

## **Executive Summary**

---

### **Overview**

This Analysis of Impediments to Fair Housing Choice (“AI”) examines the effect of Vermont’s laws, regulations, and administrative policies, procedures and practices on the affordability, availability, and accessibility of housing in Vermont, and provides an assessment of how conditions, both private and public, affect fair housing choice in the state. Impediments to fair housing choice are any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, national origin, sexual orientation, age, marital status, and being a recipient of public assistance. This AI presents an overview of the current and future housing situation in Vermont, with a focus on looking at the factors that prevent Vermonters from obtaining equal access to housing opportunities in the state.

This AI updates a previous AI prepared for the State of Vermont in 1996 and will provide a basis for a broad-based education and outreach program and public relations campaign that will be conducted jointly by the Vermont Human Rights Commission (“HRC”) and the Department of Housing and Community Affairs (“DHCA”) throughout 2006 and 2007.

### Affirmatively Furthering Fair Housing

The U.S. Department of Housing and Urban Development (“HUD”), as part of the Consolidated Plan process, requires states that receive HUD funds to certify that they will affirmatively further fair housing. To comply with this certification, states

## **Executive Summary**

---

are required to undertake fair housing planning of which this AI is a part. Fair Housing Planning consists of the following: (1) an Analysis of Impediments to fair housing choice; (2) actions to address the effects of the identified impediments; and (3) maintenance of records to support the affirmatively furthering fair housing certification.

Conducting an analysis of impediments is a required component of certification and involves the following: 1) a review of the state's laws, regulations, and administrative policies, procedures, and practices; 2) an assessment of how these laws affect the location, availability, and accessibility of housing; 3) an evaluation of conditions, both public and private, affecting fair housing choice for all protected classes; and 4) an assessment of the availability of affordable, accessible housing. As required by HUD, this AI serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts.

### Methodology

The HRC, together with DHCA, contracted J-Quad and Associates of Dallas, Texas, a consulting firm with extensive experience in reviewing fair housing issues around the country, to conduct Vermont's AI during the summer and fall of 2005. J-Quad's Planning and Policy Division worked closely with staff from the HRC and DHCA and consulted with members of the Fair Housing Committee of the Vermont Housing Council, state officials and employees, housing advocates, and members of the public in developing this AI. J-Quad also performed an

## **Executive Summary**

---

extensive study of the demographics of the Vermont rental and sales housing markets; conducted five focus group sessions in Burlington, Montpelier, Brattleboro, and Rutland with housing providers, industry representatives, housing consumers and advocates; held a public hearing in Montpelier; interviewed key housing program decision-makers; and utilized the most recent national census, labor, and mortgage lending data available in preparing this AI.

### **OVERVIEW OF AI**

This AI contains the following sections:

#### **COMMUNITY PROFILE:**

This section provides an overview of social trends across Vermont and includes demographic, income, employment, public transportation, and housing profiles. Each profile is derived from data from, among other sources, the 2000 U.S. Census and the Bureau of Economic Analysis and is supported with tables and maps provided as reference materials.

#### **FAIR HOUSING LAW, MUNICIPAL AND STATEWIDE POLICIES, AND COMPLAINT ANALYSIS:**

This section details the current polices and laws that affect fair housing and fair housing choice in Vermont. It includes a review of state laws, regulations, administrative policies, procedures, and practices and assesses whether any of these impede the location, availability, affordability, and accessibility of housing. This section also provides a comparison of Vermont's HRC to the human rights commissions or comparative agencies of other states to ascertain its level of

## **Executive Summary**

---

authority, jurisdiction, duties, and overall impact on fair housing education and enforcement.

### **FOCUS GROUP SESSIONS, FAIR HOUSING INDEX, AND HOME MORTGAGE DISCLOSURE ACT DATA:**

This section includes a report of the five focus group sessions held in Vermont in June 2005; an analysis of a fair housing index created for this report; and an analysis of Home Mortgage Disclosure Act (“HMDA”) data for Vermont.

#### **Focus Group Sessions**

The first part of this section reports on the results from the five focus group sessions held throughout Vermont in June 2005. Several key themes were repeated throughout the focus group sessions as impediments to fair housing choice in Vermont. These include:

- the shortage of affordable housing throughout the state;
- lack of compliance with accessibility requirements and provision of reasonable accommodations;
- land use regulatory barriers;
- the need for public education on fair housing issues;
- landlord/tenant laws;
- the need for municipalities to affirmatively further fair housing;
- the perception that there is hidden racism in Vermont; and
- misconceptions about the impact increased housing has on local school systems under the state’s education funding scheme.

It should be noted that the focus group participants do not represent a statistically significant random sampling of the population of Vermont and their views should

## **Executive Summary**

---

not be seen as scientifically representative of Vermont residents. Participants were chosen based on their knowledge of the local housing markets and/or representation of agencies involved in various aspects of the housing market or the housing industry, along with community representatives who might bring to the discussion first-hand or anecdotal accounts of personal experiences relating to housing discrimination.

