770	58	1,137	5.1%
220100	2,156	12	735	1.6%	270502	1,867	66	1,138	5.8%
230100	771	13	396	3.3%	270600	1,862	85	1,307	6.5%
230200	1,053	18	736	2.4%	270701	1,277	0	0	0.0%
230300	508	17	433	3.9%	270702	959	21	369	5.7%
240100	953	15	658	2.3%	270703	1,182	42	827	5.1%
240200	967	22	972	2.3%	270801	1,644	73	1,067	6.8%
240300	1,152	14	753	1.9%	270802	2,184	54	753	7.2%
240400	1,086	15	794	1.9%	270803	2,927	68	959	7.1%
250101	1,375	49	640	7.7%	270804	1,378	15	414	3.6%
250102	1,334	32	466	6.9%	270805	2,051	68	981	6.9%
250103	1,694	47	873	5.4%	270901	1,668	43	574	7.5%
250203	696	5	78	6.4%	270902	1,408	67	873	7.7%
250204	1,281	3	32	9.4%	270903	1,342	35	568	6.2%
250205	1,555	39	512	7.6%	271001	1,046	17	208	8.2%
250206	1,036	26	446	5.8%	271002	1,538	42	575	7.3%
250207	863	4	45	8.9%	271101	970	8	319	2.5%
250301	365	4	120	3.3%	271102	481	3	249	1.2%
250302	719	8	117	6.8%	271200	2,369	19	1,254	1.5%
250303	967	26	439	5.9%	271300	1,183	5	360	1.4%
250401	1,313	28	437	6.4%	271400	1,663	10	661	1.5%
250402	1,641	28	371	7.5%	271501	1,927	14	713	2.0%
250500	2,190	35	525	6.7%	271503	596	5	257	1.9%
250600	32	0	5	0.0%	271600	1,760	20	245	8.2%
260101	1,942	68	1,079	6.3%	271700	2,210	34	431	7.9%
260102	1,836	106	1,306	8.1%	271801	1,416	25	281	8.9%
260201	2,214	47	695	6.8%	271802	1,238	15	175	8.6%
260202	2,538	58	724	8.0%	271900	1,537	39	721	5.4%
260203	999	28	364	7.7%	272001	3,492	32	621	5.2%
260301	1,597	64	758	8.4%	272002	3,055	9	444	2.0%
260302	2,555	79	1,047	7.5%	272003	2,067	29	721	4.0%
260303	727	1	7	14.3%	280101	1,375	39	481	8.1%
260401	1,240	0	0	0.0%	280102	2,386	66	877	7.5%
260402	930	16	243	6.6%	280200	1,731	59	837	7.0%
260403	696	6	87	6.9%	280301	1,902	5	136	3.7%
260404	633	14	211	6.6%	280302	1,021	17	249	6.8%
260501	2,125	36	800	4.5%	280401	1,538	49	764	6.4%
260604	972	5	76	6.6%	280402	594	20	258	7.8%
260605	1,777	35	604	5.8%	280403	2,228	46	864	5.3%
260700	749	9	224	4.0%	280404	1,701	22	291	7.6%

Source: HUD NSP Foreclosure Estimates, released October 2008

In August 2010 alone, RealtyTrac reported 739 new foreclosure filings in the City of Baltimore, contributing to a total foreclosure inventory of 2,665 properties. This total includes properties for which owners have received a default notice, foreclosure auction notice or bank repossession.

Foreclosure activity is related to fair housing to the extent that it is disproportionately dispersed, both geographically and among members of the protected classes. Concentrated foreclosures and residential vacancy threaten the viability of neighborhoods as well as the ability of families to maintain housing and build wealth. As further explained in

the private lending section of the AI, the propensity of lenders to target high-risk borrowers for expensive loans has had a larger impact on minority households than on White households in the City of Baltimore. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure. Foreclosure also places additional stress on the rental housing market, as displaced homeowners seek affordable apartments.

The City can mitigate the impacts of foreclosure by supporting increased buyer education and counseling, as well as supporting legislative protections for borrowers to assist them in meeting housing costs. Additionally, fair housing and affirmative marketing concerns must factor into the disposition of residential properties abandoned as a result of foreclosure. The City acknowledged the impacts of foreclosure on its neighborhoods in its 2008 lawsuit against Wells Fargo, in which the City alleged that the bank's policies and practices of aggressive subprime lending in predominantly Black areas resulted in a slew of foreclosures that threatened the viability of those neighborhoods. Details on the case appear in the Legal Actions Related to Fair Housing section of the AI.

**OBSERVATION:** The persistence of mortgage default and foreclosure in the City reflects the continuing struggle of cost-burdened households to maintain housing and build wealth. Minority households in Baltimore are more likely to have lower household incomes and have been targeted by subprime lenders. As a result, areas of minority concentration have been heavily impacted by the effects of foreclosure.

In January 2008, the Mayor and City Council of Baltimore filed a lawsuit against Wells Fargo Bank and Wells Fargo Financial Leasing alleging that these entities systematically focused aggressive subprime lending activity in minority neighborhoods, a practice that resulted in disproportionate foreclosure rates that caused "irreparable" damage to the City. Similar to other lawsuits in Birmingham and Memphis, the case was an attempt to assign responsibility for the public costs of foreclosure to a lender on the basis that the lender committed violations of the Fair Housing Act (Title VIII of the Civil Rights Act of 1968). The Act prohibits discrimination in housing-related transactions based on race, color, national origin, religion, sex, familial status or disability. Cases filed against lenders by the City of Cleveland and the Illinois Attorney General's Office have instead alleged violation of state laws.

The case names Wells Fargo as a defendant because the City identified the actions of the bank as one of the leading causes of disproportionately higher foreclosure rates in the City's Black neighborhoods. Wells Fargo had the largest number of foreclosures of any lender in the City, and these foreclosures were concentrated in heavily minority areas.

According to the City's complaint, two-thirds of Wells Fargo's foreclosures in 2005 and 2006 were in census tracts where more than 60% of residents were Black, while only 15.6% of foreclosures occurred in tracts that were less than 20% Black.

The complaint further charged that this disproportionate distribution of foreclosures was the result of deliberate reverse redlining, as the bank engaged in "unfair, deceptive and discriminatory lending activity" to connect inexperienced, underserved residents in Black neighborhoods with loans they could not afford. Affidavits from loan officers accused the bank of racial steering, including a practice to offer "bounties" on minority borrowers to officers aggressively marketing subprime loans in Black communities.

The City requested compensatory and punitive damages to assist its recovery of "tens of millions of dollars" in costs. Specifically, the City argued that the foreclosures caused by Wells Fargo's discriminatory lending practices resulted in neighborhood property value decline, a rise in vacancy, an increase in criminal and gang activity, increased police and fire protection costs, increased costs to secure, acquire, rehabilitate or demolish abandoned properties and additional expenditures for administrative, legal and social services.

The case was initially dismissed in January 2010, when U.S. District Judge J. Frederick Motz determined that the City had not established a causal connection between the costs listed above and Wells Fargo's steering of borrowers into subprime loans. However, the judge allowed the City the option of filing a more limited complaint detailing specific damages caused in specific neighborhoods. The City chose to file an amended complaint providing further detail on the neighborhood impacts of the bank's alleged predatory lending. This complaint was also dismissed by Judge Motz in September 2010. The judge left the door open for the City to file a final amended lawsuit, which it did on October 21, 2010.

"Theoretically, the city does have viable claims," he said, "if it can prove specific injuries inflicted upon it at properties that would not have been vacant but for improper loans made by Wells Fargo."<sup>22</sup>

However, to date, no city has successfully extracted compensatory damages from a lender related to the deleterious effects of subprime lending on neighborhoods.

#### **vii. Protected Class Status and Housing Problems**

Lower-income minority households tend to experience housing problems at a higher rate than lower income White households.<sup>23</sup> Among owner

<sup>22</sup> Pettersson, Edvard. "Wells Fargo Wins Dismissal of Baltimore's Suit over Subprime Foreclosures." *Bloomberg* online, September 14, 2010.

<sup>23</sup> HUD defines housing problems as (1) cost burden of 30% or more (i.e., paying more than 30% of gross income on monthly housing expenses) and/or (2) lacking complete kitchen or plumbing facilities, and/or (3) overcrowding of more than 1.01 persons per room.

households with incomes below 80% of the median family income in 2000, 42.7% of White households experienced problems compared to 52.1% of Blacks and 58% of Hispanics.

However, among all renter households of similar income levels, Black households reported a slightly lower rate of housing problems (52.9%) compared to Whites (55.3%) and Hispanics (57.4%).

**OBSERVATION:** In general, lower-income minority households are more likely than lower-income White households to experience housing problems such as cost burden, overcrowding and substandard units.

**Figure 1-21  
Lower Income Households with Housing Problems, 2000**

Baltimore City	Total Households 0-80% of MFI		Elderly 1 & 2 Person Households 0-80% of MFI		Family Households 0-80% of MFI		All Other Households 0-80% of MFI	
	Total	% with any Housing Problem	Total	% with any Housing Problem	Total	% with any Housing Problem	Total	% with any Housing Problem
<b>Renters</b>								
White Non-Hispanic	23,990	55.3%	7,285	55.0%	5,775	55.5%	10,930	55.4%
Black Non-Hispanic	69,805	52.9%	13,460	48.4%	36,020	56.2%	20,325	50.0%
Hispanic	1,734	57.4%	184	46.2%	775	71.0%	775	46.4%
<b>Baltimore City Total</b>	<b>95,529</b>	<b>53.6%</b>	<b>20,929</b>	<b>50.7%</b>	<b>42,570</b>	<b>56.4%</b>	<b>32,030</b>	<b>51.8%</b>
<b>Owners</b>								
White Non-Hispanic	24,375	42.7%	12,560	37.8%	6,860	44.4%	4,955	53.0%
Black Non-Hispanic	36,580	52.1%	10,800	47.9%	20,085	52.3%	5,695	58.9%
Hispanic	569	58.0%	140	39.3%	345	65.2%	84	59.5%
<b>Baltimore City Total</b>	<b>61,524</b>	<b>48.4%</b>	<b>23,500</b>	<b>42.5%</b>	<b>27,290</b>	<b>50.5%</b>	<b>10,734</b>	<b>56.2%</b>

Source: HUD Comprehensive Housing Affordability Strategy data

## 2. EVALUATION OF CURRENT FAIR HOUSING PROFILE

This section provides a review of the past and current fair housing planning initiatives, and the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Citizens of the City of Baltimore receive fair housing services from a variety of organizations, including but not limited to the Baltimore Neighborhoods, Inc., the Maryland Disability Law Center, Legal Aid, the Maryland Commission on Human Relations, the Greater Baltimore Community Housing Resource Board. These groups provide education and outreach, sponsor community events, process fair housing complaints, and in some cases investigate complaints through testing, and/or work to promote a mutual understanding of diversity among residents. While some offer only referral and educational programs to the community, others concentrate their efforts in tenant/landlord issues and real estate testing.

### A. Existence of Fair Housing Complaints

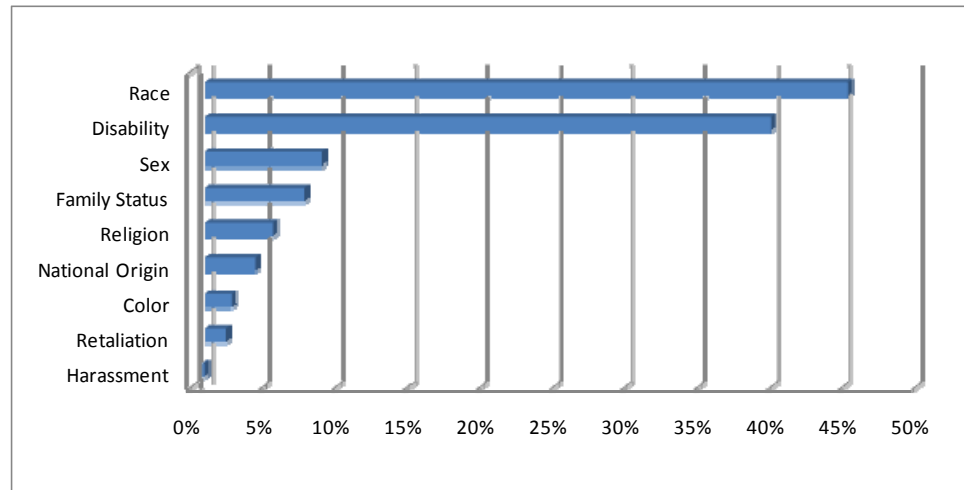
A lack of filed complaints does not necessarily indicate the absence of discrimination. Some persons may not file complaints because they are not aware of how to file a complaint or where to go to file a complaint. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker. Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Also, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and enduring a protracted legal battle. According to the Urban Institute, 83% of those who experience housing discrimination do not report it because they feel nothing will be done. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

#### i. U.S. Department of Housing and Urban Development

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the federal Fair Housing Act. Fair housing complaints originating in the City of Baltimore were obtained and analyzed for 1996 – 2009. As of October 2009, there were 15 open cases. In total, 242 complaints originating in the City were filed with HUD since 1996, an average of 19 per year. The number of discrimination cases filed with HUD has generally risen during the past 13 years, from three in 1996, eight in 1997, and 13 in 1998, to 23 in 2007, 20 in 2008, and 11 through October 2009, spiking in 2005 with 41 cases. There is an ebb and flow among filings, with sharp fluctuations from year to year.

Race was the most common basis for complaint, followed by disability. A summary appears in the following chart. Many complaints were filed on multiple bases, so the chart reflects the percentage of all complaints that involved each basis.

**Figure 2-1**  
**HUD Complaints by Basis of Discrimination, 1996-2009**



Of the 242 complaints filed since 1996, 2 (.8%) were conciliated with a successful settlement. One of the settled cases involved disability, while the other involved race. Of the settled complaints, one case involved the issue of discrimination in terms and conditions for making loans. The other case involved refusal to make or permit reasonable accommodation.

Discrimination findings were issued in eight cases by the Maryland Commission on Human Relations, a Fair Housing Assistance Program (FHAP) agency designated by HUD to enforce the state's fair housing law, which has been deemed to be substantially equivalent to the federal Fair Housing Act. Because the Commission is a HUD partner agency, it cross-files any fair housing complaints it receives with HUD. Of the eight cases, six involved discriminatory refusal to rent or negotiate for rental, once in 1999 on the basis of disability, twice in 2001 on the basis of sex and disability, in 2002 on the basis of race, in 2003 on the basis of race, and in 2004 on the basis of familial status. The other two involved discrimination in terms, conditions, and privileges relating to rental – one each in 1997 and 1999, both on the basis of race.

Of all complaints filed, 141 (58.3%) were found to be without probable cause, a finding made when the preponderance of evidence obtained during the course of the investigation is insufficient to substantiate the charge of discrimination. The remaining 101 (41.7%) were administratively closed, often due to complaint withdrawal before or after resolution, judicial dismissal or the complainant's refusal to cooperate.

**OBSERVATION:** The most frequently cited basis for housing discrimination in the City of Baltimore was race, followed by disability. However, more than half of all complaints filed with HUD between 1996 and 2009 in the City were found to be without probable cause.

**ii. Maryland Commission on Human Relations**

The Maryland Commission on Human Relations is a state agency empowered to enforce Maryland's laws against discrimination in employment, housing and public accommodations. Additionally, the agency provides related educational and outreach services, though this role has been diminished in recent years due to budgetary restrictions. According to its 2009 Annual Report, the Commission relies on more than 130 trained volunteer mediators to resolve cases before they reach the process of investigation and litigation. However, the agency continues to process and resolve a substantial number of housing discrimination complaints.

On November 4, 2009, the AI consultant mailed a formal request for data on the number and nature of fair housing complaints in the City of Baltimore to the Maryland Commission on Human Relations. In addition to details on all complaints filed since September 2006, the letter requested fair housing complaints where the Commission or its staff had made a finding of discrimination or probable cause, findings of noncompliance by HUD or the Commission, the number of administrative releases issued for complaints and any other information relevant to the AI. The letter additionally explained the reason for the request.

In response, the Commission declined to provide the data requested, citing "confidentiality restrictions." The only information available for review was general statistics provided in recent Annual Reports published publicly by the Commission. According to the latest report, the agency received a total of 834 individual discrimination complaints across Maryland in FY 2009, 10% of which (82) were related to housing. In the same year, 778 cases were resolved, 11% of which (86) involved housing. Of the 33 housing discrimination complaints in which race or ethnicity was cited as a basis, 26 claimants (84%) were Black, four were White, one was Asian and two were Hispanic. An additional 18 cases were filed on the basis of familial status, and 16 cases were related to disability. Gender was an issue in nine cases, while marital status and sexual orientation did not factor into any cases.

Of the 82 housing discrimination complaints received statewide in FY 2009, 11 originated in the City of Baltimore.



The Maryland Commission on Human Relations cross-files complaints it receives with HUD due to its status as a FHAP partner agency (see above). The HUD cases reviewed for this analysis include complaints filed with the Maryland Commission on Human Relations. However, the complaints were not identified as having been filed with both HUD and the Maryland Commission on Human Relations. Without data directly from the Commission, analyzing complaints filed at the state level is difficult.

**OBSERVATION:** Because the Commission withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates are unable to target testing, education, education and outreach efforts to particular geographic locations or specific types of discrimination (e.g., sales versus rental, race, disability, familial status, etc).

**iii. Baltimore Community Relations Commission**

The Community Relations Commission is the City agency responsible for combating illegal discrimination in housing, among other areas, based on race, color, religion, national origin, ancestry, gender, physical or mental disability, sexual orientation, gender identity and expression and marital status. As part of its duties, the Commission receives and investigates complaints of alleged unlawful discrimination.

The Commission has been in existence since 1956, with members appointed by the Mayor with the advice and consent of City Council. Currently, the Commission has nine staff members, five of whom are investigators. This indicates that a substantial number of complaints pass through the office, whether related to housing, employment, or another arena. However, the Commission reported during the development of the AI that no information was available on the number, type or status of complaints filed in recent years. Additionally, the Commission does not publish an annual report.

**OBSERVATION:** No data is available on the housing discrimination complaints handled by the City's Community Relations Commission. Therefore, it is not possible to analyze trends in complaints filed locally. It is also not possible to analyze the performance of the Commission's adjudication system. This absence of records makes it difficult for the City to efficiently target public resources to specific geographic areas and/or specific types of discrimination (e.g., sales versus rental, race, disability, familial status, etc).

## B. Patterns and Trends in Fair Housing Complaints

Race continues to be the primary basis of discriminatory complaints. However, HUD data indicates that complaints being filed on the basis of disability are also very prevalent. The prevalence of disability complaints, especially in recent years, is evidence that education, information and referral regarding fair housing issues for persons with disabilities is increasingly critical.

The number of discrimination cases filed with HUD has risen during the past 13 years, from three in 1996, eight in 1997 and 13 in 1998 to 23 in 2007, 20 in 2008 and 11 through October 2009, spiking in 2005 with 41 cases. This does not necessarily indicate a rise in discriminatory practices. The larger number of filings in recent years could be due to a number of factors, including increased awareness of fair housing issues, better citizen access to complaint mechanisms or simply a change in the way complaints are filed. However, the increase in complaints is significant enough to emphasize the need for continued real estate testing, particularly among rental units, for discriminatory practices.

### i. Testing

Baltimore Neighborhoods, Inc. (BNI) is a regional fair housing organization that provides a variety of services aimed to fight housing discrimination, support integrated communities, improve tenant-landlord relations, provide community education and outreach, and to advocate for accessible housing. BNI contracts with the City of Baltimore, Baltimore County and Harford County to complete housing discrimination testing in those jurisdictions. BNI conducts 50 paired tests per year in the City of Baltimore alone at a cost of \$1,000 per test at rental properties and \$1,200 per test at sales properties. The organization recaptures only a portion of these costs through its fair housing testing contracts.

BNI's cumulative testing logs for fiscal years 2008 and 2009 were analyzed for this report. During the two-year span, BNI completed 92 tests and re-tests for rental housing discrimination at various locations throughout the City. Details are as follows:

- 30 tests (32.6%) were for racial discrimination
- 53 tests (57.6%) were for discrimination on the basis of familial status
- 9 tests (9.8%) were related to disability. Of these, eight were accessibility surveys.

BNI staff members review the results of tests to determine their outcome and classification. "Significant differences" suggesting discrimination were found in 11 cases, and minor differences were found in 29 cases. Overall, some level of potential discrimination was determined in 43.5% of cases, while no discrimination was noted in 29.3% of cases. In the remaining 27.2% of cases, the test was incomplete or flawed or

discrimination was irrelevant (as in the case of accessibility surveys). Retests, included among the activities reported during the year in study, occur when BNI finds significant differences during an initial test.

Details on the 11 findings of blatant discrimination appear in Figure 2-2.

**Figure 2-2**  
**BNI Findings of Significant Differences, FYs 2008 – 2009**

Location	Year	Notes
Wyman Court	2008	Submitted to Legal Committee
Reisterstown Sq.	2008	Retest
Metropolitan	2008	Retest
Mt. Washington	2008	Retest
Gallery Tower	2008	Retest
The Eden	2008	Submitted to T&C Committee
Broadview Apts.	2008	Submitted to T&C Committee
Reisterstown Sq.	2009	Retest
Caral Gardens	2009	Retest
The Assembly	2009	Retest
The Willowbrook	2009	Retest

**OBSERVATION:** BNI found evidence of potential housing discrimination in 43.5% of rental market test and re-test cases during the period spanning 2008 through 2009, which indicates a significant need to address discriminatory practices in the private rental market. The prevalence of problems describes a real estate culture in which opportunities are not equal for members of the protected classes.

### **C. Legal Actions Related to Fair Housing**

The context for fair housing planning in the region has been materially influenced by a series of lawsuits, settlements, consent decrees and administrative challenges involving fair housing issues. Parties to these actions include HUD, local agencies, advocacy organizations and private plaintiffs. In general, these legal and administrative actions are aimed at deconcentrating racially and economically segregated neighborhoods, increasing the availability of affordable and accessible housing, providing relocation assistance to households displaced as a result of redevelopment activities and encouraging local agencies to adhere to their responsibility of affirmatively furthering fair housing.

#### **i. Thompson v. HUD**

Filed in 1994, this case considered whether the U.S. Department of Housing and Urban Development (HUD) acted unlawfully by failing to affirmatively desegregate Baltimore City public housing. The action was brought on behalf of a class of African Americans in the City of Baltimore who claimed discrimination on the basis of race. The complaint contended that Baltimore's public housing system was

originally established in the 1930s as a segregated program and that the program had yet to be desegregated by 1995 in violation of the Constitution and the Fair Housing Act.

In 1996, the parties entered into a partial consent decree (PCD), which permitted the demolition and redevelopment of several family high rise public housing developments to proceed. The sites were redeveloped as four HOPE VI sites and all are completed.

The redeveloped sites contained fewer public housing units and therefore the PCD provides for the creation of off-site replacement units subsidized by public housing operating funds or vouchers. These off-site units include 40 units to be created in Non-impacted Areas, as that term is defined in the PCD, which were completed in 2005. They also include 123 units in Sandtown Winchester, which is impacted. The parties agreed that 22 of the 123 units would be created in strong stable neighborhoods in Baltimore City. All of these 22 units have been purchased.

The PCD was amended in 1999 to provide for Broadway Homes, another family high rise development, to be demolished and redeveloped as a HOPE VI site. This amendment provides for the creation of 57 off-site units in Non-impacted Areas. All 57 units have been purchased and the majority are occupied. Those that are not are in the process of being rehabilitated.

The PCD required HUD to issue 1,342 tenant based vouchers to HABC that must be used in Non-impacted Areas in the Baltimore metropolitan area, which are listed by census tract in the PCD. The PCD also required HABC to hire a mobility counselor and made participation in mobility counseling a prerequisite to receiving one of the Thompson vouchers. HABC hired a contractor in 1999 to serve as the mobility counselor. However, that contract was ended, with HUD approval, because the contractor was unsuccessful in establishing an effective mobility counseling program. After subsequent procurement attempts did not result in the identification of an entity capable of creating a mobility counseling program, HABC hired the current contractor in 2002 using a sole source method. That contractor began issuing vouchers in 2003.

The PCD also provides for the creation of at least 168 homeowners in Non-impacted Areas through a lease to purchase demonstration program and 646 project based units. Another contractor was hired to implement these remedies.

In May 2007, HABC issued a new procurement for one or more contractors to run the tenant based voucher, project based voucher and homeownership programs. The contractor hired in 2002 to run the tenant based voucher program was selected. The program is known as the Special Mobility Housing Choice Voucher Program. As of January 31, 2011, 1,339 of the 1,342 tenant based vouchers were under lease; 320

project based units had been created, and 39 participants in the Special Mobility Housing Choice Voucher Program had become homeowners.

The PCD also provides in Section XII that “The Court will retain jurisdiction over the Local Defendants until their commitments under this Decree are met. Until such time, the Local Defendants will not seek public housing funds from HUD for public housing construction or acquisition with rehabilitation in Impacted Areas, and will not seek and engage in public housing construction or acquisition with rehabilitation with State PRHP funds in Impacted Areas.”

The PCD also required the City of Baltimore to create 911 hard units of affordable housing (as opposed to housing opportunities create via tenant-based vouchers) in Non-impacted Areas. Subsequently, the court modified the consent decree to extend the period of time in which the court retains jurisdiction over HUD in order to insure that the requisite 911 units of housing are produced. The hard units that remain to be completed are the 57 off-site Broadway units and the 22 units that were originally to be placed in Sandtown Winchester (see above). All of these units have been purchased. All but two of the 57 units are occupied. Both of the remaining units will be UFAS compliant. One is being rehabbed and the other is being newly constructed. The 22 units will be rehabbed and are expected to be ready for occupancy in 2012.

The Thompson trial was held in December 2003. At the trial, the plaintiff’s legal team alleged that the policies and redevelopment decisions made by the City of Baltimore and its public housing authority, HABC, (with HUD’s concurrence) resulted in the building of public housing occupied by African American families exclusively in poor, predominantly African American neighborhoods. The plaintiffs’ attorneys argued that the result of these actions perpetuated and exacerbated patterns of racial segregation. Public housing residents testified about the effects of segregation and their difficulty in securing housing outside of racially concentrated neighborhoods. A series of expert witnesses from around the country presented the results of their research relative to the historic pattern of segregation in Baltimore’s housing market and public policies that reinforced these patterns.

On January 6, 2005, Federal District Judge William Garbis issued a decision that emphasizes the need for regional solutions to patterns of segregation and racial isolation that have evolved over decades. The court placed full responsibility on HUD for its failure to promote fair housing opportunities for African American public housing residents in the Baltimore region. The Court found that the Plaintiffs did not prove intentional racial discrimination in public housing by HABC or the City of Baltimore or that either violated a duty to take affirmative action to address the effects of prior intentional race based discrimination. In addition, the Court found that the City of Baltimore and HABC did not have the option of investing its resources to expand the supply of affordable housing outside the city limits. The implication of the

decision is that HUD, in its oversight of housing programs in the suburban counties surrounding the City of Baltimore, is the only agency that has the legal authority to affect change on a regional level. It should be noted that none of the suburban counties or the State of Maryland are parties to the Thompson case.

