

CITY OF DANVILLE, VIRGINIA

ASSESSMENT OF FAIR HOUSING CHOICE

ANALYSIS OF IMPEDIMENTS



City of Danville

Community Development Department

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-  City of Danville Mayor and City Council
-  Danville Community Development Department
-  Danville Redevelopment Housing Authority (RDHA)
-  Danville Industry and Business Owners
-  Danville Public School District
-  NextDoor Danville
-  Banking and Construction Industry, Apartment Owners, Developers
-  Residents of Danville
-  Non-Profit Housing Providers
-  City of Danville Departments and Agencies
-  Danville Chamber of Commerce

I. Executive Summary

The preparation of the Assessment of Fair Housing / Analysis of Impediments serves as a component of the City of Danville's fulfillment of the requirements of the Housing and Community Development Act of 1974. The 1974 Act requires that any community receiving U.S. Department of Housing and Urban Development Federal Entitlement funding under the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and funding provided under the Public Housing Authorities' public and assisted housing programs must certify that the jurisdiction is "affirmatively furthering fair housing choice."

The 1974 requirement is based on the Federal Fair Housing Act adopted by the U.S. Congress and signed into law by President Lyndon B. Johnson in 1968. The Federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, gender, disability, familial status, or national origin. Persons protected from discrimination by fair housing laws are referred to as "members of the protected classes". Protected class members under the Federal Fair Housing Act are protected "on the basis of race/ethnicity, color, religion, sex, disability, familial status, and national origin". In addition, the U.S. Department of Housing and Urban Development (HUD) issued a Final Rule on February 3, 2012 that prohibits entitlement communities, public housing authorities, and other recipients of federal housing resources from discriminating on the basis of actual or perceived sexual orientation, gender identity, or marital status.

This Analysis of Impediments (AI) is a review of demographic data, metrics of discrimination and disparity, local regulations and administrative policies, procedures, and practices that affect the location, availability, and accessibility of housing. The AFH / AI also assesses the conditions where housing is located, both public and private, along with public policies and regulations that affect fair housing choice.

A city-wide analysis and discussion on the trends and issues relating to housing supported the development of the AFH. The community engagement process solicited

multiple perspectives including those of government agencies and departments, City of Danville elected and appointed boards and commissions, fair housing advocates, social service agencies, housing developers, apartment owners, non-profit organizations, business, industry, civic and neighborhood associations, educational institutions, public and assisted housing residents, and the public.

Input was received as part of the development of the 2021 Annual Plan from appointed representatives of the City of Danville Community Development Department and other city department representatives with policy, regulatory, and program responsibilities that potentially impact housing, fair housing and neighborhood sustainability. The input helped refine the work plan and identify key issues and data for the analysis. Supplemental input was encouraged from city departments, public officials, nonprofit and for-profit developers, continuum of care organizations, community, professionals and industry representatives to obtain information.

The combination of quantitative data analysis and qualitative research identified a series of factors that significantly contribute to fair housing issues in Danville. These contributing factors were assigned one of three priority levels: high, medium, or low based on the strength of supporting evidence that initially identified the factor:

- High – factors that limit or deny fair housing choice or access to opportunity, as well as, other factors that are urgent or establish a foundation for future actions
- Medium – moderately urgent or building on prior actions
- Low – limited impact on fair housing issues

The contributing factors are organized into groups that align with the issues discussed in the Fair Housing Analysis section of the AI: (B) (i) Segregation/Integration; (B) (ii) Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs); (B) (iii) Disparities in Access to Opportunity; (B)(iv) Disproportionate Housing Needs; (C) Publicly Supported Housing; (D) Disability and Access; and (E) Fair Housing Enforcement, Outreach Capacity, and Resources. The City of Danville programs, policies, procedures, housing

and community development waiting list, and regional influences have been reviewed and impediments identified are outlined in Section VI of this report. Section VI also includes recommendations and best practices to address identified impediments.

City of Danville AI Conclusions

Assessment of characteristics affecting housing production, availability, and affordability were conducted, including the adequacy and effectiveness of housing programs designed, implemented, and operated by City of Danville Community Development Department (CDD). The AFH assessed the extent to which the CDD is currently utilizing programs and funding to address impediments identified in the FY 2015 AI and previous Analysis of Impediments. The analysis also included a review of CDD programs, operating procedures, waiting list, tenant composition, and any regional impacts to fair housing. The CDD's programs policies and procedures were deemed consistent and in compliance with HUD requirements. There were no impediments identified in the review of CDD programs, policies and procedures. Conclusions of the review of these areas and recommendations of remedial actions are presented in Section VI of this report.

The Assessment of Fair Housing in Danville revealed that the cost of new housing development and replacement housing is resulting in higher rental rates for Low-Moderate Income (LMI) persons. Other impediments include high cost of land, appraisal value after development that does not support financing, and de-concentration of race/ethnicity, poverty and lower income persons. Currently, some privately owned – federally subsidized housing developments need repair and replacement of marginal and obsolete units. Current market values for existing developments versus the land and development cost to build new replacement units makes the sale of existing units and development of comparable replacement units infeasible. The cost to modernize and update existing units are difficult due to limited federal funding and the cost for renovation being equivalent to the cost of new construction on current and alternative sites.

An important impediment for the City of Danville's consideration is strengthening the City's local Fair Housing Ordinance. While the ordinance is substantially equivalent to the

Federal Fair Housing Act, enforcement and protected classes could be strengthened. The City of Danville does not provide substantially equivalent local enforcement, judicial or city review, and adjudication or penalties for those who violate Fair Housing Law. Instead, the City of Danville provides for a designated Fair Housing Officer who receives complaints and refers fair housing complaints to the HUD. The Fair Housing Officer provides public education, training, and outreach of fair housing rights and remedies in Danville. A federal “substantially equivalent” fair housing ordinance is required to qualify for federal funding to support local enforcement, outreach, and education.

Also reviewed was private sector and industry support for fair housing law and compliance in real estate-related publications advertising the sale or rental of housing and advertising home improvements and remodeling opportunities directed toward persons in the greater Danville area. 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 FHEO statements and/or logos. Including these statements and logos can be a means of educating the home seeking public that the purchase of property and financing for housing is available to all persons.

Analysis of the City of Danville’s Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation submitted by the City of Danville to HUD were reviewed. The City of Danville Zoning Ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted. There were no impediments identified in the review of the City of Danville programs, policies and procedures.

Remedial Actions for Identified Impediments - The major focus of the recommended remedial actions and goals are centered on creating partnerships, identifying new federal resources and leveraging private funding needed to enhance the City of Danville’s ability to increase the supply of affordable housing and its ability to better meet the needs of low-income and moderate-income households in the city. Other remedial actions are recommended as a means of reversing the negative and sometimes disparate impacts of market conditions and mortgage lending that adversely and disproportionately impact minorities and members of the protected classes under the Fair Housing Act. These

include sub-prime lending, credit and collateral deficiencies impacting loan origination rates, poverty, unemployment, living wages and limited income.

Recommended remedial actions and goals were identified and prioritized with input from the public. The details of the identified goals and remedial actions are presented in Section VI of the report. Best practice examples are presented to demonstrate alternative ways other jurisdictions have successfully responded to similar impediments identified in their communities. However, the City of Danville will need to evaluate the fiscal impact of implementing recommendations and the best practice program examples' potential for addressing impediments in Danville. Some programs and approaches will need to be customized for use in Danville.

Fair Housing and Economic Development - It is noteworthy that on November 3, 2020, Danville voters approved a plan to develop a resort casino at the former Dan River Mills industrial complex at the Schoolfield property. Based on projections from the planned casino developer and operator (Caesars Entertainment), the casino is projected to generate \$138.4 million for the City through 2026, inclusive of one-time and recurring revenue, to be available for investment after contractual obligations are met. These funds give the City a rare opportunity to both ensure the City's long-term fiscal sustainability and make priority investments designed to increase Danville's overall economic competitiveness. At the same time, the City should analyze how the potential growth in population, jobs, and apartment and real estate pricing may impact issues relative to fair housing. For example, greater subsidies from HUD entitlement grant funding will likely be needed for higher priced rental housing and home purchases for low-moderate income renters and homeowners. Predatory lending is likely to increase as well. Other recommendation outlines in Section VI of this report should also be examined in the context of economic growth.

II. 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, 2015 - 2019 American Community Survey (ACS) 5 - Year estimates, 2019 ACS 1 - Year estimate, 2010 U.S. Census, City of Danville, and other sources. The following sections provide data and analysis summarizing the status of Danville:

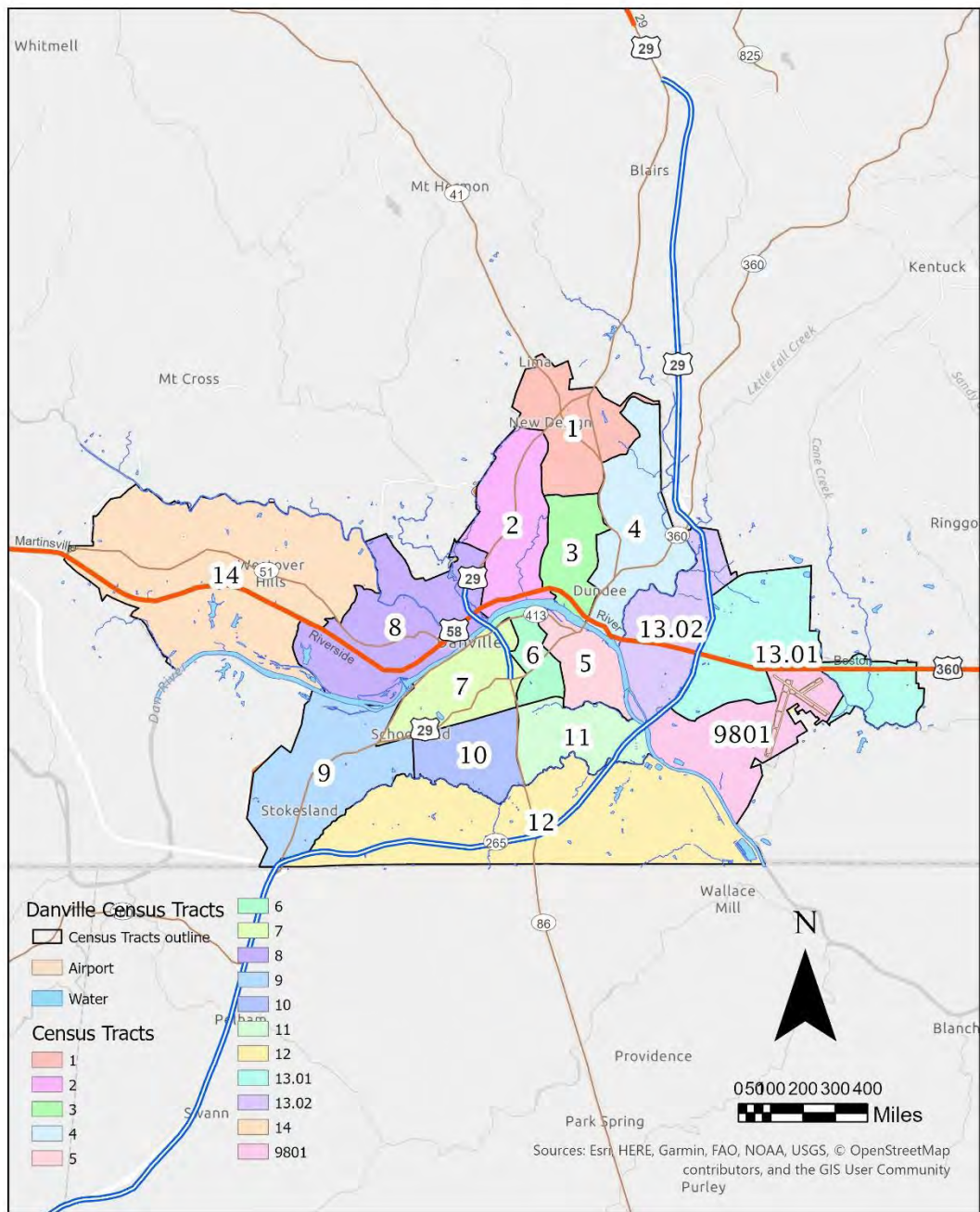
- Demographics - details the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major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

Detailed analyses 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, are not presented in as much detail in this report. The profiles include tables and maps as reference materials. Most of the data presented in the tables and maps are in the text. There may be some cases where additional information was included for the reader's benefit, though not explicitly noted in the text.

2.1. Demographics

The demographic analysis of Danville concentrates on the magnitude and composition of the population and changes that occurred between 2010 and 2019. Map 2.1, on the following page, provides a visual representation of Danville.

Map 2.1: Danville, VA



Map 2.1: Source: ESRI, USA Minor Highways

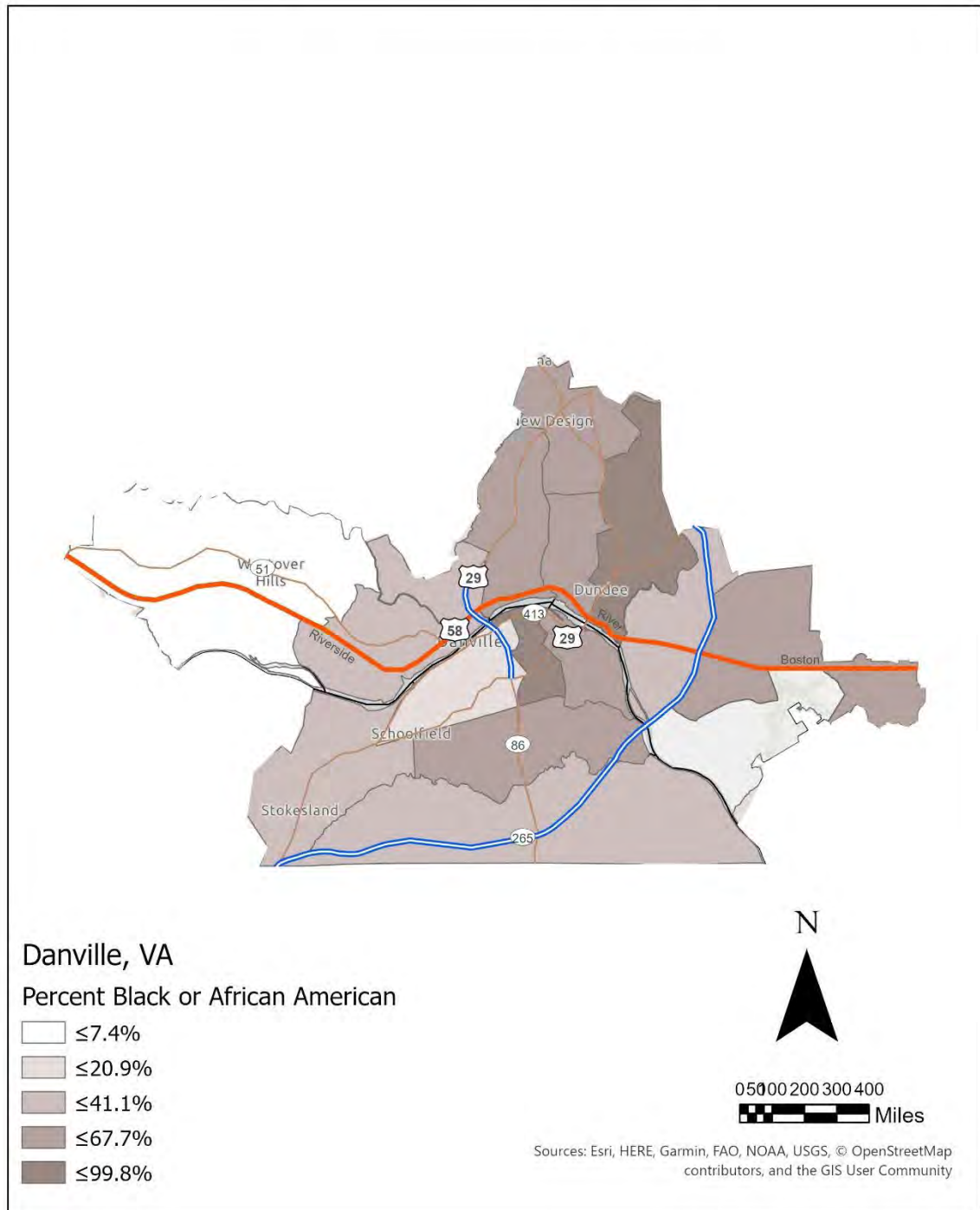
According to the 2019 Census estimates, the total population of Danville was 41,070. Table 2.1, below, shows that the total population of Danville decreased between 2010 and 2019. Danville experienced a decrease in the Black or African American population, decreasing by 5 percent between 2010 and 2019. The White population decreased by 17 percent, and the Hispanic population increased by 54 percent between 2010 and 2019. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity. It is a common misidentification for ethnic Hispanics to choose the 'other' category on the Census for a race rather than White or African American. The Asian, population although small increased by 37 percent between 2010 and 2019. On the following pages are a series of Maps 2.2 through 2.5 illustrating spatial concentrations of the various racial and ethnic groups within Danville.

