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Analysis of Impediments to Fair Housing Choice in the Commonwealth of Virginia

DRAFT: Prepared in Support of the Commonwealth of Virginia's Consolidated Plan

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Executive Summary

Purpose

The following report, an *Analysis of Impediments to Fair Housing Choice* (AI), serves as a basis for the Fair Housing Planning (FHP) component of the Virginia Department of Housing and Community Development's (DHCD) Consolidated Plan. The Consolidated Plan is required by the United States Department of Housing and Urban Development (HUD) for State and Entitlement jurisdictions that receive funding for any of the following HUD formula programs: Community Development Block Grant (CDBG), HOME Investments Partnerships (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). In addition to fulfilling federal requirements, the AI serves as a valuable resource for policy makers, advocates, state and local government staff, housing providers, and lenders. Further, the AI functions as a starting point to build awareness and support for fair housing efforts in the Commonwealth. The *Analysis of Impediments to Fair Housing Choice* reflects the Commonwealth's efforts to affirmatively further fair housing by identifying impediments to fair housing choice, identifying actions to overcome these impediments, and maintaining records of fair housing activities in the Commonwealth.

Impediments to fair housing choice as defined by federal and state law are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, national origin, or elderliness that restrict housing choices or the availability of housing. Further, impediments to fair housing choice are defined as any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices based on race, color, religion, sex disability, familial status, national origin or elderliness. [1, 2] Though fair housing law generally applies to all housing and housing transactions, there are limited exempt or partially exempt circumstances, such as owner-occupied rental housing with less than four units and single-family housing sold or rented without a broker. As *race, color, religion, sex, disability, familial status, national origin,* and *elderliness* are designated as protected classes by federal and state fair housing laws they will be a primary focus of the AI. It should be noted that while this report is a study of impediments to fair housing choice in the Commonwealth of Virginia as a whole, a number of localities within the Commonwealth produce their own individual AIs as required by HUD. Certain localities within Virginia have utilized the Affirmatively Furthering Fair Housing tool and reporting method in place of an AI; the tool is not available at the state level.

Methodology

This report outlines the history of fair housing and related legislation in the United States and the Commonwealth as well as providing data relevant to fair housing. The data focuses on the eight protected classes designated by state and federal fair housing law. In addition to a detailed discussion of the protected classes, there is a discussion of housing, income, and employment in

[1] U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity, *Fair Housing Planning Guide: Volume 1*, March 1996.
[2] Virginia Department of Professional and Occupation Regulation (DPOR): Virginia Fair Housing Office, http://www.dpor.virginia.gov/FairHousing/ (August 11, 2017).

the Commonwealth as these topics are closely linked to fair housing. Housing, income and employment data is also woven throughout the discussion of the protected classes as it specifically relates to each protected class. This analysis also includes discussion of transportation as it relates to housing, employment, and income as it influences and is influenced by these factors. The background data in the AI relies primarily on existing data available through the Census Bureau, HUD, and other state, federal, and non-profit agencies. Finally, there is a discussion of trends in fair housing complaints filed in the Commonwealth in recent years.

In addition to providing background data, this report identifies barriers to fair housing choice in the Commonwealth through a discussion of the following issues: state and local regulatory barriers, Home Mortgage Disclosure Act (HMDA) data, Community Reinvestment Act (CRA) data, and local and regional fair housing testing efforts. This analysis also includes the results of an online survey pertaining to housing issues in the Commonwealth. The survey was a joint effort of DHCD and the Virginia Housing Development Authority (VDHA). The survey was sent to all DHCD and VHDA partners and stakeholders.

After thoroughly outlining impediments to fair housing choice in the Commonwealth, there is a discussion of fair housing programs and initiatives and the agencies that administer them within the Commonwealth. Additionally, there is a brief summary of the process for enforcing fair housing law and rectifying instances of discrimination in the housing market. The final component of the AI is a review of the impediments to fair housing choice identified in this report and recommended strategies to work towards eliminating these impediments. The strategies discussed do not provide a singular binding action plan but instead serve to spur conversation and action among a variety of stakeholder groups involved with fair housing choice in the Commonwealth of Virginia.

Selected Findings

This report covers a wide variety of topics and offers a detailed discussion of fair housing choice and its related issues in the Commonwealth. Each section of the AI reveals certain findings that are particularly important in understanding impediments to fair housing choice in the Commonwealth. These selected findings, as well as the impediments to fair housing choice identified in this report, are presented in this section.

<u>Findings:</u>

- As has historically been the case, Virginia's two largest racial groups by percent of the total population are White and Black with 69 and 19 percent respectively in 2015.
- From 1990 to 2015, as a percent of the total population, the White population decreased, the Black population has been static, and both the Asian and Hispanic populations have increased.
- In general, minorities rent at a higher rate than the White population, have a lower median income, and have a higher portion of their populations below the poverty line.
- In 2015, 32.8 percent of households in Virginia had children under 18 years old.
- Among single mothers in 2015, it was estimated that 34.5 percent lived at or below the poverty line; this figure is in stark contrast to the 13 percent of all families with children under 18 that lived at or below the poverty line.

- In 2015, 11.7 percent of Virginia's population was foreign-born; almost 80 percent of the foreign-born population is from Asia and Latin America, mirroring the growth in the Asian and Hispanic populations.
- As of 2015, about ten percent of housing units in Virginia were vacant with approximately 1/3 of households renting and 2/3 of households living in owner-occupied housing.
- In regards to housing affordability, approximately 45 percent of renters in Virginia are cost-burdened (pay more than 30 percent or more of income towards rent) and 30 percent of homeowners are cost-burdened.
- Virginia has lower unemployment and a higher median income than the nation as a whole. Income inequality remains an issue, and income and poverty remain acute regional issues in Virginia.
- Fair housing complaints filed based on race and disability account for more complaints than any other protected classes at both the state and national levels; there are a significant number of fair housing complaints filed based on familial status and gender at the state level.
- The annual number of fair housing cases closed in Virginia has ranged from almost 300 in FY 2014 to about 200 in FY 17
- Over the past five fiscal years, 48 percent of fair housing complaints in Virginia were closed administratively, less than one percent of complaints resulted in the Fair Housing Board issuing a charge, and 2.6 percent of complaints found a violation
- Minority mortgage denial rates are higher across income levels; denial rates are particularly high for minorities at the lowest income levels in the conventional mortgage market.
- Based on survey results, color, disability, race, and elderliness are the protected classes most likely to experience barriers to fair housing choice in Virginia

<u>Impediments to Fair Housing Choice:</u>

1. **Discrimination in the rental and sales housing markets. Particularly, discrimination based on disability and race.**
2. **Constraints in the mortgage lending market. Minorities experience higher denial rates in the mortgage markets at all income levels, particularly at the lowest income levels in the conventional loan market.**
3. **Additional fair housing education among real estate agents, landlords, housing providers, local officials, and especially, individuals is needed. Training available outside the major metro areas is needed.**
4. **Availability and access to quality affordable housing; there are a large number of low-income households in need of affordable housing and there are a large number of cost-burdened households, especially in the rental housing market. "Crowding out," and combined transportation and housing costs are areas of concern regarding affordable housing.**

Background Information

Fair Housing Legislation

Fair housing in the United States came into being with the passage of the Fair Housing Act of 1968. This landmark legislation passed as Title VIII of the larger Civil Rights Act and it prohibited discrimination based *on race, color, national origin* and *religion* when renting, selling, financing or advertising housing.[3] Since the passage of the Fair Housing Act of 1968, the law has been amended and many states and localities have passed their own fair housing statutes. Additionally, a number of complementary laws have been passed that further strengthen the legal foundations for fair housing choice in the United States and in the Commonwealth of Virginia.

While the United States' initial fair housing legislation was passed in 1968, the Fair Housing Act was amended in 1974 adding *sex* as a protected class and was amended a second time in 1988 adding *handicap* (disability) and *familial status* as protected classes. Further, multi-family accessibility standards were enacted in 1991 as further protection in the housing market for people with disabilities. In addition to the Fair Housing Act and its amendments, related federal legislation extends into the credit and mortgage markets as well as providing added protections for people with disabilities.

Extending fair housing choice even further, the Equal Credit Opportunity Act of 1974 prohibits discrimination in the credit market on the basis of race, color, religion, national origin, sex, marital status, age, or because the individual or household receives public assistance. Adding to the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act (HMDA) of 1975 requires certain financial institutions to annually disclose data related to the approval and denial of mortgages. Data released as a result of HMDA legislation has led to a more thorough understanding of discrimination against protected classes in the mortgage market by making financial institutions' mortgage lending activities more transparent. Also related to lending, the Community Reinvestment Act (CRA) of 1977 was passed to ensure that financial institutions with Federal Deposit Insurance Corporation (FDIC) insurance were lending to all areas where they were drawing deposits. While the legislation served many purposes, it made crucial steps towards combating redlining (the refusal of mortgage lenders to provide loans to people within particular geographic areas) and increasing access to credit for low-income and minority communities.[4] Outside of the credit arena, certain provisions of the Americans with Disabilities Act (ADA) of 1990 provide added protection in housing choice for those with disabilities. In particular, Article II of the ADA prohibits discrimination against those with disabilities in state and local public housing, housing assistance, and housing referrals.[5]

While federal fair housing law serves as the basis for fair housing legislation in the United States, states and localities may have their own fair housing laws so long as they are "substantially equivalent" to federal law. The "substantially equivalent" rule allows that a state

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[3] Alex F. Schwartz, *Housing Policy in the United States: An Introduction* (New York, NY: Routledge, 2006) 239.
[4] Schwartz, 217.
[5] U.S. Department of Housing and Urban Development: Fair Housing Laws and Presidential Executive Orders, http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws (February 13, 2012).

or local agency may enforce its own fair housing laws so long as it is certified as being "substantially equivalent" to federal law by HUD's Assistant Secretary for Fair Housing and Equal Opportunity. It is common for state and local fair housing laws to include more protected classes than federal fair housing law. Virginia passed its own Fair Housing Law in 1972, adding to federal law by including *elderliness* as a protected class. As defined by the Virginia Fair Housing Law, *elderliness* refers to all persons 55 years and older. [6]

In addition to Virginia's fair housing legislation, the Virginians with Disabilities Act of 1985, which some see as the precursor to the ADA, includes language protecting fair housing choice for people with disabilities in the Commonwealth.[7] While the laws and regulations presented in this section are not the only ones affecting fair housing choice they are the primary vehicle for ensuring that all citizens of the Commonwealth have access to fair housing choice.

The Protected Classes in the Commonwealth

Federal and state fair housing laws designate *race, color, religion, sex, disability, familial status, national origin,* and *elderliness* as protected classes. Simply put, it is illegal to discriminate against a person in the housing market because they fall into one of these eight categories. To understand fully what impedes fair housing choice in the Commonwealth it is first necessary to have an understanding of the protected classes. While much of data in this report discusses protected classes on an individual basis, fair housing choice and discrimination in the housing markets often involve complex and changing relationships among the protected classes.

Race

Historically, the Commonwealth's population has been constituted primarily of two races, White and Black. While these are still the two largest population groups by race as of the 2015 Census American Community Survey, the population shows signs of change. From 1990 to 2015, the percentage of the Commonwealth's population that is White decreased, while the percentage of the population that is Black remained static, and the population classified by the Census as Asian, some other race, two or more races, and Hispanic increased. The term "Hispanic" or "Latino" is not a race as classified by Census but is defined as follows: "Hispanic origin can be viewed as the heritage, nationality, lineage, or country of birth of the person or the person's parents or ancestors before arriving in the United States. People who identify as Hispanic, Latino, or Spanish may be any race."[8] Table 1.1 shows the changes in the make-up of the Commonwealth's population by race from 1990 to 2015.

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[6] Virginia General Assembly: Legislative Information System, *Code of Virginia, Title 36 Ch. 5.1,* https://law.lis.virginia.gov/vacode/title36/chapter5.1/ (November 8, 2017).

[7] WorkWorld, http://help.workworldapp.com/wwwebhelp/virginians_with_disabilities_act_vda_.htm (January 16, 2018); *Code of Virginia*, Title 51.5.

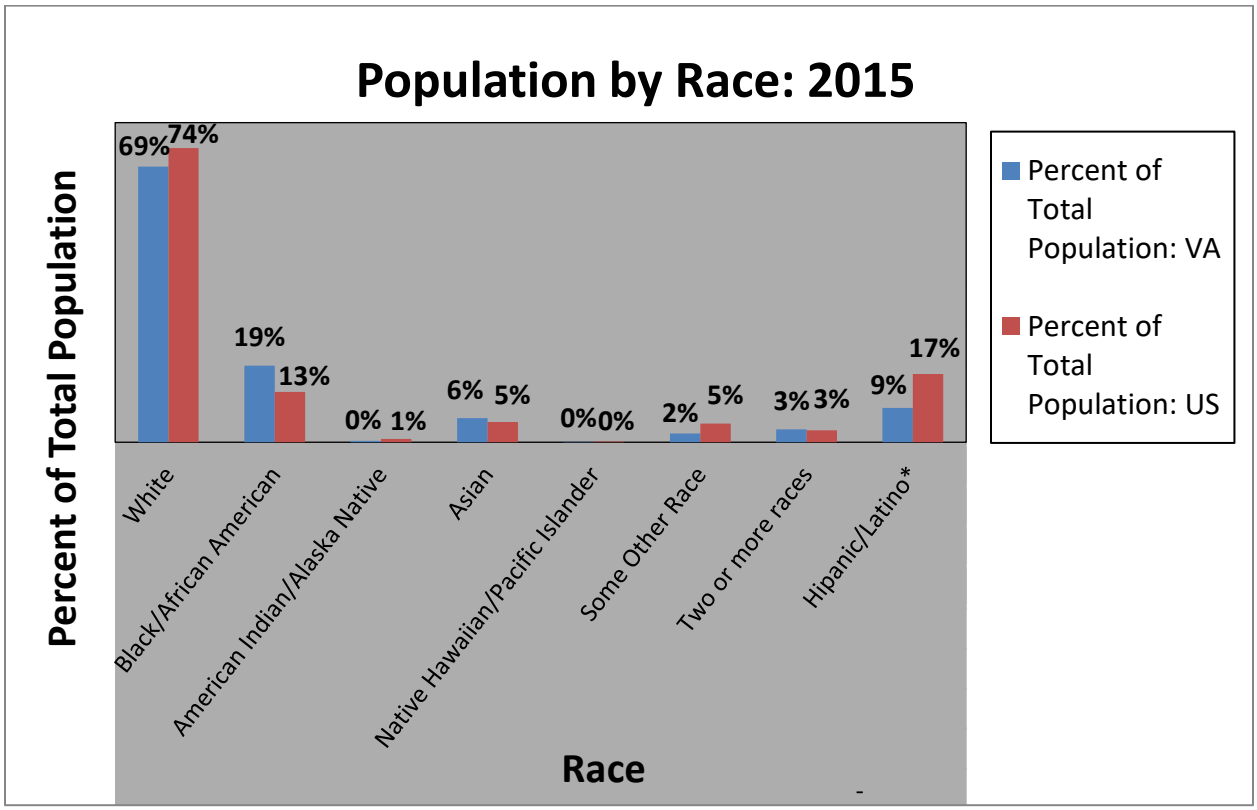
[8] U.S. Census Bureau: Population Topics, Hispanic Origin, https://www.census.gov/topics/population/hispanic-origin.html (November 8, 2017).

