

Section 4: Fair Housing Impediments and Remedial Activities

Overview

This section contains the impediments to fair housing choice that have been identified as having the most significant effect on the location, 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.

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 a person's membership in a category 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 of Vermont 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. This leadership will be required in the future to

Section 4: Fair Housing Impediments and Remedial Activities

address the impediments that have been identified in this section. Each impediment that is included below includes a discussion of the issues involved and suggested remedial actions. The order in which they are presented does not represent priority of one impediment over another. While there are relatively few impediments identified, the impact of these impediments, either singularly or jointly, 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 ingrained in the culture and the expectations of the community.

IMPEDIMENTS TO FAIR HOUSING

I. IMPEDIMENT: LACK OF AFFORDABLE HOUSING. ISSUES:

Cost burdens caused by high housing costs.¹

Data contained in the Comprehensive Housing Affordability Strategy (CHAS) tables, for the years 1990 and 2000 indicate that the impact of housing costs on household incomes is very severe on low- and very low-income households. These low- and very low-income households include many members of classes protected by state and federal fair housing law, including ethnic minorities, recent immigrants, persons with disabilities, and the elderly.

A household is considered “cost burdened” if more than 30 percent of the household income is spent on housing expenses, including utilities. Nearly 3 out of 4 of all *very low-income* renters, those households earning between 0 percent and 30 percent of the

¹ The data supporting this section are found in Section 1, subsection 1.5 of this AI, entitled Community Profiles, Housing Profile.

Section 4: Fair Housing Impediments and Remedial Activities

median family income, and over 4 out of 5 of very low-income homeowner households paid more than 30 percent of their income on housing expenses in 1990. More than 2 out of 3 very low-income renters and more than 4 out of 5 very low-income homeowner households were in this category in 2000. Further, about 58 percent of very low-income renters and nearly 57 percent of very low-income homeowners paid more than 50 percent of their incomes on housing expenses in 1990. In 2000, nearly 56 percent of very low-income renters and nearly 2 out of 3 very low-income homeowners had a cost burden greater than 50 percent.

Among *low-income households*, those households earning between 31 percent and 50 percent of the median family income, 71 percent of low-income renters and over 57 percent of low-income homeowners paid more than 30 percent on housing expenses in 1990. Approximately 1 out of 4 renters and homeowners paid more than 50 percent on housing expenses, during 1990. In 2000, the category shows almost 2 out of every 3 renters and homeowners with cost burdens in excess of 30 percent, and 19 percent of renters and over 29 percent of homeowners with cost burdens in excess of 50 percent.

In 1990, among *moderate income households*, those households earning between 51 percent and 80 percent of the median family income, over 40 percent of renters and nearly 1 out of every 3 homeowners had cost burdens in excess of 30 percent, and over four percent of renters and over eight percent of homeowners paid more than 50 percent on housing expenses. Whereas, in 2000, 27 percent of renters and over 41 percent of homeowners had cost burdens in excess of 30 percent, and over two percent renters and

Section 4: Fair Housing Impediments and Remedial Activities

over 11 percent of homeowners paid more than 50 percent on housing expenses are under this category in 2000.

In 2005, an estimated 47,381 households had incomes at or below 80% of the estimated state median income level. Between 2000 and 2010, this number will grow by an estimated 11,000 households, 4,400 of which will be very low-income households. This represents about 50% of the total new households between 2000 and 2010.²

Rental Housing Market.³

There is an overall need for newly constructed rental housing and for existing rental housing to become affordable for cost-burdened low-income households. The Fair Market Rent (FMR) for a two-bedroom apartment in Vermont in 2005 was \$723.⁴ In 2005, there were an estimated 47,381 moderate income, low-income, and very low-income households in the state. These households can afford monthly rents, including utilities, ranging from \$0 to \$940, depending on their individual incomes. The total estimated number of existing units with rents ranging from \$1 to \$940 in 2005 was 61,382. However, more than half of these units are estimated to be occupied by upper income households and an additional five percent of the units are assumed to be vacant at any particular point in time, leaving only about 26,490 units available for low-income households--an estimated shortage of 20,891 affordable rental units. Low rental vacancy rates have generated much concern, since many areas have less than a 5% rate. For

² Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005, entitled "Housing Needs Assessment." The Housing Needs Assessment was commissioned by DHCA and the Vermont Housing Council, a consortium of affordable housing and human service agencies.

³ Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

⁴ National Low Income Housing Coalition—Out of Reach 2005.

Section 4: Fair Housing Impediments and Remedial Activities

instance, the rental vacancy rate was low for the state as a whole and particularly low in Addison, Chittenden, Franklin, Lamoille, and Washington counties. Conversely, rental vacancy rates in the northeastern counties of Caledonia, Essex, and Orleans were substantially higher than the state average.

