

Prince William County Virginia

Analysis of Impediments to Fair Housing Choice



January 22, 2015

Prepared by Housing Opportunities Made Equal of Virginia, Inc.

626 E Broad Street, Suite 400

Richmond, VA 23219

www.HOMEofVA.org

804-354-0641

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Virginia
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Prepared for the Prince William County Office of Housing and Community Development
Mr. Bill J. Lake, Acting Director & Community Planning & Development Division Chief
15941 Donald Curtis Drive, Suite 112
Woodbridge, VA 22191

Prepared by Housing Opportunities Made Equal of Virginia, Inc.
626 E Broad Street, Suite 400
Richmond, VA 23219
www.HOMEofVA.org
804-354-0641



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Introduction and Acknowledgments

This document has been prepared for Prince William County as well as the cities of Manassas and Manassas Park during program years 2013-2015. The methodology employed in the analysis reflects the greatest effort to remain consistent with the guidelines suggested within the U.S. Department of Housing and Urban Development's *Fair Housing Planning Guide*. It also seeks to reflect newer guidelines proposed in the Affirmatively Furthering Fair Housing Proposed Rule released July 19, 2013 in the *Federal Register*.

The Prince William County Office of Housing and Community Development was responsible for project oversight and coordination of the AI process. Housing Opportunities Made Equal of Virginia, Inc. (HOME) has undertaken this analysis as part of that process under a contract with Prince William County. HOME is a private fair housing organization based in Richmond, Virginia. Its primary functions are to foster the goals of the Fair Housing Act through investigations, intake of complaints, housing counseling, enforcement, and research.

HOME would like to acknowledge the assistance and cooperation received in this process from:

- Officials from Prince William County and the City of Manassas
- Members of the public who participated in input sessions and surveys
- The Prince William County Human Rights Office
- The many stakeholders in the housing and advocacy communities who took time to share insight and knowledge
- Jasmine McKinney, a law student at the University of Richmond

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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 for well-being if some residents are unable to fully participate in 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. A thorough Analysis of Impediments to Fair Housing Choice (AI) is more than a catalog of prohibited acts; it is an analysis of social and demographic trends and a study of the barriers to housing choice within a community. Such a comprehensive study must identify the systemic and structural issues that limit a person's ability to take advantage of the full range of available housing. This report explores a variety of social issues related to housing such as affordability and poverty. A multitude of factors influence housing such as lower income levels for minorities and people with disabilities however, it is beyond the scope of this report to explain or provide solutions for the many causes and roots of these social issues. Instead, this report attempts to identify the most immediate and significant barriers to housing choice facing protected classes and to propose solutions that directly and effectively address those barriers.

Located on the Potomac River in Northern Virginia, Prince William County transformed from a predominantly rural community into the second most populous county in the Commonwealth over the past 50 years. Part of the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan statistical area, the County is among the wealthiest counties in the U.S. in terms of median household income. Further, the County has become increasingly racially/ethnically diverse. Between 2000 and 2012 the County shifted from a majority white population to a majority non-white population. Much of this growth has been fueled by significant Latino and Asian, and to a lesser degree, African American growth. Over 38 different languages are currently spoken in the County; approximately 69 percent of residents only speak English; 32 percent speak English less than very well.

This tremendous growth and change has not been without incident. Northern Virginia has been home to staunch anti-immigration legislation and community opposition. Anecdotal reports suggest that entire Latino communities left the area during the height of opposition. Though many of these issues in Prince William County have been addressed, the county continues to face the challenge of how best to provide accessible, safe, clean, and affordable housing for an increasingly diverse population whose residential needs may not mirror traditional patterns.

This study identified five broad impediments to fair housing choice within Prince William County. Some of these issues the County has been working to address for numerous years and, due to the complexity of their nature, will need to continue to address for years to come. Other impediments have only recently developed, in concert with demographic changes over the past several years. Regardless of when these issues came into existence, they serve to limit the housing choices of residents within the Prince William area.

Housing affordability (affordable unit deficits) limits the choices of minority households inside and outside of the Prince William area.

Data analysis, stakeholder and citizen input, and existing reports and analyses suggest housing costs in the Prince William area and the metropolitan division limit the neighborhood choices of protected classes. The Prince William County 2008 AI and 2011-2015 Fair Housing Plan also identified the supply of housing affordable to households with lower incomes as an issue.

Data indicates the supply of housing in the area does not match the current financial characteristics of households. Housing units affordable at incomes near 80 percent of the area median outnumber households

at that income level. However, households at the highest and lowest income levels outnumber the number of affordable units.

These mismatches between the characteristics of area households and housing units— most prominent at the highest and lowest ends of affordability – create pressure on both ends of the income spectrum. Regardless of individual housing choices, the gaps in available housing units mean that many extremely low-income households must live in housing that is unaffordable. Likewise, many households earning near the area median income must live in housing that is very affordable, potentially making those units unavailable to lower-income households that could otherwise afford them.

Neighborhoods in and around Racially and Ethnically Concentrated Areas of Poverty (RCAPs and ECAPs) exhibit greater levels of segregation and limited access to community assets.

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 establish the potential for disinvestment in minority communities. The limitations facing those minority communities represent a fair housing issue.

Spatial analysis of poverty and patterns of community resources indicates that clusters of neighborhoods experiencing segregation, poverty, and limited food access are disproportionately minority communities. The levels of poverty throughout the Prince William area are low relative to the region, and targeted investments, educational resources, and mobility resources may play a preventive role in addition to addressing the existing issue.

Minority households, particularly Latino and Asian households, experience disproportionate housing needs at low-income levels.

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.

Housing needs are high across all racial and ethnic groups at the lowest level of income. But as income increases, housing need decreases more rapidly among white households than others.

Data suggests Asian households consistently experience housing problems at a disproportionately high rate at most levels of income. Latino households also experience disproportionate needs at lower and higher levels of income, but not at the median level income. Low-income African-American households experience disproportionate housing needs in the cities of Manassas and Manassas Park, but need in Prince William County is not disproportionate.

Housing discrimination limits the options of racial and ethnic minorities and people with disabilities.

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. In addition, 13 percent of respondents to a fair housing survey indicated that housing discrimination remains an issue in the Prince William area rental market, 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.

Given Prince William County's population and shifting demographics, the number of fair housing complaints is not surprising. The incidence of fair housing complaints is not, on its face, an indication of

whether a community experiences particularly widespread discrimination or, in the absence of any complaints, a sign that discrimination is not an issue. The incidence of complaints indicates that residents understand and are aware of their rights under the Fair Housing Act, and that they know where to turn for help. Prince William County's Human Rights Office is a local resource that aids residents in the complaint process. Individuals with access to such a resource are better equipped to seek resolution by filing complaints. Individuals in the cities of Manassas and Manassas Park do not have access to local fair housing expertise and aid, making the complaint process less navigable.

However, discrimination remains impactful. Fair housing reports and survey results suggest incidents of housing discrimination are likely underreported. Complaints indicate fair housing education and enforcement have been useful tools in fostering more integrated communities. The ongoing demographic changes in the Prince William area suggest they will remain so.

Private market practices in lending disproportionately disadvantage minorities, particularly African Americans and Latinos, from accessing homeownership, refinance and home improvement mortgage loan products.

Discrimination in the private mortgage market has been a significant barrier to fair housing for generations. This discrimination has disproportionately excluded minorities, particularly African-Americans, from significant parts of the housing market and the wealth building opportunities it provides. The data and analysis in this report cannot serve as evidence of individual acts of discrimination by mortgage lenders. However, the results of the analysis show racial and ethnic disparities in access to loan products. Those disparities indicate that minority borrowers and potential borrowers do not enjoy the same housing choices as white borrowers of similar income levels.

From 2006 to 2012, the total number of loan applications submitted by white borrowers declined by less than 2 percent, compared to decreases of 58 percent for African-American borrowers, 78 percent for Latino borrowers, and 36 percent for Asian borrowers. For the three types of loan products analyzed (home purchase, refinance, FHA), minority loan applicants, particularly African-Americans and Latinos, experienced higher loan denial rates and lower loan origination rates than their white counterparts of similar incomes.

The share of the refinance loan market held by minorities is of particular concern. In 2006, white borrowers accounted for 33 percent of the refinance loan market, African American borrowers 18 percent, and Latino borrowers 21 percent. In 2012, white borrowers accounted for 58 percent of the market, African American borrowers 8 percent, and Latino borrowers 7 percent. These changes indicate that the potential benefits of historically low mortgage interest rates following the 2008 housing market crisis have not been felt in minority communities.

These impediments and the accompanying recommendations for addressing them represent areas Prince William County should prioritize and target as it continues its Consolidated Planning activities. The purpose of the Analysis of Impediments to Fair Housing Choice is to identify issues and problems facing communities that have historically faced barriers in accessing housing and related resources. The Prince William area remains among Virginia's most diverse regions. Protecting and expanding fair housing choice allows residents to fully enjoy the benefits and resources of the area, and it allows the governments and businesses of the Prince William area to enjoy the resultant social and economic benefits.

The Analysis of Impediments to Fair Housing Choice (AI)

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.¹

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.

Much of this documentation takes the form of the Analysis of Impediments to Fair Housing Choice (AI).

In July of 2013, HUD proposed new rules intended to clarify AFFH obligations. Although those rules have not been implemented, this analysis makes use of the proposed framework where possible and appropriate.

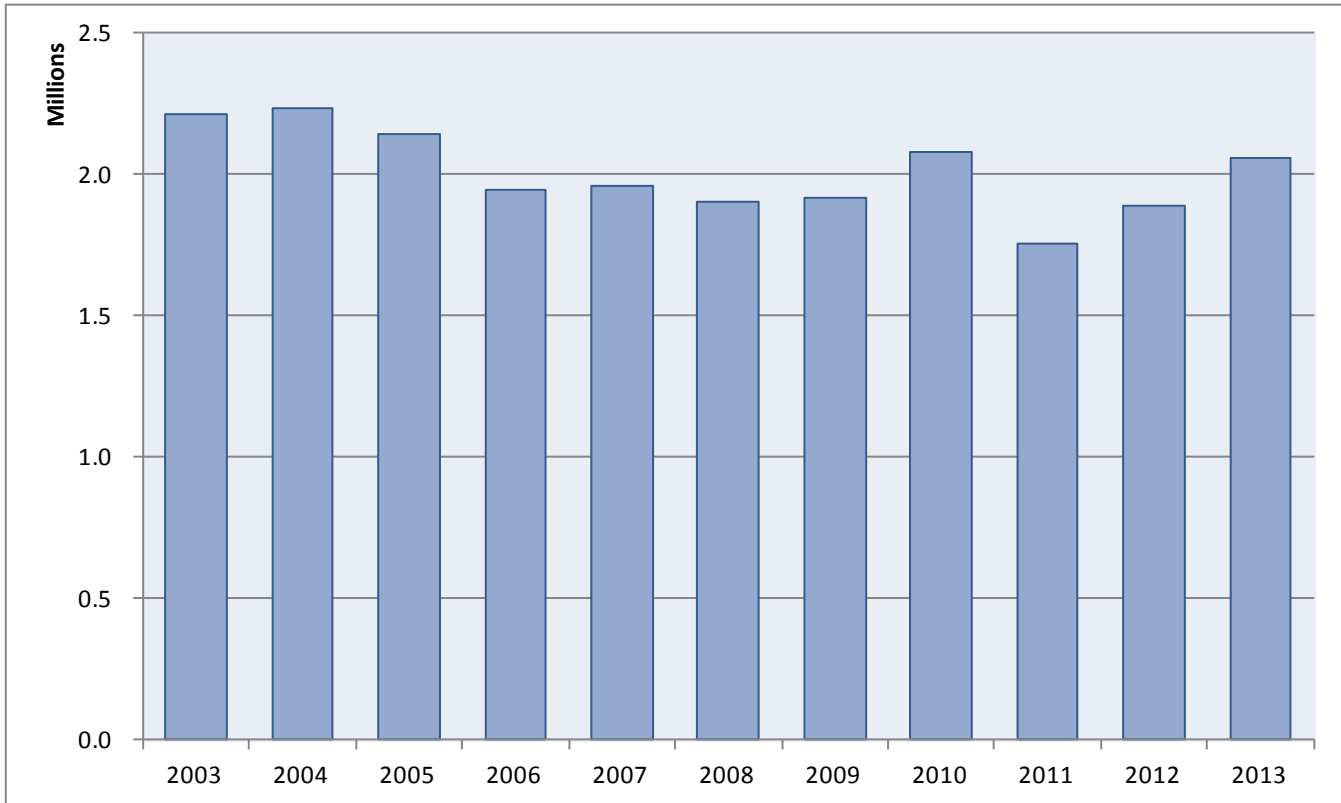
Community Development Block Grant Funding

The Prince William area consists of Prince William County, the City of Manassas, and the City of Manassas Park. Prince William County is an entitlement community and allocates a portion of its annual funds to projects in the cities of Manassas and Manassas Park.

Since 2003, Prince William has received an average annual allocation of \$2,010,370. Smaller allocations in more recent years reflect tightened federal budgets. However, the 2013 allocation (Prince William’s FY 2014) of \$2,058,343 is among the largest since 2006.

The county also receives additional entitlement funding through its participation in the Emergency Solutions Grants (ESG) program and the HOME Investment Partnerships Program.

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

Figure 1: Prince William County annual CDBG allocations, 2003-2013

Source: CPD Awards and Allocations; OneCPD Resource Exchange; U.S. Department of Housing and Urban Development; <<https://www.onecpd.info>>; April 2014.

Relevant Documents and Reports

2009 Prince William County Analysis of Impediments to Fair Housing Choice

The 2009 Prince William County Analysis of Impediments to Fair Housing Choice (AI) found six broad impediments in the area:

- Supply of affordable housing
- Impacts of the subprime mortgage crisis and increased foreclosures.
- Low number of loan applications from minorities
- Predatory lending and other industry practices
- Poverty and low-income among minority populations
- Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods

In response to these impediments and the county's goal of mitigating and/or eliminating those impediments, the OHCD developed the 2011-2015 Fair Housing Plan.

Prince William County Fair Housing Plan FY 2011-2015

This plan outlines the specific activities the county plans to undertake during the five-year cycle of the county's five-year Consolidated Plan 2011-2015.

Impediment: Supply of affordable housing.

Action Objectives:

- Prince William County should continue to work with local developers and non-profit organizations to expand the stock of affordable housing. Attention should be given to increasing the production of new affordable housing units and assistance toward the purchase and renovation of housing in existing neighborhoods. Greater emphasis should be placed on capacity building and technical assistance initiatives aimed at expanding non-profit, faith based organizations and private developers' production activities in the County and expanding resources for housing.
- In an effort to expand local resources, research and consider as one particular policy change, inclusionary zoning (inclusionary housing), as one alternative means of promoting balanced housing development.
- The County, in coordination with local Chamber of Commerce, should encourage major employers and lenders to design and implement Employer-Assisted Housing (EAH) programs, encouraging employers to work with employees in their efforts to purchase housing.

Impediment: Impacts of the Sub-Prime Mortgage Lending Crises and increased Foreclosures.

Action Objectives:

- Investigate initiatives that reduce mortgage defaults and foreclosure rates among low and moderate-income homebuyers.
- Evaluate a loan default prevention program based on providing counseling to affected borrowers, assistance with identifying alternative products that helps borrowers avoid sub-prime lending, and assistance with re-negotiation for more favorable terms for borrowers with sub-prime loans. This program would identify government assistance programs that also serve to assist distressed borrowers.
- Evaluate the feasibility of creating a maintenance and replacement reserve account for affordable homebuyers assisted with the County's federal funds to insure that funds are escrowed to help cover the cost of major repairs such as foundations, roofs, and heating and air conditions.
- Evaluate the feasibility of creating a loan loss reserve mortgage default and foreclosure prevention fund for affordable homebuyers assisted with federal funds and those purchasing foreclosed property under the Neighborhood Stabilization Program. Evaluate the feasibility of creating and implement post purchase support programs in conjunction with nonprofit development partners to provide housekeeping and preventive maintenance training, and organize neighborhood programming such as associations, crime watch and other initiatives aimed at strengthening and maintaining neighborhood stability.

Impediment: Low number of loan applications from minorities.

Action Objectives:

- Continue homebuyer outreach and education efforts in order to increase the number of minorities who apply for mortgage loans. Encourage financial institutions and mortgage companies to expand their homebuyer support services to more people as a means of improving the origination rates among minorities.
- Financial literacy should remain a high priority for the County as indicated in the AI.

Impediment: Predatory lending and other industry practices.

Action Objectives:

- Encourage lending institutions to provide greater outreach to the low income and minority communities to lessen the use of predatory lenders. The emphasis should be on offering products and services that help establish or reestablish checking, saving, and credit accounts for residents that commonly utilize check-cashing services.

Impediment: Poverty and low-income among minority populations.

Action Objectives:

- The County and local Chamber of Commerce should continue to work on expanding job opportunities through the recruitment of corporations, the provision of incentives for local corporations seeking expansion opportunities, assistance with the preparation of small business loan applications, and other activities whose aim is to reduce unemployment and expand the base of higher income jobs. A particular emphasis should be to recruit jobs that best mirror the job skills and education levels of those populations most in need of jobs. For Prince William County, this means jobs that support person with high school education, GEDs, and in some instances, community college or technical training.

Impediment: Limited resources to assist lower income, elderly and indigent homeowners maintain their homes and stability in neighborhoods.

Action Objectives:

- Continue to expand the County's Centralized Program of Self-Help Initiatives based on volunteers providing housing assistance to designated elderly and indigent property owners and assist them in complying with municipal housing codes.

Fiscal constraints are a reality that ultimately determines the programs and services that local governments are able to fund. In recent years, the need for services has continued to increase while funding revenue has contracted. Within Prince William County there appears to be the leadership and will to continue to provide funding for programs that will mitigate and/or eliminate barriers to fair housing to the greatest extent possible.

The budgetary allocations outlined in the County's 2014 Annual Action Plan reflects that spending is in-line with the priority needs of the County as outlined in the 2011-2015 Consolidated Plan.

Greater Prince William Community Needs Assessment 2013

This report from the Greater Prince William Coalition for Human Services provides a comprehensive review of community needs including housing affordability and homelessness. The report states, "Sufficient housing stock to meet all income levels is a challenge for many years and only a concerted effort by public and private partnerships will make a difference." The report indicates the need for supportive housing for women with children, individuals in substance abuse recovery, and wheelchair accessible housing. See "Affordability" on page 24 for additional discussion of housing affordability.

Housing Programs and AFFH Activities

Housing Choice Voucher Administration

The Prince William County Office of Housing and Community Development (OHCD) administers the Housing Choice Voucher (HCV) Program, the federal rental subsidy mobility program, formerly known as Section 8. Although this gives the office the status of Public Housing Authority (PHA), there is no public housing in Prince William County, Manassas, or Manassas Park.

The OHCD currently administers 2,058 vouchers and averages a 98 percent utilization rate with an average per unit subsidy of \$1,086 per month. OHCD opened the waiting list for vouchers in December 2010, accepting 8,785 applications for the program, 1,609 of which came from individuals with disabilities. As of January 2013, there were 8,616 families on the waiting list.

The Manassas City Department of Family Services administers the HCV program for Manassas City and Manassas Park through an administrative agreement with the Virginia Housing Development Authority (VHDA). In this arrangement, the VHDA holds the status of PHA, not the city's Department of Family Services. The City of Manassas reports 295 vouchers.

Eligibility in the program is limited to those earning no more than 50 percent of the HUD Area Median Family Income² (HAMFI). The 2014 HAMFI for the Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area is \$107,000.³ Participants of the program receive financial assistance to rent privately owned housing units throughout the Greater Prince William Area.

Manassas has not opened the waiting list for vouchers since 2008 and currently has 94 applicants on the waiting list. For additional discussion of Housing Choice Vouchers, see “Housing Services” on page 39.

Entitlement-funded Programs

Prince William’s OHCD also administers multiple down payment assistance programs for homebuyers. The First-Time Homebuyer (FTHB) Program provides loans for down payment and closing costs to low and moderate-income individuals living or working in the county, Manassas, or Manassas Park who are seeking to purchase their first home.

Prince William also provides county employees with incentives and assistance in purchasing a home. The county partners with SunTrust Mortgage to extend benefits to employees, including reduced mortgage interest rates and closing costs. Employees who qualify as low-income (80 percent HAMFI) may also receive a loan for down payment and closing cost assistance.

Both the county and Manassas participate in and fund housing counseling services through the Cooperative Extension (a governmental entity) in conjunction with homebuyer assistance programs.

The OHCD funds and administers an emergency repair program for low to moderate-income residents of Manassas, and housing rehabilitation programs for low to moderate-income homeowners in Prince William County and Manassas Park.

The OHCD awards several nonprofit and religious organizations funds to operate and/or develop home repair programs, supportive housing, and a number of other programs focused on homelessness.

Prince William’s biennial housing fair brings county residents together with private sector realtors, mortgage lenders, and financial institutions. The goal of the fair is to increase the number of minorities applying for loans, educate residents and housing service providers about fair housing, and offer credit reports and education. Attendance in FY13 was 79 percent non-white.

² HUD calculates the Median Family Income of a region annually using the most recent available Census estimates and the Consumer Price Index. Income limits for housing assistance are set at 30, 50, and 80 percent of the calculated Median Family Income and adjusted for household size. Limits may be capped if they exceed the U.S. median family income.

³ FY 2014 Income Limits Documentation System; U.S. Dept. of Housing and Urban Development; <<http://www.huduser.org/>>.

Summary of fair housing issues and capacity to address

This section presents an overview of fair housing issues in the Prince William area, including: the legal framework of fair housing protections, the area's history of compliance with civil rights laws, and the capacity of institutions and organizations to engage in fair housing outreach and/or enforcement. The background provided in this section serves as an introduction to fair housing law and its application in the Prince William area.

Legal Framework

The term fair housing refers to legal protections against discrimination in housing-related transactions. These protections can be offered at the federal, state, and local levels of government. The broadest protections stem from the federal Fair Housing Act, Title VIII of the Civil Rights Act of 1968. The Fair Housing Act serves as a baseline. States and local governments may provide additional protections, but all persons seeking housing in the United States are protected under the provisions of the Fair Housing Act, regardless of the state or community in which they live or are seeking to live.

Fair Housing Statutes and Ordinances

Enacted in 1968 and substantially amended in 1988, the Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex, handicap, or familial status at all stages of any housing-related transaction. These characteristics are often referred to as protected classes or protected statuses. Fair housing protections extend to all U.S. residents.

States and local governments may provide additional protections. The Virginia Fair Housing Law, enacted in 1972 and significantly amended in 1991, expands the list of protected classes in the Commonwealth to include elderliness. Individuals engaged in any form of housing transaction in Virginia are protected from discrimination based on race, color, national origin, religion, sex, disability, and familial status under both federal and state statutes; they are protected from discrimination based on elderliness solely under state law.

Prince William County's Human Rights ordinance, enacted in 1993, created local prohibitions against unlawful discrimination based on race, color, national origin, sex, age, marital status, familial status, or disability in housing, public accommodations, employment, education, and credit facilities in the county. The ordinance does not expand existing federal and state protections, but it provides additional resources and remedies at the local level. The cities of Manassas and Manassas Park have not enacted any municipal fair housing ordinances.

Protected Classes

Individuals and groups are protected from discrimination based on the following characteristics (or the perception of the following characteristics):

Race	Includes any and all races. Example: A real estate agent avoids white neighborhoods when showing homes to an African-American family.
Color	A person's skin color. Example: A leasing agent informs a darker skinned African-American that there are no units available but tells a lighter skinned African-American a unit will be available in several weeks.
National Origin	The country from which an individual is from or perceived to be from, regardless of current citizenship. Example: A landlord charges Hispanic or Latino families higher rents.
Religion	A person's practices, rituals, or beliefs related to worship or faith, including the absence of any such beliefs and practices. Example: An advertisement for an apartment states a preference for a Christian tenant.

Sex	A person’s status as male or female, including sexual harassment. Example: A landlord demands sexual favors from a female tenant who is late on rent payments.
Disability	Any physical or mental impairment that substantially limits one or more major life activities, a record of having such an impairment, or the perception of such an impairment. This definition does not include current and illegal use of or addiction to a controlled substance. ¹ Example: A landlord asks for a pet deposit from a person with a disability because they have a service animal.
Familial Status	The presence of one or more individuals under the age of 18 in a household. These protections extend to persons who are pregnant or in the process of securing custody of an individual under the age of 18. ² Example: A leasing agent refuses to rent a second floor apartment to a single mother, telling the mother that it is company policy to house children on the first floor.
Elderliness	In Virginia, elderliness refers to individuals at or over the age of 55. ³ Example: A private developer markets an apartment building as student-only housing.

Transactions Covered by Fair Housing Laws

Fair housing laws apply to all stages of the sale, rental, or advertising of housing and any services provided in connection with securing and maintaining housing. This includes not only the primary transactions involved in securing housing (the acts of selling, purchasing, or leasing a dwelling) but also related services such as mortgage lending and insurance provision.

A few exemptions to specific elements of fair housing laws exist for religious organizations, private clubs, owners of three or fewer single-family houses, owner-occupants, and housing designated for older persons. See 24 C.F.R. § 100.10 for additional details. Due to the public nature of advertising, prohibitions against discriminatory advertising apply regardless of most exemptions.

In general, persons and institutions engaged in the provision of housing or related services as a primary function — real estate agents, landlords, property managers, mortgage lenders, insurance brokers, home-builders, public housing authorities, real estate assessors, and others — are bound by legal prohibitions against discrimination.

Types and Theories of Discrimination

Acts of discrimination that violate the Fair Housing Act may fall into one of two broad legal theories of discrimination: discriminatory intent and discriminatory effect.

Discriminatory intent (or disparate treatment) involves either direct evidence of intentional discrimination (e.g., a property manager who tells an African-American applicant, “We don’t rent to blacks.”) or indirect evidence that the purpose of one or more actions was discriminatory. Indirect evidence is necessary in the absence of clear statements of intent. Such evidence is often obtained through fair housing “testing.”

Testing is the process of comparing the experiences of two or more individuals posing as potential renters or buyers of a dwelling. The individuals typically have similar characteristics with the exception of a protected status. The information testers gather allows for comparison of treatment between a protected class and a control group, and. Differential treatment may take many forms, including the different contract terms, qualification criteria, maintenance standards, and access to the use of facilities.

The second legal theory, discriminatory effect (or disparate impact), describes facially neutral practices that have the result of discriminating against a protected class. The intent of the actions is not considered. For example, land use ordinances restricting multifamily housing to neighborhoods with high concentrations

¹ 42 U.S.C. § 3602(b)

² 24 C.F.R. § 100.20

³ Va. Code Ann. § 36-96.1:1

of racial or ethnic minorities may predictably have the effect of concentrating poverty in minority communities and/or perpetuating segregated housing patterns. Although land use ordinances are facially neutral (they describe spatial restrictions in terms of use, not the protected characteristics of individuals), they may have a disparate impact on protected classes. Such an impact may be considered a discriminatory effect in violation of the Fair Housing Act unless a legally sufficient justification for the practice exists.

The U.S. Department of Housing and Urban Development (HUD) is responsible for the administration and enforcement of the Fair Housing Act (see Implementation and Administration of Fair Housing Laws below). Although courts have established practices with unjustified discriminatory effects as violations of the Fair Housing Act, HUD implemented a regulatory standard for discriminatory effect in 2013 (see 78 F.R. 11459). The rule formalized liability under the Fair Housing Act for practices with an unjustified disparate impact on protected classes. It also established a three-part burden-shifting test for determining what constitutes an unjustified practice.

Implementation and Administration of Fair Housing Laws

Different bodies are tasked with implementing and enforcing fair housing laws. At the federal level, HUD is responsible for administering the Fair Housing Act. The Virginia Fair Housing Law is administered by the state Real Estate and Fair Housing boards. And the Prince William County Human Rights Commission administers the county Human Rights Ordinance.

The administrative bodies are responsible for initiating, receiving, investigating, and resolving complaints filed by individuals or organizations that believe they have been injured by illegal discrimination. HUD and the Virginia Real Estate and Fair Housing boards also have the authority to enact regulations and rules as necessary to achieve the goals of fair housing statutes. Regulations have the effect of law and serve to clarify or detail broader statutes.

Each administrative body delegates day-to-day operational and programmatic tasks to staffed offices. HUD is comprised of more than 20 departments and offices; the office of Fair Housing and Equal Opportunity (FHEO) administers the primary functions of the Fair Housing Act. In Virginia, the Real Estate and Fair Housing boards delegate the tasks of receiving and investigating complaints to the Virginia Fair Housing Office (VFHO). And the Prince William County Human Rights Commission delegates those functions to the Human Rights Office.

Administrative Enforcement

The administration of fair housing statutes and ordinances includes enforcement of their provisions. Administrative enforcement is the process of non-judicial investigation and resolution of complaints undertaken by the responsible administrative bodies. In cases where facts indicate a violation has occurred and the administrative enforcement process does not produce an acceptable resolution, administrative bodies may bring action in court.

HUD, the Virginia Real Estate and Fair Housing boards, and the Prince William County Human Rights Commission follow similar administrative enforcement processes. After a complaint is received and accepted, the responsible office will notify the person or entity against which the complaint has been filed and offer an opportunity for response. The office will then begin an investigation into the complaint, which may include interviews, onsite visits, and document reviews. During the investigation process, the office will also attempt conciliation between the parties involved. If a conciliation agreement is reached, the investigation ends. Otherwise, the investigation continues until completed. The administrative body then decides whether there is reasonable cause to believe illegal housing discrimination has or will occur based on the facts of the investigation. If “no reasonable cause” is determined, the case is closed. If “reasonable cause” is determined, the body will seek relief for the victim under whatever powers it has, including referring the case to a prosecutorial body (e.g., the U.S. Department of Justice) for litigation in civil court.

Administrative complaints typically must be filed within 365 days of a violation, unless the violation is considered part of an ongoing, longer term pattern called a “continuing violation.”

Private Enforcement

Victims of housing discrimination may also seek relief through private action under federal and state law. Prince William County's Human Rights ordinance does not create a private right of action.

Victims may file suit in state or federal court within two years of an alleged violation. Filing an administrative complaint is not a prerequisite, and the dismissal of an administrative complaint does not preclude private action.

Substantial Equivalency

State and local agencies that enforce fair housing laws may apply for Substantial Equivalence Certification from HUD. Certification requires that (1) state and local fair housing laws provide rights, procedures, remedies, and judicial review provisions that are substantially equivalent to the Fair Housing Act, and (2) those laws are implemented, administered, and enforced so as to function in a manner substantially equivalent to the Fair Housing Act.

After an agency receives substantial equivalency certification, it becomes eligible to participate in HUD's Fair Housing Assistance Program (FHAP). FHAP participants are considered by HUD to be carrying out the spirit and letter of the Fair Housing Act, and they are eligible for reimbursement from HUD for their enforcement activities. HUD generally refers complaints from jurisdictions served by FHAP agencies to those agencies.

There are multiple benefits of substantial equivalence certification. FHAP participation provides agencies access to funding. It also marks a shift in enforcement from the federal level to more accessible state and local agencies. The presence of fair housing professionals and resources in states and communities increases the capacities of those areas to engage in outreach, education, and enforcement.

In Virginia, the VFHO is a FHAP agency, indicating that the Virginia Fair Housing law and its enforcement are substantially equivalent to federal protections. HUD generally refers Virginia-based complaints to the VFHO.

Prince William County's Human Rights Office is not certified as substantially equivalent. The lack of certification does not raise concerns, as the office actively receives, investigates, and resolves complaints.

Fair Housing Complaint Profile

The number of fair housing complaints in an area can indicate what forms of housing discrimination are prevalent, but it may also point to other issues, including knowledge of protections and how they may be accessed.

The VFHO receives and investigates the majority of complaints in the Commonwealth. From 2006 to 2013, the VFHO received 121 complaints of housing discrimination in the Prince William area. Of those 121, 113 originated in Prince William County, and 8 originated in the City of Manassas. The VFHO received no complaints related to the City of Manassas Park during that time frame.

In Prince William County, race and/or color was the most frequent basis of complaints, accounting for 34 percent of the total. The second most frequent basis of complaint was disability, accounting for 23 percent of the total. The remainders of complaints were based on familial status (16 percent), sex (12 percent), national origin (11 percent), religion (4 percent), and elderliness (1 percent).

In the City of Manassas, 38 percent of complaints were based on disability, followed by 25 percent based on race and/or color. Familial status, national origin, and elderliness were the basis of one complaint each. No complaints were filed based on religion or sex.

Race and disability status are the most common bases for complaints throughout Virginia. The complaint profile of the Prince William area reflects similar patterns.

The Prince William County Human Rights Office received 13 complaints through 2012 and 2013. More than half of those complaints (8) were filed on the basis of race. Disability served as the basis for four complaints,

familial status for two, and sex and color one each. (Please note, multiple complaints were filed on the basis of more than one protected characteristic; the aggregate number of bases of discrimination is greater than the total number of complaints filed.)