Percentage of Total Virginia Population by Race: 1990 - 2015				
Race	*1990*	*2000*	*2010*	*2015**
White	77.40%	72.30%	68.60%	69.00%
Black/African American	18.80%	19.60%	19.40%	19.20%
American Indian/Alaska Native	0.20%	0.30%	0.40%	0.30%
Asian	2.60%	3.70%	5.50%	6.00%
Native Hawaiian/Pacific Islander	No Data	0.10%	0.10%	0.10%
Some Other Race	0.10%	2.00%	3.20%	2.20%
Two or more races	-	2.00%	2.90%	3.20%
Hispanic/Latino**	2.60%	4.70%	7.90%	8.60%

Source: U.S. Census (Decennial Census), U.S. Census (American Community Survey 5 year)
**Hispanic/Latino can be of any race

Table 1.1

In comparing the Commonwealth to the United States as whole, Virginia has a higher percentage of the population that is Black and a significantly lower percentage of the population that is Hispanic. Figure 1.1 displays the differences between the Commonwealth's population by race and the United States' population by race.



Source: U.S. Census, American Community Survey (5 year)
*Hispanic/Latino can be of any race

Figure 1.1

Housing discrimination occurs in both the rental housing market and in housing sales. Understanding the racial breakdown in these markets can assist policymakers and enforcement agencies in knowing what to look for in each case. While about two-thirds of the Commonwealth's housing units are owner-occupied, this proportion varies across the various racial and ethnic categories. Whites and Asians have the highest rate of owner-occupancy at 71.77 percent and 64.98 percent respectively. Conversely, more than half of Blacks, Hispanics and those of some other race live in renter-occupied housing. Table 1.2 provides a more complete picture of housing tenure and race in the Commonwealth. Housing tenure statistics are critical to fair housing as the data indicates that rental discrimination consistently outpaces discrimination in the homebuyer market.[9]

Virginia Housing Tenure by Race: 2015			
Race	*Total Occupied Housing Units*	*Percent Owner-Occupied Units*	*Percent Renter-Occupied Units*
White	2,233,777	71.77%	28.23%
Black/African-American	567,663	48.06%	51.94%
American Indian/Alaska Native	8,218	59.84%	40.16%
Asian	147,789	64.98%	35.02%
Native Hawaiian/Pacific Islander	1,727	59.12%	40.88%
Some other race	46,425	40.11%	59.89%
Two or more races	57,184	53.02%	46.98%
Hispanic/Latino*	181,270	45.76%	54.24%
Virginia	**3,062,783**	**2,027,005**	**1,035,778**

Source: U.S. Census, American Community Survey (5 year)
*Hispanic/Latino can be of any race and not included in VA totals
Table 1.2

While a household's income does not qualify it as part of a protected class, it does play a large part in determining the variety and quality of housing that the household will be able to access. It also has the potential to exacerbate other types of housing discrimination. Table 1.3 displays median household income and percent of families in poverty by race in the Commonwealth.

[9] National Fair Housing Alliance, *The Case for Fair Housing 2017 Fair Housing Trends Report* http://nationalfairhousing.org/wp-content/uploads/2017/07/TRENDS-REPORT-2017-FINAL.pdf (August 15,2017).

Estimated Virginia Household Income and Percent of Families in Poverty by Race: 2015		
Race	*Median HH Income*	*Percent of Families in Poverty***
White	$70,032.00	6.10%
Black/African-American	$44,562.00	16.60%
American Indian/Alaska Native	$54,031.00	11.50%
Asian	$94,896.00	5.70%
Native Hawaiian/Pacific Islander	$89,125.00	3.70%
Some Other Race	$51,932.00	16.60%
Two or more races	$66,235.00	10.70%
Hispanic/Latino*	$60,904.00	8.20%
Virginia	**$65,015.00**	**7.50%**

Source: U.S. Census, American Community Survey (5 year)
*Hispanic/Latino can be of any race
**In denoting families by race the Census qualifies by one member of given race in family

Table 1.3

Color

While *color* is often thought to be included under *race* as a protected class, it is a protected class in its own right. As defined by the Fair Housing Council of Oregon, "Color is largely genetic and determined by the amount and type of pigment in the skin. It may, or may not, be related to race or national origin."[10] While there is limited data regarding the population of Virginia based on color, discrimination based on color often occurs in tandem with other types of discrimination. Regardless, color is a federally protected class and discrimination can occur based solely on the color of one's skin.

Religion

Though not often evident during housing transactions, a person's religion does qualify them as a having protected class status and decisions affecting housing choice made based on religion are potentially discriminatory. Religion is unique among the protected classes in that non-commercial housing associated with a religious institution can restrict residency to those affiliated with the religion.[11] For example, church dormitories designated for clergy that are not commercially available can restrict residency to only those affiliated with the church. Existing data estimates that about 80 percent of Virginia's population has an affiliation with a religious tradition.[12] So, as relates to fair housing, a large portion of people participating in housing transactions in Virginia are likely to be part of a religious tradition.

[10] Fair Housing Council of Oregon: Color as a Protected Class, http://fhco.org/index.php/discrimination-in-oregon/protected-classes/color (August 15, 2017).
[11] U.S. Department of Justice (DOJ): The Fair Housing Act, http://www.justice.gov/crt/about/hce/housing_coverage.php#relig (August 15, 2017).
[12] The Pew Forum on Religion and Public Life, *U.S. Religious Landscape Study*, *2017*, http://www.pewforum.org/religious-landscape-study/ (August 15, 2017).

On a more detailed level, it is estimated that almost 60 percent of Virginia's total population is affiliated with the Protestant tradition, 12 percent with the Catholic tradition, and a much smaller percentage with other religious traditions. Tables 1.4 and 1.5 show a detailed account of Virginia's population based on their religious traditions.

Estimated Population by Religious Tradition in Virginia and the U.S.: 2017								
	Evangelical Protestant Tradition	*Mainline Protestant Tradition*	*Historically Black Protestant Tradition*	*Catholic Tradition*	*Mormon Tradition*	*Orthodox Christian Tradition*	*Jehovah's Witness Tradition*	*Other Christian Traditions*
Percent of Virginia Population	**30%**	**16%**	**12%**	**12%**	**2%**	**1%**	**< 1%**	**< 1%**
Percent of U.S. Population	**25%**	**15%**	**7%**	**21%**	**2%**	**1%**	**1%**	**< 0.5%**

Source: The Pew Research Center, *Religion and Public Life*, U.S. Religious Landscape Study

Table 1.4

Estimated Population by Religious Tradition in Virginia and the U.S.: 2017								
	Jewish Tradition	*Muslim Tradition*	*Buddhist Tradition*	*Hindu Tradition*	*Other World Traditions*	*Other Faiths*	*Unaffiliated*	*Don't know / refused*
Percent of Virginia Population	**1%**	**1%**	**1%**	**<1%**	**< 1%**	**1%**	**20%**	**<1%**
Percent of U.S. Population	**2%**	**1%**	**1%**	**1%**	**< 0.5%**	**2%**	**23%**	**1%**

Source: The Pew Research Center, *Religion and Public Life*, U.S. Religious Landscape Study

Table 1.5

Sex

Under the Fair Housing Act, *sex*, or gender, is a protected class. It is therefore illegal to discriminate against a housing applicant due to their gender. It should be noted that in some instances, private renters may restrict the sex of the person to whom they are willing to rent. For example, if a female is privately renting a single room in her house it is legal for her to advertise and rent the room only to a female.

In Virginia, males represent an estimated 49.2 percent of the population with 4,060,948 persons and females represent 50.8 percent of the population with 4,195,682 persons.

Virginia Male and Female Population: 2015		
Persons		
Male	4,060,948	49.2%
Female	4,195,682	50.8%

Source: U.S. Census, American Community Survey (5 year)

Table 1.6

Disability

Disability is a unique protected class because it may require the owner or landlord of a property to make reasonable accommodations in their rules, policies, practices or services in order to afford persons with disabilities an equal opportunity to comfortably inhabit their unit. For example, if a particular rental unit does not have adequate access to garbage facilities, the owner may be required to provide additional services or a change in service in order to facilitate the use of these facilities. In addition, the Fair Housing Act requires the housing provider to allow its tenants to make reasonable modifications to units and common spaces in order to increase accessibility. Following the enactment of HUD's accessibility standards, units ready for first occupancy prior to March 13, 1991 put the financial burden for accommodations on the tenant. With a few exceptions, units ready for first occupancy after March 13, 1991 put the financial burden for accommodations on the landlord or property owner.[13] As a result of these requirements, disability has economic impacts on housing providers that put this protected class at risk. As an important side note, in making accommodations for a tenant with a disability, the landlord or property manager may not inquire as to the nature or degree of an individual's disability. However, the property manager or landlord does typically have the right to confirm, via the tenant's doctor or the medical professional treating them that the tenant has a disability.[14]

Estimated Virginia Population by Disability Type: 2015		
Disability	*Population with a Disability*	*Percent of Total Virginia Population*
Hearing difficulty	242,041	3.01%
Vision difficulty	154,291	1.92%
Cognitive difficulty	338,129	4.20%
Ambulatory difficulty	473,392	5.89%
Self-care difficulty	181,689	2.26%
Independent living difficulty	319,044	3.97%

Source: U.S. Census American community Survey, (5 year estimates)

[13] U.S. Department of Housing and Urban Development: Fair Housing – It's Your Right, http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/FHLaws/yourrights (September 21, 2017).

[14] Nadeen Green, "The New Sins in Fair Housing," Virginia Fair Housing Office: 3 Hour Fair Housing Seminar (Richmond, VA), April 3, 2012.

Table 1.7

Of the total disabled population in Virginia, the largest portion, more than 365,000 individuals, fall into the 18 to 64 year old age group. Additionally, it is estimated that in 2015, more than 30 percent of the total population in Virginia age 65 and older had a disability. Table 1.8 gives a detailed breakdown of Virginia's disabled population by age.

Estimated Virginia Population with a Disability by Age: 2015			
	Total Population	*Population with a Disability*	*Percent of Age Group with a Disability*
Civilian non-institutionalized population	8,043,013	897,300	11.2%
Population under 5 years	512,218	3,654	0.7%
Population 5 to 17 years	1,349,474	65,440	4.8%
Population 18 to 34 years	1,869,458	98,785	5.3%
Population 35 to 64 years	3,236,514	365,910	11.3%
Population 65 to 74 years	639,461	149,020	23.3%
Population 75 years and over	435,888	214,491	49.2%

Source: U.S. Census American Community Survey (5 year estimates)

Table 1.8

As stated, a large proportion of disabled persons in the U.S. and in Virginia have physical disabilities making accessibility to housing units critical. One of the most important factors regarding building accessibility is whether entrance to and exit from the building requires the use of steps. Table 1.9 indicates that roughly 40 percent of housing units in the U.S. without immediate outside access do not require the use of steps. Among U.S. housing units that have immediate outside access, 45 percent do not require the use of steps. While there appear to be a large number of units accessible without steps as relates to the total proportion of population that has a disability, a number of other factors play a critical role in what housing is appropriate for those with physical disabilities. These factors include, but are not limited to, adequate width of hallways and doorways, accessible kitchens and bathrooms, reachable technology and home fixtures, grade requirements for ramps, and durable flooring. Though the data presented in Table 1.9 is national data, it provides a rough guide to what accessible housing in the Commonwealth might look like. Of particular note to accessible housing is housing built before HUD's accessibility standards were enacted in 1991. Based on Census estimates, nearly 65.9 percent of

Virginia's housing units were built before 1990. This figure is slightly less than 69.5 percent of housing units nationally that were built before 1990.[15]

Estimated U.S. Housing Units that Require Steps to Enter: 2015*			
	Total Units	*Owner-Occupied*	*Renter-Occupied*
Enter building from outside	28,102	3,228	24,874
Use of steps not required	11,360	1,470	9,890
Use of steps required	16,707	1,749	14,958
Use of steps not reported	35	8	27
Enter home from outside	90,188	70,905	19,283
Use of steps not required	40,226	31,745	8,481
Use of steps required	49,889	39,099	10,789
Use of steps not reported	73	60	13

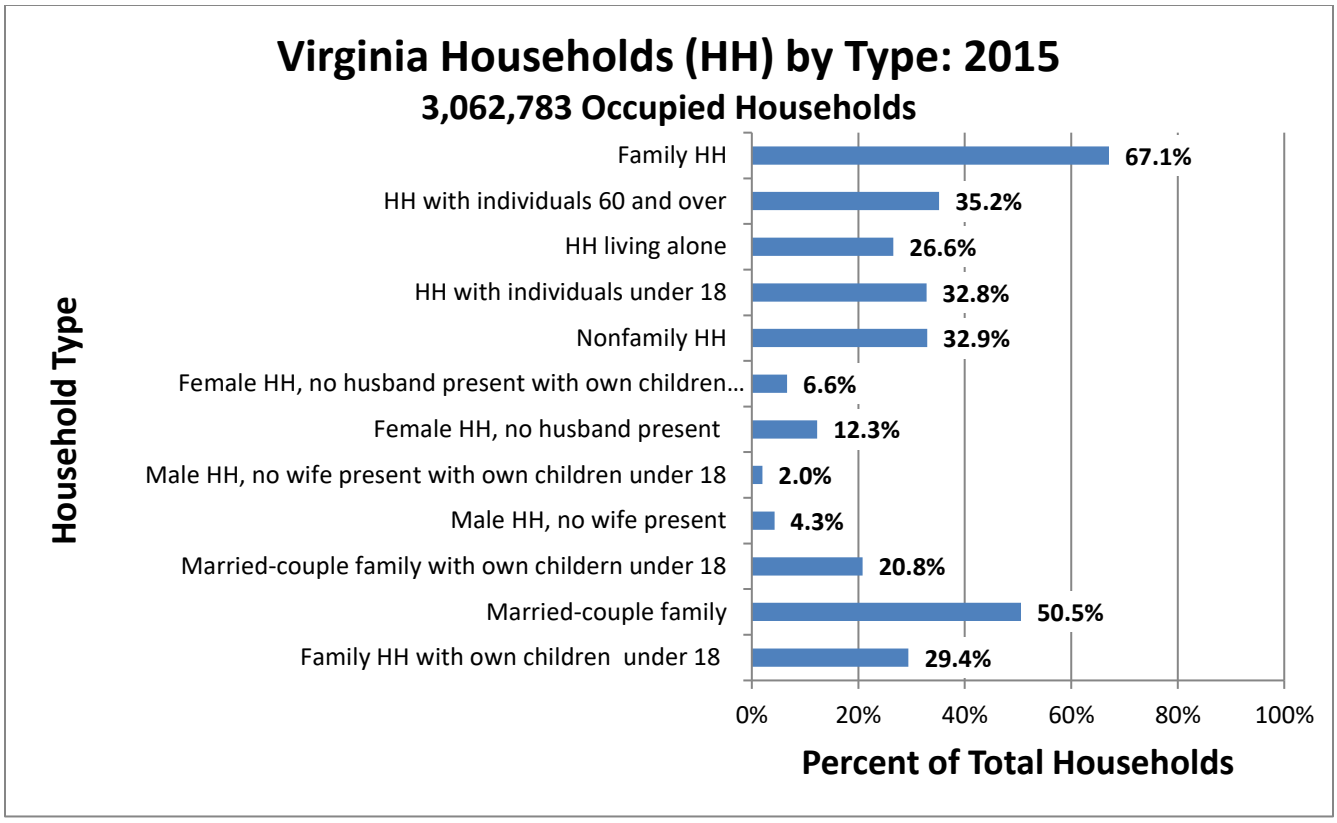
Source: U.S. Census, American Housing Survey 2015
*Numbers in thousands
Table 1.9

Familial Status

Familial status as it relates to fair housing generally means families with children. Fair housing law mandates that housing providers cannot refuse to sell or rent to families with children or impose special rules or restrictions on families with children. Like religion, there is an exception to the *familial status* protection. Certain housing can be designated only for older persons as outlined in the Housing for Older Persons Act (HOPA) of 1995.[16] This housing must adhere to specific guidelines and is designated for individuals 55 years and older. Also, landlords and realtors cannot refuse to rent or sell units built before 1978 to families with children because the units might have used lead paint. However, the landlord or realtor is obligated to disclose that lead-based paint hazard controls have not been used. Landlords may affirmatively market units where lead-based paint hazard controls have been used to families with children.[17]

Figure 1.2 displays a detailed breakdown of Virginia's population by familial status. One will note that approximately 30 percent of households are family households with children under 18. Of particular importance for fair housing are family households with only one parent. Male householders with no wife and children under 18 account for two percent of all households and female householders with no husband and children under 18 account for 6.6 percent of all households.

