

An aerial photograph of Baltimore, Maryland, taken at sunset. The city is bathed in a warm, golden light, with the sun low on the horizon. The city skyline is visible in the distance, with several prominent buildings and a church steeple on the right. The foreground shows the rooftops and chimneys of residential buildings.

Analysis of Impediments to Fair Housing Choice

Baltimore Metropolitan Region

Baltimore County

October 2011



BALTIMORE METRO AREA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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1. BALTIMORE COUNTY

A. Urban County Entitlement

The Urban County of Baltimore County, a HUD entitlement, encompasses all communities within the County's boundaries and excludes the City of Baltimore, an independent government jurisdiction that receives a separate HUD allocation.¹ The entirety of Baltimore County consists of unincorporated territory that falls under the jurisdiction of County government. This includes 29 Census-designated places in addition to less formally recognized settlements. As a condition of receiving CDBG, HOME, and ESG funds from HUD, the Urban County is charged with the responsibility of conducting its 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.

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

¹ The City of Baltimore has been structurally independent of the County since 1851.

- 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

Current residential settlement patterns in Baltimore County reflect more than a century of shifting attitudes in public policy at local, regional and national levels. Prior to the turn of the century, small communities of Black residents were scattered across the County, which then consisted largely of agriculturally-oriented rural space. However, racial conflict in the City, along with transportation improvements such as the streetcar, began to cause City residents to relocate in the County.²

Arguably, the emptying of the City's White population into the County began as early as 1910, when racial tension in the City of Baltimore caused the City to codify segregation "to compel by law the separation of the white and black races in their places of residence; to prohibit the negro from intruding himself and his family as permanent residents in a district already dedicated to the white race, and equally, to prevent the white man from forcing himself upon a district given over to the negro."³ The City's so-called West ordinance forbade Black residents from moving to blocks that were more than 50% White, and vice versa. The ordinance was nullified by a 1917 Supreme Court decision that declared municipally mandated du jure segregation to be unconstitutional.

The population influx caused some developments in the County to regulate growth, adopting racially restrictive covenants, development restrictions or zoning practices through which the racial composition of neighborhoods could be controlled. The number of both White residents and Black residents grew, though housing opportunities continued to be extremely restricted for Blacks. Segregation increased as White flight and blockbusting followed the attempts of Black families to move beyond the City's increasingly crowded ghettos, where the Housing Authority of Baltimore City began concentrating its high-rise developments in the 1940s.

Federal funding became available in the late 1930s for local housing authorities to house lower-income populations, though the initiative to develop public housing programs was left to local governments. Because the City of Baltimore had a need to house its lower-income residents, it established the Housing Authority of Baltimore City (HABC) in 1937. The County has maintained a deliberate decision not to build public housing in order to preserve its economic homogeneity. One example of the County's long-standing opposition to accepting public housing is the County Executive's rejection in 1967 of a HABC proposal to use federal funds to lease units in the County for lower-income housing, in which the Executive cited a desire to maintain the County's property tax base and to avoid concentrating families "in a manner that will increase the difficulties of their acceptance by their neighbors."⁴ Due to the lack of public housing in Baltimore County, the County's

² Orser, Edward W. "Housing Segregation in Maryland." *Maryland Online Encyclopedia*. Maryland Historical Society, Maryland Humanities Council. Enoch Pratt Free Library, 2005.

³ "Baltimore Tries Drastic Plan of Race Segregation," *The New York Times*, December 25, 1910.

⁴ Pietila, Antero. *Not in My Neighborhood: How Bigotry Shaped a Great American City*. Ivan R. Dee, publisher, 2010.

lower-income residents rely on increasingly overburdened public housing systems elsewhere in the region, particularly HABC.

The policies of the Federal Housing Administration (FHA) mortgage insurance program and New Deal infrastructure investment underwrote suburban sprawl in Baltimore County beginning in the 1930s. The FHA guaranteed home loans only in “low-risk” areas, typically low-density suburban neighborhoods with “no African-American or immigrant enclaves nearby” while refusing to insure mortgages in urban areas – which meant that less expensive FHA mortgages were only available in the suburbs.⁵ Around the same time, the federal government began investing heavily in highway infrastructure that encouraged suburban expansion. The post-war Interstate Highway Act offered federal funds to cover 90% of the development costs for new highways. As these new roads began to cross Baltimore County and other suburban areas, those with jobs in the City were enabled to live farther away from the urban core.

A 1970 hearing of the U.S. Commission on Human Rights examined the use of “discontinuous street patterns” in Baltimore County, concluding that the layout of roads had the effect of isolating Blacks from their surroundings, particularly from adjacent White residential areas. The County has also been accused of expulsive zoning practices from the 1950s to the 1980s. This refers to the rezoning of residential Black neighborhoods such as Turner Station as commercial areas, while nearby White neighborhoods are left untouched. Expulsive zoning also refers to the rezoning of areas surrounding Black neighborhoods to lower densities to create a buffer that effectively prevents expansion. As a result of zoning changes, Turner Station’s population dropped from over 9,000 to 3,557 during the 1950s.⁶ Overall, arguably due to such policies and practices, the County’s Black population fell from 18,026 to 17,535 between 1950 and 1960, despite the County’s overall population increase during those years from 270,273 to 492,418 (82%).

The County began to address fair housing issues following the 1968 race riots and continues to explore ways in which it can affirmatively further fair housing. Today, more than 90% of the County’s population is concentrated within one-third of its 600-square-mile land area. This distribution is the result of the County’s sustainability and natural preservation policies, which date back to the establishment of an urban-rural demarcation line in 1967. This demarcation has been carried through all six County Master Plans adopted since that year. The County has been recognized as a national example for resource management and balanced growth, having implemented controls on sprawl long before Smart Growth emerged as a popular planning framework. The County continues to seek ways to create housing opportunities, stabilize neighborhoods and revitalize older communities primarily within the Community Conservation areas containing its older, more built-out suburbs.

⁵ Lewyn, Michael. “Why Sprawl is a Conservative Issue.” *The Green Elephant*, Fall 2002.

⁶ Pietela

C. Demographic Information

i. Population Trends

In the course of the population expansion that has spanned the latest two decades, Baltimore County has experienced demographic changes that have broadened its diversity. From 1990 through 2008, the County's total population climbed by 14.1%, despite the loss of an estimated 58,000 White residents (9.8% of the White population in 1990). The greatest gain by number was among Black residents, of which nearly 113,000 (132.2%) became residents, while the greatest gain by percentage was among persons of "other" race, who increased from 3,241 in 1990 to 28,841 in 2008 – or by roughly 800%.

Despite these shifts, the County's demographic composition remains starkly different from that of the City of Baltimore, where 63% of residents in 2008 were Black. In total, non-White residents comprise 70.7% of the City's population, though they comprise less than one-third of the County's population. In 2000, six out of every 10 Black residents of the Baltimore metropolitan region was living in the City, compared to only 13.4% of Whites.

**Figure 1-1
Population Trends, 1990-2008**

	1990		2000		2008		% Change 1990-2008
	#	%	#	%	#	%	
Baltimore County Total	692,134	---	754,292	---	789,814	---	14.1%
White Population	587,898	84.9%	561,132	74.4%	530,019	67.1%	-9.8%
Non-White Population	104,236	15.1%	193,160	25.6%	259,795	32.9%	149.2%
Black	85,451	12.3%	151,600	20.1%	198,438	25.1%	132.2%
Hispanic	8,131	1.2%	13,578	1.8%	26,380	3.3%	224.4%
Asian/Pacific Islander	15,544	2.2%	23,947	3.2%	32,516	4.1%	109.2%
Other	3,241	0.5%	17,613	2.3%	28,841	3.7%	789.9%

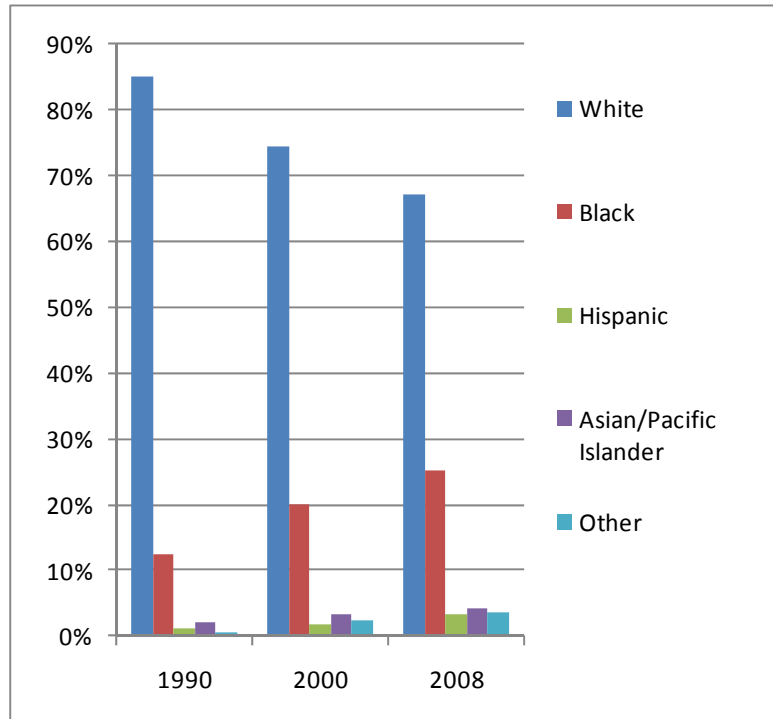
Sources: U.S. Census Bureau, 1980 Census (DP-1), 1990 Census (SF1, P008), Census 2000 (SF3, P7), 2008 American Community Survey (B02001, B03002)

The County's non-White population continues to slowly diversify, with increases in the number and percentage of Asian/Pacific Islanders as well as Hispanics. Although Asian/Pacific Islanders account for only 4.1% of the population, their numbers have more than doubled to 32,516 since 1990. Hispanics represent only 3.3% of the 2008 population of Baltimore County, but more than tripled from 8,131 in 1990.

Maps 1, 2 and 3 depict the geographic locations of areas of racial and ethnic concentration. In Baltimore County, the census tracts outlined in red are areas of concentration of Black residents. Census tracts denoted with an orange cross-hatch pattern are areas of concentration of Asian residents. Census tracts denoted with a green cross-hatch pattern are areas of concentration of Hispanic residents. It is within these concentrated areas that

other demographic characteristics — such as income and housing — will be analyzed.

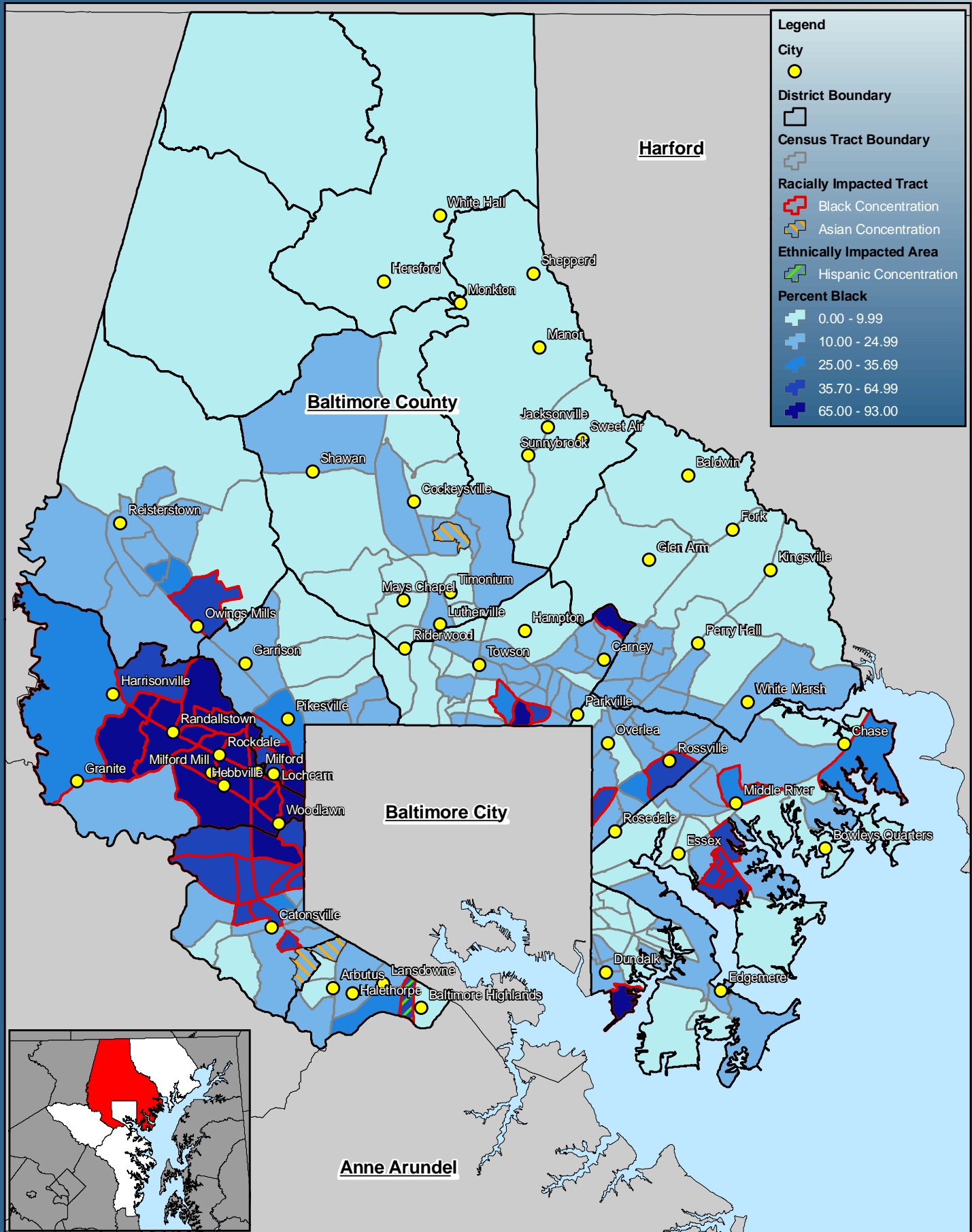
Figure 1-2
Trends in Racial and Ethnic Characteristics, 1980-2008

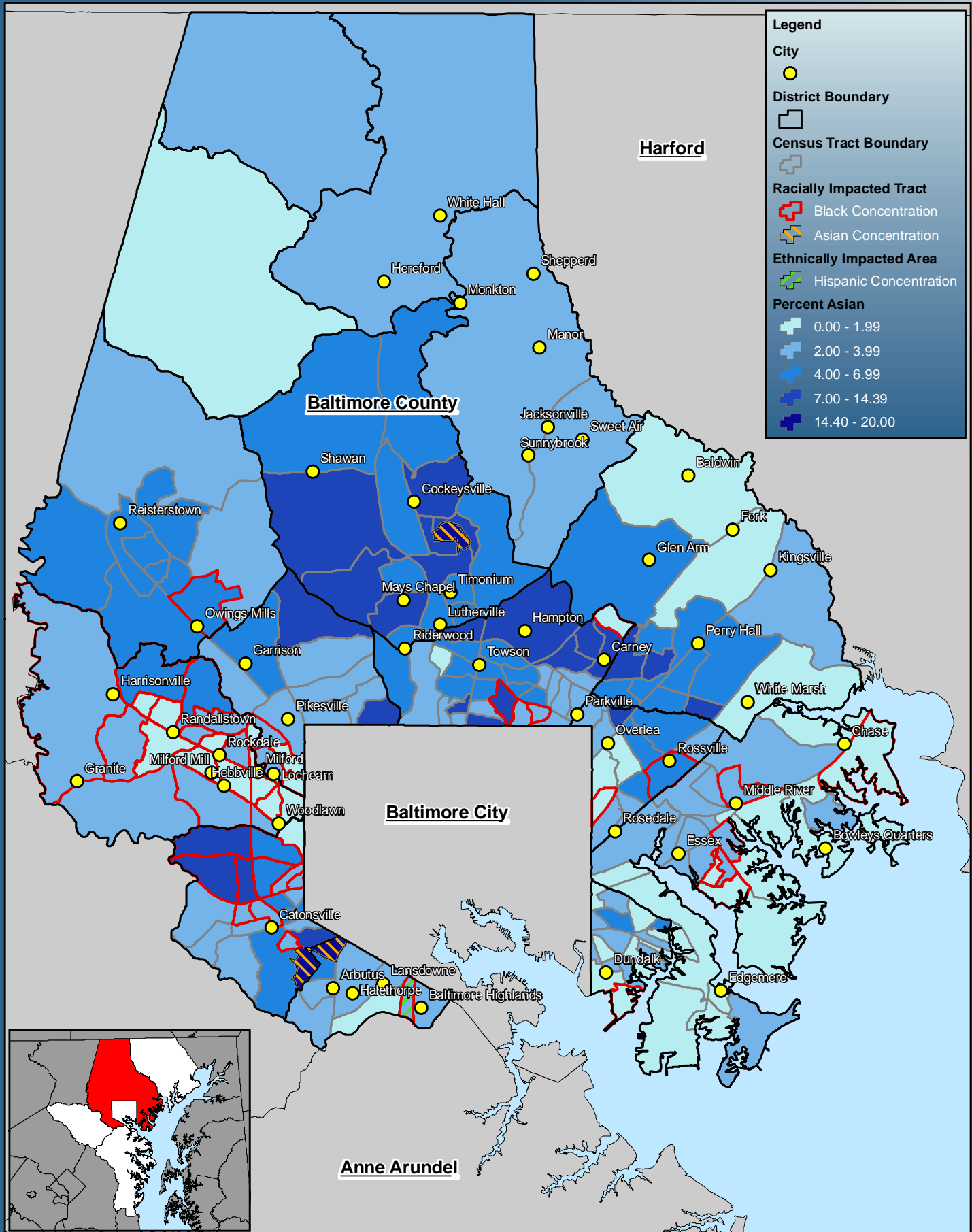


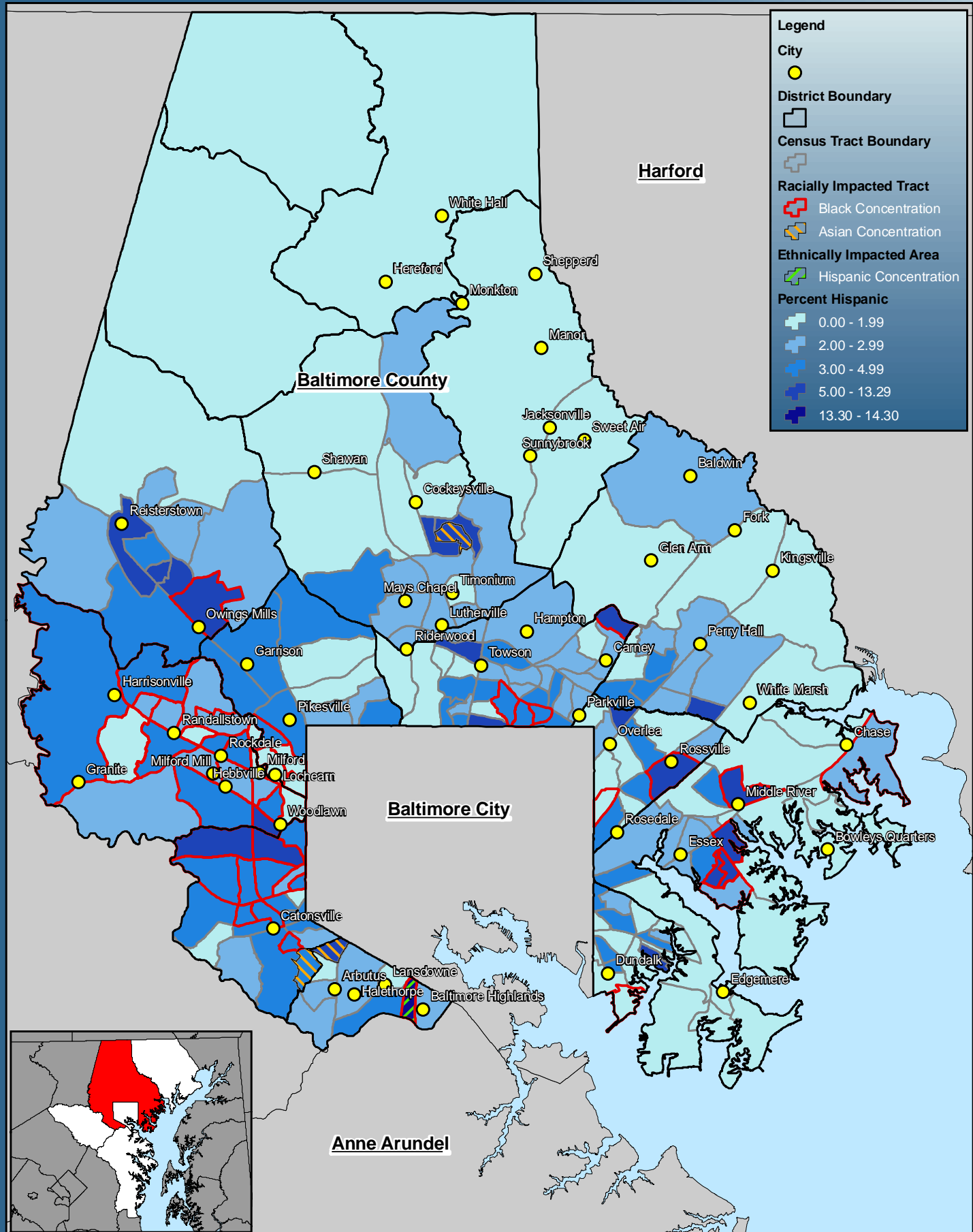
OBSERVATION: Since 1990, the non-White population in Baltimore County has increased from 15.1% to 32.9% of the total population. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily. Despite these shifts, the County continues to be remarkably less diverse than the city it surrounds, where more than 70% of residents are non-White.

ii. Areas of Racial and Ethnic Minority Concentration

HUD defines areas of racial or ethnic minority concentration as geographical areas where the percentage of a specific minority or ethnic group is 10 percentage points higher than the County overall. In Baltimore County, Black residents comprised 25.1% of the population in 2009. Therefore, an area of racial concentration would include any census tract where the percentage of Black residents is 35.1% or higher. These areas include several of the communities immediately west of the City of Baltimore (Woodlawn, Lochearn, Catonsville, Milford, Hebbville, Rockdale, Milford Mills, Randallstown, Harrisonville, Owings Mills), several communities to the east of the City (Rossville, Middle River, Chase, Dundalk), and a handful of communities immediately to the City's north and south.







Hispanic residents represent 3.3% of the total population. An area of ethnic concentration would include a census tract where the percentage of Hispanics is 13.3% or higher. Only one census tract meets this criterion: Baltimore Highlands, located south of the City of Baltimore.

Asian residents represent 4.1% of the total County population. An area of racial concentration would include any census tract where the percentage of Asians is 14.1% or higher. In 2009, the only area to meet this criterion was located southwest of the City of Baltimore, between Catonsville and Arbutus.

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

Figure 1-3
Racially and Ethnically Concentrated Census Tracts, 2009

Census Tract	Total Population	White	Minority Residents		
			Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
Baltimore County					
4008	2,606	54.3%	39.1%	2.4%	3.9%
4009	1,867	47.9%	44.2%	2.9%	4.2%
4011.01	6,534	31.4%	58.5%	4.6%	3.8%
4011.02	1,051	21.1%	69.7%	4.0%	5.6%
4012	3,078	31.6%	61.8%	1.5%	4.1%
4013.01	3,794	39.0%	53.5%	2.9%	2.9%
4013.02	2,638	30.5%	60.8%	3.2%	3.5%
4015.01	9,759	20.3%	60.9%	10.0%	5.3%
4015.04	5,875	45.2%	35.9%	13.6%	4.3%
4015.05	3,555	47.2%	39.2%	7.3%	3.3%
4016.01	470	44.7%	47.5%	2.8%	4.7%
4023.02	4,257	15.4%	79.6%	0.8%	2.7%
4023.03	6,489	10.8%	84.4%	1.1%	2.5%
4023.04	4,123	4.7%	92.1%	0.5%	2.6%
4023.05	1,501	23.5%	71.9%	1.2%	1.8%
4023.06	3,531	14.1%	79.6%	1.5%	3.5%
4023.07	5,633	16.2%	76.0%	2.4%	4.5%
4024.01	8,275	13.3%	77.8%	3.2%	3.2%
4024.03	2,181	7.9%	88.3%	1.0%	1.9%
4024.04	5,297	4.6%	91.5%	0.4%	3.6%
4024.05	3,214	18.8%	73.1%	2.0%	5.7%
4025.03	4,558	23.7%	70.2%	1.7%	4.0%
4025.04	3,684	17.5%	77.3%	2.0%	1.4%
4025.05	3,082	12.4%	81.9%	1.6%	3.0%
4025.06	4,133	20.6%	73.9%	1.9%	2.8%
4025.07	17,738	38.3%	51.0%	4.9%	3.8%
4026.02	1,969	27.8%	66.4%	2.0%	1.3%
4026.03	5,804	20.7%	71.0%	4.2%	2.9%
4026.04	6,070	20.2%	73.1%	3.0%	2.8%
4031	2,671	33.5%	61.0%	2.3%	1.8%
4032.01	3,194	13.3%	82.7%	0.7%	1.6%
4032.02	2,007	11.0%	86.2%	0.4%	1.5%
4033	2,299	56.6%	35.2%	3.7%	4.0%
4042.02	5,790	40.9%	46.2%	4.4%	9.5%
4213	3,285	15.5%	81.5%	0.5%	1.7%
4301.01	4,174	46.0%	35.7%	4.0%	14.3%
4407.01	6,074	47.1%	38.8%	6.5%	7.1%
4410	3,946	30.5%	63.5%	1.4%	1.6%
4505.03	5,867	40.5%	51.6%	1.6%	5.7%
4505.04	5,326	42.8%	45.7%	2.9%	8.0%
4508	5,234	50.8%	39.8%	2.1%	5.9%
4511	2,261	49.5%	44.3%	1.4%	2.5%
4914.01	5,130	12.2%	80.4%	2.1%	3.4%
4914.02	2,964	41.2%	51.7%	2.3%	3.7%
4918	359	22.6%	70.2%	0.3%	8.1%

Source: Demographics Now

OBSERVATION: In Baltimore County, 45 of 204 census tracts (22.1%) qualify as areas of racial or ethnic concentration. Of these 45 impacted areas, all are areas of Black concentration.

iii. Residential Segregation Patterns

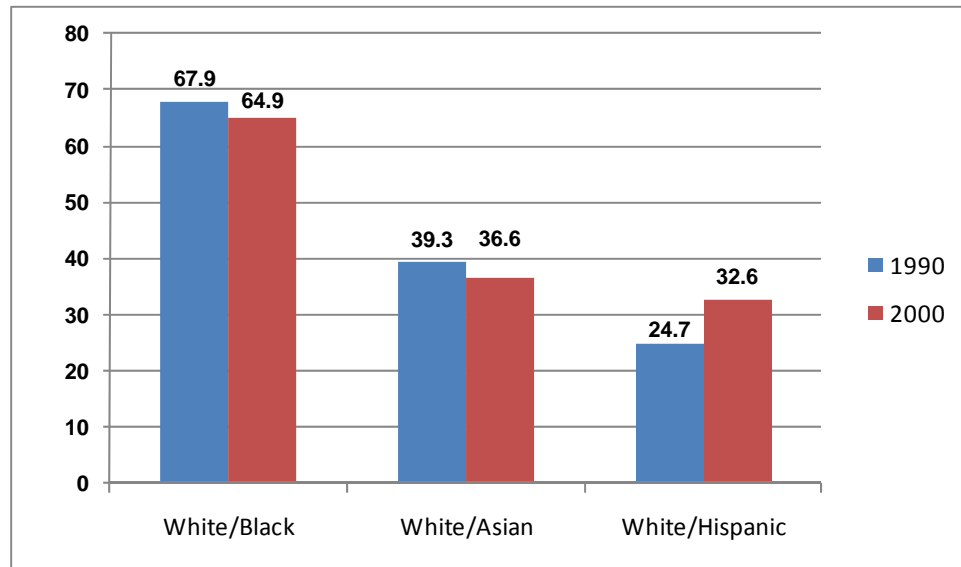
Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and lower income minority inner-city neighborhoods. 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.⁷ 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, Baltimore County had a White/Black dissimilarity index of 67.9, as illustrated in Figure 1-4. By 2000, CensusScope reported that the index had decreased to 64.9, indicating a slight decrease in segregation, but maintaining a rate within the moderate range. Hispanics, on the other hand, experienced an increased degree of segregation in 2000. The White/Hispanic dissimilarity index increased to 32.6 from 24.7 during the 1990s. The White/Asian dissimilarity index dropped slightly, from 39.3 to 36.6, between 1990 and 2000.

⁷ 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
Baltimore County Dissimilarity Indices, 1990 and 2000



During the 1990s, the number of Hispanic persons in Baltimore County increased substantially, from 8,131 to 13,578, thereby increasing as a percentage of total population from 1.2% to 1.8%. 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 from 24.7 to 32.6.

Of the 11 cities (with populations exceeding 25,000) and the counties in Maryland for which dissimilarity indices were determined, Baltimore County tops the segregation scale for the Black population. The County's 2000 dissimilarity index of 64.9 for White persons and Black persons ranked the highest, indicating that White persons and Black persons in the County as well as the City of Baltimore were segregated to a much greater degree than in surrounding counties.

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: Baltimore County is more racially segregated than every other major jurisdiction in the state. Dissimilarity index calculations report that in order to achieve perfect integration, 64.9% of Black persons would be required to move to other census tracts within the County.

Map 4 describes the shifting distribution of Black residents in Baltimore County over the latter half of the last century. Integration has occurred to the greatest extent directly east of the City of Baltimore, a trend demonstrated by the conversion of a large swath of census tracts from less than 10% Black to more than 50% Black between 1960 and 2000. In 1960, the Black population was located in a few scattered pockets of the County. 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, areas of Black concentration had expanded outward from the City of Baltimore, particularly its heavily Black east side. In 2000, 33 of the County's 204 tracts (16.2%) were at least 50% Black. Throughout the 40-year period studied in the map set, the percentage of Black residents remains under 10% of the total population across much of the County.

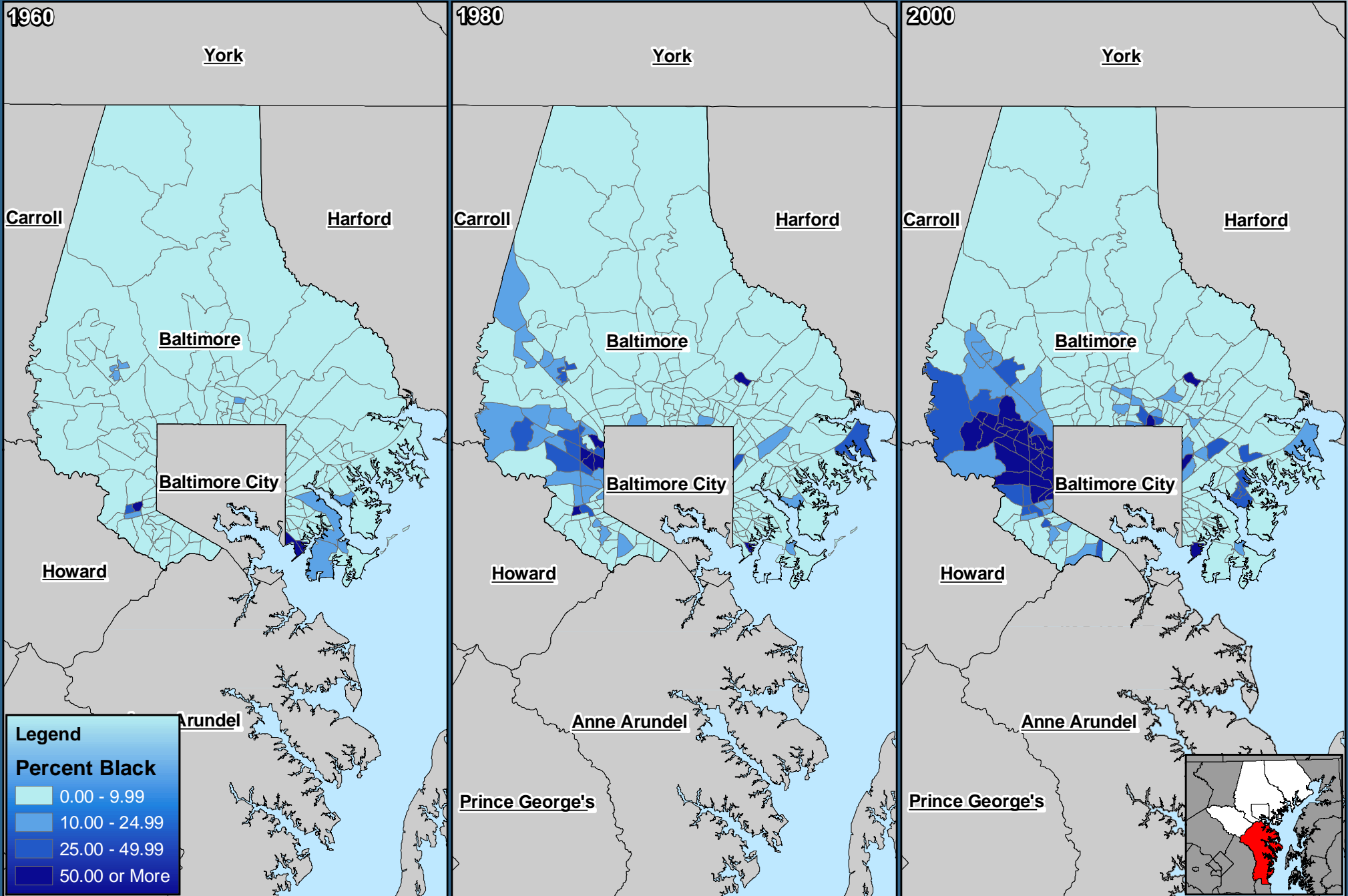
iv. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. A review of median household incomes in Baltimore County reveals a stark contrast among racial and ethnic groups. The median household income for both Blacks and Hispanics in 2008 was equivalent to only 84% that of Whites. The median income for Asians was about 2% lower than that of Whites.

Higher poverty rates among Blacks accompanied lower median household income. Among Blacks and Asians, the poverty rate was almost twice as high as among Whites. Poverty was especially prevalent among Hispanics in

Map 4: Concentrations of Black Residents in Baltimore County, 1990 - 2000

Baltimore Regional Analysis of Impediments to Fair Housing Choice



Baltimore County, 15.9% of whom were estimated to have incomes below poverty in 2008.

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

	Median Household Income (in 2008 \$)	Poverty Rate
Baltimore County		
Whites	\$66,272	6.5%
Blacks	\$55,449	11.3%
Asians	\$64,802	11.4%
Hispanics	\$55,927	15.9%

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

In 2008, Whites and Asians in the County were more likely to be at the higher end of the income spectrum than Blacks and Hispanics. The greatest disparity is apparent among those households earning \$75,000 or more, a category that includes 44.6% of Whites compared to one-third or less of all other racial or ethnic groups.

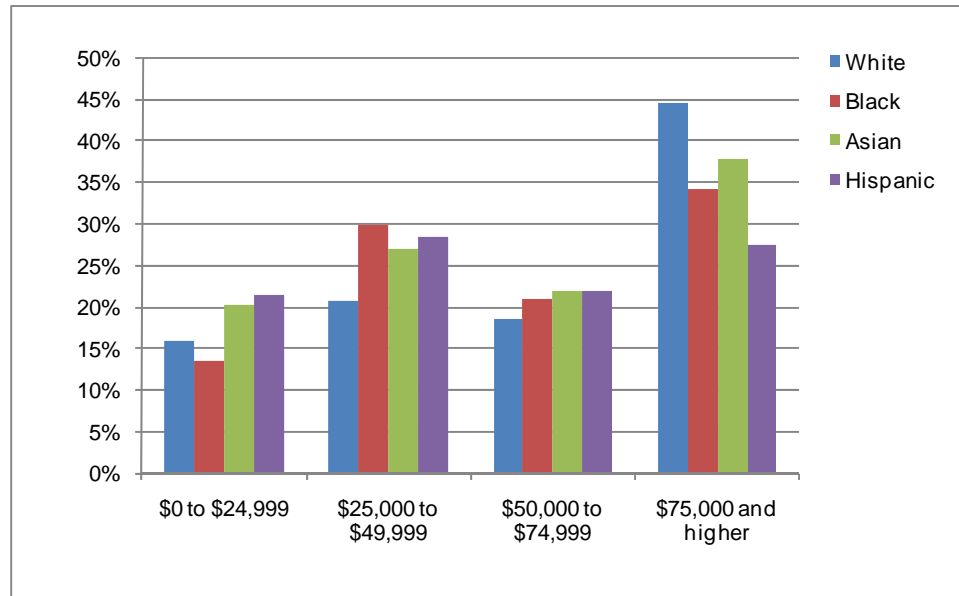
Figure 1-7
Household Income Distribution by Race/Ethnicity, 2008

	Total	\$0 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$74,999		\$75,000 and higher	
		#	%	#	%	#	%	#	%
Baltimore County	311,244	48,739	15.7%	71,050	22.8%	60,537	19.5%	129,496	41.6%
White Households	219,828	35,189	16.0%	45,710	20.8%	40,975	18.6%	97,954	44.6%
Black Households	74,396	10,065	13.5%	22,183	29.8%	15,687	21.1%	25,423	34.2%
Asian Households	11,474	2,333	20.3%	3,094	27.0%	2,513	21.9%	4,333	37.8%
Hispanic Households	7,808	1,669	21.4%	2,228	28.5%	1,713	21.9%	2,146	27.5%

Source: U.S. Census Bureau, 2008 American Community Survey (C19001, B19001A, B19001B, B19001D, B19001I)

OBSERVATION: The median household income for Blacks and Hispanics in Baltimore 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 Baltimore 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 Baltimore County. Map 5 on the following page illustrates the location of the low- and moderate-income (LMI) census tracts where at least 50% of residents (for whom this rate is determined) meet the criteria for LMI status.⁸ In several locations, areas of racial and ethnic concentration are also areas of concentration of low/moderate persons. In total, 24.5% of the County's 498 block groups qualify as LMI.

OBSERVATION: As of 2010, 122 (24.5%) of the County's block groups across qualified as predominantly low- and moderate-income, with at least 50% of household incomes below the HUD income threshold. In several locations, areas of racial and ethnic concentration are also areas of concentration of low/moderate persons.

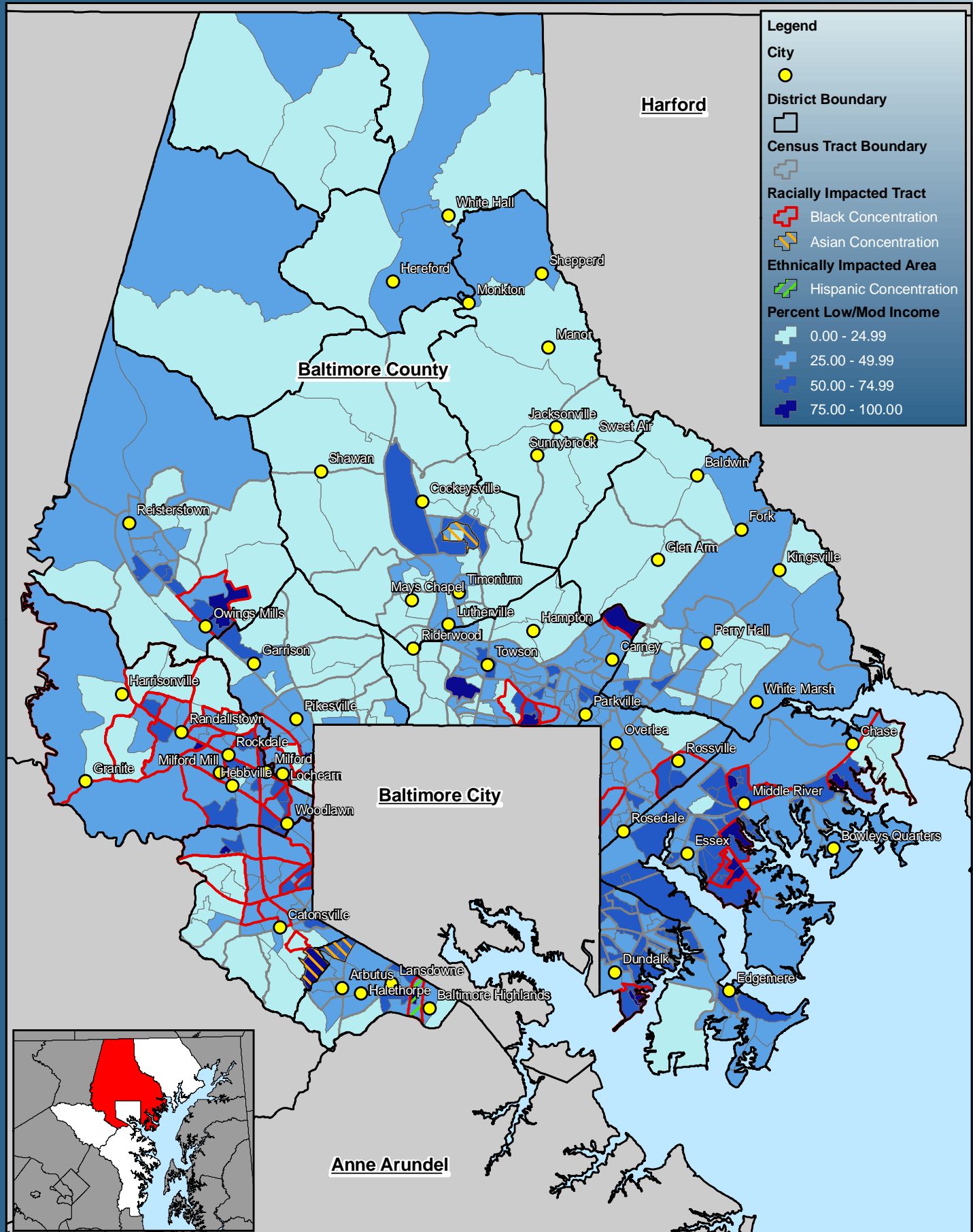
v. Disability and Income

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,

⁸ The 50.0% 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 Baltimore County.

Map 5: Low and Moderate Income Areas and Areas of Minority Concentration, 2009

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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 Baltimore County, 10.3% of the population 5 years and older reported at least one type of disability in 2000.

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 County, persons with a disability are much more likely than persons without a disability to live in poverty. In 2000, among all persons with a disability, 12.3% lived below the level of poverty. However, among all persons without a disability, only 5.4% of persons were living in poverty.⁹

OBSERVATION: Persons with disabilities were more likely to live in poverty than persons without disabilities. In Baltimore County, 12.3% of persons with disabilities were living in poverty, compared to only 5.4% 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.

Female-headed households have remained a relatively consistent segment at about 13% of all households since 1990. Female-headed households with children have decreased from 8.4% to 7.2%. Married-couple families with children also decreased from 22.3% to 20%.

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 Baltimore County in 2000, female-headed households with children

⁹ U.S. Census Bureau, Census 2000 (SF3, PCT34)

accounted for 56% of all families living in poverty, though they represented only 10.4% of families who were living above the level of poverty.¹⁰

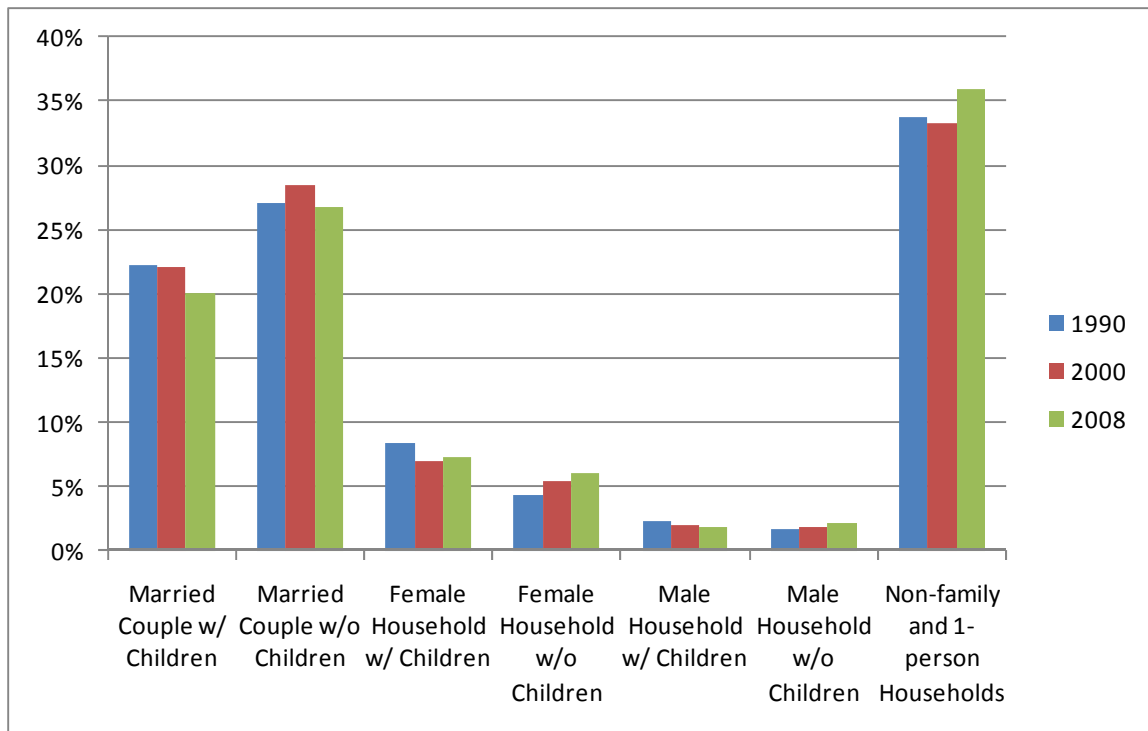
Figure 1-9
Households by Type and Presence of Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Total Households: Baltimore County	299,877	---	300,020	---	311,244	---
Family Households	198,605	66.2%	199,946	66.6%	199,388	64.1%
Married-couple family	148,099	49.4%	151,651	50.5%	145,799	46.8%
With Children	66,804	22.3%	66,128	22.0%	62,393	20.0%
Without Children	81,295	27.1%	85,523	28.5%	83,406	26.8%
Female-Headed Households	38,398	12.8%	36,855	12.3%	41,150	13.2%
With Children	25,229	8.4%	20,748	6.9%	22,517	7.2%
Without Children	13,169	4.4%	16,107	5.4%	18,633	6.0%
Male-Headed Household	12,108	4.0%	11,440	3.8%	12,439	4.0%
With Children	6,863	2.3%	5,809	1.9%	5,740	1.8%
Without Children	5,245	1.7%	5,631	1.9%	6,699	2.2%
Non-family and 1-person Households	101,272	33.8%	100,074	33.4%	111,856	35.9%

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

¹⁰ U.S. Census Bureau, Census 2000 (SF3, P90)

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



OBSERVATION: In 2000, female-headed households with children accounted for 56% of all Baltimore County families living in poverty and only 10.4% of families living above the level of poverty.

