



CITY OF DANVILLE, VIRGINIA

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

Final Report

January 2015



Submitted by:

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Introduction and Acknowledgements

Introduction

This report provides an Analysis of Impediments to Fair Housing Choice (AI), commissioned by the City of Danville, Virginia. This AI was conducted using a methodology consistent with the U.S. Department of Housing and Urban Development (HUD) guidelines published in the Fair Housing Planning Guide. HUD requires that each jurisdiction receiving federal funds certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Lead and Participating Agencies

The City of Danville Community Development Department served as lead agency for the development of the AI and was responsible for oversight and coordination of the process. The City of Danville retained J-Quad Planning Group, LLC, a Community Development, Urban Planning and Housing Consulting firm to assist in the preparation of the AI.

Acknowledgements

Data collected in preparing the AI relied in part on input from the public, including information gathered from three public engagement focus group sessions, key person interviews, and data provided by City Departments. We also acknowledge the participation of the City and County government officials, the Danville Redevelopment and Housing Authority, real estate and banking industries, non-profit, social services, business, home builders, apartment owners and managers, and the general public.

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Executive Summary

Introduction

In 1995 the U.S. Department of Housing and Urban Development (HUD) announced that entitlement communities - communities receiving direct federal funding from Community Development Block Grant, HOME Investment Partnership and Emergency Solutions Grant programs – must conduct a study of existing barriers to housing choice. This required study is referred to as the "Analysis of Impediments" (AI) and is part of entitlement communities' consolidated planning process. In 2014 HUD published draft regulations of the "Assessment of Fair Housing" (AFH) with proposed changes to the 1995 AI requirements. These new regulations are expected to be finalized in 2015.

The purpose of the AI is to examine how state and local laws, private, public and non-profit sector regulations, administrative policies, procedures, and practices are impacting the location, availability, and accessibility of housing in a given area. The AI is not a Fair Housing Plan rather it is an analysis of the current state of fair housing choice including barriers and impediments in Danville, Virginia. The AI identifies specific barriers that need to be addressed if future fair housing initiatives are to be successful.

Each jurisdiction receiving federal funds must certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an analysis of impediments to fair housing choice within the local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

The City of Danville's commitment to furthering fair housing and affordable housing through planning and entitlement program design and implementation is noteworthy. A major impediment is that the limited amount of entitlement funding received makes it difficult for the City to have measurable impact on removing or lessening the impact of some fair housing impediments. City and other non-federal entitlement resources and private sector support will be necessary in order to address many of the impediments. Despite limited funds, the City's efforts will continue to improve and maintain stability, and strengthen its older and lower income areas. The impediments identified in Section Six of this report can be directly linked to and supported by data and analysis from the previous sections. In some instances, footnotes have provided information should the reader need to refer to other sections for more details.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important to consider when examining fair housing. Any disproportionate impacts on persons of a particular race, ethnicity, or members of the protected classes under fair housing law have been comparatively analyzed to determine to what extent those disparities are limiting fair housing choice. The City of Danville has relatively few impediments to fair housing. However, some issues and impediments were identified.

The analysis of fair housing choice in the City of Danville has resulted in the identification of impediments, identified through a study methodology that included community engagement and focus group sessions, the construction of a demographic analysis resulting in a community profile and fair housing index, analysis of the Home Mortgage Disclosure Act (HMDA) data for the City of Danville and a fair housing law and public policy analysis including a court litigation, legislation, regulatory, fair housing complaint and entitlement grant program review. The following narrative provides a summary of those sections.

Community Profiles

Demographics - The demographic analysis of Danville concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010 and the American Community Survey five year average for 2009 - 2012. Please note that the maps present data by census tract with an overlay of county and city boundaries.

According to the 2010 Census estimates, the total population of Danville was 43,055. The population of Danville City decreased by 5,356 persons, an 11.1 percent between 2000 and 2010. Danville experienced a significant increase in the Hispanic population, an increase of 103.4 percent between 2000 and 2010. The percentage of Hispanic population when compared to the total population increased from 1.3 percent in 2000 to 2.9 percent in 2010, a 1.6 percentage point increase. The Census Bureau does not recognize "Hispanic" as a race, but rather as an ethnicity. This may account for the high increase of 107.4 percent in the "Other" category between 2000 and 2010. It is a common misidentification for ethnic Hispanics to choose the "other" category on the Census for race rather than White or African-American.

Danville's White population decreased by 21.3 percent, and their percentage of the total population decreased from 53.9 percent to 47.7 percent between 2000 and 2010. African-Americans made up 48.3 percent of the population in 2010, a 2.6 percent decrease over the 10 year period. The American Indian and Eskimo population decreased by 7.4 percent and the Asian and Pacific Islander population increased by 35.7 percent between 2000 and 2010, but constituted only 0.2 and 1.0 percent respectively, of the total population of the City in 2010.

Households - In many communities including Danville, households face discrimination based on their familial status as reflected in the fair housing cases filed on that basis under the Federal Fair Housing Act of 1968 in Danville between 2009 and 2014. Among those were complaints based on discrimination against female-headed households and female-headed households with children.

Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children. The percentage of female-headed households with children was disproportionately higher among African-Americans at 34.6 percent between 2008 and 2012. Comparatively, female-headed households with children for White households were 10.7 percent and 16.3 percent for Hispanic households. When considering all family types with children present, the data show that 15.3 percent of all White households, 36.4 percent of all African-American households, and 53.2 percent of all Hispanic households were in this category.

Non-family households as a percentage of total households for all three of the major races/ethnicities were comparable. Non-family households among Whites made up 45.6 percent of all White households in Danville. Non-family households among African-Americans accounted for 36.3 percent of all African-American households. Non-family households among Hispanics accounted for 29.9 percent of all Hispanic households. Table 1.2, on page 10 of the Community Profile, shows the family structure of White, African-American, and Hispanic households between 2008 and 2012.

Occupation - Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5 of the Community Profile provides an analysis of occupation data, which indicate that there has been some shifts in the distribution of occupations between 2000 and 2012. Educational and Health services had the largest increase during the period, up 4.9 percentage points to 27.4 percent. The Construction sector had an increase, up 2.0 percentage points to 6.5 percent. The Professional, Business, Repair, and Personal Services sector had an increase, up 1.7 percentage points to 7.2 percent. There was an increase of 1.2 percentage points in Public Administration, to 4.4 percent of the total workforce. Manufacturing realized the largest reduction of 9.5 percentage points to 18.6 percent of the workforce.

Largest Employers - According to the major employer data provided by the City of Danville, the largest employers in the City include: Goodyear Tire & Rubber Company with 2,250 employees; Danville Regional Medical Center/Stratford Health Center with 1,294 workers; Danville Public School District with 1,289 workers; and the City of Danville with 1,092 workers. Telvista had 780 employees, Nestle employed 600 employees, and Averett University and EBI had 550 workers each.

Unemployment - The data presented in Table 1.6, provides a portrait of the distribution of the unemployed. A closer look at the make-up of this total; however, indicates that much higher levels of unemployment are centered in the African-American community. Between 2008 and 2012, 10.2 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 20.8 percent unemployment rate and Hispanic reported an 8.8 percent rate. In a comparison, the citywide unemployment rate was 15.4 percent during the period.

Household Income - The Census data provides the distribution of income across income classes for Whites, African-American, and Hispanics. The income distribution data shows disparity in Danville' income distribution across these populations. The data show the distribution of income across income classes among Whites, African-American, and Hispanics. The income distribution data show a higher proportion of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The modal income classes (the income classes with the highest number of households) for Whites were the \$35,000 to \$49,999 with 17.1 percent of Whites in this income range. The most frequently reported income for African-American households was the less than \$10,000 range with 20.1 percent of African-Americans in this range. The most frequently reported income for Hispanic

households was in the \$50,000 to \$74,999 range with 23.6 percent of Hispanics in this range. According to the 2008-2012 American Communities Survey (ACS) estimates (5-year average), the median household income was reported to be \$36,344 for White households, \$24,717 for African-American households and \$33,750 for Hispanic households, compared to \$31,134 for the overall city.

Poverty - The poverty data reveals that poverty is disproportionately impacting the African-American and Hispanic communities in the City. The incidence of poverty among African-Americans was 34.8 percent of the total population between 2008 and 2012, and poverty among Hispanics was reported to be 35.7 percent. Among White persons, the data reported 15.4 percent lived in poverty. In comparison, the poverty rate for the city was 26.1 percent during the period.

Educational Attainment – The analysis of education attainment shows the percentage of the population age 25 or older with less than a high school degree in Danville, the percentage of the total population without a high school degree and the percentage by race and ethnicity. According to the 2008 - 2012 ACS estimates (5-year average), 26.2 percent of African-Americans age 25 and above reported less than a high school education compared to 19.1 percent of Whites and 58.5 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the City was 22.8 percent during the period.

Public Transportation and Mobility - The Danville Transit System provides a variety of public transportation services such as bus service on fixed routes, Handivan Service, and Reserve a Ride Service. Service hours are from 4:00 am until 12:30 am, Monday through Saturday. The Danville Transit System provides bus service on 11 different fixed routes. The one-way fare is \$1 and one child 12 years old and younger traveling with a paying adult can ride free. A half fare discount is available from 6 am until noon for seniors (60 years or older), disabled individuals, and Medicare cardholders.

Handivan is a para-transit service for individuals with disabilities who because of their disability are unable to use the fixed route buses. This specialized, door-to-door, demand-response para-transit service is available all weekdays and Saturdays from 6:00 a.m. to 6:00 p.m. The Reserve-A-Ride service transports passengers door to door and operates from 4:00 am until 12:30 am, Monday through Saturday. The one-way fare is \$4.00 for all ambulatory trips within the city limits of Danville, Virginia and the Cane Creek Centre Industrial Park. Trolley buses are used in Reserve-A-Ride service for large passenger groups of ten or more persons. Disabled persons are also charged the same price, and two children 12 years old and younger traveling with a paying adult can ride free on this service.

Housing - According to the 2010 Census, the total number of housing units in the City was 22,438 with 3,607 or 16.1 percent vacant units. There were 23,108 housing units in Danville in 2000. The total number of housing units in the City decreased by 2.9 percent between 2000 and 2010. According to the 2008 - 2012 ACS estimates (5-year average), the total number of housing units in the city was 22,488, of which, 45.8 percent were owner-occupied, 38.6 percent were renter-occupied, and the remaining 15.6 percent were vacant. The median housing value in the city was \$89,500 and the median contract rent was \$415 between 2008 and 2012. The data shows that of the total housing units in the City, 70.0 percent were categorized as single-family detached, 1.8 percent as single-family attached, 8.8 percent contained two to four units, 15.7 percent classified as multifamily, and 3.7 percent as mobile home or other.

Fair Housing Law, Municipal Policies and Complaint Analysis

The City of Danville has not enacted substantially equivalent fair housing law to that of the Federal Fair housing Act and does not provide local enforcement. The City Community Development Department is responsible for conducting public education, training and outreach of fair housing rights and remedies in Danville.

The Regional HUD Office in Philadelphia, Pennsylvania conducts investigations of fair housing complaints that are reported directly to their office. Danville is part of HUD's five state Region III that includes Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia. Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Danville from June 1, 2009 through May 31, 2014. The complaints filed with HUD were received from the Fair Housing and Equal Opportunity (FHEO) regional office in Philadelphia, Pennsylvania. A total of seven complaints were filed according to one of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race.

The FY 2013 - 2014 Annual Action Plan submitted to HUD indicated that the City of Danville received approximately \$1,093,949 in Entitlement Funding for Program Year 2013 - 2014 and with anticipated program income of \$285,000, operated a total budget of \$1,378,949 for that program year.

Community Development Block Grant (CDBG)

\$ 853,899 Entitlement

\$ 135,000 Program Income

Home investment Partnership Grant (HOME)

\$ 240,250 Entitlement

\$ 150,000 Program Income

\$1,378,949 Total Entitlement Budget

Community Engagement and Focus Groups, Fair Housing Index, Home Mortgage Disclosure Act Analysis

Fair housing choice within the City of Danville encounters a number of impediments, as identified through community engagement process, and the construction of a fair housing index and analysis of the Home Mortgage Disclosure Act (HMDA) data for Danville.

Focus Groups and Community Engagement

Three Fair Housing Focus Group sessions were held on June 16th and 17th, 2014 at the City of Danville City Hall Building, 411 8th Street, Danville, Virginia 97501. Supplemental interviews were conducted, and information and input was received from various City Departments and Divisions, as well as, the Danville Redevelopment Housing Authority, Chamber of Commerce, Board of Realtors and their members, the Continuum of Care, community, and representatives from businesses, professional and industry unable to attend the focus group sessions. Participants in the focus groups sessions and supplemental interviews included: Danville City staff and other government representatives; administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; the general public; and other community representatives. Section Three of this report details the input received during the community participation process.

Home Mortgage Disclosure Act Analysis (HMDA) - In Danville, the least success in borrowing was found in the refinance loan sector, given the number of applications submitted, and the highest success was found in home purchase loan sector, particularly in government backed loans. Home purchase loans were the most frequent loan type, edging out refinance loans.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans in the City. Though, Hispanics and African-Americans accounted for the second and third highest number of applications after Whites, respectively, the percentage of loan originations for both were significantly lower compared to their percentage in population in the City. Applicants' poor credit history or higher debt-to-income ratios accounted for the highest percentage of loan denials among all races and ethnicities. The Section Four HMDA Analysis is based on a review of Federal Financial Institutions Examination Council (FFIEC) data for home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose.

Section Five of this report, the **Fair Housing Index**, highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. The census tracts designated as having high risk of fair housing related problems are concentrated in the central and northeastern census tracts of Danville. The census tracts having moderate risk of fair housing problems are located in southern areas of the city.

Areas of Concentrated Poverty and Racial / Ethnic Concentration and Segregation (RCAP/ECAP) - The U. S. Department of HUD has defined "Areas of Poverty, Racial and Ethnic Concentration and Segregation (RCAP/ECAP) – as census tracts comprised of 50 percent or greater minority population and three times or more the poverty level of the MSA and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any. The goal of de-concentration is to achieve minority concentrations and poverty level less than defined above and to transform these areas of concentration into "Opportunity Areas". By definition, Opportunity Areas offer access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure,

utilities, and recreation. The census tracts within the City of Danville that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the central City of Danville, east of U.S. Highway 29 Business, Piney Forest Road, West Main Street and State Route 293.

Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section Six of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of fair housing impediments in Danville. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are recommended to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing impediments. These actions will require further research, analysis, and final program design by the City of Danville for implementation.

The Analysis of Impediments identified impediments related to **real estate market conditions as impediments**: a lack of affordability and insufficient income; **public policy related impediments**: a lack of public awareness of fair housing rights; **banking, finance, insurance and other industry related impediments**: large numbers of foreclosures in the real estate market; predatory lending; **socio-economic impediments**: poverty and low-income; and **neighborhood conditions related impediments**: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes; concentrated poverty /lower income, and ethnic and racial segregation; and poor housing conditions and a lack of stability in neighborhoods.

Remedial Activities Designed To Address Impediments - The major focus of the recommended remedial actions is on creating partnerships, identifying new

federal, state, city and private resources and leveraging entitlement funds needed to enhance the jurisdiction's ability to increase its supply of affordable housing and better meet the needs of low-income and moderate-income households. The details of the identified impediments and remedial actions are presented in Section Six of the report.

Section 1: Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Danville, Virginia, gathered from the 2010 Census estimates, 2008-2012 American Community Survey (ACS) 5-Year estimates, 2000 U.S. Census, City of Danville, and other sources. The following sections provide a look at the current status of the community in Danville:

- Demographics - looks at the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major employers.
- Public Transportation – looks at the access and availability of public transit system.
- Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on the three major ethnic groups in Danville: White, African-American, and Hispanics. All other ethnic groups are smaller in number and percentage and therefore, will not be examined and presented in as much detail. The profiles are supported with tables and maps provided as reference materials. Most of the data presented in the tables and maps are directly referenced in the text. There may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

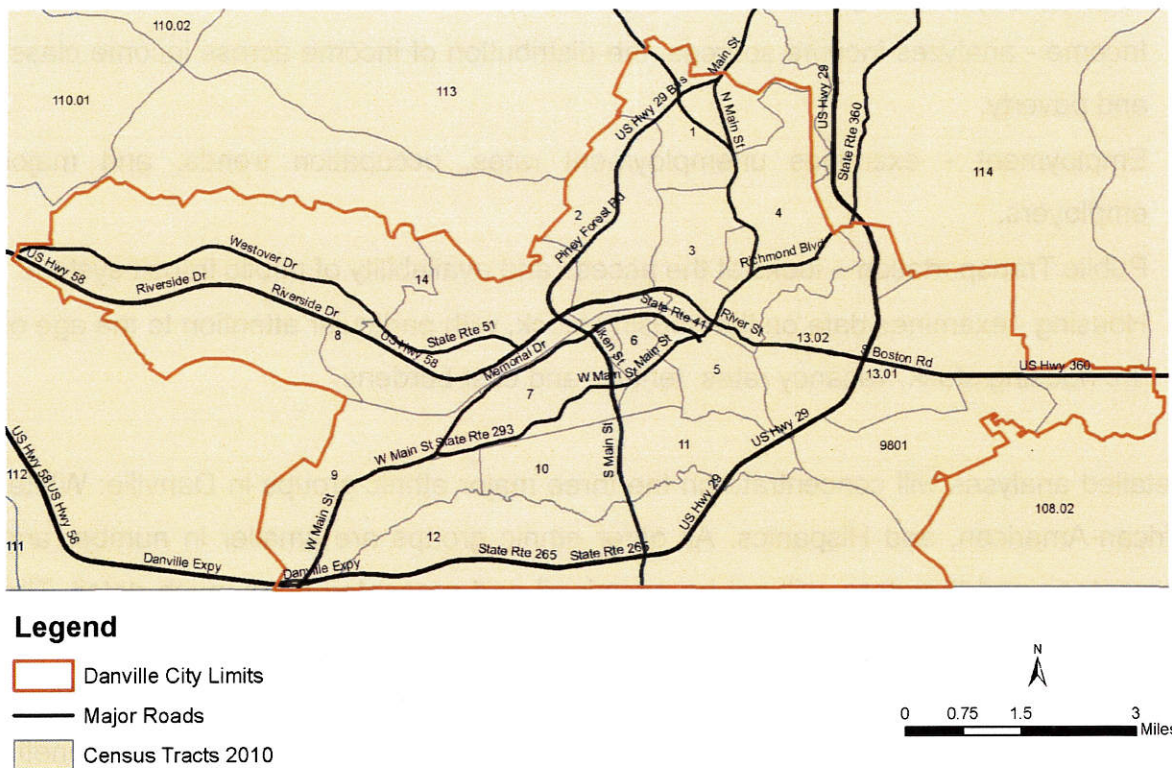
1.1. Demographics

The demographic analysis of Danville concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010. Please note that the attached maps present data by census tract with an overlay of the city limits. For reference, Map 1.1, on the following page, provides a visual representation of Danville.

Map 1.1: Danville, Virginia

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census



According to the 2010 Census estimates, the total population of Danville was 43,055. Table 1.1, below, shows that the total population of the city decreased by 5,356 or 11.1 percent between 2000 and 2010. Danville experienced a significant increase in the Hispanic population, increasing 103.4 percent between 2000 and 2010. The percentage of Hispanic population when compared to the total population increased from 1.3 percent in 2000 to 2.9 percent in 2010, a 1.6 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity, this may account for the high increase of 107.4 percent in the “Other” category between 2000 and 2010. It is a common misidentification for ethnic Hispanics to choose the ‘other’ category on the Census for race rather than White or African-American.

Table 1.1
Total population by race and ethnicity for Danville, 2000 and 2010

Race	2000		2010		%Change 2000-2010
	#	%	#	%	
White	26,075	53.9%	20,531	47.7%	-21.3%
African-American	21,352	44.1%	20,795	48.3%	-2.6%
American Indian and Eskimo	81	0.2%	75	0.2%	-7.4%
Asian or Pacific Islander	305	0.6%	414	1.0%	35.7%
Other race	598	1.2%	1,240	2.9%	107.4%
Total	48,411	100.0%	43,055	100.0%	-11.1%
Hispanic (ethnicity)	612	1.3%	1,245	2.9%	103.4%

Source: US Census 2000 and 2010

Danville’s population decreased between 2000 and 2010, and the City’s population has become more racially and ethnically diverse. However there are areas of the city with concentrations of minority populations and concentrated poverty.

Danville’s population decreased by 11.1 percent between 2000 and 2010. The percentage of minorities increased from 46.1 percent in 2000 to 52.3 percent in 2010.

