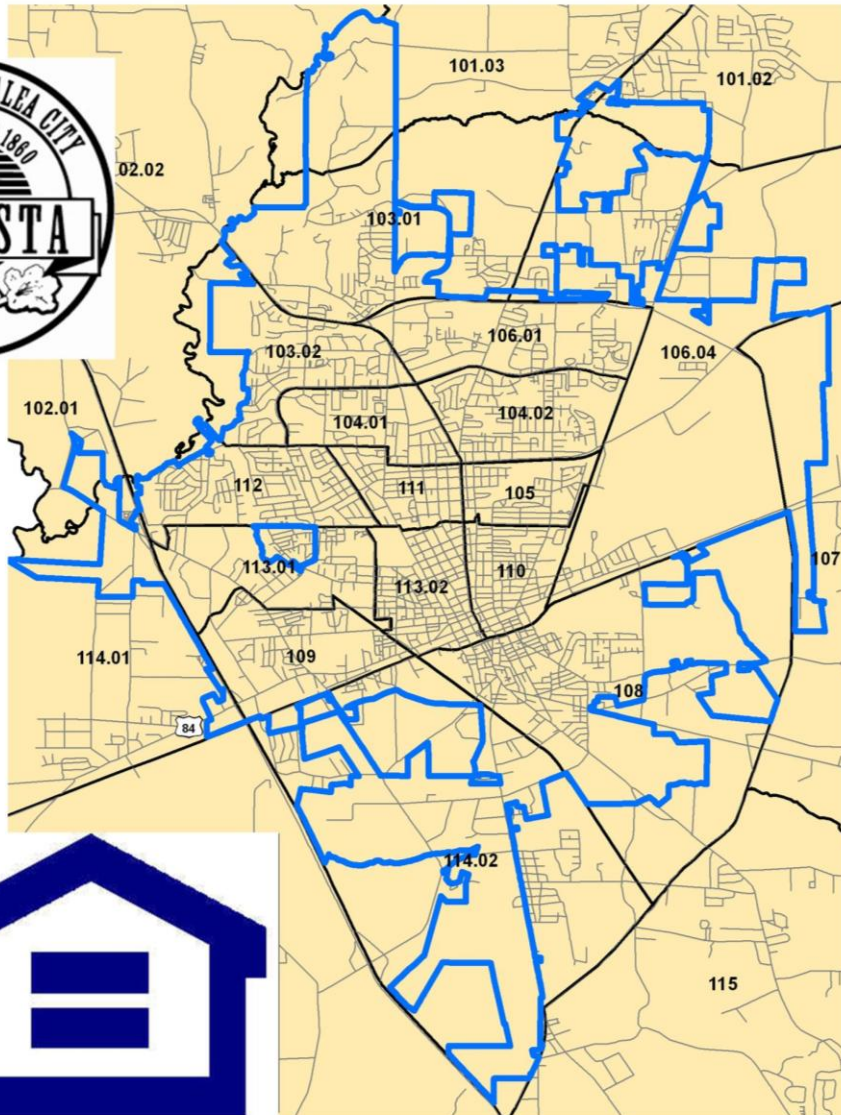
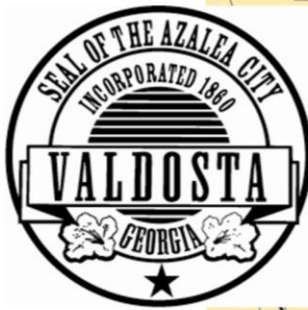


City of Valdosta, Georgia

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING



EQUAL HOUSING
OPPORTUNITY

December 2011



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CITY OF VALDOSTA, GEORGIA
ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

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Introduction and Acknowledgements

Introduction

This report provides an Analysis of Impediments to Fair Housing Choice (AI), commissioned by the City of Valdosta, Valdosta, Georgia. This AI was conducted using a methodology consistent with the U.S. Department of Housing and Urban Development (HUD) guidelines. HUD requires that each jurisdiction receiving federal funds certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an **analysis of impediments** to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

Lead and Participating Agencies

City of Valdosta, Public Involvement Department was responsible for oversight and coordination of the AI process. The City of Valdosta retained J-Quad Planning Group, a Community Development, Urban Planning and Housing Consulting firm to assist in the preparation of the AI.

Acknowledgements

Data collected in preparing the AI relied in part on input from the public. The process included information gathered from three citizen focus groups, key person interviews, and data provided by Valdosta Housing Authority and the City of Valdosta. We also acknowledge the participation of the City and County government officials, development community, non-profit, social services, business and real estate industries. Special thanks to all focus group participants and their contributions toward making the AI process a success.

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Executive Summary

Introduction

In 1995 the U.S. Department of Housing and Urban Development (HUD) announced that entitlement communities - communities receiving direct federal funding from Community Development Block Grant, HOME Investment Partnership and Emergency Shelter Grant programs – must conduct a study of existing barriers to housing choice. This required study is referred to as the "Analysis of Impediments (AI) and is part of entitlement communities' consolidated planning process.

The purpose of the AI is to examine how state and local laws, private, public and non-profit sector regulations, administrative policies, procedures, and practices are impacting the location, availability, and accessibility of housing in a given area. The AI is not a Fair Housing Plan rather it is an analysis of the current state of fair housing choice in Valdosta. The AI identifies specific barriers that need to be addressed if future fair housing initiatives are to be successful.

Each jurisdiction receiving federal funds must certify that it is affirmatively furthering fair housing. The certification specifically requires jurisdictions to do the following:

- Conduct an analysis of impediments to fair housing choice within the state or local jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through that analysis.
- Maintain records reflecting the analysis and actions in this regard.

The City of Valdosta's commitment to furthering fair housing and affordable housing through planning and CDBG program design and implementation is noteworthy. While the City of Valdosta receives a relatively small allocation of \$564,554 in Community Development Block Grant funding, their programming of these funds continue to improve and help maintain stability, and strengthen its older and lower income areas. The City and its nonprofit partners are encouraged to expand these efforts into other neighborhoods as a primary means of expanding fair housing choice. The impediments identified in this section can be directly linked to and supported by data and analysis from previous sections. In some instances, footnotes provide links to the corresponding sections should the reader need to refer to those sections for more details.

Evaluating fair housing is a complex process involving diverse and wide-ranging considerations. The role of economics, housing markets, and personal choice are important to consider when examining fair housing. Any disproportionate impacts on persons of a particular race, ethnicity, or members of the protected classes under fair housing law have been comparatively analyzed to determine to what extent those disparities are limiting fair housing choice. Valdosta has relatively few impediments to fair housing. However, some issues were identified.

The analysis of fair housing choice in the City of Valdosta has resulted in the identification of impediments identified through a study methodology that included conducting focus group sessions, a socio-economic analysis resulting in the construction of a community profile and fair housing index, analysis of the Home Mortgage Disclosure Act (HMDA) data, and a fair housing law and public policy and program review. The following narratives provide a summary of those sections.

Community Profiles

The Community Profile is a review of demographic, income, employment, housing, and transportation data of Valdosta, Georgia, gathered from the 2010 Census estimates, 2005-2009 American Community Survey (ACS) 5-Year estimates, 2000 and 2010 U.S. Census, City of Valdosta, Valdosta Chamber of Commerce, Board of Realtors and other sources. The following provide a summary of the current status of the community in Valdosta.

According to the 2010 Census estimates, the total population of Valdosta was 54,518, a 24.7 percent increase between 2000 and 2010. Table 1.1, in the Community Profile Section, shows the distribution of population by race and ethnicity in the city. The White population increased by 13.1 percent, but their percentage of the total population decreased from 47.7 percent to 43.2 percent between 2000 and 2010. African-Americans had the most significant numerical increase in population, 6,643 persons, and increasing to 51.3 percent of total population in 2010. This constituted a 31.3 percent increase in the African-American population from 2000 to 2010. Valdosta experienced a 131.0 percent increase in the Hispanic population between 2000 and 2010. The percentage of Hispanic population of the total population increased from 2.2 percent in 2000 to 4.0 percent in 2010, a 2.8 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity, this may account for the high increase of 103.3 percent in the “Other” category between 2000 and 2010. It is a common misidentification for ethnic Hispanics to choose the ‘other’ category on the Census for race rather than White or African-American.

Other populations had significant percentage increases in population between 2000 and 2010, an 83.3 percent increase in the American Indian and Eskimo population, 57.9 percent increase in Asian and Pacific Islander population, 103 percent Other Race, but numerically and as a percent of total population, these increases were actually much less significant.

Household compositions consisting of large families, families with children and female headed households with children appear most likely to encounter issues relative to fair housing choice. We noted disproportionate impacts for African Americans and Hispanics in most categories compared to Whites. The percentage of female-headed households with children among White households was 4.9 percent, compared to 26.4 percent in African-American households, and 10.3 percent in Hispanic households between 2005 and 2009.

When considering all family types with children present, the data show that 22.1 percent of all White households, 43.4 percent of all African-American households, and 38.8 percent of all Hispanic households were in this category. Non-family households among Whites made up 48.6 percent of all White households in Valdosta. Non-family households among African-Americans accounted for 34.1 percent of all African-American households. Non-family households among Hispanics accounted for 30.0 percent of all Hispanic households.

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5, in the Community Profile Section, presents our analysis of occupation data, which indicate that there has been some shift in the distribution of occupations between 1990 and 2009. Arts, entertainment, recreation, accommodation, and food services had the largest increase, up 11.8 percentage points to 13.5 percent. Educational and Health services had an increase, up 3.5 percentage points to 25.8 percent. Public Administration had an increase, up 3.3 percentage points to 8.0 percent. Professional, Business, repair, and personal services had an increase, up 3.0 percentage points to 9.9 percent. Manufacturing realized the largest reduction of 8.5 percentage points to 8.5 percent of the workforce. Retail Trade reduced by 6.4 percentage points to 17.0 percent of the total workforce. Wholesale Trade had a decrease of 2.7 percentage points leading to 1.9 percent of the total workforce.

According to the major employer data provided by SEEDS Business Resource Center and Valdosta-Lowndes County Industrial Authority, the top ten employers in the area include Moody Air Force Base, South Georgia Medical Center, Valdosta State University, Lowndes County School System, Valdosta City School System, Lowe's Distribution Center, Convergys Corp, Wal-Mart Supercenters, City of Valdosta, and Lowndes County Government.

Unemployment can negatively impact both White and minority households and our analysis of the distribution of unemployment by Race and Ethnicity indicates significant disparities in unemployment rates among African-Americans compared to Whites and other minority populations. Between 2005 and 2009, 5.9 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 14.1 percent unemployment rate and Hispanic reported a 6.9 percent rate. As a comparison, the citywide unemployment rate was 9.7 percent during the period.

Income is a major factor contributing to fair housing choice among minority households. Our analysis indicates significant disparities in income among African-Americans compared to Whites. According to the 2005-2009 ACS estimates, the median household income was \$37,490 for White households, \$20,876 for African-American households, and \$35,208 for Hispanic households, compared to \$29,046 for the overall city. The modal income class, the income classes with the highest number of households, for Whites was the \$50,000 to \$74,999 range with 15.9 percent of Whites in this income range. The most frequently reported income for African-American households was less than \$10,000 range with 19.1 percent of households in this range. The modal income class for Hispanic households was \$35,000 to \$49,999 range with 24.3 percent of households in this range.

The poverty data shows major effects on the African American community. The poverty rate among African-Americans was 35.0 percent of the total population between 2005 and 2009. Among White persons, the data reported 20.9 percent

lived in poverty between 2005 and 2009. In comparison, the poverty rate for the city was 28.2 percent during the period. The 2005-2009 ACS data for Hispanics shows low estimates for households living in poverty but high margins of error. The 2000 Census estimates provide more accurate poverty estimates for Hispanics.

In Valdosta employment and unemployment rates are being negatively impacted due to limitations relative to educational attainment. The data indicates disproportionately lower educational attainment among African-Americans and Hispanics compared to Whites population. According to the 2005-2009 ACS estimates (5-year average), 30.2 percent of African-Americans age 25 and above reported less than a high school education compared to 7.6 percent of Whites and 39.1 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 19.3 percent during the period.

The availability of jobs, consistent with the skill levels and educational levels of low-income persons, is largely dependent on the geographic location of the jobs and the workforces' ability to get to and from the employment centers where those job are located. If jobs are concentrated in largely upper income areas, far removed from the areas where lower income persons live, their ability to get to and from work may be difficult, without public transportation, sometimes causing hardships on employees or potential employees that cannot afford their own private automobile.

To further examine the impact of employment proximity relative to housing choice for low- and moderate-income persons, we analyzed the use and availability of public transportation and the extent to which public transportation provides flexible routes, affordable rates, time efficient commutes with direct route and limited transfers, and routes and schedules that provide access to major employment centers for peak and off-peak work shifts.

Information on public transportation was provided by the Southern Georgia Regional Commission (SGRC) and based on the Valdosta-Lowndes 2035 Transportation Plan. Public transportation in the Valdosta Urbanized Area is currently provided by Berrien and Lowndes Counties. Each county has executed a contract with MIDS Inc. to operate their respective demand response systems. These two systems are funded through the Federal Transit Administration (FTA) 5311 program, and provide rural demand response public transit services to the residents of their respective counties. MIDS Inc. operates Monday through Friday 7:30 AM to 5:30 PM with a fare of \$3.00 per one-way trip. MIDS Inc. also contracts with the SGRC to provide the FTA's 5310 or Department of Human Services Elderly and Disabled Program transportation services.

The SGRC in partnership with the Georgia Department of Human Services (DHS) provides transportation services in an eighteen county service area including, Lowndes, Berrien, and Lanier Counties. These services are primarily funded through the Federal Transit Administration 5310 program and include transporting seniors age 60 and over.

Greyhound operates a station in downtown Valdosta which provides direct service to Orlando, Florida and points south, as well as direct service to Atlanta, GA and points north. Pearl Executive Shuttle provides transportation to nearby airports like Atlanta's Hartsfield-Jackson International Airport, Jacksonville International Airport and Tallahassee Regional Airport.

According to the 2010 Census, the total number of housing units in the city was 22,709 with 2,238 or 9.9 percent vacant units. There were 15,608 housing units in Valdosta in 2000. The total number of housing units in the city increased 45.5 percent between 2000 and 2010. According to the 2005-2009 ACS estimates (5-year average), the total number of housing units in the city was 22,623 of which, 35.7 percent were owner-occupied, 54.0 percent were renter-occupied, and the remaining 10.4 percent were vacant. The median housing value in the city was \$119,300 and the median contract rent was \$534 between 2005 and 2009.

Hispanics and African Americans in particular, face a number of demographic concerns such as lower income levels that typically impact housing choice and affordability negatively. One of the most revealing indicators that African-Americans and Hispanics lag far behind Whites in obtaining housing of their choice is in the category of homeownership. According to the 2005-2009 ACS data, homeownership rate among Whites was 49.4 percent, compared to 30.6 percent among African-Americans, and 26.2 percent among Hispanics.

Fair Housing Law, Municipal Policies and Complaint Analysis

The City of Valdosta has enacted local Fair Housing Ordinance No. 2006-58, to promote and enforce Fair Housing and Non-Discrimination within the City of Valdosta. Therefore, our analysis of applicable fair housing laws focused on the local city ordinance in addition to the State of Georgia statute. In the analysis both were reviewed and compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending.

The City of Valdosta Public Involvement Department receives fair housing complaints and makes referrals to HUD for enforcement. This agency is also responsible for conducting public education, training and outreach of fair housing rights and remedies in Valdosta.

The HUD Regional Office in Atlanta, Georgia conducts investigations of fair housing complaints that are reported to them by the state and local jurisdictions. Georgia is part of HUD's Region IV that includes Alabama, Florida, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the U.S. Virgin Islands. When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. Fair housing complaint information was received from the Atlanta, Georgia FHEO Regional Office of the U.S. Department of Housing

and Urban Development. The data received from HUD provides a breakdown of complaints filed for Valdosta from January 1, 2008 through April 30, 2011. During this period, no complaints were filed according to one of the seven bases under the Federal Fair Housing Act: National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. The most recent cases according to HUD were filed in 1992 and 1994.

An assessment of characteristics affecting housing production, availability, and affordability in Valdosta was conducted, including the adequacy and effectiveness of housing and housing related programs designed and implemented by the City of Valdosta Public Involvement Department.

The 2011 Annual Action Plan indicated that the City of Valdosta anticipated receiving approximately \$564,554 in Community Development Block Grant (CDBG) funding in FY 2011. Based on Valdosta City's planned utilization of these funds for housing and housing related programs, they should enhance their ability to address impediments relative to housing advocacy, availability, affordability, rehabilitation, homeownership, and financial literacy, as identified in the AI prior to FY 2011. Highlights of their proposed expenditure for FY 2011 include:

- \$10,000 for home buyer education
- \$447,554 for owner occupied rehabilitation
- \$22,680 for completion of the 2011 Fair Housing Impediment Analysis Update
- Host an Annual Housing Summit geared toward providing continuing education and increased advocacy among area organizations relative to fair and affordable housing.
- Expansion of City Section 3 Initiatives.

Focus Groups, Fair Housing Index, and Home Mortgage Disclosure Act Analysis

Fair housing choice encounters a number of impediments, as identified through the construction of a fair housing index and Home Mortgage Disclosure Act (HMDA) data analysis for Valdosta. Section Three of this report details public input received during the community participation process. The process included information gathered from three focus group sessions, key persons interviews, and data provided by the City. We also acknowledge the participation of the local chamber of commerce, and representatives from the banking and mortgage institutions, housing development, non-profit, social services, business and real estate industries. The focus groups voiced many concerns relating to fair housing choice that they perceive as impediments.

The HMDA data analysis, detailed in Section Four, indicates that there are issues of concern in mortgage lending. Loan denials for minority populations were disproportionately higher than the denial rates for White applicants and there is some evidence to suggest that characteristics of redlining may exist and is found to be adversely impacting fair housing choice in Valdosta.

Section Five of the report, the Fair Housing Index, highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. These attributes include high minority concentrations, older housing stock, reliance on public transportation, low income, low housing values and contract rents, a high percentage of female headed households with children, a high ratio of loans denied to loans originated, high unemployment rates, and high rates of high school dropouts. The collective concentration of these issues leads to neighborhood deterioration and market conditions that tend to impede fair housing choice. The census tracts designated as having high risk of fair housing related problems are concentrated in the central census tracts of Valdosta. The census tracts having moderate risk of fair housing problems are located in northeastern areas of the city.

Impediments to Fair Housing Choice

Impediments to fair housing choice are detailed in Section Six of this report. This section draws on the information collected and analyzed in previous sections to provide a detailed look at fair housing impediments in Valdosta. Five major categories of impediments were analyzed: Real Estate Impediments; Public Policy Impediments; Neighborhood Conditions as Impediments; Banking, Finance, and Insurance Related Impediments; and Socioeconomic Impediments. For each impediment identified, issues and impacts are detailed. Remedial actions are suggested to address each impediment. Some of the remedial actions recommended in this section are conceptual frameworks for addressing the impediments. These actions will require further research, analysis, and final program design by the City of Valdosta for implementation.

Remedial Activities designed to address impediments

The major focus of the recommended remedial actions is centered on creating partnerships, identifying new federal resources and leveraging private funding needed to enhance the jurisdiction's ability to increase its supply of affordable housing and better meet the needs of low-income and moderate-income households. Other remedial actions are recommended as a means of reversing the negative impacts of the market conditions and mortgage lending trends that adversely and disproportionately impact the members of the protected classes under the fair housing law. These include sub prime lending, foreclosures, credit and collateral deficiencies that impact loan origination rates, poverty, and income. The details of the identified impediments and remedial actions are presented in Section Six of the report.

Section 1: Community Profile

Introduction

The Community Profile is a review of demographic, income, employment, and housing data of Valdosta, Georgia, gathered from the 2010 Census estimates, 2005-2009 American Community Survey (ACS) 5-Year estimates, 2000 and 2010 U.S. Census, City of Valdosta, Valdosta-Lowndes County Chamber of Commerce, and other sources. The following sections provide a look at the current status of the community in Valdosta:

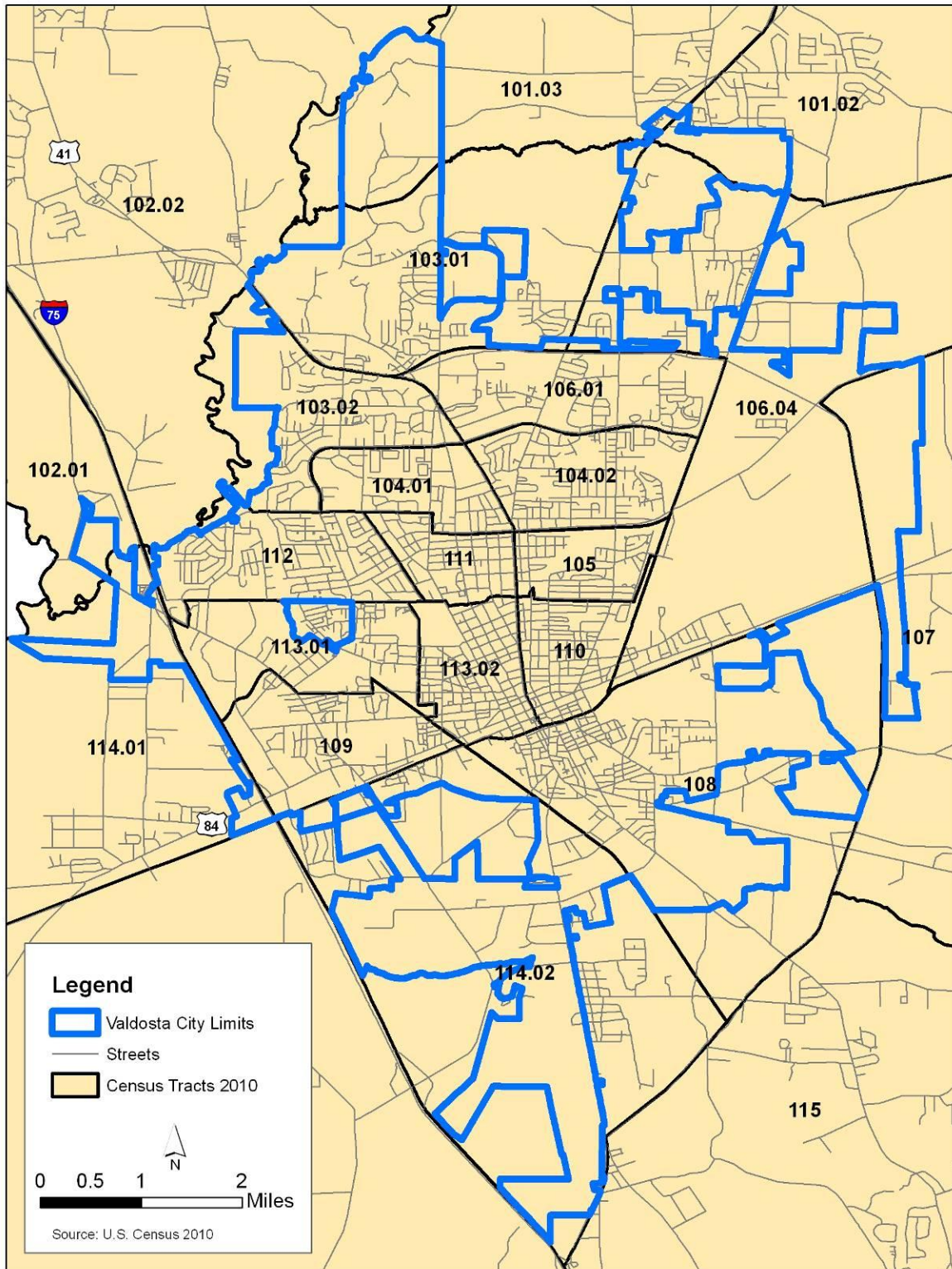
- Demographics - analyzes the basic structure of the community in terms of racial diversity, population growth, and family structure.
- Income - analyzes income sources, the distribution of income across income class, and poverty.
- Employment - examines unemployment rates, occupation trends, and major employers.
- Public Transportation – analyzes access and availability of public transit system.
- Housing - examines data on the housing stock, with particular attention to the age of the housing stock, vacancy rates, tenure, and cost burdens.

Detailed analyses will concentrate on the three major ethnic groups in Valdosta: White, African-American, and Hispanics. All other ethnic groups are smaller in number and percentage and, therefore, the results of their analysis will not be presented in detail. The analysis is supported with tables and maps provided as reference materials. Most of the data presented in the tables and maps are directly referenced in the text. There may be some cases where additional information was included for the reader's benefit, though not specifically noted in the text.

1.1. Demographics

The demographic analysis of Valdosta concentrates on the magnitude and composition of the population and changes that occurred between 2000 and 2010. Please note that the attached maps present data by census tract with an overlay of the city limits. For reference, Map 1.1, on the following page, provides a visual representation of Valdosta.

Map 1.1: Valdosta, Georgia



According to the 2010 Census estimates, the total population of Valdosta was 54,518, a 24.7 percent increase between 2000 and 2010. Table 1.1, below, shows the distribution of population by race and ethnicity in the city. The White population increased by 13.1 percent, but their percentage of the total population decreased from 47.7 percent to 43.2 percent between 2000 and 2010. African-Americans had the most significant numerical increase in population, 6,643 persons, and increasing to 51.3 percent of total population in 2010. This constituted a 31.3 percent increase in the African-American population from 2000 to 2010. Valdosta experienced a 131.0 percent increase in the Hispanic population between 2000 and 2010. The percentage of Hispanic population of the total population increased from 2.2 percent in 2000 to 4.0 percent in 2010, a 2.8 percentage point increase. The Census Bureau does not recognize Hispanic as a race, but rather as an ethnicity, this may account for the high increase of 103.3 percent in the “Other” category between 2000 and 2010. It is a common misidentification for ethnic Hispanics to choose the ‘other’ category on the Census for race rather than White or African-American.

Other populations had significant percentage increases in population between 2000 and 2010, an 83.3 percent increase in the American Indian and Eskimo population, 57.9 percent increase in Asian and Pacific Islander population, 103 percent Other Race, but numerically and as a percent of total population, these increases were actually much less significant.

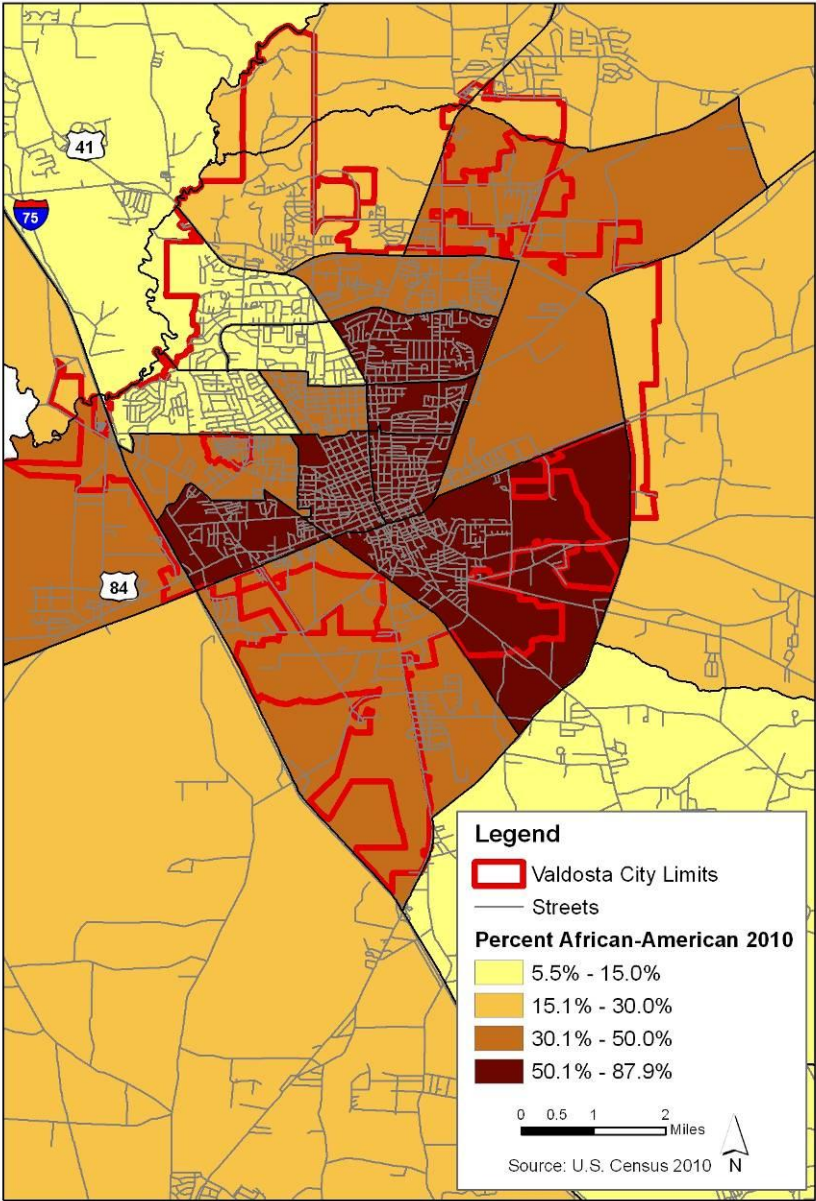
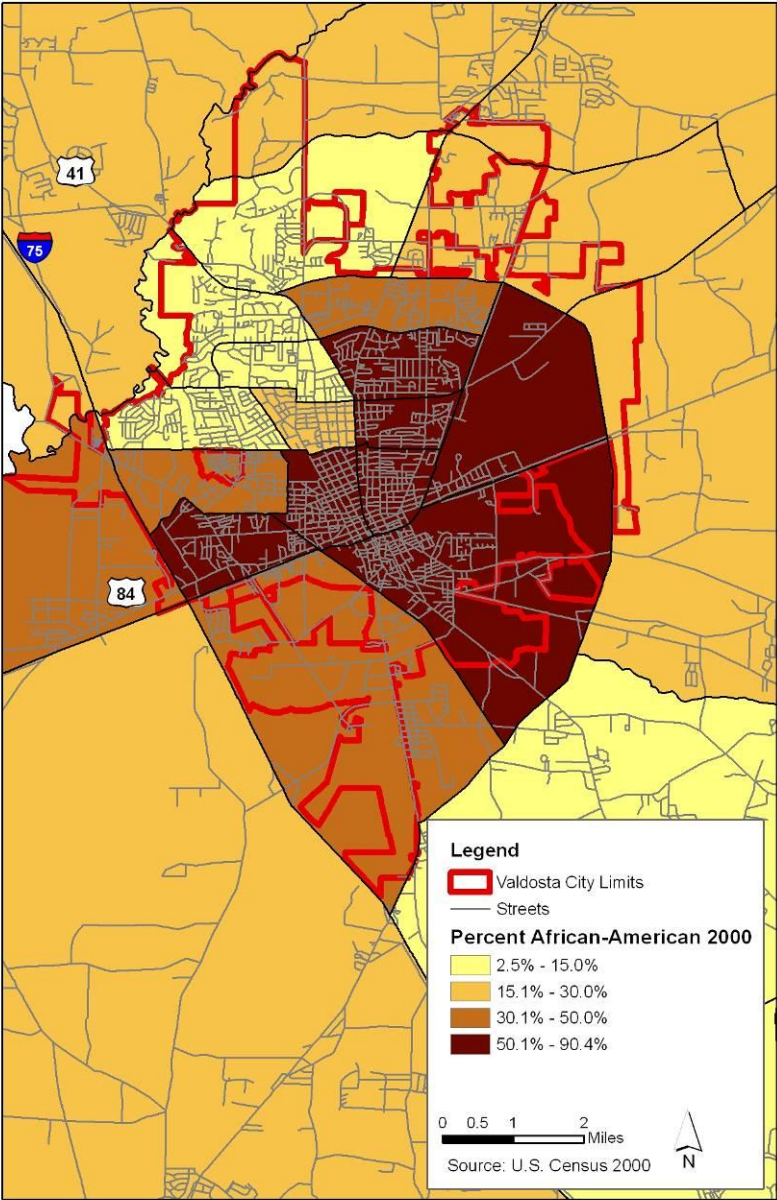
Table 1.1
Total population by race and ethnicity for Valdosta, 2000 and 2010