HUD and the plaintiffs have been having settlement discussions regarding a negotiated remedy that will be acceptable to the Court as well as to them. If those settlement discussions are not successful, the Court will impose a remedy. Expert testimony has been presented on the range of potential remedial actions to be considered by the Court if the parties do not reach a settlement agreement. As of February 2011, the parties had not agreed on a negotiated remedy and the Court had not yet announced its findings on appropriate remedial actions. The fair housing action plan of this AI may eventually require amendment, depending on the negotiated or Court imposed remedy.

ii. **Bailey v. Housing Authority of Baltimore City and United States of America v. Housing Authority of Baltimore City**

In 2002, the private plaintiffs in this case (Rickey Bailey, Irene Preston and Lucy Curtis, collectively represented by the Maryland Disability Law Center) brought an action alleging that HABC engaged in discrimination against persons with disabilities by:

- Failing to transfer public housing residents with disabilities into accessible housing units
- Failing to modify public housing to render it accessible to persons with disabilities
- Refusing to permit persons with disabilities to apply for public housing
- Misleading persons with disabilities about their eligibility to apply for public housing and about the availability of housing for persons with disabilities
- Failing to respond to reasonable accommodations requests from persons with disabilities, and
- Designing and developing the public housing system in a manner that excludes persons with disabilities

The plaintiffs alleged that during the three years prior to filing this lawsuit, they were unsuccessful in their efforts to encourage HABC to permit non-elderly persons with disabilities to live in mixed-population public housing.

HUD executed a Voluntary Compliance Agreement (VCA) with HABC in 1995 which required HABC to take various steps to improve the accessibility of housing and non-housing facilities. In 2002, HUD referred the matter to the United States Department of Justice for litigation, citing HABC's failure to implement many of the provisions of the VCA. After conducting an investigation, the United States notified

HABC of its intent to file a lawsuit against HABC alleging that it violated the requirements of the Rehabilitation Act of 1973, the Americans with Disabilities Act and the Fair Housing Act by:

1. Denying access to its public housing and Section 8 housing programs to persons with disabilities
2. Operating housing programs that are not accessible to persons with disabilities
3. Failing to make available a sufficient number of public housing units that are fully accessible to persons with mobility impairments and/or sensory (vision and hearing) impairments
4. Failing to make common areas of its public housing developments and its administrative offices accessible to persons with mobility impairments
5. Unlawfully excluding non-elderly persons with disabilities from mixed population housing
6. Failing to complete a timely assessment of the needs of persons with disabilities for accessible housing as required by Section 504 and Title II regulations
7. Failing to distribute accessible units throughout its public housing developments in a sufficient range of sizes comparable to those available to persons without disabilities and failing to maximize the placement of persons with disabilities in accessible public housing units
8. Failing to grant requests for reasonable accommodation to applicants for and residents of public housing and Section 8 housing vouchers, and
9. Failing to provide assistance to Section 8 applicants with disabilities in finding and retaining suitable housing, including accessible housing for persons with mobility impairments

In order to avoid costly litigation, the private plaintiffs (represented by the Maryland Disability Law Center), the United States and HABC jointly entered into a consent decree on December 20, 2004. The consent decree requires HABC to:

1. Make available 755 units for public housing residents or households on HABC's public housing waiting list for persons who use wheelchairs or have other mobility impairments. Since federally assisted new housing construction requires 5% of the units to be UFAS accessible, only those newly constructed accessible units (i.e., above and beyond the 5% baseline requirement) count towards meeting the requirements of the Bailey Consent Decree.
  - a. Most of these units will be public housing units, however certain units may be non-public housing units that remain affordable (i.e., rents not to exceed 40% of tenant income)

- for a minimum period of 40 years. All units must meet Federal Uniform Federal Accessibility Standards (hereafter UFAS-accessible)
- b. In meeting this requirement, a minimum of 120 units must be made available through substantial rehabilitation or new construction, as follows:
    - i. a minimum of 60 units must be made available in buildings constructed after 2003
    - ii. contingent upon sufficient funding, as many of the remaining 60 units as possible are to be made available in buildings constructed after effective date of the Bailey Consent Decree (if the funding is insufficient then as many as possible of the remaining sixty (60) UFAS-compliant units are to be made available in buildings constructed after the effective date of the Bailey Consent Decree, with the balance of the remaining sixty (60) UFAS units to be created by bringing existing units in HABC's existing public housing inventory into compliance with UFAS).
  - c. At least 30 of the 755 units must be scattered site units. Of these:
    - i. at least 14 accessible scattered site units must be created, and
    - ii. in addition, HABC will create a \$2,000,000 fund that will be used to create as many additional accessible scattered site units as possible, but no fewer than 16 additional accessible units must be created
  - d. Not more than 19 of the 755 units may be owned by private landlords that receive project-based Section 8 assistance from HABC
  - e. The UFAS public housing units must be distributed throughout no fewer than 38 of HABC's public housing developments
  - f. The UFAS units must be provided in a variety of sizes with no fewer than 289 one bedroom units, 194 two bedroom units, 153 three bedroom units, 40 four bedroom units, 6 five bedroom units and 6 six bedroom units
  - g. HABC must make available no fewer than 67 one-bedroom convertible units dispersed throughout no fewer than 6 public housing developments that can be converted to provide sleeping accommodations to both the mobility-impaired resident and a personal care attendant



2. In addition to the 755 units in #1, another 75 “near UFAS compliant” units must be created for persons who have mobility disabilities, including persons who use wheelchairs.
3. Implement an Immediate Needs Plan to address the needs of public housing residents who are inadequately housed.
4. Make the common areas in public housing developments and in its administrative offices compliant with federal accessibility laws.
5. For each public housing development constructed after 1991, HABC is required to bring these units into compliance with Section 504 and the Fair Housing Act.
6. Create 500 housing opportunities for non-elderly persons with disabilities by: (1) designating 584 one bedroom units in family developments for non-elderly persons with disabilities, creating and estimated 181 additional housing opportunities for non-elderly persons with disabilities; (2) implementing a 3 out of 4 preference for non-elderly persons with disabilities for the remaining one bedroom units in the family developments, creating an estimated 218 additional housing opportunities; and (3) including in new housing development projects during the next 10 years a minimum of 100 units that will be designated for non-elderly persons with disabilities
7. Create 1,350 housing opportunities for non-elderly persons with disabilities using vouchers – 850 tenant based vouchers and 500 project based units.
8. Establish an Enhanced Leasing Assistance Program in which specialized assistance (consisting of housing search assistance, application fees, security deposits, utility hook-up fees and six months of post move tenant stabilization services) is provided to the recipients of the 1,350 vouchers.
9. Create and administer a \$500,000 fund for physical modifications to privately-owned apartments.
10. Implement improved procedures for reasonable accommodations in public housing and in the Section 8 voucher program
11. Provide fair housing training to HABC managers, Board members and staff
12. Create a \$1,000,000 settlement fund to compensate victims of alleged discriminatory practices by HABC
13. Pay a total of \$39,000 to the three private plaintiffs
14. Pay \$300,000 in attorney’s fees to the Maryland Disability Law Center

The status of these remedies as of February 2011 was as follows:

1. 577 existing public housing units have been retrofitted and certified as UFAS compliant
2. 26 scattered site units have been certified as UFAS compliant
3. 4 new construction units have been certified as UFAS compliant
4. 75 units have been certified as near UFAS compliant
5. The common areas at 38 public housing developments had been certified as compliant with accessibility laws
6. 599 families had been assessed to determine if they had an immediate need as defined in the consent decree
7. 584 one bedroom units in family developments had been designated for non-elderly persons with disabilities
8. 218 housing opportunities in HABC's family developments had been created for non-elderly persons with disabilities through the implementation of a 3 out of 4 preference
9. The Enhanced Leasing Assistance ("ELA") Program, which provides housing search assistance to non-elderly persons with disabilities who received vouchers set aside pursuant to the Bailey consent decree, was implemented
10. 973 non-elderly persons with disabilities in the ELA Program had leased a unit using a tenant based voucher
11. There had been 83 ELA Program participants initially leased in project based units created for non-elderly persons with disabilities
12. The \$1 million had been distributed as the result of the successful implementation of a claims administration process
13. The payments had been made to the three private plaintiffs and the Maryland Disability Law Center.

**OBSERVATION:** The City's fair housing landscape has been shaped by a variety of legal actions aimed at deconcentrating racially and economically segregated neighborhoods and increasing the availability of affordable and accessible housing.

### **3. EVALUATION OF PUBLIC AND PRIVATE SECTOR POLICIES**

The analysis of impediments is a review of barriers to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin. Policies, practices or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status, or national origin may constitute such impediments. In Maryland, protection is also extended to persons based on sexual orientation and marital status.

#### **A. Public Sector**

An important element of the analysis includes an examination of public policy in terms of its impact on housing choice. This section evaluates the public policies in the City of Baltimore to determine opportunities for furthering the expansion of fair housing choice.

##### **i. Federal Entitlement Programs**

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. Disruptions in the private tax credit equity markets and the decline in federal funding opportunities for affordable housing for lower income households has shifted much of the challenge of affordable housing production to state, county, and local government decision makers.

The Community Development Block Grant and HOME programs are the two primary HUD entitlement funds through which eligible communities can create new affordable housing opportunities in areas that are not racially or ethnically concentrated. CDBG funds are used for a variety of public services, planning, street improvements, clearance, housing rehabilitation, code enforcement, and economic development initiatives. The CDBG program serves to benefit primarily low and moderate income persons in accordance with the statutory requirements of the program. The City of Baltimore does not use CDBG funds for housing production.

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low- and moderate-income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including new construction, rehabilitation, homebuyer assistance and tenant-based rental assistance.

**a. Budget Process and Priority**

The review committee for CDBG subrecipient applications consists of the Commissioner, Deputy Commissioner, Assistant Commissioners, CDBG staff and any other staff as necessary. Several meetings are conducted to determine the use of CDBG funds. The Mayor makes final funding decisions with input from the Commissioner.

Applications are not scored. Instead, all new applications for CDBG funding are assessed according to the following criteria:

- Extent to which activity meets a national objective
- CDBG eligibility
- Consistency with the objectives outlined in the Five-Year Consolidated Plan
- Extent to which activity meets a mayoral or citywide objective
- Other resources committed to the activity
- Financial/programmatic viability of the applicant to undertake the activity

Should CDBG funding be requested for continuation of an existing CDBG-funded program, the application is reviewed according to the following criteria:

- Performance measurement
- Organizational capacity
- Compliance with CDBG rules and regulations
- Outstanding concerns not addressed or resolved

The City's Department of Housing and Community Development publishes a Notice of Funding Availability (NOFA) for HOME resources about once every 12 to 18 months. Typically, these rounds are coordinated with the State of Maryland's funding rounds for low-income housing tax credits (LIHTC), which occur every 6 to 12 months, and other resources. The Summer 2010 NOFA advertised approximately \$3 million in FY 2011 HOME funds.

Typically, NOFA rounds are announced about 30 days prior to the release of the application, in which applicants must complete portions of the State's funding application (form 202) along with the City's supplemental HOME application. Developers have 30 days to submit completed applications. Results are generally provided within 30 days. All applicants are strongly encouraged to attend a pre-proposal conference that provides information on structuring proposals and other details related to Baltimore Housing project support.

Because the State's LIHTC process requires local consent in the form of a resolution, the City couples its HOME NOFAs with a NOFA offering support for tax credit projects. Applications in this process pass through a threshold review stage. While the specific criteria are modified from round to round, for threshold, they generally include:

- Evidence of development team experience
- Evidence of site control
- Evidence of community consultation
- Financial feasibility
- Community plan
- Minority-owned and women-owned business participation
- Provision of units for non-elderly persons with disabilities (15% of tax credit units must be set aside for non-elderly persons with disabilities from HABC's waiting list, and the units must be subsidized with project-based vouchers.)

Applications that meet all of the threshold criteria are scored using a set of published criteria, generally similar to the following:

- Development team experience
- Developer and guarantor financial capacity
- Financial soundness
- Ability to proceed in a timely fashion
- Serving families
- Additional units for non-elderly persons with disabilities or units that are fully compatible with Uniform Federal Accessibility Standards (UFAS)

Regardless of overall ranking, a minimum point score to qualify for HOME funds is generally set. Applicants that pass the initial threshold review are invited to meet with a panel of Baltimore Housing employees to review the proposal. The panel reviews each submission thoroughly and submits individual scores, which are averaged to create a final score for each project. Projects are then ranked in point order. Applications are selected until available funds are exhausted.

CHDOs and subrecipients are informed of their fair housing and equal opportunity obligations via a meeting with the HOME program compliance manager prior to loan closing. CHDOs and subrecipients are also provided with a copy of the City's affirmative marketing policy, which is reviewed in the following section.

Beginning with the Winter 2011 NOFA, the City began awarding points to projects located in competitive, emerging and stable

neighborhoods as defined by the City's Neighborhood Typology map.

**OBSERVATION:** The City's selection criteria for HOME projects should include a standing policy to prioritize projects that have the effect of creating affordable housing opportunities within Baltimore City neighborhoods that are stable, emerging or competitive as set forth in Baltimore City's housing typology or, should the housing typology be replaced by a different measure of stability, in equivalent, neighborhoods that meet the subsequent measure of stability.

**b. Geographic Distribution of Activities**

As a result of a policy initiative advanced in the 2006 Comprehensive Master Plan, the City has prepared a housing market typology to assist in developing strategies that better match public resources to neighborhood market conditions. The typology is a classification scheme based on quantitative data using cluster analysis, a statistical technique that sorts through raw data and groups homogenous cases or observations into clusters. Objects in a cluster are similar to one another and dissimilar from objects outside the cluster. In analyzing the traits of its neighborhoods, the City includes the following eight variables at the census block group level:

- Percent home ownership (2000 Census)
- Percent commercial properties (City land use map)
- Percent vacant lots (Baltimore Housing database)
- Percent foreclosures (Circuit Court foreclosure filings)
- Median value of home sales (City real estate transactions)
- Percent code violations (Baltimore Housing database)
- Percent rental subsidies (Baltimore Housing database)
- Percent vacant homes (Baltimore Housing database)

The result is classification of each area into one of five categories: competitive, emerging, stable, transitional or distressed. The City uses the typology to appropriately apply its financial and other resources to neighborhood conditions. For example, demolition is considered unnecessary in competitive markets and used selectively in stable markets, whereas it is used in distressed markets to bring about change on entire blocks. The typology is also designed to inform neighborhood planning efforts by helping residents understand the market forces impacting their communities.

Due to the limitations on the amount of CDBG funds received by the City, the City generally does not use significant amounts of CDBG funds for capital projects. However, CDBG funds are used

for debt service on 108 loans. Over the five year period beginning July 2005, CDBG funds were used to assist over 2,000 extremely and very low income homeowners make repairs to their properties. Additionally, over 1,400 households received CDBG funded down payment and closing cost assistance in becoming homeowners during this period. These activities were not geographically targeted but occurred in neighborhoods throughout the City.

Between January 2005 and May 2010, the City expended \$33.9 million in HOME funds to develop 1,698 units, as follows<sup>24</sup>:

- 999 (58.8%) rental
- 558 (32.9%) elderly rental
- 79 (4.7%) homeownership
- 40 (2.4%) single-room occupancy
- 19 (1.1%) transitional housing
- 3 units classified as meeting Uniform Federal Accessibility Standards (UFAS)

In total, 37 of the units developed since 2005 meet UFAS. Additionally, 154 were classified as non-elderly disabled (NED). Eleven additional units were developed as part of the Thompson consent decree.

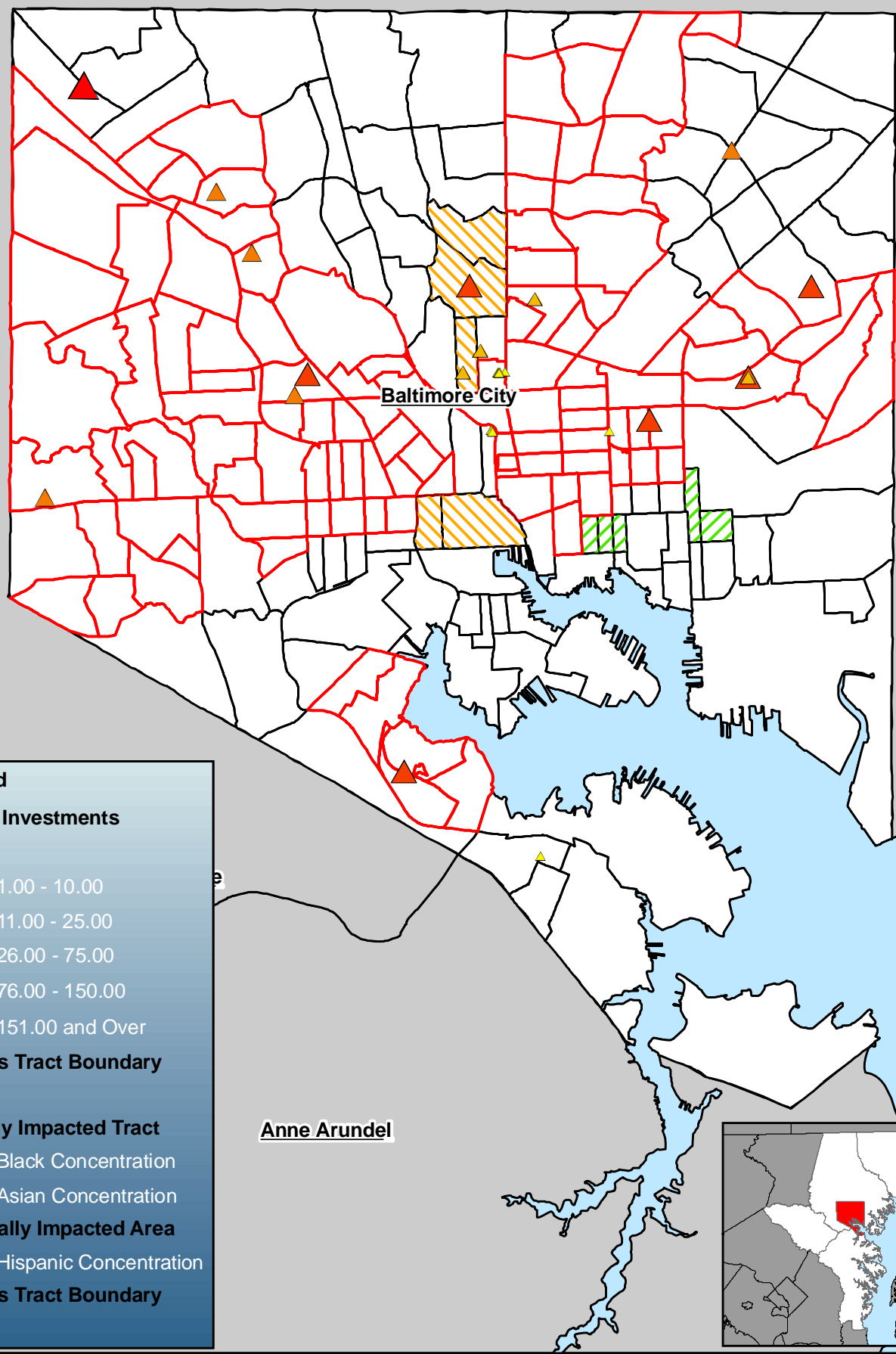
Map 8 on the following page depicts the distribution of the City's HOME investments. While the sites are scattered throughout the City, many fall into neighborhoods that are racially concentrated and classified as "transitional" or "distressed" by the City's housing market typology, likely due to the availability of affordable property in those areas.

**OBSERVATION:** The City's development of affordable units using HOME funds has expanded housing opportunities for lower-income families. In order to affirmatively further fair housing, the City now awards points for projects located in competitive, emerging and stable neighborhoods.

### c. Annual Plan and CAPER

Entitlement communities are required to prepare Annual Action Plans in which each entity describes the activities to be undertaken with CDBG and HOME funds. At the end of each fiscal year, a Consolidated Annual Performance and Evaluation Report (CAPER) is then developed to report on the progress achieved by each entitlement in its efforts to invest CDBG and HOME funds, and

<sup>24</sup> Figures are according to a database of HOME-funded development projects provided by the City for January 2005 to May 2010.



**Legend**

**HOME Investments Units**

- ▲ 1.00 - 10.00
- ▲ 11.00 - 25.00
- ▲ 26.00 - 75.00
- ▲ 76.00 - 150.00
- ▲ 151.00 and Over

**Census Tract Boundary**

⊕

**Racially Impacted Tract**

- ⊕ Black Concentration
- ⊕ Asian Concentration

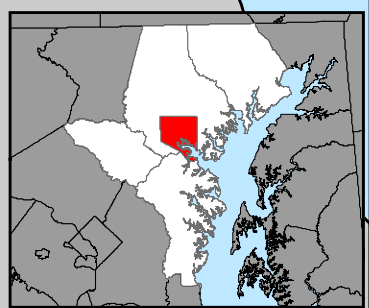
**Ethnically Impacted Area**

- ⊕ Hispanic Concentration

**Census Tract Boundary**

⊕

Anne Arundel





affirmatively further fair housing. The following narrative includes an analysis of how the County furthered fair housing through its investment of these federal funds.

1) 2010 Annual Plan

The Annual Plan for CFY 2010 (FFY 2009) includes the priorities and objectives planned by the City in various HUD categories such as housing, homeless prevention, community development and others. In terms of affirmatively furthering fair housing, the best indication of this policy being implemented is the creation of *new* affordable rental and sales housing units for families that are located outside of areas of racial or ethnic concentration. By creating new affordable family units outside of such areas, the City can provide housing choice for LMI minorities in non-concentrated areas, sometimes referred to as “communities of opportunity.”

Specifically, the City’s objectives related to expanding housing opportunities in the 2010 Annual Plan included the following:

- A total of 13 home ownership units and 5 rental units will be developed on a citywide basis. (HOME: \$1.5M)
- Properties in identified areas of decline (Coldstream-Homestead-Montecello, Johnston Square and Oliver) will be acquired, relocated or demolished in order to develop modern economically and socially diverse neighborhoods. (CDBG: \$6.9M)
- A 186-unit rental property will be rehabilitated as housing for low-income elderly and disabled residents. The Har Sinai House is located in the Cross Country neighborhood in northwestern corner of the City, a racially non-concentrated area identified as emerging/competitive by market typology. (HOME: \$62,693)
- A 108-unit rental property will be rehabilitated as housing for very-low-income elderly and disabled residents. The Har Sinai West Apartments are also located in Cross Country, a non-concentrated area. (HOME: \$1.5M)
- Eight units in the Oliver neighborhood (1600 block of E. Preston, Chase and Hamersley streets and 1200 block of Bond and Hamersley streets), a lower-income area of Black concentration, will be rehabilitated as ownership units.
- 77 rental units will be acquired, relocated or reconstructed at the former site of the Claremont

Homes public housing development. The site is in the Claremont-Freedom neighborhood, an area of Black concentration that market typology currently classifies as distressed. The neighborhood's typology will likely be reclassified to reflect the demolition of Claremont Homes and Freedom Village and their replacement with Orchard Ridge. Units will be assisted by project-based Section 8 vouchers (HOME: \$1.3M)

- Two vacant school buildings will be acquired and rehabilitated to create 30 units of rental housing for very-low-income elderly and disabled persons. The project is located in Mayfield, an area of Black concentration northeast of Downtown that is identified by market typology as an emerging neighborhood. (HOME: \$1.2M)
- The City provides a CHDO reserve to assist with housing development projects (CDBG: \$523,730) and assists with CHDO operating expenses (CDBG: \$50,000)
- The City will provide loans to assist 85 low- and moderate-income persons with closing and down payment costs for buying a home within the City (CDBG: \$301,000, City Bond: \$600,000)

**OBSERVATION:** Of the site-specific HOME activities included in the City's 2010 Action Plan, only units for income-eligible elderly and/or disabled residents are located in non-concentrated areas of the City. However, the City anticipates that the classification of the neighborhood in which Orchard Ridge is located will change to reflect the demolition of Claremont Homes and Freedom Village and their replacement with Orchard Ridge. Generally, the City funds one or two multi-family projects per year. Family rental opportunities have been expanded by projects in Coldstream-Homestead-Montecello, Johnston Square and Oliver.

## 2) CAPER

In its CAPER for 2009, the City of Baltimore reported on the activities completed and objectives met for the previous year. In terms of expanding fair housing opportunities, the City carried out the following affordable housing activities:

- Expanded the supply of rental units available to LMI households by 1,499 (345% of annual goal). This counts 1,335 new Section 8 participants and 164 units of vacant housing rehabilitated into rental housing. Most of these units (142) were developed by HABC.

- Assisted 354 renter households to become homeowners (59% of annual goal). Homeownership opportunities were offered by the Live Near Your Work program, Buying into Baltimore, ADDI, the Baltimore City Employment program, NHS and the Direct Homeownership Assistance program.

The City also assisted 489 homeowners to maintain their homes (116% of annual goal) and provided minor repair and maintenance assistance to 65 households (26% of annual goal), though these activities served goals other than creating new housing opportunities, such as the City's mandate to preserve existing housing opportunities.

Ten pages of the 2009 CAPER are dedicated to describing actions taken during the program year to affirmatively further fair housing on the part of the Baltimore Regional Fair Housing Group, the Housing Authority of Baltimore City (HABC) and the Department of Housing and Community Development (DHCD). The section is organized as lists of responses to the impediments identified in the 1996 AI. In summary, the City reported the following.

**Public/assisted housing impediments:** (1) shortage of units; (2) shortage of landlords participating in Housing Choice Voucher program; (3) de facto racial segregation; and (4) absence of local laws prohibiting discrimination on the basis of source of income

- Baltimore has been a leader in demolishing troubled, dilapidated public housing high-rises to create mixed-income HOPE VI communities, which the City reports has resulted in a deconcentration of poverty. All but 10 units to be created through the City's HOPE VI projects are complete. Since the 1990s, HOPE VI has driven the clearance of six public housing complexes in Baltimore and their replacement with thousands of single-family townhomes and apartments for mixed-income residents.<sup>25</sup>
- HABC's Rental and Assisted Housing Office continued to conduct extensive outreach to non-participant landlords, focusing on professionally managed properties in healthy communities. The office also regularly discussed recruitment strategies with its

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<sup>25</sup> Lafayette was replaced by Pleasant View Gardens; Lexington Terraces was replaced by The Townes at the Terraces; Murphy Homes was replaced by Heritage Crossing; Flag House Homes was replaced by Albemarle Square; and Broadway Homes was replaced by Broadway Overlook. Broadway was not included in the original Thompson partial consent decree, which was amended in 1999 to allow for Broadway's redevelopment.

Landlord Advisory Committee and uses GoSection8.com as a listing service for landlords. The office held a Housing Fair that was attended by 50 landlords and more than 100 voucher holders seeking units. Finally, the office continued to implement procedures to pay landlords in a timely manner and otherwise make the program more appealing to landlords.