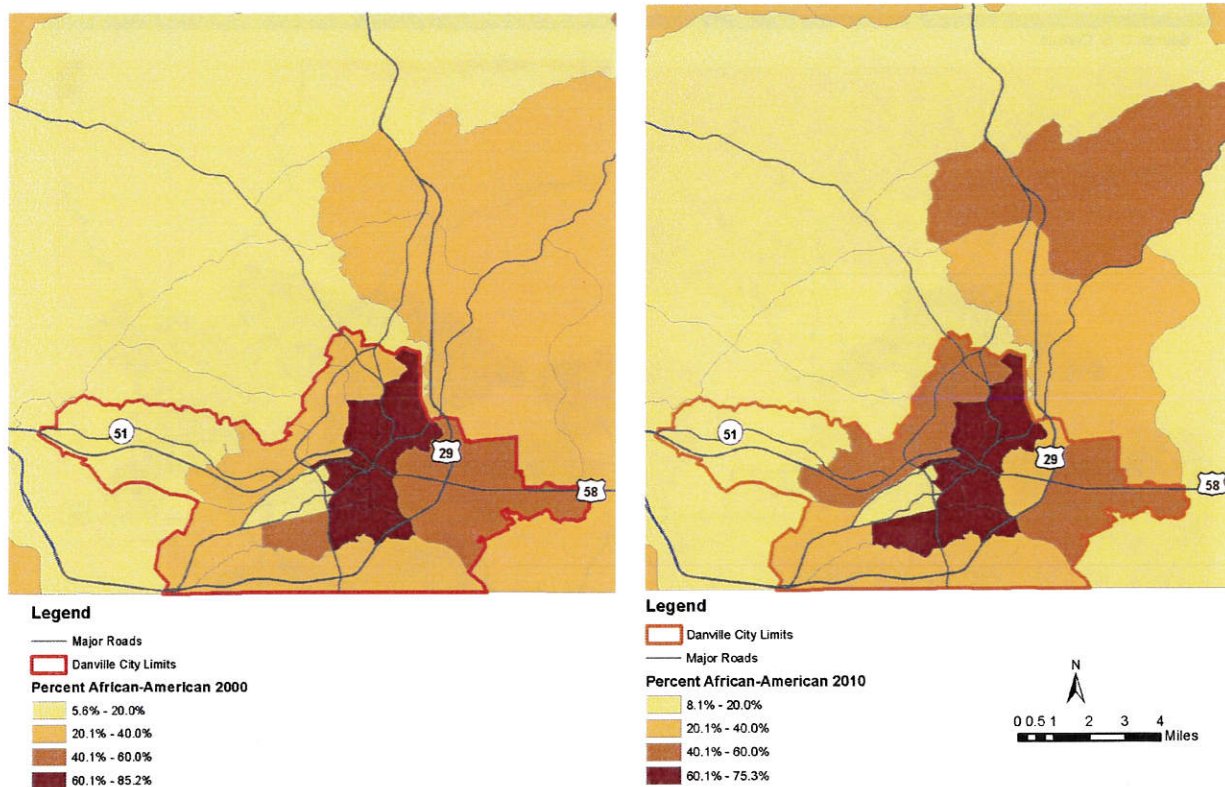
The White population decreased by 21.3 percent, and their percentage of the total population decreased from 53.9 percent to 47.7 percent between 2000 and 2010. African-Americans made up 48.3 percent of the population in 2010, a 2.6 percent decrease over the 10 year period. The American Indian and Eskimo population decreased by 7.4 percent and the Asian and Pacific Islander population increased by 35.7 percent between 2000 and 2010, but constituted only 0.2 and 1.0 percent respectively, of the total population of the city in 2010.

On the following pages are a series of Maps 1.2 through 1.5 illustrating spatial concentrations of the various racial and ethnic groups within Danville.

Map 1.2: Percent African-American 2000 and 2010

Danville Analysis of Impediments to Fair Housing Choice

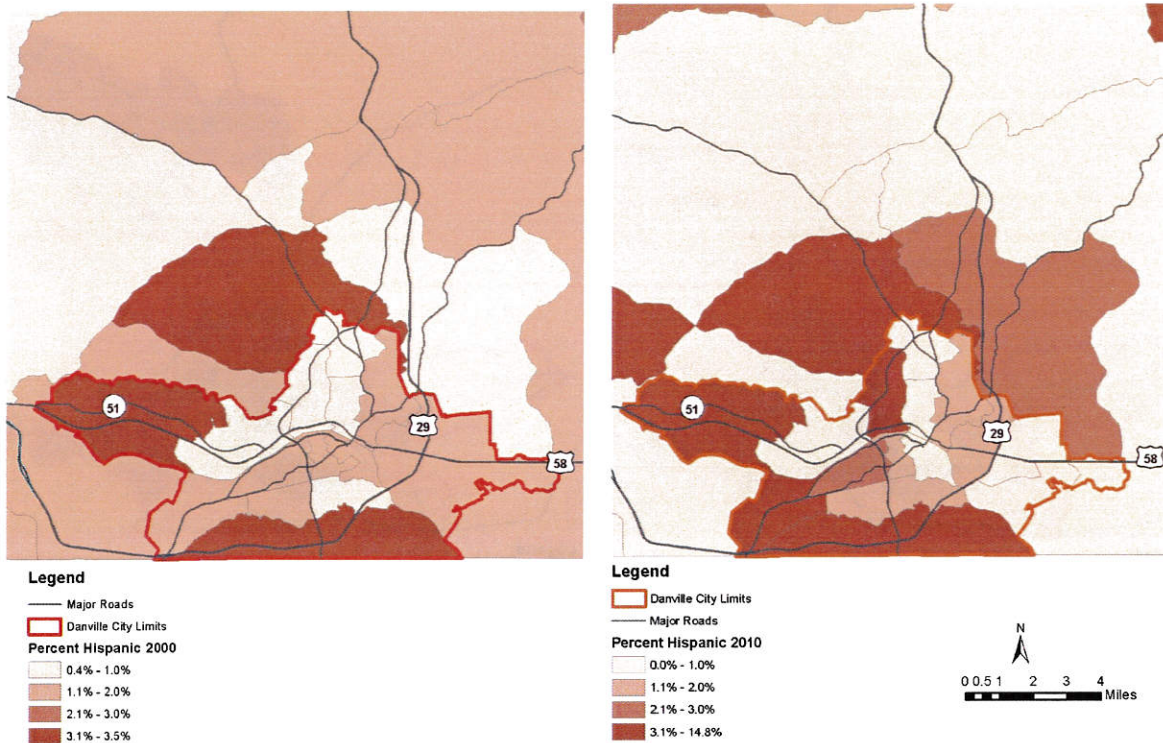
Source: U. S. Census



Map 1.3: Percent Hispanic 2000 and 2010

Danville Analysis of Impediments to Fair Housing Choice

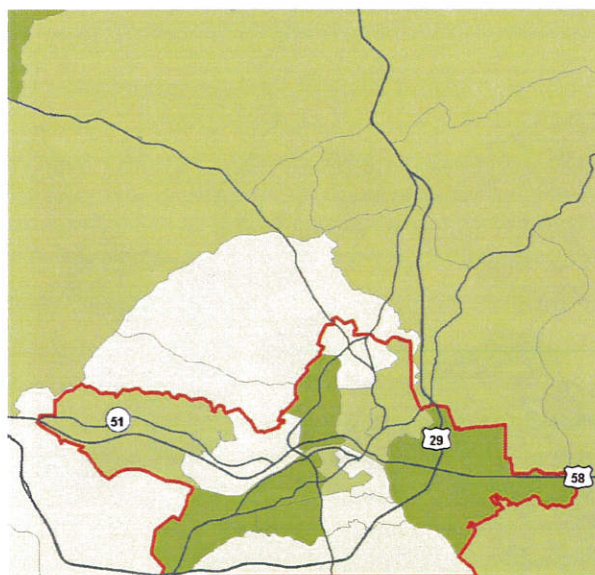
Source: U. S. Census



Map 1.4: Percent American Indian and Eskimo 2000 and 2010

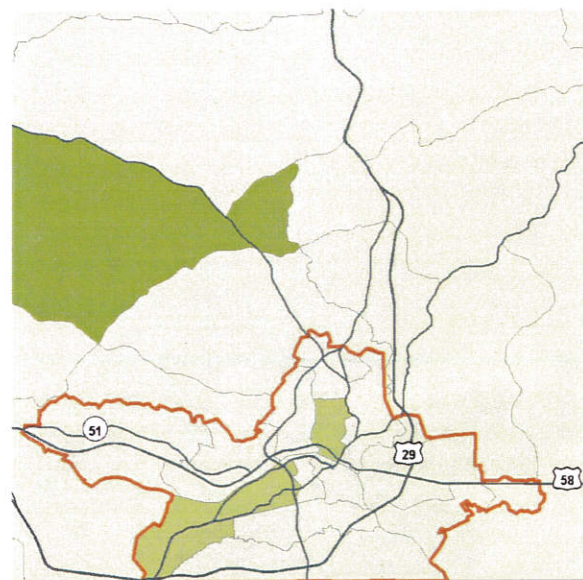
Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census



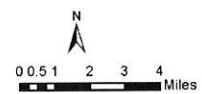
Legend

- Major Roads
- Danville City Limits
- Percent American Indian and Eskimo 2000
 - 0.0% - 0.1%
 - 0.2% - 0.3%
 - 0.4% - 0.5%



Legend

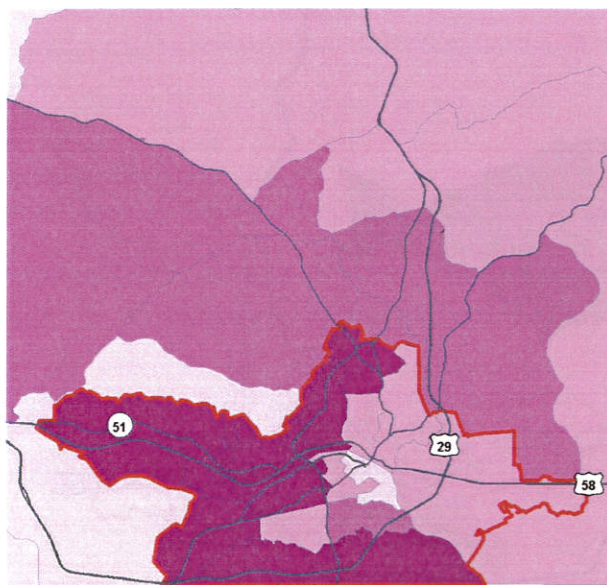
- Danville City Limits
- Major Roads
- Percent American Indian and Eskimo 2010
 - 0.0% - 0.1%
 - 0.2% - 0.3%
 - 0.4% - 0.6%



Map 1.5: Percent Asian and Pacific Islander 2000 and 2010

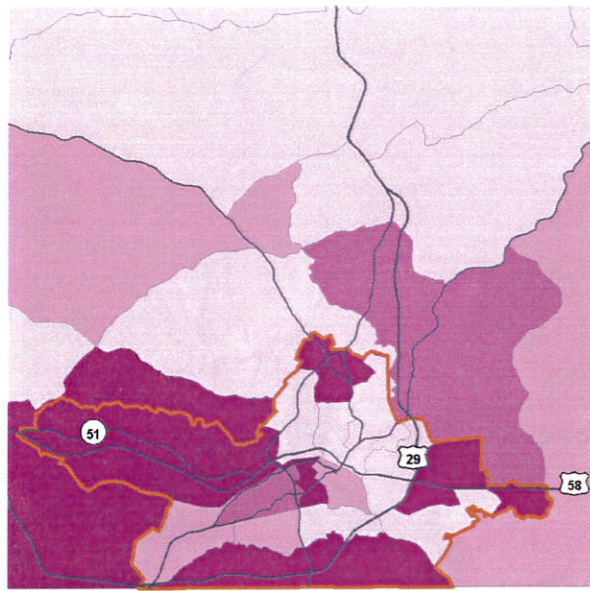
Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census



Legend

- Major Roads
- Danville City Limits
- Percent Asian and Pacific Islander 2000**
- 0.0% - 0.1%
- 0.2% - 0.3%
- 0.4% - 0.5%
- 0.6% - 1.5%



Legend

- Major Roads
- Danville City Limits
- Percent Asian and Pacific Islander 2010**
- 0.0% - 0.1%
- 0.2% - 0.3%
- 0.4% - 0.5%
- 0.6% - 4.6%



In Danville, as in communities across the country, large families, female-headed households and female-headed households with children generally face a higher rate of housing discrimination. These households' experience in acquiring housing of their choice, when there are children under the age of 18, sometimes correlates to increased complaints of reported rental property owners' refusing to rent to tenants with children, especially those utilizing public subsidy programs to pay a portion of their rent.

The percentage of female-headed households with children in Danville was disproportionately higher among African-Americans at 34.6 percent between 2008 and 2012. Comparatively, female-headed households with children for White households were 10.7 percent and 16.3 percent for Hispanic households. When considering all family types with children present, the data show that 15.3 percent of all White households, 36.4 percent of all African-American households, and 53.2 percent of all Hispanic households in the City were in this category.

Non-family households in Danville as a percentage of total households for all three of the major races/ethnicities, were comparable. Non-family households among Whites made up 45.6 percent of all White households in Danville. Non-family households among African-Americans accounted for 36.3 percent of all African-American households. Non-family households among Hispanics accounted for 29.9 percent of all Hispanic households. Table 1.2, on the following page, shows the family structure of White, African-American, and Hispanic households in the City between 2008 and 2012.

Table 1.2
Household structure by race for Danville, 2008-2012 (5-Year Average)

Household Type	White		African-American		Hispanic	
	# of households	% of Households	# of households	% of Households	# of households	% of Households
Family Households	5,396	54.4%	5,285	63.7%	232	70.1%
Married-couple	3,972	40.0%	1,994	24.0%	142	42.9%
Married-couple with children	906	9.1%	811	9.8%	107	32.3%
Male householder, no wife present	360	3.6%	419	5.1%	36	10.9%
Male Householder with children	159	1.6%	216	2.6%	25	7.6%
Female householder, no husband present	1,064	10.7%	2,872	34.6%	54	16.3%
Female-Headed with children	456	4.6%	1,987	24.0%	44	13.3%
Non-Family Households	4,524	45.6%	3,010	36.3%	99	29.9%
Total Households	9,920	100.0%	8,295	100.0%	331	100.0%

Source: 2010 U.S. Census

The spatial distribution of female-headed households with children is shown in Map 1.6, on the following page.

Female-Headed households with children and households with children are disproportionately higher among African-American and Hispanic households.

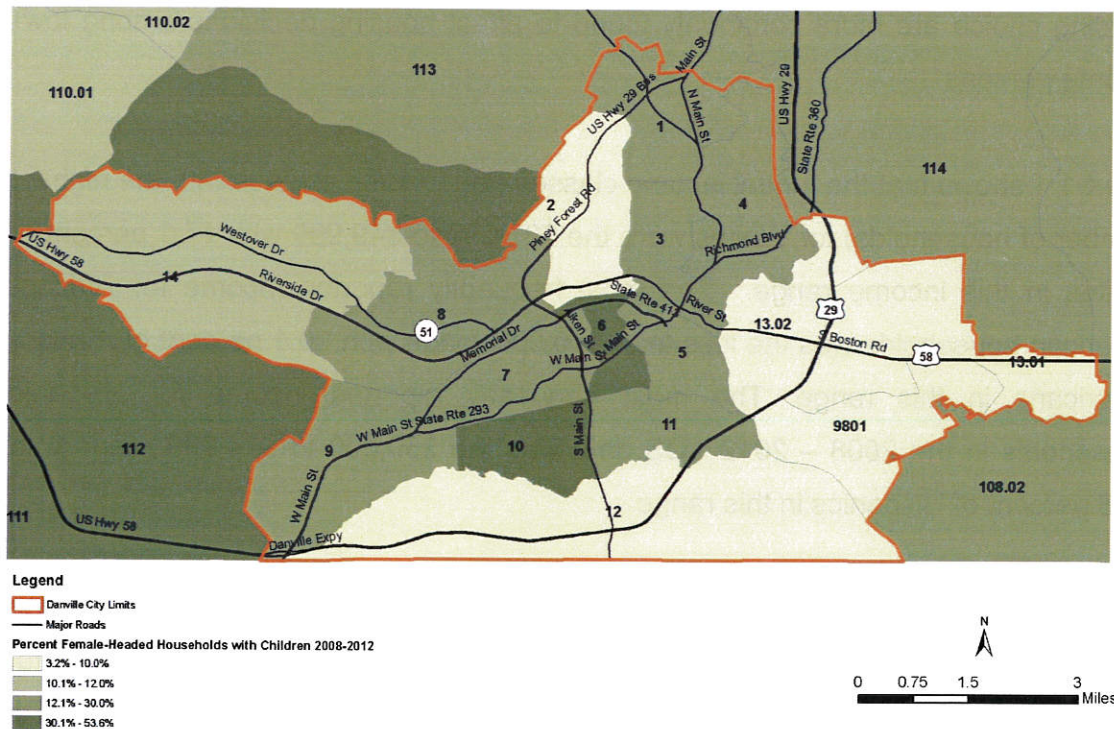
The percentage of female-headed households with children among African-Americans was 34.6 percent, compared to 10.7 percent among Whites, and 16.3 percent for Hispanic households between 2008 and 2012.

Households with children made up 15.3 percent among White households, 36.4 percent among African-American households, and 53.2 percent among Hispanic households.

Map 1.6: Percent Female-Headed Households with Children, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



1.2. Income

Low-income households are statistically more likely to be housed in less desirable housing stock and in less desirable areas of the City. Lack of funds often prevents those households from moving to areas where local amenities raise the value of the housing. Income plays a vital role in securing and maintaining housing.

The data in Table 1.3 and Chart 1.1, on the following page, shows the distribution of income across income classes among Whites, African-American, and Hispanics. The income distribution data shows a higher proportion of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

Chart 1.1 shows that the modal income classes (the income classes with the highest number of households) for Whites were the \$35,000 to \$49,999 with 17.1 percent of Whites in this income range. The most frequently reported income for African-American households was the less than \$10,000 range with 20.1 percent of African-Americans in this range. The most frequently reported income for Hispanic households in the 2008 – 2012 ACS data was the \$50,000 to \$74,999 range with 23.6 percent of Hispanics in this range.

According to the 2008 - 2012 ACS estimates (5-year average), the median household income was reported to be \$36,344 for White households, \$24,717 for African-American households and \$33,750 for Hispanic households, compared to \$31,134 for the overall city. Map 1.7, on page 14, shows the median household income by census tract between 2008 and 2012. Again, there were major disparities in income among minorities, particularly for African-Americans.

Table 1.3
Households by race by income for Danville, 2008-2012

Income class	White		African-American		Hispanic	
	# of households	% of Households	# of households	% of Households	# of households	% of Households
Less than \$10,000	1,015	10.5%	1,731	20.1%	17	4.9%
\$10,000 to \$14, 999	877	9.0%	1,177	13.7%	40	11.5%
\$15,000 to \$24,999	1,636	16.9%	1,428	16.6%	71	20.4%
\$25,000 to \$34,999	1,143	11.8%	1,063	12.3%	46	13.2%
\$35,000 to \$49,999	1,663	17.1%	1,234	14.3%	67	19.3%
\$50,000 to \$74,999	1,474	15.2%	1,200	13.9%	82	23.6%
\$75,000 to \$99,999	853	8.8%	293	3.4%	16	4.6%
\$100,000 or more	1,039	10.7%	495	5.7%	9	2.6%
Total:	9,700	100.0%	8,621	100.0%	348	100.0%

Source: 2008-2012 American Community Survey

Chart 1.1: Percent of Households by income class by race for Danville, 2008-2012



Source: 2008-2012 American Community Survey

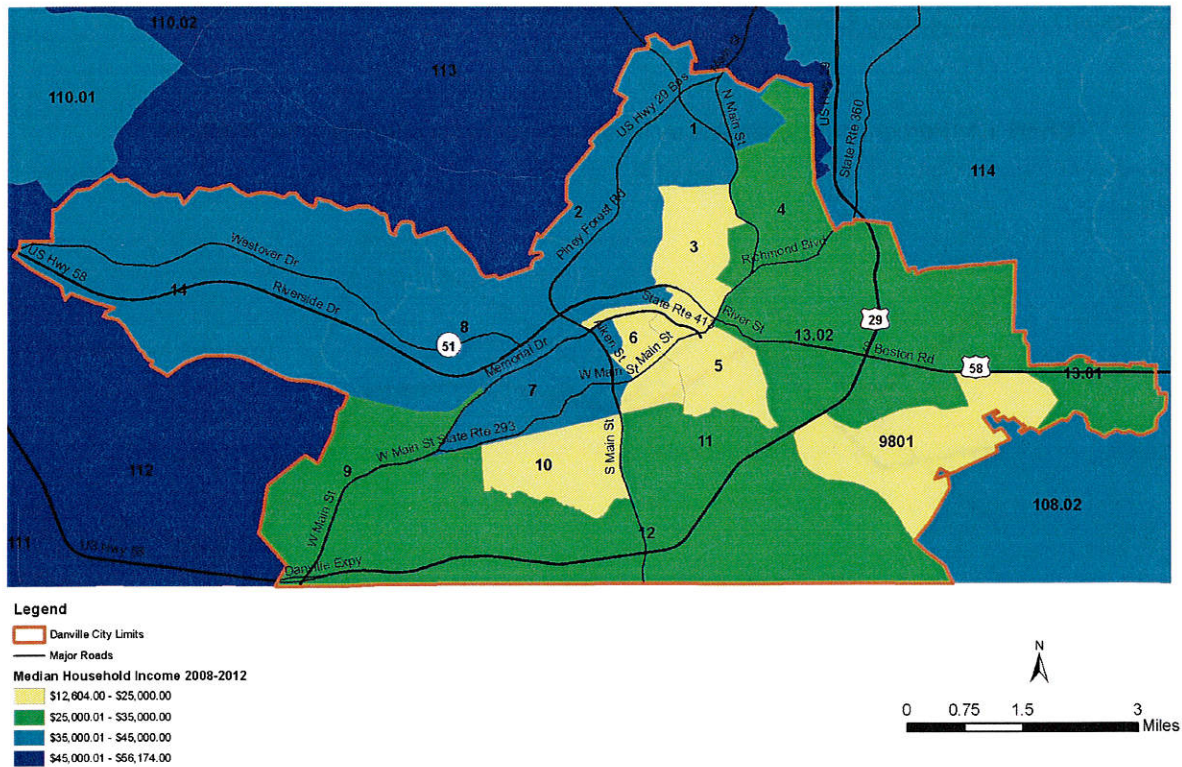
Household income levels among African-Americans were disproportionately lower compared to Whites.

The modal income class for Whites was the \$35,000 to \$49,999 range, and that of African-American households was the less than \$10,000 range.

Map 1.7: Median Household Income, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



The poverty data in Table 1.4, below, shows disparate impacts on the African-American and Hispanic communities. The incidence of poverty among African-Americans was 34.8 percent of the total population between 2008 and 2012, and among Hispanics 35.7 percent. Among White persons, the data reported 15.4 percent lived in poverty. In comparison, the poverty rate for the City was 26.1 percent during the period.

