ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



HAMPTON ROADS REGION, VIRGINIA

Chesapeake
Hampton
Newport News
Norfolk
Portsmouth
Suffolk
Virginia Beach

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HAMPTON ROADS REGION OF VIRGINIA
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1. INTRODUCTION

A. Introduction

The seven HUD entitlement cities in the Hampton Roads region of Virginia have collaborated to prepare an Analysis of Impediments to Fair Housing Choice to satisfy requirements of the Housing and Community Development Act of 1974, as amended. This Act requires that each community receiving Community Development Block Grant (CDBG) funds certifies to HUD that it will affirmatively further fair housing. The Hampton Roads Region includes the seven cities of Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk and Virginia Beach.

Communities receiving CDBG entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act. These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice.

The Analysis of Impediments to Fair Housing Choice (AI) is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice. The policies, procedures and practices of public housing authorities within the region were also analyzed. The public housing authorities participating in the AI will be responsible for addressing any fair housing issues identified in their respective programs.

B. The Westchester County, NY Case

In August 2009, Westchester County, NY settled a fair housing lawsuit brought against the County by the Anti-Discrimination Center of Metro New York, Inc. The outcome of this lawsuit has relevance to entitlement cities such as those in Hampton Roads.

This $180 million lawsuit filed in April 2006 charged that Westchester County failed to fulfill its obligation to affirmatively further fair housing and ensure non-discrimination in its programs. Westchester County is an Urban County entitlement under HUD's CDBG and HOME Programs. As a condition of federal funding, all such HUD entitlements certify to HUD each year that they will conduct their entitlement programs in a non-discriminatory manner that affirmatively furthers fair housing in accordance with the Civil Rights Act of 1964 and the federal Fair Housing Act. In making this certification, Westchester County was required to identify impediments to fair housing choice, take action to overcome those impediments, and to maintain records of its analysis and actions.

In its lawsuit, the Center alleged that the County made a false claim when it certified to HUD that the County would affirmatively further fair housing because its AI did not analyze how its placement of affordable housing affected segregation and racial diversity and it failed to inform municipalities receiving CDBG funds of their obligation to consider the needs of persons living outside their communities. The Center concluded that the County assisted the development of affordable housing units in lower income communities and that as a result, it increased the pattern of racial segregation in Westchester County. At issue in this case was not whether Westchester County created affordable housing. In fact, since 1998, the County had spent over $50 million in federal and state funds to aid in the construction of 1,370 affordable rental units and another 334 affordable owner units. It was the *geographic location* of the affordable housing units that were created within the County that was the critical factor in the lawsuit.

Faced with the threat of losing the $180 million lawsuit and being cut off from another $30 million in HUD funding, Westchester County agreed to a settlement with HUD and the Anti-Discrimination Center of Metro New York. Under the terms of the settlement, the County will pay $21.6 million to HUD in non-federal funds. These funds will be deposited in the County's HUD account and used to build new affordable housing units in specified census tracts with populations of less than 3% Black and 7% Hispanic residents. An additional $11 million will be paid to HUD, the Center and its counsel. The County will add $30 million to its capital budget to build affordable housing in non-impacted (i.e., primarily White) areas.

The significance of this legal settlement for all HUD entitlements throughout the U.S. is clear. First, *the requirement to affirmatively further fair housing applies to all aspects of municipal government, not just HUD programs*. Second, the lawsuit confirms that *an entitlement community has an obligation to ensure that each sub-recipient of CDBG and HOME funds affirmatively furthers fair housing.* When an entitlement makes this pledge to HUD, it is making the promise not just in its own right but also on behalf of the sub-recipients to whom it allocates funds. Finally, an entitlement must take action to eliminate barriers to fair housing wherever they may exist in the city or county.

Although the focus of the Westchester County case is an urban county entitlement, there are clear implications for entitlement cities as well. For example, an entitlement community should be expanding fair housing choice for members of the protected classes outside of impacted areas (i.e., areas of concentration of minorities and LMI persons). This circumstance should be causing entitlements to understand there is a careful balance to maintain between revitalization of LMI neighborhoods and creating new affordable housing opportunities outside of these areas. These implications inform the AI's context of analysis for the CDBG and HOME programs administered by the seven Hampton Roads cities.

C. Fair Housing Choice

Equal and free access to residential housing (housing choice) is fundamental to meeting essential needs and pursuing personal, educational, employment or other goals. Because housing choice is so critical, fair housing is a goal that government, public officials and private citizens must achieve if equality of opportunity is to become a reality.

Under federal law, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following six areas related to fair housing choice:

- The sale or rental of dwellings (public and private)
- The provision of financing assistance for dwellings
- Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing
- The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside areas of minority or ethnic concentration, and
- Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) regarding assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations).

As federal entitlement communities, the seven cities in the Hampton Roads Region have specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the cities' initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination in a jurisdiction and working toward its elimination
- Promoting fair housing choice for all people
- Providing racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income and housing characteristics by protected classes in each of the seven cities and across the region
- Evaluate public and private sector policies that impact fair housing choice

- Identify blatant or de facto impediments to fair housing choice, where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin.

This Analysis serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. The elected governmental bodies are expected to review and approve the analysis and use it for direction, leadership, and resources for future fair housing planning.

The analysis will serve as a baseline for progress against which implementation efforts will be judged and recorded.

D. The Federal Fair Housing Act

i. What housing is covered?

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

ii. What does the Fair Housing Act prohibit?

a. In the Sale and Rental of Housing

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

b. In Mortgage Lending

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

c. Other Prohibitions

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

iii. Additional Protections for the Disabled

If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the disabled person make reasonable modifications to a dwelling or common use areas, at the disabled person's expense, if necessary for the disabled person to use the housing. Where reasonable, the landlord may permit changes only if the disabled person agrees to restore the property to its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

iv. Significant Recent Changes

The Housing for Older Persons Act of 1995 (HOPA) makes several changes to the age 55 and older exemption. Since the 1988 Amendments, the Fair

Housing Act has exempted from its familial status provisions properties that satisfy the Act's age 55 and older housing condition. First, it eliminates the requirement that housing for persons age 55 and older have "significant facilities and services" designed for the elderly. Second, HOPA establishes that a person cannot be held liable for monetary damages for a violation of the Fair Housing Act if he or she reasonably relied, in good faith, on a facility or community's written statement that it qualifies for the 55-and-older exemption, even if it actually does not.

HOPA retains the requirement that senior housing must have one person who is 55 years of age or older living in at least 80% of its occupied units. It also still requires that senior housing publish and follow policies and procedures that demonstrate the intent to be housing for persons 55 years and older.

An exempt property will not violate the Fair Housing Act if it includes families with children, but it does not have to do so. Of course, the property must meet the Act's requirements that at least 80% of its occupied units have at least one occupant who is 55 or older, and that it publish and follow policies and procedures that demonstrate the intent to be housing for persons age 55 and older housing.

v. Requirements for New Buildings

In buildings that are ready for first occupancy after March 13, 1991 and have an elevator and four or more units:

- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All units must have:
    - An accessible route into and through the unit
    - Accessible light switches, electrical outlets, thermostats and other environmental controls
    - Reinforced bathroom walls to allow later installation of grab bars, and
    - Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

vi. Housing Opportunities for Families

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent or
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

E. Virginia Human Rights Act

The Virginia Fair Housing Law was adopted in 1972 and prohibits housing discrimination on the basis of race, color, religion, sex, national origin, elderliness, familial status, and handicap. As a result, persons in Virginia have greater protection under the State's fair housing law than under federal fair housing law.

Specifically, the Virginia Fair Housing Law prohibits the following practices:

- Refusing to sell or rent after the making of a bona fide offer or refusing to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling to any person because of race, color, religion, sex, national origin, elderliness, familial status or disability;
- Discriminating against any person in the terms, conditions, or privileges of the sale or rental of a dwelling, or in the provision of services or facilities in connection therewith to any person because of race, color, religion, sex, national origin, elderliness, familial status or disability;
- To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination or an intention to make any such preference, limitation or discrimination based on race, color, religion, sex, national origin, elderliness, familial status or disability;
- Representing to any person because of race, color, religion, sex, national origin, elderliness, familial status or disability that any dwelling is not available for inspection, sale, or rental when such dwelling is in fact available;

- Denying any person access to membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization or facility relating to the business of selling or renting dwellings, or to discriminate against such person in the terms or conditions of such access, membership, or participation because of race, color, religion, sex, national origin, elderliness, familial status or disability;
- To include in any transfer, sale rental, or lease of housing, any restrictive covenant that discriminates because of race, color, religion, sex, national origin, elderliness, familial status or disability or for any person to honor or exercise, or attempt to honor or exercise any such discriminatory covenant pertaining to housing;
- To induce or attempt to induce to sell or rent any dwelling by representations regarding the entry or prospective entry into the neighborhood of a person or persons of a particular race, color, religion, sex, national origin, elderliness, familial status or disability.

In addition, the State law further stipulates additional actions that are prohibited as they relate to housing discrimination. These prohibitions include the following:

- Failing or delaying maintenance or repairs of sales or rental dwellings;
- Limiting the use of privileges, services or facilities associated with a dwelling;
- Discouraging the purchase or rental of a dwelling or exaggerating drawbacks or failing to inform any person of desirable features of a dwelling or a community, neighborhood, or development;
- Communicating to any prospective purchaser that they would not be comfortable or compatible with existing residents of a community neighborhood or development;
- Assigning any person to a particular section of a community neighborhood or development or to a particular floor or section of a building;
- Denying or limiting services or facilities in connection with the sale or rental of a dwelling because a person failed or refused to provide sexual favors.

The law also explicitly regulates the advertising of real estate in the following manner:

- Using words, phrases, photographs, illustrations, symbols, or forms which convey that dwellings are available or are not available to a particular group because of race, color, religion, sex, handicap, familial status, elderliness or national origin;
- Using selective geographic advertisements, such as the strategic placement of billboards; brochure advertisements distributed within a limited geographic area by hand or in the mail; advertising in particular geographic coverage editions of major metropolitan newspapers or in newspapers of limited circulation which are mainly advertising vehicles for reaching a particular segment of the community; or displays or announcements available only in selected sales offices;
- Using selective human models when using an advertising campaign using human models primarily in media that cater to one racial or national origin segment of the population without a complementary advertising campaign that is directed at other groups;
- All newspaper publishers should publish at the beginning of the real estate advertising section a notice that includes a statement regarding the coverage of

any local fair housing or human rights ordinance prohibiting discrimination in the sale, rental or financing of dwellings.

The Virginia Fair Housing Office (VFHO) is under the auspices of the Department of Professional and Occupational Regulation. The VFHO consists of an administrator who has overall responsibility for the office, an Investigative Supervisor who oversees all investigations, a Program Conciliator who attempts to resolve complaints through informal negotiation, four field investigators, and two administrative investigators. The VFHO is the investigative arm of Virginia's Fair Housing Board and Real Estate Board. The Fair Housing Board administers and enforces the Fair Housing Law for most individuals and businesses; the Real Estate Board retains jurisdiction over real estate licensees and their employees.

Once the VFHO accepts a complaint as stating a fair housing claim, the complaint is assigned to be investigated. During the investigative process an investigator generally interviews the complainant, the respondent and relevant witnesses. The investigator may also review documents and records.

After the investigation is completed, the investigator writes a final report that summarizes the evidence obtained during the investigation. The investigative supervisor then reviews this report. The evidence is presented to the Board, which will review the evidence. The Board will take one of the following actions upon a report: (1) dismiss the complaint, (2) issue a charge of discrimination, or (3) accept the conciliation agreement. If the Board issues a charge of discrimination, the charge is immediately referred to the Office of the Attorney General in Virginia for further action.

F. Newport News Fair Housing Ordinance

In addition to Virginia's Fair Housing Law, the City of Newport News has adopted its own Fair Housing Ordinance, which declares it the policy of the City to provide fair housing to all its citizens, without consideration for race, color, religion, national origin, or sex, age or parenthood.

Similar to the Virginia Fair Housing Law, the City of Newport News Fair Housing Ordinance prohibits the following practices:

- Refusing to negotiate for the sale or rental of a dwelling because of race, color, religion, national origin, or sex, age or parenthood;
- Discriminating against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or condition therewith to any person because of race, color, religion, national origin, or sex, age or parenthood;
- To make, print, or publish, or to cause to be made, printed, or published, any notice, statement or advertisement, with respect to the sale or rental of a dwelling, that indicates any preference, limitation, or discrimination, or an intention to make any such preference, limitation, or discrimination, because of race, color, religion, national origin, or sex, age or parenthood;
- Representing to any person because of race, color, religion, national origin, or sex, age or parenthood that any dwelling is not available for inspection, sale or rental when such dwelling is in fact so available;

- Denying any person access or membership or participation in any multiple listing service, real estate broker's organization or other services, organization or facility relating to the business of selling or renting dwellings, or to discriminate in the terms or conditions of such access, membership, or participation because of race, color, religion, national origin, or sex, age or parenthood;
- To include in any transfer, sale, rental, or lease of housing any restrictive covenant that discriminates based on race, color, religion, national origin, or sex, age or parenthood, or for any person to honor or exercise, or attempt to honor or exercise, any discriminatory covenant pertaining to housing.

The City's Ordinance also stipulates additional unlawful discriminatory housing practices. These include:

- In acting for monetary gain, inducing or attempting to induce another person to transfer an interest in real property, or to discourage another person from purchasing real property, by representations regarding the existing or potential proximity of real property owned, used, or occupied by persons of any particular race, color, religion, national origin, or sex, age or parenthood;
- Soliciting or attempting to solicit the listing of dwellings for sale or lease, by door-to-door solicitation, in person or by telephone, or by mass distribution of circulars, for the purpose of changing the racial composition of the neighborhood.

The Fair Housing Ordinance also includes provisions targeted at the practices of lending institutions, including banks, saving and loan institutions, credit unions, insurance companies, or other persons regularly engaged in the business of making mortgages or other loans for the purchase, construction, improvement, or repair or maintenance of dwellings. According to the City ordinance, the following practices are illegal:

- To deny a loan to a person applying therefore, or to discriminate against him or her in the fixing of the down payment, interest rate, duration or other terms or conditions of such a loan, because of race, color, religious creed, national origin, or sex of such a person, or of any member, stockholder, director, officer, or employee of such a person, or of the prospective occupants, lessees, or tenants, of the dwelling or dwellings in which the application for a loan is made.
- For the city treasurer or any city governmental official whose responsibility it is to account for, to invest or to manage public funds to deposit or cause to be deposited any public funds in any lending institution which is found to be committing discriminatory practices, where such findings were upheld by the court.

If a court mandates a lending institution to cease or desist in a discriminatory practice, the treasures must take immediate steps to withdraw any City funds from that institution and redeposit them elsewhere. If for reasons of sound economic management this action will result in a financial loss to the City, the action may be deferred for a period not longer than one (1) year. If the lending institution subsequently corrects its discriminatory practices, any prohibition shall be lifted.

Lastly, the City of Newport News Fair Housing Ordinance prohibits conspiracy to violate the ordinance. Specifically, the ordinance prohibits the following practices:

- Retaliating or discriminating in any manner against a person because he or she has opposed a practice declared unlawful by the ordinance, or because he or she has made a charge, filed a complaint, testified, assisted, or participated in any manner in any investigation, proceeding or hearing;
- Aiding, abetting, inciting, compelling, or coercing a person to engage in any of the acts or practices declared unlawful by the Fair Housing Ordinance;
- Obstructing or preventing a person from complying with the provisions of the ordinance;
- Resisting, preventing, impeding or interfering with the committee or any of its members or representatives in the lawful performance of duty under the ordinance.

The Newport News Office of Human Affairs (OHA) is the administrating agency for the Fair Housing Ordinance. The OHA is responsible for receiving and investigating any alleged violations of the ordinance. The OHA also offers a Comprehensive Housing Counseling Program for potential first-time buyers and persons eligible for housing assistance.

Figure 1-1
Protection for Members of the Protected Classes

Protected Class	Federal Fair Housing Act	Virginia Fair Housing Law	Newport News Fair Housing Ordinance
Race	●	●	●
Color	●	●	●
National Origin	●	●	●
Religion	●	●	●
Sex	●	●	●
Familial Status	●	●	
Handicap/Disability Status	●	●	
Elderliness (over 55 years of age)		●	
Age			●
Parenthood			●

G. Methodology

Mullin & Lonergan Associates, Inc. (M&L) was hired as consultants to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to complete the analysis involving the Hampton Roads Region. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income, and employment
- The most recent five-year Consolidated Plan for each city
- The 2002 Analysis of Impediments to Fair Housing Choice for the region
- Public policies affecting the siting and development of housing, including the comprehensive plans and municipal zoning ordinances
- Administrative policies concerning housing and community development
- Admission and Continuing Occupancy Policy documents from public housing authorities

- Section 8 Housing Choice Voucher Administrative Plans from public housing authorities
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Previous Annual Plans (AP) and Consolidated Annual Performance and Evaluation Reports (CAPER) for each city
- Local plans and studies provided by participating jurisdictions
- Interviews and focus group sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.

i. Use of Census Data

Two major sources of data were used for this report. Census data from 1990, Census 2000, and the 2008 American Community Survey (ACS) were supplemented with 2009 estimates obtained from DemographicsNow. The ACS data is available only for geographic units with a population of 65,000 or more. As a result, ACS data is available for a city, but is not available for smaller geographic units within a city such as census tracts. For census tract level data more recent than 2000, DemographicsNow data was used. In most cases, the most recent data available was used.

Because statistics in census data products are based on the collection, tabulation, editing, and handling of questionnaires, errors in the data are possible. In addition to errors occurring during data collection, much of the census data is based on Summary File 3 (SF3) sample data rather than Summary File 1 (SF1) data, which is 100-percent data. Each data set is subject to sampling error and non-sampling error, respectively. Non-sampling error includes confidentiality edits applied by the Census Bureau to assure that data does not disclose information about specific individuals, households, or housing units. Because of sampling and non-sampling errors, there may be discrepancies in the reporting of similar type of data. These discrepancies do not negate the usefulness of the census data.

ii. Other Data Sources Used

Other primary data sources include CHAS data tables available from HUD, residential segregation data available from Census Scope, and mortgage data available from the Home Mortgage Disclosure Act (HMDA) database.

iii. Areas of Racial or Ethnic Concentration

HUD leaves the responsibility of defining areas of racial and ethnic concentration up to each entitlement community, with the understanding that local CDBG and HOME administrators are best equipped to describe the demographic landscape of the communities in which they work. The seven Hampton Roads entitlement cities have each adopted individual definitions of areas of racial and minority concentration, as discussed in detail in the Residential Segregation Patterns section of the regional demographic profile in this document.

While segregation may exist, it alone is not definitive proof of discrimination in the housing market; it *may* indicate discrimination or else suggest that other factors are at work limiting housing choices of racial and ethnic groups.

H. Development of the Analysis of Impediments to Fair Housing

i. Lead Agency

The Hampton Roads Community Housing Resource Board (HRCHRB) is the lead agency responsible for the preparation of the AI. The HRCHRB identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified. The seven entitlement cities will undertake the implementation of the AI, in partnership with local public housing authorities and other stakeholders.

ii. Agency Consultation

The HRCHRB engaged in an extensive consultation process with local public agencies, nonprofit organizations and other interested entities in an effort to develop a community planning process for the AI. A series of written questionnaires were mailed to many of the interviewees and detailed lists of issues were developed for the focus group sessions and interviews.

From August 24 through August 27, 2009 the HRCHRB membership and the consulting team began a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations. Comments received through these meetings are incorporated throughout the AI, where appropriate.

A list of the stakeholders identified and invited to the focus group sessions and interviews will be included in Appendix A upon completion of the final draft.

I. The Relationship between Fair Housing and Affordable Housing

As stated in the Introduction, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. In Virginia, this protection is also extended to persons 55 years of age and older. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This AI analyzes a range of fair housing issues, including income, that may affect housing choice. To the extent that members of the protected classes tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often, however, the public policies implemented in towns and cities create, or contribute to, the lack of affordable housing in these communities.

The scope of this document is far more expansive than an analysis of the adequacy of affordable housing in the Hampton Roads region. This AI defines the relative presence of members of the protected classes within the context of factors that influence the ability of the protected classes to achieve equal access to housing and related services.

2. HAMPTON ROADS REGIONAL PROFILE

This section of the AI presents a demographic overview of the Hampton Roads region. Trends in population, households, housing, income and employment are summarized for the region as a whole with comparisons made between the seven cities where appropriate. Following this section are the individual AIs for the seven cities, each of which includes a list of impediments to fair housing choice and a fair housing action plan to be undertaken by each respective city. A regional fair housing action plan, which addresses issues such as public transportation, accessibility of housing, and real estate advertising, is included at the end of the document. This list of regionally-based actions will need to be undertaken collaboratively by all seven cities.

A. Demographic Profile

i. Population Trends

The population of Hampton Roads has continuously increased since 1960, surging almost 70% from 825,402 to 1,394,950 residents. This significant increase was fueled primarily by significant growth in Chesapeake and Virginia Beach. The regional population grew most rapidly during the 1960s and 1980s, when growth rates exceeded 19% during each decade.

Population trends within the seven cities have varied greatly. For example, Chesapeake, one of the smallest cities in 1960, nearly tripled in population by 2008 and became the third-largest city. Norfolk, by far the largest city in 1960, has lost almost a quarter of its population and is now the second-largest city, having been surpassed by Virginia Beach in 1990. And, Virginia Beach, a city of only 85,000 residents in 1960, has experienced a five-fold increase in residents, exceeding 433,000 in 2008. Significant gains were also realized in Hampton, Newport News and Suffolk. In addition to Norfolk, Portsmouth, the second-largest city in 1960, also lost population, falling slightly more than 12%. By 2008, Portsmouth had become the second-smallest city in Hampton Roads.

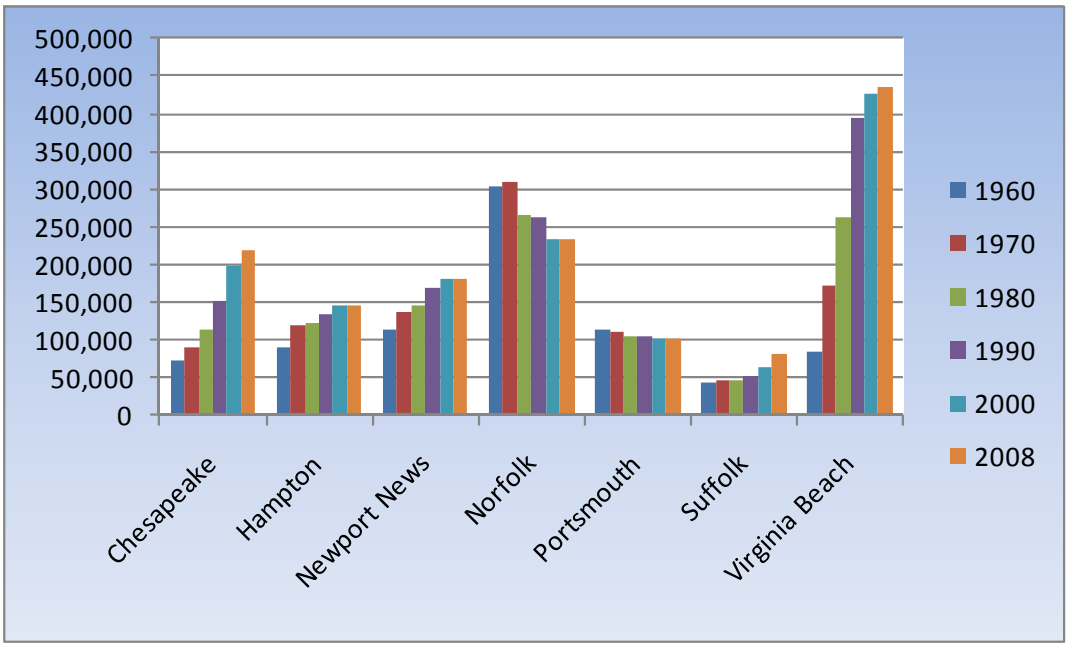
Overall, the regional population appears to be stabilizing. Between 2000 and 2008, total population increased only 3.3%. Only Chesapeake and Suffolk grew at faster rates than the region during this period, with growth rates of 10.5% and 27.5%, respectively. Virginia Beach grew 2.0%, while Hampton, Newport News, and Norfolk all lost residents during this period.

Figure 2-1
Regional Population Trends, 1960-2008

	1960	1970	1980	1990	2000	2008	% Change 1990-2008
Hampton Roads	**825,402**	**984,580**	**1,063,382**	**1,266,160**	**1,350,220**	**1,394,950**	**69.0%**
Chesapeake	73,647	89,580	114,486	151,976	199,184	220,111	198.9%
Hampton	89,258	120,779	122,617	133,793	146,437	145,494	63.0%
Newport News	113,662	138,177	144,903	170,045	180,697	179,614	58.0%
Norfolk	304,869	307,951	266,979	261,229	234,403	234,220	-23.2%
Portsmouth	114,773	110,963	104,577	103,907	100,565	100,577	-12.4%
Suffolk	43,975	45,024	47,621	52,141	63,677	81,188	84.6%
Virginia Beach	85,218	172,106	262,199	393,069	425,257	433,746	409.0%

Source: U.S. Bureau of the Census and Weldon Cooper Center for Public Service

Figure 2-2
Regional Population Trends, 1960-2008



Source: U.S. Bureau of the Census and Weldon Cooper Center for Public Service

The Hampton Roads region, historically an area with a significant non-White population, has become even more diverse since 1990. Between 1990 and 2009, White residents decreased 3.2% while non-White residents increased 41.3%. Whereas, non-White residents accounted for 33.8% of the total population in 1990, by 2009 this group had risen to 42.7% of the total population.

Figure 2-3
Regional Population Trends by Race, 1990-2009

	1990		2000		2009		% Change
	#	%	#	%	#	%	1990-2009
Hampton Roads	**1,266,066**	**100%**	**1,349,673**	**100%**	**1,415,663**	**100%**	**11.8%**
White Population	838,321	66.2%	799,538	59.2%	811,411	57.3%	-3.2%
Non-White Population	427,745	33.8%	550,135	40.8%	604,252	42.7%	41.3%
Black	379,818	30.0%	455,236	33.7%	494,202	34.9%	30.1%
Amer. Indian/Alaska Native	4,369	0.3%	5,497	0.4%	7,143	0.5%	63.5%
Asian / Pacific Islander	33,015	2.6%	40,490	3.0%	53,226	3.8%	61.2%
Some Other Race	10,543	0.8%	17,306	1.3%	16,357	1.2%	55.1%
Two or More Races	---	---	31,606	2.3%	33,324	2.4%	5.4%
Hispanic	30,668	2.4%	45,066	3.3%	62,957	4.4%	105.3%

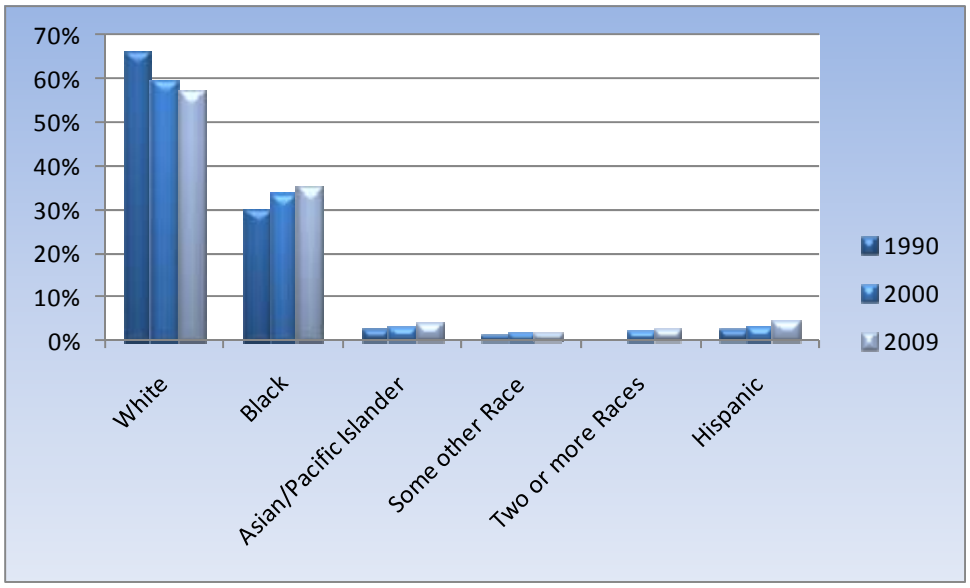
Source: DemographicsNow

Black residents continue to comprise the majority of minority residents in Hampton Roads. In 1990, Blacks accounted for 88.8% of all non-White residents in the region; by 2009, they comprised 81.8% of all minority residents. The most significant population growth among all racial groups has been among Asian/Pacific Islander residents and persons of Some Other Race. Between 1990 and 2009, the number of Asian/Pacific Islanders grew by 20,211 (61.2%). During the same period, the number of persons of Some Other Race increased by 5,814 (55.1%). The American Indian/Alaska Native population also increased rapidly (63.5%), but in 2009 this segment of the population accounted for less than 1% of the total population and only 1.2% of the minority population.

The greatest growth in the region was among persons of Hispanic origin. In 1990, there were 30,668 Hispanic residents, comprising 2.4% of the total population. By 2009, this number had more than doubled to 62,957, and the population share of Hispanics increased to 4.4%.

OBSERVATION: Minorities have increased from 33.8% to 42.7% of the total population since 1990. The fastest-growing segment is Hispanics, which increased 105.3% from 30,668 to 62,957 persons in 2009.

Figure 2-4
Changes in the Racial/Ethnic Characteristics of the Regional Population, 1990-2009



Source: Demographics Now

ii. Areas of Racial and Ethnic Minority Concentration

HUD leaves the responsibility of defining areas of racial and ethnic minority concentration to each entitlement community, with the understanding that local administrators are best equipped to describe the demographic landscape within which they work. For the AI, the areas of concentration of racial and ethnic minorities have been calculated and determined for each of the seven cities according to local definitions published in each city's Five-Year Consolidated Plan. The definitions are as follows:

- In Chesapeake, Hampton, Newport News, Norfolk and Suffolk, an area of concentration is a census tract where the number of members in any individual racial or ethnic group are 10 percentage points or more above the citywide average for that group.

- In Portsmouth, a racial concentration is found in any block group where the percentage of minority households is at least double the regional percentage of minorities.[1]

[1] Portsmouth defines the region as the Virginia portion of the Norfolk-Virginia Beach-Newport News metropolitan statistical area, which consists of the counties of Gloucester, Isle of Wight, James City, Mathews, Surry and York and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg.

- The City of Virginia Beach defines areas of minority concentration as census tracts where the percentage of a given minority is at least 10% higher than the overall percentage of that minority in the City. For example, in 2009, Blacks comprised 21.4% of the City's population. Therefore, an area of concentration of Black residents would include any tract where the percentage of Black residents is greater than 23.5%.

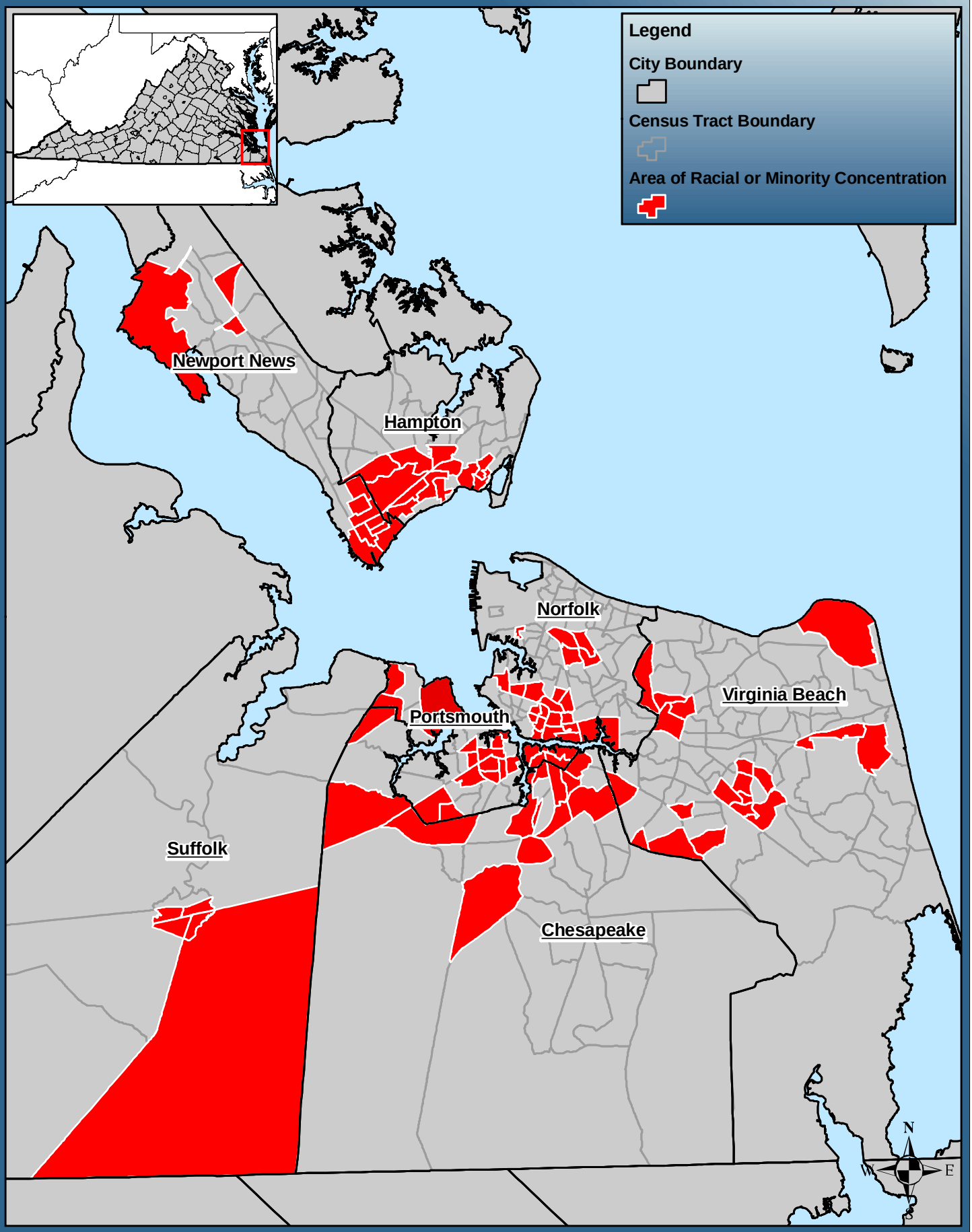
Map 2-1 on the following page illustrates the location of all areas of minority concentration in Hampton Roads, as individually defined by each entitlement community. Areas of racial concentration are found clustered throughout the region. Specifically, on the north shore of the James River, areas of concentration are clustered near the southern end of Newport News and Hampton. In the southern area, many areas are clustered in the older sections of Chesapeake, Portsmouth and Norfolk. Further south in Suffolk, the older neighborhoods in the center of the city are noted as areas of racial concentration. In Virginia Beach, racial minorities are principally concentrated in three areas. Details on concentration type by minority and ethnicity appear in each city's respective AI chapter, to the extent that local definitions include such breakdowns.

OBSERVATION: Based on the definitions set by each city for areas of racial or ethnic concentration, 188 census tracts in total qualified as concentrated areas.

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Map 2-1: Areas of Racial or Ethnic Minority Concentration, 2009

Hampton Roads Region of Virginia
Analysis of Impediments to Fair Housing Choice (2010)



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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[2] The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration.

The Hampton Roads cities are some of the most segregated among the 18 cities in Virginia with populations over 25,000. Among the nine cities with a dissimilarity index greater than 50, five are located in Hampton Roads. Virginia Beach was the most integrated city in the region, and its dissimilarity index of 41.4 ranked fifth out of 18 in the state. Portsmouth ranked among the most segregated of Virginia's cities with a dissimilarity index of 62.0. This means that if Portsmouth were to achieve full integration, 62.0% of Black residents would have to move to a different location within the city. Details for all seven cities are included in Figure 2-6.

[2] 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 ∑ 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.

OBSERVATION: The cities in the Hampton Roads region are among the most segregated in the State of Virginia. Portsmouth is the most segregated with a dissimilarity index of 62, while Virginia Beach is the most integrated with a dissimilarity index of 41.4.

Figure 2-5
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	17.5
2	Harrisonburg	2,266	32,416	40,468	25.0
3	Manassas	4,430	23,304	35,135	29.2
4	Leesburg Town	2,573	22,761	28,311	38.0
5	**Virginia Beach**	**79,092**	**295,402**	**425,257**	**41.4**
6	Petersburg	26,511	6,131	33,740	42.6
7	Alexandria	28,463	68,889	128,283	46.0
8	Danville	21,267	25,813	48,411	46.2
9	**Hampton**	**64,795**	**70,963**	**146,437**	**47.4**
10	**Newport News**	**69,538**	**93,624**	**180,150**	**50.3**
11	Lynchburg	19,288	43,108	65,269	51.2
12	**Suffolk**	**27,524**	**33,940**	**63,677**	**52.0**
13	Charlottesville	9,916	30,825	45,049	52.4
14	**Chesapeake**	**56,442**	**131,200**	**199,184**	**52.6**
15	**Norfolk**	**102,268**	**110,221**	**234,403**	**57.5**
16	**Portsmouth**	**50,569**	**45,403**	**100,565**	**62.0**
17	Richmond	112,455	74,506	197,790	68.3
18	Roanoke	25,220	65,256	94,911	68.3

Source: CensusScope

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 a stark contrast between races and ethnicity in the Hampton Roads region. The median household income for Blacks was equivalent to 57.5% of the median household income for Whites. Hispanics had a median income lower than Whites and Asians, though it was slightly higher than the region's median income. Asians had the highest median income at $68,737. Significant differences in poverty are evident as well, with Blacks experiencing a poverty rate of 19.5%, more than three times greater than the rate for Whites (6.0%) and Asians (6.5%). Hispanics were also more likely to experience poverty at a greater rate than Whites and Asians.

Figure 2-6
Median Household Income & Poverty Rates by Race/Ethnicity by Municipality, 2008

	Median Household Income	Poverty Rate
Chesapeake	**$78,958**	**7.7%**
Whites	$86,789	3.6%
Blacks	$52,118	17.4%
Asians*	$88,066	n/a
Hispanics*	$69,363	n/a
City of Hampton	**$47,039**	**14.0%**
Whites	$52,141	9.6%
Blacks	$39,675	19.4%
Asians*	$68,980	n/a
Hispanics*	$45,236	n/a
City of Newport News	**$49,664**	**12.5%**
Whites	$61,199	6.6%
Blacks	$35,911	19.5%
Asians	$54,694	n/a
Hispanics	$56,611	n/a
City of Norfolk	**$40,416**	**18.9%**
Whites	$51,600	13.0%
Blacks	$27,487	26.2%
Asians	$42,228	n/a
Hispanics	$46,063	n/a
City of Portsmouth	**$47,813**	**18.5%**
Whites	$60,777	5.8%
Blacks	$34,724	27.3%
Asians	$65,951	n/a
Hispanics	$75,512	n/a
City of Suffolk	**$59,431**	**9.7%**
Whites	$69,900	5.2%
Blacks	$34,528	16.4%
Asians	$106,529	n/a
Hispanics	$90,000	n/a
City of Virginia Beach	**$65,776**	**6.5%**
Whites	$69,799	4.4%
Blacks	$47,404	14.1%
Asians*	$80,232	n/a
Hispanics*	$71,827	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I)
*The poverty rates for Asians and Hispanics were not available

Significant differences in median household income by municipality were also noted. Norfolk had the lowest median household income at $40,416, which was equivalent to slightly more than half (51.1%) of the median household income in Chesapeake. When analyzed by race, the distinctions were much more significant. In all seven cities, Black residents earned less than White residents, however, Blacks were better off in some cities than in others. For example, the median household income among Blacks in Chesapeake was $52,118 compared to only $27,487 in Norfolk.

Poverty rates reflected similar patterns with Norfolk reporting 18.9%, the highest in the region, while Chesapeake's poverty rate was 7.7%, the second-lowest in the region. Notably, the poverty rate among Blacks was twice the rate of Whites in all seven cities; in Chesapeake, it was five times the rate among Whites.

There are also significant differences in income distribution in Hampton Roads. More than one-third (34.2%) of all Black households earned less $25,000 in 2008 compared to only 13.4% of all Whites households. At the opposite end of the spectrum, less than one-fifth of Black households (19.8%) earned $75,000 and higher compared to 42.8% of White households.

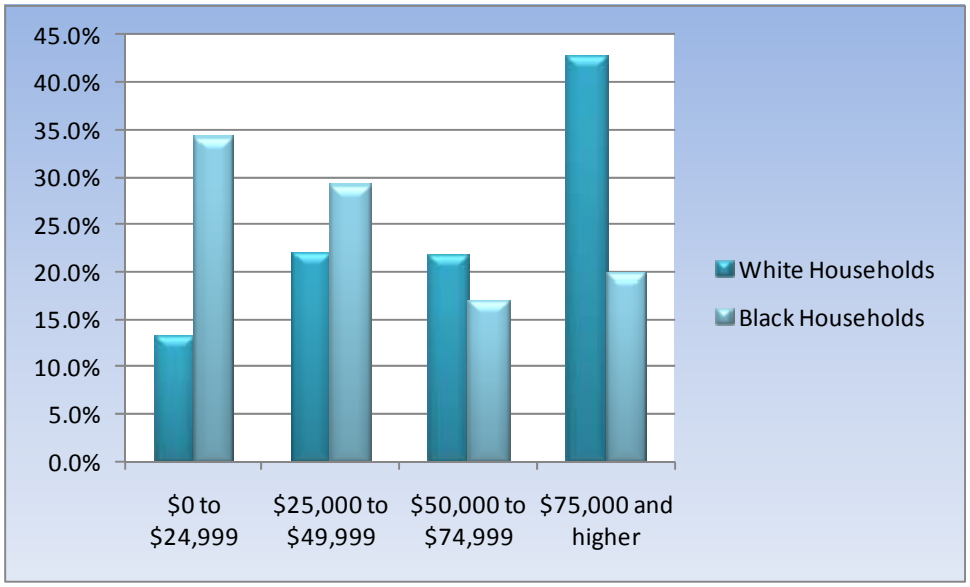
Figure 2-7
Regional Household Income Distribution by Race, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
Hampton Roads	**520,344**	**106,134**	**20.4%**	**128,255**	**24.6%**	**105,316**	**20.2%**	**180,639**	**34.7%**
White Households	313,480	41,914	13.4%	69,019	22.0%	68,302	21.8%	134,245	42.8%
Black Households	178,891	61,102	34.2%	52,173	29.2%	30,264	16.9%	35,352	19.8%

Note: The sample sizes of Asians and Hispanics were not large enough in all seven cities to calculate a regional total.

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

Figure 2-8
Regional Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was significantly lower than among Whites in 2008. More than 34% of all Black households earned less $25,000 compared to only 13.4% of all Whites households. And, less than 20% of Black households earned $75,000 and higher compared to 42.8% of White households. Poverty rates were also significantly higher among Blacks than Whites across the region. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement that 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as the seven cities of Hampton Roads. In two cities, Norfolk and Portsmouth, LMI persons comprise over half of the persons for

whom the LMI rate is determined, as highlighted in Figure 2-9. HUD defines a "low-income" household as one in which the total income does not exceed 50% of the median area, adjusted for household size, while a "moderate-income" household is one in which the total income does not exceed 80% of the area median income. Generally, a census tract is considered LMI if 51% or more of its households are classified as LMI. HUD has assigned Virginia Beach a separate threshold, which in 2010 was 43.74%.

Map 2-2 on the following page illustrates the location of areas of concentration of LMI persons throughout the region. In many instances, these are the same areas of minority concentration.

Figure 2-9
Low and Moderate Income Persons by Municipality, 2009

City	Low and Moderate Income Persons		
	#	Universe	%
Hampton Roads	**529,048**	**1,290,329**	**41.00%**
Chesapeake	61,783	195,051	31.68%
Hampton	57,289	133,984	42.76%
Newport News	81,408	174,302	46.71%
Norfolk	116,533	210,991	55.23%
Portsmouth	48,821	95,730	51.00%
Suffolk	26,570	62,712	42.37%
Virginia Beach	136,644	417,559	32.72%

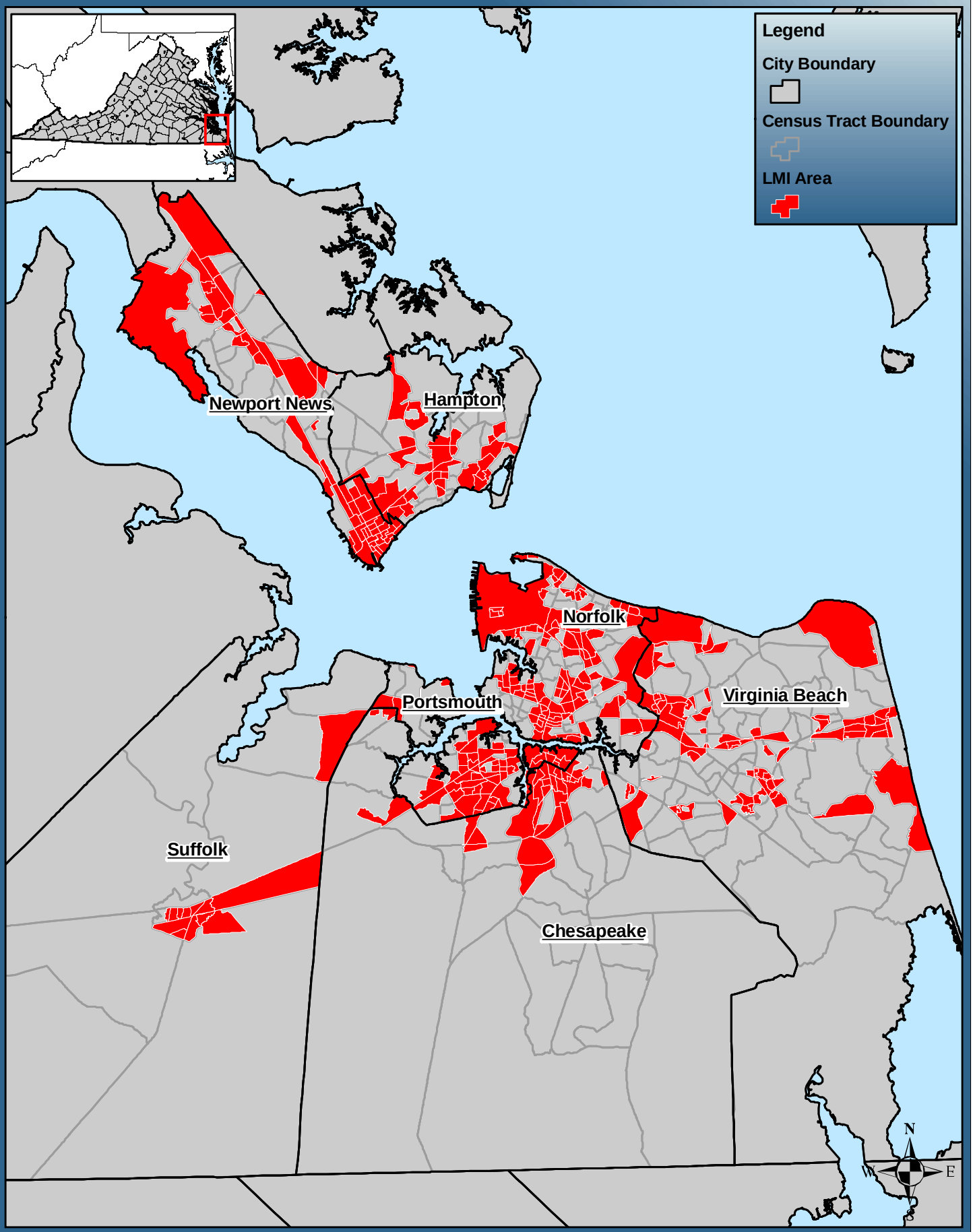
Source: U. S. Dept. of Housing & Urban Development, 2009

OBSERVATION: In Hampton Roads, 41% of the population is comprised of low and moderate income (LMI) persons. The percentage of LMI persons across the region varies among the seven cities, ranging from 31.68% in Chesapeake to 55.23% in Norfolk and 51% in Portsmouth. In Norfolk and Portsmouth, over half of the population is LMI.

MULLIN & LONERGAN ASSOCIATES INCORPORATED

Map 2-2: Low and Moderate Income Concentrations in Hampton Roads, 2009

Hampton Roads Region of Virginia
Analysis of Impediments to Fair Housing Choice (2010)



vi. 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 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 Hampton Roads region, 136,611 persons ages five and older reported a disability in 2008, representing 10.5% of the population. Hampton, Norfolk and Portsmouth reported slightly higher rates of 12.2%, 11.9% and 13.8%, respectively.

Figure 2-10
Persons with Disabilities by Municipality, 2008

	Civilian non-institutionalized population ages 5 and up	With at least one type of disability	%
Hampton Roads	**1,296,634**	**136,611**	**10.5%**
Chesapeake	209,234	21,935	10.5%
Hampton	139,029	16,929	12.2%
Newport News	168,433	14,843	8.8%
Norfolk	207,123	24,740	11.9%
Portsmouth	94,579	13,033	13.8%
Suffolk	78,666	8,192	10.4%
Virginia Beach	399,570	36,939	9.2%

Source: U.S. Census Bureau, 2008 American Community Survey (C18101)

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Hampton Roads, persons with disabilities are much more likely than persons without disabilities to live in poverty. In 2008, among all persons with a disability, 17.4% lived below the level of poverty, compared to 11.0% of persons without a disability.[3]

Figure 2-12 compares poverty rates between persons with and without disabilities in Hampton Roads.

Figure 2-11
Poverty Rates by Disability by Municipality, 2008

	% Living in Poverty	
	With Disabilites	Without Disabilites
Hampton Roads	**17.4%**	**11.0%**
Chesapeake	12.5%	7.3%
Hampton	19.8%	13.7%
Newport News	19.5%	12.4%
Norfolk	27.9%	18.6%
Portsmouth	20.9%	18.1%
Suffolk	16.4%	9.3%
Virginia Beach	12.0%	6.3%

Source: U.S. Census Bureau, 2008 American Community Survey (C18130)

OBSERVATION: Persons with disabilities were much more likely to live in poverty than persons without a disability. Among persons with a disability, 17.4% were living in poverty in 2008 compared to 11.0% of persons without a disability.

vii. 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.

The proportion of female-headed households in the region has been steadily increasing, representing 13.4% of all households in 1990 and 16.2% of all households in 2008. The number of these households with children has been increasing at roughly the same rate. From 1990 to 2008, the number of female-headed households with children increased by 16,645 households, or 43.4%. In contrast, married couple family households with children have declined, comprising 28.7% of all households in 1990 but falling to 21.1% in

[3] U.S. Census Bureau, Census 2000 (SF3, PCT34)

2008. The percentage of men raising children alone has also been increasing. While these households accounted for only 1.5% of all households in 1990 and 2.3% of all households in 2008, the number of these households almost doubled from 6,672 to 11,892 during this period.

Figure 2-12
Regional Household Trends, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	448,487	100.0%	495,804	100%	519,506	100%
Family Households	325,763	72.6%	345,020	69.6%	323,517	62.3%
Married-couple family	251,518	56.1%	248,704	50.2%	243,216	46.8%
With Children	128,736	28.7%	121,335	24.5%	109,518	21.1%
Without Children	122,782	27.4%	127,369	25.7%	133,698	25.7%
Female-Headed Households	**60,081**	**13.4%**	**76,797**	**15.5%**	**84,251**	**16.2%**
With Children	**38,376**	**8.6%**	**49,040**	**9.9%**	**55,021**	**10.6%**
Without Children	21,705	4.8%	27,757	5.6%	29,230	5.6%
Male-Headed Household	14,164	3.2%	19,519	3.9%	21,441	4.1%
With Children	**6,672**	**1.5%**	**10,534**	**2.1%**	**11,892**	**2.3%**
Without Children	7,492	1.7%	8,985	1.8%	9,549	1.8%
Non-family and 1-person Households	98,205	21.9%	123,889	25.0%	168,757	32.5%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (B11005)

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Hampton Roads, 32.4% of female-headed households with children were living in poverty, compared to 3.4% of married households with children.[4] Although females raising children comprised only 15.5% of the total number of families in Hampton Roads, they accounted for 63.6% of all families living in poverty.

OBSERVATION: Female-headed households with children accounted for almost two-thirds of all families living in poverty in 2008. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 reveal that 5.8% of Hampton Roads residents in 2008 were foreign-born.[5] The highest concentrations of foreign-born residents were in Virginia Beach and Newport News, where 8.1% and 7.0% of residents, respectively, were born outside of

[4] U.S. Census Bureau, 2008 American Community Survey (C17010)
[5] U.S. Census Bureau, 2008 American Community Survey (B05002)

the U.S. Portsmouth and Suffolk had the lowest proportions of foreign-born residents, at 2.3% and 2.9%, respectively.

Figure 2-13
Foreign-Born Residents by Municipality, 2008

	% Foreign Born
Hampton Roads	**5.8%**
Chesapeake	3.6%
Hampton	4.3%
Newport News	7.0%
Norfolk	5.9%
Portsmouth	2.3%
Suffolk	2.9%
Virginia Beach	8.1%

Source: U.S. Census Bureau, 2008 American Community Survey (C05002)

Throughout the region, families with children who were living with at least one foreign-born parent were less likely to be living below 200% of the poverty level than families with children of native parents. Among families with children who were living with at least one foreign-born parent, 21.5% had incomes of less than 200% of the poverty level compared to 36.8% of families with children who were living with only native parents. In Chesapeake, families with children with only native parents were ten times more likely to have incomes less than 200% of the poverty level than families with one or more foreign-born parents. In contrast, 44.7% of families with one or more foreign-born parents in Hampton had incomes less than 200% of the poverty level compared to 38.8% of families with only native parents.

Figure 2-14
Families with Children Living in Poverty by Municipality, 2008

	% Living under 200% of Poverty Level	
	One or more Foreign-Born Parents	Only Native Parents
Hampton Roads total	**21.5%**	**36.8%**
Chesapeake	2.4%	24.1%
Hampton	44.7%	38.8%
Newport News	20.0%	42.3%
Norfolk	38.5%	59.6%
Portsmouth	12.0%	54.3%
Suffolk	7.7%	24.5%
Virginia Beach	16.0%	26.4%

Source: U.S. Census Bureau, 2008 American Community Survey (C05010)

OBSERVATION: Across the region, families with children who were living with at least one foreign-born parent were less likely to be living below 200% of the poverty level than families with children of native parents. Lower household incomes will greatly impact housing choice for these families.

ix. Persons with Limited English Proficiency

Persons with limited English proficiency (LEP) are defined 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 that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964. A common preliminary step for communities in identifying language access needs is the four-factor analysis, as detailed in the *Federal Register* dated January 22, 2007.

In 2008, the Census Bureau reported that 32,271 persons in Hampton Roads spoke English less than "very well."[6] Among the specific languages identified as having at least 1,000 native speakers were Spanish, Tagalog (spoken by persons native to the Philippines) and Chinese. This information is detailed in Figure 2-16.

Virginia Beach had the largest numbers of persons with LEP, including native speakers of Spanish (5,364), Tagalog (3,895) and Chinese (1,176). More than 1,000 native speakers of Spanish were also located in Chesapeake, Hampton, Newport News and Norfolk.

Figure 2-15
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**13,537**
Other Asian/Pacific Island	5,788
Tagalog	**3,895**
Other Indo-European	3,633
Chinese	**1,176**
Other	809
French	646

Source: 2008 American Community Survey (B06007)

[6] This number does not include totals for the cities of Portsmouth and Suffolk, where the numbers of persons who speak English less than "very well" were too small to be reported and analyzed by the Census Bureau.

OBSERVATION: An increasingly diverse population in Hampton Roads, and in Virginia Beach in particular, demonstrates the need for communities to perform HUD's four-factor analysis to determine the degree to which the translation of vital documents and interpretation services are warranted.

x. Protected Class Status and Unemployment

Overall unemployment in Hampton Roads was 5.5% in 2008, which was slightly higher than the 4.9% rate for Virginia overall. Blacks were more likely to be unemployed than White residents, with an unemployment rate of 8.1% compared to 4.4% for Whites. Asians and Hispanics, on the other hand, had lower unemployment rates of 5.7% and 3.4%, respectively. Males in the region had a slightly higher unemployment rate of 5.9% compared to 5.3% among females.

Figure 2-16
Civilian Labor Force, 2008

	Virginia	%	Hampton Roads	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**759,367**	**100%**
Employed	3,874,420	95.1%	717,811	94.5%
Unemployed	200,793	4.9%	41,556	5.5%
Male CLF	**2,111,297**	**100.0%**	**334,420**	**100.0%**
Employed	2,006,634	95.0%	314,836	94.1%
Unemployed	104,663	5.0%	19,584	5.9%
Female CLF	**1,963,916**	**100.0%**	**348,168**	**100.0%**
Employed	1,867,786	95.1%	329,872	94.7%
Unemployed	96,130	4.9%	18,296	5.3%
White CLF	**2,916,813**	**100%**	**400,184**	**100%**
Employed	2,799,732	96.0%	382,753	95.6%
Unemployed	117,081	4.0%	17,431	4.4%
Black CLF	**772,382**	**100%**	**220,810**	**100%**
Employed	709,453	91.9%	203,032	91.9%
Unemployed	62,929	8.1%	17,778	8.1%
Asian CLF	**214,026**	**100%**	**17,672**	**100%**
Employed	204,543	95.6%	16,671	94.3%
Unemployed	9,483	4.4%	1,001	5.7%
Hispanic CLF	**277,742**	**100%**	**15,367**	**100%**
Employed	261,165	94.0%	14,852	96.6%
Unemployed	16,577	6.0%	515	3.4%

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

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 8.1% compared to 4.4% among Whites, 5.7% among Asians, and 3.4% among Hispanics. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

B. Housing Market

i. Housing Inventory

Almost 82,000 housing units were added to the housing inventory in Hampton Roads between 1990 and 2009. Over two-thirds of this growth was located in the major growth cities of Chesapeake and Virginia Beach, where the total number of units increased 49.9% and 20.5%, respectively. Suffolk also experienced significant growth in its housing stock from 20,011 units to 33,834, representing a growth rate of 69.1%. Increases in the housing stock were modest in Hampton and Newport News, while the housing stock increased only minimally in Portsmouth.

Norfolk was the only jurisdiction to lose housing units between 1990 and 2009. The city's total housing stock decreased by 6,646 units, or 6.7%, during this period.

Figure 2-17
Trends in Total Housing Units, 1990-2009

	1990		2000		2009		Change 1990-2009	
	#	%	#	%	#	%	#	%
Hampton Roads total	**487,189**	**100.0%**	**527,102**	**100.0%**	**569,171**	**100.0%**	**81,982**	**16.8%**
Chesapeake	55,743	11.4%	72,672	13.8%	83,549	14.7%	27,806	49.9%
Hampton	53,614	11.0%	57,311	10.9%	60,360	10.6%	6,746	12.6%
Newport News	69,736	14.3%	74,117	14.1%	79,105	13.9%	9,369	13.4%
Norfolk	98,761	20.3%	94,416	17.9%	92,115	16.2%	-6,646	-6.7%
Portsmouth	42,282	8.7%	41,605	7.9%	42,979	7.6%	697	1.6%
Suffolk	20,011	4.1%	24,704	4.7%	33,834	5.9%	13,823	69.1%
Virginia Beach	147,042	30.2%	162,277	30.8%	177,229	31.1%	30,187	20.5%

Source: DemographicsNow

OBSERVATION: The regional housing inventory increased nearly 82,000 units over the past two decades, with the highest increases occurring in Virginia Beach, Chesapeake and Suffolk. Norfolk was the only city to experience a net loss of housing units during this period.

ii. Types of Housing Units

Of the 527,102 structures in Hampton Roads in 2000, 69.3% were single-family units. Most of the remaining units were multi-family structures, and

mobile homes accounted for 1.8% of the region's housing stock. Suffolk had the highest proportion of single-family units, which comprised 82.3% of the City's units. Suffolk also had the highest proportion of mobile homes, at 4.3%.

Norfolk had the highest number of multi-family structures, which comprised 44.4% of the city's housing stock. Among the 41,963 multi-family structures in Norfolk, 14,972 (35.7%) were located in structures with ten or more units.

OBSERVATION: Single-family units were the predominant housing type in the region, comprising 69.3% of the housing stock. Norfolk had the highest rate of multi-family units at 44.4%, while Suffolk, the most rural of the seven cities, had the highest rate of mobile homes at 4.3%.

Figure 2-18
Trends in Housing Units in Structures, 2000

	Total Units	Single-family units (detached and	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
Hampton Roads	**527,102**	**365,202**	**50,442**	**46,378**	**26,215**	**29,119**	**152,154**	**9,529**	**214**
Chesapeake	72,672	58,409	4,819	3,701	1,938	1,765	12,223	2,040	0
Hampton	57,311	40,928	4,020	4,503	3,929	2,928	15,380	1,003	0
Newport News	74,117	43,455	7,024	9,522	6,059	5,893	28,498	2,134	27
Norfolk	94,416	51,612	16,015	10,976	6,712	8,260	41,963	802	39
Portsmouth	41,605	29,572	4,747	4,084	1,221	1,778	11,830	165	38
Suffolk	24,704	20,335	1,761	864	265	404	3,294	1,069	6
Virginia Beach	162,277	120,891	12,056	12,728	6,091	8,091	38,966	2,316	104

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

iii. Foreclosure Trends

As of July 2010, Virginia's foreclosure rate trailed behind the national average, and ranked 37th among all the states.[7] This is down from a rank of 17th in the second quarter of 2008. Despite these improvements relative to the national level, homeowners across the State continue to struggle with delinquent payments and entering into foreclosure. Since late 2006, when the subprime crisis first hit Virginia, the number of loans entering foreclosures has more than tripled, and the statewide serious delinquency rate has increased from less than 0.5% in 2006 to 2.83% in the first quarter of 2010.[8]

Following national trends, the first series of troubled loans in Virginia was dominated by subprime loans, especially in the Northern Tier region of the State. More recently, the economic downturn and subsequent increase in unemployment has driven more homeowners to default on their payments. As a consequence, the Downstate Regions of the State (which were not hit as

[7] Virginia Foreclosure Prevention Task Force, "Status of Virginia's Foreclosure Problem." (July 20, 2010)
[8] Ibid.

hard by the initial collapse of the housing bubble) have experienced an increase in foreclosures.

The Hampton Roads region has been impacted by this second stage of the foreclosure crisis. RealtyTrac, an aggregator of nationwide residential foreclosure, loan and property sales data, publishes an annual report of foreclosure trends across states and major metropolitan areas. According to its 2009 report, the Virginia Beach-Norfolk-Newport News MSA experienced a 49.9% increase in the number of properties with foreclosure filings between 2008 and 2009, and a 363.7% increase since 2007.[9] By comparison, the statewide number of filings grew only 6.4% from 2008 to 2009.[10]

According to HUD NSP Foreclosure Estimates, released in October 2008, Virginia had an overall foreclosure rate of 3.1%, which was lower than the 3.7% rate in Hampton Roads.[11] Five of the seven cities covered in this AI (Hampton, Newport News, Norfolk, Portsmouth and Suffolk) had foreclosure rates higher than that of the State.

Figure 2-19
Estimated Residential Foreclosure Rankings by Municipality, January 2007 – June 2008

	Foreclosure Filings	Total Mortgages	Foreclosure Rate
Hampton Roads	**10,836**	**289,899**	**3.7%**
Chesapeake	1,781	57,041	3.1%
Hampton	1,254	24,222	5.2%
Newport News	1,259	28,146	4.5%
Norfolk	1,738	34,331	5.1%
Portsmouth	1,117	19,217	5.8%
Suffolk	783	21,017	3.7%
Virginia Beach	2,904	105,925	2.7%

Source: HUD NSP Foreclosure Estimates, released October 2008

The Virginia Foreclosure Prevention Task Force, established in 2007 to monitor the foreclosure crisis, predicts that foreclosures will continue to be a problem for several more years.[12] The federal homebuyer tax credit had a positive impact on sales throughout Virginia, but the overall housing market

[9] RealtyTrac, "Las Vegas, Cape Coral, Merced Foreclosure Activity Rates Highest Among Major Metro Areas In 2009." (January 28, 2010).
[10] RealtyTrac, "RealtyTrac® Year-End Report Shows Record 2.8 Million U.S. Properties With Foreclosure Filings In 2009." (January 14, 2010).
[11] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.
[12] Virginia Foreclosure Prevention Task Force, "Foreclosures in Virginia: The Outlook for 2010 and Beyond." (July 20, 2010)

remains sluggish. Furthermore, even as foreclosure rates begin to fall, the large inventory of foreclosed homes will continue to suppress housing prices and will hamper the overall recovery of the market, especially in highly impacted areas.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Hampton Roads had an overall foreclosure rate of 3.7%, which was higher than the state-wide rate of 3.1%. Hampton, Norfolk and Portsmouth had the highest foreclosure rates, all of which exceeded 5.0%.

iv. Protected Class Status and Home Ownership

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."[13]

In 2000, Whites had the highest rate of home ownership in the region at 69.6%. Asians had the second-highest rate at 64.8%. Blacks and Hispanics had much lower rates, at 44.1% and 41.0%, respectively.

The chances of minorities being home owners varied depending on where they lived. In Chesapeake, for example, home ownership among Black households was the highest in the region at 60.8%. Conversely, Black households were far less likely to own their homes in Norfolk where the rate was only 30.9%. Several factors impact the rate of home ownership in a municipality, including income, the size of the owner housing stock compared to the rental housing stock, the cost of housing, and the presence of transient populations such as college students and military households.

[13] 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.

Figure 2-20
Home Ownership by Race and Ethnicity of Householder by Municipality, 2000

Census Tract	White		Black		Asian		Hispanic	
	#	%	#	%	#	%	#	%
Hampton Roads	**216,691**	**69.6%**	**69,647**	**44.1%**	**7,925**	**64.8%**	**4,880**	**41.0%**
Chesapeake	39,115	80.8%	11,511	60.8%	752	75.9%	638	59.6%
Hampton	18,990	67.5%	11,541	49.3%	404	53.1%	281	30.3%
Newport News	25,752	64.9%	9,160	34.9%	1,300	53.9%	663	31.7%
Norfolk	26,515	58.0%	10,906	30.9%	972	45.9%	585	26.1%
Portsmouth	13,537	70.4%	8,212	45.9%	165	70.5%	196	42.7%
Suffolk	11,059	85.2%	5,363	54.9%	163	91.6%	176	79.6%
Virginia Beach	81,723	69.7%	12,954	48.8%	4,169	72.8%	2,341	48.0%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

OBSERVATION: Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White and Asian households.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Hampton Roads, persons of Some Other Race, Hispanics, and Asians were more likely to live in families of three or more persons. Larger families were also more prevalent among Black households and households of Persons of Two or More Races.

Figure 2-21
Families with Three or More Persons, 2000

	Families with Three or More Persons					
	White	Black	Asian	Some Other Race	Two More Races	Hispanic
Hampton Roads	**57.8%**	**68.5%**	**73.8%**	**75.9%**	**68.9%**	**74.7%**
Chesapeake	61.3%	70.4%	70.9%	81.3%	50.5%	80.2%
Hampton	53.8%	64.2%	66.9%	69.1%	66.0%	77.0%
Newport News	55.9%	66.5%	72.7%	83.9%	47.8%	83.1%
Norfolk	52.6%	68.2%	69.3%	72.8%	64.3%	72.2%
Portsmouth	52.7%	66.0%	81.1%	68.6%	64.3%	62.7%
Suffolk	54.3%	68.4%	76.2%	100.0%	67.0%	84.4%
Virginia Beach	60.4%	74.0%	75.0%	76.9%	74.4%	74.5%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. Across Hampton Roads, 29.2% of the rental housing stock contained three or more bedrooms in 2000 compared to 82.9% of the owner housing stock. By municipality, however, the inventory of three-bedroom rental units varied substantially. For example, about 22% of the rental units in Norfolk consisted of three bedrooms compared to 40% in Suffolk. Differences were also noted in the owner inventories where the rate of larger units was as high as 86% in Chesapeake and Virginia Beach, but less than 75% in Portsmouth.

OBSERVATION: Minority households were more likely to live in larger families than White households. For example, three-quarters of Hispanic families and families of Some Other Race had three or more persons, compared to 57.8% of White families. However, only 29.2% of the rental housing stock in Hampton Roads contained three or more bedrooms compared to 82.9% of the owner

Figure 2-22
Housing Units by Number of Bedrooms, 2000

	Housing Units by Number of Bedrooms					
	Renter Units			Owner Units		
	Total	3-bdrm Units	% of Total	Total	3-bdrm Units	% of Total
Hampton Roads	**195,477**	**56,982**	**29.2%**	**300,114**	**248,914**	**82.9%**
Chesapeake	17,577	5,302	30.2%	52,323	44,988	86.0%
Hampton	22,321	7,160	32.1%	31,566	25,838	81.9%
Newport News	33,158	8,559	25.8%	36,528	30,331	83.0%
Norfolk	46,939	10,484	22.3%	39,271	29,931	76.2%
Portsmouth	15,823	4,295	27.1%	22,347	16,724	74.8%
Suffolk	6,469	2,600	40.2%	16,814	14,102	83.9%
Virginia Beach	53,190	18,582	34.9%	101,265	87,000	85.9%

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in the Virginia Beach-Norfolk-Newport News MSA[14] increased 71.1% between 1990 and 2008, after adjusting for

[14] This metropolitan statistical area includes the counties of Gloucester, Isle of Wight, James City, Mathews, Surry and York and the cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach and Williamsburg as well as Currituck County, N.C.

inflation.[15] Median gross rent increased 11.5% during the same period. By comparison, real household income increased only 6.7%.

Figure 2-23
Regional Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value*				
Actual Dollars	$86,300	$110,100	$256,400	197.1%
2008 Dollars	$149,844	$142,286	$256,400	71.1%
Median Gross Rent*				
Actual Dollars	$481	$615	$931	93.6%
2008 Dollars	$835	$795	$931	11.5%
Median Household Income*				
Actual Dollars	$30,841	$42,448	$57,122	85.2%
2008 Dollars	$53,550	$54,857	$57,122	6.7%

**Data only available for Virginia Beach-Norfolk-Newport News MSA. The MSA is the Census Metropolitan Statistical Area, and includes the seven cities plus additional municipalities in the Greater Hampton Roads Region.*
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: Real median household income has not kept pace with median gross rent and median housing value in Hampton Roads. Median housing value surged 71.1% between 1990 and 2008 compared to increases of 11.5% in median gross rent and 6.7% in median household income. This trend will greatly impact the affordability of housing for lower income households.

At the same time that real household income was failing to keep pace with median rents, the region was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units in Hampton Roads renting for less than $500 per month decreased by 33,137 units (61.4%). However, the number of higher-rent units ($1,000 per month or higher) grew more than six-fold from 12,775 to 83,496.

[15] 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.

Figure 2-24
Loss of Affordable Rental Housing Units, 2000-2008

	Units Renting for less than $500			Units Renting for more than $1,000		
	2000	2008	Change	2000	2008	Change
Hampton Roads	**53,958**	**20,821**	**-33,137**	**12,775**	**83,496**	**70,721**
Chesapeake	4,024	2,157	-1,867	1,329	10,384	9,055
Hampton	6,211	2,249	-3,962	1,364	8,353	6,989
Newport News	11,514	5,070	-6,444	1,292	11,692	10,400
Norfolk	18,814	6,533	-12,281	1,653	11,641	9,988
Portsmouth	6,112	1,772	-4,340	592	4,659	4,067
Suffolk	2,902	1,708	-1,194	196	2,108	1,912
Virginia Beach	4,381	1,332	-3,049	6,349	34,659	28,310

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

The loss of rental units was greatest in Norfolk where the affordable rental housing inventory fell by more than 12,000 units in eight years. This was equivalent to the losses in Chesapeake, Hampton and Newport News combined. By comparison, the higher-end rental housing inventory ballooned in Virginia Beach, increasing more than 28,000 units. The loss of so many affordable rental housing units will greatly impact housing choice for thousands of lower income households across Hampton Roads.

OBSERVATION: The Hampton Roads region lost more than half of its affordable rental housing inventory, which fell from 53,958 units in 2000 to 20,821 in 2008. By comparison, units renting for $1,000 or more increased more than fivefold from 12,775 to 83,496.

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 Virginia Beach-Norfolk-Newport News MSA, the FMR for a two-bedroom apartment is $934. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,113 monthly or $37,360 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.96.

In the MSA, 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 99 hours per week, 52 weeks per year. Or, a household must include 2.5 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In the MSA, the estimated average wage for a renter is $12.12 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a

renter must work 59 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.5 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Hampton Roads. This situation can force these individuals and households to double up with others, or lease cheap, substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in the Virginia Beach-Norfolk-Newport News MSA. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $807.

OBSERVATION: Persons receiving monthly SSI checks in the amount of $674, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $807.

b. Sales Housing

The housing market in Hampton Roads has slowed in activity since 2006, coinciding with the beginning of the national housing slump. After peaking at 25,440 units sold in 2005, the local market fell to 15,353 units sold in 2008. During the same period, the average length of time a house remained on the market nearly tripled from 28 days to 79 days. Notably, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

While the housing market has slowed in Hampton Roads as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

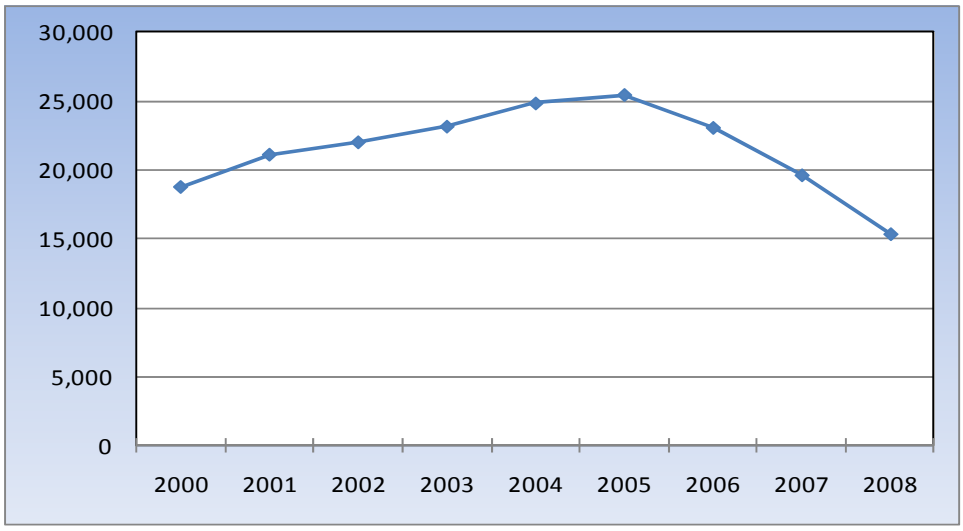
Figure 2-25
Housing Market Sales Trends across Hampton Roads, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties in Hampton Roads									
Number of units sold	18,777	21,116	22,014	23,146	24,824	25,440	23,058	19,618	15,353
Average No. Days on Market	63	58	44	35	26	28	46	64	79
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

**Median Sales Price as a percent of Median List Price*

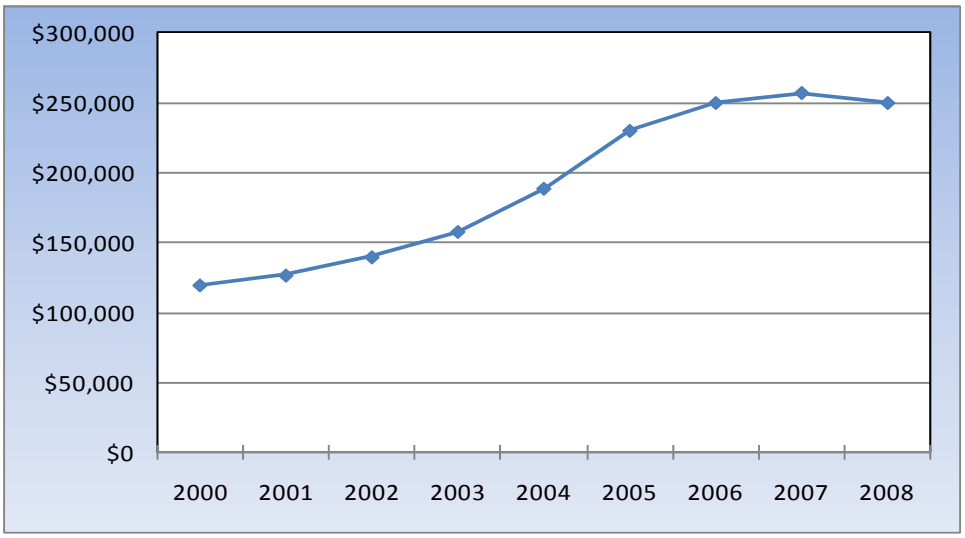
Source: Hampton Roads Realtor Association

Figure 2-26
Number of Housing Units Sold in Hampton Roads, 2000-2008



Source: Hampton Roads Realtor Association

Figure 2-27
Median Sales Price Trends in Hampton Roads, 2000-2008



Source: Hampton Roads Realtor Association

C. Review of Private Sector Practices

i. 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 compile 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 Hampton Roads cities is from 2007 and 2008. Reviewing this data 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 purchases. The data focus 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 region.

The most obvious trend in 2007-08 HMDA data for Hampton Roads is the steep drop in the number of loan applications. This can be attributed primarily to stagnating home sales rates in the region that coincide with the national housing market crisis. Across the seven cities, the number of loan applications dropped by 13,293 (33.8%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, by 39.1% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased slightly, a trend likely related to the decreasing number of total applications. Correspondingly, the number of overall application denials decreased between 2007 and 2008.

A more in-depth analysis of HMDA data for each city is included in Section D of each individual AI; however, a summary of the aggregate data for the region is included below.

a. Households by Race

In 2008, about half of all mortgage applications in the region were submitted by White households, while one in five applications was submitted by a Black household.

b. Conventional Loans vs. 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 Hampton Roads, 59.9% (15,576) of the households that applied for a mortgage loan applied for a government-backed loan.

The denial rates for government-backed loans were slightly lower than the denial rate for conventional loans.

- The denial rate for FHA loans was 7.1%.
- The denial rate for VA-guaranteed loans was 3.3%.
- The denial rate for conventional loans was 8.3%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

Credit history, collateral and unsatisfactory debt-to-income ratios are the major reasons for denial of home mortgage applications throughout the Hampton Roads region, as reported in the HMDA database.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had higher denial rates, and denial rates remained consistently low for White households. Further, the rate of loan denials in 2008 among all Black applicants was nearly twice the rate among White applicants. White households reported a denial rate of 5.4%, or 759 of 14,044 applications. Black households reported a denial rate of 10.6%, or 559 of 5,262 applications. This data is detailed in Figure 2-29.

Figure 2-28
Denials by Race and Ethnicity in Hampton Roads, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	8,634	1,398	16.2%	5,262	559	10.6%
Am. Indian/Alaska Native	171	28	16.4%	95	16	16.8%
Hawaiian	300	28	9.3%	170	14	8.2%
White	20,529	1,367	6.7%	14,044	759	5.4%
Hispanic*	1,415	130	9.2%	932	73	7.8%
Not Provided	8,597	509	5.9%	5,334	237	4.4%
Asian	955	113	11.8%	667	59	8.8%

** Hispanic ethnicity is counted independently of race.*

Source: Federal Financial Institutions Examination Council, 2007-08

OBSERVATION: In 2008, Black households had a higher rate of mortgage loan denials than White and Hispanic households. Black households had a denial rate of 10.6% compared to 5.4% for Whites and 7.8% for Hispanics.

For this analysis, lower income households include those with incomes between 0%-80% of the median family income (MFI), while upper income households include households with incomes above 80% MFI.

Applications made by lower income households in 2007 accounted for 39.9% of all loan denials though they accounted for only 26.6% of the total number of applications. In 2008, lower income households comprised 43.1% of all loan denials but only 28.6% of all loan applications.

Figure 2-29
Denials by Income, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Below 80% MFI	10,465	1,374	13.1%	7,425	709	9.5%
At least 80% MFI	25,018	1,960	7.8%	18,581	936	5.0%
Total	**39,303**	**3,443**	**8.8%**	**26,010**	**1,645**	**6.3%**

Of the 3,443 applications that were denied by area lending institutions, 3,334 reported household income.

Among all lower income households in the Hampton Roads region, the denial rate was highest for minority households. Of the 709 lower income applications that were denied in 2008, 43.7% were submitted by White households, and 37.5% were submitted by Black households. The denial rate for lower income Black households was 12.5%, compared to 7.8% of lower income White households. No racial information was provided for 14.4% of these applications.

Figure 2-30
Denials by Race for Lower Income Applicants in Hampton Roads, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	3,248	590	18.2%	2,136	266	12.5%
White	5,307	518	9.8%	3,959	310	7.8%
Asian	254	24	9.4%	200	30	15.0%
Hawaiian	86	9	10.5%	56	2	3.6%
Am. Indian/Alaska Native	61	15	24.6%	23	5	21.7%
Not Provided	1,027	217	21.1%	668	96	14.4%
Not Applicable	482	0	0.0%	383	0	0.0%
Hispanic*	545	57	10.5%	362	28	7.7%
Total	**10,465**	**1,374**	**13.1%**	**7,425**	**709**	**9.5%**

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2007-08

Among applications submitted by upper income households, denial rates were lower for upper income households compared to lower income households. Of the 936 upper income applications that were denied, 48.0% were submitted by White households and 31.3% were submitted by Blacks households. In addition, for 8.2% of these applications, no race information was provided. Notably, Black *upper* income households had a denial rate of 9.4%, which was higher than the 7.8% denial rate for White *lower* income households.

Figure 2-31
Denials by Race for Upper Income Applicants in Hampton Roads, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	5,169	758	14.7%	3,126	293	9.4%
White	14,646	804	5.5%	10,085	449	4.5%
Asian	773	86	11.1%	467	29	6.2%
Hawaiian	208	19	9.1%	114	12	10.5%
Am. Indian/Alaska Native	104	13	12.5%	72	11	15.3%
Not Provided	2,702	280	10.4%	1,717	141	8.2%
Not Applicable	1,416	0	0.0%	3,001	1	0.0%
Hispanic*	1,122	70	6.2%	581	45	7.7%
Total	**25,018**	**1,960**	**7.8%**	**18,582**	**936**	**5.0%**

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2007-08

OBSERVATION: Black upper income households had a mortgage denial rate of 9.4%, which was higher than the 7.8% denial rate for White lower income households in 2008. While this fact alone does not imply an impediment to fair housing choice, this trend is consistent with discrimination.

ii. High-Cost Lending Practices

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize lower-income households, particularly lower-income racial and ethnic minorities. 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. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

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.

A more in-depth analysis of high-cost mortgage loans for each city is included in Section D of each individual AI; however, a summary of the aggregate data for the region is included below.

Throughout the Hampton Roads region, minority households were disproportionately represented in high cost lending. In 2007, the rate of high-cost mortgage loans among White lower income applicants was 7.7% compared to 11.1% among Black lower income applicants. Among upper income applicants, the gap was wider: 5.9% among Whites and 18.5% among Blacks.

By 2008, the rates had dropped significantly. Among Black lower income applicants, the rate of high-cost mortgage loans had fallen to 9.3% but was still nearly three times the rate of 3.9% among White lower income applicants. Notably, the rate of high-cost loans among Black *upper* income applicants was sharply higher than the rates among White *lower* income applicants in 2007 and 2008.

Figure 2-32
High-Cost Mortgage Loans by Race and Ethnicity in Hampton Roads, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	27	3	11.1%	57	12	21.1%
	Asian	147	10	6.8%	454	43	9.5%
	Black	1,483	246	16.6%	2,396	443	18.5%
	Hawaiian	54	7	13.0%	117	10	8.5%
	White	2,933	227	7.7%	8,824	522	5.9%
	No information/NA	432	45	10.4%	1,452	146	10.1%
	Hispanic*	308	21	6.8%	503	50	9.9%
	Total	**5,076**	**538**	**10.6%**	**13,300**	**1,176**	**8.8%**
2008	Am. Indian/Alaska Native	16	3	-	39	3	7.7%
	Asian	117	9	7.7%	289	15	5.2%
	Black	1,294	120	9.3%	1,837	163	8.9%
	Hawaiian	35	1	2.9%	74	1	0.0%
	White	2,585	101	3.9%	6,741	230	3.4%
	No information/NA	381	25	6.6%	1,082	41	3.8%
	Hispanic*	238	9	3.8%	421	18	4.3%
	Total	**4,428**	**259**	**5.8%**	**10,062**	**453**	**4.5%**
Two-Year Totals		**9,504**	**797**	**8.4%**	**23,362**	**1,629**	**7.0%**

reported.
* Hispanic ethnicity is counted independently of race.
Source: Federal Financial Institutions Examination Council, 2007-08

OBSERVATION: Black upper income households were far more likely to receive high-cost mortgage loans than White lower income households. In 2008, the rate of high-cost loans among Black upper income households was 8.9% compared to only 3.9% among White lower income households. While this fact alone does not imply an impediment to fair housing choice, this trend is consistent with discrimination.

D. Review of Public Sector Policies

The analysis of impediments is a review of impediments 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.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. For each city within Hampton Roads, specific public policies were analyzed to determine impediments to fair housing choice and opportunities for furthering fair housing. These analyses are included in Section E of each individual AI. A regional overview of the public housing and Section 8 programs is included below.

i. Public Housing and Section 8 Programs

Public housing is available throughout the cities of Hampton Roads with the exception of Virginia Beach. In each of the remaining six cities, public housing units are owned and managed by redevelopment and housing authorities.

Figure 2-34 lists summary data for the public housing operated by the six redevelopment and housing authorities in Hampton Roads. Currently, there are more than 4,000 units of public housing in the region. However, the strong demand for affordable housing is clearly demonstrated by the nearly 8,000 applicant households on the waiting list for units. Among those waiting are primarily extremely low income minority households. In addition, more than 800 households with disabled family members are in need of affordable housing, representing more than 10% of all applicants.

Figure 2-33
Public Housing Waiting Lists in Hampton Roads, 2009

	Total PHA units	Waiting List Applicants			
		Total	Extremely Low Income	Minority	Disabled
Chesapeake RHA	467	2,115	2,045	1,929	30
Hampton RHA	539	1,900	482	489	246
Newport News RHA	1,839	436	371	391	123
Norfolk RHA	*	2,412	2,044	2,331	270
Portsmouth RHA	800	781	*	*	41
Suffolk RHA	445	297	278	281	158
Virginia Beach DHNP	0	0	0	0	0
Total	**4,090**	**7,941**	**5,220**	**5,421**	**868**

* No data available

Sources: Chesapeake RHA, Hampton RHA, Newport News RHA, Norfolk RHA, Portsmouth RHA, Suffolk RHA, Virginia Beach DHNP

In addition to public housing, Section 8 Housing Choice Vouchers also provide affordable housing opportunities in Hampton Roads. Currently, there are more than 11,000 vouchers in use, with over 12,000 households on the waiting lists in the seven cities. Of these, approximately three-fourths are extremely low income minority households and nearly 13% are households with disabled members.

Figure 2-34
Section 8 Housing Choice Voucher Waiting Lists in Hampton Roads, 2009

	Total Vouchers	Waiting List Applicants			
		Total	Extremely Low Income	Minority	Disabled
Chesapeake RHA	1,372	7,327	6,620	7,059	545
Hampton RHA	2,457	1,800	*	*	662
Newport News RHA	2,180	1,001	714	973	158
Norfolk RHA	2,480	1,009	720	973	111
Portsmouth RHA	*	*	*	*	*
Suffolk RHA	706	387	373	373	9
Virginia Beach DHNP	1,944	506	355	480	39
Total	**11,139**	**12,030**	**8,782**	**9,858**	**1,524**

* No data available

Sources: Chesapeake RHA, Hampton RHA, Newport News RHA, Norfolk RHA, Portsmouth RHA, Suffolk RHA, Virginia Beach DHNP

OBSERVATION: Extremely low income minority households comprise the vast majority of the nearly 20,000 households on waiting lists for public housing and Section 8 vouchers in Hampton Roads. In addition, nearly 2,400 applicants consist of households with disabled members. These trends indicate limited housing choice for extremely low income minority households and disabled households, all of which are members of the protected classes.

E. 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.

A more in-depth analysis of the housing discrimination complaints filed in each of the seven cities is included in Section F of each individual AI; however, a summary of the aggregate data for the region is included below.

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in the seven cities of Hampton Roads since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 122 complaints had been filed by persons in Hampton Roads over an approximately five-year period. Virginia Beach had the highest number of complaints filed; however, based on the city's population in 2008, the 42 complaints were equivalent to 9.7 per 100,000 residents. Using this formula, Norfolk had the highest rate of complaints at almost 15 per 100,000, as listed in Figure 2-36.

Figure 2-35
Resolution of Housing Discrimination Complaints Filed in Hampton Roads, 2004-2009

	Total Complaints	Complaints per 100,000 residents	Resolution of Complaints							
			Pending Trial	Successful Conciliation	No Violation	No Jurisdiction	Uncooperative Complainant	Complaint Not Located	Complaint Withdrawn	Other
Chesapeake	13	5.9		1	7	4	1			
Hampton	17	11.7	1	2	8	4	2			
Newport News	0									
Norfolk	35	14.9		4	10	13	4	1	2	1
Portsmouth	11	10.9		1	1	6	2		1	
Suffolk	4	4.9			1	2	1			
Virginia Beach	42	9.7	1	4	13	16	5		3	
Total	**122**		**2**	**12**	**40**	**45**	**15**	**1**	**6**	**1**

Sources: VA Department of Professional and Occupational Regulation, Fair Housing Office, U.S. Department of Housing and Urban Development

Of the 122 total complaints, 45 (37%) were closed because neither HUD nor DPOR had jurisdiction in the matter. Another 40 complaints (33%) were closed because either HUD or DPOR determined that no violation had occurred. Fifteen complaints (12%) were closed due to uncooperative complainants. A total of 12 complaints (10%) were successfully conciliated and two (1.6%) are pending trial.

Of the 14 housing discrimination complaints which were either successfully conciliated or are pending trial (i.e., not dismissed), the basis discrimination for 12 complaints (86%) was physical or mental disability. The basis for the remaining two complaints was familial status, as listed in Figure 2-37.

Figure 2-36
Bases for Housing Discrimination Complaints Filed in Hampton Roads, 2004-2009

	Complaints Not Dismissed	Bases for Complaint	
		Disability	Familial Status
Chesapeake	1	1	0
Hampton	3	2	1
Newport News	0	0	0
Norfolk	4	4	1
Portsmouth	1	UNK	UNK
Suffolk	N/A	N/A	N/A
Virginia Beach	5	5	0
Total	**14**	**12**	**2**

Sources: VA Department of Professional and Occupational Regulation, Fair Housing Office; U.S. Department of Housing and Urban Development

ii. Patterns and Trends in Fair Housing Complaints

Based on the analysis above, disability is the most common basis for housing discrimination in Hampton Roads followed by familial status. This trend offers insight into the need for additional fair housing training related to the provision of housing for persons with disabilities, in particular. Training should target landlords and management agents of rental housing units throughout Hampton Roads with emphasis in Virginia Beach and Norfolk.

OBSERVATION: An analysis of the fair housing complaints received throughout Hampton Roads reveals that disability is the most common basis for discrimination, followed by familial status. These trends are indicative of the need to provide fair housing training to landlords and management agents.

iii. Existence of Fair Housing Discrimination

The City of Virginia Beach has executed a Voluntary Compliance Agreement (VCA) with HUD relative to the city's capacity to provide services to persons with limited English proficiency (LEP). A description of the VCA is included in Section F of the Virginia Beach AI included herein.

iv. Determination of Unlawful Segregation

None of the seven cities in Hampton Roads is involved in any current or pending suits.

3. CITY OF CHESAPEAKE

A. Historical Residential Settlement Patterns

The City of Chesapeake was founded in 1963, when the City of South Norfolk merged with Norfolk County. The City of South Norfolk, originally a suburb of its northern neighbor Norfolk City, was an urban center. This is in contrast to the sparsely populated County of Norfolk, a rural area with scattered towns and villages. As an amalgamation of a county, city, and various towns and villages, the City of Chesapeake is now a multi-focal city, without a single center and with urban, suburban, and rural settlements.

During the 1980s and 1990s, the City experienced unprecedented growth with an average annual growth rate of 4.5% over a 10-year period.[16] Between 1990 and 2008, the City grew an additional 44.8%.[17] The more densely populated urban areas continue to dominate the northern part of the City – where the City of South Norfolk was once located – while the southern areas of the City maintain their rural character.

Between the urban and rural zones are the widely expanding suburban settlements, which emerged around World War II. Beginning with 1963 merger, and spurred by the transportation improvements in the 1960s and 1970s, the City experienced a surge in suburban growth. This initial suburban population boom was among "bedroom suburbs" such as Wilson Heights and the Crestwood area, where residents commuted to Norfolk or Virginia Beach for work. The expansion of I-64, completion of the I-464 and I-664 corridors, and the Chesapeake Expressway had connected the urban center with previously rural areas, thus easing commutes and making suburban expansion more viable. The suburban areas of Greenbrier, Western Branch, and Great Bridge, in particular, benefited from these transportation corridors. Starting in the 1980s and continuing until today, suburban growth has been among larger planned communities and subdivisions, forming more neighborhood-like developments such as those in Etheridge.[18]

B. Demographic Profile

i. Population Trends

Minority residents are increasing at a faster rate than White residents in Chesapeake. Total population grew at a significant pace between 1990 and 2008. In 1990, there were 151,968 residents with Whites comprising almost 71% of the population. Blacks represented 27.4% of the total population and over 93% of the minority population. By 2008, total population increased nearly 45% to 220,111 residents. Whites increased 30% while Blacks increased more than 56% during the 18-year period. By 2008, Whites had fallen to 63.4% of the population despite a numeric increase.

[16] The Chesapeake Planning Department, "Forward Chesapeake: 2026 Comprehensive Plan." Adopted March 9, 2005. http://www.chesapeake.va.us/services/depart/planning/comprehensiveplan.shtml
[17] U.S Census Bureau.
[18] The Chesapeake Planning Department, "Forward Chesapeake: 2026 Comprehensive Plan."

Growth among other minorities was also significant during this period. Asian/Pacific Islanders comprised the second-largest racial minority group in 2008, accounting for 2.6% of the population. In actual numbers, this group increased three-fold from 1,892 to 5,719 since 1990. Persons of Two or More Races, a category first used in Census 2000, grew over 36% from 3,224 to 4,398 residents in 2008. Persons of Some Other Race increased from 571 to 4,077 residents. American Indians/Alaskan Natives more than doubled in number from 444 to 1,033. Persons of Hispanic origin increased more than threefold from 1,911 to almost 7,000 residents.

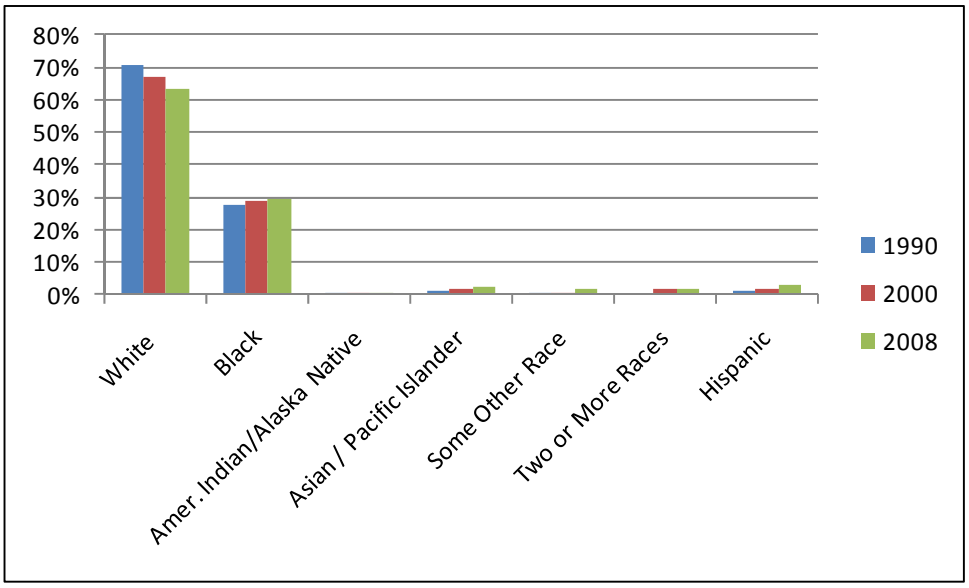
Figure 3-1
Population Trends, 1990-2008

	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Chesapeake	**151,968**	**100.0%**	**199,184**	**100.0%**	**220,111**	**100.0%**	**44.8%**
White Population	107,400	70.7%	133,193	66.9%	139,638	63.4%	30.0%
Non-White Population	44,568	29.3%	65,991	33.1%	80,473	36.6%	80.6%
Black	41,661	27.4%	56,823	28.5%	65,246	29.6%	56.6%
Amer. Indian/Alaska Native	444	0.3%	770	0.4%	1,033	0.5%	132.7%
Asian / Pacific Islander	1,892	1.2%	3,774	1.9%	5,719	2.6%	202.3%
Some Other Race	571	0.4%	1,400	0.7%	4,077	1.9%	614.0%
Two or More Races	---	---	3,224	1.6%	4,398	2.0%	36.4%
Hispanic	1,911	1.3%	4,076	2.0%	6,933	3.1%	262.8%

Source: U.S. Census Bureau

OBSERVATION: Minorities have increased from 29.3% to 36.6% of total population since 1990. Blacks remain the largest minority group, comprising 81% of all minorities. However, the fastest-growing segment of minorities is among persons of "some other race," which grew 614% from 571 persons in 1990 to 4,077 in 2008.

Figure 3-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Sources: U.S. Census Bureau, Demographics Now

ii. Areas of Racial and Ethnic Minority Concentration

The City of Chesapeake 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 Chesapeake, Blacks comprised 29.2% of the population in 2009.[19] Therefore, an area of racial concentration would include any census tract where the percentage of Black residents is 39.2% or higher. There are 13 census tracts which meet this criterion; they are highlighted in the following chart and illustrated on Map 3-1. These areas are located in the northern part of the City in the smaller and higher density residential areas that encircle the City of Portsmouth. No other racial minority group meets the criterion for an area of racial concentration.

Hispanic residents represent 3.3% of the total population. An area of ethnic concentration would include a census tract where the percentage of Hispanics is 13.3% or higher. No census tract meets this criterion.

OBSERVATION: There are 13 census tracts in Chesapeake that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 200.02, 201, 202, 203, 205.01, 205.02, 207, 208.01, 209.03, 213.02, 214.04, 215.01, and 216.02.

[19] Data estimates for 2009 were purchased from DemographicsNow to update Census 2000 data. The City is advised to use Census 2010, when available, to recalculate the areas of minority concentration.

Figure 3-3
Census Tract Population by Race and Hispanic Origin, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
Chesapeake	**216,184**	**63.9%**	**29.2%**	**3.8%**	**3.3%**
200.01	1,526	87.8%	6.4%	3.1%	1.3%
200.02	4,424	54.8%	39.5%	2.0%	3.2%
200.03	5,114	74.4%	19.8%	2.2%	3.6%
201.00	4,753	12.9%	83.8%	0.7%	2.8%
202.00	3,854	4.7%	92.7%	0.6%	1.7%
203.00	1,672	40.3%	50.2%	5.4%	2.4%
204.00	2,782	70.7%	23.2%	2.8%	2.8%
205.01	169	28.4%	68.1%	0.0%	4.7%
205.02	1,059	48.2%	49.0%	0.5%	2.5%
206.00	3,863	82.1%	12.1%	3.0%	2.0%
207.00	5,245	40.4%	54.9%	1.5%	2.2%
208.01	8,658	42.2%	51.6%	2.6%	3.1%
208.04	6,458	68.7%	17.0%	10.9%	3.4%
208.05	5,518	56.1%	28.7%	10.3%	6.5%
208.06	6,638	65.3%	22.2%	7.6%	6.4%
208.07	8,090	69.9%	19.0%	6.9%	5.2%
209.01	9,624	64.5%	26.3%	5.0%	5.2%
209.03	2,235	11.3%	86.9%	0.3%	0.4%
209.04	8,214	54.3%	38.0%	5.0%	3.8%
210.04	5,783	82.3%	9.6%	3.9%	3.8%
210.05	4,883	68.6%	24.6%	3.9%	3.0%
210.06	8,020	82.9%	11.0%	3.2%	3.9%
210.07	9,010	86.0%	9.5%	0.6%	2.4%
210.08	10,509	86.4%	9.0%	2.4%	2.8%
210.09	4,268	87.3%	7.7%	2.7%	3.3%
211.01	5,146	87.4%	6.9%	3.1%	3.1%
211.02	7,649	66.4%	29.7%	2.1%	1.6%
212.00	5,500	83.8%	11.6%	1.7%	3.9%
213.01	4,699	70.5%	23.9%	2.0%	3.5%
213.02	8,591	52.0%	40.5%	3.0%	4.6%
214.01	2,073	70.0%	23.4%	1.7%	6.2%
214.02	6,450	79.3%	15.4%	2.2%	2.7%
214.03	4,549	64.5%	30.9%	1.8%	3.1%
214.04	7,651	20.5%	74.8%	2.3%	1.9%
215.01	9,541	54.1%	40.3%	3.6%	1.8%
215.02	6,874	82.4%	11.8%	3.2%	2.7%
216.01	8,616	81.1%	10.5%	6.4%	2.5%
216.02	6,476	45.8%	42.5%	7.1%	4.1%

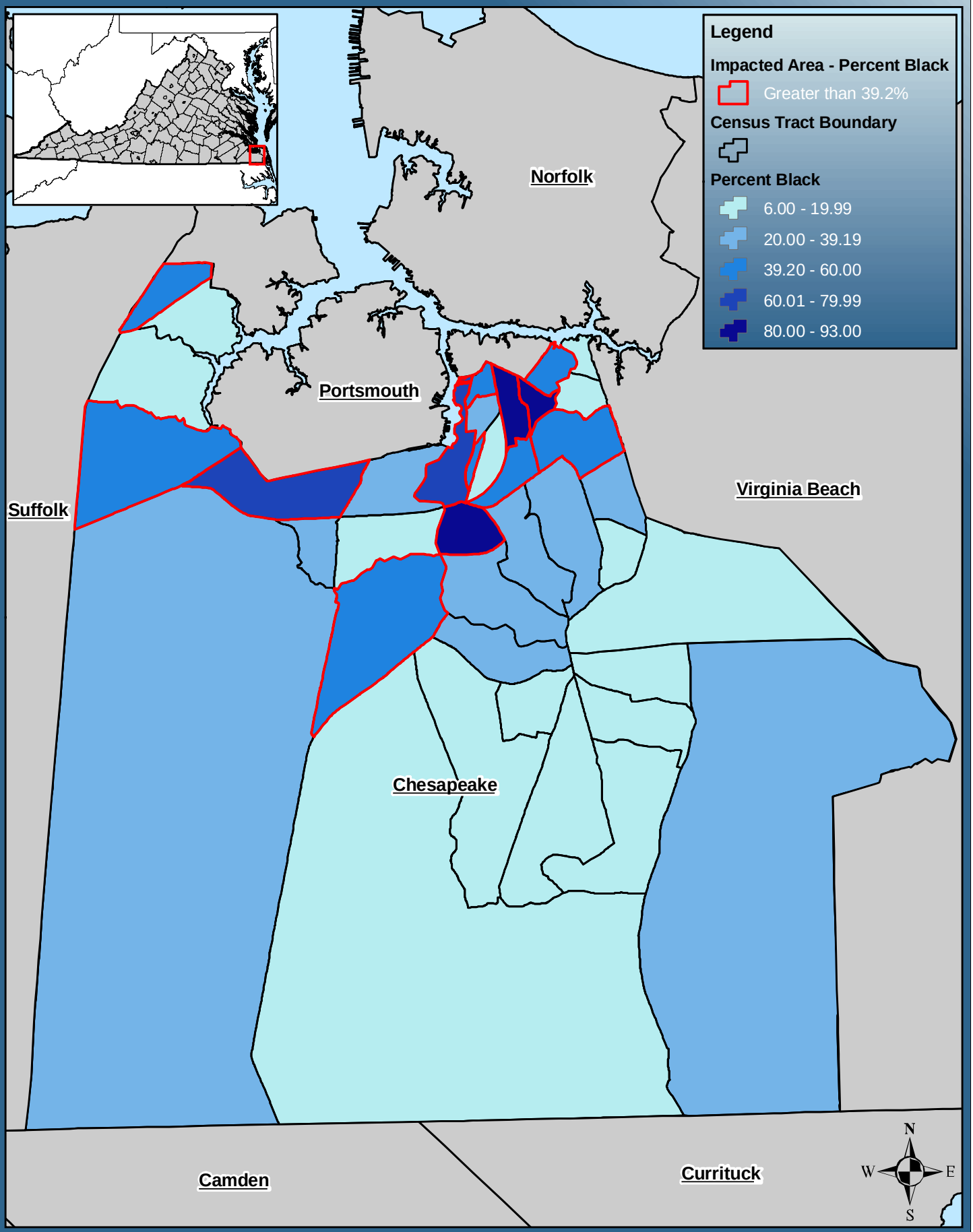
Source: DemographicsNow

Map 3-1 on the following page depicts the geographic location of the areas of racial concentration. In Chesapeake, the census tracts outlined in *red* are areas of concentration of Black residents, also referred to as impacted areas. It is within these impacted areas that other demographic characteristics—such as income and housing—will be analyzed.

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Map 3-1: Black Population Concentrations in Chesapeake, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[20] The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Chesapeake is one of the more segregated communities. The City's 2000 dissimilarity index of 52.6 for White persons and Black persons ranks 14th out of 18, and indicates that White and Black persons in Chesapeake are more segregated than in more than 70% of the State's most populated cities and towns. Among the seven cities in the Hampton Roads region, Chesapeake is the third-most segregated. Details are included in the following table.

[20] 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 3-4
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	Hampton	64,795	70,963	146,437	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	Suffolk	27,524	33,940	63,677	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Chesapeake is one of the more segregated municipalities in the study area. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 52.6% of Black residents would have to move to a different location within Chesapeake.

Dissimilarity index data for all Chesapeake subpopulations appear in the following table. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 52.6% of Black residents would have to move to a different location within Chesapeake.

Figure 3-5
Chesapeake Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	131,200	65.9%
Black	52.6	56,442	28.3%
American Indian*	29.0	722	0.4%
Asian	32.9	3,638	1.8%
Hawaiian*	62.5	92	0.0%
Other*	49.1	251	0.1%
Two or more races	26.7	2,763	1.4%
Hispanic***	26.5	4,076	2.0%
TOTAL	-	199,184	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Chesapeake.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

The indices above show that, in addition to a White/Black index of 52.6, Chesapeake has a White/Asian index of 32.9, a White/multi-race index of 26.7, and a White/Hispanic index of 26.5. These numbers indicate that these subpopulations are less segregated than Black residents. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

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 a stark contrast between races and ethnicity in Chesapeake. The median household incomes for Blacks and Hispanics were equivalent to only 60% and 80%, respectively, of the median household income for Whites, while Asians had a slightly higher income. Significant differences in poverty are evident as well, with Blacks experiencing poverty rates equal to almost five times that of Whites. Data on poverty for Asians and Hispanics were not available due to small sample sizes.

Figure 3-6
Median Household Income and Poverty Rates by Race/Ethnicity, 2000

	Median Household Income	Poverty Rate
City of Chesapeake	**$78,958**	**7.7%**
Whites	$86,789	3.6%
Blacks	$52,118	17.4%
Asians*	$88,066	n/a
Hispanics*	$69,363	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I)
*The poverty rates for Asians and Hispanics were not available.

There are also significant differences in income distribution in Chesapeake. In 2000, only 10.4% of White households had incomes below $25,000 compared to almost one-third of all Black households. The middle income ranges were more comparable with 22.6% of Black households having incomes within the $25,000 to $49,999 range compared to 16.3% of White households, and 19.7% of Black households within the $50,000 to $74,999 range compared to 17.9% of White households. On the opposite end of the spectrum, slightly more than one-quarter of Black households earned $75,000 or higher compared to more than half of all White households. Data on household income distribution for Asians and Hispanics were not available.

Figure 3-7
Household Income Distribution by Race, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**79,876**	**13,077**	**16.4%**	**14,769**	**18.5%**	**15,482**	**19.4%**	**36,548**	**45.8%**
White Households	51,084	5,302	10.4%	8,337	16.3%	9,158	17.9%	28,287	55.4%
Black Households	24,815	7,680	30.9%	5,611	22.6%	4,900	19.7%	6,624	26.7%

Source: U.S. Census Bureau, 2008 American Community Survey (C19001, B19001A, B19001B)
*Data for Asian and Hispanic households are not available

Figure 3-8
Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 60% that of Whites in 2000 and poverty among Blacks was five times greater than among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG program includes a statutory requirement that 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Chesapeake. HUD data reveal that there are 34 census block groups where more than 51% of residents meet the criteria for LMI status. Of these, 19 block groups were located within areas of racial concentration. As a result, areas of racial concentration are more likely to be also areas of concentration of LMI persons.

Map 3-2 on the following page illustrates the location of concentrations of Black residents and the concentration of LMI persons.

OBSERVATION: Of the 34 low and moderate income census block groups in Chesapeake, 19 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

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Map 3-2: Low and Moderate Income Concentrations in Chesapeake, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

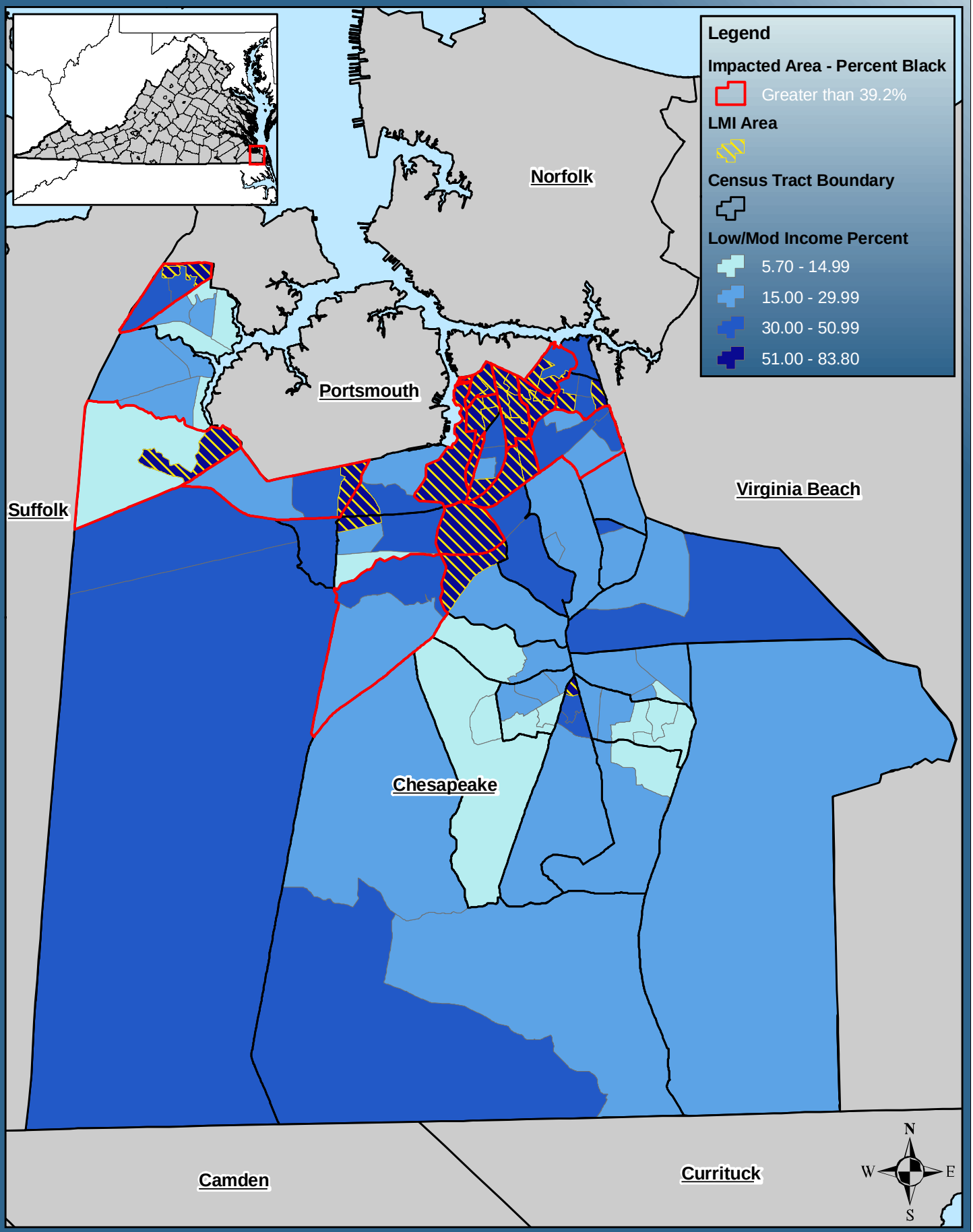


Figure 3-9
Low and Moderate Income Persons, 2009

Census Tract	Block Group	Low and Moderate Income Persons			Census Tract	Block Group	Low and Moderate Income Persons		
		#	Universe	%			#	Universe	%
200.01	1	540	1,576	34.26%	210.07	1	434	2,157	20.12%
200.02	1	373	1,229	30.35%	210.07	2	531	2,481	21.40%
200.02	2	1,350	1,918	70.39%	210.07	3	188	849	22.14%
200.02	3	661	1,278	51.72%	210.07	4	68	1,186	5.73%
200.03	1	1,044	1,653	63.16%	210.07	5	239	2,320	10.30%
200.03	2	381	1,180	32.29%	210.08	1	317	1,193	26.57%
200.03	3	352	898	39.20%	210.08	2	364	1,662	21.90%
200.03	4	194	618	31.39%	210.08	3	248	2,538	9.77%
200.03	5	481	843	57.06%	210.08	4	241	1,832	13.16%
201.00	1	207	247	83.81%	210.08	5	119	2,026	5.87%
201.00	2	2,877	3,747	76.78%	210.09	1	281	1,432	19.62%
201.00	3	364	688	52.91%	210.09	2	244	2,211	11.04%
202.00	1	381	703	54.20%	211.01	1	182	666	27.33%
202.00	2	302	492	61.38%	211.01	2	115	1,074	10.71%
202.00	3	419	739	56.70%	211.01	3	225	1,416	15.89%
202.00	4	681	981	69.42%	211.01	4	330	2,166	15.24%
202.00	5	578	723	79.94%	211.02	1	990	5,061	19.56%
203.00	1	593	963	61.58%	212.00	1	440	1,477	29.79%
203.00	2	541	850	63.65%	212.00	2	464	2,459	18.87%
204.00	1	747	1,228	60.83%	212.00	3	463	1,101	42.05%
204.00	2	497	937	53.04%	213.01	1	391	852	45.89%
204.00	3	401	694	57.78%	213.01	2	273	1,217	22.43%
205.01	1	112	195	57.44%	213.01	1	26	55	47.27%
205.02	1	756	998	75.75%	213.01	2	729	2,126	34.29%
206.00	1	417	1,238	33.68%	213.02	2	203	1,005	20.20%
206.00	2	436	986	44.22%	213.02	1	566	1,806	31.34%
206.00	3	228	906	25.17%	213.02	2	874	4,061	21.52%
206.00	4	502	699	71.82%	214.01	1	618	1,934	31.95%
207.00	1	1,390	2,051	67.77%	214.02	1	451	1,405	32.10%
207.00	2	1,682	2,609	64.47%	214.02	2	115	1,479	7.78%
208.01	1	313	1,213	25.80%	214.02	3	379	1,874	20.22%
208.01	2	1,470	4,410	33.33%	214.02	4	807	1,305	61.84%
208.01	3	673	1,641	41.01%	214.03	1	150	967	15.51%
208.01	4	208	709	29.34%	214.03	2	461	1,156	39.88%
208.04	1	112	202	55.45%	214.03	3	1,560	2,397	65.08%
208.04	2	164	609	26.93%	214.04	3	21	252	8.33%
208.04	1	706	4,342	16.26%	214.04	1	1,163	2,151	54.07%
208.04	2	58	93	62.37%	214.04	2	1,456	4,440	32.79%
208.05	1	295	1,046	28.20%	214.04	3	183	681	26.87%
208.05	2	858	4,093	20.96%	215.01	2	132	1,220	10.82%
208.06	1	1,234	5,246	23.52%	215.01	1	1,898	3,321	57.15%
208.07	1	636	1,349	47.15%	215.01	2	422	3,342	12.63%
208.07	2	1,217	6,211	19.59%	215.02	4	142	227	62.56%
209.01	1	643	2,012	31.96%	215.02	1	456	1,917	23.79%
209.01	2	2,178	5,537	39.34%	215.02	2	92	829	11.10%
209.03	1	1,099	2,137	51.43%	215.02	3	444	2,016	22.02%
209.04	2	936	1,198	78.13%	215.02	4	325	1,408	23.08%
209.04	3	1,383	6,137	22.54%	216.01	1	413	2,295	18.00%
210.04	1	305	1,716	17.77%	216.01	2	127	1,380	9.20%
210.04	2	332	1,092	30.40%	216.01	3	211	1,338	15.77%
210.04	3	406	1,091	37.21%	216.01	4	120	860	13.95%
210.04	4	672	1,166	57.63%	216.01	5	201	1,998	10.06%
210.05	1	406	2,785	14.58%	216.02	1	379	743	51.01%
210.05	2	266	932	28.54%	216.02	2	529	1,012	52.27%
210.06	1	74	326	22.70%	216.02	3	806	2,393	33.68%
210.06	1	935	6,785	13.78%	216.02	4	1,111	2,337	47.54%

Source: U.S. Dept. of Housing & Urban Development, 2009

vi. 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 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 Chesapeake, 10.5% of the population 5 years and older reported at least one type of disability in 2008.[21]

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Chesapeake, persons with disabilities are much more likely than persons without disabilities to live in poverty. In 2008, among all persons with a disability, 12.5% lived below the level of poverty. However, among all persons without a disability, only 7.3% were living in poverty.[22]

OBSERVATION: Persons with disabilities were almost twice as likely to live in poverty compared to persons without disabilities. Among all persons with disabilities, 12.5% lived in poverty in 2008 compared to 7.3% of persons without a disability.

vii. 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 in the City have been slowly but steadily increasing, representing 13.5% of all households in 2000 and 15.2% of all households in 2008. The number of these households with children has been

[21] U.S. Census Bureau, 2008 American Community Survey (C18101)
[22] U.S. Census Bureau, 2008 American Community Survey (C18130)

increasing in roughly equal numbers. From 2000 to 2008, the number of female-headed households with children grew by 2,836 households, an increase of 37.7%. In contrast, married couple family households with children have slowly declined over the same period. In 2000, these households made up 30.8% of all households compared to 29.3% by 2008. The percentage of men raising children alone has been increasing as well. While these households made up only 2.0% of all households in 2000 and 2.8% of all households in 2008, this increase represents a 62.0% increase in these types of households.

Figure 3-10
Female-Headed Households and Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	52,287	100.0%	69,835	100%	79,876	100%
Family Households	42,032	80.4%	54,267	77.7%	34,483	43.2%
Married-couple family	33,590	64.2%	42,143	60.3%	45,372	56.8%
With Children	17,535	33.5%	21,513	30.8%	23,391	29.3%
Without Children	16,055	30.7%	20,630	29.5%	21,981	27.5%
Female-Headed Households	**6,691**	**12.8%**	**9,432**	**13.5%**	**12,156**	**15.2%**
With Children	**3,935**	**7.5%**	**5,994**	**8.6%**	**8,830**	**11.1%**
Without Children	2,756	5.3%	3,438	4.9%	3,326	4.2%
Male-Headed Household	1,751	3.3%	2,692	3.9%	3,335	4.2%
With Children	871	1.7%	1,396	2.0%	2262	2.8%
Without Children	880	1.7%	1,296	1.9%	1073	1.3%
Non-family and 1-person Households	10,255	19.6%	15,568	22.3%	19,013	23.8%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (B11005)

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Chesapeake in 2000, female-headed households with children accounted for 61.1% of all families living in poverty compared to only 9.9% of all families who were living above the poverty level.[23]

OBSERVATION: Female-headed households accounted for almost two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 Chesapeake revealed that 3.6% of Chesapeake residents in 2008 were foreign-born.[24] Families with children who were living with at least one foreign-born parent were far less likely to be living below 200% of the poverty line than families with

[23] U.S. Census Bureau, Census 2000 (SF 3, P90)
[24] U.S. Census Bureau, 2008 American Community Survey (B05002)

children of native parents.[25] Only 2.4% of families with children who were living with at least one foreign-born parent had incomes of less than 200% of poverty compared to 23.6% of families with children who were living with native parents.[26]

OBSERVATION: Families with at least one foreign-born parent were significantly less likely to have lower incomes than families with native-born parents. Only 2.4% of families with children and at least one foreign-born parent had incomes of less than 200% of the poverty level compared to 23.6% of families with children with native parents.

Persons with Limited English Proficiency (LEP) are defined as persons who have a limited ability to read, right, 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, including immigrants, may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

American Community Survey (ACS) data reports on the non-English language spoke at home for the population five years and older. In the City of Chesapeake in 2008, 4,061 persons spoke English less than "very well." Of these, 1,866 (45.9%) were Spanish speakers, and 1,331 (32.8%) spoke an Asian or Pacific Island language. Among speakers of an Asian or Pacific Island language, Tagalog (spoken by persons native to the Philippines) comprised the largest language group.[27]

[25] The federal definition of poverty, as determined by the Office of Management and Budget, consists of a series of income thresholds relative to family size and family composition. The threshold including all families making up to 200% of the prevailing poverty-level income, which captures families below the poverty line as well as those making up to twice the minimum, is commonly used by demographers to describe extremely low-income families due to the perception that the poverty line is set too low to describe all families that experience financial difficulty in meeting basic human needs.
[26] U.S. Census Bureau, 2008 American Community Survey (B05010)
[27] U.S. Census Bureau, 2006-2008 American Community Survey (B16001)

Figure 3-11
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**1,866**
Asian or Pacific Island	**1,331**
Other Indo-European	805
Other languages	59

Source: 2006-2008 American Community Survey (C16004)

In Chesapeake, the number of LEP Spanish speakers exceeds 1,000. For this reason, the City should perform a four-factor analysis to determine the extent to which the translation of vital documents is warranted.[28] (The term "vital document" refers generally to any publication that is needed to gain access to the benefits of a program or service.) The City should also review the Census 2010 data, when available, to determine if any of the individual Asian or Pacific Islander languages exceeds 1,000 persons with LEP. Although there is no requirement to develop a Language Access Plan (LAP) for persons with LEP, HUD entitlement communities are responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964.

OBSERVATION: The City of Chesapeake should conduct a 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 its federal entitlement programs. If it is determined that the need for an LAP exists, the City must prepare the LAP in order to comply with Title VI of the Civil Rights act of 1964.

ix. Protected Class Status and Unemployment

Overall unemployment in Chesapeake was 4.7% in 2008 for the total civilian labor force. This was comparable to Virginia overall. Blacks were more likely to be unemployed than White residents, with an unemployment rate of 6.4% versus 4.3% for Whites. Females and males in Chesapeake had comparable rates of unemployment at 4.7% and 4.6%, respectively. Blacks had a higher rate of unemployment rate than Whites, at 6.4% and 4.3%. Data on employment for Asians and Hispanics were not available for Chesapeake.

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 6.4% compared to 4.3% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposiable income for housing incomes.

[28] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

Figure 3-12
Civilian Labor Force, 2008

	Virginia Total	%	Chesapeake Total	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**115,935**	**100%**
Employed	3,874,420	95.1%	110,542	95.3%
Unemployed	200,793	4.9%	5,393	4.7%
Male CLF	**2,111,297**	**100.0%**	**58,066**	**100.0%**
Employed	2,006,634	95.0%	55,415	95.4%
Unemployed	104,663	5.0%	2,651	4.6%
Female CLF	**1,963,916**	**100.0%**	**57,869**	**100.0%**
Employed	1,867,786	95.1%	55,127	95.3%
Unemployed	96,130	4.9%	2,742	4.7%
White CLF	**2,916,813**	**100%**	**74,320**	**100%**
Employed	2,799,732	96.0%	71,137	95.7%
Unemployed	117,081	4.0%	3,183	4.3%
Black CLF	**772,382**	**100%**	**33,696**	**100%**
Employed	709,453	91.9%	31,552	93.6%
Unemployed	62,929	8.1%	2,144	6.4%
Asian CLF*	**214,026**	**100%**	**n/a**	**n/a**
Employed	204,543	95.6%	n/a	n/a
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF*	**277,742**	**100%**	**n/a**	**n/a**
Employed	261,165	94.0%	n/a	n/a
Unemployed	16,577	6.0%	n/a	n/a

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

*Employment data for Asians and Hispanics in Chesapeake were not available

C. Housing Market

i. Housing Inventory

The total housing inventory in Chesapeake has grown from 55,743 to 83,549 units, an increase of almost 50% since 1990. Many census tracts outside of the central city area experienced increases of 500 units or more.

Notably, in seven of the 13 census tracts previously identified as areas of racial concentration, very few new housing units were added to the inventory during this period. In some cases, there was a net loss of housing units. Of the 27,806 new units added City-wide since 1990, the seven areas of racial concentration accounted for a net increase of only 121 units, equivalent to less than 1% of all new housing development in Chesapeake over an 18-year period. The change in housing units is illustrated on Map 3-3 on the following page.

By comparison, a significant number of new housing units were added in census tracts 207, 208.01, 213.02, 214.04, 215.01, and 216.02, all of which were also identified as areas of racial concentration. Together, a total of 6,625 units were constructed, representing almost one-quarter (24%) of all new development.

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Map 3-3: Change in Housing Units in Chesapeake, 1990 - 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

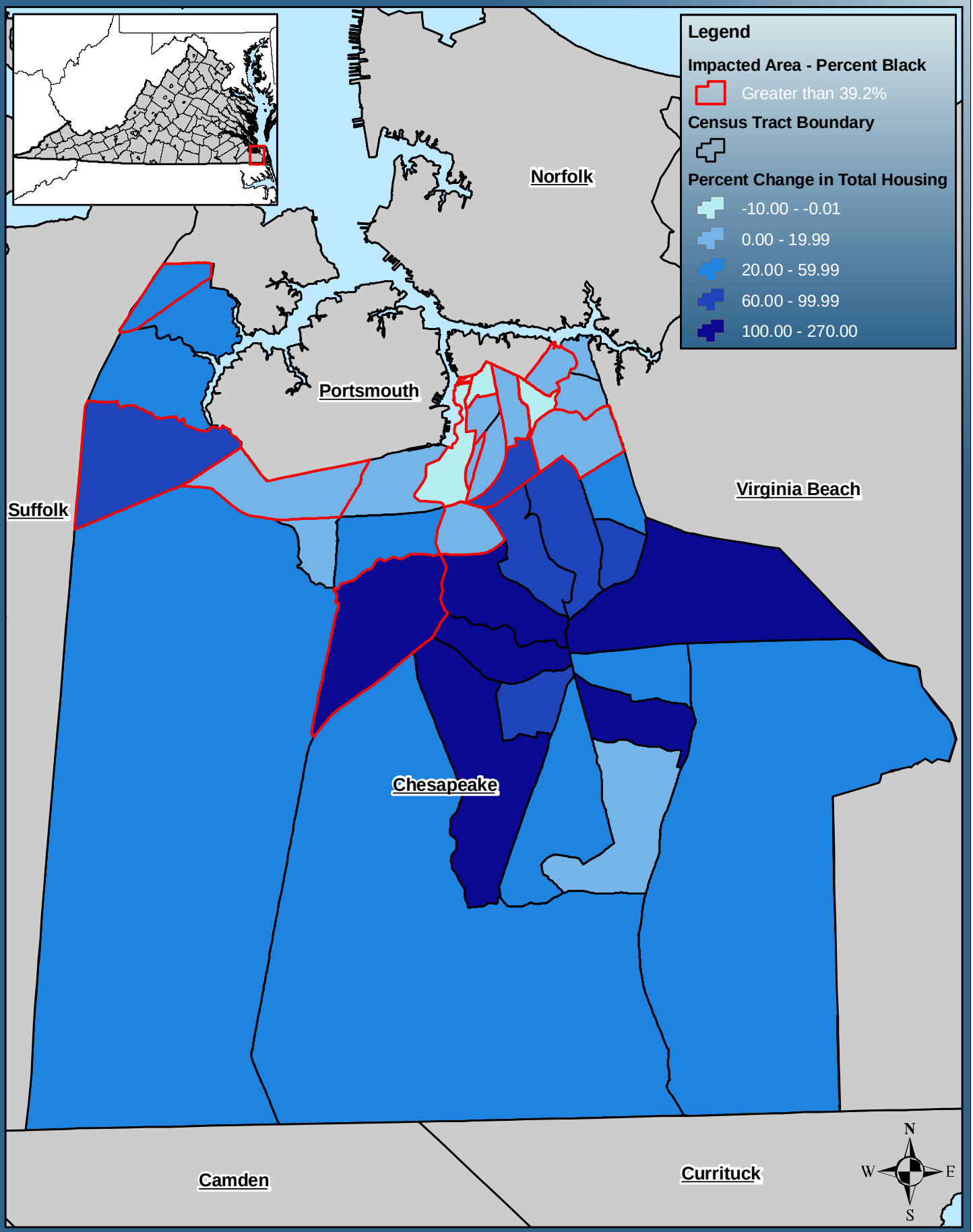


Figure 3-13
Trends in Total Housing Units, 1990-2009

	1990		2000		2009		Change 1990-2009	
Census Tract	#	%	#	%	#	%	#	%
Chesapeake	**55,743**	**100.0%**	**72,672**	**100.0%**	**83,549**	**100.0%**	**27,806**	**49.9%**
200.01	623	1.1%	636	0.9%	641	0.8%	18	2.9%
200.02	1,784	3.2%	1,734	2.4%	1,813	2.2%	29	1.6%
200.03	2,054	3.7%	2,116	2.9%	2,213	2.6%	159	7.7%
201.00	1,940	3.5%	1,775	2.4%	1,900	2.3%	(40)	-2.1%
202.00	1,473	2.6%	1,447	2.0%	1,571	1.9%	98	6.7%
203.00	683	1.2%	675	0.9%	675	0.8%	(8)	-1.2%
204.00	1,221	2.2%	1,226	1.7%	1,266	1.5%	45	3.7%
205.01	97	0.2%	80	0.1%	87	0.1%	(10)	-10.3%
205.02	437	0.8%	443	0.6%	482	0.6%	45	10.3%
206.00	1,497	2.7%	1,524	2.1%	1,632	2.0%	135	9.0%
207.00	1,686	3.0%	2,278	3.1%	2,723	3.3%	1,037	61.5%
208.01	2,897	5.2%	3,081	4.2%	3,472	4.2%	575	19.8%
208.04	1,063	1.9%	2,004	2.8%	2,568	3.1%	1,505	141.6%
208.05	1,249	2.2%	1,979	2.7%	2,220	2.7%	971	77.7%
208.06	2,078	3.7%	2,186	3.0%	2,936	3.5%	858	41.3%
208.07	1,760	3.2%	2,980	4.1%	3,381	4.0%	1,621	92.1%
209.01	2,349	4.2%	3,303	4.5%	4,220	5.1%	1,871	79.7%
209.03	935	1.7%	811	1.1%	942	1.1%	7	0.7%
209.04	1,378	2.5%	3,186	4.4%	3,732	4.5%	2,354	170.8%
210.04	1329	2.4%	1772	2.4%	2117	2.5%	788	59.3%
210.05	705	1.3%	1307	1.8%	1526	1.8%	821	116.5%
210.06	1171	2.1%	2287	3.1%	2743	3.3%	1,572	134.2%
210.07	1859	3.3%	3081	4.2%	3242	3.9%	1,383	74.4%
210.08	1454	2.6%	2980	4.1%	3548	4.2%	2,094	144.0%
210.09	1304	2.3%	1161	1.6%	1433	1.7%	129	9.9%
211.01	1338	2.4%	1717	2.4%	1750	2.1%	412	30.8%
211.02	1389	2.5%	1694	2.3%	2133	2.6%	744	53.6%
212.00	1385	2.5%	1700	2.3%	1832	2.2%	447	32.3%
213.01	1205	2.2%	1529	2.1%	1781	2.1%	576	47.8%
213.02	811	1.5%	2269	3.1%	3010	3.6%	2,199	271.1%
214.01	624	1.1%	659	0.9%	731	0.9%	107	17.1%
214.02	2026	3.6%	2178	3.0%	2456	2.9%	430	21.2%
214.03	1773	3.2%	1818	2.5%	1892	2.3%	119	6.7%
214.04	2396	4.3%	2602	3.6%	2729	3.3%	333	13.9%
215.01	1722	3.1%	2634	3.6%	3378	4.0%	1,656	96.2%
215.02	2044	3.7%	2486	3.4%	2822	3.4%	778	38.1%
216.01	2221	4.0%	2871	4.0%	3344	4.0%	1,123	50.6%
216.02	1783	3.2%	2463	3.4%	2608	3.1%	825	46.3%

Source: DemographicsNow

OBSERVATION: The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. However, 24% of the new units were built in six areas of racial concentration, locared primarily outside of the older, higher density census tracts in the City.

ii. Types of Housing Units

Of the 72,672 housing structures in 2000, 80.4% were single family units. Most of the remaining units (16.8%) were in multi-family properties of all sizes. Mobile homes accounted for 2.8% of the housing stock.

Notably, the distribution of housing types is uneven among Chesapeake's census tracts. As shown in the following table, the housing inventory in census tracts 201 and 205.02, both areas of racial concentration, are more than 55% multi-family dwellings. In contrast, 16 census tracts consist of less than 5% multi-family dwellings. Of these 16 tracts, three were noted to be areas of racial concentration. Map 3-4 on the following page illustrates where higher concentrations of multi-family units are located.

