

Analysis of Impediments to Fair Housing (AI)

APRIL 2015

Introduction:

The U.S. Department of Housing and Urban Development (HUD) requires that recipients of federal housing funding conduct, submit and update an Analysis of Impediments to Fair Housing Choice (AI). In addition, HUD's Consolidated Plan regulations (24 CFR 91) require participating states and localities to annually certify that the governing body is affirmatively furthering fair housing. Pursuant to these regulations, states and localities must (1) conduct an analysis of impediments to fair housing choice; (2) take appropriate actions to overcome the effects of impediments identified through that analysis; (3) maintain records reflecting the analysis and actions; and (4) review and update the AI in preparation of the Consolidated Plan to validate the certification of affirmatively furthering fair housing choice.

Fair housing choice is the ability of persons of similar income levels to have the same housing choices available to them regardless of race, color, religion, sex, handicap, familial status, or national origin. In Alexandria, the City's Human Rights Ordinance adds marital status, sexual preference and elderliness as protected classes.

The AI is an assessment of how a government's laws, policies, practices and conditions impact housing choice in a state or locality through the availability and accessibility of its housing. The AI serves to identify and correct any negative impacts on availability or accessibility which are under the control of the government through the analysis of impediments and barriers to fair housing choice. HUD Guidance prescribes review and identification of impediments and barriers in both public and private sector practices.

An impediment to fair housing choice is any action, omission, or decision which is intended to or has the effect of restricting a person's choice of housing on the basis of race, color, religion, sex, disability, familial status or national origin. Such a limitation to fair housing choice constitutes housing discrimination.

Barriers to housing choice are factors that limit a person's choice of housing, such as housing supply and location, or physical accessibility of housing. Barriers can also include limiting factors like a homeseeker's source of income, ability to access financing, or limited English proficiency.

The AI Process:

AI Review and Update – An Ongoing Process:

The preparation of the 2015 AI included a review and evaluation of current conditions. This draft includes available information and data, and after release to the public, will incorporate public comment, resulting changes and responses. To enhance the evaluation, staff will maximize collaboration and public input by coordinating the analysis with studies and efforts currently in progress including the preparation of the City's Consolidated Plan.

Demographic Profile

The City of Alexandria is a diverse community and its citizens value that diversity. Data from the U.S. Census Bureau, 2011-2013 American Community Survey indicate that the percentage of minority households exceeds national averages, as illustrated in the table below.

| Race Alone or in Combination with One or More Other Races 2011-2013 American Community Survey | | | | |
|--|-------------------|--------------|---------------|--------------|
| | U.S. | Percent | Alexandria | Percent |
| Total population | 313,861,723 | 100% | 146,690 | 100% |
| White | 239,546,245 | 76.3% | 99,458 | 67.8% |
| Black or African American | 43,041,630 | 13.7% | 34,022 | 23.2% |
| American Indian and Alaska Native | 5,208,962 | 1.7% | 1,573 | 1.1% |
| Asian | 18,377,067 | 5.9% | 11,905 | 8.1% |
| Native Hawaiian and Other Pacific Islander | 1,232,100 | 0.4% | 157 | 0.1% |
| Some other race | 16,364,531 | 5.2% | 5,691 | 3.9% |
| Hispanic or Latino (of any race) | 52,952,497 | 16.9% | 24,445 | 16.7% |