Fair Housing Education and Enforcement Capacity

The fair housing enforcement capacity of an area is a function of the framework of legal protections, the active enforcement of those protections by government agencies, and the monitoring of housing activity by private and public entities.

The framework of fair housing laws in the area appears sufficient to ensure individuals who experience housing discrimination may seek remedy. Prince William County's municipal code provides an additional layer of protections and public resources. Individuals in the cities of Manassas and Manassas Park do not have access to a local government agency, but they remain protected under state and federal law.

Individuals in Prince William County are served by HUD, the VFHO, and the county's Human Rights Office. Individuals in the cities of Manassas and Manassas Park are served by HUD and the VFHO.

Prince William officials in the Human Rights office and the Housing and Community Development office make fair housing related information and materials available on the county's website. Details on the county's fair housing obligations, citizen protections, entitlement grant budgets, housing assistance, citizen participation opportunities, and how to file a complaint are easy to find. A portion of the information is available in Spanish.

Prince William's Office of Housing and Community Development also provides resources for homeownership, foreclosure prevention, and both tenants and landlords interested in the Housing Choice Voucher program. See "Housing Programs and AFFH Activities" on page 8 for additional information. The combination of informational and human fair housing related resources in Prince William County establish a solid capacity to foster compliance with the goals of the Fair Housing Act.

The City of Manassas makes fair housing information available on its website. Although the city does not receive or investigate complaints, it includes contact information for the VFHO and HUD. A significant portion of the information is available in Spanish.

Manassas demonstrates the capacity to engage in basic fair housing outreach, but it does not have significant capacity to enforce fair housing laws. The city created a position dedicated to fair housing and related issues as part of a 2008 settlement with HOME of Virginia (HOME), the Equal Rights Center (ERC), and several Latino individuals (see page 17 for additional information). However, that position was eliminated after the terms of the settlement expired in 2013.⁴

The City of Manassas Park does not appear to have any information readily available regarding fair housing. Manassas Park is the smallest of the three jurisdictions, but a significant proportion of its population is an ethnic minority. Its fair housing outreach and enforcement capacity is not demonstrably significant.

⁴ Jeremy Borden, "Manassas Plans to Cut Housing Advocate," *The Washington Post*, May 10, 2013. See also, "City of Manassas Passes Budget, Real-Estate Tax Hike for Fiscal '14," *The Washington Post*, May 13, 2013.

Civil Rights-related Reports, Media Coverage, and Background

Prince William County

In the past ten years there have been very few discrimination claims made against Prince William County, its agencies, or departments. If any claims have been made, they likely have not resulted in any sort of formal litigation.

2013 Equal Rights Center Report - Precaución: Obstacles for Latinos in the Virginia Rental Housing Market⁵

In 2013, the Equal Rights Center released a report finding that landlords routinely discriminate against prospective Latino renters in Northern Virginia. The study conducted 106 matched-pair, in-person civil rights tests of rental properties not only in Prince William County, but in other areas of the Commonwealth, including: Fairfax, Henrico, Richmond (County), Loudon County, Manassas, Roanoke County, Northwest Virginia, and Virginia Beach. The Equal Rights Center identified rental properties in predominantly white areas that were likely to see Latino population growth over time and researched and selected properties that had a minimum of twenty-five rental units actually available for rent at the time of the testing.

In nine percent of tests conducted in Prince William County, rental agents quoted a higher rental amount or higher fees to Latino testers than they quoted to white testers. Results from five tests in Prince William County showed evidence that white applicants were informed of rental incentives and special offers, while Latino applicants at the same properties were not. Five tests also confirmed that rental agents provided Latino testers with later availability dates for apartments than were offered to white testers. Seven tests in Prince William County showed that rental agents informed Latino testers of fewer available units. Finally, three tests in Prince William County revealed that Latino testers were told that a credit check was required, while white testers were not.

Settlement Agreement Under the ADA Between U.S. and Prince William County Public Schools⁶

In this instance, the Complainant alleged that the Prince William County Public School Board, in violation of the Americans with Disabilities Act, discriminated against her by refusing to renew her contract as a teacher because she had multiple sclerosis. The Prince William County Public School Board maintained the position that it did not violate any provision of the ADA or the rights of the Complainant. The Department of Justice was of the opinion that in refusing to renew the complainant contract because of her multiple sclerosis disability, the Prince William County School Board did discriminate against the Complainant in violation of the ADA.

The matter was ultimately resolved without litigation. It was determined that the Prince William County School Board was a person as well an employer or an agent of an employer within the meaning of the ADA. It was further determined that the charging party was a person and a qualified individual within the meaning of the ADA.

Under the settlement agreement, among other things the parties agreed that:

- The Prince William County School Board would not engage in any act or practice that has the purpose or effect of unlawfully discriminating against any employee or applicant for employment on the basis of disability in violation of the ADA.
- Prince William County would reinstate the Charging Party as a probationary elementary school teacher with the Prince William County Public School Board for the 2004-2005 school year.
- The Prince William County School Board would not retaliate against any person who: (1) opposes or has opposed policies or practices he or she believes to discriminate on the basis of disability; (2) has filed an EEOC charge; or (3) has participated in or cooperated with the initiation, investigation, litigation,

⁵ See http://www.equalrightscenter.org/site/DocServer/Precauci_n_Obstacles_in_the_Virginia_Rental_Housing_Mark.pdf?docID=1981; See also <http://scottsuovell.blogspot.com/2013/06/hispanic-housing-discrimination-alive.html>

⁶ The United States Department of Justice, Civil Rights Division, http://www.justice.gov/crt/foia/readingroom/frequent_requests/ada_settlements/va/va_1.php

or resolution of this or any other claim brought against the Respondent alleging discrimination on the basis of disability.

Resolutions 07-609 and 07-894

Just prior to 2007, residents of the Prince William area created a group named “Help Save Manassas” in response to a perception that the number of suspected undocumented workers moving into the area was rapidly increasing. The group states it is “dedicated to helping preserve our communities and protect them from the effects related to the presence of illegal aliens in our community.”⁷

The group grew in both numbers and support, and it played a role in getting numerous anti-immigration policies implemented. In July 2007, the Prince William County Board of Supervisors passed Resolution 07-609 ordering police to inquire into a person’s legal status [when detained for violating a state law or county ordinance] if probable cause exists to suggest the person is unlawfully present in the United States.⁸ On October 16, 2007, the Board of Supervisors made additional efforts to remove undocumented workers from the county by passing Resolution 07-894. The ordinance created a Criminal Alien Unit within the police department and restricted undocumented worker access to specific public services. In April of 2008, Resolution 07-609 was slightly amended to eliminate the probable cause language and directed police to check the legal status of an individual only after he or she has been arrested.

City of Manassas

Equal Rights Center, Et Al. v. City of Manassas and City of Manassas Public Schools and City of Manassas School Board

Housing Opportunities Made Equal of Virginia administrative complaint (HUD)

The City of Manassas implemented a Residential Overcrowding Code Enforcement Program (ROCEP) in 2004. The program created a telephone and email hotline for anonymous complaints for enforcement of city code. In December 2005 the Manassas City Council passed an ordinance amending the definition of “family,” limiting it to “immediate relatives” even when the number of adult occupants was below occupancy limits.

HOME of Virginia filed administrative complaints with HUD and the VFHO in 2006 alleging the ordinance was enforced in a disproportionate manner against Latino households.⁹ The amendment was quickly repealed under threat of litigation.¹⁰ HUD opened an investigation which found that of the 342 complaints made to the city’s overcrowding hotline, more than half had resulted in no violation; moreover, of the remaining 145 calls that led to citations, 71 percent involved families with Hispanic surnames, although only 15 percent of the city’s reported population was Hispanic at the time.¹¹

On October 16, 2007, Washington, D.C.’s Equal Rights Center (ERC) and eight Hispanic individuals filed a complaint in the U.S. District Court for the Eastern District of Virginia alleging that the city’s ordinance was selectively enforced to target Hispanic residents. The suit further alleged that Manassas Public Schools violated numerous laws by secretly disclosing confidential student records to the city to aid in the targeting of Hispanics.¹²

7 See <<http://www.helpsavemanassas.org/index.php/about>>

8 Guzman, Daniel. There Be No Shelter Here: Anti-Immigrants Housing Ordinances and Comprehensive Reform. Cornell Journal of Law and Public Policy, Cornell University, September 3, 2010.

9 Tracey McCartney, “Forced Exit,” National Fair Housing Advocate, February 2006 (10).

10 Guzman, Daniel. There Be No Shelter Here: Anti-Immigrants Housing Ordinances and Comprehensive Reform. Cornell Journal of Law and Public Policy, Cornell University, September 3, 2010.

11 Ansley, Fran, and Shefner, Jon, eds. Global Connections Local Perceptions; New Latino Immigration to the Southern United States. The University of Tennessee Press. Knoxville. 2009.

12 http://www.equalrightscenter.org/site/DocServer/10.16.07_Civil_Rights_Lawsuit_Filed_Against_the_City_of_.pdf?docID=1124&AddInterest=1162

The matter was settled out of court in 2008.¹³ Pursuant to the settlement, Manassas agreed to revise several procedures and processes for handling various types of code complaints. The city also agreed to create a new staff position, City Housing Manager and Advocate, to implement and oversee the terms of the settlement and assist Manassas residents in seeking resolution to various housing issues, including discrimination. Manassas City Council eliminated the position in 2013 after the terms of the settlement expired.¹⁴

The city's settlement was not an admission of guilt.

13 Guzman, Daniel. There Be No Shelter Here: Anti-Immigrants Housing Ordinances and Comprehensive Reform. *Cornell Journal of Law and Public Policy*, Cornell University, September 3, 2010.

14 Jeremy Borden, "Manassas Plans to Cut Housing Advocate," *The Washington Post*, May 10, 2013. See also, "City of Manassas Passes Budget, Real-Estate Tax Hike for Fiscal '14," *The Washington Post*, May 13, 2013.

Community Characteristics

Population

The Prince William area is quickly approaching a population of a half-million people. The Census Bureau’s 2013 Population Estimates indicate 496,434 people reside in the area. Specific demographic estimates are not yet available for 2013.

As of 2012, the area’s population is 47 percent white, 22 percent Latino, 19 percent African-American, 8 percent Asian, and 4 percent identifying otherwise. The three jurisdictions show some differentiation in characteristics.

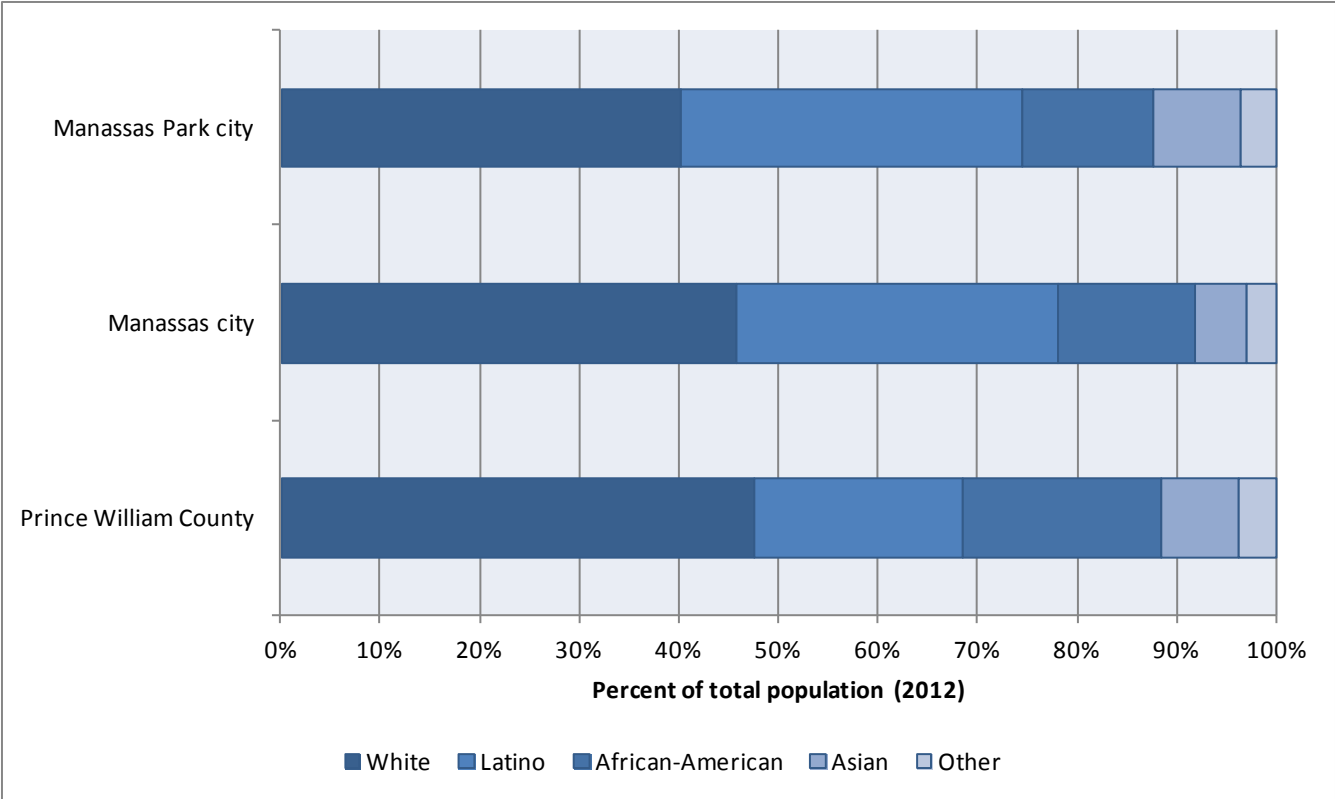
Prince William County, with 88 percent of the area’s total population, is very similar to the overall demographic profile. The county has slightly higher proportions of white and African-American populations, and a lower proportion of the Latino population.

Manassas city has lower shares of white, African-American, and Asian populations, and a much higher share of the Latino population. Manassas Park city has the lowest shares of white and African-American populations and the highest share of the Latino population at 34 percent.

The demographic change of the area from 2000 to 2012 shows rapid growth in racial and ethnic diversity. The area shifted from a majority white population of 65 percent to a majority non-white population. Much of that change has been driven by rapid growth of the Latino population and steady growth of the African-American population.

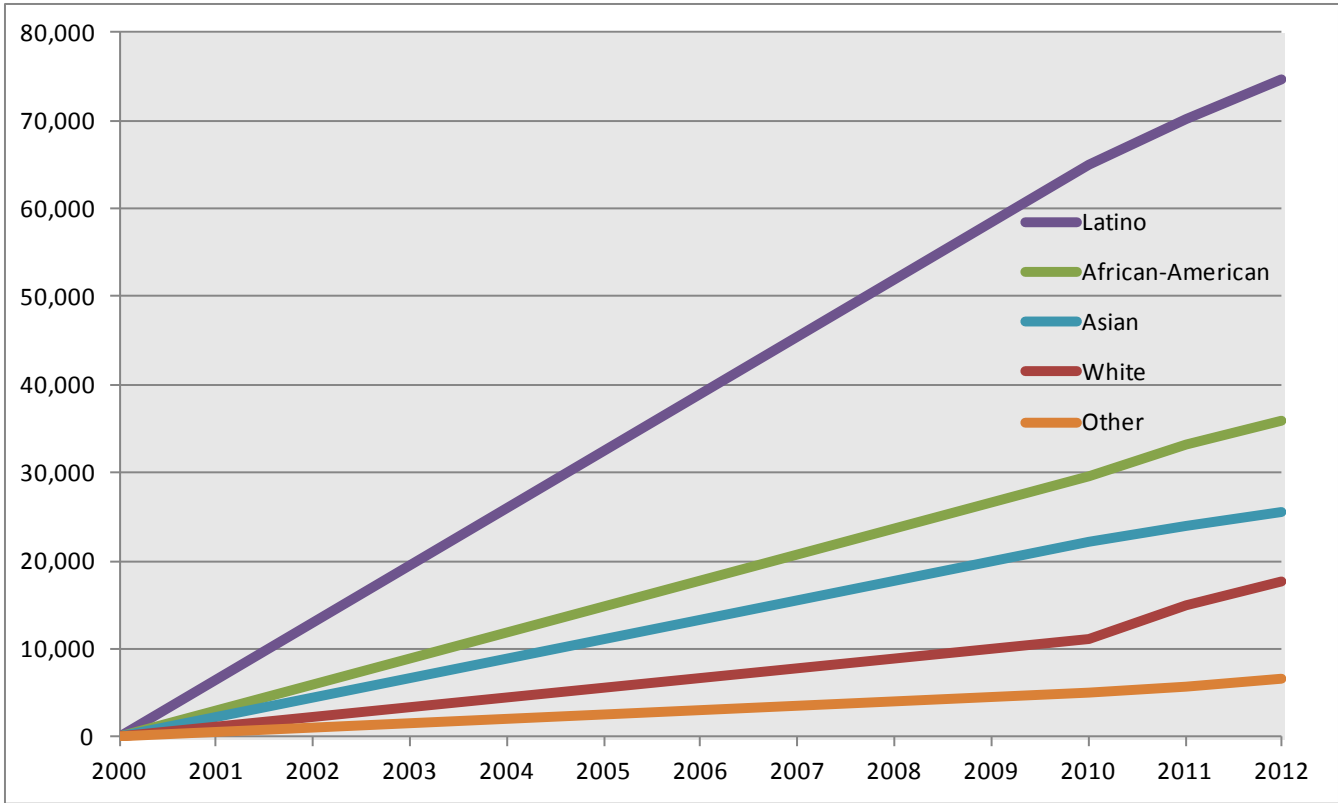
The Prince William area grew at an average pace of 4.1 percent annually from 2000 to 2012, significantly faster than Virginia’s annual rate of 1.3 percent over the same time. The Latino and Asian population

Figure 2: Race and ethnicity in the Prince William area (2012)



Source: 2012 Population Estimates; U.S. Census Bureau, Population Division.

Figure 3: Population change by race and ethnicity since 2000 (baseline 2000 = 0)



Source: Census 2000 SF3 Sample Data and 2010, 2011, and 2012 Population Estimates; U.S. Census Bureau.

growth rate has been an estimated 18 percent annually. The African-American population growth rate has been 5 percent annually. And the white population growth rate has been less than one percent annually.

The area has also grown in the diversity of languages spoken. Over 38 languages, in addition to English, are spoken by residents. The most common language spoken is English, and approximately 69 percent of the area’s population speaks only English. Approximately 32 percent of the area population speaks English less than very well.¹

Spanish is the second most frequently spoken language; approximately 19 percent of the population speaks Spanish. Of the area’s Spanish language speakers, 48 percent speak English less than very well².

Other languages and dialects spoken include Vietnamese (1.1 percent of the population), Korean (less than 1 percent of the population), and different African dialects (1.8 percent of the population).

Population distribution

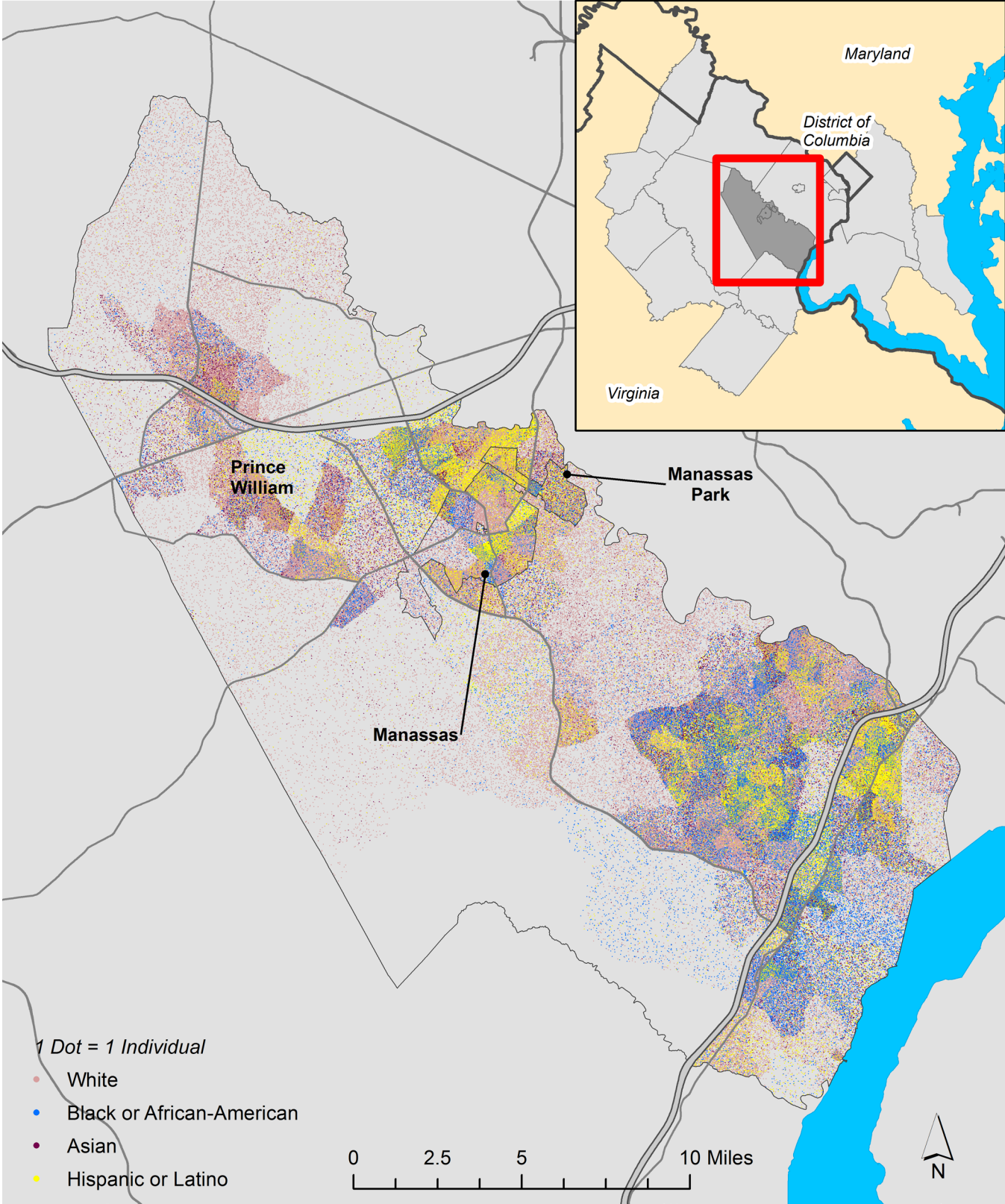
The population of the area is distributed largely in three dense clusters, visible in Figure 4 on page 21. One cluster of neighborhoods in the eastern end of the area stretch along Interstate 95 from Triangle to Woodbridge and west through Dale City and Lake Ridge. A second cluster encompasses Manassas and Manassas Park. And a third cluster covers Linton Hall and Gainesville.

The first two clusters of neighborhoods exhibit a mix of racial and ethnic compositions. The westernmost cluster is primarily white.

¹ 2008-2012 ACS 5-year Estimates; U.S. Census Bureau

² The American Community Survey asks respondents how well they speak English and provides four options: very well, well, not well, not at all.

Figure 4: Spatial distribution of population across block groups by race and ethnicity (2008-2012)



Source: 2008-012 ACS 5-year Estimates; U.S. Census Bureau.

Female-headed households with children

Female-headed households with children are particularly vulnerable to discrimination that may be based on familial status, sex, race, ethnicity, or a combination of factors. Prince William's 2009 Analysis of Impediments indicated these families grew as a percentage of all families from 1990 to 2000 across the largest racial and ethnic groups.

The most recent available estimates (2008-2012) show some differing trends among different races and ethnicities. However, in all three of the Prince William area localities, the proportions of African-American and Latino families that are headed by females with children are higher than white and Asian families.

In Prince William County, female-headed households with children constitute 22 percent of African-American families and 15 percent of Latino families. In the City of Manassas, the share of African-American families at particular risk of familial status discrimination is lower (13 percent). However, the rate jumps to 27 percent in the City of Manassas Park.

Female-headed households with children have grown significantly as a proportion of the Latino population across all three jurisdictions since 1990. Outreach and education are particularly important for these families.

The City of Manassas Park has shown the most significant growth since 1990 in these vulnerable populations across all racial and ethnic categories. This growth suggests emphasis on education and outreach may be particularly needed within Manassas Park.

In terms of location, female-headed households with children are more heavily concentrated in and around neighborhoods with proportionally higher non-white populations. The spatial overlap of these vulnerable populations may point to fair housing issues such as discrimination or land use policy gaps, but it may also point towards a need for targeted strategies in outreach, education, and investigation.

Figure 5: Percent of families female-headed with children (2008-2012)

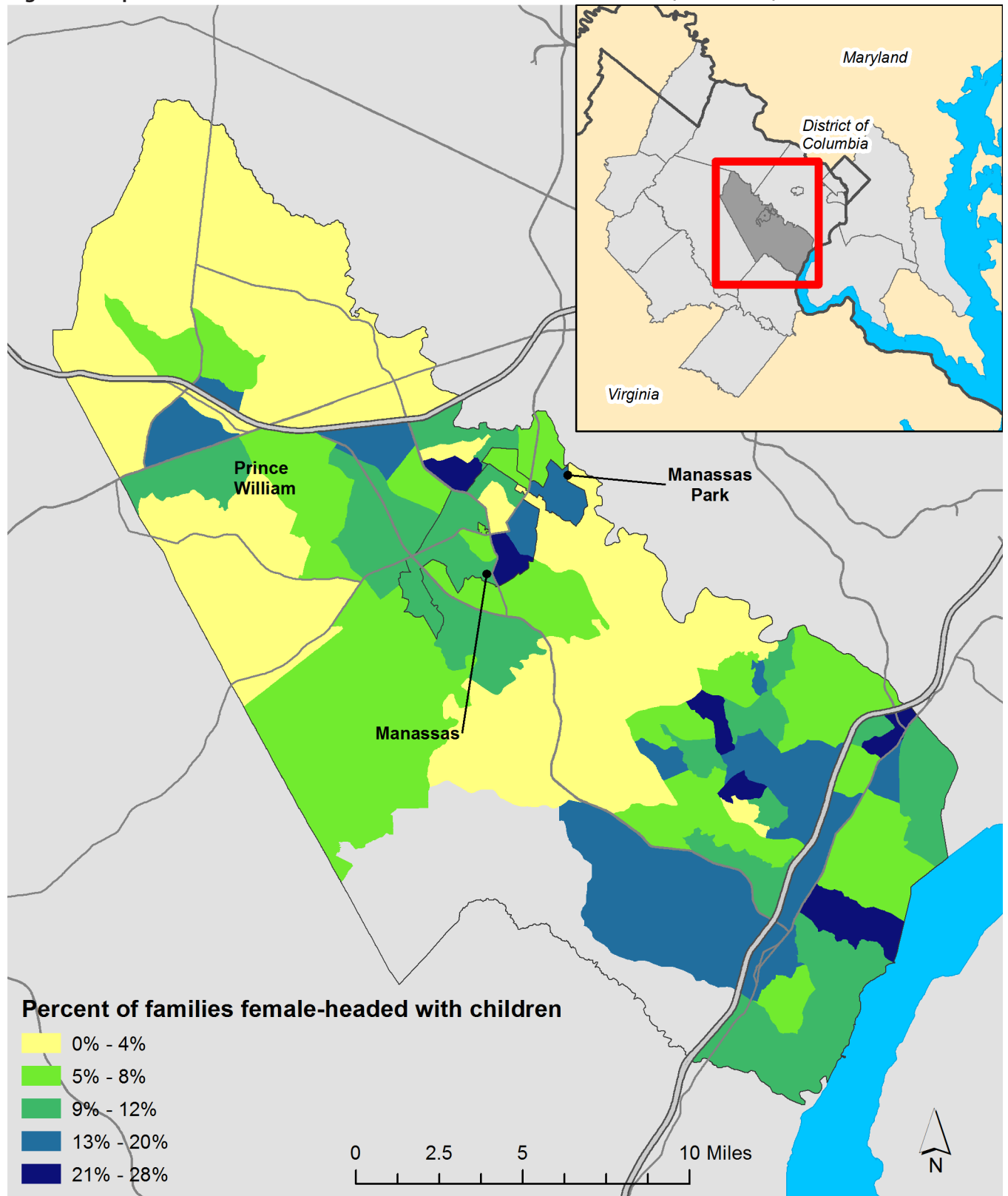
Prince William County			
Year	1990	2000	2008-2012
White	6.30 (3,011)	6.90 (3,627)	5.90 (3,202)
Black	8.69 (1,050)	21.71 (2,929)	22.20 (4,344)
Hispanic	6.12 (127)	8.94 (485)	15.30 (2,515)
Asian			6.70 (505)

Manassas			
Year	1990	2000	2008-2012
White	7.42 (452)	8.59 (550)	9.10 (437)
Black	9.56 (127)	19.17 (204)	13.10 (164)
Hispanic	5.52 (16)	10.27 (95)	15.50 (389)
Asian			3.20 (10)

Manassas Park			
Year	1990	2000	2008-2012
White	9.89 (155)	8.71 (171)	13.50 (204)
Black	14.47 (34)	14.73 (43)	26.90 (132)
Hispanic	2.99 (2)	6.59 (18)	14.70 (151)
Asian			0.00 (0)

Source: 2008-2012 ACS 5-Year Estimates, U.S. Census Bureau; 2009 Prince William County Analysis of Impediments to Fair Housing Choice

Figure 6: Spatial distribution of female-headed families with children (2008-2012)



Individuals with Disabilities

According to the 2008-2012 5-year American Community Survey, an estimated 26,631 (6.7%) people in Prince William County had one or more disabilities. In Manassas City and Manassas Park City the number of people with disabilities was estimated at 2,999 (7.9%) and 1,054 (7.3%) respectively. These disabilities are captured in six different categories by the survey, shown in Figure 7.

In order to meet the housing needs of this population, a variety of housing types and accessibility features are necessary within the housing stock. This includes zoning that allows for living arrangements such as group homes. In addition, education and outreach regarding reasonable accommodations and modifications is important for individuals to enjoy access to buildings, especially those not covered by the Fair Housing Act or the Americans with Disabilities Act because

of their age or other reason. Incorporating visitability standards for newly constructed single-family homes could begin to alleviate the widespread inaccessibility of such housing.

In addition to lack of physically accessible housing stock, affordability is a high concern for individuals with disabilities. Individuals that may be unemployed because of their disability and live on fixed incomes such as SSI have a difficult, if not impossible, time finding accessible and affordable housing.

The intersection of disability and race and/or ethnicity may compound discrimination against certain populations. In Prince William County, Manassas City, and Manassas Park City, the percent of individuals with disabilities across racial and ethnic groups is similar to that of the population as a whole, with a few exceptions.

Spatially, individuals with disabilities do not appear to follow similar residential patterns as other vulnerable populations. Instead, there are higher concentrations in both low and high population density areas.

