

# Analysis of Impediments to Fair Housing Choice

Baltimore Metropolitan Region

**Anne Arundel County**

November 2011



## BALTIMORE METRO AREA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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## **1. ANNE ARUNDEL COUNTY**

### **A. Urban County Entitlement**

The Urban County of Anne Arundel County, a HUD entitlement, consists of Anne Arundel County exclusive of the county seat, the City of Annapolis, which is a separate HUD entitlement community. The Urban County receives CDBG, HOME, and ESG funds from HUD; the City of Annapolis receives CDBG funds. As a result, these two local units of government are charged with the responsibility of conducting their respective HUD programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including units of local government, which receive federal funds through the Urban County and/or the City. Reference to Anne Arundel County throughout this document is to the Urban County of Anne Arundel County exclusive of the City of Annapolis.

Within Anne Arundel County, there are a total of two incorporated municipalities: Annapolis and Highland Beach. The remainder of the County is unincorporated area and falls wholly under the jurisdiction of County government. This includes 31 unincorporated Census-designated places in addition to less formally recognized settlements.

The obligation of urban counties to affirmatively further fair housing was clarified in the August 2009 settlement of a lawsuit brought against Westchester County, NY, by the Anti-Discrimination Center of Metro New York, Inc. This \$180 million lawsuit filed in April 2006 charged that Westchester County failed to fulfill its obligation to affirmatively further fair housing and ensure non-discrimination in its programs. Westchester County is an Urban County entitlement under HUD's CDBG and HOME Programs. As a condition of federal funding, all such HUD entitlements certify to HUD each year that they will conduct their entitlement programs in a non-discriminatory manner that affirmatively furthers fair housing in accordance with the Civil Rights Act of 1964 and the federal Fair Housing Act. In making this certification, Westchester County was required to identify impediments to fair housing choice, take action to overcome those impediments, and to maintain records of its analysis and actions.

In the lawsuit, the Center charged that:

- Westchester County is a racially segregated county
- Westchester County's Analysis of Impediments to Fair Housing Choice (AI) was flawed because it considered housing needs based solely on income and failed to fully consider racial segregation and housing needs based on race
- Westchester County failed to inform municipalities receiving CDBG funds of their own obligation to consider the housing needs of persons living outside the communities, not just the needs of residents living within their municipal limits
- Westchester County failed to require municipalities receiving CDBG funds to increase the availability of affordable housing or otherwise affirmatively further fair housing



- As a result of the above, Westchester County made a false claim when it certified to HUD that the County would affirmatively further fair housing.

At issue in this case was not whether Westchester County created affordable housing. In fact, since 1998, the County spent over \$50 million in federal and state funds to aid in the construction of 1,370 affordable rental units and another 334 affordable owner units. It was the *geographic location* of the affordable housing units that were created within the County that was the critical factor in the lawsuit.

The Center alleged that the County's AI did not analyze how its placement of affordable housing affected segregation and racial diversity. It concluded that the County assisted the development of affordable housing units in lower income communities and that as a result, it increased the pattern of racial segregation in Westchester County. Furthermore, the suit charged that the County violated its cooperation agreements with local units of government which prohibits expenditures of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the County's action to comply with its fair housing certifications.

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

The significance of this legal settlement for urban county entitlements throughout the U.S. is clear. First, *the requirement to affirmatively further fair housing applies to all aspects of county government, not just HUD programs*. Second, the lawsuit confirms that *an urban county has an obligation to ensure that each local unit of government within its boundary affirmatively furthers fair housing*. When an urban county makes this pledge to HUD, it is making the promise not just in its own right but also on behalf of each local unit of government in the county. This does not necessarily mean that each municipality must finance and develop affordable housing, but it does mean that no municipality may impede or obstruct the creation of such housing by other entities. An urban county should provide CDBG and HOME funds to municipalities that affirmatively further fair housing. Furthermore, an urban county should not provide CDBG and HOME funds to municipalities that impede fair housing as such actions undermine the urban county's own obligation to affirmatively further fair housing. Finally, an urban county must take action to eliminate barriers to fair housing wherever they may exist in the county.

## **B. Background**

Anne Arundel County is located in central Maryland along the western shore of the Chesapeake Bay. Primarily suburban in nature, the County is centrally located within the Washington, DC/Baltimore corridor. Prior to the late 1970s, the majority of growth occurred in the northern area of the County and in the greater Annapolis area. This trend

paralleled national trends with post-World War II migration out from the cities and into the suburbs. During the late 1970s and early 1980s, new growth was focused in the Severna Park and Broadneck areas. By the 1990s, development had spread to the western areas of the County. Growth has continued since 2000 in the Odenton and Severn areas as indicated by building permit data. By mid-decade, development was occurring in the Edgewater community and in the Crofton/Waugh Chapel area.

Residential development in the County consists primarily of detached single-family dwelling units with some recent increase noted in multi-family and attached single-family homes. With increasing land costs, it has become more profitable for developers to build more units on smaller parcels. However, lower-density residential patterns remain predominant as a result of County zoning regulations. Lower-density residential development is required in many areas of the County as a mechanism to protect an abundance of valuable natural resources and environmentally-sensitive areas. Consequently, it has become a challenge to develop more affordable housing options, such as multi-family apartments, in Anne Arundel County.

Anne Arundel County continues to grow in population, increasing by more than 5% since 2000. Household income data reveal that net migration into the County occurred mostly among households earning between \$100,000 and \$199,000. As a result, new residents tend to be well-educated and employed in higher-skilled, higher wage jobs. Consequently, a less economically diverse population underscores the need for a variety of housing options to provide adequate housing choice for all households.

Anne Arundel continues to be predominantly White with minorities increasing as a percentage of the population. While not as diverse as other counties in the region or the State, the County is becoming more diverse. Some of the increase in minority residents is the result of in-migration from Prince George's County and the City of Baltimore. Between 1970 and 1990, the racial distribution in the County changed. In 1970, there were several areas with higher concentrations of Black residents (i.e., greater than 40% of the total population). But by 1990, these high rates had decreased. While integration may be one reason for this trend, it is also likely that traditionally Black communities in rural Anne Arundel County have been surrounded or displaced by high-growth suburbs of primarily White residents. Today, higher concentrations of Black residents are found in the western area of the County (Jessup, Annapolis Junction, Laurel, and Odenton), in the northern tip of the County (Curtis Bay and Glen Burnie), and within the City of Annapolis. Higher concentrations of Hispanic residents are found in the vicinity of Fort Meade in the west and in Annapolis.<sup>1</sup>

## **C. Demographic Information**

### **i. Population Trends**

The population of Anne Arundel County has increased significantly between 1980 and 2008, growing more than 40% to 478,509 from 339,035. During this period, the number of racial minority residents more than doubled to 99,586 from 37,848. As a result, the minority population grew at a much

<sup>1</sup> Community Profile, Anne Arundel County Consolidated Plan FY 2006-FY 2010, prepared by Arundel Community Development Services, Inc., pages 32-52.

faster rate than overall population growth, and the minority share of the total population increased to 20.8% from 11.2%.

**Figure 1-1  
Population Trends, 1980-2008**

	1980		1990		2000		2008		% Change 1980-2008
	#	%	#	%	#	%	#	%	
<b>Urban County*</b>	<b>339,035</b>	<b>100.0%</b>	<b>394,052</b>	<b>100.0%</b>	<b>449,811</b>	<b>100.0%</b>	<b>478,509</b>	<b>100.0%</b>	<b>41.1%</b>
White Population	301,187	88.8%	344,053	87.3%	375,436	83.5%	378,923	79.2%	25.8%
Non-White Population	37,848	11.2%	49,999	12.7%	74,375	16.5%	99,586	20.8%	163.1%
Black	31,610	9.3%	39,405	10.0%	54,013	12.0%	69,137	14.4%	118.7%
Asian/Pacific Islander	3,713	1.1%	7,307	1.9%	10,730	2.4%	15,164	3.2%	308.4%
All Other Races	2,525	0.7%	3,287	0.8%	9,632	2.1%	15,285	3.2%	505.3%
Hispanic	4,182	1.2%	6,332	1.6%	10,601	2.4%	19,071	4.0%	356.0%
<b>Annapolis</b>	<b>31,740</b>	<b>100.0%</b>	<b>33,187</b>	<b>100.0%</b>	<b>35,838</b>	<b>100.0%</b>	<b>34,281</b>	<b>100.0%</b>	<b>8.0%</b>
White Population	20,016	63.1%	21,552	64.9%	22,457	62.7%	23,214	67.7%	16.0%
Non-White Population	11,724	36.9%	11,635	35.1%	13,381	37.3%	11,067	32.3%	-5.6%
Black	11,250	35.4%	10,964	33.0%	11,267	31.4%	8,168	23.8%	-27.4%
Asian/Pacific Islander	327	1.0%	445	1.3%	650	1.8%	767	2.2%	134.6%
All Other Races	147	0.5%	226	0.7%	1,464	4.1%	2,132	6.2%	1350.3%
Hispanic	413	1.3%	483	1.5%	2,301	6.4%	3,965	11.6%	860.0%

\* Exclusive of the City of Annapolis

Sources: U.S. Census Bureau, 1980 Census (Table DP-1), 1990 Census (STF1, P008), Census 2000 (SF3, P7), 2008 American Community Survey

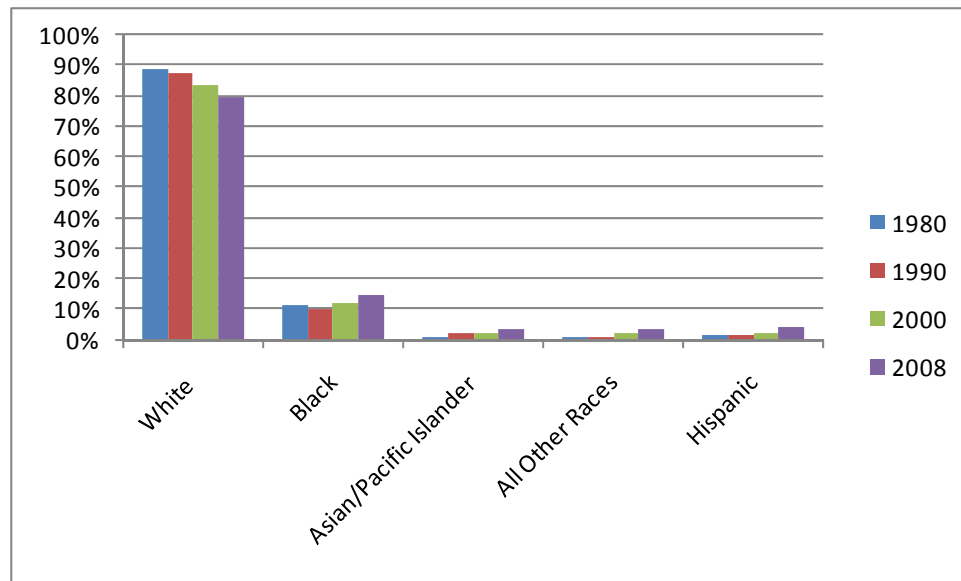
Diversity among minority residents has also increased. Whereas Blacks in 1980 accounted for 83.5% of the total minority population, by 2008 they accounted for slightly less than 70% of all minorities. The Asian/Pacific Islander population grew to 15.2% of the minority population, and persons of all other races increased to 15.3% from 0.7%.

Similarly, Hispanic residents have increased significantly, growing from only 1.2% of the total population in 1980 to 4% in 2008. In numbers, this segment has surged to 19,071 from 4,182. Population trends are illustrated in Figure 1-1 and Figure 1-2.

For the purposes of this report, detailed analysis is provided for the primary races in Anne Arundel County, which include Whites, Blacks and, in some cases, Asian/Pacific Islanders. Hispanics are included as an ethnic minority. In all other cases, the sample size of the population of an individual race was identified by the Census Bureau as being too small to analyze.



**Figure 1-2**  
**Trends in Racial and Ethnic Characteristics, 1980-2008**



**OBSERVATION:** Since 1980, racial minorities have increased from 11.2% to 20.8% of the total population in Anne Arundel County. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily.

## ii. Areas of Racial and Ethnic Minority Concentration

As an urban county entitlement, Anne Arundel completed a Five-Year Consolidated Plan for 2011-2015. Within the Consolidated Plan, the phrase “areas of minority concentration” is used but not defined.”<sup>2</sup> HUD requires entitlements to define “areas of minority concentration” in addition to “areas of low income concentration.”<sup>3</sup> In the absence of a specific definition, for the purposes of the AI, “areas of minority concentration” will refer to any census tract where the percentage of a specific minority group is 10 percentage points or higher than in the County overall.

In Anne Arundel County in 2009, Blacks accounted for 14.9% of the overall population. Therefore, an area of racial minority concentration would include any census tract where the percentage of Black residents is 24.9% or higher. The 15 census tracts within the Urban County that meet this criterion are listed in Figure 1-3 on the following page. These areas include the western area of the County (Odenton, Severn, Fort Meade), and the northern section (Linthicum, Ferndale, Furnace Branch). No other racial minority group meets the criterion for an area of concentration. Notably, the concentration in Jessup is likely related in part to the disproportionately high

<sup>2</sup> Anne Arundel County FY 2011 – FY 2015 Consolidated Plan, page 33.

<sup>3</sup> Final Rule for the Consolidated Plan at 24 CFR Part 91.210(a)

Black population of the Jessup State Prison. Furthermore, the concentration in Crownsville reflects the presence of a mental hospital within the jurisdiction. Concentrations are also likely affected by the location of the major military campus at Fort Meade, which has the fourth largest workforce of Army installations in the continental U.S., including 35,000 total personnel.

Hispanic residents represent 4.7% of the total population. Therefore, an area of ethnic minority concentration would include any census tract where the percentage of Hispanics is 14.7% or higher. Two census tracts within the Urban County meet this criterion and are also listed in Figure 1-3. Higher concentrations of Hispanic residents are found in the western part of the County around Fort Meade. Notably, only census tract 7406.02 is an area of concentration of both Blacks and Hispanics.

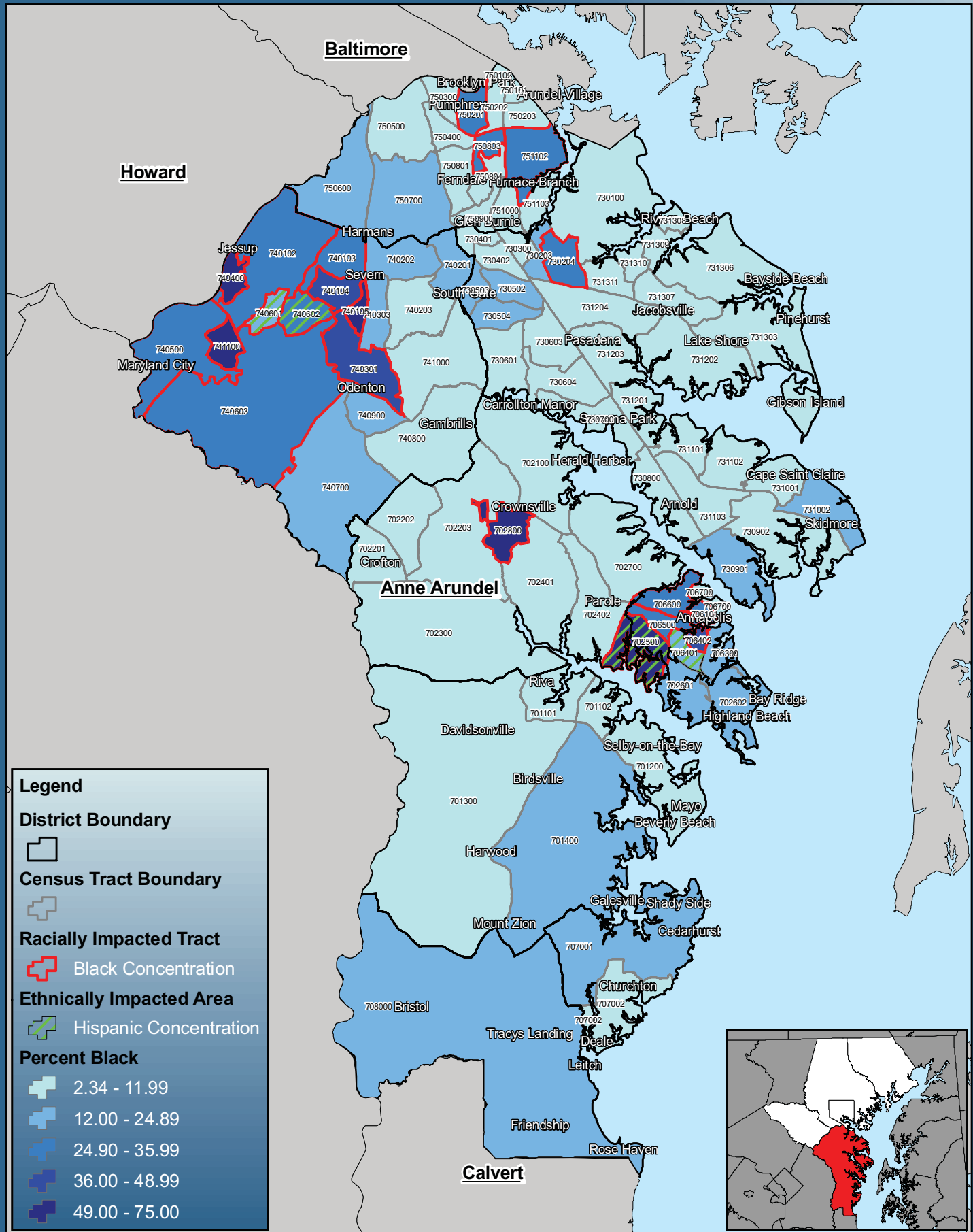
All census tracts in the Urban County meeting the definition of racial or ethnic concentration appear in Figure 1-3.

**Figure 1-3**  
**Areas of Racial and Ethnic Minority Concentration, 2009**

Census Tract	Total Population	White %	Minority Residents		
			Black %	Asian/Pacific Islander %	Hispanic %
<b>Anne Arundel County</b>	<b>517,714</b>	<b>76.3%</b>	<b>14.9%</b>	<b>3.2%</b>	<b>4.7%</b>
7028	489	46.2%	49.9%	0.6%	5.7%
7302.04	5,333	58.0%	34.1%	3.0%	3.6%
7401.02	9,280	61.8%	29.6%	2.5%	4.9%
7401.03	7,869	58.4%	26.2%	6.2%	6.6%
7401.04	7,542	42.1%	42.6%	4.6%	8.4%
7401.05	3,556	18.1%	65.7%	7.1%	6.3%
7403.01	14,230	49.0%	36.4%	5.6%	8.2%
7404	3,961	24.7%	74.6%	0.3%	0.8%
7405	14,859	51.3%	31.3%	8.4%	7.2%
7406.01	2,727	60.4%	19.3%	3.9%	18.3%
7406.02	4,288	48.6%	29.2%	3.4%	16.4%
7406.03	2,760	56.6%	25.1%	3.8%	13.5%
7411	251	29.9%	64.9%	0.0%	4.8%
7502.01	2,731	62.9%	30.3%	2.4%	2.4%
7508.03	6,389	53.5%	28.9%	5.9%	5.9%
7511.02	3,598	62.5%	29.3%	3.3%	3.3%

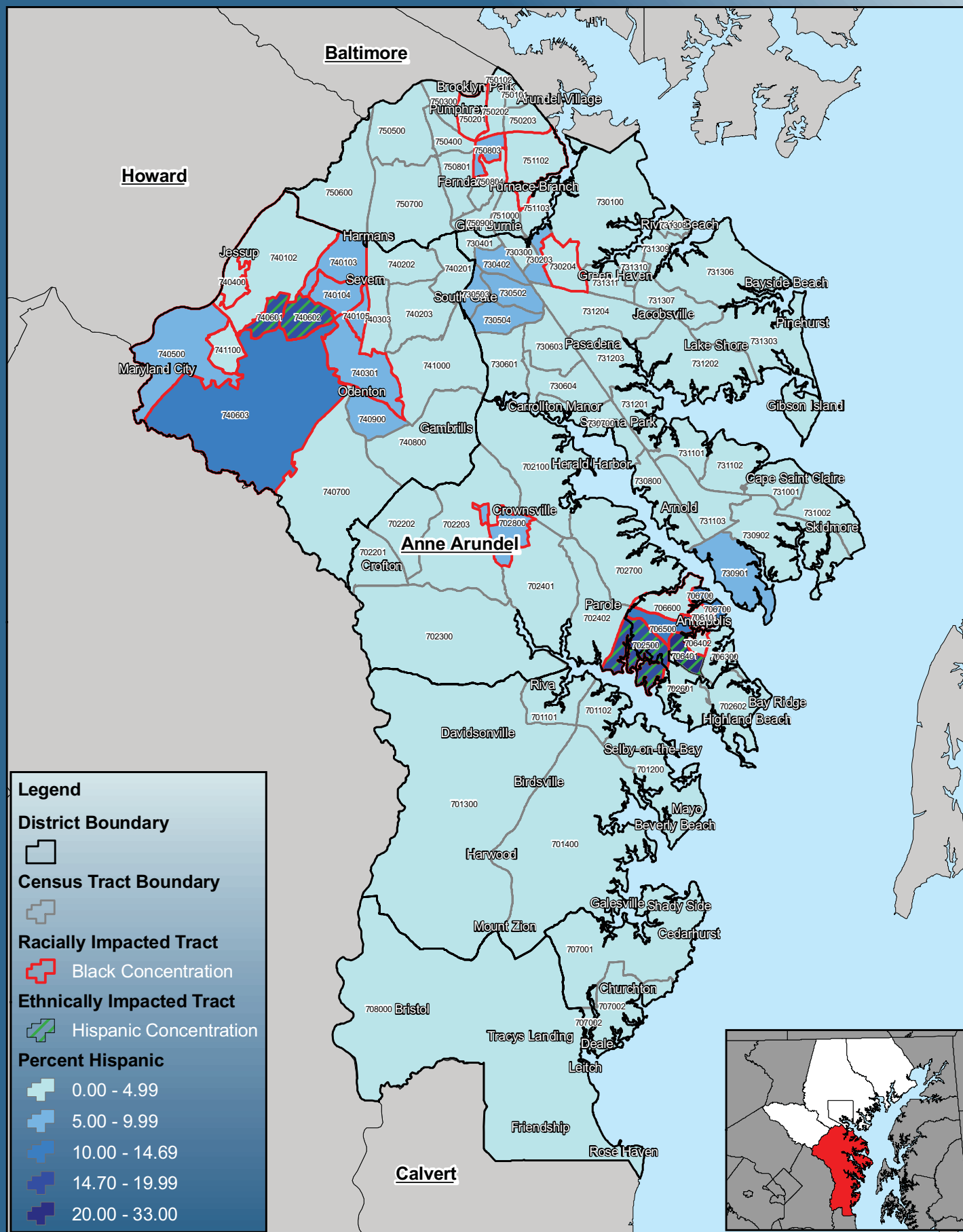
Source: Demographics Now

Maps 1 and 2 on the following pages depict the geographic location of areas of racial and ethnic concentration. In Anne Arundel County, the census tracts outlined in *red* are areas of concentration of Black residents. The census tracts denoted with a *green* cross-hatch pattern are areas of concentration of ethnic (Hispanic) residents. It is within these areas that other demographic characteristics — such as income and housing — will be analyzed.



## Map 2: Concentration of Hispanic Residents in Anne Arundel County, 2009

## Baltimore Regional Analysis of Impediments to Fair Housing Choice



**OBSERVATION:** In the Urban County outside of Annapolis, 16 of the County's census tracts qualify as areas of racial or ethnic minority concentration. These areas are predominantly in the northern and western regions of Anne Arundel County.

### iii. Residential Segregation Patterns

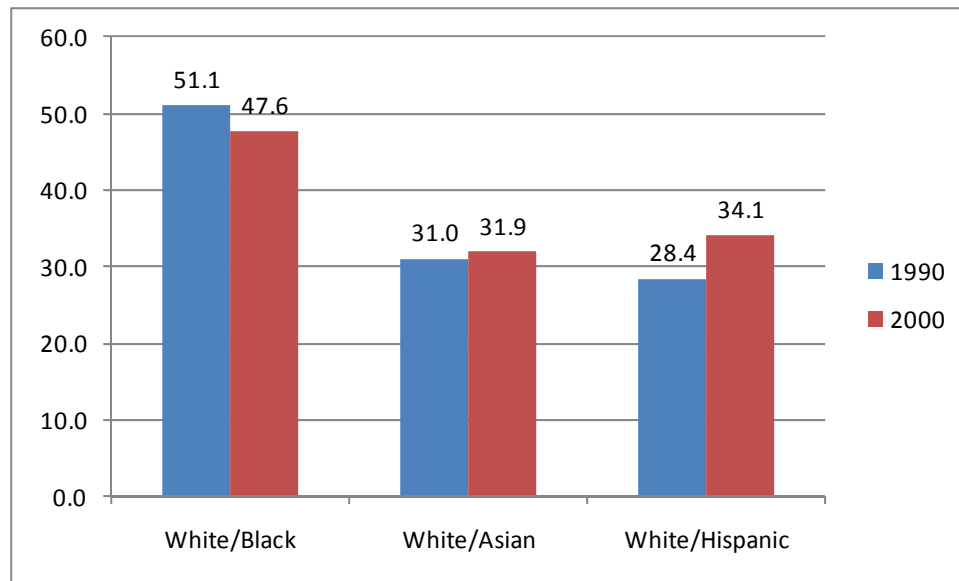
Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and lower income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, such as real estate practices, limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation.<sup>4</sup> The index is typically interpreted as the percentage of the minority population that would have to move in order for a community or neighborhood to achieve full integration.

In 1990, Anne Arundel County had a White/Black dissimilarity index of 51.1 as illustrated in Figure 1-4. By 2000, CensusScope reported that the index had decreased to 47.6 indicating a slowly diversifying population. Conversely, while Blacks were slowly integrating the County, the dissimilarity indices for Asians and Hispanics revealed increasing segregation trends.

<sup>4</sup> The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to  $1/2 \sum \text{ABS} [(b/B)-(a/A)]$ , where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.

**Figure 1-4**  
**Anne Arundel County Dissimilarity Indices, 1990 and 2000**



A growth trend similar to that of Asians also appears to be occurring among Hispanics. During the 1990s, the number of Hispanics almost doubled to 12,902 from 6,815, thereby increasing as a percentage of total population to 2.6% from 1.6%. However, it is even more evident among Hispanics that the likelihood of new residents living in areas of established Hispanic communities is further segregating the County. The dissimilarity index for Whites/Hispanics increased to 34.1 from 28.4.

Of the 11 cities (with populations exceeding 25,000) and the counties in Maryland for which dissimilarity indices were determined, Anne Arundel County ranks in the middle in segregation of the Black population. The County's 2000 dissimilarity index of 47.6 for White persons and Black persons ranked sixth out of 11, and indicated that White persons and Black persons in Anne Arundel County were segregated on a level only slightly less than that found in the City of Baltimore.



**Figure 1-5  
Maryland Dissimilarity Index Rankings, 2000**

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Frederick city	7,641	39,568	52,767	32.3
2	Hagerstown city	3,661	31,244	36,687	34.9
3	Howard County	35,412	183,886	247,842	36.2
4	Gaithersburg city	7,457	25,818	52,613	39.6
5	Rockville city	4,200	29,342	47,388	43.6
6	Anne Arundel County	65,280	397,893	489,656	47.6
7	Harford County	19,831	189,489	218,590	49.1
8	Bowie city	15,339	30,709	50,269	49.2
9	Baltimore city	417,231	206,445	651,154	49.3
10	Annapolis city	11,205	21,137	35,838	56.2
11	Baltimore County	149,943	561,524	754,292	64.9

Source: CensusScope & U.S. Census 2000

**OBSERVATION:** Within the Baltimore metropolitan area, Anne Arundel County is less segregated than the cities of Annapolis and Baltimore, Harford County and Baltimore County. However, dissimilarity indices indicate that it is more segregated than Howard County.

Map 3 describes the shifting distribution of Black residents in Anne Arundel County over the latter half of the last century. In 1960, the Black population was most heavily concentrated in the County's southern end, where the southernmost tracts were more than 50% Black. The 1980 map panel reflects the Census Bureau's division of the County into smaller tracts, which provides a level of greater specificity. By that year, the Black population had shifted somewhat out of the southern end. In 2000, the northwest corner of the County hosted the greatest concentrations of Black residents per census tract. Throughout the 40-year span studied in the map set, the percentage of Black residents remains consistently below 10% in northeastern Anne Arundel County.

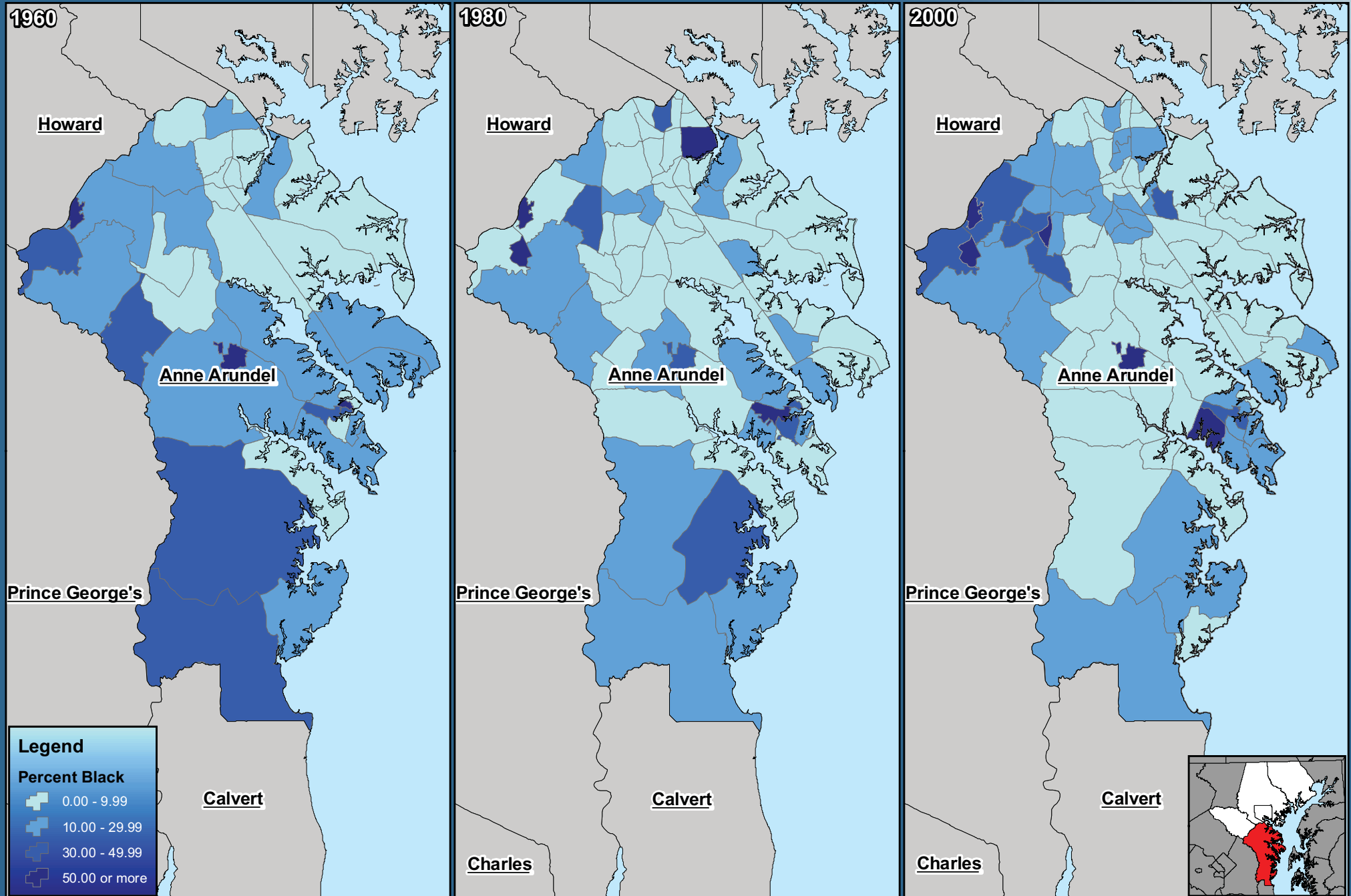
#### **iv. Race/Ethnicity and Income**

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. In Anne Arundel County, significant differences in median household income existed in 2008 between White and minority households. The median income for Blacks was \$62,518, equivalent to 71.4% of the income for Whites, while Hispanics had a median income equivalent to only 57.3% of Whites. Asians earned slightly less than Whites, but had a median income above the County level.

Higher poverty rates coincided with lower incomes. Blacks had a poverty rate of 8.0%, more than twice that of Whites, while Hispanics experienced a poverty rate almost three times that of Whites.