[15] U.S. Census Bureau: American FactFinder, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_15_5YR_B25034&prodType=table (September 26, 2017).
[16] U.S. DOJ: The Fair Housing Act, http://www.justice.gov/crt/about/hce/housing_coverage.php#famil (February 22, 2012).
[17] U.S. Department of Housing and Urban Development Memorandum: The Fair Housing Act and Lead Based Paint https://www.hud.gov/sites/documents/LEADBASEDMEMO.PDF (September 27, 2012).



Source: U.S. Census, American Community Survey (5 year estimates)

Figure 1.2

In addition to a detailed account of familial status in the Commonwealth, it is helpful to look at families and associated poverty levels. Again, while income and poverty do not qualify one as being part of a protected class, they do limit housing choice and they can exacerbate existing discrimination in the housing market. Census estimates in Table 1.10 show that in 2015, 13.0 percent of all families in Virginia with children under 18 were below the poverty level and 4.9 percent of married couples with children under 18 were below the poverty level. This is in stark contrast to the 34.5 percent of families with a female householder, no husband present, and children under 18 that were below the poverty level.

Estimated Virginia Families and Poverty Levels: 2015						
	All Families	*Percent Below Poverty Level*	*Married-couple families*	*Percent Below Poverty Level*	*Female householder, no husband present*	*Percent Below Poverty Level*
Families	2,054,416	8.2%	1,547,785	3.6%	375,891	**25.6%**
Families with related children under 18 years	991,756	13.0%	679,495	4.9%	240,591	**34.5%**

Source: U.S. Census, American Community Survey (5 year estimates)

Table 1.10

National Origin

Discrimination based on national origin can be based upon the country of an individual's birth or where their ancestors originated.[18] As Table 1.11 displays, almost 12 percent of residents of the Commonwealth were not born in the United States. Of the foreign-born population, more than half are not U.S. citizens.

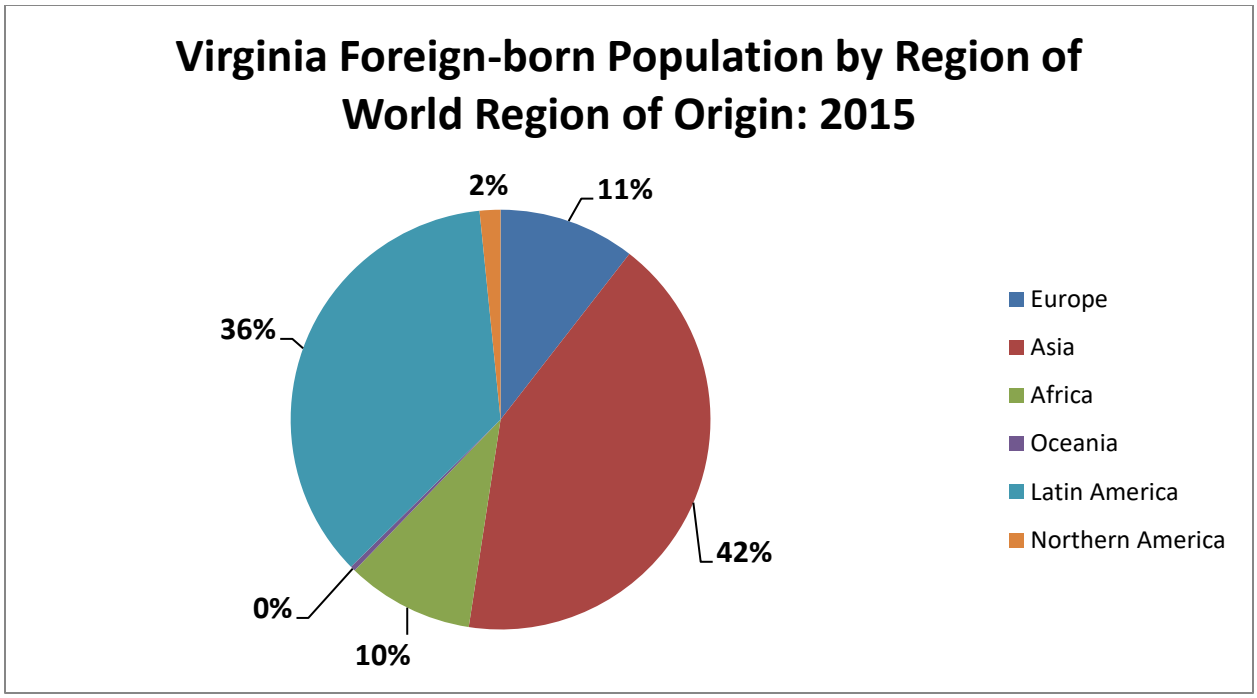
Estimated Virginia Native and Foreign-born Population: 2015		
	Number of People	*Percent of Total Population*
Total population*	8,256,630	100.0%
Native population	7,290,029	88.3%
Foreign-born population	966,601	11.7%
Foreign-born, naturalized U.S. citizen	475,897	49.2% (of foreign born population)
Foreign-born, not a U.S. citizen	490,704	50.8% (of foreign born population)

Source: U.S. Census, American Community Survey (5 year estimates)
*The American Community Survey and US Census Population Estimates Program each produce population estimates which may vary depending on methodology

Table 1.11

A more detailed breakdown of the foreign-born population in the Commonwealth is shown in Figure 1.3. It is important to note that the two largest portions of Virginia's foreign-born population are from Asia and Latin America (many of the foreign-born residents from Latin America are counted as Hispanic or Latino in regards to their ethnicity). As previously mentioned, Asians and Hispanics (both foreign-born and U.S. born) are two of the Commonwealth's fasting growing minorities with Asians and Hispanics constituting 6.0 and 8.6 percent respectively of the total 2015 population (Table 1.1).

[18] U.S. DOJ: The Fair Housing Act, http://www.justice.gov/crt/about/hce/housing_coverage.php#nat (February 27, 2012).



Source: U.S. Census, American Community Survey (5 year estimates)

Figure 1.3

In addition to foreign-born population figures, the linguistic capabilities of Virginia's population can also have an impact on fair housing choice. One's ability to speak English is often readily apparent in housing transactions and can be an indicator, correctly or incorrectly, that an individual was raised outside of the U.S. or that their parents were raised outside of the U.S. Table 1.12 shows that while approximately 85 percent of Virginia's population over five years old speaks only English, nearly 15 percent of the population over five speaks a language other than English and nearly six percent of the population over five speaks English less than "very well." Of the population that speaks languages other than English, there are even larger percentages that speak English less than "very well."

Estimated Virginia Population and Language Spoken: 2015			
		Percent of persons that speak a language other than English	
	Total	*Speak English "very well"*	*Speak English less than "very well"*
Total population 5 years and over	7,744,352	94.4%	5.6%
Speak only English	84.6%	X	X
Speak a language other than English	15.4%	63.5%	36.5%
Speak Spanish	6.8%	58.8%	41.2%
Speak other Indo-European languages	3.5%	75.0%	25.0%
Speak Asian and Pacific Island languages	3.6%	58.4%	41.6%
Speak other languages	1.4%	70.1%	29.9%

Source: U.S. Census, American Community Survey (5 year estimates)

Table 1.12

It is important to reiterate that national origin as a protected class is not limited to a person's place of birth. It also includes an individual's ancestry and others' perceptions about a person's national origin. So, regardless of whether a person was born and raised in the United States they may still be subject to discrimination based on national origin.

Elderliness

Enacted in 1972, the Virginia Fair Housing Law added *elderliness* as a protected class to supplement the requirements of the Federal Fair Housing Act. Elderliness refers to any individual who is fifty-five years of age or older. As Table 1.13 shows, Virginia's households represent a slightly younger population when compared to the national average. In addition, the Commonwealth is well below national figures regarding the percent of households with a member 55 or older in households that rent.

U.S. and Virginia Households with Resident 55 or Older: 2015						
	Total Households with resident 55 or Older		*Owner-Occupied, Age 55 or Older*		*Renter-Occupied, Age 55 or Older*	
	Number	*Percent HH*	*Number*	*Percent HH*	*Number*	*Percent HH*
Virginia	1,931,901	41.1%	1,010,628	33.0%	249,079	8.1%
U.S.	49,758,614	42.6%	38,494,166	32.9%	11,264,448	26.1%

Source: U.S. Census, American Community Survey (5 year estimates)

Table 1.13

While current household numbers reflect a slightly younger population than the nation as a whole, Virginia's older population is expected to grow rapidly in coming years. An estimate from the Demographics Research Group of UVA projects that from 2010 to 2030, Virginia's population (not households) 65 and older will grow from just under one million to 1.8 million; this growth is already occurring (or will in the near future) in rural areas with urban areas expected to follow.[19]

Housing, Income, and Employment

While housing, income and employment in the Commonwealth have been discussed in relation to specific protected classes, a general profile of these topics, as well as their relationship to transportation, is important to understand impediments to fair housing choice in the Commonwealth. Fair housing choice is not a simple issue and nearly every housing transaction involves issues related to the state's housing stock and an individual's or household's income and employment.

Housing Profile

Some basic information regarding vacancy, tenure, foreclosure, age of housing, and affordability will provide a solid backing for an understanding of housing issues in Virginia. According to the 2015 American Community Survey, there were more than 3.4 million housing units in Virginia with just over 10 percent of units standing vacant.

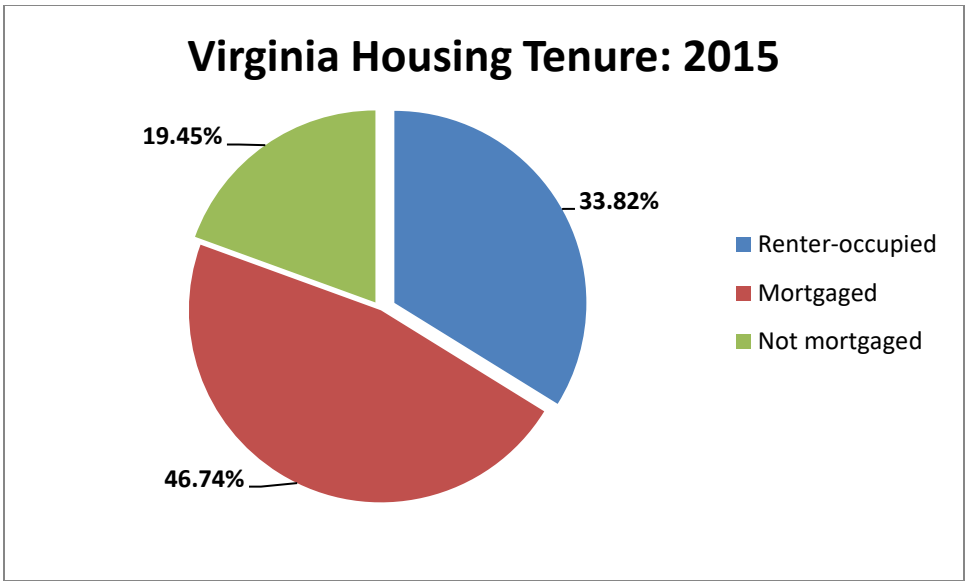
Virginia Housing Vacancy: 2015		
	Units	*Percent of Units*
Total housing units	3,423,291	X
Occupied housing units	3,062,783	89.47%
Vacant housing units	360,508	10.53%

Source: U.S. Census, American Community Survey (5 year estimates)

Table 1.14

In 2015, there were over 3,000,000 occupied housing units in Virginia. Approximately two-thirds of occupied units were owner-occupied housing while rental housing accounted for the remaining third. Figure 1.5 displays housing tenure in Virginia.

19 Demographics Research Group of UVA: Stat Chat: What is the biggest demographic trend in Virginia? http://statchatva.org/2017/12/28/what-is-the-biggest-demographic-trend-in-virginia/ (January 21, 2018).



Source: U.S. Census, American Community Survey (5 year estimates)

Figure 1.4

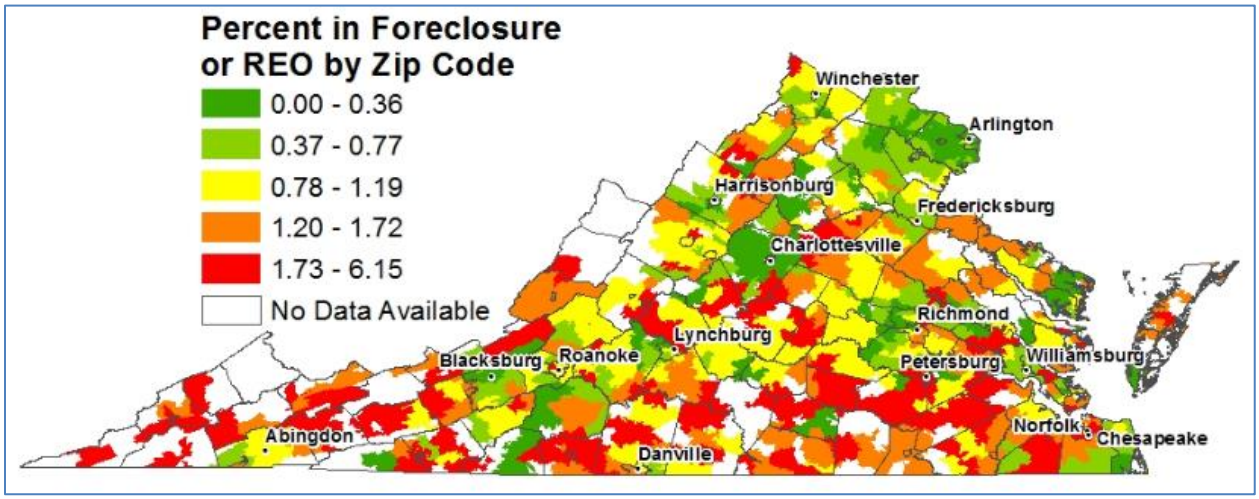
Though foreclosures have declined since the crash of the housing market in 2008 they are still a concern. Subprime mortgages were an especially important component of the housing crisis. Subprime mortgages are often issued to borrowers without adequate credit for a conventional mortgage. As such, the terms of their loan might include higher interest rates and significant fees and penalties. Subprime loans have been linked to predatory lending tactics where lenders issue high-cost loans to borrowers who cannot afford them.[20] Subprime mortgages and predatory lending are of particular note to fair housing choice because there is evidence at the national level that minority borrowers were targeted with subprime loans despite their potential eligibility for conventional mortgages.[21] This evidence is reinforced by the U.S Department of Justice's $335 million settlement with Countrywide Financial Corporation which between 2004 and 2008, "…discriminated by charging more than 200,000 African-American and Hispanic borrowers higher fees and interest rates than non-Hispanic white borrowers in both its retail and wholesale lending."[22] Figure 1.5 and Figure 1.6 show the percent of mortgages in foreclosure for all loans and for subprime loans across the Commonwealth. It is difficult to draw regional or statewide conclusions from Figures 1.5 and 1.6 as any patterns appear to be highly localized.