Housing Sales Market.⁵

Many low-income Vermont households are homeowners. A majority of low-income renter households aspire to own a home. Between 2005 and 2010, there is a need for new construction of 12,321 owner-occupied homes to meet the total demand from the 186,600 Vermont owner households expected in 2010. Producing this many new homes would involve doubling the rate at which homes were added to the owner housing stock between 2000 and 2005.

For Vermonters of modest means, the gaps between incomes needed to purchase a home and purchase prices are growing dramatically. This reflects the rapidly escalating home purchase prices and a much slower growth rate in current and estimated future median incomes. Between 2000 and 2010, the gap between the median income and the income needed to purchase a home will grow by 300%. This situation will likely restrict from ownership all but a few lower-income Vermonters.

There are very few affordable homeownership options available for low-income households seeking to purchase a home. For owner occupied housing, as opposed to rental housing, Vermont is closer to having a reasonable vacancy rate for a healthy

⁵ Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

Section 4: Fair Housing Impediments and Remedial Activities

market, in which a 3% rate is optimal. Essex County alone stands out with a high vacancy rate.

Based on an estimated supply of 22,414 homes with values of \$75,146 or less, there was a gap of 32,400 homes that are affordable to low-income households in 2005. This gap will be compounded by an additional 6,000 low-income owner households between 2000 and 2010, many of whom will be new retirees, as 35% of current owner households will turn 65 by 2010. These households will compete for the limited number of available affordably priced homes with two other groups of Vermonters: (1) any of the existing 54,814 low-income homeowners who need to move, and (2) upper income households who want to spend less than 30% of their incomes for housing costs. The number of affordable homes for sale is extremely limited for any low-income household entering Vermont's home purchase market. Only an estimated 1,150 of the primary homes sold in 2004 were at prices someone earning 80% of the area median income could afford.

Demand caused by second home/vacation home market.⁶

Housing demand in the real estate market can serve to stimulate property conversion to different uses. When a housing market is tight, a conversion from housing to another type of use can be problematic because the housing would no longer be available to meet residential needs. Between 2000 and 2004, there was little conversion to commercial uses, which is a positive finding related to availability of housing stock. There was some conversion to vacation homes but the level was smaller than the conversion of units from seasonal use to primary housing units. The added competition for available housing has

⁶ The information contained in this section is derived from Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

Section 4: Fair Housing Impediments and Remedial Activities

pushed the price of the available housing stock higher, making it unaffordable for many Vermonters. About 15% of Vermont's housing stock is used only seasonally. In Chittenden County, the level is significantly lower than the state average. Numerous counties have relatively high rates of seasonal housing, notably Grand Isle, Essex, Orleans, and Windham counties. The number of seasonal units dropped appreciably in 10 of the 14 counties between 1990 and 2000. For the state as a whole, there were 2,345 fewer seasonal units in 2000 than in 1990. This general decline is a reflection of the tight housing market in most areas of Vermont.

Federal Cut-Backs.

Cut-backs in federal funding are forcing a reduction in the number of Section 8 Vouchers that the state and local public housing authorities can fund. These reductions will increase competition for the least expensive rental units available.

IMPACTS:

As housing demand in Vermont increases, the cost of housing increases along with it. With many households already experiencing cost burdens, higher prices will prevent many households from moving into homeownership and those in rental housing will find their housing options limited by their ability to pay. Several trends in Vermont suggest that cost-burdened owner households may be at risk for financial difficulties. With home prices increasing, many owners take out home equity loans to cover various expenses. Should home prices decline, these owners may be over-leveraged, a particular problem for low-income cost-burdened households. In addition, cost-burdened owners are at risk for foreclosure when unexpected financial problems arise.

Section 4: Fair Housing Impediments and Remedial Activities

Rents for Vermont's unsubsidized rental housing stock are unlikely to decrease.

Therefore, providing additional affordable units for cost-burdened low income renters will require affordable housing developers and public agencies to take additional steps-- through either rental assistance or development of additional subsidized rental units.

Eliminating the affordability gap for these cost-burdened low-income households requires that at least 20,891 affordable units be developed or made available through rental assistance. The current production rate of 300 subsidized units per year would not reduce the affordability gap sufficiently.

The subsidized housing built by Vermont's affordable housing developers (mid 1970s to 2004) provided for less than one quarter of Vermont's low-income renter households in 2005 (those earning less than 80% of median income). About 11,314 low-income Vermont households rent units subsidized through federal and state housing programs. About half of Vermont's subsidized housing stock is designated for elderly and/or disabled households. The other half is not age restricted. Typically, most non-elderly low-income renter households (about 30,000 households) rent homes through the private rental market. About 6,000 elderly low-income renter households rent homes through the private rental market.