# Map 3: Concentrations of Black Residents in Anne Arundel County, 1960 - 2000

## Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Figure 1-6**  
**Median Household Income and Poverty Rates by Race/Ethnicity, 2008**

	Median Household Income	Poverty Rate
<b>Anne Arundel County</b>	<b>\$83,285</b>	<b>4.1%</b>
Whites	\$87,593	3.4%
Blacks	\$62,518	8.0%
Asians	\$84,301	2.1%
Hispanics	\$50,156	9.6%

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I & B17001, B17001A, B17001B, B17001D, B17001I)

A review of the distribution of household income by race and ethnicity shows that Whites and Asians are more represented in the higher income brackets than Blacks and Hispanics. About 40% of Hispanic households and 34.1% of Blacks households had incomes below \$50,000 compared to only 24.5% of Whites and 23.4% of Asians. At the opposite end of the scale, 57.4% of White households and 62.1% of Asian households had incomes of \$75,000 and higher compared to 45.4% of Blacks and 44.2% of Hispanics.

**Figure 1-7**  
**Household Income Distribution by Race/Ethnicity, 2008**

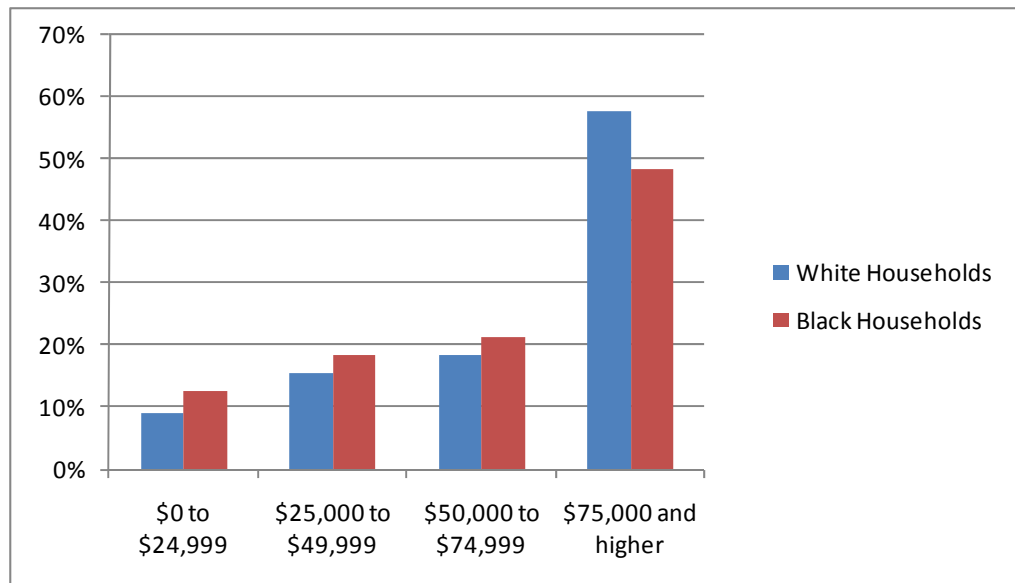
	Total	\$0 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$74,999		\$75,000 and higher	
		#	%	#	%	#	%	#	%
<b>Anne Arundel County</b>	<b>189,835</b>	<b>18,910</b>	<b>10.0%</b>	<b>31,186</b>	<b>16.4%</b>	<b>34,587</b>	<b>18.2%</b>	<b>105,152</b>	<b>55.4%</b>
White Households	155,123	14,226	9.2%	23,661	15.3%	28,120	18.1%	89,116	57.4%
Black Households	24,015	3,718	15.5%	4,464	18.6%	4,923	20.5%	10,910	45.4%
Asian Households	4,723	229	4.8%	878	18.6%	683	14.5%	2,933	62.1%
Hispanic Households	5,829	740	12.7%	1,623	27.8%	892	15.3%	2,574	44.2%
<b>Urban County*</b>	<b>175,128</b>	<b>16,084</b>	<b>9.2%</b>	<b>28,783</b>	<b>16.4%</b>	<b>32,373</b>	<b>18.5%</b>	<b>97,888</b>	<b>55.9%</b>
White Households	144,537	12,734	8.8%	22,251	15.4%	26,602	18.4%	82,950	57.4%
Black Households	20,867	2,587	12.4%	3,791	18.2%	4,411	21.1%	10,078	48.3%
<b>Annapolis</b>	<b>14,707</b>	<b>2,826</b>	<b>19.2%</b>	<b>2,403</b>	<b>16.3%</b>	<b>2,214</b>	<b>15.1%</b>	<b>7,264</b>	<b>49.4%</b>
White Households	10,586	1,492	14.1%	1,410	13.3%	1,518	14.3%	6,166	58.2%
Black Households	3,148	1,131	35.9%	673	21.4%	512	16.3%	832	26.4%

\* Exclusive of the City of Annapolis. Data for Asian and Hispanic households was unavailable for the City of Annapolis due to the insufficient sample size of the 2008 American Community Survey.

Source: U.S. Census Bureau, 2006-2008 American Community Survey Three Year Estimates (C19001, B19001A, B19001B, B19001D, B19001I)

**OBSERVATION:** The median household income for Blacks and Hispanics in Anne Arundel County is significantly lower than for Whites and Asians. This situation restricts housing choice for Blacks and Hispanics.

**Figure 1-8**  
**Household Income Distribution in the Urban County by Race/Ethnicity, 2008**



HUD's CDBG program includes a statutory requirement that most activities benefit low and moderate income persons. As a result, HUD provides the percentage of low and moderate income persons in each census block group for entitlements such as Anne Arundel County. HUD data reveal that there are 96 census block groups where at least 41.2% of residents (for whom this rate is determined) meet the criteria for low and moderate income status.<sup>5</sup> Notably, 21 block groups identified as areas of LMI concentration are located within 11 of the census tracts previously identified as areas of concentration of minorities. These areas in the Urban County are found in the vicinity of Fort Meade, Severn, Linthicum, Pumphrey and parts of Glen Burnie.

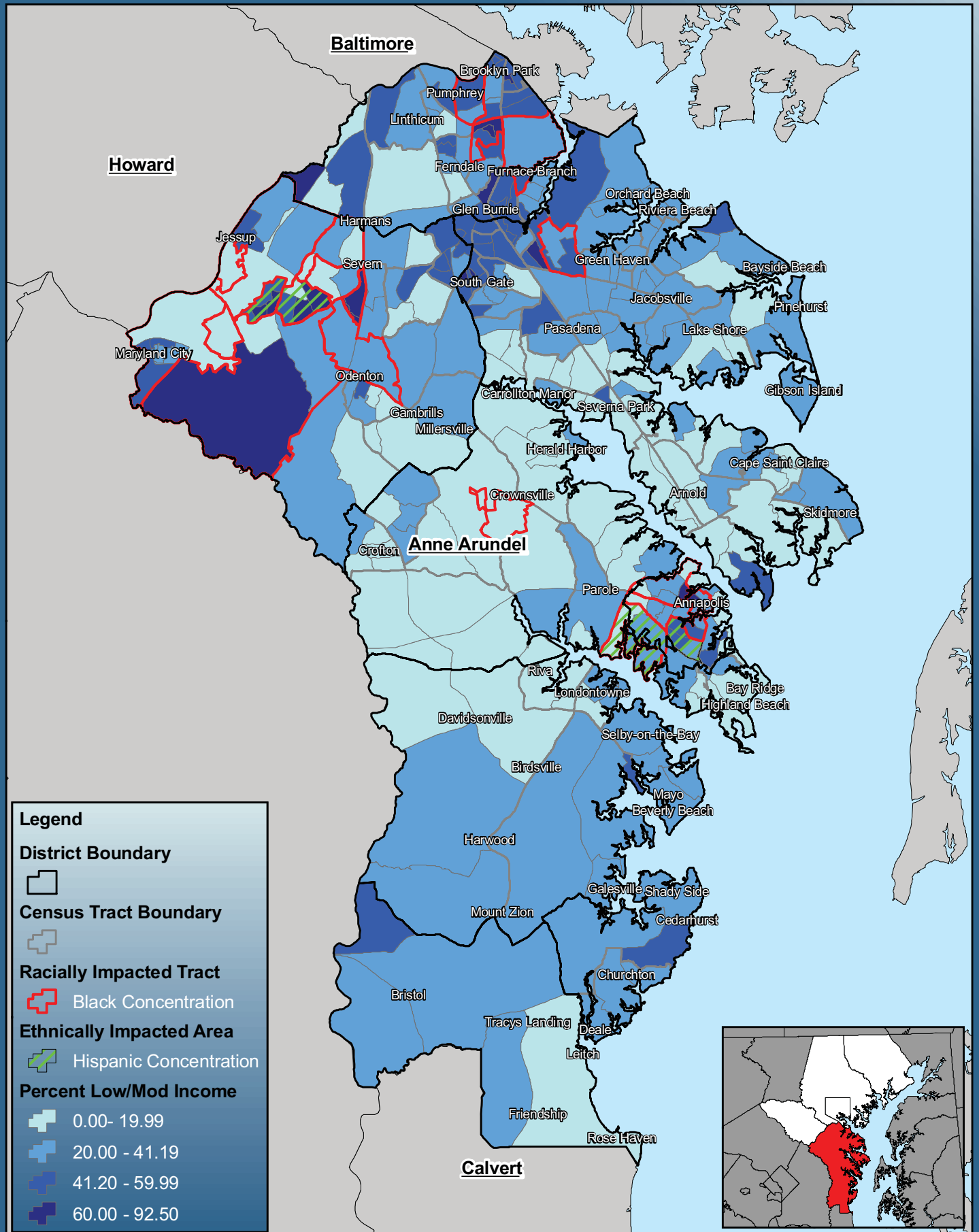
Figure 1-9 lists the areas of LMI concentration located within areas of minority concentration in the Urban County. The locations of these block groups are also illustrated in Map 4. The majority of areas meeting the LMI threshold (at least 41.2% LMI) are in the County's northern half.

**OBSERVATION:** As of 2009, there were 87 low/moderate-income block groups within the Urban County. Of these, 21 are located in 11 of the census tracts identified as areas of minority residents.

<sup>5</sup> The 41.2% threshold is determined by HUD and represents the upper quartile of census block groups having the highest concentration of low and moderate income persons in Anne Arundel County.

# Map 4: Low and Moderate Income Areas and Areas of Minority Concentration, 2009

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Figure 1-9**  
**Areas of Minority and LMI Concentration**

Census Tract	Block Group	Low-Moderate Income Persons		
		Persons	Universe	Percent LMI
7302.04	2	901	2,109	42.7%
7302.04	3	535	1,117	47.9%
7401.02	2	281	631	44.5%
7401.03	2	34	64	53.1%
7401.05	1	1,807	2,591	69.7%
7401.05	2	645	852	75.7%
7405.00	1	49	49	100.0%
7405.00	3	819	1,952	42.0%
7405.00	5	471	888	53.0%
7406.01	1	1,089	1,847	59.0%
7406.01	2	655	1,092	60.0%
7406.01	3	577	828	69.7%
7406.02	2	238	280	85.0%
7406.02	3	976	1,199	81.4%
7406.02	4	1,082	1,954	55.4%
7406.03	3	184	247	74.5%
7502.01	1	918	1,640	56.0%
7508.03	1	1,290	2,790	46.2%
7508.03	3	991	1,183	83.8%
7508.03	4	1,007	1,658	60.7%
7511.02	2	651	1,279	50.9%

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

#### v. Disability and Income

The Census Bureau reports disability status for non-institutionalized disabled persons age 5 and over. As defined by the Census Bureau, a disability is a long-lasting physical, mental or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental or emotional handicap, provided “reasonable accommodation” can be made. Reasonable accommodation may include changes to address the needs of disabled persons, including adaptive structural (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal). In the Urban County, 15.4% of the population 5 years and older reported a disability in 2000.<sup>6</sup>

According to the National Organization on Disabilities, a significant income gap exists for persons with a disability, given their lower rate of employment. In the Urban County, persons with a disability were more than twice as likely as persons without a disability to live in poverty. In 2000, among all persons with a disability, 8.2% lived below the level of poverty. However, among all persons without a disability, only 3.8% were living below poverty.<sup>7</sup>

<sup>6</sup> U.S. Census Bureau, Census 2000 (SF3, PCT34)

<sup>7</sup> U.S. Census Bureau, Census 2000 (SF3, PCT34)



**OBSERVATION:** Persons with disabilities were twice as likely to live in poverty as persons without disabilities. In the Urban County, 8.2% of persons with disabilities were living in poverty, compared to only 3.8% of persons without a disability.

#### vi. Familial Status and Income

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families, and other families made up of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

Women have protection under Title VIII of the Civil Rights Act of 1968 against discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

The proportion of female-headed households has grown to 12% in 2008 from 8.8% in 1990, and female-headed households with children have increased to 6.7% from 4.4%. By comparison, married couple family households with children have declined to 24.7% from 32.2%. There was a slight increase in the rate of male-headed households with children to 1.8% from 1.4%.

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of landlords to rent their units to families with children. In the Urban County in 2000, female-headed households with children accounted for 45.5% of all families living in poverty, compared to only 7.9% of families who were living above the level of poverty.<sup>8</sup>

**Figure 1-10**  
**Households by Type and Presence of Children, 1990-2008**

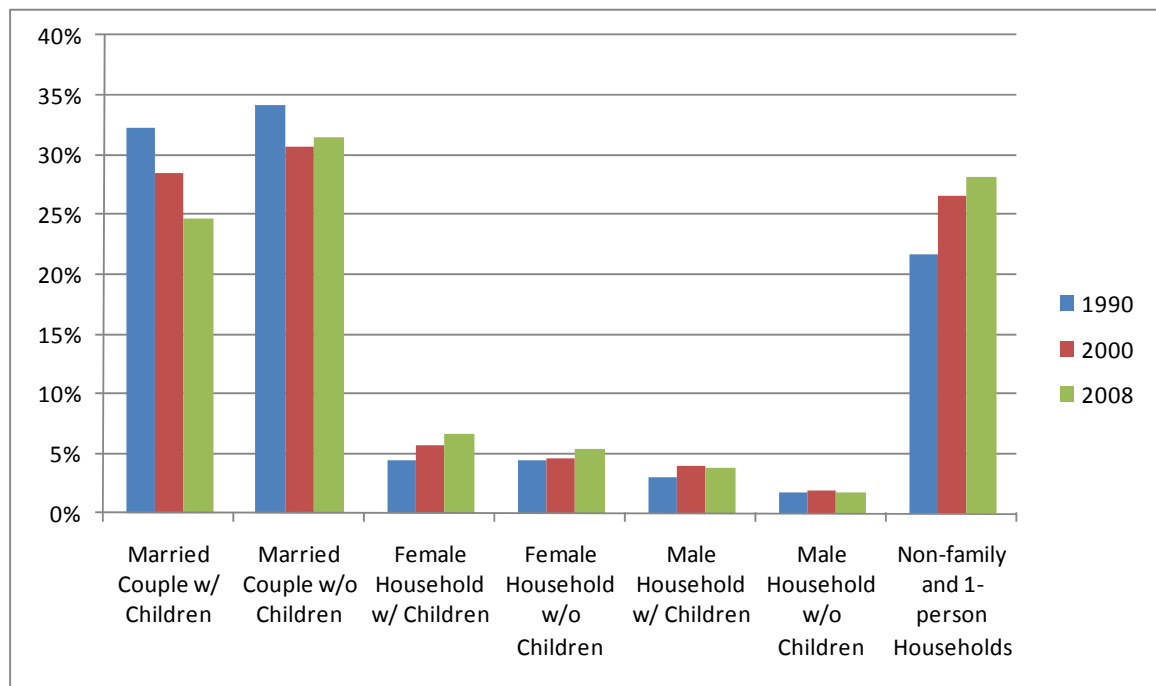
	1990		2000		2008	
	#	%	#	%	#	%
<b>Urban County*</b>	<b>134,858</b>	<b>100.0%</b>	<b>165,050</b>	<b>100.0%</b>	<b>175,128</b>	<b>100.0%</b>
Family Households	105,584	78.3%	121,167	73.4%	125,988	71.9%
<b>Married-couple family</b>	<b>89,593</b>	<b>66.4%</b>	<b>97,551</b>	<b>59.1%</b>	<b>98,332</b>	<b>56.1%</b>
<b>With Children</b>	<b>43,425</b>	<b>32.2%</b>	<b>46,889</b>	<b>28.4%</b>	<b>43,210</b>	<b>24.7%</b>
Without Children	46,168	34.2%	50,662	30.7%	55,122	31.5%
<b>Female-Headed Households</b>	<b>11,908</b>	<b>8.8%</b>	<b>16,985</b>	<b>10.3%</b>	<b>20,990</b>	<b>12.0%</b>
<b>With Children</b>	<b>5,907</b>	<b>4.4%</b>	<b>9,348</b>	<b>5.7%</b>	<b>11,791</b>	<b>6.7%</b>
Without Children	6,001	4.4%	7,637	4.6%	9,199	5.3%
Male-Headed Household	4,083	3.0%	6,631	4.0%	6,666	3.8%
<b>With Children</b>	<b>1,853</b>	<b>1.4%</b>	<b>3,447</b>	<b>2.1%</b>	<b>3,155</b>	<b>1.8%</b>
Without Children	2,230	1.7%	3,184	1.9%	3,511	2.0%
Non-family and 1-person Households	29,274	21.7%	43,883	26.6%	49,140	28.1%

\* Exclusive of the City of Annapolis

Sources: U.S. Census Bureau, 1990 (STF3-P019); Census 2000 (SF3-P10); 2008 American Community Survey (B11001 & B11003)

<sup>8</sup> U.S. Census Bureau, Census 2000 (SF3, P90)

**Figure 1-11**  
**Households by Type and Presence of Children, Urban County, 1990-2008**



**OBSERVATION:** Female-headed households with children accounted for roughly half of families living below the level of poverty in the Urban County, despite representing only 5.7% of all households.

#### vii. Ancestry and Income

It is illegal to refuse the right to housing based on place of birth or ancestry. Census data on native and foreign-born populations in the Urban County revealed that 6.1% of Urban County residents in 2008 were foreign-born or born outside of the U.S. in Puerto Rico or on U.S. island areas.<sup>9</sup> Among families with children with foreign-born parents, 18.3% were living *under* 200% of the poverty level.<sup>10</sup>

Persons with limited English proficiency (LEP) are defined by the federal government as persons who have a limited ability to read, write, speak or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is

<sup>9</sup> U.S. Census Bureau, American Community Survey 2008 (C05002)

<sup>10</sup> U.S. Census Bureau, American Community Survey 2008 (C05010)

also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the 1964 Civil Rights Act.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. According to the 2006-2008 reports, the five languages with the highest number of persons who speak English less than “very well” in Anne Arundel County are Spanish, Korean, Chinese, Vietnamese and Tagalog (spoken in the Philippines). To determine whether translation of vital documents is required, a HUD entitlement community must calculate the number of LEP persons in a single language group who are likely to qualify for and be served by the Urban County’s programs.

**Figure 1-12**  
**Language Spoken at Home by Ability to Speak English in Anne Arundel County, 2008**

Language Group	Number of LEP Persons	% of Total Population
Spanish	6,761	1.3
Korean	2,199	0.4
Chinese	657	0.1
Vietnamese	460	<0.1
Tagalog	441	<0.1

*Source: U.S. Census Bureau, 2006-08 American Community Survey Three-Year Estimates (B16001)*

It should be noted that these calculations include the City of Annapolis. Anne Arundel County is not required to include Annapolis in evaluations of the language needs relative to its federal entitlement programs, as the City of Annapolis is an entitlement in its own right, charged with meeting the needs of its own citizens. However, due to the small sample size of the 2008 data in which data this specific is available, the Census did not provide data for the City, so it could not be subtracted from the balance of the County.

The Census Bureau has identified the number of LEP persons who speak Spanish at home and also speak English less than “very well.” There were an estimated 6,761 LEP Spanish speakers in Anne Arundel County in 2008, as well as 2,199 LEP Korean speakers.

Generally, when these numbers exceed 1,000, the entitlement jurisdiction is obligated to translate vital documents into those languages. The term “vital document” refers generally to any publication that is needed to gain access to the benefits of a program or service. This obligation would also extend to the local housing authorities and all sub-recipients of the Urban County.

For the purpose of general estimates for the AI, it is assumed that all citizens of the Urban County are potential program beneficiaries. Should the County subtract Annapolis residents from countywide sums, it is likely that there would still be LEP groups of at least 1,000 potential program beneficiaries

who speak Spanish or Korean, which would require the translation of vital documents into these languages.

**OBSERVATION:** The Urban County should conduct the four-factor analysis to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing its federal entitlement programs. If it is determined that the need for a Language Access Plan exists, the Urban County must prepare one in order to comply with Title VI of the Civil Rights Act of 1964.

#### viii. Protected Class Status and Unemployment

Unemployment in Anne Arundel County in 2008 was 4.0%, which was lower than Maryland's overall unemployment of 5.4%, as indicated in Figure 1-13. Higher unemployment rates were experienced by Blacks (6.7%) and Hispanics (6.6%) than Whites (3.5%) and Asians (3.3%). Females had a slightly lower unemployment rate (3.9%) than males (4.1%).

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

**Figure 1-13  
Civilian Labor Force, 2008**

	Maryland Total	%	Anne Arundel County Total	%
<b>Total Civilian Labor Force (CLF)</b>	<b>3,118,499</b>	<b>100.0%</b>	<b>279,658</b>	<b>100.0%</b>
Employed	2,951,517	94.6%	268,475	96.0%
Unemployed	166,982	5.4%	11,183	4.0%
<b>Male CLF</b>	<b>1,583,022</b>	<b>100.0%</b>	<b>145,292</b>	<b>100.0%</b>
Employed	1,495,322	94.5%	139,303	95.9%
Unemployed	87,700	5.5%	5,989	4.1%
<b>Female CLF</b>	<b>1,535,477</b>	<b>100.0%</b>	<b>134,366</b>	<b>100.0%</b>
Employed	1,456,195	94.8%	129,172	96.1%
Unemployed	79,282	5.2%	5,194	3.9%
<b>White CLF</b>	<b>1,920,280</b>	<b>100.0%</b>	<b>221,577</b>	<b>100.0%</b>
Employed	1,844,199	96.0%	213,836	96.5%
Unemployed	76,081	4.0%	7,741	3.5%
<b>Black CLF</b>	<b>902,248</b>	<b>100.0%</b>	<b>41,348</b>	<b>100.0%</b>
Employed	826,754	91.6%	38,568	93.3%
Unemployed	75,494	8.4%	2,780	6.7%
<b>Asian CLF</b>	<b>163,472</b>	<b>100.0%</b>	<b>9,092</b>	<b>100.0%</b>
Employed	157,535	96.4%	8,795	96.7%
Unemployed	5,937	3.6%	297	3.3%
<b>Hispanic CLF</b>	<b>203,296</b>	<b>100.0%</b>	<b>11,540</b>	<b>100.0%</b>
Employed	189,879	93.4%	10,781	93.4%
Unemployed	13,417	6.6%	759	6.6%

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

**OBSERVATION:** While unemployment across Anne Arundel County was relatively low in 2000, Blacks and Hispanics were less likely to be employed than Whites and Asians.

## D. The Housing Market

### i. Housing Inventory

The housing inventory in the Urban County increased 32.1% in from 140,223 units in 1990 to 185,256 in 2009. Map 5 on the following page illustrates the housing inventory loss and gain between 1990 and 2009. While there was some overlap with the impacted areas (Maryland City and Jessup), most of the newer residential development during this period occurred in non-impacted areas. By comparison, a net loss of units occurred in Crownsville and around Fort Meade, which include areas where minorities and LMI residents are concentrated. In other words, the majority of growth occurred in the same areas with the lowest percentages of Blacks and Hispanics. This included areas through the central part of the County from north to south.

The following table contains detailed information on the rate of inventory growth or loss by census tract.

**Figure 1-14**  
**Trends in Housing Inventory in the Urban County, 1990-2009**

Census Tract	1990		2000		2009		Change 1990-2009	
	#	% of Total Housing Units	#	% of Total Housing Units	#	% of Total Housing Units	#	%
Anne Arundel County	160,067	100.0%	189,698	100.0%	207,588	100.0%	47,521	29.7%
Urban County	140,223	100.0%	168,631	100.0%	185,256	100.0%	45,033	32.1%
7011.01	1,136	0.7%	1,399	0.7%	1,533	0.7%	397	34.9%
7011.02	2,159	1.3%	2,573	1.4%	3,150	1.5%	991	45.9%
7012	2,339	1.5%	2,783	1.5%	3,014	1.5%	675	28.9%
7013	2,129	1.3%	2,431	1.3%	2,622	1.3%	493	23.2%
7014	861	0.5%	995	0.5%	1,187	0.6%	326	37.9%
7021	2,233	1.4%	2,504	1.3%	2,674	1.3%	441	19.7%
7022.01	2,765	1.7%	3,773	2.0%	4,024	1.9%	1,259	45.5%
7022.02	3,048	1.9%	5,613	3.0%	6,765	3.3%	3,717	121.9%
7022.03	593	0.4%	827	0.4%	919	0.4%	326	55.0%
7023	1,584	1.0%	1,865	1.0%	1,924	0.9%	340	21.5%
7024.01	1,750	1.1%	2,466	1.3%	2,647	1.3%	897	51.3%
7024.02	2,070	1.3%	2,335	1.2%	2,736	1.3%	666	32.2%
7027	1,980	1.2%	3,574	1.9%	4,113	2.0%	2,133	107.7%
7028	35	0.0%	17	0.0%	17	0.0%	-18	-51.4%
7070.01	1,864	1.2%	2,364	1.2%	2,514	1.2%	650	34.9%
7070.02	1,706	1.1%	1,928	1.0%	2,014	1.0%	308	18.1%
7080	3,060	1.9%	3,628	1.9%	3,769	1.8%	709	23.2%
7031	1,465	0.9%	2,426	1.3%	2,720	1.3%	1,255	85.7%
7302.03	2,316	1.4%	2,527	1.3%	2,542	1.2%	226	9.8%
7302.04	1,396	0.9%	1,801	0.9%	1,805	0.9%	409	29.3%
7303	1,156	0.7%	1,165	0.6%	1,167	0.6%	11	1.0%
7304.01	1,555	1.0%	1,619	0.9%	1,713	0.8%	158	10.2%
7304.02	2,572	1.6%	2,479	1.3%	2,774	1.3%	202	7.9%
7305.02	1,692	1.1%	2,097	1.1%	2,319	1.1%	627	37.1%
7305.03	3,701	2.3%	3,873	2.0%	3,874	1.9%	173	4.7%
7305.04	2,842	1.8%	2,893	1.5%	2,929	1.4%	87	3.1%
7306.01	1,813	1.1%	2,077	1.1%	2,157	1.0%	344	19.0%
7306.03	753	0.5%	965	0.5%	1,000	0.5%	247	32.8%
7306.04	1,843	1.2%	2,054	1.1%	2,130	1.0%	287	15.6%
7307	2,400	1.5%	2,607	1.4%	2,695	1.3%	295	12.3%
7308	849	0.5%	920	0.5%	984	0.5%	135	15.9%
7309.01	937	0.6%	1,033	0.5%	1,135	0.5%	198	21.1%

Census Tract	1990		2000		2009		Change 1990-2009	
	#	% of Total Housing Units	#	% of Total Housing Units	#	% of Total Housing Units	#	%
7310.01	2,792	1.7%	2,932	1.5%	3,141	1.5%	349	12.5%
7310.02	840	0.5%	984	0.5%	1,120	0.5%	280	33.3%
7311.01	2,394	1.5%	2,790	1.5%	2,940	1.4%	546	22.8%
7311.02	2,405	1.5%	3,138	1.7%	3,366	1.6%	961	40.0%
7311.03	1,615	1.0%	1,823	1.0%	1,846	0.9%	231	14.3%
7312.01	2,015	1.3%	2,230	1.2%	2,234	1.1%	219	10.9%
7312.02	2,667	1.7%	2,779	1.5%	2,790	1.3%	123	4.6%
7312.03	2,196	1.4%	2,388	1.3%	2,486	1.2%	290	13.2%
7312.04	1,331	0.8%	2,158	1.1%	2,320	1.1%	989	74.3%
7313.03	2,305	1.4%	2,593	1.4%	2,632	1.3%	327	14.2%
7313.06	2,029	1.3%	2,201	1.2%	2,409	1.2%	380	18.7%
7313.07	1,943	1.2%	2,214	1.2%	2,335	1.1%	392	20.2%
7313.08	1,411	0.9%	1,394	0.7%	1,372	0.7%	-39	-2.8%
7313.09	2,064	1.3%	2,081	1.1%	2,087	1.0%	23	1.1%
7313.10	1,599	1.0%	1,816	1.0%	1,789	0.9%	190	11.9%
7313.11	1,933	1.2%	2,548	1.3%	2,696	1.3%	763	39.5%
7401.02	1,265	0.8%	1,393	0.7%	2,820	1.4%	1,555	122.9%
7401.03	2,121	1.3%	2,623	1.4%	2,852	1.4%	731	34.5%
7401.04	1,404	0.9%	2,485	1.3%	2,763	1.3%	1,359	96.8%
7401.05	1,114	0.7%	1,157	0.6%	1,260	0.6%	146	13.1%
7402.01	2,627	1.6%	2,627	1.4%	2,672	1.3%	45	1.7%
7402.02	929	0.6%	1,038	0.5%	1,208	0.6%	279	30.0%
7402.03	1,213	0.8%	1,413	0.7%	1,716	0.8%	503	41.5%
7403.01	1,648	1.0%	3,882	2.0%	5,444	2.6%	3,796	230.3%
7403.03	857	0.5%	1,338	0.7%	1,757	0.8%	900	105.0%
7404	0	0.0%	1	0.0%	1	0.0%	1	100.0%
7405	2,714	1.7%	5,224	2.8%	6,395	3.1%	3,681	135.6%
7406.01	860	0.5%	1,356	0.7%	1,018	0.5%	158	18.4%
7406.02	1,254	0.8%	989	0.5%	1,206	0.6%	-48	-3.8%
7406.03	914	0.6%	475	0.3%	505	0.2%	-409	-44.7%
7407	743	0.5%	3,436	1.8%	6,263	3.0%	5,520	742.9%
7408	1,437	0.9%	1,472	0.8%	1,503	0.7%	66	4.6%
7409	1,886	1.2%	2,402	1.3%	2,528	1.2%	642	34.0%
7410	591	0.4%	613	0.3%	792	0.4%	201	34.0%
7411	11	0.0%	48	0.0%	46	0.0%	35	318.2%
7501.01	1,719	1.1%	1,652	0.9%	1,652	0.8%	-67	-3.9%
7501.02	992	0.6%	948	0.5%	926	0.4%	-66	-6.7%
7502.01	989	0.6%	1,028	0.5%	1,075	0.5%	86	8.7%
7502.02	1,221	0.8%	1,211	0.6%	1,210	0.6%	-11	-0.9%
7502.03	522	0.3%	500	0.3%	535	0.3%	13	2.5%
7503	1,085	0.7%	1,087	0.6%	1,072	0.5%	-13	-1.2%
7504	1,645	1.0%	1,606	0.8%	1,630	0.8%	-15	-0.9%
7505	1,246	0.8%	1,410	0.7%	1,441	0.7%	195	15.7%
7506	472	0.3%	175	0.1%	176	0.1%	-296	-62.7%
7507	354	0.2%	351	0.2%	366	0.2%	12	3.4%
7508.01	2,087	1.3%	2,074	1.1%	2,064	1.0%	-23	-1.1%
7508.03	2,692	1.7%	2,876	1.5%	2,808	1.4%	116	4.3%
7508.04	1,580	1.0%	1,493	0.8%	1,556	0.7%	-24	-1.5%
7509	1,330	0.8%	1,290	0.7%	1,325	0.6%	-5	-0.4%
7510	1,381	0.9%	1,430	0.8%	1,544	0.7%	163	11.8%
7511.02	1,027	0.6%	1,617	0.9%	1,761	0.8%	734	71.5%
7511.03	2,172	1.4%	2,231	1.2%	2,219	1.1%	47	2.2%

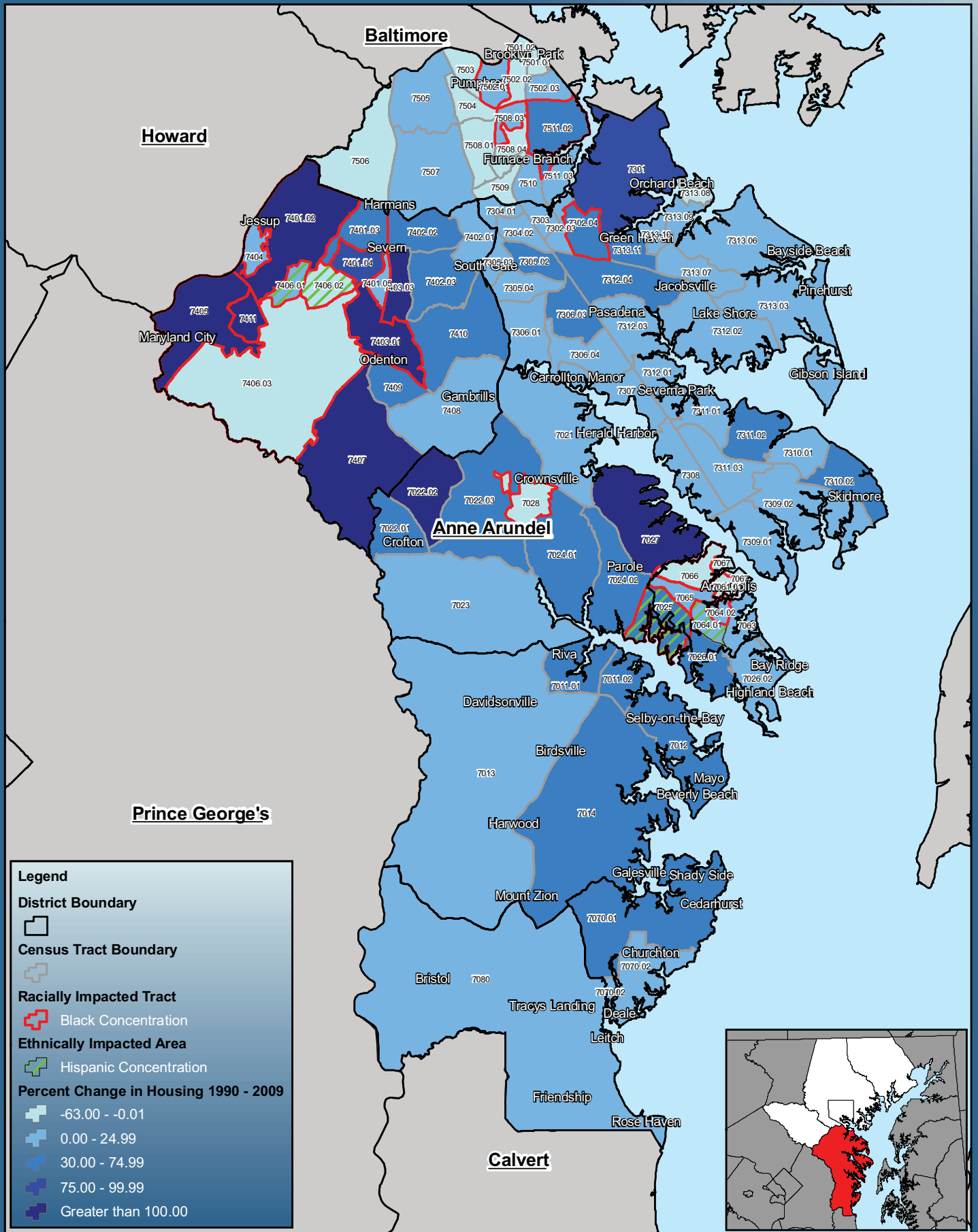
Source: DemographicsNow

**OBSERVATION:** Most of the housing growth in the County since 1990 has occurred outside of areas where minority and lower-income residents are concentrated. Real estate data indicates that growth has consisted primarily of upper-end residential development.