Race	2000		2010		%Change 2000-2010
	#	%	#	%	
White	20,860	47.7%	23,596	43.2%	13.1%
African-American	21,201	48.5%	27,844	51.3%	31.3%
American Indian and Eskimo	102	0.2%	187	0.4%	83.3%
Asian or Pacific Islander	623	1.4%	984	1.8%	57.9%
Other race	938	2.1%	1,907	3.3%	103.3%
Total	43,724	100.0%	54,518	100%	24.7%
Hispanic (ethnicity)	954	2.2%	2,204	4.0%	131.0%

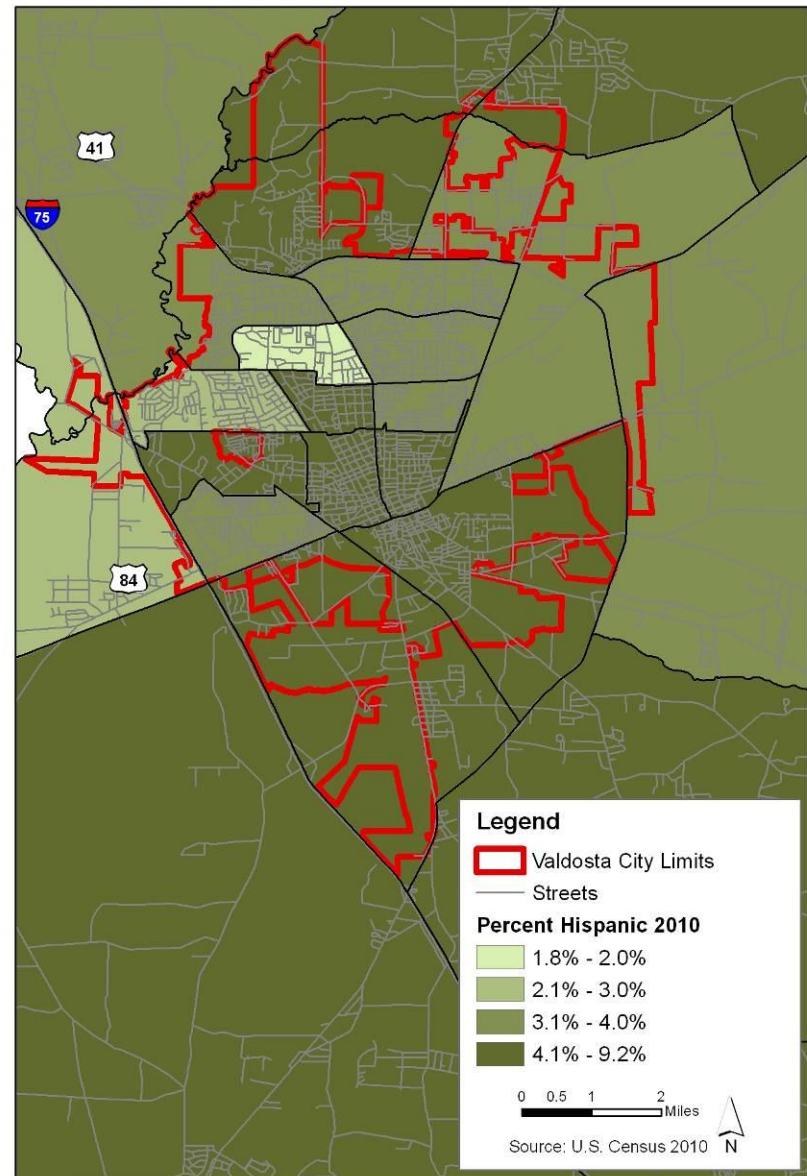
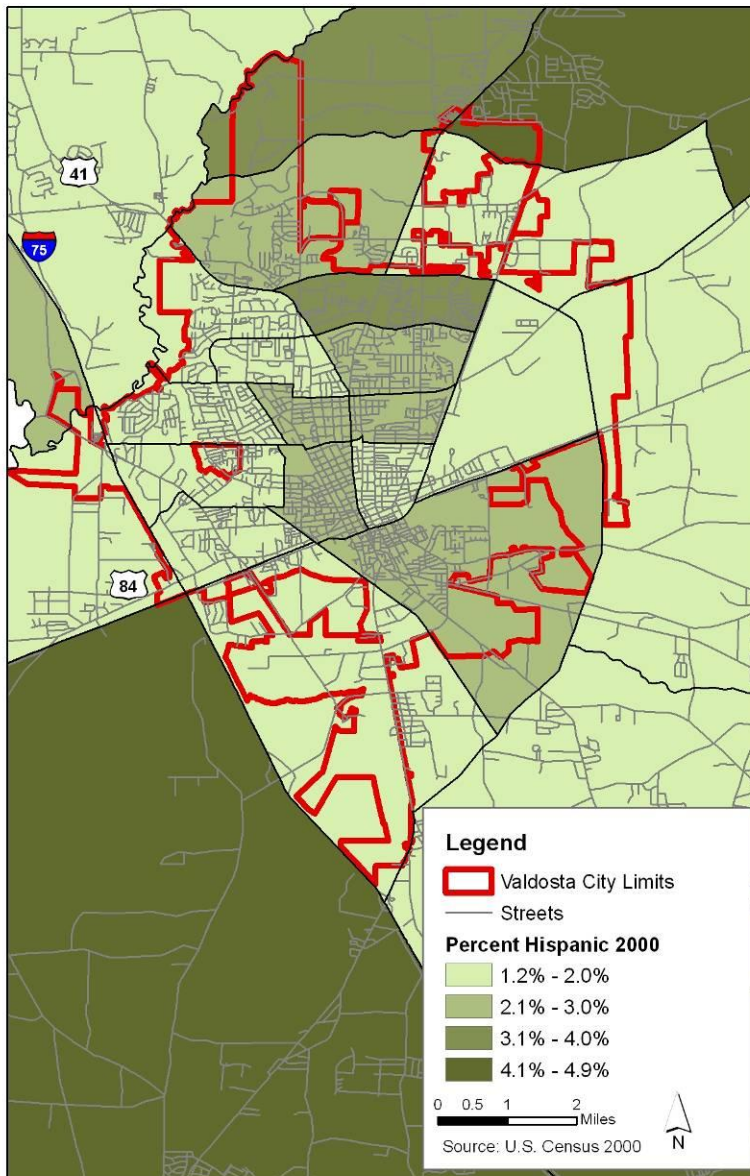
Source: US Census 2000 and 2010

On the following pages are a series of Maps 1.2 through 1.5 indicate spatial concentrations of the various racial and ethnic groups within Valdosta.

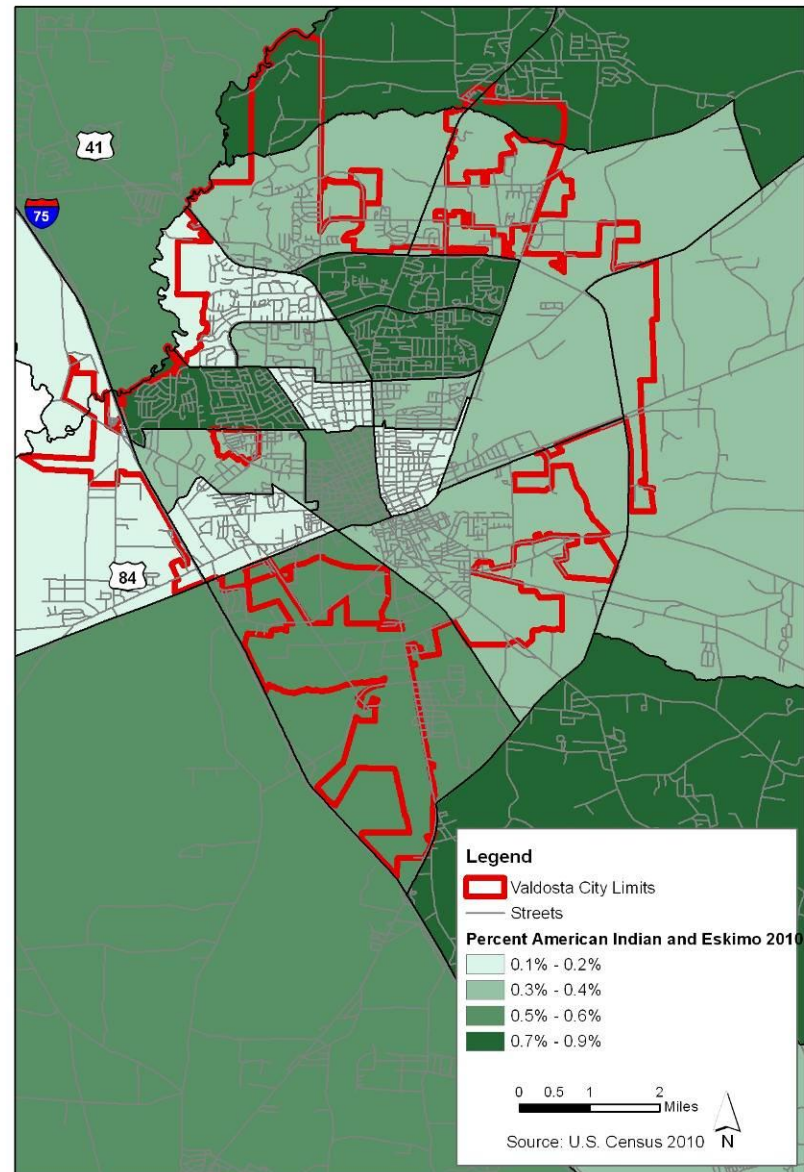
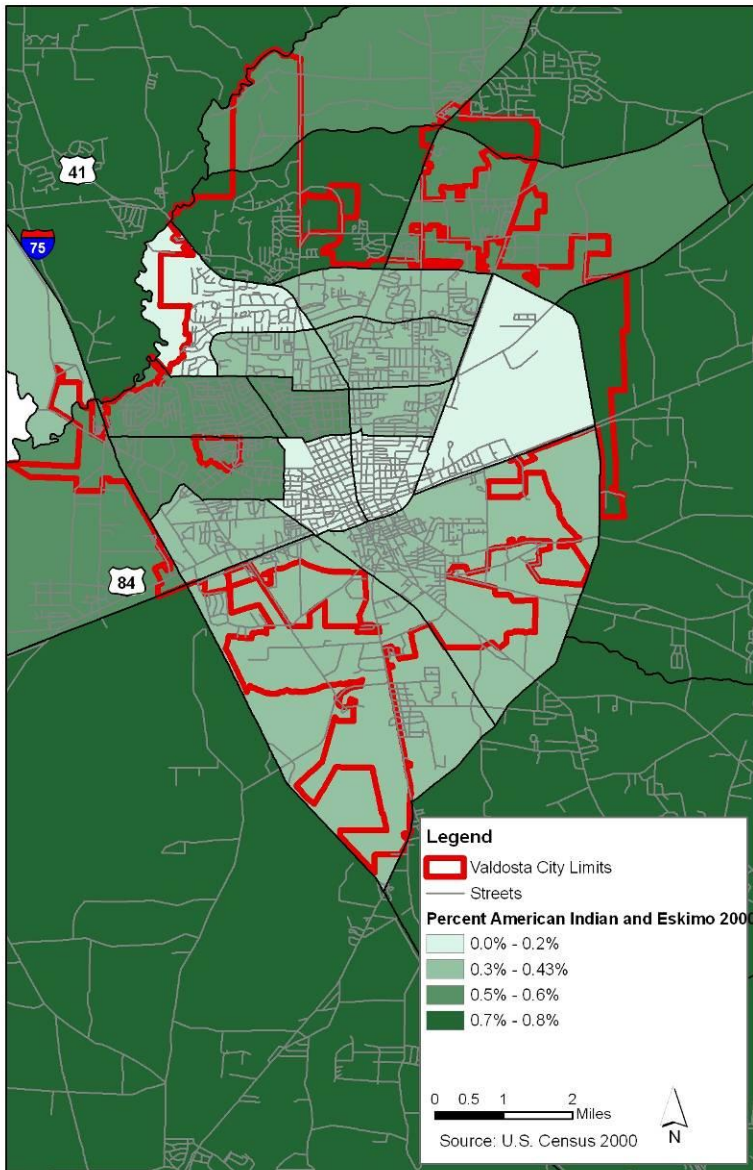
Map 1.2: Percent African-American 2000 and 2010



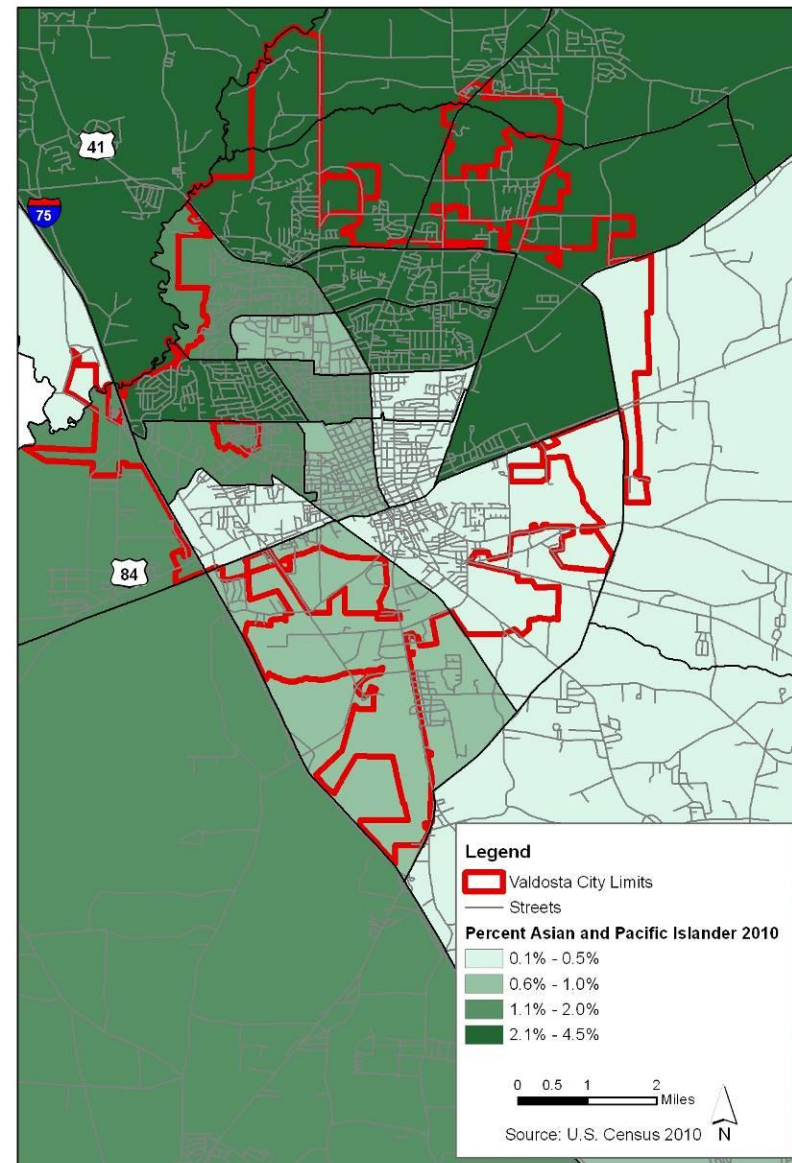
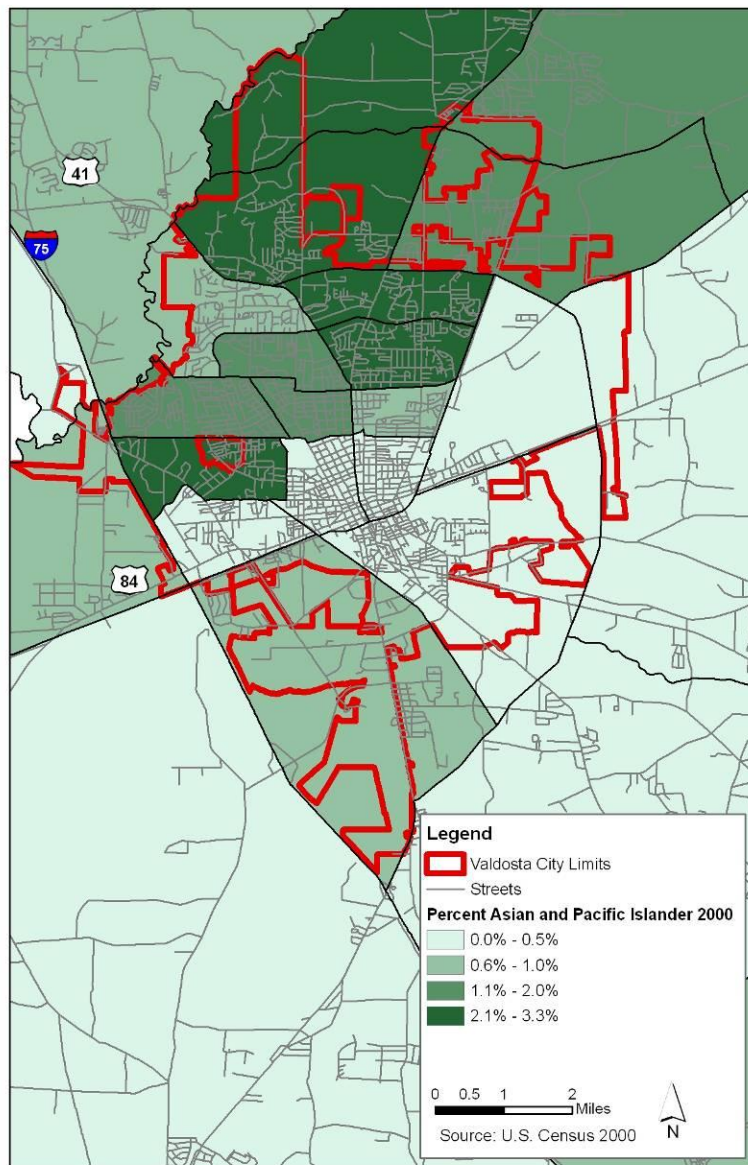
Map 1.3: Percent Hispanic 2000 and 2010



Map 1.4: Percent American Indian and Eskimo 2000 and 2010



Map 1.5: Percent Asian and Pacific Islander 2000 and 2010



In many communities, female-headed households and female-headed households with children face a high rate of housing discrimination. Higher percentages of female-headed households with children under the age of 18, sometimes correlates to increases incidents of reported rental property owners' refusal to rent to tenants with children. The percentage of female-headed households with children among White households was 4.9 percent, compared to 26.4 percent in African-American households, and 10.3 percent in Hispanic households between 2005 and 2009.

When considering all family types with children present, the data show that 22.1 percent of all White households, 43.4 percent of all African-American households, and 38.8 percent of all Hispanic households were in this category.

Non-family households among Whites made up 48.6 percent of all White households in Valdosta. Non-family households among African-Americans accounted for 34.1 percent of all African-American households. Non-family households among Hispanics accounted for 30.0 percent of all Hispanic households. Table 1.2, below, shows the family structure of White, African-American, and Hispanic households between 2005 and 2009.

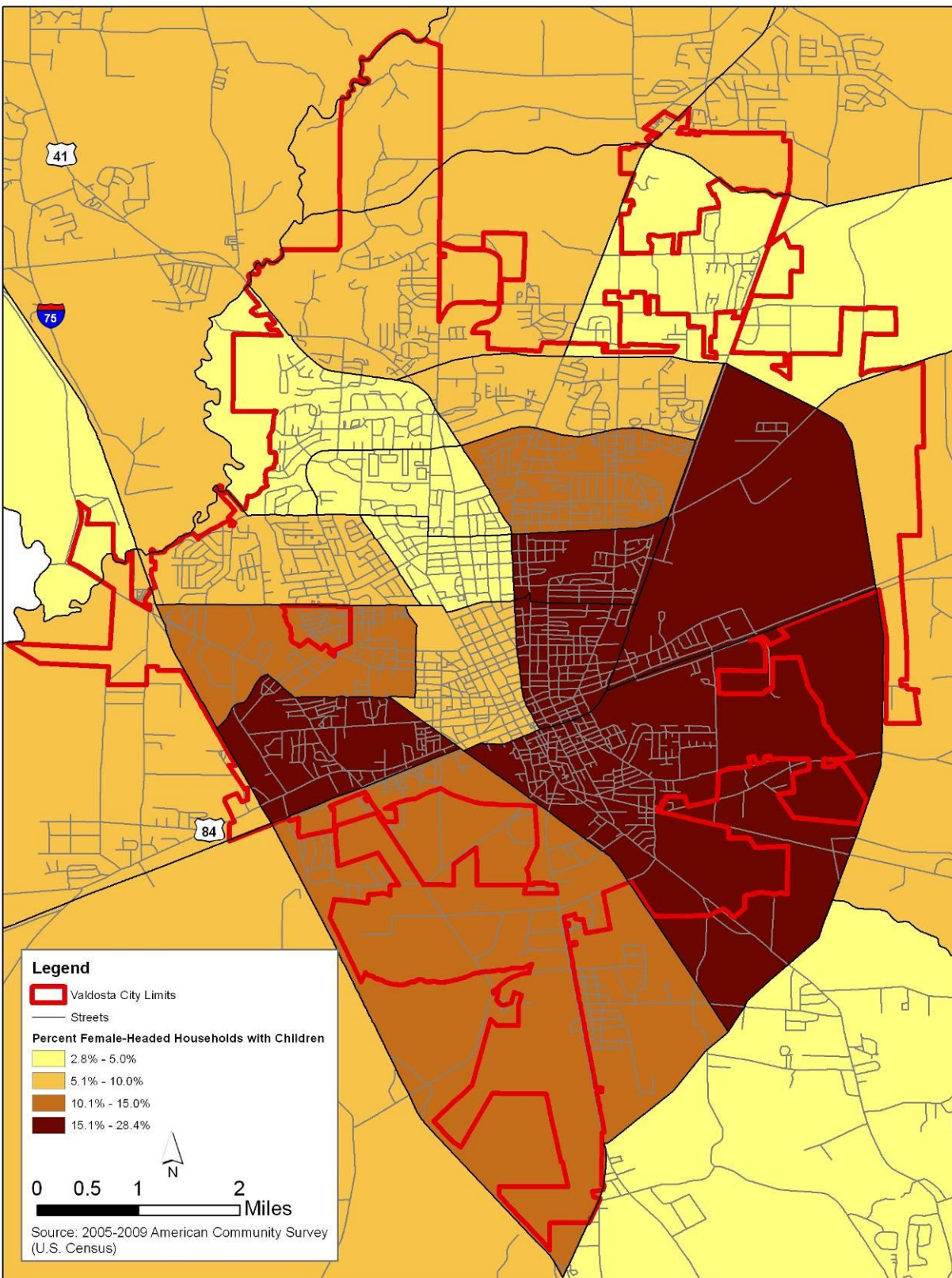
Table 1.2
Household structure by race for Valdosta, 2005-2009 (5-Year Average)

Household Type	White		African-American		Hispanic	
	# of households	% of Households	# of households	% of Households	# of households	% of Households
Family Households	5,278	51.4%	6,045	65.9%	184	70.0%
Married-couple	4,222	41.2%	2,630	28.7%	109	41.4%
Married-couple with children	1,705	16.6%	1,198	13.1%	67	25.5%
Male householder, no wife present	124	1.2%	551	6.0%	42	16.0%
Male Householder with children	59	0.6%	360	3.9%	8	3.0%
Female householder, no husband present	932	9.1%	2,864	31.2%	33	12.5%
Female-Headed with children	500	4.9%	2,425	26.4%	27	10.3%
Non-Family Households	4,981	48.6%	3,131	34.1%	79	30.0%
Total Households	10,259	100.0%	9,176	100.0%	263	100.0%

Source: 2005-2009 American Community Survey

The spatial distribution of female-headed households with children is shown in Map 1.6, on the following page.

Map 1.6: Percent Female-Headed Households with Children, 2005-2009



1.2. Income

Low-income households tend to be housed in less desirable housing stock and in less desirable areas in the city. Income limitations often prevent those households from moving to areas where local amenities raise the value of the housing. Income plays a very important part in securing and maintaining housing.

The data in Table 1.3 and Chart 1.1, on the following page, show the distribution of income across income classes among Whites, African-American, and Hispanics. Overall, the income distribution data show a higher proportion of low-income households within the African-American and Hispanic communities. In general, limitations on fair housing choice are more commonly found to affect housing decisions among low-income persons.

Chart 1.1 shows that the modal income class, the income classes with the highest number of households, for Whites was the \$50,000 to \$74,999 range with 15.9 percent of Whites in this income range. The most frequently reported income for African-American households was less than \$10,000 range with 19.1 percent of households in this range. The modal income class for Hispanic households was \$35,000 to \$49,999 range with 24.3 percent of households in this range.

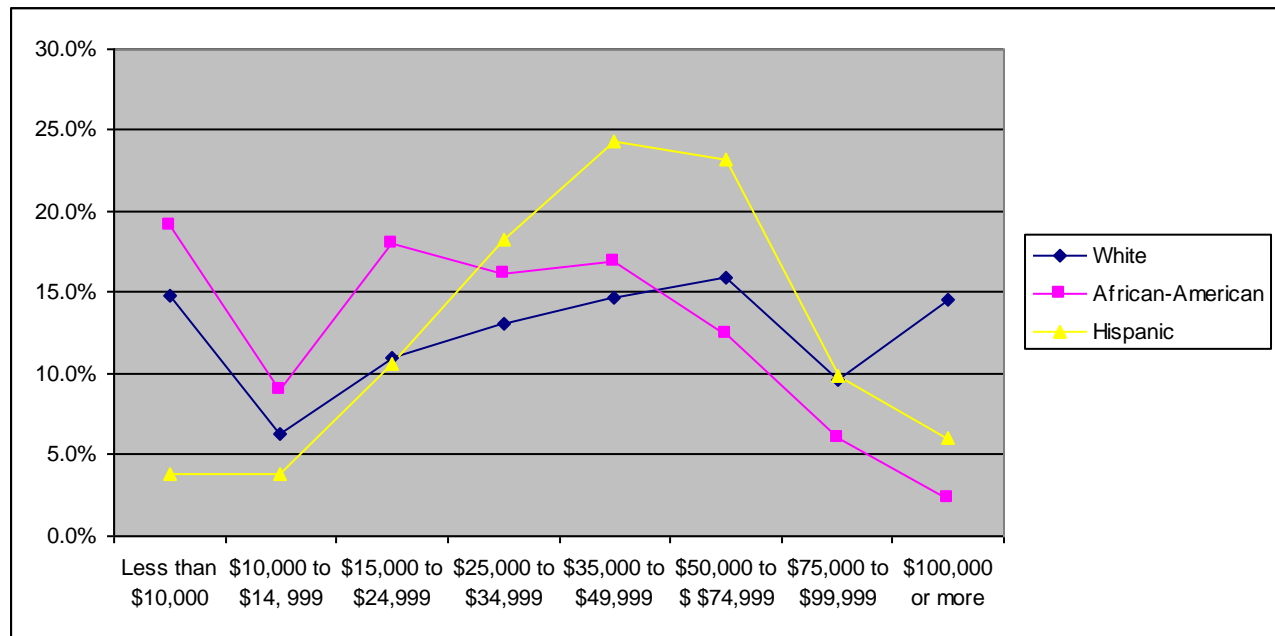
The median household income was \$37,490 for White households, \$20,876 for African-American households, and \$35,208 for Hispanic households, compared to \$29,046 for the overall city in 2000. According to the 2005-2009 ACS estimates, the median household income for the city was \$31,940. Map 1.7, on page 12, shows the median household income by census tract between 2005 and 2009.