Source: U. S Census 2013 American Community Survey

Dispersal of Minority Households

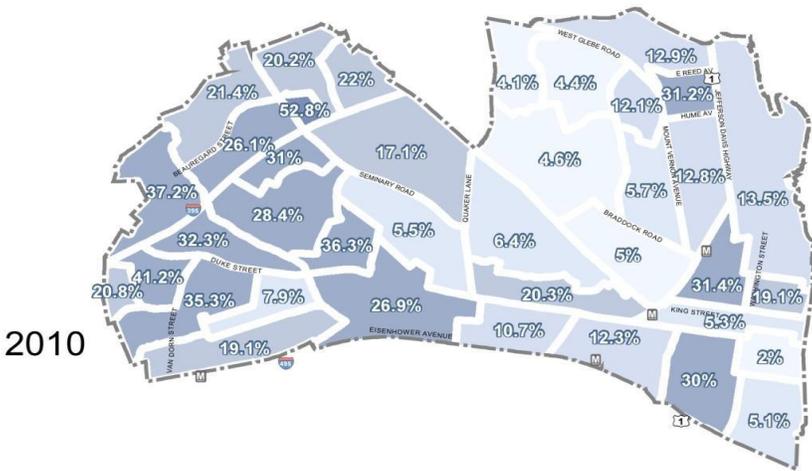
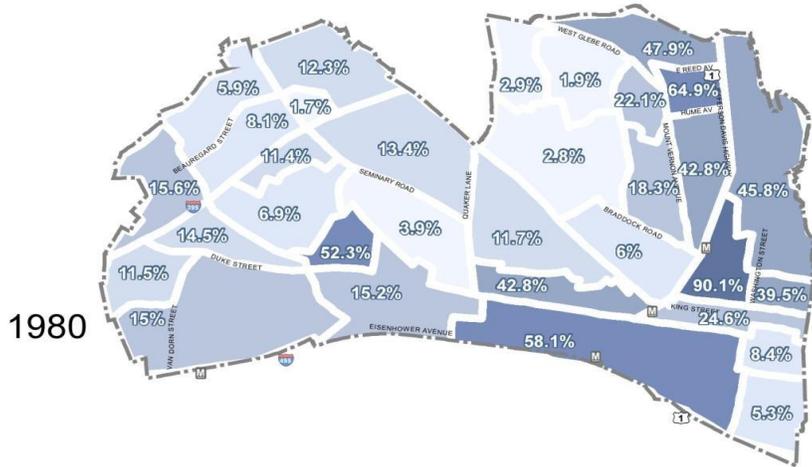
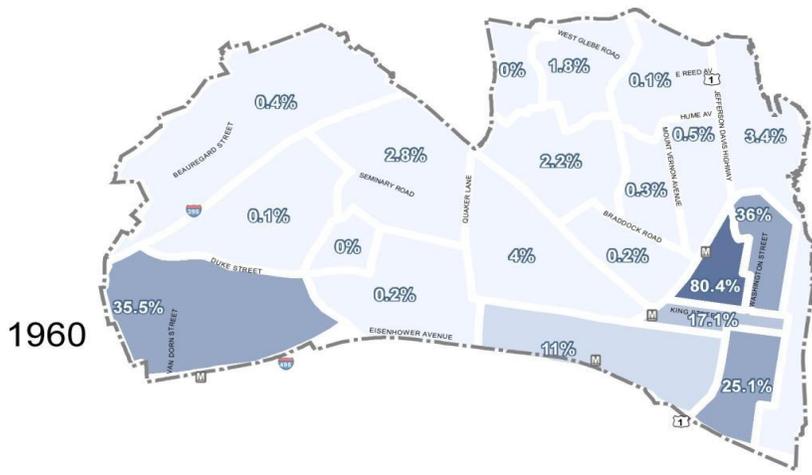
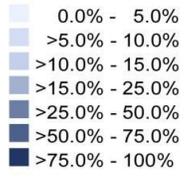
A February 2015 report prepared by the City's Department of Planning and Zoning, "Alexandria's Racial and Ethnic Groups and Foreign-Born Population – A Brief Look at Diversity," analyzes the City's minority populations and the migration of minority households throughout the City as indicated by the 2010 and prior annual US Census reports. The report details the changes in concentrations of Black or African Americans from 1960 to 2010, and the dispersal of the population over time.

As the report explains, in 1960, the Black and African American population constituted 11.4% of Alexandria's total population, most of which was concentrated in a few Census tracts. By 1980, the population had grown to 22.3% and Census Tract 16 had become over 90% Black and African American. However, there was a much wider distribution of this population through the rest of Alexandria.

In 2010, the Black or African American population was 21.8% and the Black population in Tract 16 declined to 31.4% of the tract total. In 2010 a number of tracts had 25% or more Black population. The report attributes this to a combination of dispersal of the previous Black residents throughout the region and an influx of African immigrants and new young Black families.

These patterns are illustrated by maps on the following page.