# Map 5: Change in Total Housing Units by Census Tracts in Anne Arundel County, 1990 - 2009

Baltimore Regional Analysis of Impediments to Fair Housing Choice



## ii. Types of Housing Units

Of the 161,156 housing units in the Urban County in 2000, 85.1% were single-family structures. Most of the remaining units were multi-family homes of all sizes. The areas with heavier concentrations of multi-family units were contiguous with the areas of concentration of Black and Hispanic residents. These areas were focused around the City of Annapolis, the Glen Burnie area and Fort Meade. Outside of these areas, the percentage of multi-family units in each census tract was less than 5% of the total housing stock. Details on the distribution of stock by structure size appear in the following table.

**Figure 1-15**  
**Housing Units in Structures in the Urban County, 2000**

	Total Units	Single-family units (detached & attached)	Multi-family units					Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more	Total		
<b>Anne Arundel County</b>	<b>182,223</b>	<b>147,574</b>	<b>4,846</b>	<b>7,364</b>	<b>13,849</b>	<b>4,740</b>	<b>30,799</b>	<b>3,768</b>	<b>82</b>
<b>Urban County</b>	<b>161,156</b>	<b>133,345</b>	<b>3,553</b>	<b>5,391</b>	<b>11,502</b>	<b>3,528</b>	<b>23,974</b>	<b>3,768</b>	<b>69</b>
7011.01	1,399	1,392	0	0	7	0	7	0	0
7011.02	2,573	2,483	33	11	36	0	80	10	0
7012	2,783	2,703	43	0	0	20	63	8	9
7013	2,431	2,072	47	0	0	0	47	312	0
7014	995	972	0	0	4	0	4	15	4
7021	2,504	2,393	58	10	10	8	86	25	0
7022.01	3,773	3,095	28	169	419	62	678	0	0
7022.02	5,613	5,117	116	119	199	52	486	10	0
7022.03	830	802	22	0	6	0	28	0	0
7023	1,865	1,865	0	0	0	0	0	0	0
7024.01	2,466	2,147	9	0	8	197	214	105	0
7024.02	2,335	1,624	38	68	190	415	711	0	0
7027	3,574	2,395	68	105	645	361	1,179	0	0
7028	14	14	0	0	0	0	0	0	0
7070.01	2,364	2,340	9	0	0	0	9	15	0
7070.02	1,928	1,877	13	0	27	0	40	0	11
7080	3,628	2,424	14	0	7	9	30	1,174	0
7031	2,426	2,290	90	34	0	0	124	12	0
7302.03	2,527	686	129	348	1,079	285	1,841	0	0
7302.04	1,801	1,590	17	48	126	0	191	20	0
7303	1,165	1,154	11	0	0	0	11	0	0
7304.01	1,619	1,361	55	22	148	20	245	13	0
7304.02	2,479	1,529	44	392	423	91	950	0	0
7305.02	2,097	1,516	56	112	392	8	568	13	0
7305.03	3,873	1,037	94	553	1,813	306	2,766	70	0
7305.04	2,893	2,402	48	63	257	72	440	51	0
7306.01	2,077	2,071	6	0	0	0	6	0	0
7306.03	958	946	12	0	0	0	12	0	0
7306.04	2,061	2,045	16	0	0	0	16	0	0
7307	2,607	2,447	86	74	0	0	160	0	0
7308	912	895	17	0	0	0	17	0	0
7309.01	1,033	816	42	129	7	23	201	16	0

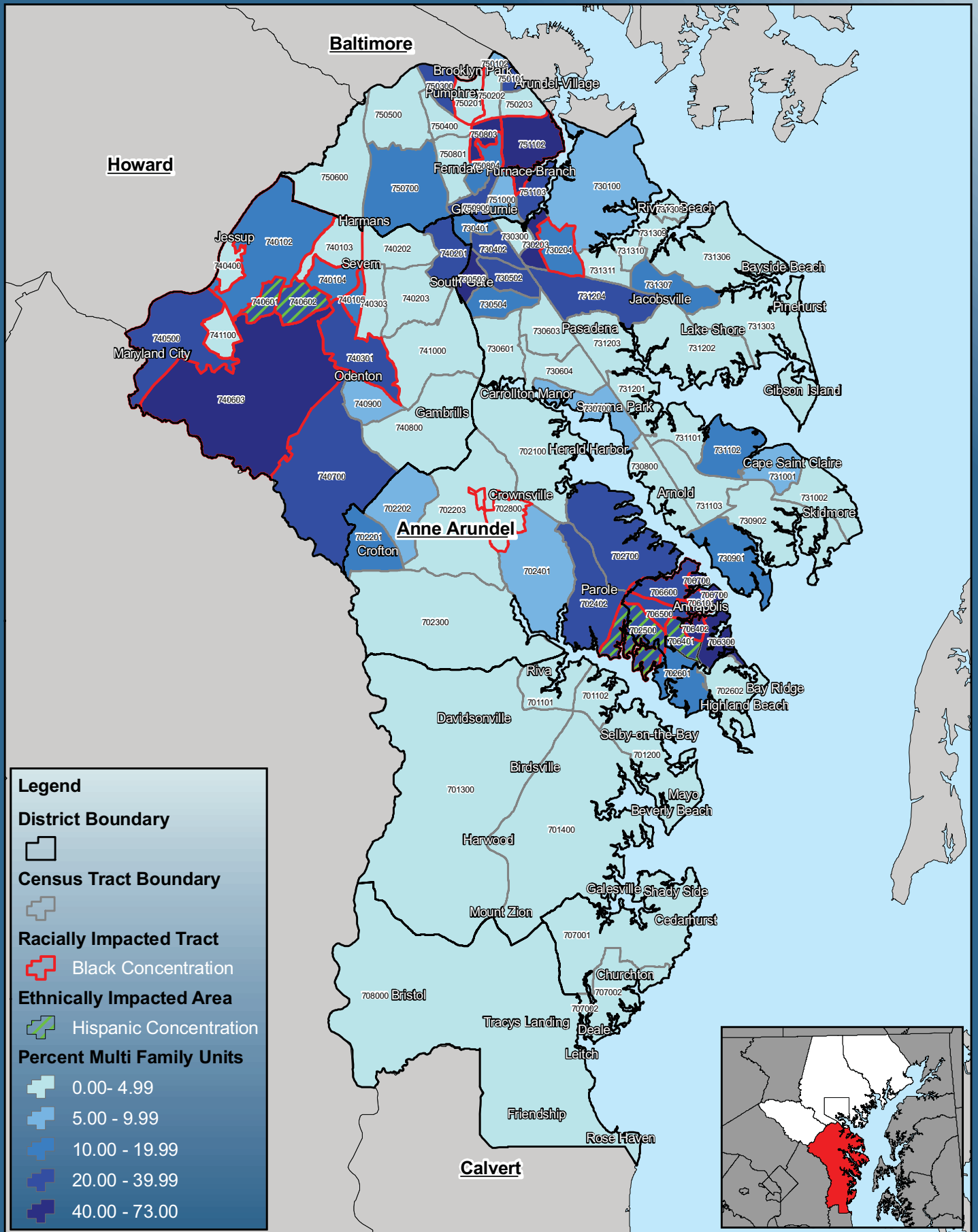
	Total Units	Single-family units (detached & attached)	Multi-family units					Mobile home	Boat, RV, van, etc.
			2 to 4	5 to 9	10 to 19	20 or more	Total		
7310.02	984	966	0	6	0	0	6	12	0
7311.01	2,790	2,781	0	9	0	0	9	0	0
7311.02	3,138	2,511	18	323	215	71	627	0	0
7311.03	1,823	1,786	0	0	0	0	0	37	0
7312.01	2,230	2,124	8	0	0	98	106	0	0
7312.02	2,779	2,726	28	0	0	0	28	13	12
7312.03	2,388	2,319	40	11	0	0	51	18	0
7312.04	2,158	1,697	47	86	292	25	450	11	0
7313.03	2,593	2,564	13	0	0	0	13	16	0
7313.06	2,201	2,113	53	7	11	0	71	17	0
7313.07	2,214	1,877	7	62	259	0	328	9	0
7313.08	1,406	1,338	68	0	0	0	68	0	0
7313.09	2,069	1,991	55	14	9	0	78	0	0
7313.10	1,816	1,807	9	0	0	0	9	0	0
7313.11	2,548	2,496	34	0	18	0	52	0	0
7401.02	1,393	848	18	52	6	92	168	377	0
7401.03	2,623	2,308	33	76	0	0	109	206	0
7401.04	2,468	2,142	57	165	70	23	315	0	11
7401.05	1,174	955	8	174	0	37	219	0	0
7402.01	2,627	1,743	24	276	548	36	884	0	0
7402.02	1,038	936	3	0	0	0	3	99	0
7402.03	1,414	1,388	8	0	0	0	8	18	0
7403.01	3,882	2,852	105	162	513	186	966	64	0
7403.03	1,338	1,057	20	0	0	0	20	261	0
7404	0	0	0	0	0	0	0	0	0
7405	5,224	3,171	76	403	789	520	1,788	265	0
7406.01	1,356	911	177	257	0	11	445	0	0
7406.02	965	658	205	102	0	0	307	0	0
7406.03	499	227	176	27	55	14	272	0	0
7407	3,436	2,386	0	123	732	90	945	95	10
7408	1,468	1,453	15	0	0	0	15	0	0
7409	2,407	2,229	15	89	14	37	155	15	8
7410	608	561	15	0	0	0	15	32	0
7411	52	34	0	0	0	0	0	18	0
7501.01	1,648	1,298	332	9	0	0	341	9	0
7501.02	952	865	59	19	0	9	87	0	0
7502.01	1,041	752	8	0	0	0	8	281	0
7502.02	1,200	1,183	12	0	0	0	12	5	0
7502.03	480	462	7	11	0	0	18	0	0
7503	1,105	823	37	50	172	23	282	0	0
7504	1,606	1,548	46	7	0	0	53	5	0
7505	1,412	1,355	42	0	9	0	51	6	0
7508.01	2,063	1,971	83	9	0	0	92	0	0
7508.03	2,876	1,497	140	301	783	155	1,379	0	0
7508.04	1,493	1,221	16	7	234	5	262	10	0
7509	1,290	1,029	130	23	6	102	261	0	0
7510	1,430	1,348	33	16	20	9	78	0	4
7511.02	1,544	795	9	69	671	0	749	0	0
7511.03	2,304	1,743	43	189	273	56	561	0	0

Source: U.S. Census Bureau, Census 2000 (SF3-H30)

Map 6 illustrates the extent to which multi-family structures are condensed in areas of heavy minority population.

# Map 6: Percentage Multi-Family Units by census Tract in Anne Arundel County, 2000

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**OBSERVATION:** High concentrations of multi-family units were isolated in areas of minority concentration. Far fewer units were listed in non-impacted areas. Without an adequate supply of rental housing available for various household types and income levels, communities such as these may not be providing sufficient housing choice for members of the protected classes.

### **iii. Protected Class Status and Homeownership**

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate. According to one study, "a family that puts 5 percent down to buy a house will earn a 100 percent return on the investment every time the house appreciates 5 percent."<sup>11</sup>

Historically, minorities tend to have lower home ownership rates than Whites. In 2000 in the Urban County, Whites had a homeownership rate of 81%, while minority residents had significantly lower levels of homeownership. Blacks and Hispanics had similar rates at 57.6% and 60.2%, respectively.

As noted previously, median incomes for Hispanics and Blacks are significantly lower than those of Whites. This is one among several factors that contributes to the relatively lower homeownership rates. Asians, on the other hand, have a median income equivalent to 96% of Whites, and yet still have a significantly lower homeownership rate.

**OBSERVATION:** Blacks and Hispanics are much more likely to be renters than to own homes in the Urban County as a result of lower incomes.

### **iv. The Tendency of the Protected Classes to Live in Larger Households**

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In the Urban County, minorities were much more likely than Whites to live in families with three or more persons. Among individual minority groups,

<sup>11</sup> Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in *Segregation: The Rising Costs for America*, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 82.

Hispanics had the highest rate at 78.9% of family households consisting of three or more people. Asian families had a comparable rate at 75.7% and Blacks were slightly lower at 69.7%. Among White families, the rate was the lowest at 59.4%.

**Figure 1-16**  
**Families with Three or More Persons, 2000**

Race or Ethnicity	Family Households with Three or More Persons	
	#	% **
<b>Urban County*</b>	<b>125,243</b>	<b>61.2%</b>
White	106,539	59.4%
Black	13,826	69.7%
Asian	1,768	75.7%
Hispanic	2,354	78.9%
<b>Annapolis</b>	<b>4,721</b>	<b>53.7%</b>
White	2,460	44.6%
Black	1,975	68.4%
Asian	61	49.2%
Hispanic	330	80.5%

\* Excluding the City of Annapolis

\*\* Of total family households in each respective racial or ethnic category.

Source: U.S. Census Bureau, Census 2000 (SF4-PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In the Urban County, approximately one-third (37.7%) of the rental housing stock contained three or more bedrooms in 2000, compared to 84% of the owner housing stock.



**Figure 1-17**  
**Housing Units by Number of Bedrooms, 2000**

Size of Housing Units	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
	Number of Units	% of Total Housing Units	Number of Units	% of Total Housing Units
<b>Urban County*</b>				
0-1 bedroom	9,467	26.0%	2,182	1.7%
2 bedrooms	13,193	36.3%	18,097	14.3%
<b>3 or more bedrooms</b>	<b>13,730</b>	<b>37.7%</b>	<b>106,695</b>	<b>84.0%</b>
Total	36,390	100.0%	126,974	100.0%
<b>City of Annapolis</b>				
0-1 bedroom	2,531	34.4%	267	3.4%
2 bedrooms	2,913	39.6%	1,835	23.1%
<b>3 or more bedrooms</b>	<b>1,914</b>	<b>26.0%</b>	<b>5,846</b>	<b>73.6%</b>
Total	7,358	100.0%	7,948	100.0%

\* Excluding the City of Annapolis

Source: U.S. Census Bureau, Census 2000 (SF3-H42)

An apartment study conducted by the County in 2007 estimated that the number of rental units with three bedrooms represented an even smaller portion of the rental housing inventory. The study reported that approximately 12.9% of the rental housing inventory included units with three or more bedrooms. Consequently, the supply of larger rental units was significantly less in 2007 than in 2000. The study also reported that two-bedroom rentals were the most prevalent at 45.6% while one-bedroom units accounted for 31.9% of the rental inventory.<sup>12</sup>

**OBSERVATION:** A lack of larger dwelling units consisting of three or more bedrooms, especially for renters, has a disproportionately greater impact on minority families who tend to live in larger households. An inadequate inventory of larger units causes overcrowding, increased wear and tear and substandard living for these families.

#### **v. Cost of Housing**

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods or communities because of a lack of affordable housing in those areas.

Paralleling national trends, the median housing value in Anne Arundel increased dramatically between 1990 and 2008. The median value surged

<sup>12</sup> The study, prepared by the Anne Arundel County Office of Planning & Zoning, excluded structures with fewer than 10 rental units.

77.6%, after adjusting for inflation. During the same period, median gross rent increased 28.7%. Both of these increases exceeded growth in median household income, which grew only 12%, after adjusting for inflation.

**Figure 1-18**  
**Trends in Median Housing Value, Rent and Income, 1990-2008**

Anne Arundel County	1990	2000	2008	% Change 1990-2008
<b>Median Owner-Occupied Housing Value</b>				
Actual Dollars	\$127,500	\$159,300	\$373,000	192.5%
2008 Inflation-Adjusted Dollars	\$210,032	\$199,174	\$373,000	77.6%
<b>Median Gross Rent</b>				
Actual Dollars	\$616	\$798	\$1,306	112.0%
2008 Inflation-Adjusted Dollars	\$1,015	\$998	\$1,306	28.7%
<b>Median Household Income</b>				
Actual Dollars	\$45,147	\$61,768	\$83,285	84.5%
2008 Inflation-Adjusted Dollars	\$74,371	\$77,229	\$83,285	12.0%

Sources: U.S. Census Bureau, 1990 Census (SF3-P080A, H043A, H061A), Census 2000 (SF3-P53, H63, H76), 2008 American Community Survey (B19013, B25064, B25077); Calculations by Mullin & Lonergan Associates, Inc.

**OBSERVATION:** The median housing value in Anne Arundel County increased 77.6% between 1990 and 2008 while real household income grew only 12%.

- **Rental Housing**

In addition to rental rates outpacing income, the Urban County experienced a loss of affordable rental housing units between 2000 and 2008. The number of units renting for less than \$500/month declined by more than 2,000 (62.3%). Units renting for \$500 to \$699/month decreased by more than 6,000 (82.7%), while units renting for \$700 to \$999/month declined by more than 7,000 (54.5%). By comparison, units renting for \$1,000/month or more increased tremendously, by more than 23,000 units (284.3%). The Urban County outside of Annapolis lost its most affordable units at a steeper rate than the City and gained the most expensive units at a greater rate than the City, a fact that indicates that living in the Urban County became a less affordable option for renters between 2000 and 2008.

**Figure 1-19**  
**Loss of Affordable Rental Housing Units, 2000-2008**

Units Renting for:	2000	2008	Change 2000-2008	
			#	%
Urban County*				
Less than \$500	3,422	1,291	-2,131	-62.3%
\$500 to \$699	7,359	1,272	-6,087	-82.7%
\$700 to \$999	13,355	6,077	-7,278	-54.5%
\$1,000 or more	8,168	31,392	23,224	284.3%
Total	32,304	40,032	7,728	23.9%
City of Annapolis				
Less than \$500	1,859	963	-896	-48.2%
\$500 to \$699	1,247	187	-1,060	-85.0%
\$700 to \$999	2,681	1,058	-1,623	-60.5%
\$1,000 or more	1,405	3,813	2,408	171.4%
Total	7,192	6,021	-1,171	-16.3%

\* Excluding the City of Annapolis

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

**OBSERVATION:** Anne Arundel County represents an increasingly expensive rental housing market. Between 2000 and 2008, the number of units renting for less than \$500/month declined by more than 2,000 (62.3%), while units renting for \$1,000/month or more increased by more than 23,000 (284.3%).

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2009. In Anne Arundel County, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,037. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$3,457 monthly or \$41,480 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$19.94.

In Anne Arundel County and across Maryland, a minimum wage worker earns an hourly wage of \$7.25. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 110 hours per week, 52 weeks per year. Or, a household must include 2.75 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Anne Arundel County, the estimated average wage for a renter is \$14.96 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 53 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.3 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

Monthly Supplemental Security Income (SSI) payments for an individual are \$674 in Anne Arundel County and across Maryland. If SSI represents an individual's sole source of income, \$202 in monthly rent is affordable, while the FMR for a one-bedroom is \$868.

**OBSERVATION:** Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in Anne Arundel County. This situation forces these individuals and households to double up with others or lease inexpensive substandard units from unscrupulous landlords. Minorities and female-headed households are disproportionately impacted due to their lower incomes.

The County's 2007 Apartment Study reported that in locations such as Annapolis, Odenton, Laurel, Hanover and Crofton, the average monthly rental rate was over \$1,000. In Glen Burnie, Severn and Edgewater, the average rate was closer to \$800/month for comparable units.

- **Sales Housing**

The sales market for housing in Anne Arundel County has remained relatively stable through the large-scale national market correction of recent years. Due to the large and growing education, health services and governmental employment sectors, demand for housing in the County has remained stronger than in other areas of the Baltimore region. A 2008 Comprehensive Housing Market Analysis conducted by HUD reported that the southern suburbs market, including Anne Arundel and Howard counties, had a sales vacancy rate of 1% and the most stable homebuilding rates across the metropolitan area.<sup>13</sup>

The comparatively robust nature of the market is evident in the steady increases of the average list price and median sales price of homes since 2000. The Anne Arundel County Association of Realtors provided the data in the following table, which indicates that the median sale price of a home in the County increased by an inflation-adjusted 64% between 2000 and 2008. The impact of the national housing crisis is apparent in years 2006-2008, when buyer reluctance resulted in fewer total sales and a dramatic increase in the length of times properties remained on the market.

<sup>13</sup> Office of Policy Development and Research, U.S. Department of Housing and Urban Development. "Comprehensive Housing Market Analysis: Baltimore, Maryland." April 1, 2008.

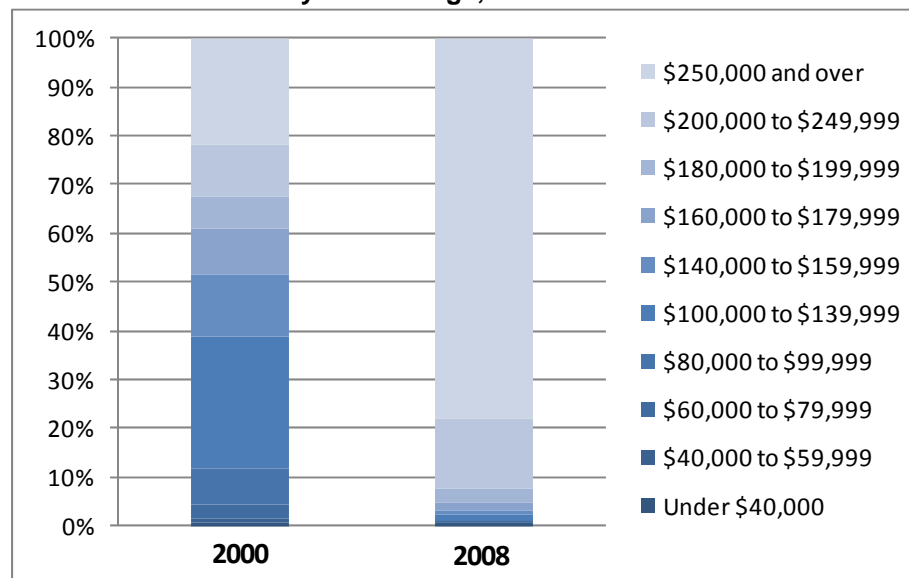
**Figure 1-20**  
**Annual Residential Sales, 2000-2008**

Anne Arundel County	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>All Residential Properties</b>									
Number of closings	6,989	7,964	8,060	8,734	9,405	9,347	7,857	6,502	4,725
Average # Days on Market	79	61	45	40	37	38	69	107	135
Average List Price	\$213,372	\$218,462	\$253,778	\$292,450	\$344,991	\$417,914	\$443,018	\$446,172	\$438,409
Median Sale Price	\$156,900	\$163,000	\$189,500	\$221,010	\$269,900	\$325,000	\$344,000	\$340,000	\$322,000
Total Sales Volume	\$1.44B	\$1.68B	\$1.98B	\$2.47B	\$3.14B	\$3.74B	\$3.29B	\$2.71B	\$1.86B

Source: Anne Arundel County Association of Realtors

More relevant to the goals of the AI are the implications of the price points of properties sold. As the following figure illustrates, the sharp increase in median sales price can be attributed to the simple fact that more homes now sell in the highest price bracket. In 2000, 1,519 homes sold for more than \$250,000, representing 21.9% of all sales. By contrast, in 2008, 3,687 homes in this price range were sold – 78% of all sales. At the same time, the number of homes selling for less than \$100,000 dropped from 800 in 2000 to only 56 in 2008.

**Figure 1-21**  
**Distribution of Properties Sold in Anne Arundel County**  
**by Price Range, 2000 - 2008**



These trends have clear implications for the affordability of housing in Anne Arundel County. It is practically impossible to attain an environment of fair housing opportunity in a community where decent, affordable housing is unavailable, due to the disproportionate need for affordable housing among members of the protected classes. Additionally, in a market nearly bereft of affordable housing, decisions regarding the development and location of lower-priced units take on critical importance.

The County has recognized the need to expand the availability of affordable housing, especially in light of the ongoing Base Realignment and Closure (BRAC) process, which will continue to significantly affect

housing market dynamics across the state through 2015. As a result of this initiative, 5,400 jobs are expected to be created in the Fort George G. Meade area, which will result in an estimated new housing demand for 9,793 households, 86% of which earn between \$50,000 and \$150,000.<sup>14</sup> Approximately 55% of these households are expected to locate in Anne Arundel and Howard counties.

Job growth has traditionally outpaced housing growth in Anne Arundel County, a pattern that has resulted in upward pressure on prices and “a tendency for new construction to serve the upper reaches of the market,” according to a 2009 analysis of BRAC impacts in central Maryland.<sup>15</sup> The analysis estimated that 2,700 households – nearly half of those seeking housing in Anne Arundel and Howard counties – would be unable to find affordable housing, winding up effectively priced out of the market. This will include households with members working in professions essential to growing communities, such as teachers, public safety officers, retail workers and others who will be forced to commute to work in the County from locations where housing costs are less burdensome.

**OBSERVATION:** A steep increase in home prices has made it increasingly difficult for lower-income households in the Urban County to participate in the sales housing market.

#### **vi. Foreclosure Status**

According to the 2010 midyear report from RealtyTrac, an aggregator of nationwide residential foreclosure, loan and property sales data, the state of Maryland had the 10<sup>th</sup> highest foreclosure rate among all states in June 2010 with 6,304 foreclosure filings, one for every 370 housing units. Filings include default notices, auction sale notices and bank repossessions. This represents a 7.7% increase from May 2010 and a 103% increase from June 2009. RealtyTrac detected two trends in the national data: Fewer properties entered foreclosure proceedings as lenders exercised more aggressive short sale and loan modification actions, and more properties completed the foreclosure process as lenders worked to clear a backlog of delinquent properties.<sup>16</sup>

Maryland’s recently rising rates are contrary to national patterns, as filings across the U.S. fell by 3% between May 2010 and June 2010 and by nearly 7% from June 2009.<sup>17</sup> However, rates in Maryland remain comparatively low due to the survival of a competitive housing market in which those who

<sup>14</sup> Estimates calculated by Sage Policy Group in “BRAC Impacts on Fort Meade Area Housing,” October 2009.

<sup>15</sup> “BRAC Impacts on Fort Meade Area Housing,” Sage Policy Group, October 2009.

<sup>16</sup> *ibid*

<sup>17</sup> “1.65 Million Properties Receive Foreclosure Filings in First Half of 2010,” RealtyTrac press release, July 15, 2010



default on mortgages can still sell properties before foreclosure. The recent surge in Maryland foreclosures follows a lull from 2008 to mid-2009 that can be attributed largely to state law changes intended to delay or prevent foreclosures. The increase, which is projected to continue into 2011, reflects a rising number of owners becoming unable to meet housing costs due to such factors as unemployment or interest increases on adjustable-rate mortgages.

HUD provides foreclosure data on more granular levels. The agency estimated the incidence of foreclosure across 18 months (January 2007 to June 2008) for counties, cities and census tracts across the country. The data is not an exact count, but distributes the results of a national survey across geographic areas according to a model considering rates of metropolitan area home value decline, unemployment and high-cost mortgages.

According to HUD foreclosure data, Anne Arundel County's foreclosure rate during the study period ranked 10<sup>th</sup> of 24 Maryland counties. There were an estimated 2,903 foreclosure filings for 133,889 mortgages, a rate of 2.2%.

Within the County, Glen Burnie was estimated to have the highest number of foreclosure filings (369) during the study period, but Brooklyn Park had the highest estimated rate, 4.7%. High-cost loan rates were a strong factor in this determination, as HUD reported that 42.1% of mortgages originated in Brooklyn Park between 2004 and 2006 had burdensome interest rates. Similarly, Pumphrey, Glen Burnie and Ferndale had high-cost lending rates of 33.6%, 32.6% and 31.4%, respectively. Severna Park, which had the lowest foreclosure rate among communities with more than 500 mortgages during the study period, had a high-cost lending rate of only 9%.

**Figure 1-22**  
**Residential Foreclosure Rankings by Census Designated Place, January 2007 – June 2008**

	Foreclosure Filings	Total Mortgages	Foreclosure Rate		Foreclosure Filings	Total Mortgages	Foreclosure Rate
Brooklyn Park	123	2,594	4.7%	Pasadena	49	3,332	1.5%
Pumphrey	38	1,017	3.7%	Hillsmere Shores	11	792	1.4%
Glen Burnie	369	10,245	3.6%	Cape St. Claire	34	2,452	1.4%
Ferndale	120	3,466	3.5%	Arnold	86	6,243	1.4%
South Gate	179	5,910	3.0%	Mayo	16	1,176	1.4%
Maryland City	71	2,431	2.9%	Selby-on-the-Bay	18	1,352	1.3%
Severn	346	12,231	2.8%	Herald Harbor	7	689	1.0%
Riviera Beach	118	4,191	2.8%	Arden-on-the-Severn	5	559	0.9%
Green Haven	183	6,734	2.7%	Riva CDP	9	1,026	0.9%
Deale	32	1,494	2.1%	Crownsville	3	346	0.9%
Jessup	6	281	2.1%	Parole	28	3,364	0.8%
Annapolis	171	8,056	2.1%	Severna Park	48	6,180	0.8%
Londontowne	67	3,193	2.1%	Fort Meade	0	8	0.0%
Odenton	196	9,964	2.0%	Highland Beach	0	41	0.0%
Shady Side	35	1,878	1.9%	Naval Academy	0	5	0.0%
Linthicum CDP	28	1,540	1.8%	Anne Arundel County	2,903	133,889	2.2%
Lake Shore	53	3,067	1.7%				
Crofton	104	7,026	1.5%				

Source: HUD NSP Foreclosure Estimates, released October 2008

In June 2009 alone, RealtyTrac reported 87 new foreclosure filings in Glen Burnie, 80 in Annapolis, 69 in Pasadena and 158 in other communities throughout the County.

Foreclosure activity is related to fair housing to the extent that it is disproportionately dispersed, both geographically and among members of the protected classes. Concentrated foreclosures and residential vacancy threaten the viability of neighborhoods as well as the ability of families to maintain housing and build wealth. As further explained in the private lending section of the AI, the propensity of lenders to target high-risk borrowers for expensive loans has had a larger impact on minority households than on White households in Anne Arundel County. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure. Foreclosure also places additional stress on the rental housing market, as displaced homeowners seek affordable apartments.