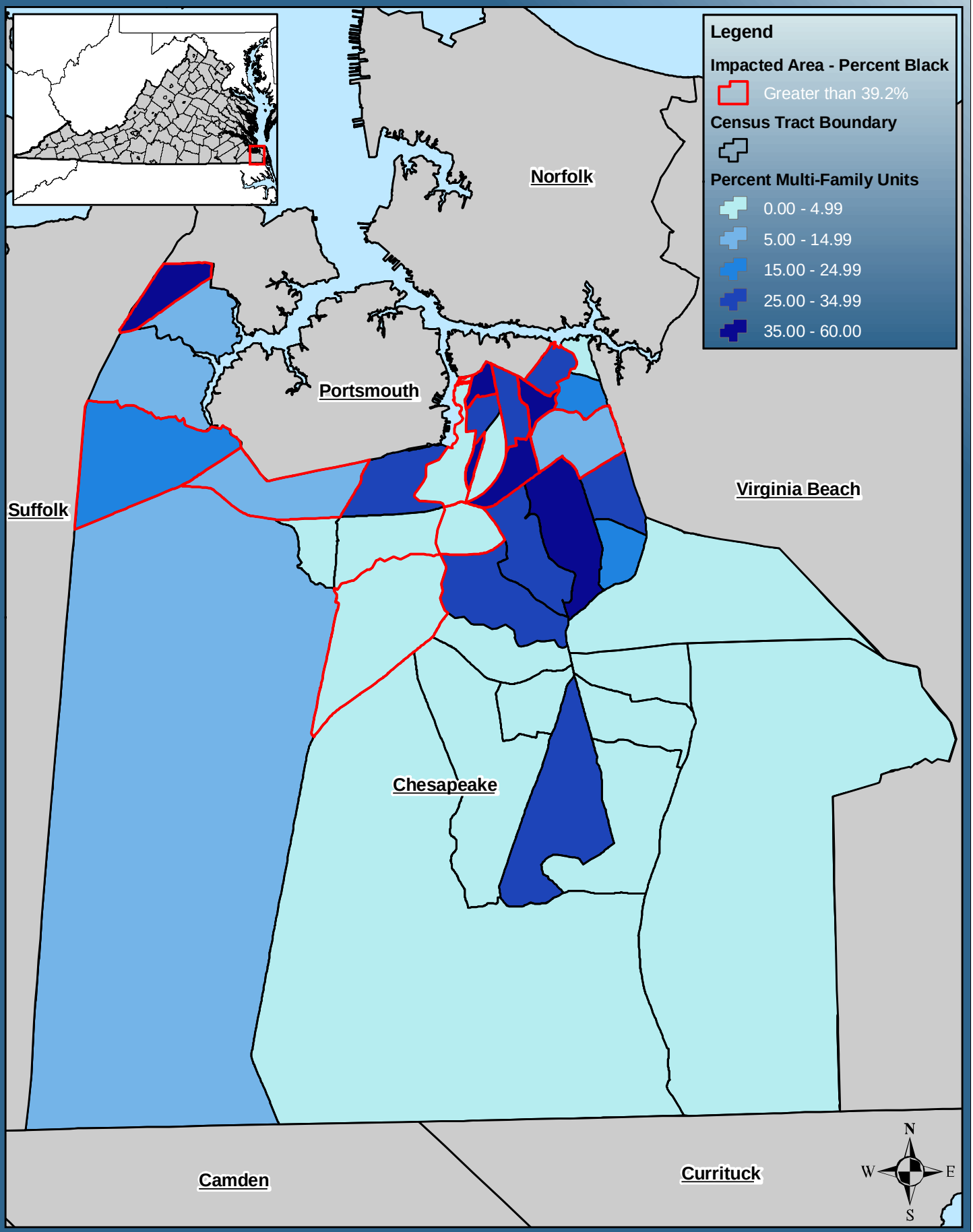
Figure 3-14
Trends in Housing Units in Structures, 2000

			Multi-family units						
	Total Units	Single-family units (detached and attached)	2 to 4	5 to 9	10 to 19	20 or more	Total	Mobile home	Boat, RV, van, etc
Chesapeake	**72,672**	**58,409**	**4,819**	**3,701**	**1,938**	**1,765**	**12,223**	**2,040**	**0**
200.01	628	628	0	0	0	0	0	0	0
200.02	1,742	1,280	393	14	7	48	462	0	0
200.03	2,116	1,618	237	178	58	18	491	7	0
201.00	1,775	748	504	228	192	103	1,027	0	0
202.00	1,415	1,044	336	7	0	15	358	13	0
203.00	707	381	202	100	24	0	326	0	0
204.00	1,226	804	397	9	16	0	422	0	0
205.01	96	96	0	0	0	0	0	0	0
205.02	408	185	186	11	26	0	223	0	0
206.00	1,543	1,484	44	7	8	0	59	0	0
207.00	2,278	633	256	30	65	553	904	741	0
208.01	3,081	2,647	110	81	113	40	344	90	0
208.04	2,003	1,954	35	14	0	0	49	0	0
208.05	1,979	1,120	169	394	115	45	723	136	0
208.06	2,186	1,473	164	144	258	147	713	0	0
208.07	2,980	2,313	164	418	46	39	667	0	0
209.01	3,303	2,312	193	149	303	202	847	144	0
209.03	812	737	0	0	0	0	0	75	0
209.04	3,186	2,143	179	545	236	83	1,043	0	0
210.04	1,772	1256	294	202	0	20	516	0	0
210.05	1,307	1267	40	0	0	0	40	0	0
210.06	2,287	2253	10	12	0	12	34	0	0
210.07	3,081	3013	18	35	0	15	68	0	0
210.08	2,980	2858	115	7	0	0	122	0	0
210.09	1,161	1153	8	0	0	0	8	0	0
211.01	1,717	1710	0	0	0	0	0	7	0
211.02	1,694	1674	9	11	0	0	20	0	0
212.00	1,700	1611	23	7	0	0	30	59	0
213.01	1,529	1329	32	0	112	0	144	56	0
213.02	2,269	2217	29	0	0	0	29	23	0
214.01	657	585	11	0	0	8	19	53	0
214.02	2,178	1805	43	28	0	0	71	302	0
214.03	1,820	1149	121	340	48	108	617	54	0
214.04	2,602	2143	57	62	33	36	188	271	0
215.01	2,634	2206	18	292	38	80	428	0	0
215.02	2,486	2336	31	39	61	19	150	0	0
216.01	2,871	2648	181	33	0	0	214	9	0
216.02	2,463	1596	210	304	179	174	867	0	0

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

Map 3-4: Percentage of Multi-Family Housing Units in Chesapeake, 2000

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



iii. Foreclosure Trends

The HUD NSP Estimates, released in October 2008, provides foreclosure data at the local level. 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.

Between January 2007 and June 2008, the City of Chesapeake had an estimated 1,781 foreclosure filings, representing a foreclosure rate of 3.1%. Across the Hampton Roads region, only Virginia Beach had a lower rate. At the census tract level, seven of the City's 38 tracts had a foreclosure rate more than 6.2%, or twice that of the City overall. Notably, all seven tracts with high foreclosure rates were also areas of racial concentration, as depicted in the table below.

Figure 3-15
Estimated Residential Foreclosure Rates by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Chesapeake	**1,781**	**57,041**	**3.1%**
200.01	11	337	3.3%
200.02	53	851	6.2%
200.03	45	1,099	4.1%
201.00	32	405	7.9%
202.00	65	774	8.4%
203.00	16	253	6.3%
204.00	29	560	5.2%
205.01	2	23	8.7%
205.02	12	211	5.7%
206.00	44	985	4.5%
207.00	32	466	6.9%
208.01	126	2,493	5.1%
208.04	46	1,982	2.3%
208.05	51	1,721	3.0%
208.06	42	1,298	3.2%
208.07	44	2,357	1.9%
209.01	89	2,392	3.7%
209.03	51	865	5.9%
209.04	76	2,917	2.6%
210.04	23	1,389	1.7%
210.05	25	1,420	1.8%
210.06	38	2,407	1.6%
210.07	36	2,559	1.4%
210.08	46	3,378	1.4%
210.09	16	1,263	1.3%
211.01	20	1,420	1.4%
211.02	30	1,600	1.9%
212.00	19	1,202	1.6%
213.01	42	1,528	2.7%
213.02	109	3,548	3.1%
214.01	20	577	3.5%
214.02	63	1,653	3.8%
214.03	30	681	4.4%
214.04	146	2,213	6.6%
215.01	73	2,474	3.0%
215.02	48	2,023	2.4%
216.01	48	2,241	2.1%
216.02	82	1,478	5.5%

Source: HUD NSP Foreclosure Estimates, released October 2008

In July 2010, RealtyTrac reported 176 new foreclosure filings in Chesapeake, or 1 in every 469 housing units. This was the 7th highest number in Virginia.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Chesapeake had a foreclosure rate of 3.1%, the second lowest in the region. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

iv. Protected Class Status and Home Ownership

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."[29]

In 2000, Whites had the highest rate of home ownership in Chesapeake at 80.8%. Asians had the second-highest rate at 75.9%. Blacks and Hispanics had much lower rates, at 60.8% and 59.6%, respectively. Notably, three tracts, 210.06, 210.09, and 211.01, had home ownership rates of 100% for both Blacks and Hispanics. In addition, there were eight other tracts in which Hispanics had a 100% rate of home ownership.

As discussed previously in this report, median household income is generally lower among minority groups in Chesapeake than among White households. This factor contributes to the low rates of home ownership among minorities, specifically Blacks and Hispanics, in Chesapeake.

OBSERVATION: Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to Whites. Across Chesapeake, the home ownership rate for Blacks and Hispanics was 60%; for Asians, it was 76%. The rate was almost 81% for Whites.

[29] 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.

Figure 3-16
Home Ownership by Race and Ethnicity of Householder, 2000

	White		Black		Asian*		Hispanic*	
Census Tract	#	%	#	%	#	%	#	%
Chesapeake	**39,115**	**80.8%**	**11,511**	**60.8%**	**752**	**75.9%**	**638**	**59.6%**
200.01	506	90.7%	6	42.9%			6	100.0%
200.02	776	76.5%	181	30.0%	0	0.0%	0	0.0%
200.03	1,264	77.0%	52	15.4%			32	71.1%
201.00	92	36.4%	397	28.2%			0	0.0%
202.00	39	58.2%	703	59.1%				
203.00	158	54.3%	47	15.2%	0	0.0%	7	100.0%
204.00	513	60.3%	78	34.8%			0	0.0%
205.01	5	25.0%	29	54.7%				
205.02	113	52.3%	21	12.0%	0	0.0%	0	0.0%
206.00	1,110	86.9%	118	89.4%	6	100.0%	0	0.0%
207.00	628	63.8%	411	37.9%	13	100.0%	9	34.6%
208.01	1,067	73.8%	1,098	77.7%	39	100.0%	32	65.3%
208.04	1,333	90.1%	272	88.9%	75	86.2%	22	66.7%
208.05	729	56.4%	295	61.8%	65	66.3%	53	55.2%
208.06	936	61.7%	324	70.1%	16	64.0%	14	41.2%
208.07	1,648	73.3%	338	66.3%	63	77.8%	59	55.7%
209.01	1,551	68.5%	591	76.0%	0	0.0%	33	43.4%
209.03	67	83.8%	457	69.8%	7	100.0%		
209.04	1,370	76.2%	608	55.1%	48	49.5%	43	50.6%
210.04	1,009	66.3%	69	51.9%	20	74.1%	11	35.5%
210.05	886	88.3%	187	94.9%	25	100.0%	18	69.2%
210.06	1808	91.2%	188	100.0%	24	100.0%	27	100.0%
210.07	2522	91.8%	215	95.1%	30	66.7%	28	100.0%
210.08	2,472	92.8%	161	83.4%	28	100.0%	32	100.0%
210.09	973	93.3%	51	100.0%	25	100.0%	12	100.0%
211.01	1,519	95.4%	82	100.0%	11	100.0%	6	100.0%
211.02	1,276	90.9%	185	82.2%	5	100.0%		
212.00	1,241	84.5%	85	65.9%	22	100.0%	12	60.0%
213.01	961	83.9%	238	76.5%			6	100.0%
213.02	1,131	93.9%	833	95.1%	26	100.0%	43	100.0%
214.01	384	78.0%	115	86.5%			14	63.6%
214.02	1,560	87.5%	220	89.8%			9	100.0%
214.03	906	74.9%	34	7.4%	0	0.0%	8	53.3%
214.04	469	74.2%	1,435	80.5%	47	81.0%	26	100.0%
215.01	1,332	93.2%	488	48.6%	58	100.0%	0	0.0%
215.02	1,817	87.5%	178	75.4%	29	100.0%	21	100.0%
216.01	2,234	90.1%	206	83.1%	40	80.0%	27	79.4%
216.02	710	56.5%	515	52.0%	30	75.0%	28	41.8%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

*Cells for tracts in which no members of a racial or ethnic group live are left blank to differentiate them from tracts in which only renters live.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Chesapeake, persons of Some Other Race and Hispanics were most likely to live in families of three or more persons. Larger families were also more prevalent among Black and Asian households than among White households. Persons of Two or More Races had the lowest rate of larger families.

Figure 3-17
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	61.3%
Black	70.4%
Asian	70.9%
Some Other Race Alone	81.3%
Two or More Races	50.5%
Hispanic	80.2%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Chesapeake, less than 8% of the rental housing stock contained three or more bedrooms in 2000 compared to almost 65% of the owner housing stock.

Figure 3-18
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	3,307	4.7%	751	1.1%
2 bedrooms	8,968	12.8%	6,584	9.4%
3 or more bedrooms	**5,302**	**7.6%**	**44,988**	**64.4%**
Total	17,577	25.1%	52,323	74.9%

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

This trend is also demonstrated in an analysis of public housing residents in the City. According to CRHA, a majority of households residing in public housing (235 of 461) are living in units of three bedrooms or more. In addition, another 392 applicants are waiting for three- and four-bedroom public housing units.

FINDING: Minority households were much more likely to live in larger families than White households. For example, 80.2% of Hispanic families and 70.4% of Black families included three or more persons compared to 61.3% of White families. However, only 7.6% of the rental housing stock contains three or more bedrooms compared to 64.4% of the owner housing stock.

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Chesapeake has doubled since 1990 after adjusting for inflation.[30] Median gross rent increased 19% during the same period. By comparison, real household income increased only 15.5%.

Figure 3-19
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$87,800	$122,300	$292,600	233.3%
2008 Dollars	$144,634	$152,913	$292,600	102.3%
Median Gross Rent				
Actual Dollars	$494	$642	$969	96.2%
2008 Dollars	$814	$803	$969	19.0%
Median Household Income				
Actual Dollars	$35,737	$50,743	$67,996	90.3%
2008 Dollars	$58,870	$63,444	$67,996	15.5%

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.

At the same time that real household income was failing to keep pace with median rents, Chesapeake was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than $500 per month decreased by 1,867 units, or 46.4% of all units in that price range. Units renting for $500 to $699 decreased in number by 4,099 units, or 65.8% of all units in that price range. At the same time, the number of higher-rent units ($700 per month or higher) increased by 11,330.

[30] 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.

Figure 3-20
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008	
			#	%
Less than $500	**4,024**	**2,157**	**-1,867**	**-46.4%**
$500 to $699	6,227	2,128	-4,099	-65.8%
$700 to $999	5,177	7,452	2,275	43.9%
$1,000 or more	1,329	10,384	9,055	681.3%

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

OBSERVATION: Chesapeake lost almost half of all housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by more than 9,000 units.

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 Chesapeake, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Chesapeake, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Chesapeake, the estimated average wage for a renter is $10.29 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 68 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.7 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Chesapeake. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous lenders. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Chesapeake and throughout Virginia. If SSI represents an

individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $781.

OBSERVATION: Persons receiving SSI, including persons with disabilities, as their sole source of imcome, cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Chesapeake has slowed in activity since 2006, coinciding with the beginning of the national housing slump. After peaking at 4,519 units sold in 2005, the local market has fallen off to 2,602 units sold in 2008. The average length of time a house has remained on the market has more than tripled from 25 days to 83 days. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

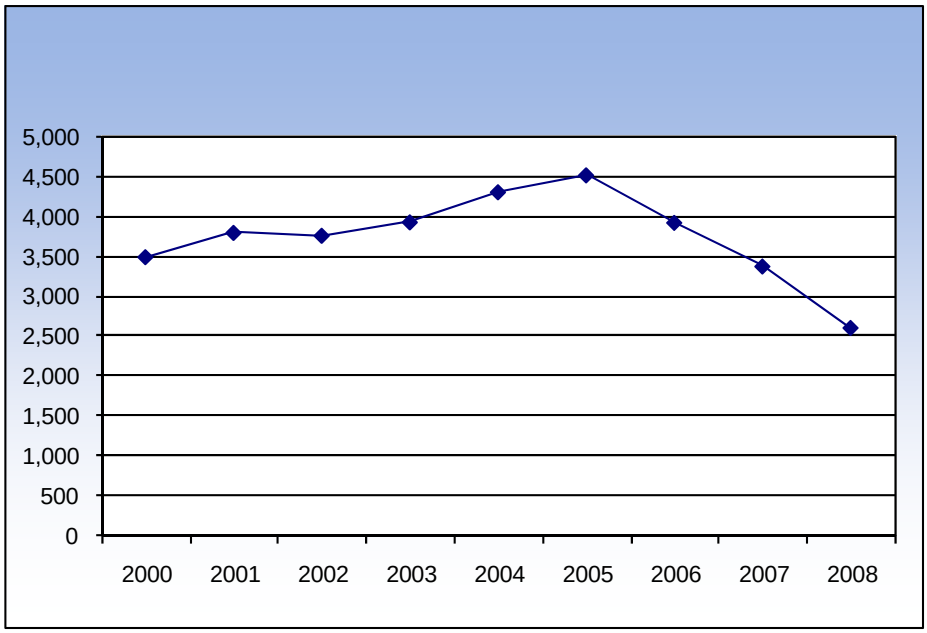
While the housing market has slowed in Chesapeake as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 3-21
Housing Market Sales Trends, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	3,491	3,796	3,760	3,929	4,307	4,519	3,922	3,374	2,602
Average No. Days on Market	52	54	38	31	24	25	46	68	83
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

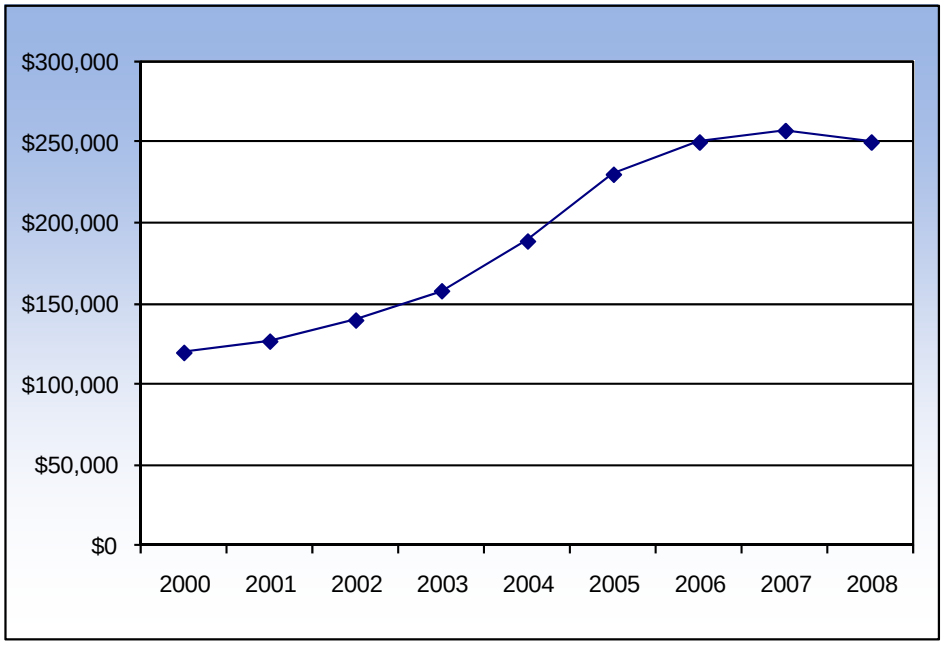
*Median Sales Price as a percent of Median List Price
Source: Hampton Roads Realtor Association

Figure 3-22
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 3-23
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

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.[31] This pattern generally holds true for homeowners in Chesapeake. Among all owner households with incomes below 80% of the median family income in 2000, 59.2% of White households experienced problems compared to 68.6% of Blacks and 100% of Hispanics.

However, among all renter households of similar income levels, the rate of housing problems among White households was comparable to the rate among Hispanics at about 61%. Among Black renter households, 64.3% experienced housing problems.

Figure 3-24
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	4,370	61.0%	930	62.4%	2,255	59.2%	1,185	63.3%
Black Non-Hispanic	5,220	64.3%	665	71.4%	3,680	63.6%	875	61.7%
Hispanic	252	60.7%	34	88.2%	194	61.4%	24	16.7%
Total	**9,842**	**62.7%**	**1,629**	**67.1%**	**6,129**	**62.0%**	**2,084**	**62.5%**
Owners								
White Non-Hispanic	7,120	59.2%	3,060	40.3%	3,010	73.3%	1,050	73.8%
Black Non-Hispanic	3,190	68.6%	1,005	52.7%	1,805	74.8%	380	81.6%
Hispanic	68	100.0%	4	100.0%	60	100.0%	4	100.0%
Total	**10,378**	**62.4%**	**4,069**	**44.2%**	**4,875**	**74.3%**	**1,434**	**76.1%**

Source: HUD Comprehensive Housing Affordability Strategy data

OBSERVATION: Black and Hispanic home owners were much more likely to experience housing problems than White home owners.

D. Review of Private Sector Practices

i. 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,

[31] 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.

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 Chesapeake is from 2007 and 2008. Reviewing this data 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 purchases. The data focus 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 City. The information provided 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the applications, with detailed information to follow.

Figure 3-25
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**6,952**	**100.0%**	**4,781**	**100.0%**	**-2,171**	**-31.2%**
Black	1,449	20.8%	958	20.0%	-491	-33.9%
White	3,755	54.0%	2,550	53.3%	-1,205	-32.1%
Asian	139	2.0%	108	2.3%	-31	-22.3%
Hispanic*	180	2.6%	124	2.6%	-56	-31.1%
Other race	77	1.1%	30	0.6%	-47	-61.0%
No information/NA	1,532	22.0%	1,135	23.7%	-397	-25.9%
Originated	**3,727**	**100.0%**	**2,595**	**100.0%**	**-1,132**	**-30.4%**
Black	764	20.5%	553	21.3%	-211	-27.6%
White	2,408	64.6%	1,655	63.8%	-753	-31.3%
Asian	87	2.3%	68	2.6%	-19	-21.8%
Hispanic*	116	3.1%	78	3.0%	-38	-32.8%
Other race	53	1.4%	19	0.7%	-34	-64.2%
No information/NA	415	11.1%	300	11.6%	-115	-27.7%
Denied	**548**	**100.0%**	**273**	**100.0%**	**-275**	**-50.2%**
Black	233	42.5%	95	34.8%	-138	-59.2%
White	229	41.8%	132	48.4%	-97	-42.4%
Asian	12	2.2%	3	1.1%	-9	-75.0%
Hispanic*	10	1.8%	6	2.2%	-4	-40.0%
Other race	5	0.9%	2	0.7%	-3	-60.0%
No information/NA	69	12.6%	-	0.0%	-69	-100.0%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Chesapeake is the steep drop in the number of loan applications. 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 2,171 (31.2%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, 33.9% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications for White applicants dropped from 64.6% to 63.8%, while the share of successful applications for Black applicants increased from 20.5% to 21.3%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications made up a more substantial share of denials in 2008 – 48.4%, compared to 41.8% in 2007, while Black applications made up a smaller share of denials – 34.8%, compared to 42.5% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 3-26
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	2,150	45.0%	1,156	53.8%	121	5.6%	153	7.1%	692	32.2%
FHA	1,230	25.7%	661	53.7%	22	1.8%	77	6.3%	460	37.4%
VA	1,401	29.3%	778	55.5%	32	2.3%	43	3.1%	540	38.5%
Loan Purpose: Home Purchase										
One to four-family unit	4,748	99.3%	2,585	54.4%	168	3.5%	258	5.4%	1,691	35.6%
Manufactured housing unit	33	0.7%	10	30.3%	7	21.2%	15	45.5%	1	3.0%
Applicant Race										
American Indian/Alaska Native	11	0.2%	6	54.5%	2	18.2%	1	9.1%	2	18.2%
Asian/Pacific Islander	108	2.3%	68	63.0%	7	6.5%	3	2.8%	29	26.9%
Hawaiian	19	0.4%	13	68.4%	-	0.0%	1	5.3%	5	26.3%
Black	958	20.0%	553	57.7%	32	3.3%	95	9.9%	267	27.9%
Hispanic**	124	2.6%	78	62.9%	4	3.2%	6	4.8%	34	27.4%
White	2,550	53.3%	1,655	64.9%	107	4.2%	132	5.2%	626	24.5%
No information	485	10.1%	299	61.6%	27	5.6%	41	8.5%	114	23.5%
Not applicable	650	13.6%	1	0.2%	-	0.0%	-	0.0%	649	99.8%
Applicant Sex										
Male	2,857	59.8%	1,805	63.2%	127	4.4%	169	5.9%	729	25.5%
Female	1,032	21.6%	638	61.8%	40	3.9%	84	8.1%	253	24.5%
No information	244	5.1%	151	61.9%	8	3.3%	20	8.2%	63	25.8%
Not applicable	648	13.6%	1	0.2%	-	0.0%	-	0.0%	647	99.8%
Total	**4,781**	**100.0%**	**2,595**	**87.3%**	**175**	**5.9%**	**273**	**9.2%**	**1,692**	**57.0%**

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently of race.

a. Households by Race

In 2008, 4,781 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Chesapeake. Of these applications:

- 53.3% (2,550) of the applications were submitted by White households.
- 20.0% (958) were submitted by Black households.
- 2.3% (108) were submitted by Asian/Pacific Islander households.
- 2.6% (124) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, this data overlaps with persons classified under a specified race.
- 0.2% (11) were submitted by American Indian/Alaskan Native households.
- 0.4% (19) were submitted by Hawaiian households.

Race/ethnicity data was not included for 775 applications (21.7%).

b. Conventional Loans vs. 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 the City of Chesapeake, 55.0% (2,631) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 1,300 (49.4%) were minority households.

The denial rates for government-backed loans were slightly lower than the denial rate for conventional loans.

- The denial rate for FHA loans was 6.3%.
- The denial rate for VA-guaranteed loans was 3.1%.
- The denial rate for conventional loans was 7.1%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 273 households in the City of Chesapeake were denied (16.9%). Denial reasons were given for 212 of the 273 denials. Reasons for denial included the following:

- Debt-to-income ratio: 24.1%
- Credit history: 23.6%
- Other: 16.0%
- Collateral: 12.3%
- Insufficient Cash: 7.5%
- Credit Application Incomplete: 5.7%
- Unverifiable information: 5.2%
- Employment History: 4.7%
- Mortgage insurance denied: 0.9%

Credit history, collateral and unsatisfactory debt-to-income ratios are the major reasons for denial of home mortgage applications throughout the City of Chesapeake.

Figure 3-27
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	1,449	233	16.1%	958	95	9.9%
Am. Indian/Alaska Native	27	1	3.7%	11	1	9.1%
Hawaiian	50	4	8.0%	19	1	5.3%
White	3,755	229	6.1%	2,550	132	5.2%
Hispanic*	180	10	5.6%	124	6	4.8%
Not Provided	1,532	69	4.5%	1,135	41	3.6%
Asian	139	12	8.6%	108	3	2.8%

* Hispanic ethnicity is counted independently of race.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the highest denial rates, and denial rates remained consistently low for White households. The rate of denials for Asian households dropped considerably.

OBSERVATION: In 2008, Black households had easily the highest mortgage denial rate at 16.1%, or 233 of 1,449 applications submitted. White households were far more likely to receive loans, as only 6.1% of applications were denied.

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 32.5% of all denials in 2007, though they accounted for only 23.6% of total applications. In 2008, lower income households comprised 38.5% of all denials and only 20% of all applications.

Figure 3-28
Denials by Income, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Below 80% MFI	1,403	178	12.7%	977	105	10.7%
At least 80% MFI	4,875	349	7.2%	3,804	168	4.4%
Total	6,952	548	7.9%	4,781	273	5.7%

Note: Total includes applications for which no income data was reported.

Of the 273 applications that were denied by area lending institutions, 271 reported household income. Among all lower income households in Chesapeake, the denial rate was highest for minority households.

Figure 3-29
Denials by Race for Lower Income Applicants, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	405	68	16.8%	305	40	13.1%
White	775	87	11.2%	496	45	9.1%
Asian	13	0	0.0%	17	1	5.9%
Hawaiian	6	0	0.0%	2	0	0.0%
Am. Indian/Alaska Native	8	0	0.0%	1	0	0.0%
Not Provided	134	23	17.2%	114	19	16.7%
Not Applicable	62	0	0.0%	42	0	0.0%
Hispanic*	45	1	2.2%	33	2	6.1%
Total	**1,403**	**178**	**12.7%**	**977**	**105**	**10.7%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied in 2008, 42.9% were submitted by White households, and 38.1% were submitted by Black households. The denial rate for Black households (13.1%) was slightly higher than for White households (9.1%). No racial information was provided for 18.1% of these applications.

Figure 3-30
Denials by Race for Upper Income Applicants, 2007-2008

	2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	1,011	154	15.2%	653	55	8.4%
White	2,864	133	4.6%	2,054	87	4.2%
Asian	125	12	9.6%	91	2	2.2%
Hawaiian	42	4	9.5%	17	1	5.9%
Am. Indian/Alaska Native	18	1	5.6%	10	1	10.0%
Not Provided	510	45	8.8%	371	22	5.9%
Not Applicable	305	0	0.0%	608	0	0.0%
Hispanic*	130	9	6.9%	91	4	4.4%
Total	**4,875**	**349**	**7.2%**	**3,804**	**168**	**4.4%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower for upper income households compared to lower income households. Of the upper income applications that were denied, 51.8% were submitted by White households. In addition, for 13.1% of these applications, no race information was provided. It should be noted Black upper income households had a denial rate of 8.4%, which was double the 4.2% denial rate for White upper income households. Asian/Pacific Islander households had the lowest denial rate.

OBSERVATION: Black upper income households had a mortgage loan denial rate of 8.4%, which was double the 4.2% denial rate for White upper income households in 2008. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

The 2008 HMDA data for the City of Chesapeake was analyzed to determine if a pattern of loan denials exists by census tract. Map 3-5 on the following page provides the summary data. Of the five census tracts with the highest rates of minority residents, two have the highest denial rates. The other three census tracts with high minority populations have relatively low denial rates. This may seem to indicate a low correlation between race and mortgage application denials.

OBSERVATION: There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

ii. High-Cost Lending Practices

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.

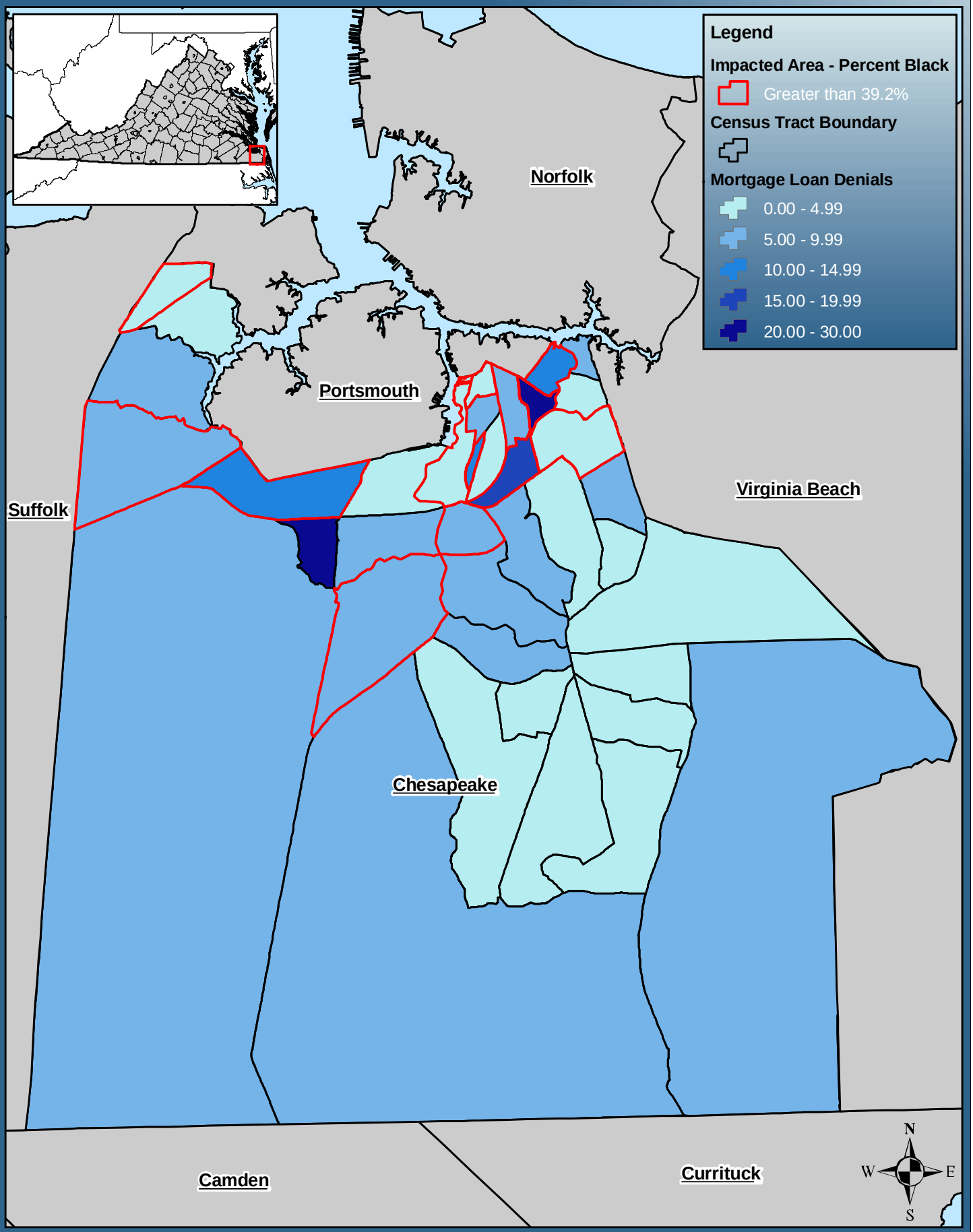
Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of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

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.

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Map 3-5: Percentage of Mortgage Loan Denials in Chesapeake, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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, there were 2,595 home purchase loans made for single-family or manufactured units in the City of Chesapeake. Of this total, 2,585 disclosed the borrower's household income and 116 reported high-cost mortgages. Overall, a slightly larger percentage of lower income households throughout the City of Chesapeake have received high-cost loans when compared to upper income households.

An analysis of loans in Chesapeake by race and ethnicity reveals that lower income minorities are overrepresented in high-cost lending. Of the 192 loans originated for lower income minorities, 11 (5.7%) were high-cost, exceeding the 3.6% rate for lower income White households.

Of the 449 loans originated for upper income minority households, 35 (7.8%) were high-cost, doubling the 3.7% rate for upper income White households. The following chart shows the distribution of high-cost loan originations by race and by income for 2007 and 2008.

Figure 3-31
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	6	1	16.7%	14	4	28.6%
	Asian	8	1	12.5%	79	3	3.8%
	Black	220	34	15.5%	532	87	16.4%
	Hawaiian	5	0	0.0%	26	4	15.4%
	White	464	41	8.8%	1,880	91	4.8%
	No information/NA	72	8	11.1%	330	31	9.4%
	Hispanic*	29	1	3.4%	84	5	6.0%
	Total	**775**	**85**	**11.0%**	**2,861**	**216**	**7.5%**
2008	Am. Indian/Alaska Native	0	0	-	6	1	16.7%
	Asian	12	0	0.0%	56	2	3.6%
	Black	177	11	6.2%	376	32	8.5%
	Hawaiian	2	0	0.0%	11	0	0.0%
	White	305	11	3.6%	1,350	50	3.7%
	No information/NA	58	4	6.9%	242	5	2.1%
	Hispanic*	23	2	8.7%	55	2	3.6%
	Total	**554**	**26**	**4.7%**	**2,041**	**90**	**4.4%**
Two-Year Totals		**1,329**	**111**	**8.4%**	**4,902**	**306**	**6.2%**

Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

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.

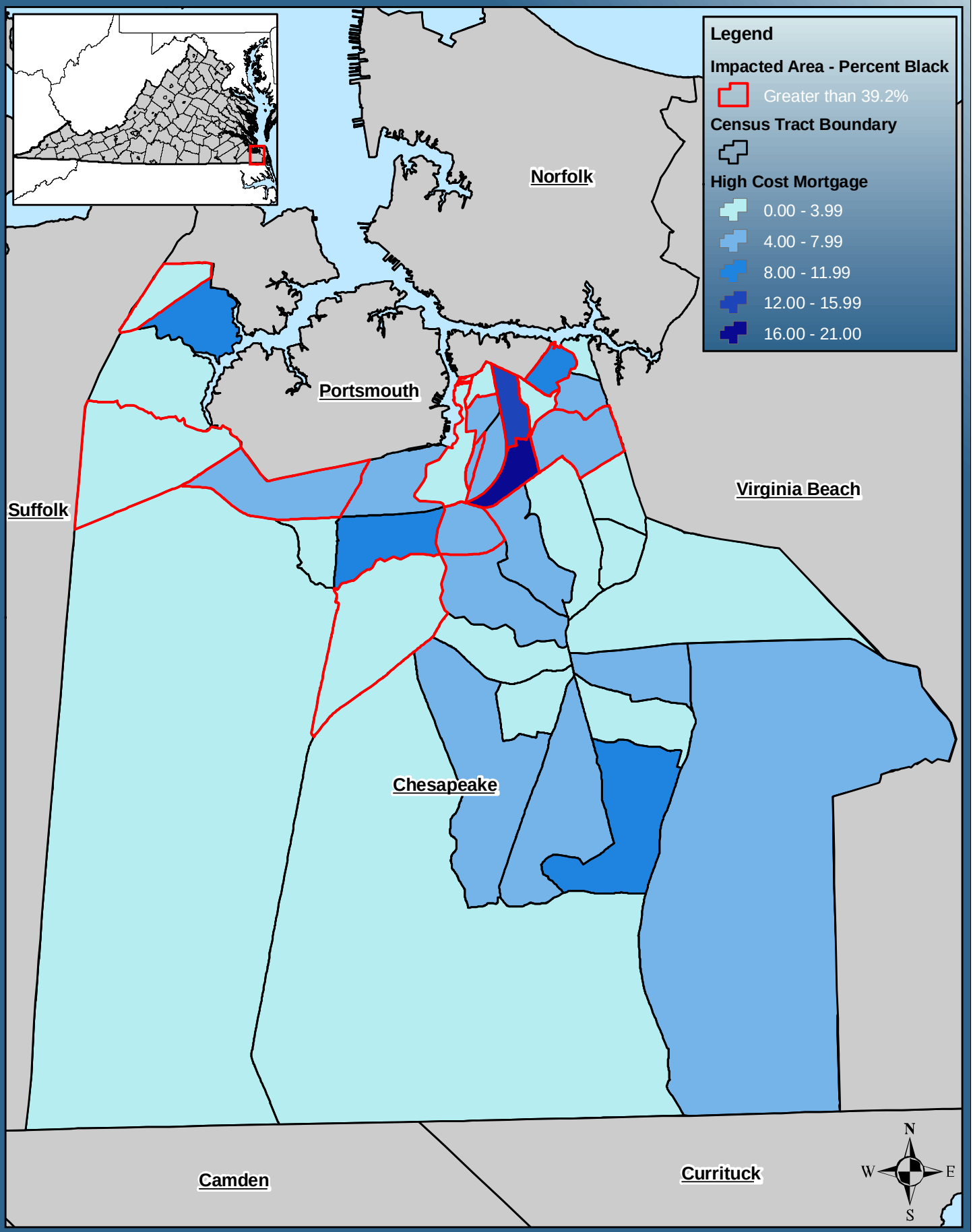
OBSERVATION: Minority households are disproportionately represented in high-cost lending. Of the 192 loans originated for lower-income minorities, 5.7% were high-cost compared to 3.6% among lower-income White households. Of the 449 loans originated for upper income minority households, 7.8% were high-cost compared to 3.7% among upper income White households.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 3-6 on the following page highlights census tracts in Chesapeake that had higher rates of high-cost loans in 2008. Two such census tracts were areas of racial concentration of Black residents in the northern area of the City.

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Map 3-6: Percentage of High-Cost Mortgage Loans in Chesapeake, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



E. Review of Public Sector Policies

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Chesapeake Redevelopment and Housing Authority (CRHA) is responsible for the management and operation of 467 public housing units in five local public housing communities: Broadlawn (170 units); MacDonald (152 units); Owens Village (56 units); Peace Village (65 units); and Schooner Cove (24 units). CHRA reports an occupancy rate of 97% with vacancies resulting from turnovers.

Black households represent the majority of public housing residents and waiting list applicants. Of the 461 households in CRHA public housing communities in August 2009, 449 (97.4%) were Black. Only ten households (2.2%) were White. Families with children comprised 86.1% of all households; individuals or families with disabilities comprised 23.0%.

OBSERVATION: Black households are far more likely to reside in public housing than any other race or ethnicity. This may indicate limited housing choice for LMI Black households.

CRHA's extensive waiting list for public housing is evidence of the overwhelming need for affordable housing in the City. The number of waiting list applicants (2,115) is equivalent to almost five times the number of public housing units available (467). Over half of the applicants (59.5%) are families with children. Elderly households and individuals or families with disabilities accounted for less than 2% of public housing waiting list applicants. Details are included in the following table.

Figure 3-32
Characteristics of Public Housing Households and Waiting List Applicants, 2009

	Current Residents		Waiting List	
	# of Households	%	# of Households	%
Total Households	**461**	**100.0%**	**2,115**	**100.0%**
Extremely Low Income (<30% MFI)	352	76.4%	2,045	96.7%
Very Low Income (>30% but <50% MFI)	73	15.8%	60	2.8%
Low Income(>50% but <80 % MFI)	36	7.8%	1	0.0%
Families with Children	397	86.1%	1,258	59.5%
Elderly Households (1 or 2 persons)	39	8.5%	10	0.5%
Individuals/Families with Disabilities	106	23.0%	30	1.4%
Black Households	449	97.4%	1,918	90.7%
White Households	10	2.2%	186	8.8%
Asian Households	0	0.0%	10	0.5%
Other Race of Households	2	0.4%	1	0.0%
Characteristics by Bedroom Size				
1 Bedroom	23	5.0%	783	37.0%
2 Bedroom	203	44.0%	940	44.4%
3 Bedroom	178	38.6%	344	16.3%
4 Bedroom	54	11.7%	48	2.3%
5 Bedroom	3	0.7%	---	---

Note: Percentage may not equal 100% due to rounding and overlap among household types
Source: Chesapeake Redevelopment and Housing Authority

CRHA also administers the Housing Choice Voucher Program for the City of Chesapeake. Currently, CRHA has 1,691 tenant based vouchers. CHRA also participates in an MOU with Chesapeake, Norfolk, and Portsmouth to support the 60-unit Cloverleaf Single Room Occupancy development. Families with children comprised 59.6% of the 1,372 Section 8 voucher holders, and individuals or families with disabilities accounted for 26.9%. As with public housing, the vast majority (92.3%) of voucher holders were Black, and only 99 (7.2%) were White.

As of August 2009, the waiting list for Section 8 vouchers was over five times as great as the number of current voucher holders. Among the 7,327 applicants on the waiting list, 1,890 (25.8%) were families with children and 545 (7.4%) were individuals or families with disabilities. Details are included in the following table.

OBSERVATION: Black households are disproportionately represented among rental voucher holders than any other households. Over 92% of voucher holders are Black, and more than 95% of the households on the waiting list for Section 8 are Black.

Figure 3-33
Characteristics of Section 8 Voucher Holders and Waiting List Applicants, 2009

	Current Voucher Holders		Waiting List*	
	# of Households	%	# of Households	%
Total Households	**1,372**	**100.0%**	**7,327**	**100.0%**
Extremely Low Income (<30% MFI)	994	72.4%	6,620	90.4%
Very Low Income (>30% but <50% MFI)	266	19.4%	580	7.9%
Low Income(>50% but <80 % MFI)	112	8.2%	25	0.3%
Families with Children	818	59.6%	1,890	25.8%
Elderly Households (1 or 2 persons)	201	14.7%	10	0.1%
Individuals/Families with Disabilities	369	26.9%	545	7.4%
Black Households	1,266	92.3%	6,975	95.2%
White Households	99	7.2%	268	3.7%
Asian Households	3	0.2%	11	0.2%
Other Race of Households	4	0.3%	73	1.0%
Characteristics by Bedroom Size				
0 Bedroom	0	0.0%	---	---
1 Bedroom	103	7.5%	---	---
2 Bedroom	594	43.3%	---	---
3 Bedroom	568	41.4%	---	---
4 Bedroom	101	7.4%	---	---
5+ Bedroom	6	0.4%	---	---

*Information on Bedroom Size were not available for applicants on the Section 8 Waiting list
Note: Percentage may not equal 100% due to rounding and overlap among household types
Source: Chesapeake Redevelopment and Housing Authority

An interview was conducted with representatives of CRHA, who also completed a written questionnaire upon request. The following information was developed from the responses to the questionnaire provided by CRHA.

CRHA utilizes a city-wide waiting list, wherein applicants can state their preferences among the five public housing communities. As of August 2009, there were 2,115 families on the waiting list for public housing. Among these, 1,258 (59.5%) were families with children.

Section 13 of CRHA's Admissions and Continuing Occupancy Policy (ACOP) states that each qualified applicant is offered one unit and if the offer is rejected, they must be offered another unit. If the second offer is rejected, the applicant is dropped to the bottom of the waiting list, unless the applicant has good reason to reject offer. To further clarify the "bottom of the waiting list" means denying the applicant the benefit of all the PHA's preferences, including any preference based on the broad range of incomes, for a period of six (6) months, and establishing a new date and time of application based on when the offer of a suitable unit was rejected.

CRHA completed a Section 504 Needs Assessment in 2007 to identify the accessibility needs of its public housing stock for persons with mobile and sensory disabilities. The required self-evaluation of policies and procedures was also conducted. Of the 467 total units, 29 (6.2%) were handicap accessible. Minimum standards require 5% of all units to be accessible to persons with mobility impairment and another 2% of units to be accessible to

persons with sensory impairments. The Section 504 accessibility standard is the Uniform Federal Accessibility Standards (UFAS).

OBSERVATION: CRHA should update its Section 504 Plan to ensure that the minimum 5% and 2% of units are made UFAS-accessible. This standard is to be applied to each public housing development, rather than authority-wide.

Much of the demand for accessible and affordable units is being met by public housing and Section 8 vouchers, but a need still remains. As of August 2009, were 545 applicants for Section 8 vouchers (7% of 7,327) and 30 applicants for public housing (1% of 2,115) waiting for accessible units. Current tenant demographics include 369 households with members with disabilities utilizing Section 8 vouchers (26.9% of 1,372) and another 106 households residing in public housing (23.0% of 461).

OBSERVATION: More than one-fourth of Section 8 voucher holders are persons with disabilities, demonstrating a demand for affordable and accessible housing.

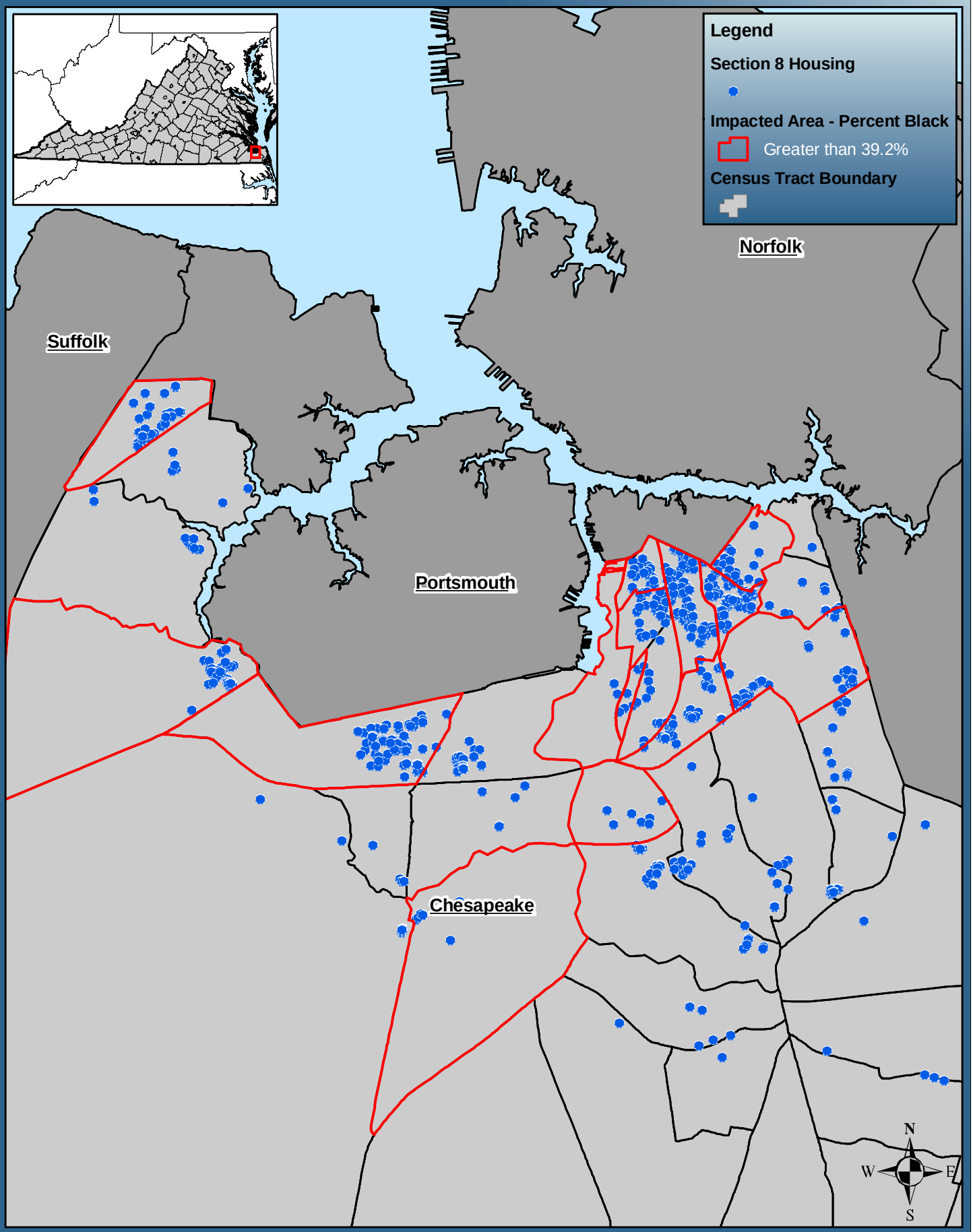
While rental units that accept Section 8 Housing Choice Vouchers are distributed across the City, the largest concentrations of units are in the South Norfolk neighborhood, as illustrated on Map 3-7 on the following page. Two privately managed apartment complexes, Forest Cove and Pleasant Park, are located here. CRHA also manages five affordable housing communities, three of which are in South Norfolk. Throughout the City, minority and White households tend to reside in predominately minority and White neighborhoods, respectively, regardless of family type. To address this, CRHA plans to identify de-concentration strategies in its five-year Agency Plan.

OBSERVATION: A majority of Section 8 voucher holders reside in the South Norfolk neighborhood of Chesapeake. This area is also impacted by the location of three affordable housing communities. More aggressive mobility initiatives are needed to provide LMI minorities with expanded housing choices.

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Map 3-7: Location of Section 8 Housing Units in Chesapeake, 2010

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



Residents who receive Section 8 vouchers from CRHA have the option to find housing in Chesapeake or anywhere in the U.S. As of August 2009, 34 voucher holders (2%) used their voucher portability and were living outside of CRHA jurisdiction, while another 50 to 68 voucher holders (3% to 4%) had received their vouchers from another jurisdiction and were living in Chesapeake. Reasons given by residents for "porting in" to Chesapeake included good schools, affordable housing and positive treatment from CRHA staff.

Two policy documents utilized by CRHA 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.

a. Public Housing Admissions and Continuing Occupancy Policy (ACOP)

CRHA's non-discrimination policy can be found in Section IA of the ACOP. The Authority will not discriminate against any person or family because of race, color, creed, age, sex, religion, disability, national origin or familial status in any phase of the occupancy process. CRHA will not deny admission to an applicant or participant who is or has been a victim of domestic violence, or stalking, if the applicant otherwise qualifies for admission or assistance.

Section 1C describes CRHA's reasonable accommodations policy. Requests for reasonable accommodation from persons with disabilities will be presented to the staff person assigned to the applicant or resident who will process the request and seek verification of the need for the accommodation. The accommodation will be granted upon receipt of third party verification that the accommodation meets the need presented by the disability and does not result in substantial alteration of the program or create an undue financial or administrative burden on CRHA. Should the request be denied, an applicant may request an informal meeting to appeal the decision, and a resident may request a hearing under CRHA's Grievance Procedures.

Reasonable accommodations are also made for persons with a disability who require an advocate, accessible offices or alternative locations for making application, including their home or a service agency. A designee will be allowed to provide some information, but only with the permission of the person with the disability. All CRHA mailings will be made available in an accessible format upon request as a reasonable accommodation.

CRHA will make a reasonable effort to provide accessibility to individuals with long-term but temporary disability that limit their mobility or other major life activities. In such cases, their lease will specify that they will be required to relocate to another unit when the need for the accessibility features is no longer required. The temporary nature of the disability and the approximate length of time of disability will be verified through a qualified health or services professional.

Section 1D of the ACOP discusses policies concerning translation of documents. In determining whether it is feasible to translate documents into other languages or Braille for the blind, CRHA considers the number of applicants and residents who do not speak English and speak another language or need Braille for adequate understanding and the cost per client to translate the documents into another language or Braille. Also considered is the availability of translation and/or interpreter services in the City.

OBSERVATION: With an increase in the number of non-English speaking persons in Chesapeake, CRHA should conduct the four-factor analysis to determine if vital documents should be translated.

Documents intended for use by applicants and residents will be made available in formats accessible to those with vision or hearing impairments. Equally important, the documents will be simply and clearly written to enable applicants with learning or cognitive disabilities to understand as much as possible. Sign language interpreters may be provided for hearing-impaired applicants/residents if requested as a reasonable accommodation. For applicants/residents unable to read, intake/ occupancy staff will read and explain orally anything they would normally hand to an applicant/resident to be read or filled out. Staff will assist in completing forms and other required documents for persons unable to write. At a minimum, CRHA prepares the following information in a clearly written and accessible format: marketing and informational material; application process information and the application form; all form letters and notices to applicants/residents; general policy regarding reasonable accommodation; new resident orientation materials; the lease and any applicable house rules; guidance/instructions on care of the housing unit; information on opening, closing and updating the waiting list; and, all information related to applicant/resident rights (informal/formal hearings, grievance procedures, etc.).

An applicant for public housing must qualify as a family. HUD defines a family as a single person or a group of persons including elderly, disabled, and displaced families and persons living with one or more live-in aides. A group of persons is defined by CRHA as two or more persons who intend to share residency whose income and resources are available to meet the family's needs, and will live together in public housing. This means that two or more near-elderly persons (55 years of age and older) living together, or one or more near-elderly persons living with one or more live-in aides are eligible for admission. Each family 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. To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, CRHA requires that applicants demonstrate that the

individuals have lived together previously, or certify that each individual's income and other resources will be available to meet the needs of the family.

Single applicants will be treated as any other eligible family on the PHA waiting list, but will be housed after elderly and disabled persons.

As a matter of policy, CRHA notifies all applicants for general occupancy developments constructed prior to 1978, especially those with children who are under seven years of age, of the dangers of lead-based paint poisoning, and whether blood lead level screening is available for those children. This will be done even though CRHA may have completed all lead-based paint abatement requirements for all development units. If blood level screening is available, the applicant will be advised to notify CRHA if any of the applicant's children under seven years of age who are tested have an elevated blood lead level.

Section 8 of the ACOP explains CRHA's local preferences used to select among applicants on the waiting list. CRHA will select and house residents in accordance with the following preferences in the order listed below:

- Residents who live and/or work in the City of Chesapeake
- Involuntary displacement
- Victims of domestic violence
- Victims of reprisals or hate crimes
- Working families and those unable to work because of age or disability
- Applicant families whose head of household or spouse is employed or has a bona fide offer for employment
- Families whose head of household or spouse is 62 or disabled automatically receive the maximum level of local preference
- Graduates as well as those enrolled currently in educational, training, or upward mobility programs.

Service animals for the disabled are allowed in any unit and are exempt from CRHA's pet policy, including fees and deposits.

b. Section 8 Housing Choice Voucher Program Administrative Plan

Chapter 1, Section F of the Section 8 Administrative Plan includes CRHA's fair housing policy. The list of protected classes includes race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability or sexual orientation. As a matter of policy, civil rights and fair housing information and discrimination complaint forms are provided to clients during the family briefing session and as part of the voucher holder's briefing packet.

All CRHA staff members are required to attend local fair housing update training sponsored by HUD and other local organizations to keep current with

new developments. In addition, fair housing posters are displayed in their office and interview rooms and all outreach mailings contain the equal opportunity logo.

Chapter 1 includes a statement that CRHA pledges that no individual with disabilities will be denied the benefits of be excluded from participation in, or otherwise be subjected to discrimination because CRHA's facilities are inaccessible to or unusable by persons with disabilities.

In order to ensure reasonable accommodation, CRHA includes as its policy the opportunity that a participant with a disability to ask for specific changes to policy or practice as an accommodation of their disability. Availability of such option is included on its forms and letters. To be eligible, a disability must be proven using the HUD's definition of disability and a professional third party must state in writing that the accommodation is necessary for equal access to housing. Unless it has been determined that the accommodation would present an undue financial burden to CRHA, the change is made in writing within five days of the request.

In applying for participation in the HCV program, a disabled person may request alternate formats or methods of delivery of the necessary information. Any need for translation of forms, etc. will occur if there are sufficient populations needing such a service and there is no other agency providing translations.

Chapter 3 of the Admin Plan states that any family asking to be placed on the waiting list for HCV rental assistance is given the opportunity to complete an application. The plan does not include a definition of eligible family other than to state that each family 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.

When vouchers are available, families are selected from one single waiting list in their determined sequence, regardless of family size. Depending on the composition of the waiting list, CRHA may only accept applications from families who claim certain preferences.

Chapter 4 defines the waiting list local preferences that CRHA has adopted. The six local preferences for placement on the waiting list include the following:

- Families who live, work or have been hired to work in Chesapeake City
- Victims of domestic violence who were displaced within 12 months
- Families who have been involuntarily displaced
- Victims of reprisals or hate crimes
- Families where head of household or spouse are employed for at least one year

- Families with a member who is enrolled in educational, training or upward mobility program.

Additionally, CRHA has provides vouchers through two HUD programs that are targeted to special needs: Mainstream for Persons with Disabilities and Welfare to Work. Qualified families for these programs are taken off the existing waiting list and provided with vouchers.

Chapter 5 states that CRHA may approve an exception to the number of bedroom subsidy standards if it determines the exceptions are justified by the relationship, age, sex, health, or disability of family members or other individual circumstances. CRHA will also grant an exception upon request as an accommodation for persons with disabilities. Circumstances may dictate a larger size than the subsidy standards permit when persons cannot share a bedroom because of a medical need or a live-in attendant.

Chapter 13 includes the option of portability of a voucher to a residence outside the City of Chesapeake for a disabled person as a reasonable accommodation even if he/she does not live in the jurisdiction at the time of application. During the first year of tenancy, a family who moves due to education, or training or employment may also take the voucher with them.

Chapter 15 states that no applicant for or participant in the HCV program who has been a victim of domestic violence, dating violence or stalking will be denied admission or assistance under the program if they are otherwise qualified. All information provided to CRHA is held in strict confidence and will be disclosed only with the individual's written consent.

Chapter 18 states that written complaints filed by voucher holder, owners, employees, or the public are referred to the CRHA HCV Coordinator and, if not satisfactorily resolved, to the Director of Housing Systems. Any applicant or participant who feels that he or she has been treated unreasonably is entitled to an informal review. A notice of the findings of the informal review is provided to the appellant in writing. CRHA must always provide the opportunity for an informal hearing before terminating assistance.

When CRHA denies placement on the waiting list or terminates assistance, the family must be advised that the presence of a disability may be treated as a mitigating circumstance during the hearing process. Examples of mitigating circumstances include persons with cognitive disorders that may not have fully understood conditions of continued HCV assistance.

ii. Investment of Federal Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Chesapeake's federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.
- The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized. NSP1, a term that references the NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis.

In FY 2011, the City of Chesapeake anticipates receiving HUD entitlements in the amount of about $1.23 million (CDBG) and $694,500 (HOME). Funds are used to benefit primarily low-income persons throughout the City. Specific housing objectives identified in the 2010-2014 Consolidated Strategic Plan are as follows:

- Residential Rehabilitation, which will provide financial assistance in the form of grants and interest-free forgivable loans for emergency residential rehabilitation citywide, to include repairs and accessibility improvements for eligible households.
- Façade Improvements, a citywide initiative that corrects property maintenance code violations for homeowners.
- Homeowner Development Assistance, through which the CRHA provides direct down payment assistance for low- and moderate-income first-time homebuyers who purchase property anywhere within the City.

- Homeowner Rehabilitation Assistance, through which the City promotes the preservation of affordable housing in older areas targeted for revitalization as well as provides affordable housing in mixed-income developments. This program provides financial and technical assistance to low-income homeowners to carry out substantial rehabilitation to meet City codes and housing quality standards.
- Community Housing and Development Organizations (CHDOs) are community-based nonprofits that prioritize the development of affordable housing. The City's CHDO funds are awarded through a competitive proposal proves to certified organizations the will develop a residential acquisition or rehabilitation project.
- Tenant-Based Rental Assistance, a citywide program that supports the City's 10-Year Plan to End Homelessness and the City's Homeless Families Initiative. The overall objective is to increase the number of permanent housing solutions for persons living in emergency and transitional shelters.

Additionally, the City was awarded $507,406 in funding for the Homeless Prevention and Rapid Re-Housing Program (HPRP) in 2009. These funds will assist eligible program participants in quickly obtaining and sustaining stable housing. The City may also use HPRP funds to prevent individuals and families from becoming homeless by providing a variety of assistance, including rental assistance, housing relocation and stabilization services.

The City will partner with CRHA to administer $1.5 million in Neighborhood Stabilization Program (NSP) funds awarded by the Virginia Department of Community Development to address the City's neighborhood revitalization needs. NSP resources in Chesapeake will be used to acquire and develop foreclosed and abandoned/vacant residential properties located in neighborhoods severely impacted by the housing crisis.

Between 2004 and 2008, the City's Campostella Square area has continued to develop. This area, approximately 100 acres, has historically been a concentration of low and moderate-income persons, minority households and deteriorated housing. In the late 1980s, the City and CRHA intervened to facilitate the redevelopment of the area. Since then, the City has undertaken a comprehensive neighborhood revitalization approach in Campostella Square, with new and improved housing and infrastructure. In 2000, this development was one of only nine affordable housing projects nationwide to be presented with the HUD award for Design Excellence. The revitalization of Campostella Square has furthered housing choice to members of the protected classes by improving local housing opportunities.

The City will continue to support Endependence Center, which has used its grant funding to assist disabled persons in Chesapeake with peer counseling, independent living skills training, information and referral services, including housing referral and independent living goals plans.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Commission

The Chesapeake Planning Committee is comprised of nine members, appointed by the City Council to advise on all phases of city planning. Members provide guidance and recommendations on the preparation and maintenance of the City's Comprehensive Plan and on matters related to zoning, use permits, subdivision control, and other related planning issues.

Of the nine appointed members, six are White and three are Black. There are two females and seven males. None of the members indicated a disability, and one lives in a household with children under the age of 18.

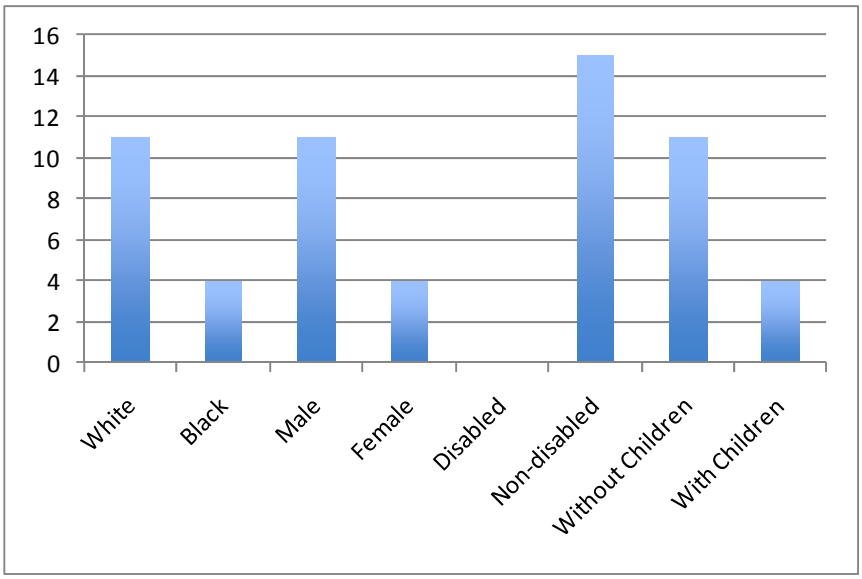
b. Board of Zoning Appeals

The Board of Zoning Appeals is a five-member quasi-judicial body appointed by the Circuit Court charged with the responsibility of hearing and deciding appeals from any order, requirement, decision or determination made by an administrative officer in the administration or enforcement of the zoning ordinance. In addition to this review authority, the Board may grant certain variances from the requirements of the Zoning Ordinance, provided a hardship is clearly evident.

Of the five appointed members, four are White and one is Black. There are four males and one female. None of the members indicated a disability, and one lives in a household with children under 18.

The following chart illustrates the parity among races, gender, and households with children of appointed board members. However, in a community with a growing Hispanic population, aggressive attempts should be made to appoint Hispanics to these boards. Similar efforts will be required to appoint persons with disabilities as well.

Figure 3-34
Composition of Appointed Boards and Commissions, 2010



OBSERVATION: There is an absence of Hispanics and persons with disabilities on selected boards and commissions in Chesapeake. The experiences and perspectives of members of the protected classes would enhances the decision-making process in the City of Chesapeake and offer the opportunity for advancing fair housing choice in all aspects of City government.

iv. Language Access Plan for Persons with Limited English Proficiency

The City of Chesapeake does not currently have a Language Access Plan (LAP) to enhance services offered to persons with LEP. As stated previously, among native Spanish speakers, the number of persons who speak English less than "very well" exceeds 1,000. As a result, the City of Chesapeake should perform a four-factor analysis to determine the extent to which an LAP may be needed.[32]

OBSERVATION: The City of Chesapeake must determine the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its CDBG and HOME programs. If it is determined that the need for an LAP exists, the City must prepare the LAP to comply with Title VI of the Civil Rights act of 1964.

[32] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

v. Zoning Regulations

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Chesapeake was reviewed as part of the analysis for the 2003 AI. Since few amendments were adopted relative to the sections described below, much of the previous analysis is restated. Where revisions have been made since 2003, they are noted.

The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

The Zoning Ordinance was adopted in Chesapeake in 1969 and has been amended through 2009. This demonstrates a concerted effort to modernize the ordinance with newer land uses, more innovative planning concepts, and modifications to a changing society.

b. Residential Zoning Districts and 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 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 10,000 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.

There are 16 distinct residential districts including 13 that are primarily for single-family dwellings. The Zoning Ordinance requires lot sizes of up to three acres for a single-family detached dwelling, but they can also be developed in the residential districts on lots as small as 8,000 square feet. In the zoning district where three acres per unit is required, and another zoning district where 40,000 square feet per unit is required, the Zoning Ordinance clarifies that the purpose of the larger lot size is to preserve agricultural values. Attached single-family dwellings are permitted in one of the residential districts on lots as small as 1,500 square feet. Two-family dwellings are permitted on 13,000 square foot lots. Multi-family dwellings are permitted at up to 24 units per acre. In some of the primarily commercial land use zoning districts, dwellings are permitted above the ground floor of a permitted commercial, retail, office, or institutional use, supporting the creation of housing among uses with jobs and services. The lot sizes required by the City's Zoning Ordinance are varied with opportunities for small lots accommodating a variety of households.

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 Zoning Ordinance allows for the development of Planned Unit Residential Development, referred to as PUD-R. PUD-Rs are permitted

higher residential densities of up to 10 single family attached dwelling units per acre and up to 24 dwellings per acre with multi-family structures.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family detached, two-family attached, townhouses and multi-family dwellings supporting varied housing choice by diverse households in the community.

The Zoning Ordinance defines "group housing for the elderly" as multi-family housing with occupancy limited to either (a) couples in which at least one person in each couple is 55 years of age or older or (b) single persons who are 55 years of age or older. While the Fair Housing Act prohibits discrimination on the basis of familial status (families with one or more children under 18), housing for older persons is exempt from the prohibition against familial status discrimination. The group housing for the elderly as defined by the Zoning Ordinance is within the exception provided by the Fair Housing Act.

The Zoning Ordinance defines a "mobile home" as "any transportable structure subject to federal regulation that is eight body feet or more in width and 40 body feet or more in length in the traveling mode or is 320 or more square feet in floor area when erected on site; is built on a permanent chassis; is designed for use as a single family dwelling or other human occupancy, with or without a permanent foundation when connected to the required utilities; and includes the plumbing, heating, air conditioning and electrical systems contained in the structure." While the definition for a mobile home indicates that it is designed for use as a single-family dwelling, the Zoning Ordinance only permits placement of a freestanding mobile home for use as a single-family dwelling in agricultural zoning districts. The mobile home must be at least 19 feet wide and placed on a permanent foundation, otherwise a Use Permit must be granted by the City.

Outside of the agricultural zoning districts, mobile homes must be in a mobile home subdivision. Mobile home subdivisions are permitted as a Conditional Use in the City's multi-family zoning district. As a Conditional Use, mobile home parks require approval by City Council. The restrictions on mobile homes created as a result of the Zoning Ordinance's definitions do not specifically impede housing choice by members of the protected classes. However, the restrictions placed on mobile homes may disproportionally impact members of the protected classes.

OBSERVATION: Mobile home dwelling units on individually owned parcels are permitted by-right only in agricultural zoning districts. This is an affordable housing option for many lower income households which should be permitted in other larger lot residential zoning districts.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

As defined by the Zoning Ordinance, a family is "one or more persons occupying the same dwelling unit, provided that, unless all members are related by blood, marriage, adoption, or approved foster care placement, no such family shall contain more than five persons, with the following exceptions:

(1) Domestic servants employed on the premises may be housed on the premises without being counted as a family or families.

(2) A group of not more than two adults who need not be related by blood or marriage, and the dependent children of each of the two adults shall be treated as one family, provided that the children are under 19 years of age or are physically or developmentally disabled.

(3) A residential facility in which no more than eight mentally ill, mentally retarded, or developmentally disabled persons reside, with one or more resident counselors or other staff persons, shall be considered for the purposes residential occupancy by a single family. Mental illness and development disability shall not include current illegal use of or addiction to a controlled substance. A residential facility shall be deemed to be any licensed group home or other residential facility for which the department of mental health, mental retardation and substance abuse services, is the licensing authority pursuant to State law.

Limiting a family to not more than five unrelated persons can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly the disabled. Part 2 of the definition, however, advances non-traditional families and supports the blending of families who may be living together for economic purposes that limit their housing choice. Part 3 of the definition provides an exception for up to eight disabled persons to reside as a family expanding housing choice for the disabled. The

exception avoids use of the definition of family as an impediment to members of the protected classes.

f. 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 in violation of the Fair Housing Act.

The Zoning Ordinance does not place any restrictions on the location of dwellings that are occupied by a group of disabled persons who satisfy Part 3 of the definition of family as described above. Two primary purposes of a group 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. The Zoning Ordinance is silent regarding group residences occupied by more than eight persons. As such, it is understood that the larger group residences are not permitted. Larger group residences are not typical because once occupancy reaches ten it starts to function as an institutional use, thereby defeating the primary purposes of a group residence.

The Zoning Ordinance defines a group care facility as "a dwelling unit, organized within one or more buildings, providing a residence for more than five persons for the purposes of providing special training, education, habilitation, rehabilitation, custodial care, or supervision; provided that a licensed residential facility for eight or fewer mentally ill, mentally retarded or developmentally disabled persons, with one or more resident counselors or other support staff, shall be considered a family residence." A group care facility is not strictly a residential use. Accordingly, the City limits the use to its multi-family district and requires approval of the use as a Conditional Use. Because a group care facility is not strictly a group residence for the disabled and because the Zoning Ordinance provides wide accommodation of group residences with eight or less residences, the restrictions on a group care facility are not an impediment to members of the protected classes.

The Zoning Ordinance indicates that a residential care use is a permitted Conditional Use in its single-family and two-family residential districts. While the Zoning Ordinance indicates that a residential care use shall not house more than ten persons and all operations shall be operated and licensed in accordance with all City and State regulations, the Zoning Ordinance does

not define the use. The Zoning Ordinance should clarify what a residential care use is by defining the land use.

F. 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.

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Chesapeake since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 13 complaints had been filed by persons in Chesapeake over an approximately five-year period. Seven of the 13 complaints resulted in "no violation" findings and were closed. Another four complaints were closed because neither HUD nor DPOR had jurisdiction in the matters. Another case was closed administratively due to an uncooperative complainant. The one remaining complaint resulted in successful conciliation. In this case, a person with a physical disability filed a complaint against a landlord who was initially unwilling to make a reasonable accommodation.

ii. Patterns and Trends in Fair Housing Complaints

With 12 of the 13 cases closed administratively for a variety of reasons, it is not possible to determine any patterns or trends from the one remaining fair housing complaint.

iii. Existence of Fair Housing Discrimination

The City of Chesapeake is not currently involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Chesapeake is not involved in any current or pending suits.

G. Assessment of Current Fair Housing Programs and Activities

i. Progress since the 2003 AI

Each year, the City of Chesapeake structures its entitlement programs in such a way as to promote access to fair housing, primarily through addressing the impediments identified in the 2003 AI. The City's actions relevant to each impediment during 2004 – 2008, as reported by the City in the Consolidated Annual Performance and Evaluation Report (CAPER) for each year, are as follows.

Identified impediment: A lack of affordable housing disproportionately affects the protected classes due to their higher representation among the low-income population. In addition to the need for affordable housing, a critical concern is housing opportunities that support the disabled, primarily through modifications that improve accessibility and habitability. Between 2004 and 2008, the City applied its CDBG and HOME funds to support the creation and improvement of housing for low-income households, including adaptive modifications for owners and renters.

Actions:

- During these five program years, the City facilitated the creation of 40 units of low-income rental housing at Oakdale Square, including eight accessible units, and 20 rental units at The Sanderling for physically disabled persons with mobility impairments.
- The City provided accessibility improvements under its rehabilitation loan and grant programs through Chesapeake Redevelopment and Housing Authority (CRHA). Additionally, participants in CRHA's Emergency Home Repair Grant and Façade Improvement programs were largely elderly and/or disabled homeowners.

Identified impediment: CRHA programs increased access to affordable housing for low-income and special needs households.

Actions:

- CRHA administered the Family Self-Sufficiency program (FSS) in which homes are purchased and rehabilitated for sale to income-eligible voucher holders.
- The Housing Choice Voucher (HCV) program provided rental assistance to low- to moderate-income households that are in need of affordable housing. In 2006, CRHA expanded its supply of vouchers by 132 and increased the payment standard to 110% of the fair market rent, which expanded housing choice for voucher holders. In 2007, CRHA issued 66 mainstream vouchers specifically for families whose head of households, spouse or sole member, had a disability.
- In 2008, the CRHA board approved the administrative plan for the Housing Choice Voucher Homeownership program, in which vouchers may be used to subsidize monthly mortgage payments instead of rent for eligible households. During the initial year, this program was available only for qualified voucher holders who were elderly and/or disabled or were active participants in the FSS program. The initial orientation for potential applicants involved 34 voucher holders.

Identified impediment: A lack of awareness and education about fair housing will continue to be a problem as minority households in the region increase in number and as more people face disabilities and more persons with disabilities seek housing outside of institutions. Households need reliable local assistance to ensure their problems are solved. There is a continued need for Chesapeake to include a fair housing component as part of its community development program: providing education, outreach, referral and follow-up regarding fair housing issues.

Actions:

- CRHA prioritizes awareness and preservation of fair housing rights in the administration of its voucher program. The Authority provides fair housing educational materials to renters and presents fair housing topics at voucher issuance briefings. Additionally, the Authority has educated landlords by hosting informational sessions and distributing a video entitled “Fair Housing is Everyone’s Right.”
- CRHA distributes information on fair housing and predatory lending practices at its Homeownership Education Seminars. A total of 39 seminars were held between 2004 and 2008 and educated more than 400 attendees.
- As part of a collaborative effort with Housing Opportunities Made Equal (HOME, Inc.) in 2007, CRHA distributed 3,000 fair housing mailing inserts in English and Spanish. The inserts

provided fair housing educational information and directions for filing complaints.

- The City maintains active participation in the Hampton Roads Community Housing Resource Board, allowing it to network with surrounding cities and housing providers regarding fair housing education and concerns.
- To demonstrate support for the intent and purpose of the Fair Housing Act, the City involved the Mayor and City Council in designating April as "Fair Housing Month."
- A variety of HUD-sponsored fair housing events occurred in the month of April annually between 2004 and 2008, including exhibitions and conferences featuring panelists and exhibitors from such agencies as Housing Opportunities Made Equal, Endependence Center, HUD's Fair Housing HUB in Philadelphia, the HRCHRB and the Virginia Fair Housing Board.
- The Mayor of Chesapeake maintains a committee for persons with disabilities, in order to promote awareness of special needs to the Mayor, City Council, City administration and the community at large.

Identified impediment: Zoning regulations in Chesapeake place restrictions on mobile homes, treating them differently than site-built units. While the restrictions do not specifically impede housing choice for members of protected classes, there exists a relationship between low-income households and members of the protected classes. By limiting a low-cost housing option, the restrictions on mobile homes may disproportionately impact members of the protected classes.

Actions:

- In order to increase the housing options available to mobile home residents, CRHA's implementation of the American Downpayment Dream Initiative (ADDI), a program providing financial assistance to first-time homebuyers, gave priority to low-income households residing in mobile homes.
- The City's Real Estate Tax Relief program is popular among property owners who are elderly or are permanently disabled. The percentage of tax relief is based on income, with up to 100% exemption from real estate taxes for eligible very-low-income owners. This well-received program is also available to qualified mobile home owners, whether or not the land is owned by the applicant.

Additionally, CRHA continues its home ownership and credit counseling services to remedy poor credit – a frequent reason for denial of home mortgage applications – and improve access to housing for special needs populations.

ii. Current Fair Housing Programs and Activities

CRHA and the City of Chesapeake sponsor a number of programs to promote fair housing in the City, including:

- Rental assistance to income-eligible households through the Housing Choice Voucher (HCV) program; and
- Raising awareness about fair housing among potential beneficiaries, including low-income and special needs households, through such programs as
  - Homeownership Education Seminars,
  - Bilingual fair housing mailing inserts, and
  - Interagency exhibitions and conferences during the annual "Fair Housing Month" in April;
  - A Fair Housing Booth at the Annual 2010 Residential Empowerment Conference, which was free to all of the City's public housing and assisted housing applicants.

The CRHA hosts several annual events to promote awareness among landlords throughout the City. Information sessions and videos provide overviews of the HCV, while the Authority's semi-annual breakfasts and quarterly newsletters provide opportunities for continued education and communication between the CRHA and participating landlords.

In its most recent 5-year Consolidate Plan and Annual Plan, the City of Chesapeake outlined a variety of programs to improve the housing stock and to promote homeownership among low- to moderate-income households. These programs include:

- The CDBG Residential Rehabilitation program, which provides financial and technical assistance to eligible households to correct property maintenance code violations. Grants can be used for non-cosmetic improvements to a property, such as mechanical, electric, and other structural repairs, and/or wheelchair ramps, railings, accessible kitchen cabinets or other improvements required by physically disabled or elderly households.
- The Downpayment Assistance Program (DAP), which provides loans to first-time, income-eligible home buyers to help cover the downpayment, closing costs, and/or other fees associated with purchasing a home. Participants may purchase property anywhere in the City, thereby improving mobility among lower income homeowners.
- The Schooner Cove Project, a rehabilitation project of 12 buildings in the CRHA's Schooner Cove public housing community. The project, expected to be completed in 2012, is funded by a 3 million dollar Capital Fund Recovery Competitive Grant.

The City of Chesapeake is also an active participant in the Hampton Roads Community Housing Resources Board (HRCHRB), which serves as the coordinating agency providing education and training on fair housing rights and responsibilities. In April 2009, the HRCHRB sponsored the annual fair housing poster contest for art students at the New Advanced Technology Center at Tidewater Community College. The art students were asked to design a fair housing poster; the winning poster would then become the cover of the fair housing booklet published annually by the HRCHRB. Also in April 2009, the HRCHRB, in partnership with the Tidewater Builders Association, sponsored an annual seminar on the Landlord and Tenant Act for Fair Housing Month.

H. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following findings are noted. From these findings, the potential impediments to fair housing choice in Chesapeake were identified.

1. Minorities have continued to increase as a percentage of total population.

Minorities have increased from 29.3% to 36.6% of total population since 1990. Blacks remain the largest minority group, comprising 81% of all minorities. However, the fastest-growing segment of minorities is among persons of "some other race," which grew 614% from 571 persons in 1990 to 4,077 in 2008.

The LEP population has increased slightly since 2000 as demonstrated by the increasing number of native-speaking Spanish and Tagalog persons. This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

2. There are 13 areas of racial concentration in the City.

There are 13 census tracts in Chesapeake that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 200.02, 201, 202, 203, 205.01, 205.02, 207, 208.01, 209.03, 213.02, 214.04, 215.01, and 216.02.

3. Chesapeake is a highly segregated city as determined by dissimilarity indexing.

Achieving full integration among White persons and Black persons in the City would require 52.6% of Black residents moving to a different location within Chesapeake. In addition to a White/Black index of 52.6, Chesapeake has a White/Asian index of 32.9, a White/multi-race index of 26.7, and a White/Hispanic index of 26.5. These numbers indicate that these subpopulations are less segregated than Black residents.

4. Members of the protected classes have significantly lower incomes.

Median household income among Blacks was equivalent to only 60% that of Whites in 2000, and poverty among Blacks was five times greater than among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 11.4% lived in poverty compared to only 6.2% of persons without a disability.

Female-headed households accounted for almost two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

Families with at least one foreign-born parent were significantly more likely to have lower incomes than families with native-born parents. Only 2.4% of families with children and at least one foreign-born parent had incomes of less than 200% of poverty compared to 23.6% of families with children with native parents.

5. Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.

Of the 34 low and moderate income census block groups in Chesapeake, 19 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

A majority of Section 8 voucher holders reside in the South Norfolk neighborhood of Chesapeake of Chesapeake. This neighborhood is also impacted by the location of three affordable housing communities. More aggressive mobility initiatives are needed to provide LMI minorities with expanded housing choice.

6. Blacks were more likely to be unemployed than Whites.

Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 6.4% compared to 4.3% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

7. The City gained almost 28,000 new housing units between 1990 and 2008; however, only 24% of these units were constructed in areas of concentration of Black residents.

The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. However, 24% of the new units were built in six areas of racial concentration, located primarily outside of the older, higher density census tracts in the City.

8. Minorities are far less likely to become home owners in Chesapeake.

Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households.

Across Chesapeake, the home ownership rate for Blacks and Hispanics was 60%; for Asians, it was 76%. Among whites, home ownership reached 81%.

9. The affordable housing market is much tighter for members of the protected classes.

Minority households were much more likely to live in larger families than White households. For example, 80.2% of Hispanic families and 70.4% of Black families included three or more persons compared to 61.3% of White families. However, only 7.6% of the rental housing stock contains three or more bedrooms compared to 64.4% of the owner housing stock.

Chesapeake lost almost half of all housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by more than 9,000 units.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Chesapeake. This situation forces these individuals and households to double-up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

Black households are far more likely to reside in public housing than any other race or ethnicity. This may indicate limited housing choice for LMI Black households.

Black households are disproportionately represented among rental voucher holders than any other households. Over 92% of voucher holders are Black, and more than 95% of the households on the waiting list for Section 8 are Black.

CRHA should update its Section 504 Plan to ensure that the minimum 5% and 2% of units are UFAS-accessible. This standard is to be applied to each public housing development, rather than authority-wide.

More than one-fourth of Section 8 voucher holders are persons with disabilities, demonstrating a demand for affordable and accessible housing.

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

Between 2007 and June 2008, the rate of foreclosure filings was 3.1% in Chesapeake. Census tracts with the highest rate of foreclosures were also areas of concentration of Black residents.

Among all owner households with incomes below 80% of the median family income in 2000, 59.2% of White households experienced problems compared to 68.6% of Blacks and 100% of Hispanics.

11. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2008, Black households had easily the highest mortgage denial rate at 16.1%, or 233 of 1,449 applications submitted. White households were far more likely to receive loans, as only 6.1% of applications were denied.

Black upper income households had a mortgage loan denial rate of 8.4%, which was double the 4.2% denial rate for White upper income households in 2008. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to determine if these patterns are consistent with discrimination.

Minority households are disproportionately represented in high-cost lending. Of the 192 loans originated for lower income minorities, 5.7% were high-cost compared to 3.6% among lower income White households. Of the 449 loans originated for upper income minority households, 7.8% were high-cost compared to 3.7% among upper income White households.

12. There is a lack of representation of Hispanic persons and persons with disabilities on appointed boards and commissions.

Of the three housing-related boards reviewed, there were no Hispanics or persons with disabilities noted among the membership.

13. Mobile homes are permitted by-right only in agricultural zoning districts.

Mobile home dwelling units on individually-owned parcels are permitted by-right only in agricultural zoning districts. This is an affordable housing option for many lower income households which should be permitted in other larger lot residential zoning districts.

I. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Chesapeake were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

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

With a dissimilarity index of 52.6, the City of Chesapeake is the third most segregated city in the Hampton Roads region and the 14th most segregated municipality in Virginia. Although the City is implementing many programs and projects in a non-discriminatory manner,

acknowledging that fair housing and civil rights enforcement are basic municipal services would foster a greater commitment to integration.

Proposed Action 1: Prepare and adopt a policy that clearly states the City's commitment to integration. Such a policy should be a stand-alone document that incorporates a vision of diversity and the promise that the City of Chesapeake will work to provide all persons and households with fair housing choice. The policy should then be integrated into all City programs and other policy documents such as the comprehensive plan, etc.

Proposed Action 2: Mitigating decades of segregated settlement patterns is a protracted, complicated and sometimes controversial undertaking, but is nonetheless a critical step in affirmatively furthering fair housing and realizing community goals of expanding housing choice to everyone. The most immediate and direct impact City government can have in this area is the location-conscious investment of funds in the development or redevelopment of housing. The City will need to strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas.

Proposed Action 3: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. There is a lack of housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. The zoning ordinance does not limit the number of related family members who may live together, but housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

c. Minorities have comparatively low homeownership rates.

Minority households in Chesapeake have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and

residents living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education), increasing lending, credit and banking services in LMI census tracts and minority census tracts, and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Chesapeake.

d. There is an inadequate supply of housing accessible to persons with disabilities in Chesapeake.

Disability advocates emphasized the critical demand for affordable housing that is accessible to persons with physical disabilities. Persons with disabilities often spend years waiting for an accessible dwelling to become available. For many, the wait is endless.

Proposed Action 1: The City of Chesapeake should institute a requirement that at least 10% of all newly constructed multi-family housing must be accessible to persons with mobility impairments. This would involve securing the services of a mobility advocate to inspect new residential units during the various stages of development (i.e., design, construction, post-construction, inspection, etc) to ensure that accessible features are incorporated into the site, the building and the dwelling units. Special emphasis should be placed on handicapped parking near entrances, adequate passageway widths for wheelchairs and wheelchair accessibility through automatic doors.

Proposed Action 2: Continue to work with disability advocates to sponsor workshops and other educational opportunities for housing planning staff, developers, architects, builders, Realtors, and other housing professionals to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly-constructed or substantially rehabilitated housing units.

Proposed Action 3: Sponsor an annual workshop on fair housing law (including Virginia building code provisions) for builders, developers, architects, Realtors and other individuals and groups involved in the housing industry.

Proposed Action 4: Work with disability advocates to sponsor workshops and other educational opportunities for the City's building and housing staff and Realtors to increase knowledge of various

accessibility and visitability design features and cost-effective ways of incorporating such features into newly constructed or substantially rehabilitated housing units.

e. Hispanic persons and persons with disabilities are under-represented on appointed citizen boards and commissions.

The City should recruit qualified individuals to fill the seats on local boards and commissions. The involvement of members of the protected classes in the housing decision-making process will further expand housing choice in Chesapeake.

Proposed Action: The City should actively recruit Hispanic persons and persons with disabilities to serve on appointed boards and commissions involved in housing and housing-related matters. Recruitment information should be provided to local advocacy organizations that represent Hispanics, persons with disabilities, and other members of the protected classes.

f. Persons with limited English proficiency (LEP) may not be able to fully access federally funded services provided by the City.

Recent Census data indicate there are 1,866 native Spanish-speakers residing in Chesapeake who do not speak English very well. Another 1,331 Asian and Pacific Island persons reside in the City and do not speak English very well. The native language for the majority of these persons is Tagalog. Significant segments of these population groups may face language barriers which prevent access to federally funded services provided by the City.

Proposed Action: The City and CRHA should perform the four-factor analysis to determine if it must prepare a Language Access Plan with the intent of evaluating the extent to which various language groups with limited English proficiency (LEP) need access to vital government documents. The purpose of the plan is to take meaningful steps toward ensuring access to City programs for LEP persons in accordance with Executive Order 13166 of 2001 and Section V of the Federal Register, Volume 72, No. 13 (2007). Complying with HUD's LEP requirements involves the completion of a four-factor analysis and subsequent implementation of the Language Access Plan.

g. Assisted housing units, including Section 8 housing units, are concentrated in the northern areas of the City.

The majority of Section 8 Housing Choice Voucher holders occupy rental units in the older, denser neighborhoods that surround the City's commercial core. Also located in this area are two privately assisted housing developments and three public housing communities. The concentration of assisted rental housing in these areas limits housing choice for members of the protected classes.

Proposed Action 1: CRHA should initiate a more aggressive mobility program to expand housing choice for LMI minorities. Seeking

landlords in "neighborhoods of opportunity" outside areas of minority and LMI concentration is a positive first step. Accompanying voucher holders to visit units located in these neighborhoods can go a long way toward deconcentration. Section 8 Housing Choice Voucher holders may require "hands-on" assistance in becoming familiar with outlying neighborhoods beyond the inner city impacted areas. CRHA's Section 8 staff should assist voucher holders in determining the location of schools, shopping facilities, cultural amenities, health care facilities and other necessities in life. Expanding fair housing choice is a multi-dimensional orientation process that must be embraced by residents and public agencies alike in order to achieve success.

Proposed Action 2: CRHA should consider increasing the HOME subsidies for rental projects as an incentive for developers to create new housing in "neighborhoods of opportunity." Reinvestment in older neighborhoods is certainly important, but the City, its subrecipients, and CRHA must also foster new rental housing opportunities for families outside areas of racial and ethnic concentration.

h. The City's zoning ordinance prohibits the placement of mobile homes on individual lots.

While the definition for a mobile home indicates that it is designed for use as a single-family dwelling, the City's zoning ordinance permits the placement of a freestanding mobile home for use as a single-family dwelling only in agricultural zoning districts. Outside of the agricultural zoning districts, mobile homes must be in a mobile home subdivision. This restriction on mobile homes does not specifically impede housing choice by members of the protected classes; however, the restriction may disproportionally impact members of the protected classes.

Proposed Action: Amend the City's zoning ordinance to identify appropriate zoning districts, in addition to agricultural districts, where mobile homes are permitted on individual lots.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Chesapeake, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need

to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Chesapeake. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Chesapeake.

Between January 2007 and June 2008, an estimated 1,781 foreclosure filings were recorded in the City, representing a rate of 3.1%. Seven of the City's 38 census tracts had a foreclosure rate of 6.2%, or twice the overall City rate. All seven of these tracts were areas of racial concentration.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

J. Signature Page for the City of Chesapeake

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Chesapeake is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

4. CITY OF HAMPTON

A. Historical Residential Settlement Patterns

Over the past fifty years, the City of Hampton has transformed from a predominately agricultural region to a City dominated by residential settlements and with little room for expansion. Since the consolidation of Hampton, Elizabeth City County, and the town of Phoebus in 1952, the City has experienced a dramatic population increase and a drop in available land for development. For example, in 1964, an estimated 55% of Hampton's land was vacant and 18% was used for residential settlements. By 2004, the proportion of vacant land had decreased to 19%, and residential land use more than doubled to 42%.[33]

Between 1960 and 2000, the total population in Hampton increased 64%, mainly from migration into the City. The most significant growth occurred during the 1960s. Between 1960 and 1970, the total population increased by 31,521, or 35.3%.[34] The population remained relatively stable during the 1970s, and grew by 9.1% and 9.5% during the 1980s and 1990s, respectively. [35] This last period of growth, between 1990 and 2000, marked a deviation from the growth trends of the previous decades. While the overall rate of growth was similar to that of the 1980s, the growth rate of non-military population slowed considerably, from 9.1% to 5.6%. The population growth during the 1990s was also concentrated in new developments, and older portions of the City experienced a population loss during this time.

By 2009, the vast majority of the City was developed, with most of the remaining vacant land concentrated in the northwest part of the City. Most of this area is zoned for low-density single-family developments, and other vacant areas of land, such as those in the northeast portion of the City, have been designated as environmentally sensitive and difficult to develop. Nonetheless, Hampton remains an affordable choice in the Hampton Roads region, and struggling families are more likely to find housing options in Hampton than in neighboring jurisdictions.

While race remains an issue in local politics, Hampton fairs better than most of its Hampton Roads neighbors in its racial integration. Older neighborhoods such as Old Hampton, which was settled by freed slaves in the 19th century, have maintained their historically segregated settlement patterns. Newer suburban communities, on the other hand, are more racially diverse. Throughout the City community engagement is strong, and City officials and local developers work closely with residents to ensure new developments benefit local communities.

[33] City of Hampton, "City of Hampton Community Plan." Adopted February 8, 2006.
[34] Ibid.
[35] Ibid.

B. Demographic Profile

i. Population Trends

The population of the City of Hampton appears to have leveled off since 2000 with an overall decrease in White residents and a significant increase in minorities. Total population increased 9.5% during the 1990s but has fallen slightly since 2000. The racial composition of the City continues to change.

In 1990, Whites accounted for 58.4% of the population; by 2008, they were the minority, comprising 46.9% of the population. During this same period, Blacks grew from 38.9% to 48.4%, becoming the single largest racial group in Hampton. Increases occurred in other racial groups as well. Asians and Pacific Islanders, who comprised the second-largest non-White minority, increased in number by more than a third from 2,339 to 3,124 residents. American Indians and Alaska Natives, although small in number relative to other groups, increased 61.5%. Persons of Some Other Race decreased, as did persons of Two or More Races. Hispanics numbered 2,636 in 1990 and more than doubled to 5,473 by 2008.

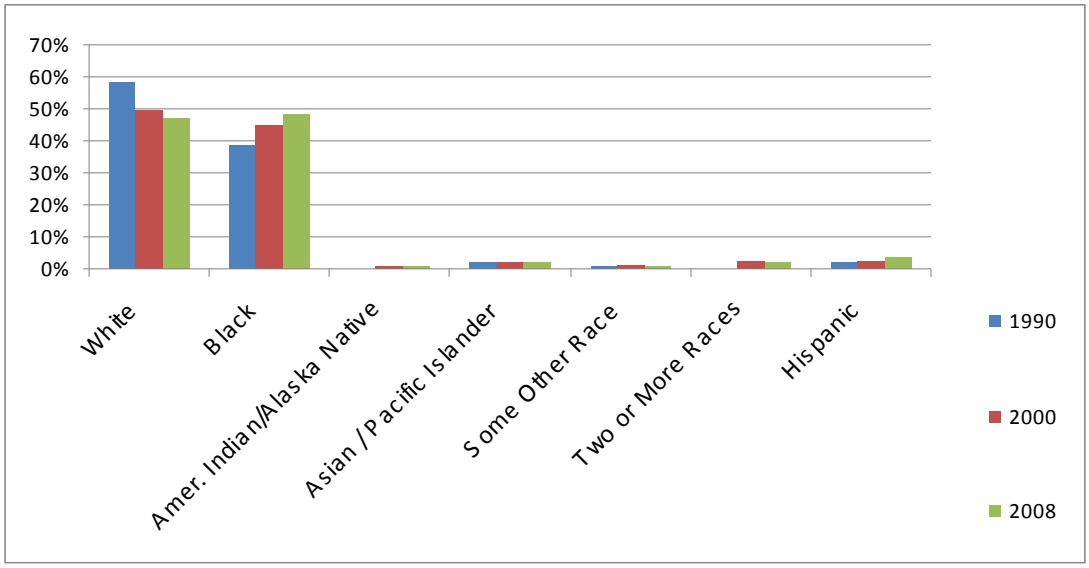
Figure 4-1
Population Trends, 1990-2008

	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Hampton	**133,793**	**100.0%**	**146,437**	**100.0%**	**145,494**	**100.0%**	**8.7%**
White Population	78,149	58.4%	72,556	49.5%	68,243	46.9%	-12.7%
Non-White Population	55,644	41.6%	73,881	50.5%	77,251	53.1%	38.8%
Black	51,981	38.9%	65,428	44.7%	70,388	48.4%	35.4%
Amer. Indian/Alaska Native	392	0.3%	616	0.4%	633	0.4%	61.5%
Asian / Pacific Islander	2,339	1.7%	2,830	1.9%	3,124	2.1%	33.6%
Some Other Race	932	0.7%	1,505	1.0%	520	0.4%	-44.2%
Two or More Races	---	---	3,502	2.4%	2,586	1.8%	-26.2%
Hispanic	2,636	2.0%	4,153	2.8%	5,473	3.8%	107.6%

Source: U.S. Census Bureau

OBSERVATION: Minorities have increased from 41.6% to 53.1% of total population since 1990. Blacks remain the largest racial minority group, comprising 91% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which more than doubled from 2,636 in 1990 to 5,473 in 2008.

Figure 4-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Sources: U.S. Census Bureau, DemographicsNow

ii. Areas of Racial and Ethnic Minority Concentration

The City of Hampton 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 Hampton, Blacks comprised 49.5% of the population in 2009.[36] Therefore, an area of racial concentration would include any census tract where the percentage of Black residents is 59.5% or higher. There are 12 census tracts which meet this criterion; they are highlighted in figure 4-3 below. These areas are located primarily in the older neighborhoods around the downtown and in southwest Hampton. No other racial minority group meets the criterion for an area of racial concentration.

Hispanic residents represent 3.4% of the total population. An area of ethnic concentration would include a census tract where the percentage of Hispanics is 13.4% of higher. No census tract meets this criterion; however, tract 111 has a significantly higher percentage of Hispanics than elsewhere in the City.

OBSERVATION: There are 12 census tracts in Hampton that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 104, 105.01, 105.02, 106.01, 106.02, 109, 113, 114, 116, 118, 119 and 120.

[36] Data estimates for 2009 were purchased from DemographicsNow to update Census 2000 data. The City is advised to use Census 2010, when available, to recalculate the areas of minority concentration.

Figure 4-3
Census Tract Population by Race and Hispanic Origin, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
City of Hampton	**149,409**	**44.2%**	**49.5%**	**3.1%**	**3.4%**
101.01	6,096	75.3%	20.3%	2.5%	2.3%
101.03	7,786	67.6%	26.5%	3.2%	3.7%
101.04	6,926	39.1%	54.1%	3.2%	4.1%
102.00	4,570	61.1%	32.1%	3.3%	5.3%
103.04	7,499	46.3%	45.0%	4.8%	4.8%
103.05	9,957	41.1%	50.9%	4.4%	5.1%
103.06	8,568	46.6%	43.0%	6.2%	4.5%
103.07	5,832	45.6%	44.9%	7.1%	3.5%
103.08	8,405	56.7%	37.1%	3.3%	3.6%
103.09	4,984	45.6%	47.7%	2.9%	4.0%
103.10	4,319	59.6%	35.3%	2.8%	3.1%
104.00	6,893	18.6%	78.5%	0.9%	1.3%
105.01	5,785	23.5%	72.0%	2.6%	1.3%
105.02	3,391	18.8%	75.7%	2.5%	3.5%
106.01	2,614	21.3%	67.2%	8.4%	2.4%
106.02	3,226	13.2%	84.2%	0.7%	2.5%
107.01	3,788	38.4%	55.1%	2.6%	4.2%
107.02	4,159	64.6%	28.5%	3.0%	3.6%
107.03	2,881	69.3%	25.4%	2.7%	3.5%
108.00	5,786	56.8%	37.4%	3.3%	3.0%
109.00	2,166	12.5%	82.9%	1.8%	2.6%
110.00	6,588	57.2%	36.4%	2.5%	3.5%
111.00	1,223	57.5%	31.8%	2.8%	13.0%
112.00	3,123	64.6%	30.2%	1.8%	3.8%
113.00	2,239	32.6%	61.7%	1.6%	2.9%
114.00	2,031	5.9%	91.2%	0.5%	3.3%
115.00	4,186	76.7%	19.8%	1.6%	2.2%
116.00	2,666	28.9%	66.5%	1.4%	4.0%
118.00	5,332	25.4%	71.1%	0.9%	1.8%
119.00	3,091	3.2%	94.5%	0.8%	1.4%
120.00	3,299	14.4%	83.3%	0.9%	1.0%

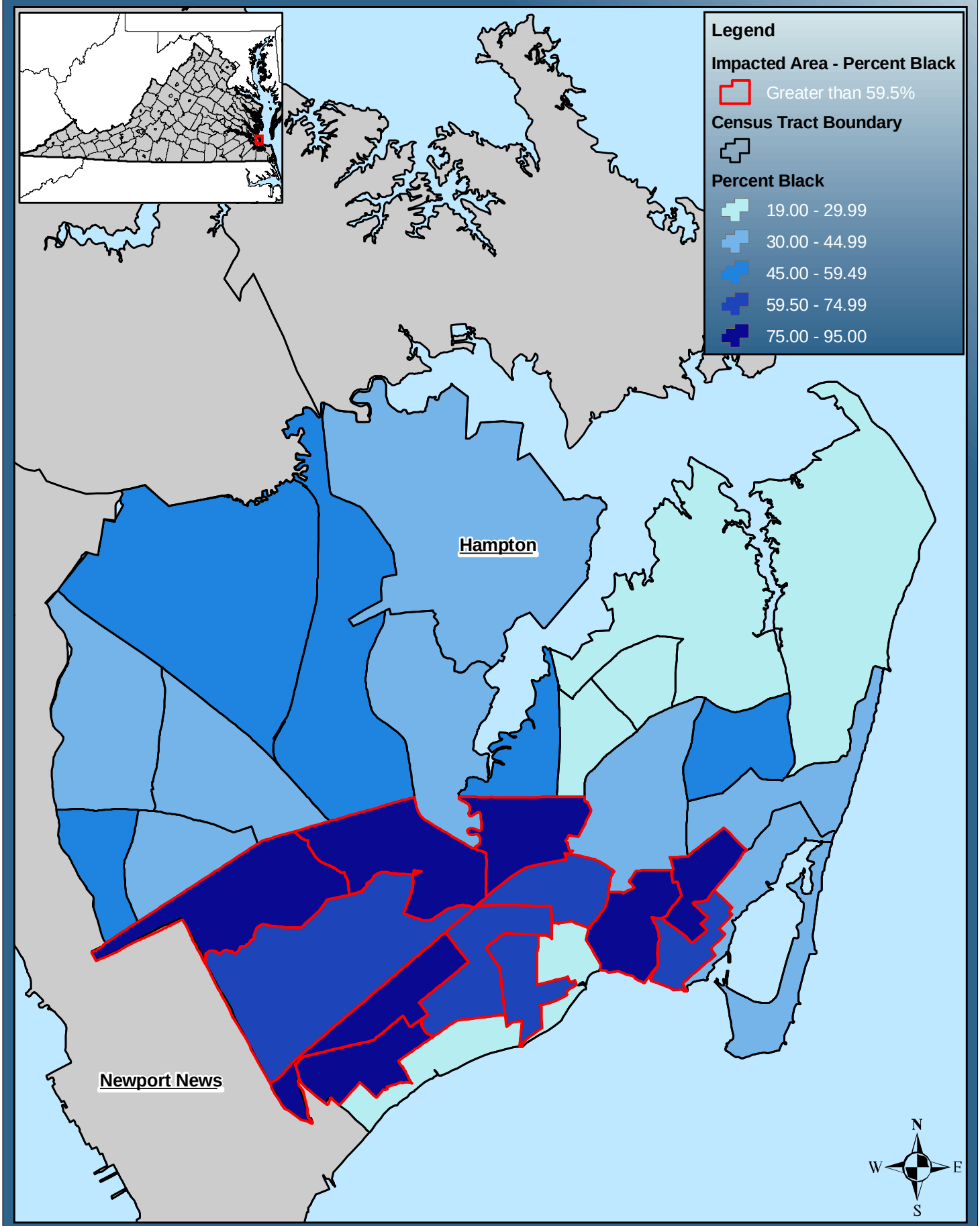
Source: DemographicsNow

Map 4-1 on the following page depicts the geographic location of the areas of racial concentration. In Hampton, the census tracts outlined in *red* are areas of concentration of Black residents, also referred to as impacted areas. It is within these impacted areas that other demographic characteristics—such as income and housing—will be analyzed.

MULLIN & LONERGAN ASSOCIATES INCORPORATED

Map 4-1: Black Population Concentrations in Hampton, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[37] The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Hampton demonstrates an average degree of segregation. The City's 2000 dissimilarity index of 47.4 for White persons and Black persons ranks 9th out of 18, and indicates that Whites and Blacks in Hampton are less segregated than they are in 50% of the state's most populated cities and towns. Among the seven cities in the Hampton Roads region, the City of Hampton is the second-most integrated. Details are included in the following table.

[37] 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 ∑ 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 4-4
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	**Hampton**	**64,795**	**70,963**	**146,437**	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	Suffolk	27,524	33,940	63,677	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Hampton is one of the more integrated municipalities in the study area. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 47.4% of Black residents would have to move to a different location within Hampton.

Dissimilarity index data for all Hampton subpopulations appear in the following table. This table indicates that in order to achieve full integration among Whites and Blacks in the City, 47.4% of Black residents would have to move to a different location.

The indices above show that, in addition to a White/Black index of 47.4, Hampton has a White/Asian index of 32.4, a White/multi-race index of 28.8, and a White/Hispanic index of 26.4. These numbers indicate that these subpopulations are all less segregated than Whites and Blacks. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

Figure 4-5
Hampton Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	70,963	48.5%
Black	47.4	64,795	44.2%
American Indian*	33.8	574	0.4%
Asian	32.4	2,650	1.8%
Hawaiian*	46.2	114	0.1%
Other*	44.4	248	0.2%
Two or more races	28.8	2,940	2.0%
Hispanic***	26.4	4,153	2.8%
TOTAL	-	146,437	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Hampton.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

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 between racial and ethnic groups in Hampton. Asians have by far the highest median household income at $68,980. Whites have the second-highest at $52,141. The median household income for Black households is only 76% that of Whites. Hispanics earned slightly more with a median income equivalent to 87% of Whites. Significant differences in poverty are evident as well, with Blacks experiencing poverty rates twice as high as Whites. Data on poverty for Asians and Hispanics were not available due to small sample sizes.

Figure 4-6
Median Household Income and Poverty Rates by Race/Ethnicity, 2008

	Median Household Income	Poverty Rate
City of Hampton	**$47,039**	**14.0%**
Whites	$52,141	9.6%
Blacks	$39,675	19.4%
*Asians	$68,980	n/a
*Hispanics	$45,236	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I, B17001, B17001A, B17001B)
*The poverty rates for Asians and Hispanics were not available

Differences in income distribution are not as severe as that of median household income but are still pronounced. In 2008, only 21.1% of White households had incomes below $25,000 compared to 30.9% of Blacks. Distribution in the $25,000 to $49,999 range is comparable, with 25.4% of White households and 29.4% of Black households falling into this category.

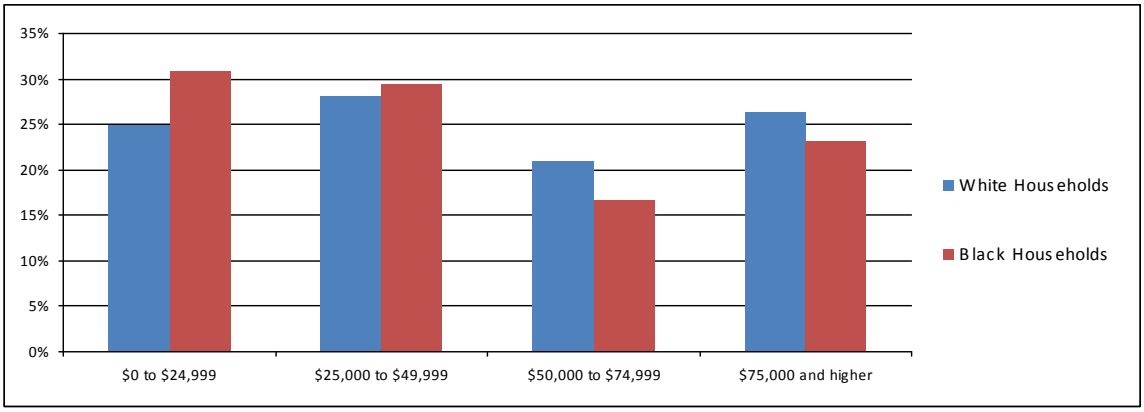
Almost 24% of White households and 16.6% of Black households had incomes in the $50,000 to $74,000 range. At the top end of the spectrum, almost 30% of White households and 23.1% of Black Households were in this range. Data on household income distribution for Asians and Hispanics were not available.

Figure 4-7
Household Income Distribution by Race, 2008

		$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
	Total	#	%	#	%	#	%	#	%
All Households	**54,495**	**13,508**	**24.8%**	**15,294**	**28.1%**	**11,368**	**20.9%**	**14,325**	**26.3%**
White Households	28,241	5,958	21.1%	7,176	25.4%	6,761	23.9%	8,346	29.6%
Black Households	23,743	7,328	30.9%	6,976	29.4%	3,949	16.6%	5,490	23.1%

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

Figure 4-8
Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 76% that of Whites in 2000, and poverty among Blacks was twice the rate among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG program includes a statutory requirement that 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Hampton. HUD data on the percent of low and moderate income persons reveals that there are 30 census block groups where more than 51% of residents meet the criteria for LMI status. Of these 30 census areas, 20 are located within areas of racial concentration of Black residents. As a result, areas of racial concentration in Hampton are more likely to be also areas of concentration of low and moderate income persons. The 30 LMI areas are highlighted in the following chart.

Map 4-2 on the following page illustrates the location of areas of concentrations of Black residents and the concentrations of LMI persons.

OBSERVATION: Of the 30 low and moderate income census block groups in Hampton, 20 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

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Map 4-2: Low and Moderate Income Concentrations in Hampton, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

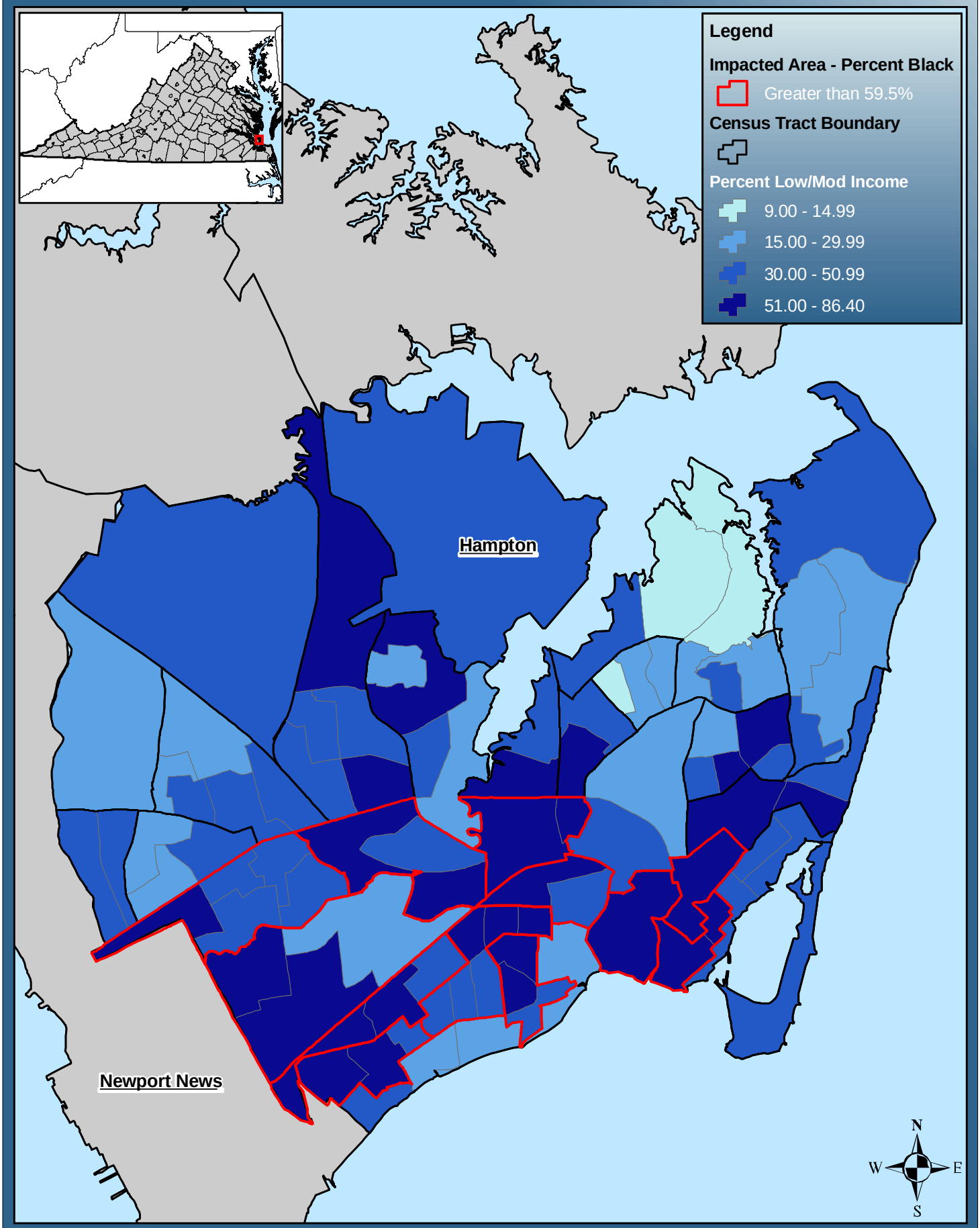


Figure 4-9
Low and Moderate Income Persons, 2009

Census Tract	Block Group	Low and Moderate Income Persons			Census Tract	Block Group	Low and Moderate Income Persons		
		#	Universe	%			#	Universe	%
101.01	1	236	738	31.98%	105.02	2	246	485	50.72%
101.01	2	529	2,353	22.48%	105.02	3	1,633	2,043	79.93%
101.01	3	327	1,055	31.00%	106.01	1	1,139	1,630	69.88%
101.01	4	421	1,597	26.36%	106.01	2	423	850	49.76%
101.03	1	504	1,187	42.46%	106.02	1	1,236	1,821	67.87%
101.03	2	160	1,624	9.85%	106.02	2	912	1,352	67.46%
101.03	3	124	872	14.22%	107.01	1	674	1,609	41.89%
101.03	4	253	1,475	17.15%	107.01	2	1,507	1,988	75.80%
101.03	5	464	1,246	37.24%	107.02	1	959	2,028	47.29%
101.03	6	185	862	21.46%	107.02	2	1,205	1,793	67.21%
101.04	1	210	1,281	16.39%	107.03	1	114	1,080	10.56%
101.04	2	571	1,261	45.28%	107.03	2	357	1,337	26.70%
101.04	3	410	768	53.39%	107.03	3	152	797	19.07%
101.04	4	459	961	47.76%	108.00	1	527	3,133	16.82%
101.04	5	1,517	2,270	66.83%	108.00	2	1,195	2,402	49.75%
102.00	9	335	1,067	31.40%	109.00	1	1,078	2,067	52.15%
103.04	1	2,116	6,716	31.51%	110.00	1	589	1,575	37.40%
103.05	1	198	638	31.03%	110.00	2	871	1,202	72.46%
103.05	2	1,043	1,969	52.97%	110.00	3	1,931	3,695	52.26%
103.05	3	931	1,953	47.67%	111.00	9	583	1,185	49.20%
103.05	4	538	1,565	34.38%	112.00	1	511	1,219	41.92%
103.05	5	710	1,385	51.26%	112.00	2	478	964	49.59%
103.06	1	415	1,420	29.23%	112.00	3	352	809	43.51%
103.06	2	368	1,012	36.36%	113.00	1	777	1,185	65.57%
103.06	3	1,236	2,148	57.54%	113.00	2	741	1,130	65.58%
103.06	4	496	1,730	28.67%	114.00	1	593	686	86.44%
103.07	1	1,157	5,273	21.94%	115.00	1	271	1,188	22.81%
103.08	1	763	3,173	24.05%	115.00	2	157	989	15.87%
103.08	2	830	1,646	50.43%	115.00	3	231	868	26.61%
103.08	3	496	1,638	30.28%	115.00	5	383	1,012	37.85%
103.08	4	282	763	36.96%	116.00	1	466	727	64.10%
103.08	5	211	769	27.44%	116.00	2	534	828	64.49%
103.09	1	1,485	3,293	45.10%	116.00	3	626	1,278	48.98%
103.09	2	442	1,309	33.77%	118.00	1	486	754	64.46%
103.10	1	679	1,850	36.70%	118.00	2	637	1,018	62.57%
103.10	2	248	995	24.92%	118.00	3	611	948	64.45%
103.10	3	320	1,159	27.61%	118.00	4	487	967	50.36%
104.00	1	405	860	47.09%	118.00	5	237	650	36.46%
104.00	2	549	1,184	46.37%	118.00	6	331	830	39.88%
104.00	3	853	1,989	42.89%	119.00	1	626	1,246	50.24%
104.00	4	769	1,343	57.26%	119.00	2	784	1,180	66.44%
104.00	5	565	1,242	45.49%	119.00	3	387	607	63.76%
105.01	1	746	2,566	29.07%	120.00	1	276	609	45.32%
105.01	2	274	525	52.19%	120.00	2	875	1,450	60.34%
105.01	3	1,257	2,261	55.59%	120.00	3	679	1,195	56.82%
105.02	1	335	584	57.36%	*Source: U.S. Dept. of Housing & Urban Development*				

vi. 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 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 Hampton, 12.2% of the population 5 years and older reported at least one type of disability in 2008. [38]

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Hampton, persons with disabilities are more likely than persons without disabilities to live in poverty. In 2008, among all persons with a disability, 19.8% lived below the level of poverty. However, among all persons without a disability, 13.7% were living in poverty.[39]

OBSERVATION: Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with disabilities, 19.8% lived in poverty in 2008 compared to 13.7% of persons without a disability.

vii. 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.

[38] U.S. Census Bureau, 2008 American Community Survey (C18101)
[39] U.S. Census Bureau, 2008 American Community Survey (C18130)

Figure 4-10
Female-Headed Households and Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	49,699	100.0%	53,954	100%	54,495	100%
Family Households	35,322	71.1%	36,245	67.2%	32,385	59.4%
Married-couple family	27,308	54.9%	25,473	47.2%	22,431	41.2%
With Children	12,995	26.1%	11,225	20.8%	10,881	20.0%
Without Children	14,313	28.8%	14,248	26.4%	11,550	21.2%
Female-Headed Households	**6,689**	**13.5%**	**8,852**	**16.4%**	**8,232**	**15.1%**
With Children	**4,018**	**8.1%**	**5,642**	**10.5%**	**5,723**	**10.5%**
Without Children	2,671	5.4%	3,210	5.9%	2,509	4.6%
Male-Headed Household	1325	2.7%	1920	3.6%	1,722	3.2%
With Children	549	1.1%	1041	1.9%	1,074	2.0%
Without Children	776	1.6%	879	1.6%	648	1.2%
Non-family and 1-person Households	14,377	28.9%	17,709	32.8%	22,110	40.6%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (B11005)

Female-headed households increased 32.3% from 1990 to 2000, but then decreased 7% by 2008. They currently comprise 15.1% of all households. The number of female-headed households with children also increased from 1990 to 2000, but remained constant in 2008, accounting for 10.5% of all households. In contrast, married couple family households with children have declined over the same period from 26.1% of all households to 20% in 2008. Single male households with children also declined from 2000 to 2008, currently standing at 2.0% of all households, or 1,074 households.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Hampton, female-headed households with children accounted for 64.8% of all families living in poverty compared to only 13.5% of all families who were living above the poverty level in 2000.[40]

OBSERVATION: Female-headed households with children accounted for almost two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 Hampton revealed that 4.3% of Hampton residents in 2008 were foreign-born.[41] Among families with children who were living with one or more foreign-born parents, 44.7% were living in households with incomes of less than 200% of the poverty

[40] U.S. Census Bureau, Census 2000 (SF 3, P90)
[41] U.S. Census Bureau, 2008 American Community Survey (B05002)

level. In contrast, 38.6% of those families with children who were living with only native parents had incomes less than 200% of the poverty level.[42]

OBSERVATION: Families with at least one foreign-born parent were more likely to have lower incomes than families with native-born parents. More than 44% of families with children and at least one foreign-born parent had incomes of less than 200% of poverty, compared to 38.6% of families with children with native parents.

Persons with Limited English Proficiency (LEP) are defined as persons who have a limited ability to read, right, speak, or understand English. HUD uses the prevalence of persons with LEP to identity the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP, including immigrants, may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In the City of Hampton in 2008, 2,752 persons spoke English less than "very well." Of these, 1,063 (38.6%) were Spanish speakers.

Figure 4-11
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**1,063**
Asian or Pacific Island	784
Other Indo-European	787
Other languages	118

Source: 2006-2008 American Community Survey (C16004)

In Hampton, the number of LEP Spanish speakers exceeds 1,000. For this reason, the City should perform a four-factor analysis to determine the extent to which the translation of vital documents is warranted.[43] (The term "vital document" refers generally to any publication that is needed to gain access to the benefits of a program or service.) Although there is no requirement to develop a Language Access Plan (LAP) for persons with LEP, HUD

[42] U.S. Census Bureau, 2008 American Community Survey (B05010)
[43] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

entitlement communities are responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964.

OBSERVATION: The City of Hampton should conduct a 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 its federal entitlement programs. If it is determined that the need for a Language Access Plan exists, the City must prepare the Plan in order to comply with Title VI of the Civil Rights Act of 1964.

ix. Protected Class Status and Unemployment

According to calculations released by the Bureau of Labor Statistics in April 2011, the unemployment rate in the City of Hampton was 7.7%, including 5,244 of the 67,908 total persons in the civilian labor force. The unemployment rate varied across the Hampton Roads region, with higher rates in Newport News (8.3%), Portsmouth (7.8%) and Norfolk (8.9%), lower rates in Chesapeake (6.5%) and Virginia Beach (6.1%), and an equivalent rate in Suffolk (7.7%).

The latest detailed employment data by race, ethnicity and gender is provided by the American Community Survey. According to this source, overall unemployment was 5.3% in Hampton in 2008 for the total civilian labor force. This was higher than the overall unemployment rate of Virginia, which was 4.9%. Blacks were more likely to be unemployed than White residents, with the Black unemployment rate at 6.7% and the White unemployment rate at 4.2%. Females and males in Hampton had comparable rates of unemployment, at 4.9% and 5.0%, respectively. Data on employment for Asians and Hispanics were not available for Hampton.

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 6.7%, compared to 4.2% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

Figure 4-12
Civilian Labor Force, 2008

	Virginia Total	%	Hampton Total	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**72,805**	**100%**
Employed	3,874,420	95.1%	68,919	94.7%
Unemployed	200,793	4.9%	3886	5.3%
Male CLF	**2,111,297**	**100.0%**	**37,276**	**100.0%**
Employed	2,006,634	95.0%	35,328	94.8%
Unemployed	104,663	5.0%	1948	5.2%
Female CLF	**1,963,916**	**100.0%**	**35,529**	**100.0%**
Employed	1,867,786	95.1%	33,591	94.5%
Unemployed	96,130	4.9%	1938	5.5%
White CLF	**2,916,813**	**100%**	**35,987**	**100%**
Employed	2,799,732	96.0%	34,461	95.8%
Unemployed	117,081	4.0%	1,526	4.2%
Black CLF	**772,382**	**100%**	**33,705**	**100%**
Employed	709,453	91.9%	31,456	93.3%
Unemployed	62,929	8.1%	2,249	6.7%
Asian CLF*	**214,026**	**100%**	**n/a**	**n/a**
Employed	204,543	95.6%	n/a	n/a
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF*	**277,742**	**100%**	**n/a**	**n/a**
Employed	261,165	94.0%	n/a	n/a
Unemployed	16,577	6.0%	n/a	n/a

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

*Employment data for Asians and Hispanics in Hampton were not available

C. Housing Market

i. Housing Inventory

Almost 8,600 new housing units were added to the housing inventory in Hampton between 1990 and 2009. Areas of higher residential development activity included five census tracts where 500 units or more were added to the housing stock in each tract, as depicted in Figure 4-13. By comparison, the City also lost over 1,800 units from its inventory, primarily through demolition. Of the 11 census tracts that experienced a net loss of housing units, seven are areas of racial concentration, and low and moderate income persons. The net loss of housing units in these areas accounted for 1,150 of the 1,831 total units lost, equivalent to 63%.

Notably, a net increase in housing units occurred in four of the 12 census tracts identified as areas of racial concentration. These four areas accounted for a total of 610 new units, equivalent to 7% of all new residential development during this period.

The change in housing units is illustrated on Map 4-3 on the following page.

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Map 4-3: Change in Housing Units in Hampton, 1990 - 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

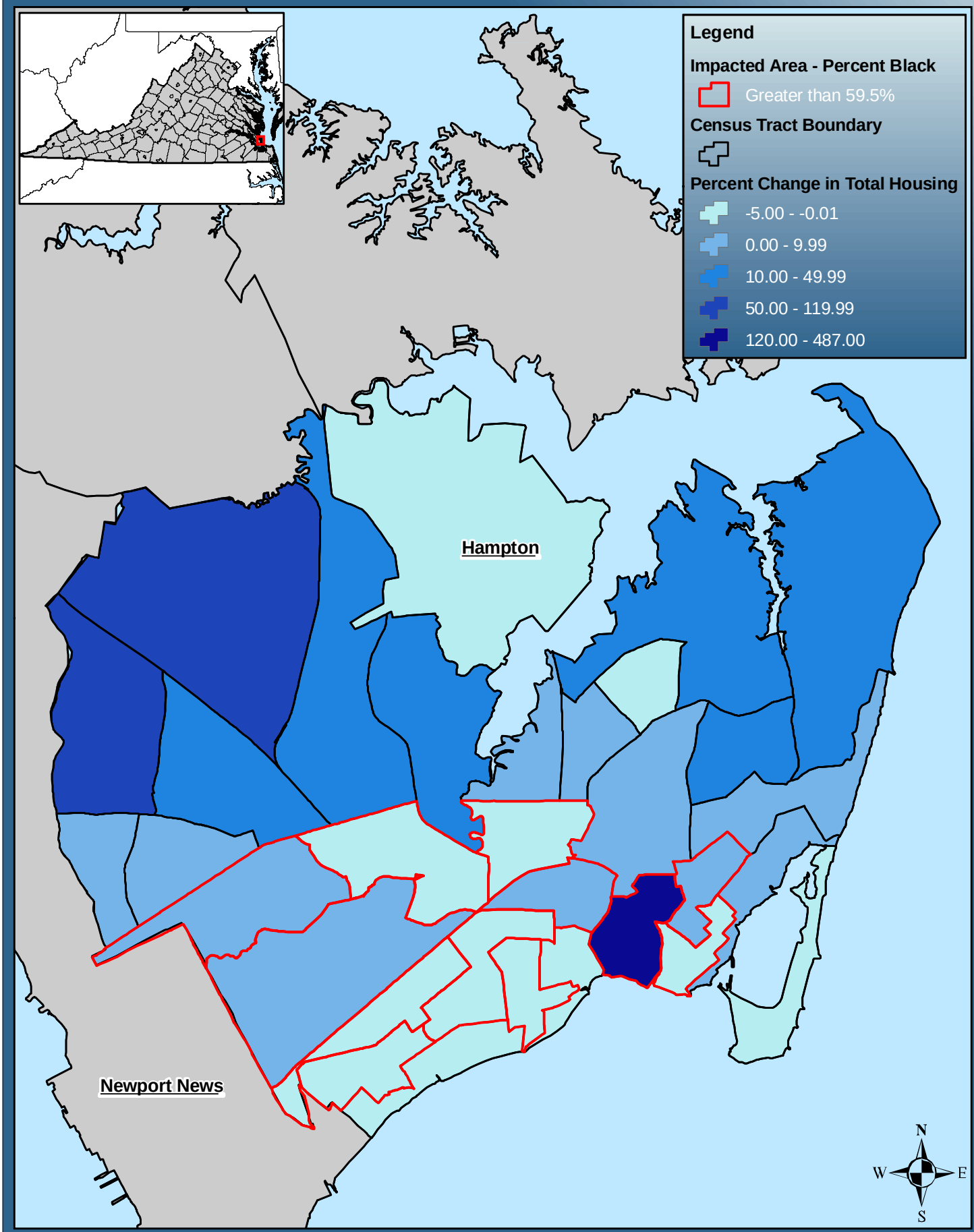


Figure 4-13
Trends in Total Housing Units, 1990-2009

Census Tract	1990		2000		2009		Change 1990-2009	
	#	%	#	%	#	%	#	%
City of Hampton	**53,614**	**100.0%**	**57,311**	**100.0%**	**60,360**	**100.0%**	**6,746**	**12.6%**
101.01	2,021	3.8%	2,311	4.0%	2,404	4.0%	383	19.0%
101.03	2,372	4.4%	2,699	4.7%	2,839	4.7%	467	19.7%
101.04	2,048	3.8%	2,315	4.0%	2,396	4.0%	348	17.0%
102.00	686	1.3%	388	0.7%	378	0.6%	-308	-44.9%
103.04	1,253	2.3%	2,506	4.4%	2,738	4.5%	1,485	118.5%
103.05	3,922	7.3%	4,186	7.3%	5,263	8.7%	1,341	34.2%
103.06	2,598	4.8%	2,594	4.5%	3,444	5.7%	846	32.6%
103.07	1,025	1.9%	2,008	3.5%	2,156	3.6%	1,131	110.3%
103.08	2,265	4.2%	3,113	5.4%	3,199	5.3%	934	41.2%
103.09	1,895	3.5%	1,947	3.4%	2,062	3.4%	167	8.8%
103.10	1,799	3.4%	1,810	3.2%	1,919	3.2%	120	6.7%
104.00	2,772	5.2%	2,798	4.9%	2,817	4.7%	45	1.6%
105.01	2,360	4.4%	2,424	4.2%	2,516	4.2%	156	6.6%
105.02	1,820	3.4%	1,322	2.3%	1,427	2.4%	-393	-21.6%
106.01	1,222	2.3%	1,215	2.1%	1,269	2.1%	47	3.8%
106.02	1,431	2.7%	1,413	2.5%	1,418	2.3%	-13	-0.9%
107.01	1,622	3.0%	1,682	2.9%	1,724	2.9%	102	6.3%
107.02	1,560	2.9%	1,603	2.8%	1,685	2.8%	125	8.0%
107.03	1,342	2.5%	1,242	2.2%	1,102	1.8%	-240	-17.9%
108.00	2,275	4.2%	2,398	4.2%	2,448	4.1%	173	7.6%
109.00	853	1.6%	855	1.5%	865	1.4%	12	1.4%
110.00	2,856	5.3%	3,089	5.4%	3,082	5.1%	226	7.9%
111.00	409	0.8%	367	0.6%	364	0.6%	-45	-11.0%
112.00	1,347	2.5%	1,402	2.4%	1,421	2.4%	74	5.5%
113.00	1,039	1.9%	966	1.7%	950	1.6%	-89	-8.6%
114.00	81	0.2%	489	0.9%	476	0.8%	395	487.7%
115.00	1,999	3.7%	1,946	3.4%	1,911	3.2%	-88	-4.4%
116.00	1,602	3.0%	1,220	2.1%	1,114	1.8%	-488	-30.5%
118.00	2,189	4.1%	2,171	3.8%	2,159	3.6%	-30	-1.4%
119.00	1,468	2.7%	1,385	2.4%	1,384	2.3%	-84	-5.7%
120.00	1,483	2.8%	1,447	2.5%	1,430	2.4%	-53	-3.6%

Source: Demographics Now

OBSERVATION: The vast majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. Only 7% of the new housing units were built in four areas of racial concentration.

ii. Types of Housing Units

Of the 57,311 housing structures in 2000, 71.4% were single family units. Most of the remaining units were in multi-family properties of all sizes. Notably, the distribution of housing types is uneven among Hampton's census tracts. As shown in Figure 4-14, three census tracts have exceptionally high rates of multi-family units exceeding 69% in each tract. Two of these census tracts are areas of racial concentration. Mobile homes account for less than 2% of the total inventory.

Map 4-4 on the following page illustrates where higher concentrations of multi-family rental units are located.

Figure 4-14
Trends in Housing Units in Structures, 2000

	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
City of Hampton	**57,311**	**40,928**	**4,020**	**4,503**	**3,929**	**2,928**	**15,380**	**1,003**	**0**
101.01	2,311	2,151	26	93	16	25	160	0	0
101.03	2,699	2,570	63	26	40	0	129	0	0
101.04	2,315	1,918	71	131	141	33	376	21	0
102.00	388	315	9	0	6	58	73	0	0
103.04	2,506	1,817	43	143	350	73	609	80	0
103.05	4,186	1,005	177	818	939	965	2,899	282	0
103.06	2,594	1,624	86	270	121	316	793	177	0
103.07	2,008	1,679	198	63	61	7	329	0	0
103.08	3,113	2,502	48	192	296	75	611	0	0
103.09	1,947	1,001	188	312	366	72	938	8	0
103.10	1,810	1,367	151	201	64	27	443	0	0
104.00	2,798	2,378	46	96	175	103	420	0	0
105.01	2,386	1,528	347	187	191	106	831	27	0
105.02	1,360	402	136	242	272	308	958	0	0
106.01	1,247	630	185	260	134	38	617	0	0
106.02	1,428	976	210	149	8	62	429	23	0
107.01	1,667	871	214	445	77	52	788	8	0
107.02	1,596	1,410	57	68	6	25	156	30	0
107.03	1,249	1,059	95	60	0	27	182	8	0
108.00	2,398	1,813	170	182	67	166	585	0	0
109.00	823	652	102	5	26	0	133	38	0
110.00	3,089	2,398	215	106	179	39	539	152	0
111.00	367	133	214	14	6	0	234	0	0
112.00	1,402	1,120	95	55	25	55	230	52	0
113.00	963	698	135	67	24	30	256	9	0
114.00	492	81	40	145	157	54	396	15	0
115.00	1,935	1,779	122	22	12	0	156	0	0
116.00	1,231	790	241	58	89	53	441	0	0
118.00	2,171	1,865	201	54	4	47	306	0	0
119.00	1,385	1,153	54	11	26	85	176	56	0
120.00	1,447	1,243	81	28	51	27	187	17	0

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

iii. Foreclosure Trends

The HUD NSP Estimates provides foreclosure data at the local level.[44] Between January 2007 and June 2008, the City of Hampton had an estimated 1,254 foreclosure filings, representing a foreclosure rate of 5.2%. This was the second highest rate across the region, after Portsmouth. Higher foreclosure rates were heavily concentrated in two areas: central Hampton (especially tracts 104, 105.01, and 106.02) and the southernmost part of the City (tracts 116, 118, 119, and 120). These seven tracts were also identified as areas of racial concentration, as depicted in the table below. Three census tracts – 102, 111, and 114 – had foreclosure rates of 0%, but in all three the number of total mortgages was less than ten.

[44] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

MULLIN & LONERGAN ASSOCIATES INCORPORATED

Map 4-4: Percentage of Multi-Family Housing Units in Hampton, 2000

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

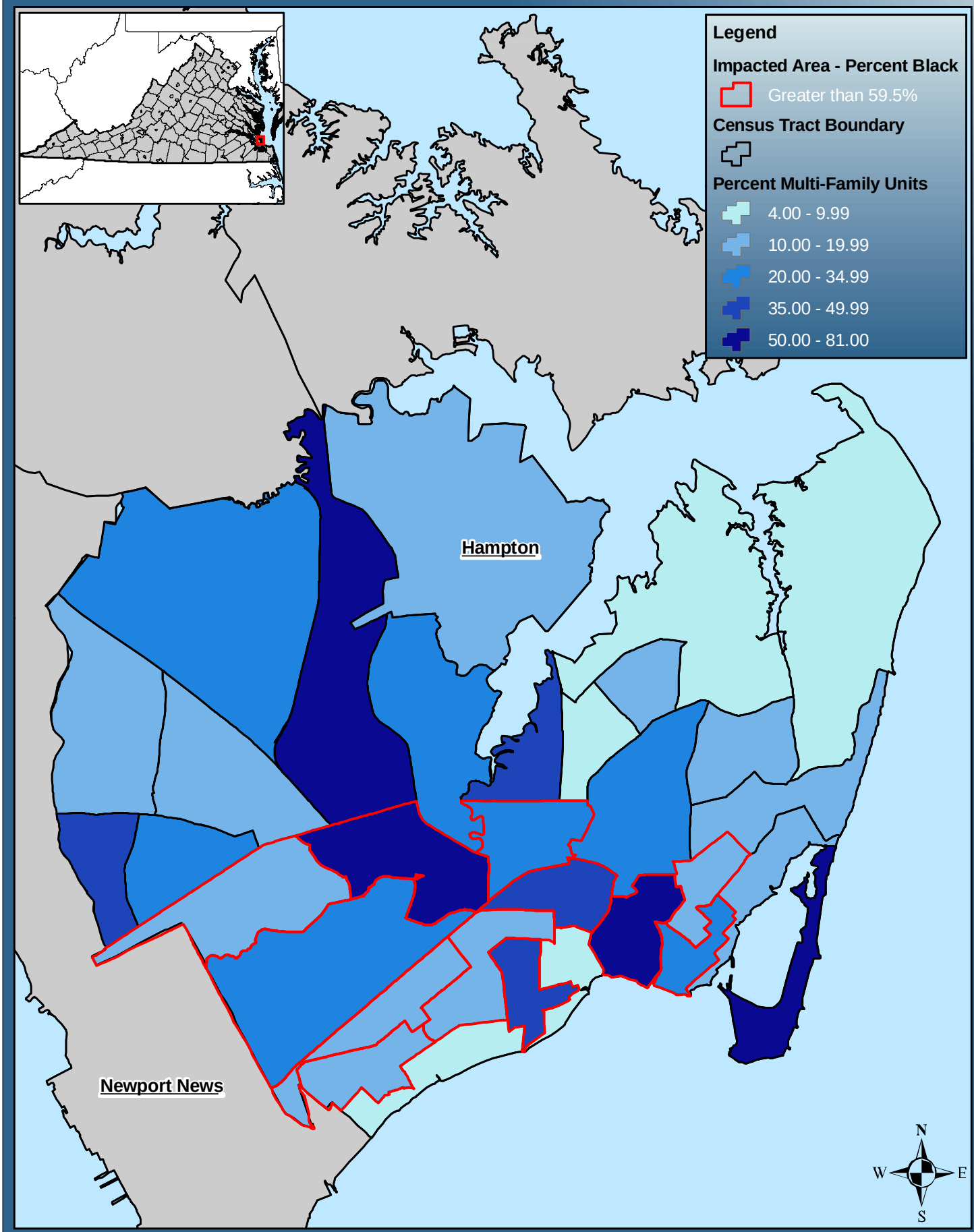


Figure 4-15
Estimated Residential Foreclosure Rates by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate	Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Hampton	**1,254**	**24,222**	**5.2%**	106.02	33	410	8.0%
101.01	38	1,357	2.8%	107.01	30	560	5.4%
101.03	55	1,668	3.3%	107.02	37	630	5.9%
101.04	63	1,061	5.9%	107.03	14	513	2.7%
102.00	0	2	0.0%	108.00	50	1,140	4.4%
103.04	84	1,854	4.5%	109.00	28	392	7.1%
103.05	52	794	6.5%	110.00	45	876	5.1%
103.06	42	842	5.0%	111.00	0	2	0.0%
103.07	46	1,428	3.2%	112.00	21	495	4.2%
103.08	86	1,838	4.7%	113.00	22	290	7.6%
103.09	35	587	6.0%	114.00	0	8	0.0%
103.10	51	986	5.2%	115.00	26	1,058	2.5%
104.00	102	1,390	7.3%	116.00	36	505	7.1%
105.01	61	856	7.1%	118.00	72	962	7.5%
105.02	19	319	6.0%	119.00	41	501	8.2%
106.01	12	243	4.9%	120.00	52	659	7.9%

In July 2010, RealtyTrac reported 111 new foreclosure filings in Hampton, or 1 in every 521 housing units.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Hampton had a foreclosure rate of 5.2%, the second highest in the region. Of the 15 census tracts with foreclosure rates above 5.2%, 10 are areas of concentration of Black residents.

iv. 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."[45]

In 2000, Whites had the highest rate of homeownership in Hampton at 67.5%; Asians had the second-highest rate at 53.1%. Blacks had a homeownership rate of 49.3%. Hispanics had the lowest rate at 30.3%.