Table 1.3
Households by race by income for Valdosta, 2005-2009

Income class	White		African-American		Hispanic	
	# of households	% of Households	# of households	% of Households	# of households	% of Households
Less than \$10,000	1,518	14.8%	1,755	19.1%	10	3.8%
\$10,000 to \$14, 999	640	6.2%	828	9.0%	10	3.8%
\$15,000 to \$24,999	1,133	11.0%	1,651	18.0%	28	10.6%
\$25,000 to \$34,999	1,343	13.1%	1,479	16.1%	48	18.3%
\$35,000 to \$49,999	1,506	14.7%	1,552	16.9%	64	24.3%
\$50,000 to \$74,999	1,630	15.9%	1,144	12.5%	61	23.2%
\$75,000 to \$99,999	992	9.7%	553	6.0%	26	9.9%
\$100,000 or more	1,497	14.6%	214	2.3%	16	6.1%
Total:	10,259	100.0%	9,176	100.0%	263	100.0%

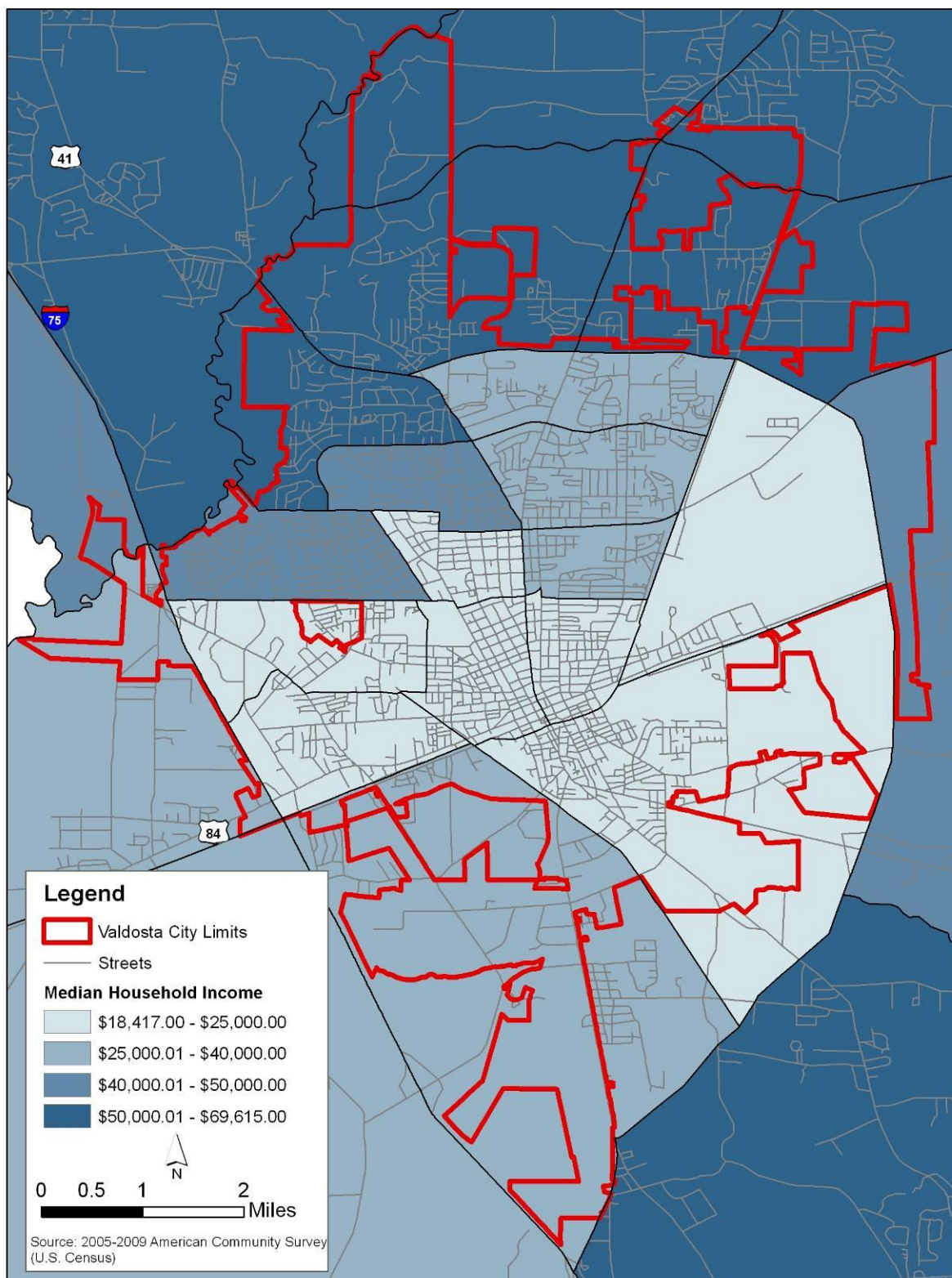
Source: 2005-2009 American Community Survey

Chart 1.1: Percent of Households by income class by race for Valdosta, 2005-2009



Source: 2005-2009 American Community Survey

Map 1.7: Median Household Income, 2005-2009



The poverty data in Table 1.4, below, shows major effects on the African community. The incidence of poverty among African-Americans was 35.0 percent of the total population between 2005 and 2009. Among White persons, the data reported 20.9 percent lived in poverty between 2005 and 2009. In comparison, the poverty rate for the city was 28.2 percent during the period. The 2005-2009 ACS data for Hispanics shows low estimates for households living in poverty but high margins of error. The 2000 Census estimates provide more accurate poverty estimates for Hispanics.

Table 1.4
Poverty Status by race Valdosta, 2005-2009

Age Group	White		African-American		Hispanic	
	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty	Number in Poverty	% in Poverty
Under 5 years	58	5.2%	1,167	50.6%	0	0.0%
5 years	0	0.0%	162	48.2%	0	0.0%
6 to 11 years	81	9.3%	984	46.5%	0	0.0%
12 to 17 years	232	22.9%	1,004	41.2%	18	18.2%
18 to 64 years	3,824	25.8%	4,638	30.8%	68	11.2%
65 to 74 years	22	1.7%	235	26.1%	0	0.0%
75 years and over	132	9.2%	190	24.3%	0	0.0%
Total	4,349	20.9%	8,380	35.0%	86	9.3%

Source: 2005-2009 American Community Survey

In 2000, the poverty rate among Whites was 12.5 percent, compared to 36.1 percent in African-Americans, and 28.6 percent in Hispanics. The poverty rate for the overall city was 24.7 percent in 2000.

1.3. Employment

Employment opportunities in the area and educational levels of the employees make a significant impact on housing affordability and the location choice of residents. Table 1.5, below, presents our analysis of occupation data, which indicate that there has been some shift in the distribution of occupations between 1990 and 2009. Arts, entertainment, recreation, accommodation, and food services had the largest increase, up 11.8 percentage points to 13.5 percent. Educational and Health services had an increase, up 3.5 percentage points to 25.8 percent. Public Administration had an increase, up 3.3 percentage points to 8.0 percent. Professional, Business, repair, and personal services had an increase, up 3.0 percentage points to 9.9 percent. Manufacturing realized the largest reduction of 8.5 percentage points to 8.5 percent of the workforce. Retail Trade reduced by 6.4 percentage points to 17.0 percent of the total workforce. Wholesale Trade had a decrease of 2.7 percentage points leading to 1.9 percent of the total workforce.

Table 1.5
Occupation of employed persons for Valdosta, 1990 and 2005-2009 (5-Year Average)

Occupation	1990	2005-2009 Average	Percent Point Change
Agriculture, forestry, mining, and fisheries	1.7%	0.3%	-1.4%
Construction	3.7%	3.7%	0.0%
Manufacturing	17.0%	8.5%	-8.5%
Transportation, Communications, and other public utilities	4.8%	3.7%	-1.1%
Wholesale trade	4.6%	1.9%	-2.7%
Retail trade	23.4%	17.0%	-6.4%
Finance, insurance, and real estate	3.9%	3.4%	-0.5%
Professional, Business, repair, and personal services	6.9%	9.9%	3.0%
Arts, Entertainment and recreation services	1.7%	13.5%	11.8%
Educational and Health services	22.3%	25.8%	3.5%
Other professional and related services	5.4%	4.4%	-1.0%
Public administration	4.7%	8.0%	3.3%

Source: US Census 1990 & 2005-2009 American Community Survey

The data presented in Table 1.6, provide a portrait of the distribution of the unemployed. A closer look at the distribution of unemployment by Race and Ethnicity, however, indicates that unemployment is disproportionately higher among African-Americans compared to Whites and Hispanics. Between 2005 and 2009, 5.9 percent of White persons age 16 and over reported being unemployed. African-Americans persons in the same age group reported a 14.1 percent unemployment rate and Hispanic reported a 6.9 percent rate. As a comparison, the citywide unemployment rate was 9.7 percent during the period.

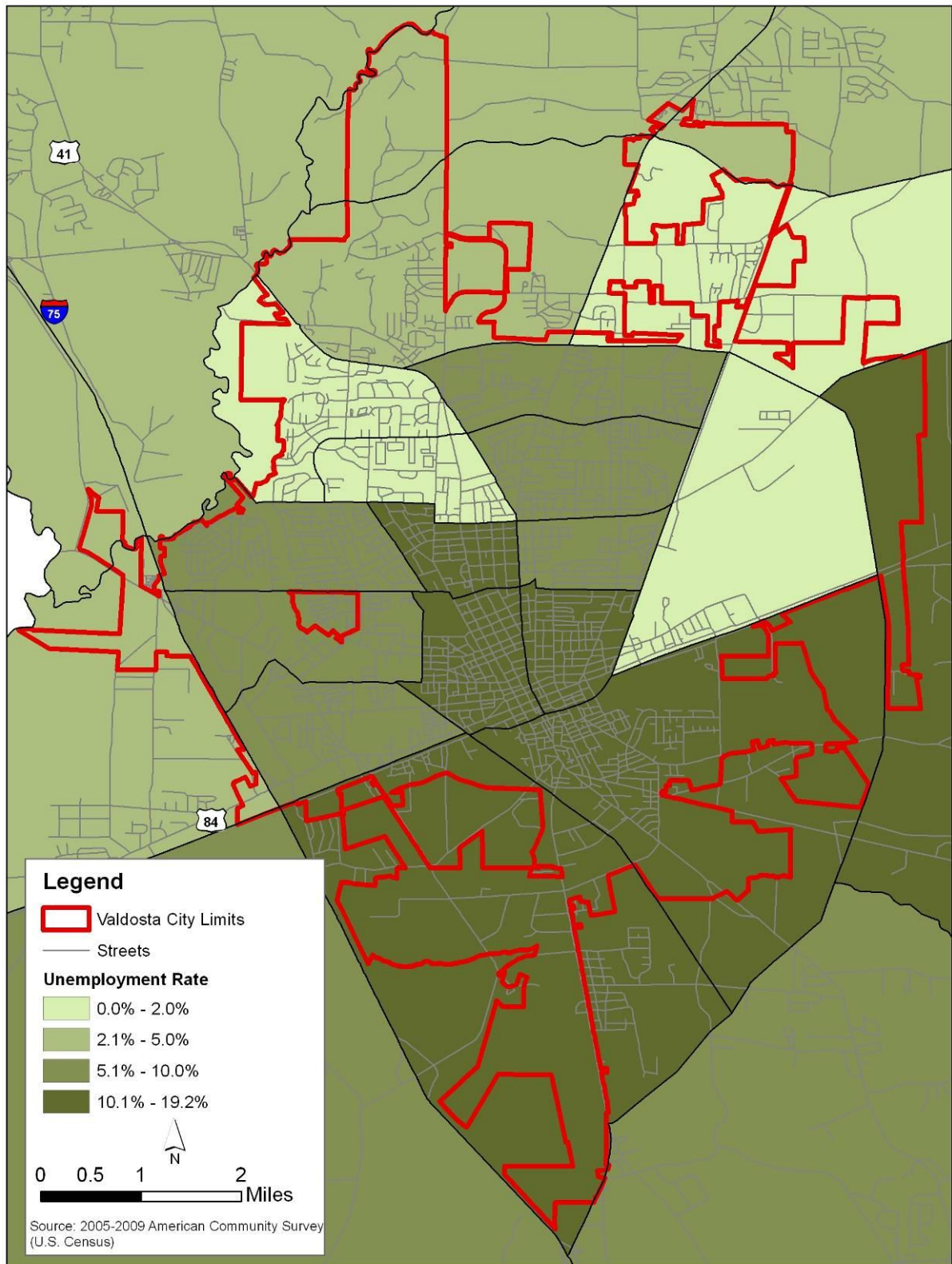
Table 1.6
Employment Status by race for Valdosta, 2005-2009

Employment Status	White		African-American		Hispanic		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In Labor Force:	12,320		12,119		669		25,939	
In Armed Forces	790	6.4%	116	1.0%	31	4.6%	974	3.8%
Civilian:	11,530		12,003		620		24,965	
Employed	10,804	87.7%	10,295	84.9%	592	88.5%	22,448	86.5%
Unemployed	726	5.9%	1,708	14.1%	46	6.9%	2,517	9.7%
Not in labor force	6,576		6,272		200		13,494	
Total	18,896		18,391		869		39,433	

Source: 2005-2009 American Community Survey

According to the Bureau of Labor Statistics, the unemployment rate for the City of Valdosta has decreased slightly since 2009, reported at 8.9 percent in 2010 and 8.3 percent as of April 2011. Map 1.8, on the following page, shows the distribution of unemployed in Valdosta.

Map 1.8: Unemployment Rate, 2005-2009



According to the major employer data provided by SEEDS Business Resource Center and Valdosta-Lowndes County Industrial Authority, the top ten employers in the area include Moody Air Force Base, South Georgia Medical Center, Valdosta State University, Lowndes County School System, Valdosta City School System, Lowe's Distribution Center, Convergys Corp, Walmart Supercenters, City of Valdosta, and Lowndes County Government.

In Valdosta, the difference in the unemployment rate between the three groups can, to some extent, be attributed to limitations due to educational attainment. According to the 2005-2009 ACS estimates (5-year average), 30.2 percent of African-Americans age 25 and above reported less than a high school education compared to 7.6 percent of Whites and 39.1 percent of Hispanics for in the same age group. As a comparison, the percentage of population with less than a high school education in the city was 19.3 percent during the period.

The availability of jobs, consistent with the skill levels and educational levels of low-income persons, is largely dependent on the geographic location of the jobs and the workforces' ability to get to and from the employment centers where those job are located. If jobs are concentrated in largely upper income areas, far removed from the areas where lower income persons live, their ability to get to and from work may be difficult, without public transportation, sometimes causing hardships on employees or potential employees that cannot afford their own private automobile.

To further examine the impact of employment proximity relative to housing choice for low- and moderate-income persons, we analyzed the use and availability of public transportation and the extent to which public transportation provides flexible routes, affordable rates, time efficient commutes with direct route and limited transfers, and routes and schedules that provide access to major employment centers for peak and off-peak work shifts.

1.4. Public Transportation

Information on public transportation was provided by the Southern Georgia Regional Commission (SGRC) and based on the Valdosta-Lowndes 2035 Transportation Plan. Public transportation in the Valdosta Urbanized Area is currently provided by Berrien and Lowndes Counties. Each county has executed a contract with MIDS Inc. to operate their respective demand response systems. These two systems are funded through the Federal Transit Administration (FTA) 5311 program, and provide rural demand response public transit services to the residents of their respective counties. MIDS Inc. operates Monday through Friday 7:30 AM to 5:30 PM with a fare of \$3.00 per one-way trip. MIDS Inc. also contracts with the SGRC to provide the FTA's 5310 or Department of Human Services Elderly and Disabled Program transportation services.

The SGRC in partnership with the Georgia Department of Human Services (DHS) provides transportation services in an eighteen county service area including, Lowndes, Berrien, and Lanier Counties. These services are primarily funded through the Federal Transit Administration 5310 program and include transporting seniors age 60 and over.

Greyhound operates a station in downtown Valdosta which provides direct service to Orlando, Florida and points south, as well as direct service to Atlanta, GA and points north. Pearl Executive Shuttle provides transportation to nearby airports like Atlanta's Hartsfield-Jackson International Airport, Jacksonville International Airport and Tallahassee Regional Airport.

1.5. Housing

According to the 2010 Census, the total number of housing units in the city was 22,709 with 2,238 or 9.9 percent vacant units. As shown in Table 1.7, to the right, there were 15,608 housing units in Valdosta in 2000. The total number of

Table 1.7
Tenure for housing in Valdosta, 1990, 2000,
and 2005-2009 (5-Year Average)

Tenure	1990		2000		2005-2009 (Average)	
	Number	Percent	Number	Percent	Number	Percent
Owner-occupied	7,085	45.4%	7,963	42.1%	8,074	35.7%
Renter-occupied	7,058	45.2%	8,729	46.2%	12,206	54.0%
Vacant	1,465	9.4%	2,215	11.7%	2,343	10.4%
Total:	15,608	100.0%	18,907	100.0%	22,623	100.0%

Source: US Census 1990 and 2000, and 2005-2009 American Community Survey

housing units in the city increased 45.5 percent between 2000 and 2010. According to the 2005-2009 ACS estimates (5-year average), the total number of housing units in the city was 22,623 of which, 35.7 percent were owner-occupied, 54.0 percent were renter-occupied, and the remaining 10.4 percent were vacant. The median housing value in the city was \$119,300 and the median contract rent was \$534 between 2005 and 2009.

Table 1.8, to the right, shows that of all housing units, 64.4 percent were categorized as single-family detached housing units, 2.3 percent as single-family attached units, 10.2 percent contained two to four units, 21.3 percent were multifamily, and 1.8 percent mobile home or other.

Table 1.8
Housing type for Valdosta, 2005-2009 (5-Year Average)

Units in Structure	Number*	Percent
Single-Family detached	14,579	64.4%
Single-Family attached	520	2.3%
2-4 units	2,308	10.2%
Multifamily	4,812	21.3%
Mobile home or Other	404	1.8%
Total	22,623	100.0%

Source: 2005-2009 American Community Survey

As shown on Table 1.9, on the following page, 11.5 percent of all housing units were built prior to 1950, 13.8 percent were built between 1950 and 1959, 11.4 percent were built between 1960 and 1969, 18.7 percent were built between 1970 and 1979, and 44.7 percent were built after 1979. About 25 percent of the housing stock is more than 50 years old, built prior to 1960. About 37 percent of the housing stock

was built prior to 1970 and based on national standards, these units may contain lead-based paint or likely be in need of repairs and maintenance.

Table 1.9
Age of Housing Stock in Valdosta, 2005-2009 (5-Year Average)

Year Built	Number	Percent
Built 2005 or later	1,069	4.7%
Built 2000 to 2004	1,860	8.2%
Built 1990 to 1999	3,338	14.8%
Built 1980 to 1989	3,843	17.0%
Built 1970 to 1979	4,232	18.7%
Built 1960 to 1969	2,568	11.4%
Built 1950 to 1959	3,120	13.8%
Built 1940 to 1949	1,144	5.1%
Built 1939 or earlier	1,449	6.4%
Total:	22,623	100.0%

Source: 2005-2009 American Community Survey

According to the 2005 - 2009 ACS data shown in Table 1.10, the homeownership rate among Whites was significantly higher at 49.4 percent, compared to 30.6 percent among African-Americans, and 26.2 percent among Hispanics.

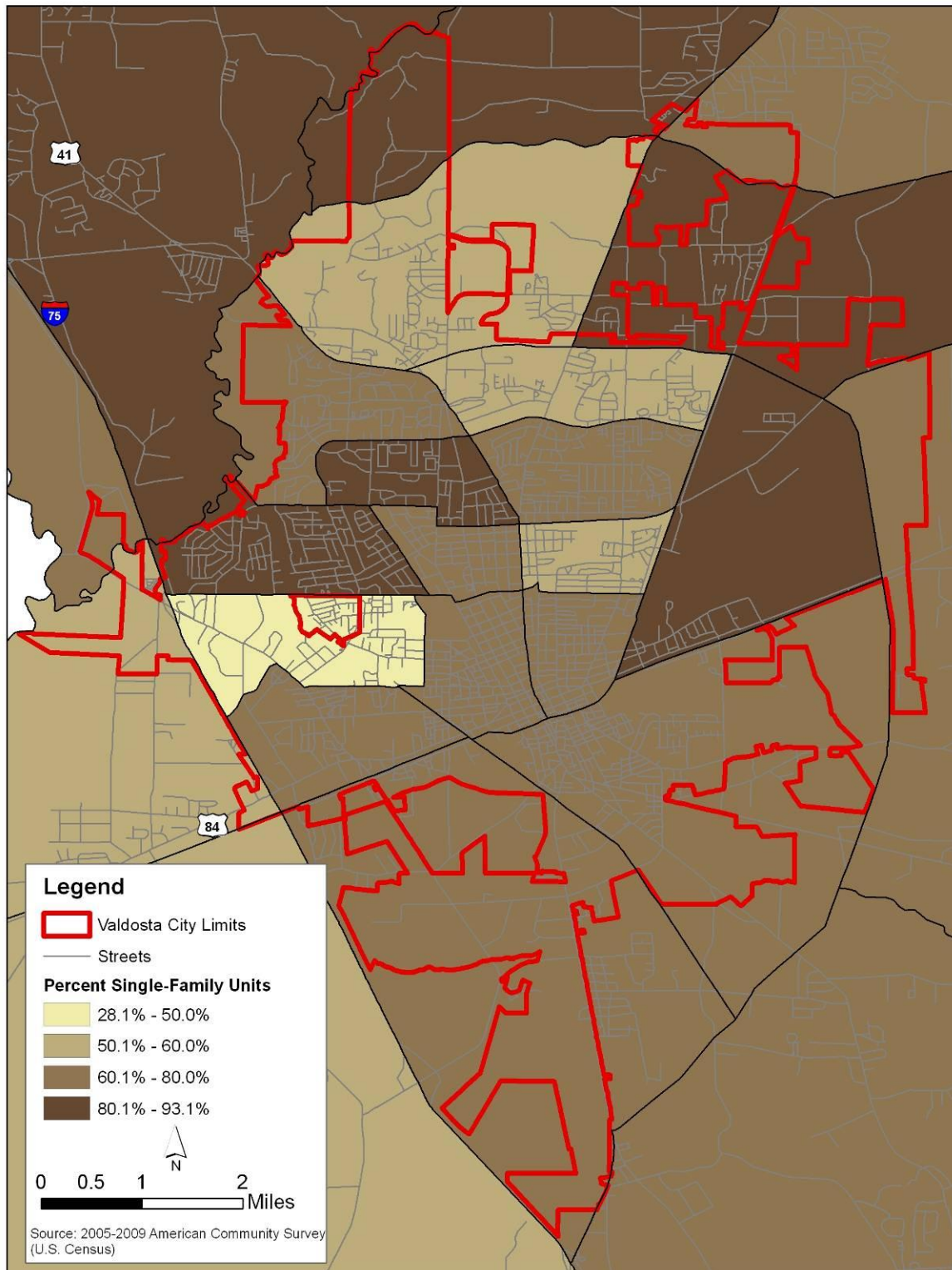
Table 1.10
Tenure by Race in Valdosta, 2005-2009 (5-Year Average)

Tenure by Race	Owner-occupied		Renter-occupied	
	#	%	#	%
White	5,065	49.4%	5,194	50.6%
African-American	2,809	30.6%	6,367	69.4%
Hispanic	69	26.2%	194	73.8%

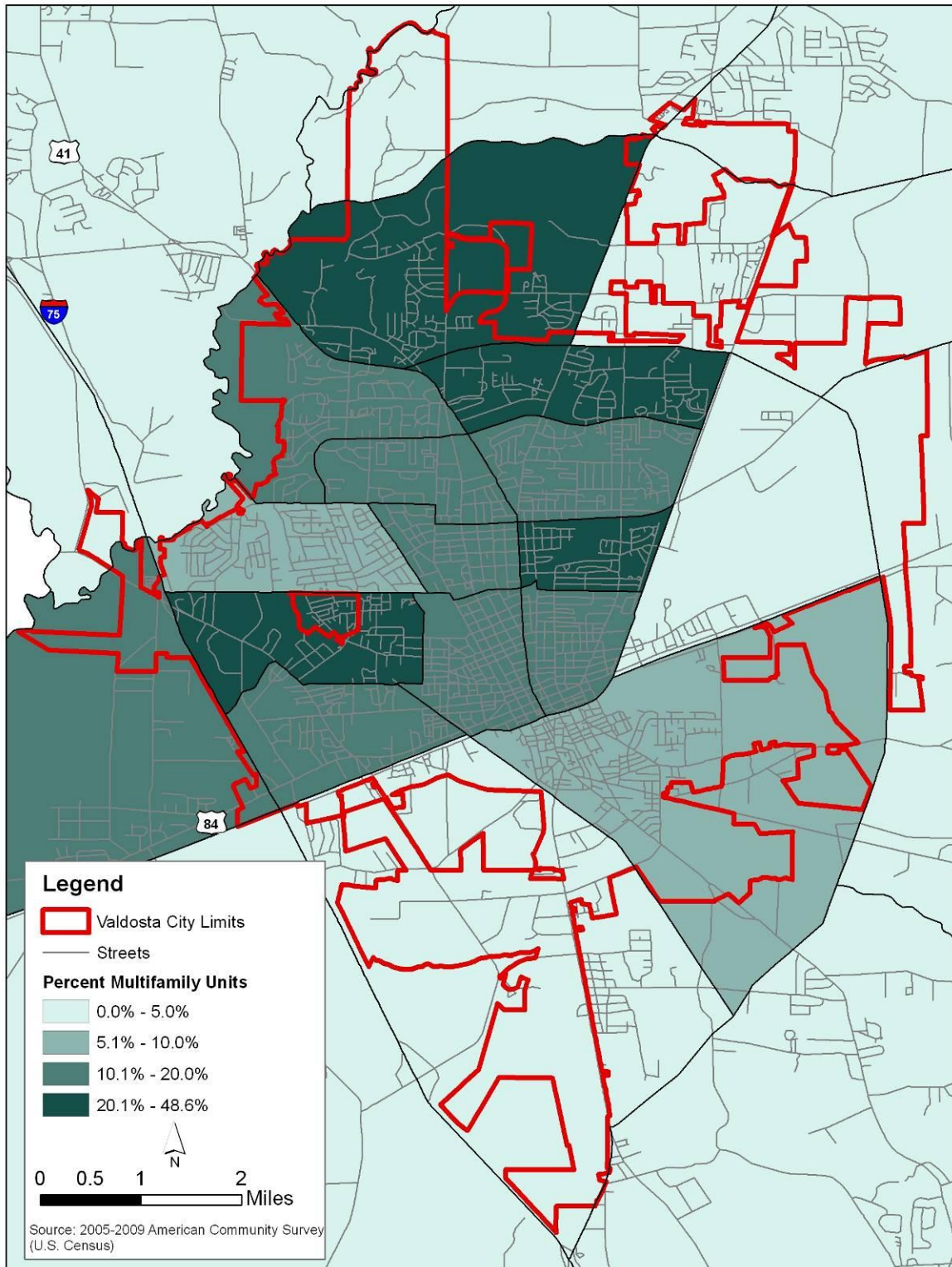
Source: 2005-2009 American Community Survey

Maps 1.9, on following page, and Map 1.10, on page 22, indicate the distribution of single-family and multifamily housing across the city. Map 1.11, on page 23, provides a geographic representation of the distribution of the oldest housing stock in the city. Maps 1.12 and 1.13, on pages 24 and 25, provide a geographic depiction of the distribution of housing values and rents across the city.

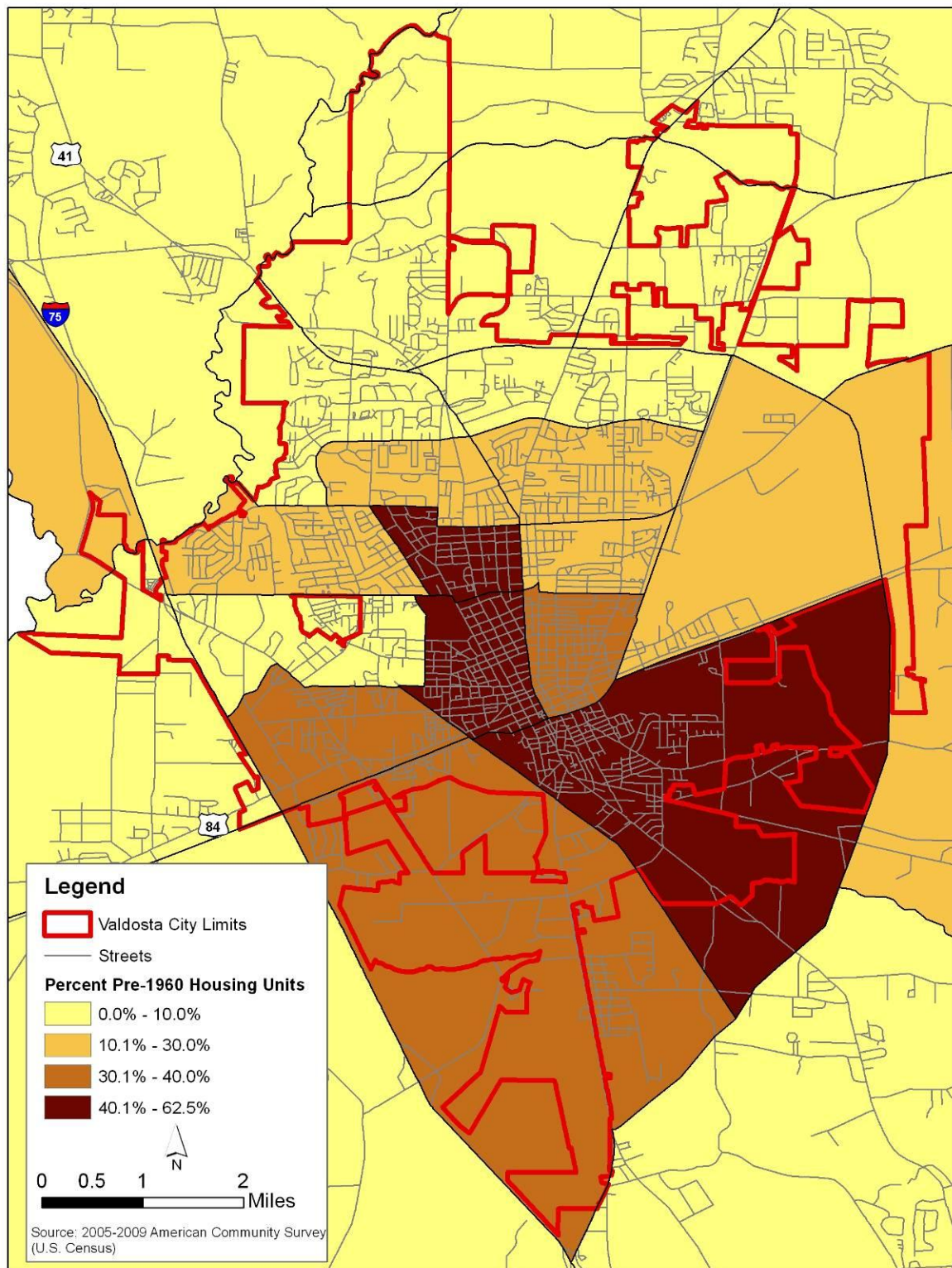
Map 1.9: Percent Single-Family Housing Units, 2005-2009



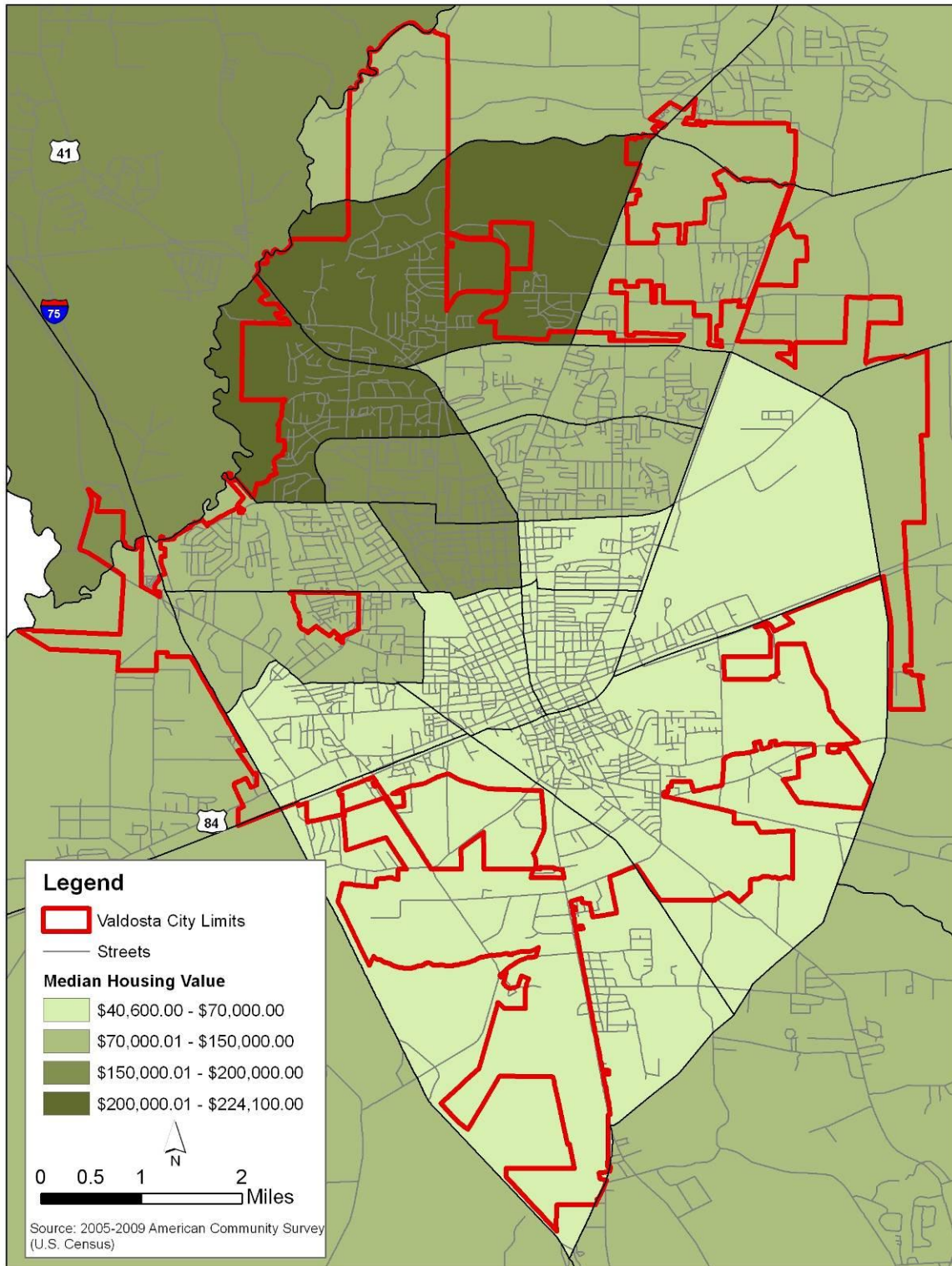
Map 1.10: Percent Multifamily Housing Units, 2005-2009