The Urban County can mitigate the impacts of foreclosure by supporting increased buyer education and counseling, as well as supporting legislative protections for borrowers to assist them in meeting housing costs. Additionally, fair housing and affirmative marketing concerns must factor into the disposition of residential properties abandoned as a result of foreclosure.

**OBSERVATION:** The persistence of mortgage default and foreclosure in the Urban County describes the continuing struggle of cost-burdened households to maintain housing and build wealth.

#### **vii. Protected Class Status and Housing Problems**

Lower income minority households tend to experience housing problems at a higher rate than lower income White households.<sup>18</sup> In Anne Arundel County, 65.9% of Hispanic renters, specifically family households and all other household types, reported housing problems compared to 56% of White households. Notably, Black households experienced the lowest rate of housing problems at 53.5%.

Among owners, both Hispanics and Blacks experienced housing problems at higher rates than White households. More than 76% of Hispanics and 63.9% of Blacks experienced problems compared to 55.3% of Whites.

**OBSERVATION:** To varying degrees among household types, minority households are more likely than White households to experience housing problems such as cost burden, overcrowding and substandard units.

<sup>18</sup> HUD defines housing problems as (1) cost burden of 30% or more (i.e. paying more than 30% of gross income on monthly housing expenses), and/or (2) lacking complete kitchen or plumbing facilities, and/or (3) overcrowding of more than 1.01 persons per room.

**Figure 1-23**  
**Lower Income Households with Housing Problems, 2000**

Anne Arundel County	Total Households 0-80% of MFI		Elderly 1 & 2 Person Households 0-80% of MFI		Family Households 0-80% of MFI		All Other Households 0-80% of MFI	
	Total	% with any Housing Problem	Total	% with any Housing Problem	Total	% with any Housing Problem	Total	% with any Housing Problem
<b>Renters</b>								
White Non-Hispanic	14,000	56.0%	2,780	56.5%	6,210	53.7%	5,010	58.5%
Black Non-Hispanic	6,350	53.5%	770	52.6%	4,005	53.8%	1,575	53.0%
Hispanic	683	65.9%	4	0.0%	514	64.2%	165	72.7%
<b>Anne Arundel County Total</b>	<b>21,033</b>	<b>55.5%</b>	<b>3,554</b>	<b>55.6%</b>	<b>10,729</b>	<b>54.2%</b>	<b>6,750</b>	<b>57.6%</b>
<b>Owners</b>								
White Non-Hispanic	24,305	55.3%	10,930	37.7%	9,890	69.6%	3,485	69.6%
Black Non-Hispanic	3,090	63.9%	980	46.9%	1,605	71.3%	505	73.3%
Hispanic	397	76.3%	57	14.0%	260	86.5%	80	87.5%
<b>Anne Arundel County Total</b>	<b>27,792</b>	<b>56.5%</b>	<b>11,967</b>	<b>38.4%</b>	<b>11,755</b>	<b>70.3%</b>	<b>4,070</b>	<b>70.4%</b>

Source: HUD Comprehensive Housing Affordability Strategy data (2000)

## **2. EVALUATION OF CURRENT FAIR HOUSING PROFILE**

This section provides a review of the past and current fair housing planning initiatives, and the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Citizens of Anne Arundel County receive fair housing services from a variety of organizations, including but not limited to the Anne Arundel County Human Relations Commission, the Maryland Disability Law Center, Legal Aid, the Maryland Commission on Human Relations, the Greater Baltimore Community Housing Resource Board, the Commission on Disability Issues, and BNI Maryland. These groups provide education and outreach, sponsor community events, process fair housing complaints, and in some cases investigate complaints through testing, and/or work to promote a mutual understanding of diversity among residents. While some offer only referral and educational programs to the community, others concentrate their efforts in tenant/landlord issues and real estate testing.

### **A. Existence of Fair Housing Complaints**

A lack of filed complaints does not necessarily indicate a lack of a problem. Some persons may not file complaints because they are not aware of how to file a complaint or where to go to file a complaint. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker. Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Also, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and following through with it. According to the Urban Institute, 83% of those who experience housing discrimination do not report it because they feel nothing will be done. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

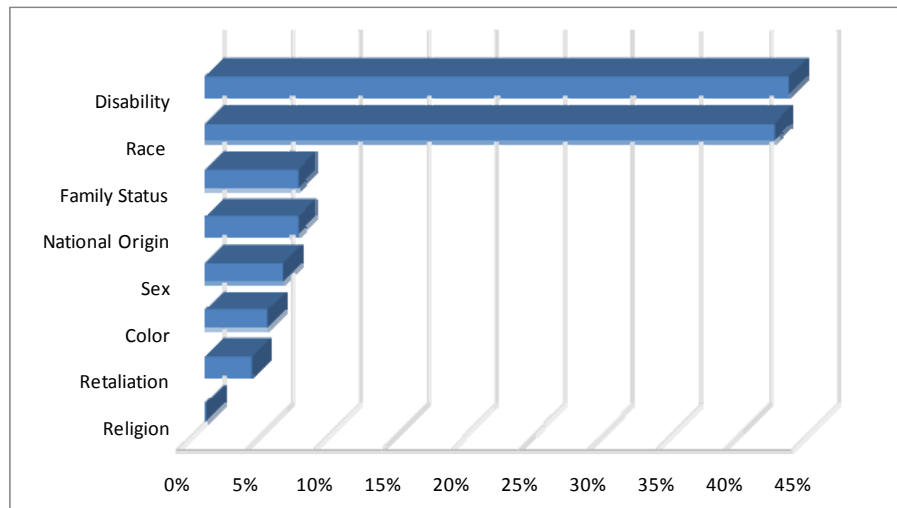
#### **i. U.S. Department of Housing and Urban Development**

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the federal Fair Housing Act. Fair housing complaints originating in Anne Arundel County were obtained and analyzed for 1996 – 2009. As of September 2009, there were three open cases. In total, 89 complaints originating in the County were filed with HUD since 1996, an average of seven per year. The volume of cases is steady throughout the years, with peaks of 10 cases in 2001 and 2003.

Disability was the most common basis for complaint, followed by race. A summary appears in the following chart. Many complaints were filed on

multiple bases, so the chart reflects the percentage of all complaints that involved each basis for complaint.

**Figure 2-1**  
**HUD Complaints by Basis of Discrimination, 1996-2009**



Of the 89 complaints filed since 1996, 1 (1.1%) were conciliated with a successful settlement. This case was filed on the basis of race, color and familial status. The settled complaint involved discrimination in terms, conditions and privileges relating to rental and discriminatory refusal to rent.

Discrimination findings were issued in one case due to a Fair Housing Assistance Program (FHAP) judicial consent order. HUD provides funding to FHAPs to enforce local fair housing laws. A judicial consent order involves a negotiated settlement between the two parties. This case involved discriminatory advertisement for rental housing and discriminatory refusal to rent on the basis of disability. The consent order was executed in 2004.

Of all complaints filed, 48 (53.9%) were found to be without probable cause. This occurs when the preponderance of evidence obtained during the course of the investigation is insufficient to substantiate the charge of discrimination. The remaining 41 cases (46.1%) were administratively closed, often due to complaint withdrawal before or after resolution, judicial dismissal or the complainant's refusal to cooperate.

**OBSERVATION:** Mirroring national trends, the most frequently cited basis for housing discrimination in Anne Arundel County was disability, followed by race. However, more than half of all complaints filed with HUD between 1996 and 2009 in the County were found to be without probable cause.

## **ii. Maryland Commission on Human Relations**

The Maryland Commission on Human Relations is a state agency empowered to enforce Maryland's laws against discrimination in employment, housing and public accommodations. Additionally, the agency provides related educational and outreach services, though this role has been diminished in recent years due to budgetary restrictions. According to its 2009 Annual Report, the Commission relies on more than 130 trained volunteer mediators to resolve cases before they reach the process of investigation and litigation. However, the agency continues to process and resolve a substantial number of housing discrimination complaints.

On November 4, 2009, the AI consultant mailed a formal request for data on the number and nature of fair housing complaints in Anne Arundel County to the Maryland Commission on Human Relations. In addition to details on all complaints filed since September 2006, the letter requested fair housing complaints where the Commission or its staff had made a finding of discrimination or probable cause, findings of noncompliance by HUD or the Commission, the number of administrative releases issued for complaints and any other information relevant to the AI. The letter additionally explained the reason for the request.

In response, the Commission declined to provide the data requested, citing "confidentiality restrictions." The only information available for review was general statistics provided in recent Annual Reports published publicly by the Commission. According to the latest report, the agency received a total of 834 individual discrimination complaints across Maryland in FY 2009, 10% of which (82) were related to housing. In the same year, 778 cases were resolved, 11% of which (86) involved housing. Of the 33 housing discrimination complaints in which race or ethnicity was cited as a basis, 26 claimants (84%) were Black, four were White, one was Asian and two were Hispanic. An additional 18 cases were filed on the basis of familial status, and 16 cases were related to disability. Gender was an issue in nine cases, while marital status and sexual orientation did not factor into any cases.

Of the 82 housing discrimination complaints received statewide in FY 2009, two originated in Anne Arundel County.

**OBSERVATION:** Because the Commission withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates have one less resource upon which to base testing, education and outreach efforts. This is especially problematic in areas such as Anne Arundel County, where no local agency has enforcement authority.



### iii. Anne Arundel County Human Relations Commission

Anne Arundel County is the only county in the Baltimore metropolitan region without the authority to enforce fair housing standards. The County's Human Relations Commission is available for consultation regarding reasonable accommodation and for counseling regarding fair housing discrimination. To the maximum extent possible, the Commission attempts to resolve complaints by conciliation. However, as the Commission is a non-legislative body, it refers cases it cannot conciliate to an appropriate enforcement agency, such as HUD FHEO or the Maryland Commission on Human Relations.

Anne Arundel County is the only entitlement jurisdiction in the Baltimore region that has not adopted a fair housing ordinance. In lieu of an ordinance, the County has adopted Executive Order 26 of January 2008, which defines the responsibilities of the Human Relations Commission and prohibits discrimination on the basis of race, creed, religion, physical or mental handicap, color, sex, national origin, age, occupation, personal appearance, political opinion, sexual orientation or marital status. During the development of the AI, Commission staff members reported that the absence of an ordinance has made it difficult to cultivate an environment of fair housing awareness and accountability.

The Commission receives complaints only occasionally. Staff members interpret this to mean that either there is a limited need for discrimination enforcement or that the lack of discrimination enforcement discourages complainants from filing complaints altogether.

**OBSERVATION:** Victims of alleged housing discrimination in Anne Arundel County do not have the choice to pursue complaints at the County level, as the Human Relations Commission has no enforcement power. Therefore, while Executive Order 26 of January 2008 provides protection for some classes not included at the state and federal level (age, occupation, political opinion, personal appearance), any County resident who experiences discrimination on these grounds has no meaningful means of recourse.

Even if the human rights policy established in County Executive Order 26 of 2008 were broadened to provide protection from discrimination on the basis of source of income, as local advocates suggested is needed to promote fair housing choice for renters, the provision would be effectively useless unless the County had some means of enforcing it.

Anne Arundel County should adopt a fair housing ordinance that includes an enforcement mechanism that provides for investigation and adjudication of fair housing complaints.

## **B. Patterns and Trends in Fair Housing Complaints**

Disability and race continue to be the primary grounds for complaints of housing discrimination. However, on a national basis, HUD data indicates that more complaints are being filed on the basis of familial status and national origin. The prevalence of disability complaints, especially in recent years, is evidence that education, information and referral regarding fair housing issues for persons with disabilities is increasingly critical.

The number of HUD filings had relatively been stable during the past 13 years, from six in 1996, three in 1997 and six in 1998 to six in 2007, six in 2008 and four through September 2009.

### **i. Testing**

Baltimore Neighborhoods, Inc. (BNI) is a regional fair housing organization that provides a variety of services aimed to fight housing discrimination, support integrated communities, improve tenant-landlord relations, provide community education and outreach, and to advocate for accessible housing. BNI contracts with the City of Baltimore, Baltimore County and Harford County to complete housing discrimination testing in those jurisdictions. BNI conducts 50 paired tests per year in the City of Baltimore alone at a cost of \$1,000 per test at rental properties and \$1,200 per test at sales properties. The organization recaptures only a portion of these costs through its fair housing testing contracts.

While Anne Arundel County's Human Relations Commission maintains communication with BNI, the County does not have a contract to provide for systematic paired discrimination testing. Therefore, there are no records available that would allow reliable analysis of patterns in discrimination among the County's rental and sales housing markets.

**OBSERVATION:** The County does not engage in routine market testing for housing discrimination, even though it is likely that complaints go underreported due to the County's lack of fair housing enforcement. Therefore, the extent of discrimination in Anne Arundel County is unknown.

## **C. Existence of Fair Housing Discrimination Suit**

There is no pending fair housing discrimination suit involving Anne Arundel County.

## **D. Determination of Unlawful Segregation**

There is no pending unlawful segregation order involving Anne Arundel County.

### **3. EVALUATION OF PUBLIC AND PRIVATE SECTOR POLICIES**

The analysis of impediments is a review of barriers to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin. Policies, practices or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status, or national origin may constitute such impediments. In Maryland, protection is also extended to persons based on sexual orientation and marital status.

#### **A. Public Sector**

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

##### **i. Federal Entitlement Programs**

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. Disruptions in the private tax credit equity markets and the decline in federal funding opportunities for affordable housing for lower income households has shifted much of the challenge of affordable housing production to state, county, and local government decision makers.

The recent Westchester County, NY settlement also reinforces the concept of expanding housing choice in non-impacted areas (i.e., areas outside of concentration of minority and LMI persons) of urban county entitlements. Westchester County violated its cooperation agreements with local units of government which prohibit expenditures of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the Urban County's action to comply with its fair housing certifications.

The Community Development Block Grant and HOME programs are the two primary HUD entitlement funds through which eligible communities can create new affordable housing opportunities in non-impacted areas. CDBG funds are used for a variety of public services, planning, street improvements, clearance, housing rehabilitation, code enforcement, and economic development initiatives. The CDBG program serves to benefit primarily low and moderate income persons in accordance with the statutory requirements of the program. In terms of housing activities, rehabilitation is most commonly financed with CDBG funds.

The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that

promote affordable rental housing and homeownership by low and moderate income households, including new construction, rehabilitation, homebuyer assistance, and tenant-based rental assistance.

- **Budget Process and Priority**

In a process entirely independent of the federal entitlement system for the City of Annapolis, Anne Arundel County administers an application, review and selection process to determine how entitlement funds will be invested across the remainder of the County. The methodology by which the process is undertaken is demonstrative of the degree to which the process is transparent, community-driven and reflective of fair housing considerations.

Arundel Community Development Services, Inc. (ACDS) is under contract to administer the County's housing and community development activities. As part of this responsibility, ACDS prepares Anne Arundel County's Five-Year Consolidated Plan, the Annual Action Plan and the Consolidated Annual Performance and Evaluation Report. ACDS works with the County to open participation in the planning process to any entity that might be affected by the implementation of these plans. The County's Human Services Officer, appointed by the County Executive, oversees ACDS. The Executive Director of ACDS is an active member of the County Executive's cabinet and meets monthly with the leadership of other County departments and agencies.

As the lead agency in the consolidated planning process, ACDS facilitates public hearings, conducts needs assessments and assists in determining community priorities. For the 2011 – 2015 Consolidated Plan, ACDS invited agencies to submit activity recommendations for funding and participate in three public hearings. Ultimately, budget allocations are annually determined by County Council.

Applicants for CDBG or HOME funding in Anne Arundel County use either the Capital Project Application or the Public Service Application. Both require applicants to identify the number of LMI and special needs persons expected to benefit from the proposed activity. Neither requires any statement of anti-discrimination or intention to further fair housing choice, though the application for rental projects requires submission of an affirmative marketing plan consistent with HUD standards.

Priority is given to proposed projects that address the County's guiding principles. They are:

1. The County will make as its utmost priority the stabilization, maintenance, redevelopment and expansion of affordable housing, whether it be for homeowners, renters, or special needs populations.

2. The County will concentrate housing and community development activities in the neighborhood revitalization areas of the Severn area, the Brooklyn Park community and the Glen Burnie area.
3. Priority for public service dollars will be given to (i) housing related programs and services that improve housing stability and quality of life, and (ii) programs that benefit those living in neighborhood revitalization areas.

Applications are reviewed to ensure compliance with all statutory requirements, which include fair housing standards, and projects in violation do not receive funding. However, it is not enough to simply *not* discriminate. Affirmatively furthering fair housing requires the County and its subrecipients to undertake proactive steps to expand fair housing choice. In that respect, the application process could be reviewed with a fair housing frame of reference to find ways in which the process could more effectively produce affirmative fair housing accomplishments.

OBSERVATION: The County's stated priority to improve impacted areas will, in effect, create a better quality of life for members of the protected classes who are concentrated in impacted neighborhoods. However, the County's intention to focus housing activity in impacted areas, as opposed to areas of opportunity, limits the housing choice of members of the protected classes.

OBSERVATION: The Affirmative Marketing Plan applies for designated CDBG and HOME subrecipients creating five or more housing units, requiring applicants to submit a site-specific plan meeting HUD standards. Beyond that, the County's application process for entitlement funds could be improved by requiring applicants to more directly address issues of fair housing and equal opportunity.

**ii. Geographic Distribution of Activities**

The Urban County invests in programs providing housing services to low/moderate-income persons and minorities both countywide and in targeted revitalization areas. In all three targeted areas, the County focuses housing and community development expenditures with the goal of revitalizing neighborhoods in accordance with community plans. Project goals have included the creation or preservation of affordable housing, neighborhood stabilization and improving the overall quality of life. Currently, the County's targeted areas are as follows:

- **Severn**

With a minority population of approximately 80%, the Severn area has the Urban County's highest concentration of Black persons. Severn is located in the northeastern end of the County. The neighborhood revitalization area within Severn, however, represents only a small number of block groups within the area.

- **Glen Burnie**

The County has identified a collection of block groups in the Glen Burnie area as less affluent than the County as a whole, with individual block group medians ranging from \$22,000 to \$54,000, compared to the \$62,000 countywide median. Glen Burnie is located south of Interstate 695 in the northern part of the County.

- **Brooklyn Park**

The minority population of the Brooklyn Park area, located at the northern tip of the County, is lower than the County as a whole (14%). However, its proportion of residents age 65 and older (17%) significantly exceeds the countywide rate (10%). Elderly households often live on fixed incomes, limiting their ability to maintain housing. Additionally, the median income for this area, \$40,000, is far lower than the countywide median of \$62,000.

Records of Anne Arundel County's CDBG and HOME spending on housing projects were reviewed for the AI. According to this data, the County allocated \$4.36 million between July 2004 and June 2009 as part of the Mortgage Assistance Program, which assists income-eligible homebuyers with down payments and closing costs. Of the 189 homes with which buyers were assisted during those years, 30.2% were in Glen Burnie 21.2% were in the Brooklyn Park area and 11.1% were in Severn. The remaining 118 sites were scattered throughout the Urban County.

During the same time span, the Urban County developed 29 affordable single-family units, 13 of which were located in Brooklyn Park. The remaining homes were divided between Bacontown, Spring Meadows and Still Meadows. The County also funded four group homes, which



are located in Brooklyn Park, Severna Park, Pasadena and Annapolis. Finally, the County facilitated five multi-family rental structures. Two are in Annapolis, while the other sites are located in Pasadena, Edgewater and Odenton.

Map 7 on the following page illustrates the geographic distribution of housing development sites financed and constructed by Anne Arundel County between the years of 2004 and 2009.

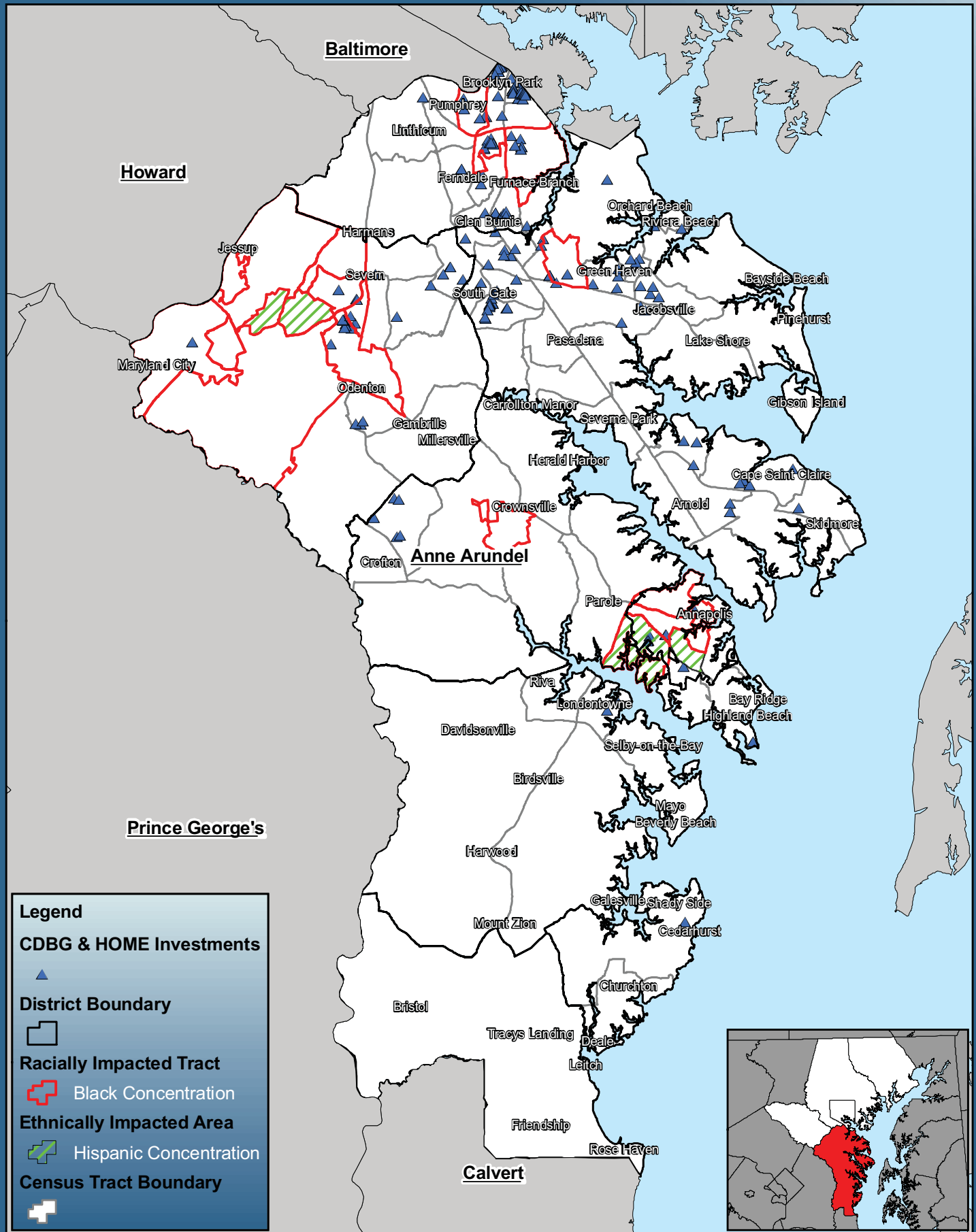
The Urban County has located some of its housing developments in the City of Annapolis. In FY 2009, this included a County CDBG loan of \$1 million to partially fund the redevelopment of a former public housing community into a 50-unit private affordable development (Obery Court I) in Annapolis. Obery Court is in one of the City's LMI areas, but it is not located in a racially impacted census tract.

**OBSERVATION:** The Urban County's CDBG and HOME spending on affordable housing since 2004 has been concentrated in the County's identified neighborhood revitalization areas. Two such revitalization areas (Brooklyn Park and Glen Burnie) are not racially or ethnically concentrated areas. Some, but not all of the County's CDBG and HOME investments have been made in areas of racial and ethnic concentration. The County's goal is to preserve the affordable housing stock in these concentrated areas while creating affordable housing opportunities in other parts of the County as well. While improving the quality of life in lower-income, minority-concentrated areas is an important use of CDBG and HOME funds, the County should expand its efforts to increase the supply of affordable rental housing for families in non-concentrated areas of the County.

**OBSERVATION:** The Urban County's investment in affordable housing in the City of Annapolis is appropriate from a fair housing perspective only when it does not serve to further concentrate minorities and LMI persons in the County's urban core. To this end, the County reports that it makes allocations in the City only to preserve existing affordable housing.

### iii. Annual Plan and CAPER

Entitlement communities are required to prepare Annual Action Plans in which each entity describes the activities to be undertaken with CDBG and HOME funds. At the end of each fiscal year, a Consolidated Annual Performance and Evaluation Report (CAPER) is then developed to report on the progress achieved by each entitlement in its efforts to invest CDBG and HOME funds, and affirmatively further fair housing. The following narrative includes an analysis of how the County furthered fair housing through its investment of these federal funds.



1) 2010 Annual Plan

The Annual Plan for 2010 includes the priorities and objectives planned by the County in various HUD categories such as housing, homeless prevention, community development and others. In terms of affirmatively furthering fair housing, the best indication of this policy being implemented is the creation of *new* affordable rental and sales housing units for families that are located outside of impacted areas. By creating new affordable family units outside of impacted areas, the County can provide housing choice for LMI minorities in non-impacted areas, sometimes referred to as “communities of opportunity.”

Specifically, the County’s non-homeless housing strategies in its 2010 Annual Plan included the following:

*Affordable Homeownership Housing*

- Provide low-interest financing to households to make substantial improvements to their homes, enabling them to remain in place
- Continue to provide technical assistance for the rehabilitation and reconstruction of low-income owner-occupied homes
- Increase the supply of quality affordable units through acquisition and rehabilitation efforts
- Increase the supply of new affordable housing by writing down the cost of land through various mechanisms (County surplus land, other funding sources for land purchase)
- Provide counseling to prepare first-time low- and moderate-income homebuyers for homeownership as well as provide counseling to current homeowners facing foreclosure
- Lower the costs for first-time homebuyers by providing funds for mortgage write-down, as well as down payment and closing cost assistance
- Place specific emphasis on outreach for counseling and mortgage assistance to minority households to address disparities in income, homeownership rates and home values between minority and non-minority households

### *Affordable Rental Housing*

- Provide financing and technical assistance to rehabilitate and modernize large multifamily affordable rental housing projects and small scattered-site rental units
- Facilitate construction by private developers of new affordable rental units by providing gap financing to make such projects feasible
- Monitor, encourage and assist owners of rental properties previously financed with federal subsidies to secure new financing for the rehabilitation and continuation of these properties as affordable, or encourage them to sell the properties to new owners who are able to rehabilitate them and continue to offer them as affordable to limited-income tenants
- Provide a Payment in Lieu of Taxes (PILOT) program to developers of affordable multifamily housing to maximize private financing

Specifically, the County planned to counsel 625 individuals through the countywide Homeownership and Foreclosure Prevention Counseling Program 50 Glen Burnie households through the Calvary Rental and Purchase Counseling Program. Additionally, plans included the rehabilitation of 45 units through Partners in Care Home Repair and 35 through the Property Rehabilitation program, along with accessibility modifications for 10 households countywide. The County also planned to provide mortgage assistance to 14 households countywide and support the development of three affordable rental housing facilities.

The County's 2010 strategies reflect careful consideration of the five-year goals set in the 2006-2010 Consolidated Plan. Additionally, the stated priority of assisting minorities with housing affordability problems addresses important fair housing disparities. Many of the listed projects of all types (special needs, homelessness and community development, in addition to housing) are either focused in impacted areas or classified as countywide. While flexibility should be built into the Annual Plan to allow for the evolving specifics of projects, this planning exercise presents a yearly occasion to evaluate the siting of housing activity and an opportunity to ensure that the County is expanding housing choice in a wider variety of neighborhoods.

**OBSERVATION:** While investing CDBG and HOME funds in areas requiring revitalization and redevelopment is important, affirmatively furthering fair housing also involves using these resources to create new housing opportunities outside areas of minority concentration.

2) CAPER

In its CAPER for 2009, Anne Arundel County reported on the activities completed and objectives met for the previous year. In terms of furthering fair housing choice, the County carried out the following activities:

- The County began to develop a new Apartment Inventory by designing a new survey instrument.
- The Housing Commission improved the accessibility of public housing units to ensure compliance with the Americans with Disabilities Act, Section 504 and fair housing standards. This project included upgrades to parking areas, common areas, signage, ramps, recreation areas and laundry facilities.
- The CDBG-funded Accessibility Modifications program provided home modifications for 25 persons with disabilities.
- Eight affordable group homes for persons with disabilities were rehabilitated.
- Arundel House of Hope, a CHDO serving homeless adults with disabilities, acquired and rehabilitated a group home to provide affordable housing to four persons.
- The Housing Commission continued a landlord education program to increase acceptance of vouchers held by person with disabilities.
- The Housing Commission continued to pursue additional funding sources to support rental vouchers. The Commission obtained additional special needs vouchers to relieve pressure on the waiting list.
- Construction was completed on a 63-unit affordable rental project for very-low-income seniors in Odenton.
- Arundel Community Development Services (ACDS) acquired and rehabilitated eight scattered-site townhomes in targeted investment areas. Seven of the eight low-income households served are minority households.

- ACDS rehabilitated or reconstructed 36 units of affordable owner-occupied housing countywide. Three were completed in the heavily minority community of Stillmeadows, which is part of a separate Spring Meadows and Stillmeadows Property Rehabilitation program.
- ACDS acquired land in Odenton where 10 homes will be constructed for first-time homeowners.
- County Council authorized the conveyance of County-owned surplus lots to ACDS to develop six affordable homeownership units. ACDS acquired three privately-owned lots to combine with the transferred lots to create a total of eight buildable lots.
- ACDS rehabilitated eight homes that were rented to income-eligible homebuyers in Severn and Brooklyn Park. These units will be sold to first-time homebuyers upon the recovery of the economy.
- ACDS counseled 406 new clients through its Homeownership Counseling program, of which 60% were minorities.
- ACDS provided down-payment, closing-cost and mortgage write-down assistance to 19 first-time homebuyers, 63% of which were minorities.
- ACDS advertised specifically to minority communities about homeownership programs through churches and at various community events, including a housing fair held in conjunction with the Board of Realtors in Gambrills.
- ACDS, the Community Action Partnership and the Housing Commission continued to maintain HUD-certified Housing Counseling Agency accreditation.
- ACDS expanded its foreclosure prevention program through increased counseling and outreach to County residents who may be dealing with the effects of subprime mortgages or may have simply been over-mortgaged.
- The County Human Rights Commission held an open house to provide information about itself and rights under the Fair Housing Act.
- ACDS held two seminars for realtors and financial industry professionals to educate them on homeownership products available through the County and state, especially for their low- and moderate-income clientele.



- The County held a Disability Awareness Day, where information on various affordable housing programs was provided.
- ACDS staff extensively marketed its programs in the predominantly minority community of Stillmeadows, holding regular open houses and walking door-to-door to provide community outreach regarding homeownership opportunities. ACDS staff also made presentations at community association meetings and held special introductory housing counseling sessions.
- ACDS worked with the County's public school system and the community college to arrange a public film screening and symposium on race and education, which examined the history of segregation and integration in the County.
- The Human Relations Commission began developing a seven-point strategy to raise awareness of the current need for fair housing enforcement in the County.

The County's documentation of fair housing activities in the Annual Plan is extensive. Various County agencies are involved in outreach efforts designed to advance access to affordable housing for minorities and special needs populations.

To demonstrate its commitment to affirmatively furthering fair housing, the Urban County's policies should include requirements that some number of housing units financed with CDBG or HOME funds for rehabilitation and resale or rent to LMI households be located outside of impacted areas. To achieve this in a high-cost area such as Anne Arundel County, the County may need to increase the subsidies provided to affordable housing providers so they may acquire housing units in locations outside of impacted areas.

#### **iv. AFFH Responsibilities**

As stated previously in the Introduction to the AI, the County has a legal obligation to ensure that all sub-recipients of CDBG and HOME funds, including participating units of local government, affirmatively further fair housing. Towards this end, the County should not allocate nor invest entitlement funds in municipalities that impede fair housing as these actions undermine the County's obligation to affirmatively further fair housing.

The two incorporated municipalities in Anne Arundel County are Annapolis and Highland Beach. The City of Annapolis receives its own CDBG allocation, but it is not a federal HOME entitlement jurisdiction and must apply to the state for HOME project funding. In effect, Anne Arundel County can invest entitlement funds anywhere within the County's borders. When Anne Arundel County locates affordable

housing projects in either of its two incorporated municipalities, the governments are not treated as sub-recipients. Instead, the County works directly with nonprofits or developers to complete the units. To date, there is no evidence that either the City of Annapolis or Highland Beach has taken actions to undermine the County's efforts to affirmatively further fair housing.