Percent Black or African American by Census Tract



Source: Department of Planning and Zon

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Location of Affordable Housing

A map of public and privately owned assisted housing is included at Appendix I. These properties are generally dispersed throughout the City, but with concentrations around the City's perimeter.

Waiting Lists

ARHA opened its wait list for public housing and the Housing Choice Voucher program from August 15 through August 18, 2011. ARHA is currently in the process of purging the list, but in August 2013 there were 7840 applicants on the Housing Choice Voucher list and 6952 on the Public Housing waiting list.

Complaint Data

In addition to the federally protected classes, the City's Human Rights Ordinance adds marital status, age and sexual orientation. The City's ordinance provides a range of fair housing protections and enforcement options. Although the City's Human Rights Ordinance has not been recognized by HUD as being substantially equivalent to the Federal law, staff is exploring the possibility of seeking a HUD designation of the ordinance as substantially equivalent.

A person who believes he or she is a victim of housing discrimination can file a fair housing complaint with HUD, the Virginia Fair Housing Office, and the Alexandria Human Rights Office. Human Rights Office staff estimate that housing questions and complaints comprise about 10% of all contacts and inquiries made to the Alexandria Human Rights Office, and between 5% and 10% of the formal complaints filed under the Human Rights Code.

However, staff notes that many complaints are related to public housing waiting lists or alleged lease violations, and it is often difficult to tie those to protected status. Staff responds to many inquiries concerning accessibility that do not result in formal complaints. Human Rights staff estimates that approximately 2500 contacts are tracked during each City fiscal year.

Human Rights complaints are tracked by federal fiscal year to use the same case management system for EEOC employment cases. The number of housing complaints verified by the City's Office of Human Rights are indicated below.

FFY 2012

7 Housing Complaints

FFY2013

10 Housing Complaints

FFY 2014

7 Housing Complaints

IMPEDIMENTS AND BARRIERS TO HOUSING CHOICE

Location, supply and accessibility of affordable housing in Alexandria constitute the greatest barriers to housing choice.

Impediment: High Cost of Housing

One of the greatest challenges to Alexandria in affirmatively furthering fair housing choice is its highly desirable location and the high cost of land. The City’s proximity to Washington, DC, job opportunities, public transportation, and excellent government services, has created high demand for housing and an extremely strong housing market.

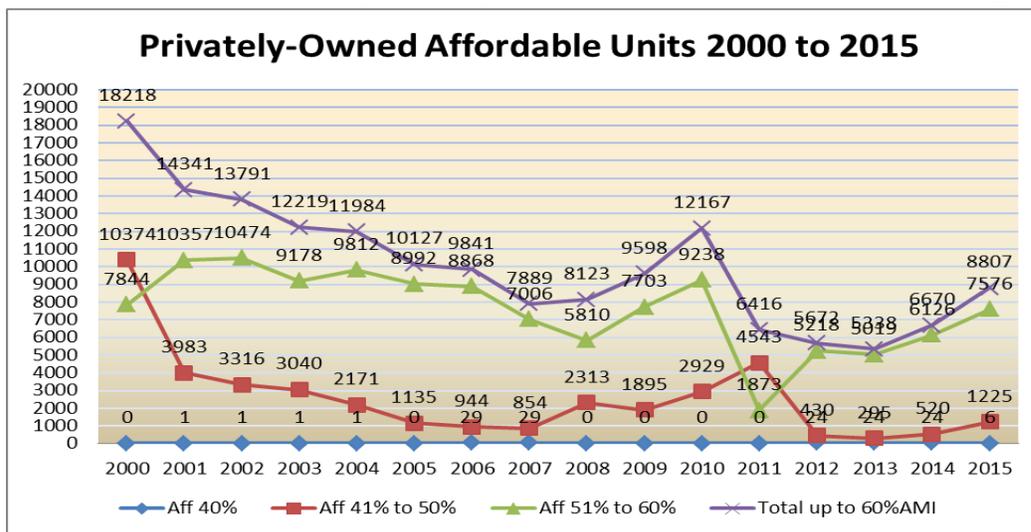
Apartment vacancy fluctuates, but remains very low in Alexandria and regionally in the Washington D.C. area rental market. Alexandria’s rental apartment conditions are extremely strong when compared to national trends. “U.S. Census Bureau News,” reported that the national vacancy rate for rental housing was 7 percent in the fourth quarter of 2014. Vacancy in Alexandria in January 2015 was 3.19% according to a survey conducted by the City’s Office of Housing.