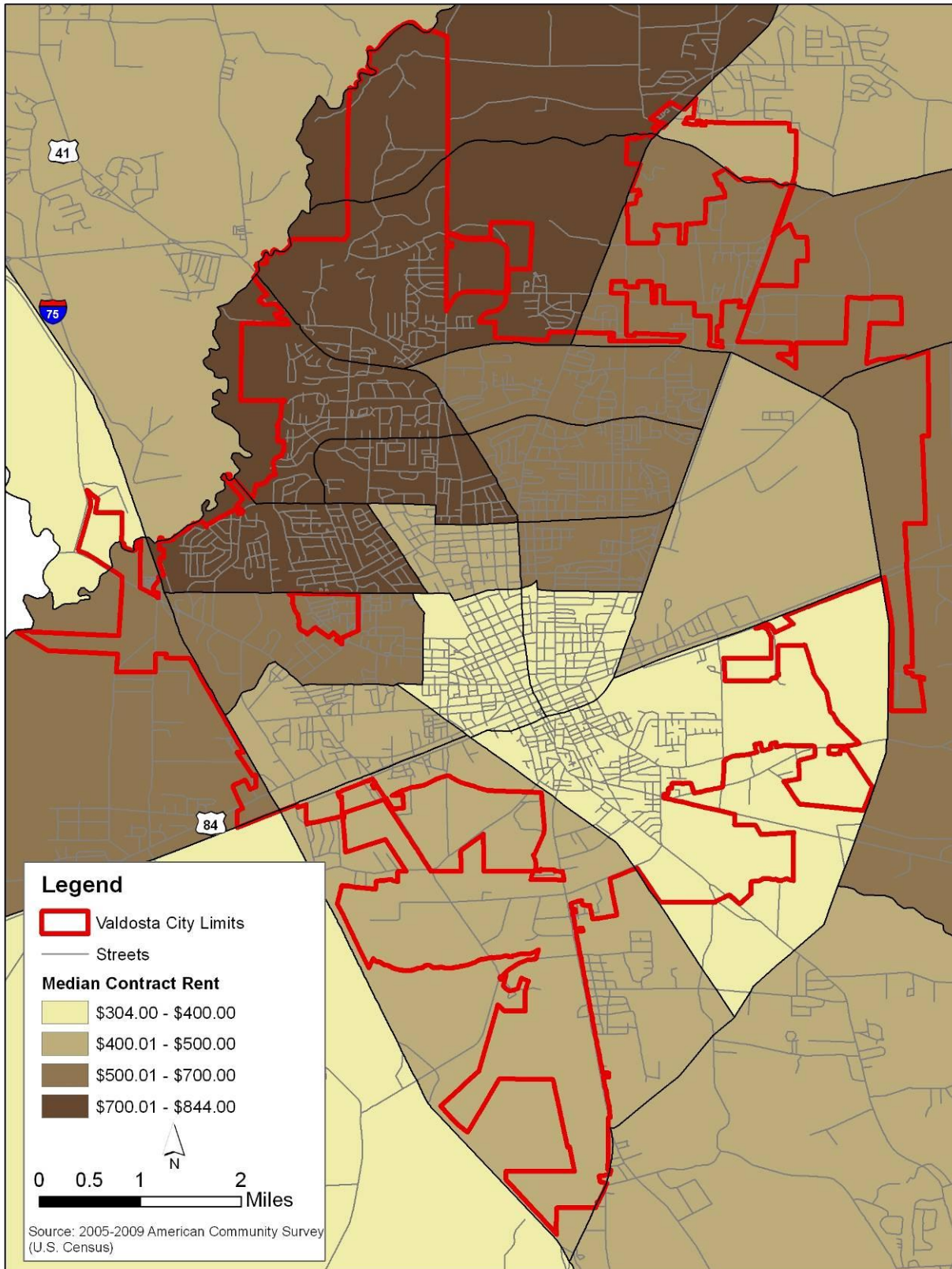
Map 1.11: Percent Pre-1960 Housing Stock



Map 1.12: Median Housing Value, 2005-2009



Map 1.13: Median Contract Rent, 2005-2009



Data contained in the Comprehensive Housing Affordability Strategy (CHAS) Table for the year 2000, duplicated in Table 1.11, on the following page, indicates that the impact of housing costs on household incomes is very severe on low- and very low-income households. The table shows that 70.8 percent of all very low-income renters (those earning between 0 percent and 30 percent of the median family income) and 69.9 percent of very low-income homeowner households paid more than 30 percent of their income on housing expenses. Furthermore, 59.1 percent of very low-income renters and 50.9 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses in 2000.

Looking at the “Other Low-Income” households (those earning between 31 percent and 50 percent of the median family income), 67.7 percent of low-income renters and 60.9 percent of low-income homeowners paid more than 30 percent on housing expenses in 2000. Also, 25.3 percent of renters and 35.3 percent of homeowners paid more than 50 percent on housing expenses.

In 2000, the moderate-income category (those earning between 51 percent and 80 percent of the median family income), shows 33.4 percent of renters and 38.6 percent of homeowners had rent burdens in excess of 30 percent, and 3.9 percent renters and 10.4 percent of homeowners paid more than 50 percent on housing expenses. These cost burdens impact fair housing choices and represent significant impediments in that they impact persons at every income category.

Table 1.11
Cost Burden by income and tenure, 2000

Very Low-Income (Household income <=30% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	67.8	45.8
Small Related	65.2	53.6
Large Related	78.6	55.7
Other	74.4	71.5
Total Renters	70.8	59.1
Owners		
Elderly	76.6	48.2
Small Related	64	46
Large Related	58.8	58.8
Other	62.3	59.7
Total Owners	69.9	50.9
Total Households	70.6	57.2

Other Low-Income (Household income >30 to <=50% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	30.9	7.4
Small Related	68.4	29.9
Large Related	69.2	0
Other	78.3	32.5
Total Renters	67.7	25.3
Owners		
Elderly	39.5	20.9
Small Related	80	40
Large Related	80	60
Other	75.3	53.8
Total Owners	60.9	35.3
Total Households	65.9	28.1

Moderate Income (Household income >50% to <=80% MFI)		
Renters	% Cost Burden > 30%	% Cost Burden > 50%
Elderly	37	11.1
Small Related	28.5	0
Large Related	7	0
Other	43.8	7.4
Total Renters	33.4	3.9
Owners		
Elderly	34.5	8.5
Small Related	48.6	17.7
Large Related	25.5	4.3
Other	29.7	0
Total Owners	38.6	10.4
Total Households	35.3	6.4

Source: HUD Comprehensive Housing Affordability Strategy (CHAS) Tables, 2000

According to the 2005-2009 ACS estimates, as shown in Table 1.12 to the right, 49.8 percent of renter households paid more than 30 percent of their household income towards rent. About 76 percent of the renter households with household income of less than \$10,000, 85.9 percent of the renter households that earned between \$10,000 to \$19,999, and 52.8 percent of the renter households that earned between \$20,000 to \$34,999 spent more than 30 percent of their households income towards rent during the five-year period. Overall, 49.8 percent of renter households paid more than 30 percent of their household income towards rent.

Table 1.12
Gross Rent as a Percent of Household Income in Valdosta,
2005-2009 (5-Year Average)

Gross Rent as a Percent of Household Income	Number of Households	Cost Burden 30%
Less than \$10,000	2,962	
Less than 30.0 percent	207	
30.0 percent or more	2,244	75.8%
Not computed	511	
\$10,000 to \$19,999	2,290	
Less than 30.0 percent	247	
30.0 percent or more	1,968	85.9%
Not computed	75	
\$20,000 to \$34,999	3,005	
Less than 30.0 percent	1309	
30.0 percent or more	1,587	52.8%
Not computed	109	
\$35,000 to \$49,999	1,810	
Less than 30.0 percent	1492	
30.0 percent or more	280	15.5%
Not computed	38	
\$50,000 or more	2,139	
Less than 30.0 percent	2001	
30.0 percent or more	0	0.0%
Not computed	138	
Total Renter Households	12,206	
Less than 30.0 percent	5,256	
30.0 percent or more	6,079	49.8%
Not computed	871	
Total:	12,206	

Source: 2005-2009 American Community Survey

As shown in Table 1.13, to the right, 23.6 percent of owner households were under 30 percent cost burden and 8.6 percent of the owner households were under 50 percent cost burden during the same period.

Table 1.13
Owner Housing Costs as a Percent of Household
Income in Valdosta,
2005-2009 (5-Year Average)

Housing Cost as a Percent of Household Income	Number of Owner Households	Percent
Less than 30.0 percent	6,085	75.4%
30.0 percent or more	1,909	23.6%
50.0 percent or more	698	8.6%
Not computed	80	1.0%
Total Owner-Occupied households	8,074	100.0%

Source: 2005-2009 American Community Survey

African Americans and Hispanics in particular, face a number of demographic concerns that typically impact housing choice and affordability negatively. One of the most revealing indicators that minorities lag far behind Whites in obtaining housing of their choice is in the category of homeownership. The homeownership rate among Whites was 49.4 percent, 18.8 percentage points higher than African-Americans at 30.6 percent and 23.2 percentage points higher than that of Hispanics, reporting a homeownership rate of 26.2 percent between 2005 and 2009.

Overall, there were significant disparities in the demographic characteristics for minorities compared to that of Whites in most all categories, including income, poverty, unemployment, educational attainment and household characteristics. These demographic characteristics likely influenced minorities' choices in the geographical location and condition of housing and neighborhoods, housing type, cost of housing, decisions to become or remain a renter verses a homeowner, and unduly contributed the housing of their choice being a cost burden or creating overcrowded conditions for their household.

According to the 2010 Census estimates, the total population of Valdosta was 54,518, a 24.7 percent increase between 2000 and 2010. The distribution of population, based on the race and ethnicity of the City's population, is becoming increasingly more diverse as well. The White population increased by 13.1 percent, but their percentage of the total population decreased from 47.7 percent to 43.2 percent between 2000 and 2010. African-Americans had the most significant numerical increase in population, 6,643 persons, and increasing to 51.3 percent of total population in 2010. Given the aforementioned disparities in the demographic characteristics of minorities, and African Americans in particular, as minority populations continue to increase, impediments to fair housing and their impacts relative to these disparities in demographics for minorities and their households, will likely increase as well.

Section 2: Fair Housing Law, Policies and Complaint Analysis

Introduction

It is important to examine how the City of Valdosta's laws, regulations, policies and procedures will ultimately affect fair housing choice. Fair housing choice is defined, generally, as the ability of people with similar incomes to have similar access to location, availability and quality of housing. Therefore, impediments to fair housing choice may be acts that violate a law or acts or conditions that do not violate a law, but preclude people with varying incomes from having equal access to decent, safe, and affordable housing.

The first part of this section, Section 2.1, will address the existing statutory and case law that work to remove impediments and promote fair housing choice. The Federal Fair Housing Act can be effective in mitigating barriers to fair housing choice, depending upon enforcement efforts. Various judicial court case decisions pertaining to fair housing were reviewed and are incorporated in the analysis. Other related regulations and case law that provide further interpretation, understanding, and support to the Federal Fair Housing Act were considered and will also be discussed.

The City of Valdosta has enacted local Fair Housing Ordinance No. 2006-58, to promote and enforce Fair Housing and Non-Discrimination within the City of Valdosta. Therefore, our analysis of applicable fair housing laws focused on the local city ordinance in addition to the State of Georgia statute. In the analysis both were reviewed and compared to the Federal Fair Housing Act to determine whether they offered similar rights, remedies, and enforcement to the federal law and might be construed as substantially equivalent. Pertinent related laws, such as the Community Reinvestment Act and Home Mortgage Disclosure Act, were reviewed with respect to how they can facilitate fair lending. Section 2.2 summarizes the level of fair housing enforcement activity in the City of Valdosta.

A more difficult, but intertwined, aspect of evaluating barriers to fair housing choice involves an analysis of public policy, programs and regulations that impact the availability of affordable housing. Our analysis centered on how governmental actions impact fair housing choice and the availability of adequate, decent, safe, and affordable housing for people of all incomes. We examined government subsidies and public funding appropriations used to provide housing assistance for very low- and low-income households. This included an analysis of city operated housing programs provided in Section 2.3. Numerous documents were collected and analyzed to complete this section. The key documents are Consolidated Plans, current and previous Annual Action Plans, the Consolidated Annual Performance Evaluation Reports (CAPER), Valdosta Housing Authority Five Year and Annual Plans and documentation on various housing programs and projects. City staff also provided information on its current and future initiatives to develop affordable housing and acquire additional funds.

Our analysis of development regulations, City advisory board actions and public policy documents are presented in Section 2.4. This section focuses on building codes, zoning ordinances, land use plans, local initiatives and governmental actions relative to development and incentives that stimulate development. The analysis of public policy includes decisions by advisory boards and commissions such as the Valdosta Housing Authority Board, Zoning Board of Appeals, Greater Lowndes Planning Commissions, Construction Board of Appeals, Housing Board of Adjustment, Historic Preservation Commission, CDBG Advisory Committee, Metropolitan Planning Organization (MPO) and the Industrial Authority.

Section 2.5 provides an analysis of fair housing complaints filed with HUD. Section 2.5 also contains conclusions about fair housing barriers based on the existing law, enforcement efforts, complaint analysis, and the availability of affordable housing. The HUD Atlanta Georgia Regional FHEO Office has responsibility for fair housing enforcement in Valdosta. Official compliant date was received from the HUD Atlanta, Georgia Regional Office, Fair Housing Equal Opportunity Division.

2.1. Fair Housing Law

The Federal Fair Housing Act (the Act) was enacted in 1968, and amended in 1974 and 1988 to add protected classes, provide additional remedies, and strengthen enforcement. The Act, as amended, makes it unlawful for a person to discriminate on the basis of race, color, sex, religion, national origin, handicap, or familial status. Generally, the Act prohibits discrimination based on one of the previously mentioned protected classes in all residential housing, residential sales, advertising, and residential lending and insurance. Prohibited activities under the Act, as well as examples, are listed below.

It is illegal to do the following based on a person's membership in a protected class:

- Misrepresent that a house or apartment is unavailable by:
 - ✓ Providing false or misleading information about a housing opportunity,
 - ✓ Discouraging a protected class member from applying for a rental unit or making an offer of sale, or
 - ✓ Discouraging or refusing to allow a protected class member to inspect available units;
- Refuse to rent or sell or to negotiate for the rental or sale of a house or apartment or otherwise make unavailable by:
 - ✓ Failing to effectively communicate or process an offer for the sale or rental of a home,
 - ✓ Utilizing all non-minority persons to represent a tenant association in reviewing applications from protected class members, or
 - ✓ Advising prospective renters or buyers that they would not meld with the existing residents;
- Discriminate in the terms, conditions, or facilities for the rental or sale of housing by:
 - ✓ Using different provisions in leases or contracts for sale,
 - ✓ Imposing slower or inferior quality maintenance and repair services,
 - ✓ Requiring a security deposit (or higher security deposit) of protected class members, but not for non-class members,

- ✓ Assigning persons to a specific floor or section of a building, development, or neighborhood, or
 - ✓ Evicting minorities, but not whites, for late payments or poor credit;
- Make, print, publish, or post (direct or implied) statements or advertisements that indicate that housing is not available to members of a protected class;
- Persuade or attempt to persuade people, for profit, to rent or sell their housing due to minority groups moving into the neighborhood by:
 - ✓ Real estate agents mailing notices to homeowners in changing area with a listing of the homes recently sold along with a picture of a Black real estate agent as the successful seller, or
 - ✓ Mailed or telephonic notices that the "neighborhood is changing" and now is a good time to sell, or noting the effect of the changing demographics on property values;
- Deny or make different loan terms for residential loans due to membership in a protected class by:
 - ✓ Using different procedures or criteria to evaluate credit worthiness,
 - ✓ Purchasing or pooling loans so that loans in minority areas are excluded,
 - ✓ Implementing a policy that has the effect of excluding a minority area, or
 - ✓ Applying different procedures (negative impact) for foreclosures on protected class members;
- Deny persons the use of real estate services;
- Intimidate, coerce or interfere; or
- Retaliation against a person for filing a fair housing complaint.

The Fair Housing Act requires housing providers to make reasonable accommodations in rules, policies, practices, and paperwork for persons with disabilities. They must allow reasonable modifications in the property so people with disabilities can live successfully. Due to the volume of questions and complaints surrounding this aspect of the federal act, in March 2008, the Department of Justice (DOJ) and the Department of

Housing and Urban Development (HUD) released a joint statement to technically define the rights and obligation of persons with disabilities and housing providers.

In addition to prohibiting certain discriminatory acts, the Act places no limit on the amount of recovery and imposes substantial fines. The fine for the first offense can be up to \$11,000; the second offense within a five year period, up to \$27,500; and for a third violation within seven years up to \$55,000.

The prohibition in the Fair Housing Act against advertising that indicates any "preference, limitation or discrimination" has been interpreted to apply not just to the wording in an advertisement but to the images and human models shown. Ad campaigns may not limit images to include only or mostly models of a particular race, gender, or family type.

As a test to determine if advertising for the local housing market may be an impediment to fair housing, a review of local advertisements in real estate publications from May and June 2011 was conducted. These types of advertisements cover an area larger than just Valdosta, and the time-period is insufficient to conclusively establish a pattern of discrimination. The data does however provide an accurate snapshot of the advertising available, and a general overview of the state of compliance with fair housing law. The advertising, especially those with images of prospective or current residents was reviewed, with a sensitivity toward:

- Advertising with all or predominately models of a single race, gender, or ethnic group;
- Families or children in ad campaigns depicting images of prospective residents;
- Particular racial groups in service roles (maid, doorman, servant, etc.);
- Particular racial groups in the background or obscured locations;
- Any symbol or photo with strong racial, religious, or ethnic associations;
- Advertising campaigns depicting predominately one racial group;

- Campaigns run over a period of time, including a number of different ads, none or few of which include models of other races;
- Ads failing to contain Equal Housing Opportunity (EHO) statements or logos, or contains the statement or logo, but it is not readily visible; and
- Ad campaigns involving group shots or drawings depicting many people, all or almost all of whom are from one racial group.

Five publications advertising the sale or rental of housing directed toward persons in the greater Valdosta area were reviewed including Apartment Finder, Winter 2011 Edition; The Real Estate Book, Volume 14, # 6; The Valdosta Daily Times Homefront, June 12, 2011; Retirement Living South Georgia Style and Homes & Land of Valdosta and Surrounding Cities, Volume 2 – Issue 1. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons. A failure to display symbols or slogans may become evidence of discrimination if a complaint is filed. Comparatively, other publications reviewed were advisements of for-sale properties listed by realtors and builders. Less than 25 percent of the advertisers in these publications included the EHO statement or logo. Additionally, most of the images included in the selected materials either represented racial, ethnic or gender diversity among the models selected.

Fair Housing Assistance Program (FHAP) Agencies

The U. S. Department of Housing and Urban Development (HUD) provides funding to state and local governmental agencies to enforce local fair housing laws that are substantially equivalent to the Fair Housing Act. Once a state and a city or county in that state have a substantially equivalent fair housing law, they can apply to become certified as a Fair Housing Assistance Program (FHAP) Agency and receive funds for investigating and conciliating fair housing complaints or a Fair Housing Initiatives

Program (FHIP) Agency and receive funds for education, promoting fair housing, and investigating allegations. It should be noted that a county or city must be located in a state with a fair housing law that has been determined by HUD to be substantially equivalent. Then, the local jurisdiction must also adopt a law that HUD concludes is substantially equivalent in order to participate in the FHAP Program. The local law must contain the seven protected classes - race, color, national origin, sex, religion, handicap, and familial status - and must have substantially equivalent violations, remedies, investigative processes, and enforcement powers.

In addition, the process for investigating and conciliating complaints must mirror HUD's. HUD's process begins when an aggrieved person files a complaint within one year of the date of the alleged discriminatory housing or lending practice. The complaint must be submitted to HUD in writing. However, this process can be initiated by a phone call. HUD will complete a complaint form, also known as a 903, and mail it to the complainant to sign. The complaint must contain the name and address of the complainant and respondent, address and description of the housing involved, and a concise statement of the facts, including the date of the occurrence, and the complainant's affirmed signature. Upon filing, HUD is obligated to investigate, attempt conciliation, and resolve the case within 100 days. Resolution can be a dismissal, withdrawal, settlement or conciliation, or a determination as to cause.

The FHAP certification process includes a two-year interim period when HUD closely monitors the intake and investigative process of the governmental entity applying for substantial equivalency certification. Also, the local law must provide enforcement for aggrieved citizens where cause is found. It can be through an administrative hearing process or filing suit on behalf of the aggrieved complainant in court. The FHIP certification process is contingent on the type of funding for which the agency is applying. There are four programs to which an agency can apply; Fair Housing Organizations Initiative (FHOI), Private Enforcement Initiative (PEI), Education

Outreach Initiative (EOI), and Administrative Enforcement Initiative (AEI). Currently, there is no funding under the AEI status.

The State of Georgia enacted the Georgia Fair Housing Act in 1988, and amended it most recently in 1996. The law is presently called the Georgia Fair Housing Law. This Act declares it illegal to discriminate in the sale, rental, advertising, financing, or providing of brokerage services for housing. The Georgia Statute parallels the Federal Fair Housing Act, and appears to contain all of the requisite provisions to pass HUD's scrutiny as a substantially equivalent law. The State has designated the Georgia Civil Rights Department - Georgia Commission on Equal Opportunity, a FHAP agency, to receive complaints and provides enforcement throughout the State of Georgia.

The City of Valdosta has enacted Fair Housing Ordinance No. 2006-58, which is a part of the city's code ordinance. It also appears to be substantially equivalent to the Federal Act. Section 1: Purpose, declares a safeguard of all individuals within the City of Valdosta from discriminations in housing opportunities, and provides protection to persons based on age, and sexual orientation in addition to race, disability, familial status, color, religion, national origin, or sex as afforded under the Federal Act. Section 4: Discrimination in the Sale or Rental of Housing extends protection for the federally protected classes. Enforcement is afforded only by the federal and state of Georgia governmental enforcement agencies.

Court Decisions

Walker v. HUD represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. - The **Walker** public housing/Section 8 desegregation litigation began in 1985 when one plaintiff, Debra Walker, sued one Dallas, Texas area suburb, Mesquite. The lawsuit contended that Mesquite's refusal to give its consent for DHA to administer Section 8 certificates

within Mesquite violated the 14th Amendment and the other civil rights law prohibiting racial discrimination in housing. The early stage of **Walker** resulted in the entry of the 1987 consent decree involving DHA and HUD without any liability findings. The suit was subsequently amended to bring in DHA, HUD, and the City of Dallas and to provide for a class of Black public housing and Section 8 participants who contended that the Dallas Housing Authority segregated person in public housing by race leading to racial concentrations of African Americans in minority concentrated areas. The suburbs, with the exception of Garland, gave their consent to the operation of DHA's Section 8 program within their jurisdiction and were dismissed from the case. The City of Dallas was subsequently found liable for its role in the segregation of DHA's programs in the Court's 1989 decision, **Walker III**, 734 F. Supp. 1289 (N.D. Tex. 1989).

HUD and DHA were subsequently found liable for knowingly and willingly perpetuating and maintaining racial segregation in DHA's low income housing programs. HUD was found liable not just for its failure to affirmatively further fair housing under the Fair Housing Act but also for purposeful violations of the Fifth Amendment to the U.S. Constitution, Title VI of the 1964 Civil Rights Act, 42 U.S.C. §§ 1981, 1982, and 1983. The district court found that the defendants had the remedial obligation to not only cease any present discrimination but to also eliminate the lingering effects of past segregation to the extent practical.

Court orders entered in this case have provided the following desegregation resources:

(a) approximately 9,900 new assisted units have been made available to **Walker** class members.

(b) approximately \$22 million was made available for the creation of housing opportunities in predominantly white areas of the Dallas metroplex.

(c) \$2 million was provided for the operation of a fair housing organization that focused on the problems of low income minority families.

(d) Hope VI funding for 950 units in the West Dallas project.

(e) \$94 million was provided by the City of Dallas for neighborhood equalization and economic development in the public housing project neighborhoods.

(f) \$10 million was provided for mobility counseling to be used in connection with the Settlement Voucher program.

Similar to the Walker case, *Young v. HUD* represents a landmark case, settled by consent decree, and establishing precedent as to HUD, PHA and City responsibilities and culpability for insuring the elimination of segregation in public and assisted housing. The *Young* case involved 70 plus housing authorities in 36 counties in East Texas, HUD, and the State of Texas. The litigation did not end until 2004. The remedy involved the equalization of conditions including the provision of air conditioning in the segregated black projects, desegregation of the tenant population in previously segregated black and white projects, use of the public housing and Section 8 programs and funding for a private fair housing organization to provide over 5,000 desegregated housing opportunities in predominantly white areas, equalization of neighborhood conditions around the predominantly black projects, injunctions against local cities blocking the development of public housing in white neighborhoods, sale of the Vidor public housing and the use of the proceeds for housing opportunities in white areas that were accessible by black public housing tenants, and \$13 million in State funding for neighborhood equalization. Most of the relief was obtained only after the record of HUD's violations of previous remedial orders was compiled and presented to the Court.

Some of the orders, agreements, and reports from this case that are attached are:

A. The final judgment that was entered by the Court in 1995,

B. The order modifying final judgment entered in 2004. This order includes a HUD manual on creating desegregated housing opportunities as exhibit 3 to the order,

C. The agreement between the plaintiffs and the State of Texas for the last \$4.4 million of the total \$13 million that the State contributed to the neighborhood equalization activities required by the Final Judgment.

At the inception of the Fair Housing Act, insurance companies took the position that they were not covered by the Act. However, in 1992 a Wisconsin Appeals Court determined that the Act “applies to discriminatory denials of insurance and discriminatory pricing that effectively preclude ownership of housing because of the race of an applicant.” The case was a class action lawsuit brought by eight African-American property owners, the NAACP, and the American Civil Liberties Union against the American Family Insurance Company. The plaintiffs claimed they were either denied insurance, underinsured, or their claims were more closely scrutinized than Whites. American Family’s contention was that the Act was never intended to prohibit insurance redlining. The appeals Court stated, “Lenders require their borrowers to secure property insurance. No insurance, no loan; no loan, no house; lack of insurance thus makes housing unavailable.” A 1998 court verdict against Nationwide Insurance further reinforced previous court action with a \$100 million judgment due to illegally discriminating against black homeowners and predominantly black neighborhoods.

Another case was settled for \$250,000 in Maryland when Baltimore Neighbors, Inc., a non-profit organization, alleged that real estate agents were steering. Fine Homes’ real estate agents were accused of steering prospective African-American buyers away from predominantly White neighborhoods and Whites were almost never shown homes in predominantly African-American zip codes.

In 2009 a landmark housing discrimination case was settled between the Connecticut Fair Housing Center and the New Horizons Village Apartments. In this case, the State of Connecticut Office of Protection and Advocacy for Person with Disabilities sued New Horizons Village, an apartment complex which provides independent housing for people

with severe physical disabilities. Under the consent decree, New Horizons will no longer be allowed to require tenants to open their private medical records for review and require them to prove they can “live independently”. CT Fair Housing Center stated “The Fair Housing Act is clear that it is impermissible to limit the housing choices of people with disabilities based on stereotypes about their ability to care for themselves; people with disabilities are entitled to the same freedom to choose how and where they want to live as people without disabilities.”

In *County of Edmonds v. Oxford House*, the United States Supreme Court ruled that the Fair Housing Amendments Act of 1988 prevents communities from excluding group homes for the handicapped from single-family residential zones. The Oxford House is a nonprofit umbrella organization with hundreds of privately operated group homes throughout the country that house recovering alcoholics and drug addicts. Recovering alcoholics and drug addicts, in the absence of current drug use or alcohol consumption, are included under the protected class of handicapped in the Fair Housing Act as amended in 1988. In *Oxford House v. Township of Cherry Hill*, 799 F. Supp. 450 (D. N.J. 1991), the federal court rejected a state court ruling that recovering alcoholic and drug addicted residents in a group home do not constitute a single-family under the Township’s zoning ordinance. In *Oxford House-Evergreen v. County of Plainfield*, 769 F. Supp. 1329 (D. N.J. 1991) the court ruled that the county’s conduct, first announcing that the Oxford House was a permitted use only to deny it as a permitted use after neighborhood opposition, was intentionally discriminatory.

“Unjustified institutionalization of persons with mental disabilities...qualifies as discrimination.”- was stated as the majority opinion of the U.S. Supreme Court. In a landmark decision by a 6-3 vote, the U.S. Supreme Court ruled in June 1999, that a state may not discriminate against psychiatric patients by keeping them in hospitals instead of community homes. The court said that the Americans with Disabilities Act (ADA) may require that states provide treatment in community-based programs rather than in a segregated setting. This case, known as the *Olmstead* case, ruled that

community placement is a must when deemed appropriate by state professionals, agreed to by the individual with the disability, and resources available are sufficient. The courts agreed with “the most integrated setting” provision of the ADA.