Figure 4-16
Home Ownership by Race and Ethnicity of Householder, 2000

Census Tract	White		Black		Asian*		Hispanic*	
	#	%	#	%	#	%	#	%
City of Hampton	**18,990**	**67.5%**	**11,541**	**49.3%**	**404**	**53.1%**	**281**	**30.3%**
101.01	1,625	84.8%	210	76.4%	0	0.0%	0	0.0%
101.03	1,765	86.8%	373	77.2%	15	100.0%	35	57.4%
101.04	737	69.9%	480	45.9%	36	66.7%	21	40.4%
102.00	16	5.5%	0	0.0%			0	0.0%
103.04	876	66.7%	596	64.0%	84	91.3%	8	14.3%
103.05	478	25.5%	445	25.1%	42	44.2%	9	8.7%
103.06	997	67.0%	412	46.9%	32	43.8%	25	71.4%
103.07	774	71.5%	649	83.5%	39	68.4%	17	68.0%
103.08	1,493	78.4%	584	58.3%	24	46.2%	38	56.7%
103.09	635	64.7%	159	21.4%	0	0.0%	39	33.9%
103.10	959	79.1%	260	55.0%	0	0.0%	8	47.1%
104.00	516	81.8%	1,368	69.4%	8	100.0%	0	0.0%
105.01	478	65.2%	784	52.0%				
105.02	109	36.6%	145	14.8%	9	100.0%	0	0.0%
106.01	163	58.6%	166	23.2%	6	10.2%	0	0.0%
106.02	78	51.3%	492	44.3%				
107.01	468	62.2%	126	20.1%	11	35.5%	10	15.4%
107.02	691	57.1%	117	41.6%	7	100.0%	6	26.1%
107.03	786	80.0%	107	58.5%	23	63.9%	0	0.0%
108.00	1,142	78.8%	422	55.7%	29	61.7%	12	46.2%
109.00	71	64.5%	378	64.7%	11	100.0%	5	100.0%
110.00	987	53.0%	375	51.3%	9	50.0%	15	45.5%
111.00	0	0.0%	6	6.2%	0	0.0%	0	0.0%
112.00	690	69.0%	135	49.8%				
113.00	192	53.3%	159	32.2%	0	0.0%	6	100.0%
114.00	0	0.0%	33	10.0%			0	0.0%
115.00	1,356	85.0%	72	44.7%			13	100.0%
116.00	231	62.3%	300	41.6%	7	100.0%	6	30.0%
118.00	492	75.2%	764	59.9%			0	0.0%
119.00	8	21.1%	753	63.9%	12	100.0%		
120.00	177	72.8%	671	67.2%	0	0.0%	8	47.1%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)
*Cells for tracts in which no members of a racial or ethnic group live are left blank to differentiate them from tracts in which only renters live

[45] 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.

OBSERVATION: Lower household income among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households. In 2000, the home ownership rate among White households was 67.5% compared to only 49.3% for Black households and 30.3% for Hispanic households.

As discussed previously in this report, median household income is generally lower among minority groups in Hampton than among White households. This factor more than likely contributes to the low rates of home ownership among minorities in Hampton.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. The City of Hampton does not impose policies or programs that restrict the number of related persons that can live together in a single housing unit, which helps to accommodate members of the protected classes whose larger families require units with more bedrooms.

In Hampton, Hispanics were most likely to live in families of three or more persons, with 77% of Hispanic families in Hampton having three or more persons. Whites had the lowest rate, with only 53.8% of families consisting of three or more members.

Figure 4-17
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	53.8%
Black	64.2%
Asian	66.9%
Some Other Race Alone	69.1%
Two or More Races	66.0%
Hispanic	77.0%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Hampton, 13.3% of the rental housing stock contained three or more bedrooms in 2000, compared to 47.9% of the owner housing stock.

Figure 4-18
Housing Units by Number of Bedrooms, 2000

Size of Housing Units	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	5,452	10.1%	612	1.1%
2 bedrooms	9,709	18.0%	5,116	9.5%
3 or more bedrooms	**7,160**	**13.3%**	**25,838**	**47.9%**
Total	22,321	41.4%	31,566	58.6%

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were more likely to live in larger families than White households. For example, 77% of Hispanic families and 64.2% of Black families included three or more persons, compared to 53.8% of White families. However, only 13.3% of the rental housing stock contained three or more bedrooms, compared to 47.9% of the owner housing stock.

vi. Cost of Housing

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

a. Rental Housing

The median housing value in Hampton has increased 52% since 1990 after adjusting for inflation.[46] This was in stark contrast to the median gross rent, which increased 13.8% during the same period, and real household income, which decreased 5.3%.

[46] 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.

Figure 4-19
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$77,500	$91,100	$194,100	150.5%
2008 Dollars	$127,666	$113,903	$194,100	52.0%
Median Gross Rent				
Actual Dollars	$470	$603	$881	87.4%
2008 Dollars	$774	$754	$881	13.8%
Median Household Income				
Actual Dollars	$30,144	$39,532	$47,039	56.0%
2008 Dollars	$49,656	$49,427	$47,039	-5.3%

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.

At the same time that real household income was decreasing, Hampton was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than $500 per month decreased by 3,962 units, or 63.8% of all units in that price range. Units renting for $500 to $699 decreased in number by 4,197 units, or 51.2% of all units in that price range. At the same time, the number of higher-rent units ($700 per month or higher) increased by 9,620.

Figure 4-20
Loss of Affordable Rental Housing Units, 2000-2008

			Change 2000-2008	
Units Renting for:	2000	2008	#	%
Less than $500	6,211	2,249	-3,962	-63.8%
$500 to $699	8,202	4,005	-4,197	-51.2%
$700 to $999	5,544	8,175	2,631	47.5%
$1,000 or more	1,364	8,353	6,989	512.4%

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

OBSERVATION: Between 2000 and 2008, Hampton lost more than half of all housing units renting for less than $500, equivalent to almost 4,000 units. By comparison, units renting for $1,000 or more increased by almost 7,000.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2009. In Hampton, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In the City of Hampton, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Hampton, the estimated average wage for a renter is $12.18 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 57 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.4 workers earning the mean renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum-wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Hampton. This situation forces these individuals and households to double up with others or lease substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Hampton and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $781.

OBSERVATION: Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Hampton has slowed in activity since 2005, slightly before the beginning of the national housing slump. After peaking at 2,287 units sold in 2005, the local market has fallen off to 1,407 units sold in 2008. The average length of time a house has remained on the market has increased to 79 days from a low of 29 days at the peak in 2005. Local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

The situation is different, however, in neighborhoods where foreclosures are high. In these areas, which are predominantly areas of concentration, sales prices have been declining.

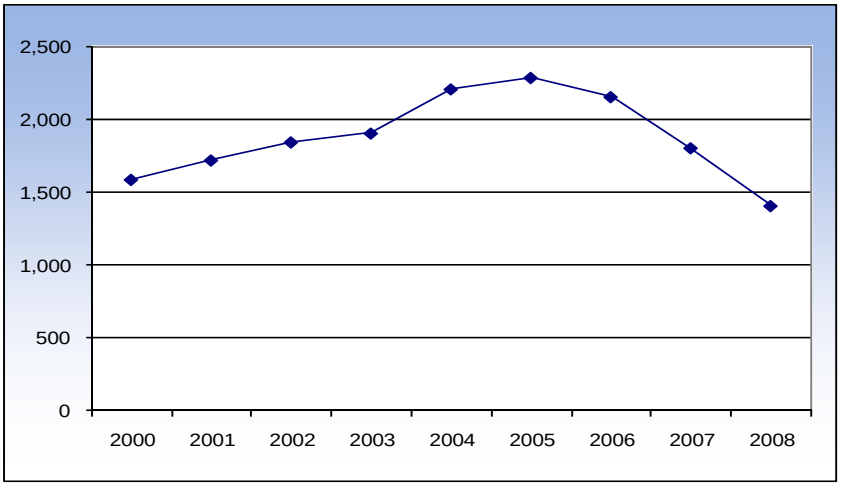
Figure 4-21
Housing Market Sales Trends, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	1,587	1,720	1,844	1,905	2,208	2,287	2,155	1,804	1,407
Average No. Days on Market	81	72	63	42	31	29	44	61	79
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

*Median Sales Price as a percent of Median List Price
Source: Hampton Roads Realtor Association

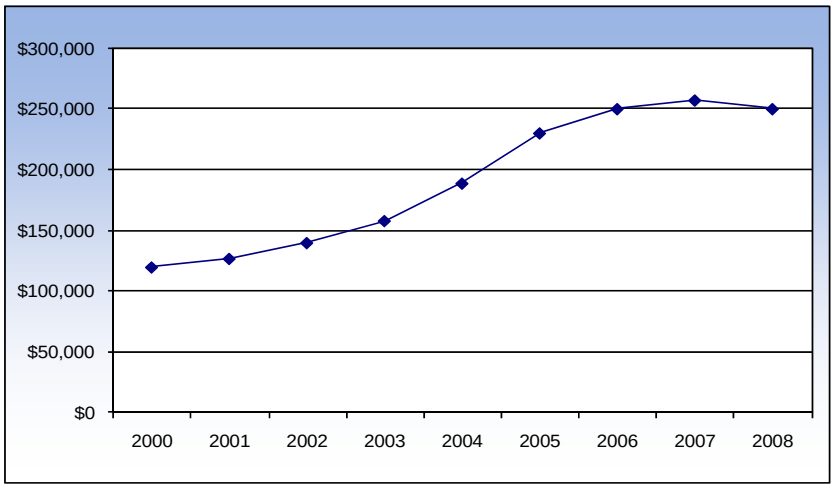
While the market has slowed in Hampton as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 4-22
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 4-23
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

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.[47] This pattern generally holds true for homeowners in Hampton. Among all owner households with incomes below 80% of the median family income in 2000, 50.6% of White households experienced problems compared to 63.5% of Blacks and 62.2% of Hispanics.

However, among all renter households of similar income levels, White, Black, and Hispanic households experienced problems at comparable rates of about 59%.

Figure 4-24
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	4,525	59.5%	660	55.3%	2,225	59.6%	1,640	61.0%
Black Non-Hispanic	8,285	59.6%	810	50.0%	4,565	63.0%	2,910	56.9%
Hispanic	384	58.6%	14	71.4%	240	58.3%	130	57.7%
Total	**13,194**	**59.5%**	**1,484**	**52.8%**	**7,030**	**61.8%**	**4,680**	**58.4%**
Owners								
White Non-Hispanic	4,740	50.6%	2,340	32.3%	1,570	68.5%	830	68.1%
Black Non-Hispanic	3,535	63.5%	1,415	52.3%	1,470	72.8%	650	66.9%
Hispanic	53	62.2%	24	16.7%	25	100.0%	4	100.0%
Total	**8,328**	**56.1%**	**3,779**	**42.1%**	**3,065**	**71.0%**	**1,484**	**67.7%**

Source: HUD Comprehensive Housing Affordability Strategy data

[47] 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.

OBSERVATION: Black and Hispanic homeowners were much more likely to experience housing problems than White home owners. Among all owner households with incomes below 80% of the median family incomes in 2000, 50.6% of White households experienced problems compared to 63.5% of Black households and 62.2% of Hispanic households.

D. Review of Private Sector Policies

i. 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 Hampton is from 2007 and 2008. Reviewing this data 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 focus 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 City. The information is provided 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 4-25
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**3,601**	**100.0%**	**2,347**	**100.0%**	**-1,254**	**-34.8%**
Black	1,213	33.7%	778	33.1%	-435	-35.9%
White	1,496	41.5%	999	42.6%	-497	-33.2%
Asian	52	1.4%	36	1.5%	-16	-30.8%
Hispanic*	132	3.7%	90	3.8%	-42	-31.8%
Other race	36	1.0%	20	0.9%	-16	-44.4%
No information/NA	804	22.3%	514	21.9%	-290	-36.1%
Originated	**1,874**	**100.0%**	**1,275**	**100.0%**	**-599**	**-32.0%**
Black	650	34.7%	464	36.4%	-186	-28.6%
White	971	51.8%	650	51.0%	-321	-33.1%
Asian	38	2.0%	22	1.7%	-16	-42.1%
Hispanic*	84	4.5%	53	4.2%	-31	-36.9%
Other race	23	1.2%	10	0.8%	-13	-56.5%
No information/NA	192	10.2%	129	10.1%	-63	-32.8%
Denied	**353**	**100.0%**	**137**	**100.0%**	**-216**	**-61.2%**
Black	186	52.7%	56	40.9%	-130	-69.9%
White	99	28.0%	49	35.8%	-50	-50.5%
Asian	7	2.0%	3	2.2%	-4	-57.1%
Hispanic*	15	4.2%	4	2.9%	-11	-73.3%
Other race	8	2.3%	2	1.5%	-6	-75.0%
No information/NA	53	15.0%	27	19.7%	-26	-49.1%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Hampton is the steep drop in the number of loan applications. 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 1,254 (34.8%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, by 35.9% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications for White applicants dropped slightly, from 51.8% to 51%, while the share of successful applications for Black applicants increased from 34.7% to 36.4%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications comprised a more substantial share of denials in 2008 – 35.8%, compared to 28% in 2007, while Black applications comprised a smaller share of denials – 40.9%, compared to 52.7% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 4-26
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	758	32.3%	407	17.3%	41	5.4%	68	9.0%	227	29.9%
FHA	743	31.7%	421	17.9%	20	2.7%	39	5.2%	255	34.3%
VA	846	36.0%	447	19.0%	9	1.1%	30	3.5%	350	41.4%
Loan Purpose: Home Purchase										
One to four-family unit	2,332	70.8%	1,273	54.6%	68	2.9%	128	5.5%	830	35.6%
Manufactured housing unit	15	0.5%	2	13.3%	2	13.3%	9	60.0%	2	13.3%
Applicant Race										
American Indian/Alaska Native	11	0.5%	6	54.5%	1	9.1%	1	9.1%	3	27.3%
Asian/Pacific Islander	36	1.5%	22	61.1%	3	8.3%	3	8.3%	7	19.4%
Hawaiian	9	0.4%	4	44.4%	-	0.0%	1	11.1%	3	33.3%
Black	778	33.1%	464	59.6%	22	2.8%	56	7.2%	222	28.5%
Hispanic**	90	3.8%	53	58.9%	2	2.2%	4	4.4%	27	30.0%
White	999	42.6%	650	65.1%	35	3.5%	49	4.9%	253	25.3%
No information	217	9.2%	129	59.4%	9	4.1%	27	12.4%	48	22.1%
Not applicable	297	12.7%	-	0.0%	-	0.0%	-	0.0%	296	99.7%
Applicant Sex										
Male	1,299	55.3%	827	63.7%	38	2.9%	84	6.5%	331	25.5%
Female	639	27.2%	385	60.3%	26	4.1%	36	5.6%	181	28.3%
No information	111	4.7%	62	55.9%	6	5.4%	17	15.3%	24	21.6%
Not applicable	298	12.7%	1	0.3%	-	0.0%	-	0.0%	296	99.3%
Total	**2,347**	**100.0%**	**1,275**	**54.3%**	**70**	**3.0%**	**137**	**5.8%**	**832**	**35.4%**

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently of race.

a. Households by Race

In 2008, 2,347 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Hampton. Of these applications:

- 42.6% (999) were submitted by White households.
- 33.1% (778) were submitted by Black households.
- 1.5% (36) were submitted by Asian/Pacific Islander households.
- 3.8% (90) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.

- 0.5% (11) were submitted by American Indian/Alaskan Native households.
- 0.4% (9) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 the City of Hampton, 67.7% (1,589) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 941 (59.2%) were minority households.

The denial rates for government-backed loans varied:

- The denial rate for FHA loans was 5.2%.
- The denial rate for VA-guaranteed loans was 3.5%.
- The denial rate for conventional loans was 9%.
- There were no FSA/RHS loan applications.

The Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act, effective beginning in October 2010, requires government-backed lenders to comply with certification and training requirements that include registration with the Nationwide Mortgage Licensing System. The requirements do not apply to private lenders, but do apply to local units of government and public housing authorities.

c. Denial of Applications

In 2008, the mortgage applications of 137 households in the City of Hampton were denied (16.9%). Denial reasons were given for 110 of the 137 denials. Reasons for denial included the following:

- Debt-to-income ratio: 30.9%
- Credit history: 28.2%
- Collateral: 12.7%
- Other: 11.8%
- Credit Application Incomplete: 6.4%
- Unverifiable information: 5.5%
- Insufficient Cash: 4.5%

Credit history, collateral and unsatisfactory debt-to-income ratios are the major reasons for denial of home mortgage applications throughout the City of Hampton.

Of any racial or ethnic group large enough to be statistically significant in 2008, Black households had the highest denial rate at 7.2%, or 56 of 778 applications submitted. White households were more likely to receive loans,

as only 4.9% of applications were denied. Hispanic households were denied at a rate of 11.4% in 2007, though this rate dropped to 4.4% in 2008.

Figure 4-27
Denials by Race and Ethnicity

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,213	186	15.3%	778	56	7.2%
Am. Indian/Alaska Native	15	2	13.3%	11	1	9.1%
Hawaiian	21	6	28.6%	9	1	11.1%
White	1,496	99	6.6%	999	49	4.9%
Hispanic*	132	15	11.4%	90	4	4.4%
Not Provided	804	53	6.6%	514	27	5.3%
Asian	52	7	13.5%	36	3	8.3%

* Hispanic ethnicity is counted independently of race.

OBSERVATION: Blacks were more likely to be denied mortgage financing than Whites. The loan denial rate for Black households was 7.2% in 2008, compared to 4.9% among Whites.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had higher denial rates, and denial rates remained consistently low for White households. The rate of denials for racial and ethnic groups with few members fluctuated significantly.

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 48.5% of all denials in 2007, though they accounted for only 35.6% of total applications. In 2008, lower income households comprised 48.2% of all denials and only 35.7% of all applications.

Figure 4-28
Denials by Income, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	1,283	171	13.3%	839	66	7.9%
At least 80% MFI	2,018	177	8.8%	1,508	71	4.7%
Total	3,601	353	9.8%	2,347	137	5.8%

Note: Total includes applications for which no income data was reported.

Of the 137 applications that were denied by area lending institutions, 133 reported household income. Of these 133 applications, 66 (49.6%) reported a household income of 80% or less than the City's median household income.

In the City of Hampton, 48.2%, 66 applications, of loan applications denied in 2008 were submitted by lower income households. The following tables show that denial rates are higher among minority households.

Figure 4-29
Denials by Race for Lower Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	500	86	17.2%	317	29	9.1%
White	555	53	9.5%	393	22	5.6%
Asian	16	1	6.3%	16	3	18.8%
Hawaiian	5	1	20.0%	5	0	0.0%
Am. Indian/Alaska Native	9	2	22.2%	2	0	0.0%
Not Provided	133	28	21.1%	77	12	15.6%
Not Applicable	65	0	0.0%	29	0	0.0%
Hispanic*	61	6	9.8%	44	0	0.0%
Total	**1,283**	**171**	**13.3%**	**839**	**66**	**7.9%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 33.3% were applications submitted by White households and 43.9% were applications submitted by Black households. The denial rate for Black households (9.1%) was significantly higher than for White households (5.6%). In addition, no racial information was provided for 18.2% of these applications.

Figure 4-30
Denials by Race for Upper Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	692	100	14.5%	461	27	5.9%
White	920	42	4.6%	606	27	4.5%
Asian	36	6	16.7%	20	0	0.0%
Hawaiian	16	5	31.3%	4	1	25.0%
Am. Indian/Alaska Native	6	0	0.0%	9	1	11.1%
Not Provided	236	24	10.2%	140	15	10.7%
Not Applicable	112	0	0.0%	268	0	0.0%
Hispanic*	67	7	10.4%	46	4	8.7%
Total	**2,018**	**177**	**8.8%**	**1,508**	**71**	**4.7%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower compared to lower income households. Of the upper income applications that were denied, 38% were submitted by White households. In addition, no racial information was provided for 21.1% of these applications.

Black upper income households had a denial rate of 5.9%, higher than the 4.5% denial rate for White upper income households. White households had the lowest denial rate.

OBSERVATION: Black upper income households had a mortgage denial rate of 5.9%, which was higher than the 4.5% denial rate for White upper income households in 2008. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

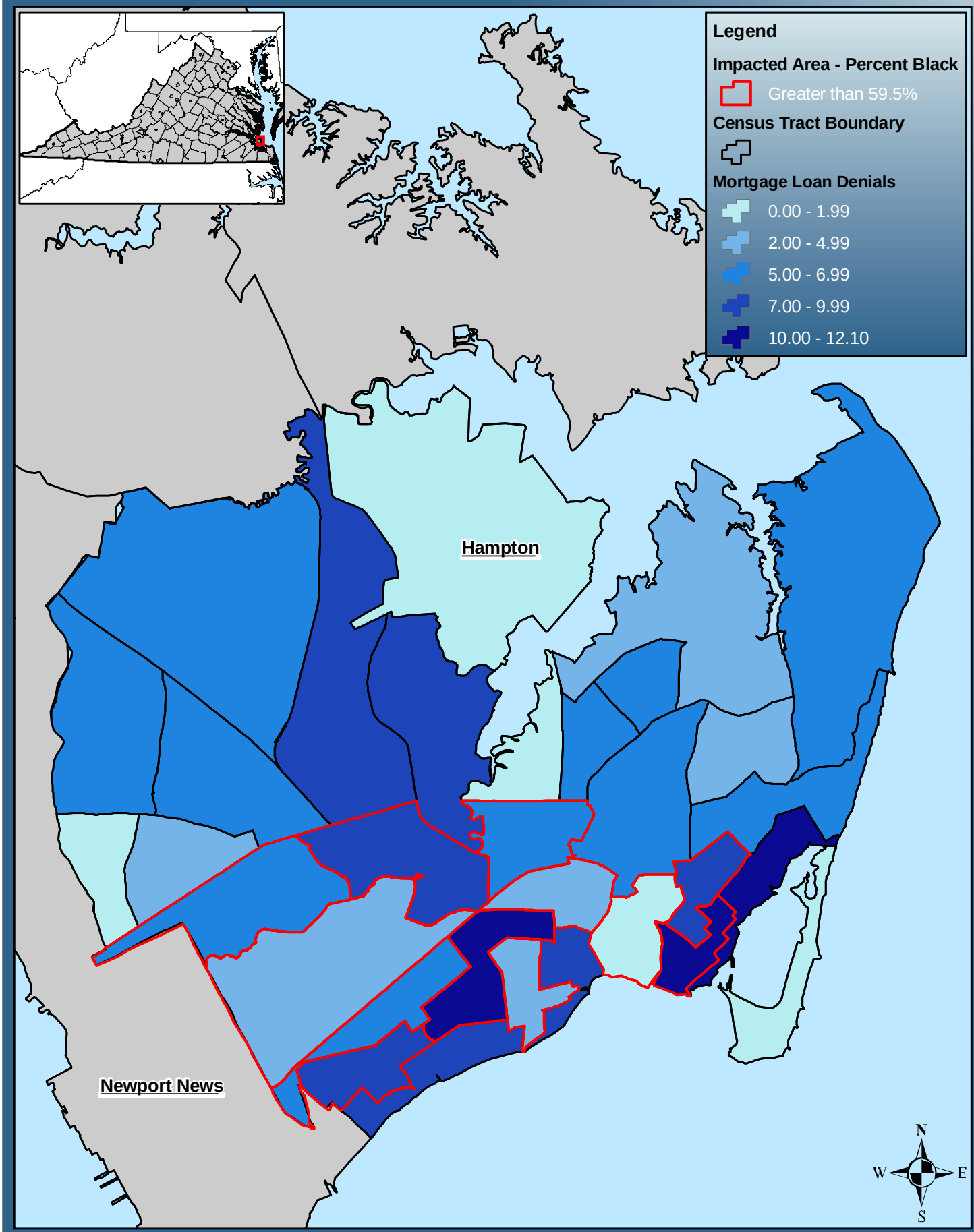
The 2008 HMDA data for the City of Hampton was analyzed to determine if a pattern of loan denials exists by census tract. Map 4-5 on the following page provides the summary data. Of the two census tracts with high numbers of denials, one has a moderate and one has a high minority concentration. These figures point toward a correlation between race and mortgage application denials.

OBSERVATION: There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

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Map 4-5: Percentage of Mortgage Loan Denials in Hampton, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



ii. High-Cost Lending Practices

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. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

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, there were 1,275 home purchase loans for single-family or manufactured units in the City of Hampton. Of this total, 1,273 disclosed the borrower's household income and 202 reported high-cost mortgages.

An analysis of loans by race and ethnicity reveals that lower income minorities are overrepresented in high-cost lending. Of the 299 loans

originated for lower income minorities, 63 (21.1%) were high-cost, exceeding the 5.5% rate for lower income White households.

Of the 399 loans originated for upper income minority households, 61 (15.3%) were high-cost, exceeding the 6.4% rate for upper income White households. Overall, a larger percentage of lower income households throughout the City of Hampton have received high-cost loans when compared to upper income households.

Figure 4-31
High-Cost Lending by Race/Ethnicity and Income, 2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2008	Am. Indian/Alaska Native	6	1	16.7%	5	1	20.0%
	Asian	13	2	15.4%	25	1	4.0%
	Black	276	60	21.7%	361	59	16.3%
	Hawaiian	4	0	0.0%	8	0	0.0%
	White	344	19	5.5%	621	40	6.4%
	No information/NA	62	8	12.9%	128	11	8.6%
	Hispanic*	38	4	10.5%	46	2	4.3%
	Total	**705**	**90**	**12.8%**	**1,148**	**112**	**9.8%**

Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

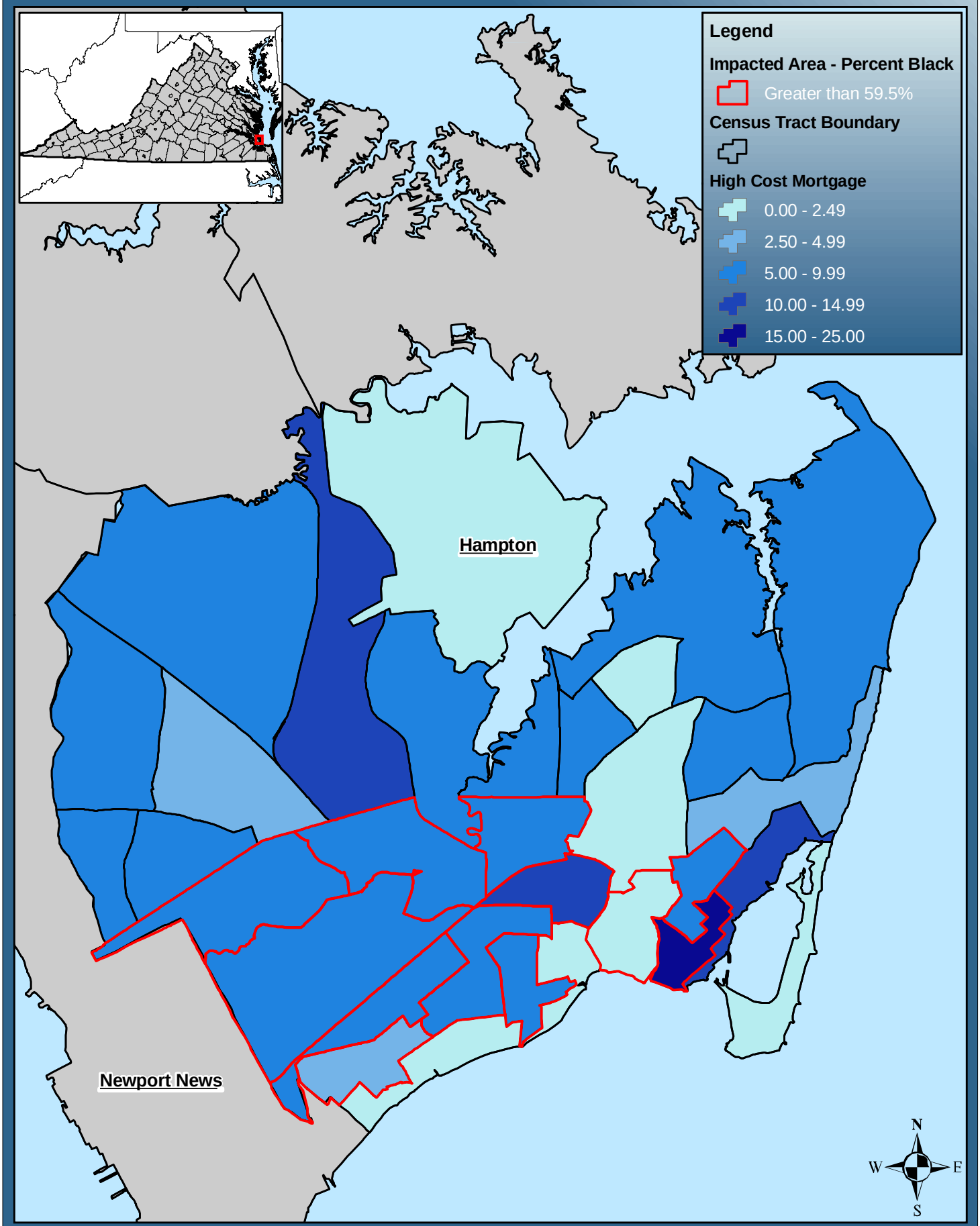
Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 4-6 on the following page highlights census tracts in Hampton that had higher rates of high-cost loans in 2008.

OBSERVATION: Minority households are disproportionately represented in high-cost lending. Of the 299 loans originated for lower-income minorities, 21.1% were high-cost, compared to 5.5% among lower-income White households. Of the 399 loans originated for upper-income minority households, 15.3% were high-cost, compared to 6.4% among upper-income White households.

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Map 4-6: Percentage of High-Cost Mortgage Loans in Hampton, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



E. Review of Public Sector Policies

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Hampton Redevelopment and Housing Authority (HRHA) is responsible for the management and operation of 541 public housing units in four housing communities: Lincoln Park, Lincoln Park High-rise, North Phoebus Townhouses, and Langley Village. Langley Village is designated as elderly housing. As of July 2011, of the 524 residents of HRHA's public housing communities, 486 (92.7%) were Black and 38 (7.3%) were White. Families with children comprised 48% of residents, and individuals or families with disabilities comprised 41%.

OBSERVATION: Black households are far more likely to reside in public housing than any other race or ethnicity. This may indicate limited housing choice for LMI Black households.

In addition to public housing, HRHA administers 2,733 Section 8 Housing Choice Vouchers including 215 units for veterans and 75 units for persons with disabilities. Black households comprised the majority (93%) of voucher holders, while White households accounted for 7%. Families with children comprised 57.1% of households, and individuals or families with disabilities comprised 22.8%.

OBSERVATION: Black households also are disproportionately represented among voucher holders. Ninety-three percent of voucher holders are Black.

Figure 4-32
Characteristics of Public Housing Households & Section 8 Voucher Holders, 2011

	Public Housing Residents		Section 8 Voucher Holders	
	# Households	%	# Households	%
Total Households	**524**	**100.0%**	**2733**	**100.0%**
Extremely Low Income (<30% MFI)	477	91.0%	2,143	78.4%
Very Low Income (>30% but <50% MFI)	42	8.0%	494	18.1%
Low Income (>50% but <80% MFI)	5	1.0%	96	3.5%
Families with Children	252	46.2%	1,561	57.1%
Elderly (1 or 2 person)	127	24.2%	237	8.7%
Individuals/Families with Disabilities	257	49.0%	639	23.3%
Black Households	486	92.7%	2,511	91.8%
White Households	38	7.3%	210	7.6%
Asian Households	0	0.0%	12	0.4%
Other Race Households	0	0.0%	0	0.0%
Characteristics by Bedroom Size				
1 Bedroom	245	46.7%	---	---
2 Bedroom	86	16.6%	---	---
3 Bedroom	153	29.2%	---	---
4 Bedroom	34	6.4%	---	---
5 Bedroom	6	1.1%	---	---

Source: Hampton Redevelopment and Housing Authority, July 2011

An interview was conducted with representatives of HRHA, who also completed a written questionnaire upon request. The following information was developed from the responses to the questionnaire provided by HRHA.

HRHA utilizes site-based waiting lists for its public housing communities. As of July 2011, there were 1,536 people on the waiting list for public housing. When an applicant is contacted about an available unit, they must take the unit offered at the time or risk being removed from the waiting list. For all potential public housing applicants, HRHA policy does not permit an applicant to reject a unit without losing their place on the waiting list. Over the past 20 years, HRHA has had an average turnover of one-third of its units annually.

OBSERVATION: When applicants on the waiting list for public housing are contacted about the availability of a unit, they must accept the one unit offered to them or risk being moved to the bottom of the list. Applicants should be given the opportunity to refuse a unit at least twice before being moved to the bottom of the list. This provides applicants with greater housing choice.

Current tenant demographics include 662 households with members with disabilities utilizing Section 8 vouchers (26.9% of 2,457) and another 246 households residing in public housing (45.6% of 539). HRHA maintains an up-to-date list of accessible units throughout the City, and has not had any difficultly placing disabled persons. The Endependence Center, a local non-profit organization that provides services to persons with disabilities, has been contact by housing authorities in Hampton and Newport News to

consult on issues of accessibility. However, the Endependence Center has voiced concerns over being treated as a "rubber stamp" instead of a partner in the development process.

In 2007, HRHA completed a Section 504 Needs Assessment to identify the accessibility needs of its public housing stock for persons with mobile and sensory disabilities. The required self-evaluation of policies and procedures was also conducted. Minimum standards require 5% of all units to be accessible to persons with mobility impairment, and another 2% to be accessible to persons with sensory impairments. The Section 504 accessibility standard is the Uniform Federal Accessibility Standards (UFAS). HRHA meets the 5% accessibility requirement for mobility impairments. According to the HRHA Transition Plan, all projects at least forty years old were grandfathered into UFAS and do not have to comply with ADA regulations. However, HRHA will respond to individual requests considering the reasonableness of the request and cost.

OBSERVATION: All HRHA public housing units are subject to the UFAS-accessibility standards promulgated by Section 504 of the Rehabilitation Act of 1973. HRHA should update is Needs Assessment and Transition Plan to ensure that 5% of all units are accessible to persons with mobility impairments and another 2% are accessible to persons with sensory impairments.

For applicants who receive Section 8 Housing Choice Vouchers through HRHA, their housing choices are greatly expanded both in number and location. Rental units accepting Section 8 vouchers are distributed throughout the City.

An estimated 1,700 individuals are on the Section 8 Housing Choice Voucher waiting list, a number the City is trying to reduce. Preference is given for foster care, domestic violence and other special circumstances such as displacement from a current living structure. As of July 2011, about 70 voucher holders used their voucher portability and were living outside of HRHA jurisdiction.

Two policy documents utilized by HRHA 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.

a. Public Housing Admissions and Continuing Occupancy Policy (ACOP)

HRHA's non-discrimination policy can be found in Chapter IA of the ACOP. Compliance is pledged with all federal civil rights laws which protect public housing applicants and residents with equal treatment in all HRHA programs and services. HRHA does not discriminate because of race, color, religion, national origin, age, religion, familial status. Familial status includes

children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18.

An applicant for public housing must qualify as a family. HUD defines a family as a single person or a group of persons including elderly, disabled, and displaced families and persons living with one or more live-in aides. Additionally, a group of persons is defined by HRHA as two or more persons who intend to share residency whose income and resources are available to meet the family's needs, and will live together in public housing. To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, HRHA requires that applicants demonstrate that the individuals have lived together previously, or certify that each individual's income and other resources will be available to meet the needs of the family.

Single applicants are treated by HRHA as any other eligible family on the public housing waiting list, but will be housed after elderly and disabled persons.

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

Chapter 4 of the ACOP explains HRHA's admission policies and procedures for the management of the public housing waiting lists. HRHA implemented site-based waiting lists in 2008.

HRHA uses the following local preferences to select applicants from the waiting list:

- Special circumstances (such as witness protection, disaster, victims of domestic violence, demolition or condemnation of previous housing)
- Targeted income (combined annual gross income for all household members is between 51% and 80% AMI)
- Working (head, spouse, co-head or sole member employed at least 30 hours per week. Persons age 62 or over or with disabilities are also given the benefit of this preference.)
- Applicants who live or work in Hampton.

Families are selected from each waiting list based on selection preferences for which they qualify. Within the preference category, families are selected in numerical order based on the date and time each application was received.

Chapter 13 discusses HRHA's policy for filing grievances. If a family disagrees with an action or inaction of HRHA, complaints will be referred to the Property Manager. Complaints regarding physical condition of the units may be reported by phone to the Property Manager or Maintenance

Department. Any grievance from a tenant must be requested in writing to the assigned Property Manager. The grievance may be discussed informally and settled without a formal hearing. A grievance must be requested within five business days of HRHA action or failure to act in accordance with the individual resident's lease or authority regulations.

Chapter 18 describes HRHA's reasonable accommodations policy. HRHA asks all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by HRHA. HRHA encourages the family to make its request in writing using a reasonable accommodation request form. However, it considers the accommodation any time the family indicates (orally or by a third party) that an accommodation is needed whether or not a formal written request is submitted. After a request for an accommodation is presented, HHRA will respond in writing within 10 business days.

To meet the needs of persons with hearing impairments, TTD/TTY communication is available. To meet the needs of persons with vision impairments, large-print and audio versions of key program documents are made available upon request. When visual aids are used in public meetings or presentations, or in meetings with staff, one-on-one assistance will be provided upon request.

Chapter 18 also discusses how HRHA provides information in languages other than English. HRHA analyzes the various kinds of contacts it has with the public, to assess language needs and decides what reasonable steps should be taken, where the costs imposed substantially exceed the benefits. Where feasible, HRHA trains and hires bilingual staff to be available to act as interpreters and translators, pools resources with other housing authorities, and standardizes documents. Where feasible and possible, it encourages the use of qualified community volunteers.

Persons with limited English proficiency (LEP) will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by HRHA. HRHA also provides written translations of vital documents for each eligible LEP language group that constitutes 5% or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered.

Translation of other documents, if needed, can be provided orally; or if there are fewer than 50 persons in a language group that reaches the 5% trigger, HRHA may not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.

HRHA will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful

access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

HRHA has established a pet policy that places limitations on the number, size and type of animals that may be kept by public housing residents. Exemption from these rules may be granted for residents who can demonstrate a relationship between their disability and a need for the assistance animal, which may or may not be formally trained. The ACOP specifies that for an animal to be excluded from the pet policy and be considered an assistance animal, there must be a person with disabilities in the household, and the family must request and HRHA must approve a reasonable accommodation in accordance with HRHA's standard policies for reasonable accommodations.

b. Section 8 Housing Choice Voucher Administrative Plan

Chapter 1-I.B. of the Admin Plan includes HRHA non-discrimination policy. HRHA strives to fully comply with all federal, state, and local nondiscrimination laws and rules and regulations governing fair housing and equal opportunity in housing and employment. HRHA pledges not discriminate because of race, color, sex, religion, familial status, age, disability or national origin. Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

HRHA takes steps to ensure that families and property owners are fully aware of all applicable civil rights laws. As part of the briefing process, information is provided to voucher applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

In Chapter 1-II.B. of the Admin Plan, HRHA states that it is aware that it must ensure that persons with disabilities have full access to its programs and services. As a matter of policy, HRHA asks all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action.

When needed, HRHA will modify its procedures to accommodate the needs of a person with disabilities. This includes permitting applications and reexaminations to be completed by mail; conducting home visits; using higher payment standards (either within the acceptable range or with HUD approval of a payment standard above 110%) if necessary, to enable a person with disabilities to obtain a suitable housing unit; providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit; permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with staff; and, displaying posters and other housing information in locations throughout the offices in such a manner so as to be easily readable from a wheelchair.

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HRHA will treat the information as a request for a reasonable accommodation, even if no formal request is made. Such requests may be made orally and by third parties on behalf of a person needing a reasonable accommodation. The family must explain what type of accommodation is needed to provide the person with the disability full access to the HRHA's programs and services.

When issuing a voucher to a family that includes an individual with a disability, HRHA will include a current list of available accessible units known to them and will assist the family in locating an available accessible unit, if necessary.

In order to comply with written-translation obligations, HRHA informs all applicants of alternative forms of communication that can be used other than plain language paperwork such as large print, sign language and text telephone display/teletype. Written translations of vital documents are provided for each eligible limited English proficiency (LEP) language group that constitutes 5% or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally. If there are fewer than 50 persons in a language group that reaches the 5% trigger, HRHA will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost. Additionally, if HRHA determines it is appropriate to develop a written LEP plan, it will do so.

Chapter 2 of the Admin Plan defines family in HRHA's HCV program. HUD's definition of a family includes a family 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; a single person who may be an elderly person; a displaced person; or, any other single person. HRHA has chosen to add a family with two or more persons who intend to share residency whose income and resources are available to meet the family's needs and who have a history as a family unit or show evidence of a stable family relationship. Single applicants are treated as any other eligible family on the waiting list.

Additionally, "mixed families" are eligible for assistance if at least one member is a citizen or eligible immigrant. Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination

Chapter 4C explains the preferences which HRHA has adopted to meet local housing needs. The preferences include:

- Parents of children in foster care where family reunification is imminent

- Eligible participants of the transitional housing program (Next Step) for victims of domestic abuse
- Eligible participants with special circumstances defined as a situation that arises where a family is in need of emergency housing due to witness protection, disaster (fire, flood, etc.) that has caused the unit to be uninhabitable, becoming victims of domestic violence, and demolition or condemnation of previous housing.

HRHA has two targeted programs for which special funding from HUD have been awarded. The Mainstream for Persons with Disabilities and Medicaid Waiver under Fair Share programs allows eligible applicants on the waiting list to receive priority placement.

Chapter 7 of the Admin Plan explains that at the initial briefing, applicant families are encouraged to search for housing in non-impacted areas with HRHA providing assistance to families who choose this option. The assistance provided to such families includes:

- A search record form to gather and record info
- Direct contact with landlords
- Meeting with neighborhood groups to promote understanding
- Formal or informal discussions with landlord groups
- Formal or informal discussions with social service agencies
- Counseling with the family
- Meeting with rental referral companies or agencies
- Meeting with fair housing groups or agencies.

Chapter 11 states that HRHA may have a higher payment standard within the City of Hampton if needed to expand housing opportunities outside areas of minority or poverty concentration, as long as the payment standard is within the 90%-110% of the FMR range.

Chapter 19 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. HRHA pledges to respond promptly and to document all complaints from families, owners, employees, and members of the public, whether in writing or by telephone. HRHA is aware that it must always provide the opportunity for an informal hearing before termination of assistance.

When HCV applicants are denied placement on the waiting list, or assistance termination, the family is informed that the presence of a disability may be considered a mitigating circumstance during the informal review process.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Hampton's federal funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.
- The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized.

Hampton has secured Neighborhood Stabilization Program (NSP) funding through the Virginia Department of Housing and Community Development to acquire and rehabilitate 15 foreclosure properties in the Greater Wythe and Old North Hampton neighborhoods. The City's NSP area was recently broadened to cover census tracts with a foreclosure score of 18 or higher and includes census tracts 104, 103.04, 103.08 and 118, with the latter two tracts being areas of racial concentration. Incentives will be provided to assist current homeowners in these areas in rehabilitating their homes.

Following the identification of neighborhoods as a strategic framework in 1993, the City has focused its CDBG and HOME resources to complement other resources in the implementation of the Hampton Neighborhood Initiative, relevant components of the Hampton Community Plan and

neighborhood plans. The City's Consolidated Plan places primary emphasis on improving the condition of housing stock, increasing homeownership and revitalizing low and moderate income neighborhoods.

The majority of CDBG activity sites are in the City's southern portions, where neighborhoods are more impacted by concentrations of low and moderate income persons and minority residents. Housing programs funded by CDBG and HOME are available across the City, but tend to also focus on the southern areas due to the predominance of older homes and the subsequent greater need for housing rehabilitation.

In order to achieve dramatic revitalization where the need is greatest, the City of Hampton has chosen to invest its federal and local resources in small, focused geographic areas. This initiative, the Hampton Housing Venture, targets small geographic areas in LMI neighborhoods for comprehensive improvements, including acquisition and redevelopment of blighted property, rehabilitation and public improvements, if required. Two downtown neighborhoods, Pasture Point and Olde Hampton, were designated as pilot areas, and the program has since expanded to also include the Sussex neighborhood.

The City's selection of priority housing needs is affected by factors that challenge Hampton in maintaining a high quality of life for its residents. Hampton has one of the lowest median incomes in the area, a disproportionately higher percentage of lower valued housing, a disproportionately lower percentage of higher-end housing and a low percentage of tax generated from commercial and industrial use. In particular, these challenges have led Hampton to focus on preserving and revitalizing its existing neighborhoods while using the limited supply of vacant land for the development of tax-generating commercial and industrial uses as well as moderate to higher-end housing. The City's strategy includes the following priorities:

- Rehabilitating existing owner housing
- Facilitating homeownership
- Distributing and diversifying housing types
- Upgrading and expanding affordable rental stock
- Helping lower income households achieve economic independence

According to HUD's assessment of the City's performance in FY 2008-2009, the City met or exceeded regulatory expectations in regard to serving LMI persons with 93.3% of Hampton's CDBG allocation ($871,027) used for activities that benefited LMI persons within the City. This was well above the minimum threshold of 70% established by HUD regulations.

Additionally, HUD noted that racial and ethnic minorities were represented among program beneficiaries, as 99 of 124 households benefiting from

CDBG allocations (79.8%) and 21 of 25 households benefiting from HOME allocations (84%) were minorities.

OBSERVATION: While investing CDBG, HOME, and NSP funds in areas requiring revitalization and development is important, affirmatively furthering fair housing also involves using these resources to create new housing opportunities outside areas of minority and LMI concentration.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Commission

The Hampton Planning Commission is a seven-member body appointed by the City Council to review matters related to land use and the Zoning Ordinance. The Planning Commission advises the City Council on all pertinent land uses and zoning issues, in accordance with the City's Community Plan. Also, the Planning Commission makes recommendations to the City Council on the Community Plan. As of July 2011, the Planning Commission had seven members: five citizens appointed by City Council, a member of City Council and the City Manager. The racial composition was 5 Black males and two White females.

b. Board of Zoning Appeals

The Hampton Board of Zoning Appeals (BZA) is responsible for hearing and deciding upon appeals against decisions made by the Zoning Administrator regarding the administration or enforcement of the City's Zoning Ordinance. The BZA also reviews applications for variance requests to the Zoning Ordinance. As of July 2011, the board was comprised of 4 White males and one Black male.

c. Citizens' Unity Commission

The City of Hampton's Citizens' Unity Commission is a 20-member body appointed by the City Council, with the goal of fostering understanding and respect for racial and cultural diversity in the City. The Commission promotes and sponsors activities throughout the City, including Diversity Education programs for individuals, businesses, and schools. Of the 15 Commission members listed in early 2011, 10 were female and five were male. Data on race, ethnicity and disability status was not available.

d. Hampton Redevelopment and Housing Authority

The Hampton Redevelopment and Housing Authority (HRHA) is the lead agency for housing. The City and HRHA coordinate policies and plans, and the City contracts annually with HRHA to administer the entire HOME program and the housing activities funded under the CDBG program. The HRHA Board establishes program guidelines for housing activities funded by CDBG and HOME, including the approval of rehabilitation loans, downpayment assistance grants and funding to Community Housing Development Organizations (CHDOs).

HRHA is also responsible for operating and maintaining public housing and operates the Section 8 and housing voucher programs in Hampton. HRHA also owns and operates non-subsidized affordable rental housing in the City, assisted in part with CDBG and HOME funding. HRHA promotes homeownership for qualified public housing residents through self-sufficiency, housing counseling and working with other non-profit housing providers. HRHA works with financial instituations including banks and Virginia Housing and Development Authority (VHDA) on the financing of affordable housing activities.

The HRHA Board of Commissioners is appointed by City Council. The composition of the current board, with photos, appears at *www.hrha.org*. Of the seven board seats, six are currently filled by three men and three women. Half of the board members represent racial minorities.

e. Hampton Neighborhood Commission

Hampton's neighborhood commission provides leadership, guidance and support to the Hampton Neighborhood Initiative, thereby creating healthy neighborhoods where everyone can realize their full potential for a better quality of life. The Commission is comprised of 21 members, who are appointed by City Council. The composition of members, which is also available online at *www.hampton.gov/neighborhoods/commission*, is as follows:

- 10 neighborhood representatives from 10 different geographic districts, appointed based on input from a community-based nomination process
- 3 institutional representatives drawn from the faith, nonprofit and business communities
- 1 school representative, nominated by the School Superintendent
- 3 City representatives, nominated by the City Manager
- 2 youth representatives, nominated by the Neighborhood Youth Advisory Board
- 2 at-large representatives, nominated relative to the priority concerns identified by the Commission in its work plan

OBSERVATION: In order to ensure that the housing needs of members of the protected classes are fully incorporated into community decision-making, the City of Hampton should more formally collect and monitor data on the race, ethnicity, gender and disability status of members of appointed public volunteer boards and commissions, adjusting recruitment efforts as necessary to achieve board compositions that are representative of the community at large.

iv. Limited Access Plan Persons with Limited English Proficiency

The City of Hampton does not currently have a Language Access Plan (LAP) to enhance services offered to persons with limited English proficiency (LEP). However, HRHA does have a policy to provide some translation services to persons with LEP. In a courtroom, hearing, or other situation in which health, safety, or access to important benefits is being discusses, HRHA will generally offer, or ensure the client is offered through other sources, competent oral translation services. HRHA will also provide written translations of vital documents for each eligible LEP language group that constitutes 5% or 1,000, whichever is less, of the population eligible to be served or likely to be affected. In 2008, Census data revealed that, among native Spanish speakers, the number of persons who speak English less than "very well" exceeds 1,000. Therefore, the City of Hampton should conduct a four-factor analysis to determine if additional services are needed. [48]

OBSERVATION: The LEP population has increased slightly since 2000, as demonstrated by the increasing number of persons who speak English less than "very well." This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Hampton was reviewed as part of the analysis for the 2003 AI. Since few amendments were adopted relative to the sections described below, much of the previous analysis is restated. Where revisions have been made since 2003, they are noted.

The review was based on topics raised in HUD's Fair Housing Guide, which include:

[48] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The opportunity to develop alternative designs (such as cluster developments and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

Hampton's zoning ordinance was adopted in 1960 and has been frequently amended through 2009. This demonstrates a concerted effort to modernize the ordinance with newer land uses, more innovative planning concepts, and modifications to a changing society.

b. Residential Zoning Districts and 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 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 10,000 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.

Today in Hampton, there are 16 distinct residential districts compared to 13 that existed in 2003. Of the 16, ten are primarily for single-family residences. Within these, two-family residences also are permitted if the owner of the structure lives in one of the two units. The Zoning Ordinance requires lot sizes up to 2.5 acres for a single-family detached dwelling. A single-family detached dwelling also can be developed in the residential districts on lots as small as 6,000 square feet.

There are six additional residential districts where a variety of multi-family units are permitted. Housing types range from duplexes to townhouses and multi-family apartments. The Zoning Ordinance permits apartment houses at densities up to 20 units per acre.

There are also three districts where commercial uses are a primarily use, but housing is also permitted. The combination of residential uses and non-residential uses potentially supports the creation of housing among uses with jobs and services. While there are large minimum lot sizes in the City, Hampton's Zoning Ordinance also permits a variety of smaller lot sizes accommodating a variety of households.

The Hampton Community Plan, adopted in 2006, includes an array of policies that address the topics in HUD's Fair Housing Guide, particularly as they relate to the development of a wide variety of housing types and affordability levels. One of the City's housing and neighborhood objectives specifically states that the City intends to "promote a diverse mix of housing values, types and choices to meet the needs of different income groups, ages and household types and sizes." The Plan anticipates that growing demand in the regional market for a variety of housing options will support a more diverse mix of housing within the City. In particular, whereas multi-family housing was once associated almost exclusively with apartments for rent and/or lower-income households, the Plan characterizes the multi-family market as more diverse now, in terms of ownership, income levels, configuration, amenities, architectural styles and adjacent non-residential uses. In order to encourage the expansion of diversity in the housing stock, the City plans to support infill housing and advance zoning requirements and other strategies that allow for increased housing mix and density in appropriate locations.

Beyond that, the Plan includes objectives to "promote equal access to housing without regard to race, religion, national origin, sex or physical handicap" and to "promote an equitable distribution of housing values at the regional level. The City plans to continue its support for programs and agencies that seek to eliminate housing discrimination.

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.

Hampton permits cluster developments in the R-LL district. With this type of design, reductions in minimum lot size and street frontage can be reduced by-right. Notably, the minimum lot size of 2.5 acres can be reduced to 1 acre for detached single family dwellings as long as the remaining 1.5 acres are maintained as commonly held green space.

In addition, Residential-Open Space subdivisions are permitted in the RT-1 district which enables the development of up to 10 single family units per acre.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family detached, two-family detached, duplexes, townhouses, and multiple-family dwellings supporting varied housing choice by diverse households in the community.

The Zoning Ordinance defines a "manufactured home" as "a structure subject to federal regulation, which is transportable in one or more sections; is eight body feet or more in width and 40 body feet or more in length in the traveling mode, or is 320 or more square feet when erected on site; is built with a permanent chassis; is designed to be used as a single-family dwelling, with or without a permanent foundation, when connected to the required utilities; and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure." The Zoning Ordinance defines "mobile home" to be "a residence, house car, trailer, camp car, or any portable or moveable vehicle or other vehicle on wheels, skids, rollers, propelling apparatus, which is, can or may be used for dwelling, housekeeping, or sleeping purposes." "Dwelling unit" is defined to include "a structure or portion thereof, containing one or more rooms, including bathroom and kitchen, which are arranged, designed, or used as a living and sleeping quarters for one family." The ordinance states that manufactured homes must be located in manufactured home parks.

The Zoning Ordinance provides standards for manufactured/mobile home parks or subdivisions in specific zoning districts. Manufactured/mobile home parks or subdivisions require a minimum of five acres and must contain ten lots. The Ordinance's limitation of manufactured homes and mobile homes exclusively to specified parks or subdivisions could potentially limit some low-cost housing options in the City.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

As defined by the Zoning Ordinance, family means "(1) an individual living alone in a dwelling unit; or (2) any of the following groups of persons living together and sharing living areas in a single dwelling unit:

(a) Two or more persons related by blood, marriage, adoption, or approved foster care;
(b) A group of not more than four persons who need not be related by blood, marriage, adoption, or approved foster care;
(c) Adult Care Residence 1;
(d) Day Care 1;
(e) Group Home 1;
(f) Juvenile Residence 1; and,
(g) A group of not more than two adults who need not be related by blood or marriage, and the children of each of the two adults.

f. 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 in violation of the Fair Housing Act.

To create opportunities for households that do not meet the strict definition of family, the Zoning Ordinance defines various types of group residences as follows.

"Adult care residence" is any residential facility for the maintenance or care of adults, licensed by the Virginia Department of Social Services, when applicable. Three categories are established as follows.

a) Adult Care Residence 1 (ACR1) is a facility housing no more than three residents. ACR1 is not required to be licensed by the VDSS.
b) Adult Care Residence 2 (ACR2) is a facility housing not less than four but no more than eight residents.
c) Adult Care Residence 3 (ACR3) is a facility housing nine or more residents.

"Group home" is a residential facility for mentally ill, mentally retarded or developmentally disabled persons, for which the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services is the licensing authority. Mental illness and developmental disability does not include the current illegal use of or addiction to a controlled substance. Two categories are established as follow.

a) Group Home 1 (GH1) is a facility housing no more than eight residents.
b) Group Home 2 (GH2) is a facility housing nine or more residents.

Larger group residences, generally those occupied by more than ten, may start to function as institutional uses and may require special consideration for servicing and parking by employees. If additional conditions are imposed, the conditions should be specifically related to potential problems arising from the nature of the use in the zone district. The standards should be easily quantified ensuring they are equally applied to all similar uses avoiding the potential for applying them in a discriminatory manner. When additional standards are imposed, efforts should be made to expedite the review process avoiding delay that may result in an impediment to development. While public input is important to development and planning in a community, the public review process for group homes needs to be balanced with ensuring that the review process does not incite unnecessary public opposition regarding the use.

F. 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.

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a

complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Hampton since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 17 complaints had been filed by persons in Hampton over an approximately five-year period. Eight of the 17 complaints resulted in "no violation" findings and were closed. Another four complaints were closed because neither HUD nor DPOR had jurisdiction in the matters. Another two cases were closed administratively due to uncooperative complainants. Of the three remaining complaints:

- One case alleged discrimination on the basis of familial status and was successfully conciliated.
- One case alleged discrimination on the basis of a physical disability involving refusal for reasonable accommodation. This case was also successfully conciliated.
- One case alleged discrimination on the basis of a physical disability involving refusal to rent, discriminatory advertising and refusal for reasonable accommodation. The case resulted in a charge of "probable cause" being issued by the Virginia Fair Housing Office and is pending trial.

ii. Patterns and Trends in Fair Housing Complaints

Fourteen of the 17 cases were closed administratively for a variety of reasons. Of the remaining three cases, two complaints alleged discrimination on the bases of disability.

iii. Existence of Fair Housing Discrimination

The City of Hampton is not currently involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Hampton is not involved in any current or pending suits.

G. Assessment of Current Fair Housing Programs and Activities

i. Progress since the 2003 AI

Each year, the City of Hampton structures its entitlement programs in such a way as to affirmatively further fair housing. The City's actions relevant to this goal during 2004 – 2008, as reported by the City in the Consolidated Annual Performance and Evaluation Report (CAPER) for each year, are discussed below.

During the 2008-2009 program year, the City undertook the following activities:

- A fair housing informational flyer was distributed to all 550 Hampton public housing residents in April 2009. In addition, staff provided an additional 100 fair housing flyers to HRHA clients.
- Sponsored a Fair Housing Seminar for Hampton citizens in partnership with the Virginia Department of Professional and Occupational Regulation (DPOR).
- Reprinted and distributed fair housing booklets to Hampton citizens and CDBG subrecipients.
- Continued to be an active participant on the Hampton Roads Community Housing Resources Board (HRCHRB) which undertook the following activities during 2008-2009:
    - Co-sponsored a Fair Housing Celebration with HUD in April 2009 in Norfolk.
    - Co-sponsored a Fair Housing Seminar with Tidewater Builders Association in April 2009.

During the 2007-2008 program year, the City undertook the following activities:

- A bilingual fair housing flyer was inserted into the Hampton Roads Sanitation District bills for City customers in April 2008.
- Approximately 22,950 bilingual fair housing inserts were delivered to 10 Hampton City Public Schools for distribution to students and an additional 6,000 inserts were provided to the City of Virginia Beach to distribute during an annual training session. The inserts were provided to the City by Housing Opportunities Made Equal (HOME).
- A fair housing informational flyer was distributed to all 550 Hampton public housing residents in April 2008. In addition, staff provided an additional 100 fair housing flyers to HRHA clients.
- A proclamation proclaiming April 2008 as Fair Housing Month in the City of Hampton was adopted by Hampton City Council.

- Continued to be an active participant on the HRCHRB, which undertook the following activities during 2007-2008:
    - Co-sponsored an annual fair housing training with the Department of Professional & Occupational Regulations (DPOR) in August 2007. A total of 36 attended the workshop.
    - Co-sponsored a Fair Housing Seminar with Tidewater Builders Association in April 2008.
    - Sponsored a fair housing poster contest with students from the Virginia Beach Technical and Career Education Center. The winning poster will be the cover of the new fair housing handbook published by Housing Opportunities Made Equal (HOME).
    - Formed a partnership with Housing Opportunities Made Equal (HOME) to update and publish a new Fair Housing Handbook.

During the 2006-2007 program year, the City undertook the following activities:

- A fair housing flyer was inserted into the water bills for all 48,000 Hampton Waterworks customers in October 2006.
- A flyer with fair housing information was delivered to all 550 Hampton public housing residents in April 2007.
- A proclamation proclaiming April 2007 as Fair Housing Month in the City of Hampton was adopted by Hampton City Council.
- The City, in partnership with the Virginia Department of Professional and Occupational Regulation, sponsored a Fair Housing Workshop for citizens on April 3, 2007.
- The City continued to be an active participant on the HRCHRB, which undertook the following activities during 2006-2007:
    - Co-sponsored a Fair Housing Seminar with Tidewater Builders Association in April 2007.
    - Sponsored a fair housing poster contest with students from the Virginia Beach Technical and Career Education Center.
    - Published and distributed 2,000 Fair Housing Handbooks.
    - The City and HRHA Authority formed a partnership with the Hampton University Department of Architecture to develop designs for handicapped accessible houses.

During the 2005-2006 program year, the City undertook the following activities:

- A flyer with fair housing information was delivered to all 550 public housing residents in Hampton.
- A proclamation proclaiming April 2006 as Fair Housing Month in the City of Hampton was adopted by Hampton City Council.

- The City continued to be an active participant on the HRCHRB, which sponsored a fair housing booth at the Virginia Housing and Development Authority's affordable housing fair held on June 10, 2006 at the Hampton Roads Convention Center.
- The City and HRHA formed a partnership with the Hampton University Department of Architecture to develop designs for handicapped accessible houses.

ii. Current Fair Housing Programs and Activities

Additionally, the following programs are administered annually.

The Citizens' Unity Commission (CUC) is a Commission of the City of Hampton with 20 members appointed by City Council. The Commissioners reflect the racial, ethnic and geographic composition of the City. The mission of the CUC is to:

- Increase public awareness about diversity issues and concerns.
- Promote the value of racial respect, understanding and harmony.
- Work to create a dialogue among cultural and racial groups.
- Work to dispel myths and misperceptions about various groups.
- Identify and monitor trends that impact diversity issues.
- Provide forums and programs to address citizen's concerns around diversity issues.

The Commission has developed a program that allows interaction among diverse groups and offers opportunities for honest dialogue. Its programs and activities address safety, judicial equity and intercultural communication. The Citizens Unity Commission also offers the Hampton Diversity College which is an eight-week course of multi-media, interactive diversity education. The course includes sessions such as Diversity 101, Getting to Know and Value Yourself, Work Style Preferences, Managing Generational Issues, Resolving Conflict in a Multicultural Environment and ICO — Inclusion, Control and Openness. These classes are offered to Hampton citizens free of charge.

In 2008, the Hampton Citizens' Unity Commission was selected as one of the winners of an Outstanding Achievement in Local Government Innovation Award by The Innovations Groups (IG). The award recognizes achievements in local government innovation. Selected programs must demonstrate a leap of creativity, commitment and support of bringing innovation to life, service delivery improvements, organizational improvement, positive impact on the community, or a successful approach to a public service delivery dilemma. The Citizens' Unity Commission was selected for its accomplishments in ensuring that Hampton becomes and remains a healthy, diverse community. Its successful programs and events include Hampton Diversity College, Unity

Awards Program, Hampton Unity Celebration, Diversity Resource Center, Hampton Pledge, and more.

The City's Equal Opportunity Compliance Officer is responsible for ensuring compliance with the Americans with Disabilities Act (ADA) in terms of making city programs, activities and services accessible to the disabled. He also identifies and eliminates practices that tend to have an unlawful adverse impact on protected population groups. The Equal Opportunity Compliance Officer also receives formal complaints and follows litigation in the furtherance of equality.

The Consolidated Procurement Office also plays an important role in outreaching to minority and women owned business enterprises by maintaining a centralized computer inventory of certified minority and women owned business enterprises. The inventory sorts businesses by services, products, business size and ownership by women and/or minorities. Minority and women owned businesses are identified for inclusion in the City's inventory through: 1) referrals from third parties such as the Virginia Office of Minority Business Enterprise or the U.S. Small Business Administration Programs; 2) direct requests from minority and women owned businesses; 3) previous successful experiences with the City; and, 4) affirmative outreach efforts sponsored by the City.

In April 2009, Hampton City Council adopted a resolution approving the City of Hampton Minority and Women-Owned Business Program Plan. The City Manager is required to report the City's progress with respect to meeting the goals outlined in the plan to the Purchasing and Procurement Oversight Committee on at least a quarterly basis, and reports to City Council on at least a semiannual basis.

Hampton also affirmatively furthers fair housing in the programs administered with HRHA and is committed to fairness and equal opportunities for individuals and groups covered by the Fair Housing Act. In cooperation with the HRHA, the City is continually making a conscientious effort to secure small, minority-owned housing rehabilitation construction firms to participate in the City's housing rehabilitation programs. HRHA has incorporated a Fair Housing Rights and Responsibilities component into the Homebuyer Workshops, and a more aggressive marketing campaign of existing programs offered by the City and HRHA has been instituted. In addition, HRHA has increased its marketing efforts to increase awareness about their rehabilitation programs which can be used to make accessibility modifications.

Hampton is also an active participant in the Hampton Roads Community Housing Resources Board (HRCHRB), which serves as the coordinating agency providing education and training on fair housing rights and responsibilities. In April 2009, the HRCHRB sponsored the annual fair housing poster contest for art students at the New Advanced Technology Center at Tidewater Community College. The art students were asked to

design a fair housing poster; the winning poster would then become the cover of the fair housing booklet published annually by the HRCHRB. Also in April 2009, the HRCHRB in partnership with the Tidewater Builders Association sponsored an annual seminar on the Landlord and Tenant Act for Fair Housing Month.

OBSERVATION: Analysis of the City's CDBG and HOME investments from 2004 to 2008 confirm that housing activities have been heavily focused in areas of minority and LMI concentration, while NSP investments during the past two years have spread housing opportunities into non-concentrated areas. While improving the quality of life in the neighborhoods with the most need is an important goal, the City must also demonstrate an effort to affirmatively further fair housing by expanding the availability of affordable housing in non-impacted areas. First consideration should be given to the use of CDBG and HOME funds for new family housing development (both sales and rentals) on sites outside of impacted areas.

H. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following preliminary findings are noted. From these findings, the potential impediments to fair housing choice in Hampton will be identified.

1. Minorities have continued to increase as a percentage of total population.

Minorities have increased from 41.6% to 53.1% of total population since 1990. Blacks remain the largest racial minority group, comprising 91% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which more than doubled from 2,636 persons in 1990 to 5,473 in 2008.

The LEP population has increased slightly since 2000 as demonstrated by the increasing number of linguistically isolated households. This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

The City should conduct a 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 its federal entitlement programs. If it is determined that the need for a Language Access Plan exists, the City must prepare the Plan in order to comply with Title VI of the Civil Rights Act of 1964.

2. There are several areas of racial concentration in Hampton, which is one of the more integrated cities in the region.

There are 12 census tracts in Hampton that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 104, 105.01, 105.02, 106.01, 106.02, 109, 113, 114, 116, 118, 199 and 120.

Achieving full integration among White persons and Black persons in the City would require 47.4% of Black residents moving to a different location within

Hampton. In addition to a White/Black index of 47.4, Hampton has a White/Asian index of 32.4, a White/multi-race index of 28.8, and a White/Hispanic index of 26.4. These numbers indicate that these subpopulations are more integrated than Black residents.

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

   Median household income among Blacks was equivalent to only 76% that of Whites in 2000, and poverty among Blacks was twice the rate among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

   Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 15% lived in poverty compared to 10.3% of persons without a disability.

   Female-headed households with children accounted for almost two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

   Families with at least one foreign-born parent were likely to have lower incomes than families with native-born parents. More than 44% of families with children and at least one foreign-born parent had incomes of less than 200% of poverty compared to 38.6% of families with children with native parents.

4. **Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.**

   Of the 30 low and moderate income census block groups in Hampton, 20 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

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

   Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 6.7% compared to 4.2% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

6. **The City gained almost 8,600 new housing units between 1990 and 2008; however, only 7% of these units were constructed in areas of concentration of Black residents.**

   The vast majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. Only 7% of the new housing units were built in four areas of racial concentration.

7. **Minorities are far less likely to become home owners in Hampton.**

   Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households. In

2009, the ownership rate among White households was 64.4%, compared to only 48.9% for Black households and 36.3% for Hispanic households.

8. The inventory of affordable housing in Hampton is increasingly inadequate, especially for members of the protected classes.

Between January 2007 and June 2008, Hampton had a foreclosure rate of 5.2%, the second-highest in the region. Of the 14 census tracts with rates above 5.2%, 10 are areas of concentration of Black residents.

Minority households were much more likely to live in larger families than White households. For example, 77% of Hispanic families and 64.2% of Black families included three or more persons compared to 53.8% of White families. However, only 13.3% of the rental housing stock contains three or more bedrooms compared to 47.9% of the owner housing stock.

Hampton lost 3,962 housing units renting for less than $500 between 2000 and 2008, a 63.8% loss of the 6,211 rental units in this category in 2000. By comparison, the number of units renting for $1,000 or more increased by 6,989, equivalent to 512.4% of the 1,364 such units that were available in 2000.

Minimum wage and low-income single-income households cannot afford a housing unit renting for the HUD fair market rent in Hampton. This situation forces these individuals and households to double-up with others or lease substandard units. Minority and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

Black households are far more likely to reside in public housing than any other race or ethnicity. This may indicate limited housing choice for LMI Black households.

Black households also are disproportionately represented among Section 8 voucher holders. Over 91% of voucher holders are Black households.

When applicants on the waiting list for public housing are contacted about the availability of a unit, they must accept the one unit offered to them or risk being moved to the bottom of the list. Applicants should be given the opportunity to refuse a unit at least twice before being moved to the bottom of the list. This provides applicants with greater housing choice.

All HRHA public housing units are subject to the UFAS-accessibility standards promulgated by Section 504 of the Rehabilitation Act of 1973. HRHA should update its Needs Assessment and Transition Plan to ensure that 5% of all units are UFAS-accessible for persons with mobility impairments and another 2% of all units are UFAS-accessible to persons with sensory impairments.

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

   Among all owner households with incomes below 80% of the median family income in 2000, 50.6% of White households experienced problems, compared to 63.5% of Blacks and 62.2% of Hispanics. HUD defines housing problems among occupied units as a lack of a complete kitchen, a lack of complete plumbing, having more than 1.01 persons per room (overcrowding) or costing more than 30% of the occupant's household income.

10. **Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.**

    In 2008, Black households were more likely to be denied mortgage financing than White households. The loan denial rate for Blacks was 7.2% compared to 4.9% among Whites.

    Black upper income households had a mortgage loan denial rate of 5.9%, which was higher than the 4.5% denial rate for White upper income households in 2008. More notably, Black *upper* income households were denied at higher rates than *lower* income White households. While these facts alone do not imply an impediment to fair housing choice, the pattern may indicate discrimination.

    Minority households are disproportionately represented in high-cost lending. Of the 299 loans originated for lower income minorities, 21.1% were high-cost compared to 5.5% among lower income White households. Of the 399 loans originated for upper income minority households, 15.3% were high-cost compared to 6.4% among upper income White households.

11. **By focusing both community development initiatives and affordable housing in identified neighborhood revitalization areas, Hampton has improved impacted areas, but also further concentrated lower-income minority residents.**

    Analysis of the City's CDBG and HOME investments from 2004 through 2008 confirm that housing activities have been heavily focused in areas of minority and LMI concentrations, while NSP activities during the last two years have expanded housing choice into non-concentrated areas. While improving the quality of life in these areas is an important goal, the City also must demonstrate an effort to affirmatively further fair housing by expanding the availability of affordable housing in non-impacted areas. First consideration should be given to the use of CDBG and HOME funds for new family housing development (both rentals and sales) on sites outside of impacted areas.

I. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Hampton were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

a. There is a lack of rental housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. Housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

b. Minorities have comparatively low homeownership rates.

Minority households in Hampton have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and residents in living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education), increasing lending, credit and banking services in LMI census tracts and minority census tracts, and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Hampton.

c. There is an inadequate supply of housing accessible to persons with disabilities in Hampton.

Disability advocates emphasized the critical demand for affordable housing that is accessible to persons with physical disabilities. Persons with disabilities often spend years waiting for an accessible dwelling to become available.

Proposed Action 1: The State of Virginia requires that at least 2% of all newly constructed multi-family housing be made accessible to persons with mobility impairments. In light of the needs of its population, the City of Hampton should consider instituting a higher threshold. This would involve securing the services of a mobility advocate to inspect

new residential units during the various stages of development (i.e., design, construction, post-construction, inspection, etc.) to ensure that accessible features are incorporated into the site, the building and the dwelling units. Special emphasis should be placed on handicapped parking near entrances, adequate passageway widths for wheelchairs and wheelchair accessibility through automatic doors.

Proposed Action 2: Continue to work with disability advocates to sponsor workshops and other educational opportunities for housing planning staff, developers, architects, builders, Realtors, and other housing professionals to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly-constructed or substantially rehabilitated housing units.

Proposed Action 3: Sponsor an annual workshop on fair housing law (including Virginia building code provisions) for builders, developers, architects, Realtors and other individuals and groups involved in the housing industry.

Proposed Action 4: Work with disability advocates to sponsor workshops and other educational opportunities for the City's building and housing staff and Realtors to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly constructed or substantially rehabilitated housing units.

Proposed Action 5: HRHA should update its Section 504 Needs Assessment and Transition Plan to verify that all of its handicapped accessible units are UFAS-accessible. In each public housing development, 5% of the total number of units should be UFAS-accessible to persons with mobility impairments and another 2% of all units should be accessible to persons with sensory impairments.

Proposed Action 6: In order to acknowledge, understand and remained informed by the regional context within which Hampton's housing market exists, the City should continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

d. Persons with limited English proficiency (LEP) may not be able to fully access federally funded services provided by the City.

Recent Census data indicate there are 1,063 native Spanish-speakers residing in Hampton who do not speak English very well. Significant segments of these population groups may face language barriers which prevent access to federally funded services provided by the City.

Proposed Action: The City should perform the four-factor analysis to determine if it must prepare a Language Access Plan with the intent of evaluating the extent to which various language groups with limited

English proficiency (LEP) need access to vital government documents. The purpose of the plan is to take meaningful steps toward ensuring access to City programs for LEP persons in accordance with Executive Order 13166 of 2001 and Section V of the Federal Register, Volume 72, No. 13 (2007). Complying with HUD's LEP requirements involves the completion of a four-factor analysis and subsequent implementation of the Language Access Plan.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Hampton, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Hampton. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Hampton.

Between January 2007 and June 2008, an estimated 1,254 foreclosure filings were recorded in the City, representing a rate of 5.2%, the second-highest rate in the region. Nine of the City's 31 census tracts had rates higher than 7%, and all of these tracts were areas of racial concentration.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

J. Signature Page for the City of Hampton

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Hampton is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

5. CITY OF NEWPORT NEWS

A. Historical Residential Settlement Patterns

Located on the world's largest natural harbor, Newport News has been a major port in the region since its founding. As a military center and port of embarkation for several wars, the City's development has been significantly influenced by the presence of Fort Eustis and defense-related industries. The City underwent several periods of rapid growth during World Wars I and II, and more modest expansions during the conflicts of the second half of the 20th century. With the military downsizing that began in the 1990, and continuing to today, Newport News has experienced a rapid slowdown of its population growth.

Between 1940 and 1980, the population of Newport News more than tripled, from 46,314 to 144,903.[49] The military installment at Fort Eustis and the shipbuilding manufacturer Newport News Shipbuilding, now a division of Huntington Ingalls Industries, were the engines of growth during this period, and continue to be central to the City's economy. Growth continued through the 1980s and 1990s, but at a slower rate. During the 1980s, the average annual growth rate was just 1.6%, and by the early 1990s, it had slowed to less than 1%.[50] Since the 1990s, Newport News and urban centers in the Hampton Roads region have had an out-migration of residents, many of whom have opted for the suburban developments in Chesapeake, Suffolk, and Gloucester, among others. In addition to these out-migrations, though, Newport News has had a flux of in-migration from residents of neighboring municipalities. The neo-traditional developments, such as Port Warwick, and mixed use development at City Center have driven many of these intra-regional migrations.

B. Demographic Profile

i. Population Trends

The population of Newport News grew almost 6% from 170,045 in 1990 to 180,150 in 2000. Since then, a slight dip in the number of residents has occurred, with the population stabilizing at just below 180,000. The real change has occurred in the racial composition of Newport News's residents. Since 1990, Whites residents have decreased almost 15% with a net loss of 15,783 residents. As a result, Whites residents were barely a majority of the population at 50.5% in 2008.

Concurrently, Blacks, Asians, Hispanics and residents of Some Other Race have increased in significant numbers. Between 1990 and 2008, non-White residents increased almost 40% from 63,627 to 88,979 with the number of Blacks surging by over 18,500 and accounting for 73.3% of the increase in non-White residents. Asian and Pacific Islanders increased 43.8%, growing by 1,740 residents. The percentage of persons of Some Other Race increased

[49] City of Newport News, "Framework for the Future 2030." 2008.
[50] Ibid.

35.2% from 2,002 to 2,707. Hispanics, who numbered 4,710 in 1990, more than doubled to 9,500.

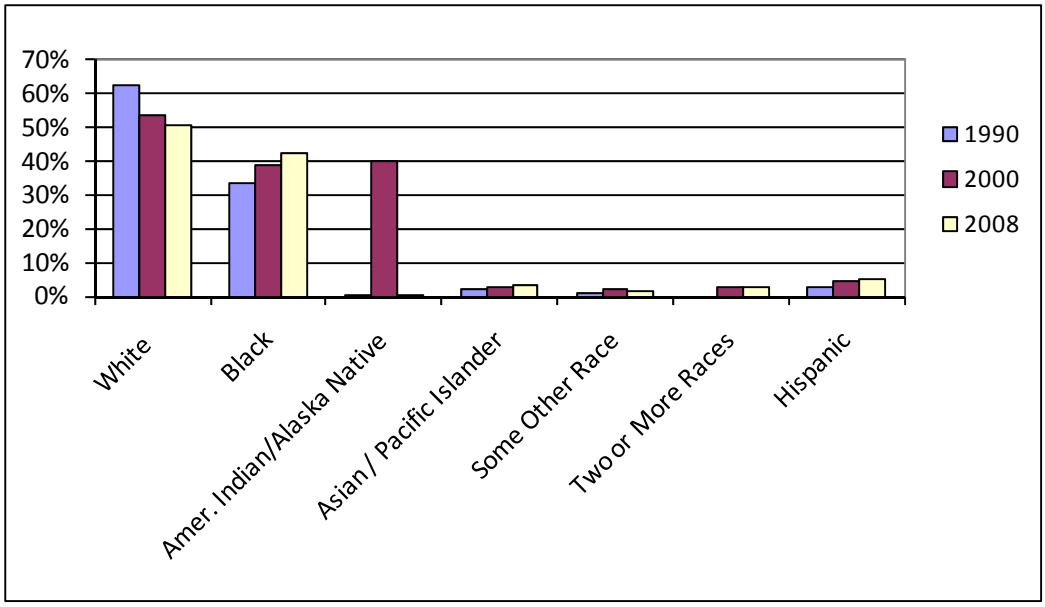
Figure 5-1
Population Trends, 1990-2008

	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Newport News	**170,045**	**100.0%**	**180,150**	**100.0%**	**179,614**	**100.0%**	**5.6%**
White Population	106,418	62.6%	96,383	53.5%	90,635	50.5%	-14.8%
Non-White Population	63,627	37.4%	80,350	44.6%	88,979	49.5%	39.8%
Black	57,077	33.6%	70,388	39.1%	75,657	42.1%	32.6%
Amer. Indian/Alaska Native	579	0.3%	752	0.4%	345	0.2%	-40.4%
Asian / Pacific Islander	3,969	2.3%	4,409	2.4%	5,709	3.2%	43.8%
Some Other Race	2,002	1.2%	3,225	1.8%	2,707	1.5%	35.2%
Two or More Races	---	---	4,993	2.8%	4,561	2.5%	-8.7%
Hispanic	4,710	2.8%	7,595	4.2%	9,500	5.3%	101.7%

Source: U.S. Census Bureau

OBSERVATION: Minorities have increased from 37.4% to 49.5% of total population since 1990. Blacks remain the largest minority group, comprising 85% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which doubled from 4,710 in 1990 to 9,500 in 2008.

Figure 5-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Source: U.S. Census Bureau

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 Newport News, Blacks comprised 43% of the population in 2009.[51] Therefore, an area of racial concentration of Black residents would include any census tract where the percentage of Blacks is 53% or higher. The following ten census tracts met this criterion: 301, 303, 304, 305, 306, 308, 309, 313, 321.24, and 322.12. The majority of these areas are located at the southern tip of the peninsula while two areas are located in the northern section of the City. No other racial group meets the criterion for an area of racial concentration.

Hispanics represented 4.9% of the population in 2009. Therefore, a census tract with a Hispanic population of 14.9% or greater would qualify as an area of ethnic concentration. Only one census tract, 323, met this criterion.

These areas are highlighted in Figure 5-3 and depicted in Maps 5-1 and 5-2.

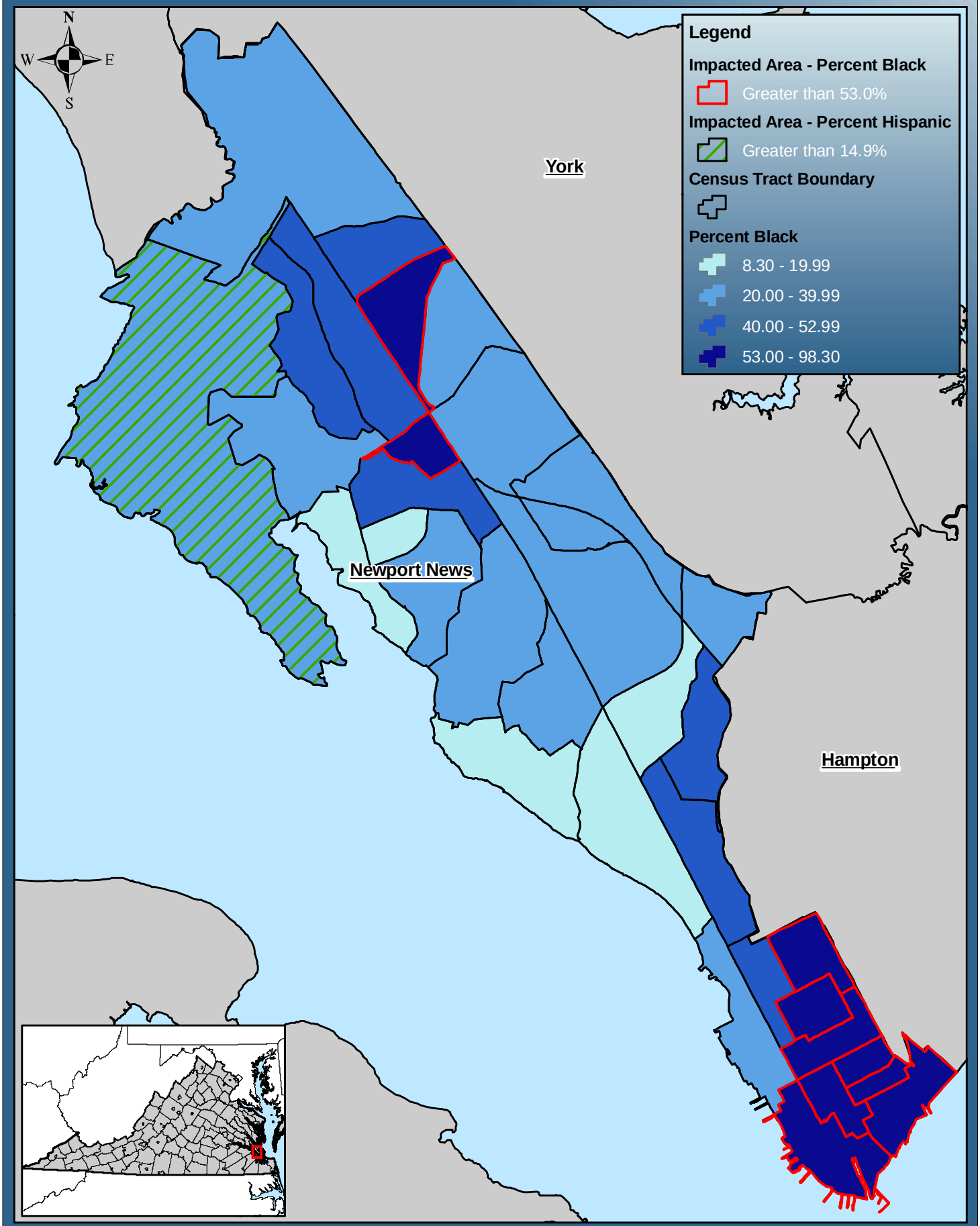
OBSERVATION: There are 11 census tracts in Newport News that meet the criterion for an area of minority concentration, also known as impacted areas. Ten census tracts are areas of racial concentration of Black residents and include tracts 301, 303, 304, 305, 308, 309, 313, 321.24, and 322.12. One census tract, 323, also meets the criterion for an area of ethnic concentration of Hispanics.

[51] Data estimates for 2009 were purchased from DemographicsNow to update Census 2000 data. The City is advised to use Census 2010, when available, to recalculate areas of minority concentration.

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Map 5-1: Black Population Concentrations in Newport News, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



Map 5-2: Hispanic Population Concentrations in Newport News, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

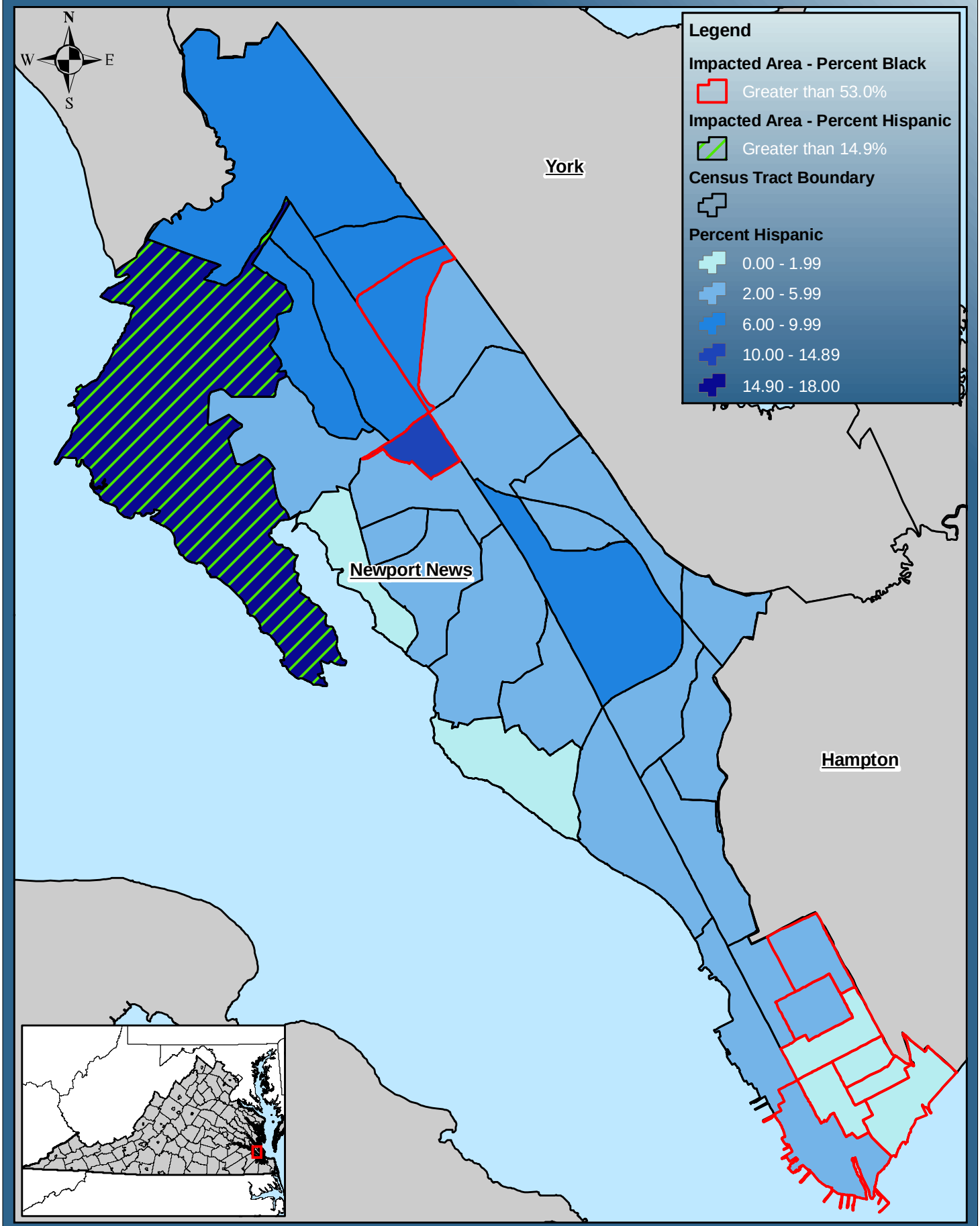


Figure 5-3
Census Tract Population by Race and Ethnicity, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
City of Newport News	**181,167**	**51.0%**	**43.0%**	**3.2%**	**4.9%**
301.00	5,040	9.5%	88.0%	0.6%	2.2%
303.00	6,207	4.6%	94.0%	0.2%	1.4%
304.00	3,813	1.7%	97.2%	0.2%	1.0%
305.00	2,037	2.7%	96.0%	0.1%	1.0%
306.00	2,689	1.5%	97.1%	0.5%	1.5%
308.00	2,424	0.7%	98.3%	0.0%	0.8%
309.00	2,056	24.9%	72.6%	0.8%	2.1%
311.00	2,685	58.4%	37.6%	1.3%	3.7%
312.00	2,372	50.5%	46.0%	1.4%	3.3%
313.00	4,372	42.5%	54.6%	1.2%	2.2%
314.00	5,788	55.8%	40.2%	1.9%	2.2%
315.00	5,860	76.7%	19.1%	2.0%	3.0%
316.01	5,902	53.3%	42.7%	1.7%	3.5%
316.02	4,165	78.3%	18.5%	1.3%	2.7%
317.00	7,851	70.8%	24.8%	2.6%	2.5%
318.00	3,801	88.9%	8.3%	2.0%	1.5%
319.00	8,101	74.3%	20.6%	2.7%	3.5%
320.01	2,900	78.3%	15.2%	5.1%	1.7%
320.02	6,358	68.6%	24.3%	4.6%	3.2%
320.04	7,197	41.2%	50.8%	4.6%	5.7%
320.05	2,770	73.1%	18.2%	6.0%	4.1%
321.13	3,129	64.8%	28.2%	3.9%	5.9%
321.14	1,740	70.9%	21.0%	5.6%	3.1%
321.15	10,687	55.1%	37.7%	3.5%	6.5%
321.16	8,135	59.9%	31.8%	5.6%	5.0%
321.17	4,446	67.3%	26.4%	3.6%	5.0%
321.23	5,324	42.3%	48.6%	4.7%	7.9%
321.24	3,908	36.3%	54.8%	4.9%	8.0%
321.25	10,427	58.6%	33.9%	4.4%	5.4%
322.11	6,456	67.8%	22.8%	7.0%	3.7%
322.12	3,865	16.1%	73.1%	5.8%	11.6%
322.21	10,833	46.3%	44.6%	5.1%	8.2%
322.22	7,921	40.5%	52.9%	3.0%	7.6%
323.00	6,156	53.7%	36.0%	3.1%	17.1%
324.00	3,752	59.8%	33.9%	2.6%	7.9%

Source: Demographics Now

Maps 5-1 and 5-2 depict the geographic location of the areas of minority concentration. In Newport News, the census tracts outlined in *red* are areas of concentration of Black residents, also referred to as impacted areas. Census tracts cross-hatched with *green* are areas of concentrations of Hispanic residents. It is within these impacted areas that other demographic characteristics—such as income and housing—will be analyzed.

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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[52] The index is typically interpreted as the percentage of a single racial group's population that would have to move in order for a community or neighborhood to achieve full integration.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Newport News is a moderately segregated community. The City's 2000 dissimilarity index of 50.3 for White persons and Black persons ranks 10th out of 18, and indicates that White persons and Black persons in Newport News are more segregated than they are in 50% of the state's most populated cities and towns. Among the seven cities in Hampton Roads, Newport News is the third most-integrated. Details are included in Figure 5-4.

[52] 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 5-4
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	Hampton	64,795	70,963	146,437	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	Suffolk	27,524	33,940	63,677	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Newport News is a moderately segregated municipality. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 50.3% of residents of one of the two racial groups would have to move to a different location within Newport News.

Dissimilarity index data for all Newport News subpopulations appear in the table below. This table indicates that in order to achieve full integration among White persons and Black persons in the City, 50.3% of residents in one of the two racial groups would have to move to a different location.

Figure 5-5
Newport News Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	93,624	52.0%
Black	50.3	69,538	38.6%
American Indian*	36.7	685	0.4%
Asian	30.3	4,112	2.3%
Hawaiian*	55.7	199	0.1%
Other*	44.3	356	0.2%
Two or more races	30.1	4,041	2.2%
Hispanic***	36.5	7,595	4.2%
TOTAL	-	180,150	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Newport News.
*** Hispanic ethnicity is counted independently of race.
Source: CensusScope

The indices above show that, in addition to a White/Black index of 50.3, Newport News has a White/Asian index of 30.3, a White/multi-race index of 30.1, and a White/Hispanic index of 36.5. These numbers indicate that these subpopulations are more integrated than White persons and Black persons. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

iv. Race/Ethnicity and Income

Household income is one of the several factors used to determine a household's eligibility for a home mortgage loan. A review of median household income reveals a stark contrast between race and ethnicity in Newport News. For all households in 2008, the median income was $49,664. The median household income for Blacks is equivalent to only 59% of the income level for White households. Hispanic households had the second-highest income level, which was equivalent to 93% of the income level for Whites; Asians were slightly lower at 89%.

Trends in poverty rates paralleled income. City-wide, the rate of poverty was 12.5%, but only 6.6% among White households. Black households were three times more likely to be living in poverty than Whites in 2008.

Figure 5-6
Median Household Income and Poverty Rates by Race/Ethnicity, 2008

	Median Household Income	Poverty Rate
City of Newport News	**$49,664**	**12.5%**
Whites	$61,199	6.6%
Blacks	$35,911	19.5%
Asians	$54,694	n/a
Hispanics	$56,611	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I)

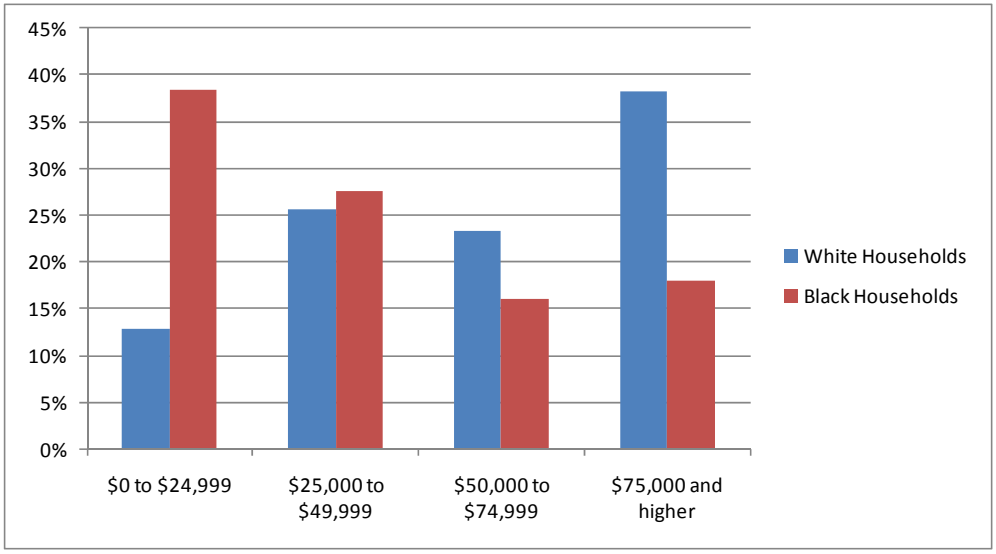
Distribution of household income by race revealed similar patterns with more White households in higher income brackets than Black households. Only 12.8% of White households had incomes less than $25,000 compared to 38.4% of Blacks. Within the $25,000-$49,999 bracket, the rates were comparable. At the opposite end of the spectrum, more than 61% of White households had incomes of $50,000 and higher compared to only 34% of Black households. Sample sizes for Asian and Hispanic households were too small to analyze.

Figure 5-7
Household Income Distribution by Race, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**71,717**	**17,451**	**24.3%**	**18,661**	**26.0%**	**14,549**	**20.3%**	**21,056**	**29.4%**
White Households	37,056	4,746	12.8%	9,490	25.6%	8,670	23.4%	14,150	38.2%
Black Households	31,043	11,906	38.4%	8,579	27.6%	4,968	16.0%	5,590	18.0%
Asian Housheholds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Hispanic Households	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Sample sizes for Asian and Hispanic Households were too small to analyze.
Source: U.S. Census Bureau, 2008 American Community Survey (C19001, B19001A, B19001B, B19001D, B19001I)

Figure 5-8
Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 59% that of Whites in 2000, and poverty among Blacks was triple the rate among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG program includes a statutory requirement that 70% of funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Newport News. HUD data on the percent of LMI persons reveals that there are 56 census block groups where more than 51% of residents meet the criteria for LMI status. Of these, 33 block groups were located within areas of racial concentration of Black residents and one block group was located within the area of ethnic concentration in Newport News. These areas are highlighted in Figure 5-9.

Map 5-3 on the following page also illustrates the location of areas of concentrations of Black residents and LMI persons in Newport News.

OBSERVATION: Of the 56 low and moderate income census block groups in Newport News, 34 are located within impacted areas of Black or Hispanic residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

Mullin & Lonergan Associates Incorporated

Map 5-3: Low and Moderate Income Concentrations in Newport News, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

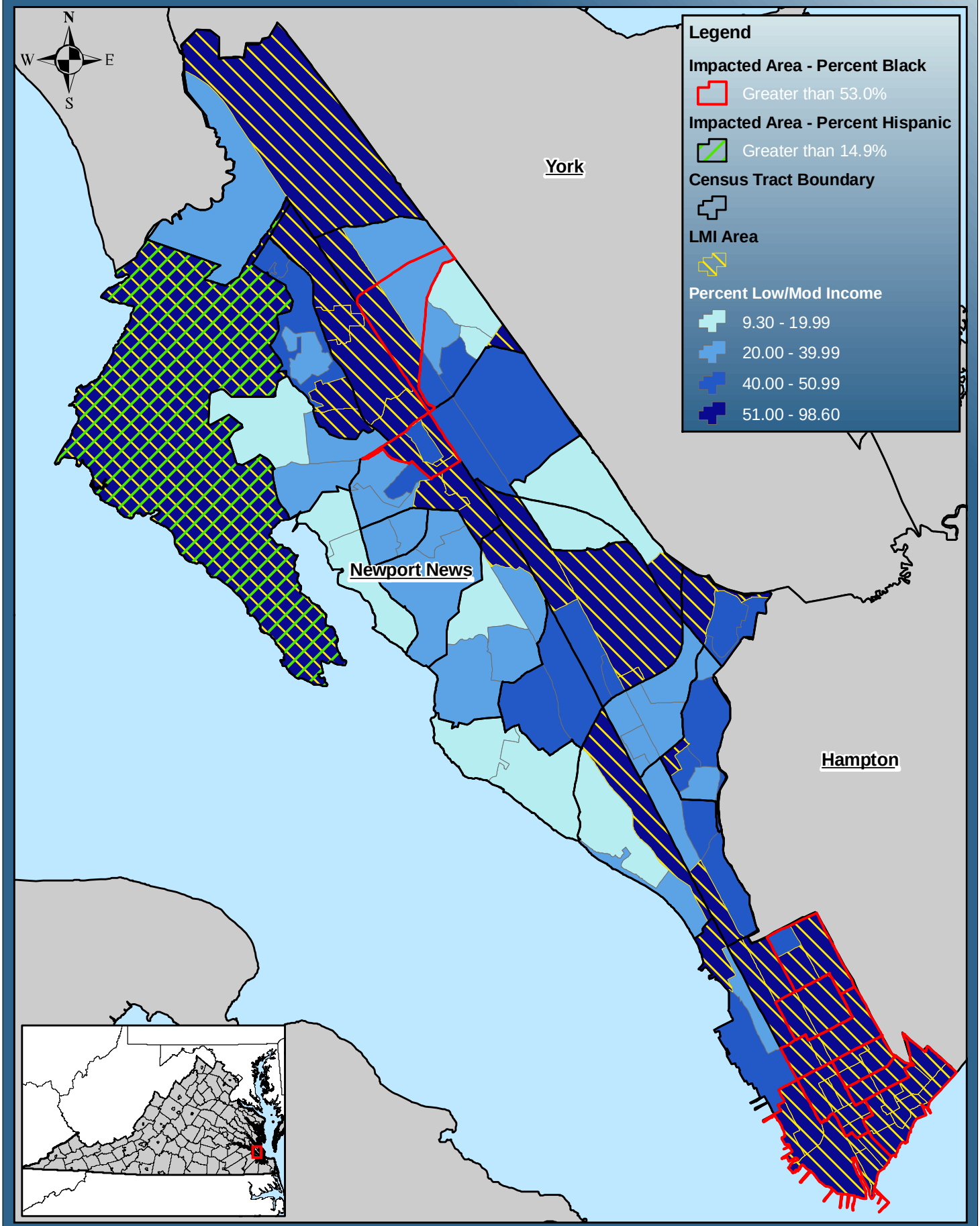


Figure 5-9
Low and Moderate Income Persons, 2009

Census Tract	Block Group	Low and Moderate Income Persons #	Universe	%	Census Tract	Block Group	Low and Moderate Income Persons #	Universe	%
301	1	135	147	91.84%	319	2	126	1358	9.28%
301	2	504	727	69.33%	319	3	467	1919	24.34%
301	3	1576	1598	98.62%	319	4	320	1091	29.33%
301	4	419	569	73.64%	319	5	871	1654	52.66%
301	5	429	487	88.09%	320.01	1	175	1179	14.84%
301	6	684	711	96.20%	320.01	2	203	1773	11.45%
303	1	738	1155	63.90%	320.02	1	418	1355	30.85%
303	2	773	1217	63.52%	320.02	2	961	4285	22.43%
303	3	586	785	74.65%	320.04	1	511	1600	31.94%
303	4	540	799	67.58%	320.04	2	295	606	48.68%
303	5	450	785	57.32%	320.04	3	331	1082	30.59%
303	6	572	1038	55.11%	320.04	4	700	1222	57.28%
303	7	391	673	58.10%	320.04	5	2356	2889	81.55%
304	1	616	646	95.36%	320.05	1	338	1539	21.96%
304	2	437	524	83.40%	320.05	2	494	1397	35.36%
304	3	707	976	72.44%	321.13	1	753	1538	48.96%
304	4	995	1177	84.54%	321.13	2	583	1227	47.51%
304	5	379	587	64.57%	321.14	1	283	1772	15.97%
305	1	659	1128	58.42%	321.15	1	1779	2908	61.18%
305	2	699	876	79.79%	321.15	2	1251	2176	57.49%
306	1	741	873	84.88%	321.15	3	580	687	84.43%
306	2	766	999	76.68%	321.15	4	293	651	45.01%
306	3	600	939	63.90%	321.15	5	1161	2555	45.44%
308	1	663	855	77.54%	321.16	1	1035	6168	16.78%
308	2	705	823	85.66%	321.16	2	1132	1921	58.93%
308	3	831	1002	82.93%	321.17	1	726	1198	60.60%
309	1	315	504	62.50%	321.17	2	851	2090	40.72%
309	2	1139	1509	75.48%	321.17	3	307	756	40.61%
311	1	281	1035	27.15%	321.23	1	789	969	81.42%
311	2	740	1373	53.90%	321.23	2	1381	3842	35.94%
311	3	218	458	47.60%	321.24	1	947	1629	58.13%
312	1	562	821	68.45%	321.24	2	849	2265	37.48%
312	2	852	1423	59.87%	321.25	1	426	948	44.94%
313	1	1483	2550	58.16%	321.25	2	490	1512	32.41%
313	2	733	1024	71.58%	321.25	3	549	3888	14.12%
313	3	445	927	48.00%	321.25	4	552	1034	53.38%
314	1	485	1352	35.87%	321.25	5	99	918	10.78%
314	2	532	1322	40.24%	321.25	6	786	1852	42.44%
314	3	618	1514	40.82%	322.11	1	512	3464	14.78%
314	4	1330	1640	81.10%	322.11	2	427	1954	21.85%
315	1	1405	2342	59.99%	322.11	3	451	1305	34.56%
315	2	673	2062	32.64%	322.12	1	652	1005	64.88%
315	3	291	1722	16.90%	322.12	2	529	1160	45.60%
316.01	1	146	602	24.25%	322.12	3	1560	2078	75.07%
316.01	2	867	2138	40.55%	322.21	1	966	1971	49.01%
316.01	3	1303	1450	89.86%	322.21	2	1863	3838	48.54%
316.01	4	505	1038	48.65%	322.21	3	337	1608	20.96%
316.01	5	389	1041	37.37%	322.21	4	735	1348	54.53%
316.02	1	303	799	37.92%	322.21	5	1031	1655	62.30%
316.02	2	248	744	33.33%	322.22	1	687	1147	59.90%
316.02	3	551	1478	37.28%	322.22	2	1111	1972	56.34%
316.02	4	466	1431	32.56%	322.22	3	3201	4733	67.63%
317	1	1623	4027	40.30%	323	1	2273	3529	64.41%
317	2	1085	2565	42.30%	324	2	8	49	16.33%
318	1	363	2175	16.69%	324	1	785	1981	39.63%
318	2	214	1748	12.24%	324	2	914	1332	68.62%
319	1	438	1810	24.20%					

Source: U.S. Dept. of Housing & Urban Development, 2009

vi. 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 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 Newport News, 8.8% of the population 5 years and older reported at least one type of disability in 2008.[53]

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Newport News, persons with disabilities were five times more likely to live in poverty than persons without disabilities. In 2008, among all persons with a disability, 19.5% lived in poverty. However, among all persons without a disability, only 12.4% were living in poverty.[54]

OBSERVATION: Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with disabilities, 19.4% lived in poverty in 2008 compared to 12.4% of persons without a disability.

vii. 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 have grown steadily from 14.9% to 19.7% of all households in Newport News since 1990. Female-headed households with

[53] U.S. Census Bureau, Census 2000 (SF3, PCT26)
[54] U.S. Census Bureau, Census 2000 (SF3, PCT34)

children also have increased, from 9.7% to 12.3%. In contrast, married couple family households with children have declined from 27.4% to 19%.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Newport News, female-headed households with children accounted for 70% of all families living in poverty compared to only 13% of married couples with children.[55]

Figure 5-10
Female-Headed Households and Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	**63,940**	**100.0%**	**69,750**	**100%**	**69,750**	**100%**
Family Households	45,912	71.8%	46,755	67.0%	46,755	67.0%
Married-couple family	34,675	54.2%	31,823	45.6%	28,867	41.4%
With Children	17,525	27.4%	15,592	22.4%	13,262	19.0%
Without Children	17,150	26.8%	16,231	23.3%	15,605	22.4%
Female-Headed Households	**9,534**	**14.9%**	**12,172**	**17.5%**	**13,714**	**19.7%**
With Children	**6,213**	**9.7%**	**8,129**	**11.7%**	**8,580**	**12.3%**
Without Children	3,321	5.2%	4,043	5.8%	5,134	7.4%
Male-Headed Household	1703	2.7%	2,760	4.0%	3,185	4.6%
With Children	724	1.1%	1,531	2.2%	1668	2.4%
Without Children	979	1.5%	1,229	1.8%	1517	2.2%
Non-family and 1-person Households	18,028	28.2%	22,995	33.0%	22,995	33.0%

Sources: U.S. Census Bureau, 1990 (SFT-3, DP-1), Census 2000 (SF-3, P-15); 2008 American Community Survey (B11003)

OBSERVATION: Female-headed households with children accounted for more than two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 Newport News revealed that 6.2% of residents were foreign-born.[56] Among families with children who were living with one or more foreign-born parents, 9.4% were living in households with incomes of less than 200% of the poverty level.[57]

[55] U.S. Census Bureau, Census 2000 (SF3, P90)
[56] U.S. Census Bureau, 2008 American Community Survey (C05002)
[57] U.S. Census Bureau 2008 American Community Survey (C05010)

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 issued its guidelines on how to address the needs of persons with LEP in January 2007. 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 that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

American Community Survey (ACS) data reports on the non-English language spoke at home for the population five years and older. In the City of Newport News in 2008, 6,025 persons spoke English less than "very well." Of these, 2,802 (46.5%) were Spanish speakers, and 1,987 (33.0%) spoke an Asian or Pacific Island language. Among speakers of an Asian or Pacific Island language, Korean and Tagalog (spoken by persons native to the Philippines) comprised the largest language groups.[58]

Figure 5-11
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**2,802**
Asian or Pacific Island	**1,987**
Other Indo-European	872
Other languages	364

Source: 2006-2008 American Community Survey (C16004)

In Newport News, the number of LEP Spanish speakers exceeds 1,000. Acknowledging an expanding population of persons with LEP, Newport News Redevelopment and Housing Authority (NNRHA) conducted a four-factor analysis in 2007. [59] Since then, NNRHA has adopted a Language Access Plan (LAP) for persons with LEP. Although there is no requirement to develop a LAP for persons with LEP, HUD entitlement communities are responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964. An LAP is the most effective manner of achieving compliance.

[58] U.S. Census Bureau, 2006-2008 American Community Survey (B16001)
[59] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

OBSERVATION: The City of Newport News should conduct a 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 its federal entitlement programs. If it is determined that the need for an LAP exists, the City must prepare the LAP in order to comply with Title VI of the Civil Rights act of 1964.

ix. Protected Class Status and Unemployment

The overall unemployment rate in the City in 2008 was 5.3%. Unemployment was higher among males (6.5%) than females (4.3%), and among Blacks (6.1%) than Whites (4.8%). Data were not available for Asian and Hispanic persons within the CLF due to small sample sizes.

Figure 5-12
Civilian Labor Force, 2008

	Virginia Total	%	Newport News Total	%
Total Civilian Labor Force (CLF)	**4,124,444**	**100%**	**179,614**	**100%**
Employed	3,936,079	95.4%	136,246	75.9%
Unemployed	188,365	4.6%	4685	2.6%
Male CLF	2,111,297	**100.0%**	**41,356**	**100.0%**
Employed	2,006,634	95.0%	38,681	93.5%
Unemployed	104,663	5.0%	2675	6.5%
Female CLF	**1,963,916**	**100.0%**	**47,208**	**100.0%**
Employed	1,867,786	95.1%	45,198	95.7%
Unemployed	96,130	4.9%	2010	4.3%
White CLF	**2,916,813**	**100%**	**73,019**	**100%**
Employed	2,799,732	96.0%	42,887	58.7%
Unemployed	117,081	4.0%	2,141	2.9%
Black CLF	**772,382**	**100%**	**55,173**	**100%**
Employed	709,453	91.9%	36,269	65.7%
Unemployed	62,929	8.1%	2,350	4.3%
Asian CLF	**214,026**	**100%**	**n/a**	**n/a**
Employed	204,543	95.6%	n/a	n/a
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF	**277,742**	**100%**	**n/a**	**n/a**
Employed	261,165	94.0%	n/a	n/a
Unemployed	16,577	6.0%	n/a	n/a

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

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rates in 2008 at 6.1% compared to 4.8% among Whites. Higher employment, whether temporary or permanent, will mean less disposable income for housing expenses.

C. Housing Market

i. Housing Inventory

The housing inventory in Newport News grew significantly between 1990 and 2009 with the addition of 12,135 new residential units. The majority of

new development occurred in ten census tracts, only one of which was identified as an area of minority concentration (tract 321.24).

By comparison, the City also experienced a loss of 3,019 housing units during the same period. With the exception of tracts 321.24 and 322.12, which experienced net increases in units, the net losses occurred in areas of racial concentration.

The change in housing units by census tract is illustrated in Figure 5-13 and on Map 5-3 on the following page.

OBSERVATION: The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. In contrast, the majority of net losses occurred in all but two of the areas of minority concentration.

Figure 5-13
Trends in Total Housing Units, 1990-2009

Census Tract	1990		2000		2009		Change 1990-2009	
	#	%	#	%	#	%	#	%
City of Newport News	**69,736**	**100.0%**	**74,117**	**100.0%**	**79,105**	**100.0%**	**9,369**	**13.4%**
301.00	2,321	3.3%	2,019	2.7%	2,090	2.6%	-231	-2.5%
303.00	2,871	4.1%	2,771	3.7%	2,807	3.5%	-64	-0.7%
304.00	1,762	2.5%	1,591	2.1%	1,682	2.1%	-80	-0.9%
305.00	1,081	1.6%	914	1.2%	887	1.1%	-194	-2.1%
306.00	1,416	2.0%	1,334	1.8%	1,349	1.7%	-67	-0.7%
308.00	1,096	1.6%	1,069	1.4%	1,068	1.4%	-28	-0.3%
309.00	1,588	2.3%	1,059	1.4%	1,108	1.4%	-480	-5.1%
311.00	1,670	2.4%	1,444	1.9%	1,447	1.8%	-223	-2.4%
312.00	999	1.4%	1,221	1.6%	1,339	1.7%	340	3.6%
313.00	2,207	3.2%	2,046	2.8%	2,127	2.7%	-80	-0.9%
314.00	2,740	3.9%	2,615	3.5%	2,596	3.3%	-144	-1.5%
315.00	2,962	4.2%	2,814	3.8%	2,825	3.6%	-137	-1.5%
316.01	2185	3.1%	2,426	3.3%	2,438	3.1%	253	2.7%
316.02	2015	2.9%	1,981	2.7%	1,980	2.5%	-35	-0.4%
317.00	2976	4.3%	3,128	4.2%	3,521	4.5%	545	5.8%
318.00	1670	2.4%	1,673	2.3%	1,710	2.2%	40	0.4%
319.00	2585	3.7%	3,349	4.5%	3,660	4.6%	1,075	11.5%
320.01	1052	1.5%	1,129	1.5%	1,158	1.5%	106	1.1%
320.02	1574	2.3%	2,009	2.7%	2,302	2.9%	728	7.8%
320.04	2923	4.2%	3,033	4.1%	3,102	3.9%	179	1.9%
320.05	986	1.4%	1,035	1.4%	1,057	1.3%	71	0.8%
321.13	1261	1.8%	1,503	2.0%	1,492	1.9%	231	2.5%
321.14	734	1.1%	761	1.0%	829	1.0%	95	1.0%
321.15	4117	5.9%	4,453	6.0%	5,653	7.1%	1,536	16.4%
321.16	1412	2.0%	3,664	4.9%	3,906	4.9%	2,494	26.6%
321.17	1970	2.8%	1,901	2.6%	2,151	2.7%	181	1.9%
321.23	1439	2.1%	1,860	2.5%	2,251	2.8%	812	8.7%
321.24	782	1.1%	1,472	2.0%	1,548	2.0%	766	8.2%
321.25	3479	5.0%	3,883	5.2%	4,278	5.4%	799	8.5%
322.11	2256	3.2%	2,375	3.2%	2,437	3.1%	181	1.9%
322.12	1628	2.3%	1,733	2.3%	1,688	2.1%	60	0.6%
322.21	3650	5.2%	4,132	5.6%	4,599	5.8%	949	10.1%
322.22	2738	3.9%	3,222	4.3%	3,474	4.4%	736	7.9%
323.00	2233	3.2%	988	1.3%	977	1.2%	-1,256	-13.4%
324.00	1358	1.9%	1,510	2.0%	1,569	2.0%	211	2.3%

Source: DemographicsNow

ii. Types of Housing Units

Of the 74,117 structures in 2000, 58.6% were single family units; another 38.5% were multi-family units of all sizes. Census tract 321.25 contained the largest number of single family units while tract 321.15 contained the greatest number of multi-family units. Map 5-4 on the following page illustrates the geographic concentration of multi-family units in impacted areas.

Map 5-4: Change in Housing Units in Newport News, 1990-2009

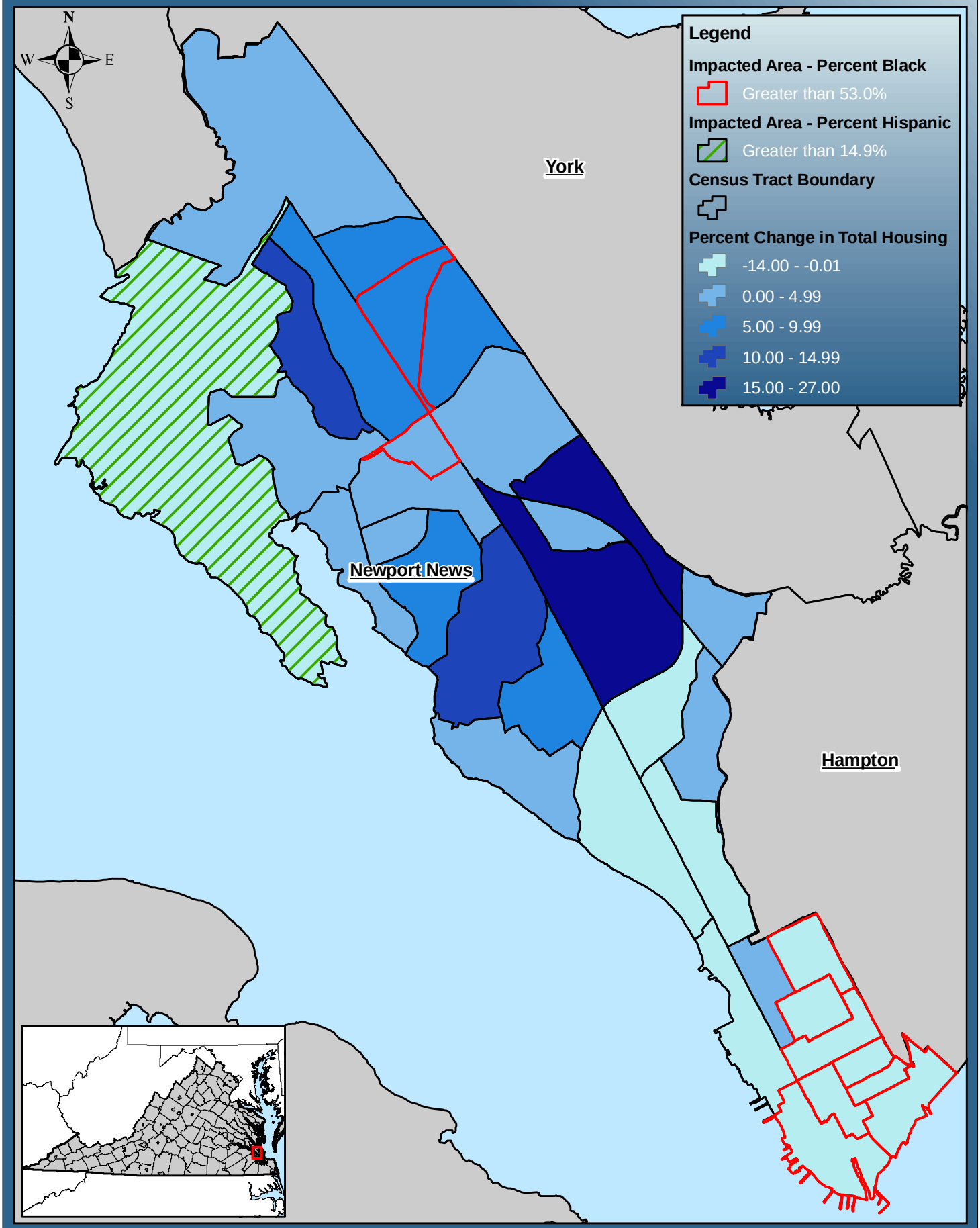


Figure 5-14
Trends in Housing Units in Structures, 2000

	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
City of Newport News	**74,117**	**43,455**	**7,024**	**9,522**	**6,059**	**5,893**	**28,498**	**2,134**	**27**
301.00	2,019	242	163	606	153	667	1,589	0	0
303.00	2,771	2,116	281	213	26	42	562	6	0
304.00	1,620	993	207	282	89	72	650	13	0
305.00	885	715	139	27	0	0	166	0	0
306.00	1,358	834	198	135	174	20	527	0	0
308.00	1,093	527	104	236	35	78	453	0	0
309.00	1,011	446	63	390	23	12	488	0	0
311.00	1,443	633	255	142	45	291	733	7	0
312.00	1,222	308	7	247	104	121	479	368	19
313.00	2,046	1,449	44	38	88	157	327	0	0
314.00	2,615	1,846	80	64	106	384	634	0	0
315.00	2,814	1,961	413	196	286	228	1,123	50	0
316.01	2,426	1,572	19	99	251	278	647	0	0
316.02	1,981	1,493	39	110	172	145	466	6	0
317.00	3,128	1,718	247	251	265	479	1,242	0	0
318.00	1,673	1,673	0	0	0	0	0	0	0
319.00	3,346	2,301	146	100	424	345	1,015	0	0
320.01	1,129	1,122	13	0	0	0	13	0	0
320.02	2,009	2,000	95	0	0	9	104	0	0
320.04	3,033	1,543	204	511	605	100	1,420	16	0
320.05	1,038	1,038	30	0		0	30	0	0
321.13	1,527	208	134	391	213	268	1,006	202	0
321.14	789	388	62	49	217	86	414	0	0
321.15	4,429	542	257	933	1,057	715	2,962	683	0
321.16	3,636	2,248	840	453	414	203	1,910	10	8
321.17	1,901	960	30	399	192	121	742	0	0
321.23	1,860	1,161	257	242	181	125	805	10	0
321.24	1,472	849	129	303	99	41	572	19	0
321.25	3,883	2,866	518	497	99	190	1,304	0	0
322.11	2,375	2,349	13	0	10	11	34	0	0
322.12	1,733	628	185	536	204	223	1,148	0	0
322.21	4,132	2,430	501	670	350	222	1,743	0	0
322.22	3,222	1,186	673	734	102	228	1,737	700	0
323.00	988	377	341	281	5	0	627	44	0
324.00	1,510	733	337	387	70	32	826	0	0

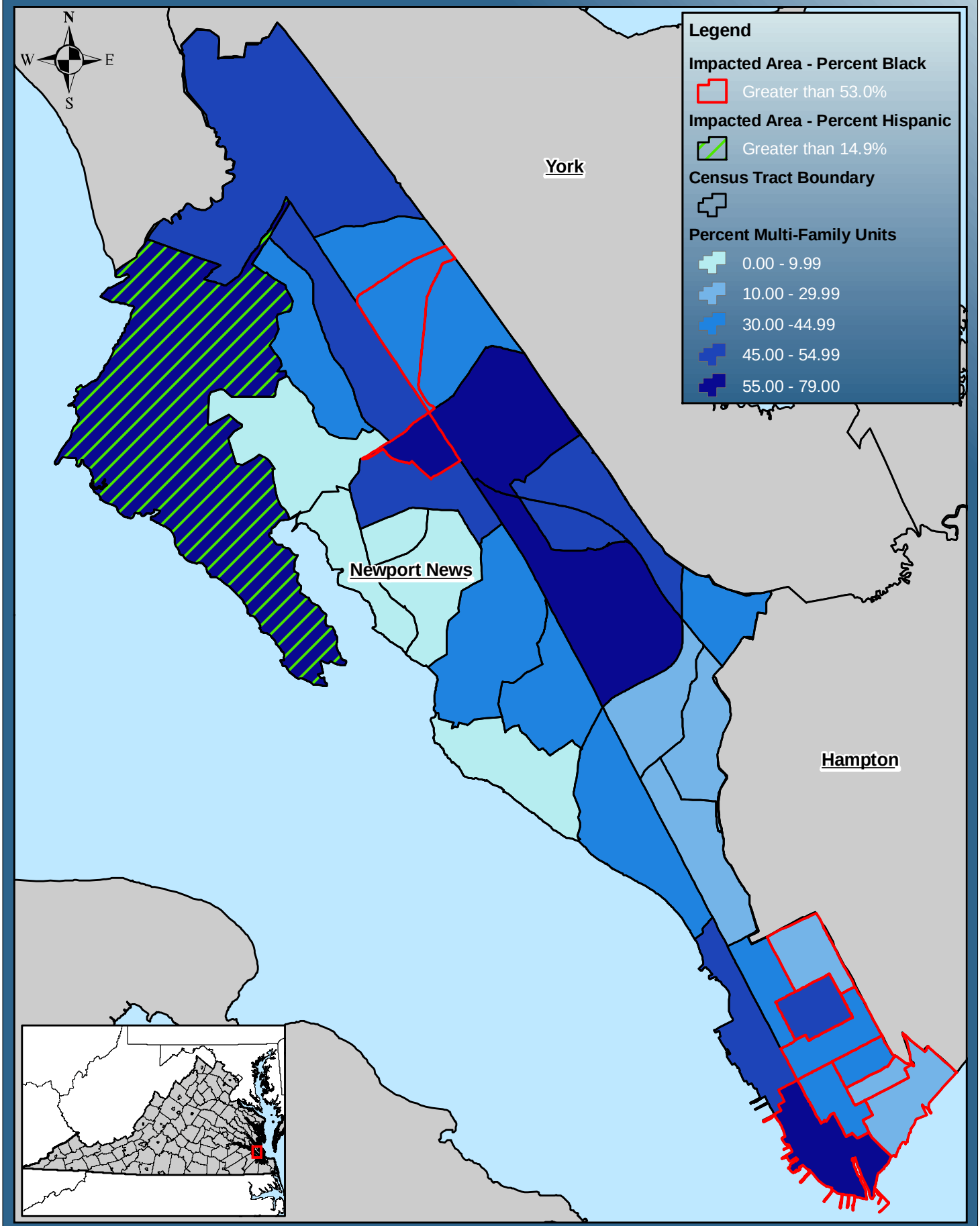
Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

iii. Foreclosure Trends

The HUD NSP Estimates provides foreclosure data at the local level.[60] Between January 2007 and June 2008, the City of Newport News had an estimated 1,259 foreclosure filings, representing a foreclosure rate of 4.5%. Higher foreclosure rates were heavily concentrated in the southernmost part of the City. Fours tracts in this area – tracts 301, 303, 305, and 306 – had foreclosure rates more than twice that of the City's, and two more (304 and 308) had foreclosure rates above 8%. All six of these tracts were areas of

[60] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

Map 5-5: Percentage of Multi-Family Housing Units in Newport News, 2000



racial concentration, with Black residents comprising over 90% of the total population in these tracts.[61] Of the City's 35 tracts, five had foreclosure rates of less than 2%. These were tracts 317, 318, and 319, in the central part of the City, and tracts 321.14 and 323. Tract 323, which had a 0% foreclosure rate, was identified as an area of ethnic concentration. However, the homeownership in tract 323 is notably low, and only an estimated six mortgages were active, according to the HUD data. The table below shows the data for the census tracts in the City of Newport News.

Figure 5-15
Estimated Residential Foreclosure Rates by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Newport News	**1,259**	**28,146**	**4.5%**
301.00	5	53	9.4%
303.00	84	903	9.3%
304.00	25	291	8.6%
305.00	24	234	10.3%
306.00	16	168	9.5%
308.00	11	131	8.4%
309.00	11	176	6.3%
311.00	27	543	5.0%
312.00	8	150	5.3%
313.00	57	836	6.8%
314.00	52	991	5.2%
315.00	20	947	2.1%
316.01	52	1,074	4.8%
316.02	31	785	3.9%
317.00	16	853	1.9%
318.00	12	807	1.5%
319.00	27	1,539	1.8%
320.01	17	733	2.3%
320.02	58	1,634	3.5%
320.04	54	1,087	5.0%
320.05	32	657	4.9%
321.13	19	343	5.5%
321.14	2	179	1.1%
321.15	13	530	2.5%
321.16	38	1,886	2.0%
321.17	31	683	4.5%
321.23	54	1,049	5.1%
321.24	37	687	5.4%
321.25	106	2,369	4.5%
322.11	57	1,563	3.6%
322.12	31	384	8.1%
322.21	122	2,156	5.7%
322.22	81	1,129	7.2%
323.00	0	6	0.0%
324.00	28	589	4.8%

Source: HUD NSP Foreclosure Estimates, released October 2008

In July 2010, RealtyTrac reported 115 new foreclosure filings in Newport News, or 1 in every 691 housing units.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Newport News had a foreclosure rate of 4.5%. Census tracts with the highest rates of foreclosure were most likely to be also areas of concentration of Black residents.

[61] DemographicsNow

iv. 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."[62]

Historically, minorities tend to have lower home ownership rates than Whites. Among all Newport News households in 2000, 52.3% were home owners while 47.7% were renters. Home ownership among Whites was 64.9% but only 34.9% among Blacks and 31.7% among Hispanics. Among Asians, the rate was 53.9%.

[62] 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.

Figure 5-16
Home Ownership by Race and Ethnicity, 2000

Census Tract	White		Black		Asian		Hispanic	
	#	%	#	%	#	%	#	%
City of Newport News	**39,696**	**53.6%**	**26,222**	**35.4%**	**1,300**	**1.8%**	**663**	**0.9%**
301.00	17	8.1%	80	5.0%	-	0.0%	-	0.0%
303.00	107	64.5%	1,307	57.3%	16	100.0%	16	44.4%
304.00	7	38.9%	570	40.5%	6	50.0%	-	0.0%
305.00	-	0.0%	356	49.9%	-	0.0%	6	100.0%
306.00	-	0.0%	408	36.4%	0	0.0%	-	0.0%
308.00	-	0.0%	268	26.9%	-	0.0%	-	0.0%
309.00	169	72.5%	118	19.6%	-	0.0%	-	0.0%
311.00	540	60.5%	98	29.1%	-	0.0%	6	24.0%
312.00	396	68.4%	38	7.6%	6	100.0%	12	38.7%
313.00	690	77.6%	351	36.4%	15	100.0%	15	68.2%
314.00	1,110	76.0%	285	35.2%	7	38.9%	24	68.6%
315.00	1,444	64.6%	31	8.2%	7	100.0%	-	0.0%
316.01	1083	80.2%	259	27.9%	6	40.0%	0	0.0%
316.02	1218	75.0%	54	21.7%	14	100.0%	15	68.2%
317.00	1335	56.7%	113	18.9%	19	67.9%	6	16.7%
318.00	1511	94.6%	22	84.6%	6	54.5%	29	100.0%
319.00	1876	69.8%	121	27.3%	32	61.5%	7	7.6%
320.01	934	94.4%	93	87.7%	3	100.0%	18	100.0%
320.02	1416	90.7%	251	91.3%	55	100.0%	17	100.0%
320.04	808	64.3%	329	24.1%	66	73.3%	40	32.8%
320.05	752	90.3%	119	100.0%	13	100.0%	22	100.0%
321.13	384	37.1%	47	17.3%	15	30.0%	41	62.1%
321.14	248	50.7%	53	32.1%	20	28.2%	0	0.0%
321.15	798	30.6%	143	10.9%	17	16.2%	18	9.7%
321.16	1610	65.4%	309	37.2%	34	63.0%	26	25.7%
321.17	701	51.8%	151	40.6%	8	12.5%	23	46.9%
321.23	462	53.2%	354	50.4%	52	72.2%	28	36.8%
321.24	290	49.6%	308	42.5%	7	41.2%	25	45.5%
321.25	1660	68.0%	631	61.7%	60	54.5%	29	29.9%
322.11	1641	90.1%	269	80.8%	75	100.0%	54	100.0%
322.12	80	29.1%	410	38.4%	16	23.9%	29	19.5%
322.21	1198	58.7%	622	38.3%	64	55.7%	88	39.5%
322.22	853	62.3%	439	33.4%	54	68.4%	59	38.1%
323.00	38	7.5%	10	3.3%	0	0.0%	10	7.5%
324.00	376	43.0%	143	38.8%	8	29.6%	0	0.0%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

As discussed previously in this report, median household income is lower among minority groups in Newport News than among White households. This factor contributes to the low rates of home ownership among minorities in the City.

OBSERVATION: Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households. Only 34.9% of Blacks and 31.7% of Hispanics owned their homes in 2000 compared to nearly 65% of Whites and 54% of Asians.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Newport News, non-White families were far more likely than White families to live in families with three or more persons. Among Hispanics and persons of Some Other Race Alone, more than 83% of families consisted of three or more persons. Larger families were also more common among Asians (72.7%) and Blacks (66.5%), but to a lesser degree. Only persons of Two or More Races tended to live in smaller families than Whites.

Figure 5-17
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	55.9%
Black	66.5%
Asian	72.7%
Some Other Race Alone	83.9%
Two or More Races	47.8%
Hispanic	83.1%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Newport News, only 12.3% of the rental housing stock contained three or more bedrooms in 2000, compared to 43.5% of the owner-occupied housing.

Figure 5-18
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	9,552	13.7%	853	1.2%
2 bedrooms	15,047	21.6%	5,344	7.7%
3 or more bedrooms	8,559	12.3%	30,331	43.5%
Total	**33,158**	47.6%	**36,528**	52.4%

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were much more likely to live in larger families than White households. For example, more than 83% of Hispanic families and households of Some Other Race included three or more persons compared to 55.9% of White families. However, only 12.3% of the rental housing stock contains three or more bedrooms compared to 43.5% of the owner housing stock.

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Newport News increased almost 80% between 1990 and 2008, after adjusting for inflation.[63] During the same period, median gross rent rose 21.6%. Most notably, median household income rose only 19%, after adjusting for inflation.

Figure 5-19
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$72,500	$89,100	$214,500	195.9%
2008 Dollars	$119,430	$111,402	$214,500	79.6%
Median Gross Rent				
Actual Dollars	$428	$569	$857	100.2%
2008 Dollars	$705	$711	$857	21.6%
Median Household Income				
Actual Dollars	$25,344	$35,046	$49,664	96.0%
2008 Dollars	$41,749	$43,818	$49,664	19.0%

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.

Because the rise in income was only slightly less than the increase in gross rents, the rental housing stock should have been comparably affordable in Newport News. However, the number of housing units renting for $500 or less decreased by more than 6,400 as did those units renting for $500 to $699. In contrast, the number of units renting for

[63] 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 it if were for sale. This differs from the housing sales price which is the actual price that the house sold for.

$700 to $999 increased by more than 5,000. Most notably, however, was the increase of 10,400 units renting for $1,000 or more.

Figure 5-20
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008 #	Change 2000-2008 %
Less than $500	11,514	5,070	-6,444	-56.0%
$500 to $699	12,118	5,230	-6,888	-56.8%
$700 to $999	6,573	11,591	5,018	76.3%
$1,000 or more	1,292	11,692	10,400	805.0%

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

OBSERVATION: Newport News lost more than half of all housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by more than 10,000 units.

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 Newport News, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Newport News, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Newport News, the estimated average wage for a renter is $10.29 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 68 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.7 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Newport News. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Newport News and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $781.