[20] Schwartz, 234-235

[21] Jacob S. Rugh, Douglas S. Massey, "Racial Segregation and the American Foreclosure Crisis," *American Sociological Review* 75 (October 2010) 629 – 651.

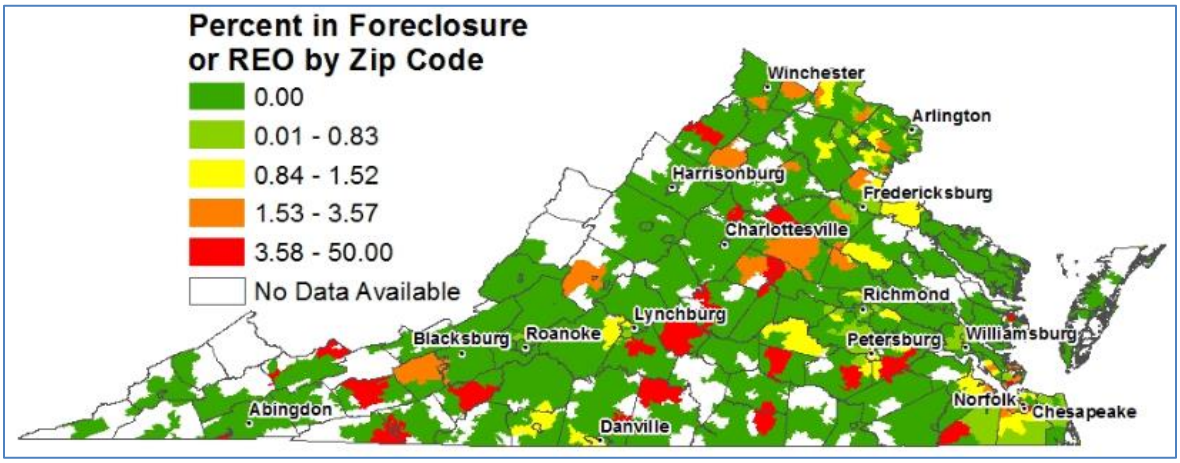
[22] U.S. DOJ: Justice Department Reaches $335 Million Settlement to Resolve Allegations of Lending Discrimination by Countrywide Financial Corporation, http://www.justice.gov/opa/pr/2011/December/11-ag-1694.html (March 21, 2012).

Percentage of Owner-Occupied Loans in Foreclosure or REO*: 1st Quarter 2017



Source: Federal Reserve Bank of Richmond/McDash Analytics (March 2017) as presented in, The Federal Reserve Bank of Richmond, "Housing Market and Mortgage Performance in Virginia," (1st Qtr. 2017).
*Real Estate Owned (REO) properties are in the possession of the lender because of foreclosure or forfeiture
Figure 1.5

Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO*: 1st Quarter 2017



Source: Federal Reserve Bank of Richmond/McDash Analytics (March 2017) as presented in, The Federal Reserve Bank of Richmond, "Housing Market and Mortgage Performance in Virginia," (1st Qtr. 2017).
*Real Estate Owned (REO) properties are in the possession of the lender because of foreclosure or forfeiture
Figure 1.6

The housing stock in Virginia is evenly distributed between older and newer housing with a majority of the housing built between 1970 and 2009. Older housing is of particular concern to fair housing choice as it is more likely to not be accessible for persons with disabilities and may contain lead paint, a serious hazard to families with young children. Table 1.15 breaks down the age of housing in Virginia in detail.

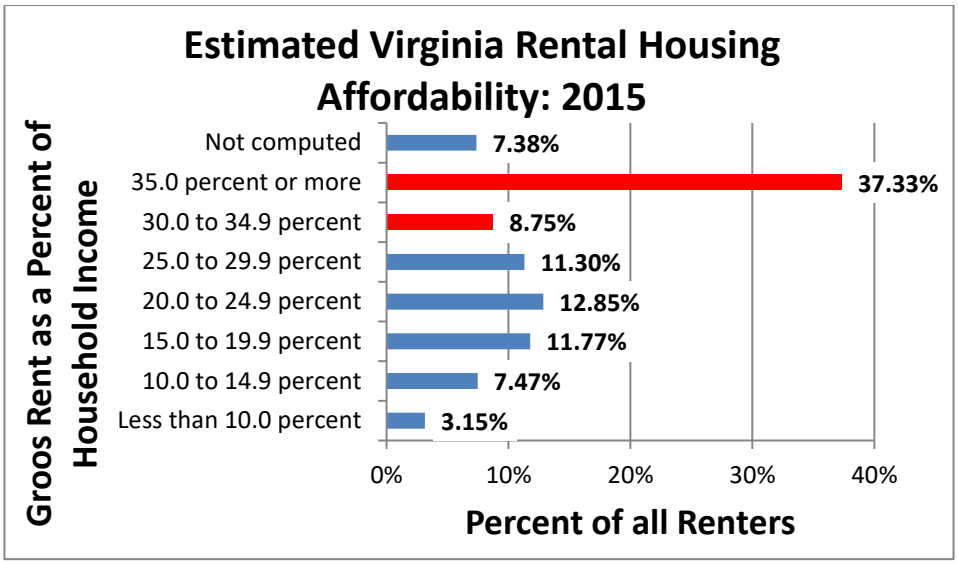
Estimated Virginia Housing by Year Built: 2015		
Year Built	*Units*	*Percent of Total Units*
Built 2014 or later	3,823	0.1%
Built 2010 to 2013	61,957	1.8%
Built 2000 to 2009	547,215	16.0%
Built 1990 to 1999	550,964	16.1%
Built 1980 to 1989	574,843	16.8%
Built 1970 to 1979	561,594	16.4%
Built 1960 to 1969	378,759	11.1%
Built 1950 to 1959	316,938	9.3%
Built 1940 to 1949	163,958	4.8%
Built 1939 or earlier	263,240	7.7%

Source: U.S. Census, American Community Survey (5 year estimates)

Table 1.15

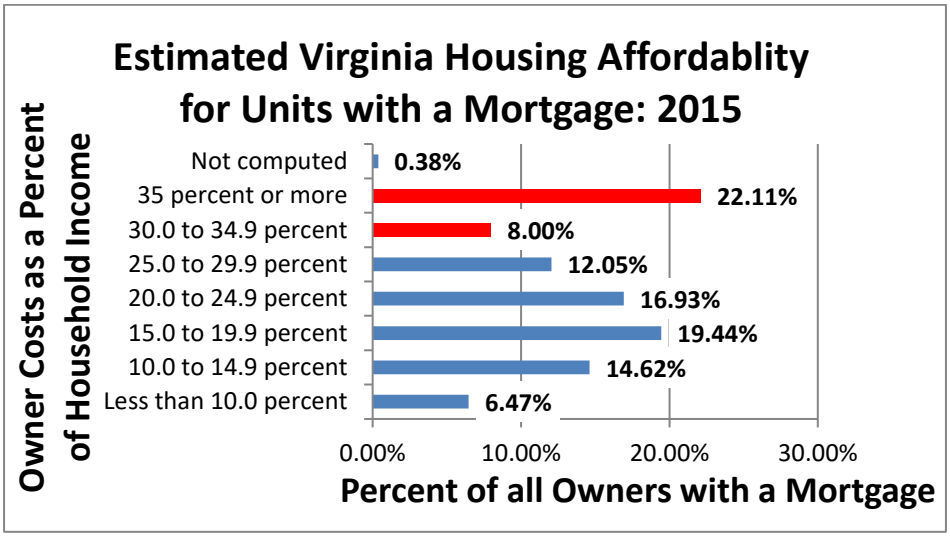
An important factor linked to fair housing choice is the issue of affordability. When a household spends more than 30 percent of its income on housing it is generally considered "cost-burdened".[23] Though income and housing cost burden do not designate one as a member of a protected class, housing affordability can severely limit housing choice and cause extra strain for an individual already experiencing discrimination in the housing market. As shown in Figure 1.7 and Figure 1.8, showing data for rental units and owner-occupied housing units with mortgages, a significant number of households in Virginia are cost-burdened. In rental housing, almost 45 percent of households pay 30 percent or more of their incomes in rent and in owner-occupied housing, about 30 percent of households pay 30 percent or more of their income in housing costs.

[23] Schwartz, 23.



Source: U.S. Census, American Community Survey (5 year estimates)

Figure 1.7



Source: U.S. Census, American Community Survey (5 year estimates)

Figure 1.8

A final and key component of housing in Virginia is the availability of affordable housing. Availability of quality affordable housing is important in providing members of the protected classes a full range of housing options. According to a report commissioned by the Housing Policy Advisory Council (HPAC), "Virginia has a shortage of housing affordable to a substantial share of households." The report elaborates that this shortage is apparent in all regions of Virginia going on to state that in 2015, nearly one in three households were burdened by housing costs and nearly one in ten households were severely burdened. [24] Further, the report indicates that "crowding out," contributes to the shortage of affordable housing as households purchase or

[24] Virginia Coalition of Housing and Economic Development Researchers for the Virginia Housing Policy Advisory Council, "Addressing the Impact of Housing for Virginia's Economy," (November 2017) 3-4.

rent at levels below their means, effectively shrinking the pool of affordable housing for those households at lower income levels.[25] Though not the case for every Metropolitan Statistical Area (MSA) the study examined, a majority of MSA's in Virginia lack affordable rentals units for households making at or below 30 percent of the Area Median Income (AMI). When these households are unable to obtain assistance this can create extreme financial hardship or very challenging living conditions or both. Again, a person's income or ability to afford housing does not put them in a protected class; however, paired with other discrimination these factors can severely limit an individual's or household's ability to find quality housing.

Also included in the HPAC study was an analysis of the linkage between transportation and housing. Again, this is not something which can be directly attributed as a fair housing issue but for members of protected classes who may already be experiencing discrimination in the housing market, transportation barriers can exacerbate the ability to find quality housing. As noted in Figures 1.9 & 1.10, household and transportation costs account for a large portion of many households' incomes. This is an issue across the state but is particularly acute in rural areas, with the upper end of these combined costs nearing 80 percent of a household's expenditures. Figure 1.10 shows this trend proliferating in rural areas with a dichotomy in some urban areas; showing examples of both the highest and lowest housing and transportation costs occurring in different census tracts in the same cities.

Estimated percent of total H+T household expenditure for median-income families[26]

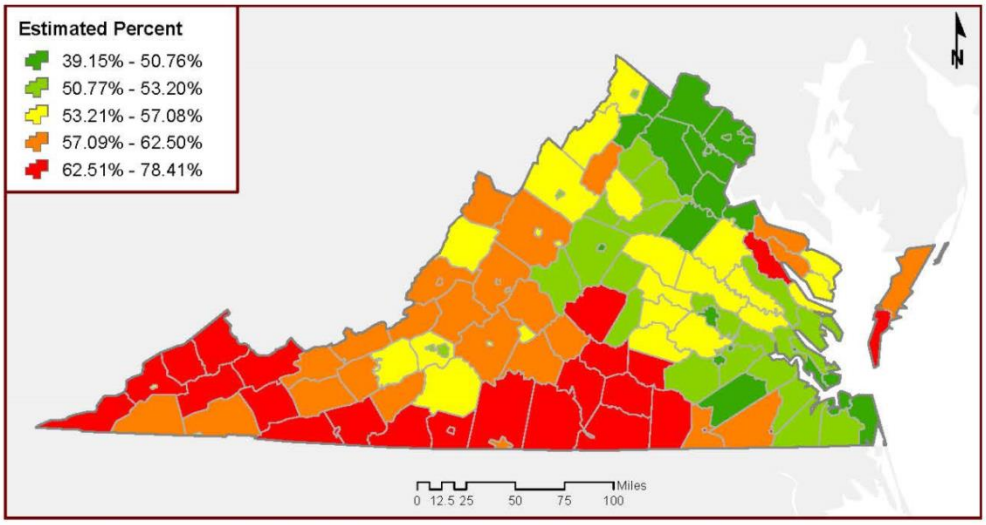


Figure 1.9

[25] Virginia Coalition of Housing and Economic Development Researchers for the Virginia Housing Policy Advisory Council, 31.

[26] Virginia Coalition of Housing and Economic Development Researchers for the Virginia Housing Policy Advisory Council, "Addressing the Impact of Housing for Virginia's Economy: Appendix Report 4: Transportation, Housing Affordability, and Economic Development in the Commonwealth," (November 2017) 23.

Highest and lowest cost burden deciles[27]