In a historic federal settlement order to resolve a lawsuit brought by the Anti-Discrimination Center (ADC) against Westchester County, NY. Westchester County conducted its own Analysis of Impediment to Fair Housing and did not examine race and its effects on housing choice. Only income was studied from a demographic perspective. Westchester did not believe that racial segregation and discrimination were the most challenging impediments in the County. ADC filed lawsuit against Westchester stating that the entitlement is not taking appropriate steps to identify and overcome impediments of fair housing. The Court stated that grant recipients must consider impediments erected by race discrimination, and if such impediments exist, it must take appropriate action to overcome the effects of the impediments. The settlement order issued in August 2009 found that Westchester had “utterly failed” to meet its affirmatively furthering fair housing obligations throughout a six-year period. All entitlements receiving federal funds must certify that they have and will “affirmatively further fair housing.” Because of the tie to federal funds, a false certification can be seen as fraudulent intent. Westchester was ordered to submit an implementation plan of how it planned to achieve the order’s desegregation goals. One major outcome from the landmark agreement is the construction of 750 units of affordable housing in neighborhoods with small minority populations.

In 2003, a settlement was ordered by the District Court in New Jersey for the owner of the internet website, www.sublet.com, who was found guilty of publishing discriminatory rental advertisements which is prohibited by the Fair Housing Act. It was the first of its kind to be brought by the Justice Department. It was thought to be imperative that the federal laws that prohibit discriminatory advertising should be enforced with the same vigor with regard to internet advertising as it would for print and broadcast media. The court ordered the site to establish a \$10,000 victim fund to compensate individuals

injured by the discrimination. They were also ordered to pay a civil penalty of \$5,000, adopt a non-discrimination policy to be published on the website, and require all employees to undergo training on the new practices.

Under the Fair Housing Act, apartment complexes and condominiums with four or more units and no elevator, built for first occupancy after March 13, 1991, must include accessible common and public use areas in all ground-floor units. An apartment complex near Rochester, New York was ordered to pay \$300,000 to persons with disabilities for not making its housing facility fully accessible, with \$75,000 set aside for the plaintiffs. They were required to publish a public notice of the settlement fund for possible victims and pay a \$3,000 civil penalty.

In 2005, the Connecticut Commission on Human Rights and Opportunities (CHRO) issued a charge of discrimination on the basis of disability when an apartment manager refused to rent to a person with a disability on the first floor of the complex due to the absence of access ramp. The apartment manager was unwilling to make a modification to add a ramp. The court recognized that the renter has a disability and the defendant knew the fact and refused to make accommodations. The court concluded that the renter was entitled to compensatory and emotional distress damages of \$10,000 and imposed a civil penalty of \$1,000.

In 2007, the 9th Circuit Court of Appeals gave a decision in support of Fair Housing Council of San Fernando Valley that Roommates.com has violated the fair housing laws by matching roommates by gender, sexual orientation, and parenthood. By asking prospective roommates to put in their status on these criteria and allowing prospective roommates to judge them on that basis is a violation of Fair Housing Act.

In 2005, the National Association for the Advancement of Colored People (NAACP), The National Association of Home Builders (NAHB), and the Home Builders Association (HBA) of Greater Austin, filed a federal lawsuit against the County of Kyle,

Texas. The plaintiffs contended that ordinances passed by the Kyle County Council, imposing requirements such as all-masonry construction, expanded home size, and expanded garage size, drive up the cost of starter homes by over \$38,000 per new unit. The allegation is that this increase has a disproportionate impact on minorities and this effect violates the Fair Housing Act. The County of Kyle filed a motion to dismiss, asserting that both NAACP and NAHB lack standing. The federal district court recognized the plaintiff's standing in 2006. Thereafter, the cities of Manor, Round Rock, Pflugerville, and Jonestown, all moved to join the litigation on the grounds that they each have ordinances similar to the one being challenged in Kyle and that any positive decision in this case would allow NAHB and NAACP to sue them at some later date. In May the court decided that the cities could participate as friends of the court but may not join in the litigation otherwise. This case is in progress and a judgment is expected in 2009.

Homelessness and the Fair Housing Act

Homelessness is defined as lacking a fixed, regular, and adequate night-time residence; or where the primary night-time residence is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- An institution that provides temporary residence for individuals intended to be institutionalized; or,
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

The Fair Housing Act's definition of "dwelling" does not include overnight or temporary residence, so mistreatment of the homeless is not generally covered by Fair Housing Law. The ability of persons to find affordable housing is a protected right of Fair Housing; therefore the inability of people to find affordable housing which may lead to homelessness, is in conflict with the Fair Housing Law.

Unfair Lending Practices

Unfair lending practices are more difficult to detect and to prove. However, there are laws, other than the fair housing law, to assist communities in aggressively scrutinizing fair lending activity. One such law is the Home Mortgage Disclosure Act (HMDA), which requires banks to publish a record of their lending activities annually. Frequently, fair housing enforcement agencies and nonprofits use this data to help substantiate a discrimination claim or to determine a bank's racial diversification in lending. Another law frequently utilized by community organizations is the Community Reinvestment Act (CRA). When a bank wants to merge with or buy another bank or establish a new branch, the community has an opportunity to comment. Usually, the CRA commitments made by the bank are analyzed, utilizing other data such as HMDA, to determine adherence. The community can challenge the action if the bank has a poor record. Sometimes agreements can be reached with the bank promising a certain level of commitment to the community. Additionally, the Equal Credit Opportunity Act (ECOA) prohibits discrimination in lending generally and can be quite significant when it comes to securing information about unfair lending practices and imposing remedies, which may include up to one percent of the gross assets of the lending institution.

The U.S. Supreme Court ruled in June 2009 that states may investigate national banks to determine if they have discriminated against minorities seeking home loans. Furthermore states may charge accused violators if found guilty. The new legislation stemmed from a discrimination investigation of national banks by the New York attorney general. The federal Office of the Comptroller of the Currency (OCC) sought legal action through the courts to stop the attorney general's investigation because legal principals suggested that only federal regulators can require national banks to conform to regulations and practices that discourages unfair lending. The Supreme Court overturned this ruling giving state government power to enforce consumer-protection and lending policies.

2.2. Enforcement

It has long been settled that fair housing testing is legal and that non-profits have standing to sue so long as certain criteria are met. These decisions make it feasible for non-profits to engage in fair housing enforcement activities.

The Department of Housing and Urban Development (HUD) enforce local, state and federal fair housing laws which prohibit discrimination in the buying, selling, rental or enjoyment of housing because of race, color, national origin, religion, sex, disability or familial status.

The HUD Regional Office in Atlanta, Georgia conducts investigations of fair housing complaints that are reported to them by the state and local jurisdictions. Georgia is part of HUD's Region IV that includes Alabama, Florida, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the U.S. Virgin Islands. When a complaint is filed with any of the jurisdictions, HUD is notified of the complaint. HUD will notify the violator of the complaint and permit all parties involved an opportunity to submit an answer. HUD will conduct investigations of the complaint to determine whether there is reasonable cause to believe the Federal Fair Housing Act and or Valdosta City Ordinance has been violated. The complainant is then notified. A detailed discussion of the complaints filed with HUD follows in Section 2.5. A case is typically heard in an Administrative Hearing unless one party wants the case to be heard in Federal District Court.

Education and Outreach

The City of Valdosta Public Involvement Department receives fair housing complaints and makes referrals to HUD for enforcement. This agency is also responsible for conducting public education, training and outreach of fair housing rights and remedies in Valdosta. Education of the public regarding the rights and responsibilities afforded by fair housing law is an essential ingredient of fair housing enforcement. This includes the education to landlords and tenants, housing and financial providers, as well as

citizens, about potential victims of discrimination. It is important that potential victims and violators of housing and/or lending discrimination law be aware of fair housing issues generally, know what may constitute a violation, and what they can do in the event they believe they have been discriminated against. Likewise, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing law.

Often, people may be unaware of their fair housing rights. Present day housing discrimination tends to be subtle. Instead of saying that no children are allowed, they may impose unreasonable occupancy standards that have the effect of excluding families with children. Rather than saying, “We do not rent to Hispanics,” they may say, “Sorry we do not have any vacancies right now, try again in a few months,” when, in fact, they do have one or more vacancies. Printed advertisements do not have to state, “no families with children or minorities allowed” to be discriminatory. A series of ads run over an extended period of time that always or consistently exclude children or minorities may very well be discriminatory. In addition, a person who believes he/she may have been discriminated against will probably do nothing if he/she does not realize that a simple telephone call can initiate intervention and a resolution on his/her behalf, without the expenditure of funds or excessive time. Thus, knowledge of available resources and assistance is a critical component.

2.3. Production and Availability of Affordable Units

An assessment of the key characteristics affecting housing production, availability, and affordability in Valdosta was conducted, including the adequacy and effectiveness of the housing and housing related programs designed and implemented by the city. The assessment evaluated the programs’ ability to reach the target market and how effective they are in identifying and serving those who have the greatest need. We also assessed the extent to which the jurisdictions prioritized funding and utilized programs to address impediments identified in their Fair Housing Impediment Analysis (AI) conducted prior to FY 2011. Much of the information is taken from the Consolidated

Plan, Annual Action Plan, and Consolidated Annual Performance Evaluation Report (CAPER), and other documentation provided by the cities and county.

The 2011 Annual Action Plan indicated that the City of Valdosta anticipated receiving approximately \$564,554 in Community Development Block Grant (CDBG) funding in FY 2011. Based on Valdosta City's planned utilization of these funds for housing and housing related programs, they should enhance their ability to address impediments relative to housing advocacy, availability, affordability, rehabilitation, homeownership, and financial literacy, as identified in the AI prior to FY 2011. Highlights of their proposed expenditure for FY 2011 include:

- \$10,000 for home buyer education
- \$447,554 for owner occupied rehabilitation
- \$22,680 for completion of the 2011 Fair Housing Impediment Analysis Update
- Host an Annual Housing Summit geared toward providing continuing education and increased advocacy among area organizations relative to fair and affordable housing.
- Expansion of City Section 3 Initiatives.

2.4. Regulatory and Public Policy Review

The City of Valdosta enacted Ordinance Number 2006-58 as a chapter in the municipal codes, covering Fair Housing and Discriminatory Housing Practices within its constitutional limits. The regulation specially covers discrimination and it details the rights, enforcement and remedies as it relates to fair housing. This fair housing ordinance would be considered substantially equivalent because it includes the federally protected classes in the Federal Act. Having a fair ordinance, especially one that is substantially equivalent to the federal Fair Housing Act, exemplifies a jurisdiction's local commitment to enforcing fair housing regulations and it provides public awareness of individuals' rights under the Fair Housing Act.

The city zoning ordinance, development code and public policies were examined to reveal any current ordinances or policies that impede fair housing. Valdosta's land development codes and zoning regulations addresses affordable housing and the provision of making allowances through the code to incentivize the construction of affordable housing; and assist with development barriers that affect the feasibility of producing affordable housing within the jurisdictions.

2.5. Analysis of Fair Housing Complaints

Fair housing complaint information was received from the Atlanta, Georgia FHEO Regional Office of the U.S. Department of Housing and Urban Development. The data received from HUD provides a breakdown of complaints filed for Valdosta from January 1, 2008 through April 30, 2011. During this period, no complaints were filed according to one of the seven bases under the Federal Fair Housing Act: National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. The most recent cases according to HUD were filed in 1992 and 1994. Therefore, Table 2.1, on the page below, shows zero cases having been filed for the five year period covered under this analysis.

Table 2.1: Number of Complaints by Protected Class by Year (2008 - 2011)

Protected Class	Race/ Color	National Origin	Familial Status	Disability	Sex	Religion	Totals
2008							
2009							
2010							
2011							
Totals							0

Source: HUD Atlanta Regional Office, FHEO

Table 2.2, on the page below, also reflects no case closures for types by year the case was opened since no cases were filed during the investigation period for this AI.

Table 2.2: Number of Complaints by Protected Class by Year (2008 - 2011)

Type of Closure	2008	2009	2010	2011	2010	Totals
Case Conciliated						
No Probable Cause						
Withdrawn						
Lack of Jurisdiction						
Complainant failed to cooperate						
Unable to Locate the complainant						
FHAP judicial dismissal						
FHAP judicial consent order						
Totals						0

Source: HUD Atlanta, Georgia Regional Office, FHEO

2.6. Conclusions and Implications for Fair Housing Barriers and Impediments

The State of Georgia and the City of Valdosta have enacted fair housing laws that are substantially equivalent to the federal Fair Housing Act. Both the State and the Valdosta City ordinances disallow the same activities prohibited under the federal act. Having a fair ordinance, especially one equivalent to the federal Fair Housing Act, shows a jurisdiction's commitment to enforcing fair housing regulations. Between 2008 and 2011, there were no complaints received and investigated through the HUD FHEO Regional Office in Atlanta, Georgia. The most recent cases according to HUD were filed in 1992 and 1994. The City of Valdosta Public Involvement Department provides referral of fair housing complaints to HUD for investigation and enforcement and is responsible for conducting public education, training and outreach of fair housing rights and remedies in Valdosta.

Five publications advertising the sale or rental of housing and one advertising home improvements and remodeling, directed toward persons in the greater Valdosta area

were reviewed. Some publications made blanket statements at the front of the publication stating that the magazines as well as their advertisers are subject to the Federal Fair Housing Act. Some advertiser included EHO statements and/or logos. Including these logos can be a means of educating the home seeking public that the property is available to all persons.

The 2011 Annual Action Plan indicated that the City of Valdosta anticipated receiving approximately \$564,554 in Community Development Block Grant (CDBG) funding in FY 2011. Based on Valdosta City's planned utilization of these funds for housing and housing related programs, they should enhance their ability to address impediments relative to housing advocacy, availability, affordability, rehabilitation, homeownership, and financial literacy, as identified in the AI prior to FY 2011. Highlights of their proposed expenditure for FY 2011 include:

- \$10,000 for home buyer education
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- Host a Housing Summit geared toward providing continuing education and increased advocacy among area organizations relative to fair and affordable housing.
- Expansion of City Section 3 Initiatives.

The city zoning ordinance and public policies were examined to reveal any current ordinances or policies that impede fair housing. No concerns were noted as a result.

Section 3: Focus Group Sessions and Community Engagement

Introduction

This section will report on the results from three focus group sessions held on June 14, 2011 at the Valdosta City Hall, 216 East Central Avenue, Valdosta, Georgia, 31603. Participants in the focus groups sessions and supplemental interviews included City Staff, City Council Members, Valdosta Housing Authorities personnel and other government representatives; representatives from local colleges, universities, and school districts; non-profit organizations, home builders, housing and social service agencies representatives; real estate and financial industry representatives; and the general public and other community representatives.

Attendees were gathered by invitations sent to select resident and community leaders, organizations, industry professionals and public officials. At each focus group session, general issues related to the housing market, neighborhoods and concerns pertaining to fair housing choice in Valdosta were discussed. Supplemental interviews were conducted with various community and industry representatives to obtain information from those unable to attend the sessions on June 14, 2011. The sessions were hosted by the City of Valdosta Public Involvement Department.

It should be noted that the comments summarized in this section represent the comments and views of the focus group participants. J-Quad has made every effort to document all comments as a matter of record, and to ensure that the comments, as presented on the following pages, have not been altered to reflect our analysis, investigation or substantiation of information obtained during these sessions. Focus Group comments and information obtained during interviews were later analyzed and to the extent substantiated or collaborated by the data

and analysis, included in Section Six: Impediments and Remedial Actions. Comments from Focus Group participants included the following.

3.1. Focus Group Concerns and Comments

Social-Economic Conditions

Among the social-economic issues frequently mentioned in the focus group sessions was the perception that the supply of affordable housing is inadequate and the cost to purchase homes or to rent housing continues to soar beyond the range affordable to many local area residents. Others believed that poverty and the number of persons lacking sufficient income for housing was on the rise, severely impacting housing choice for the lowest income households. Participants indicated that poverty is not only a concern with regard to social equity and the plight of renters, but poverty and limited incomes are also having an adverse impact on the condition and quality of single family owner occupied housing in some areas.

In areas where a majority of homeowners cannot afford routine maintenance and rising utility costs, poor housing conditions may quickly become the prevalent state of affairs. The impact of a lack of job opportunities and insufficient incomes to afford decent housing were cited as contributing factors to housing and neighborhood decline.

Focus group participants wanted to have a greater emphasis placed on financial assistance to acquire housing suitable to meet the needs of the changing demographics in the city and specific problems faced by residents and the working poor relative to foreclosure. Participants also felt that increased housing counseling-both pre-purchase and post purchase support-was needed to help applicants qualify for financing and to remain current with mortgage payments and home maintenance needs. Increased funding should be identified to provide

rental assistance to those needing assistance with rent and utilities and security deposits necessary to initiate a lease. Participants emphasized the need for increased funding for project based rental assistance due to limitations in the Section 8 Vouchers program and increased demand for rental assistance, and development funding for new scattered site public and assisted housing units.

Housing Supply, Neighborhood Conditions, and Infrastructure and Regulatory Controls

Participants' desired greater emphasis be placed on building codes and regulatory controls being utilized to improve housing conditions, cost and accessibility. They recommended incorporating energy efficiency and green building standards in construction of affordable housing; the need for infrastructure and emergency repair funding; and assurance that zoning regulations protect against spot zoning and provide variances, when necessary, to induce vacant lot infill housing in developed neighborhoods. Acquisition and utilization of vacant lots, homebuyer subsidies for repairs, drainage, sidewalks, and increased emphasis on code enforcement were also cited as needs.

Public Policy and Public Awareness of Fair Housing

Participants cited public awareness of fair housing rights as a concern. They felt that despite increased outreach by the City, some residents appear to be unaware of their rights under fair housing law and that the number of violations reported and cases substantiated may be much lower than the number of violations actually occurring. Others felt that residents often fear retaliation by those who violate the laws. For example, attendees and persons interviewed felt that in some instances, people do not register fair housing complaints for fear of retaliation by their landlords, or if they report violations such as housing code, enforcement will result in higher rents or evictions actions by their landlords.

Participants also felt that residents needed increased access to homebuyer education and counseling when considering purchase of a home and rental

housing and tenant's rights counseling and advocacy for renters. They were concerned that first-time home buyers often do not know where to go for help or how to start the process of purchasing a home. Anecdotal accounts by attendees and those interviewed included obstacles faced by renters such as denial of rental applications based on having no prior address, and/or frequent gaps in their rental histories. Others cited housing barriers faced by the "untouchables", persons such as ex-offenders, convicted sex offenders and others recently discharged from the criminal justice system.

Access to Banking and Financial Institutions Products, and Basic Goods and Services

Predatory lending practices were identified as a major issue. Perception were that predatory lenders are absorbing much of the market formerly controlled by FDIC insured banks and other reputable financial institutions and fast becoming lenders of choice in some low income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment. Attendees were concerned that a growing number of people have fallen prey to sub prime loans because they have a poor credit rating or limited to no credit history.

Others expressed concerns that lower income residents are paying higher prices due to a lack access to basic goods and services. For example, healthy food choices were often limited resulting in resident in low income and minority concentrated neighborhoods having diets lacking in fresh vegetables and fruits and other commodities being priced outside their affordability. Neighborhood markets and grocery stores in the neighborhoods are sometime limited to convenience stores charging exorbitant prices, taking advantage of persons with limited mobility or access to public transportation.

Lending, Foreclosures and the Mortgage Industry

The inability to obtain home mortgages was seen as a major barrier that limits housing choice. Criminal background histories and immigration status are relatively new factors contributing to the inability to qualify for home purchases and rental housing leases. Credit issues appeared to be the major barrier, based on focus group participants' comments. Both a lack of qualified applicants and an adequate pool of applicants for mortgages, coupled with the inability of some housing units to qualify based on lending program guidelines were cited as barriers. Participants felt that greater emphasis should be placed on credit counseling and financial literacy being accessible to a broader population including youth and young adults age eighteen to thirty. Greater emphasis should be given to preventing damage to one's credit history and providing a solid foundation that could prevent future financial problems. Persons with a criminal felony record and those convicted of sex crimes are having particular problems finding housing to rent as well as qualifying for mortgages.

Other participants cited instances in which elderly and other owners of affordable housing are no longer able to afford routine maintenance on their home. Any major systems failure such as roof replacement, foundation problems or even heating and air conditioning replacement can render their home a health and safety risk or place the homeowner in violation of local property standards codes.

Special Needs Housing

Participants were concerned that greater funding be provided for the elderly to age in place, and to provide housing for others in need of special needs housing. Participants cited statistics relative to the growth expected in the elderly population over the next decade which will elevate this problem. Without such funding elderly and disabled persons are sometimes placed in nursing homes prematurely, even though they could otherwise continue to live on their own with some limited assistance or ADA accessibility modifications where they currently reside. Participants were also concerned that limited options exist for persons in

need of transitional housing whether they be recently paroled, victims of domestic violence, mentally ill, physically handicapped, homeless or at risk of becoming homeless. Others cited a need for more permanent supportive housing. Participants felt that more public resources should also be identified and dedicated to homeless programs, shelters and supportive services to the homeless and elderly.

Participants were also concerned with limitations in available rental housing for the disabled and a lack of emphasis on building code standards that require new home construction to meet “visitable housing” standards. Some were concerned that information as to availability of ADA compliant housing is not readily available to those in need. As for visitable housing, participants indicated that web sites such as concrete concepts.com and data from cities with building codes that include visitable housing standards, indicates that meeting such standards will add as little as \$300 dollars in additional cost if implemented during initial construction. These standards include insuring that at least one main entry into the dwelling and at least one bathroom, downstairs bedroom and hallway are handicapped accessible.

Public Transportation and Mobility

Participants cited limited mobility and public transportation as impediments to housing choice. These limitations also included a concern for elderly and disabled persons in need of public transportation to access supportive services. Public transportation was deemed inadequate, for persons commuting to major employment centers.

3.2. Other Issues and Solutions

Attendees indicated a need to continue the City’s emphasis on mitigating the impacts of increased incidents of discrimination or impediments to housing for persons with disabilities, renters with past criminal records or prior convictions for

sexual abuse related crimes, those in need of special needs housing or facing evictions, foreclosures and homelessness.

Participants voiced support for continued emphasis on credit education and housing consumer counseling. Increased financial literacy courses taught in high schools was seen as solutions as well.

Participants cited the need for additional funding for fair housing outreach, education and enforcement, fair housing training for landlords and homeowner associations and other at risk of violating fair housing law.

Section 4: Home Mortgage Disclosure Act (HMDA) Data Analysis

Introduction

The Federal Financial Institutions Examination Council (FFIEC) gathers data on home mortgage activity from the federal agencies that regulate the home mortgage industry. The data contain variables that facilitate analysis of mortgage lending activity, such as race, income, census tract, loan type, and loan purpose. The FFIEC provides the Home Mortgage Disclosure Act (HMDA) databases and retrieval software on compact disk. Data can be summarized within the software package or downloaded in its raw form for analysis. For this analysis, the FFIEC databases were utilized for 2004 through 2009.

The data reported here are summarized by a variety of methods. Tables 4.1 and Tables 4.2 provide information for the City of Valdosta and Lowndes County. Table 4.4 provides information for Lowndes County. Tables 4.3, 4.5, and 4.6, and the charts present the data by census tract income groups. The maps, provided at the end of this section, present data according to census tracts for Lowndes County.

4.1. Analysis

Table 4.1 examines home loan activities in Lowndes County and the City of Valdosta. The data are presented by loan type, ethnicity, income, and loan purpose. In Lowndes County, White applicants represented the largest number of loan applicants at 9,566. Origination rates, defined as the percentage of applications that result in loans being made, were over 73 percent for Whites. African-Americans were the next largest applicant group with over 4,525 applications submitted and an origination rate of over 51 percent. Hispanics submitted 579 applications and had an origination rate of about 53 percent. Asian

origination rates were about 62 percent, but there were only 317 applications reported. High-income applicants showed both the highest number of applications, at 7,680, and the highest origination rate, about 89 percent. Both the number of applications and the origination rates drop significantly for all other income groups, with 4,053 applications from middle-income applicants and an origination rate of over 52 percent. Conventional loans account for the largest number of applications for loan type, at 16,057, and an origination rate of about 54 percent. Home Purchase loans reflected a 62 percent origination rate with 6,016 applications. Refinance loans show the highest number of applications for loan purpose, at 10,625, and the origination rate of about 55 percent. Home improvement loans had an origination rate of about 46 percent with 1,950 loan applications.

Isolating the census tracts within the City of Valdosta, for Loan Type, “Conventional” shows the highest number of loan applications, 6,595, and an origination rate of over 56 percent. The origination rate for FHA loans was about 70 percent. An evaluation of loan purpose reveals that home purchase loan applications were at 2,635 with an origination rate of over 62 percent. The origination rate for home improvement loans was over 47 percent and about 58 percent for refinance loans. In Valdosta, White applicants had the highest origination rate, approximately 73 percent, and the highest number of loan applications, at 10,167. The origination rate for African-Americans was about 41 percent for 3,584 applications. Hispanics had 239 applications and an origination rate of just over 50 percent. The origination rate for Asians was 60 percent with 131 applications. The origination rate for the very low-income group was over 17 percent compared to about 90 percent among high-income applicants.

Table 4.2 displays the HMDA data for the same data categories (Loan Type, Ethnicity, Income, and Loan Purpose). On this table, however, percentages are taken within category, rather than demonstrating the percentage of applications that result in loan originations. For example, the first percentage in the “% of

Originations” column indicates that 82.7 percent of originations in the county were for conventional loans compared to 53.7 percent origination rate from Table 4.1. For comparison, ethnic percentages were included under the “% Pop.” column to compare the percentage of originations by ethnic group to their percentage in the population.

Within the “Loan Type” category, “Conventional” shows the highest percentage, about 83 percent of all originations in Lowndes County. FHA loans, which are government insured, were about 14 percent of all originations. Referring back to Table 4.1, the origination rates were about 70 percent for FHA versus approximately 54 percent for conventional.

For Ethnicity, “White” shows the highest percentage of originations at 67.2 percent of the total originations in the county. The percentage of Whites in the population was 58.1 percent. African-American applicants accounted for 22.3 percent of all originations, with 35.8 percent of the total population in the county. Hispanic applicants represented about 2.9 percent of originations with 4.8 percent of the total population in the county.

The highest income group (>120% median) displays the highest percentage of originations, at about 65 percent of all originations. In contrast, the very low-income group accounts for over two percent of all originations.

The loan purpose data for the county shows that refinance loans were the most frequent purpose at over 55 percent. Home purchase loans accounted for over 35 percent of the originations. Home improvement loans accounted for about nine percent of all originations.

In Valdosta, 83 percent of all originations were from conventional loans. FHA loans were over 13 percent of all originations. In the City of Valdosta, Whites had the highest percentage of origination, 58.2 percent of the total. The percentage

of Whites in the population was 43.3 percent. African-American applicants accounted for 30.1 percent of all originations, with 51.1 percent of the total population. Hispanic applicants accounted for 2.7 percent of originations, while their presence in the population was 4.0 percent of all residents. Asian applicants represented 1.8 percent of originations with the same percent of the total population. Native American applicants represented 0.1 percent of originations with 0.3 percent of the total population. The highest income group (>120% median) displays the highest percentage of originations, over 64 percent of all originations in the city. In contrast, the very low-income group accounts for less than three percent of all originations. The loan purpose data show that refinance loans were the most frequent purpose, about 54 percent of all originations in the city. Home purchase loans accounted for over 40 percent of the originations. Home improvement loans accounted for over nine percent of all originations in the city.

Table 4.3 examines the HMDA data more closely with respect to the possibility of redlining within the county. Redlining relates to the avoidance of certain locations by mortgage lenders, where loan originations appear to be significantly influenced by undesirable characteristics of the area. Assuming that these negative characteristics can be epitomized by the lowest income census tracts (<51% median in the tables), a comparison of origination rates within these tracts to higher income tracts should shed some light on the probability of redlining. Origination rates for Lowndes County indicate that Very Low-Income applicants (<51% median) were successful 17 percent of the time, Low-Income applicants (51-80% median) and Moderate Income applicants (81-95% median) were successful about 24 percent of the time, Middle Income applicants (96-120% median) over 52 percent of the time, and High Income applicants (>120% median) 89 percent of the time. When isolating the Very Low Income census tracts, the origination rates change significantly among the middle and high-income tracts. Middle Income applicants were successful 28.3 percent of the time, almost 24 percentage points lower than their overall success in county.

Higher income applicants in very low-income tracts experienced much lower rates, as well. High Income applicants in very low-income tracts had a 35.2 percent origination rate, more than 53 percentage points lower than in the overall rate for the county.

Comparing Very Low-Income tracts to High Income tracts, large differences are noted between origination and denial rates. Within High Income tracts, Very Low Income applicants were successful 32.5 percent of the time, nine percentage points higher than High Income applicants in the Very Low-Income tracts. High Income applicants were successful 64.4 percent of the time in High Income tracts, over 29 percentage points higher than in Very Low Income tracts. Origination rates for Middle Income applicants in High Income tracts were about 25 percentage points higher than in the Very Low Income tracts. While this analysis does not provide conclusive proof that redlining exists, the expectation for higher income applicants would be for relatively equal origination rates across all census tracts. The large differences in origination rates among all income groups in Very Low and High-Income tracts, suggest that some characteristics of redlining may be occurring, with origination rates heavily influenced by location and value assigned the property, as opposed the credit worthiness of the buyer.

Table 4.4 compares origination rates between minorities and White applicants for the various loan purposes and income groups. For all loan purposes shown, White origination rates are much higher than minorities. For home purchase loans, origination rates were about 60 percent for Whites and over 34 percent for minorities, a difference of over 25 percentage points. White applicants for home improvement loans are successful almost 16 percentage points more often than minorities. The rates for refinance loans show a 14 percentage point difference.

Looking at the income group comparison, minorities actually have relatively close origination rates to Whites in the two lowest income groups. With Moderate Income applicants (81-95% MFI), White origination rates start to show an

advantage. In the High Income group (>120% MFI), White origination rates are almost 17 percentage points higher. Within each income group, Whites and minorities are entering the loan markets with relatively equal incomes.

Chart 4.1 provides a look at origination rates by census tract income for the loan types: conventional, FHA, and VA. Conventional loans have lower origination rates in all income groups than government insured loans.

Chart 4.2 shows origination rates by ethnicity and income of the census tract. Whites show the highest origination rates of all races in all income groups of tracts except Very Low-Income tracts. Though the origination rates in Asian and Hispanic categories in Very Low- Income tracts show higher origination rates than Whites, they represent low number of applications.

Chart 4.3 looks at origination rates by the income of the applicant and the income of the census tract of the property for which the loan would be applied. Ideally, origination rates should be similar among same income groups regardless of the income for the census tract where the subject property is located. The origination rates of all the income groups increase as the tract income increases. This indicates that families with similar income are more likely to originate a loan for property in a higher income census tract. Therefore, some characteristics of redlining may be present in lower income tracts in the community. The relatively small number of applications in the lower income tracts, however, makes any conclusive determination of redlining impossible.

Chart 4.4 looks at origination rates by loan purpose and income of the census tract. Applications for all loan types have a higher success rate as the tract income increases, including home purchase loans, peaking at 70 percent for the High-Income tracts. Home Improvement loans have the lowest origination rates and Home Purchase loans show the highest origination rates in all income tracts.