**v. Affirmative Marketing Policy**

As a recipient of CDBG funds, Anne Arundel County is required to adopt affirmative procedures and requirements for all CDBG- and HOME-assisted housing with five or more units. Such a plan should include:

- Methods of informing the public, owners and potential tenants about fair housing laws and the grantee's policies
- A description of what the owners and/or grantee will do to affirmatively market housing assisted with CDBG or HOME funds
- A description of what owners and/or the grantee will do to inform persons not likely to apply for housing without special outreach
- Maintenance of records to document actions taken to affirmatively market CDBG- and HOME-assisted units and to assess marketing effectiveness
- A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

The County's HOME Affirmative Marketing Plan, which also applies to recipients of CDBG funding for housing projects with five or more units, was reviewed as part of this analysis. It is comprehensive, addressing all HUD requirements. Sub-recipients of entitlement funds must certify that units will be marketed affirmatively during the entire period of affordability, to the extent that there are vacant units in properties being funded in whole or part through CDBG or HOME. Sub-recipients must also agree to adopt an anti-discrimination statement.

The Plan requires property owners to prominently display Equal Housing Opportunity material, demonstrate that outreach methods were used to contact persons in the housing market area who are not otherwise likely to apply, and to provide for the selection of tenants from a written waiting list in the chronological order of their application. The owner must keep records detailing compliance and tracking minority participation. Applicant data given voluntarily (single-headed households by gender, disability, etc.) will be tracked.

The plan includes outreach suggestions such as notices placed in community-based newsletters, places of worship, community centers, employment centers, etc; notices sent to special interest groups (local NAACP chapter, County Human Relations Commission, fair housing

groups, etc.); notices placed in newspapers with specific readership; and letters to the County Housing Authority requesting that applicants on the waiting list be advised of vacancies. Owners must implement outreach activities immediately upon awareness that a vacancy will occur. Owners must request that tenants advise them within 30 days prior to their intention to vacate the property so that outreach efforts may be promptly initiated.

Additionally, owners are prohibited from discriminating on the basis of a household's use of Section 8 or other tenant-based assistance for partial payment of rent.

The County assesses compliance with the affirmative marketing requirements three months after work is completed on the units. Thereafter, the County reassesses compliance annually on a project-by-project basis. Failure to abide by the requirements may result in the ineligibility of the owner to participate in future County projects, placement of the owner's loan into default, making repayment of the loan to the County immediate, or a report from the County to HUD, which may take corrective action for an infraction of fair housing requirements.

**vi. Site and Neighborhood Selection Policy**

Recipients of HOME funds are required to administer their program in compliance with the regulations found at 24 CFR 983.6(b), known as the Site and Neighborhood Standards. These standards address the site location requirements for both rehabilitated and newly constructed rental units financed with HOME funds.

Site selection for HOME-assisted rehabilitated units must comply with several standards, including among other things, promoting greater choice of housing opportunities and avoiding undue concentration of assisted persons in areas containing a high concentration of LMI persons. For new construction, an additional standard is added. With few exceptions, site selection must include a location that is not in an area of minority concentration.

For the purpose of this analysis, a memorandum dated December 1, 2009 and prepared by ACDS was reviewed for this analysis. The memorandum included an analysis of the Park View Site against the requirements found at 24 CFR 983.6.

The memorandum restated each regulatory requirement and explained in detail how the planned project met each standard. Section (b)(3) requires that "the site must not be located in an area of minority concentration..." However, "area" is not defined; it could include a census block group, a census tract, or an entire municipality. The memorandum states that the minority population of census tract 7306.04 (where the project will be located) is "10 percent which is lower than the minority population of the County as a whole which is 19 percent." However, a more accurate determination would be to evaluate the percentage of a single minority

group in the census tract.<sup>19</sup> For example, the percentage of Black residents in census tract 7306.04 was 5.4% compared to 13.6% for the County, according to Census 2000. Similarly, the percentage of Asian residents in the same census tract was 3.4% compared to the 2.3% for the County overall. Using the same definition for an area of concentration presented earlier in this analysis, census tract 7306.04 is not an area of concentration of Blacks or Asians.

Overall, the analysis demonstrated compliance with 24 CFR 983.6.

**vii. Appointed Citizen Boards and Commissions**

A community's sensitivity to fair housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals involved in housing matters. The expansion of fair housing choice requires a team effort. Public leadership and commitment is a prerequisite to strategic action.

Housing and housing-related issues in the Urban County are addressed by a variety of appointed citizen volunteer boards, as described below.

**1) Anne Arundel Planning Advisory Board**

The Planning Advisory Board (PAB) reviews proposed capital projects annually with representatives from different County Departments, the Board of Education, and the Anne Arundel County Community College. The PAB also reviews the General Development Plan, Small Area Plans and various facility master plans such as the Solid Waste Master Plan and the Water and Sewer Master Plan.

The PAB is composed of seven County residents appointed by the County Executive. Of the seven members, five are White and two are Black. There are four males and three females. Three of the members indicated a disability.

**2) Arundel Community Development Services Board of Directors**

ACDS is a private, nonprofit organization created in 1993 to address housing and community development needs in the County. ACDS is under contract to plan, administer and implement the federally funded CDBG, HOME, ESG, HOPWA and Continuum of Care programs, state housing rehabilitation and homeownership programs

<sup>19</sup> This would be similar to the standard used in the Westchester County case in which the court prohibited the Urban County from developing new affordable housing in census tracts where the percentage of Blacks was more than 7% and the percentage of Hispanics was more than 3%.

and other County-funded housing and community development programs. The Board of Directors has ten appointed members, seven of which are White; the remaining three are Black. Seven members are male. None of the members indicated a disability; three members indicated they lived in households with children younger than 18 years of age.

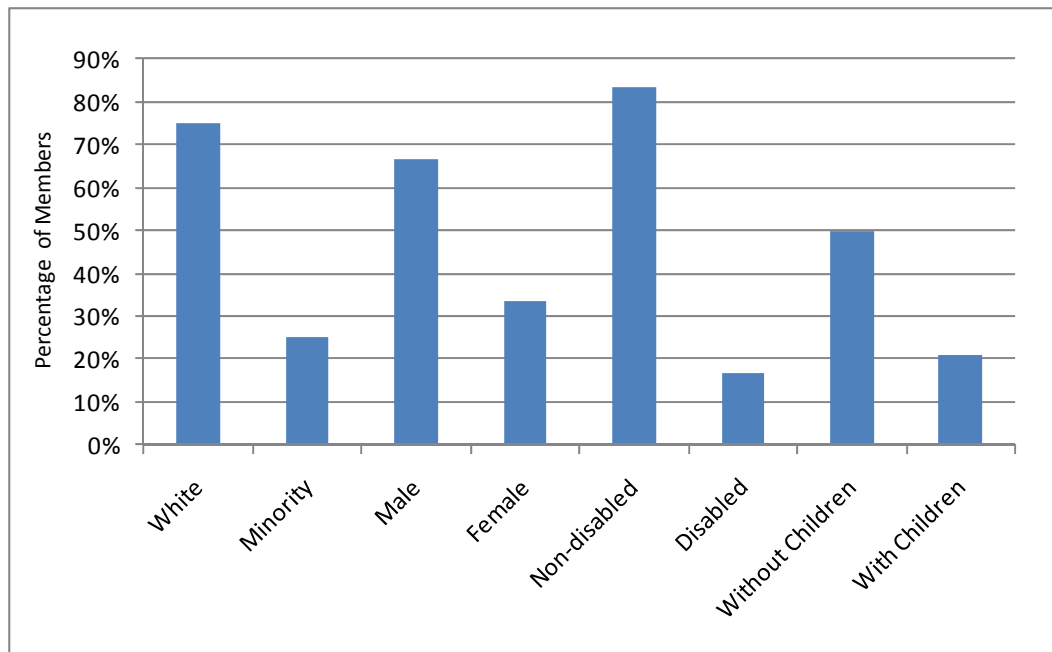
3) Housing Commission of Anne Arundel County

The Housing Commission of Anne Arundel County (formerly the Housing Authority of Anne Arundel County) administers the public housing and Section 8 Housing Choice Voucher programs for the County. The Commission offers housing assistance through a variety of programs to income eligible individuals and families with children.

The Housing Commission is composed of seven County residents appointed by the County Executive. Of the seven members, six are White and one is Black. There are five males and two females. One of the members indicated a disability and two members indicated they lived in a household with children under 18 years of age.

The following chart illustrates the representation of racial minority persons and persons with disabilities on selected appointed boards and commissions in Anne Arundel County. In 2008, racial minorities represented 22% of the general County population. Correspondingly, they represent roughly one quarter of the membership on the boards and commissions surveyed for the AI. Lower representation was noted, however, among females and families with children younger than 18 years of age. The experiences and perspectives of members of the protected classes would enhance the decision-making processes in the Urban County and offer the opportunity for advancing fair housing choice in all aspects of County government.

**Figure 3-1**  
**Composition of Citizen Boards and Commissions in Anne Arundel County, 2010**



**OBSERVATION:** Racial minorities are proportionately represented in the membership of the County's boards and commissions dealing with housing issues. More participation from members of other protected classes would further enhance the decision-making process.

**viii. Accessibility of Residential Dwelling Units**

From a regulatory standpoint, local government measures to control land use (such as zoning regulations) define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspections procedures.

- **Private Housing Stock**

The Maryland Accessibility Code requires accessibility for persons with disabilities in certain new and rehabilitated residential and commercial property.<sup>20</sup> In 2004, the Department of Justice certified that Maryland's state code met or exceeded federal standards for accessible design. Anne Arundel County has adopted the state Accessibility Code as well as the 2003 International Building Code and the Maryland Building Rehabilitation Code. According to an interview conducted with the County's Department of Inspections and Permits, the County is in the process of adopting 2009

<sup>20</sup> Department of Housing and Community Development: Building and Material Codes, Chapter 2. Article §2-111 and 3-103; Public Safety Article, §12-202; Annotated Code of Maryland



International Building Codes. In its enforcement activity, the Department ensures that ADA requirements described on approved building plans are constructed properly.

For new HOME-assisted units, Anne Arundel County requires compliance with 24 CFR Part 8 which implements Section 504 of the Rehabilitation Act of 1973. Multi-family development must comply with 24 CFR 100.204, which implements the Fair Housing Act construction requirements. To address the needs of persons with mobility impairments, a minimum of 5% of all units (or at least one unit, whichever is greater) must comply with the Uniform Federal Accessibility Standards (UFAS) required under Section 504. An additional 2% of units (or at least one unit) are required to be accessible for individuals with hearing or vision impairments. To ensure full compliance with these standards, a certification from a licensed architect stating that the design is in compliance with UFAS standards should be required of a developer at closing.

- **Public Housing Stock**

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 requires that a minimum of 5% of all public housing units be accessible to persons with mobility impairments. An additional minimum of 2% of public housing units must be accessible to persons with sensory impairments. In addition, an Authority's administrative offices, application offices and other non-residential facilities must be accessible to persons with disabilities. The Uniform Federal Accessibility Standards (UFAS) is the standard against which residential and non-residential spaces are judged to be accessible.

The Housing Commission of Anne Arundel County (HCAAC) conducted a needs assessment in July 2006 to determine the extent of need for unit accessibility. The review was closed as compliant in 2007 and no transition plan was required.

HCAAC completed an analysis of the accessibility features of all public housing site offices, common areas and resource centers in 2003. Staff members are required to complete monthly inspections of all sites in order to identify impediments to health and safety and potential barriers existing at all sites owned and operated by the Commission. Additionally, all residents are surveyed annually as to the physical condition, barriers and problems they experience with their sites.

**ix. Language Access Plan for Persons with Limited English Proficiency**

In order to accommodate persons with limited English proficiency (LEP) in the provision of information and services, Anne Arundel County generally advertises means of alternative access to documents, public hearings and its website. However, the County does not have a Language Access Plan (LAP) to enhance access to services offered

through the entitlement programs to persons with LEP. Figure 1-12 shows that the numbers of persons with LEP who are native Spanish speakers and native Korean speakers in the County may be sufficiently high to trigger the need for translation of vital documents.

**OBSERVATION:** The Urban County must determine the need for a Language Access Plan (LAP) to assist persons with limited English proficiency (LEP) in accessing its federally funded programs. If it is determined that the need for an LAP exists, the Urban County must prepare the Plan in order to comply with Title VI of the Civil Rights Act of 1964.

**x. Comprehensive Plan**

A community's comprehensive plan is a statement of policies relative to new development and preservation of existing assets. In particular, the land use element of the comprehensive plan defines the location, type and character of future development. The housing element of the comprehensive plan expresses the preferred density and intensity of residential neighborhoods within the County. Taken together, the land use and housing elements of the comprehensive plan define a vision of the type of community that Anne Arundel wishes to become.

The County's pledge to affirmatively further fair housing applies not only to the use of federal funds but rather, extends to all aspects of County government, including land use planning considerations. Land use plans and housing plans can be inclusive or exclusive in nature. A community that envisions a variety of housing types and densities in a variety of neighborhoods is one that encourages fair housing choice. On the other hand, a community that limits development to low density single family development is one that restricts fair housing choice. The purpose of this section of the AI is to determine if the official planning policies of Anne Arundel County encourage and promote fair housing choice.

**xi. Land Use Plan**

Anne Arundel County adopted its first General Development Plan (GDP) in 1968. Decennial updates to the GDP were prepared in 1978, 1986 and 1997. The current GDP was adopted in October 2009.

The land use element of the 2009 GDP reports that 2,704 acres or about 1% of the land area in the County is planned for high density residential development, i.e., densities greater than 15 dwelling units per acre. Another 2,515 acres or about 1% of the land area in the County is planned for Town Center development where multi-family housing is permitted. Another 10,967 acres or about 4.2% of the land area in the County is planned for medium density residential development, i.e., densities between 5 and 10 dwelling units per acre. By contrast, nearly 89,000 acres or 34% of the land area of the County is reserved for rural residential development (i.e., ultra low density) and another 47,770 acres

or 18% of the land area in the County is reserved for low density development, i.e., densities between 1 and 2 dwelling units per acre.

Most of the land proposed for medium and high density development is located in the northern and western area of the County. The County has defined a series of Priority Funding Areas and Targeted Growth Areas where the bulk of new development is expected to occur, including Odenton Town Center, the vicinity of BWI Airport, the vicinity of Fort Meade and the BW Parkway Corridor as well as the Parole Town Center.

The area south of Routes 50/301 is located within the County's designated rural and agricultural preservation areas. As such, it is zoned for low density housing.

Of particular note is the growth anticipated in the Fort Meade area due to base realignment. The BRAC initiative is expected to bring 22,000 new jobs to the County, both on and off the base. This translates to 4,500 new households moving to Anne Arundel County. Most of this household growth is expected to occur before 2020. It is anticipated that most of these households will seek to live in proximity to jobs in the Fort Meade area.

The Fort Meade area is located in proximity to the County's Odenton Growth Management Area. The Odenton Town Center Master Plan adopted in March 2010 establishes six sub-areas within the planning district. Permitted residential uses in all of the six sub-areas include single family detached, duplexes, semi-attached, townhouses, multifamily, adult independent living and accessory dwelling units. Within the planning district, at least two land uses are required on sites of more than three acres. Permitted residential mix ranges from zero percent to 80% depending on the location of the site.

Undeveloped land zoned by right for medium and high density residential development is in short supply in Anne Arundel County. Opportunities for affordable multi-family development are extremely limited, which has the effect of limiting housing choice for members of the protected classes. Notably, the land use plan for the Route 2 Ritchie Highway corridor does not anticipate medium or high density residential development, even though the commercial character of this corridor would seem compatible with higher density residential and mixed-use development, particularly because the corridor is served by public transit. It should be noted, however, that there are several high density residential developments along Ritchie Highway, including Parkview at Severna Park, a 103-unit elderly tax credit project that is currently under construction. This project is financed in part with Anne Arundel County HOME funds.

The County's land use plan emphasizes town center and other forms of mixed-use development. These districts generate significant retail development and are typically served by public transit. As such, they serve as ideal opportunities for the development of affordable housing.

The County may wish to analyze the household income of retail employees as part of a broader initiative to adequately house the County's lower wage workforce. An inclusionary housing policy would expand housing choice for households seeking employment in these mixed-use communities.

**OBSERVATION:** Undeveloped land zoned by right for medium- and high-density residential development is in short supply in Anne Arundel County. This has the effect of limiting affordable housing choice for members of the protected classes. Notably, the Route 2 Ritchie Highway corridor north of Annapolis does not anticipate medium- or high-density development, even though the corridor is served by public transit. However, there are several examples of medium and high density development located along this corridor, which have succeeded in obtaining relief from the County's zoning ordinance.

**xii. Housing Plan**

The housing element of the 2009 GDP observes that the County's robust economy and job growth has led to an increase in the quantity and cost of housing. The plan acknowledges that there is a growing affordability gap between household income and the availability of housing at moderate prices. Anne Arundel County's stated goal is to offer a wide variety of housing types and prices to meet the needs of people of all ages and income levels. The plan further acknowledges that expected growth in the workforce will continue to drive demand for housing in general while creating a need for affordable housing for residents of all incomes. The plan concludes that "in order to be a vibrant, attractive and economically prosperous community, Anne Arundel County must strive to create and maintain a diverse community of workers who not only work in the county but who are also able to live here. This necessitates the creation and preservation of a housing market with a broad range of housing options for all income levels."

The housing element of the 2009 GDP establishes three broad policies relative to the need to provide a variety of housing opportunities to serve the full range of housing needs in the County, as follows:

**Policy 1:** Maintain a suitable range of housing densities and types including single family homes, townhomes, condominiums and apartments. Under this policy, the County intends to identify areas that are suitable for mixed use development with the intent of providing workforce housing where residents can live near employment opportunities. The County further intends to analyze 2010 census data when it becomes available to determine the supply and demand characteristics of age-restricted and senior housing opportunities.

**Policy 2:** Increase the supply of workforce housing units in the County. The County intends to:

- evaluate alternative inclusionary housing programs that can be incorporated into the County's development codes
- utilize financial incentives such as streamlined regulatory processes, tax credits, density bonuses and public/private partnerships
- create a housing trust fund with a dedicated funding source aimed at increasing workforce housing
- promote the use of revitalization tax credits and include workforce housing in revitalization districts
- extend transit service to workforce housing developments and provide multiple transit options in support of workforce housing
- create financing tools to incentivize first time homeownership

**Policy 3:** Promote adaptive reuse of existing structures for workforce housing, including:

- consider the adaptive reuse of commercial buildings for workforce housing, such as motels and former retail centers
- explore the adaptive reuse of BOE properties for workforce housing
- target County-owned surplus properties for workforce housing, or alternatively, dispose of these assets and contribute the sales proceeds to the housing trust fund

**OBSERVATION:** While the County should be commended for addressing the need for affordable housing in its Plan, the document lacks analysis or mention of unmet lower income housing needs other than workforce housing, senior housing or first-time homeownership. The absence of specific policies and strategies to address the housing needs of lower-income families limits fair housing choice for members of the protected classes.

### xiii. Zoning

The analysis of zoning regulations was based on the following five topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning and transit-oriented developments)
- Minimum lot size requirements
- Dispersal requirements and regulatory provisions for housing facilities for persons with disabilities (i.e. group homes) in single family zoning districts

- Restrictions on the number of unrelated persons in dwelling units.
- Date of Ordinance  
Generally speaking, the older a zoning ordinance, the less effective it will be. Older zoning ordinances have not evolved to address changing land uses, lifestyles, and demographics. However, the age of the zoning ordinance does not necessarily mean that the regulations impede housing choice by members of the protected classes.

The Anne Arundel County Zoning Ordinance was updated through 2010.

- Residential Zoning Districts, Permitted Dwelling Types & Minimum Lot Sizes

The number of residential zoning districts is not as significant as the characteristics of each district, including permitted land uses, minimum lot sizes, and the range of permitted housing types. However, the number of residential zoning districts is indicative of the municipality's desire to promote and provide a diverse housing stock for different types of households at a wide range of income levels.

Because members of the protected classes are often also in low income households, a lack of affordable housing may impede housing choice by members of the protected classes. Excessively large lot sizes may deter development of affordable housing. A balance should be struck between areas with larger lots and those for smaller lots that will more easily support creation of affordable housing. Finally, the cost of land is an important factor in assessing affordable housing opportunities. Although small lot sizes of 10,000 square feet or less may be permitted, if the cost to acquire such a lot is prohibitively expensive, then new affordable housing opportunities may be severely limited, if not non-existent.

Similar to excessively large lots, restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, discourage the development of affordable housing. Allowing varied residential types reduces potential impediments to housing choice by members of the protected classes.

In the RA, RLD and R1 districts, 40,000 square feet is the minimum lot size. This is equivalent to approximately 92% of an acre. Much of the southern half of the County includes environmentally-sensitive land and, therefore, is zoned RA to restrict the density and type of development that can occur. Several small RLD districts can be found along the eastern perimeter of the County, with a large district found in the center of the County in the vicinity of Millersville.

In the R2 district, smaller lots are permitted depending on the availability of public sewer. With public sewer service, lots as small as 15,000 (about one-third of an acre) are permitted; lots without access to public sewer service must be at least 20,000 square feet. R2 districts are found throughout the northern half of the County and along the eastern shore.

In the R5 district, the minimum lot size of 7,000 square feet is much more affordable and provides opportunities for a reasonably-sized home on about 0.16 of an acre. R5 districts appear to be located predominantly in the northern half of the County with numerous small districts along the eastern shore.

The three multi-family districts (R10, R15 and R22) are the smallest in terms of the amount of land currently zoned for multi-family dwelling units as designated on the County Zoning Map. Multi-family housing is generally a more affordable housing option for many families and lower income households.

**OBSERVATION:** There appears to be little land zoned by right for multi-family housing. In a high-cost housing region, multi-family housing is often the most affordable option.



**Figure 3-2**  
**Zoning Ordinance Review of Anne Arundel County**

Date of Ordinance Amended through		Comments
Zoning districts & dwelling unit types where permitted by-right	<b>RA, Rural Agricultural:</b> SFD, Adult independent units, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	Accessory dwelling units are permitted as conditional uses only. Multi-family dwellings permitted by-right in R10, R15 and R22 districts only.
	<b>RLD, Residential Low Density:</b> SFD, Adult independent units, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R1, Residential:</b> SFD, Adult independent units, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R2, Residential:</b> SFD, Adult independent units, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R5, Residential:</b> SFD, Adult independent units, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R10, Residential:</b> SFD, Adult independent units, Duplex and semi-detached, Multi-family, SF semi-detached, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R15, Residential:</b> SFD, Adult independent units, Duplex and semi-detached, Multi-family, SF semi-detached, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
	<b>R22, Residential:</b> Adult independent units, Multi-family, SF semi-detached, Group homes in class 1/2 and 3 on 40,000 sq ft lot minimum	
Smallest minimum residential lot size permitted	<b>RA, Rural Agricultural:</b> 40,000 sq ft	Smaller lots permitted in R5 districts, which appear to be located predominantly in the northeastern area of the County. The multifamily districts of R10, R15, and R22 are scarcely located throughout the northern area of the County. It is unknown how much of the land zoned for multifamily housing is available for development.
	<b>RLD, Residential Low Density:</b> 40,000 sq ft	
	<b>R1, Residential:</b> 40,000 sq ft	
	<b>R2, Residential:</b> 15,000 sqft w/public sewer or 20,000 sq ft	
	<b>R5, Residential:</b> 7,000 sq ft	
	<b>R10, Residential:</b> None; maximum density of 10 du/acre	
	<b>R15, Residential:</b> None; maximum density of 15du/acre	
Alternative designs	<b>R22, Residential:</b> None; maximum density 22du/acre	
	Mixed Use Districts permitted with a minimum 10-acre site. Permitted uses include Adult Independent, Multi-family, SFD, and Townhouse units; Group Homes in classes 1/2/3; and Rooming Houses. MXD include Residential, Commercial, Employment and Transit emphases. Maximum density of 5du/acre. PUDs also permitted on minimum sites of 10-20 acres with Adult Independent, Duplex, Multi-family, SFD, and Townhouse units permitted. However, maximum density permitted is limited to density of underlying district.	No inclusionary zoning element noted. MXDs and PUDs do not encourage higher density development, and potentially, more affordable housing. Very little land zoned for MXD development, located primarily in the eastern part of the County around Jessup.
Definition of Family	None included in ordinance.	
Definition and regulation of Group Home	"A community-based residential facility licensed or supervised by a federal, State, or local agency that houses individuals who require care, supervision, or assistance in a family care, group care, foster care, or boarding facility, classified as follows: (i) classification one is a group home located in a single-family detached dwelling with no more than eight individuals, exclusive of the resident manager or resident household; (ii) classification two is a group home located in a duplex, semi-detached, multifamily, or townhouse dwelling, with no more than four individuals, exclusive of the resident manager or resident household; (iii) classification three is a group home with at least nine but no more than the number of individuals allowed by State law in a single-family detached, duplex, semi-detached, multifamily, or townhouse dwelling, exclusive of the resident manager or resident household."	No rationale is provided for the distinction between the types of dwelling units in which group homes are permitted. In any case, the restrictions on the limit of the number of persons who can reside in group home are in violation of the Fair Housing Act. Group homes should be permitted in all single family districts in the same manner as single family units. Any additional regulations or restrictions are burdensome and in violation of the Fair Housing Act. County planners are in the process of amending the zoning ordinance to eliminate this barrier.

Source: Anne Arundel County Zoning Ordinance and Map

- Alternative Design

Allowing alternative designs provides opportunities for affordable housing by reducing the cost of infrastructure spread out over a larger parcel of land. Alternative designs may also increase the economies of scale in site development, further supporting the development of lower cost housing. Alternative designs can promote other community

development objectives, including agricultural preservation or protection of environmentally sensitive lands, while off-setting large lot zoning and supporting the development of varied residential types. However, in many communities, alternative design developments often include higher-priced homes. Consideration should be given to alternative design developments that seek to produce and preserve affordable housing options for working and lower income households.

The Anne Arundel County Zoning Ordinance includes provisions for Mixed Use Districts with residential, commercial and industrial, employment and transit options. Mixed use development can also be undertaken in town center zones, transit zones and PUDs. For Planned Unit Developments (PUDs), it appears that higher densities are not encouraged as the maximum density of the underlying district provides the rule for the PUD or MXD development.

Planned Residential Development districts, or Planned Unit Development districts, are established for the purpose of constructing homes in a cluster arrangement on smaller lots with larger common areas of green space available. Unfortunately, the concept of including an affordable housing set-aside within this arrangement is not common. Consequently, PRDs and PUDs, without very few exceptions, tend to include very low density, non-affordable homes.

One of the most useful and successful tools for creating affordable housing opportunities in higher-growth, high-cost areas is inclusionary zoning. Simply speaking, inclusionary zoning involves a specified number or percentage of new housing units in a development that is set-aside for moderately priced homes. Inclusionary zoning is a “carrot and stick” approach to expanding affordable housing.

An inclusionary ordinance could provide financial and other incentives to developers in exchange for the provision of a percentage of housing units to be set-aside for households with incomes at or below 80% of the area median income. For an inclusionary ordinance to be effective, there must be specific incentives offered in exchange for specific measures to be undertaken by a developer. For example, the ordinance might require a developer to set-aside at least 5% of all single family housing units in a project to be sold for no more than \$135,000 each. For a multi-family development plan, a specified percentage of the units (usually 5% to 10%) would be required to be set-aside for households under a specified income threshold.

In exchange for providing the required set-asides, a developer would be awarded one or more of the following incentives:

- Impact fee waivers or reductions
- Planning fee waivers or reductions
- Streamlining and priority processing

- Density bonuses, and/or
- Local funding to assist with the construction of the housing units made affordable to households at or below 80% of the area median income.

A key component to a successful inclusionary ordinance is the ability to make the affordable housing units indistinguishable from the market rate units. A casual observer should not be able to discern any exterior difference between a market rate unit and an affordable rate unit from the street. A certain degree of cost savings may be achieved on less luxurious interior finishes (e.g., laminate instead of marble countertops, linoleum instead of stone tile or hardwood flooring, etc.) rendering the affordable units less expensive.

Finally, inclusionary zoning could be used to address a common objection to affordable housing—that there is too much of it concentrated in a few neighborhoods. Requiring a relative equitable distribution of affordable housing units throughout the County would assure that every neighborhood outside of impacted areas offers its fair share of affordable family housing.

**OBSERVATION:** In a high-cost housing area such as Anne Arundel County, an inclusionary zoning ordinance that mandates a minimum set-aside of units affordable to lower-income households can create new opportunities outside of impacted areas.

- **Definition of Family**

Restrictive definitions of family may impede unrelated individuals from sharing a dwelling unit. Defining family broadly advances non-traditional families and supports the blending of families who may be living together for economic purposes. Restrictions in the definition of family typically cap the number of unrelated individuals that can live together. These restrictions can impede the development of group homes, effectively impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.

The Anne Arundel County Zoning Ordinance does not include the term family in its definitions. Therefore, it is assumed that the County enforces no restrictions on the number or relationship of persons living together in a household.

- **Regulations for Group Homes for Persons with Disabilities**

Group homes are residential uses that do not adversely impact a community. Efforts should be made to ensure group homes can be easily accommodated throughout the community under the same standards as

any other residential use. Of particular concern are those that serve members of the protected classes such as the disabled. Because a group home for the disabled serves to provide a non-institutional experience for its occupants, imposing conditions are contrary to the purpose of a group home. More importantly, the restrictions, unless executed against all residential uses in the zoning district, are an impediment to the siting of group homes in violation of the Fair Housing Act.

Two primary purposes of a group home residence are normalization and community integration. By allowing group residences throughout the community in agreement with the same standards as applied to all other residential uses occupied by a family, the purposes of the use are not hindered and housing choice for the disabled is not impeded. Towards this end, municipalities may not impose distancing requirements on group homes for persons with disabilities.

The Anne Arundel County Zoning Ordinance provides three classifications for group homes. Classification 1 is “a group home located in a single-family detached dwelling with no more than eight individuals, exclusive of the resident manager or resident household.” Classification 2 is “a group home located in a duplex, semi-detached, multifamily, or townhouse dwelling, with no more than four individuals, exclusive of the resident manager or resident household.” Classification 3 is “a group home with at least nine but no more than the number of individuals allowed by State law in a single-family detached, duplex, semi-detached, multifamily, or townhouse dwelling, exclusive of the resident manager or resident household.” These distinctions appear arbitrary because there is no rationale explaining the purpose of the classifications. However, any regulatory provisions required of group homes that are not also required of all other single family dwelling units are burdensome and in violation of the Fair Housing Act. The County is currently in the process of amending its zoning ordinance to overcome this impediment.

**OBSERVATION:** The County’s zoning ordinance appears to be in violation of the Fair Housing Act because it restricts the number of residents and type of housing units in which group homes may be established. County planners are currently in the process of amending the zoning ordinance to remove this barrier.

#### **xiv. Public Housing**

The Housing Commission of Anne Arundel County (HCAAC) serves as the public housing agency for Anne Arundel County exclusive of the City of Annapolis. The Commission owns and manages 1,026 units of public housing located in seven public housing communities. Five consist of senior housing, including Burwood Gardens, Pinewood

Village, Pinewood East, Glen Square and Stoney Hill. The remaining two, Meade Village and Freetown Village, are family communities. The Commission's total inventory of 1,026 units is broken down in Figure 3-3. All public housing sites are located in lower-income areas in the County's northern half. Severn, where a family development is located, also qualifies as an area of racial concentration.

**Figure 3-3**  
**Public Housing Inventory, 2009**

Development Name	Location	Breakdown of Dwelling Units				
		0 BR	1 BR	2 BR	3 BR	4+ BR
Burwood Gardens	Glen Burnie	120	72	8		
Meade Village/Stoney Hill	Severn	14	61	60	84	36
Pinewood Village/Pinewood East	Glen Burnie	105	179	6		
Freetown Village	Pasadena		24	48	60	22
Glen Square	Glen Burnie	12	110	5		
Total		251	446	127	144	58

Source: Survey submitted by Housing Commission of Anne Arundel County, 2009

The Commission provided data on the income, family type, race and housing facilities occupied by its 1,015 current public housing tenants, as described in Figure 3-4. Black is the majority race among tenants, representing 65.6% of all public housing families. By comparison, Black persons constituted only 14.4% of persons in the Urban County in 2009.

As of January 2010, there were 4,192 applicant households on the waiting list for public housing. Of these, families with children account for 57.7% and households with a disabled member represent 8.1%. Non-White households represent 72.6% of all waiting list applicants.

**OBSERVATION:** Black households are disproportionately represented among public housing tenants in the Urban County, currently accounting for 65.6% of all tenant households. Furthermore, Blacks represented more than two-thirds of all tenant applicants on the public housing waiting list. These trends indicate that for many Blacks in Anne Arundel County, public housing is the only housing choice.