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 Baltimore County revealed that 9.6% of all County residents in 2008 were born outside of the U.S. in Puerto Rico, in U.S. island areas or were foreign-born. Among families with children with foreign-born parents, 27.9% were living *under* 200% of the poverty level.¹¹

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 for a community to recognize the presence of LEP persons and the potential for discrimination,

¹¹ U.S. Census Bureau, American Community Survey 2008 (C05010)

whether intentional or inadvertent, and establish policies to eliminate language barriers. It is 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 2006-08 reports, the eight languages with at least 1,000 persons who speak English less than “very well” in Baltimore County appear in Table 1-11. 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 County’s programs.

Figure 1-11
Language Spoken at Home by Ability to Speak English, 2006-08

Language Group	Number of LEP Persons	Percent of Total Population
Spanish	9,947	1.3%
Russian	3,679	0.5%
Chinese	3,598	0.5%
Korean	1,961	0.2%
African Languages	1,876	0.2%
Indic Languages	1,560	0.2%
Tagalog	1,343	0.2%
French	1,126	0.1%

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

The Census Bureau has identified the number of LEP persons who speak languages other than English at home. Spanish speakers constitute the largest LEP language group, as 9,947 Spanish-speaking persons spoke English less than “very well” in 2006-08. There were additionally 3,679 Russian speakers and 3,598 Chinese speakers who spoke English less than very well, in addition to smaller populations in other language groups.

Generally, when these numbers exceed 1,000, the entitlement jurisdiction is obligated to translate vital documents into those languages. The term “vital document” refers 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 County.

For the purpose of general estimates for the AI, it is assumed that all citizens of the County are potential program beneficiaries. Given this parameter, the size of the population groups speaking all eight languages listed above

triggers a need to 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 the County's programs.¹² If it is determined that the need for a Language Access Plan exists, the County must prepare such a plan in order to comply with Title VI of the Civil Rights Act of 1964.

OBSERVATION: There are eight language groups in Baltimore County that include at least 1,000 persons who do not speak English proficiently. In order to comply with Title VI of the Civil Rights Act of 1964, the County must ensure that these persons and all other potential program beneficiaries are provided timely access to information necessary for their participation in County programs.

¹² The four-factor analysis is outlined in the Federal Register of January 22, 2007, and at www.lep.gov.

viii. Protected Class Status and Unemployment

Unemployment in Baltimore County was 4.8% in 2008, below the statewide rate of 5.4%. Among minorities, Blacks and Hispanics were more likely to be unemployed, at rates of 6.9% and 5%, respectively. This contrasts with lower unemployment rates among Asians (2.7%) and Whites (4.2%). Higher unemployment, whether temporary or permanent, translates to less disposable income for housing expenses.

Figure 1-12
Civilian Labor Force, 2008

	Maryland	%	Baltimore County	%
Total Civilian Labor Force (CLF)	3,052,637	100.0%	429,223	100.0%
Employed	2,887,800	94.6%	408,466	95.2%
Unemployed	164,837	5.4%	20,757	4.8%
Male CLF	1,556,589	51.0%	215,686	50.3%
Employed	1,471,863	94.6%	204,506	94.8%
Unemployed	84,726	5.4%	11,180	5.2%
Female CLF	1,496,048	49.0%	213,537	49.7%
Employed	1,415,937	94.6%	203,960	95.5%
Unemployed	80,111	5.4%	9,577	4.5%
White CLF	1,892,513	62.0%	294,334	68.6%
Employed	1,819,043	96.1%	282,039	95.8%
Unemployed	73,470	3.9%	12,295	4.2%
Black CLF	865,769	28.4%	107,144	25.0%
Employed	790,407	91.3%	99,755	93.1%
Unemployed	75,362	8.7%	7,389	6.9%
Asian CLF	155,588	5.1%	17,339	4.0%
Employed	149,388	96.0%	16,877	97.3%
Unemployed	6,200	4.0%	462	2.7%
Hispanic CLF	191,020	6.3%	12,056	2.8%
Employed	179,588	94.0%	11,449	95.0%
Unemployed	11,432	6.0%	607	5.0%

Source: U.S. Census Bureau, 2006-08 American Community Survey (C23001, C23002A, C23002B, C23002D, C23002I)

OBSERVATION: In 2008, Black residents of Baltimore County were substantially less likely to be employed than White residents.

D. The Housing Market

i. Housing Inventory

The total housing inventory in Baltimore County has increased 17.4% since 1990. The housing stock increased by more than 32,000 units during the 1990s, and by almost 17,000 units between 2000 and 2009. The majority of new housing development, as illustrated in Map 6, has occurred in areas northwest of Baltimore City (Reisterstown, Shaws, Owings Mills, Garrison, Harrisonville, Hebbville), in the central part of the County (Cockeysville), in the eastern part of the County (Perry Hall, Rossville, White Marsh), and south toward Edgemere. While there was some overlap of high-growth areas and areas of racial concentration, most of the newer residential development during this period occurred in non-concentrated areas.

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

Figure 1-13
Trends in Housing Inventory Across the County, 1990-2009

Census Tract	1990	2000	2009	Change 1990-2009	
				#	%
County Total	281,552	313,734	330,663	49,111	17.4%
4001	1,523	2,549	2,437	914	60.0%
4002	1,184	1,210	1,195	11	0.9%
4004	1,693	2,131	2,318	625	36.9%
4005	635	836	825	190	29.9%
4006	1,340	1,326	1,320	-20	-1.5%
4007.01	1,285	1,343	1,335	50	3.9%
4007.02	679	680	667	-12	-1.8%
4008	1,140	1,158	1,141	1	0.1%
4009	769	771	760	-9	-1.2%
4010	865	894	909	44	5.1%
4011.01	2,509	2,511	2,453	-56	-2.2%
4011.02	426	424	484	58	13.6%
4012	1,163	1,169	1,206	43	3.7%
4013.01	1,442	1,512	1,512	70	4.9%
4013.02	1,162	1,175	1,262	100	8.6%
4014	581	598	609	28	4.8%
4015.01	2,963	3,746	4,179	1,216	41.0%
4015.03	2,132	2,552	2,665	533	25.0%
4015.04	2,015	2,140	2,205	190	9.4%
4015.05	1,348	1,409	1,438	90	6.7%
4016.01	36	1	1	-35	-97.2%
4016.02	217	5	5	-212	-97.7%
4022.01	983	1,084	1,153	170	17.3%
4022.02	437	474	611	174	39.8%
4023.02	1,484	1,509	1,748	264	17.8%
4023.03	2,296	2,580	2,606	310	13.5%
4023.04	1,430	1,425	1,575	145	10.1%
4023.05	844	836	674	-170	-20.1%
4023.06	1,501	1,433	1,501	0	0.0%
4023.07	2,368	2,544	2,644	276	11.7%
4024.01	2,022	3,151	3,497	1,475	72.9%
4024.03	1,013	774	820	-193	-19.1%
4024.04	2,020	2,316	2,335	315	15.6%
4024.05	1,251	1,403	1,403	152	12.2%
4025.03	1,585	1,824	2,151	566	35.7%
4025.04	995	1,454	1,366	371	37.3%
4025.05	1,121	1,307	1,348	227	20.2%
4025.06	1,306	1,477	1,465	159	12.2%
4025.07	1,037	5,202	8,261	7,224	696.6%
4026.02	715	721	711	-4	-0.6%
4026.03	1,027	2,097	2,301	1,274	124.1%
4026.04	2,096	2,123	2,157	61	2.9%
4031	876	925	962	86	9.8%
4032.01	1,053	1,183	1,221	168	16.0%
4032.02	801	785	763	-38	-4.7%
4033	1,067	1,043	1,014	-53	-5.0%
4034	3,615	4,159	4,503	888	24.6%
4035	1,603	1,580	1,669	66	4.1%
4036.01	1,624	1,974	1,975	351	21.6%
4036.02	1,731	2,111	2,184	453	26.2%
4037.01	2,205	3,028	3,237	1,032	46.8%
4037.02	1,362	2,122	2,152	790	58.0%
4038.01	635	591	625	-10	-1.6%
4038.02	1,053	1,043	1,049	-4	-0.4%
4038.03	1,065	1,366	1,516	451	42.3%
4041	1,972	3,518	4,119	2,147	108.9%
4042.01	1,566	2,026	2,260	694	44.3%
4042.02	2,248	2,615	2,885	637	28.3%
4044.01	2,682	2,895	3,966	1,284	47.9%
4044.02	1,777	2,221	2,309	532	29.9%
4045.01	1,931	2,594	2,550	619	32.1%
4045.02	1,622	1,566	1,531	-91	-5.6%
4046	972	992	1,102	130	13.4%
4048	534	643	711	177	33.1%
4049	870	1,398	1,819	949	109.1%
4050	1,663	1,571	1,710	47	2.8%
4060	1,514	1,682	1,917	403	26.6%
4070.00	2,441	2,941	3,014	573	23.5%
4081	1,787	2,711	2,891	1,104	61.8%
4082	608	648	645	37	6.1%
4083.01	1,266	2,557	3,491	2,225	175.8%

cont'd ...

Census Tract	1990	2000	2009	Change 1990-2009	
				#	%
4083.02	528	961	1,129	601	113.8%
4084	104	60	59	-45	-43.3%
4085.02	1,974	2,018	2,385	411	20.8%
4085.03	1,500	1,497	1,431	-69	-4.6%
4085.05	1,597	1,630	1,635	38	2.4%
4085.06	2,500	2,494	2,485	-15	-0.6%
4085.07	3,090	3,087	3,121	31	1.0%
4086.01	1,572	1,566	1,532	-40	-2.5%
4086.02	873	868	857	-16	-1.8%
4087.02	1,052	1,072	1,081	29	2.8%
4087.03	2,556	2,801	2,768	212	8.3%
4087.04	1,678	1,958	2,074	396	23.6%
4088	1,010	1,002	1,000	-10	-1.0%
4089	952	1,229	1,369	417	43.8%
4101	1,897	2,187	2,360	463	24.4%
4102	1,367	1,625	1,658	291	21.3%
4111.01	618	759	757	139	22.5%
4111.02	1,133	1,162	1,188	55	4.9%
4112.01	1,113	1,140	1,167	54	4.9%
4112.02	1,496	1,553	1,541	45	3.0%
4113.02	754	786	1,127	373	49.5%
4113.03	2,407	2,761	2,796	389	16.2%
4113.04	2,003	2,468	4,364	2,361	117.9%
4113.06	1,245	2,251	2,455	1,210	97.2%
4113.07	1,585	1,596	1,606	21	1.3%
4114.04	1,177	1,356	1,381	204	17.3%
4114.06	1,262	1,776	1,785	523	41.4%
4114.07	3,045	2,977	2,968	-77	-2.5%
4114.08	1,368	3,075	3,058	1,690	123.5%
4114.09	1,512	1,821	1,893	381	25.2%
4114.1	1,192	1,700	1,828	636	53.4%
4201	1,456	1,442	1,442	-14	-1.0%
4202	1,047	1,052	1,179	132	12.6%
4203.01	922	954	969	47	5.1%
4203.02	1,033	1,038	1,009	-24	-2.3%
4203.03	606	663	658	52	8.6%
4204.01	2,359	2,311	2,252	-107	-4.5%
4204.02	828	840	818	-10	-1.2%
4205	1,441	1,504	1,524	83	5.8%
4206	1,596	1,569	1,538	-58	-3.6%
4207.01	1,268	1,241	1,205	-63	-5.0%
4207.02	966	871	861	-105	-10.9%
4208	1,408	1,429	1,403	-5	-0.4%
4209	1,927	1,888	1,713	-214	-11.1%
4210	1,024	1,051	1,035	11	1.1%
4211.01	1,476	1,486	1,481	5	0.3%
4211.02	1,000	1,000	972	-28	-2.8%
4212	788	788	773	-15	-1.9%
4213	1,536	1,460	1,465	-71	-4.6%
4301.01	1,716	1,709	1,670	-46	-2.7%
4301.02	997	1,024	1,011	14	1.4%
4302	997	1,165	1,218	221	22.2%
4303	2,071	2,143	2,186	115	5.6%
4304	1,570	1,684	1,682	112	7.1%
4306	927	931	912	-15	-1.6%
4307	1,877	2,097	2,047	170	9.1%
4308	1,486	1,529	1,509	23	1.5%
4309	2,106	2,139	2,155	49	2.3%
4401	1,816	1,848	1,837	21	1.2%
4402	1,073	1,067	1,154	81	7.5%
4403	837	937	1,022	185	22.1%
4404	2,178	2,225	2,212	34	1.6%
4405	1,203	1,305	1,283	80	6.7%
4406	372	520	769	397	106.7%
4407.01	2,199	2,468	2,566	367	16.7%
4407.02	730	1,545	2,342	1,612	220.8%
4408	1,001	979	1,208	207	20.7%
4409	1,268	1,466	1,550	282	22.2%
4410	1,350	1,337	1,323	-27	-2.0%
4411.01	888	901	882	-6	-0.7%
4411.02	1,683	1,880	1,928	245	14.6%
4501	1,437	1,647	1,622	185	12.9%
4502	1,399	1,425	1,396	-3	-0.2%
4503	1,388	1,479	1,434	46	3.3%
4504	914	895	882	-32	-3.5%
4505.01	1,915	1,842	1,810	-105	-5.5%
4505.03	2,249	2,386	2,395	146	6.5%
4505.04	2,692	2,793	2,798	106	3.9%
4506	1,076	1,113	1,108	32	3.0%
4507	1,265	224	318	-947	-74.9%
4508	2,412	2,466	2,506	94	3.9%
4509	1,537	1,659	1,667	130	8.5%
4510	815	800	826	11	1.3%
4511	672	620	766	94	14.0%
4512	1,722	1,675	1,656	-66	-3.8%
4513	1,492	1,466	1,742	250	16.8%
4514	2,999	3,198	3,203	204	6.8%
4515	1,476	1,453	1,413	-63	-4.3%
4516	1,207	921	971	-236	-19.6%
4517.01	676	976	1,034	358	53.0%
4517.02	712	798	807	95	13.3%
4518.01	2,474	1,964	2,128	-346	-14.0%
4518.02	1,827	1,809	1,890	63	3.4%
4518.03	1,438	1,776	1,921	483	33.6%

cont'd ...

Census Tract	1990	2000	2009	Change 1990-2009	
				#	%
4519	1,204	1,199	1,211	7	0.6%
4520	912	1,051	1,038	126	13.8%
4521	1,409	1,436	1,438	29	2.1%
4522	0	2	2	2	100.0%
4523	1,216	1,222	1,202	-14	-1.2%
4524	987	1,149	1,361	374	37.9%
4525	1,592	1,503	1,468	-124	-7.8%
4901	1,531	1,600	1,632	101	6.6%
4902	1,099	1,104	1,086	-13	-1.2%
4903.01	2,653	2,668	2,772	119	4.5%
4903.02	1,286	1,337	1,313	27	2.1%
4904	643	734	728	85	13.2%
4905	1,498	1,530	1,677	179	11.9%
4906.01	846	860	850	4	0.5%
4906.02	1,414	1,385	1,252	-162	-11.5%
4906.03	816	900	893	77	9.4%
4906.05	230	228	222	-8	-3.5%
4907.01	296	700	712	416	140.5%
4907.03	1,451	1,357	1,298	-153	-10.5%
4908	1,379	1,275	1,424	45	3.3%
4909	2,507	2,571	2,647	140	5.6%
4910	798	796	783	-15	-1.9%
4911	1,340	1,361	1,398	58	4.3%
4912.01	865	877	858	-7	-0.8%
4912.02	876	857	845	-31	-3.5%
4913	1,505	1,523	1,494	-11	-0.7%
4914.01	2,367	2,465	2,430	63	2.7%
4914.02	1,179	1,153	1,145	-34	-2.9%
4915	1,818	1,818	1,773	-45	-2.5%
4916	1,265	1,273	1,319	54	4.3%
4917.01	1,634	1,830	1,915	281	17.2%
4917.02	1,478	1,531	1,494	16	1.1%
4918	17	11	11	-6	-35.3%
4919	796	904	983	187	23.5%
4920.01	638	715	770	132	20.7%
4920.02	1,632	1,664	1,657	25	1.5%
4921.01	1,729	1,718	1,687	-42	-2.4%
4921.02	907	896	871	-36	-4.0%
4922	1,978	2,062	2,047	69	3.5%

Source: DemographicsNow

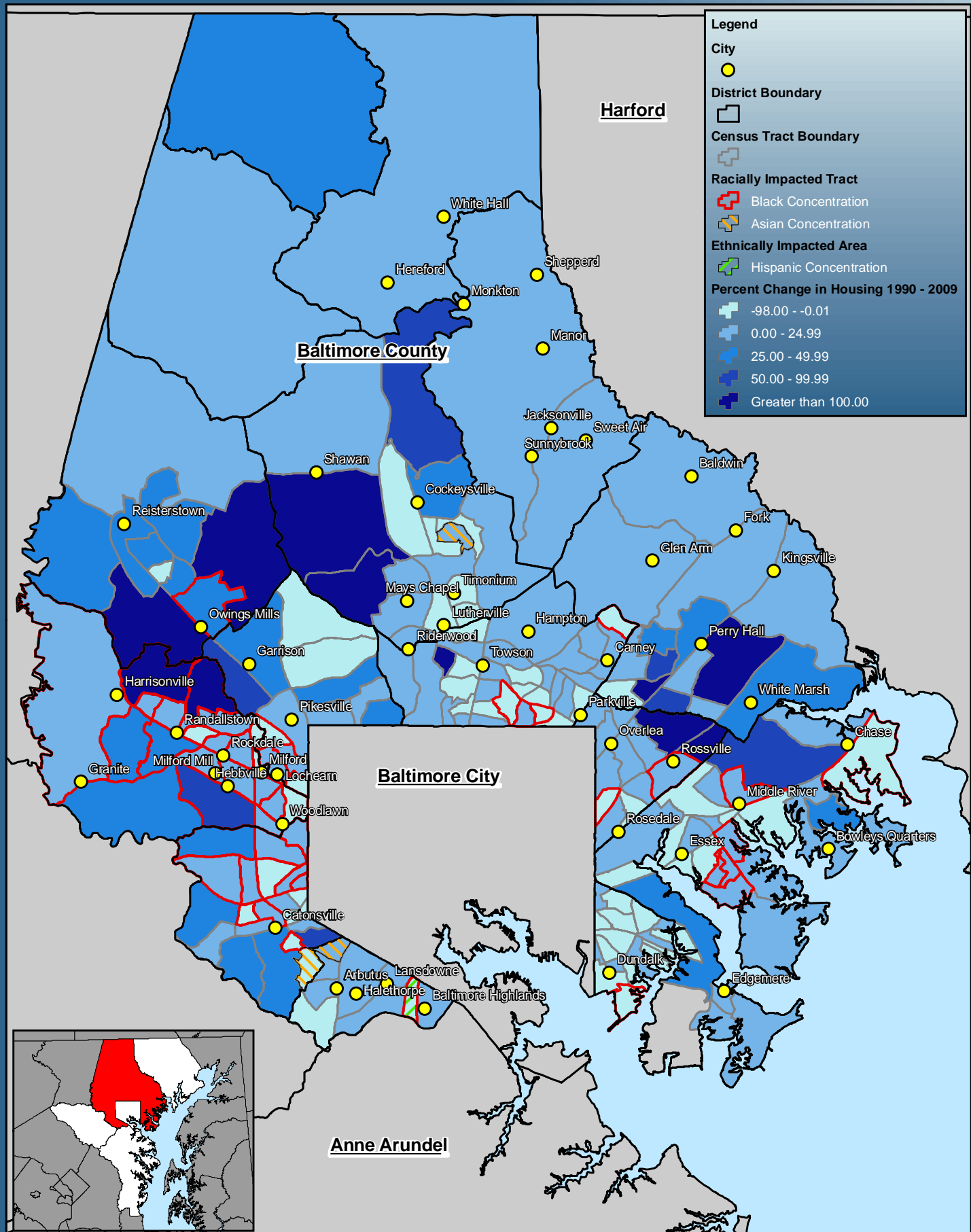
OBSERVATION: The County's total housing inventory has increased by more than 49,000 units (17.4%) since 1990, including an estimated 17,000-unit gain between 2000 and 2009. The majority of new housing development has occurred in non-impacted areas.

ii. Types of Housing Units

Of the 313,734 housing structures in 2000, 71.5% were single-family units. Aside from 2,569 mobile homes and vehicles reported as residences, the remaining units were multi-family properties of all sizes. Higher percentages

Map 6: Change in Total Housing Units by Census Tract in Baltimore County, 1990 - 2009

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of multi-family units were noted in several racially concentrated areas such as Owings Mills, Harrisonville, Randallstown, Woodlawn, Rossville, and Middle River.

Details on the distribution of stock by structure size appear in the following table.

Figure 1-14
Housing Units in Structures across the County, 2000

	Total Units	Single-family units (detached & attached)	Multi-family units				
			2 to 4	5 to 9	10 to 19	20 or more	Total
Baltimore County	313,734	224,283	12,435	21,849	35,257	17,341	86,882
4001	2,549	732	9	6	156	1,646	1,817
4002	1,210	811	389	10	0	0	399
4004	2,086	1,898	155	33	0	0	188
4005	844	814	16	14	0	0	30
4006	1,318	934	174	42	85	83	384
4007.01	1,388	716	32	61	552	27	672
4007.02	673	492	129	52	0	0	181
4008	1,165	884	123	66	85	7	281
4009	761	502	210	41	0	0	251
4010	904	553	148	80	68	55	351
4011.01	2,511	2,074	43	86	251	57	437
4011.02	430	180	16	197	30	7	250
4012	1,163	1,026	85	13	16	23	137
4013.01	1,512	1,410	31	0	62	9	102
4013.02	1,221	781	55	101	243	41	440
4014	552	545	7	0	0	0	7
4015.01	3,746	2,237	63	806	433	207	1,509
4015.03	2,552	2,229	52	44	186	41	323
4015.04	2,140	1,817	23	48	214	38	323
4015.05	1,409	1,165	12	16	0	216	244
4016.01	0	0	0	0	0	0	0
4016.02	6	6	0	0	0	0	0
4022.01	1,108	1,041	67	0	0	0	67
4022.02	450	385	22	0	0	0	22
4023.02	1,509	940	23	261	266	19	569
4023.03	2,580	1,846	96	434	163	41	734
4023.04	1,428	1,173	22	10	223	0	255
4023.05	833	380	17	64	210	162	453
4023.06	1,428	675	44	248	452	9	753
4023.07	2,549	957	8	534	822	228	1,592
4024.01	3,151	2,116	78	295	507	155	1,035
4024.03	754	687	53	14	0	0	67
4024.04	2,336	1,156	81	707	238	154	1,180
4024.05	1,403	790	68	148	272	125	613
4025.03	1,822	500	44	178	900	200	1,322
4025.04	1,454	1,209	13	22	198	12	245
4025.05	1,311	597	0	32	539	143	714
4025.06	1,473	1,363	20	10	80	0	110
4025.07	5,202	2,682	28	293	1,788	411	2,520
4026.02	723	640	0	7	52	18	77
4026.03	2,097	1,790	25	8	77	190	300
4026.04	2,123	2,100	8	0	0	8	16
4031	924	809	8	47	16	44	115
4032.01	1,153	1,133	13	0	0	0	13
4032.02	765	758	0	7	0	0	7

cont'd ...

	Total Units	Single-family units (detached & attached)	Multi-family units				Total
			2 to 4	5 to 9	10 to 19	20 or more	
4033	1,094	877	47	130	9	31	217
4034	4,159	1,353	131	452	916	1,301	2,800
4035	1,580	1,279	108	155	12	26	301
4036.01	1,974	1,261	0	455	117	141	713
4036.02	2,111	807	91	821	277	115	1,304
4037.01	3,028	1,941	101	191	469	326	1,087
4037.02	2,122	1,064	72	466	460	60	1,058
4038.01	605	594	11	0	0	0	11
4038.02	1,029	1,016	7	0	0	0	7
4038.03	1,366	940	6	56	292	72	426
4041	3,518	2,858	45	114	491	10	660
4042.01	2,026	1,405	127	113	322	59	621
4042.02	2,615	368	78	778	1,146	245	2,247
4044.01	2,895	1,744	40	219	735	157	1,151
4044.02	2,221	2,204	6	7	4	0	17
4045.01	2,594	2,068	28	175	295	28	526
4045.02	1,593	1,227	71	55	222	18	366
4046	965	922	37	6	0	0	43
4048	640	626	14	0	0	0	14
4049	1,401	1,392	9	0	0	0	9
4050	1,571	1,526	38	0	0	0	38
4060	1,682	1,621	49	0	0	0	49
4070	2,941	2,863	34	7	0	0	41
4081	2,691	1,588	51	103	770	166	1,090
4082	651	645	6	0	0	0	6
4083.01	2,557	1,796	37	140	420	164	761
4083.02	981	783	16	14	118	50	198
4084	61	10	18	13	9	11	51
4085.02	2,014	1,647	5	12	121	229	367
4085.03	1,497	644	42	162	614	35	853
4085.05	1,630	1,239	10	42	339	0	391
4085.06	2,494	275	18	453	1,685	63	2,219
4085.07	3,087	361	84	643	1,755	237	2,719
4086.01	1,553	1,539	0	0	0	0	0
4086.02	881	879	0	2	0	0	2
4087.02	1,082	772	20	97	0	193	310
4087.03	2,801	1,821	60	597	323	0	980
4087.04	1,958	1,951	0	0	0	0	0
4088	1,007	727	33	35	193	19	280
4089	1,214	1,064	0	8	44	98	150
4101	2,187	2,127	28	0	10	0	38
4102	1,625	1,618	0	0	0	0	0
4111.01	746	734	6	0	0	0	6
4111.02	1,175	1,134	27	0	14	0	41
4112.01	1,140	1,128	6	0	0	0	6
4112.02	1,524	1,343	11	22	0	148	181
4113.02	815	679	6	0	0	0	6
4113.03	2,761	1,658	30	142	678	253	1,103
4113.04	2,430	2,325	4	17	84	0	105

cont'd ...

	Total Units	Single-family units (detached & attached)	Multi-family units				Total
			2 to 4	5 to 9	10 to 19	20 or more	
4113.06	2,251	1,662	28	96	378	87	589
4113.07	1,634	1,021	0	95	461	57	613
4114.04	1,356	1,328	17	11	0	0	28
4114.06	1,776	1,529	42	116	89	0	247
4114.07	2,977	2,012	93	122	672	78	965
4114.08	3,075	1,007	44	321	186	1,507	2,058
4114.09	1,821	1,821	0	0	0	0	0
4114.10	1,700	1,504	30	69	97	0	196
4201	1,453	1,424	26	0	3	0	29
4202	1,041	933	6	0	6	0	12
4203.01	949	503	14	311	18	103	446
4203.02	1,059	873	56	110	20	0	186
4203.03	647	559	13	62	6	7	88
4204.01	2,311	1,717	9	61	502	12	584
4204.02	836	823	8	0	5	0	13
4205	1,508	1,473	23	12	0	0	35
4206	1,569	1,424	145	0	0	0	145
4207.01	1,228	750	8	84	329	57	478
4207.02	884	850	13	14	7	0	34
4208	1,429	1,259	120	0	40	10	170
4209	1,886	1,223	479	50	87	47	663
4210	1,053	585	72	133	0	263	468
4211.01	1,486	767	602	34	28	55	719
4211.02	985	979	0	0	6	0	6
4212	803	701	23	8	64	7	102
4213	1,460	1,388	29	29	14	0	72
4301.01	1,709	1,125	76	119	187	192	574
4301.02	1,012	944	53	15	0	0	68
4302	1,177	908	61	9	158	35	263
4303	2,143	1,648	27	68	219	119	433
4304	1,684	1,416	164	64	7	17	252
4306	924	884	24	16	0	0	40
4307	2,104	1,769	165	103	38	29	335
4308	1,529	1,290	156	38	42	0	236
4309	2,139	1,103	373	405	76	182	1,036
4401	1,797	1,725	65	7	0	0	72
4402	1,087	777	84	149	17	60	310
4403	988	518	18	45	391	16	470
4404	2,225	2,039	166	0	12	8	186
4405	1,286	1,165	7	7	0	107	121
4406	519	509	0	0	0	0	0
4407.01	2,578	1,271	99	273	813	122	1,307
4407.02	1,435	1,013	18	55	301	48	422
4408	1,034	324	43	496	23	141	703
4409	1,411	679	33	120	477	102	732
4410	1,337	1,197	22	32	73	7	134
4411.01	891	843	6	9	0	0	15
4411.02	1,890	1,710	58	0	8	114	180
4501	1,647	1,354	23	24	16	181	244
4502	1,425	1,303	109	0	13	0	122

cont'd ...

	Total Units	Single-family units (detached & attached)	Multi-family units				Total
			2 to 4	5 to 9	10 to 19	20 or more	
4503	1,496	1,196	60	11	16	213	300
4504	878	804	74	0	0	0	74
4505.01	1,842	1,155	533	23	45	39	640
4505.03	2,386	1,583	48	153	563	39	803
4505.04	2,793	613	84	307	1,716	73	2,180
4506	1,113	1,100	0	7	0	0	7
4507	211	187	18	6	0	0	24
4508	2,479	1,046	410	695	13	309	1,427
4509	1,647	1,605	9	8	15	0	32
4510	812	805	7	0	0	0	7
4511	648	641	0	0	7	0	7
4512	1,647	1,431	18	0	0	0	18
4513	1,466	816	267	67	256	20	610
4514	3,198	2,301	127	85	611	74	897
4515	1,427	1,380	18	13	16	0	47
4516	947	634	31	64	30	5	130
4517.01	965	798	0	0	0	0	0
4517.02	767	751	9	0	0	0	9
4518.01	1,964	1,723	0	10	0	111	121
4518.02	1,809	1,019	48	12	146	22	228
4518.03	1,776	1,275	9	276	19	172	476
4519	1,241	944	26	125	16	0	167
4520	1,063	856	62	17	0	128	207
4521	1,424	1,336	26	6	0	7	39
4522	0	0	0	0	0	0	0
4523	1,209	1,136	31	6	0	0	37
4524	1,164	897	22	0	0	0	22
4525	1,503	1,435	0	0	12	0	12
4901	1,612	1,604	8	0	0	0	8
4902	1,092	1,092	0	0	0	0	0
4903.01	2,668	720	284	706	523	435	1,948
4903.02	1,371	568	25	21	311	446	803
4904	700	616	57	0	13	14	84
4905	1,530	1,111	40	296	31	52	419
4906.01	859	845	14	0	0	0	14
4906.02	1,386	868	369	112	24	13	518
4906.03	893	768	17	12	23	73	125
4906.05	235	25	11	147	45	7	210
4907.01	614	328	0	0	0	286	286
4907.03	1,443	717	49	121	0	556	726
4908	1,275	983	278	0	7	7	292
4909	2,571	703	135	355	370	1,008	1,868
4910	777	764	7	6	0	0	13
4911	1,380	1,006	128	129	108	9	374
4912.01	877	787	13	0	0	77	90
4912.02	857	852	5	0	0	0	5
4913	1,523	706	29	188	415	185	817
4914.01	2,471	934	224	463	681	169	1,537
4914.02	1,147	971	129	38	9	0	176
4915	1,817	1,269	240	251	41	16	548
4916	1,274	1,087	150	7	22	8	187
4917.01	1,830	1,046	49	496	203	36	784
4917.02	1,531	894	41	154	415	27	637
4918	11	0	0	11	0	0	11
4919	878	764	17	7	0	90	114
4920.01	725	479	20	88	119	19	246
4920.02	1,680	1,508	18	32	113	9	172
4921.01	1,753	1,008	135	481	46	83	745
4921.02	861	805	56	0	0	0	56
4922	2,062	1,383	22	308	240	103	673

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

Map 7 on the following page compares the location of multi-family structures with areas of high minority population.

OBSERVATION: Multi-family units represent about one quarter of the total housing stock in Baltimore County. Neighborhoods with higher proportions of multi-family structures are located near Baltimore City, as are most of the County's areas of racial and ethnic concentration. It is important to maintain an adequate supply of rental housing available for various household types and income levels to provide 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% return on the investment every time the house appreciates 5 percent."¹³

Historically, minorities tend to have lower home ownership rates than Whites. In 1990, the rates of home ownership among Blacks and Hispanics in Baltimore County were only 39.1% and 50.6%, respectively, compared to 70.1% among Whites and 60.9% among Asians.¹⁴ By 2000, the rate among Blacks increased to 53.8%; however, they still lagged far behind Whites (77.8%) and Asians (58.3%). The rate of Hispanic homeownership declined, dropping to 47.9% in 2000.¹⁵

As discussed previously, median household income is generally lower among minorities, particularly Blacks and Hispanics, than among Whites. This is one among several factors that contributes to the low rates of home ownership among minorities in Baltimore County.

OBSERVATION: Racial and ethnic minorities are much more likely to be renters than homeowners in the County as a result of lower incomes.

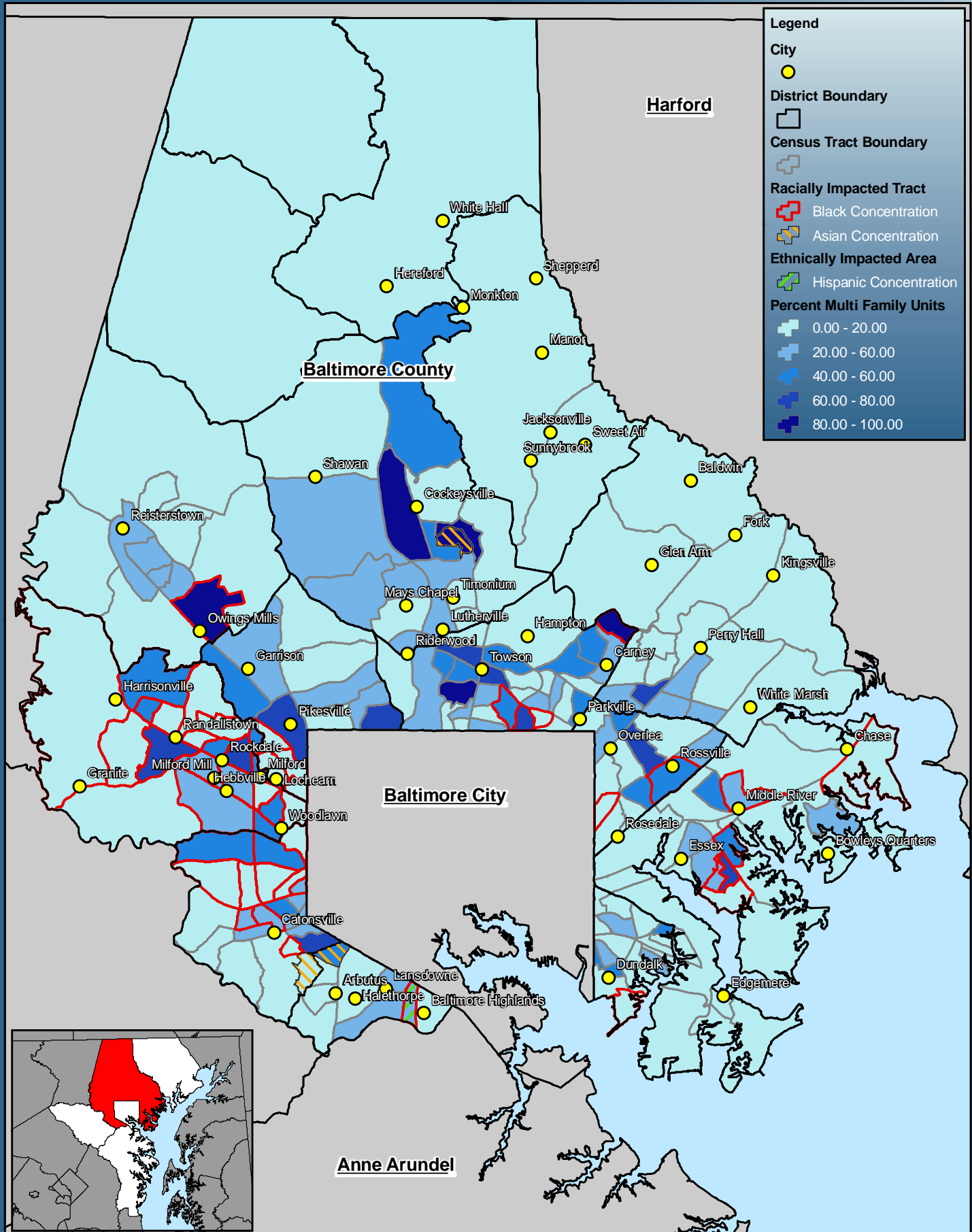
¹³ Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in *Segregation: The Rising Costs for America*, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 82.

¹⁴ 1990 Census (H009, H011)

¹⁵ 2000 Census (H11A, H11B, H11D, H11H)

Map 7: Percentage Multi-Family Units by Census Tract in Baltimore County, 2000

Baltimore Regional Analysis of Impediments to Fair Housing Choice



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 Baltimore County, minorities were far more likely than Whites to live in families with three or more persons. Among individual minority groups, Hispanic households were the most likely to consist of three or more people, at a rate of 49.2%. Black families had a comparable rate at 46.1%, and Asian/Pacific islander families were smaller, as only 42.4% included three or more persons. White families were the smallest, with only 36.6% consisting of more than two members.

Figure 1-15
Families with Three or More Persons, 2000

Race	Families with 3 or more persons	
	#	%
Total Families	117,279	39.1%
White	84,469	36.6%
Black	25,769	46.1%
Hispanic	2,140	49.2%
Asian/Pacific Islander	331	42.4%

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 Baltimore County, 18.5% of the rental housing stock contained three or more bedrooms in 2000, in sharp contrast to 81.6% of the owner housing stock.

Figure 1-16
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
0-1 bedroom	33,861	34.8%	4,271	2.1%
2 bedrooms	45,447	46.7%	32,995	16.3%
3 or more bedrooms	17,995	18.5%	165,308	81.6%
Total	97,303	100.0%	202,574	100.0%

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

OBSERVATION: Only 18.5% of the City's rental housing stock in 2000 contained three or more bedrooms, compared to 81.6% 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.

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.

The median housing value in Baltimore County increased 117.2% from 1990 to 2008, after adjusting for inflation. Owner stock appreciation far outpaced an increase in the median gross rent, which increased 48.6%. At the same time, the median household income increased only 23.4%.

Figure 1-17
Trends in Median Housing Value, Rent and Income, 1990-2008

	1990	2000	2008	1990-2008
Median Owner-Occupied Housing Value				
Actual Dollars	\$99,300	\$127,300	\$284,100	---
2008 Inflation-Adjusted Dollars	\$163,579	\$159,164	\$355,212	117.2%
Median Gross Rent				
Actual Dollars	\$529	\$670	\$1,036	---
2008 Inflation-Adjusted Dollars	\$871	\$838	\$1,295	48.6%
Median Household Income				
Actual Dollars	\$38,837	\$50,667	\$63,128	---
2008 Inflation-Adjusted Dollars	\$63,976	\$63,349	\$78,929	23.4%

Sources: U.S. Census Bureau, 1990 Census (STF3-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 owner-occupied housing value in Baltimore County increased 117% between 1990 and 2008, while the inflation-adjusted median household income grew only 23%.

a. Rental Housing

At the same time that real household income was failing to keep pace with median rents, Baltimore County was also losing affordable rental units. Between 2000 and 2008, the number of affordable rental units renting for less than \$500/month decreased by almost 11,000; units

renting for \$500 to \$699/month decreased by more than 30,000. At the same time, the number of higher-rent units (\$700/month or more) increased by 45,000.

Figure 1-18
Loss of Affordable Rental Housing Units, 2000-2008

Units Renting for:	2000	2008	Change 2000-2008	
			#	%
Less than \$500				
\$500 to \$699	36,402	5,678	-30,724	-84.4%
\$700 to \$999	31,860	35,404	3,544	11.1%
\$1,000 or more	9,458	54,475	45,017	476.0%

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

OBSERVATION: It is becoming increasingly expensive to rent an apartment in Baltimore County. Between 2000 and 2008, the number of units renting for less than \$500/month declined by more than 30,700 (84%), while units renting for \$1,000/month or more increased by more than 45,000 (476%).

HUD's 2008 Comprehensive Housing Market Analysis noted that the rental market in the County is balanced, with a vacancy rate of 6.5%.¹⁶ The market in the County is less tight than in neighboring Harford County, where vacancy was only 1% in 2008. The highest vacancies were reported in large, new developments, of which 8% to 9% of units were vacant.

The number of building permits issued for multifamily construction averaged 1,175 during the 1990s, falling to an average of 980 annually from 2000 to 2008. The HUD Analysis projects a demand for an additional 1,800 market-rate rental units in the County between 2008 and 2011, rents for which would start at \$900 for an efficiency unit, \$1,100 for a one-bedroom, \$1,550 for a two-bedroom and \$1,700 for a three-bedroom.

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 Baltimore County, the Fair Market Rent (FMR) for a two-bedroom apartment was \$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.

¹⁶ Office of Policy Development and Research, U.S. Department of Housing and Urban Development. "Comprehensive Housing Market Analysis: Baltimore, Maryland." April 1, 2008.

A minimum-wage worker in Maryland 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. Alternately, 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 Baltimore County, the estimated average wage for a renter is \$14.96 per 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.

OBSERVATION: Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in Baltimore 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.

Monthly Supplemental Security Income (SSI) payments for an individual are \$674 in Baltimore 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: An individual receiving a monthly SSI check of \$674 as their sole source of income, including a person with a disability, cannot afford a one-bedroom unit in Baltimore County renting at the fair market rate of \$868.

b. Sales Housing

The housing sales market in Baltimore County has remained relatively stable through the large-scale national market correction of recent years, insulated largely from the precipitous decline that affected other jurisdictions in the region, especially Baltimore City. Incentives such as historically low interest rates and the federal home buyer tax credit are primarily responsible for stimulating demand in 2009.

However, figures comparing October 2009 and October 2010 suggest that the expiration of the tax credit and the persistence of unemployment have impacted recent market conditions. Metropolitan Regional Systems, Inc., which maintains the multiple listing service for properties across and beyond the County, reported that the average home sale price in Baltimore County was \$247,400 in October 2010, down 4% (\$10,300)

from \$257,700 in 2009.¹⁷ More strikingly, the number of units sold across Baltimore County dropped 39% month-over-month. This represents the largest decrease in the region, topping the 26% decline in Baltimore City and 30% regional average decline.

OBSERVATION: Baltimore County's housing market experienced the largest decline in the region between October 2009 and October 2010, contracting 39% in sales.

A 2008 Comprehensive Housing Market Analysis conducted by HUD characterized the County's sales market as "balanced," with a 1% vacancy rate that was lower than the 1.3% rate noted in 2000.¹⁸ New construction activity eased in response to the general sales market slowdown, falling from an average of 4,300 single-family produced annually since 2000 to only 1,975 new homes in 2008. The amount of new housing construction is typically even between Baltimore County and neighboring Harford County.

Figure 1-19 provides a snapshot of the Baltimore County housing market for October 2010. Of 3,988 units listed for sale, only 115 (2.9%) were listed under \$100,000. Units priced under \$200,000 comprise roughly one-third of the market.

Figure 1-19
Countywide Housing Sales, October 2010

Price Range	Number Sold by Unit Size			Active Listings	
	0 - 2 BR	3 BR	4+ BR	#	%
Under \$100,000	6	17	5	115	2.9%
\$100,000 - \$199,999	12	60	18	1,218	30.5%
\$200,000 - \$299,999	4	51	38	1,240	31.1%
\$300,000 - \$499,999	0	28	36	826	20.7%
\$500,000+	0	6	19	589	14.8%
Total	22	162	116	3,988	100.0%

Source: RealEstate Business Intelligence, LLC

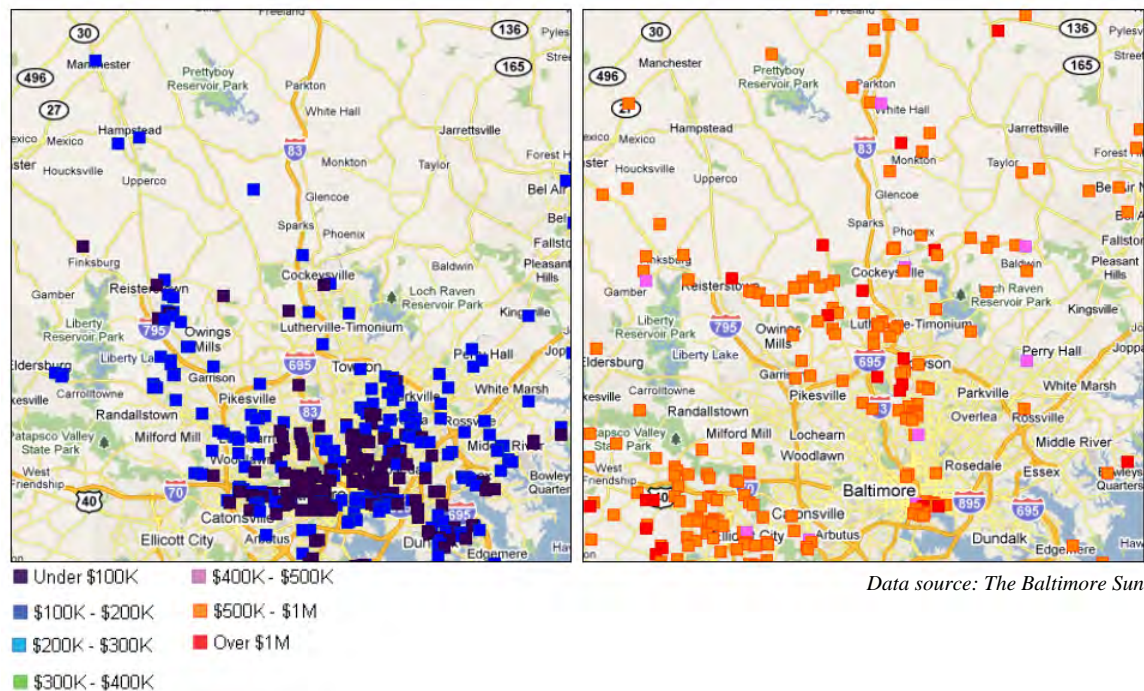
It is a fact generally accepted that the region's supply of affordable sales housing is heavily concentrated in and directly surrounding Baltimore City. These areas have amassed an overwhelming supply of inexpensive housing as a result of the national economic downturn, the housing market bust and an avalanche of foreclosures. The Baltimore Sun maintains a database of real estate sales by price range in the greater metropolitan area, from which Figure 1-20 was generated. In the left panel, which displays a random sample of 500 sales under \$200,000

¹⁷ All figures as reported by MRSI, Inc., via the Baltimore Sun.