The City’s annual apartment survey conducted in January 2015 indicated that City-wide average rents increased 4.7% from January 2014 to January 2015. From 2005 to 2015, average rents increased 28.8% Citywide.

Impediment: Diminishing Supply of Affordable Housing

There are great disparities between salary levels and the number of affordable housing opportunities for people living in our city; for example, over 40% of Alexandria jobs provide salaries within 60% of the area median income but less than 15% of our market rate rental stock is affordable to residents at this income level. The City’s commitment to producing and preserving affordable housing is challenged by a dwindling pool of available resources at the federal, state and local levels.

Of the 3,722 publicly-assisted units in the City, only 1,150 are protected by a preservation/replacement policy (Resolution 830). As indicated in the following chart, from 2000 to 2015, Alexandria lost nearly 10 thousand privately owned, non-assisted affordable rental housing units because of increases in rents or, to a limited extent (109 units), conversion to condominium ownership.



Tenant-based subsidies (Housing Choice Vouchers) are hamstrung by federal funding and rising rents. The ARHA-administered housing choice voucher program suffers from inadequate HUD funding, and

because of a decline in the available affordable rentals in Alexandria, voucher recipients at times experience increased difficulty using vouchers within the city. In many cases, housing choice

vouchers are used in some publicly-assisted units to make units affordable to households that cannot afford rent levels targeted to households at 50% or 60% of median, resulting in an overall net loss of affordable housing choice.

In March 2015, the Alexandria Council of Human Service Organizations (ACHSO) released a report, “Meeting Needs Today: A Needs Assessment of the Alexandria Human Services System - Volume 2,” which provides a snapshot update of impressions regarding the state of Alexandria’s human services system – services, service gaps and service improvements – since the group’s prior needs assessment in 2008. Formal focus groups and a broadly disseminated survey were used to engage stakeholders to discuss access to services and information, barriers to progress since the previous study, and recommendations for future activity in the city of Alexandria. The report concluded that “the need for affordable housing was identified as the highest community priority affecting all areas of the City’s human service system.”

Impediment: Regulatory Constraints in Producing Affordable Housing

In Virginia, local control of land use is constrained by the doctrine of limited authority for local governments commonly called the Dillon Rule, which limits municipalities’ powers to those specifically conferred, those necessarily or fairly implied from a specific grant of authority, or those essential and indispensable to the purpose of government. Because of the Dillon Rule, municipal governments in Virginia have only those powers which the state legislature explicitly conveys or reserves to them. In Alexandria’s case, the City has a Charter which gives it some greater/lesser powers than those granted to other localities through the Code of Virginia. In general though, the City does not have the autonomy of municipalities in “home rule” states where city and town governments may adopt laws and regulations on almost any topic that is not expressly prohibited in the state constitution. As a result, state legislative authority must be secured for innovations to address housing needs that go beyond what is currently allowed under state law or the City Charter.

While Alexandria has some authority to require the construction of affordable units through the bonus density provision, and has achieved construction of affordable units through a policy of voluntary developer contributions (these contributions and other funds comprise the Housing Opportunities Fund from which the City makes loans and grants to nonprofit and private organizations working to produce and/or preserve affordable housing), the City has no authority to require preservation of existing market affordable units. If the market warrants redevelopment of an existing multifamily project, a property owner cannot be legally obligated to preserve any proportion of the affordable units. In Alexandria and around the DC Metro region, the loss of existing market affordable units is virtually impossible to recapture as the cost of replacing lost units in new development is out of reach. The difficult position that Virginia jurisdictions must work within in order to achieve affordable housing is aptly characterized in a 2011 article in the *Journal of Local Government Law*, which states, “... in the absence of expressed enabling authority, affordable housing can be attained only through properly enabled incentive mechanisms and voluntary contributions, in kind or cash, that risk being characterized, rightly or wrongly, as coercive exactions.”¹

¹ MacIsaac, Stephen A., *Journal of Local Government Law*, Winter 2011, p. 6

Impediment: Inadequate Supply of Housing for Extremely Low-Income Households with Special Needs

The limited number of affordable housing units for extremely low-income households creates a barrier to housing choice for households with special needs by limiting opportunities for movement through shelter and supported housing programs.