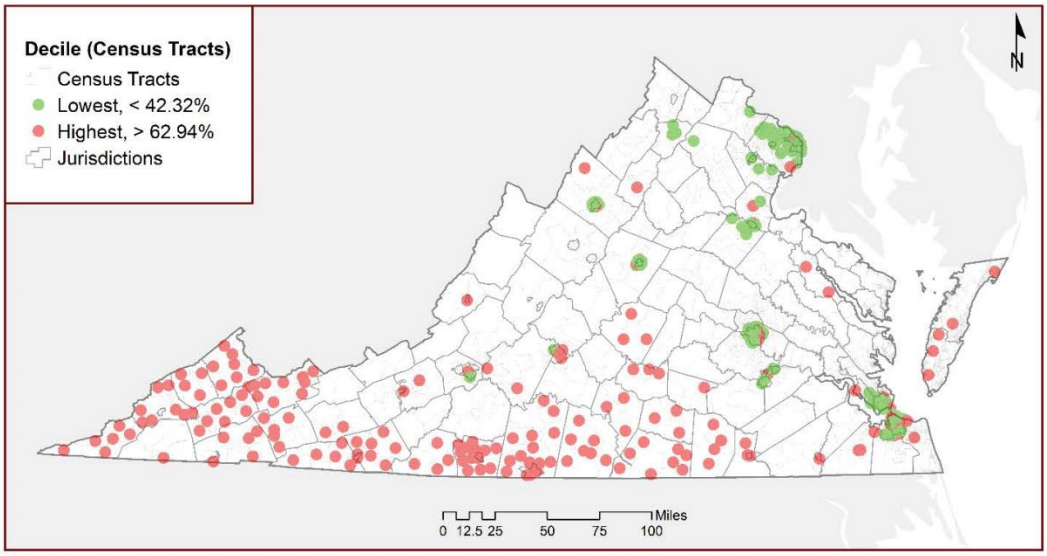


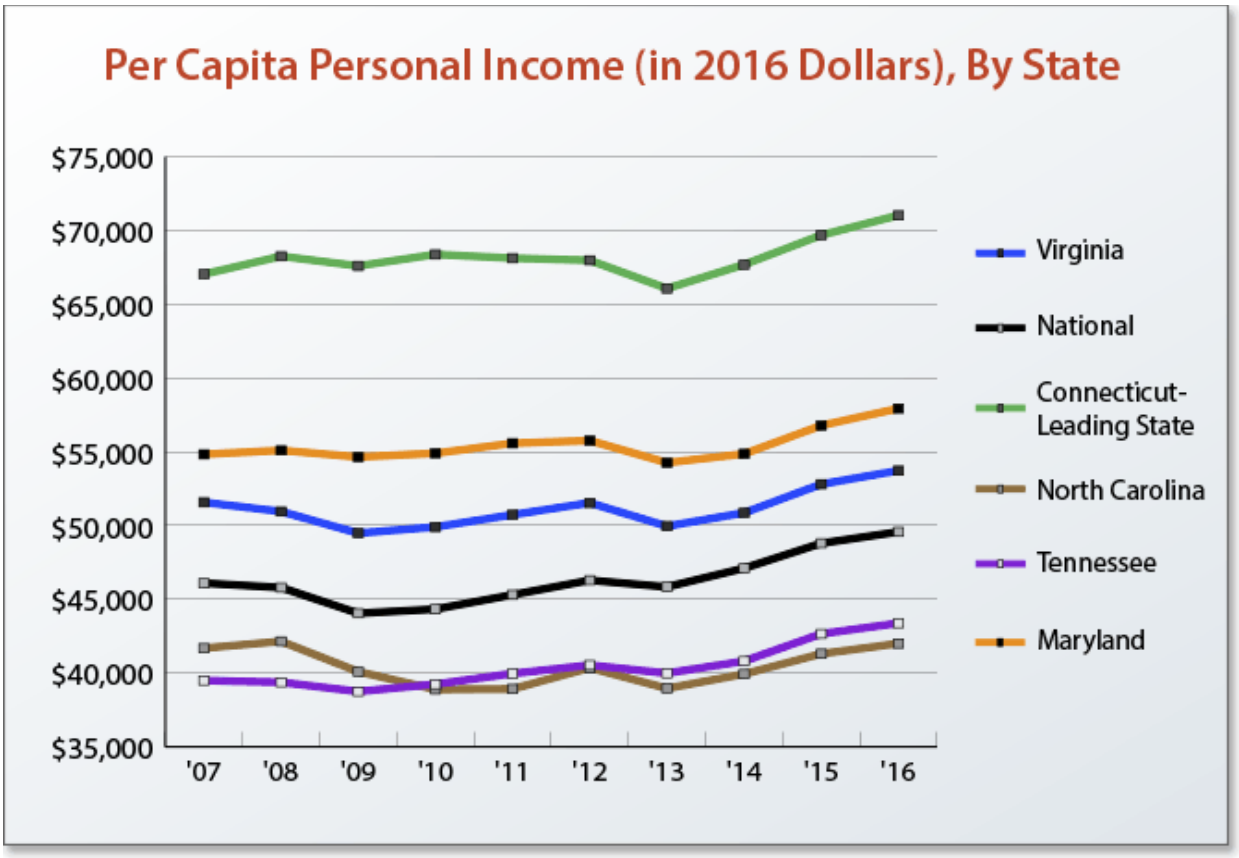
Figure 1.10

Income

While it may go without saying, the income profile of Virginia's residents directly affects the availability of housing choice. Income level limits the quality and range of housing one can access. At $53,723, Virginia ranks eleventh among all states in per capita personal income as of 2016. Among its peers, Virginia's per capita income was lower than Maryland but higher than North Carolina. The highest 2016 per capita income was in Connecticut at $71,033.[28] Figure 1.11 provides a regional look at per capita income.

[27] Virginia Coalition of Housing and Economic Development Researchers for the Virginia Housing Policy Advisory Council, "Addressing the Impact of Housing for Virginia's Economy: Appendix Report 4: Transportation, Housing Affordability, and Economic Development in the Commonwealth," (November 2017) 29.

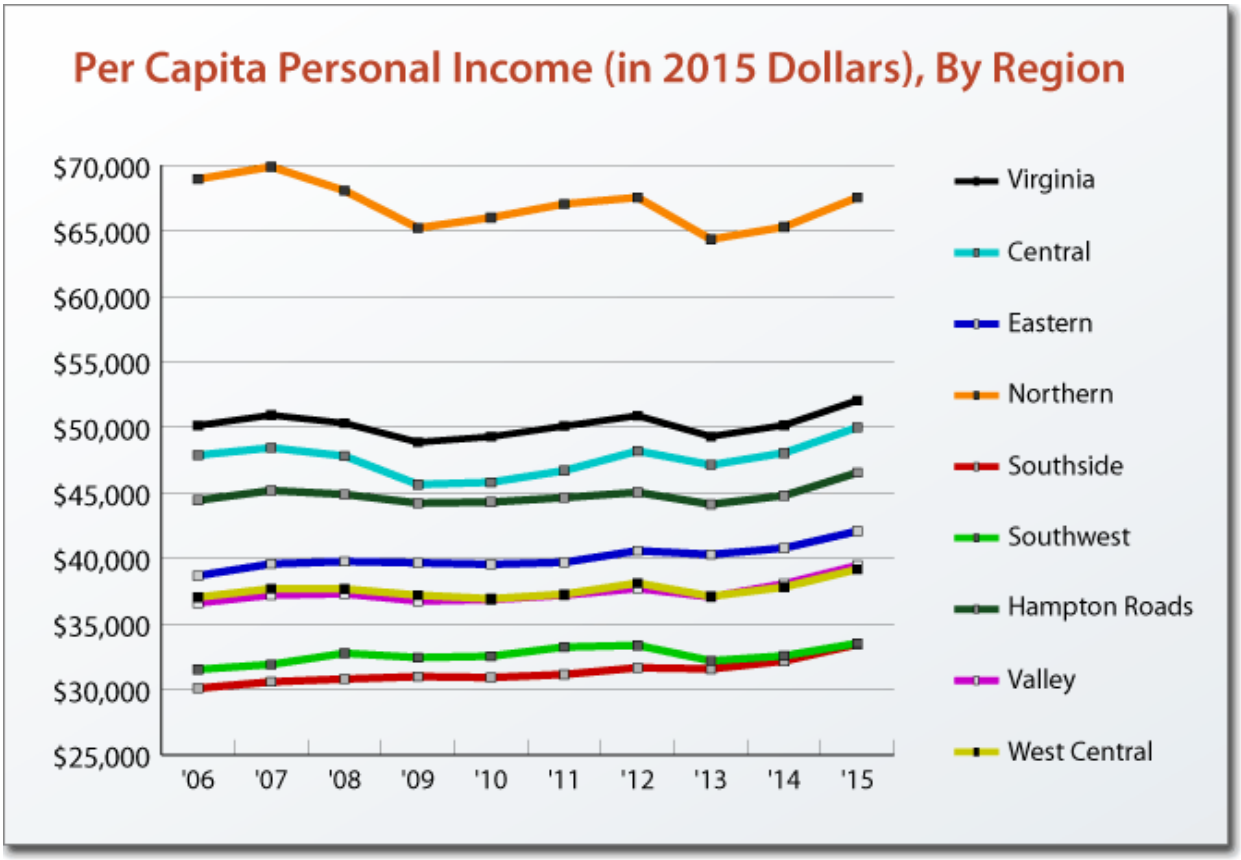
[28] Virginia Performs: Personal Income, http://vaperforms.virginia.gov/indicators/economy/personalIncome.php (October 18, 2017). As a note, the income measures in this section differ from other sections as they are per capita income (personal income divided by population) and not median income.



Source: Virginia Performs

Figure 1.11

By region, Northern Virginia had the highest per capita income in 2015 at $67,548. At the other end of the spectrum, the Southside and Southwest regions had the lowest per capita income at $33,433 and $33,522 respectively. Figure 1.12 displays regional per capita income in Virginia.



Source: Virginia Performs

Figure 1.12

Between 2006 and 2015, Virginia's per capita income grew at a rate of .37 percent, below the national growth level of .7 percent. Within Virginia, the Eastern Region (including Hampton Roads) had the fastest growth rate at .84 percent between 2006 and 2015.[29]

Although overall income in Virginia is above the national average, income inequality is still a concern. One way to measure inequality is the Gini index. The Gini index is a summary measure of income inequality. It varies from 0 to 1, zero indicating perfect equality where there is a proportional distribution of income. A 1 indicates perfect inequality where one household has all the income and others do not have any. In the United States, the 2015 Gini index is estimated at 0.482. Virginia's Gini index is .462 for 2015, beneath the national average. [30]

As noted elsewhere in this report, poverty is a significant concern among the protected classes, limiting their housing options. In looking at poverty distribution statewide, Figure 1.13 demonstrates a higher relative poverty in counties in Southside and Southwest Virginia, mirroring regional income data. Though not readily apparent in Figure 1.13, anecdotal data from

[29] Virginia Performs: Personal Income, http://vaperforms.virginia.gov/indicators/economy/personalIncome.php (October 18, 2017).

[30] Kirby Posey, "American Community Survey Briefs: Household Income: 2015," (September 2016) 2.

Northern Virginia and Richmond suggests that urban (and some suburban) areas within Virginia would reflect marked contrasts of poverty and income within the same localities.[31] [32]

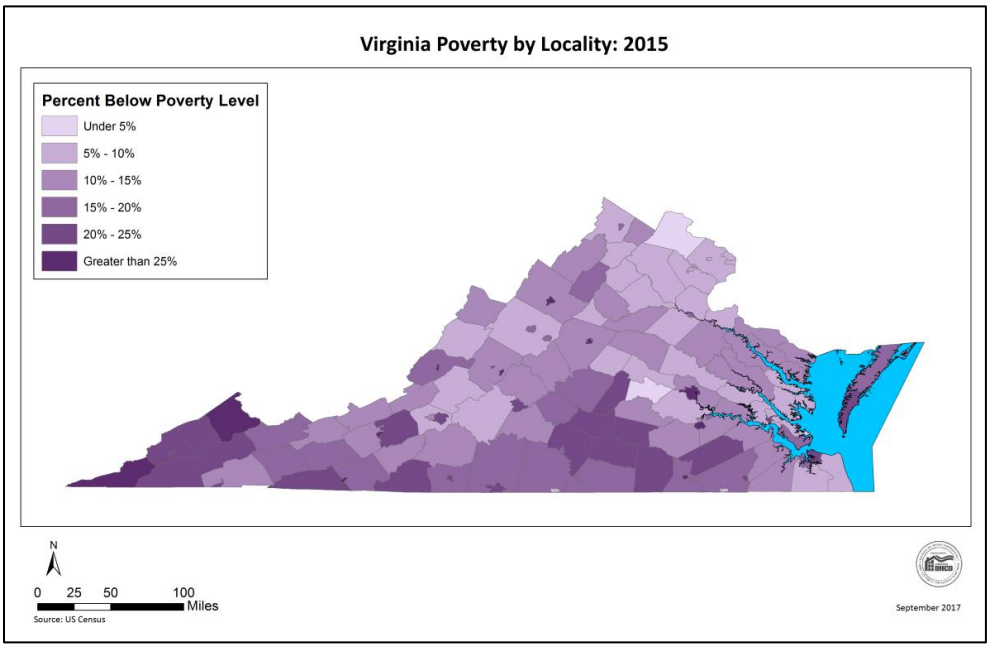


Figure 1.13

Though Virginia's income and income equality fare well nationally, income, income equality, and poverty are still areas for concern, especially on a regional and local basis.

Employment Profile

An individual's employment status is intimately related to housing and income. Employment status and income can severely limit access to the location and quality of housing. Conversely, where a person lives can have a definite impact on their ability to access employment opportunities. In 2015, Virginia's estimated population over 16 (of working age) was about 6.6 million people. Of the working age population, about 60 percent was in the labor force. Of those employed in the civilian labor force (military excluded), educational and healthcare services and social assistance as well as professional, scientific, management, and administrative and waste management services earned the largest share of the employed labor force. Table 1.16 gives a detailed account of Virginia's labor force by industry.

[31] The Center on Society and Health with the support of the Northern Virginia Health Foundation, "Getting Ahead: The Uneven Opportunity Landscape in Northern Virginia," (November 2017) 2.
[32] John V. Moeser, Bonner Center for Civic Engagement, "Poverty in Richmond, Virginia," (2015).

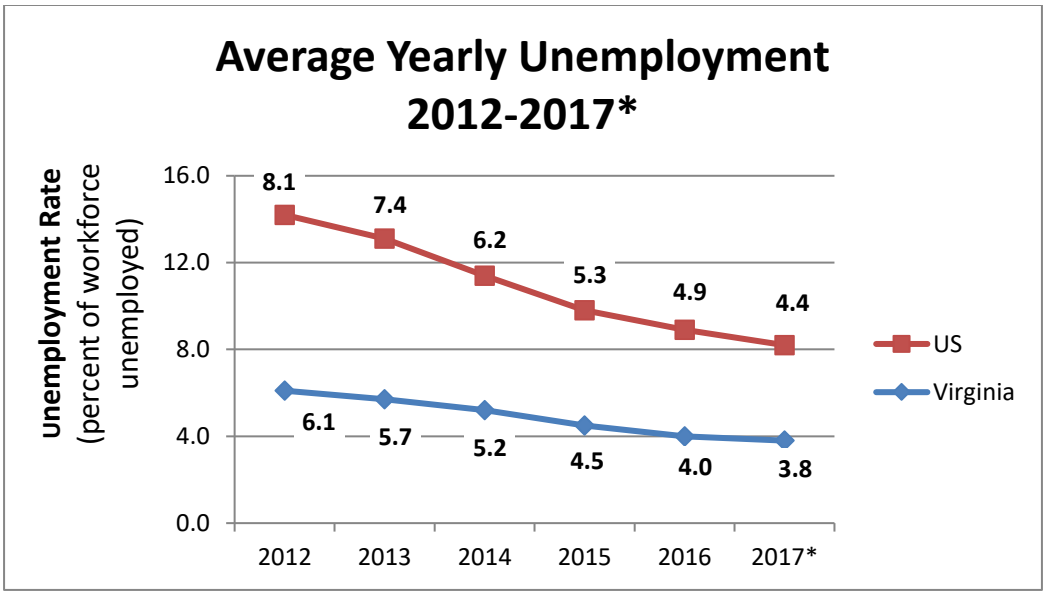
Estimated Virginia Employment by Industry: 2015	
Educational services, and health care and social assistance	21.80%
Professional, scientific, management, administrative and waste management services	14.70%
Retail trade	10.80%
Public Administration	9.20%
Arts, entertainment, and recreation, and accommodation and food services	8.90%
Manufacturing	7.30%
Construction	6.40%
Finance and insurance, and real estate and rental and leasing	6.30%
Other services, except public administration	5.30%
Transportation and warehousing, and utilities	4.20%
Information	2.10%
Wholesale trade	1.90%
Agriculture, forestry, fishing and hunting, and mining	1.00%

Source: American Community Survey (5 year estimates)

Table 1.16

Though the unemployment picture has improved nationally and at the state level, it remains a concern nonetheless. As shown in Figure 1.14, Virginia has consistently fared better than the nation as a whole when it comes to unemployment although the gap is narrowing. As of August 2017, Virginia ranked fifteenth nationally for lowest unemployment rate.[33]

[33] Bureau of Labor Statistics: Local Area Unemployment Statistics, Unemployment Rates for States, http://www.bls.gov/web/laus/laumstrk.htm (April 26, 2012).



Source: Bureau of Labor Statistics (BLS)
*2017 average is through August 2017
Figure 1.15

Another key factor in employment, directly linked to housing, is the ability of people to access employment opportunities. Higher housing costs in and around local concentrations of employment opportunities often encourage residency patterns further away from the employment centers for lower wage workers as households seek affordable housing. As seen in Table 1.17, the majority of workers in Virginia drive to work with fewer than nine percent of workers using public transit, walking, or using other means of transportation to get to work. The data cannot be used to extrapolate why workers choose a certain form of transit but it is clear that in Virginia, workers overwhelmingly drive to work.