Figure 7: Percent of individuals with a disability by type (2008-2012)

Type of disability	Prince William County	Manassas city	Manassas Park city	Metro division
Any Disability	6.7 (26,631)	7.9 (2,999)	7.3 (1,053)	7.7 (334,501)
Hearing Difficulty	1.7 (6,807)	1.8 (696)	0.9 (127)	1.9 (82,686)
Vision Difficulty	1.2 (4,785)	1.5 (546)	1.1 (157)	1.3 (57,000)
Cognitive Difficulty	2.5 (10,003)	3.1 (1,155)	2.5 (355)	2.8 (122,923)
Ambulatory Difficulty	3.3 (13,079)	3.7 (1,411)	3.7 (530)	4.0 (173,710)
Self Care Difficulty	1.4 (5,442)	1.4 (525)	1.4 (207)	1.5 (66,817)
Independent Living Difficulty	2.1 (8,373)	2.4 (917)	3.3 (470)	2.7 (117,348)

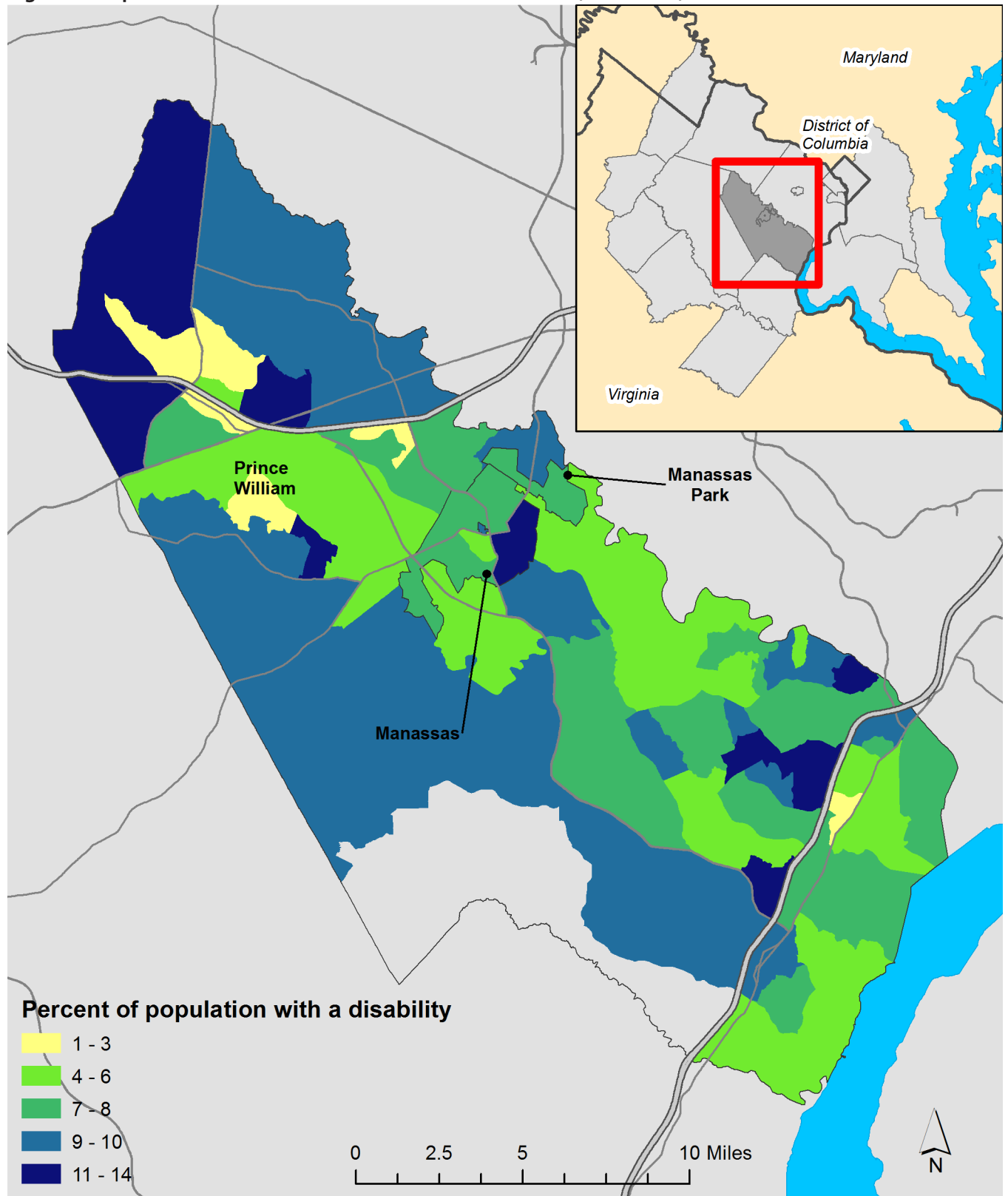
Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Figure 8: Percent of individuals with one or more disabilities by race and ethnicity (2008-2012)

Race or ethnicity	Prince William County	Manassas city	Manassas Park city	Metro division
White	8.2 (17,417)	12.0 (2,353)	9.3 (681)	8.0 (175,594)
Latino	4.3 (3,492)	3.2 (383)	4.8 (231)	4.3 (25,039)
African-American	6.5 (5,171)	7.8 (422)	7.4 (135)	10.0 (123,213)
Asian	4.6 (1,372)	0.7 (11)	8.2 (90)	4.4 (16,572)

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Figure 9: Spatial distribution of individuals with disabilities (2008-2012)



Economic

The 2012 median household income for the Washington-Arlington-Alexandria Metropolitan Division is an estimated \$88,664. Prince William County has a higher median income at \$96,160. Manassas and Manassas Park are lower at \$70,634 and \$71,810, respectively.

Median incomes across race and ethnic groups show persistent disparities for African-American and Latino households. African-American households in Prince William have a median income that is 85 percent of the county median. The Latino median household income in Prince William is 72 percent of the county median.

White households in each locality have median incomes that are 110 to 113 percent of the locality median. Asian households have a median income near the locality median in Prince William and more than 130 percent of the locality median in Manassas and Manassas Park. See Figure 11 on page 27.

Unemployment rates in the area and in the region are consistently higher for working-age African-Americans. Prince William County has the lowest unemployment disparity, with an overall rate of 5.7 percent and an African-American rate of 7.1 percent. The unemployment rate in Manassas, 7.5 percent, is almost half of the African-American rate of 14.7 percent. Across the region, the African-American unemployment rate is 11.2 percent.

The Latino unemployment rate is relatively consistent across the jurisdictions and region, between 7.3 and 7.6 percent, with the exception of Manassas Park. The unemployment rate of the Latino population in Manassas Park is a notably low 2.6 percent.

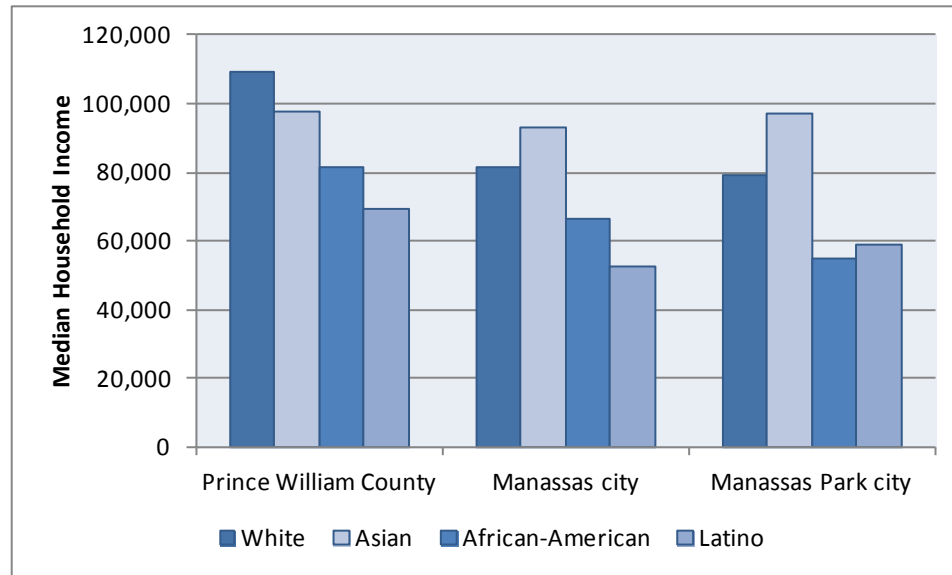
The poverty rate among the Latino population in Manassas Park is also among the lowest in the area (by group) at 2.9 percent. Conversely, the Latino poverty rate in Prince William is 12.8 percent (compared to 6.2 percent overall), and in Manassas it is 25.5 percent (compared to 12.7 percent overall).

African-American poverty rates vary by locality, but lower in all localities than the regional African-American rate. African-Americans in Manassas Park experience poverty at a rate of 10.9 percent, or twice the overall rate of the city.

Figure 10: Unemployment rate by race and ethnicity

Race or ethnicity	Prince William County	Manassas city	Manassas Park city	Metro division
All	5.7	7.5	4.3	6.8
White	4.5	5.5	4.5	4.4
Latino	7.3	7.3	2.6	7.6
African-American	7.1	14.7	8.1	11.2
Asian	4.2	3.9	3.6	5.0

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Figure 11: Median household income by race and ethnicity (2012 dollars)

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Figure 12: Percent of individuals living at or below poverty line

Race or ethnicity	Prince William County	Manassas city	Manassas Park city	Metro division
All	6.2	12.7	5.4	8.3
White	2.9	6.2	6.1	4.4
Latino	12.8	25.5	2.9	12.6
African-American	8.0	8.7	10.9	12.9
Asian	5.6	1.9	1.4	7.1

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Housing

As noted in “Relevant Documents and Reports” on page 6, the 2013-2014 Prince William County Community Needs Assessment report by the Coalition for Human Services provides a comprehensive review of community needs including housing. The report states, “Sufficient housing stock to meet all income levels is a challenge for many years and only a concerted effort by public and private partnerships will make a difference.”

Occupancy and Tenure

The Prince William area has higher rates of homeownership than the regional rate of 63 percent. Prince William County has the highest rate of homeownership, with 73 percent of occupied housing units owner-occupied.³ In the City of Manassas Park, 66 percent are owner-occupied. And in the City of Manassas, 65 percent are owner-occupied. These rates are characteristic of the area’s status as a commuter-oriented suburb within the metropolitan area.

Rates of homeownership differ among different races and ethnicities. In Prince William County, over 80 percent of Asian and white households are owner-occupied, and around 60 percent of Latino and black households are owner-occupied. In the City of Manassas, white households have the highest rate of

³ U.S. Census Bureau; American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Table DP04; generated by Mike MacKenzie; using American FactFinder; <<http://factfinder2.census.gov>>; (3 March 2014).

ownership at 74 percent, followed by Asian households at 65 percent, African-American households at 54 percent, and Latino households at 47 percent. The City of Manassas Park has significant higher rates of ownership for Asian (96 percent) and Latino (78 percent) households, and the lowest rates of ownership in the area for white (65 percent) and African-American (42 percent) households.

Although rates of ownership in Prince William County differ across groups, they are higher among all groups relative to the region. Latino and African-American households have the lowest ownership rates in the county.

The City of Manassas has ownership rates for each group similar to regional rates. Latino households appear to have significantly lower rates of ownership in Manassas when compared to the rest of the Prince William area.

Rates in the City of Manassas Park differ the most significantly from the region. White and African-American households have significantly lower rates of ownership in Manassas Park than elsewhere in the Prince William area. Conversely, Latino and Asian households have disproportionately high ownership rates.

Figure 13: Percent of households owner-occupied

Race or ethnicity	Prince William County	Manassas city	Manassas Park city	Metro division
All	72.8	65.3	65.8	63.5
White	80.8	74.0	65.5	71.9
Latino	60.2	46.9	78.2	47.9
African-American	58.6	53.8	42.3	52.8
Asian	82.9	64.8	96.1	66.0

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Unit characteristics

Single-family housing is the most common form throughout the metropolitan area. Approximately 65 percent of the region's housing supply is one unit per structure (attached or detached).⁴ Multifamily units (those in structures with more than two dwellings) constitute 33 percent of the region's housing. The remainder of housing exists as mobile homes and two-unit structures.

Medium density multifamily structures (10 to 19 units) and very high-density structures (50 or more units) are the most common among all multifamily units across the region. Those two dwelling types make up 66 percent of all multifamily dwellings. Lower density multifamily units (3 to 9 units) and some higher density units (20 to 49 units) are less common.

The characteristics of the Prince William area's housing supply are driven by Prince William County. The county's 137,592 housing units make up more than 88 percent of the area's total. Manassas has 13,128 units, and Manassas Park has 4,873.

The area's housing supply is more heavily weighted towards single-family homes than the overall region. Single-family units make up 83 percent of units in Prince William County, 82 percent in Manassas Park, and 74 percent in Manassas.

⁴ U.S. Census Bureau; American Community Survey, 2008-2012 American Community Survey 5-year Estimates, Table B25024; generated by Mike MacKenzie; using American FactFinder; <<http://factfinder2.census.gov>>; (3 March 2014).

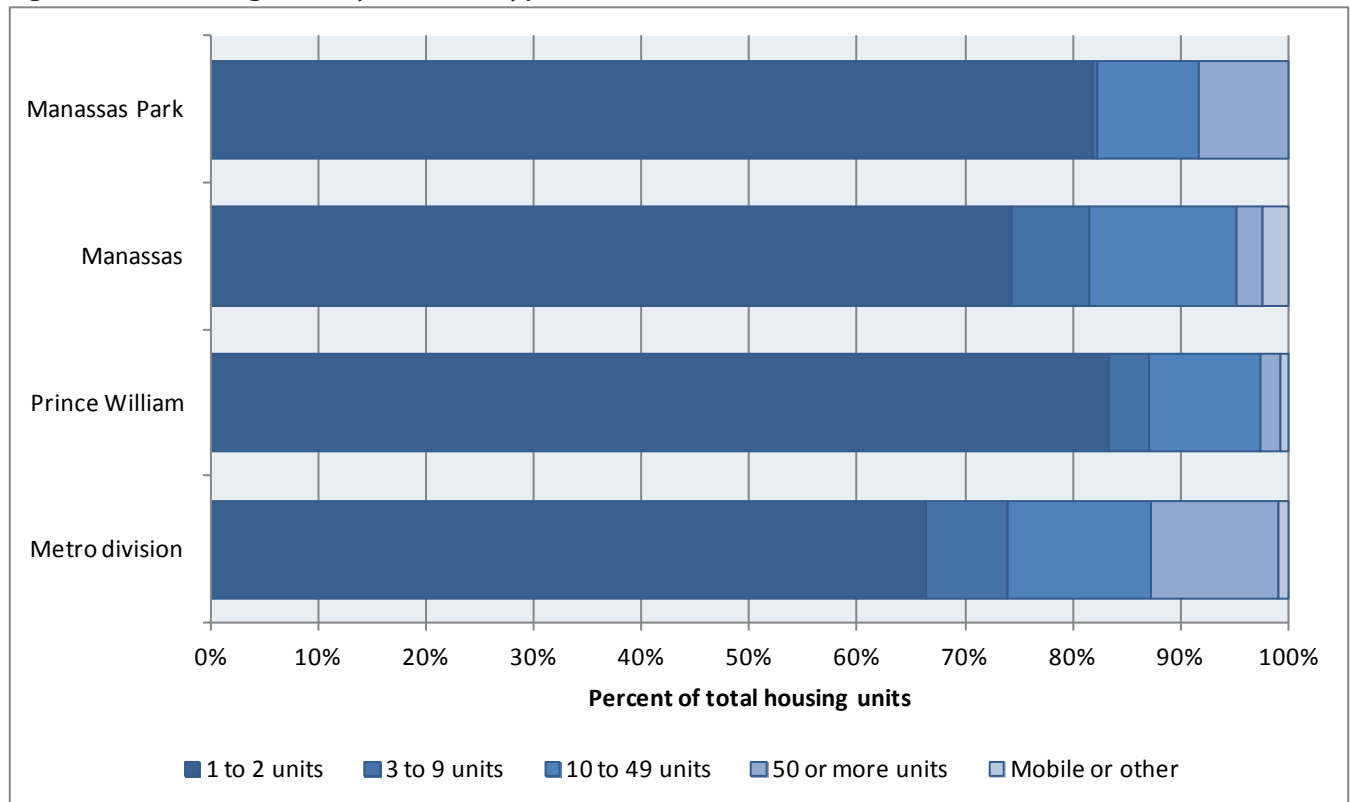
Multifamily units constitute 17 percent of the area's housing supply, or about half of the metro multifamily proportion. Multifamily units make up higher shares of the housing in the cities of Manassas and Manassas Park (23 percent and 18 percent) than Prince William County (16 percent). Multifamily units throughout the area are generally medium-density structures. About 55 percent of the area's multifamily units are in 10 to 19 unit structures.

Housing in the three jurisdictions in the Prince William area differs in a few distinct ways. Manassas has disproportionately high shares of low-density multifamily units and mobile homes. Manassas Park has notably low shares of low-density multifamily units and mobile homes, and it has an unexpectedly high number of higher density units for the area.

Over 75 percent of households in each of the four major categories of race and ethnicity in the Prince William area (white, African-American, Latino, and Asian) live in single-family housing. More than 85 percent of white and Asian households are in single-family units.

African-American and Latino households occupy multifamily units at much higher rates than white and Asian households. Those differences are clearest in medium-density multifamily units, which account for about 13 percent of African-American households and 14 percent of Latino households, compared to 7 percent of Asian households and 6 percent of white households. Mobile homes represent three percent of Latino households, but less than one percent of all other groups.

Figure 14: Housing units by structure type (number of units in structure)



Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau.

Affordability

The Prince William area's 2008 AI and 2011-2015 Fair Housing Plan identified the supply of housing affordable to households with lower incomes as an issue. Household income serves as a constraint on the housing options available to individuals and families in all housing markets. Households at the upper end of

the income spectrum are likely to be able to afford the vast majority of housing options. Households at the lower end of the income spectrum can afford only a fraction of an area’s housing units.

The impacts of income constraints may be more severe in places where the mix of housing options do not match the needs of area households, the spatial distribution of housing across a region is segregated by affordability, or transportation costs are high.

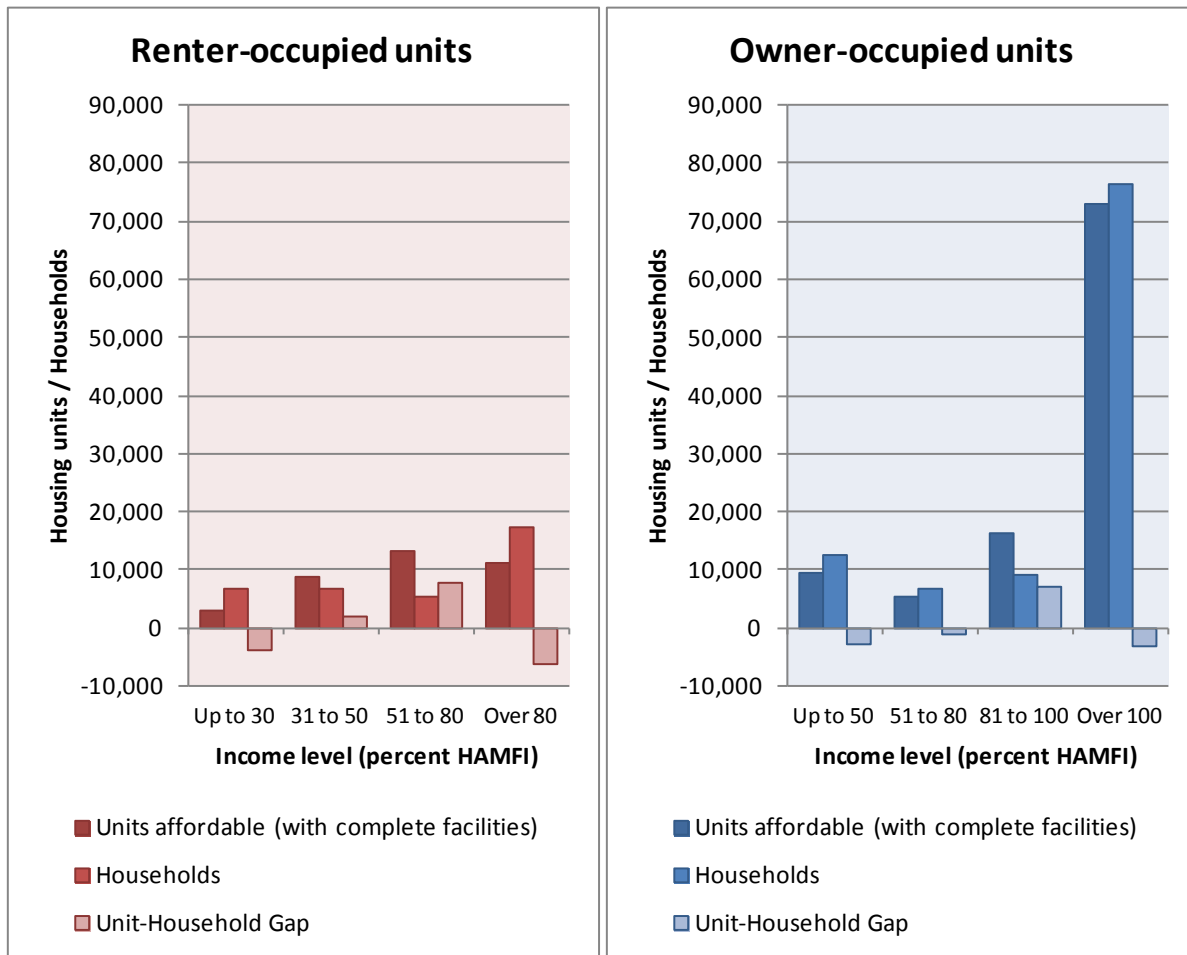
HUD releases specially tabulated Census data related to housing affordability on an annual basis or as it becomes available. The most recent Comprehensive Housing Affordability Strategy (CHAS) data utilizes American Community Survey 2006-2010 5-year estimates. Much of this analysis makes use of this data.

Rental affordability

Rental housing is often the most affordable option for households at lower income levels. Prince William County has the largest number of renters in the area, with more than 35,000 households or 27 percent of all households. However, renters constitute a higher percentage of households in the cities of Manassas and Manassas Park (35 and 34 percent, respectively).

HUD’s CHAS data indicates that 69 percent of rental units with full kitchen and plumbing facilities in the Prince William area are affordable to households with income at 80 percent of the HUD Area Median Family Income (HAMFI). However, there are gaps between the number of units affordable and the number of households at more specific income levels.

Figure 15: Gaps in number of units affordable and number of households by income level



Source: CHAS 2006-2010; U.S. Dept. of Housing and Urban Development.

The overall gap between the number of units with full facilities and the number of renter-occupied households is relatively small at 380. However, there appears to be a deficit of units at the highest and lowest ends of affordability and a significant surplus of units affordable to households earning between 51 and 80 percent HAMFI.

Households at higher income levels could afford units above the 51-80 percent HAMFI affordability bracket, but due to the deficit of units at the highest level, those households are likely to rent units at lower levels.

The deficit of rental units affordable only to households with incomes greater than 80 percent HAMFI may constrain the availability of more affordable units, effectively crowding out lower income households from units they could otherwise afford.

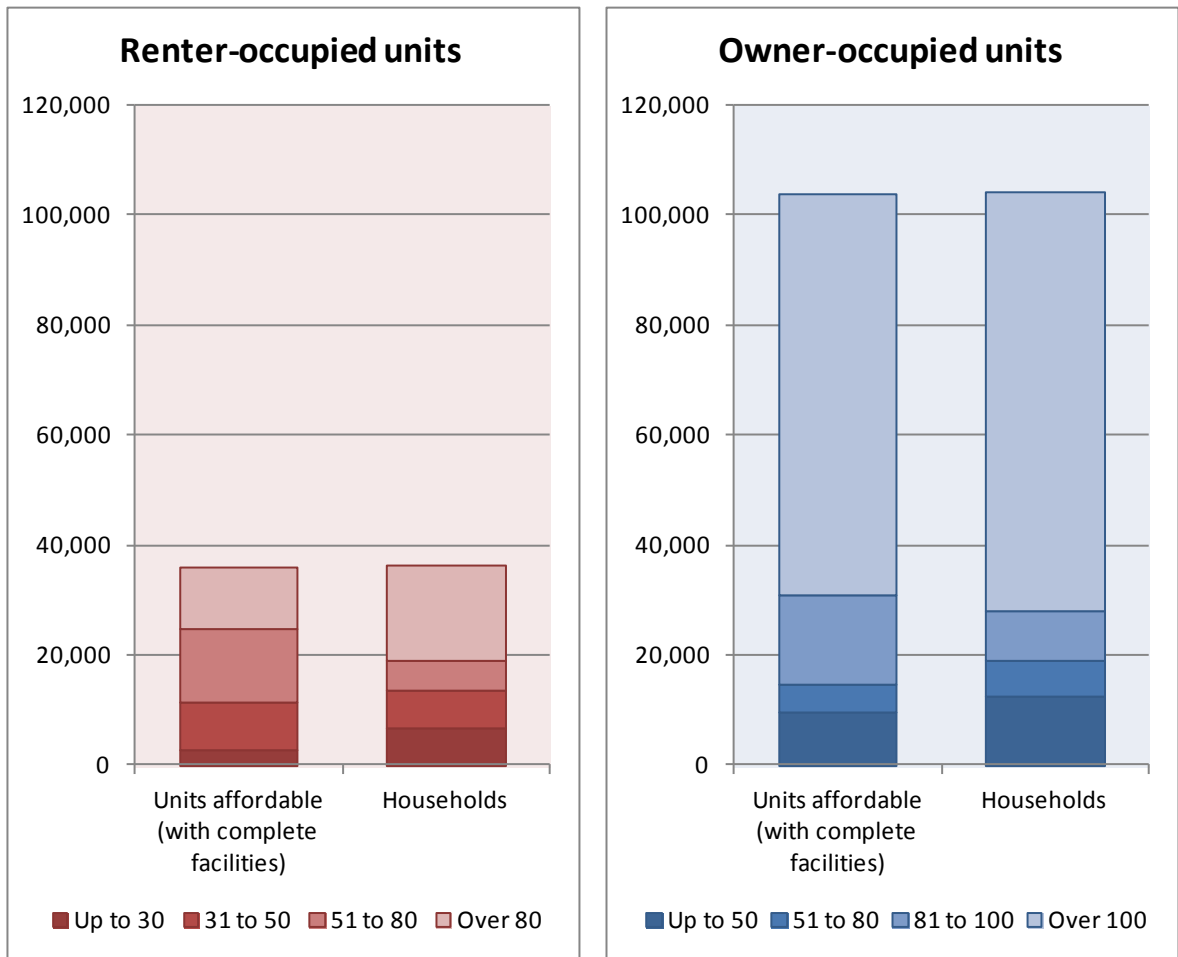
However, even if the deficit of less affordable units were eliminated, the deficit of units affordable to households with incomes at or below 30 percent HAMFI would continue to place pressure upward. The deficit of units affordable to the lowest income households is twice as large as the surplus of units at the next level of affordability.

Ownership affordability

Homeownership is typically less affordable than renting. HUD CHAS data suggests a similar pattern of affordability exists in both housing types in the Prince William area.

The largest deficits in available units at different levels of affordability are at the highest and lowest levels. There is also a surplus of units affordable at the 81 to 100 percent HAMFI level.

Figure 16: Housing units and households by affordability and income (percent HAMFI)



Source: CHAS 2006-2010; U.S. Dept. of Housing and Urban Development.

Households in the lower income ranges may be pressured from both higher and lower income households into units that are unaffordable for them.

Location affordability

The spatial distribution of housing can determine where households may live. Unevenly distributed housing can establish certain neighborhoods, areas, or entire jurisdictions as off-limits to low and medium income households.

HUD's Location Affordability Index calculates the percentage of a household's income that would go towards housing and transportation if such a household lived in a particular neighborhood. The calculations are based on eight different types of households with different characteristics.

Housing throughout the region is distributed in a pattern that limits the options, drastically in some cases, of households earning below the area median. The most affordable neighborhoods appear to be most clustered in the east of the District of Columbia and Prince George's County, Maryland. These are also the areas that score more highly in measures of segregation (see Figure 24 on page 38).

Outside of metropolitan core, the most affordable neighborhoods are on the periphery of the area, where transportation costs are highest.

The Prince William area appears to have a mix of neighborhoods affordable to two-income households or those that might be considered near average. Maps indicate that lower income households might have difficulty accessing housing in much of the western and southern sides of Prince William County. Likewise, many of the neighborhoods that would be affordable to typical and moderate households also have higher concentrations of racial and ethnic minorities in the area.

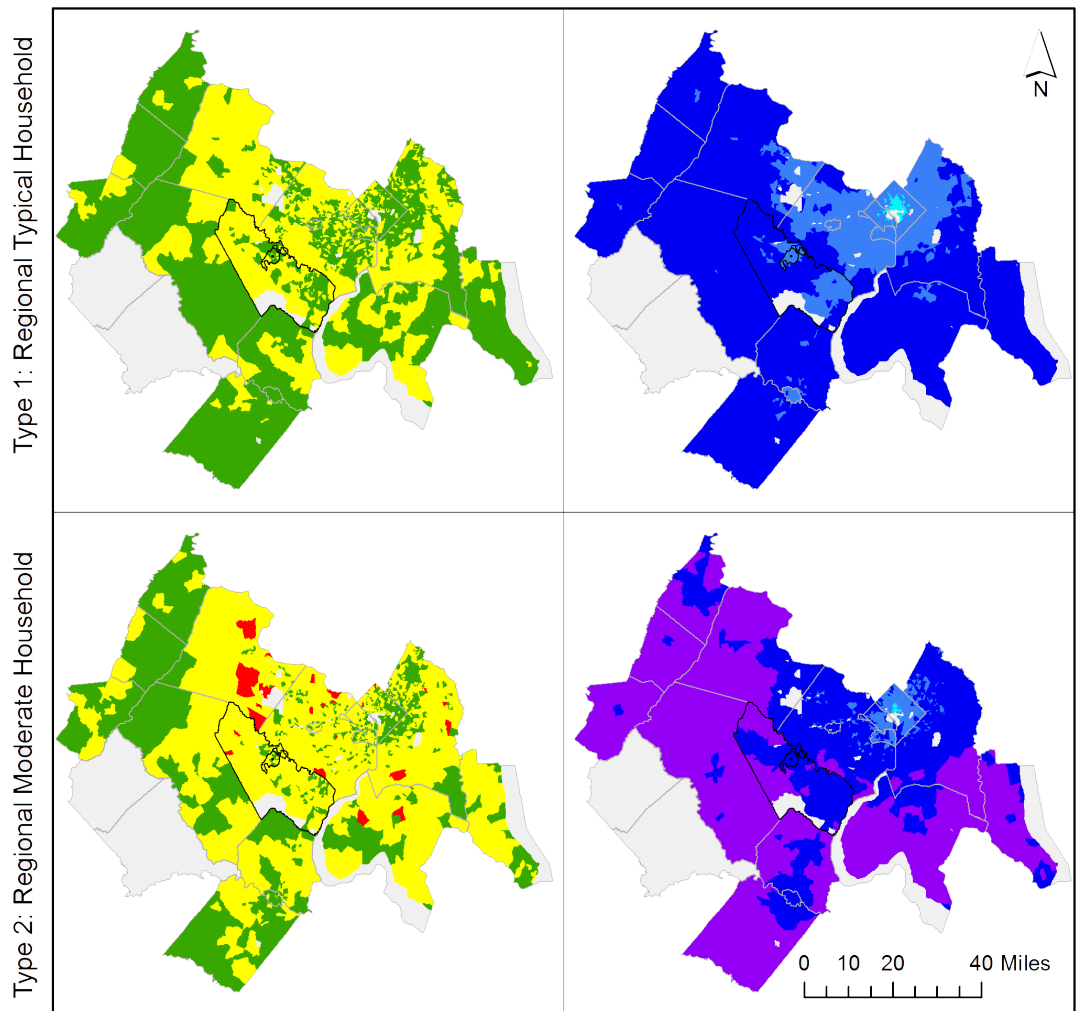
It appears that patterns of housing cost and the spatial distribution of demographic groups throughout the region correlate. Housing and transportation costs likely play a role in the spatial patterns of racially and ethnically concentrated areas of poverty identified in Figure 25 on page 40.

Figure 17: Characteristics of LAI-modeled households

Type	Description	Size	Income	Commuters (#)
1	Regional typical	Region average	Area median	Region average
2	Regional moderate	Region average	80% area median	Region average
3	Dual-income family	4	150% area median	2
4	Low income	3	50% HAMFI	1
5	Single person very low income	1	National poverty line	1
6	Single professional	1	200% of region per capita income	1
7	Single worker	1	Median region per capita income	1
8	Retirees	2	80% area median	0

Source: Location Affordability Portal; U.S. Department of Housing and Urban Development; <www.locationaffordability.info>.