- HABC does not agree that de facto segregation is present in its public or assisted housing and cites the outcome of Thomson, et al. v HUD as evidence to the contrary. Nonetheless, the Authority took action steps pursuant to the Thompson PCD and the 1996 AI recommendations:
- Metropolitan Baltimore Quadel (MBQ) continued its implementation of the Special Mobility Housing Choice Voucher program, in which participants received mobility counseling and assistance in locating housing in Non-impacted Areas in accordance with the Thompson PCD. As of June 30, 2009, 1,109 participants had successfully leased a unit using a tenant-based voucher, 308 had leased a project-based unit and 26 had become homeowners. As of January 31, 2011, 1,339 of the 1,342 tenant-based vouchers were under lease; 320 project-based units had been created and 39 participants in the Special Mobility Housing Choice Voucher Program had become homeowners.
- The 40 units required by the Thompson consent decree to be located in Non-impacted Areas and other areas of non-concentration as agreed upon by the parties, remained occupied.
- HABC was additionally required to create 57 units in non-impacted areas as part of the replacement housing for the 99 units demolished at the former Broadway Homes site. As of April 2011, 55 units were occupied. The 56th unit was undergoing rehabilitation, and the 57th, a new construction UFAS unit in Howard County, was expected to be ready for occupancy in December 2011.
- Sales and rental practice impediment: National testing shows discriminatory sales and rental practices with respect to Black and Hispanic households.
- DHCD subrecipient Baltimore Neighborhoods, Inc., conducted 37 fair housing tests, received 236 inquiries regarding fair housing issues, trained 12 fair housing

testers and received 26 housing discrimination complaints. As a result of testing, BNI confirmed four cases of “significant differences” in private rental practices. These cases will be pursued further through retesting with the possibility of eventual legal action.

- Mortgage lending practice impediment: There is no recent, comprehensive regional study of mortgage lending practices, though a local study showed that mortgage loan denial rates were significantly higher for Black households than White households in the City.
- The Greater Baltimore Community Housing Resource Board, a DHCD subrecipient, suspended its study during Fall 2008 during the height of the banking crisis, but resumed work in Spring 2009.
- In 2008, the City filed a lawsuit against Wells Fargo alleging that the bank engaged in reverse redlining and a pattern and practice of unfair, deceptive and discriminatory lending in minority neighborhoods with the purpose of putting inexperienced and underserved borrowers in loans they could not afford. As a result, the City argued, a disproportionately higher rate of foreclosures in Black neighborhoods has caused substantial and irreparable damages to those communities. The case was dismissed twice in federal court with the provision that the City may file an amended complaint. The City did so in October 2010.
- Homeowners’ insurance impediment: There are no regional studies of insurance practices, though a national study found discrepancies in insurance coverage in White and minority areas in the City.
- Upon meeting with representatives of the National Fair Housing Alliance in 2006 to discuss the best way to identify the extent and nature of insurance discrimination, the Baltimore Fair Housing Group determined that the issue would be among those addressed by the new AI.

*Affordable housing impediment:* The shortage of affordable housing units in the region negatively impacts families with children, persons with disabilities, Black households and the elderly.

- HABC continued to retrofit public housing units to make them compliant with the Uniform Federal Accessibility Standards (UFAS).<sup>26</sup>
- The Enhanced Leasing Assistance program continued to assist non-elderly persons with disabilities in leasing units using one of the 850 tenant-based or 500 project-based vouchers set aside for this population. As of June 30, 2009, 718 participants had moved through the program.<sup>27</sup>
- HABC hired a consultant to identify strategies for creating project-based voucher units and long-term affordable units for non-elderly persons with disabilities.
- The City assisted 329 households through its various homeownership programs. Additionally, the City continued implementing the American Dream Downpayment Initiative, which benefited 98 households.
- Zoning and land use impediment: All jurisdictions in the region have designated large segments of land to be used exclusively for single-family development. None has an inclusionary zoning program in place for affordable housing.
- The City passed an Inclusionary Housing Ordinance in 2007 that promotes the inclusion of housing opportunities for residents with a broad range of incomes in residential projects of 30 or more units.

*Accessibility impediments:* (1) Developers of multi-family housing are in violation of the Fair Housing Act; (2) jurisdictions are not aware of the availability of accessible housing; (3) there is a shortage of accessible public housing units in the City; and (4) the City needs to adopt its Section 504 self-evaluation and transition plan.

- HABC continued retrofitting public housing units in accordance with the Uniform Federal Accessibility Standards. The Authority makes units hearing- and vision-compliant within 14 days of receiving requests for this modification. Specific requirements relating to the City's Section 504 status are outlined in the Bailey

<sup>26</sup> As of June 2010, 608 units had been certified UFAS compliant consisting of 577 existing public housing units that had been retrofitted, 26 scattered site units and five new construction units.

<sup>27</sup> As of June 30, 2010, 1038 participants had leased units through the ELA Program – 973 using a tenant based voucher and 65 in Section 8 project based units.

consent decree, explained in the AI section on legal issues.

- HABC continued to include training on civil rights laws pertaining to persons with disabilities as a part of new employee orientation.
- HABC continued to provide documents in alternative formats and sign language interpreters upon request, according to the Communications Protocol.
- HABC continued implementation of the Enhanced Leasing Assistance Program, as described previously.
- HABC continued to collect information about accessibility features contained in units made available to Housing Choice Voucher holders by having landlords and inspectors complete accessibility feature checklists.
- HABC continued to implement its 3 out of 4 preference for one bedroom units in its family developments for non-elderly persons with disabilities.<sup>28</sup>
- The City issued Notices of Funding Availability that required developers seeking Low Income Housing Tax Credits to create one bedroom units for non-elderly persons with disabilities and also included incentives for the creation of additional UFAS compliant units and additional one bedroom units for non-elderly persons with disabilities.
- The City maintained HOME funds dedicated to making reasonable modifications of units leased by persons with disabilities in the Enhanced Leasing Assistance Program.
- The City continued to implement its visitability ordinance, which imposes specific requirements (such as accessible entrances, wide doors and environmental controls at certain heights) on newly constructed housing projects receiving City funding assistance.
- HABC required all development designs to incorporate visitability standards to the extent feasible.
- Baltimore Housing's Office of Home Ownership continued to connect City residents with the Maryland Homeownership for Individuals with Disabilities program.

<sup>28</sup> HABC completed the creation of 218 housing opportunities for non-elderly persons with disabilities. Therefore, in November 2010, HABC discontinued its 3 out of 4 preference for non-elderly persons with disabilities.

- DHCD subrecipient Making Choices for Independent Living conducted housing counseling for persons with disabilities, provided design ideas for accessible modifications and served as a liaison for persons with disabilities with legal agencies and service providers.
- Fair housing enforcement impediment: (1) The City's fair housing ordinance is not substantially equivalent to the federal Fair Housing Act because it does not provide for a private right of action. Therefore, housing discrimination complaints are filed with federal, state and private agencies rather than with local agencies. (2) The lack of effective fair housing enforcement programs, including the absence of effective fair housing laws or the lack of effective funding or staffing for the programs, results in complainants filing with federal, state and private agencies rather than with local programs.
- The City disagrees with these conclusions, arguing that its fair housing ordinance includes more protected classes than state and federal fair housing laws and is comprehensive in its prohibition of discriminatory activities, its accessibility requirements and its imposition of monetary penalties and damages.

**OBSERVATION:** The City's response to this identified impediment does not address the core issue, which is the alleged ineffectiveness of local fair housing ordinance enforcement mechanisms. The City's Community Relations Commission receives and investigates complaints of alleged unlawful discrimination. However, AI stakeholders reported that funding for this agency has been drastically reduced in recent budgets, a condition that has diminished the agency's ability to enforce the fair housing ordinance. The agency was unable to provide any information on complaints and does not publish annual reports. These facts suggest that record-keeping is not a priority.

If the Community Relations Commission does not have procedures that promote the timely processing and investigation of complaints and a record-keeping system that tracks the agency's work in an effective and efficient manner, it is understandable why Baltimore residents would choose not to file housing discrimination complaints at the local level.

*Outreach and education impediments:* (1) No programs were reported that were designed to educate the public with respect to the purchase or sale of homes and regarding the nature of affordable housing. (2) The City did not report educational efforts to address racial stereotypes and myths that may have a negative impact on fair housing choice.



- HABC and DHCD provide community education, outreach, homeownership counseling, affordable housing education, eviction prevention, landlord and tenant rights and other fair housing activities through its subrecipients. These services are available for all interested citizens regardless of protected class status. In FY 2009, these activities were delivered by BNI, Making Choices for Independent Living, Public Justice Center, Inc. and the Greater Baltimore Community Housing Resource Board.
- Additionally, the City reported the following actions in its CAPER to demonstrate its commitment to using HOME funds in non-discriminatory ways:
- The HOME program application describes all applicable federal requirements regarding affirmative marketing and FHEO standards.
- The Commitment Letter and security instruments for subrecipients cite the City's affirmative marketing policy.
- Federal FHEO signs are displayed in publicly visible areas.
- The City publishes a pamphlet containing information about affirmative marketing policies.
- The HOME program compliance manual is provided to each project owner and staff, in addition to being available at the Office of Project Finance and online.
- The resident demographics of HOME-funded projects are certified annually.
- City staff members provide on-site training and updated regulatory information to project owners and property managers to ensure compliance with both the spirit and intent of the regulations governing HOME-funded projects.
- DHCD encourages developers to conduct extensive outreach to advocacy groups who provide homeownership counseling and services to persons with disabilities. Developers are provided a listing of advocacy groups to contact for assistance in marketing to persons with disabilities. The City's FHEO office contacts the advocacy groups to determine the extent to which developers are seeking their assistance.
- All rental projects using HOME funds are required to provide, as part of the set of contract drawings, a proposed design to comply with the requirement that 5% of units be UFAS-accessible for persons with

mobility impairments and 2% of units be UFAS-accessible for persons with sensory impairments.

**OBSERVATION:** When preparing future CAPERs, the City should map the addresses of all new affordable housing initiatives financed with HOME funds to depict their locations in accordance with the City's typology map. This can be achieved without revealing confidential information of individual households. Such a procedure would enable the City to demonstrate its accomplishments in affirmatively furthering fair housing.

**d. Affirmative Marketing Policy**

As a recipient of CDBG funds, the City of Baltimore is required to adopt affirmative procedures and requirements for all CDBG- and HOME-assisted housing with five or more units. Such a plan should include:

- Methods of informing the public, owners and potential tenants about fair housing laws and the grantee's policies
- A description of what the owners and/or grantee will do to affirmatively market housing assisted with CDBG or HOME funds
- A description of what owners and/or the grantee will do to inform persons not likely to apply for housing without special outreach
- Maintenance of records to document actions taken to affirmatively market CDBG- and HOME-assisted units and to assess marketing effectiveness
- A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

The City's HOME Affirmative Marketing Plan, which applies to funding recipients with housing projects of five or more units, was reviewed as part of this analysis. It is comprehensive, addressing all HUD requirements.

The agreement places the responsibility of marketing on both the HOME subrecipient and on the City's Department of Housing and Community Development. DHCD must inform the public, potential tenants and property owners about the equal opportunity requirements using the methods described in Figure 3-1.

**Figure 3-1  
 DHCD's Affirmative Marketing Responsibilities**

General Public	Potential Tenants	Owners
Place news releases containing Equal Housing Opportunity logotype/slogans in the two major newspapers (The Baltimore Sun and The Afro-American Newspapers)	Provide circulars to explain the program to tenants in buildings scheduled for rehabilitation	Contact property owners interested in the program to inform them of the requirements for participation
Work with area employers, colleges, churches and other interested groups to involve them in addressing community housing needs		All solicitations for owners will indicate the DHCD's commitment to fair housing and a summary of the equal opportunity requirements
Contact various disability assistance organizations to advise them of the availability of accessible housing		

Owners of project properties are required to inform the general public regarding available housing opportunities using the methods described in Figure 3-2. In addition, the Affirmative Marketing Plan includes a special outreach provision with the stated goal of promoting integrated housing within the City and facilitating applications from persons in the housing market area who are least likely to apply. DHCD identified three types of persons least likely to apply: 1) non-minority persons applying for units located in areas of minority concentration, 2) minority persons applying for units located in areas of non-minority concentration, and 3) persons with physical or mental disabilities. Owner requirements to serve these populations are also included.

**Figure 3-2  
 Subrecipient Affirmative Marketing Responsibilities**

General Public	Least Likely Populations
Advertise in the local press and, if applicable, by other forms of media	Submit an affirmative marketing plan for approval to DHCD's FHEO Office. This plan should include:
Disseminate circulars describing the availability of housing to groups such as CHDOs, other nonprofit organizations and various concerned entities, including but not limited to Urban Services Agency Centers and the Mayor's Multi-Purpose Centers	1. Outreach efforts to the appropriate community organizations, such as but not limited to the NAACP, CPHA, Children's Defense Fund, BNI, Mental Health Law Project and various other fair housing organizations
Notify the Housing Authority of Baltimore City and request that applicants on the Authority's waiting list be advised of prospective vacancies and, if applicable, homeownership opportunities	2. Advertisement with various news media frequently used by these groups

DHCD requires that property owners selected for participation in the HOME program comply with the affirmative marketing requirements by acceptance of the equal opportunity statement and policy. Owners are required to submit equal opportunity data to the DHCD's Fair Housing and Equal Opportunity (FHEO) Office for review and monitoring. Special outreach activities must be implemented immediately upon the owner's awareness that a vacancy will occur.

All classified advertising is required to meet the standards set in Section 109.30 of the Fair Housing Act and must contain the words "Equal Opportunity Housing." All posters must be displayed in accordance with Section 110 of the Act.

Should an owner fail to carry out the required procedures or fail to maintain the required records, DHCD will issue warnings and provide an opportunity for the owner to correct identified deficiencies. Upon continued failure, DHCD may disqualify the owner from further participation in its HOME-funded activities. Additionally, DHCD will report violators to HUD, which make take corrective action for violation of the fair housing requirements.

The City has used Neighborhood Stabilization Program (NSP) funding to redevelop properties in neighborhoods hit especially hard by foreclosure, with the ultimate goal of ensuring long-term neighborhood stability. However, the City does not anticipate receiving more funding from this source.

The City did not create affirmative marketing procedures for the use of the NSP funds. In view of the mission statements of its five NSP subrecipients, the City has expressed confidence that the units produced by the owners would affirmatively further fair housing by

providing quality affordable housing to low- and moderate-income persons and households with disabilities. Therefore, the City found the promulgation of an official NSP Affirmative Marketing Plan to be unnecessary.

The City currently has five NSP subrecipients. Three subrecipients are undertaking rental projects that will either receive project-based voucher subsidy or will house individuals with tenant-based vouchers. Of the rental projects, two owners have as their mission to provide housing for persons with disabilities, and the third provides affordable housing in the Baltimore City region. The final two subrecipients are undertaking home ownership projects. Of these, one has a screening and selection process to target low-income persons, and the other has a mission to maintain equal housing opportunities for low- and moderate-income people and to support strong and diverse neighborhoods.

**e. Site and Neighborhood Selection Policy**

Recipients of HOME funds are required to administer their program in compliance with the regulations found at 24 CFR 983.6(b), known as the Site and Neighborhood Standards. These standards address the site location requirements for both rehabilitated and newly constructed rental units financed with HOME funds.

Site selection for HOME-assisted rehabilitated units must comply with several standards, including among other things, promoting greater choice of housing opportunities and avoiding undue concentration of assisted persons in areas containing a high concentration of LMI persons. For new construction, an additional standard is added. With few exceptions, site selection must include a location that is not in an area of minority concentration. However, the demographics of the City of Baltimore and the preponderance of areas of minority concentration severely limit the available areas within City borders that meet this criterion.

In its site selection for HOME projects, the City applies the market typology developed in 2005 to create neighborhood strategies that match public resources to housing market conditions. While there has been a demonstrated effort to locate new affordable housing opportunities outside of areas of racial concentration, there exists no formal policy that outlines the City's methods of confirming each project's compliance with HOME site selection regulations.

**OBSERVATION:** The City's DHCD should prepare a written policy that encompasses the requirements at 24 CFR 983.6 and that can be incorporated as part of the application review and approval process for all applicable HOME-assisted projects. All CHDOs, developers and subrecipients should receive a copy of this policy as part of the HOME application package. Such a policy will facilitate the City's goals toward affirmatively furthering fair housing.

**ii. Appointed Citizen Boards and Commissions**

A community's sensitivity to fair housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals involved in housing matters. The expansion of fair housing choice requires a team effort. Public leadership and commitment is a prerequisite to strategic action.

Housing and housing-related issues in the City are addressed by a variety of appointed citizen volunteer boards, as described below.

**a. Baltimore Community Relations Commission**

The Community Relations Commission is the City agency responsible for combating illegal discrimination in housing, among other areas, based on race, color, religion, national origin, ancestry, gender, physical or mental disability, sexual orientation, gender identity and expression and marital status. As part of its duties, the Commission receives and investigates complaints of alleged unlawful discrimination.

The Commission has been in existence since 1956, with members appointed by the Mayor with the advice and consent of City Council. Members meet monthly.

Currently, the Commission is staffed by nine employees, five of whom are investigators. This indicates that a substantial number of complaints pass through the office, whether related to housing, employment, or another arena. However, the Commission reported during the development of the AI that no information was available on the number, type or status of complaints filed in recent years. Staff members refer complaints outside of their jurisdiction to Baltimore Neighborhoods, Inc., or the State Commission on Human Relations.

Staff members conduct educational presentations on housing rights issues for community groups, professional groups, fraternal organizations and at union meetings, churches and schools. The Commission's services are publicized via an advertising campaign on buses, radio public service announcements, television commercials and mailings.

The Commission does not carry out any CDBG functions, and it is not involved in fair housing training or information programs for City employees with job duties related to housing. During the development of the AI, Commission staff reported that sustained budget reductions have significantly reduced the Commission's ability to provide outreach, education and information to the degree that it is needed in Baltimore.

The Community Relations Commission currently has 10 members. Six are Black; two are White, one is Hispanic and one is classified as “other” race. The Commission has six female members. No Commissioners were reported to have a disability.

**b. Housing Authority of Baltimore City Board of Commissioners**

The Housing Authority of Baltimore City (HABC) provides federally-funded public housing programs and related services for low-income residents. With an inventory of 28 family developments, 17 mixed population buildings, two senior buildings and scattered sites throughout the City, HABC serves more than 20,000 residents in more than 10,000 units. HABC also administers more than 12,000 Section 8 Housing Choice Vouchers.

HABC works closely with the City’s Department of Housing and Community Development (DHCD), which combines community and economic development with code enforcement. The organizational structures of HABC and DHCD have become integrated in recent years so that the agencies operate as one (Baltimore Housing) while retaining individual financial, legal and program integrity.

HABC’s Board of Commissioners currently has five members. All are Black; three are female and one has a disability.

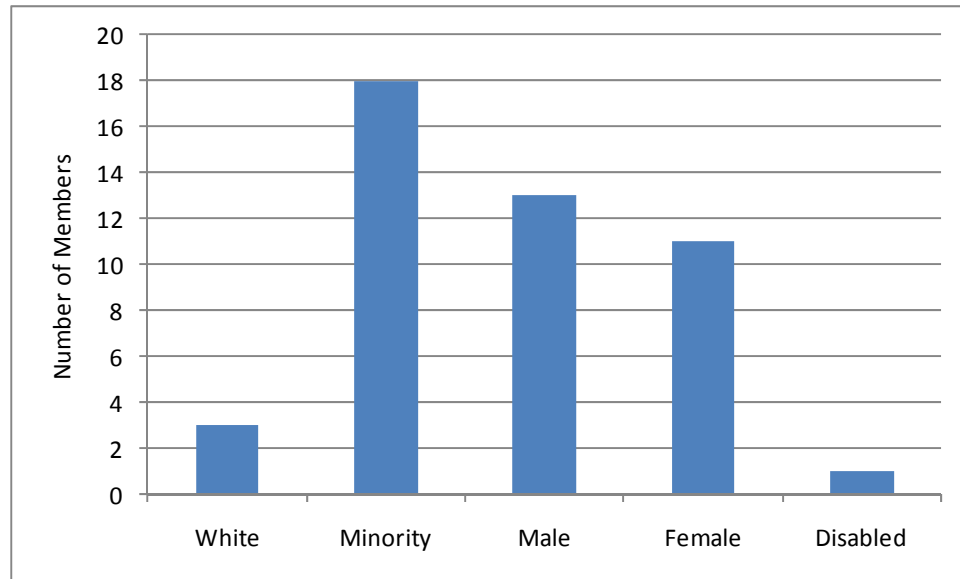
**c. Baltimore City Planning Commission**

The City’s Planning Commission oversees six planning divisions: Land Use and Urban Design, Comprehensive Planning, Research and Strategic Planning, Historical and Architectural Preservation, the Office of Sustainability and the Office of the Director. The Commission meets monthly.

The Planning Commission currently has nine members. Four are Black; four are White and one is Hispanic. The Commission is male-dominated, with only two female members.

The following chart illustrates the representation of racial minority persons and persons with disabilities on selected appointed boards and commissions in the City of Baltimore. The composition of the three commissions surveyed for membership demographics indicate that males and females are nearly equally represented, while minorities are also well represented. Persons with disabilities are underrepresented, as only one commission member out of 46 (2.2%) was reported to have a disability, compared to 27.5% of the City’s general population.

**Figure 3-3  
Composition of Citizen Boards and Commissions in Baltimore, 2010**



**OBSERVATION:** Persons with disabilities are currently underrepresented or underreported on City boards and commissions relating to housing issues. The experiences and perspectives of members of the protected classes are important in enhancing the decision-making process in the City and offer the opportunity to advance fair housing choice in all aspects of government.

**iii. Accessibility of Residential Dwelling Units**

From a regulatory standpoint, local government measures to control land use (such as zoning regulations) define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspections procedures.

**a. Private Housing Stock**

The Maryland Accessibility Code requires accessibility for persons with disabilities in certain new and rehabilitated residential and commercial property.<sup>29</sup> In 2004, the Department of Justice certified that Maryland's state code met or exceeded federal standards for accessible design. The City of Baltimore has modeled its own building and dwelling code against the standards of the 2006

<sup>29</sup> Department of Housing and Community Development: Building and Material Codes, Chapter 2. Article §2-111 and 3-103; Public Safety Article, §12-202; Annotated Code of Maryland



International Building Code. Article 00 of the City Code contains Building, Fire and Related Codes last updated in 2010.<sup>30</sup>

Article 13 of the City Code, Housing and Urban Renewal, was last amended in 2010 and includes provisions for multi-family dwellings, rooming housing, residential lease requirements, rent increases and eviction proceedings as well as the Affordable Housing Program and the City's Inclusionary Housing Requirements.

The City also has a visitability ordinance that applies to single-family dwellings (detached, attached and semi-detached) and ground-floor units of any two-family dwelling or of any multi-family dwelling containing four or fewer units that are newly constructed on a vacant lot and receive funding or other assistance from any City agency, including HABC. The ordinance requires that all such units provide an accessible no-step entrance and, on the level of the accessible entrance, unobstructed openings of at least 32 inches when the door is open at a 90-degree angle. Additionally, the units must have environmental controls (such as light switches) at specified heights, have a habitable space of a certain size and have a restroom with certain accessibility features.

For new HOME-assisted units, the City requires compliance with 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973. Multi-family development must comply with 24 CFR 100.204, which implements the Fair Housing Act construction requirements. To address the needs of persons with mobility impairments, a minimum of 5% of all units (or at least one unit, whichever is greater) must comply with the Uniform Federal Accessibility Standards (UFAS) required under Section 504. An additional 2% of units (or at least one unit) are required to be accessible for individuals with hearing or vision impairments. To ensure full compliance with these standards, a certification from a licensed architect stating that the design is in compliance with UFAS standards should be required of a developer at closing.

**b. Public Housing Stock**

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 require that a minimum of 5% of all public housing units be accessible to persons with mobility impairments. An additional minimum of 2% of public housing units must be accessible to persons with sensory impairments. In addition, an Authority's administrative offices, application offices and other non-residential facilities must be accessible to persons with disabilities. The Uniform Federal Accessibility Standards (UFAS) is the standard

<sup>30</sup> Available online at <http://legistar.baltimorecitycouncil.com/mattersearch/home.aspx>

against which residential and non-residential spaces are judged to be accessible.

In 2002, HUD found that the Housing Authority of Baltimore City (HABC) was in violation of Section 504 because fewer than 5% of HABC's units were compliant with UFAS. HABC and HUD were negotiating a voluntary compliance agreement when a breakdown in communications caused HUD to refer the matter to the U.S. Department of Justice. The Maryland Disability Law Center (MDLC) had filed a lawsuit against HABC (*Bailey, et al v. HABC*) alleging that the Authority had discriminated against persons with disabilities, and HABC and MDLC were negotiating a resolution of that lawsuit when the Department of Justice joined into negotiations. The result was the Bailey Consent Decree, which became effective in 2004. HABC continues to implement the remedies outlined in the Bailey decree, which is explained fully in the AI section on Legal Actions Related to Fair Housing.

**iv. Language Access Plan for Persons with Limited English Proficiency**

In order to accommodate persons with limited English proficiency (LEP) in the provision of information and services, the City of Baltimore has adopted a Communications Protocol to outline the various means of access to documents, public hearings and its website. This effort aims to serve targeted populations to the extent that available resources will allow, but the protocol incompletely fulfills the directive of Title VI of the Civil Rights Act of 1964 to proactively provide for the needs of LEP clients. The protocol specifies a policy for whether or not documents should be translated, depending largely on whether resources are available for translation. This methodology could prevent access – especially timely access – for certain language groups. The City should conduct a four-factor analysis, in accordance with the guidance at [www.lep.gov](http://www.lep.gov), to determine the extent to which the translation of certain vital documents should be completed proactively.<sup>31</sup>

The City does not have a Language Access Plan (LAP) to enhance access to services offered through the entitlement programs to persons with LEP. Figure 1-11 shows that the numbers of persons with LEP who are native Spanish, Chinese or Russian speakers may be sufficiently high to trigger the need for translation of vital documents.

<sup>31</sup> The LEP guidance is also outlined in the *Federal Register* of January 22, 2007.

**OBSERVATION:** The City is determining the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its federally funded programs. If it is determined that the need for an LAP exists, the City must prepare the Plan in order to comply with Title VI of the Civil Rights Act of 1964.

**v. Comprehensive Plan**

A community's comprehensive plan is a statement of policies relative to new development and preservation of existing assets. In particular, the land use element of the comprehensive plan defines the location, type and character of future development. The housing element of the comprehensive plan expresses the preferred density and intensity of residential neighborhoods within the City. Taken together, the land use and housing elements of the comprehensive plan define a vision of the type of community that the City of Baltimore wishes to become.

The City's Comprehensive Master Plan (CMP), adopted in 2006, is a six-year set of goals, objectives and strategies that are organized in the format of a business plan. The document's stated purpose is to direct the City's capital investment in order to effectively use public resources, to create 21<sup>st</sup>-century zoning strategies and to develop a public policy approach that can be adopted and implemented at all levels of government. The CMP represents the City's first comprehensive planning effort in more than 35 years.

The Plan is organized into four primary elements:

- LIVE addresses anticipated demographic changes and seeks to improve the quality of life for residents. Objectives for this section are to reverse population loss, mitigate concentrated poverty, return vacant properties to productive use, support mixed-use and transit-oriented development and historical districts, ensure environmental sustainability and increase housing choice and transportation access.
- EARN identifies seven economic growth sectors in which the City intends to create and expand employment opportunities. Strategies in this section focus on connecting employers with job seekers, worker training, supporting new businesses, improving access to jobs and business-to-business connectivity.
- PLAY seeks to improve and expand City amenities, including entertainment venues, cultural resources and recreational facilities. Many of this section's strategies are related to land use, as they include zoning to allow for live music or outdoor seating, developing and promoting shopping districts,

preserving historic properties and districts and zoning to protect recreational spaces.

- LEARN focuses on the City's educational facilities and programs at all levels, with initiatives to renovate distressed school buildings, improve graduates' job readiness, expand transportation options for students and faculty, open school facilities for broader community use and improve the design and transportation elements of campuses.