**Figure 3-4**  
**Characteristics of Public Housing Households and Waiting List Applicants**

	Current Tenants		Waiting List	
	#	%	#	%
<b>Total Households</b>	<b>1,015</b>	<b>100.0%</b>	<b>4,192</b>	<b>100.0%</b>
<b>Income</b>				
Extremely low (<30% MFI)	969	95.5%	3,853	91.9%
Very low (>30% but <50% MFI)	45	4.4%	525	12.5%
Low (>50% but <80% MFI)	0	0.0%	78	1.9%
<b>Type</b>				
Families with children	354	34.9%	2,419	57.7%
Individuals/families with disabilities	*		341	8.1%
Elderly (one or two persons)	384	37.8%	142	3.4%
<b>Race</b>				
White	666	65.6%	1,148	27.4%
Black	315	31.0%	2,882	68.8%
Other	34	3.3%	162	3.9%
<b>In HCAAC's jurisdiction</b>			2,298	54.8%
<b>Characteristics by Bedroom Size</b>				
0 bedroom	689	67.9%	188	4.5%
1 bedroom	128	12.6%	1,773	42.3%
2 bedrooms	140	13.8%	1,450	34.6%
3 bedrooms	43	4.2%	681	16.2%
4 bedrooms	12	1.2%	98	2.3%
5+ bedrooms	3	0.3%	2	0.0%

\* Data not available from HCAAC

Source: HCAAC response to AI housing authority survey, January 2010

**OBSERVATION:** There are more than 2,400 families with children on HCAAC's waiting list for family public housing units. These applicants compete for a total of only 395 units of family public housing. These public housing wait list characteristics further indicate a significant unmet need for affordable rental housing in Anne Arundel County.

In addition to public housing, HCAAC administers 1,392 Section 8 Housing Choice Vouchers. Families with children account for 58% of all Section 8 households, while households with a disabled member represent 36% of all voucher holders. Non-White households represent 67.9% of all voucher holders. Seventy-seven of the vouchers provide project-based assistance at the Wiley H. Bates Apartment Complex in Annapolis.

**OBSERVATION:** Black households also are disproportionately represented among Section 8 voucher holders, representing nearly 65% of current tenants and 65% of waiting list tenants, despite constituting less than 15% of the general population of Anne Arundel County outside of Annapolis.

Maps 8, 9 and 10 on the following pages describe the distribution of public housing sites and the settlement pattern of Section 8 voucher holders across the County.

The waiting list for vouchers is extensive. Of the 8,082 households with applications pending, families with children represent 56%, and households with a disabled member account for 20.6% of all applicants. Non-White household applicants account for 68.8% of the waiting list.

**Figure 3-5**  
**Characteristics of Section 8 Households and Waiting List Applicants**

	Current Tenants		Waiting List	
	#	%	#	%
<b>Total Households</b>	<b>1,392</b>	<b>100.0%</b>	<b>8,082</b>	<b>100.0%</b>
<b>Income</b>				
Extremely low (<30% MFI)	1,016	73.0%	6,746	83.5%
Very low (>30% but <50% MFI)	300	21.6%	1,155	14.3%
Low (>50% but <80% MFI)	72	5.2%	164	2.0%
<b>Type</b>				
Families with children	807	58.0%	4,529	56.0%
Individuals/families with disabilities	501	36.0%	1,662	20.6%
Elderly (one or two persons)	248	17.8%	628	7.8%
<b>Race</b>				
White	447	32.1%	2,520	31.2%
Black	902	64.8%	5,289	65.4%
Other	43	3.1%	273	3.4%
<b>In HCAAC jurisdiction</b>				
<b>Characteristics by Bedroom Size</b>				
0 bedroom	365	26.2%	36	0.4%
1 bedroom	78	5.6%	3,674	45.5%
2 bedrooms	423	30.4%	2,473	30.6%
3 bedrooms	423	30.4%	1,455	18.0%
4 bedrooms	86	6.2%	355	4.4%
5+ bedrooms	17	1.2%	89	1.1%

Source: HCAAC response to AI housing authority survey, January 2010

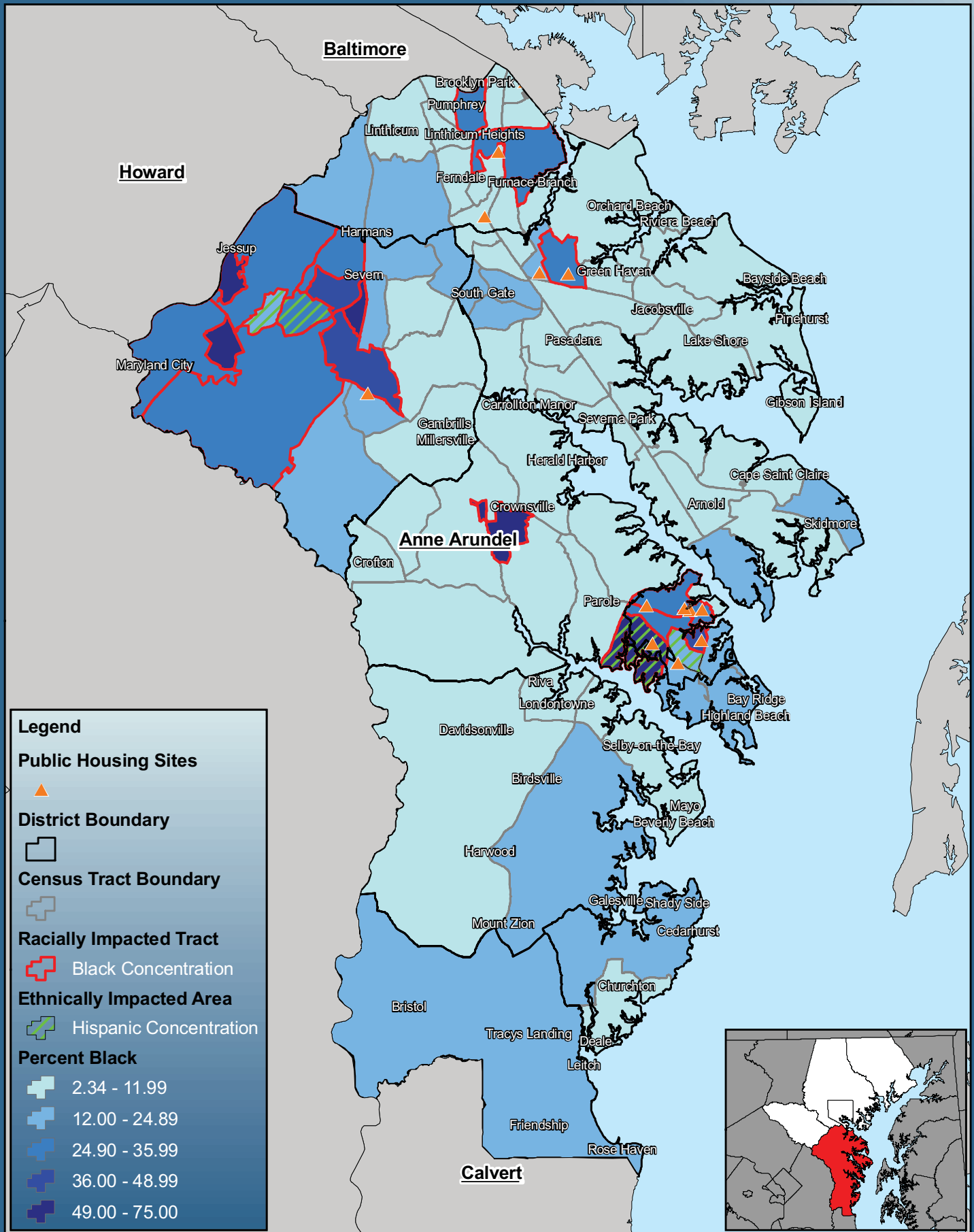
**OBSERVATION:** The waiting list for Section 8 vouchers is extensive in Anne Arundel County. There are currently 4,529 families with children on HCAAC's Section 8 Housing Choice Voucher waiting list. Additionally, there are 1,662 individuals or families with disabilities on the list. These Section 8 voucher waiting list characteristics further underscore an acute need in the County for accessible and affordable rental housing for families.

HCAAC reported in a survey conducted for the AI that Section 8 vouchers are transportable across boundaries, and that the Commission actively promotes mobility through cooperative efforts with other agencies when a client makes a request. HCAAC provides a list of



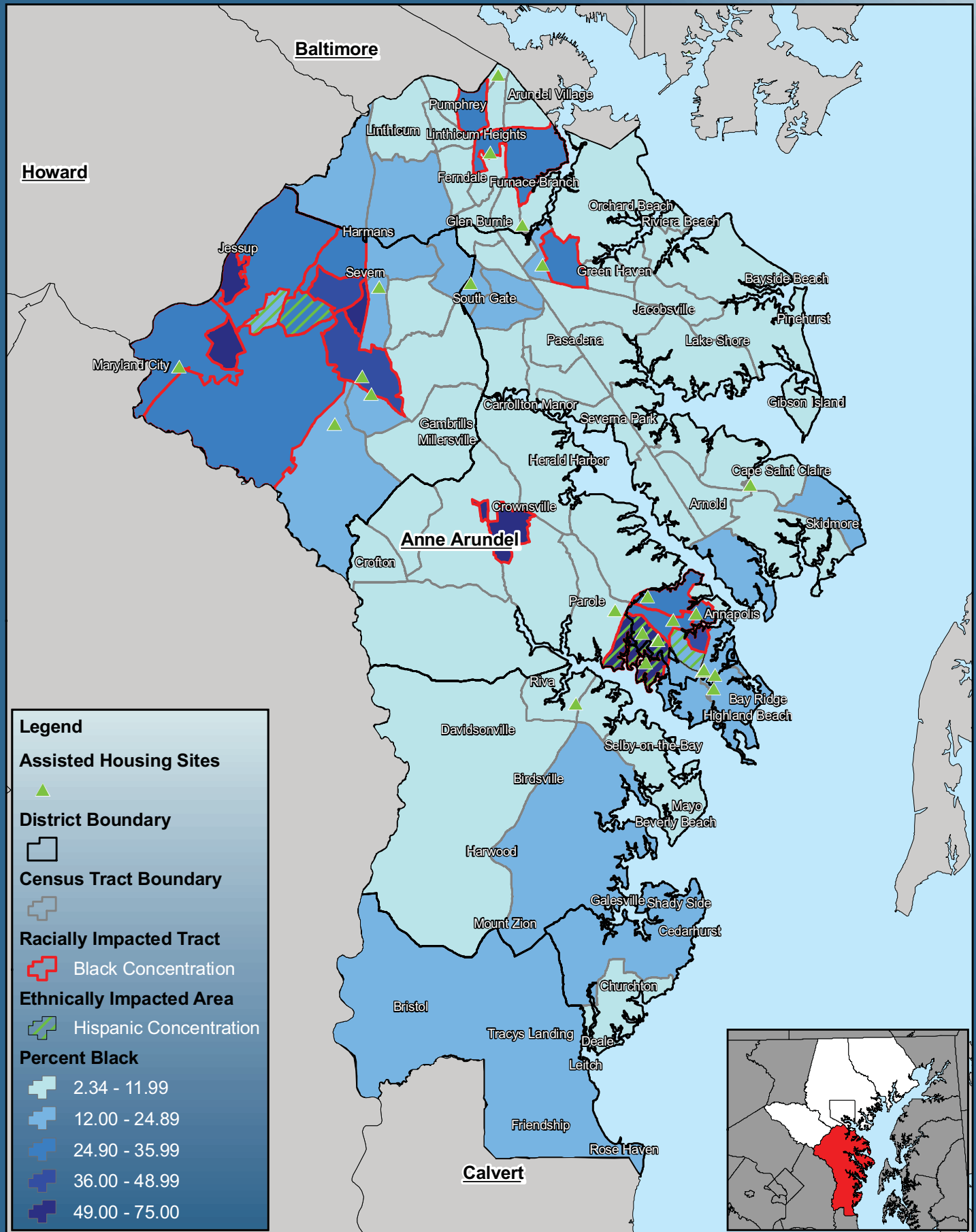
# Map 8: Comparison of Public Housing and Racial Distribution in Anne Arundel County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



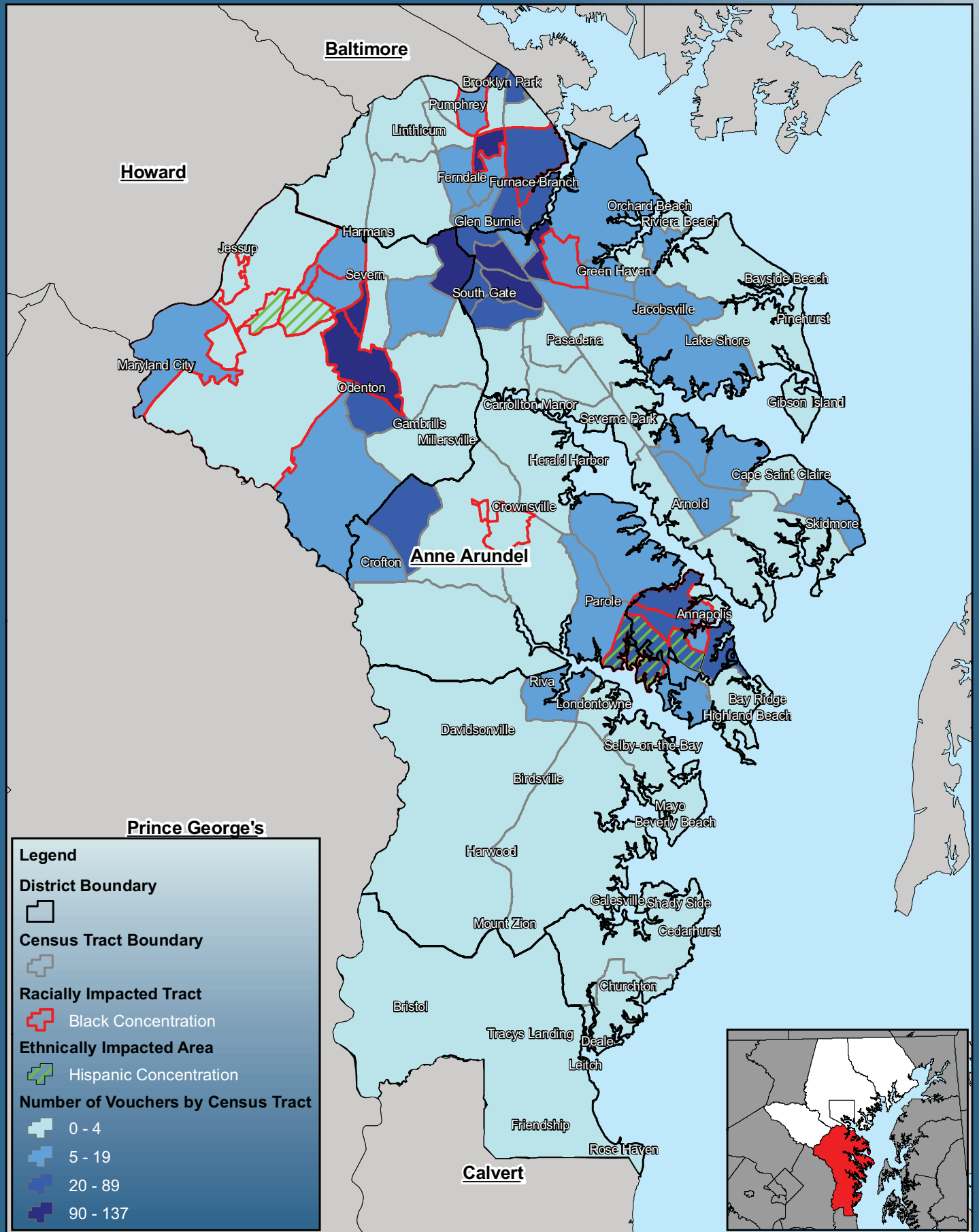
# Map 9: Comparison of Assisted Housing and Racial Distribution in Anne Arundel County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



# Map 10: Location of Section 8 Voucher Holders in Anne Arundel County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



available units that is available for review by any voucher holder, including those from other jurisdictions. The Commission reported that it helps all voucher holders find suitable housing, but that this help does not include up-to-date information about the various facilities and services available in all neighborhoods in which suitable housing is available.<sup>21</sup> Such information is provided only to participants in the Family Self Sufficiency program. HCAAC will, upon request, call to confirm the availability of units located in areas outside of racial and ethnic concentrations, though it does not help with transportation costs or providing transportation service to those interested in housing in non-traditional neighborhoods.

However, during all Housing Choice Voucher briefings, HCAAC staff explains mobility and encourages all voucher holders to search for housing anywhere in the county. Often, the staff identifies areas of low poverty, such as Crofton, Arnold and Davidsonville. A brochure is provided to new voucher holders and the HCAAC staff assists clients in finding dwellings wherever they prefer to live. Voucher holders are encouraged to search the Maryland Housing Search website to find suitable units throughout the State. These measures are described in HCAAC's "Expanding Housing Opportunities" policy.

Each year, HCAAC analyzes the number of voucher holders that live in high poverty census tracts. In 2010, 76% of HCAAC's voucher holders were living in low poverty census tracts.

(Note: Section 8 mobility across the greater Baltimore region is discussed in greater detail in the Regional Profile section of the AI.)

HUD's Picture of Subsidized Households dataset contains records on the number of subsidized units by type for 2000 and 2008. Comparisons between the two years are based on an assumption of consistent data collection and reporting methods. HUD's records show an overall 10.2% increase in subsidized rental units across Anne Arundel County. Compared to 2000, twice as many Low-Income Housing Tax Credit (LIHTC) projects were on record in 2008, more than doubling the supply of LIHTC units. At the same time, other types of units were lost from the inventory due to the expiration of program provisions, consolidation or other causes. Figure 3-6 includes the HUD datasets.

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<sup>21</sup> Facilities and services include schools, day care, health and welfare and other social service agencies, employment centers and transportation.

**Figure 3-6  
Subsidized Units by Type, 2000 and 2008**

	2000	2008	% Change
Public Housing*			
Total sites	17	12	-4.5%
Total units	2,130	2,035	
Assisted Housing			
LIHTC			
Sites	5	10	58.9%
Units	1,492	2,371	
Section 236			
Sites	3	1	-60.0%
Units	510	204	
Project-Based Section 8			
Sites	13	7	8.5%
Units	826	896	
Other Assisted Multifamily			
Sites	2	4	-11.0%
Units	200	178	
Total Subsidized Units	5,158	5,684	10.2%

\* HUD records classify properties differently than the local Housing Authority, resulting in figures that differ here from the public housing inventory described later in the AI.

Source: HUD Picture of Subsidized Households, 2000 and 2008

Two policy documents utilized by HCAAC were reviewed for this analysis. A summary of the reviews of the administrative plans for both public housing and the Section 8 Housing Choice Voucher Program are included below.

- **Section 8 Housing Choice Voucher Administrative Plan**

The Section 8 Admin Plan, revised October 1, 2009, by the HCAAC includes a fair housing policy to comply fully with all federal, state and local non-discrimination laws and operate in accordance with the rules and regulations governing fair housing and equal opportunity in housing and employment. The Admin Plan includes the same anti-discrimination clause as the ACOP, and all applicants are provided information on fair housing and filing discrimination complaints in the same manner as public housing residents.

As a matter of practice, HCAAC makes available an official list of all Section 8 properties to eligible participants in the program. Clients are also encouraged to review the Maryland Housing Search website in an effort to locate suitable housing.

The Admin Plan includes HCAAC's policy on outreach to applicants, including announcements of the availability of the HCV program in the local newspaper, minority media outlets, and other appropriate media channels. The HCAAC also distributes fact sheets to the broadcasting media and posts announcements in their offices. Public meetings are held with community organizations to inform residents of the program. Outreach to property owners is also conducted to increase the inventory

of dwelling units available for leasing by eligible families. Owners of units located outside of areas with high concentrations of low-income and minority residents are encouraged to participate in the program.

**OBSERVATION:** Landlords with units located outside areas of concentration should be offered higher payment standards to induce their participation in HCAAC's Section 8 program.

All persons who wish to apply for Section 8 assistance must qualify as a family. The Admin Plan defines "family" as two or more persons who will live together regularly in the dwelling unit and are related by blood; married or co-habitants (as defined in the glossary); or, adopted. The term "co-habitants" is defined in the glossary as two or more persons of the opposite sex who, at the time of application, have been living together as a family in a stable relationship. Similar to the ACOP, the term "family" is defined somewhat differently in the glossary.

**OBSERVATION:** The different definitions for "family" and "family applicant" should be reconciled so that there are no distinctions between the two terms. And, the phrase "of the opposite sex" should be removed from the definition of "co-habitants" as it discriminates on the basis of sexual orientation. The Maryland Human Rights Act includes protection against discrimination based on sexual orientation.

HCAAC has established identical preferences for both public housing and Section 8 applicants, which include:

- Living in substandard housing, including homeless families – 3 points
- Involuntary displacement, including domestic violence victims – 3 points
- Paying in excess of 50% of income for rent – 3 points.

Secondary or local preferences adopted by HCAAC include:

- Living or working in Anne Arundel County – 1 point
- Working family (unless elderly or disabled) – 1 point.

HCAAC has entered into agreements with local service providers who have established programs combining crisis or health services with affordable housing. Clients identified for these programs by the provider will receive immediate preference for a set-aside voucher. These programs currently include, but are not limited to:

- ARC Service Program
- Supportive Housing Developers Counseling Program



- Partnership Rental Housing Program
- Friendly HAVEN
- Willow Supportive Housing Program
- AACSS Adult Independence Initiative, and
- The Main Street Housing Program.

Separate waiting lists are maintained for units at the Wiley H. Bates Senior Housing Complex, a Section 8 project-based development. The HCAAC also maintains separate waiting lists for the Thomas Pumphrey House and Oakleaf Villas, both of which are facilities managed by the Housing Corporation of Anne Arundel County. These facilities provide supportive services to at-risk populations who require housing choice vouchers. Applicants for these programs must meet stringent requirements and are ranked by date and time of application only.

Finally, the HAAC maintains a separate waiting list for transitional housing programs utilizing housing choice vouchers. These programs are established with service providers in the County who offer site-based support to stabilize at-risk populations. The service provider refers applicants, and preference will be based upon date and time of application only.

The Admin Plan outlines the requirements and procedures for informal reviews for applicants who have been denied assistance and for informal hearings for participants or applicants regarding citizenship status. All ineligible applicants must be advised in writing of their rights to these reviews and hearings, and the grounds on which the HCAAC may terminate assistance.

The following policies and procedures were not found within the Section 8 Admin Plan:

- How persons with disabilities would be provided with reasonable accommodation
- How persons with limited English proficiency (LEP) would be assisted to access services provided by the HCAAC
- How mixed families would qualify for assistance, including a definition for mixed family
- Portability of vouchers, including the possibility of a higher payment standard for high cost areas and the ease with which voucher holders can move throughout the region without regulatory restrictions.



**OBSERVATION:** HCAAC has adopted a free-standing reasonable accommodation policy which has been reviewed and approved by HUD. However, HCAAC's Section 8 Admin Plan does not include detailed policies for providing reasonable accommodation to persons with disabilities, access to services by persons with limited English proficiency (LEP), providing assistance to mixed families (including a definition of the term "mixed family"), and portability provisions that provide a higher payment standard for high-cost areas and encourage mobility throughout the greater Baltimore region.

**xv. Public Housing Admission and Continued Occupancy Plan (ACOP)**

The ACOP was revised on April 16, 2007 by HCAAC. The document includes a fair housing policy that states the Commission's intent to comply fully with all federal, state and local non-discrimination laws and operate in accordance with the rules and regulations governing fair housing and equal opportunity in housing and employment. Specifically, HCAAC pledges that it will "not on account of race, color, sex, religion, creed, national ethnic origin, age, family or marital status, handicap or disability, deny any family or individual the opportunity to apply for or receive assistance under the Public Housing Program within the requirements of the HUD regulations."

HCAAC furthers its commitment to full compliance with the civil rights laws by providing federal, state and local information to program participants regarding discrimination and any recourse available to them should they experience discrimination. This information is made available during the briefing session when all applicable fair housing information, including Discrimination Complaint forms, are provided to new tenants.

Applicants for public housing must qualify as a family. In the Revised Glossary on page 33 in the ACOP, the term "family" includes a single persons or a group of persons. A single person family includes an elderly person, a disabled person, a displaced person, or any other single individual. A group of persons may include a family with a child or children, a group of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides. However, in Section IV.B., the term "family applicant" is defined as "two or more persons who will live together regularly in the dwelling unit and are: related by blood; married or co-habitants (as defined in the glossary); or, adopted." The term "co-habitants" is defined as "two or more persons of the opposite sex, who at the time of application, have been living together as a family in a stable relationship."

**OBSERVATION:** The different definitions for “family” and “family applicant” should be reconciled so that there are no distinctions between the two terms. And, the phrase “of the opposite sex” should be removed from the definition of “co-habitants” because this language discriminates on the basis of sexual orientation. The Maryland Human Rights Act includes protection against discrimination based on sexual orientation.

HCAAC has established the following preferences when admitting tenants to the public housing program:

- Living in substandard housing, including homeless families – 3 points
- Involuntary displacement, including domestic violence victims – 3 points
- Paying in excess of 50% of income for rent – 3 points.

Secondary or local preferences also adopted by HCAAC include:

- Living or working in Anne Arundel County – 1 point
- Working family (unless elderly or disabled) – 1 point.

HCAAC also maintains public housing units for Congregate Housing Services Program (CHSP) in conjunction with the Anne Arundel County Department on Aging to assist elderly tenants who require food services and transportation in order to maintain an independent lifestyle.

Applicants who are identified for this program are given preference in placement over other seniors not requiring these services. Applicants identified for CHSP, however, must meet all other federal requirements established for placement in public housing.

If an applicant for a public housing unit refuses an HCAAC offer of an available unit for a reason other than a valid socio-economic, medical or other valid concern, the applicant is placed at the bottom of the waiting list.

**OBSERVATION:** Public housing applicants with a valid socio-economic, medical or other valid reason for not accepting the unit offered by HCAAC are given an opportunity to refuse the unit without being moved to the bottom of the waiting list. All other applicants are moved to the bottom of the waiting list if they do not accept the unit offered. Applicants should be given the opportunity to refuse a unit at least twice before being moved to the bottom of the list. This provides applicants with greater housing choice.

HCAAC's pet policy states that residents living in public housing may keep a pet on the premises if they have executed a special Addendum to the Lease for pets and adhere to the provisions of the adopted pet addendum. The Addendum includes specific limitations on the type, size and number of pets residents may keep, but no part of the policy applies to animals that are used to assist persons with disabilities, so long as the pets are properly certified.

The HCAAC policy describes the process for filing a grievance when a decision is made against an applicant. All residents and applicants have the right to appeal decisions or actions of the HCAAC through application of its grievance procedures.

These procedures were reviewed and were found to be generally fair for all parties, allowing residents both informal and formal systems for resolving complaints. Residents who request a formal grievance hearing may propose several convenient dates and times in scheduling it with HCAAC. Hearings are conducted by one of a slate of hearing officers who are Resident Council officers nominated by the HCAAC. The 12 nominations are submitted to all resident organizations for comment before the nominees are selected as hearing officers or panel members.

Decisions of the hearing panel or officer are binding on the PHA unless the Board of Commissioners overrides the decision within 10 working days. The Board can only do so for reasons specified in the procedures addendum, such as the decision's incompatibility with law. The procedures do not include steps by which a complainant can appeal a hearing outcome directly to the Board, but state that decisions denying the requested relief do not constitute a waiver of the complainant's rights to a trial or judicial review in any court proceedings that may be brought later.

**OBSERVATION:** The HCAAC's ACOP should include detailed policies for providing reasonable accommodation to persons with disabilities, access to services by persons with limited English proficiency (LEP), and providing assistance to mixed families, including a definition of the term "mixed family."

## **B. Private Sector**

### **i. Real Estate Practices**

Anne Arundel County is served by the Anne Arundel County Association of Realtors. New members receive instruction in fair housing as part of the licensing requirements of the Maryland Division of Occupational and Professional Licensing. Prior to taking the real estate exams, each applicant is required to accumulate 60 hours of classroom instruction. Additionally, each agent must renew his or her license every two years. Between six and 15 hours of specified continuing education courses are required for license renewal. Fair

housing training is required as part of the continuing education coursework. Fair housing classes are taught by education providers licensed through the Maryland Real Estate Commission. There are eight such providers in Anne Arundel County, including one in Annapolis, three in Severna Park, two in Glen Burnie and two in Pasadena.

The Association provides fair housing information through weekly newsletters and a regularly updated website, and members receive e-mail updates containing new information as it becomes available. Members of the Association are referred to the Maryland Association of Realtors website and the National Association of Realtors website for additional information on fair housing.

The Association has a procedure for dealing with alleged ethics breaches that is consistent with the National Association of Realtors' Code of Ethics and Standards of Practice. When an injured party files a complaint with the Association, the complaint is reviewed by an appointed grievance committee. The committee conducts a professional standards hearing in which it renders an opinion on whether the complaint is justified. When it is determined that a violation has occurred, the case is referred to the Maryland Real Estate Commission. According to the Association, there have been no complaints filed with the Realtors within the past few years.

While the Association does not provide license education, it does conduct fair housing educational services for members about twice monthly. These classes, usually taught by the Association's Realtors, are provided to assist members in meeting continuing education requirements.

Members of the Anne Arundel County Association of Realtors participate in a regional multi-list form that does include a description of a dwelling's accessibility features that could be used to market the property to persons with disabilities. This is a searchable feature within the database. All brokers in the area are permitted to participate in the multi-list service.

Although the Association states that members of the protected classes are members of the Board of Directors, no detailed data is maintained by the Association on the race, ethnicity or disability status of members. No specific programs are currently targeted to attract, train or assist women, minorities or persons with disabilities in developing careers in real estate sales. However, the Association reported in an AI survey that opportunities for members of the protected classes to become brokers are available on the same basis as opportunities for Whites, males and persons without disability.

**OBSERVATION:** For many homebuyers, the initial introduction to the community is their real estate salesperson. Diversity among local Realtors will reflect a community that seeks to accommodate and welcome everyone, including all members of the protected classes. However, the extent of diversity amongst the Anne Arundel County Association of Realtors is unknown due to a lack of data. Furthermore, if affirmative recruitment efforts are not made to attract members of the protected classes to the real estate industry, the County and the Association of Realtors are missing an important opportunity to expand fair housing choice.

**ii. Home Mortgage Financing**

Under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution that makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). The HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn, or incomplete by race, sex, and income of the applicant. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending practices and patterns.

The most recent HMDA data available for Anne Arundel County is from 2008. Reviewing this data, along with 2007 and 2006 records, helps to determine the need to encourage area lenders, other business lenders, and the community at large to actively promote existing programs and develop new programs to assist residents in securing home mortgage loans for home purchase. The data focuses on the number of homeowner mortgage applications received by lenders for home purchase of one- to four-family dwellings and manufactured housing units in the County. The information provided by race and sex is for the primary applicant only. Co-applicants were not included in the analysis. In addition, where no information is provided or categorized as not applicable, no analysis has been conducted due to lack of information. Figure 3-7 summarizes three years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

**Figure 3-7**  
**Summary of Mortgage Loan Activity in Anne Arundel County, 2006-2008**

	2006		2007		2008	
	#	%	#	%	#	%
<b>Total loans</b>						
<b>Applied for</b>	<b>17,183</b>	<b>100.0%</b>	<b>12,230</b>	<b>100.0%</b>	<b>7,204</b>	<b>100.0%</b>
Black	3,112	18.1%	1,755	14.3%	867	12.0%
White	11,212	65.3%	8,508	69.6%	5,114	71.0%
Asian	607	3.5%	402	3.3%	239	3.3%
Hispanic*	1,564	9.1%	684	5.6%	236	3.3%
Other race	127	0.7%	94	0.8%	60	0.8%
No information/NA	2,125	12.4%	1,471	12.0%	924	12.8%
<b>Originated</b>	<b>12,393</b>	<b>72.1%</b>	<b>8,653</b>	<b>70.8%</b>	<b>5,159</b>	<b>71.6%</b>
Black	2,029	65.2%	1,035	59.0%	550	63.4%
White	8,577	76.5%	6,350	74.6%	3,826	74.8%
Asian	452	74.5%	274	68.2%	162	67.8%
Hispanic*	1,109	70.9%	465	68.0%	151	64.0%
Other race	77	60.6%	64	68.1%	48	80.0%
No information/NA	1,258	59.2%	930	63.2%	573	62.0%
<b>Denied</b>	<b>1,854</b>	<b>10.8%</b>	<b>1,472</b>	<b>12.0%</b>	<b>753</b>	<b>10.5%</b>
Black	516	16.6%	394	22.5%	160	18.5%
White	994	8.9%	831	9.8%	446	8.7%
Asian	49	8.1%	46	11.4%	34	14.2%
Hispanic*	228	14.6%	116	17.0%	30	12.7%
Other race	15	11.8%	16	17.0%	4	6.7%
No information/NA	280	13.2%	185	12.6%	109	11.8%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications do not include loans purchased by another institution. Other application outcomes include approved but not accepted, withdrawn and incomplete.

\* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2006-08

The most obvious trend in 2006-08 HMDA data for Anne Arundel is the steep drop in the number of loan applications during those years. This can be attributed primarily to stagnating home sales rates in the County that coincide with the national housing market crisis. The number of loan applications dropped by 4,953 (28.8%) from 2006 to 2007, then fell by an additional 5,026 (41.1%) in 2008. At the same time, the share of Black applicants fell even more precipitously, by 72.1% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the three years, the percentage of applications that resulted in loan originations decreased slightly for almost all racial and ethnic groups. The percentage of applications that were successful decreased 1.8% for Black applicants, 1.7% for White applicants, 6.7% for Asian applicants, and 6.9% for Hispanic applicants. The only racial or ethnic group to see an increase in originations was those of another race (consisting of American Indian/Alaska Native and Hawaiian applicants), whose originations increased 19.4%.

The number of overall application denials also decrease slightly between 2006 and 2008. The percentage of applications denied increased 1.9% for Black households and 6.1% for Asian households. Denials decreased 0.2% for White households, 1.9% for Hispanic households, and 5.1% for households of another race.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available. Figure 3-8 contains 2008 summary data.

**Figure 3-8**  
**2008 Summary Report Based on Action Taken Mortgage Data**

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
<b>Loan Type</b>										
Conventional	4,624	64.2%	3,117	67.4%	375	8.1%	559	12.1%	573	12.4%
FHA	1,850	25.7%	1,437	77.7%	73	3.9%	159	8.6%	181	9.8%
VA	728	10.1%	604	83.0%	18	2.5%	34	4.7%	72	9.9%
FSA/RHS	2	0.0%	1	50.0%	-	0.0%	1	50.0%	-	0.0%
<b>Loan Purpose: Home Purchase</b>										
One to four-family unit	6,946	96.4%	5,092	73.3%	415	6.0%	620	8.9%	819	11.8%
Manufactured housing unit	258	3.6%	67	26.0%	51	19.8%	133	51.6%	7	2.7%
<b>Applicant Race</b>										
American Indian/Alaska Native	30	0.4%	23	76.7%	-	0.0%	3	10.0%	4	13.3%
Asian/Pacific Islander	239	3.3%	162	67.8%	19	7.9%	34	14.2%	24	10.0%
Hawaiian	30	0.4%	25	83.3%	-	0.0%	1	3.3%	4	13.3%
Black	867	12.0%	550	63.4%	55	6.3%	160	18.5%	102	11.8%
Hispanic**	236	3.3%	151	64.0%	27	11.4%	30	12.7%	28	11.9%
White	5,114	71.0%	3,826	74.8%	322	6.3%	446	8.7%	520	10.2%
No information	920	12.8%	570	62.0%	70	7.6%	108	11.7%	172	18.7%
Not applicable	4	0.1%	3	75.0%	-	0.0%	1	25.0%	-	0.0%
<b>Applicant Sex</b>										
Male	4,545	63.1%	3,313	72.9%	292	6.4%	448	9.9%	492	10.8%
Female	2,169	30.1%	1,533	70.7%	138	6.4%	249	11.5%	249	11.5%
No information	485	6.7%	310	63.9%	36	7.4%	55	11.3%	84	17.3%
Not applicable	5	0.1%	3	60.0%	-	0.0%	1	20.0%	1	20.0%
<b>Total</b>	<b>7,204</b>	<b>100.0%</b>	<b>5,159</b>	<b>71.6%</b>	<b>466</b>	<b>6.5%</b>	<b>753</b>	<b>10.5%</b>	<b>826</b>	<b>11.5%</b>

Source: Federal Financial Institutions Examination Council, 2008

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from

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

\*\* Hispanic ethnicity is counted independently of race.

### 1) Households by Race

In 2008, 7,204 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in Anne Arundel County. Of these applications:

- 71.0% (5,114) of the applications was submitted by White households.
- 12.0% (867) were submitted by Black households.
- 3.3% (236) were submitted by Hispanic households. HMDA data classifies Hispanics as an ethnic group and not a race. Therefore, this data overlaps with persons classified under a specified race.



- 3.3% (239) were submitted by Asian/Pacific Islander households.
- 0.8% (60) of the applications were submitted by households of other races.

Race/ethnicity data was not included for 924 applications (12.9%).

## 2) Conventional Loans versus Government Backed Loans

Loan types in 2008 included conventional mortgage loans and a variety of government-backed loans, including FHA, VA, and FSA/RHS. Comparing these loan types helps to determine if the less stringent underwriting standards and lower down payment requirements of government-backed loans expand home ownership opportunities. In Anne Arundel:

- 35.8% (2,580) of the households that applied for a mortgage loan applied for a government-backed loan. This is a large increase from 4.0% in 2006. Of those, the majority (71.8%) applied for FHA loans.
- The denial rate for FHA loans was lower than that of conventional loans.

The denial rate for FHA loans was 8.6% (159 of 1,850), while the denial rate for VA-guaranteed loans was 4.7% (34 of 728).

The denial rate for conventional loans was 12.1%.

## 3) Denial of Applications

In 2008, the mortgage applications of 753 households in Anne Arundel were denied (10.5%). Denial reasons were given for 622 of the applications and are detailed in Figure 3-9.

**Figure 3-9**  
**Reasons for Mortgage Application Denial, 2008**

Primary Reason for Denial	#	%
Credit history	138	22.2%
Collateral	77	12.4%
Ratio of debt to income	175	28.1%
Other	80	12.9%
Credit application incomplete	50	8.0%
Unverifiable information	37	5.9%
Insufficient cash	40	6.4%
Employment history	22	3.5%
Mortgage insurance denied	3	0.5%
<b>Total</b>	<b>622</b>	<b>100.0%</b>

Credit history, collateral and unsatisfactory debt-to-income ratios are some of the major reasons for denial of home mortgage applications throughout Anne Arundel. Therefore, there may be opportunities for lenders to focus on these problems and work with applicants to address these concerns.

### *Applications Denied by Race and Ethnicity*

Black households had the highest mortgage denial rate at 18.5%, or 160 of 867 applications submitted. White households were far more likely to receive loans, as only 8.7% of applications were denied. Details for 2008 appear in Figure 3-9.

**Figure 3-10**  
**Denials by Race/Ethnicity, 2008**

Race/Ethnicity	Total Applications	Number of Denials	Denial Rate
Black	867	160	18.5%
Asian	239	34	14.2%
Not Provided	924	109	11.8%
Am. Indian/Alaska Native	30	3	10.0%
Hispanic*	236	30	12.7%
White	5,114	446	8.7%
Hawaiian	30	1	3.3%

\* Hispanic ethnicity is counted independently of race.

Between 2006 and 2008, the distribution of denials by race and ethnicity displayed a number of different patterns, as shown in Figure 3-10. Black households consistently had the highest denial rates, and denial rates remained consistently low for White households. The rate of denials for other racial and ethnic minorities varied considerably over the three years.

**Figure 3-11**  
**Denial Rates by Race/Ethnicity, 2008**

	2006	2007	2008
Total	11%	12%	10%
Black	17%	22%	18%
White	9%	10%	9%
Asian	8%	11%	14%
Hispanic	15%	17%	13%
Other race	12%	17%	7%

#### *Applications Denied by Income*

In 2008, the HUD median family income (MFI) in Anne Arundel was \$78,200. For this analysis, lower-income households include those with incomes between 0%-80% of MFI, while upper-income households include households with incomes above 80% MFI.

Applications made by lower-income households accounted for 36.4% of all denials in 2008, though they accounted for only 21.6% of total applications.

**Figure 3-12**  
**Denials by Income, 2008**

Income Level	Total Applications	Denials	Denial Rate
Below 80% MFI	1,553	274	17.6%
At least 80% MFI	5,585	471	8.4%
No information	66	8	12.1%
<b>Total</b>	<b>7,204</b>	<b>753</b>	<b>10.5%</b>

### Denial Data by Income Level and Race

Of the 753 applications that were denied by area lending institutions, 745 reported household income. Among all lower-income households in Anne Arundel, the denial rate was highest for Black households (21.4%). (Hawaiian households had a denial rate of 50%; however, this should not be considered representative because there were only two lower-income applications in this racial group.) White households had, by far, a lower denial rate at 16.4%.

**Figure 3-13**  
**Denials for Upper-Income Applicants, 2008**

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	224	48	21.4%
Asian	59	12	20.3%
Am. Indian/Alaska Native	6	1	16.7%
Hispanic*	68	13	19.1%
White	1,080	177	16.4%
Hawaiian	2	1	50.0%
Not Provided/NA	182	35	19.2%
<b>Total</b>	<b>1,553</b>	<b>274</b>	<b>17.6%</b>

\* Hispanic ethnicity is counted independently of race.

Among applications submitted by upper-income households, denial rates are also higher for minorities. Black Households were denied at a rate of 17.4%, compared to the rate of 6.7% for White households. Notably, the denial rate for upper-income Black households (17.4%) is higher than the denial rate for lower-income White households (16.4%).

**Figure 3-14**  
**Denials for Lower-Income Applicants, 2008**

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	637	111	17.4%
Asian	179	21	11.7%
Not Provided/NA	723	70	9.7%
White	3,996	268	6.7%
Hispanic*	167	17	10.2%
Am. Indian/Alaska Native	22	1	4.5%
Hawaiian	28	0	0.0%
<b>Total</b>	<b>5,585</b>	<b>471</b>	<b>8.4%</b>

\* Hispanic ethnicity is counted independently of race.

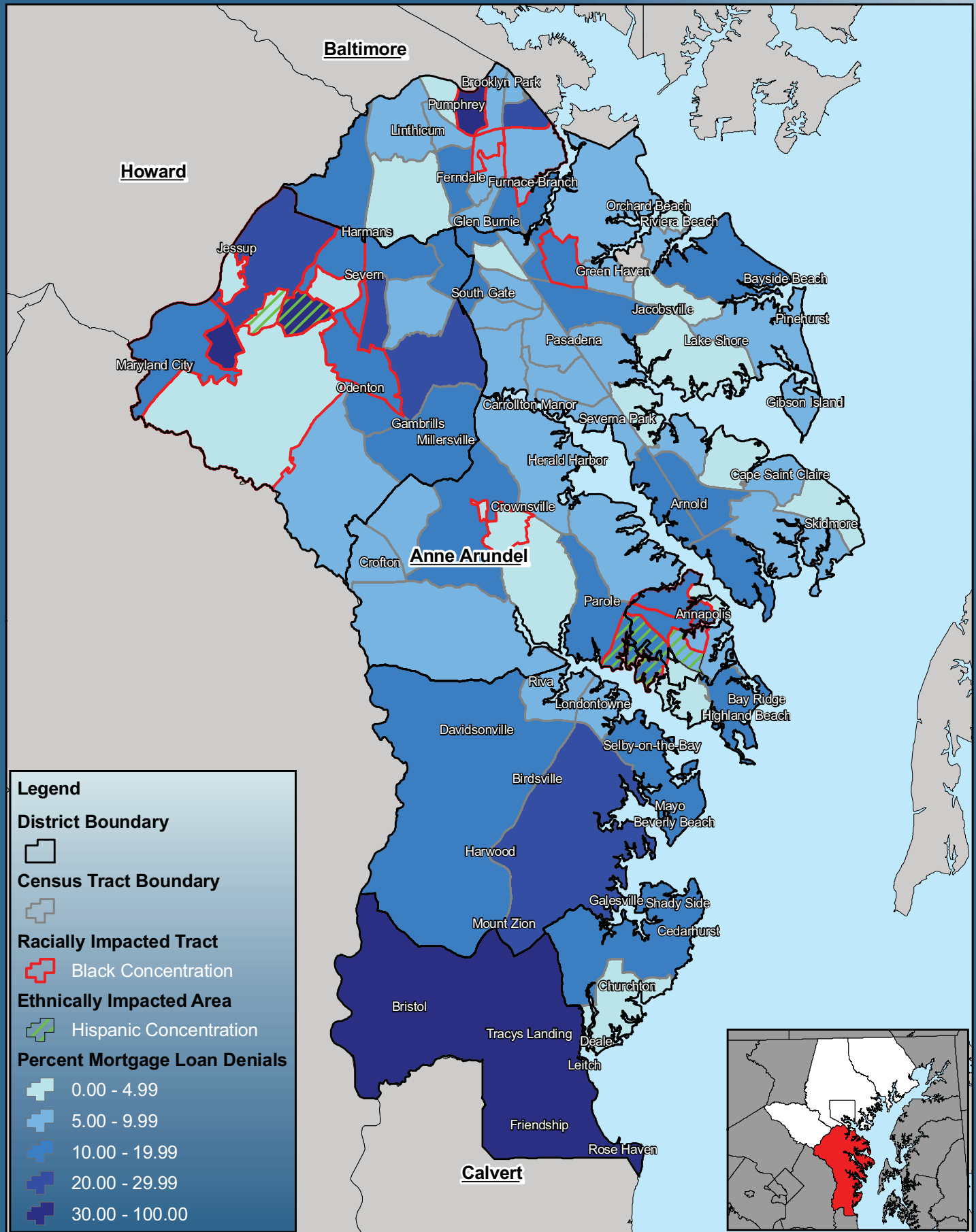
**OBSERVATION:** Upper-income Black households in Anne Arundel County were denied mortgage loans at a slightly higher rate (17.4%) than lower-income White applicants (16.4%)

### Denial Data by Census Tract

The HMDA data for the Anne Arundel County was analyzed to determine if a pattern of loan denials exists by census tract. Map 11 on the following page provides an overview of the geographic distribution

# Map 11: Mortgage Denial Rate by Census Tract in Anne Arundel County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



of denial rates. Of all tracts with at least 10 applications, denial rates exceed 30% in two. Tract 7080, which HMDA reports as 14.6% minority, had 48 denials among 135 applications (35.6%); and tract 7502.01, which was 34.6% minority, had 11 denials among 36 applications (30.6%).

### iii. High-Cost Lending

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers.<sup>22</sup> The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, Housing Mortgage Disclosure Act data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

<sup>22</sup> HMDA analyses in metropolitan areas across the United States have provided evidence that minority groups pay more for their mortgages. For example, a 2007 analysis by New York University’s Furman Center for Real Estate and Urban Policy found that Black- and Hispanic-majority neighborhoods were more likely to borrow from a subprime lender than White-majority neighborhoods with similar income levels. Also in 2007, the NAACP sued two of the nation’s largest mortgage lenders, HBC and Wells Fargo, for “systematic, institutionalized racism” in lending, including giving subprime rates to Black customers who qualified for better rates while giving better rates to White customers. This type of mortgage discrimination has been alleged in a growing number of cities.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

In 2008, 4.9% (254) of the 5,159 home purchase loans that were originated in Anne Arundel County and provided income information were high-cost. The following chart shows the distribution of high cost loan originations by race and by income for three years.

**Figure 3-15**  
**Distribution of High-Cost Mortgage Loans by Race/Ethnicity and Income, 2008**

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2006	Am. Indian/Alaska Native	5	0	0.0%	25	7	28.0%
	Asian	38	2	5.3%	391	83	21.2%
	Black	295	105	35.6%	1,583	717	45.3%
	Hawaiian	5	1	20.0%	38	10	26.3%
	White	1,054	162	15.4%	6,913	1,332	19.3%
	No information/NA	143	36	25.2%	1,031	244	23.7%
	Hispanic*	82	32	39.0%	810	411	50.7%
<b>Total</b>		<b>1,540</b>	<b>306</b>	<b>19.9%</b>	<b>9,981</b>	<b>2,393</b>	<b>24.0%</b>
2007	Am. Indian/Alaska Native	2	0	0.0%	23	3	13.0%
	Asian	28	3	10.7%	241	21	8.7%
	Black	212	24	11.3%	794	191	24.1%
	Hawaiian	6	0	0.0%	33	4	12.1%
	White	1,019	105	10.3%	5,164	427	8.3%
	No information/NA	117	12	10.3%	793	65	8.2%
	Hispanic*	80	16	20.0%	352	86	24.4%
<b>Total</b>		<b>1,384</b>	<b>144</b>	<b>10.4%</b>	<b>7,048</b>	<b>711</b>	<b>10.1%</b>
2008	Am. Indian/Alaska Native	3	0	0.0%	20	1	5.0%
	Asian	35	1	2.9%	127	2	1.6%
	Black	139	11	7.9%	410	41	10.0%
	Hawaiian	1	0	0.0%	24	2	8.3%
	White	712	54	7.6%	3,085	124	4.0%
	No information/NA	97	5	5.2%	471	13	2.8%
	Hispanic*	39	2	5.1%	111	8	7.2%
<b>Total</b>		<b>987</b>	<b>71</b>	<b>7.2%</b>	<b>4,137</b>	<b>183</b>	<b>4.4%</b>
<b>Three-Year Totals</b>		<b>3,911</b>	<b>521</b>	<b>13.3%</b>	<b>21,166</b>	<b>3,287</b>	<b>15.5%</b>

Note: Does not include loans for which no income data was reported: 872 in 2006, 221 in 2007, 35 in 2008

\* Hispanic ethnicity is counted independently of race.

Of the 26,205 applications for which loans were originated for the three years spanning 2006 and 2008, 25,077 included data on household income. Of this total, 3,911 reported household incomes at or below 80% of the median family income, and 521 of these lower-income households, 13.3%, had high-cost loans. The rate of high-cost loans for higher-income households is higher, at 15.5%, including 3,287 of 21,166 higher-income households. Breaking these figures down by year, however, reveals that this has not been the case in recent years. Only in 2006 were high-cost loans higher for upper-income households: 24.0% versus 19.9% for lower-income households. In 2007 and 2008, the trend reversed, and lower-income households had a higher rate of high-cost

loans: 10.4% and 7.2% versus 10.1% and 4.4% for upper-income households.

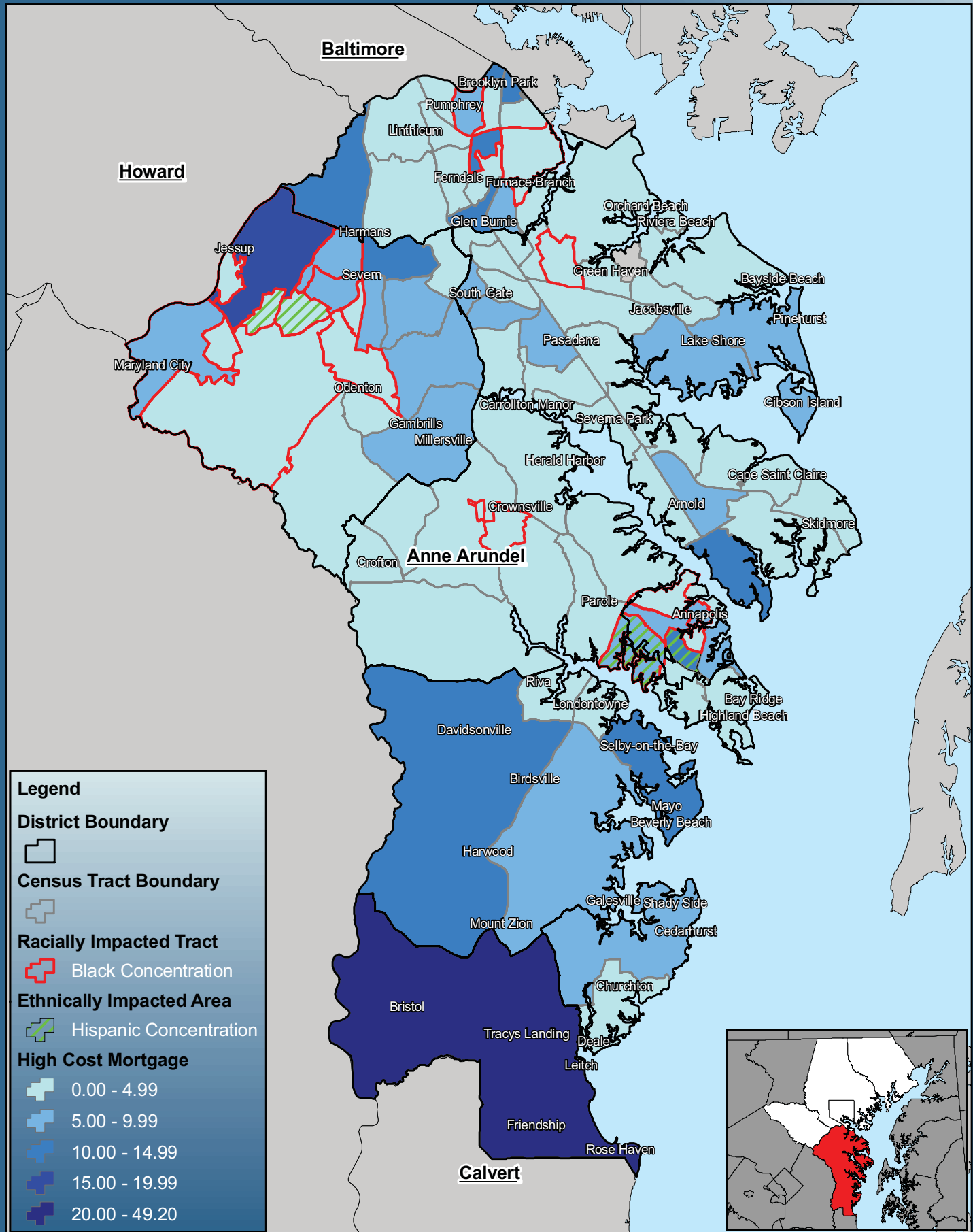
Notably, the percentage of high-cost originations declined each year, along with the total number of originations and applications. This could be due to policy changes that have limited subprime lending and/or to the necessity for lenders to make rates more competitive as the total number of applications dropped.

As high-cost loans have fallen, so too have the discrepancies in high-cost loan rates between racial and ethnic groups. However differences still remain. An analysis of loans in Anne Arundel County by race and ethnicity reveals that Blacks and Hispanics are overrepresented in high-cost lending. Of the 4,137 loans originated for upper-income applicants, Black households represent 28.9% of high-cost loans, but only 13.2% of all originations. Similarly, Hispanic households represent 15.4% of high-cost loans, but only 6.0% of originations. For lower-income applicants, Black households represent 26.9% of high-cost loans, but only 16.5% of all originations. Similarly, Hispanic households represent 9.6% of high-cost loans, but only 5.1% of originations. White and Asian applicants have consistently had lower rates of high-cost loans across all three years and both income groups.

Analyzing high-cost lending by census tract can identify areas where there are disproportionately larger numbers of high-cost loans. Map 12 on the following page displays the distribution of high-cost loans across Anne Arundel County for 2008. Most census tracts in which mortgages were originated had one to five high-cost loans. The highest high-cost loan percentage among tracts with at least 10 loans was tract 7080, in which 29 of 59 loans (49.2%) qualified as high-cost. This was the exception, as no other tract with at least 10 loans had a high-cost loan rate higher than 18%.

**OBSERVATION:** Black and Hispanic mortgage holders in Anne Arundel County were consistently more likely to have high-cost loans than White mortgage holders. This pattern is consistent with mortgage discrimination.





## **4. ASSESSMENT OF CURRENT FAIR HOUSING POLICY, PROGRAMS AND ACTIVITIES**

### **A. Current Fair Housing Policy**

The practice of fair housing is a goal that government, public officials and private citizens must achieve if equality of opportunity is to become a reality. In other words, genuine fair housing choice is a goal that is clearly stated in public policy documents and demonstrated through a wide range of implementing initiatives. The local decision-making process is viewed through a “fair housing filter” that evaluates the significance of policies, actions, plans, permits, approvals and funding choices. Many policy documents were reviewed for this AI to determine the extent to which the Urban County has incorporated fair housing policy into various aspects of its governance.

In its 2006-2010 Consolidated Plan, the County established a set of priorities for project funding that, among other aims, concentrate housing and community development activities in three neighborhood revitalization areas: Brooklyn Park, Severn and Glen Burnie. Accordingly, CDBG and HOME expenditures during the last five years have increased the availability of affordable renter and owner units for low/moderate-income and special needs households, but disproportionately so in impacted areas. In order to advance housing choice, the County should seek to strike the right balance between reinvestment and redevelopment in impacted areas versus development of new housing opportunities outside of impacted areas.

The citizens appointed to boards and commissions involved in housing-related decisions in the Urban County were reviewed. Generally, racial minorities are represented among board membership to the extent that they exist in the general population. However, women, persons with children and disabled persons are currently underrepresented. Adding the perspectives, opinions and experiences of more members of the protected classes on these panels would increase opportunities to incorporate affirmatively furthering fair housing into the County’s daily decision-making processes.

The County’s Comprehensive Plan is its most encompassing document that guides land use and the potential creation of fair housing choice for members of the protected classes. A thorough analysis of the Plan revealed a dearth of undeveloped land zoned by right for medium- and high-density housing, which effectively limits affordable housing choice. This, in turn, disproportionately restricts housing choice for members of the protected classes. The Plan acknowledges a need to provide a variety of housing opportunities to serve the full range of housing needs in the County, including affordable housing, but the Plan does not address unmet lower-income housing needs other than workforce housing and first-time homeownership. The absence of specific policies and strategies to address the needs of members of the protected classes limits fair housing choice.

Additionally, two policy documents specifically address issues of fair housing and equal opportunity. The County’s Executive Order 26 and Fair Housing Plan are analyzed in this section.

**i. Executive Order 26**

The County does not have a fair housing ordinance, but operates according to Executive Order 26 of January 2008, which defines the responsibilities of the Human Relations Commission and prohibits discrimination on the basis of race, creed, religion, physical or mental handicap, color, sex, national origin, age, occupation, personal appearance, political opinion, sexual orientation or marital status. During the development of the AI, Commission staff members reported that the lack of an ordinance has made it difficult to cultivate an environment of fair housing awareness and accountability.

There was a general sentiment among stakeholders interviewed during the development of the AI that fair housing is not a “hot button” issue, a fact that would make a potential fair housing ordinance – and particularly the potential costs of enforcement – a tough political sell. The Commission receives housing discrimination complaints only rarely, which staff members have interpreted to mean either that there is no pressing need for enforcement or that complaints go unreported at the County level due to the County’s inability to enforce its discrimination rules. However, Anne Arundel County remains the only county in the region without enforcement ability. The provisions of Executive Order 26 are well-intentioned, but effectively useless unless enforced.

**OBSERVATION:** The County has established protected classes beyond those categories covered at the state and federal level, but due to the absence of County enforcement authority, the County cannot effectively address any cases of housing discrimination that might occur on these grounds.

**ii. Fair Housing Plan to Address Identified Impediments**

In 2005, Anne Arundel County published a long-term Fair Housing Plan to update a 2000 edition of the Fair Housing Plan produced in response to the 1996 regional AI. This update was developed during a yearlong research and planning process with the goal of evaluating the extent to which the impediments still impacted the fair housing environment in the County.

The Plan provides updates on the County’s strategy to address each impediment identified in the 1996 AI. Additionally, it outlines continuing goals to improve the County’s fair housing environment. The following is a summary of the 2005 Fair Housing Plan, as sorted into responses to each impediment.

- **Lack of Compliance with Accessibility Guidelines**

The Plan concluded that this impediment to fair housing choice had been eliminated by the County’s actions to establish systems and programs designed to promote compliance among developers. Specifically, this includes a policy requiring that all plans for public, commercial and multifamily developments must be reviewed by trained staff members of

the County for compliance with the Americans with Disabilities Act; an outreach and education program facilitated by the County's ADA Coordinator; and the creation of the County Commission on Disability Issues. Through these efforts, training and knowledge regarding ADA standards have grown extensively in Anne Arundel County.

- **Lack of an Inventory for Accessible Multifamily Housing**

The 1996 AI reported a lack of available, accessible multifamily units in the County. While many apartment complexes offer accessible units, locating them can be difficult and time-consuming for renters. The Plan acknowledged that an inventory of apartments in the County, including accessibility features, had been published since 1990. However, at the time of the Plan's publication, the apartment inventory was published on an irregular basis and faced possible discontinuation. The Plan's goal to address this impediment, along with more training for those providing referrals at the Commission on Disabilities, was to publish the inventory on a regular basis or find alternative means of disseminating this information.

- **Lack of Supply of Affordable, Accessible Housing**

In order to address the insufficient availability of housing units appropriate for persons with disabilities, the Plan recommended that the County continue a set of actions aimed to maintain and increase supply. The Plan called for a continued annual allocation of \$100,000 to \$150,000 in CDBG funds for making accessibility improvements to existing homes, acquiring properties to be used as group homes for disabled persons, rehabilitating and stabilizing existing group homes for disabled persons, collaborating with community partners to modify, maintain and develop housing for disabled persons, and continuing the Housing Commission's landlord education program to increase acceptance of voucher holders with disabilities.

- **Lack of Supply of Affordable Rental, Homeownership and Special Needs Housing**

The rising value of housing in Anne Arundel County has continued to affect the ability of low- and moderate-income (LMI) persons to secure decent accommodations. The 1996 AI identified this as a fair housing issue due to the disproportionate representation of protected classes in the County's LMI population. The Plan states, therefore, that increasing and maintaining the supply of affordable housing is a major element in the County's fair housing strategy. To achieve this end, the Plan proposed that Anne Arundel County should do the following:

- Continue to use federal, state and County funds to construct, acquire and rehabilitate rental housing, as well as stabilize and expand the supply of affordable homeownership opportunities
- Continue to fund programs that help first-time homebuyers purchase homes

- Seek additional resources to assist first-time LMI homebuyers through cooperative partnerships with lenders and developers
  - Continue to affirmatively market all affordable homeownership programs to minority communities
  - Improve the coordination of housing and services for persons with special needs through the Continuum of Care Planning Group and the HOPWA working group
  - Continue to use federal, state and local funds to increase the supply of housing for persons with special needs through such programs as acquisition/rehabilitation, rental subsidy and the provision of permanent supportive housing for homeless individuals and families
- Disparity between Minorities and Non-Minorities in Obtaining Mortgages

The 1996 AI revealed that racial and ethnic minorities were denied home mortgage loans at a significantly higher rate than non-minorities, but concluded that this was primarily a function of disparate income levels and not discrimination. Nonetheless, the Plan cited the phenomenon as an impediment to homeownership among minorities in Anne Arundel County and therefore an impediment to fair housing choice. To address the disparity, the Plan called for increasing the mortgage approval rate of low-income homebuyers, particularly minorities, by continuing the Homeownership Counseling and Mortgage Assistance programs, affirmatively marketing homeownership opportunities and maintaining HUD-certified Housing Counseling Agency accreditation in providing first-time homebuyer and foreclosure prevention counseling.

- Shortage of Landlords Accepting Rental Subsidies

In response to a need to involve more landlords in the various rental assistance programs administered by the Housing Commission, the Plan recommended that the County continue to support the Commission's efforts to provide a landlord education program and continue to participate in the regional fair housing group, for which this issue is an area of focus.

- Lack of Fair Housing Education and Outreach

The 1996 AI pointed out that while fair housing education occurs in the County, no entity is specifically charged with the responsibility of ensuring that a comprehensive fair housing education program is carried out. At the time of the Plan, fair housing education and outreach efforts were carried out by Arundel Community Development Services and the Community Action Partnership through the homeownership counseling program; Housing Commission workshops to increase landlord participation in rental assistance programs; continuing education under the auspices of the Maryland Association of Realtors and a County/ACDS-sponsored Homeownership Fair. The 1996 AI and HUD

suggested funding fair housing organizations to carry out educational programs, so the County contracted with the Greater Baltimore Housing Resource Board to develop fair housing materials specific to Anne Arundel County. These included a general fair housing rights brochure, a Spanish language brochure and a brochure targeted toward persons with disabilities. The Plan acknowledged an unmet need for a comprehensive program and outlined actions in response, including the establishment of a Fair Housing Planning Group to work with County agencies and local organizations to develop a comprehensive strategy.

- **Lack of Resources for a Fair Housing Ordinance**

The 1994 AI identified the County's lack of a fair housing ordinance as an impediment. The 2005 Plan reports that an ordinance had still not been adopted, though the County had taken some steps to further explore the issue. According to the Plan, a majority of citizens still did not identify fair housing as a major issue in need of increased political attention and resources, ergo, the lack of an ordinance and the resources that would be needed to enforce it still constituted an impediment.

Following the 2001 Fair Housing Plan, the County contracted with a fair housing consultant to study the feasibility of an ordinance. The consultant concluded that a fair housing ordinance would be beneficial, but also costly, and would require greater political will in the County to be successful. As a result, the 2004 Fair Housing Plan recommended that the County continue to focus on its fair housing outreach and education program.

**OBSERVATION:** The County conducts an evaluation of its response to identified impediments to fair housing choice every few years, updating its strategies accordingly. These status reports are useful, but should be based on more frequent and empirical evaluations of the fair housing landscape (i.e. housing market patterns, discrimination complaints data, number of housing units developed outside of impacted areas, etc.).

## **B. Progress since the Previous AI**

The 1994 AI identifying impediments and fair housing strategies for Anne Arundel County was followed by County Fair Housing Plans in 2001 and 2005. All of the County's fair housing strategies since 1994 have been based on the impediments identified in that year's AI. The County's progress toward mitigating those impediments is documented thoroughly in each year's Consolidated Annual Performance and Evaluation Report (CAPER).