Estimated Virginia Mode of Travel to Work: 2015	
Drove alone	77.5%
Drove in a carpool	9.4%
Public transportation (excluding taxicab):	4.6%
Taxicab	0.1%
Motorcycle	0.2%
Bicycle	0.4%
Walked	2.3%
Other means	0.9%
Worked at home	4.6%
Average Travel Time to Work	27.9 minutes

Source: American Community Survey (5 year estimates)
Table 1.17

While one cannot draw a statistical link between mode of transportation and information presented on housing and transportation costs, it is logical to consider that auto based costs are responsible for a significant amount of the transportation costs considered in Figures 1.8 and 1.9. Further, it should be noted that members of protected classes are disproportionately represented in the lower income levels making access to personal vehicles more difficult or in the case of a loss of access, a significant challenge to find other transportation convenient to housing and viable transportation. In addition to increased employment opportunities, varied transit options and well located affordable housing are critical to fair housing choice.

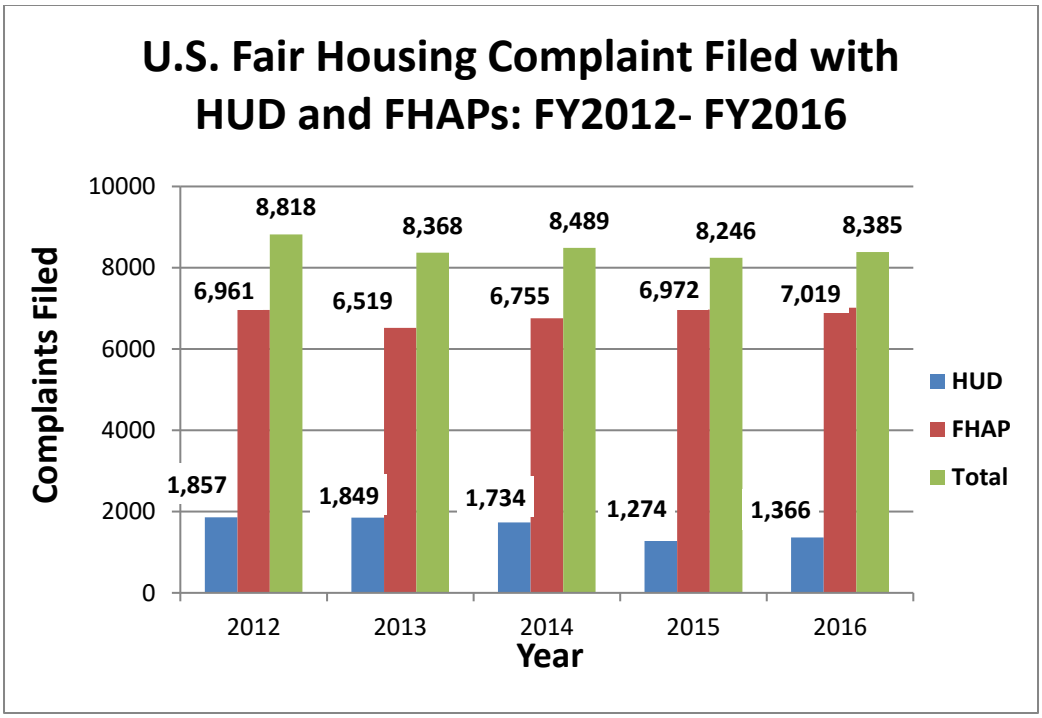
Fair Housing Complaint Data

Fair housing law has specific enforcement methods used to carry out its mandates. The enforcement process associated with fair housing law is initiated when an individual or group files a fair housing complaint. In Virginia, a complaint of discrimination in the housing market can be filed based on *race, color, religion, sex, disability, familial status, national origin, elderliness*, and *retaliation*. *Retaliation* occurs when a property manager, landlord, realtor, etc. takes punitive measures against a person that has filed a fair housing complaint against them or their company. It is important to note that while Virginia law includes *elderliness* as a protected class, it is not covered under federal law and complaints of discrimination because of *elderliness* cannot be filed at the federal level. There is a more detailed discussion of the complaint process, possible outcomes of complaints, and the agencies that investigate and resolve complaints in the section of this report titled, *Enforcing Fair Housing: The Complaint Process*.

HUD, the Virginia Fair Housing Office, and a number of agencies certified under the HUD Fair Housing Assistance Program (FHAP) track the number and type of fair housing complaints they receive each year and how these complaints are resolved. Fair housing complaint data reveals which types of discrimination might be most prevalent in the housing market. There are two important things to note when analyzing fair housing complaint data. First, complaints of fair housing are often multi-faceted. For example, one individual could experience discrimination based on their gender, race, and color all in the same housing transaction. Generally, this one housing transaction would be counted as three instances of discrimination. Second, discrimination in the housing market may often go unnoticed or unreported. As survey data suggests, even those who are aware that they have been a victim of discrimination are unlikely to file a complaint. This lack of efficacy occurs for any number of reasons, including; not knowing the proper channels to file a complaint, fear of retaliation, or simply believing that filing a complaint is not worth the effort.[34]

On the national level, the number of fair housing complaints has been static from 2012 to 2016 with between 8,000 and 9,000 complaints filed each year. In Figure 1.16, one can see how national complaints are divided between those filed directly with HUD and those filed locally with FHAP agencies.

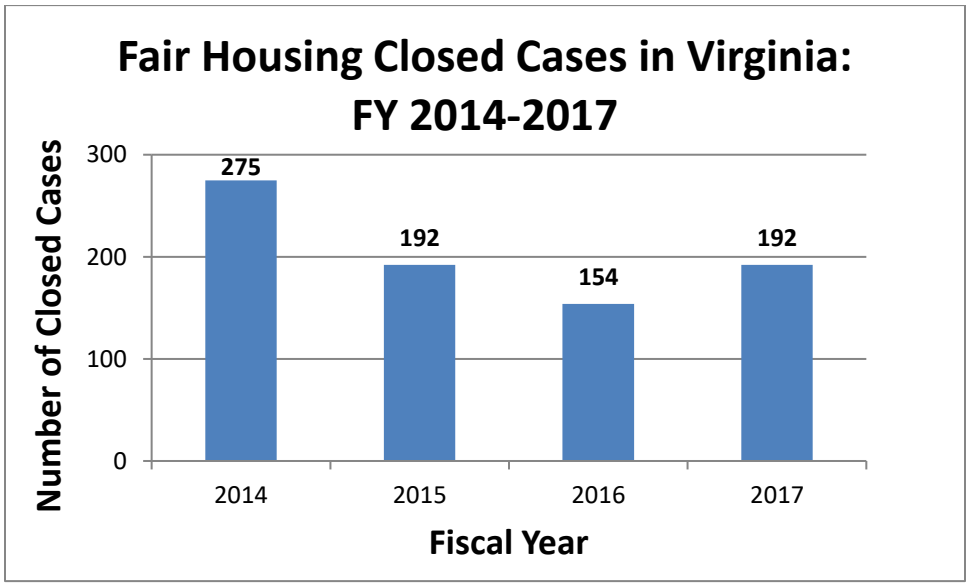
[34] Martin D. Abravanel, Mary K. Cunningham, Urban Institute, "How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws," (2002).



Source: HUD FHEO Annual Reports FY2012- FY2016

Figure 1.16

At the state level, Figure 1.17 shows that from 2014 to 2017, the number of fair housing cases that have been closed has declined overall.



Source: Virginia Fair Housing Office

Figure 1.17

In addition to counting the number of fair housing complaints they receive each year, HUD and local enforcement agencies also tabulate complaints by the basis of each complaint. Again, one housing transaction may count as multiple complaints due to discrimination on multiple bases.

Table 1.18 shows fair housing complaints by protected class in Virginia over the past four fiscal years as counted by the aggregated information of all counties and cities in the state. Complaints of discrimination because of race and disability make up the most significant portion of all complaints.

Virginia Fair Housing Offenses by Protected Class: FY2013-FY2017 Aggregated County/City Dockets								
Year	**Race**	**Religion**	**Sex**	**Disability**	**Familial**	**National Origin**	**Elderliness**	**Total**
FY 2013	35	3	9	54	16	7	8	**132**
FY 2014	34	5	15	70	25	11	18	**178**
FY 2015	46	2	10	55	17	10	5	**145**
FY 2016	51	4	13	76	19	8	16	**187**
FY 2017	50	9	19	77	22	10	23	**210**
Total	216	23	66	332	99	46	70	**852**

Source: Virginia Fair Housing Office

Table 1.18

Another important facet of complaint data is the overall outcome. Almost half of cases from 2014-2017 were closed administratively. About ten percent of cases from 2014-2017 were resolved by conciliation, which means that the issue was resolved before a determination of discrimination could be made. The Board issued a charge or a violation occurred in fewer than three percent of total cases for the same time period. Table 1.19 provides a more complete picture of the outcomes of complaints filed in Virginia from 2014 to 2017.

Virginia Fair Housing Closed Case Outcomes: FY 2014- FY 2017					
Outcome	**2014**	**2015**	**2016**	**2017**	**Total**
Board Issued Charge	0.4%	0.5%	0.0%	0.0%	**0.2%**
Closed Administrative	61.5%	60.4%	34.4%	29.7%	**48.6%**
Complaint Withdrawn	0.7%	0.0%	1.3%	3.1%	**1.2%**
Conciliation	10.2%	6.3%	14.9%	8.9%	**9.8%**
HUD Reactivation	0.7%	0.0%	1.3%	1.0%	**0.7%**
No Jurisdiction	5.5%	12.0%	27.9%	30.7%	**17.2%**
No Violation	12.7%	12.5%	5.2%	1.6%	**8.6%**
No reasonable cause found	3.6%	1.6%	12.3%	16.1%	**7.7%**
Unable to locate complainant	0.0%	0.0%	0.0%	1.0%	**0.2%**
Private Settlement	0.4%	0.0%	0.0%	0.0%	**0.1%**
Uncooperative complainant	3.3%	1.0%	2.6%	4.2%	**2.8%**
Violation	1.1%	5.7%	0.0%	3.6%	**2.6%**

Source: Virginia Fair Housing Office

Table 1.19

Although it is difficult to draw conclusions about discrimination in the housing market from complaint data alone, a few items stand out. First, in Virginia, race and disability are by far the most common category of complaint but familial status, sex and national origin also garner

sizable numbers of complaints. In addition, though the data shows that many complaints do not result in a charge, there are nonetheless, legitimate claims of discrimination in Virginia and some of these complaints move to the state and federal level for resolution. Finally, it is important to note that many instances of discrimination in the housing market go unreported and there is likely a lack of knowledge among consumers about their fair housing rights.

Impediments to Fair Housing Choice

State and Local Barriers to Fair Housing Choice

Historically, building regulations, zoning, and other ordinances have been targeted as possible barriers to fair housing choice at the state and local levels. Of particular interest to fair housing choice is the manner in which state and local building codes affect accessibility for people with disabilities. At the state level, building regulations carried out through the *Virginia Uniform Statewide Building Code* (USBC), ensure that buildings should be accessible as based on adherence to the provisions of the *International Building Code* (IBC) (with state amendments). The IBC contains accessibility standards that comply with federal fair housing law. These standards are applied to all localities across the Commonwealth through application of the *Virginia Uniform Statewide Building Code*.

Unlike building codes, local land use regulations are not uniform and vary from locality to locality. Due to the sheer number of local ordinances, it is difficult to comment on specific zoning and land use ordinances that may impede fair housing choice. However, local ordinances can restrict what type of development can occur in specific locations. This can intentionally or unintentionally limit housing choice for members of protected classes. Also, though income level is not a protected class, land use and zoning regulations have a definite impact on property values and this can severely limit housing choice among the protected classes and possibly exacerbate existing discrimination. Local ordinances that are frequently found to be discriminatory involve those affecting people with disabilities, families, and those involving issues of national origin.

Home Mortgage Disclosure Act Data

The Home Mortgage Disclosure Act (HMDA) mandates that certain financial institutions disclose demographic data for loan applicants. HMDA data, as provided by the Federal Financial Institutions Examination Council (FFIEC), is helpful in revealing information about approval and denial rates for applicants, particularly as relates to race and income levels. While HMDA data provides an excellent starting point for investigating discrimination in the mortgage market there is an important caveat to note when using HMDA data. HMDA does not require mortgage lenders to reveal data regarding an applicant's assets, debt, employment status or their credit history.[35] All of these factors significantly influence an individual's ability to secure a mortgage. Therefore, HMDA data should only be used as a starting point to investigate where discrimination might be occurring in the mortgage market. It should be noted that additional data, including credit scores, will be reported starting in 2018. Also, the scope of depository

[35] Schwartz, 231-232.

institutions subject to HMDA reporting will be narrowed in 2017 as relates to asset size, number of originations and other factors. [36]

In 2015, there were approximately 165,000 mortgage applications in Virginia that were tracked by HMDA.[37] Of these applications, about 10 percent were denied. Table 2.1 shows the total applications filed and denied in Virginia based on whether they were government backed mortgages or conventional mortgages.[38] Overall denial rates are comparable for both government backed and conventional mortgages.[39]

Virginia Mortgage Applications Received and Denied: 2015			
	Applications Received	*Applications Denied*	*Percent Denied*
Total Government Backed Loans	69,849	6,913	9.90%
Total Conventional Loans	95,531	8,919	9.34%
Total: Government and Conventional Loans	165,380	15,832	9.57%

Source: HMDA Data, Federal Financial Institutions Examination Council

Table 2.1

An important piece of data reported by HMDA, which is often a critical factor in the approval or denial of a loan, is the loan applicant's income level. An applicant's income is measured as a percentage of the Metropolitan Statistical Area (MSA) median income where the loan application was filed.[40] For example, if the MSA median income is $65,000 and an individual submits an application with a reported income of $40,000, then that person makes approximately 60 percent of the MSA median income and they fall into the 50-79 percent of MSA median income category. In Table 2.2, one will see that government backed mortgages typically had lower denial rates than conventional mortgages; particularly at the lowest income levels.

[36] Consumer Financial Protection Bureau, "New Rule Summary: Home Mortgage Disclosure (Regulation C)," (2015).

[37] This report utilized the HMDA tables, "HOME-PURCHASE LOANS, 1- TO 4-FAMILY AND MANUFACTURED HOME: Dwellings, by Income, Race and Ethnicity of Application, 2015."

[38] Government backed mortgages according to HMDA data are Federal Housing Administration (FHA), Farm Service Agency (FSA), and VA (Veterans Affairs) backed mortgages. Conventional mortgages are those offered through typical banks and other lenders.

[39] Total applications received and denials are based on aggregate count of applicant race in table noted in footnote 34. Figures for loans originated, applications approved but not accepted, applications withdrawn, and files closed for incompleteness are not included in this report.