Table 2.1
Total population by race and ethnicity for Danville, 2010 and 2019

	2010 Population	2019 Population	% Change
Total population	43,787	41,070	-6%
White alone	20,862	17,409	-17%
Black or African American alone	21,033	20,026	-5%
American Indian and Alaska Native alone	73	34	-53%
Asian alone	353	483	37%
Native Hawaiian and Other Pacific Islander alone	8	33	313%
Some other race alone	21	42	100%
Two or more races	285	1,270	346%
Hispanic or Latino (of any race)	1,152	1,773	54%

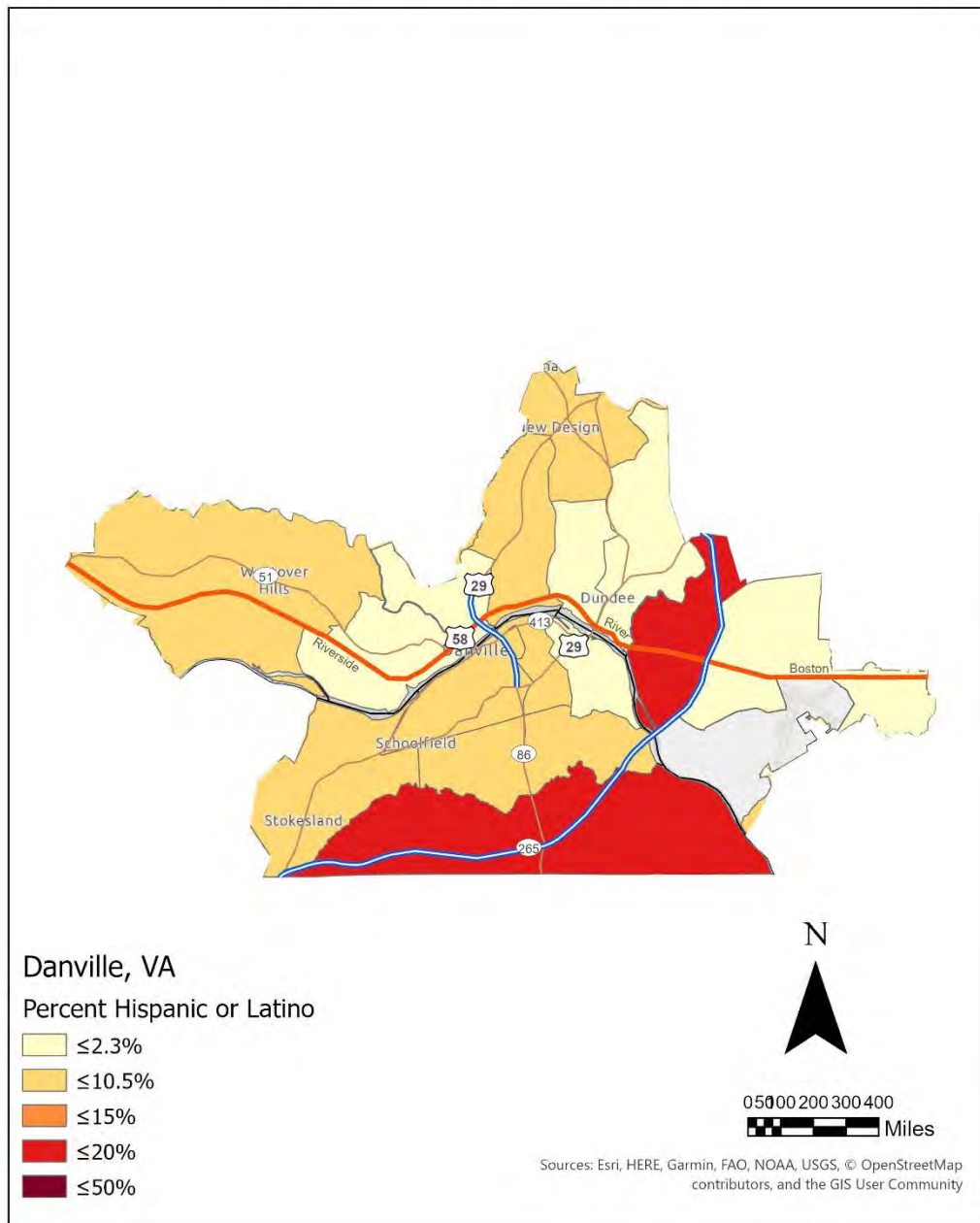
Table 2.1 Source: 2010 - 2019 American Community Survey (ACS) – U.S. Census

Map 2.2: Percent African American



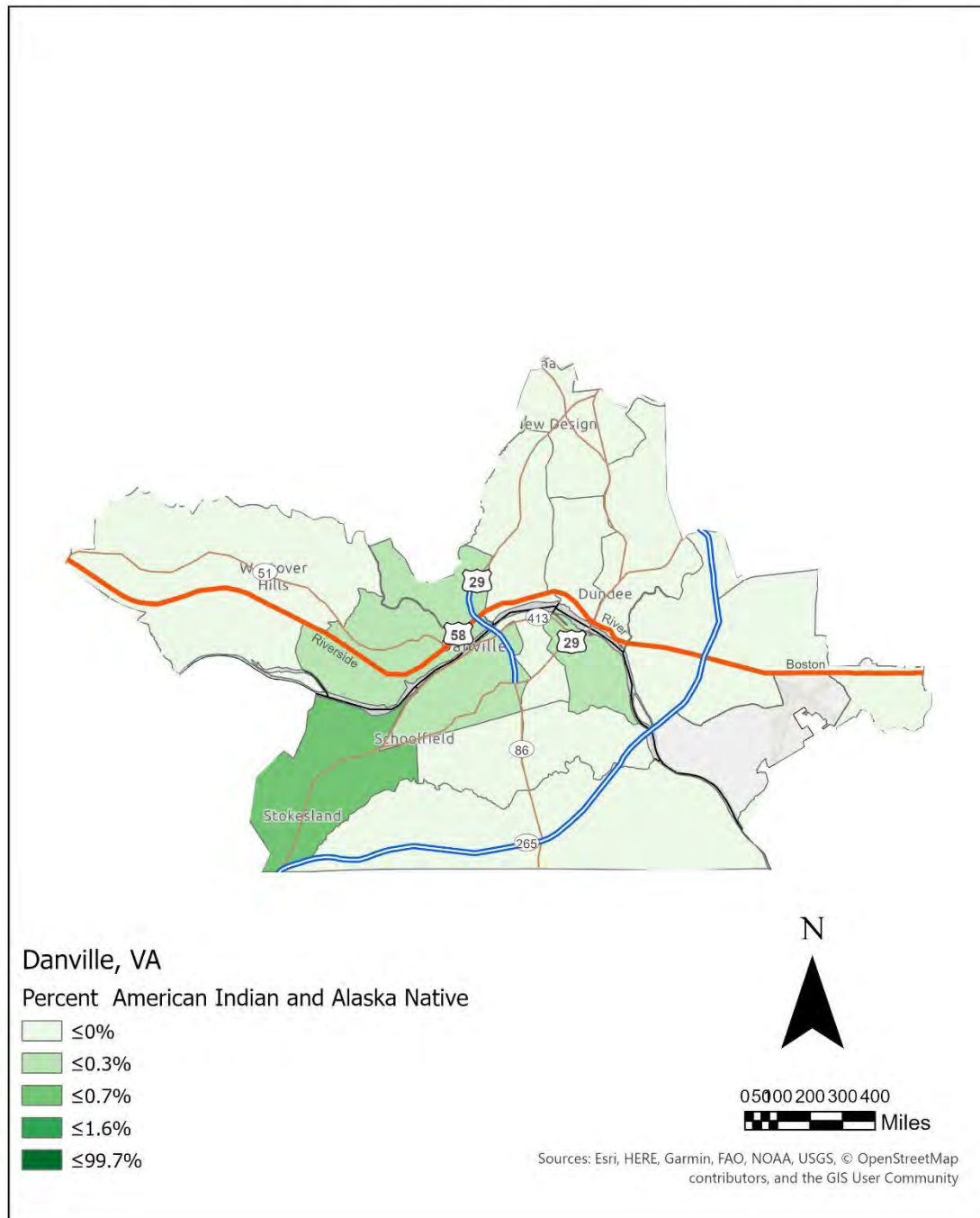
Map 2.2: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Map 2.3: Percent Hispanic or Latino



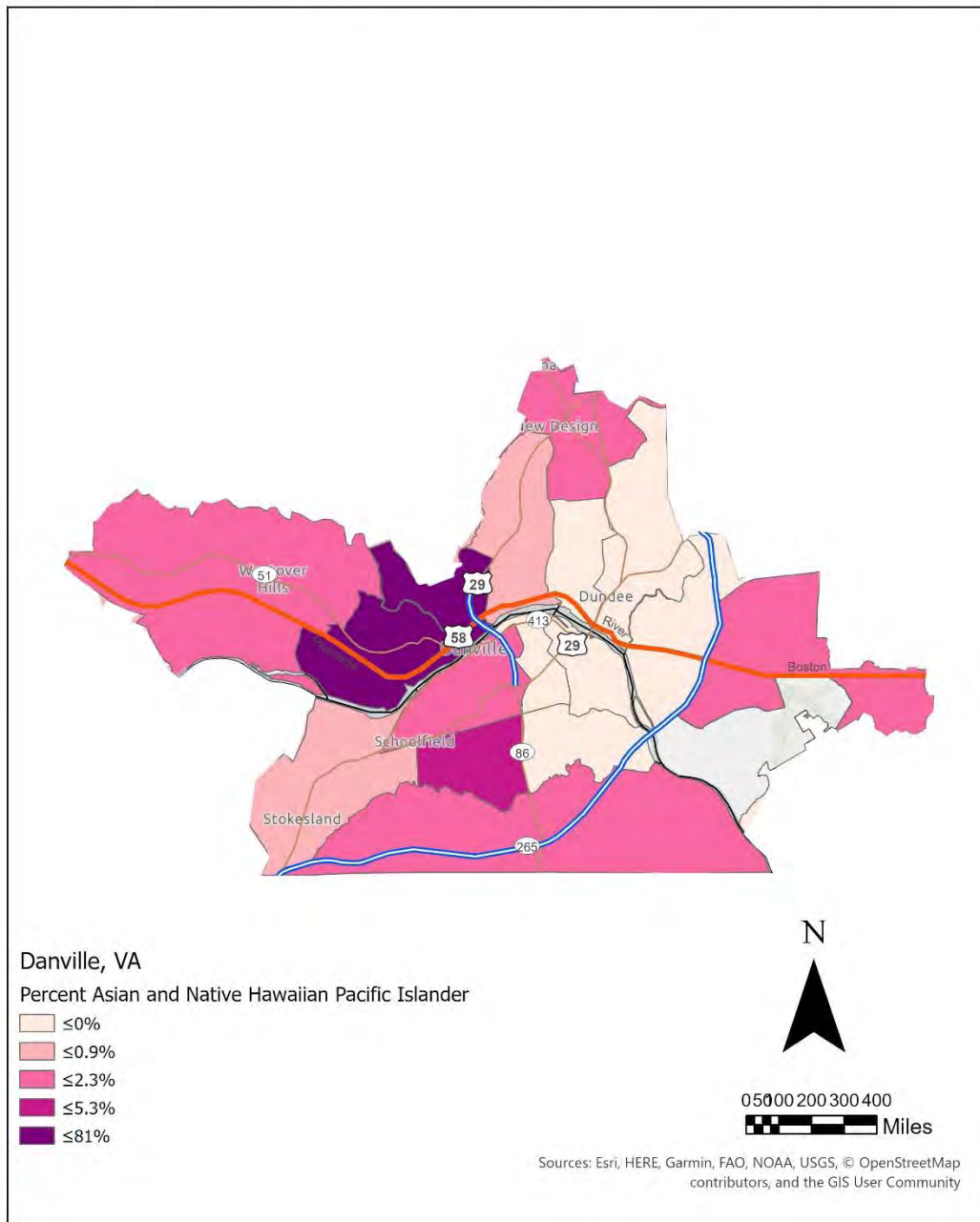
Map 2.3: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Map 2.4: Percent American Indian and Alaskan Native



Map 2.4: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Map 2.5: Percent Asian and Native Hawaiian Pacific Islander



Map 2.5: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Danville's total population significantly decreased between 2010 and 2019. However, the City's population has increasingly become more racially and ethnically diverse due to population increase of Hispanics, Asians, Native Hawaiians and Other Pacific Islanders.

Female-headed households - In Danville, like many other communities, female-headed households and female-headed households with children 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. This factor is sometimes evidenced when comparing the demographics to fair housing complaint data. There are also higher incidents of female-headed households among African American households in Danville. As shown in Table 2.2, on the following page, the percentage of female-headed households among White households in Danville was 9 percent, compared to 33 percent among African American households, and 8 percent among Hispanic households. Only 23 percent of African American households were husband/wife family households, compared to 40 percent of White households and 52 percent of Hispanic households. The absence of two wage earners in a family can significantly impact housing choice and housing affordability.

Non-family households as a percentage of total households for all three of the major races/ethnicities were comparable, with African American households lowest of the three. White non-family households made up 47 percent of all White households in Danville. Non-Family households among African Americans accounted for 39 percent of all African American households. Hispanics accounted for 29 percent of all Hispanic households. Table 2.2, on the following page, shows the family structure of White, African American, and Hispanic households in 2019.

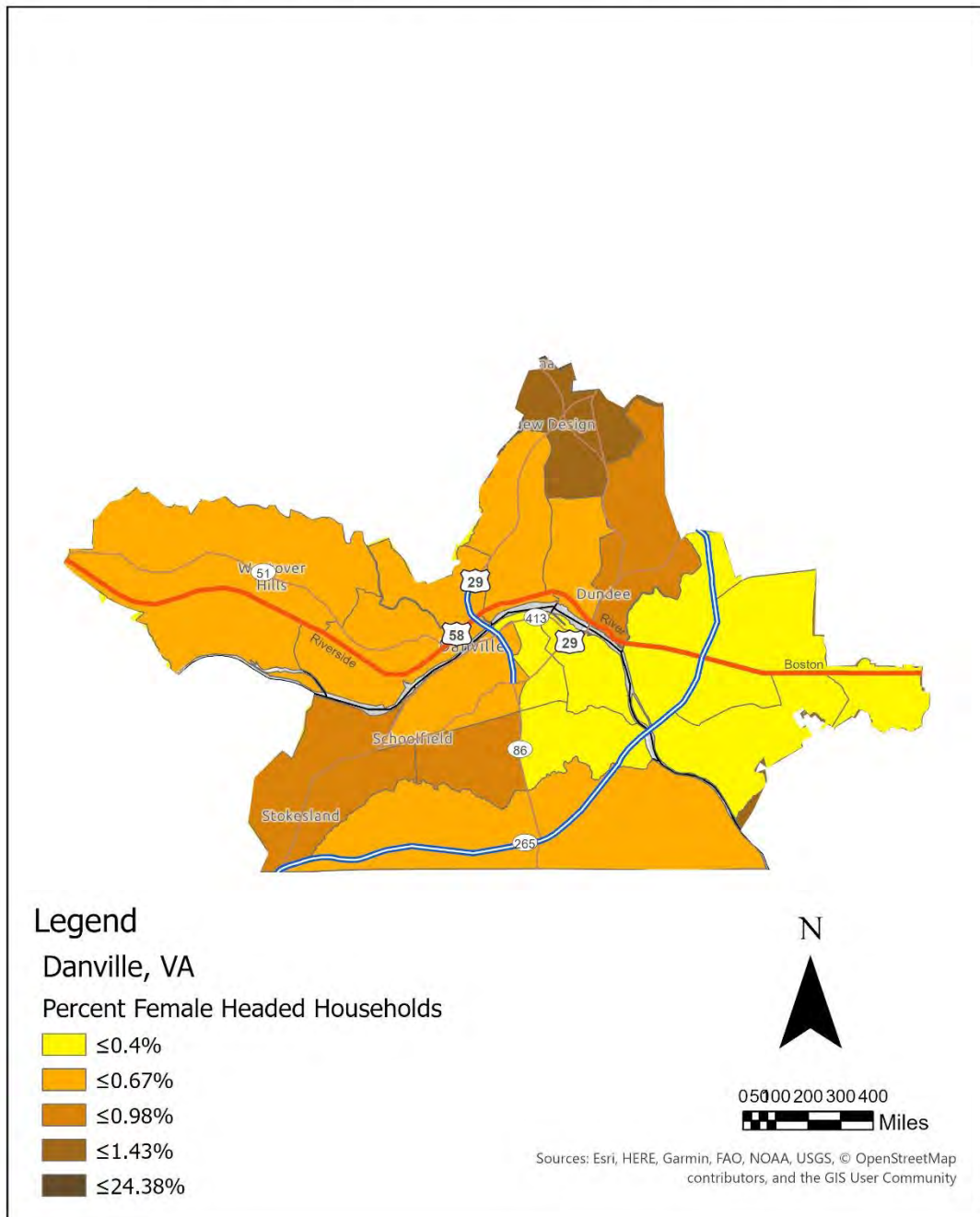
Table 2.2
Household Structure by Race for Danville, 2015-2019 (5-Year Average)

	White Non-Hispanic		African-American		Hispanic	
	# of	% of	# of	% of	# of	% of
Household Type	Households	Households	Households	Households	Households	Households
Family households:	4,543	53%	5,218	61%	318	71%
Married-couple family	3,390	40%	2,002	23%	233	52%
Other family:	1,153	13%	3,216	37%	85	19%
Male householder, no wife present	374	4%	344	4%	48	11%
Female householder, no husband	779	9%	2,872	33%	37	8%
Nonfamily households:	4,001	47%	3,394	39%	130	29%
Householder living alone	3,512	41%	2,870	33%	78	17%
Householder not living alone	489	6%	524	6%	52	12%
Total Households	8,544	100%	8,612	100%	448	100%

Table 2.2: Source: 20104 - 2019 American Community Survey (ACS) – U.S. Census

The spatial distribution of female-headed households with children is shown in Map 2.6, on the following page.

Map 2.6: Percent Female Headed Households



Map 2.6: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

2.2. Income

Low-income households are statistically more likely to be housed in less desirable housing stock and less desirable areas of Danville. Income plays an essential part in securing and maintaining housing. Lack of income for housing often prevents those LMI households from moving to areas where local amenities raise the value of the housing.

The data in Table 2.3 on the following page show the distribution of income by income classes among Whites, African American, and Hispanics. Overall, the income distribution data show a higher proportion of low-income households within the African American community. In general, limitations on fair housing choices are more commonly found to affect housing decisions among low-income persons.

The data in Table 2.3 shows that the modal income classes (the income classes with the highest number of households) for Whites were the \$60,000 to \$99,999 modal income class, with 19 percent of Whites in this income range. The most frequently reported income for African American households was the Less than \$10,000 to \$14,999 range, with 25 percent of African Americans in this range. The most frequently reported income for Hispanic households in the 2019 ACS data was the \$50,000 to \$74,999 range, with 27 percent of Hispanics in this range.

According to the 2019 ACS estimates, the median household income was reported to be \$42,375 for White households, \$31,162 for African American households, and \$53,603 for Hispanic households, compared to \$37,203 for Danville overall. Map 2.7, on page 21, shows the median household income by census tract in 2019. There were disparities in median income among African Americans compared to the reported White Non-Hispanic and Hispanic household income.

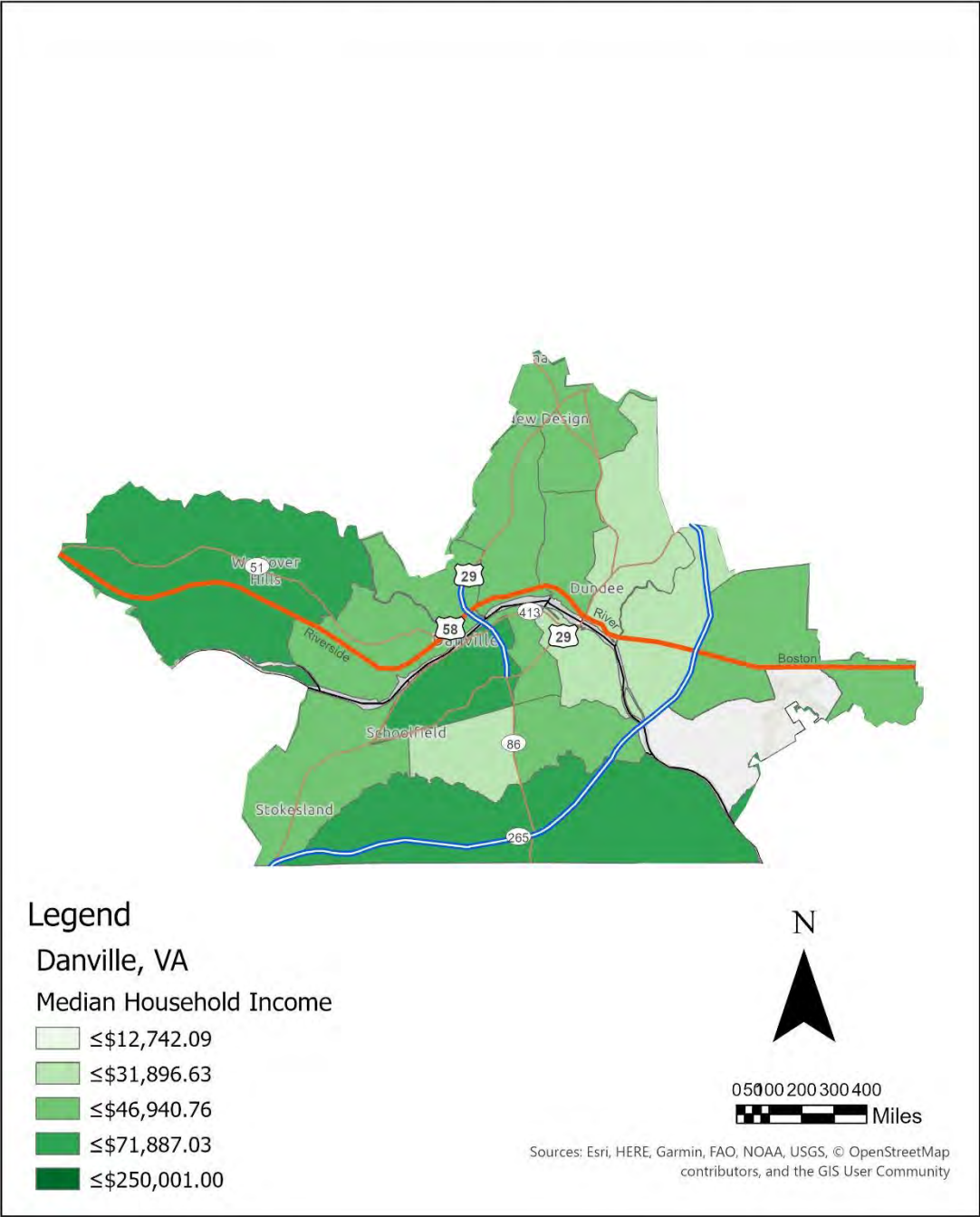
Table 2.3
Households by race by income for Danville, 2015-2019 (5-Year Average)

	White Non-Hispanic		African-American		Hispanic		City Total	
	# of	% of	# of	% of	# of	% of	# of	% of
Household Type	Households	Households	Households	Households	Households	Households	Households	Households
Less than \$10,000	750	9%	1,127	13%	48	11%	2,281	9%
\$10,000 - \$14,999	527	6%	1,013	12%	14	3%	1,245	5%
\$15,000 - \$19,999	581	7%	635	7%	0	0%	1,443	6%
\$20,000 - \$24,999	563	7%	731	8%	17	4%	1,400	6%
\$25,000 - \$29,999	522	6%	695	8%	67	15%	1,619	7%
\$30,000 - \$34,999	502	6%	499	6%	6	1%	1,342	6%
\$35,000 - \$39,999	543	6%	535	6%	0	0%	1,434	6%
\$40,000 - \$44,999	493	6%	651	8%	0	0%	1,006	4%
\$45,000 - \$49,999	499	6%	323	4%	16	4%	879	4%
\$50,000 - \$59,999	687	8%	482	6%	75	17%	1,512	6%
\$60,000 - \$74,999	782	9%	712	8%	47	10%	2,139	9%
\$75,000 - \$99,999	850	10%	667	8%	36	8%	2,829	12%
\$100,000 - \$124,999	518	6%	239	3%	0	0%	1,995	8%
\$125,000 - \$149,999	253	3%	171	2%	55	12%	1,133	5%
\$150,000 - \$199,999	241	3%	26	0%	0	0%	1,042	4%
\$200,000 or more	233	3%	106	1%	67	15%	1,021	4%
Total	8,544	100%	8,612	100%	448	100%	24,320	100%
Median Household Income	\$42,375		\$31,162		\$53,603		\$37,203	

Household income levels among African Americans were disproportionately lower compared to Whites, Hispanics and citywide income levels.