One of the most noteworthy features of the CMP is its clear commitment to implementation, as demonstrated by action-oriented strategies, the establishment of measurable outcomes and a stated commitment to link each of the City's capital improvement projects to one or more CMP goals. As the president of the City's Planning Commission noted in his letter introducing the CMP, this is a way for the City to demonstrate that it spends capital dollars in a way that ensures the achievement of the Plan's vision.

In 2008, the City conducted an evaluation report to gauge the implementation status of the CMP three years into its six-year scope. The evaluation determined that 50% of the Plan's strategies had been completed and adopted as City policy or ongoing efforts, while an additional 38% of strategies had been initiated and were on track for completion during the six-year scope.

The goals and strategies outlined in the LIVE element of the CMP are especially relevant to housing choice in Baltimore. The strategies that directly affect the housing market appear in figure 3-4.

**Figure 3-4**  
**Highlights of Comprehensive Master Plan LIVE Strategies, 2006**

<b>GOAL I: Build Human and Social Capital by Strengthening Neighborhoods</b>	
<b>Objective I: Expand housing choices for all residents</b>	<ul style="list-style-type: none"><li>• Develop, implement citywide inclusionary housing plan</li><li>• Ensure that at least 300 more units per year are accessible to seniors, persons with disabilities, low- and fixed-income households</li><li>• Expand eviction prevention services to help households retain housing</li><li>• Ensure Section 8 voucher preference to involuntarily displaced households</li><li>• Use housing market typology to target homeownership and rehabilitation loans, financial counseling</li><li>• Create and preserve mixed-income neighborhoods in competitive, emerging and stable neighborhoods with targeted disposition of City properties</li><li>• Eliminate homelessness citywide</li></ul>
<b>Objective II: Strategically redevelop vacant properties citywide</b>	<ul style="list-style-type: none"><li>• Establish multi-tiered property tax to encourage development of vacant property and parcels</li><li>• Develop vacant housing reclamation strategy for transitional and distressed neighborhoods</li><li>• Support creation of a Community Garden Land Trust to hold title to open spaces and gardens</li></ul>
<b>Objective III: Maintain and create safe, clean, healthy neighborhoods</b>	<ul style="list-style-type: none"><li>• Use housing market typology to target code enforcement</li><li>• Eliminate childhood lead poisoning</li><li>• Increase substance abuse treatment citywide</li></ul>
<b>Objective IV: Target neighborhood planning to leverage investment</b>	<ul style="list-style-type: none"><li>• Create area master plans in a targeted manner</li><li>• Apply neighborhood plans to leverage CIP resources in targeted areas</li></ul>
<b>Objective V: Increase the City's population by 10,000 households</b>	<ul style="list-style-type: none"><li>• Develop Growth Promotion Areas (GPAs) to absorb future population growth in the region</li><li>• Market the City to surrounding jurisdictions and Washington DC</li></ul>
<b>Objective VI: Improve neighborhood schools</b>	

<b>GOAL II: Elevate the design and quality of the City's built environment</b>	
<b>Objective I: Improve design quality of Baltimore's built environment</b>	<ul style="list-style-type: none"> <li>• Develop design guidelines to respond to the City's unique character</li> <li>• Create and adopt a citywide landscape ordinance</li> <li>• Update building code to promote sustainable, universal or high-performance buildings through incentives and regulations</li> </ul>
<b>Objective II: Streamline and strengthen the development process</b>	<ul style="list-style-type: none"> <li>• Modernize zoning codes to meet current needs</li> <li>• Improve efficiency of "one-stop shop" permitting center</li> <li>• Create a task force on interagency coordination for web-based, real-time access to development projects</li> </ul>
<b>Objective III: Promote transit-oriented development and mixed-use development to reinforce neighborhood centers and main streets</b>	<ul style="list-style-type: none"> <li>• Implement a TOD strategy to foster stronger neighborhood centers</li> <li>• Provide preferential capital funding for TOD projects</li> <li>• Create mixed-use with residential zoning category</li> <li>• Ensure all residents are within 1.5 miles of quality groceries and neighborhood services</li> </ul>
<b>Objective IV: Protect and enhance Baltimore's historic buildings and neighborhoods</b>	<ul style="list-style-type: none"> <li>• Update citywide historic preservation guidelines</li> <li>• Promote use of the Maryland Building Rehabilitation Code</li> <li>• Create, expand and promote historic structure tax credit programs</li> <li>• Create a fund/program that provides rehabilitation loans for lower-income families in locally designated historic districts</li> </ul>
<b>Objective V: Improve water quality and sustainability of the Chesapeake Bay</b>	
<b>GOAL III: Improve transportation access, accessibility and choice for residents</b>	
<b>Objective I: Create a comprehensive transportation plan</b>	
<b>Objective II: Facilitate movement throughout the region</b>	<ul style="list-style-type: none"> <li>• Create a regional authority to manage public transit and paratransit services through the metropolitan area</li> <li>• Create intermodal transit hubs in areas of low vehicle ownership</li> </ul>

The CMP calls for the City to rewrite its 1971 zoning code. This comprehensive rezoning effort, titled TransForm Baltimore, is still underway, as a proposed draft appears for review at [rewritebaltimore.org](http://rewritebaltimore.org). The draft ordinance is reviewed in the following section of the AI.

Additionally, the CMP resulted in the development of an inclusionary housing ordinance, approved in 2007 to foster and retain a mix of affordable, accessible and visitable housing choices and mixed-income neighborhoods throughout the City.

The ordinance requires the inclusion of affordable housing in two separate cases. For projects where there is “Major Public Subsidy” (MPS) AND more than 30 new housing units will be created, the developer must provide 20% of the total units as “Inclusionary”. For projects where there is “Significant Rezoning” AND that rezoning creates a right to more than 30 dwelling units the developer must provide 10% of the total units as “Inclusionary”. These “inclusionary” units must be affordable to residents at certain income levels, varying from 30% of AMI to 120% of AMI, depending on the type of subsidy and whether the project is rental or homeownership.

In order to not affect housing development in Baltimore the law was intended to create no “financial burden” on a developer or project. The law offers a system of cost offsets and incentives to “fully offset any financial impact” of the requirements. To the extent that available offsets are insufficient, the law waives the affordability requirements. The law further allows the Commissioner to waive the requirements for certain high cost housing.

In order to accomplish these objectives the law established the Inclusionary Housing Offset Fund to be used as the source of offset capital. The fund was established with a \$2,000,000 appropriation in 2007 and has not received additional appropriation. The fund is nearly fully obligated with \$1,750,000 expended to various projects.

Affordable units created through the ordinance are required to be comparable and complementary in appearance, quality and number of bedrooms to market-rate units. Affordable units must be dispersed throughout each project and completed in the same timeframe as market-rate units. Ownership units must be owner-occupied. Requests for modification must be approved by the Housing Commissioner and publicly reported. The affordability period of rental units is 30 years. If owner units are sold, the proceeds of the sale are shared between the owner and the City, with a larger proportion of the proceeds available to the owner after 10 years of occupancy.

These provisions have affected only two developments since they became effective in early 2009 (Union Mill in Hampden and Miller’s Court, each of which provided 10 affordable units), though two other projects built since the ordinance’s passage in 2007 voluntarily included affordable units.<sup>32</sup> The legislation mandating the inclusionary requirements includes a sunset provision in 2012. Some stakeholders believe that the sunset provision caused developers to delay projects in hopes that the legislation would not be renewed in 2012.

<sup>32</sup> Torbati, Yeganeh June. “Council president pushes for extension of affordable housing bill.” *The Baltimore Sun*, September 21, 2010.

The City believes that the law has not resulted in the creation of additional units because during the period that the law has been in effect, the housing market crashed. As a result, there has been very little market rate development that is covered by the law. The City also believes that the law can be improved and that the best way to improve it is give the real estate market a chance to revive and then measure the impact, costs and difficulties with the law. On June 24, 2011, the Mayor signed an ordinance extending the inclusionary housing ordinance through June 30, 2020.

**OBSERVATION:** The City's inclusionary housing ordinance has affected only three developments since early 2009, likely due to developer reluctance to create new units where housing values have fallen precipitously as a result of the recession. Now that the law has been extended through June 30, 2020, the City should analyze its effectiveness once the housing market rebounds to determine if the law can be improved.

**OBSERVATION:** The benefits of inclusionary housing in Baltimore would be more completely captured if surrounding counties adopted similar requirements. This would not only expand affordable housing opportunities outside of the City, but would also work to equalize the cost burdens of development across the region.

**OBSERVATION:** The City should continue to implement the CMP's strategies for incentivizing development, which include (but are not limited to) a streamlined review process, improved simplicity and flexibility in zoning and applying housing market typologies to leverage capital improvement investments in targeted areas.

**OBSERVATION:** While it is possible that the variety of ambitious strategies outlined in the Comprehensive Master Plan to preserve and enhance mixed-income neighborhoods in Baltimore will have the effect of increasing racial integration, the Plan lacks an overarching statement of policy that expresses the City's commitment to affirmatively further fair housing. The CMP is a logical instrument in which to state this policy, inasmuch as it encompasses all aspects of City government, not just the housing and community development functions.



**vi. Zoning**

The analysis of zoning regulations was based on the following five topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning and transit-oriented developments)
- Minimum lot size requirements
- Dispersal requirements and regulatory provisions for housing facilities for persons with disabilities (i.e. group homes) in single family zoning districts
- Restrictions on the number of unrelated persons in dwelling units.

**a. Date of Ordinance**

Generally speaking, the older a zoning ordinance, the less effective it will be. Older zoning ordinances have not evolved to address changing land uses, lifestyles, and demographics. However, the age of the zoning ordinance does not necessarily mean that the regulations impede housing choice by members of the protected classes.

Baltimore City has produced a draft zoning code comprehensively rewritten for 2010. Upon completion and adoption, the new version is expected to replace an antiquated 1971 code that did not account for the scope and magnitude of demographic, lifestyle and other changes that have occurred during the last few decades. The 2010 code is based on a comprehensive land use study, changes in state and federal law, interviews, focus groups, best practices in comparable cities, urban renewal plans, public review and a mandate to simplify and streamline development.

The rewritten code and draft maps were available for public display online, with comments accepted through February 15, 2011. An updated version of the draft code and maps, incorporating comments received, will be available in 2011. The City will seek adoption of the new code and maps in 2012.

**b. Residential Zoning Districts, Permitted Dwelling Types & Minimum Lot Sizes**

The number of residential zoning districts is not as significant as the characteristics of each district, including permitted land uses, minimum lot sizes, and the range of permitted housing types. However, the number of residential zoning districts is indicative of

the municipality's desire to promote and provide a diverse housing stock for different types of households at a wide range of income levels.

Because members of the protected classes are often also in low-income households, a lack of affordable housing may impede housing choice by members of the protected classes. Excessively large lot sizes may deter development of affordable housing. A balance should be struck between areas with larger lots and those for smaller lots that will more easily support creation of affordable housing. Finally, the cost of land is an important factor in assessing affordable housing opportunities. Although small lot sizes of 5,000 square feet or less may be permitted, if the cost to acquire such a lot is prohibitively expensive, then new affordable housing opportunities may be severely limited, if not non-existent.

Similar to excessively large lots, restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, discourage the development of affordable housing. Allowing varied residential types reduces potential impediments to housing choice by members of the protected classes.

Residential uses in some variety are permitted in a majority of the City's zoning districts. The 2010 draft code includes nine single-family residential districts and five multi-family/rowhouse districts. Additionally, four of the five commercial districts permit some form of residential use by right, including multi-unit row housing, licensed residential care facilities and above-ground-floor dwellings. Three of the City's seven industrial districts permit residential uses: multi-family housing, above-ground-floor housing and live/work facilities are allowed by right in industrial mixed-use districts; nearly all residential uses are allowed by right in the bio-science campus district; and live/work facilities are allowed by right in business/industrial districts. Some special-purpose districts, such as "office residential" and "rowhouse mixed use," also allow housing by right.

The updated zoning code includes more residential zoning categories than the prior version. The added specificity is intended to allow the zoning map to more precisely match existing conditions to zoning categories, making it more difficult to subdivide properties in a way that is incompatible with existing land use patterns. In theory, this allows the City to maintain the established character of neighborhoods while providing for compatible infill development.

In the code's prior version, areas with lot sizes averaging between 9,000 and 15,000 square feet were zoned R-1, which allowed some to be subdivided into two smaller properties. The City determined that this allowance was a potential threat to neighborhood character, so the minimum lot sizes are larger in the new code. R-1A grew

from 14,520 square feet to 87,120 square feet, and R-1B grew from 21,780 square feet to 43,560 square feet. R-1 remains 7,300 square feet. The updated code adds new single-family districts: R-1C (minimum 21,780 sq ft), R-1D (14,520 sq ft) and R-1E (9,000 sq ft). Even with the addition of larger lot sizes, there remain significant areas of the City where smaller lot sizes (i.e., less than 15,000 square feet) are the minimum requirement. Based on comments received on the first draft of the 2010 code, the Planning Department is considering a 3,000-foot detached zone to accommodate more affordable detached housing.

More notably, however, is the potential for new housing development on the increased minimum lot-sized parcels. For the City to be able to attract new residential development, including affordable housing development, the zoning regulations must allow for the development of larger homes that buyers can purchase in the surrounding counties and suburbs. Increasing minimum lot sizes is one way to level the playing field with surrounding jurisdictions.

Another change is the code's provision to maintain minimum lot widths in single-family districts, ranging from 30 feet in R-4 to 100 feet in R-1A. This provision, which will prevent the subdivision of lots into smaller lots with insufficient street frontage, is also designed to preserve neighborhood character.

The code includes six row house and multi-family residential districts serving a variety of purposes, including "transition" between single-family neighborhoods and mixed-housing neighborhoods, multi-family areas near mixed-use centers (high-density, low-rise) and high-density multi-family areas of high rises and row housing, among others. New design standards apply to each district and involve such specifications as façade elevation, material and siting requirements.

The code includes a minimum lot size requirement for single-family to multi-family conversions, also outlining minimums for building size, dwelling unit size and parking requirements. In an interview conducted during the development of the AI, the City's Planning Department characterized the new standards for conversions as "very equitable" and not based on geography. Conversions in the prior code were conditional and subject to less stringent standards.

The updated code removes the requirement of a 16-foot minimum width for row houses. As a result, most existing row houses will no longer be considered non-conforming structures and will no longer need City approval for minor changes, as is currently the case.

**OBSERVATION:** The 2010 zoning code outlines a new system for the classification of residential areas with the intention of preserving the established character of neighborhoods. Notably, the revisions may encourage more residential development that can compete with new development in the outlying suburbs. These changes, combined with the City's inclusionary zoning ordinance, may create new opportunities for affordable housing within Baltimore.

### **c. Alternative Design**

Allowing alternative designs provides opportunities for affordable housing by reducing the cost of infrastructure spread out over a larger parcel of land. Alternative designs may also increase the economies of scale in site development, further supporting the development of lower cost housing. Alternative designs can promote other community development objectives, including agricultural preservation or protection of environmentally sensitive lands, while off-setting large lot zoning and supporting the development of varied residential types. However, in many communities, alternative design developments often include higher-priced homes. Consideration should be given to alternative design developments that seek to produce and preserve affordable housing options for working and lower income households.

The City's updated code provides for a single type of planned unit development (PUD) that is permitted in all districts except the heaviest industrial areas. Intended to encourage flexibility and creativity in the development of land and structures, the PUD builds a greater degree of administrative discretion and regulatory efficiency into the process of developing mixed-use spaces that include a clear public benefit. Developers working with a PUD may apply for an exception to the underlying zoning district regulations of any type.

The Comprehensive Master Plan also established the City's policy for transit-oriented development (TOD), an approach that encourages intensifying and mixing land uses around transit stations, integrating public amenities and improving the quality of walking and bicycling as alternatives to vehicle travel. In its TOD strategy, the City recognizes that each transit station serves a neighborhood with unique values and opportunities. Therefore, the TOD planning process is structured to involve heavy community input so that projects meet the needs of residents, businesses and transit riders. The City's Development Guidebook contains a TOD checklist to guide City agencies in reviewing proposed projects near transit stations and in evaluating land-use plans, codes and ordinances.

The code describes two types of TOD overlays. TOD-1 was established for areas around existing and anticipated transit stations in “more urban” areas of the City, while TOD-2 was established for suburban or undeveloped areas of the City. The permitted and conditional uses are the same for both districts, but the bulk standards are different. For example, TOD-1 has no minimum lot requirement, while lots in TOD-2 must be at least 1,200 square feet. Buildings in TOD-1 are permitted by right to be 100 feet tall, but can be taller on a conditional basis, while buildings in TOD-2 may be only 60 feet tall.

**OBSERVATION:** The updated zoning code contains a variety of flexible allowances that support the creative development of specific projects, including the permitting by right of residential uses in a large proportion of non-residential districts, a process to facilitate the creation of planned unit developments, an inclusionary housing overlay and a transit-oriented development strategy.

**a. Definition of Family**

Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act. Restrictive definitions of family may impede unrelated individuals from sharing a dwelling unit. Defining family broadly advances non-traditional families and supports the blending of families who may be living together for economic purposes. Restrictions in the definition of family typically cap the number of unrelated individuals that can live together. These restrictions can impede the development of group homes, effectively restricting housing choice for persons with disabilities.

Baltimore’s proposed zoning code defines family as one of the following:

- An individual
- Two or more people related by blood, marriage, adoption or foster care, living together as a single housekeeping unit in a dwelling unit
- A group of not more than four people who need not be related by blood, marriage or adoption, living together as a single housekeeping unit in a dwelling unit.

Generally, a jurisdiction may restrict the ability of groups of unrelated persons to live together as long as the restrictions are imposed on all such groups. In Baltimore, where a family is defined to include not more than four unrelated persons, the ordinance, on its

face, would not appear to violate the Fair Housing Act if a group home for five unrelated persons *with* disabilities was not allowed to locate in a single family zoning district, because a group of five unrelated persons *without* disabilities would also be disallowed. However, because persons with disabilities are entitled to request reasonable accommodations in rules and regulations, the group home for five unrelated persons with disabilities would have to be given the opportunity to seek an exception or waiver. If the criteria for reasonable accommodation are met, the jurisdiction would have to issue the permit.

Alternately, the City could, instead of distinguishing between related and unrelated persons, define family by the way in which the household functions as a cohesive unit and the use of the residence is compatible with other dwellings in similar single family zoning districts. For example, defining family as “any group of individuals living together as the functional equivalent of a family where the residents may share living expenses, chores, eat meals together and are a close group with social, economic and psychological commitments to each other; a family includes, for example, the residents of residential care facilities and group homes for person with disabilities; a family does not include larger institutional group living situations such as dormitories, fraternities, or sororities” would be sufficiently broad to include large families, non-traditional families, and persons with disabilities residing in a group home.

**d. Regulations for Group Homes for Persons with Disabilities**

Group homes are residential uses that do not adversely impact a community. Efforts should be made to ensure group homes can be easily accommodated throughout the community under the same standards as any other residential use. Of particular concern are those that serve members of the protected classes such as the disabled. Because a group home for the disabled serves to provide a non-institutional experience for its occupants, imposing conditions are contrary to the purpose of a group home. More importantly, the restrictions, unless executed against all residential uses in the zoning district, are an impediment to the siting of group homes and are in violation of the Fair Housing Act.

Two primary purposes of a group home residence are normalization and community integration. By allowing group residences throughout the community in agreement with the same standards as applied to all other residential uses occupied by a family, the purposes of the use are not hindered and housing choice for the disabled is not impeded. Towards this end, municipalities may not impose distancing requirements on group homes for persons with disabilities.

The proposed zoning code does not define “group home.” The most applicable definition for this type of land use is a *licensed residential care facility*, referring to a state-licensed facility providing 24-hour medical or non-medical care for persons in need of personal services, supervision or assistance essential for sustaining the activities of daily living, or for the protection of the individual. The category is divided into the following sizes: small (up to eight residents), large (nine to 16 residents) and congregate (17 or more residents).

Small facilities are permitted by-right in all single-family residential districts. In multi-family and rowhouse districts, small facilities are permitted by-right, while large and congregate facilities are conditionally permitted in most areas.

The proposed zoning code requires that all licensed residential care facilities, wherever they are located, must meet all federal, state and local requirements related to licensing, health, safety and building codes. Additionally:

- The location, design and operation of the facility will not alter the residential character of the neighborhood.
- The facility must retain a residential character compatible with the surrounding neighborhood.
- The operation of the facility must not adversely impact surrounding properties.

The proposed zoning code’s provisions for small licensed residential care facilities complies with the Fair Housing Act because this type of land use is permitted by-right in all single family residential districts. The restriction of eight unrelated persons actually is more permissive than the definition of family, which allows not more than four unrelated persons living together. However, the additional requirements of physical compatibility with the neighborhood, etc. could be in violation of the Fair Housing Act if these same regulations are not imposed on all single family residential dwellings in the same zoning district. Furthermore, if a large licensed residential care facility consisting of nine unrelated persons with disabilities applied to locate in a single family zoning district, the City would be required to grant a reasonable accommodation request if the applicant could demonstrate that the facility of nine unrelated persons with disabilities would have no greater impact on the neighborhood than a similar facility of eight unrelated persons with disabilities.

**OBSERVATION:** Group homes are identified as “licensed residential care facilities” in the proposed zoning code. Small licensed residential care facilities consisting of up to eight unrelated persons are permitted by-right in all single family zoning districts although additional compatibility provisions are required. These same additional provisions would need to be placed on all single family dwellings in the same zoning district for the City’s proposed code to be in compliance with the Fair Housing Act. Furthermore, the City would have to consider providing reasonable accommodation to large licensed residential care facilities consisting of nine unrelated persons with disabilities if the applicant could demonstrate that the facility would have no greater impact on the neighborhood than a similar facility of eight unrelated persons with disabilities.

**vii. Housing Authority of Baltimore City**

**a. Housing Assistance**

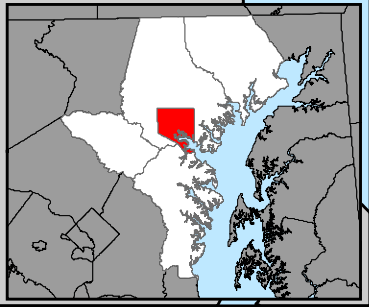
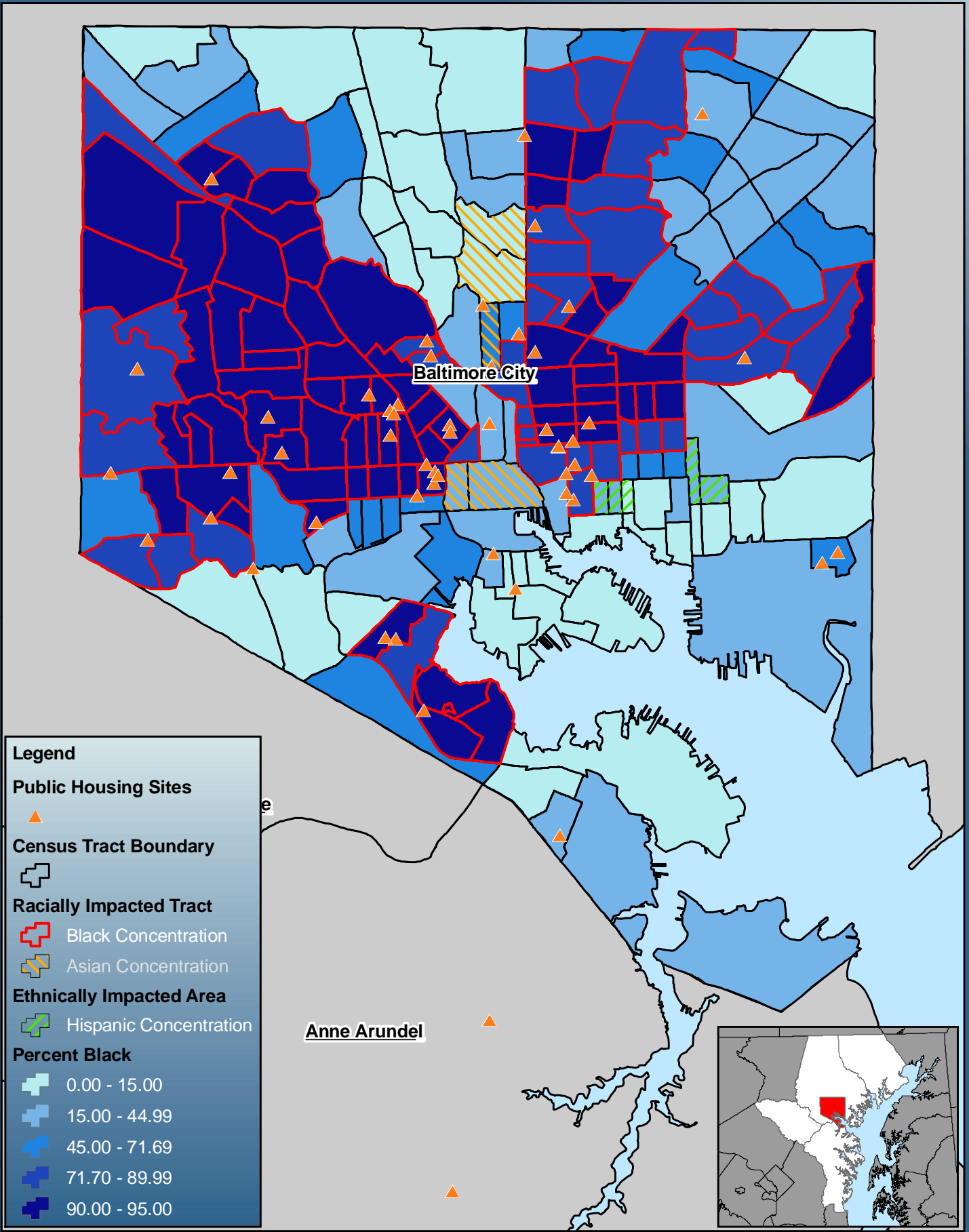
The Housing Authority of Baltimore City (HABC) serves as the City’s public housing agency. It is a Moving to Work (MTW) agency. MTW is a congressionally authorized national demonstration program that gives HABC the flexibility to waive certain regulations pertaining to the public housing and HCV programs. It also allows MTW agencies to make their public housing capital and operating funds and voucher funds fungible. HABC’s 10-year MTW plan with HUD became effective as of December 2008, though HABC has been a full participant in the MTW program since 2005.

HABC owns and manages 28 family public housing developments, two senior buildings, 17 mixed population buildings and 997 scattered site units throughout the City. As of December 2010, the Authority was serving more than 20,000 residents in 10,624 housing units and providing rental housing subsidies to an additional 11,720 families. Details on the public housing inventory by unit size and availability as of March 2010 appear in Figure 3-5.



# Map 9: Comparison of Public Housing and Racial Distribution in Baltimore City, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Figure 3-5  
HABC Public Housing Inventory, 2010**

Number of Bedrooms	Total Units	Available*	Occupied	Occupancy Rate**
0	1,345	1,219	1,185	97.2%
1	3,838	3,586	3,500	97.6%
2	3,497	3,309	3,173	95.9%
3	2,219	1,889	1,843	97.6%
4	761	563	494	87.7%
5	236	119	118	99.2%
6	48	24	19	79.2%
<b>Total</b>	<b>11,944</b>	<b>10,709</b>	<b>10,322</b>	<b>96.4%</b>

\* This category excludes units that are vacant and exempt for reasons of renovation, consent-decree-mandated alterations, modernization, disposition/demolition, reconfiguration or approval for non-dwelling purposes

\*\* Percentage of units available for occupancy that were occupied as of March 2010

Source: 2011 Move to Work Plan, HABC

- **Public Housing**

In FY 2011, HABC will continue to transform its portfolio of available units by adding 75 units to the inventory (39 one-bedroom, 11 two-bedroom and 25 units with three or more bedrooms) and removing 887 “non-viable and obsolete” units through demolition or disposition. A breakdown of the units to be lost appears in Figure 3-6.