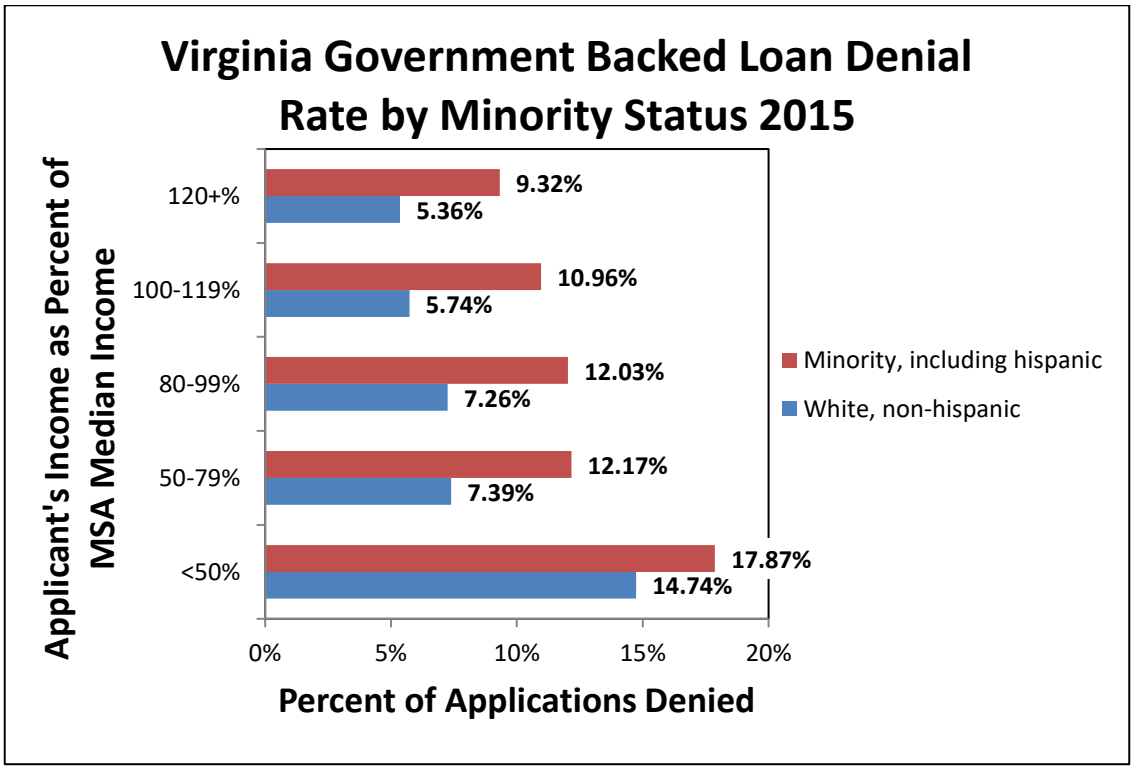
[40] HMDA data is compiled at the Metropolitan Statistical Area (MSA) level. As such, staff obtained estimated state level HMDA data by aggregating data for all of the MSA's reported in Virginia; this analysis may include the Washington, DC metro area and small parts of West Virginia (Winchester Metro) and Tennessee (Bristol-Kingsport Metro); areas outside the metros may not be counted.

Virginia Mortgage Denials by Income: 2015		
Applicant's Income as Percent of MSA Median Income	*Government Backed Mortgage Denial Rate*	*Conventional Mortgage Denial Rate*
< 50%	16.05%	21.63%
50-79%	10.04%	9.95%
80-99%	9.60%	14.71%
100-119%	8.18%	9.18%
120 +%	6.86%	5.37%

Source: HMDA Data, Federal Financial Institutions Examination Council

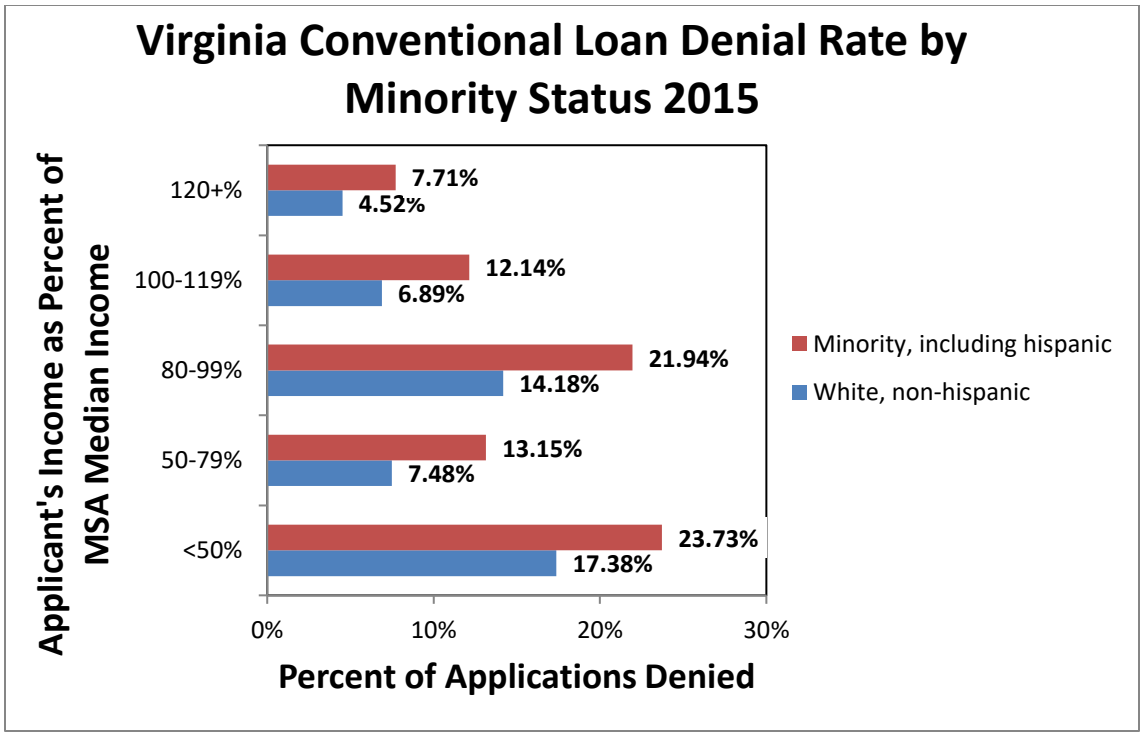
Table 2.2

HMDA data also provides insight into denial rates as relates to minority status. Figure 2.1 and 2.2 show denials by minority status in both the Government and Conventional loan markets. In each market, minority applicants experienced higher denial rates at every income level. For the purposes of HMDA data, minority status includes accounting for both race and ethnicity, each of which could put an individual within a protected class (i.e. race, color, national origin).



Source: HMDA Data, Federal Financial Institutions Examination Council

Figure 2.1



Source: HMDA Data, Federal Financial Institutions Examination Council

Figure 2.2

HMDA data reveals some important facts about mortgage denial rates in the Commonwealth and sheds light on possible impediments to fair lending. As might be expected, denial rates are higher at lower income levels. Generally, denial rates are lower for government backed mortgages than conventional mortgages. In regards to minority status, it is clear that minorities experience higher mortgage denial rates than Whites in both mortgage markets and at most income levels.

From the HMDA data presented it is clear that minorities at various income levels often experience higher denial rates in the mortgage market than Whites at comparable income levels. However, as HMDA data lacks important information about applicants' creditworthiness one cannot unequivocally say that minorities are being discriminated against in the mortgage market. Instead, the knowledge that there is a disparity in denial rates among races should act as a catalyst for a discussion among policymakers and stakeholders as to why the disparity exists and what can be done to close the gap.

Community Reinvestment Act Data

The Community Reinvestment Act's (CRA) main purpose is to ensure that financial institutions are lending to all neighborhoods from which they draw deposits. Specifically, it aims to make sure that low-income and minority communities are getting loans from local financial institutions. In striving to assure that fair lending practices are in place, the CRA has an important role in furthering fair housing choice. Similar to HMDA, certain financial institutions are subject to testing and reporting requirements under the CRA. CRA examinations investigate whether financial institutions are in fact providing loans to low-income communities and also, if they are adhering to fair housing law.

From 2012 to 2016, the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OTCC) examined 161 financial institutions in Virginia in regards to their adherence to the Community Reinvestment Act. The financial institutions varied in the size of their deposits, locations, and the type of institution. When a financial institution is examined by one of the four federal agencies responsible, they are given a rating as to how well they are carrying out the CRA mandate of among other things, lending to low-income neighborhoods and individuals within their service area. As seen in Table 2.5, between 2012 and 2016 more than 98 percent of financial institutions examined in Virginia received a "Satisfactory" or "Outstanding" rating while only one institution received a "Needs to Improve" rating. During this same time period, no financial institutions in Virginia received the lowest CRA rating, "Substantial Noncompliance."

Virginia Community Reinvestment Act Ratings 2012-2016		
Rating	*Number of Lenders*	*Percent of Total Lenders Examined*
Needs to Improve	1	0.72%
Satisfactory	119	85.61%
Outstanding	19	13.67%
Total Examined	139	100%

Source: FFIEC Interagency CRA Rating Search, FFIEC

Table 2.3

Based on the results of CRA testing, it appears that overall, financial institutions in the Commonwealth are complying with CRA mandates and lending to all neighborhoods from where they draw deposits. Only one institution was rated as needing improvement and upon further review, this bank did not have branches located within Virginia, only its headquarters and corporate address. It should be noted that the reverse could be true and one must consider that banks headquartered outside of Virginia may have branches in the Commonwealth that fail to comply with provisions of the CRA.

Testing Data

Fair housing tests or audits are conducted to uncover discrimination in the real estate and rental housing markets. Testing involves using two individuals who are similar in age, income, employment, etc. and having them inquire by phone or in person about buying or renting housing. The "test" is that one person in the pair will belong to a protected class and the other will not. If the person in the protected class is treated differently in the housing transaction, discrimination might be occurring. Testing is commonly used to look for discrimination based on race, disability, national origin and familial status. National testing efforts have consistently found that discrimination is occurring in the housing market. The most recent national testing program, the "Housing Discrimination Against Racial and Ethnic Minorities 2012 (HDS2012)," finds that discrimination in the rental and sales markets persists for minority home seekers. Progress does appear to be occurring on the most obvious forms of discrimination (i.e. complete denial of appointment to view housing) though data suggests a preference for white testers in

regards to number of units/houses shown.[41] Also, the HDS found that the practice of *steering* (directing people to seek housing in certain neighborhoods based on their race) is still occurring.

In Virginia, there have not been fair housing testing efforts at the state level but localities and advocacy groups throughout the Commonwealth frequently conduct local fair housing tests. The Richmond based fair housing advocacy group, Housing Opportunities Made Equal (HOME), has undertaken significant testing efforts. HOME conducted paired testing for the Piedmont Housing Alliance in Albemarle/Charlottesville with results released in 2013 that indicated there was inconsistent treatment of testers based on race, lack of knowledge regarding reasonable modifications, and inconsistent treatment of families with children.[42] Though not protected classes under federal or state law, HOME conducted email testing in 2014 and 2015 pertaining to individual's sexual orientation or gender identity; 44 percent of testers experienced negative differential treatment.[43] The City of Alexandria has had an active testing program since 1990; testing for discrimination in rental, sales and, mortgage lending markets. Loudoun County also conducted paired testing from 2010-2012. Though there are not testing results showing statewide evidence of discrimination in the housing market, national and local testing efforts lead one to believe that there is indeed discrimination throughout the housing market in the Commonwealth.

Stakeholder Survey Results

In addition to the secondary data presented in this report, an online survey was conducted of housing and community development stakeholders in Virginia. The survey was a joint effort of the Virginia Housing Development Authority (VHDA) and DHCD, surveying stakeholders and partners on a range of housing issues including but not limited to those relevant to the Consolidated Plan. VHDA administered the survey, receiving approximately 900 responses although fair housing specific questions received closer to five hundred responses for a given question. The results of the questions are included in this section. A few key findings from the survey are that 30 percent of respondents believe fair housing choice is a problem in the rental market. In their community, color, race, disability and elderliness are the factors, which are believed to be the most impactful in affecting fair housing choice. Though not strictly related to fair housing, the survey also noted that cost of acquisition, community opposition, and lack of transportation were the most pronounced barriers to siting affordable housing.

Question 1 indicates about one third of respondents believing that fair housing choice is a problem in the area they serve, while a slightly smaller number thought it was not an issue. Just over 40 percent of respondents were uncertain as to whether fair housing choice was a problem in their community. The results of this response would seem to support the assertion that there is a general lack of knowledge or misunderstanding regarding fair housing choice.

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[41] Prepared by the Urban institute for the Department of Housing and Urban Development, "HOUSING DISCRIMINATION AGAINST RACIAL AND ETHNIC MINORITIES 2012," (2013).

[42] "Study Sheds Light on Housing Discrimination in Albemarle, Cville," NBC29.com, 2/20/2013, updated 3/6/2013 http://www.nbc29.com/story/21290332/study-sheds-light-on-housing-discrimination-in-albemarle-cville

[43] Housing Opportunities Made Equal of Virginia, Inc., "A Study of Housing Discrimination Against Same-Sex Couples in Virginia."

Question 1:
Are impediments to fair housing choice in the rental market a problem in your community?

Response	Percentage
Yes	30%
Don't Know	43%
No	27%

* Figures reflect percentage of those who responded

The results of Question 2 echo state level complaint data indicating that disability and race are believed to be the two most significant factors impacting fair housing choice in Virginia.

Question 2:
Which of the following factors affect fair housing choice in the area you serve?

Protected Class/Factor	Percentage[44]
Color	10%
Disability	14%
Elderliness	8%
Familial Status	8%
National Origin	6%
Race	12%
Ethnicity	8%
Religion	3%
Retaliation	3%
Gender	3%
Sexual Orientation	6%
None of these	10%
Other	9%

In the "other" category, prior criminal offenses, economic status, and lack of affordable housing were often cited as barriers to fair housing choice. Lack of transportation, limited English proficiency and immigration status were also referenced. It should also be noted that many of the answers given for the "other" category would fall into one of the already defined categories.

Question 3:
Have you attended a fair housing outreach or education opportunity within the past 12 months?

Yes	43%
No	57%

* Figures reflect percentage of those who responded

[44] Percentage reflects percent of all responses; respondents could choose more than protected class.

Question 4:
Do you think there are adequate amounts of fair housing outreach and education efforts in your area?

Responses	Percentage
Yes	35%
No	30%
Don't Know	35%

* Figures reflect percentage of those who responded

While Questions 3 and 4 reflect a significant portion of stakeholders participating in and believing current fair housing training is adequate, still more than half have not attended training in the past year and more than a third are not aware if adequate training is available in their area. Again, this echoes previous statements regarding general lack of knowledge or misunderstanding regarding fair housing.

Question 5:
Consolidated Plan resources are used to support affordable housing development in areas of opportunity (low concentration of minorities and low income households, and with access to good schools and other community amenities).There are often barriers to siting affordable housing in communities of opportunity. Please select the three (3) most challenging barriers in your community:

Barrier[45]					
Cost of acquisition	*Community opposition*	*Restrictive local policies/laws/codes*	*Lack of services*	*Lack of transportation*	*Others (please specify)*
26%	19%	13%	16%	20%	6%

The results of Question 5 relate to barriers to affordable housing. As stated, affordable housing on its own is not a fair housing issue but the protected classes are often disproportionately represented in their need for affordable housing.

In addition to responding to specific questions, certain open-ended responses add additional insight into fair housing concerns and barriers to affordable housing in Virginia. Some of the comments are as follows:

- *The FH* [Fair Housing] *outreach and education funds are never consistent so it's tough to sustain targeted outreach programs.*
- *I think promotion of fair housing to dispel some of the NIMBY myths is essential to getting the assistance out to those in need.*
- *More landlord training and financial literacy, employment and education opportunities for marginalized populations*

[45] Percentage reflects percent of all responses; respondents could choose more than one barrier.

