

# PRINCE WILLIAM COUNTY

## 2015-2020 FAIR HOUSING PLAN

BASED ON THE 2014 ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE



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## EXECUTIVE SUMMARY

Fair housing is not simply a responsibility under state and federal law; it is a moral obligation and a matter of sound public policy. No community can reach its full potential if some residents are excluded from the housing market. Numerous studies clearly show the relationship between housing and education, jobs, transportation, and the ability to build wealth. When housing choices are limited by practices and policies that are discriminatory in their intent or impact, individuals, families, and communities are denied the ability to reach their full potential.

As an entitlement jurisdiction and recipient of Community Development Block Grant (CDBG) funds, Prince William County is obligated to identify, analyze, and ameliorate impediments to fair housing choice that exist within its political boundaries. Prince William County completed an Analysis of Impediments to Fair Housing Choice (AI) which analyzes and identifies impediments to fair housing choice and includes a variety of suggested approaches to address these impediments. This plan seeks to outline a more specific approach in addressing the greatest fair housing needs and priorities with available resources.

The 2014 Prince William area AI identified five broad impediments:

1. Housing affordability
2. Overlapping areas of racially and ethnically concentrated poverty, segregation, and limited access to community assets
3. Lower-income Latino and Asian households demonstrate greater housing needs
4. Discrimination in the provision of housing
5. Lending practices limit the access of African-American and Latino households to credit

Using a methodology to rank impediments based on their breadth of impact, capacity to address, time required, and resources required, each impediment was given a priority score. Those impediments with the highest score are those that the County will most rigorously work to overcome. However, it should be noted that a low ranking does not infer that the impediment is not relevant or that the County will not take steps to address it.

The impediments in order of priority ranking are:

1. Disproportionate housing needs
2. Housing discrimination
3. Housing affordability
4. Lending practices
5. Spatial concentrations of poverty, race, ethnicity and limited resources

The objectives for each priority consist of specific actions, complete with timeline, funding resources, and entities responsible for action, for the County to undertake. Strategies were developed with extensive input from the Prince William County Office of Housing and Community Development and reflect a commitment to ensuring that all residents of the County have access to housing free from discrimination.

## BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) administers a number of grant programs to help local governments provide decent, affordable housing, expand economic opportunities, and develop community assets. These programs are intended to serve low to moderate income households, persons experiencing homelessness, individuals living with HIV/AIDS, and communities experiencing blight.

Communities that meet any of the following characteristics are considered “entitlement communities” and are eligible to receive annual funding directly from HUD:

- Principal cities of Metropolitan Statistical Areas (e.g., Washington, D.C.);
- Other metropolitan cities with populations of at least 50,000 (e.g., Alexandria, Virginia); or
- Qualified urban counties with populations of at least 200,000 (e.g., Prince William County).

Entitlement communities that choose to participate in any of the entitlement grant programs must, as a condition of receiving funding, certify that they are affirmatively furthering fair housing (AFFH) in all of their housing-related activities, grant-funded or not.

HUD has outlined the objectives of AFFH as:

- The elimination of housing discrimination in the jurisdiction;
- The promotion fair housing choice for all persons;
- The provision of opportunities for racially and ethnically inclusive patterns of housing occupancy;
- The promotion of housing that is physically accessible to, and usable by, all persons, particularly persons with disabilities; and
- fostering compliance with the nondiscrimination provisions of the Fair Housing Act.<sup>1</sup>

AFFH certification requires grant recipients identify, analyze, and ameliorate impediments to fair housing choice that exist in their communities. A grantee that certifies it is affirmatively furthering fair housing is stating it has undertaken fair housing planning through the following steps:

- an analysis of impediments to fair housing choice;
- actions to address any identified impediments; and
- the maintenance of records documenting the analysis and subsequent actions.

The Fair Housing Plan represents the strategic incorporation of the AI into the goals of Prince William County. An AI broadly reviews the state of fair housing choice – the ability of individuals and families to access safe, quality housing in all neighborhoods – throughout the Prince William area. Impediments and barriers to fair housing choice can be blatant, but just as often those barriers are difficult to trace back to a single cause or origin. The fair housing plan seeks to move from identifying barriers to addressing their impacts and, when possible, eliminating them.

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<sup>1</sup> Fair Housing Planning Guide; U.S. Dept. of Housing and Urban Development, Office of Fair Housing and Equal Opportunity; 1996.