Figure 18: Modeled location affordability (household types 1 and 2)



Housing cost (% income)

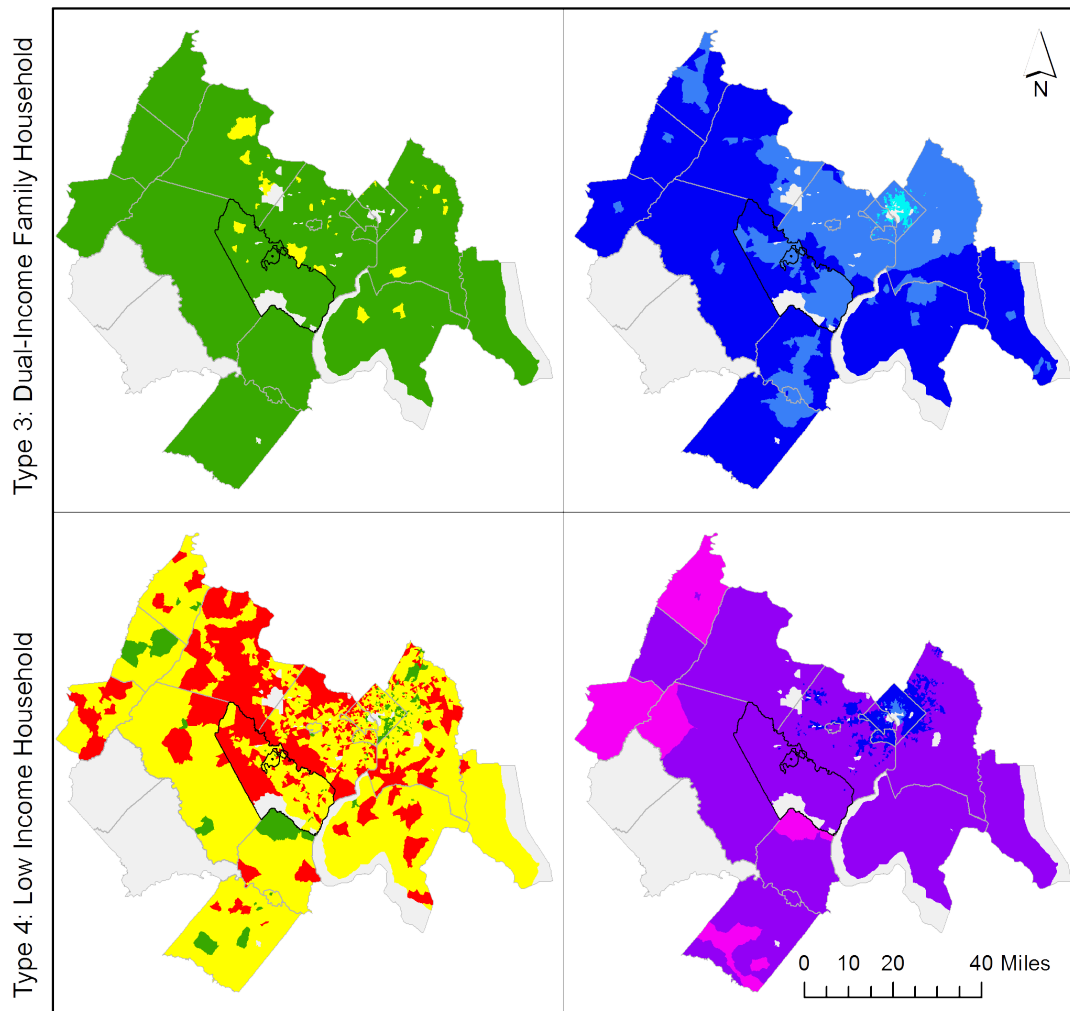
- up to 30 percent (affordable)
- 30.1 to 50 percent (cost-burden)
- over 50 percent (severe cost-burden)

Transportation cost (% income)

- up to 10 percent
- 10.1 to 15 percent
- 15.1 to 20 percent
- 20.1 to 30 percent
- over 30 percent

Source: Location Affordability Index; U.S. Dept. of Housing & Urban Development, U.S. Dept. of Transportation; accessed April 2014.

Figure 19: Modeled location affordability (household types 3 and 4)



Housing cost (% income)

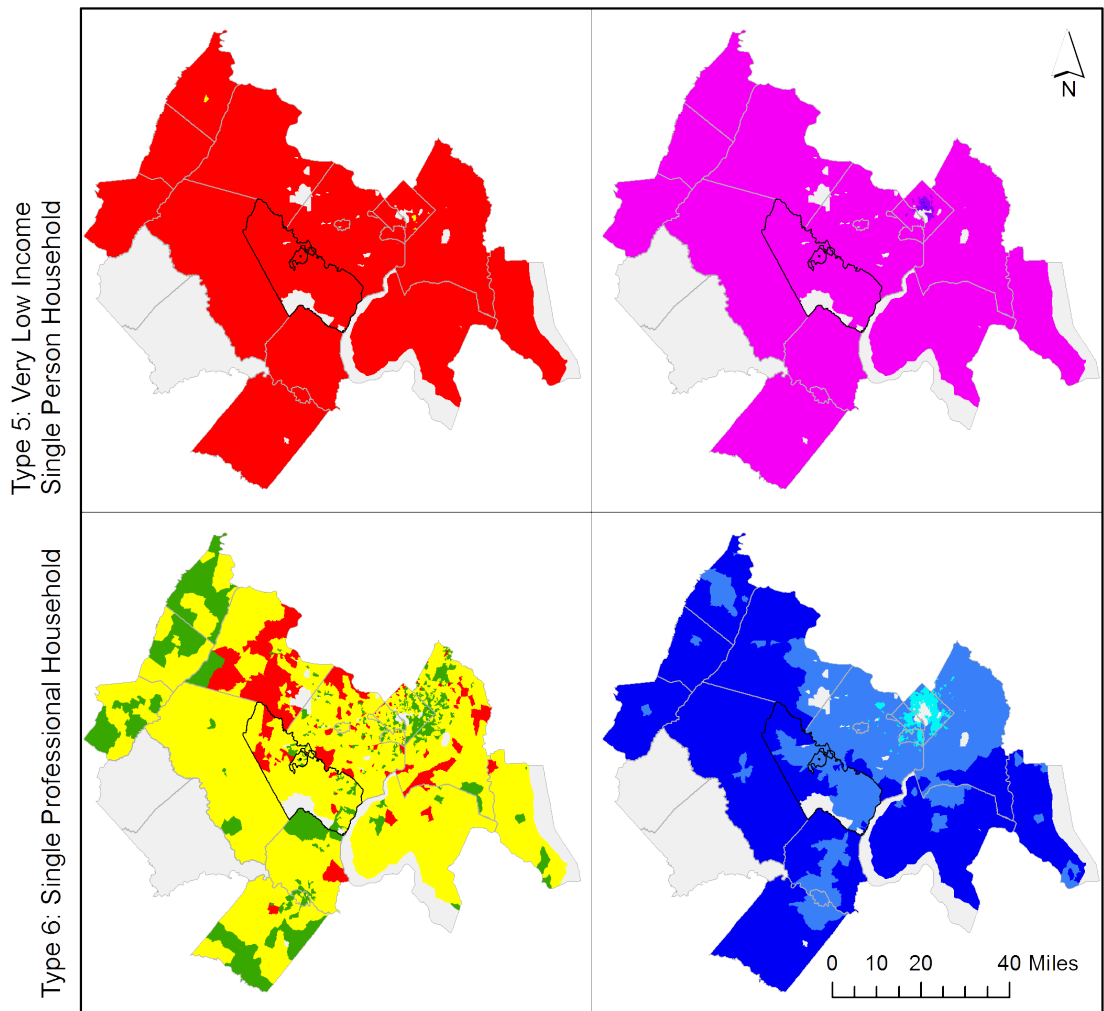
- up to 30 percent (affordable)
- 30.1 to 50 percent (cost-burden)
- over 50 percent (severe cost-burden)

Transportation cost (% income)

- up to 10 percent
- 10.1 to 15 percent
- 15.1 to 20 percent
- 20.1 to 30 percent
- over 30 percent

Source: Location Affordability Index; U.S. Dept. of Housing & Urban Development, U.S. Dept. of Transportation; accessed April 2014.

Figure 20: Modeled location affordability (household types 5 and 6)



Housing cost (% income)

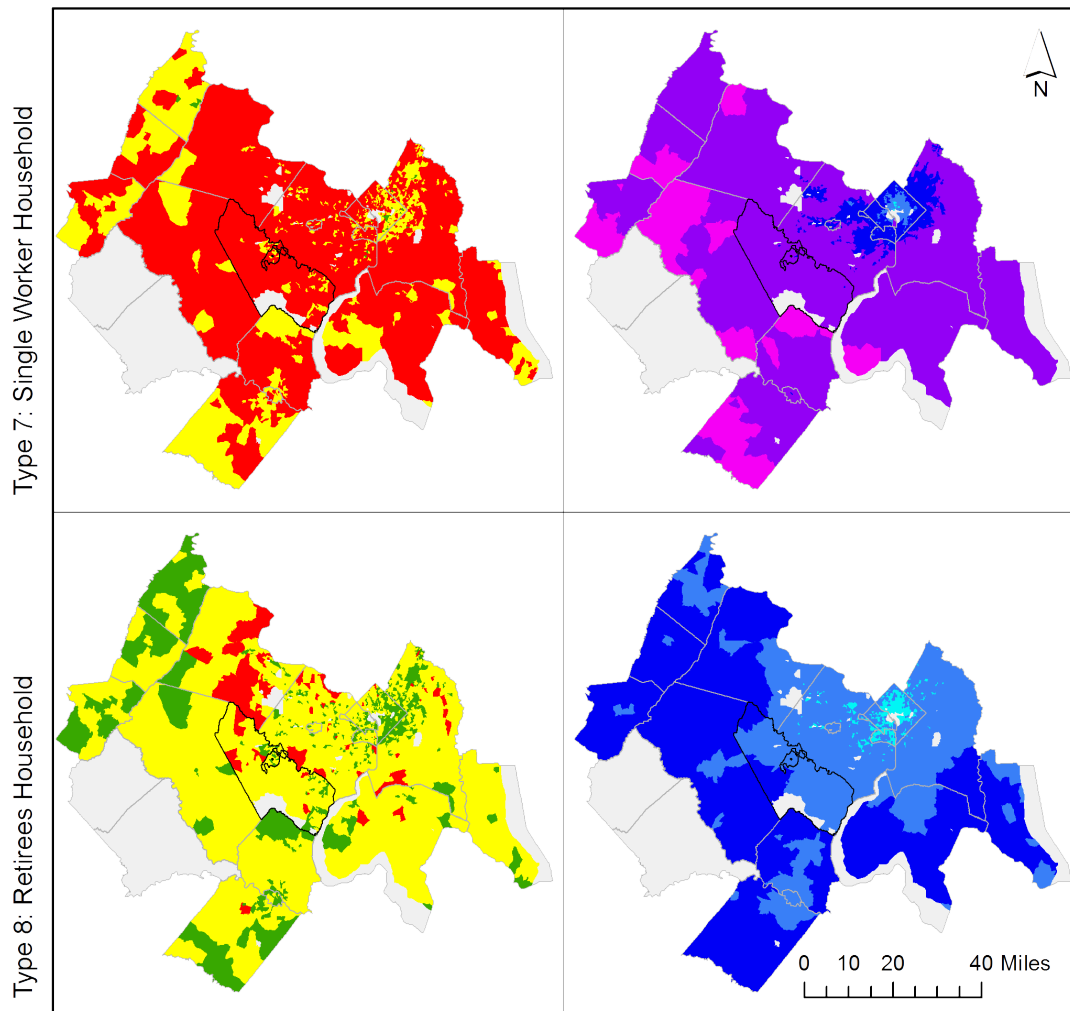
- up to 30 percent (affordable)
- 30.1 to 50 percent (cost-burden)
- over 50 percent (severe cost-burden)

Transportation cost (% income)

- up to 10 percent
- 10.1 to 15 percent
- 15.1 to 20 percent
- 20.1 to 30 percent
- over 30 percent

Source: Location Affordability Index; U.S. Dept. of Housing & Urban Development, U.S. Dept. of Transportation; accessed April 2014.

Figure 21: Modeled location affordability (household types 7 and 8)



Housing cost (% income)

- up to 30 percent (affordable)
- 30.1 to 50 percent (cost-burden)
- over 50 percent (severe cost-burden)

Transportation cost (% income)

- up to 10 percent
- 10.1 to 15 percent
- 15.1 to 20 percent
- 20.1 to 30 percent
- over 30 percent

Source: Location Affordability Index; U.S. Dept. of Housing & Urban Development, U.S. Dept. of Transportation; accessed April 2014.

Data Analysis

HUD's proposed AFFH regulations detail several areas of focus for data analysis. These areas are in keeping with the goals of fair housing planning, including the promotion of integrated housing patterns, the elimination of racially and ethnically concentrated areas of poverty, and the addressing of disproportionate access and housing needs.

Patterns of Integration and Segregation

The Dissimilarity Index

The dissimilarity index is an accepted measure of integration and segregation that compares the distribution of two groups across the component parts of a larger geography. It may compare the distributions of different races and ethnicities to the majority population, individuals with disabilities to those without, immigrant populations to the native-born or other characteristics. The resulting measures indicate to what extent the parts of an area are characteristically similar (or dissimilar) to the whole. It may be thought of as a measure of evenness.

This analysis compares the spatial distribution of certain protected characteristics across block groups within the Prince William area (including the cities of Manassas and Manassas Park) as well as across the region¹. If the composition of each block group mirrors that of the larger area or region, the dissimilarity index of the area would be at or near 0.00, or complete integration.

For example, if X County's combined African-American and white population is 45 percent African-American and 55 percent white, and if the population of each block group within X County is 45 percent African-American and 55 percent white, X County will have a 0.00 white-black or black-white dissimilarity index.

Conversely, if the combined African-American and white population of each block group in X County is either 100 percent African-American or 100 percent white, the county will have a 1.00 white-black or black-white dissimilarity index, indicating complete segregation.

Dissimilarity indices below 0.40 are considered indicative of low levels of segregation, according to HUD.² Indices between 0.40 and 0.55 indicate moderate levels of segregation. And indices above 0.55 signal high levels of segregation.

Index measures vary depending on the composition of the larger geography. The dissimilarity index of block groups in a single county may indicate low levels of segregation. But the same index may be higher when measured at a regional scale that includes surrounding counties and cities. Likewise, a region with a low to moderate dissimilarity index may contain a jurisdiction that exhibits a higher dissimilarity index when measured separately.

Racial and Ethnic Patterns

The Prince William area exhibits moderate levels of racial and ethnic segregation across the four largest groups. The white-Asian dissimilarity index is the lowest, at 0.40. The Latino-Asian dissimilarity index is the highest at 0.50, followed by the white-Latino index at 0.47. See Figure 23 on page 38.

Measures of segregation at the regional level are significantly higher. The black-Asian, black-white, and black-Latino dissimilarity indices range between 0.61 and 0.71, indicating very high levels of segregation for the African-American population. The Latino-white, Latino-Asian, and white-Asian indices indicate moderate levels of segregation. See Figure 22 on page 38.

¹ For the purposes of this analysis, the region is defined as the Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division, which is a component of the Metropolitan Statistical Area.

² U.S. Department of Housing and Urban Development, AFFH Data Documentation (HUD-2013-0066-003), June 2013, <www.regulations.gov/#!documentDetail;D=HUD-2013-0066-0003>.

Figure 22: Dissimilarity index: Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division

Group 1	Group 2	Dissimilarity Index	Segregation level
Black	Asian	0.71	High Segregation
White	Black	0.68	High Segregation
Black	Latino	0.61	High Segregation
White	Latino	0.55	Moderate Segregation
Latino	Asian	0.53	Moderate Segregation
White	Asian	0.48	Moderate Segregation

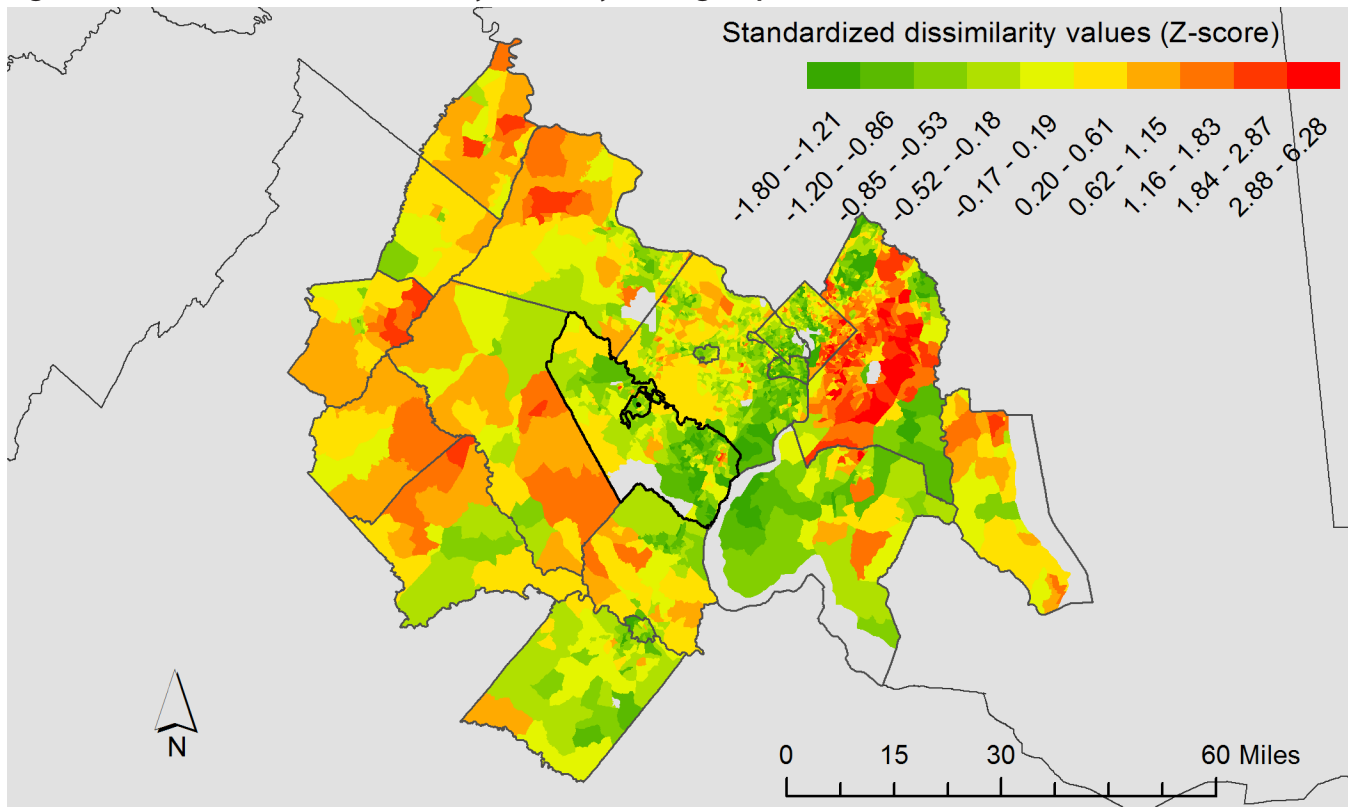
2008-2012 ACS 5-year Estimates; U.S. Census Bureau; calculated by HOME.

Figure 23: Dissimilarity index: Prince William area

Group 1	Group 2	Dissimilarity Index	Segregation level
Latino	Asian	0.50	Moderate Segregation
White	Latino	0.47	Moderate Segregation
White	Black	0.44	Moderate Segregation
Black	Latino	0.43	Moderate Segregation
Black	Asian	0.41	Moderate Segregation
White	Asian	0.40	Moderate Segregation

2008-2012 ACS 5-year Estimates; U.S. Census Bureau; calculated by HOME.

Figure 24: Standardized dissimilarity values by block group



Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau. Local Multi-Group Spatial Dissimilarity tool and algorithm; ESRI, Inc.

Local dissimilarity indices are not indicative of widespread residential segregation within the Prince William area. Spatial analysis indicates pockets of segregation exist in the area, with significant African-American neighborhoods east of I-95 near Georgetown Village and Cherry Hill, and Latino neighborhoods in the Marumsco Hills/Marumsco Acres areas and west of Manassas near Bull Run.

Regional measures of segregation suggest African-Americans and Latinos face more significant barriers to fair housing choice regionally than locally. A spatial dissimilarity analysis of the metropolitan division indicates highly segregated racial and ethnic minority neighborhoods exist from the Southeast quadrant of the District of Columbia through the Inner Beltway and Central County regions of Prince George's County in Maryland. Highly segregated white neighborhoods are more prevalent in the counties west of Prince William.

Analysis indicates that segregation in the region is a significant fair housing issue. Many of the region's more integrated neighborhoods are in the Prince William area. Although pockets of local segregation deserve further exploration, they do not present the same barriers to fair housing choice as regional patterns.

Racially or Ethnically Concentrated Areas of Poverty

Poverty serves as a barrier to the mobility of many households. When poverty is disproportionately concentrated in minority communities, it represents a fair housing issue.

The spatial patterns of racially and ethnically concentrated areas of poverty (RCAP/ECAP) often reflect historical patterns of segregation, redlining, and other institutional policies that have excluded protected classes. An RCAP or ECAP is defined by HUD³ as an area in which at least 50 percent of its population is non-white and the percent of individuals living at or below the poverty line is disproportionately high (40 percent or three times the average poverty rate of all census tracts in the area, whichever is lower).

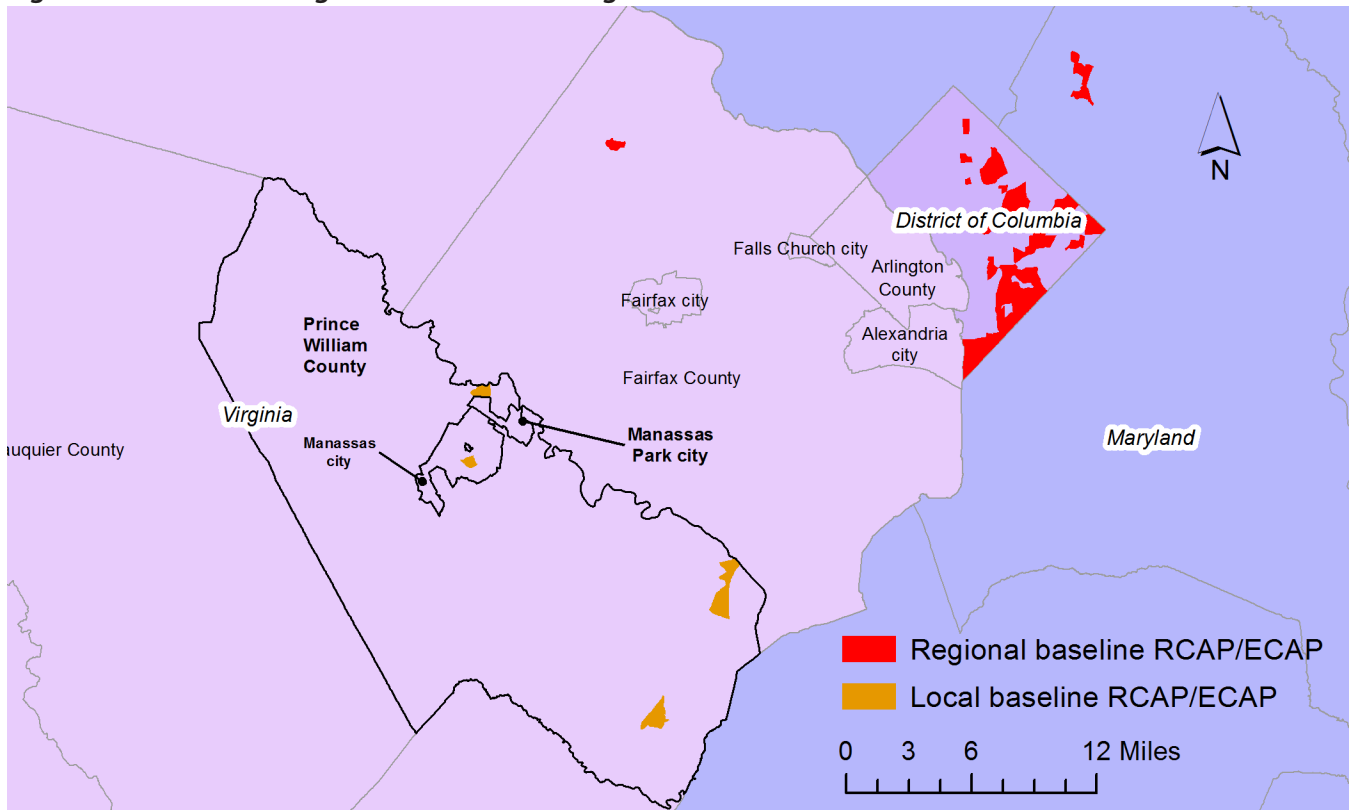
In the Prince William area, the poverty threshold for an RCAP or ECAP is 19.4 percent. Five census tracts have poverty rates above that threshold, ranging from rates of 21.3 to 26.0 percent. Within these tracts, 13 of the 16 total block groups have minority populations of at least 50 percent, forming the four distinct clusters shown in Figure 25 on page 40.

- A cluster of block groups in the Dumfries and Triangle area form an RCAP that is 47 percent African-American, 22 percent Latino, 18 percent white, and 5 percent Asian.
- Following the I-95 corridor north, a string of block groups in Marumsco and Woodbridge form an ECAP that is 55 percent Latino, 24 percent white, 14 percent African-American, and 4 percent Asian.
- In the north of Prince William County, the Yorkshire Park area between the city of Manassas Park and Loudoun County is an ECAP: 53 percent Latino, 39 percent white, 3 percent African-American, and less than 1 percent Asian.
- And Georgetown South in the city of Manassas, a cluster of block groups form an ECAP that is 61 percent Latino, 20 percent white, 17 percent African-American, and 1 percent Asian.

Taken as a whole, these RCAPs and ECAPs are 49 percent Latino, 24 percent White, 21 percent African-American, and 3 percent Asian.

The Prince William area has no RCAPs and ECAPs when measuring at the regional scale. The Prince William area has levels of poverty that are low relative to the urban core of the region. As such, the poverty threshold at which an RCAP or ECAP is defined at the regional level is higher (27.2 percent). Regional RCAPs and ECAPs are concentrated almost entirely in the east of the District of Columbia. These areas are also characteristically different from RCAPs and ECAPs in the Prince William area, with a population that is 83 percent African-American, 8 percent white, and 6 percent Latino, and 1 percent Asian.

³ U.S. Department of Housing and Urban Development, AFFH Data Documentation (HUD-2013-0066-003), June 2013, <www.regulations.gov/#!documentDetail;D=HUD-2013-0066-0003>.

Figure 25: Local and regional RCAP/ECAP designations

Source: 2008-2012 ACS 5-year Estimates; U.S. Census Bureau; calculations completed by HOME.

This analysis indicates that although poverty levels across the Prince William area are relatively low, concentrated poverty, particularly in Latino communities, is a fair housing issue. The disparity in levels of racially and ethnically concentrated poverty across the region may represent a broader fair housing issue.

Access to Community Assets

Community assets such as public transit and grocers are often an important factor in choosing where to live. When protected classes have significantly less access to those assets, they may have to spend additional money and time to remain employed and healthy.

Grocers

The U.S. Department of Agriculture collects and releases data on access to grocers. The data flags areas considered Low Access and Low Income. A low access area indicates that a significant portion of residents do not live within one mile (for urban areas) or ten miles (for rural areas) of a grocery store.

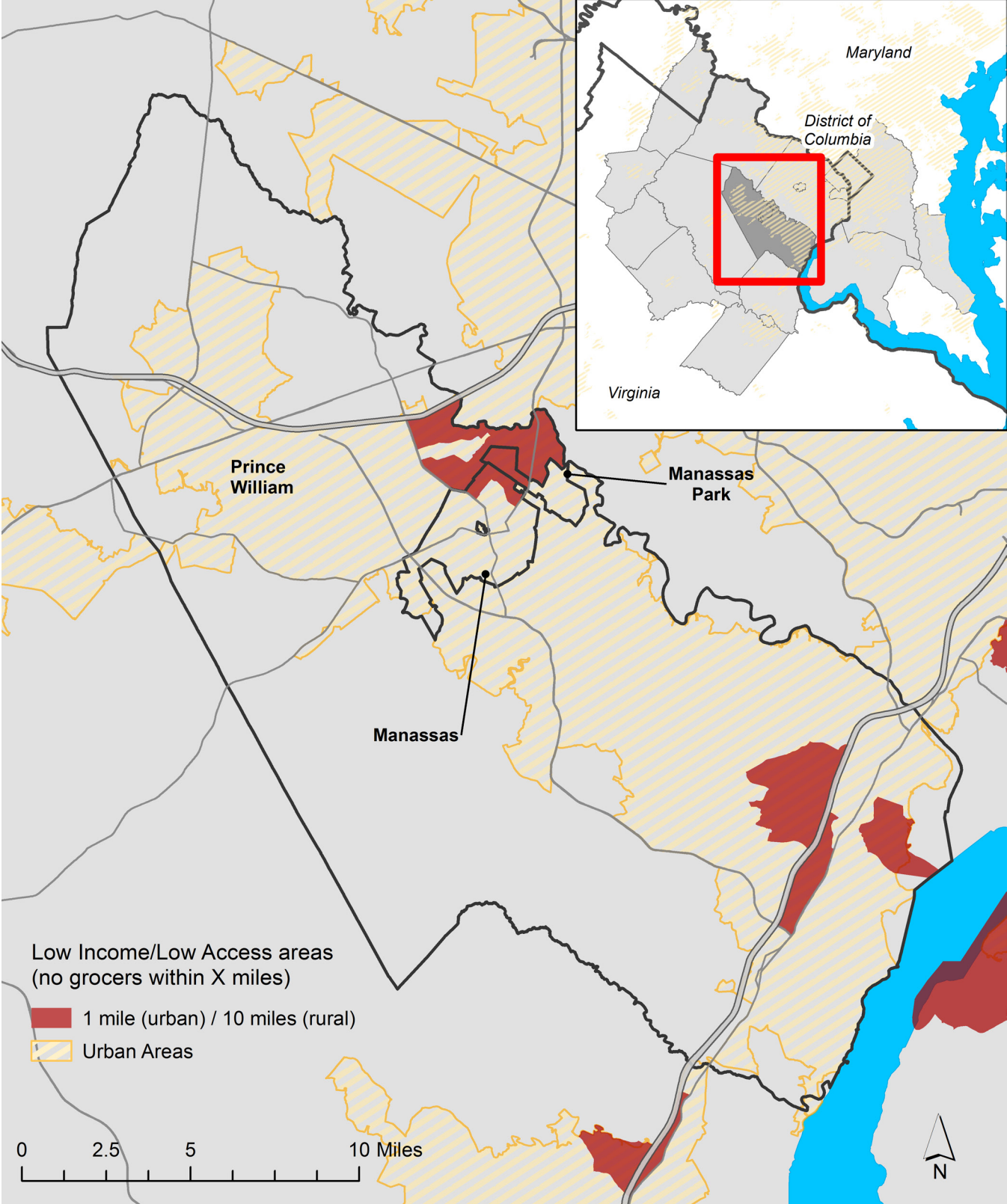
As shown in Figure 26 on page 41, several clustered neighborhoods in the Prince William area are considered Low Income/Low Access. These neighborhoods overlap with higher minority populations and identified racially and ethnically concentrated areas of poverty shown in Figure 4 on page 21 and Figure 25 above.

These access limitations may constitute a fair housing issue.

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

Figure 26: Low-income areas with limited access to grocers



Source: Food Access Research Atlas; U.S. Department of Agriculture; access February 2014.

group experience these needs at rates disproportionately higher than other groups of similar income levels, it represents a fair housing issue.

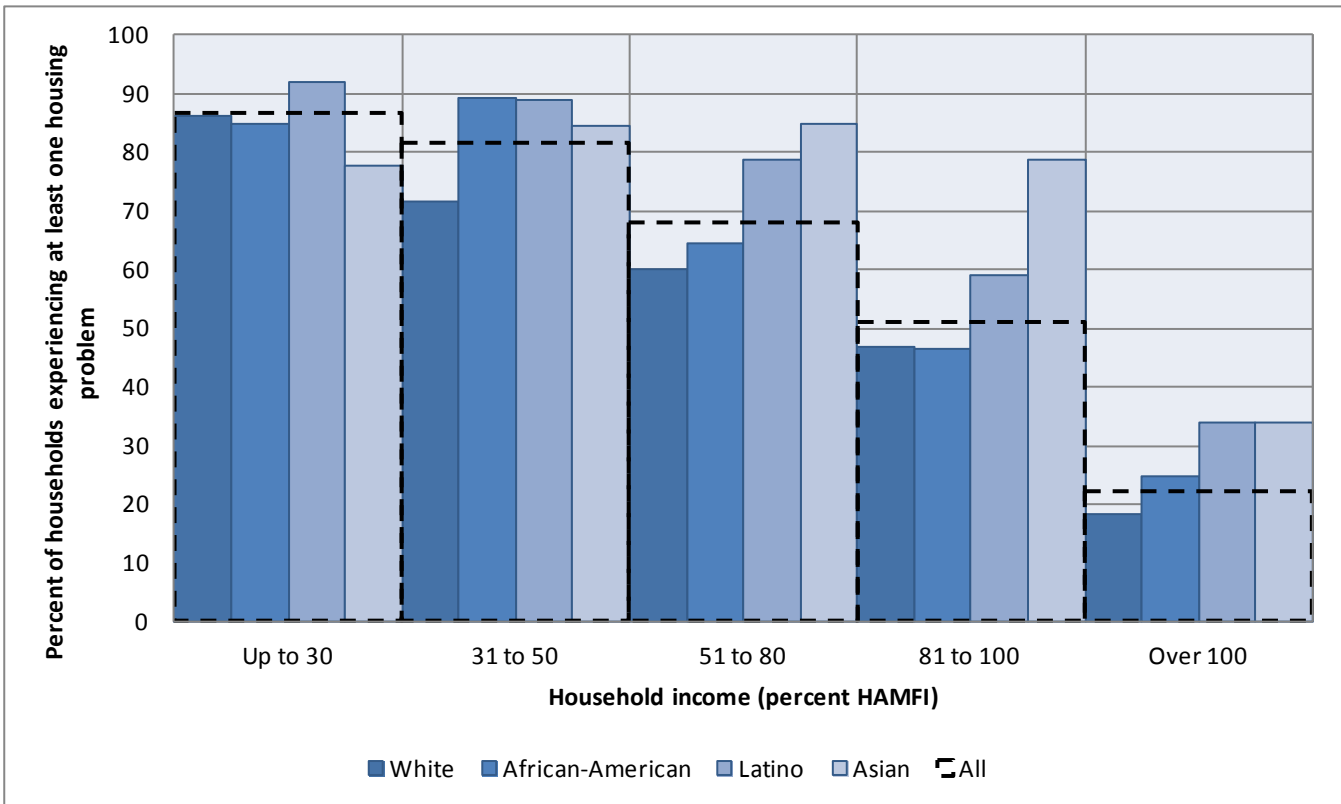
Analysis of the most recent available data from HUD (2006-2010 Comprehensive Housing Affordability Strategy, or CHAS data) indicates that all groups in the Prince William area experience high rates of housing need at incomes at or below 30 percent of the area median. Above that income level, the needs of some groups become disproportionate.