- *Because of NIMBY there needs to be more outreach efforts to educate the community.*

- *There can never be too much fair housing outreach.*

- *I would like to see a fair Housing seminar offered to private landlords*

- *There is an absolute lack of fair housing education and outreach in Virginia. With regards to our service area, we see this quite often in the _____ area where there are still strong ties to racial discrimination. Even our housing counseling staff have had experiences locating housing in the area where passive-aggressive racial undertones were blatant.*

- *I think that fair housing outreach is adequate to housing and service providers but I find that applicants and tenants are very poorly informed on their rights.*

- *Fair Housing training is less available, and more needed, in communities outside of Richmond.*

- *I think there needs to more awareness of fair housing laws made to the general public, especially in rural Virginia.*

- *There needs to be more advocacy and education for renters.*

- *Every client that walks through our door or who we have contact within the community and outreach events is given the HUD Fair Housing handbook.*

- *Fair housing and equal access often boil down to having affordable units in areas of the community that do not have high concentrations of poverty. These areas tend to be single family by design. Opportunities for affordable new construction in the adjacent county is stymied by the lack of developable land (no utilities) and the lack of services; in particular public transportation. Older multi family units (1970s and 1980s vintage) are in dire need of modernization but are still located in neighborhoods with high concentrations of poverty.*

- *There could never be enough Fair Housing education outreach.*

- *The issue with fair housing is smaller "market affordable" landlords.*

Fair Housing Activity in Virginia

Fair Housing Organizations and Programs

In any discussion of fair housing organizations and programs it is readily apparent that there are numerous stakeholders involved in fair housing at the national, state and local levels. These stakeholders include federal and state agencies, local governments, non-profits, and of course, individuals seeking housing. While many of the parties involved in fair housing have already been discussed in this report, a snapshot of some of the key stakeholders and their responsibilities will be illustrative in showing how fair housing law translates into action in the Commonwealth.

Nationally, the preeminent agency regarding fair housing issues is HUD's Office of Fair Housing and Equal Opportunity (FHEO). In addition to investigating fair housing complaints, FHEO also coordinates the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiative Program (FHIP). A FHAP certified agency is a local agency (usually government) that has been certified by HUD to carry out investigations of fair housing complaints. Also, various local government and non-profit agencies receive FHIP funding. This funding supports outreach and educational programs that combat discrimination in the housing market and supports efforts to assist individuals who think they have been discriminated against. FHIP funding can also be used for testing programs. In addition to their national office, HUD has a regional Fair Housing Office in Philadelphia that serves a multi-state region that includes Virginia. A final arm of HUD that is important to fair housing, especially as applies to those with disabilities, is Fair Housing Accessibility FIRST. Fair Housing Accessibility FIRST provides information and technical guidance regarding compliance with the construction and accessibility requirements of the Fair Housing Act. Another key federal agency in fair housing issues is the U.S. Department of Justice. The Department of Justice is the agency tasked with taking legal action when fair housing complaints are referred to them by HUD. In addition to federal agencies, the National Fair Housing Alliance (NFHA) is a national nonprofit dedicated to fair housing issues. This organization and others like it provides education and outreach, produce publications and research, advocates for fair housing, and provides connections to other fair housing related agencies at the national, state, and local levels.

At the state level, the Virginia Fair Housing Office, which is part of the Department of Professional and Occupational Regulation (DPOR), is responsible for investigating fair housing complaints in the Commonwealth as a HUD certified FHAP. The Virginia Fair Housing Office also provides education and outreach activities. Also a part of DPOR, the Virginia Real Estate Board investigates fair housing cases regarding real estate licensees and their employees. Housing Opportunities Made Equal of Virginia, Inc. (HOME) is also active within the state. HOME is a Richmond based non-profit that is involved in fair housing in a number of ways, including; fair housing research, investigating fair housing complaints, education and outreach for a variety of stakeholders, conducting fair housing tests, and fair housing advocacy. Additionally, the HUD field office in Richmond acts as a fair housing resource and is able to assist in filing complaints of discrimination.

At the local level, various counties and independent cities in Virginia operate their own Fair Housing Offices, Human Relations Commissions and similar entities that deal with fair housing issues. As stated, HUD can certify a locality as a Fair Housing Assistance Program (FHAP) and allow its relevant enforcement agency to investigate Fair Housing complaints. Local fair housing agencies often provide outreach and education and sometimes conduct fair housing tests in the rental and real estate markets in the areas they serve. Further, localities that are HUD entitlement jurisdictions are required to prepare their own *Analysis of Impediments to Fair Housing*. Adding to the services already offered by local governments, legal aid societies and a host of other non-profit entities frequently deal with fair housing issues at the local level in areas ranging from complaint investigation to educating housing professionals and citizens about their fair housing rights.

A variety of groups at the federal, state and local levels are involved with fair housing. These different organizations can provide services from informing citizens about their rights to enforcing fair housing law. It is important to note that while there are numerous agencies and organizations designed to assist citizens in fair housing matters and to combat discrimination in the housing market, these groups can only succeed so far as citizens and stakeholders are aware of the services available to them and elect to use these services.

Enforcing Fair Housing: The Complaint Process

If an individual feels they have been the victim of discrimination in the housing market, they have the option of filing a fair housing complaint. Individuals can also file complaints on behalf of family members and friends. In Virginia, fair housing complaints can be filed with the HUD Office of Fair Housing and Equal Opportunity, the Virginia Fair Housing Office, the Real Estate Board, or with any local entity that is certified under the HUD Fair Housing Assistance Program (FHAP). A number of state and local non-profits and legal aid societies will also investigate claims of discrimination in the housing market though they must eventually refer claims to one of the official agencies for enforcement to occur. HUD, the Virginia Fair Housing Office, and FHAP certified agencies can all resolve fair housing complaints. In some cases, state and local agencies might refer complaints, via HUD, to the U.S. Department of Justice (DOJ) for civil or criminal proceedings.[46]

The complaint process begins when an individual files a complaint with one of the relevant agencies. Next, there is a review to determine correct jurisdiction (by law HUD must refer cases to an FHAP if there is one available) and then the complaint is served on the respondent. An investigation is then initiated and HUD or the FHAP interviews relevant parties, reviews documents, and may conduct an onsite visit. HUD and FHAPs must complete their investigations and make a determination of discrimination within 100 days of receiving a complaint (if this is not feasible it must be noted that additional time is required). Once HUD and an FHAP receive a complaint, they work with the parties involved to attempt conciliation, resolution without an official determination of discrimination. Conciliation can result in the party that discriminated agreeing to compensate the other party for damages and possibly signing an agreement promising to end discriminatory practices. If conciliation is not possible and HUD or

[46] U.S. Department of Justice: The Fair Housing Act (February 28, 2012).

the FHAP find cause for a complaint of discrimination, the parties can settle the matter administratively or take the case to federal district court or civil court for litigation. It is rare that cases of discrimination in the housing market go to court as the process generally works to avoid legal proceedings.[47]

Overcoming Impediments to Fair Housing Choice

Impediments to Fair Housing

1. **Discrimination in the rental and sales housing markets. Particularly, discrimination based on disability and race.**

Despite federal, state and local laws, training programs, outreach and education efforts, and institutional policies, discrimination in the housing market persists in the Commonwealth. Fair housing complaint data reported in the AI shows that every year, there are hundreds of complaints of discrimination in the housing market. Additionally, fair housing testing efforts frequently find that discrimination is evident in the rental and sales housing markets. Finally, survey results show that housing stakeholders in the Commonwealth believe various kinds of discrimination exists in the housing markets in their service areas. Issues of particular note are discrimination based on race and disability. The following actions may help to overcome discrimination in the housing market in the Commonwealth:

- Increase testing and enforcement efforts in the rental and sales housing markets to ensure that members of protected classes are being offered an equal opportunity to access all housing options in their communities; publicize results of testing programs.
- Increase education efforts for landlords, leasing agents, and real estate professionals about their fair housing responsibilities; in particular, stress the importance of making reasonable accommodations for persons with disabilities
- Increase education efforts for individuals seeking housing so they are aware when they are victims of discrimination and so that they are aware of their options to resolve the situation.
- Increase enforcement of affirmative marketing of affordable housing options to members of the protected classes.

2. **Constraints in the mortgage lending market. Minorities experience higher denial rates in the mortgage markets at all income levels, particularly at the lowest income levels in the conventional loan market.**

Data from the Home Mortgage Disclosure Act shows that minorities experienced higher mortgage denial rates than their white cohorts across income levels. This data trend is consistent among both conventional and government backed mortgages. The following recommendations may help to alleviate constraints in the mortgage lending market:

- Increased oversight of mortgage lending and denial practices.

[47] U.S. Department of Housing and Urban Development, *OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY ANNUAL REPORT TO CONGRESS FY 2016 (*2017), 22.

- First-time homebuyer education, affirmatively marketed to minorities.
- Continued support of financial literacy and credit counseling initiatives.
- Increased awareness regarding the availability of Federal Housing Administration (FHA) and other government supported loans.
- Reassess HMDA data once 2018 changes have occurred which include additional applicant data (including creditworthiness).

3. Additional fair housing education among real estate agents, landlords, housing providers, local officials, and especially, individuals is needed. Training available outside the major metro areas is needed.

The education needed will differ among real estate agents, landlords, housing providers, local officials, and individuals. A particular focus of fair housing education may want to focus on renter/homebuyer education. This is reinforced by the fact that the majority of fair housing complaints filed do not lead to a violation or charge by the Fair Housing Board. Specific education for housing providers and individuals might include how to file a fair housing complaint. Local officials should be informed on the types and rate of discrimination occurring in their jurisdiction. While survey results were mixed regarding fair housing education, many of the open-ended responses noted the importance of fair housing education, especially outside the metro areas. The following recommendations may assist in providing additional fair housing education and outreach among real estate agents, landlords, housing providers, local officials, and individuals:

- Increase fair housing educational opportunities for renters and homebuyers; in particular, members of the protected classes.
- Increase the availability of seminars and classes for housing providers regarding fair housing law; expand such educational opportunities to include rural and non-metro areas, consider online venues.
- Up-to-date, relevant, and clearly written fair housing materials for individuals made readily available on multiple state websites and in housing providers' offices.
- Encourage housing providers and other relevant stakeholders to utilize social networking and social media to inform both clients and landlords of fair housing policy.

4. Availability and access to quality affordable housing; there are a large number of low-income households in need of affordable housing and there are a large number of cost-burdened households, especially in the rental housing market. "Crowding out," and combined transportation and housing costs are areas of concern regarding affordable housing.

Affordability of housing, which is linked to an individual's or household's income, does not designate one as having protected class status. However, as outlined in this report, members of certain protected classes are disproportionately represented among lower income levels. In particular, minorities, families with children, and single mothers experience lower incomes and poverty at higher rates than society as a whole. Survey respondents expressed difficulty in building quality affordable housing due to the cost of property, local opposition, local land use policies, and lack of transportation. The combination of housing and transportation costs

is of particular concern as access to housing and employment is often mismatched, requiring challenging and expensive commutes in order to afford housing. Many households in the Commonwealth that would not be designated as low-income are housing cost-burdened, paying 30 percent or more of their income towards rent. New data incorporated into this report reflects an additional concern in the housing market with significant "crowding out" in many regions of the state; in these cases people buy or rent housing below their means thereby making it unavailable to those with lower incomes. In sum, for members of the protected classes that may already be experiencing discrimination in the housing market, an inability to physically or financially access affordable housing may exacerbate an already difficult situation. Though affordable housing is an issue across the housing market, it is particularly acute in the rental housing market. There is no one, easy avenue to provide quality affordable housing to all those in need but there are certain steps that stakeholders in the Commonwealth can take to ease the situation. The following recommendations might assist in increasing availability and access to quality affordable housing:

- Continued support of federal, state, and local efforts to preserve and produce quality affordable housing.
- Continued support of partnerships between nonprofit, state, local, and federal partners to efficiently leverage resources for the production of affordable housing.
- Support of public-private partnerships that create affordable and mixed-income housing.
- Support of efforts that match appropriately priced housing with varied transportation options.
- Promote the use of housing databases such as those offered by the Virginia Housing Development Authority (VHDA), http://www.virginiahousingsearch.com/.

Appendix A: Fair Housing Resources
For more information regarding fair housing choice and related issues, the organizations listed in Appendix A provide a wide variety of information and services. If you or someone you know has been discriminated against in the housing market and would like to file a complaint, please contact one of the agencies denoted with an asterisk.

National
*Department of Housing and Urban Development (HUD), Office of Fair Housing and Equal Opportunity (FHEO): Provides a wide variety of fair housing information as well as information about filing a Fair Housing complaint via phone, mail, or online.
https://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp

FHEO Headquarters
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

*HUD Regional Fair Housing Office: Assists in filing fair housing complaints and conducts training and outreach for a multi-state region.

U.S. Department of Housing and Urban Development
The Wanamaker Building
100 Penn Square East, 12th Floor
Philadelphia, Pennsylvania 19107-3380
(215) 861-7637
1-888-799-2085
TTY (215) 656-3450

*United States Department of Justice: Based on complaints filed with HUD, they bring suit against alleged violators of the Fair Housing and Equal Credit Opportunity Acts. They also provide information related to fair housing law.
https://www.justice.gov/crt/housing-and-civil-enforcement-section

Housing & Civil Enforcement Section
(202) 514-4713
TTY - 202-305-1882
FAX - (202) 514-1116
Fair Housing Tip Line (to report an incident of housing discrimination): 1-800-896-7743
fairhousing@usdoj.gov

National Fair Housing Alliance: A consortium of more than 220 private and non-profit agencies across the country that work to end discrimination in the housing market. They provide a number of services and programs including: education and outreach opportunities, fair housing testing (often through local organizations), advocating for fair housing causes, and conducting fair housing research.
http://www.nationalfairhousing.org/

National Fair Housing Advocate Online: Provides research, resources, and general information for a variety of fair housing issues.
http://fairhousing.com/

Fair Housing Accessibility FIRST: HUD sponsored entity that provides information and technical guidance regarding compliance with the construction and accessibility requirements of the Fair Housing Act.
http://www.fairhousingfirst.org/index.asp

ForRent.Com - Fair Housing Blog: ForRent.com's *Fair Housing Blog* provides a forum with expert advice in response to inquiries provided by rental and apartment managers and owners.
https://www.forrent.com/solutions/apt-pros/fair-housing/

State/Local

*Virginia Fair Housing Office, Department of Professional and Occupational Regulation (DPOR): Provides general information about fair housing law in Virginia, provides outreach and training events, and investigates Fair Housing complaints in Virginia.
http://www.dpor.virginia.gov/FairHousing/

Perimeter Center
Suite 102 (first floor)
9960 Mayland Drive
Richmond VA 23233
(804) 367-8500

Email: FairHousing@dpor.virginia.gov

*Housing Opportunities Made Equal (HOME) of Virginia: A Richmond, Virginia based non-profit that provides fair housing education and outreach opportunities, conducts testing, conducts research, and in addition to providing a number of other services, will investigate claims of discrimination in the housing market.
http://homeofva.org/

HUD Richmond Field Office: Administers HUD programs in the state of Virginia outside of the Washington, DC area.

600 East Broad Street, Third Floor
Richmond, VA 23219
Telephone: (800) 842-2610
Email: va_webmanager@hud.gov
Fax: (804) 822-4984
TTY: (804) 771-2038