The 1994 AI was a cooperative approach involving the same five entitlement jurisdictions in this document: Anne Arundel County, the City of Baltimore, Baltimore County, Harford County and Howard County. The AI included an analysis of demographics and historical settlement patterns across the region. Public policies such as

land use and zoning, transportation, fair housing enforcement and community education and outreach strategies were evaluated. Additionally, market conditions such as mortgage lending and real estate practices are included.

In some cases, the report is overly generalized (to wit: "... it is beyond the scope of this report to identify every zoning requirement or land use policy that has or may have a negative impact on fair housing choice in the region."<sup>23</sup>). However, the impediments in the 1994 AI are derived from a thoughtful review of relevant demographic trends and policy analyses.

Each year, Anne Arundel County reports progress to HUD in resolving each of the impediments, which are listed in the Fair Housing Plan discussion above. In its FY 2009 CAPER, the County provided the latest updates to its documentation on efforts to affirmatively further fair housing:

- The Commission on Disability Issues worked with the County to post on its website a recent Apartment Inventory, listing the addresses, rent by unit size and vacancy of all rental properties with 10 or more units. The County designed a survey instrument to use in developing a new Apartment Inventory.
- The County continued its CDBG-funded Accessibility Modifications program to help individuals with disabilities modify their homes. Additionally, the County rehabilitated group homes for persons with disabilities to preserve accessible, affordable units for this special-needs population. The County worked with a CHDO to acquire and rehabilitate a group home for four homeless adults with disabilities.
- In addition to providing public housing and rental subsidies for lower-income households, the Housing Commission of Anne Arundel County continued its landlord education program to increase landlord acceptance of vouchers, especially those held by persons with disabilities. The Commission increased its number of special-needs vouchers to relieve pressure on the waiting list.
- In FY 2009, Arundel Community Development Services acquired and rehabilitated eight scattered-site townhomes in designated neighborhood revitalization areas. These three LMI neighborhoods, in which some areas are racially impacted, were identified in the 2006-2010 Consolidated Plan. Seven of the eight beneficiary households were minorities.
- The County otherwise developed affordable housing by rehabilitating or reconstructing units through the Property Rehabilitation Program and more specifically targeted Spring Meadows/Stillmeadows Property Rehabilitation Program; the construction of new units for first-time homebuyers; and the conveyance of county-owned surplus lots to ACDS.
- The Homeownership Counseling program served hundreds of beneficiaries. Of the 406 who participated in FY 2009, 60% were minorities. Additionally, ACDS provided down-payment, closing-cost and mortgage write-down assistance to first-time homebuyers. ACDS, the Community Action Partnership and the

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<sup>23</sup> 1994 AI, page 56



Housing Commission maintained HUD-certified Housing Counseling Agency accreditation.

- ACDS homeownership programs were advertised to minorities at churches and community events. Staff extensively marketed its programs in the predominantly minority community of Stillmeadows, holding regular open houses and walking door-to-door to provide community outreach regarding homeownership opportunities. Staff also made presentations at community association meetings and held special introductory housing counseling sessions.
- The County Commission on Human Relations held an open house to provide information about itself and rights under the Fair Housing Act. ACDS held two seminars for Realtors and financial industry professionals to educate them on homeownership products available through the County and state, especially for their low- and moderate-income clientele. The County held a Disability Awareness Day, where information on various affordable housing programs was provided.
- ACDS worked with the County's public school system and the community college to arrange a public film screening and symposium on race and education, which examined the history of segregation and integration in the County.
- The Human Relations Commission began developing a seven-point strategy to raise awareness of the current need for fair housing enforcement in the County.

### **C. Current Fair Housing Programs and Activities**

These types of activities implemented by entitlement communities can be generally categorized according to the following:

- Education and outreach – involves education and training on fair housing laws, the rights and responsibilities of individuals; includes the dissemination of resource materials, information on how to file a discrimination complaint.
- Policy development – involves the establishment of policies that are key to the implementation of fair housing laws; includes housing site selection policies, inclusionary zoning ordinance, enhanced Section 8 mobility programming.
- Enforcement – involves monitoring of sub-recipients to ensure compliance with all programmatic requirements, processing discrimination complaints, attempting mediation or conciliation settlements; includes allocating funds to legal aid attorneys to handle complaints and to advocacy organizations to conduct real estate testing.
- Expansion of housing choice – involves the creation of housing opportunities for members of the protected classes; includes allocation of entitlement funds to develop new housing units outside of impacted areas.

An evaluation of the current fair housing activities and programs in Anne Arundel County was conducted for this Analysis.

Anne Arundel County's fair housing programs feature prominently into the related list of recent accomplishments detailed above for FY 2009. The County's programs exclusively

involve education and outreach. There are no enforcement initiatives, with the exception of ACDS verifying that all projects funded with CDBG, HOME, ESG and other federal sources meet accessibility and affirmative marketing requirements. The County Human Relations Commission mediates or refers housing discrimination complaints, but no agency has the authority to enforce the County's human rights protections. The County does not contract with Baltimore Neighborhoods, Inc. or any other agency to conduct fair housing discrimination testing

While education and outreach may have affirmatively furthered fair housing in Anne Arundel County, it is very difficult to measure the cumulative impact that these initiatives have on members of the protected classes. It is possible to enumerate the number flyers or posters distributed or the number of participants attending a workshop. But it is not possible to measure the direct benefit that these types of activities have on expanding fair housing choice.

On the other hand, the benefits of carrying out activities to implement the *expansion* of fair housing choice can be measured. It is possible to enumerate the finite number of persons assisted by the Human Relations Commission, complaints filed and processed, and the number of housing units impacted. It is also possible to assess compliance with fair housing laws by identifying the number of accessible units created with entitlement funds. Although education and outreach activities are important, expanding housing choice for members of the protected classes should be the primary goal for all entitlements.

**OBSERVATION:** The County's fair housing landscape has been improved by educational and outreach efforts, but true progress can be made and measured in expanding enforcement activities while incorporating new policy development initiatives and fair housing choice activities.

## **D. Fair Housing Advocacy Organizations**

Anne Arundel County is part of a larger metropolitan region served by a variety of fair housing advocacy organizations. These entities include Baltimore Neighborhoods, Inc., an active office of the American Civil Liberties Union, Legal Aid, the Greater Baltimore Urban League, and Citizens Planning and Housing Association, among others. The activities and impacts of regional advocates are discussed in the regional section of the AI.

### **i. Human Relations Commission**

The only local advocacy organization in Anne Arundel County is the County Human Relations Commission, discussed at length in the Existence of Fair Housing Complaints and Current Fair Housing Policy sections of the AI. The Commission, re-established in January 2008 by County Executive Order #26, is a non-legislative body whose members are appointed by the County Executive. The Commission has no statutory powers, but can refer residents

to the appropriate state or federal agencies with which they may file a complaint to seek enforcement. As stated in the Executive Order, the Commission's duties are as follows:

- Act as an interpreter and conciliator in those instances where tensions erupt into social disturbances and offer recommendations to hasten the necessary social change which may deter the recurrence of upheaval
- Work to remove inequalities which pertain to minority group status in such problem areas as housing, recreation, education, employment, public accommodations, and those other areas which may be instrumented by the County Executive
- Initiate, receive and investigate complaints of discrimination, group tensions, prejudice, intolerance, and bigotry against any person or group because of race, creed, color, age, sex, disability, political affiliation, marital status, or national origin that might deprive the person or group of equal rights, protection or opportunities
- Collect, research, assemble and analyze pertinent data and educational materials to assist in the elimination of prejudice and discrimination;
- Conduct educational programs
- Advise and counsel the residents of Anne Arundel County, the County Council, and County Departments on matters involving racial, religious, sex, or ethnic prejudice; inter-group rights; activities; and human relations
- Recommend procedures, programs or legislation necessary to promote and ensure equal rights and opportunities

## 5. GENERAL FAIR HOUSING OBSERVATIONS

The following observations were noted throughout the previous sections of the AI. These issues were based on the primary research collected and analyzed and the numerous interviews and focus group sessions conducted for this report. They help to establish context for the impediments included the following section. While none of these observations individually rose to the level of an impediment to fair housing choice in Anne Arundel County, the issues remain noteworthy in that they constitute the underlying circumstances which define the local fair housing climate.

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

Since 1980, racial minorities have increased from 11.2% to 20.8% of the total population in Anne Arundel County. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily.

The population of persons with limited English proficiency (LEP) has increased slightly since 2000, as demonstrated by the increasing number of native-speaking Spanish and Korean persons. The estimated number of LEP persons in these language groups outside of Annapolis is large enough to warrant an analysis of what actions the County must take to ensure that these populations are adequately served by federally supported programs. The Urban County should conduct the four-factor analysis to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing its federal entitlement programs. If it is determined that the need for a Language Access Plan exists, the Urban County must prepare one in order to comply with Title VI of the Civil Rights Act of 1964.

### 2. There are 16 areas of racial or ethnic concentration in the Urban County.

Outside of Annapolis, 16 of the County's census tracts qualify as having areas of racial or ethnic concentration. These impacted areas are predominantly in the northern and western regions of Anne Arundel County.

In addition, two adjacent census tracts in the northwest corner of the County (7406.01 and 7406.02) qualify as areas of concentration of Hispanic residents.

### 3. Anne Arundel County is moderately segregated, as determined by dissimilarity indexing.

Within the Baltimore metropolitan area, Anne Arundel County is less segregated than the cities of Annapolis and Baltimore, Harford County and Baltimore County. However, dissimilarity indices indicate that it is more segregated than Howard County.

Achieving full integration among White persons and Black persons in the County would require 51.1% of Black residents moving to a different location within the County. In addition to a White/Black index of 51.1, Anne Arundel County has a White/Hispanic index of 34.1. While this method of analysis

indicates that some deconcentration has occurred among Black residents since 1990, Hispanic residents have become more concentrated.

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

The median household income for Blacks and Hispanics in Anne Arundel County is significantly lower than for Whites and Asians. Consequently, Blacks and Hispanics will have greater difficulty finding affordable rental units or homes to purchase.

Persons with disabilities were twice as likely to live in poverty as persons without disabilities. In the Urban County, 8.2% of persons with disabilities were living in poverty, compared to only 3.8% of persons without a disability.

Female-headed households with children accounted for roughly half of families living below the level of poverty in the Urban County, despite representing only 5.7% of all households.

Families with at least one foreign-born parent were more likely to have lower incomes than families with native-born parents. Over 18% of families with children and at least one foreign-born parent had incomes of less than 200% of poverty.

**5. Several areas identified as impacted areas of racial and/or ethnic concentration are also areas of concentration of low- and moderate-income persons.**

As of 2009, there were 87 low- to moderate-income block groups across Anne Arundel County and outside of the City of Annapolis. Nearly all areas of Black concentration contain LMI block groups.

Outside of the City of Annapolis, a majority of Section 8 voucher holders reside in the northern parts of the County, especially near Odenton, South Gate and Glen Burnie. Affirmative mobility initiatives are needed to provide LMI minorities with expanded housing choice outside of these areas of concentration.

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

While unemployment across Anne Arundel County was relatively low in 2000, Blacks were nearly twice as likely to be unemployed than Whites and had the highest unemployment rate in 2008 at 6.7%, compared to 3.5% among Whites. Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

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

Between January 2007 and June 2008, Glen Burnie was estimated to have the highest number of foreclosure filings in Anne Arundel County. However, Brooklyn Park had the highest estimated foreclosure rates at 4.7%. Many of the census tracts in these areas qualify as LMI areas or areas of racial or ethnic concentration. The persistence of mortgage default and foreclosure in the

County describes the continuing struggle of cost-burdened households to maintain housing and build wealth.

Among all owner households with incomes below 80% of the median family income in 2000, 55.3% of White households experienced housing problems, compared to 63.9% of Blacks and 76.3% of Hispanics.

Among renter households, more than 65% of Hispanic households reported housing problems, compared to 56% of Whites and 53.5% of Blacks.

**8. The supply of public housing owned and managed by the Housing Commission of Anne Arundel County (HCAAC) is inadequate, especially for members of the protected classes.**

Black households are disproportionately represented among public housing tenants in the Urban County, currently accounting for 65.6% of all tenant households. Furthermore, Blacks represented more than two-thirds of all tenant applicants on the public housing waiting list. These trends indicate that for many Blacks in Anne Arundel County, public housing is the only housing choice.

Black households also are disproportionately represented among Section 8 voucher holders, representing nearly 65% of current tenants and 65% of waiting list tenants, despite constituting less than 15% of the general population of Anne Arundel County outside of Annapolis.

Households including a person with disabilities constituted 8.1% (341) of the waiting list for public housing and 20.6% (1,662) of the waiting list for Section 8 Housing Choice Vouchers.

There are more than 2,400 families with children on HCAAC's waiting list for family public housing units. These applicants compete for a total of only 395 units of family public housing. These public housing waiting list characteristics further indicate a significant unmet need for affordable rental housing for families in Anne Arundel County.

## 6. POTENTIAL IMPEDIMENTS TO FAIR HOUSING CHOICE

The remaining observations collected during the development of the AI constitute the potential impediments or barriers to fair housing choice listed in this section. These impediments are linked to remedial strategies in the Fair Housing Action Plan.

### A. Public Sector – Administrative

1. **The Urban County’s increasingly diverse minority population may require language accommodations to ensure that all residents can access programs and services.**

The increased number of native-speaking Spanish and Korean persons could potentially result in an increasing number of persons who will require translation services in order to access federal programs administered by the Urban County.

*Proposed Action I:* Conduct the four-factor analysis outlined in the Federal Register of January 22, 2007, and at [www.lep.gov](http://www.lep.gov) to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing the Urban County’s federal entitlement programs. If it is determined that the need for a Language Access Plan (LAP) exists, the County must prepare the LAP in order to comply with Title VI of the Civil Rights Act of 1964.

*Proposed Action II:* Provide other language services (interpreters, translators, etc.) on an as-needed basis.

2. **Members of the protected classes could be more fully represented on County boards and commissions dealing with housing issues.**

On the three housing-related boards surveyed, there was lower representation among females, persons with disabilities and individuals living in families with children under the age of 18. The experiences and perspectives of individuals in these categories would enhance the decision-making process in the Urban County and offer the opportunity for advancing fair housing choice in all aspects of County government.

*Proposed Action:* Conduct a survey of each of the appointed citizens who are currently members of public boards to identify members of the protected classes. The survey should identify the race, gender, ethnicity, disability status and familial status of every board and commission member.

Thereafter, each new appointment should be surveyed in a similar manner. Records on the membership of boards and commissions will assist County officials in making appointments that reflect the County’s diversity.

3. **Anne Arundel County lacks the legal means to enforce anti-discrimination measures.**

Anne Arundel County remains the only county in the region without local housing discrimination enforcement. While County Executive Order 26 of



2008 extends protection from discrimination in categories beyond state and federal standards (age, occupation, political opinion, personal appearance), any County resident who experiences discrimination on these grounds currently has no meaningful means of recourse. Victims of alleged discrimination are referred to follow up complaints with the state or HUD FHEO.

*Proposed Action:* Adopt an ordinance that provides protection against discrimination for at least the classes protected by the Federal Fair Housing Act and the Maryland Human Relations Act (race, color, gender, national origin, religion, disability, familial status, sexual orientation and marital status).

The ordinance should establish the designation of a fair housing officer responsible for determining what steps must be taken to resolve housing discrimination complaints. The ordinance should also define the process by which complaints are filed, processed and investigated and the process by which enforcement will be implemented.

The services of housing advocacy agencies provide options to ease the administrative burden of investigating and processing complaints, should limited administrative capacity arise as a reason to continue without enforcement of the County's rules against discrimination.

**4. Anne Arundel County's activities to affirmatively further fair housing have been well documented, but could be strengthened.**

The County conducts an evaluation of its response to impediments identified in the latest (1994) AI every few years, updating its strategies accordingly. These status reports are useful, but lack a basis in more frequent and empirical evaluations of the fair housing landscape (i.e. housing market patterns, discrimination complaints data, number of family units developed outside of impacted areas, number of Section 8 vouchers placed outside of impacted areas, etc.).

The fair housing environment has been improved by the County's outreach and educational efforts. However, true progress can be made and measured in expanding enforcement activities while incorporating new policy development initiatives and activities aimed at expanding fair housing choice.

*Proposed Action I:* Contract with a qualified fair housing agency to perform fair housing discrimination testing in Anne Arundel County.

*Proposed Action II:* In evaluating the efficacy of activities designed to affirmatively further fair housing, the County should rely upon empirical data describing the number of affordable housing opportunities created for members of the protected classes, especially located in non-impacted areas.

## **B. Public Sector – Programmatic**

### **1. Minority households have greater difficulty becoming home owners in Anne Arundel County because of lower incomes.**

The home ownership rate among Black households in the Urban County was 57.6% in 2000, compared to 81% of White households. Among Hispanic households, 60.2% owned their homes.

*Proposed Action I:* Continue to strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the County.

*Proposed Action II:* Continue to identify effective ways for the County, fair housing advocates, certified housing counselors, and financial lenders to increase home ownership among minorities, residents of low-and moderate-income census tracts, and low- and moderate-income residents. Such methods may include:

- Increasing sustainable home ownership opportunities through financial literacy education including credit counseling and pre- and post-home purchase education.
- Increasing lending, credit, and banking services in low-moderate income census tracts and minority census tracts.
- Increasing marketing and outreach efforts of affordable mortgage products that are targeted for residents of low-moderate income census tracts, low-moderate income residents, and minorities.

### **2. The Urban County's supply of housing that is affordable to households up to 80% of median household income (MHI) is increasingly inadequate.**

The magnitude of the loss of affordable units and the market competitiveness heightened by increased demand severely restrict housing choice for minority households, which have significantly lower incomes than White households. These trends are apparent in the following observations:

- Minority households were much more likely to live in larger families than White households. For example, 78.9% of Hispanic families and 75.7% of Asian/Pacific Islander families included three or more persons, compared to 59.4% of White families. However, only 37.7% of the rental housing stock in the Urban County contains three or more bedrooms, compared to 84% of the owner housing stock.
- A lack of larger dwelling units consisting of three or more bedrooms, especially for renters, has a disproportionately greater impact on minority families who tend to live in larger

households. An inadequate inventory of larger units causes overcrowding, increased wear and tear and substandard living for these families.

- The median housing value in Anne Arundel County increased 77.6% between 1990 and 2008, while real household income grew only 12%.
- Anne Arundel County represents an increasingly expensive rental housing market. Between 2000 and 2008, the number of units renting for less than \$500/month declined by more than 2,000 (62.3%), while units renting for \$1,000/month or more increased by more than 23,000 (284.3%).
- A steep increase in home prices has made it increasingly difficult for lower-income households in the Urban County to participate in the sales housing market.
- Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in Anne Arundel County. This situation forces these individuals and households to double up with others or lease inexpensive substandard units from unscrupulous landlords. Minorities and female-headed households are disproportionately impacted due to their lower incomes.
- Persons receiving SSI as their sole source of income, including persons with disabilities, cannot afford a one-bedroom unit renting at the fair market rent of \$868.

*Proposed Action I:* Adopt an inclusionary zoning ordinance to provide financial or other incentives to developers in exchange for the provision of a percentage of housing units to be set aside for households with incomes at or below 80% of the area median income. Specific measures should be offered for specific measures to be undertaken by a developer and could include the reduction or waiver of impact and planning fees, priority processing, density bonuses, or local funding to assist in construction of the affordable units.

*Proposed Action II:* Expand incentives for property owners and investors to build new apartment buildings or substantially rehabilitate existing buildings for occupancy by lower-income families. Provide tax abatements and financial assistance to affordable housing projects located outside of impacted areas.

*Proposed Action III:* Partner with regional affordable housing developers to increase the supply of affordable housing throughout the County. Provide land, extend financial assistance and reduce fees and regulatory requirements that impede the development of affordable rental housing for families.

**3. The majority of fair housing complaints filed through HUD in Anne Arundel County involved disability as the basis for discrimination. Race was the second most common basis.**

While more than half the complaints filed through HUD in the County were found to be without probable cause, the predominance of complaints on the basis of disability and race indicate that discrimination persists.

Because the Maryland Commission on Human Relations withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates have one less resource upon which to base testing, education, and outreach efforts. This is especially problematic in areas such as Anne Arundel County, where no local agency has enforcement authority.

The County does not engage in routine paired testing for housing discrimination, even though it is likely that complaints go underreported due to the County's lack of fair housing enforcement. Therefore, the extent of discrimination is unknown.

*Proposed Action I:* Continue to provide fair housing education and outreach efforts to landlords, building owners, rental agents, and Realtors.

*Proposed Action II:* Adopt a fair housing ordinance that designates a fair housing officer and establishes the procedures by which complaints are processed, investigated and resolved by the County Commission on Human Relations

*Proposed Action III:* Contract with a qualified fair housing agency to perform fair housing discrimination testing in Anne Arundel County.

**4. The County's Zoning Ordinance must be amended to comply with the Fair Housing Act.**

There appears to be a scarcity of land zoned by right for multi-family housing in Anne Arundel County, and it is unknown how much of this land is available for development. In a high-cost housing region, multi-family housing is often the most feasible option. Additionally, an inclusionary zoning ordinance that mandates a minimum set-aside of units affordable to lower-income households could create new opportunities outside of impacted areas.

Undeveloped land zoned by right for medium- and high-density residential development is in short supply in Anne Arundel County. This has the effect of limiting affordable housing choice for members of the protected classes. Notably, the Route 2 Ritchie Highway corridor does not anticipate medium- or high-density residential development, even though it is a highway corridor that is well served by public transit.

The zoning ordinance appears to be in violation of the Fair Housing Act because it restricts the number of residents and type of housing units in which group homes may be established.

*Proposed Action I:* Amend the County's zoning ordinance to remove undue restrictions on group homes.

*Proposed Action I:* Adopt an inclusionary zoning ordinance that mandates a minimum set-aside of units affordable to lower-income households, with the aim of creating new opportunities outside of impacted areas.

**5. The Comprehensive Plan lacks specific policies and strategies to address affordable housing needs for all housing types.**

The Comprehensive Plan lacks analysis or mention of unmet lower-income housing needs other than workforce housing, senior housing or first-time homeownership.

*Proposed Action I:* Amend the County Comprehensive Plan to add specific policies and strategies addressing unmet housing needs for *all* household types, including families.

**6. Policy documents utilized by the Housing Commission of Anne Arundel County should be amended for consistency and compliance with HUD directives and fair housing law.**

The Section 8 Administrative Plan and Public Housing Admission and Continued Occupancy Plan (ACOP) both include different definitions for "family" and "family applicant." These should be reconciled so that there are no distinctions between the two terms. Also, the phrase "of the opposite sex" should be removed from the definition of "co-habitants," as it discriminates on the basis of sexual orientation. The Maryland Human Rights Act includes protection against discrimination on this basis.

The Section 8 Admin Plan and ACOP should include detailed policies for providing reasonable accommodation to persons with disabilities, access to services by persons with limited English proficiency and providing assistance to mixed families. The ACOP should additionally include portability provisions that include a higher payment standard for high-cost areas to encourage mobility throughout the region.

When applicants on the waiting list for public housing are contacted about the availability of a unit, aside from specific exceptions, they must accept the unit offered to them or risk being moved to the bottom of the waiting list. Applicants should be given the opportunity to refuse a unit at least twice before being moved to the bottom of the list. This provides applicants with greater housing choice.

*Proposed Action I:* Amend both the Section 8 Administrative Plan and the ACOP to ensure consistency among terms used.

*Proposed Action II:* Amend the ACOP to enable applicants to turn down two units before being moved to the bottom of the waiting list.

*Proposed Action III:* Amend both the Section 8 Administrative Plan and the ACOP to include detailed policies on reasonable accommodation.

**7. The County's selection of investment sites for CDBG and HOME housing projects has had the effect of further concentrating lower-income persons.**

In its 2006-2010 Consolidated Plan, the County states a policy priority to concentrate housing and community development activities in Brooklyn Park, Severn and Glen Burnie. All are LMI areas in the County's northern half. With a minority population of approximately 80%, the Severn area has the Urban County's highest concentration of Black persons.

Analysis of the County's CDBG and HOME spending since 2004 confirms that housing activities have been heavily focused in the three neighborhood revitalization areas.

The placement of affordable housing is the most direct way the County can affect housing choice. In addition to improving the quality of life in impacted areas, the County must also expand the availability of affordable housing in areas of opportunity and the extent to which it is accessible to members of the protected classes.

The Urban County's investment in affordable housing in the City of Annapolis is appropriate from a fair housing perspective only when it does not serve to further concentrate minorities and LMI persons in the County's urban core.

*Proposed Action:* In developing policy priorities for entitlement investment in affordable housing, the County should give first consideration to the use of CDBG and HOME funds for new family rental housing on sites outside of impacted areas.

**8. The Section 8 Housing Choice Voucher (HCV) Program could be improved to provide greater housing choice to the County's lower income and minority populations.**

Anne Arundel County's Section 8 HCV Program utilizes a fixed payment standard that underpays in upper-income areas. The payment standard is appropriate for Annapolis, where rents are lower, but in other areas of the County (e.g. its southern half), the payment standard is too low to attract participating landlords. The program should adjust its payment standard based on the affordability of the neighborhood.

HCAAC does not obstruct Section 8 voucher holders from locating in neighborhoods of opportunity, but it also does not aggressively promote voucher mobility. Landlords with units located outside of areas of concentration should be offered higher payment standards to induce their participation in HCAAC's Section 8 program.

*Proposed Action I:* Work with area landlords and property management companies, in conjunction with the HCAAC, to encourage acceptance of vouchers in non-impacted neighborhoods of the County.

*Proposed Action II:* Adjust the Section 8 HCV payment standards based on the affordability of area neighborhoods.

*Proposed Action III:* Prohibit housing discrimination on the basis of source of income, ideally as part of a County fair housing ordinance enforceable by the Commission on Human Relations.

*Proposed Action IV:* Create a regional task force to explore improvements to voucher portability between counties.

## **C. Private Sector**

### **1. Mortgage loan denials and high-cost lending disproportionately affects minority applicants in Anne Arundel County, similar to national trends.**

In 2008, minority households in Anne Arundel County experienced higher mortgage denial rates than White households. Specifically, Black households had the highest mortgage denial rate at 18.5%. Asian households experienced a denial rate of 14.2%, while the denial rate for Hispanic households was 12.7%. White households were far more likely to receive loans, as only 8.4% of applications were denied.

Upper-income Black households were denied mortgage loans at a higher rate (17.4%) than lower-income White applicants (16.4%). While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Minority households are disproportionately represented in high-cost lending. Of the 4,137 loans originated for upper-income minority households in 2008, Black households represent 28.9% of high-cost loans, but only 13.2% of all originations. Similarly, Hispanic households represent 15.4% of high-cost loans, but only 6% of originations. White and Asian applicants consistently received lower rates of high-cost loans across all income groups.

Higher denial rates of mortgage loan applications and a disproportionate share of high-cost loans among minority households have the effect of limiting access to conventional mortgage products for these households.

Additionally, lower household incomes among Blacks and Hispanics are reflected in similarly lower home ownership rates when compared to White households. In 2000, Black households in the Urban County owned their homes at a rate of 57.6%, compared to 60.2% among Hispanics and 81% among Whites.

*Proposed Action I:* Continue to engage HUD-certified counselors to target credit repair education through existing advocacy organizations that work with minority populations on a regular basis.

*Proposed Action II:* Continue to facilitate home ownership workshops and training sessions, with special outreach in impacted neighborhoods and to engage members of the protected classes.



**2. No records are available to demonstrate affirmative recruitment among local Realtors.**

For many homebuyers, the initial introduction to the community is their real estate salesperson. Diversity among local Realtors will reflect a community that seeks to accommodate and welcome everyone, including all members of the protected classes. However, the extent of diversity amongst Anne Arundel County Association of Realtors is unknown due to a lack of data. Furthermore, if affirmative recruitment efforts are not made to attract members of the protected classes to the real estate industry, the County and the Association of Realtors are missing an important opportunity to expand fair housing choice.

*Proposed Action:* Engage the Anne Arundel County Association of Realtors in efforts to ensure that local Realtors reflect the County's diversity by encouraging the Association to maintain data that reflects the number of Realtors who are members of the protected classes.

## 7. FAIR HOUSING ACTION PLAN

	Planned Action Year					Lead Agency*
	2012	2013	2014	2015	2016	
Goal 1: Adopt an over-arching fair housing policy to establish a foundation for affirmatively furthering fair housing						
Task 1: Adopt a fair housing ordinance that designates a fair housing officer and establishes the procedures by which complaints are processed, investigated and resolved by the County Commission on Human Relations					•	Human Rights Commission
Task 2: In developing policy priorities for entitlement investment in affordable housing, the County should give first consideration to the use of HOME funds for new family rental housing on sites outside of impacted areas.	•	•	•	•	•	ACDS
Goal 2: Amend policy and program documents to affirmatively further fair housing						
Task 1: Work toward the adoption of an inclusionary zoning ordinance that mandates a minimum set-aside of units affordable to lower-income households, with the aim of creating new opportunities outside of impacted areas.	•	•	•	•	•	Office of Planning and Zoning
Task 2: Adjust the Section 8 HCV payment standards based on the affordability of area neighborhoods.				•		HCAAC
Task 3: Amend the County's zoning ordinance to remove undue restrictions on group homes.	•					Office of Planning and Zoning
Task 4: Amend both the Section 8 Administrative Plan and the ACOP to ensure consistency among terms used and include detailed policies on reasonable accommodation.	•					HCAAC
Task 5: Amend the ACOP to enable applicants to turn down two units before being moved to the bottom of	•					HCAAC
Task 6: Work toward amending the County Comprehensive Plan to add specific policies and strategies addressing unmet housing needs for all household types, including families.					•	Office of Planning and Zoning
Task 7: Conduct the four-factor analysis outlined at <a href="http://www.ep.gov">www.ep.gov</a> to determine the extent to which the translation of vital documents is necessary to assist persons with limited English proficiency (LEP) in accessing the Urban County's federal entitlement programs.		•				ACDS

\* The lead agency, or in some cases, agencies, identify the principal agencies to take the lead in implementing the action item. Many action items will require interagency coordination and work efforts among several agencies, so every agency that may be involved may not be listed. In some cases, action items will require action from elected officials including approval by the County Council.

cont'd ...

<b>Goal 3: Increase the supply of housing affordable to households below 80% MHI, specifically in opportunity areas</b>						
Task 1: Work with area landlords and property management companies, in conjunction with the HCAAC, to encourage acceptance of vouchers in non-impacted neighborhoods of the County.	•	•	•	•	•	HCAAC, ACDS
Task 2: Expand incentives for property owners and investors to build new apartment buildings or substantially rehabilitate existing buildings for occupancy by lower-income families.	•	•	•	•	•	ACDS
Task 3: Partner with regional affordable housing developers to increase the supply of affordable housing throughout the County. Provide land, extend financial assistance and reduce fees and regulatory requirements that impede the development of affordable rental housing for families.	•	•	•	•	•	ACDS**
<b>Goal 4: Advance understanding of rights and obligations under the Fair Housing Act and related laws</b>						
Task 1: Continue to provide fair housing education and outreach efforts to landlords, building owners, rental agents, and Realtors.	•	•	•	•	•	ACDS
Task 2: Contract with a qualified fair housing agency to perform fair housing discrimination testing in Anne Arundel County.		•	•	•	•	ACDS
<b>Goal 5: Broaden community outreach in ensuring fair housing access to members of the protected classes</b>						
Task 1: Engage the Anne Arundel County Association of Realtors in efforts to ensure that local Realtors reflect the County's diversity by encouraging the Association to maintain data that reflects the number of Realtors who are members of the protected			•			ACDS
Task 2: Continue to engage HUD-certified counselors to target credit repair education through existing advocacy organizations that work with minority populations on a regular basis.	•	•	•	•	•	ACDS
Task 3: Continue to facilitate home ownership workshops and training sessions, with special outreach in impacted neighborhoods and to engage members of the protected classes.	•	•	•	•	•	ACDS
Task 4: Continue to strengthen partnerships with local lenders that will offer homebuyer incentives to purchase homes in the County.	•	•	•	•	•	ACDS
Task 5: Conduct an annual demographic survey of appointed citizens who are members of public boards to gauge participation by members of the protected classes.	•	•	•	•	•	Office of the County Executive

\*\* as funding allows

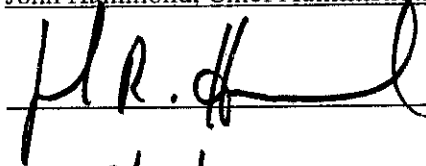
**8. SIGNATURE PAGE FOR THE URBAN COUNTY OF  
ANNE ARUNDEL COUNTY**

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

Authorizing Official

John Hammond, Chief Administrative Officer

Signature



Date

5/11/12