OBSERVATION: Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Newport News has slowed in activity since 2006, coinciding with the beginning of the national housing slump. After peaking at 2,902 units sold in 2005, the local market has fallen off to 1,754 units sold in 2008. The average length of time a house has remained on the market has more than doubled from 31 days in 2005 to 79 days in 2008. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

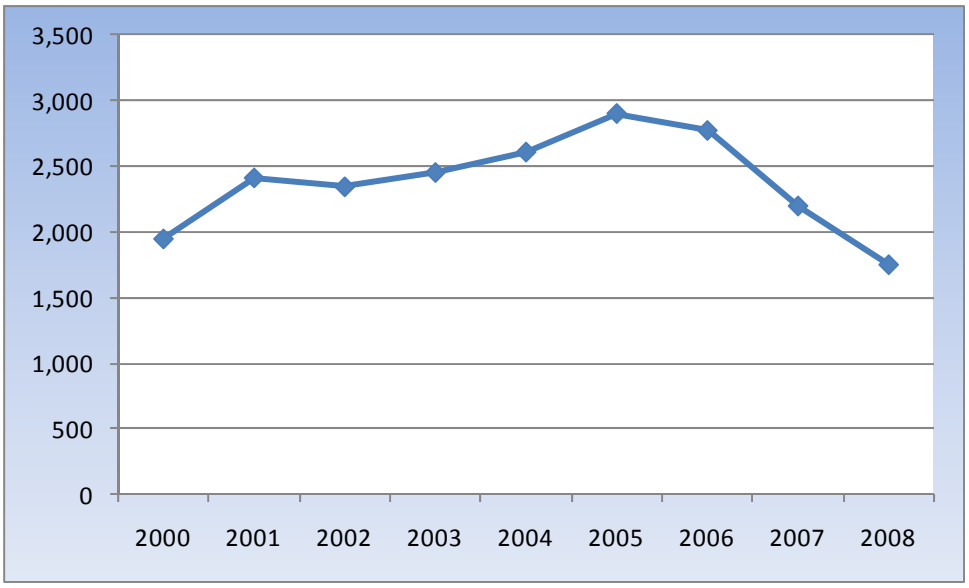
Figure 5-21
Housing Market Sales Trends, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	1,950	2,413	2,345	2,454	2,609	2,902	2,773	2,200	1,754
Average No. Days on Market	78	65	53	38	30	31	40	60	79
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

*Median Sales Price as a percent of Median List Price
Source: Hampton Roads Realtor Association

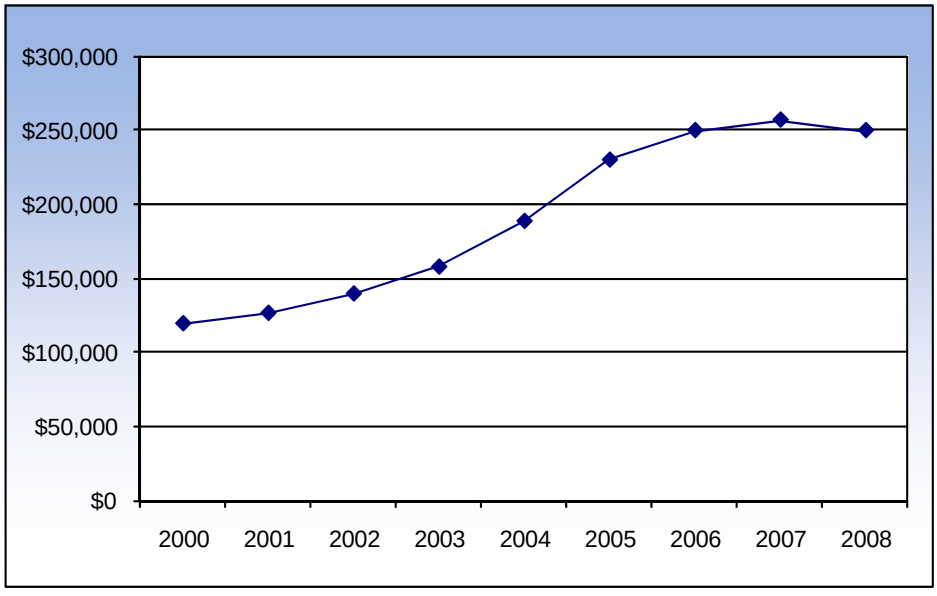
While the market has slowed in Newport News as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 5-22
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 5-23
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

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.[64] Among renters in

[64] 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.

Newport News, elderly and small Hispanic households experienced a disproportionately higher rate of housing problems than White and Black renters, although the number of Hispanic renters was a small fraction of all other renters analyzed. In 2000, more than 70% of elderly and small households reported housing problems compared to 49.3% of Whites and 46.9% of Blacks. The rates were comparable among family households.

Among home owners, the results varied. Elderly and small Black households had the highest rate of housing problems (57.2%) compared to Whites (44.9%) and Hispanics (42.9%). Among family households, Hispanics reported the highest rate (86%) compared to Whites (76.5%) and Blacks (70.1%). Hispanic home owners were also a small percentage of the overall number of owner households analyzed.

Figure 5-24
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	11,775	58.6%	1,340	49.3%	3,090	59.0%	2,630	69.4%
Black Non-Hispanic	12,400	55.4%	1,305	46.9%	7,465	54.0%	3,630	61.2%
Hispanic	980	65.5%	70	70.8%	650	70.8%	260	54.0%
Total	**25,155**	**57.3%**	**2,715**	**48.7%**	**11,205**	**56.4%**	**6,520**	**64.3%**
Owners								
White Non-Hispanic	5,975	60.9%	2,615	44.9%	2,285	76.5%	1,075	70.8%
Black Non-Hispanic	5,840	64.7%	850	57.2%	4,350	70.1%	640	68.8%
Hispanic	238	81.7%	18	42.9%	180	86.0%	40	66.7%
Total	**12,053**	**63.1%**	**3,483**	**47.9%**	**6,815**	**72.7%**	**1,755**	**69.9%**

Source: HUD Comprehensive Housing Affordability Strategy data

OBSERVATION: Black and Hispanic home owners were more likely to experience housing problems than White home owners. Among all owner households with incomes below 80% of the median family income in 2000, 50.6% of White households experienced problems compared to 63.5% of Blacks and 62.2% of Hispanics.

D. Review of Private Sector Practices

i. 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 Newport News is from 2007 and 2008. Reviewing this data 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 focus on the number of homeowner mortgage applications received by lenders for home purchases of one- to four-family dwellings and manufactured housing units in the City. The information provided 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 5-25
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**4,275**	**100.0%**	**2,971**	**100.0%**	**-1,304**	**-30.5%**
Black	1,143	26.7%	719	24.2%	-424	-37.1%
White	1,983	46.4%	1,529	51.5%	-454	-22.9%
Asian	135	3.2%	58	2.0%	-77	-57.0%
Hispanic*	212	5.0%	136	4.6%	-76	-35.8%
Other race	63	1.5%	33	1.1%	-30	-47.6%
No information/NA	95	2.2%	632	21.3%	537	565.3%
Originated	**2,265**	**100.0%**	**1,618**	**100.0%**	**-647**	**-28.6%**
Black	632	27.9%	408	25.2%	-224	-35.4%
White	1,292	57.0%	999	61.7%	-293	-22.7%
Asian	82	3.6%	34	2.1%	-48	-58.5%
Hispanic*	130	5.7%	84	5.2%	-46	-35.4%
Other race	38	1.7%	17	1.1%	-21	-55.3%
No information/NA	221	9.8%	160	9.9%	-61	-27.6%
Denied	**403**	**100.0%**	**180**	**100.0%**	**-223**	**-55.3%**
Black	171	42.4%	72	40.0%	-99	-57.9%
White	143	35.5%	78	43.3%	-65	-45.5%
Asian	18	4.5%	4	2.2%	-14	-77.8%
Hispanic*	27	6.7%	12	6.7%	-15	-55.6%
Other race	10	2.5%	5	2.8%	-5	-50.0%
No information/NA	61	15.1%	21	11.7%	-40	-65.6%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Newport News is the steep drop in the number of loan applications. 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 1,304 (30.5%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, by 37.1% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications for Black applicants dropped from 27.9% to 25.2%, while the share of successful applications for White residents increased from 57% to 61.7%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications made up a more substantial share of denials in 2008 – 43.3%, compared to 35.5% in 2007, while Black applications made up a smaller share of denials – 40%, compared to 42.4% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 5-26
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	968	32.6%	558	57.6%	39	4.0%	89	9.2%	265	27.4%
FHA	1,005	33.8%	555	55.2%	10	1.0%	63	6.3%	363	36.1%
VA	998	33.6%	505	50.6%	23	2.3%	28	2.8%	435	43.6%
Loan Purpose: Home Purchase										
One to four-family unit	2,948	99.2%	1,616	54.8%	67	2.3%	167	5.7%	1,061	36.0%
Manufactured housing unit	23	0.8%	2	8.7%	5	21.7%	13	56.5%	2	8.7%
Applicant Race										
American Indian/Alaska Native	15	0.5%	5	33.3%	-	0.0%	3	20.0%	7	46.7%
Asian/Pacific Islander	58	2.0%	34	58.6%	2	3.4%	4	6.9%	18	31.0%
Hawaiian	18	0.6%	12	66.7%	-	0.0%	2	11.1%	4	22.2%
Black	719	24.2%	408	56.7%	17	2.4%	72	10.0%	202	28.1%
Hispanic**	136	4.6%	84	61.8%	4	2.9%	12	8.8%	34	25.0%
White	1,529	51.5%	999	65.3%	42	2.7%	78	5.1%	396	25.9%
No information	277	9.3%	160	57.8%	11	4.0%	12	7.6%	81	29.2%
Not applicable	355	11.9%	-	0.0%	-	0.0%	-	0.0%	355	100.0%
Applicant Sex										
Male	1,697	57.1%	1,059	62.4%	43	2.5%	106	6.2%	461	27.2%
Female	753	25.3%	462	61.4%	22	2.9%	61	8.1%	199	26.4%
No information	166	5.6%	97	58.4%	7	4.2%	13	7.8%	48	28.9%
Not applicable	355	11.9%	-	0.0%	-	0.0%	-	0.0%	355	100.0%
Total	**2,971**	**100.0%**	**1,618**	**54.5%**	**72**	**2.4%**	**180**	**6.1%**	**1,063**	**35.8%**

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently of race.

a. Households by Race

In 2008, 2,971 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Newport News. Of these applications:

- 51.5% (1,529) of the applications were submitted by White households.
- 24.2% (719) were submitted by Black households.
- 2.0% (58) were submitted by Asian/Pacific Islander households.
- 4.6% (136) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.
- 0.5% (15) were submitted by American Indian/Alaskan Native households.
- 0.6% (18) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 the City of Newport News, 67.4% (2,003) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 1,025 (51.2%) were minority households.

The denial rates for government-backed loans were slightly lower than the denial rate for conventional loans.

- The denial rate for FHA loans was 6.3%.
- The denial rate for VA-guaranteed loans was 2.8%.
- The denial rate for conventional loans was 9.2%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 180 households in the City of Newport News were denied (6.1%). Denial reasons were given for 212 of the 273 mortgage application denials in the City in 2008. Reasons for denial included the following:

- Debt-to-income ratio: 30.5%
- Credit history: 23.4%
- Other: 10.4%
- Collateral: 9.1%
- Credit Application Incomplete: 9.1%
- Unverifiable information: 7.8%
- Insufficient Cash: 5.2%
- Employment History: 3.9%
- Mortgage insurance denied: 0.6%

Credit history, collateral and unsatisfactory debt-to-income ratios are the major reasons identified for denial of home mortgage applications throughout the City of Newport News.

Only two racial groups, Whites and Blacks, had significant numbers of applicants for which the sample size was large enough to draw conclusions. White households reported a denial rate of 5.1%, or 78 of 1,529 applications. Black households reported a denial rate of 10%, or 72 of 719 applications. Hispanics reported a denial rate of 8.8%, or 12 of 136 applications. Since Hispanics are classified as an ethnicity rather than a race, this group is double-counted in one of the race categories.

Figure 5-27
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,143	171	15.0%	719	72	10.0%
Am. Indian/Alaska Native	36	7	19.4%	15	3	20.0%
Hawaiian	27	3	11.1%	18	2	11.1%
White	1,983	143	7.2%	1,529	78	5.1%
Hispanic*	212	27	12.7%	136	12	8.8%
Not Provided	951	61	6.4%	632	21	3.3%
Asian	18	18	100.0%	58	4	6.9%

* Hispanic ethnicity is counted independently of race.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the highest denial rates, and denial rates remained consistently low for White households.

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 45.7% of all denials in 2007, though they accounted for only 34.5% of total applications. In 2008, lower income households comprised 48.3% of all denials and only 35.4% of all applications.

Figure 5-28
Denials by Income, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	1,476	184	12.5%	1,052	87	8.3%
At least 80% MFI	2,383	205	8.6%	1,919	93	4.8%
Total	4,275	403	9.4%	2,971	180	6.1%

Note: Total includes applications for which no income data was reported.

Of the 180 applications that were denied by area lending institutions, 179 reported household incomes. In Newport News, 48.3% (87) loan applications that were denied in 2008 were submitted by lower income households. The following tables show that denial rates are higher among minority households.

Figure 5-29
Denials by Race for Lower Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	494	86	17.4%	355	40	11.3%
White	693	53	7.6%	525	32	6.1%
Asian	42	4	9.5%	15	2	13.3%
Hawaiian	15	2	13.3%	6	0	0.0%
Am. Indian/Alaska Native	17	4	23.5%	7	2	28.6%
Not Provided	152	35	23.0%	100	11	11.0%
Not Applicable	63	0	0.0%	44	0	0.0%
Hispanic*	83	12	14.5%	57	4	7.0%
Total	**1,476**	**184**	**12.5%**	**1,052**	**87**	**8.3%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 36.8% were applications submitted by White households and 46.0% were applications submitted by Black households. The denial rate for Black households (11.3%) was significantly higher than for White households (6.1%). In addition, no racial information was provided for 12.6% of these applications.

Figure 5-30
Denials by Race for Upper Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	615	76	12.4%	364	32	8.8%
White	1,260	90	7.1%	1,004	46	4.6%
Asian	86	12	14.0%	43	2	4.7%
Hawaiian	11	1	9.1%	12	2	16.7%
Am. Indian/Alaska Native	17	3	17.6%	8	1	12.5%
Not Provided	264	23	8.7%	177	10	5.6%
Not Applicable	130	0	0.0%	311	0	0.0%
Hispanic*	122	15	12.3%	79	8	10.1%
Total	**2,383**	**205**	**8.6%**	**1,919**	**93**	**4.8%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower for upper income households compared to lower income households. Of the upper income applications that were denied, 49.5% were submitted by White households. In addition, no racial information was provided for 10.8% of these applications. It should be noted that Black upper income households had a denial rate of 8.8%, almost twice the 4.6% denial rate for White upper income households. White households had the lowest denial rate.

OBSERVATION: Black upper income households had mortgage denial rates twice the rate for White upper income households in 2007 and 2008. While this fact along does not imply an impediment to fair housing choice, the pattern is consistence with discrimination.

The 2008 HMDA data for the City of Newport News was analyzed to determine if a pattern of loan denials exists by census tract. Map 5-6 on the following page provides the summary data. Of the three census tracts with the highest rates of minority residents, one has a high denial rate. The other two census tracts with high minority populations have moderate denial rates. Although this might indicate a correlation between race and mortgage application denials, almost all the census tracts with high numbers of denied loans have minority populations greater than 40%.

OBSERVATION: There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

ii. High-Cost Lending

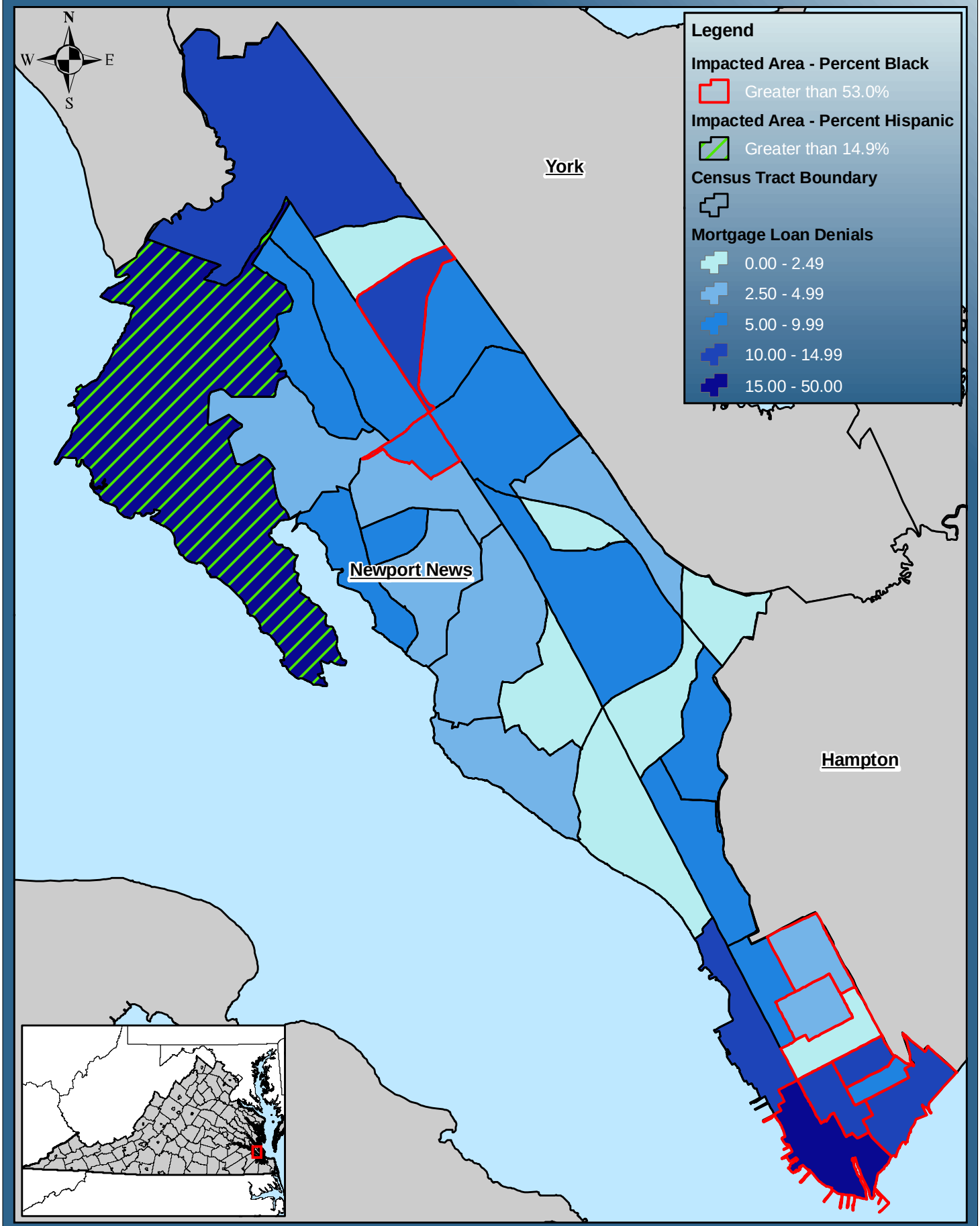
The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. 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. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

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."

Map 5-6: Percentage of Mortgage Loan Denials in Newport News, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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, there were 1,618 home purchase loans for single-family or manufactured units in the City of Newport News. Of this total, 1,610 disclosed the borrower's household income and 77 reported high-cost mortgages.

An analysis of loans in the City of Newport News by race and ethnicity reveals that lower income minorities are overrepresented in high-cost lending. Of the 222 loans originated for lower income minorities, 22 (9.9%) were high-cost, exceeding the 5.8% rate for lower income White households.

Of the 237 loans originated for upper income minorities, 14 (5.9%) were high-cost, exceeding the 2.3% rate for upper income White households. Overall, a larger percentage of lower income households throughout the City of Newport News have received high-cost loans when compared to upper income households.

Figure 5-31
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	8	1	12.5%	9	1	0.0%
	Asian	24	2	8.3%	55	4	7.3%
	Black	259	57	22.0%	364	63	17.3%
	Hawaiian	13	3	23.1%	8	0	0.0%
	White	434	48	11.1%	842	41	4.9%
	No information/NA	58	4	6.9%	161	21	13.0%
	Hispanic*	49	7	14.3%	78	3	3.8%
	Total	**796**	**115**	**14.4%**	**1,439**	**130**	**9.0%**
2008	Am. Indian/Alaska Native	2	0	0.0%	3	0	0.0%
	Asian	8	1	12.5%	26	1	3.8%
	Black	207	21	10.1%	201	13	6.5%
	Hawaiian	5	0	0.0%	7	0	0.0%
	White	344	20	5.8%	655	15	2.3%
	No information/NA	58	4	6.9%	102	2	2.0%
	Hispanic*	42	1	2.4%	42	3	7.1%
	Total	**624**	**46**	**7.4%**	**994**	**31**	**3.1%**
Two-Year Totals		**1,420**	**161**	**11.3%**	**2,433**	**161**	**6.6%**

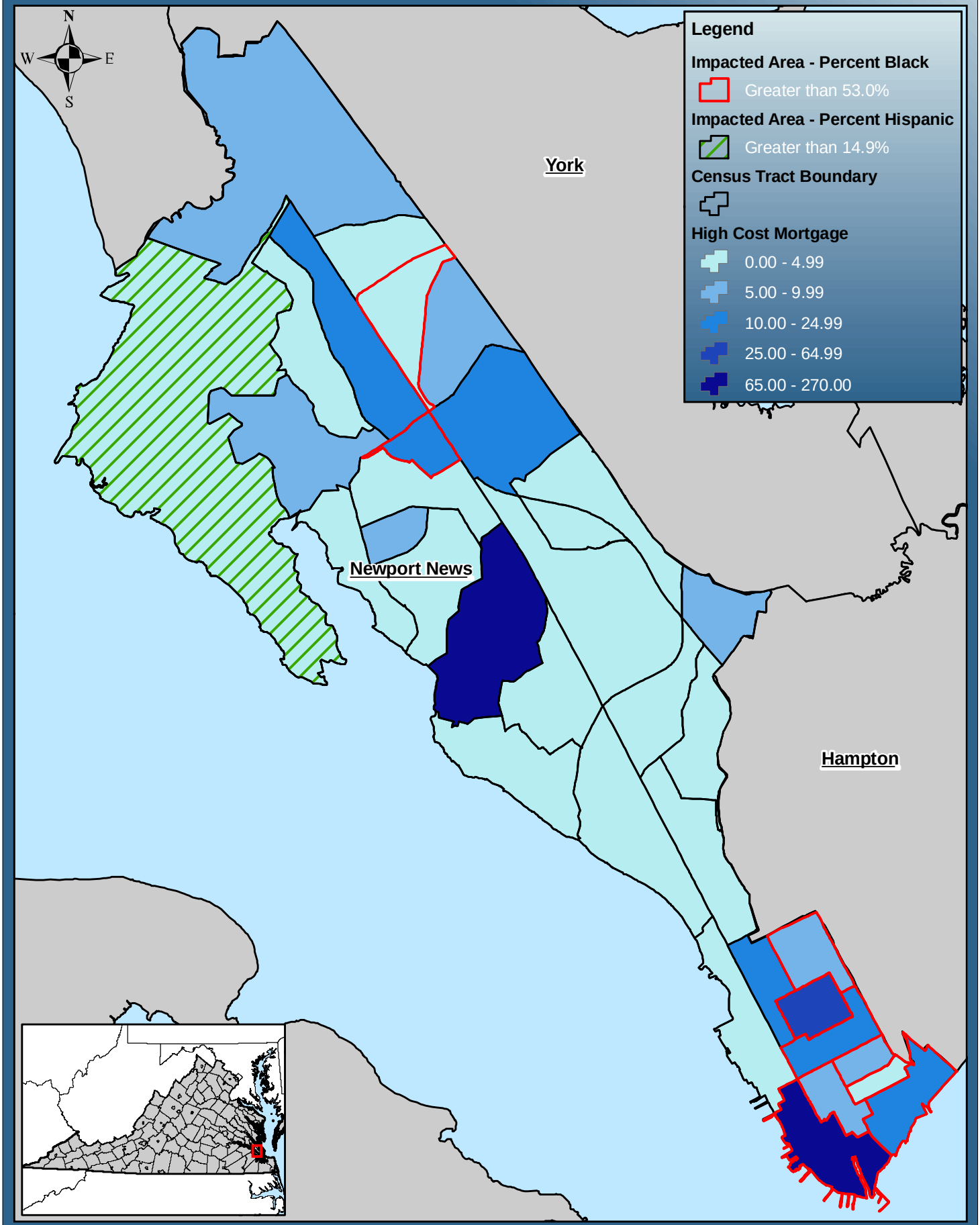
Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

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.

OBSERVATION: Minority households are disproportionately represented in high-cost lending. Of the 222 loans originated for lower income minorities, 9.9% wer high-cost compared to 5.8% among lower-income White households. Of the 237 loans originated for upper income minority households, 5.9% were high-cost compared to 2.3% among upper income White households. .

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 5-7 on the following page highlights census tracts in Newport News that had higher rates of high-cost loans in 2008. One such census tract was an area of racial concentration of Black residents, located at the southern tip of the City.

Map 5-7: Percentage of High-Cost Mortgage Loans in Newport News, 2008



E. Review of Public Sector Policies

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Newport News Redevelopment and Housing Authority (NNRHA) owns and manages 12 public housing developments with a total of 2,033 units. Three of these have been designated senior complexes which also allow persons with disabilities. There are nine family public housing complexes.

Black households represent the majority of public housing residents and waiting list applicants. Of the 1,839 households in NNRHA public housing communities in August 2009, 1,725 (93.8%) were Black. Families with children comprised 73.0% of all households; individuals or families with disabilities comprised 8.5% of residents. Among applicants on the waiting list for public housing, over one quarter (28.2%) were individuals or families with disabilities. Details are included in the following table.

Figure 5-32
Characteristics of Public Housing Households and Waiting List Applicants, 2009

	Current Residents		Waiting List	
	# of Households	%	# of Households	%
Total Households	**1,839**	**100.0%**	**436**	**100.0%**
Extremely Low Income (<30% MFI)	1,423	77.4%	371	85.1%
Very Low Income (>30% but <50% MFI)	347	18.9%	52	11.9%
Low Income (>50% but <80 % MFI)	69	3.8%	9	2.1%
Families with Children	1,343	73.0%	121	27.8%
Elderly Households (1 or 2 persons)	330	17.9%	72	16.5%
Individuals/Families with Disabilities	156	8.5%	123	28.2%
Black Households	1,725	93.8%	382	87.6%
White Households	114	6.2%	45	10.3%
Asian Households	6	0.3%	0	0.0%
Other Race of Households	5	0.3%	9	2.1%
Characteristics by Bedroom Size				
1 Bedroom	540	29.4%	311	71.3%
2 Bedroom	916	49.8%	54	12.4%
3 Bedroom	352	19.1%	54	12.4%
4 Bedroom	75	4.1%	17	3.9%
5 Bedroom	0	0.0%	0	0.0%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Source: Newport News Redevelopment and Housing Authority

OBSERVATION: Blacks are disproportionately represented in public housing. Almost 94% of all current tenant households and 87.6% of all applicant households are Black.

In addition to public housing, NNRHA administers 2,336 Section 8 Housing Choice Vouchers. Families with children comprised only 6.5% of the 2,180 Section 8 voucher holders, and individuals or families with disabilities accounted for 18.0%. On the Section 8 waiting list, however, 75.8% (749 of 1,001) of applicants were families with children. As with public housing, the vast majority (94.0%) of voucher holders were Black. Details are included in Figure 5-33.

Figure 5-33
Characteristics of Section 8 Voucher Holders and Waiting List Applicants, 2009

	Current Voucher Holders		Waiting List*	
	# of Households	%	# of Households	%
Total Households	**2,180**	**100.0%**	**1,001**	**100.0%**
Extremely Low Income (<30% MFI)	1,363	62.5%	714	71.3%
Very Low Income (>30% but <50% MFI)	699	32.1%	247	24.7%
Low Income (>50% but <80 % MFI)	118	5.4%	31	3.1%
Families with Children	150	6.9%	759	75.8%
Elderly Households (1 or 2 persons)	238	10.9%	50	5.0%
Individuals/Families with Disabilities	392	18.0%	158	15.8%
Black Households	2,049	94.0%	956	95.5%
White Households	87	4.0%	28	2.8%
Asian Households	43	2.0%	0	0.0%
Other Race of Households	1	0.0%	17	1.7%
Characteristics by Bedroom Size				
0 Bedroom	0	0.0%	---	---
1 Bedroom	648	29.7%	---	---
2 Bedroom	786	36.1%	---	---
3 Bedroom	640	29.4%	---	---
4 Bedroom	73	3.3%	---	---
5+ Bedroom	1	0.0%	---	---

*Information on Bedroom Size were not available for applicants on the Section 8 Waiting list
Note: Percentage may not equal 100% due to rounding and overlap among household types
Source: Newport News Redevelopment and Housing Authority

OBSERVATION: Blacks are also disproportionately represented among Section 8 Voucher Holders. Among current tenants, 94% are Black as are 95.5% of all applicant households. This may indicate limited housing choice for Blacks in Newport News.

OBSERVATION: Families with children represent less than 7% of all Section 8 households but account for more than 75% of all tenant applicants. This indicates severe need for affordable family housing in Newport News.

An interview was conducted with representatives of NNRHA, who also completed a written questionnaire upon request. The following information was developed from the responses to the questionnaire provided by NNRHA.

NNHRA utilizes a community-wide waiting list. As of September 2009, there were 436 families on the public housing waiting list, of which 121 (27.8%) were families with children and 123 (28.2%) where families with disabilities. By comparison, among residents of public housing, 73.0% (1,343 of 1,839) were families with children and only 8.5% (156 of 1,839) were families with disabilities. This suggests that families with disabilities have limited options in the public housing communities, and may have more difficulty finding accessible, affordable housing options. The Endependence Center, a local non-profit organization that provides services to persons with disabilities, has been contact by housing authorities in Hampton and Newport News to

consult on issues of accessibility. In an interview with Endependence Center staff, the organization noted that, all too often, they are consulted too late to affect development projects in the Hampton Roads region. In Newport News, Endependence Center has had conflicting experiences, at times being asked to review designs and desegregation strategies, and in other instances only being brought in for discussion during the late stages of the planning process.

OBSERVATION: Families with disabled members represented only 8.5% of current public housing tenant households and 28.5% of all applicant households. This demonstrates a continuing need for affordable accessible family housing in Newport News.

Compared to the public housing communities, the Section 8 Housing Choice Voucher program has been more effective in serving families with disabilities. Among the 2,180 Section 8 voucher holders, 392 (18.0%) are families with disabilities. This is more than twice the number currently living in public housing.

For Section 8 Housing Choice Voucher holders, housing choices are greatly expanding in both number and location. Units accepting Section 8 vouchers are located throughout the City. About one-third of all units are concentrated in the southern tip of the city, with the heaviest concentration found in the neighborhoods south of I-664. Heavier concentrations of housing are also located in several neighborhoods in the northern part of the City, with the rest of units scatter throughout central Newport News. Map 5-8 on the following page shows the location of Section 8 tenant throughout the City.

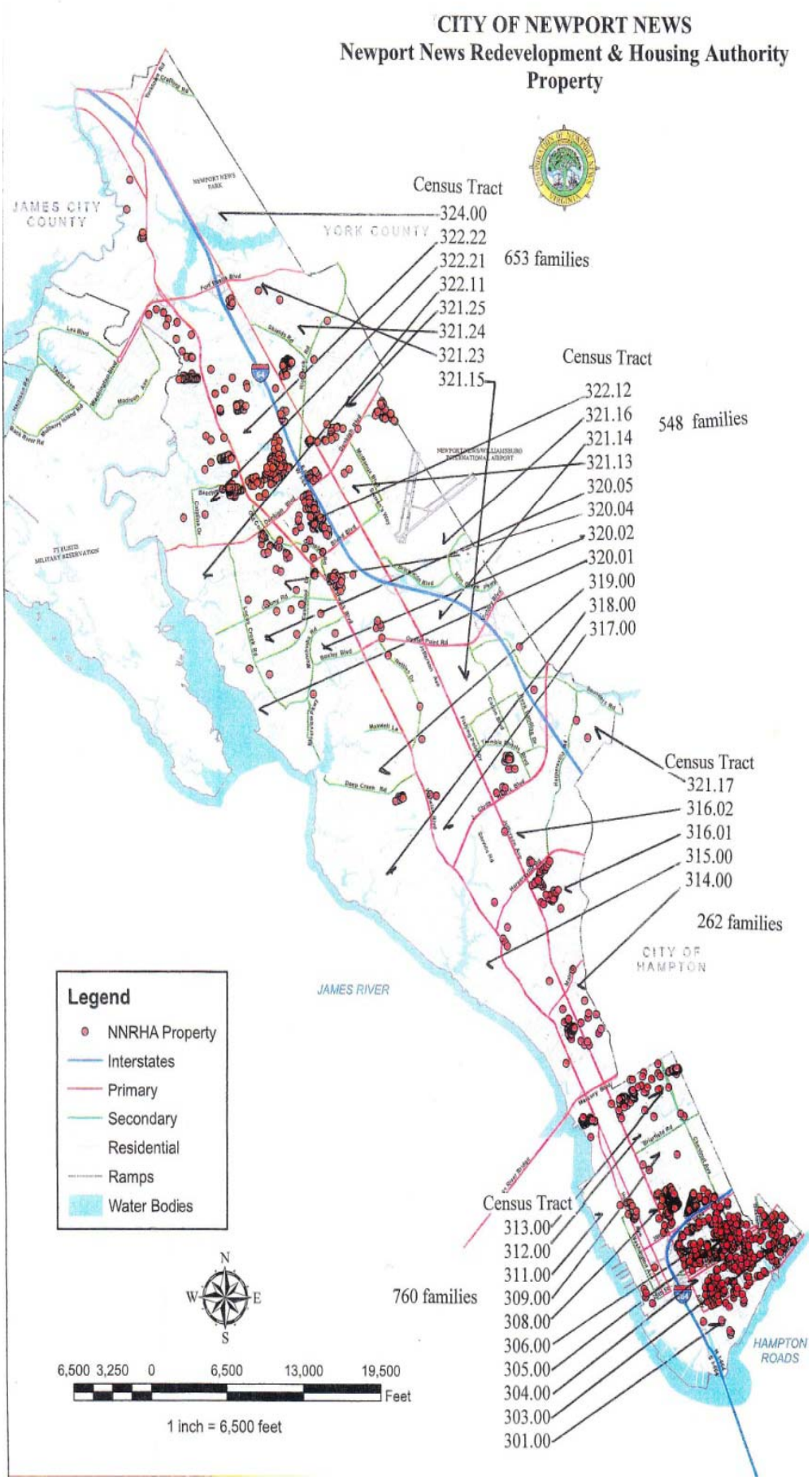
Two policy documents utilized by NNRHA were reviewed for this analysis. A summary of the reviews of the administrative plans for both public housing and the Section 8 Housing Choice Voucher Program are included below:

a. Public Housing Admissions and Continued Occupancy Plan (ACOP)

Chapter 1, Section A of the ACOP includes a fair housing policy in which NNRHA states its non-discrimination policy on complying with all federal civil rights laws which protect public housing applicants and residents with equal treatment in all programs and services. The NNRHA list of protected classes includes race, color, national origin, sex, religion, familial status, or disability in the leasing, rental, occupancy, use, or other disposition of housing or related facilities.

Chapter 1, Section B describes NNRHA's reasonable accommodation policy for persons with disabilities. NNRHA will correct physical situations or procedures that create a barrier to equal housing opportunity.

Map 5-8: Location of Section 8 Housing Units in Newport News, 2009



NNRHA accommodations include permitting a family to have a large dog to assist a member with a disability where the size of dogs is usually limited, and permitting an exception to the largest permissible apartment size for a person with a disability. Documents and procedures used by applicants and residents will be accessible for those with vision, hearing or other sensory impairments. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. An applicant or resident family with a member who has a disability and needs or wants a reasonable accommodation may request it at any time.

Chapter 1, Section C of the ACOP discusses how NNRHA provides information in languages other than English. All forms, written materials and recorded voice-mail messages used to communicate with prospective applicants, applicants and residents are available in any language spoken by at least 10% of the eligible population of Newport News.

Applicants and residents with limited English proficiency may furnish an interpreter to assist in communication with NNRHA. When an applicant or resident needs interpretation services and a staff member of the Authority speaks the language needed, the staff member will provide translation services.

Chapter 2, Section B of the plan states that it is a public housing requirement to admit only applicants who qualify as a family. NNRHA adds to the HUD definition of "family," two or more persons who are not related, but are regularly living together, and can verify shared income or resources that will live together in NNRHA housing. Family members must also meet HUD requirements on citizenship or immigration status. In NNRHA buildings designed for occupancy by elderly and disabled families, applications from single persons and couples who qualify under the definitions of elderly family, disabled family and displaced person will be ranked higher than those of single persons who are not elderly, disabled or displaced. This preference does not apply to units in NNRHA's General Occupancy properties.

Chapter 4 of the ACOP explains NNRHA's admission policies and procedures for the management of the public housing waiting lists. NNRHA conducts affirmative marketing as needed so the waiting list includes a mix of applicants with races, ethnic backgrounds, ages and disabilities proportionate to the mix of those groups in the eligible population of the area. The marketing plan takes into consideration the number and distribution of vacant units, units that can be expected to become vacant because of move-outs, and characteristics of families on the waiting list. NNRHA reviews these factors regularly to determine the need for and scope of marketing efforts. All marketing efforts include outreach to those least likely to apply.

NNRHA's waiting list preferences establish the order of applicants on the waiting list. These preferences are of equal weight and an applicant may qualify under any of the categories. Local preferences include the following:

- Involuntarily displacement
- Living in substandard housing
- Paying more than 50% of income for housing
- Veteran or spouse of a veteran.

NNRHA has additionally established ranking preferences to sort among applicants who qualify for local preference. The displacement preference puts applicant families at the top of the waiting list. The other two ranking preferences have equal weight and include:

- Family displaced by a disaster
- Resident of Newport News or employed in the City

Three additional factors also effect NNRHA's selection of applicants for public housing:

- Resident and applicant families that include a member with a disability are given a preference for admission over a family that does not include a member with a disability.
- To ensure that at least 40% of admissions in every year are families with extremely low incomes, NNRHA combines applicants into groups of ten. The first four families admitted in each such group are extremely low income families even if this means skipping over higher income applicants. The next six families can be in any income group, including very low income and lower income levels.
- If at any time, one of NNRHA's properties has an average tenant income greater than 15% higher than the Authority-wide average income, extremely low and very low income applicants will be targeted for admission until it is within 15% of the Authority-wide average income. This requirement neither requires nor permits the transfer of families to achieve deconcentration goals.

Unqualified applicants will be promptly notified by a Notice of Rejection from NNRHA, stating the basis for such determination and offering an opportunity for an informal hearing. At the Informal Hearing, the applicant can offer information about mitigating circumstances or mistakes in facts upon which NNRHA's decision was based. Applicants known to have a disability who are eligible but fail to meet the selection criteria will be offered an opportunity for a second meeting with staff to determine whether mitigating circumstances or reasonable accommodations will make it possible for them to be housed in accordance with NNRHA's Screening Procedures.

b. NNRHA sets limitations on pet ownership among residents, such as the number, size and type of animals that may be kept, but its pet policy specifies that pet rules will not be applies to "animals that assist persons with disabilities." To be excluded from NNRHA's rules on pets, a resident must certify that there is a

person with disabilities in the household and that the animal actually assists the person with the disability. Documentation is required in the form of a letter from a doctor. These requirements are consistent with fair housing standards.Section 8 HCV Administrative Plan

Chapter 2, Section I.B. of the Section 8 Admin Plan includes the nondiscrimination policy, which is identical to the ACOP policy. It is also NNRHA policy not to discriminate on the basis of marital status or sexual orientation. As part of the applicant briefing process, information is provided about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

In Chapter 2, Section II.B., NNRHA states that it is aware that a person with a disability may require special accommodation in order to have equal access to the HCV program. As a matter of policy, NNRHA asks all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action.

When needed, NNRHA modifies its procedures to accommodate the needs of a person with disabilities. This includes permitting applications and reexaminations to be completed by mail; conducting home visits; using higher payment standards (either within the acceptable range or with HUD approval of a payment standard above 110%) if necessary to enable a person with disabilities to obtain a suitable housing unit; providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit; permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with staff; and, displaying posters and other housing information in locations throughout the offices in such a manner as to be easily readable from a wheelchair.

NNRHA will encourage the family to make an accommodation request in writing. However, it will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

In order to comply with written-translation obligations, TTD/TTY communication will be available. To meet the needs of persons with vision impairments, large-print and audio versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with NNRHA staff, one-on-one assistance will be provided upon request. Alternative forms of communication can also be sign language interpretation; having material explained orally by staff; or, having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

NNRHA has a Language Access Plan to assist persons with limited English proficiency (LEP). NNRHA conducted a study in 2007 analyzed the various

types of contact it has with the public to assess language needs and decide what reasonable steps should be taken to increase access to federal programs implemented by NNRHA. It was determined that NNRHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5% of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally.

Chapter 3, Section 1 explains NNRHA's definition of a family which supplements the HUD definition. Eligible as a family are five or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. Each family 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.

OBSERVATION: NNRHA's definition of "family" limits the number of unrelated individuals living together as a cohesive household to five.

Additionally, a family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered mixed families. 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

NNRHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial of HCV assistance under its policies. Therefore, a determination to deny admission to an applicant family occurs, NNRHA includes in its notice of denial a statement of the protection against denial provided by VAWA; a description of NNRHA confidentiality requirements; a request that an applicant wishing to claim this protection submit to the NNRHA documentation or a request for an informal review.

Chapter 4 describes policies for taking applications, managing the waiting list and selecting families for HCV assistance. Applicants will be placed on a single waiting list according to any preferences for which they qualify. NNRHA's local preferences include:

- Involuntarily displaced
- Substandard housing
- Rent burden
- Veterans or spouse of a veteran

NNRHA uses the following two ranking preferences to rank among the local preferences:

- *Working Preference:* This preference is automatically extended to elderly families, or families whose head or spouse, or sole member age 62 or older is receiving social security disability, supplemental security income, disability benefits, or any other payments based on an individual's inability to work.
- *Residency preference*: NNRHA shall give local preference to families whose last previous permanent residence was Newport News or who work, or have been notified that they have been hired to work, in the City.

NNRHA monitors the characteristics of the population being served and the characteristics of the population as a whole within the City of Newport News. Targeted outreach efforts are undertaken if a comparison suggests that certain populations are being underserved.

Families are selected from the waiting list based on the targeted funding or selection preferences for which they qualify. Ten Housing Choice Vouchers a year have been reserved for qualified applicants referred to NNRHA for assistance by the Commonwealth Attorney's Office. NNRHA has the following targeted programs:

- A family displaced because of demolition or disposition of a public housing project
- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project
- For housing covered by the Low Income Housing Preservation and Resident Home-Ownership Act of 1990
- A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term.

When vouchers are available, families are selected from one single waiting list in their determined sequence, regardless of family size, subject to HUD's extremely low income targeting requirements of 75% which is monitored throughout the fiscal year.

Chapter 10 includes NNRHA's policy to permit an applicant family that has received a voucher before requesting portability, if neither the head of household nor the spouse/co-head of the family had a legal residence in the City at the time of application submittal, only if for purposes of reasonable accommodation

Chapter 13 states that it is NNRHA policy to conduct and monitor for effectiveness, owner outreach to ensure that owners are familiar with the program and its advantages and to actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include distributing printed material about the

program to property owners and managers; contacting property owners and managers by phone or in-person; holding owner recruitment/information meetings at least once a year; and, developing working relationships with owners and real estate brokers associations.

OBSERVATION: NNRHA should undertake more aggressive mobility initiatives with applicants, assisting them to seek housing opportunities outside of impacted areas.

Chapter 15 states that families are not permitted to use its voucher for any special housing types such as SRO, group home, cooperative housing, etc. unless necessary to meet a reasonable accommodation for a disability.

Chapter 16, Section III of the Admin Plan 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. NNRHA only offers an informal review to applicants for whom assistance is being denied. When NNRHA denies assistance to applicants or participants with disabilities, the notice of denial informs them of the informal review process and their right to request a hearing and their right to request reasonable accommodations to participate in the informal hearing process.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Newport News' federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows:

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

The following description includes data submitted by the City of Newport News to HUD in its Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2008-09. Only federally funded housing activities which the City reported to HUD as completed are included.

The City's most recent HUD grants included approximately $1.58 million in CDBG funds and $1.1 million in HOME funds. CDBG funds were expended with a concentration in the Southeast Community, focused generally in low and moderate income census tracts 301, 303, 304, 305, 306, 308 and 309. HOME funds were generally focused in the same area, with the exception of tract 303.

During the last five years, the City has continued to address the priorities established in the Five-Year Consolidated Plan, including improving the housing stock, creating housing opportunities, improving neighborhoods and neighborhood services, and creating jobs for low- and moderate-income residents. Overall, five-year housing goals included the acquisition of 100 rental units and the rehabilitation of 125 rental units with CDBG resources, and applying HOME funds toward the acquisition of 35 existing rental units, production of 85 new owner units, rehabilitation of 125 existing owner units and assisting 50 households with homeownership. In addition to these stated five-year goals, the City has facilitated the construction of 48 new rental units for low and moderate income households.

Newport News has maintained a high level of performance in providing housing rehabilitation assistance to owner-occupants and providing opportunities for new homebuyers. According to the 2008-09 CAPER, the demographic characteristics of the 50 families residing in completed CDBG/HOME assisted units were as follows:

- 90% of assisted families were Black, 8% were White, and 1% was Hispanic.
- Of 14 new buyer households, six were low income (51% to 80% MFI), six were very low income (31% to 50% MFI) and two were extremely low income (below 30% MFI).
- Of 30 existing owner households, six were low income, 19 were very low income, and 5 were extremely low income.
- Of three low-income rental households receiving assistance, all were very low income.

OBSERVATION: Analysis of the City's Annual Plan and CAPER documents reveal heavy investment of CDBG and HOME funds in impacted areas. White improving quality of life in lower-income minority areas is an important aim, the City must also demonstrate an effort to affirmatively further fair housing by expanding the availability of affordable housing in non-impacted areas. First consideration should be given to the use of CDBG and HOME funds for new family housing development (both sales and rental) on sites outside of impacted areas.

With specific regard to fair housing activities, the City has long supported the Office of Human Affairs (OHA), the local fair housing agency. OHA administers the policies of the City's Human Rights Commission, including the Fair Housing Ordinance. OHA receives and examines alleged violations of the Fair Housing Ordinance and federal and state fair housing laws. In addition to receiving and following up on fair housing complaints, OHA educates the community about housing discrimination. In support of education and outreach, OHA makes presentations to church groups, community groups and tenant organizations. OHA also distributes a flyer that describes housing discrimination.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Commission

The Newport News Planning Commission, an advisory body appointed by the City Council, consists of nine members. Members provide guidance and recommendations on land use planning issues to the City Council and Board of Zoning Appeals.

Of the nine appointed members, six are White and three are Black. There are three females and six males. None of the members indicated a disability, and one lives in a household with children under the age of 18.

b. Board of Zoning Appeals

The Newport News Board of Zoning Appeals (BZA) is responsible for hearing and deciding upon appeals against decisions made by the zoning administrator regarding the administration or enforcement of the City's Zoning Ordinance. The BZA also reviews applications for variance requests to the Zoning Ordinance. The Board of Zoning Appeals has five members, consisting currently of three White males, one Black male and one Black female.

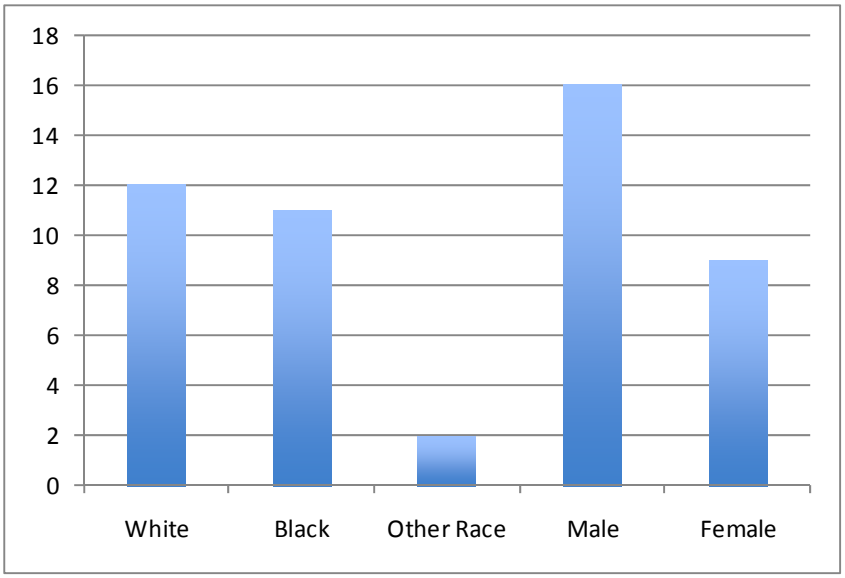
c. Newport News Human Rights Commission

The Human Rights Commission is a nine-member body appointed by the City Council. Its duties are to safeguard all individuals within the City from unlawful discrimination; preserve the public safety, health and general welfare; further the interests, rights and privileges of individuals within the City; and protect citizens of the City against unfounded charges of unlawful discrimination.

The Human Rights commission is racially diverse, involving six Black members (two male, four female) and two other-race males as well as two White males and a White female. Two members were identified as youth. Additionally, the Commission lists two Black females as staff members.

In total, the three public volunteer boards studied have 25 total members, 36% of whom are female and 52% of whom were identified as a racial minority. Data on disabilities and familial status was not available for all groups. In terms of racial composition alone, each board involves the representation of members of the protected classes, an arrangement that helps to ensure that the needs of these populations factor into housing-related decisions.

Figure 5-34
Gender and Racial Composition of Appointed Boards and Commissions, 2011



iv. Language Access Plan for Persons with Limited English Proficiency

As stated previously, Newport News has a high number of persons with LEP, especially among Spanish speakers and speakers of an Asian or Pacific Island language. Acknowledging an expanding population of persons with LEP, Newport News Redevelopment and Housing Authority (NNRHA) conducted a four-factor analysis in 2007.

In response to the City's rapidly expanding Hispanic population, the Newport News Police Department began efforts in 2003 to identify concentrations of Hispanic residents and conduct outreach in those areas to built rapport between the department and those residents. In 2007, the department hosted the first Hispanic Community Leaders meeting, which created a forum for City personnel and leaders from the Hispanic community to discuss ways to build trust between the community and the police. At the same time, the City's Communications Staff developed a citywide Strategic Communications Plan, which included the recommendation to establish a Hispanic Advisory Committee. The Committee was formed in 2007 to address public safety, health, human services, libraries and education. Recently, the Committee has worked to establish a set of key strategies to advance a more positive relationship between City government and the City's non-English-speaking residents.

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Newport News was reviewed as part of the analysis for the 2003 AI. Since few amendments were adopted relative to the sections described below, much of the previous analysis is restated. Where revisions have been made since 2003, they are noted.

The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

Newport News' zoning ordinance was adopted in the 1960s and has been frequently amended through 2009. This demonstrates a concerted effort to modernize the ordinance with newer land uses, more innovative planning concepts, and modifications to a changing society.

As previously stated in the 2003 AI, the City in 1993 developed *Framework for the Future*, a citizen-driven comprehensive plan that set forth a course for the City for the next 20 years. The housing plan outlined by *Framework for the Future* seeks to make affordable housing available throughout the City and to disperse economically disadvantage populations by redistributing the public and assisted housing stock. *Framework for the Future* is being implemented in part by the Zoning Ordinance enacted in August 1997. The following provides a review of the Zoning Ordinance and its impact on fair housing choice in Newport News.

b. Residential Zoning Districts and 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 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 10,000 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.

There are eight distinct residential districts. In residential districts, single-family detached dwellings are required to have up to 20,000 square feet, but can also be developed in the residential districts on lots as small as 5,000 square feet. Within the Regional Business District, single-family dwellings do not require a minimum lot size and can be developed at up to 20 units per gross acre.

Attached single-family dwellings are permitted in residential districts on lots as small as 1,500 square feet at a density of up to 34 units per acre. Two-family detached and semi-detached dwellings and townhouses are permitted on lots as small as 4,000 square feet. Housing is also permitted in zone districts in combination with non-residential uses in the City, potentially supporting the creation of housing among uses with jobs and services. In the Mixed Use District housing in the form of multiple family dwellings and high rise apartments are permitted at a maximum density of 80 dwelling units per acre. The lot sizes required by the City's Zoning Ordinance are varied with opportunities for small lots accommodating a variety of households.

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 Zoning Ordinance permits the development of Planned Residential Developments "to promote efficient and well planned land use by clustering residential development to conserve open space." Within PRDs, there is no minimum lot size, lot frontage or lot width for single family units with the reduction in lot size dedicated for maintenance as open space. Setbacks can be reduced as well.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family detached, two-family detached, multiple-family, and multiple-family high rise dwellings. The wide variety of permitted housing types supports housing choice by diverse households in the community.

The Zoning Ordinance defines a "manufactured home" as "a structure designed as a single-family dwelling…." However, the definition of a "single-family detached dwelling" specifically excludes manufactured homes from consideration as single-family detached units. Accordingly, manufactured homes, a low cost housing option, are not permitted under the

same standards as single-family dwellings and are excluded within districts where single-family detached dwellings are permitted. Manufactured homes are limited to Manufactured Home Districts and must be contained in manufactured home parks. While manufactured homes are permitted at up to 11 units per acre in Manufactured Home Districts, there is a minimum acreage requirement of ten acres to create a manufactured home park. The ten-acre minimum can limit the ability to create lots for manufactured homes. There is a relation between low income households and members of the protected classes in Newport News. The restrictions on manufactured homes created as a result of the Zoning Ordinance's definitions do not specifically impede housing choice by members of the protected classes. By limiting a low cost housing option, however, the restrictions on manufactured homes may disproportionally impact members of the protected classes.

OBSERVATION: Manufactured housing units, including mobile homes, are specifically excluded from the definition of "single-family detached dwelling." In addition, this affordable housing type is permitted only in Manufactured Home Districts. This affordable housing option should be permitted in other residential zoning districts.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

As defined by the Zoning Ordinance family consists of "(1) an individual living alone in a dwelling unit; or (2) any of the following groups of persons living together:

a) Two or more persons related by blood, marriage, adoption, or approved foster care;
b) A group of not more than three unrelated (excluding servants) persons; or
c) A group of not more than two adults who need not be related by blood or marriage, and the children of each of the adults.

The narrowness of the definition, specifically the limiting of a family to not more than three unrelated persons, can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly the disabled.

OBSERVATION: The City limits the number of unrelated persons who can live together as a single, cohesive household. This may discriminate against persons with disabilities who live in group homes.

f. 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 in violation of the Fair Housing Act.

To create opportunities for households that do not meet the strict definition of family, the Zoning Ordinance defines various types of group residences as follows.

- "Adult care residence" is "any place, establishment, or institution, public or private, including any day-care center for adults, operated or maintained for the maintenance or care of four or more adults who are aged, infirm, or disabled except the home or residence of an individual who cares for or maintains only persons related to him by blood or marriage and a facility or portion of a facility licensed by the State Board of Health or the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services, but including any portion of such facility not so licensed."
- "Congregate housing for children" is "a residential facility under 24-hour per day adult supervision used to temporarily house, for a maximum period of 90 days, pre-foster care children, under the age of 18 years prior to placement in a foster care home."
- "Group home" is "(a) a residential facility for nine or more mentally ill, mentally retarded, or developmentally disabled persons, for which the Virginia Department of Mental Health, Mental Retardation, and Substance Abuse Services is the licensing authority, or (b) a residential facility for five or more persons, excluding nursing homes, with 24-hour supervision, which provides shelter and services to individuals and families for a period not to exceed 24 months to help them become self-sufficient citizens."
- "Special residential facility" is "a residence where care for not more than eight (8) mentally ill, mentally retarded or developmentally disabled persons reside with one (1) or more resident counselors or other staff persons and licensed by the department of mental retardation and substance abuse services; provided that mental illness

and developmental disability shall not include current illegal use of or addiction to a controlled substance as defined in § 54.1-3401 of the Code of Virginia."

The Zoning Ordinance permits special residential facilities as a use by-right in the most restrictive residential zones where single-family housing is permitted. There no additional requirements placed on the use. Special residential facilities are not, however, allowed in the zoning districts where multi-family housing is permitted or in the mixed use zoning districts. Permitting the use among single-family housing in various locations allows disabled persons to easily live in residential areas in Newport News. Prohibiting special residential facilities in multiple-family structures, however, may impede choice by members of the protected classes.

Adult care residences and group homes are only permitted by-right in an Office Park zoning district and as a Conditional Use in the City's primarily residential zones and in the mixed use zones. Congregate housing for children is permitted only as a Conditional Use, although it is permitted in all the residential zone districts, the mixed use zone districts, and the primarily non-residential zone districts.

As described in the Zoning Ordinance, Conditional Uses are only permitted based on the following conditions.

- The specific use will be compatible with and not injurious to the use and enjoyment of other property, nor significantly diminish or impair property values within the immediate vicinity.
- The establishment of the specific use will not impede the normal and orderly development and improvement of surrounding vacant property.
- That adequate utilities, access roads, drainage and other necessary supporting facilities have been or will be provided.
- That the design, location, and arrangement of all driveways and parking spaces provide for safe convenient movement of vehicular and pedestrian traffic without adversely affecting the general public or adjacent municipalities.
- That adequate nuisance prevention measures have been or will be taken to prevent or control offensive odor, fumes, dust, noise, and vibration.
- That directional lighting is provided so as not to disturb or adversely affect neighboring property.
- That there are sufficient landscaping and screening to ensure harmony and compatibility with adjacent property.
- That the proposed use is in accordance with the Comprehensive Plan.

The above listed conditions apply to all Conditional Uses in the City. The conditions are broad planning objectives, which should apply to any use in

the community. The conditions are not drawn to address or mitigate specific issues related to a specific use. The broad nature of the conditions, which cannot be quantified, may be subjectively enforced. The Zoning Ordinance requires a filing fee of $400 for a conditional use permit. Also, review and approval by City Council is required for conditional uses. By limiting some of the group residences to Conditional Uses, the Zoning Ordinance may be unnecessarily limiting the uses to the detriment of members of the protected classes. Imposing extra fees and review and approval by City Council, slows the development and draws unwarranted attention to the use.

The group residences defined by the Zoning Ordinance are residential uses that function in the same manner as any other residential use. Accordingly, efforts should be made to ensure the group residences can be easily accommodated throughout the City under the same standards as any other single-family 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 single-family residential uses in the zoning district, are an impediment to the siting of group homes in violation of the Fair Housing Act.

Larger group residences, generally those occupied by more than ten, may start to function as institutional uses and may require special consideration for servicing and parking by employees. If additional conditions are imposed, the conditions should be specifically related to potential problems arising from the nature of the use in the zone district. The standards should be easily quantified ensuring they are equally applied to all similar uses avoiding the potential for applying them in a discriminatory manner. When additional standards are imposed, efforts should be made to expedite the review process avoiding delay that may result in an impediment to development. While public input is important to development and planning in a community, the public review process for a group home needs to be balanced with ensuring that the review process does not incite the community regarding the use.

OBSERVATION: The City's zoning ordinance remains in violation of the Fair Housing Act as it places additional burdensome requirements on group homes that are not required of other single family dwelling units.

F. 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.

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Newport News since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, there were no housing complaints filed by persons in Newport News with DPOR during the previous five years.

ii. Patterns and Trends in Fair Housing Complaints

Data on fair housing complaints filed with the City's OHA since 2004 were unavailable.

iii. Existence of Fair Housing Discrimination

The City of Newport News is not currently involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Newport News is not involved in any current or pending suits.

G. Assessment of Current Fair Housing Programs and Activities

i. Progress since the 2003 AI and Current Fair Housing Programs and Activities

Each year, the City of Newport News structures its entitlement programs in such a way as to promote access to fair housing, primarily through addressing the impediments identified in the 2003 AI. The City's actions relevant to each impediment, as reported by the City in the Consolidated Annual Performance and Evaluation Report (CAPER) for 2008-09, are as follows.

Newport News consistently funds and supports the Fair Housing Counseling and the Minority Business Enterprise outreach efforts of the Office of Human Affairs (OHA), the local community action agency. The OHA Fair Housing division handles concerns, complaints and answers questions from concerned citizens. The City funds the Newport News Human Rights Commission which is responsible for examining complaints concerning unlawful discrimination in areas ranging from real estate transactions to employment opportunities.

The City and Newport News Redevelopment and Housing Authority (NNRHA) continue to support fair housing issues on a regional basis through participation in the Hampton Roads Community Housing Resource Board (HRCHRB). Both local funding and staff participation help support this organization. The HRCHRB works closely with local, state and federal agencies to promote awareness of fair housing issues in Hampton Roads and helps coordinate and assimilate information to assist each locality with its fair housing plan.

The City and NNRHA also participate in the Hampton Roads Housing Consortium, which brings together representatives from the government, private sector, and various nonprofit organizations interested in affordable housing issues ranging from special needs housing to homeownership.

Special needs housing is addressed in the Greater Peninsula Continuum of Care document, which delineates priorities to alleviate homelessness. Local building codes require new apartment complexes to configure 5% of the units to accommodate special need tenants, whereas complexes undergoing major renovations must provide at least 20% of the units with improved handicap accessibility. Additionally, NNRHA's Open House program provides assistance to enable handicapped accessibility in single-family homes.

A lack of affordable housing options was cited throughout the Hampton Roads region as an impediment to fair housing choice in the 2003 AI. NNRHA is continuing its commitment to affordable housing and completed six new houses as part of the Madison Heights/Greater Madison Heights Homeownership Project, which brings the total to 105 houses developed since 1995 utilizing HOME, CDBG and other local and state affordable housing resources. Buyers of new homes at Madison Heights benefit from participation in homebuyer education classes provided by NNRHA utilizing a

model sponsored by the Virginia Housing Development Authority (VHDA). Two local Community Housing Development Organizations (CHDOs) provide similar homebuyer education classes. As part of the homebuyer counseling process, NNRHA refers applicants with credit problems to Consumer Credit Counseling. Existing homebuyers in danger of mortgage default are referred to housing counselors at the Office of Human Affairs who try to negotiate workout plans with private mortgagors.

NNRHA continues to monitor implementation and compliance with the affirmative marketing plan for HOME-assisted rental projects of five or more units. Marketing practices for such projects include providing notices to the NNRHA Assisted Housing Office, newspaper advertising, and furnishing flyers to agencies serving low-income residents. In addition, Fair Housing/Equal Housing Opportunity posters are provided to owners of such projects. Such action helps expand housing choice among a larger number of citizens within Newport News.

In the CAPER, the City provided details on its involvement in the following particular actions associated with advancing fair housing choice through the HRCHRB:

- Continued staff and financial support of the Hampton Roads Community Housing Resources Board (HRCHRB). Newport News representative serves as Vice President.
- Continued monetary support through the HRCHRB of the Endependence Center's efforts on the Southside of Hampton Roads.
- Set aside additional funds to cover the cost of the Analysis of Impediments to Fair Housing Choice update.
- Partnered with Housing Opportunities Made Equal (HOME) to update, reproduce and distribute Fair Housing Handbooks through HRCHRB.
- HRCHRB sponsored, in conjunction with Regional HUD representatives, a Tidewater Seminar dealing with various facets of housing.
- Continued to partner and support the new Tidewater regional office of HOME.
- Sponsored, through the HRCHRB, annual Fair Housing Seminars in conjunction with the Tidewater Builders Association and Peninsula Housing and Builders Association which examine issues relating to the landlord/tenant act and fair housing issues.

Other additional actions on the part of the City and NNRHA in support of fair housing were as follows:

- Supported several initiatives committed to developing or rehabilitating affordable rental and single family housing units.

- Issued a Fair Housing Month proclamation in April during HUD-recognized Fair Housing Month.
- Continued financial support for the development of an affordable single-family housing community spanning several blocks known as Madison Heights.
- Created attractive affordable housing options for mixed income homeowners.
- Participated in the Continuum of Care Housing Task Force group and Continuum of Care Council.
- Continued ongoing discussions with local banking representatives to make them aware of the City's various affordable housing and small business loan programs.
- Continued support of the Office of Human Affairs with local and CDBG funds.
- City and NNRHA staff participated in a committee to review housing and housing choices in sections of the City's lower income Southeast community and were charged with investigating financing options.
- NNRHA and city staff helped advertise and promote OHA fair housing seminars. Assisted in providing information and awareness to citizens on certain fair housing issues and advised citizens that a fair housing analysis document had been completed.

H. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following preliminary findings are noted. From these findings, the potential impediments to fair housing choice in Newport News will be identified.

1. Minorities have continued to increase as a percentage of total population.

Minorities have increased from 37.4% to 49.5% of total population since 1990. Blacks remain the largest minority group, comprising 85% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which doubled from 4,710 in 1990 to 9,500 in 2008.

The LEP population has increased slightly since 2000 as demonstrated by the increasing number of linguistically isolated households. This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

2. There are 11 areas of minority concentration in the City.

There are 10 census tracts in Newport News that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 301, 303, 304, 305, 306, 308, 309, 313, 321.24, and 322.12.

Census tract 323 meets the criterion for an area of ethnic concentration of Hispanic residents.

3. Newport News is a moderately segregated municipality, as determined by dissimilarity indexing.

Achieving full integration among White persons and Black persons in the City would require 50.3% of Black residents moving to a different location within Newport News. In addition to a White/Black index of 50.3, Newport News has a White/Asian index of 30.3, a White/multi-race index of 30.1, and a White/Hispanic index of 36.5. These numbers indicate that these subpopulations are more integrated than Black residents.

4. Members of the protected classes have significantly lower incomes.

Median household income among Blacks was equivalent to only 59% that of Whites in 2000, and poverty among Blacks was triple the rate among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were five times more likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 20.1% lived in poverty compared to 4.2% of persons without a disability.

Female-headed households with children accounted for more than two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

5. Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.

Of the 56 low and moderate income census block groups in Newport News, 34 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

6. Blacks were more likely to be unemployed than Whites.

Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 6.1% compared to 4.8% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

7. The City gained over 12,000 new housing units between 1990 and 2008. However, a majority of net losses of units occurred in areas of concentration of Black residents.

The vast majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. In contrast, the majority of net losses of housing units occurred in all but two of the areas of racial concentration.

8. Minorities are far less likely to become home owners in Newport News.

Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households. In 2000, the ownership rate among White households was 64.9% compared to only 34.9% for Black households and 31.7% for Hispanic households.

9. The inventory of affordable housing in Newport News is increasingly inadequate, especially for members of the protected classes.

Between January 2007 and June 2008, Newport News had a foreclosure rate of 4.5%. Census tracts with the highest rates of foreclosure were most likely to be also areas of concentration of Black residents.

Minority households were much more likely to live in larger families than White households. For example, 83% of Hispanic families and households of some other race included three or more persons compared to 55.9% of White families. However, only 12.3% of the rental housing stock contains three or more bedrooms compared to 43.5% of the owner housing stock.

Newport News lost more than half of all housing units renting for less than $500 between 2000 and 2008, equivalent to more than 6,400 units. By comparison, units renting for $1,000 or more increased by more than 10,000 units.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Newport News. This situation forces these individuals and households to double-up with others or lease substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

Among all owner households with incomes below 80% of the median family income in 2000, 50.6% of White households experienced problems compared to 63.5% of Blacks and 62.2% of Hispanics.

Blacks are disproportionately represented in public housing. Almost 94% of all current tenant households and 87.6% of all applicant households are Black.

Blacks also are disproportionately represented among Section 8 voucher holders. Among current voucher holders, 94% are Black as are 95.5% of all applicant households. This may indicate limited affordable housing choice for Blacks in Newport News.

10. Minorities are disproportionately represented in public housing and Section 8 units.

Families with children represent less than 7% of all Section 8 voucher holders but account for more than 75% of all waiting list applicants. This indicates a severe need for affordable family housing in Newport News.

Families with disabled members represented only 8.5% of current public housing tenant households and 28% of all waiting list households. This

demonstrates a continuing need for affordable, accessible family housing in Newport News.

11. The Newport News Redevelopment and Housing Authority (NNRHA) could expand housing choice for members of the protected classes.

NNRHA's definition of "family" limits the number of unrelated individuals living together as a cohesive household to five.

NNRHA does not obstruct Section 8 voucher holders from locating in neighborhoods of opportunity, but it also does not aggressively promote voucher mobility. NNRHA, and other RHAs in the region, must make a more assertive effort to expand housing choice vouchers. The list of all participating properties should be provided to all eligible applicants as a matter of policy. Landlords with units located outside areas of concentration should be offered higher payment standards to induce their participation in NNRHA's Section 8 program.

12. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

Black upper income households had mortgage loan denial rates at twice the rate for White upper income households. More notably, Black upper income households were denied at higher rates than lower income White households. While these facts alone do not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Minority households are disproportionately represented in high-cost lending. Of the 222 loans originated for lower income minorities, 9.9% were high-cost compared to 5.8% among lower income White households. Of the 237 loans originated for upper income minority households, 5.9% were high-cost compared to 2.3% among upper income White households.

There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

13. By focusing both community development initiatives and affordable housing in identified neighborhood revitalization areas, the City has improved impacted areas, but also further concentrated lower-income residents.

Analysis of the City's Annual Plan and CAPER documents reveal heavy investment of CDBG and HOME funds in impacted areas. While improving the quality of life in lower-income minority areas is an important aim, the City must also demonstrate an effort to affirmatively further fair housing by expanding the availability of affordable housing in non-impacted areas. First consideration should be given to the use of CDBG and HOME funds for new family housing development (both sales and rental) on sites outside of impacted areas.

14. The City's zoning ordinance should be amended and brought into compliance with the Fair Housing Act.

Manufactured housing units, which include mobile homes in this case, are specifically excluded from the definition of "single-family detached dwelling." In addition, this affordable housing type is permitted only in Manufactured Home Districts. This affordable housing option should be permitted in other residential zoning districts.

The zoning ordinance limits the number of unrelated persons living together as a single cohesive household. This may discriminate against persons with disabilities who live in group homes.

The zoning ordinance also places additional burdensome requirements on group homes that are not required of other single family dwelling units.

15. The City's activities to affirmatively further fair housing have been well documented, but could be strengthened.

The City conducts an evaluation of its response to impediments identified in the latest AI every few years, updating its strategies accordingly. These status reports are useful, but should be based on more frequent and empirical evaluations of the fair housing landscape (i.e. housing market patterns, discrimination complaints data).

The fair housing environment has been improved by the City's outreach and educational efforts. However, true progress can be made and measured in incorporating new policy development initiatives and fair housing choice activities.

I. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Suffolk were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

a. The City lacks an over-arching fair housing policy that establishes the foundation for a comprehensive integration policy in Newport News.

With a dissimilarity index of 50.3, the City of Newport News is considered a moderately segregated city. Although the City is implementing many programs and projects in a non-discriminatory manner, acknowledging that fair housing and civil rights enforcement are basic municipal services would foster a greater commitment to integration.

Proposed Action 1: Adopt a diversity policy that clearly states the City's commitment to integration. Such a policy should be a stand-alone document that incorporates a vision of diversity and the promise that the City of Newport News will work to provide all persons and households with fair housing choice. The policy should then be integrated into all City programs and other policy documents such as the comprehensive plan, etc.

Proposed Action 2: Mitigating decades of segregated settlement patterns is a protracted, complicated and sometimes controversial undertaking, but is nonetheless a critical step in affirmatively furthering fair housing and realizing community goals of expanding housing choice to everyone. The most immediate and direct impact City government can have in this area is the location-conscious investment of funds in the development or redevelopment of housing. The City will need to strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas for members of the protected classes.

Proposed Action 3: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. There is a lack of housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. Housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

c. Minorities have comparatively low homeownership rates.

Minority households in Hampton have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and residents in living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education), increasing lending, credit and banking services in LMI census tracts and minority census tracts, and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Newport News.

d. There is an inadequate supply of housing accessible to persons with disabilities in Newport News.

Disability advocates emphasized the critical demand for affordable housing that is accessible to persons with physical disabilities. Persons with disabilities often spend years waiting for an accessible dwelling to become available.

Proposed Action 1: The City of Newport News should institute a requirement that at least 10% of all newly constructed multi-family housing must be accessible to persons with mobility impairments. This would involve securing the services of a mobility advocate to inspect new residential units during the various stages of development (i.e., design, construction, post-construction, inspection, etc.) to ensure that accessible features are incorporated into the site, the building and the dwelling units. Special emphasis should be placed on handicapped parking near entrances, adequate passageway widths for wheelchairs and wheelchair accessibility through automatic doors.

Proposed Action 2: Continue to work with disability advocates to sponsor workshops and other educational opportunities for housing planning staff, developers, architects, builders, Realtors, and other housing professionals to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly-constructed or substantially rehabilitated housing units.

Proposed Action 3: Sponsor an annual workshop on fair housing law (including Virginia building code provisions) for builders, developers, architects, Realtors and other individuals and groups involved in the housing industry.

Proposed Action 4: Work with disability advocates to sponsor workshops and other educational opportunities for the City's building and housing staff and Realtors to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly constructed or substantially rehabilitated housing units.

e. Persons with limited English proficiency (LEP) may not be able to fully access federally funded services provided by the City.

Recent Census data indicate there are 2,802 native Spanish-speakers and 1,987 Asian/Pacific Islander residents living in Newport News who do not speak English very well. Significant segments of these population groups may face language barriers which prevent access to federally funded services provided by the City.

Proposed Action: The City should perform the four-factor analysis to determine if it must prepare a Language Access Plan with the intent of evaluating the extent to which various language groups with limited English proficiency (LEP) need access to vital government documents. The purpose of the plan is to take meaningful steps toward ensuring access to City programs for LEP persons in accordance with Executive Order 13166 of 2001 and Section V of the Federal Register, Volume 72, No. 13 (2007). Complying with HUD's LEP requirements involves the completion of a four-factor analysis and subsequent implementation of the Language Access Plan.

f. The City's zoning ordinance violates the Fair Housing Act.

The City's zoning ordinance includes a lengthy and cumbersome definition for "family." The definition limits the number of unrelated persons who can live together as a cohesive household. The ordinance also places burdensome application requirements on group homes, subjecting them to unnecessary public hearings and potential neighborhood opposition. This process discriminates against persons with disabilities.

Proposed Action: Amend the City's zoning ordinance to redefine "family" by eliminating the limit on the number and relationship of

persons living together as a cohesive household. The ordinance also should be amended to eliminate the current permitting process for group homes so that group homes for persons with disabilities are regulated in an identical manner to all other single family dwelling units.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Newport News, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Newport

News. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Newport News.

Between January 2007 and June 2008, an estimated 1,259 foreclosure filings were recorded in the City, representing a rate of 4.5%. Four of the City's 35 census tracts had rates more than twice the rate of the City's, and all of these tracts were areas of racial concentration.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

J. Signature Page for the City of Newport News

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Newport News is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

6. CITY OF NORFOLK

A. Historical Residential Settlement Patterns

Residential development in Norfolk began in what is now the City's Downtown and spread northward to the Lafayette River. The addition of the trolley lines in the late 19th century expanded residential development up the Chesapeake Bay along Granby Street. After World War II, the City experienced a housing shortage, which led to infill development in existing neighborhoods, the development of apartment complexes throughout the City, and the development of new suburban communities in central Norfolk. Suburbanization continued through the 1960s and expanded to Norfolk's eastern border.

B. Demographic Profile

i. Population Trends

The racial composition of Norfolk is changing significantly. Between 1990 and 2000, the number of Whites decreased 24%. Non-Whites increased 7% and became a majority for the first time. Between 2000 and 2008, Whites and Blacks remained relatively stable in number. Blacks remain the largest minority group, comprising 87% of all minorities. Asian and Pacific Islanders experienced a modest increase of 4%. The fastest-growing segment was Hispanics, which increased 53.6% from 7,611 in 1990 to 11,689 in 2008.

Significant decreases occurred among persons of Some Other Race and persons of Two or More Races.

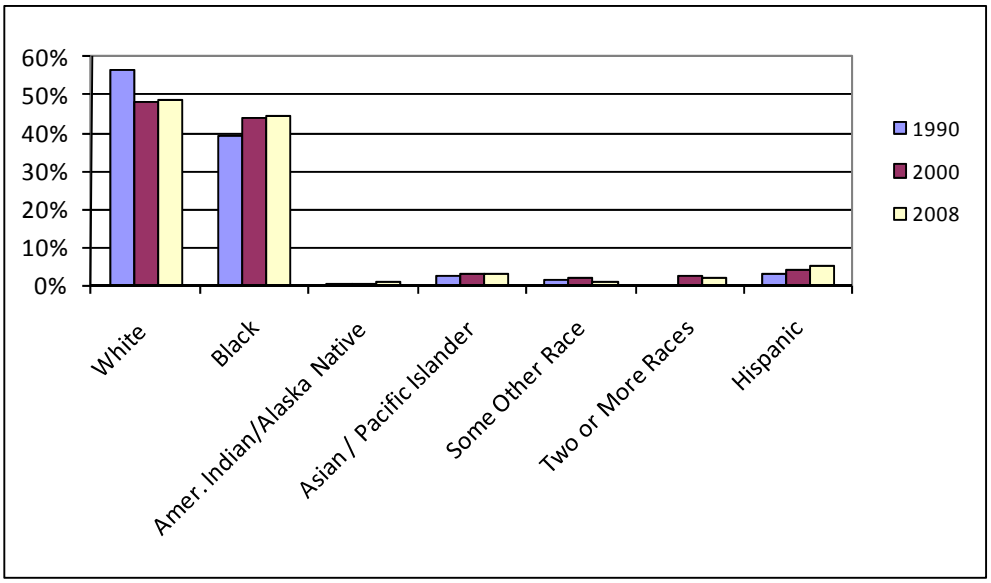
Figure 6-1
Population Trends, 1990-2008

	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Norfolk	**261,229**	**100.0%**	**234,403**	**100.0%**	**234,220**	**100.0%**	**-10.3%**
White Population	148,228	56.7%	113,358	48.4%	113,979	48.7%	-23.1%
Non-White Population	113,001	43.3%	121,045	51.6%	120,241	51.3%	6.4%
Black	102,012	39.1%	103,387	44.1%	104,741	44.7%	2.7%
Amer. Indian/Alaska Native	1,165	0.4%	1,071	0.5%	1,516	0.6%	30.1%
Asian / Pacific Islander	6,815	2.6%	6,844	2.9%	7,126	3.0%	4.6%
Some Other Race	3,009	1.2%	3,923	1.7%	2,390	1.0%	-20.6%
Two or More Races	---	---	5,820	2.5%	4,468	1.9%	-23.2%
Hispanic	7,611	2.9%	8,915	3.8%	11,689	5.0%	53.6%

Source: U.S. Census Bureau

OBSERVATION: Non-White residents have increased from 43.3% to 51.3% of the total population since 1990. Blacks remain the largest minority group, comprising 87% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which grew 53.6% from 7,611 persons in 1990 to 11,689 in 2008.

Figure 6-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Sources: U.S. Census Bureau, DemographicsNow

ii. Areas of Racial and Ethnic Minority Concentration

The City of Norfolk 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 Norfolk, Blacks comprised 42.1% of the population in 2009. Therefore, an area of Black concentration would include any census tract where the percentage of Black residents is 52.1% or higher. There are multiple tracts in Norfolk that meet this criterion. These include tracts 16, 25, 27, 29, 31, 32, 33, 34, 35.01, 35.02, 41, 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 57.01, 57.02, 59.01, 64, and 70.02.

Asians/Pacific Islanders comprise 3.3% of the City's population. An area of racial concentration would include those census tracts where the percentage of Asians/Pacific Islanders is 13.3% or higher. Census tract 11 in Norfolk has an Asian population of 15.6%, making it an area of racial concentration.

There are no other areas of racial or ethnic concentration in Norfolk. These are highlighted in Figure 6-3.

OBSERVATION: There are 27 census tracts in Norfolk that meet the criterion for areas of racial concentration of Black residents. These areas include tracts 16, 25, 27, 29, 31, 32, 33, 43, 35.01, 41, 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 57.01, 59.01, 64, 70.02. In addition, census tract 11 also includes an area of concentration of Asian residents.

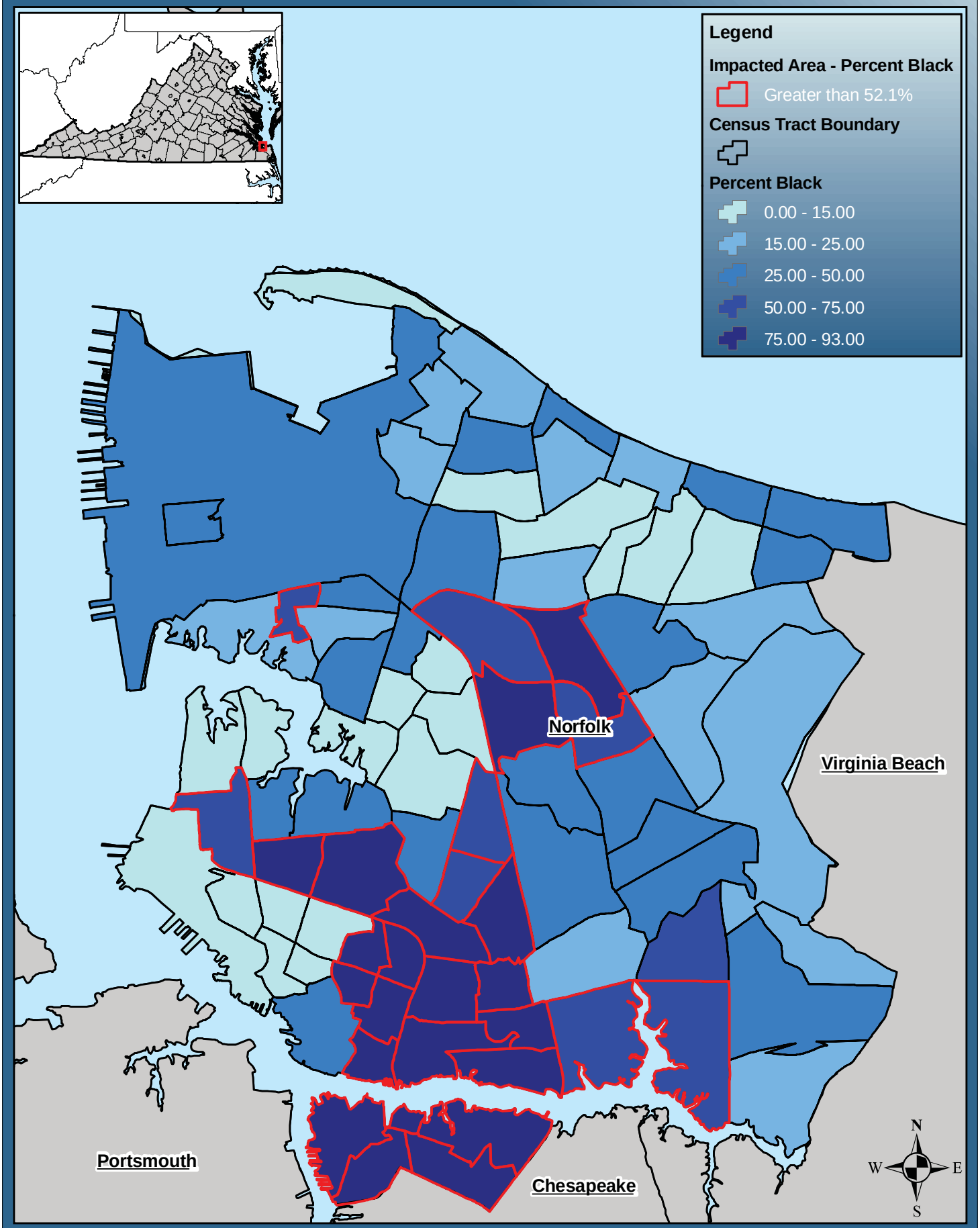
Figure 6-3
Census Tract Population by Race and Hispanic Origin, 2009

Census Tract	Total Population	White %	Minority Residents: Black %	Asian/Pacific Islander %	Hispanic %	Census Tract	Total Population	White %	Minority Residents: Black %	Asian/Pacific Islander %	Hispanic %
City of Norfolk	**250,740**	**51.7%**	**42.1%**	**3.3%**	**4.5%**	41.00	2130	5.7%	92.9%	0.4%	1.3%
1.00	2,642	71.2%	23.0%	2.5%	3.9%	42.00	1829	6.7%	92.1%	0.3%	1.7%
2.01	3,003	64.1%	29.3%	1.9%	7.5%	43.00	3597	6.4%	91.3%	0.5%	1.5%
2.02	4,078	75.5%	17.8%	3.2%	5.3%	44.00	3,312	5.6%	92.9%	0.5%	0.9%
3.00	3,155	75.8%	16.8%	3.6%	6.9%	45.00	1,412	6.0%	92.1%	1.0%	1.5%
4.00	4,062	82.0%	12.7%	1.3%	5.5%	46.00	2,371	7.3%	90.7%	0.5%	1.0%
5.00	3,740	74.4%	16.0%	4.4%	8.0%	47.00	1,887	6.5%	91.5%	0.3%	1.9%
6.00	4,426	62.1%	30.0%	3.4%	6.5%	48.00	1,355	10.7%	87.5%	0.5%	2.0%
7.00	2,872	81.1%	12.6%	3.3%	4.7%	49.00	3,598	60.2%	36.2%	2.5%	2.0%
8.00	2,332	66.7%	21.6%	6.0%	10.2%	50.00	991	7.1%	90.7%	0.5%	2.3%
9.00	20,863	57.6%	33.1%	3.3%	11.9%	51.00	950	8.8%	89.2%	0.5%	0.4%
11.00	3,149	51.0%	26.8%	15.6%	10.0%	52.00	3,677	6.0%	92.3%	0.4%	1.4%
12.00	3,951	71.8%	22.0%	2.7%	5.1%	53.00	2,289	6.4%	92.4%	0.4%	0.4%
13.00	2,799	54.6%	37.5%	2.8%	10.2%	55.00	3,275	63.5%	26.5%	5.2%	5.4%
14.00	1,931	69.3%	25.8%	1.7%	4.8%	56.01	4,113	86.9%	8.7%	2.2%	3.3%
15.00	2,430	76.2%	18.2%	2.5%	5.8%	56.02	3,617	72.7%	21.6%	2.8%	5.1%
16.00	1,613	19.5%	72.7%	4.3%	5.2%	57.01	4,652	27.9%	67.5%	2.2%	2.8%
17.00	2,321	69.4%	26.0%	2.1%	5.8%	57.02	2,692	15.9%	80.6%	1.3%	2.0%
18.00	941	81.7%	15.0%	1.4%	1.1%	58.00	5,603	0.14	0.82	0.02	0.03
19.00	711	88.6%	4.1%	4.5%	2.3%	59.01	4,436	24.3%	68.8%	4.4%	2.7%
20.00	1,388	80.6%	14.5%	2.0%	2.9%	59.02	4,470	57.0%	32.1%	7.7%	3.8%
21.00	1,696	87.6%	8.8%	2.3%	1.8%	59.03	1,678	53.0%	37.1%	7.9%	3.1%
22.00	1,115	97.5%	0.5%	1.1%	1.0%	60.00	3,839	66.4%	26.3%	4.6%	2.8%
23.00	2,456	82.5%	2.7%	12.7%	2.5%	61.00	7,859	48.8%	43.1%	5.1%	4.2%
24.00	3,409	96.5%	0.7%	2.0%	2.0%	62.00	3,759	61.3%	32.1%	4.2%	3.1%
25.00	3,761	31.8%	63.1%	2.8%	3.1%	63.00	4	50.0%	25.0%	0.0%	0.0%
26.00	3,061	49.8%	39.7%	6.0%	3.7%	64.00	3,597	25.6%	71.4%	1.1%	2.0%
27.00	3,052	9.2%	88.6%	0.9%	1.0%	65.01	3,332	59.0%	33.2%	2.5%	6.1%
28.00	4,470	61.3%	34.4%	2.1%	2.5%	65.02	3,619	56.8%	36.9%	2.0%	4.5%
29.00	4,106	9.5%	88.3%	0.8%	1.8%	66.01	909	86.8%	7.6%	4.0%	4.5%
30.00	2,075	66.0%	30.0%	1.6%	3.0%	66.02	2,660	87.6%	6.2%	3.6%	3.7%
31.00	3,089	41.2%	54.6%	1.7%	3.2%	66.03	2,536	82.1%	7.7%	7.0%	4.1%
32.00	2,665	29.0%	68.3%	0.9%	2.9%	66.04	2,576	65.9%	25.9%	4.1%	3.7%
33.00	2,846	18.6%	79.2%	0.7%	1.6%	66.05	2,960	68.9%	22.0%	5.3%	5.2%
34.00	2,105	6.5%	90.8%	1.0%	2.0%	66.06	4,816	58.9%	30.9%	6.3%	7.5%
35.01	2,515	5.5%	93.1%	0.4%	0.7%	66.07	3,038	62.7%	24.2%	11.0%	3.6%
35.02	812	6.0%	92.5%	0.4%	0.1%	67.00	664	73.3%	22.0%	1.7%	3.9%
36.00	1,299	80.8%	14.6%	2.5%	3.9%	68.00	1,763	75.2%	16.3%	6.2%	2.7%
37.00	2,334	85.9%	8.3%	3.2%	4.2%	69.01	3,605	41.6%	49.4%	5.9%	5.4%
38.00	2,665	89.0%	7.5%	1.9%	2.6%	69.02	2,864	74.5%	20.6%	3.0%	3.8%
39.00	723	86.5%	9.0%	2.5%	4.2%	70.01	1,737	42.6%	51.3%	2.3%	10.0%
40.01	1,182	85.4%	5.9%	6.7%	3.7%	70.02	3,932	35.6%	60.1%	2.0%	2.9%
40.02	2,894	88.7%	6.2%	3.4%	2.2%	*Source: Demographics Now*					

Map 6-1 on the following page depicts the geographic location of areas of racial concentration. In Norfolk, the census tracts outlined in *red* are areas of concentration of Black residents, also referred to as impacted areas. Tract 11, an area of Black concentration, is also a concentration of Asian residents. It is within these impacted areas that other demographic characteristics—such as income and housing—will be analyzed.

Map 6-1: Percentage of Black Residents in Norfolk, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[65] The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Norfolk is among the most segregated. The City's 2000 dissimilarity index of 57.5 for White persons and Black persons ranks 15th out of 18, and indicates that White persons and Black persons in Norfolk are more segregated than they are in more than 77% of the state's most populated cities and towns. Among the seven cities in the Hampton Roads region, Norfolk is the second-most segregated. Details are included in Figure 6-4.

[65] 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 Σ 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 6-4
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	Hampton	64,795	70,963	146,437	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	Suffolk	27,524	33,940	63,677	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Norfolk is one of the most segregated municipalities in the region. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 57.5% of Black residents would have to move to a different location within Norfolk.

Dissimilarity index data for all Norfolk subpopulations appears in the table below. This table indicates that in order to achieve full integration among White persons and Black persons in the City, 57.5% of Black residents would have to move to a different location.

Figure 6-5
Norfolk Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	110,221	47.0%
Black	57.5	102,268	43.6%
American Indian*	36.9	971	0.4%
Asian	33.0	6,477	2.8%
Hawaiian*	52.1	220	0.1%
Other*	46.3	483	0.2%
Two or more races	29.1	4,848	2.1%
Hispanic***	33.3	8,915	3.8%
TOTAL	-	234,403	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Norfolk.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

The indices above show that, in addition to a White/Black index of 57.5, Norfolk has a White/Asian index of 33.0, a White/multi-race index of 29.1, and a White/Hispanic index of 33.3. These numbers indicate that these subpopulations are more integrated than Whites and Blacks in Norfolk. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

iv. Race/Ethnicity and Income

Household income is one of the several factors used to determine a household's eligibility for a home mortgage loan. A review of median household income reveals a stark contrast between Whites and minorities in Norfolk.

The median household income in Norfolk was $40,416 for all households in 2008. Among Blacks, however, the median income was only $27,487, equivalent to 53% of the median income for Whites ($51,600). Hispanics had the second-highest income at $46,063, which was still only 89% of the income for Whites, while the income for Asians was equivalent to 82% of the income for Whites.

Higher poverty rates among non-White households reflected the lower income levels. The poverty rate for Blacks (26.2%) was twice the rate for Whites (13.0%). Asian and Hispanic households had lower poverty rates than Blacks but still greater than Whites, at 14.2% and19.6%, respectively.

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

	Median Household Income	Poverty Rate
City of Norfolk	**$40,416**	**18.9%**
Whites	$51,600	13.0%
Blacks	$27,487	26.2%
Asians	$42,228	14.2%
Hispanics	$46,063	19.6%

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I, C17001, C17001A, C17001B, C17001D, C17001I)

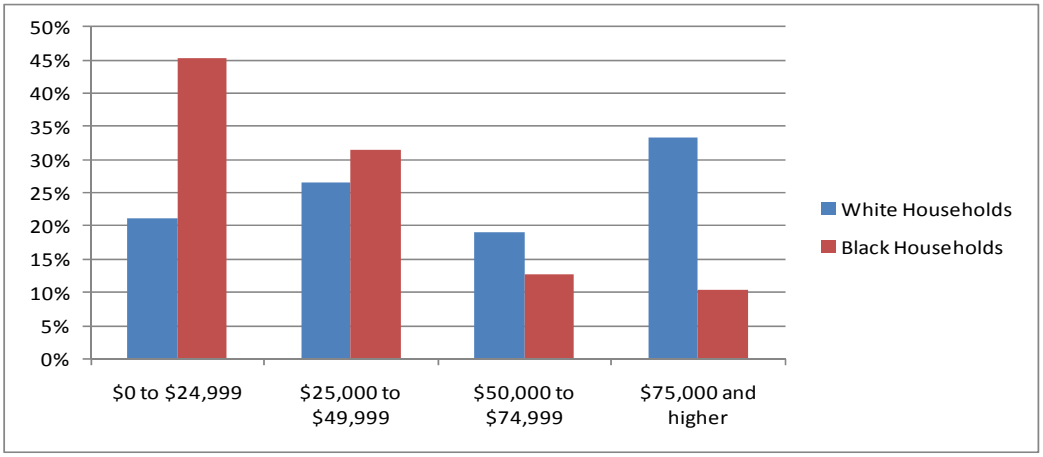
Distribution of household income by race and ethnicity is comparable to the trends described above. Approximately one-fifth of White households had incomes below $25,000 compared to almost one-half of Black households. Above $50,000, more than half of all White households were in this income bracket compared to less than one-fourth of all Black households. Data on household distribution for Asians and Hispanics were not available.

Figure 6-7
Household Income Distribution by Race and Ethnicity, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**84,860**	**26,906**	**31.7%**	**24,916**	**29.4%**	**14,037**	**16.5%**	**19,001**	**22.4%**
White Households	42,513	8,986	21.1%	11,279	26.5%	8,081	19.0%	14,167	33.3%
Black Households	38,187	17,293	45.3%	12,037	31.5%	4,864	12.7%	3,993	10.5%

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

Figure 6-8
Household Income Distribution by Race and Ethnicity, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 53% that of Whites in 2000, and poverty among Blacks was double the rate among Whites. Consequently, Blacks will have a greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement that 70% of funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Norfolk. HUD data on the percent of LMI persons reveal that there are 103 census block groups where more than 51% of residents meet the criteria for LMI status. Of these, 53 block groups were located within areas previously identified as areas of minority concentration. These are highlighted in Figure 6-9.

Map 6-2 on the following page illustrates the location of areas of racial concentrations and LMI persons in Norfolk.

OBSERVATION: Of the 103 low and moderate income census block groups in Norfolk, 53 are located within impacted areas of Black or Asian residents. As a result, areas of racial concentration are more likely to be also areas of concentration of lower and moderate income persons.

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Map 6-2: Low and Moderate Income Concentrations in Norfolk, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

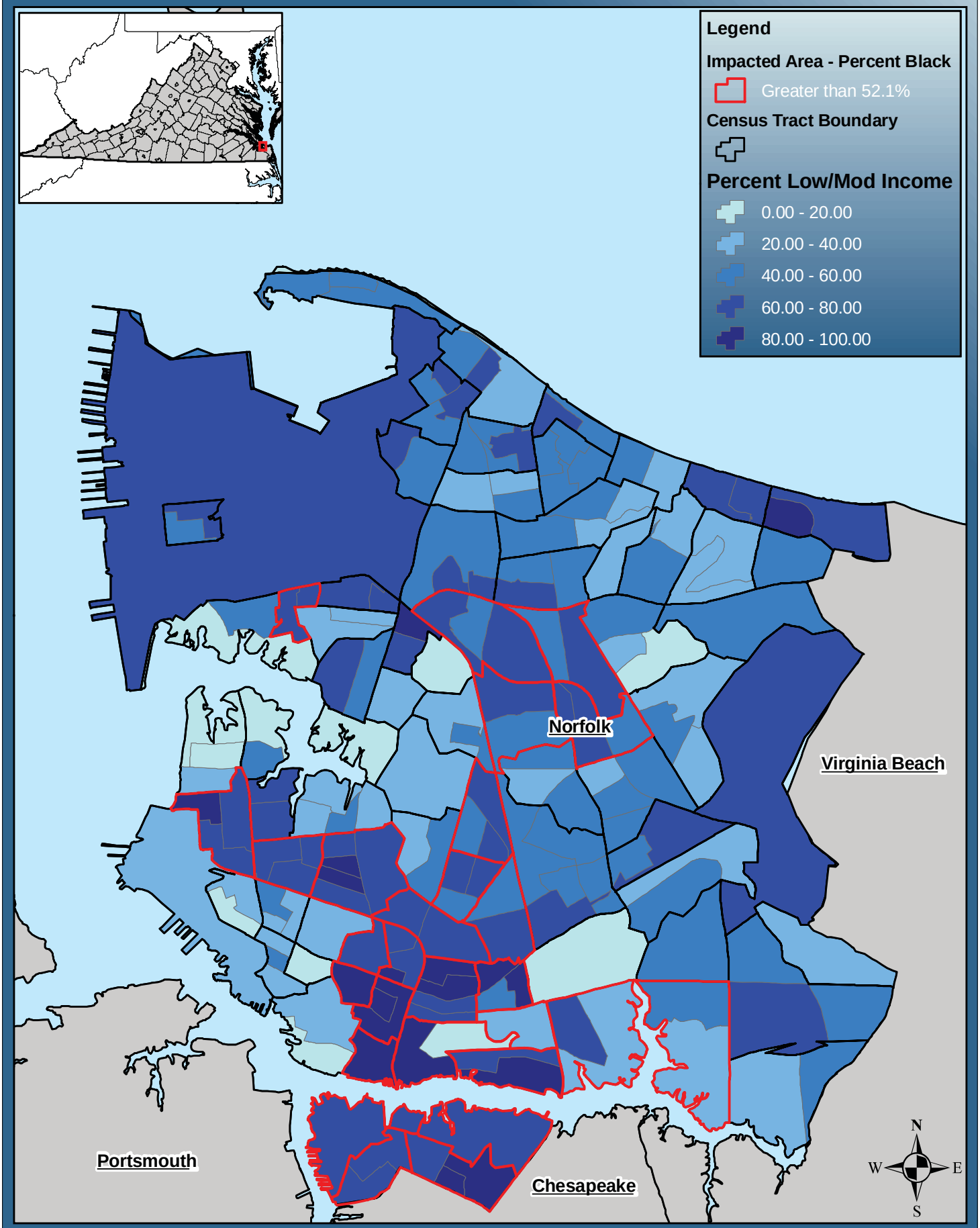


Figure 6-9
Low and Moderate Income Persons, 2009

		Low and Moderate Income Persons					Low and Moderate Income Persons		
Census Tract	Block Group	#	Universe	%	Census Tract	Block Group	#	Universe	%
1.00	1	393	1,061	37.04%	40.02	1	396	1,096	36.13%
1.00	2	605	1,358	44.55%	40.02	2	297	616	48.21%
2.01	1	570	1,339	42.57%	40.02	3	316	970	32.58%
2.01	2	1,191	1,749	68.10%	41.00	1	1,959	2,033	96.36%
2.02	1	377	869	43.38%	42.00	1	553	628	88.06%
2.02	2	443	1,098	40.35%	42.00	2	763	768	99.35%
2.02	3	481	941	51.12%	43.00	1	734	790	92.91%
2.02	4	560	952	58.82%	43.00	2	984	1,166	84.39%
3.00	1	345	1,135	30.40%	43.00	3	509	682	74.63%
3.00	2	552	784	70.41%	43.00	4	464	678	68.44%
3.00	3	521	962	54.16%	44.00	1	1,207	1,230	98.13%
4.00	1	704	1,410	49.93%	44.00	2	1,260	1,310	96.18%
4.00	2	422	782	53.96%	44.00	3	258	638	40.44%
4.00	3	993	1,742	57.00%	45.00	1	438	1,095	40.00%
5.00	1	451	684	65.94%	46.00	1	327	456	71.71%
5.00	2	546	849	64.31%	46.00	2	1,573	1,762	89.27%
5.00	3	576	1,213	47.49%	47.00	1	0	0	0.00%
5.00	4	351	723	48.55%	47.00	2	490	550	89.09%
6.00	1	1,261	1,757	71.77%	48.00	1	1,214	1,285	94.47%
6.00	2	143	309	46.28%	49.00	1	256	1,046	24.47%
6.00	3	448	788	56.85%	49.00	2	40	244	16.39%
6.00	4	422	929	45.43%	50.00	1	721	999	72.17%
7.00	1	230	599	38.40%	51.00	1	588	898	65.48%
7.00	2	645	1,286	50.16%	52.00	1	1,669	1,816	91.91%
7.00	3	356	1,009	35.28%	52.00	2	804	949	84.72%
8.00	1	409	972	42.08%	52.00	3	547	736	74.32%
8.00	2	848	1,128	75.18%	53.00	1	786	1,116	70.43%
9.00	1	3,262	4,625	70.53%	53.00	2	758	984	77.03%
11.00	1	1,123	1,794	62.60%	55.00	1	674	1,256	53.66%
11.00	2	606	1,070	56.64%	55.00	2	555	750	74.00%
12.00	1	262	1,346	19.47%	55.00	3	598	894	66.89%
12.00	2	1,346	2,326	57.87%	56.01	1	185	614	30.13%
13.00	1	544	760	71.58%	56.01	2	248	632	39.24%
13.00	2	1,125	1,738	64.73%	56.01	3	594	1,141	52.06%
14.00	1	780	962	81.08%	56.01	4	788	1,536	51.30%
14.00	2	447	742	60.24%	56.02	1	571	1,351	42.26%
15.00	1	245	737	33.24%	56.02	2	721	1,169	61.68%
15.00	2	535	1,382	38.71%	56.02	3	366	913	40.09%
16.00	1	676	986	68.56%	57.01	1	1,576	2,294	68.70%
16.00	2	665	993	66.97%	57.01	2	413	839	49.23%
17.00	1	326	793	41.11%	57.01	3	898	1,285	69.88%
17.00	2	787	1,240	63.47%	57.02	1	681	1,120	60.80%
18.00	1	197	866	22.75%	57.02	2	735	1,454	50.55%
19.00	1	95	623	15.25%	58.00	1	2,576	3,820	67.43%
20.00	1	273	598	45.65%	58.00	2	616	1,055	58.39%
20.00	2	213	722	29.50%	59.01	1	824	1,548	53.23%
21.00	1	308	1,274	24.18%	59.01	2	978	1,426	68.58%
22.00	1	163	1,002	16.27%	59.01	3	1,038	1,378	75.33%
23.00	1	168	1,177	14.27%	59.02	1	266	725	36.69%
23.00	2	611	1,061	57.59%	59.02	2	599	1,188	50.42%
24.00	1	103	1,290	7.98%	59.02	3	440	849	51.83%
24.00	2	117	1,031	11.35%	59.02	4	590	1,177	50.13%
24.00	3	254	1,030	24.66%	59.03	1	560	866	64.67%
25.00	1	528	789	66.92%	59.03	2	370	781	47.38%
25.00	2	813	1,076	75.56%	60.00	1	354	870	40.69%
25.00	3	849	915	92.79%	60.00	2	421	1,242	33.90%
26.00	1	793	1,068	74.25%	60.00	3	784	1,535	51.07%
26.00	2	471	668	70.51%	61.00	1	939	1,650	56.91%
27.00	1	423	577	73.31%	61.00	2	1,068	1,870	57.11%
27.00	2	775	973	79.65%	61.00	3	567	1,221	46.44%
27.00	3	918	1,285	71.44%	61.00	4	1,419	1,904	74.53%
28.00	1	179	757	23.65%	61.00	5	462	857	53.91%
28.00	2	299	567	52.73%	62.00	1	576	1,482	38.87%
28.00	3	335	1,189	28.17%	62.00	2	797	1,754	45.44%
28.00	4	556	1,477	37.64%	63.00	1	0	0	0.00%
29.00	1	642	1,040	61.73%	64.00	1	505	1,526	33.09%
29.00	2	274	367	74.66%	64.00	2	1,243	1,927	64.50%
29.00	3	615	682	90.18%	65.01	1	957	1,379	69.40%
29.00	4	698	811	86.07%	65.01	2	1,084	1,508	71.88%
29.00	5	723	917	78.84%	65.02	1	1,000	1,586	63.05%
30.00	1	611	1,310	46.64%	65.02	2	1,275	1,579	80.75%
30.00	2	131	641	20.44%	66.01	1	107	487	21.97%
31.00	1	669	1,035	64.64%	66.02	1	233	710	32.82%
31.00	2	541	801	67.54%	66.02	2	843	1,819	46.34%
31.00	3	660	1,197	55.14%	66.03	1	455	1,322	34.42%
32.00	1	655	915	71.58%	66.03	2	432	1,160	37.24%
32.00	2	293	637	46.00%	66.04	1	1,382	2,359	58.58%
32.00	3	644	1,036	62.16%	66.05	1	1,176	2,757	42.66%
33.00	1	798	1,357	58.81%	66.06	1	1,561	2,860	54.58%
33.00	2	798	1,183	67.46%	66.06	2	140	974	14.37%
34.00	1	627	968	64.77%	66.06	3	272	702	38.75%
34.00	2	717	1,055	67.96%	66.07	1	351	1,140	30.79%
35.01	1	760	1,095	69.41%	66.07	2	224	896	25.00%
35.01	2	453	679	66.72%	66.07	3	402	881	45.63%
35.01	3	663	788	84.14%	67.00	1	61	85	71.76%
35.02	1	486	745	65.23%	68.00	1	568	1,616	35.15%
36.00	1	226	587	38.50%	69.01	1	654	1,383	47.29%
37.00	1	221	684	32.31%	69.01	2	513	815	62.94%
37.00	2	451	927	48.65%	69.01	3	585	1,063	55.03%
37.00	3	211	569	37.08%	69.02	1	262	581	45.09%
38.00	1	338	1,183	28.57%	69.02	2	685	1,952	35.09%
38.00	2	228	1,208	18.87%	70.01	1	1,003	1,684	59.56%
39.00	1	79	270	29.26%	70.02	1	959	2,016	47.57%
40.01	1	186	1,185	15.70%	70.02	2	432	1,428	30.25%

Source: U.S. Dept. of Housing & Urban Development, 2009

vi. Disability and Income

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 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 Norfolk, 11.9% of the population 5 years and older reported at least on type of disability in 2008. [66]

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Norfolk, persons with disabilities are much more likely than persons without disabilities to live in poverty. In 2008, 27.9% of persons with disabilities lived in poverty compared to 18.6% of persons without disabilities who were living in poverty.[67]

OBSERVATION: Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 27.9% lived in poverty compared to 18.6% of persons without a disability.

vii. 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 in Norfolk have increased modestly from 16.1% in 1990 up to 18.6% in 2008. Female-headed households with children have also increased but at a slower pace, from 11.2% to 12.5%. In contrast,

[66] U.S. Census Bureau, 2008 American Community Survey (C18101)
[67] U.S. Census Bureau, 2008 American Community Survey (C18130)

married couple family households with children declined from 21.7% to 13.6%.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Norfolk, female-headed households with children accounted for 67.2% of all families living in poverty compared to only 13.6% of married couples with children.[68]

Figure 6-10
Female-headed Households and Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	**89,478**	**100.0%**	**86,210**	**100%**	**84,860**	**100%**
Family Households	57,640	64.4%	52,268	60.6%	49,839	58.7%
Married-couple family	40,091	44.8%	32,517	37.7%	30,580	36.0%
With Children	19,459	21.7%	14,688	17.0%	11,542	13.6%
Without Children	20,632	23.1%	17,829	20.7%	19,038	22.4%
Female-Headed Households	**14,388**	**16.1%**	**16,085**	**18.7%**	**15,802**	**18.6%**
With Children	**10,037**	**11.2%**	**10,298**	**11.9%**	**10,637**	**12.5%**
Without Children	4,351	4.9%	5,787	6.7%	5,165	6.1%
Male-Headed Household	3161	3.5%	3,666	4.3%	3,457	4.1%
With Children	1500	1.7%	1,847	2.1%	1506	1.8%
Without Children	1661	1.9%	1,819	2.1%	1951	2.3%
Non-family and 1-person Households	7,889	8.8%	7,904	9.2%	34,847	41.1%

Sources: U.S. Census Bureau, 1990 (SFT-3, DP-1), Census 2000 (SF-3, H16); 2008 American Community Survey (B11003)

OBSERVATION: Female-headed households with children accounted for more than two-thirds of families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 Norfolk revealed that 5.6% of residents are foreign-born.[69]

Among families with children who were living with one or more foreign-born parents, 8.9% were living in households with incomes of less than 200% of the poverty level. Similarly, 10.9% of families with children where one or more parent is foreign-born were living in households with incomes above 200% of the poverty level.[70]

[68] U.S. Census Bureau, Census 2000 (SF3, P90)
[69] U.S. Census Bureau, 2008 American Community Survey (C05002)
[70] U.S. Census Bureau, 2008 American Community Survey (C05010)

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 issued its guidelines on how to address the needs of persons with LEP in January 2007. 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 that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In 2008, the Census Bureau reported that 5,565 persons in Norfolk spoke English less than "very well." Of these, 2,442 (43.9%) were Spanish speakers, and 1,686 (30.3%) spoke an Asian or Pacific Island language. Among speakers of an Asian or Pacific Island language, Tagalog (spoken by persons native to the Philippines) comprised the largest language group, and among speakers of an Indo-European language other than Spanish, French speakers (including Patois and Cajun) comprised the largest language group.[71]

Figure 6-11
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**2,442**
Asian or Pacific Island	**1,686**
Other Indo-European	**1,169**
Other languages	268

Source: 2006-2008 American Community Survey (C16004)

In Norfolk, the number of LEP Spanish speakers exceeds 1,000. For this reason, the City should perform a four-factor analysis to determine the extent to which the translation of vital documents is warranted.[72] (The term "vital document" refers generally to any publication that is needed to gain access to the benefits of a program or service.) The City should also review the Census 2010 data, when available, to determine if any of the individual Asian or Pacific Islander or Other Indo-European languages exceeds 1,000 persons with LEP. Although there is no requirement to develop a Language Access Plan (LAP) for persons with LEP, HUD entitlement communities are

[71] U.S. Census Bureau, 2006-2008 American Community Survey (B16001)
[72] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964. Preparation of a Language Access Plan (LAP) is the most effective way to achieve compliance.

OBSERVATION: The City of Norfolk should conduct a 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 its federal entitlement programs. If it is determined that the need from an LAP exists, the City must prepare the LAP in order to comply with Title VI of the Civil Rights act of 1964.

ix. Protected Class Status and Unemployment

Minorities were more likely to be unemployed than White residents in Norfolk. Overall unemployment was 7.2% in 2008. This was substantially higher than the state of Virginia (4.9%). White residents had the lowest unemployment rate at 6.2%. Notably, unemployment among females was significantly lower (7.8%) than among males (10.3%). Blacks had the highest unemployment rate among minorities at 12.9%; Hispanics were lower at 9.6%. Data for Asians were not available due to a small sample size.

Higher employment, whether temporary or permanent, will mean less disposable income for housing expenses.

Figure 6-12
Civilian Labor Force, 2008

	Virginia Total	%	Norfolk Total	%
Total Civilian Labor Force (CLF)	**1,963,916**	**100%**	**175,132**	**100%**
Employed	1,867,786	95.1%	162,610	92.8%
Unemployed	96,130	4.9%	12522	7.2%
Male CLF	**2,916,813**	**100.0%**	**45,973**	**100.0%**
Employed	2,799,732	96.0%	41,217	89.7%
Unemployed	117,081	4.0%	4756	10.3%
Female CLF	**1,373,600**	**100.0%**	**52,380**	**100.0%**
Employed	1,318,372	96.0%	48,290	92.2%
Unemployed	55,228	4.0%	4090	7.8%
White CLF	**1,543,213**	**100%**	**47,276**	**100%**
Employed	1,481,360	96.0%	44,356	93.8%
Unemployed	61,853	4.0%	2,920	6.2%
Black CLF	**772,382**	**100%**	**44,994**	**100%**
Employed	709,453	91.9%	39,199	87.1%
Unemployed	62,929	8.1%	5,795	12.9%
Asian CLF	**214,026**	**100%**	**3,373**	**100%**
Employed	204,543	95.6%	3,373	100.0%
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF	**277,742**	**100%**	**3,659**	**100%**
Employed	261,165	94.0%	3,309	90.4%
Unemployed	16,577	6.0%	350	9.6%

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

OBSERVATION: Blacks were more than twice as likely as Whites to be unemployed and had the highest unemployment rates in 2008 at 12.9% compared to 6.2% among Whites and 9.6% among Hispanics. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

C. Housing Market

i. Housing Inventory

The housing inventory in Norfolk experienced a net loss of over 6,600 units between 1990 and 2009, a decrease of 6.7% of its stock. Only 20 of the 81 census tracts experienced inventory growth since 1990.

Map 6-3 on the following page depicts the location of the areas where higher rates of new housing development occurred since 1990.

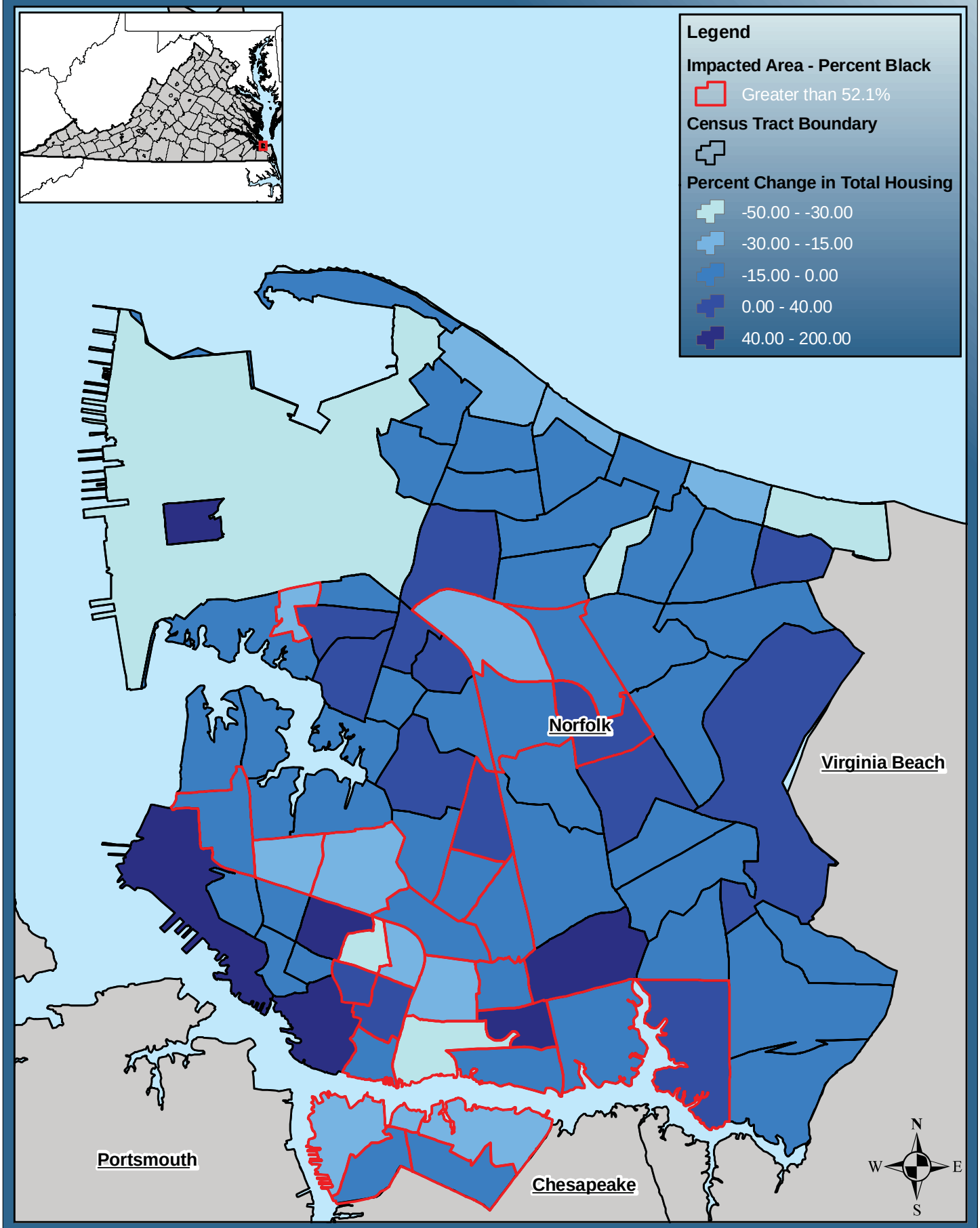
Figure 6-13
Trends in Total Housing Units, 1990-2009

	1990		2000		2009		Change 1990-2009			1990		2000		2009		Change 1990-2009	
Census Tract	#	%	#	%	#	%	#	%	Census Tract	#	%	#	%	#	%	#	%
City of Norfolk	98,761	100.0%	94,416	100.0%	92,115	100.0%	-6,646	-6.7%	41.00	745	3.2%	772	3.3%	838	3.5%	93	12.5%
1.00	1,354	5.7%	1,267	5.3%	1,217	5.0%	-137	-10.1%	42.00	656	2.8%	650	2.7%	674	2.8%	18	2.7%
2.01	1,811	7.7%	1,648	6.9%	1,475	6.1%	-336	-18.6%	43.00	1,757	7.5%	1,416	6.0%	1,409	5.8%	-348	-19.8%
2.02	1,640	7.0%	1,643	6.9%	1,579	6.5%	-61	-3.7%	44.00	1,107	4.7%	1,100	4.6%	1,032	4.3%	-75	-6.8%
3.00	1,895	8.0%	1,677	7.1%	1,604	6.6%	-291	-15.4%	45.00	246	1.0%	466	2.0%	521	2.1%	275	111.8%
4.00	2,342	9.9%	2,455	10.3%	2,325	9.6%	-17	-0.7%	46.00	878	3.7%	833	3.5%	804	3.3%	-74	-8.4%
5.00	1,493	6.3%	1,491	6.3%	1,407	5.8%	-86	-5.8%	47.00	461	2.0%	244	1.0%	227	0.9%	-234	-50.8%
6.00	1,869	7.9%	1,648	6.9%	1,742	7.2%	-127	-6.8%	48.00	471	2.0%	465	2.0%	432	1.8%	-39	-8.3%
7.00	1,222	5.2%	1,215	5.1%	1,085	4.5%	-137	-11.2%	49.00	853	3.6%	1,042	4.4%	1,423	5.9%	570	66.8%
8.00	962	4.1%	975	4.1%	907	3.7%	-55	-5.7%	50.00	510	2.2%	390	1.6%	376	1.6%	-134	-26.3%
9.00	2,083	8.8%	1,530	6.4%	1,423	5.9%	-660	-31.7%	51.00	438	1.9%	398	1.7%	370	1.5%	-68	-15.5%
11.00	803	3.4%	1,273	5.4%	1,300	5.4%	497	61.9%	52.00	1,315	5.6%	1,225	5.2%	1,181	4.9%	-134	-10.2%
12.00	1,752	7.4%	1,792	7.6%	1,693	7.0%	-59	-3.4%	53.00	900	3.8%	878	3.7%	833	3.4%	-67	-7.4%
13.00	1243	5.3%	1241	5.2%	1237	5.1%	-6	-0.5%	55.00	1193	5.1%	1213	5.1%	1228	5.1%	35	2.9%
14.00	922	3.9%	1085	4.6%	1052	4.3%	130	14.1%	56.01	1669	7.1%	1659	7.0%	1565	6.5%	-104	-6.2%
15.00	946	4.0%	949	4.0%	1012	4.2%	66	7.0%	56.02	1369	5.8%	1390	5.9%	1319	5.4%	-50	-3.7%
16.00	870	3.7%	873	3.7%	636	2.6%	-234	-26.9%	57.01	2559	10.9%	2190	9.2%	2037	8.4%	-522	-20.4%
17.00	1058	4.5%	1147	4.8%	1202	5.0%	144	13.6%	57.02	1082	4.6%	1078	4.5%	1014	4.2%	-68	-6.3%
18.00	418	1.8%	415	1.7%	393	1.6%	-25	-6.0%	58.00	2093	8.9%	2033	8.6%	2078	8.6%	-15	-0.7%
19.00	261	1.1%	283	1.2%	272	1.1%	11	4.2%	59.01	1540	6.5%	1738	7.3%	1610	6.6%	70	4.5%
20.00	529	2.2%	529	2.2%	503	2.1%	-26	-4.9%	59.02	1609	6.8%	1656	7.0%	1670	6.9%	61	3.8%
21.00	522	2.2%	616	2.6%	731	3.0%	209	40.0%	59.03	658	2.8%	659	2.8%	622	2.6%	-36	-5.5%
22.00	433	1.8%	439	1.9%	413	1.7%	-20	-4.6%	60.00	1479	6.3%	1514	6.4%	1432	5.9%	-47	-3.2%
23.00	1074	4.6%	1074	4.5%	1013	4.2%	-61	-5.7%	61.00	3058	13.0%	3051	12.9%	2873	11.9%	-185	-6.0%
24.00	1301	5.5%	1312	5.5%	1238	5.1%	-63	-4.8%	62.00	1316	5.6%	1295	5.5%	1237	5.1%	-79	-6.0%
25.00	1200	5.1%	1024	4.3%	1081	4.5%	-119	-9.9%	63.00	1	0.0%	3	0.0%	3	0.0%	2	200.0%
26.00	1272	5.4%	1020	4.3%	1141	4.7%	-131	-10.3%	64.00	1393	5.9%	1412	6.0%	1322	5.5%	-71	-5.1%
27.00	1347	5.7%	1161	4.9%	1102	4.5%	-245	-18.2%	65.01	2260	9.6%	1708	7.2%	1726	7.1%	-534	-23.6%
28.00	1953	8.3%	1915	8.1%	1810	7.5%	-143	-7.3%	65.02	2833	12.0%	1616	6.8%	1694	7.0%	-1,139	-40.2%
29.00	2344	9.9%	1822	7.7%	1710	7.1%	-634	-27.0%	66.01	607	2.6%	239	1.0%	364	1.5%	-243	-40.0%
30.00	904	3.8%	895	3.8%	845	3.5%	-59	-6.5%	66.02	1012	4.3%	1007	4.2%	971	4.0%	-41	-4.1%
31.00	1169	5.0%	1331	5.6%	1192	4.9%	23	2.0%	66.03	976	4.1%	977	4.1%	910	3.8%	-66	-6.8%
32.00	1102	4.7%	1100	4.6%	1044	4.3%	-58	-5.3%	66.04	1068	4.5%	1130	4.8%	1092	4.5%	24	2.2%
33.00	1055	4.5%	1018	4.3%	977	4.0%	-78	-7.4%	66.05	1128	4.8%	1139	4.8%	1099	4.5%	-29	-2.6%
34.00	995	4.2%	933	3.9%	905	3.7%	-90	-9.0%	66.06	1883	8.0%	1886	8.0%	1780	7.3%	-103	-5.5%
35.01	1222	5.2%	1057	4.5%	935	3.9%	-287	-23.5%	66.07	1150	4.9%	1142	4.8%	1074	4.4%	-76	-6.6%
35.02	494	2.1%	327	1.4%	321	1.3%	-173	-35.0%	67.00	49	0.2%	53	0.2%	50	0.2%	1	2.0%
36.00	393	1.7%	382	1.6%	713	2.9%	320	81.4%	68.00	633	2.7%	642	2.7%	610	2.5%	-23	-3.6%
37.00	1361	5.8%	1363	5.7%	1293	5.3%	-68	-5.0%	69.01	1388	5.9%	1353	5.7%	1330	5.5%	-58	-4.2%
38.00	1250	5.3%	1242	5.2%	1177	4.9%	-73	-5.8%	69.02	1044	4.4%	1078	4.5%	1014	4.2%	-30	-2.9%
39.00	187	0.8%	188	0.8%	400	1.7%	213	113.9%	70.01	586	2.5%	579	2.4%	542	2.2%	-44	-7.5%
40.01	614	2.6%	611	2.6%	569	2.3%	-45	-7.3%	70.02	1374	5.8%	1379	5.8%	1411	5.8%	37	2.7%
40.02	1749	7.4%	1752	7.4%	1644	6.8%	-105	-6.0%									

Source: DemographicsNow

Map 6-3: Change in Housing Units in Norfolk, 1990-2009

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ii. Types of Housing Units

Of the 94,416 housing structures in 2000, 54.6% were single family units. Most of the remaining units were in multi-family properties of all sizes. While several of the impacted areas were noted to include higher percentages of multi-family housing, similar high rates were noted also in non-impacted areas.

Figure 6-14
Trends in Housing Units in Structures, 2000

Census Tract	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc	Census Tract	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total						2 to 4	5 to 9	10 to 19	20 or more	Total		
City of Norfolk	**94,416**	**51,612**	**16,015**	**10,976**	**6,712**	**8,260**	**41,963**	**802**	**39**	41.00	763	307	26	174	198	58	456	0	**0**
1.00	1,263	486	338	349	55	35	777	0	0	42.00	659	198	38	173	116	134	461	0	0
2.01	1,652	431	399	349	326	147	1,221	0	0	43.00	1,416	491	334	249	184	158	925	0	0
2.02	1,607	1,102	335	34	81	55	505	0	0	44.00	1,100	627	136	269	21	47	473	0	0
3.00	1,713	683	362	178	91	399	1,030	0	0	45.00	461	347	36	6	6	66	114	0	0
4.00	2,493	651	752	481	436	153	1,822	0	20	46.00	836	467	131	199	32	7	369	0	0
5.00	1,491	852	295	142	154	48	639	0	0	47.00	246	128	74	6	38	0	118	0	0
6.00	1,648	936	251	227	104	130	712	0	0	48.00	434	240	31	107	29	27	194	0	0
7.00	1,215	884	42	85	110	94	331	0	0	49.00	1,071	108	46	75	116	726	963	0	0
8.00	937	493	314	52	17	61	444	0	0	50.00	393	188	156	27	22	0	205	0	0
9.00	1,568	1,000	187	370	11	0	568	0	0	51.00	397	299	46	23	23	0	92	6	0
11.00	1,289	493	149	177	339	126	791	0	5	52.00	1,233	727	160	291	5	50	506	0	0
12.00	1,741	611	273	287	274	291	1,125	5	0	53.00	870	541	144	76	13	96	329	0	0
13.00	1276	391	705	146	21	13	885	0	0	55.00	1213	862	87	230	23	11	351	0	0
14.00	1085	239	196	36	54	553	839	7	0	56.01	1659	1523	34	22	68	12	136	0	0
15.00	949	565	100	224	23	37	384	0	0	56.02	1390	1029	221	53	46	41	361	0	0
16.00	876	419	123	119	34	181	457	0	0	57.01	2152	822	427	284	167	356	1,234	96	0
17.00	1182	348	265	412	41	116	834	0	0	57.02	1078	1048	21	0	0	3	24	0	6
18.00	399	369	30	0	0	0	30	0	0	58.00	2033	932	307	439	28	318	1,092	9	0
19.00	261	234	15	6	0	0	21	6	0	59.01	1738	624	389	182	343	191	1,105	9	0
20.00	534	534	0	0	0	0	0	0	0	59.02	1649	1107	184	80	89	175	528	14	0
21.00	623	459	0	7	6	144	157	7	0	59.03	666	465	64	14	52	71	201	0	0
22.00	427	397	12	0	18	0	30	0	0	60.00	1514	1222	180	61	13	24	278	14	0
23.00	1062	580	282	100	44	56	482	0	0	61.00	3051	2130	728	85	22	41	876	45	0
24.00	1324	1248	70	6	0	0	76	0	0	62.00	1296	992	153	43	54	41	291	13	0
25.00	1104	521	394	45	48	96	583	0	0	63.00	2	0	2	0	0	0	2	0	0
26.00	940	372	287	30	132	119	568	0	0	64.00	1412	930	164	162	151	5	482	0	0
27.00	1161	590	380	167	20	4	571	0	0	65.01	1715	489	461	304	361	100	1,226	0	0
28.00	1915	1068	318	61	134	334	847	0	0	65.02	1609	334	594	364	174	129	1,261	14	0
29.00	1822	490	719	273	235	105	1,332	0	0	66.01	262	200	12	0	24	26	62	0	0
30.00	851	657	179	0	0	15	194	0	0	66.02	984	933	0	0	0	5	5	46	0
31.00	1362	821	210	26	35	264	535	6	0	66.03	1007	1005	2	0	0	0	2	0	0
32.00	1113	922	149	12	17	7	185	6	0	66.04	1100	447	275	5	58	8	346	299	8
33.00	1021	843	162	16	0	0	178	0	0	66.05	1139	706	245	75	39	74	433	0	0
34.00	930	709	163	52	6	0	221	0	0	66.06	1886	979	67	649	12	141	869	38	0
35.01	1074	541	315	47	57	114	533	0	0	66.07	1138	1040	12	0	22	53	87	11	0
35.02	328	120	97	84	13	14	208	0	0	67.00	57	0	7	37	13	0	57	0	0
36.00	364	202	7	7	14	134	162	0	0	68.00	607	590	11	0	0	6	17	0	0
37.00	1363	254	277	321	355	156	1,109	0	0	69.01	1388	677	105	339	27	109	580	131	0
38.00	1248	520	152	130	304	142	728	0	0	69.02	1078	867	37	30	110	34	211	0	0
39.00	182	23	60	8	31	60	159	0	0	70.01	597	268	74	181	30	44	329	0	0
40.01	626	286	46	109	63	122	340	0	0	70.02	1361	1025	51	46	69	150	316	20	0
40.02	1737	354	333	441	211	398	1,383	0	0										

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

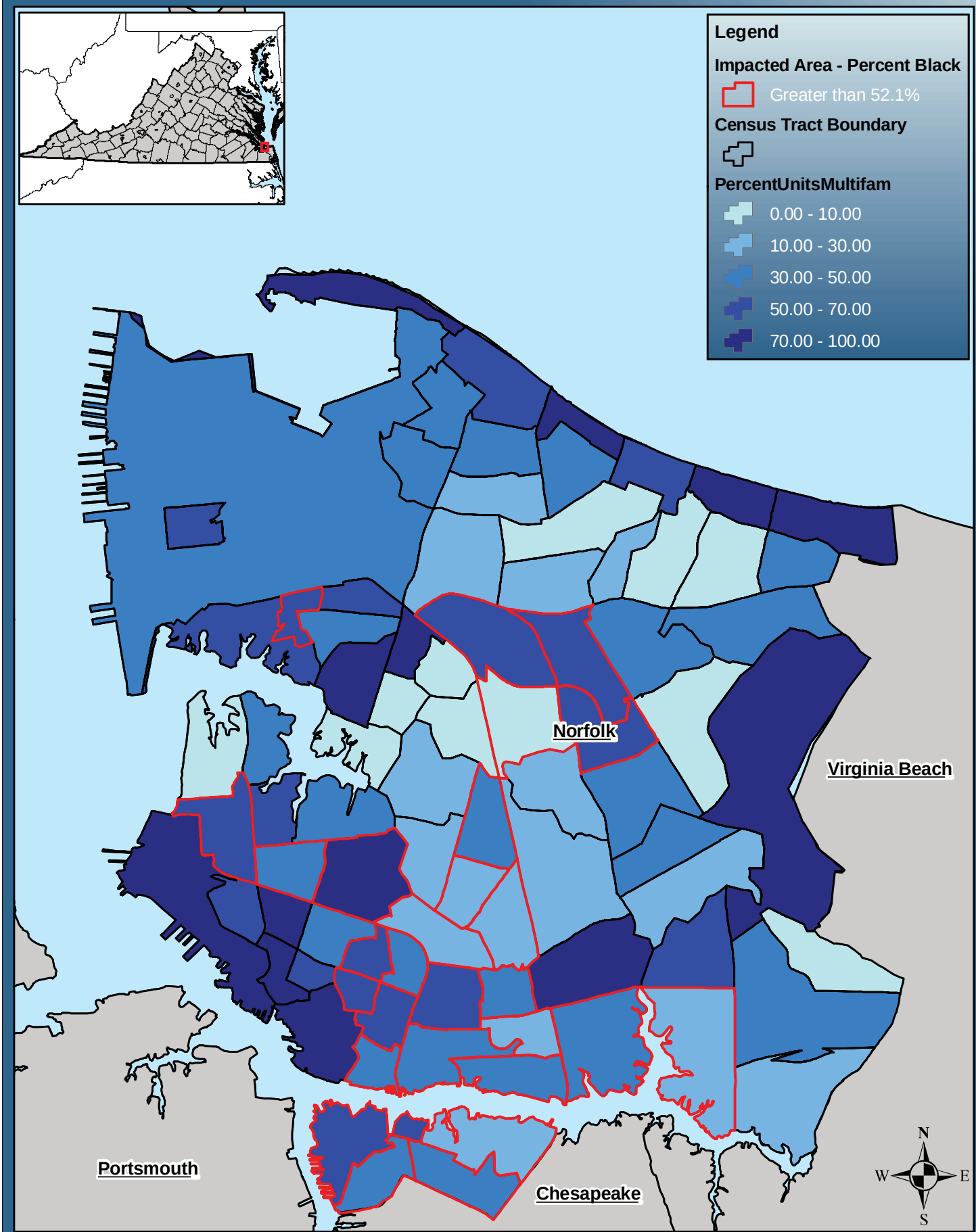
iii. Foreclosure Trends

HUD NSP Estimates provides foreclosure data at the local level.[73] Between January 2007 and June 2008, the City of Norfolk had an estimated 1,738 foreclosure filings, representing a foreclosure rate of 5.1%. Two tracts, 35.01 and 52, had foreclosure rates about double that of the City, at 10.3% and 10.1%, respectively. Both of these tracts were also identified as areas of racial concentration, with Black residents comprising more than 90% of the

[73] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

Map 6-4: Percentage of Multi-Family Housing Units in Norfolk, 2000

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population in each. Of the 27 census tracts earlier identified as areas of concentration of Black residents, 25 had foreclosure rates higher than that of Norfolk overall. In the other two, homeownership was either non-existent (tract 63) or notably low (tract 42).

Of the City's 82 census tracts, 17, or 20.7%, had foreclosure rates less than 2%, as depicted in Figure 6-15.

Figure 6-15
Estimated Residential Foreclosure Rates by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate	Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Norfolk	**1,738**	**34,331**	**5.1%**	41.00	1	23	4.3%
1.00	7	313	2.2%	42.00	2	21	9.5%
2.01	13	372	3.5%	43.00	17	241	7.1%
2.02	41	777	5.3%	44.00	16	235	6.8%
3.00	13	470	2.8%	45.00	34	521	6.5%
4.00	12	501	2.4%	46.00	22	244	9.0%
5.00	30	631	4.8%	47.00	7	94	7.4%
6.00	27	619	4.4%	48.00	0	0	---
7.00	25	593	4.2%	49.00	8	618	1.3%
8.00	6	266	2.3%	50.00	12	158	7.6%
9.00	1	17	5.9%	51.00	14	179	7.8%
11.00	12	208	5.8%	52.00	25	247	10.1%
12.00	7	533	1.3%	53.00	24	272	8.8%
13.00	10	179	5.6%	55.00	36	554	6.5%
14.00	5	165	3.0%	56.01	43	1,012	4.2%
15.00	8	357	2.2%	56.02	32	625	5.1%
16.00	22	299	7.4%	57.01	37	419	8.8%
17.00	2	190	1.1%	57.02	53	642	8.3%
18.00	2	220	0.9%	58.00	51	577	8.8%
19.00	4	178	2.2%	59.01	48	496	9.7%
20.00	11	267	4.1%	59.02	52	739	7.0%
21.00	8	328	2.4%	59.03	17	269	6.3%
22.00	4	278	1.4%	60.00	58	947	6.1%
23.00	6	419	1.4%	61.00	114	1,621	7.0%
24.00	7	868	0.8%	62.00	51	739	6.9%
25.00	23	293	7.8%	63.00	0	0	---
26.00	5	123	4.1%	64.00	44	651	6.8%
27.00	22	304	7.2%	65.01	8	349	2.3%
28.00	24	977	2.5%	65.02	5	416	1.2%
29.00	31	434	7.1%	66.01	2	112	1.8%
30.00	17	466	3.6%	66.02	22	490	4.5%
31.00	43	542	7.9%	66.03	24	583	4.1%
32.00	57	659	8.6%	66.04	12	253	4.7%
33.00	49	574	8.5%	66.05	11	338	3.3%
34.00	34	372	9.1%	66.06	25	627	4.0%
35.01	23	223	10.3%	66.07	39	747	5.2%
35.02	6	77	7.8%	67.00	0	3	0.0%
36.00	1	173	0.6%	68.00	16	355	4.5%
37.00	5	445	1.1%	69.01	41	546	7.5%
38.00	5	524	1.0%	69.02	25	521	4.8%
39.00	1	76	1.3%	70.01	0	5	0.0%
40.01	4	378	1.1%	70.02	52	780	6.7%
40.02	5	378	1.3%				

Source: HUD NSP Foreclosure Estimates, released October 2008

In July 2010, RealtyTrac reported 249 new foreclosure filings in Norfolk, or 1 in every 383 housing units. This was the 6th highest number in the State.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Norfolk had a foreclosure rate of 5.1%. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

iv. 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."[74]

Historically, minorities tend to have lower home ownership rates than Whites. Among Blacks in 2000, the home ownership rate of 30.9% was nearly half the rate among Whites (58.0%), while 45.9% of Asians were home owners. Only 26.1% of Hispanics owned their home.