¹⁸ Office of Policy Development and Research, U.S. Department of Housing and Urban Development. "Comprehensive Housing Market Analysis: Baltimore, Maryland." April 1, 2008.

across the region from 2010, it is apparent that most of the area's less expensive homes were sold in neighborhoods within and immediately surrounding Baltimore City. By contrast, far fewer of the most expensive homes were sold in the City, as they are largely scattered throughout Baltimore County. The right panel of Figure 1-20 contains a random sample of 500 sales over \$500,000 across the region.

Figure 1-20
Distribution of 2010 Home Sales under \$200,000 and over \$500,000



Data source: The Baltimore Sun

OBSERVATION: A major barrier to homeownership in Baltimore County is the prohibitive cost of market-rate housing. Of the 3,988 properties for sale in October 2010, only 2.8% were priced below \$100,000. The majority of sub-\$100,000 sales in the County occur in the minority-concentrated neighborhoods closest to Baltimore City. This trend indicates very limited housing choice for members of the protected classes residing in the County.

vi. Foreclosure Trends

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 10th 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.¹⁹

Maryland's recently rising rates are contrary to national patterns, as filings across the U.S. fell 3% between May 2010 and June 2010 and nearly 7% from June 2009.²⁰ However, rates in Maryland remain comparatively low due to the survival of a competitive housing market in which those who 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 changes in state law 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 specific 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 NSP data, Baltimore County's foreclosure rate during the study period ranked tenth highest among 24 Maryland jurisdictions, lower than Baltimore City but higher than Harford, Anne Arundel and Howard counties. There were an estimated 5,133 foreclosure filings for 158,374 mortgages, a rate of 3.2%. This compares to a rate of 5.4% in Baltimore City and rates below 2.5% in Anne Arundel County, Harford County and Howard County.

Within the County, four census designated places had estimated foreclosure rates exceeding 5%: Millford Mill, Lochearn, Randallstown and Woodlawn. All four of these high-foreclosure areas are in Black-concentrated census tracts west of Baltimore City. Foreclosure rates were especially low in the central part of the County north of Towson, including such areas as Mays Chapel, Hampton and Lutherville-Timonium. These estimates suggest that households in areas of racial/ethnic concentration are far more likely to experience foreclosure.

¹⁹ *ibid*

²⁰ "1.65 Million Properties Receive Foreclosure Filings in First Half of 2010," RealtyTrac press release, July 15, 2010

Figure 1-21
Residential Foreclosure Rankings by CDP, January 2007 – June 2008

Census Designated Place	Estimated Foreclosure Filings	Estimated Total Mortgages	Foreclosure Rate
Milford Mill CDP	302	5,394	5.6%
Lochearn CDP	354	6,360	5.6%
Randallstown CDP	511	10,001	5.1%
Woodlawn CDP	512	10,194	5.0%
Lansdowne-Baltimore Highlands CDP	123	2,652	4.6%
Rosedale CDP	174	3,950	4.4%
Middle River CDP	181	4,155	4.4%
Owings Mills CDP	274	7,848	3.5%
Parkville CDP	206	5,953	3.5%
Overlea CDP	95	2,796	3.4%
Rossville CDP	101	3,109	3.2%
Reisterstown CDP	179	5,920	3.0%
Perry Hall CDP	131	6,012	2.2%
Pikesville CDP	101	5,208	1.9%
White Marsh CDP	66	3,568	1.8%
Balance of County	336	20,420	1.6%
Kingsville CDP	10	668	1.5%
Lutherville-Timonium CDP	34	2,741	1.2%
Towson CDP	87	7,221	1.2%
Hampton CDP	9	817	1.1%
Mays Chapel CDP	21	2,297	0.9%
Total	5,133	158,374	3.2%

Source: HUD NSP Foreclosure Estimates for January 2007 to June 2008, released October 2008

In October 2010, RealtyTrac reported a total foreclosure inventory of 3,183 properties in Baltimore County. This total includes properties for which owners have received a default notice, foreclosure auction notice or bank repossession.

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 Baltimore 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 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: Foreclosures in Baltimore County occur with disproportionate frequency in areas of Black concentration.

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.²¹ Among all renter households with incomes below 80% of the median family income in 2000, Hispanic households reported the highest rate of problems at 62.6% compared to lower rates among Whites (56.8%) and Blacks (53.7%). Elderly and small households were more likely to experience housing problems than all other household types.

Among home owners, the rates of housing problems were comparable among Blacks (70.9%) and Hispanics (69.7%), which were higher than among Whites (43.1%). Family and other household types were more likely to experience housing problems than elderly and small households.

Figure 1-22
Lower Income Households with Housing Problems, 2000

	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
Renters								
White Non-Hispanic	34,250	56.8%	11,885	67.3%	3,830	50.2%	12,535	51.3%
Black Non-Hispanic	18,105	53.7%	1,790	63.7%	10,310	53.9%	6,005	50.5%
Hispanic	1,468	62.6%	133	82.0%	750	64.6%	585	55.6%
Total	53,823	55.9%	13,808	67.0%	14,890	53.5%	19,125	51.2%
Owners								
White Non-Hispanic	47,995	43.1%	26,480	31.3%	15,440	55.2%	12,535	51.3%
Black Non-Hispanic	6,590	70.9%	1,420	59.1%	4,060	74.3%	1,110	73.3%
Hispanic	674	69.7%	130	38.5%	453	78.4%	85	70.6%
Total	55,259	46.8%	28,030	32.7%	19,953	59.6%	13,730	53.2%

Source: HUD Comprehensive Housing Affordability Strategy data

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.

²¹ HUD defines lower income as (1) having 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.

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 Baltimore County receive fair housing services from a variety of organizations, including but not limited to Baltimore Neighborhoods, Inc., the Maryland Disability Law Center, Legal Aid, the Maryland Commission on Human Relations and the Greater Baltimore Community Housing Resource Board. 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

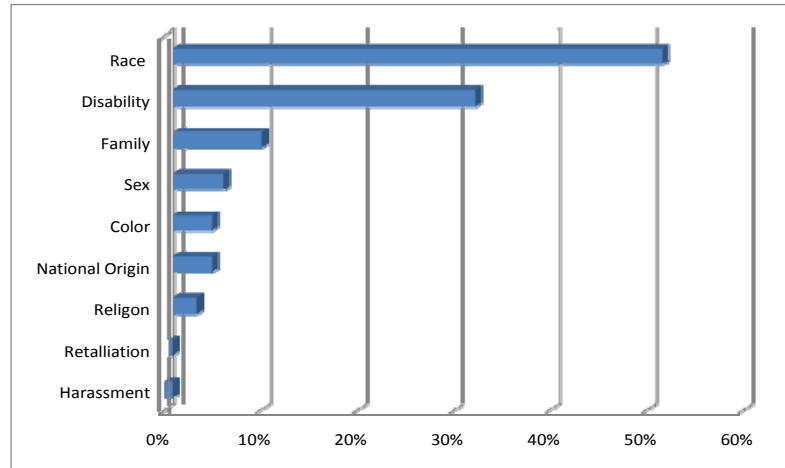
A lack of filed complaints does not necessarily indicate the absence of discrimination. Some persons may not file complaints because they are not aware of how to file a complaint or where to go to file a complaint. Discriminatory practices can be subtle and may not be detected by someone who does not 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 enduring a protracted legal battle. 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 Baltimore County were obtained and analyzed for 1996 – 2009. As of September 2009, there were no open cases. In total, 176 complaints originating in the County were filed with HUD since 1996, an average of 14 per year. The volume of cases is lighter in recent years than it was in the last decade.

Race was the most common basis for complaint, followed by disability and familial status. 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.

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



Of the 176 complaints filed since 1996, two (1.1%) were conciliated with a successful settlement. One of the settled cases involved disability, while the other involved race/color. Of the settled complaints, one case involved the issue of non-compliance with design and construction requirements to accommodate persons with disabilities. The second case involved discrimination in terms, conditions and privileges relating to sale.

Discrimination findings have been issued in seven Baltimore County cases since 1996. In one 2007 case, litigation resulted in a finding of discrimination on the basis of familial status, namely the discriminatory refusal to rent, as well as discriminatory advertising, statements and notices. The remaining six discrimination findings resulted in FHAP judicial consent orders. Of these cases, four occurred in 2001. Three of these were filed on the basis of race, alleging discriminatory refusal to sell and negotiate for sale and other discriminatory acts. The fourth case was filed on the basis of disability, alleging discriminatory acts under Section 808. In 1999, one case was filed on the basis of familial status, alleging discriminatory advertisement in rentals, discriminatory terms, conditions, and privileges related to rental and discriminatory refusal to rent.

Of all 176 complaints filed, 111 (63%) 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 57 cases (32.4%) were administratively closed, commonly due to complaint withdrawal before or after resolution, judicial dismissal or the complainant's refusal to cooperate.

OBSERVATION: The most frequently cited basis for housing discrimination in Baltimore County was race, followed by disability. 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 Baltimore 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, eight originated in Baltimore County.

OBSERVATION: Because the Maryland Commission on Human Relations withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates are unable to target testing, education, education and outreach efforts to particular geographic locations or specific types of discrimination (e.g., sales versus rental, race, disability, familial status, etc).

iii. **Baltimore County Human Relations Commission**

The Baltimore County Human Relations Commission (BCHRC) is responsible for enforcing Article 29 of the Baltimore County Code, the County's anti-discrimination law. The Commission was established in 1963 to investigate discrimination complaints in the areas of employment, housing, public accommodations and finance on the bases of race, color, creed, age, religion, sex (including sexual harassment and pregnancy), physical and mental disability, national origin and marital status.

The Commission consists of 15 members appointed by the County Executive. Eight are appointed on a countywide basis, and seven are recommended to the County Executive for appointment by the County Council, one for each of seven districts. The Commission meets monthly.

An aggrieved party has 180 days from the date of the alleged discrimination incident to file a complaint with BCHRC. Upon receiving a complaint, the Commission first attempts to settle the case within 30 days via mediation. Failing this, the Commission conducts an investigation to determine whether Article 29 has been violated. This involves meeting with witnesses for both the complainant and respondent, examining relevant records and subpoenaing documents and witnesses as necessary. The Commission's policy is to complete all investigations within six months. Following the Commission's determination, both parties have 20 days to appeal.

The Commission has the authority to impose a variety of remedies as a result of its decisions, including the sale or rental of housing, requiring banks to provide financing or requiring employers to provide training. The Commission's orders are enforced by the Baltimore County Circuit Court. Because the Commission is not empowered to impose monetary awards, any case in which such an award might be merited is transferred to the Maryland Commission on Human Relations, which can order a respondent to pay up to \$50,000 in fines.

The Office of the Commission reported during the development of the AI that it does not receive "many" fair housing complaints and could not provide case details. Administrative capacity is not likely the primary reason for the

absence of complaints. In addition to an executive director, administrative secretary and office coordinator, the Commission employs three investigators, all of whom share other responsibilities (compliance coordination, education, outreach, research, special projects). Rather, the Office reported, many cases originating in the County are referred to other agencies due to limitations in the County's discrimination law, which does not provide protection on the bases of familial status, sexual orientation or source of income and does not allow for the imposition of monetary penalties.

OBSERVATION: Few fair housing complaints are filed with the Baltimore County Human Relations Commission, due at least in part to the limited protections provided by Article 29. Those who experience discrimination in Baltimore County on the basis of familial status or sexual orientation are not protected by County law and are instructed to file complaints instead with the State.

B. Patterns and Trends in Fair Housing Complaints

Race continues to be the primary basis of discriminatory complaints. However, HUD data indicates that complaints being filed on the basis of disability are also very prevalent. 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 in Baltimore County has not significantly increased during the past 13 years. Whereas there was one filing in 1996, 16 in 1997 and 12 in 1998, there were 14 in 2007, 11 in 2008 and three through October 2009. The highest single-year tally was 22 cases in 2004. A larger number of filings in any given year does not necessarily indicate a rise in discriminatory practices, but could be due to a number of factors, including heightened awareness of fair housing issues, better citizen access to complaint mechanisms or simply a change in the way complaints are filed. Overall, the steady occurrence of complaints justifies the need for continued real estate testing, particularly among rental units, for discriminatory practices.

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. The organization recaptures only a portion of the cost of paired test activities through its fair housing testing contracts. While BNI's records of tests performed in Baltimore County were not available for review, results from

the organization's rental housing discrimination tests across the region have indicated that blatant discrimination persists in the rental market, especially on the bases of race and disability. The prevalence of problems describes a real estate culture in which opportunities are not equal for members of the protected classes.

C. Legal Actions Related to Fair Housing

The context for fair housing planning in the region has been materially influenced by a series of lawsuits, settlements, consent decrees and administrative challenges involving fair housing issues. Parties to these actions include HUD, local agencies, advocacy organizations and private plaintiffs. In general, these legal and administrative actions are aimed at deconcentrating racially and economically segregated neighborhoods, increasing the availability of affordable and accessible housing, providing relocation assistance to households displaced as a result of redevelopment activities and encouraging local agencies to adhere to their responsibility of affirmatively furthering fair housing. Four actions involving the City of Baltimore and its housing authority are explained in the section of the AI specific to the City. The following issue is specific to the County alone.

In a letter to HUD dated September 29, 2006, the Legal Aid Bureau requested that HUD reject Baltimore County's FY 2007 Consolidated Plan on the basis that the County failed to fulfill its obligation to administer its federal funds in a manner that affirmatively furthers fair housing. In its letter, Legal Aid encourages HUD to consider a series of fair housing-related shortcomings, including:

1. Baltimore County has no public housing.
2. The County failed to take appropriate action to address major impediments to fair housing choice, as stated in its 1996 AI, including the relative lack of affordable housing, the absence of housing choice for all and racial tension.
3. Across the County, there was a loss of nearly 4,000 affordable housing units due to demolition and/or conversion to market-rate housing with no new development to offset these losses.
4. The County failed to provide financial support for the development of new affordable rental housing for families.
5. The County's inappropriately low Section 8 payment standards make it difficult for voucher holders to secure housing.

Legal Aid suggested several remedies, including:

1. HUD should monitor the County's use of federal funds to ensure the preservation and production of additional affordable rental housing for lower income families and minorities.
2. HUD should require the County to develop quantifiable goals for the creation of affordable rental housing for families.
3. HUD should require the County to include a description of steps that it has taken to affirmatively further fair housing in its annual CAPER.

4. HUD should require the County to replace affordable housing that has been lost through demolition and/or conversion to market-rate housing.

OBSERVATION: In a 2006 letter to HUD, Legal Aid Bureau identified a collection of serious alleged deficiencies in the County's fair housing practices. The letter preceded HUD's more recent policy emphasis on proactively monitoring the ways in which grantee actions affirmatively further fair housing, a fact that could explain why the letter elicited no response from HUD.

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 Baltimore 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 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 areas where racial and ethnic minorities are not concentrated. 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.

These funds are administered in Baltimore County by the Office of Community Conservation, which was established with the mission of preserving, stabilizing and enhancing the County's urban communities through cooperative public-private programs that address neighborhood concerns and offer community-based solutions to support the challenges of older, established communities. In fulfilling its mission, the Office focuses on:

Preservation: Maintaining vitality in identified community conservation areas of the County and sustaining the health and well-being of established, older communities;

Stabilization: Promoting stable, viable communities in neighborhoods that are well-maintained as well as those that face challenges and instability; and

Enhancement: Increasing investment and efforts in at-risk sections of the County in order to improve the condition of the targeted communities and, at the same time, to strengthen the surrounding communities.

a. Budget Process and Priority

The public engagement process that led to the development of Baltimore County's 2007-2011 Consolidated Plan was intensive, including seven focus groups, six community input meetings, two public hearings and multiple community needs surveys. Additionally, in order to gain an understanding of the character of the Community Conservation districts where funding would be focused, the County Executive hosted 14 roundtable discussions in rotating locations for the purpose of identifying assets, challenges and opportunities.

On an annual basis, the CDBG, HOME and ESG budgeting process is managed by the Chief of Community Planning and Development, who categorizes proposed activities in accordance with the goals established in the Consolidated Plan. Staff members within the Office of Community Conservation (primarily the Grants Administrator) are responsible for managing the Request for Proposals (RFP) process: coordinating pre-bid conferences, incorporating priorities identified by citizen input, issuing RFPs, organizing review panels for each category of funding, preparing recommendations for the Director's review and final approval, preparing grant agreements and executing the agreements.

Other staff members contribute to the project selection process by preparing information on needs, priorities and resources; proposing program strategies; identifying measurable outcomes and performance indicators; and preparing narratives on their specific program areas. These staff members participate in the annual performance evaluations

of subrecipients and are responsible for maintaining program integrity as well as regulatory compliance and progress in meeting benchmarks.

All applications are subject to a ranking and review process to determine their funding worthiness. The review committees are specific to each funding category, involving County staff and other private and public stakeholders. Community Conservation staff members also consult with other County agencies and other governmental jurisdictions.

Applications are reviewed according to criteria specific to each project category: capital projects to remove architectural barriers, capital projects for general community improvement, public service projects, homeless projects and fair housing projects. These criteria are specified in each grant application. In the application for housing projects, the County lists all of the impediments to fair housing choice and recommendations identified in the 1996 AI, then states a need for services or activities that reduce or eliminate barriers to fair housing choice in Baltimore County specifically based on the recommendations. The County states the following preferences for fair housing project applications:

1. Projects that serve low- and moderate-income persons and communities in identified Community Conservation areas
2. Projects that address one or more of the impediments identified in the 1996 Analysis of Impediments to Fair Housing Choice
3. Projects that demonstrate a well-written, detailed application that fully answers all questions

The County also looks favorably upon projects that represent a cooperative effort between the applicant, the community and other private or public partners; provide documentation of the applicant's plan for sustaining the project in the future; incorporate the proposed HUD performance measurement indicators into the goals of their project; and leverage other resources for support.

Once the Director of the agency has approved the individual projects included in the Annual Plan, the plan is forwarded to the Baltimore County Grants Review Committee, which comprises senior staff members from the Office of Budget and Finance and the Executive Office. Once Grants Review has approved the recommendations, they are forwarded to County Council for final approval.

All subrecipients must attend an orientation session held in the beginning of the grant year and must participate in training and technical assistance as appropriate to its needs as identified by the County.

OBSERVATION: The County's selection criteria for its CDBG program rely on third-party subrecipients to devise activities to eliminate impediments to fair housing choice. Rather, the County should identify specific initiatives that affirmatively further fair housing, then solicit proposals to address them. In addition, the County's selection criteria do not consider site location relative to the deconcentration of minorities and lower-income households. Priority should be given to projects that have the effect of creating affordable housing opportunities in non-impacted areas.

The State of Maryland requires local consent for development projects funded through the Low-Income Housing Tax Credit (LIHTC) program, an indirect subsidy used to finance the development of affordable rental housing for low-income households. Therefore, any LIHTC project in Baltimore County must receive County endorsement. According to the current system, developers must present LIHTC proposals to the County Council member in whose district the project is to be located before they can meet with County staff regarding the proposal.

Only two family tax credit projects have been developed to date, both of which involved the rehabilitation of existing buildings. According to County staff members, this is due to neighborhood opposition to projects that exclusively serve lower-income families. Communities in Baltimore County would be more likely to support mixed-income development, staff members believe, but state funding for that type of project is unavailable.

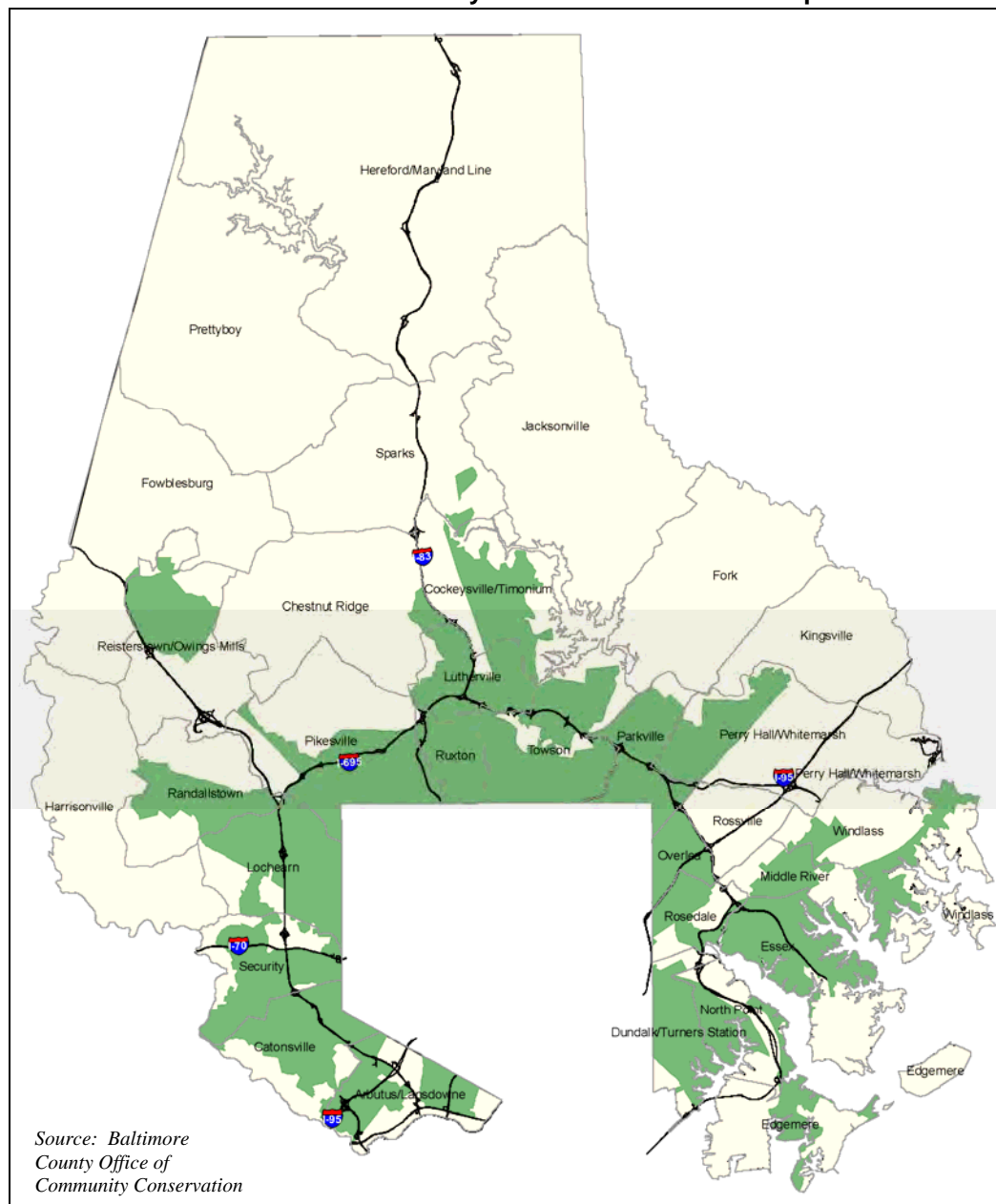
OBSERVATION: LIHTC projects in Baltimore County can be politically defeated before an application is even submitted, due to the County's requirement that developers gain approval from a County Council member prior to consulting County staff. Not-in-my-backyard attitudes have created political pressure to exclude affordable family housing from many communities, which explains why the County has approved only two family tax credit projects, both rehabilitations of existing buildings.

b. Geographic Distribution of Activities

In its previous five-year consolidated planning cycle, the County designated four geographic areas in which to target federal resources: Essex/Middle River, Hillendale, the Liberty Road corridor and Lansdowne/Baltimore Highlands. These areas were determined to have the greatest concentration of social problems, including low academic achievement, high poverty rates, declining homeownership rates, job loss, escalating crime, aging housing stock and public infrastructure, lack of public facilities and a lack of private investment.

In its latest Consolidated Plan (2007-2011), the County elected to direct its federal resources to low- and moderate-income communities and households countywide, with an emphasis on serving areas of minority concentration and identified Community Conservation areas. The Community Conservation framework is rooted in the principles of smart growth, a planning theory that advocates investment within the existing built landscape to avoid the detriments of sprawl. The County established an urban/rural demarcation line corresponding to utility availability, such that urban areas are Community Conservation districts where efforts are made to preserve and revitalize older suburbs. Nearly 90% of the County's population lives within these districts, illustrated in green in Figure 3-1.

Figure 3-1
Community Conservation Districts Map



Of the four areas targeted prior to 2007, all but Hillendale continue to be priorities. New priority areas include Old Dundalk, Colgate, Greater Pikesville, Turner Station and Woodlawn, which the County selected due to their identified population of “underserved” individuals, including those who are low-income, minorities and immigrants. In its 2010 Action Plan, the County reports that these areas have significant concentrations of low-wealth households, underachieving schools and aging housing stock and infrastructure.

In more specific geographic targeting, the County focuses the funding it receives through the Neighborhood Stability Program and Maryland's Neighborhood Conservation Initiative toward providing gap financing to income-eligible households to acquire and, if necessary, to rehabilitate abandoned properties in specific zip codes where the impacts of foreclosure are especially apparent (21207, 21220, 21221, 21234, 21244, 21133 and 21117). Most of these areas are racially concentrated (Owings Mills, Randallstown, Gwynn Oak, Middle River, Western Park), though the 21234 area surrounding Parkville and parts of the 21220/21221 area outside of concentrated Middle River have lower proportions of Black residents.

OBSERVATION: The County's geographic targeting system for the investment of CDBG, HOME and other federal funding is based on sound planning principles aimed at revitalizing existing communities. However, while the County has stated its commitment to aggressively market housing opportunities to members of the protected classes, there is no stated consideration as to whether proposed initiatives are located outside of impacted neighborhoods. In order to affirmatively further fair housing, the County should give equal consideration to the use of HOME funds for new family housing development (both sales and rental) on sites outside of impacted areas.

c. 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 FY 2010 includes the priorities and objectives planned by the County in various HUD categories, such as housing, homeless prevention and community development. 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."

In its 2010 plan, Baltimore County acknowledges that local barriers to addressing underserved housing needs include a negative public perception about affordable housing, a lack of access to financial resources, lack of developable land and the cost of housing in an extremely competitive market. These factors affect the way in which the County applies state and federal resources to fund its housing and community development activities.

The County's priority to make homeownership accessible for LMI households is apparent in its 2010 allocations, in which approximately 50% of all HOME program resources are committed to direct financial assistance for homebuyers. The County also spends HOME funds to support the creation of affordable homeownership units in Community Conservation areas such as Old Dundalk, Randallstown, Turner Station, East Towson, Woodlawn and Riverview, the majority of which are LMI areas of minority concentration. The County has set a goal of creating 10 affordable homeownership units per year through its work with nonprofit developers and community-based organizations. In the past, the County has supported CHDO ownership projects in Dundalk, East Colgate, Hillendale, Lansdowne/Riverview and East Towson.

In addressing its stated goal to preserve and create affordable rental housing for homeless persons, persons with disabilities, special needs populations (such as the elderly) and income-eligible families, the County uses HOME funds to provide tenant-based rental assistance to about 150 households each year. In most cases, funds are provided to homeless persons or those who are displaced as a result of redevelopment. In some cases, seniors are provided with rental assistance when their fixed incomes cannot accommodate rent increases. The County also planned to administer \$140,000 in rental assistance through the state's Rental Allowance Program.

The County's use of federal funds to create new rental housing units in FY 2010 was limited to the creation of housing for income-eligible seniors, consisting of an \$850,000 allocation of prior-year HOME funds toward the construction of 70 rental units in Catonsville and Owings Mills for LMI seniors.

The Renaissance Square project, formerly known as Kingsley Park, is a mixed-income community that the County continues to market to prospective buyers. Construction on Phase I began in 2009 to produce 81 units of affordable (60% or less MFI) senior rental housing and 115 homeownership units. The County and HUD have entered into an agreement in which 74% of the project's total units must be maintained as affordable. Not more than 31% of the affordable units may be targeted to families with annual incomes between 80% and 115% MFI. The remaining 69% will be marketed to households earning up to 80% MFI. Critics have argued that this

development's inclusion of elderly rental housing and homeownership units, along with its exclusion of family rental housing, represents a politically "safe" decision that limits fair housing choice for lower-income families with rental housing needs. The County has justified the development's composition by citing a perceived need for senior housing and community support of rental units for lower-income seniors. Additionally, the County contends that the redevelopment plan for this project was created in a time of rising home prices when LMI families would have found it nearly impossible to purchase a home in Essex – hence the project's provision of 21 ownership opportunities for families earning 80% MFI or less.

According to the Annual Plan, the County will continue to expand its offer of tax incentives, such as payment in lieu of taxes, to developers using tax credits or tax-exempt financing to create affordable housing for elderly households earning 60% or less of the area median household income (MHI) and to families earning 80% or less of MHI. The County planned to "actively seek and pursue opportunities to use HOME funds to preserve affordable units in existing housing complexes that are ripe for rehabilitation or redevelopment."

OBSERVATION: In FY 2010, the only way in which Baltimore County expanded rental housing choice for lower-income families was by the provision of tenant-based rental assistance. This strategy is effective only to the extent that lower-income rental housing is available in a wide array of non-impacted areas, which is not the case in Baltimore County. The County should revise its housing policy to affirmatively support the construction or rehabilitation of family rental units outside of impacted areas.

OBSERVATION: The Annual Plan identifies negative public perceptions about affordable housing as a barrier to its development. In designing its housing program, the County strives to avoid neighborhood opposition, as evidenced by its use of HOME funds to preserve affordable units in existing housing complexes. The outcome of this policy is to expand the supply of affordable rental housing for families in impacted neighborhoods. The County should strive to expand fair housing choice by creating affordable rental opportunities for families in non-impacted areas.

2) CAPER

In its CAPER for 2009, Baltimore County reported on the activities completed and objectives met for the previous year. In terms of expanding fair housing opportunities, the County reported the following accomplishments:

- Increased affordable homeownership and rental opportunities through public-private partnership efforts by cutting the cost of homeownership (financing, production and transaction costs) and providing gap financing and other resources and incentives to support the preservation and creation of affordable rental housing for seniors and families
- Encouraged better planning, zoning and building codes to foster conditions in which individuals of similar income levels, regardless of race, color, disability, national origin, etc., have equal opportunities to rent in similar housing market areas
- Established education, outreach and viable support for fair housing by the highest levels of government, including the implementation of an anti-discrimination enforcement program that is well publicized, well staffed and well funded
- Expanded opportunities for homeownership through education and counseling, information technology, communications media and community involvement

With specific regard to affordable housing, the County provided 81 HOME-funded TBRA vouchers to households earning less than 60% of the area MHI; assisted 35 elderly households with units at Rodgers Forge, Somerset Apartments and the Senior Program; and made 46 units affordable through the Housing First and Back Home programs. Accessibility modifications were completed at 14 homes for persons with disabilities. Homebuyer assistance was provided to 72 households with incomes below 80% MHI, and more than 2,000 households received housing counseling. The County used HOME subsidies to create one new unit of affordable owner housing in East Towson.

OBSERVATION: The County relies on tenant-based rental assistance as a primary means of addressing an overwhelming need for affordable rental housing, mostly among homeless persons and those displaced by redevelopment. The County's housing policy should address the need to create additional "hard units" of affordable rental housing for families.

d. Affirmative Marketing Policy

As a recipient of CDBG funds, Baltimore 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 program Affirmative Marketing and Minority Outreach policy was reviewed as part of this analysis. It addresses all HUD requirements.

All participants in a HOME-funded project (housing provider, builder and developer) must provide the County with detailed documentation of their efforts to meet and maintain the stated affirmative marketing standards, which require the development of a specific advertising/marketing campaign for publicizing the availability of units, both generally and with specific focus on target groups, minorities and other special populations. Participants must establish their own evaluative mechanisms for reviewing the effects of the advertising/marketing campaign with regard to use of media, number of placements, budgets and timetable.

County staff members are responsible for reviewing all participants' affirmative marketing campaigns and monitoring their implementation. Should a participant fail to comply with the County's affirmative marketing standards, the County may demand repayment of funds or foreclosure on the mortgage securing HOME funds, in addition to barring the provider, builder or developer from further participation in the HOME program.

Specifically, the County requires that all participants publish advertising in local print media including, but not limited to, the Sun papers and the

Afro-American; include the HUD FHEO logo prominently in all descriptive literature and forms of advertising; ensure that human models used in advertising are used in a non-discriminatory way; display the Fair Housing poster prominently at all places of business; maintain written records of affirmative marketing practices to be submitted quarterly to the County; work with the County Office of Community Conservation or the CHRB to develop minority staff recruitment; and train all sales staff in matters of fair housing and affirmative marketing.

OBSERVATION: The County's affirmative marketing standards are comprehensive, assigning responsibility for specific marketing actions and consequences if standards are not met. The plan could be strengthened by specifying that the County, not the participating housing provider, builder or developer, will devise the standards by which the effectiveness of affirmative marketing efforts for each project will be judged.

Baltimore County uses Neighborhood Stabilization Program (NSP) funding to encourage homeownership in neighborhoods hit especially hard by foreclosure, with the ultimate goal of ensuring long-term neighborhood stability. The County has not created an affirmative marketing policy specific to NSP activities.

The County's NSP program consists of down payment and closing cost assistance of up to \$50,000, in the form of a loan forgivable after 15 years, for income-eligible households purchasing vacant foreclosure homes in specific zip codes. Most of these areas are racially concentrated (Owings Mills, Randallstown, Gwynn Oak, Middle River, Western Park), though the 21234 area surrounding Parkville and parts of the 21220/21221 area outside of concentrated Middle River have lower proportions of minority residents. The program does not require that participating households be first-time homebuyers, but it does stipulate that participants complete two educational workshops and counseling with a County-affiliated housing counseling agency.

OBSERVATION: The NSP program is a useful tool for improving neighborhoods weakened by foreclosure. By its creation of decent, affordable housing for households with incomes up to 120% AMI, it also represents an opportunity to affirmatively further fair housing by involving a larger target population than traditional assisted housing, which serves households up to 80% AMI.

OBSERVATION: HUD allows local governments to use neighborhood stabilization grants in a variety of ways: to acquire land and property; to demolish or rehabilitate abandoned properties; to offer down payment and closing cost assistance to LMI homebuyers; or to create land banks to assemble, temporarily manage and dispose of vacant land. Because the NSP-eligible neighborhoods that have been hit hardest by foreclosure extend beyond the County's racially concentrated areas, NSP funds represent an opportunity for the County to create new housing opportunities in less impacted neighborhoods.

e. 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 newly constructed rental units financed with HOME funds.

Site selection for HOME-assisted construction of new rental 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. With few exceptions, site selection must include a location that is not in an area of minority concentration.

In its site selection for HOME projects, the County applies the Community Conservation district framework to preserve and revitalize older suburbs. Because many of these districts encompass concentrated areas of minority and lower-income households, it is especially important to confirm that affordable rental housing activity is not exacerbating patterns of segregation. However, the County has no formal policy outlining methods of demonstrating each project's compliance with HOME site selection regulations.

OBSERVATION: The County should prepare a written policy that encompasses the requirements at 24 CFR 983.6 and that can be incorporated as part of the application review and approval process for all applicable HOME-assisted projects. All housing providers, builders and developers should receive a copy of this policy as part of the HOME application package. HUD's site and neighborhood standards should also be incorporated into the County's written agreements with developers, subrecipients and CHDOs. Such a policy will facilitate the County's goals toward affirmatively furthering fair housing.

ii. 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 Baltimore County are addressed by a variety of appointed citizen volunteer boards, as described below.

a. Commission on Disabilities

Guided by the policy that no qualified person should be excluded from participating in any of the County's programs or activities on the basis of disability, the Commission on Disabilities exists to advise on the coordination and development of County policies for citizens with disabilities. The Commission's goals are to achieve an effective and systematic delivery of public and private resources to all people with disabilities in the County; to identify the strengths and weaknesses in programs, services and resources available to citizens with disabilities; and to propose means by which the needs of citizens with disabilities can be met.

Members of the Commission are appointed by the County Executive. The Commission includes people with disabilities, family members, representatives of public and private service-providing agencies and representatives of and local government. The Commission generally meets monthly.

b. Human Relations Commission

The Human Relations Commission (HRC) is the agency responsible for enforcing the County's anti-discrimination law, Article 29. As part of its duties, the Commission receives and investigates complaints of alleged unlawful discrimination on the bases of race, color, creed, age, religion, sex (including sexual harassment and pregnancy), physical and mental disability, national origin and marital status.²²

The HRC consists of 15 members appointed by the County Executive. Eight are appointed on a countywide basis, and seven are recommended to the County Executive for appointment by the County Council, one for each of seven districts. The Commission meets monthly.

²² Article 3, Title 3, Subtitle 11 of the County Code (2003) establishes and mandates the Baltimore County Human Relations Commission to investigate complaints of discrimination in the areas of employment, housing, education, public accommodations. Procedures for executing the public policy to eliminate discriminatory practices are contained in Article 29 of the Code.

The Office of the Commission is headed by an executive director appointed by the County Executive and also staffed by an administrative secretary, office coordinator and three investigators, all of whom share other responsibilities (compliance coordination, education, outreach, research, special projects).

The HRC does not carry out any CDBG functions, and it is not involved in fair housing training or information programs for County employees with job duties related to housing. During the development of the AI, Commission staff reported that it did not process many fair housing complaints, in part because the HRC and other advocacy agencies refer cases beyond the scope of Article 29 to the Maryland Commission on Human Relations, which is empowered to impose civil penalties and pursue more types of discrimination cases (those filed on the bases of sexual orientation and familial status, in addition to the classes protected by Article 29).

OBSERVATION: The Human Relations Commission is organizationally removed from the County's community development and housing function. The HRC's responsibility to combat housing discrimination would justify its participation in a) fair housing training for County employees whose duties impact fair housing, such as developing zoning policies, planning assisted housing or community/economic development activities, and b) input into the preparation of the fair housing section of Consolidated Plans, Annual Plans and the CAPER.

c. Planning Board

The responsibilities of the County's Planning Board span a variety of policy areas. The Board makes recommendations and decisions on the capital budget, the Master Plan, the comprehensive zoning map, planned unit developments, historic landmarks, renaissance redevelopment projects and other planning initiatives.

The Board consists of 15 members, all of whom serve staggered three-year terms. Eight are appointed on a countywide basis, and seven are recommended to the County Executive for appointment by the County Council, one for each of seven districts. The County Executive appoints the other eight members and nominates the chairperson and vice chairperson, subject to confirmation by the County Council. Of the 14 members for whom current demographic data is available, 11 are White (three are Black, none Hispanic); 12 are male, none have disabilities, and six are members of households with children.

d. Zoning Commissioner and Board of Appeals

Zoning cases are heard by the Zoning Commissioner and Deputy Zoning Commissioner, who are appointed by the County Executive to render opinions and orders in quasi-judicial hearings related to zoning variances, special exceptions, non-conforming uses and other cases. The Commissioner also acts as Hearing Officer, conducting public hearings and granting approvals or denials on proposed development plans.

The County has a Board of Appeals to handle appeals rising from zoning decisions, building permits, code violations and other matters as provided by statute. The board currently has seven members, of whom five are White males, one is a Black male and one is a White female. None have a disability, and two live in households with children.

OBSERVATION: Zoning and land use decisions in Baltimore County, including the approval or denial of development plans, are made by two individuals appointed by the County Executive and authorized to render opinions and orders in quasi-judicial hearings. This arrangement is less democratic than in many other communities, where such decisions are made by a public board that is more broadly representative of community members.

Of the boards and commissions surveyed for membership demographics, data was available for only the Planning Board and the Zoning Hearing Board, which have a combined 21 members. Of these, 18 (86%) are male, 17 (81%) are White and none have disabilities, demonstrating an overrepresentation of the County's majority population. A variety of household compositions are represented, with eight members living in households with children.

FINDING: Racial and ethnic minorities, women and persons with disabilities are currently underrepresented or underreported on County boards and commissions relating to housing issues. The experiences and perspectives of members of the protected classes are important in enhancing the decision-making process in the County and offer the opportunity to advance fair housing choice in all aspects of government.

iii. 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.

The County's Department of Permits and Development Management issues all building permits and enforces the rules and regulations of Baltimore

County for development, building, electrical, plumbing, livability and zoning codes. Administrative duties within the department are divided as follows:

- The Development Management division reviews new development plans to make sure they comply with land use regulations and fit in with existing communities and infrastructure.
- The Development Plans Review Bureau reviews the necessary public improvements each project requires, ensuring that all plans comply with engineering requirements and the County Code.
- The Bureau of Land Acquisition handles rights-of-way, easements and real estate ownership issues.
- Code Inspections and Enforcement ensures that finished structures remain in compliance with all applicable laws and monitors the County's rental registration program. Open code enforcement cases are available for review online, updated weekly.

When a project is proposed, Permit Processing, Building Plans Review, and Zoning Review accept permit applications and review the project for compliance with building and zoning codes. During construction, inspectors verify that what was built is consistent with the approved plan. The inspection and permitting process is explained and somewhat streamlined in dedicated pages of the County's website, especially by an online scheduling service for inspections.

a. Private Housing Stock

The Maryland Accessibility Code requires accessibility for persons with disabilities in certain new and rehabilitated residential and commercial property.²³ In 2004, the Department of Justice certified that Maryland's state code met or exceeded federal standards for accessible design. In setting standards for the accessibility of public and private structures, Baltimore County has adopted the 2009 editions of the ICC International Building Code and ICC International Residential Code with certain amendments, deletions and additions. Noteworthy changes include the County's substitution of its own livability code (Article 35, Title 5 of the 2003 County Code) in place of the International Property Maintenance Code, the addition of administrative details specific to the County and the imposition of more stringent standards on various building features.

For new HOME-assisted units, the 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

²³ 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

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.

b. 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 Baltimore County Housing Office does not own or maintain any public housing units. Its public offices are subject to Section 504 standards of accessibility, but the agency reported no complaints and has not recognized any need to conduct a physical needs assessment.

iv. Language Access Plan for Persons with Limited English Proficiency

In its Section 8 Administrative Plan, the Baltimore County Housing Office outlines the regulations that require the Office, as a public housing authority, to accommodate persons with limited English proficiency (LEP) in the provision of information and services. Section 2, Fair Housing and Equal Opportunity, cites the Notice of Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Affecting LEP Persons.²⁴ This guidance includes ways in which agencies administering federally funded programs can demonstrate affirmative steps to communicate with people who need services or information in a language other than English. One such way is the four-factor analysis, in which an agency balances the following items in order to determine the level of access needed by LEP persons:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the program
2. The frequency with which LEP persons come into contact with the program
3. The nature and importance of the program, activity or service provided by the program to people's lives, and
4. The resources available to the agency versus costs.

²⁴ Title VI refers to the Civil Rights Act of 1964. This notice of guidance was published December 19, 2003, in the *Federal Register*.

According to the Administrative Plan, the Housing Office will complete the four-factor analysis to determine what language assistance services are appropriate. At that point, the Office plans to determine whether a written implementation plan is necessary to address the needs of identified LEP populations. The Administrative Plan was last updated in May of 2009, and there is no evidence that the four-factor analysis has been conducted since.

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 1-11 shows that the numbers of County residents with LEP in eight separate language groups may be sufficiently high to trigger the need for translation of vital documents.

OBSERVATION: The Housing Office should update its Section 8 Administrative Plan to include the policy determinations resulting from the four-factor analysis.

OBSERVATION: The 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 County must prepare the Plan in order to comply with Title VI of the Civil Rights Act of 1964.

v. Comprehensive Planning

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 Baltimore County wishes to become.

The County Charter requires a Master Plan to be updated at least every 10 years. Master Plan 2020, approved in October by the Planning Board and currently slated for adoption by County Council, is the latest 10-year set of objectives, policies and actions proposed to guide Baltimore County's future development. Master Plan 2020 will be the sixth plan adopted since 1972. Though each plan is updated to reflect changing demographics, lifestyles and policy priorities, some themes have remained consistent. The concept of delineating two distinct land management areas – urban and rural – predates the 1972 plan. In that document and every Master Plan since, the County has emphasized the need to focus infrastructure investment in developed areas, to the effect of both maximizing efficiency and preserving natural and

agricultural resources. For decades, the County has worked toward achieving a balance of development by adding specificity to its management areas. The 1975 Master Plan created rural and urban zoning, while the 1979 Plan identified Owings Mills and Perry Hall/White Marsh as growth areas. The 1989-2000 Master Plan specified more growth areas, urban centers, community conservation districts, employment centers and rural management areas. Master Plan 2010, adopted in 2000, integrates land use issues with social and economic factors, endorsing planning policies consistent with the state's initiatives for smart growth and "priority places."

In regard to future development, the latest Master Plan anticipates accommodating a population influx of 30,000 and 33,000 new jobs between 2010 and 2020. The Plan acknowledges that every jurisdiction in Maryland must accept a "fair share" of population and employment increases, according to state court decisions, but sets aside areas where development should not occur, including areas of environmental concern (Chesapeake Bay Critical Areas, agricultural properties, places near drinking water supply reservoirs); areas with seriously inadequate infrastructure such as limited public sewer capacity or overcrowded schools; and many existing stable residential neighborhoods that "should not be disturbed for additional development." The Plan protects these areas.

The County has prioritized redevelopment as a form of future growth, due primarily to the fact that there is little undeveloped land remaining within the Community Conservation districts where growth is directed. In particular, the Plan identifies opportunities for redevelopment where adequate infrastructure is already in place, such as along major roads in commercial corridors, adjacent to existing town centers or on older industrial or warehouse properties. The Plan calls such places Community Enhancement Areas, inasmuch as they are suitable for a mix of residential, office, retail and other uses; are linked to public transit, amenities and employment opportunities; and offer the potential for walkable and sustainable design.

The key land use component of Master Plan 2020 is its introduction of transect-based planning, a New Urbanism theory that serves as the Plan's land use framework. In general, transect planning allows flexibility to encourage a variety of residential and commercial uses within neighborhoods. The transect is a continuum of environments ranging from the most natural to the most urban that can be subdivided to define land use categories. Master Plan 2020 identifies the following transect zones, called "T-zones," according to the level and intensity of their physical and social character along a gradient transitioning from density to rural sparsity:

- **T-1 (Natural Zone):** lands unsuitable for settlement due to topography, hydrology, or vegetation.
- **T-2 (Rural Zone):** sparsely settled lands in an open or cultivated state, including woodlands, agricultural lands and grasslands.