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.

Housing cost burden (spending more than 30 percent of household income on housing and utilities) represents the single largest driver of housing need (see Figure 28 on page 43). Significantly fewer households, regardless of income, experience problems related to incomplete plumbing or kitchen facilities or overcrowding.

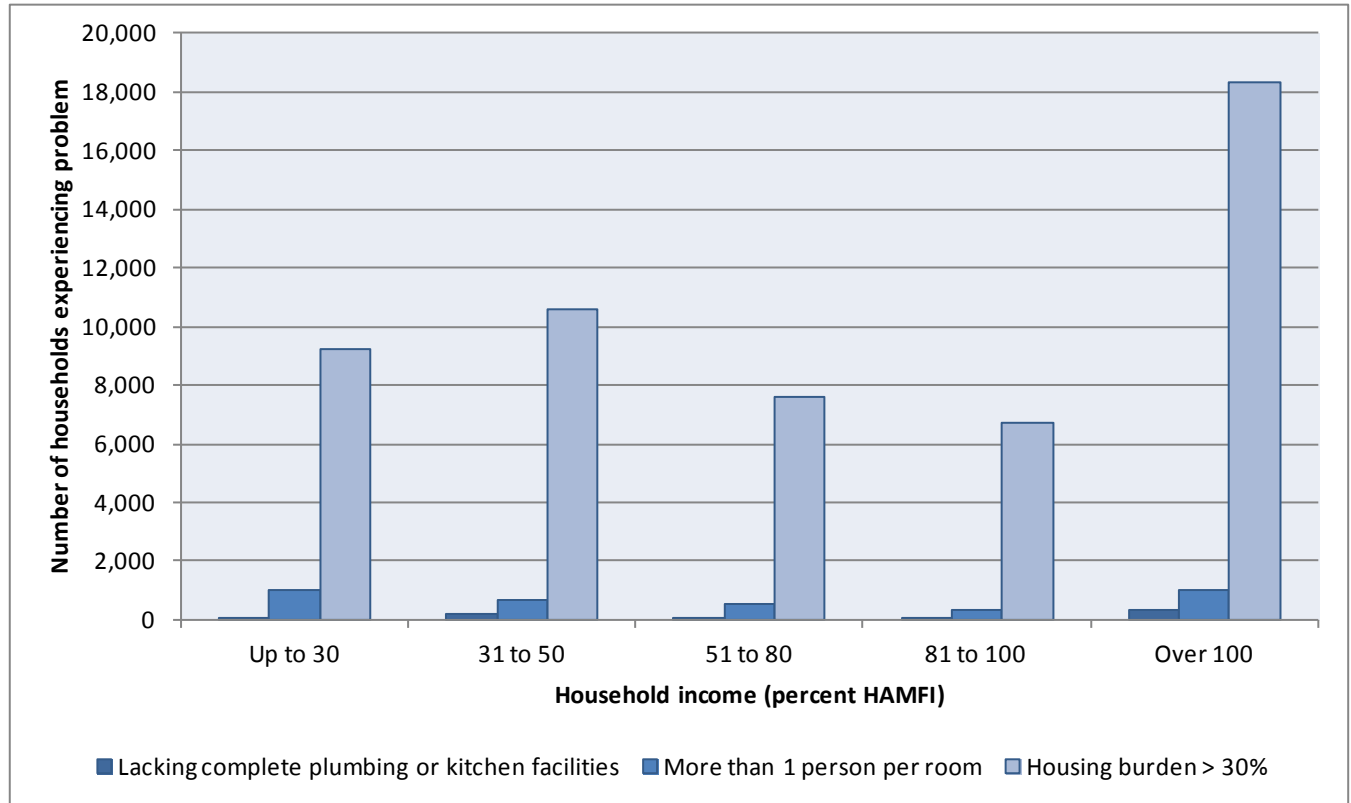
Disparities in need across racial and ethnic groups, particularly at income levels below the AMI, represent a fair housing issue. Cost appears to be a more significant issue than basic housing quality.

Figure 27: Housing need by race and income



Source: 2006-2010 CHAS; U.S. Dept. of Housing and Urban Development.

Figure 28: Households experiencing problems by type of need and income



Source: 2006-2010 CHAS; U.S. Dept. of Housing and Urban Development.

Public Sector Activity

Housing Services

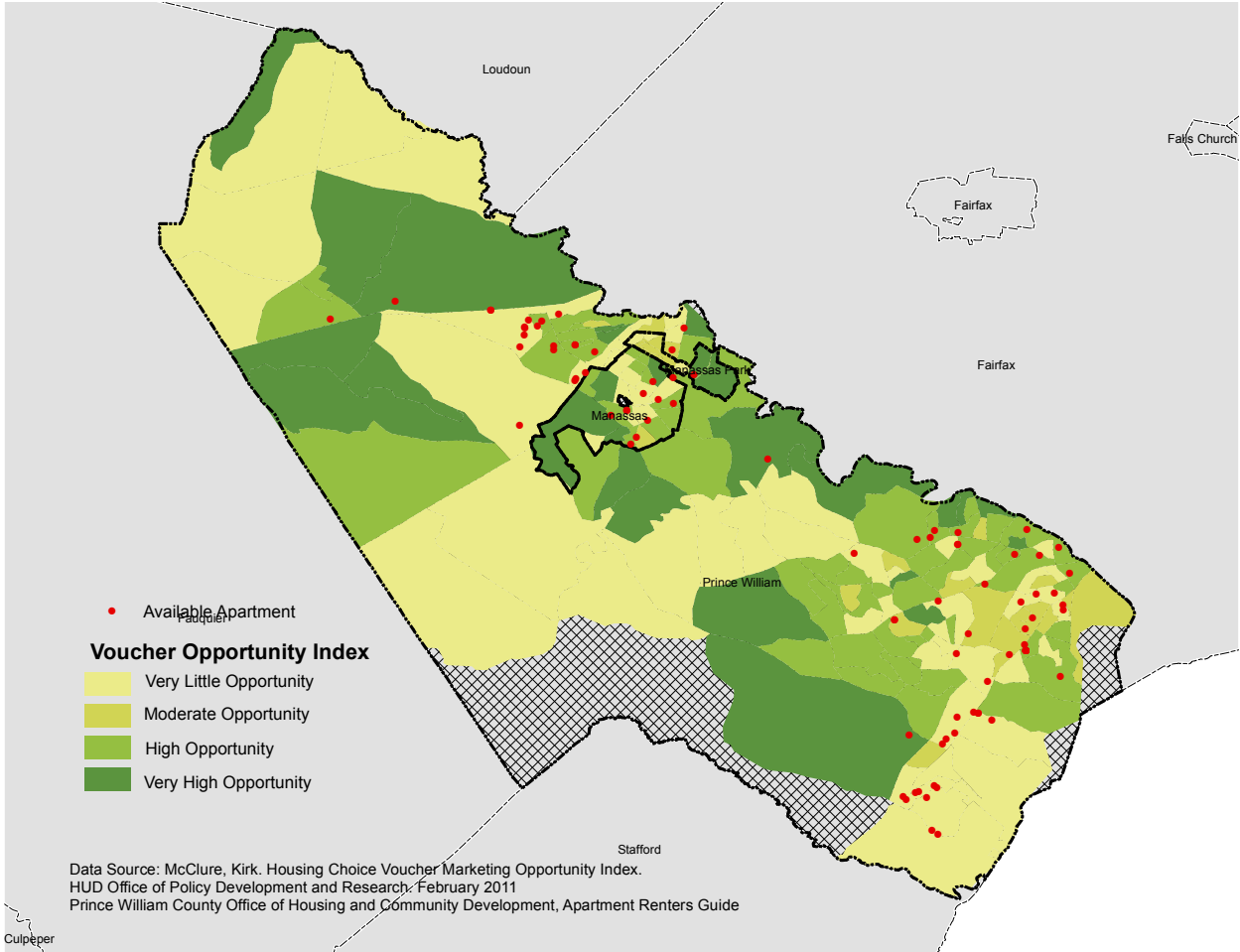
Public housing assistance in the Prince William area primarily takes the form of Housing Choice Vouchers, as no public housing exists. Housing Choice Vouchers are administered by the Prince William Office of Community and Housing Development as well as the City of Manassas Department of Family Services.

See “Housing Programs and AFFH Activities” on page 8 for additional information on the administration of housing programs.

Vouchers offer the possibility of mobility, allowing voucher-holders housing choices in a variety of neighborhoods. However, landlords also have the choice of whether or not to participate in the program. Voucher-holders are protected from discrimination in some states and jurisdictions by source of income amendments to anti-discrimination laws. Those protections do not exist in Virginia. The institutions that administer vouchers in Virginia must actively recruit landlords and property managers in a diversity of neighborhoods in order to make the mobility promised by the voucher system a true possibility.

Both Prince William County and the City of Manassas actively recruit landlords to participate in the Housing Choice Voucher program. Prince William holds monthly landlord briefings to assist landlords in becoming familiar with the program. They also maintain a list of available apartments on their website. The websites of both jurisdictions provide comprehensive information about not only the requirements of becoming a HCV landlord but the benefits of doing so. The location of available apartments as listed on the

Figure 29: Available apartments by Voucher Opportunity Index

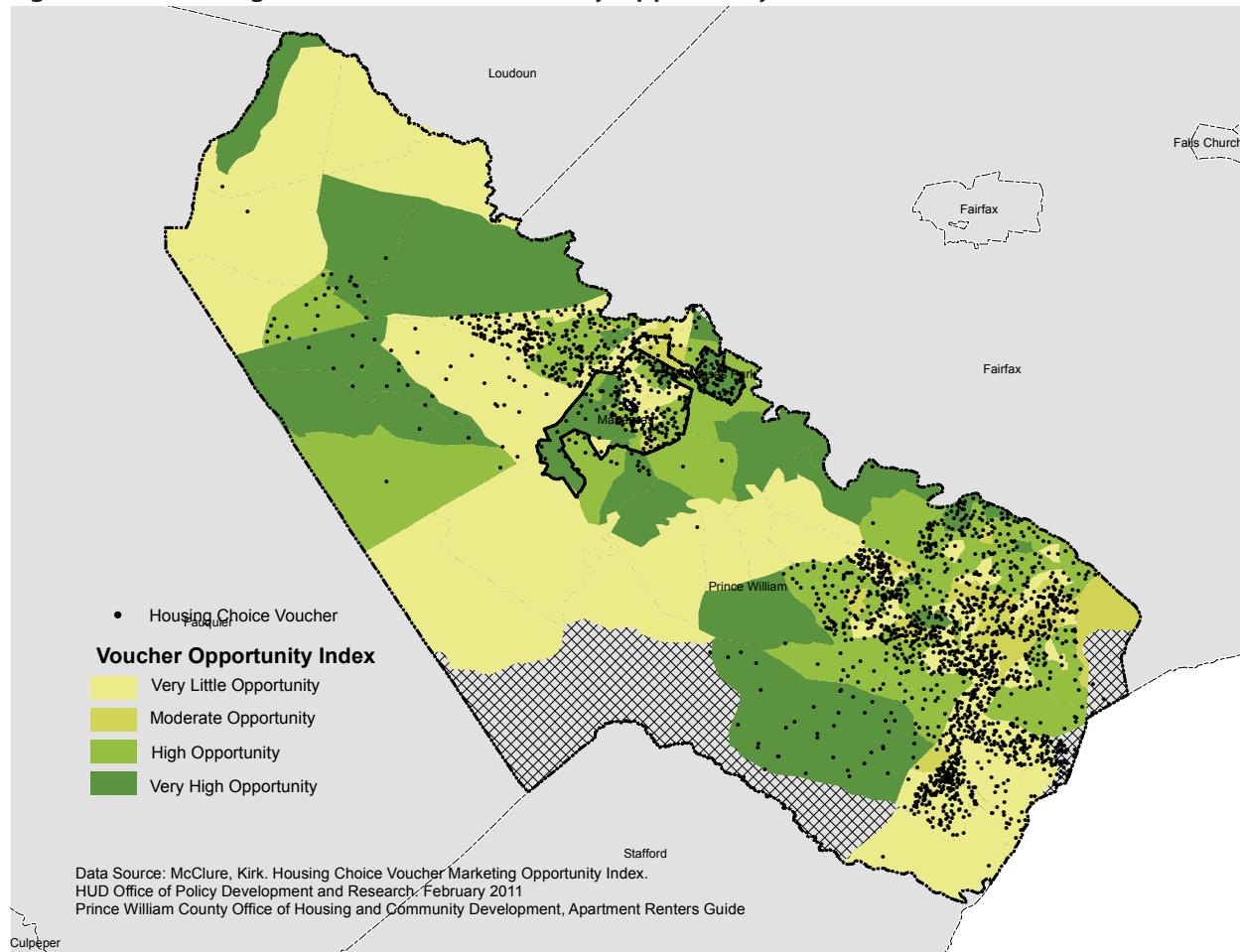


Prince William County OHCD Apartment Renters Guide is shown in relation to the HCV opportunity index in Figure 29 on page 45. Overall, 58 percent of the apartments listed are located in moderate or very little opportunity tracts; the remaining 42 percent are located in high or very high opportunity tracts.

In 2011, HUD released a report which included an index for every Census Tract and Block Group in the United States using multiple criteria to measure the housing, demographic, and economic conditions of each tract. The index serves as a measure of each tract's potential opportunities – conditions that are correlated with economic and social mobility – for Housing Choice Voucher holders seeking housing. The conditions used to define opportunity include: relatively low poverty rates, availability of rental units offered at rates at or below Fair Market Rent limits, a high level of accessible employment and educational opportunities, and a relatively low density of households receiving public assistance. Below, Figure 30 uses this index along with Housing Choice Voucher location data from HUD to indicate the ability of Voucher holders to live in neighborhoods with high potential opportunity.

With the exception of the cluster of voucher holders located in the Town of Dumfries and Triangle, the majority of holders appear to have access to neighborhoods with moderate levels of opportunity. However, relatively few voucher holders reside in census tracts with the highest measures of opportunity.

Figure 30: Housing Choice Voucher Holders by Opportunity Measures



Public Transit

The Potomac and Rappahannock Transportation Commission (PRTC) provides bus service to the Prince William area. Its routes connect portions of Prince William County and the cities of Manassas and Manassas Park to Arlington and the District of Columbia.

The PRTC provides some service within Prince William County, including circulator routes in shopping areas, transport from the I-95 corridor to the Manassas area, and commuter shuttles to the metropolitan core.

The vast majority of the areas served by PRTC routes in the Prince William area have higher minority populations. Fewer routes or stops are accessible on the southwestern side of Prince William County.

Based on Location Affordability Index measures, transportation costs are consistently lower in neighborhoods near bus routes. See "Affordability" on page 24 for further discussion of housing and transportation costs.

Land use regulations

The zoning ordinances of each Jurisdiction: Manassas Park, Manassas City, and Prince William County were all reviewed and no apparent issues impacting the location, availability, or accessibility of housing were found.

Private Sector Activity

Housing discrimination in the private market can occur in numerous housing-related transactions. The Fair Housing Act prohibits discrimination on the basis of race, color, national origin, religion, sex, familial status or handicap (the Virginia Fair Housing Law adds protections for elderliness) in the following activities¹:

- Refusing to rent or sell housing
- Refusing to negotiate for housing
- Making housing unavailable
- Denying a dwelling
- Setting different terms, conditions or privileges for sale or rental of a dwelling
- Providing different housing services or facilities
- Falsely denying that housing is available for inspection, sale, or rental
- For profit, persuading owners to sell or rent (blockbusting) or
- Denying anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

The majority of housing related transactions occur within the private market and though covered by the Fair Housing Act, discrimination is often difficult to assess. Discrimination can still occur in dramatic, obvious ways, but it more commonly occurs in untruths, incomplete information, and subtle discouragement. Individuals who are given misleading or inaccurate information about the availability of housing may never know that they have been treated unlawfully because they have no way of comparing their treatment to anyone else's. Frequently, the only way to uncover differences in treatment is through the use of testing.

Testing is a controlled investigative procedure in which individuals inquire about a housing unit and collect information about their experience. Testing is a way of gathering information about practices in the housing market that can be evaluated in no other way. It allows comparison of the treatment experienced, confirms the existence or application of various policies, and helps to determine whether or not unlawful discrimination has occurred. Testing provides an objective method for observing and measuring differences in the quantity, content, and quality of information given in a housing transaction.

In paired testing, two individuals are matched in every relevant respect except for the characteristic that is being tested – for example, race. Equally qualified individuals seeking the same kind of housing should receive similar treatment and be given similar information. If there is only one difference, that is likely to be the factor causing the differential treatment.

No testing was undertaken as part of this report, however, two relevant studies shed light as to the discrimination racial and ethnic minorities are subject to when trying to secure housing: HUD's *Housing Discrimination Against Racial and Ethnic Minorities 2012* provides evidence of testing in 28 metropolitan areas to measure the incidence and forms of discrimination experienced by African-American, Latino, and Asian renters and homebuyers;² and The Equal Rights Center's (ERC) *Precaución: Obstacles for Latinos in the Virginia Rental Housing Market* provides evidence of systemic discrimination against Latino renters in Northern Virginia.³

The HUD investigation conducted matched-pair testing to ascertain differences in treatment among protected classes in both the rental and sale of housing in 28 major metropolitan areas across the country,

1 Please note, this list is not exhaustive.

2 Austin Turner, Margery, Santos, Rob, Levy, Diane K., et. Al., *Housing Discrimination Against Racial and Ethnic Minorities 2012*. Prepared for: U.S. Department of Housing and Urban Development, Washington, D.C. June 2013. Accessed: http://www.huduser.org/portal/Publications/pdf/HUD-514_HDS2012.pdf

3 The Equal Rights Center. *Precaución: Obstacles in the Virginia Rental Housing Market for Latinos*. The Equal Rights Center, 11 Dupont Circle NW, Suite 450, Washington DC 20036, April 2013. Accessed: http://www.equalrightscenter.org/site/DocServer/Precauci_n_Obstacles_in_the_Virginia_Rental_Housing_Mark.pdf?docID=1981

including Washington D.C., in which Prince William County and the cities of Manassas and Manassas Park are part. The report found that when differences in treatment occur, white home seekers are more likely to be favored than minorities. The report also found that the most obvious forms of discrimination have declined since the study was first conducted in 1977; however, the forms of discrimination that still persist (e.g., providing misleading information about unit availability) raise the costs of housing searches for minorities and restrict their housing options.⁴

Specific to the Washington, D.C. MSA, the investigation found that white and black renters were equally likely to be told about unit availability, though whites learned about .41 units more than blacks. Blacks were almost 17 percentage points more likely to be favored over whites in terms of the amount of total information provided to prospective renters. Differences in the average rent amounts paid by black and white were not found to be significant, though the average payment due at move-in was \$262 less for whites than for blacks. Additionally, the report found that whites were 12.5 percentage points more likely to be told about incentives, and on average received \$168 more in incentives than did blacks. The result was that the average first year net cost was \$402 less for whites than for blacks.

The Equal Rights Center conducted 106 match paired, rental property tests across the Commonwealth of Virginia and found that Latino applicants received more adverse treatment than their white counterparts in at least one respect 55 percent of the time and 18 percent receiving more adverse treatment in multiple respects. Examples of adverse treatment included:

- Being quoted higher rents or higher fees than white testers for the same rental unit.
- Not being offered incentives and specials that were offered to white testers seeking the same housing.
- Being offered later availability dates, or being offered fewer available units than those offered to white testers.
- Being told about additional application requirements, such as credit checks and/or providing a social security card, which were not told to white testers.

Specific to the Prince William area, the investigation found:

- Rental agents quoted a higher rental amount or higher fees to Latino testers than they quoted to white testers in 9 percent of the tests.
- 23 percent of the tests found that white applicants were informed of rental incentives and special offers, while Latino applicants at the same properties were not.
- In 23 percent of the tests, rental agents provided Latino testers with later availability dates for apartments than were offered to white testers.
- 32 percent of the tests revealed that rental agents informed the Latino tester of fewer available units.
- 14 percent of the tests Latino testers were told that a credit check was required while white testers were not.

In summary, evidence from these two testing investigations suggests that covert discrimination exists in the private housing market in the Prince William area. Private real estate agents and rental property managers are largely responsible for ensuring that the protections set forth in the Fair Housing Act are equally applied to all persons seeking housing. Individuals and organizations in those positions play an important role in enhancing or diminishing fair housing choice.

⁴ Austin Turner, Margery, Santos, Rob, Levy, Diane K., et. Al., Housing Discrimination Against Racial and Ethnic Minorities 2012. Prepared for: U.S. Department of Housing and Urban Development, Washington, D.C. June 2013.

Mortgage Lending

Analysis of HMDA Data, 2006-2012

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. The impact that private market discrimination has had on minorities' ability to create intergenerational wealth is significant. A study examining the growing wealth disparity between white and African-American families over a 25 year period found the predominant factor to be homeownership.⁵ As such, the examination of mortgage lending is an integral component to any assessment of barriers to fair housing choice.

This section relies upon the analysis of Home Mortgage Disclosure Act (HMDA) data to better understand home mortgage lending trends in the Prince William area over the past several years. Enacted by Congress in 1975, HMDA requires lenders to collect and disclose data about applicant and borrowers characteristics. The analysis will primarily focus upon the race, ethnicity, and income of applicants for various mortgage products within Prince William County and the Cities of Manassas and Manassas Park from 2006 to 2012, the most current year data is available. The following analysis examines Home Purchase, Refinance, Home Improvement and FHA Home Purchase loans.

Mortgage lending data from 2006 to 2012 reveals significant market adjustments in response to the financial crisis of 2007-2008. Over the 7 year period, the total number of applications submitted for mortgage loans contracted 44.5 percent from 88,987 loans in 2006 to 49,373 in 2012. See Figure 31 to the right.

The number of loan applications submitted by racial or ethnic group varied dramatically over this period. 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.

Figure 31: Mortgage loan applications over time

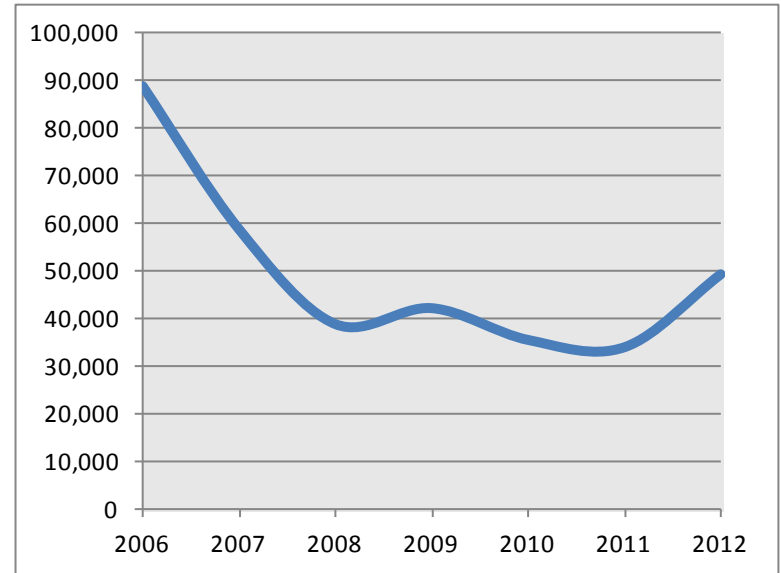
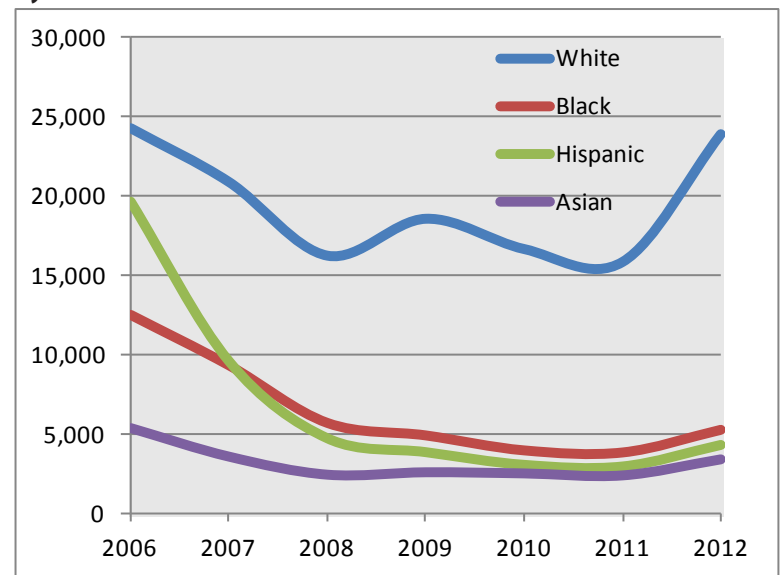


Figure 32: Mortgage loan applications by race and ethnicity



⁵ Shapiro, Thomas, Meschede, Tatjana, Osoro, Sam. The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide. The Institute on Assets and Social Policy. Research and Policy Brief. February 2013.

Figure 33: Mortgage loan market share by race and ethnicity

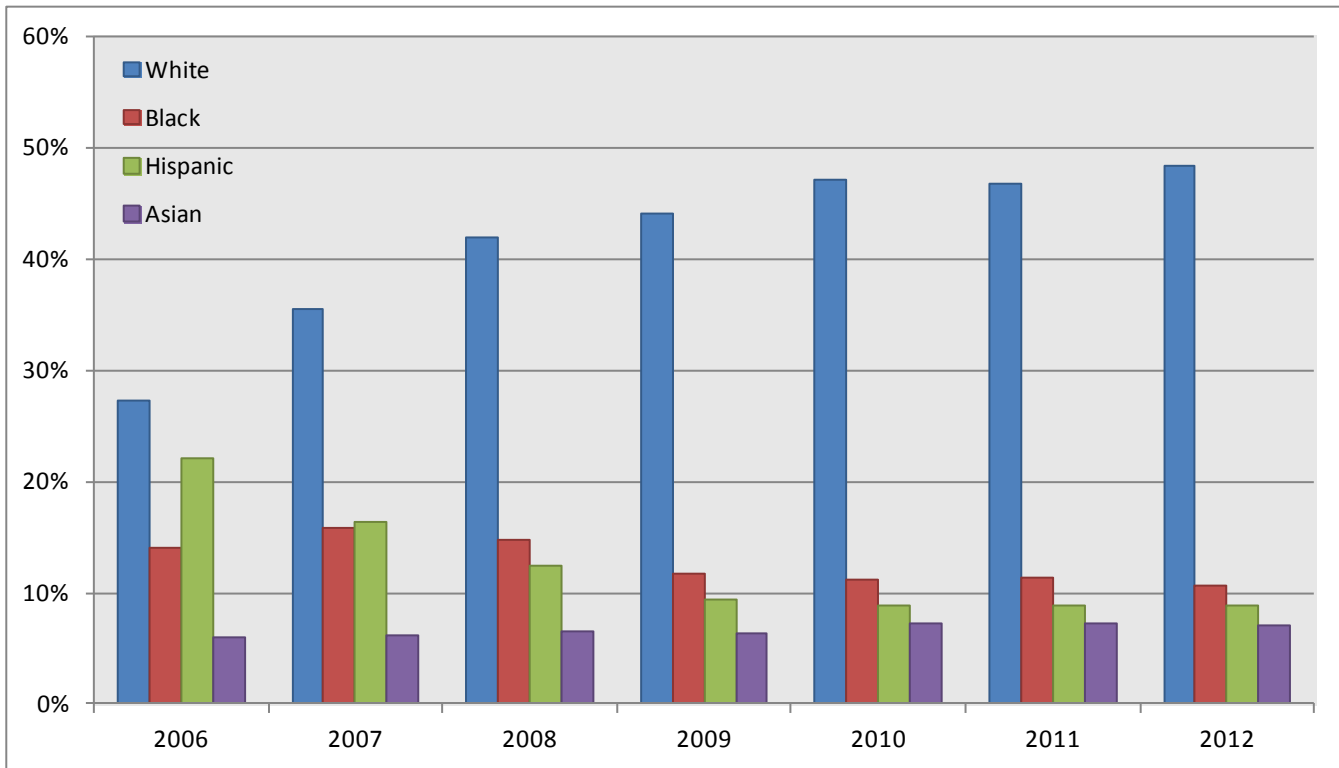
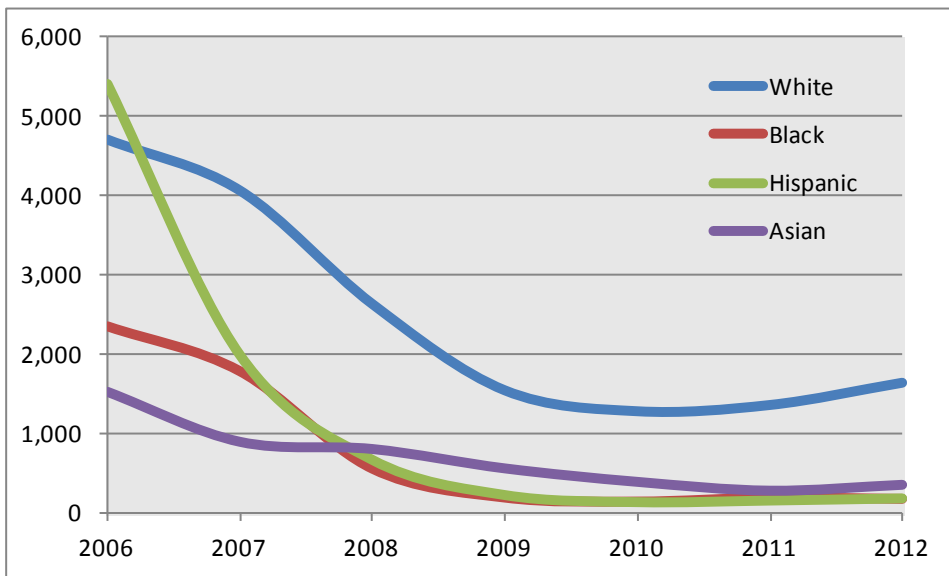


Figure 34: Home purchase loan applications by race and ethnicity



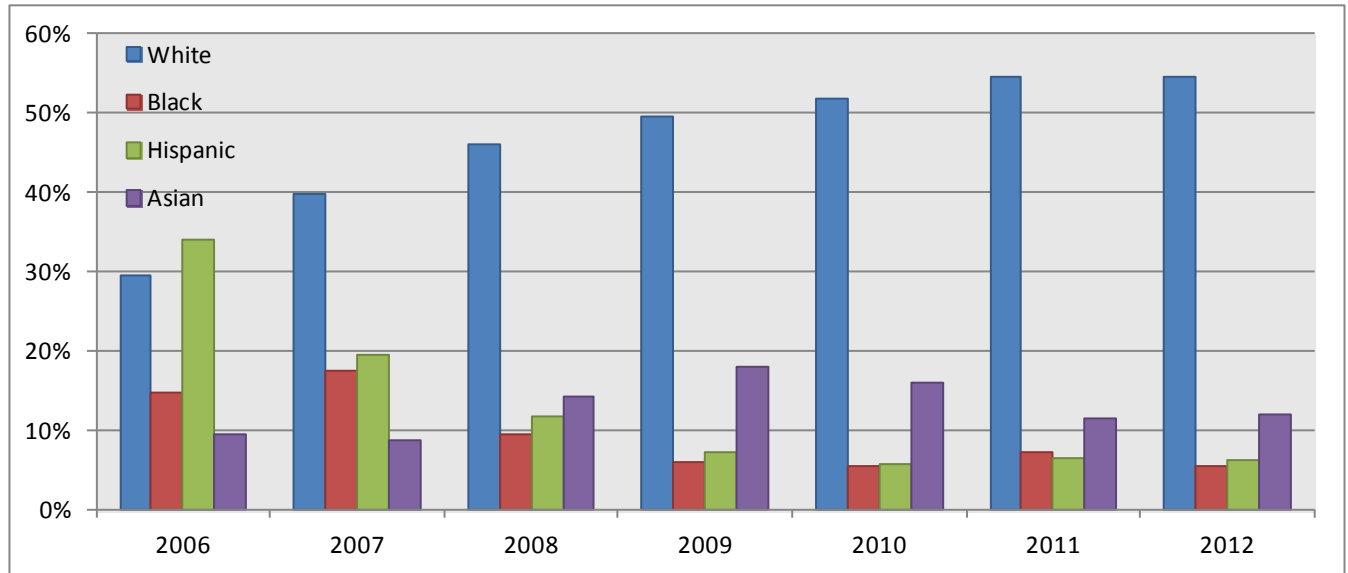
Above, Figure 33 shows the market share, that is, the percentage of the total loans applied for by whites, African-Americans, Hispanics, and Asians. White and Asian market share increased 21 and one (1) percentage points respectively, while African-American and Hispanic share contracted 3 and 13 percentage points respectively.