REMEDIAL ACTIONS:

The State of Vermont needs to continue to be proactive in its efforts to stimulate the production of affordable housing. Previous actions have provided necessary legislation that requires cities and towns to allow the inclusion of multifamily and manufactured housing within their communities and have worked through fair housing legislation to require landlords to accept Section 8 Vouchers from renters. These measures, while

Section 4: Fair Housing Impediments and Remedial Activities

beneficial for citizens of Vermont, will not be sufficient to meet affordable housing needs. The State of Vermont should develop incentives through which developers can have access to affordable lots suitable for housing that addresses the needs of its working class citizens. These incentives could take the form of land subsidies, density bonuses, infrastructure participation, or purchase price subsidies where appropriate. Additional funding sources should continue to be identified and utilized through other grant programs to leverage available funding. These sources could include the Federal Home Loan Bank's Affordable Housing Grant Program and funding programs run by the U.S. Department of Agriculture's Rural Housing Program. Inclusionary zoning practices should be encouraged as an option for facilitating the development of affordable housing. These programs can be voluntary or mandatory. The City of Austin, Texas operates a voluntary program that includes density bonuses and building fee rebates where affordable housing is included in development plans. Montgomery County, Maryland has a mandatory program that requires developers to make provisions for affordable housing or contribute cash to a development fund that provides affordable housing outside of their developments. The program also uses density bonuses to compensate developers. The state should evaluate the benefits and costs of inclusionary zoning programs and determine whether the concept fits the housing needs of its citizens.

II. IMPEDIMENT: RENTAL HOUSING UNITS IN POOR CONDITION.

ISSUES:

Focus group and interview participants indicated that one of the major factors influencing housing choice in Vermont is the generally poor condition of rental housing.⁷ According

⁷ Page 132...Focus Group Report

Section 4: Fair Housing Impediments and Remedial Activities

to the 2000 U.S. Census, more than half of Vermont's housing stock was more than 50 years old.⁸ The age of housing stock relates to housing quality since older stock requires more maintenance, updated infrastructure, and safety and code improvements. Vermont's housing stock is old. Based on a 2000 U.S. Census comparison among states, Vermont ranks 11th among states, along with South Dakota, with respect to the median year in which primary structures were built (1968). It should be noted that, with the exception of New Hampshire, the other New England states have even older housing stock than Vermont. More than 78,000 units, almost one third of Vermont's housing stock, were built prior to 1939, meaning they are now over 65 years old. Less than 10% of the housing stock was built since 1998, which substantiates the observation that the amount of housing stock being built is not adequate to meet demand, in particular for rental housing.⁹

IMPACTS:

Poorly maintained rental housing stock is typically the housing most likely to be utilized by households in the lower income groups. These groups, especially to the extent that income and ethnicity are correlated, and in most places they are highly correlated, tend to include many of the protected classes covered by federal and state fair housing laws. Ethnic minorities, recent immigrants, persons with disabilities, and the elderly often find that the only housing options within their price range are poorly maintained. Poorly weatherized housing may also result in increased heating costs.

⁸ Page 46...Community Profiles

⁹ Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

Section 4: Fair Housing Impediments and Remedial Activities

REMEDIAL ACTIONS:

The State of Vermont should enact legislation that provides for systematic inspections of rental housing units throughout the state to enforce the Rental Housing Code. Inspections could be required at the time of leasing or on an annual basis. Provisions should be included for an inspection fee on a per unit basis to cover some of the costs to governmental agencies of operating the program. A graduated fee structure to lessen the burden on subsidized units should be considered (example: Barre City). Further consideration should be given to bills currently under consideration by Vermont's legislature (H.110, S.54) that potentially meet these requirements. The state should continue to provide low-interest loans to landlords through rental rehabilitation programs funded through the Community Development Block Grant.

III. IMPEDIMENT: LACK OF ACCESSIBLE HOUSING.

ISSUES:

Housing accessibility for persons with disabilities appears to be a major issue in Vermont. Almost one third of fair housing complaints investigated by the HRC between 2003 and 2005 were on the basis of disability.¹⁰ Most of these were related to accommodation requests in existing units indicating that these households are housed in units that do not meet their needs. More than 90 of the 171 complaints received by HUD from persons in Vermont between 2000 and 2004 were on the basis of disability.¹¹ Interviewees reported that multifamily housing is still being constructed in Vermont that does not meet the requirements of the Fair Housing Act. The Fair Housing Act specifies that in multifamily buildings with four or more units with elevators, all units must meet

¹⁰ Page 125...Fair Housing Law section.

¹¹ Page 122...Fair Housing Law section.