[74] 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.

Figure 6-16
Home Ownership by Race and Ethnicity, 2000

Census	White		Black		Asian		Hispanic			White		Black		Asian		Hispanic	
Tract	#	%	#	%	#	%	#	%	Census Tract	#	%	#	%	#	%	#	%
City of Norfolk	**26,515**	**58.0%**	**10,906**	**30.9%**	**972**	**45.9%**	**585**	**26.1%**	41.00	6	42.9%	19	2.6%	0	0.0%	0	0.0%
1.00	369	45.8%	11	4.5%	14	70.0%	6	25.0%	42.00	0	0.0%	41	6.5%	0	0.0%	0	0.0%
2.01	314	36.0%	35	8.9%	4	12.9%	14	20.0%	43.00	0	0.0%	264	20.7%	0	0.0%	0	0.0%
2.02	751	64.6%	49	18.4%	36	100.0%	27	57.4%	44.00	0	0.0%	220	21.0%	0	0.0%	0	0.0%
3.00	581	48.5%	16	8.7%	0	0.0%	17	22.4%	45.00	6	100.0%	292	67.9%	0	0.0%	0	0.0%
4.00	540	30.7%	19	8.3%	0	0.0%	0	0.0%	46.00	0	0.0%	246	33.2%	0	0.0%	0	0.0%
5.00	529	50.6%	33	14.5%	18	100.0%	22	29.7%	47.00	0	0.0%	48	24.9%	0	0.0%	0	0.0%
6.00	608	63.7%	27	6.5%	27	57.4%	32	38.1%	48.00	0	0.0%	7	1.7%	0	0.0%	0	0.0%
7.00	669	68.1%	30	27.3%	27	84.4%	14	31.1%	49.00	280	34.0%	0	0.0%	0	0.0%	7	33.3%
8.00	351	57.1%	7	4.2%	0	0.0%	15	18.8%	50.00	0	0.0%	145	44.6%	0	0.0%	0	0.0%
9.00	8	1.5%	27	4.9%	0	0.0%	0	0.0%	51.00	14	63.6%	228	64.8%	0	0.0%	6	100.0%
11.00	236	33.9%	35	11.3%	52	41.3%	0	0.0%	52.00	0	0.0%	215	19.2%	0	0.0%	0	0.0%
12.00	756	63.9%	11	3.4%	0	0.0%	8	7.1%	53.00	0	0.0%	333	41.1%	0	0.0%	0	0.0%
13.00	190	34.1%	12	2.3%	10	27.0%	39	47.0%	55.00	472	69.0%	71	23.3%	20	33.3%	14	53.8%
14.00	188	27.3%	0	0.0%	5	41.7%	6	23.1%	56.01	1,110	80.4%	45	36.9%	18	100.0%	8	42.1%
15.00	413	59.8%	20	10.5%	12	100.0%	0	0.0%	56.02	680	70.5%	41	13.9%	22	75.9%	13	30.2%
16.00	25	10.5%	237	45.5%	23	60.5%	0	0.0%	57.01	220	47.8%	363	26.9%	17	65.4%	7	14.6%
17.00	300	49.1%	0	0.0%	0	0.0%	0	0.0%	57.02	89	81.7%	684	79.3%	6	100.0%	0	0.0%
18.00	252	81.0%	21	47.7%	0	0.0%	0	0.0%	58.00	20	8.6%	593	39.7%	19	36.5%	0	0.0%
19.00	209	94.1%	7	50.0%	11	100.0%	0	0.0%	59.01	90	23.7%	301	27.7%	28	52.8%	5	11.9%
20.00	384	85.1%	50	84.7%	12	100.0%	6	100.0%	59.02	645	69.9%	147	31.3%	44	52.4%	11	19.0%
21.00	364	73.4%	40	52.6%	13	100.0%	0	0.0%	59.03	223	67.6%	67	27.8%	37	64.9%	0	0.0%
22.00	372	93.5%	0	0.0%	0	0.0%	0	0.0%	60.00	726	75.2%	211	65.1%	28	45.9%	10	43.5%
23.00	473	57.7%	7	17.5%	0	0.0%	0	0.0%	61.00	1,080	73.9%	419	36.4%	55	55.0%	19	39.6%
24.00	1033	81.6%	0	0.0%	6	30.0%	13	100.0%	62.00	587	76.5%	139	35.6%	25	83.3%	7	53.8%
25.00	19	7.4%	192	28.2%	0	0.0%	0	0.0%	63.00	0	0.0%	0	0.0%	0	0.0%	0	0.0%
26.00	114	28.6%	43	17.3%	0	0.0%	0	0.0%	64.00	276	82.4%	513	52.1%	7	100.0%	6	46.2%
27.00	28	73.7%	358	39.0%	5	31.3%	0	0.0%	65.01	254	30.9%	10	2.6%	0	0.0%	10	21.3%
28.00	706	65.9%	268	48.8%	12	22.2%	0	0.0%	65.02	330	39.7%	14	4.1%	0	0.0%	0	0.0%
29.00	27	41.5%	341	25.4%	0	0.0%	6	40.0%	66.01	203	90.6%	0	0.0%	3	100.0%	0	0.0%
30.00	442	82.9%	103	45.0%	0	0.0%	25	100.0%	66.02	717	83.8%	27	67.5%	39	100.0%	4	23.5%
31.00	333	62.0%	242	35.1%	5	100.0%	22	71.0%	66.03	729	88.7%	42	72.4%	28	100.0%	30	100.0%
32.00	251	82.3%	365	59.9%	6	40.0%	0	0.0%	66.04	385	58.4%	40	16.5%	18	41.9%	17	50.0%
33.00	116	66.3%	478	64.5%	0	0.0%	0	0.0%	66.05	509	65.7%	21	8.7%	17	45.9%	7	24.1%
34.00	5	100.0%	381	50.3%	9	100.0%	6	100.0%	66.06	704	65.2%	164	27.6%	39	65.0%	32	33.7%
35.01	0	0.0%	269	28.8%	0	0.0%	15	100.0%	66.07	621	87.0%	160	58.4%	77	87.5%	5	100.0%
35.02	0	0.0%	70	25.7%	0	0.0%	0	0.0%	67.00	0	0.0%	0	0.0%	0	0.0%	0	0.0%
36.00	169	58.1%	14	35.0%	0	0.0%	11	61.1%	68.00	412	88.8%	69	100.0%	26	100.0%	0	0.0%
37.00	370	33.2%	12	11.0%	0	0.0%	0	0.0%	69.01	364	67.7%	210	32.6%	37	60.7%	14	28.6%
38.00	606	56.2%	7	18.9%	0	0.0%	20	48.8%	69.02	611	77.1%	92	46.0%	13	68.4%	8	32.0%
39.00	61	38.1%	0	0.0%	0	0.0%	0	0.0%	70.01	10	4.2%	0	0.0%	0	0.0%	0	0.0%
40.01	275	52.3%	6	26.1%	23	43.4%	0	0.0%	70.02	331	66.6%	562	71.9%	14	60.9%	21	46.7%
40.02	374	26.2%	0	0.0%	5	8.9%	0	0.0%									

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

As discussed previously in this report, median household income is lower among Black household in Norfolk than among White households. This factor contributes to the low rates of home ownership among minorities in the City.

OBSERVATION: Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when it compared to White households. Across the City, Blacks and Hispanics had home ownership rates of 30.9% and 26.1%, respectively, compared to 58.0% among Whites.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Norfolk, persons of Some Other Race Alone and Hispanics were most likely to live in families of three or more persons with comparable rates of 72.8% and 72.2%, respectively. Both Asians and Blacks follow closely behind with 69.3% and 68.2%, respectively. Whites had the lowest rate at 52.6%.

Figure 6-17
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	52.6%
Black	68.2%
Asian	69.3%
Some Other Race Alone	72.8%
Two or More Races	64.3%
Hispanic	72.2%

Source: U.S. Census Bureau, Census 2000 (SF 2, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Norfolk, less than 13% of the rental housing stock contained three or more bedrooms in 2000 compared to nearly 35% of the owner-occupied housing stock.

Figure 6-18
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	15,948	18.5%	1,054	1.2%
2 bedrooms	20,507	23.8%	8,286	9.6%
3 or more bedrooms	10,484	12.2%	29,931	34.7%
Total	**46,939**	**54.4%**	**39,271**	**45.6%**

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were much more likely to live in larger families than White households. For example, about 72% of Hispanic families and families of Some Other Race included three or more persons compared to 52.6% of White families. However, only 12.2% of the rental housing stock contains three or more bedrooms compared to 34.7% of the owner housing stock.

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Norfolk increased almost 81% between 1990 and 2008, after adjusting for inflation.[75] This was in stark contrast to the median gross rent which only increased 8.8% during the same time period. In comparison, real household income increased only 4.1%.

Figure 6-19
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$73,500	$88,400	$219,000	198.0%
2008 Dollars	$121,077	$110,527	$219,000	80.9%
Median Gross Rent				
Actual Dollars	$438	$538	$785	79.2%
2008 Dollars	$722	$673	$785	8.8%
Median Household Income				
Actual Dollars	$23,563	$31,815	$40,416	71.5%
2008 Dollars	$38,815	$39,779	$40,416	4.1%

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.

At the same time that real household income was failing to keep pace with median rents, Norfolk was also losing affordable rental units. Between 2000 and 2008, the number of affordable units renting for less than $500 per month decreased by more than 12,000, or 65.3% of all units in that price range. Units renting for $500 to $699 decreased in number by almost 8,000, or 46.9%. At the same time, the number of higher-rent units ($700 per month or higher) increased by over 18,800 units. Over half that growth (9,988 units) was among units renting for more than $1,000 a month.

Figure 6-20
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008 #	Change 2000-2008 %
Less than $500	18,814	6,533	-12,281	-65.3%
$500 to $699	16,845	8,941	-7,904	-46.9%
$700 to $999	8,100	16,945	8,845	109.2%
$1,000 or more	1,653	11,641	9,988	604.2%

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

[75] 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 it if were for sale. This differs from the housing sales price which is the actual price that the house sold for.

OBSERVATION: Norfolk lost over 12,000 housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by almost 10,000 units.

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 Norfolk, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Norfolk, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Norfolk, the estimated average wage for a renter is $10.29 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 68 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.7 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Norfolk. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous lenders. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Norfolk and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $781.

OBSERVATION: Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Norfolk has slowed in activity since 2005, coinciding with the beginning of the national housing slump. After peaking at 3,380 units sold in 2005, the local market fell off to 1,983 units sold in 2008. The average length of time a house has remained on the market has more than doubled from 35 days to 84 days. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

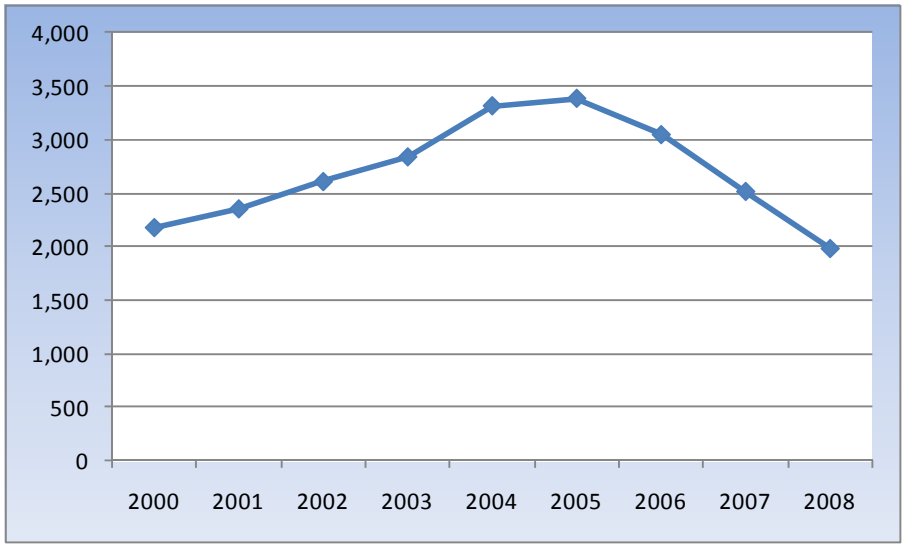
Figure 6-21
Housing Market Sales Trends, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	2,178	2,352	2,606	2,836	3,311	3,380	3,043	2,514	1,983
Average No. Days on Marke	77	78	57	49	36	35	54	66	84
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

*Median Sales Price as a percent of Median List Price
Source: Hampton Roads Realtor Association

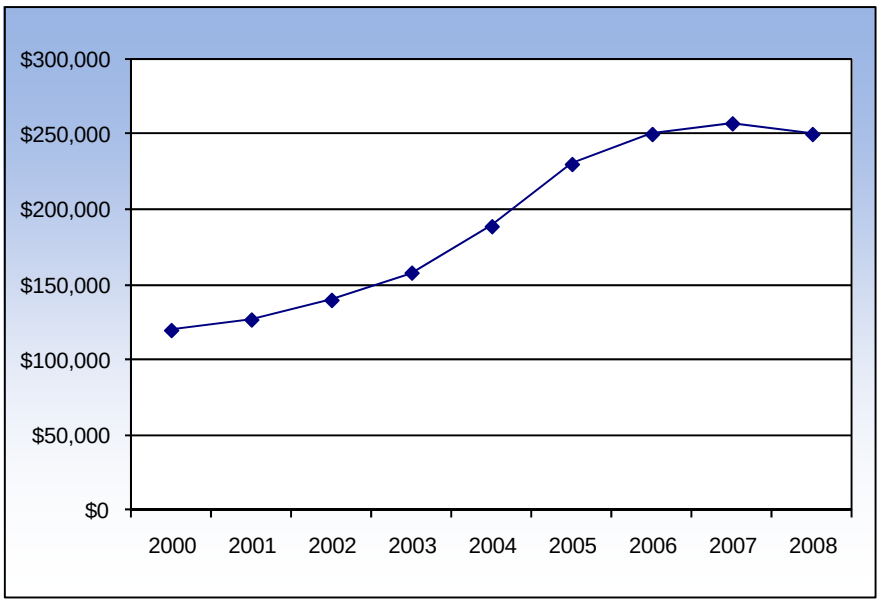
While the market has slowed in Norfolk as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 6-22
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 6-23
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

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.[76] In Norfolk, however, this is not always the case.

Among renters in Norfolk, elderly and small Hispanic households experienced a disproportionately higher rate of housing problems than White and Black renters, although the number of Hispanic renters was a small fraction of all other renters analyzed. More notably, White renters experienced a higher degree of housing problems than Blacks in these same household groups. Among all other renter household types, Whites (68.1%) were more likely to report housing problems than Hispanics (65.2%) or Blacks (61.8%).

Among home owners, the results also varied. Elderly and small Hispanic households had the highest rate of housing problems (93%) compared to Whites (49.5%) and Blacks (57.9%). Among family households, Hispanics reported the highest rate (85.6%) compared to Whites (76.2%) and Blacks (75.5%). Hispanic home owners were also a small percentage of the overall number of owner households analyzed.

[76] 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.

Figure 6-24
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	10,475	65.7%	1,495	58.9%	3,990	66.9%	4,990	68.1%
Black Non-Hispanic	18,770	57.2%	2,725	44.8%	10,875	58.2%	5,170	61.8%
Hispanic	1,173	72.7%	53	66.8%	685	77.9%	435	65.2%
Total	**30,418**	**60.7%**	**4,273**	**50.0%**	**15,550**	**61.3%**	**10,595**	**64.9%**
Owners								
White Non-Hispanic	7,080	62.1%	3,490	49.5%	2,310	76.2%	1,280	73.5%
Black Non-Hispanic	4,850	68.8%	1,790	57.9%	2,380	75.5%	680	74.8%
Hispanic	197	87.0%	33	93.0%	135	85.6%	29	33.3%
Total	**12,127**	**65.2%**	**5,313**	**52.6%**	**4,825**	**76.1%**	**1,989**	**73.3%**

Source: HUD Comprehensive Housing Affordability Strategy data

D. Review of Private Sector Policies

i. 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 Norfolk is from 2007 and 2008. Reviewing this data 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 City. 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 6-25
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**5,039**	**100.0%**	**3,295**	**100.0%**	**-1,744**	**-34.6%**
Black	1,126	22.3%	688	20.9%	-438	-38.9%
White	2,587	51.3%	1,746	53.0%	-841	-32.5%
Asian	134	2.7%	81	2.5%	-53	-39.6%
Hispanic*	218	4.3%	125	3.8%	-93	-42.7%
Other race	46	0.9%	27	0.8%	-19	-41.3%
No information/NA	1,146	22.7%	743	22.5%	-403	-35.2%
Originated	**2,619**	**100.0%**	**1,758**	**100.0%**	**-861**	**-32.9%**
Black	578	22.1%	388	22.1%	-190	-32.9%
White	1,674	63.9%	1,138	64.7%	-536	-32.0%
Asian	73	2.8%	48	2.7%	-25	-34.2%
Hispanic*	148	5.7%	74	4.2%	-74	-50.0%
Other race	34	1.3%	12	0.7%	-22	-64.7%
No information/NA	260	9.9%	172	9.8%	-88	-33.8%
Denied	**487**	**100.0%**	**268**	**100.0%**	**-219**	**-45.0%**
Black	205	42.1%	89	33.2%	-116	-56.6%
White	181	37.2%	115	42.9%	-66	-36.5%
Asian	21	4.3%	11	4.1%	-10	-47.6%
Hispanic*	28	5.7%	12	4.5%	-16	-57.1%
Other race	5	1.0%	6	2.2%	1	20.0%
No information/NA	75	15.4%	47	17.5%	-28	-37.3%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Norfolk is the steep drop in the number of loan applications. 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 1,744 (34.6%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, by 38.9% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, while the percentage of successful applications that were for White applicants rose slightly from 63.9% to 64.7%, the share of successful applications that were for Hispanic residents fell from 5.7% to 4.2%. Proportions of originations for other racial groups held generally steady.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications made up a more substantial share of denials in 2008 – 42.9%, compared to 37.2% in 2007,

while Black applications made up a smaller share of denials – 33.2%, compared to 42.1% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 6-26
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	1,382	41.9%	738	53.4%	69	5.0%	160	11.6%	387	28.0%
FHA	877	26.6%	461	52.6%	27	3.1%	74	8.4%	299	34.1%
VA	1,036	31.4%	559	54.0%	25	2.4%	34	3.3%	405	39.1%
Loan Purpose: Home Purchase										
One to four-family unit	3,282	99.6%	1,754	53.4%	120	3.7%	260	7.9%	1,091	33.2%
Manufactured housing unit	13	0.4%	4	0.0%	1	0.0%	8	0.0%	-	0.0%
Applicant Race										
American Indian/Alaska Native	7	0.2%	2	28.6%	-	0.0%	4	57.1%	1	14.3%
Asian/Pacific Islander	81	2.5%	48	59.3%	3	3.7%	11	13.6%	17	21.0%
Hawaiian	20	0.6%	10	50.0%	1	5.0%	2	10.0%	7	35.0%
Black	688	20.9%	388	56.4%	31	4.5%	89	12.9%	156	22.7%
Hispanic**	125	3.8%	74	59.2%	5	4.0%	12	9.6%	32	25.6%
White	1,756	53.3%	1,138	64.8%	70	4.0%	115	6.5%	408	23.2%
No information	308	9.3%	172	55.8%	15	4.9%	47	15.3%	68	22.1%
Not applicable	435	13.2%	-	0.0%	1	0.2%	-	0.0%	434	99.8%
Applicant Sex										
Male	1,841	55.9%	1,152	62.6%	70	3.8%	157	8.5%	426	23.1%
Female	867	26.3%	518	59.7%	40	4.6%	93	10.7%	196	22.6%
No information	151	4.6%	87	57.6%	10	6.6%	18	11.9%	35	23.2%
Not applicable	436	13.2%	1	0.2%	1	0.2%	-	0.0%	434	99.5%
Total	**3,295**	**100.0%**	**1,758**	**53.4%**	**121**	**3.7%**	**268**	**8.1%**	**1,091**	**33.1%**

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently of race.

a. Households by Race

In 2008, 3,295 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Norfolk. Of these applications:

- 53.3% (1,756) were submitted by White households.
- 20.9% (688) were submitted by Black households.
- 2.5% (81) were submitted by Asian/Pacific Islander households.
- 3.8% (125) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.
- 0.2% (7) were submitted by American Indian/Alaskan Native households.
- 0.6% (20) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 the City of Norfolk, 58% (1,913) of the households that applied for a mortgage loan applied for a government-backed loan. About half of these loan applicants (955) were minority households.

The denial rates for government-backed loans varied, however, they were noted to be lower for conventional loans.

- The denial rate for FHA loans was 8.4%.
- The denial rate for VA-guaranteed loans was 3.3%.
- The denial rate for conventional loans was 11.6%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 268 households in the City of Norfolk were denied (8.1%). Denial reasons were given for 226 of the 273 mortgage application denials. Reasons for denial included the following:

- Debt-to-income ratio: 22.6%
- Credit history: 22.1%
- Collateral: 21.2%
- Other: 13.3%
- Credit Application Incomplete: 8.4%
- Insufficient Cash: 6.2%
- Unverifiable Information: 3.1%
- Employment History: 2.7%
- Mortgage insurance denied: 0.4%

White households reported a denial rate of 6.5%, or 115 of 1,756 applications. Black households reported a denial rate of 12.9%, or 89 of 688 applications. Hispanics reported a denial rate of 9.6% or 12 of 125 applications. Since Hispanics are classified as an ethnicity rather than a race this group is double-counted in one of the race categories.

Figure 6-27
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,126	205	18.2%	688	89	12.9%
Am. Indian/Alaska Native	16	4	25.0%	7	4	57.1%
Hawaiian	30	1	3.3%	20	2	10.0%
White	2,587	181	7.0%	1756	115	6.5%
Hispanic*	218	28	12.8%	125	12	9.6%
Not Provided	1,146	75	6.5%	560	47	8.4%
Asian	134	21	15.7%	81	11	13.6%

* Hispanic ethnicity is counted independently of race.

OBSERVATION: Blacks were twice as likely to be denied mortgage financing than Whites. The loan denial rate for Black households was 12.9% in 2008 compared to 6.5% among Whites.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the higher denial rates than White households.

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 46.6% of all denials in 2007, though they accounted for only 34.5% of total applications. In 2008, lower income households comprised 48.3% of all denials and only 32.7% of all applications.

Figure 6-28
Denials by Income, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	1,648	227	13.8%	1187	130	11.0%
At least 80% MFI	2,841	244	8.6%	2108	138	6.5%
Total	5,039	487	9.7%	3295	268	8.1%

Note: Total includes applications for which no income data was reported.

Of the 268 applications that were denied by area lending institutions, 264 reported household incomes. For this analysis, lower income households included households with incomes between 0%-80% of the City MHI, while upper income households included households with incomes above 80% MHI. In the City of Norfolk, 48.5% of loan applications denied in 2008 were

submitted by lower income households. The following tables show that denial rates are higher among minority households.

Figure 6-29
Denials by Race for Lower income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	528	98	18.6%	343	45	13.1%
White	828	88	10.6%	609	54	8.9%
Asian	42	3	7.1%	38	7	18.4%
Hawaiian	13	0	0.0%	13	1	7.7%
Am. Indian/Alaska Native	8	3	37.5%	3	2	66.7%
Not Provided	148	35	23.6%	114	21	18.4%
Not Applicable	81	0	0.0%	67	0	0.0%
Hispanic*	113	17	15.0%	62	7	11.3%
Total	**1,648**	**227**	**13.8%**	**1,187**	**130**	**11.0%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 41.5% were applications submitted by White households and 34.6% were applications submitted by Black households. The denial rate for Black households (13.1%) was significantly higher than for White households (8.9%). In addition, no racial information was provided for 16.2% of these applications.

Figure 6-30
Denials by Race for Upper income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	566	102	18.0%	345	44	12.8%
White	1,677	84	5.0%	1,147	61	5.3%
Asian	91	18	19.8%	43	4	9.3%
Hawaiian	17	1	5.9%	7	1	14.3%
Am. Indian/Alaska Native	8	1	12.5%	4	2	50.0%
Not Provided	328	38	11.6%	194	26	13.4%
Not Applicable	154	0	0.0%	368	0	0.0%
Hispanic*	102	10	9.8%	63	5	7.9%
Total	**2,841**	**244**	**8.6%**	**2,108**	**138**	**6.5%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower for upper income households compared to lower income households. Of the upper income applications that were denied, 44.2% were submitted by White households. In addition, no racial information was provided for 18.8% of these applications. It should be noted that Black upper income households had a denial rate of 12.8%, more than twice the 5.3%

denial rate for White upper income households. White households had the lowest denial rate.

OBSERVATION: Black upper income households had a loan denial rate of 12.8% in 2008, which was more than double the 5.3% loan denial rate for White upper income households. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

The 2008 HMDA data for the City of Norfolk was analyzed to determine if a pattern of loan denials exists by census tract. Map 6-5 on the following page provides the summary data. Of the two census tracts with high numbers of denials, one has a moderate and one has a high minority concentration. These figures point toward a correlation between race and mortgage application denials.

ii. 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.

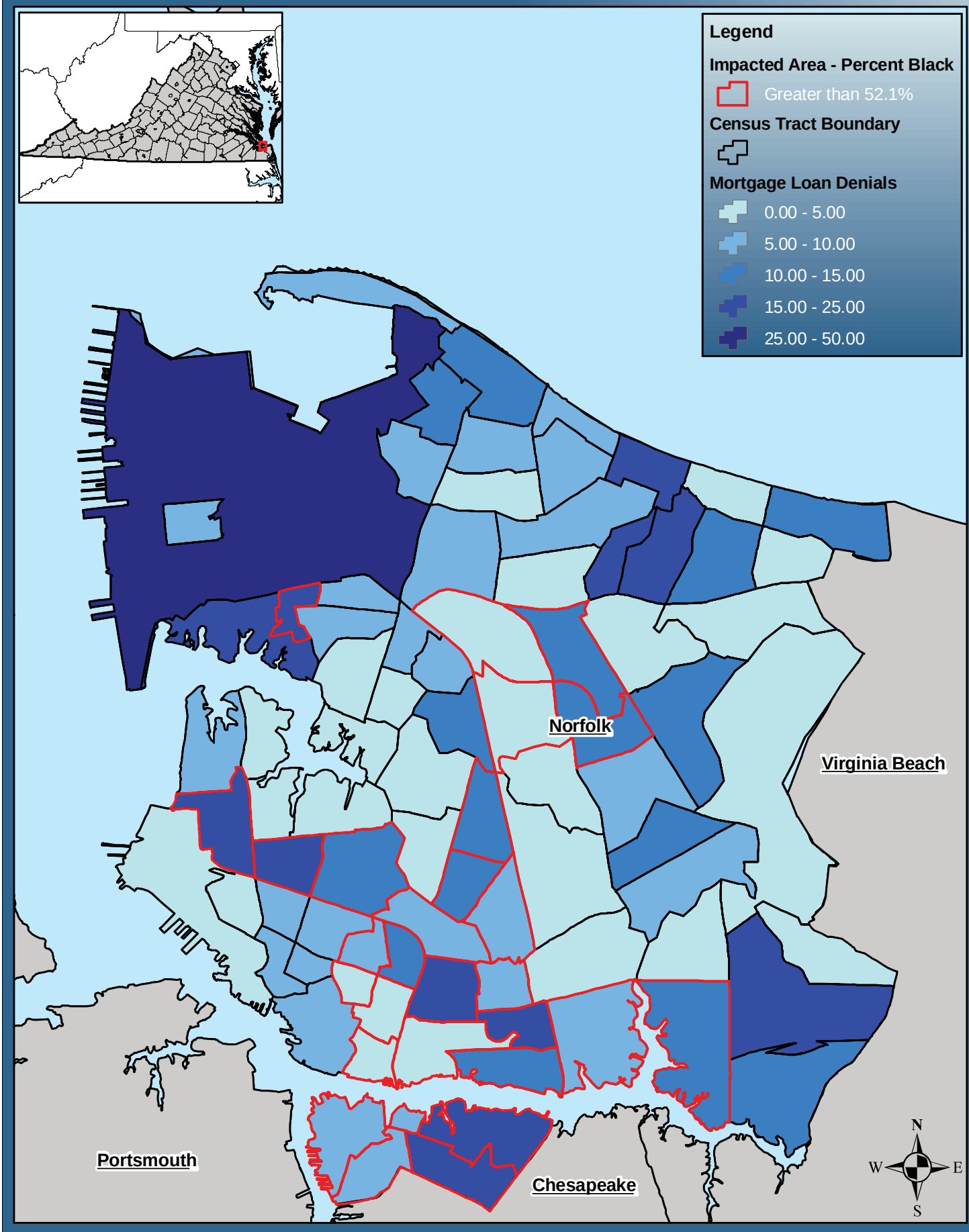
Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of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

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:

Map 6-5: Percentage of Mortgage Loan Denials in Norfolk, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



- 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, the latest year for which HMDA data is available, there were 1,758 home purchase loans for single-family or manufactured units in the City of Norfolk. Of this total 1,752 disclosed the borrower's household income and 77 reported high-cost mortgages.

An analysis of loans in the City of Norfolk by race and ethnicity reveals that lower income minorities are equally represented in high-cost lending. Of the 222 loans originated for lower income minorities, 8 (3.6%) were high-cost, slightly exceeding the 3.1% rate for lower income White households.

Of the 226 loans originated for upper income minorities, 24 (10.6%) were high-cost, almost tripling the 3.7% rate for upper income White households.

Figure 6-31
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	3	0	0.0%	6	3	50.0%
	Asian	23	1	4.3%	49	3	6.1%
	Black	288	49	17.0%	281	57	20.3%
	Hawaiian	10	1	10.0%	15	1	6.7%
	White	527	43	8.2%	1,108	73	6.6%
	No information/NA	66	5	7.6%	193	15	7.8%
	Hispanic*	71	3	4.2%	76	11	14.5%
	Total	**917**	**99**	**10.8%**	**1,652**	**152**	**9.2%**
2008	Am. Indian/Alaska Native	1	0	0.0%	1	0	0.0%
	Asian	23	1	4.3%	25	2	8.0%
	Black	194	6	3.1%	194	22	11.3%
	Hawaiian	4	1	25.0%	6	0	0.0%
	White	383	12	3.1%	755	28	3.7%
	No information/NA	58	2	3.4%	114	3	2.6%
	Hispanic*	37	1	2.7%	37	2	5.4%
	Total	**663**	**22**	**3.3%**	**1,095**	**55**	**5.0%**
Two-Year Totals		**1,580**	**121**	**7.7%**	**2,747**	**207**	**7.5%**

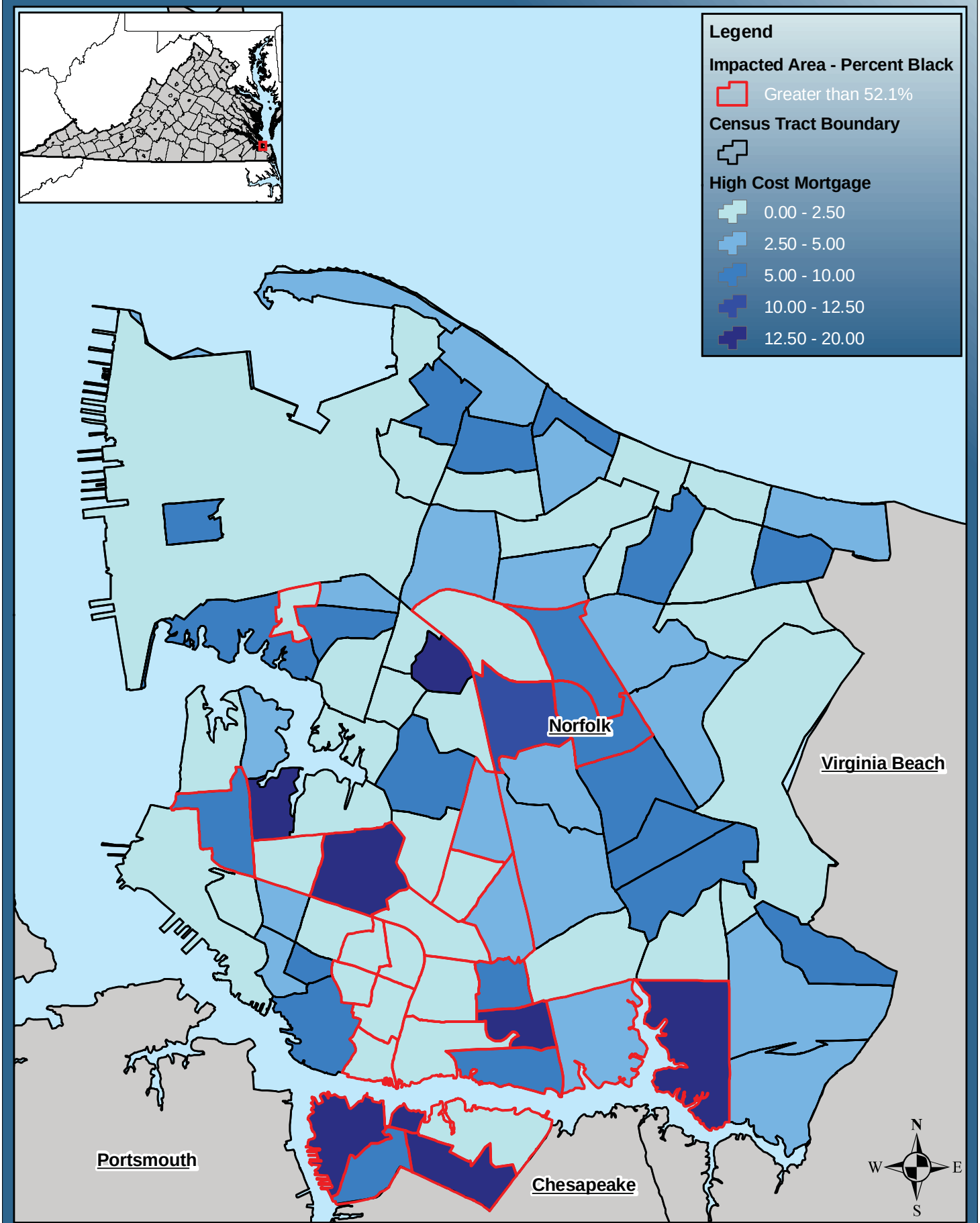
Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

Notably, the percentage of high-cost originations increased between 2007 and 2008 was on par with the increase in the total number of originations and applications.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 6-6 on the following page highlights census tracts in Norfolk that had higher rates of high-cost loans. In most cases, the census tracts with the higher rates were areas of minority concentration.

Map 6-6: Percentage of High-Cost Mortgage Loans in Norfolk, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



OBSERVATION: Minority households are disproportionately represented among recipients of high-cost mortgage loans. This trend places the homes of minority households at greater risk for eviction, foreclosure, and bankruptcy.

E. Review of Public Sector Policies

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Norfolk Redevelopment and Housing Authority (NRHA) owns and manages 15 public housing developments, four of which are designated for elderly residents. NRHA also has one property – Franklin Arms – that has been designated a "near-elderly" only property for persons over 55 years old.

As of January 2011, there 2,298 residents in NRHA's public housing developments. Families with children comprised the largest population group and accounted for 42.6% of public housing residents. Elderly families comprised 5.7% of residents and individuals or families with disabilities comprised 19.2%. Over half (51.5%) of NHRA's occupied units were one-bedroom units.

The vast majority (91.7%) of public housing residents were Black. White households comprised 4.7% of residents and households of some other race represented 3.4%.

There are 2,412 applicants on the waiting list for public housing. Similar to the demographics of current residents, the overwhelming majority of applicants (92.6%) are Black. Over half of applicants (55.9%) are families with children, and individuals or families with disabilities comprise 11.2%. Elderly households account for 3.3% of applicants.

Details on the characteristics of current public housing residents and waiting list applicants are included in Figure 6-32.

Figure 6-32
Characteristics of Public Housing Households and Waiting List Applicants

	Current Residents		Waiting List	
	# of Households	%	# of Households	%
Total Households	**2,298**	**100.0%**	**2,412**	**100.0%**
Extremely Low Income (<30% MFI)	2,054	89.4%	2,044	84.7%
Very Low Income (>30% but <50% MFI)	208	9.1%	333	13.8%
Low Income(>50% but <80 % MFI)	32	1.4%	32	1.3%
Families with Children	979	42.6%	1,348	55.9%
Elderly Households (1 or 2 persons)	132	5.7%	80	3.3%
Individuals/Families with Disabilities	442	19.2%	270	11.2%
Black Households	2,108	91.7%	2,234	92.6%
White Households	108	4.7%	81	3.4%
Asian Households	4	0.2%	2	0.1%
Other Race of Households	78	3.4%	44	1.8%
Hispanic Households	45	2.0%	---	---
Characteristics by Bedroom Size				
1 Bedroom	1,184	51.5%	1,009	41.8%
2 Bedroom	693	30.2%	352	14.6%
3 Bedroom	316	13.8%	830	34.4%
4 Bedroom	67	2.9%	167	6.9%
5+ Bedroom	37	1.6%	54	2.2%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Source: Norfolk Redevelopment and Housing Authority

NRHA is approved to administer 3,458 Section 8 Housing Choice Vouchers for the City of Norfolk. As of August 2009, NRHA had leased 2,480 tenant based voucher holders. Families with children comprised 56.5% of Section 8 voucher holders, and individuals or families with disabilities accounted for 48.3%. Elderly households comprised 10.5% of households. As with public housing, the vast majority (90.2%) of voucher holders were Black.

Among the 1,009 applicants on the waiting list for a Section 8 voucher, 666 (66.0%) were families with children and 111 (11.0%) were individuals or families with disabilities. Elderly households accounted for only 2.2% of those on the waiting list. Details are included in the following table.

OBSERVATION: Black households are disproportionately represented among public housing and Section 8 tenants. This indicates limited affordable housing choice for Blacks in Norfolk.

Figure 6-33
Characteristics of Section 8 Voucher Holders and Waiting List Applicants, 2009

	Current Voucher Holders		Waiting List*	
	# of Households	%	# of Households	%
Total Households	**2,480**	**100.0%**	**1,009**	**100.0%**
Extremely Low Income (<30% MFI)	1,694	68.3%	720	71.4%
Very Low Income (>30% but <50% MFI)	645	26.0%	221	21.9%
Low Income(>50% but <80 % MFI)	119	4.8%	21	2.1%
Families with Children	1,402	56.5%	666	66.0%
Elderly Households (1 or 2 persons)	260	10.5%	22	2.2%
Individuals/Families with Disabilities	1,198	48.3%	111	11.0%
Black Households	2,238	90.2%	961	95.2%
White Households	201	8.1%	36	3.6%
Asian Households	4	0.2%	4	0.4%
Other Race of Households	37	1.5%	8	0.8%
Characteristics by Bedroom Size				
0 Bedroom	0	0.0%	---	---
1 Bedroom	648	26.1%	---	---
2 Bedroom	786	31.7%	---	---
3 Bedroom	640	25.8%	---	---
4 Bedroom	73	2.9%	---	---
5+ Bedroom	1	0.0%	---	---

*Information on Bedroom Size were not available for applicants on the Section 8 Waiting list
Note: Percentage may not equal 100% due to rounding and overlap among household types
Source: Norfolk Redevelopment and Housing Authority

NRHA uses a site-based waiting list for its public housing developments. Applicants are allowed to reject up to two unit offers before being dropped to the bottom of the waiting list. NRHA does allow an applicant to reject offers for good cause without losing their place on the list. Good cause reasons include:

- An elderly or disabled family makes the decision not to occupy or accept occupancy in designated housing.
- Inaccessibility to source of employment or children's day care such that an adult household member must quit a job, drop out of an educational institution or a job training program;
- The family demonstrates to NRHA's satisfaction that accepting the offer will result in a situation where a family member's life, health or safety will be placed in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. The reasons offered must be specific to the family. Refusals due to the location of the unit alone are not considered to be good cause.
- A qualified, knowledgeable, health professional verifies the temporary hospitalization or recovery from illness of the principal household member, other household members, or a live-in aide necessary to care for the principal household member.

- The unit is inappropriate for the applicant's disabilities.

NRHA's Section 504 Needs Assessment was completed in late 2009. As of February 2011, the Authority was still in the process of completing its Section 504 Transition Plan.

The Section 8 Housing Choice Voucher program serves as a lifeline for the many persons with disabilities who are in need of accessible, affordable housing. Of the 2,480 Section 8 Voucher holders, almost half (1,198, or 48.3%) are families with disabilities. NRHA collaborates with local organizations that work with persons with disabilities to ensure the needs of Norfolk's disabled population are being met. The Endependence Center, a regional Center for Independent Living, conducts Disability Awareness Trainings for NHRA. For landlords accepting Section 8 vouchers, the Endependence Center conducts workshops on ramps and accessibility, and a representative attends NHRA's monthly Landlord Orientation to discuss housing options for disabled persons and the assistance the Endependence Center offers.

For applicants who receive Section 8 vouchers, their housing choices are greatly expanded in numbers and location. Units are available throughout the City, and in 2008, 43% of new admissions located housing in low poverty areas. NRHA assists voucher holders in locating properties in low poverty areas by providing up-to-date lists of units throughout Norfolk. The Authority's Landlord Liaison is charged with maintaining this information and searching for available units in non-traditional areas.

Over 85% of voucher holders lease property within Norfolk, and an average of 12 to 15 tenants use their voucher portability and "port out" of Norfolk every month. For those who wish to use their Section 8 vouchers in one of the other Hampton Roads jurisdictions, NRHA provides contact information for the neighboring housing authorities.

Two policy documents utilized by NRHA 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.

a. Public Housing Admissions and Continued Occupancy Plan (ACOP)

Chapter Four of the ACOP explains NRHA's admission policies and procedures for the management of the public housing waiting list(s) including policies with regard to the number of unit offers that will be made to applicants selected from a Waiting List. NRHA's major goal is to fill vacant units on a timely basis and to accomplish deconcentration of poverty and income-mixing objectives while furthering fair housing.

Public housing applications are listed in random order, based upon size and type of unit required; and preference, date and time the applications are received. In addition, for those applicants requesting to live in a

particular development, the site in which they wish to reside is listed as well.

In addition to families eligible according to statute, NRHA has adopted the policy that when families apply that consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit and thereby eligible for a public housing unit.

Although no longer mandated by statute, NRHA continues to give preference for available units to a family whose head or spouse or single member is an elderly or disabled person over a single person who is not elderly or disabled and to all families with children. Elderly families and disabled families in general occupancy units will continue to have an admission preference over "other singles."

A mixed population development is a public housing development, or portion of a development, that is reserved for elderly families and disabled families at its inception and has retained that character. In accordance with a local preference, elderly families whose head, spouse or sole member is at least 62 years of age, and disabled families whose head, co-head, spouse, or sole member is a person with disabilities, will receive preference to such units.

Since 1998, NRHA has been allowed to implement site-based waiting lists in addition to a jurisdiction-wide waiting list. Site-specific preference criteria may include employment, sustaining employment, criminal history, utility requirements, landlord references, age, minimum incomes, etc. Since July 1, 2010, all sites have a site-based waiting list.

The system of site-based waiting is carefully monitored to assure that civil rights and fair housing are affirmatively met. NRHA monitors its system of site-based waiting lists to assure that racial steering does not occur. If an analysis of its site-based waiting list indicates that a pattern of racial steering is or may be occurring, NRHA will take corrective action.

NRHA's deconcentration and income-mixing goal, in conjunction with the requirement to target at least 40% of new admissions to public housing in each fiscal year to extremely low-income families, is to admit higher income families to lower income developments, and lower income families to higher income developments.

NRHA advertises through public notice in local newspapers, minority publications and media entities. To reach persons with disabilities or special populations, NRHA also provides notice to local organizations representing the interests and needs of the disabled/special populations. The notices will be made in an accessible format if requested.

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless a disability is claimed. A person with a disability can request a reasonable accommodation such as

an extension to reply for being unable to reply within the prescribed period.

NRHA has a limited number of accessible units designed for persons with mobility, sight and hearing impairments, referred to as accessible units. No non-mobility impaired families will be offered these units until all eligible mobility-impaired applicants have been considered to assure equal opportunity and non-discrimination on grounds of race, color, sex, religion, or national origin.

NRHA will select, assign and make up to two offers of a unit of the appropriate size to a qualified applicant in sequence on the waiting list. The applicant must select the unit or go to the bottom of the list unless a good cause for denial is cited. A "good cause" reason for the refusal to take occupancy of a housing unit includes the unit is inappropriate for the applicant's disabilities. If the unit offered is inappropriate for the applicant's disabilities, the family will retain their position on the waiting list.

b. Section 8 Housing Choice Vouchers (HCV) Administrative Plan

In Chapter 1 of the Plan, NRHA states its Fair Housing Policy and pledges not to discriminate in housing on the basis of race, color, religion, sex, national origin, age, familial status or marital, disability, or sexual orientation. All NRHA staff are required to attend fair housing training and become informed of the importance of affirmatively furthering fair housing. Staff will also attend fair housing update trainings sponsored by HUD and other local organizations.

Chapter 1 also details NRHA's reasonable accommodation policy. A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability before NRHA will treat a person differently than anyone else. To request a reasonable accommodation, applications must certify or verify they are a person with a disability under the following ADA definition:

- A physical or mental impairment that substantially limits one or more of the major life activities of an individual;
- A record of such impairment; or
- Being regarded as having such an impairment

For persons with limited English proficiency (LEP), NRHA will provide an interpreter for an applicant when needed.

Since HUD dictates that only families are eligible for HCV assistance, Chapter 2 of the Plan defines family. HUD's definition of a family includes one 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.

Additionally, NRHA also considers a family any two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. Each family 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.

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

Chapter 4 states a policy of maintaining a single waiting list for the HCV program that will not be merged with any other programs that NRHA operates. The HCV waiting list is closed when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. When the waiting list is opened, notices are placed in two Newspapers, *Virginian-Pilot* and *The New Journal & Guide*, and at the following agencies: Hope House Foundation, Endependence Center, Norfolk Community Services Board, Norfolk Division of Social Services, Tidewater Aids Crisis Taskforce, Louise Eggleston Foundation and the Association for Retarded Citizens.

If HUD awards a NRHA program funding that is targeted for specifically named families, the NRHA will admit these families under a Special Admission procedure. Special admissions families will be admitted outside of the regular waiting list process. They do not have to qualify for any preferences, nor are they required to be on the program waiting list. The NRHA maintains separate records of these admissions:

- Family Unification Program
- Mainstream Housing Opportunities
- Endependence Center
- City of Norfolk Department of Homelessness

NRHA also has two local preferences: Local Need and Local Earned. Local Need includes involuntary displacement, participation in the witness protection program, victims of hate crimes, substandard housing, homelessness, etc. Local Earned includes employment, graduate of job training or college, and enrolled in job training or college. Lastly, single applicants who are elderly, disabled, or displaced will be given selection priority.

The waiting list is updated annually to ensure that all applicants and applicant information is current and timely. If a family fails to respond to a mailed notice within the stated period, the family will be removed from the waiting list without further notice unless the Executive Director

determines the lack of response was due to NRHA error, or to circumstances beyond the family's control.

Chapter 8 of the Plan details the briefing policies for applicants. Upon initial briefing, applicants are provided with a briefing packet that includes the policies of the voucher program, expectations of families, HQS standards, etc. Additionally, applicants are provided with a list of known units, in particular outside areas of minority and low-income concentrations, and known accessible units, if the applicant has requested a reasonable accommodation. Applicants are also provided with an explanation on portability, maps of the region, and information on fair housing laws.

Chapter 13 states that NRHA will deny a family permission to make an elective move within Norfolk or outside of the City during the family's initial lease term or to make more than one elective move during any twelve-month period. Exceptions to this policy include protecting the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), accommodating a change in family circumstances (e.g., new employment, school attendance in a distant area), or addressing an emergency situation over which a family has no control. In addition, NRHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities. A family must live in Norfolk for at least twelve months before requesting portability. The NRHA will consider exceptions to this policy for purposes of reasonable accommodation.

Chapter 19 outlines the requirements and procedures to present grievances, including the need to put all determinations in writing.

Applicants denied eligibility may appeal the decision through an informal review; for participants or applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing. A request for an informal review must be received in writing by the close of the business day, no later than 10 days from the date of the NRHA's notification of denial of assistance. The informal review will be scheduled within 10 days from the date the request is received.

NRHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the decision to deny or terminate assistance. Examples of mitigating circumstances include:

- A person with a cognitive disorder may not have understood the requirement to report increases in income
- A person may not understand the need to make regular repayments on a promissory note

- Minor criminal records for public drunkenness may be due to medication
- Prior incarcerations for being disorderly may be due to an emotional disorder.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Norfolk's federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

The following description includes data submitted by the City of Norfolk to HUD in its Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2008. Only federally funded housing activities which the City reported to HUD as completed are included.

In the most recent program year, Norfolk received entitlement resources in the amounts of approximately $5.4 million in CDBG funds and $1.8 million HOME funds. Additionally, the City received about $37,000 in American Downpayment Dream Initiative (ADDI) funds.

The City's CDBG grants are used to support a variety of programs, including the design and construction of housing projects, homeless services, economic development, housing services and public services. Norfolk's CDBG

program has a two-prong approach for delivering services to Norfolk residents and the business community. The largest portion of CDBG funding is allocated to project-type activities that ultimately result in rehabilitated and revitalized communities. NRHA is a primary partner in the City's redevelopment efforts. The redevelopment process is comprised of a number of activities, including property acquisition, relocation, site clearance, demolition, etc. These activities are supported in part with CDBG dollars as well as local and private funding. In addition to NRHA's projects, City departments undertake a variety of activities, such as the installation of ADA ramps and sewer line improvements. The second component of the CDBG program is public service. Public service funds are used to support an array of activities, including but not limited to reading programs, services for the homeless, adult employment training and educational development. All programs supported with CDBG funds target low- to moderate-income individuals. In FY2008, the City partnered with approximately 30 community-based organizations to provide public services throughout various neighborhood and communities.

HOME funds, administered by NRHA, are allocated for new housing construction and housing rehabilitation for low- and moderate-income households. HOME funds are also used to assist with down payment and closing costs for first-time homebuyers. The City's ESG allocation assists subrecipients to provide shelter, services and homelessness prevention to persons and families threatened by or experiencing homelessness.

The Consolidated Plan for 2004-2008 indentified the need to expand housing opportunities for low-to moderate-income families, specifically in the areas of affordable housing, homeownership and fair housing. The major objective was to improve Norfolk's housing stock through the creation of 600 dwelling units during the 5-year plan period. Included in this plan were three broad five-year objectives for addressing the housing needs of this segment of the City's population:

- Improving the overall quality of Norfolk's housing stock.
- Increasing the homeownership opportunities for low- and low-to-moderate income households.
- Providing equal access to affordable housing for all residents in the City.
- In order to reach these objectives, the City focused on the following activities:
- Providing affordable rehabilitation assistance to low and moderate income owner occupants
- Developing compatible affordable housing infill lots
- Increasing the number of lead safe properties
- Providing financial assistance and consumer counseling to interested households

- Pursuing housing subsidies, such as Section 8 housing certificates and vouchers and Section 202 projects, and
- Providing support of tax credit rehabilitation for existing properties as appropriate.

During FY 2008, Norfolk's CDBG housing programs benefited 93 families, and HOME programs benefited 86 families. Of the total 179 households served by the City's various housing activities, most (118, or 66%) were low-income, with household incomes between 51% and 80% of the area median income (AMI). An additional 28 (15.6%) were very low income, with incomes between 31% and 50% of AMI, and 27 (15%) were extremely low income, with incomes below 30% AMI. The number of participants by race is reported in the CAPER on a project-by-project basis, but is not aggregated to provide a summary.

OBSERVATION: The City's priority to improve impacted areas will, in effect, create a better quality of life for members of the protected class who are concentrated in impacted neighborhoods. However, the City's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice for members of the protected classes.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Commission

The Norfolk Planning Commission is a seven-member body appointed by the City Council to provide guidance on matters related to land use and zoning. Also, the Planning Commission oversees the development of the City's General Plan for land use and development.

Of the seven appointed members, three are female and four are male.

b. Board of Zoning Appeals

The Norfolk Board of Zoning Appeals (BZA) is responsible for hearing and deciding upon appeals against decisions made by the Zoning Administrator regarding the administration or enforcement of the City's Zoning Ordinance. The BZA also reviews applications for variance requests to the Zoning Ordinance.

Without additional information, it is not possible to identify the extent to which members of the protected classes serve on Norfolk's appointed boards and commissions.

OBSERVATION: The City should annually survey the membership of its appointed boards and commissions that deal with housing issues to determine the extent to which members of the protected classes are represented. Comparable representation for the City as a whole should be the City's goal.

iv. Language Access Plan for Persons with Limited English Proficiency

The City of Norfolk does not currently have a Language Access Plan (LAP) to enhance services offered to persons with LEP. As stated previously, among native Spanish speakers, the number of persons who speak English less than "very well" exceeds 1,000. As a result, the City of Norfolk should perform a four-factor analysis to determine the extent to which an LAP may be needed.[77]

OBSERVATION: The City of Norfolk must determine the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its CDBG and HOME programs. If it is determined that the need for an LAP exists, the City must prepare the LAP to comply with Title VI of the Civil Rights act of 1964.

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Norfolk was reviewed as part of this analysis. The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- Minimum lot size requirements

[77] The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

Norfolk's zoning ordinance was adopted in 1992 and has been frequently amended through 2009. This demonstrates a concerted effort to modernize the ordinance with newer land uses, more innovative planning concepts, and modifications to a changing society.

b. Residential Zoning Districts and 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 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 10,000 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.

There are 15 distinct residential districts including nine that are primarily for single-family detached dwellings. Minimum lot size for a single-family detached dwelling varies by zoning district from as large as 25,000 square feet to as small as 4,000 square feet. Two-family dwellings, including duplexes, two-family detached dwellings, and two-family semi-detached dwellings, are permitted in five residential zoning districts. Lot sizes for two-family dwellings are 2,500 square feet. The Zoning Ordinance establishes a zoning district where townhouses are permitted on 2,000 square foot lots.

There also are five zoning districts for multi-family dwellings. Permitted density in the multi-family districts ranges from 15 to 44 dwelling units per acre.

In some of the primarily commercial land use zoning districts, dwellings are permitted above the ground floor of a permitted commercial, retail, office, or institutional use. The mixed use zoning supports the creation of housing among uses with jobs and services.

The largest residential lot size required in Norfolk is slightly above a half acre. Six of the residential zoning districts that are primarily for single-family detached dwellings allow lot sizes of less than one-quarter acre. The lot sizes required by the City's Zoning Ordinance are varied with opportunities for small lots accommodating a variety of households.

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 Zoning Ordinance includes a Residential Overlay District to allow residential townhouse development within a district by providing reduced front yards with front porch encroachments. Front yards as small as 12 feet are permitted. The Ordinance also allows for the development of Planned Developments that allow for alternative lot sizes, building placement, parking, and other development criteria.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family detached, two-family, townhouses and multi-family dwellings. The variety of permitted housing types supports choice by diverse households in the community.

The Zoning Ordinance defines a "manufactured home" as "a factory-built single-family structure that is manufactured under the authority of the

National Manufactured Housing Construction and Safety Standards Act, is transportable in one or more sections, is built on a permanent foundation, and is used as a place of human habitation….also includes mobile homes, transportable, factory-built homes constructed prior to the enactment of the above Act (which became effective June 15, 1976)."

The Zoning Ordinance does not place any limits on the siting of manufactured homes, allowing them to be placed in the same zones and under the same standards as a site-built dwelling. Through recognition of manufactured homes as a type of single-family detached dwelling, the Zoning Ordinance does not impede housing choice by members of the protected classes through limiting a low cost housing option.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

The Zoning Ordinance defines family as follows:

(a) One or more persons related by blood, marriage, adoption, or legal guardianship, including foster children, living together as a single housekeeping unit in a dwelling unit; or
(b) A group of not more than four persons not related by blood, marriage, adoption, or legal guardianship living together as a single housekeeping unit in a dwelling unit; or
(c) Two unrelated persons and their children living together as a single housekeeping unit in a dwelling unit; or
(d) A group home for the handicapped as such type of dwelling unit is defined in this chapter.

Limiting a family to not more than four unrelated persons can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly the disabled. Part c of the definition, however, advances non-traditional families and supports the blending of families who may be living together for economic purposes that limit their housing choice. Part d of the definition provides an exception for group homes for the handicapped, which is discussed further below.

f. 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 in violation of the Fair Housing Act.

The Zoning Ordinance defines "group home for the handicapped" as "a residential facility shared by eight or fewer handicapped individuals and resident staff, who live together as a single housekeeping unit in a long-term, family-like environment in which staff persons provide care, education, and participation in community activities for the residents in order to enable them to live as independently as possible in a residential environment….shall not include an alcoholism or drug treatment center, a work release facility for convicts or ex-convicts, or other housing facilities serving as an alternative to incarceration. A group home for the handicapped shall be operated pursuant to section 15.1-486.3 of the Code of Virginia, as amended." The definition of a group home for the handicapped clarifies a handicapped person as one:

(a) Having a physical or mental impairment that substantially limits one or more of such person's major life activities so that such person is incapable of living independently;
(b) Having a record of having such an impairment; or
(c) Being regarded as having such an impairment. However, "handicapped" shall not include current illegal use of or addiction to a controlled substance, nor shall it include any person whose residency in the home would constitute a direct threat to the health and safety of other individuals.

The Zoning Ordinance permits group homes for the handicapped by-right in all of its residential zoning districts. The Zoning Ordinance does not place any restrictions or additional permit or design requirements on a group home for the handicapped.

The two primary purposes of a group residence are normalization and community integration. By allowing group residences throughout the community in agreement with the same standards that are applicable to all other residential uses occupied by a family, the purposes of the land use are not hindered and housing choice for the disabled is not impeded by the Zoning Ordinance in Norfolk.

F. Evaluation of Current Fair Housing Profile

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with

prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Norfolk since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 35 complaints had been filed by persons in Norfolk over an approximately five-year period. Ten of the 35 complaints resulted in "no violation" findings and were closed. Another 13 complaints were closed because neither HUD nor DPOR had jurisdiction in the matters. Another four cases were closed administratively due to uncooperative complainants and one was closed because the complainant could not be located. Two were closed because the complainant withdrew their complaint. Of the five remaining complaints:

- One case alleged discrimination on the basis of familial status and was successfully conciliated.
- One case alleged discrimination on the basis of a physical disability. This case was also successfully conciliated.
- Two cases alleged discrimination on the basis of mental discrimination. Both were successfully conciliated.
- One case alleged discrimination on the basis of a physical disability. HUD has asked that this case be reactivated.

ii. Patterns and Trends in Fair Housing Complaints

Of the 35 complaints, 30 were closed administratively for a variety of reasons. Of the remaining five complaints, two complaints alleged discrimination based on physical disabilities and two alleged discrimination based on mental disabilities.

iii. Existence of Fair Housing Discrimination

The City of Norfolk is not currently involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Norfolk is not involved in any current or pending suits.

G. Assessment of Current Fair Housing Programs and Activities

i. Progress since the 2003 AI

As part of the City in the Consolidated Annual Performance and Evaluation Report (CAPER), the City is required to describe the actions it has taken to overcome the effects of the impediments to fair housing choice outlined in the most recent AI. The City's actions to address each impediment have been reported as follows.

The 2003 AI listed as an impediment the lack of affordable housing in Norfolk. To address this, the City has taken the following actions:

- Actions taken to address the lack of affordable housing include assisting low-income elderly and disabled households to remain in their homes, which is essential for the aging population to live independently. Other actions assisted first-time homebuyers with purchasing and maintaining their homes.
- The City will continue to build partnerships and notify housing partners serving low-income households and members of the protected classes regarding the availability of funds to support affordable housing efforts in Norfolk through community-based workshops and media outlets to include the City's website and civic league newsletters.
- CDBG funds supported the maintenance and improvement of housing for elderly and/or disabled citizens, including providing adaptive modifications such as wheelchair ramps and grab bars in bathrooms. In 2008, the Southeastern Tidewater Opportunity Project, Inc. (STOP) was allocated $136,500 for the organizations Emergency Home Maintenance Program. These CDBG funds were used to provide assistance to low-income, elderly and disabled households. For the year ending June 30, 2008, the STOP organization completed 24 home modification projects through its Elderly/Disabled Home Maintenance Program.
- Over the years, HOME funds have assisted first-time homebuyers achieve the American dream of homeownership. The City of Norfolk, through the implementation of a citywide strategic housing plan, embraced the objective of "Housing First" as a central strategy, which has been promoted under the market banner: "Come Home to Norfolk, Now." The design and implementation of each component of this strategy is intended to incorporate the best ideas from both the public and private sectors. Its success is directly related to the development of partnerships to align resources needed to create the mix of housing opportunities and to open the City and its

neighborhoods to everyone. In an effort to address critical housing needs, the City, through NRHA, utilized HOME funds to expand affordable housing opportunities for approximately 69 first-time homebuyers in 2008.

Another impediment from the 2003 AI was a lack of access to information regarding fair housing. To address this, the City has taken the following actions:

- The City continues to address this impediment by actively participating with the HRCHRB as well as spearheading innovative initiatives that will improve housing options and ensure equal access to housing for all people. The City of Norfolk, in partnership with the HRCHRB, successfully completed the following initiatives recently:
    - Conducted the Annual Fair Housing Workshop
    - Provided resources for the Annual Fair Housing Poster Contest
    - Updated the Fair Housing Handbook to include a Spanish translation. The revised handbook will be posted on the City and HRCHRB websites.
- During 2008, the City distributed fair housing flyers, handbooks and displayed fair housing posters and materials throughout the City at its Neighborhood Service Centers, recreational facilities and libraries.
- As ensuring fair housing choice for everyone remains an imperative need, the City has established partnerships with national, state, and local organizations. Most notably, the City has partnered with Housing Opportunities Made Equal (HOME) Inc. to serve as a conduit for referrals and enforcement for individuals that experience housing barriers.
- The Norfolk Foreclosure Intervention Network (NFIN) was recently established as another initiative to educate homeowners. The Network is a partnership comprised of the City's Office of Housing (Department of Planning and Community Development), HomeNet Homeownership Center (NRHA) and The UpCenter (formerly Child & Family Services of Eastern Virginia). The purpose of the NFIN is to provide a collaborative and comprehensive approach to providing at-risk homeowners with access to information on housing rights, education, predatory lending and counseling to help them retain ownership. The initiative also focuses on strategies to connect first-time homebuyers to the affordable housing opportunities being made available by the foreclosures. The Virginia Foreclosure Taskforce and its mortgage clinics served as a catalyst for these efforts.
- Finally, the NRHA continues to provide fair housing information to all program participants at the time of new client orientation. NRHA also includes a fair housing component in its Landlord Outreach Program which is facilitated by the Endependence Center who

provides an array of independent living services to individuals with disabilities. The purposes of the program are to prepare individuals and to prepare the community for full integration of persons with disabilities of direct client services.

ii. Current Fair Housing Programs and Activities

Each year, the City of Norfolk structures its entitlement programs in such a way as to promote access to fair housing. The City's actions relevant to this end, as reported by the City in the CAPER for 2008, are detailed below.

A major component of the City's fair housing activity has been its continued support of regional fair housing efforts through proactive membership in the Hampton Roads Community Housing Resource Board (HRCHRB). Established in the 1980s to educate the professional housing community as well the general public, the HRCHRB identifies and addresses existing regional fair housing issues.

Throughout the program year, Norfolk's Office of Housing staff participates in HRCHRB activities by holding a position on the executive board, attending quarterly meetings, training events and serving on special committees. HRCHRB has a major role in promoting awareness and education regarding the fair housing laws in Hampton Roads. Many of the initiatives facilitated by the HRCHRB will have a major impact on the City of Norfolk's efforts to provide viable housing choice options in the years to come, including the following programs:

- *Industry Outreach* – The City of Norfolk participates in the HRCHRB's annual Fair Housing Workshop. During program year 2008, the workshop was held in April, Fair Housing Month, to celebrate the 40th Anniversary of the Fair Housing Act. More than 300 housing industry participants were in attendance.
- *HRCHRB Annual Fair Housing Poster Contest* – This initiative promotes fair housing at the high school level and is used as an outreach tool. The City of Norfolk's representative serves as one of the four judges of the contest. High school students participate in a fair housing workshop in which they are provided literature and resources to increase their knowledge on the fair housing laws. As a class assignment, these students are tasked to create posters that reflect fair housing. The winning poster was selected as the cover of the HRCHRB Fair Housing Handbook, a resource that is distributed throughout Hampton Roads to Realtors, apartment managers, tenants, homeowners, Section 8 residents, housing program participants and lending institutions. As a major impact, these handbooks are distributed to the City of Norfolk's Real Estate Ambassadors and their clients. The City will continue to promote training to participants in the housing industry, emphasizing the need to attend training regularly to stay abreast of the changes in the fair housing laws, display the appropriate fair housing posters and partner with

organizations to assist with referrals and enforcement of the Fair Housing Act.

H. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following findings are noted. From these findings, the potential impediments to fair housing choice in Norfolk were identified.

1. Minorities have continued to increase as a percentage of total population.

Non-Whites have increased from 43.3% to 51.3% of total population since 1990. Blacks remain the largest minority group, comprising 69% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which grew 53.4% from 7,611 persons in 1990 to 11,680 in 2008.

The LEP population has increased slightly since 2000 as demonstrated by the increasing number of linguistically isolated households. This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

2. There are 28 areas of racial concentration in the City.

There are 27 census tracts in Norfolk that meet the criterion for areas of racial concentration of Black residents. These include tracts 16, 25, 27, 29, 31, 32, 33, 43, 35.01, 41, 42, 43, 44, 45, 46, 47, 48, 50, 51, 52, 53, 57.01, 59.01, 64 and 70.02. Additionally, census tract 11 meets the criterion for an area of racial concentration of Asian residents.

3. Norfolk is a highly segregated city as determined by dissimilarity indexing.

Achieving full integration among White persons and Black persons in the City would require that 57.5% of Black residents moving to a different location within Norfolk. In addition to a White/Black index of 57.5, Norfolk has a White/Asian index of 33.0, a White/multi-race index of 29.1, and a White/Hispanic index of 33.3. These numbers indicate that these subpopulations are more integrated than Black residents.

4. Members of the protected classes have significantly lower incomes.

Median household income among Blacks was equivalent to only 53% that of Whites in 2000, and poverty among Blacks was twice the rate among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 23.8% lived in poverty compared to 18.2% of persons without a disability.

Female-headed households with children accounted for two-thirds of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

Families with at least one foreign-born parent were significantly more likely to have lower incomes than families with native-born parents. Slightly less than 11% of families with children and at least one foreign-born parent had incomes of less than 200% of poverty compared to 8.9% of families with children with native parents.

5. Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.

Of the 103 low and moderate income census block groups in Norfolk, 53 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

6. Blacks and Hispanics were more likely to be unemployed than Whites.

Blacks and Hispanics were more likely to be unemployed and had the highest unemployment rates in 2008 at 12.9% and 9.6%, respectively, compared to 6.2% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

7. The City gained only 2,300 new housing units between 1990 and 2008; however, over 9,400 units were lost due to demolition, fire, etc.

The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents.

8. Minorities are far less likely to become home owners in Norfolk.

Lower household incomes among Blacks (30.9%) and Hispanics (26.1%) are reflected in similarly lower home ownership rates when compared to Whites (58%).

9. The affordable housing market is much tighter for members of the protected classes.

Between January 2007 and June 2008, Norfolk had a foreclosure rate of 5.1%. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

Minority households were much more likely to live in larger families than White households. For example, 72% of Hispanic families and families of some other race included three or more persons compared to 52.6% of White families. More than 68% of Black families included three or more persons. However, only 12.2% of the rental housing stock contains three or more bedrooms compared to 34.7% of the owner housing stock.

Norfolk lost over 12,000 housing units renting for less than $500 between 2000 and 2008, equivalent to 12,281 units. By comparison, units renting for $1,000 or more increased by almost 10,000 units.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Norfolk. This situation forces these individuals and households to double-up with others, or lease cheap,

substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

Blacks are disproportionately represented in public housing. Almost 94% of all current tenant households and 87.6% of all applicant households are Black. Blacks also are disproportionately represented among Section 8 voucher holders. Among current voucher holders, 94% are Black as are 95.5% of all applicant households. This may indicate limited affordable housing choice for Blacks in Norfolk.

10. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2008, Black households had easily the highest mortgage denial rate at 12.9. Asians also had a higher rate at 13.6%, compared to a denial rate of 6.5% among White households.

Black upper income households had a mortgage loan denial rate of 12.8%, which was more than twice the rate of 5.3% among White upper income households in 2008. Most notably, the denial rate among Black upper income households (12.8%) was significantly higher than the denial rate among White lower income households (8.9%). While these facts alone do not imply an impediment to fair housing choice, they do create a need for further analysis of financial lending practices of lending institutions.

Minority households are disproportionately represented in high-cost lending. Of the loans originated in 2007 for lower income minorities, 17% were high-cost compared to only 3.1% among lower income White households. Of the loans originated for upper income minority households, 20.3% were high-cost compared to 11.3% among upper income White households. In 2008, denial rates were identical among Black and White lower income households; however, among Black upper income households, the denial rate was 11.3% compared to 3.7% among White upper income households.

11. The City does not survey its appointed boards and commissions to determine representation among members of the protected classes.

The City should annually survey the membership of its appointed boards and commissions that deal with housing issues to determine the extent to which members of the protected classes are represented. Comparable representation for the City as a whole should be the City's goal.

12. By focusing both community development initiatives and affordable housing in identified neighborhood revitalization areas, the City has improved impacted areas, but also further concentrated lower-income residents.

Analysis of the City's Annual Plan and CAPER documents reveal heavy investment of CDBG and HOME funds in impacted areas. While improving the quality of life in lower-income minority areas is an important aim, the City must also demonstrate an effort to affirmatively further fair housing by expanding the availability of affordable housing in non-impacted areas. First consideration should be given to the use of CDBG and HOME funds for new family housing development (both sales and rental) on sites outside of impacted areas.

I. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Norfolk were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

a. The City lacks an over-arching fair housing policy that establishes the foundation for a comprehensive integration policy in Norfolk. With a dissimilarity index of 57.5, the City of Norfolk is one of the most segregated cities in the region. Although the City is implementing many programs and projects in a non-discriminatory manner, acknowledging that fair housing and civil rights enforcement are basic municipal services would foster a greater commitment to integration.

Proposed Action 1: Adopt a diversity policy that clearly states the City's commitment to integration. Such a policy should be a stand-alone document that incorporates a vision of diversity and the promise that the City of Norfolk will work to provide all persons and households with fair housing choice. The policy should then be integrated into all City programs and other policy documents such as the comprehensive plan, etc.

Proposed Action 2: Mitigating decades of segregated settlement patterns is a protracted, complicated and sometimes controversial undertaking, but is nonetheless a critical step in affirmatively furthering fair housing and realizing community goals of expanding housing choice to everyone. The most immediate and direct impact City government can have in this area is the location-conscious investment of funds in the development or redevelopment of housing. The City will need to strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas.

Proposed Action 3: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. There is a lack of housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. Housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

c. Minorities have comparatively low homeownership rates.

Minority households in Norfolk have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and residents in living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education); encouraging financial institutions to increase lending, credit and banking services in LMI census tracts and minority census tracts; and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Norfolk.

d. There is an inadequate supply of housing accessible to persons with disabilities in Norfolk.

Disability advocates emphasized the critical demand for affordable housing that is accessible to persons with physical disabilities. Persons with disabilities often spend years waiting for an accessible dwelling to become available.

Proposed Action 1: The City of Norfolk should institute a requirement that at least 10% of all newly constructed multi-family housing must be accessible to persons with mobility impairments. This would involve securing the services of a mobility advocate to inspect new residential units during the various stages of development (i.e., design, construction, post-construction, inspection, etc.) to ensure that accessible features are

incorporated into the site, the building and the dwelling units. Special emphasis should be placed on handicapped parking near entrances, adequate passageway widths for wheelchairs and wheelchair accessibility through automatic doors.

Proposed Action 2: Continue to work with disability advocates to sponsor workshops and other educational opportunities for housing planning staff, developers, architects, builders, Realtors, and other housing professionals to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly-constructed or substantially rehabilitated housing units.

Proposed Action 3: Sponsor an annual workshop on fair housing law (including Virginia building code provisions) for builders, developers, architects, Realtors and other individuals and groups involved in the housing industry.

Proposed Action 4: Work with disability advocates to sponsor workshops and other educational opportunities for the City's building and housing staff and Realtors to increase knowledge of various accessibility and visitability design features and cost-effective ways of incorporating such features into newly constructed or substantially rehabilitated housing units.

e. Persons with limited English proficiency (LEP) may not be able to fully access federally funded services provided by the City.

Recent Census data indicate there are potentially three language groups with more than 1,000 native speakers residing in Norfolk who do not speak English very well. Significant segments of these population groups may face language barriers which prevent access to federally funded services provided by the City.

Proposed Action: The City should perform the four-factor analysis to determine if it must prepare a Language Access Plan with the intent of evaluating the extent to which various language groups with limited English proficiency (LEP) need access to vital government documents. The purpose of the plan is to take meaningful steps toward ensuring access to City programs for LEP persons in accordance with Executive Order 13166 of 2001 and Section V of the Federal Register, Volume 72, No. 13 (2007). Complying with HUD's LEP requirements involves the completion of a four-factor analysis and subsequent implementation of the Language Access Plan.

f. The City does not track whether members of the protected classes are represented on City boards and commissions dealing with housing issues.

Currently, the City does not survey the membership of its appointed boards and commissions that deal with housing issues to determine the extent to which members of the protected classes are represented. The

experiences and perspectives of members of the protected classes would enhance the decision-making process in the City and offer the opportunity for advancing fair housing choice in all aspects of City government. Comparable representation for the City as a whole should be the City's goal.

Proposed Action: Annually, the City should schedule a recruitment period for new board and commission applicants with an emphasis on recruiting members of the protected classes. The period could last from two to four weeks during which time the need for applicants is advertised in the local newspapers, on the City website, and through other local media. Recruitment information should also be provided to local advocacy organizations that represent Hispanics, persons with disabilities, and other members of the protected classes.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Norfolk, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Norfolk. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Norfolk.

Between January 2007 and June 2008, an estimated 1,738 foreclosure filings were recorded in the City, representing a rate of 5.1%. Two of the City's census tracts had rates higher that were double the City rate. Both of these census tracts were also areas of racial concentration.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

J. Signature Page for the City of Norfolk

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Norfolk is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

7. CITY OF PORTSMOUTH

A. Historical Residential Settlement Patterns

Geographically the smallest political jurisdiction in the Hampton Roads region at about 34 square miles, Portsmouth is an almost entirely developed city. Existing land uses range from a mix of uses in the Downtown to single-family neighborhoods, multi-family developments, commercial corridors, industrial areas, and governmental installations such as the Norfolk Naval Shipyard, Virginia Port Authority and the U.S. Naval Hospital. Because of its age, fully developed character, and pattern of land use change, Portsmouth contains a significant amount of underused and obsolescent, previously developed properties that could be redeveloped for more productive uses.

Key characteristics of Portsmouth's existing land use pattern include:

- Approximately one-third of the City's land area is classified as residential, the largest proportion of any land use category. Single-family neighborhoods are found in the City.
- The Downtown supports Portsmouth's only significant concentration of mixed uses, including commercial, office, residential, and institutional uses.
- Heavy industry consists of maritime-related uses along the waterfront, including the Norfolk Naval Shipyard. Light industrial and commercial uses are concentrated along major roadway corridors.
- More than 50% of Portsmouth land area is tax exempt. This includes land owned by the federal government such as Norfolk Naval Shipyard, Naval Medical Center, and U.S. Coast Guard Support Center.
- There is very little vacant land for new development.

B. Demographic Profile

i. Population Trends

Since 1990, the racial composition of Portsmouth has shifted from being a White majority to a Black majority city. Overall, the City's population is shrinking. Total population has fallen about 3%, from 103,907 residents in 1990 to 100,577 in 2008 while the number of minority residents increased from 50,685 to 57,092. The share of minority residents also grew significantly from 48.8% to 56.8%.

Figure 7-1
Population Trends – 1990-2008

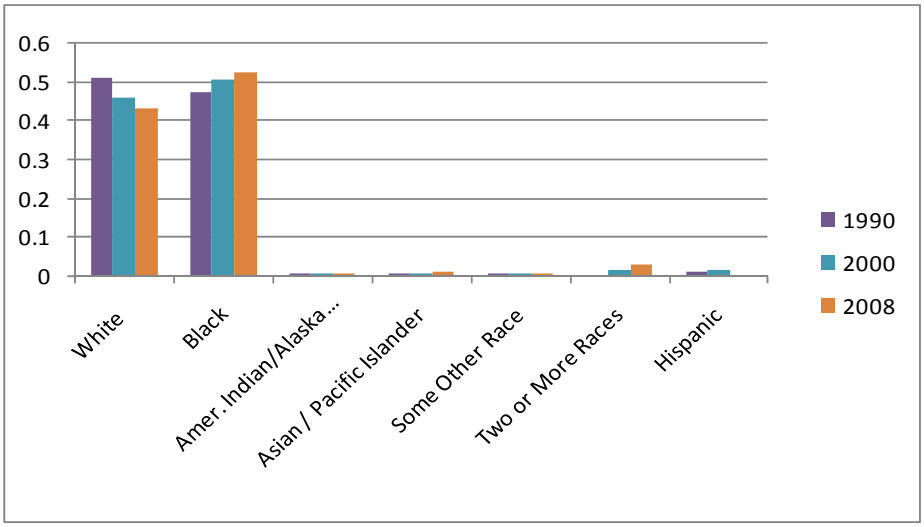
	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Portsmouth	**103,907**	**100%**	**100,565**	**100%**	**100,577**	**100%**	**-3.2%**
White Population	53,212	51.2%	46,096	45.8%	43,485	43.2%	-18.3%
Non-White Population	50,695	48.8%	54,469	54.2%	57,092	56.8%	12.6%
Black	49,180	47.3%	50,899	50.6%	52,467	52.2%	6.7%
Amer. Indian/Alaska Native	303	0.3%	478	0.5%	294	0.3%	-3.0%
Asian / Pacific Islander	827	0.8%	842	0.8%	944	0.9%	14.1%
Some Other Race	385	0.4%	618	0.6%	588	0.6%	52.7%
Two or More Races	---	---	1,632	1.6%	2,799	2.8%	71.5%
Hispanic	1,364	1.3%	1,748	1.7%	2,548	2.5%	86.8%

Source: U.S. Census Bureau

The minority population in Portsmouth continues to be predominately Black. Hispanic and persons of Two or More Races have experienced rapid growth since 1990, at 86.8% and 71.5%, respectively. Nonetheless, they still only represent about 5% of the total population. The Black population remains the largest minority group within the City, and in 2008 represented 52.2% of the total population.

OBSERVATION: Minorities have increased from 48.8% to 56.8% of total population since 1990. Blacks are now a majority of the total population, comprising 52.2% of total population. However, the fastest-growing segment is Hispanics, which grew 86.8% from 1,364 to 2,548 persons.

Figure 7-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



ii. Areas of Racial and Ethnic Minority Concentration

In its 2009-2013 Consolidated Plan, the City of Portsmouth defined areas of minority concentration as census tracts where the non-White population was double the regional percentage. The region, as defined in the Plan, is the Norfolk-Virginia Beach-Newport News MSA, and the City uses Census 2000 data. In 2000, the regional percentage of non-White persons was 34.5%. Therefore, an area of racial concentration would include any census tract where the percentage of non-White residents is 69% or greater. In Portsmouth, 13 census tracts fit this criterion in 2009: 2105, 2107, 2111, 2114, 2117, 2118, 2119, 2120, 2121, 2127.01, 2127.02, 2131.01, and 2131.04. [78]

In 2009, Hispanics comprised 2.2% of the regional population. Therefore, an area of ethnic concentration would include a census tract of 4.4% or higher. Two census tracts – 2108 and 2130.01 – fit this criterion.

OBSERVATION: There are 15 census tracts in Portsmouth that meet the criterion for an area of minority concentration, also known as impacted areas. Thirteen census tracts are areas of racial concentration of Black residents and include tracts 2105, 2107, 2111, 2114, 2117, 2118, 2119, 2120, 2121, 2127.01, 2127.02, 2131.01, and 2131.04. Two tracts, 2108 and 2130.01, also meet the criterion for an area of ethnic concentration of Hispanics.

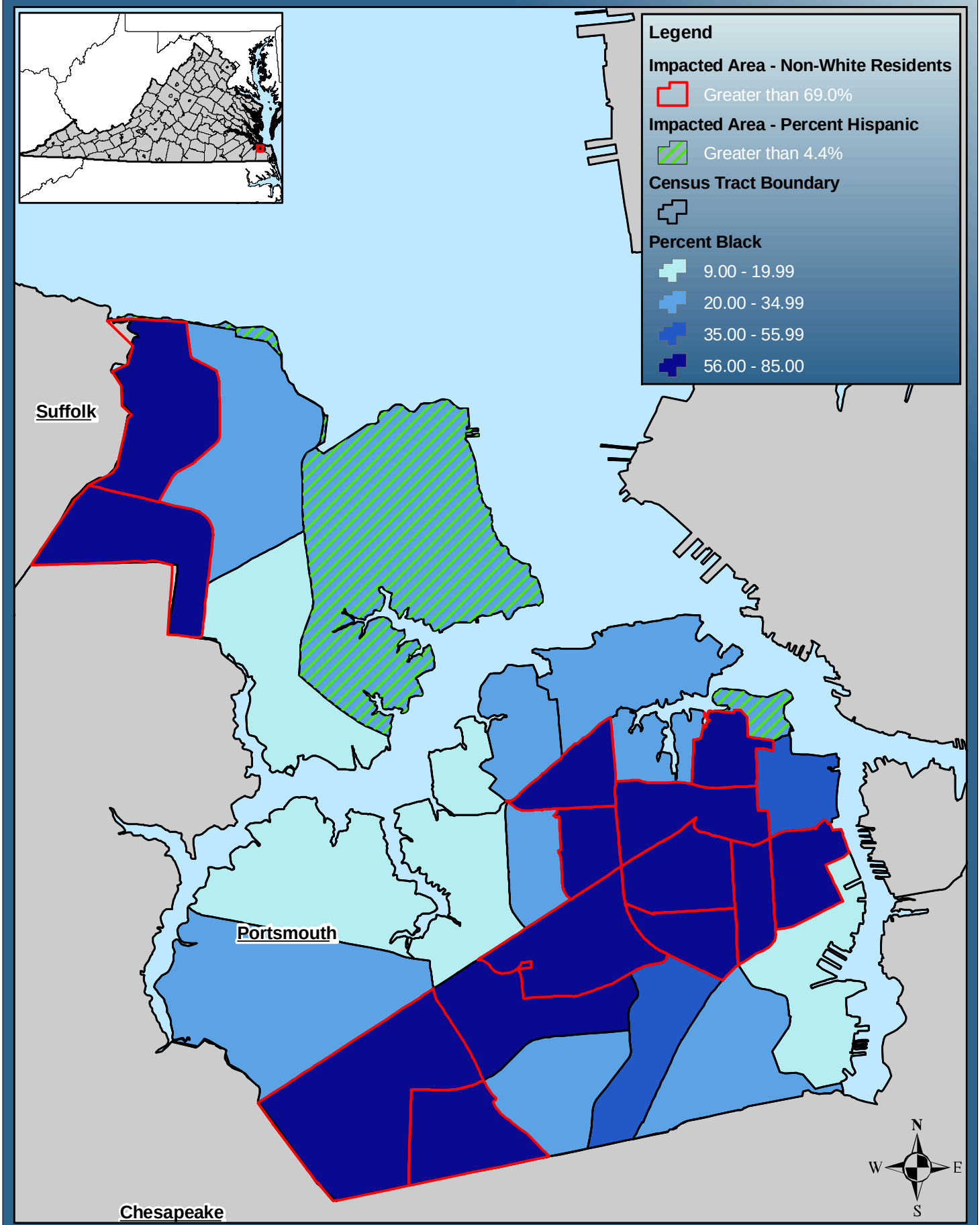
Maps 7-1 and 7-2 on the following pages depict the geographic location of the areas of minority concentration. In Portsmouth, the census tracts outlined in *red* are areas of concentration of non-White residents. Census tracts cross-hatched in *green* are areas of concentration of Hispanic residents. It is within these areas, also known as impacted areas, that demographic characteristics such as income and housing, will be analyzed.

[78] Data estimates for 2009 were purchased from DemographicsNow to update Census 2000 data. The City is advised to use Census 2010, when available, to recalculate the areas of minority concentration.

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Map 7-1: Black Population Concentrations in Portsmouth, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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Map 7-2: Hispanic Population Concentrations in Portsmouth, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

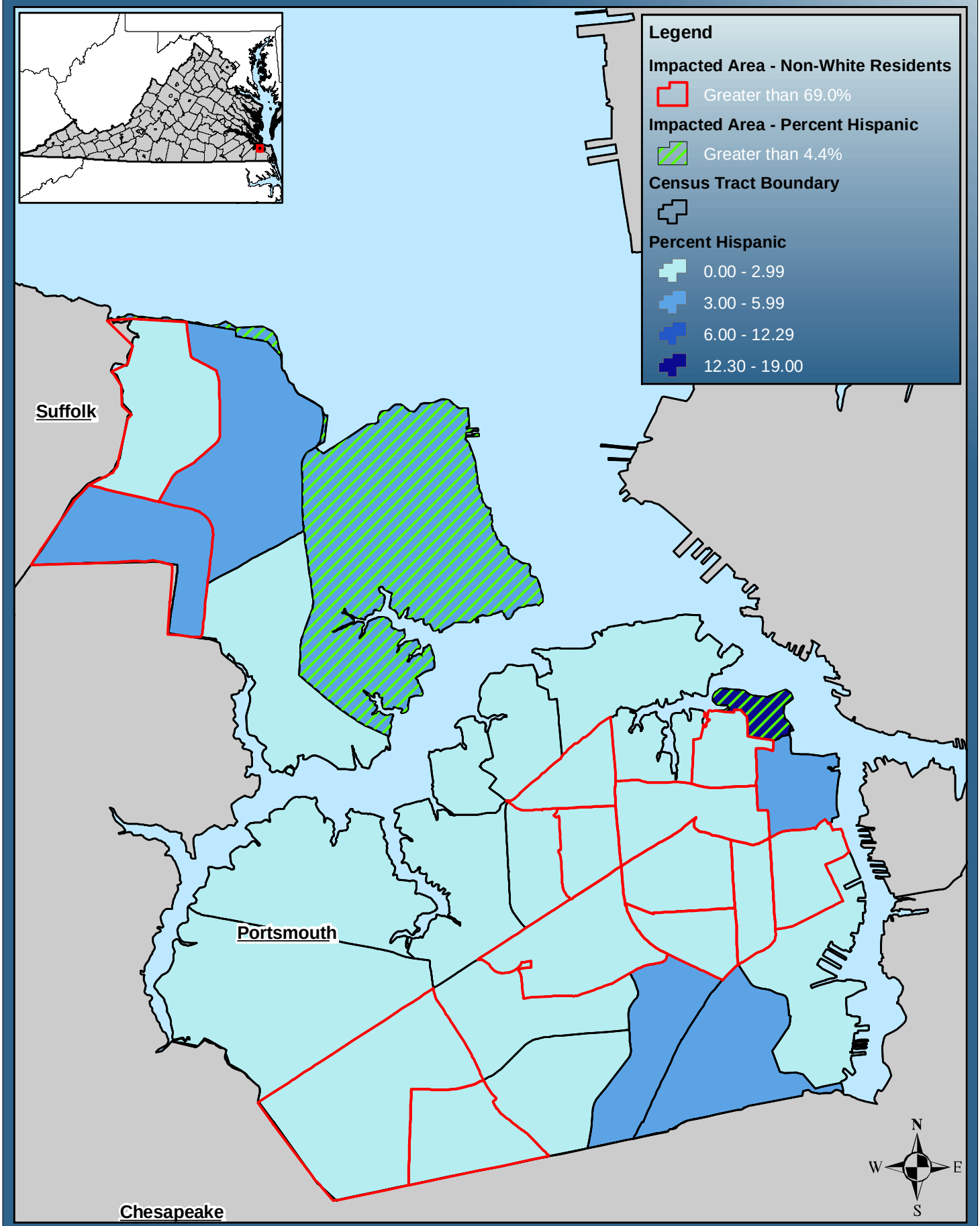


Figure 7-3
Census Tract Population by Race and Hispanic Origin, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Total Non-White	Hispanic
		%	%	%	%
City of Portsmouth	**103,198**	**44.5%**	**46.0%**	**55.5%**	**2.3%**
2102.00	2,538	69.9%	21.8%	30.1%	2.0%
2103.00	2,290	62.8%	29.9%	37.2%	1.8%
2104.00	1,458	72.6%	19.3%	27.4%	1.7%
2105.00	1,718	17.5%	72.5%	82.5%	0.5%
2106.00	1,834	57.9%	29.9%	42.2%	2.3%
2107.00	1,958	23.7%	67.6%	76.3%	2.1%
2108.00	126	38.9%	25.4%	61.1%	19.1%
2109.00	3,501	53.2%	35.9%	46.8%	3.5%
2111.00	1,603	12.9%	78.0%	87.2%	2.1%
2114.00	1,255	9.3%	83.8%	90.7%	1.0%
2115.00	1,787	54.4%	34.1%	45.6%	2.0%
2116.00	4,208	74.9%	16.0%	25.1%	1.4%
2117.00	3,134	16.3%	77.3%	83.7%	1.0%
2118.00	3,524	10.8%	84.2%	89.2%	0.8%
2119.00	2,185	11.4%	83.4%	88.6%	1.0%
2120.00	2,202	10.5%	82.8%	89.5%	0.7%
2121.00	1,900	11.4%	84.2%	88.6%	1.6%
2122.00	20	80.0%	15.0%	20.0%	0.0%
2123.00	4,825	61.9%	23.9%	38.1%	3.2%
2124.00	3,761	38.5%	49.5%	61.5%	3.9%
2125.00	2,235	60.2%	32.8%	39.8%	2.5%
2126.00	2,839	34.5%	57.2%	65.5%	1.6%
2127.01	6,149	11.5%	81.8%	88.5%	0.7%
2127.02	3,789	10.0%	84.4%	90.0%	1.2%
2128.00	7,506	62.3%	29.3%	37.7%	1.9%
2129.00	5,450	82.9%	9.0%	17.1%	1.2%
2130.01	7,601	63.0%	24.6%	37.0%	5.0%
2130.02	4,408	74.0%	19.1%	26.0%	2.1%
2131.01	5,785	28.5%	58.8%	71.6%	3.7%
2131.03	7,275	52.8%	33.4%	47.2%	3.7%
2131.04	4,334	30.1%	58.3%	69.9%	2.8%

Source: Demographics Now

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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.

In Portsmouth, White residents are in the minority. To enable comparisons with other cities in the Hampton Roads region, however, this analysis will make dissimilarity calculations against the White population. The City's minority population accounted for 54.2% of its total population in 2000. Black residents represent the largest minority group, comprising 50.5% of all residents in 2000.

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.[79] The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Portsmouth is among the most segregated. The City's 2000 dissimilarity index of 62.0 for White persons and Black persons ranks 16th out of 18, and indicates that White persons and Black persons in Portsmouth are more segregated than they are in more than 83% of the state's most populated cities and towns. Among the seven cities in the Hampton Roads region, Portsmouth is the most segregated. Details are included in Figure 7-4.

[79] 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 Σ 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 7-4
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	Hampton	64,795	70,963	146,437	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	Suffolk	27,524	33,940	63,677	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Portsmouth is the most segregated municipality in the region. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 62% of Black residents would have to move to a different location within Portsmouth.

Dissimilarity index data for all Portsmouth subpopulations appear in Figure 7-5. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 62.0% of Black residents would have to move to a different location.

Figure 7-5
Portsmouth Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	45,403	45.1%
Black	62.0	50,569	50.3%
American Indian*	36.9	449	0.4%
Asian*	32.2	762	0.8%
Hawaiian*	53.5	60	0.1%
Other*	55.9	113	0.1%
Two or more races	33.9	1,461	1.5%
Hispanic***	36.1	1,748	1.7%
TOTAL	-	100,565	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Portsmouth.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

The indices above show that, in addition to a White/Black index of 62.0, Portsmouth has a White/Asian index of 32.2, a White/multi-race index of 33.9, and a White/Hispanic index of 36.1. These numbers indicate that these subpopulations are more integrated than Whites and Blacks. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

iv. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for home mortgage loan. Median household income in Portsmouth shows a significant difference between White and Black populations. Black median income is equivalent to only 57% of the median income for Whites, and about 73% of the City's overall median income. Blacks also have a poverty rate almost five times that of Whites. Asians, on the other hand, are at a slight advantage, with median incomes higher than Whites. Hispanics in Portsmouth had a median income of $75,512, twice the median income of Blacks. Data on poverty for Asians and Hispanics were not available due to small sample sizes.

Figure 7-6
Median Household Income and Poverty Rates by Race/Ethnicity, 2008

	Median Household Income	Poverty Rate
City of Portsmouth	$47,813	18.5%
Whites	$60,777	5.8%
Blacks	$34,724	27.3%
Asians	$65,951	n/a
Hispanics	$75,512	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I, C17001A, C17001B)

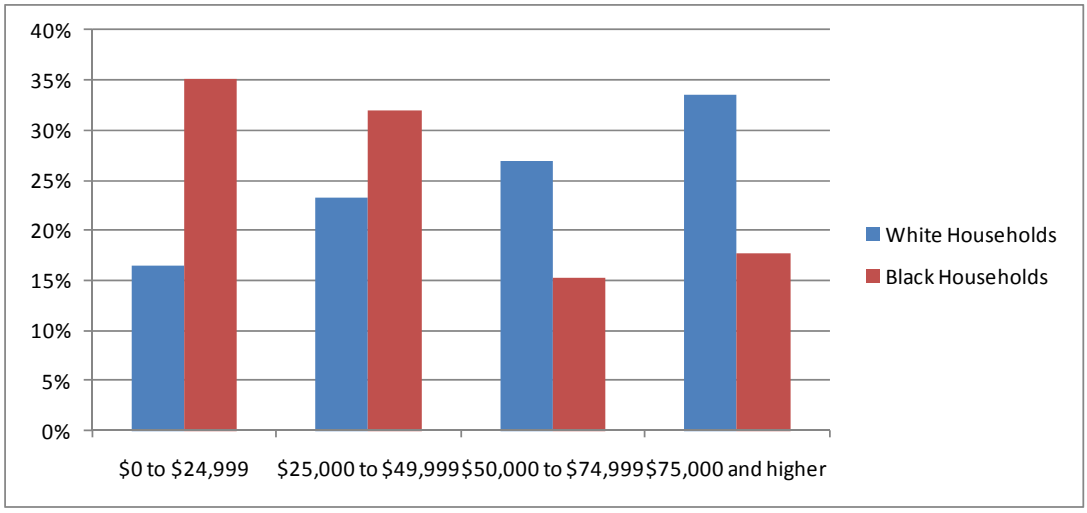
A review of household income distribution also shows stark differences between the Black and White populations in Portsmouth. In 2008, 35.1% of Black households earned less than $25,000, compared to 16.4% of White households. The higher income ranges also show disparities between the races. While 33.5% of White households had incomes above $75,000, only 17.7% of Black households were in the same income range.

Figure 7-7
Household Income Distribution by Race and Ethnicity, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**36,363**	**9,483**	**26.1%**	**10,076**	**27.7%**	**7,597**	**20.9%**	**9,207**	**25.3%**
White Households	17,554	2882	16.4%	4,078	23.2%	4,722	26.9%	5,872	33.5%
Black Households	18,809	6,601	35.1%	5,998	31.9%	2,875	15.3%	3,335	17.7%

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

Figure 7-8
Household Income Distribution by Race and Ethnicity, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 57% of that of Whites in 2008, and the poverty rate among Blacks was almost five times the rate among Whites. Consequently, Blacks will have a greater time finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Portsmouth. HUD data on the percent of low and moderate income persons reveals that there are 44 census block groups where more than 51% of residents meet the criteria for low and moderate income status. Of these, 24 block groups were located within areas of racial concentration. As a result, areas of racial concentration in Portsmouth are more likely to be also areas of concentration of low and moderate income persons. These areas are highlighted in the following chart.

Map 7-3 on the following page illustrates the location of areas of concentrations of non-White residents and LMI persons.

OBSERVATION: Of the 44 low and moderate income census block groups in Portsmouth, 24 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

Map 7-3: Low and Moderate Income Concentrations in Portsmouth, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

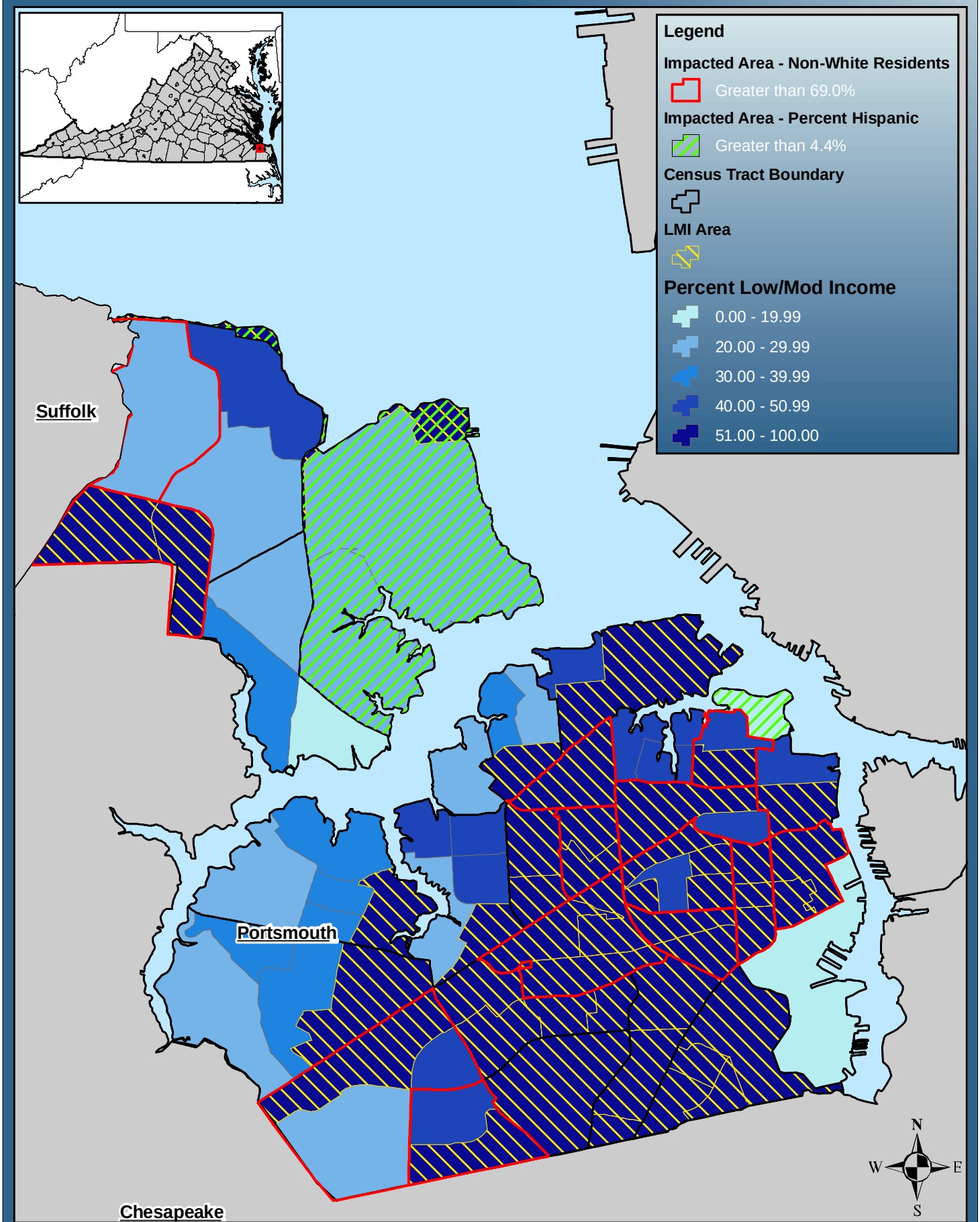


Figure 7-9
Low and Moderate Income Persons, 2009

		Low and Moderate Income Persons					Low and Moderate Income Persons		
Census Tract	Block Group	#	Universe	%	Census Tract	Block Group	#	Universe	%
2102.00	1	385	906	42.49%	2121.00	2	779	1,104	70.56%
2102.00	2	780	1,420	54.93%	2122.00	1	0	23	0.00%
2103.00	1	189	754	25.07%	2123.00	1	1,044	1,375	75.93%
2103.00	2	381	542	70.30%	2123.00	2	525	952	55.15%
2103.00	3	332	914	36.32%	2123.00	3	651	1,204	54.07%
2104.00	1	377	1,368	27.56%	2123.00	4	808	1,131	71.44%
2105.00	1	1,466	1,740	84.25%	2124.00	1	681	985	69.14%
2106.00	1	466	931	50.05%	2124.00	2	854	1,451	58.86%
2106.00	2	413	818	50.49%	2124.00	3	799	1,010	79.11%
2107.00	1	587	1,247	47.07%	2125.00	1	1,124	2,132	52.72%
2107.00	2	329	591	55.67%	2126.00	1	492	865	56.88%
2108.00	1	0	0	0.00%	2126.00	2	527	816	64.58%
2109.00	1	798	1,853	43.07%	2126.00	3	169	169	100.00%
2109.00	2	578	1,093	52.88%	2126.00	4	855	1,009	84.74%
2111.00	1	174	360	48.33%	2127.01	1	1,005	1,384	72.62%
2111.00	2	330	496	66.53%	2127.01	2	409	849	48.17%
2114.00	1	686	1,006	68.19%	2127.01	3	922	3,177	29.02%
2114.00	2	1,294	1,353	95.64%	2127.02	1	711	1,678	42.37%
2115.00	1	297	570	52.11%	2127.02	2	1,119	2,069	54.08%
2115.00	2	682	1,062	64.22%	2128.00	1	1,976	3,215	61.46%
2116.00	1	322	699	46.07%	2128.00	2	687	1,948	35.27%
2116.00	2	357	792	45.08%	2128.00	3	297	1,179	25.19%
2116.00	3	431	750	57.47%	2128.00	4	370	1,104	33.51%
2116.00	4	215	828	25.97%	2129.00	1	268	855	31.35%
2116.00	5	389	961	40.48%	2129.00	2	743	1,266	58.69%
2117.00	1	652	1,004	64.94%	2129.00	3	249	696	35.78%
2117.00	2	611	1,100	55.55%	2129.00	4	220	609	36.12%
2117.00	3	604	879	68.71%	2129.00	5	505	1,851	27.28%
2118.00	1	593	602	98.50%	2130.01	1	576	2,167	26.58%
2118.00	2	449	655	68.55%	2130.01	2	603	2,870	21.01%
2118.00	3	726	983	73.86%	2130.01	3	169	318	53.14%
2118.00	4	211	456	46.27%	2130.02	1	77	721	10.68%
2118.00	5	654	706	92.63%	2130.02	2	419	1,364	30.72%
2119.00	1	1,116	1,417	78.76%	2130.02	3	460	2,087	22.04%
2119.00	2	495	728	67.99%	2131.01	1	2,592	3,941	65.77%
2120.00	1	676	1,016	66.54%	2131.01	3	1,066	1,317	80.94%
2120.00	2	439	532	82.52%	2131.03	1	1,241	3,038	40.85%
2120.00	3	504	608	82.89%	2131.03	2	1,242	4,156	29.88%
2121.00	1	663	697	95.12%	2131.04	1	936	3,208	29.18%

Source: U.S. Dept. of Housing & Urban Development, 2009

vi. Disability and Income

The Census Bureau reports disability status for non-institutionalized disabled persons. 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 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 Portsmouth, 13.8% of the population reported at least one disability in 2008.

According to the National Organization on Disabilities, a significant income gap exists for person with disabilities, given their lower rate of employment. In Portsmouth, persons with disabilities are more likely than persons without disabilities to live in poverty. In 2008, 20.9% of persons with disabilities lived in poverty, compared to 18.1% of persons without disabilities who were living in poverty.[80]

OBSERVATION: Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 20.9% live in poverty compared to 18.1% of persons without a disability.

vii. 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.

The proportion of female-headed households increased from 18.9% to 21.5% between 1990 and 2000, and remained relatively constant through 2008. The percentage of female-headed households with children increased from 11.2% to 12.2% before falling to 11.7% in 2008. The number of married-couple families with children, however, has shrunk dramatically from 21.1% in 1990 to 12.2% in 2008.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In 2008, female-headed households with children accounted for 72.8% of all families living under the poverty level, compared to 26.9% of all families living above the poverty level.[81]

[80] U.S. Census Bureau, 2008 American Community Survey (C18130)
[81] U.S. Census Bureau, 2008 American Community Survey (C17017)

Figure 7-10
Female-Headed Households and Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	**38,831**	**100.0%**	**38,137**	**100.0%**	**37,492**	**100.0%**
Family Households	27,726	71.4%	25,628	67.2%	23,067	61.5%
Married-couple family	18,915	48.7%	15,813	41.5%	13,204	35.2%
With Children	8,182	21.1%	6,467	17.0%	4,574	12.2%
Without Children	10,733	27.6%	9,346	24.5%	8,630	23.0%
Female-Headed Households	**7,330**	**18.9%**	**8,188**	**21.5%**	**7,874**	**21.0%**
With Children	**4,339**	**11.2%**	**4,635**	**12.2%**	**4,395**	**11.7%**
Without Children	2,991	7.7%	3,553	9.3%	3,479	9.3%
Male-Headed Household	1,481	3.8%	1627	4.3%	1,989	5.3%
With Children	573	1.5%	795	2.1%	1,039	2.8%
Without Children	908	2.3%	832	2.2%	950	2.5%
Non-family and 1-person Households	11,105	28.6%	12,509	32.8%	14,425	38.5%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (C11005)

OBSERVATION: Female headed households with children accounted for almost three-quarters of all families living in poverty in 2008. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. Ancestry and Income

It is illegal to refuse the right to housing based on place on birth or ancestry. Census data on native and foreign born populations in Portsmouth showed that 2.2% of City residents were foreign-born.[82]

In 2008, families with children living with one or more foreign-born parents accounted for 1.1% of all families living below 200% of the poverty level. By comparison, families with children living with one or more foreign-born parents accounted for 9% of all families living above 200% of the poverty level.[83]

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 issued its guidelines on how to address the needs of persons with LEP in January 2007. 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 that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate

[82] U.S. Census Bureau, 2008 American Community Survey (C05002)
[83] U.S. Census Bureau, 2008 American Community Survey (C05010)

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

American Community Survey (ACS) data reports on the non-English language spoke at home for the population five years and older. In the City of Portsmouth in 2008, 1,233 persons spoke English less than "very well."[84] No language group had more than 1,000 persons with LEP.

ix. Protected Class Status and Unemployment

Overall unemployment in Portsmouth was 5.1%, which was slightly higher than Virginia's overall unemployment rate of 4.9% in 2008. Females and males had comparable unemployment rates, at 5.1% and 5.0%, respectively. Blacks were almost three times more likely to be unemployed than Whites in Portsmouth. While Whites had an unemployment rate of 2.7%, Blacks had an unemployment rate of 7.1%.

Figure 7-11
Civilian Labor Force, 2008

	Virginia Total	%	Portsmouth Total	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**49,075**	**100%**
Employed	3,874,420	95.1%	46,589	94.9%
Unemployed	200,793	4.9%	2486	5.1%
Male CLF	**2,111,297**	**100.0%**	**25,334**	**100.0%**
Employed	2,006,634	95.0%	24,060	95.0%
Unemployed	104,663	5.0%	1274	5.0%
Female CLF	**1,963,916**	**100.0%**	**23,741**	**100.0%**
Employed	1,867,786	95.1%	22,529	94.9%
Unemployed	96,130	4.9%	1212	5.1%
White CLF	**2,916,813**	**100%**	**21,391**	**100%**
Employed	2,799,732	96.0%	20,809	97.3%
Unemployed	117,081	4.0%	582	2.7%
Black CLF	**772,382**	**100%**	**26,041**	**100%**
Employed	709,453	91.9%	24,188	92.9%
Unemployed	62,929	8.1%	1,853	7.1%
Asian CLF	**214,026**	**100%**	**n/a**	**n/a**
Employed	204,543	95.6%	n/a	n/a
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF	**277,742**	**100%**	**n/a**	**n/a**
Employed	261,165	94.0%	n/a	n/a
Unemployed	16,577	6.0%	n/a	n/a

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

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 7.1% compared to only 2.7% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

[84] U.S. Census Bureau, 2006-2008 American Community Survey (B06007)

C. Housing Market

i. Housing Inventory

Total housing inventory has remained relatively stable since 1990. Between 1990 and 2008, total housing stock grew by 697 units, an average of about 39 units per year. The largest increase has been in census tract 2131.04, which more than doubled its number of units since 1990. Significant increases also occurred in census tracts 2130.01, 2131.01, and 2131.03. Census tracts 2111, 2114, and 2126 experienced the greatest losses.

Figure 7-12
Trends in Housing Inventory, 1990-2008

	1990		2000		2009		Change 1990-2009	
Census Tract	#	%	#	%	#	%	#	%
City of Portsmouth	**42,282**	**100.0%**	**41,605**	**100.0%**	**42,979**	**100.0%**	**697**	**1.6%**
2102.00	1,212	2.9%	1,209	2.9%	1,238	2.9%	26	2.1%
2103.00	1,059	2.5%	956	2.3%	1,033	2.4%	-26	-2.5%
2104.00	754	1.8%	763	1.8%	777	1.8%	23	3.1%
2105.00	772	1.8%	752	1.8%	760	1.8%	-12	-1.6%
2106.00	828	2.0%	821	2.0%	829	1.9%	1	0.1%
2107.00	801	1.9%	715	1.7%	722	1.7%	-79	-9.9%
2108.00	20	0.0%	0	0.0%	0	0.0%	-20	-100.0%
2109.00	1,988	4.7%	2,077	5.0%	2,128	5.0%	140	7.0%
2111.00	1,195	2.8%	331	0.8%	675	1.6%	-520	-43.5%
2114.00	995	2.4%	983	2.4%	600	1.4%	-395	-39.7%
2115.00	782	1.8%	763	1.8%	717	1.7%	-65	-8.3%
2116.00	1,790	4.2%	1,824	4.4%	1,865	4.3%	75	4.2%
2117.00	1,555	3.7%	1,456	3.5%	1,492	3.5%	-63	-4.1%
2118.00	1,531	3.6%	1,427	3.4%	1,457	3.4%	-74	-4.8%
2119.00	965	2.3%	887	2.1%	889	2.1%	-76	-7.9%
2120.00	1,053	2.5%	903	2.2%	917	2.1%	-136	-12.9%
2121.00	839	2.0%	784	1.9%	800	1.9%	-39	-4.6%
2122.00	32	0.1%	23	0.1%	23	0.1%	-9	-28.1%
2123.00	2,181	5.2%	2,167	5.2%	2,223	5.2%	42	1.9%
2124.00	1,548	3.7%	1,408	3.4%	1,515	3.5%	-33	-2.1%
2125.00	1,071	2.5%	952	2.3%	965	2.2%	-106	-9.9%
2126.00	1,735	4.1%	1,143	2.7%	1,151	2.7%	-584	-33.7%
2127.01	1,930	4.6%	1,955	4.7%	1,957	4.6%	27	1.4%
2127.02	1,419	3.4%	1,414	3.4%	1,415	3.3%	-4	-0.3%
2128.00	3,345	7.9%	3,384	8.1%	3,380	7.9%	35	1.0%
2129.00	2,309	5.5%	2,332	5.6%	2,393	5.6%	84	3.6%
2130.01	1,781	4.2%	2,251	5.4%	2,483	5.8%	702	39.4%
2130.02	1,826	4.3%	1,956	4.7%	2,014	4.7%	188	10.3%
2131.01	2,035	4.8%	2,137	5.1%	2,336	5.4%	301	14.8%
2131.03	2,274	5.4%	2,778	6.7%	2,791	6.5%	517	22.7%
2131.04	657	1.6%	1,054	2.5%	1,434	3.3%	777	118.3%

Source: DemographicsNow

Map 7-4 on the following page depicts the degree of housing gains and losses between 1990 and 2009 in Portsmouth.

ii. Types of Housing Units

Of the 41,605 housing structures in 2000, 71.1% were single family units. Most of the remaining were multi-family units of all sizes. Multi-family homes were most prominent in census tracts 2109, 2128, and 2131.01. It is also notable that census tract 2129 had no multi-family units, and multi-family units represented less than 2% of total units in census tracts 2127.02 and 2131.04.

Figure 7-13
Trends in Housing Units in Structures, 2000

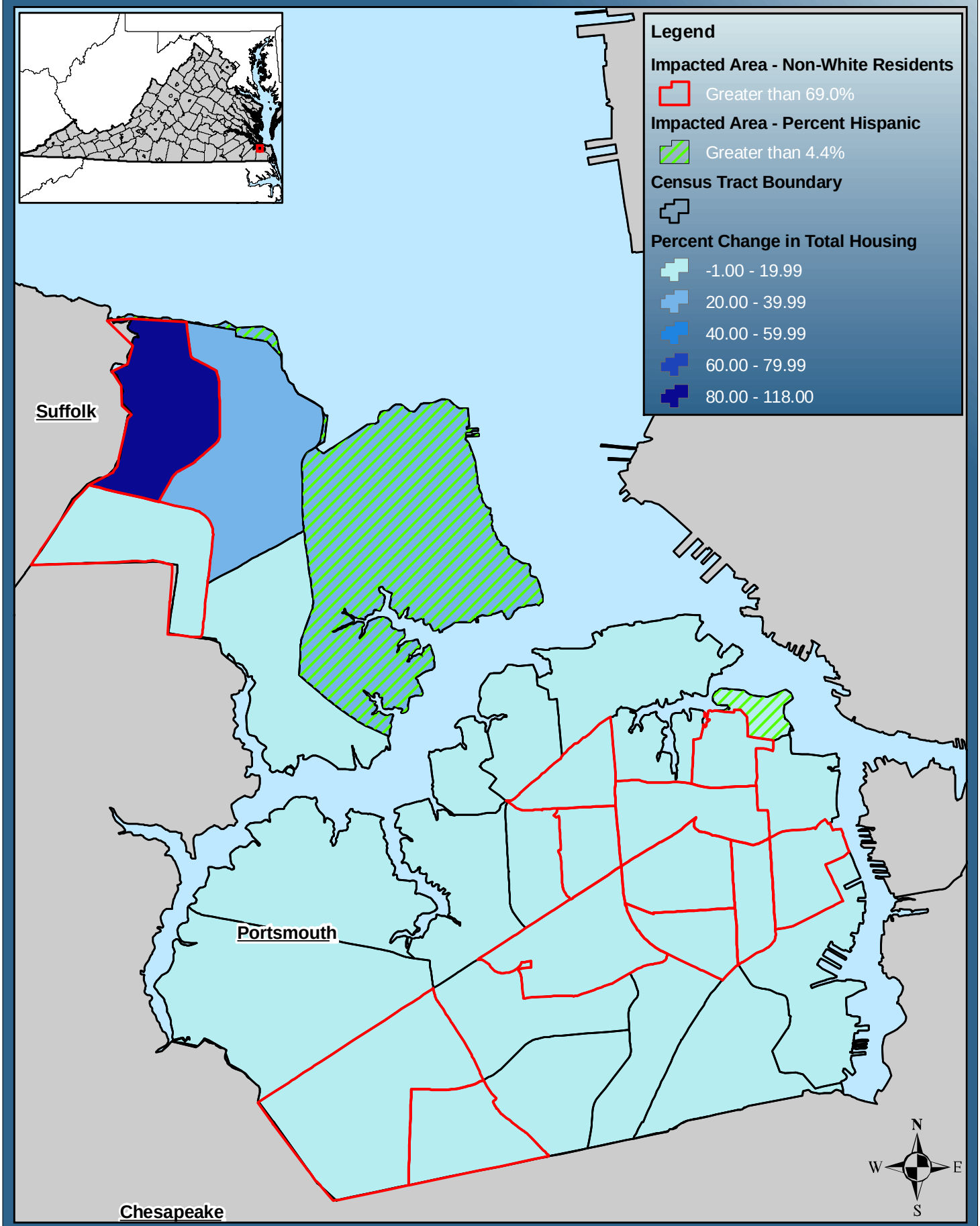
	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
City of Portsmouth	**41,605**	**29,572**	**4,747**	**4,084**	**1,221**	**1,778**	**11,830**	**165**	**38**
2102.00	1,198	608	401	75	70	6	552	0	38
2103.00	967	794	76	78	13	6	173	0	0
2104.00	723	447	77	148	30	21	276	0	0
2105.00	792	302	123	324	6	37	490	0	0
2106.00	824	652	154	18	0	0	172	0	0
2107.00	712	500	197	11	4	0	212	0	0
2108.00	0	0	0	0	0	0	0	0	0
2109.00	2,042	475	507	288	127	645	1,567	0	0
2111.00	366	242	60	64	0	0	124	0	0
2114.00	1,019	491	211	283	14	20	528	0	0
2115.00	727	543	103	62	7	12	184	0	0
2116.00	1,824	1509	222	38	24	31	315	0	0
2117.00	1,456	1337	113	6	0	0	119	0	0
2118.00	1,427	971	266	99	68	23	456	0	0
2119.00	893	675	126	85	0	7	218	0	0
2120.00	901	669	177	31	9	15	232	0	0
2121.00	768	215	184	148	30	191	553	0	0
2122.00	35	28	0	0	0	7	7	0	0
2123.00	2,167	1383	408	226	40	21	695	89	0
2124.00	1,408	589	227	341	189	62	819	0	0
2125.00	947	889	0	0	0	0	0	58	0
2126.00	1,148	1053	42	21	7	25	95	0	0
2127.01	1,955	1754	41	105	7	37	190	11	0
2127.02	1,414	1398	8	0	0	8	16	0	0
2128.00	3,384	1995	227	686	93	383	1,389	0	0
2129.00	2,332	2273	48	0	11	0	59	0	0
2130.01	2,251	1963	73	88	100	27	288	0	0
2130.02	1,904	1749	120	25	10	0	155	0	0
2131.01	2,137	882	292	746	110	107	1,255	0	0
2131.03	2,778	2101	264	88	252	66	670	7	0
2131.04	1,106	1085	0	0	0	21	21	0	0

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

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Map 7-4: Change in Housing Units in Portsmouth, 1990-2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



Map 7-5 on the following page depicts the location of higher concentrations of multi-family units.

iii. Foreclosure Trends

The HUD NSP Estimates provides foreclosure data at the local level.[85] Between January 2007 and June 2008, the City of Portsmouth had an estimated 1,117 foreclosure filings, representing a foreclosure rate of 5.8%. This was the highest rate in the Hampton Roads region. Six of the City's 29 census tracts had foreclosure rates higher than 9%. These were 2105, 2114, 2117, 2118, 2119, and 2120, which are concentrated in the southeastern part of the City. All of these tracts were also identified as areas of racial concentration, as highlighted in Figure 7-14.

Figure 7-14
Estimated Residential Foreclosure Rankings by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate	Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Portsmouth	**1,117**	**19,217**	**5.8%**	2120.00	24	255	9.4%
2102.00	16	478	3.3%	2121.00	9	103	8.7%
2103.00	34	650	5.2%	2122.00	0	0	---
2104.00	7	308	2.3%	2123.00	61	832	7.3%
2105.00	13	132	9.8%	2124.00	27	411	6.6%
2106.00	24	467	5.1%	2125.00	33	480	6.9%
2107.00	20	340	5.9%	2126.00	17	238	7.1%
2108.00	0	0	---	2127.01	82	1,112	7.4%
2109.00	8	431	1.9%	2127.02	69	780	8.8%
2111.00	10	118	8.5%	2128.00	56	1,193	4.7%
2114.00	21	223	9.4%	2129.00	66	1,430	4.6%
2115.00	23	316	7.3%	2130.01	64	1,777	3.6%
2116.00	53	1,081	4.9%	2130.02	30	1,037	2.9%
2117.00	42	463	9.1%	2131.01	46	625	7.4%
2118.00	35	370	9.5%	2131.03	93	1,677	5.5%
2119.00	29	310	9.4%	2131.04	107	1,581	6.8%

Source: HUD NSP Foreclosure Estimates, realeased October 2008

In July 2010, RealtyTrac reported 117 new foreclosure filings in Portsmouth, or 1 in every 367 housing units.

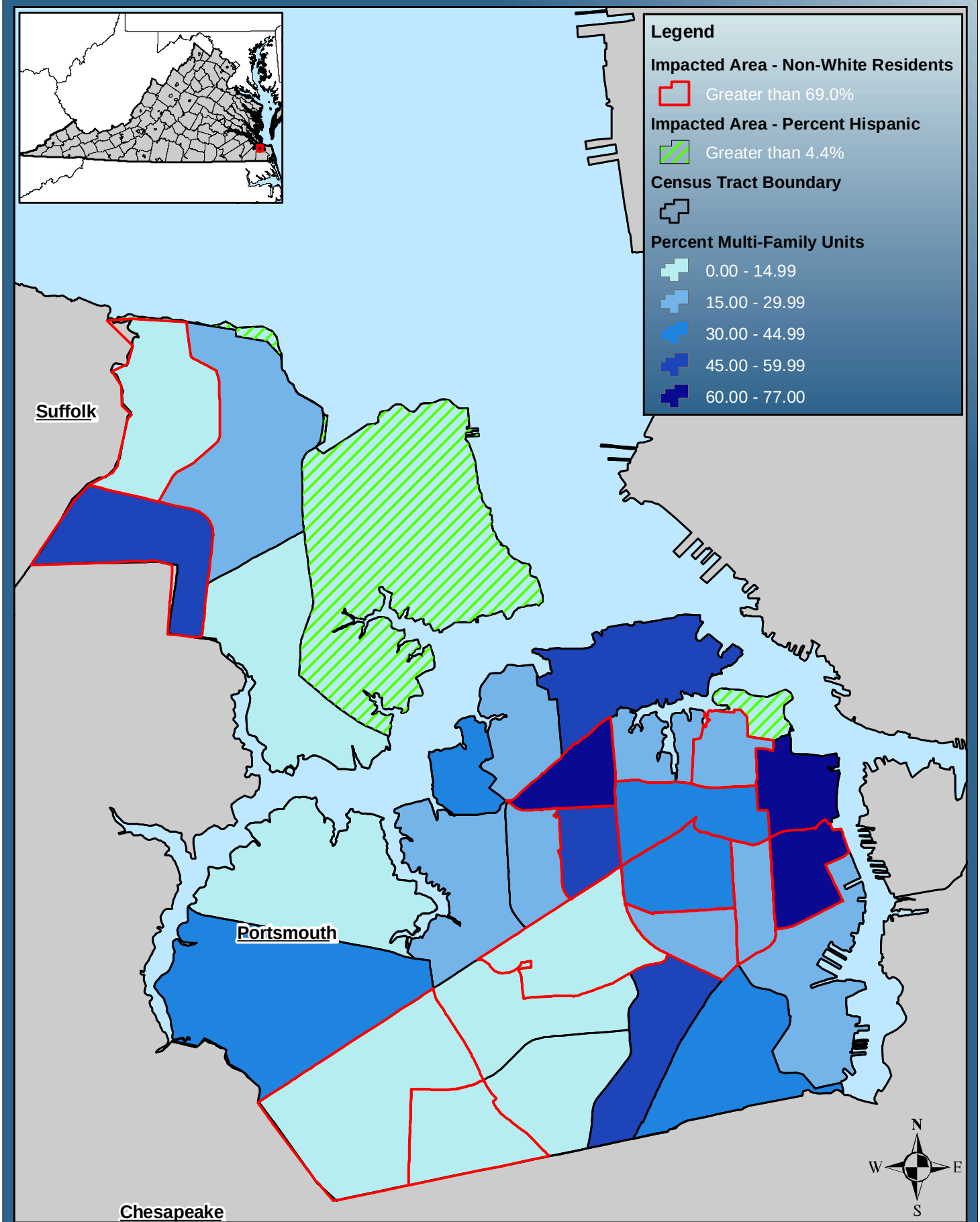
Foreclosure activity is related to fair housing to the extent that it is disproportionately dispersed, both geographically and among members of the protected classes. Concentrated foreclosures and residential vacancy threaten the viability of neighborhoods as well as the ability of families to maintain housing and build wealth. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

[85] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

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Map 7-5: Percent Multi-Family Housing Units in Portsmouth, 2000

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



OBSERVATION: Between January 2007 and June 2008, Portsmouth had a foreclosure rate of 5.8%, the highest in the region. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

iv. Protected Class Status and Home Ownership

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 five percent down to buy a house will earn a 100 percent return on the investment every time the house appreciates five percent."[86]

Historically, minorities tend to have lower home ownership rates than Whites. In 2000, Whites and Asians had significantly higher levels of home ownership than Blacks and Hispanics. While about 70% of Whites and Asians owned their homes, only 45.9% of Blacks and 42.7% of Hispanics owned their homes. In a number of census tracts, Blacks and Hispanics achieved 100% homeownership rates. These included census tract 2129 for Blacks, and census tracts 2107, 2127.01, 2127.02, 2130.02, and 2131.04 for Hispanics, although the total number of Hispanic households in these tracts were very low.

[86] Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Home ownership," in Segregation: The Rising Costs for America, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 82.

Figure 7-15
Home Ownership by Race and Ethnicity of Householder, 2000

Census Tract	White		Black		Asian		Hispanic	
	#	%	#	%	#	%	#	%
City of Portsmouth	**13,537**	**70.4%**	**8,212**	**45.9%**	**165**	**70.5%**	**196**	**42.7%**
2102.00	439	53.9%	61	33.3%	0	0.0%	0	0.0%
2103.00	490	72.8%	139	66.5%	0	0.0%	0	0.0%
2104.00	408	73.4%	0	0.0%	0	0.0%	5	38.5%
2105.00	7	6.5%	185	29.6%	0	0.0%	0	0.0%
2106.00	400	73.3%	62	37.3%	0	0.0%	7	46.7%
2107.00	68	61.8%	228	51.8%	0	0.0%	10	100.0%
2108.00	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2109.00	457	40.3%	103	19.6%	0	0.0%	0	0.0%
2111.00	23	46.0%	71	28.3%	0	0.0%	0	0.0%
2114.00	0	0.0%	305	32.5%	0	0.0%	0	0.0%
2115.00	309	71.0%	60	33.0%	0	0.0%	0	0.0%
2116.00	1,146	76.0%	43	24.6%	0	0.0%	0	0.0%
2117.00	83	79.0%	703	61.5%	0	0.0%	0	0.0%
2118.00	7	26.9%	574	46.9%	0	0.0%	0	0.0%
2119.00	0	0.0%	341	44.7%	0	0.0%	0	0.0%
2120.00	6	100.0%	389	52.4%	0	0.0%	0	0.0%
2121.00	14	43.8%	145	20.5%	0	0.0%	0	0.0%
2122.00	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2123.00	782	60.1%	86	20.7%	30	100.0%	7	36.8%
2124.00	312	56.6%	71	10.3%	0	0.0%	6	16.2%
2125.00	485	81.6%	115	51.6%	8	100.0%	14	70.0%
2126.00	240	56.2%	62	10.5%	0	0.0%	0	0.0%
2127.01	0	0.0%	1,424	76.5%	9	100.0%	6	100.0%
2127.02	6	100.0%	1,155	85.6%	0	0.0%	7	100.0%
2128.00	1,492	66.8%	132	14.1%	0	0.0%	0	0.0%
2129.00	1,778	83.2%	9	100.0%	17	100.0%	31	81.6%
2130.01	1,516	88.6%	246	72.6%	46	100.0%	24	70.6%
2130.02	1,376	88.0%	110	47.6%	10	50.0%	19	100.0%
2131.01	208	34.3%	359	27.5%	10	27.8%	0	0.0%
2131.03	1,182	71.9%	477	53.0%	35	83.3%	12	27.3%
2131.04	303	90.2%	557	84.1%	0	0.0%	48	100.0%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

As discussed previously in this report, median household income is lower among Blacks in Portsmouth than among White households. This factor contributes to the low rates of home ownership among Blacks in the City.

OBSERVATION: Lower household incomes among Blacks are reflected in similarly low home ownership rates when compared to White households. Across Portsmouth, the home ownership rate for Blacks and Hispanics was 45.9% and 42.7%, respectively. For Whites and Asians, the rate was 70%.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Portsmouth, Whites were significantly less likely to live in families of three or more persons than minorities. Asian families were the most likely to live in families of three or more persons, with 81.1% of families falling into this category.

Figure 7-16
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	52.7%
Black	66.0%
Asian	81.1%
Some Other Race Alone	68.6%
Two or More Races	64.3%
Hispanic	62.7%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Portsmouth, only 27.1% of the rental housing stock contained three or more bedrooms compared to 74.8% of the owner housing stock.

Figure 7-17
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	3,613	22.8%	475	2.1%
2 bedrooms	7,915	50.0%	5,148	23.0%
3 or more bedrooms	**4,295**	**27.1%**	**16,724**	**74.8%**
Total	**15,823**	**100.0%**	**22,347**	**100.0%**

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were much more likely to live in larger families than White households. For example, 66% of Black households included three or more persons compared to 52.7% of White families. However, only 27.1% of the rental housing stock contains three or more bedrooms compared to 74.8% of owner housing stock.

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Portsmouth increased 78.5% between 1990 and 2008, after adjusting for inflation. Median gross rent grew 24.8% during the same person. In contrast, real household income increased only 18.0% during the same period.

Figure 7-18
Trends in Housing Value, Rent, and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$66,600	$81,300	$195,800	194.0%
2008 Dollars	$109,711	$101,650	$195,800	78.5%
Median Gross Rent				
Actual Dollars	$416	$540	$855	105.5%
2008 Dollars	$685	$675	$855	24.8%
Median Household Income				
Actual Dollars	$24,601	$33,742	$47,813	94.4%
2008 Dollars	$40,525	$42,188	$47,813	18.0%

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.

At the same time that real household income was failing to keep pace with median rents, Portsmouth was losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than $500 per month decreased by 4,340 units, or 71% of all units in that price range. Units renting for $500 to $699 per month decreased in number by 4,168, or 67.8% of all units in that price range. In contrast, the number of higher-rent units ($700 and higher) increased 6,623 units.

Figure 7-19
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008 #	Change 2000-2008 %
Less than $500	6,112	1,772	-4,340	-71.0%
$500 to $699	6,148	1,980	-4,168	-67.8%
$700 to $999	2,398	4,954	2,556	106.6%
$1,000 or more	592	4,659	4,067	687.0%

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

OBSERVATION: Portsmouth lost more than half of all units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by more than 4,000 units. A number of public housing units were also demolished for the redevelopment of more modern affordable housing with HOPE VI funds.

In a housing study prepared for the City of Portsmouth, researchers from the Center for Housing Research at Virginia Tech estimate that 2,251 extremely low income renters (earning less than 30% MFI) in Portsmouth lacked affordable housing.[87] This is due to a limited number of rental units available at prices affordable to low income renters earning less than 80% MFI, as well as higher income renters living in places that would otherwise be affordable. The study estimates that higher-income households (earning more than 80% MFI) occupied over 40% of the units affordable to low income renters.

OBSERVATION: A study by the Virginia Tech Center for Housing Research estimates that 2,251 extremely low income renters in Portsmouth lack affordable housing. The study also estimates higher-income households occupied more than 40% of the units affordable to low income renters.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2009. In Portsmouth, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Portsmouth, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Portsmouth, the estimated average wage for a renter is $11.94 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 58 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.5 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

[87] Dawkins, Casey, et. al. (July 2007) "Assessing Housing and Redevelopment Strategies: Portsmouth, Virginia." Blacksburg, Virginia: Virginia Tech Center for Housing Research.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Portsmouth. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Portsmouth and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom unit is $781.

OBSERVATION: Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Portsmouth has slowed in activity since 2005, slightly before the beginning of the national housing slump. After peaking at 1,651 units sold in 2005, the local market has fallen off to 1,034 units sold in 2008. The average length of time a house has remained on the market has increased to 80 days from a low of 32 days at the peak in 2005. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

Figure 7-20
Housing Market Sales Trends, 2000-2008

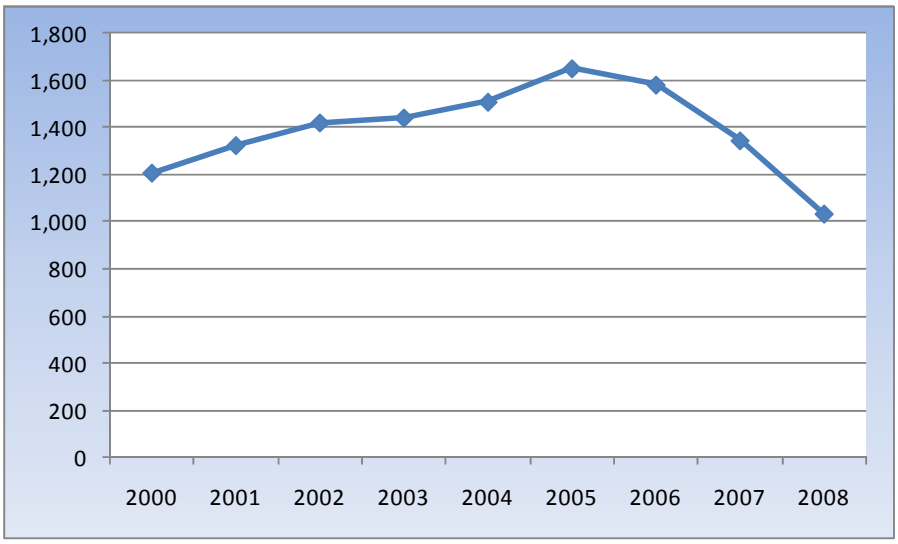
	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	1,208	1,325	1,421	1,442	1,509	1,651	1,582	1,345	1,034
Average No. Days on Market	78	69	58	46	37	32	47	63	80
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

*Median Sales Price as a percent of Median List Price

Source: Hampton Roads Realtor Association

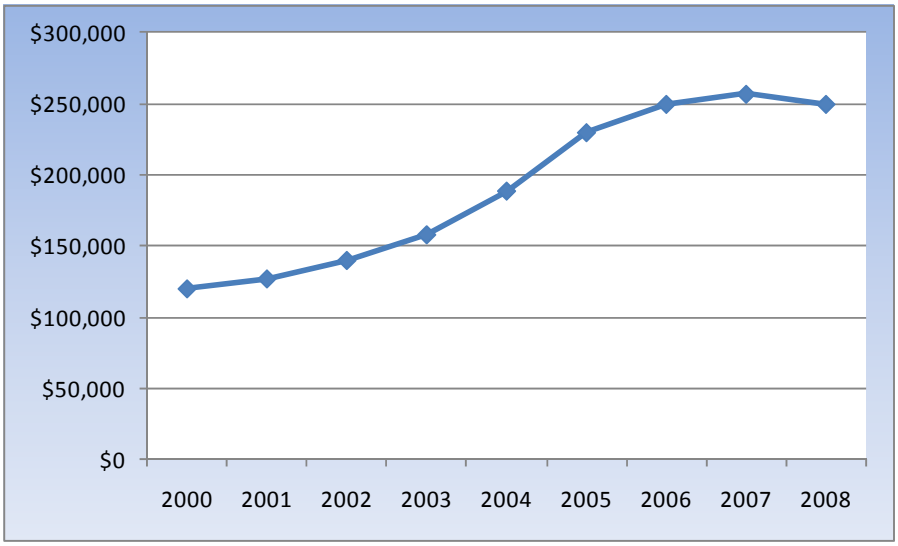
While the market has slowed in Portsmouth as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 7-21
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 7-22
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

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.[88] Overall, this is true among owners in Portsmouth, but not among renter households. Among all

[88] HUD defines housing problems as (1) cost burden of 30% or more (i.e. playing 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.

renter households, Blacks are slightly less likely to have housing problems (60.1%) than Whites (61.5%). Among elderly and small households, Whites are significantly more likely than Blacks to have housing problems.