In creating a forward-looking strategy, resources and time are important factors. There are simply insufficient resources, both in terms of financial and human capital, to eliminate all impediments to fair housing choice by 2020. Moreover, many of the identified impediments to fair housing choice identified in the AI are the result of a complex array of interrelated issues that simply cannot be overcome within a single Consolidated Planning cycle. The vast majority of impediments will require prolonged effort and commitment from the County to overcome. As such, diligence was paid to prioritize impediments based on the ability of the County to devote the requisite resources as well the impact that those expenditures will return to the County in the form of reducing impediments.

## IMPEDIMENTS TO FAIR HOUSING CHOICE

The 2014 Prince William area AI identified five broad impediments:

1. Housing affordability
2. Overlapping areas of racially and ethnically concentrated poverty, segregation, and limited access to community assets
3. Lower-income Latino and Asian households demonstrate greater housing needs
4. Discrimination in the provision of housing
5. Lending practices limit the access of African-American and Latino households to credit

## HOUSING AFFORDABILITY

Housing costs in the Northern Virginia region are high, and within that context, the Prince William area does not stand out. However, analysis and public input indicated that the housing supply within the Prince William area does not currently meet the needs or demands of its residents.

Although much of the area's rental housing stock is considered affordable to households earning 80 percent of the area median income, the majority of those units are unaffordable to households earning at or below 50 percent of the area median. Those households at the lowest income levels constitute more than 70 percent of all low-income renter households. There are gaps between the supply of affordable housing and the number of low- to extremely low-income households, indicating that there are more low-income households than there are affordable rental units.

There is also a deficit of rental units at higher income levels, meaning the number of renter households earning at or above the median income is greater than the number of more costly rental units unaffordable at lower income levels. Higher income renter households necessarily take up at least some portion of the supply of units affordable at lower income levels. The deficit of rental units affordable only to higher income households may constrain the availability of units more affordable to lower income households.

Similar patterns appear to exist among owner-occupied households. There are deficits of housing units affordable at the highest and lowest levels of income. There is a surplus of units affordable to households earning 81 to 100 percent of the area median income.

These mismatches between the characteristics of area households – most prominent at the highest and lowest ends of affordability – create pressure on both ends of the income spectrum.

## SPATIAL OVERLAP OF RACIAL AND ETHNIC DISPARITIES

Poverty is a barrier to the mobility of many households. When poverty is disproportionately concentrated in minority communities, those groups have fewer opportunities to access educational, health, financial, and other important resources. These concentrations leave communities vulnerable to disinvestment. The limitations facing those minority communities represent a fair housing issue.

The levels of poverty throughout the Prince William area are low relative to the region. The poverty threshold for an RCAP or ECAP is 19.4 percent. Five census tracts have poverty rates above that threshold, ranging from rates of 21.3 to 26.0 percent. Within these tracts, 13 of the 16 total block groups have minority populations of at least 50 percent, forming four distinct clusters. Taken as a whole, these RCAPs and ECAPs are 49 percent Latino, 24 percent White, 21 percent African-American, and 3 percent Asian. Though the Prince William area is home to many of the region's more racially and ethnically integrated neighborhoods, the more segregated areas within the Prince William area are spatially proximate to RCAPs and ECAPs.

Community assets such as public transportation and supermarkets are often an important factor in choosing where to live. Limited access to those resources – spatial distance that's exacerbated by concentrated poverty – also limits housing choice. Data and spatial analysis indicates several lower-income neighborhoods have limited access to supermarkets. These neighborhoods (along the I-95 corridor, in, and around Manassas and Manassas Park) exhibit similar spatial distributions to RCAPs and ECAPs and measures of segregation.

Access to public transportation was a prominent point of discussion in public input sessions, stakeholder interviews, and survey responses. Many responses suggested some consensus that bus service in the area is useful to commuters but doesn't fully address the access problems facing neighborhoods with significant need. Respondents indicated they viewed transit service within the county as limited. Limited local bus service was seen as a contributing factor in low participation rates among vulnerable groups, particularly the Latino and homeless populations, in programs administered by the county (such as financial literacy education). Limited transportation access was viewed as a barrier to employment, particularly among those with limited access to the internet. Further, limited transit access was cited as exacerbating cultural differences in how employment is sought throughout the county, given the rapid growth of the Latino population.

