

Baltimore Regional AI Stakeholder Work Group

Updated Notes (flip pads) from March 14, 2019 Meeting – Data Analysis Follow-Up and Enforcement

Comments on Data Analysis Follow-Up

- Revised Home Mortgage Disclosure Act (HMDA) data map
 - Baltimore City [Vacants to Value report](#) (pp. 93-94) shows large parts of Baltimore, including much of West and East Baltimore, are lending “deserts.”
 - Local banks, Federal Reserve, and Federal Deposit Insurance Corp. (FDIC) are holding their regular meeting April 9 and are willing to discuss our HMDA data loan denial map with us. Dan Pontious (BMC) and Chuck Martin (M&T Bank, Work Group Vice Chair) will make sure that discussion happens.
- Opportunity Quintile Analysis – physical unit inventory
 - “Special needs” is not the same as “people with disabilities.”
 - True analysis of affordable homes accessible to people with disabilities would take into account Fair Housing Act-accessible and Uniform Federal Accessibility Standard (UFAS) units throughout the affordable portfolio. 5% of all of the units in a project must meet the UFAS standard if the project is federally funded in whole or in part. City has required 10% meet UFAS in order to create UFAS units required by the Bailey v. HABC consent decree.
 - Elderly v. non-elderly demand for affordable housing (to compare to current supply): We will look at HUD’s Comprehensive Housing Affordability Strategy (CHAS) data cost burden to evaluate this, potentially jurisdiction-by-jurisdiction.
 - Root Policy will look at demand v. distribution of different types of units.
 - We should examine barriers to multifamily housing unit development, such as zoning.
- Market Rents and other Multifamily Data
 - As part of this process, BMC is purchasing 2018 market rent data and updated market-rate large multifamily (40+ units) inventory. Will be able to compare 2018 rents to 2013 and 2016 rents to see trends.
 - BMC did analysis around 2000 (as part of updating action plan from 1996 Regional AI) of gain in high-end units vs. low-end units. Dan believes he has that and will find it. Could be helpful in looking at the issue of displacement by rising rents.
 - Looking at the creation or loss of 2- and 3-bedroom+ units, which are important for housing families with children.
- National Fair Housing Alliance (NFHA) has data from Zillow/Trulia on traditional banks vs. fringe banking services (e.g. payday lending) & other community resources & amenities. Debbie Goldberg from NFHA will get that to us.
- Opportunity Quintile Analysis – Housing Choice Vouchers
 - Percentage of vouchers in top 40% opportunity census tracts has gone from 21% to 25%, but still well below the 40% that would indicate an even distribution.
 - A significant piece of the improvement is likely due to the Baltimore Regional Housing Partnership (BRHP), which expanded significantly over that time.

Private Sector Enforcement – Presentation by Fair Housing Action Center of Maryland

- New Fair Housing Action Center (FHAC) of Maryland is rebuilding the program of the previous Baltimore Neighborhoods, Inc., which closed down in 2018:
 - Landlord-tenant information
 - Fair housing enforcement
- Testing for home sales is more difficult than rental – testers can only submit so much information, but real estate agents can set up appointments to show housing to testers.
- FHAC is seeing certain signs of discrimination:
 - Prospective borrowers of color having to submit documents multiple times to lenders.
 - Rise of predatory lending in the region
- This AI needs to move things forward in terms of recommendations.

Public Sector Enforcement – Presentation by ACLU & Baltimore Regional Housing Partnership

- *Thompson v. HUD et. al.* lawsuit
 - Filed in 1995 alleging discrimination in the siting of public housing in racially segregated and impoverished areas.
 - Partial consent decree was entered in 1996, which allowed for the demolition of four family high-rise public housing complexes and provided for them to be replaced with HOPE VI developments and off-site housing, including the mobility voucher program.
- *Baltimore Regional Housing Campaign (BRHC) v. State of Maryland*
 - Baltimore Regional Housing Campaign comprised of:
 - ACLU of Maryland
 - Baltimore Regional Initiative Demanding Genuine Equality (BRIDGE)
 - Citizens Planning & Housing Association (CPHA)
 - Greater Baltimore Urban League
 - Innovative Housing Institute
 - Poverty and Race Research Action Council (PRRAC)
 - Complaint alleged that patterns of DHCD Low Income Housing Tax Credit (LIHTC) awards followed those of HUD that formed the basis of *Thompson v. HUD*
 - Segregative pattern of family housing concentrated in Baltimore City.
 - Need to break out elderly housing v. general/family housing because putting them together can create a distorted picture.
 - State requirement for local government approval of developments was key issue.
 - BRHC had convened developer roundtable – what is biggest obstacle?
 - All but one said local approval requirement was the biggest barrier to creating affordable housing in areas of opportunity
 - Enterprise said the biggest barrier was zoning.
 - Local approval requirement gradually removed
 - Maryland Department of Housing and Community Development's (DHCD's) 2013 Qualified Allocation Plan (QAP – sets standards for receiving Low Income Housing Tax Credits) removed local approval requirement, but allowed local veto.