The median household income for Hispanics was \$53,603 compared to \$43,375 for White households, \$31,162 for African American households and \$37,203 for households citywide.

Map 2.7: Median Household Income



Map 2.7: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

The poverty data in Table 2.4, below, shows significant effects on the African American and Hispanic communities. The incidence of poverty among African Americans was 30.1 percent of the population in 2019, and Hispanics were reported to be 13.3 percent for that same period. Among White persons, the data reported that 12.6 percent lived in poverty. In comparison, the poverty rate for the city was 13.8 percent during the period.

Table 2.4

Poverty Status by Race Danville, 2015-2019 (5-Year Average)

	White Non-Hispanic		African American		Hispanic	
	# in	% in	# in	% in	# in	% in
Age Group	Poverty	Poverty	Poverty	Poverty	Poverty	Poverty
Under 6 years	145	0.9%	887	4.5%	49	3.0%
6 to 11 years	118	0.7%	789	4.0%	22	1.3%
12 to 17 years	47	0.3%	729	3.7%	44	2.7%
18 to 59 years	1,203	7.3%	2,678	13.6%	91	5.5%
60 to 74 years	386	2.3%	643	3.3%	14	0.8%
75 to 84 years	93	0.6%	144	0.7%	0	0.0%
85 years and over	78	0.5%	58	0.3%	0	0.0%
Total in Poverty	2,070	12.6%	5,928	30.1%	220	13.3%
Population	16,486		19,681		1,659	
MSA Poverty %	22.4%					

Table 2.4: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Higher percentages of African Americans lived in poverty, compared to Hispanics and Whites.

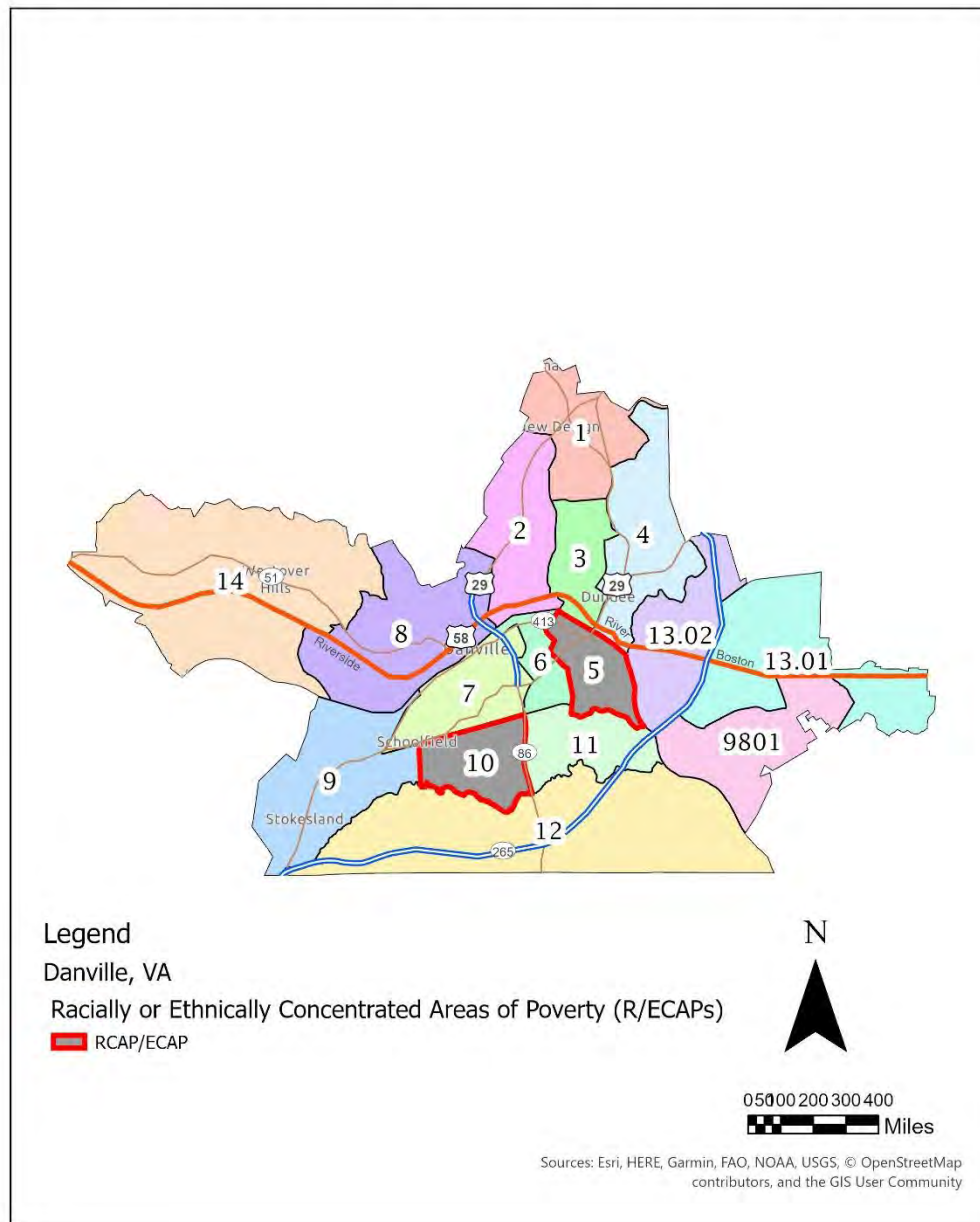
The poverty rate among African Americans was 30.1 percent and 13.3 percent for Hispanics, compared to 12.6 percent for Whites in 2019.

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 higher minority population, three times or more the poverty level of the MSA, concentrated public and assisted housing, and areas generally lacking the necessary amenities and failing to provide a quality of life expected and desired for any area within the MSA. The goal of de-concentration would be to achieve minority concentrations and poverty levels less than defined above by R/ECAP and to transform these areas of concentration into “Opportunity Areas.” Opportunity Areas – 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. Map 2.8 on the following page depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

The MSA poverty rate was 22.4 percent. Three times the poverty is 41.4 percent, thus making it the poverty threshold for the RCAP/ECAP criteria for Danville for 41.4 percent. The census tracts within the City of Danville that are comprised of 50 percent or greater minority population and 41.4 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.

Map 2.8: Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs)



Map 2.8 Source: American Community Survey (ACS), 2019; Decennial Census (2010); Brown Longitudinal Tract Database (LTDB) based on decennial census data, 1990, 2000 & 2010.

2.3. Employment

Employment opportunities in the area and educational levels of employees in the workforce significantly impact a resident's housing choices based on affordability and location. Limited educational attainment and job skills have severe impacts on a wage earner's ability to qualify for jobs paying living wages that are comparable to the growing cost of suitable and affordable housing. Table 2.5, below, provides occupation data, which indicates that there has been some shift in the distribution of occupations from 2010 to 2019. Agriculture, forestry, fishing and hunting, and mining had the most significant increase during the period, up 20 percent. Finance and insurance, and real estate and rental and leasing had an increase of 17 percentage points. Professional, scientific, and management, and administrative and waste management services had an increase of 17 percentage points. Information jobs had the largest decline of employed persons with 57 percent, followed by other services, except public administration with 35 percent and Wholesale Trade with 34 percent. While the occupation growth in the occupations mentioned above is trending upward, many are occupations that fail to pay wages that keep pace with the cost of housing in the marketplace. More and more wage earners are cost-burdened or restricted to housing choices in less desirable areas of Danville.

Table 2.5

Occupation of employed persons for Danville, 2010 and 2019.

Industry	2010	2019	% Change
Agriculture, forestry, fishing and hunting, and mining	45	54	20%
Construction	1,168	900	-23%
Manufacturing	3,296	2,718	-18%
Wholesale trade	353	234	-34%
Retail trade	2,353	2,218	-6%
Transportation and warehousing, and utilities	542	490	-10%
Information	323	139	-57%
Finance and insurance, and real estate and rental and leasing	540	631	17%
Professional, scientific, and management, and administrative and waste management services	1,211	1,413	17%
Educational services, and health care and social assistance	4,470	4,714	5%
Arts, entertainment, and recreation, and accommodation and food services	1,496	1,558	4%
Other services, except public administration	963	630	-35%
Public administration	1,061	764	-28%

Table 2.5: Source: 2019 American Community Survey (ACS) – U.S. Census

The data presented in Table 2.6 provide a portrait of the distribution of the unemployed. A closer look at the make-up of this total indicates that higher levels of unemployment are centered in the African American community. In 2019, 4.3 percent of White persons aged 16 and over reported being unemployed. African Americans persons in the same age group reported a 11.3 percent unemployment rate, and Hispanics reported a 14.9 percent rate. As a comparison, the citywide unemployment rate was 8.5 percent during the period.

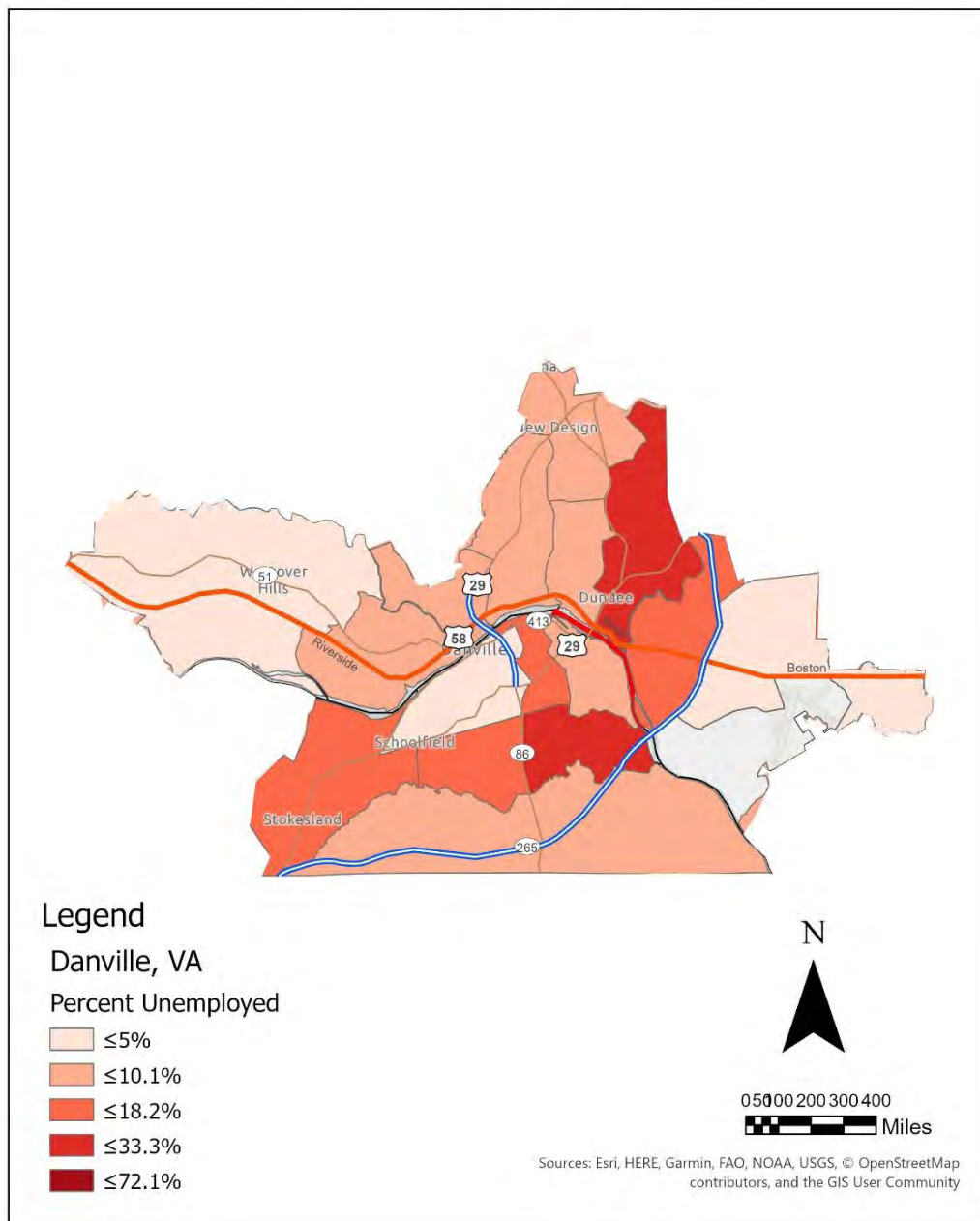
Table 2.6

Employment Status by race for Danville, 2015-2019 (5-Year Average)

Employment Status	White Non-Hispanic		African-American		Hispanic		Total Employment	
	#	%	#	%	#	%		
In Labor Force:	6,718	67.6%	8,637	68.2%	703	67.7%	18,044	54.6%
In Armed Forces	28	0.4%	7	0.1%	0	0.0%	44	0.0%
Civilian	6,690	99.6%	8,630	99.9%	703	100.0%	18,000	99.8%
Employed	6,403	95.3%	7,659	88.7%	598	85.1%	16,463	91.5%
Unemployed	287	4.3%	971	11.3%	105	14.9%	1,537	8.5%
Not in Labor Force	3,213	32.4%	4,034	31.8%	336	32.3%	15,020	45.4%
Total	9,931	100%	12,671	100%	1,039	100%	33,064	100%

Table 2.6: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Map 2.9: Unemployment Rate



Map 2.9: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

According to the major employer data provided by the Danville Pittsylvania Chamber of Commerce, the largest employers in the city include Goodyear Tire & Rubber Company with 2,300 employees, Pittsylvania County School System with 1465 employees, SOVAH Health 1300 employees, Danville Public Schools with 1,289 employees, and the City of Danville with 1,116 employees.

In Danville, the difference in income and unemployment rate between the three groups may be impacted by limitations due to educational attainment. According to the 2019 ACS estimates, 21.1 percent of African Americans aged 25 and above reported less than a high school education compared to 14.9 percent of Whites and 38.7 percent of Hispanics in the same age group. As a comparison, the percentage of the population with less than a high school education in Danville was 18.2 percent during the period. Despite this trend of high school education among Hispanics being higher compared to the Whites, and Hispanics populations, African Americans still have the highest unemployment rate among the three major groups. It is also probable that percent of African Americans with a high school diploma compared to that of the total population and the other two groups reflect a lower percentage of African Americans as a percent of the total population.

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 mostly dependent on the geographic location of the jobs. If jobs are concentrated in mostly 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.

African Americans and Hispanics had higher unemployment rates, compared to unemployment rates citywide and compared to Whites. The unemployment rate among African Americans was 11.3 percent, and 14.9 percent for Hispanics compared to 4.3 percent for Whites in 2019.

2.4. Public Transportation

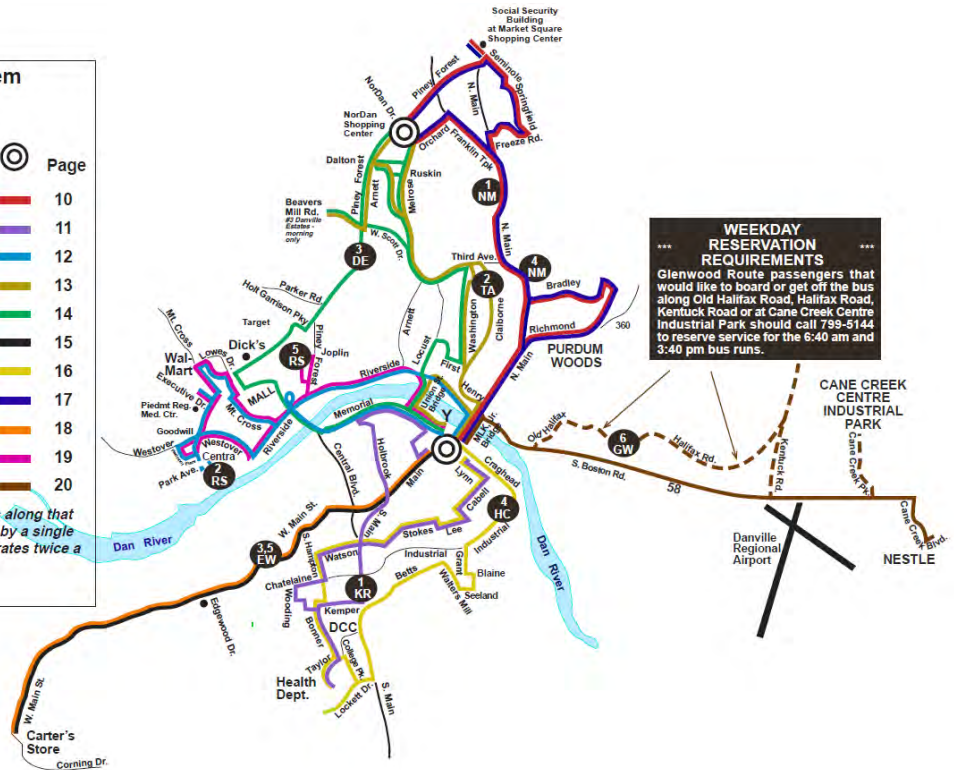
The Danville Transit System provides variety of public transportation services such as bus service on fixed routes, Handivan Service, and Reserve a Ride Service. Service hours are from 4:00 am until 12:30 am, Monday through Saturday. The Danville Transit System provides bus service on 11 different fixed routes. The one-way fare is \$1 and one child 12 years old and younger traveling with a paying adult may 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 paratransit 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 paratransit service is available all weekdays and Saturday from 6 a.m. to 6 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 may ride free on this service. Map 2.10 on the following page illustrates Danville Shuttle bus routes and stops.