Home Purchase Loans⁶

Home purchase loans are a good indicator of the overall health of a local residential housing market. They are also an indicator of lending patterns that may prohibit certain populations from purchasing a home. Between 2006 and 2012 the number of home purchase loan applications contracted 81 percent, from 15,895 in 2006 to 3,026 in 2012. The number of loans applied for by racial or ethnic groups exhibited significant variation over this time period. White applications contracted by 65 percent (4,699 in 2006 to 1,653 in

⁶ This analysis examines loan applications submitted for the purchase of owner-occupied, 1-4 family homes, through a conventional mortgage secured by a first-lien. This type of loan is the best indicator of home purchases made by private individuals.

Figure 35: Home purchase loan market share by race and ethnicity



2012); Black applications by 93 percent (2,349 to 171); Hispanic applications by 96 percent (5,398 to 189); and Asian applications by 77 percent (1,525 to 189).

Above, Figure 35 shows the market share of home purchase loans by race/ethnicity. The market share of white borrowers increased 25 percentage points (30 percent in 2006 compared to 55 percent in 2012) at the expense of the market share held by minority borrowers; the market share held by African-American borrowers declined 9 percentage points; Hispanic by 28 percentage points; the market share held by Asian borrowers increased by two percentage points.

Market penetration is a ratio obtained by dividing the percentage of loan applications made by a particular group by the percentage of the total population that group comprises. For example, in 2000, 37 percent of loan applications in Prince William County were made by white applicants; white residents of Prince William accounted for 65 percent of the total population; dividing 37 percent by 65 percent results in a ratio of .57. A ratio of 1 signifies parity: the market share of the racial/ethnic group is equal to its percentage of the total population. In the example above, white borrowers were underrepresented in purchase loan applications in 2000.

Figure 36: Home purchase loan market penetration by race and ethnicity

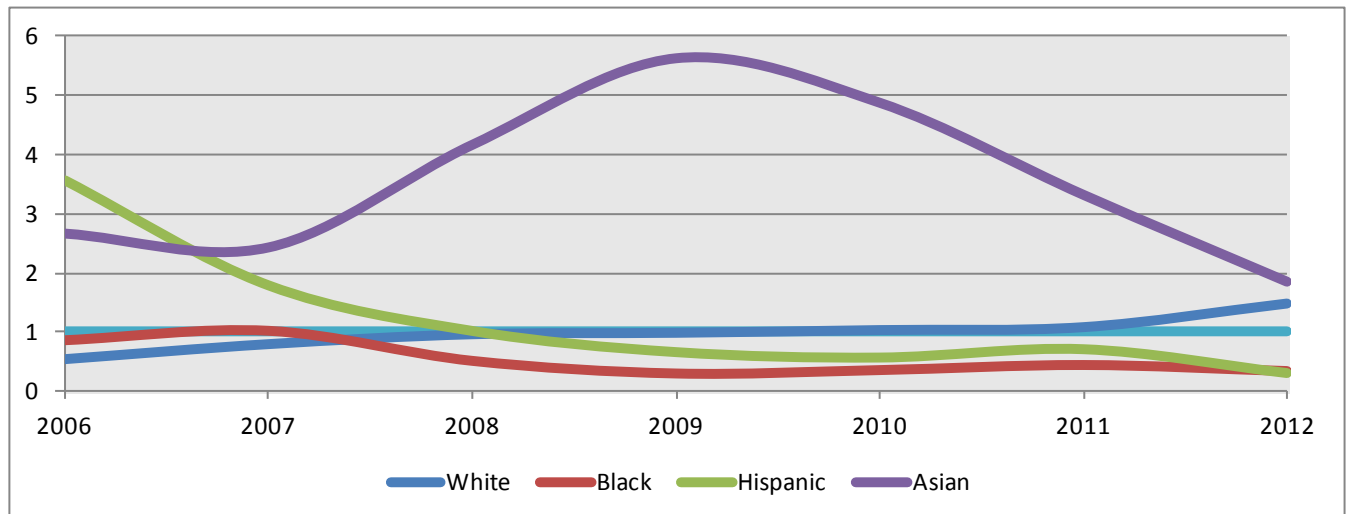


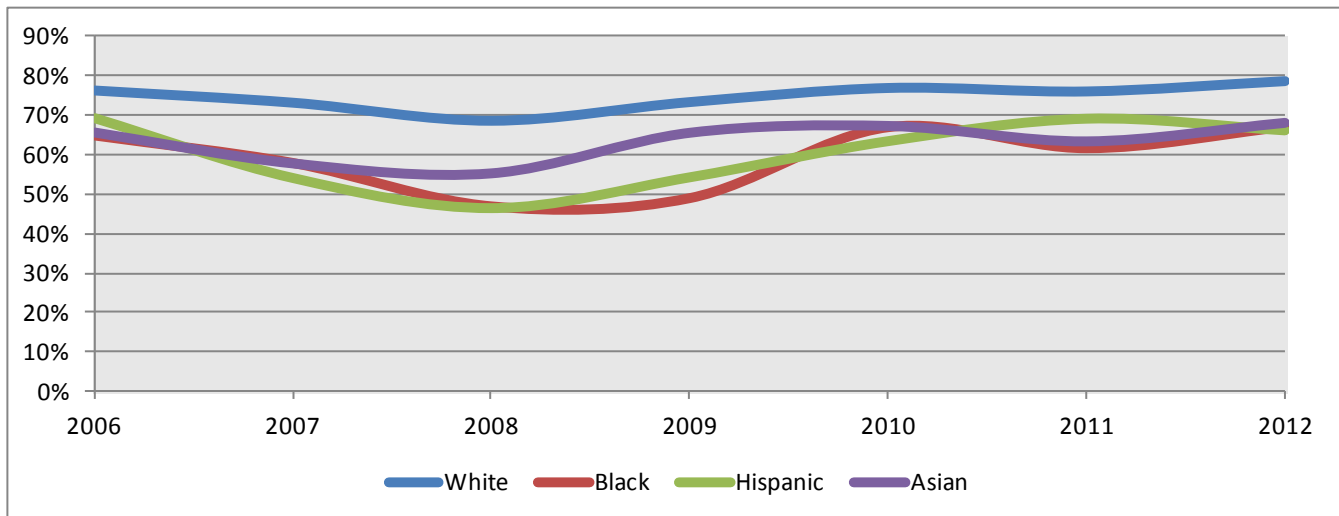
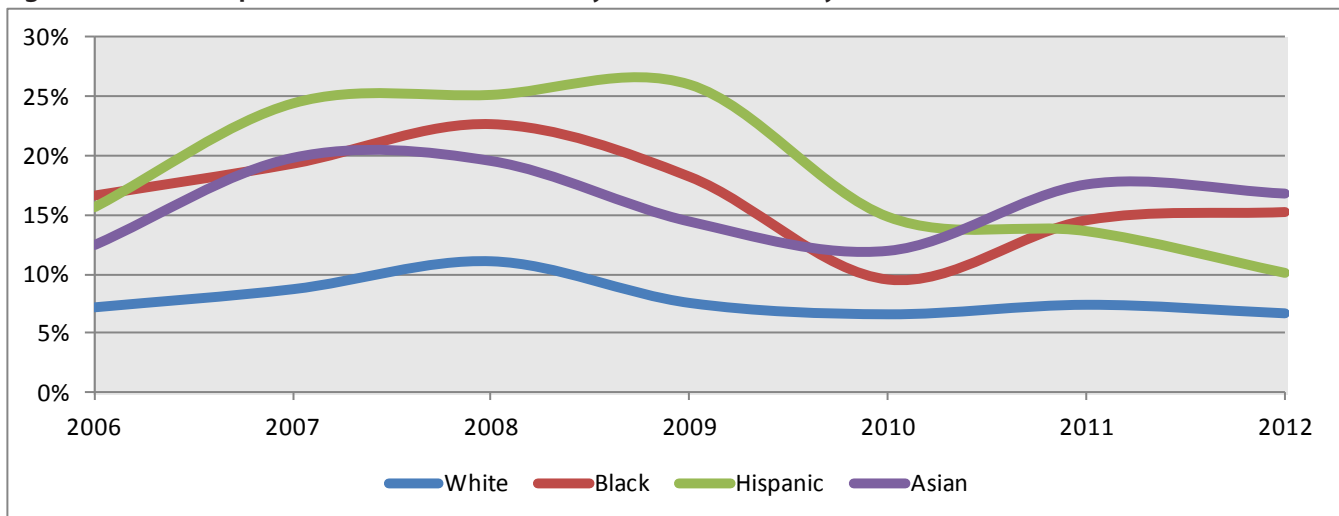
Figure 37: Home purchase loan origination rates by race and ethnicity

Figure 36 shows that Asian borrowers have been overrepresented in the home purchase mortgage market in Prince William County. Prior to the collapse of the housing market, Hispanic borrowers were overrepresented but have since become underrepresented. Black borrowers have experienced a slow contraction since 2006 in which they were equally represented. White borrowers are the only group to have experienced an increase in representation over the 7 year period.

Another indicator of disparate treatment in mortgage lending is the origination rate. The origination rate is the rate at which loan applications result in a loan (origination) compared to the total number of loan applications. Figure 37 shows that since 2006, applications submitted by white borrowers have resulted in loans at a higher rate than for other ethnic/racial groups. In fact, over the past 7 years white borrowers were 1.23 times more likely than African-American; 1.17 more times likely than Hispanic; and 1.19 times more likely than Asian borrowers to receive a home purchase loan.

Conversely, the denial rate is the rate at which loan applications are denied by the mortgage lender compared to the total number of loan applications. Below, Figure 38 shows the rate at which home purchase loan applications were denied by the lender by racial/ethnic group. From 2006 to 2012 loan applications submitted by white borrowers were denied by the lender at much lower rates than for other racial/ethnic

Figure 38: Home purchase loan denial rates by race and ethnicity

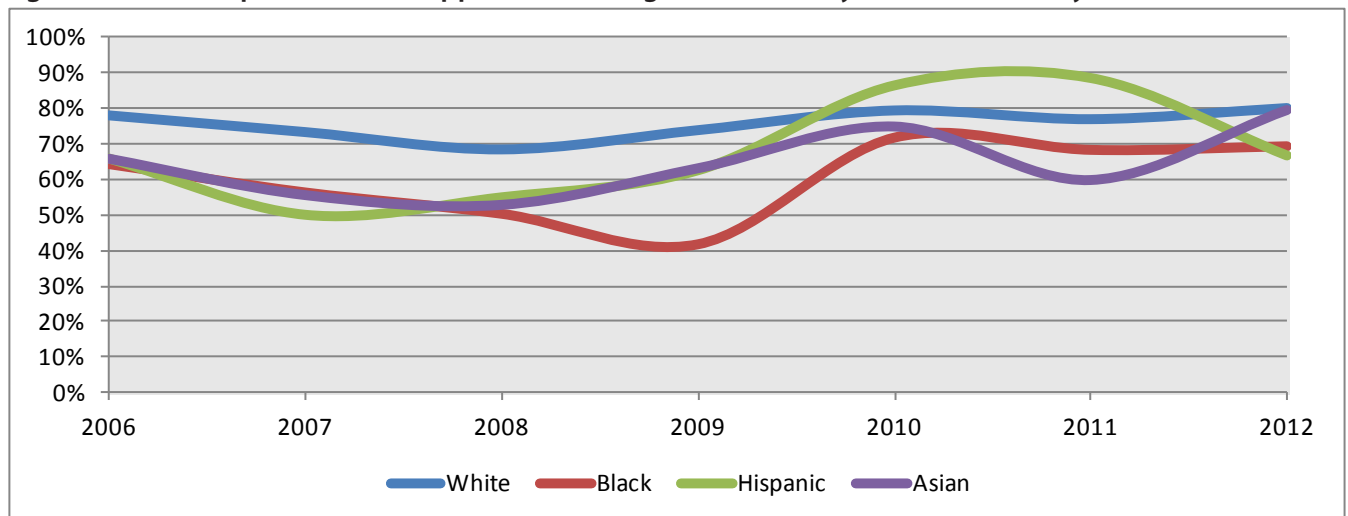
groups. Denial rates for minority borrowers escalated dramatically in the years immediately following the housing market collapse and have since contracted close to earlier levels. Between 2006 and 2008 denial rates for African-Americans increased 6.0 percentage points; Hispanics, 9.5 percentage points; and Asians, 7.0 percentage points compared to 3.8 percentage points for white borrowers.

Over the 7 year period, home purchase loan applications submitted by African-American borrowers were 2.21; Hispanic, 2.27; and, Asian, 1.95 times more likely to be denied than those submitted by white borrowers.

This disparity cannot be solely explained by income disparities among racial/ethnic groups; examining upper income⁷ applications reveals the same disparities as those detailed above. Figure 39 shows the origination rate experienced by upper-income applicants by race/ethnicity. For all groups except Hispanics in 2010 and 2011, which submitted a total of 22 and 26 home purchase loan applications respectively, applications submitted by upper-income, white borrowers were approved at greater rates than their counterparts.

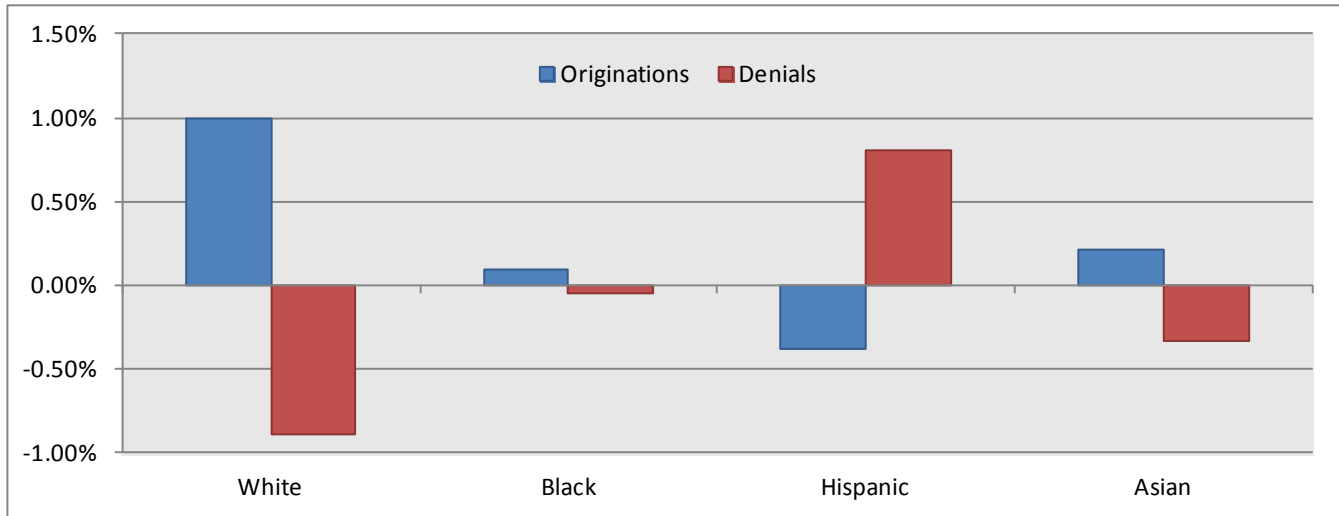
Over the 7-year period, applications submitted by upper-income, white applicants were 1.25 times more likely to be approved than for comparable African-American applicants, and 1.20 times more likely than both Hispanic and Asian applicants. Denial rates for upper-income borrowers exhibited similar disparities as those found among borrowers of all incomes. African-Americans were 2.47; Hispanics 2.67; and Asians 2.14 times more likely to be denied a home purchase loan than were their white counterparts. The chart on page 56 confirms that higher income is generally positively correlated with both higher origination and lower denial rates. Upper-income white applicants had an origination rate 1 percentage point higher and denial rate .90 percentage point lower than the average. However, upper-income Hispanics experienced the inverse; a higher denial rate and slightly lower origination rate.

Figure 39: Home purchase loan upper-income origination rates by race and ethnicity



⁷ Upper Income: greater than 120 percent of the area median income

Figure 40: Home purchase loan percentage point difference between upper-income and total origination and denial rates



Home Purchase Loan Summary

- Between 2006 and 2012 the number of home purchase loan applications contracted 81 percent, from 15,895 in 2006 to 3,026 in 2012. White applications contracted by 65 percent; Black applications by 93 percent; Hispanic applications by 96 percent; and Asian applications by 77 percent.
- Asian borrowers have been overrepresented in the home purchase loan market; Hispanic borrowers have become underrepresented; Black borrowers remain underrepresented; and white borrowers are the only group to have experienced an increased in market penetration.
- Over the past 7 years white borrowers were 1.23 times more likely than African-American; 1.17 more times likely than Hispanic; and 1.19 times more likely than Asian borrowers to receive a home purchase loan.
- Over the 7 year period, home purchase loan applications submitted by African-American borrowers were 2.21; Hispanic, 2.27; and, Asian, 1.95 times more likely to be denied than those submitted by white borrowers.
- Upper-income, white applicants were 1.25 times more likely to be approved than for comparable African-American applicants, and 1.20 times more likely than both Hispanic and Asian applicants.
- Denial rates for upper-income borrowers exhibited similar disparities as those found among borrowers of all incomes. African-Americans were 2.47; Hispanics 2.67; and Asians 2.14 times more likely to be denied a home purchase loan than were their white counterparts.

Refinance Loans⁸

Refinance loans indicate the ability of borrowers to refinance their outstanding debt obligation for a variety of reasons such as to lower their interest rate or help to pay for unforeseen expenses. The presence of a high number of refinance loans among a particular racial/ethnic group can also indicate marketing practices prohibited by the Fair Housing Act. Given the low mortgage interest rates and federal programs to help homeowners in distress as a result of the foreclosure crisis, refinance loan activity is a good indicator of the ability of borrowers to take advantage of low interest rates.

From 2006 to 2012 the total number of refinance loan applications contracted 38.37 percent from 26,837 to 16,540. Figure 41 shows that the number of refinance loan applications submitted by all groups declined over this period except for whites, which increased 7.52 percent, from 8,893 in 2006 to 9,562 in 2012. The number of refinance loan applications submitted by African-Americans declined 72.75 percent, from 4,914 to 1,339; Hispanics by 81.50 percent, from 5,612 to 1,038; and Asians by 10.88 percent, from 1,461 to 1,302.

Figure 42 shows the market share of refinance loans by race/ethnicity between 2006 and 2012. Over this time, the market share held by white applicants increased 25 percentage points; African-American share

Figure 41: Refinance loan applications by race and ethnicity

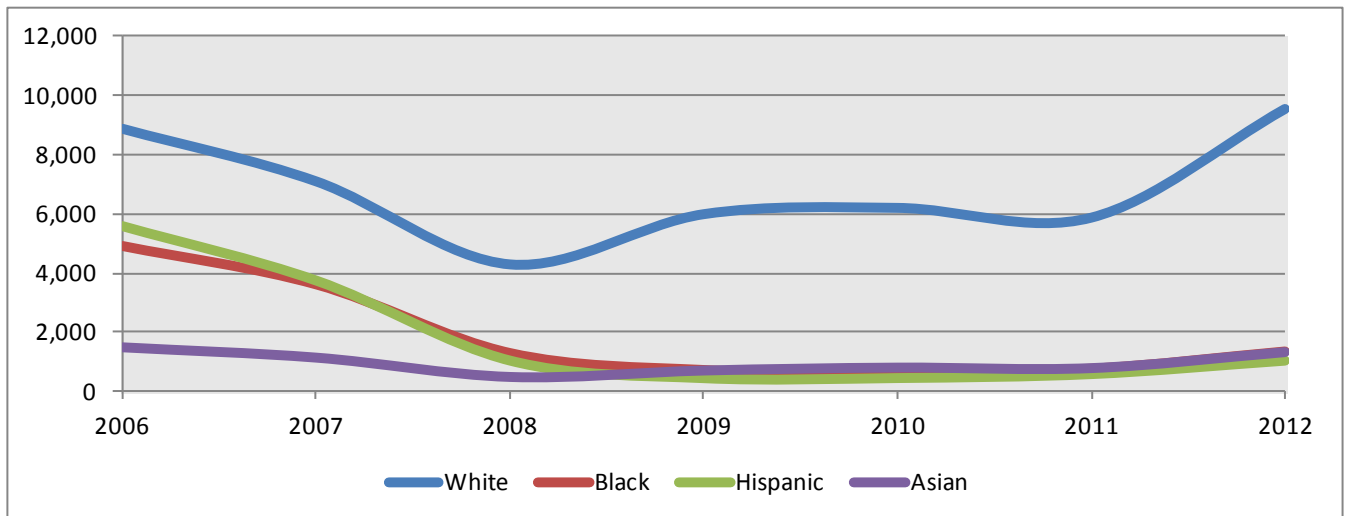
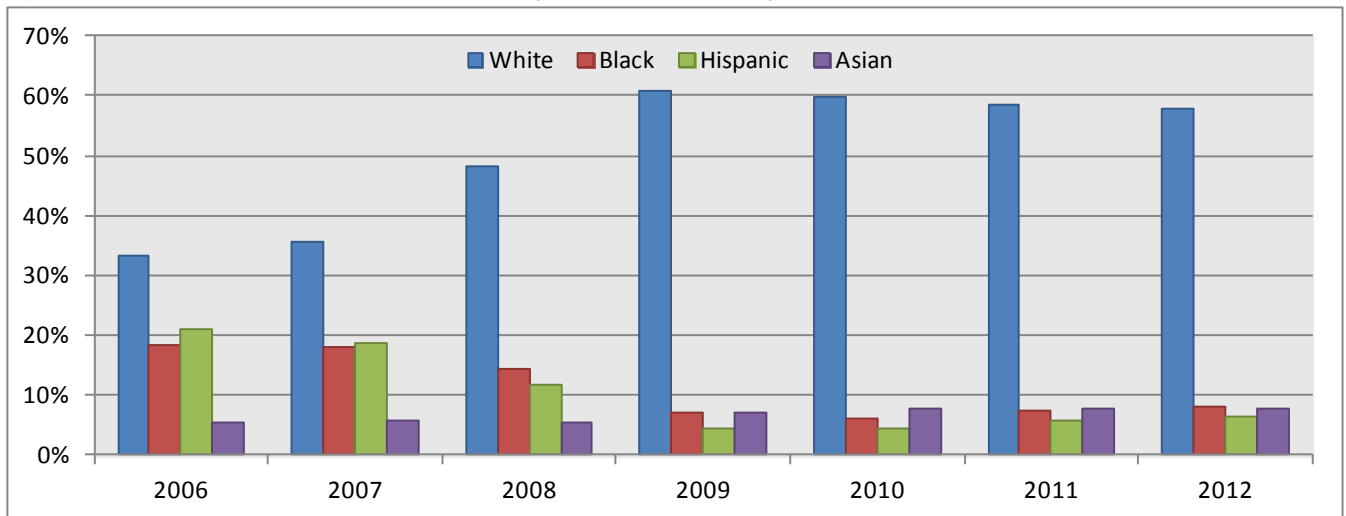


Figure 42: Refinance loan market share by race and ethnicity



⁸ This analysis examines loan applications for the refinance of owner-occupied, 1-4 family homes, through a conventional mortgage secured by a first-lien.

contracted 10 percentage points; Hispanic share contracted 15 percentage points; and the Asian share increased 2 percentage points. Overall, minority refinance loan market share declined from 45 percent in 2006 to 23 percent in 2012. This trend indicates that minority communities may have been targeted for refinance loan products prior to the collapse of the housing market in 2007. Regardless, it is clear that minorities currently take part in the refinance loan market at significantly reduced levels compared to previous years.

The market penetration of refinance loans is a good indicator of the ability of different racial/ethnic groups to refinance their existing debt and importantly, take advantage of low interest rates; it is also an indicator of the ability of lenders to meet the needs of the community. Figure 43 below shows that since the housing collapse, white borrowers have been the only group to experience a gain in representation, moving from below parity to being overrepresented given their population. Prior to 2007, Asian and Hispanic borrowers were overrepresented compared to African-Americans and whites. Since 2007, Hispanic representation fell sharply between 2006 and 2008, while Asian representation experienced a significant decline from 2011 to 2012. Since 2007, African-Americans have had the lowest market representation of all groups. The trends experienced by African-American and Hispanic borrowers are indicative of reverse redlining, or the targeting of loan products to specific groups and/or neighborhoods, in this case refinance loans. Currently, both of these groups are grossly underrepresented in the refinance market compared to previous years.

Figure 43: Refinance loan market penetration by race and ethnicity

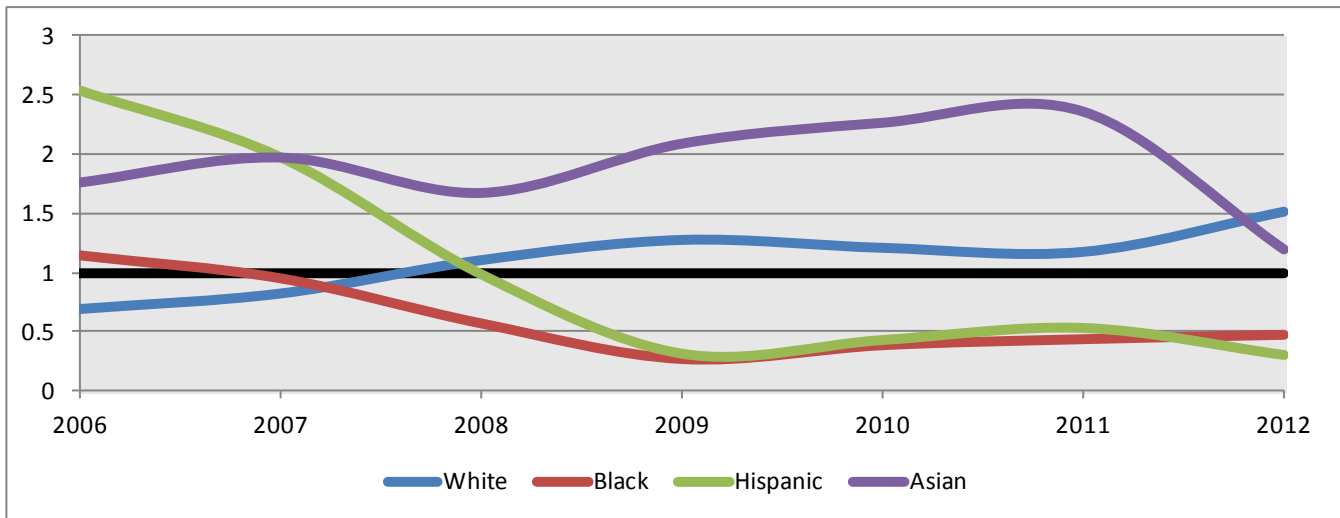


Figure 44: Refinance loan denial rates by race and ethnicity

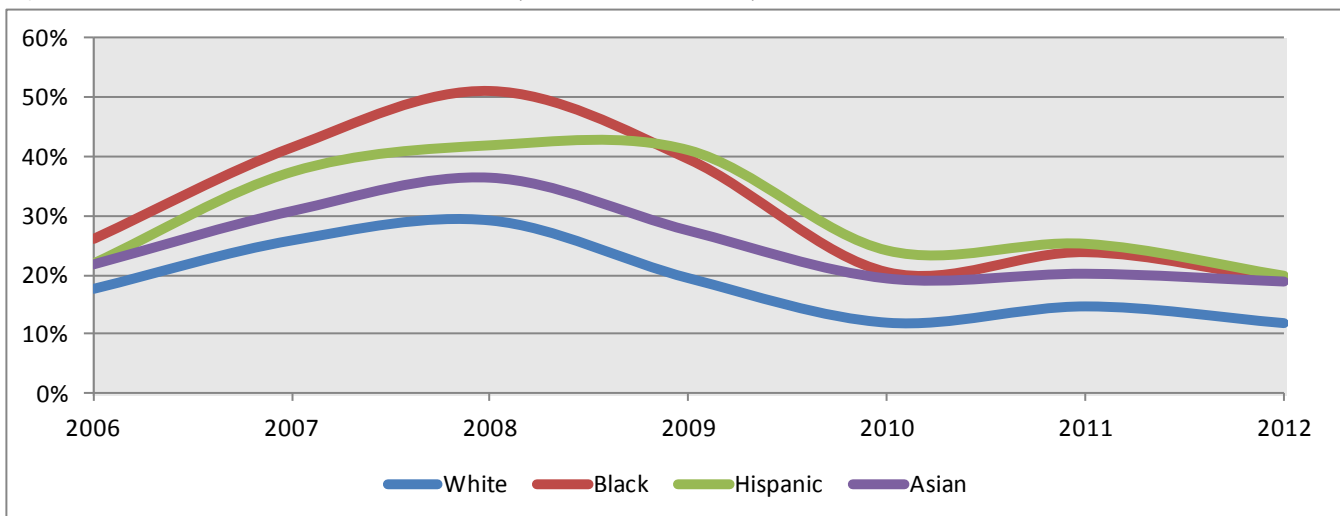


Figure 45 on page 59 shows refinance loan origination rates by race/ethnicity between 2006 and 2012. Since 2006, applications submitted by white borrowers have resulted in loans at higher rates than for other ethnic/racial groups. Over the past 7 years white applicants were 1.48 times more likely than African-Americans; 1.34 times more likely than Hispanics; and 1.16 times more likely than Asian applicants to receive a refinance loan. From 2006 to 2008, origination rates for Minorities contracted more significantly than for whites. During this period, the origination rate of white loans contracted 14.8 percentage points, compared to 26.4 percentage points for African-Americans; 28.2 percentage points for Hispanics; and, 17.6 percentage points for Asians.

Figure 44 on page 58 shows the denial rate of refinance loan applications by race/ethnicity between 2006 and 2012. Refinance loan applications submitted by white borrowers were denied by the lender at much lower rates than for other racial/ethnic groups. Of note is the magnitude at which denial rates for various racial/ethnic groups grew from 2006 to 2008, the years leading up to and encompassing the housing collapse. During this period, the denial rate of white applicants increased 11.6 percentage points; 24.9 percentage points for African-Americans; 19.9 percentage points for Hispanics; and 14.8 percentage points for Asians.

Over the 7 year period, in comparison to white applicants, applications submitted by African-American borrowers were 1.81; Hispanic, 1.62; and Asian, 1.34 times more likely times more likely to be denied.