Maps 4.1 through 4.6 provide loan activity by census tract. The ratio of denials to originations was calculated for each loan purpose and loan type. Tracts shown in the darkest red indicate those areas where 75 or more applications are denied for every 100 applications that are originated. The red areas show 50 to 75 applications denied for every 100 applications originated. The mauve areas show 25 to 50 applications denied for every 100 applications originated. The pink areas show 0 to 25 applications denied for every 100 applications originated.

Map 4.4 and 4.6 have only pink and mauve categories representing 0 to 50 applications denied for every 100 applications originated. Map 4.2 shows the total number of loan originations by census tract. Less active areas are shown in the lighter colors, with the most active areas in dark red. Unlike the other maps, the light areas are meant to indicate areas of concern, either for a lack of loan activity or for their low rate of application originations in relation to denials. Maps 4.3 and 4.4 compare the ratio of loan denials to originations for Conventional loans and Government Backed loans. Maps 4.5 and 4.6 compare the ratio for home purchase loans and home improvement loans.

The analysis of HMDA data on the reasons for denial showed that the majority related to the applicants credit history or their debt-to-income ratio. In Valdosta, over 1,685 (53.0%) denials were attributed to the applicants' credit history in the ten years of the study. About 1,100 (34.5%) denials were due to the applicant's debt-to-income ratio in that same year and more than 400 (12.6%) were attributed to inadequate collateral. Those three categories accounted for just over 85 percent of the denials for the study period.

4.2. Conclusions

In Lowndes County and the City of Valdosta, the highest success in loan origination was found in the home purchase loan sector and the least success was in the home improvement loan sector.

Overall, the origination rates among Whites were higher than minorities in home purchase, home Improvement and refinance loans. Refinance loans were the most frequent loan type in the county and the city. The loan applications and originations were significantly lower compared to their percentage in population for African-Americans, Asians, and Hispanics in the county and the city. This is likely attributable to two issues, the lack of applications from minorities and a higher percentage of loan denials to loan applications. The reasons for lower loan originations among minorities were inconclusive based on the overall data. However, during the period between 2004 and 2009, the majority of loan denials for all applicants were related to the applicants' credit history, poor credit history, or higher debt-to-income ratio.

Additionally, while the analysis offered does not provide conclusive evidence of redlining, the data tend to suggest some characteristics of redlining may exist. Ideally, origination rates should be similar among same income groups regardless of the income for the census tract where the subject property is located. However, the origination rates for all the income groups increases as the tract income increases and decreased as the tract income decreased. This indicates that families with similar income are more likely to originate a loan for property in a higher income census tract in the county and the city. While it is expected that very low-income applicants tend to have lower origination rates, within the very low-income census tracts, even high-income applicants showed a poor success rate. However, due to very low number of applications in the lower income census tracts, any conclusive determination of redlining is impossible for the county or the city.

The disparate impact of lower numbers of loan applications, higher denial rates, and disparities in loan origination rates for minorities compared to Whites; coupled with the possibility that characteristics of redlining may be adversely impacting originations in lower income concentrated census tracts where minorities are most likely living, are indicative of impediments to fair housing.

Table 4.1

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Number of Loan Applications and Origination Rates
Valdosta and Lowndes County
2004 - 2009**

	Valdosta		Lowndes County	
	Number of App.s	Origin. Rate	Number of App.s	Origin. Rate
Loan Type:				
Conventional	6,595	56.2%	16,057	53.7%
FHA	858	70.0%	2,066	69.6%
VA & Other	215	74.5%	504	73.4%
Ethnicity:				
Native	17	32.1%	41	33.3%
Asian	131	60.0%	317	62.0%
Black	2,716	49.5%	4,525	51.4%
Hispanic	239	50.2%	579	52.7%
White	3,584	72.6%	9,566	73.3%
Other	178	25.4%	309	22.1%
Not Provided	582	37.0%	2,020	15.5%
Unknown	223	27.0%	1,271	15.0%
Income:				
<51% median (very low)	577	17.3%	1,522	16.9%
51-80% median (low)	963	22.9%	2,217	23.9%
81-95% median (moderate)	1,051	30.0%	2,796	24.3%
96-120% median (middle)	1,718	54.1%	4,053	52.1%
>120% median (high)	3,212	89.7%	7,680	88.6%
Unknown	148	13.2%	360	12.9%
Loan Purpose:				
Home Purchase	2,635	62.4%	6,016	61.6%
Home Improvement	869	47.3%	1,950	46.0%
Refinance	4,147	57.9%	10,625	54.7%
Multifamily	17	47.9%	37	47.8%
Totals	7,667	58.3%	18,627	56.0%

Table 4.2

**Home Mortgage Disclosure Act (HMDA) Analysis
Comparison of Originations Within Categories
Valdosta and Lowndes County
2004- 2009**

	# of Originations	Valdosta % of Originations	%Pop.	# of Originations	Lowndes County % of Originations	%Pop.
Loan Type:						
Conventional	3,707	83.0%		8,623	82.7%	
FHA	600	13.4%		1,438	13.8%	
VA & Other	160	3.6%		370	3.5%	
Ethnicity:						
Native	5	0.1%	0.3%	14	0.1%	0.4%
Asian	79	1.8%	1.8%	197	1.9%	1.6%
Black	1,344	30.1%	51.1%	2,326	22.3%	35.8%
Hispanic	120	2.7%	4.0%	305	2.9%	4.8%
White	2,602	58.2%	43.3%	7,012	67.2%	58.1%
Other	45	1.0%	3.5%	68	0.7%	4.1%
Not Provided	215	4.8%		313	3.0%	
Unknown	60	1.3%		191	1.8%	
Income:						
<51% median	100	2.2%		257	2.5%	
51-80% median	221	4.9%		530	5.1%	
81-95% median	315	7.1%		679	6.5%	
96-120% median	930	20.8%		2,112	20.2%	
>120% median	2,881	64.5%		6,804	65.2%	
Unknown	20	0.4%		46	0.4%	
Loan Purpose:						
Home Purchase	1,644	36.8%		3,706	35.5%	
Home Improvement	411	9.2%		897	8.6%	
Refinance	2,401	53.8%		5,812	55.7%	
Multifamily	8	0.2%		18	0.2%	
Totals	4,467	100.0%		10,431	100.0%	

Table 4.3

Analysis of Home Mortgage Disclosure Act Data, 2004-2009
Lowndes County
Analysis of Redlining in Very Low-Income Census Tracts

	# of Apps.	% Orig.	% Denied
Very Low Income Tracts			
<51% median	123	23.5%	52.3%
51-80% median	225	24.5%	51.1%
81-95% median	63	26.5%	47.4%
96-120% median	111	28.3%	47.2%
>120% median	205	35.2%	36.3%
Unknown	70	21.4%	28.3%
High Income Tracts			
<51% median	299	32.5%	43.6%
51-80% median	789	41.3%	34.9%
81-95% median	1,229	49.5%	26.4%
96-120% median	1,778	53.1%	21.1%
>120% median	3,505	64.4%	10.7%
Unknown	131	29.4%	4.2%
Difference Between High and Very Low Tracts (percentage point difference)			
<51% median		9.0	-8.7
51-80% median		16.8	-16.2
81-95% median		23.0	-21.0
96-120% median		24.8	-26.1
>120% median		29.2	-25.6
Unknown		8.0	-24.1
Origination Rates for Lowndes County			
<51% median		16.9%	
51-80% median		23.9%	
81-95% median		24.3%	
96-120% median		52.1%	
>120% median		88.6%	
Unknown		12.9%	

Table 4.4
Analysis of Home Mortgage Disclosure Act Data

HMDA Activity for Lowndes County, 2004 - 2009

	# Apps.	% of Apps.	% Denied	% Orig.
Home Purchase Loans				
Minorities	1,805	28.8%	44.5%	34.3%
White	3,671	65.2%	29.4%	59.7%
Not Provided	540	6.0%	17.5%	15.7%
Home Improvement Loans				
Minorities	2,450	25.7%	48.6%	36.7%
White	6,435	59.3%	23.1%	52.6%
Not Provided	1,740	15.0%	46.6%	20.2%
Refinance Loans				
Minorities	1,205	15.8%	28.4%	40.5%
White	4,680	61.4%	12.9%	54.8%
Not Provided	1,740	22.8%	31.7%	9.8%
Income Groups				
<51% MFI				
Minorities	183	12.0%	49.0%	31.7%
White	1,275	83.8%	45.1%	36.9%
Not Provided	64	4.2%	56.3%	9.5%
51 to 80% MFI				
Minorities	276	12.4%	40.6%	39.0%
White	1,847	83.3%	35.9%	43.3%
Not Provided	94	4.2%	51.5%	14.1%
81 to 95% MFI				
Minorities	501	17.9%	38.2%	39.7%
White	2,235	80.0%	27.6%	50.7%
Not Provided	59	2.1%	44.1%	17.0%
96 to 120% MFI				
Minorities	593	14.6%	32.7%	44.2%
White	3,386	83.6%	23.6%	54.7%
Not Provided	74	1.8%	43.0%	19.8%
>120% MFI				
Minorities	1,205	15.7%	25.8%	50.1%
White	6,149	80.1%	11.8%	66.9%
Not Provided	326	4.2%	32.7%	27.8%

Chart 4.1: Origination Rates by Loan Types by Income of Census Tracts

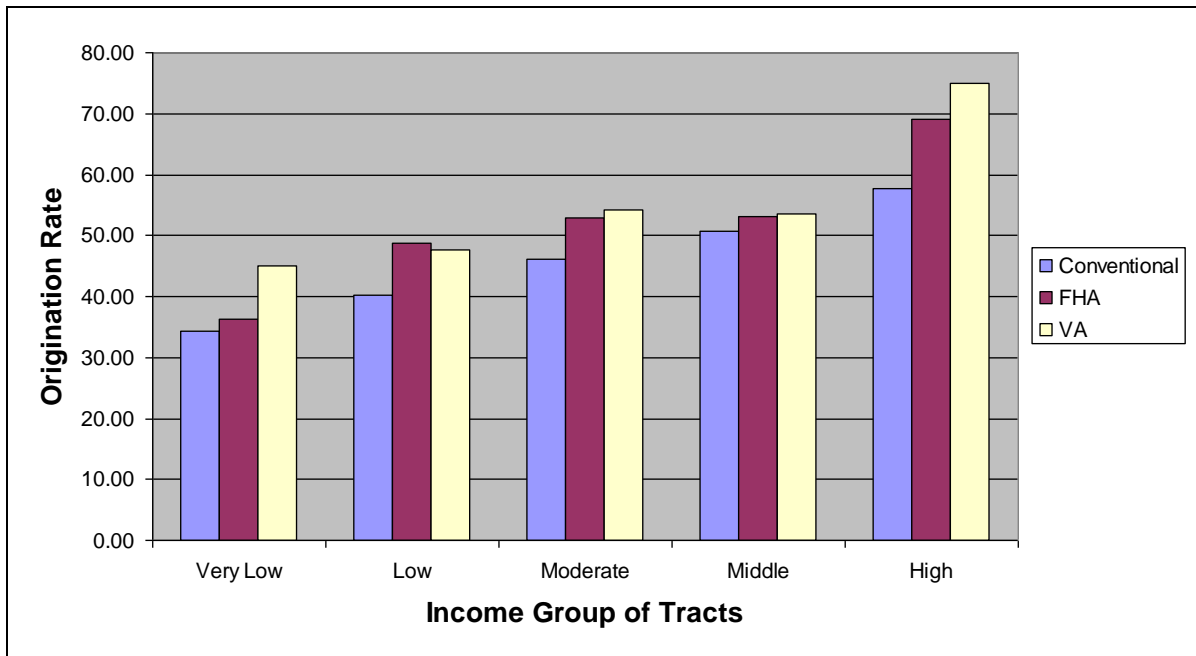


Chart 4.2: Origination Rates by Ethnicity by Income of Census Tracts

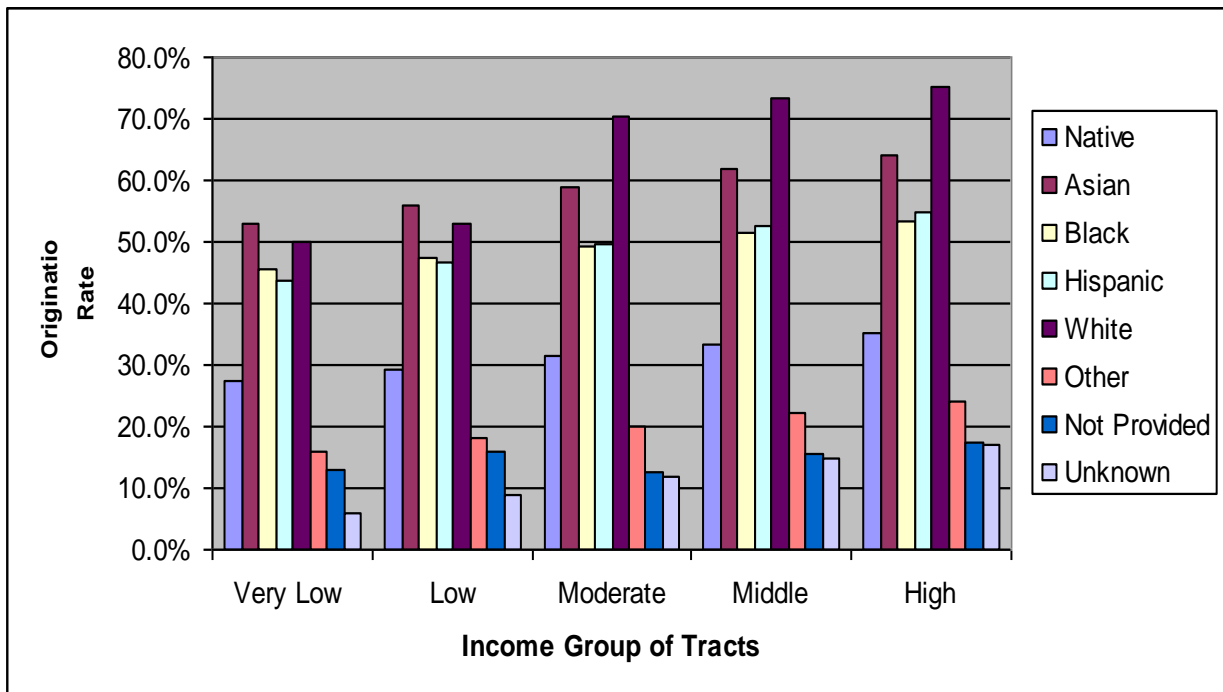


Chart 4.3: Origination Rates by Applicant Income by Income of Census Tracts

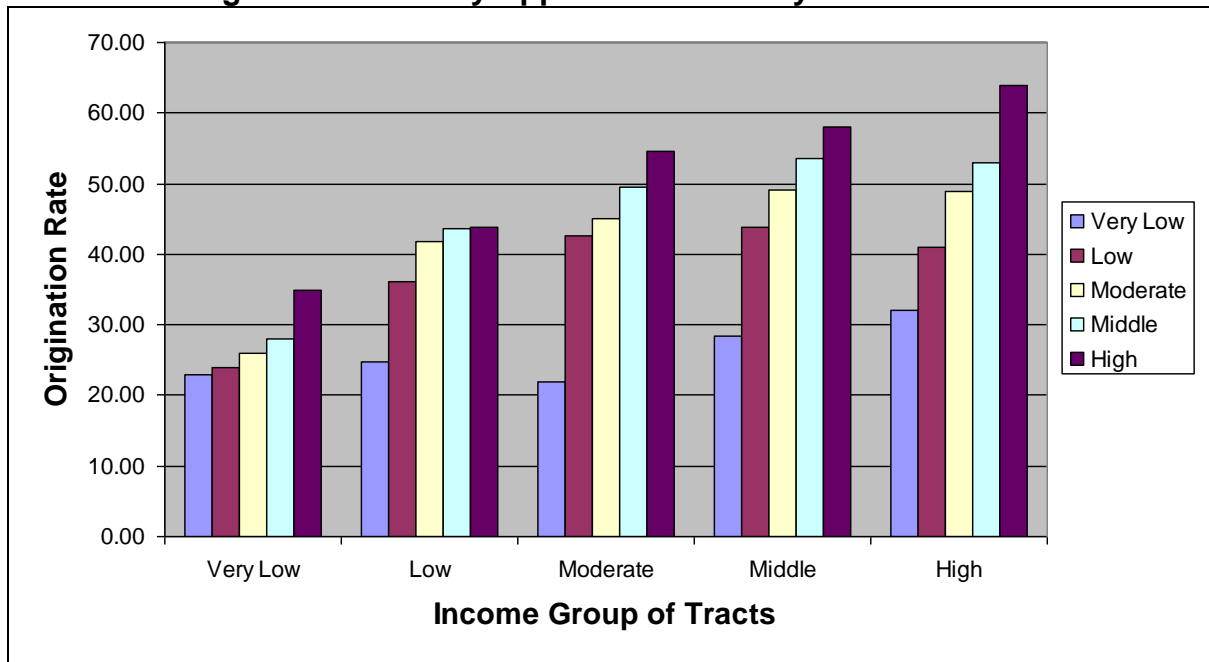
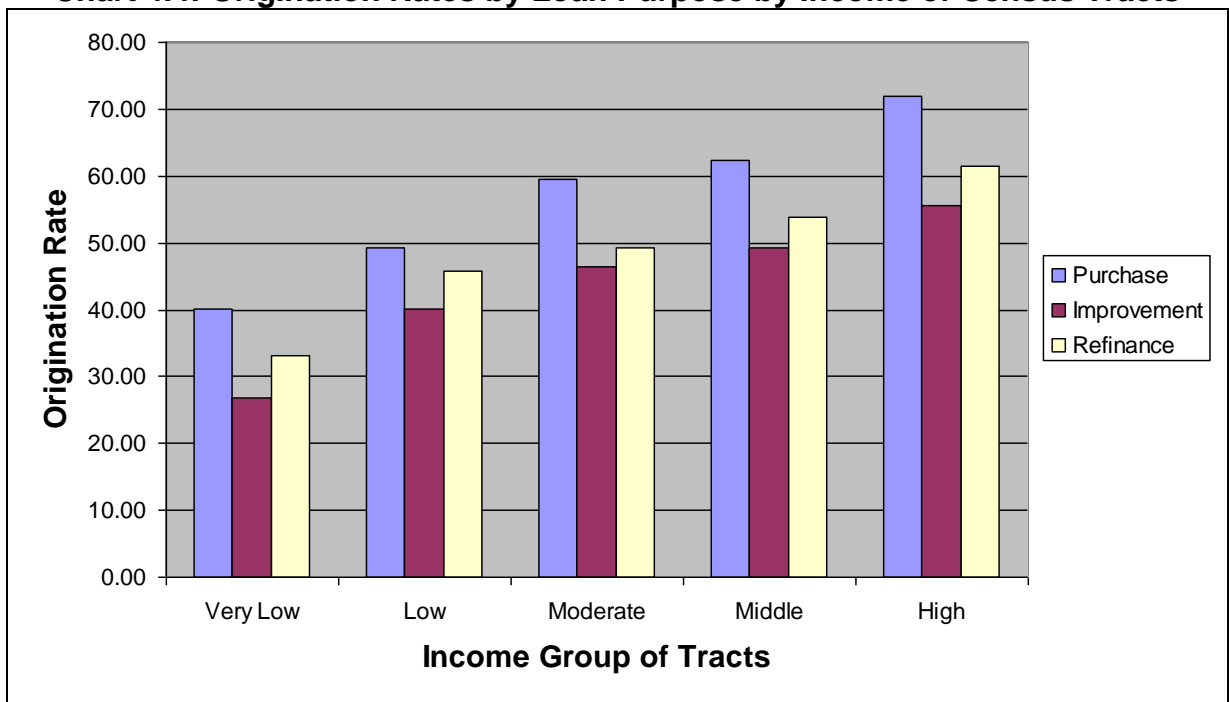
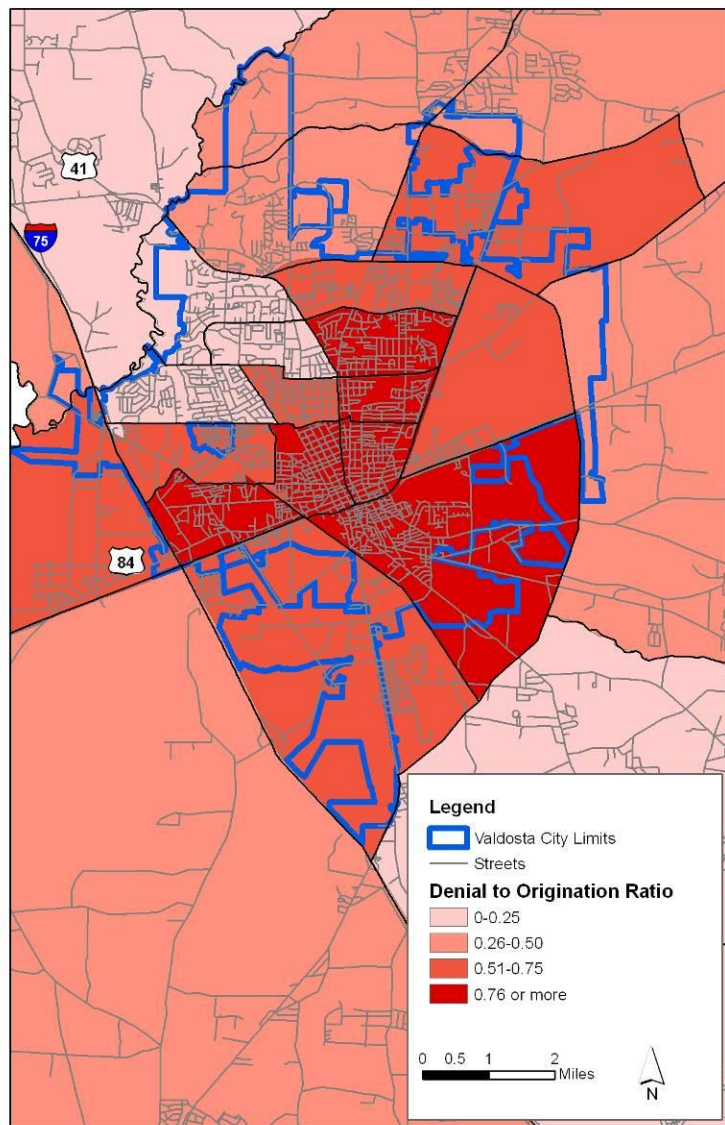


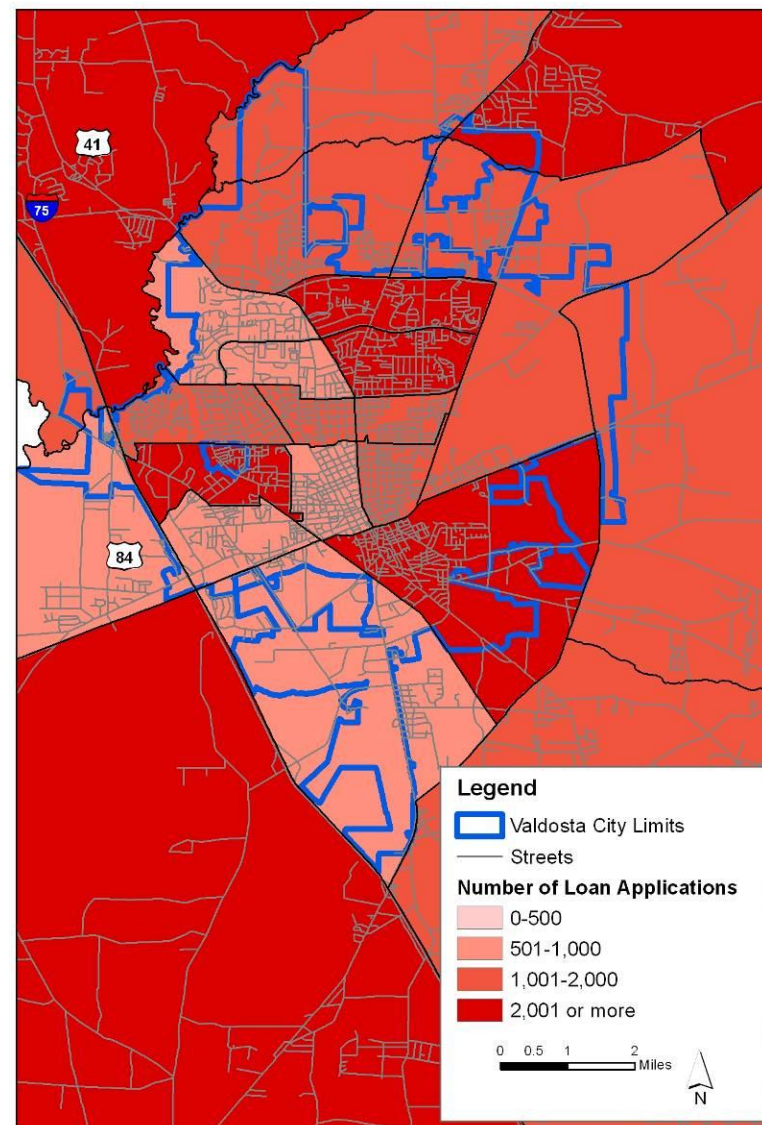
Chart 4.4: Origination Rates by Loan Purpose by Income of Census Tracts



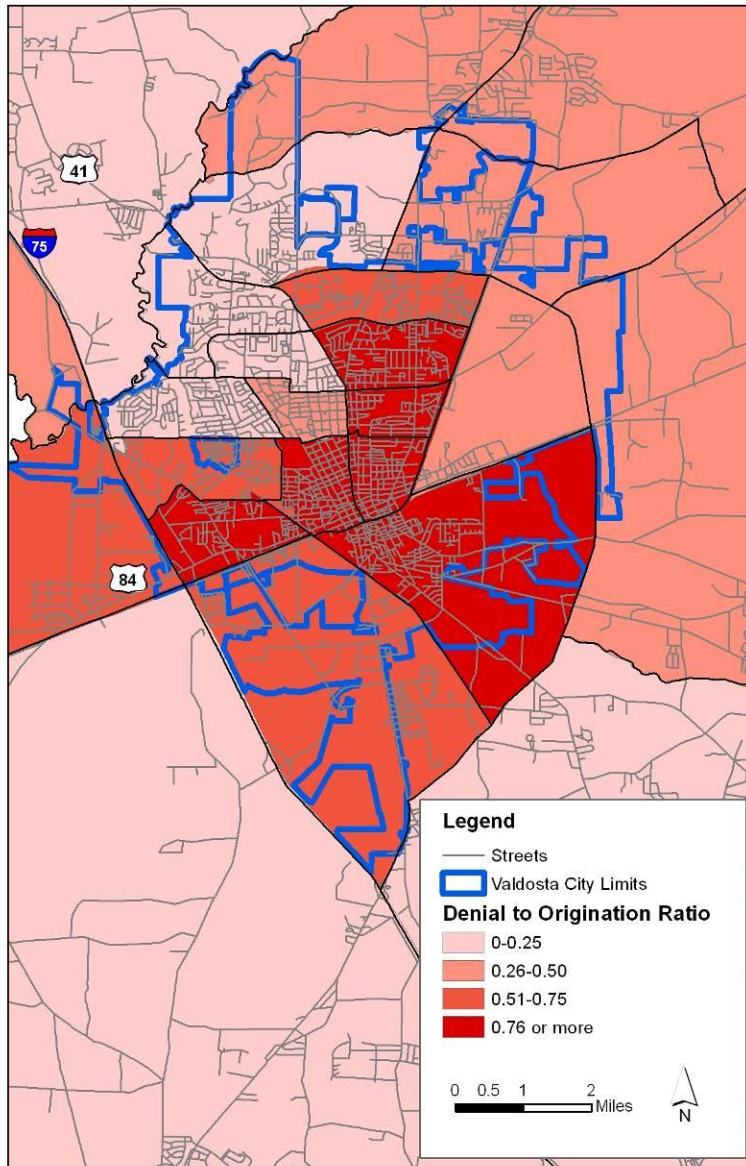
Map 4.1: Ratio of All Loan Denials to Originations, 2004-2009



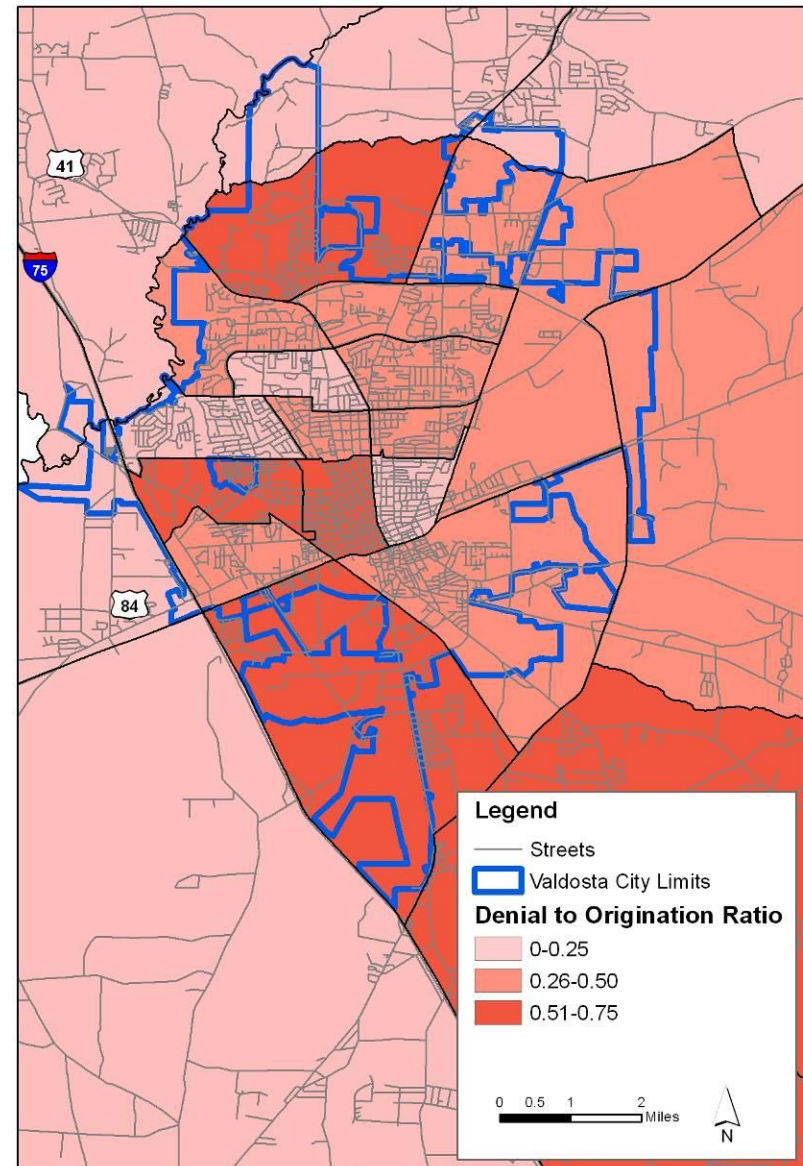
Map 4.2: Total Number of Loan Applications, 2004-2009