Map 2.10: System Map

Danville Transit System Map Legend		
Transfer Points Spring and Union NorDan Drive		
		Page
#1 North Main. (NM)		10
#1 Kemper Rd-DCC. (KR)		11
#2 Riverside. (RS)		12
#2 Third Ave-NorDan. (TA)		13
#3 Danville Estates-NorDan. . (DE)		14
#3 Edgewood-Stokesland. . (EW)		15
#4 Health Center. (HC)		16
#4 North Main. (NM)		17
#5 Edgewood-Stokesland. . (EW)		18
#5 Riverside. (RS)		19
#6 Glenwood. (GW)		20

Parallel route lines show that a bus travels along that area more frequently than areas identified by a single route line. Please note * #6 Glenwood operates twice a day at 6:40 am and 3:40 pm.



Map 2.10: Danville Transit System

2.5. Housing

According to the 2019 American Community Survey, the total number of housing units in Danville was 22,072 with 17 percent vacant units. As

Table 2.7
Tenure for housing in Danville, 2010 and 2019

Tenure	2010		2019	
	Number	Percent	Number	Percent
Owner- occupied	10,623	47%	9,420	43%
Renter-occupied	8,825	39%	8,873	40%
Vacant	3,139	14%	3,779	17%
Total:	22,587	100%	22,072	100%

Table 2.7: Source: 2010 - 2019 American Community Survey (ACS) – U.S. Census

shown in Table 2.7, to the right, there were 22,587 housing units in Danville in 2010. The total number of housing units decreased between 2010 and 2019. Comparing tenure, homeowners occupied 43 percent of housing units, and renters occupied 40 percent. The remaining 17 percent or 3,779 housing units were vacant. The median housing value in Danville was \$90,500, and the median contract rent was \$458 in 2019.

Table 2.8

Housing type for Danville, 2015-2019 (5-Year Average)

Units in Structure	Number	Percent
Single-Family Detached	15,433	69.9%
Single-Family Attached	444	2.0%
2-4 units	1,732	7.8%
Multifamily	3,695	16.7%
Mobile Home or Other	768	3.5%
Total	22,072	100%

Table 2.8: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Table 2.8, to the right, shows that of all housing units, 69.9 percent were categorized as single-family detached, 2.0 percent as single-family attached, 7.8 percent contained two to four units, 16.7 percent classified as multifamily, and 3.5 percent as a mobile home or other.

Most of the housing stock in Danville was single-family housing and more than half of housing stock in the city was owner-occupied in 2019.

Seventy-two percent of housing units in the city were single-family, and 43 percent were owner-occupied during that same period.

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

As shown on Table 2.9, over 80 percent of all housing units were built prior to 1980. These units may contain lead-based paint or likely need repairs and maintenance. About 8 percent were built between 1980 and 1989, and 11 percent were built after 1990. The housing stock in Danville is older compared to other surrounding cities in the area.

According to the 2019 ACS data shown in Table 2.10, the homeownership rate among Whites was 66 percent, compared to 39 percent among African Americans, and 52 percent among Hispanics.

Maps 2.11, and Map 2.12, indicate the distribution of single-family and multifamily housing across the city. Map 2.13 provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 2.14 and 2.15, provide a geographic depiction of the distribution of housing values and rents across the city.

Table 2.9

Age of Housing Stock in Danville, 2019

Total housing units		22,072
Built 2015 or later	84	0%
Built 2010 to 2013	179	1%
Built 2000 to 2009	668	3%
Built 1990 to 1999	1,632	7%
Built 1980 to 1989	1,754	8%
Built 1970 to 1979	3,833	17%
Built 1960 to 1969	3,587	16%
Built 1950 to 1959	4,354	20%
Built 1940 to 1949	2,187	10%
Built 1939 or earlier	3,794	17%

Table 2.9: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

Table 2.10

Tenure by Race in Danville, 2015-2019 (5-Year Average)

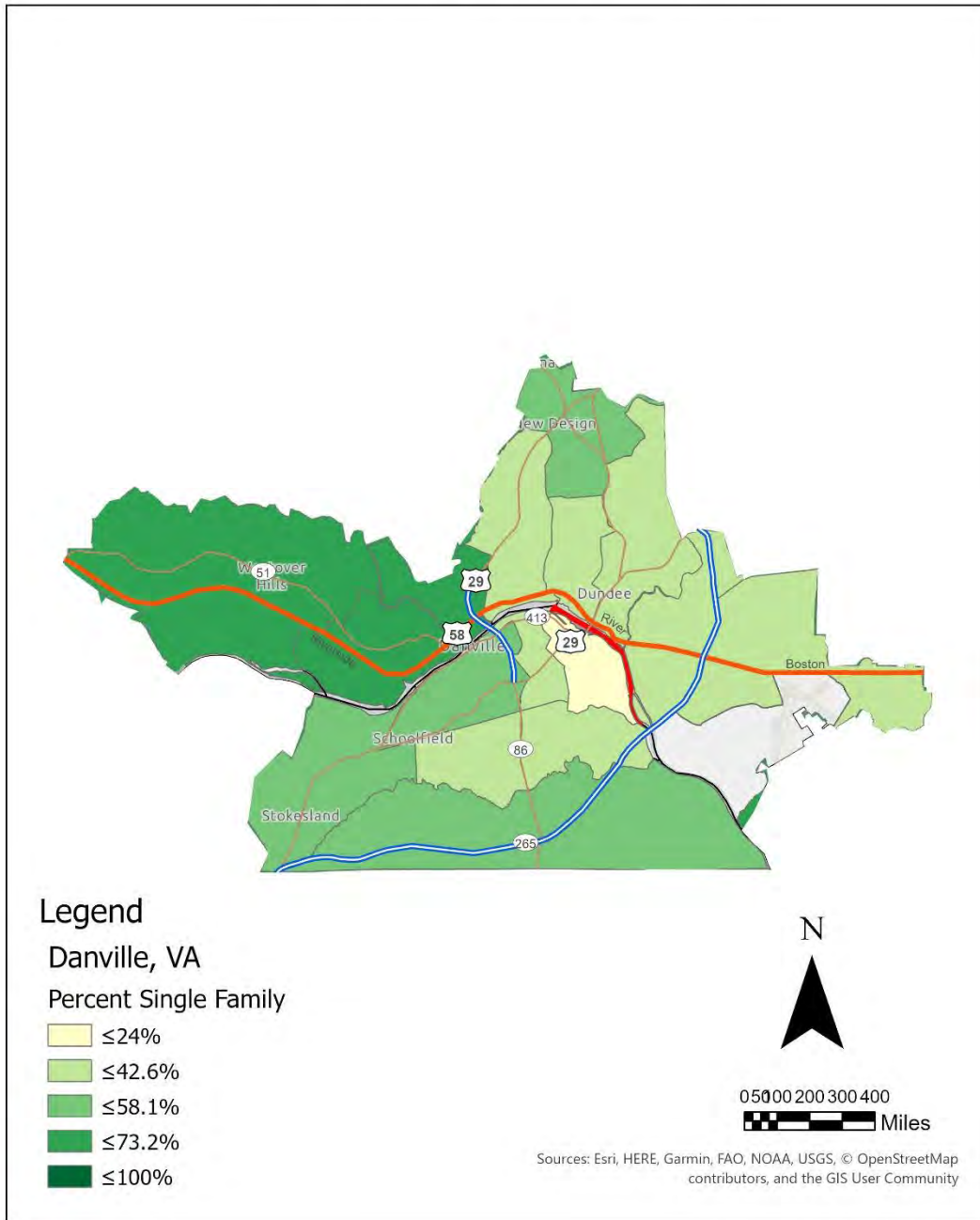
Tenure by Race	Owner-Occupied		Renter-Occupied		Total
	#	%	#	%	
White	5,679	66%	2,865	34%	8,544
African American	3,343	39%	5,269	61%	8,612
Hispanic	233	52%	215	48%	448

Table 2.10: Source: 2015 - 2019 American Community Survey (ACS) – U.S. Census

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

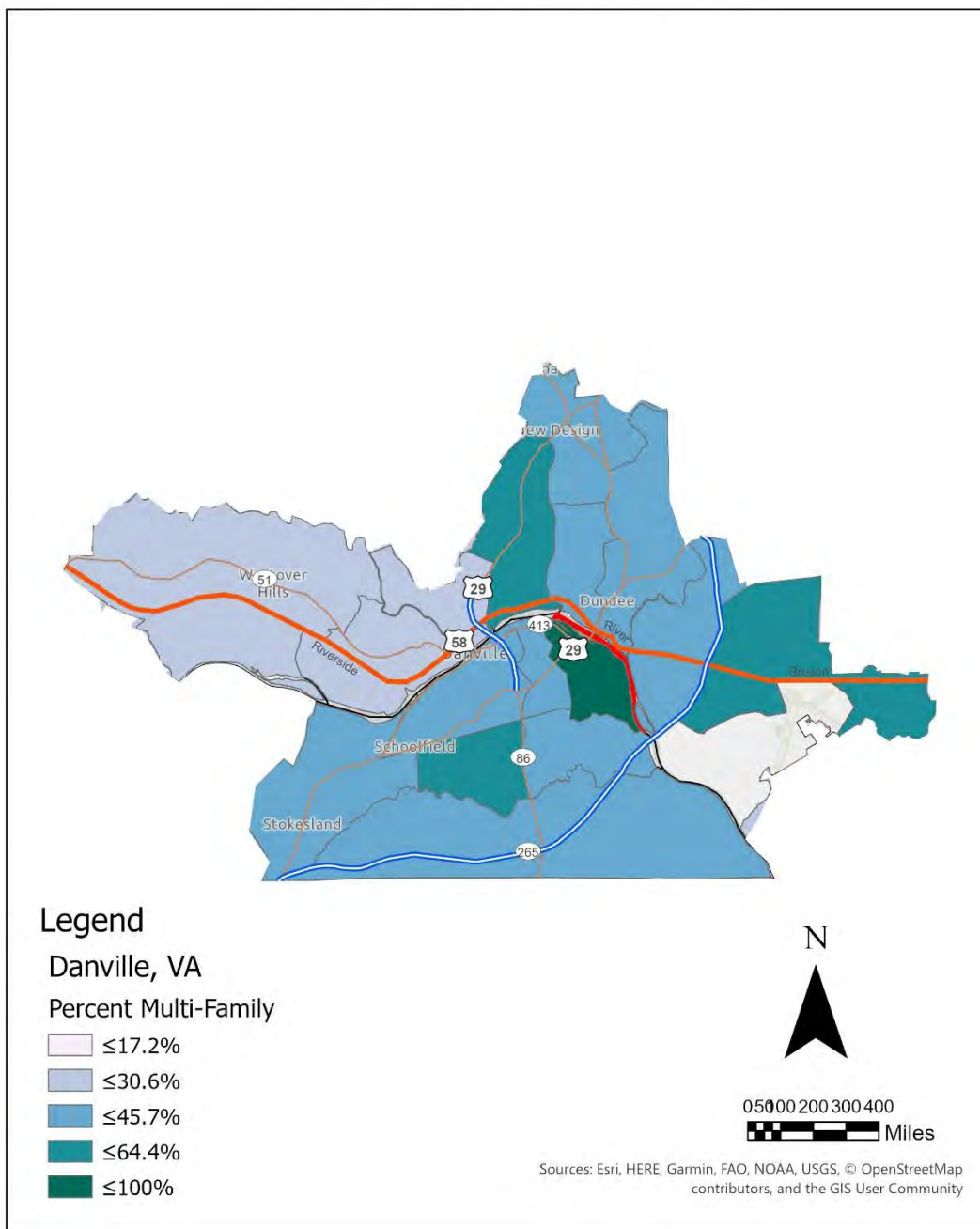
The homeownership rate among Whites was 66 percent, African Americans were 39 percent, and Hispanics was 52 percent in 2019.

Map 2.11: Percent Single Family Units



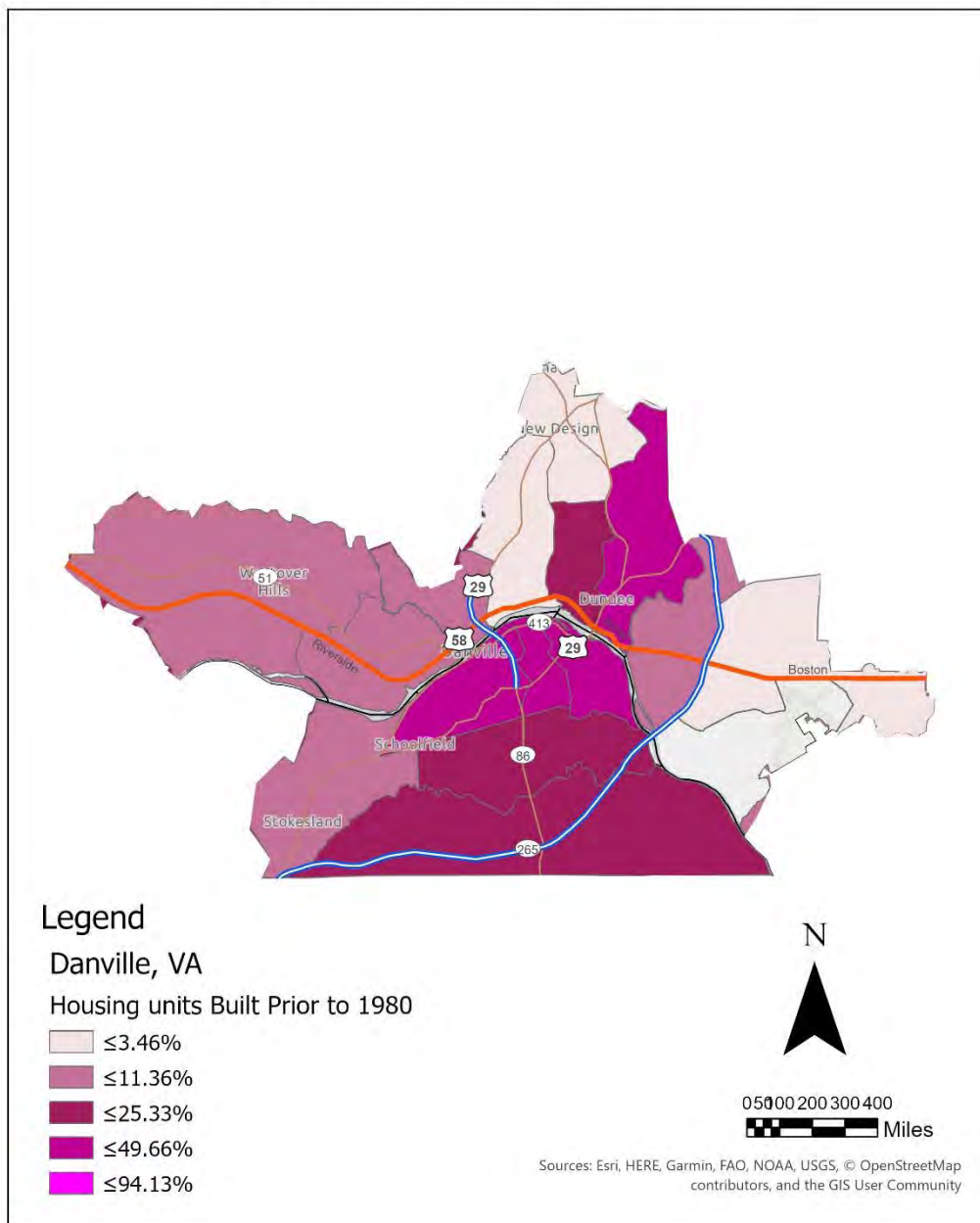
Map 2.11: Source: 2019 American Community Survey (ACS) – U.S. Census

Map 2.12: Percent Multi-Family Units



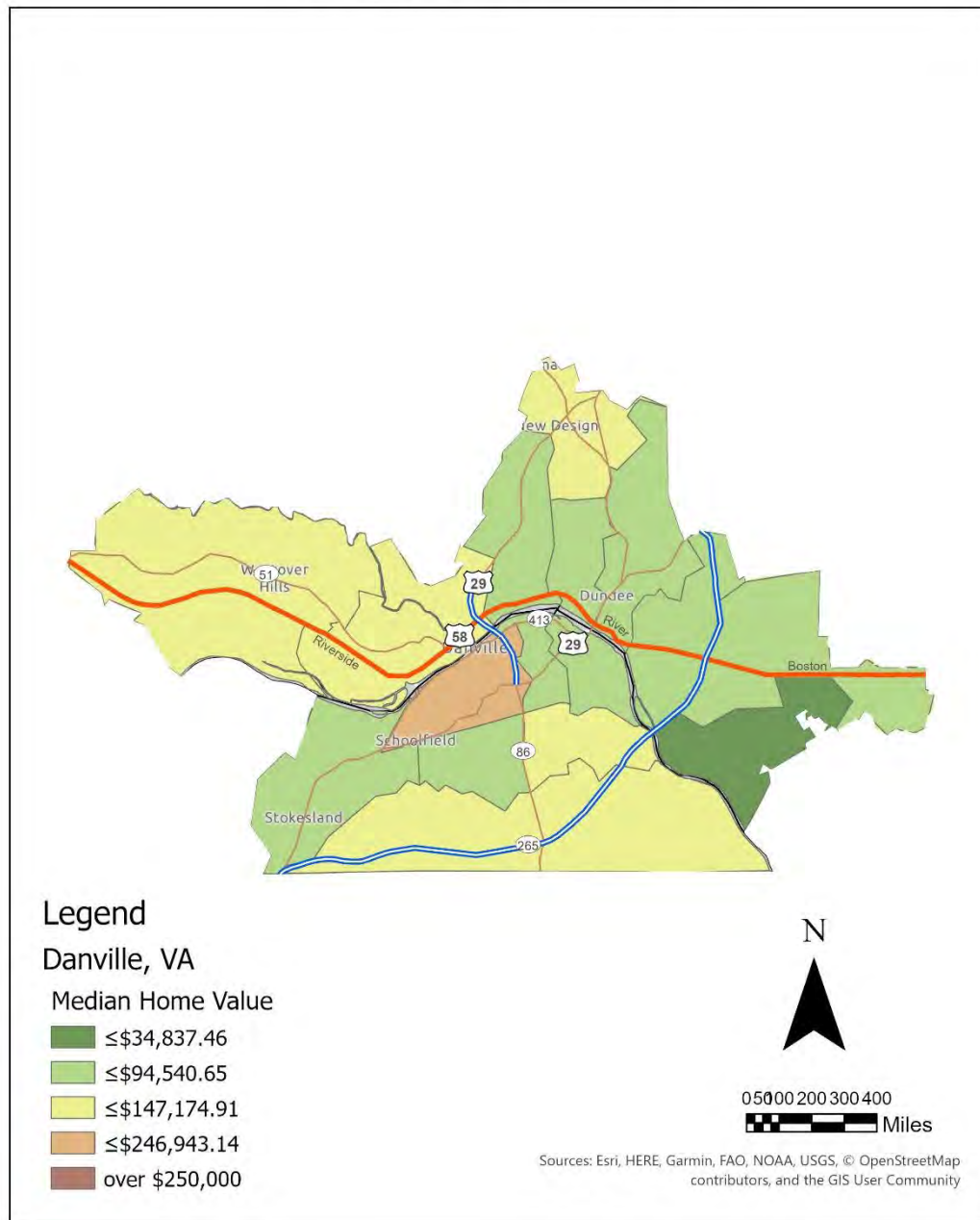
Map 2.12: Source: 2019 American Community Survey (ACS) – U.S. Census