**Figure 3-6<sup>33</sup>  
Public Housing Units to be Lost in FY 2011**

Project Name	Units	Status as of 4/2011
Somerset (vacant land disposition)	257	Planned for demolition
Barclay	34	Demolished, application submitted for disposition. To be redeveloped eventually.
O'Donnell Heights	596	
<b>TOTAL</b>	<b>887</b>	

Source: Baltimore Housing

HABC’s supply of public housing has contracted considerably over the course of the last two decades, with an occupied inventory of 16,525 units in 1992 falling to 10,322 in 2010.<sup>34</sup> Factors contributing to the loss in units include the age of HABC’s public housing stock, the capital improvements (roofs, heating systems, elevators, windows, etc.) needed to maintain

<sup>33</sup> The 887 units referenced in Figure 3-6 have been demolished.

<sup>34</sup> 1996 figure from “The Dismantling of Public Housing,” by Joan Jacobsen, published by The Abell Foundation in October 2007. 2010 figure reported in HABC’s 2010 Moving to Work plan.

the inventory, drastic cuts in HUD capital funding and the Thompson partial consent decree's provision prohibiting HABC from using public housing capital funds or State Partnership Rental Housing Program funds to create public housing in impacted areas of the City, which include the majority of the City.<sup>35</sup>

Creation of new units is limited by funding constraints. Aside from the HOPE VI program and Replacement Housing Factor funds, Congress does not fund the creation of new public housing units.

However, hard units may be replaced by vouchers. For example, the Thompson decree provides that vouchers issued via the Special Mobility Housing Program would replace a number of the public housing demolished as a result of HOPE VI redevelopment projects.

HABC's focus has been on creating the housing required by the Thompson PCD and the Bailey Consent Decree.

**OBSERVATION:** The inventory of public housing in the City has decreased since the 1990s, as budgetary, practical and legal considerations have made it difficult to maintain existing housing and create new housing. As the number of hard public housing units has decreased, the need for housing that serves low and very low income residents of Baltimore has increased.

Due to the inability of supply to meet demand, the waiting list for Housing Choice Vouchers closed in 2003 to everyone except persons with disabilities, who were able to apply until 2008. At that point, HABC closed the list for everyone. The public housing wait list is currently open and has never been closed.

HABC provided data on the income, family type, race and housing facilities occupied by its 10,423 current public housing tenants, as described in Figure 3-4. Black is the overwhelming majority race among tenants, representing 95.6% of all public housing families. By comparison, Black persons constituted 63.1% of persons in the City in 2008.

According to survey completed as part of the AI process, as of September 2009, there were 15,193 applicant households on the waiting list for public housing. Families with children account

<sup>35</sup> Although the number of hard public housing units has decreased, the number of families served by vouchers has increased from 12,306 in 1980 to 14,308 in 2011. The number of families in subsidized housing (public housing and vouchers) increased from 18,661 in 1980 to 24,795 in 2011.

for 75.6% on the public housing wait list and households with a disabled member represent 21.3%. Black, Asian, and other-race non-White households represent 95.8% of all waiting list applicants. Data on Hispanic ethnicity, counted independently of race, was not reported.

**OBSERVATION:** Black households are disproportionately represented among public housing tenants in the City, currently accounting for 95.6% of all tenant households. Furthermore, Blacks represented 94.2% of all tenant applicants on the public housing waiting list.

**OBSERVATION:** There are nearly 11,500 families with children on HABC's waiting list for family public housing units. These applicants compete for a total of only 6,761 habitable units of public housing with two or more bedrooms. These waiting list characteristics further indicate a significant unmet need for affordable rental housing for families in the City.

**Figure 3-7  
Characteristics of HABC Public Housing Households, Waiting List Applicants**

	Current Tenants		Waiting List	
	#	%	#	%
<b>Total Households</b>	<b>10,423</b>	<b>100.0%</b>	<b>15,193</b>	<b>100.0%</b>
<b>Income</b>				
Extremely low (<30% MFI)	9,445	90.6%	14,463	95.2%
Very low (>30% but <50% MFI)	829	8.0%	655	4.3%
Low (>50% but <80% MFI)	149	1.4%	64	0.4%
<b>Type</b>				
Families with children	4,280	41.1%	11,490	75.6%
Individuals/families with disabilities	3,468	33.3%	3,232	21.3%
Elderly (one or two persons)	2,695	25.9%	471	3.1%
<b>Race</b>				
White	248	2.4%	643	4.2%
Black	9,979	95.6%	14,319	94.2%
Asian	112	1.1%	51	0.3%
Other	104	1.0%	180	1.2%
<b>Characteristics by Bedroom Size</b>				
1 bedroom	3,550	34.1%	7,995	52.6%
2 bedrooms	3,180	30.5%	4,540	29.9%
3 bedrooms	1,849	17.7%	2,291	15.1%
4 bedrooms	505	4.8%	275	1.8%
5+ bedrooms	143	1.4%	55	0.4%

Source: HABC "Moving to Work" Annual Report FY 2009

- Housing Choice Voucher Program

HABC's Section 8 Housing Choice Voucher (HCV) leased inventory included 14,543 units as of March 2010, including 13,433 MTW units and 1,011 non-MTW units. By the end of FY 2010, HABC projected that its total HCV leased inventory would rise to 14,578. Between July and December 2009, including Thompson voucher activity, HABC reported an overall increase of 918 HCV leased households over the level reported at the end of FY 2009. The distribution of HABC vouchers by program appears in Figure 3-8.

**Figure 3-8**  
**HABC Vouchers Leased as of December 2009**

<b>MTW Tenant Vouchers</b>	<b>13,109</b>
<b>Project based</b>	<b>998</b>
Non consent decree	814
Bailey	64
Thompson	120
<b>Tenant based</b>	<b>12,111</b>
Non consent decree	9,934
Bailey	888
Thompson	1,289
<b>Non-MTW</b>	<b>1,109</b>
Section 8 moderate rehab	342
Section 8 new construction/substantial rehab	767
<b>TOTAL</b>	<b>14,218</b>

Source: HABC MTW Annual Plan FY11

Families with children account for 57% of all Section 8 households, while households with a disabled member represent 30.4% of all voucher holders. Non-White households represent 94.4% of all voucher holders.

Maps 8, 9 and 10 on the following pages describe the distribution of public housing sites and the settlement pattern of Section 8 voucher holders across the City.

Of the 11,485 households on the voucher waiting list, households with a disabled member account for 53.9% of all applicants, while families with children represent 38.2%. Non-White household applicants account for 93.7% of the waiting list. The percentage of those on the waiting list who report a disability is high at least in part because between 2003 and October 2008, only persons with disabilities were permitted to apply for vouchers. In October 2008, the waiting list was closed to everyone. It is worth noting that not all persons reporting a disability will require a unit designed to be accessible to those with mobility or sensory disabilities. The HCV application provides for applicants to indicate if they need an accessible unit. However, the information cannot be

retrieved from the electronic system that HABC uses to manage its voucher program in an aggregate form. As a result, HABC cannot use the information provided on the voucher applications to determine the need for accessible units by applicants and participants in the voucher program.

**Figure 3-9**  
**Characteristics of Section 8 Households and Waiting List Applicants**

	Current Tenants		Waiting List	
	#	%	#	%
<b>Total Households</b>	<b>12,551</b>	<b>100.0%</b>	<b>11,485</b>	<b>100.0%</b>
<b>Income</b>				
Extremely low (<30% MFI)	11,006	87.7%	10,658	92.8%
Very low (>30% but <50% MFI)	1,420	11.3%	756	6.6%
Low (>50% but <80% MFI)	125	1.0%	66	0.6%
<b>Type</b>				
Families with children	7,153	57.0%	4,386	38.2%
Individuals/families with disabilities	3,818	30.4%	6,194	53.9%
Elderly (one or two persons)	1,584	12.6%	905	7.9%
<b>Race</b>				
White	697	5.6%	725	6.3%
Black	11,792	94.0%	10,636	92.6%
Asian	10	0.1%	34	0.3%
Other	56	0.4%	90	0.8%
<b>Characteristics by Bedroom Size</b>				
0 bedroom	904	7.2%	170	1.5%
1 bedroom	2,444	19.5%	5,381	46.9%
2 bedrooms	3,149	25.1%	3,580	31.2%
3 bedrooms	3,716	29.6%	1,899	16.5%
4 bedrooms	891	7.1%	390	3.4%
5+ bedrooms	186	1.5%	65	0.6%

Note: Calculations do not include the Special Mobility Vouchers.

Source: HABC "Moving to Work" Annual Report FY 2009

**OBSERVATION:** Black households also are disproportionately represented among Section 8 voucher holders, constituting 94% of current tenants and 92.6% of waiting list applicants, despite constituting less than 65% of the City's general population.

**OBSERVATION:** The waiting list for Section 8 vouchers is extensive in Baltimore. There are currently 4,386 families with children on HABC's Section 8 Housing Choice Voucher waiting list. Additionally, there are 6,194 individuals or families with disabilities on the list. However, because not all persons with disabilities need accessible units, the City should determine the need for accessible and affordable rental housing for families.

HUD's Picture of Subsidized Households dataset contains records on the number of subsidized units by type for 2000 and 2008. Comparisons between the two years are based on an assumption of consistent data collection and reporting methods. HUD's records show an overall 0.4% increase in subsidized rental units across the City of Baltimore. Compared to 2000, 30 more Low-Income Housing Tax Credit (LIHTC) projects were on record in 2008, adding 2,363 LIHTC units to the inventory. At the same time, other types of units were lost due to the expiration of program provisions, demolition, consolidation or other causes. Figure 3-8 includes the HUD dataset. Map 10, on the following page, illustrates the distribution of these units across the City in comparison to areas of racial and ethnic concentration.

**Figure 3-10**  
**Subsidized Units by Type, 2000 and 2008**

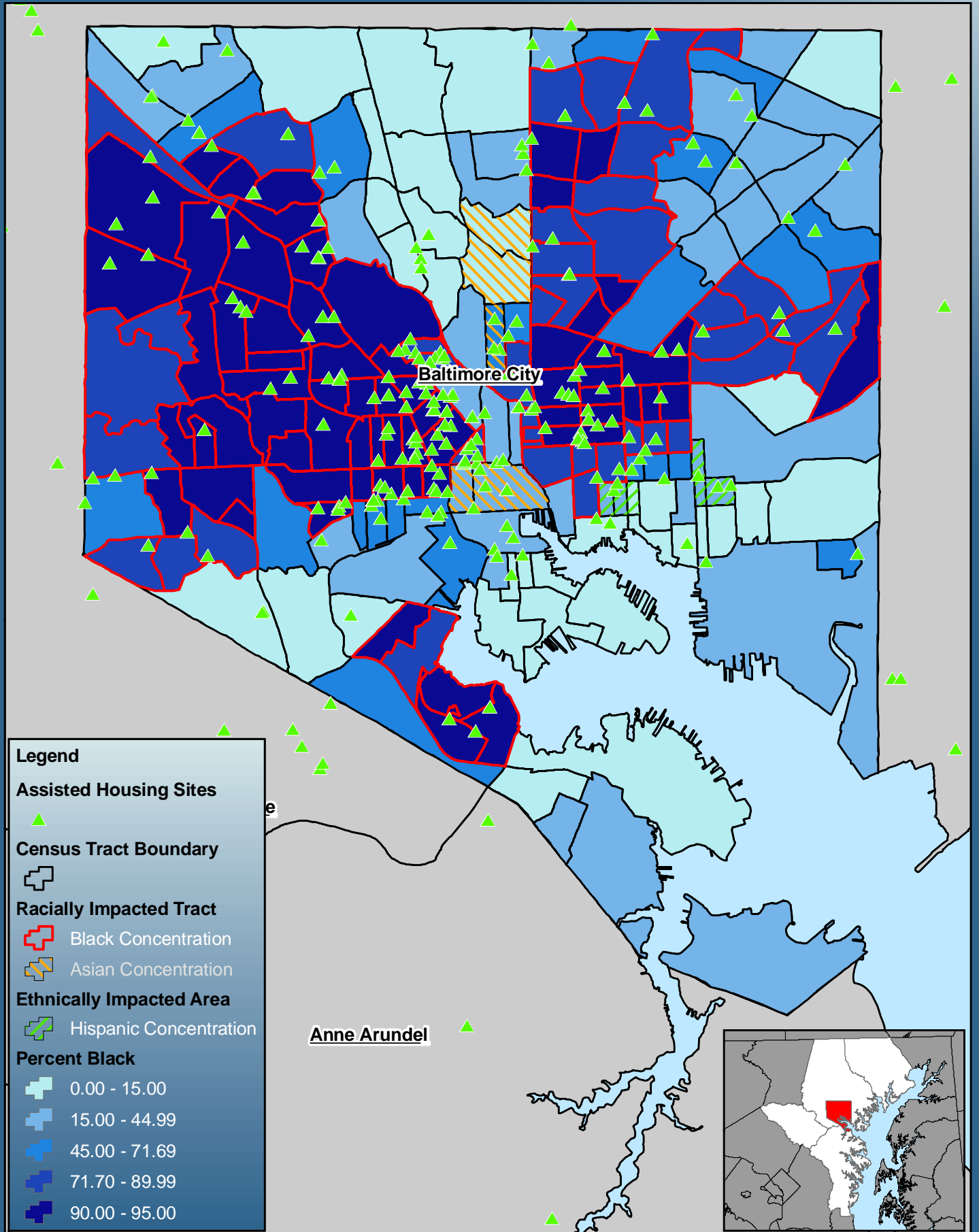
	2000	2008	% Change
<b>Public Housing*</b>			
Total sites	62	52	-14.4%
Total units	13,756	11,781	
<b>Assisted Housing</b>			
<b>LIHTC</b>			
Sites	101	131	49.6%
Units	4,765	7,128	
<b>Section 236</b>			
Sites	25	12	-64.5%
Units	4,576	1,625	
<b>Project-Based Section 8</b>			
Sites	49	61	42.7%
Units	5,367	7,661	
<b>Other Assisted Multifamily</b>			
Sites	35	34	17.7%
Units	2,126	2,503	
<b>Total Subsidized Units</b>	<b>30,590</b>	<b>30,698</b>	<b>0.4%</b>

\* HUD records classify properties differently than the local Housing Authority, resulting in figures that differ from HABC's description of its inventory.

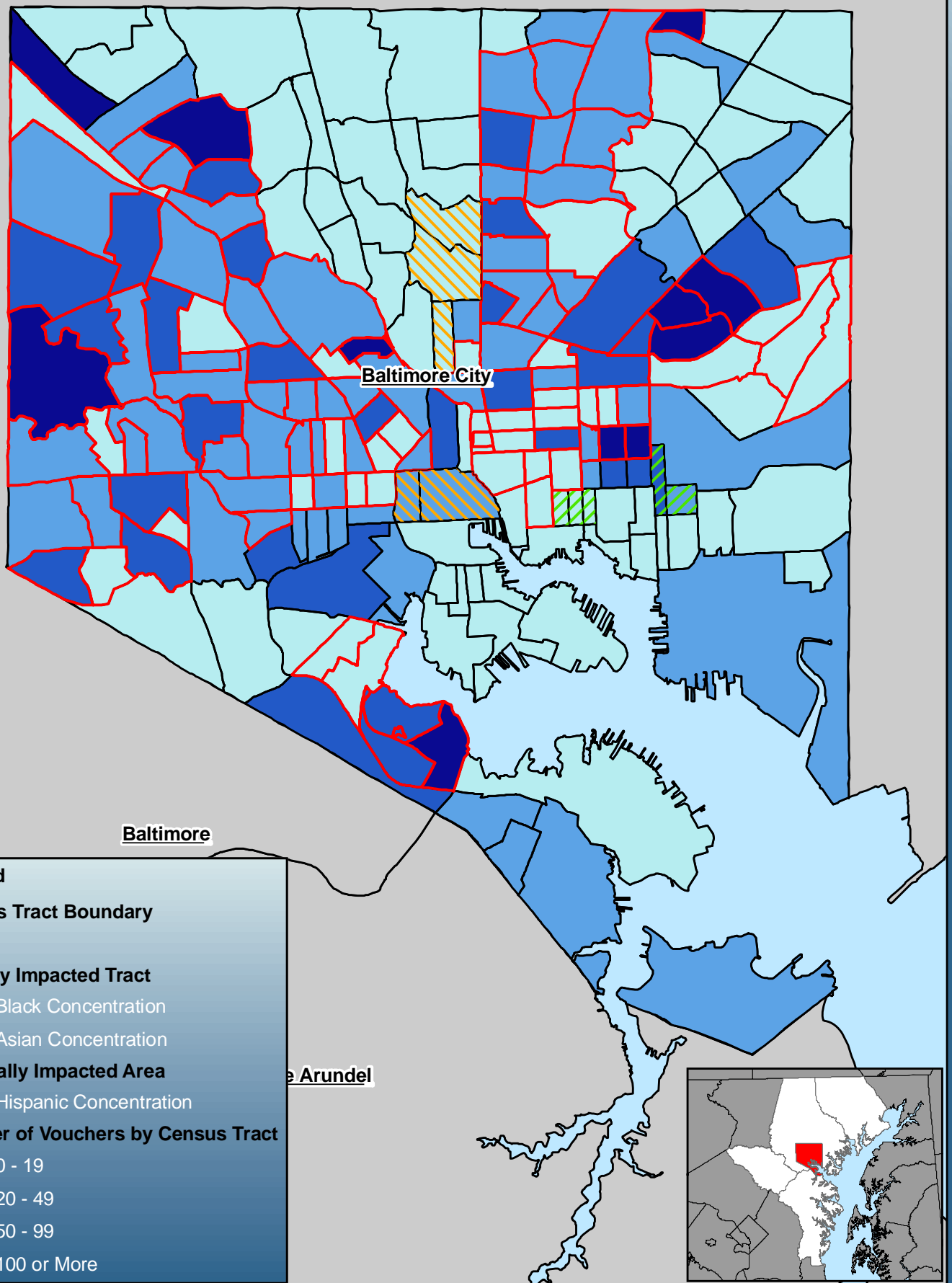
Source: HUD Picture of Subsidized Households, 2000 and 2008

Two policy documents governing the operation of the Housing Authority of Baltimore City were reviewed for this analysis. A summary of the reviews of the administrative plans for both public housing and the Section 8 Housing Choice Voucher Program are included below.

- Section 8 Housing Choice Voucher Administrative Plan - HABC's Administrative Plan authorizes its Executive Director to create special categories of applicants and/or program participants who apply for a Housing Choice







Voucher in order to meet special circumstances (e.g., consent decree requirements, legal opinions, etc). The authority's current special category vouchers include the following:

- Applicants and/or program participants who are purchasers of a home under the Flag House Stipulation and Order entered in *Thompson et al. v. HUD et al* ("Flag Priority Buyers")
- Applicants and/or program participants who are enrolled in homeownership program established pursuant to the Thompson Partial Consent Decree
- 200 vouchers set aside for issuance to families with children with elevated blood lead levels
- Up to 500 vouchers set aside for issuance to eligible chronically homeless households, as determined and referred by Baltimore Homeless Services. As part of the 10-Year Plan to End Homelessness, non-elderly persons with disabilities on the waiting list who are also chronically homeless and who participate in the Enhanced Leasing Assistance Program may receive priority for the 1,350 Bailey set aside vouchers over non-elderly persons who are not chronically homeless
- 850 tenant-based vouchers and 500 project-based vouchers set aside for issuance to non-elderly persons with disabilities, as defined in the Bailey Consent Decree. These vouchers are offered in order by date and time of application to non-elderly persons with disabilities on the waiting list who have been found eligible and who are participating in the Enhanced Leasing Assistance Program (while it is in existence) until the vouchers are exhausted. As vouchers expire, they are offered to the next eligible family.

Chapter 1 of the Plan includes HABC's non-discrimination policy. The list of protected classes includes race, color, sex, religion, national origin, ancestry, age, familial status, marital status, handicap/disability and sexual orientation. To further its commitment to full compliance with applicable civil rights laws, HABC provides information regarding unlawful housing discrimination and the recourse available to families who believe they are victims of such discrimination during the voucher holder family briefing session and as part of the briefing packet. This information is also available upon request at the front desk.

HABC's staff is required to attend fair housing training and to be informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities. HABC's office is accessible to persons with disabilities. Fair Housing posters and housing information are posted throughout the office, including in the lobby and interview rooms in such a manner as to be easily readable from a wheelchair, and the equal opportunity logo is used on all outreach materials. Telephonic accessibility for the hearing impaired is provided through the Maryland Relay System. HABC provides sign language interpreters for meetings when requested as a reasonable accommodation.

HABC's policies and practices include a reasonable accommodation policy and procedures so that persons with disabilities may fully access and utilize housing programs and related services. Written information regarding this policy and the procedures for making a request for a reasonable accommodation is available at the housing admissions office, public housing management offices, the HABC Central Office and the HABC website.

When the voucher waiting list is open, applicants for the voucher program must submit an initial application that is available online (at [baltimorehousing.org](http://baltimorehousing.org)), via phone, at the Housing Choice Voucher Program Offices or at other agency locations. Accommodation for applications will be made upon request from a person with a disability. Initial applications do not require an interview. The information on the application is not verified until the applicant reaches the top of the waiting list and is invited to an eligibility determination. During the eligibility phase of the application process, the full application process is completed and information is verified. HABC staff interviews applicants in order to review and verify the information submitted. Verification of disability as it relates to Section 504, fair housing or ADA-reasonable accommodation is requested at the eligibility phase.

In determining whether it is feasible to translate documents written in English into other languages, HABC operates according to the City's Communications Protocol, which considers the following factors:

- The number of applicants and residents in the jurisdiction who do not speak English and speak the other language

- Estimated cost of translation per client
- Availability of local organizations to provide translation services to non-English speaking families
- Availability of bilingual staff to provide translation for non-English speaking families

HABC disseminates information on the availability of housing assistance and related services for very low income families on a regular basis, generally through local newspapers. HABC conducts outreach to a particular minority group if it is determined that the group reaches 5% of the total population, based on the most recent Census data. To reach those who cannot read newspapers, HABC distributes fact sheets to broadcast media outlets, initiates contact with members of the news media and utilizes public service announcements. HABC communicates the status of housing availability to other social service providers in the community and advises them of housing eligibility factors and guidelines so that they can make proper referrals for housing assistance.

HABC staff members initiate contact with private property owners and managers by conducting formal and informal discussions and meetings. The authority offers printed material to acquaint owners and managers with the opportunities available under the Housing Choice Voucher program. In order to further engage potential participant landlords, HABC participates in community-based organizations comprised of private property and apartment owners and managers.

HABC encourages participation in the Housing Choice Voucher program by the owners of suitable rental units located outside areas of concentrations of poverty, minorities and assisted units. To expand the number of participating rental sites, HABC conducts periodic meetings with owners to improve owner relations and recruitment. Additionally, the authority provides a free online rental property listing service to landlords at *baltimorehousing.org*. This service makes listings available to prospective tenants, who may perform specialized searches using various criteria (location, type of unit, size of unit, accessibility, etc). Internet-connected terminals are available at HABC's office for any member of the public wishing to access this service.

HABC periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction

where owner outreach should be targeted. HABC actively recruits property owners with properties located outside areas of minority and poverty concentration and will apply for exception payment standards if the authority determines that an exception is necessary to make the program more accessible within its jurisdiction.

HABC informs voucher holders of a broad range of areas where they may lease units inside the City by providing a list of landlords who are willing to lease units to or otherwise work with families who desire to live outside areas of poverty or minority concentration. HABC periodically requests the HUD Field Office to furnish a list of HUD-owned properties available for rent; develops working relationships with owners and real estate broker associations; establishes contact with civic, charitable and neighborhood organizations that have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements; and explains the program, including equal opportunity requirements and nondiscrimination requirements, as set forth in the Fair Housing Act, the Americans with Disabilities Act, and other housing-related civil rights laws, to real estate agents, landlords, and other groups that have dealings with low-income families or are interested in housing such families.

HABC established the Enhanced Leasing Assistance Program (ELAP) to provide housing search assistance to non-elderly persons with disabilities. ELAP is a result of the Bailey Consent Decree and is administered by an outside contractor. Services provided through ELAP include administration of a funding stream for reasonable application fees, security deposits, utility hook-up fees and necessary reasonable accommodations/modifications for program participants; housing search assistance; landlord/tenant negotiations and facilitating implementation of requests on behalf of participants for reasonable accommodations, including retrofitting units to make them accessible or to add accessibility features in an amount not to exceed \$5,000 per unit. The program also provides voucher holders with referrals to service providers and non-profit organizations that can assist in achieving long-term housing stability.

HUD regulations require that only “families” are eligible for Housing Choice Voucher assistance, Chapter 2 of HABC’s Admin plan defines “family” as it applies to HABC’s voucher program. HUD’s definition of a family includes a household with or without children; two or more

elderly or disabled persons living together; one or more elderly or disabled persons living with one or more live-in aides, or a single person who may be an elderly person, a displaced person, or any other single person.

The HABC determines if any other group of persons qualifies as a “family.” According to HABC policy, a single-person family may be:

- An elderly person
- A displaced person
- A person with a disability, though individuals may not be considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence
- Any other single person

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to a foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

A family is eligible for assistance as long as at least one member is a U.S. citizen or eligible immigrant. Families that include eligible and ineligible individuals are called “mixed.” Such families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

Admission to the HCV program may not be based on:

- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program
- Discrimination because members of the family are unwed parents, recipients of public assistance or children born out of wedlock
- Discrimination because a family includes children
- Whether a family decides to participate in a family self-sufficiency program.

In compliance with the Violence Against Women Act of 2005, an individual's status as a victim of domestic violence, dating violence or stalking will not be the basis for denial of program assistance or for denial of admission

if the applicant otherwise qualifies for assistance or admission.

Each household must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes.

HABC maintains waiting lists for admissions to its tenant-based and project-based voucher programs separately from its waiting list for the public housing program. Therefore, when the voucher waiting list is open an applicant who is interested in both a voucher and living in public housing must complete separate applications for each program. Currently, the voucher waiting list is closed, and applications are accepted only for the public housing waiting list.

In Chapter 3, Applying for Admission, provisions state that a disabled person can be given additional time in applying for the program after the deadline if requested. To provide specific accommodation for persons with disabilities, the information may be taken by a staff person over the telephone, on a home visit if necessary or it may also be mailed to the applicant and, if requested, it will be mailed in an accessible format.

Chapter 4 also defines HABC's policy of offering local preferences.

Local preferences are numerically ranked, with number 1 being the highest preference, in the following order:

*Preference 1 – Referrals Only*

- A family currently in an HABC public housing unit in which one or more family members has a disability and that family member has an immediate need for an accommodation related to that disability
- A family displaced as a result of public action
- Intimidated crime victims and intimidated witnesses of crime referred by the Maryland States Attorney or Deputy Attorney, the United States Attorney's office or other authorized persons within a law enforcement agency

*Preference 2 – Referrals Only*

A family in need of replacement housing as a result of a natural disaster

*Preference 3*

- Either the head of household, spouse or sole member of the family is:
  - employed
  - age 62 or older
  - enrolled in an approved job training program
  - a veteran
- A family in which one or more member is a person with a disability

*Residency Preference:*

HABC will grant priority within each of the preference categories to families who are residents of Baltimore City. Families who do not live in the City will only be considered for assistance after the waiting list of families who live in the City is exhausted, regardless of priority.