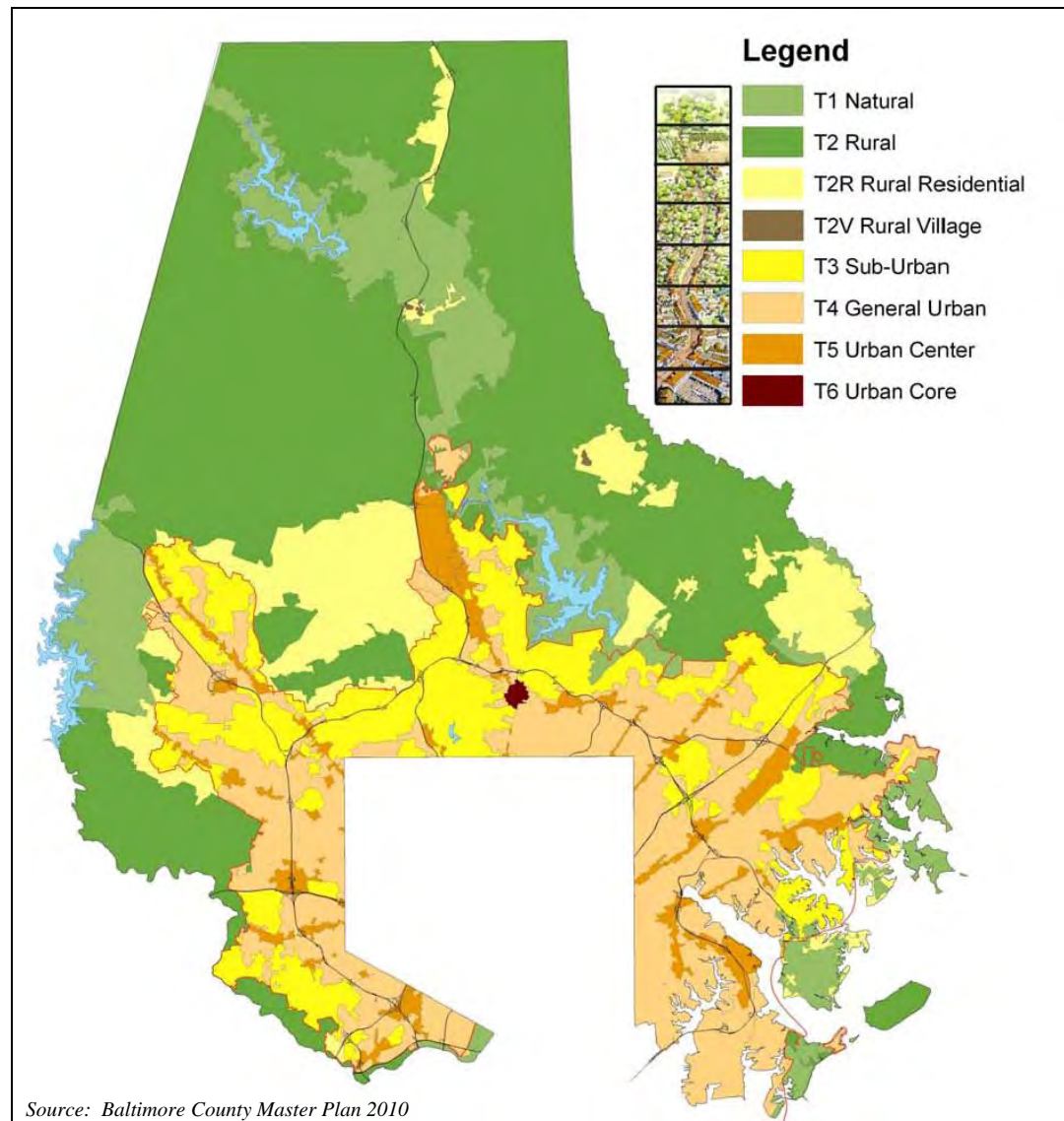
- **T-2 R (Rural Residential Zone):** large-lot, single-family detached housing. All setbacks are generally 50+ feet. Lots are deep to accommodate large backyards. Density varies between 2 to 5 acres per dwelling.
- **T-2 V (Rural Village Zone)** takes into account the rural villages of Hereford and Jacksonville. This zone has a mix of smaller scale retail/office and some residential uses.
- **T-3 (Sub-Urban Zone):** low-density residential areas adjacent to higher zones that contain mixed use. Landscaping is naturalistic; setbacks are relatively deep. Blocks may be large and the roads irregular to accommodate natural conditions.
- **T-4 (General Urban Zone):** characterized by mixed-use, but is primarily residential urban fabric. May have a wide range of building types, including single-family detached and attached houses and townhouses. Setbacks and landscaping are variable. Streets with curbs and sidewalks define medium-sized blocks.
- **T-5 (Urban Center Zone):** higher density mixed-use buildings that accommodate retail, offices, townhouses and apartments. Tight street network with wide sidewalks, steady street tree planting and buildings set close to the sidewalks.
- **T-6 (Urban Core Zone):** highest density and height with the greatest variety of uses. May have larger blocks; streets have steady street tree planting and buildings set close to the wide sidewalks. Typically only large towns and cities have an Urban Core Zone.
- **T-M (Manufacturing Zone):** includes certain industries and manufacturing processes that, by their function, should not be combined with other uses.
- **T-I (Institutional Zone):** Certain institutions (such as medical complexes, educational campuses) that benefit from having all their functions in one location and may need room to grow, making their inclusion into a Community Enhancement Area impractical.

Transect planning is an answer to traditional suburban patterns of development, in which large swaths of land are designated for particular purposes and separated by major highways. In Baltimore County, transect planning replaces the conventional theory of separating land uses. T-zones provide the basis for neighborhood structure (compact, walkable streets, mixed uses, transit connections and housing diversity) while allowing uses to overlap between zones.

The Master Plan 2020 Land Use Planning Map is included as Figure 3-2. T-zones appear as a gradient from the natural and rural areas comprising the

northern end to the general urban areas surrounding the City of Baltimore, with urban centers along the County's more densely populated corridors and an urban core area defined in Towson.

Figure 3-2
Transect Zones Map, 2010



The Plan does not have a dedicated housing section, but addresses housing issues as they relate to other subject areas. Due to the County's sustainability and natural preservation policies – particularly the urban-rural demarcation line and resource conservation zones that restrict new building lots to preserve natural resources – roughly 90% of the County's population is concentrated in one-third of its land area. The County continues to focus public investment in its Community Conservation districts, which encompass the majority of built-out older communities

(and, incidentally, concentrations of minorities and lower-income households) contiguous to the City of Baltimore. Because the amount of undeveloped land within these districts is limited, the Master Plan prioritizes higher-density redevelopment projects that will accommodate more people and activities on less land.

The Plan notes that the majority of total residential units constructed between 2000 and 2009 were located in urban areas within the urban-rural demarcation line, with the greatest residential growth occurring in Community Conservation areas, followed by the Owings Mills and Perry Hall/White Marsh areas. Single-family dwellings of all types predominated residential development in the Community Conservation areas and Perry Hall/White Marsh, while the majority of newly constructed units in Owings Mills were in multi-family structures. The Plan contextualizes these trends as evidence that strategies to focus reinvestment in older, built-out suburbs have been effective.

OBSERVATION: Housing development in Baltimore County is subject to strict controls designed to protect the natural resources in agricultural and rural areas. While areas of low minority concentration such as Parkton, Chestnut Ridge, Hereford, Jacksonville, Kingsville and Patapsco/Granite were deemed suitable for development in the 1979 growth management program, the 2010 Master Plan seeks to preserve the “rural character” of these and other non-impacted areas to the extent possible.

The County’s land use policies discourage the consumption of land by new construction and aim to focus redevelopment efforts in built-out areas. The Master Plan is a progressive implementation of smart growth and sustainability planning theory, but the application of these principles also has the effect of limiting the array of sites where housing opportunities can be expanded.

OBSERVATION: The application of transect-based planning to local zoning systems is a newer phenomenon and a dramatic departure from the traditional Euclidian method of organizing land uses. In theory, its implementation in Baltimore County will expand housing choice by providing more flexibility to facilitate mixed uses within neighborhoods.

OBSERVATION: The Master Plan lacks an overarching statement of policy that expresses the County’s commitment to affirmatively further fair housing. The Master Plan is a logical instrument in which to state this policy, inasmuch as it encompasses all aspects of County government, not just the housing and community development functions.

OBSERVATION: The County, unlike the City of Baltimore and Howard County, does not have an inclusionary housing policy. Establishing standards that compel developers to foster and retain a mix of affordable, accessible housing options and mixed-income neighborhoods is a means by which the County could affirmatively further fair housing choice while maintaining consistency with its smart growth priorities.

vi. 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.

a. 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 Baltimore County Zoning Regulations and Baltimore County Code are the ordinances by which the County regulates land use and development. Both are regularly updated to include legislative changes. The transect-based planning theories introduced in Master Plan 2020, including the Proposed Land Use Map, serve only as general recommendations for future land use within the context of the Plan's goals and will aid in rezoning considerations required for individual properties.

Every four years, the County engages in a year-long process it refers to as "comprehensive zoning," in which individual landowners, contract purchasers, community stakeholders, the Planning Board and County staff contribute to a log of issues. Issues are generally related to single properties, but can encompass adjoining properties. County Council individually assesses each issue to determine whether to retain the

existing zoning classification or to enact a different zone or district. Zoning on all properties for which issues are not identified is automatically re-enacted without change.

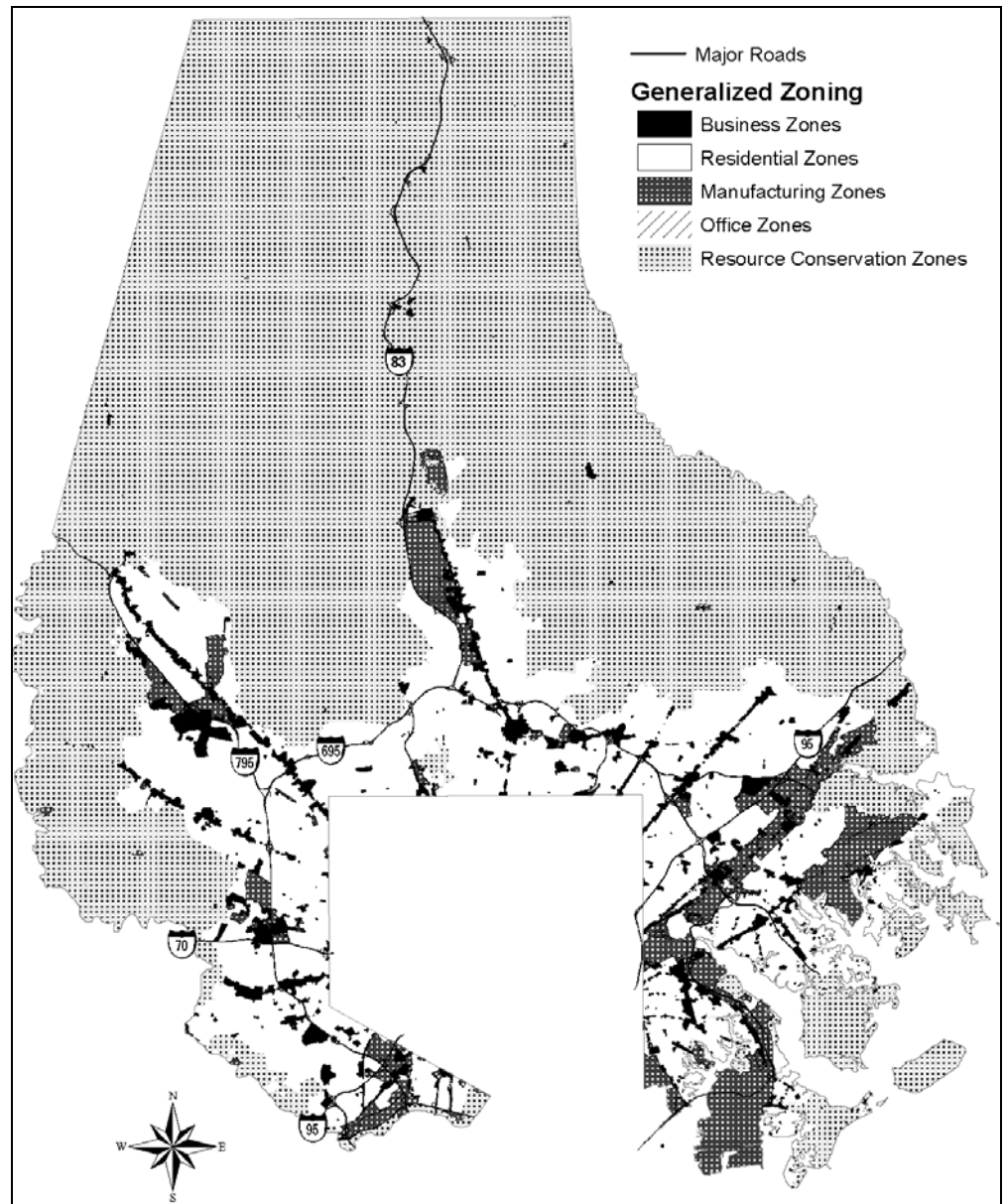
OBSERVATION: The County's method for "comprehensive" updates to the Baltimore County Zoning Regulations consists currently of addressing a submitted list of isolated issues on an individual basis every four years. This system provides the opportunity for only narrow, extremely local land use changes, thereby impeding the effective implementation of the broader land-use theories in the Master Plan. The County could achieve a more consistent and efficient application of the Master Plan's guidance on land use by revamping the zoning regulations in their entirety to reflect the County's policy aims.

b. 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 jurisdiction's desire to promote and provide a diverse housing stock for different types of households at a wide range of income levels.

In total, Baltimore County is divided into 37 zones, upon any parts of which the County may superimpose one of eight districts to add additional layers of regulatory requirements. There are 10 resource conservation zones, eight residential zones, eight business zones, seven office zones and four manufacturing zones. Figure 3-3 illustrates the distribution of basic land use types across Baltimore County. More than two-thirds of the land area is protected agricultural, rural or natural space falling into one of the 10 resource conservation zones. Residential, business and manufacturing uses are focused in the Community Conservation areas closer or contiguous to the City of Baltimore.

Figure 3-3
Generalized Zoning Map



Because members of the protected classes often have lower household incomes, a lack of affordable housing may impede housing choice by individuals and families protected under federal, state and local fair housing statutes. 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.

The County's six density residential categories range in requirements from one dwelling unit per acre to 16 density units per acre.²⁵ The stated purpose of this type of district is to foster a greater variety of housing types within residential developments. No minimum lot width or lot area restrictions exist for density residential subdivisions with more than six lots. Small lots or tracts are subject to specific minimum net lot areas per dwelling unit (ranging from 2,500 to 40,000 square feet), lot widths (20 to 150 ft), front yard depths (10 to 50 ft), individual side yard widths (10 to 25 ft) and sums of side yard widths (0 to 50 feet).

The remaining two residential districts are "residence, apartment, elevator" or RAE zones. These categories are designed to provide for the development of both moderate-density (RAE-1, 40 units/acre) and high-density (RAE-2, 80 units/acre) high-rise apartment buildings. RAE-1 developments must be located within 1,000 feet of a Community Conservation district or within a designated town center, and RAE-2 developments must be located within a town center. The purpose of this stipulation is to ensure that large apartment buildings are situated close to major centers of development where ample utilities, public facilities and other amenities are available.

Residential uses are permitted, though on a heavily restricted low-density basis, in the two-thirds of Baltimore County covered by resource conservation zones. Rural residential (RC-5) consists of 37,000 acres that comprise 10% of all County land. This area allows for housing with minimum lot sizes of 1.5 acres per dwelling unit and a maximum tract density of 0.5 dwellings per acre. Closely controlled residential uses are generally permitted in the 140,000 acres of agricultural protection zone (RC 2) comprising 36% of all land in the County. In these areas, a maximum of only two lots are permissible for areas between 2 and 100 acres, while lots of record over 100 acres may have only one lot for each 50 acres of gross area. Low-density residential uses are also allowed in five other resource conservation areas, subject to large minimum lot sizes and other requirements. Multi-family housing is not typically permitted in any resource conservation zone.

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 and restrict fair housing choice. Conversely, allowing a variety of residential types in a variety of districts is a land use policy that seeks to expand fair housing choice.

²⁵ A density unit is defined as an expression of density of dwelling use related to number of rooms, such that an efficiency apartment is 0.5 density units, a one-bedroom unit is 0.75 density units, a two-bedroom unit is 1.0 density unit and each dwelling unit with three or more bedrooms is 1.5 density units.

The County's zoning regulations permit multi-family housing by right in all eight residential districts, in addition to certain office zones (ROA, RO, OR-1, OR-2).

OBSERVATION: In the roughly two-thirds of the County zoned for resource conservation, the only residential use typically permitted by right is low-density, single-family detached housing on large lots. This policy limits the location of affordable multi-family units almost exclusively to Community Conservation areas where the County's supply of affordable housing is already concentrated, thereby limiting fair housing choice outside of impacted areas.

c. Alternative Design

Allowing alternative designs provides opportunities to expand the supply of 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 offsetting 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 2020 Master Plan describes Baltimore County's alternative design policies. Since 2000, the County has adopted and implemented amendments to its Comprehensive Manual of Development Policies (CMDP), new Resource Conservation (RC) zone designations, Renaissance Initiatives, the Adequate Public Facility Ordinance (APFO), and Planned Unit Development (PUD) regulations. The intent of these policies is to promote quality design, high density and efficient development in accordance with the Maryland Smart Growth Legislation. The County also strongly promotes large-scale redevelopment and New Urbanist, or mixed-use development projects within its urban communities.

The County's Planned Unit Development (PUD) policy represents an alternative development approval process that increases and specifies benefits to the immediate community that the PUD will impact in exchange for the developer's submission of an enhanced plan. It is available to qualified sites inside the urban-rural demarcation line. Under the PUD process, redevelopment can occur in forms not permitted by the standard application of the zoning and development regulations.

The PUD process can streamline the review process for projects that utilize a site efficiently, are compatible within the community and demonstrate a high degree of design quality. The flexibility provided by the PUD process allows the County to react to changing market needs and conditions.

d. Definition of Family

Local zoning and land use laws that treat groups of unrelated persons with disabilities less favorably than similar groups of unrelated persons without disabilities violate the Fair Housing Act. 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 restricting housing choice for persons with disabilities.

The zoning regulations define a family as “any number of individuals lawfully living together as a single housekeeping unit and doing their cooking on the premises, as distinguished from a group occupying a boarding or rooming house or hotel.” This definition is sufficiently broad to meet fair housing standards.

e. 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 provides a non-institutional experience for its occupants, imposing special conditions is contrary to the purpose of a group home. More importantly, the restrictions, unless required of all residential uses in the zoning district, impede the creation of group homes and are 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. Toward this end, the imposition of distancing or separation requirements on group homes for persons with disabilities is a violation of the Fair Housing Act.

Baltimore County does not have a specific definition encompassing this use. There are no stated restrictions on non-institutional dwellings for any number of unrelated disabled persons. Given the County’s permissive definition of “family,” this could suggest that such a facility

can be developed without any special conditions beyond those that apply generally to single-family housing within a given district.

Such a facility might also qualify under the County's definition of a community care center, a small-scale facility sponsored or operated by a private charitable organization or by a public agency and licensed by the Maryland State Department of Health and Mental Hygiene or by the Maryland State Department of Social Services, for the housing, counseling, supervision or rehabilitation of substance abusers or of physically or mentally (including emotionally) handicapped or abused individuals who are not subject to incarceration or in need of hospitalization.²⁶ This use is permitted in all residential districts and allowed by exception in some resource conservation districts.

²⁶ Bill No. 142-1979

vii. Public Housing

The Baltimore County Housing Office (BHCO), which exists as a part of County government within the Department of Social Services, functions as the County's public housing agency. BHCO does not own or operate any public housing units, though the Office administers 5,799 Housing Choice Vouchers for households in need of affordable rental housing in Baltimore County.

In addition to the traditional distribution and management of vouchers, BHCO administers the following programs:

- Family Unification Program (FUP)
- Welfare-to-Work (RISE)
- Independent Group Residence (IGR)
- Witness Protection Section 8 Program
- Mainstream Section 8 Program
- Veteran's Affairs Supportive Housing (VASH)

BHCO provided information to describe the composition of its current voucher holder and waiting list households. The waiting list includes 20,197 families, 85% of which have incomes less than 30% of the area median family income. Six in every 10 families on the list have children, and one in every five has a family member with a disability. Elderly households represent only 6.7% of those on the waiting list. This is in contrast to the breakdown of current voucher holders, of whom half have a family member with a disability and more than 36% are elderly.

Black households represent the largest racial group of both current voucher holders (61.2%) and families on the waiting list (68%). White families comprise 40.8% of voucher holders, while they represent only 26% of the waiting list. There are more than 1,000 persons of "other" race on the waiting list, a fact that may correspond with the County's recent population growth in persons of Hispanic ethnicity. "Other" races constitute 5.4% of the waiting list and 1% of current voucher households.

More than 20% of families on the waiting list need units with three or more bedrooms. This amounts to 4,205 households in need of affordable family rental housing in Baltimore County.

Figure 3-4
Characteristics of Section 8 Households and Waiting List Applicants

	Voucher Holders		Waiting List	
	#	%	#	%
Total Households	5,573	100.0%	20,197	100.0%
Income				
Extremely low (<30% MFI)	4,418	79.3%	17,168	85.0%
Very low (>30% but <50% MFI)	1,210	21.7%	2,626	13.0%
Low (>50% but <80% MFI)	137	2.5%	403	2.0%
Type				
Families with children	3,549	63.7%	12,241	60.6%
Individuals/families with disabilities	2,812	50.5%	4,093	20.3%
Elderly (one or two persons)	2,037	36.6%	1,357	6.7%
Race				
White	2,273	40.8%	5,251	26.0%
Black	3,413	61.2%	13,734	68.0%
Asian	29	0.5%	130	0.6%
Other	58	1.0%	1,082	5.4%
Characteristics by Bedroom Size				
0 bedroom	14	0.3%	1	0.0%
1 bedroom	2,198	39.4%	7,857	38.9%
2 bedrooms	2,038	36.6%	8,134	40.3%
3 bedrooms	1,349	24.2%	3,591	17.8%
4 bedrooms	162	2.9%	571	2.8%
5+ bedrooms	12	0.2%	43	0.2%

Source: Baltimore County AI survey response, 2010

OBSERVATION: Black households are disproportionately represented among Section 8 participants, constituting 61% of current voucher holders and 68% of waiting list tenants, despite constituting only one-fourth of the County's general population.

OBSERVATION: The County's Section 8 Housing Choice Voucher waiting list is incredibly extensive, amounting to an anticipated wait of more than seven years for the newest applicants. There are currently 12,241 families with children and 4,093 individuals or families with disabilities on the list. These Section 8 voucher waiting list characteristics further underscore an acute need in Baltimore County for accessible and affordable rental housing for families.

The County's Section 8 Housing Choice Voucher Administrative Plan, updated most recently in 2009, was reviewed for this analysis.

Chapter 2 of the Plan refers to federal law prohibiting housing discrimination. In addition to the federally defined protected classes (race, color, sex, religion, familial status, age, disability and national origin), BCHO

additionally protects on the bases of marital status and sexual orientation. BCHO's policy is that these factors must not influence decisions relating to:

- Denying to any family the opportunity to apply for housing, nor denying to any qualified applicant the opportunity to participate in the housing choice voucher program
- Providing housing that is different from that provided to others
- Subjecting anyone to segregation or disparate treatment
- Restricting anyone's access to any benefit enjoyed by others in connection with the housing program
- Treating a person differently in determining eligibility or other requirements for admission
- Steering an applicant or participant toward or away from a particular area
- Denying anyone access to the same level of services
- Denying anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
- Discriminating in the provision of residential real estate transactions
- Discriminating against someone because they are related to or associated with a member of a protected class, or
- Publishing or causing to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

According to BCHO policy, applicants or participants who believe that they have been subject to unlawful discrimination can report it either orally or in writing. BCHO will attempt to remedy discrimination complaints and also provide complainants with information on how to complete and submit a complaint to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

BCHO informs all applicants and participants on intake applications, re-examination documents and notices of adverse action that they should contact the Office with any requests for reasonable accommodation. The notice is phrased in the following way:

"If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number is indicated as the contact for requests for accommodation for persons with disabilities.

When needed, BCHO will modify its normal procedures to accommodate the needs of a person with disabilities, including:

- Permitting applications and reexaminations to be completed by mail

- Conducting home visits
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the BCHO range) if the BCHO determines this is necessary to enable a person with disabilities to obtain a suitable housing unit
- Providing time extensions for locating a unit when necessary because of lack of availability of accessible units or special challenges of the family in seeking a unit
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with BCHO staff
- Displaying posters and other housing information in locations throughout the BCHO's office in such a manner as to be easily readable from a wheelchair.

BCHO encourages households in need of reasonable accommodation to make a request in writing using a reasonable accommodation request form. However, the Office will consider the accommodation any time a household indicates that one is needed, whether or not a formal written request is submitted. After a request for an accommodation is presented, BCHO will respond in writing within 10 business days.

To meet the needs of persons with hearing impairments, BCHO provides access to text telephone display and teletype communication. To meet the needs of persons with vision impairments, large-print and audio versions of key program documents is available upon request. Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party receive, interpret and explain housing materials and be present at all meetings.

According to the Administrative Plan, BCHO maintains a strong landlord outreach program with a focus on increasing families' choices and promoting the deconcentration of assisted housing. Payment standards are set at 110% of the area fair market rents in order to increase the array of rental options available to voucher holders. In addition to conducting landlord orientations, the Housing Office promotes and expands landlord participation in low-impact areas and to expand families' choices online via *Gosection8.com* and *www.MDHousingSearch.org*.

The briefing/information packet distributed to voucher holders includes an explanation of the Office's Section 8 Housing Choice Voucher portability policies and a list of contact information for staff at neighboring Housing Authorities who can provide more information or assistance. BCHO denies permission for households to make an elective move during their initial lease term, either within or outside the County. Exceptions to these policies are considered, however, for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence,

witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control. In addition, BCHO allows exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities.

Because HUD dictates that only “families” are eligible for voucher assistance, Chapter 3 of the Administrative Plan discusses eligibility and defines “family” as it relates to Baltimore County’s HCV program. HUD’s definition of a family includes a household with or without children; two or more elderly or disabled persons living together; one or more elderly or disabled persons living with one or more live-in aides or a single person who may be an elderly person, a displaced person, or any other single person.

Additionally, Baltimore County adds as a family two or more individuals who are not related by blood, marriage, adoption, or other operation of law but who either can demonstrate that they have lived together previously or certify that each individual’s income and other resources will be available to meet the needs of the family. A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards.

A family is eligible for assistance provided that at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be pro-rated, and that they may request a hearing if they contest this determination.

BCHO acknowledges that a victim of domestic violence, dating violence or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under the BCHO’s policies. Therefore, if the BCHO makes a determination to deny admission to an applicant family, the BCHO will include in its notice of denial:

- A statement of the protection against denial provided by the Violence Against Women Act
- A description of BCHO confidentiality requirements
- A request that an applicant wishing to claim this protection submit to BCHO documentation that meets the specifications below with her or his request for an informal review.

Chapter 4 discusses applications, waiting list and tenant selection. Any family that wishes to receive HCV assistance must apply for admission to the program. BCHO will close the waiting list when the estimated waiting period for housing assistance for applicants on the list reaches 24 months for the most current applicants. The waiting list is updated annually to ensure that all applicants and applicant information is current and timely. If a family

fails to respond to BCHO contact within 15 business days, the family will be removed from the waiting list without further notice. If determined that a family member's disability prohibited the applicant's ability to respond in a timely manner, reinstatement will occur.

OBSERVATION: The Housing Office's policy is to close the Section 8 Housing Choice Voucher waiting list when the anticipated wait reaches 24 months for new applicants. However, the list is currently open with an anticipated wait of more than seven years.

BCHO has a policy to monitor the characteristics of the population being served and the characteristics of the population as a whole in the County. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

When vouchers are available, families are selected from one single waiting list in their determined sequence, regardless of family size, subject to HUD's extremely low income targeting requirements of 75%, which is monitored throughout the fiscal year. The waiting list is canvassed to identify and ensure certification of targeted eligible families and youth.

Under the regular voucher program, families are served in the order of date and time of application. Voucher applicants may qualify for certain local preferences, as described in the Administrative Plan:

Two preferences outweigh one, three outweigh two, etc. A local preference will be given to any family who:

- Has been terminated from its HCV program due to insufficient program funding.
- Lives, works or has been hired to work in Baltimore City.
- Is displaced because of acquisition or demolition of their unit by Baltimore County Government, or in conjunction with Baltimore County Government renaissance/redevelopment efforts.

Families are selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify and in accordance with the BCHO's hierarchy of preferences, if applicable. Within each targeted funding or preference category, families are selected on a first-come, first-served basis according to the date and time their complete application is received.

A family that requires a reasonable accommodation may request a higher voucher payment standard, which can be granted if BCHO determines that there is a shortage of affordable units that would be appropriate for the family; that the family's rent would otherwise exceed 40% of adjusted monthly income; and the rent for the unit is reasonable.

The Administrative Plan outlines specific requirements and procedures for informal reviews for applicants who have been denied access to the program and hearings for participants or applicants regarding citizenship status. A request for an informal hearing must be made in writing and delivered in person or by first class mail within 10 days of the BCHO action in question. A family may request to reschedule a hearing if it is for good cause or if needed as a reasonable accommodation for a person with disabilities.

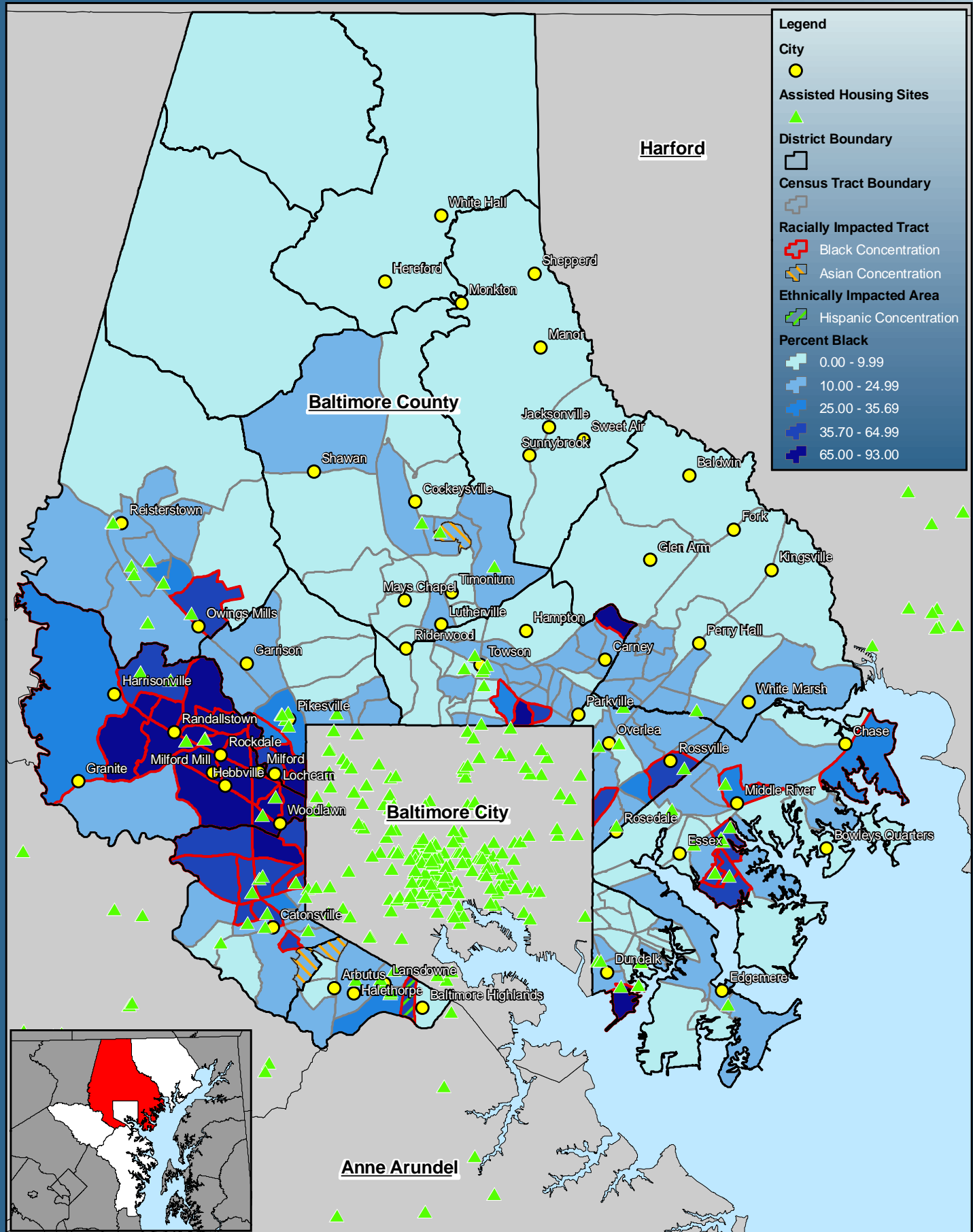
When applicants with disabilities are denied assistance, the notice of denial informs them of BCHO's informal review process and their right to request a hearing. In addition, the notice informs applicants with disabilities of their right to request reasonable accommodations as part of the informal hearing process. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, BCHO will determine whether the behavior is related to the disability. If so, upon the family's request, BCHO will determine whether alternative measures are appropriate as a reasonable accommodation. BCHO will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance. When a participant family's assistance is terminated, the notice of termination informs them of BCHO's informal hearing process and their right to request a hearing and reasonable accommodation. When reviewing reasonable accommodation requests, the BCHO considers whether any mitigating circumstances can be verified to explain and overcome the problem that led to the BCHO's decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, the BCHO makes the accommodation.

Availability of Assisted Hard Units of Affordable Housing

HUD's Picture of Subsidized Households dataset contains records on the number of subsidized hard 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 23.8% increase in subsidized rental units across Baltimore County. Compared to 2000, 13 more Low-Income Housing Tax Credit (LIHTC) projects were on record in 2008, adding 1,161 LIHTC units to the inventory. The stock of other assisted multifamily units grew at the greatest rate, more than doubling from 909 units in 2000 to 2,153 in 2008. At the same time, other types of units were lost due to the expiration of program provisions, demolition, consolidation or other causes. Figure 3-5 includes the HUD dataset.

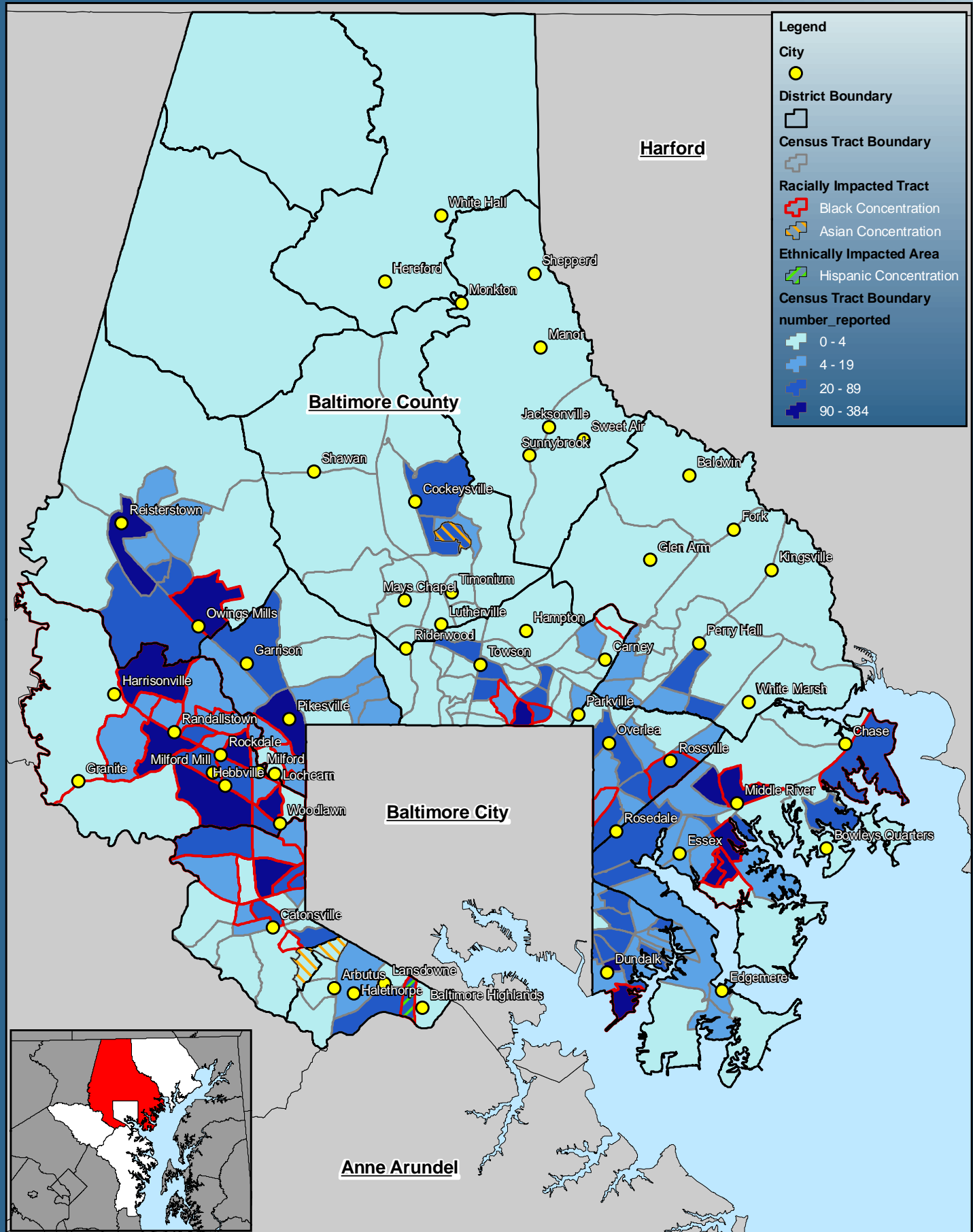
Map 9: Comparison of Assisted Housing and Racial Distribution in Baltimore County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



Map 10: Location of Section 8 Voucher Holders in Baltimore County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



**Figure 3-5
Subsidized Units by Type, 2000 and 2008**

	2000	2008	% Change
Public Housing*			
Assisted Housing			
LIHTC			
Sites	19	32	70.5%
Units	1,651	2,815	
Section 236			
Sites	8	2	-67.7%
Units	1,558	503	
Project-Based Section 8			
Sites	21	12	-0.6%
Units	1,529	1,520	
Other Assisted Multifamily			
Sites	12	29	136.9%
Units	909	2,153	
Total Subsidized Units	5,647	6,991	23.8%

* HUD reported no public housing sites in the County in either year. Some assisted sites are classified differently in 2000 and 2008.

Source: HUD Picture of Subsidized Households, 2000 and 2008

B. Private Sector

i. Real Estate Practices

Baltimore County is served by the Greater Baltimore Board of Realtors (GBBR), which has more than 4,900 members in Baltimore County, the City of Baltimore and surrounding areas. 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 monthly by GBBR employees and members licensed through the Maryland Real Estate Commission. The curriculum includes federal, state and local fair housing laws as well as the provisions of the Americans with Disabilities Act. The GBBR provides fair housing information through brochures, a regularly updated website and e-mail updates containing new information as it becomes available.

GBBR's procedure for dealing with alleged ethics breaches is consistent with the National Association of Realtors' Code of Ethics and Standards of Practice. Those who allege that a GBBR member has violated the Code

of Ethics may file a complaint within 180 days by contacting the Board or filing a form online. Complaints are reviewed by an appointed grievance committee, which conducts a professional standards hearing in which it renders an opinion on whether the complaint is justified. When the committee determines that a violation has occurred, it refers the case to the Maryland Real Estate Commission and/or the Maryland Human Relations Commission. GBBR reported that no fair housing grievances have been received during the past few years.

Members of GBBR participate in a regional multi-list form that includes 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.

GBBR states that members of the protected classes are represented in the organization's leadership, as this group is 23% non-White and 55% female. GBBR does not maintain data on the race, ethnicity or disability status of its general membership, though it administers programs to specifically recruit prospective agents who are members of the protected classes. GBBR's scholarship program facilitates coursework for agents who have a special skill set, background or experience that enables them to promote housing opportunities to groups that have traditionally experienced barriers. The Board reported in an AI questionnaire 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.

GBBR makes a deliberate effort to remain engaged in government issues. The Board, along with Baltimore County, the City of Baltimore and the State of Maryland, has representatives on the Community Housing Resource Board. GBBR reported that the organization works actively with local and state government to address fair housing issues as they arise.

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 GBBR's diversity is unknown due to a lack of data on its general membership. The Board's affirmative efforts to recruit and provide scholarships to agents who will serve traditionally underserved populations is commendable.

ii. Home Mortgage Financing

a. Mortgage Lending Practices

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 Baltimore 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 3-6 summarizes three years of HMDA data by race, ethnicity and action taken on the application, with detailed information to follow.

Figure 3-6
Summary of Mortgage Loan Activity in Baltimore County, 2006-2008

	2006		2007		2008	
	#	%	#	%	#	%
Total loans						
Applied for	23,665	100.0%	16,085	100.0%	9,422	100.0%
Black	6,239	26.4%	3,855	24.0%	2,067	21.9%
White	12,714	53.7%	9,244	57.5%	5,751	61.0%
Asian	1,549	6.5%	917	5.7%	483	5.1%
Hispanic*	1,418	6.0%	843	5.2%	251	2.7%
Other race	242	1.0%	149	0.9%	69	0.7%
No information/NA	2,921	12.3%	1,920	11.9%	1,052	11.2%
Originated	16,456	69.5%	10,969	68.2%	6,649	70.6%
Black	3,913	62.7%	2,266	58.8%	1,347	65.2%
White	9,581	75.4%	6,834	73.9%	4,300	74.8%
Asian	1,097	70.8%	659	71.9%	288	59.6%
Hispanic*	1,004	70.8%	525	62.3%	163	64.9%
Other race	163	67.4%	90	60.4%	47	68.1%
No information/NA	1,702	58.3%	1,120	58.3%	667	63.4%
Denied	3,017	12.7%	2,220	13.8%	1,094	11.6%
Black	1,151	18.4%	811	21.0%	341	16.5%
White	1,188	9.3%	942	10.2%	532	9.3%
Asian	191	12.3%	110	12.0%	73	15.1%
Hispanic*	224	15.8%	169	20.0%	40	15.9%
Other race	29	12.0%	32	21.5%	11	15.9%
No information/NA	458	15.7%	325	16.9%	137	13.0%

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 Baltimore County 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 7,580 (32.0%) from 2006 to 2007, then fell by an additional 6,663 (41.4%) in 2008. At the same time, the share of Black applicants fell even more precipitously, by 66.9% overall, suggesting that this protected class became disproportionately less able to afford home ownership.

Over the course of the three years studied, the overall percentage of applications that resulted in loan originations increased slightly, although trends among different racial and ethnic groups varied widely. The percentage of applications that were successful increased 1.5 percentage points for Blacks, and by 1.7 percentage points for those of some other race (consisting of American Indians/Alaska Natives and Hawaiians). White applicants saw a slight decline of 0.6 percentage points in originations granted. Hispanic and Asian applicants experienced a much larger decline in the rate of originations, with originations declining by 5.9 and 11.2 percentage points, respectively.

Correspondingly, the number of overall application denials decreased between 2006 and 2008, although when the data is broken down by racial and ethnic groups, only Black applicants experienced a decline in denial rate, falling by 1.9 percentage points. The denial rate for White households remained the same. Denials increased 2.7 percentage points for Asian applicants, 0.1 points for Hispanic applicants, and 3.9 points for those of another race.

The following sections contain detailed analysis for applications filed in 2008, the latest for which information is available. Figure 3-7 contains 2008 summary data.

Figure 3-7
2008 Summary Report Based on Action Taken Mortgage Data

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	5,720	60.7%	3,854	67.4%	449	7.8%	696	12.2%	721	12.6%
FHA	3,335	35.4%	2,502	75.0%	108	3.2%	371	11.1%	354	10.6%
VA	365	3.9%	292	80.0%	11	3.0%	27	7.4%	35	9.6%
FSA/RHS	2	0.0%	1	50.0%	-	0.0%	-	0.0%	1	50.0%
Loan Purpose: Home Purchase										
One to four-family unit	9,293	98.6%	6,605	71.1%	543	5.8%	1,037	11.2%	1,108	11.9%
Manufactured housing unit	129	1.4%	44	34.1%	25	19.4%	57	44.2%	3	2.3%
Applicant Race										
American Indian/Alaska Native	28	0.3%	20	71.4%	-	0.0%	5	17.9%	3	10.7%
Asian/Pacific Islander	483	5.1%	288	59.6%	35	7.2%	73	15.1%	87	18.0%
Hawaiian	41	0.4%	27	65.9%	2	4.9%	6	14.6%	6	14.6%
Black	2,067	21.9%	1,347	65.2%	114	5.5%	341	16.5%	265	12.8%
Hispanic**	251	2.7%	163	64.9%	14	5.6%	40	15.9%	34	13.5%
White	5,751	61.0%	4,300	74.8%	343	6.0%	532	9.3%	576	10.0%
No information	1,050	11.1%	665	63.3%	74	7.0%	137	13.0%	174	16.6%
Not applicable	2	0.0%	2	100.0%	-	0.0%	-	0.0%	-	0.0%
Applicant Sex										
Male	5,499	58.4%	3,934	71.5%	325	5.9%	596	10.8%	644	11.7%
Female	3,401	36.1%	2,397	70.5%	201	5.9%	424	12.5%	379	11.1%
No information	516	5.5%	315	61.0%	42	8.1%	71	13.8%	88	17.1%
Not applicable	6	0.1%	3	50.0%	-	0.0%	3	50.0%	-	0.0%
Total	9,422	100.0%	6,649	70.6%	568	6.0%	1,094	11.6%	1,111	11.8%

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 their respective total figures.

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

** Hispanic ethnicity is counted independently of race.

1) Households by Race

In 2008, 9,422 mortgage applications were made for the purchase of either a one- to four-family owner-occupied unit or a manufactured housing unit in Baltimore County. Of these applications:

- 61.0% (5,751) of the applications were submitted by White households.
- 21.9% (2,067) were submitted by Black households.

- 2.7% (251) 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.
- 5.1% (483) were submitted by Asian/Pacific Islander households.
- 0.7% (69) of the applications were submitted by households of other races.