Table 1.4
Poverty Status by race Danville, 2008-2012

Age Group	White		African-American		Hispanic	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Under 5 years	280	33.6%	974	63.6%	38	23.2%
5 years	48	20.4%	143	55.0%	49	66.2%
6 to 11 years	180	17.9%	806	42.4%	75	61.0%
12 to 17 years	120	16.8%	834	45.2%	29	23.0%
18 to 64 years	1,671	15.2%	3,955	31.3%	235	33.0%
65 to 74 years	228	9.4%	158	12.3%	0	0.0%
75 years and over	418	14.4%	217	24.0%	8	50.0%
Total	2,945	15.4%	7,087	34.8%	434	35.7%

Source: 2008-2012 American Community Survey

Higher percentage of African-Americans and Hispanics lived in poverty, compared to Whites between 2008 and 2012.

The poverty rate among African-Americans was 34.8 percent, Hispanics was 35.7 percent, compared to White persons was 15.4 percent between 2008 and 2012.

Areas of Concentrated Poverty and Racial / Ethnic Concentration and Segregation (RCAP/ECAP)

The U. S. Department of HUD has defined “Areas of Poverty, Racial and Ethnic Concentration and Segregation (R/ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 3 times or more the poverty level of the MSA and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration is to achieve minority concentrations and poverty level less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas”. By definition, Opportunity Areas offer access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation. The Map 1.8 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

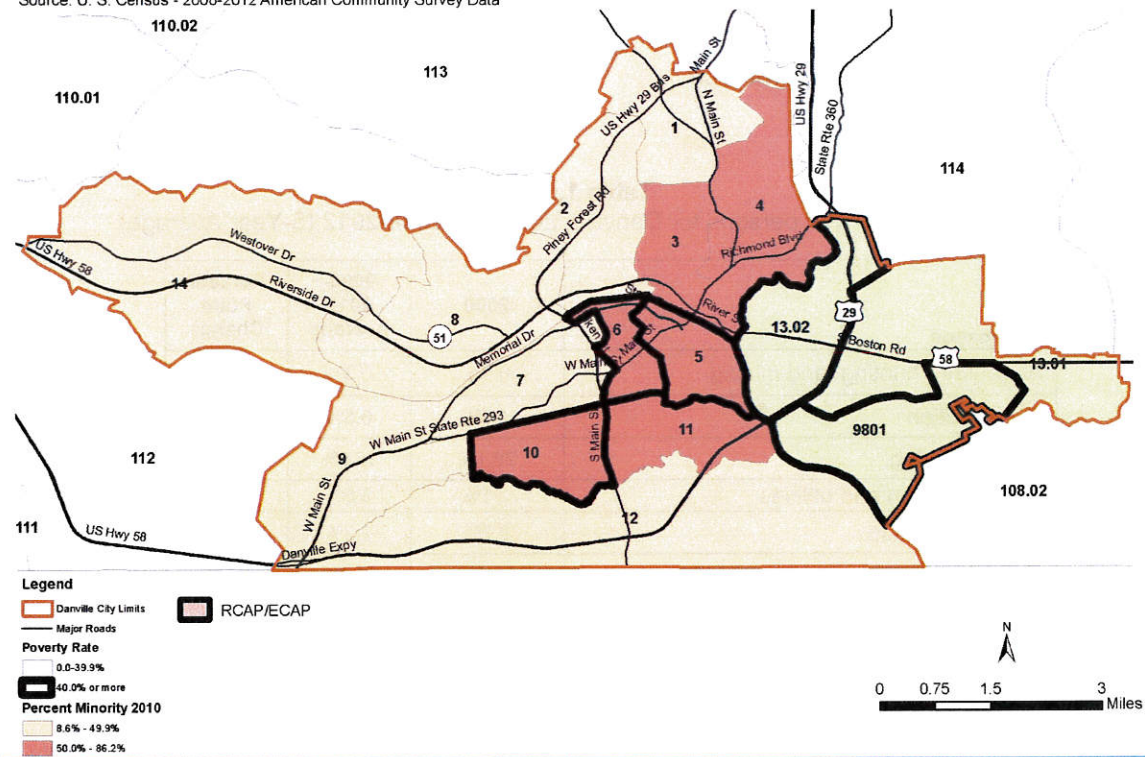
The poverty rate in the Danville MSA is 19.6 percent. Three times the poverty is 58.8 percent, so 40 percent is the poverty threshold for the RCAP/ECAP criteria for the City. The census tracts within the City of Danville that are comprised of 50 percent or greater minority population and 40 percent and greater poverty rate are in the central City of Danville, east of U.S. Highway 29 Business, Piney Forest Road, West Main Street and State Route 293.

In addition to poverty, racial and ethnic concentrations and segregation, these areas contain housing units in very poor condition and neighborhood conditions and infrastructure that is in need of improvement in order for conditions to be reversed and become areas of opportunity.

Map 1.8: Areas of Concentrated Poverty and Racial/Ethnic Concentration and Segregation (RCAP/ECAP)

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



1.3. Employment and Education

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5, below, provides a look at occupation data, which indicate that there has been some shift in the distribution of occupations between 2000 and 2012. Educational and Health Services had the largest increase during the period, up 4.9 percentage points to 27.4 percent. The Construction sector had an increase, up 2.0 percentage points to 6.5 percent. The Professional, Business, Repair, and Personal Services sector had an increase, up 1.7 percentage points to 7.2 percent. There was an increase of 1.2 percentage points in Public Administration, to 4.4 percent of the total workforce. Manufacturing realized the largest reduction of 9.5 percentage points to 18.6 percent of the workforce.

Table 1.5
Occupation of employed persons for Danville, 2000 and 2008-2012 (5-Year Average)

Occupation	2000	2008-2012 Average	Percent Point Change
Agriculture hunting, and mining	0.1%	0.3%	0.2%
Construction	4.5%	6.5%	2.0%
Manufacturing	28.1%	18.6%	-9.5%
Transportation and utilities	3.1%	3.5%	0.5%
Wholesale trade	2.7%	2.3%	-0.4%
Retail trade	14.4%	14.4%	0.0%
Information	1.3%	2.0%	0.6%
Finance, insurance, and real estate	4.2%	3.6%	-0.6%
Professional and management services	5.5%	7.2%	1.7%
Educational, health and social services	22.5%	27.4%	4.9%
Arts, entertainment, recreation services	8.8%	8.7%	-0.1%
Other services (except public administration)	4.8%	5.4%	0.6%
Public administration	3.2%	4.4%	1.2%

Source: US Census 2000 & 2008-2012 American Community Survey

The data presented in Table 1.6, provides a portrait of the distribution of the unemployed. A closer look at the make-up of this total indicates that much higher levels of unemployment are centered in the African-American community. Between 2008 and 2012, 10.2 percent of White persons (age 16 and over) reported being unemployed. African-Americans persons in the same age group reported a 20.8 percent unemployment rate and Hispanic reported an 8.8 percent rate. As a comparison, the citywide unemployment rate was 15.4 percent during the period.

Table 1.6
Employment Status by race for Danville, 2008-2012

Employment Status	White		African-American		Hispanic		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In Labor Force:	9,247		9,740		571		19,771	
In Armed Forces	0	0.00%	0		0		0	0.00%
Civilian:	9,247		9,740		571			
Employed	8,305	89.8%	7,710	79.2%	521	91.2%	16,719	84.6%
Unemployed	942	10.2%	2,030	20.8%	50	8.8%	3,052	15.4%
Not in labor force	8,342		6,286		257		13,891	
Total	17,589		16,026		828		33,662	

Source: 2008-2012 American Community Survey

According to the Bureau of Labor Statistics, the unemployment rate for the Danville Area was 9.8 percent in May 2014 and 9.5 percent for the year 2014. Map 1.9, on the following page, shows the distribution of unemployed in Danville.

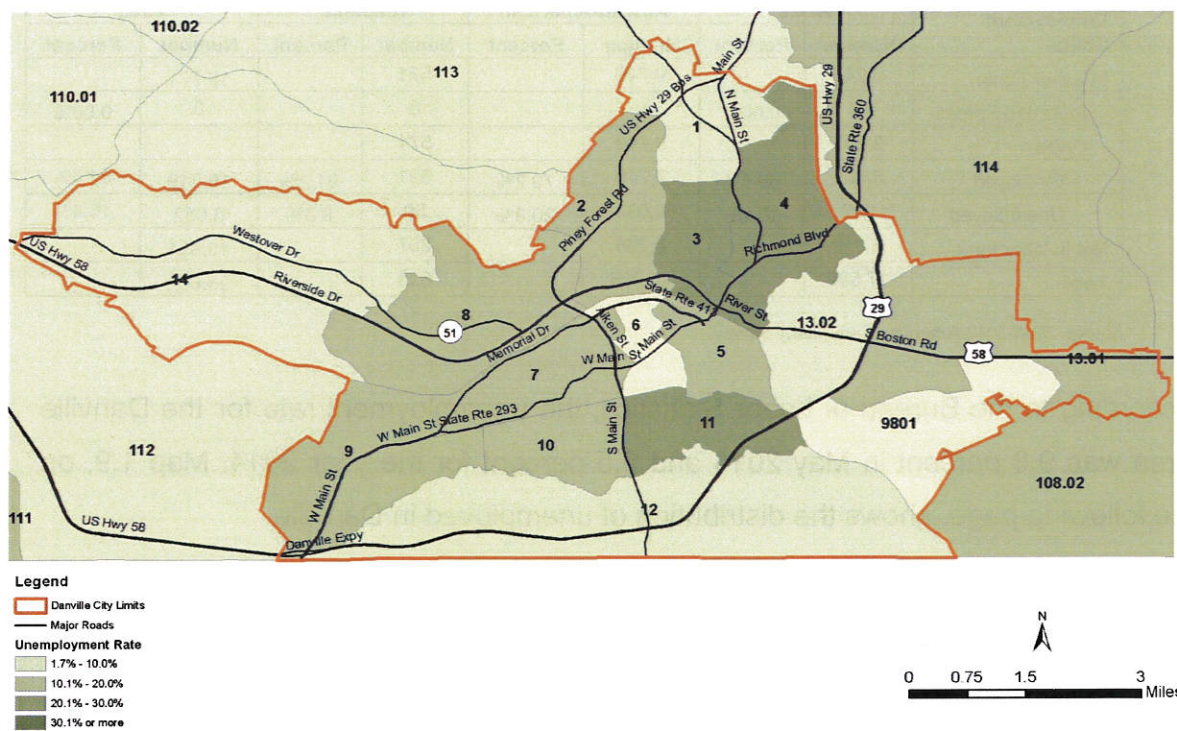
African-Americans had significantly higher unemployment rates, compared to Whites and Hispanics.

The unemployment rate among African-Americans was 20.8 percent, Hispanics was 8.8 percent, compared to White persons was 10.2 percent between 2008 and 2012.

Map 1.9: Unemployment Rate, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



According to the major employer data provided by the City of Danville, the largest employers in the City include: Goodyear Tire & Rubber Company with 2,250 employees; Danville Regional Medical Center/Stratford Health Center with 1,294 workers; Danville Public Schools with 1,289 workers; and the City of Danville with 1,092 workers. Telvista had 780 employees; Nestle employed 600 employees; and Averett University and EBI had 550 workers each.

In Danville, the difference in the unemployment rate between the three groups can, to some extent, be attributed to limitations due to educational attainment. According to the 2008-2012 ACS estimates (5-year average), 26.2 percent of African-Americans age 25 and above reported less than a high school education compared to 19.1 percent of Whites and 58.5 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the City was 22.8 percent during the period.

To further examine the impact of employment proximity relative to housing choice for low and moderate income persons, we analyzed the use and availability of public transportation. The availability of jobs to low-income persons is largely dependent on the geographic location of the jobs. If jobs are concentrated in largely upper income areas, far removed from lower income persons, their ability to get to and from work may be difficult, sometimes causing hardships on employees or potential employees.

1.4. Public Transportation

The Danville Transit System provides variety of public transportation services such as bus service on fixed routes, Handivan Service, and Reserve a Ride Service. Service hours are from 4:00 am until 12:30 am, Monday through Saturday. The Danville Transit System provides bus service on 11 different fixed routes. The one-way fare is \$1 and one child 12 years old and younger traveling with a paying adult can ride free. A half fare discount is available from 6:00 am until noon for seniors (60 years or older), disabled individuals, and Medicare cardholders.

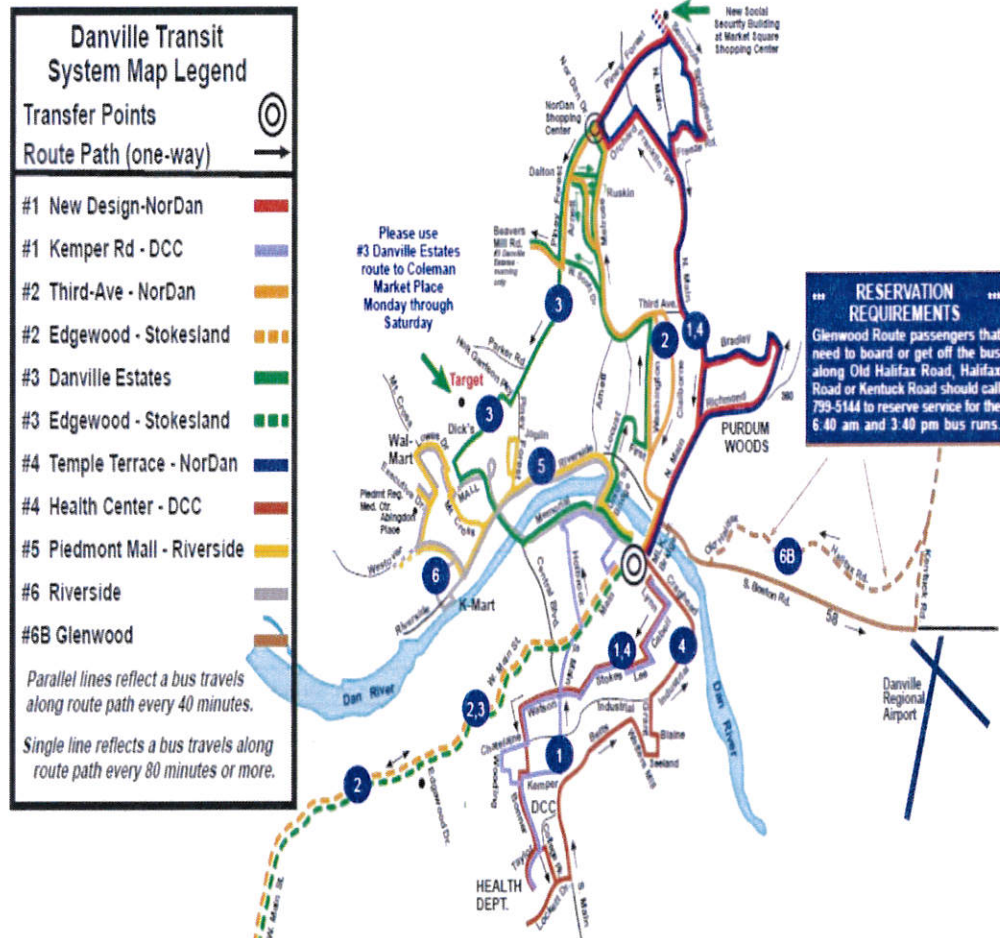
Handivan is a para-transit service for individuals with disabilities who because of their disability are unable to use the fixed route buses. This specialized, door-to-door, demand-response para-transit service is available all weekdays and Saturday from 6:00 a.m. to 6:00 p.m. The Reserve-A-Ride service transports passengers door to door and operates from 4:00 am until 12:30 am, Monday through Saturday. The one-way fare is \$4.00 for all ambulatory trips within the city limits of Danville, Virginia and the Cane Creek Centre Industrial Park. Trolley buses are used in Reserve-A-Ride service for large passenger groups of ten or more persons. Disabled persons are also charged the same price, and two children 12 years old and younger traveling with a paying adult can ride free on this service.

Map 1.10 on the following page illustrates Danville Shuttle bus routes and stops.

Map 1.10: Public Transportation Routes

Danville Analysis of Impediments to Fair Housing Choice

Source: City of Danville, <http://www.danville-va.gov/DocumentCenter/Home/View/3691>



1.5. Housing

According to the 2010 Census, the total number of housing units in the City was 22,438 with 3,607 or 16.1 percent vacant units. As shown in Table 1.7, to the right, there were 23,108 housing units in Danville in 2000. The total number of

Table 1.7
Tenure for housing in Danville, 2000,
and 2008-2012 (5-Year Average)

Tenure	2000		2008-2012 (Average)	
	Number	Percent	Number	Percent
Owner-occupied	11,975	51.8%	10,295	45.8%
Renter-occupied	8,632	37.4%	8,691	38.6%
Vacant	2,501	10.8%	3,502	15.6%
Total:	23,108	100.0%	22,488	100.0%

Source: US Census 2000, and 2008-2012 American Community Survey

housing units in the city decreased by 2.9 percent between 2000 and 2010. According to the 2008-2012 ACS estimates (5-year average), the total number of housing units in the city 22,488 of which, 45.8 percent were owner-occupied, 38.6 percent were renter-occupied, and the remaining 15.6 percent were vacant. The median housing value in the city was \$89,500 and the median contract rent was \$415 between 2008 and 2012.

Table 1.8, to the right, shows that of all housing units in the City, 70.0 percent were categorized as single-family detached, 1.8 percent as single-family attached, 8.8 percent contained two to four units, 15.7 percent classified as multifamily, and 3.7 percent as mobile home or other.

Table 1.8
Housing type for Danville, 2008-2012 (5-Year Average)

Units in Structure	Number	Percent
Single-Family detached	15,751	70.0%
Single-Family attached	399	1.8%
2-4 units	1,972	8.8%
Multifamily	3,532	15.7%
Mobile home or Other	834	3.7%
Total	22,488	100.0%

Source: 2008-2012 American Community Survey

The Majority of housing stock in Danville was single-family housing, and less than half of housing stock in the City was owner-occupied according to the ACS 2008 – 2012 average.

Approximately 72 percent of housing units in the city were single-family, and 45.8 percent were owner-occupied during that same period.

As shown on Table 1.9 below, 30.8 percent of all housing units were built prior to 1950, 19.2 percent were built between 1950 and 1959, 18.0 percent were built between 1960 and 1969, 17.6 percent were built between 1970 and 1979, and 14.5 percent were built after 1979. About 68 percent of the housing stock is more than 40 years old, built prior to 1970. These units may contain lead-based paint or likely be in need of repairs and maintenance.

Table 1.9
Age of Housing Stock in Danville, 2008-2012 (5-Year Average)

Year Built	Number	Percent
Built 2010 or later	0	0.0%
Built 2000 to 2009	802	3.6%
Built 1990 to 1999	1,182	5.3%
Built 1980 to 1989	1,268	5.6%
Built 1970 to 1979	3,969	17.6%
Built 1960 to 1969	4,042	18.0%
Built 1950 to 1959	4,314	19.2%
Built 1940 to 1949	2,511	11.2%
Built 1939 or earlier	4,400	19.6%
Total	22,488	100.0%

Source: 2008-2012 American Community Survey

A Majority of housing stock in Danville was more than 40 years old, and these units may contain lead-based paint or likely be in need of repairs and maintenance.

Approximately 68 percent of the housing stock was built prior to 1970.

According to the 2008-2012 ACS data shown in Table 1.10 to the right, the homeownership rate among Whites was 66.3 percent, compared to 41.9 percent among African-Americans, and 29.3 percent among Hispanics.

Table 1.10
Tenure by Race in Danville, 2008-2012 (5-Year Average)

Tenure by Race	Owner-occupied		Renter-occupied	
	#	%	#	%
White	6,431	66.3%	3,269	33.7%
African-American	3,616	41.9%	5,005	58.1%
Hispanic	102	29.3%	246	70.7%

Source: 2008-2012 American Community Survey

Homeownership rates were disproportionately lower among African-Americans and Hispanics, compared to Whites.

The homeownership rate among Whites was 66.3 percent, African-Americans were 41.9 percent, and Hispanics was 29.3 percent between 2008 and 2012.

Map 1.11, on the following page, and Map 1.12, on page 28, indicate the distribution of single-family and multifamily housing across the City. Map 1.13, on page 29, provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 1.14 and 1.15, on pages 30 and 31, provide a geographic depiction of the distribution of housing values and rents across the city.