### **Fair Housing Index**

The second part of this section contains the fair housing index constructed for this study to localize geographical areas of concern. The fair housing index combines the effects of several demographic variables with Home Mortgage Disclosure Act (“HMDA”) data, and then maps the results by census tract. The maps provide a general indication of geographic regions within Vermont where residents may experience some level of housing discrimination or have problems finding affordable, appropriate housing. Several high correlations are worth noting. First, the data indicate that high school drop-outs tend to have lower household income and that high school drop-outs are more likely to live in housing with lower value or lower rent. Second, the data show lower income families are more likely to be headed by single mothers; minority families tend to have more female-headed households with children; and that female-headed households with children tend to live in older housing stock. Not surprisingly, the data also indicate that higher income groups are more likely to live in housing with higher value or rent and low-income groups tend to live in older housing stock.

## **Executive Summary**

---

The census tracts designated as having the highest risk of impediments to fair housing choice are concentrated in and around the “urban” areas of Vermont including Burlington and Bennington. The moderate risk areas are concentrated in the northeastern and the northern census tracts and in various “urban” areas including Middlebury, Rutland, Brattleboro, and Barre. A majority of the rural census tracts are in the low risk or very low risk category. The areas of greatest concern for impediments to fair housing choice contain the oldest housing stock, which is more likely than not to be in poorer condition than newer housing, with low housing values and rents, and are primarily occupied by minority households, which are often headed by females with children. These areas of greatest concern have a higher than average unemployment rate and lower than average level of educational attainment.

### **Home Mortgage Disclosure Act Data (“HMDA”)**

The final part of this section, the analysis of the HMDA data, provides a glimpse into lending practices in Vermont. The data analyze federally insured mortgage lending, conventional lending, refinancing, and home improvement loans and are organized by income class, geography, and racial group. The purpose of this analysis was to determine whether discriminatory lending practices, or redlining, were occurring in Vermont. Redlining is generally defined as the illegal lending practice of discriminating based on geographic location. The analysis for redlining in Vermont failed to provide any definitive evidence that lenders were systematically avoiding low-income communities in the state. While some

## **Executive Summary**

---

disparities exist between higher income tracts and low-income tracts, the disparities were not extreme enough to warrant the 'redlining' label.

Overall, the percentage of loans originated among Whites was higher than minorities for all loan types. The origination rates for Asians accounted for the second highest number of applications after Whites and exceeded those of Hispanics, African-Americans, and Native Americans.

Lending activity has been expanding over the span of the study period. In 1997, less than 21,600 loan applications were reported. The loan activity decreased during the years 1998 through 2000. In the later years, the number of applications increased and peaked in 2003 with almost 66,250 applications received. During the period between 1997 and 2003, the majority of loan denials were related to applicants' credit history. The least success in lending was found in the home improvement loan sector and the highest success is found in the refinance loan sector.

### **FAIR HOUSING IMPEDIMENTS AND REMEDIAL ACTIONS:**

This section contains the nine impediments to fair housing choice that have been identified as having the most significant effect on the affordability, availability, and accessibility of housing in Vermont. The identification of these impediments is based upon an examination of relevant state laws, regulations, and administrative policies, procedures and practices; upon conditions in the public sector and private housing market; and upon information provided by housing regulators, providers, advocates, and consumers.

## Executive Summary

---

Impediments to fair housing choice are defined by HUD as any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on categories protected by law, which in Vermont are race, color, religion, sex, disability, familial status, national origin, sexual orientation, age, marital status, and being a recipient of public assistance.

Due to the rural environment and homogeneous characteristics of Vermont, the fair housing issues in the state have some characteristics that are not found in other parts of the country and provide unique opportunities for policymakers in their efforts to forge an equitable housing market. The minority population in Vermont is very small, but growing. As this growth occurs, occasions have been identified that have exposed prejudices that were relatively unknown within the state. The responses to these instances have demonstrated a willingness and determination to prevent those prejudices from becoming widespread or ingrained. Vermont has also been a leader in the country by enacting a fair housing law that extends the protected classes beyond those provided under the Federal Fair Housing Act.<sup>1</sup> This leadership will be required in the future to address the impediments that have been identified in this section.

Each impediment that is identified in this section includes a discussion of the issue involved in the impediment and suggested remedial actions. The order they are presented in does not represent priority of one issue over any other. While there are relatively few impediments identified, the impact of these impediments

---

<sup>1</sup> Vermont's Fair Housing Act extends protection to persons based upon the presence of minor children, receipt of public assistance, sexual orientation, and age.



## **Executive Summary**

---

has the potential to be significant. A proactive approach to meeting the needs of all of the citizens of Vermont will help prevent these impediments from becoming embedded in the culture and the expectations of the community.

The nine impediments to fair housing choice that have been identified as having the most significant effect on the affordability, availability, and accessibility of housing in Vermont are listed below in no particular order:

1. LACK OF AFFORDABLE HOUSING;
2. RENTAL HOUSING UNITS IN POOR CONDITION;
3. LACK OF ACCESSIBLE HOUSING;
4. ZONING ORDINANCES THAT REQUIRE LARGE LOTS;
5. ZONING ORDINANCES THAT DO NOT ALLOW FOR HIGH DENSITY RESIDENTIAL USES, INCLUDING MULTI-FAMILY AND MOBILE HOME USES;
6. LACK OF AWARENESS OF FAIR HOUSING LAWS AND RIGHTS GRANTED UNDER THE LAW;
7. NEED TO STRENGTHEN FAIR HOUSING REQUIREMENTS FOR MUNICIPAL GRANTEES OF HUD COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS;
8. DISCRIMINATION IN RENTAL AND SALES MARKETS; and
9. LACK OF PUBLIC TRANSPORTATION OPTIONS.