Chapter 13 includes HABC's portability policy. Families are permitted to move with continued assistance to another unit within the City of Baltimore or to a unit outside of the City under portability procedures. If neither the head nor spouse had a legal residence in the City at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher, unless the receiving PHA absorbs such a move. An exception can occur when a family receives a voucher and moves to another jurisdiction in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

Chapter 11 states that HABC may grant exceptions on a case-by-case basis from the normal subsidy standards within the 90-110% of 50<sup>th</sup> Percentile Rent Estimates range if a household requests an exception and HABC determines that it is justified by the relationship, age, sex, health or disability of family members, or other individual circumstances. HABC may approve a higher payment standard within the basic range, if required, as a reasonable accommodation for a family that includes a person with a disability or to meet specific agency needs and/or goals.



**OBSERVATION:** A household should not be required to request an exception to normal subsidy standards. HABC should specifically define the circumstances under which it would consider a higher payment standard, such as in the case of a voucher holder who wants to make an affirmative move. While increasing payment standards would result in HABC being able to issue fewer vouchers, this strategy is important to expanding neighborhood choice.

Chapter 18 outlines the requirements and procedures for informal reviews for applicants who have been denied and hearings and for informal hearings for participants or applicants regarding citizenship status. Applicant families may be entitled to an informal hearing to discuss HABC determinations that affect their eligibility. The HABC must provide applicants with the opportunity for an informal review of decisions denying (a) listing on the HABC waiting list, (b) issuance of a voucher, (c) participation in the program or (d) assistance under portability procedures.

Participant families are eligible to request an informal hearing regarding any determination made by the HABC regarding their continued participation in the voucher program. The HABC hearing procedures are provided to families in a briefing packet.

When the HABC determines that an applicant household is ineligible for the Housing Choice Voucher program, the household will be informed of the decision in writing. A request for an informal review must be received in writing by the close of the business day, no later than 14 calendar days from the date of the HABC notification of denial of assistance. The informal review will be scheduled within 14 business days from the date the request is made. When applicants are denied placement on the waiting list or the HABC is terminating assistance, the household will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process. The Violence Against Women Act of 2005 (VAWA) also provides certain protections to applicants or participants who are victims of domestic violence, dating violence and/or stalking.

- Public Housing Admission and Continued Occupancy Plan (ACOP)

In its ACOP, HABC states a policy of complying fully with all federal, state and local nondiscrimination laws and

with the rules and regulations governing fair housing and equal opportunity in housing and employment. HABC pledges not to deny any family or individual the equal opportunity to apply for or receive assistance under the public housing programs on the basis of race, color, sex, religion, national origin, ancestry, age, familial status, marital status, or disability or sexual orientation.

HABC's policies provide assurances that all persons with disabilities will be provided reasonable accommodations so that they may fully access and utilize housing programs and related services. Written information regarding accessibility policies and the procedures for requesting accommodation are available at the housing admissions office, public housing management offices, the HABC Central Office and the HABC website.<sup>36</sup>

No individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because HABC facilities are inaccessible to or unusable by persons with disabilities. The HABC office is accessible to persons with disabilities, and posters and housing information are displayed in locations throughout the HABC office in such a manner as to be easily readable from a wheelchair. Accessibility for the hearing impaired is provided through the Maryland Relay System.

In determining whether it is feasible to translate documents written in English into other languages, HABC operates according to the City's Communications Protocol, which considers the following factors:

- The number of applicants and residents in the jurisdiction who do not speak English and speak the other language
- Estimated cost of translation per client
- Availability of local organizations to provide translation services to non-English speaking families
- Availability of bilingual staff to provide translation for non-English speaking families

Chapter 2 states that an applicant for public housing must qualify as a family. The ACOP defines "family" as a single person or a group of persons, and a "group of persons" consists of two or more persons who intend to

<sup>36</sup> [www.baltimorehousing.org/index/ps\\_section8.asp](http://www.baltimorehousing.org/index/ps_section8.asp)

share residency, whose income and resources are available to meet the family's needs, and who will live together in HABC housing. Elderly, disabled and displaced families are eligible. Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law. For occupancy standards purposes, the applicant may claim a spousal relationship. The temporary absence of a child from the home due to placement in foster care will not be considered.

In order to provide an increased sense of security for public housing residents, HABC reserves the right to allow public housing units to be occupied by police officers. Police officers will not be required to meet income eligibility standards to qualify for admission.

A family is eligible for assistance as long as at least one member is a United States citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed" and receive pro-rated, income-based assistance. Such families may request a hearing if they contest this determination.

Chapter 2 provides that applicants will not be denied admission because they have no income, are not employed, do not participate in a job-training program, will not apply for various welfare or program benefit programs, have children, have children born out of wedlock, are on welfare or are students.

Chapter 3 discusses HABC's admission policies for the public housing program. Families who wish to apply for HABC public housing must complete a written preliminary application. Upon completing the preliminary application, families are placed on the public housing waiting list. When applicants near the top of the waiting list, they are sent an eligibility appointment letter. The applicant then will be scheduled for a full application interview during which the interviewer completes the full application form with answers supplied by the applicant. The applicant then signs the full application form, certifying that all of the information in it is correct. The head of household must attend the interview.

Accommodations in the application process are made for persons with disabilities, such as allowing a designee to provide information on behalf of the person with the disability.

The ACOP adopts the provisions of the Violence Against Women Act of 2005 (VAWA). According to the Act, victims of domestic violence, dating violence, or stalking cannot be denied admission or housing assistance only so long as they otherwise qualify for HABC programs. The authority may request documentation of a victim's status.

Chapter 4 of the ACOP explains HABC's procedures for managing public housing waiting lists.

HABC's ACOP identifies several preferences for admission:

*Emergency Preferences:*

- Any family displaced due to natural disaster
- Intimidated crime victims and witnesses referred by the Maryland State Attorney or Deputy Attorney, the U.S. Attorney's office or authorized persons within a law enforcement agency
- Families displaced due to public action

*Either the head of household, spouse or sole member of the family is:*

- Employed
- Age 62 or older
- Enrolled in an approved job training program
- A veteran
- A family where one or more members is a person with a disability

*Residency Preference:*

The HABC will grant priority within each preference categories to families who are residents of Baltimore City. Families who do not live in Baltimore City will only be considered for assistance after the waiting list is exhausted of families who live in the City, regardless of priority.

*Three-out-of-Every-Four Preference:*

Adopted as part of the Bailey Consent Decree, this preference prioritized non-elderly families with a disability on HABC's waiting list waiting for a one-bedroom unit in a family public housing development. This three out of four preference was discontinued in November 2010 when the 218 housing opportunities for non-elderly persons with disabilities were achieved.

HABC's pet policy is listed in Chapter 10 and Chapter 11 separately for its elderly/handicapped and its family projects. Residents in either case may own or keep one common household pet weighing 25 pounds or less. Rules must be followed and a \$25 security deposit is required. HABC reserves the right, after providing reasonable advance notice to residents, to designate certain floors, and/or buildings exclusively for residents who own pets. Section B of the Pet Policy (the Applicability section), which is on page 11-2 of the ACOP, states that the "Pet Policy does not apply to animals that assist, support or provide service to persons with disabilities. HABC does not enforce this Pet Policy against animals that are necessary as a reasonable accommodation to assist, support or provide service to persons with disabilities." The exclusion applies to such animals that reside in or visit public housing developments.

Chapter 14 describes the policies to be used when families disagree with a HABC decision or wish to file a complaint. HABC's policy is to ensure that all families have the benefit of all protections due to them under the law. Applicants who are determined to be ineligible for HABC programs are given written notification within 14 days, including the reason for the determination and offering them an opportunity for an informal hearing. Applicants who have a disability and need a reasonable accommodation in order to participate in the informal or formal hearing process may request a reasonable accommodation during any stage of the process. HABC will take appropriate steps to ensure that communications with participants with disabilities are as effective as communications with others, by use of tools such as enlarged print, sign language, audio communication, Braille or a reader.

- **Baltimore Housing Mobility Program**

HABC oversees MBQ's implementation of the Special Mobility Housing Choice Voucher Program ("Special Mobility Program"). MBQ meets monthly with HABC, the Maryland ACLU and the Special Master to report on the past month's activities and plans for the upcoming month and to discuss issues pertaining to the program. HUD used to participate in the meetings but has not done so for over a year.

The vouchers issued pursuant to the Thompson PCD via the Special Mobility Program may only be used in Non-impacted Areas as defined in the PCD during the first year that a family

has the voucher. The Non-impacted Areas are census tracts listed in the PCD, as amended, in the Baltimore metropolitan area. After completing a full year living in a Non-impacted Area, families may move wherever they want, including porting to a jurisdiction in another state.

As of December 31, 2010, 17% of the participants had moved from suburban to City locations year to date, another 25% had remained in the city, moving from one location in the city to another. 47% had made suburban to suburban moves and 11% had moved from City to suburban locations.

MBQ also tracks moves between Impacted and Non-impacted Areas as all suburban locations are not Non-impacted Areas. As of December 31, 2010, 30% had moved from an Impacted Area to an Impacted Area and 29% had moved from Non-impacted Areas to Impacted Areas, totaling 59%. 28% had moved from Non-impacted Areas to Non-impacted Areas and 13% had moved from Impacted Areas to Non-impacted Areas, totaling 41%.

**OBSERVATION:** The Baltimore Housing Mobility Program is a nationally recognized model for expanding fair housing choice for Section 8 Housing Choice Voucher holders, though it is very expensive.

## **B. Private Sector**

### **i. Real Estate Practices**

The City of Baltimore is served by the Greater Baltimore Board of Realtors (GBBR), which has more than 4,900 members in the City and surrounding counties. New members receive instruction in fair housing as part of the licensing requirements of the Maryland Division of Occupational and Professional Licensing. Prior to taking the real estate exams, each applicant is required to accumulate 60 hours of classroom instruction. Additionally, each agent must renew his or her license every two years. Between six and 15 hours of specified continuing education courses are required for license renewal.

Fair housing training is required as part of the continuing education coursework. Fair housing classes are taught monthly by GBBR employees and members licensed through the Maryland Real Estate Commission. The curriculum includes federal, state and local fair housing laws as well as the provisions of the Americans with Disabilities Act. The GBBR provides fair housing information through brochures, a regularly updated website and e-mail updates containing new information as it becomes available.

GBBR's procedure for dealing with alleged ethics breaches is consistent with the National Association of Realtors' Code of Ethics and Standards of Practice. Those who allege that a GBBR member has violated the Code of Ethics may file a complaint within 180 days by contacting the Board or filing a form online. Complaints are reviewed by an appointed grievance committee, which conducts a professional standards hearing in which it renders an opinion on whether the complaint is justified. When the committee determines that a violation has occurred, it refers the case to the Maryland Real Estate Commission and/or the Maryland Human Relations Commission. GBBR reported that no fair housing grievances have been received during the past few years.

Members of GBBR participate in a regional multi-list form that includes a description of a dwelling's accessibility features that could be used to market the property to persons with disabilities. This is a searchable feature within the database. All brokers in the area are permitted to participate in the multi-list service.

GBBR states that members of the protected classes are represented in the organization's leadership, as this group is 23% non-White and 55% female. GBBR does not maintain data on the race, ethnicity or disability status of its general membership, though it administers programs to specifically recruit prospective agents who are members of the protected classes. GBBR's scholarship program facilitates coursework for agents who have a special skill set, background or experience that enables them to promote housing opportunities to groups that have traditionally experienced barriers. The Board reported in an AI survey that opportunities for members of the protected classes to become brokers are available on the same basis as opportunities for Whites, males and persons without disability.

GBBR makes a deliberate effort to remain engaged in government issues. The Board, along with the City, Baltimore County and the State of Maryland, has representatives on the Community Housing Resource Board. GBBR reported that the organization works actively with local and state government to address fair housing issues as they arise.

**OBSERVATION:** For many homebuyers, the initial introduction to the community is their real estate salesperson. Diversity among local Realtors will reflect a community that seeks to accommodate and welcome everyone, including all members of the protected classes. However, it is unknown how diverse the Greater Baltimore Board of Realtors is due to a lack of data on its general membership. The Board's affirmative efforts to recruit and provide scholarships to agents who will serve traditionally underserved populations is commendable.

**ii. Home Mortgage Financing**

**a. Mortgage Lending Practices**

Under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution that makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). The HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn, or incomplete by race, sex, and income of the applicant. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending practices and patterns.

The most recent HMDA data available for the City of Baltimore is from 2008. Reviewing this data, along with 2007 and 2006 records, helps to determine the need to encourage area lenders, other business lenders, and the community at large to actively promote existing programs and develop new programs to assist residents in securing home mortgage loans for home purchase. The data focuses on the number of homeowner mortgage applications received by lenders for home purchase of one- to four-family dwellings and manufactured housing units in the County. The information provided by race and sex is for the primary applicant only. Co-applicants were not included in the analysis. In addition, where no information is provided or categorized as not applicable, no analysis has been conducted due to lack of information. Figure 3-10 summarizes three years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.



**Figure 3-11**  
**Summary of Mortgage Loan Activity in the City of Baltimore, 2006-2008**

	2006		2007		2008	
	#	%	#	%	#	%
<b>Total loans</b>						
<b>Applied for</b>	<b>18,415</b>	<b>100.0%</b>	<b>12,254</b>	<b>100.0%</b>	<b>6,834</b>	<b>100.0%</b>
Black	8,832	48.0%	5,656	46.2%	2,838	41.5%
White	6,553	35.6%	4,617	37.7%	2,929	42.9%
Asian	469	2.5%	293	2.4%	175	2.6%
Hispanic*	790	4.3%	412	3.4%	201	2.9%
Other race	140	0.8%	89	0.7%	48	0.7%
No information/NA	2,421	13.1%	1,599	13.0%	844	12.4%
<b>Originated</b>	<b>10,987</b>	<b>59.7%</b>	<b>7,350</b>	<b>60.0%</b>	<b>4,346</b>	<b>63.6%</b>
Black	4,792	54.3%	2,983	52.7%	1,618	57.0%
White	4,653	71.0%	3,296	71.4%	2,152	73.5%
Asian	276	58.8%	178	60.8%	100	57.1%
Hispanic*	463	58.6%	239	58.0%	118	58.7%
Other race	70	50.0%	43	48.3%	23	47.9%
No information/NA	1,196	49.4%	850	53.2%	453	53.7%
<b>Denied</b>	<b>3,689</b>	<b>20.0%</b>	<b>2,511</b>	<b>20.5%</b>	<b>1,161</b>	<b>17.0%</b>
Black	2,212	25.0%	1,485	26.3%	662	23.3%
White	813	12.4%	568	12.3%	284	9.7%
Asian	85	18.1%	56	19.1%	32	18.3%
Hispanic*	189	23.9%	93	22.6%	43	21.4%
Other race	40	28.6%	26	29.2%	9	18.8%
No information/NA	539	22.3%	376	23.5%	174	20.6%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications do not include loans purchased by another institution. Other application outcomes include approved but not accepted, withdrawn and incomplete.

\*Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2006-08

The most obvious trend in 2006-08 HMDA data for Baltimore is the steep drop in the number of loan applications during those years. This can be attributed primarily to stagnating home sales rates in the City that coincide with the national housing market crisis. The number of loan applications dropped by 6,161 (33.5%) from 2006 to 2007, then fell by an additional 5,420 (44.2%) in 2008. At the same time, the share of Black applicants fell even more precipitously, by 67.9% overall, suggesting that this protected class became disproportionately less able to afford or qualify for home ownership.

Over the course of the three years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. The percentage of applications that were successful increased by 2.7 percentage points for Black applicants, 2.5 points for White applicants, and 0.1 points for Hispanic applicants. Originations decreased for Asians applicants, by 1.7 points, and for those of other races (consisting of American Indian/Alaska Native and Hawaiian applicants), by 2.1 percentage points.

The number of overall application denials also decreased slightly between 2006 and 2008. All racial and ethnic groups saw a decline in denials, with Whites and those of another race experiencing the largest decline, dropping 2.7 and 9.8 percentage points, respectively. The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available. Figure 3-8 contains 2008 summary data.

**Figure 3-12**  
**2008 Summary Report Based on Action Taken Mortgage Data**

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdraw n/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
<b>Loan Type</b>										
Conventional	3,896	57.0%	2,352	60.4%	293	7.5%	703	18.0%	548	14.1%
FHA	2,781	40.7%	1,886	67.8%	97	3.5%	432	15.5%	366	13.2%
VA	156	2.3%	108	69.2%	4	2.6%	25	16.0%	19	12.2%
FSA/RHS	1	0.0%	-	0.0%	-	0.0%	1	100.0%	-	0.0%
<b>Loan Purpose: Home Purchase</b>										
One to four-family unit	6,821	99.8%	4,345	63.7%	392	5.7%	1,151	16.9%	933	13.7%
Manufactured housing unit	13	0.2%	1	7.7%	2	15.4%	10	76.9%	-	0.0%
<b>Applicant Race</b>										
American Indian/Alaska Native	22	0.3%	8	36.4%	3	13.6%	5	22.7%	6	27.3%
Asian/Pacific Islander	175	2.6%	100	57.1%	17	9.7%	32	18.3%	26	14.9%
Hawaiian	26	0.4%	15	57.7%	1	3.8%	4	15.4%	6	23.1%
Black	2,838	41.5%	1,618	57.0%	156	5.5%	662	23.3%	402	14.2%
Hispanic**	201	2.9%	118	58.7%	8	4.0%	43	21.4%	32	15.9%
White	2,929	42.9%	2,152	73.5%	156	5.3%	284	9.7%	337	11.5%
No information	842	12.3%	453	53.8%	61	7.2%	173	20.5%	155	18.4%
Not applicable	2	0.0%	-	0.0%	-	0.0%	1	50.0%	1	50.0%
<b>Applicant Sex</b>										
Male	3,483	51.0%	2,197	63.1%	191	5.5%	623	17.9%	472	13.6%
Female	2,915	42.7%	1,922	65.9%	167	5.7%	448	15.4%	378	13.0%
No information	429	6.3%	227	52.9%	36	8.4%	85	19.8%	81	18.9%
Not applicable	7	0.1%	-	0.0%	-	0.0%	5	71.4%	2	28.6%
<b>Total</b>	<b>6,834</b>	<b>100.0%</b>	<b>4,346</b>	<b>63.6%</b>	<b>394</b>	<b>5.8%</b>	<b>1,161</b>	<b>17.0%</b>	<b>933</b>	<b>13.7%</b>

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdraw n/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total figures.

\* Total applications do not include loans purchased by another institution.

\*\* Hispanic ethnicity is counted independently of race.

- **Households by Race**

In 2008, 6,834 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in Baltimore. Of these applications:

- 37.4.0% (2,929) of the applications were submitted by White households.
- 37.3% (2,838) were submitted by Black households.
- 2.6% (201) were submitted by Hispanic households. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, this data overlaps with persons classified under a specified race.
- 2.1% (175) were submitted by Asian/Pacific Islander households.

- 0.6% (48) of the applications were submitted by households of other races.
- Race/ethnicity data was not included for 844 applications (12.3%).
- **Conventional Loans versus Government Backed Loans**  
 Loan types in 2008 included conventional mortgage loans and a variety of government-backed loans, including FHA, VA, and FSA/RHS. Comparing these loan types helps to determine if the less stringent underwriting standards and lower down payment requirements of government-backed loans expand home ownership opportunities. In Baltimore, 43% (2,938) of the households that applied for a mortgage loan applied for a government-backed loan. This is a large increase from 7.2% in 2006. Of those, the majority (94.7%) applied for FHA loans.  
  
 The denial rate for FHA loans was lower than that of conventional loans. While the denial rate for conventional loans was 18%, the denial rate for FHA loans was 15.5% (432 of 2,781). The denial rate for VA-guaranteed loans was 16.0% (25 of 156).
- **Denial of Applications**  
 In 2008, the mortgage applications of 1,161 households in the City of Baltimore (17%) were denied. Denial reasons were given for 921 of the applications and are detailed in Figure 3-9

**Figure 3-13**  
**Reasons for Mortgage Application Denial, 2008**

Primary Reason for Denial	#	%
Credit history	204	22.1%
Ratio of debt to income	194	21.1%
Collateral	172	18.7%
Other	138	15.0%
Credit application incomplete	80	8.7%
Unverifiable information	80	8.7%
Insufficient cash	34	3.7%
Employment history	11	1.2%
Mortgage insurance denied	8	0.9%
<b>Total</b>	<b>921</b>	<b>100.0%</b>

Credit history, collateral and unsatisfactory debt-to-income ratios are some of the major reasons for denial of home mortgage applications throughout Baltimore. Therefore, there may be opportunities for lenders to focus on these problems and work with applicants to address these concerns.

*Applications Denied by Race and Ethnicity*

Black households had the highest mortgage denial rate at 23.3%, or 662 of 2,838 applications submitted. White

households were far more likely to receive loans than other racial or ethnic groups, as only 9.7% of applications were denied. Details for 2008 appear in Figure 3-14.

**Figure 3-14  
Denials by Race/Ethnicity, 2008**

Race/Ethnicity	Total Applications	Number of Denials	Denial Rate
Black	2,838	662	23.3%
Asian	175	32	18.3%
Not Provided	844	174	20.6%
Am. Indian/Alaska Native	22	5	22.7%
Hispanic*	201	43	21.4%
White	2,929	284	9.7%
Hawaiian	26	4	15.4%

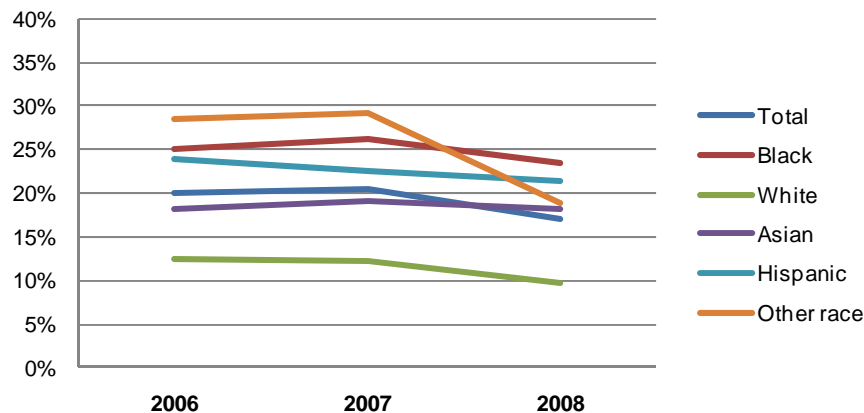
\* Hispanic ethnicity is counted independently of race.

Between 2006 and 2008, the distribution of denials by race and ethnicity remained relatively consistent between groups. Black households consistently had the highest denial rates, and denial rates remained consistently low for White households.

**Figure 3-15  
Denial Rates by Race/Ethnicity, 2008**

	2006	2007	2008
Total	20%	20%	17%
Black	25%	26%	23%
White	12%	12%	10%
Asian	18%	19%	18%
Hispanic	24%	23%	21%
Other race	29%	29%	19%

**Denial Rate Trends by Race and Ethnicity, 2006-08**



### *Applications Denied by Income*

In 2008, the HUD median family income (MFI) in Baltimore was \$78,200. For this analysis, lower-income households include those with incomes between 0%-80% of MFI, while

upper-income households include households with incomes above 80% MFI.

Applications made by lower-income households accounted for 55.1% of all denials in 2008, though they accounted for only 50.5% of total applications.

**Figure 3-16  
 Denials by Income, 2008**

Income Level	Total Applications	Denials	Denial Rate
Below 80% MFI	3,454	640	18.5%
At least 80% MFI	3,314	506	15.3%
No information	66	15	22.7%
<b>Total</b>	<b>6,834</b>	<b>1,161</b>	<b>17.0%</b>

*Denial Data by Income Level and Race*

Of the 1,161 applications that were denied by area lending institutions, 1,146 reported household income. Among all lower-income households in Baltimore, the denial rate was highest for Asian households (28.8%). White and Hawaiian households had the lowest denial rates, at 12.4% and 11.1%, respectively. However, it should be noted that there were only a small number of Hawaiian applicants.

**Figure 3-17  
 Denials for Upper-Income Applicants, 2008**

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	972	275	28.3%
Asian	101	11	10.9%
Not Provided/NA	430	74	17.2%
White	1,784	140	7.8%
Hispanic*	76	15	19.7%
Am. Indian/Alaska Native	10	3	30.0%
Hawaiian	17	3	17.6%
<b>Total</b>	<b>3,314</b>	<b>506</b>	<b>15.3%</b>

\* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper-income households, denial rates are also higher for minorities. Black Households were denied at the highest rate, 28.3%, compared to the rate of 7.8% for White households, which was the lowest rate of all racial and ethnic groups. Notably, the denial rate for upper-income Black households (28.3%) is higher than the denial rate for lower-income White households (12.4%).

**Figure 3-18**  
**Denials for Lower-Income Applicants, 2008**

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	1,857	383	20.6%
Asian	73	21	28.8%
Am. Indian/Alaska Native	12	2	16.7%
Hispanic*	123	26	21.1%
White	1,114	138	12.4%
Hawaiian	9	1	11.1%
Not Provided/NA	389	95	24.4%
Total	3,454	640	18.5%

\* Hispanic ethnicity is counted independently of race.