Danville Analysis of Impediments to Fair Housing Choice

Legend

- Danville City Limits
- Major Roads

Percent Single-Family Units

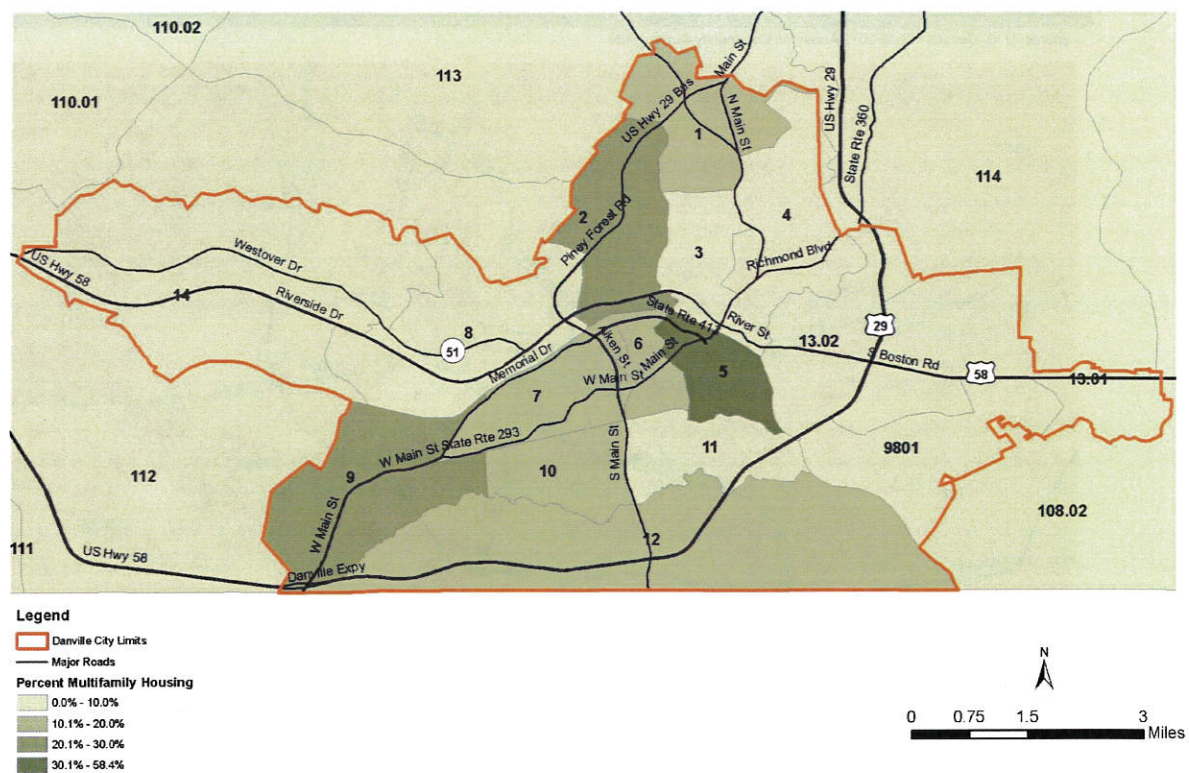
- 34.9% - 60.0%
- 60.1% - 70.0%
- 70.1% - 80.0%
- 80.1% - 100.0%

Map labels include: 110.02, 113, 110.01, 114, 112, 111, 13.02, 13.01, 9801, 108.02, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

Map 1.12: Percent Multifamily Housing Units, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

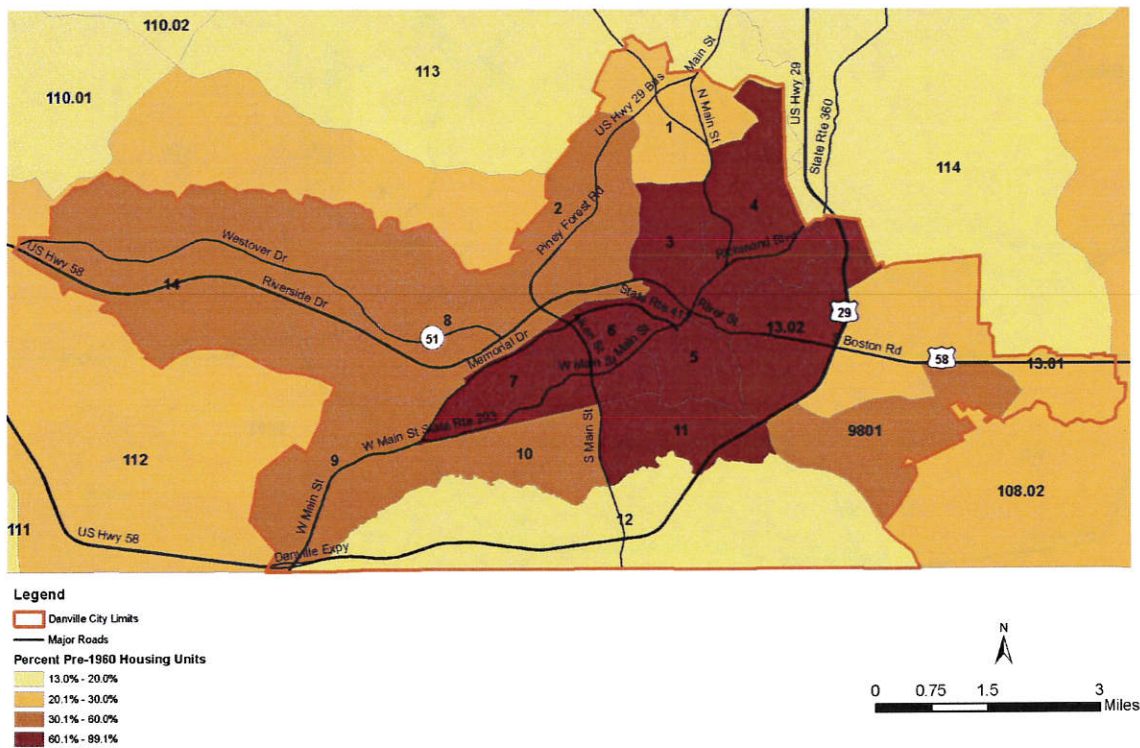
Source: U. S. Census - 2008-2012 American Community Survey Data



Map 1.13: Percent Pre-1960 Housing Stock

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



Map 1.14: Median Housing Value, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

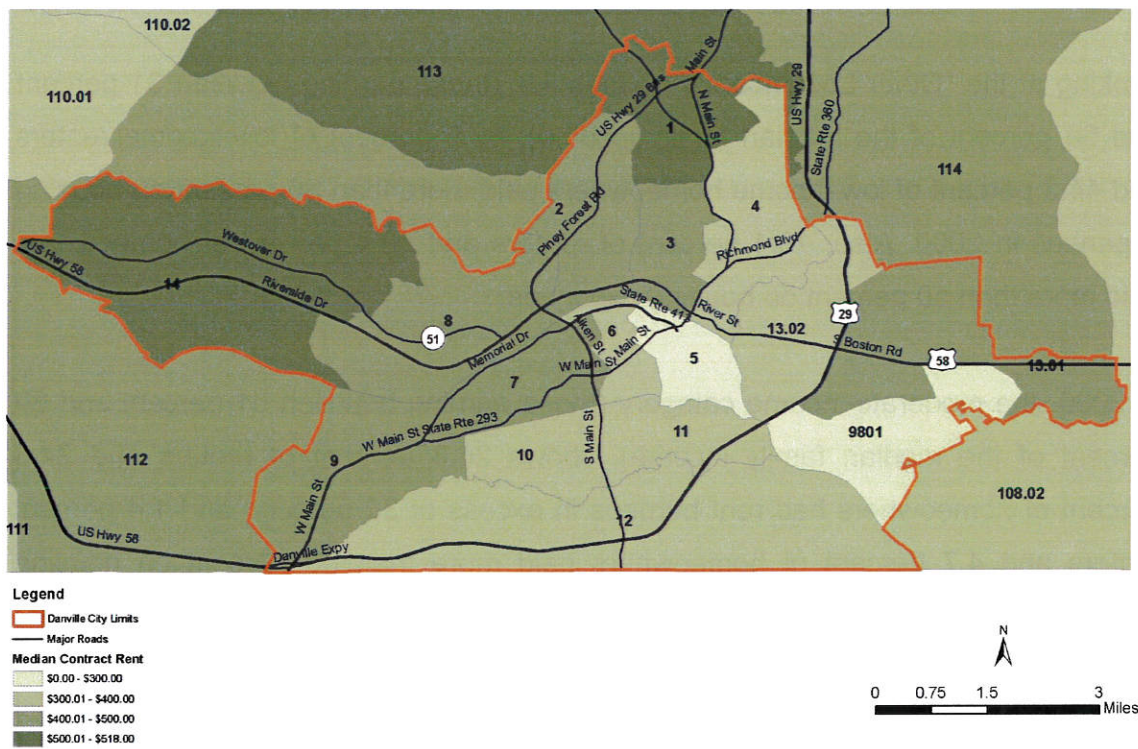
Source: U. S. Census - 2008-2012 American Community Survey Data



Map 1.15: Median Contract Rent, 2008-2012

Danville Analysis of Impediments to Fair Housing Choice

Source: U. S. Census - 2008-2012 American Community Survey Data



Data contained in the Comprehensive Housing Affordability Strategy (CHAS) Table for the year 2000, duplicated in Table 1.11, on the following page, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households. The table shows that 69.4 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 73.3 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses. Furthermore, 52.6 percent of very low-income renters and 53.1 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses in 2000.

Looking at the "Other Low-Income" households (those earning between 31 percent and 50 percent of the median family income), 52.9 percent of low-income renters and 44.3 percent of low-income homeowners paid more than 30 percent on housing expenses in 2000. Also, 16.4 percent of renters and 18.4 percent of homeowners paid more than 50 percent on housing expenses.

In 2000, the moderate-income category (those earning between 51 percent and 80 percent of the median family income), shows 26.3 percent of renters and 24.3 percent of homeowners had rent burdens in excess of 30 percent, and 1.4 percent renters and 4.7 percent of homeowners paid more than 50 percent on housing expenses. These cost burdens impact fair housing choices and represent significant impediments in that they impact persons at every income category.

Table 1.11
Cost Burden by income and tenure, 2000

Very Low-Income (Household income <=30% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	56.2	31.9
Small Related	72.4	59.8
Large Related	79.7	58.8
Other	72.8	56.9
Total Renters	69.4	52.6
Owners		
Elderly	69.3	46.5
Small Related	93.9	79.5
Large Related	100	55.9
Other	60.2	53.1
Total Owners	73.3	53.1
Total Households	70.4	52.7

Other Low-Income (Household income >30 to <=50% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	50.3	19.7
Small Related	51.4	11.7
Large Related	60.1	21
Other	55.3	17.7
Total Renters	52.9	16.4
Owners		
Elderly	37.4	16
Small Related	67.2	21.2
Large Related	33.8	22.1
Other	55.1	30.6
Total Owners	44.3	18.4
Total Households	49.1	17.3

Moderate Income (Household income >50% to <=80% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	31.4	5.2
Small Related	28.5	0
Large Related	4.8	0
Other	22.2	0
Total Renters	26.3	1.4
Owners		
Elderly	14	3.4
Small Related	35.7	5.7
Large Related	30.7	8.8
Other	32.2	5.4
Total Owners	24.3	4.7
Total Households	25.2	3.2

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2000

According to the 2008 - 2012 ACS estimates, shown in Table 1.12 to the right, 50.8 percent of renter households paid more than 30 percent of their household income towards rent. Over 73 percent of the renter households with household income of less than \$10,000, 75.9 percent of the renter households that earned between \$10,000 to \$19,999, 49.2 percent of the renter households that earned between \$20,000 to \$34,999, and 7.5 percent of the renter households that earned between \$35,000 to \$49,999 spent more than 30 percent of their households income towards rent during the five-year period.

As shown in Table 1.13, to the right, 25.0 percent of owner households were 30 percent cost burden and 9.3 percent of the owner households were 50 percent cost burden during the same period.

Table 1.12
Gross Rent as a Percent of Household Income in Danville,
2008-2012 (5-Year Average)

Gross Rent as a Percent of Household Income	Number of Households	Cost Burden 30%
Less than \$10,000	2,269	
Less than 30.0 percent	160	
30.0 percent or more	1,665	73.4%
\$10,000 to \$19,999	2,378	
Less than 30.0 percent	457	
30.0 percent or more	1,804	75.9%
\$20,000 to \$34,999	1,661	
Less than 30.0 percent	768	
30.0 percent or more	818	49.2%
\$35,000 to \$49,999	1,127	
Less than 30.0 percent	991	
30.0 percent or more	84	7.5%
\$50,000 or more	1256	
Less than 30.0 percent	1200	
30.0 percent or more	46	3.7%
Total Renter Households	8,691	
Less than 30.0 percent	3,576	
30.0 percent or more	4,417	50.8%

Source: 2008-2012 American Community Survey

Table 1.13
Owner Costs as a Percent of Household Income in Danville,
2008-2012 (5-Year Average)

Housing Cost as a Percent of Household Income	Number of Owner Households	Percent
Less than 30.0 percent	7,617	
30.0 percent or more	2,576	25.0%
50.0 percent or more	957	9.3%
Not computed	102	
Total Owner-Occupied households	10,295	

Source: 2008-2012 American Community Survey

According to the 2008 – 2012 ACS data, 50.8 percent of the renter households in Danville were cost burden paying more than 30 percent of income for housing.

For this same time period, 25 percent owner households paid more than 30 percent of their household income for housing and 9.8 percent of owner households were 50 percent cost burden.

One of the most revealing indicators that minorities are more likely to require rental housing and lag far behind Whites in obtaining housing of their choice is in the category of homeownership. The homeownership rate among Whites in Danville was 66.3 percent, 24.4 percentage points higher than African-Americans at 41.9 percent, and 37.0 percentage points higher than that of Hispanics, with a homeownership rate at 29.3 percent between 2008 and 2012.

Other limitations for minorities include lower incomes, and a disproportionate number of minority households living in poverty. The incidence of poverty among African-Americans was 34.8 percent of the total population between 2008 and 2012, and Hispanics was reported to be 35.7 percent. Among White persons, the data reported 15.4 percent lived in poverty. In comparison, the poverty rate for the City was 26.1 percent during the period. The median household income was reported to be \$36,344 for White households, \$24,717 for African-American households and \$33,750 for Hispanic households, compared to \$31,134 for the overall City. All of these factors combine limit housing choice of the City's minority populations.

Section 2: Fair Housing Law, Court Case, Policies, Regulatory and Complaint Analysis

Introduction

It is important to examine how the City of Danville's laws, regulations, policies and procedures will ultimately affect fair housing choice. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Relevant judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

The City of Danville has enacted local fair housing legislation Ordinance Number 91-6-11 adopted June 4, 1991 which is substantially equivalent to Federal Fair Housing Law. Therefore, our analysis of applicable fair housing laws focused on both the Danville Fair Housing Ordinance and State of Virginia Fair Housing Act. In the analysis the State of Virginia statutes were also compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending. Section 2.2 summarizes the level of fair housing enforcement activity in the City of Danville.

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of City operated Community Development Block Grant (CDBG), and any Home Investment Partnership Act (HOME), and Emergency Solutions Grant (ESG) programs operated utilizing federal funding provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, and the Consolidated Annual Performance Evaluation Reports (CAPER); and the Danville Redevelopment Housing Authority (DRHA) Annual Plan, Five Year Plan, Administrative policies and Annual Contributions Contract. City staff also provided information on its current and future initiatives utilizing CDBG funds and other federal grants.

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by Danville City Council and advisory boards and commissions and the Danville Redevelopment Housing Authority Board.

Section 2.5 provides an analysis of fair housing complaints filed with HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Richmond, Virginia Fair Housing and Equal Opportunity (FHEO) Office has responsibility for fair housing enforcement in Danville. Official compliant date was received from the HUD Regional Office, Fair Housing Equal Opportunity Division.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
- ✓ Evicting minorities, but not whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of

Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$11,000; the second offense within a five year period, up to \$27,500; and for a third violation within seven years up to \$55,000.

The prohibition in the Fair Housing Act against advertising that indicates any "preference, limitation or discrimination" has been interpreted to apply not just to the wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising relative to housing and real estate in the local housing market have impediments to fair housing, a review of local advertisements in real estate publications from June and July 2014 was conducted. These types of advertisements cover an area larger than just Danville, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;

- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Publications advertising the sale or rental of housing directed toward persons in the greater Danville area were reviewed including Apartment Finder, The Real Estate Book, and various local real estate sales publications. There were no major concerns revealed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Most of the advertisers advertise with the equal housing opportunity logo or slogan. Including the logo helps educate the home seeking public that the property is available to all persons. A failure to display the symbol or slogan may become evidence of discrimination if a complaint is filed. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is

substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHAP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

Court Decisions

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. - The **Walker** public housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of Walker resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, Walker III, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) Approximately 9,900 new assisted units have been made available to Walker class members.

(b) Approximately \$22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) \$2 million dollars was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, Young v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The Young case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Orders, agreements, and reports from this case included:

- A. The final judgment that was entered by the Court in 1995.
- B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order.
- C. The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act “applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant.” The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family’s contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

In 2009 a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can "live independently". The Connecticut Fair Housing Center stated "The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities."

In *County of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township's zoning ordinance. In *Oxford House-Evergreen v. County of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county's conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

"Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination." - was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a

state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the Olmstead case, ruled that community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with "the most integrated setting" provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the Anti-Discrimination Center (ADC) against Westchester County, NY. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had "utterly failed" to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will "affirmatively further fair housing." Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order's desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the

federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle, Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is pending appeal.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not generally covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore the inability of people to find affordable housing which may lead to homelessness, is in conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal

action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profits have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The Department of Housing and Urban Development enforces federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status. The HUD FHEO Regional Office in Philadelphia, Pennsylvania and Richmond, Virginia Field Office are responsible for investigations of fair housing complaints that are reported directly to their office. Danville, Virginia is part of the HUD Region III that includes the District of Columbia, Maryland, Virginia, and Pennsylvania. When the HUD Regional Office investigates complaints of discrimination, an investigator generally spends time in the jurisdiction, on-site, interviewing the complainant, respondents, and witnesses, reviewing records and documentation, while observing the environment. A detailed discussion of the complaints filed with HUD follows in Section 2.5. When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

The City of Danville Community Development Department's (CDD) Fair Housing Officer directs fair housing complaints to and makes referrals to HUD for enforcement. The CDD Staff is also responsible for conducting public education, training and outreach of fair housing rights in Danville. Education of the public regarding the rights and responsibilities afforded by fair housing law is an essential ingredient of fair housing enforcement. This includes outreach and education to the general public, landlords and tenants, housing and financial providers, as well as citizens, concerning fair housing and discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, "We do not rent to Hispanics," they may say, "Sorry we do not have any vacancies right now, try again in a few months," when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, "no families with children or minorities allowed" to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

2.3. Production and Availability of Affordable Units / CDBG Grant Administration

An assessment of characteristics affecting housing production, availability, and affordability in Danville and utilization of Federal Entitlement Grant funding was conducted, including the adequacy and effectiveness of programs designed and implemented utilizing CDBG and HOME Entitlement funding by the City of Danville. The assessment evaluated the programs' ability to reach their target markets and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the agencies prioritized funding and utilized programs to address impediments identified in the City's Fair Housing Impediment Analysis conducted prior to FY 2014. The City of Danville's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized.

The FY 2013 - 2014 Annual Action Plan submitted to HUD indicated that the City of Danville received approximately \$1,093,949 in Entitlement funding for Program Year 2013 - 2014 and with anticipated program income of \$285,000, operated a total budget of \$1,378,949 for that program year.

Community Development Block Grant (CDBG)

\$ 853,899 Entitlement

\$ 135,000 Program Income

Home investment Partnership Grant (HOME)

\$ 240,250 Entitlement

\$ 150,000 Program Income

\$1,378,949 Total Entitlement Budget

2.4. Regulatory and Public Policy Review

The City of Danville has enacted substantially equivalent fair housing law. City of Danville Ordinance Number 91-6-11, adopted June 4, 1991 provides substantially equivalent protections to the seven protected classes under the Federal Fair Housing Act and also includes “elderliness” as an eighth protected class. Having a local fair ordinance, especially one that is substantially equivalent to the federal Fair Housing Act, exemplifies a jurisdiction’s local commitment to enforcing fair housing regulations and it provides public awareness of individuals’ rights under the Fair Housing Act.

The City zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing choice. Danville’s land development codes and zoning regulations address affordable housing and the provision of making allowances through the code to allow the construction of a variety of types of housing including single family and multifamily housing. The regulations provide for the consideration of variances to development barriers that affect the feasibility of producing housing within the jurisdictions. Regulations allow up to 8 unrelated persons to reside in a single family structure by right without specific use or conditional use permits and has adequate provisions for group homes and special needs populations. While the codes appropriately allow for multifamily zoning, there are a limited number of parcels zoned and available for new multifamily development.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development and provides a breakdown of complaints filed for Danville from June 1, 2009 through May 31, 2014. The complaints filed with HUD are received from the Fair Housing and Equal Opportunity (FHEO) regional office in Philadelphia, Pennsylvania. A total of seven complaints were filed according to one of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. Table 2.5.1, shows the breakdown.

Table: 2.5.1: Fair Housing Complaints by the Basis of Complaint June 2009 - May 2014

Protected Class	Race/ Color	National Origin	Familial Status	Handicap Disability	Sex	Religion	Totals
2009							0
2010	1						1
2011	2						2
2012	1						1
2013	3						3
2014	0						
Total	7						7

Source: U.S. Department of Housing and Urban Development – Philadelphia, Pennsylvania Regional Office

Of the seven complaints, five cases were closed with a no cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. Two cases are currently pending and listed as open. Table 2.5.2 shows case closure types by year the case was opened.

Table: 2.5.2: Type of Case Closure (2009 - 2014)

Type of Closure			2009	2010	2011	2012	2013	2014	Total
Cases remain open							2		2
Case Conciliated / FHAP Judicial Consent Order									
No Probable Cause / FHAP Judicial Dismissal				1	2	1	1		5
Withdrawn/No Action Taken									
Unable to Locate Complainant / Complainant failed to cooperate									
Lack of Jurisdiction/Administrative									
Totals				1	2	1	3		7

Source: U.S. Department of Housing and Urban Development – Philadelphia, Pennsylvania Regional Office

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The City of Danville and the State of Virginia have enacted fair housing law that is substantially equivalent to the Federal Fair Housing Act. The City of Danville Community Development Department Staff provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights in Danville.

Real estate related publications advertising the sale or rental of housing and advertising home improvements and remodeling, directed toward persons in the greater Danville area were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons.

The FY 2013 - 2014 Annual Action Plan submitted to HUD indicated that the City of Danville received approximately \$1,093,949 in entitlement funding for FY 2013 - 2014 and operated a total budget of \$1,378,949 which includes anticipated program income for that program year.

The City zoning ordinance building codes and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result; however while the codes appropriately allow for multifamily zoning, there is a limited number of parcels zoned and available for new multifamily development.

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development for Danville from June 1, 2009 through May 31, 2014. A total of seven complaints were filed according to one of the seven bases. Of the seven complaints, five cases were closed with a no cause determination, meaning that justification for the complaint was not applicable to the Fair Housing Act. Two cases are currently pending and listed as open.

Section 3: Focus Group Sessions and Community Engagement

Introduction

This section will report on the results from three Fair Housing Focus Group sessions held on June 16th and 17th, 2014 at the City of Danville City Hall Building, 427 Patton Street, Danville, Virginia 24541. Supplemental interviews were conducted with and information and input received from various City Departments and Divisions, Danville Redevelopment Housing Authority, Chamber of Commerce and Board of Realtors representatives, Continuum of Care organization, community, professional and industry representatives to obtain information from those unable to attend the focus group sessions. Participants in the focus groups sessions and supplemental interviews included Danville City staff and other government representatives; administrators from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; and the general public and other community representatives.