The Alexandria Community Services Board (ACSB) Needs Assessment reports that individuals with a mental illness or co-occurring disorder are disproportionately represented in the homeless population. The shortage of affordable housing places individuals with a mental illness or substance abuse disorder at higher risk of homelessness and seriously undermines the effectiveness of any treatment or rehabilitation services that are provided. People with disabilities are often very poor or have very low incomes. In addition to low income, stigma of having a mental illness and income has been found to be a major barrier to affordable housing for individuals with a mental illness

Most ACSB consumers are disabled and have very low incomes. While we know that stable housing and effective community integration are associated with individuals having housing choice, Board consumers simply do not have choice available to them due to non-affordability. Despite the long wait lists at ARHA, the MHSA residential program has had access to a supply of Housing Choice Vouchers through an ARHA set aside for individuals with a disability. However, individuals with substance use disorders are not eligible for these Vouchers, which further limits access to affordable housing alternatives for this population.

In addition, when individuals and families in transitional and supported residential housing are stabilized and able to move on, there are few deeply subsidized units available to them given the financial limitations of these households. This creates an impasse, causing delayed access for households waiting for supportive and transitional housing that could otherwise be served.

EFFORTS TO AFFIRMATIVELY FURTHER FAIR HOUSING CHOICE AND ELIMINATE DISCRIMINATION IN ALEXANDRIA

Fair Housing Testing

The Office of Housing operates a Fair Housing Testing Program designed to identify discriminatory practices in the rental housing, real estate sales and mortgage lending markets. The program is monitored by the City Council-appointed Fair Housing Testing Program Advisory Committee. The City trains and provides stipends to pairs of testers who conduct tests to identify evidence of discrimination in the provision of housing. Where testing has found some evidence of discrimination, a formal complaint of discrimination can be filed with the City's Human Rights Office. Following further investigation, the Human Rights Office prepares a decision determining whether discrimination occurred. The Human Rights Office then attempts to conciliate the case between the Fair Housing Testing Program and the respondent. The City's Human Rights Commission could ultimately be called upon to hold a public hearing on the case and make a final decision of discrimination.

Since the Fair Housing Testing Program started in 1990, the Office of Housing has conducted a series of tests to identify discriminatory housing practices in real estate sales, lending, and rental housing based on race, national origin, familial status, disability, and sexual orientation. A summary of the test results of all categories tested since the program was initiated in 1990 is included in Appendix II. These data allow for comparison of the test results to measure progress in industry compliance with fair housing laws. This information is also helpful in evaluating the effectiveness of City programs,

including testing, fair housing education, outreach, and enforcement activities on local industry practices: results illustrate a significant reduction in potentially discriminatory practices over the 25 years tracked.

Fair Housing Education

The Alexandria Office of Housing provides on-going fair housing training through seminars for industry professionals and on-site fair housing training for individual companies. The Alexandria Office of Housing and the Landlord-Tenant Relations Board host an annual seminar for Apartment Managers, and this training includes fair housing training. On-site training is provided to real estate offices, lending firms, and property managers or owners of rental housing upon request. Fair Housing training is provided as part of remedial action responses in cases where problems occur in fair housing tests.

In addition, Landlord-Tenant Relations Division staff is available to answer questions from the public and housing industry professionals regarding fair housing and housing discrimination. Staff also responds to inquiries from home seekers who believe they have experienced discrimination, and frequently from property managers seeking to avoid actions that could be considered discriminatory.

Voluntary Rent Guidelines

Since 1950, the Code of Virginia has prohibited localities from enacting rent control. However, for over 20 years, the City has encouraged landlords to limit rent increases in accordance with the City's Voluntary Rent Guidelines. The City's Voluntary Rent Guidelines are suggested maximum rent increases for existing tenants, but they provide no authority to the City to enforce the guidelines against landlords who fail to comply with them. Under current Virginia law, the City's rent guidelines must remain voluntary, as the City has no authority to mandate that rent increases be held to any recommended percentage.