Figure 45: Refinance loan origination rates by race and ethnicity

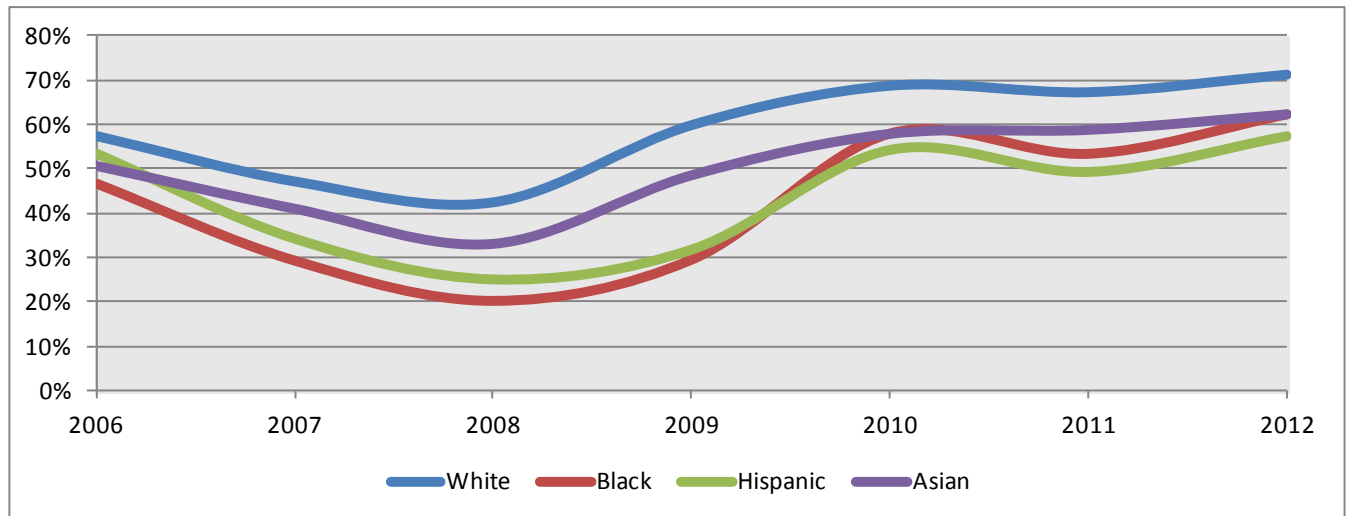
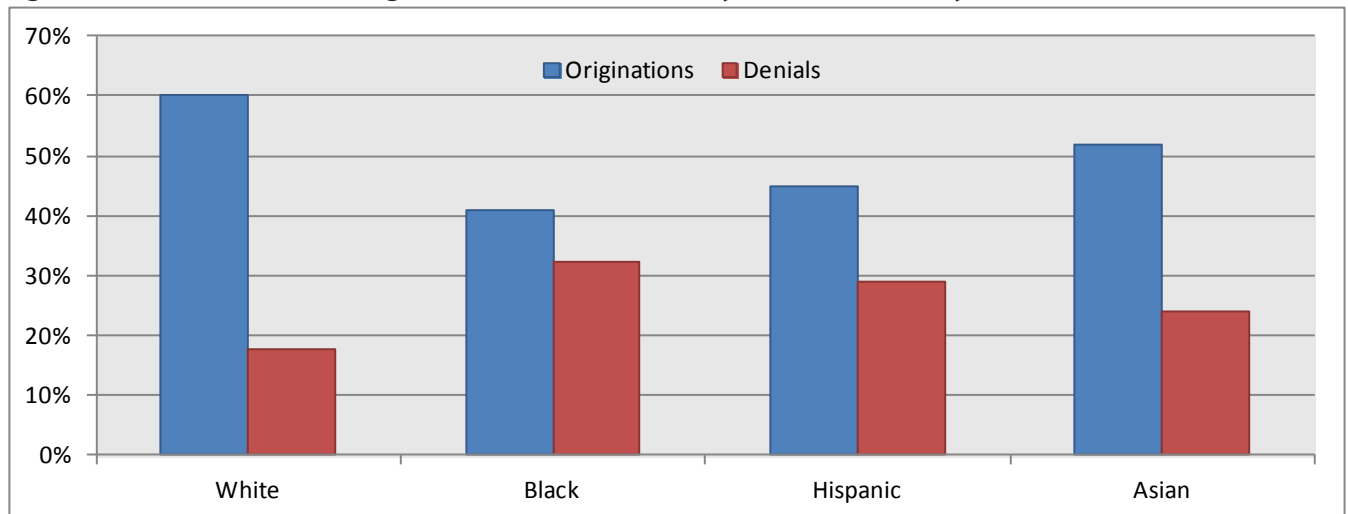


Figure 46: Refinance loan origination and denial rates by race and ethnicity



The disparity in origination and denial rates cannot solely be explained by income disparities among racial/ethnic groups. Figure 47 shows the origination rates of upper income applicants by race/ethnicity. All upper-income minority groups experienced lower origination rates compared to their white counterparts. Further, origination rates for Minorities contracted more significantly than for whites between 2006 and 2008. The origination rate for white applicants dropped 14.9 percentage points compared to 30.0 percentage points for African-Americans; 29.0 percentage points for Hispanics; and 17.3 percentage points for Asians.

Figure 48 shows denial rates for upper-income borrowers by race/ethnicity. Over the seven year period, denial rates for upper-income refinance loan applicants declined; white rate declined 6.0 percentage points; African-American, 11.1 percentage points; Hispanic, 8.8 percentage points; and Asian 6.1 percentage points. Of interest is the rate at which the denial rates increased for each group between 2006 and 2008. Upper-income white applicants experienced an increase of 7.2 percentage points; African-American, 20.2 percentage points; Hispanic, 23.5 percentage points; and Asian, 15.5 percentage points. Over the seven year period, white, upper-income refinance loan applicants were 1.48 times more likely than upper income African-American applicants; 1.38 times more likely than Hispanics; and 1.15 times more likely than Asian borrowers to receive a loan. Conversely, upper-income, African-American loan applicants were 1.90 times; Hispanics, 1.76 times; and Asians 1.40 times more likely to be denied than comparable white borrowers.

Figure 47: Refinance loan upper-income origination rates by race and ethnicity

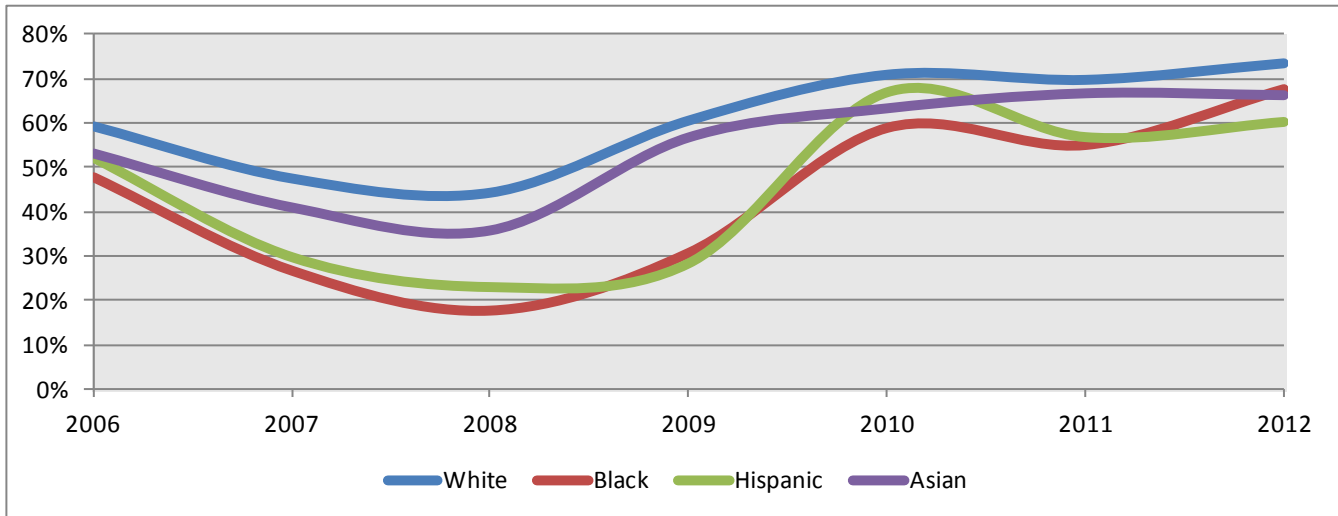
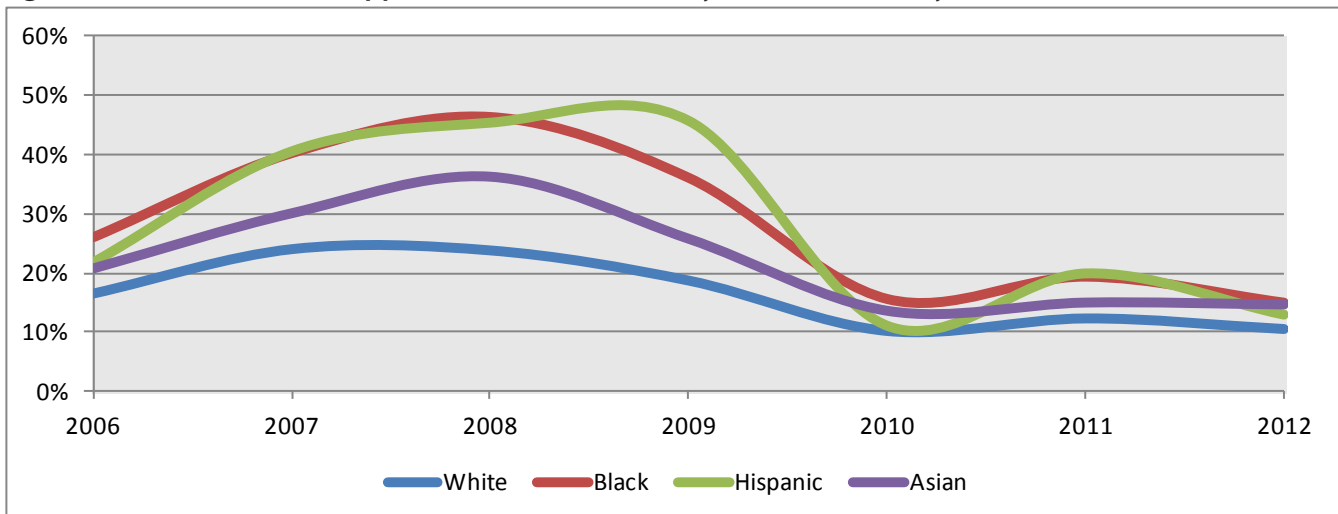


Figure 48: Refinance loan upper-income denial rates by race and ethnicity



Refinance Loan Summary

- From 2006 to 2012 the total number of refinance loan applications contracted 38.37 percent from 26,837 to 16,540.
- The number of refinance loan applications submitted by all groups declined over this period except for whites, which increased 7.52 percent. The number of refinance loan applications submitted by African-Americans declined 72.75 percent; Hispanics by 81.50 percent,; and Asians by 10.88 percent.
- White applicants were 1.48 times more likely than African-Americans; 1.34 times more likely than Hispanics; and 1.16 times more likely than Asian applicants to receive a refinance loan.
- In comparison to white applicants, applications submitted by African-American borrowers were 1.81; Hispanic, 1.62; and Asian, 1.34 times more likely times more likely to be denied.
- All upper-income minority groups experienced lower origination rates compared to their white counterparts. White, upper-income refinance loan applicants were 1.48 times more likely than upper income African-American applicants; 1.38 times more likely than Hispanics; and 1.15 times more likely than Asian borrowers to receive a loan.
- Conversely, upper-income, African-American loan applicants were 1.90 times; Hispanics, 1.76 times; and Asians 1.40 times more likely to be denied than comparable white borrowers.

Home Improvement Loans⁹

Home improvement loans are for the purpose of repairing, rehabilitating, remodeling or improving a dwelling or the property on which the dwelling is located.¹⁰ Their presence in the lending market serves as an indicator of the overall health of the economy as people are more likely to take on additional debt burden when the economy is strong.

Figure 49 below shows the number of home improvement loans by race/ethnicity from 2006 to 2012. During this time, the total number of home improvement loan applications declined 82 percent, from 1,439 in 2006 to 260 in 2012; the number of applications submitted by whites declined 70 percent; African-Americans, 96 percent; Hispanics, 94 percent; and Asians, 75 percent.

Likewise, the market share of home improvement loans shifted significantly during this period. Figure 50 below shows the market share of home improvement loans by race/ethnicity between 2006 and 2012. White market share increased by 25 percentage points; African-American and Hispanic shares contracted 17 and 16 percentage points respectively; Asian share experienced the least movement, growing 2 percentage points. In total, the market share of minority borrowers contracted 30 percentage points during this time,

Figure 49: Home improvement loan applications by race and ethnicity

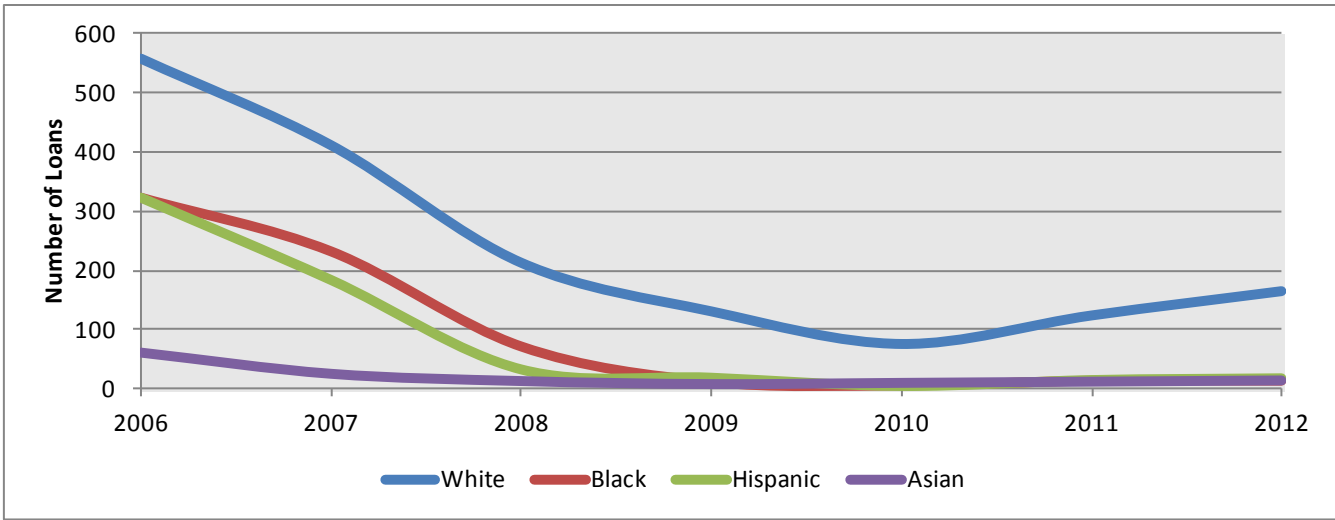
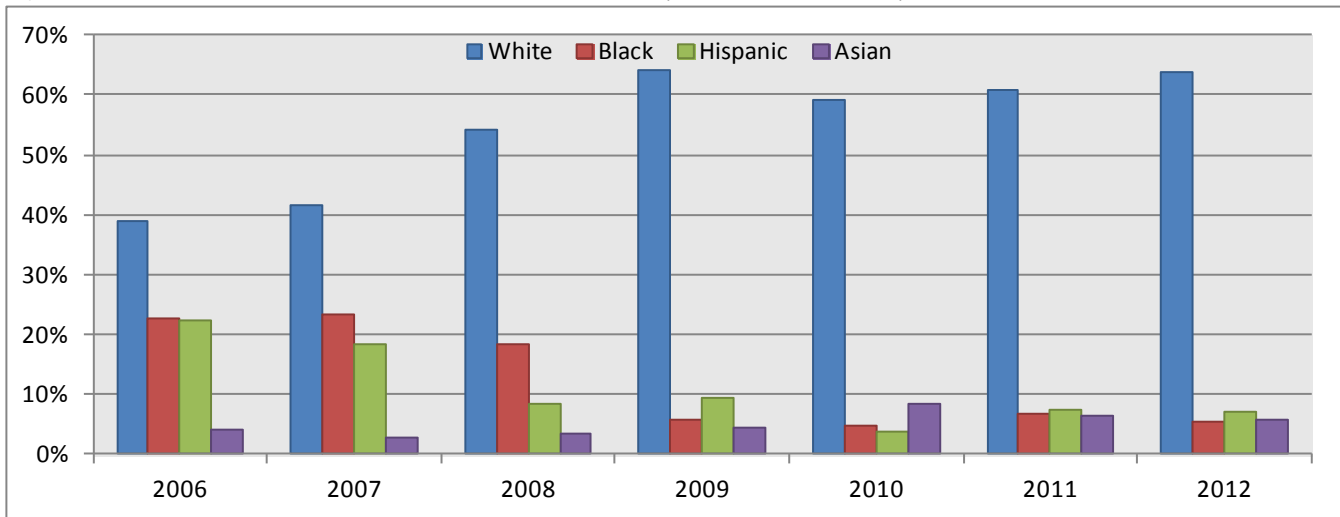


Figure 50: Home improvement loan market share by race and ethnicity



⁹ This analysis examines loan applications for home improvement loans of owner-occupied, 1-4 family homes, through a conventional mortgage secured by a first-lien.

¹⁰ <http://www.fdic.gov/regulations/compliance/manual/pdf/V-9.1.pdf>

from 50 percent of the total home improvement market in 2006 to just 20 percent in 2012. This trend may be indicative of restrictive credit requirements as well as the loss of home value and home equity resulting from the housing crisis. Further, income and unemployment disparities, particularly in response to the recession and continuing sluggish economy, between whites and minorities may serve to further explain this disparity.

The market penetration of home improvement loans is a good indicator of the ability of different racial/ethnic groups to obtain additional credit for a variety of reasons including home repair or improvement; it is also an indicator of the ability of lenders to meet the needs of the community. Figure 51 below shows trends similar to purchase and refinance loan penetration; whites have become overrepresented while African-Americans and Hispanics have become disproportionately underrepresented. Asian representation jumps to three times above parity in 2010 before contracting again just less than parity.

Home improvement origination rates by racial/ethnic group are shown in Figure 52. Since 2006, applications submitted by white borrowers have resulted in loans at a higher rate than for other ethnic/racial groups; white borrowers were 1.68 times more likely to receive a home improvement loan than their

Figure 51: Home improvement loan market penetration by race and ethnicity

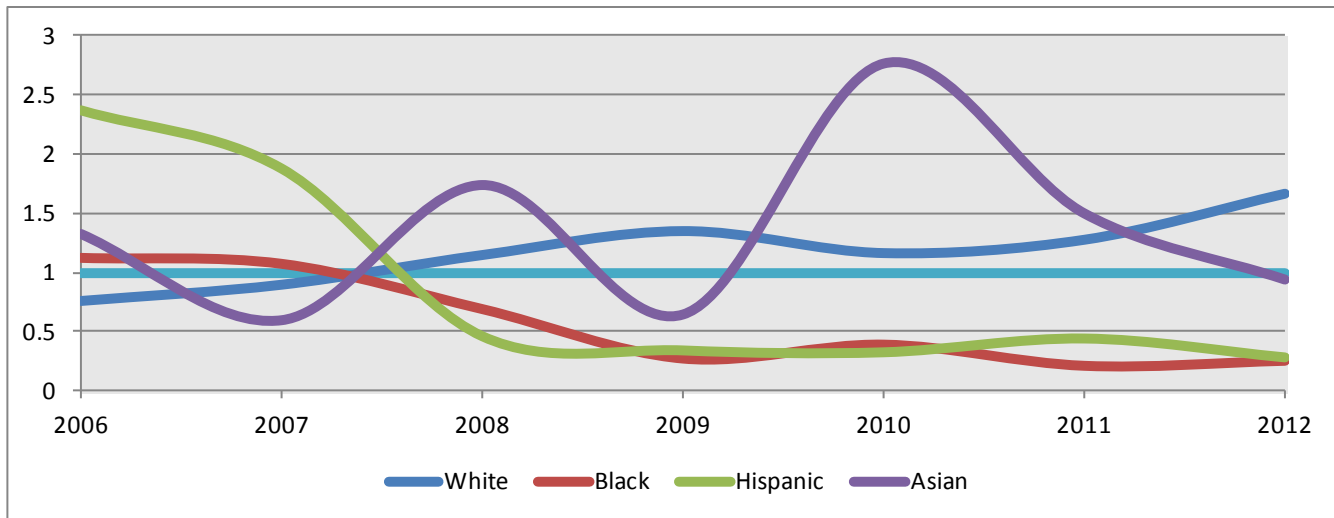
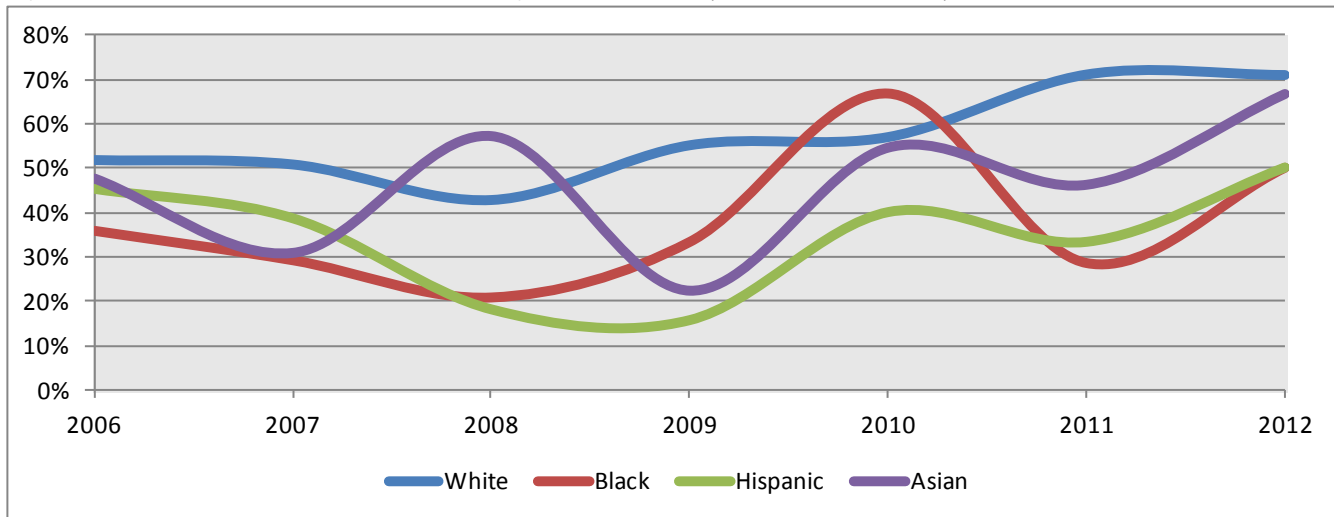


Figure 52: Home improvement loan origination rates by race and ethnicity



African-American counterparts; 1.34 more time likely than Hispanic borrowers; and 1.17 times more likely than Asian borrowers. Of concern is the growing disparity in origination rates between white, and African-American and Hispanic borrowers. In 2006, the origination rate for white borrowers was 16.2 and 6.8 percentage points higher than for African-Americans and Hispanics respectively; by 2012 that difference increased to 21.1 percentage points difference for both.

Figure 53 shows the denial rates for home improvement loans by race/ethnicity. In general, denial rates for all groups exhibited significant variance over the past seven years. However, it is worth noting that denial rates have generally decreased since 2006; the rate for African-Americans declined 16.2 percentage points; Asians, 7.9 percentage points; and whites 5.3 percentage points. The denial rate for Hispanics grew by 4.5 percentage points.

Over the 7 year period, African-American home improvement loan applicants were 1.96; Hispanic, 1.70 times; and Asian 1.41 times more likely to be denied than comparable white borrowers. Over this time period, African-American borrowers were 1.3 times more likely to have an application denied than originated, while white borrowers were 2.53 times more likely to be approved than denied for a loan.

As with purchase and refinance loans, home improvement loan origination and denial disparities cannot fully be explained by income. Figure 55 shows the difference in origination and denial rates between upper-income borrowers and the rates of borrowers of all incomes by race/ethnicity. The origination rate

Figure 53: Home improvement loan denial rates by race and ethnicity

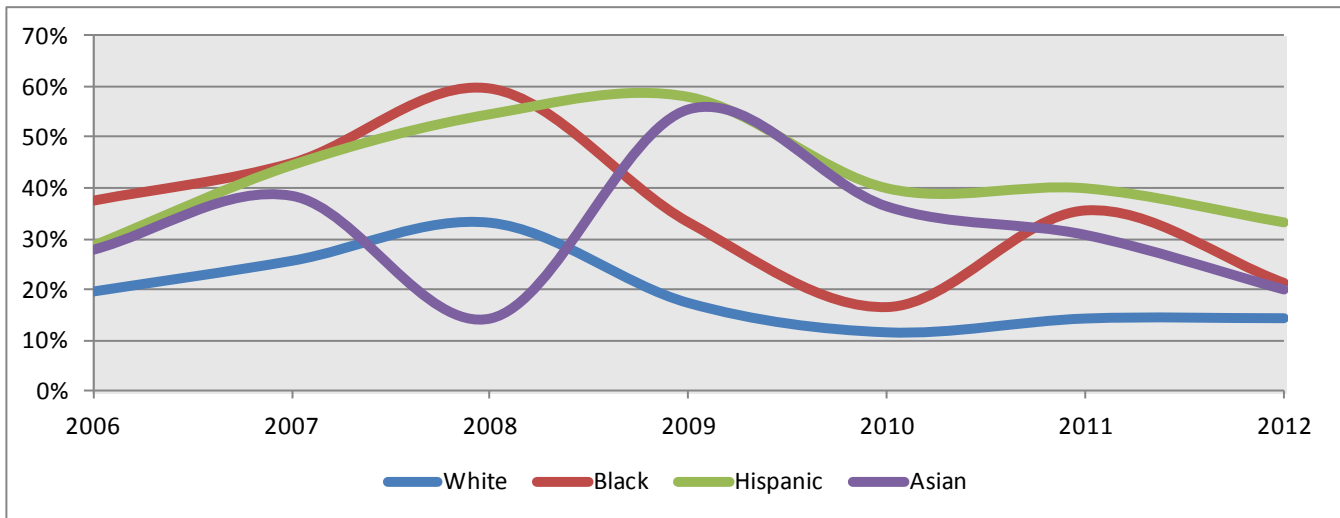
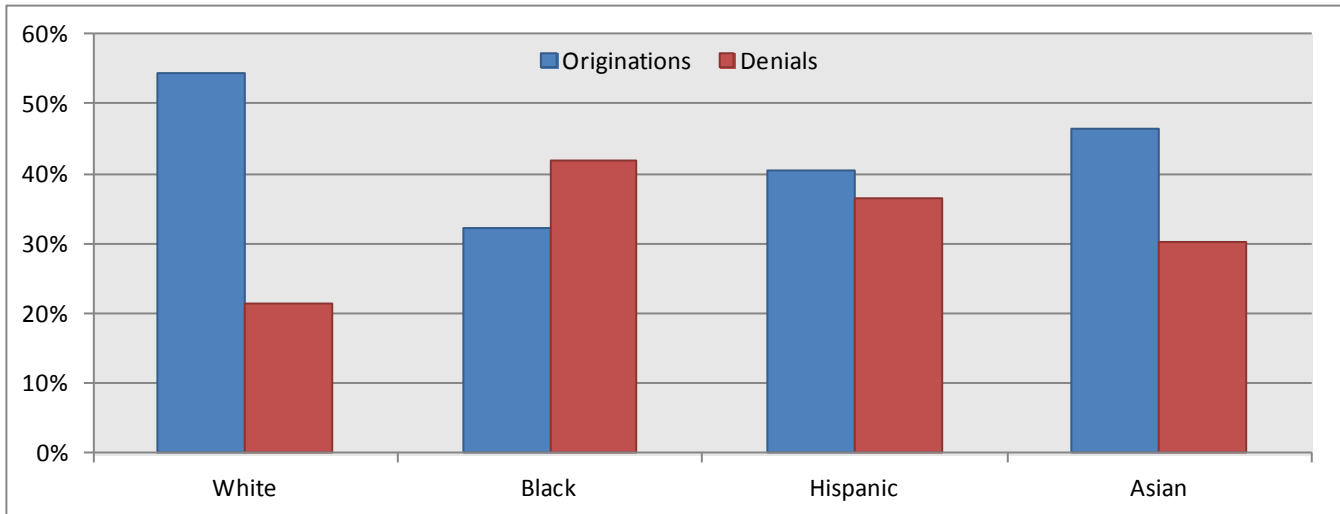
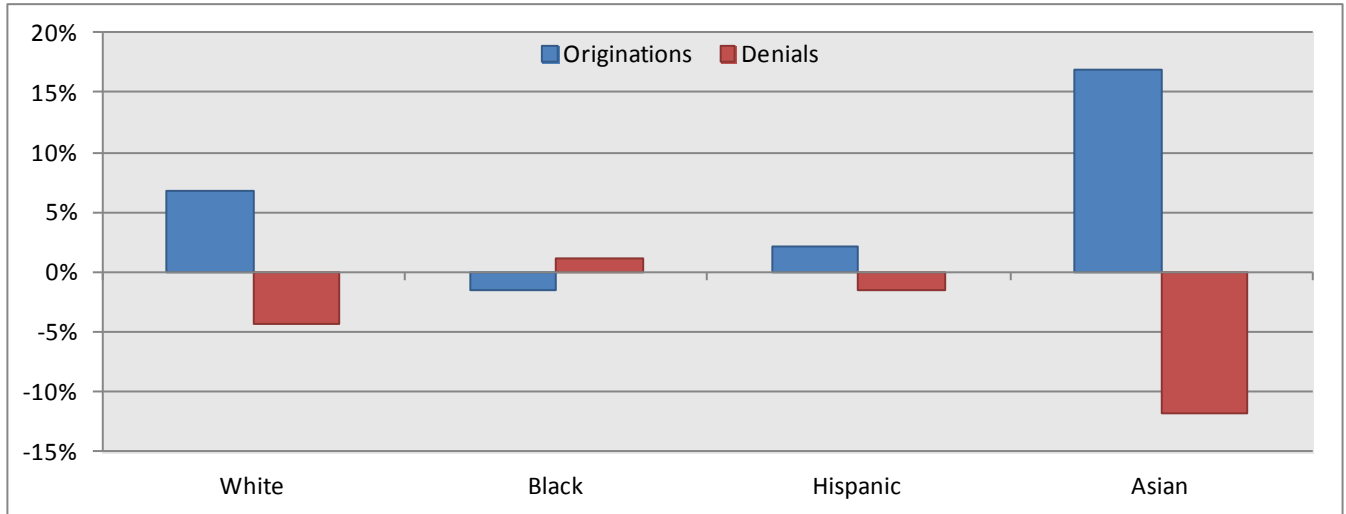


Figure 54: Home improvement loan origination and denial rates by race and ethnicity



for upper-income, white borrowers was 7 percentage points higher than that for all white borrowers, and the denial rate 4 percentage points lower. Similarly, the origination rate for upper-income Asian borrowers was 17 percentage points higher than for all Asians and the denial rate 12 percentage points lower. Origination rates for upper-income, Hispanic borrowers were 2 percentage points higher and denial rates 1.56 percentage points lower. Upper-income, African-American borrowers experienced the inverse of their counterparts; origination rates actually decreased by 2 percentage points and the denial rate increased by 1 percentage point.

Figure 55: Home improvement loan percentage point difference between upper-income and total origination and denial rates



Home Improvement Loan Summary

- The total number of home improvement loan applications declined 82 percent from 2006 to 2012; the number of applications submitted by whites declined 70 percent; African-Americans, 96 percent; Hispanics, 94 percent; and Asians, 75 percent.
- White borrowers were 1.68 times more likely to receive a home improvement loan than their African-American counterparts; 1.34 more time likely than Hispanic borrowers; and 1.17 times more likely than Asian borrowers.
- In 2006, the origination rate for white borrowers was 16.2 and 6.8 percentage points higher than for African-Americans and Hispanics respectively; by 2012 that difference increased to 21.1 percentage points difference for both.
- Over the 7 year period, African-American home improvement loan applicants were 1.96; Hispanic, 1.70 times; and Asian 1.41 times more likely to be denied than comparable white borrowers

FHA Loans¹¹

In response to the economic climate over the past several years, the number of loans backed by federal agencies has grown substantially over the past several years. These agencies, the Federal Housing Administration (FHA), Veterans Administration (VA), Farm Service Agency (FSA), and the Rural Housing Administration (RHS) have typically insured or guaranteed mortgages issued to homebuyers who may lack the credit rating required to secure a conventional mortgage. In 2006, at the height of the subprime lending spree, government backed loans accounted for just 2.1 percent of all home purchase loans in Prince William County; by 2012 that share increased to 65.1 percent. Home purchase loans secured by the Federal Housing Administration (FHA) accounted for less than 1 percent of loans in 2006; by 2012 they accounted for 40.3 percent of home purchase loans.

Figure 56 shows the rapid escalation of FHA purchase loans between 2006 and 2012 which increased 3,504 percent, from 97 loans in 2006 to 3,496 in 2012. Purchase loan applications submitted by white borrowers increased 3,008 percent, from 39 in 2006 to 1,212 in 2012; African-American, 1,909 percent, from 22 to 442, Hispanic, 5,959 percent from 17 to 1,030; and Asian 5,300 percent, from 6 to 324.