Race/ethnicity data was not included for 1,052 applications (11.1%).

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 Baltimore County:

- 39.3% (3,702) of the households that applied for a mortgage loan applied for a government-backed loan. This is an increase from 4.4% in 2006. Of those, the majority (90.1%) applied for FHA loans.
- The denial rate for FHA loans was lower than that of conventional loans.
 - The denial rate for FHA loans was 11.1% (371 of 3,335), while the denial rate for VA-guaranteed loans was 7.4% (27 of 365).
 - The denial rate for conventional loans was 12.2%.

3) Denial of Applications

In 2008, the mortgage applications of 1,094 households in Baltimore County were denied (11.6%). Denial reasons were given for 899 of the applications and are detailed in Figure 3-8.

Figure 3-8
Reasons for Mortgage Application Denial, 2008

Primary Reason for Denial	#	%
Ratio of debt to income	228	25.4%
Credit history	211	23.5%
Other	139	15.5%
Collateral	104	11.6%
Credit application incomplete	102	11.3%
Insufficient cash	47	5.2%
Unverifiable information	40	4.4%
Employment history	17	1.9%
Mortgage insurance denied	11	1.2%
Total	899	100.0%

Almost half the denials were based on Credit history, collateral and unsatisfactory debt-to-income ratios and poor credit history. 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

Among racial and ethnic groups with more than 50 applications, Black households had the highest mortgage denial rate at 16.5%, or 341 of 2,067 applications submitted. White households were far more likely to receive loans, as only 9.3% of applications were denied. Details for 2008 appear in the following table.

Figure 3-9
Denials by Race/Ethnicity, 2008

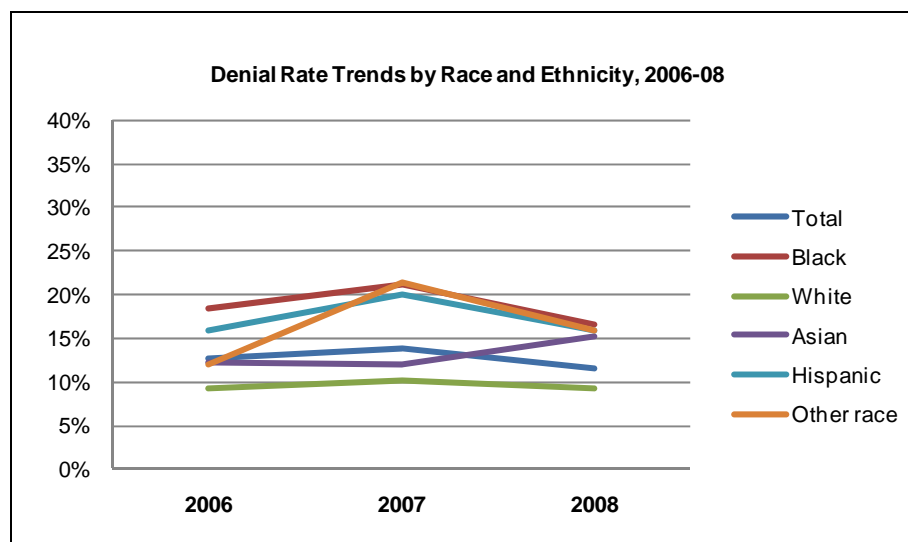
Race/Ethnicity	Total Applications	Number of Denials	Denial Rate
Black	2,067	341	16.5%
Asian	483	73	15.1%
Not Provided	1,052	137	13.0%
Am. Indian/Alaska Native	28	5	17.9%
Hispanic*	251	40	15.9%
White	5,751	532	9.3%
Hawaiian	41	6	14.6%

* 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 the following chart. 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 over the three periods with no specific pattern. In 2008, denial rates were similar for all racial and ethnic minority groups, which in turn were markedly higher than the rate for White households.

Figure 3-10
Denial Rates by Race/Ethnicity, 2008

	2006	2007	2008
Total	13%	14%	12%
Black	18%	21%	16%
White	9%	10%	9%
Asian	12%	12%	15%
Hispanic	16%	20%	16%
Other race	12%	21%	16%



Applications Denied by Income

In 2008, the HUD median family income (MFI) in Baltimore County 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 46.1% of all denials in 2008, though they accounted for only 35.0% of total applications.

Figure 3-11
Denials by Income, 2008

Income Level	Total Applications	Denials	Denial Rate
Below 80% MFI	3,293	504	15.3%
At least 80% MFI	6,059	581	9.6%
No information	70	9	12.9%
Total	9,422	1,094	11.6%

Denial Data by Income Level and Race

Of the 1,094 applications that were denied by area lending institutions, 1,085 reported household income. Among all lower-income households in Baltimore County, the denial rate was highest for Asian households (24.8%). White households had the lowest denial rate, 13.3%.

Figure 3-12
Denials for Lower-Income Applicants, 2008

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	866	150	17.3%
Asian	153	38	24.8%
Am. Indian/Alaska Native	12	2	16.7%
Hispanic*	124	23	18.5%
White	1,918	255	13.3%
Hawaiian	15	2	13.3%
Not Provided/NA	329	57	17.3%
Total	3,293	504	15.3%

* 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 15.9%, compared to the rate of 7.2% for White households. (American Indian/Alaska Native households had the highest denial rate, at 18.8%, although it should be noted that they had a small number of total applications.) Notably, the denial rate for upper-income Black households (20.6%) is higher than the denial rate for lower-income White households (13.3%).

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

Race/Ethnicity	Total Applications	Denials	Denial Rate
Black	1,857	383	20.6%
Asian	73	21	28.8%
Am. Indian/Alaska Native	12	2	16.7%
Hispanic*	123	26	21.1%
White	1,114	138	12.4%
Hawaiian	9	1	11.1%
Not Provided/NA	389	95	24.4%
Total	3,454	640	18.5%

* Hispanic ethnicity is counted independently of race.

OBSERVATION: Upper-income Black households in Baltimore County were denied mortgage loans at a substantially higher rate (20.6%) than lower-income White applicants (13.3%).

Denial Data by Census Tract

The HMDA data for Baltimore 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 of denial rates. Tracts with rates higher than 20% are scattered through the County's southern half, including concentrated and non-concentrated areas alike.

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.²⁷ 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."

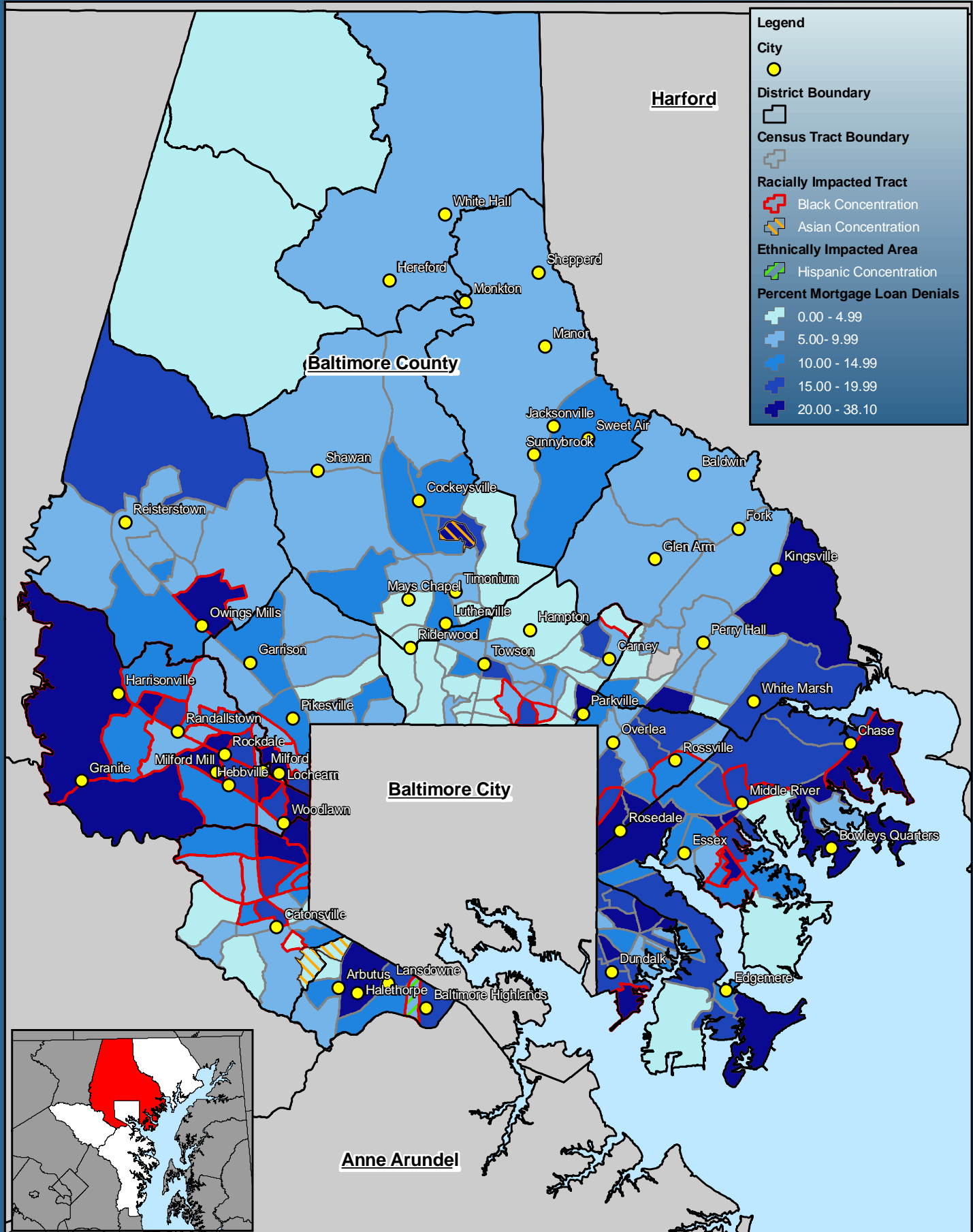
A loan is considered high-cost if it meets one of the following criteria:

- 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.

²⁷ 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.

Map 11: Mortgage Denial Rate by Census Tract in Baltimore County, 2008

Baltimore Regional Analysis of Impediments to Fair Housing Choice



- A second-lien loan with an interest rate at least five percentage points higher than the standard.

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, 6.1% (402) of the 6,611 home purchase loans that were originated in Baltimore County and included 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 3-14
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	15	3	20.0%	31	13	41.9%
	Asian	144	25	17.4%	868	204	23.5%
	Black	1,033	443	42.9%	2,705	1,357	50.2%
	Hawaiian	19	8	42.1%	91	22	24.2%
	White	2,497	537	21.5%	6,574	1,353	20.6%
	No information/NA	402	110	27.4%	1,217	374	30.7%
	Hispanic*	263	116	44.1%	622	348	55.9%
	Total	4,110	1,126	27.4%	11,486	3,323	28.9%
2007	Am. Indian/Alaska Native	16	4	25.0%	15	2	13.3%
	Asian	115	12	10.4%	523	48	9.2%
	Black	755	128	17.0%	1,450	352	24.3%
	Hawaiian	18	1	5.6%	37	5	13.5%
	White	2,021	221	10.9%	4,654	427	9.2%
	No information/NA	293	36	12.3%	794	99	12.5%
	Hispanic*	220	50	22.7%	277	103	37.2%
	Total	3,218	402	12.5%	7,473	933	12.5%
2008	Am. Indian/Alaska Native	10	1	10.0%	10	0	0.0%
	Asian	75	8	10.7%	212	7	3.3%
	Black	581	54	9.3%	759	75	9.9%
	Hawaiian	10	0	0.0%	17	1	5.9%
	White	1,363	97	7.1%	2,912	123	4.2%
	No information/NA	202	15	7.4%	460	21	4.6%
	Hispanic*	79	14	17.7%	84	5	6.0%
	Total	2,241	175	7.8%	4,370	227	5.2%
Three-Year Totals		9,569	1,703	17.8%	23,329	4,483	19.2%

Note: Does not include loans for which no income data was reported: 856 in 2006, 278 in 2007, and 38 in 2008

* Hispanic ethnicity is counted independently of race.

Of the 34,074 applications for which loans were originated between 2006 and 2008, 32,898 included data on household income. Of this total, 9,569 reported household incomes at or below 80% of the median family income, and 1,703 of these lower-income households, 17.8%, had high-cost loans. The rate of high-cost loans for higher-income households is slightly higher, at 19.2%, including 4,483 of 23,329 higher-income households. However, examining the data for each year reveals a slightly different pattern. In 2006, higher-income households had a higher percentage of high-cost loans, 28.9% versus 27.4% for lower-income

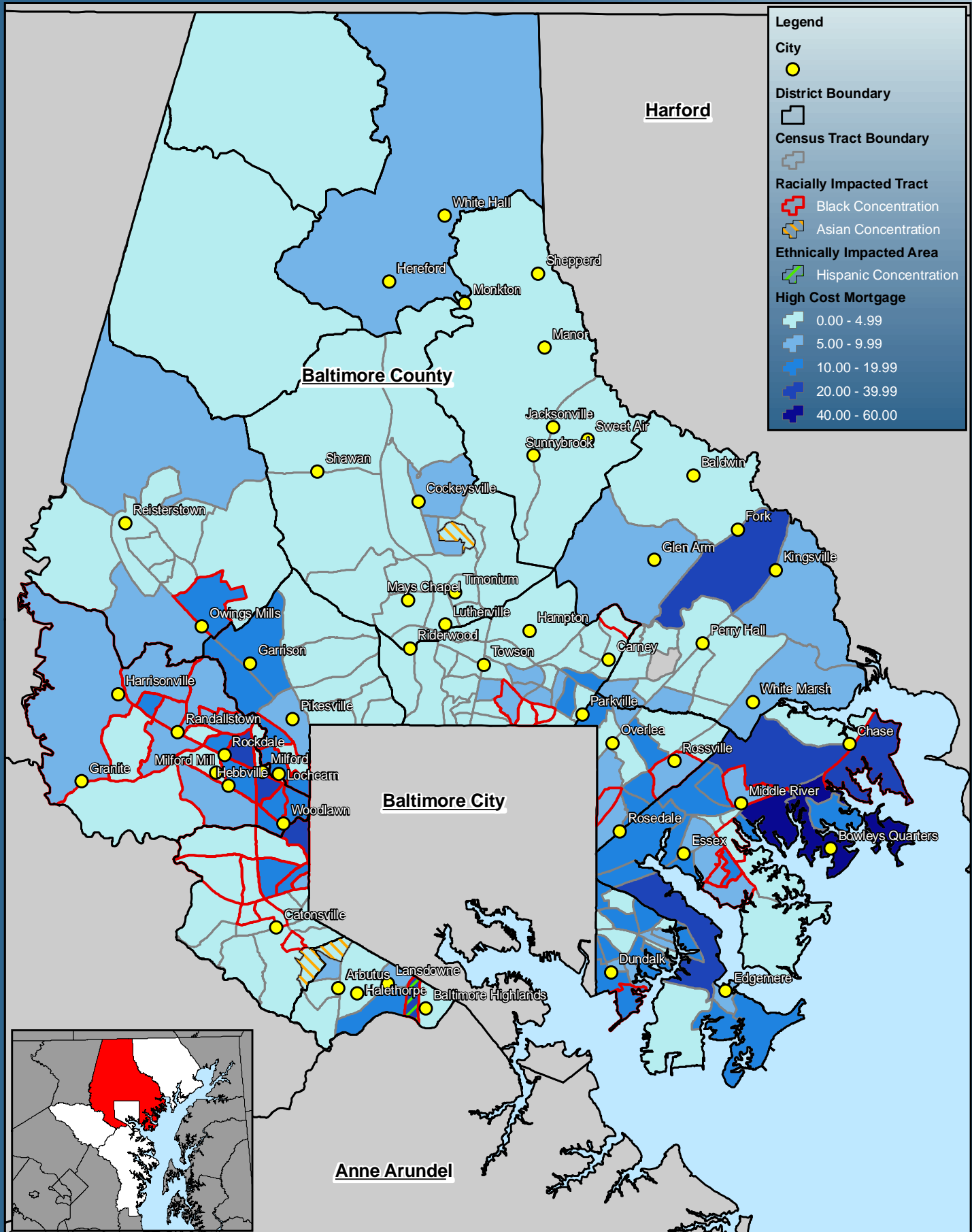
households. In 2007, both types of households had a rate of 12.5%. By 2008, the positions switched, and lower-income households now had the higher percentage of high-cost loans, 7.8%, versus 5.2% for higher-income households.

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.

Ethnic and racial minority households consistently have higher percentages of high-cost loans than White households, among both lower- and higher-income households. In 2008, Black and Hispanic households were overrepresented in high-cost lending. Among lower-income households, Black households accounted for 24.8% of originations and Hispanics 5.9%. Yet among lower-income households, Black and Hispanic households accounted for 10.6% and 36.7% of high-cost loans, respectively. Similarly, among higher-income households, Black and Hispanic households accounted for 21.1% and 4.2% of originations, but 39.8% and 10.2% of high-cost loans. White households in both income groups display a reverse pattern, accounting for a smaller percentage of high-cost loans than their percentage of originations.

The HMDA data for Baltimore County was analyzed to determine if a pattern of high-cost loans exists by census tract. Map 12 on the following page provides an overview of the geographic distribution of high-cost originations.

OBSERVATION: Black and Hispanic mortgage holders in Baltimore 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 must be clearly stated in public policy documents and demonstrated through a wide range of implementing initiatives. The local decision-making process should include a “fair housing filter” through which the significance of policies, actions, plans, permits, approvals and funding choices are evaluated. Many policy documents were reviewed for this AI to determine the extent to which the Baltimore County has incorporated fair housing policy into various aspects of its governance.

Master Plan 2020 is the County’s most encompassing document that guides land use decisions and the potential creation of fair housing choice for members of the protected classes. In this document, updated every 10 years, the County advances policies to focus growth in developed areas already equipped with infrastructure and access to amenities. The County’s urban-rural demarcation line has been in effect since the late 1960s and has shaped the distribution of development since. More than two-thirds of the County’s land area will continue to be preserved for sparsely populated rural or agricultural uses. The 2020 edition of the Master Plan introduces the transect framework for land use planning, which envisions six overlapping zones that allow for a natural transition along the continuum from dense urban centers to rural open space. This framework is designed to provide more flexibility for mixed uses, which should facilitate transit-oriented development and walkable neighborhoods. Otherwise, Master Plan 2020 does not include policy priorities that have the explicit purpose or effect of affirmatively furthering fair housing, such as inclusionary zoning, or expanding the inventory of affordable rental units available for families in non-impacted areas. The Master Plan also lacks an overarching statement of policy that expresses the County’s commitment to affirmatively further fair housing.

The general directive of the Master Plan to encourage development in Community Conservation districts and protect rural settings elsewhere is carried into the County’s zoning regulations. This document is updated annually to address minor problems and updated every four years with any zoning changes determined by County Council. Though the Master Plan’s transect framework could be applied to the regulations for greater consistency that could transform future growth, this would require the County to substantially redraw its zoning map. The regulations do not place undue restrictions on family composition or group homes for persons with disabilities, though their heavy controls on residential uses in the resource conservation zones that cover more than two-thirds of all land limit the potential sites where multi-family rental housing can be located.

The County's geographic targeting system for the investment of CDBG, HOME and other federal funding is consistent with its Smart Growth planning principles, designed primarily to stabilize and revitalize neighborhoods in its built-out older suburbs. The County has a thorough and accountable system for affirmatively marketing the housing opportunities it creates for members of the protected classes, and CAPER records since 2005 demonstrate that the County's housing projects serve racial minorities at a greater proportion than they exist in the general population. However, there is no stated consideration as to whether proposed initiatives are located outside of impacted neighborhoods. In order to affirmatively further fair housing, the County should give equal consideration to both revitalizing distressed neighborhoods and the use of HOME funds for the creation of new family housing development opportunities (both sales and rental) on sites outside of impacted areas. Currently, the County relies almost exclusively on tenant-based rental assistance to address an overwhelming need for affordable rental housing, though this extends true housing choice only to the extent that rental opportunities are available in low-poverty neighborhoods outside of minority-concentrated areas. The County further perpetuates historical segregation patterns by refusing to consider higher Section 8 payment standards in higher-cost areas that are outside of impacted neighborhoods.

The citizens appointed to boards and commissions involved in housing-related decisions in the County were reviewed. Among the 21 members of the Planning Board and the Zoning Hearing Board, females, racial and ethnic minorities and persons with disabilities were 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 City's daily decision-making processes.

i. Article 29 of the County Code

The County's laws regarding housing discrimination are contained in Article 29 of the County Code of Ordinances (2003), which pertains to human relations. This section of law defines the responsibilities of the Human Relations Commission and prohibits discrimination on the basis of race, creed, religion, color, national origin, sex, age, marital status, physical and mental disability. In comparison to federal fair housing law, Baltimore County's anti-discrimination law additionally protects age discrimination and marital status, but does not protect on the basis of familial status. The state of Maryland protects familial status and marital status as well as sexual orientation. These distinctions are significant because they represent the level at which persons claiming discrimination can seek recourse.

Article 29 prohibits discriminatory practices in all housing-related activities, including the sale, rental or management of units; administration of a multiple list service; the representation of property values; or solicitation. In addition to the standard mention of practices considered unlawful, the

ordinance states that it is illegal to include discriminatory restrictive covenants in the transfer, sale or rental of housing. This was historically a common practice in the County aimed at discouraging the mobility of minorities into predominantly White neighborhoods. The law declares all existing covenants to be null, void and contrary to public policy. Exemptions from Article 29 include age-related dwellings, which are exempt from prohibitions only on age discrimination, owner-occupied dwellings containing only one rental unit, private membership clubs and religious organization dwellings.

Article 29 specifically prohibits the blockbusting practices that altered the racial distribution of residents in prior decades. The ordinance prohibits anyone from representing that the existing or potential proximity of a home owned, used or occupied by a member of a protected class will result in lower property values, a quality decline in schools serving the area or a change in the racial, religious or ethnic character or the block or neighborhood.

OBSERVATION: The County's anti-discrimination ordinance was written to address discrimination problems experienced by members of the protected classes over the course of the County's history. The ordinance empowers the Human Rights Commission to investigate and resolve cases of alleged discrimination, but the HRC's effectiveness in doing so would be increased if the provisions of the ordinance were expanded to also prohibit discrimination on the bases of familial status and sexual orientation. Currently, County residents experiencing those types of discrimination must report complaints at the state level.

B. Progress since the Previous AI

The most recent AI to examine fair housing issues in Baltimore County was completed in 1994. All of the County's fair housing strategies since then have been based on the impediments identified in that document. 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 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.”²⁸). However, the impediments in the 1994 AI are derived from a thoughtful review of relevant demographic trends and policy analyses.

Each year, Baltimore County reports progress to HUD in resolving each of the impediments. In its FY 2009 CAPER, reviewed in detail in a previous section of this AI, the County provided the latest updates to its documentation on efforts to affirmatively further fair housing. The County categorized the impediments into three major categories: lack of affordable housing, housing choice for all and racial tension. To address all three, the County worked within a broader network of public and private organizations, citizens, local communities, religious organizations and local industry. The County has reported the following as specific actions taken to correct the impediments:

- Increasing affordable homeownership and rental opportunities to citizens through efforts of public and private partnership by cutting the cost of homeownership. Methods have included subsidizing the costs of financing, producing and transferring properties and providing gap financing and other resources and incentives to support the preservation and creation of affordable rental housing for low- to moderate-income seniors and families
- Fostering a condition in which individuals of similar income levels, regardless of protected class status, have the same opportunity to purchase or rent in the same housing market areas by encouraging better planning, zoning and building codes to promote diverse choices and ranges of housing costs
- Establishing education, outreach, viable support by the highest levels of government and implementation of an enforcement program that is well publicized, well staffed and well funded
- Expanding opportunities for homeownership for additional families through education and counseling, information technology, communications media and community involvement, and
- Implementing effective testing programs to identify discriminatory sales and rental practices.

C. Current Fair Housing Programs and Activities

Fair housing programs and activities implemented by entitlement communities can be generally understood according to the following categories, all of which should be annually represented in the County’s actions to affirmatively further housing.

- ***Education and outreach*** – This aspect should involve 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.

²⁸ 1994 AI, page 56

Assessment: The County conducts education and outreach primarily through CDBG subrecipients such as BNI, the Greater Baltimore Community Housing Resource Board and the Greater Baltimore Board of Realtors Foundation. The Human Relations Commission is also responsible for outreach and education.

- ***Policy development*** – This aspect should involve the establishment of policies that are key to the implementation of fair housing laws; including housing site selection policies, inclusionary zoning ordinance and enhanced Section 8 mobility programming.

Assessment: Policy development since the 1994 AI is apparent in the alternative land use designs in Master Plan 2020, the reasonable accommodation updates made to the Section 8 Administrative Plan and the flexibility on family composition and group homes built into in the zoning regulations. County government has become more rigorous in holding subcontractors to HUD standards of accountability, one example of which is the affirmative marketing plan for HOME projects.

This report recommends that the County revise its neighborhood/site selection policy and work to remove some administrative barriers to the development of affordable housing in non-impacted neighborhoods.

- ***Enforcement*** – This aspect should involve 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 for the purpose of conducting paired real estate testing.

Assessment: The County's Human Relations Commission is responsible for enforcing the County's prohibitions on housing discrimination. The HRC receives few complaints, which staff members explain is at least partially due to the limitations of Article 29, the County's anti-discrimination ordinance. The HRC and other agencies often refer cases to the Maryland Commission on Human Relations, which accepts more types of cases and is empowered to impose civil penalties. In addition, the County provides CDBG funding to BNI to conduct paired rental discrimination tests annually. BNI provided advocacy, counseling and community outreach that benefited 3,277 people in the County in FY 2009.

The County has established a thorough system for monitoring CDBG and HOME subrecipients to ensure compliance with the requirements and intent of the applicable federal regulations. The County not only enforces stringent affirmative marketing, accessibility and other requirements, but also works closely with subrecipients to make sure they are aware of fair housing issues.

- ***Expansion of housing choice*** – This aspect should involve the creation of new housing opportunities for members of the protected classes;

includes allocation of entitlement funds to develop new housing units outside of impacted areas.

Assessment: The County reports in CAPER documents that it expands housing choice by maintaining and increasing the supply of affordable and accessible housing. However, this is primarily accomplished via the distribution of housing choice vouchers or the rehabilitation of existing units in Community Conservation areas, which are generally lower-income areas of minority concentration. The County's investment in new hard units of affordable housing outside of impacted areas, particularly rental housing, has been limited to the rehabilitation of only two family rental buildings over the course of several years. While the County's staff has offered numerous seemingly justifiable reasons for their past actions, their actions have, in fact, severely limited fair housing choice outside of impacted areas. To affirmatively further fair housing means that County staff should bend over backwards to assist in extraordinary ways the creation of fair housing choice for members of the protected classes in non-impacted areas.

While education and outreach have affirmatively furthered fair housing in the 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 of 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 number of persons assisted by BNI, complaints filed and processed and the number of housing units impacted. It is possible to assess compliance with fair housing laws by identifying the number of hard units created outside of impacted areas. Although education and outreach activities are important, expanding housing choice for members of the protected classes through the creation of new units (i.e., affordable rental units for families) should be Baltimore County's primary fair housing goal.

OBSERVATION: Baltimore County's fair housing activities have consisted primarily of education and outreach initiatives. The County should continue these activities while initiating new measures to affirmatively further fair housing, including the expansion of affordable rental housing for families in a variety of neighborhoods.

D. Fair Housing Advocacy Organizations

Baltimore County exists within 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, Poverty and Race Research Action Council and Citizens Planning and Housing Association, among others. The activities and impacts of regional advocates are discussed in the regional section of the AI.

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 in the following section. While none of these observations individually rose to the level of an impediment to fair housing choice in Baltimore County, the issues remain noteworthy in that they constitute the underlying circumstances which define the local fair housing climate.

1. The landscape of diversity in Baltimore County has shifted.

Since 1990, the non-White population in Baltimore County has increased from 15.1% to 32.9% of the total population. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily. Despite these shifts, the County continues to be remarkably less diverse than the city it surrounds, where more than 70% of residents are non-White.

2. There are 45 areas of racial or ethnic concentration in the County.

In Baltimore County, 45 of 204 census tracts (22.1%) qualify as areas of racial or ethnic concentration. Of these 45 impacted areas, all are areas of Black concentration. One of these tracts also qualifies as an area of Asian concentration, and one qualifies as an area of Hispanic concentration.

3. Baltimore County remains moderately segregated, as determined by dissimilarity indexing.

Baltimore County is more racially segregated than every other major jurisdiction in the state. Dissimilarity index calculations report that in order to achieve perfect integration, 64.9% of Black persons would be required to move to other census tracts within the County.

While this method of analysis indicates that some deconcentration has occurred among Black residents since 1990, housing segregation among Hispanic residents has increased.

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

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

Persons with disabilities were more likely to live in poverty than persons without disabilities. In Baltimore County, 12.3% of persons with disabilities were living in poverty, compared to only 5.4% of persons without a disability.

In 2000, female-headed households with children accounted for 56% of all Baltimore County families living in poverty, despite representing only 10.4% of all households.

Families with at least one foreign-born parent were more likely to have lower incomes than families with native-born parents. Among families with children with foreign-born parents, 27.9% were living under 200% of the poverty level in 2008.

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

As of 2010, 122 (24.5%) of the County's block groups qualified as predominantly low- and moderate-income, with at least 50% of household incomes below the HUD income threshold. In many locations, areas of racial and ethnic concentration are also areas of concentration of low- and moderate-income persons.

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

In 2008, the unemployment rate among Black residents of Baltimore County was 6.9%, significantly higher than the rate among Whites of 4.2%. Higher unemployment, whether temporary or permanent, results in less disposable income for housing expenses.

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

The persistence of mortgage default and foreclosure in the County describes the continuing struggle of cost-burdened households to maintain housing and build wealth. Many of the census tracts with high-foreclosure rates qualify as LMI areas or areas of racial or ethnic concentration.

Among all owner households with incomes below 80% of the median family income in 2000, 43.1% of White households experienced housing problems, compared to 70.9% of Blacks and 69.7% of Hispanics.

8. Baltimore County represents an increasingly expensive housing market.

A major barrier to homeownership in Baltimore County is the prohibitive cost of market-rate housing. Of the 3,988 properties for sale in October 2010, only 2.8% were priced below \$100,000. The majority of sub-\$100,000 sales in the County are located in the minority-concentrated neighborhoods closest to Baltimore City. This trend indicates very limited housing choice for members of the protected classes residing in the County.

The median owner-occupied housing value in Baltimore County increased 117% between 1990 and 2008, while the inflation-adjusted median household income grew only 23%.

Between 2000 and 2008, the number of units renting for less than \$500/month declined by more than 30,700 (84%), while units renting for \$1,000/month or more increased by more than 45,000 (476%).

Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent in Baltimore 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.

An individual receiving a monthly SSI check of \$674 as their sole source of income, including a person with a disability, cannot afford a one-bedroom unit in Baltimore County renting at the fair market rate of \$868.

6. POTENTIAL IMPEDIMENTS TO FAIR HOUSING CHOICE

The remaining observations constitute the potential impediments or barriers to fair housing choice identified in Baltimore County. These impediments are linked to remedial strategies in the Fair Housing Action Plan (FHAP). A list of impediments for the region, as well as a regional FHAP, will be addressed separately.

i. Public Sector – Administrative

a. **The County’s policy priority to preserve the rural character of two-thirds of its total land space is applied in ways that limit the expansion of affordable housing opportunities.**

Housing development in Baltimore County is subject to strict controls designed to protect natural resources in agricultural and rural areas. While areas of low minority concentration such as Parkton, Chestnut Ridge, Hereford, Jacksonville, Kingsville and Patapsco/Granite were deemed suitable for development in the 1979 growth management program, Master Plan 2020 seeks to preserve the “rural character” of these and other non-impacted areas to the extent possible.

The County’s land use policies discourage the consumption of land by new construction and aim to focus redevelopment efforts in built-out areas. The Master Plan is a progressive implementation of smart growth and sustainability planning theory, but the application of these principles also has the effect of limiting the array of sites where affordable housing opportunities can be expanded.

In the roughly two-thirds of the County zoned for resource conservation, the only residential use typically permitted by right is low-density, single-family detached housing on large lots. This policy limits the location of affordable multi-family units almost exclusively to Community Conservation areas where the County’s supply of affordable housing is already concentrated, thereby restricting fair housing choice for members of the protected classes to impacted areas.

Proposed Action: Include a statement of policy in Master Plan 2020 and the Zoning Regulations that clearly articulates the County’s commitment to expanding fair housing choice. Eliminate provisions in the Master Plan and Zoning Regulations that restrict fair housing choice.

b. **The County’s zoning regulations are examined and revised from a policy perspective only on an extremely local basis.**

Zoning and land use decisions in Baltimore County, including the approval or denial of development plans, are made by two individuals appointed by the County Executive and authorized to render opinions and orders in quasi-judicial hearings. This arrangement is less

democratic than in many other communities, where such decisions are made by a public board representative of community members.

The County's method for "comprehensive" updates to the Baltimore County Zoning Regulations consists currently of addressing a submitted list of isolated issues on an individual basis every four years. This system provides the opportunity for only narrow, extremely local land use changes, thereby impeding the effective implementation of the broader land-use theories in the Master Plan. The County could achieve a more consistent and efficient application of the Master Plan's guidance on land use by revamping the zoning regulations in their entirety to reflect the County's policy objectives, including the objective of affirmatively furthering fair housing (AFFH).

Proposed Action: Upon the adoption of Master Plan 2020, the County should revise its zoning regulations to reflect the transect zoning system described in the Master Plan. When revising the text of the zoning ordinance and re-drawing its zoning district map, the County should incorporate AFFH principles, including provisions to expand locations where multi-family dwellings may be constructed.

c. The County's increasingly diverse minority population may require language accommodations more formal than the current arrangement to ensure that all residents can access programs and services.

The population of persons with limited English proficiency (LEP) in Baltimore County is substantial, as demonstrated by the 2008 American Community Survey estimate of more than 25,000 LEP County residents speaking one of eight language groups, of which Spanish, Chinese and Russian are the largest. The eight language groups are of sufficient size to warrant an analysis to determine whether these populations are denied access to the County's programs due to language barriers.

According to the Section 8 Administrative Plan, the Housing Office will complete the four-factor analysis to determine what language assistance services are appropriate. At that point, the Office plans to determine whether a written implementation plan is necessary to address the needs of identified LEP populations. The Administrative Plan was last updated in May of 2009, and it is unclear whether the four-factor analysis has been conducted since.

Baltimore County does not have a Language Access Plan (LAP) in place that specifically details the process by which County employees will work to enhance access to County services and programs to persons with LEP.

Proposed Action I: Conduct the four-factor analysis outlined in the Federal Register of January 22, 2007, and at 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 County programs, including CDBG, HOME and other programs beyond the aegis of Housing Office. 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: The Housing Office should update the Section 8 Administrative Plan to include the policy determinations resulting from the four-factor analysis and include a copy of its LAP as an appendix to the Admin Plan.

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

d. Members of the protected classes are underrepresented on County boards and commissions dealing with housing issues.

Racial and ethnic minorities, women and persons with disabilities are currently underrepresented or underreported on County boards and commissions relating to housing issues. The experiences and perspectives of members of the protected classes are important in enhancing the decision-making process in the County and offer the opportunity to advance fair housing choice in all aspects of 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 appointed board and commission member. Thereafter, members of the protected classes should be affirmatively recruited to fill vacancies on appointed boards and commissions. Records on the membership of appointed boards and commissions will assist County officials in making appointments that reflect the County's diversity.

ii. Public Sector – Programmatic

a. Baltimore County's investment of CDBG, HOME and NSP funds in recent years has not demonstrated a quantifiable expansion of affordable housing opportunities outside of areas of minority and low-income concentration.

The County's investment in new hard units of affordable housing outside of impacted areas, particularly rental housing, has been limited to the rehabilitation of only two family rental buildings over the course of several years. The number of new affordable rental units made available pales in comparison to the nearly 4,000 units of FHA-insured housing in Essex and Middle River lost from the County's inventory as a result of demolition. While the County accommodated households that were displaced as a result of those actions with Housing Choice Vouchers and financial assistance, the County replaced the demolished rental units with parks, senior housing and homeownership units. The result was a net

loss in affordable rental housing units available to members of the protected classes.

In FY 2010, the only way in which Baltimore County expanded rental housing choice for lower-income families was through the provision of tenant-based rental assistance. This strategy affirmatively furthers fair housing only to the extent that lower-income rental housing is available in a wide array of non-impacted areas, which is not the case in Baltimore County.

Generally, the County relies on tenant-based rental assistance as a primary means of addressing an overwhelming need for affordable rental housing, mostly among homeless persons and those displaced by redevelopment. The County's housing policy should address the need to create additional "hard units" of affordable rental housing for families.

The County's Annual Plan acknowledges that negative public perceptions about affordable housing constitutes a barrier to development. In designing its housing program, the County strives to avoid neighborhood opposition, as evidenced by its use of HOME funds to preserve affordable units in existing housing complexes. The practical effect of this policy is to expand the supply of affordable rental housing for families in impacted neighborhoods, effectively capitulating to public demand rather than striving to affirmatively further fair housing outside of impacted areas. The County should strive to expand fair housing choice by creating affordable rental opportunities for families in non-impacted areas.

Proposed Action I: The County should revise its housing policy to affirmatively support the construction of new or the substantial rehabilitation of existing family rental units outside of impacted areas.

b. The County's process for allocating CDBG and HOME funds could be improved from a fair housing perspective.

The County's selection criteria for the investment of CDBG, HOME and other public funding is focused largely on the revitalization of existing communities. However, while the County has stated its commitment to aggressively market housing opportunities to members of the protected classes, there is no stated preference in the application packet or in the selection criteria for projects and activities aimed at expanding fair housing choice outside of impacted areas.

LIHTC projects in Baltimore County tend to be politically defeated before an application is even submitted, due to the County's requirement that developers gain approval from a County Council member prior to consulting County staff. This pre-approval requirement contributes to neighborhood resistance, thus restricting fair housing choice. The

County has funded only two family tax credit projects, both of which involve the rehabilitation of existing buildings.

Proposed Action I: In developing policy priorities for the investment of HOME and CDBG funds for affordable housing, the County should grant bonus points and deeper subsidies for projects involving rental housing for families on sites outside of impacted areas. If necessary, the County should become proactively involved in site selection, using its HOME and/or CDBG funds for property acquisition, then selecting developers through a competitive procurement process. In addition, the County may extend project-specific technical assistance and site control loans to CHDOs that wish to develop affordable rental housing for families in non-impacted areas.

Proposed Action II: Prepare and implement a written policy that encompasses the Site and Neighborhood Selection requirements at 24 CFR 983.6 and incorporate these requirements into the County's HOME written agreements. All CHDOs, developers and subrecipients should receive a copy of this policy as part of the HOME application package.

Proposed Action III: Revise the County's HOME policies to remove potential impediments to the creation of rental units in non-impacted areas, particularly the requirement that developers acquire Council approval before submitting an application for financial assistance under the County's HOME program.

c. Minority households have greater difficulty becoming home owners in Baltimore County because of lower incomes.

Black households are disproportionately represented among Section 8 participants, constituting 61% of current voucher holders and 68% of waiting list tenants, despite constituting only one-fourth of the County's general population.

The home ownership rate among Black households in the County was 53.8% in 2000, compared to 77.8% of White households. Among Hispanic households, 47.9% owned their homes.

Proposed Action I: Continue to strengthen partnerships with local lenders that will offer homebuyer education and 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.

d. The County's supply of housing that is affordable to households up to 80% of median household income (MHI) is inadequate.

Historic patterns of housing segregation and disparity in housing costs among neighborhoods restrict housing choice for minority households, which have significantly lower incomes than White households. These trends are apparent in the following observations:

- The County owns and operates no public housing. Therefore, the lowest-income households must rely on increasingly overburdened public housing programs elsewhere in the region, particularly the Housing Authority of Baltimore City.
- The County's Section 8 Housing Choice Voucher waiting list is incredibly extensive, amounting to an anticipated wait of more than seven years for the newest applicants. There are currently 12,241 families with children and 4,093 individuals or families with disabilities on the list. These Section 8 voucher waiting list characteristics further underscore an acute need in Baltimore County for accessible and affordable rental housing for families.
- While the County's total housing inventory increased by more than 49,000 units (17.4%) since 1990, including an estimated 17,000- unit gain between 2000 and 2009, the vast majority of new housing development consists of market-rate units unaffordable to lower-income households.
- Multi-family units represent about one quarter of the total housing stock in Baltimore County. Neighborhoods with higher proportions of multi-family structures are in impacted areas located near Baltimore City. It is important to maintain an adequate supply of rental housing available for various household types and income levels to provide sufficient housing choice for members of the protected classes.
- Minority households were much more likely to live in larger families than White households. Among individual minority groups, Hispanic households were the most likely to consist of three or more people, at a rate of 49.2%. Black families had a comparable rate at 46.1%, and Asian/Pacific islander families were smaller, as only 42.4% included three or more persons. White families were the smallest, with only 36.6% consisting of more than two members.

- Only 18.5% of the County's rental housing stock in 2000 contained three or more bedrooms, compared to 81.6% 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 County, unlike the City of Baltimore and Howard County, does not have an inclusionary housing policy. Establishing standards that compel developers to foster and retain a mix of affordable, accessible housing options and mixed-income neighborhoods is a means by which the County could affirmatively further fair housing choice while maintaining consistency with its smart growth priorities.

Proposed Action I: Adopt an inclusionary housing ordinance that can be incorporated into the County's development codes. The ordinance should require a minimum set-aside of units (i.e., 10%) affordable to low- and moderate-income households.

Proposed Action II: Increase the Section 8 payment standard for higher cost areas in the County as a means of expanding fair housing choice outside of impacted areas.

Proposed Action III: Expand incentives for property owners and investors to build new apartment buildings or substantially rehabilitate existing buildings for occupancy by lower-income families, specifically in neighborhoods of opportunity. Provide tax abatements and deepen financial incentives for affordable housing projects located outside of impacted areas.

Proposed Action IV: Partner with regional CHDOS and other affordable housing developers to increase the supply of affordable housing in non-impacted County neighborhoods. Provide land, deepen financial assistance and reduce fees and other local regulatory barriers that impede the development of affordable rental housing for families in communities of opportunity.

e. The County's supply of affordable *and accessible* housing units is inadequate to meet demand.

Households including a person with disabilities represent 20.3% (4,093) of the waiting list for Section 8 Housing Choice Vouchers and 50.5% (2,812) of current voucher holders.

Proposed Action I: The Housing Office should devise means of more effectively publicizing its higher payment standard allowance for landlords willing to create accessible units.

Proposed Action II: The Housing Office should maintain a current list of landlords with accessible units to provide a higher level of assistance to disabled applicants and voucher holders.

Proposed Action III: Partner with regional affordable housing developers to increase the supply of accessible housing in non-impacted County neighborhoods. Provide land, deepen financial assistance and reduce fees and other local regulatory barriers that impede the development of affordable rental housing for families in communities of opportunity.

f. The ability of the County's Human Relations Commission to resolve housing discrimination complaints is limited by the provisions of Article 29, the County's anti-discrimination ordinance.

The majority of fair housing complaints filed through HUD in Baltimore County involved race as the basis for discrimination. Disability 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 race and disability indicate that discrimination persists. The prevalence of problems describes a real estate culture in which opportunities are not equal for members of the protected classes.

No data is available on the number of housing discrimination complaints filed with the County's Human Relations Commission. The Commission handles few cases, a fact due at least in part to the limited protections provided by Article 29. Those who experience discrimination in Baltimore County on the basis of familial status or sexual orientation are not protected by County law and are instructed to file complaints instead with the Maryland Commission on Human Relations (MCHR). Additionally, the County HRC has referred some cases to the MCHR due to the state agency's ability to impose civil penalties in cases where discrimination is found.

Because MCHR withholds detailed information about the housing discrimination complaints it receives, entitlement communities and fair housing advocates have one less resource upon which to target testing, education, and outreach efforts.

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

Proposed Action II: Expand the protections of Article 29 to prohibit discrimination on the bases of familial status and sexual orientation in order to achieve equivalency with Maryland's fair housing law.

g. Some of the County's policy documents should be amended to strengthen compliance with Fair Housing Act.

The County's affirmative marketing standards are comprehensive, assigning responsibility for specific marketing actions and consequences if standards are not met. The plan could be strengthened by specifying that the County, not the participating housing provider, builder or developer, will devise the standards by which the effectiveness of affirmative marketing efforts for each project will be judged.

The NSP program is a useful tool for improving neighborhoods weakened by foreclosure. By its creation of decent, affordable housing for households with incomes up to 120% AMI, it also represents an opportunity to affirmatively further fair housing by involving a larger target population than traditional assisted housing, which serves households up to 80% AMI. Creating an affirmative marketing policy specifically for NSP activities would allow Baltimore County to ensure that NSP funds are not used to reinforce existing patterns of racial segregation.

Master Plan 2020 lacks an overarching statement of policy that expresses the County's commitment to affirmatively further fair housing. The Master Plan is a logical instrument in which to state this policy, inasmuch as it encompasses all aspects of County government, not just the housing and community development functions.

Proposed Action I: Amend the affirmative marketing standards so that the County is responsible to devise the standards by which the effectiveness of affirmative marketing efforts for each project will be judged

Proposed Action II: Amend Master Plan 2020 to include an overarching policy statement to express the County's commitment to affirmatively further fair housing.

iii. Private Sector

a. Mortgage loan denials and high-cost lending disproportionately affect minority applicants in Baltimore County, similar to national trends.

In 2008, minority households in Baltimore County experienced higher mortgage denial rates than White households. Specifically, denial rates among Black and Asian households were 16.5% and 15.1%, respectively, while the denial rate for Hispanic households was 15.9%. White households were far more likely to receive loans, as only 9.7% of applications were denied.

Upper-income Black households in Baltimore County were denied mortgage loans at a substantially higher rate (20.6%) than lower-income

White applicants (13.3%). While this fact alone does not imply an impediment to fair housing choice, the pattern is consistent with discrimination.

Black and Hispanic households are disproportionately represented in high-cost lending. Among lower-income households, Hispanic households accounted for 5.9% of originations and 36.7% of high-cost loans. In a similar trend among higher-income households, Black and Hispanic households accounted for 21.1% and 4.2% of originations, but 39.8% and 10.2% of high-cost loans. White households in both income groups display a reverse pattern, accounting for a smaller percentage of high-cost loans than their percentage of originations.

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 mortgage products for these households.

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.

Proposed Action II: Conduct mortgage lending testing based on race and ethnicity.

b. Foreclosures in Baltimore County occur with disproportionate frequency in areas of Black concentration.