Among owners, White households were less likely than Blacks to experience housing problems, with the gap being most pronounced among elderly and small households.

Figure 7-23
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	3,205	61.5%	660	65.9%	1,295	56.0%	1,250	64.8%
Black Non-Hispanic	7,355	60.1%	1,145	56.8%	4,540	57.4%	1,670	69.5%
Total	**10,560**	**60.5%**	**1,805**	**60.1%**	**5,835**	**57.1%**	**2,920**	**67.5%**
Owners								
White Non-Hispanic	4,130	52.3%	2,045	39.6%	1,450	60.3%	635	74.8%
Black Non-Hispanic	3,270	59.6%	1,560	56.4%	1,360	62.2%	350	64.3%
Total	**7,400**	**55.5%**	**3,605**	**46.9%**	**2,810**	**61.2%**	**985**	**71.1%**

Source: HUD Comprehensive Housing Affordability Strategy data

OBSERVATION: Black homeowners were more likely to experience housing problems than White homeowners. Among all owner households with incomes below 80% of the median family income in 2000, 52.3% of White households experienced problems compared to 59.6% of Black households.

D. Review of Private Sector Practices

i. 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 Portsmouth is from 2007 and 2008. Reviewing this data 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 City. 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 7-24
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**2,783**	**100.0%**	**1,727**	**100.0%**	**-1,056**	**-37.9%**
Black	1,007	36.2%	605	35.0%	-402	-39.9%
White	1,116	40.1%	731	42.3%	-385	-34.5%
Asian	36	1.3%	15	0.9%	-21	-58.3%
Hispanic*	78	2.8%	45	2.6%	-33	-42.3%
Other race	28	1.0%	14	0.8%	-14	-50.0%
No information/NA	596	21.4%	362	21.0%	-234	-39.3%
Originated	**1,488**	**100.0%**	**907**	**100.0%**	**-581**	**-39.0%**
Black	577	38.8%	329	36.3%	-248	-43.0%
White	735	49.4%	468	51.6%	-267	-36.3%
Asian	20	1.3%	10	1.1%	-10	-50.0%
Hispanic*	56	3.8%	24	2.6%	-32	-57.1%
Other race	17	1.1%	8	0.9%	-9	-52.9%
No information/NA	139	9.3%	92	10.1%	-47	-33.8%
Denied	**314**	**100.0%**	**141**	**100.0%**	**-173**	**-55.1%**
Black	178	56.7%	74	52.5%	-104	-58.4%
White	79	25.2%	45	31.9%	-34	-43.0%
Asian	3	1.0%	-	0.0%	-3	-100.0%
Hispanic*	5	1.6%	6	4.3%	1	20.0%
Other race	6	1.9%	3	2.1%	-3	-50.0%
No information/NA	48	15.3%	19	13.5%	-29	-60.4%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Portsmouth is the steep drop in the number of loan applications. 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 1,056 (37.9%) from 2007 to 2008. At the same time, the share of Black and Hispanic applicants fell at a greater rate, by 39.9% and 42.3% overall, respectively, suggesting that these protected classes became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications that were for Black applicants dropped from 38.8% to 36.3%, while the share of successful applications that were for White residents increased from 49.9% to 51.6%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications made up a more substantial share of denials in 2008 – 31.9%, compared to 25.2% in 2007, while Black applications made up a smaller share of denials – 52.5%, compared to 56.7% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 7-25
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	533	30.9%	279	52.3%	33	6.2%	57	10.7%	152	28.5%
FHA	693	40.1%	364	52.5%	17	2.5%	65	9.4%	232	33.5%
VA	501	29.0%	264	52.7%	13	2.6%	19	3.8%	203	40.5%
Loan Purpose: Home Purchase										
One to four-family unit	1,719	99.5%	905	52.6%	63	3.7%	135	7.9%	587	34.1%
Manufactured housing unit	8	0.5%	2	25.0%	-	0.0%	6	75.0%	-	0.0%
Applicant Race										
American Indian/Alaska Native	8	0.5%	3	37.5%	-	0.0%	3	37.5%	2	25.0%
Asian/Pacific Islander	15	0.9%	10	66.7%	-	0.0%	-	0.0%	4	26.7%
Hawaiian	6	0.3%	5	83.3%	-	0.0%	-	0.0%	1	16.7%
Black	605	35.0%	329	54.4%	36	6.0%	74	12.2%	153	25.3%
Hispanic**	45	2.6%	24	53.3%	1	2.2%	6	13.3%	13	28.9%
White	731	42.3%	468	64.0%	20	2.7%	45	6.2%	189	25.9%
No information	154	8.9%	92	59.7%	7	4.5%	19	12.3%	30	19.5%
Not applicable	208	12.0%	-	0.0%	-	0.0%	-	0.0%	208	100.0%
Applicant Sex										
Male	961	55.6%	579	60.2%	34	3.5%	89	9.3%	242	25.2%
Female	501	29.0%	294	58.7%	26	5.2%	46	9.2%	127	25.3%
No information	57	3.3%	34	59.6%	3	5.3%	6	10.5%	10	17.5%
Not applicable	208	12.0%	-	0.0%	-	0.0%	-	0.0%	208	100.0%
Total	**1,727**	**100.0%**	**907**	**50.1%**	**63**	**3.5%**	**141**	**8.2%**	**587**	**32.4%**

Source: Federal Financial Institutions Examination Council, 2008
Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.
* Total applications do not include loans purchased by another institution.
** Hispanic ethnicity is counted independently of race.

a. Households by Race

In 2008, 1,727 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Portsmouth. Of these applications:

- 42.3% (731) were submitted by White households.

- 35.0% (605) were submitted by Black households.
- 0.9% (15) were submitted by Asian/Pacific Islander households.
- 2.6% (45) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.
- 0.5% (8) were submitted by American Indian/Alaskan Native households.
- 0.3% (6) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 the City of Portsmouth, 69.1% (1,194) of the households that applied for a mortgage loan applied for a government-backed loan. 714 (60%) of these loan applicants were minority households.

The denial rates for government-backed loans varied:

- The denial rate for FHA loans was 9.4%.
- The denial rate for VA-guaranteed loans was 3.8%.
- The denial rate for conventional loans was 10.7%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 141 households in the City of Portsmouth were denied (8.2%). Denial reasons were given for 114, and included the following:

- Credit history: 32.5%
- Debt-to-income: 28.1%
- Other: 10.5%
- Insufficient cash: 7.0%
- Credit application incomplete: 7.0%
- Collateral: 6.1%
- Employment History: 5.3%
- Unverifiable information: 2.6%
- Employment history: 0.9%

Credit history, insufficient cash and unsatisfactory debt-to-income ratios are the major reasons for denial of home mortgage applications throughout the

City of Portsmouth. Therefore, there may be opportunities for lenders to focus on these problems and work with applicants to address these concerns.

White households reported a denial rate of 6.2%, or 45 of 731 applications. Black households reported a denial rate of 12.2%, or 74 of 605 applications. Hispanics reported a denial rate of 13.3% or 6 of 45 applications. Since Hispanics are classified as an ethnicity rather than a race this group is double-counted in one of the race categories.

Figure 7-26
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,007	178	17.7%	605	74	12.2%
Am. Indian/Alaska Native	15	4	26.7%	8	3	37.5%
Hawaiian	13	2	15.4%	6	0	0.0%
White	1,116	79	7.1%	731	45	6.2%
Hispanic*	78	5	6.4%	45	6	13.3%
Not Provided	596	48	8.1%	362	19	5.2%
Asian	36	3	8.3%	15	0	0.0%

* Hispanic ethnicity is counted independently of race.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the highest denial rates, and denial rates remained consistently low for White households.

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 45.7% of all denials in 2007, though they accounted for only 34.5% of total applications. In 2008, lower income households comprised 48.3% of all denials and only 35.4% of all applications.

Figure 7-27
Denials by Income, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	1,171	165	14.1%	761	78	10.2%
At least 80% MFI	1,341	139	10.4%	966	63	6.5%
Total	2,783	314	11.3%	1727	141	8.2%

Note: Total includes applications for which no income data was reported.

Of the 141 applications that were denied by area lending institutions, 138 reported household incomes. For this analysis, lower income households included households with incomes between 0%-80% of the City MHI, while upper income households included households with incomes above 80% MHI. In the City of Portsmouth, 55.3% (78) of loan applications denied in 2008 were submitted by lower income households. The following tables show that denial rates are higher among minority households:

Figure 7-28
Denials by Race for Lower income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	535	100	18.7%	306	42	13.7%
White	442	37	8.4%	328	26	7.9%
Asian	15	1	6.7%	5	0	0.0%
Hawaiian	6	1	16.7%	5	0	0.0%
Am. Indian/Alaska Native	7	1	14.3%	3	1	33.3%
Not Provided	115	24	20.9%	65	9	13.8%
Not Applicable	51	0	0.0%	49	0	0.0%
Hispanic*	39	4	10.3%	20	4	20.0%
Total	**1,171**	**165**	**14.1%**	**761**	**78**	**10.2%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 33.3% were applications submitted by White households and 53.8% were applications submitted by Black households. The denial rate for Black households (13.7%) was significantly higher than for White households (7.9%). No racial information was provided for 11.5% of these applications.

Figure 7-29
Denials by Race for Upper income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	456	73	16.0%	299	32	10.7%
White	626	38	6.1%	403	19	4.7%
Asian	21	2	9.5%	10	0	0.0%
Hawaiian	7	1	14.3%	1	0	0.0%
Am. Indian/Alaska Native	8	3	37.5%	5	2	40.0%
Not Provided	151	22	14.6%	89	10	11.2%
Not Applicable	72	0	0.0%	159	0	0.0%
Hispanic*	36	1	2.8%	36	2	5.6%
Total	**1,341**	**139**	**10.4%**	**966**	**63**	**6.5%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower for upper income households compared to lower income households. Of the upper income applications that were denied, 30.2% were

submitted by White households. No racial information was provided for 15.9% of these applications. Similar to trends among lower income households, upper income Black applicants had denial rates more than twice as great as upper income White households in 2007 and 2008. In 2008 Black upper income households had a denial rate of 10.7%,which was notably higher than the denial rate for lower income White households (7.9%).

OBSERVATION: Black upper income households had a mortgage loan denial rate of 10.7% in 2008, which was more than twice the rate of 4.7% among White upper income households. Most notably, the denial rate among Black *upper income* households (10.7%) was higher than the denial rate among White *lower income* households (7.9%). While these facts alone do not imply an impediment to fair housing choice, it is consistent with discrimination.

The 2008 HMDA data for the City of Portsmouth was analyzed to determine if a pattern of loan denials exists by census tract. Map 7-6 on the following page illustrates the location of the highest rates of mortgage denials. Of the four census tracts with high numbers of denials, the three highest denial rates are in the tracts with high minority concentration. These trends illustrate patterns consistent with discrimination.

ii. High-Cost Lending

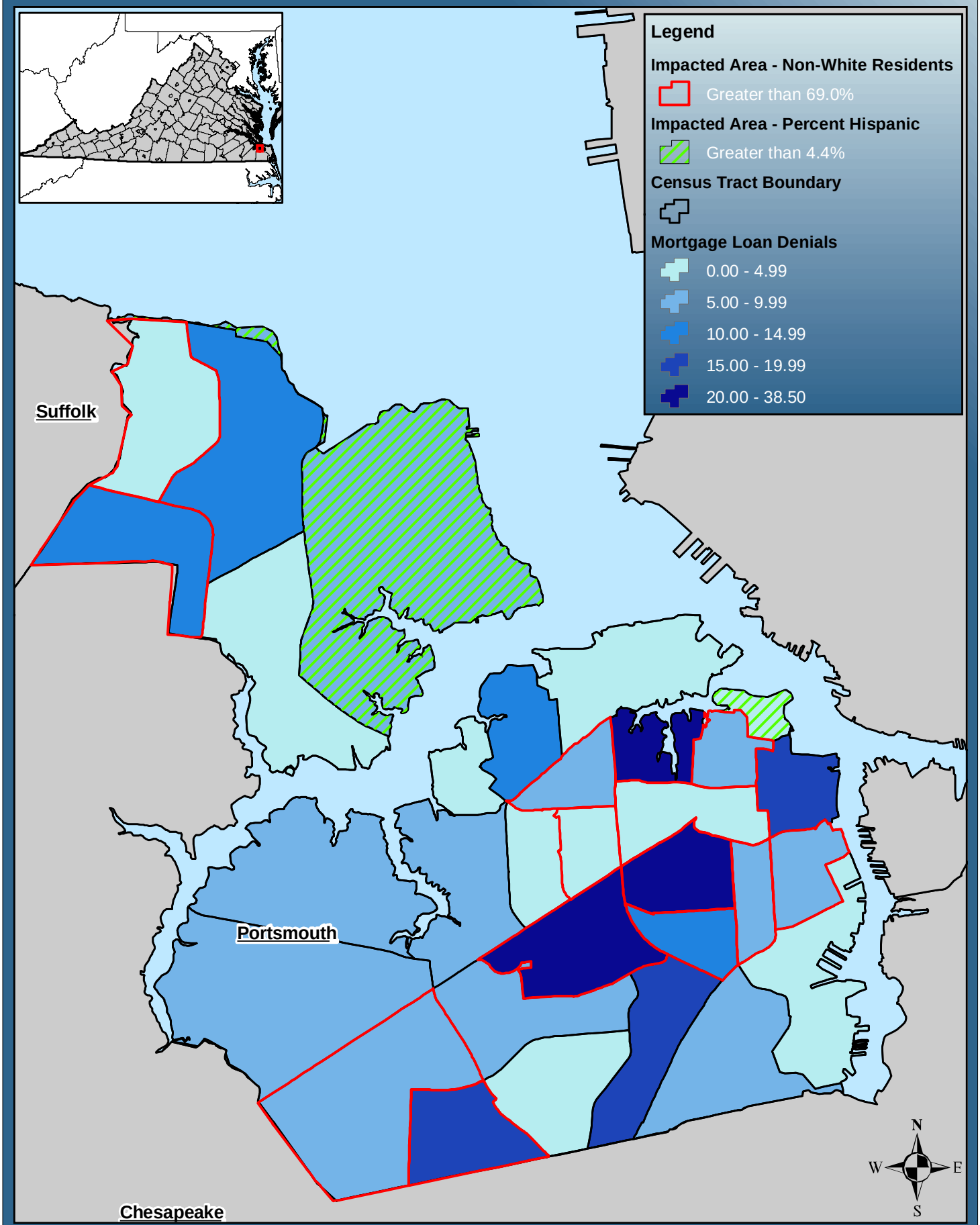
The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. 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. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

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."

Map 7-6: Percentage of Mortgage Loan Denials in Portsmouth, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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, there were 907 home purchase loans for single-family or manufactured units in the City of Portsmouth. Of this total, 906 disclosed the borrower's household income and 45 reported high-cost mortgages.

An analysis of loans by race and ethnicity reveals that lower income minorities are overrepresented in high-cost lending. Of the 173 loans originated for lower income minorities, 11 (6.4%) were high-cost, exceeding the 1.4% rate for lower income White households.

Of the 174 loans originated for upper income minorities, 11 (6.3%) were high-cost, slightly exceeding the 5.9% rate for upper income White households.

Figure 7-30
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	4	0	0.0%	4	0	0.0%
	Asian	8	2	25.0%	12	2	16.7%
	Black	324	49	15.1%	246	54	22.0%
	Hawaiian	3	0	0.0%	6	0	0.0%
	White	291	21	7.2%	418	41	9.8%
	No information/NA	57	11	19.3%	81	14	17.3%
	Hispanic*	29	1	3.4%	24	4	16.7%
	Total	**687**	**83**	**12.1%**	**767**	**111**	**14.5%**
2008	Am. Indian/Alaska Native	1	1	100.0%	2	1	50.0%
	Asian	4	0	0.0%	6	1	16.7%
	Black	164	10	6.1%	165	9	5.5%
	Hawaiian	4	0	0.0%	1	0	0.0%
	White	213	3	1.4%	255	15	5.9%
	No information/NA	39	2	5.1%	53	3	5.7%
	Hispanic*	11	0	0.0%	13	1	7.7%
	Total	**425**	**16**	**3.8%**	**482**	**29**	**6.0%**
Two-Year Totals		**1,112**	**99**	**8.9%**	**1,249**	**140**	**11.2%**

Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

Notably, the percentage of high-cost originations increased each year, along with the total number of originations.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 7-7 on the following page highlights census tracts in Portsmouth that had a high-cost loan percentage of at least 10% in 2008.

E. Review of Public Sector Practices

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Portsmouth Redevelopment and Housing Authority (PRHA) is responsible for the management of 800 public housing units in five local public housing communities: Dale Homes (295 units); Swanson homes (210 units); Lincoln Park (178 units); Westbury/Pine Street (58 units); and Holley Square (59 units). PRHA also manages three project-based Section 8 communities: Effingham Plaza (176 units); Hope Village Apartments (48 units); and King Square Apartments (57 units). Only one development, Effingham Plaza, is designated for elderly and disabled residents.

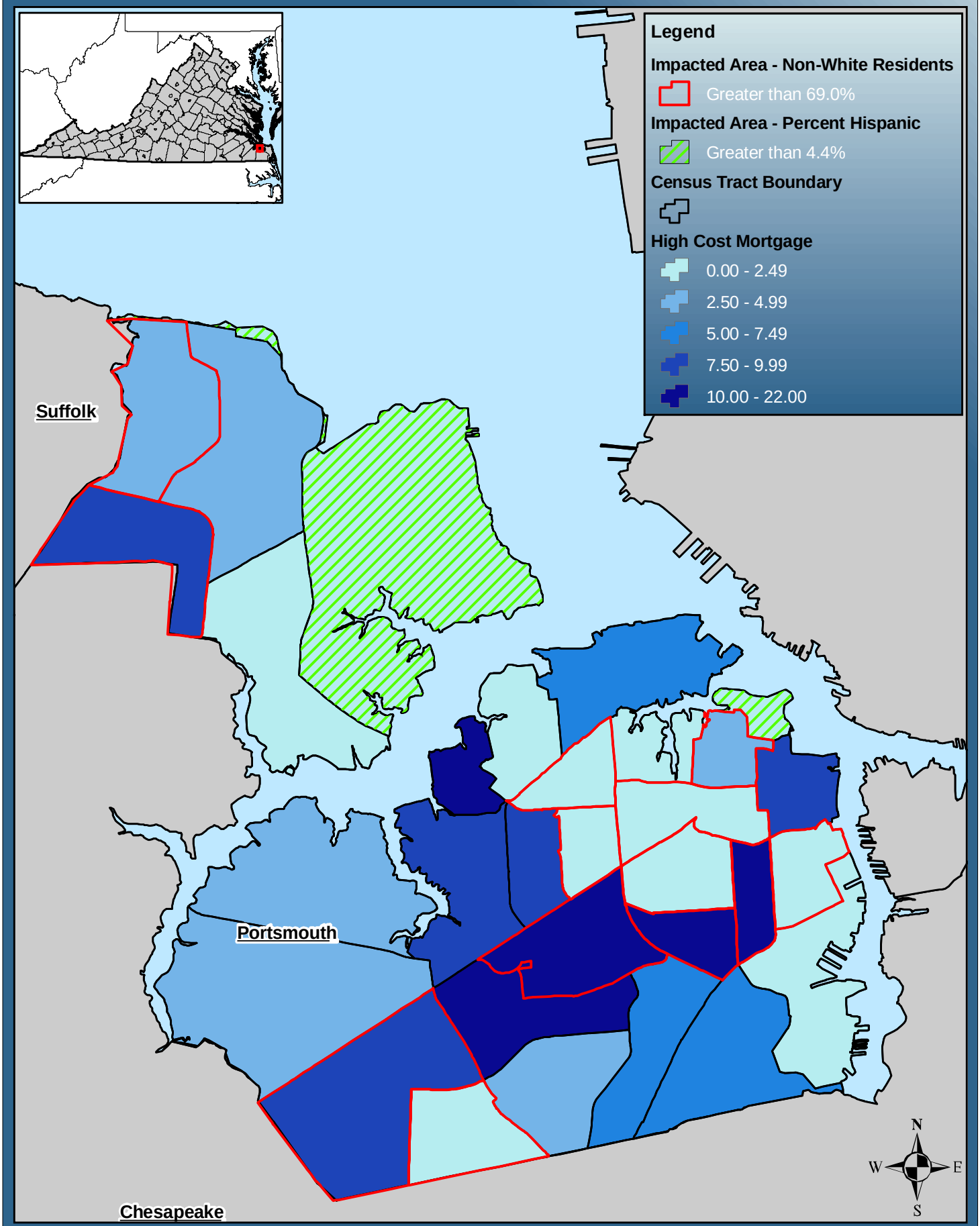
PRHA utilizes a community-wide waiting list for its public housing developments. As of January 2009, there were 781 families on PRHA's public housing waiting list, of which 452 (57.9%) were families with children and 41 (5.3%) where families with disabilities. Over 95% of applicants were minority families.

PRHA completed a Section 504 Needs Assessment in 1999 to identify the accessibility needs of its public housing stock. Minimum standards require 5% of all units to be accessible to persons with mobility impairments and another 2% to be accessible to persons with sensory impairments. The Section 504 accessibility standard is the Uniform Federal Accessibility Standard (UFAS). PRHA met the 5% and 2% requirements. In 2009, 70 of its 800 public housing units, or 8.8%, were handicap accessible. Among its project-based Section 8 units, 35 of 281, or 12.5%, were accessible.

MULLIN & LONERGAN ASSOCIATES INCORPORATED

Map 7-7: Percentage of High-Cost Mortgage Loans in Portsmouth, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



As of 2009, PRHA had not received complaints from Section 8 voucher holders about being able to attain accessible and affordable housing. Persons with disabilities accounted for 5.3% (41 of 781) of persons on the waiting list for public housing and 5.0% (190 of 3,765) of persons on the waiting list for Section 8 vouchers. This suggests that most of the housing needs for disabled persons are being met. PRHA also has an ongoing relationship with Endependence Center, a center for independent living serving the South Hampton Roads region. The Endependence Center conducts annual trainings for landlords, distributes applications for Section 8 vouchers, and has reviewed PRHA's plans for the new developments and renovations funded through the HOPE VI rant to ensure accessibility.

In 2005, PRHA received a second HOPE VI grant for the revitalization of its Jeffry Wilson community. The new community will house 500 units: 101 homeownership and 399 rental units. Plans are also underway to renovate the Lincoln Park public housing community.

For Section 8 Housing Choice Voucher holders, housing choices are available throughout the City. Settlement patterns among voucher holders tend to follow economic circumstances rather than racial concentrations. Those who can afford to pay more of their monthly income in rent are more likely to settle in outlying, lower poverty areas. Voucher holders who can only afford to pay a limited amount in rent tend to settle in the economically depressed areas closer to Downtown Portsmouth.

PRHA provides information about portability rules, and a small percentage of Section 8 voucher holders choose to port out of Portsmouth. Some residents also port into PRHA's jurisdiction from neighboring Hampton Roads municipalities, and occasionally from outside of Virginia.

a. Public Housing Admissions and Continued Occupancy Plan (ACOP)

In Chapter 2 of the ACOP, the PRHA states that it will comply fully with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment. The list of protected classes includes race, color, sex, religion, familial status, age, disability or national origin. It is its policy as well, in accordance with the laws of the Commonwealth of Virginia, not to discriminate on the basis of elderliness. The PRHA also will not discriminate on the basis of marital status or sexual orientation.

PRHA's policy is to ask all applicants and resident families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action. A specific name and phone number will be given to them as the contact for requests for accommodation for persons with disabilities.

When it is reasonable, the PRHA's plan lists the following ways that the needs of persons with disabilities will be accommodated:

- Permitting applications and reexaminations to be completed by mail
- Conducting home visits
- Permitting a higher utility allowance for the unit if a person with disabilities requires the use of specialized equipment related to the disability
- Modifying or altering a unit or physical system if such a modification or alteration is necessary to provide equal access to a person with a disability
- Installing a ramp into a dwelling or building
- Installing grab bars in a bathroom
- Installing visual fire alarms for hearing impaired persons
- Allowing a PRHA-approved live-in aide to reside in the unit if that person is determined to be essential to the care of a person with disabilities, is not obligated for the support of the person with disabilities, and would not be otherwise living in the unit.
- Providing a designated handicapped-accessible parking space
- Allowing an assistance animal
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PHA staff
- Displaying posters and other housing information in locations throughout the PRHA's office in such a manner as to be easily readable from a wheelchair.

The PRHA encourages but does not require that a family to make its request in writing using a reasonable accommodation request form at any time. After a request for an accommodation is presented, PRHA will respond in writing within ten business days.

It is PRHA's policy to meet the needs of persons with hearing impairments by providing TTD/TTY communication. To meet the needs of persons with vision impairments, large-print and audio versions of key program documents are made available upon request. When visual aids are used in public meetings or presentations, or in meetings with Authority staff, one-on-one assistance will be provided upon request. Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant) to receive, interpret and explain housing materials and be present at all meetings.

It is PRHA's policy to analyze the various kinds of contacts it has with the public, to assess language needs and decide what reasonable steps should be taken. Where feasible, the training and hiring of bilingual staff by PRHA will occur to act as interpreters and translators, will pool

resources with other agencies, and will standardize documents. Where feasible and possible, it will encourage the use of qualified community volunteers.

When persons with limited of English proficiency (LEP) desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by PRHA. The interpreter may be a family member or friend.

PRHA will provide written translations of vital documents for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally; or if there are fewer than 50 persons in a language group that reaches the 5 percent trigger, PRHA may not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost. If it is determined that PRHA serves very few LEP persons, and the PRHA has very limited resources, it will not develop a written LEP plan, but will consider alternative ways to articulate in a reasonable manner a plan for providing meaningful access. Entities having significant contact with LEP persons, such as schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants will be contacted for input into the process.

If it is determined that it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) Identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) monitoring and updating the LEP plan.

Chapter 3 states that an applicant for public housing must qualify as a family. HUD's definition of a family includes a family 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. In addition to HUD's definition, PRHA defines a family as two or more individuals who are not related by blood, marriage, adoption, or other operation of law, but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. A marriage partner includes the partner in a "common law" marriage as defined in state law. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage partners. A minor who is emancipated under state law may be designated as a spouse.

A family is eligible for admission as long as at least one member is a citizen, national, or eligible noncitizen. "Mixed" families will be given

notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

Any family that wishes to reside in public housing must apply for admission to the program. Depending upon the length of time that applicants may need to wait to be housed, PRHA may use a one- or two-step application process. A one-step process will be used when it is expected that a family will be selected from the waiting list within 60 days of the date of application. At application, the family must provide all of the information necessary to establish family eligibility and the amount of rent the family will pay. A two-step process will be used when it is expected that a family will not be selected from the waiting list for at least 60 days from the date of application. Under the two-step application process, PRHA initially requires families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list.

PRHA maintains one single community-wide waiting list for Dale Homes, Swanson Homes and the Lincoln Park developments. Within the list, it designates subparts to easily identify who should be offered the next available unit. PRHA maintains a joint site-based waiting list system for Westbury and Holley Square developments. PRHA will not merge the public housing waiting list with the waiting list for any other program it operates.

PRHA closes the waiting list when the estimated waiting period for housing applicants on the list reaches 24 months for the most current applicants. Where preferences or other criteria that require a specific category of family exist, PRHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

A public notice is published at least 10 days prior to the closing of the list in the Virginian Pilot and the Tidewater Hispanic newspapers.

PRHA pledges to regularly monitor the characteristics of its tenants as well as the characteristics of the population as a whole in the City of Portsmouth. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

The waiting list is updated annually to remain current and timely via first class mail to each family on the list to determine interest and qualification for the program... If the family fails to respond or the notice is returned by the post office within fifteen business days, the family will be removed from the waiting list unless the Director of Housing Management determines the lack of response was due to an error, or to circumstances beyond the family's control.

PRHA uses the following local preference for admission:

- In order to bring higher income families into public housing, PRHA has established a preference for "working" families, where the head, spouse, co-head, or sole member is employed at least 20 hours per week. As required by HUD, families where the head and spouse, or sole member is a person age 62 or older, or is a person with disabilities, will also be given the benefit of the working preference.
- PRHA will monitor progress in meeting the Extremely Low Income (ELI) requirement throughout the fiscal year and ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met.
- PRHA determines the average income of all families in all covered developments on an annual basis as well as the average income of all families residing in each covered development (not adjusting for unit size) on an annual basis.

Families will be selected from the waiting list based on preference. Among applicants with the same preference, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by PRHA. When selecting applicants from the waiting list PRHA matches the characteristics of the available unit (unit size, accessibility features, unit type) to the applicants on the waiting lists. The unit is offered to the highest ranking applicant who qualifies for that unit size or type, or that requires the accessibility features. Factors such as deconcentration or income mixing and income targeting are also considered. PRHA notifies a family in writing of their eligibility within ten business days. The notice will specify reasons if found to be ineligible and informs the family of its right to request an informal hearing.

Chapter 10 describes the PRHA pet policy. Pets must be registered annually with PRHA before they are brought onto the premises which includes documentation that all inoculations required by state or local law have been received and that the pet has no communicable disease(s) and is pest-free. The pet must be a common household pet.

Residents who have been approved to have a pet must enter into a pet agreement with the PRHA.

With the exception of common areas, PRHA has not designated any buildings, floors of buildings, or sections of buildings as no-pet areas.

Pet owners are required to pay a pet deposit in addition to any other required deposits of $400.00 (a $50.00 pet deposit for residents who own and keep pets in the rodent, hamster, guinea pig, rabbit, ferret or gerbil), which must be paid in full before the pet is brought on the premises. The pet deposit is not part of rent payable by the resident and will be refunded, less the costs of any damages caused by the pet to the dwelling

unit, within 30 days of move-out or removal of the pet from the unit. PRHA also requires pet owners to pay a non-refundable nominal pet fee of $50.00 to cover the reasonable operating costs to the project relating to the presence of pets. A separate pet waste removal charge of $10.00 per occurrence will be assessed against pet owners who fail to remove pet waste in accordance with this policy.

Chapter 14 describes PRHA policies on grievances and appeals. HUD does not provide a structure for or requirements regarding informal hearings for applicants (except with regard to citizenship status), so PRHA has adopted its own policies.

PRHA will only offer informal hearings to applicants for the purpose of disputing denials of admission. A request for an informal hearing must be made in writing and delivered to PRHA no later than ten business days from the date of notification of denial of admission. The informal hearing will be conducted by a person other than the one who made the decision under review, or a subordinate of this person. The applicant will be provided an opportunity to present written or oral objections to PRHA's decision. PRHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. If the informal hearing decision overturns the denial, processing for admission will resume. If the family fails to appear for their informal hearing, the denial of admission will stand and the family will be so notified.

If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission, PRHA determines whether the behavior is related to the disability. If so, upon the family's request, PRHA determines whether alternative measures are appropriate as a reasonable accommodation. PRHA only considers accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of admission. If the request for a reasonable accommodation is denied because there is no relationship found between the disability and the requested accommodation, the notice will inform the family of the right to appeal the decision through an informal hearing (if applicable) or the grievance process. If PRHA denies a request for an accommodation because it is not reasonable (an undue financial or administrative burden or fundamentally alters the nature of the Authority's operations), it will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden. If PRHA believes that the family has failed to identify a reasonable alternative accommodation after interactive discussion and negotiation, the family will be notified in writing within 10 business days. The notice will inform the family of the right to appeal the decision through an informal hearing (if applicable) or the grievance process.

PRHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under its admission policies. Therefore, if a determination to deny admission is sent to an applicant family, PRHA includes in its notice of denial: A statement of the protection against denial provided by the federal law and a description of PRHA confidentiality requirements; and a request that an applicant wishing to claim this protection submit documentation with her or his request for an informal hearing.

PRHA does not offer expedited grievance procedures. Grievance procedures are incorporated by reference in the tenant lease. Residents and resident organizations have 30 calendar days from the date they are notified of any proposed changes in the grievance procedure, to submit written comments to PRHA. Virginia is a due process state and therefore, PRHA will not offer grievance hearings for lease terminations involving criminal activity that resulted in a felony conviction of a household member or that threatens the health, safety, or right to peaceful enjoyment of the premises of other residents or employees of PRHA, or for drug-related criminal activity on or off the premises.

b. Section 8 Housing Choice Vouchers (HCV) Administrative Plan

In Chapter 2 of the Plan, PRHA pledges not to discriminate in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18. In accordance with the laws of the Commonwealth of Virginia, PRHA will not discriminate on the basis of elderliness. Additionally, it will not discriminate on the basis of marital status or sexual orientation.

As a matter of policy, PRHA asks all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action. A specific name and phone number is included as the contact for requests for accommodation for persons with disabilities.

PRHA indicates that it will modify its normal procedures in administering the HCV program when necessary to accommodate the needs of a person with disabilities in the following ways:

- Permitting applications and reexaminations to be completed by mail;
- Conducting home visits;
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the range) if it determines this is necessary to enable a person with disabilities to obtain a suitable housing unit;

- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit;
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with PRHA staff;
- Displaying posters and other housing information in locations throughout the PRHA's office in such a manner as to be easily readable from a wheelchair.

When feasible, PRHA trains and hires bilingual staff to be available to act as interpreters and translators, will pool resources with other public housing agencies, and will standardize documents. When feasible and possible, qualified community volunteers are used. When persons with LEP desire, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services. The interpreter may be a family member or friend.

Chapter 2 also discusses methods of meeting PRHA's written-translation obligations. The Plan states that written translations of vital documents will occur for each eligible LEP language group that constitutes 5 percent or 1,000 persons, whichever is less. If it is determined that it serves very few LEP persons, and it has very limited resources, a written LEP plan will not be written with alternative ways used instead such as contacting schools, grassroots and faith-based organizations, community groups, and groups working with new immigrants.

Since HUD dictates that only families are eligible for HCV assistance, Chapter 3 of the Plan defines family in PRHA's HCV program. HUD's definition of a family includes a family 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.

Additionally, PRHA adds as a family two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family. Each family 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.

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Such families will be given notice that their assistance will be prorated and that they may request a hearing if they contest this determination.

Chapter 4 states a policy of maintaining a single waiting list for the HCV program that will not be merged with any other programs that PRHA operates. The HCV waiting list is closed when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. Although the plan states that an announcement on the reopening of the waiting list at least 10 business days prior to the date applications will first be accepted, there is no reference to where this announcement will appear.

The waiting list is updated annually to ensure that all applicants and applicant information is current and timely. If a family fails to respond to a mailed notice within 15 business days, the family will be removed from the waiting list without further notice unless the Executive Director determines the lack of response was due to PRHA error, or to circumstances beyond the family's control.

There are no targeted selection groups identified in the Plan. The sole local preference for admission to the program is to any family that has been terminated from its HCV program due to insufficient program funding.

Chapter 10 states that PRHA will deny a family permission to make an elective move within Portsmouth or outside it during the family's initial lease term or to make more than one elective move during any twelve month period. Exceptions to this policy includes protecting the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control. In addition, PRHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities. A family must live in Portsmouth City for at least twelve months before requesting portability. The PRHA will consider exceptions to this policy for purposes of reasonable accommodation.

Chapter 13 contains PRHA's policy on conducting and monitoring its owner outreach strategies to ensure owners are familiar with the program and its advantages, as well as to recruit owners with property outside areas of poverty and minority concentration. Outreach strategies include distribution of printed material; contacting by phone and in person; holding recruitment meetings once a year; and developing working relationships with owners, real estate brokers and community based organizations.

PRHA also pledges to give special attention to helping new owners succeed through activities such as providing a designated PRHA contact person, coordinating inspection and leasing activities, initiating telephone contact with the owner to explain the inspection process, and

providing an inspection booklet and other resource materials about HUD housing quality standards.

Chapter 16 outlines the requirements and procedures to present grievances, including the need to put all determinations in writing and also to limit the time period to a specified number of days, generally ten business days for all informal and formal meetings and hearings.

When PRHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants or applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

PRHA acknowledges that a victim of domestic violence, dating violence, or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant admission denial under its policies. Therefore, if a determination to deny admission is sent to an applicant family, a statement of the protection against denial provided by the VAWA law and a description of confidentiality requirements, and the informal review invitation is included in the denial.

When applicants with disabilities are denied assistance, the notice of denial must inform them of PRHA's informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process.

PRHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to the decision to deny or terminate assistance. If a reasonable accommodation will allow the family with a disabled member to meet the requirements, PRHA must make the accommodation.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Portsmouth' federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate

income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.

- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

The City's housing objectives, outlined in the 2009-2013 Consolidated Strategic Plan, are detailed below.

Priority: Home Ownership

Support existing homeowners and increase home ownership of all income ranges, including those earning at or below 80% AMI.

For existing homeowners:

- Provide rehabilitation and maintenance of owner occupied units, adaptive modifications and accessibility improvements in addition to preservation of the City's unique historic houses.
- Support the health and safety of homeowners during rehabilitation and maintenance of housing units through enforcement of HUD regulations 1012 and 1013 on lead-based paint hazards in housing receiving federal assistance to remedy lead hazards and potential contamination.
- Continue to provide tax breaks to increase restoration, potentially attracting more middle-income households to settle or remain.

For new homeowners:

- Support programs that attract and assist homebuyers of various ages and income levels.
- Support quality rehabilitation of vacant, foreclosed, and tax delinquent housing units for home ownership.
- Support and encourage quality in-fill housing development that is appropriately scaled and designed in character with the surrounding neighborhood.
- Support the enhancement of neighborhoods through the demolition of blighted structures where rehabilitation is not feasible.

- Transfer of tax-delinquent property for home ownership opportunities.
- Assist housing developers and other qualified buyers with acquisition of tax delinquent properties for home ownership.
- Promote reuse of vacant buildings for home ownership opportunities targeting for use by all income ranges and the elderly and persons with disabilities.
- Provide affordable housing types as part of mixed-use development (e.g., by allowing housing above retail space).
- Support the creation of affordable ownership housing in market rate developments.
- Prepare households, including public housing residents, for the responsibilities of home ownership with training sessions on credit repair, budgeting, working with a real estate agent, mortgage financing, mortgage products, predatory lending practices, home inspections, avoiding default, and fair housing rights in addition to post closing education to prevent foreclosures in addition to home repair.

Priority: Rental Housing

The City will support activities that provide decent and affordable rental housing.

- Support services and assistance to achieve self-sufficiency with programs that connect support services to rental housing in order to assist low income tenants and persons at-risk of homelessness to become self-sufficient.
- Promote quality rehabilitation and maintenance of existing rental housing by private sector and non-profit programs for low income renters. This is of benefit to all renters including those with special needs.
- Support and encourage quality small scale in-fill housing development that is appropriately scaled and designed in character with the surrounding houses.
- Continue to improve the living conditions of the existing public housing developments by meeting their redevelopment, restoration and revitalization needs.
- Promote reuse of vacant buildings for rental housing targeting for use by all income ranges and the elderly and persons with disabilities.
- Provide affordable housing types as part of mixed-use development (e.g., by allowing housing above retail space).
- Assist developers using the Low Income Tax Credit Program particularly those that have mixed income occupancy.

Priorities for all households

- Support fair housing education and training. Continue to promote and support fair housing education and training to housing providers, providers of housing related services, and the general public to increase compliance with fair housing laws.
- Educate landlords and tenants on their roles and responsibilities and promote partnerships to maintain rental properties as well as the health and safety of tenants.
- Continue to emphasize strategic housing code enforcement.
- Develop procedures to ensure the maintenance and upkeep of vacant properties to the benefit of neighborhood and housing stability.
- Encourage new housing suitable to a mix of income groups that is developed consistent with design standards reflecting the neighborhood context.
- Target capital investments by the City to support private reinvestment in transitional and redeveloping neighborhoods.
- Support efforts of organizations to maintain and improve neighborhood quality.
- Regain a sense of historic identify and sense of place in revitalization/redevelopment activities for redevelopment neighborhoods.
- Link programming of public infrastructure improvements to an overall plan and priorities for neighborhood improvement.

In the most recent program year, Portsmouth received entitlements in the approximate amounts of $1.7 million in CDBG and $700,000 in HOME funds. The distribution of households assisted by the City's entitlement programs demonstrates an effort to serve the protected classes. The demographics of the 129 households assisted in 2008 were as follows:

- 49 (38%) were extremely low income, with incomes at 30% or less of the median family income (MFI).
- 45 (35%) were very low income, with incomes between 31% and 50% of MFI.
- 35 (27%) were low income, with incomes between 51% and 80% of MFI.
- 103 (80%) were Black households.
- 24 (19%) were non-Hispanic White households, and
- 2 (1%) were Hispanic.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Commission

The Portsmouth Planning Commission is a seven-member body appointed by the City Council to advise on land use matters. Members provide guidance and recommendations to the City Council on rezoning permits, street closures, and use permits.

Of the seven appointed members, two are Black and five are White. There are two females and five males. None of the members indicated a disability, and one lives in a household with children under the age of 18.

b. Board of Zoning Appeals

The Portsmouth Board of Zoning Appeals (BZA) is responsible for reviewing appeals against decisions made by the Zoning Administrator regarding the administration or enforcement of the City's Zoning Ordinance. The BZA also reviews applications for variance requests to the Zoning Ordinance.

Of the seven appointed members, three are Black and four are White. There are three females and four males.

Of the 14 appointed members on the Planning Commission and BZA, 35.7% are Black, which is less than the City-wide proportion of Blacks (52.2%). Similarly, females comprise about one-third of the appointed members.

iv. Language Access Plan for Persons with Limited English Proficiency

The City of Portsmouth does not currently have a Language Access Plan (LAP) to enhance services offered to persons with LEP. As stated previously, no language group has more than 1,000 natives speakers that speak English less than "very well." At this time, an LAP is not necessary, but the City should continue to monitor its LEP population to ensure its needs are being met. HUD guidelines for LEP populations, including monitoring need, can be found in the *Federal Register*, January, 22, 2007.[89]

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

[89] Accessed online at http://www.lep.gov/guidance/HUD_guidance_Jan07.pdf

The zoning ordinance for the City of Portsmouth was reviewed as part of this analysis. The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

Portsmouth's zoning ordinance was adopted in 1950. The City very recently adopted a new ordinance in May 2010.

b. Residential Zoning Districts and 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 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 10,000 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.

The City's new Zoning Ordinance condenses its previous 12 residential districts into four broader categories of residential land uses. Minimum lot sizes vary from 30,000 square feet to as small as 5,000 square feet. Maximum density ranges from 1.5 dwelling units per acre in the Neighborhood Residential district up to 25 units per acre in the High-Density Urban Residential district. The Zoning Ordinance also contains regulations for a Residential Mobile Home District.

The lot sizes and densities established by the City's Zoning Ordinance are varied with opportunities for small lots accommodating a variety of households.

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 Zoning Ordinance provides for several mixed use districts. The Neighborhood Mixed Use district accommodates a mix of residential uses along with small scale, low intensity commercial uses. The High Intensity Mixed Use district includes a diverse range of higher intensity retail and service uses with higher-density housing. The Neighborhood Activity Center district can accommodate mixed pedestrian-scale commercial uses in conjunction with compatible high-density residential uses. Finally, the Regional Activity Center district is intended to encourage and facilitate the development of attractive regional centers consisting of regional shopping, major employers, dense office development and high-density, multi-family housing.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family attached and detached, two- to four-family dwellings, townhouses, multiple-family apartments, and multiple-family high rise dwellings. The varied housing types permitted in Portsmouth supports housing choice by diverse households in the community.

The Zoning Ordinance defines "single family detached dwelling" as "a residential building containing not more than one dwelling unit to be occupied by one family, not physically attached to any other principal structure. For regulatory purposes, this term does not include manufactured homes, recreational vehicles, or other forms of temporary or portable housing."

The Zoning Ordinance defines "manufactured housing" as "a factory-built single-family structure that is manufactured under the authority of the National Manufactured Housing Construction and Safety Standards Act, is transportable in one or more sections, is built on a permanent foundation, and is used as a place of human habitation….also includes mobile homes, transportable, factory-built homes constructed prior to the enactment of the above Act (which became effective June 15, 1976).

The Zoning Ordinance limits manufactured housing and mobile homes to the Residential Mobile Home District. Mobile home parks must be a minimum of 20 acres containing a minimum of 50 sites.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

The new Zoning Ordinance includes a definition for "family" where the previous Ordinance was silent on it. The Ordinance defines "family" as "an individual, or two or more persons related by blood, marriage, or adoption living together as a single housekeeping unit; or a group of not more than five persons not related by blood, marriage, or adoption living together as a single housekeeping unit, as in a family care home." Limiting a family to not more than five unrelated persons can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly the disabled.

OBSERVATION: The City's zoning ordinance limits the number of unrelated persons who can live together, including persons with disabilities living in a group home setting. This restrictive language can limit housing choice for members of the protected classes.

f. 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 in violation of the Fair Housing Act.

The Zoning Ordinance defines "family care home" as "a home with support and supervisory personnel that provides room and board, personal care, and habilitation services in a family environment for not more than eight resident persons with disabilities—i.e., persons with a temporary or permanent physical, emotional, or mental disability, including but not limited to mental retardation, cerebral palsy, epilepsy, autism, hearing and sight impairments, emotional disturbances, and orthopedic impairments, but not including mentally ill persons who are dangerous to others."

The Zoning Ordinance also defines "group home" as "a home with support and supervisory personnel that provides room and board, personal care, and habilitation services in a family environment for nine or more adult resident persons with disabilities—i.e., persons with a temporary or permanent physical, emotional, or mental disability, including but not limited to mental retardation, cerebral palsy, epilepsy, autism, hearing and sight impairments, emotional disturbances, and orthopedic impairments, but not including mentally ill persons who are dangerous to others. The definition does not include family care homes, hospitals, rest homes, nursing homes, boarding homes, homes for orphans or aged, sub-acute-care detoxification centers, or halfway house/mainstreaming facilities."

The Zoning Ordinance permits family care homes by-right in all residential districts. Group homes are permitted with a Use Permit in Urban Residential and High-Density Urban Residential districts. A dispersal requirement of one-half mile is also enforced with group homes. Virginia State Code 15.2-2291 mandates that localities treat group homes with eight or fewer residents exactly the same way that they treat single-family detached residences. In Portsmouth, family care homes with eight or fewer residents may locate

without limitation anywhere a single-family home is permitted. Portsmouth's zoning ordinance is, therefore, consistent with state standards.

F. Evaluation of Current Fair Housing Profile

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Portsmouth since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 11 complaints had been filed by persons in Portsmouth over an approximately five-year period. Six complaints were closed because neither HUD nor DPOR had jurisdiction in the matters. Another two cases were closed administratively due to an uncooperative complainant, and in one case the complainant withdrew the complaint. One of the 11 complaints resulted in "no violation" findings and were closed. The one remaining complaint resulted in successful conciliation. In this case, a person alleged discrimination based on financing.

ii. Patterns and Trends in Fair Housing Complaints

With ten of the 11 cases closed administratively for a variety of reasons, it is not possible to determine any patterns or trends from the one remaining fair housing complaint.

iii. Existence of Fair Housing Discrimination

The City of Portsmouth is not currently involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Portsmouth is not involved in any current or pending suits.

G. Assessment of Current Fair Housing Programs and Activities

i. Progress since 2003 AI and Current Fair Housing Activities and Programs

Each year, the City of Portsmouth structures its entitlement programs in such a way as to promote access to fair housing. The City's actions relevant to this end, as reported by the City in the Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2008, are as follows.

In FY 2008, Portsmouth provided $29,740 of CDBG funds for the fair housing program administered by the fair housing compliance officer at the Portsmouth Redevelopment and Housing Authority (PRHA). Portsmouth annually provides CDBG funding to PRHA staff to serve as Portsmouth's fair housing compliance officer. The fair housing compliance officer provides outreach, advocacy, education, and referral, which is available to all persons in Portsmouth who are experiencing fair housing problems. The fair housing compliance officer also distributes Landlord Tenant Act Handbooks and provides briefs on fair housing regulation to landlords participating in the Section 8 voucher program. The compliance officer participates in quarterly board meetings and community outreach programs offered by Hampton Roads Community Housing Resource Board (HRCHRB), a regional organization of realtors, builders, local government officials, and housing advocates, including those representing the disabled.

During the CAPER reporting period, PRHA used the funds to provide fair housing compliance services to City residents including but not limited to research, outreach, education and continued participation in the HRCHRB. In 2008, the fair housing compliance officer received 59 landlord tenant complaints and 26 housing complaints. Of these calls, 24 calls related to a disability and two were race related. The fair housing staff addressed landlord/tenant complaints.

Aside from entitlement funding allocated specifically for these fair housing activities, Portsmouth furthers fair housing choice through consideration of this aim in the administration of all of its CDBG and HOME housing programs. The City has continued to expand the availability and improve the quality of affordable housing for low-income persons. Many of the units assisted in 2008 were located outside of census tracts where racial/ethnic minorities were concentrated, an effort that will promote housing choice for protected classes across the entire City.

H. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following findings are noted. From these findings, the potential impediments to fair housing choice in Portsmouth were identified.

1. Minorities have continued to increase as a percentage of total population.

Minorities have increased from 48.8% to 56.8% of total population since 1990. Blacks remain the largest minority group, comprising 92% of all minorities. However, the fastest-growing segment of minorities is Hispanics, which grew 86.8% from 1,364 persons in 1990 to 2,548 in 2008.

The LEP population has increased slightly since 2000 as demonstrated by the increasing number of linguistically isolated households. This trend could potentially result in an increasing number of persons who will need translation services in order to access federal programs administered by the City.

2. There are 15 areas of minority concentration in the City.

There are 15 census tracts in Portsmouth that meet the criterion for an area of minority concentration, also known as impacted areas. Thirteen census tracts are areas of racial concentration of Black residents and include tracts 2105, 2107, 2111, 2114, 2117, 2118, 2119, 2120, 2121, 2127.01, 2127.02, 2131.01, and 2131.04. Two tracts, 2108 and 2130.01, also meet the criterion for an area of ethnic concentration of Hispanics.

3. Portsmouth is the most segregated city in the study area as determined by dissimilarity indexing.

Achieving full integration among White persons and Black persons in the City would require that 62% of Black residents moving to a different location within Portsmouth. In addition to a White/Black index of 62.0, Portsmouth has a White/Asian index of 32.2, a White/multi-race index of 33.9, and a White/Hispanic index of 36.1. These numbers indicate that these subpopulations are more integrated than Black residents.

4. Members of the protected classes have significantly lower incomes.

Median household income among Blacks was equivalent to only 57% that of Whites in 2000, and poverty among Blacks was almost five times greater than among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 18.5% lived in poverty compared to 14.5% of persons without a disability.

Female-headed households accounted for almost three-fourths of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

5. Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.

Of the 44 low and moderate income census block groups in Portsmouth, 25 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

6. Blacks were more likely to be unemployed than Whites.

Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 7.1% compared to 2.7% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

7. The City gained almost 3,000 new housing units between 1990 and 2008; however, over 2, 200 units were lost to demolition, fire, etc.

The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. A number of public housing units were also demolished for the redevelopment of more modern affordable housing with HOPE VI funds.

8. Blacks and Hispanics are far less likely to become home owners in Portsmouth.

Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates of 45.9% and 42.7%, respectively, when compared to the rate among Whites 70.4%.

9. The affordable housing market is much tighter for members of the protected classes.

Between January 2007 and June 2008, Portsmouth had a foreclosure rate of 5.8%, the highest in the region. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

Minority households were much more likely to live in larger families than White households. For example, 81.1% of Asian families and 68.6% of families of some other race included three or more persons compared to 52.7% of White families. Black families and Hispanic families also had higher rates of 66% and 62.7%, respectively. However, only 27.1% of the rental housing stock contains three or more bedrooms compared to 74.8% of the owner housing stock.

Portsmouth lost more than two-thirds of its housing rental inventory renting for less than $500 between 2000 and 2008, equivalent to 4,340 units. By comparison, units renting for $1,000 or more increased by more than 4,000 units.

A study by the Virginia Tech Center for Housing Research estimates that 2,251 extremely low income renters in Portsmouth lack affordable housing. The study also estimates higher-income households occupied more than 40% of the units affordable to low income renters.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Portsmouth. This situation forces these

individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

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

Among all owner households with incomes below 80% of the median family income in 2000, 52.3% of White households experienced problems compared to 59.6% of Black households.

11. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2007, Black households had the highest mortgage denial rate at 17.7%. White households were far more likely to receive loans, as only 7.1% of applications were denied. In 2008, a similar trend was noted with a denial rate of 12.2% for Blacks compared to 6.2% for Whites.

Black upper income households had a mortgage loan denial rate of 10.7% in 2008, which was more than twice the rate of 4.7% among White upper income households. Most notably, the denial rate among Black *upper income* households (10.7%) was higher than the denial rate among White *lower income* households (7.9%). While these facts alone do not imply an impediment to fair housing choice, it is consistent with discrimination. Minority households are disproportionately represented in high-cost lending. Of the loans originated in 2007 for lower income minorities, 15.1% were high-cost compared to 7.2% among lower income White households. Of the loans originated for upper income minority households, 22% were high-cost compared to 9.8% among upper income White households. In 2008, denial rates were identical among Black and White lower income households revealed a similar trend; however, Black upper income households experienced a *lower* denial rate of 5.5% compared to 5.9% among White upper income households.

I. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Portsmouth were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

a. The City should continue to promote diversity in its public policies.
With a dissimilarity index of 62.0, the City of Portsmouth is the most segregated in the Hampton Roads region. The City is implementing many programs and projects in a non-discriminatory manner, acknowledging that fair housing and civil rights enforcement are basic municipal services toward fostering a greater commitment to integration.

Proposed Action 1: Mitigating decades of segregated settlement patterns is a protracted, complicated and sometimes controversial undertaking, but is nonetheless a critical step in affirmatively furthering fair housing and realizing community goals of expanding housing choice to everyone. The most immediate and direct impact City government can have in this area is the location-conscious investment of funds in the development or redevelopment of housing. The City will need to strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas. To achieve this goal, the City will need to annually establish benchmarks to expand fair housing choice outside impacted neighborhoods.

Proposed Action 2: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. There is a lack of housing units available to accommodate larger families.
The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. Housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

c. Minorities have comparatively low homeownership rates.
Minority households in Portsmouth have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government and PHRA to increase ownership among minorities, particularly LMI residents and residents living in concentrated areas. Possible activities could include increasing the provision of training for prospective home owners (credit counseling, pre/post-purchase education) to promote sustainable ownership activities; increasing lending, credit and banking services in LMI census tracts and minority census tracts; and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Portsmouth.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Portsmouth, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.

- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

The City should work to with local lending institutions to develop strategies to adopt these actions into their mortgage application processes. Additionally, when appropriate, the City should encourage CHDO and other developers that receive HOME funds to adopt similar procedures in their selection processes.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities. If necessary, PHRA and other partner CHDOs should seek to achieve HUD certification for homeownership counseling. HUD-certification will help to ensure housing counseling programs in the City are consistent with the latest industry standards

Proposed Action 3: Conduct ongoing analyses of HMDA data to determine if discrimination continues to occur against minority applicant households. Beginning in 2012 or 2013, HMDA data collected from participating lending institutions will include additional information regarding lending trends of members of the protected classes. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Portsmouth. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Portsmouth.

Between January 2007 and June 2008, an estimated 1,117 foreclosure filings were recorded in the City, representing a rate of 5.8%, the highest rate in the region. Six of the City's 29 census tracts had rates higher than 9%, and all of these tracts were areas of racial concentration.

Proposed Action: The City can mitigate the impacts of foreclosure by supporting increased buyer education and counseling, as well as supporting legislative protections (i.e. legislation in support of borrowers' rights) for borrowers to assist them in meeting housing costs. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing

and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

J. Signature Page for the City of Portsmouth

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Portsmouth is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

8. CITY OF SUFFOLK

A. Demographic Profile

i. Population Trends

The racial composition of Suffolk has remained relatively constant since 1990. White residents continue to comprise about 55% of the population and Blacks represent approximately 40%. Residents of all other races account for the remaining 5% of the total population. By the numbers, however, the population is increasing at a relatively rapid pace.

During the 1990s, Whites increased by 5,760 residents but actually decreased as a percentage of total population from 54.7% to 53.8%. The rate of growth was even more significant between 2000 and 2008: another 10,054 persons were living in the City, and this segment of the total population inched upwards to 54.6%.

Black residents increased by 4,473 during the 1990s, and by another 5,279 persons between 2000 and 2008. The population growth among Black residents was slower than the City overall, and the population segment of Blacks decreased from 44.6% in 1990 to 40.6% in 2008.

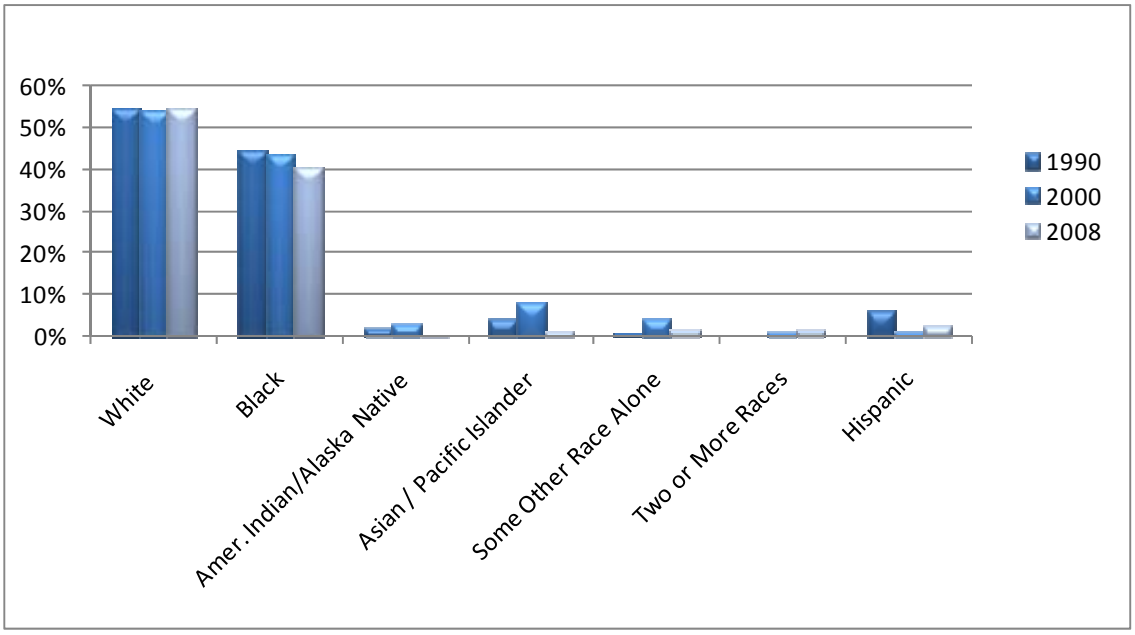
As the population figures show, diversity among all other minority groups is increasing. Together, these residents comprise slightly less than 5% of the total population but their numbers continue to grow. For example, Asians/Pacific Islanders increased almost fivefold between 1990 and 2008. Persons of Some Other Race Alone increased dramatically from 73 to 1,295 residents. Hispanics also increased almost fivefold during this period.

Figure 8-1
Population Trends, 1990-2008

	1990		2000		2008		% Change
	#	%	#	%	#	%	1990 -2008
City of Suffolk	**52,141**	**100.0%**	**63,677**	**100.0%**	**81,188**	**100.0%**	**55.7%**
White Population	28,511	54.7%	34,271	53.8%	44,325	54.6%	55.5%
Non-White Population	23,630	45.3%	29,406	46.2%	36,863	45.4%	56.0%
Black	23,245	44.6%	27,718	43.5%	32,997	40.6%	42.0%
Amer. Indian/Alaska Native	112	0.2%	191	0.3%	199	0.2%	77.7%
Asian / Pacific Islander	200	0.4%	506	0.8%	1,128	1.4%	464.0%
Some Other Race	73	0.1%	233	0.4%	1,295	1.6%	1674.0%
Two or More Races	---	---	758	1.2%	1,244	1.5%	---
Hispanic	319	0.6%	809	1.3%	2,028	2.5%	535.7%

Source: U.S. Census Bureau

Figure 8-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Source: U.S. Census Bureau

ii. Areas of Racial and Ethnic Minority Concentration

The City of Suffolk 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 Suffolk, Blacks compromised 41.2% of the population according to 2009 estimates.[90] Therefore, an area of racial concentration would include any census tract with a percentage of Black residents of 51.2% and higher. In Suffolk, there are five census tracts that meet this criterion: 651, 653, 654, 655, and 756. No other minority concentrations were noted. Figure 8-3 depicts the areas of concentration of Black residents.

[90] Data estimates for 2009 were purchased from DemographicsNow to update Census 2000 data. The City is advised to use Census 2010, when available, to recalculate areas of minority concentration.

Figure 8-3
Census Tract Population by Race and Hispanic Origin, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
City of Suffolk	**81,737**	**52.2%**	**41.2%**	**1.6%**	**2.8%**
Tract 651	2,255	11.8%	84.9%	0.2%	3.0%
Tract 652	2,260	69.5%	25.7%	0.5%	1.7%
Tract 653	3,379	42.4%	52.8%	0.9%	1.9%
Tract 654	3,979	10.8%	84.9%	0.4%	1.4%
Tract 655	2,547	3.9%	93.1%	0.2%	2.1%
Tract 751	12,402	43.7%	43.7%	3.8%	5.4%
Tract 752	12,053	65.2%	27.5%	2.2%	2.5%
Tract 753	4,271	70.1%	25.4%	2.0%	0.6%
Tract 754	12,918	64.5%	28.9%	2.2%	3.2%
Tract 755	8,549	51.3%	41.9%	0.9%	3.9%
Tract 756	4,753	30.2%	65.4%	0.1%	1.1%
Tract 757	6,369	71.6%	24.5%	0.7%	1.3%
Tract 758	6,002	65.5%	30.7%	0.4%	1.9%

Source: Demographics Now

OBSERVATION: There are five census tracts in Suffolk that meet the criterion for an area of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 651, 653, 654, 655, and 756.

Map 8-1 on the following page illustrates the location of these areas.

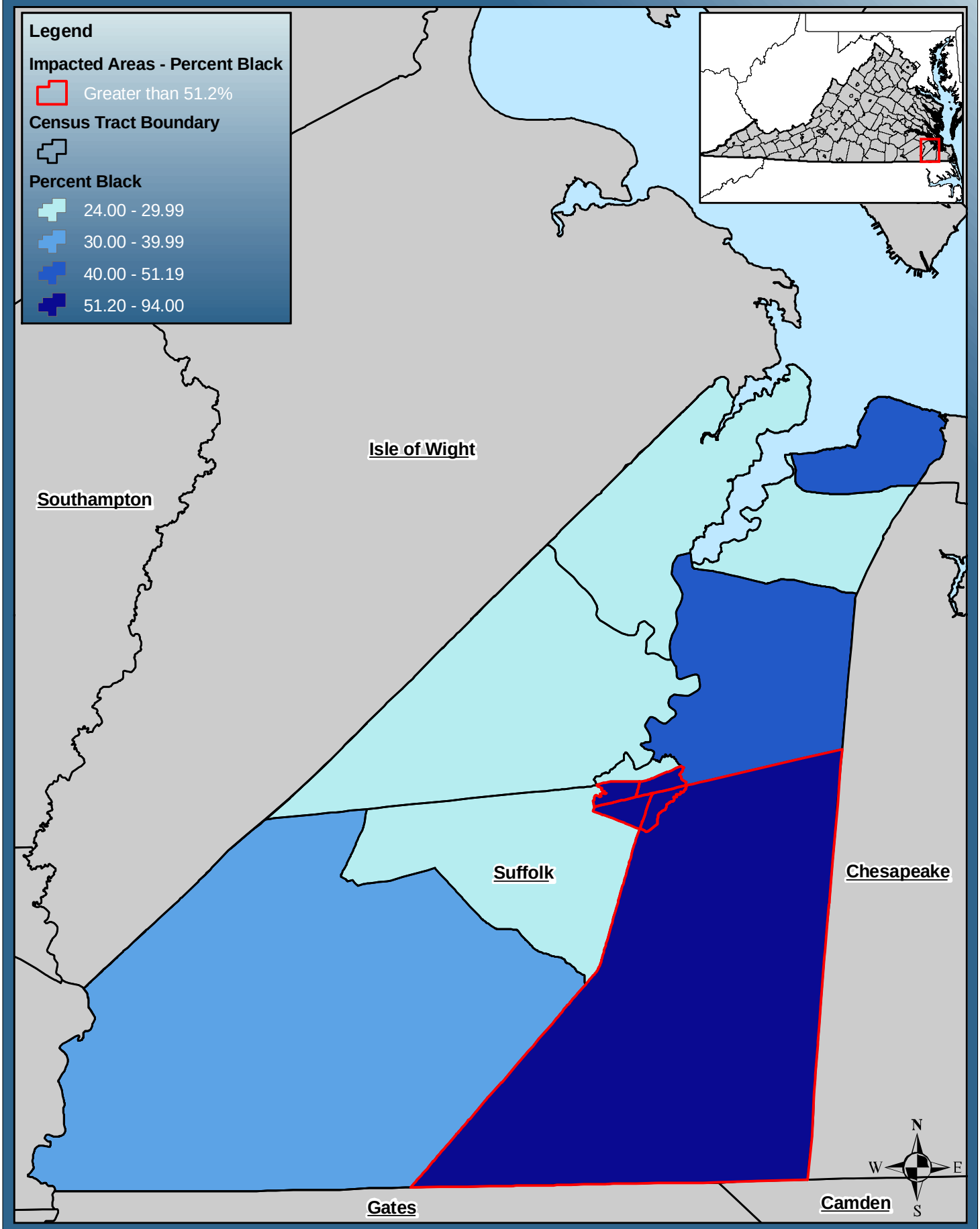
iii. Residential Segregation Patterns

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 low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.

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Map 8.1: Black Population Concentrations in Suffolk, 2009

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Suffolk's minority population accounted for 46.3% of its total population in 2000. Black residents represented the largest minority group, comprising 43.4% of all residents. As previously stated, five of the City's 13 census tracts had rates of Black residents at least 10 percentage points higher than the City-wide percentage, meeting the HUD criteria for areas of racial concentration.

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.[91] 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.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Suffolk is moderately segregated. The City's 2000 dissimilarity index of 52.0 for White persons and Black persons ranks 12th out of 18, and indicates that White persons and Black persons in Suffolk are more segregated than they are in more than 60% of the State's most populated cities and towns. Among the seven cities in the Hampton Roads region, Suffolk is the fourth most-segregated. Details are included in the table below.

Figure 8-4
Virginia Municipal Dissimilarity Index Rankings, 2000

[91] 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 ∑ 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.

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	**17.5**
2	Harrisonburg	2,266	32,416	40,468	**25.0**
3	Manassas	4,430	23,304	35,135	**29.2**
4	Leesburg Town	2,573	22,761	28,311	**38.0**
5	Virginia Beach	79,092	295,402	425,257	**41.4**
6	Petersburg	26,511	6,131	33,740	**42.6**
7	Alexandria	28,463	68,889	128,283	**46.0**
8	Danville	21,267	25,813	48,411	**46.2**
9	Hampton	64,795	70,963	146,437	**47.4**
10	Newport News	69,538	93,624	180,150	**50.3**
11	Lynchburg	19,288	43,108	65,269	**51.2**
12	**Suffolk**	**27,524**	**33,940**	**63,677**	**52.0**
13	Charlottesville	9,916	30,825	45,049	**52.4**
14	Chesapeake	56,442	131,200	199,184	**52.6**
15	Norfolk	102,268	110,221	234,403	**57.5**
16	Portsmouth	50,569	45,403	100,565	**62.0**
17	Richmond	112,455	74,506	197,790	**68.3**
18	Roanoke	25,220	65,256	94,911	**68.3**

Source: CensusScope

OBSERVATION: The City of Suffolk is a moderately segregated city in the region. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 52% of Black residents would have to move to a different location within Suffolk.

Dissimilarity index data for all Suffolk subpopulations appear in the table below. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 52.0% of Black residents would have to move to a different location.

Figure 8-5
Suffolk Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	33,940	53.3%
Black	52.0	27,524	43.2%
American Indian*	28.8	185	0.3%
Asian*	40.2	487	0.8%
Hawaiian*	60.5	15	0.0%
Other*	54.5	64	0.1%
Two or more races*	37.4	653	1.0%
Hispanic*[&] ***	39.1	809	1.3%
TOTAL	-	63,677	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Suffolk.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

The indices above show that, in addition to a White/Black index of 52.0, Suffolk has a White/Asian index of 40.2, a White/multi-race index of 37.4, and a White/Hispanic index of 39.1. These numbers indicate that these subpopulations are more integrated than Whites and Blacks. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, due to their small sample size. Dissimilarity index data is most reliable for groups with populations greater than 1,000. In cases where subgroup population is smaller than 1,000, the dissimilarity index may be high even if the group's members are evenly dispersed.

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 a stark contrast between races and ethnicity in Suffolk. The median household income for Blacks was equivalent to only 55% of the median household income for Whites. Hispanics fared much better but also had a lower income, which was equivalent to only 93% of the income for Whites. Asians had the highest median household income than any other group. Significant differences in poverty are evident as well with Blacks and Hispanics experiencing poverty rates more than four times that of Whites.[92] Poverty among Asian households was also significantly higher at 14.6%, which was notable given the overall higher median household income for this group.

Figure 8-6
Median Household Income and Poverty Rates by Race/Ethnicity, 2000

	Median Household Income	Poverty Rate
City of Suffolk	**$41,115**	**13.2%**
Whites	$50,755	4.8%
Blacks	$27,931	23.4%
Asians	$61,023	14.6%
Hispanics	$47,159	20.6%

Source: U.S. Census Bureau, Census 2000, (SF 3-P-53, P152A, P152B, P152D, P152H, P87, P159A, P159B, P159D, P159H)

Household income among White, Asian, and Hispanic households was relatively evenly distributed. Black households, on the other hand, were more likely have annual incomes less than $50,000. Almost three-quarters (74.3%) of Black households had incomes less than $50,000 in 2000, with 45.6% having an annual income less than $25,000. By comparison, only 18.2% of Whites, 20.5% of Asians, and 21.8% of Hispanics had annual incomes less than $25,000. About one third of White and Hispanic households, 30.5% and 33.6%, respectively, earned between $25,000 and $49,999 in 2000, and

[92] The U.S. Census Bureau uses official income thresholds and household size to determine the poverty rates for a given region.

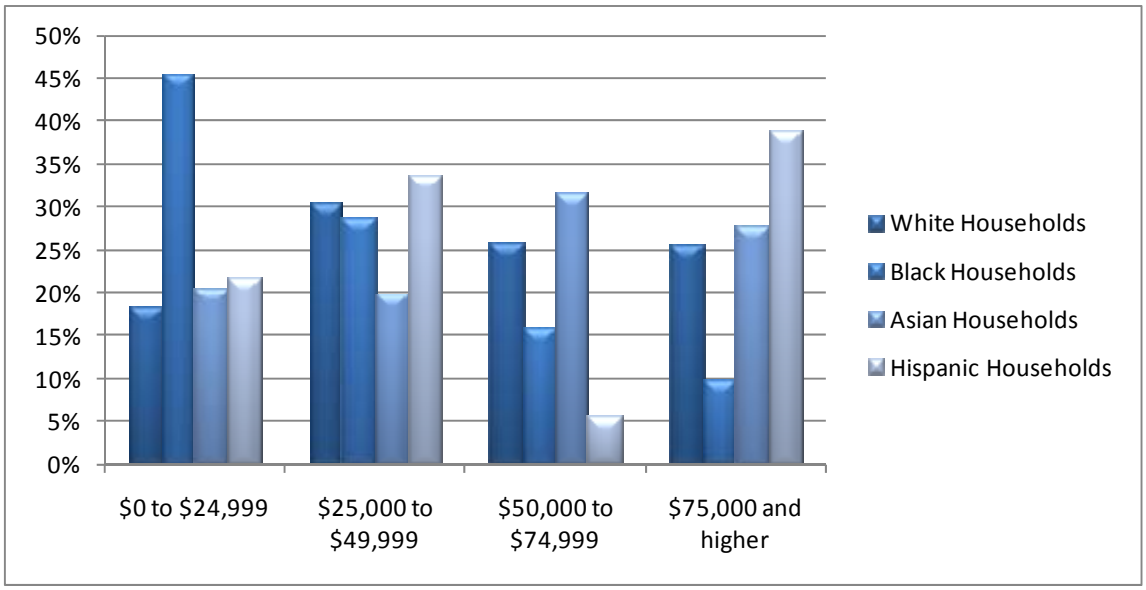
20.0% of Asian households. At the upper end of the spectrum, 38.9% of Hispanic households had incomes greater than $75,000, compared to 25.5% of Whites and 27.9% of Asians. Among Black households, only 9.8% of households earned more than $75,000.

Figure 8-7
Household Income Distribution by Race and Ethnicity, 2000

	Total Households	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**23,175**	**6,947**	**30.0%**	**6,873**	**29.7%**	**4,957**	**21.4%**	**4,398**	**19.0%**
White Households	12,823	2,338	18.2%	3,912	30.5%	3,298	25.7%	3,275	25.5%
Black Households	9,908	4,515	45.6%	2,841	28.7%	1,578	15.9%	974	9.8%
Asian Households	215	44	20.5%	43	20.0%	68	31.6%	60	27.9%
Hispanic Households	229	50	21.8%	77	33.6%	13	5.7%	89	38.9%

Source: U.S. Census Bureau, Census 2000, (SF 3-P-53, P151A, P151B, P151D, P151H)

Figure 8-8
Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 55% of that of Whites in 2000, and poverty among Blacks was more than four times the rate among Whites. Consequently, Blacks will have a greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Virginia Beach. HUD reports census level data on the percentage of low and moderate income (LMI) persons, defined as having an income less than 80% of the Median Family Income (MFI). In 2009, the MFI for Suffolk City was $67,900, so families earning less than $54,320 would qualify as LMI. In 2009, there were 15 census block groups where more than 51% of residents met the criteria for LMI status. Of these, 11 block groups were located within areas of racial concentration. These were Tract 651, block groups 1, 2, and 3; Tract 653, block groups 1, 2, and 3; Tract 654, block groups 1 and 2; Tract 655, block groups 1 and 2; and Tract 756, block group 2. The areas are depicted in Figure 8-9 and illustrated in Map 8-2.

OBSERVATION: Of the 15 low and moderate income census block groups in Suffolk, 11 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

Map 8-2: Low and Moderate Income Concentrations in Suffolk, 2009

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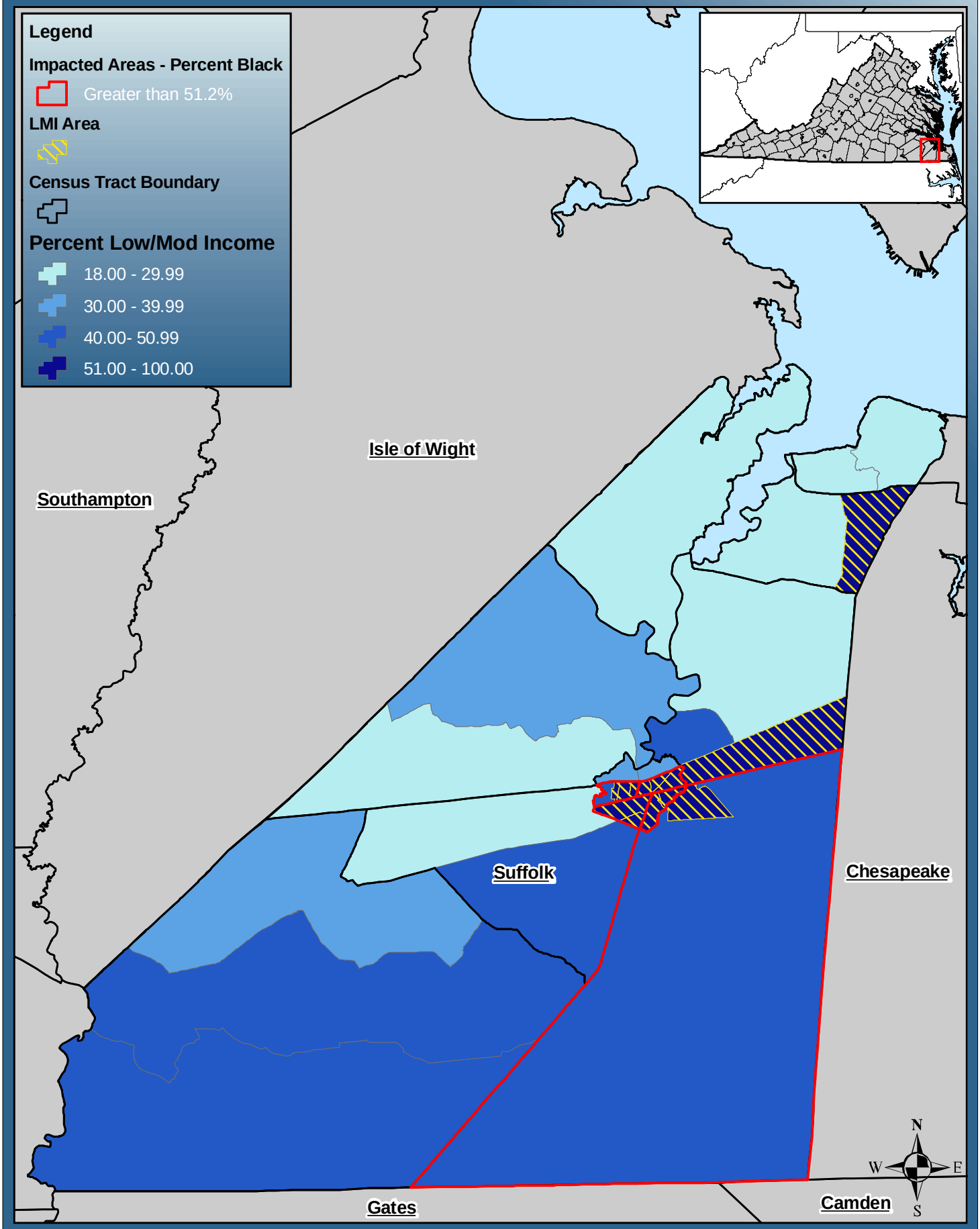


Figure 8-9
Low and Moderate Income Persons, 2009

Census Tract	Block Group	Universe	Low and Moderate Income Persons	
			#	%
651*	1	42	42	100.0%
651*	2	884	619	70.0%
651*	3	1,344	1,054	78.4%
652	1	928	367	39.5%
652	2	1,096	415	37.9%
653*	1	610	561	92.0%
653*	2	1,516	967	63.8%
653*	3	707	394	55.7%
653	4	709	304	42.9%
654*	1	2,874	1,995	69.4%
654*	2	1,067	825	77.3%
655*	1	1,314	867	66.0%
655*	2	1,314	1,065	81.1%
751	1	78	12	15.4%
751	2	38	34	89.5%
751	1	994	181	18.2%
751	2	6,283	1,604	25.5%
752	1	602	98	16.3%
752	2	110	56	50.9%
752	1	4,583	1,132	24.7%
752	2	1,721	963	56.0%
753	1	4,201	1,166	27.8%
754	1	2,180	552	25.3%
754	2	1,542	336	21.8%
754	1	3,974	1,529	38.5%
754	2	87	38	43.7%
755	1	2,212	630	28.5%
755	2	871	614	70.5%
755	3	3,197	1,369	42.8%
756	1	1,733	813	46.9%
756*	2	2,625	1,711	65.2%
757	1	1,373	414	30.2%
757	2	767	316	41.2%
757	1	917	650	70.9%
757	2	2,697	647	24.0%
758	1	1,680	561	33.4%
758	2	2,181	955	43.8%
758	3	1,661	714	43.0%

**Denotes area of racial or ethnic concentration*
Source: U.S. Dept. of Housing & Urban Development, 2009

vi. Disability and Income

The Census Bureau reports disability status for non-institutionalized disabled persons. 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, dressing, bathing, climbing stairs, learning or remembering. This condition can also impede a person from going 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. allowing the use of a service animal). In Suffolk, 23.2% (13,124 of 56,548) of the population reported at least one disability in 2008. By 2008, this rate had decreased to 10.4% (8,192 of 78,666).[93]

According to the National Organization on Disabilities, a significant income gaps exists for persons with disabilities, given their lower rate of employment. In Suffolk, persons with disabilities are more likely than persons without disabilities to live in poverty. In 2008, among all persons living with a disability, 16.4% (1,339 of 8,141) lived in poverty compared to 9.3% (6,525 of 70,392) of persons without disabilities who were living in poverty.[94]

OBSERVATION: Persons with disabilities were more likely to live in poverty compared to persons without disabilities. Among all persons with disabilities in 2008, 16.4% lived in poverty compared to 9.3% of persons without a disability who were living in poverty.

vii. 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 have remained relatively constant at about 17% of all households since 1990. Female-headed households with children accounted for 11.7% of all households in 1990 and dropped to 9.6% in 2000 before increasing to 11.8% in 2008. In contrast, married-couple family households with children decreased from 28.1% to 25% of all households.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In

[93] U.S. Census Bureau, 2008 American Community Survey (C18101)
[94] U.S. Census Bureau, 2008 American Community Survey

Suffolk in 2000, female-headed households with children represented 73% of all families living in poverty compared to only 16% of all families who were living above the level of poverty.[95]

Figure 8-10
Female-headed Households and Households with Children

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	**18,516**	**100.0%**	**23,283**	**100%**	**30,667**	**100%**
Family Households	14,168	76.5%	17,730	76.1%	23,178	75.6%
Married-couple family	10,344	55.9%	12,833	55.1%	16,189	52.8%
With Children	5,205	28.1%	5,824	25.0%	7,673	25.0%
Without Children	5,139	27.8%	7,009	30.1%	8,516	27.8%
Female-Headed Households	**3,162**	**17.1%**	**3,908**	**16.8%**	**5,184**	**16.9%**
With Children	**2,166**	**11.7%**	**2,240**	**9.6%**	**3,613**	**11.8%**
Without Children	996	5.4%	1,668	7.2%	1,571	5.1%
Male-Headed Household	662	3.6%	989	4.2%	1,805	5.9%
With Children	305	1.6%	462	2.0%	1346	4.4%
Without Children	357	1.9%	527	2.3%	459	1.5%
Non-family and 1-person Households	3,778	20.4%	4,696	20.2%	6,811	22.2%

Sources: U.S. Census Bureau, 1990 (SFT-3, DP-1), Census 2000 (SF-3, H16); DemographicsNow

OBSERVATION: Female-headed households with children accounted for almost three-quarters of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 residents in Suffolk show that approximately 3% of City residents were foreign-born.[96] Among families who were living with one or more foreign-born parents, 1.4% were living in households with incomes of less than 200% of the poverty level.[97]

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 issued its guidelines on how to address the needs of persons with LEP in January 2007. 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 choice by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination,

[95] U.S. Census Bureau, Census 2000 (SF-3, P90)
[96] U.S. Census Bureau, 2008 American Community Survey (C05002)
[97] U.S. Census Bureau, 2008 American Community Survey (C05010). The 200% of poverty threshold is the only data provided by 2008 ACS that compares poverty by nativity of parent.

whether intentional or inadvertent, and establishes policies to eliminate barriers.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In the City of Suffolk in 2008, 990 persons spoke English less than "very well."[98] No language group had more than 1,000 persons with LEP.

ix. Protected Class Status and Unemployment

The unemployment rate in Suffolk in 2008 was 5%, which was comparable to the State unemployment rate of 4.9%. Females were almost twice as likely to be unemployed than males. Blacks had an unemployment rate of 7.6% compared to 5.0% for Whites. Data were not available for Asian and Hispanic persons within the CLF due to small sample sizes.

Figure 8-11
Civilian Labor Force, 2008

	Virginia Total	%	Suffolk Total	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**40,375**	**100%**
Employed	3,874,420	95.1%	38,370	95.0%
Unemployed	200,793	4.9%	2,005	5.0%
Male CLF	**2,111,297**	**100.0%**	**20,188**	**100.0%**
Employed	2,006,634	95.0%	19,459	96.4%
Unemployed	104,663	5.0%	729	3.6%
Female CLF	**1,963,916**	**100.0%**	**20,187**	**100.0%**
Employed	1,867,786	95.1%	18,911	93.7%
Unemployed	96,130	4.9%	1,276	6.3%
White CLF	**2,916,813**	**100%**	**23,303**	**100%**
Employed	2,799,732	96.0%	22,137	95.0%
Unemployed	117,081	4.0%	1,166	5.0%
Black CLF	**772,382**	**100%**	**15,491**	**100.0%**
Employed	709,453	91.9%	14,320	92.4%
Unemployed	62,929	8.1%	1,171	7.6%
Asian CLF	**214,026**	**100%**	**n/a**	**n/a**
Employed	204,543	95.6%	n/a	n/a
Unemployed	9,483	4.4%	n/a	n/a
Hispanic CLF	**277,742**	**100%**	**n/a**	**n/a**
Employed	261,165	94.0%	n/a	n/a
Unemployed	16,577	6.0%	n/a	n/a

Source: U.S. Census Bureau, 2008 American Community Survey (C23001, C23002A), 2006-2008 American Community Survey (C23002B)

OBSERVATION: Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 7.5% compared to 5.0% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

[98] U.S. Census Bureau, 2006-2008 American Community Survey (B06007)

B. Housing Market

i. Housing Inventory

Between 1990 and 2009, the City's housing stock increased by a net of 13,823 units, equivalent to an annual average increase of 727 units over the last 19 years. The majority of new home development occurred in census tracts 751, 752, 754 and 755. Marginal new housing development occurred in two tracts, 651 and 653, which also were previously identified as areas of racial concentration. These areas are depicted in Figure 8-12 and on Map 8-3.

Figure 8-12
Trends in the Housing Inventory, 1990-2009

	1990		2000		2009		Change 1990-2009	
Census Tract	#	%	#	%	#	%	#	%
City of Suffolk	**20,011**	**100.0%**	**24,704**	**100.0%**	**33,834**	**100.0%**	**13,823**	**69.1%**
Tract 651	996	5.0%	952	3.9%	1,000	3.0%	4	0.4%
Tract 652	959	4.8%	977	4.0%	1,015	3.0%	56	5.8%
Tract 653	1,711	8.6%	1,667	6.7%	1,755	5.2%	44	2.6%
Tract 654	1,670	8.3%	1,613	6.5%	1,764	5.2%	94	5.6%
Tract 655	1,072	5.4%	1,093	4.4%	1,142	3.4%	70	6.5%
Tract 751	1,147	5.7%	2,553	10.3%	4,648	13.7%	3,501	305.2%
Tract 752	1,740	8.7%	2,649	10.7%	4,887	14.4%	3,147	180.9%
Tract 753	1,621	8.1%	1,692	6.8%	1,858	5.5%	237	14.6%
Tract 754	1,707	8.5%	2,946	11.9%	4,982	14.7%	3,275	191.9%
Tract 755	1,496	7.5%	2,348	9.5%	3,413	10.1%	1,917	128.1%
Tract 756	1,630	8.1%	1,670	6.8%	1,986	5.9%	356	21.8%
Tract 757	2,125	10.6%	2,337	9.5%	2,793	8.3%	668	31.4%
Tract 758	2,137	10.7%	2,207	8.9%	2,591	7.7%	454	21.2%

Source: DemographicsNow

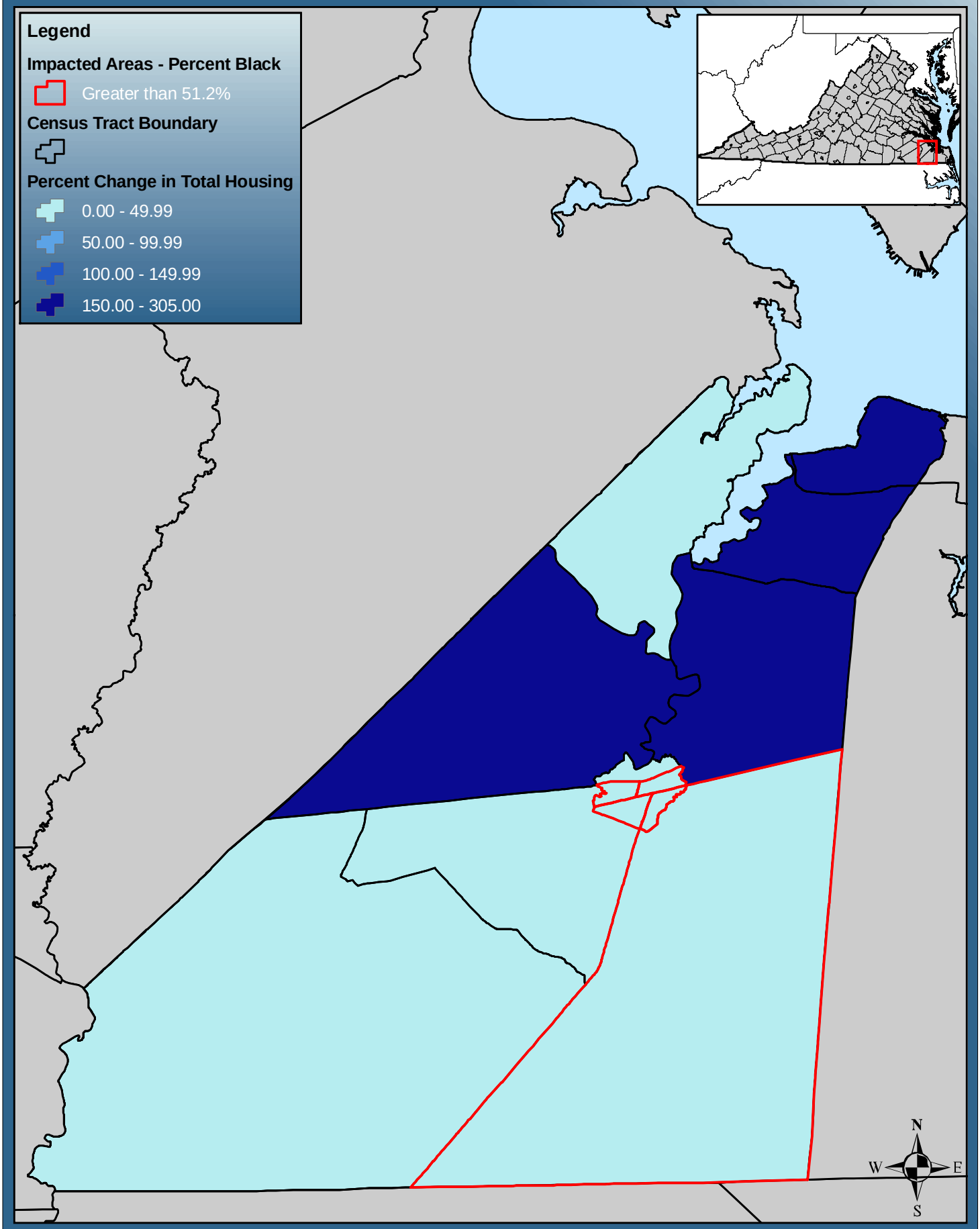
ii. Types of Housing Units

Of the 24,704 housing structures in 2000, 82.3% were single-family units. Most of the remaining units were in multi-family units of all sizes. Notably, the distribution of housing types is uneven throughout most of the City's census tracts. As shown in Figure 8-13, single-family units (as a percentage of all units) are more predominant in census tracts 751, 753, and 758.

Map 8-4 illustrates the location of the higher rates of multi-family housing units in relation to the areas of concentration of Black residents. Almost 60% of all multi-family units are located in the five areas of concentration.

Map 8-3: Change in Housing Units in Suffolk, 1990-2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



Map 8-4: Percentage of Multi-Family Housing Units in Suffolk, 2000

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

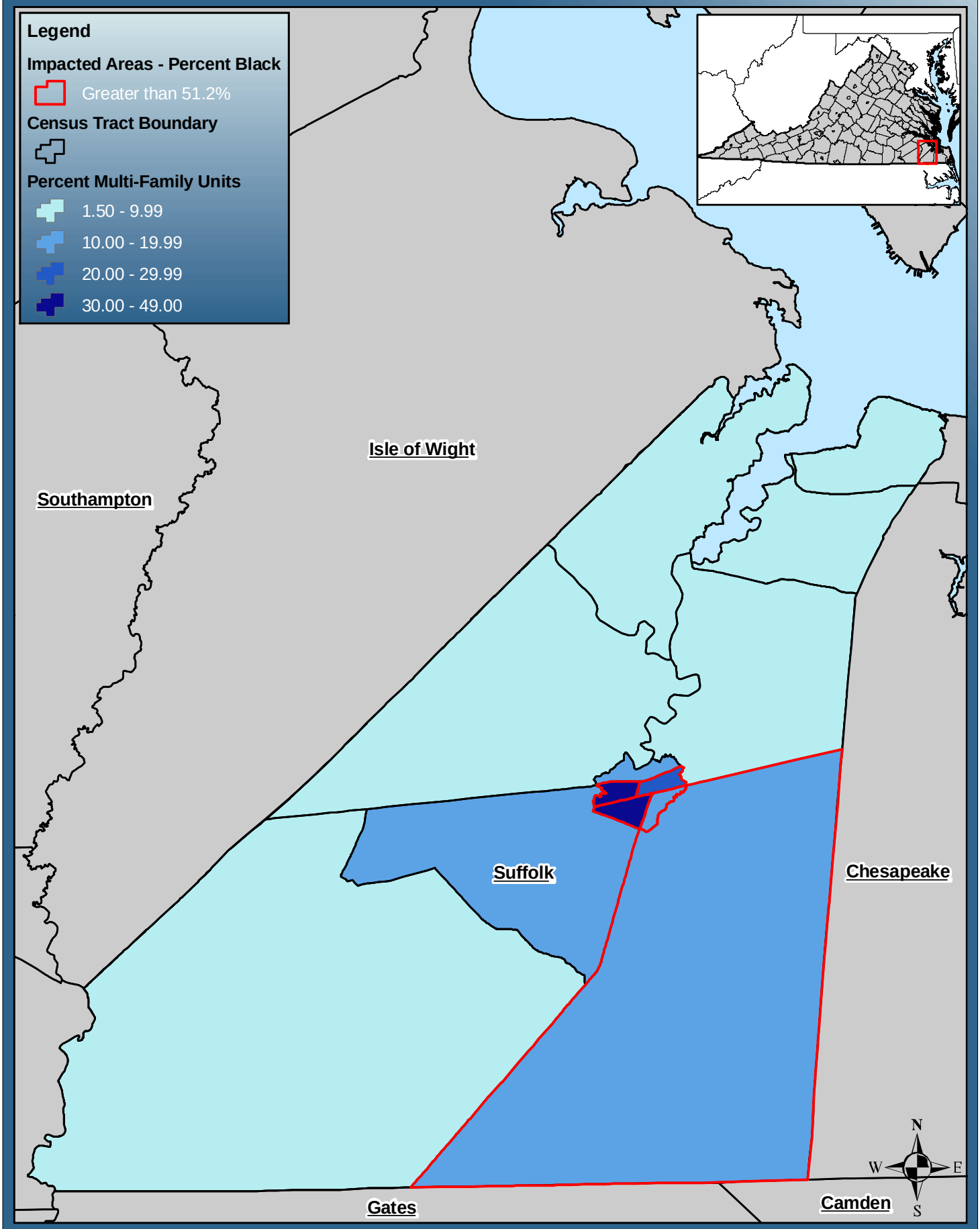


Figure 8-13
Trends in the Housing Units in Structures, 2000

	Total Units	Single-family units (detached and attached)	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
City of Suffolk	**24,704**	**20,335**	**1,761**	**864**	**265**	**404**	**3,294**	**1,069**	**6**
Tract 651	952	684	159	18	30	58	266	4	0
Tract 652	977	823	95	5	0	9	108	46	0
Tract 653	1,667	835	528	88	27	170	813	12	6
Tract 654	1,613	1,098	440	60	6	6	512	0	0
Tract 655	1,093	948	125	0	0	7	131	14	0
Tract 751	2,553	2,344	171	33	0	10	214	0	0
Tract 752	2,649	2,305	32	114	0	0	146	199	0
Tract 753	1,692	1,626	7	41	0	7	54	14	0
Tract 754	2,946	2,545	44	65	147	27	283	118	0
Tract 755	2,348	1,817	52	122	9	23	207	324	0
Tract 756	1,670	1,359	0	167	25	38	230	82	0
Tract 757	2,337	1,949	77	150	21	47	294	91	0
Tract 758	2,207	2,006	33	0	0	0	33	168	0

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

iii. Foreclosure Trends

The HUD NSP Estimates provides foreclosure data at the local level.[99] Between January 2007 and June 2008, the City of Suffolk had an estimated 783 foreclosure filings, representing a foreclosure rate of 3.7%. Of the City's 13 census tracts, three (23.1%) had foreclosure rates greater than 7.4%, or twice that of the City overall. These were tracts 651, 654, and 655, all located in the southern part of the City's urban center. All of these tracts were also identified as areas of racial concentration. The following table depicts the distribution of foreclosure activity across the City.

[99] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

Figure 8-14
Estimated Residential Foreclosure Rankings by Municipality, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Suffolk	**783**	**21,017**	**3.7%**
651.00	25	247	10.1%
652.00	11	385	2.9%
653.00	37	609	6.1%
654.00	36	414	8.7%
655.00	44	480	9.2%
751.00	117	3,920	3.0%
752.00	99	3,917	2.5%
753.00	28	1,099	2.5%
754.00	131	3,537	3.7%
755.00	75	2,383	3.1%
756.00	71	1,024	6.9%
757.00	63	1,659	3.8%
758.00	48	1,343	3.6%

Source: HUD NSP Foreclosure Estimates, released October 2008

In July 2010, RealtyTrac reported 78 new foreclosure filings in Suffolk, or 1 in every 422 housing units.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Suffolk had a foreclosure rate of 3.7%. Census tracts with the highest rates of foreclosures were also areas of concentration of Blacks and LMI persons.

iv. Relationship between Protected Class Status and Home Ownership

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."[100]

Historically, minorities tend to have lower home ownership rates than Whites. In Suffolk, the home ownership rate among White households was 85.2% in 2000 compared to only 54.9% among Blacks. However, Asians had the highest rate at 91.6% but also the lowest number of home owners. Home ownership among Hispanics was also relatively high at 79.6%; this group of home owners was also very small.

Figure 8-15
Home Ownership by Race and Ethnicity of Householder, 2000

	White		Black		Asian		Hispanic	
Census Tract	#	%	#	%	#	%	#	%
City of Suffolk	**11,059**	**85.2%**	**5,363**	**54.9%**	**163**	**91.6%**	**176**	**79.6%**
Tract 651	57	58.2%	250	34.3%	0	0.0%	0	0.0%
Tract 652	587	81.3%	61	41.2%	0	0.0%	0	0.0%
Tract 653	371	52.0%	165	20.8%	0	0.0%	11	100.0%
Tract 654	113	61.1%	424	34.5%	0	0.0%	0	0.0%
Tract 655	9	100.0%	443	45.6%	0	0.0%	0	0.0%
Tract 751	1,105	88.8%	723	67.6%	62	100.0%	64	100.0%
Tract 752	1,724	94.6%	423	68.7%	38	100.0%	23	100.0%
Tract 753	1,092	90.5%	269	70.1%	12	100.0%	0	0.0%
Tract 754	1,872	87.2%	450	69.7%	9	53.0%	57	100.0%
Tract 755	1,115	89.3%	644	70.5%	12	100.0%	8	42.0%
Tract 756	394	84.2%	783	70.2%	13	100.0%	13	100.0%
Tract 757	1,422	83.8%	250	49.0%	17	70.8%	0	0.0%
Tract 758	1,198	84.6%	478	72.8%	0	0.0%	0	0.0%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

As discussed previously in this report, median household income is lower among Blacks in Suffolk than among White households. This factor contributes to the low rates of home ownership among Blacks in the City.

OBSERVATION: Lower household incomes among Blacks are reflected in similarly low home ownership rates when compared to White households. Only 54.9% of Blacks owned their house compared to 85.2% of Whites.

v. The Tendency of the Protected Classes to Live in Larger Households

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

[100] 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.

bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In Suffolk, non-White minorities were much more likely to live in families of three or more persons than Whites. For example, 84.4% of Hispanic families consisted of three or more members living together in the same housing unit. The rate was also high among Asians at 76.2%. Sixty-eight percent of Blacks lived in families with three or more persons. Although the rates were high among persons of Two or More Races and Some Other Race Alone, the total number of families in these groups were very small (110 and 93, respectively).

Figure 8-16
Families with Three or More Persons, 2000

Race	Percent of Families with 3 or more persons
White	54.3%
Black	68.4%
Asian	76.2%
Some Other Race Alone	100.0%
Two or More Races	67.0%
Hispanic	84.4%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Suffolk, less than 41% of the rental housing stock contained three or more bedrooms in 2000, compared to almost 84% of the owner housing stock.

Figure 8-17
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	996	15.4%	306	1.8%
2 bedrooms	2,873	44.4%	2,406	14.3%
3 or more bedrooms	**2,600**	**40.2%**	**14,102**	**83.9%**
Total	**6,469**	**100.0%**	**16,814**	**100.0%**

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were more likely to live in larger families than White households. For example, 100% of households of Some Other race and 84.4% of Hispanic families included three or more persons compared to 54.3% of White families. However, only 40.2% of rental housing stock contained three or more bedrooms compared to 83.9% of the owner housing stock.

Figure 8-18 displays the number of larger dwelling units at the census tract level.

Figure 8-18
Housing Units by Number of Bedrooms by Census Tract, 2000

	Renter-Occupied Housing Stock				Owner-Occupied Housing Stock			
Census Tract	Total Units	0-1 bedroom (%)	2 bedrooms (%)	3+ bedrooms (%)	Total Units	0-1 bedroom (%)	2 bedrooms (%)	3+ bedrooms (%)
City of Suffolk	**6,469**	**15.4%**	**44.4%**	**40.2%**	**16,814**	**1.8%**	**14.3%**	**83.9%**
Tract 651	525	17.9%	43.0%	39.0%	314	3.5%	19.4%	77.1%
Tract 652	242	14.5%	50.4%	35.1%	648	0.8%	21.5%	77.8%
Tract 653	985	33.1%	34.7%	32.2%	536	3.2%	26.3%	70.5%
Tract 654	900	9.3%	59.2%	31.4%	537	7.4%	49.3%	43.2%
Tract 655	536	14.2%	49.4%	36.4%	452	2.9%	25.2%	71.9%
Tract 751	486	4.7%	45.3%	50.0%	1,951	1.2%	5.1%	93.6%
Tract 752	306	35.3%	26.5%	38.2%	2,232	0.0%	6.8%	93.2%
Tract 753	229	7.9%	45.4%	46.7%	1,389	1.3%	12.7%	86.0%
Tract 754	487	10.5%	46.0%	43.5%	2,357	1.8%	11.0%	87.2%
Tract 755	414	5.6%	53.9%	40.6%	1,814	2.1%	13.2%	84.6%
Tract 756	404	9.4%	39.6%	51.0%	1,202	1.9%	15.2%	82.9%
Tract 757	558	17.2%	41.0%	41.8%	1,689	2.4%	16.1%	81.5%
Tract 758	397	6.0%	36.3%	57.7%	1,693	1.9%	17.8%	80.2%

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Suffolk nearly doubled between 1990 and 2008, after adjusting for inflation.[101] Median gross rent also doubled. By comparison, real household income increased only 38.8%.

[101] 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 is sold for.

Figure 8-19
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$70,473	$105,495	$229,900	226.2%
2008 Dollars	$116,091	$131,901	$229,900	98.0%
Median Gross Rent				
Actual Dollars	$250	$390	$814	225.6%
2008 Dollars	$412	$488	$814	97.6%
Median Household Income				
Actual Dollars	$25,988	$41,197	$59,431	128.7%
2008 Dollars	$42,810	$51,509	$59,431	38.8%

Sources: DemographicsNow for 1990 and 2000 date; U.S. Census Bureau, 2008 American Community Survey (B19013, B25064, B25077)

At the same time that real median household income was failing to keep pace with median rents, Suffolk was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than $500 per month decreased by 1,194; units renting for $500 to $699 remained relatively unchanged. At the same time, the number of higher-rent units ($1,000 per month or higher) increased by 1,912.

Figure 8-20
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008 #	Change 2000-2008 %
Less than $500	2,902	1,708	-1,194	-41.1%
$500 to $699	1,921	1,919	-2	-0.1%
$700 to $999	1,917	2,212	295	15.4%
$1,000 or more	196	2,108	1,912	975.5%

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

OBSERVATION: Suffolk lost over 1,000 housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by over 1,900 units, or 975.5%.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2009. In Suffolk, the Fair Market Rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour workweek, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Suffolk, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Suffolk, the estimated average wage for a renter is $9.46 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 73 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.8 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Suffolk. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Suffolk and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom unit is $781.

OBSERVATION: Persons receiving a monthly $674 SSI check, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

b. Sales Housing

The housing market in Suffolk has slowed in activity since 2005, slightly before the beginning of the national housing slump. After peaking at 1,959 units sold in 2005, the local market has fallen off to 1,085 units sold in 2008. The average length of time a house has remained on the market has almost tripled from 32 days to 95 days. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Since 2000, the median sales price has been comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

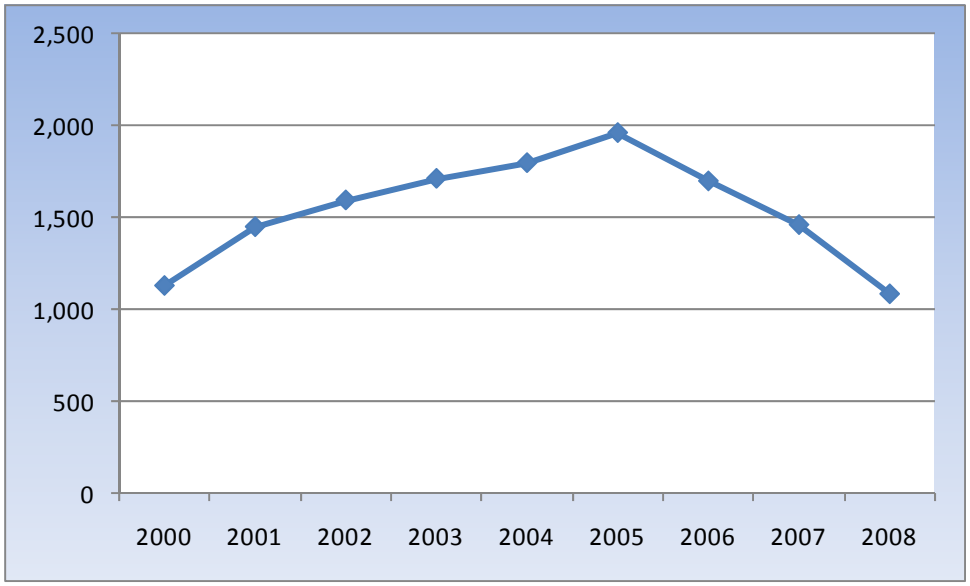
Figure 8-21
Housing Market Sales Trends, 2000-2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Single-Family Properties									
Number of units sold	1,130	1,449	1,594	1,711	1,796	1,959	1,697	1,460	1,085
Average No. Days on Market	72	60	54	42	26	32	53	75	95
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%

*Median Sales Price as a percent of Median List Price
Source: Hampton Roads Realtor Association

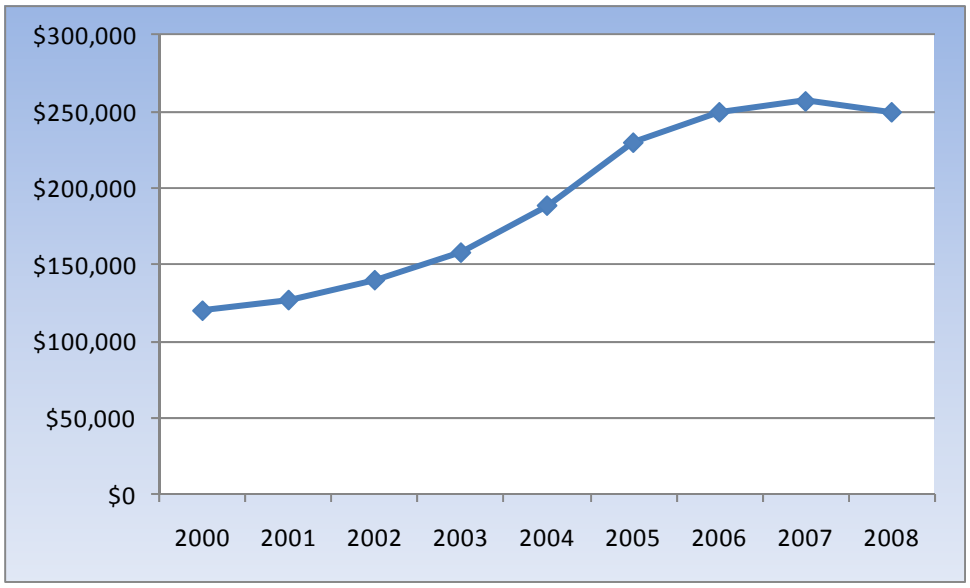
While the market has slowed in Suffolk as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 8-22
Number of Housing Units Sold, 2000-2008



Source: Hampton Roads Realtor Association

Figure 8-23
Median Sales Price Trends, 2000-2008



Source: Hampton Roads Realtor Association

vii. The Relationship between Protected Class Status and Housing Problems

Lower income minority households tend to experience housing problems at a higher rate than lower income White households.[102] In Suffolk, the data reveal varied results.

Among renters, the rates of housing problems are comparable among all households below 80% of median family income. (Data are only available for non-Hispanic Whites and non-Hispanic Blacks.) Among elderly and small households, Whites experienced a higher degree of housing problems (66%) than Blacks (56.8%), while All Other Black households were more severely impacted (69.5%) than All Other White households (64.8%). Rates were comparable among family households of both races.

The rates of housing problems also varied among owners. Elderly and small Black households experienced a higher degree of housing problems (56.4%) compared to White households of the same type (42.8%). Rates were comparable among family households of both races. All Other White households had a higher rate (74.8%) than All Other Black households (64.3%). Consequently, there is no clear discernible pattern of disproportionate impact based on race.

[102] HUD defines housing problems as (1) cost burden of 30% or more (i.e. playing 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.

Figure 8-24
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	3,205	61.5%	660	66.0%	1,295	56.0%	1,250	64.8%
Black Non-Hispanic	7,355	60.1%	1,145	56.8%	4,540	57.4%	1,670	69.5%
Total	10,560	60.5%	1,805	60.2%	5,835	57.1%	2,920	67.5%
Owners								
White Non-Hispanic	4,130	52.3%	2,045	42.8%	1,450	60.3%	635	74.8%
Black Non-Hispanic	3,270	59.6%	1,560	56.4%	1,360	62.1%	350	64.3%
Total	7,400	55.5%	3,605	48.7%	2,810	61.2%	985	71.1%

Source: HUD Comprehensive Housing Affordability Strategy data

OBSERVATION: An analysis of housing problems among lower-income households shows that there is no discernible pattern of disproportionate impact based on race.

C. Review of Private Sector Practices

i. 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 Suffolk is from 2007 and 2008. Reviewing this data 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 City. 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. The following table

summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 8-25
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**3,130**	**100.0%**	**1,809**	**100.0%**	**-1,321**	**-42.2%**
Black	941	30.1%	475	26.3%	-466	-49.5%
White	1,443	46.1%	887	49.0%	-556	-38.5%
Asian	44	1.4%	30	1.7%	-14	-31.8%
Hispanic*	68	2.2%	41	2.3%	-27	-39.7%
Other race	17	0.5%	10	0.6%	-7	-41.2%
No information/NA	685	21.9%	407	22.5%	-278	-40.6%
Originated	**1,604**	**100.0%**	**950**	**100.0%**	**-654**	**-40.8%**
Black	488	30.4%	254	26.7%	-234	-48.0%
White	916	57.1%	590	62.1%	-326	-35.6%
Asian	22	1.4%	13	1.4%	-9	-40.9%
Hispanic*	46	2.9%	24	2.5%	-22	-47.8%
Other race	10	0.6%	6	0.6%	-4	-40.0%
No information/NA	168	10.5%	87	9.2%	-81	-48.2%
Denied	**297**	**100.0%**	**116**	**100.0%**	**-181**	**-60.9%**
Black	141	47.5%	53	45.7%	-88	-62.4%
White	106	35.7%	45	38.8%	-61	-57.5%
Asian	2	0.7%	4	3.4%	2	100.0%
Hispanic*	5	1.7%	5	4.3%	0	0.0%
Other race	1	0.3%	-	0.0%	-1	-100.0%
No information/NA	47	15.8%	14	12.1%	-33	-70.2%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data for the City of Suffolk is the steep drop in the number of loan applications. 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 1,321 (42.2%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, by 49.5% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications for Black applicants dropped from 30.4% to 26.7%, while the share of successful applications for White residents increased from 57.1% to 62.1%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications accounted for a more substantial share of denials in 2008 – 38.8%, compared to 35.7% in 2007, while Black applications represented a smaller share of denials – 45.7%, compared to 47.5% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available.

Figure 8-26
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	767	42.4%	419	54.6%	43	5.6%	58	7.6%	231	30.1%
FHA	465	25.7%	323	49.9%	12	2.6%	36	7.7%	179	38.5%
VA	576	31.8%	298	51.7%	10	1.7%	22	3.8%	241	41.8%
FHA/RHS										
Loan Purpose: Home Purchase										
One to four-family unit	1,772	98.0%	943	53.2%	57	3.2%	105	5.9%	640	36.1%
Manufactured housing unit										
Applicant Race										
American Indian/Alaska Native	5	0.3%	3	60.0%	1	20.0%	-	0.0%	1	20.0%
Asian/Pacific Islander	30	1.7%	13	43.3%	3	10.0%	4	13.3%	10	33.3%
Hawaiian	5	0.3%	3	60.0%	-	0.0%	-	0.0%	2	40.0%
Black	475	26.3%	254	53.5%	22	4.6%	53	11.2%	135	28.4%
Hispanic**	41	2.3%	24	58.5%	-	0.0%	5	12.2%	12	29.3%
White	887	49.0%	590	66.5%	31	3.5%	45	5.1%	212	23.9%
No information	152	8.4%	87	57.2%	8	5.3%	13	8.6%	37	24.3%
Not applicable										
Applicant Sex										
Male	1,101	60.9%	700	63.6%	48	4.4%	63	5.7%	274	24.9%
Female	387	21.4%	208	53.7%	14	3.6%	48	12.4%	107	27.6%
No information	66	3.6%	42	63.6%	3	4.5%	4	6.1%	16	24.2%
Not applicable	**255**	**14.1%**	-	**0.0%**	-	**0.0%**	**1**	**0.4%**	**254**	**99.6%**
Total	**1,809**	**100.0%**	**950**	**52.5%**	**65**	**3.6%**	**116**	**6.4%**	**651**	**36.0%**

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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.

a. Households by Race

In 2008, 1,809 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City of Suffolk. Of these applications:

- 49.0% (887) were submitted by White households.
- 26.3% (475) were submitted by Black households.
- 1.7% (30) were by Asian/Pacific Islander households.
- 2.3% (41) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.
- 0.3% (5) were submitted by American Indian/Alaskan Native households.

- 0.3% (5) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 the City of Suffolk, 57.5% (1,041) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 586 (56.3%) applicants were minority households.

The denial rates for government-backed loans varied:

- The denial rate for FHA loans was 7.7%.
- The denial rate for VA-guaranteed loans was 3.8%.
- The denial rate for conventional loans was 7.6%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 116 households in the City of Suffolk were denied (6.4%). Denial reasons were given for 98 of the 116. Reasons for denial included the following:

- Debt-to-income ratio: 33.7%
- Credit history: 27.6%
- Collateral: 14.3%
- Credit Application Incomplete: 10.2%
- Other: 5.1%
- Unverifiable Information: 4.1%
- Employment History: 3.1%
- Insufficient Cash: 2.0%
- Mortgage insurance denied: 0.0%

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

Only two racial or ethnic groups, White and Black, had a significant number of applicants for which the sample size is large enough to draw any conclusions. White households reported a denial rate of 5.1%, or 45 of 887 applications. Black households reported a denial rate of 11.2%, or 53 of 475 applications. Hispanics reported a denial rate of 12.2%, or 5 of 41 applications. Since Hispanics are classified as an ethnicity rather than a race this group is double-counted in one of the race categories.

Figure 8-27
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	941	141	15.0%	475	53	11.2%
Am. Indian/Alaska Native	9	1	11.1%	5	0	0.0%
Hawaiian	8	0	0.0%	5	0	0.0%
White	1,443	106	7.3%	887	45	5.1%
Hispanic*	68	5	7.4%	41	5	12.2%
Not Provided	685	47	6.9%	152	13	8.6%
Asian	44	2	4.5%	30	4	13.3%

* Hispanic ethnicity is counted independently of race.

OBSERVATION: Blacks were more than twice as likely as Whites to be denied mortgage financing. The loan denial rate for Black households was 11.2% in 2008 compared to 5.1% among Whites.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the highest denial rates, and denial rates remained consistently low for White households.

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 28.6% of all denials in 2007, though they accounted for only 16.2% of total applications. In 2008, lower income households comprised 35.3% of all denials and only 20% of all applications.

Figure 8-28
Denials by Income

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	507	85	16.8%	361	41	11.4%
At least 80% MFI	2,313	205	8.9%	1,447	75	5.2%
Total	3,130	297	9.5%	1,809	116	6.4%

Note: Total includes applications for which no income data was reported.

Of the 116 applications that were denied by area lending institutions, 114 reported household incomes. For this analysis, lower-income households included households with incomes between 0%-80% of the City MHI, while upper-income households included households with incomes above 80%

MHI. In the City of Suffolk, 35.3%, 41 applications, of loan applications denied in 2008 were submitted by lower-income households. The following tables show that denial rates are higher among minority households.

Figure 8-29
Denials by Race for Lower income Applicants

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	189	39	20.6%	131	19	14.5%
White	250	33	13.2%	182	18	9.9%
Asian	3	1	33.3%	2	0	0.0%
Hawaiian	0	0	-	1	0	0.0%
Am. Indian/Alaska Native	0	0	-	1	0	0.0%
Not Provided	41	12	29.3%	24	4	16.7%
Not Applicable	24	0	0.0%	20	0	0.0%
Hispanic*	21	3	14.3%	8	0	0.0%
Total	**507**	**85**	**16.8%**	**361**	**41**	**11.4%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 43.9% were applications submitted by White households and 46.3% were applications submitted by Black households. The denial rate for Black households (14.5%) was significantly higher than for White households (9.9%). No racial information was provided for 9.8% of these applications.

Figure 8-30
Denials by Race for Upper income Applicants

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	718	97	13.5%	344	34	9.9%
White	1,162	72	6.2%	705	27	3.8%
Asian	35	1	2.9%	28	4	14.3%
Hawaiian	8	0	0.0%	4	0	0.0%
Am. Indian/Alaska Native	7	1	14.3%	4	0	0.0%
Not Provided	257	34	13.2%	128	9	7.0%
Not Applicable	126	0	0.0%	235	1	0.4%
Hispanic*	336	2	0.6%	33	5	15.2%
Total	**2,313**	**205**	**8.9%**	**1,448**	**75**	**5.2%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper-income households, denial rates were lower for upper-income households compared to lower income households. Of the upper-income applications that were denied, 36.0% were submitted by White households. No racial information was provided for 12.0% of these applications. It should be noted that Black upper-income households had a denial rate of 9.9%, more than twice the 3.8% denial rate for White upper-income households.

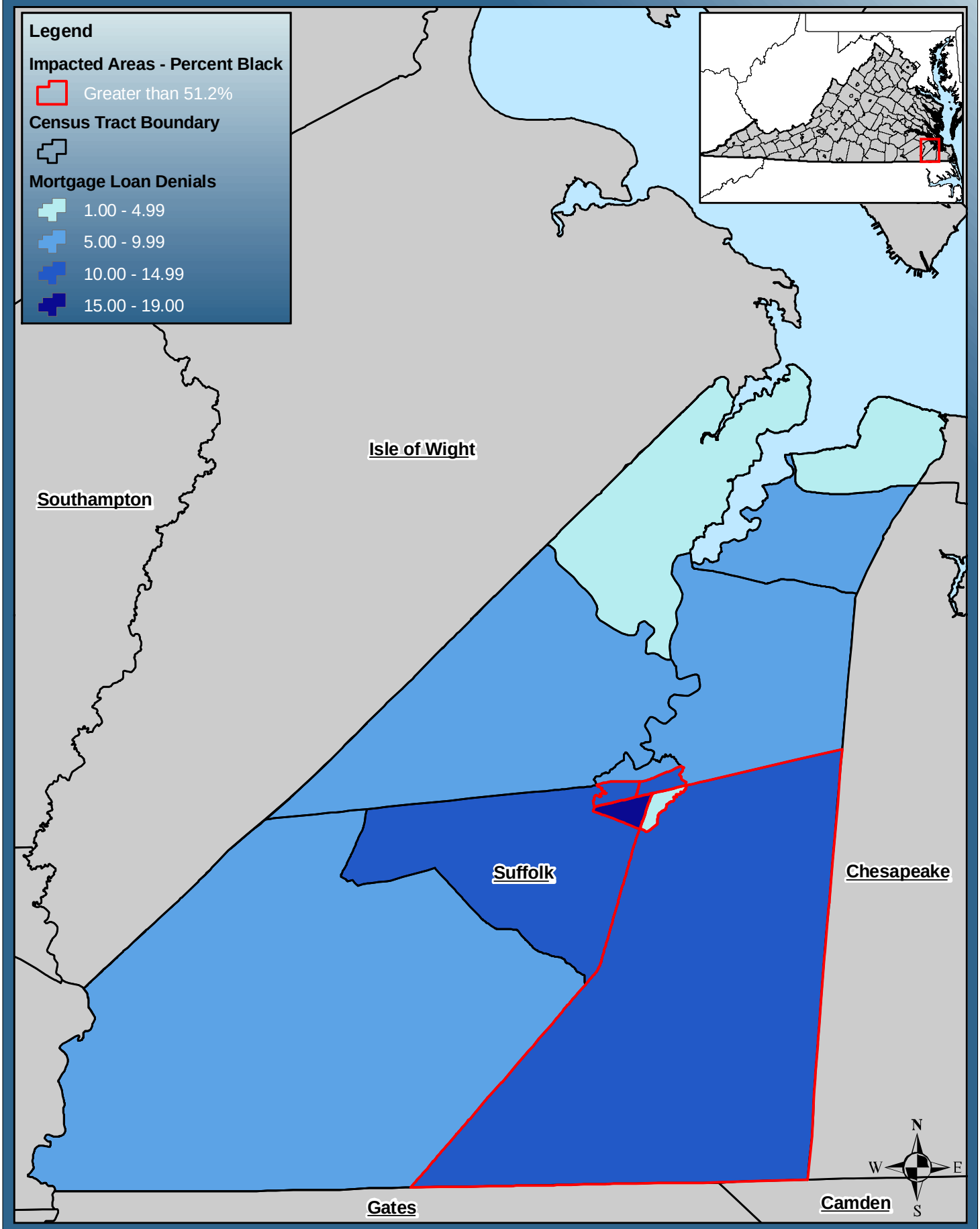
OBSERVATION: Black upper income households had a mortgage denial rate of 9.9% in 2008, which was more than double the 3.8% denial rate for White upper income households. While this fact alone does not imply an impediment to fair housing choice, it does create a need for further analysis of financial lending practices as these patterns are consistent with discrimination.

The 2008 HMDA data for the City of Suffolk was analyzed to determine if a pattern of loan denials exists by census tract. Map 8-5 on the following page illustrates the location of higher rates of mortgage loans denials. Of the five areas of concentration in the City, four had denial rates that were more than twice that of the City overall.

OBSERVATION: There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

Map 8-5: Percentage of Mortgage Loan Denials in Suffolk, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



ii. High-Cost Lending Practices

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. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

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, the latest year for which HMDA data is available, there were 950 home purchase loans for single-family or manufactured units in the City of Suffolk. Of this total, 946 disclosed the borrower's household income and 46 reported high-cost mortgages.

An analysis of loans in the City of Suffolk by race and ethnicity reveals that lower income minorities are overrepresented in high-cost lending. Of the 70 loans originated for lower-income minorities, 6 (8.6%) were high-cost, slightly exceeding the 8.3% rate for lower-income White households.

Of the 203 loans originated for upper-income minorities, 16 (7.9%) were high-cost, significantly exceeding the 2.5% rate for upper-income White households.

Figure 8-31
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	0	0	-	2	0	0.0%
	Asian	0	0	-	19	1	5.3%
	Black	92	19	20.7%	380	73	19.2%
	Hawaiian	0	0	-	7	0	0.0%
	White	139	16	11.5%	758	58	7.7%
	No information/NA	19	4	21.1%	147	17	11.6%
	Hispanic*	10	2	20.0%	36	6	16.7%
	Total	**250**	**39**	**15.6%**	**1,313**	**149**	**11.3%**
2008	Am. Indian/Alaska Native	1	0	0.0%	2	0	0.0%
	Asian	1	1	100.0%	12	1	8.3%
	Black	68	5	7.4%	186	15	8.1%
	Hawaiian	0	0	-	3	0	0.0%
	White	109	9	8.3%	481	12	2.5%
	No information/NA	12	1	8.3%	75	2	2.7%
	Hispanic*	2	0	0.0%	22	1	4.5%
	Total	**191**	**16**	**8.4%**	**759**	**30**	**4.0%**
Two-Year Totals		**441**	**55**	**12.5%**	**2,072**	**179**	**8.6%**

Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

Notably, the percentage of high-cost originations increased each year, along with the total number of originations.

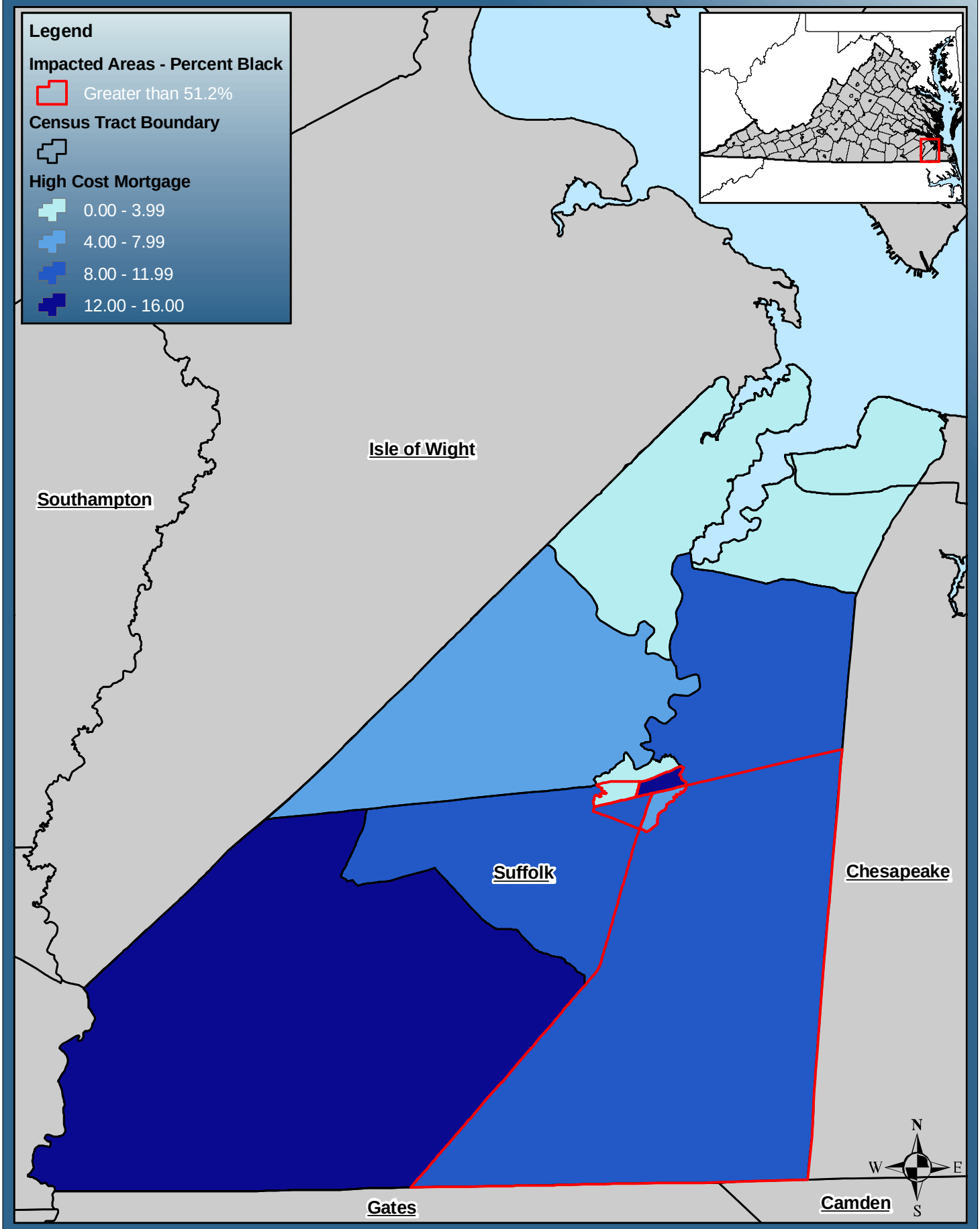
OBSERVATION: Minority households are disproportionately represented in high-cost lending. Of the 70 loans originated for lower-income minorities, 8.6% were high-cost compared to 8.3% among lower-income White households. Of the 203 loans originated for upper-income minority households, 7.9% were high-cost compared to 2.5% among upper-income White households.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 8-6 on the following page highlights census tracts in Suffolk with a high-cost loan percentage of at least 10% in 2008. Two of the three tracts were also areas of minority concentration.

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Map 8-6: Percentage of High-Cost Mortgage Loans in Suffolk, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



D. Review of Public Sector Practices

The analysis of impediments is a review of impediments 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.

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

i. Public Housing

Suffolk Redevelopment and Housing Authority (SRHA) successfully manages 466 units of public housing for families, elderly, and disabled individuals throughout the City. These units include: Cypress Manor Apartments, Parker Riddick Village, Hoffler Apartments, Colander Bishop Meadows, and Chorey Park Apartments. Chorey Park is designated for elderly residents and persons with disabilities.

Families with children comprise the majority of the 442 residents (54.1%) in SRHA public housing communities. Individuals and families account for over one quarter of residents (27.8%), while elderly households comprise 18.1%. The vast majority of residents (91.8%) are Black.

Of the 297 applicants on the waiting list for public housing, more than half (53.2%) are individuals or families with disabilities. Families with children account for 40.1% of the waiting list applicants. Almost 94% of the applicants are Black.

Figure 8-32
Characteristics of Public Housing Households and Waiting List Applicants, 2009

	Current Residents		Waiting List	
	# of Households	%	# of Households	%
Total Households	**442**	**100.0%**	**297**	**100.0%**
Extremely Low Income (<30% MFI)	422	95.5%	278	93.6%
Very Low Income (>30% but <50% MFI)	16	3.6%	19	6.4%
Low Income(>50% but <80 % MFI)	4	0.9%	0	0.0%
Families with Children	239	54.1%	119	40.1%
Elderly Households (1 or 2 persons)	80	18.1%	20	6.7%
Individuals/Families with Disabilities	123	27.8%	158	53.2%
Black Households	406	91.9%	279	93.9%
White Households	32	7.2%	16	5.4%
Asian Households	4	0.9%	2	0.7%
Other Race of Households	0	0.0%	0	0.0%
Characteristics by Bedroom Size				
1 Bedroom	139	31.4%	96	32.3%
2 Bedroom	178	40.3%	127	42.8%
3 Bedroom	110	24.9%	73	24.6%
4 Bedroom	15	3.4%	1	0.3%
5 Bedroom	0	0.0%	0	0.0%

Note: Percentage may not equal 100% due to rounding and overlap among household types
Source: Suffolk Redevelopment and Housing Authority

SRHA also administers the Housing Choice Voucher Program for the City of Suffolk. SRHA currently administers 809 Housing Choice Vouchers on behalf of HUD. Of the 706 tenant-based vouchers, 74.9% are families with children, and 17.0% are elderly households. Individuals or families with disabilities comprise 8.1% of the current voucher holders. Black residents account for 96.0% of the voucher holders. SRHA reports a 98% occupancy rate in its public housing communities.

The waiting list for Section 8 vouchers is almost entirely comprised of families with children. This population accounts for 374 of the 387 applicants, or 96.6%. Black applicants are disproportionately representing on the waiting list.

OBSERVATION: Black households are disproportionately represented among public housing and Section 8 tenants. This indicates limited affordable housing choice for Blacks in Suffolk.

Figure 8-33
Characteristics of Section 8 HCV Households and Waiting List Applicants, 2009

	Current Voucher Holders		Waiting List	
	# of Households	%	# of Households	%
Total Households	**706**	**100.0%**	**387**	**100.0%**
Extremely Low Income (<30% MFI)	457	64.7%	373	96.4%
Very Low Income (>30% but <50% MFI)	171	24.2%	14	3.6%
Low Income(>50% but <80 % MFI)	78	11.0%	0	0.0%
Families with Children	529	74.9%	374	96.6%
Elderly Households (1 or 2 persons)	120	17.0%	4	1.0%
Individuals/Families with Disabilities	57	8.1%	9	2.3%
Black Households	678	96.0%	367	94.8%
White Households	28	4.0%	14	3.6%
Asian Households	0	0.0%	0	0.0%
Other Race of Households	0	0.0%	6	1.6%
Characteristics by Bedroom Size				
0 Bedroom	0	0.0%	1	0.3%
1 Bedroom	142	20.1%	49	12.7%
2 Bedroom	206	29.2%	153	39.5%
3 Bedroom	235	33.3%	130	33.6%
4 Bedroom	66	9.3%	46	11.9%
5+ Bedroom	14	2.0%	8	2.1%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Source: Suffolk Redevelopment and Housing Authority

SRHA's five public housing communities are located in distinct neighborhoods, and are within two square miles of downtown Suffolk. As of November 2009, the highest demand is among applicants for a one-bedroom apartment, in particular elderly families and families with disabilities. SRHA policy allows applicants to reject up to three units before being removed from the waiting list.

Public housing assistance has been a lifeline for families with disabilities in Suffolk. Of the 442 families in SRHA's five public housing communities, over one-quarter are families with disabilities. Additionally, families with disabilities account for over half of the applicants for public house. Section 8 Housing Choice Vouchers, on the other hand, are less commonly used among families with disabilities. Less than 10% of Section 8 voucher holders are families with disabilities, and only nine families with disabilities are on the waiting list.

SRHA routinely conducts a Section 504 Needs Assessment and Transition Plan and has worked to ensure its communities are accessible. SRHA currently has plans to demolish two of its older communities, Cypress Manor and Parker Riddick. The Authority has renovated a number of its units to be more accessible for disabled residents.

For Section 8 voucher holders seeking accessible housing, SRHA works with local non-profits and landlords to expand the accessible and affordable housing options in the City. The Authority has partnered with Habitat for Humanity to promote "Ramps Across America," which provides assistance in building ramps for the mobility impaired. SRHA also offers educational

briefings for landlords about accessibility. Lastly, the Authority can boost the payment standard for families with disabilities, making accessible housing more affordable.

Section 8 vouchers are more commonly used by families with children. Over twice as many families with children utilize Section 8 vouchers than public housing (529 families compared to 239). In particular, larger families have greater options among Section 8 housing units. While only 15 public housing units have four or more bedrooms, 80 Section 8 voucher holders are living in units of this size. Section 8 voucher holders can live anywhere in the City, and settlement patterns among voucher holders tend to follow economic circumstances rather than racial concentrations. Although some traditionally segregated enclaves still exist, new developments in the City have fostered more diverse neighborhoods.

Map 8-7 on the following page illustrates the geographic distribution of SRHA voucher holders. The majority of voucher holders are clustered in the urban center of the City. The remainder of households are scattered in mostly non-impacted census tracts City, in particular in the areas north of Downtown towards the Chesapeake Bay.

SRHA encourages program participation among landlords outside areas of poverty and minority concentration. The Authority periodically evaluates the demographics distribution of voucher holders to identify areas in the City where landlord outreach should be targeted.

Residents who receive Section 8 vouchers from SRHA have the option to find housing in Suffolk or anywhere in the US. To assist residents wishing to leave the City, SRHA provides contact information for other Hampton Roads housing authorities, and contacts the appropriate housing authority to ensure they are able to accept the resident.