Figure 56: FHA loan applications by race and ethnicity

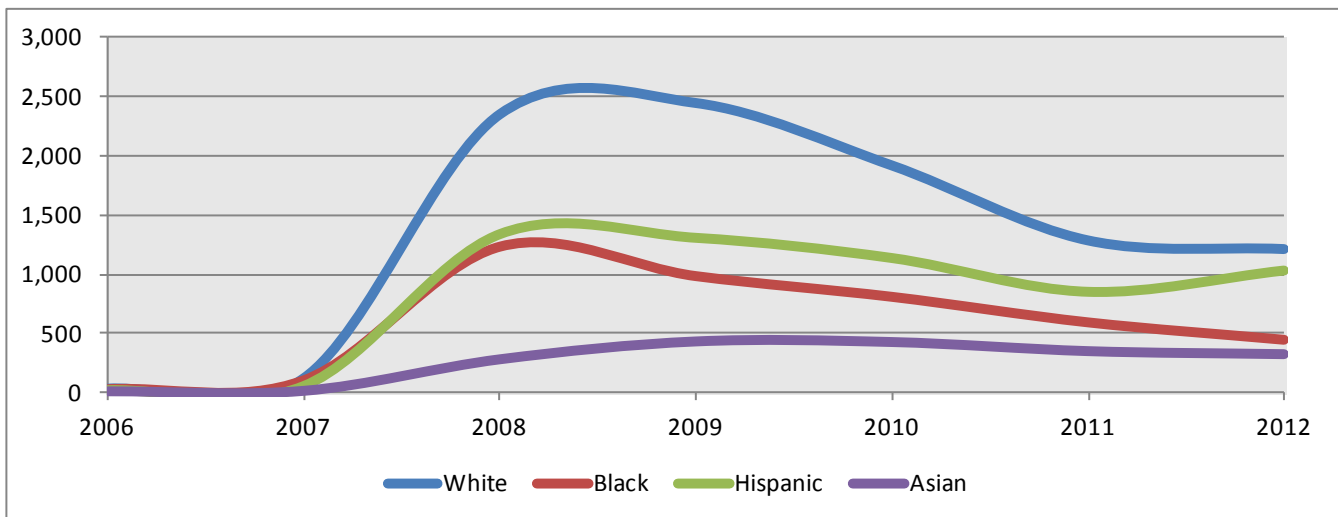
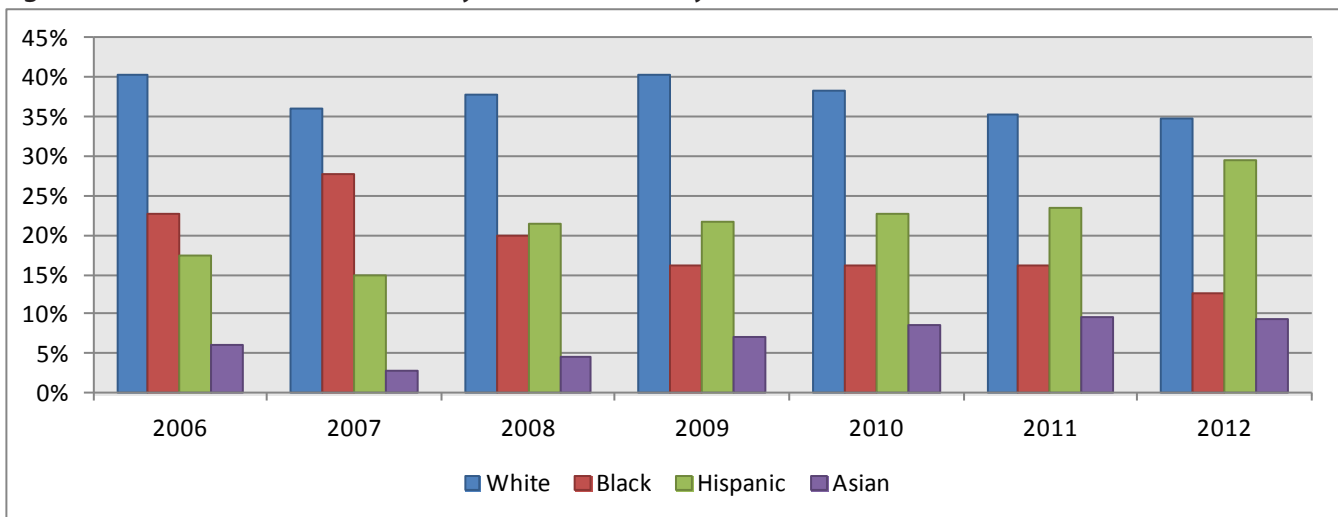


Figure 57: FHA loan market share by race and ethnicity



¹¹ This analysis examines FHA loan applications submitted for the purchase of owner-occupied, 1-4 family homes.

Figure 57 shows the market share FHA home purchase loans by race/ethnicity. Between 2006 and 2012, the market share held by African-Americans and whites decreased 10 and 6 percentage points respectively, while Hispanic and Asian market share increased 12 and 3 percentage points respectively.

Figure 58 shows FHA home purchase loan market penetration by race/ethnicity from 2006 to 2012. It is clear that whites have been underrepresented in the FHA home purchase loan market over the past 7 years. Hispanics and Asians have been remained overrepresented in the market, though both groups are slightly less represented in 2012 than 2006. African-Americans have gone from being 1.5 times overrepresented in 2007 to .25 times below parity in 2012.

Figure 59 shows the origination rates of FHA home purchase loans by race/ethnicity. Since 2006 applications submitted by white borrowers have resulted in loans at slightly higher rates than for other ethnic/racial groups. Over the past 7 years, white borrowers were 1.12 times more likely than African-American; and 1.19 times more likely than both Hispanic and Asian borrowers to be approved for a FHA home purchase loan. In general, these origination disparities are the lowest exhibited among all previously examined loan types.

Figure 58: FHA loan market penetration by race and ethnicity

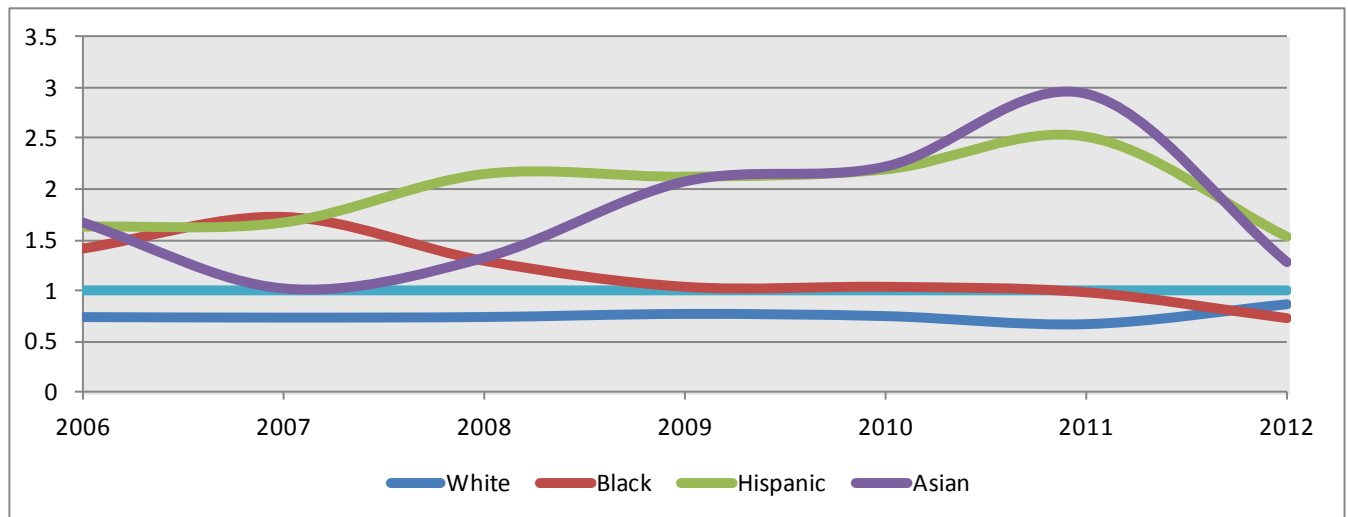


Figure 59: FHA loan origination rates by race and ethnicity

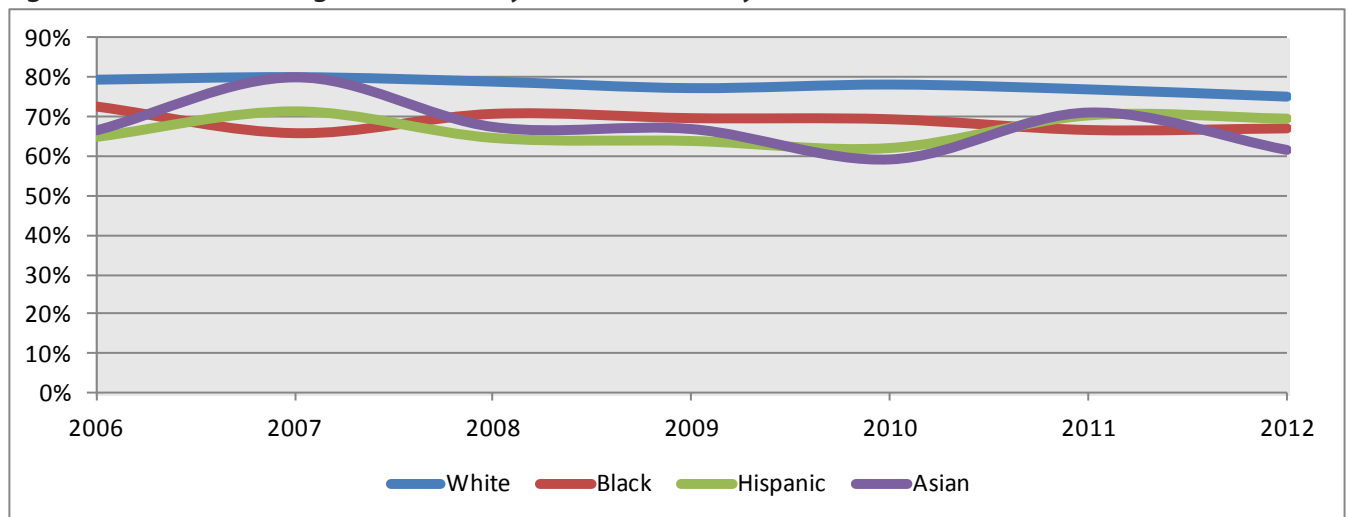


Figure 60 shows FHA home purchase denial rates by race/ethnicity between 2006 and 2012. It is clear that the denial rate for white borrowers, though slowly increasing over the past seven years, remains lower than for other groups. In total, African-American applicants were 1.77; Hispanics, 2.11; and, Asians, 2.08 times more likely to be denied a FHA purchase loan compared to their white counterparts.

In contrast to the conventional loan products examined above, income is positively correlated with both an increase in origination rates and a decline in denial rates for all racial/ethnic groups. Figure 61 shows the difference in origination and denial rates between upper-income FHA home purchase loan applicants and all applicants. Upper-income Hispanic borrowers experienced the greatest increase in origination rates, 8.24 percentage points, while upper-income Asian borrowers experienced the greatest decline in denial rates, 8.13 percentage points.

Figure 60: FHA loan denial rates by race and ethnicity

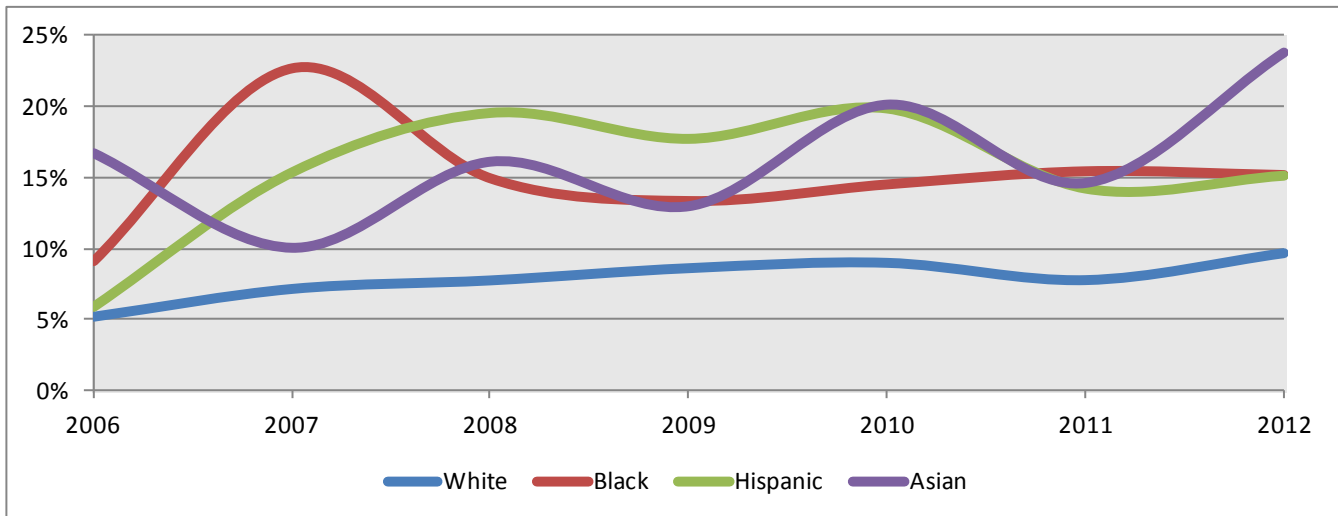
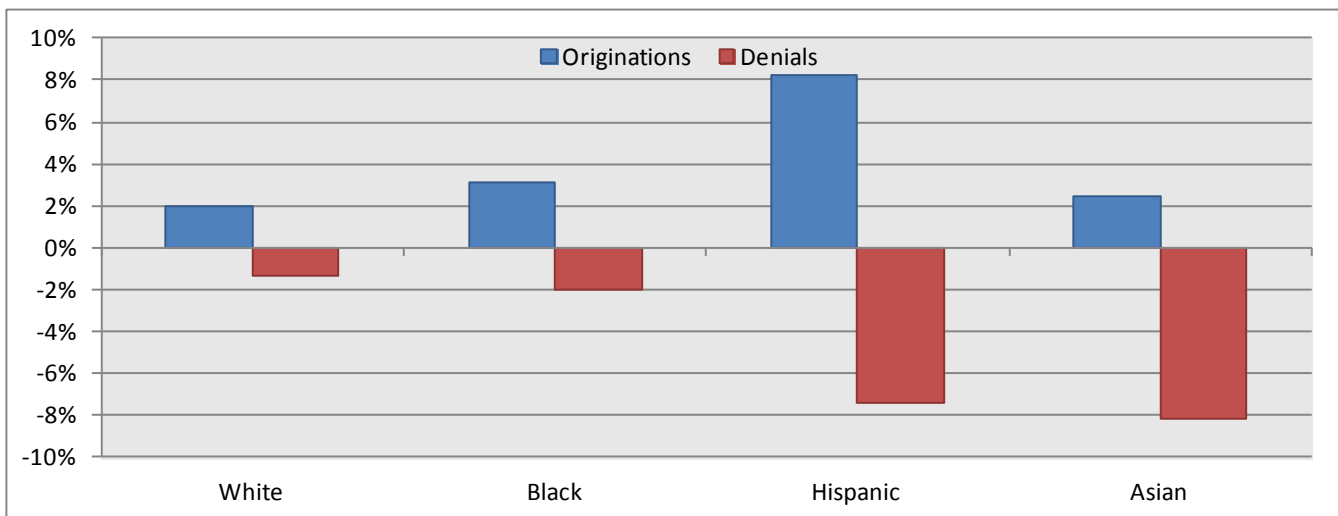


Figure 61: FHA loan percentage point difference between upper-income and total origination and denial rates



FHA Loan Summary

- In 2006, at the height of the subprime lending spree, government backed loans accounted for just 2.1 percent of all home purchase loans in Prince William County; by 2012 that share increased to 65.1 percent.
- Home purchase loans secured by the Federal Housing Administration (FHA) accounted for less than 1 percent of loans in 2006; by 2012 they accounted for 40.3 percent of home purchase loans.
- FHA home purchase loans increased 3,504 percent from 97 loans in 2006 to 3,496 in 2012. Applications submitted by white borrowers increased 3,008 percent, from 39 to 1,212; African-American, 1,909 percent, from 22 to 442, Hispanic, 5,959 percent from 17 to 1,030; and Asian 5,300 percent, from 6 to 324.
- African-American applicants were 1.77; Hispanics, 2.11; and, Asians, 2.08 times more likely to be denied a FHA purchase loan compared to their white counterparts.

Lending Summary

HMDA data analysis is an integral component to any comprehensive analysis of impediments in the private housing market. Though this analysis does not provide conclusive evidence of individual acts of discrimination, the data does provide evidence to suggest disparities in the access of particular loan products among minorities, particularly African-Americans and Latinos. Further, the data suggests that African-Americans and Latinos may have been targeted for refinance loans in the years leading up to the collapse of the housing market. What is clear is that they currently comprise a noticeably smaller share of the refinance loan market and are thus unable to partake in the cost benefits of historically low interest rates.

In summary, the data analyzed above show that white borrowers experience greater access to the full spectrum of mortgage products available throughout the Prince William area than do minorities. Indeed, larger systemic issues such as the persistent wealth disparity between minorities and whites plays a role in the lending disparities outlined above. However, income in and of itself, does not fully account for the racial and ethnic disparities evident in the mortgage market of the Prince William area. Ensuring that minorities, particularly African-Americans and Latinos have equal access to the full array of mortgage credit options will ensure that the neighborhoods of the Prince William area remain culturally and economically diverse, and that area residents have an equal opportunity to live in safe, clean communities and build wealth for them and their families.

Real Estate Advertising Review

Section 804(c) of the Fair Housing Act (FHA), 42 U.S.C. 3604(c) brands unlawful the act of making, printing, or publishing, or causing the making of, printing of, or publishing of any notice, statement, or advertisement with the intent on commercial transaction which indicates preference, limitation, or discrimination of any of the federal or specific state protected classes (Fair Housing Act, 1968). *Chicago Lawyers' Committee for Civil Rights Under Law, Inc. v. Craigslist* (2006) exempted Craigslist from publisher liability because of its use of community moderation to control content. The Communications Decency Act (CDA) passed by Congress in 1996 to limit governmental regulation of the internet effectively grants immunity to Internet Service Providers (ISPs), defining them as intermediaries instead of publishers. Craigslist does offer information to users about the scope, purpose, and advertising clause of the Fair Housing Act in an effort to reduce discriminatory advertising as well as lets other users "flag" advertisements that may be discriminatory. However, advertising on Craigslist, is largely unregulated and therefore serves as good indicator of community housing preferences, discrimination, and comprehension of the Fair Housing Act.

A sample of classified advertisements was reviewed for evidence of discriminatory language and/or practices in Prince William County. In total, 97 advertisements for rental housing posted on Craigslist were reviewed. All properties were located in Prince William County.

Of the 97 Craigslist advertisements reviewed, 32 advertisements (33 percent) contained discriminatory language. Of those advertisements, familial status discrimination was by far the most prevalent; 26 (81

percent) of advertisements contained language consistent with discrimination against familial status; 3 advertisements (9 percent) contained discriminatory language on the basis of race; 2 advertisements (6 percent) contained discriminatory language on the basis of national origin, elderliness, and sex. See Figure 62 below for examples.

Figure 62: Examples of discriminatory advertising online

<p>*****</p> <p>I am looking for one person - no kids, no pets, and no smokers(or at least outside smokers). The home is in a safe, clean, middle class neighborhood, close to Virginia Railway Express. Divorced? Trying to get back on your feet? Working in the DC area for unknown amount of time? Just need a place to sleep? This is the place to be.</p> <p>*****</p> <p>It is minutes away from Prince William Parkway and I-66. It is walking distance to stores. This is a great deal and worth your time.</p>
<p>Located in Lake Ridge. 5 minute walk to Starbucks, Dairy Queen, Blockbuster, Bloom Grocery, Gold's Gym, restaurants and more! Fully finished basement with full bath, laundry room, and bedroom, family room, eating area. Perfect for college student or young professional.</p>

While seemingly harmless to advertise the characteristics one is looking for in a prospective tenant, the Fair Housing Act is explicit in the actions it outlaws. Specifically, the first example limits the availability of the unit to persons without children, in violation of familial status protection. The second advertisement indicates a preference for a specific type of tenant, also in violation of the Fair Housing Act. Unfortunately, as this review of Craigslist advertisements shows, the public is largely unaware of the protections set forth in the Fair Housing Act. Due to the increased use of online tools to secure housing, and the significant housing market that exists beyond the scope of professional property management and/or leasing companies and/or agents, the need for increased public awareness as to the legal responsibilities of landlords appears to be much in need in Prince William County.

Citizen participation

This section pertains to the results of public and stakeholder input prior to and following the publishing of the draft of this document. During the process of conducting the analysis, participation took the form of two public focus groups, interviews of government staff, non-profit organizations, housing and real estate professionals and other stakeholders, and a fair housing survey open to the public. The date, time, purpose and location of each focus group was advertised in the Gainesville/Prince William Times, a newspaper published in Prince William County and having sufficient circulation to meet the requirements of the County's public participation plan. Additionally, notice of the sessions was distributed electronically by the OHCD to housing providers CDBG sub-grantees, and other stakeholders. In order to reach as many participants as possible, one focus group was held the morning of February 24, 2014 at Manassas City Hall, 9027 Center Street, Manassas, VA 20110. The second focus group was held in the afternoon of February 24, 2014 at the Dr. A. J. Ferlazzo Building, 15941 Donald Curtis Drive, Woodbridge, VA 22191.

Two post-draft citizen input sessions were held on May 28, 2014. The first was held in the morning at Manassas City Hall. The second was held in the late afternoon at the Dr. A.J. Ferlazzo Building in Prince William County.

Focus Groups

Focus group sessions began with a brief overview of fair housing laws and discussion of affirmatively furthering fair housing. Participants were shown maps depicting racially and/or ethnically concentrated areas of poverty (RCAP/ECAP) in the Prince William area and asked about factors that contribute to the spatial display of poverty in minority neighborhoods. Additionally, participants were asked about access to community assets, the existence of disproportionate housing needs of any specific protected class, and any other barrier to housing choice within the county not previously discussed. The following summary reflects only the views of the participants. As comments or views were substantiated by additional research and data analysis, they were included in the list of Impediments to Fair Housing Choice.

Housing affordability was a primary concern and the single largest barrier to housing choice among participants. There was consensus that older housing stock was generally more affordable and that the majority of new construction was simply out of reach financially for the average worker. This factor has contributed to the concentration of older areas of the region such as Dale City and Georgetown South to become home to a greater concentration of minorities, particularly Hispanics. Homelessness, in particular the relationship between affordability, employment, and mobility within the Prince William area was an area of concern for many participants.

Transportation was also frequently discussed as barrier to not only housing, but also economic opportunities and local government resources. Overall, the consensus among participants was that bus service was geared to commuters and service within the county was limited. Limited local bus service was seen as a contributing factor for the lack of participation of vulnerable populations, particularly Hispanics and the homeless in programs administered by the County such as financial literacy education. Moreover, limited transportation was viewed as a barrier to employment, particularly among those with limited access to the internet. Given the growing Hispanic population, lack of transportation was cited as exacerbating cultural differences in how employment is sought throughout the County.

Issues involving the growing Hispanic population of the Prince William area were another area of concern frequently mentioned. Anecdotal accounts by participants chronicled potentially unfair targeting of Hispanic households for overcrowding, and different rental requirements imposed upon potential Hispanic tenants such as social security requirements. Additionally, a lack of Hispanic representation in the political environment of the Prince William area as well as the staff level of local government was seen as a barrier to equal treatment for Hispanic residents.

There was consensus for continued, if not more, financial assistance available for transitional housing for the homeless, more affordable housing options including programs such as down payment assistance and financial literacy for first time homebuyers as well as inclusion in K-12 curriculum. Additionally, the need for enhanced landlord/tenant education was mentioned several times. The marketing of programs was mentioned as being limited to English speaking populations, which limited certain populations from understanding and taking part in the programs and services offered throughout the Prince William area.

Interviews

Interviews were conducted either in-person or over the phone. OHCD provided HOME with a list of departmental contacts responsible for the administration of CDBG funded programs as well as contact information for the Prince William County Housing Board. Additional interview requests were conducted by HOME to obtain information from non-profit housing organizations, Hispanic leadership, and other civil rights-related sources. All interviews were conducted anonymously. The following is a summary of those interviews; as such, they reflect only the views of those interviewed. As comments or views were substantiated by additional research and data analysis, they were included in the list of Impediments to Fair Housing Choice.

The vast majority of interviewees had a solid understanding of fair housing laws. When asked about which segments of the population experience the greatest difficulty in locating housing in the Prince William area answers varied, the disabled, both physically and mentally, and extremely low income were the most commonly cited populations. The elderly were also noted as having issues with finding suitable housing. Interviewees expressed that an overall lack of accessible housing due to predominant style of homes located in the County as well the proliferation of apartment complexes served as a barrier to housing those with disabilities and the elderly. For the extremely low-income population the vision of political leadership to develop housing for upper-income residents was viewed as a greater priority than developing housing affordable for residents in service sector jobs in the County. Wage disparities among working class residents combined with inefficiencies in the public transportation system were also viewed as contributing factors to the affordability of housing throughout the Prince William area.

When asked about instances of housing discrimination they were aware of, respondents overwhelmingly responded that they were not aware of instances of overt housing discrimination against protected classes; instead, discrimination was centered on issues having to do with affordability, primarily credit history and income. Affordability was a major issue with the majority of all interviewees. Discrimination against federally subsidized housing program participants was not seen as an issue. Beyond a dire need for more Housing Choice Vouchers, the program was viewed as working well; interviewees felt that voucher holders have a variety of neighborhoods to move to with access to quality educational opportunities and job opportunities. However, public transportation was seen as a limiting factor to the success of the program; there was concern that voucher holders, particularly those with physical disabilities were being increasingly concentrated along Route 1.

Issues regarding the types and varieties of housing were discussed among several interviewees. Particularly, the location of group homes for persons with disabilities or in recovery from substance abuse was seen as an issue among several interviewees. Transitional housing was also mentioned as an issue throughout the Prince William area in terms of not having sufficient units to meet the needs of the homeless population.

Fair Housing Survey

As part of the public input component of this project, an online fair housing survey was administered to solicit anonymous input as to fair housing issues in the greater Prince William area. The survey was hosted on the PWC OHCD website. Electronic requests to participate in the survey were sent to numerous stakeholders throughout the Prince William area. In total, there were 53 unique responses. Approximately 11 percent of respondents indicated they lived in the City of Manassas, and less than 4 percent of respondents indicated they lived in the City of Manassas Park. Approximately 58 percent of respondents indicated they

lived in Prince William County. Respondents were asked a broad range of questions related to fair housing and discrimination in the greater Prince William Area. Below is a summary of the results; the complete survey instrument and results are attached in Appendix A (forthcoming).

In general, there appears to be a relatively good awareness of fair housing laws in the Prince William area; 28 percent of respondents were 'not familiar'; 55 percent were 'somewhat familiar;' and 9 percent were 'very familiar' with fair housing laws. 38 percent of respondents were aware of fair housing educational opportunities, and 25 percent had actually participated in fair housing training or related activity. When asked if housing discrimination was an issue in Prince William area, 43 percent of respondents responded 'Yes.'

Of all respondents, 17 percent indicated that they had been victims of housing discrimination. Of that 17 percent, 46 percent believe they were discriminated against based on Race; 8 percent, Color and Elderliness each; and 23 percent, Familial Status. Of the respondents that believed they were victims of housing discrimination only two (2) reported the incident. When asked why they did not report their discriminatory incident, 45 percent answered that they did not believe it would make a difference, 18 percent did not know where or who to report the incident to.

Of all respondents, 13 percent believe that discrimination is an issue in the rental market, particularly against Hispanics and other minorities; 10 percent believe that discrimination is an issue in the real estate industry; 17 percent believe that discrimination is an issue in the mortgage and home lending industry, particularly against minorities; 16 percent believe that discrimination is an issue in land use policies; 19 percent believe that discrimination is an issue with occupancy standards or health and safety codes, particularly when it came to overcrowding.

Of all respondents, 38 percent answered that there were existing barriers that serve to limit access to government services. Specifically, the lack of public transportation throughout the County was seen as an issue limiting not only access to government programs, but employment opportunities as well. 16.67 percent of respondents answered that there were existing public administrative actions or regulations that act as a barrier to housing choice, most notably, the lack of affordable housing. In concluding the survey, respondents were asked to leave additional comments or information; the overwhelming majority of these responses were focused on housing affordability.

Survey Summary

In general, respondents expressed that though there is relatively high awareness and understanding of fair housing laws throughout the Prince William area, and that the majority had not experienced housing discrimination firsthand, discrimination is an issue that continues to limit the housing choices for residents of the Prince William area. Of the respondents that had experienced housing discrimination very few reported the incident primarily due to fear of retaliation and/or not knowing where to turn for help. Respondents expressed that discrimination takes many forms throughout the Prince William area; most significantly in the way in which occupancy standards or health and safety codes are enforced. Discrimination in the mortgage lending industry was also seen as an issue, followed by land use policies. Discrimination in the rental market was viewed as more prevalent than discrimination by real estate professionals. Anecdotal evidence suggests that much of the discrimination, particularly in the rental market and enforcement of occupancy standards or health and safety codes, was viewed to be targeted toward the Hispanic population.

Impediments:

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.

Recommendations:

- Prioritize policies that promote the expansion of the area's affordable and accessible housing supply, particularly in the least affordable neighborhoods.
- Continue to work to expand the supply of housing at both the upper and lower ends of affordability. Data suggests that the supply of affordable housing is constrained by low inventory of both upper-income and lower-income housing.
- Continue to work with local developers and non-profit organizations to increase the supply of housing affordable to the lowest income households.
- Encourage and incentivize developers engaged in significant neighborhood development to target both ends of the affordability spectrum in their plans.
- Explore permitting accessory dwelling units by-right in a broader range of neighborhoods, particularly those with large lot size requirements. Allowing accessory dwelling units can be a simple and cost effective way to increase the supply of affordable housing units in areas with fewer existing options.
- Ensure that existing financial incentives appropriately address the affordable housing needs of the county and that administrative tasks are not excessively burdensome to the development of housing.
- Review the LIHTC Qualified Allocation Plan (QAP) to ensure that credits are appropriately allocated to meet the needs of affordable housing needs of the county.
- Explore alternative sources of funding for the development of accessible housing affordable to families and individuals earning 50 to 80 percent of the area median income or less.
- Engage area business leaders to develop a clear picture of the workforce and housing needs of employers. Explore opportunities for and interest in corporate housing investment.
- Explore the feasibility of partnering with local employers to create employer assisted housing benefit plans for employees that reside and/or work in the Prince William area.

Spatially overlapping areas 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.

Recommendations:

- Ensure that all participants of county-administered housing programs and services are made aware of the full spectrum of housing opportunities throughout the area.
- Prince William County contracts with Virginia Cooperative Extension Prince William to offer free educational events and HUD approved housing counseling services. Prince William County must make certain that these services are available to Spanish speakers and affirmatively marketed to residents living in RCAPs/ECAPs and segregated neighborhoods.
- Continue to support homeownership and wealth building opportunities for county residents.
- Affirmatively market homeownership programs to residents in RCAPs, ECAPs, and segregated neighborhoods.
- Target these neighborhoods for workforce training and economic development investments.
- Ensure that land use regulations allow for the development of affordable housing in a variety of neighborhoods throughout the county, fostering mixed-income communities.
- Investigate practices and models of community planning that provide significant opportunities for the area's diverse public to participate in and drive development needs.
- Review patterns of community opposition to identify concerns that might be addressed through outreach, education, or participation.

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.

Recommendations:

- Explore the feasibility of creating a rental registry program in the County. Rental registry programs have successfully been used in many other areas to curb the negligence of absentee landlords, enhance the efficiency of code enforcement efforts, increase the availability of safe, affordable rental units, and protect the value of neighboring properties.
- Such a program could potentially be administered at no cost to the County. Application fees could cover associated administrative costs. A comprehensive review of other rental registry programs should begin as soon as staff time permits.
- Continue to provide funding for home rehabilitation programs such as the Neighborhood Housing Rehabilitation Program (NHRP) in Prince William County and Manassas Park and the Manassas City Home Repair Program.
- Target rehabilitation program marketing efforts towards communities demonstrating the greatest disparities.

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.

Recommendations:

- Secure dedicated funding to conduct annual rental audit testing focused primarily on race and/or color, disability, and national origin.
- Target the area's Latino community for fair housing, landlord/tenant, consumer protection, and financial literacy education, and support efforts to engage the Latino community in homeownership programs.
- Consider holding the county's biennial housing fair on an annual basis. Include fair housing education, training, and outreach components for housing seekers and providers.
- Continue to make fair housing educational materials available on the County's website in both English and Spanish and work with sub-grantee jurisdictions to do the same.
- Ensure that county-administered housing program participants receive fair housing education.
- Explore providing a fair housing information program for officials and employees having direct impact of fair housing, including zoning and community and economic development.
- Provide annual fair housing training to the Prince William County Housing Board.
- Encourage the hiring or training of a bilingual (Spanish and English) staff person to the Prince William County Human Rights Office.

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.

Recommendations:

- Increase minority access to sustainable mortgage products
- Continue to support the provision of financial literacy, homeownership, and credit repair counseling in coordination with down payment assistance programs.
- Prince William County should set a goal of providing this service to an increasing number of individuals/households per year as applicable.
- Support and publicize an annual lending report that evaluates the lending practices of the area's largest lending institutions. Encourage area lenders to examine and alter their practices when lending disparities exist. Explore policy and practice solutions that encourage mainstream lending to underserved communities.
- Continue to work with financial partners to provide Prince William County employees with access to financial education, credit tools, and related benefits.
- Take an active role in providing public comments on the lending behaviors of lending institutions during their Community Reinvestment Act (CRA) exams.
- Affirmatively market financial education, foreclosure prevention, reverse mortgage counseling, pre- and post-purchase counseling, and other housing counseling services to minorities, specifically African-Americans and Latinos.