According to HUD NSP data from 2007-08, four census designated places in Baltimore County have estimated foreclosure rates exceeding 5%: Millford Mill, Lochearn, Randallstown and Woodlawn. All four of these areas are located in a cluster of Black-concentrated census tracts west of Baltimore City. Foreclosure rates were especially low in the central part of the County north of Towson, including such areas as Mays Chapel, Hampton and Lutherville-Timonium.

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 Baltimore 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.

Proposed Action: Continue to facilitate buyer education workshops and training sessions and credit counseling sessions with special outreach in impacted neighborhoods and to engage members of the protected classes.

c. While the Greater Baltimore Board of Realtors administers programs to advance the careers of agents who have a

background that enables them to promote housing opportunities to traditionally underserved groups, no records are available to demonstrate affirmative recruitment among local Realtors.

Realtors are the persons first encountered by many homebuyers. Diversity among local Realtors will reflect a community that seeks to accommodate and welcome everyone, including all members of the protected classes. However, the racial and ethnic diversity of the Greater Baltimore Board of Realtors is unknown due to a lack of data on its general membership. The Board's commitment to provide scholarships to agents who will serve traditionally underserved populations is commendable.

Proposed Action: Encourage the Greater Baltimore Board of Realtors to ensure that local Realtors reflect the County's diversity by encouraging the Board to maintain data that reflects the number of Realtors who are members of the protected classes.

7. FAIR HOUSING ACTION PLAN

	Planned Action Year					Responsible Entity
	2011	2012	2013	2014	2015	
Goal: Establish over-arching fair housing policy to establish a foundation for affirmatively furthering fair housing						
Task: Ensure that there is a statement of policy in Master Plan 2020 and the Zoning Regulations that clearly articulates the County's commitment to expanding fair housing choice		•				
Task: Incorporate AFFH principles, including provisions to expand the locations available to multi-family housing, into any future substantial revisions to the zoning map	•	•	•	•	•	
Task: Adopt an inclusionary housing ordinance that can be incorporated into the County's development codes			•			
Task: Revise policy priorities for the investment of HOME and CDBG funds to promote projects involving rental housing for families on sites outside of racially/ethnically concentrated areas		•	•	•	•	
Goal: Amend policy and program documents to affirmatively further fair housing						
Task: Revise the County's HOME policies to remove potential impediments to the creation of rental units in non-concentrated areas, particularly the requirement that developers acquire Council approval before submitting an application for financial assistance		•				
Task: Prepare a w ritten policy that encompasses the Site and Neighborhood Selection requirements at 24 CFR 983.6, incorporate these requirements into the County's HOME w ritten agreements, distribute as part of application package		•	•	•	•	
Task: Amend the affirmative marketing standards so that the County is responsible to devise the standards by w hich the effectiveness of affirmative marketing efforts for each project w ill be judged		•				
Goal: Increase access to County programs for persons w ith limited English proficiency						
Task: Complete four-factor analysis of needs and language access plan according to HUD's LEP guidance		•				
Task: Update the Section 8 Administrative Plan to include the policy determinations resulting from the four-factor analysis		•				Housing Office
Task: Continue to provide language services (interpreters, translators, etc.) on an as-needed basis	•	•	•	•	•	
Goal: Ensure that members of the protected classes are represented on housing-related boards and commissions						
Task: Survey current board members on a voluntary basis to document race, gender, ethnicity and disability status	•	•	•	•	•	
Task: Affirmatively recruit protected class members to fill vacancies on appointed boards and commissions	•	•	•	•	•	
Task: Encourage the Greater Baltimore Board of Realtors to ensure that local Realtors reflect the County's diversity by encouraging the board to maintain data demonstrating the number of Realtors w ho are members of the protected classes		•				

cont'd ...

Goal: Increase the supply of housing affordable to households below 80% MHI, specifically in opportunity areas.						
Task: Increase the Section 8 payment standard for higher-cost areas in the County as a means of expanding fair housing choice outside of racially/ethnically concentrated areas			•			
Task: Expand incentives for property owners and investors to build new apartment buildings or substantially rehabilitate existing buildings for occupancy by lower-income families, specifically in areas of opportunity.	•	•	•	•	•	
Goal: Expand the availability of housing options for persons with disabilities						
Task: Devise means of more effectively publicizing the policy to increase the voucher payment standard for landlords who are willing to create accessible units		•	•	•	•	Housing Office
Task: Partner with regional affordable housing developers to increase the supply of accessible housing outside of racially/ethnically concentrated areas	•	•	•	•	•	
Task: Maintain a current list of landlords with accessible units to offer a high level of assistance to persons with disabilities.	•	•	•	•	•	Housing Office
Goal: Improve the existing process for receiving, investigating and recording housing discrimination complaints						
Task: Expand the protections of Article 29 to prohibit discrimination on the bases of familial status and sexual orientation in order to achieve consistency with Maryland's fair housing law.			•			
Task: Continue to provide fair housing education and outreach efforts to landlords, building owners, rental agents and real estate agents	•	•	•	•	•	
Goal: Mitigate the extent to which mortgage loan denials and high-cost lending disproportionately affect minorities						
Task: Continue to engage HUD-certified counselors to target credit repair education through advocacy organizations that work with minority populations	•	•	•	•	•	
Task: Continue to facilitate home ownership education and outreach with particular attention to members of the protected classes	•	•	•	•	•	
Task: Determine whether a local agency exists that has the capacity to provide mortgage lending testing on the basis of race		•				

8. SIGNATURE PAGE FOR BALTIMORE COUNTY

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

County Executive _____

Date _____

An aerial photograph of Baltimore, Maryland, taken at sunset. The city is bathed in a warm, golden light, with the sun low on the horizon. The city skyline is visible in the distance, with several prominent buildings and a church steeple on the right. The foreground shows the rooftops and chimneys of residential buildings.

Analysis of Impediments to Fair Housing Choice

Baltimore Metropolitan Region

Regional Section

October 2011



BALTIMORE METRO AREA ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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2. REGIONAL PROFILE

I. Introduction

More than 15 years ago, pre-eminent urban scholar David Rusk declared that the City of Baltimore, programmed by patterns of metropolitan development to house a disproportionate share of the region's poor Blacks, was on a path of inexorable decline.¹ The extreme concentration of minority poor, Rusk argued, isolates the City socially and economically from surrounding counties and has ignited "social dynamite" – a combination of ills such as high crime rates, poor education, family disintegration and dependence on welfare – that distributes fallout well beyond City borders.

The notion that urban problems belong to the City alone is outmoded. Baltimore City is the economic, cultural and functional epicenter of the metropolitan region built to surround it. For that reason, any condition that renders the City less competitive creates a drag on the viability of surrounding communities. Reinforcing the theoretical prospect that the fates of suburban counties are inextricably bound with the fate of their urban core is the very concrete fact that traditionally urban problems have begun to impact the older, more densely populated areas of the suburbs. The Greater Baltimore Committee noted in 1997 that "we can readily see that [such areas] are facing social and economic problems that we formerly associated with city neighborhoods."² This is demonstrated throughout the demographic and economic analysis provided in this document, in which foreclosure, vacancy and blight have encroached increasingly upon inner-ring suburban communities.

Local government boundaries are transcended by many issues of planning and community development – housing market trends, transportation networks, environmental concerns and the spread of poverty, to name a few. The metropolitan region has emerged as a more practical unit of measurement in handling these issues. Communities that understand themselves as partners in advancing the success of the entire region are better positioned for sustainable positive outcomes than communities that regard their neighbors as competitors. In regions where jurisdictions compete for revenue-generating high-value housing and commercial development and limit the type of sites that are less likely to bolster the municipal bottom line (for instance, affordable housing for lower-income populations with greater service needs), economic disparity across the region weakens the entire region.

Regional governance can be understood as a system built to respond to circumstantial change. It ranges in implementation from extremely informal exercises in intergovernmental cooperation to drastic border changes, such as annexation or

¹ *Baltimore Unbound: A Strategy for Regional Renewal*. Johns Hopkins University Press. October 1, 1995.

² Greater Baltimore Committee. "Promoting Regional Governance in the Baltimore, Maryland Area." *Regional Government Innovations*. ed. Roger L. Kemp. McFarland, 2003. p. 240.

consolidation to achieve regional goals.³ Thus far, fair housing efforts in the Baltimore region can be characterized only as loosely cooperative. The City of Baltimore and the outlying counties of Anne Arundel, Baltimore, Harford and Howard have jointly completed plans to affirmatively further fair housing since the 1996 Regional Analysis of Impediments to Fair Housing Choice, but the implementation of fair housing activities has occurred on a fragmented basis, with each community working toward achieving its own set of goals. At this point, while major impediments continue to limit fair housing choice in the Baltimore metropolitan area, no system exists for the implementation of meaningful regional fair housing solutions.

Those may come in the final remedies of *Thompson v. HUD*, the landmark desegregation case to determine whether the U.S. Department of Housing and Urban Development acted unlawfully by failing to affirmatively desegregate Baltimore City public housing. In 2005, Federal District Judge Marvin J. Garbis found HUD liable for failing to implement a regional strategy for desegregation and the deconcentration of poverty in Baltimore, explaining that the City “should not be viewed as an island reservation for use as a container for all of the poor of a contiguous region.” Garbis’ decision emphasizes the need for regional solutions, concluding that the City of Baltimore and its housing authority did not have the option of investing resources to expand the supply of affordable housing units outside city limits. The next phase of the case involves the creation of a remedy that is acceptable to HUD, the plaintiffs and the court. Based on the 2005 findings of the case and expert testimony that has been presented since on the range of potential remedial actions, the court-imposed remedy is expected to introduce more heavily structured regional governance to housing-related activities in the Baltimore area.

In the absence of centralized control imposed by state or federal governing bodies, responsibility rests with each of the jurisdictions participating in the AI to devise and implement methods of collectively addressing patterns of racial and economic segregation.

³ In *The Regional Governing of Metropolitan America* (Westview Press, 2002), David Y. Miller defines four types of metropolitan regionalism along this scale: coordinating, administrative, fiscal and structural.

II. Regional Overview

This section of the AI presents a demographics overview of the Baltimore region. Trends in population, households, housing, income and employment are summarized for the region as a whole with comparisons made among the five AI jurisdictions – Anne Arundel County, Baltimore County, the City of Baltimore, Harford County and Howard County – where appropriate. Following this section are individual AIs for each jurisdiction, all of which include a list of impediments to fair housing choice and a fair housing action plan to be undertaken by each respective jurisdiction. A regional fair housing action plan, which addresses issues such as public transportation, housing accessibility and real estate advertising, is included at the end of the document. The list of regionally-based actions will require collaborative undertaking by all five jurisdictions.

III. Demographic Profile

a. Population Trends

The population across the five jurisdictions comprising the Baltimore region has increased steadily in recent decades, growing 17% between 1980 and 2008. The fastest growth occurred during the 1980s, when the region's population increased 7.5%. Growth has slowed since then, with the regional population increasing only 3.5% between 2000 and 2008.

As shown in Figure 2-1, Howard County experienced the most rapid growth among AI jurisdictions, with a population more than doubling from 118,572 in 1980 to 247,995 in 2008. On the other hand, the City of Baltimore lost 150,000 residents (19%), the majority of whom were White. The City's White population decreased 41.1% during this period. The City's sustained and substantial loss in numbers, in light of population growth in all surrounding counties, illustrates the extent to which the region's urban core has emptied into its suburbs.

White flight characterized the City's population loss in the decades following 1950, when the White population fell by more than 435,000 while the Black population grew by 210,000.⁴ A central cause of White flight in the Baltimore region was the expansion of suburban living opportunities for those who could afford them, facilitated by the construction of new highways and the policies of the Federal Housing Administration (FHA) mortgage insurance program, which guaranteed home loans only in "low risk" areas, typically, low-density, predominantly White suburban neighborhoods. In recent years, this trend has stabilized, leaving behind in Baltimore what some researchers speculate is a core number of White residents who prefer urban living.⁵

⁴ Siegel, Eric. "A New Exodus." *The Baltimore Sun*, 1/4/2010

⁵ Ibid.

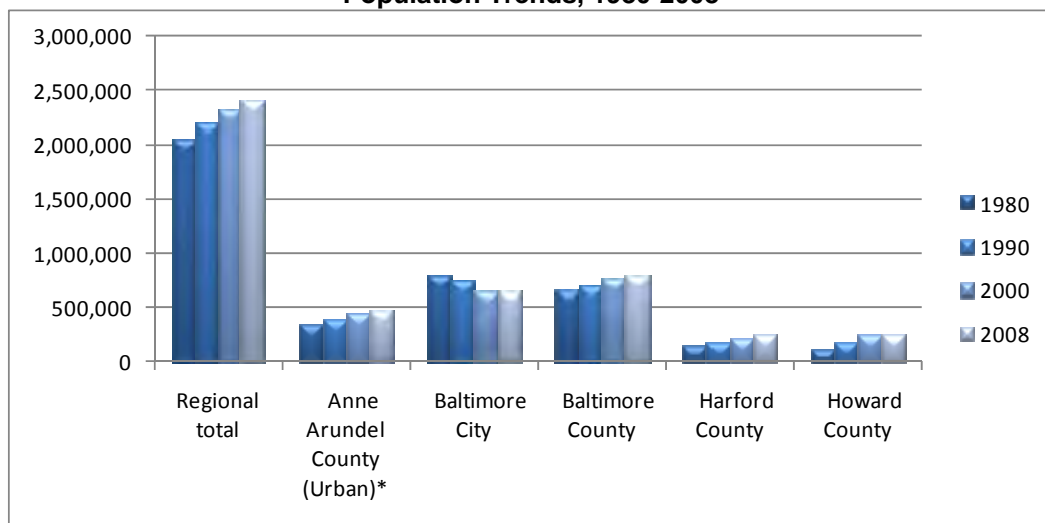
**Figure 2-1
Population Trends, 1980-2008**

	1980	1990	2000	2008	% Change 1990-2008
Regional total	2,045,927	2,200,023	2,321,689	2,402,588	17.4%
Anne Arundel County (Urban)*	339,035	394,053	449,811	478,509	41.1%
Baltimore City	786,775	743,616	651,154	636,919	-19.0%
Baltimore County	655,615	692,134	754,292	798,814	21.8%
Harford County	145,930	182,892	218,590	240,351	64.7%
Howard County	118,572	187,328	247,842	247,995	109.2%

**Excludes the City of Annapolis*

Source: US Census Bureau

**Figure 2-2
Population Trends, 1980-2008**



The region has become increasingly diverse since 1990. Whereas the non-White population accounted for 30.3% of the population in 1990, by 2008 this had increased to 39.3%. The region's overall White population decreased slightly during those years (3.1%), with losses in the City and Baltimore County balanced by gains totaling 14.4% across Anne Arundel, Harford and Howard counties.

Among non-White residents, Blacks continue to comprise the largest racial group. However, the largest population growth has been among Asian/Pacific Islanders and persons of all other races. The Asian/Pacific Islander increased by almost 60,000 residents, or 173.6%, and persons of all other races tripled from 24,920 to 78,809.

The Hispanic population experienced the most rapid growth of all minority groups from 1990 to 2008. In 1990, there were less than 25,000 Hispanic residents in the region, accounting for 1.1% of the total population. By 2008, this number had nearly quadrupled to 84,000, constituting 3.5% of the region's population.

**Figure 2-3
Population Trends by Race, 1990-2008**

	1990		2000		2008		% Change 1980-2008
	#	%	#	%	#	%	
Regional Total	2,200,023	100.0%	2,321,689	100.0%	2,420,588	100.0%	10.0%
White Population	1,534,233	69.7%	1,509,819	65.0%	1,487,074	61.4%	-3.1%
Non-White	665,790	30.3%	823,237	35.5%	950,528	39.3%	42.8%
Black	598,136	27.2%	679,813	29.3%	746,908	30.9%	24.9%
Asian/Pacific	33,942	1.5%	56,436	2.4%	92,880	3.8%	173.6%
All Other Races	24,920	1.1%	60,849	2.6%	78,809	3.3%	216.2%
Hispanic	23,255	1.1%	50,318	2.2%	83,969	3.5%	261.1%

Source: U.S. Census Bureau

OBSERVATION: Since 1990, the non-White population across the Baltimore metropolitan region, defined as the City and the four counties covered by this report, has increased from 30.3% to 39.3% of the total population. Diversity has increased within the minority population, with the proportion of non-Black racial and ethnic minorities expanding steadily.

b. Areas of Racial and Ethnic Minority Concentration

This AI defines areas of racial or ethnic minority concentration as census tracts in which the percentage of a specific minority or ethnic group is 10 percentage points higher than across the jurisdiction overall. Within each of the five jurisdictions, the threshold for determining an area of concentration is different because the percentage of Blacks, Asians and Hispanics differs for each.

For example, areas of concentration of Black residents in Anne Arundel County include census tracts where the percentage of Blacks was 24.9% and higher, while in Baltimore City, the threshold is 71.7%. Figure 2-4 lists the thresholds for the primary minority groups in each of the five jurisdictions.

**Figure 2-4
Areas of Concentration by Municipality, 2009**

Census Tract	Total Population	Areas of Concentration		
		Black	Asian/Pacific Islander	Hispanic
		%	%	%
Anne Arundel County (Urban)*	478,509	24.9%	---	14.7%
Baltimore City	636,919	71.7%	12.1%	12.6%
Baltimore County	789,814	35.1%	14.1%	13.3%
Harford County	240,351	21.9%	---	12.7%
Howard County	274,995	28.0%	22.4%	15.5%

**Excludes the City of Annapolis*

Source: DemographicsNow

Some census tracts in each jurisdiction qualified as areas of Black and/or Hispanic concentration. Three jurisdictions (Baltimore City and the counties of Baltimore and Howard) also had concentrations of Asian residents. The regional map on the following page depicts the locations of minority concentrations.

OBSERVATION: Areas of racial and/or ethnic concentration occur in each entitlement jurisdiction. The highest number and proportion of concentrated tracts are found in the City of Baltimore.

c. 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 low-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.⁶ The index is typically interpreted as the percentage of the minority population (in this instance, the Black population) that would have to move in order for a community or neighborhood to achieve full integration. A dissimilarity index of less than 30 indicates a low degree of segregation, while values between 30 and 60 indicate moderate segregation, and values above 60 indicate high segregation.

Overall, the Baltimore region was moderately segregated in 2000. Howard County had the lowest dissimilarity index of 36.2. Anne Arundel and Harford Counties and the City of Baltimore were more segregated, with dissimilarity indices around 50. Baltimore County had the highest dissimilarity index of 64.9, making it highly segregated. According to this data, 64.9% of Blacks would have to move elsewhere within Baltimore County in order to achieve full integration.

Figure 2-5
Maryland Municipal Dissimilarity Index Rankings, 2000

Rank	City	Black Population	White Population	Total Population	Dissimilarity Index
1	Howard County	35,412	183,886	247,842	36.2
2	Anne Arundel County	65,280	397,893	489,656	47.6
3	Harford County	19,831	189,489	218,590	49.1
4	Baltimore city	417,231	206,445	651,154	49.3
5	Baltimore County	149,943	561,524	754,292	64.9

Source: CensusScope & U.S. Census 2000

OBSERVATION: Overall, the Baltimore region was moderately segregated in 2000. Among participating jurisdictions, Baltimore County was determined to be the most segregated, with a dissimilarity index of 64.9 among Black residents and White residents.

d. Persons with Limited English Proficiency

Persons with limited English proficiency (LEP), including immigrants, 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.

⁶ 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.

In 2008, the Census Bureau reported that 89,991 persons in the Baltimore region spoke English less than “very well,” representing 3.9% of the region’s total population. Howard County had the highest proportion of persons with LEP, with 7.2% of the County’s population speaking English less than “very well.”

**Figure 2-6
Persons with LEP by Municipality, 2008**

	Number of Persons with LEP	% of Total Population
Regional total	89,991	3.9%
Anne Arundel County	14,210	3.0%
Baltimore City	18,691	3.1%
Baltimore County	34,271	4.6%
Harford County	4,524	2.0%
Howard County	18,295	7.2%

Source: 2006-2008 American Community Survey (B16001)

Figure 2-16 shows the number of persons with LEP by language. In the Baltimore-Towson MSA, there were 32,804 Spanish-speakers who also spoke English less than “very well.” Additionally, there were a significant number of persons with LEP for the following language groups: Korean, Chinese, Russian, French, and Tagalog (spoken by persons from the Philippines).

**Figure 2-7
Language Spoken at Home by Ability to Speak English, 2008**

Language Group	Number of LEP Persons
Spanish	32,804
Korean	9,713
Chinese	8,522
Russian	5,362
French	3,016
Tagalog	2,681

Note: Data for Baltimore-Towson Census Metropolitan Statistical Area includes the five jurisdictions plus additional areas.

Source: 2006-2008 American Community Survey (B16001)

OBSERVATION: Across the region, there were more than 32,000 Spanish-speaking households that reported a limited ability to speak and understand English, in addition to other limited-English language groups of considerable size. Each jurisdiction is responsible to determine whether the language needs of its target population served are being met in the administration of government programs.

IV. Economic Profile

a. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. In 2008, median household income (MHI) for the Baltimore-Towson MSA was \$66,122.⁷ As Figure 2-6 shows, MHI and poverty rates were highly variable in the region. Within the City of Baltimore, MHI was \$39,083, less than half that of Howard and Anne Arundel counties. Additionally, the poverty rate in the City was four times as great as it was in those counties. Harford and Baltimore counties also had higher MHI and lower poverty rates than the City of Baltimore.

Figure 2-8
Median Household Income and Poverty Rates by Race/Ethnicity, 2008

	Median Household Income	Poverty Rate		Median Household Income	Poverty Rate
Anne Arundel County	\$83,285	4.1%	Harford County	\$77,085	5.6%
Whites	\$87,593	3.4%	Whites	\$79,524	4.4%
Blacks	\$62,518	8.0%	Blacks	\$62,763	13.0%
Asians	\$84,301	2.1%	Asians*	\$82,448	---
Hispanics	\$50,156	9.6%	Hispanics*	\$45,942	---
Baltimore City	\$39,083	19.6%	Howard County	\$101,710	4.1%
Whites	\$53,886	13.3%	Whites	\$109,478	3.1%
Blacks	\$32,969	22.9%	Blacks	\$76,003	7.3%
Asians*	\$45,273	---	Asians	\$98,400	5.3%
Hispanics	\$34,583	18.3%	Hispanics	\$80,221	8.3%
Baltimore County	\$63,128	8.3%			
Whites	\$66,272	6.5%			
Blacks	\$55,449	11.3%			
Asians	\$64,802	11.4%			
Hispanics	\$55,927	15.9%			

Source: U.S. Census Bureau, 2008 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I, C17001, C17001A, C17001B, C17001D, C17001I)

*The poverty rates for Asians and/or Hispanics were not available

A review of median household income reveals a stark contrast among racial and ethnic groups across the Baltimore region. On average, the MHI of Black households in 2008 was more than \$20,000 less than that of Whites. The disparity is greatest in Baltimore City, where MHI for Blacks is equivalent to only 61.2% of that for Whites. In Baltimore County, the disparity of earnings among Blacks and Whites was the smallest, with Blacks earning the equivalent of 83.7% MHI for Whites. Across the region, minorities were significantly more likely to live in poverty.

Figure 2-9 details the income distribution of White and Black households throughout the region. Sample sizes for Asians and Hispanics were too small to analyze in several jurisdictions. Black households were relatively evenly dispersed across different income levels, and as many households

⁷ The Census-designated Metropolitan Statistical Area includes the five jurisdictions in the study area as well as Carroll County, Queen Anne's County and the City of Towson.

earned less than \$25,000 annually as those that earned more than \$75,000. White households, on the other hand, were far more likely to fall in the highest income bracket. Half of White households earned more than \$75,000, compared to the 13.5% of White households that earned less than \$25,000.

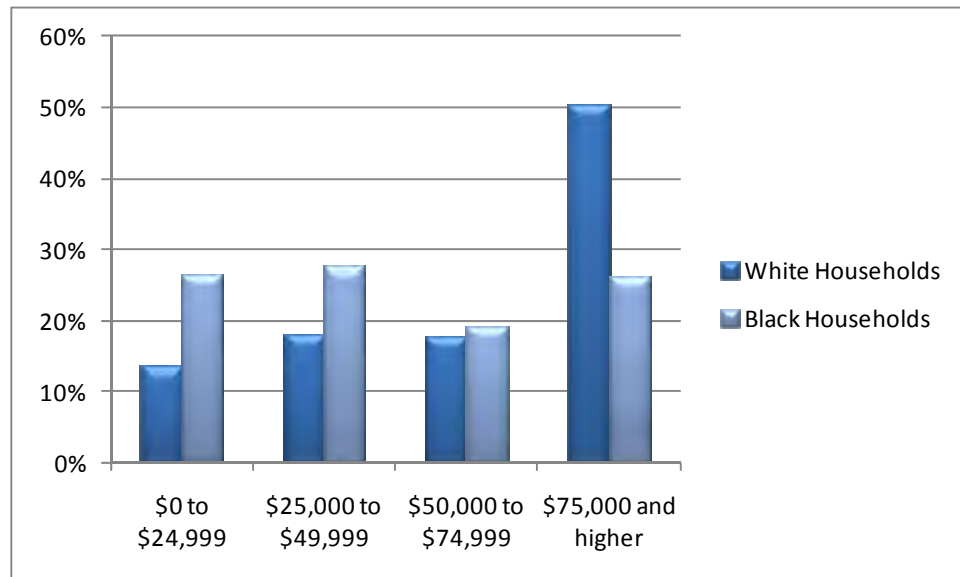
Figure 2-9
Household Income Distribution by Race, 2008

	Total	\$0 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$74,999		\$75,000 and higher	
		#	%	#	%	#	%	#	%
Regional Total	912,594	158,668	17.4%	193,626	21.2%	166,170	18.2%	392,708	43.0%
White Households	595,904	80,545	13.5%	108,466	18.2%	106,117	17.8%	300,776	50.5%
Black Households	263,969	70,078	26.5%	72,951	27.6%	50,597	19.2%	69,305	26.3%

Note: The sample sizes for Asians and Hispanics were not large enough in all five jurisdictions to calculate a regional total

Source: U.S. Census Bureau, 2008 American Community Survey (C19001, B19001A, B19001B, B19001D, B19001I)

Figure 2-10
Household Income Distribution by Race, 2008



OBSERVATION: The median household income for Blacks and Hispanics in each participating jurisdiction is significantly lower than for Whites and Asians. This situation limits housing choice for Blacks and Hispanics.

b. Concentrations of LMI Persons

The CDBG program includes a statutory requirement that at least 70% of the funds invested benefit low- and moderate-income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlement communities such as the five covered in this AI. The following table shows the total number of LMI persons in the region and in each of the five jurisdictions. Reflecting the MHI trends discussed earlier, the percentage of LMI persons was highest in the City of Baltimore. In 2009, almost two-thirds of the City's residents were considered LMI. This was about twice as great as the proportion of LMI persons in the four counties. The concentration of LMI persons was lowest in Howard County, where one in five persons was considered LMI.

Figure 2-11
Low and Moderate Income Persons, 2009

City	Low and Moderate Income Persons		
	#	Universe	%
Regional total	939,013	2,261,896	41.51%
Anne Arundel County (Urban)*	127,281	438,656	29.02%
Baltimore City	408,229	625,380	65.28%
Baltimore County	281,705	736,626	38.24%
Harford County	71,019	217,027	32.72%
Howard County	50,779	244,207	20.79%

**Excludes the City of Annapolis*

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

OBSERVATION: As of 2010, 41.5% of households across the region qualified as low- and moderate-income by HUD standards. The location of LMI areas is generally highly correlated with areas of racial concentration.

c. 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 Baltimore region, 407,600 persons ages five and older reported a disability in 2000, representing 19.4% of the population. In Baltimore City, 27.5% of persons reported a disability.

Figure 2-12
Persons with Disabilities, 2000

	Civilian non-institutionalized population ages 5 and up	With at least one type of disability	%
Regional total	2,106,319	407,600	19.4%
Anne Arundel County (Urban)*	402,345	61,828	15.4%
Baltimore City	584,903	160,906	27.5%
Baltimore County	693,088	126,903	18.3%
Harford County	199,764	31,479	15.8%
Howard County	226,219	26,484	11.7%

**Excludes the City of Annapolis*

Source: U.S. Census Bureau, 2000 Census SF-3 (PCT34)

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In the Baltimore region, persons with disabilities were much more likely than persons without disabilities to live in poverty. In 2000, among all persons with a disability in the Baltimore region, 16.7% lived below the level of poverty, compared to 8.4% of persons without a disability.

Figure 2-13
Poverty Rates by Disability, 2000

	% Living in Poverty	
	With Disabilities	Without Disabilities
Regional total	16.7%	8.4%
Anne Arundel County (Urban)*	8.2%	3.8%
Baltimore City	26.9%	20.3%
Baltimore County	10.4%	5.4%
Harford County	9.1%	4.0%
Howard County	9.8%	3.1%

**Excludes the City of Annapolis*

Source: U.S. Census Bureau, 2000 Census SF-3 (PCT34)

OBSERVATION: The percentage of persons with a disability living in poverty was higher than that for persons without a disability. Across the region, 16.7% of persons with disabilities were living in poverty, compared to 8.4% of persons without a disability.

d. 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 total number of households in the region increased 8.3% between 1990 and 2008, while family households increased at a slower rate of 1.8%. The number of female-headed households increased 4.6%, while the number of female-headed households with children decreased slightly. At the same time, married couple families remained relatively stable, while the number of married couples with children decreased 5%. Male-headed households with children increased at roughly the same rate as all households and comprised 1.9% of all households in 2008.

Figure 2-14
Female-Headed Households with Children, 1990-2008

	1990		2000		2008	
	#	%	#	%	#	%
Regional Total Households	842,463	100.0%	892,708	100%	912,594	100%
Family Households	580,793	68.9%	596,357	66.8%	591,136	64.8%
Married-couple family	418,705	49.7%	426,310	47.8%	418,125	45.8%
With Children	192,050	22.8%	195,645	21.9%	182,411	20.0%
Without Children	226,655	26.9%	230,665	25.8%	219,892	24.1%
Female-Headed Households	129,834	15.4%	133,094	14.9%	135,844	14.9%
With Children	73,862	8.8%	74,305	8.3%	72,734	8.0%
Without Children	55,972	6.6%	58,789	6.6%	63,110	6.9%
Male-Headed Household	32,254	3.8%	36,953	4.1%	37,367	4.1%
With Children	15,111	1.8%	17,948	2.0%	17,641	1.9%
Without Children	17,143	2.0%	19,005	2.1%	19,726	2.2%
Non-family and 1-person Households	261,670	31.1%	296,351	33.2%	321,458	35.2%

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2008 American Community Survey (B11005)

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 Baltimore region in 2008, 22.8% of female-headed households with children were living in poverty, compared to 2.5% of married households

with children and 14.3% of male-headed households which children.⁸ Although females raising children comprised only 14.9% of the total number of families in the Baltimore, they accounted for 54% of all families living in poverty.

OBSERVATION: Female-headed households with children accounted for more than half of families living below the level of poverty across the region in 2000, despite representing less than 15% of all households.

e. Ancestry and Income

It is illegal to refuse the right to housing based on place of birth or ancestry. Census data in 2008 on native and foreign-born populations reveal that 8% of residents of the Baltimore region were foreign-born. The highest concentrations of foreign-born residents were in Baltimore County and Howard County, where 9.3% and 16.1% of residents, respectively, were born outside of the U.S. Baltimore City and Harford County had the lowest proportions of foreign born residents, at 5.9% and 4.5%, respectively.

**Figure 2-15
Foreign-Born Residents, 2008**

	% Foreign Born
Regional total	8.0%
Anne Arundel County (Urban)*	6.1%
Baltimore City	5.9%
Baltimore County	9.3%
Harford County	4.5%
Howard County	16.1%

**Excludes the City of Annapolis
Source: U.S. Census Bureau, 2008 American Community Survey (C05002), 2006-2008 American Community Survey (C05002) for Urban County*

Throughout the region, families with children who were living with at least one foreign-born parent were about as likely to be living below 200% of the poverty level as families with children of native parents. However, this varied throughout the region. In Harford and Howard Counties, families with at least one foreign-born parent were twice as likely to have incomes less than 200% of the poverty level, as seen in Figure 2-16. In Baltimore City, however, families with only native-born parents were more likely to fall into this lower income category.

⁸ U.S. Census Bureau, 2008 American Community Survey (C17010)

Figure 2-16
Families with Children with Incomes less than 200% Poverty, 2008

	% Living under 200% of Poverty Level	
	One or more Foreign-Born Parents	Only Native Parents
Regional total	26.7%	26.8%
Anne Arundel County (Urban)*	18.4%	14.5%
Baltimore City	47.1%	53.1%
Baltimore County	27.9%	23.3%
Harford County	30.0%	16.2%
Howard County	14.4%	7.0%

**Excludes the City of Annapolis*

Source: U.S. Census Bureau, 2008 American Community Survey (C05010), 2006-2008 American Community Survey (C05010) for Urban County

f. Protected Class Status and Unemployment

Overall unemployment in the Baltimore region was 5.7% in 2008, which was roughly on par with Maryland's statewide rate of 5.4%. Blacks in the region were more than twice as likely as Whites to be unemployed, with rates of 9.8% and 4%, respectively. Blacks in the Baltimore region also had a higher unemployment rate than Blacks throughout Maryland.

Figure 2-17
Civilian Labor Force, 2008

	Maryland Total	%	Baltimore Regional Total	%
Total Civilian Labor Force (CLF)	3,118,499	100%	1,331,480	100%
Employed	2,951,517	94.6%	1,255,804	94.3%
Unemployed	166,982	5.4%	75,676	5.7%
Male CLF	1,583,022	100.0%	670,265	100.0%
Employed	1,495,322	94.5%	628,393	93.8%
Unemployed	87,700	5.5%	41,872	6.2%
Female CLF	1,535,477	100.0%	661,215	100.0%
Employed	1,456,195	94.8%	627,411	94.9%
Unemployed	79,282	5.2%	33,804	5.1%
White CLF	1,920,280	100%	851,903	100%
Employed	1,844,199	96.0%	818,023	96.0%
Unemployed	76,081	4.0%	33,880	4.0%
Black CLF	902,248	100%	391,562	100%
Employed	826,754	91.6%	353,281	90.2%
Unemployed	75,494	8.4%	38,281	9.8%

Note: Sample sizes for Asians and Hispanics were not large enough in all five jurisdictions to calculate a regional total.

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

V. Housing Market Profile

a. Housing Inventory

More than 150,000 housing units were added to the housing inventory in the Baltimore region between 1990 and 2009, representing a growth rate of 17.4%. About two-thirds of this growth was in Anne Arundel and Baltimore counties. Both counties experienced a housing stock increase of nearly 50,000 units. Harford and Howard counties had the largest proportional increase in housing stock, reflecting the population growth in those areas during this period.

Baltimore City was the only jurisdiction in which a net loss in housing units occurred. Between 1990 and 2009, the City's inventory fell by nearly 10,000 units.

Figure 2-18
Trends in Total Housing Units, 1990-2009

	1990		2000		2009		Change 1990-2009	
	#	%	#	%	#	%	#	%
Regional total	864,508	100.0%	958,806	100.0%	1,014,996	100.0%	150,488	17.4%
Anne Arundel County (Urban)*	140,223	16.2%	168,631	17.6%	185,256	18.3%	45,033	32.1%
Baltimore City	303,704	35.1%	300,477	31.3%	293,850	29.0%	-9,854	-3.2%
Baltimore County	281,552	32.6%	313,734	32.7%	330,663	32.6%	49,111	17.4%
Harford County	66,446	7.7%	83,146	8.7%	98,189	9.7%	31,743	47.8%
Howard County	72,583	8.4%	92,818	9.7%	107,038	10.5%	34,455	47.5%

*Excludes the City of Annapolis

Source: DemographicsNow

OBSERVATION: There has been a 17.4% net gain in housing units across the region since 1990. The strongest gains were reported in Howard County and Harford County, which experienced increases nearing 50%. While the number of units in each county grew, the City lost nearly 10,000 units, or 3.2% of its total inventory.

b. Types of Housing Units

Of the 951,331 structures in the Baltimore region in 2000, 72.4% were single-family units and 26.3% were multi-family units. Mobile homes accounted for 1.2% of the region's housing stock. Anne Arundel County had the highest proportion of single-family units, which comprised 82.7% of all of its housing.

Baltimore City had the highest number of multi-family structures, as they constituted 34.8% of all City housing stock. Among all the multi-family units in the Baltimore region, 41.7% were located within the City of Baltimore.

Figure 2-19
Trends in Housing Units in Structures, 2000

	Total Units	Single-family units (detached and	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
Regional total	951,331	688,964	63,524	54,086	74,778	58,279	250,667	11,474	226
Anne Arundel County (Urban)*	161,156	133,345	3,553	5,391	11,502	3,528	23,974	3,768	69
Baltimore City	300,477	195,729	43,409	17,449	12,688	30,985	104,531	162	55
Baltimore County	313,734	224,283	12,435	21,849	35,257	17,341	86,882	2,523	46
Harford County	83,146	66,294	2,600	3,498	5,592	1,926	13,616	3,218	18
Howard County	92,818	69,313	1,527	5,899	9,739	4,499	21,664	1,803	38

*Excludes the City of Annapolis

Source: U.S. Census Bureau, Census 2000 (SF 3, H30)

OBSERVATION: Of all multi-family housing units across the region, 41.7% were located in the City of Baltimore. More than half of the largest multi-unit structures, consisting of 20 or more dwellings, were located in the City.

c. Foreclosure Trends

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. 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 the Baltimore region. 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.

According to HUD NSP foreclosure estimates released in October 2008, Maryland had an overall foreclosure rate of 3.3%.⁹ On the whole, the Baltimore region had a slightly lower foreclosure rate of 3%. Baltimore City had the highest foreclosure rate, 5.4%, followed by Baltimore County, which had a rate of 3.2%. In Howard County, the foreclosure rate was only 1.4%.

Figure 2-20
Estimated Residential Foreclosure Rankings, January 2007 – June 2008

	# Mortgages	# Foreclosures	% Foreclosure
Regional Total	487,134	14,500	3.0%
Anne Arundel County (Urban)*	125,833	2,732	2.2%
Baltimore City	81,414	4,376	5.4%
Baltimore County	158,374	5,133	3.2%
Harford County	57,211	1,385	2.4%
Howard County	64,302	874	1.4%
Maryland	1,288,710	42,381	3.3%

* Excludes the City of Annapolis

Source: HUD NSP Estimates, released October 2008

OBSERVATION: During the period of foreclosure actions studied, the Baltimore region experienced a foreclosure rate of 3%, slightly lower than the statewide rate of 3.3%. The highest rate of 5.4% occurred in Baltimore City, while the lowest, 1.4%, occurred in Howard County.

⁹ HUD NSP estimates data, covering the period between January 2007 and June 2008, 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.

d. 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% return on the investment every time the house appreciates 5 percent."¹⁰

In 2000, Whites had the highest rate of home ownership in the region at 74.5%. Asians had the second-highest rate at 54.7%. Blacks and Hispanics had much lower rates of 47.2% and 48%, respectively.

Figure 2-21 details the home ownership rates by race and ethnicity throughout the region. Home ownership varied across the jurisdictions. For example, in Baltimore City, 29.8% of Asians owned their home, compared to 72.5% in Harford County. However, in all of the jurisdictions, home ownership was highest among White residents. Several factors impact the rate of home ownership in a jurisdiction, including income, the size of the owner housing stock compared to the rental housing stock, the cost of housing and the presence of transient populations such as college students and military households.

Figure 2-21
Home Ownership by Race and Ethnicity of Householder, 2000

	White		Black		Asian		Hispanic	
	#	%	#	%	#	%	#	%
Regional total	452,249	74.5%	115,706	47.2%	11,218	54.7%	6,521	48.0%
Anne Arundel County (Urban)*	113,398	81.0%	9,998	57.6%	1,737	59.4%	1,576	60.2%
Baltimore City	58,342	61.0%	67,789	44.5%	1,234	29.8%	1,250	34.5%
Baltimore County	169,511	73.2%	26,718	48.1%	3,980	54.1%	1,950	47.8%
Harford County	56,974	81.0%	3,778	53.6%	529	72.5%	588	50.3%
Howard County	54,024	78.2%	7,423	57.0%	3,738	66.8%	1,157	55.2%

*Excludes the City of Annapolis

Source: U.S. Census Bureau, Census 2000 (SF 3, H11, H12)

OBSERVATION: Blacks and Hispanics are more likely to be renters than to own homes across the Baltimore region.

¹⁰ 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.

e. 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 or the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If a jurisdiction has 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, a fair housing concern exists because restrictions on the size of the unit have a negative impact on members of the protected classes.

In the Baltimore region, minorities were more likely than Whites to live in families with three or more persons. Hispanics households had the highest proportion of large families, followed by Asian and Black households. Across the five AI jurisdictions, Baltimore County had the lowest proportion of larger families for all racial and ethnic groups.

Figure 2-22
Families with Three or More Persons, 2000

	Families with Three or More Persons			
	White	Black	Asian	Hispanic
Regional total	57.2%	67.2%	71.8%	75.8%
Anne Arundel County (Urban)*	59.4%	69.7%	75.7%	78.9%
Baltimore City	51.5%	67.4%	56.2%	73.2%
Baltimore County	36.6%	46.1%	42.4%	49.2%
Harford County	61.2%	67.3%	69.5%	81.6%
Howard County	61.8%	66.2%	75.8%	80.2%

*Excludes the City of Annapolis

Source: U.S. Census Bureau, Census 2000 (SF 4, PCT17)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. Across the Baltimore region, 25.7% of the rental housing stock contained three or more bedrooms, compared to 82% of the owner housing stock. By jurisdiction, the inventory of larger rental units varied. Anne Arundel County had the highest proportion of three-bedroom rental units (37.7%), which was twice that of Baltimore County (18.5%).

Figure 2-23
Housing Units by Number of Bedrooms, 2000

Race	Housing Units by Number of Bedrooms					
	Renter Units			Owner Units		
	Total	3 or more bedrooms	% of Total	Total	3 or more bedrooms	% of Total
Regional total	302,987	77,874	25.7%	587,960	482,017	82.0%
Anne Arundel County (Urban)*	36,390	13,730	37.7%	126,974	106,695	84.0%
Baltimore City	128,117	34,319	26.8%	129,879	98,408	75.8%
Baltimore County	97,303	17,995	18.5%	202,574	165,308	81.6%
Harford County	17,548	5,764	32.8%	62,119	52,942	85.2%
Howard County	23,629	6,066	25.7%	66,414	58,664	88.3%

*Excludes City of Annapolis

Source: U.S. Census Bureau, Census 2000 (SF 3, H42)

OBSERVATION: Across the region, only 25.7% of renter-occupied housing stock in 2009 contained three or more bedrooms, compared to 82% of the owner-occupied housing stock. A recent rise in non-family and one-person households indicates an increased general demand for smaller units. However, participating jurisdictions must continue to monitor the needs of minority renters, who are more likely to live in families with four or more residents.

f. 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 because of a lack of affordable housing in those areas.

1. Rental Housing

The median housing value in the Baltimore-Towson MSA increased 78.9% between 1990 and 2008, after adjusting for inflation.¹¹ Median gross rent increased 19.2% during the same period. By comparison, real household income increased only 4.2%.

¹¹ Housing value is the Census respondent's estimate of how much the property (house and lot, mobile home and lot, or condominium unit) would sell for if it were for sale. This differs from the housing sales price which is the actual price that the house sold for.

Figure 2-24
Trends in Housing Value, Rent and Income, 1990-2008*

	1990	2000	2008	Change 1990-2008
Median Housing Value				
Actual Dollars	\$100,000	\$134,900	\$310,600	210.6%
2008 Dollars	\$173,631	\$174,336	\$310,600	78.9%
Median Gross Rent				
Actual Dollars	\$490	\$626	\$1,014	106.9%
2008 Dollars	\$851	\$809	\$1,014	19.2%
Median Household Income				
Actual Dollars	\$36,550	\$49,938	\$66,122	80.9%
2008 Dollars	\$63,462	\$64,537	\$66,122	4.2%

**Data only available for Baltimore MSA. The MSA is the Census Metropolitan Statistical Area, and includes the five jurisdictions plus additional municipalities in the Greater Baltimore Region.*

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

The affordability problem posed by real household income failing to keep pace with median rents has been compounded by a loss of affordable rental units across the region. Between 2000 and 2008, the number of affordable rental units renting for less than \$500 per month decreased by 33,443 units, or 69% of all units in that price range. At the same time, the number of higher-rent units (\$1,000 per month or higher) increased 338.5%, from 32,130 in 2000 to 140,882 in 2008. Most of this increase was in Baltimore City and Baltimore County. Over 27,000 high-rent units were added to the housing stock in Baltimore City and 45,000 in Baltimore County. These two jurisdictions also experienced the largest declines in affordable units renting for \$500 or less.

Figure 2-25
Loss of Affordable Rental Housing Units, 2000-2008

	Units Renting for less than \$500			Units Renting for more than \$1,000		
	2000	2008	% Change 2000-2008	2000	2008	Change 2000-2008
Regional total	107,995	33,443	-69.0%	32,130	140,882	338.5%
Anne Arundel County (Urban)*	3,442	1,291	-62.5%	8,168	31,392	284.3%
Baltimore City	62,695	23,893	-61.9%	5,456	33,141	507.4%
Baltimore County	36,402	5,678	-84.4%	9,458	54,475	476.0%
Harford County	3,675	1,484	-59.6%	1,361	8,980	559.8%
Howard County	1,781	1,097	-38.4%	7,687	12,894	67.7%

**Excludes the City of Annapolis*

Source: U.S. Census Bureau, Census 2000, SF-3 (H52); 2008 American Community Survey (B25063)

OBSERVATION: While the median gross rent in the Baltimore-Towson MSA increased an inflation-adjusted 19.2% between 1990 and 2008 and median housing value jumped by 78.9%, the area's real household income increased only 4.2%.

OBSERVATION: It is becoming more expensive to rent an apartment in the Baltimore region. Between 2000 and 2008, the number of units renting for less than \$500/month declined by more than 74,552 (69%), while units renting for \$1,000/month or more increased by more than 108,752 (338.5%). The decrease represents both the physical loss of units from the inventory and cases in which the demand for units has caused an increase in monthly rental rates.

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in counties and cities in the U.S. for 2009. In the Baltimore-Towson MSA, the FMR for a two-bedroom apartment is \$1,203. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$4,010 monthly or \$48,120 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a housing wage of \$23.13.