Map 2.13: Percent Housing Built Prior to 1980



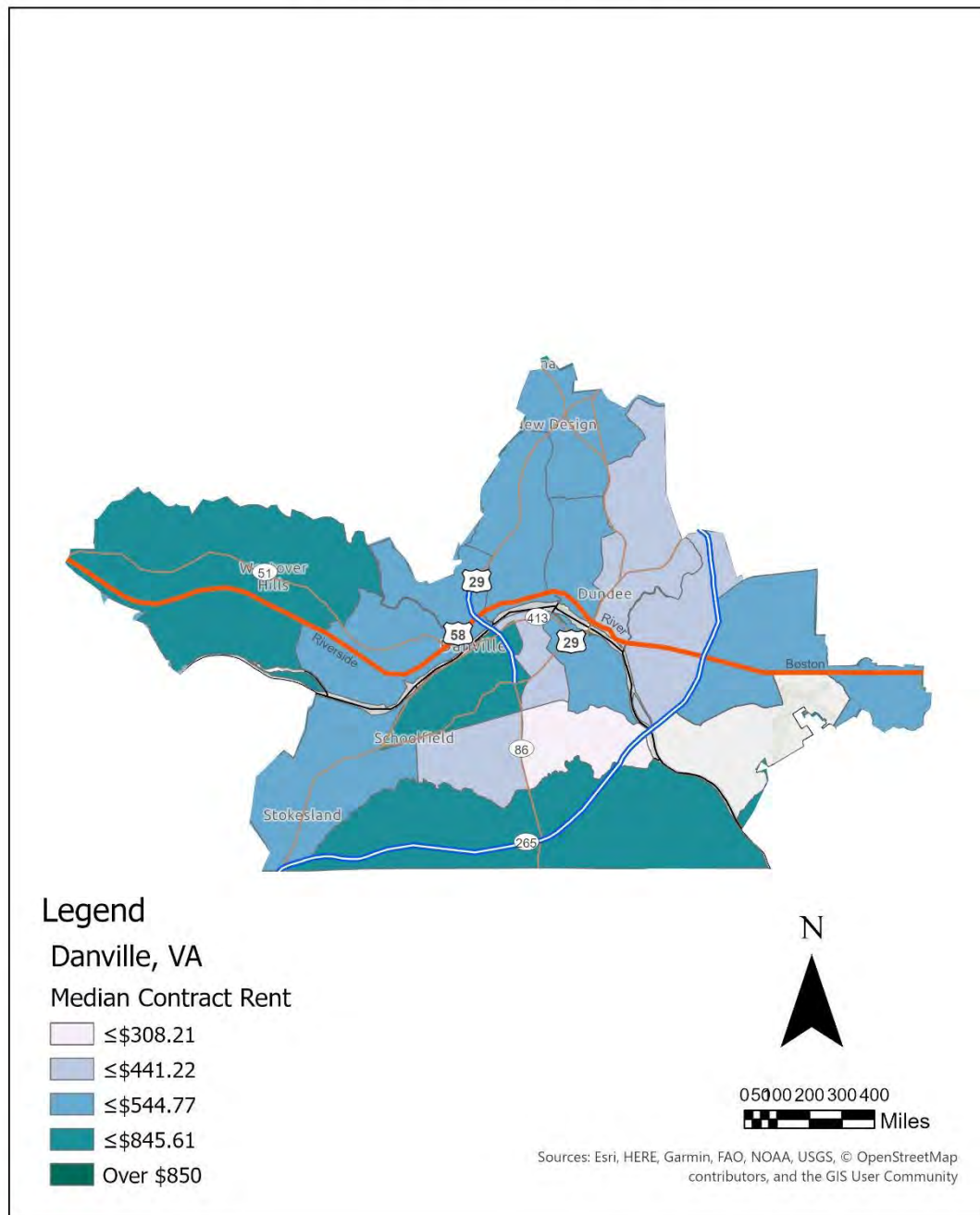
Map 2.13: Source: 2019 American Community Survey (ACS) – U.S. Census

Map 2.14: Median Home Value



Map 2.14: Source: 2019 American Community Survey (ACS) – U.S. Census

Map 2.15: Median Contract Rent



Map 2.15: Source: 2019 American Community Survey (ACS) – U.S. Census

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) data compiled from American Communities Survey results from 2013 through 2017, duplicated in Table 2.11, indicates that the impact of housing costs on household incomes is very severe for low- and very low-income households in Danville. The table shows that 75 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 58 percent of very low-income homeowner households pay more than 50 percent of their income on housing expenses. Paying more than 30 percent on housing expenses is considered “Cost Burdened,” and paying more than 50 percent on housing expenses is considered “Severely Cost Burdened.” Looking at households earning between 31 percent and 50 percent of the median family income, 25 percent of low-income renters and 29 percent of low-income homeowners pay more than 50 percent on housing expenses.

Comprehensive Housing Affordability Strategy (CHAS) 2013-2017					
Income by Cost Burden (Renters only)	Cost burden > 30%		Cost burden > 50%		Total
Household Income <= 30% HAMFI	1,670	75%	1,230	56%	2,215
Household Income >30% to <=50% HAMFI	1,075	72%	380	25%	1,500
Household Income >50% to <=80% HAMFI	640	33%	40	2%	1,965
Household Income >80% to <=100% HAMFI	50	6%	0	0%	845
Household Income >100% HAMFI	50	2%	10	0%	2,150
Total	3,485	40%	1,660	19%	8,675
Income by Cost Burden (Owners only)	Cost burden >30%		Cost burden >50%		Total
Household Income <= 30% HAMFI	455	72%	365	58%	630
Household Income >30% to <=50% HAMFI	610	54%	330	29%	1,120
Household Income >50% to <=80% HAMFI	615	36%	115	7%	1,690
Household Income >80% to <=100% HAMFI	135	10%	0	0%	1,310
Household Income >100% HAMFI	140	3%	25	0%	5,090
Total	1,955	20%	835	8%	9,845

Table 2.11 Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2013 - 2017

According to the 2019 ACS estimates, shown in Table 2.12 to the right, 51 percent of renter households with household incomes less than \$20,000 paid more than 50 percent of their household income towards rent, 44 percent of the renter households that earned between \$20,000 to \$34,999, and 19 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 2019.

Table 2.12
Gross Rent as a Percent of Household Income

Gross Rent as a Percent of Household Income	2019
Less than \$20,000	3,562
30.0 percent or more	28%
50.0 Percent or more	51%
\$20,000 to \$34,999	1,816
30.0 percent or more	44%
50.0 Percent or more	5%
\$35,000 to \$49,999	1,489
30.0 percent or more	19%
50.0 Percent or more	0%
\$50,000 to \$74,999	1,126
30.0 percent or more	5%
50.0 Percent or more	1%

Table 2.12: Source: 2019 American Community Survey (ACS) – U.S. Census

As shown in Table 2.13, to the right, 50 percent of owner households earning less than \$20,000 were 50 percent cost burden, and 25 percent of owner households earning between \$20,000 to \$34,999 were 30 percent cost burden during the same period. Owner households earning between \$35,000 to \$49,999, the household group earning around 80 percent of the area median income indicates 10 percent of homeowners paying more than 30 percent on owner cost.

Table 2.13
Owner Costs as a Percent of Household Income

Owner Cost as a Percent of Household Income	2019
Less than \$20,000	1,514
30.0 percent or more	13%
50.0 Percent or more	50%
\$20,000 to \$34,999	1,850
30.0 percent or more	25%
50.0 Percent or more	12%
\$35,000 to \$49,999	1,625
30.0 percent or more	10%
50.0 Percent or more	4%
\$50,000 to \$74,999	1,722
30.0 percent or more	4%
50.0 Percent or more	0%

Table 2.13: Source: 2019 American Community Survey (ACS) – U.S. Census

Renters were most cost burdened in the less than \$20,000 income range with 28 percent paying more than 30% on rent and 51 percent households paying more than 50% on rent.

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 was 66 percent and 39 percent for African Americans and 52 percent for Hispanics.

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 30.1 percent of the population in 2019, and Hispanics were reported to be 13.3 percent. Among White persons, the data reported that 12.6 percent lived in poverty. In comparison, the poverty rate for the city was 22.4 percent during the period. The median household income was reported to be \$42,375 for White households, \$31,162 for African American households, and \$53,603 for Hispanic households, compared to \$37,203 for the Danville overall. All these factors combine the limited housing choice of Danville's minority populations.

III. Fair Housing Law, Court Cases, Policy, 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 determined to be substantially equivalent as well. 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 of Danville Community Development Block Grant (CDBG), 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, 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 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 FHIP 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

The impact of Landmark Cases and other significant Court Cases were reviewed to examine how court litigation and settlements might be impacting interpretation of Fair Housing Law. The following summarizes some of the key cases that provide responses to Fair Housing issues and solutions and remedial actions for resolving those issues.

Texas Department of Housing and Community Affairs v. Inclusive Communities Project Inc. is the first case to affirm disparate impact must be considered in determining violations to the 1968 Fair Housing Act. On June 25, 2015, the U.S. Supreme Court, in a 5-4 decision written by Justice Kennedy, upheld the disparate impact doctrine under the Fair Housing Act. This precedent-setting opinion affirmed both 40 years of legal jurisprudence and the decisions of 11 U.S. appellate courts in holding that disparate impact is cognizable under the Fair Housing Act.

The Court acknowledges the Fair Housing Act's continuing role in moving the Nation toward a more integrated society. The Court affirmed that disparate impact is an important protection for all of us. This also affirms that those protected under the 1968 Fair Housing Act, individuals and families, and their right to housing, cannot be restricted because they have children, women who experience domestic violence can cannot suffer eviction just because they suffered abuse or their previous address is a shelter, and communities of color can live with the security of knowing that the predatory lending practices that dumped millions of subprime loans into their neighborhoods will not be allowed. Neighborhoods still trying to recover from the financial crisis can have hope because disparate impact is an important tool in addressing unfair practices that contribute to economic and wealth disparities. Where we live makes

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 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.

Some of the orders, agreements, and reports from this case that are attached are:

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”. CT 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 2021. The City of Danville's Consolidated Plan, Annual Action Plan, Consolidated Annual Performance Evaluation Report, and other documentation were utilized.

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 eight 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 maintained by the U.S. Department of HUD providing a breakdown of complaints filed for Danville was considered in determining impacts on fair housing from March 2016 through April, 2020. HUD enforcement data indicated that only six complaints were filed according to one or more of seven bases, including; National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race.

Table 2.5.1 and 2.5.2 normally depict how complaint cases are divided on a protected class basis if complaints had been received. The tables do not contain data, reflecting very few cases were reported and therefore not a significant determinant in evaluating fair housing impacts. Our conclusions reflect a basis for recommending increased fair housing outreach and education programs to ensure that the protected class members, public and industry understand what constitutes a violation of the Fair Housing Act and where they can report violations.

Table: 2.5.1: Fair Housing Complaints by the Basis of Complaint

Protected Class	Race/ Color	National Origin	Familial Status	Handicap Disability	Sex	Religion	Totals
2016							
2017							
2018							
2019							
2020							
Total							

Source: U.S. Department of Housing and Urban Development – Richmond, Virginia Office

Table: 2.5.2: Type of Case Closure (2016 - 2020)

Type of Closure			2016	2017	2018	2019	2020	Total
Cases remain open								
Case Conciliated / FHAP Judicial Consent Order								
No Probable Cause / FHAP Judicial Dismissal								
Withdrawn/No Action Taken								
Unable to Locate Complainant / Complainant failed to cooperate								
Lack of Jurisdiction/Administrative								
Totals								

Source: U.S. Department of Housing and Urban Development – Fort Worth Regional Office

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 has 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.

Annual Action Plans submitted to HUD indicated that the City of Danville operated Entitlement Programs consistent with Federal Regulations and addressing priority needs of both the Consolidated Plan and Fair Housing Impediment Analysis.

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.

IV. Community Engagement

Introduction

Citizen comments for the Assessment of Fair Housing were collected as part of the 2021 Annual Plan process. The City advertised the 2021 Annual Plan for 30 days, soliciting comments on fair housing impediments and barriers to affordable housing. The City held one public hearing. The City also scheduled a meeting with an employee in the library to receive comments, and the Housing Committee held a meeting in the second floor conference room with availability of an hour and a half.

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.

It should be noted that the comments summarized in this section represent the comments and views from those participating in supplemental interviews and comments received during the 2021 Annual Plan review and public comment period. JQUAD 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. Comments and information obtained 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 are a major concern. Frequently mentioned 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.

There is a need 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. Increased housing counseling-both pre-purchase and post purchase support is 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. 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

Greater emphasis is needed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. Infrastructure is needed 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 viewed as primary barriers to affordable housing, as well as, limited local funding for infrastructure.

Public Policy and Public Awareness of Fair Housing

Awareness of fair housing rights as a concern. 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. Residents often fear retaliation by those who violate the laws. For example, 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.

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 is needed. 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. 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.

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. 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

Greater funding is needed for the elderly to age in place, and to provide housing for others in need of special needs housing. 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.

V. Home Mortgage Disclosure Act Analysis

Introduction

The Consumer Financial Protection Bureau (CFPB) gathers data on home mortgage activity from federal agencies that regulate the home mortgage industry. This data is made publicly available by the Federal Financial Institutions Examination Council (FFIEC). 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 through their website for download and analysis. Data were input into a spreadsheet for analysis. As of 2018, the CFPB has modified, expanded, and removed specific data points under the revised HMDA rule adopted in October 2015.

The data reported in this section are summarized by a variety of methods. Tables 5.1 and Tables 5.2 provide information for Danville Tables 5.3, 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.

5.1. Analysis

Table 5.1 examines home loan activities in Danville. The data is presented by loan type, ethnicity, income, and loan purpose. White applicants represented the most significant number of loan applicants at 471. Origination rates, the percentage of applications that result in loans being made, for Whites were 69 percent. The next largest applicant group, persons stated their race as not available, submitted 315 applications with an origination rate of 33 percent. Blacks submitted 260 applications with an origination rate of 55 percent, followed Hispanics with 20 applications submitted with an origination rate of 42 percent. Asian origination

rates were about 50 percent, and there were 20 applications reported. High-income applicants showed the highest number of applications at 252 and the highest origination rate, about 61 percent. The number of applications drop significantly for all other income groups, with 149 applications from low-income applicants and an origination rate of over 62 percent. Conventional loans account for the largest number of applications by loan type at 638 and an origination rate of 61 percent. Home Purchase loans show the highest number of applications for loan purposes, at 593 and the origination rate of over 57 percent. Cash-Out Refinancing loans had an origination rate of about 52 percent with 153 loan applications. Refinance loans had a 22 percent origination rate with 37 applications. The newly added loan purpose category "Other Purpose" had about a 40 percent origination rate with 151 applications submitted.

Table 5.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within the category, rather than demonstrating the percentage of applications that result in loan originations. For example, the percentage in the "% of Originations" column indicates that 65 percent of originations in the metro area were for conventional loans compared to 61 percent origination rate from Table 5.1. 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 61 percent of all originations in that category. FHA loans, which are government-insured and have more stringent lending criteria, were about 24 percent of all originations. Referring to Table 5.1, the origination rates were about 45 percent for FHA versus approximately 61 percent for conventional.

For Race and Ethnicity, "Whites" shows the highest percentage of origination at 69 percent of the total originations in the city. The percentage of Whites in the

population was over 68 percent. African American applicants represented over 25 percent of originations, with more than 48 percent of the total population. Hispanic applicants accounted for about 3 percent of all originations while comprising less than 4.3 percent of the total population.

The highest income group (>120% median) displays the highest percentage of originations, at about 27 percent of all originations. In contrast, the very low-income group accounts for 7 percent of all originations.

Table 5.3 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. The table also compares origination rates between minorities and White applicants for the various loan purposes and income groups. Denials are higher for minorities, especially very low income compared to Whites. For all loan purposes shown, White origination rates are higher than minorities.

Looking at the income group comparison, minorities origination rates at 39 percent is the same as Whites in the very low-income group and 20 percentage points lower in the low-income group. With Moderate Income applicants (81-95% MFI), White origination rates are higher than minorities by 30 percentage points. In the High-Income group (>120% MFI), White origination rates are 23 percentage points higher. Within each income group, Whites and minorities are not entering the loan markets with equal incomes.

Chart 5.1 provides data on origination rates by census tract income for the loan types: Conventional, FHA, and VA. The FHA loan type had higher origination rates within the low- and middle-income group of tracts. Conventional and VA loans alternates between the first and second highest origination rates in middle- and high-income groups of tracts.

Chart 5.2 shows origination rates by ethnicity and income of the census tract. Whites and African American are among the higher origination rates of all races in all income groups of tracts.

Map 5.1 and maps 5.3 through 5.6 detail 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 brown indicate those areas where at least 133 applications are denied for every 100 applications that are originated. The next category indicates those areas where between 39 and 50 applications are denied for every 100 applications originated. The lighter brown areas show 26 to 38 applications denied for every 100 applications originated. The lightest brown areas show 14 to 25 applications denied for every 100 applications originated.

Map 2.7 in the Community Profiles section shows the median household income for Danville by census tract. Comparing Map 5.1 and Map 2.7, 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 5.2 shows the percentages of total loan applications by census tract. Most active areas are shown in the darker colors and the least active areas in lighter colors. The lighter areas are meant to indicate areas of concern, either for lack of loan activity or for their low rate of application originations in relation to denials.