The Landlord-Tenant Relations Board reviews the City's Voluntary Rent Guidelines and makes annual recommendations to City Council regarding the adequacy of the Voluntary Rent Guidelines. In preparing its recommendations, the Board considers rent data, market forecasts and vacancy surveys by Delta Associates, a national real estate consulting firm. The Board also considers market rent and vacancy data prepared by the Office of Housing in its annual apartment survey, as well as data compiled by Real Estate Assessments. In reviewing these data, the Landlord-Tenant Relations Board attempts to set the guidelines at a level that will account for inflation and property owners' increases in cost, without unduly burdening tenants. The 2014 resolution adopted by City Council recommended increases of no more than 5% if the tenant pays utilities and no more than 7% if the landlord pays utilities.

Rental Accessibility Modification Program (RAMP)

To assist low- and moderate income tenants with physical disabilities in completing accessibility modifications to their residences, the City provides grants and technical assistance. RAMP targets physically disabled renters meeting the federal section 8 Low Income limits. The City provides grants of up to \$50,000 for primary residence modifications necessary to accommodate the particular circumstances of the disabled member of the household. The program also provides "mini-grants" to assist households needing limited modifications of up to \$1,500. Landlords are encouraged to designate modifications to be permanent improvements to the rehabilitated rental property.

The Housing Master Plan

On January 25, 2014, the Alexandria City Council adopted the Housing Master Plan. As noted in the Housing Master Plan, “Alexandria’s largely built environment makes new development and/or redevelopment both challenging and expensive, and may limit the total potential supply of housing. The City’s unique character and its proximity to federal government, defense, technology and contracting jobs continue to make it one of the hottest real estate markets in the United States. Given this, Alexandria’s challenge as a community, if it is to remain socially and economically diverse, is to be able to offer a range of housing affordability for all, including types and tenures designed and financed to accommodate households of different sizes, abilities, ages and incomes. To this end, the City has established a target of providing, preserving, or assisting 2,000 units from FY 2014 through FY 2025 through the implementation of the goals, strategies, and tools contained in this Housing Master Plan.”

RECOMMENDATIONS

Continue to employ strategic testing identifying current issues and potentially discriminatory trends in the housing market.

Continue administration of the Rental Accessibility Modification Program.

Continue and enhance current efforts to affirmatively further fair housing.

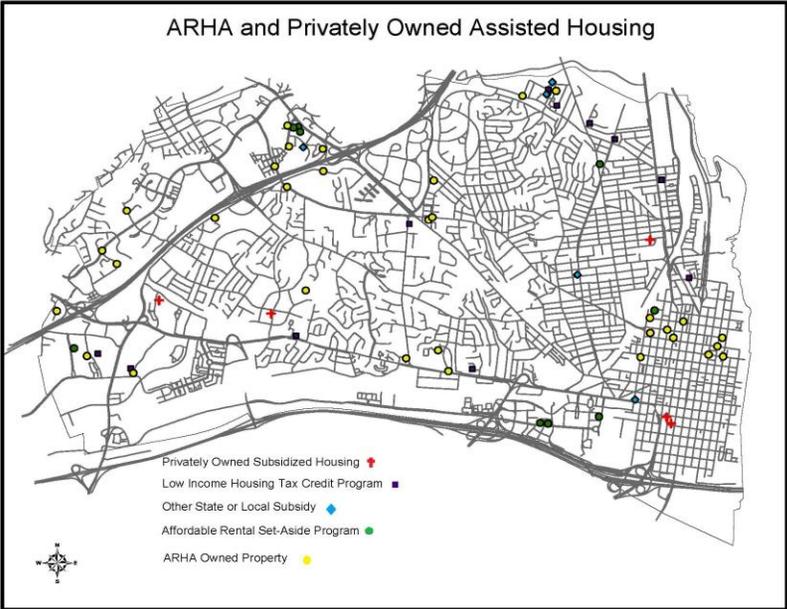
Preserve the long-term affordability and physical condition of the existing stock of publicly assisted rental housing, as well as market rental housing where affordability commitments can be secured.

Provide or secure long-term affordable and workforce rental housing through strategic new development and redevelopment.