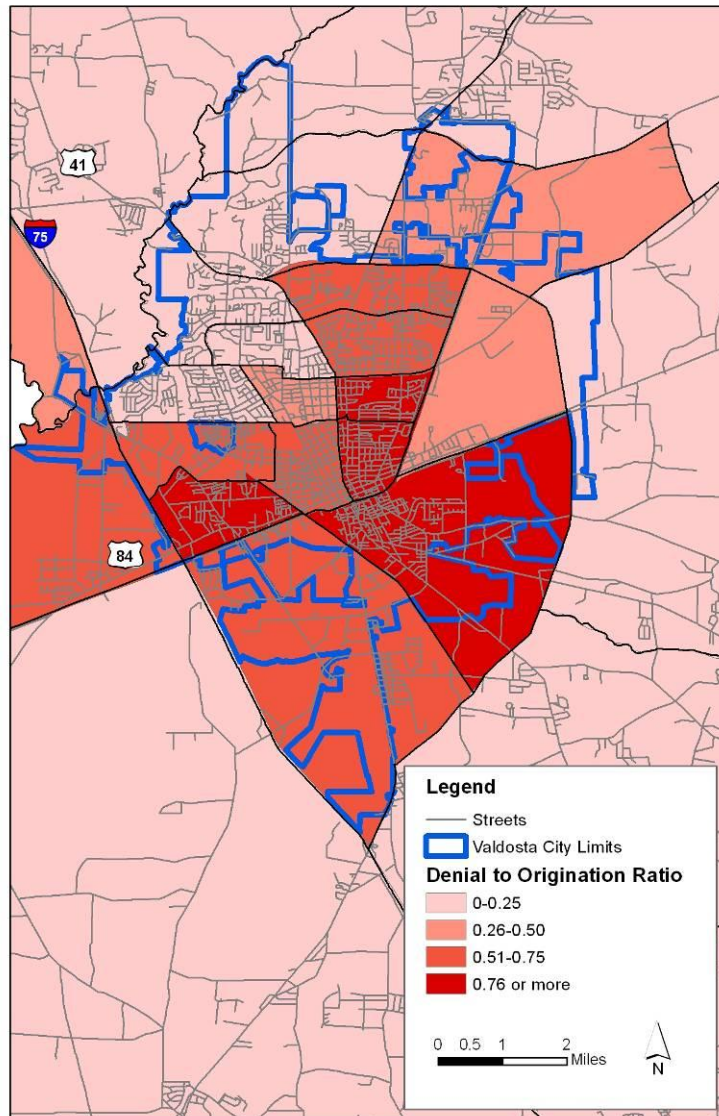
Map 4.3: Ratio of Conventional Loan Denials to Originations, 2004-2009



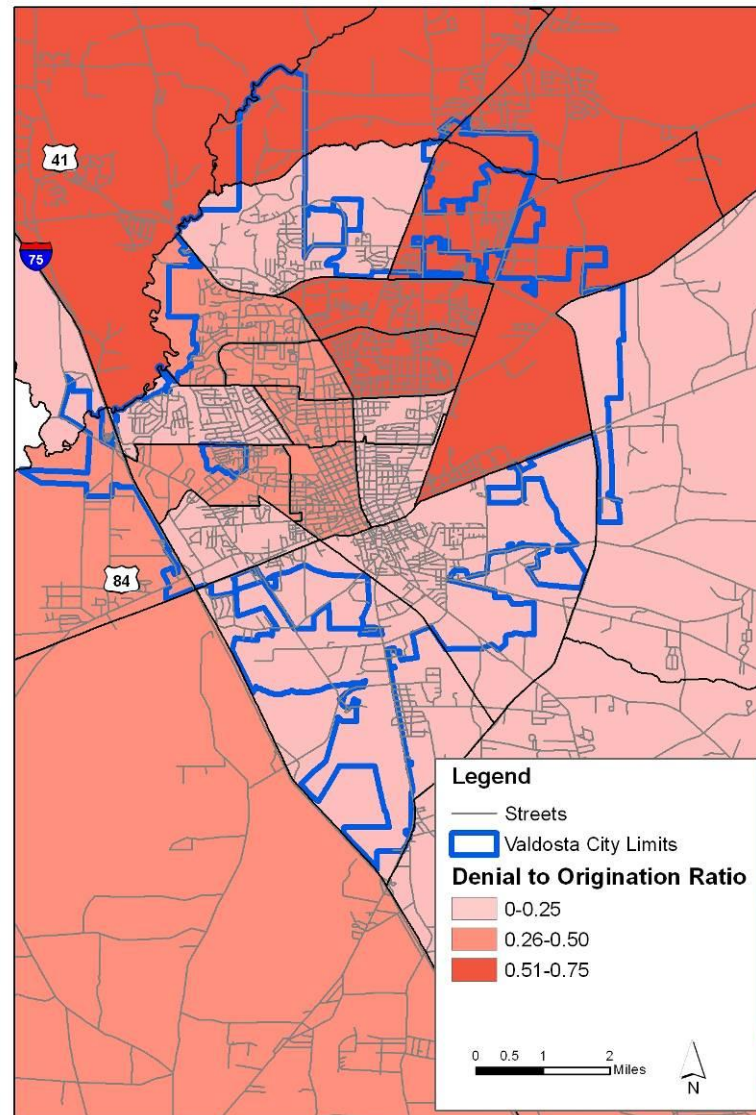
Map 4.4: Ratio of Government Backed Loan Denials to Originations, 2004-2009



Map 4.5: Ratio of Home Purchase Loan Denials to Originations, 2004-2009



Map 4.6: Ratio of Home Improvement Loan Denials to Originations, 2004-2009



Section 5: Fair Housing Index

Introduction

The Fair Housing Index is a measure developed by JQUAD specifically for Analyses of Impediments to Fair Housing. The index combines the effects of several demographic variables from the U.S. Census and Home Mortgage Disclosure Act (HMDA) data, and maps the results for all census tracts in Lowndes County. Data for ten variables, shown in the Fair Housing Index table are standardized and added to classify the conditions in various census tracts into degree of problems that may cause impediments to fair housing choice. The map provides a general indication of geographic regions within Valdosta where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing. The discussion is highly technical and contains statistical techniques that may not be familiar or easily understood depending on the statistical experience of the readers. Therefore, the findings presented at the end of this section are intended to provide a summary of the significant factors identified in this analysis.

5.1. Methodology

Data for ten variables were gathered, by census tract, for analysis. These ten variables were: percent minority, percent female-headed households with children, median housing value, median contract rent, percent of the housing stock constructed prior to 1960, median household income, percent of the population with less than a high school degree, percent of the workforce unemployed, percent using public transportation to go to and from work, and the ratio of loan denials to loan originations for 2004 through 2009 from the Home Mortgage Disclosure Act (HMDA) report published by the Federal Financial Institutions Examination Council. With the exception of the HMDA data, all data were found in the 2005-2009 American Community Survey (ACS) 5-Year

estimates of Population and Housing. Each variable contained data for every census tract in the county as defined by the ACS estimates.

When the database was complete, Pearson correlation coefficients (a statistical measure that indicates the degree to which one variable changes in relation to changes in another variable and range in value from -1 to 1) were calculated to assure that all variables displayed a high relationship to each other. It is important, in this type of analysis, that the variables selected are measuring similar aspects of the population. The results of the calculations showed that all variables displayed moderate to high degrees of correlation with other variables in the model, ranging up to 0.7035 .

Once the relationship of the variables was established, each variable was standardized. This involves calculating a Z-score for each record by variable. For instance, for the variable percent minority, a mean and standard deviation were calculated. The mean for the variable was subtracted from data for each census tract and divided by the standard deviation. The result was a value representing the distance that the data point lay from the mean of the variable, reported in number of standard deviations. This process allows all variables to be reported in the same units (standard deviations from the mean) and, thus, allows for mathematical manipulations using the variables.

When all variables were standardized, the data for each census tract were summed with negative or positive values given to each variable to assure that effects were being combined. For instance, in a fair housing environment, high minority concentrations raise suspicions that there may be problems relative to housing conditions and housing choices in the area based on correlations between these variables found in the census data. Therefore, the percent minority variable would be given a negative value. Conversely, in areas of high housing values, the current residents are likely not having problems with fair housing choice. High housing value, therefore, would be assigned a positive

value. Each variable was considered in this light and assigned an appropriate sign, thus combining effects. This new variable, the total for each census tract, was then standardized as described for the original ten variables above.

The standardized form of the total variable provides a means of identifying individual census tracts where fair housing choice is at high risk due to demographic factors most often associated with housing discrimination. With the data presented in standardized form, the results can be compared to the standard normal distribution, represented by a bell curve with a mean of 0 and a standard deviation of 1. The analysis shows High Risk areas as those census tracts with standard scores below -2.00 . Scores between -1.99 and -1 are designated Moderate Risk areas. Scores between -0.99 and 0 are reported as Low Risk and above 0 as Very Low Risk. The results are summarized in the following section.

It should be emphasized that the data used to perform this analysis do not directly report fair housing violations. The data were utilized in order to measure potential problems based on concentrations of demographic groups who most often experience restrictions to fair housing choice. Areas identified as having extreme problems are those where there is a high concentration of minorities, female-headed households, unemployment, high school dropouts, low property values, and, most likely, are areas where a large proportion of loans (conventional home mortgages, FHA or VA home mortgages, refinance, or home improvement) have been denied.

Included following the map is the correlation table (Table 5.1). MedValue is the median home value according to the 2005-2009 ACS estimates. MedRent is the median contract rent. XMinority is the percent minority. XFemHH is the percent female-headed household. XPre60 is the percent of housing built prior to 1960. MedHHI is the median household income. XLessHS is the percent of the population 25 years of age and older that has less than a high school degree.

XUnemp is the unemployment rate for the population aged 16 and older considered being in the labor force. XPubTrans is the percent utilizing public transportation to get to and from work. AllRat is the ratio of denials to originations from the HMDA data from 2004 to 2009.

5.2. Findings

Looking first at the correlation table (Table 5.1), the ratio of home loan denials to originations had high negative correlation with median income (-0.7035), and moderate to high positive correlations with the percentage of minority (0.6936) and the percentage of less than high school education (0.5881). These correlations indicate that lower income groups, minorities, and persons with no high school degree, have lower likelihood of receiving home loan originations.

The percentage not graduating from high school has a strong negative correlation to median household income (-0.6570) and median housing value (-0.6375). This indicates that non-high school graduates earn lower incomes and live in lower valued housing. The median income has a high negative correlation with unemployment rate (-0.6895). The median income has a moderate negative correlation with minorities (-0.5445). These correlations indicate that minorities and unemployed persons tend to earn lower incomes, and lower income groups are more likely to live in lower valued housing.

The correlation between percentage minority and percentage female-headed households with children is high and positive (0.6444); this correlation indicates that the minority community has a higher rate of female-headed households with children than the non-minority community. The median housing value has a moderate to high negative correlation with the percentage of female-headed households with children (-0.4985) and minorities (-0.6023), which indicates that female-headed households with children and minorities tend to live in lower valued housing.

As indicated on Map 5.1, the census tracts designated as having high risk of fair housing related problems are concentrated in the central census tracts of Valdosta. The census tracts having moderate risk of fair housing problems are located in northeastern areas of the city.

These areas of greatest concern contain the oldest housing stock, most likely in poor condition, with lower housing values and rents, and are primarily occupied by minority households that have higher percentages of households headed by females with children than that of other census tracts or areas. There is a higher than average unemployment rate and lower than average level of educational attainment.

Map 5.1: Fair Housing Index

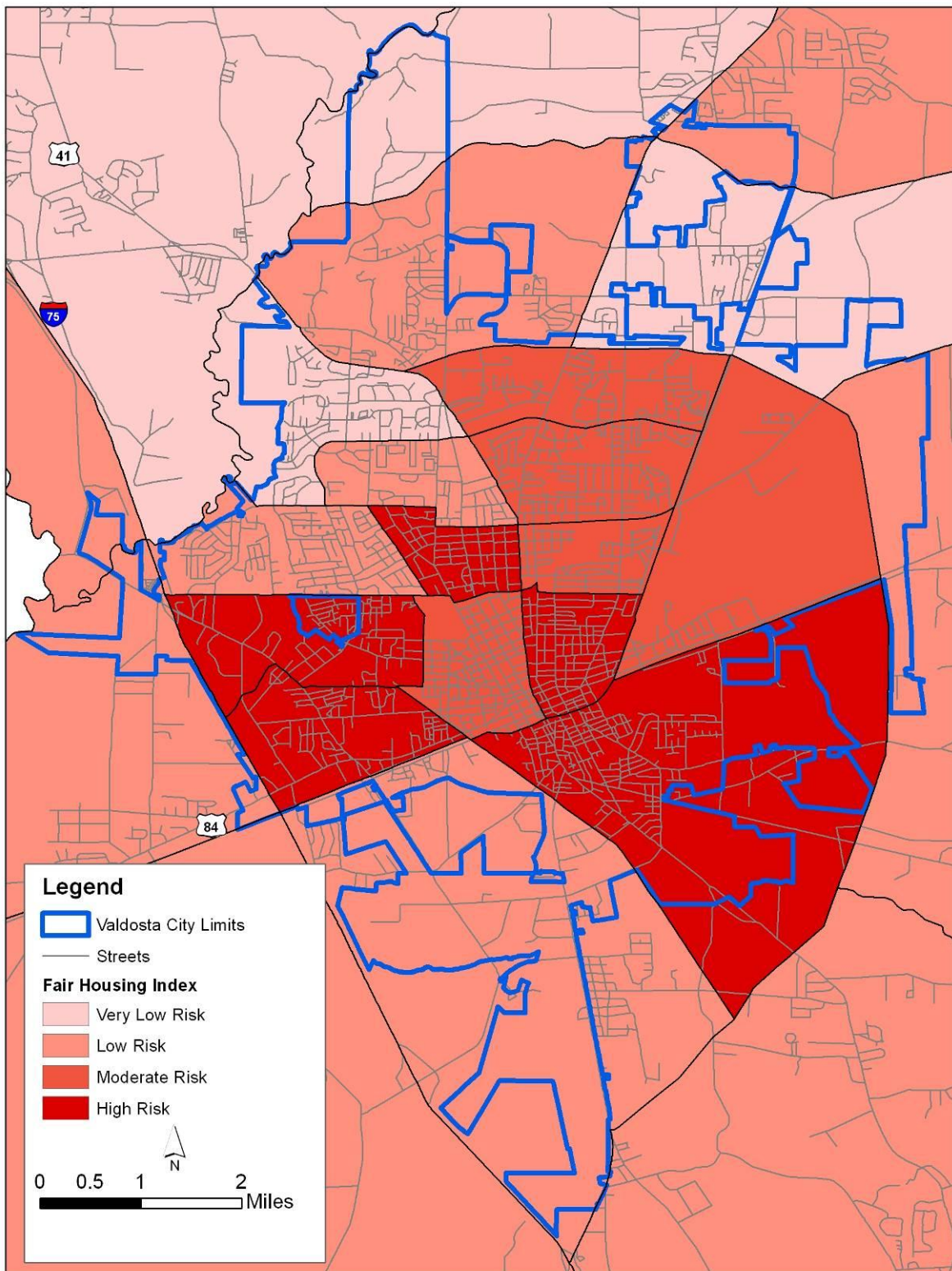


Table 5.1

Correlation Table of Index Variables

	AllRat	XPubTrans	XLessHS	XUnemp	MedHHI	XPre60	MedRent	MedValue	XMinority	XFemHH
AllRat	1.0000									
XPubTrans	0.0243	1.0000								
XLessHS	0.5881	0.4256	1.0000							
XUnemp	0.3659	0.3985	0.2967	1.0000						
MedHHI	-0.7035	-0.5001	-0.6570	-0.6895	1.0000					
XPre60	0.4276	0.4129	0.4141	0.4236	-0.4112	1.0000				
MedRent	-0.3978	-0.3001	-0.3355	-0.3330	0.4656	-0.5745	1.0000			
MedValue	-0.5847	-0.5256	-0.6375	-0.4538	0.3987	-0.4111	0.6877	1.0000		
XMinority	0.6936	0.5107	0.5001	0.3336	-0.5445	0.3237	-0.3765	-0.6023	1.0000	
XFemHH	0.4347	0.3233	0.4156	0.3434	-0.4154	0.2254	-0.4587	-0.4985	0.6444	1.0000

Variable	Definition
XFemHH	% Female Headed Households, 2005-2009
XMinority	% Minority, 2005-2009
MedValue	Median Home Value, 2005-2009
MedRent	Median Contract Rent, 2005-2009
XPre60	% of Housing Built Prior to 1960, 2005-2009
MedHHI	Median Household Income, 2005-2009
XLessHS	% Less than High School Degree, 2005-2009
XUnemp	% Unemployed, 2005-2009
XPubTrans	% Taking Public Transportation to Work, 2005-2009
AllRat	Ratio of Denials to Originations, All Loan Types, 2004 - 2009

Section 6: Impediments to Fair Housing and Remedial Actions

Introduction

This section draws on the information collected and analyzed in previous sections to provide a detailed look at fair housing impediments in Valdosta, Georgia. Four major categories of impediments were analyzed: Banking, Finance, and Insurance Related Impediments; Socioeconomic Impediments; Neighborhood Conditions as Impediments; and Public Policy Impediments. For each of the categories, impediments were identified and presented along with a summary of the issues and impacts. Remedial actions are recommended to address each impediment. Some of the remedial actions presented in this section are conceptual frameworks for addressing the impediments. Remedial actions will require further research, analysis, and final design by the jurisdiction for implementation.

Evaluating fair housing concerns is a complex process involving diverse and wide-ranging considerations. The role of economics, housing patterns, and personal choice are important to consider when examining fair housing. The City of Valdosta has prioritized funding and designed and implemented programs during their 2006 - 2010 Consolidated Plan 5 year period in response to impediments identified in the 2006 AI. Their FY 2010 Consolidated Annual Performance and Evaluation Report demonstrate the impact of their performance and implementation with housing and housing related programs and how those actions attributed to their ability to address impediments relative to housing development, advocacy, availability, affordability, rehabilitation, homeownership, financial literacy, and fair housing outreach, education and training, as previously identified in the 2006 AI. Some of 2006 identified impediments remain active as documented in this report. The impacts in some instances have been reduced, and there are new impediments to fair housing identified and reported in this report.

The City of Valdosta has demonstrated their commitment to furthering affordable housing through their Planning Departments' initiatives and Public Involvement Department's administration, design and implementation of CDBG and HOME funded programs are noteworthy. These efforts will continue to help maintain stability and strengthen older and lower income areas. The City and their nonprofit partners are encouraged to expand these efforts into other neighborhoods as a primary means of expanding fair housing choice. The impediments identified in this section can be directly linked to and supported by data and analysis from the previous sections of the report. In some instances, footnotes have provided links to the corresponding sections should the reader need to refer to those sections for more details.

6.1 Banking, Finance, Insurance and other Industry related impediments

Impediment: Impacts of Increased Foreclosures, Rising Unemployment Rates, the Sub-Prime Mortgage Lending Crises on Housing Choice, Affordability and Sustainability.

Issues and Impact: The housing foreclosure rates across the country continue to soar and the impacts are being felt throughout Georgia as well. Numerous web sites are providing numerical counts and locations for homes with foreclosure filings across the country and for jurisdictions in the State of Georgia. RealtyTrac.com listed the State of Georgia as having 78,925 foreclosures as of July 2011. Statewide, the average sales price for foreclosure properties was \$116,268 and 1 in every 355 housing units received a foreclosure filing in July 2011. According to Realtytrac.com, Lowndes County had 874 foreclosures as of July 2011. The City of Valdosta accounted for 632 of the County's foreclosures as of July 2011.

The rise in foreclosure rates may be related to both the rise in unemployment rates and the rise and fall of sub-prime lending markets. Valdosta reported an unemployment rate of 8.9% for 2010, decreasing from the average percentage rate of 9.3% reported from 2005 to 2009. However, significant disparities in unemployment rates for minorities were noted in Valdosta. The average unemployment rate in Valdosta from 2005-2009 was 14.1% for African Americans and 6.9% for Hispanics, compared to 5.9% for Whites. The average unemployment rate in Valdosta City from 2005 to 2009 was 9.7%. This meant significant loss of income for a number of households.

Sub-prime lending was also a factor with lenders offering loans to less-creditworthy borrowers, borrowers that lack sufficient down-payments to afford the property, and risk based borrowers that speculate on the real estate market by acquiring real estate with no equity investment/down-payment in hopes that the property will appreciate in value over a short period of time. These loans were generally offered at higher interest rates or through products involving adjustable interest rates and balloon payments. When the borrower cannot meet the increased mortgage payment they default and the property goes into foreclosure. Neighborhood Housing Services, NHS, and Neighbor Works America are two national housing intermediaries that have created innovative programs in Chicago, Baltimore, and New York City designed to reduce the impacts of foreclosures and sub-prime lending in those affordable housing markets.

Remedial Actions: The City should continue its support for initiatives that help reduce mortgage defaults and foreclosure rates among low and moderate income home buyers. The Valdosta-Lowndes County Habitat for Humanities affiliate has provided affordable homes and credit counseling and support to hundreds of families. Their success rate is remarkable with

as few as 2 foreclosures recorded among 102 home purchasers. Habitat is also Georgia Department of Community Affairs (DCA) certified homebuyer education agency. The City of Valdosta should also continue to promote the utilization of the State of Georgia Department of Community Affairs' Hardest Hit Fund, most notable the HomeSafe Georgia Initiative that provides "bridge mortgage assistance" to homeowners who have lost jobs or suffered severe reductions in income, allowing them to cure defaults, remain current on their mortgages and remain in their homes. We encourage the City to continue its support for this and other programs as they become available that can help to reduce the mortgage default rate and foreclosure rates among low and moderate income home buyers and existing home owners.

Impediment: Low number of loan applications for minorities and low origination rates for minority applicants.

Issues: Our analysis of Home Mortgage Disclosure Act data for Valdosta City and Lowndes County indicates that the overall experience of minority groups within the home mortgage loan market differs from that of Whites. We recognize that removal of this impediment is not solely within the control of the local governments, and that finance industry policies, consumer credit worthiness, and economic trends all impact this issue. However, it is important that the jurisdictions play a dual role of providing programming and leadership that impacts the problem. The disparity between the loan origination rates among White applicants and minorities, and the extent to which the aforementioned factors contribute to their denial rates must be addressed. This is evidenced in the HMDA analysis that shows African Americans and Hispanics accounting for the second and third highest percentages of Valdosta's population in years 2006-2010, but their percentages of loan originations are much lower compared to their percentage of population in each jurisdictions. White applicants

had the highest number of applications and highest percentage of the population.¹ The number of home purchase loan applications for Whites was 10,167 with an origination rate of 73 percent compared to 3,584 applications and a 41 percent origination rate for African Americans, and 239 applications for Hispanics and an origination rate of just over 50 percent. Origination percentages for all types of home loan applications combined, including refinance and home improvements, were higher for Whites when compared to minority applicants.²

Impacts: The lower percentage of loan applications among minority groups and lower income households indicates that fewer minority households are purchasing homes or improving existing housing conditions. In Valdosta, the Homeownership rate among Whites was 49.4 percent, compared to 30.6 percent among African-Americans, and 26.2 percent among Hispanics.

Disparity in lending practices suggests that a higher proportion of Hispanic and African American households will remain renters, thereby limiting the potential for these citizens to build equity through homeownership opportunities. A lack of home improvement loans and a higher percentage of renters among low income and minority households, and to the extent these persons are concentrated in certain census tracts or areas, suggest that persons living in such areas are not likely to receive improvements to the home they are living in and are therefore more likely to be living in substandard housing. This leads to the further deterioration of the housing stock and the evolution of minority concentrated neighborhoods. These factors combined also reduce the chance that a neighborhood can sustain

¹ As shown in HMDA Section, Whites constituted 43.3 % of Valdosta's population and 58.2 % of originations for the period of 2006 - 2010. Comparatively, African-Americans constituted 51.1 of the population and 30.1% of originations, and Hispanics (based on ethnicity rather than race so population percentages exceed 100%) constituted 4.0 % of population and 2.7% of originations. Population based on 2010 Census.

² As shown in the HMDA Analysis, which compared all loan purposed applications by race and ethnicity, show higher origination rate for White applicants compared minorities.

itself and its residents can provide the homeowner and rental maintenance necessary to maintain stable neighborhoods.

Remedial Actions: The jurisdictions should continue to increase their homebuyer outreach and education, and credit counseling efforts in order to increase the number of minorities who apply and qualify for mortgage loans. The jurisdictions should 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, as well. The jurisdictions could initiate this recommendation by discussing findings in this study relative to the HMDA data with lending institutions and ask them to develop strategies to improve the success rate among loan applications submitted by minority applicants.

The City of Valdosta has continued its support for financial literacy and credit counseling services between 2006 and 2010. Measurable success is occurring through these efforts including programs operated by the Cash Prosperity Campaign whose initiatives are directed toward improving financial literacy and financial stability. The City should continue to promote these efforts as a primary means of addressing this impediment. However, at the time of this AI, poor credit and lack of credit remain the leading cause for denial among applicants of all races and ethnicities. Financial literacy is an important factor in the successful management of personal finances, which sets the stage for all of life's important purchases such as house, car, etc. A well ordered personal budget prepares households to qualify with the best credit terms, eliminates the major obstacles in the home buying process, and enables households to build equity through homeownership. An early start in managing personal finances can prepare an individual for those major purchases. In a 2008 'Parents and Money' survey only one-fifth of parents involve their teens in the family's budgeting and spending decisions. Even fewer teach their

teens how to balance a check book, and less than one-third explain how credit card interest and fees work. The City of Valdosta should encourage lenders and the local school districts and community college districts to expand homeownership and credit counseling classes as part of the high school and college curriculum in order to help prevent credit problems rather than all resources aimed at correcting credit profiles in order to successfully qualify an applicant for a home loan origination.

One example is a program launched by the Texas Credit Union Foundation, the Texas Cooperative Extension, and the National Endowment for Financial Education (NEFE) on March 29, 2007 in Dallas, Texas. Project NEFE is part of a statewide collaborative initiative to bring the accredited High School Financial Planning Program along with comprehensive training to schools across Texas, all free of charge. Signed into law in 2005 by Gov. Rick Perry, House Bill 492 by Rep. Beverly Woolley (R-Houston), requires school districts and open-enrollment charter schools to incorporate instruction in personal financial literacy beginning with the 2006-2007 school years. The National Endowment for Financial Education (NEFE) has provided both leadership and funding for this effort. The NEFE curriculum will be used by participating Texas schools and that curriculum meets the learning objectives and standards approved by the Texas Education Agency and State Board of Education to meet the requirement.

Since 1984, The National Endowment for Financial Education (NEFE) has been addressing youth financial literacy with the nationally known NEFE High School Financial Planning Program® (HSFPP). The HSFPP consists of a seven unit student manual, instructor's guide that offers a large, continually growing collection of resources, articles, and financial tools for teachers, students, and parents. To learn more about the HSFPP, visit <http://hsfpp.nefe.org>.

Units Include:

- Your Financial Plan: Where It All Begins
- Budgeting: Making the Most of Your Money
- Investing: Making Money Work for You
- Good Debt, Bad Debt: Using Credit Wisely
- Your Money: Keeping It Safe and Secure
- Insurance: Protecting What You Have
- Your Career: Doing What Matters Most

The jurisdictions should encourage the local school district to consider NEFE funding as a possible source of financing for credit education programs in schools throughout the City. Continued emphasis should also be placed on homeownership and credit education provided through bilingual instructors and counselors to address the needs of Spanish speaking residents.

Impediment: Predatory lending and other industry practices.

Issue: Predatory lending practices continue to be a widespread concern in Valdosta. Anecdotal comments and perceptions were cited, by person interviewed and those attending the focus group sessions, suggesting unfavorable lending practices.³ The focus group participants' perception is that predatory lenders are replacing banks and other reputable financial institutions as lenders of choice in some neighborhoods. These perceptions were also supported by a growing number of pay-day loans, check-cashing, and title-loan stores observed throughout Valdosta and Lowndes County as we conducted field work and collected data. Focus Group participants were also concerned with extremely high interest rates being charged by not only neighborhood predatory lenders, but traditional banks and financial institutions for credit cards, auto loans, and other consumer loans. It should be noted that in some instances, predatory lending is fueled by a poor credit rating, limited credit history, or lack of understanding of the borrowers as to alternative lending options.

³ Focus Group Sessions and Community Engagement Section page 55.

The focus group participants were concerned that predatory lenders are aggressively absorbing the market formerly controlled by FDIC insured banks and other reputable financial institutions and fast becoming lenders of choice in some low income and minority concentrated areas. In other instances, persons facing economic hardships are being preyed upon due to their inability to qualify for traditional lending and banking services. For example, predatory businesses provide individuals with loans backed by the title to their car or house at relatively high interest rates. Lenders are quick to foreclose in the event the borrower misses a payment.

In other instances, participants were concerned with underwriting criteria used by lenders, failure to adjust ratios or provide funding with more favorable terms, or simply the influences of the foreclosure rates and sub-prime lending on mortgage approvals and higher private mortgage insurance for small loans.

Impact: Predatory lending practices often result in a lower-income household losing their home, automobile or other collateral. In some cases, focus group participants cited instances where homeowners who had already paid off their original mortgage were losing their home when used as collateral on a loan for a small fraction of the home's value. The analysis revealed limited success of minority and lower income applicants in accessing financing from traditional banks, mortgage companies and credit unions, and lower approval rates for applicants at all income levels when submitting loan applications to buy property in lower income census tracts. Perceptions of persons contributing to this analysis were that some residents are more likely to utilize the services of sub-prime lenders and check-cashing stores that may charge exorbitant interest rates and have severe default penalties. Predatory lending may further impair an individual's credit and monopolize more of a low-income person's monthly income with high interest rates and finance charges, leaving less money

for housing and necessities. Some consumers felt that they had little recourse to address adverse industry practices that impact their housing choice.

Remedial Actions: The City should encourage lending institutions to insure that banking services are extended to all areas, particularly areas within low-income census tracts, and to provide greater outreach to the low income and minority households 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. This may require establishing “fresh start programs” for those with poor credit and previous non compliant bank account practices. Lending institutions should therefore be encouraged to tailor products to better accommodate the past financial deficiencies of low income applicants with credit issues. The jurisdictions should evaluate legislation or regulations that limit interest rates at the local and state level to combat this problem as well.

The City should encourage the area Chamber of Commerce or other local entity to consider establishing a consumer hot line for receiving complaints and concerns relative to industry practices cited. Perhaps the consumer hotline function could be a collaborative effort between the City and Chamber.

6.2 Socio-Economic Impediments

Impediment: Poverty and low-income among minority populations impacting fair housing choice.