5.2. Conclusions

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

Conventional loans were the most frequent loan type in the city. Loan applications and originations were less when compared to their percentage in population for African Americans in the city. The analysis reveals two issues, lower origination rates 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 a lack of credit history, poor credit history, or higher debt-to-income ratio. During 2019, 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 a 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 recent years due to economic slowdown 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 5.1
Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Danville 2019

Loan Type:	Number of Apps	Loans Originated	Origination %
Conventional	628	383	61%
FHA	321	144	45%
VA	140	66	47%
USDA	-	-	-
Total	1,089	593	54%
Loan Purpose			
Home purchase	593	339	57%
Home improvement	24	13	54%
Other purpose	151	60	40%
Not Applicable	131	59	45%
Refinancing	37	8	22%
Cash-Out Refinancing	153	80	52%
Total	1,089	559	51%
Race			
2 or more minority races	3	0	0%
American Indian or Alaska Native	1	0	0%
Asian	20	10	50%
Black or African American	260	142	55%
Joint	17	9	53%
Native Hawaiian or Other Pacific Islander	2	2	100%
Race Not Available	315	104	33%
White	471	326	69%
Ethnicity			
Ethnicity Not Available	329	109	33%
Hispanic or Latino	33	14	42%
Joint	10	7	70%
Not Hispanic or Latino	717	463	65%
Income			
<51% median (very low)	100	39	39%
51-80% median (low)	149	93	62%
81-95% median (moderate)	94	57	61%
96-120% median (middle)	239	166	69%
>120% median (high)	252	153	61%
N/A	255	85	33%

Table 5.1: Source: Home Mortgage Disclosure Act (HMDA)

TABLE 5.2
Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Danville 2019

Loan Type:	Number of Apps	Loans Originated	Origination %	% of Originations	
Conventional	628	383	61%	65%	
FHA	321	144	45%	24%	
VA	140	66	47%	11%	
USDA	-	-	-	-	
Total	1,089	593	54%	100%	
Loan Purpose					
Home purchase	593	339	57%	61%	
Home improvement	24	13	54%	2%	
Other purpose	151	60	40%	11%	
Not Applicable	131	59	45%	11%	
Refinancing	37	8	22%	1%	
Cash-Out Refinancing	153	80	52%	14%	
Total	1,089	559	51%	100%	
Race					% of Population
2 or more minority races	3	0	0%	0%	3.1%
American Indian or Alaska Native	1	0	0%	0%	-
Asian	20	10	50%	2%	1.2%
Black or African American	260	142	55%	25%	48.8%
Joint	17	9	53%	2%	-
Native Hawaiian or Other Pacific Islander	2	2	100%	0%	-
Race Not Available	315	104	33%	19%	-
White	471	326	69%	58%	42.4%
Ethnicity					
Ethnicity Not Available	329	109	33%	19%	
Hispanic or Latino	33	14	42%	3%	4.3%
Joint	10	7	70%	1%	
Not Hispanic or Latino	717	463	65%	83%	96.5%
Income					
<51% median (very low)	693	299	43%	10%	
51-80% median (low)	1,095	610	56%	20%	
81-95% median (moderate)	532	291	55%	9%	
96-120% median (middle)	752	419	56%	14%	
>120% median (high)	2,026	1,158	57%	38%	
N/A	956	305	32%	10%	

Table 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Table 5.3
Analysis of Home Mortgage Disclosure Act Data
HMDA Activity for – Danville
Minority Origination Compared to White

Minority				
Income	Loans Originated	Origination %	Loans Denied	Loan Denial %
<51% median (very low)	20	39%	17	33%
51-80% median (low)	51	55%	16	17%
81-95% median (moderate)	21	46%	10	22%
96-120% median (middle)	72	63%	19	17%
>120% median (high)	42	46%	13	14%
White				
Income				
<51% median (very low)	19	39%	16	33%
51-80% median (low)	42	75%	11	20%
81-95% median (moderate)	36	75%	4	8%
96-120% median (middle)	94	76%	15	12%
>120% median (high)	111	69%	11	7%
N/A	24	71%	2	6%

Table 5.3: Source: Home Mortgage Disclosure Act (HMDA)

Chart 5.1: Origination Rates by Loan Types by Income of Census Tracts

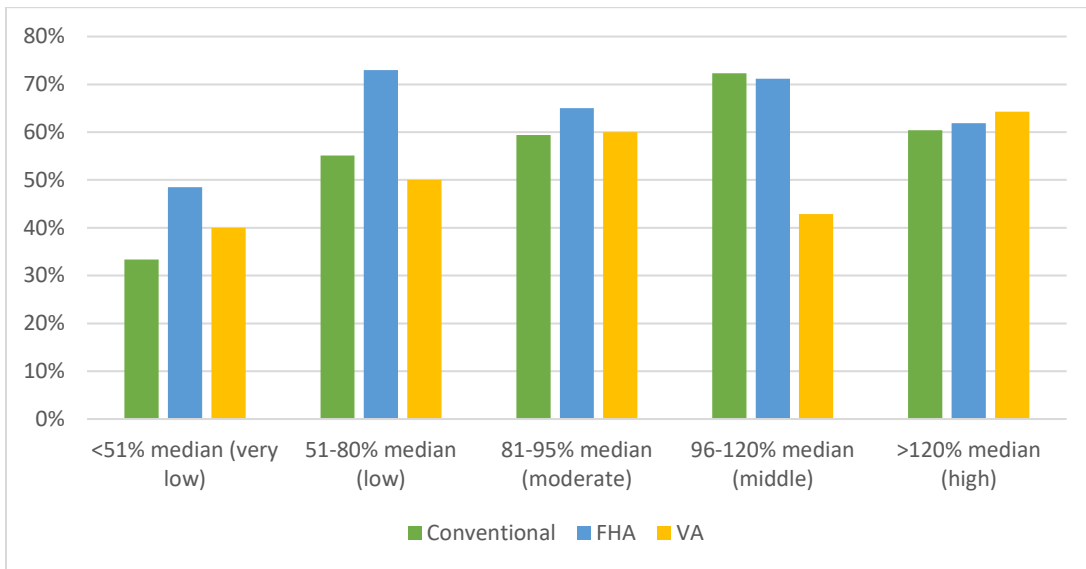


Chart 5.1: Source: Home Mortgage Disclosure Act (HMDA)

Chart 5.2: Origination Rates by Ethnicity by Income of Census Tracts

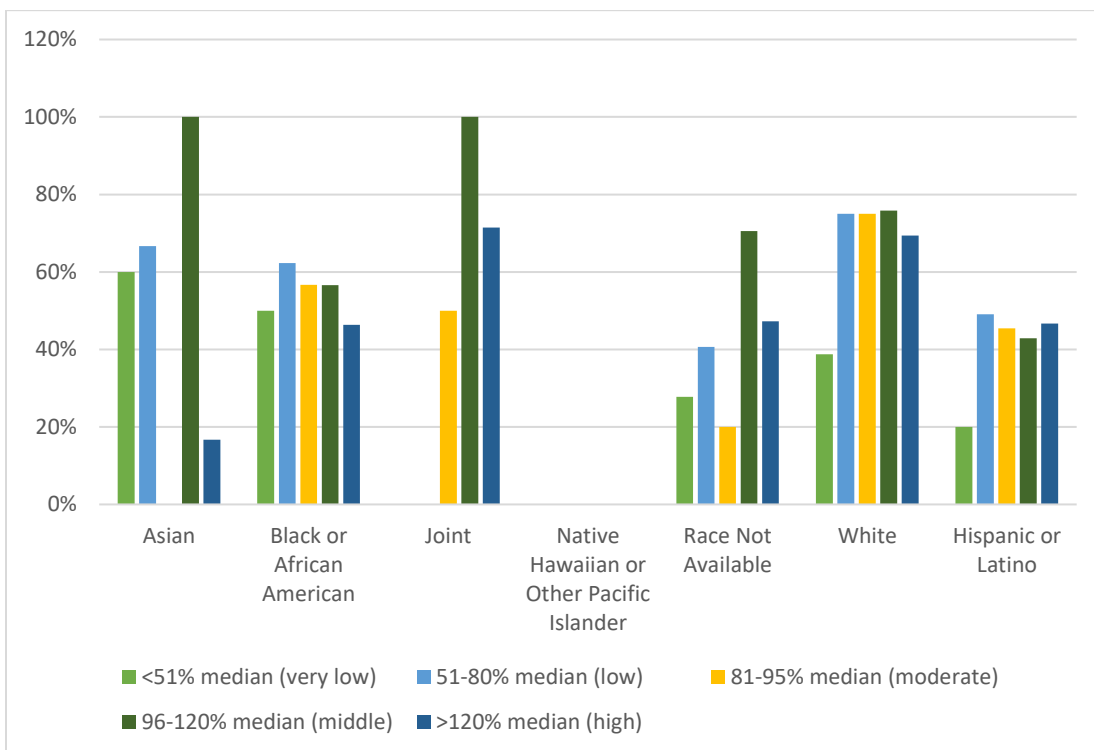
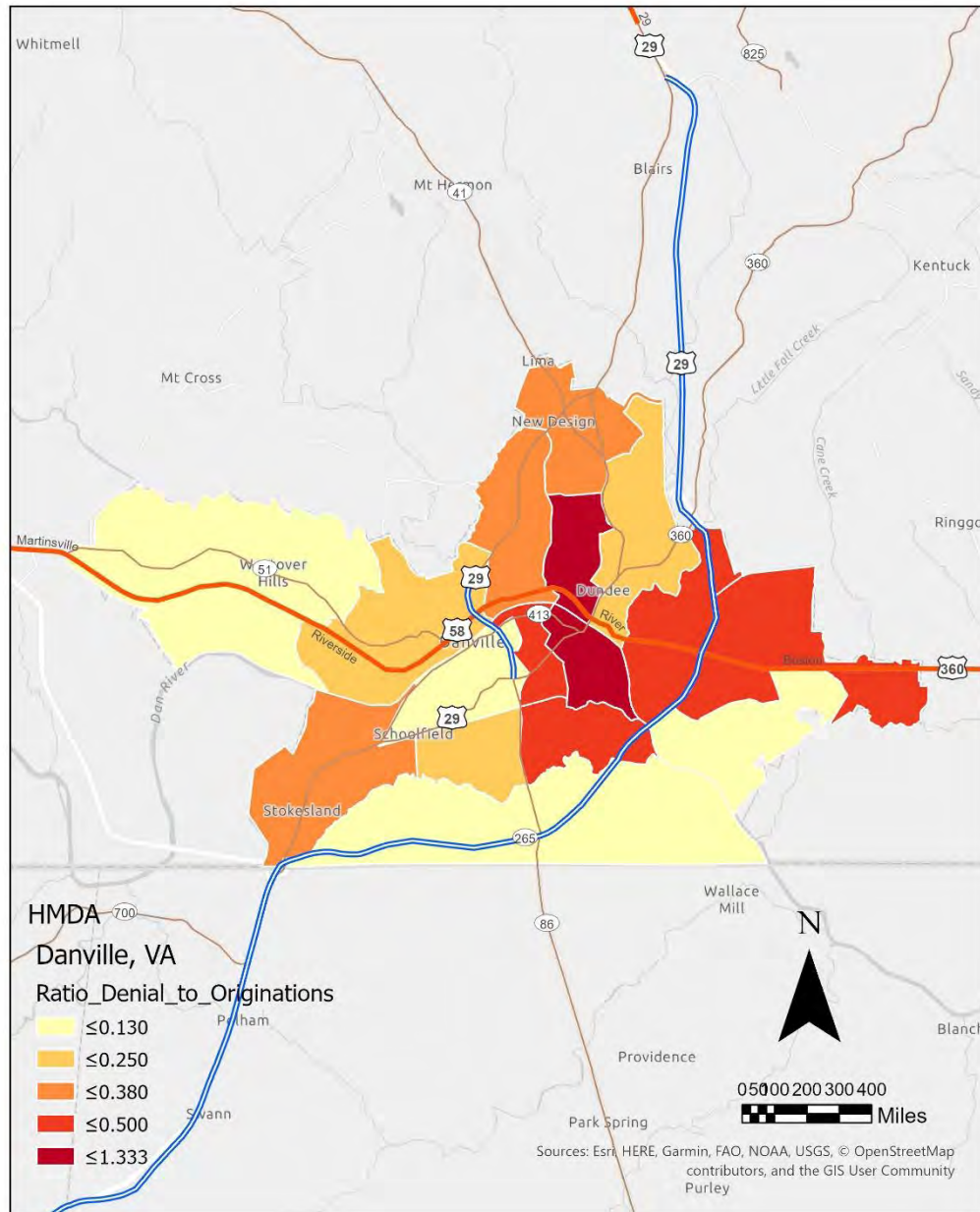


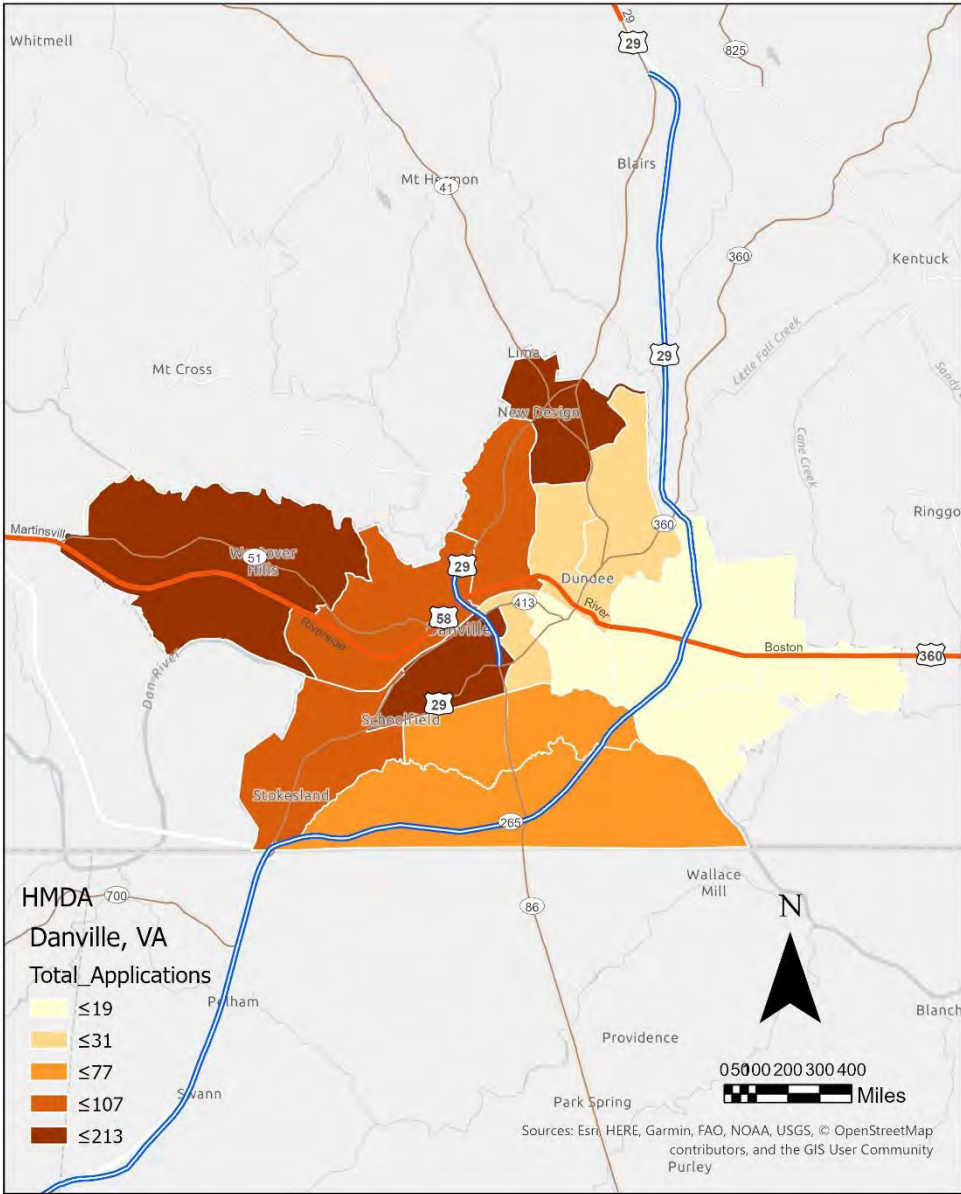
Chart 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.1 Ratio Denials to Originations



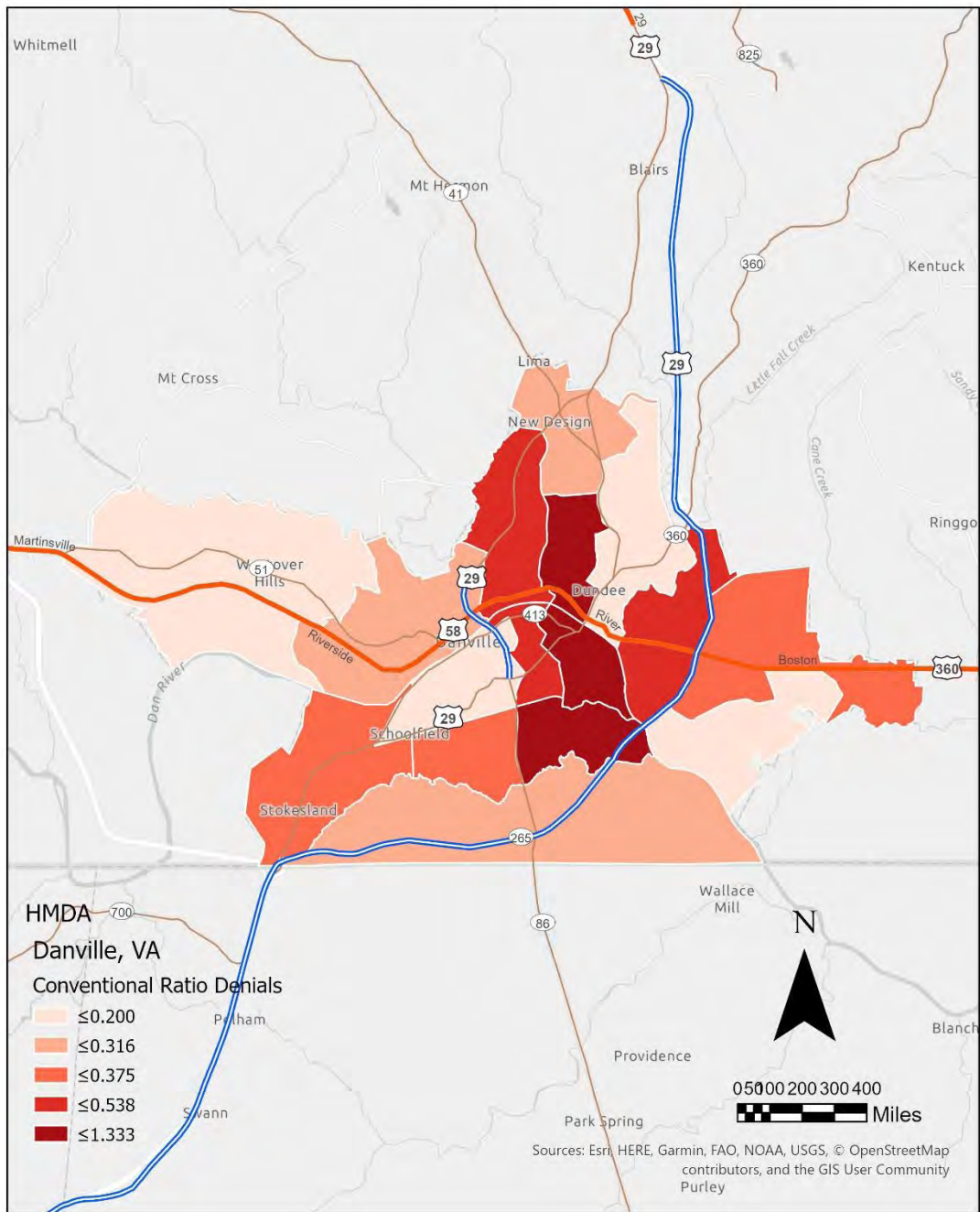
Map 5.1: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.2 Total Applications



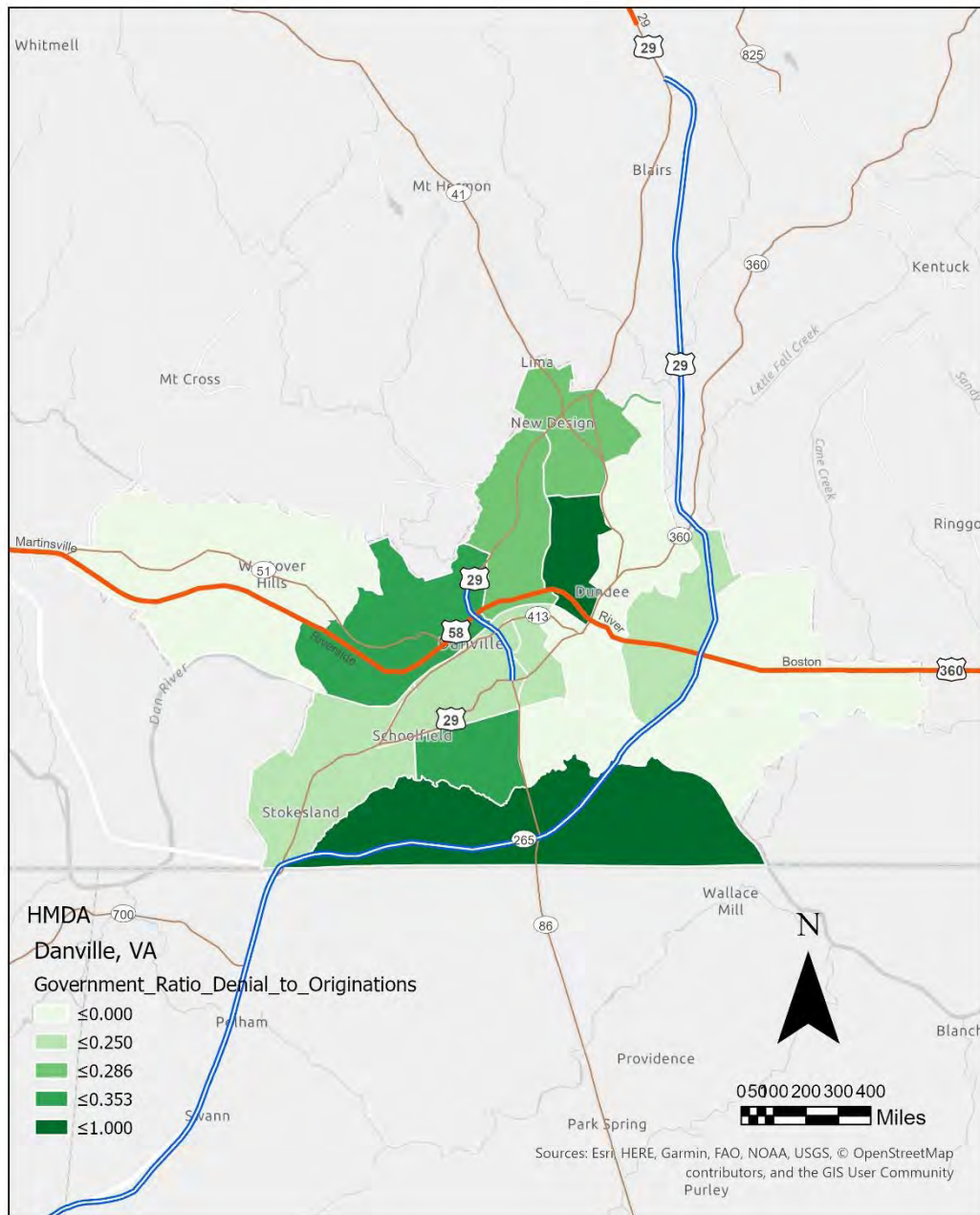
Map 5.2: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.3 Conventional Ratio Denials to Originations