In the Baltimore-Towson MSA, 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 128 hours per week, 52 weeks per year. Or, a household must include 3.2 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In the Baltimore-Towson MSA, the estimated average wage for a renter is \$14.79 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 63 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.6 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 the Baltimore-Towson MSA. If SSI represents an individual's sole source of income, \$202 in monthly rent is affordable, while the FMR for a one-bedroom is \$1,002.

OBSERVATION: Minimum-wage earners and single-wage-earning households cannot afford a housing unit renting for the HUD fair market rent. Minorities and female-headed households are disproportionately impacted due to their lower incomes.

2. Sales Housing

The housing market in the Baltimore region has slowed in activity since 2006, coinciding with the beginning of the national housing slump. As of December 2010, the number of units sold was 19,990, almost half of the number sold during 2006. During the same period, the average length of time a house remained on the market nearly doubled from 59 days to 103 days. Median sales price throughout the region dropped from a peak of \$264,200 in 2007 to \$235,150 in 2010.

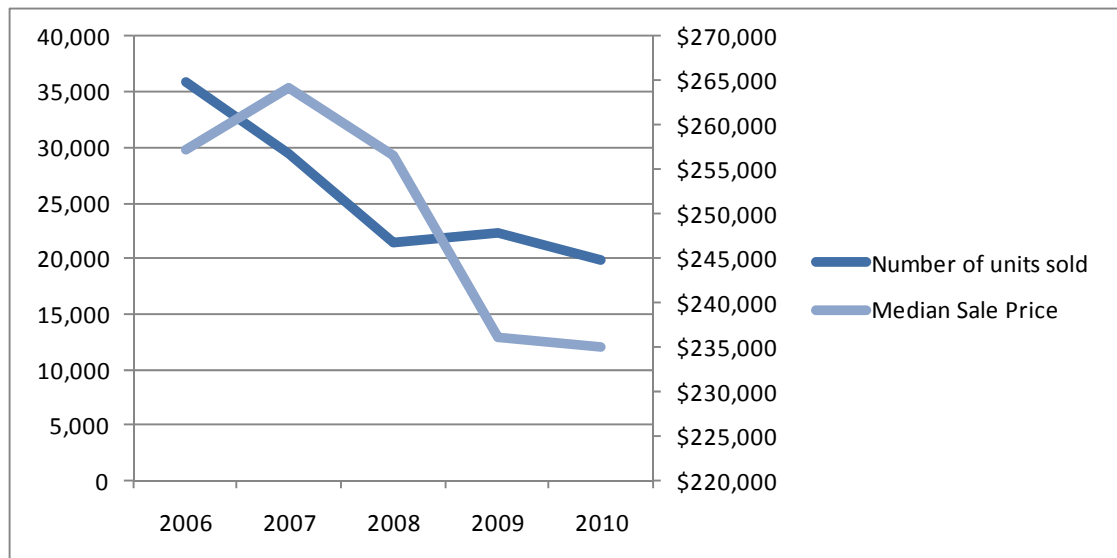
Figure 2-26
Housing Market Sales Trends, 2006-2010

	2006	2007	2008	2009	2010*
Single-Family Properties					
Number of units sold	35,834	29,384	21,396	22,241	19,900
Average No. Days on Market	59	90	119	120	103
Median Sale Price	\$257,300	\$264,200	\$256,600	\$236,200	\$235,150
Average Sale Price as % of Average List Price	95.5%	94.3%	91.1%	89.8%	91.5%

*Includes sales closed through November 2010

Source: Real Estate Business Intelligence; Calculations by Mullin & Lonergan Associates

Figure 2-27
Housing Market Sales Trends, 2006-2010



The availability of affordable sales units differs across the geographic areas. On the whole, 6.7% of units sold across the region in 2009 were priced less than \$100,000. However, in Baltimore City, 28.8% of units sold were in this price range, compared to only 0.2% of units (a total of only four units) sold in Howard County. On the other end of the spectrum, within Baltimore City, units selling for more than \$500,000 comprised 3.4% of the sales market. By comparison, these more expensive homes accounted for 16.9% of units sold in Anne Arundel

County and 28% in Howard County. Therefore, lower-income households are often priced out of the sales market in the suburban counties surrounding Baltimore City, in particular Anne Arundel and Howard Counties. This has contributed to a concentration of LMI homeowners within the City of Baltimore in addition to adding pressure to the market for affordable rental units in suburban areas. Each jurisdiction offers some form of assistance to lower-income homeowners through its federal entitlement programs, such as down payment and/or closing cost assistance or rehabilitation loans or grants, but such programs cannot entirely equalize the affordability of opportunity across communities so drastically different.

Figure 2-28
Number of Housing Units Sold by Price, 2009

	Total Sales	Less than \$100,000		\$100,000 to \$249,999		\$250,000 to \$499,999		\$500,000 or more	
		#	% of Total sales	#	% of Total sales	#	% of Total sales	#	% of Total sales
Regional total	16,726	1,123	6.7%	6,371	38.1%	7,189	43.0%	2,043	12.2%
Anne Arundel County	4,283	51	1.2%	1,110	25.9%	2,399	56.0%	723	16.9%
Baltimore City	2,904	835	28.8%	1,404	48.3%	567	19.5%	98	3.4%
Baltimore County	5,097	169	3.3%	2,597	51.0%	1,900	37.3%	431	8.5%
Harford County	2,118	64	3.0%	989	46.7%	924	43.6%	141	6.7%
Howard County	2,324	4	0.2%	271	11.7%	1,399	60.2%	650	28.0%

Source: Real Estate Business Intelligence; Calculations by Mullin & Lonergan Associates

OBSERVATION: An excess of supply in the City of Baltimore has depressed housing values, making the City the lowest-priced area of the region in which to purchase a home. As the region's Black households have a median income far lower than the median household income for Whites, Black residents are more likely to experience neighborhood limitations in locating an affordable home to purchase. This situation underscores the need to expand affordable housing opportunities in areas that do not have a concentration of minorities, the majority of which are located outside of Baltimore City.

3. Regional Inventory of Public and Publicly Assisted Housing

The majority of public housing units across the greater Baltimore region are located in racially concentrated lower-income neighborhoods, by virtue of their heavy concentration in areas of the City of Baltimore that are more than 70% Black.¹² More than 90% of all public housing units across the region are owned and operated by the Housing Authority of the City of Baltimore (HABC), which houses more than 20,000 residents in 10,000 housing units. Additionally, Anne Arundel County operates 1,026 units; the City of Havre de Grace operates 60 units in Harford County; and Howard County operates 50 units. There are no public housing units anywhere in Baltimore County or outside of Havre de Grace in Harford County.

Federal funding became available in the late 1930s for local housing authorities to house lower-income populations, though the initiative to develop public housing programs was left to local governments. The City of Baltimore established HABC in 1937 to house its lowest-income residents. Other jurisdictions, such as Baltimore County, have maintained a deliberate decision not to build public housing.

The minimal availability of public housing available outside of the City burdens HABC disproportionately with the task of housing the poorest residents of the entire region, though the Authority's shrinking inventory is increasingly insufficient to meet demand. In 1996, Congress repealed the federal requirement that demolished public housing units must be replaced on a one-for-one basis. Since that time, HABC's inventory has dwindled precipitously. A 2007 report estimates that the number of occupied HABC units dropped 42% in 15 years, from 16,525 units in 1992 to 9,625 in 2007.¹³ HABC counted 10,322 occupied units in March 2010.

While the Authority's practice of demolition without equal replacement has been attributed to its declining budget, HABC's obligations resulting from recent lawsuits also impact its ability to replace housing. For instance, the outcome of the *Bailey* case required the Authority to divert more than \$20 million from Replacement Housing Factor Funds and Section 8 voucher funds to retrofit 830 units for tenants with disabilities. Nonetheless, HABC's elimination of dwelling units from the public housing stock has escalated since its implosion of high-rise projects, and that trend is especially problematic given the considerable growth of the population in need of affordable family housing.

¹² The concentration of public housing units in neighborhoods of extreme concentrations of Black residents is demonstrated by the public housing map in the Baltimore City section of the AI. As of 2000, only 9.5% of family public housing units across the region were located in census tracts with poverty rates below 10%, according to testimony from plaintiff's expert witness Jill Khadduri, former director of HUD's Division of Policy Development, in *Thompson v. HUD* records.

¹³ Jacobsen, Joan. "The Dismantling of Public Housing." The Abell Foundation, October 2007. Available online at abell.org/publications/detail.asp?ID=134

Public housing waiting lists across the region demonstrate overwhelming demand. According to recent estimates from each public housing authority with units in the five-jurisdiction area covered by the AI, there are currently 11,458 units suitable for occupancy.¹⁴ These units are roughly 97% occupied, and an additional 20,086 families continue to wait for public housing. Thus the standing inventory can accommodate only about one-third of those in need. Most of the households on a waiting list (93.6%) are extremely low income, earning less than 30% of the area median family income, and nine of every 10 are racial or ethnic minorities. More than 3,600 households on waiting lists reported a disability.

Figure 2-29
Greater Baltimore Region Public Housing Waiting Lists, 2010

	Total PHA units	Total HHs on Waiting List	Extremely Low Income	Minority	Disabled
Anne Arundel County	1,026	4,192	3,853	3,044	341
City of Baltimore	10,322	15,193	14,463	14,550	3,232
Havre de Grace	60	353	201	257	20
Howard County	50	348	284	304	82
TOTAL	11,458	20,086	18,801	18,155	3,675

Sources: Housing Commission of Anne Arundel County, Housing Authority of Baltimore City, Havre de Grace Housing Authority, Howard County Housing Commission

OBSERVATION: The minimal availability of public housing available outside of the City burdens the Housing Authority of Baltimore City disproportionately with the task of housing the poorest residents of the entire region, though the Authority's shrinking inventory is increasingly insufficient to meet demand.

Privately owned housing units developed with public subsidy are more common across the Baltimore region. HUD's Picture of Subsidized Housing 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 that in 2008, there were 36,121 affordable rental units across the Baltimore region subsidized by Low-Income Housing Tax Credits (LIHTC), Section 236 funds, project-based Section 8 vouchers or other multifamily housing development programs. This represents a 19.8% regional increase in the availability of such units from 2000, when HUD reported 30,151. Among project types, Section 236 became less prevalent, as the number of units subsidized by this funding source dropped by 5,356, or 65%. At the same time, HUD reported substantial gains in LIHTC units

¹⁴ HABC has 1,235 additional units that are vacant and offline due to renovation, consent-decree-mandated alterations, modernization, disposition, demolition or approval for non-dwelling purposes.

(6,246, or 68.6%), project-based Section 8 units (3,502, or 39.1%) and affordable units financed by other sources (1,578, or 40.8%). Details appear in the following table.

Figure 2-30
Subsidized Housing by Type, 2000 and 2008

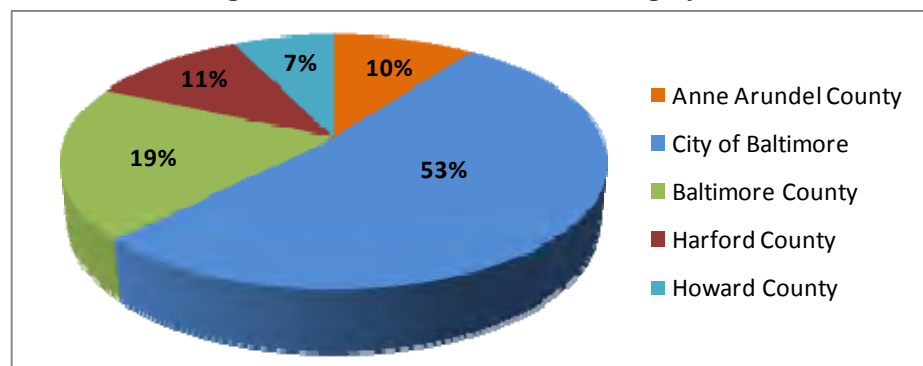
	2000	2008	% Change
LIHTC			
Sites	140	193	37.9%
Units	9,100	15,346	68.6%
Section 236			
Sites	45	19	-57.8%
Units	8,239	2,883	-65.0%
Project-Based Section 8			
Sites	102	99	-2.9%
Units	8,946	12,448	39.1%
Other Assisted Multifamily			
Sites	54	79	46.3%
Units	3,866	5,444	40.8%
Total Subsidized Units	30,151	36,121	19.8%

Source: HUD Picture of Subsidized Housing

Note: Some variation may exist in HUD classification of sites by funding type between years of study.

The region's subsidized private rental units are concentrated within the City of Baltimore, but not to the extent that the region's public housing exists almost exclusively in the City. More than half of the region's assisted private units are in the City, and the remaining 47% of units are distributed among the four outlying counties.

Figure 2-31
Distribution of Region's Subsidized Private Housing by Jurisdiction, 2008



Source: HUD Picture of Subsidized Housing

The number of privately owned assisted units across the Baltimore region is nearly three times as large as the number of public housing units. The availability of these affordable units and the recent increase in their supply create housing opportunities for lower-income households. However, these opportunities are, for the most part, limited to areas of poverty and minority concentration. Stakeholders interviewed during the preparation of the AI described housing development climates that discouraged the expansion of affordable multifamily rental developments into neighborhoods that are traditionally White and low-poverty.

For example, the majority of subsidized units in Harford County are located in or near Havre de Grace, Aberdeen, Magnolia, Joppa and Joppatowne, all of which qualify as areas of Black and/or LMI concentration. In the City of Baltimore, subsidized housing is concentrated in neighborhoods that are at least 70% Black and sparse in areas that are less than 15% Black, according to a scatter plot of HUD data that appears in the City's section of the AI. Affordable development opportunities are limited in Baltimore County, where subsidized rental LIHTC housing projects are easily politically defeated due to the County's requirement that developers gain approval from a County Council member prior to applying for financial assistance. The County has funded only two tax-credit projects, both of which involve the rehabilitation of existing buildings. In Anne Arundel County, subsidized housing is most commonly located in the minority-concentrated area surrounding Annapolis and Odenton. Likewise, in Howard County, assisted affordable units are focused in areas of racial concentration in the southern end of the County. Across all jurisdictions in the region, affordable housing for seniors or persons with disabilities was more likely to be located in non-impacted areas of opportunity than affordable housing for lower-income families.

OBSERVATION: Privately owned subsidized affordable units are concentrated in the City of Baltimore, where 53% of all such units across the region are located. In other jurisdictions, assisted housing is commonly located in areas of racial concentration.

4. Distribution of Section 8 Housing Choice Vouchers

In addition to public housing and privately owned subsidized housing, Section 8 Housing Choice Vouchers also provide affordable housing opportunities across the Baltimore region. In total, housing authorities across the region administer 23,901 Section 8 housing choice vouchers. In addition to those currently using vouchers, there are 49,086 households on voucher waiting lists, which suggests that the supply of vouchers can accommodate only about one-third of demand. It is worth noting that HABC's waiting list has been closed to everyone except persons with disabilities since 2003 and closed entirely since 2008. If HABC's list had continued to accumulate the names of everyone attempting to apply for a voucher within the last seven years, it would almost certainly be much longer. As it is, Baltimore County has the longest current waiting list at 20,197 households competing for 5,799 vouchers, a wait that will exceed seven years for the newest applicants.

The majority of households on the waiting list (87.1%) have incomes below 30% of the area median family income. More than three-quarters (78.2%) are of minority race or ethnicity, and more than one in five (21%) reported a disability.

Figure 2-32
Greater Baltimore Region Section 8 HCV Waiting Lists, 2010

	Total Vouchers	Total HHs on Waiting List	Extremely Low Income	Minority	Disabled
Anne Arundel County	1,392	8,082	6,746	5,562	1,662
City of Baltimore	14,543	15,193*	14,463	14,550	3,232
Baltimore County	5,799	20,197	17,168	14,946	4,093
Harford County	1,094	2,424	1,967	1,343	579
Howard County	1,073	3,190	2,410	2,002	747
TOTAL	23,901	49,086	42,754	38,403	10,313

* HABC's voucher waiting list closed to everyone except persons with disabilities in 2003, then to everyone in 2008.

Sources: Housing Commission of Anne Arundel County, Housing Authority of Baltimore City, Baltimore County Housing Office, Harford County Housing Agency, Howard County Housing Commission

Vouchers administered by HABC are subject to legal remedies and other program stipulations that carry regional significance. As a result of the consent decree following *Bailey v. HABC*, 850 tenant-based vouchers and 500 project-based vouchers were set aside for non-elderly persons with disabilities, as defined in the decree. HABC was required to offer these vouchers in order of application to eligible disabled persons on the waiting list who are participating in the Enhanced Leasing Assistance Program (ELAP) until the vouchers are exhausted. As vouchers expire, they are offered to the next eligible family. ELAP is administered by an outside

contractor to provide housing search assistance to non-elderly persons with disabilities.

Additionally, up to 500 vouchers are set aside for issuance to eligible chronically homeless households, as determined and referred by Baltimore Homeless Services. As part of the 10-Year Plan to End Homelessness, non-elderly persons with disabilities on the waiting list who are also chronically homeless and participate in ELAP may receive priority for the 1,350 Bailey set-aside vouchers over non-elderly persons who are not chronically homeless.

Finally, more than 1,700 voucher holders have leased a unit through the Baltimore Housing Mobility Program, a specialized, regional tenant-based voucher program in which participants receive mobility counseling and assistance in locating housing in non-impacted areas. This program developed in response to the partial consent decree resulting from *Thompson v. HUD*, in which HUD was accused of failing to affirmatively desegregate Baltimore City public housing.¹⁵

The map on the following page depicts the distribution of Section 8 vouchers per 1,000 households by census tract within each jurisdiction. Tracts with greater concentrations of voucher holders were more likely to be located in or near the region's urban core, while tracts with no voucher holders among their residents were more likely to be located in the more sparsely developed suburban or rural areas of outlying counties.

OBSERVATION: In total, housing authorities across the region administer 23,901 Section 8 housing choice vouchers. In addition to households currently using vouchers, there are 49,086 households on voucher waiting lists, which suggests that the supply of vouchers can accommodate only about one-third of demand. Housing mobility initiatives have leveraged vouchers as a means of mitigating segregation, but many voucher households continue to locate in neighborhoods of racial concentration, primarily in and around the region's core.

¹⁵ The partial consent decree additionally required HABC to create 911 hard units of affordable housing in non-impacted areas. As of May 2010, in addition to HOPE VI developments, HABC had completed 214 partnership units, 40 scattered-site units and 10 other units, with an additional 89 near completion.

VI. Home Mortgage Financing

a. Mortgage Lending Practices

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.

HMDA data for 2006 through 2008 was analyzed for the Baltimore region. Reviewing this data 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 purchases. The data focus 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 region.

Figure 2-33 summarizes the trends in applications, denials, and originations across the region from 2006 to 2008.

Figure 2-33
Summary Report Based on Action Taken Mortgage Data, 2006-2008

	2006		2007		2008	
	#	%	#	%	#	%
Applied for	77,398	100.0%	53,730	100.0%	31,940	100.0%
Black	21,802	28.2%	13,432	25.0%	6,803	21.3%
White	41,158	53.2%	30,512	56.8%	19,268	60.3%
Asian	4,091	5.3%	2,782	5.2%	1,701	5.3%
Hispanic*	4,961	6.4%	2,504	4.7%	927	2.9%
Other race	668	0.9%	441	0.8%	236	0.7%
No information/NA	9,679	12.5%	6,563	12.2%	3,932	12.3%
Originated	53,107	68.6%	36,362	67.7%	22,178	69.4%
Black	13,108	60.1%	7,584	56.5%	4,188	61.6%
White	31,120	75.6%	22,649	74.2%	14,336	74.4%
Asian	2,872	70.2%	1,935	69.6%	1,086	63.8%
Hispanic*	3,444	69.4%	1,593	63.6%	590	63.6%
Other race	408	61.1%	273	61.9%	158	66.9%
No information/NA	5,599	57.8%	3,921	59.7%	2,410	61.3%
Denied	10,508	13.6%	7,715	14.4%	3,896	12.2%
Black	4,489	20.6%	3,137	23.4%	1,345	19.8%
White	3,874	9.4%	3,034	9.9%	1,727	9.0%
Asian	490	12.0%	340	12.2%	245	14.4%
Hispanic*	798	16.1%	494	19.7%	151	16.3%
Other race	109	16.3%	87	19.7%	34	14.4%
No information/NA	1,546	16.0%	1,117	17.0%	545	13.9%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications includes 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

Between 2006 and 2008, the region experienced a steep drop in the number of mortgage loan applications. This can be attributed primarily to stagnating home sales rates in the region that coincide with the national housing market crisis. Throughout the region, the number of loan applications dropped 58.7%. The applications for Blacks and Hispanics fell at even greater rates of 68.8% and 81.3%, respectively, suggesting that these protected classes became disproportionately less able to afford home ownership.

Over the course of the two years, the percentage of applications that resulted in loan originations increased slightly, a trend likely related to the decreasing number of total applications. Correspondingly, the number of overall application denials decreased between 2006 and 2008.

A more in-depth analysis of HMDA data for each City is included in Section 3 of each individual AI; however, a summary of the aggregate data for the region is included below.

Figure 2-34 provides the summary data for loan actions for the year 2008, the most recent year for which data is available.

Figure 2-34
Summary Report Based on Action Taken Mortgage Data, 2008

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	20,276	63.5%	13,469	66.4%	1,619	8.0%	2,615	12.9%	2,573	12.7%
FHA	9,904	31.0%	7,305	73.8%	344	3.5%	1,153	11.6%	1,102	11.1%
VA	1,754	5.5%	1,401	79.9%	51	2.9%	126	7.2%	176	10.0%
FSA/RHS	6	0.0%	3	50.0%	0	0.0%	2	33.3%	1	16.7%
Loan Purpose: Home Purchase										
One to four-family unit	31,326	98.1%	22,001	70.2%	1,901	6.1%	3,590	11.5%	3,834	12.2%
Manufactured housing unit	614	1.9%	177	28.8%	113	18.4%	306	49.8%	18	2.9%
Applicant Race										
American Indian/Alaska Native	114	0.4%	73	64.0%	4	3.5%	20	17.5%	17	14.9%
Asian/Pacific Islander	1,701	5.3%	1,086	63.8%	128	7.5%	245	14.4%	242	14.2%
Black	6,803	21.3%	4,188	61.6%	369	5.4%	1,345	19.8%	901	13.2%
Hawaiian	122	0.4%	85	69.7%	5	4.1%	14	11.5%	18	14.8%
White	19,268	60.3%	14,336	74.4%	1,206	6.3%	1,727	9.0%	1,999	10.4%
No information/Not Applicable	3,932	12.3%	2,410	61.3%	302	7.7%	545	13.9%	675	17.2%
Hispanic**	927	2.9%	590	63.6%	72	7.8%	151	16.3%	114	12.3%
Applicant Sex										
Male	18,893	59.2%	13,309	70.4%	1,195	6.3%	2,199	11.6%	2,190	11.6%
Female	10,996	34.4%	7,626	69.4%	652	5.9%	1,410	12.8%	1,308	11.9%
No information	2,051	6.4%	1,243	60.6%	167	8.1%	287	14.0%	354	17.3%
Total	31,940	100.0%	22,178	69.4%	2,014	6.3%	3,896	12.2%	3,852	12.1%

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 their respective total figures. There were no FSA/RHS loans in 2008.

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

** Hispanic ethnicity is counted independently of race.

i. Conventional Loans vs. 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 the Baltimore region, 36.5% (11,664) of the households that applied for a mortgage loan applied for a government-backed loan.

The denial rates for government-backed loans were lower than the denial rate for conventional loans.

- The denial rate for FHA loans was 11.6%.
- The denial rate for VA-guaranteed loans was 7.2%.
- The denial rate for conventional loans was 12.9%.

- The denial rate for FSA/RHS loans was 33.3%, though only six applications were filed.

a. Denial of Applications

Credit history, collateral and unsatisfactory debt-to-income ratios are the major reasons for denial of home mortgage applications throughout the Baltimore region.

For all racial and ethnic groups, the denial rates dipped in 2007 and increased again in 2008, which coincided with the national recession. Whites had the lowest denial rates in all three years. Blacks had the highest denial rates, which were on average about twice as high as the denial rate for Whites.

Figure 2-35
Denials by Race and Ethnicity, 2007-2008

	2006			2007			2008		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Black	21,802	4,489	20.6%	13,432	3,137	14.4%	6,803	1,345	19.8%
White	41,158	3,874	9.4%	30,512	3,034	7.4%	19,268	1,727	9.0%
Asian	4,091	490	12.0%	2,782	340	8.3%	1,701	245	14.4%
Hispanic*	4,961	798	16.1%	2,504	494	10.0%	927	151	16.3%
Other race	668	109	16.3%	441	87	13.0%	236	34	14.4%
No information/NA	9,679	1,546	16.0%	6,563	1,117	11.5%	3,932	545	13.9%

* Hispanic ethnicity is counted independently of race.

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.

Of the 3,896 applications that were denied by area lending institutions, 3,854 reported household income. Lower-income households had a denial rate of 16.8% in 2008, compared to 10% for upper-income households. Applications made by lower-income households accounted for 44% of all denials in 2008, though they accounted for only 31.9% of total applications.

Figure 2-36
Denials by Income, 2008

	2008		
	Total Applications	Denials	Denial Rate
Below 80% MFI	10,093	1,694	16.8%
At least 80% MFI	21,575	2,160	10.0%
Total	31,940	3,896	12.2%

Note: Total includes applications for which no income data was reported.

Among all lower-income households in the Baltimore region, the denial rate was highest for minority households. The denial rates for lower-

income Black and Hispanic households were 20.1% and 21.1%, respectively, compared to 13.5% of lower-income White households. Asian households had the highest denial rate of 23.5%.

Figure 2-37
Denials by Race for Lower Income Applicants, 2008

	2008		
	Total Applications**	Denials	Denial Rate
Black	3,186	640	20.1%
Asian	400	94	23.5%
Am. Indian/Alaska Native	38	7	18.4%
Hispanic*	399	84	21.1%
White	5,346	722	13.5%
Hawaiian	34	5	14.7%
Not Provided/NA	1,089	226	20.8%
Total	10,093	1,694	16.8%

* Hispanic ethnicity is counted independently of race.

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

Denial rates were lower for upper-income households compared to lower-income households. Upper-income Asian and Hispanic households had significantly lower denial rates of 11.6% and 12.3%, respectively. Whites continued to have the lowest denial rate of 7.2%. Upper-income Black households, however, had a denial rate of 19.5%, only slightly smaller than that of lower-income Black households.

Figure 2-38
Denials by Race for Upper Income Applicants, 2008

	2008		
	Total Applications**	Denials	Denial Rate
Black	3,586	698	19.5%
Asian	1,295	150	11.6%
Not Provided/NA	2,762	303	11.0%
White	13,770	988	7.2%
Hispanic*	522	64	12.3%
Am. Indian/Alaska Native	74	12	16.2%
Hawaiian	88	9	10.2%
Total	21,575	1,236	5.7%

* Hispanic ethnicity is counted independently of race.

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

OBSERVATION: Upper-income Black households across the region were denied mortgage loans at a rate (19.5%) higher than *lower-income* White applicants (13.5%)

b. High-Cost Lending Practices

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. 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.

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.

Figure 2-39 summarize the trends in high-cost lending for 2006 to 2008. As the number of originations decreased, so did the proportion of high-cost loans. For lower income households, high-cost loans comprised 10.7% of all originations in 2008, which was one-third of the rate of high-cost loans in 2006. Among upper income households, high-cost loans fell from 28% to 5.2% of all mortgages.

Minority households are disproportionately affected by high-cost loans in the region. Among lower-income households, Blacks are about twice as likely to have a high-cost loan across the three years. Among upper income households, Blacks are about three times as likely as other groups to have a high-cost loan.

Figure 2-39
High-Cost Lending by Race/Ethnicity and Income, 2006-2008

		Lower Income			Upper Income		
		Total Originations	High-Cost	% High-Cost	Total Originations	High-Cost	% High-Cost
2006	Am. Indian/Alaska Native	55	26	47.3%	84	35	---
	Asian	389	73	18.8%	2,119	405	19.1%
	Black	7,065	3,111	44.0%	8,286	4,319	52.1%
	Hawaiian	48	14	29.2%	186	37	19.9%
	White	6,997	1,462	20.9%	18,926	3,476	18.4%
	Not provided	1,586	608	38.3%	3,693	1,053	28.5%
	Hispanic*	792	345	43.6%	1,721	880	51.1%
	Total	16,140	5,294	32.8%	33,294	9,325	28.0%
2007	Am. Indian/Alaska Native	54	11	20.4%	69	18	26.1%
	Asian	323	36	11.1%	1,468	106	7.2%
	Black	5,035	1,146	22.8%	4,318	1,205	27.9%
	Hawaiian	33	3	9.1%	91	11	12.1%
	White	5,443	618	11.4%	13,695	1,070	7.8%
	No information/NA	1,234	222	18.0%	2,489	297	11.9%
	Hispanic*	584	119	20.4%	727	197	27.1%
	Total	12,122	2,036	16.8%	22,130	2,707	12.2%
2008	Am. Indian/Alaska Native	25	3	12.0%	33	2	6.1%
	Asian	221	14	6.3%	801	31	3.9%
	Black	2,981	425	14.3%	2,266	324	14.3%
	Hawaiian	26	1	3.8%	49	4	8.2%
	White	3,867	284	7.3%	8,701	365	4.2%
	No information/NA	717	72	10.0%	1,542	66	4.3%
	Hispanic*	290	43	14.8%	266	17	6.4%
	Total	7,837	842	10.7%	13,658	792	5.8%
Three-Year Totals		36,099	8,172	22.6%	69,082	12,824	18.6%

Note: Does not include loans for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

OBSERVATION: Black and Hispanic mortgage holders across the region were consistently more likely to have high-cost loans than White mortgage holders. Among lower-income households, Blacks were about twice as likely to have a high-cost loan across the three years. Among upper income households, Blacks were about three times as likely as other groups to have a high-cost loan.

VII. Regional Patterns in Fair Housing Complaints

This section provides a review 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.

A more in-depth analysis of the housing discrimination complaints filed in each of the five jurisdictions is included in Section 2 of each individual AI; however, a summary of the aggregate data for the region is included below.

a. Comparison of Classes Protected by Law

Distinctions between anti-discrimination laws at the federal, state and local levels are significant because they represent the levels at which persons claiming discrimination can seek recourse. In general, local laws across the Baltimore region provide a wider scope of protection than the federal Fair Housing Act and the Maryland Human Relations Act, though there are some exceptions. Three jurisdictions (Anne Arundel County, Baltimore County and the City of Baltimore) do not prohibit discrimination on the basis of familial status, as federal and state law do. This means that residents of those areas who allege this type of discrimination cannot pursue cases at the local level. While sexual orientation is not a basis for federal protection, it is protected by the State of Maryland and all regional jurisdictions except Baltimore County. Therefore, Baltimore County residents who experience this type of discrimination may only pursue recourse at the state level.

The importance of local anti-discrimination laws as a policy stance should not be understated. The lack of laws against familial status discrimination in Anne Arundel County, Baltimore County and Baltimore City has a minimal practical effect – such practices are still made illegal by state and federal law – but it is a point of inconsistency with the Fair Housing Act that should be remedied as a part of each community's efforts to affirmatively further fair housing.

Local jurisdictions in the Baltimore region provide protection on a variety of progressive fronts that are less commonly found in other areas of the country, including gender identity, genetic information, political opinion and personal appearance. A detailed comparison of all categories receiving statutory anti-discrimination protection across the region appears in the following table.

Figure 2-40
Comparison of Classes Protected by Federal, State and Local Statute

Protected Class	Federal Fair Housing Act	Maryland Human Relations Act	Anne Arundel County Exec. Order 26	Baltimore City Codes Article IV	Baltimore County Code Article 29	Harford County Code Chapter 95	Howard County Human Rights Law
Race	•	•	•	•	•	•	•
Color	•	•	•	•	•	•	•
National Origin	•	•	•	•	•	•	•
Religion	•	•	•	•	•	•	•
Sex	•	•	•	•	•	•	•
Familial Status	•	•				•	•
Disability	•	•	•	•	•	•	•
Marital Status		•	•	•	•	•	•
Sexual Orientation		•	•	•		•	•
Gender Identity				•			
Genetic Information				•			
Creed			•		•	•	•
Age			•	•	•	•	•
Occupation			•			•	•
Political Opinion			•			•	•
Personal Appearance			•			•	•
Source of Income				*			•
Ancestry				•			

* The City of Baltimore protects some sources of income (alimony and child support), but not others, such as rental assistance

OBSERVATION: In general, local laws across the Baltimore region provide a wider scope of protection than the federal Fair Housing Act and the Maryland Human Relations Act, though there are some exceptions. Varying protections among jurisdictions emphasize the need for education and outreach at the local level on fair housing rights and procedures for complaint.

b. Trends in Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants avoid confrontations with prospective landlords. 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. Finally, 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. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the Fair Housing Act. Between January 1996 and August 2010, 630 cases were filed through HUD for the entire region. Baltimore City had the highest number of complaints (242), accounting for one-third of all complaints in the region. Baltimore City also had the highest number of complaints per 100,000 residents (calculated using 2008 population). Although Harford County had the lowest number of complaints, Anne Arundel County had the lowest rate of complaints, with 18.6 complaints filed per 100,000 residents.

Figure 2-41
Bases for Fair Housing Complaints Filed with HUD, 1996-2010

	Total Complaints	# Complaints per 100,000	Race	Retaliation	Sex	Color	Disability	National Origin	Religion	Harrassment	Familial Status
Anne Arundel County	89	18.6	38	4	6	5	39	7	1	---	7
Baltimore City	242	38.0	110	6	22	7	97	11	14	2	19
Baltimore County	176	22.0	91	1	11	9	57	9	6	---	18
Harford County	56	23.3	22	2	4	4	18	1	1	---	9
Howard County	67	27.0	22	---	3	1	16	1	1	1	7
Regional Total	630	---	283	13	46	26	227	29	23	3	60

Source: U.S. Department of Housing and Urban Development

Race was the most commonly alleged basis of discrimination, followed by disability. Together, race and disability accounted for 81% of all complaints. Several complaints alleged more than one basis for discrimination.

Of the 630 cases in the region, 377 (60%) were found to be without probable cause and closed. An additional 151 (24%) were withdrawn by the complainant and ten (1.6%) were successfully conciliated. Twenty-two cases (3.5%) were settled by a judicial consent order, which often results in a Voluntary Compliance Agreement (VCA). Three cases are pending trial – two in Baltimore City and one in Baltimore County. Details on the resolution of complaints for each jurisdiction are included in Figure 2-42.

Figure 2-42
Resolution of Fair Housing Complaints Filed with HUD, 1996-2010

	Total Complaints	FHAP Judicial Consent Order	Pending Trial	Successful Conciliation	No Cause Found	No Jurisdiction	Uncooperative Complainant	Complainant Withdrawn	Other
Anne Arundel County	89	3	---	1	48	4	3	27	3
Baltimore City	242	8	2	2	141	5	12	55	17
Baltimore County	176	7	1	2	111	2	3	47	3
Harford County	56	2	---	3	32	2	---	12	5
Howard County	67	2	---	2	45	1	1	10	6
Regional Total	630	22	3	10	377	14	19	151	34

Source: U.S. Department of Housing and Urban Development

OBSERVATION: Race and disability constitute the most common bases for fair housing complaints to HUD across the Baltimore region, combining to represent 81% of all complaints filed.

c. Hate Crimes

Federal law allows for the prosecution of crimes motivated by animus or enmity against a protected class, including race, color, national origin, religion, sex, familial status or disability.

Maryland law addresses hate crime specifically through Article 27 470A - Religious and Ethnic Crimes, which deems it illegal for any person to vandalize or attempt to vandalize any religious property or to interfere by force or threat of force with any person in the exercise of their religious beliefs. It is also forbidden to damage, destroy, burn or otherwise vandalize the property of a person or an institution because of their race or beliefs, or to harass or commit a crime against any person because of their “race, color, religious beliefs or national origin.” The statute includes an extra sentencing enhancement for crimes motivated by hate. Notably, Maryland’s laws against hate crimes protect fewer classes than its anti-discrimination laws related to housing and employment, which extend also to the basis of sexual orientation.

Those who experience hate crimes in Maryland are encouraged to report such incidents to local law enforcement agencies and human relations agencies. Most hate crime cases are prosecuted by the state.

The U.S. Department of Justice compiles hate crime statistics annually. In 2008, the latest year for which data is available, there were 100 hate crime incidents reported across the State of Maryland. Three occurred in Baltimore City and three in Anne Arundel County (in both jurisdictions, two related to sexual orientation, one related to race); nine were reported across Baltimore County (three race, three religion, two sexual orientation, one ethnicity); five occurred in Harford County (all related to race); and 22 were reported in Howard County (16 race, three religion, one sexual orientation and one ethnicity). The discrepancy in reported instances among jurisdictions could be related to differences in reporting or classification protocol among law enforcement agencies. It is also likely that many hate crimes go unreported. The presence of hate crimes in all AI jurisdictions is an indicator that discrimination exists and likely factors into the reality of daily life in many communities.

8. REGIONAL CONSIDERATIONS

I. Regional Transportation Network

Households without a vehicle, which in most cases are primarily low-moderate income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. In 2000, there were 39,848 households in the greater Baltimore Region without access to a vehicle, comprising 15.1% of all households. Baltimore City had the greatest proportion of transit-dependent households, at 35.9%. Throughout the region, renter households were significantly more likely than owners to be transit-dependent, with 31.3% of renter households without access to a vehicle, compared to 6.7% of owner households. In the counties surrounding the urban core, renter-occupied households were more than four times as likely as owner-occupied households to depend on public transportation.

Figure 8-1
Percent of Transit-Dependent Households, 2000

	All Households	Renter-Occupied	Owner-Occupied
Total	15.1%	31.3%	6.7%
Baltimore City	35.9%	51.3%	18.9%
Anne Arundel County	5.3%	13.4%	2.7%
Baltimore County	8.9%	18.2%	4.4%
Harford County	5.6%	15.9%	2.7%
Howard County	4.3%	11.7%	1.6%

Source: U.S. Census Bureau, 2000 Census SF3 (H44)

Among categories of race and ethnicity, minority households were more likely than White households to be transit-dependent. Whereas 8.4% of White households in the region were transit-dependent, almost four times as many (31.9%) of Black households were similarly without access to a vehicle. Asian and Hispanic households also experienced higher rates of transit-dependence, at 10.4% and 14.4%, respectively. These aggregate trends were also reflected in the individual counties that compose the region, except in Baltimore County, where Asians were less likely than White households to be transit-dependent.

Figure 8-2
Percent of Transit-Dependent Households by Race, 2000

	White	Black	Asian	Hispanic
Total	8.4%	31.9%	10.4%	14.4%
Baltimore City	22.7%	44.4%	32.4%	28.7%
Anne Arundel County	4.0%	14.0%	6.3%	9.4%
Baltimore County	8.0%	12.6%	5.4%	12.6%
Harford County	4.8%	13.5%	6.6%	6.4%
Howard County	3.4%	8.7%	3.4%	5.2%

Source: U.S. Census Bureau, 2000 Census, SF3 (HCT33A, HCT33B, HCT33D, HCT33H)

The table below shows the modes of transportation that residents the Baltimore region used to get to work in 2000. The majority of residents (86.6%) drove to work, with 74.9% of people driving alone. Only 6.6% of residents used public transportation. Buses and trolleys were the most popular form of public transportation. Among those who used public transportation, 70% used buses.

Figure 8-3
Mode of Transportation to Work, 2000

	Baltimore Region*	
	#	%
Total sample	1,125,423	100.0%
Car, truck, or van:	973,195	86.5%
Drove alone	843,033	74.9%
Carpooled	130,162	11.6%
Public transportation:	74,672	6.6%
Bus or trolley bus	52,162	4.6%
Subway or elevated	10,576	0.9%
Railroad	6,814	0.6%
Motorcycle	606	0.1%
Bicycle	1,865	0.2%
Walked	34,373	3.1%
Other means	6,265	0.6%
Worked at home	34,447	3.1%

*Includes Baltimore City and the counties of Anne Arundel, Baltimore, Harford and Howard

Source: U.S. Census Bureau, 2000 Census (SF3-P30)

The Baltimore region is served primarily by the Maryland Transit Administration (MTA). MTA is a multi-modal system with 73 local and commuter bus routes and 89 subway, light rail, and commuter train stations. In 2009, MTA provided over 100 million passenger trips, about two-thirds of which were on fixed-route buses. MTA also funds locally operated transit systems (LOTS), which provide local fixed route services in the county areas.

a. Destinations and Routes

MTA services are concentrated in (1) the more densely populated areas in Baltimore City and the surrounding areas, and (2) the commuter corridor between Maryland and Washington D.C.

Within the City of Baltimore, transportation links major tourist, business and residential areas. The Metro Subway and most bus routes run from about 5 a.m. to midnight, and several bus routes offer all-night services. The light rail runs north-south through the City, connecting the BWI Thurgood Marshall Airport and Cromwell in the south and the Hunt Valley Business District located north of City Center.

Moving further out of the City, fixed routes become more sparse and infrequent. The Maryland Area Regional Commuter (MARC) train provides weekday service on three commuter rail routes to Union Station in Washington D.C. Commuter buses connect major urban areas to Baltimore City, including Annapolis, Columbia, Havre de Grace and Bel Air. Within Howard County, which is situated between Baltimore and Washington D.C., a variety of bus routes service local areas and connect residents to both Baltimore and the Washington D.C. area. For counties north of the City, including Baltimore and Harford Counties, connection options are more limited.

In addition to the MARC trains and commuter buses, locally operated transit systems (LOTS) provide local transportation routes within each of the four counties covered in this AI. Many of these LOTS routes, however, do not offer evening, weekend or Sunday service. Therefore, transit-dependent households may have constrained mobility to access jobs and resources. This is particularly important for renter-households in the counties. As discussed earlier, renter households are significantly more likely to not have access to a vehicle.

b. Accessibility

All of MTA's fixed route buses are equipped with wheelchair lifts and/or ramps, in accordance with the Americans with Disabilities Act (ADA). Metro and light rail stations are also equipped with elevators and boarding platforms for passengers using mobility devices. In conformance with ADA regulation, MTA offers paratransit services for passengers who cannot independently access fixed route services.

Through its Commuter Choice program, MTA has developed incentives to encourage taking public transportation to work. Eligible employers are able to

distribute reduced fare passes to their employees and can receive tax credits for providing commuter benefits.

The metropolitan planning organization for the region is the Baltimore Regional Transportation Board (BRTB). The BRTB oversees regional planning efforts and provides direction and oversight in the development of the region's federally mandated long-range transportation plan. The most current long-range plan, Outlook 2035, outlines a strategy for developing a transit system that is efficient, accommodating for future growth, and environmentally friendly. Outlook 2035 has seven goals:

1. Improve safety
2. Maximize transportation system management and operations
3. Increase accessibility and mobility
4. Preserve the environment
5. Improve transportation system security
6. Link transportation investment to land use and economic development
7. Foster inter-jurisdictional participation and cooperation.

Outlook 2035 predicts that regional growth and economic development will center in the suburban areas of the region. According to the BRTB projections, there will be substantial job growth in Anne Arundel and Harford Counties, and most commuting will be between suburban areas, instead of into urban centers.¹⁶ Given the current sparseness of transportation options within and between suburban areas, appropriate planning will be important to ensure transit-dependent households will be able to benefit from this projected employment growth.

OBSERVATION: The lack of adequate public transportation between the urban core of Baltimore City and the employment growth centers expected in the upcoming years will exacerbate the intractable concentrations of poverty and disenfranchisement in the City. A key component of future regional planning initiatives must involve the linking of inner city residents with job opportunities in the outlying suburban areas.

¹⁶ BRTB, "Transportation Outlook 2035 Socioeconomic Forecasts"
<http://www.baltometro.org/content/view/811/537/>

II. Comparison of Jurisdictional Tax Profiles

Taxes impact housing affordability. While real estate tax differentials are not an impediment to fair housing choice in and of themselves, they can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Tax rates for specific districts and the assessed value of all properties are the two major calculations used to determine revenues collected by a jurisdiction. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.

However, a straight comparison of tax rates to determine whether a property is affordable or unaffordable gives an incomplete and unrealistic picture of property taxes. Local governments with higher property tax rates, for example, may have higher rates because the assessed values of properties in the community are low, resulting in a fairly low tax bill for any given property. In all of the communities surrounding a jurisdiction, rates for various classes of property (residential, commercial, industrial, etc.) are assigned to balance each community's unique set of resources and needs. These factors and others that are out of the municipality's control must be considered when performing tax rate comparisons.

Taxes in Maryland are assessed through a tax rate per \$100 of a property's value. Property taxes are a significant source of revenue for counties and municipalities, used to fund education and social and administrative services. In addition to locally levied taxes, the state draws .112 mills per \$100 on all real property throughout Maryland.

Property taxes in Maryland are levied on the assessed fair market value of a property. Local and county governments conduct assessments every three years, and increases in property values are phased in over the three years between assessments. For example, if a property's assessed value increases by \$30,000, the taxable value of a property will increase by \$10,000 each of the next three years. This phase-in helps to avoid sharp increases in a resident's tax liability due to rapid increases in property values.

Additionally, Maryland's policy of requiring reassessment every three years minimizes inequity in the system of taxation, as changes in assessed value keep pace with changes in market value across the board. In states that do not require periodic reassessment, the assessed values of years long past continue to apply to 1) neighborhoods that are in decline, resulting in over-taxation on poorer residents, and 2) neighborhoods where values have increased, resulting in under-taxation on those who are prospering. This is not the case across Maryland, where assessments are generally up-to-date. However, rapid shifts in the local housing market over the past decade, including sliding home values in the neighborhoods hit hardest by foreclosure, have added room for inequity.

Although most revenues in Maryland are traditionally raised through four main taxing agencies (state, county, municipality and school district), smaller taxing districts with specific functions – such as providing funds for fire protection,

mosquito abatement, or libraries – are increasing in popularity. In response to particular local needs, some jurisdictions have established various special service areas where additional rates apply.

The table below shows the estimated taxes per \$100,000 assessed value of a property in several major taxation jurisdictions in the Greater Baltimore area. The following narrative more closely examines local tax policies in Baltimore City and the counties of Anne Arundel, Baltimore, Harford and Howard.