Attendees were gathered through invitations sent to select resident and community leaders, organizations, industry professionals and public officials and a public meeting notice published in the local newspaper. At each focus group session, general issues related to the housing market, neighborhoods and concerns pertaining to fair housing choice in Danville were discussed. The Focus Group sessions were hosted by the City of Danville Community Development Department.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants and those participating in supplemental interviews. JQUAD PLANNING GROUP has made every effort to document all comments as a matter of record, and to ensure that the comments, as presented on the following pages, have not been altered to reflect our

analysis, investigation or substantiation of information obtained during these sessions. Focus Group comments and information obtained during interviews were later analyzed and to the extent substantiated or collaborated by the data and analysis, included in Section Six: Impediments and Remedial Actions. Comments from Focus Group participants included the following.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

Social-economic issues were of major concern to participants in the focus group sessions as well as those persons participating in the supplemental interviews. Frequently mentioned in the focus group sessions and interviews was the perception that lower income persons and seniors were particularly impacted as the supply of affordable housing in good condition becomes scarce and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed the number of persons lacking sufficient income for housing and housing related cost was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that insufficient income and cost burden is not only a concern with regard to social equity and the plight of the elderly and lower income households, but limited incomes are also having an adverse impact on the condition and quality of single family owner occupied housing due to deferred maintenance and residents inability to afford maintenance and utility cost. The impact of local unemployment, insufficient incomes to afford housing maintenance and their mortgage payments for persons living in the Danville market were also cited as contributing factors to housing and neighborhood decline.

Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the evolving demographics in the city and specific problems faced by residents and the

working poor relative to foreclosure and elderly residents on fixed incomes. Participants also felt that increased housing counseling-both pre-purchase and post purchase support was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. Homebuyers will need assistance with providing greater down payments and equity investments when buying a home, to replace the loss of private mortgage insurance. Participants emphasized the need for increased funding for project based rental assistance due to limitations in funding and long waiting list for the Section 8 Vouchers program.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants' desired greater emphasis is placed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. Participants recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure to support new housing development and funding for emergency repair and substantial renovation of owner occupied housing.

Decreased funding for entitlement funded programs and public housing were also viewed as primary barriers to affordable housing. Limited local funding for infrastructure and regulatory programs such as code enforcement and demolition were also cited as barriers.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite fair housing education, training and outreach programs funded by the city, some residents appear to be unaware of their rights under fair housing

law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. For example, attendees and persons interviewed felt that in some instances, people do not register fair housing complaints for fear of retaliation by their landlords, or if they report violations such as housing code, enforcement will result in higher rents or evictions actions by their landlords.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental housing and tenant's rights counseling and advocacy for renters. They were concerned that first-time home buyers often do not know where to go for help or how to start the process of purchasing a home. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system.

Access to Banking and Financial Institutions Products, and Basic Goods and Services

Predatory lending practices were identified as an issue. Perception were that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and fast becoming lenders of choice in some low income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment. Attendees and persons interviewed were concerned that a growing number of people have fallen prey to sub prime loans because they have a poor credit rating or limited to no credit history.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a barrier that limits housing choice. Criminal background histories and immigration status are relatively new factors contributing to the inability to qualify for home purchases and rental housing leases. Credit issues appeared to be the major barrier, based on focus group participants' comments. Both a lack of qualified applicants and an adequate pool of applicants for mortgages, coupled with the inability of some housing units to qualify based on lending program guidelines were cited as barriers. Participants felt that greater emphasis should be placed on credit counseling and financial literacy being accessible to a broader population including youth and young adults age eighteen to thirty. Greater emphasis should be given to preventing damage to one's credit history and providing a solid foundation that could prevent future financial problems. Persons with a criminal felony record and those convicted of sex crimes are having particular problems finding housing to rent as well as qualifying for mortgages.

Special Needs Housing

Participants were concerned that greater funding be provided for the elderly to age in place, and to provide housing for others in need of special needs housing. Participants cited statistics relative to the growth expected in the elderly population over the next decade which will elevate this problem. Without such funding elderly and disabled persons are sometimes placed in nursing homes prematurely, even though they could otherwise continue to live on their own with some limited assistance or ADA accessibility modifications where they currently reside. Participants were also concerned that limited options exist for persons in need of transitional housing whether they be recently paroled, victims of domestic violence, mentally ill, physically handicapped, and homeless or at risk of becoming homeless. Others cited a need for more permanent supportive housing. Other participants asked that CDBG funding be provided to support the operational cost of providing meals on wheels and operation of the food pantry.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services. Public transportation was deemed an issue for some persons commuting to major employment centers.

3.2. Other Issues and Solutions

Attendees indicated a need for increased emphasis on mitigating the impacts of increased incidents of discrimination or impediments to housing for persons with disabilities, renters with past criminal records or prior convictions for sexual abuse related crimes, those in need of special needs housing or facing evictions, foreclosures and homelessness.

Participants voiced support for a greater emphasis on credit education and housing consumer counseling. Increased financial literacy courses taught in high schools was a best practice identified by the facilitator for the focus group session and well received by participants.

Section 4: Home Mortgage Disclosure Act (HMDA) Data Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the Home Mortgage Disclosure Act (HMDA) databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 2005 through 2012.

The data reported here are summarized by a variety of methods. Tables 4.1 and Tables 4.2 provide information for the City of Danville and Pittsylvania County. Table 4.3 provides information for Danville. Tables 4.3 and the charts present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tracts for Danville and Pittsylvania County.

4.1. Analysis

Table 4.1 examines home loan activities in Danville and Pittsylvania County. The data are presented by loan type, ethnicity, income, and loan purpose. In Pittsylvania County, White applicants represented the largest number of loan applicants at 21,345. Origination rates, the percentage of applications that result in loans being made, for Whites were 65 percent. African-Americans were the next largest applicant group with 4,570 applications submitted and an origination rate of over 44 percent. Hispanics submitted 381 applications and had an origination rate of about 52 percent. Asian origination rates were about 58 percent, and there were 61 applications reported. High-income applicants

showed both the highest number of applications at 15,589, and the highest origination rate, about 78 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 2,902 applications from middle-income applicants and an origination rate of over 63 percent. Conventional loans account for the largest number of applications for loan type at 26,599, and an origination rate of over 57 percent. Refinance loans show the highest number of applications for loan purpose, at 14,178 and the origination rate of over 53 percent. Home improvement loans had an origination rate of about 62 percent with 4,721 loan applications. Home purchase loans had about 58 percent origination rate with 11,833 applications.

Isolating the census tracts within Danville, for Loan Type, "Conventional" shows the highest number of loan applications at 15,013, and an origination rate of 57 percent. The origination rate for FHA loans was over 46 percent. An evaluation of loan purpose reveals that home purchase loan applications were at 7,130 with an origination rate of 59 percent. Home Improvement loans had 1,823 applications with an origination rate of 63 percent. For refinance loans, the origination rate was about over 52 percent with 8,430 applications. In Danville, White applicants had the highest origination rate at 69 percent and the highest number of loan applications, about 8,643. Hispanics had 290 applications and an origination rate of over 48 percent. The origination rate for Asians was 52 percent with 35 applications. The origination rate for African-Americans was about 46 percent with 6,427 applications. The origination rate for the very low-income group was 17 percent compared to about 89 percent among high-income applicants.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For example, the first percentage in the "% of Originations" column indicates that 87.8 percent of originations in the county were for conventional loans compared to 57.3 percent origination rate from Table

4.1. For comparison, race and ethnic percentages were included under the “% Pop.” column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the “Loan Type” category, “Conventional” shows the highest percentage, about 88 percent of all originations in Pittsylvania County. FHA loans, which are government insured and have more stringent lending criteria, were about eight percent of all originations. Referring back to Table 4.1, the origination rates were about 46 percent for FHA versus approximately 57 percent for conventional.

For Ethnicity, “White” shows the highest percentage of origination at 80 percent of the total originations in the county. The percentage of Whites in the population was over 76 percent. Hispanic applicants represented over one percent of originations with over two percent of the total population in the county. Asian applicants accounted for 0.2 percent of all originations, with 0.4 percent of the total population in the county. African-American applicants accounted for about 12 percent of all originations, with about 22 percent of the total population in the county.

The highest income group (>120% median) displays the highest percentage of originations, at about 70 percent of all originations. In contrast, the very low-income group accounts for less than two percent of all originations.

The loan purpose data for the county shows that refinance loans were the most frequent purpose at over 43 percent. Home purchase loans accounted for over 39 percent of the originations. Home improvement loans accounted for about 17 percent of all originations.

In Danville, over 89 percent of all originations were from conventional loans. FHA loans were over nine percent of all originations. In the City, Whites had the highest percentage of origination, about 61 percent of the total. The percentage

of Whites in the population was about 48 percent. African-American applicants accounted for about 31 percent of all originations, with over 48 percent of the total population. Hispanic applicants accounted for over one percent of originations, while their presence in the population was about three percent of all residents. Asian applicants represented 0.2 percent of originations with one percent of the total population. Native American applicants represented 0.2 percent of originations with 0.2 percent of the total population. The highest income group (>120% median) displays the highest percentage of originations, over 65 percent of all originations in the City. In contrast, the very low-income group accounts for less than three percent of all originations. The loan purpose data show that Refinance loans were the most frequent purpose, over 45 percent of all originations in the City. Home Purchase loans accounted for 43 percent of the originations. Home improvement loans accounted for about 12 percent of all originations in the City.

Table 4.3, examines the HMDA data more closely with respect to the possibility of redlining within census tracts in Danville. Redlining relates to the avoidance of certain locations by mortgage lenders in response to undesirable characteristics of the area.

Origination rates for Danville indicate that Very Low-Income applicants (<51% median income) were successful in obtaining mortgage loans 17.0 times per 100 loan application submissions, Low-Income applicants (51-80% median income) were successful 24.0 times per 100 submissions, Moderate-Income (81-95% median income) had an origination success ratio of 24.4 percent, Middle-Income applicants (96-120% median income) had an origination success ratio of 52.2 percent, and High-Income applicants (>120% median income) had a 88.7 percent success ratio. When isolating the Low-Income census tracts, the origination rates are lower than the overall city origination rates. In Low-Income tracts, Very Low-Income applicants generated originations 13.7 percent of the time, 3.3 percentage point decrease from their overall success in the City.

Similar differences in origination rates are noted in the other income groups. Moderate-Income applicants in low-income tracts had a 33.0 percent origination rate, 19.2 percentage points lower than in the City overall. High-Income applicants in low-income tracts had a 43.5 percent origination rate, 45.2 percentage points lower than in the City overall.

Comparing Low-Income tracts to High-Income tracts, moderate to high differences are noted between origination rates. Within High-Income tracts, Very Low-Income applicants generated a 36.4 percent origination rate, 22.7 percentage points higher than Very Low-Income applicants in the Low-Income tracts. High-Income applicants generated a 57.9 percent origination rate within High-Income tracts, 14.4 percentage points higher than in Low-Income tracts. Origination rates for Middle-Income applicants in High-Income tracts were 18.5 percentage points higher than in the Low-Income tracts. While this analysis does not provide conclusive proof that redlining exists, it is reasonable to expect that higher-income applicants would have relatively equal origination rates across all census tracts. The relatively small number of applications in the lower income tracts, however, makes any conclusions about redlining impossible.

Table 4.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were 47 percent for Whites and about 34 percent for minorities, a difference of 13 percentage points. White applicants for home improvement loans are successful almost 26 percentage points more often than minorities. The rates for refinance loans show a 24 percentage point difference.

Looking at the income group comparison, minorities actually had relatively close origination rates to Whites in the two lowest income groups. With Moderate Income applicants (81-95% MFI), White origination rates start to show an advantage of 11 percentage points. In the High Income group (>120% MFI),

White origination rates are almost 17 percentage points higher. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Chart 4.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. All types of loans had higher origination rates with the increase in income group of tracts. VA loans were had the highest origination rate in all income group of tracts and FHA loans had the lowest origination rates.

Chart 4.2 shows origination rates by ethnicity and income of the census tract. Whites show the highest origination rates of all races in all income groups of tracts. Hispanics showed higher origination rates than African-Americans with the exception of low income tracts.

Chart 4.3 looks at origination rates by the income of the applicant and the income of the census tract of the property for which the loan would be applied. Ideally, origination rates should be similar among same income groups regardless of the income for the census tract where the subject property is located. The origination rates of all the income groups increase as the tract income increases. This indicates that families with similar income are more likely to originate a loan for property in a higher income census tract. Therefore, again some characteristics of redlining may be present in lower income tracts in the community. The relatively small number of applications in the lower income tracts, however, does not support any conclusive determination of redlining.

Chart 4.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, including home improvement loans, peaking at 70 percent for the high income tracts. Refinance loans have the lowest origination rates and home improvement loans show the highest origination rates in all income tracts.

Map 4.1 and maps 4.3 through 4.7 look at loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where at least 75 applications are denied for every 100 applications that are originated. The medium red areas indicate those areas where between 50 and 75 applications are denied for every 100 applications originated. The mauve areas show 25 to 50 applications denied for every 100 applications originated. The pink areas show 0 to 25 applications denied for every 100 applications originated.

Map 1.7 in the Community Profiles section shows the median household income for Danville by census tract between 2008 and 2012. Comparing Map 4.1 and Map 1.7, the areas that had higher denial to origination ratio for all types of home loans generally coincide with areas with lower incomes. This indicates that lower income census tracts had lower home loan origination rates.

Map 4.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials.

A look at reasons for denial in the City of Danville showed that the majority related to the applicants' credit history or their debt-to-income ratio. Over 4,150 (54.7%) denials were related to the applicants' credit history in the ten years of the study. Nearly 2,440 (26.1%) denials were related to the applicants' debt-to-income ratio and over 1,530 (18.0%) denials were due to inadequate collateral in those same years. Other possible reasons for not originating a loan included incomplete applications, employment history, mortgage insurance denied, unverifiable information, and insufficient cash for down-payment and/or closing costs.

4.2. Conclusions

In Danville and Pittsylvania County, the highest success in loan originations was in the home improvement loans and the least success was in refinance loans. Overall, the origination rates among Whites were higher than minorities in home purchase, home improvement, and refinance loans.

Refinance loans were the most frequent loan type in the county and city. The loan applications and originations were significantly lower compared to their percentage in population for African-Americans and Hispanics in the county and city. The analysis reveals two issues, the lack of applications from minorities and the disproportionate loan denials rates between Whites and some minority populations. One possible explanation for lower loan originations among minorities could be lack of credit history, poor credit history, or higher debt-to-income ratio. During the period between 2005 and 2012, the majority of loan denials for all applicants were related to the applicants' credit history.

While our analysis does not provide conclusive evidence of redlining, the data tend to suggest that some characteristics of redlining may exist and therefore impacting lending decisions and higher denial rates in some of the very low-income census tracts in Danville. While it is expected that very low-income applicants would not have a very high success rate in their loan applications, within the very low-income census tracts, even high-income applicants showed a poor success rate. Due to very low number of applications in the lower income census tracts, any conclusive determination of redlining is impossible for the City.

The higher denial rates for lower income groups, coupled with the possibility that characteristics of redlining may be adversely impacting originations in lower income concentrated census tracts, are indicative of impediments to fair housing. Overall, lending activity has decreased in the recent years due to economic slow down and issues relative to the mortgage industry nationwide. However, the outlook for lending in this community remains positive since lower interest rates still exist for borrowers to buy housing or refinance existing higher interest loans.

Table 4.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
City of Danville and Pittsylvania County
2005 - 2012**

	Danville		Pittsylvania County	
	Number of App.s	Origin. Rate	Number of App.s	Origin. Rate
Loan Type:				
Conventional	15,013	57.1%	26,599	57.3%
FHA	1,933	46.2%	3,139	45.9%
VA & Other	473	64.1%	1,085	60.7%
Ethnicity:				
Native	55	41.1%	109	47.7%
Asian	35	52.0%	61	57.6%
Black	6,427	46.5%	4,570	44.1%
Hispanic	290	48.3%	381	52.3%
White	8,643	69.5%	21,345	65.0%
Other	607	22.4%	642	32.3%
Not Provided	645	29.0%	1,551	21.0%
Unknown	715	38.5%	2,165	30.4%
Income:				
<51% median (very low)	1,423	17.0%	1,035	30.2%
51-80% median (low)	2,073	24.0%	2,550	36.3%
81-95% median (moderate)	2,613	24.4%	2,799	55.0%
96-120% median (middle)	3,790	52.2%	2,902	63.4%
>120% median (high)	7,180	88.7%	15,589	77.7%
Unknown	337	12.8%	5,950	10.5%
Loan Purpose:				
Home Purchase	7,130	58.8%	11,833	57.9%
Home Improvement	1,823	62.7%	4,721	61.7%
Refinance	8,430	52.4%	14,178	53.1%
Multifamily	33	47.1%	92	56.5%
Totals	17,417	56.1%	30,825	56.3%

Table 4.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
City of Danville and Pittsylvania County
2005 - 2012**

	# of	Danville		Pittsylvania County		
	Originations	% of	%Pop.	# of	% of	%Pop.
Loan Type:						
Conventional	8,577	89.0%		15,241	87.8%	
FHA	893	9.3%		1,441	8.3%	
VA & Other	303	3.1%		659	3.8%	
Ethnicity:						
Native	23	0.2%	0.2%	52	0.3%	0.3%
Asian	19	0.2%	1.0%	35	0.2%	0.4%
Black	2,985	30.6%	48.3%	2,015	11.6%	21.8%
Hispanic	2,015	1.4%	2.9%	199	1.1%	2.4%
White	6,002	61.4%	47.7%	13,861	79.9%	76.3%
Other	13,861	1.4%	2.9%	208	1.2%	1.2%
Not Provided	187	1.9%		325	1.9%	
Unknown	326	2.8%		658	3.8%	
Income:						
<51% median	243	2.5%		313	1.8%	
51-80% median	497	5.1%		925	5.3%	
81-95% median	637	6.5%		1,539	8.9%	
96-120% median	1,977	20.2%		1,840	10.6%	
>120% median	6,370	65.2%		12,113	69.8%	
Unknown	43	0.4%		625	3.6%	
Loan Purpose:						
Home Purchase	4,193	42.9%		6,851	39.5%	
Home Improvement	1,143	11.7%		2,913	16.8%	
Refinance	4,417	45.2%		7,529	43.4%	
Multifamily	16	0.2%		52	0.3%	
Totals	9,770	100.0%		17,354	100.0%	

Table 4.3

Analysis of Home Mortgage Disclosure Act Data, 2005-2009*
Analysis of Redlining in Low-Income Census Tracts

	City of Danville Number of Applications	Origination Rate
Low-Income Tracts		
<51% median	100	13.7%
51-80% median	231	19.9%
81-95% median	297	19.4%
96-120% median	550	33.0%
>120% median	895	43.5%
 High-Income Tracts		
<51% median	351	36.4%
51-80% median	733	36.1%
81-95% median	950	39.7%
96-120% median	1,275	51.5%
>120% median	3,871	57.9%
 Difference Between High and Low Tracts (percentage point difference)		
<51% median		22.7%
51-80% median		16.2%
81-95% median		20.3%
96-120% median		18.5%
>120% median		14.4%
 Origination Rates for Danville		
<51% median		17.0%
51-80% median		24.0%
81-95% median		24.4%
96-120% median		52.2%
>120% median		88.7%
Unknown		

*Data not available beyond 2010.