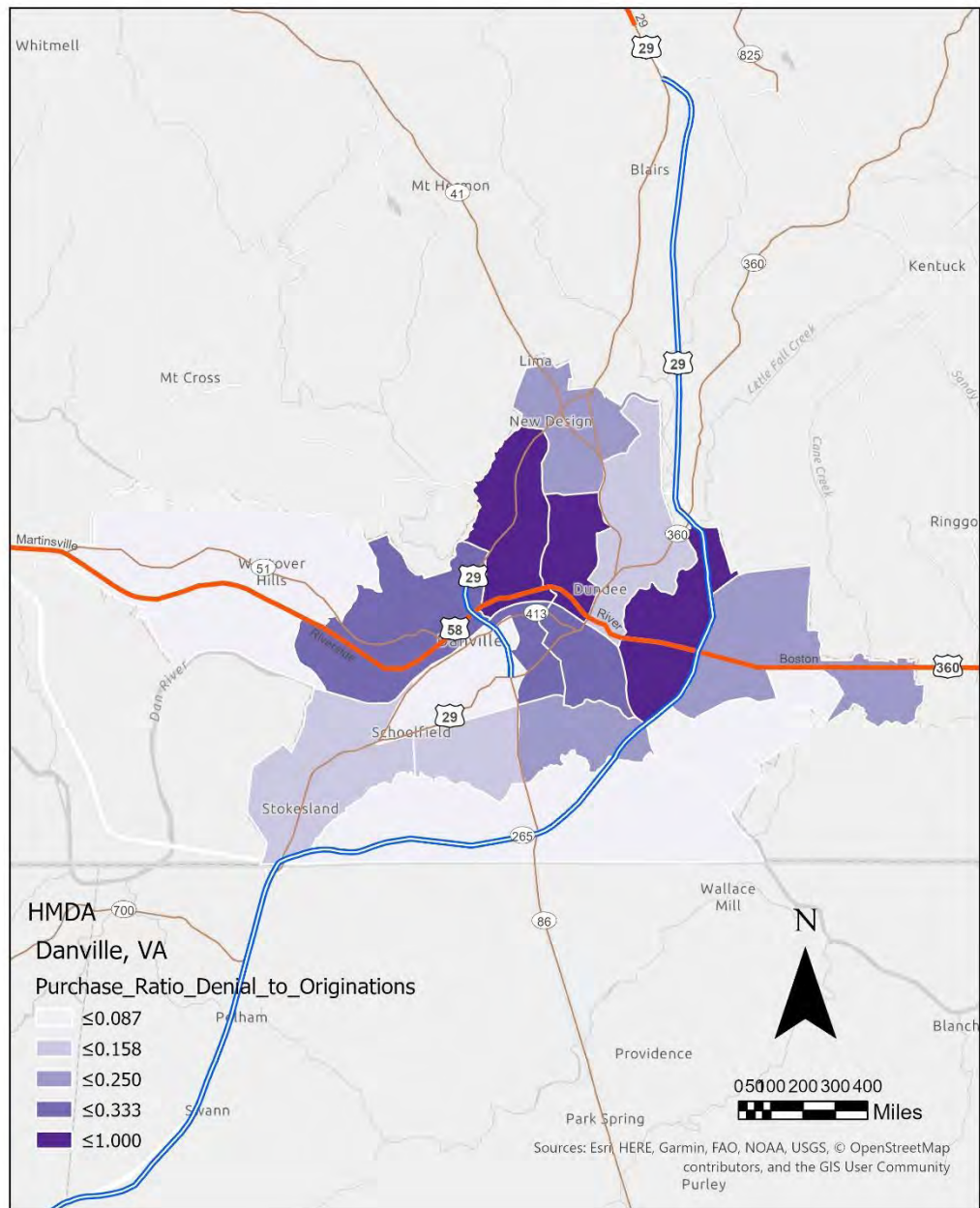
Map 5.3: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.4 Government Ratio Denials to Originations



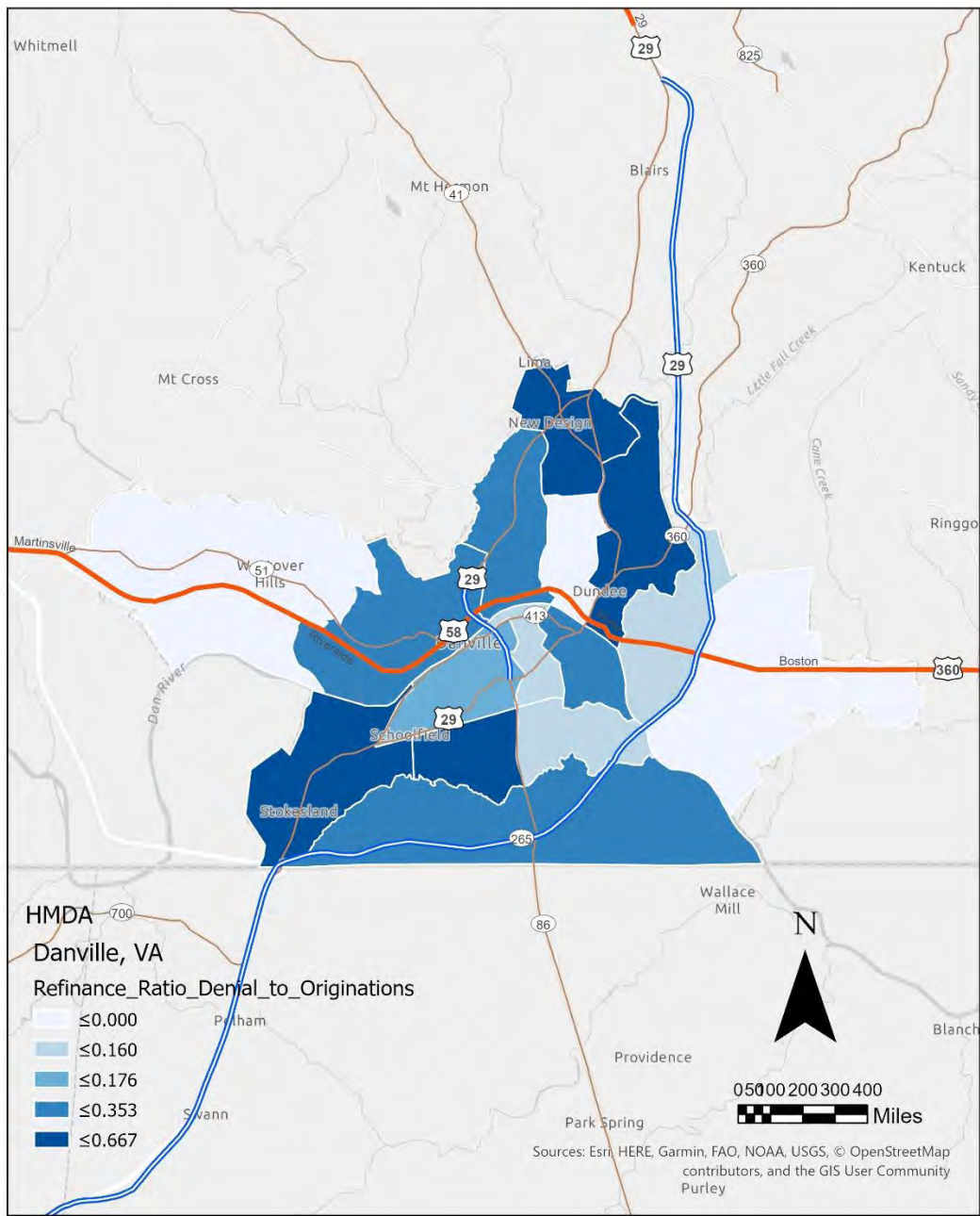
Map 5.4: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.5 Purchase Ratio Denials to Originations



Map 5.5: Source: Home Mortgage Disclosure Act (HMDA)

Map 5.6 Refinance Ratio Denials to Originations



Map 5.6: Source: Home Mortgage Disclosure Act (HMDA)

VI. Fair Housing Impediments for 2021 Assessment of Fair Housing

2021 Assessment of Fair Housing Choice

Impediments to fair housing choice are detailed in Section VI of the Assessment of Fair Housing Impediments Report. The impediments identified draw on information collected and analyzed in other sections that provide a context for remedial actions intended to address those impediments. Divided into five major categories, Impediments to Fair Housing include: 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, when appropriate, to address each impediment. Some of the remedial actions and recommended goals are conceptual frameworks for addressing the impediments. Conceptual actions and goals may require further research, analysis, and program design by the City prior to implementation.

Goals and Remedial Activities designed to address impediments

The major focus of the recommended remedial actions and goals are intended to create public - private partnerships, identify new federal resources and leverage private funding needed to enhance the City of Danville's ability to increase the supply of affordable housing. Additional focus is needed on policies and programs that assist in meeting the needs of low- and moderate-income households and protected class members under the Fair Housing Act. Remedial actions are recommended as a means of reversing the negative and sometimes disparate impacts of the market conditions and mortgage lending trends that adversely and disproportionately impact minorities and members of the protected classes under the federal Fair Housing Act. These include sub-prime lending, credit and collateral deficiencies that impact loan origination rates, poverty, unemployment and income. The goals were prioritized with input from the public. Remedial actions are presented in this section of the report.

The following component of Section VI describes the identified impediments, analysis of data relative to identified impediments, remedial actions needed, and goals for addressing identified impediments to fair housing. The following impediments and impacts relative to fair housing were identified as high priorities.

Impediments

- ✚ Decreasing Concentrated Poverty, Income, Race, Ethnicity, Public and Assisted Housing (R-ECAP) Areas – High Priority
- ✚ Limited Development Subsidies and increasing Cost of Development – High Priority
- ✚ Housing Affordability, Insufficient Income, Cost Burden – High Priority
- ✚ Limited Housing Resources to assist lower income, elderly, and disabled homeowners maintain homes and enhance neighborhood stability – High Priority
- ✚ Expand the supply of Affordable Housing, Housing Choices and Access to Financing – High Priority
- ✚ Limited Special Needs housing and services – High Priority
- ✚ Increase Homeownership among protected Class Members, Increase Rehabilitation of existing housing, and sustainability – High Priority
- ✚ Regulatory Changes – High Priority
- ✚ Local Substantially Equivalent Fair Housing Regulations – High Priority
- ✚ Increase Outreach to Developers, Real Estate Professionals, Landlords, and Citizens on Fair Housing and Development Opportunities – High Priority
- ✚ Increase Economic Development, Job Creation, Small Business Entrepreneurial Opportunities and Commercial Corridor Revitalization – High Priority
- ✚ Improve Transportation and Mobility for LMI Populations, Seniors, and Disabled Persons – High Priority

Impediment No. 1: De-concentration of Poverty, Race/Ethnicity, Public and Assisted Housing (R-ECAP) - Neighborhood Conditions Impediment

High Priority – The U. S. Department of HUD has defined “Areas of Poverty, Racial and Ethnic Concentration and Segregation” as areas or census tracts within a jurisdiction comprised of 50% or greater minority population, and three (3) times or more the poverty level of the Metropolitan Statistical Area (MSA). These areas are negatively impacted by concentrated public and assisted housing and are generally lacking basic amenities and a quality of life expected and desired for any area within the MSA. It is important to note that concentrated assisted housing units are not simply related to the number of housing units in a census tract and their proximity to other assisted units. The analysis also considers how assisted units have contributed to concentrated racial/ethnic populations, poverty / LMI population, disinvestment / decline in neighborhood conditions, their proportion of affordable housing compared to privately-owned affordable housing and market rate housing in the census tract. The MSA poverty rate was 22.4 percent. Three times the poverty is 41.4 percent, thus making it the poverty threshold for the RCAP/ECAP criteria for Danville for 41.4 percent. The census tracts within the City of Danville that are comprised of 50 percent or greater minority population and 41.4 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. Map 2.8 of Section II - Community Profile depicts the census tract defined as concentrated and segregated as defined by the HUD R/ECAP Calculation.

In addition, other census tracts with a minority population over 50 percent are identified that may soon reach a poverty level exceeding 41.1 percent. Map 2.8 in Section II: Community Profile depicts other census tracts with high concentrations of poverty and minorities, indicating early signs of concentrations.

R-ECAP areas generally have suffered decline over the past decades due to limited reinvestment. Some designated areas have limited housing choice in rental and ownership housing. In some R-ECAP areas, there are limited resources to assist LMI renters and to assist LMI, elderly, and disabled homeowners maintain their homes and stability in neighborhoods. In some R-ECAP areas, conditions are relatively stable, and

the housing stock is in fair to good condition. Other areas are currently in the early stages of decline. In addition to the early decline in R-ECAP areas, other neighborhoods are also in transition, showing advanced characteristic of declining conditions and likely will continue to decline if reinvestment, routine and preventive maintenance does not occur in a timely manner.

Housing stock 30 years and older have a longer period for the effects of deferred routine maintenance and disinvestment to negatively impact housing condition. While age does not always indicate diminished housing condition, correlations exist. Higher income areas with older but higher priced housing tend to have less correlation between age of housing and condition of housing than lower income areas. Neighborhood covenants and homeowner associations, which are generally associated with higher cost housing, also contribute to stability. Some housing, neighborhoods, and commercial corridors conditions demonstrate the impact of disinvestment in areas more than others. There is also a correlation between concentrated poverty, race, ethnicity, and assisted housing and areas of decline.

The goal of de-concentration is to achieve minority concentrations and poverty level less than defined above by R-ECAP and to transform areas of concentration into “opportunity areas”. Opportunity areas are characterized 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.

Alternative Solutions and Best Practices

Inclusionary / Incentivized zoning regulation (example) Charleston SC
(example) Charleston, SC MU - 2 District

Housing Choice Neighborhoods Grant - U.S. Department of HUD
(example) Shreveport and Baton Rouge, Louisiana; Huntsville, Alabama.

LIHTC Regulation - changes supporting de-concentration including Section 8
Voucher increased FMR's and Landlord Incentives

Remedial Actions:

The City of Danville should consider **Inclusionary Zoning – Incentivized Zoning** as a source of funding for affordable housing and to reduce concentrations in R-ECAP impacted areas. Inclusionary Zoning (IZ) refers to a set of strategies that aim to create balanced housing development and mixed-income communities by ensuring that some portion of new housing development is affordable. This strategy may be appropriate to encourage a mix of incomes in the City of Danville where development may create neighborhoods of homogenous home prices and residents of similar incomes. Mixed-income communities broaden access to services and jobs, as well as provide openings through which lower-wage earning families can buy homes in appreciating housing markets and accumulate wealth. Inclusionary Zoning policies can be voluntary or mandatory.

HUD Choice Neighborhood Program Grants - The City of Danville, should evaluate applying for a HUD Choice Neighborhood Planning Grant. The U.S. Department of Housing and Urban Development awarded five Choice Neighborhoods Planning Grants in 2019 including \$450,000 to the City of Huntsville, Alabama. Implementation Grants including \$24.2 million to the City of Shreveport for fiscal year 2019 and \$29.5 million to the City of Baton Rouge in 2019 were awarded to assist in the transformation, rehabilitation and preservation of public housing and privately-owned HUD-assisted housing and surrounding distressed neighborhoods. The Choice Neighborhood initiative expands on the success of the HOPE VI Program by recognizing that communities must link affordable housing with quality education, public transportation, good jobs and safe streets. As part of HUD's overall plan to revitalize areas of concentrated poverty, the Choice Neighborhoods Grants are intended to help transform distressed and at risk public or assisted housing, and their surrounding neighborhoods into sustainable, mixed-income housing that connects to key services, such as education and transportation, and supports positive outcomes for the neighborhood's families. Eligible applicants are public housing authorities, local governments, non-profit organizations, and for-profit developers that apply jointly with a public entity. Applicants must demonstrate their plan to revitalize the neighborhood through public-private partnerships that seek to develop high-quality

public schools and early learning programs, public transportation, and improved access to jobs and well-functioning services.

Low Income Tax Credit Policies and Regulations (LIHTC) – Currently federally assisted housing and LIHTC assisted developments are predominately located in areas/census tracts where minority populations are concentrated and in areas of concentrated poverty, lower incomes, and areas of poor housing conditions as defined by HUD’s definition of concentrated Racial and Ethnic, Poverty and Low Income (R-ECAP). The fair market rents approved for the Section 8 Housing Choice Voucher Program while in theory was intended to support housing choice are resulting in voucher holders being largely concentration in these same areas. The areas surrounding the federally assisted housing developments are largely concentrated by with minority persons based on race-ethnicity and lower income persons and exhibit advanced signs of disinvestment and poor housing and living conditions. The need for de-concentration makes revitalization, which is aimed at reversing these conditions, a high priority. Recommendations include the City of Danville taking the following actions:

- Lobby the Virginia Legislature to amend LIHTC Funding Criteria to include a Location Criteria Policy that incentivizes developers’ applications that do not choose poverty and racial/ethnic concentrated census tracts to help reduce concentrated poverty, race and ethnicity







Impediment No. 2: Limited development subsidies, increasing cost of development, expanded housing types and locations - Neighborhood Condition, Banking and Finance, and Public Policy Impediment

High Priority – Resources are needed to expand housing development and housing types in areas where they are limited. Resources are also needed to reduce cost of development and address impediment which constrain new housing production and housing choice. In the central city, land available for affordable housing is further complicated by the number of vacant private and adjudicated properties that cannot be utilized for development due to various legal constraints and tax encumbrances. As a result, new residential production on infill lots are challenging and costly.

Renovations are not cost effective in some instances when developing and renovating affordable housing. Construction cost, which includes materials and labor, have increased due to market demand and natural disasters. Renovation constraints for existing multifamily development include cost benefit of renovation as opposed to replacement cost. Location of multifamily housing is also included in Impediment No. 1 because multifamily units in R-ECAP are in poor condition, surrounded by concentrated distressed conditions, and needing to de-concentrate lower income person in need of housing.

The Consolidated Plan, Needs Assessment and Market Analysis details the following impediments and impacts relative to Impediment No. 2.