Provide and support the provision of affordable and workforce home purchase opportunities for Alexandria residents and workers.

Provide a variety of safe, quality housing choices that are affordable and accessible to households of all ages and abilities

Enhance public awareness of the benefits of affordable housing and promote available housing and partnership opportunities



Office of Housing
March 2015

Summary of Fair Housing Testing Program Results

| | Market/TestType | Protected Class | Sites | Total w/Retests | Problems | Sites/Problems | % Problem | % Prob Sites | Action |
|-----------|-------------------|------------------------------|-------|-----------------|----------|----------------|--------------------|--------------|-------------------------------------|
| 1990 | Rental Apts | Race/NatOrg (Hisp) | 79 | 96 | 19 | 14 | 20% | 18% | 1 Complaint \$10,000 Settlement |
| 1991 | Rental (Realtors) | Race/NatOrg (Hisp) | 21 | 24 | 3 | 3 | 13% | 14% | Remedial Action |
| 1992 | Rental Apts | Familial Status | 71 | 93 | 10 | 10 | 11% | 14% | 1 Compaint \$4000 Setteltment |
| 1993/1994 | Rental Apts | Disability | 78 | 291* | 28 | 25 | 10% | 32%* | 3 Complaints \$2500 Settlement |
| 1996 | Rental Apts | Race | 20 | 20 | 0 | 0 | 0 | 0 | No Problems Found |
| 1997 | Rental Apts | Sexual Orientation | 75 | 79 | 3 | 3 | 5% | 4% | Remedial Action |
| 1998 | Sales | Race/NatOrg (Hisp) | 16 | 62* | 14 | 7 | 23% | 44%* | 3 Complaints \$10,000 Settlement |
| 1999 | Rental Apts | Disability | 70 | 218* | 6 | 5 | 3% | 7%* | Remedial Action |
| 2000 | Lending | Race/NatOrg (Hisp) | 13 | 14 | 1 | 1 | 7% | 7% | Remedial Action |
| 2000 | Rental Apts | Race/NatOrg (Hisp) | 72 | 75 | 3 | 3 | 4% | 4% | Remedial Action |
| 2001/2002 | Rental Apts | Familial Status | 85 | 87 | 2 | 2 | 2% | 2% | Remedial Action |
| 2003/2004 | Rental Apts | Multiple Bases | 83 | 84 | 1 | 1 | 1% | 1% | Remedial Action |
| 2005/2006 | Sales | Race/NatOrg (Hisp) | 12 | 12 | 0 | 0 | 0 | 0 | No Problems Found |
| 2006 | Lending | Race/NatOrg (Hisp) | 11 | 11 | 0 | 0 | Fiscal Year | 0 | No Problems Found |
| 2007 | Rental Apts | Race/NatOrg MidEast/Asian | 73 | 77 | 3 | 3 | 4% | 4% | Remedial Action |
| 2008 | Rental Apts | Race/NatOrg (Hisp) | 64 | 66 | 2 | 2 | 3% | 3% | Remedial Action |
| 2009 | Lending | Race | 8 | 8 | 0 | 0 | 0 | 0 | No Problems Found |
| 2010 | Rental Apts | Disability | 67 | 68 | 1 | 1 | 1% | 1% | Remedial Action |
| 2011 | Rental Apts | Familial Status | 67 | 67 | 0 | 0 | 0 | 0 | No Problems Found |
| 2012 | New Construction | Race | 13 | 13 | 0 | 0 | 0 | 0 | No Problems Found |
| 2013 | Lending | Race | 13 | 13 | 0 | 0 | 0 | 0 | No Problems Found |
| 2014 | Rental Apts | Sexual Orientation | 70 | 71 | 1 | 1 | 1.4% | 1.4% | Remedial Action |

Note: Remedial Actions are negotiated in all problem test results even when complaints are filed and settled.- Owners of the complexes where problems are encountered in all cases agree to disclose all available units to all prospective renters regardless of race, sex, familial status, sexual orientation, disability, national origin, color, religion, or ancestry; provide fair housing training to all their staff; and if the owners advertise for rental vacancies, they shall do so in compliance with the fair housing advertising regulations. The owners were also required to display fair housing posters visible to the public in their rental offices

*Multiple tests at the same location.