## DISPROPORTIONATE HOUSING NEEDS

The safety, quality, and affordability of housing are important factors in assessing fair housing choice. Dwellings that are overcrowded, unaffordable, or missing kitchen or plumbing facilities are unlikely to fully meet the needs of households and families seeking housing. When members of a particular racial or ethnic group experience these needs at rates disproportionately higher than other groups of similar income levels, it represents a fair housing issue.

Data suggests Asian households consistently experience housing problems at a disproportionately high rate at incomes between 50 and 80 percent, 80 and 100 percent, and above 100 percent of the area

median. Latino households also experience disproportionate needs at 50 to 80 percent and above 100 percent of the AMI. African-American households between 50 and 80 percent AMI have disproportionate housing needs in the cities of Manassas and Manassas Park, but need in Prince William County is not disproportionate.

These disparities indicate that the needs of these groups are not being met, potentially due to limited resources or language barriers.

## HOUSING DISCRIMINATION

Patterns of housing discrimination complaints in both Prince William County and the City of Manassas indicate that individuals experience race- and disability-based discrimination at higher rates than other protected statuses. Approximately 13 percent of survey respondents indicated that housing discrimination remains an issue in the rental market of the Prince William area, particularly for Latinos and other minorities.

Housing discrimination remains a concern in many communities. Prince William County's Office of Human Rights is an important resource in addressing discrimination. However, the cities of Manassas and Manassas Park – both of which have higher concentrations of Latino residents – do not provide the same levels of fair housing information and assistance.

Fair housing reports and testing evidence from the Equal Rights Center found that prospective Latino renters experienced different treatment than their non-Latino counterparts when searching for rental housing. The report made no distinction between Prince William County and the cities of Manassas and Manassas Park, and it is impossible to state whether discrimination is more prevalent in one jurisdiction compared to another. Policy reactions to the significant growth of the area's Latino population over the past ten-years suggests there is room to foster a more open dialogue with the area's Latino communities. Anecdotal reports from area citizens suggested that during the years in which immigration was a primary issue, many Latinos departed the area. Those same reports indicate many of those communities have returned in the past several years. Though the most significant issues and alleged fair housing violations have been addressed, community action groups perceived as hostile to Latino communities are active and vocal. Additionally, 19 percent of survey respondents indicated that discrimination was an issue with occupancy standards and/or health and safety codes particularly with instances of overcrowding.

The number of fair housing complaints in an area does not necessarily reflect the area's level of discriminatory behavior. It does, however, reflect the capacity for individuals in an area to access fair housing resources. The incidence of complaints in Prince William County indicates that residents understand and are aware of their rights under the Fair Housing Act, that residents know where to turn for help, and that the county's Human Rights Office is a useful and important resource. The complete lack of complaints in the City of Manassas Park over a seven year period suggests that fair housing resources may not be as accessible.

Given the rapidly shifting demographic composition of the area, the findings of the Equal Rights Center report, and the results of the fair housing survey – which found that only two respondents who believed they had been discriminated against reported the incident – the number of discriminatory incidents that actually occur is most likely much higher than those incidents that are reported.

## LENDING PRACTICES

Discrimination in the private mortgage market has been a significant barrier to fair housing for close to 80 years. This discrimination has disparately prevented minorities, most significantly African-Americans, from accessing the numerous benefits derived from homeownership. Homeownership is the predominant way in which Americans build wealth and the only way that the vast majority of Americans are able to purchase a home is with a mortgage. Though the analysis in this report does not provide conclusive evidence of individual acts of discrimination, the data does show disparities in the access of loan products among minorities, particularly African-Americans and Latinos.

Significantly, from 2006 to 2012, the total number of loan applications submitted by white borrowers declined 1.5 percent, compared to -58 percent for African-Americans; -77.7 percent for Hispanics; and, -35.9 percent for Asians. Moreover, for all three types of loan products examined minority loan applicants, specifically African-Americans and Latinos, experienced higher loan denial rates and lower loan origination rates than their white counterparts regardless of income. Of particular concern is the share of the refinance loan market held by minorities; in 2006, whites accounted for 33 percent of the refinance loan market, African Americans, 18 percent, and Hispanics, 21 percent. By 2012, whites accounted for 58 percent of the market, African Americans, 8 percent, and Hispanics 7 percent. This indicates that African Americans and Hispanics homeowners are unable to benefit from the significant cost savings from current low interest rates by refinancing their existing mortgage obligation. The 2009 Prince William County AI listed the impacts of the sub-prime mortgage lending crisis and increased foreclosures as an impediment. The significant reduction of share held by minorities in the refinance market is consistent with a departure from targeted marketing of specific loan products to minority populations. In this case, sub-prime, refinance loans being targeted to African Americans and Hispanic communities.