Impediments

-  Expanded resources for housing development
-  Expanded resources for housing assistance – rental and ownership
-  Nonprofit housing developer assistance and incentives
-  Recapture of vacant lots and obsolete building
-  Infrastructure improvements to support housing development
-  Developer incentives to build the type of housing needed

Alternative Solutions and Best Practices

General Obligation Bonds to finance housing and infrastructure
(example) Charleston, SC







New Market Tax Credits to generate subsidies for housing
(example) Houston, TX BBVA Compass Stadium

Impediment No. 3: Housing affordability and insufficient income, and cost burden - Neighborhood Condition, Banking and Finance, and Public Policy Impediment

High Priority - Households having inadequate income to acquire housing available in the market may be the most critical impediment faced by households in Danville. Cost burden is a major concern as the 2015 - 2019 ACS estimates revealed a significant percentage of the population at all income levels are paying more than 30 percent of their income for rent and home ownership. HUD defines affordability and housing cost burden as housing cost not exceeding 30 percent of household monthly income.

The report details the following impediments and impacts relative to Impediment No. 3.

Impediments

-  Limited resources for housing assistance – rental and ownership
-  Limited assistance and incentives for nonprofit housing developer
-  Expanded funding for infrastructure improvements to support housing development and rehabilitation
-  Need for expanded self-help, community and faith based and institution initiatives
-  Housing assistance for cost burden persons for all populations, and disparate impact on protected class members
-  Continue to expand job opportunities and industries paying living wages

Alternative Solutions and Best Practices

- Increased self-help initiatives - fix-up," "paint-up," or "clean-up" campaigns, corporate and volunteer repair projects, youth build, compliance store (example) Dallas, TX
- High school and community college financial literacy courses (example) Prince Williams County, Virginia

- Lease purchase subdivisions – Lease purchase housing finance (example) Shreveport, LA Shepard Place and Stoner Hill
- Opportunity Zones to create reinvestment for affordable housing (example) Houston, TX Prospectus

Remedial Actions:

Financial Literacy - The first considerations when attempting to increase homeownership rates should include improving the financial literacy and home buying preparedness of potential buyers. Banks and credit agencies work with buyers to educate them on home ownership responsibilities. Homebuyer education classes are a prerequisite for homebuyer assistance programs providing down payment assistance. However, the 18 to 35-year-old demographic is impacted by financial literacy as well. An early start in managing personal finances can prepare individuals for those major purchases. The City should consider working with local school districts to increase courses that provide financial literacy education for high school juniors and seniors. Local lending institutions and real estate professionals should be recruited to assist in curriculum development and to provide instructors for the classes. The City may consider working with school districts to identify funding for pilot programs.

Opportunity Zones - The Federal Opportunity Zone Program is a community and economic development tool that aims to drive long-term private investment into low-income communities throughout the country. The program was established by Congress in the Tax Cuts and Jobs Act of 2017. It encourages investors with recently realized capital gains to invest in local businesses, real estate, or development projects in exchange for a reduction in their tax obligations. Zones were designated by the Governor of each state. The program incentivizes investors to make equity investments in Opportunity Zone-based businesses and development projects by providing:

- A temporary tax deferral for any realized, but not recognized, capital gains reinvested through the program



- The potential for a 10% to 15% reduction in the amount of tax otherwise payable on the Original Gain
- If the investment in the Opportunity Zone is held for ten years or more, a permanent exclusion of any capital gains derived from the eventual sale or exchange of the Opportunity Zone investment

It appears that the Opportunity Zones could provide a source of equity for housing and economic development initiatives like tax credit equity generated by LIHTC. This is important because Danville's older residential and commercial, and a shift toward diversification of mixed income and mixed housing types, will require unrestricted equity that does not require the concentration of person of low-moderated income in current R-ECAP Areas. It is essential that Danville develop alternative approaches for utilizing the Opportunity Zone designation to generate reinvestment dollars for neighborhoods suffering decline and areas such as downtown that appear most marketable to younger demographics and those seeking more affordable housing.

Impediment No. 4: Limited Housing Resources to assist lower income, elderly, and disabled homeowners maintain homes and enhance neighborhood stability - Neighborhood Condition, Socio-Economic Conditions, Public Policy Impediments.

High Priority – In general, limitations relative to fair housing choice are more commonly found to affect housing decisions among low-income persons and special needs populations. Lower income, poverty and limited resources to make housing affordable for LMI, minority, and senior populations are impacting fair housing choice. Overall, the income distribution data show a higher proportion of low-income households within the African American and Hispanic communities. The analysis details the following impediments and impacts relative to Impediment No. 4.

Impediments

-  Senior housing needs
-  Younger demographics housing needs

- ✚ Affordable housing needs
- ✚ Employer and faith-based housing development assistance
- ✚ Green building and energy efficiency
- ✚ Special needs housing, homelessness, homeless prevention, and transitional housing

Alternative Solutions and Best Practices

- 55+ and Active Seniors Housing
(example) Dallas-Fort Worth, TX Robson Ranch Development
(example) Flower Mound, TX Orchard Flower Development
- Cottage – Cluster Housing for Seniors
(example) Tigard, OR Cottage Housing Zoning District
(example) Old West Austin Cottage Housing
- Grand Parent Housing
(example) Kansas City, MO Pemberton Park
- Employer Assisted Housing
(example) Columbus, GA Aflac EAH
- Tiny Homes Subdivisions
(example) Austin, TX Village Farms

Remedial Actions:

Modular Housing as an alternative lower cost housing product – Cities now face a crisis of affordability in the housing industry with difficulty delivering high-performance and durable buildings at an affordable cost. Modular housing is fast becoming a cost-effective alternative to traditional on-site construction. The components of the building are constructed in a factory, transported and assembled on the lot. These industrialized building offers two primary advantages: predictability and time required for construction. Unlike mobile homes, each modular housing building is required to meet local and national building codes. In Shreveport, Louisiana non-profit development organizations have utilized modular housing as a means of lowering the purchase price of new housing,

while replicating the architectural style of the existing neighborhood and meeting local building code requirements as well. These units feature siding as opposed to traditional brick construction and offer the residents porches similar to those found on the units currently in the neighborhood. These units could provide alternatives for affordable housing in areas throughout Danville. Modular housing is currently permitted by right in Danville's building codes if the construction meets building codes. Unlike mobile homes, modular housing is designed the same as a traditional single-family housing situated on a permanent foundation. The walls and other components are typically constructed off site and then transported to the site for assembly. Local building officials are responsible for building permits and evaluating construction to ensure compliance with local codes.

Employer Assisted Housing - The City should work with local employers to market Employer Assisted Housing (EAH) as a means of creating homeownership opportunities for the workforce. It is vital that major employers and financial institutions promote wage levels adequate for people to enter into homeownership, without down-payment and other assistance. City governments and school districts should also consider initiating programs to assisted qualified employees with becoming homeowners. The City should coordinate with major employers and lenders to design and aid firms in the implementation of Employer- Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing in the Plan area.

Employer-Assisted housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into homeownership. Ultimately, communities benefit through 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 initiated their own EAH program, but also helps employers implement EAH programs. Fannie Mae's EAH program has made it possible for 2,200 of its employees to become homeowners. Seventy-six

(76%) percent of all Fannie Mae employees own their own homes, compared to the national average of sixty-eight (68%) percent.

55+ and Active Seniors' Housing Development – The Dallas Fort Worth MSA have been successful in attracting 55+ Active Senior Housing Developments. This housing type is primarily a private sector development product requiring very little or no government subsidy at all. Seniors / active adults with household incomes and financial means are choosing 55+ active adult communities as an option to meet their housing needs. This housing product recognizes that senior owners are exchanging their larger and older existing homes where they raised children for housing in communities that combine world-class resort amenities with new luxury homes that meet their changing needs and preferences. Community amenities include golf courses, club house facilities, activities, health clubs, classes and social opportunities allowing them to enjoy an exceptional way of life. Beyond that, senior who can afford housing in these developments want a home they can personalize to suit their preferences and lifestyle with the flexibility to create not only the living space of their dreams, but also the life of their dreams.




Cottage Housing - An option for addressing the needs of elderly homeowners may include finding them more appropriate housing rental or owner housing. Many elderly homeowners are over-housed once their children have left home. While this is not always a problem, if a homeowner can no longer care for their larger home, something smaller and more easily cared for may be more appropriate. The major objection that many in these circumstances have is losing their familiar surroundings and social networks. Small neighborhood cottage housing developments can address these housing needs. Instead of providing expensive repairs to a housing unit that may be occupied by only one or two persons, other buyers can purchase their home allowing them to transition to a smaller unit, while relieving them of the burden of the larger home. The program would then rehabilitate their home and sale it to a larger family through a new homebuyer program. 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 a 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, because of limited funding, will have to wait years for assistance because their application is on a long rehabilitation program waiting list.

5. Impediment: Expand Supply of Affordable Housing, Housing Choice, and Access to Financing
Neighborhood Condition, Banking, Finance, Regulatory – High Priority

High Priority - The housing market analysis revealed significant affordability gaps in both ownership and rental units. The housing supply and demand analysis for owner units in the City shows significant gaps in the supply within the price range of all household income categories with the exception of moderate-income households. Affordability within the extremely low and very-low household income categories are fairly limited, as ownership opportunities within these lower income levels is cost prohibitive. However, the Home Mortgage disclosure Act shows large gap in the purchaser's ability to qualify for existing supply of owner units, especially minority loan approval rates compared to Whites in LMI and Median income ranges applying for purchase of homes in the \$75,000 to \$150,000 and below range.

Impediments

-  Low number of loan applications for minorities and low origination rates for minority applicants.
-  After rehabilitation new construction infill appraisal does not support mortgage loan.
-  Predatory lending practices.

The millennial generation is expected to grow at a slower pace, resulting not only in fewer of them, but also fewer children. The housing needs of seniors and millennials, the two largest growth groups, will be similar in that both the baby boomers and millennials will likely seek smaller housing units, throughout the community, near amenities, families, and friends. Thus, there is the potential for higher density and mixed income housing development, including rental units for the millennials and seniors.

Predatory lending practices are aggressively absorbing 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. Consumers face underwriting criteria used by lenders that fail to adjust ratios or provide funding with more favorable terms.

Alternative Solutions and Best Practices

- Lease Purchase Subdivisions – Lease Purchase Housing Finance
(example) Shreveport, LA Shepard Place and Stoner Hill
- Modular Housing Infill Housing
(example) Shreveport, LA Queensborough Neighborhood

6. Special Needs Housing and Services

Socio-Economic, Banking, Finance, Regulatory, Policy – High Priority

High Priority - According the 2014 - 2018 ACS, the population of seniors over 65 has significantly increased.

Impediments

- ✚ Homeless prevention, rapid rehousing, coordinated intake
- ✚ “Visitable” housing standards
- ✚ Transportation and mobility
- ✚ Accessibility for persons with disabilities

Alternative Solutions and Best Practices

- Visitable Housing
(example) Atlanta, GA Habitat for Humanities

- Transportation Assistance Program

(example) Desoto, TX

**7. Increase homeownership among protected class members, increase rehabilitation of existing housing and sustainable neighborhoods
Neighborhood Condition, Banking, Finance, Regulatory – High Priority**

High Priority – Lack of housing affordability, which are households having inadequate income to acquire housing currently available in the market, may be the most critical impediment in the study area. The correlation between median home values and household income underscores this issue.

Impediments

- ✚ Restoring basic attributes to LMI Areas
- ✚ Housing and neighborhood conditions
- ✚ Lack of Affordable and Infill Housing
- ✚ Housing demand, cost, affordability, and access to financing
- ✚ Low number of loan applications for minorities and low origination rates

Alternative Solutions and Best Practices




- Modular Housing
(example) Queensborough Infill Housing, Shreveport, LA
- Lease Purchase Subdivisions – Lease Purchase Housing Finance
(example) Shreveport, LA Shepard Place and Stoner Hill
- Employer Assisted Housing
(example) Columbus, GA Aflac EAH

8. Regulatory and Policy Changes – High Priority

Neighborhood Condition, Public Policy, Regulatory – High Priority

High Priority - Success in meeting future housing needs, developing housing that is affordable to a wide range of consumers, and stimulating revitalization and reinvestment in existing areas must include addressing needed improvements to the community's basic attributes. These attributes include public safety, street maintenance, clean streets, timely infrastructure improvements, trash collection, brush collection, well maintained buildings, and vacant lots regularly mowed and free of debris, regular yard maintenance, and a general neighborhood appearance and level of community involvement that suggests that people care about their community. Public schools must continue to demonstrate academic programming and student achievement are comparable to that of surrounding school districts, and the public's perception of the quality of their schools must validate that comparability. Resident must feel safe in their homes and confident that they can conduct their daily routines in the neighborhood without being victimized by crime. These basic attributes tend to shape both the way a community sees itself and how non-residents entering the community view it as well.

Impediments

-  Incentivized Zoning Regulations
-  Predatory Lending
-  Fair Housing Ordinance

Alternative Solutions and Best Practices

- CPTED – Crime Prevention Through Environmental Design Regulations
(example) Houston, TX

9. Local “Substantially Equivalent” Fair Housing Regulations

Public Policy, Regulatory – High Priority

High Priority - The City of Danville has enacted substantially equivalent Fair Housing Law to the Federal Fair Housing Act. To make this determination, the City of Danville statutes were compared to the Federal Fair Housing Act to determine whether local legislation offered similar rights, remedies, and enforcement to the federal law. The City of Danville does not have substantially equivalent fair housing protections when comparing local enforcement to the enforcement provided by the Federal Fair Housing Act. The City of Danville does not provide substantially equivalent local enforcement, judicial or city administrative review, and adjudication or penalties for those who violate Fair Housing Law. Therefore, substantially equivalent local enforcement, judicial or city review, adjudication and penalties would strengthen the City of Danville Fair Housing Act.

Impediment

The City of Danville has enacted a Fair Housing Ordinance considered “Substantially Equivalent” Local Fair Housing Legislation to the Federal Fair Housing Act based on protected classes. Danville’s local ordinance would have does not provide similar rights, remedies, and enforcement to the federal law.

- City of Danville has enacted local fair housing policy that is substantially equivalent to the Federal Act based on protected classes, but it does not provide local enforcement, hearings, penalties, or remedies for complaints as provided by federal law.
- HUD currently provides duties of investigation, enforcement, adjudication, remedies if found in violation. However, HUD limits its enforcement of the local ordinance to complaints / violations filed by the seven protected classes under the Federal Fair Housing Act. (federal ordinance identifies seven protected classes as having standing: Race, Color, Disability, Familial Status, Religion, National Origin, and Sex.

Substantially equivalent fair housing legislation is not required by HUD or under federal law. However, local fair housing laws are considered part of the evidence that

a City is Affirmatively Furthering Fair Housing, substantially equivalent or not to the Federal Act. While HUD regulations do not require a substantially equivalent law, funding for local enforcement by HUD does require having a substantially equivalent local ordinance. Jurisdictions can include additional protected classes at their discretion. However, HUD will not enforce actions against additional protected class members not covered under the Federal Act. These complaints would have to be enforced by the local jurisdiction. Since the Federal Act was adopted in 1968, amended in 1988, local jurisdictions are adding protected classes to address local discrimination that may not have been contemplated in 1968 such as same sex marriages.

- Examples of additional protected classes other jurisdictions have included in local ordinances: Age, Source of Income, Sexual Orientation, Marriage Equality, same sex marriages, gender equality, student status.
- Advantages to local substantially equivalent ordinances include eligibility to apply for federal enforcement funding.
- Substantially Equivalent local enforcement is not a legal requirement and we are not aware of any City being litigated on this issue.

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, city or county enacts 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 Danville meets the HUD criteria that a county or city must be 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 at minimum contain the seven protected classes - race, color, national

origin, sex, religion, handicap, and familial status - and must have fines for violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's process outlined in federal regulations. 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. 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.

Alternative Solutions and Best Practices

(example) Austin, Texas Fair Housing Act – provides for local enforcement and additional protected classes beyond Federal Act including sexual orientation, gender identification, marital status, student status, age

Remedial Action: The City of Danville should evaluate expanding enforcement and protected classes in its' existing substantially equivalent local Fair Housing Ordinance that includes enforcement, remedies for violations, and additional protected classes.

Remedial Action: Continue to maintain and update the Affirmative Fair Housing Marketing Plan (AFHMP} to support fair and open access to affordable housing. The AFHMP should ensure that individuals of similar economic levels in the same housing market areas have equal access to a range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The City should provide outreach to private landlords not receiving entitlement funding and encouraging landlords to embrace fair education for the staff and management and participate in entitlement funded affordable housing and fair housing programs education and outreach.






**10. Increased Economic Development, Job Creation, Small Business
Entrepreneurial Opportunities, and Commercial Corridor Revitalization
Neighborhood Condition, Banking, Finance, Regulatory – High Priority**

High Priority – Impediments include success in meeting future housing needs, developing housing that is affordable to a wide range of consumers, stimulating revitalization and reinvestment in existing areas must include addressing needed improvements to existing conditions and restoring the community's basic attributes. While maintaining and enhancing neighborhood stability is the immediate vision and goal, achieving sustainability is an essential recommendation for all areas where future growth in housing is expected to occur. At the core of this vision is enhancing "image and identity" of areas as a means of attracting new residents and retaining existing residents. Components of this recommendation include the areas becoming healthier, sustainable neighborhoods, able to meet the housing and essential quality of life needs of its residents. This means improving housing and the physical character of the areas, which in some instances, are viewed both internally by its residents and externally by the broader community as uninviting. Some

areas are considered unsafe and havens for criminal activities. Whether this is reality or perception, it can have a detrimental effect on the image of the area.

Beyond a lack of quality development, entry points and gateways into neighborhoods fail to create a positive impression of the area or provide curb appeal in terms of neighborhood appearance. Residential areas must be protected and improved or strategically removed if found to no longer contribute to the wellbeing of the community. Vacant land and deteriorating buildings should be evaluated for development as new residential. Commercial corridor improvements are needed in some areas to cultivate reinvestment and promote activities and events that attract interest in existing neighborhoods. The planning process identified a need for streetscape improvements and landscaping in area medians, sidewalks, street lighting, benches, and public art, plantings/murals that could make a significant impact on the image of R-ECAP areas. Repurposed use of existing buildings and new development on vacant lots would significantly improve the corridors and neighborhoods. Equally important to urban design and streetscape amenities, is the physical improvement of building and land use along the corridors. Economic development along commercial corridors are needed both to stimulate quality retail and commercial development, but also to increase economic viability of the areas and job creation for residents.

Impediments

-  Living Wages for Workforce
-  Housing Affordability
-  Small Business Employment Opportunities
-  Access to Business Development and Expansion
-  Housing and Job Opportunities for Ex-Offenders

Alternative Solutions and Best Practices

- Economic Development incentives to Small Businesses



- Increased Recruitment of Job paying Living Wages
- Recruitment of Jobs that provide opportunities for LMI Skill Levels
- Increased Job Training and Basic Skills Programs
- Increased Employment Opportunities, Job Training and Basic Skills Programs for Ex-Offenders

(example) Edwin's Restaurant and Culinary Education Program for
Ex-Offenders – Cleveland, Ohio

11. Improved Transportation and Mobility for LMI and Senior Populations, Entrepreneurial Opportunities, and Commercial Corridor Revitalization Neighborhood Condition, Socio-Economic – High Priority

High Priority - Housing needs and transportation and mobility are connected needs. The City must be conscious of the need for public transportation and new housing development be designed and situated to accommodate advantage of public transportation in the future. Most often, planning for future growth and meeting housing needs are guided by transportation availability. In Danville, the reverse appears to be the case, as transportation will be developed to meet the needs of existing residential, employment, and shopping/amenity development.

Impediments

-  Limited Demand Responsive Transportation
-  Transportation Affordability for seniors and LMI populations

Alternative Solutions and Best Practices

- (example) Transportation Assistance Program
Desoto, TX