Table 4.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for City of Danville, 2005-2012

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	2,355	33.6%	42.8%	33.6%
White	4,237	59.1%	23.7%	47.0%
Not Provided	539	7.3%	17.8%	15.0%
Home Improvement Loans				
Minorities	267	28.1%	39.9%	36.0%
White	913	50.0%	25.1%	61.9%
Not Provided	644	21.8%	44.6%	19.5%
Refinance Loans				
Minorities	1,426	18.5%	25.6%	39.8%
White	4,995	58.8%	19.2%	64.1%
Not Provided	2,010	22.7%	29.9%	9.1%
Income Groups				
<51% MFI				
Minorities	563	27.0%	49.4%	31.0%
White	795	63.0%	42.4%	36.2%
Not Provided	65	10.0%	54.6%	8.8%
51 to 80% MFI				
Minorities	695	28.5%	40.3%	38.3%
White	1,195	59.9%	33.2%	42.6%
Not Provided	184	11.5%	53.6%	13.4%
81 to 95% MFI				
Minorities	1,062	36.0%	35.6%	39.0%
White	1,375	53.9%	27.5%	50.0%
Not Provided	176	10.0%	35.6%	16.3%
96 to 120% MFI				
Minorities	1,558	31.4%	44.0%	43.5%
White	2,141	63.5%	26.9%	54.0%
Not Provided	92	5.1%	44.7%	19.1%
>120% MFI				
Minorities	2,572	39.5%	26.1%	49.4%
White	4,359	57.9%	14.6%	66.2%
Not Provided	250	2.6%	37.5%	27.1%

Chart 4.1: Origination Rates by Loan Types by Income of Census Tracts

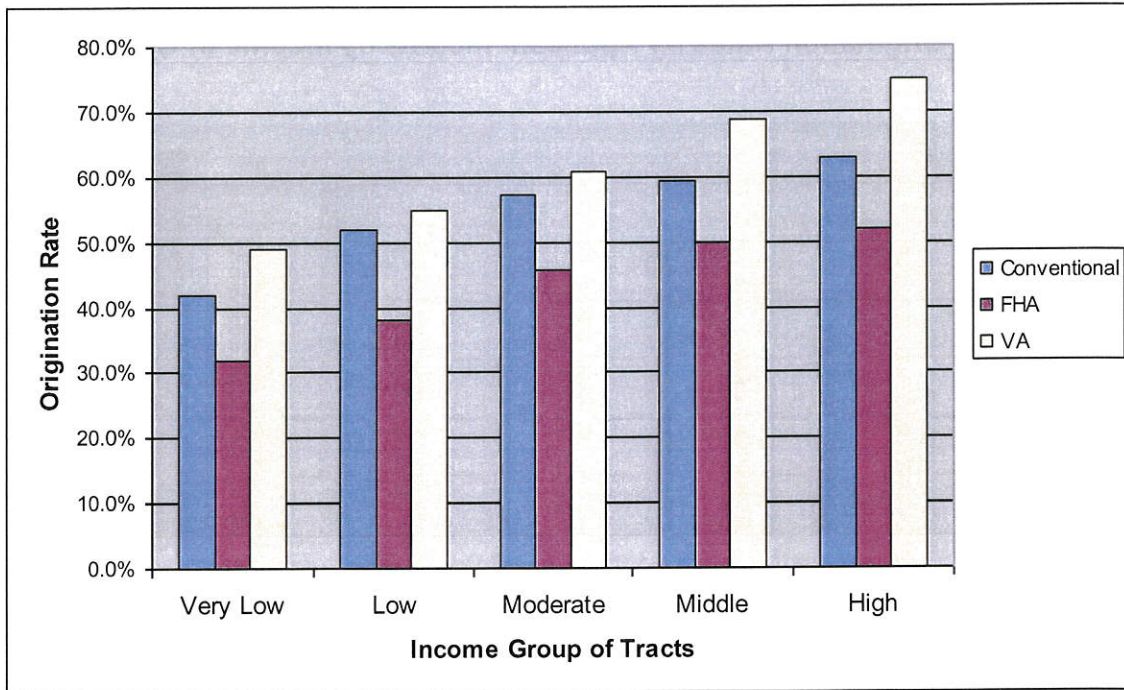


Chart 4.2: Origination Rates by Ethnicity by Income of Census Tracts

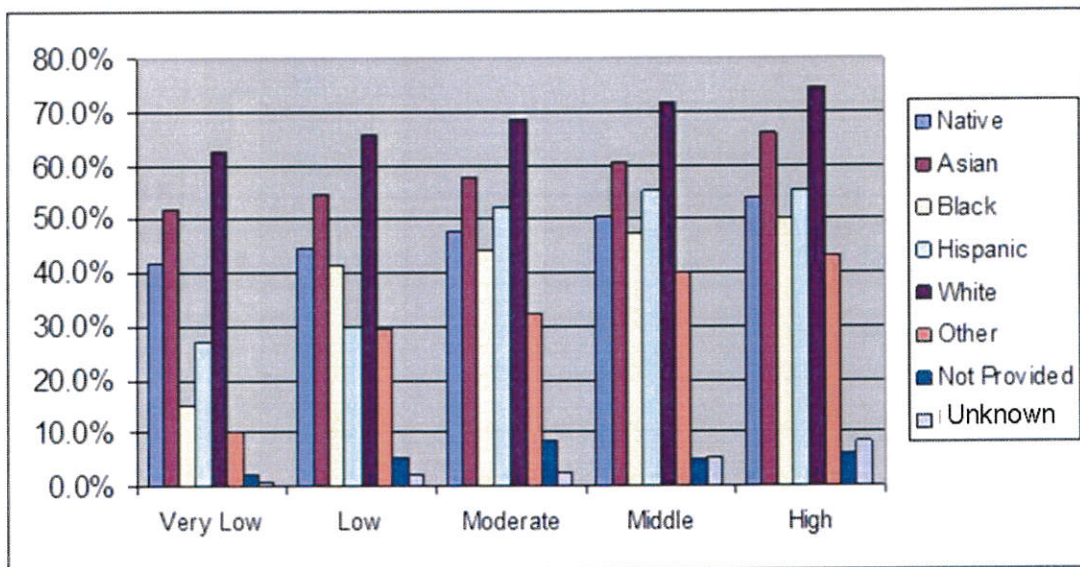


Chart 4.3: Origination Rates by Applicant Income by Income of Census Tracts

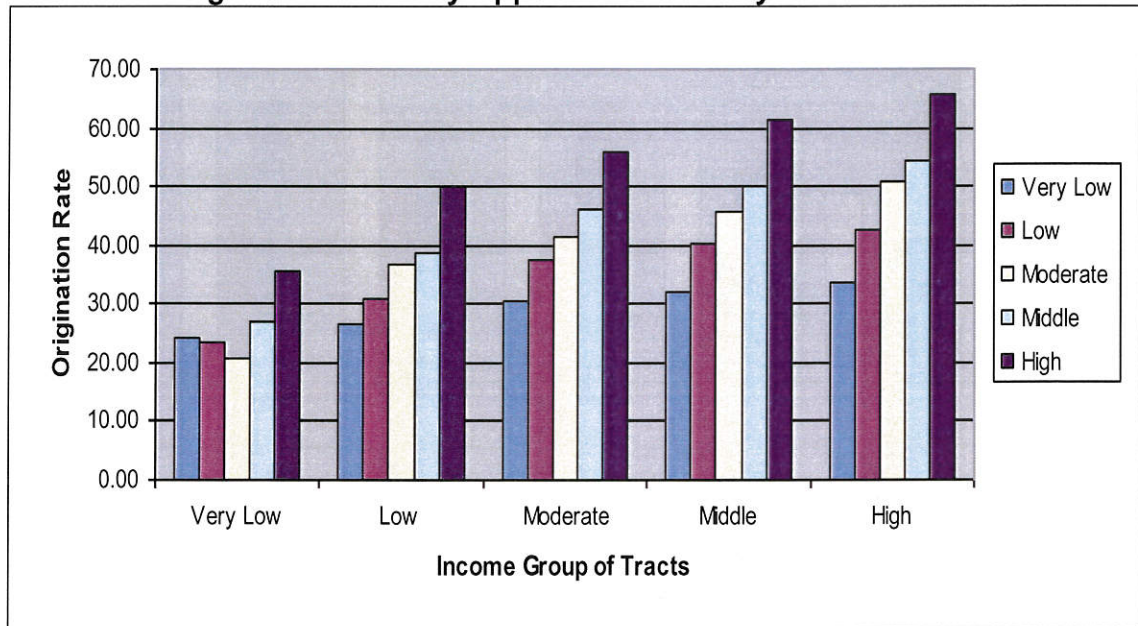
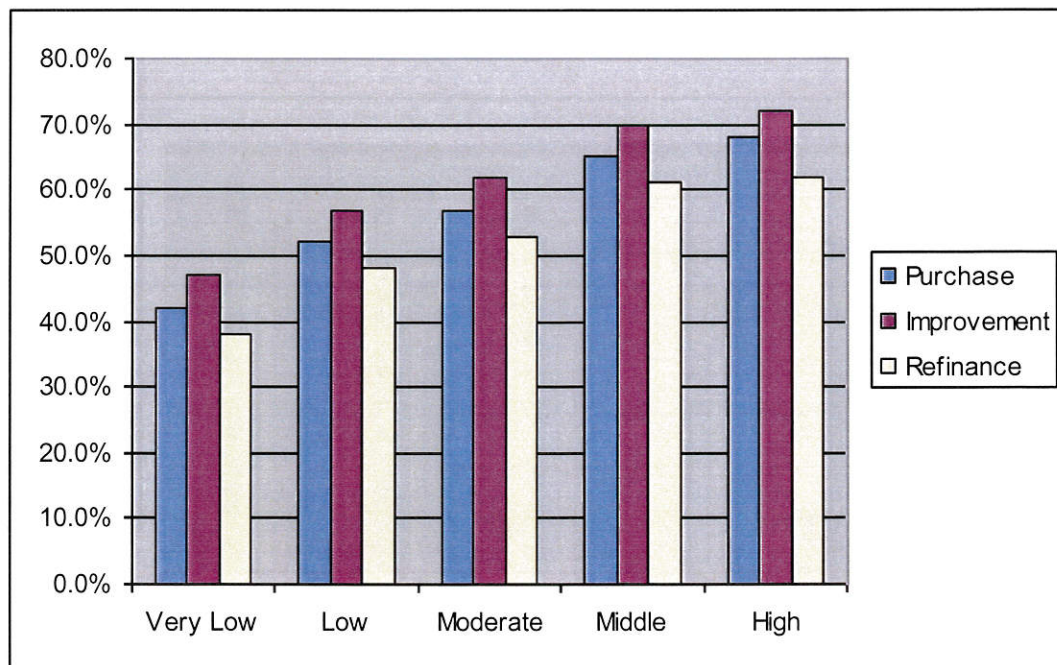


Chart 4.4: Origination Rates by Loan Purpose by Income of Census Tracts

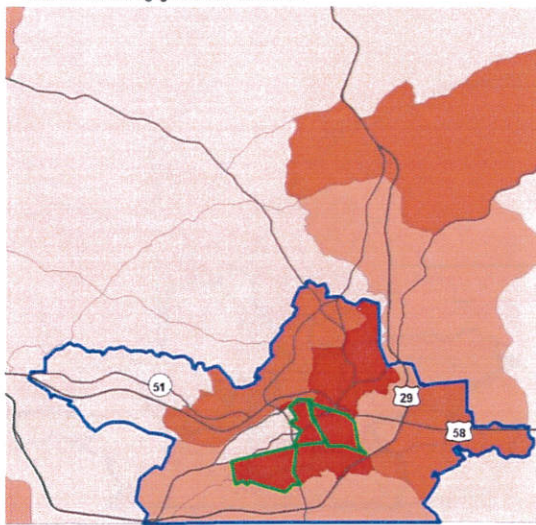


Map 4.1: Ratio of All Loan Denials to Originations, 2005-2012

Map 4.2: Total Number of Loan Applications, 2005-2012

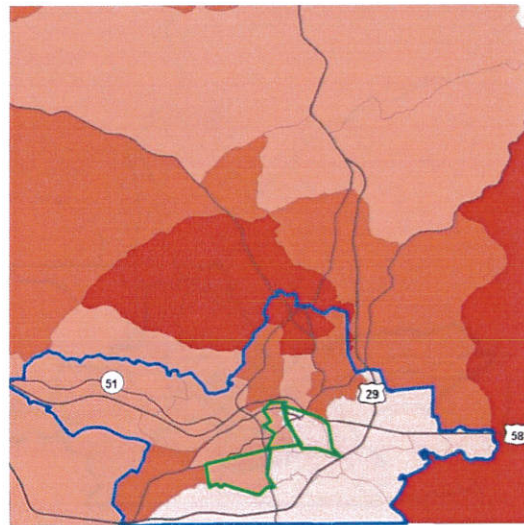
Danville Analysis of Impediments to Fair Housing Choice

Source: Home Mortgage Disclosure Act Data



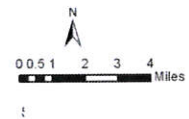
Legend

- Danville City Limits
- Major Roads
- Loan Denial to Origination Ratio**
 - 0.0-0.25
 - 0.26-0.50
 - 0.51-0.75
 - 0.75 or more
- RCAPs



Legend

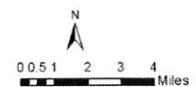
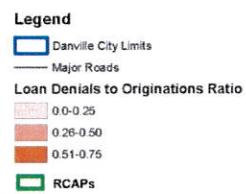
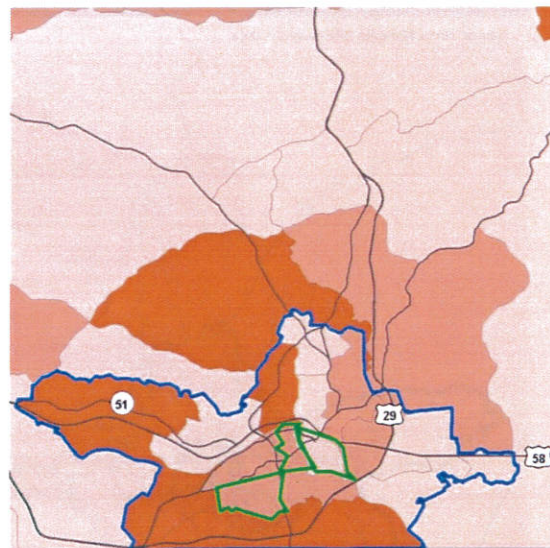
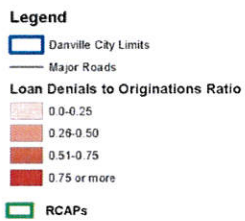
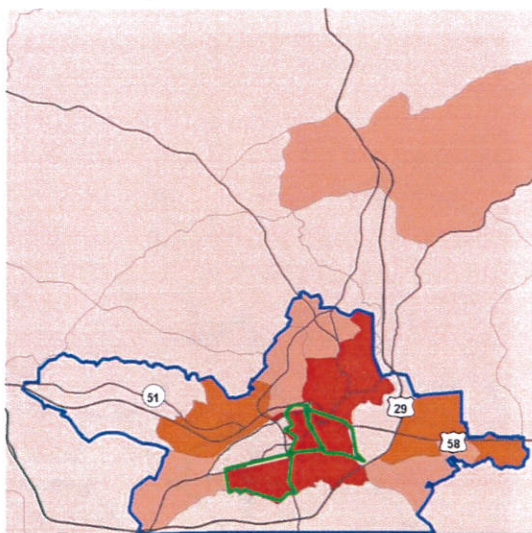
- Danville City Limits
- Major Roads
- Number of Home Loan Applications**
 - 0 - 250
 - 251 - 500
 - 501 - 1,000
 - 1,000 or more
- RCAPs



Map 4.3: Ratio of Conventional Loan Denials to Originations, 2005-2012 Map 4.4: Ratio of Government Backed Loan Denials to Originations, 2005-2012

Danville Analysis of Impediments to Fair Housing Choice

Source: Home Mortgage Disclosure Act Data

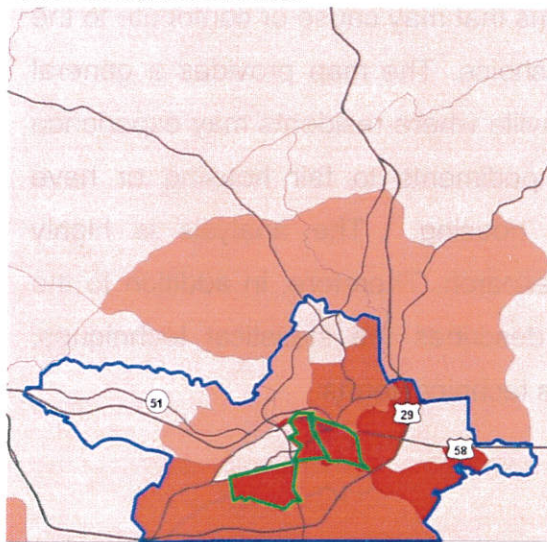


Map 4.5: Ratio of Home Purchase Loan Denials to Originations, 2005-2012

Map 4.6: Ratio of Home Improvement Loan Denials to Originations, 2005-2012

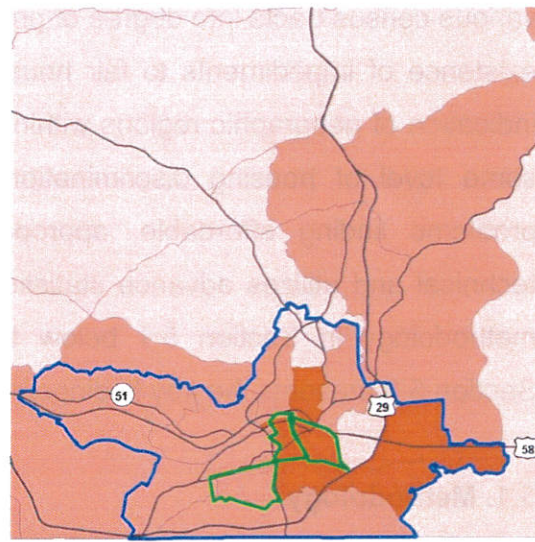
Danville Analysis of Impediments to Fair Housing Choice

Source: Home Mortgage Disclosure Act Data



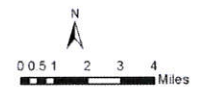
Legend

- Danville City Limits
- Major Roads
- Loan Denials to Originations Ratio**
- 0.0-0.25
- 0.26-0.50
- 0.51-0.75
- 0.75 or more
- RCAPs



Legend

- Danville City Limits
- Major Roads
- Loan Denials to Originations Ratio**
- 0.0-0.25
- 0.26-0.50
- 0.51-0.75
- RCAPs



Section 5: Fair Housing Index

Introduction

The Fair Housing Index is a measure developed specifically for Analyses of Impediments to Fair Housing. The index combines the effects of select demographic variables with Home Mortgage Disclosure Act (HMDA) data and maps the results by census tract. Data for ten variables, shown in the Fair Housing Index table are standardized and added to classify the conditions in various census tracts into degree of problems that may cause or contribute to the existence of impediments to fair housing choice. The map provides a general indication of geographic regions within Danville where residents may experience some level of housing discrimination, impediments to fair housing or have problems finding affordable, appropriate housing. The analysis is highly technical and utilizes advance statistical research. Therefore, in addition to the methodology in Section 5.1 below that describes the statistical techniques, Section 5.2 presents the key findings in less technical terms.

5.1. Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2005 through 2012 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2008-2012 American Community Survey (5-Year estimates) of Population and Housing. Each variable contained data for every census tract in the city as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.7482 .

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations increased the likelihood that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the current residents are less likely to experience impediments to fair housing choice. High housing value, therefore, would be assigned a positive value. Each variable was analyzed and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination and impediments to fair housing choice. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High Risk areas as those census tracts with standard scores below -2.00. Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report / substantiate fair housing violations or impediments to fair housing choice. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Included following the map is the correlation table (Table 5.1). MedValue is the median home value according to the 2008-2012 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree. XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2005 to 2012.

5.2. Findings

Looking first at the correlation table (Table 5.1), the correlation between percentage minority and percentage female-headed households with children is high and positive (0.7482); this correlation indicates that the minority community has a higher rate of female-headed households with children than the non-minority community. The median housing value has a moderate negative correlation with the percentage of female-headed households with children (-0.5945) and minorities (-0.5253), which indicates that female-headed households with children and minorities tend to live in lower valued housing.

The percentage not graduating from high school has a strong negative correlation to median household income (-0.6834) and median housing value (-0.7123). This indicates that non-high school graduates earn lower incomes and live in lower valued housing. The median income has a high negative correlation with unemployment rate (-0.6997) and has a high positive correlation with median value (0.6395). The median income has a moderate negative correlation with minorities (-0.5883). These correlations indicate that minorities and unemployed persons tend to earn lower incomes, and lower income groups are more likely to live in lower valued housing.

The ratio of home loan denials to originations had moderate to high positive correlations with median income (-0.6447), the percentage of less than high school education (0.6231), and the percentage of minority (0.5876). These correlations indicate that lower income groups, persons with no high school degree, and minorities have lower likelihood of receiving loan originations.

As indicated on Map 5.1, the census tracts designated as having high risk of fair housing related problems are concentrated in the central and northeastern census tracts of Danville. The census tracts having moderate risk of fair housing problems are located in southern areas of the city.

These areas of greatest concern contain the oldest housing stock, some in poor condition, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. There is a higher than average unemployment rate and lower than average level of educational attainment.

The Fair Housing Index is an analytical technique used to identify census tracts where the sum impact of certain demographic variables and their disparate impacts on protected class members and persons based on their race or ethnicity is adversely affecting a residents' fair housing choices and likely contributing to problems of housing discrimination and issues relative to housing quality and affordability. Comparative analysis of the demographic factors and any disparities for persons of a particular race, ethnicity, or members of the protected classes is also utilized in developing the Community Profile.

Map 5.1: Fair Housing Index

Danville Analysis of Impediments to Fair Housing Choice

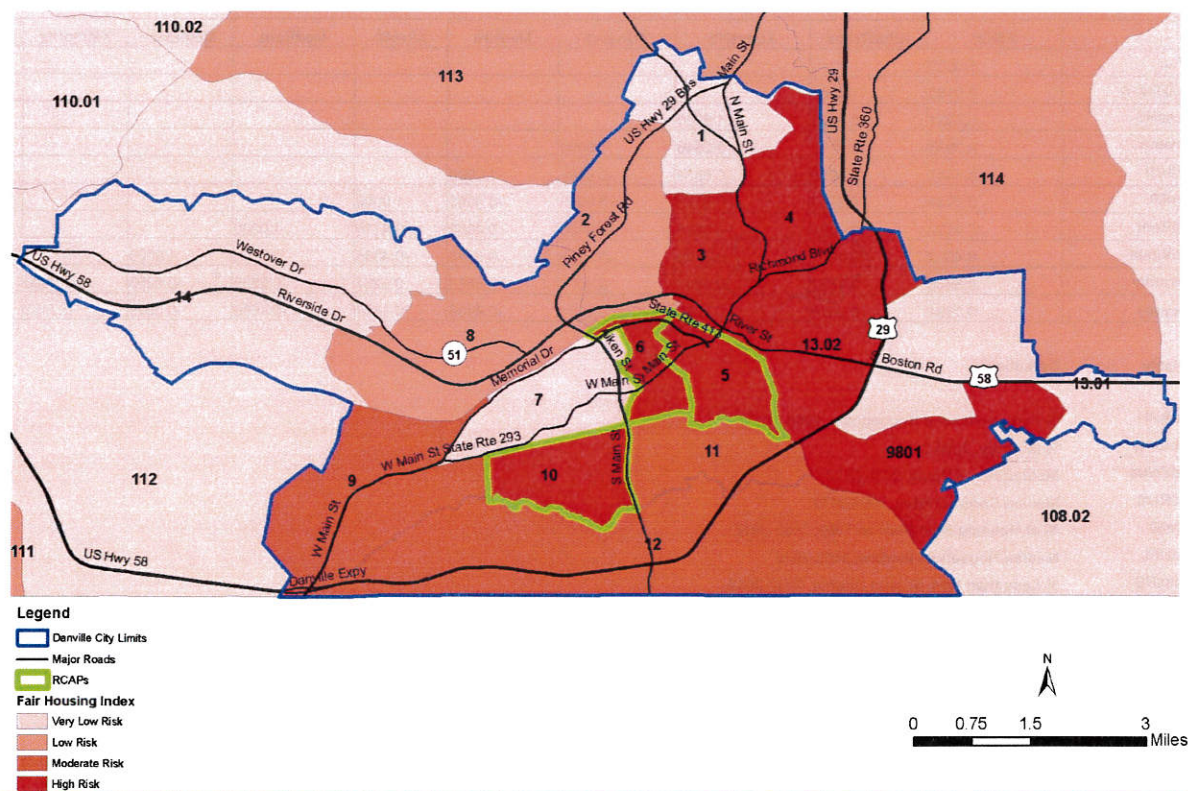


Table 5.1

Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
AllRat	1.0000									
XPubTrans	0.0150	1.0000								
XLessHS	0.6231	0.3329	1.0000							
XUnemp	0.3937	0.4122	0.2846	1.0000						
MedHHI	-0.6447	-0.4995	-0.6834	-0.6997	1.0000					
XPre60	0.2444	0.3746	0.3473	0.4935	-0.4565	1.0000				
MedRent	-0.4122	-0.2221	-0.3528	-0.2100	0.4003	-0.4115	1.0000			
MedValue	-0.4352	-0.4001	-0.7123	-0.3738	0.6395	-0.4385	0.5907	1.0000		
XMinority	0.5876	0.4857	0.4847	0.3007	-0.5883	0.2267	-0.2835	-0.5253	1.0000	
XFemHH	0.1984	0.3376	0.3285	0.3111	-0.4736	0.1634	-0.4686	-0.5945	0.7482	1.0000

Variable	Definition
XFemHH	% Female-Headed Households, 2008-2012
XMinority	% Minority, 2008-2012
MedValue	Median Home Value, 2008-2012
MedRent	Median Contract Rent, 2008-2012
XPre60	% of Housing Built Prior to 1960, 2008-2012
MedHHI	Median Household Income, 2008-2012
XLessHS	% Less than High School Degree, 2008-2012
XUnemp	% Unemployed, 2008-2012
XPubTrans	% Taking Public Transportation to Work, 2008-2012
AllRat	Ratio of Denials to Originations, All Loan Types, 2005- 2012

Section 6: Impediments and Remedial Actions

Introduction

The Impediments and Remedial Actions are integral components and contribute to the critical underpinnings of the City's certification of Affirmatively Furthering Fair Housing Choice. Through the planning process and analyses, the City strives to create a more inclusive conversation on fair housing and affordable housing, with a particular emphasis on engaging those who have traditionally been marginalized from the community planning process and may have little knowledge of their rights and protections under the Federal and State Fair Housing Acts. Through the inclusion of identified impediments and remedial actions, the resulting plan should provide new insight into the disparate burdens and benefits experienced by the diverse populations across the City. Recommendations are intended to address these disparities.