## SUGGESTED ACTIONS

The AI includes a variety of suggested approaches to address these impediments. This plan seeks to outline a more specific approach in addressing the greatest fair housing needs and priorities with available resources.

In order to establish which of the five impediments or fair housing issues have the highest priority, each has been ranked on the following factors: the impact of the impediment, the ability of local officials to address them, the time required, and the resources required. Although the impediments are ranked from a low of one to a high of five, a low ranking should not infer that the impediment is not relevant or important.



Issues	Breadth of impact	Capacity to address	Time required	Resources required	Priority score
Disproportionate housing needs	1	4	5	5	<b>15</b>
Housing discrimination	2	5	4	4	<b>15</b>
Housing affordability	5	3	2	2	<b>12</b>
Lending practices	3	1	3	3	<b>10</b>
Spatial concentrations of poverty, distribution of resources	4	2	1	1	<b>8</b>

**Disproportionate housing needs** may stem from several factors. Access to credit may be limited for these populations. However, if such needs were purely a function of credit, African-American households would be expected to experience disproportionate housing needs as well. Instead, these needs may be more influenced by access to legal and educational resources. A significant constraint on that access may be the language spoken in a household.

This fair housing issue is ranked as the highest priority, despite having a lower impact than other issues. It appears to be the most readily addressable issues identified.

**Housing discrimination** is another high priority issue, based on the metric ranks. The overall impact of discrimination in the rental or sale of housing can be difficult to measure and quantify. However, there is ample evidence that individuals and families experience housing discrimination in the area. Prince William County has an established Human Rights Commission in place that may continue to address the needs of protected classes. Manassas and Manassas Park do not; however, they have access to the Virginia Fair Housing Office as well as private fair housing organizations.

**Housing affordability** is the third priority, based largely on its impact on fair housing choice. Affordable housing and fair housing are different concepts. But many protected classes earn significantly lower incomes than white households. In places where there is not a mix of housing affordable to a variety of income levels, housing choice remains limited.

**Lending practices** rank as a lower priority. Although the impact of lending practices that restrict the credit access of protected classes is significant, the issue is not restricted to the Prince William area. Further, local officials have limited ability to control the practices of financial institutions.

Finally, **spatial concentrations of poverty, resource limitations, and racial and ethnic groups** represents the lowest priority score. These issues are among the most important in order to truly achieve fair housing choice, but they are also complex and difficult to immediately address. Local officials may seek to utilize a combination of land use regulations, economic development, and community development to disperse poverty and introduce resources and amenities. Such a strategy would require significant planning resources, interdepartmental collaboration, money, time, and public support.

It is also likely that progress on the other four priorities will have a positive impact on this issue. Therefore, monitoring these concentrations and community development efforts will be an important step.

## OBJECTIVES, STRATEGIES, AND GOALS

### PRIORITY 1: DISPROPORTIONATE HOUSING NEEDS

**Objective:** Eliminate disparities in the level of housing needs among Asian and Latino households.

**Actions:**

**1. *Work with Neighborhood Services to identify neighborhoods with higher Latino and Asian populations that demonstrate greater housing rehabilitation needs.***

Implementation: 1-3 months  
Timeline: 3-5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development;  
PWC Neighborhood Services

**2. *Affirmatively market housing rehabilitation programs, including the County-administered Neighborhood Housing Rehabilitation Program, to Asian and Latino neighborhoods identified as in-need. Affirmative marketing should include the provision of materials in Spanish and, resources permitting, Vietnamese (the two most frequently spoken languages after English).***

Implementation: 6-12 months  
Timeline: 3-5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development

**3. *Affirmatively market fair housing and tenant protection literature to Asian and Latino neighborhoods and groups.***

Implementation: 6-12 months  
Timeline: 3-5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development  
PWC Human Rights Office  
Virginia Cooperative Extension

**4. *Continue to provide housing counseling services; affirmatively market these services.***

Implementation: 6-12 months  
Timeline: Ongoing  
Resources: CDBG funds

Entities: Virginia Cooperative Extension

**Outcomes:** Reductions in housing need disparities as measured by CHAS data (see AI p. 36). CHAS data is often tabulated from five-year estimates. As such, any changes in the levels of disparity may be slow to become apparent in the numbers.