- 2014 General Assembly removed both legislatively.
 - Opportunity Area incentives
 - DHCD's 2018 round of Low Income Housing Tax Credit (LIHTC) awards – responding to 2017 voluntary conciliation agreement (VCA) shows policy changes can influence where affordable housing is built.
 - 2019 QAP removes point scoring incentives for developments in opportunity areas.
 - VCA includes:
 - Affirmative marketing component, including requirement that developers enter into MOUs with public housing authorities and mobility programs.
 - Continued 30% “basis boost” – making LIHTC 30% more valuable in Communities of Opportunity.
 - Modification of transit-oriented development (TOD) scoring to allow Communities of Opportunity to compete for those points, too.
 - Continued incentives for 2- and 3-bedroom units for families.
 - Top three jurisdictions for 2018 LIHTC awards were Harford County, Baltimore City, and Carroll County, so work still needed in other, closer-in suburban jurisdictions.
- *Baltimore County NAACP et. al. v. Baltimore County*
 - Complaint stated that more than 4,000 affordable units were lost – demolished or converted to market-rate – since mid-1990s; no public housing ever created.
 - The parties agreed to participate in conciliation negotiations, which were handled by HUD.
 - Voluntary Conciliation Agreement (VCA) signed 2016
 - 1000 “hard” unit requirement, virtually all in areas of opportunity, assisted by new \$30 million county fund.
 - 50% of units must be 3 bedrooms or larger.
 - 10% must be wheelchair accessible.
 - Affirmative fair housing marketing required.
 - Creation of new voucher mobility program and 2,000 placements in opportunity areas.
 - Source of Income legislation must be proposed each year until it passes (with exception for 2018 election year).
- Lessons for this Regional AI process
 - “Legal remedy is a programmatic solution.”
 - There must either be political will or legal enforcement to make change happen.
 - VCAs and court orders are a substitute for political will.
 - Awarding Low Income Housing Tax Credits for 800 units of affordable housing in areas of opportunity in the Baltimore region in one year (as DHCD did in 2018) shows we can address these fair housing problems.
- Baltimore Regional Housing Partnership (BRHP)
 - Created by the 2012 *Thompson v. HUD* final settlement – has just finished final expansion to about 4,400 vouchers issued.
 - Program primarily serves families with children, especially young children (under 8 years old).

- Program requires participants to live in opportunity areas for first two years they have their BRHP voucher.
 - 72% still live in opportunity areas.
 - New families who leased in 2018 went from an average pre-move neighborhood poverty rate of 37% to an average post-move neighborhood poverty rate of 8%
 - Overall, BRHP families live in neighborhoods with an average poverty rate of 10.3%, under the regional average.
- Census tract-based exception payment standards up to 135% of HUD fair market rent (FMR) facilitate access to high opportunity areas.
- Search assistance
 - Longer-than-usual search time to find a home
 - Healthy list of landlords with units in opportunity areas – more than 2,000
 - Security deposit assistance
- Counseling Program
 - Pre-move counseling includes a series of six workshops and action plan, all with goal of increasing the “lease-ability” of families and to help ensure a successful tenure in new neighborhood.
 - Housing Search Assistance includes direct unit referrals to three units, tailored search assistance to meet families’ needs, and landlord outreach to identify homes in opportunity neighborhoods.
 - Post-move counseling includes structured supports for two years, including five home visits and telephone check-ins, counseling on subsequent moves, program compliance counseling, and landlord-tenant dispute resolution.
- Families have 93% success leasing – spend more time in high opportunity areas than typical voucher holders in region.
- Two-thirds are in homes with 3 or more bedrooms.
- Mostly female-headed households.
- Still have waiting list of more than 14,000.
- Transportation
 - BRHP partners with Vehicles for Change to help families buy a car.
 - Assistance program to help voucher holders obtain a driver’s license
 - 55% of voucher holders have a car or access to a car.
- Barriers to families leasing
 - Biggest barrier is discrimination against voucher holder.
 - Easier to lease in Howard County because of its Source of Income law.
- So little land is zoned for multifamily, that contributes to voucher segregation.
- Maryland’s Smart Growth policies:
 - Put land outside its Priority Funding Areas off limits for affordable housing (low-density zoning on well and septic) and those areas have a far lower proportion of African American residents.
 - E.g. Baltimore County, where total population is 26% African American, population outside PFAs is 10% African American.
- Maryland Department of Planning has [data on its web site](#).