The analysis of impediments is designed to identify and reduce fair housing disparities and is expected to increase the effectiveness of existing laws and more comprehensively, it offers considerable value in assessing fair housing issues and solutions from a city or regional perspective, as many of the fair housing issues that are most intractable are not locally restricted and solutions are most certainly in need of a diverse group of participants in order to successfully solve or lessen their impact.

This section includes an examination of best practice policies, ordinances, and regulations that affirmatively further fair housing to inform alternative approaches to addressing impediments and remedial actions. This includes compiling examples of community development strategies that improve community infrastructure, housing stock, de-concentration of areas of poverty, race, and ethnicity while maintaining a mix of housing types, incomes and culture. This section also identifies gaps between physical infrastructure and housing availability by comparing current status and conditions with recommended infrastructure improvements such as livable wages, job creation, education, job training, infrastructure improvements needed to support new and renovation of affordable housing, as well as mobility and public transportation.

The Community Profile, Fair Housing Index and Home Mortgage Disclosure Act analyses of this report have demonstrated that segregation and concentrated poverty have existed both historically and perpetuated through current times in parts of the City. The maps and analyses depict some concentrated areas of poverty and demonstrate how these areas are also concentrated racially and ethnically (RCAP-ECAP Areas), and impacted by historical concentrations of public and assisted housing. The area characteristics and physical conditions are indicative of the ways in which the economy has suffered as a result of housing market distortions and disinvestment, and proven that public policy and programmatic investments have only minimally improved the situation. This section recommends policies and strategies that the City and its sub-recipients collectively, should undertake initiatives to remove and or lessen the segregation and concentrated poverty, and improve fair housing choice in collaboration with the community, non-profit and private sectors.

Impediments to fair housing choice and remedial actions to remove or lessen their impacts are detailed in this section of the report. This section draws on the information collected and analyzed in previous sections to provide a detailed analysis of impediments to fair housing choice impacting the City. Five major categories of impediments were analyzed and identified: Real Estate and Housing Market Related Impediments; Public Policy and Fair Housing Infrastructure Impediments; Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; and Neighborhood Conditions, Natural Barriers, Historical Events, Trends, and Development Pattern Related Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions represent alternative ways to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. This means that the recommended actions will require further research, analysis, and final program design by the City for implementation.

6.1 Real Estate and Housing Market Related Impediments

Impediment: Housing Affordability and Insufficient Income.

Housing Affordability

Affordability and Financing for Housing is Limited. Affordability is impeding housing choice in the City. The high cost of housing compared to the incomes of many households; the limited supply of affordable and subsidized housing in the City and geographical concentrations of depressed and obsolete housing stock, much of which is in poor and deteriorated condition, including both private and subsidized single family and multifamily housing concentrated in R-ECAP areas; a lack of affordable housing in close proximity to supportive services and major employment centers; the lack of affordable housing for special needs populations such as seniors and people with disabilities; and the lack of units for large and extended family households are some of the impediments that must be overcome.

The availability of financing presents a primary barrier to producing new subsidized housing. Although the cost of land and construction have declined in recent months, the tightened credit market and the decline in federal, state and local subsidies, have made it challenging for affordable housing developers to take advantage of lower costs. While recent declines in home values have improved housing affordability, many lower income households still encounter difficulty buying a home. The analysis indicates that current market prices remain an obstacle to homeownership, particularly for lower-income households. This analysis acknowledges that the sub-prime mortgage crisis and increased foreclosure rates have resulted in a national decline in home values, and increased affordability in single-family homes nationally and in the City. It is important to note, however, that credit markets have tightened in tandem with the decline in home values. As a result, although homes have become more

affordable, lender requirements for a minimum down payment or higher credit score may present a greater obstacle for buyers today.

While declining home values have helped many households enter the ownership market, credit access remains a real challenge for potential homebuyers. In addition, affordable FHA loans and first-time homebuyer programs can be difficult to access for buyers, as many loan officers and realtors prefer to focus on conventional mortgages due to the time and effort associated with affordable loan products. Entitlement Jurisdictions and homeownership counselors have responded to these challenges by developing relationships with area lenders who have specific products that focus on this market.

Cost is increasing and subsidy for lower income wage earners is limited.

Rising costs of housing for purchase and a tight supply of affordable rental housing, coupled with inadequate household incomes make it that much more difficult for many households to access housing that they can afford. In terms of barriers to home ownership, down payment requirements and property taxes pose big hurdles to many households in accessing homeownership.

There is a lack of housing for population groups making less than 60 percent, 50 percent or even 30 percent of Area Median Income (AMI). Minimum wage is far below a "living wage" and a person could be working full-time and still not earn enough money to afford rental housing or to purchase a home in the City.

Data gathered from interviews and focus groups identify lack of affordable housing as a barrier to fair housing choice in the City. The solution to this shortfall is still up for debate. Some identify a need to increase the production of affordable housing options. Others feel that enough units exist, but not enough resources to provide subsidies for families who are still unable to afford this housing. Others were concerned that in some parts of the City, affordable units are primarily in areas of concentrated poverty and deteriorated conditions making these units least desirable to those who can afford them. This is also the case for

persons needing public and assisted housing as much of that supply of housing is in R-ECAP areas.

Access to Affordable Housing near Major Employment Centers is limited.

An often-cited concern is the issue of affordability and accessibility as a result of lower cost housing not being in close proximity to or accessible by public transportation to and from major employment centers in the City. Seniors and persons with disabilities were concerned that fair housing choice is particularly limited in the communities, due to their inability to access healthcare and social service centers if they are public transit dependent.

Housing for Seniors and People with Disabilities is limited.

The increase in baby boomers and aging population requires affordable, accessible and senior friendly units, properties and neighborhoods. Currently, seniors and those persons with disabilities are experiencing limited choices in accessible and affordable housing units, and support services for seniors with mental and intellectual disabilities. There is an increasing demand for “aging in place” modifications in existing housing and neighborhood infrastructure. An aging housing stock contributes to issues with retrofitting existing properties to accommodate seniors and people with disabilities.

Affordable Units for Large and Extended Families are limited.

The City is impacted by a lack of affordable and available housing options for large families with four or more children. These families may face discrimination accessing housing through landlords or realtors, sometimes in response to public concern of perceived problems with large families. Multi-generational and extended families face similar not in my backyard “NIMBY” issues and this can be particularly difficult for immigrant and ethnic populations with varying cultural differences in the concept of families and living. In some parts of the City, much of the limited supply of large units for rental are limited to single families housing, or units offered by public housing authorities and assisted housing providers.

Housing Subsidies are Limited

The need for more housing with deep subsidies and rental assistance that lessen the rent burdens of poor households that otherwise would have to pay more than 30 percent of their income towards rent is evidenced by the very high number of extremely low-income (earning at or below 30 percent of the area median income) households on Section 8 and Public Housing waiting list which are largely comprised of families with children, persons with disabilities, and racial/ethnic minority groups. It is also important to note that persons who are extremely low-income are often recipients of public assistance, including housing subsidies, and as such are not currently protected as a class under the State or Federal Fair Housing Acts.

Issues: Lack of affordability, that is households having inadequate income to acquire housing currently available in the market, may be the most critical impediment faced by households in the City. The census data provides the distribution of income across income classes for Whites, African-American, and Hispanics. The income distribution data show disparity in Danville' income distribution across these populations. The income distribution data show a higher proportion of low-income households within African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons. The modal income classes (the income classes with the highest number of households) for Whites were the \$35,000 to \$49,999 with 17.1 percent of Whites in this income range. The most frequently reported income for African-American households was the less than \$10,000 range with 20.1 percent of African-Americans in this range. The most frequently reported income for Hispanic households was the \$50,000 to \$74,999 range with 23.6 percent of Hispanics in this range. According to the 2008-2012 ACS estimates (5-year average), the median household income was reported to be \$36,344 for White households, \$24,717 for African-American households and \$33,750 for Hispanic households, compared to \$31,134 for the City.

The median housing value in the City of Danville was \$89,500 and the median contract rent was \$415 between 2008 and 2012. The average income required to qualify for a mortgage based on the median home value of \$89,500 for the City is approximately \$25,000 to \$35,000 in household income and the average income to qualify for a contract rent of \$415 is \$20,000 to \$25,000. As a reference, \$25,000 per year is approximately \$13.00 per hour for a forty-hour workweek, 52 weeks a year for a single wage earner. Factor in housing related expenses other than mortgage or rent payments such as taxes, insurance, and utilities, home ownership and rental housing is not attainable to many in the City. Approximately 36.4 percent of Whites, 50.4 percent of African Americans, and 36.8 percent of Hispanics earn annual household incomes of less than \$25,000.

We do acknowledge that median and modal income are not the only factors to be considered in an assessment of persons ability to qualify for mortgages and that other indicators and mortgage underwriting criteria are important. It is also noteworthy that we found significant disparate impacts relative to income, modal and median income, for minority households and protected class members. The lower income for racial/ethnic groups in the City as a whole underscores that many earn incomes that are insufficient to acquire housing in the current market regardless of race or ethnicity and results in a significant cost burden for others.

Cost burden is a major concern. According to the 2008 - 2012 ACS estimates, 50.8 percent of renter households paid more than 30 percent of their household income towards rent. Over 73 percent of the renter households with household income of less than \$10,000, 75.9 percent of the renter households that earned between \$10,000 to \$19,999, 49.2 percent of the renter households that earned between \$20,000 to \$34,999, and 7.5 percent of the renter households that earned between \$35,000 to \$49,999 spent more than 30 percent of their households income towards rent during the five-year period.

Approximately 25.0 percent of owner households were 30 percent cost burden and 9.3 percent of the owner households were 50 percent cost burden during the same period.

We therefore have identified insufficient income, cost of housing, cost burden, and a shortage of affordable housing as primary impediments to fair housing in the city. In addition to insufficient income and cost burden, other wide ranging and interconnected impediments influence the development, pricing and affordability of housing. These impediments include: the rapidly rising cost of land; development fees; an appraisal process that does not render adequate appraisal comparables that accurately support infill housing investments, or the investment needed to rehabilitate substandard housing in disinvestment areas. Focus group participants voiced particular concern that the supply of affordable housing for working families was in short supply which is only adding to the overall affordable housing shortage.

Market rents are generally affordable to median-income households, but not for low, very low- and extremely-low income households. With a few exceptions, market rate rents are roughly comparable to the maximum affordable rents for households earning median income or higher than median incomes across the City. In contrast, the average market rate rent far exceeds the maximum affordable rent for most low, very low, and extremely low-income households. These households would need to spend substantially more than 30 percent of their gross income to afford market rate rental housing.

Impacts: Housing affordability impacts the structure and stability of neighborhoods. Income diversified neighborhoods and neighborhoods that are accessible to a mix of incomes have shown a greater potential to maintain themselves as a viable community. That is, people are most likely to maintain housing they own or when it is their housing of choice. The data for homeownership supports our concerns relative to the disparate impacts of affordability and cost burden on minority households. Homeownership rates for

White Households remain healthy and comparable to the national average relative to homeownership. The homeownership rate in Danville among Whites was 66.3 percent, 24.4 percentage points higher than African-Americans at 41.9 percent, and 37.0 percentage points higher than that of Hispanics, with a homeownership rate at 29.3 percent between 2008 and 2012.

Remedial Actions:

Action #1: Support the increased production of affordable housing through public-private partnerships with developers and capacity building for nonprofits. The City will continue to work with local banks, developers and non-profit organizations to expand the stock of affordable housing. A continuation of these efforts should increase the production of new affordable housing units and assistance toward the purchase and renovation of housing in existing neighborhoods. Greater emphasis should also be placed on capacity building and technical assistance initiatives aimed at expanding non-profit, faith based organizations and private developers' production activities in the City. Alternative resources for Entitlement funded housing programs and to leverage increased capacity among the public and private sector should be sought from Fannie Mae, U.S. Department of Treasury Community Development Funding Institution (CDFI) program, Federal Home Loan Bank and other state and federal sources.

Action #2: Facilitate access to below-market-rate units. The City will assist affordable housing developers by advertising the availability of below-market-rate units via their jurisdictions' websites, referral phone service, and other media outlets. The City will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have fair access to available units. The City will work with the affordable housing developers and nonprofit agencies receiving entitlement funds to revise their housing applications to reduce the obstacles that persons with limited English proficiency, and those who are disabled, elderly or homeless may have in submitting completed paperwork within the allowable time frames.

Action #3: Maintain a list of partner lenders. The City will maintain a list of lenders that can help buyers' access below-market-rate loans and entitlement sponsored down-payment and mortgage assistance programs.

Action #4: Identify and seek additional sources of funds for affordable housing. The City will utilize any non-entitlement grant resources in an effort to increase funding for first time homebuyer mortgage assistance program. This would support eligible person in the market in acquiring affordable housing within the community and support those responsible for providing financing and engaged in affordable housing development.

Action #5: Encourage private sector support for affordable housing initiatives. The City, in coordination with the local jurisdictions and chamber of commerce, will encourage major employers and lenders to consider Employer-Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing. In some instances, the state, cities, counties and the chamber will have to help raise the awareness among local employers and increase their understanding that not all wage levels permit ready entry into homeownership, without some sort of subsidy. This is important in that the private sector and employment community often view the use of subsidies to help low to moderate income households achieve homeownership as a public responsibility. In reality, with limited resources, the various local and county governments receiving entitlement and other HUD funding can only assist a small percentage of those in need. Local chambers can play a critical role in researching this issues and encouraging local businesses, local school districts, universities and local hospitals to consider implementing such programs for their employees. Employer-Assisted Housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into home-ownership. Ultimately, communities benefit though investment in the neighborhoods where the employers and employees are located.

The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs use a combination of some of the benefits listed above. One program that has been successful was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's own EAH program has made it possible for 2,200 of its employees to become homeowners. The City of Waco, Texas has implemented an EAH program and made it eligible to all City employees.

6.2 Public Policy and Fair Housing Infrastructure Impediments

Impediment: Additional Protected Classes should be considered as a means of strengthening the State's Fair Housing Act.

Issues: The City of Danville Fair Housing Act was compared to the Federal Fair Housing Act and the analysis has determined that the current law does not offer similar rights, remedies, and enforcement to the federal and state laws and should be construed as not being substantially equivalent to the Federal and State Fair Housing Act. It is important to note that neither the State Act nor the Federal Act offer protections for persons based on "source of income for housing" or those receiving "public assistance". Persons who are extremely low-income are often recipients of public assistance, including housing subsidies, and as such are not currently protected as class members under the State or Federal Fair Housing Acts.

Remedial Actions:

Action #6: Increase fair housing education and outreach. The City of Danville will increase fair housing education and outreach in an effort to raise

awareness and increase the effectiveness of its local fair housing ordinances. The city will target funding to fair housing education and outreach to the rapidly growing Hispanic and other immigrant populations. The City will also continue organizing fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage. Other alternatives for increasing awareness and effectiveness of fair housing include providing local enforcement. However, community development resources are limited, therefore local enforcement would necessitate additional funds for investigation and enforcement and expansion of outreach and education. We do not recommend this approach at the current time assuming HUD continues its enforcement services in the local jurisdiction. We do recommend that the City amend its local fair housing legislation that is substantially equivalent to federal fair housing law. This would be a first step toward acquiring federal funding for local enforcement. Future consideration should be given to a regional approach to local enforcement, perhaps through a partnership of other local jurisdictions and the City of Danville, and a joint application for FHAP and FHIP funding being submitted to HUD.

Action #7: Target outreach and training toward housing industry organizations and general public. The City of Danville will continue to partner with local industry organizations to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include providing joint fair housing training sessions, public outreach and education events, utilization of the City website and other media outlets to provide fair housing information, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #8: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. The City of Danville will encourage HUD to provide increased fair housing testing in local apartment

complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, HUD will be asked to share its findings with the City of Danville and the City will offer outreach to landlords that showed differential treatment during the test.

Impediment: Lack of Public Policies that support de-concentration of poverty and low income and racial and ethnic segregation.

Issues: Historical and sustained patterns of segregation and concentration of racial/ethnic minority populations, poverty and low income population, and public and assisted housing, and low income tax credit assisted developments (LIHTC) exist in some parts of the City. The U. S. Department of HUD has defined “Areas of Concentration and Segregation (RCAP-ECAP) – as areas or census tracts within a jurisdiction comprised of 50% or greater minority population and 40% or 3 times or more the poverty level of the MSA and generally lacking the basic amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration is to achieve minority concentrations and poverty level less than defined above by R-ECAP and to transform these areas of concentration into “Opportunity Areas”. By definition, Opportunity Areas are defined as areas offering access to quality goods and services, exemplary schools, health care, range of housing, transportation to employment and service centers, adequate public infrastructure, utilities, and recreation.

Current local Public Housing and State Low Income Housing Tax Credit (LIHTC) development and application selection criteria do not include concentration of poverty and segregation as factors in determining location of new public housing development, modernization of existing developments, and state awarded tax credit locations and do not incentivize applicants for selecting locations in opportunity areas. The current criterion also does not include incentives for amenities, enhanced security and design standards.

Remedial Actions:

Action #9: The City of Danville should lobby the State of Virginia to create criteria for approval of State Low Income Housing Tax Credit Applications that support de-concentration of poverty, low income, and racial/ethnic segregation. The City will lobby the state to enact criteria changes in their developer selection and tax credit award process emphasizing development standards, amenities in developments and insure that more locations are selected in “opportunity areas” in non-minority and non-poverty concentrated areas implemented in the State LIHTC evaluation policy and scoring system.

State Low Income Housing Tax Credit Project Criteria should be developed to guide the state and individual jurisdictions’ evaluation and provision for a letter of support and or entitlement funding for Low Income Tax Credit Application for developments in the City of Danville. The criteria should include limitations or restrictions on supporting applications for developments in current R-ECAP census tracts, concentrations of LIHTC developments in any individual area or jurisdiction, design criteria that increase amenities to residents, limitations on income concentrations in individual developments similar to those imposed by HUD QHWRA regulations, and CEPTED design standards.

Impediment: Increased public awareness of fair housing rights

Issues: Fair housing complaint information was received from the Philadelphia, Pennsylvania FHEO Division the U.S. Department of HUD. The data provides a breakdown of complaints filed in the City. While we were unable to determine if the number of complaints filed over the past five years is a sufficient indicator of the public’s awareness relative to their fair housing rights, limited public awareness may be a major contributing factor. We believe that fair housing enforcement, outreach, education and training should be continued by the State and FHEO, as an important step toward raising local awareness and maintaining effective Fair Housing Policy in Danville.

Greater Public Awareness of Fair Housing is needed. Participants in the focus group sessions and key person interviews including representatives of fair housing organizations indicate that general public education and awareness of fair housing issues needs to be increased. Of particular concern is that tenants often do not completely understand their fair housing rights. To address this issue, the City should continue to provide fair housing education and outreach programs to both housing providers and the general public. In addition, fair housing outreach to the general community through mass media such as newspaper columns, multi-lingual pamphlets, flyers, and radio advertisements have proved effective in increasing awareness. Fair housing organizations also indicate that outreach to immigrant and populations that are primarily Spanish speaking and other protected classes should be targeted for such outreach.

Remedial Actions:

Action #10: Increase fair housing education and outreach. The City will continue to provide fair housing education and outreach in an effort to raise awareness and increase the effectiveness of its local fair housing ordinances. The initiative will target funding to fair housing education and outreach to the rapidly growing Hispanic and other immigrant populations. The initiative will also continue organizing fair housing workshops or information sessions to increase awareness of fair housing rights among immigrant populations and low income persons who are more likely to be entering the home-buying or rental markets at a disadvantage.