**OBSERVATION:** Upper-income Black households in the City of Baltimore were denied mortgage loans at more than double the rate (28.3%) than lower-income White applicants (12.4%)

*Denial Data by Census Tract*

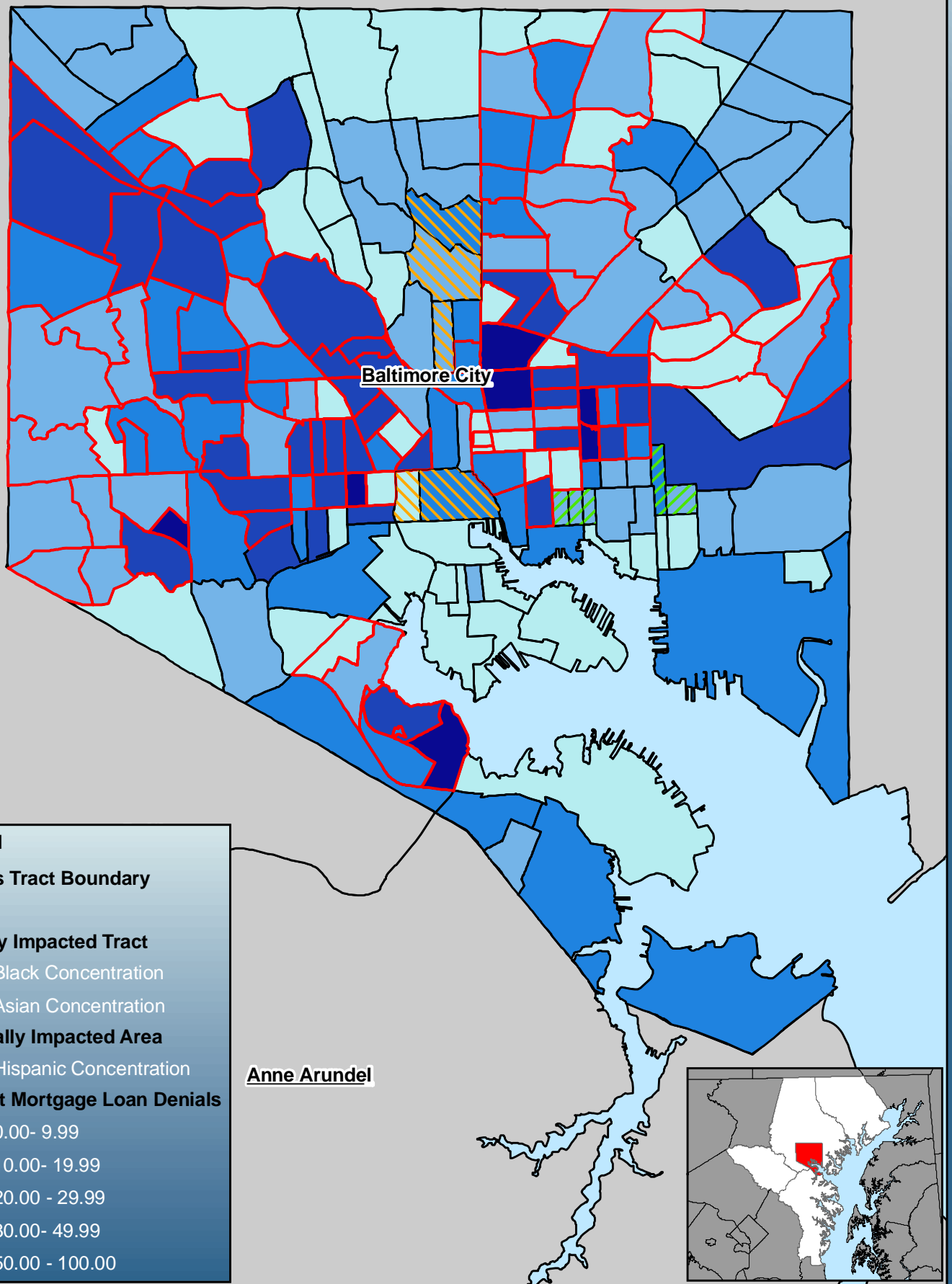
The HMDA data for the City of Baltimore was analyzed to determine if a pattern of loan denials exists by census tract. Map 12 on the following page provides an overview of the geographic distribution of denial rates. The areas of highest application denials correspond with the areas of greatest poverty.

**iii. High-Cost Lending**

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers.<sup>37</sup> The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

<sup>37</sup> HMDA analyses in metropolitan areas across the United States have provided evidence that minority groups pay more for their mortgages. For example, a 2007 analysis by New York University's Furman Center for Real Estate and Urban Policy found that Black- and Hispanic-majority neighborhoods were more likely to borrow from a subprime lender than White-majority neighborhoods with similar income levels. Also in 2007, the NAACP sued two of the nation's largest mortgage lenders, HBC and Wells Fargo,



Since 2005, Housing Mortgage Disclosure Act data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

In 2008, 10.5% (455) of the 4,346 home purchase loans that were originated in Baltimore and had income information were high-cost. The following chart shows the distribution of high cost loan originations by race and by income for three years.

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for "systematic, institutionalized racism" in lending, including giving subprime rates to Black customers who qualified for better rates while giving better rates to White customers. This type of mortgage discrimination has been alleged in a growing number of cities.



**Figure 3-19**  
**Distribution of High-Cost Mortgage Loans by Race/Ethnicity and Income, 2008**

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2006	Am. Indian/Alaska Native	18	10	55.6%	11	7	63.6%
	Asian	92	22	23.9%	174	44	25.3%
	Black	2,829	1,269	44.9%	1,868	1,045	55.9%
	Hawaiian	12	3	25.0%	24	1	4.2%
	White	1,571	371	23.6%	2,929	567	19.4%
	No information/NA	500	228	45.6%	644	210	32.6%
	Hispanic*	217	100	46.1%	216	111	51.4%
	<b>Total</b>	<b>5,022</b>	<b>1,903</b>	<b>37.9%</b>	<b>5,650</b>	<b>1,874</b>	<b>33.2%</b>
2007	Am. Indian/Alaska Native	15	2	13.3%	17	6	35.3%
	Asian	63	9	14.3%	112	8	7.1%
	Black	1,985	487	24.5%	960	334	34.8%
	Hawaiian	3	0	0.0%	8	2	25.0%
	White	1,131	138	12.2%	2,094	166	7.9%
	No information/NA	392	82	20.9%	429	65	15.2%
	Hispanic*	137	27	19.7%	96	20	20.8%
	<b>Total</b>	<b>3,589</b>	<b>718</b>	<b>20.0%</b>	<b>3,620</b>	<b>581</b>	<b>16.0%</b>
2008	Am. Indian/Alaska Native	5	1	20.0%	3	0	0.0%
	Asian	38	2	5.3%	62	4	6.5%
	Black	1,132	181	16.0%	485	98	20.2%
	Hawaiian	5	0	0.0%	10	1	10.0%
	White	804	65	8.1%	1,329	67	5.0%
	No information/NA	205	26	12.7%	238	10	4.2%
	Hispanic*	80	11	13.8%	38	3	7.9%
	<b>Total</b>	<b>2,189</b>	<b>275</b>	<b>12.6%</b>	<b>2,127</b>	<b>180</b>	<b>8.5%</b>
<b>Three-Year Totals</b>		<b>10,800</b>	<b>2,896</b>	<b>26.8%</b>	<b>11,397</b>	<b>2,635</b>	<b>23.1%</b>

Note: Does not include loans for which no income data was reported: 315 in 2006, 141 in 2007, and 30 in 2008  
\* Hispanic ethnicity is counted independently of race.

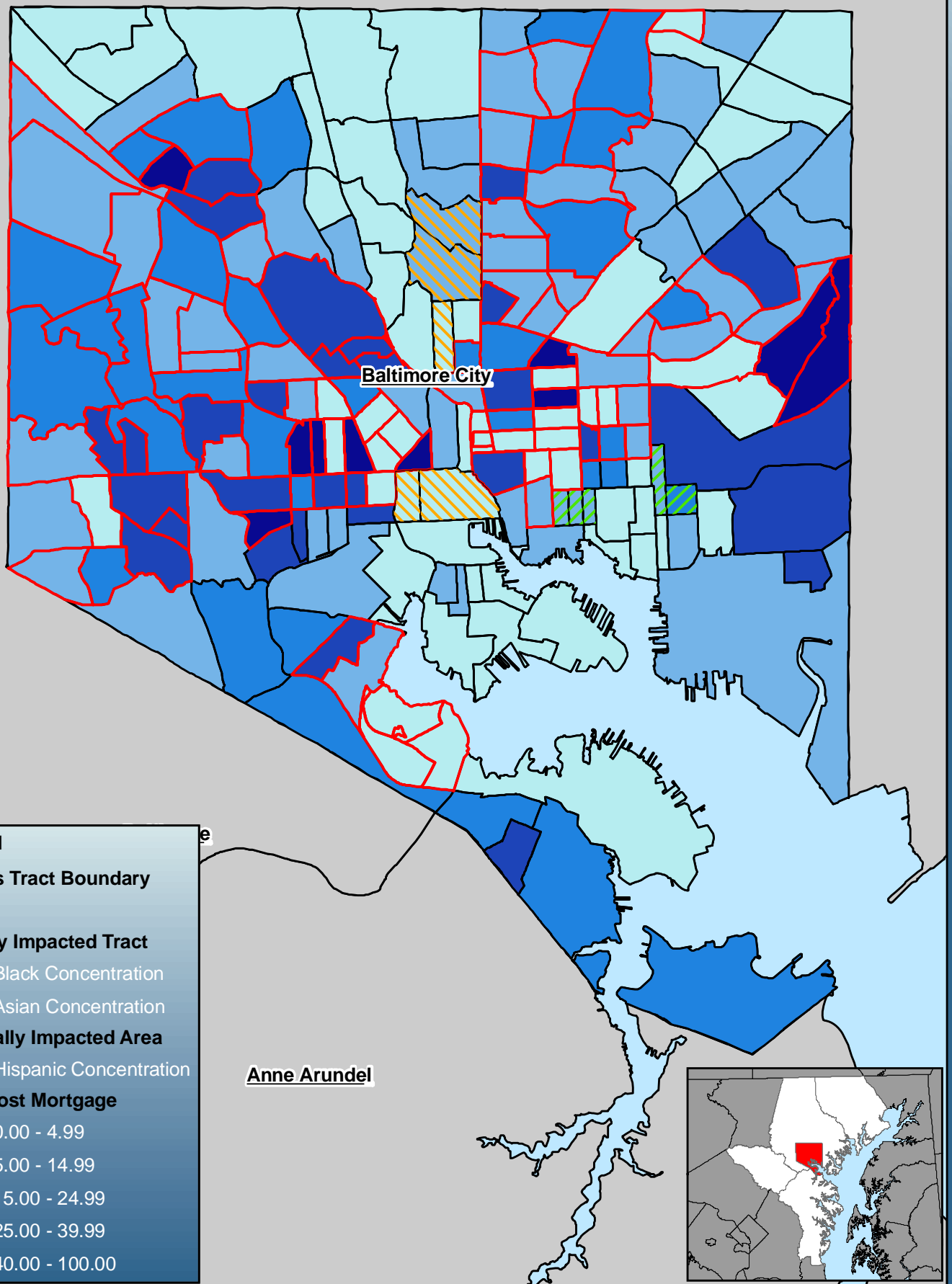
Of the 22,683 applications for which loans were originated between 2006 and 2008, 22,197 included data on household income. Of this total, 10,800 reported household incomes at or below 80% of the median family income, and 2,896 of these lower-income households, 26.8%, had high-cost loans. The rate of high-cost loans for higher-income households is lower, at 23.1%, including 2,635 of 11,397 higher-income households. This trend is true in each of the three years: Lower-income applicants got high-cost loans at rates of 37.9%, 20.0%, and 12.6% whereas higher-income applicants got high-cost loans at rates 33.2%, 16.0%, and 8.5%.

Notably, the percentage of high-cost originations declined each year, along with the total number of originations and applications. This could be due to policy changes that have limited subprime lending and/or to the necessity for lenders to make rates more competitive as the total number of applications dropped.

As the percentage of high-cost originations has declined, so too has the discrepancy in rates of high-cost lending among racial and ethnic groups. However, discrepancies still remain. An analysis of loans in Baltimore by race and ethnicity reveals that Blacks are overrepresented in high-cost lending. Of the 2,127 loans originated for upper-income applicants, Black households represent 56.1% of high-cost loans, but only 29.1% of

all originations. For lower-income applicants, Black households represent 66.9% of high-cost loans, but only 55.1% of all originations. For both upper- and lower-income White households, the opposite is true: among lower-income White households, 23.6% of loans are high-cost, while Whites make up 36.7% of originations, and among upper-income White households, 37.2% of originations are high-cost while Whites make up 62.5% of originations. A comparison of high-cost loans to areas of racial concentration appears in Map 12 on the following page.

**OBSERVATION:** Black and Hispanic mortgage holders in the City of Baltimore were consistently more likely to have high-cost loans than White mortgage holders. This pattern is consistent with mortgage discrimination.



## **4. ASSESSMENT OF CURRENT FAIR HOUSING POLICY, PROGRAMS AND ACTIVITIES**

### **A. Current Fair Housing Policy**

The practice of fair housing is a goal that government, public officials and private citizens must achieve if equality of opportunity is to become a reality. In other words, genuine fair housing choice is a goal that is clearly stated in public policy documents and demonstrated through a wide range of implementing initiatives. The local decision-making process is viewed through a “fair housing filter” that evaluates the significance of policies, actions, plans, permits, approvals and funding choices. Many policy documents were reviewed for this AI to determine the extent to which the City of Baltimore has incorporated fair housing policy into various aspects of its governance.

The City’s 2006 Comprehensive Master Plan is its most encompassing document that guides land use and the potential creation of fair housing choice for members of the protected classes. In this document, the City advances housing strategies that will have the effect of affirmatively furthering fair housing, such as inclusionary zoning, transit-oriented development and expanding the inventory of units available for persons with disabilities. The CMP is remarkably implementation-oriented, with established and measurable outcomes and a stated commitment to link each of the City’s capital improvement projects to one or more CMP goals. However, the CMP lacks an overarching statement of policy that expresses the City’s commitment to affirmatively further fair housing.

The City’s approach to fair housing in general can be characterized by the presence of progressive and thoughtful policies which will have the effect of furthering housing opportunities – along with the lack of an overarching fair housing policy that establishes the foundation for comprehensive integration in Baltimore. The project selection criteria for CDBG and HOME allocations do not appear to consider the extent to which a proposed project affirmatively furthers fair housing choice. HOME expenditures during the last five years have increased the availability of affordable renter and owner units for low/moderate-income and special needs households, but have not consistently spread units beyond racially concentrated neighborhoods. This is especially true in the case of family rental housing, which the City has addressed primarily through its HOPE VI work on the sites of dilapidated public housing in racially concentrated neighborhoods.

In order to advance housing choice, the City should seek to strike the right balance between reinvestment and redevelopment in racially concentrated areas versus development of new housing opportunities outside of such areas. However, with 114 of the City’s 194 census tracts designated as areas of concentration of minority residents, the City is severely limited in achieving this goal. Consequently, it will require a broader regional effort to successfully deconcentrate segregated neighborhoods in the City of Baltimore.

The City's zoning code, newly revised for 2010, makes policy changes intended to preserve the character of existing neighborhoods while accommodating appropriate infill development. Some elements of the code, such as the permitting by right of residential uses in a large proportion of non-residential districts, the inclusionary housing overlay and transit-oriented development provisions, will expand housing choice. However, the changes intended to impose tighter restrictions on infill development (larger minimum lot sizes, new minimum lot widths in single-family districts, new controls on conversions from single-family to multi-family use) represent a conscious decision to prevent the development of smaller, more affordable residential communities in neighborhoods with traditionally large single-family lots.

The citizens appointed to boards and commissions involved in housing-related decisions in the City were reviewed. Generally, racial minorities are represented among board membership to the extent that they exist in the general population. However, persons with disabilities are currently underrepresented or underreported. Adding the perspectives, opinions and experiences of more members of the protected classes on these panels would increase opportunities to incorporate affirmatively furthering fair housing into the City's daily decision-making processes.

**i. Article IV of the City Codes**

The City's laws regarding housing discrimination are contained in Article IV of the City Codes, which pertains to community relations. This section of law defines the responsibilities of the Community Relations Commission and prohibits discrimination on the basis of race, color, religion, national origin, ancestry, sex, marital status, physical or mental disability, sexual orientation or gender identity/expression.<sup>38</sup> In regard to its inclusion of protections on the basis of marital status, sexual orientation and gender identity/expression, Baltimore's anti-discrimination law is more expansive than similar state and federal laws.

Article IV prohibits discriminatory practices in all housing-related activities, including the sale, rental, lease, control, construction or management of dwelling units. In addition to the standard mention of practices considered unlawful, the law states that it is illegal to include discriminatory restrictive covenants in the transfer, sale or rental of housing. This was a common practice in the City decades ago to prevent the mobility of minorities into predominantly White neighborhoods. The law declares all existing covenants to be null, void and contrary to public policy. Additionally, Article IV makes it illegal to request or consider information about birth control practices in evaluating prospective buyers or lessees, and to refuse to consider alimony or child support as a valid source of income. Notably, other sources of income, such as rental assistance, are not afforded specific protection.

<sup>38</sup> Article IV defines gender identity/expression as an individual's having or being perceived as having a gender-related self-identity, self-image, appearance, expression or behavior, whether or not those gender-related characteristics differ from those associated with the individual's assigned sex at birth.

Article IV outlines discriminatory practices affecting housing for persons with disabilities, making it illegal to refuse reasonable modifications in facilities or services. The City's law also makes it illegal to design and construct multifamily dwellings containing four or more units in such a way that does not incorporate adaptive design.

**OBSERVATION:** The City's anti-discrimination law protects more groups than the Maryland Human Relations Act and the federal Fair Housing Act.

**OBSERVATION:** The City's anti-discrimination law prohibits housing discrimination on the basis of alimony or child support as a source of income, but does not include any other source-of-income protections, such as rental assistance.

## **B. Progress since the Previous AI**

The latest AI to examine fair housing issues in the City of Baltimore was completed in 1994. All of the City's fair housing strategies since then have been based on the impediments identified in that document. Baltimore's progress toward mitigating those impediments is documented thoroughly in each year's Consolidated Annual Performance and Evaluation Report (CAPER).

The 1994 AI was a cooperative approach involving the same five entitlement jurisdictions in this document: Anne Arundel County, the City of Baltimore, Baltimore County, Harford County and Howard County. The AI included an analysis of demographics and historical settlement patterns across the region. Public policies such as land use and zoning, transportation, fair housing enforcement and community education and outreach strategies were evaluated. Additionally, market conditions such as mortgage lending and real estate practices are included.

In some cases, the report is generalized (to wit: "... it is beyond the scope of this report to identify every zoning requirement or land use policy that has or may have a negative impact on fair housing choice in the region."<sup>39</sup>). However, the impediments in the 1994 AI are derived from a thoughtful review of relevant demographic trends and policy analyses.

Each year, the City of Baltimore reports progress to HUD in resolving each of the impediments. In its FY 2009 CAPER, reviewed in detail in a previous section of this AI, the City provided the latest updates to its documentation on efforts to affirmatively further fair housing.

The City's progress in addressing the impediments identified in the 1994 AI can be summarized broadly as follows:

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<sup>39</sup> 1994 AI, page 56

- The City has leveraged HOPE VI resources to clear six dilapidated and troubled public housing high-rise complexes in neighborhoods of Black concentration. In keeping with the tenets of the program and theories of New Urbanism, the units were replaced with thousands of single-family townhomes, condominiums and apartments for mixed-income residents. The City reports that these efforts have helped to deconcentrate poverty and reduce crime in project areas. The replacements are as follows:
  - Pleasant View Gardens replaced Lafayette Court
  - The Townes at the Terraces replaced Lexington Terrace
  - Heritage Crossing replaced Murphy Homes
  - Albemarle Square replaced Flag House Courts<sup>40</sup>
  - Broadway Overlook replaced Broadway
  - Hollander Ridge was also cleared, but not redeveloped.
- The City and HABC continue to implement fair housing remedies devised as a result of the legal actions examined in a previous section of this AI. These actions are aimed at deconcentrating racially and economically segregated neighborhoods, increasing the availability of accessible and affordable housing and providing relocation assistance to households displaced as a result of redevelopment activities.

In specific regard to the partial consent decree resulting from *Thompson v. HUD*, (see discussion in Section \_\_\_ of this AI), Metropolitan Baltimore Quadel implemented the Special Mobility Housing Choice Voucher Program, a specialized, regional voucher program in which participants receive mobility counseling and assistance in locating housing in Non-impacted Areas as defined by the Thompson PCD. As of May 2010, 1,708 program participants had successfully leased a unit and 34 had become homeowners. As of May 2010, in addition to the HOPE VI developments, HABC reported the completion of 214 partnership units, 40 scattered-site units and 10 additional units at Preston Street. Another 89 units were near completion.

As a result of *Bailey v. HABC* and *HUD v. HABC*, the Authority continues to expand the availability of accessible housing by retrofitting public housing units to make them compliant with the Uniform Federal Accessibility Standards (UFAS). Ultimately, HABC will provide 755 accessible units and improve the accessibility of public housing common areas. The Enhanced Leasing Assistance Program was established to assist non-elderly persons with disabilities in leasing units using one of the 850 tenant-based or 500 project-based vouchers set aside for this population. As of February 2011, 973 ELA Program participants had moved using a tenant-based voucher, and 84 had initially leased project-based units.

<sup>40</sup> The Albemarle Square HOPE VI development includes 10 affordable homeownership units. All 10 are constructed and have received certificates of occupancy. Six have been purchased by public housing residents. Notwithstanding prolonged and numerous outreach efforts, purchasers for the remaining four have not been found. The parties have agreed to make two of the units lease/purchase and to convert the remaining two units to public housing units.

- HABC collects information about accessibility features contained in units made available to voucher holders by having landlords and inspectors complete accessibility feature checklists. The City promulgated a visitability ordinance that imposes specific building requirements on newly constructed housing that receives public subsidy. Through various programs, the City connects residents with disabilities to housing counseling opportunities.
- The City continues to monitor unlawful discriminatory practices in private-sector housing transactions. Baltimore Neighborhoods, Inc. (BNI) is under contract with the City to complete 50 paired housing discrimination tests per year. In addition to conducting tests, BNI fields inquiries regarding fair housing issues, trains testers and processes housing discrimination complaints. Where it finds cases of blatant discrimination, BNI follows up directly with retesting or legal recourse. The City's Community Relations Commission is empowered to enforce local discrimination laws, but staff members were unable to provide data on the number or outcome of any housing complaints. This, along with the diminished administrative capacity alluded to in interviews conducted during the development of the AI, suggests that complainants primarily file cases with BNI or at the state or federal level.
- In an attempt to recoup the massive public costs incurred during the foreclosure crisis, the City filed a lawsuit in 2008 against Wells Fargo, alleging that the bank engaged in reverse redlining and a pattern and practice of unfair, deceptive and discriminatory lending in minority neighborhoods. The case has been dismissed twice in federal court, but the City currently has the option of filing an amended complaint.
- The City adopted a new Comprehensive Master Plan (CMP) in 2006. The Plan called for a variety of housing strategies to expand opportunity, such as transit-oriented development and inclusionary housing requirements, both of which are incorporated in the newly revised 2010 zoning ordinance.
- HABC and the City provide community education, outreach, homeownership counseling, affordable housing education, eviction prevention, landlord/tenant rights and other fair housing activities through community partners. In administering CDBG and HOME funds, the City applies a comprehensive set of affirmative marketing requirements and encourages compliance through providing on-site training to project owners and property managers.

### **C. Current Fair Housing Programs and Activities**

These types of activities implemented by entitlement communities can be generally categorized according to the following categories, all of which are annually represented in the City's actions to affirmatively further housing.



- **Education and outreach** – involves education and training on fair housing laws, the rights and responsibilities of individuals; includes the dissemination of resource materials, information on how to file a discrimination complaint.

The City conducts education and outreach primarily through CDBG subrecipients such as BNI, Public Justice Center, Inc. and the Greater Baltimore Community Housing Resource Board. The City's Community Relations Commission is also responsible for outreach and education.

- **Policy development** – involves the establishment of policies that are key to the implementation of fair housing laws; includes housing site selection policies, inclusionary zoning ordinance, enhanced Section 8 mobility programming.

Policy development since the last AI is apparent in the City's new Comprehensive Master Plan, updated zoning ordinance, expansion of classes protected against discrimination and comprehensive affirmative marketing policy, though this report recommends that the City formally state a neighborhood/site selection policy and follow through with the four-factor analysis to determine whether a Language Access Plan for persons with limited English proficiency is needed.

Some local policies related to fair housing have been developed as a result of legal actions. Examples include voucher set-asides for persons with disabilities, updating the City's Section 504 transition plan and the Baltimore Housing Mobility Program.

- **Enforcement** – involves monitoring of sub-recipients to ensure compliance with all programmatic requirements, processing discrimination complaints, attempting mediation or conciliation settlements; includes allocating funds to legal aid attorneys to handle complaints and to advocacy organizations to conduct real estate testing. BNI and the City's Community Relations Commission are responsible for enforcing the City's prohibitions on housing discrimination. BNI received and processed 26 fair housing complaints in 2009, while the Commission was unable to provide data on any complaints received. The 1994 AI raised questions about the administrative capacity of the Commission, alleging that low funding and staffing have rendered the system for processing complaints ineffective. More recent interviews with Commission staff members confirm that decreased funding levels have diminished the Commission's ability to conduct enforcement activity. If the Commission's procedures do not facilitate the timely processing and investigation of complaints, it is understandable why residents would chose to file housing complaints instead with BNI, the state or HUD.

The City has established a thorough system for monitoring CDBG and HOME subrecipients to ensure compliance with the requirements and intent of the applicable federal regulations. The Department of Housing and Community Development not only enforces stringent

affirmative marketing, accessibility and other requirements, but also works closely with subrecipients to make sure they are aware of fair housing issues.

- **Expansion of housing choice** – involves the creation of new housing opportunities for members of the protected classes; includes allocation of entitlement funds to develop new housing units outside of racially or ethnically concentrated areas.

Largely through the resolutions of fair-housing-related legal actions, the City has invested heavily in the expansion of affordable housing opportunities in recent years. Its initiatives have involved the development of hard units, such as through transformative HOPE VI work in concentrated neighborhoods and the creation of scattered-site single-family housing in non-concentrated neighborhoods. The City has also advanced mobility for voucher holders and other renters, as represented by the Housing Mobility Program, the purpose of which is to assist voucher holders who wish to reside in low-poverty, predominantly White neighborhoods.

The Annual Action Plan and CAPER reviewed in this AI note that the City should continue to focus expansion of the supply of rental units for families in areas that are not racially or ethnically concentrated, to the extent that this is possible, given the City's demographic composition.

While education and outreach have affirmatively furthered fair housing in the City, it is very difficult to measure the cumulative impact that these initiatives have on members of the protected classes. It is possible to enumerate the number of flyers or posters distributed or the number of participants attending a workshop. But it is not possible to measure the direct benefit that these types of activities have on expanding fair housing choice.

On the other hand, the benefits of carrying out activities to implement the *expansion* of fair housing choice can be measured. It is possible to enumerate the number of persons assisted by BNI, complaints filed and processed and the number of housing units impacted. It is also possible to assess compliance with fair housing laws by identifying the number of accessible units created with entitlement funds. Although education and outreach activities are important, expanding housing choice for members of the protected classes through the creation of new units should be the primary goal for all entitlements.

**OBSERVATION:** The City's current menu of program activity related to fair housing accomplishes a variety of aims, balancing education and outreach with the more difficult tasks of refining policies to affirmatively further fair housing, enforcing laws against discrimination and expanding the supply of accessible, affordable units in a variety of neighborhoods.

**D. Fair Housing Advocacy Organizations**

The City of Baltimore is the urban core of a larger metropolitan region served by a variety of fair housing advocacy organizations. These entities include Baltimore Neighborhoods, Inc., an active office of the American Civil Liberties Union, Legal Aid, the Greater Baltimore Urban League, Poverty and Race Research Action Council, the Maryland Disability Law Center and the Citizens Planning and Housing Association, among others. The activities and impacts of regional advocates are discussed in the regional section of the AI.

## 5. GENERAL FAIR HOUSING OBSERVATIONS

The following observations were noted throughout the previous sections of the AI. These issues were based on the primary research collected and analyzed and the numerous interviews and focus group sessions conducted for this report. They help to establish context for the impediments included in the following section. While none of these observations individually rose to the level of an impediment to fair housing choice in the City of Baltimore, the issues remain noteworthy in that they constitute the underlying circumstances which define the local fair housing climate.

- **The landscape of diversity in the City has shifted.**

Since 1980, the non-White population in the City of Baltimore has increased from 56.1% to 70.7% of the total population. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily. According to new estimates, the City became the only major jurisdiction in the state to experience a net loss in Black residents since 2000.

- **There are 114 areas of racial or ethnic concentration in the City.**

Of the 194 census tracts in the City, 114 (59%) qualify as areas of racial or ethnic concentration. Of these 114 areas, 106 (93%) are areas of Black concentration, in which Black residents represent more than 71.7% of all residents. The most heavily concentrated areas include the western neighborhoods from north along Reisterstown Road south to I-70, most of the area east of State Route 45/146 (exclusive of the far northeast corner of the City), and the Westport/Cherry Hill area southwest of the Inner Harbor.