Issues: For many households, low or no income is a major factor preventing their exercise of housing choice. Minority populations in the City of Valdosta are confronted with an even higher percentage of their populations living in poverty compared to Whites. The 2005 - 2009 ACS Census averages shows a poverty rate of 24.7 % citywide compared to 20.9 % for White households and 35.0% for African Americans. The 2005-2009 ACS data for Hispanics shows low estimates for households living in poverty but high margins of error, so we have not drawn a comparison for Hispanic households in the City. Of equal concern is the poverty rate for children under the age of five years. The poverty rate among young children in Valdosta was 50.6 % for African American households, compared to 5.2% for children in White households under the age of five.

In Valdosta, 21% of Whites had incomes below \$15,000 compared to 28.1% of African Americans and 7.6% of Hispanics. As the cost of housing increases, mortgage underwriting standards tighten, and the credit worthiness of borrowers' decreases, many homes will be priced above any reasonable rate for purchase or rent by lower income households. Additionally, as property values rise, minorities' housing choices tend to be even more limited to areas with the oldest housing stock, and in the poorest conditions. Factors such as family size, education, access to public transportation and job skill levels, and unemployment are also major contributors to the plight of these households.

Impacts: Households experiencing a severe lack of income and those unemployed typically face limitations in fair housing choice. Housing is often segregated by income class and sometimes by race or ethnicity. Their housing choices are more likely to include housing stock in poor condition, located in areas where there are higher reported incidents of criminal activity, and areas less conducive to improving a person's quality of life. Children from these households are more likely to grow up in an

environment that sometimes dooms them to replicate their community's living standards, continuing the cycle of poverty for generations to come. Focus group participants voiced a perception that certain areas of the City and County are home to a disproportionate number of low-income persons, living in substandard single family rental housing, multifamily housing developments and mobile home parks. Participants indicated that the concentration of poverty is not only a concern with regard to social equity and the plight of renters, but poverty is also having a significant impact on the condition and quality of single family housing in the neighborhoods where there are high concentrations of homeowners. In areas where a majority of homeowners cannot afford routine maintenance, poor housing conditions may quickly become the prevalent state of affairs. Lack of job opportunities and lack of sufficient income to afford decent housing were cited as concerns.

Remedial Actions: The City and its local partners should continue to work on expanding job opportunities through job training, workforce readiness, 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 aimed at reducing unemployment and expanding the base of higher income jobs.

The State of Georgia has been very aggressive in creating legislation aimed at improving economic conditions in the State. State legislation including the Enterprise Zone Employment Act, the Georgia Urban Redevelopment Law, and Georgia Business Expansion Support Act has resulted in programs such as Opportunity Zones and Job Tax Credits being utilized in Valdosta and having measurable success. Wiregrass Technical College, Lowndes County Industrial Authority, and other community partners have initiated programs that are effectively addressing these issues as well. A particular focus of these programs are

on workforce readiness and recruiting jobs that best mirror the skills and education levels of those populations most in need of jobs. For Valdosta and Lowndes County, this means jobs that support persons with a high school education, GED's and in some instances, community college or technical training. The workforce demographics show a need for jobs paying minimum wage to moderate hourly wages. The jurisdictions should continue to support agencies that provide workforce development programs, job training and continuing education courses to increase the educational level and job skills of residents. The goal should continue to be to increase the GED, high school graduation, technical training, and college matriculation rates among residents.

Workforce readiness and access will help with the recruitment of industries such as "call centers", clerical and manufacturing jobs. Call centers and customer service centers where employees are recruited to process sales or provide customer service support for various industries, have become more and more attracted to areas with similar demographics to that of Valdosta and Lowndes County. The combination of lower priced land, government incentives for relocation and the workforce to support their industries, have all become incentives in recent years.

Lowndes County and Valdosta City, in conjunction with the local partners, should continue its efforts to recruit industries that match the demographics of the populations experiencing high unemployment, as a means of decreasing poverty rates, and increasing incomes and home ownership rates. These industries usually provide the necessary training for persons to very quickly assume the jobs they provide. Recruiting such industries will assist in increasing the local tax base while serving to provide the necessary income for more persons to earn a living wage and improve their ability to qualify for home ownership.

Impediment: High Poverty and lower incomes among minority populations and lack of access to healthy, affordable food choices.

Issues: For many households, low access to healthy, affordable food translates into a higher incidence of nutrition-related diseases, including diabetes and heart disease and is a major factor preventing their exercise of housing choice.

Impacts: A food desert is any area where healthy, affordable food is difficult to obtain. It is prevalent in rural as well as urban areas and is most prevalent in low-socioeconomic minority communities. Food Deserts are also associated with a variety of diet-related health problems. Recently highlighted in the City of Shreveport, Louisiana, low access to healthy, affordable food translates into a higher incidence of nutrition-related diseases, including diabetes and heart disease, says Grace Peterson, of the LSU Agricultural Center, who helped formulate the recent Shreveport/Caddo master plan outlining this issue. At a time when people in Shreveport are scouring their newspaper's weekly grocery ads for the best deals, some people also must consider whether it is worth the effort. For they live in food deserts, urban areas with little access to healthy, affordable groceries within walking or biking distance of their homes. For them, a trip to the store can mean waiting in the elements at a bus stop, perishable goods in hand, or laboring to get a heavy bag of produce into a taxi. It's enough to make them settle for fast-food outlets that often are a characteristic of food deserts.

When divided by census tracts, Shreveport has 22 food deserts, according to the U.S. Agriculture Department's Economic Research Service (ERS). Within these areas live 63,291 people, 64.5 percent of whom have low access to a supermarket or large grocery, ERS data show nearly 11 percent of those with low access have no vehicle at their disposal. Shreveport's food deserts span the city from the north to the south-

southwest. They range from the Russell Road area south of Southern University and Dr. Martin Luther King Jr. Drive, where 72.5 percent of the 5,728 residents of that census tract have low access, to the tract that flanks Line Avenue between Southfield Road and just north of state Highway 3132, where the rate is 29.3 percent among that area's 6,890 residents.

Among the goals outlined in the Shreveport/Caddo Parish plan is ensuring that all residents have reasonable access in close geographic proximity and are well informed about nutrition. This will be difficult given the City's Business dynamics and their lack of support for investing millions in construction of a supermarket every square mile. So locally, the focus thus far has been on providing fresh produce through a quarter-acre urban farm and teen-run market in the Valencia Park area and 11 other community gardens. Peterson, who heads an eight-member Caddo food system task force formed as a result of the master plan, wants to expand that. The City applied for and received a federal grant for additional gardens, each of which costs \$3,000 to \$4,000 to start plus funding for educational and support services.

Remedial Actions: The City of Valdosta and its local partners should continue its efforts to reduce the impacts of poverty. Valdosta Healthy Living and its Healthy Living Taskforce continue to provide programming and promotional outreach that encourages improving attitudes and wellness to achieve healthier lifestyles and conditions. Programming includes the Partnership Health Center, Cancer Fund, Med Bank, and Southern Wellness and Disease Management. The City of Valdosta Downtown Farmers Market promotes access to healthy food choices and provides education on nutrition and healthy eating. We recognize that poverty related impediments are not likely to be eliminated, but we applaud and encourage the City and its local partners to continue to improve local conditions.

We also recommend that the City of Valdosta consider applying for 2012 USDA Food Desert and other related Grant funding. The Department of Agriculture (USDA), Deputy Agriculture Secretary Kathleen Merrigan announced on June 3, 2011 approximately \$10 million in funding for the Farmers Market Promotion Program (FMPP) to help increase availability of local agricultural products in communities throughout the country. These grants will put resources into rural and urban economies to create and support direct marketing opportunities for farmers. Secretary Merrigan indicated that this year USDA will place emphasis on food deserts because America's low income and underserved communities need greater access to healthy, fresh food.

In fiscal year 2011, USDA's Agricultural Marketing Service (AMS) will competitively award grants to projects that develop producer-to-consumer market outlets, including but not limited to farmers markets, community supported agriculture, and road-side stands. Priority status will be granted to those projects that expand healthy food choices in food deserts. AMS will continue to target 10 percent of grant funding toward new electronic benefits transfer projects at farmers markets.

USDA, in coordination with the Departments of the Treasury and Health and Human Services, seeks to eliminate food deserts in the U.S. by increasing access to fresh, healthy and affordable food choices for all Americans, while expanding market opportunities for farmers and ranchers. Through a suite of funding options, the federal partners are targeting food deserts or areas with limited access to affordable and nutritious foods in urban, rural and tribal neighborhoods. Earlier this year, USDA's Economic Research Service released a Food Desert Locator tool online. The Food Desert Locator is an Internet-based mapping tool that pinpoints the location of food deserts around the country and provides data on population characteristics of census tracts where residents have

limited access to affordable and nutritious foods. To use the Locator, visit www.ers.usda.gov/data/fooddesert.

Because of changes to the program in fiscal 2011, applicants should visit the FMPP website for full details about food deserts and assistance in applying. The “FMPP Pre-Application Guide” also helps applicants assess their readiness for implementing a federally-funded grant project, and the “How to Apply for an FMPP Grant” tutorial will guide them through completion of the application. These and other tools can be found at <http://www.ams.usda.gov/FMPP>.

Information on how to apply for a FMPP grant was published in the June 1, 2011, Federal Register, and posted to <http://www.ams.usda.gov/FMPP>. FMPP deadline requirements have changed. This year complete applications must be received – not postmarked – by AMS no later than close of business on July 1, 2011. Applications received after the deadline – and incomplete applications – will not be considered. For more information, contact in writing: Carmen Humphrey, Program Manager, Farmers Market Promotion Program, AMS, 1400 Independence Avenue, SW, Room 4509 – South Building, Washington, DC 20250; call (202) 720-8317; or fax (202) 690-0031.

6.3 Neighborhood Conditions Related Impediments

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

Issue: While neighborhoods in the City of Valdosta are relatively stable today and its housing stock in fair to good condition, area conditions will decline if routine and preventive maintenance does not occur in a timely manner. The population is aging, which means more households with

decreasing incomes to pay for basic needs. This increase in elderly households coupled with the steady rise in the cost of housing and the cost of maintaining housing means that many residents will not be able to limit their housing related cost to 30 percent of household income and still maintain their property. Rental property owners will be faced with increasing rents to pay for the cost of maintenance and updating units rendering rental units unaffordable to households as well. Government programs utilizing HOME and CDBG HUD funding and other sources impact only a small percentage of those in need of assistance. Increased support from volunteers and community resources will be needed to close the gap between total needs and resources available.

Impact: Neighborhood organizations in conjunction with homeowners and renters must devise a means for residents and landlords to keep pace with the maintenance demands of housing, an aging housing stock, and support for those persons unable to maintain their properties on their own. This will enhance and support a healthy neighborhood “Image and Identity” and help attract new residents and retain existing residents and businesses. An essential component of this recommendation will include becoming healthier, sustainable neighborhoods, able to meet the essential quality of life needs of residents and improving the physical character of the neighborhood. In some neighborhoods, these attributes are viewed as negative and uninviting both internally by residents and externally by the community at large. Some neighborhoods are viewed as unsafe and a haven for criminal activities. Whether this is reality or a perception, it has a detrimental effect on the image of the neighborhood either way.

Neighborhood assets must be protected and improved. Structures should be strategically removed if found to no longer contribute to the well being of the community. Maintaining vacant lots, including clearing weed, litter, and junk, and maintaining tree growth, would immediately improve the

appearance of neighborhoods. Other amenities such as providing streetscape enhancements in the medians and pedestrian areas along residential streets, adding street lighting, sidewalks, shrubs, and new development on vacant lots, would significantly improve the neighborhoods. Most of all, there is a need to revive the “sense of community and trust” and encourage participation and cooperation from residents to maintain their homes, yards, and surroundings and to actively participate in community empowerment activities such as Crime Watch, neighborhood associations and self help initiatives.

Remedial Actions: The City of Valdosta, in conjunction with the Valdosta Housing Authority should apply for a **2012 HUD Choice Neighborhood Planning Grant**. The U.S. Department of Housing and Urban Development announced June 3, 2011 that \$3.6 million in Choice Neighborhoods Planning Grants will be awarded in fiscal year 2011 to assist in the transformation, rehabilitation and preservation of public housing and privately owned HUD-assisted housing, and surrounding distressed neighborhoods. A total of \$100 million was included in the final Continuing Resolution of 2011 Appropriation Bill for HOPE VI, which included the Choice Neighborhood Planning Grants funding.

In announcing the Choice Neighborhoods Initiative, HUD Secretary Shaun Donovan said the program is intended to reward communities that use innovative tools to tackle concentrated poverty holistically. The initiative expands on the success of the HOPE VI program by recognizing that communities must link affordable housing with quality education, public transportation, good jobs and safe streets.

As part of HUD’s overall plan to revitalize areas of concentrated poverty, the Choice Neighborhoods Planning Grants are intended to help transform distressed public and assisted housing into sustainable, mixed-income

housing that connects to key services, such as education and transportation, and supports positive outcomes for the neighborhood's families. Eligible applicants are public housing authorities, local governments, nonprofit organizations, and for-profit developers that apply jointly with a public entity. Applicants must demonstrate their plan to revitalize the neighborhood through public-private partnerships that seek to develop high-quality public schools and early learning programs, public transportation, and improved access to jobs and well-functioning services.

These grants will enable communities to create a comprehensive "transformation plan," or road map, to transform public and/or assisted housing within a distressed community to create a "choice neighborhood". This Federal support provides a significant incentive and catalyst for the local community to take critical steps toward neighborhood transformation. At the time of this report, applicants had until August 8, 2011 to apply for the 2011 Choice Neighborhoods Planning Grants. HUD anticipates awarding approximately 17 to 22 grants with a maximum award of \$300,000 each. HUD at its discretion may award additional grants with remaining 2010 appropriations for this initiative. Applications must focus on the revitalization of at least one distressed public and or HUD assisted housing development and may target more than one. Distressed includes income and racial concentration in addition to obsolete or deteriorated conditions. The neighborhood surrounding the distressed development must be distressed as well. A match of at least 5 % of the grant is required.

The Choice Neighborhoods initiative will transform distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods by linking housing improvements with appropriate services, schools, public assets, transportation, and access to jobs. A strong emphasis will be placed on

local community planning for access to high-quality educational opportunities, including early childhood education. Choice Neighborhoods grants will build upon the successes of public housing transformation under HOPE VI to provide support for the preservation and rehabilitation of public and HUD-assisted housing, within the context of a broader approach to concentrated poverty. In addition to public housing authorities, the initiative will involve local governments, non-profits, and for-profit developers in undertaking comprehensive local planning with residents and the community.

Additionally, the Department is placing a strong emphasis on coordination with other federal agencies, with the expected result that federal investments in education, employment, income support, and social services will be better aligned in targeted neighborhoods. To date, the Departments of Education, Justice and Health and Human Services are working with HUD to coordinate investments in neighborhoods of concentrated poverty, including those targeted by Choice Neighborhoods.

Remedial Actions: The City should continue its efforts in providing volunteer based initiatives aimed at improving housing conditions and neighborhood stability. In June 2011 more than 370 youth participated in the repair of over 34 homes of the elderly and disabled in Valdosta as part of the City of Valdosta and Southern Hospitality Group "Work Camp" initiative. Recognizing the success of these and other initiatives, our recommendation is that current activities be continued, and that the City consider expanding volunteer activities as funds become available. Other activities that could be considered include:

- **Increase self-help initiatives such as "fix-up," "paint-up," or "clean-up" campaigns and "corporate repair projects".** In order to increase resources available for these efforts, neighborhood residents, religious institutions, community organizations, individuals, and

corporations would be recruited to participate in the repair to homes occupied by elderly, disabled, and indigent homeowners through organized volunteer efforts involving their members and employees.

- **Implement a Youth Build and Repair Program in conjunction with the local school district.** Youth Build is a U.S. Department of Housing and Urban Development (HUD) program that teaches young people how to build new homes and repair older ones. HUD offers competitive grants to cities and non-profit organizations to help high-risk youth, between the ages of 16 and 24, develop housing construction job skills and to complete their high school education.
- **Organize a “Compliance Store”** where home builders, building supply stores, merchants, and celebrities, such as radio and television personalities, are used to demonstrate simple, cost effective ways to make improvements to houses and donate building supplies for use in self-help projects. The supplies and storage facility for supplies could be provided to enrollees by building supply stores, contractors, and hardware stores.
- **Organize "adopt-a-block" and "adopt-an-intersection" campaigns** where neighborhood groups, residents, scout troops, and businesses adopt key vistas and intersections to maintain and implement beautification projects, such as flower and shrub plantings and maintenance.
- **Continue promoting Community Gardens as interim uses on select vacant lots** provide an opportunity for neighborhood residents to work together to increase the attractiveness of their neighborhood. Formats for community gardens range from attaching simple window boxes to homes along a street reflecting a common theme,

coordinating garden planting, or converting a vacant lot that may previously have been an eyesore in the neighborhood into a flower or vegetable garden tended by members of the community. Naturally, ownership of a vacant lot is an issue to be resolved before gardening begins. The County Assessor can provide information on the ownership of the property, including a mailing address. If the lot is privately owned, permission to use the lot must be received from the owner. If the property is owned by the County or expropriated, ownership of the property might be transferred to a local non-profit organization or neighborhood association. While the costs of plant materials and supplies are an important consideration for community gardens, many nurseries and home improvement stores offer discounts for community improvement projects.

6.4 Public Policy Related Impediments

Impediment: Increased public awareness of fair housing rights and local fair housing legislation and local enforcement should be evaluated.

Issues: The City of Valdosta and State of Georgia have enacted Fair housing legislation that contains all of the requisite provisions to pass HUD's scrutiny as a substantially equivalent law. The State has designated the Georgia Civil Rights Department - Georgia Commission on Equal Opportunity, a FHAP agency, to receive complaints and provides enforcement throughout the State of Georgia. The City of Valdosta is part of the enforcement geography afforded enforcement coverage by the Atlanta Regional HUD FHEO Office. While the current system provides an acceptable process for filing and investigating fair housing complaints, increased local fair housing outreach, education and training would be an

important step toward raising local awareness and establishing more effective local Fair Housing Policy.

Fair housing complaint information was received from the U.S. Department of Housing and Urban Development. The data received from HUD provides a breakdown of complaints filed for Valdosta from January 1, 2008 through April 30, 2011. During this period, no complaints were filed according to one of the seven bases under the Federal Fair Housing Act: National Origin, Color, Religion, Familial Status, Handicap, Sex, and Race. The most recent cases according to HUD were filed in 1992 and 1994.

The fact that there were no reported complaints for Valdosta since 1994 is a major concern given the local and State Fair Housing Legislation and State and HUD enforcement. While we were unable to determine what factors attributed to no complaints filed over the past 16 years, we are concerned that the public's awareness relative to their fair housing rights may be a major contributing factor. We believe that local fair housing outreach, education and training must be increased, as an important step toward raising local awareness and establishing more effective local Fair Housing Policy.

Impacts: Most communities benefit greatly from having local fair housing legislation, effective outreach, education and training, and local enforcement. Most jurisdictions also have benefited from enforcement and outreach through a State having received FHAP and FHIP funding from HUD to enhance its fair housing education and outreach programs, enforcement and activities. However, these efforts have not generated filing of fair housing complaints since 1994. With little knowledge of their rights, the general public and potential buyers or tenants may not realize

that their rights have been violated or how to seek remedies offered by federal and state enforcement agencies.

Remedial Actions: The City of Valdosta should continue increasing fair housing education and outreach in an effort to raise awareness and increase the effectiveness of its local fair housing ordinances. Other alternatives for increasing awareness and effectiveness of fair housing include providing local enforcement. However, community development resources are limited and therefore local enforcement would necessitate additional funds for investigation and enforcement and expansion of outreach and education. We do not recommend this approach at the current time assuming the State continues its' enforcement services in the local jurisdiction.

Future consideration should be given to a regional approach to local enforcement, perhaps through a partnership of other local jurisdictions and the City of Valdosta, and a joint application for FHAP and FHIP funding being submitted to HUD. The City of Valdosta should all continue to target fair housing education and outreach to the rapidly growing Hispanic and immigrant populations.

Impediment: Inadequate Public Transportation and Lack of Mobility for Elderly, disabled and low and moderate income households.

Issues: Reduced funding for public transportation has virtually eliminated public transportation in the City and County. We acknowledge that the Cities and County are limited in their ability to respond to this impediment due to local fiscal constraints and limited federal funding for public transportations.

Impacts: As a result of the limited funding, the public transportation agency has limited routes and schedule. Many areas of the City and County have limited access to the public transportation network or buses run limited schedules. Riders that can no longer utilize the network to get to work now have to rely on rides with friends, special trips by family members to deliver them to their worksite, or, sometimes, taxi rides to the worksite.

Remedial Actions: The City and County continue to explore alternative methods of providing increased funding for public transportation and to provide more extensive routes and schedule or identify alternative methods of providing public transportation including organized car pools or private bus systems that could be subsidized to provide a cost effective means of getting people to their place of work. We noted during the focus group sessions that the City and County officials have continued their discussions of possible alternatives and continue to seek alternative funding for public transportation and strategy for addressing the issues. However, the solution to this impediment remains very much an issue of funding to pay for the service.

Impediment: A lack of public policy in support of and a limited supply of affordable housing and high concentrations of public and assisted housing in minority concentrated areas of the City.

Issues: Reduced federal funding for public and assisted housing has contributed to limitations in housing choice. We acknowledge that the Cities and County are limited in their ability to respond to this impediment due to local fiscal constraints. However, alternative ways of providing local funding for affordable housing is needed.

Impacts: As a result of the decreased federal funding for public and assisted housing, the number of affordable housing units remain limited and resources for rental assistance, owner occupied rehabilitation, and housing assistance to first time home buyers to become homeowners are inadequate to meet local demand.

Remedial Actions: It is recommended that the City of Valdosta expand opportunities to **increase the supply of assisted and affordable housing in non minority concentrated areas of the City through incentivized development regulations and public policy** in support of affordable housing. This would compliment and leverage City entitlement resources such as CDBG and HOME and HHA Annual Contributions Contract funded programs that are currently the primary sources of funds available for such activities. Incentivized programming could also support eligible person in the market utilizing Section 8 Vouchers in acquiring affordable housing within the non minority concentrated areas and in Class A multifamily developments where existing market rents exceed the fair market rents under federal regulations for Section 8.

In an effort to expand local resources, we recommend that the City in conjunction with the housing authority initiate an effort to research and consider one particular policy change, inclusionary or incentivized zoning, as one alternative means of promoting balanced housing development. **Inclusionary zoning** has been used in other communities to ensure that some portion of new housing development is affordable. As housing prices rise, low to moderate-income residents may be displaced or unable to afford new housing in mixed income areas of the City without the use of Inclusionary or incentivized Zoning provisions. Mixed-income housing broadens access to services and jobs and provides opportunities for lower-wage earning families to buy homes in appreciating housing markets and, as a result, accumulate wealth.

Inclusionary or Incentivized Zoning, also known as **inclusionary housing**, can be implemented by enacting provisions in the local Zoning or Development Ordinances that require a given share of new construction houses be affordable to people with low to moderate incomes. The term *inclusionary* zoning is derived from the fact that these ordinances seek to counter *exclusionary* zoning practices which aim to exclude affordable housing from a jurisdiction through the zoning code. In practice, these policies involve placing restrictions on 10% - 30% of new houses or apartments in a given development in order to make the costs of the housing affordable to lower income households. The mix of "affordable" and "market-rate" housing in the same neighborhood or multifamily development is seen as beneficial by many, especially in jurisdictions where housing shortages have become acute. In the case of Huntsville, even Section 8 Voucher holders are experiencing cost limitations in the utilization of their vouchers in newer developments and certain areas of the City. Inclusionary Zoning is becoming a common tool for local jurisdictions in the United States to help provide a wider range of housing options than the market provides on its own. The zoning code must be amended to include this provision and can also be applied when residential planned unit development zoning is requested. Implementation is triggered at the building permitting phase.

Inclusionary Zoning could increase the resources for affordable housing through private developer built units or developer dollars allocated to a city trust fund for affordable housing in lieu of building units required in their development. Inclusionary zoning would generate additional resources for affordable housing since the federal entitlement grant programs cannot address all of the City's needs for affordable housing. It is recommended that the City consider implementing Inclusionary Zoning regulations and make the regulations applicable to all future development plans, particularly in areas that are non minority concentrated census tracts.

Inclusionary Zoning Ordinances vary substantially between jurisdictions. These variables can include:

- Mandatory or voluntary ordinance. While many cities and counties require mandatory inclusionary affordable housing, many more offer zoning bonuses, expedited permits, reduced fees, cash subsidies, or other incentives for developers who voluntarily build affordable housing.
- A percentage of units dedicated as inclusionary housing. This varies substantially between jurisdictions, but appears to range between 10-30%.
- Minimum size of development that the ordinance applies. Some jurisdictions exempt smaller developments from the regulations, other jurisdictions require that even developments incurring only a fraction of inclusionary housing unit pay a fee in lieu or create the units.
- Whether inclusionary housing must be built on site. Some programs allow housing to be built nearby, in case of hardship.
- Whether fees can be paid in lieu of building inclusionary housing. Fees-in-lieu allow a developer to "buy out" of his/her inclusionary housing obligation. This may seem to defeat the purpose of inclusionary zoning, but in some cases the cost of building one affordable unit on-site could purchase several affordable units off-site.
- Income level or price defined as "affordable," and buyer qualification methods. Most ordinances seem to target inclusionary units to low- or moderate-income households, earning approximately the regional median income or somewhat below. This could include units designated to accept HHA Fair Market Rents for Section 8 Voucher holders. Inclusionary housing typically does not create housing for those with very low incomes.
- Appearance and integration of inclusionary housing units. Many jurisdictions require that inclusionary housing units be indistinguishable from market-rate units but allows developer to decrease interior amenities and upgrades typically provided in comparable units at a higher price such as flooring, countertops and appliances and even location.

- Longevity of price restrictions attached to inclusionary housing units for sale as affordable housing, and allowable appreciation. Ordinances that allow the "discount" to expire essentially grant a windfall profit to the inclusionary housing buyer, preventing that subsidy from being recycled to other needy households. Therefore, many programs restrict annual price appreciation, often tying it to inflation plus market value of home improvements, striving to balance the community's interest in long-term affordability with the homeowner's interest in accruing equity over time.

The City, in coordination with the City and Chamber of Commerce, should encourage major employers and lenders to consider **Employer-Assisted Housing (EAH)** programs, encouraging employers to assist their employees in their efforts to purchase housing. The EAH initiative could be used to assist renters approved for Section 8 Vouchers, but facing income constraints when their circumstances due to medical or childcare costs or other situations, rather than their income qualification is preventing them from utilization of their approved assistance. This means circumstances where an increase in wages or benefits for housing from their employers would not place them over the income requirements for the Section 8 Program but affords them the resources needed to meet the other non housing obligations and pay their required portion of the rent. The EAH may also benefit persons participating in the HHA Family Self Sufficiency programs at the time they purchase a home.

In some instances, the City and the Chamber will have to help raise the awareness and understanding off EAH programs among local employers and increase their appreciation that not all wage levels permit ready entry into homeownership, without some sort of subsidy. This is important in that the private sector and employment community often view the use of subsidies to help low to moderate income households achieve homeownership or acquire rental housing of their choice as a public

responsibility. In reality, with limited resources, the city and government agencies can only assist a small percentage of those in need. The Chamber can play a critical role in researching and encouraging local businesses to consider EAH programs. Local school districts, universities and hospitals should be encouraged to consider implementing such programs for their employees as well. Employer-Assisted Housing programs benefit employers, employees, and the community. Employers benefit through greater employee retention. Employees receive aid to move into home-ownership. Ultimately, communities benefit through investment in the neighborhoods where the employers and employees are located. The most common benefits provided by employers are grants, forgivable loans, deferred or repayable loans, matched savings, interest-rate buy downs, shared appreciation, and home-buyer education (provided by an employer-funded counseling agency). Successful EAH programs can use a combination of these alternatives. One program that has met with success was developed by Fannie Mae, which not only has their own EAH program, but also helps employers implement EAH programs. Fannie Mae's own EAH program has made it possible for 2,200 of its employees to become homeowners. The City of Waco, Texas has implemented an EAH program and made it eligible to all city employees, using general fund dollars for employees who do not qualify based on income for entitlement fund subsidies.

Section 7: Oversight, Monitoring and Maintenance of Records

Introduction

This section summarizes the ongoing responsibilities of the City of Valdosta relative to oversight of efforts to implement the remedial actions recommend in Section Six of this report. It also sets forth the monitoring and maintenance of records procedures that will be implemented by the jurisdictions to insure that implementation efforts can be evaluated and accomplishments reported to HUD in a timely manner.

Oversight and Monitoring

The Analysis of Impediment process has been conducted under the oversight and coordination of the City of Valdosta Public Involvement Department (VPID) with the support of an independent consultant.

The VPID will be designated as the lead agency for the City of Valdosta with responsibility for ongoing oversight, self-evaluation, monitoring, maintenance and reporting of the City's progress in implementing the applicable remedial actions and other efforts to further fair housing choice identified in this report. The VPID, as the designated lead agency, will therefore provide oversight, as applicable, of the following activities.

■The VPID will evaluate each of the recommendations and remedial actions presented in this report, and ensure consultation with appropriate City Departments and outside agencies to determine the feasibility and timing of implementation. Feasibility and timing of implementation will be based on City policies, fiscal impacts, anticipated impact on or remedy to the impediment identified, adherence to federal, state and local regulations, and accomplishment of desired outcomes. VPID will provide recommendations for implementation to the City Manager based on this evaluation.

■The VPID will continue to ensure that all sub-grantees receiving CDBG, and other grant funds have an up-to-date Affirmative Fair Housing Marketing Plan; display a Fair Housing poster and include the Fair Housing Logo on all printed materials as appropriate; and provide beneficiaries with information on what constitutes a protected class member and instructions on how to file a complaint.

■The VPID will ensure that properties and organizations assisted with federal, state and local funding are compliant with uniform federal accessibility standards during any ongoing physical inspections or based on any complaints of non-compliance received by the City.

■The VPID will continue to support Fair Housing outreach and education activities through its programming for sub-recipients and its participation in community fairs and workshops; providing fair housing information brochures at public libraries and City facilities; and sponsoring public service announcements with media organizations that provide such a service to local government.

■The VPID will incorporate fair housing requirements in its grant program planning, outreach and training sessions.

■The VPID will continue to receive fair housing complaints and or direct person persons desiring information or filing complaints with the HUD FHEO Regional Office in Atlanta, Georgia.

Maintenance of Records

In accordance with Section 2.14 in the HUD Fair Housing Planning Guide, the VPID will maintain the following data and information as documentation of the City's certification that its efforts are affirmatively further fair housing choice.

■A copy of the 2011 Analysis of Impediments to Fair Housing Choice and any updates will be maintained and made available upon request.

■A list of actions taken as part of the implementation of this report and the City's Fair Housing Programs will be maintained and made available upon request.

■An update of the City's progress in implementing the FY 2011 AI will be submitted to HUD at the end of each program year, as part of the City of Valdosta's Consolidated Annual Performance and Evaluation Report (CAPERS).