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## PRIORITY 2: HOUSING DISCRIMINATION

**Objective:** Foster compliance with fair housing laws and regulations.

**Actions:**

**1. Conduct audit testing of rental housing providers with a focus on discrimination based on race, color, disability, and national origin.**

Implementation: 1-2 years  
Timeline: 5 years  
Resources: CDBG funds, General Fund  
Entities: PWC Human Rights Office

**2. Affirmatively market fair housing and tenant protection literature to Asian and Latino neighborhoods and groups. [See Priority 1]**

**3. Expand the availability of fair housing educational materials available on websites in English, Spanish, and Vietnamese.**

Implementation: 6-12 months  
Timeline: 1-2 years  
Resources: CDBG funds, other federal grants as available (see [www.lep.gov](http://www.lep.gov) for additional resources)  
Entities: PWC Office of Housing and Community Development  
PWC Office of Human Rights

**Outcomes:** Greater professed knowledge of fair housing regulations from housing providers and seekers; demonstrated reductions in prevalence of discrimination in testing results (ongoing); availability of information on websites.

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## PRIORITY 3: HOUSING AFFORDABILITY

**Objective:** Increase the supply of housing affordable to low-income households; increase the supply of housing affordable to higher-income households as demand suggests.

**Actions:**

**1. Continue funding capacity-building and technical assistance grants for non-profit and faith-based developers.**

Implementation: 6-12 months  
Timeline: 5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development

**2. Actively market Affordable Dwelling Unit incentives to developers.**

Implementation: 1-2 years  
Timeline: 5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development  
PWC Office of Planning

**3. Continue to operate the Prince William Area First-Time Homebuyer Program.**

Implementation: Immediately  
Timeline: 5 years  
Resources: HOME funds  
Entities: PWC Office of Housing and Community Development  
PWC Office of Planning

**Outcomes:** Reduced share of households cost-burdened; ratios of housing at different levels of affordability closer to the ratio of households at different levels of household income.

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## PRIORITY 4: LENDING PRACTICES

**Objective:** Improve the ability of underserved populations and neighborhoods to access mainstream credit.

**Actions:**

**1. *Continue to provide housing and/or credit counseling services; affirmatively market these services.***

**[See Priority 1]**

Implementation: 6-12 months  
Timeline: Ongoing  
Resources: CDBG funds  
Entities: Cooperative extension

**2. *Continue to operate the Prince William Area First-Time Homebuyer Program.*** [See Priority 3]

Implementation: Immediately  
Timeline: 5 years  
Resources: HOME funds  
Entities: PWC Office of Housing and Community Development

**3. *Continue to participate in a regional housing fair connecting financial institutions with underserved populations.***

Implementation: Immediately  
Timeline: Ongoing  
Resources: CDBG funds, HOME funds  
Entities: PWC Office of Housing and Community Development

**4. *Conduct a financial literacy workshop with lenders to provide financial and credit education***

Implementation: 2-3 years  
Timeline: 4-5 years  
Resources: CDBG funds  
Entities: PWC Office of Housing and Community Development  
PWC Office of Human Rights.

**Outcomes:** Increased origination rates and decreased denial rates among African-American and Latino mortgage loan applicants.

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## PRIORITY 5: SPATIAL CONCENTRATIONS OF POVERTY, RACE, ETHNICITY, AND RESOURCES

**Objective:** Eliminate racially and ethnically concentrated poverty; improve the access to amenities of higher-poverty African-American and Latino neighborhoods (i.e., transit, supermarkets).

**Actions:**

**1. Monitor spatial concentrations; spatially target efforts described in other priorities towards these neighborhoods (see AI).**

**2. Collaborate with Public and Private partners to target neighborhoods for employment opportunities, supermarket needs, and workforce development.**

Implementation: Immediately

Timeline: Ongoing

Resources:

Entities: PWC Office of Housing and Community Development

**Outcomes:** The outcome of addressing this priority is unlikely to be measurable or visible within a five-year timeframe. However, any reduction in the poverty rates of existing Racially and Ethnically Concentrated Areas of Poverty (see AI p. 35) would indicate progress.