Figure 8-4
Estimated Taxes per \$100,000 AV, FY 2009-10

Jurisdiction	Est. Taxes per \$100,000 Assessed Value
Baltimore City	\$2,380
Baltimore County	\$1,212
Howard County - Urban	\$1,342
Anne Arundel County	\$988
Annapolis City	\$1,165
Harford County	\$1,176
Aberdeen City	\$1,864

Source: Maryland Department of Assessments and Taxation

OBSERVATION: Real estate taxes are a factor in housing choice inasmuch as they affect affordability across jurisdictions. The highest rates across the region are found in Baltimore City. Center cities in metropolitan areas commonly exercise a high tax effort to support existing urban services from a base of shrinking population and generally lower housing values. Estimated total property taxes per \$100,000 in valuation were roughly half as expensive in outlying counties, though the property values in those areas are higher.

a. Anne Arundel County

Anne Arundel County (excluding Annapolis) has the lowest property tax rate in the region. The County is divided into two taxing zones: Annapolis and the balance of the County. The County-wide tax rate is 0.876 mills. Within Annapolis, the County charges a levy of 0.523 mills, while the City charges its own levy of 0.53 mills, for a total tax rate of 1.053 mills.

Figure 8-5
Anne Arundel County Property Levies, FY 2009-10

Levy Type	Rate per \$100 assessed value
County Tax - Excluding Annapolis	0.876
County Tax - Annapolis	0.523
Annapolis City Tax	0.53
State Tax	0.112

Source: Anne Arundel Office of Finance

For a house valued at \$100,000 in 2009-2010 in Anne Arundel County without exemptions or credits, the annual property tax is an estimated \$988, or about \$82 a month. The same house in Annapolis would have an annual property tax of \$1,165, or about \$97 a month. There is also an additional annual \$275 trash collection fee for every household in the County.

For lower-income households, Anne Arundel County administers the Homeowners Tax Credit to provide tax relief.

b. City of Baltimore

Baltimore City has the highest real estate tax rate in Maryland, ranging from 2.38 to 2.512 mills per \$100 of assessed value depending on district. City government establishes the municipal tax rate, which was 2.268 mills in 2009-2010. This relatively high rate is due largely to the mismatched range of services the City provides as an emptying urban core: The City is in the difficult process of scaling its expenditures back to match the lesser demands of a dwindling population. It is also due to the hollowing out of the City in another way: As residents move away and property values decline, the tax burden falls more heavily onto the shoulders of those who stay.

Within the City there are two special Community Benefits Districts (CBD) where additional levies apply. Since 1993, City law has allowed a limited number of neighborhoods to be designated as self-taxing, quasi-public management authorities that oversee safety, sanitation, development and beautification projects. The two districts are Midtown (which includes parts of Bolton Hill, Charles North, Madison Park and Mount Vernon) and Charles Village. Neither neighborhood has a concentration of Black or lower-income residents. Other neighborhoods may earn designation as a CBD, but the process requires substantial grassroots organization and fundraising. Park Heights, a Black-concentrated, lower-income neighborhood on the northwest side of the City, failed in an effort to organize as a CBD in the late 1990s. The table below details the various tax levies for Baltimore City.

Figure 8-6
Baltimore City Property Levies, FY 2009-10

Levy Type	Rate per \$100 assessed value
City Tax	2.268
State Tax	0.112
Special District - Midtown Community Benefits	0.13
Special District - Charles Village Community Benefits	0.120

Source: Live Baltimore

For a property valued at \$100,000 without exemptions or credits, the annual property tax in 2009-2010 was an estimated \$2,380, or about \$198 per month. In the Community Benefits Districts, the annual tax liability would increase by \$330 in Midtown and \$318 in Charles Village.

Baltimore City offers a variety of tax credits and incentives to assist target populations as well as to foster development. The Homeowners and Homestead Credits and Fallen Hero Tax Credit provide tax relief to eligible property owners. Additional credits are available to individuals, organizations and corporations to promote urban revitalization and renovation. These include:

- Newly constructed dwelling credit, to encourage the construction and purchases of new homes;
- Vacant dwelling credit, to promote the renovation and reuse of vacant residential properties;
- Brownfield credit, to encourage the redevelopment of contaminated abandoned and/or underutilized industrial and commercial sites; and
- Enterprise Zone credit, to encourage investment in one of the City's 8 designated economically distressed zones.

Tax credits are also available for home improvements and renovations of historic properties.

c. Baltimore County

Property taxes accounted for less than half of Baltimore County's revenue in 2008. The County has a uniform composite tax rate of \$1.10 per \$100 assessed value and has no special taxing districts or zones. Therefore, a property valued at \$100,000 in 2009-2010 without exemptions or credits would have an estimated annual property tax of \$1,212, or about \$101 per month. Households are also responsible for a

water and sanitation fee according to their level of water usage throughout the year.

Baltimore County offers a variety of tax credits and incentives to assist target populations as well as to encourage development. The Homeowners Tax Credit and Hardship Installment Payment Program provide tax relief to eligible households. Additional credits are available to individuals, organizations, and corporations to promote urban revitalization and renovation. These include:

- Brownfield credit, to encourage the redevelopment of contaminated abandoned and/or underutilized industrial and commercial sites;
- Credit for historic and architectural protection, for eligible residential and commercial rehabilitation work; and
- Revitalization credits for improvements in commercially zoned areas.

d. Harford County

Property taxes accounted for more than half of the general fund revenues in Harford County in 2000 and were the primary source of funding for education and public safety in the County. Harford charges a countywide tax rate of 0.908 mills and a highway tax of 0.156 mills. Three municipalities (Aberdeen, Bel Air, and Havre de Grace) levy additional taxes. The table below includes the levy types in Harford County.

Figure 8-7
Harford County Property Levies, FY 2009-10

Levy Type	Rate per \$100 assessed value
State Tax	0.112
Highway Tax	0.156
Municipality Levy - Aberdeen	0.69
Municipality Levy - Bel Air	0.500
Municipality Levy - Havre de Grace	0.61

Source: Harford County Economic Development

For a house valued at \$100,000 in 2009-2010 in Harford County without exemptions or credits, the annual property tax is an estimated \$1,176, or about \$98 a month. Properties in Aberdeen, Bel Air, and Havre de Grace would have higher tax liabilities of \$1,864, \$1,676, and \$1,786, respectively. Households are also responsible for a water and sanitation fee according to their use of water throughout the year.

Harford County and the taxing municipalities within the County offer credits and exemptions for the elderly, disabled and lower-income families. The County administers the Homeowners Tax Credit and the Homestead Exemption. Property owners may also qualify for the Solar Energy/Geothermal Device Tax Credit for the installation of approved devices.

e. Howard County

Property taxes accounted for about one-third of revenues in Howard County in 2010, and were used primarily to fund education, as well as facility management, public safety and other community services. The County is divided into two taxing zones, metropolitan and rural. Fire tax rates vary between the districts, and within the metropolitan district, and additional ad valorem charge is levied to cover water and sewer system costs. The table below includes the various tax levies throughout the County.

Figure 8-8
Howard County Property Levies, FY 2009-10

Levy Type	Rate per \$100 assessed value
State Tax	0.112
Fire Tax - Metro	0.136
Fire Tax - Rural	0.12
Ad Valorem - Metro	0.080

*Levies do not include annual trash collection fees

Source: Howard County Department of Finance

For a property in the metropolitan district of Howard County valued at \$100,000 without credits or exemptions, the estimated annual property tax in 2009-2010 is \$1,341, or about \$112 a month. This does not include the annual trash collection fee, which is an additional \$225 for trash, recycling and yard service, \$210 for only trash and recycling or \$39 for only recycling.

Howard County offers a variety of assistance programs for residents to lower their property tax liability. The Homestead Credit limits the annual increase in taxable assessment on the owner-occupied residential properties to a fixed percentage. In Howard County, the County assessment increase is limited to 5%, and the State assessment increase is limited to 10%. Households with incomes under a certain income threshold can qualify for the Homeowners Tax Credit Program, and seniors may be eligible for tax relief in the form of credits and deferrals. Howard County also provides credits to low income households to assist in covering trash collection fees. Lastly, owners

may receive tax credits for installing solar or geothermic energy devices.

OBSERVATION: The tax credits and exemptions available to home buyers and others who seek to revitalize Baltimore City neighborhoods through home ownership initiatives are crucial to the long-term success of re-inventing many City neighborhoods. Without the critical component of a stabilizing home ownership segment in many lower income neighborhoods, reversing decades-long trends of deterioration, neglect, disinvestment and suburban flight cannot occur.

III. Real Estate Advertising

Under federal law, no advertising with respect to the sale or rental of a dwelling may indicate any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status or national origin. In addition, Maryland law extends protection to persons based on marital status. The prohibition on discriminatory practices applies to publishers, such as newspapers and directories, as well as persons and entities who place real estate advertisements.

Publishers and advertisers are responsible under federal law for making, printing, or publishing advertisements that violate the Fair Housing Act on its face. Thus, they should not publish or cause to be published an advertisement that expresses a preference, limitation or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols or other approaches that are considered discriminatory.

A review of *The Baltimore Sun* was conducted to evaluate the frequency and type of unlawful advertising.¹⁷ No advertisements for rental or sale units included any type of discriminatory qualification on the type of occupants sought. Placement of the fair housing logo was consistent.

Central Maryland Homes was also reviewed.¹⁸ Each ad in this publication had an Equal Housing logo, and an Equal Housing explanation appeared on the site's table of contents. On the companion website, Greater Baltimore Homes (www.homes-online.com), the logo was apparent, but the explanation of fair housing rights appeared to be absent. No discriminatory language was found.

The Baltimore County Housing Office provides *GoSection8.com* as a tool for Housing Choice Voucher holders and participating landlords. A review of that site revealed a lengthy and complete section on fair housing rights. No discriminatory ads were found.

¹⁷ The Sunday edition dated January 31, 2009, was randomly selected for review.

¹⁸ Volume 29, No. 2, January 27, 2010

Homes.com, a heavily trafficked national website featuring homes across the region, did not appear to contain any information for potential home buyers on fair housing law, rights or responsibilities. The site's various search features did not provide users with a means to locate homes with accessibility features. No discriminatory language was found.

IV. Regional Research and Publications Review

f. Kirwan “Communities of Opportunity” Framework

In research activities related to community development, fair housing and social justice, the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University applies a conceptual model that evaluates the extent to which people have access to critical opportunities that influence life outcomes. The Institute groups resources and services these into three major opportunity structures – economic opportunity/mobility, neighborhood health and educational opportunity.

The “Communities of Opportunity” model is based on the premise that affirmatively connecting people to critical opportunity structures creates positive, transformative community change. The model is designed to promote fair investment among people and neighborhoods across a region with the ultimate goal of improving life outcomes regionwide. Through the application of the model, the Institute aims to mitigate the extent to which some citizens have been long isolated from opportunity by entrenched patterns of racial and economic segregation. There are two ultimate goals: to bring opportunity to areas where it does not exist, and to connect people to areas where it does.

The Institute's director, John Powell, applied the framework to the Baltimore region in his 2005 expert testimony in *Thompson v. HUD*. Powell proposed that the *Thompson* remedy should ultimately consider the distribution of affordable housing across the region on the basis of fair access to opportunity structures, not simply on the basis of fair sharing between suburban and urban areas. In the Baltimore region in particular, access to critical opportunity structures for lower-income households and minorities has been limited by development patterns and policies that perpetuate racial, ethnic and economic segregation.

To measure opportunity, the Kirwan framework studies economic health (by proxy of job availability and growth), educational opportunity (by way of student performance, student economic status and teacher qualifications) and neighborhood quality (using a wide range of data reflecting neighborhood stability and quality of life). A collection of variables is selected to determine an opportunity index

score for each opportunity structure. The Kirwan study maps on the following pages illustrate these measurements in the Baltimore region.

In evaluating Baltimore, Powell classified each census tract in the region according to the opportunity score on a five-point scale: very low, low, moderate, high or very high. The individual economic opportunity structures can also be combined and understood as a composite measure of opportunity for the Baltimore region. Some of the outcomes of the analysis were as follows.

- Economic opportunity and mobility are focused in three primary areas: North of the City of Baltimore in Baltimore County, in some areas near downtown Baltimore and in areas of Howard and Anne Arundel counties southwest of the City.
- The region's healthiest neighborhoods are almost entirely outside of the City of Baltimore. Large clusters of healthy neighborhoods exist in all of the outlying counties.
- The distribution of educational opportunity is heavily skewed toward suburban counties. All of the census tracts falling into the "very low" category of educational opportunity fall within the City.
- Ultimately, judging by the composite index, high-opportunity census tracts are concentrated in suburban counties. While the City is the primary location of census tracts with "very low" opportunity, "very high" opportunity tracts are clustered in northern Anne Arundel County, central Baltimore County, southern Harford County and southern Howard County.

Powell additionally found that Black households are segregated disproportionately into low-opportunity areas and that affordable housing is deficient in high-opportunity areas. In making recommendations for the *Thompson* remedy, he concluded:

- The remedy must be sensitive to opportunity and to the importance of location in determining access to opportunity.
- The remedy must be regional.
- The remedy must be conscious of race, due to the nature of the violation and HUD's fair housing duties and the realities of the housing market.
- The remedy should not force the dispersal of public housing residents who wish to remain in their present location.
- The remedy must be driven by the goals of desegregation and opportunity access.
- The remedy should make use of the variety of tools available to HUD, such as vouchers and new unit production.

g. PRRAC/BRHC Evaluation of Baltimore Housing Mobility Program

In October 2009, the Poverty Race Research and Action Council (PRRAC) and the Baltimore Regional Housing Campaign (BRHC) published a progress report on a specialized regional voucher mobility initiative that was designed as a partial remedy in the settlement of *Thompson v. HUD*. The Baltimore Mobility Program is currently administered by Metropolitan Baltimore Quadel under contract with the Housing Authority of Baltimore City and under the oversight of HUD and the Maryland ACLU. In the first six years following its launch in 2003, the program moved 1,522 families to low-poverty, racially integrated City and suburban neighborhoods.

The program assists current and former public housing families and those on the waiting list for public housing to locate and secure housing opportunities in low-poverty, predominantly White neighborhoods. Families who meet eligibility criteria and enroll in the program receive financial and budgeting education, tours through high-opportunity neighborhoods and personal counseling to find and move into private-market housing. The Housing Choice Vouchers administered through the program can be used anywhere in the Baltimore region, but they are specifically targeted to areas where less than 10% of residents live in poverty, where less than 30% are racial minorities and where less than 5% of all housing units are HUD-owned or HUD-assisted. Following their affirmative move, families in the program receive at least two years of counseling to help them adjust to their new communities, in addition to employment and transportation assistance. This ensures that participants can access the employment opportunities in suburban areas that may not be well connected to the region's public transit system. MBQ further expands the geography of opportunity to voucher holders by marketing the program to landlords and monitoring the placement locations of participating families.

The 2009 evaluation deemed the program's early results to be promising, "proving that poor African-American families are able and willing to make it beyond the confines of traditional public housing neighborhoods and that low-poverty and predominantly White neighborhoods are able and willing to enfold the new families into the fabric of the community."¹⁹

The program is strongly results-oriented, so the preponderance of quantitative measures testifying to its success is perhaps not surprising. The evaluation cites MBQ administrative and demographic data, a 2007 ACLU survey of participants who had lived in new

¹⁹ Engdahl, Laura. "New Homes, New Neighborhoods, New Schools: A Progress Report on the Baltimore Housing Mobility Program." Poverty and Race Research Action Council and the Baltimore Regional Housing Campaign, October 2009. Available at prrac.org/projects/baltimore.php

neighborhoods for at least 14 months and a 2008 ACLU survey of recent first-time movers in the program. Results from all three sources indicate that the impact of the program in its first six years was substantial, both in the number of families assisted and in the degree to which participating families experienced a better quality of life. Specifically, according to selected statistics from the evaluation:

- Of the 1,522 families that moved to low-poverty, racially integrated neighborhoods, 88% moved from inner-city Baltimore to suburban counties. Neighborhoods moved from were 80% Black and 33% poor, while neighborhoods moved to were 21% Black and 7.5% poor.
- In schools in the new neighborhoods, an average of 33% of students are eligible for free or reduced lunch, compared with 83% in the original neighborhood schools of participant families. Roughly nine in 10 settled parents said that their children appeared to be learning better or much better in their new schools.
- After moving, 80% of participants said that they felt safer, more peaceful and less stressed. Nearly 40% said they felt healthier.
- Most participant families who were eligible to move from their initial unit (62%) chose to stay. Of those who chose to move again, only 19% moved from the suburbs back to the City. Families who made a second move went to neighborhoods that were less segregated and significantly less poor than the areas where they lived before joining the program.

The evaluation draws a conclusion that is inevitable, based on the strength of the program's results: The early successes of the Baltimore Housing Mobility Program elevate it as a model for using vouchers to connect disadvantage minority families to the opportunities available in resource-rich low-poverty neighborhoods.

h. Moving to Opportunity

The City of Baltimore was among five U.S. cities selected by HUD to participate in Moving to Opportunity, a long-term research demonstration project initiated in the mid-1990s. The program randomly selected experimental groups of households with children and provided them with housing counseling and vouchers that required them to move to low-poverty neighborhoods. HUD's premise was to determine the extent to which moving poor families out of poverty-concentrated neighborhoods would increase their life chances. The experimental design for Moving to Opportunity was heavily influenced by the *Gautreaux* initiative in Chicago, a court-ordered remedy for

racial segregation in that city's public housing program. In the *Gautreaux* remedy, low-income Black families experienced positive employment and education outcomes after being relocated to predominantly White neighborhoods in the city and its suburbs.

Moving to Opportunity was a longitudinal study to gauge outcomes on three groups: the experimental group, which received Housing Choice Vouchers that they could use only in census tracts with less than 10% poverty, a Section 8 comparison group that received vouchers with no restrictions or counseling, and an in-place control group, which continued to receive project-based assistance. In Baltimore, the experimental group included 252 households.²⁰

According to updates presented at the National Conference on Assisted Housing Mobility in June 2010, final evaluation is still underway to determine the program's results. However, HUD has supported research on Moving to Opportunity that has produced the following initial conclusions:

- Families in the experimental group did not move far. Their new neighborhoods were the worst of the best – while poverty levels were lower than in their original neighborhoods, as the program required, the new neighborhoods were still areas of racial minority concentration and were more likely to be central-city areas with rising poverty. Of the 300-plus eligible low-poverty tracts where participants across all of the test cities could move, they moved to only 44 different tracts, most of which were in decline.
- That phenomenon could be due to a variety of decision constraints, ranging from structural (discrimination, lack of available housing or employment) to family experience (strong social connections in limited areas) or simply the complications of life in poverty (domestic violence, low-wage work, health problems, depression).
- Safety was a primary motivating factor for those who participated in the program. Participants experienced large gains in neighborhood safety and physical/mental health. Anxiety, depression and obesity, which are all barriers to employment, were decreased.
- Gains in school quality were limited, and there was no evidence of gains in learning. This is possibly due to many participants having stayed in central city neighborhoods.

²⁰ Shroder, Mark, HUD Office of Policy Department and Research. "Moving to Opportunity: An Experiment in Social and Geographic Mobility." *Cityscape*, Vol 5, No. 2, 2001.

OBSERVATION: Overall, the evaluation of housing mobility programs has demonstrated successes achieved by moving people out of high-poverty areas and into resource-rich, low-poverty neighborhoods. The results of such programs must be the foundational basis for any regional fair housing initiatives undertaken in the Baltimore region.

i. 2002 Regional Fair Housing Action Plan

In Fall 2001, following up on HUD and local government concerns that few of the action steps identified in the 1996 Analysis of Impediments to Fair Housing Choice in the Baltimore Metropolitan Area had been implemented, the Baltimore Metropolitan Council convened the six participating entitlement jurisdictions (the cities of Annapolis and Baltimore, along with Anne Arundel, Baltimore, Harford and Howard counties) to address the regional plans and the lack of initiative in implementing strategies to eliminate the identified impediments. During a series of meetings, jurisdictions expressed several objections to the methodology and recommendations of the 1996 AI, arguing that the report's conclusions were based on national trends rather than local data, and that the AI recommended actions beyond the scope of local government. In moving forward with a regional plan to address impediments within their control, the participants requested technical assistance from HUD, which selected the Maryland Center for Community Development to assist in the composition of a revised regional action plan for fair housing.

The resulting 12-page document was the 2002 Baltimore Regional Fair Housing Action Plan (FHAP), intended to amend the 1996 AI. It focuses on subject areas that the jurisdictions agreed were regional in nature and within the local government realm of expertise and control: assisted housing, mortgage lending, home sales/rental practices and homeowner's insurance. Summaries of the actions agreed upon in each action area by the participating entitlement communities are as follows.

1. Assisted Housing

Acknowledging a lack of universal Section 8 Housing Choice Voucher acceptance and a highly competitive market for voucher holders in search of housing, the AI jurisdictions planned to a) improve the market attractiveness of the Section 8 programs, b) improve the administration of the Section 8 program; and c) provide training for voucher holders.

Specifically:

- The jurisdictions agreed to share the cost of hiring Baltimore Metropolitan Council to conduct research on rental housing data to determine if adjustments should be made to fair market rents (FMRs) to remove barriers to housing opportunities. The jurisdictions planned to use the outcome of the research to work with HUD to adjust FMRs accordingly. (July 2002 to January 2003)
- To improve the negative public perception of the Section 8 program, the jurisdictions planned to coordinate regional landlord outreach activities by hiring an outside contractor. The FHAP envisions a multi-year education and outreach campaign designed to frame affordable housing as an economic development issue centered on working families. (Summer 2002 to Fall 2004)
- The jurisdictions planned to improve regional administration of the voucher program by reducing bureaucratic barriers for private landlords (July to December 2002) and by standardizing program information across the region. (December 2002 to July 2003)
- To provide training for tenants, the jurisdictions planned to contract with an outside agency, which would provide standardized education on consumer issues and tenant rights and responsibilities regionwide. (No timeline)

2. Homeowner's Insurance

The participating jurisdictions agreed that discrimination in the market for homeowner's insurance was a serious issue worth addressing, though the local governments had limited direct experience in handling this type of problem. The FHAP strategy is to increase awareness of the impact of homeowner's insurance practices on minority homebuyers by hosting an educational workshop. (Fall 2002 to Spring 2003)

3. Mortgage Lending

Similarly, the jurisdictions recognized the continued existence of discrimination in the mortgage lending market, though they determined that more discussions were needed to determine appropriate strategies to address the issue on a regional basis. The

FHAP has a stated goal to expand conventional mortgage lending to low-income households and racial and ethnic minorities at all income levels.

As possible avenues for future collective action, the FHAP suggests:

- Conducting regional outreach to promote the use of housing counseling among homebuyers
- Contracting for regional mortgage lending testing to determine the extent of existing discrimination
- Applying as a regional group for funding and education under HUD's Fair Housing Initiatives Program, which would also require the establishment of a regional complaint and referral process

4. Sales and Rental Practices

The jurisdictions reported "little knowledge" of discrimination in this area, but planned to determine if patterns of discrimination existed against members of the protected classes. This effort would be initiated by meetings among entitlement jurisdictions in 2002 to discuss action items, possibly to include testing for discrimination or educational programs for landlords and real estate agents.

The years that have passed since the publication of the 2002 Baltimore Regional Fair Housing Action Plan allow for long-range perspective on the intents and effects of the document. It serves as a record of the communication among participating jurisdictions in efforts to address the regional barriers to fair housing choice identified in the 1996 AI. The FHAP demonstrates a collective understanding of issues transcending local government boundaries and was produced as a result of a collective will to advance fair housing choice. At the same time, the most important regional impediment apparent in the document may be one that is not addressed by action steps – the difficulty that individual jurisdictions face in imposing regional solutions without a centralized implementation agency or leadership structure. The FHAP notes that "each jurisdiction may undertake fair housing activities on their own, but no group exists to advance regionally coordinated activities that cross jurisdictions."

This, perhaps, is the explanation for any of the action steps that remain seemingly incomplete.

V. Intergovernmental Cooperation and Coordination

The nature of intergovernmental relations in the Baltimore region as they relate to affirmatively furthering fair housing can be characterized as loosely cooperative. Organizations such as the Baltimore Regional Housing Campaign have recognized the need for meaningful multi-jurisdictional approaches to the difficult task of distributing housing opportunities fairly across the entire region, but a lack of structure uniting local governments in this task has made it nearly impossible. This is demonstrated in the region's 2002 Fair Housing Action Plan, in which the few truly coordinated efforts that were proposed to mitigate discrimination have been implemented in only limited ways or not at all.

HUD holds each jurisdiction participating in the regional AI accountable to meet fair housing standards. Without exception, the approach of each, as recorded in Comprehensive Annual Performance Evaluation Reports (CAPERs) for their respective CDBG and HOME programs, has been to pursue the solutions most readily accessible and most easily implemented through locally administered means – educational programs and outreach, most commonly.

The Baltimore Metropolitan Council is the federally recognized metropolitan planning organization that organizes elected executives from each of the AI jurisdictions. The Council was created to collaborate on strategies, plans and programs that serve regional interests, but it has never served as a vehicle for the implementation of regional housing policy. Instead, it addresses such practical concerns as cooperative purchasing, computer mapping and the allocation of federal transportation spending. The Council served as the facilitating agency for the most recent AI, completed in 1996, and followed up with the production of the Fair Housing Action Plan in 2002. Though the Council provided a forum for discussion among jurisdictions, the task of addressing impediments to fair housing choice was ultimately left to each individual local government.

The region's enduring segregation and the limitations to fair housing choice identified in this document make the case that more meaningful steps are needed. Achieving better fair housing outcomes across the Baltimore region would not require a large increase in spending for any jurisdiction, but better planning, a higher degree of consistency and a genuinely dedicated commitment to meaningful progress by all.

One example is the way in which Section 8 Housing Choice Vouchers are administered. The City of Baltimore and the four contiguous counties participating in the AI each operate a separate voucher program. Each program has its own set of policies and procedures, including preferences for admission, payment standards for persons with disabilities or locations outside of concentrated areas, and portability of vouchers to other jurisdictions. Due to the close proximity of the five jurisdictions and the close interconnections between housing, employment and transportation, the residents of the region could greatly benefit from a regional Section 8 program. That is, one administering entity for the five Section 8 programs currently in place in greater Baltimore.

Such an endeavor would require a great deal of re-organization and collaboration, but the benefits to the potential end-users of the program would outweigh the initial costs. Ideally, there would be one set of policies and procedures for the program, which would be administered for the entire region. While there may be one intake office located in each jurisdiction, there would be a single set of rules and regulations, including portability requirements that would enable applicants to move around the region without any artificial barriers based on municipal boundaries. Such a system would affirmatively further fair housing for the multitude of members of the protected classes who rely on Section 8 vouchers for housing choice.

Similar approaches are recommended in the Fair Housing Action Plan of this AI to improve other policy areas. In total, they represent a shift in the mindset of participating jurisdictions to collectively implement means of expanding housing choice.

OBSERVATION: A regional Section 8 Housing Choice Voucher Program in the Baltimore area would expand fair housing choice for low-income minorities, in particular Black households, whose current housing opportunities are restricted to the urban core of the City of Baltimore. With better housing and education opportunities available in the suburban counties, as well as the majority of projected employment growth, to not regionalize the Section 8 program would perpetuate the long-established residential segregation patterns. This inaction, in and of itself, would be discriminatory.

VI. Fair Housing Advocacy Organizations

In the absence of substantive fair housing action at the regional level, the work of fair housing advocacy organizations has become critically important to creating new housing opportunities for members of the protected classes in and around Baltimore.

In particular, the Baltimore Regional Housing Campaign advocates for the alignment of public policies and private investments to overcome racial and economic segregation and promote the right and means of all families to live in opportunity-rich, low-poverty areas with high-performing schools and economic prosperity. The Campaign involves the Greater Baltimore Urban League, the Innovative Housing Institute, BRIDGE, ACLU of Maryland, the Poverty and Race Research Action Council (PRRAC) and the Citizens Planning and Housing Association. The group's work has included advocacy for land use policies that increase housing choice for low-income families, facilitating investment that creates affordable housing in high-opportunity communities, working to eliminate impediments to fair housing and building regional support for mixed-income communities and housing mobility programs. Through such actions, the

Campaign serves a watchdog function that has been essential to the progress made in the Baltimore region to affirmatively further fair housing.

The Campaign's component advocacy organizations have worked in similar roles, evaluating the policy direction of local governments and driving changes that eliminate impediments to housing choice. Legal Aid, in addition to the aforementioned agencies, has influenced housing policy discussions.

Testing for fair housing discrimination in the private market in the greater Baltimore region has been the responsibility of Baltimore Neighborhoods, Inc., which contracts with entitlement communities to provide this service as well as education and outreach. Other organizations providing education and outreach include the Greater Baltimore Community Housing Resource Board and the Maryland Disability Law Center.

Residents who experience housing discrimination can report it to a variety of public and non-profit agencies, including the Baltimore City Community Relations Commission, the Baltimore County Human Relations Commission, the Anne Arundel County Human Relations Commission, the Howard County Office of Human Rights, the Maryland Disability Law Center, HUD FHEO and Baltimore Neighborhoods, Inc. All of these organizations provide complaint intake, investigation, mediation and referral, and some are additionally empowered to enforce anti-discrimination laws.

OBSERVATION: There is an overlap of services provided within the fair housing advocacy industry in the Baltimore region. While Baltimore Neighborhoods, Inc. is the only organization that provides paired testing services, several advocacy organizations provide outreach and education services. Another category of advocacy organizations serves a fair housing watchdog function (i.e., ACLU, Legal Aid, etc.). Generally speaking, there is little communication and collaboration within the industry. Some advocates compete against one another for scarce CDBG funds to support their operations. Some advocacy organizations are struggling for their very financial survival. This competitive climate detracts from the region's ability to address fair housing impediments. All of this suggests the need for a streamlined and more highly organized framework for the delivery of fair housing services to the region.

VII. State of Maryland Qualified Allocation Plan

The Qualified Allocation Plan (QAP) is a public policy that establishes the Maryland Department of Housing and Community Development's priorities for rental housing initiatives financed in part with equity from the sale of Low Income Housing Tax Credits. Each year, the QAP must be approved by the Governor of the State of Maryland before credits can be awarded by the DHCD. The latest QAP, approved in late January 2011, includes changes from the 2010 QAP.

Because the competition for tax credits is robust, tax credit developers design their rental housing projects to achieve maximum scoring under DHCD's scoring categories. The QAP has a major impact on what populations are served, the types of projects that will be undertaken (i.e., new construction or rehabilitation of existing dwellings) and, indirectly, where rental housing is built or rehabilitated.

In a recent federal fair housing case, *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs* (N.D. Tex. 2010), the Texas QAP was challenged by a local affordable housing advocate. The Department of Housing and Community Affairs is the housing finance agency for the State of Texas. The lawsuit alleged that TDHCA disproportionately approved tax credits for low-income housing in minority neighborhoods and denied applications for family tax credit housing in predominantly Caucasian neighborhoods. The plaintiff alleged that TDHCA's policy in awarding credits perpetuated racial segregation in violation of the FHA. TDC argued that it prioritized tax credit applications for projects located in QCTs in accordance with Section 42 and that as such, it was unavoidable that tax credit projects would be located in concentrated minority neighborhoods rather than Caucasian neighborhoods. TDHCA submitted a motion for summary judgment (i.e., dismissal of the case). On September 28, 2010, Judge Fitzwater denied TDHCA's motion and affirmed the plaintiff's standing to sue. This case is now headed to trial. It is within this context that DHCD's QAP plays a critical role in the fair housing landscape across the Baltimore region.

When a draft of the 2011 Maryland QAP was originally released for public review in late 2010, the Baltimore Regional Housing Campaign (BRHC) responded to DHCD with comments indicating that the QAP is out of compliance with DHCD's federal obligation to affirmatively further fair housing. Particularly:

- BRHC noted that a threshold requirement for local government support was carried from the 2010 QAP into the new edition. This "exclusionary tool," as it is labeled in the comments, allows a community that is hostile to affordable housing for lower-income families to block proposed projects. Local governments may withhold approval for projects without stating a justification. The result is that developers opt out of developing family housing in areas known for resistance to lower-income housing, choosing instead to concentrate efforts on elderly housing or other locations known to

accept lower-income housing. This presents an impediment to fair housing choice by substantially narrowing the types and locations of neighborhoods where affordable family housing is likely to be developed.

- The definition of “elderly” changed from 62 years of age in the 2010 QAP to 55 in the 2011 QAP. BRHC noted that this seemingly arbitrary change will have the effect of expanding the market of people who qualify for elderly housing, thereby allowing developers to demonstrate demand for such projects in areas where they already exist. Noting that Maryland’s LIHTC program already produces far more elderly housing projects than family projects, BRHC argued that incentivizing the development of more elderly units would be counterproductive to fair housing aims.
- In an effort to incentivize the spread of affordable housing into areas of opportunity, thereby mitigating economic and racial segregation, the 2011 QAP awards five points to applications for projects with “above average” indicators of opportunity. BRHC argued that five points out of a total of 305 is inadequate, and that DHCD should award 10 points, along with other considerations, for projects meeting that criterion.
- Finally, the 2011 QAP eliminates the award of five points to applications for projects that serve applicants on public housing authority waiting lists. Citing the shrinking inventory of public housing properties across the state and the growing length of waiting lists for public housing, BRHC urged DHCD to retain a priority for projects addressing the population waiting for public housing. Additionally, BRHC suggested that the state require LIHTC developers to conduct more robust affirmative marketing efforts to reach this population, which consists disproportionately of members of the protected classes.

OBSERVATION: Tax-credit housing projects across the Baltimore region are strongly influenced by the state’s allocation policy for tax credits, the Qualified Allocation Plan. The current iteration of this document presents multiple policy impediments to fair housing choice.

9. REGIONAL IMPEDIMENTS TO FAIR HOUSING CHOICE

Regional impediments are those barriers that are multi-jurisdictional in nature and that limit fair housing choice for members of the protected classes. The purpose of this section of the AI is to encourage local officials to think and act regionally to overcome impediments that transcend individual HUD entitlement jurisdictions or otherwise offer opportunities to achieve efficiencies in housing production or the delivery of fair housing services.

1. **The Baltimore Regional Fair Housing Group (“the Group”) is an underutilized asset.** The Group is an informal affiliation of HUD entitlement communities in the Baltimore Metropolitan Area. In concept, the Group is a valuable mechanism for intergovernmental cooperation on matters pertaining to housing and community development. Members of the Group (including Baltimore City, Baltimore County, Howard County and Harford County) collaborated to conduct this regional AI in 2009. Anne Arundel County later joined in the AI initiative. The motivation for conducting the AI on a regional scale was to define a fair housing strategy wherein each entitlement jurisdiction would play a role in affirmatively further fair housing in the Baltimore Metropolitan Area. Fair housing-related legal actions in the Baltimore area during the past 15 years envision a regional approach to the deconcentration of poverty in the City of Baltimore. Furthermore, there are certain fair housing activities such as education, outreach, testing and enforcement that can be conducted more efficiently at the regional level. While the Group has taken an important step in conducting a regional AI, it has not yet realized its full potential as an important organizational facilitator for positive change.
2. **There is a lack of adequate public transportation connecting the urban core of Baltimore City with the suburban employment centers in the surrounding counties.** For example, Anne Arundel County has only two bus routes (Ritchie Highway corridor and Riviera Beach), and there is a relative absence of fixed-route service to BWI airport. Route-planning decisions made by the Maryland Transit Administration are ostensibly based on balancing need with available resources, but the pattern of areas served and underserved suggests that the process is not without political influence. Gaps in the existing transportation network exacerbate the intractable concentrations of poverty in the City.
3. **There are no requirements in the Smart Sites nomination form pertaining specifically to affordable housing.** Through the Smart Sites program, high-impact smart growth initiatives can attain project-based designation that facilitates agency coordination and the targeting of resources. In its nomination form, the State provides additional points to developers seeking low income housing tax credits for projects located in a Transit Oriented Development (“TOD”) Zone, but does not require that jurisdictions submitting sites for TOD

designation include a strategy to ensure that there is a range of housing opportunities available.

4. Section 8 Housing Choice Vouchers are one of the most effective means of deconcentrating poverty in the Baltimore metropolitan area. **However, the Section 8 program faces impediments, as follow:**
 - a. The program is administered by separate agencies that maintain unique sets of administrative requirements and procedures, an arrangement that complicates porting for voucher holders who wish to move among local jurisdictions. The administration of portability in each jurisdiction should be coordinated to achieve maximum consistency with other housing authorities across the region, which would have the effect of opening more doors to voucher holders.
 - b. The lack of a state law prohibiting discrimination on the basis of a person's source of income means that effectively, landlords in localities that do not offer this protection may lawfully deny housing to voucher holders. Currently, only Howard County has a law that prohibits discrimination based on source of income. New fair housing legislation is needed throughout the region that adds source of income as a protected class. Bills prohibiting discrimination based on source of income have been considered by the State legislature over the past few years. Although they have not been enacted, the support for this legislation has grown. There is a need for the entitlement jurisdictions to work together on the enactment of such a law.
 - c. Voucher payment standards are insufficient to afford units in numerous areas of the region, and significant federal cutbacks in the resources available to the Section 8 program have made raising payment standards unrealistic. Ideally, payment standards would be increased for persons with disabilities and other members of the protected classes who wish to make affirmative moves from impacted neighborhoods to higher-cost, non-impacted neighborhoods. Funding limitations make this prospect currently impossible.
5. **Segregated housing patterns in the region are reinforced by a provision in Maryland's Qualified Allocation Plan that requires local government to approve and contribute to tax credit projects.** This policy increases the likelihood that proposed tax credit projects will be resisted by NIMBYists or through political intervention.

6. **Fair housing training as a component of real estate agent continuing education is lacking.** Training is limited to a discussion of federal fair housing law. There is little or no required training for real estate agents relative to state fair housing law or the provisions of local fair housing laws. Several fair housing trainers across the state provide fair housing training services, but the quality and depth of the training varies considerably depending on the entity that is providing the training.
7. **The results of paired testing conducted in Baltimore City, Baltimore County and Harford County indicate that housing discrimination continues to exist, at least in these jurisdictions.** While some forms of discrimination may be intentional, other acts of discrimination reflect a lack of knowledge and understanding on the part of landlords. There is a need for expanded fair housing training and routine continuing education for landlords, apartment management staff, condominium associations and homeowner associations.
8. **Budgetary, practical and legal considerations have made it difficult to maintain existing public and affordable housing and create new units.** More than 90% of all public housing units across the region are owned and operated by the Housing Authority of the City of Baltimore (HABC), which houses more than 20,000 residents in 10,000 housing units. Many of HABC's units are non-viable and obsolete, yet resources do not exist that would allow the Authority to replace units at the rate at which they are lost from the inventory. The reduction in the number of public and assisted housing units often reduces the number of hard units available to low-income persons across the region, many of whom are members of the protected classes.
9. **A lack of affordable, accessible units is an impediment to persons with mobility disabilities.** During the development of this AI, advocates reported an undersupply of affordable units accessible to persons with disabilities. However, it was beyond the scope of this report to determine whether and the extent to which there is an unmet need for accessible housing. Additional research is needed throughout the region to define the unmet need for accessible and visitable housing. This information will aid PHAs and other agencies in their Section 504 planning responsibilities and will guide public agencies in determining the appropriate number of accessible units to demand of developers receiving public funds.
10. **Tax credit equity investors lack an appetite for scattered site projects.** This eliminates an opportunity to acquire abandoned and foreclosed properties for the creation of affordable family rental housing. Participating jurisdictions should advocate that Maryland's QAP be amended to more effectively incentivize scattered site tax credit housing in the Baltimore area.

11. **Due to the varying methods among participating jurisdictions of responding to fair housing complaints and enforcing local fair housing statutes, there is the potential for confusion among residents as to which rights and procedures apply in which areas.** The Maryland Commission on Civil Rights serves as a regional agency to enforce both state and federal fair housing laws, but local provisions vary. It would be helpful for housing consumers to be educated on local, state and federal fair housing laws and enforcement procedures.
12. Without exception, PHAs and local CDBG/HOME administrators interviewed during the AI expressed a commitment to comply with HUD's expectations with regard to affirmatively furthering fair housing (AFFH). **However, the participation of elected officials and the strengthening of political will are key to the implementation of fair housing strategies.** It is important that City and county elected officials fully understand and respect HUD's mandate to AFFH, a task HUD delegates to recipients of the federal funds it administers. Elected leaders in the Baltimore region would benefit from an educational effort aimed at expanding knowledge and awareness of HUD's expectations on the part of elected officials. An education effort may also facilitate meaningful participation among elected leaders in the regional fair housing discussion and taking steps to AFFH in the Baltimore region.

10. REGIONAL FAIR HOUSING ACTION PLAN

This section of the AI identifies specific actions that can be taken to ameliorate regional impediments to fair housing choice.

a. Actions to preserve the supply of affordable rental housing for families:

- i. On a regional basis, support a replacement policy that encourages the region to work together to:
 - 1. Preserve the number of affordable housing units available by replacing vacant units or creating equivalent units in opportunity areas whenever economically feasible, and/or
 - 2. Provide housing choice vouchers, subject to funding availability, relocation assistance and mobility counseling for displaced families within the region.

b. Actions to expand the supply of affordable rental housing for families in opportunity areas:

- i. Encourage the State of Maryland to revise its QAP and other vehicles for affordable housing to:
 - 1. Create a setaside for tax credit projects in opportunity areas of the Baltimore region
 - 2. Give preference to family units in opportunity neighborhoods
 - 3. Eliminate local approval requirements, and
 - 4. Create incentives for scattered site tax credit projects.

c. Actions to educate elected officials on affirmatively furthering fair housing:

- i. Work with HUD, the Maryland Commission on Civil Rights, BMC or all three to conduct AFFH workshops for the elected officials of the participating jurisdictions.

d. Actions to expand the supply of accessible and affordable housing:

- i. Determine the unmet need for affordable, accessible housing for persons with mobility impairments in the Baltimore Metropolitan Area.
- ii. Take steps to address the identified unmet need for affordable, accessible housing for persons with mobility or sensory impairments in the Baltimore Metropolitan Area, which may include increasing the percentage of newly constructed rental housing units that must be made accessible for wheelchair users

in accordance with the governing standards in place, and/or requiring that some percentage of newly constructed residential units meet universal design standards.

- iii. Sponsor informational and education sessions for those local jurisdictions in the region that do not have inclusionary zoning laws. The sessions would focus on using such legislation to require that a percentage of all newly constructed housing units be affordable to low and moderate income households, and on tools that may be used as incentives to create affordable housing, such as public infrastructure subsidies, density bonuses and tax increment financing..
- iv. Convene a meeting with the State of Maryland Department of Housing and Community Development, which already maintains a database of apartments and identifies units that are wheelchair accessible, to discuss steps that may be taken that will result in more landlords listing their units in the State database, especially landlords with units that are accessible or have accessible features. Such steps may include, but not be limited to, conducting regional outreach and education to property managers on the importance of submitting information regarding accessible units to the database. Explore how the database may be improved and/or linked to services like *socialservice.com*.

e. Organizational strategies for inter-jurisdictional cooperation and collaboration relative to fair housing:

- i. Formalize the regional efforts to address fair housing issues through a formal memorandum of understanding (“MOU”), entered into by Anne Arundel, Baltimore, Harford and Howard Counties and Baltimore City (the “Baltimore Regional Fair Housing Group” or the “Group”). Pursuant to the MOU, each jurisdiction would address the regional issues by committing staff time to meet on a regular basis and financial resources, as available, such as local entitlement funds, competitive FHIP funds, and Sustainable Communities Initiative planning funds to carry out regional actions to address fair housing impediments. Funds received would be made available for uniform fair housing testing, education and outreach throughout the region.
- ii. The Baltimore Regional Fair Housing Group will set goals each year and establish a schedule, which prioritizes the action steps recommended under this plan and articulates the scope of work and expected outcomes for each action. The Group’s regional

accomplishments will be reported in each participating jurisdiction's CAPER.

- iii. The Baltimore Regional Fair Housing Group will work to establish routine interaction and cooperation among the Baltimore Metropolitan Council ("BMC"), fair housing advocates, the entity implementing the mobility program established pursuant to the *Thompson* partial consent decree, transportation agencies, planning and zoning officials and other interested parties regarding the implementation of the regional AI.
- iv. Examine the Section 8 porting procedures of each jurisdiction and, to the extent they are inconsistent, make them consistent. Work with HUD to convene a meeting to discuss porting procedures and regional cooperation. Request additional financial assistance from HUD to allow jurisdictions to implement increased payment standards to encourage moves to opportunity areas. If HUD provides the requested financial assistance, implement the increased payment standards.

f. Actions to encourage the inclusion of public transportation in opportunity areas of the region:

- i. Encourage entities engaged in transportation planning to involve housing agencies, housing advocates and developers of affordable housing in their planning and policy development processes, including obtaining their comments on specific programs, initiatives and policies released by local, state and federal transportation agencies and on funding strategies.
- ii. Encourage coordination between transportation and housing agencies to more effectively align housing and transportation investments and resources and to reflect both state and federal policies that are requiring more integrated approaches to community revitalization and development.
- iii. Encourage MTA to create a bus line that circles the Baltimore beltway and includes multiple stops.
- iv. Encourage MTA to review public transportation routes to ensure that:
 - 1. Service is provided between residential opportunity areas and areas of employment opportunity and job growth for both first shift and second shift workers

2. Service is provided between affordable housing resources and areas of employment opportunity and job growth for both first shift and second shift workers
 3. Service is provided between residential opportunity areas and educational institutions and health care facilities, and
 4. The various transportation systems are connected in order for riders to move easily from one system to another.
- iv. Encourage the State to include affordable housing as part of the requirements at sites designated as either a Smart Site or Transit Oriented Development (TOD) site.
- vi. Pursue HUD and MD-DHCD Sustainable Communities opportunities, which will include:
1. Working with BMC on responding to Sustainable Communities NOFAs, and
 2. Seeking funds to create a regional housing strategy, which would include funds for staff and a study to develop regional funding mechanisms.

g. Legislative actions

- i. Advocate for the adoption of a statewide law that would include source of income as a class protected from discrimination.

h. Education and Outreach

- i. Continue to hold routine regional education events on fair housing issues, especially as a means by which to educate housing professionals on relevant fair housing issues.
- ii. Develop a brochure, to be distributed regionally and placed on each jurisdiction's website, and a training program to educate multi-family property managers and landlords, especially those that operate in multiple jurisdictions, and real estate agents on the different fair housing ordinances and their applicability across the region. Use the Howard County training package and agreement with the Howard County Association of Realtors as a model.

11. SIGNATURE PAGE FOR PARTICIPATING JURISDICTIONS

By my signature, I certify that the Analysis of Impediments to Fair Housing Choice for the Baltimore region is in compliance with the intent and directives of the regulations of the Community Development Block Grant program.

Anne Arundel County

(Signature of Authorizing Official) (Date)

Baltimore County

(Signature of Authorizing Official) (Date)

City of Baltimore

(Signature of Authorizing Official) (Date)

Harford County

(Signature of Authorizing Official) (Date)

Howard County

(Signature of Authorizing Official) (Date)