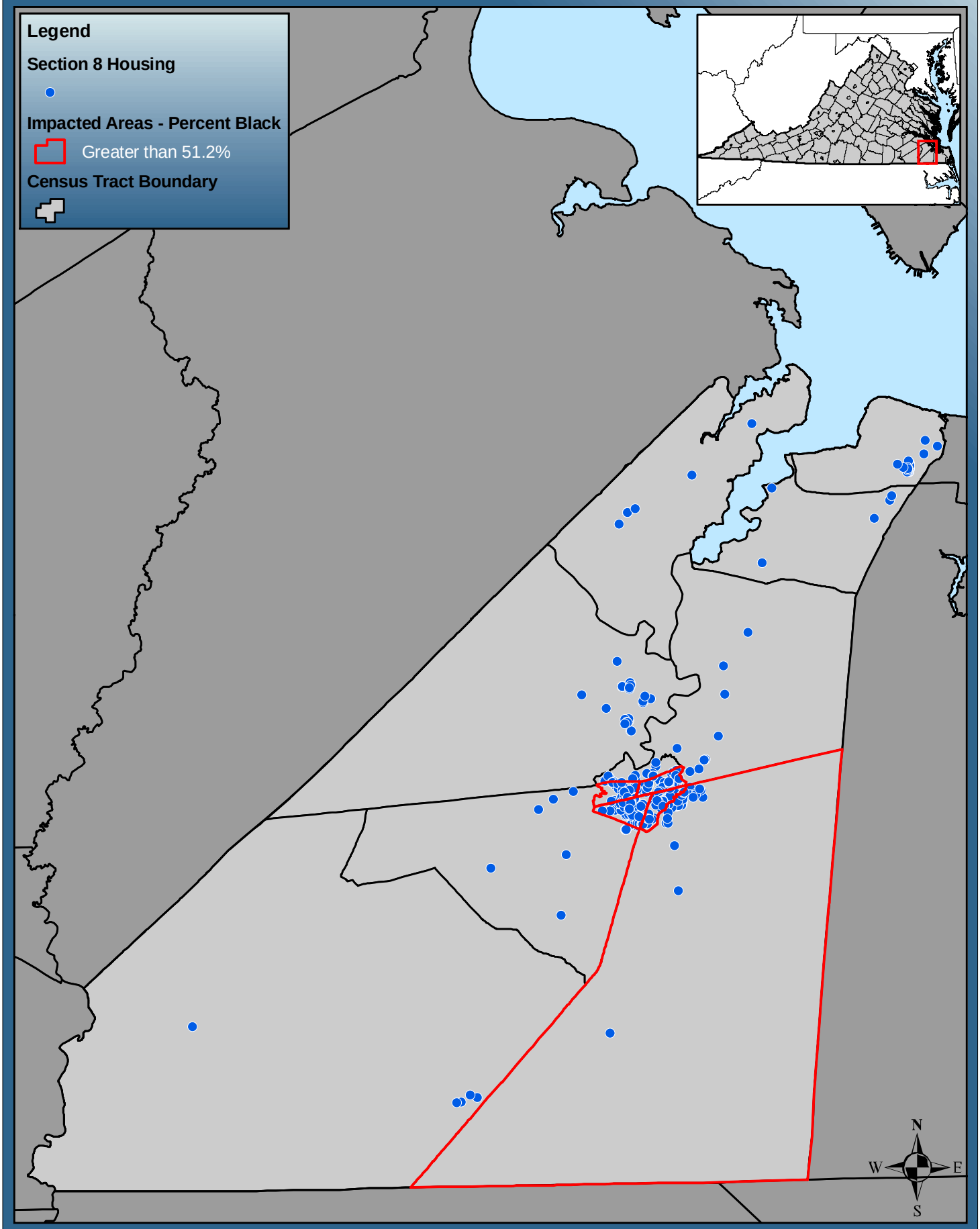
Two policy documents utilized by SRHA were reviewed for this analysis. A summary of the reviews of the administrative plans for both public housing and the Section 8 Housing Choice Voucher Program are included below.

a. Public Housing Admissions and Continued Occupancy Plan (ACOP)

It is the policy of SRHA to comply fully with all Federal, State, and local laws relating to civil rights. SRHA will not discriminate because of race, color, sex, religion, familial status, disability, or national origin, in the leasing and rental of housing or related facilities. SRHA also will not automatically deny admission to its programs to a particular group or category of otherwise qualified applicants e.g., families with children born to unmarried parents, elderly families with pets.

Map 8-7: Location of Households Assisted with Section 8 Vouchers, 2011

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



SRHA's policies provide assurances that all persons with disabilities will be provided reasonable accommodation so that they may fully access and utilize its housing programs and related services. The availability of specific accommodations will be made known by including notices on all forms and letters to all families. Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability. This includes an advocate or accessible offices. A designee will be allowed to provide some information, but only with the permission of the person with the disability. All mailings will be made available in an accessible format upon request, as a reasonable accommodation. All requests for accommodation or modification of a unit will be verified with a reliable, knowledgeable professional.

In determining whether it is feasible to translate documents into other languages, SRHA considers the following factors: the number of applicants and participants who do not speak English and speak another language and the availability of organizations to translate documents, letters and forms for non-English speaking families.

Chapter 2 states that an applicant for public housing must qualify as a family. HUD defines a family as a single person or a group of persons including elderly, disabled, and displaced families and persons living with one or more live-in aides. Each family 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. The temporary absence of a child from the home due to placement in foster care will not be considered by SRHA in determining the family composition and family size.

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

Families who wish to apply for any of SRHA's programs must complete a written application form when application-taking is open. Individuals who have a physical impairment that would prevent them from making the application in person can make special arrangements to complete their application. Upon request from a person with a disability, additional time will be given as an accommodation for submission of an application after the closing deadline.

Chapter 4 of the Admin Plan explains SRHA's admission policies and procedures for the management of the public housing waiting list. SRHA's local preferences are used to select among applicants on the waiting list. SRHA uses the following system to apply ranking preferences.

- Local Preference #1: Residency Preference or Disabled Preference - 10 points
- Local Preferences #2: Working Income Preference: This preference is extended to elderly families or families whose head of household or spouse is receiving income based on their inability to work. – 7 points
- Local Preference # 3: Additional Working Preference: This preference is available for families with at least one adult member who is employed and has been employed for less than 12 months - 5 points
- Local Preference #4: Additional Working Family Member Preference: Families with two (2) adult member employed incomes will receive an extra 5 points
- Local Preference #5: Substandard Housing Preference: Families who live in substandard housing which has been declared unfit for habitation by a government agency -7 points

Families are selected from a citywide waiting list based on selection preference(s) for which they qualify. Applicants will be in sequence based upon date and time the application is received, the size and type of unit required, and factors of preference or priority. In filling an actual or expected vacancy, SRHA will offer the dwelling to an applicant needing that size and type of unit in that type of project, and make the offer in sequence until someone accepts it.

Chapter 8 states that when an applicant rejects generally two final offers, they are removed from the waiting list and must reapply.

SRHA's pet policy in Chapter 10 states that residents must comply with the dwelling lease, which requires that no animals or pets, other than fish, birds, small pets such as hamsters are permitted on the premises. This does not apply to animals that are used to assist persons with disabilities. Nothing in the policy or the dwelling lease limits or impairs the right of persons with disabilities to own service animals.

Chapter 13 describes the policies to be used when families disagree with a SRHA decision. It is the policy of SRHA to ensure that all families have the benefit of all protections due to them under the law. Applicants who are determined ineligible are given written notification promptly, including the reason for the determination and an opportunity for an informal hearing is offered. Any request for an informal hearing must be in writing within seven days and SRHA will provide the hearing date within seven days of receiving the request.

If the mitigating circumstances are claimed by an applicant that relate to a change in disability, medical condition or course of treatment, SRHA will refer such information to persons who are qualified and knowledgeable to evaluate the evidence and to verify the mitigating circumstance. Such inquiries will be limited to the information necessary to verify mitigating

circumstances or, in the case of a person with disabilities, to verify a reasonable accommodation.

Grievances or appeals concerning the obligations of the tenant or SRHA under the provisions of the lease are processed and resolved in accordance with the Grievance Procedure manual in accordance with HUD rules and regulations.

b. Section 8 HCV Administrative Plan (Revised 2009)

Chapter 1 section 2-I.A and B. includes its non-discrimination policy. The list of protected classes includes race, color, sex, religion, familial status, age, disability, or national origin. SRHA also will not discriminate on the basis of marital status or sexual orientation. The Authority strives to fully comply with all federal, state, and local non-discrimination laws and rules and regulations governing fair housing and equal opportunity in housing and employment.

As a matter of policy, SRHA asks all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action with the following language: "If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

Chapter 1 also states that SRHA's policy encourages a family with a disability to make its request in writing using a reasonable accommodation request. However, SRHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted. SRHA will respond to the request within ten business days. If the request is denied because it would impose an undue financial and administrative burden or fundamentally alter the nature of SRHA's operations, discussions are held with the family to try to identify alternative methods to accommodate. If no resolution is found, SRHA will notify the family in writing of its decision.

In applying for participation in the HCV program, a disabled person may request alternate formats or methods of delivery of the necessary information.

All persons wishing to apply for HCV program are asked to submit a pre-application in written format. To accommodate persons will disabilities, this form can be mailed out to the applicant and the initial interview can be conducted in the home if necessary.

SRHA's policy is to provide written translations of vital documents for each eligible limited English proficiency (LEP) language group that constitutes 5% or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally or if there are fewer than 50 persons in a language group that reaches the 5% trigger, SRHA will not

translate but instead provide written notice in the primary language of the group of the right to receive competent oral interpretation of those written materials, free of cost.

Additionally, if SRHA determines it is appropriate to develop a written LEP plan, it will do so with assistance from entities that have significant contact with the group(s) in question.

Since HUD dictates that only families are eligible for HCV assistance, Chapter 3-IB. of the Admin plan defines family in SRHA's HCV program. HUD's definition of a family includes a family 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.

Additionally, SRHA adds as a family two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual's income and other resources will be available to meet the needs of the family.

Each family 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.

A disabled person can be given additional time in applying for the program after the deadline, if requested. The information may also be completed by a staff person on a home visit if necessary for persons with disabilities.

SRHA has information regarding the Violence against Women Reauthorization Act of 2005 (VAWA) in its offices and on its website. If SRHA denies admission to the applicant family of such a victim, included in the denial will be a statement of the protection against denial provided by VAWA, its confidentiality requirements, and a request that if the applicant wishes to claim this protection, they should submit documentation and a request for an informal review.

A family is eligible for HCV assistance only if at least one member is a citizen, national, or eligible noncitizen of the United States. HCV assistance is then pro-rated. A hearing may be requested by the family if they contest this determination.

Chapter 4 discusses outreach efforts by SRHA to comply with fair housing requirements. A policy to monitor the characteristics of the population being served and the characteristics of the population as a whole in the City of Suffolk is made. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

Only a family with disabled member will be permitted to use an HCV voucher for any special housing types such as SRO, group home, cooperative housing, etc.

When vouchers are available, families are selected from a single waiting list in their determined sequence, regardless of family size, subject to HUD's extremely low income targeting requirements of 75%, which will be monitored throughout the fiscal year.

SRHA purges its waiting list twice a year through a response-requested mailing. If an extension is requested as a reasonable accommodation for a person with a disability, an extension of 30 days is granted.

Chapter 10 includes the SRHA policy to require a 12-month residency within the City of Suffolk after receiving an HCV voucher before requesting portability if neither the head of household nor the spouse of an applicant family had a legal residence in the City at the time of application submittal. For a disabled person as a reasonable accommodation even if he/she does not live in the City at the time of application, an exception may be made by SRHA.

Chapter 13 contains the SRHA policy that it will conduct and monitor for effectiveness owner outreach to ensure owners are familiar with the program and its advantages as well as actively recruit owners with property outside areas of poverty and minority concentration. Strategies include distribution of printed material; contacting by phone and in person; holding recruitment meetings once a year; and developing working relationships with owners, real estate brokers and community based organizations.

Chapter 16 states that SRHA may approve a higher payment standard for a family upon request, as an accommodation for a person with a disability. The family must document the need for the exception. In order to approve an exception, or request an exception from HUD, SRHA will determine that a shortage of affordable units that would be appropriate for the family exists; that the family's contribution would be higher than 40% of adjusted monthly income; and, the rent for the unit is reasonable.

Chapter 16 also 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. A request for an informal hearing must be made in writing and delivered in person or by first class mail within 10 days of the action. A family may request to reschedule a hearing if it is for good cause or if needed as a reasonable accommodation for a person with disabilities.

When applicants with disabilities are denied assistance, the notice of denial must inform them of the informal review process and their right to request a hearing. A disabled person may have an advocate at an informal review and hearing as a reasonable accommodation.

When reviewing reasonable accommodation requests, SRHA considers whether any mitigating circumstances can be verified to explain and overcome the problem than led to the decision to deny or terminate assistance.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Suffolk's federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

All of Suffolk's entitlement-funded projects are designed and administered to benefit low- and moderate-income residents and neighborhoods. In every area targeted for rehabilitation or redevelopment, the population is comprised of at least 51% persons of low or moderate income levels. Moreover, the City expends, at a minimum, 70% of its CDBG entitlements to benefit low- and moderate-income persons. Information on program impact by race and ethnicity was reported in the CAPER on a program-by-program basis, but is not aggregated to provide a summary.

In FY 2007-08, Suffolk received entitlements in the approximate amounts of $570,000 (CDBG) and $492,000 (HOME). Since then, the City's allocations have increased to approximately $604,000 (CDBG) and $543,000 (HOME). The following objectives describe program direction reported by the City of

Suffolk to HUD in its Consolidated Annual Performance and Evaluation Report (CAPER) for program year 2007-08 and the Five-Year Consolidated Plan for 2005-2010. Only federally funded housing activities which the City reported to HUD as completed are included. For the five-year period of the CP, the City established the following housing objectives, in addition to its community and economic development, non-homeless special needs and homelessness objectives:

1. Objective 1: Housing rehabilitation and construction
   - Use CDBG funds to establish an Emergency Home Repair Program
   - Continue to use HOME funds to rehabilitate or construct 20 affordable owner units for low/moderate-income (LMI) households
   - Western Tidewater HOME Consortium will rehabilitate or reconstruct 45 units for LMI households
2. Objective 2: Direct homebuyer assistance
   - Use HOME funds to provide direct assistance to 20 first-time homebuyers in Suffolk and a total of 80 in the Consortium jurisdiction
3. Objective 3: Removal of blighted housing units
   - Identify and demolish 20 blighted housing units
4. Objective 4: Streamline housing waiting procedures
   - Use Community Development and Housing personnel to consistently purge all housing waiting lists to ensure efficient program implementation.
5. Objective 6: Fairgrounds community revitalization
   - Use CDBG and Section 108 loan funds to complete general infrastructural installments necessary to facilitate the provision of approximately 150 new affordable housing units

The City, as a CDBG entitlement and a member of the Western Tidewater HOME Consortium, adheres to affirmative marketing practices in order to maximize the participation of M/WBEs as program vendors and low- and moderate-income households as program participants. An affirmative marketing plan was included in the 2005-2010 Consolidated Plan and includes provisions requiring:

- Efforts to notify underserved populations, special populations and very-low-, low- and moderate-income populations
- Promotional materials and program activities to be inclusive
- Promotional materials to be translated into other languages, when possible, to reach eligible applicants for whom English is a second language
- No applicant shall be denied assistance based upon race, color, creed, religion, national origin, sex, marital status, age or disability.

OBSERVATION: The City's priority to invest its entitlement funds in LMI areas will, in effect, create a better quality of life for members of the protected classes who are concentrated in impacted neighborhoods. However, the City's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice of members of the protected classes.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

a. Planning Committee

The Suffolk Planning Committee is comprised of eight members, appointed by the City Council to advise on all phases of city planning. Members provide guidance and recommendations on the preparation and maintenance of the City's Comprehensive Plan and on matters related to rezoning, conditional use permits, subdivision approvals, and other related planning issues.

Of the eight appointed members, three are Black and five are White. All members are male. None of the member indicated a disability, and one lives in a household with children under the age of 18.

b. Board of Zoning Appeals

The Suffolk Board of Zoning Appeals (BZA) is responsible for hearing and deciding upon appeals against decisions made by the Zoning Administrator regarding the administration or enforcement of the City's Zoning Ordinance. The BZA also reviews applications for variance requests to the Zoning Ordinance, special exceptions, and map interpretations.

The BZA is comprised of five members and two alternate members appointed by the the Circuit Court of the City of Suffolk. Of the seven appointed members, two are Black and five are White. Two members are female and five are male.

Of the 15 members on the Planning Committee and BZA, 33.3% are Black and 13.3% are female. Racially, this is similar to the City, where Black residents comprise 41.2% of the population. However, females are underrepresented in these appointed bodies.

iv. Language Access Plan for Persons with Limited English Proficiency

The City of Suffolk does not currently have a Language Access Plan (LAP) to enhance services offered to persons with LEP. As stated previously, no language group has more than 1,000 native speakers that speak English less than "very well." At this time, an LAP is not necessary, but the City should re-evaluate this trend when 2010 census is available.

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Suffolk was reviewed as part of this analysis. The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

In 1999 the City of Suffolk enacted a Unified Development Ordinance which incorporates all zoning, subdivision and other land development regulations into one comprehensive ordinance. The UDO has been amended through 2010.

b. Residential Zoning Districts and 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 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 10,000 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.

The Zoning Article (within the UDO) establishes seven distinct residential districts. There is also an agricultural district where residential units are permitted. Single-family detached dwellings are permitted in all seven of the residential zoning districts in addition to the agricultural zoning district. Minimum lot sizes for single-family dwellings vary from up to three acres to as small as 4,000 square feet. One of the residential districts and the agricultural district requires a minimum of one acre. Within the City's rural estate zoning district where the minimum lot size is three acres, the Zoning Article indicates that the purpose of the district is to provide a low density residential area within the drinking water watersheds. One-acre lots are required to preserve valuable agricultural areas and to encourage the continuation of low density rural use of non-prime agricultural lands.

There is an urban residential zoning district where a variety of housing types are permitted including garden apartments, quadruplexes, single-family attached and detached, townhouses, triplexes, two-families, and multi-family apartments. Minimum lot size in the urban residential district is 4,000 square feet with a maximum permitted density of about 11 units per acre.

The Zoning Article allows dwellings located above the ground floor of an institutional, civic, office, commercial or retail use in some of the primarily commercial zoning districts. The combination of the residential and non-residential uses in the same zoning district potentially supports the creation of housing among uses with jobs.

The City of Suffolk covers a diverse and large land area. While in some of the residential districts the Zoning Article prescribes large minimum lot sizes, there is a balance with districts where smaller minimum lot sizes and higher densities are permitted in recognition of the size and diversity of the City.

The lot sizes and densities established by the City are varied with opportunities for small lots accommodating a variety of households.

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 Zoning Article has an Affordable Dwelling Unit provision. The regulations allow for density increases or reductions or waivers of permit, development, and infrastructure fees if the applicant consents to a voluntary and enforceable condition in which a specified percentage of the developable density of the site is reserved for affordable dwelling units. The Affordable Dwelling Unit regulations are available to applicants with 50 or more units at an equivalent density greater than one unit per acre. Because of the relationship between low income households and members of the protected classes, the Affordable Dwelling Unit regulations may be useful in expanding housing choice for members of the protected classes in Suffolk.

d. Permitted Residential Types

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.

The Zoning Article permits an assortment of residential types. Permitted residential types include single-family attached and detached, garden apartments, quadruplexes, , townhouses, triplexes, two-families, and multi-family apartments.

The Zoning Article defines a “dwelling” as “a single unit providing complete, independent living facilities for one family, including permanent provisions for living, sleeping, eating, cooking and sanitation.” As defined by the Zoning Article, a “dwelling unit” is “a structure or part of a structure containing sleeping, kitchen, and bathroom facilities that is suitable for occupancy as a home or residence by one or more persons.”

The Zoning Article defines “manufactured home” or “manufactured housing” as “a manufactured structure designed for residential occupancy that

conforms to the HUD Code. Construction and safety certification shall be affixed in the original and permanent condition and shall not be removed."

Manufactured homes are limited to the City's agricultural district where residential uses require a minimum of one acre. While providing a definition for a manufactured home that excludes its use as a single-family detached dwelling permitted anywhere that a stick-built unit is permitted does not specifically impede housing choice by members of the protected classes, the restriction may limit its use as a lower cost housing option. Because there is a relation between low income households and members of the protected classes, restricting a low cost housing option may disproportionally impact members of the protected classes. Land in rural areas of Suffolk zoned for agricultural use, however, is less expensive on a per-acre basis than in the more developed portions of the community. The cheaper land may help to balance the larger lot area requirement.

OBSERVATION: The City's zoning ordinance limits manufactured housing units to agricultural zoning districts. This restrictive provision may limit an affordable housing option for lower income households.

The Zoning Article defines a "manufactured home land lease community." The use is defined as "a parcel of land with necessary improvements and utilities which is designed to accommodate two or more manufactured homes on individual spaces but without transfer of title to such spaces … often referred to as a 'Manufactured Home Park.'" The Zoning Article does not, however, indicate where the use is permitted or if there are any specific conditions required to site the use in the City. Recognizing the potential of a manufactured home subdivision to support expanded housing choice by low income households, the Zoning Article should identify where the use is permitted.

OBSERVATION: The City's zoning ordinance should clarify where manufactured home parks are permitted in Suffolk. Encouraging this type of affordable housing development is one way to promote expanded housing choice.

The Zoning Article does permit accessory dwelling units as a conditional use in the primary residential zoning districts in the City. As defined, an "accessory dwelling" is "a separate and complete housekeeping unit that provides complete living, sleeping, sanitation, eating, and cooking facilities, which is detached from and located outside of a primary residence but is clearly secondary to a primary single-family dwelling located on the same lot." An accessory dwelling unit is an opportunity to provide a smaller and,

therefore likely, a more affordable housing type in the City. A condition for the use is that the apartment shall not be offered to the general public for rental purposes.

The Zoning Ordinance defines a "modular dwelling" as "a type of single-family detached dwelling unit which is constructed in units which are movable, but not designed for regular transportation on highways, and which are designed to be constructed on and supported by a permanent foundation and not by a chassis permanently attached to the structure and which meet the requirements of the Virginia Uniform Statewide Building Code." Modular homes, which are often another low-cost housing option, may be sited in the same manner as single-family stick-built units.

e. Definition of Family

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 impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

The Zoning Ordinance defines "family" as "an individual, or two or more persons related by blood, marriage or adoption, or a group of not more than four unrelated persons, occupying a single dwelling unit. For purposes of single-family residential occupancy, this term shall be deemed to encompass the residents of group homes or other residential facilities licensed by the Department of Mental Health, Intellectual Disability and Substance Abuse Services or the Department of Social Services occupied by not more than eight persons with mental illness, intellectual disability, development disabilities, or elderly or handicapped persons together with one or more resident counselors. Mental illness and developmental disability does not include current illegal use of or addiction to a controlled substance as defined in Section 54.1-3401, Code of Virginia or its successor regulations."

The narrowness of the definition, specifically the limiting of a family to not more than four unrelated persons, can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly the disabled. Because, however, of the exception for up to eight individuals in a licensed group home, the Zoning Article avoids discriminating against the disabled who are residing in group homes. The regulations do not provide for other exceptions for other non-traditional families.

f. 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. The restrictions, unless executed against all residential uses in the zoning district, are an impediment to the siting of group homes in violation of the Fair Housing Act.

The Zoning Ordinance defines group homes as "a residential facility in which more more than eight persons with intellectual disability, or developmental disabilities resident, with one or more resident counselors or other staff persons." Group homes are considered a single-family dwelling.

Group homes for the handicapped are permitted by-right in all of the residential districts with the only condition being that the use is licensed by the applicable State agency. By allowing the use throughout all the residential districts under the same standards as any other residential use, the Zoning Ordinance does not impede the siting of group homes for the disabled in the City.

E. Evaluation of Current Fair Housing Profile

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Chesapeake since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of four complaints had been filed by persons in Suffolk over an approximately five-year period. Two complaints were closed

because neither HUD nor DPOR had jurisdiction in the matters. Another case was closed administratively due to an uncooperative complainant. The last complaint resulted in "no violation" findings and was closed.

ii. Patterns and Trends in Fair Housing Complaints

It is not possible to determine any patterns or trends from the low number of fair housing complaints in Suffolk.

iii. Existence of Fair Housing Discrimination

The City of Suffolk is not involved in any fair housing discrimination lawsuits.

iv. Determination of Unlawful Segregation

The City of Suffolk is not involved in any current or pending suits.

F. Assessment of Current Fair Housing Programs and Activities

i. Progress since 2003 AI and Current Programs and Activities

Each year, the City of Suffolk structures its entitlement programs in such a way as to promote access to fair housing, primarily through addressing the impediments identified in the 2003 AI. The City's actions relevant to this aim, as reported by the City in the Consolidated Annual Performance and Evaluation Report (CAPER) for 2008-09, are as follows.

As an active participant in the Hampton Roads Community Housing Resources Board (HRCHRB), the City frames its fair housing activities within a larger regional framework, the most appropriate scale for the multi-jurisdictional nature of many of the factors that inhibit fair housing choice. HRCHRB is comprised of municipal community development professionals, public housing authority representatives and a variety of other private and nonprofit entities with an interest in fair housing. Through educational opportunities such as specialized training workshops for housing professionals, public campaigns and regularly scheduled meetings, HRCHRB continues to further fair housing in the region.

The 2003 AI noted that a major impediment to fair housing choice in Suffolk was an overlap in areas with concentrations of low-income households and those with large numbers of members of the protected class. The concentrations also coincide with the census tracts that contain the City's public housing units. Additionally, the report found a lack of affordable housing opportunities, especially for members of the protected class, who are disproportionately represented in the low-income population.

To address this concern, the City has continued to apply its entitlement funds to support the creation and improvement of housing in a variety of neighborhoods for low-income households, including adaptive modifications. According to data included in the CAPER, Suffolk has continued to assist

members of the protected classes to a greater degree than they are represented among the total population. The entitlement program has been an effective way to improve housing opportunities by expanding the supply of decent, affordable housing through the provision of rehabilitation assistance, including accessibility and habitability improvements for both owners and renters, and home ownership facilitation. The home ownership program includes an education component that addresses fair housing issues.

A lack of awareness and education about fair housing was also identified as an issue in the most recent AI. In addition to continued networking with communities and housing providers through HRCHRB, Suffolk has increased efforts to make households throughout the City aware of available fair housing services. Methods have included publishing information on the City website and at organizations that assist low-income households and members of the protected classes. This has complemented efforts to increase awareness of tenant rights and homeownership preparation among local public housing residents and voucher holders.

G. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following preliminary findings are noted. From these findings, the potential impediments to fair housing choice in Suffolk will be identified.

1. **Minorities, as a percentage of total population, have remained virtually unchanged since 1990.**

   The percentage of minorities has remained stable since 1990, increasing only a fraction from 45.3% to 45.4%. Blacks remain the largest minority group, comprising 90% of all minorities. The fastest-growing segment of minorities is among persons of "some other race," which grew 1,674% from 73 persons in 1990 to 1,295 in 2008.

2. **There are five areas of racial concentration in the City.**

   There are five census tracts in Suffolk that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 651, 653, 654, 655, and 756.

3. **Suffolk is a moderately segregated city as determined by dissimilarity indexing.**

   Achieving full integration among White persons and Black persons in the City would require that 52% of Black residents move to a different location within Suffolk. In addition to a White/Black index of 52.0, Suffolk has a White/Asian index of 40.2, a White/multi-race index of 37.4, and a White/Hispanic index of 39.1. These numbers indicate that these subpopulations are more integrated than Black residents.

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

Median household income among Blacks was equivalent to only 55% that of Whites in 2000, and poverty among Blacks was almost five times greater than among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 16.4% lived in poverty compared to only 9.3% of persons without a disability.

Female-headed households accounted for almost three-fourths of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

5. **Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.**

   Of the 15 low and moderate income census block groups in Suffolk, 11 are located within impacted areas of Black residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

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

   Blacks were more likely to be unemployed and had the highest unemployment rate in 2008 at 7.5% compared to 5% among males. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

7. **The City gained almost 14,000 new housing units between 1990 and 2008; however, only 4% of these units were constructed in areas of concentration of Black residents.**

   The majority of new residential development between 1990 and 2009 occurred in areas with lower percentages of minority residents. Only 4% of the new units were built in areas of racial concentration.

8. **Minorities are less likely to become home owners in Suffolk.**

   Lower household incomes among Blacks are reflected in similarly lower home ownership rates (54.9%) when compared to White households (85.2%).

9. **The affordable housing market is much tighter for members of the protected classes.**

   Minority households were much more likely to live in larger families than White households. For example, 100% of families of some other race and 84.4% of Hispanic families included three or more persons compared to 54.3% of White families. Blacks and Asians also lived in larger families. However, only 40.2% of the rental housing stock contains three or more bedrooms compared to 83.9% of the owner housing stock.

   Suffolk lost almost 1,200 of all housing units renting for less than $500 between 2000 and 2008. By comparison, units renting for $1,000 or more increased by more than 1,900 units.

Between January 2007 and June 2008, Suffolk had a foreclosure rate of 3.7%. Census tracts with the highest rates of foreclosure were also areas of concentration of Blacks and LMI persons.

Black households are disproportionately represented among public housing and Section 8 tenants. This indicates limited affordable housing choice for Black households in Suffolk.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Suffolk. This situation forces these individuals and households to double-up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

10. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2007 and 2008, Black households were denied mortgages at more than twice the rates for White Households. For example, in 2008 the denial rate for Blacks was 11.2% compared to 5.1% for Whites.

Black upper income households had a mortgage loan denial rate of 9.9% in 2008, which was more than double the 3.8% for White upper income households. While this fact alone does not imply an impediment to fair housing choice, it does create a need for further analysis of financial lending practices as these patterns are consistent with discrimination.

Minority households are disproportionately represented in high-cost lending. Of the 70 loans originated for lower-income minority households, 8.6% were high-cost compared to 8.3% among lower-income White households. Of the 203 loans originated for upper-income minority households, 7.9% were high-cost compared to 2.5% among upper-income White households.

There is a pattern of correlation between areas of concentration of Black residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

11. By focusing both community development initiatives and affordable housing in areas targeted for rehabilitation and revitalization, Suffolk has improved impacted areas, but also further concentrated lower-income minority residents.

The City's priority to improve impacted areas will, in effect, create a better quality of life for members of the protected classes. However, the City's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice of members of the protected classes.

12. The City's zoning ordinance could be more accommodating of members of the protected classes.

The zoning ordinance limits the placement of manufactured housing units to agricultural zoning districts. This restrictive provision may limit an affordable housing option for lower income households.

The ordinance should clarify where manufactured home parks are permitted in Suffolk. Encouraging this type of affordable housing development is one way to promote expanded housing choice.

H. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the City of Suffolk were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

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

With a dissimilarity index of 52.0, the City of Suffolk is a moderately segregated city in the Hampton Roads region. Although the City is implementing many programs and projects in a non-discriminatory manner, acknowledging that fair housing and civil rights enforcement are basic municipal services would foster a greater commitment to integration.

Proposed Action 1: Adopt a diversity policy that clearly states the City's commitment to integration. Such a policy should be a stand-alone document that incorporates a vision of diversity and the promise that the City of Suffolk will work to provide all persons and households with fair housing choice. The policy should then be integrated into all City programs and other policy documents such as the comprehensive plan, etc.

Proposed Action 2: Mitigating decades of segregated settlement patterns is a protracted, complicated and sometimes controversial undertaking, but is nonetheless a critical step in affirmatively furthering fair housing and realizing community goals of expanding housing choice to everyone. The most immediate and direct impact City government can have in this area is the location-conscious investment of funds in the development or redevelopment of housing. The City will need to strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas.

Proposed Action 3: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. There is a lack of housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. Housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

c. Minorities have comparatively low homeownership rates.

Minority households in Suffolk have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and residents in living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education), increasing lending, credit and banking services in LMI census tracts and minority census tracts, and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Suffolk.

d. The City's zoning ordinance could be more accommodating of members of the protected classes.

The zoning ordinance limits the placement of manufactured housing units to agricultural zoning districts. And, the ordinance should clarify where manufactured home parks are permitted in Suffolk.

Proposed Action: Amend the City's zoning ordinance to (1) permit manufactured housing units in other large lot zoning districts and (2) clarify where manufactured home parks are permitted,

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Suffolk, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Suffolk. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Suffolk.

Between January 2007 and June 2008, an estimated 783 foreclosure filings were recorded in the City, representing a rate of 3.7%. Three of the City's 13 census tracts had rates higher than 7.4%, or twice the City's overall rate. All of these tracts were areas of racial concentration.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

I. Signature Page for the City of Suffolk

By my signature I certify that the *Analysis of Impediments to Fair Housing Choice* for the City of Suffolk is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program.

_____

(Signature of Authorizing Official)

_____

Date

9. CITY OF VIRGINIA BEACH

A. Demographic Profile

i. Population Trends

The population of Virginia Beach has been steadily increasing, reaching 433,746 in 2008. Since 1990, the population has increased 10.3%, or by 40,677 persons. The racial composition has changed dramatically since 1990. Black, Asian, and Hispanic residents are moving into Virginia Beach while White households are leaving the community, although the out-migration appears to have stabilized since 2000.

Between 1990 and 2008, the total number of racial minority residents increased 70% from 76,661 to 130,355 persons.

Figure 9-1
Population Trends, 1990-2008

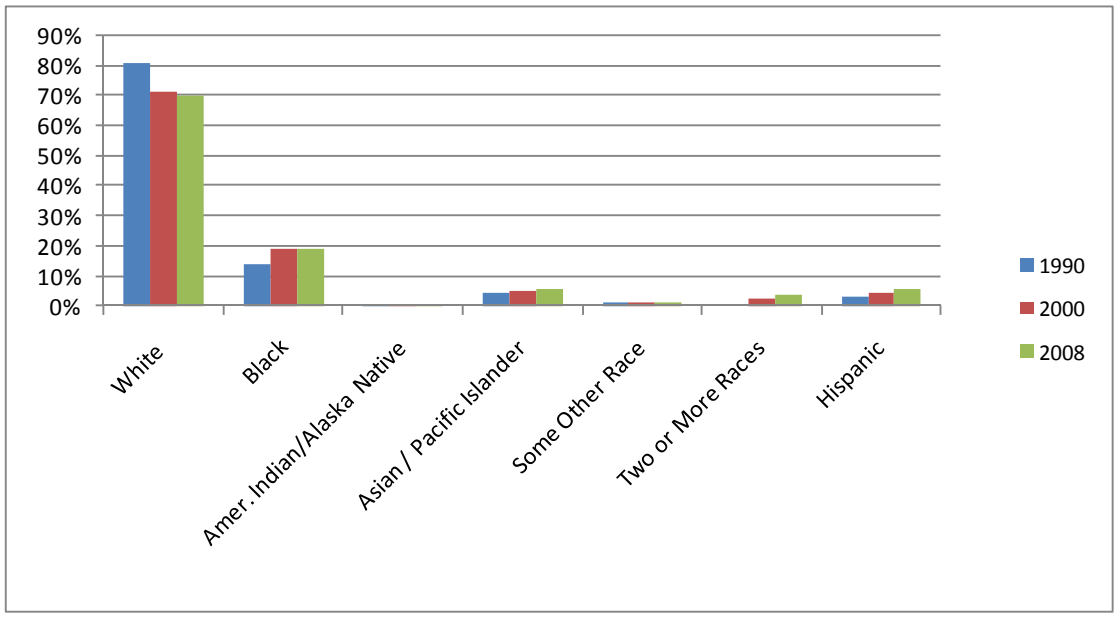
	1990		2000		2008		% Change
	#	%	#	%	#	%	1990-2008
City of Virginia Beach	**393,069**	**100.0%**	**425,257**	**100.0%**	**433,746**	**100.0%**	**10.3%**
White Population	316,408	80.5%	303,681	71.4%	303,391	69.9%	-4.1%
Non-White Population	76,661	19.5%	121,576	28.6%	130,355	30.1%	70.0%
Black	54,671	13.9%	80,593	19.0%	83,915	19.3%	53.5%
Amer. Indian/Alaska Native	1,384	0.4%	1,619	0.4%	1,147	0.3%	-17.1%
Asian / Pacific Islander	17,025	4.3%	21,285	5.0%	24,724	5.7%	45.2%
Some Other Race	3,581	0.9%	6,402	1.5%	4,740	1.1%	32.4%
Two or More Races	---	---	11,677	2.7%	15,829	3.6%	35.6%
Hispanic	12,137	3.1%	17,770	4.2%	25,691	5.9%	111.7%

Source: U.S. Census Bureau

While the number of Blacks, Asians, Hispanics, and those of Two or More Races are increasing, these groups show different growth patterns. The Black population increased 47.4%, or 25,922 persons, during the 1990s. From 2000 to 2008, this growth slowed to 4.1%, equivalent to 3,322 residents. Asians have showed a more even rate of growth but this too has slowed. From 1990 to 2000, the population increased by 4,260 people and from 2000 to 2008 by 3,439 people. In contrast to Blacks and Asians, growth among the Hispanic population has increased significantly in the last decade. The number of Hispanics in Virginia Beach has increased almost 50% each decade. From 1990 to 2000, the population increased by 5,663 persons and from 2000 to 2008, by 7,921 persons.

OBSERVATION: Minorities have increased from 19.5% to 30.1% of the total population since 1990. Blacks remain the largest minority group, comprising 64.4% of all minorities in 2008. The fastest-growing segment of minorities is among Hispanics, which more than doubled from 12,137 persons in 1990 to 25,691 in 2008.

Figure 9-2
Changes in the Racial and Ethnic Characteristics of the Population, 1990-2008



Sources: U.S. Census Bureau, Demographics Now

ii. Areas of Racial and Ethnic Minority Concentration

In its Five Year Consolidated Plan, the City defines areas of minority concentration as census tracts where the percentage of a given minority is at least 10% higher than the overall percentage of that minority in the City. For example, in 2009, Blacks comprised 21.4% of the City's population. Therefore, an area of concentration of Black residents would include any tract where the percentage of Black residents is greater than 23.5%. Under this definition, there are 28 areas of concentration of Black residents. Asian residents accounted for 5.6% of Virginia Beach residents; therefore, any census tract with 6.2% or greater proportion of Asian residents would be an area of concentration. In 2009, 26 tracts met this criterion. Lastly, any census tract where 4.6% or more residents were Hispanic is an area of ethnic concentration; 54 census tracts met this criterion. Census tracts identified as areas of minority concentration are highlighted in the following table.

Figure 9-3
Census Tract Population by Race and Hispanic Origin, Current Areas of Concentration, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
City Total	**433,228**	**68.4%**	**21.4%**	**5.6%**	**4.2%**
400.00	5,285	59.9%	28.8%	3.2%	11.7%
402.00	4,416	29.2%	62.9%	2.4%	6.9%
404.02	6,560	26.3%	65.3%	3.1%	7.4%
404.03	3,747	62.1%	26.4%	7.1%	6.1%
404.04	6,149	71.2%	16.1%	9.9%	4.2%
406.00	5,829	32.1%	59.0%	2.7%	7.3%
408.01	3,998	70.3%	20.8%	3.5%	6.9%
408.02	4,575	55.8%	34.6%	4.5%	6.2%
410.02	1,913	76.3%	14.7%	4.0%	5.8%
410.03	3,432	76.7%	16.3%	3.5%	4.9%
410.04	3,704	66.0%	23.5%	4.6%	6.4%
412.00	5,942	85.5%	8.4%	3.0%	3.5%
414.00	4,854	81.6%	10.2%	4.6%	4.4%
416.00	3,269	84.8%	6.0%	5.7%	2.8%
418.01	4,198	75.0%	15.5%	3.1%	8.4%
418.02	5,206	91.1%	4.3%	1.9%	2.5%
420.00	3,354	90.9%	4.0%	3.4%	1.7%
422.01	3,496	90.8%	4.8%	2.5%	3.8%
422.02	4,149	89.7%	5.7%	1.9%	3.5%
424.00	4,893	77.0%	16.2%	2.9%	5.3%
426.00	2,243	79.5%	13.4%	2.9%	4.8%
428.01	5,651	70.8%	21.9%	2.9%	5.9%
428.02	4,347	58.1%	30.9%	4.2%	7.8%
430.01	8,824	92.4%	3.0%	2.7%	2.6%
430.02	4,155	90.3%	4.8%	3.2%	2.4%
432.00	1,352	41.7%	46.0%	2.4%	18.2%
434.00	2,056	94.3%	2.4%	1.6%	1.7%
436.00	1,600	93.3%	2.7%	1.7%	1.9%
438.00	3,576	94.4%	3.0%	1.3%	1.3%
440.01	5,324	77.8%	13.5%	2.8%	7.8%
440.02	7,116	87.1%	7.4%	1.8%	3.2%
442.00	6,368	54.2%	38.9%	1.8%	5.6%
444.01	3,406	92.2%	3.2%	2.6%	2.7%
444.02	5,948	82.1%	12.1%	2.9%	4.6%
446.00	5,867	92.9%	4.1%	1.4%	1.6%
448.05	3,532	67.1%	23.0%	3.7%	10.3%
448.06	4,965	58.7%	32.8%	2.1%	8.3%
448.07	5,577	72.1%	19.2%	3.1%	10.6%
448.08	3,901	73.7%	19.7%	2.6%	5.6%
450.00	2,627	64.9%	22.4%	2.7%	13.7%
452.00	4,199	64.1%	23.9%	3.0%	11.4%
454.05	4,669	55.4%	30.5%	7.9%	8.6%
454.06	8,307	49.6%	32.8%	10.8%	9.9%
454.07	3,130	60.3%	27.0%	6.6%	7.0%
454.08	6,914	72.2%	18.0%	3.2%	9.8%
454.10	13,371	73.6%	18.0%	4.7%	5.7%
454.12	1,768	94.1%	2.6%	1.1%	2.9%
454.14	6,324	55.7%	31.5%	5.0%	9.6%
454.15	1,998	70.0%	19.3%	4.8%	6.5%
454.16	7,909	71.0%	17.2%	7.9%	4.9%
454.17	8,516	82.1%	11.2%	3.2%	4.5%
454.18	8,911	76.8%	15.2%	3.1%	6.5%
454.19	9,073	77.0%	13.7%	3.7%	7.3%
454.20	5,299	86.8%	8.7%	2.2%	3.9%
456.01	2,655	84.2%	11.0%	2.3%	4.1%
456.02	7,940	61.0%	29.9%	3.4%	7.0%
458.01	4,387	70.1%	17.9%	6.4%	6.8%
458.03	3,081	73.0%	16.3%	6.3%	5.1%
458.05	1,316	71.6%	21.1%	2.9%	4.0%
458.06	4,048	57.2%	32.4%	5.6%	5.4%
458.07	1,470	66.9%	23.0%	5.0%	6.7%
458.08	2,673	61.2%	29.9%	4.0%	6.3%
458.09	6,247	52.5%	33.1%	8.8%	9.5%
458.10	2,020	29.6%	51.2%	12.0%	6.4%
460.02	4,859	79.1%	13.3%	4.9%	2.8%
460.05	7,327	69.4%	21.9%	3.8%	6.1%
460.06	4,283	82.4%	8.5%	6.5%	4.1%
460.08	12,891	57.9%	25.2%	11.5%	7.4%
460.09	4,837	80.1%	13.0%	4.0%	2.9%
460.10	2,976	70.9%	21.2%	4.2%	4.2%
460.11	1,377	68.9%	19.2%	7.6%	4.9%
460.12	7,034	47.5%	34.9%	11.6%	8.3%
460.13	4,678	51.8%	34.0%	7.6%	8.9%
462.04	4,344	81.7%	13.1%	3.1%	1.8%
462.05	8,842	44.9%	47.2%	3.0%	6.3%
462.06	5,197	64.3%	18.1%	13.5%	5.2%
462.07	6,756	64.7%	21.6%	8.1%	8.1%
462.11	2,999	75.3%	13.4%	8.3%	3.7%
462.12	4,351	72.2%	14.1%	10.2%	2.6%
462.13	6,175	51.8%	32.2%	10.6%	7.0%
462.14	5,254	61.4%	23.7%	10.8%	4.6%
462.15	9,004	53.6%	28.4%	12.8%	6.4%
462.16	5,608	57.9%	22.0%	15.9%	6.1%
462.17	4,115	56.5%	19.3%	19.6%	4.3%
462.18	8,509	69.2%	15.6%	11.3%	4.5%
462.19	3,683	47.8%	26.9%	20.1%	6.5%
464.00	4,500	87.6%	9.6%	0.7%	1.1%

Source: DemographicsNow

The City's current definition may overestimate the number of areas of minority concentration, especially among Asian/Pacific Islander and Hispanic populations, which are relatively small. Within census tracts where the population of minorities is proportionally small, a slight variation in

population numbers can lead to a significant difference in percentage points. For example, in Census tract 460.11 (an area of ethnic concentration under the current definition), 4.9% of the population is Hispanic, or 67 residents. If the proportion of residents were the same as the City overall (4.2%), there would be 58 residents, or only nine fewer residents.

Because areas of concentration are intended to reflect locations where minorities are disproportionately represented, the City should consider revisiting the definition for an area of racial or ethnic minority concentration to more accurately reflect the diversity among the City's population. For example, the City should consider defining an area of concentration as one where the percentage of any specific minority group is 10 percentage points or higher than the City rate. Such a definition provides a more accurate reflection of minority concentration and appropriately expands the number of areas of opportunity for affirmatively furthering fair housing choice.

OBSERVATION: The City's current definition may overestimate the number of areas of minority concentration, especially among Asian/Pacific Islander and Hispanic populations, which are relatively small. Therefore, the City should revise its definition for an area of racial or ethnic minority concentration to include any geographical area where the percentage of a specific racial or ethnic group is 10 percentage points higher than the City overall.

Under this revised definition, an area of racial concentration would include any census tract where the percentage of Black residents is 31.4% or higher. There are 16 census tracts which meet this criterion: 402, 404.02, 406, 408.02, 432, 442, 448.06, 454.06, 454.14, 458.06, 458.09, 458.10, 460.12, 460.13, 462.05, and 462.13. Areas of concentration of Asians would include tracts with an Asian population share of 15.6% or higher. These three tracts include 462.16, 462.17, and 462.19.

An area of ethnic concentration would include a census tract where the percentage of Hispanics is 14.2% or higher. Only one census tract (432) meets this criterion.

Figure 9-4 highlights the census tracts that qualify as areas of minority concentration under this recommended definition.

Figure 9-4
Census Tract Population by Race and Hispanic Origin, Revised Areas of Concentration, 2009

Census Tract	Total Population	White	Minority Residents			Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic				Black	Asian/Pacific Islander	Hispanic
		%	%	%	%			%	%	%	%
City Total	**433,228**	**68.4%**	**21.4%**	**5.6%**	**4.2%**	454.07	3,130	60.3%	27.0%	6.6%	7.0%
400.00	5,285	59.9%	28.8%	3.2%	11.7%	454.08	6,914	72.2%	18.0%	3.2%	9.8%
402.00	4,416	29.2%	62.9%	2.4%	6.9%	454.10	13,371	73.6%	18.0%	4.7%	5.7%
404.02	6,560	26.3%	65.3%	3.1%	7.4%	454.12	1,768	94.1%	2.6%	1.1%	2.9%
404.03	3,747	62.1%	26.4%	7.1%	6.1%	454.14	6,324	55.7%	31.5%	5.0%	9.6%
404.04	6,149	71.2%	16.1%	9.9%	4.2%	454.15	1,998	70.0%	19.3%	4.8%	6.5%
406.00	5,829	32.1%	59.0%	2.7%	7.3%	454.16	7,909	71.0%	17.2%	7.9%	4.9%
408.01	3,998	70.3%	20.8%	3.5%	6.9%	454.17	8,516	82.1%	11.2%	3.2%	4.5%
408.02	4,575	55.8%	34.6%	4.5%	6.2%	454.18	8,911	76.8%	15.2%	3.1%	6.5%
410.02	1,913	76.3%	14.7%	4.0%	5.8%	454.19	9,073	77.0%	13.7%	3.7%	7.3%
410.03	3,432	76.7%	16.3%	3.5%	4.9%	454.20	5,299	86.8%	8.7%	2.2%	3.9%
410.04	3,704	66.0%	23.5%	4.6%	6.4%	456.01	2,655	84.2%	11.0%	2.3%	4.1%
412.00	5,942	85.5%	8.4%	3.0%	3.5%	456.02	7,940	61.0%	29.9%	3.4%	7.0%
414.00	4,854	81.6%	10.2%	4.6%	4.4%	458.01	4,387	70.1%	17.9%	6.4%	6.8%
416.00	3,269	84.8%	6.0%	5.7%	2.8%	458.03	3,081	73.0%	16.3%	6.3%	5.1%
418.01	4,198	75.0%	15.5%	3.1%	8.4%	458.05	1,316	71.6%	21.1%	2.9%	4.0%
418.02	5,206	91.1%	4.3%	1.9%	2.5%	458.06	4,048	57.2%	32.4%	5.6%	5.4%
420.00	3,354	90.9%	4.0%	3.4%	1.7%	458.07	1,470	66.9%	23.0%	5.0%	6.7%
422.01	3,496	90.8%	4.8%	2.5%	3.8%	458.08	2,673	61.2%	29.9%	4.0%	6.3%
422.02	4,149	89.7%	5.7%	1.9%	3.5%	458.09	6,247	52.5%	33.1%	8.8%	9.5%
424.00	4,893	77.0%	16.2%	2.9%	5.3%	458.10	2,020	29.6%	51.2%	12.0%	6.4%
426.00	2,243	79.5%	13.4%	2.9%	4.8%	460.02	4,859	79.1%	13.3%	4.9%	2.8%
428.01	5,651	70.8%	21.9%	2.9%	5.9%	460.05	7,327	69.4%	21.9%	3.8%	6.1%
428.02	4,347	58.1%	30.9%	4.2%	7.8%	460.06	4,283	82.4%	8.5%	6.5%	4.1%
430.01	8,824	92.4%	3.0%	2.7%	2.6%	460.08	12,891	57.9%	25.2%	11.5%	7.4%
430.02	4,155	90.3%	4.8%	3.2%	2.4%	460.09	4,837	80.1%	13.0%	4.0%	2.9%
432.00	1,352	41.7%	46.0%	2.4%	18.2%	460.10	2,976	70.9%	21.2%	4.2%	4.2%
434.00	2,056	94.3%	2.4%	1.6%	1.7%	460.11	1,377	68.9%	19.2%	7.6%	4.9%
436.00	1,600	93.3%	2.7%	1.7%	1.9%	460.12	7,034	47.5%	34.9%	11.6%	8.3%
438.00	3,576	94.4%	3.0%	1.3%	1.3%	460.13	4,678	51.8%	34.0%	7.6%	8.9%
440.01	5,324	77.8%	13.5%	2.8%	7.8%	462.04	4,344	81.7%	13.1%	3.1%	1.8%
440.02	7,116	87.1%	7.4%	1.8%	3.2%	462.05	8,842	44.9%	47.2%	3.0%	6.3%
442.00	6,368	54.2%	38.9%	1.8%	5.6%	462.06	5,197	64.3%	18.1%	13.5%	5.2%
444.01	3,406	92.2%	3.2%	2.6%	2.7%	462.07	6,756	64.7%	21.6%	8.1%	8.1%
444.02	5,948	82.1%	12.1%	2.9%	4.6%	462.11	2,999	75.3%	13.4%	8.3%	3.7%
446.00	5,867	92.9%	4.1%	1.4%	1.6%	462.12	4,351	72.2%	14.1%	10.2%	2.6%
448.05	3,532	67.1%	23.0%	3.7%	10.3%	462.13	6,175	51.8%	32.2%	10.6%	7.0%
448.06	4,965	58.7%	32.8%	2.1%	8.3%	462.14	5,254	61.4%	23.7%	10.8%	4.6%
448.07	5,577	72.1%	19.2%	3.1%	10.6%	462.15	9,004	53.6%	28.4%	12.8%	6.4%
448.08	3,901	73.7%	19.7%	2.6%	5.6%	462.16	5,608	57.9%	22.0%	15.9%	6.1%
450.00	2,627	64.9%	22.4%	2.7%	13.7%	462.17	4,115	56.5%	19.3%	19.6%	4.3%
452.00	4,199	64.1%	23.9%	3.0%	11.4%	462.18	8,509	69.2%	15.6%	11.3%	4.5%
454.05	4,669	55.4%	30.5%	7.9%	8.6%	462.19	3,683	47.8%	26.9%	20.1%	6.5%
454.06	8,307	49.6%	32.8%	10.8%	9.9%	464.00	4,500	87.6%	9.6%	0.7%	1.1%

Source: DemographicsNow

OBSERVATION: There are 19 census tracts in Virginia Beach that meet the criterion for areas of minority concentration, also known as impacted areas. Sixteen census tracts are areas of racial concentration of Black residents and include tracts 402, 404.02, 406, 408.02, 432, 442, 448.06, 454.06, 454.14, 458.06, 458.09, 458.10, 460.12, 460.13, 462.05, and 462.13. One census tract, 432, also meets the criterion for an area of ethnic concentration of Hispanics. In addition, three tracts, 462.16, 462.17, and 461.19, meet the criterion for areas of racial concentration of Asian residents.

Maps 9-1, 9-2 and 9-3 on the following pages depict the geographic location of the areas of minority concentration based on the recommended definition. In Virginia Beach, the census tracts outlined in *red* are areas of concentration of Black residents. Census tracts indicated with *yellow* cross-hatching are areas of concentration of Asian residents. Census tracts cross-hatched with *green* are areas of concentrations of Hispanic residents. It is within these impacted areas that other demographic characteristics—such as income and housing—will be analyzed.

iii. Residential Segregation Patterns

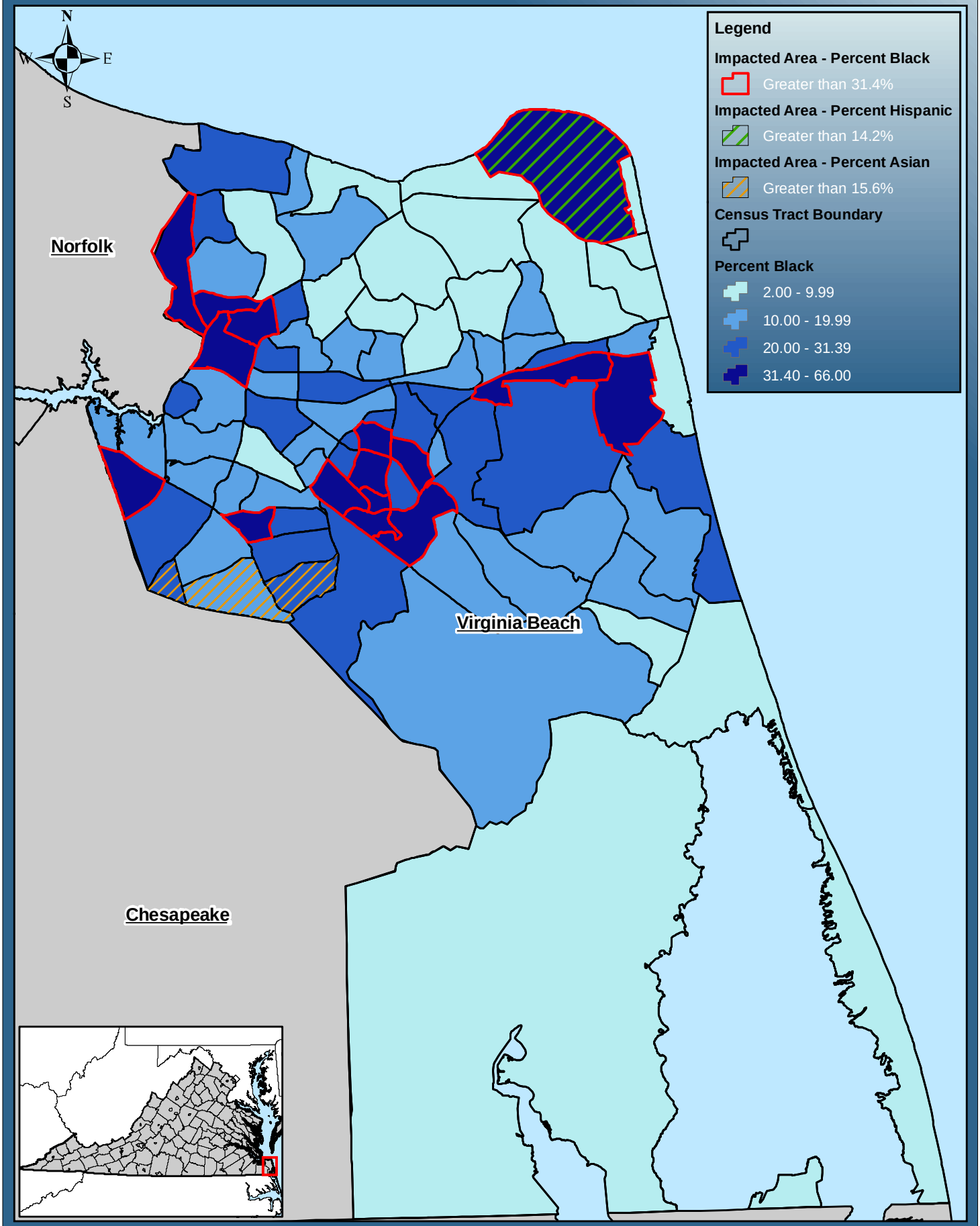
Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and low-income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, 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.[103]

[103] 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.

Map 9-1: Black Population Concentrations in Virginia Beach, 2009

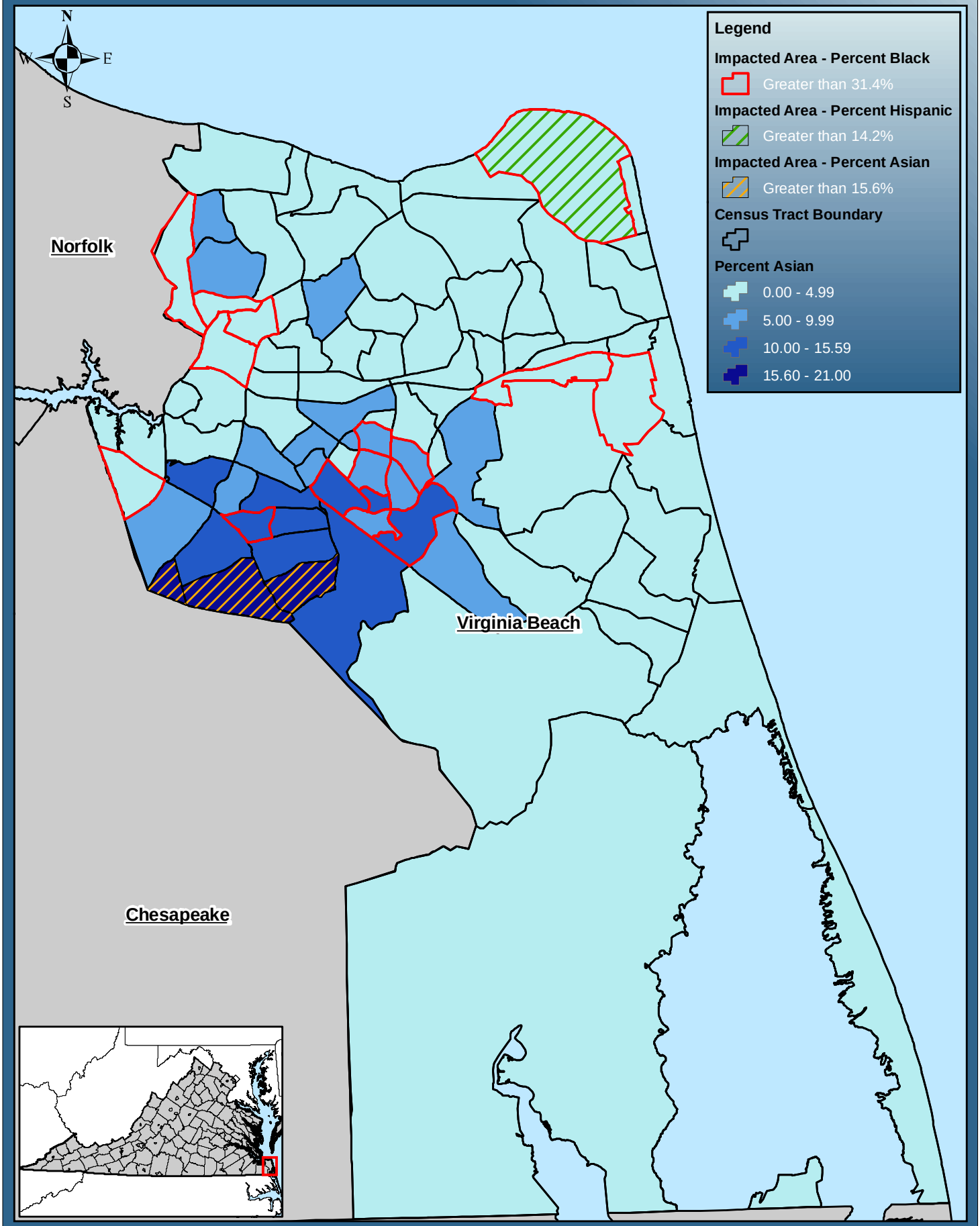
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Map 9-2: Asian Population Concentrations in Virginia Beach, 2009

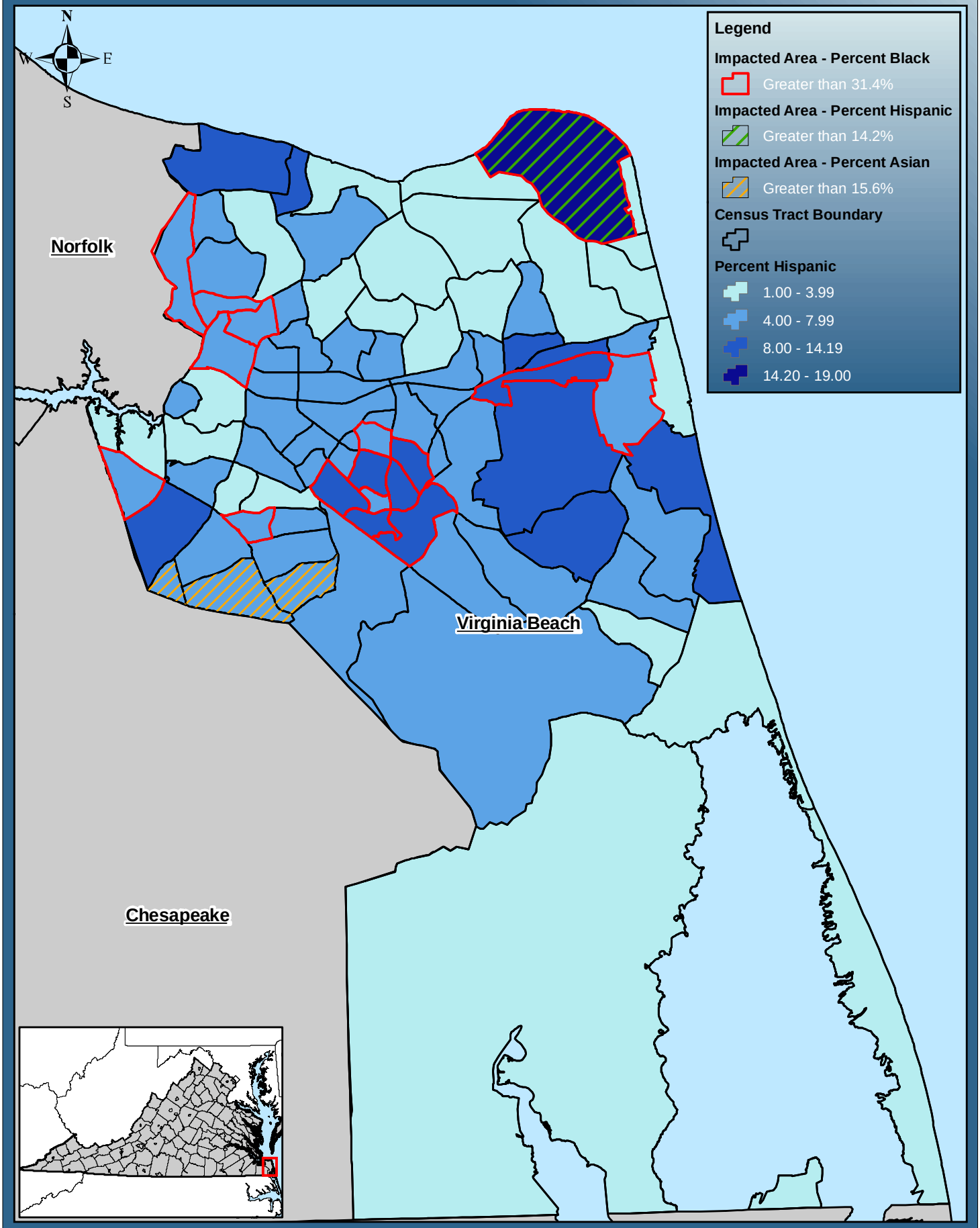
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Map 9-3: Hispanic Population Concentrations in Virginia Beach, 2009

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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.

Of the 18 cities and towns with populations exceeding 25,000 in Virginia, Virginia Beach is among the most integrated. The City's 2000 dissimilarity index of 41.4 for White persons and Black persons ranks fifth out of 18, and indicates that White persons and Black persons in Virginia Beach are less segregated than they are in more than 72% of the state's most populated cities and towns. Among the seven cities in the Hampton Roads region, Virginia Beach is the least segregated. Details are included in the following table.

Figure 9-5
Virginia Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Blacksburg Town	1,700	32,869	39,573	17.5
2	Harrisonburg	2,266	32,416	40,468	25.0
3	Manassas	4,430	23,304	35,135	29.2
4	Leesburg Town	2,573	22,761	28,311	38.0
5	**Virginia Beach**	**79,092**	**295,402**	**425,257**	**41.4**
6	Petersburg	26,511	6,131	33,740	42.6
7	Alexandria	28,463	68,889	128,283	46.0
8	Danville	21,267	25,813	48,411	46.2
9	Hampton	64,795	70,963	146,437	47.4
10	Newport News	69,538	93,624	180,150	50.3
11	Lynchburg	19,288	43,108	65,269	51.2
12	Suffolk	27,524	33,940	63,677	52.0
13	Charlottesville	9,916	30,825	45,049	52.4
14	Chesapeake	56,442	131,200	199,184	52.6
15	Norfolk	102,268	110,221	234,403	57.5
16	Portsmouth	50,569	45,403	100,565	62.0
17	Richmond	112,455	74,506	197,790	68.3
18	Roanoke	25,220	65,256	94,911	68.3

Source: CensusScope

Dissimilarity index data for all Virginia Beach subpopulations appears in the following table. The data indicate that in order to achieve full integration among White persons and Black persons in the City, 41.4% of Black residents would have to move to a different location.

Figure 9-6
Virginia Beach Dissimilarity Indices, 2000

	DI with White Population**	Population	% of Total Population
White	-	295,402	69.5%
Black	41.4	79,092	18.6%
American Indian	36.9	1,448	0.3%
Asian	40.0	20,618	4.8%
Hawaiian*	56.8	356	0.1%
Other*	47.1	913	0.2%
Two or more races	27.3	9,658	2.3%
Hispanic ***	30.9	17,770	4.2%
TOTAL	-	425,257	100.0%

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.
** Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in Suffolk.
*** Hispanic ethnicity is counted independently of race
Source: CensusScope

The indices above show that, in addition to a White/Black index of 41.4, Virginia Beach has a White/Asian index of 40.0, a White/multi-race index of 27.3, and a White/Hispanic index of 30.9. These numbers indicate that these subpopulations are all more integrated than White persons and Black persons. Perfect integration would receive an index score of 0. Indices for the other groups cannot be as reliably interpreted, since their populations are less than 1,000. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed.

OBSERVATION: The City of Virginia Beach is the most integrated municipality in the Hampton Roads region. The data indicate that in order to achieve full integration among White persons and Black persons, 41.4% of Black residents would have to move to a different location within Virginia Beach.

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 differences by race and ethnicity in Virginia Beach. For all households, the median household income was $65,776 in 2008. Asians had the highest income of $80,232, which was almost $10,000 more than the next highest group, Hispanics. Whites, at $69,799, had a slightly lower median household income than Hispanics. Blacks had the lowest median income at $47,404, equivalent to only 68% of the income level for Whites. Blacks also had the highest poverty rate at 14.1%, more than three times that of Whites (4.4%) and twice the rate of the City overall. Asians and Hispanics also had lower poverty rates of 5.0% and 5.2%, respectively.

Figure 9-7
Median Household Income and Poverty Rates by Race/Ethnicity, 2008

	Median Household Income	Poverty Rate
City of Virginia Beach	**$65,776**	**6.5%**
Whites	$69,799	4.4%
Blacks	$47,404	14.1%
Asians	$80,232	5.0%
Hispanics	$71,827	5.2%

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

There are also significant differences in income distribution by race in Virginia Beach. In 2008, one in five Black households had incomes below $25,000. In comparison, only one in ten of White households, one in 12 of Asian households, and one in sixteen of Hispanic households were in the same income category. Similar distinctions were noted at the opposite end of the income spectrum. Only 23.7% of Black households earned $75,000 or

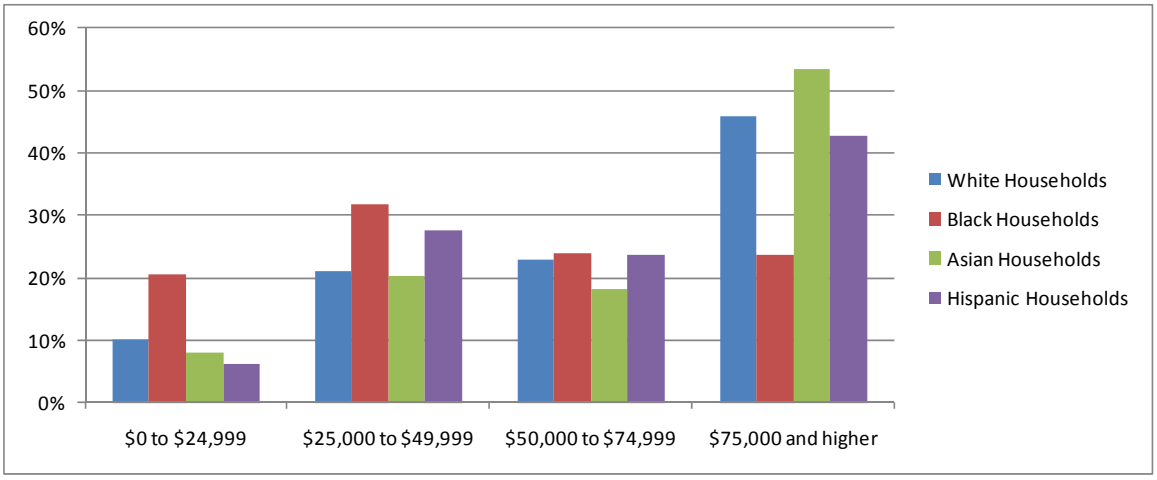
higher, compared to 42.7% of Hispanic households, 45.9% of White households, and 53.5% of Asian households.

Figure 9-8
Household Income Distribution by Race, 2008

	Total	$0 to $24,999		$25,000 to $49,999		$50,000 to $74,999		$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	**162,366**	**19,725**	**12.1%**	**37,509**	**23.1%**	**37,052**	**22.8%**	**68,080**	**41.9%**
White Households	119,049	12,150	10.2%	24,990	21.0%	27,225	22.9%	54,684	45.9%
Black Households	30,332	6,230	20.5%	9,611	31.7%	7,292	24.0%	7,199	23.7%
Asian Households	7,970	642	8.1%	1,623	20.4%	1,443	18.1%	4,262	53.5%
Hispanic Households	6,367	396	6.2%	1,749	27.5%	1,505	23.6%	2,717	42.7%

Source: U.S. Census Bureau, 2008 American Community Survey (C19001, C19001A, C19001B, C19001D, C19001I)

Figure 9-9
Household Income Distribution by Race, 2008



OBSERVATION: Median household income among Blacks was equivalent to only 68% that of Whites in 2008, and poverty among Blacks was almost triple the rate among Whites, Asians, and Hispanics. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

v. Concentrations of LMI Persons

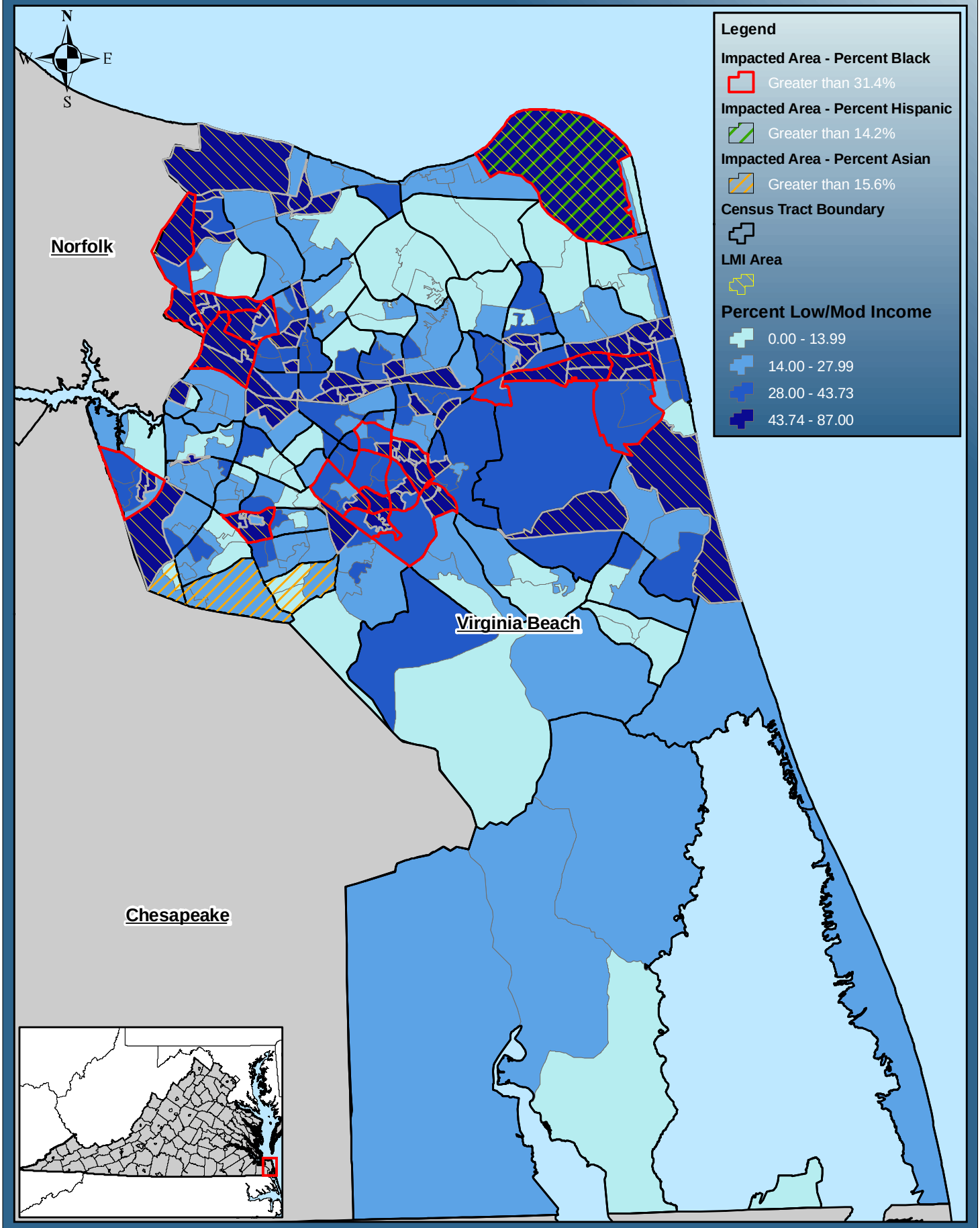
The CDBG Program includes a statutory requirement that 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements such as Virginia Beach. HUD data on the percent of LMI persons reveals that there are 72 census block groups where more than 43.74% of residents meet the criterion for LMI status. [104] Of these, 33 block groups were located within areas of minority concentration. The 72 LMI areas are highlighted in the following chart and on Map 9-4.

[104] The 43.74% threshold is determined by HUD and represents the upper quartile of census block groups having the highest concentration of low and moderate income persons in Virginia Beach.

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Map 9-4: Low and Moderate Income Concentrations in Virginia Beach, 2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



OBSERVATION: Of the 72 LMI census block groups in Virginia Beach, 33 are located in areas of Black and Hispanic concentrations.

Figure 9-10
Low and Moderate Income Persons, 2009

		Low and Moderate Income Persons					Low and Moderate Income Persons		
Census Tract	Block Group	#	Universe	%	Census Tract	Block Group	#	Universe	%
400.00	1	1,342	2,182	61.50%	428.01	4	238	1,035	23.00%
402.00	1	885	1,323	66.89%	428.01	5	456	1,317	34.62%
402.00	2	1,318	2,202	59.85%	428.02	1	822	2,011	40.88%
402.00	3	187	459	40.74%	428.02	2	814	1,813	44.90%
402.00	4	577	767	75.23%	428.02	3	346	859	40.28%
404.02	1	1,387	2,043	67.89%	430.01	1	363	2,180	16.65%
404.02	2	1,298	2,000	64.90%	430.01	2	408	2,528	16.14%
404.02	3	753	1,630	46.20%	430.01	3	349	1,897	18.40%
404.02	4	619	1,212	51.07%	430.01	4	188	921	20.41%
404.03	1	739	1,342	55.07%	430.02	1	219	1,975	11.09%
404.03	2	522	1,442	36.20%	430.02	2	224	2,140	10.47%
404.03	3	679	1,195	56.82%	432.00	1	438	642	68.22%
404.04	1	299	2,474	12.09%	434.00	1	71	770	9.22%
404.04	2	220	1,089	20.20%	434.00	2	278	1,431	19.43%
404.04	3	99	778	12.72%	436.00	1	137	828	16.55%
404.04	4	311	968	32.13%	436.00	2	162	898	18.04%
406.00	1	2,871	4,415	65.03%	438.00	1	80	1,300	6.15%
406.00	2	919	1,367	67.23%	438.00	2	57	812	7.02%
408.01	1	831	1,161	71.58%	438.00	3	189	915	20.66%
408.01	2	396	1,169	33.88%	438.00	4	262	821	31.91%
408.01	3	262	999	26.23%	440.01	1	964	1,568	61.48%
408.01	4	449	1,045	42.97%	440.01	2	539	1,032	52.23%
408.02	1	329	696	47.27%	440.01	3	1,278	2,476	51.62%
408.02	2	380	770	49.35%	440.02	1	396	899	44.05%
408.02	3	221	624	35.42%	440.02	2	520	1,066	48.78%
408.02	4	913	2,082	43.85%	440.02	3	430	1,001	42.96%
410.02	1	534	1,370	38.98%	440.02	4	292	1,475	19.80%
410.02	2	474	834	56.83%	440.02	5	243	836	29.07%
410.03	1	609	1,226	49.67%	440.02	6	137	1,561	8.78%
410.03	2	537	967	55.53%	440.02	7	265	842	31.47%
410.03	3	273	845	32.31%	442.00	1	848	977	86.80%
410.03	4	214	672	31.85%	442.00	2	1,935	2,435	79.47%
410.04	1	409	1,059	38.62%	442.00	3	538	1,619	33.23%
410.04	2	559	775	72.13%	442.00	4	565	1,332	42.42%
410.04	3	236	792	29.80%	444.01	1	133	1,961	6.78%
410.04	4	593	1,450	40.90%	444.01	2	153	1,048	14.60%
412.00	1	469	1,804	26.00%	444.01	3	18	723	2.49%
412.00	2	803	3,331	24.11%	444.02	1	769	2,511	30.63%
412.00	3	223	1,179	18.91%	444.02	2	451	1,195	37.74%
414.00	1	215	2,162	9.94%	444.02	3	473	1,475	32.07%
414.00	2	260	1,596	16.29%	444.02	4	138	1,105	12.49%
414.00	3	281	1,283	21.90%	446.00	1	194	1,756	11.05%
416.00	1	195	1,085	17.97%	446.00	2	122	1,441	8.47%
416.00	2	251	702	35.75%	446.00	3	168	780	21.54%
416.00	3	172	993	17.32%	446.00	4	428	1,646	26.00%
416.00	4	32	658	4.86%	448.05	1	668	1,242	53.78%
418.01	1	233	1,140	20.44%	448.05	3	1,040	2,379	43.72%
418.01	2	876	1,812	48.34%	448.06	1	1,459	2,118	68.89%
418.01	3	1,186	1,833	64.70%	448.06	2	566	998	56.71%
418.02	1	410	1,713	23.93%	448.06	3	408	889	45.89%
418.02	2	261	811	32.18%	448.06	5	506	1,237	40.91%
418.02	3	300	661	45.39%	448.07	1	218	841	25.92%
418.02	4	542	2,280	23.77%	448.07	2	1,509	2,404	62.77%
420.00	1	60	1,234	4.86%	448.07	3	1,152	1,817	63.40%
420.00	2	70	976	7.17%	448.07	4	182	786	23.16%
420.00	3	94	1,325	7.09%	448.08	1	759	2,329	32.59%
422.01	1	316	1,449	21.81%	448.08	2	260	668	38.92%
422.01	2	129	1,667	7.74%	448.08	3	457	1,129	40.48%
422.01	3	25	721	3.47%	450.00	1	93	310	30.00%
422.02	1	185	993	18.63%	452.00	9	1,927	2,966	64.97%
422.02	2	429	1,660	25.84%	454.05	1	293	824	35.56%
422.02	3	166	912	18.20%	454.05	2	548	1,078	50.83%
422.02	4	283	857	33.02%	454.05	3	220	725	30.34%
424.00	1	179	1,108	16.16%	454.05	4	569	1,219	46.68%
424.00	2	718	1,249	57.49%	454.05	5	397	1,076	36.90%
424.00	3	552	1,289	42.82%	454.06	1	727	1,313	55.37%
424.00	4	451	1,257	35.88%	454.06	2	1,459	2,984	48.89%
426.00	1	168	967	17.37%	454.06	3	1,411	3,403	41.46%
426.00	2	992	1,469	67.53%	454.07	1	313	988	31.68%
428.01	1	567	1,320	42.95%	454.07	2	175	670	26.12%
428.01	2	489	1,112	43.97%	454.07	3	699	1,598	43.74%
428.01	3	285	1,284	22.20%	454.08	1	2,593	4,453	58.23%

		Low and Moderate Income Persons					Low and Moderate Income Persons		
Census Tract	Block Group	#	Universe	%	Census Tract	Block Group	#	Universe	%
454.08	2	750	1,960	38.27%	460.09	2	286	1,525	18.75%
454.10	1	215	760	28.29%	460.09	3	273	1,125	24.27%
454.10	2	509	3,867	13.16%	460.09	4	248	1,433	17.31%
454.10	3	566	3,415	16.57%	460.10	1	182	712	25.56%
454.12	1	286	1,894	15.10%	460.10	2	775	1,599	48.47%
454.14	1	696	1,489	46.74%	460.10	3	99	801	12.36%
454.14	2	555	1,149	48.30%	460.11	1	332	1,538	21.59%
454.14	3	1,306	2,058	63.46%	460.12	1	368	996	36.95%
454.14	4	635	1,206	52.65%	460.12	2	229	864	26.50%
454.14	5	342	718	47.63%	460.12	3	588	1,202	48.92%
454.15	1	481	1,211	39.72%	460.12	4	415	972	42.70%
454.15	2	404	917	44.06%	460.12	5	208	488	42.62%
454.16	1	705	3,619	19.48%	460.13	1	749	2,200	34.05%
454.16	2	198	2,126	9.31%	460.13	2	929	1,720	54.01%
454.16	3	402	2,459	16.35%	460.13	3	479	847	56.55%
454.17	1	455	1,797	25.32%	462.04	1	293	2,218	13.21%
454.17	2	152	1,308	11.62%	462.04	2	607	2,408	25.21%
454.17	3	283	1,456	19.44%	462.05	1	733	1,819	40.30%
454.17	4	286	2,826	10.12%	462.05	2	859	1,978	43.43%
454.18	1	336	1,246	26.97%	462.05	3	378	1,136	33.27%
454.18	2	872	3,637	23.98%	462.05	4	864	1,573	54.93%
454.18	3	1,377	3,247	42.41%	462.05	5	782	1,270	61.57%
454.19	1	887	2,274	39.01%	462.05	6	264	1,053	25.07%
454.19	2	770	3,395	22.68%	462.06	1	141	980	14.39%
454.19	3	327	3,056	10.70%	462.06	2	510	2,147	23.75%
454.20	1	167	1,367	12.22%	462.06	3	282	1,285	21.95%
454.20	2	112	1,290	8.68%	462.06	4	242	613	39.48%
454.20	3	190	1,702	11.16%	462.07	1	386	2,095	18.42%
456.01	1	56	1,037	5.40%	462.07	2	298	1,372	21.72%
456.01	2	548	1,837	29.83%	462.07	3	516	1,277	40.41%
456.02	1	599	1,706	35.11%	462.07	4	393	558	70.43%
456.02	2	633	1,201	52.71%	462.11	1	5	856	0.58%
456.02	3	1,262	2,383	52.96%	462.11	2	183	855	21.40%
456.02	4	1,198	1,748	68.54%	462.11	3	147	955	15.39%
458.01	1	601	2,169	27.71%	462.11	4	143	727	19.67%
458.01	2	163	1,131	14.41%	462.12	1	111	940	11.81%
458.01	3	314	1,096	28.65%	462.12	2	43	729	5.90%
458.03	1	635	1,617	39.27%	462.12	3	205	1,090	18.81%
458.03	2	207	1,778	11.64%	462.12	4	474	1,628	29.12%
458.05	1	243	687	35.37%	462.13	1	885	1,644	53.83%
458.05	2	210	758	27.70%	462.13	2	1,958	4,325	45.27%
458.06	1	399	1,336	29.87%	462.13	3	157	674	23.29%
458.06	2	151	681	22.17%	462.14	1	392	1,757	22.31%
458.06	3	548	1,368	40.06%	462.14	2	14	856	1.64%
458.06	4	467	1,001	46.65%	462.14	3	375	1,558	24.07%
458.07	1	592	1,516	39.05%	462.14	4	508	1,250	40.64%
458.08	1	482	1,319	36.54%	462.15	1	276	1,666	16.57%
458.08	2	374	1,061	35.25%	462.15	2	330	1,536	21.48%
458.09	1	1,156	2,969	38.94%	462.15	3	289	1,691	17.09%
458.09	2	585	1,586	36.89%	462.15	4	203	1,143	17.76%
458.09	3	424	1,079	39.30%	462.15	5	696	1,665	41.80%
458.10	1	1,510	2,153	70.13%	462.15	6	622	1,826	34.06%
460.02	1	295	1,721	17.14%	462.16	1	389	2,000	19.45%
460.02	2	146	1,573	9.28%	462.16	2	151	1,894	7.97%
460.02	3	440	877	50.17%	462.16	3	80	1,260	6.35%
460.02	4	235	1,036	22.68%	462.17	1	208	1,235	16.84%
460.05	1	1,036	1,705	60.76%	462.17	2	174	865	20.12%
460.05	2	312	1,594	19.57%	462.18	1	88	951	9.25%
460.05	3	1,248	2,501	49.90%	462.18	2	22	889	2.47%
460.05	4	429	1,594	26.91%	462.18	3	238	1,967	12.10%
460.06	1	97	905	10.72%	462.18	4	172	822	20.92%
460.06	2	158	1,168	13.53%	462.18	5	354	993	35.65%
460.06	3	104	1,008	10.32%	462.18	6	191	1,075	17.77%
460.06	4	491	1,587	30.94%	462.18	7	230	832	27.64%
460.08	1	459	1,003	45.76%	462.18	8	116	657	17.66%
460.08	2	286	824	34.71%	462.19	1	116	1,005	11.54%
460.08	3	992	4,026	24.64%	462.19	2	729	2,873	25.37%
460.08	4	407	1,869	21.78%	464.00	1	341	1,632	20.89%
460.08	5	434	1,090	39.82%	464.00	2	132	964	13.69%
460.08	6	331	1,291	25.64%	464.00	3	195	903	21.59%
460.08	7	180	1,874	9.61%	464.00	4	270	1,019	26.50%
460.09	1	206	1,023	20.14%					

Source: U. S. Dept. of Housing & Urban Development, 2009

vi. 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 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 Virginia Beach, 9.2% of the civilian non-institutionalized population reported at least one type of disability in 2008.[105]

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Virginia Beach, persons with disabilities are more likely than persons without disabilities to live in poverty. In 2008, 12% of persons with disabilities lived in poverty compared to 6.3% of persons without disabilities who were living in poverty.[106]

OBSERVATION: Persons with disabilities were almost twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 12% were living in poverty compared to 6.3% of persons without a disability.

vii. 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.

[105] U.S. Census Bureau, 2008 American Community Survey (C18101)
[106] U.S. Census Bureau, 2008 American Community Survey (C18130)

Female-headed households have been steadily increasing, representing 9.1% of all households in 1990 and 13.1% of all households in 2008. The number of these households with children has also been increasing, though at a slower rate. Between 1990 and 2008, the number of female-headed households with children increased by 5,575, from 5.6% to 8.2% of all households. In contrast, married couple family households with children have slowly declined over the same period from 35.2% of all households to 23.5%.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In Virginia Beach in 2000, female-headed households with children accounted for 55% of all families living in poverty compared to only 9.8% of all families who were living above the poverty level.[107]

Figure 9-11
Female-Headed Households and Households with Children

	1990		2000		2008	
	#	%	#	%	#	%
Total Households	**135,736**	**100.0%**	**154,635**	**100%**	**162,366**	**100%**
Family Households	102,963	75.9%	112,127	72.5%	113,810	70.1%
Married-couple family	86,595	63.8%	88,102	57.0%	86,573	53.3%
With Children	47,835	35.2%	46,026	29.8%	38,195	23.5%
Without Children	38,760	28.6%	42,076	27.2%	48,378	29.8%
Female-Headed Households	**12,287**	**9.1%**	**18,160**	**11.7%**	**21,289**	**13.1%**
With Children	**7,668**	**5.6%**	**12,102**	**7.8%**	**13,243**	**8.2%**
Without Children	4,619	3.4%	6,058	3.9%	8,046	5.0%
Male-Headed Household	4081	3.0%	5,865	3.8%	5,948	3.7%
With Children	2150	1.6%	3,462	2.2%	2,997	1.8%
Without Children	1931	1.4%	2,403	1.6%	2,951	1.8%
Non-family and 1-person Households	32,773	24.1%	42,508	27.5%	48,556	29.9%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (B11001, B11003)

OBSERVATION: Female-headed households with children accounted for over half of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

viii. 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 Virginia Beach revealed that 8.1% of residents in 2008 were foreign-born.[108]

[107] U.S. Census Bureau, Census 2000 (SF 3, P90)
[108] U.S. Census Bureau, 2008 American Community Survey (C05002)

Among families with children who were living with one or more foreign-born parents, 16% were living in households with incomes of less than 200% of the poverty level. In contrast, 26.4% of those families with children who were living with native parents had incomes less than 200% of the poverty level.[109]

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 issued its guidelines on how to address the needs of persons with LEP in January 2007. 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 that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers.

American Community Survey (ACS) data reports on the non-English language spoken at home for populations five years and older. In Virginia Beach, the four languages with the highest number of native speakers who speak English less than "very well" are Spanish, Tagalog (spoken by persons native to the Philippines), Chinese, and French.

Figure 9-12
Language Spoken at Home by Ability to Speak English, 2008

Language Group	Number of LEP Persons
Spanish	**5,364**
Tagalog	**3,895**
Chinese	**1,176**
French	646

Source: 2006-2008 American Community Survey (B16001)

In Virginia Beach, Census data reveal there are potentially three languages with significant numbers of native speakers who also speak English less than "very well." These languages include Spanish, Tagalog, and Chinese. For each of these three languages, the number of LEP persons exceeds 1,000.

As a result of a Voluntary Compliance Agreement (VCA) signed between the City and HUD in 2008, the City is required to conduct the four-factor analysis and prepare a Language Access Plan (LAP). Completion of the LAP will fulfill all the City's obligations under the executed VCA. Currently, the City is in the process of assessing the language needs of the Department of Housing and Neighborhood Preservation. The City anticipates completing its LAP in early 2011. The VCA is described in greater detail in Section F, Evaluation of Current Fair Housing Profile.

[109] U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates (C05010)

OBSERVATION: In 2008, three language groups, including Spanish, Tagalog, and Chinese, had more than 1,000 native speakers who also speak English less than "very well." For this reason, Virginia Beach is conducting the four-factor analysis and developing an LAP to comply with Title VI of the Civil Rights Act of 1964 and a Voluntary Compliance Agreement executed with HUD.

ix. The Relationship between Protected Class Status and Unemployment

Overall unemployment in both Virginia Beach and the State of Virginia was 4.9% in 2008. Blacks and Asians were more likely to be unemployed than Whites, with unemployment rates of 7.7% and 7.0%, respectively, versus 3.9% for Whites. Hispanics had the lowest rate of unemployment at 1.4%. This is lower than the state-wide unemployment rate for Hispanics, at 6%. Men have a higher unemployment rate (5.2%) than women (4.5%).

Figure 9-13
Civilian Labor Force, 2008

	Virginia Total	%	Virginia Beach Total	%
Total Civilian Labor Force (CLF)	**4,075,213**	**100%**	**217,481**	**100%**
Employed	3,874,420	95.1%	206,902	95.1%
Unemployed	200,793	4.9%	10,579	4.9%
Male CLF	**2,111,297**	**100.0%**	**106,227**	**100.0%**
Employed	2,006,634	95.0%	100,676	94.8%
Unemployed	104,663	5.0%	5,551	5.2%
Female CLF	**1,963,916**	**100.0%**	**111,254**	**100.0%**
Employed	1,867,786	95.1%	106,226	95.5%
Unemployed	96,130	4.9%	5,028	4.5%
White CLF	**2,916,813**	**100%**	**152,879**	**100%**
Employed	2,799,732	96.0%	146,966	96.1%
Unemployed	117,081	4.0%	5,913	3.9%
Black CLF	**772,382**	**100%**	**43,755**	**100%**
Employed	709,453	91.9%	40,368	92.3%
Unemployed	62,929	8.1%	3,387	7.7%
Asian CLF	**214,026**	**100%**	**14,299**	**100%**
Employed	204,543	95.6%	13,298	93.0%
Unemployed	9,483	4.4%	1,001	7.0%
Hispanic CLF	**277,742**	**100%**	**11,708**	**100%**
Employed	261,165	94.0%	11,543	98.6%
Unemployed	16,577	6.0%	165	1.4%

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

OBSERVATION: Blacks and Asians had higher unemployment rates of 7.7% and 7.0%, respectively, compared to 3.9% for Whites and 1.4% for Hispanics. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

B. Housing Market

i. Housing Inventory

The total housing inventory has increased 20.5% in the past twenty years. In 2009, there were 147,042 units in Virginia Beach; by 2009, this number had grown to 177,229. Areas of higher rates of residential development include census tracts 454.10, 454.16, 454.20, 462.16, and 462.19 where the housing inventories in these areas have more than doubled since 1990. Two of these census tracts, 462.16 and 462.19, are areas of concentration of Asian residents.

Notably, 25% of the net increase in housing units occurred in 16 of the 19 areas of concentration of minority residents in Virginia Beach.

Figure 9-14
Trends in Total Housing Units, 1990-2009

Census Tract	1990		2000		2009		Change 1990-2009	
	#	%	#	%	#	%	#	%
City Total	147,042	100.0%	162,277	100.0%	177,229	100.0%	30,187	20.5%
400.00	472	0.3%	514	0.3%	507	0.3%	35	7.4%
402.00	1,981	1.3%	1,884	1.2%	1,914	1.1%	-67	-3.4%
404.02	2,701	1.8%	2,815	1.7%	2,918	1.6%	217	8.0%
404.03	1,715	1.2%	1,732	1.1%	1,777	1.0%	62	3.6%
404.04	1,564	1.1%	2,134	1.3%	2,723	1.5%	1159	74.1%
406.00	2,042	1.4%	2,433	1.5%	2,595	1.5%	553	27.1%
408.01	1,684	1.1%	1,722	1.1%	1,718	1.0%	34	2.0%
408.02	1,563	1.1%	1,486	0.9%	1,798	1.0%	235	15.0%
410.02	916	0.6%	895	0.6%	885	0.5%	-31	-3.4%
410.03	1,451	1.0%	1,404	0.9%	1,420	0.8%	-31	-2.1%
410.04	1,570	1.1%	1,550	1.0%	1,535	0.9%	-35	-2.2%
412.00	2,561	1.7%	2,832	1.7%	2,906	1.6%	345	13.5%
414.00	1,468	1.0%	1,910	1.2%	1,971	1.1%	503	34.3%
416.00	1,317	0.9%	1,404	0.9%	1,407	0.8%	90	6.8%
418.01	2,195	1.5%	2,033	1.3%	2,129	1.2%	-66	-3.0%
418.02	2,606	1.8%	2,819	1.7%	2,903	1.6%	297	11.4%
420.00	1,126	0.8%	1,210	0.7%	1,254	0.7%	128	11.4%
422.01	1,470	1.0%	1,462	0.9%	1,454	0.8%	-16	-1.1%
422.02	1,595	1.1%	1,662	1.0%	1,694	1.0%	99	6.2%
424.00	1,885	1.3%	1,883	1.2%	1,872	1.1%	-13	-0.7%
426.00	1,133	0.8%	1,124	0.7%	1,116	0.6%	-17	-1.5%
428.01	2,068	1.4%	2,059	1.3%	2,090	1.2%	22	1.1%
428.02	1,873	1.3%	2,069	1.3%	2,081	1.2%	208	11.1%
430.01	3,198	2.2%	4,349	2.7%	5,029	2.8%	1831	57.3%
430.02	1,181	0.8%	1,396	0.9%	1,546	0.9%	365	30.9%
432.00	190	0.1%	192	0.1%	190	0.1%	0	0.0%
434.00	1,439	1.0%	1,497	0.9%	1,541	0.9%	102	7.1%
436.00	1,010	0.7%	1,029	0.6%	1,031	0.6%	21	2.1%
438.00	2,158	1.5%	2,237	1.4%	2,261	1.3%	103	4.8%
440.01	2,742	1.9%	2,749	1.7%	3,150	1.8%	408	14.9%
440.02	4,363	3.0%	4,524	2.8%	4,571	2.6%	208	4.8%
442.00	2,956	2.0%	2,924	1.8%	3,044	1.7%	88	3.0%
444.01	1,384	0.9%	1,390	0.9%	1,385	0.8%	1	0.1%
444.02	2,287	1.6%	2,615	1.6%	2,724	1.5%	437	19.1%
446.00	2,088	1.4%	2,465	1.5%	2,339	1.3%	251	12.0%
448.05	1,741	1.2%	1,716	1.1%	1,813	1.0%	72	4.1%
448.06	2,212	1.5%	2,212	1.4%	2,236	1.3%	24	1.1%
448.07	2,717	1.8%	2,558	1.6%	2,667	1.5%	-50	-1.8%
448.08	1,768	1.2%	1,913	1.2%	1,972	1.1%	204	11.5%
450.00	643	0.4%	101	0.1%	100	0.1%	-543	-84.4%
452.00	832	0.6%	868	0.5%	874	0.5%	42	5.0%
454.05	1,833	1.2%	1,811	1.1%	1,876	1.1%	43	2.3%
454.06	1,857	1.3%	2,923	1.8%	3,400	1.9%	1543	83.1%
454.07	1,089	0.7%	1,025	0.6%	1,022	0.6%	-67	-6.2%
454.08	2,057	1.4%	2,231	1.4%	2,618	1.5%	561	27.3%
454.10	755	0.5%	2,712	1.7%	4,213	2.4%	3,458	458.0%
454.12	1,205	0.8%	1,395	0.9%	1,492	0.8%	287	23.8%
454.14	2,145	1.5%	2,213	1.4%	2,306	1.3%	161	7.5%
454.15	772	0.5%	664	0.4%	665	0.4%	-107	-13.9%
454.16	1,067	0.7%	2,576	1.6%	2,734	1.5%	1,667	156.2%
454.17	1,770	1.2%	2,418	1.5%	3,084	1.7%	1,314	74.2%
454.18	1,854	1.3%	2,897	1.8%	3,399	1.9%	1,545	83.3%
454.19	2,109	1.4%	2,700	1.7%	3,063	1.7%	954	45.2%
454.20	844	0.6%	1,358	0.8%	1,801	1.0%	957	113.4%
456.01	1,136	0.8%	1,146	0.7%	1,156	0.7%	20	1.8%
456.02	3,346	2.3%	3,371	2.1%	4,060	2.3%	714	21.3%
458.01	1,523	1.0%	1,615	1.0%	1,694	1.0%	171	11.2%
458.03	1,427	1.0%	1,460	0.9%	1,446	0.8%	19	1.3%
458.05	494	0.3%	492	0.3%	501	0.3%	7	1.4%
458.06	1,476	1.0%	1,476	0.9%	1,508	0.9%	32	2.2%
458.07	762	0.5%	758	0.5%	761	0.4%	-1	-0.1%
458.08	858	0.6%	831	0.5%	1,051	0.6%	193	22.5%
458.09	1,883	1.3%	2,026	1.2%	2,561	1.4%	678	36.0%
458.10	799	0.5%	757	0.5%	748	0.4%	-51	-6.4%
460.02	1,906	1.3%	1,928	1.2%	1,958	1.1%	52	2.7%
460.05	2,905	2.0%	3,123	1.9%	3,356	1.9%	451	15.5%
460.06	1,636	1.1%	1,619	1.0%	1,622	0.9%	-14	-0.9%
460.08	2,775	1.9%	3,588	2.2%	4,206	2.4%	1,431	51.6%
460.09	1,900	1.3%	1,888	1.2%	1,912	1.1%	12	0.6%
460.10	1,158	0.8%	1,143	0.7%	1,179	0.7%	21	1.8%
460.11	484	0.3%	611	0.4%	614	0.3%	130	26.9%
460.12	2,106	1.4%	1,568	1.0%	2,688	1.5%	582	27.6%
460.13	1,669	1.1%	1,820	1.1%	1,945	1.1%	276	16.5%
462.04	1,611	1.1%	1,821	1.1%	1,863	1.1%	252	15.6%
462.05	3,245	2.2%	3,412	2.1%	3,654	2.1%	409	12.6%
462.06	1,604	1.1%	1,746	1.1%	1,942	1.1%	338	21.1%
462.07	1,669	1.1%	1,779	1.1%	2,586	1.5%	917	54.9%
462.11	1,078	0.7%	1,113	0.7%	1,107	0.6%	29	2.7%
462.12	1,471	1.0%	1,471	0.9%	1,475	0.8%	4	0.3%
462.13	2,202	1.5%	2,592	1.6%	2,639	1.5%	437	19.8%
462.14	1,977	1.3%	1,654	1.0%	1,744	1.0%	-233	-11.8%
462.15	2,416	1.6%	2,990	1.8%	3,092	1.7%	676	28.0%
462.16	881	0.6%	1,656	1.0%	1,958	1.1%	1,077	122.2%
462.17	668	0.5%	603	0.4%	1,321	0.7%	653	97.8%
462.18	2,555	1.7%	2,594	1.6%	2,945	1.7%	390	15.3%
462.19	591	0.4%	1,181	0.7%	1,223	0.7%	632	106.9%
464.00	1,609	1.1%	1,751	1.1%	1,901	1.1%	292	18.1%

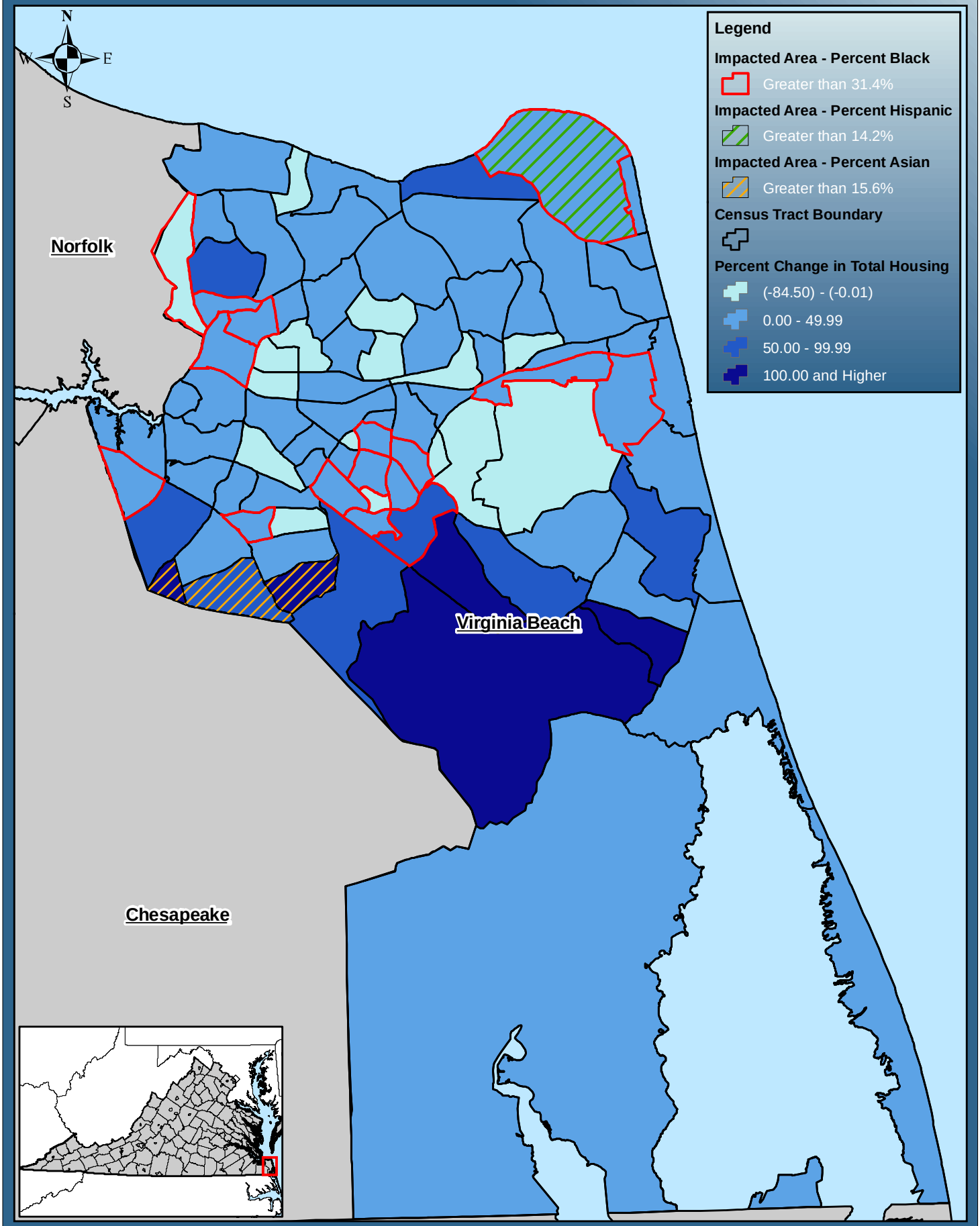
Source: DemographicsNow

Map 9-5 on the following page illustrates the degree to which changes occurred in the housing stock from 1990 to 2009.

OBSERVATION: The housing stock more than doubled in five census tracts, including tracts 454.10, 454.16, 454.20, 462.16, and 462.19. Newer residential development has been concentrated in the central part of Virginia Beach, however, the latter two census tracts are areas of concentration of Asian residents. Notably, 25% of the net increase in new housing development occurred in 16 of the 19 impacted areas.

Map 9-5: Percent Change in Housing Inventory in Virginia Beach, 1990-2009

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



ii. Types of Housing Units

Of the 72,672 housing structures in 2000, 74.5% were single family units. Most of the remaining units were in multi-family properties of all sizes. There were also 2,316 mobile homes in Virginia Beach in 2000. These were largely concentrated in seven census tracts. Census tracts 402, 410.02, 442, 454.06, 454.08, 460.05, and 464 accounted for 86.3% of all mobile homes in Virginia Beach. Three of these tracts were also areas of minority concentration.

Multi-family units accounted for more than half of the housing stock in seven census tracts, including tracts 418.01, 428.02, 430.01, 440.01, 448.05, 448.07, and 456.02. Notably, none of these tracts were areas of minority concentration.

Map 9-6 on the following page illustrates where higher concentrations of multi-family units are located.

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Map 9-6: Percent of Multi-Family Housing Units in Virginia Beach, 2000

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice

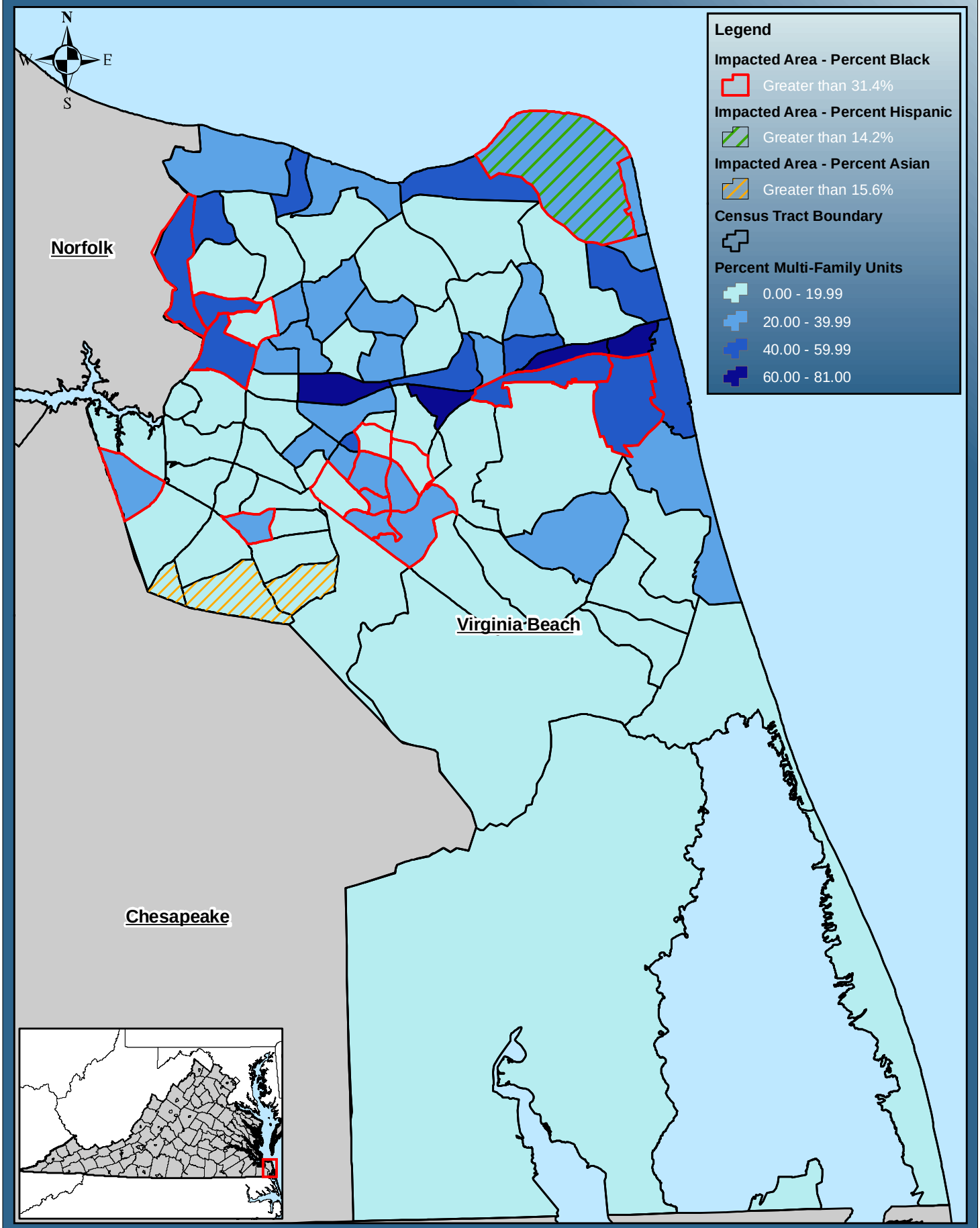


Figure 9-15
Trends in Housing Units in Structures, 2000

		Single-family units	Multi-family units									Multi-family units						
	Total Units	(detached and attached)	2 to 4	5 to 9	10 to 19	20 or more	Total	Mobile home	Boat, RV, van, etc		Total Units	(detached and attached)	2 to 4	5 to 9	10 to 19	20 or more	Total	Mobile home	Boat, RV, van, etc
City Total	162,277	120,891	12,056	12,728	6,091	8,091	38,966	2,316	104	454.07	998	975	8	0	0	0	8	15	0
400.00	514	407	84	0	12	11	107	0	0	454.08	2,231	1,390	198	243	92	28	561	280	0
402.00	1,884	968	193	384	88	95	760	156	0	454.10	2,712	2,700	12	0	0	0	12	0	0
404.02	2,815	1,492	379	530	269	125	1,303	20	0	454.12	1,422	1,370	0	0	0	0	0	11	41
404.03	1,732	1,027	106	345	90	164	705	0	0	454.14	2,213	1,842	89	208	41	33	371	0	0
404.04	2,134	1,843	49	107	0	115	271	20	0	454.15	646	646	0	0	0	0	0	0	0
406.00	2,433	1,413	139	598	144	139	1,020	0	0	454.16	2,594	2,566	11	8	9	0	28	0	0
408.01	1,722	1,057	293	152	76	117	638	27	0	454.17	2,418	2,408	0	10	0	0	10	0	0
408.02	1,486	1,441	18	22	0	5	45	0	0	454.18	2,897	2,543	160	73	0	79	312	24	18
410.02	917	499	30	57	26	6	119	299	0	454.19	2,700	2,679	12	0	9	0	21	0	0
410.03	1,404	1,093	51	137	46	69	303	8	0	454.20	1,358	1,358	0	0	0	0	0	0	0
410.04	1,550	1,149	33	318	26	24	401	0	0	456.01	1,146	1,127	19	0	0	0	19	0	0
412.00	2,832	2,323	137	222	87	55	501	8	0	456.02	3,371	1,002	1,098	605	386	280	2,369	0	0
414.00	1,888	1,849	8	15	16	0	39	0	0	458.01	1,615	1,237	196	134	31	17	378	0	0
416.00	1,404	1,088	97	58	136	25	316	0	0	458.03	1,460	1,001	28	138	185	108	459	0	0
418.01	2,033	832	442	343	230	186	1,201	0	0	458.05	515	515	0	0	0	0	0	0	0
418.02	2,819	2,062	505	53	0	199	757	0	0	458.06	1,476	1,394	10	65	0	0	75	7	0
420.00	1,210	1,199	0	0	5	0	5	6	0	458.07	715	318	165	171	24	30	390	0	7
422.01	1,462	1,161	88	171	16	26	301	0	0	458.08	851	620	148	67	16	0	231	0	0
422.02	1,662	1,560	36	0	0	66	102	0	0	458.09	2,035	1,582	54	145	114	140	453	0	0
424.00	1,883	1,468	31	223	22	139	415	0	0	458.10	748	479	95	149	9	16	269	0	0
426.00	1,106	627	170	267	29	13	479	0	0	460.02	1,928	1,853	62	13	0	0	75	0	0
428.01	2,059	2,052	0	0	7	0	7	0	0	460.05	3,123	2,242	93	172	8	61	334	547	0
428.02	2,069	695	168	672	389	145	1,374	0	0	460.06	1,619	1,592	0	22	5	0	27	0	0
430.01	4,349	2,017	440	227	442	1,223	2,332	0	0	460.08	3,588	3,353	181	36	10	8	235	0	0
430.02	1,417	1,404	13	0	0	0	13	0	0	460.09	1,888	1,737	29	109	0	13	151	0	0
432.00	189	121	40	28	0	0	68	0	0	460.10	1,141	1,015	64	58	0	4	126	0	0
434.00	1,492	1,070	404	18	0	0	422	0	0	460.11	613	507	98	8	0	0	106	0	0
436.00	1,034	792	242	0	0	0	242	0	0	460.12	1,568	1,354	13	54	125	16	208	6	0
438.00	2,237	1,298	124	50	66	693	933	0	6	460.13	1,820	1,415	85	88	124	108	405	0	0
440.01	2,749	523	591	834	408	384	2,217	9	0	462.04	1,821	1,705	20	33	24	33	110	6	0
440.02	4,524	2,300	873	405	503	443	2,224	0	0	462.05	3,412	2,077	122	654	189	365	1,330	5	0
442.00	2,924	1,222	645	499	140	132	1,416	286	0	462.06	1,746	1,707	34	5	0	0	39	0	0
444.01	1,390	1,381	9	0	0	0	9	0	0	462.07	1,779	1,571	63	131	9	0	203	5	0
444.02	2,615	1,701	206	271	186	251	914	0	0	462.11	1,158	1,151	7	0	0	0	7	0	0
446.00	2,465	2,111	26	0	63	254	343	11	0	462.12	1,426	1,414	6	6	0	0	12	0	0
448.05	1,734	445	239	320	437	293	1,289	0	0	462.13	2,592	1,720	177	345	185	150	857	7	8
448.06	2,212	1,267	596	185	70	82	933	12	0	462.14	1,654	1,643	0	11	0	0	11	0	0
448.07	2,558	1,201	497	323	124	413	1,357	0	0	462.15	2,990	2,853	20	117	0	0	137	0	0
448.08	1,913	1,368	204	160	43	82	489	56	0	462.16	1,642	1,488	48	83	12	11	154	0	0
450.00	83	35	0	0	0	0	0	48	0	462.17	617	617	0	0	0	0	0	0	0
452.00	868	563	21	229	40	9	299	6	0	462.18	2,594	2,594	0	0	0	0	0	0	0
454.05	1,811	1,213	194	256	38	110	598	0	0	462.19	1,181	1,051	0	11	21	98	130	0	0
454.06	2,923	1,572	200	277	189	400	1,066	285	0	464.00	1,751	1,571	10	0	0	0	10	146	24

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

iii. Foreclosure Trends

HUD NSP estimates provide foreclosure data at the local level.[110] Between January 2007 and June 2008, the City of Virginia Beach had an estimated 2,904 foreclosure filings, representing a foreclosure rate of 2.7%. This was the lowest rate within the Hampton Roads region. At the census tract level, six of the City's 87 tracts had a foreclosure rate of more than 5.4%, or twice the City's overall rate. These census tracts are highlighted in Figure 9-16 and include tracts 400, 402, 404.02, 454.14, 458.10 and 462.05. Four of the six census tracts with the highest foreclosure rates were also areas of concentration of Black residents.

Of the City's 87 tracts, 16 had foreclosure rates less than 1%, with five having no foreclosures during the 18-month period.

[110] HUD NSP Estimates data, covering the period between January 2007 and June 2008, 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.

Figure 9-16
Estimated Residential Foreclosure Rankings by Census Tract, January 2007 – June 2008

Census tract	Foreclosure Filings	Total Mortgages	Foreclosure Rate
City of Virginia Beach	**2,904**	**105,925**	**2.7%**
400.00	2	17	11.8%
402.00	44	528	8.3%
404.02	72	1,055	6.8%
404.03	24	766	3.1%
404.04	29	1,539	1.9%
406.00	67	1,261	5.3%
408.01	25	642	3.9%
408.02	57	1,299	4.4%
410.02	15	428	3.5%
410.03	23	703	3.3%
410.04	33	815	4.0%
412.00	11	1,542	0.7%
414.00	19	1,194	1.6%
416.00	6	628	1.0%
418.01	7	572	1.2%
418.02	4	1,343	0.3%
420.00	0	804	0.0%
422.01	1	678	0.1%
422.02	12	1,056	1.1%
424.00	28	1,055	2.7%
426.00	4	299	1.3%
428.01	64	1,560	4.1%
428.02	28	765	3.7%
430.01	8	2,037	0.4%
430.02	6	1,015	0.6%
432.00	0	8	0.0%
434.00	0	402	0.0%
436.00	0	379	0.0%
438.00	0	657	0.0%
440.01	11	637	1.7%
440.02	19	1,678	1.1%
442.00	30	1,059	2.8%
444.01	7	926	0.8%
444.02	13	1,389	0.9%
446.00	1	1,317	0.1%
448.05	2	53	3.8%
448.06	31	772	4.0%
448.07	19	844	2.3%
448.08	26	1,194	2.2%
450.00	1	52	1.9%
452.00	1	250	0.4%
454.05	58	1,231	4.7%
454.06	85	2,079	4.1%
454.07	47	911	5.2%
454.08	50	1,261	4.0%
454.10	59	4,102	1.4%
454.12	3	437	0.7%
454.14	83	1,513	5.5%
454.15	24	542	4.4%
454.16	57	2,848	2.0%
454.17	65	3,311	2.0%
454.18	67	2,489	2.7%
454.19	69	3,310	2.1%
454.20	17	1,575	1.1%
456.01	12	766	1.6%
456.02	30	766	3.9%
458.01	28	976	2.9%
458.03	22	741	3.0%
458.05	15	376	4.0%
458.06	47	1,206	3.9%
458.07	10	300	3.3%
458.08	35	707	5.0%
458.09	76	1,742	4.4%
458.10	26	446	5.8%
460.02	25	1,272	2.0%
460.05	57	1,824	3.1%
460.06	16	1,105	1.4%
460.08	143	4,296	3.3%
460.09	32	1,152	2.8%
460.10	17	601	2.8%
460.11	11	619	1.8%
460.12	73	1,712	4.3%
460.13	65	1,384	4.7%
462.04	31	1,222	2.5%
462.05	97	1,695	5.7%
462.06	38	1,507	2.5%
462.07	59	1,742	3.4%
462.11	20	753	2.7%
462.12	26	1,206	2.2%
462.13	75	1,798	4.2%
462.14	61	1,824	3.3%
462.15	126	3,413	3.7%
462.16	52	2,052	2.5%
462.17	25	1,179	2.1%
462.18	59	2,370	2.5%
462.19	37	1,141	3.2%
464.00	20	1,200	1.7%

Source: HUD NSP Foreclosure Estimates, realeased October 2008

In July 2010, RealtyTrac reported 295 new foreclosure filings in Virginia Beach, or 1 in every 595 housing units.

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. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

OBSERVATION: Between January 2007 and June 2008, Virginia Beach had a foreclosure rate of 2.7%, the lowest in the Hampton Roads region. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

iv. The Relationship between 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."[111]

In 2000, Whites and Asians had the highest rate of homeownership in Virginia Beach at 69.7% and 72.8%, respectively. Blacks and Hispanics had much lower rates, at 48.8% and 48%, respectively.

As discussed previously in this report, median household income is lower among Black households in Virginia Beach than among White, Asian and Hispanic households. This factor more than likely contributes to the lower rates of home ownership among Black households.

OBSERVATION: Lower household incomes among Blacks are reflected in similarly lower home ownership rates when compared to White and Asian households. Home ownership rates among Blacks and Hispanics were comparable at about 48% compared to 69.7% among Whites and 72.8% among Asians.

[111] 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.

Figure 9-17
Home Ownership by Race and Ethnicity of Householder, 2000

	White		Black*		Asian*		Hispanic*	
Census Tract	#	%	#	%	#	%	#	%
City Total	81,723	69.7%	12,954	48.8%	4,169	72.8%	2,341	48.0%
400.00	0	0.0%	13	8.3%	0	0.0%	6	25.0%
402.00	273	43.1%	328	31.4%	0	0.0%	21	41.2%
404.02	288	30.9%	423	26.4%	37	48.7%	12	11.2%
404.03	654	58.9%	65	16.3%	33	35.1%	7	10.4%
404.04	1,303	80.5%	184	77.3%	97	78.2%	42	89.4%
406.00	421	47.1%	401	34.6%	40	70.2%	6	8.2%
408.01	735	59.8%	81	27.3%	27	58.7%	12	24.5%
408.02	723	78.9%	190	52.6%	84	100.0%	38	70.4%
410.02	504	73.0%	25	19.7%	6	42.9%	22	43.1%
410.03	780	68.6%	67	37.2%	17	70.8%	18	72.0%
410.04	741	68.5%	150	54.5%	54	62.8%	5	18.5%
412.00	1,980	78.6%	73	52.5%	22	42.3%	9	22.5%
414.00	1,550	92.2%	74	85.1%	51	100.0%	49	81.7%
416.00	938	73.6%	30	81.1%	22	73.3%	30	83.3%
418.01	527	33.0%	11	4.8%	10	19.6%	0	0.0%
418.02	1,562	62.4%	30	54.5%	33	100.0%	15	78.9%
420.00	1,075	96.7%	20	100.0%	45	100.0%	5	100.0%
422.01	1,063	75.2%	8	50.0%	0	0.0%	19	59.4%
422.02	1,346	87.1%	25	49.0%	30	100.0%	30	100.0%
424.00	1,131	74.9%	46	23.1%	20	64.5%	14	27.5%
426.00	459	49.0%	0	0.0%	8	34.8%	0	0.0%
428.01	1,338	85.3%	302	84.8%	23	100.0%	40	70.2%
428.02	455	34.9%	144	30.9%	19	40.4%	7	8.6%
430.01	2,525	66.1%	25	55.6%	0	0.0%	33	40.2%
430.02	1,264	97.3%	46	100.0%	37	100.0%	14	70.0%
432.00	0	0.0%	0	0.0%			0	0.0%
434.00	626	58.7%			13	72.2%		
436.00	604	78.0%	0	0.0%	0	0.0%	6	100.0%
438.00	1,270	71.0%	0	0.0%	0	0.0%	6	21.4%
440.01	437	20.1%	32	9.9%	0	0.0%	0	0.0%
440.02	1,921	54.6%	38	24.7%	26	38.2%	9	10.7%
442.00	932	51.9%	255	30.4%	0	0.0%	29	34.1%
444.01	1,262	94.2%	29	100.0%	6	100.0%	31	100.0%
444.02	1,580	69.9%	27	15.6%	9	23.1%	32	41.6%
446.00	1,980	86.7%	0	0.0%	17	100.0%	28	68.3%
448.05	42	3.3%	0	0.0%	0	0.0%	0	0.0%
448.06	559	41.3%	130	19.9%	7	100.0%	16	16.0%
448.07	825	42.5%	41	9.9%	17	65.4%	45	29.8%
448.08	947	63.0%	93	31.4%	0	0.0%	20	38.5%
450.00	70	84.3%					8	100.0%
452.00	215	37.2%	6	4.0%	0	0.0%	8	17.0%
454.05	584	54.2%	256	60.5%	82	50.6%	32	45.1%
454.06	765	46.4%	350	51.2%	122	67.8%	57	30.3%

	White		Black		Asian		Hispanic	
Census Tract	#	%	#	%	#	%	#	%
454.07	555	86.6%	191	70.5%	35	74.5%	8	100.0%
454.08	1,090	67.0%	98	37.5%	35	34.7%	60	46.9%
454.10	2,026	93.1%	275	100.0%	105	100.0%	70	86.4%
454.12	537	74.6%	0	0.0%	5	100.0%		
454.14	851	65.1%	233	42.1%	71	56.8%	65	56.0%
454.15	404	83.0%	63	100.0%	23	100.0%	47	69.1%
454.16	1,824	91.3%	260	89.0%	131	100.0%	70	100.0%
454.17	1,870	92.2%	175	100.0%	63	100.0%	52	83.9%
454.18	1,799	77.7%	195	59.8%	55	77.5%	60	60.0%
454.19	1,952	88.6%	240	87.0%	43	82.7%	93	90.3%
454.20	1,191	95.9%	76	100.0%	14	100.0%	28	100.0%
456.01	899	91.7%	71	67.6%	19	100.0%	11	64.7%
456.02	520	23.3%	132	17.3%	6	6.6%	15	11.5%
458.01	866	73.3%	135	50.2%	69	82.1%	16	64.0%
458.03	679	61.6%	112	56.0%	6	8.7%	24	51.1%
458.05	341	82.2%	36	48.0%	8	100.0%		
458.06	750	83.0%	251	61.5%	24	100.0%	25	67.6%
458.07	183	33.5%	66	53.7%	0	0.0%	0	0.0%
458.08	299	59.6%	175	71.7%	11	50.0%	0	0.0%
458.09	659	60.8%	373	56.3%	102	66.2%	36	53.7%
458.10	231	68.1%	76	25.2%	10	14.9%	0	0.0%
460.02	1,366	86.5%	138	68.3%	64	74.4%	22	100.0%
460.05	1,772	76.2%	320	66.9%	52	85.2%	67	64.4%
460.06	1,272	90.2%	64	87.7%	80	100.0%	27	52.9%
460.08	1,857	83.2%	655	77.8%	248	87.9%	132	82.5%
460.09	1,312	83.5%	134	58.3%	24	100.0%		
460.10	685	84.2%	58	28.0%	33	100.0%	14	48.3%
460.11	392	80.7%	53	57.0%	9	100.0%	12	100.0%
460.12	684	76.1%	331	77.0%	107	68.6%	55	59.1%
460.13	673	63.4%	276	53.6%	74	74.0%	43	43.4%
462.04	1,376	89.1%	127	67.9%	12	52.2%	16	64.0%
462.05	851	50.7%	557	38.9%	68	75.6%	27	24.1%
462.06	1,083	87.1%	222	83.5%	160	90.4%	40	76.9%
462.07	848	69.3%	240	72.7%	112	88.2%	61	58.7%
462.11	826	86.7%	118	100.0%	52	100.0%	11	100.0%
462.12	1,019	95.8%	150	77.7%	114	87.7%	32	100.0%
462.13	833	55.5%	275	45.3%	113	63.8%	86	46.5%
462.14	923	84.6%	277	85.2%	136	90.7%	32	64.0%
462.15	1,410	81.0%	623	77.3%	264	96.7%	77	74.8%
462.16	998	89.1%	243	80.2%	172	100.0%	44	100.0%
462.17	272	80.0%	154	91.1%	103	100.0%	18	100.0%
462.18	1,750	89.7%	321	88.4%	164	91.1%	33	71.7%
462.19	475	75.9%	267	91.4%	159	86.9%	25	78.1%
464.00	1,266	84.1%	100	90.1%			6	37.5%

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)
*Cells for tracts in which no members of a racial or ethnic group live are left blank to differentiate them from tracts in which only renters live

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, 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 size of the unit will have a negative impact on members of the protected classes.

In Virginia Beach, persons of Some Other Race were most likely to live in families of three or more persons. Racial and ethnic minorities also had higher percentages of larger of families than Whites.

Figure 9-18
Families with Three or More Persons, 2000

Race	Percent of Families with Three or more persons
White	60.4%
Black	74.0%
Asian	75.0%
Some Other Race Alone	76.9%
Two or More Races	74.4%
Hispanic	74.5%

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In Virginia Beach, only 12% of the rental housing stock contained three or more bedrooms in 2000 compared to 56.3% of the owner housing stock.

Figure 9-19
Housing Units by Number of Bedrooms, 2000

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
Size of Housing Units	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	11,872	7.7%	1,485	1.0%
2 bedrooms	22,736	14.7%	12,780	8.3%
3 or more bedrooms	**18,582**	**12.0%**	**87,000**	**56.3%**
Total	**53,190**	**34.4%**	**101,265**	**65.6%**

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Minority households were more likely to live in larger families than White households. About three-quarters of all minority families included three or more persons, compared to 60.4% of White families. However, only 12% of the rental housing sock contained three or more bedrooms, compared to 56.3% of the owner housing stock.

vi. 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 because of a lack of affordable housing in those areas.

a. Rental Housing

The median housing value in Virginia Beach has increased 81% since 1990, after adjusting for inflation.[112] Median gross rent increased 19.2% during the same period. In contrast, real household income increased only 10.1%.

[112] 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.

Figure 9-20
Trends in Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	$96,000	$123,200	$286,200	198.1%
2008 Dollars	$158,141	$154,038	$286,200	81.0%
Median Gross Rent				
Actual Dollars	$577	$734	$1,134	96.5%
2008 Dollars	$951	$918	$1,134	19.2%
Median Household Income				
Actual Dollars	$36,271	$48,705	$65,776	81.3%
2008 Dollars	$59,749	$60,896	$65,776	10.1%

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.

At the same time that real household income was failing to keep pace with median rents, Virginia Beach was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than $500 per month decreased by 3,049 units, or 69.6%. Units renting for $500 to $699 suffered an even larger decrease of 14,820 units, or 89%. At the same time, the number of higher-rent units ($1,000 per month or higher) increased by more than 28,000.

Figure 9-21
Loss of Affordable Rental Housing Units, 2000-2008

			Change 2000-2008	
Units Renting for:	2000	2008	#	%
Less than $500	4,381	1,332	-3,049	-69.6%
$500 to $699	16,649	1,829	-14,820	-89.0%
$700 to $999	23,534	15,262	-8,272	-35.1%
$1,000 or more	6,349	34,659	28,310	445.9%

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

OBSERVATION: Between 2000 and 2008, Virginia Beach lost more than two-thirds of all housing units renting for less than $500, equivalent to over 3,000 units. By comparison, units renting for $1,000 or more increased by more than 28,000 units.

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 Virginia Beach, the fair market rent (FMR) for a two-bedroom apartment is $904. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn $3,013 monthly or $36,160 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of $17.38.

In Virginia Beach, a minimum wage worker earns an hourly wage of $6.55. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 106 hours per week, 52 weeks per year. Or, a household must include 2.7 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Virginia Beach, the estimated average wage for a renter is $11.99 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 58 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.5 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

OBSERVATION: Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Virginia Beach. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are $674 in Virginia Beach and throughout Virginia. If SSI represents an individual's sole source of income, $202 in monthly rent is affordable, while the FMR for a one-bedroom is $781.

OBSERVATION: Persons receiving a monthly SSI check of $674, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit at the fair market rent of $781.

b. Sales Housing

The housing market in Virginia Beach has slowed in activity since 2004, well before the beginning of the national housing slump. After peaking at 9,084 units sold in 2004, the local market decreased to 5,229 units sold in 2010. The average length of time a house has remained on the market more than tripled between 2000 and 2008, from 19 days to 71 days. Surprisingly, local data provided by the Hampton Roads Realtor Association reveal that the houses that are selling are retaining their value and sellers are getting their asking prices. Between 2000 and 2008, the median sales price was comparable to the median list price with both hovering at 100%. In 2003-2004, the median sales price was equivalent to 101% of the median list price.

Figure 9-22
Housing Market Sales Trends, 2000-2010

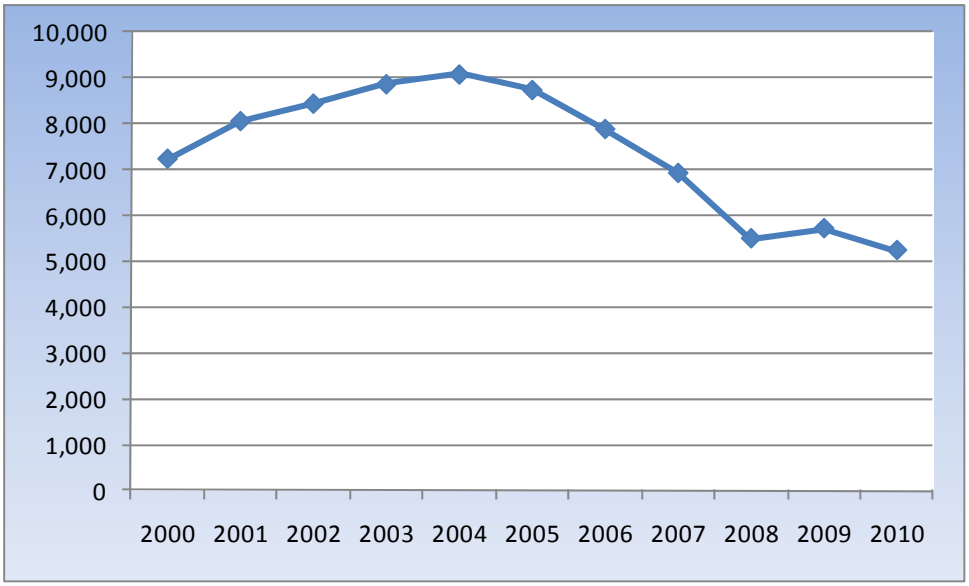
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Single-Family Properties											
Number of units sold	7,233	8,061	8,444	8,869	9,084	8,742	7,886	6,921	5,488	5,710	5,229
Average No. Days on Market	53	48	32	26	19	24	45	60	71	n/a	n/a
Median List Price	$119,900	$127,190	$139,900	$157,000	$187,000	$230,000	$250,000	$259,900	$250,000	n/a	n/a
Median Sale Price	$119,900	$126,900	$139,900	$158,000	$188,758	$230,000	$249,900	$257,000	$249,900	$238,000	$239,900
MSP as % MLP*	100%	100%	100%	101%	101%	100%	100%	99%	100%	n/a	n/a

*Median Sales Price as a percent of Median List Price

Source: Hampton Roads Realtor Association, 2009-2010 data from REIN, Inc

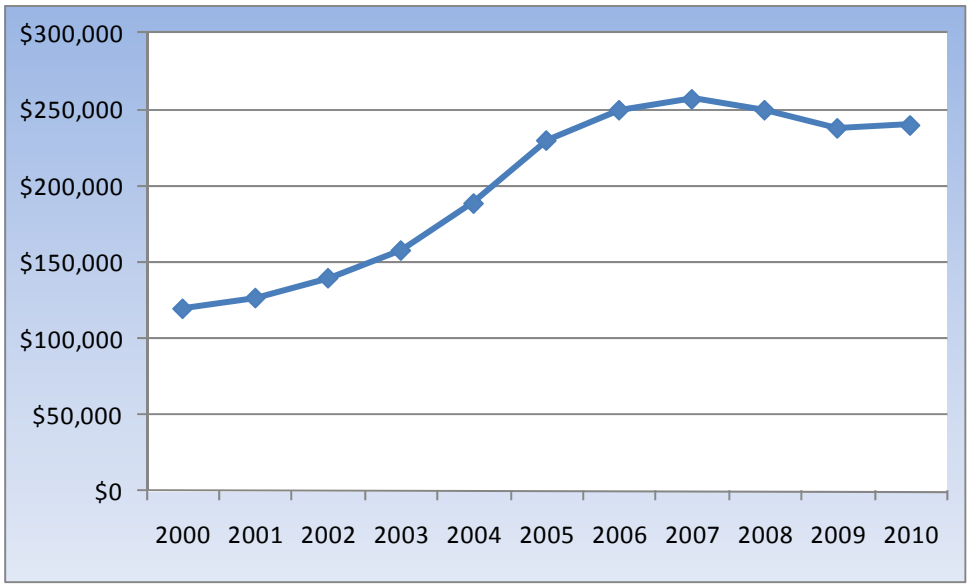
While the market has slowed in Virginia Beach as indicated by the longer length of time houses remain on the market and the decrease in the total number of units sold, the median sales price has remained steady at about $250,000 since 2006. This confirms the fact that homes are retaining their value even in a softer market.