Hispanic residents are concentrated at a rate exceeding 12.6% in several neighborhoods due east of Downtown Baltimore.

- **The City of Baltimore remains moderately segregated, as determined by dissimilarity indexing.**

With a 2010 dissimilarity index of 69.2, Baltimore is more highly segregated than every other jurisdiction in the state, though it is more integrated than 1990, when the index was 75.9.

Achieving full integration among White persons and Black persons in the City would require 69.2% of Black residents moving to a different location within the City. In addition to a White/Black index of 69.2, the City has a White/Hispanic index of 43.2, substantially higher than its 1990 index of 34.0. While this method of analysis indicates that some deconcentration has occurred among Black residents since 1990, housing segregation among Hispanic residents has increased.

- **Members of the protected classes have significantly lower incomes.**

The median household income for Blacks and Hispanics in the City of Baltimore is significantly lower than for Whites and Asians. Consequently, Blacks and Hispanics have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were more likely to live in poverty than persons without disabilities. In Baltimore, 26.9% of persons with disabilities were living in poverty, compared to 20.3% of persons without a disability.

Female-headed households with children accounted for 61.8% of families living below the level of poverty in Baltimore, despite representing only 11.4% of all households.

Families with at least one foreign-born parent were more likely to have lower incomes than families with native-born parents. Among families with children with foreign-born parents, 47.1% were living under 200% of the poverty level.

- **Areas identified as areas of racial and/or ethnic concentration are generally also areas of concentration of low- and moderate-income persons.**

As of 2010, 550 (77.5%) of the City's block groups qualified as predominantly low- and moderate-income, with at least 51% of household incomes below the HUD income threshold. The location of LMI areas is highly correlated with areas of racial concentration.

- **Blacks were more likely to be unemployed than Whites.**

In 2008, the unemployment rate among Black residents of Baltimore was 13.3%, significantly higher than the rate among Whites of 4.2%. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

- **Minority home owners were much more likely to experience housing problems than White home owners.**

The persistence of mortgage default and foreclosure in the City describes the continuing struggle of cost-burdened households to maintain housing and build wealth. Many of the census tracts with high-foreclosure rates qualify as LMI areas or areas of racial or ethnic concentration. In a 2008 lawsuit against Wells Fargo, the City acknowledged the extent to which predatory lending targeted to minority neighborhoods has resulted in disproportionately high foreclosure rates in these areas.

Among all owner households with incomes below 80% of the median family income in 2000, 42.7% of White households experienced housing problems, compared to 52.1% of Blacks and 58% of Hispanics. Minority renters also reported housing problems at a greater rate than White renters.

- **The public housing inventory maintained by the Housing Authority of Baltimore City (HABC) is inadequate, especially for members of the protected classes.**

Black households are disproportionately represented among public housing tenants in the City, currently accounting for 95.6% of all tenant households. Furthermore, Blacks represented 94.2% of all applicants on the public housing waiting list.

Black households also are disproportionately represented among Section 8 voucher holders, constituting 94% of current tenants and 92.6% of waiting list applicants, despite constituting less than 65% of the City's general population.

There are nearly 11,500 families with children on HABC's waiting list for family public housing units. These applicants compete for a total of only 6,761 habitable units of public housing with two or more bedrooms. There are currently 4,386 families with children on HABC's Section 8 Housing Choice Voucher waiting list. These waiting list characteristics further indicate a significant unmet need for affordable rental housing for families in the City.

- **The City's fair housing landscape has been shaped by a variety of legal actions.**

The City has been affected by three lawsuits related to fair housing since 1995. One is aimed at deconcentrating racially and economically segregated neighborhoods. The second is aimed at increasing the availability of accessible housing and housing for low income and extremely low income non-elderly persons with disabilities who are eligible for one bedroom units. The third is related to alleged reverse redlining practices that caused high foreclosure rates in minority neighborhoods.

The City and HABC have been implementing remedial actions over many years that have increased the mobility of voucher holders, created housing opportunities for persons with disabilities and resulted in the development of hundreds of units of affordable housing, many of which replace obsolete public housing high rises in concentrated neighborhoods or provide scattered-site single-family housing in areas of opportunity.

## 6. POTENTIAL IMPEDIMENTS TO FAIR HOUSING CHOICE

The remaining observations constitute the potential impediments or barriers to fair housing choice in the City of Baltimore. These impediments are linked to remedial strategies in the Fair Housing Action Plan. A list of impediments for the region, as well as a regional FHAP, will be addressed separately.

### A. Public Sector – Administrative

- **The City lacks an over-arching fair housing policy that establishes the foundation for comprehensive integration.**

While it is possible that the variety of ambitious strategies outlined in the City's Comprehensive Master Plan to preserve and enhance mixed-income neighborhoods in Baltimore will have the effect of increasing racial integration, the Plan lacks an over-arching statement of policy that expresses the City's commitment to affirmatively further fair housing. The CMP is a logical instrument in which to state this policy, inasmuch as it encompasses all aspects of City government, not just its housing and community development functions.

Currently, there is no fair housing filter through which CDBG and HOME funding decisions are reached. Project selection criteria do not appear to consider the extent to which proposed projects affirmatively further fair housing choice. Priority should be given to projects that have the effect of creating affordable housing opportunities for families in non-concentrated areas.

*Proposed Action I:* Prepare and adopt a policy that clearly states the City's commitment to desegregation.

*Proposed Action II:* Continue to apply selection criteria for proposed HOME activities that give preference to projects that expand the supply of rental housing for families according to neighborhood typology, or any successor to the neighborhood typology, such that the aim of expanding fair housing choice is advanced. Criteria for expanding fair housing choice should become a standing policy for HOME site selection.

- **The City's increasingly diverse minority population may require language accommodations more formal than the current Communications Protocol to ensure that all residents can access programs and services.**

The population of persons with limited English proficiency (LEP) in Baltimore is substantial, as demonstrated by the 2008 American Community Survey estimate of more than 10,000 LEP City residents speaking Spanish, Chinese or Russian. The size of each of these language groups is large enough to warrant an analysis of what actions the City must take to ensure that these populations are adequately served by the City's programs.

The City currently applies a Communications Protocol to specify whether or not documents should be translated, depending largely on whether resources

are available for translation. This reactive methodology could prevent access – especially timely access – for certain language groups.

*Proposed Action I:* Follow through with the four-factor analysis outlined in the Federal Register of January 22, 2007, and at [www.lep.gov](http://www.lep.gov) to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing the City's programs. If it is determined that the need for a Language Access Plan (LAP) exists, the City must prepare the LAP in order to comply with Title VI of the Civil Rights Act of 1964.

*Proposed Action II:* Continue to provide other language services (interpreters, translators, etc.) on an as-needed basis.

- **Members of the protected classes could be more fully represented on City boards and commissions dealing with housing issues.**

Persons with disabilities are currently underrepresented or underreported on City boards and commissions relating to housing issues. No data was available on the familial status of members. The experiences and perspectives of members of the protected classes are important in enhancing the decision-making process in the City and offer the opportunity to advance fair housing choice in all aspects of government.

*Proposed Action:* Conduct a voluntary survey of each of the appointed citizens who are currently members of public boards to identify members of the protected classes. The survey should identify the race, gender, ethnicity and disability status of every appointed board and commission member. Thereafter, members of the protected classes should be affirmatively recruited to fill vacancies on appointed boards and commissions. Records on the membership of appointed boards and commissions will assist City officials in making appointments that reflect the City's diversity.

## B. Public Sector – Programmatic

- **Minority households have greater difficulty becoming home owners in Baltimore because of lower incomes.**

The home ownership rate among Black households in the City was 44.5% in 2000, compared to 61% of White households. Among Hispanic households, 34.5% owned their homes. Asians had the lowest ownership rate at 29.9%.

*Proposed Action I:* Continue to strengthen partnerships with local lenders that will offer homebuyer education and incentives to purchase homes in the City.

*Proposed Action II:* Continue to identify effective ways for the City, fair housing advocates, certified housing counselors, and financial lenders to increase fair access to home ownership among members of the protected classes. This can be achieved through increasing sustainable home ownership opportunities through financial literacy education, including credit counseling and pre- and post-home purchase education.



- **The City's supply of decent, safe housing that is affordable to households up to 80% of median household income (MHI) is inadequate.**

Historic patterns of housing segregation and disparity in housing costs among neighborhoods severely restrict housing choice for minority households, which have significantly lower incomes than White households. These trends are apparent in the following observations:

There has been a 3.8% net loss in housing units across the City between 1990 and 2009. Loss was greater in areas of minority concentration, while growth occurred Downtown and along Federal Hill near the Inner Harbor and in the less concentrated northern central sector of the City. Many of the units lost were in uninhabitable condition. The overall loss in units was significantly less steep than the loss in overall population, which was 14.3% during the same years.

- The City has an obligation to affirmatively further fair housing when adding to and eliminating from its supply of affordable housing, to the extent public funds are being used.
- The median owner-occupied housing value in Baltimore increased 65.2% between 1990 and 2008,<sup>41</sup> while the inflation-adjusted median household income fell by 6.4%. This indicates that income has not kept pace with the rising cost of housing in Baltimore, which could make purchasing a home more difficult for lower-income households.
- It is becoming more expensive to rent an apartment in the City of Baltimore. Between 2000 and 2008, the number of affordable rental units renting for less than \$1,000/month decreased by 39,961 units, or 33.6% of all units in that price range. At the same time, the number of higher-rent units (\$1000/month or higher) increased by 27,685. While the fair market rent for a one-bedroom unit in the Baltimore-Towson metropolitan area is \$1,052, this analysis reveals the significant loss of units renting for less than \$1,000/month. In this sense, "loss" includes rental units that have been demolished or removed from the rental market, as well as units for which demand has caused an increase in monthly rental rates.
- While an excess of supply in the City of Baltimore has depressed housing sales values and the City remains the lowest-priced area of the region in which to purchase a home, there is a large disparity in markets among City neighborhoods, with the lowest sales prices occurring in areas of Black concentration. As the City's Black households have a median income equivalent to only 61% of the White household income, Black residents are more likely to experience neighborhood limitations in locating an affordable home to purchase. This situation underscores

<sup>41</sup> According to the 2009 American Community Survey, the median owner-occupied housing value in Baltimore has climbed to \$168,400 since 2008. This bump in value is corroborated by aggregate Trulia real estate market data for June to August 2011, which reported a median sales price of \$160,000, 10.3% higher than the same months of the previous year. At the same time, the 2009 ACS reported a median income of \$38,772, lower than the 2008 median of \$39,083.

the need to expand affordable housing opportunities in non-concentrated areas, though it would not be possible for government to subsidize enough housing to satisfy the unmet need of persons who are not paid a living wage.

- Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in Baltimore. This situation forces these individuals and households to double up with others or lease inexpensive substandard units. Minorities and female-headed households are disproportionately impacted due to their lower incomes. It is worth noting that, it would not be possible for government to subsidize enough housing to satisfy the unmet need of persons who are not paid a living wage
- Persons receiving SSI as their sole source of income cannot afford a one-bedroom unit renting at the fair market rent of \$868.

*Proposed Action I:* The inclusionary housing ordinance, which has been extended to 2020 to require the inclusion of affordable housing in certain types of projects, should be applied and upheld according to its terms. For projects where there is “Major Public Subsidy” (MPS) *and* more than 30 new housing units will be created, the developer must provide 20% of the total units as “Inclusionary.” For projects where there is “Significant Rezoning” *and* that rezoning creates a right to more than 30 dwelling units the developer must provide 10% of the total units as “Inclusionary”. These “inclusionary” units must be affordable to residents at certain income levels, varying from 30% of AMI to 120% of AMI, depending on the type of subsidy and whether the project is rental or homeownership. In addition, in order to not affect housing development in Baltimore the law was intended to create no “financial burden” on a developer or project. The law offers a system of cost offsets and incentives to “fully offset any financial impact” of the requirements. To the extent that available offsets are insufficient, the law waives the affordability requirements.

*Proposed Action II:* Partner with regional affordable housing developers to increase the supply of affordable housing in non-concentrated City neighborhoods, should opportunities to do so arise. The City does not own significant areas of land in non-concentrated areas that are buildable and is not in a financial position to provide incentives other than HOME funds, but the City should offer the technical or other assistance at its disposal toward encouraging and advancing such projects.

- **The City’s supply of affordable and accessible housing units is inadequate to meet demand.**

Households including a person with disabilities represent 21.3% (3,232) of the waiting list for public housing and 53.9% (6,194) of the waiting list for Section 8 Housing Choice Vouchers. However, not every applicant who reports a disability requires an accessible unit.

During the development of the AI, stakeholders reported that renters with disabilities are losing housing because landlords do not understand their legal

responsibilities to provide reasonable accommodations. Private developers are not responding to HABC's efforts to stimulate the construction of accessible housing. Thus, outside of the housing opportunities created as a part of the Bailey consent decree, the stock of rental units available and accessible to persons with disabilities is limited.

*Proposed Action I:* HABC must complete creating all 755 accessible public housing units required by the Bailey consent decree. Once those are completed, HABC should determine the need for accessible housing and then develop strategies for creating units to meet the need.

Contingent upon funding availability, HABC should provide project-based Section 8 vouchers to landlords or developers who create UFAS units funded with tax credits and/or HOME funds. HABC expects that severe cutbacks in federal funding will preclude it from issuing any vouchers other than those required by consent decrees, but this remains a fair housing recommendation for implementation to the extent possible. To date, it has been HABC's and the City's experience that providing project based vouchers is not an incentive to creating UFAS units.

*Proposed Action II:* HABC should formalize a policy to increase its fair market rent payment standard if necessary, on a case-by-case basis, to enable a tenant to afford accessible units that have been retrofitted by the owner, at the owner's cost, to make them accessible. Though the voucher program is currently underfunded, and raising the fair market rent standard would limit the total number of vouchers HABC is able to issue, this recommendation is important to expanding fair housing choice within the City.

*Proposed Action IV:* HABC should continue to maintain a current list of landlords with accessible units so the Authority can offer a high level of assistance to disabled applicants.

- **The Baltimore Community Relations Committee (BCRC) is empowered to enforce anti-discrimination laws, but its inability to produce data on complaints calls into question its administrative capacity to process and investigate allegations of discrimination.**

The majority of fair housing complaints filed by Baltimore City residents with HUD involved race as the basis for discrimination. Disability was the second most common basis. While more than half the complaints filed by Baltimore City residents with HUD were found to be without probable cause, the predominance of complaints on the basis of race and disability indicate that discrimination persists.

BNI found evidence of housing discrimination in 43.5% of rental market test and re-test cases, which indicates a significant need to address discriminatory practices in the private rental market. The prevalence of problems describes a real estate culture in which opportunities are not equal for members of the protected classes.

No data is available on the housing discrimination complaints received by the BCRC. Therefore, it is not possible to analyze trends in complaints filed

locally. It is also not possible to analyze the performance of the Commission's adjudication system. This absence of detailed complaint data makes it difficult for the City to efficiently target public resources to specific geographic areas and/or specific types of discrimination (e.g., sales versus rental, race, disability, familial status, etc).

The 1994 AI noted that the City's fair housing law was not substantially equivalent with the Fair Housing Act. Achieving substantial equivalency with HUD should be a low priority.

Because the Maryland Commission on Human Relations withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates have one less resource upon which to target testing, education, and outreach efforts.

*Proposed Action I:* Continue to provide fair housing education and outreach efforts to landlords, building owners, rental agents, and Realtors.

*Proposed Action II:* Re-examine the role of the BCRC relative to its responsibility to process and investigate fair housing complaints, in specific light of stakeholder observations that funding reductions have reduced the BCRC's ability to enforce anti-discrimination laws. Referring persons filing fair housing complaints whose claims are covered by Maryland's Fair Housing law to the Maryland Commission on Human Relations may be a way for the City to more efficiently respond to complaints. The BCRC was created to combat discrimination, a purpose that would also be served if it participated in other fair housing activities, such as: a) providing training for City employees whose duties impact fair housing, such as developing zoning policies, planning assisted housing or community/economic development activities, and b) participating in the preparation of the fair housing section of Consolidated Plans, Annual Plans and the CAPER.

- **The City's proposed zoning ordinance should be amended to comply with the Fair Housing Act.**

Group homes are identified as "licensed residential care facilities" in the proposed zoning code. Small licensed residential care facilities consisting of up to eight unrelated persons are permitted by-right in all single family zoning districts, although additional compatibility provisions are required. These same additional provisions would need to be placed on all single family dwellings in the same zoning district for the City's proposed code to be in compliance with the Fair Housing Act. Furthermore, the City would have to consider providing reasonable accommodation to large licensed residential care facilities consisting of nine unrelated persons with disabilities if the applicant could demonstrate that the facility would have no greater impact on the neighborhood than a similar facility of eight unrelated persons with disabilities.

*Proposed Action I:* Amend the proposed zoning ordinance to remove any undue restrictions on small licensed residential care facilities that are not also placed on single-family dwellings.

- **The City's process for allocating CDBG, HOME and NSP funds could be improved from a fair housing perspective.**

As a result of the 2006 Comprehensive Master Plan, the City developed a housing market typology that guides its neighborhood investment strategies. The City administers its housing programs in compliance with the regulations found at 24 CFR 983.6(b), known as the Site and Neighborhood Standards, but does not have a standing written policy to establish standards for locating publicly financed rehabilitated and newly constructed rental units. Such a policy would facilitate the City's goals toward affirmatively furthering fair housing.

Of the site-specific HOME activities included in the City's 2010 Action Plan, only units for income-eligible elderly and/or disabled residents are located in non-concentrated areas of the City. The City's development of affordable units using HOME funds has expanded housing opportunities for families, but does not consistently expand them beyond neighborhoods that are racially or ethnically concentrated, in large part due to the fact that most neighborhoods in Baltimore City are concentrated. The City has addressed the need for affordable family housing primarily through its HOPE VI accomplishments, which have created mixed-income single-family units to replace obsolete public housing high rises in areas of minority concentration. It is exceedingly difficult to locate areas within the City for replacement units that affirmatively further fair housing. This problem underscores the need for affordable housing to be more equitably distributed across the region.

The provisions of the City's Affirmative Marketing Policy are comprehensive, but the document could be improved by providing additional detail on the monitoring process, such as how often compliance assessments occur and what they entail.

*Proposed Action I:* In developing policy priorities for entitlement investment in affordable housing, the City should give first consideration to the use of HOME funds for new family rental housing on sites outside of concentrated areas. The City plans to incorporate its typology map in this process, prioritizing family rental housing in neighborhoods identified as stable, emerging and competitive. Additionally, the City agreed to prioritize creation of non-elderly persons with disabilities in an agreement with the Maryland Disability Law Center.

*Proposed Action II:* The City's Department of Housing and Community Development should prepare a written policy that encompasses the Site and Neighborhood Selection requirements at 24 CFR 983.6 and that can be incorporated as part of the application review and approval process for all applicable HOME-assisted projects. All CHDOs, developers and subrecipients should receive a copy of this policy as part of the HOME application package. The policy will refer to the City's typology map.

*Proposed Action III:* When preparing future CAPERs, the City should map the addresses of all new affordable housing projects financed with formula grant funds to depict their location relative to areas of racial/ethnic

concentration. This can be achieved without revealing confidential information of individual households. Such a procedure would enable the City to demonstrate its accomplishments in affirmatively furthering fair housing.

- **HABC's Section 8 Housing Choice Voucher (HCV) Program should work to coordinate with the other voucher programs in the metropolitan Baltimore Area, which may provide greater portability options to voucher holders who wish to live outside of the City.**

HABC does not obstruct Section 8 voucher holders from locating in neighborhoods of opportunity. To the contrary, the mobility program administered by Metropolitan Baltimore Quadel represents the City's effort, spurred by the partial consent decree resulting from *Thompson v. HUD*, to facilitate affirmative moves. However, HABC's administration of portability should be coordinated to achieve consistency with other housing authorities across the region, which would have the effect of opening more doors to voucher holders.

*Proposed Action I:* Continue to work with area landlords and property management companies to encourage acceptance of vouchers in non-concentrated neighborhoods and communities.

*Proposed Action II:* Though HABC's resources are extremely limited, maintaining flexibility to adjust Section 8 HCV payment standards based on the affordability of area neighborhoods remains an important fair housing aim.

*Proposed Action III:* Form a regional task force to coordinate voucher portability between jurisdictions in the Baltimore area.

### C. Private Sector

- **Mortgage loan denials and high-cost lending disproportionately affect minority applicants in the City of Baltimore, similar to national trends.**

In 2008, minority households in Baltimore experienced higher mortgage denial rates than White households. Specifically, Black households had the highest mortgage denial rate at 23.3%. Asian households experienced a denial rate of 18.3%, while the denial rate for Hispanic households was 21.4%. White households were far more likely to receive loans, as only 9.7% of applications were denied.

Upper-income Black households in the City of Baltimore were denied mortgage loans at more than double the rate (28.3%) than lower-income White applicants (12.4%). While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Black households are disproportionately represented in high-cost lending. Of the 2,127 loans originated for upper-income applicants, Black households represent 56.1% of high-cost loans, but only 29.1% of all originations. For lower-income applicants, Black households represent 66.9% of high-cost

loans, but only 55.1% of all originations. For both upper- and lower-income White households, the opposite is true: among lower-income White households, 23.6% of loans are high-cost, while Whites make up 36.7% of originations, and among upper-income White households, 37.2% of originations are high-cost while Whites make up 62.5% of originations.

Higher denial rates of mortgage loan applications and a disproportionate share of high-cost loans among minority households have the effect of limiting access to mortgage products for these households.

*Proposed Action I:* Continue to engage HUD-certified counselors to target credit repair education through existing advocacy organizations that work with minority populations on a regular basis.

*Proposed Action II:* Continue to facilitate home ownership workshops and training sessions, with special outreach in racially or ethnically concentrated neighborhoods and to engage members of the protected classes.

*Proposed Action II:* Conduct mortgage lending testing based on race and ethnicity.

- **While the Greater Baltimore Board of Realtors administers programs to advance the careers of agents who have a background that enables them to promote housing opportunities to traditionally underserved groups, no records are available to demonstrate affirmative recruitment among local Realtors.**

Realtors are the persons first encountered by many homebuyers. Diversity among local Realtors will reflect a community that seeks to accommodate and welcome everyone, including all members of the protected classes. However, the racial and ethnic diversity of the Greater Baltimore Board of Realtors is unknown due to a lack of data on its general membership. The Board's commitment to provide scholarships to agents who will serve traditionally underserved populations is commendable.

*Proposed Action:* Encourage the Greater Baltimore Board of Realtors to ensure that local Realtors reflect the City's diversity by encouraging the Board to maintain data that reflects the number of Realtors who are members of the protected classes. To accomplish this, the City could communicate with the Board via a letter copied to file or through enhancing its working relationship with the Board.

## 7. FAIR HOUSING IMPLEMENTATION PLAN

The City of Baltimore, like all other HUD entitlement communities, has an obligation to affirmatively further fair housing (AFFH). And, like most central cities located within major metropolitan regions in the U.S., Baltimore is characterized by higher rates of unemployment, poverty, substandard housing, subsidized housing and lower-income minority residents. As part of this AI, impacted areas containing concentrations of minority residents *and* low-income persons were identified. Within Baltimore, 114 of 194 census tracts (59%) qualify as areas of racial or ethnic concentration. Of these 114 concentrated areas, 106 (93%) are areas of Black concentration. To achieve true progress toward AFFH goals, the City is obligated to expand housing choice for members of the protected classes to non-concentrated areas. However, with a limited number of census tracts within its municipal boundaries where lower-income and minority residents are *not* concentrated, Baltimore is severely limited in making significant strides in AFFH without the cooperation and collaboration of the surrounding jurisdictions, which were also participants in this AI process.

The actions described in this section of the AI include the strategies that the City of Baltimore will undertake to eliminate impediments to fair housing choice to the extent that this can be achieved within the limitations described above. Genuine AFFH progress involving City residents is dependent upon a long-term collaborative initiative among Baltimore and its surrounding metropolitan counties.

	Planned Action Year					Responsible Entity
	2011	2012	2013	2014	2015	
<b>Goal:</b> Establish over-arching fair housing policy to establish a foundation for affirmatively furthering fair housing						
Task: Prepare and adopt a formal policy with a clearly stated commitment to affirmatively further fair housing	•					DHCD
Task: Establish selection criteria for proposed HOME activities giving preference to projects that expand the supply of affordable rental housing in opportunity areas as identified in the City's typology map.	•					DHCD
<b>Goal:</b> Increase access to City programs for persons with limited English proficiency						
Task: Complete four-factor analysis of needs and language access plan according to HUD's LEP guidance		•				HABC
<b>Goal:</b> Ensure that members of the protected classes are represented on appointed volunteer boards						
Task: Survey current board members on a voluntary basis to document race, gender, ethnicity and disability status	•	•	•	•	•	Mayor's Office
Task: Affirmatively recruit protected class members to fill vacancies on appointed boards and commissions	•	•	•	•	•	Mayor's Office
<b>Goal:</b> Increase the supply of housing affordable to households below 80% MHI, specifically in opportunity areas.						
Task: Create affordable housing through a number of strategies including, but not limited to, the Vacants to Value program, neighborhood reinvestment projects and the inclusionary housing ordinance.	•	•	•	•	•	DHCD

cont'd ...



<b>Goal:</b> Expand the availability of housing options for persons with disabilities						
Task: After HABC completes creating all 755 UFAS units required by the Bailey consent decree, HABC should determine the need for accessible housing and then develop strategies for creating units to meet the need, taking into account funding availability.		•	•	•	•	HABC
Task: Contingent upon funding availability, provide project-based vouchers to developers who create accessible units funded with tax credits and/or HOME funds.	•	•	•	•	•	DHCD
Task: Continue to maintain a current list of landlords with accessible units to offer a high level of assistance to persons with disabilities.	•	•	•	•	•	HABC
<b>Goal:</b> Review and/or restructure the existing process for receiving, investigating and recording housing discrimination complaints						
Task: Evaluate the role of the Community Relations Commission relative to its responsibility to process complaints, in light of budgetary limitations. Refer persons filing fair housing complaints whose claims are covered by Maryland's Fair Housing law to the Maryland Commission on Human Relations.		•	•	•	•	[TBD]
<b>Goal:</b> Amend policy and program documents to affirmatively further fair housing						
Task: Amend draft ordinance to remove undue restrictions on group homes		•				[TBD]
Task: Prepare a written policy that encompasses the Site and Neighborhood Selection requirements at 24 CFR 983.6		•				DHCD
Task: In each year's CAPER, map the addresses of all new affordable housing projects financed with formula grant funds to depict their location relative to the City's typology map.		•	•	•	•	DHCD
<b>Goal:</b> Mitigate the extent to which mortgage loan denials and high-cost lending disproportionately affect minorities						
Task: Continue to engage HUD-certified counselors to target credit repair education through advocacy organizations that work with minority populations	•	•	•	•	•	DHCD
Task: Continue to facilitate home ownership education and outreach with particular attention to members of the protected classes	•	•	•	•	•	DHCD
Task: Determine whether an organization exists with the experience needed to conduct mortgage lending testing based on race and ethnicity		•				DHCD

## 8. SIGNATURE PAGE FOR THE CITY OF BALTIMORE

By my signature I certify that the *Analysis of Impediments to Fair Housing Choice for the City of Baltimore* is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

Mayor \_\_\_\_\_

Date \_\_\_\_\_