Action #11: Target outreach and training toward housing industry organizations and general public. The City will partner with fair housing service providers and local industry groups to conduct ongoing outreach and education regarding fair housing for the general public and focused toward protected class members, renters, home seekers, landlords, and property managers. Outreach will include fair housing organizations providing training sessions, public events,

City website and other media outlets, and multi-lingual fair housing flyers and pamphlets available in a variety of public locations.

Action #12: Encourage Fair Housing Enforcement Agencies to target increase fair housing testing for multifamily properties. The City will continue to encourage fair housing testing in local apartment complexes. The testing looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, the enforcement authority will submit findings to the City of Danville and the City will conduct educational outreach to landlords that showed differential treatment during the test.

Impediment: Increased efficiency of Public Transportation and Mobility.

Issues: The public transportation systems are limited in the City. For the most part, the transit agency provides adequate routes to and from major employment centers and lower income neighborhoods. Limitations include limited service after 6:00 pm to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social services in the county. While the economics of public transit, particularly in smaller communities prevent complete coverage that would allow all worker a reliable and speedy commute to any job location within the City, the distribution of routes in the existing transit systems focus on providing access to major employment centers and neighborhoods where residents are more likely to utilize public transportation on their commutes to work.

Impacts: Public transportation limitations include limited service after 6:00 pm to accommodate second and third shift workers, and direct routes to some existing and emerging employment centers and social service locations, particularly to and from locations in the county for public transit dependent residents. The economics of public transit, particularly in this smaller community, prevents complete coverage allowing all workers a reliable and speedy commute to any job location within the City.

Remedial Actions:

Action #13: Expand routes and service times for public transportation to Employment Centers - Additional focus and analyses should be given to expanding public transportation as it becomes economical to do so. During our focus group sessions, participants voiced concerns that if the City supports the concept of regional employment centers and recruitment of new industry in areas outside of their local community, that transportation alternatives are needed to insure that residents of Danville can continue to live in their existing communities and have cost effective and time/commute effective transportation to and from work other than personal automobiles. As the City explores transportation alternatives for the next 10 to 30 years and the opportunity to recruit industry and job generators as a City and region, alternatives to highway-automobile transportation should be considered.

6.3 Banking, Finance, Insurance and other Industry related impediments

Impediment: Impacts of the Subprime Mortgage Lending Crises and increased Foreclosures.

Issues: The housing foreclosure rates across the country continue to soar and the impacts are being felt in Danville as well. Numerous web sites are providing numerical counts and locations for homes with foreclosure filings across the country and for Pittsylvania County and City of Danville. The rise in foreclosures may in part be attributed to the rise and fall of subprime lending market. Subprime lenders offered loans to less-creditworthy borrowers, borrowers that lack sufficient down-payments to afford the property, and risk based borrowers that speculate on the real estate market by acquiring real estate with no equity investment/down-payment in hopes that the property would appreciate in value over a short period of time. These loans are generally offered at higher interest rates or through products involving adjustable interest rates and balloon

payments. When the borrower cannot meet the increased mortgage payment they default and the property goes into foreclosure.

Neighborhood Housing Services, NHS, and Neighbor Works America are two national housing intermediaries that have created innovated programs in Chicago, Baltimore, and New York City designed to reduce the impacts of foreclosures and subprime lending in those affordable housing markets.

Remedial Actions:

Action #14: Apply for competitive and non Entitlement State and Federal funding and assistance from nonprofit intermediaries. The City will pursue Neighborhood Stabilization Program (NSP) funding if it becomes available to provide home buyer assistance and subsidies to homebuyers to acquire foreclosure property and get it back into commerce.

The City will evaluate programs operated by national non-profit housing intermediaries and HUD to identify funding that can help reduces the mortgage default rate and foreclosure rates among low and moderate income home buyers and existing home owners. These programs offer initiatives such as loan default prevention programs based on providing counseling to affected borrowers, assistance with identifying alternative products that helps borrowers avoid subprime lending, and assistance with re-negotiation for more favorable terms for borrowers with subprime loans.

Other intermediaries offer assistance in identifying government assistance programs that serve to assist distressed borrowers and are currently evaluating the feasibility of creating a maintenance and replacement reserve account for affordable home buyers assisted with the entitlement and other federal funds to insure that funds are escrowed to help cover the cost of major repairs, unexpected income/job loss and to write down interest rates.

Impediment: Predatory lending and other industry practices.

Issue: Predatory lending is a concern in the City. Several incidents were cited, by person interviewed and those attending the focus group sessions, suggesting unfavorable lending practices. For some persons, traditional banking and lending relationships have been replaced or relegated to pay-day loan, check-cashing, and title-loan stores. Focus Group participants also complained of extremely high interest rates being charged by not only predatory lenders, but traditional banks and financial institutions for credit cards, auto loans, and other consumer loans. In some instances, the low-income population may be subject to predatory lending because they have a poor credit rating and limited credit history.

Impact: Predatory lending practices often result in a lower-income household losing their home, automobile or other collateral. In some cases, Focus Group participants cited instances where homeowners who had already paid off their original mortgage were losing their home when used as collateral on a loan for a small fraction of the home's value. With low approval rates when submitting loan applications to traditional lenders, residents are more likely to utilize the services of subprime lenders and check-cashing stores that may charge exorbitant interest rates and have severe default penalties. Predatory lending may further impair an individual's credit and monopolize more of a low-income person's monthly income with high interest rates and finance charges, leaving less money for housing and necessities. Consumers felt that they had little recourse to address adverse industry practices that impact their housing choice.

Remedial Actions:

Action #15: Encourage bank and traditional lenders to offer products addressing the needs of households currently utilizing predatory lenders.

The City will encourage lending institutions to provide greater outreach to the low income and minority households. Greater emphasis by financial institutions on programs that support lower income persons attempting to establish or

reestablishing checking, saving, and credit accounts rather than their common utilization of check-cashing services is desired. This may require traditional lenders and banks to establish “fresh start programs” for those with poor credit and previous non-compliant bank account practices. Lending institutions should therefore be encouraged to tailor products to better accommodate the past financial deficiencies of low income applicants with credit issues.

City officials should also to help raise awareness among the appraisal industry concerning limited comparability for affordable housing products. Industry representatives should be encourage to perform comparability studies to identify real estate comparables that more realistically reflect the values of homes being built in low income areas and supporting infill housing development.

6.4 Socio-Economic Impediments

Impediment: Barriers to Fair Housing Choice Impacts on Special Need Populations

Elderly Persons and Households. Seniors are living longer; lifestyles are changing and desire for a range of housing alternatives increasing. Issues such as aging in place, smaller units with lower maintenance cost, and rental accommodations that cater to those with live-in care givers are of major concern. For other seniors, they often need accessible units located in close proximity to services and public transportation. Many seniors live on fixed incomes, making affordability a particular concern. There is a limited supply of affordable senior housing in the state. In addition, local senior service providers and community workshop participants report that many subsidized senior housing projects serve individuals or couples only and do not accommodate caregivers. In other cases, the caregiver’s income may make the senior ineligible for the affordable unit.

Persons with Disabilities. Building codes and ADA regulations require a percentage of units in multifamily residential complexes be wheelchair accessible and accessible for individuals with hearing or vision impairments. Affordable housing developers follow these requirements by providing accessible units in their buildings. Nonetheless, service providers report that demand exceeds the supply of accessible, subsidized units. In contrast to this concern, some affordable housing providers report that they have difficulty filling accessible units with disabled individuals. Persons with disabilities face other challenges that may make it more difficult to secure both affordable or market-rate housing, such as lower credit scores, the need for service animals (which must be accommodated as a reasonable accommodation under the Fair Housing Act), the limited number of accessible units, and the reliance on Social Security or welfare benefits as a major income source.

Homeless Individuals. The primary barrier to housing choice for homeless individuals is insufficient income. Service providers indicate that many homeless rely on Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI) for income, which are too low to qualify for most market rate and many affordable housing developments. In addition, property managers often screen out individuals with a criminal or drug history, history of evictions, or poor credit, which effectively excludes many homeless persons. There were antidotal comments by those interviewed that some persons have been denied housing based on their immediate rental history being a shelter or transitional housing facility.

Limited English Proficiency (LEP) Individuals. Local service providers state that as financial institutions institute more stringent lending practices and outreach to minority communities has declined with the economy, LEP and undocumented individuals face greater challenges in securing a mortgage. Furthermore, many households in the Spanish-speaking community and other LEP populations rely on a cash economy, and lack the record keeping and

financial legitimacy that lenders require. Nationally, national origin is emerging as a one of the more common bases for fair housing complaints.

Female Headed, Female Headed with Children and large Family households. In many communities, female-headed households, female-headed households with children and large families face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18 sometimes correlate to increased incidents of reported rental property owners' refusal to rent to tenants with children. The percentage of female-headed households with children in Danville was disproportionately higher among African-Americans at 34.6 percent between 2008 and 2012. Comparatively, female-headed households with children for White households were 10.7 percent and 16.3 percent for Hispanic households. When considering all family types with children present, the data show that 15.3 percent of all White households, 36.4 percent of all African-American households, and 53.2 percent of all Hispanic households were in this category.

Non-family households as a percentage of total households for all three of the major races/ethnicities were comparable. Non-family households among Whites made up 45.6 percent of all White households in Danville. Non-family households among African-Americans accounted for 36.3 percent of all African-American households. Non-family households among Hispanics accounted for 29.9 percent of all Hispanic households.

Unemployed Persons. The unemployment rate in the City was moderate to severe for persons age 16 and over reported as being unemployed and disparately impacting African Americans with rates ranging from 8.8 percent for Hispanics to 20.8 percent for African-Americans. Between 2008 and 2012, 10.2 percent of White persons age 16 and over reported being unemployed. As a comparison, the citywide unemployment rate was 15.4 percent during the period.

Issues: Minorities and special needs populations face a disproportionate rate of barriers to fair housing choice than that of mainstream populations. A shared disadvantage faced by many minority and special needs households are the impacts of living in poverty, lost wages and living on lower, fixed or no income. These limitations are major factors preventing their exercise of housing choice. Minority and special needs populations are hardest hit by poverty and lower income. The poverty data shows major disparities for Hispanics and African-Americans compared to that of Whites and citywide poverty totals. The poverty data reveals poverty disproportionately impacting the African-American and Hispanic communities in the City as well.

Households experiencing a severe lack of income and or unemployed typically must accept housing in the lowest income census tracts or rely on public assistance and public and assisted housing wherever it is available. Housing tends to be segregated by income class and sometimes by race or ethnicity. In areas where the housing stock is most likely in poor condition, there are higher reported incidents of criminal activity, and opportunities for improving a person's quality of life are low. Children from these households grow up in an environment that sometimes dooms them to replicate their community's living standards, continuing the cycle of poverty for generations to come. Focus group participants voiced a perception that certain areas of the City are home to a disproportionate number of low-income persons, living in substandard and crime ridden multifamily housing developments. Participants indicated that the concentration of poverty is not only a concern with regard to social equity and the plight of renters, but poverty and low / limited income is also having an impact on the condition and quality of single family housing in the neighborhoods where there are high concentrations of lower income and elderly home owners. In areas where a majority of homeowners cannot afford routine maintenance, poor housing conditions may quickly become the prevalent state of affairs. Lack of job opportunities and lack of sufficient income to afford decent housing were cited as concerns.

Remedial Actions:

Action #16: Provide language assistance to persons with limited English proficiency. Many individuals living in the state for which English is not their primary language may speak English with limited proficiency or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The City will implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #17: Continue to Implement an Affirmative Fair Housing Marketing Plan (AFHMP) to create fair and open access to affordable housing. The City will include provisions in Affirmative Fair Housing Marketing Plans insuring that individuals of similar economic levels in the same housing market areas have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The entitlement-funded agencies in the City shall follow the plan and insure that it is consistent with federal guidelines to promote fair access to affordable housing for all persons. The City will also provide outreach to private landlords not receiving entitlement funding encouraging landlords to facilitate and embrace the City's AFHMP provision of providing housing to persons protected under the Fair Housing Act and those with imperfect credit histories, limited rental histories or other issues in their backgrounds.

Action #18: Continue to encourage recruitment of industry and job creation. The City will continue to work on expanding job opportunities through the recruitment of corporations, the provision of incentives for local corporations seeking expansion opportunities, assistance with the preparation of small business loan applications, and other activities whose aim is to reduce unemployment and expand the base of higher income jobs. A particular emphasis should be to recruit jobs that best mirror the job skills and education levels of those populations most in need of jobs. For the City, this means jobs

that support person with high school education, GED's and in some instances, community college or technical training. These persons are evident in the workforce demographics and in need of jobs paying minimum wage to moderate hourly wages. The City should also continue to support agencies that provide workforce development programs and continuing education courses to increase the educational level and job skills of residents. The goal should be to increase the GED, high school graduation, technical training, and college matriculation rates among residents. This will help in the recruitment of industry such as "call centers", clerical and manufacturing jobs. Call centers and customer service centers where employees are recruited to process sales or provide customer service support for various industries, have become more and more attracted to areas with similar demographics to that of the City of Danville.

The Aflac Insurance Company is a great example of a "call center operation" that relocated to a smaller city, and is making a difference by dramatically expanding employment in Columbus, Georgia for persons from similar demographic groups to those most in need of jobs in the City. In 1998, Aflac opened its Computer Service Center housing 600 employees. In 2001, the company opened its Corporate Ridge office, a 104-acre development housing the company's claim processing and call center operations. Aflac recently opened a new phase of the expansion in 2007, which added 90,000 square feet to the existing Paul S. Amos Corporate Ridge campus building located in Columbus, Georgia. The City of Columbus provided an incentive package including tax abatement and land assembly and acquisition subsidies in part through the use of their federal grant funds.

The City of Danville, in conjunction with local business interest, continues to focus on actively recruiting industries that match the demographics of the populations most unemployed, as a means of improving poverty rates, incomes and home ownership rates in the City. The City should continue providing incentives similar to those used in the past to achieve this goal. Recruiting such

industries can assist in increasing the City's tax base, while serving to provide the necessary income for more people to achieve home ownership.

Action #19: Increase Alternative Housing Choices for Seniors - The elderly have few alternatives for housing. They must choose between living in traditional single family ownership units, living with relatives and single family and multifamily rental housing or assisted living or nursing homes. There are few alternatives or programs supporting seniors "aging in place" or building code provisions for "visitable housing standards" that provide for at least one bedroom, hallway and entry door provide accessibility for disabled person to all new single family structures. Alternative housing products and financial tools are needs. The following are some alternatives.

Senior Housing / Tax Credit Financing – Commercial buildings in local commercial districts and vacant, obsolete commercial building and school facilities in neighborhoods throughout the City are currently marginal or non-contributing asset to the community's wellbeing. However, their proximity to major transportation corridors, which serve as car or public transportation routes to various senior services and programming sites, make these buildings an attractive prospect for adaptive re-use as senior housing. Developers such as Keen Development Corporation assisted AU Associates in planning for the conversion of similar sites such as the historic Midway School located in Midway, Kentucky, into 28 apartments for the elderly utilizing LIHTC equity and HOME Funds.

Cottage Housing for Elderly Homebuyers – Cottage housing, or cluster housing as it is sometimes called, provides a smaller unit for the elderly as a homeownership option or as an alternative to continuing ownership of a larger unit that essentially over-houses them or has become too costly to maintain. It should also be considered a viable alternative to an entitlement grant-funded major rehabilitation when an elderly applicant is living in unsafe conditions and the rehabilitation costs exceed the projected value of the completed structure. There may also be applicants who, as a result of limited funding, will have to wait

years for assistance because their application is at the end of a long rehabilitation program waiting list.

6.5 Neighborhood Conditions Related Impediments

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Issue: The potential for neighborhood decline and increasing instability in Danville' older neighborhoods is a growing concern. Neighborhoods relatively stable today will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with decreasing incomes to pay for basic maintenance and renovations. This increase in elderly households coupled with the steady rise in the cost of housing and the cost of maintaining housing means that many residents will not be able to limit their housing related cost to 30 percent of household income and still maintain their property. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well.

The City of Danville received approximately \$1,093,949 in entitlement funding for Program Year 2013 - 2014 and with anticipated program income of \$285,000 operated a total budget of \$1,378,949 for that program year. These resources, while used largely for housing and housing related activities, do not directly impact large segments of the population in need of housing assistance due to the limited amount of funds received annually. Increased support from volunteers and community resources will be needed to close the gap between those in need of housing related assistance and resources available.

Impact: Neighborhoods and homeowners and renters must devise a means for residents and landlords to keep pace with the maintenance demands of housing, an aging housing stock, and support those persons unable to maintain their

properties on their own. This will enhance and support a healthy neighborhood “Image and Identity” and help attract new residents and retain existing residents and businesses. An essential component of this recommendation will include becoming healthier, sustainable neighborhoods, able to meet the essential quality of life needs of its residents and to improve the physical character of the neighborhood. In some neighborhoods, these attributes are viewed as negative and uninviting both internally by its residents and externally by the community at large. Some neighborhoods are viewed as unsafe and a haven for criminal activities. Whether this is reality or a perception, it has a detrimental effect on the image of the neighborhood either way.

Neighborhood assets must be protected and improved. Structures should be strategically removed if found to no longer contribute to the well-being of the community. Maintaining vacant lots, including clearing weed, litter, and junk, and maintaining tree growth, would immediately improve the appearance of neighborhoods. Existing regulatory efforts need to be expanded and additional resources allocated to support enhanced code enforcement throughout the city. Other amenities such as providing streetscape enhancements in the medians and pedestrian areas along residential streets, adding street lighting, sidewalks, shrubs, and new development on vacant lots, would significantly improve the neighborhoods. Most of all, there is a need to revive the “sense of community and trust” and encourage participation and cooperation from residents to maintain their homes, yards, and surroundings and to actively participate in community empowerment activities such as Crime Watch, neighborhood associations and self-help initiatives.

Remedial Actions:

Action #20: Design and implement a centralized program of self-help initiatives. The City will evaluate the design and implement a Centralized Program of Self Help Initiatives based on volunteers providing housing assistance to designated elderly and indigent property owners and assist them in

complying with municipal housing codes. This will require an organized recruiting effort to gain greater involvement from volunteers, community organizations, religious organizations/institutions and businesses as a means of supplementing available financial resources for housing repair and neighborhood cleanups.

While there have been successful initiatives of this nature in the City of Danville sponsored by the City and nonprofit agencies, a more comprehensive effort, perhaps coordinated by the City, needs to be designed and implemented that fully utilizes the resources of the community and area businesses. The program will be based on a case management system where the select needs of area property owners are matched with volunteer resource teams capable of solving the City code violations and other needed exterior repairs for select properties. Requests for assistance would be received from code enforcement officials, housing program administrators, social service agencies, community institutions, and homeowners. Priority will be given to those owners immediately affected by an active code compliance case, a targeted block or area project, and those with life threatening or uninhabitable conditions.

Eligibility for assistance will require verification of income or status as elderly or disabled. Levels of assistance would be based on the specific needs to be addressed and the ability of the property owners and their family to assist in the effort. The City could possibly fund or seek funding from the private sector for a part-time Program Coordinator designated to conduct home visits of each program participant, evaluate the appropriateness for volunteers to perform the work, and determine and advise the homeowner of their responsibilities in support of the effort. The Program Coordinator, upon securing a match between volunteers and property owner, will coordinate project dates, materials, supplies, and project support for the day of the project. Again, some of these activities may have been initiated in the past, so in some instances, our recommendations are that activities be continued, offer an enhanced level of programming, or that the

city apply for funds as they become available. Activities that could be considered for the centralized self-help initiatives program include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.
- **Implement a Youth Build and Repair Program in conjunction with the local school district or the Danville Housing Authority.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.
- **Organize a "Compliance Store"** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.
- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Creating Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to

increase the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme, coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The City Assessor can provide information on the ownership of the property, including a mailing address. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the City or expropriated, ownership of the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

Section 7: Oversight, Monitoring and Maintenance of Records

Introduction

This section summarizes the ongoing responsibilities of the City of Danville relative to oversight of efforts to implement the remedial actions recommend in Section Six of this report. It also sets forth the monitoring and maintenance of records procedures that will be implemented by the jurisdictions to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

Oversight and Monitoring

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Danville Community Development Department with the support of an independent consultant.

The City of Danville Community Development Department (CDD) will be designated as the lead agency for the City of Danville with responsibility for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the City's progress in implementing the applicable remedial actions and other efforts to further fair housing choice identified in this report. The CDD, as the designated lead agency, will therefore provide oversight, as applicable, of the following activities.

■The CDD will evaluate each of the recommendations and remedial actions presented in this report, and ensure consultation with appropriate City Departments and outside agencies to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on City policies, fiscal impacts, anticipated impact on or remedy to the impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. The CDD will provide recommendations for implementation to the City Manager and City Council based on this evaluation.

■The CDD will continue to ensure that all sub-grantees receiving CDBG, and other grant funds have an up-to-date Affirmative Fair Housing Marketing Plan; display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate; and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

■The CDD will ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.

■The CDD will continue to support Fair Housing outreach and education activities through its programming for sub-recipients and its participation in community fairs and workshops; providing fair housing information brochures at public libraries and City facilities; and sponsoring public service announcements with media organizations that provide such a service to local government.

■The CDD will incorporate fair housing requirements in its grant program planning, outreach and training sessions.

■The CDD will continue to refer fair housing complaints and or direct person persons desiring information or filing complaints with the HUD FHEO Regional Office in Philadelphia, Pennsylvania.

Maintenance of Records

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the CDD will maintain the following data and information as documentation of the City's certification that its efforts are affirmatively further fair housing choice.

■A copy of the 2014 - 2015 Analysis of Impediments to Fair Housing Choice and any updates will be maintained and made available upon request.

■A list of actions taken as part of the implementation of this report and the City's Fair Housing Programs will be maintained and made available upon request.

■An update of the City's progress in implementing the FY 2014 AI will be submitted to HUD at the end of each program year, as part of the City of Danville's Consolidated Annual Performance and Evaluation Report (CAPERS).