Figure 9-23
Number of Housing Units Sold, 2000-2010



Source: Hampton Roads Realtor Association, 2009-2010 data from REIN, Inc

Figure 9-24
Median Sales Price Trends, 2000-2010



Source: Hampton Roads Realtor Association, 2009-2010 data from REIN, Inc

vii. The Relationship between Protected Class Status and Housing Problems

Generally, lower income minority households tend to experience housing problems at a higher rate than lower income White households.[113] This trend only partially holds true in Virginia Beach. Among all owner households with incomes below 80% of the median family income in 2000, 67.8% of White households experienced problems compared to 74.3% of Blacks and 73.4% of Hispanics.

However, among all renter households of similar income levels, White households had the highest rate of housing problems, at 71.3%. More than 67% of Black renter households experienced housing problems, as did 68.7% of Hispanic renter households.

[113] 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.

Figure 9-25
Lower Income Households with Housing Problems, 2000

	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 a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	15,425	71.3%	2,590	78.5%	7,670	66.4%	5,165	75.0%
Black Non-Hispanic	7,520	67.2%	560	60.7%	5,185	66.7%	1,775	71.0%
Hispanic	1,340	68.7%	50	60.0%	975	63.1%	315	87.3%
Total	**24,285**	**69.9%**	**3,200**	**75.8%**	**13,830**	**66.3%**	**7,255**	**74.7%**
Owners								
White Non-Hispanic	14,375	67.8%	4,605	49.7%	7,070	76.6%	2,700	75.4%
Black Non-Hispanic	3,800	74.3%	660	54.5%	2,470	78.4%	670	79.1%
Hispanic	634	73.4%	114	61.4%	440	81.8%	80	43.8%
Total	**18,809**	**69.3%**	**5,379**	**50.7%**	**9,980**	**77.3%**	**3,450**	**75.7%**

Source: HUD Comprehensive Housing Affordability Strategy data

OBSERVATION: Black home owners were more likely to experience housing problems than White home owners. Among all owner households with incomes below 80% of the median family income in 2000, 67.8% of White households experienced problems compared to 74.3% of Black households and 73.4% of Hispanic households.

C. Review of Private Sector Practices

i. 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 Virginia Beach is from 2007 and 2008. Reviewing this data 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 City. 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. The following table summarizes two years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 9-26
Summary Report Based on Action Taken Mortgage Data, 2007-2008

	2007		2008		Change	
	#	%	#	%	#	%
Total loans						
Applied for	**13,523**	**100.0%**	**9,080**	**100.0%**	**-4,443**	**-32.9%**
Black	1,755	13.0%	1,039	11.4%	-716	-40.8%
White	8,149	60.3%	5,592	61.6%	-2,557	-31.4%
Asian	532	3.9%	339	3.7%	-193	-36.3%
Hispanic*	527	3.9%	371	4.1%	-156	-29.6%
Other race	204	1.5%	131	1.4%	-73	-35.8%
No information/NA	2,883	21.3%	1,979	21.8%	-904	-31.4%
Originated	**7,093**	**100.0%**	**4,813**	**100.0%**	**-2,280**	**-32.1%**
Black	905	12.8%	562	11.7%	-343	-37.9%
White	5,027	70.9%	3,511	72.9%	-1,516	-30.2%
Asian	339	4.8%	195	4.1%	-144	-42.5%
Hispanic*	331	4.7%	217	4.5%	-114	-34.4%
Other race	107	1.5%	79	1.6%	-28	-26.2%
No information/NA	715	10.1%	466	9.7%	-249	-34.8%
Denied	**1,041**	**100.0%**	**530**	**100.0%**	**-511**	**-49.1%**
Black	284	27.3%	120	22.6%	-164	-57.7%
White	530	50.9%	295	55.7%	-235	-44.3%
Asian	50	4.8%	34	6.4%	-16	-32.0%
Hispanic*	40	3.8%	28	5.3%	-12	-30.0%
Other race	21	2.0%	12	2.3%	-9	-42.9%
No information/NA	156	15.0%	69	13.0%	-87	-55.8%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications 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, 2007-08

The most obvious trend in 2007-08 HMDA data is the steep drop in the number of loan applications. 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 4,443 (32.9%) from 2007 to 2008. At the same time, the share of Black applicants fell at a greater rate, 40.8% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased, a trend likely related to the decreasing number of total applications. However, the percentage of successful applications for

Black applicants dropped from 12.8% to 11.7%, while the share of successful applications for White residents increased from 70.9% to 72.9%. Proportions of originations for other racial groups held generally steady or decreased.

Correspondingly, the number of overall application denials decreased between 2007 and 2008. Notably, White applications accounted for a more substantial share of denials in 2008 at 55.7% compared to 50.9% in 2007. Black applications represented a smaller share of denials at 22.6% compared to 27.3% in 2007.

The following sections contain detailed analysis for applications filed in 2008, the latest year for which information is available.

Figure 9-27
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/ Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	3,876	42.7%	2,069	53.4%	175	4.5%	277	7.1%	1,298	33.5%
FHA	2,116	23.3%	1,083	51.2%	41	1.9%	153	7.2%	800	37.8%
VA	3,088	34.0%	1,661	53.8%	50	1.6%	100	3.2%	1,245	40.3%
Loan Purpose: Home Purchase										
One to four-family unit	9,019	99.3%	4,795	53.2%	263	2.9%	500	5.5%	3,333	37.0%
Manufactured housing unit	61	0.7%	18	29.5%	3	4.9%	30	49.2%	10	16.4%
Applicant Race										
American Indian/Alaska Native	38	0.4%	25	65.8%	-	0.0%	4	10.5%	8	21.1%
Asian/Pacific Islander	339	3.7%	195	57.5%	16	4.7%	34	10.0%	90	26.5%
Hawaiian	93	1.0%	54	58.1%	1	1.1%	8	8.6%	30	32.3%
Black	1,039	11.4%	562	54.1%	37	3.6%	120	11.5%	287	27.6%
Hispanic**	371	4.1%	217	58.5%	13	3.5%	28	7.5%	107	28.8%
White	5,592	61.6%	3,511	62.8%	170	3.0%	295	5.3%	1,545	27.6%
No information	792	8.7%	462	58.3%	42	5.3%	69	8.7%	200	25.3%
Not applicable	1,187	13.1%	4	0.3%	-	0.0%	-	0.0%	1,183	99.7%
Applicant Sex										
Male	5,490	60.5%	3,381	61.6%	175	3.2%	331	6.0%	1,516	27.6%
Female	2,012	22.2%	1,200	59.6%	62	3.1%	159	7.9%	556	27.6%
No information	392	4.3%	228	58.2%	29	7.4%	40	10.2%	89	22.7%
Not applicable	1,186	13.1%	4	0.3%	-	0.0%	-	0.0%	1,182	99.7%
Total	**9,080**	**100.0%**	**4,813**	**53.0%**	**266**	**2.9%**	**530**	**5.8%**	**3,343**	**36.8%**

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/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. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently

a. Households by Race

In 2008, 9,080 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in the City. Of these applications:

- 61.6% (5,592) were submitted by White households.
- 11.4% (1,039) were submitted by Black households.
- 3.7% (339) were submitted by Asian/Pacific Islander households.

- 4.1% (371) were submitted by Hispanics. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, the data overlaps with persons classified under a specified race.
- 0.4% (38) were submitted by American Indian/Alaskan Native households.
- 1.0% (93) were submitted by Hawaiian households.

b. Conventional Loans vs. 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 Virginia Beach, 57.3% (5,204) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 2,038 (39.2%) were filed by minority households.

The denial rates for government-backed loans varied:

- The denial rate for FHA loans was 7.2%.
- The denial rate for VA-guaranteed loans was 3.2%.
- The denial rate for conventional loans was 7.1%.
- There were no FSA/RHS loan applications.

c. Denial of Applications

In 2008, the mortgage applications of 530 households in the City were denied (5.8%). Denial reasons were given for 414 of the 530 mortgage application denials and included the following:

- Debt-to-income ratio: 29.2%
- Credit history: 26.6%
- Other: 14.3%
- Collateral: 12.6%
- Credit application incomplete: 7.2%
- Unverifiable information: 5.6%
- Insufficient cash: 2.7%
- Employment history: 1.7%
- Mortgage insurance denied: 0.2%

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

Only two racial or ethnic groups, White and Black, had a significant number of applicants for which the sample size is large enough to draw any conclusions. White households reported a denial rate of 5.3%, or 295 of 5,592 applications. Black households reported a denial rate of 11.5%, or 120 of 1,039 applications. Hispanics reported a denial rate of 7.5%, or 28 of 371 applications. Since Hispanics are classified as an ethnicity rather than a race, this group is double-counted in one of the race categories.

Figure 9-28
Denials by Race and Ethnicity, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,755	284	16.2%	1,039	120	11.5%
Am. Indian/Alaska Native	53	9	17.0%	38	4	10.5%
Hawaiian	151	12	7.9%	93	8	8.6%
White	8,149	530	6.5%	5,592	295	5.3%
Hispanic*	527	40	7.6%	371	28	7.5%
Not Provided	2,883	156	5.4%	1,979	69	3.5%
Asian	532	50	9.4%	339	34	10.0%

* Hispanic ethnicity is counted independently of race.

Between 2007 and 2008, the distribution of denials by race and ethnicity remained generally the same. While the number of denials decreased by 2008 for all subpopulations (of reasonable sample size), primarily due to the shrinking volume of total applications, Black households consistently had the highest denial rates, and denial rates remained consistently low for White households.

OBSERVATION: In 2008, Black households had the highest mortgage denial rate of 11.5%. White households were far more likely to receive loans, as only 5.3% of applications were denied.

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.

Of the 530 applications that were denied by area lending institutions, 519 reported household incomes. Applications made by lower income households accounted for 34.9% of all denials in 2007, though they accounted for only 22% of total applications. In 2008, lower income households comprised 38.1% of all denials and only 24.8% of all applications.

Figure 9-29
Denials by Income, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Below 80% MFI	2,977	364	12.2%	2,248	202	9.0%
At least 80% MFI	9,247	641	6.9%	6,829	328	4.8%
Total	13,523	1,041	7.7%	9,080	530	5.8%

Note: Total includes applications for which no income data was reported.

In Virginia Beach, 38.1%, of loan applications denied in 2008 were submitted by lower income households. The following tables show that denial rates are higher among minority households.

Figure 9-30
Denials by Race for Lower Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	597	113	18.9%	379	51	13.5%
White	1,764	167	9.5%	1,426	113	7.9%
Asian	123	14	11.4%	107	17	15.9%
Hawaiian	41	5	12.2%	24	1	4.2%
Am. Indian/Alaska Native	12	5	41.7%	6	0	0.0%
Not Provided	304	60	19.7%	174	20	11.5%
Not Applicable	136	0	0.0%	132	0	0.0%
Hispanic*	183	14	7.7%	138	11	8.0%
Total	**2,977**	**364**	**12.2%**	**2,248**	**202**	**9.0%**

* Hispanic ethnicity is counted independently of race.

Of the lower income applications that were denied, 55.9% were applications submitted by White households and 25.2% were applications submitted by Black households. The denial rate for Black households (13.5%) was significantly higher than for White households (7.9%).

Figure 9-31
Denials by Race for Upper Income Applicants, 2007-2008

	2007			2008		
	Total Applcations	Denials	Denial Rate	Total Applcations	Denials	Denial Rate
Black	1,111	156	14.0%	660	69	10.5%
White	6,137	345	5.6%	4,166	182	4.4%
Asian	379	35	9.2%	232	17	7.3%
Hawaiian	107	7	6.5%	69	7	10.1%
Am. Indian/Alaska Native	40	4	10.0%	32	4	12.5%
Not Provided	956	94	9.8%	618	49	7.9%
Not Applicable	517	0	0.0%	1,052	0	0.0%
Hispanic*	329	26	7.9%	233	17	7.3%
Total	**9,247**	**641**	**6.9%**	**6,829**	**328**	**4.8%**

* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper income households, denial rates were lower when compared to lower income households. Of the upper

income applications that were denied, 55.5% were submitted by White households. Black upper income households had a denial rate of 9.9%, more than twice the 3.8% denial rate for White upper income households.

OBSERVATION: Black upper income households had a mortgage loan denial rate of 10.5% in 2008, which was more than double the 4.4% denial rate for White upper income households. While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

The 2008 HMDA data for the City of Virginia Beach was analyzed to determine if a pattern of loan denials exists by census tract. Map 9-7 on the following page provides the summary data. Of the five census tracts with the highest rates of minority residents, two also have the highest denial rates of mortgage loans. The other three census tracts with high minority populations also have relatively high denial rates. There appears to be a strong correlation between race and mortgage application denials, as almost all the census tracts with high numbers of denied loans have minority populations greater than 25%.

OBSERVATION: There is a pattern of correlation between areas of concentration of minority residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

ii. 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.

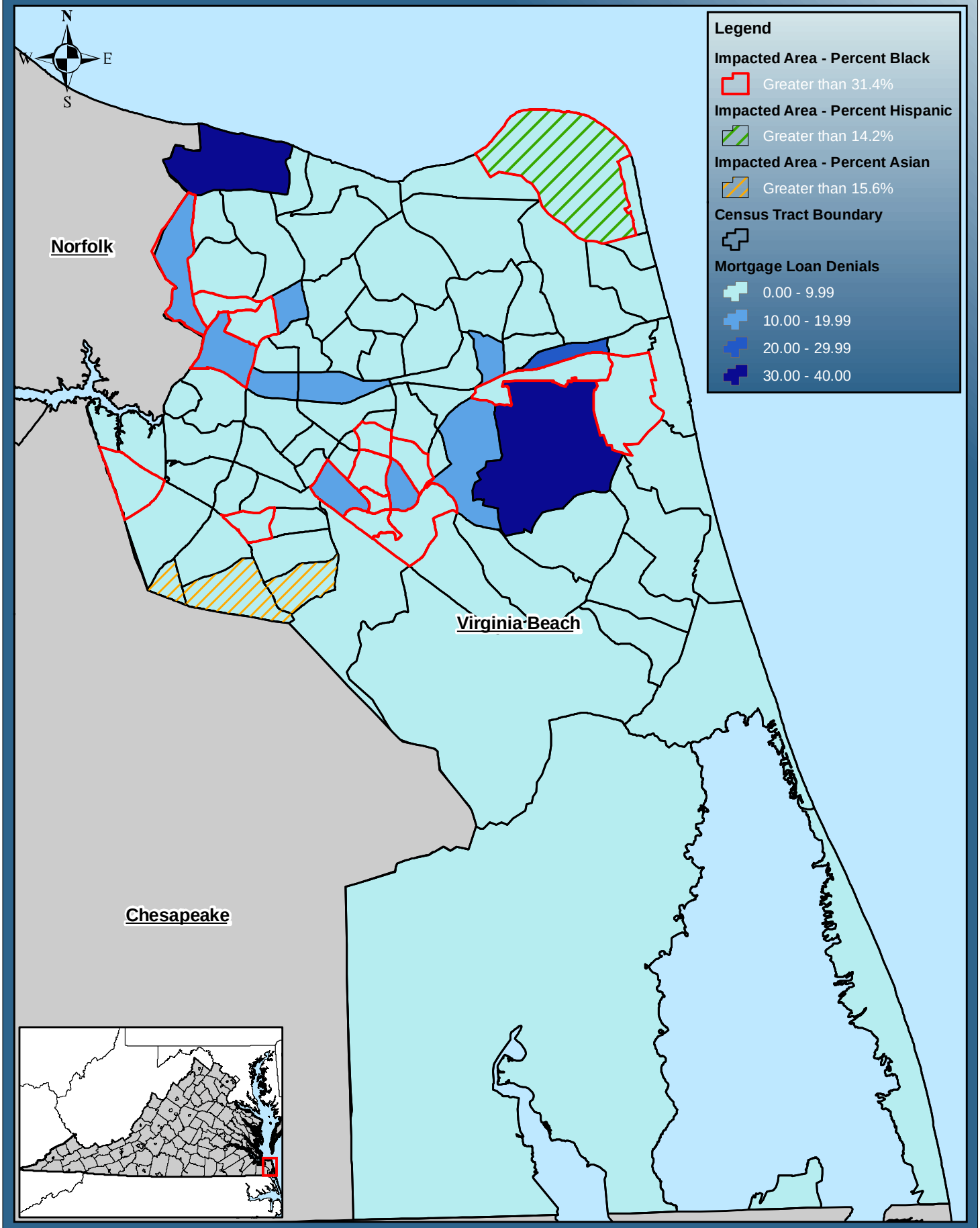
Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of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

Since 2005, Housing Mortgage Disclosure Act data has included price information for loans priced above reporting thresholds set by the Federal

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Map 9-7: Percentage of Mortgage Loan Denials in Virginia Beach, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



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, the latest year for which HMDA data is available, there were 4,813 home purchase loans for single-family or manufactured units in Virginia Beach. Of this total, 4,779 disclosed the borrower's household income and 149 reported high-cost mortgages.

An analysis of loans in the City by race and ethnicity reveals that lower income minorities are over-represented in high-cost lending. Of the 287 loans originated for lower income minorities, 12 (4.2%) were high-cost, exceeding the 3% rate for lower income White households.

Of the 553 loans originated for upper income minorities, 3.8% were high-cost, exceeding the 2.7% rate for upper income White households.

Figure 9-32
High-Cost Lending by Race/Ethnicity and Income, 2007-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	6	1	16.7%	22	4	18.2%
	Asian	84	4	4.8%	240	30	12.5%
	Black	300	38	12.7%	593	109	18.4%
	Hawaiian	23	3	13.0%	55	5	9.1%
	White	1,078	58	5.4%	3,818	218	5.7%
	No information/NA	160	13	8.1%	540	48	8.9%
	Hispanic*	120	7	5.8%	205	21	10.2%
	Total	**1,651**	**117**	**7.1%**	**5,268**	**414**	**7.9%**
2008	Am. Indian/Alaska Native	5	1	20.0%	20	0	0.0%
	Asian	56	4	7.1%	139	7	5.0%
	Black	208	7	3.4%	354	13	3.7%
	Hawaiian	16	0	0.0%	38	1	2.6%
	White	887	27	3.0%	2,624	70	2.7%
	No information/NA	94	4	4.3%	368	15	4.1%
	Hispanic*	85	1	1.2%	206	7	3.4%
	Total	**1,268**	**43**	**3.4%**	**3,545**	**106**	**3.0%**
Two-Year Totals		**2,919**	**160**	**5.5%**	**8,813**	**520**	**5.9%**

Note: Does not include loans for which no income data was reported.
* Hispanic ethnicity is counted independently of race.

Notably, the percentage of high-cost originations increased each year, along with the total number of originations.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-interest loans. Map 9-8 on the following page highlights the census tracts in Virginia Beach with higher rates of high-cost loans in 2008. These census tracts are located primarily in the central and southern areas of Virginia Beach.

OBSERVATION: Minority households are disproportionately represented among recipients of high-cost mortgage loans. This trend places the homes of minority households at greater risk for eviction, foreclosure, and bankruptcy.

D. Review of Public Sector Practices

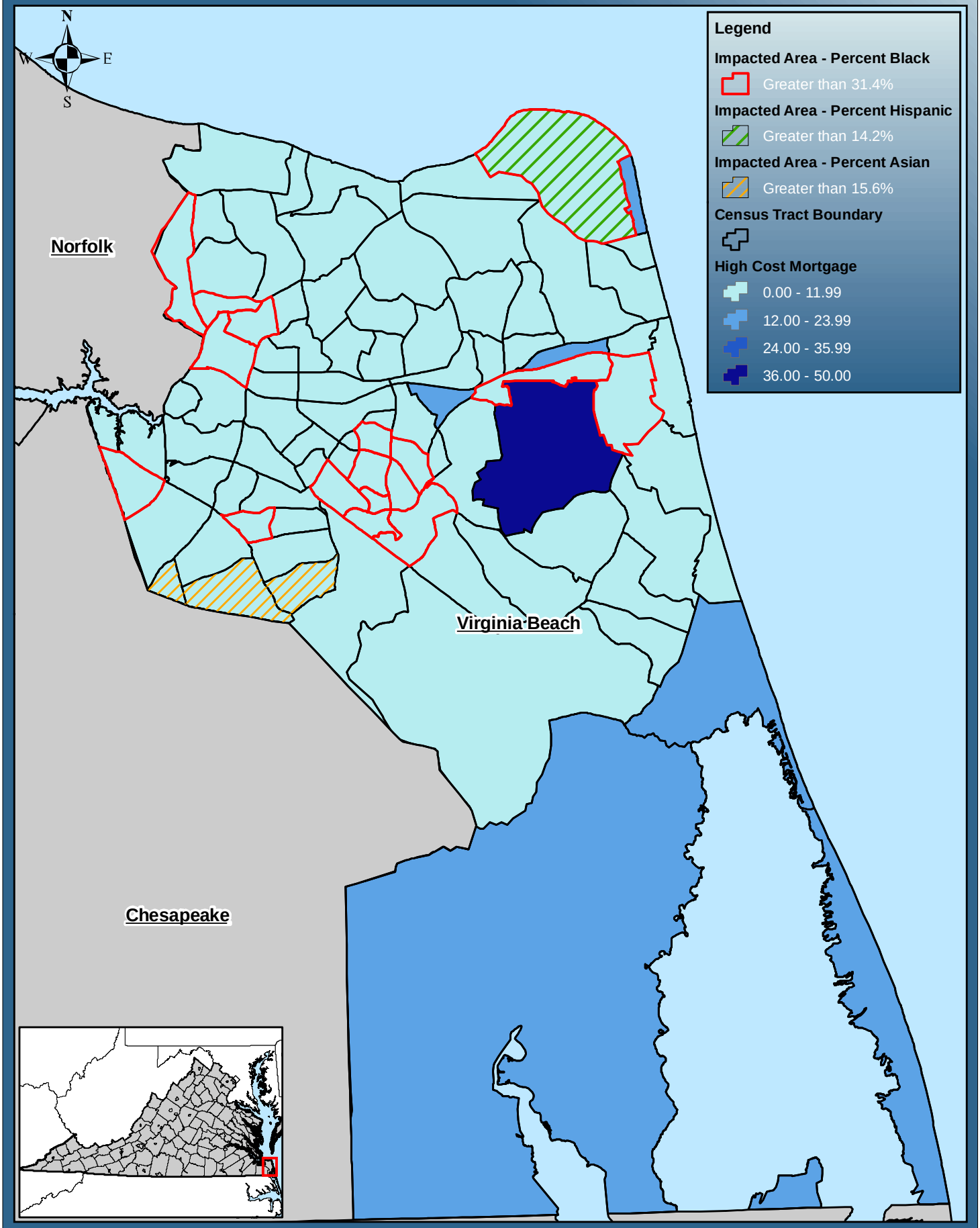
i. Public Housing

The Virginia Beach Department of Housing and Neighborhood Preservation (VBDHNP) administers the Section 8 Housing Choice Voucher program for the City through its Rental Housing Division. Currently, the department administers a total of 1,944 vouchers. The agency also participates in a Memorandum of Understanding with Chesapeake, Norfolk, and Portsmouth where 44 project-based vouchers support the 60-unit Cloverleaf SRO residence. In addition, 40 vouchers are used to help house homeless and/or disabled families in conjunction with the Virginia Beach Community Development Corporation. The City owns no public housing stock.

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Map 9-8: Percentage of High-Cost Mortgage Loans in Virginia Beach, 2008

Hampton Roads Regional Analysis of Impediments to Fair Housing Choice



An interview was conducted with representatives of VBDHNP, who also completed a written questionnaire upon request. The following information was developed from the responses to the questionnaire provided by VBDHNP.

As of September 2009, VBDHNP had 1,944 Section 8 Housing Choice Voucher holders. Of these, 64.2% were families with children and 34.8% were families with members with disabilities. An additional 506 applicants were on the waiting list for Section 8 vouchers. Of these, the majority (85%) was families with children, and 7.7% were individuals or families with disabilities.

OBSERVATION: Blacks are disproportionately represented among Section 8 voucher holders. Over 82% of all voucher holders and over 92% of all applicants on the waiting list are Black households. This indicates limited affordable housing choice for Black households in Virginia Beach.

Figure 9-33
Characteristics of Section 8 Voucher Holders and Waiting List Applicants, 2009

	Current Voucher Holders		Waiting List	
	# of Households	%	# of Households	%
Total Households	**1,944**	**100.0%**	**506**	**100.0%**
Extremely Low Income (<30% MFI)	719	37.0%	355	70.2%
Very Low Income (>30% but <50% MFI)	993	51.1%	151	29.8%
Low Income(>50% but <80 % MFI)	232	11.9%	31	6.1%
Families with Children	1,248	64.2%	430	85.0%
Elderly Households (1 or 2 persons)	769	39.6%	5	1.0%
Individuals/Families with Disabilities	677	34.8%	39	7.7%
Black Households	1,599	82.3%	468	92.5%
White Households	317	16.3%	26	5.1%
Asian Households	24	1.2%	1	0.2%
Other Race of Households	4	0.2%	5	1.0%
Characteristics by Bedroom Size				
0 Bedroom	1	0.1%	0	0.0%
1 Bedroom	232	11.9%	209	41.3%
2 Bedroom	882	45.4%	245	48.4%
3 Bedroom	756	38.9%	48	9.5%
4 Bedroom	73	3.8%	3	0.6%
5+ Bedroom	0	0.0%	1	0.2%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Source: Virginia Beach Department of Housing and Neighborhood Preservation

Section 8 voucher holders have limited options within Virginia Beach, due to a competitive and high priced rental market. The market rent prices in the City are much greater than the area's fair market rent (FMR) rates and there is limited affordable housing that does not need rehabilitation. More than half of all voucher holders are rent burdened (i.e. paying more than 30% of income on rent). For extremely low income households (earning less than 30% MFI), it is nearly impossible to find units that rent for under 40% of a

household's monthly income. All 100% of the agency's vouchers are in use, and the demand for additional rental assistance continues to grow, especially among incoming residents from the Pacific Rim countries of the Philippines, Vietnam, and Korea.

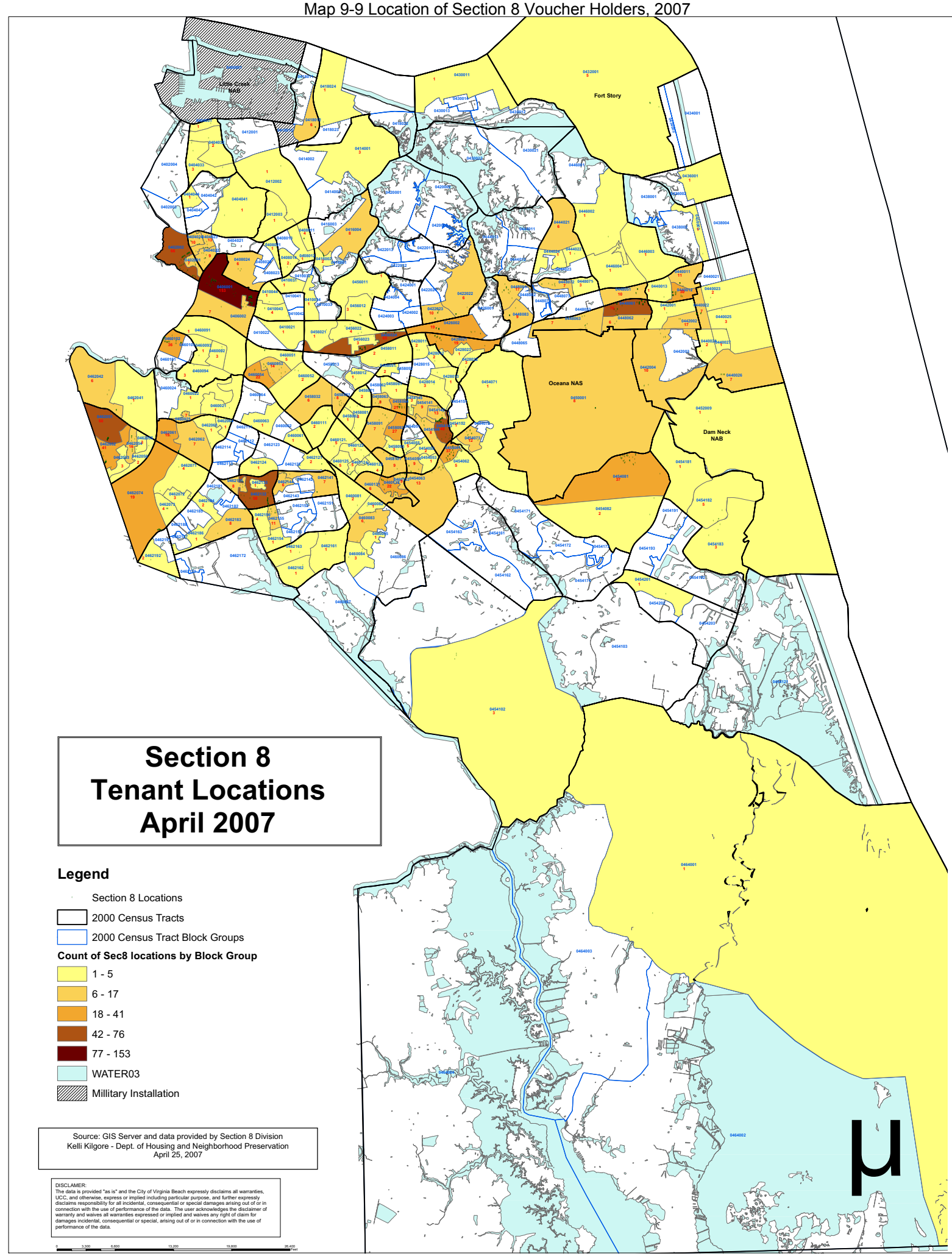
Given the constraints on available Section 8 housing, voucher holders tend to concentrate in lower priced apartment complexes, especially those in the central and southern areas of the City. Along Virginia Beach Boulevard, a major thoroughfare in the City, a number of rental complexes were built between the 1960s and 1980s and are now concentrations of low-priced rental units. Because of the difficulty in acquiring an affordable unit that accepts Section 8 vouchers, tenants are "frozen" in place and tend to continue re-signing leases, even if their current home no longer suits their needs. VBDHNP employs a Housing Broker to assist families in locating housing suitable to their needs and who manages an outreach program to recruit new landlords to accept Section 8 vouchers. Map 9-9 on the following page illustrates the location of Section 8 voucher holders throughout the City.

OBSERVATION: Section 8 tenant holders are concentrated in the central and southern areas of the City, and along Virginia Beach Boulevard. Due to the difficulty in attaining affordable housing, tenants are often "frozen" in place in their current units. More aggressive mobility initiatives are needed to provide LMI minorities with expanded housing options.

Over 34% of the Section 8 voucher holders are individuals or families with disabilities. For persons with disabilities seeking accessible and affordable housing, VBDHNP offers several additional services. First, persons with disabilities are prioritized on the Section 8 waiting list. As of September 2009, 7.7% (39 of 506) of applicants on the waiting list for Section 8 vouchers were persons with disabilities. Second, the agency has partnered with the Virginia Beach Community Development Corporation (VBCDC) to develop a project-based Section 8 program. This project provides scattered site townhomes for eligible families with disabilities. Finally, VBDHNP provides an additional subsidy for disabled families to help ensure they can find accessible, affordable housing.

VBDHNP provides clients with information about portability rules, and a small percentage of Section 8 voucher holders choose to port out of Virginia Beach. Over a period of twelve months, from late 2008 to 2009, 101 voucher holders ported out of Virginia Beach, while 138 ported into the City from other jurisdictions. VBDHNP has trained two staff persons to assist voucher holders from other regions and to coordinate with other jurisdictions.

Map 9-9 Location of Section 8 Voucher Holders, 2007



a. Section 8 HCV Administrative Plan

The City of Virginia Beach adopted a Section 8 Administrative Plan in February 2009. Chapter 1, Section F provides the City's anti-discrimination policy. The list of protected classes includes race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability or sexual orientation. As a matter of policy, civil rights and fair housing information is provided to clients during the family briefing session and as part of the voucher holder's briefing packet.

In September 2008, VBDHNP entered into a Voluntary Compliance Agreement (VCA) with HUD's Office of Fair Housing and Equal Opportunity. Housing agency staff and HCV participating landlords are required to attend annual fair housing training and become certified. In addition, fair housing posters are displayed in the office and interview rooms, and mailings must contain the equal housing opportunity logo.

In order to affirmatively further fair housing, the VBDHNP has pledged to affirmative marketing efforts with community-based agencies including churches, social service and minority organizations. Undertaking targeted mailings and in-person engagements also are included in the plan.

VBDHNP also pledges to establish contact and meet periodically with civic, charitable or neighborhood organizations in order to recruit landlords with properties outside areas of poverty or minority concentration in order to provide expanded choice and better housing opportunities to eligible families. The agency also encourages families during the required briefing to seek units outside these areas of concentration as illustrated on a map provided to clients.

VBDHNP's policy to ensure reasonable accommodation includes the opportunity for a participant with a disability to request specific changes to a policy or practice as an accommodation of their disability. Availability of such an option is included on VBDHNP forms and notices. To be eligible, a disability must be proven using HUD's definition and a professional third party must state in writing that the accommodation is necessary for equal access to housing. Unless it has been determined that the accommodation would present an undue financial burden to VBDHNP, the change is made. All persons wishing to apply are asked to submit a pre-application. To accommodate persons with disabilities, this form can be mailed out to the applicant.

HUD requires that participants must qualify as a family to qualify for the HCV Program. In Chapter 2 of the Admin Plan, "family" is defined as a single person or a group of persons with or without children. A group of persons consisting of two or more elderly persons or disabled persons living together or one or more elderly persons with one or more live-in aides is also a family. A single person family may be an elderly person or a person with a disability or "other single." A child that is temporarily away from home

because of placement in foster care is considered a member of the family. At least one member of the family must be a U.S. citizen or have eligible immigration status. There are a number of other circumstances which are covered in the discussion of family, such as when two or more persons intend to share residency and whose income and resources are available to meet the family's needs and/or who have a history as a family unit or show evidence of a stable family relationship.

Alternate formats of application material are provided if requested by persons with disabilities. The current Admin Plan states that translation of pre-applications, notices, etc. will occur if there are sufficient populations needing such a service and there is no other local agency willing to provide translation services. However, the City is in the process of fulfilling the requirements of an executed VCA that requires Virginia Beach to prepare a Language Access Plan (LAP). VBDHNP has initiated the four-factor analysis in the preparation of an LAP. This plan is expected to be completed by early 2011.

In Chapter 3, Applying for Admission, a disabled person can be given additional time in applying for the program after the deadline, if requested, when a social service agency provides inaccurate or inadequate information about the closing date. The information may also be completed by a staff person on a home visit for persons with disabilities. If denied admission to the waiting list, a disabled person may have an advocate at the informal review.

Chapter 4 defines local preferences that VBDHNP has adopted. The nine local preferences used for placement on the waiting list for HCV include the following:

- Families terminated from HCV due to insufficient funding
- Families with a disabled member
- Homeless families
- Families who live, work or have been hired to work in Virginia Beach
- Victims of domestic violence
- Elderly families over 62 years of age
- Veteran
- Families with dependent children under 18 years of age
- Families where head, spouse are employed for at least one year.

VBDHNP also ensures it meets HUD's annual requirement of 75% extremely low income targeting regardless of preferences.

VBDHNP purges its waiting list no more than twice a year through a response-requested mailing. If an extension is requested as a reasonable accommodation for a person with a disability, an extension of 30 days is granted.

Chapter 11 states that VBDHNP may approve a higher payment standard than the typical 90-110% of fair market rent, if required, as a reasonable accommodation for a person with a disability.

Chapter 13 includes the option of portability of a voucher to a residence outside the City for a person with a disability as a reasonable accommodation.

Chapter 15 states that no applicant for or participant in the HCV program who has been a victim of domestic violence, dating violence or stalking will be denied admission or assistance under the program if otherwise qualified.

Chapter 18 states that written complaints filed from voucher holder, landlords or the general public are referred to the Housing Coordinator and if not satisfactorily resolved, to the Rental Housing Administrator of VBDHNP. Instructions for filing are contained in the applicant's briefing packet. Any applicant or participant who feels that he or she has been treated unreasonably is entitled to an informal review. A notice of the findings of the informal review is provided to the appellant in writing. VBDHNP must always provide the opportunity for an informal hearing before terminating assistance.

When VBDHNP is denying placement on the waiting list or terminating assistance, the family must be advised that the presence of a disability may be treated as a mitigating circumstance during the hearing process. Examples of mitigating circumstances include persons with cognitive disorders that may not have fully understood the conditions of continued HCV assistance.

ii. Investment of Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. 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 City of Virginia Beach's federal entitlement funds received from HUD are used for a variety of activities to serve a variety of aims, as follows.

- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low and moderate income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.

- HOME Investment Partnership Program (HOME): 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 reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.
- The Emergency Shelter Grant (ESG) program provides federal funds for basic shelter and essential supportive services for homeless persons. ESG funds can be used for shelter facility operating costs and grant administration, as well as short-term homeless prevention assistance to persons at imminent risk of losing their own housing due to eviction, foreclosure or utility shutoffs.
- The Housing Opportunities for Persons with AIDS (HOPWA) program provides grants for a wide range of housing assistance, social services and planning and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management and assistance with daily living.

Strategies in each of the City's Annual Action Plans for 2005 – 2010 were formulated according to the priorities identified in the Five-Year Consolidated Plan:

- Low-income renters with incomes between 30% and 80% of the median household income: The greatest housing needs within this group are among households with incomes below 50% of the median, and this is where most assistance has been targeted.
- Chronically homeless populations: Based on the requirement that the City implement a plan to end chronic homelessness and based on studies that demonstrate that the chronically homeless population uses a disproportionate share of community resources, addressing this group as a priority is important and could free up additional resources for other groups.
- Special needs populations: The need for housing and supportive services is especially apparent among persons with mental or physical disabilities.
- Low-income homeowners: Assisting these households to maintain their housing while not increasing their cost burden serves two goals for the City – affordable housing opportunities and preservation of neighborhood quality.

- First-time homebuyers under 80% of the median income: The CP estimated a deficit of 6,200 affordable homeownership opportunities for households of low, very low and extremely low income.
- Preservation of the City's existing affordable housing: Funds will be made available, where feasible, to attempt to prevent further loss of the City's affordable housing stock. A substantial number of units have been lost in recent years due to redevelopment and the generally increasing value of all housing in the City.

The following description includes data submitted by the City of Virginia Beach to HUD in its Consolidated Annual Performance and Evaluation Report (CAPER) for the 2007-08 program year. Only federally funded housing activities which the City reported to HUD as completed are included.

For FY 2007-08, Virginia Beach received entitlements in the approximate amounts of $2.54 million (CDBG), $1.4 million (HOME), $110,000 (ESG) and $937,000 (HOPWA). The City also received direct funds from HUD to administer the Section 8 program. Additionally, Virginia Beach received funds for code enforcement and Neighborhood Investment Improvements, as well as HUD Supportive Housing Program (SHP) funds that were distributed to homeless shelter and service providers. In FY 2010, these entitlements were adjusted to approximately $2.64 million (CDBG), $1.53 million (HOME), $108,000 (ESG) and $1.08 million (HOPWA).

In FY 2007-08, the City reported the following housing achievements, listed with the relevant specific annual objective.

- Acquisition of 17 existing units of rental housing: Develop affordable rental units for low-income households
- Rehabilitation of 4 renter units: Maintain and preserve rental housing
- Rehabilitation of 32 owner units: Rehabilitation assistance for homeowners
- Provision of rental assistance to 35 households: Prevent homelessness, expand housing options for low/moderate-income households
- Provision of homebuyer assistance to two households: Expand homeownership opportunities for low/moderate-income households
- Production of 19 new affordable units: Provide group home services to persons with special needs

Of the City's CDBG entitlement that year, a full 100% was disbursed for activities benefiting low/moderate-income households and neighborhoods. An aggregated summary of beneficiaries by race and ethnicity is not included in the CAPER.

Recently, federal funds including CDBG also have been used to support the construction of Biznet Village, which includes two group homes for persons

with mental disabilities. Biznet Village has 24 units and is located in census tract 454.10, which was identified in the City's affirmative marketing plan as an impacted area where minority persons are least likely to apply. The City used $770,000 in CDBG funds to support this project.

OBSERVATION: The City's priority to improve low and moderate income neighborhoods will, in effect, create a better quality of life for members of the protected classes who are concentrated in impacted areas. However, the City's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice of members of the protected classes.

OBSERVATION: By tracking the property addresses for all housing activities involving the creation of new housing opportunities, the City could enhance its efforts to affirmatively further fair housing and demonstrate investment outside areas of concentration.

iii. Appointed 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 and public leadership and commitment is a prerequisite to strategic action.

The following appointed boards and commissions dealing with housing and housing-related issues were reviewed to determine the extent to which members of the protected classes are represented.

a. Planning Commission

The Virginia Beach Planning Commission is an 11-member body appointed by City Council to review land use and zoning matters. Members provide guidance and recommendations to City Council on applications for changes in zoning districts, conditional use permits, street closures, zoning ordinance and plan amendments, and other land use and zoning matters.

Of the 11 appointed members, one is Black, one is Asian, and nine are White. There are two females and nine males. None of the members indicated a disability or living in a household with one or more children under the age of 18.

b. Board of Zoning Appeals

The Virginia Beach Board of Zoning Appeals (BZA) consists of seven members with three alternate members. The BZA is responsible for reviewing variance requests to the Zoning Ordinance and appeals of the decision of the Zoning Administrator for the City.

Of the seven appointed members, two are female and five are male. All of the alternates are male. Five members are White, one is black, and one is Asian.

c. Human Rights Commission

The Virginia Beach Human Rights Commission (HRC) is a ten-member body appointed by the City Council to address concerns in the area of human rights. The HRC is responsible for conducting educational programming, advising on solutions for the improvement of human relations in the City, and providing assistance to persons who believe their rights have been violated.

Of the ten appointed members, four are female and six are male. Six members are Black, four are white, one is Asian, and one is Hispanic.

d. Bayfront Advisory Committee

The Virginia Beach Bayfront Advisory Committee (BAC) is comprised of 11 citizen members, four Planning Commission and City Council members, and one ex-officio member. The BAC provides guidance to City Council on all matters related to the development and improvements to the City's Bayfront area. Specifically, the BAC is responsible for familiarizing itself with the Urban Land Institute's Bayfront Study regarding the development of the area; developing an aesthetics and urban design plan; recommending projects and plans for development; and seeking out funding and public-private partnerships to achieve the goals of the BAC.

Of the 11 citizen members of the BAC, one is female and ten are male. All members are White.

e. Chesapeake Bay Board

The Chesapeake Bay Preservation Area (CBPA) Board is a nine-member body, appointed by the City Council, responsible for the review of variance requests to the Chesapeake Bay Preservation Area Ordinance. The ordinance affects all property that drains into the Chesapeake Bay, which includes about one-third of the City, in an effort to improve water quality.

Of the nine appointed members, one is female and eight are male. All nine members are White.

Of the 48 appointed members, 8 (16.7%) are Black, three (6.3%) are Asian, and one (2.1%) is Hispanic. These numbers are relatively comparable to the

City's overall population. Women comprise 20.8% of appointed board and commission members.

iv. Language Access Plan for Persons with Limited English Proficiency

As stated previously, there are three language groups with more than 1,000 native speakers that also speak English less than "very well." These include Spanish, Tagalog, and Chinese. Acknowledging an expanding population of persons with LEP, the Virginia Beach Department of Housing and Neighborhood Preservation has begun developing a Language Access Plan (LAP) for persons with LEP.

v. Zoning

In Virginia, as in most states, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits.

The zoning ordinance for the City of Virginia Beach was reviewed as part of this analysis. The review was based on topics raised in HUD's Fair Housing 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 and planned residential developments)
- The treatment of mobile or modular homes, and if they are treated as stick-built single family dwellings
- 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 based on the size of the unit or the number of bedrooms.

It is important to consider that the presence of inclusive zoning does not necessarily guarantee the fairness of a zoning ordinance.

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.

Virginia Beach's zoning ordinance was adopted in 1973 and has been frequently amended through 2009. This demonstrates a concerted effort to modernize the ordinance with newer land uses, more innovative planning concepts, and modifications to a changing society.

b. Residential Zoning Districts and 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 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 10,000 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.

There are 14 distinct residential districts including seven that are primarily for single-family detached dwellings and two where single-family detached, single-family semi-detached, and duplexes are permitted. One zoning district permits townhouses, and four districts allow multi-family dwellings. Three of the primarily single-family detached residential districts provide for larger minimum lots varying from 20,000 to 40,000 square feet. The large lot zones are where lower densities are necessary to address environmental and public facilities constraints as recommended by the Comprehensive Plan. The other four single-family residential zoning districts are for medium density development with minimum lot size varying from 5,000 to 15,000 square feet. Duplexes are permitted on 10,000 square foot lots. Semi-detached housing requires 5,000 square foot lots. The residential district for townhouses establishes a minimum lot area of 1,400 square feet and an average minimum lot area of 2,500 square feet. Multi-family dwellings are permitted at densities of 12 to 36 units per acre and require minimum lot areas of 10,000 square feet to 40,000 square feet.

In some of the primarily commercial land use zoning districts, dwellings are permitted, supporting the creation of housing among uses with jobs and services. The Zoning Ordinance also has a Planned Unit Development district. The district permits a variety of residential uses together under more flexible standards.

The lot sizes required by the City's Zoning Ordinance are varied with opportunities for small lots accommodating a variety of households. The Zoning Ordinance does not distinguish housing type by income and does not place any restrictions on housing developed with a public subsidy.

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 Zoning Ordinance establishes two Planned Development Districts where residential density can be built to 4.25 dwelling units per acre.

d. Permitted Residential Types

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.

The Zoning Ordinance permits an assortment of residential types including single-family detached, two-family detached, townhouses and multi-family dwellings. The assortment supports varied housing choice by diverse households in the community. In the single-family zoning districts, the Zoning Ordinance permits flex suites. As defined by the Zoning Ordinance, a "flex suite" is a living unit with a separate kitchen and bathroom, located within an owner-occupied single-family dwelling and having direct interior access to the primary living unit. A flex suite cannot be greater than 500 square feet or 30% of the floor area of the remainder of the dwelling in which it is located. Occupancy of a flex suite is for at least one person who is 62 years or older or a person with a disability. The purpose of the flex suite is to enhance the opportunities for affordable housing and independent living available to members of the protected classes, specifically senior citizens and persons with disabilities.

The Zoning Ordinance defines a "mobile home dwelling" as "a special form of one-family dwelling with the following characteristics:

(a) Designed for long-term occupancy, and containing sleeping accommodations, a flush toilet, a tub or shower bath, and kitchen

facilities, with plumbing and electrical connections provided for attachment to outside systems.

(b) Designed to be transported after fabrication on its own wheels.

(c) Arriving at the site where it is to be occupied complete, usually including major appliances and furniture, and ready for occupancy except for minor and incidental unpacking and assembly operations, location and provision of support on the site, connection with utilities and the like.

(d) Intended to be used other than as a component in a structure two or more stories in height.

While the definition of a mobile home indicates that it is a one-family dwelling, the definition of a "single-family dwelling" states that mobile homes are not included within it. Mobile homes are allowed in all agricultural areas, as accessory structures on parcels over five acres, and for farm workers. Elsewhere, they are prohibited unless a permit is obtained. Mobile home parks are conditional uses in the City's multi-family residential districts and require a minimum of 25 acres containing 100 lots. While the restrictions on mobile homes do not specifically impede housing choice by members of the protected classes, there is a relation between low income households and members of the protected classes. By limiting a low cost housing option the restrictions on mobile homes may disproportionately impact members of the protected classes.

OBSERVATION: The City's zoning ordinance restricts mobile homes to accessory structures in agricultural zoning districts on parcels of at least five acres. This may limit an affordable housing option for lower income households.

e. Definition of Family

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 impeding housing choice for persons with disabilities. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

As defined by the Zoning Ordinance, a family consists of (a) an individual living alone in a dwelling unit or (b) any of the following groups of persons, living together and sharing living areas in a dwelling unit:

(1) Two or more persons related by blood, marriage, adoption, or approved foster care;

(2) A group of not more than four persons (including servants) who need not be related by blood, marriage, adoption or approved foster care;

(3) A group of not more than eight mentally ill, mentally retarded or developmentally disabled persons residing with one or more resident counselors or other staff persons and licensed by the Virginia Department of Mental Health, Mental Retardation and Substance Abuse Services;

(4) A group of not more than two adults, who need not be related by blood or marriage, and the dependent children of each of the two adults, provided that the children are under 19 years of age or are physically or developmentally disabled.

Limiting a family to not more than four unrelated persons, can potentially impede the creation of homes for occupancy by groups of unrelated individuals, particularly persons with disabilities.

OBSERVATION: The City's zoning ordinance limits the number of unrelated persons who can live together as a single, cohesive household.

f. 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 persons with disabilities. Because a group home for persons with disabilities 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 in violation of the Fair Housing Act.

Two primary purposes of a group residence for persons with disabilities 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. The standards do not impede housing choice for members of the protected classes.

The Zoning Ordinance permits family care homes, foster homes, and group homes. The uses are permitted as conditional uses in all of the zoning districts where residential uses are permitted. The Zoning Ordinance, however, does not define any of the uses. Because the uses are not defined it is not possible to determine how the uses are intended to be occupied.

The Zoning Ordinance is silent regarding group residences for persons with disabilities occupied by more than eight persons. Larger group residences are

allowed as institutional uses if a conditional use permit is obtained. Generally speaking, however, if no limit is imposed on the number of persons residing in a single-family dwelling then it is discriminatory to limit the number of persons who can reside in a group home

OBSERVATION: The City should remove the limit of eight persons who can reside in a group home from its zoning ordinance as it discriminates against persons with disabilities.

E. 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.

i. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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 following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. In Virginia, the Virginia Fair Housing Office within the Department of Professional and Occupational Regulation receives fair housing complaints. Fair housing complaints originating in Virginia Beach since 2004 (immediately following the previous AI) were obtained and analyzed for this report.

As of November 2009, a total of 42 complaints had been filed by persons in Virginia Beach over an approximately five-year period. Thirteen of the 42 complaints resulted in "no violation" findings and were closed. Another 16 complaints were closed because neither HUD nor DPOR had jurisdiction in

the matters. Another five cases were closed administratively due to uncooperative complainants, and three were closed because the complainant withdrew the complaint. Of the five remaining complaints:

- Four cases alleged discrimination on the basis of a physical disability involving refusal for reasonable accommodation. Two of these cases also involved refusal to rent. All four cases were successfully conciliated.
- One case alleged discrimination on the basis of a mental disability involving refusal to rent. The case resulted in a charge of "probable cause" being issued by the Virginia Fair Housing Office and is pending trial.

ii. Patterns and Trends in Fair Housing Complaints

Of the 42 cases, 37 were closed administratively for a variety of reasons. Of the remaining five cases, four complaints alleged discrimination on the basis of physical disability.

iii. Existence of Fair Housing Discrimination

In May 2007, HUD conducted an on-site review of VBDHNP's application taking process, waiting list administration, record keeping, and services to persons with limited English proficiency (LEP). HUD's review revealed noncompliance in three areas: recordkeeping, LEP guidance and implementation, and fair housing discrimination complaints. To address these areas of noncompliance, the City executed a Voluntary Compliance Agreement (VCA) with HUD in September 2008. The VCA outlines 15 specific provisions that the City must meet in order to comply with federal regulations.

As of October 2010, the City met 14 of the 15 provisions outlined in the VCA. The final provision – conducting a four-factor analysis and preparing a Language Access Plan (LAP) – is currently underway. The City has contracted with a consulting firm to assess the language needs of VBDHNP clients and anticipates completing an LAP in early 2011. Completion of the LAP will fulfill all of the City's obligations under the executed VCA.

iv. Determination of Unlawful Segregation

The City of Virginia Beach is not involved in any current or pending suits.

F. Assessment of Current Fair Housing Programs and Activities

i. Progress since the 2003 AI and Current Fair Housing Programs and Activities

Each year, the City of Virginia Beach structures its entitlement programs in such a way as to promote access to fair housing, primarily through addressing the impediments identified in the 2003 AI. The City's actions relevant to each impediment, as reported by the City in the Consolidated Annual

Performance and Evaluation Report (CAPER) for 2007-08, are discussed below.

There is an overlap in areas of concentrations of low-income households and those with large number of members of the protected classes. Unemployment among women and minorities is the highest, and their incomes are generally lower. In addition to the need for affordable housing, a critical concern is housing opportunities that support persons with disabilities, primarily through modifications that improve accessibility and habitability.

Through its comprehensive housing programs, Virginia Beach has assisted minority households at a greater proportion than they represent among the City's total population. The entitlement program has expanded the supply of decent, affordable housing through rehabilitation, including improvements that support accessibility and habitability improvements for homeowners and renters in targeted areas. The City has also assisted homeownership and requires that those receiving homebuyer assistance attend a local homebuyer seminar that includes education on fair housing issues.

The City will continue to create and improve housing for low-income households in a variety of neighborhoods. In support of the accessibility needs of renters with disabilities, Virginia Beach plans to expand the scope of its rental rehabilitation program to increase the availability of accessible rental housing for low-income disabled persons. The City will continue to notify housing providers serving low-income households and members of the protected classes regarding the availability of funds to support improved housing in Virginia Beach. The City will consider a variety of techniques to expand affordable housing opportunities, including fast-tracking and fee waivers, as a means to encourage and facilitate development.

The following are efforts being undertaken by the City to foster the availability of affordable housing resources and to ameliorate the impacts of governmental constraints on the adequate supply of these resources:

- Homeowner Rehabilitation Programs: All of the City's rehabilitation programs help to maintain existing housing of low and moderate-income citizens as decent and safe. In addition, VBCDC's programs utilize vacant housing to create new affordable units. The City has endorsed all proposed Low Income Housing Tax Credit projects, and this has resulted in both new construction and rehabilitation of hundreds of new affordable units. Systematic code enforcement, complaint response, and the rental inspection program all result in the ongoing maintenance of existing affordable rental housing units. In order to keep rehabilitation affordable, testing for lead based paint is funded as a grant for rehabilitation program participants. If lead is found in a dwelling, then abatement/removal measures are written into the rehabilitation specifications.

- City Land Use Policy: The City's Comprehensive Plan for land use, adopted by City Council in December 2003, includes a chapter on "Housing and Neighborhoods." Goals for housing include providing housing opportunities for citizens of all income ranges, with specific actions to address both renter and homeowners in various income groups, as well as people with special needs. This significant addition to the Comprehensive Plan lays the groundwork for the development of new policies and programs that add to what has existed to date. Department staff participated in the 2009 update of the Comprehensive Plan to continue ensuring that the Plan addressed the expansion of affordable housing opportunities and the elimination of barriers to affordable housing.
- Workforce Housing Program: In 2007, City Council approved three ordinances that together form the basis of a "Workforce Housing" program. The ordinances were a revision of the Comprehensive Plan, a revision of the Zoning Ordinance, and a Program Ordinance. Together, they define and allow the development of workforce housing as a portion of new housing development, if the development meets certain design, development and affordability requirements. In addition, as required by Virginia law, an advisory board will be appointed by Council to provide ongoing citizen input to the program.

  The Workforce Housing program ordinances, containing the detailed implementation plans for the program, are scheduled for City Council adoption on October 28, 2008. The program allows increases in density in certain developments in exchange for reduced prices on workforce housing units. If successful, new developments will have expanded affordability for moderate income households (those between 80% and 120% of median for home-buying, and between 60% and 90% of median for renting). This is an important step in expanding opportunities for homeownership in Virginia Beach, as well as providing mixed-income housing that furthers fair housing goals.
- Eliminating Barriers to Affordable Housing: The Department of Housing and Neighborhood Preservation has initiated policies and programs to eliminate barriers to affordable housing. The department works with other City agencies to ensure that housing affordability is not negatively affected through additional barriers being added as a result of City policies.
- Support of Proposed Development: The City actively assists sponsors of affordable housing projects seeking federal and/or state low income tax credits or allocations of bond authority. The City has approved all recent proposed tax credit and/or bond financed projects.
- Tax Exemptions for Housing: Exemptions from local property taxes are routinely provided to non-profit sponsors of affordable housing projects for low-income, elderly, disabled, and homeless persons and

families. In addition, the City has a program for real estate tax exemption, freeze or deferral for low-income seniors which helps them continue to live in their homes despite the increased taxes due to the appreciated value of their homes.

- Building Codes and Code Enforcement: Code enforcement is currently planned and implemented to provide early intervention in at-risk neighborhoods in order to maintain the quality of the housing stock with minimal impact on its affordability. In addition, vacant housing units are targeted for code enforcement in order to encourage their rehabilitation and use as affordable housing resources for both renter and home-ownership programs for low and moderate-income households. Every effort is made to conserve these vacant units and foster their re-use before they deteriorate to the point where they require demolition.
- Development Review: Department staff review all proposed housing developments and provide input to the extent possible regarding expanding affordable housing opportunities and eliminating barriers to affordable housing.

One of the primary impediments to fair housing is the lack of fair housing education and outreach efforts. In order to accelerate the pace of fair housing enforcement, compliance, and acceptance, there must be greater public understanding and awareness of the consumers' rights and the industry's responsibilities. In order to address this impediment, the City will continue to support public education with regard to fair housing and to assist the public with connection to agencies that help with fair housing problems through continued distribution of the *Fair Housing Handbook.* This handbook should also include information to educate households about predatory lending. In support of the expanding population of persons of Hispanic origin in Hampton Roads, the City recognizes the need to publish the *Fair Housing Handbook* in Spanish.

As a participant in the Hampton Roads Community Housing Resource Board (HRCHRB), the City will continue to support the organization's efforts to improve awareness, education, and outreach potentially assisting with reducing impediments in the region, including the following:

- Collaborate with VHFO to implement a region wide education and outreach campaign.
- Include education to ensure understanding regarding compliance with ADA guidelines. Encourage local planning bodies to consult with the CILs for review of ADA compliance for multi-family units. Develop guidelines for local planning bodies to use when reviewing zoning regulations to ensure that the standards are not impediments to members of the protected classes or are unnecessarily exclusionary.
- Collaborate with industry professionals to diversify their staffs and boards.

- Identify the total properties that are affordable and available for persons with disabilities to assist the CILs to begin the planning process.
- Promote self-testing by real estate industry and other housing providers.
- Devise a list of housing providers in the region and annually offer to present an on-site fair housing seminar to its members and staff.
- Ensure membership in the HRCHRB is as inclusive as possible with representatives including members who represent housing consumers who are mentally disabled, insurance providers, lenders, and advertisers. Encourage members to remain active by ensuring meetings are highly organized covering just a few specific items and scheduled on a regular basis for the same day of week and the same time of day.

Additionally, the City has taken the following steps to improve education and outreach.

- Landlord Outreach and Fair Housing Training: In February 2008, the department invited landlords participating in the Housing Choice Voucher program (HCV) to participate in fair housing training. Over 200 landlords and property management personnel attended and attended lectures by national HUD and fair housing experts.
- Staff Fair Housing Training: All Department of Housing and Neighborhood Preservation staff participate in annual fair housing training in order to insure that all are fully aware of and promoting fair housing principles and practices.
- Program Accessibility of the Housing Choice Voucher Program: Accessibility of the program to persons with limited English proficiency (LEP) has been expanded by the provision of many of the forms and instructions in Spanish. Ongoing efforts to expand what is available are underway. Since January 2008, the official website for the City now offers a language translation feature to translate content into several different languages. The translation feature is a free service from Google. Virginia Beach offers this language translation tool to its citizens and visitors.

G. Summary of General Observations

Based on the primary research collected and analyzed and the numerous interviews conducted for this report, the following observations are noted. From these observations, the potential impediments to fair housing choice in Virginia Beach were identified.

1. Minorities have continued to increase as a percentage of total population.

Minorities have increased from 19.5% to 30.1% of total population since 1990. Blacks remain the largest minority group, comprising 64% of all minorities.

However, the fastest-growing segment of minorities is Hispanics, which grew 111.7% from 12,137 persons in 1990 to 25,691 in 2008.

In 2008, three language groups, including Spanish, Tagalog, and Chinese, had more than 1,000 native speakers who also speak English less than "very well." For this reason, Virginia Beach is conducting the four-factor analysis and developing an LAP to comply with Title VI of the Civil Rights Act of 1964 and a Voluntary Compliance Agreement executed with HUD.

2. The City's current definition may overestimate the number of areas of minority concentration, especially among Asian/Pacific Islander and Hispanic populations, which are relatively small.

Therefore, the City should revise its definition for an area of racial or ethnic minority concentration to include any geographical area where the percentage of a specific racial or ethnic group is 10 percentage points higher than the City overall.

3. There are 19 areas of minority concentration in the City.

There are 16 census tracts in Virginia Beach that meet the criterion for areas of racial concentration of Black residents. These areas, which are also known as impacted areas, include tracts 402, 404.02, 406, 408.02, 432, 442, 448.06, 454.06, 454.14, 458.06, 458.09, 458.10, 460.12, 401.13, 462.05, and 462.13. Census tract 432 is also an area of ethnic concentration of Hispanic residents. In addition, census tracts 462.16, 462.17 and 462.10 are areas of racial concentration of Asian residents.

4. Virginia Beach is the most integrated city in the study area as determined by dissimilarity indexing.

Achieving full integration among White persons and Black persons in the City would require that 41.4% of Black residents move to a different location within Virginia Beach. In addition to a White/Black index of 41.4, Virginia Beach has a comparable White/Asian index of 40.0, a White/multi-race index of 27.3, and a White/Hispanic index of 30.9. These numbers indicate that these subpopulations are even more integrated than Black residents.

5. Members of the protected classes have significantly lower incomes.

Median household income among Blacks was equivalent to only 68% that of Whites in 2000, and poverty among Blacks was more than three times greater than among Whites. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were almost twice as likely to live in poverty compared to persons without disabilities. Among all persons with a disability, 12% lived in poverty compared to 6.3% of persons without a disability.

Female-headed households accounted for more than half of all families living in poverty in 2000. Consequently, securing affordable housing will be especially difficult for this segment of the population.

6. **Several areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.**

   Of the 72 low and moderate income census block groups in Virginia Beach, 33 are located within impacted areas of Black and Hispanic residents. As a result, areas of racial concentration are more likely to be also areas of concentration of low and moderate income persons.

7. **Blacks and Asians were more likely to be unemployed than Whites and Hispanics.**

   Blacks and Asians were more likely to be unemployed and had the highest unemployment rates in 2008 at 7.7% and 7%, respectively, compared to 3.9% among Whites and 1.4% among Hispanics. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

8. **The City gained over 30,000 new housing units between 1990 and 2009; notably, 23% of these units were constructed in areas of concentration of minority residents.**

   The housing stock more than doubled in five census tracts, including tracts 454.10, 454.16, 454.20, 462.16, and 462.19. Newer residential development has been concentrated in the central part of Virginia Beach, however, the latter two census tracts are areas of concentration of Asian residents. Notably, 25% of the net increase in new housing development occurred in 16 of the 19 impacted areas.

9. **Blacks and Hispanics are far less likely to become home owners in Virginia Beach.**

   Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White and Asian households. Home ownership among Blacks and Hispanics was comparable at about 48% compared to 69.7% among Whites and 48% among Asians.

10. **The affordable housing market is much tighter for members of the protected classes.**

    Minority households were much more likely to live in larger families than White households. For example, about 75% of each minority group included three or more persons compared to 60.4% among White families. However, only 12% of the rental housing stock contains three or more bedrooms compared to 56.3% of the owner housing stock.

    Virginia Beach lost more than two-thirds of its rental housing inventory renting for less than $500 between 2000 and 2008, equivalent to over 3,000 units. By comparison, units renting for $1,000 or more increased by more than 28,000 units.

    Between January 2007 and June 2008, Virginia Beach had a foreclosure rate of 2.7%, the lowest in the Hampton Roads region. Census tracts with the highest rates of foreclosure were also areas of concentration of Black residents.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Virginia Beach. This situation forces these individuals and households to double up with others, or lease cheap, substandard units from unscrupulous landlords. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving SSI, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $781.

Blacks are disproportionately represented among Section 8 voucher holders. Over 82% of all voucher holders and over 92% of all applicants on the waiting list are Black households. This indicates limited affordable housing choice for Black households in Virginia Beach.

Section 8 tenant holders are concentrated in the central and southern areas of the City, and along Virginia Beach Boulevard. Due to the difficulty in attaining affordable housing, tenants are often "frozen" in place in their current units. More aggressive mobility initiatives are needed to provide LMI minorities with expanded housing options.

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

Among all owner households with incomes below 80% of the median family income in 2000, 67.8% of White households experienced problems compared to 74.3% of Blacks and 73.4% of Hispanics.

12. Minorities were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2008, Black households had the highest mortgage denial rate at 11.5% compared to 5.3% among White households. The rates were slightly higher in 2007 but the rate among Blacks was more than twice the rate among Whites.

Black upper income households had a mortgage loan denial rate of 10.5%, which was more than double the 4.4% denial rate for White upper income households in 2008. Notably, the denial rate among Black *upper* income households (10.5%) was higher than the denial rate among White *lower* income households (7.9%). While these facts alone do not imply an impediment to fair housing choice, they do create a need for further analysis of financial lending practices of lending institutions.

There is a pattern of correlation between areas of concentration of minority residents and higher denial rates of mortgage loans. Further analysis is needed to identify if these patterns are consistent with discrimination.

Minority households are disproportionately represented among recipients of high-cost mortgage loans. This trend places the homes of minority households at greater risk for eviction, foreclosure, and bankruptcy.

13. By focusing both community development initiatives and affordable housing in areas targeted for rehabilitation and revitalization, Virginia Beach has improved impacted areas, but also may have further concentrated lower-income minority residents.

The City's priority to improve low and moderate income neighborhoods will, in effect, create a better quality of life for members of the protected classes who are concentrated in impacted areas. However, the City's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice of members of the protected classes.

14. The City's zoning ordinance could be more accommodating of members of the protected classes.

The City's zoning ordinance restricts mobile homes to accessory structures in agricultural zoning districts on parcels of at least five acres. This may limit an affordable housing option for lower income households.

The City's zoning ordinance limits the number of unrelated persons who can live together as a single, cohesive household.

The City should remove the limit of eight persons who can reside in a group home from its zoning ordinance as it discriminates against persons with disabilities.

H. Potential Impediments and Recommendations

Based on the observations included in this report, the following potential impediments to fair housing choice in the City of Virginia Beach were identified. Recommended actions to eliminate these impediments also are provided.

i. Public Sector

a. The City lacks an over-arching fair housing policy that establishes the foundation for a comprehensive integration policy in Virginia Beach.

With a dissimilarity index of 41.4, the City of Virginia Beach is the most integrated city in the Hampton Roads region and the 5th most integrated municipality in Virginia. Although the City is implementing many programs and projects in a non-discriminatory manner, acknowledging that fair housing and civil rights enforcement are basic municipal services would foster a greater commitment to integration.

Proposed Action 1: Prepare and adopt a policy that clearly states the City's commitment to integration. Such a policy should be a stand-alone document that incorporates a vision of diversity and the promise that the City of Virginia Beach will work to provide all persons and households with fair housing choice. The policy should then be integrated into all City programs and other policy documents such as the comprehensive plan, etc.

Proposed Action 2: The City should strike the right balance of reinvestment and revitalization in older, impacted neighborhoods versus the development of new affordable rental housing in non-impacted areas.

Proposed Action 3: Continue to participate in the Hampton Roads Community Housing Resource Board. This regional entity provides an excellent vehicle for education, community outreach, community participation and problem solving for the seven cities.

b. The City's current definition may overestimate the number of areas of minority concentration, especially among Asian/Pacific Islander and Hispanic populations, which are relatively small.

The City should revise its definition for an area of racial or ethnic minority concentration to include any geographical area where the percentage of a specific racial or ethnic group is 10 percentage points higher than the City overall.

Proposed Action: Amend the City's Consolidated Plan (CP) and define areas of minority concentration and areas of LMI persons so that the CP is consistent with the AI. Future affordable and fair housing policies, including those contained within this document, should consider the location of the impacted areas.

c. There is a lack of housing units available to accommodate larger families.

The available housing stock across the City does not meet the needs of larger households, which are more common among minority families. The zoning ordinance does not limit the number of related family members who may live together, but housing choice for families who require three or more bedrooms is limited by the lack of rental units of this size.

Proposed Action: To adequately house larger families, the City should set a goal to facilitate the development of a larger supply of rental dwelling units consisting of three or more bedrooms. For example, for every five rental units planned in a publicly financed housing development, one unit should consist of three or more bedrooms.

d. Minorities have comparatively low homeownership rates.

Minority households in Virginia Beach have greater difficulty becoming homeowners. The homeownership rate is significantly higher for White and Asian households than for Black and Hispanic households.

Proposed Action 1: The City should continue to identify effective ways for local government, fair housing advocates and financial lenders to increase ownership among minorities, particularly LMI residents and residents in living in concentrated areas. Possible activities could include increasing sustainable ownership opportunities through the provision of extensive training for prospective home owners (credit counseling, pre/post-purchase education), increasing lending, credit and

banking services in LMI census tracts and minority census tracts, and increasing marketing and outreach efforts of affordable, fair mortgage products that are targeted to residents of LMI census tracts, LMI residents and minorities.

Proposed Action 2: Continue to provide financial assistance and technical assistance, including funds for capacity-building, to non-profit affordable housing developers.

Proposed Action 3: Strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the City of Virginia Beach.

e. Recent increases in non-English-speaking persons demonstrate a need to ensure access to programs and services for lower income persons with LEP.

Census data report that there are potentially three non-English languages spoken at home with significant numbers of native speakers who also speak English less than "very well." These languages include Spanish, Tagalog and Chinese. For each of these languages, the number of LEP persons exceeds 1,000.

Proposed Action: Complete the preparation of a Language Access Plan (LAP) and fulfill the final requirement of a VCA executed with HUD.

f. The City's zoning ordinance could be more accommodating to members of the protected classes.

The City's zoning ordinance restricts mobile homes to accessory structures in agricultural zoning districts on parcels of at least five acres. In addition, the City's zoning ordinance limits the number of unrelated persons who can live together as a single, cohesive household. Finally, the City should remove the limit of eight persons who can reside in a group home from its zoning ordinance as it discriminates against persons with disabilities.

Proposed Action: Amend the City's zoning ordinance to permit mobile homes as principal structures in additional zoning districts, remove the limitation on the number of persons, whether related or unrelated, who can live together as a family, and remove the restriction on the number of persons who can live together in a group home.

ii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants.

Denial rates of mortgage loan applications were significantly higher among minority applicants than White applicants. Most notably, denial rates were higher among upper-income minority applicants than lower-income White applicants. Similarly, minorities were more likely to have high-cost loans than White households. Together, these actions have the

effect of limiting access to conventional mortgage products for minority households and are consistent with patterns of discrimination.

Proposed Action 1: Because credit history is a major reason for denial of home mortgage applications in Virginia Beach, there are opportunities for lenders to undertake initiatives aimed at expanding home ownership opportunities for minorities. The following are actions that lenders need to consider in order to reduce the rate of denial of home mortgage applications based on credit history:

- Lenders should share with the applicant the specific information on the credit report on which the denial was based.
- Lenders should give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.
- Lenders should allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Lenders should take the unique credit practices of various cultures into account when considering applications.
- Lenders should refer applicants for credit counseling or other readily available services in the community.

Proposed Action 2: Engage HUD-certified housing counselors to target credit repair education through existing advocacy organizations that work extensively with minorities.

Proposed Action 3: Conduct a more in-depth analysis of HMDA data to determine if discrimination is occurring against minority applicant households. Consider contracting with an experienced fair housing advocacy organization to conduct mortgage loan testing.

Proposed Action 4: Engage in a communication campaign that markets home ownership opportunities to all minorities regardless of income including middle and higher income minorities. The campaign could promote the value of living in a diverse community such as Virginia Beach. The campaign could also provide information to lenders in an effort to demonstrate the high denial rates of mortgage applications for all minorities regardless of income.

b. Foreclosures appear to disproportionately affect minority households in Virginia Beach.

Between January 2007 and June 2008, an estimated 2,904 foreclosure filings were recorded in the City, representing a rate of 2.7%. Six of the City's 87 census tracts had a foreclosure rate of 5.4%, or twice the overall City rate. Four of these six tracts were areas of racial concentration of Black residents.

Proposed Action: 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. In particular, the City should focus its resources in areas most affected by foreclosures to forestall further neighborhood decline. Fair housing and affirmative marketing policies must factor into the disposition of residential properties abandoned as a result of foreclosure.

I. Signature Page for the City of Virginia Beach

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the City of Virginia Beach is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program regulations.

_____

(Signature of Authorizing Official)

_____

Date

10. REGIONAL CONSIDERATIONS

Within the individual AI for each of the seven cities in Hampton Roads there is a fair housing action plan (Section I in each AI). This plan, or list of recommended actions to be undertaken by the respective city to eliminate housing discrimination, focuses on issues that fall under the jurisdiction of each municipality. For example, discriminatory language in a municipal zoning ordinance can only be amended by the municipality. However, there are some issues of a regional nature that should be addressed on a regional basis, with recommended actions that will require all seven cities to work cooperatively and collaboratively to eliminate housing discrimination. For example, public transportation is provided on a regional basis in Hampton Roads. For changes to occur, the seven cities will need to work together with the regional transit entity.

This section of the AI includes an analysis of the regional issues to be considered in eliminating housing discrimination in Hampton Roads.

A. Housing Mobility

One of the primary effects of housing discrimination is the perpetuation of segregated residential patterns. In many communities, neighborhoods historically called home by generations of minorities have been the lowest income, highest poverty neighborhoods with the fewest amenities and most substandard housing. Whether "trapped" in their neighborhoods by a lack of resources to relocate, a lack of knowledge of what lies beyond, a perceived or real fear of moving to a "White" neighborhood with better opportunities, or public policies meant to maintain segregation, many minorities have remained in areas where crime is higher, grocery stores are lacking, jobs are non-existent and schools are noteworthy for substandard scores.

Recent studies on housing mobility reveal that access to opportunities for employment, education and health care are influenced by housing location. For families who choose to move to lower poverty, higher opportunity neighborhoods, the pay-off can be significant. For example, a national five-city experimental mobility program (Moving to Opportunity) reported that many participating low income families experienced improved physical and mental health when they moved to substantially lower poverty communities. Adult obesity was lowered and participants experienced marked declines in psychological distress and depression. In addition, attendance at lower poverty, racially integrated schools tended to improve critical thinking skills and academic achievement among children. Finally, children in lower poverty suburban areas were less likely to drop out of school and more likely to attend college.[114]

However, in order for a housing mobility program to be successful, studies also show that housing alone cannot facilitate true upward mobility. In addition, supportive services must follow the families to help them adjust to their new way of life in their new

[114] Kami Kruckenberg et al, "Connecting Families to Opportunity: A Resource Guide for Housing Choice Voucher Program Administrators" (Poverty & Race Research Action Council, July 2009).

neighborhood. The core elements of a highly functioning housing mobility program include, but are not limited to:

- Recruitment that attracts eligible participants and minimizes ineligible or disinterested applicants
- Recruitment and retention of landlords with rental units located in neighborhoods of opportunity
- Pre-move counseling, intake proceedings and briefing of potential participants
- Housing search assistance
- Post-move counseling
- Second-move counseling, and
- A holistic approach to client assistance which engages all family members, and ensures sufficient counselor contact through high counselor-client ratios.[115]

The Section 8 Housing Choice Voucher Program offers a family the opportunity to consider rental housing locations that extend beyond their current familiar boundaries. The voucher can enable a family to secure a rental unit on the private housing market, paying no more than 30% of their income on rent. All seven cities in the Hampton Roads region administer a Section 8 Housing Choice Voucher Program, either through a redevelopment and housing authority or a municipal department. Each program has its own set of policies and procedures, including preferences for admission, payment standards for persons with disabilities or locations outside of concentrated areas, and portability of vouchers to other jurisdictions.

According to interviews conducted for this report, and extensive questionnaires completed by the redevelopment and housing authority in each city, and the Department of Housing and Neighborhood Preservation in Virginia Beach, each Section 8 administering agency has its own set of policies and procedures. If a Section 8 applicant living in Hampton is interested in applying for a voucher in order to move to Virginia Beach, the applicant must make application with the City of Virginia Beach. If a Section 8 voucher holder residing in Newport News wishes to relocate to Chesapeake, he must apply to the Chesapeake Redevelopment and Housing Authority to "accept" his voucher. While it is possible to move between the seven cities of Hampton Roads as a voucher holder, it is not easy to navigate seven sets of policies, procedures and qualifying preferences.

Due to the geographic proximity of the seven cities, and the close interconnections between housing, employment, transportation, educational facilities and cultural amenities, the residents of the region could conceivably benefit from uniform Section 8 programmatic regulations. With identical administrative plans for the seven Section 8 administering agencies, the chances of lower income households achieving housing

[115] Kami Kruckenberg et al, "Connecting Families to Opportunity: A Resource Guide for Housing Choice Voucher Program Administrators" (Poverty & Race Research Action Council, July 2009).

mobility become much greater. Specifically, the coordination of portability policies would create, in essence, one regional Section 8 market in which voucher holders could move freely from one community to another. This is an action that would expand fair housing choice.

Currently, the Section 8 program administrators across Hampton Roads meet regularly on an informal basis to discuss issues of mutual importance. Formalizing this organizational framework could result in a more user-friendly regional Section 8 program that facilitates housing mobility in the Hampton Roads region. Inter-agency collaboration relative to the Section 8 Housing Choice Voucher Program could lead to other measures that expand fair housing choice in the region, such as coordination of public housing waiting lists.

OBSERVATION: Section 8 voucher holders currently are required to navigate seven different policies in order to port between the cities of Hampton Roads. Inter-agency collaboration between the Section 8 program providers, which would include a uniform set of policies and procedures, could conceivably expand fair housing choice by creating, in essence, one regional Section 8 market in which voucher holders could move freely from one community to another.

B. Accessibility of Residential Stock

From a regulatory standpoint, local government measures to control land use (such as zoning requirements) 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.

i. Private Housing Stock

All local governments in the Hampton Roads region are required to utilize the same building codes. These include the Virginia Uniform Statewide Building Code and the federal Fair Housing Accessibility standards. In addition, each HOME entitlement community must conform to the construction requirements of Section 504 of the Rehabilitation Act of 1973 when developing new rental housing units.

a. Virginia Uniform Statewide Building Code

The Virginia Uniform Statewide Building Code (USBC) contains the building regulations that must be complied with when constructing a new building, structure, or an addition to an existing building. This code must also be used when maintaining or repairing an existing building, or renovating or changing the use of a building or structure. The USBC is comprised of three parts:

- Virginia Construction Code (USBC, Part I)
- Virginia Rehabilitation Code (USBC, Part II)
- Virginia Maintenance Code (USBC, Part III)

The Virginia Rehabilitation Code contains optional regulations specific to the rehabilitation of existing buildings that may be used as an acceptable alternative to the Virginia Construction Code. The purpose of the Virginia Rehabilitation Code is to facilitate the rehabilitation of vacant, substandard or unsafe residential and commercial structures.

b. Fair Housing Accessibility Standards

Federal Fair Housing Accessibility standards were developed to ensure compliance with the Fair Housing Act. There are seven basic design and construction requirements that must be met. These include:

- An accessible building entrance on an accessible route.
- Accessible common and public use areas.
- Usable doors (usable by a person in a wheelchair).
- Accessible route into and through the dwelling unit.
- Light switches, electrical outlets, thermostats & other environmental controls in accessible locations.
- Reinforced walls in bathrooms for later installation of grab bars.
- Usable kitchens and bathrooms.

c. The HOME Program and Section 504 Standards

New housing units financed with HOME funds are required to comply with 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973. Multi-family developments 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 must comply with the Uniform Federal Accessibility Standards (UFAS) required under Section 504. An additional 2% of the units are required to be accessible for individuals with sensory 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 the developer at closing.

ii. Endependence Center, Inc.

Endependence Center (ECI) is a consumer-controlled, community-based, cross-disability, non-residential, private nonprofit center for independent living (CIL) operated by and for individuals with disabilities in the southern Hampton Roads area. ECI provides an array of independent living services to persons with disabilities and to the community. The goals of ECI include:

- The provision of direct services to persons with significant disabilities that result in a greater level of independence and community integration/functioning

- The provision of services/advocacy in the community that result in a greater awareness of disability issues, physical and programmatic accessibility, and systems change.

An interview was conducted with ECI for the purposes of this report, and ECI completed an extensive questionnaire, the responses to which are included below.

According to ECI, the major unmet housing need faced by the organization is a lack of integrated, affordable and accessible housing for persons with disabilities who are extremely low income. In particular, persons with disabilities who are at risk of institutional placement and those who want to transition from institutional settings such as nursing homes have difficulty securing accessible and affordable housing. According to ECI, the Center for Medicare and Medicaid Services reported on the number of nursing home residents who indicated they would prefer to return to their community. As of the second quarter of 2009, a total of 920 persons (most with mobility disabilities) from five of the Hampton Roads communities within ECI's service area were impacted:

- Chesapeake – 90 persons
- Norfolk – 248 persons
- Portsmouth – 78 persons
- Suffolk – 137 persons
- Virginia Beach – 367 persons.

OBSERVATION: There is a lack of integrated, affordable and accessible housing for persons with disabilities in Hampton Roads. Many persons with disabilities who wish to transition from institutional settings and return to their community cannot do so because of a lack of such housing. In five of the Hampton Roads communities served by ECI, almost 1,000 nursing home residents indicated they would prefer to return to their community but could not do so due to a lack of affordable, accessible

The need for integrated, affordable and accessible housing is demonstrated in a variety of ways, including a lack of targeted vouchers for persons who want to transition from institutional settings such as nursing homes and a lack of full compliance with Section 504 requirements among local public housing authorities.

OBSERVATION: A lack of compliance with Section 504 requirements by all local public housing authorities is an impediment to fair housing choice for persons with disabilities who could benefit from these affordable and accessible units located throughout Hampton Roads. Specifically, the redevelopment and housing authorities in Chesapeake, Hampton, Norfolk, and Suffolk should update their Section 504 Needs Assessments and/or Transition Plans to ensure that the minimum percentages of units are made accessible.

For persons with disabilities who are able to remain in their homes, securing financing to make physical alterations such as entrance ramps and bathroom adjustments can be very difficult. The Virginia Housing Development Authority (VHDA) provides grants up to $1,800 per housing unit for such alterations. To adequately meet the need for home modification assistance, additional funding sources are needed.

OBSERVATION: There are insufficient funding sources to finance the physical alterations needed to maintain independent living for persons with disabilities in their homes or in affordable rental units.

According to ECI, there is uncertainty whether new multi-family units are being constructed in compliance with the Fair Housing Act Accessibility standards. Housing Opportunities Made Equal, Inc. (HOME) conducted an audit of newer multi-family units with respect to their compliance with the Fair Housing Act. Testers were trained and instructed to visit 26 complexes throughout Hampton Roads, claiming to seek housing for themselves and a wheelchair-bound spouse or family member. Of the 26 sites, 25 (96%) appeared to be in violation of the Fair Housing Act's requirements to some degree.[116]

Based on these findings and an analysis of housing discrimination complaints filed in Hampton Roads, it is evident that there exists a need for testing among rental units for compliance with accessibility standards and reasonable accommodation.

OBSERVATION: There is uncertainty over the true accessibility of newly constructed multi-family housing units in Hampton Roads. Based on an accessibility audit conducted by HOME, Inc. and an analysis of housing discrimination complaints filed in the region, testing of new rental units for accessibility standards and reasonable accommodation is warranted.

In some instances, ECI provides educational information to landlords in an effort to help them provide reasonable accommodation for persons with disabilities. For example, ECI has provided landlords copies of the joint HUD/DOJ statement on reasonable accommodation which addresses how to process requests from persons with an apparent disability without subjecting them to unnecessary delay by requiring third-party verification of the disability.

ECI also tries to participate in the planning and development of the agency plans required of local public housing authorities. Chesapeake

[116] Additional information on HOME's accessibility audit can be found in Part 10, Section H, Testing.

Redevelopment and Housing Authority accepted ECI's comments and incorporated them into their agency plans.

OBSERVATION: The redevelopment and housing authorities in Hampton Roads could benefit from a more engaged relationship with ECI and other advocacy groups for persons with disabilities. Having these advocacy organizations at the planning table when new housing projects are being discussed could ensure that accessibility standards are incorporated in the early planning stages. Furthermore, using ECI clients in wheelchairs to navigate the newly-constructed structures could assess the degree of true accessibility compliance.

C. State of Virginia Qualified Allocation Plan (QAP)

The QAP is a public policy that establishes the Virginia Housing Development Authority's priorities for rental housing initiatives financed in part with equity from the sale of Low Income Housing Tax Credits. Each year, the QAP must be approved by the Governor of the State of Virginia before credits can be awarded by VHDA.

Because the competition for tax credits is robust, tax credit developers design their rental housing projects to achieve maximum scoring under VHDA's selection criteria. Taken together with the State's Housing and Community Development programs, the QAP has a major impact on what populations are served, the types of projects that will be undertaken (i.e., new construction or rehabilitation of existing dwellings) and, indirectly, where rental housing is built or rehabilitated.

In a recent federal fair housing case, *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs (N.D. Tex. 2010),* the Texas QAP was challenged by a local affordable housing advocate. The Department of Housing and Community Affairs is the housing finance agency for the State of Texas. The lawsuit alleged that TDHCA disproportionately approved tax credits for low-income housing in minority neighborhoods and denied applications for family tax credit housing in predominantly White neighborhoods. The plaintiff alleged that TDHCA's policy in awarding credits perpetuated racial segregation in violation of the Fair Housing Act. TDHCA argued that it prioritized tax credit applications for projects located in qualified census tracts (QCTs) in accordance with Section 42 of the Internal Revenue Code and that as such, it was unavoidable that tax credit projects would be located in concentrated minority neighborhoods rather than White neighborhoods. TDHCA submitted a motion for summary judgment (i.e., dismissal of the case). On September 28, 2010, Judge Fitzwater denied TDHCA's motion and affirmed the plaintiff's standing to sue. This case is now headed to trial. It is within this context that the AI considers VHDA's QAP.

For the purposes of the AI, VHDA's 2010 QAP was reviewed to determine the extent to which it offers opportunities to expand fair housing choice for members of the protected classes.

The total annual tax credit authority for the entire state of Virginia in 2010 was about $17 million. VHDA's QAP established eight priority "pools" or set-asides in which projects compete for credits. These are listed and described in Figure 10-1.

Figure 10-1
VHDA LIHTC QAP Pools, 2010

Number	Pool or Set-Aside	% of Total Tax Authority Credit	Description
1	Non-profit	15	Includes projects proposed by nonprofit organizations authorized to do business in VA which are substantially based or active in the community of the project and will materially participate in the development and operation of the project through the 15-year compliance period.
2	Local Housing Authority	7.5	Includes projects sponsored by local public housing or industrial authorities and/or HOPE VI projects requesting $750,000 or less in credits.
3	Northern VA / Planning District 8 (Inner Washington, DC)	21.28	Includes new projects located in one of the jurisdictions located in this area. This pool is one whose population has an increasing rent burden.
4	Northwest / North Central VA	10.89	Includes new projects located in one of the jurisdictions located in this area. This pool is one whose population has an increasing rent burden.
5	Richmond MSA	13.65	Includes new projects located in one of the jurisdictions located in this area. This pool is one whose population has an increasing rent burden.
6	Tidewater MSA	21.85	Includes new projects located in one of the jurisdictions located in this area. This pool is one whose population has an increasing rent burden. Includes the Hampton Roads region.
7	Balance of State	9.83	Includes new projects located in one of the jurisdictions located in this area. This pool is one whose population has a little or no increase in rent burden.
8	At-Large	Unreserved Credits from Pools 1-7	Includes projects that do not initially rank high enough to receive a reservation of credits in pools 1-7.
	Total	100	

Source: Virginia Housing Development Fund, Quality Allocation Plan effective January 1, 2010

In addition to these eight set-asides, VHDA awards points to projects that address specific program criteria. Tax credit applicants must score at least 500 points to be considered for credit awards. Within the seven major categories, there are several criteria that directly address the site selection process of the proposed project. These criteria are listed and described in Figure 10-2.

Figure 10-2
VHDA LIHTC QAP Selected Application Criteria

Number	Criteria	Description	Range of Potential Points for Qualifying Project
2(b)(1)	Housing Needs Characteristics	Letter of support from jurisdiction in which project is to be located.	50
2(b)(2)	Housing Needs Characteristics	No letter of support nor opposition expressed by local jurisdiction.	25
2(b)(3)	Housing Needs Characteristics	Letter of opposition from the local jurisdiction.	0
2(c)	Housing Needs Characteristics	Documentation certifying that the proposed project will be located in a revitalization area.	30
2(d)	Housing Needs Characteristics	Statement that the proposed project will be located in a revitalization area and a qualified census tract (QCT).	5
2(i)	Housing Needs Characteristics	Project located in a census tract with a poverty rate of less than 10% and with no other LIHTC projects in the same census tract.	25
2(l)	Housing Needs Characteristics	In a pool with an increasing rent burden and also in an urban development area as defined by State law or in a jurisdiction with a local affordable housing dwelling unit program	up to 20

Source: Virginia Housing Development Fund, Quality Allocation Plan effective January 1, 2010

To its credit, VHDA has established a policy within the QAP to expand fair housing choice, to some degree, in non-impacted areas of the state. In criteria 2(i), tax credit projects located in census tracts with poverty rates of less than 10% with no other tax credit projects can receive 25 points.

The AI defines areas of racial and ethnic concentration as those census tracts having a percentage of Black, Asian or Hispanic residents that are at least 10 percentage points higher than the relative presence of Black, Asians or Hispanic residents for a city as a whole. Using this definition, there are 108 areas of racial concentration and three areas of ethnic concentration in the Hampton Roads region. Furthermore, the AI defines areas of LMI concentration as block groups where more than 51% of residents meet the criteria for LMI status. (In Virginia Beach, the percentage threshold is 43.74%). In the Hampton Roads region, 329 block groups in 181 census tracts meet the criterion for areas of LMI concentration.

OBSERVATION: Virginia's QAP currently recognizes the importance of expanding the supply of tax credits outside of areas where tax credit projects may already be located. Albeit limited, VHDA's criteria rewards projects proposed in census tracts with poverty rates of less than 10% and with no other tax credit projects. However, VHDA's criteria do not consider racial, ethnic or LMI concentrations. As a matter of public policy aimed at expanding fair housing choice, the QAP should also prioritize tax credit projects located outside of areas of racial, ethnic, and LMI concentrations.

Section 42 of the Internal Revenue Code encourages the production of tax credit housing in hard-to-serve areas known as Qualified Census Tracts (QCTs) and Difficult to Develop Areas (DDAs). The Code defines a DDA as "any area designated by the Secretary of Housing and Urban Development as an area which has high construction, land, and utility costs relative to the area median gross income." QCTs are census tracts in which one-half or more of the households have incomes below 60% of the area median income or the poverty rate is 25% or higher. Not more than 20% of a state's population may be

designated as QCTs. Based on the QCT and DDA designations, developers using the LIHTC program to build or rehabilitate affordable rental housing can claim 30% more in tax credits than is available to identical projects outside of these areas.

The financial benefit of the 30% boost in eligible basis is powerful. All things being equal, tax credit developers will focus almost exclusively on potential development sites in QCTs because these projects are inherently easier to finance. In addition to the financial benefit, tax credit developers are drawn to sites in QCTs because under the terms of Criteria 2(d) in Virginia's QAP, these projects earn additional points in the selection process. The combination of the federally legislated priority (30% basis boost) and the state priority (additional points under Criteria 2(i)) is irresistible to most tax credit developers.

Incentivizing tax credit projects located in QCTs limits fair housing choice for members of the protected classes because frequently these projects are located in areas where (1) other tax credit housing already is located and (2) concentrations of LMI persons reside. In the Hampton Roads region, most of the census tracts identified as areas of concentration of minority and/or LMI persons meet the criteria for QCTs. As such, this federally legislated priority of prioritizing tax credit projects in QCTs is an impediment to fair housing choice. It should be noted, however, that this impediment is beyond the purview of VHDA.

VHDA is essentially caught between two conflicting federal statutes. On one hand, the federal government requires VHDA to affirmatively further fair housing choice by expanding the supply of affordable rental housing in non-impacted neighborhoods (i.e., outside areas of concentration). On the other hand, the federal government requires VHDA to incentivize tax credit projects in QCTs, many of which are located in areas of racial, ethnic and/or LMI concentration.

Section 42(m)(1)(B)(iii) requires all states to provide a QAP preference for projects located in QCTs where such projects contribute to a concerted community revitalization plan. VHDA addresses this requirement in criterion 2(d). Under this criterion, five points are awarded to tax credit projects located in QCTs and areas covered by a revitalization plan.

OBSERVATION: Criteria 2(d) of the QAP provides five points for projects located in QCTs. This policy limits fair housing choice by encouraging affordable rental housing investment in QCTs, many of which are located in areas where tax credit and other subsidized housing has already been developed and many of which are located in areas of racial, ethnic, and/or LMI concentration.

However, VHDA is in the unenviable position of being required to comply with two contradictory federal statutes. One, the federal Housing and Community Development Act and related statutes require VHDA to affirmatively further fair housing choice by expanding the supply of affordable rental housing in non-impacted neighborhoods. However, Section 42 of the federal Internal Revenue Code requires VHDA to incentivize tax credit projects in QCTs, many of which are located in impacted areas. This provision of Section 42 is an impediment to fair housing choice.

It is beyond the purview of VHDA to overcome this federal impediment. Furthermore, VHDA must comply with both statutes in order to ensure continued tax credit authority under Section 42 and in order to ensure continued CDBG and HOME funding under the Housing and Community Development Act. Under this circumstance, VHDA should provide the least amount of incentive possible in order to maintain compliance with Section 42.

In accordance with Section 42(m)(1)(A)(ii) of the Internal Revenue Code, VHDA awards 50 points to project applications which provide a letter of support from the chief executive officer of the jurisdiction in which the project is located. If a project application includes a letter from the jurisdiction that does not support nor oppose the project, the application is awarded 25 points. No points are awarded for a letter of opposition from the jurisdiction. Consequently, the developer must present his project to local government officials. In many circumstances, a public meeting is required in order to earn the possible 25 or 50 points under criteria 2(b). This VHDA policy is a barrier to fair housing choice because in order to earn the maximum 50 points (equal to 10% of the minimum 500 points needed to be considered for scoring), developers will likely be required to make a public presentation of the proposed project, even if the project does not require a public hearing in order to obtain zoning approval. In other words, developers who do not wish to expose the project to the potential objections of neighboring property owners are penalized in this point category. If the jurisdiction chooses to remain neutral, only 25 points are awarded. If a jurisdiction overtly opposes the project, the application essentially loses 50 point. This requirement increases the likelihood that the project may be opposed through political intervention and/or neighborhood opposition. It should be noted that this regulatory barrier to fair housing choice also is beyond the purview of VHDA.

The fair housing rule of thumb is that an affordable housing project should not be subjected to a higher standard of public notification or scrutiny than market rate housing. To do so is discriminatory. A community's land use regulations should be the sole determining factor in deciding whether a public meeting is required. If an apartment building is permitted by-right in a certain location, a public hearing is not required under normal circumstances. The method of financing (i.e., conventional market-rate financing versus tax credit equity or other public subsidies) should not be a factor for consideration when deciding whether a public meeting is required.

OBSERVATION: Section 42(m)(1)(A)(ii) and criterion 2(b) of the Virginia QAP provides points based on the degree to which a jurisdiction supports or opposes a project. In many circumstances, the developer must present his project at a public meeting. Collectively, these requirements increase the likelihood that the proposed project will be resisted by NIMBYists or through political intervention. There exists no such public notification requirement for conventional or market rate housing in Virginia if the project site is appropriately zoned. Therefore, the method of financing a residential development project is the key factor in determining whether public support is required. If a tax credit developer receives a neutral letter or a letter of overt opposition to the project, he is at a competitive disadvantage. In reaction to these policies, most developers will follow the path of least resistance by developing properties in jurisdictions where they will be met with the least public resistance rather than in locations that offer an opportunity to expand fair housing choice or otherwise address a critical need for affordable housing.

These public policies (i.e., Section 42 and criterion 2(b) of the Virginia QAP) are discriminatory. The local land use approval process should be the sole factor in determining the need for public notification. Tax credit housing should not be subjected to a higher standard of public notification than conventionally financed market rate housing. Notification policies and incentives that encourage or require public support can limit fair housing choice.

D. Taxes

Taxes impact housing affordability. While not an impediment to fair housing choice, real estate taxes can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Tax rates for specific districts and the assessed value of all properties are the two major calculations used to determine revenues collected by a jurisdiction. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.

Taxes in the Hampton Roads region are based on a tax rate per $100 of a property's value. As required by state law, city real estate assessors are responsible for conducting an annual assessment of property values on which taxes will be levied. Virginia's policy of annual reassessments minimizes inequality in the taxation system. In states where there are significant lapses between assessments, tax rates may reflect outdated property values that do not align with actual property values. Therefore, communities that have experienced a rapid loss in property values may be over-taxed, while communities in which property values have increased are under-taxed. The regular reassessments in Hampton Roads help to mitigate taxation disparities.

Property taxes are the main source of revenue for general government funds and are used to finance services such as education, public safety, community development, and general government administration. Tax rates in the Hampton Roads municipalities range from 0.89 mills in Virginia Beach to 1.24 mills in Portsmouth, where the rate is higher due to the large proportion of land that is federally owned and therefore tax-exempt. Figure 10-3 details the tax rates for a $100,000 house in each of the seven Hampton Roads municipalities.

Figure 10-3
Monthly Tax Payments by Municipality, FY 2009-2010

	Tax Rate	Annual Tax Liability	Monthly Tax Payment on $100,000 House
Chesapeake	1.05	$1,050	$88
Hampton	1.04	$1,040	$87
Newport News	1.1	$1,100	$92
Norfolk	1.11	$1,110	$93
Portsmouth	1.24	$1,240	$103
Suffolk	0.91	$910	$76
Virginia Beach	0.89	$890	$74

Sources: City Tax Departments

Each of the seven municipalities in Hampton Roads offers tax relief for senior citizens over the age of 65 and permanently disabled citizens. To qualify, residents must meet certain income and net worth criteria established by the municipal government. In all of the municipalities, property tax exemptions (full and partial) are the primary form of tax relief. In Portsmouth, Newport News, and Virginia Beach, property tax freezes and deferrals also provide tax assistance to the elderly and persons with disabilities. Through a tax freeze, residents can have their assessed value frozen for a certain number of years (up to 10 years in Virginia Beach), thereby safeguarding residents from increases in taxes due to increases in property values.

E. Public Transit

Households without a vehicle, which in most cases are primarily low and moderate income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. In 2000, there were 46,432 transit-dependent households in the seven cities of Hampton Roads, comprising 9.4% of all households. Norfolk and Portsmouth experienced the highest levels of transit dependency, at 17.0% and 14.5%, respectively. Virginia Beach and Chesapeake, on the other hand, had about half the regional percentage of transit-dependent households, at 4.7% and 5.7%, respectively. Throughout Hampton Roads, renters were far more likely to be transit-dependent than homeowners, as 17.9% of renter households did not have access to a vehicle, compared to 3.8% of owner households.[117]

Among categories of race and ethnicity, White households were significantly less likely to be transit dependent than Black and Hispanic households. Among White households, 5% were transit-dependent compared to Black households, who were over three times as likely to be transit-dependent at 18.3%. Among Hispanic households, 8.9% did not have access to a vehicle. Figure 10-4 details transit-dependency by race and ethnicity for each of the seven Hampton Roads municipalities.

[117] U.S. Census Bureau, 2000 Census, (SFT-3, H44)

Figure 10-4
Percent of Transit-Dependent Households by Race and Ethnicity, 2000

	Total	White	Black	Hispanic
Hampton Roads Total	**9.4%**	**5.0%**	**18.3%**	**8.9%**
Chesapeake	5.7%	3.5%	11.4%	5.4%
Hampton	8.7%	5.0%	13.2%	12.2%
Newport News	11.4%	5.5%	20.8%	11.0%
Norfolk	17.0%	8.6%	28.5%	12.9%
Portsmouth	14.5%	7.7%	22.2%	6.3%
Suffolk	10.3%	3.7%	19.1%	8.6%
Virginia Beach	4.7%	3.8%	8.7%	6.5%

Source: U.S. Census Bureau, 2000 Census, SF3 (HCT33A, HCT33B, HCT33H)

Figure 10-5 includes information on the modes of transportation residents used to travel to work in 2000 throughout the Hampton Roads region. The vast majority of residents (78.4%) drove alone, while 2.1% used public transportation and 12.3% carpooled. Of those using public transportation, 91.3% rode the bus.

Figure 10-5
Modes of Transportation to Work, 2000

	#	%
Hampton Roads total sample	656,385	100.0%
Car, truck, or van:	**594,941**	**90.6%**
Drove alone	514,310	78.4%
Carpooled	80,631	12.3%
Public transportation:	**13,516**	**2.1%**
Bus or trolley bus	12,335	1.9%
Ferry	120	0.0%
Railroad	128	0.0%
Taxi	860	0.1%
Motorcycle	851	0.1%
Bicycle	2,139	0.3%
Walked	18,456	2.8%
Other means	9,639	1.5%
Worked at home	16,843	2.6%

Source: U.S Census Bureau, 2000 Census (SF3-P30)

The use of public transportation to work varied across the seven municipalities, reflecting the different levels of transit-dependency in the region. Less than 1% of residents in Virginia Beach and Chesapeake used public transportation to get to work in 2000, compared to 4.6% of Norfolk residents.

Figure 10-6
Use of Public Transportation to Work by Municipality, 2000

Municipality	% Drive	% Public Transportation
Hampton Roads Total	**90.6%**	**2.1%**
Chesapeake	94.5%	0.9%
Hampton	92.6%	2.8%
Newport News	91.7%	2.8%
Norfolk	81.0%	4.6%
Portsmouth	88.5%	3.0%
Suffolk	94.2%	1.2%
Virginia Beach	92.8%	0.7%

Source: U.S Census Bureau, 2000 Census (SF3-P30)

Hampton Roads Transit (HRT) is the primary source of public transportation in the region. With seventy fixed routes, HRT serves all seven cities, encompassing over 1.3 million potential customers. The majority of routes are served by busses, and HRT also offers NET (Norfolk Electric Transit), ferry service, and para-transit service.

i. Destinations and Routes

By virtue of its status as a regional agency and the close proximity of the cities of Hampton Roads, HRT has an extensive network of public transit that saturates the seven cities. For commuters, HRT operates MAX (Metro Area Express), which offers express bus routes that connect the seven cities. MAX runs seven bus routes that operate from about 5 AM to 8 PM on weekdays and have more limited weekend service. Additionally, Peninsula Commuter Services are available. HRT also manages TRAFFIX, a cooperative public service designed to promote transportation alternatives. TRAFFIX has helped hundreds of people with and without cars to meet their transportation needs through the creation of such services as park and ride lots and expansion of the MAX. HRT's routes provide transportation both within and among the Hampton Roads cities. Services link residents to major educational, shopping and employment centers, in particular, the military bases and outposts throughout the region. Construction is also currently underway on a light rail system through Norfolk.

OBSERVATION: Transit-dependent riders are restricted in their employment opportunities by the limited HRT service. With service operating primarily between 5 AM and 8 PM on weekdays, persons who work the second and third shifts do not have public transportation available to them, ensuring uninterrupted employment. With an even more limited weekend service schedule, persons who are required to work weekend shifts and depend on public transit to get to and from work are at a severe disadvantage.

In a Comprehensive Operations Analysis (COA) of fixed route services, conducted in 2009, HRT overlaid its current services with maps of characteristics of households with transit needs throughout the region. These characteristics included: persons living below the poverty line, persons with mobility limitations, persons age 65 and older, and households with no vehicle available. The COA concluded that the highest levels of transit-need were in Hampton, Newport News, Portsmouth, and Norfolk, which are all currently well-served by HRT routes. The COA also identified areas where service gaps exist, in particular, less densely populated suburban areas. Specifically, the COA identifies the areas along the Chesapeake-Virginia Beach border and the northeastern area of Virginia Beach as possible areas for expansion.[118]

Discussions are currently underway to determine a potential fare increase to assist in covering budgetary shortfalls. A new rate has not yet been proposed, but HRT reports that its current standard fare of $1.50 for bus service is about 50 cents lower than other comparably-sized cities.

ii. Accessibility

All HRT fixed-route bus service operates with ADA-accessible wheelchair symbol vehicles. Every HRT bus is equipped with a wheelchair lift or ramp. Under the ADA, transit agencies like HRT are required to provide curb-to-curb, demand-responsive para-transit service that mirrors their fixed-route service in terms of service times and areas.

HRT also provides a lift-equipped van service called Handi-Ride. This service is offered year-round, operating on the same schedule as other HRT buses. Service is provided within three-quarters of a mile of regularly scheduled bus routes. Under the ADA, this service is provided for those persons who, because of their disability, cannot use the regular fixed-route public bus service for some or all of their transit trips.

F. Newspaper Advertising

Under federal law the making, printing, and publishing of advertisements that state a preference, limitation, or discrimination on the basis of race, color, religion, sex, handicap, familial status or national origin is prohibited. The prohibition applies to publishers, such as newspapers and directories. The prohibition also applies to persons and entities placing real estate advertisements.

Publishers and advertisers are responsible under federal law for making, printing, or publishing an advertisement that violates the Fair Housing Act in its face. Thus, they should not publish or cause to be published an advertisement that on its face expresses a preference, limitation or discrimination on the basis of race, color, religion, sex,

[118] "Comprehensive Operations Analysis for Hampton Roads Transit: Executive Summary." Virginia Department of Rail and Public Transportation, 2009. Accessed online at *http://www.gohrt.com/development/2010/final-hrt-coa-executive-summary.pdf*

handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols or other approaches that are considered discriminatory.

A review of the Saturday Home Section of *The Virginian-Pilot* dated August 29, 2009, showed none of the advertisements for units qualified the occupants sought. However, placement of the fair housing logo was spotty.

A real estate supplement to the August 30, 2009, *Daily Press* included frequent placement of the fair housing logo. The publisher's required fair housing notice was in a font so small as to render it virtually unreadable.

Home Search, a real estate magazine published by *The Virginian-Pilot* dated October 23 – November 5, 2009, contained a Fair Housing Notice from the publisher. A search of the advertisements showed that most – but not all – of the advertisers showed the Equal Housing Opportunity or Equal Housing Lending logo. Many were so small that the caption was unreadable, so if a potential buyer or renter were to see the logo, they would not be able to ascertain the meaning without prior knowledge of the logo and the intent behind it.

The *Hampton Roads Apartment Book*, dated November 2009, had the required Publisher's Notice, but took fair housing a step further by inserting an advertisement on fair housing (page 116). Most, but not all, advertisers displayed the fair housing logo. An occasional advertiser also had logos indicating accessible units.

G. Testing

Between October 1999 and June 2001, Housing Opportunities Made Equal, Inc. (HOME) conducted a series of real estate tests for race and disability. The results of HOME's testing reveal patterns of discrimination.

i. Racial Audit

HOME conducted 70 paired tests at apartment complexes throughout the Hampton Roads region. All the complexes were located in predominantly White census tracts according to the 1990 Census. One Black and one White tester visited each test site on the same day (about a half hour to two hours apart), seeking the same type of units. The paired testers were given similar profiles of incomes, occupations, family size, etc., so that the only noticeable difference between the testers was race.

Across the seven cities, 42 of the 70 (60%) tests showed preferential treatment toward White testers. Examples of differential treatment included longer waiting times for Black testers, offering apartments to White testers while telling Black testers no units were available, and informing White testers of multiple lower-rent units while telling Black testers of only one higher-rent unit.

Among the five Hampton Roads cities with multiple test sites, Portsmouth had the highest rate of differential treatment between Black and White testers.[119] Of the five tests conducted in Portsmouth, four (80%) showed preferences to White testers. The rate of differential treatment favoring White testers in the other cities were Newport News 54% (seven of 13 sites), Virginia Beach 62% (21 of 34 sites), and Norfolk 64% (seven of 11 sites).

Chesapeake was the only city in which Black testers did not receive less favorable treatment during this test. Of the five test sites in Chesapeake, two (40%) showed similar treatment between testers and three (60%) showed differential treatment favoring Black testers.

OBSERVATION: Based on the results of paired testing conducted in Hampton Roads, there appears to be discriminatory behavior by rental property agents toward minority persons. This evidence supports a need for sustained education and outreach to landlords on fair housing issues.

ii. Accessibility Audit

HOME also conducted an audit of newer multi-family units with respect to their compliance with the 1988 amendments to the Fair Housing Act. These amendments require, among other things, that residential buildings consisting of four or more dwelling units constructed for first occupancy after March 13, 1991, be physically accessible to persons with disabilities. The law does not require that multi-family units be fully accessible, but rather that they meet the following seven requirements, which include:

- An accessible building entrance on an accessible route.
- Accessible common and public use areas.
- Usable doors (usable by a person in a wheelchair).
- Accessible route into and through the dwelling unit.
- Light switches, electrical outlets, thermostats & other environmental controls in accessible locations.
- Reinforced walls in bathrooms for later installation of grab bars.
- Usable kitchens and bathrooms.

Testers were trained on these requirements and other fair housing laws and were instructed to visit 26 complexes, claiming to seek housing for themselves and a wheelchair-bound spouse or family member. Of the 26 sites, 25 (96%) appeared to be in violation of the Fair Housing Act's requirements to some degree. HOME distinguished between major deficiencies (e.g., inability to enter a unit or maneuver in a bathroom or kitchen) and technical deficiencies (e.g., mailboxes without curb cut access or

[119] In the cities of Hampton and Suffolk, only a single unit fit the parameters of HOME's testing model. Both sites showed differential treatment preferring White to Black testers.

light switches too high to be easily reached). Almost half of the sites (46%, or 12 of 26) had major deficiencies in their units. The only site found to be in compliance with all requirements was a senior housing complex.

OBSERVATION: Based on the results of testing for accessibility compliance conducted in Hampton Roads, there appears to be a lack of knowledge and understanding of the required accessibility standards during the design, inspection and construction of new rental housing. These results indicate a need for educational and outreach efforts specific to accessibility requirements.

H. Hampton Roads Community Housing Resource Board

The Hampton Roads Community Housing Resources Board (HRCHRB) is the coordinating agency for fair housing issues across its seven member cities. HRCHRB is comprised of municipal community development professionals, public housing authority representatives and a variety of other private and nonprofit entities with an interest in fair housing. Through educational opportunities such as specialized training workshops for housing professionals, public campaigns and regularly scheduled meetings, HRCHRB continues to further fair housing in the region. HRCHRB works closely with local, state and federal agencies to promote awareness of fair housing issues in Hampton Roads and helps coordinate and disseminate information to assist each locality with its fair housing plan.

HRCHRB has sponsored a variety of programs and activities to promote fair housing in the Hampton Roads region. These include:

- Serving as the lead agency in charge of the preparation and implementation of this AI.
- Organizing the annual fair housing poster contest for art students at the New Advanced Technology Center at Tidewater Community College. The art students were asked to design a fair housing poster; the winning poster would then become the cover of the fair housing booklet published annually by the HRCHRB.
- Hosting annual fair housing seminars in conjunction with the Tidewater Builders Association and Peninsula Housing and Builders Association which examine issues relating to the landlord/tenant act and fair housing issues.
- Partnering with Housing Opportunities Made Equal (HOME) to update, reproduce and distribute fair housing handbooks, and translating the fair housing handbooks into Spanish.

i. Progress since the 2003 AI

The progress achieved by each municipality is described in detail in Section G of each municipality's AI. The following narrative addresses the progress made by the HRCHRB since the 2003 AI.

The 2003 AI was a cooperative approach involving the same seven entitlement jurisdictions in this document. 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 the 2003 AI, there were two impediments identified as being under the purview of the HRCHRB. These included (1) a lack of fair housing education and outreach and (2) the denial of mortgage loans due to poor credit. To address these impediments, several recommendations were made. These recommended actions are listed below along with a summary on the progress made since 2003.

- Lack of fair housing education and outreach
    - *Recommendation:* As part of the annual Fair Housing/Virginia Residential Landlord Tenant Act seminar, develop a workshop (Understanding the Fair Housing Complaint Process) to sensitize the public to the administrative and civil complaint process for consumers, advocates, government agencies, real estate professionals, and property management companies.

      Progress Achieved: The Fair Housing/Virginia Residential Landlord Tenant Act seminar has continued in the years since the 2003 AI. Information on the content of presentations was unavailable for review.

    - *Recommendation:* Collaborate with VHFO to implement a region-wide education and outreach campaign.

      Progress Achieved: Unknown

    - *Recommendation*: Expand education to ensure understanding regarding compliance with ADA accessibility standards. Encourage local planning bodies to consult with the CILs for review of ADA compliance for multi-family units. Develop guidelines for local planning bodies to use when reviewing zoning regulations to ensure that the standards are not impediments to members of the protected classes or are unnecessarily exclusionary.

Progress Achieved: HRCHRB and Housing Opportunities Made Equal of Virginia, Inc., jointly published a Fair Housing Handbook in 2008 that summarizes fair housing laws and provides guidance on detecting and reporting discrimination. The Handbook also includes a list of contact information for agencies that can provide further assistance.

- *Recommendation:* Collaborate with industry professionals to diversify their staffs and boards to reflect the presence of members of the protected classes.
  Progress Achieved: None.

- *Recommendation*: Identify properties that are affordable and available for persons with disabilities to assist the CILs to begin the planning process.
  Progress Achieved: None.

- *Recommendation:* Promote self-testing by real estate industry and other housing providers.
  Progress Achieved: None.

- *Recommendation:* Create a list of housing providers in the region and annually offer to present on-site fair housing seminars to staff.
  Progress Achieved: Unclear

- *Recommendation:* Ensure membership in the HRCHRB is as inclusive as possible with representatives including members who represent housing consumers who are mentally disabled, insurance providers, lenders, and advertisers. Encourage members to remain active by ensuring meetings are highly organized covering just a few specific items and scheduled on a regular basis for the same day of week and the same time of day.
  Progress Achieved: Unclear

- <u>Denial of mortgage loans due to poor credit</u>
  - *Recommendation:* Lenders should share with the applicant the specific information on the credit report on which the denial was based. Specifically, lenders should:
    - Give the applicant the opportunity to investigate questionable credit information prior to denial of a home mortgage application by the bank.

- Allow the applicants to offer alternative credit references in lieu of the standard traditional references.
- Take the unique credit practices of the various cultures into account when considering applications.
- Refer applicants for credit counseling or other readily available services in the community.

Progress Achieved: HRCHRB members have continued to provide credit counseling to assist with the reduction of denial of home mortgage applications based on credit history and to provide education regarding loan products. The CHRB can yet increase its efforts to engage banking professionals in its planning for methods of mitigating lending discrimination.

ii. Current Fair Housing Programs and Activities

Fair housing programs and activities implemented by entitlement communities can be generally understood according to the following categories:

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

  Assessment: The HRCHRB conducts education and outreach primarily through the publication and dissemination of its Fair Housing Handbook.

- ***Policy development*** – This aspect would involve the establishment of policies that are key to the implementation of fair housing laws, including housing site selection policies, inclusionary zoning ordinances and enhanced Section 8 mobility programming.

  Assessment: Policy development is more appropriate for each of the seven participating municipalities. The CHRB can, however, provide technical assistance (either directly or through a third party) to the municipalities on such topics as working with zoning department staff to understand fair housing implications as they relate to group homes. Another example would be facilitating the movement toward a single, regional Section 8 market.

- ***Enforcement*** – This aspect would involve monitoring of sub-recipients to ensure compliance with all programmatic requirements, processing discrimination complaints, attempting mediation or conciliation settlements. It also includes allocating funds to legal aid attorneys to handle complaints and to advocacy organizations for the purpose of conducting paired real estate testing.

Assessment: The HRCHRB has contracted the services of HOME, Inc. to conduct testing of rental housing and new multi-family housing accessibility compliance.

- ***Expansion of housing choice*** – This aspect involves the creation of new affordable housing opportunities for members of the protected classes. It includes the allocation of entitlement funds to develop new housing units outside of impacted areas of minority and LMI concentrations.

  Assessment: As with policy development, this element of affirmatively furthering fair housing is more appropriately assigned to the participating municipalities. However, the HRCHRB can strongly advocate for the location of new rental family housing outside of areas of concentration of minorities and LMI persons.

While education and outreach have affirmatively furthered fair housing in Hampton Roads, 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 enforcement, policy development and the expansion of fair housing choice can be measured. It is possible to enumerate the number of paired testings conducted and the resultant number of complaints filed due to discriminatory actions. It is possible to assess compliance with fair housing laws by identifying the number of hard units created outside of impacted areas. Although education and outreach activities are important, *advocating for* policy development, enhanced enforcement and expansion of housing choice for members of the protected classes through the creation of new units (i.e., affordable rental units for families) should be HRCHRB's primary fair housing goal.

OBSERVATION: The HRCHRB's fair housing activities have consisted primarily of education and outreach initiatives. The CHRB should continue these activities while strongly advocating for policy development, enhanced enforcement and the expansion of affordable rental housing for families outside of impacted areas (i.e., areas of concentration of minority and LMI persons). Cumulatively, these four elements can affirmatively further fair housing in Hampton Roads.

I. Summary of General Fair Housing Observations

This section of the AI is a summary of general observations included in earlier sections of the regional report. General observations and findings include the results of primary and secondary research that define the underlying conditions, trends, and context for fair housing planning in Hampton Roads. These observations in and of themselves do not necessarily constitute impediments to fair housing choice. Rather, they establish a

contextual framework for the impediments to fair housing choice that are presented in the following section.

1. **Minorities continue to increase as a percentage of the total population.**

   Minorities have increased from 33.8% to 42.7% of the total population since 1990. The fastest-growing segment is Hispanics, which increased 105.3% from 30,668 to 62,957 persons in 2009.

   An increasingly diverse population in Hampton Roads, and in Virginia Beach in particular, demonstrates the need for communities to perform HUD's four-factor analysis to determine the degree to which the translation of vital documents and interpretation services are warranted.[120]

2. **There are 188 areas of racial/ethnic concentration in the region.**

   According to the individual definitions for concentration set by each city, 188 census tracts across the region qualify as areas of racial or ethnic concentration.

2. **Several of the cities in the Hampton Roads region are among the most segregated in the State of Virginia.**

   Based on dissimilarity index calculations of 2000 Census data, Portsmouth is the most segregated with a dissimilarity index of 62, while Virginia Beach is the most integrated with a dissimilarity index of 41.4.

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

   Median household income among Blacks was significantly lower than among Whites in 2008. More than 34% of all Black households earned less $25,000 compared to only 13.4% of all Whites households. And, less than 20% of Black households earned $75,000 and higher compared to 42.8% of White households. Poverty rates were also significantly higher among Blacks than Whites across the region. Consequently, Blacks will have greater difficulty finding affordable rental units or homes to purchase.

   Persons with disabilities were much more likely to live in poverty than persons without a disability. Among persons with a disability, 17.4% were living in poverty in 2008 compared to 11.0% of persons without a disability.

   Female-headed households with children accounted for almost two-thirds of all families living in poverty in 2008. Consequently, securing affordable housing will be especially difficult for this segment of the population.

   Across the region, families with children who were living with at least one foreign-born parent were less likely to be living below 200% of the poverty

[120] The four-factor analysis, detailed in the *Federal Register* dated January 22, 2007, involves research to determine: 1) The number or proportion of LEP persons eligible to be served or likely to be encountered by a community's grant programs, 2) the frequency with which LEP individuals come in contact with the programs; 3) the nature and importance of the programs; and 4) the resources available to the community versus the costs of providing language accommodations.

level than families with children of native parents. Lower household incomes will greatly impact housing choice for these families.

4. **Many areas identified as impacted areas of racial concentration are also areas of concentration of low and moderate income persons.**

   In Hampton Roads, 41% of the population is comprised of low and moderate income (LMI) persons. The percentage of LMI persons across the region varies among the seven cities, ranging from 31.68% in Chesapeake to 55.23% in Norfolk and Portsmouth. In Norfolk and Portsmouth, over half of the population is LMI.

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

   Blacks also had the highest unemployment rate in 2008 at 8.1% compared to 4.4% among Whites, 5.7% among Asians, and 3.4% among Hispanics. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

6. **The region gained almost 82,000 new housing units between 1990 and 2008.**

   The regional housing inventory increased nearly 82,000 units over the past two decades, with the highest increases occurring in Virginia Beach, Chesapeake and Suffolk. Norfolk was the only city to experience a net loss of housing units during this period.

7. **Blacks and Hispanics are far less likely to become home owners than Whites and Asians.**

   Lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White and Asian households.

   Real median household income has not kept pace with median gross rent and median housing value in Hampton Roads. Median housing value surged 71.1% between 1990 and 2008 compared to increases of 11.5% in median gross rent and 6.7% in median household income. This trend will greatly impact the affordability of housing for lower income households.

8. **The affordable housing market is much tighter for members of the protected classes.**

   Minority households were more likely to live in larger families than White households. For example, three-quarters of Hispanic families and families of Some Other Race had three or more persons, compared to 57.8% of White families. However, only 29.2% of the rental housing stock in Hampton Roads contained three or more bedrooms compared to 82.9% of the owner housing stock.

   Extremely low income minority households comprise the vast majority of the nearly 20,000 households on waiting lists for public housing and Section 8 vouchers in Hampton Roads. In addition, nearly 2,400 applicants consist of households with disabled members. These trends indicate limited housing

choice for extremely low income minority households and disabled households, all of which are members of the protected classes.

The Hampton Roads region lost more than half of its affordable rental housing inventory, which fell from 53,958 units in 2000 to 20,821 in 2008. By comparison, units renting for $1,000 or more increased more than fivefold from 12,775 to 83,496.

Minimum wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in Hampton Roads. This situation can force these individuals and households to double up with others or lease cheap, substandard units. Minorities and female-headed households will be disproportionately impacted because of their lower incomes.

Persons receiving monthly SSI checks in the amount of $674, including persons with disabilities, as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of $807.

9. The region experienced an overall higher rate of foreclosures than the State.

Between January 2007 and June 2008, Hampton Roads had an overall foreclosure rate of 3.7%, which was higher than the state-wide rate of 3.1%. Hampton, Norfolk and Portsmouth had the highest foreclosure rates, all of which exceeded 5.0%.

10. The HRCHRB should focus on enhancing its role to affirmatively further fair housing on a regional basis.

The HRCHRB's fair housing activities have consisted primarily of education and outreach initiatives. The organization should continue these activities while strongly advocating for policy development, enhanced enforcement and the expansion of affordable rental housing for families outside of impacted areas (i.e., areas of concentration of minority and LMI persons). Cumulatively, these four elements can affirmatively further fair housing in Hampton Roads.

J. Potential Impediments to Fair Housing Choice

The following observations identified through the regional AI process warrant further attention and remediation by the HRCHRB. These observations, in most cases, are impediments to fair housing choice. Specific actions are recommended to ameliorate these impediments and assist Hampton Roads in affirmatively furthering fair housing choice.

1. Blacks were denied home mortgages at higher rates than Whites, and were more likely to receive high-cost mortgages than Whites.

In 2008, Black households had a higher rate of mortgage loan denials than White and Hispanic households. Black households had a denial rate of 10.6% compared to 5.4% for Whites and 7.8% for Hispanics.

Black upper income households had a mortgage denial rate of 9.4%, which was higher than the 7.8% denial rate for White lower income households in 2008. While this fact alone does not imply an impediment to fair housing choice, this trend is consistent with discrimination.

Black upper income households were far more likely to receive high-cost mortgage loans than White lower income households. In 2008, the rate of high-cost loans among Black upper income households was 8.9% compared to only 3.9% among White lower income households. While this fact alone does not imply an impediment to fair housing choice, this trend is consistent with discrimination.

2. Disability and familial status were the most common bases alleged in housing discrimination in Hampton Roads.

An analysis of the fair housing complaints received throughout Hampton Roads reveals that disability is the most common basis for discrimination, followed by familial status. These trends are indicative of the need to provide fair housing training to landlords and management agents.

3. Section 8 voucher holders must navigate seven sets of programmatic rules and regulations in order to port between the cities of Hampton Roads.

Inter-agency collaboration between the Section 8 program providers, which would include a uniform set of policies and procedures, could conceivably expand fair housing choice by creating, in essence, one regional Section 8 market in which voucher holders could move freely from one community to another.

4. There is a lack of integrated, affordable and accessible housing for persons with disabilities in Hampton Roads.

Several trends support his finding:

- Many persons with disabilities who wish to transition from institutional settings and return to their community cannot do so because of a lack of such housing. In five of the Hampton Roads communities served by Endependence Center, Inc. (ECI), almost 1,000 nursing home residents indicated they would prefer to return to their community but could not do so due to a lack of affordable, accessible housing.
- A lack of compliance with Section 504 requirements by local public housing authorities is an impediment to fair housing choice for persons with disabilities who could benefit from these affordable and accessible units located throughout Hampton Roads. Specifically, the redevelopment and housing authorities in Chesapeake, Hampton, and Norfolk should update their Section 504 Needs Assessments and/or Transition Plans to ensure that the minimum percentages of units are made accessible.
- There are insufficient funding sources to finance the physical alterations needed to maintain independent living for persons with disabilities in their homes or in affordable rental units.

- There is uncertainty over the true accessibility of newly constructed multi-family housing units in Hampton Roads. Based on an accessibility audit conducted by HOME, Inc. and an analysis of housing discrimination complaints filed in the region, education and outreach specifically geared toward accessibility standards and reasonable accommodation is warranted.
- The redevelopment and housing authorities in Hampton Roads could benefit from a more engaged relationship with ECI and other advocacy groups for persons with disabilities. Having these advocacy organizations at the planning table when new housing projects are being discussed could ensure that accessibility standards are incorporated in the early planning stages. Furthermore, using ECI clients in wheelchairs to navigate the newly-constructed structures could assess the degree of true accessibility compliance.

5. Virginia's Qualified Allocation Plan (QAP) rewards development of new rental housing in areas of concentration of minorities and LMI persons.

Virginia's QAP currently recognizes the importance of expanding the supply of tax credits outside of areas where tax credit projects may already be located. Albeit limited, VHDA's criteria rewards projects proposed in census tracts with poverty rates of less than 10% and with no other tax credit projects. However, VHDA's criteria do not consider racial, ethnic or LMI concentrations. As a matter of public policy aimed at expanding fair housing choice, the QAP should also prioritize tax credit projects located outside of areas of racial, ethnic, and LMI concentrations.

Criteria 2(d) of the QAP provides five points for projects located in QCTs. This policy limits fair housing choice by encouraging affordable rental housing investment in QCTs, many of which are located in areas where tax credit and other subsidized housing has already been developed and many of which are located in areas of racial, ethnic, and/or LMI concentration.

However, VHDA is in the unenviable position of being required to comply with two contradictory federal statutes. One, the federal Housing and Community Development Act and related statutes require VHDA to affirmatively further fair housing choice by expanding the supply of affordable rental housing in non-impacted neighborhoods. However, Section 42 of the federal Internal Revenue Code requires VHDA to incentivize tax credit projects in QCTs, many of which are located in impacted areas. This provision of Section 42 is an impediment to fair housing choice.

It is beyond the purview of VHDA to overcome this federal impediment. Furthermore, VHDA must comply with both statutes in order to ensure continued tax credit authority under Section 42 and in order to ensure continued CDBG and HOME funding under the Housing and Community Development Act. Under this circumstance, VHDA should provide the least amount of incentive possible in order to maintain compliance with Section 42.

6. Virginia's QAP also requires a higher level of local public scrutiny of proposed LIHTC projects than non-subsidized multi-family housing.

Section 42(m)(1)(A)(ii) and criterion 2(b) of the Virginia QAP provides points based on the degree to which a jurisdiction supports or opposes a project. In many circumstances, the developer must present his project at a public meeting. Collectively, these requirements increase the likelihood that the proposed project will be resisted by NIMBYists or through political intervention. There exists no such public notification requirement for conventional or market rate housing in Virginia if the project site is appropriately zoned. Therefore, the method of financing a residential development project is the key factor in determining whether public support is required. If a tax credit developer receives a neutral letter or a letter of overt opposition to the project, he is at a competitive disadvantage. In reaction to these policies, most developers will follow the path of least resistance by developing properties in jurisdictions where they will be met with the least public resistance rather than in locations that offer an opportunity to expand fair housing choice or otherwise address a critical need for affordable housing.

These public policies (i.e., Section 42 and criterion 2(b) of the Virginia QAP) are discriminatory. The local land use approval process should be the sole factor in determining the need for public notification. Tax credit housing should not be subjected to a higher standard of public notification than conventionally financed market rate housing. Notification policies and incentives that encourage or require public support can limit fair housing choice.

7. Transit-dependent riders are restricted in their employment opportunities by limited HRT service.

With service operating primarily between 5 AM and 8 PM on weekdays, persons who work the second and third shifts do not have public transportation available to them, ensuring uninterrupted employment. With an even more limited weekend service schedule, persons who are required to work weekend shifts and depend on public transit to get to and from work are at a severe disadvantage.

8. Based on the results of previous testing conducted in Hampton Roads, there appears to be discriminatory behavior that warrants continued testing.

Specifically, rental property owners and management agents were noted to discriminate against minorities. In addition, based on the results of testing for accessibility compliance in new rental housing, there appears to be a lack of knowledge and understanding of the required accessibility standards during the design, inspection and construction of new rental housing. Additional testing should be conducted and complaints filed where non-compliant actions are identified.

K. Potential Impediments and Recommendations

Based on the findings included in this report, the following potential impediments to fair housing choice in the Hampton Roads region were identified. Recommended actions to eliminate these impediments also are provided. It is anticipated that the HRCHRB will be the lead agency in undertaking the implementation of the following recommended actions.

1. Black households have greater difficulty securing mortgage loans than White households.

The research revealed that Black mortgage loan applicants were more frequently denied financing than White applicants. Although credit history is a critical element in determining a household's ability to secure and pay a mortgage, the fact that 9.4% of Black upper income households were denied mortgages compared to 7.8% of White lower income households reveals a need for mortgage testing in addition to credit counseling.

Furthermore, 8.9% of Black upper income households received high-cost loans compared to 3.9% of White lower income households. Both of these trends are consistent with discriminatory actions.

Proposed Action 1: Investigate the feasibility of contracting for mortgage testing in the region. If possible, contract with an experienced firm to conduct such testing. Identify possible funding sources for testing beyond entitlement funds from HRCHRB member communities

Proposed Action 2: Encourage HUD-approved homebuyer counseling providers to continue this invaluable service for lower income and minority households. HUD approval denotes that a counseling agency meets industry standards and federal guidelines. This designation has increasingly become the benchmark for an agency's participation in various other public/private housing programs. Nonprofit counseling agencies that can demonstrate establishment in the community and at least one year experience can apply to HUD to gain approval.

2. The different policies and procedures established by each of the seven Section 8 Housing Choice Voucher Programs in the region make it very difficult for a voucher holder to port between the cities, thereby restricting fair housing choice.

In order to port between the cities and maximize housing choice, a voucher holder must become familiar with two or more sets of regulations. This time-consuming difficulty is an impediment to fair housing choice if it keeps a voucher holder from considering the entire housing market of Hampton Roads.

Proposed Action: Initiate inter-agency collaboration between the seven Section 8 providers. The first step should be to create a uniform set of porting regulations that would permit a voucher holder to move freely across the region. By establishing one Section 8 housing market, the individual provider agencies could greatly expand fair housing choice.

3. The lack of integrated, affordable and accessible housing is an impediment to fair housing choice for persons with disabilities.

Previous testing results revealed discriminatory actions by rental property owners and management agents against persons with disabilities and families with children. In addition, testing results also revealed that several new multi-family rental developments were not constructed to appropriate accessibility standards. Both of these findings demonstrate a continued need for education and outreach related to housing rights law and accessibility standards.

Proposed Action 1: HRCHRB should expand its membership to include rental property owners in an effort to engage them in designing and implementing methods of increasing competency on fair housing laws among this population.

Proposed Action 3: Continue to provide annual fair housing training to landlords and rental property management agents.

4. Virginia's Qualified Allocation Plan (QAP) provides incentives in the application process for (1) constructing new multi-family rental housing in qualified census tracts and (2) letters of jurisdictional support.

By rewarding proposals with points for locating projects in qualified census tracts (QCTs), the QAP encourages the concentration of affordable family housing in areas which, in most cases in Hampton Roads, are areas of concentration of minorities and LMI persons. Furthermore, the QAP rewards proposals which include letters of support from the local jurisdiction but penalizes those proposals that include neutral letters or letters of opposition from local jurisdictions. Since the letters of support are often addressed and decided in a public forum such as a city council meeting, the project may be discussed in detail where local support could waiver once the details of the project are known. Because non-subsidized multi-family rental housing is not subjected to this same level of public scrutiny, this process discriminates against subsidized multi-family rental housing.

It is beyond the purview of VHDA, the HRCHRB and the participating municipalities of this AI to eliminate these impediments. However, the HRCHRB can strongly encourage VHDA to award the absolute minimum number of points for these two criteria, thereby eliminating impediments to fair housing choice in the LIHTC selection process to the greatest extent possible at this time. The HRCHRB can also lobby HUD during the comment period for the upcoming proposed AI regulations to be published in the Federal Register. Both of these impediments will require action at the federal level to be effective.

Proposed Action 1: Send a letter to VHDA explaining how their LIHTC selection process is an impediment to fair housing.

Proposed Action 2: When the new proposed AI regulations are published shortly in the Federal Register, the HRCHRB should send a comment letter to HUD explaining how the federal statutes of the Internal Revenue Service conflict with the federal statutes of HUD as they relate to developing new multi-family rental housing outside of impacted areas.

5. Public transportation service in Hampton Roads restricts fair housing choice to members of the protected classes with limited service routes and hours.

With public transit service limited primarily to 5 AM to 8 PM, lower income persons who work the second and third shifts, as well as weekend shifts, are unable to travel to and from their jobs using the bus or MAX exclusively. In many cases, entry level workers in the service and retail sectors are assigned these shifts. In order to become dependable employees, they require dependable public transit to and from their jobs. Unfortunately, federal funding for transportation projects, including transit service, has fallen dramatically over the past several years. Participation in regional planning efforts to continue existing routes and services is critical.

Proposed Action: Remain engaged in the regional planning efforts of the Hampton Roads Transit to ensure that the fair housing implications of regional transportation are fully recognized and addressed as funding permits.

L. Signature Page for the Cities of Hampton Roads

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the Hampton Roads Region of Virginia is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program.

City of Chesapeake

_____ _____
(Signature of Authorizing Official) Date

City of Hampton

_____ _____
(Signature of Authorizing Official) Date

City of Newport News

_____ _____
(Signature of Authorizing Official) Date

City of Norfolk

_____ _____
(Signature of Authorizing Official) Date

City of Portsmouth

_____ _____
(Signature of Authorizing Official) Date

City of Suffolk

_____ _____
(Signature of Authorizing Official) Date

City of Virginia Beach

_____ _____
(Signature of Authorizing Official) Date

11. APPENDIX A: STAKEHOLDERS INVITED TO PARTICIPATE IN THE AI PROCESS

CHESAPEAKE

- Chesapeake Redevelopment & Housing Authority
- Department of Planning

HAMPTON

- Hampton Redevelopment & Housing Authority
- Neighborhood Office

NEWPORT NEWS

- Newport News Redevelopment & Housing Authority
- Development Department
- Planning Department
- Code Compliance Department
- Office of Human Affairs

NORFOLK

- Norfolk Redevelopment & Housing Authority
- Department of Planning and Community Development

PORTSMOUTH

- Portsmouth Redevelopment and Housing Authority
- Department of Planning

SUFFOLK

- Suffolk Redevelopment & Housing Authority
- Department of Planning

VIRGINIA BEACH

- Department of Housing & Neighborhood Preservation
- Department of Planning

OTHER INTERESTED PARTIES

- Hampton Roads Community Housing Resource Board
- Endependence Center Inc.
- Insight Enterprises, Inc. / Peninsula Center for Independent Living
- Tidewater Fair Housing, Inc.
- Housing Opportunities Made Equal, Inc. (HOME)
- Hampton Roads Realtors Association
- Virginia Peninsula Association of Realtors
- Hampton Roads Transit
- Tidewater Multi-Family Housing Council
- Peninsula Apartment Council