Section 4: Fair Housing Impediments and Remedial Activities

accessibility standards. In buildings that do not have elevators, all ground floor units must meet those standards. Some interviewees had the perception that no compliance inspections are being performed prior to construction to ensure that accessibility requirements are being met and that none are being made during construction. While units may have reached the market without complying with accessibility requirements in the past, policies are now in place that should prevent any future non-compliant developments from slipping through to the market.

Public funding is being made available to perform substantial rehabilitation of multifamily housing across the state. Yet, old multifamily units coming back onto the market after substantial rehabilitation are not required to meet the accessibility requirements of Vermont law, including its Fair Housing and Public Accommodations Act¹² and its Accessibility Standards for Public Buildings.¹³ It does not seem unreasonable to expect that projects in which the state has a financial stake should be required to meet these guidelines, given the high level of demand that is not being met in the private market.

IMPACTS:

The lack of accessible housing puts additional burdens on persons with disabilities. Their efforts to find appropriate housing are complicated and often unproductive. When they find units that would be acceptable with minor or major changes they are faced with negotiating with landlords over reasonable accommodations. Persons with disabilities are often presented with physical obstacles in their housing choices that few able-bodied

¹² See Title 9, Chapter 139 of the Vermont Statutes Annotated.

¹³ See Title 20, Chapter 174 of the Vermont Statutes Annotated.

Section 4: Fair Housing Impediments and Remedial Activities

renters ever have to consider. As the population ages the demand for accessible housing will continue to grow. In 2000, households with mobility and/or self care limitations tended to have greater levels of housing problems (as measured by cost burden, and/or overcrowding, and/or living units without adequate or accessible plumbing or kitchen facilities). A greater percentage of renter households (37%) experienced a higher level of housing problems than owner households (26%). Elderly owner households were more likely to have a housing problem than younger owner households.¹⁴ According to the 2000 Census, Vermont's lowest-income households were much more likely to have mobility and/or self care limitations and housing problems (as measured by cost burden, and/or overcrowding, and/or living units without adequate or accessible plumbing or kitchen facilities). These housing problems extended to both renter and owner households. The trend is particularly noteworthy for Census-defined elderly and extra-elderly households (age 75+), where over 6,000 households pay more than 30% of their incomes or live in substandard housing at the same time that they struggle physically.¹⁵

REMEDIAL ACTIONS:

With the shift of responsibilities for assuring compliance with accessibility requirements to the Department of Public Safety pursuant to the passage of Act 141 of 2004, it appears that previously perceived problems with new multifamily developments have been corrected. It would be helpful, though, for the state to consolidate its accessibility and adaptability requirements into a single statutory provision that simplifies local understanding of statutory requirements.

¹⁴ Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

¹⁵ Volume 1 of the State of Vermont's Consolidated Strategy and Action Plan for 2005.

Section 4: Fair Housing Impediments and Remedial Activities

An accessible housing registry is now available within Vermont to provide a listing of publicly assisted accessible housing units for lease. This should be expanded to include a broader range of units. A model for an Internet-based registry that includes public and private housing units is being operated in Massachusetts. The registry includes features where landlords can list available units and where tenants can locate units that fit their needs. The Vermont Center for Independent Living might be the logical agency to sponsor such a site, with financial support from the state and other available sources. Once the site is operational, a marketing effort should be conducted to recruit the participation of landlords.

The State of Vermont should amend the state's fair housing law to require all housing provided through state funded programs, whether new construction or rehabilitation, to comply with Federal Fair Housing Act accessibility requirements. While rehabilitation projects are exempted from the Federal Fair Housing Act requirements, Vermont has shown leadership in fair housing issues in the past and a state law requiring compliance would reinforce that leadership position in the nation and provide another source of much needed accessible housing.

State agencies active in housing development and rehabilitation should promote the use of adaptable housing standards when working with developers and architects. Housing units should be designed with future accessibility modifications in mind. Relatively minor costs incurred during construction can save a future resident large sums of money when modifications are required. Blocking in the walls for the installation of handrails and wider door framing that would allow a less destructive means for installing wider

Section 4: Fair Housing Impediments and Remedial Activities

doors in closets and bathrooms are just a couple of the adaptive techniques that could be beneficial if included during construction. These issues should be promoted when working with architects, local planners, developers, and homebuilders associations across the state.

IV. IMPEDIMENT: ZONING ORDINANCES THAT REQUIRE LARGE LOTS.

ISSUES:

Focus group and interview participants indicated that in many rural areas around the state, and in some urban areas as well, zoning codes often require large minimum lot sizes.¹⁶ Often these requirements are based on a desire to encourage Vermont's traditional settlement pattern and to maintain its rural characteristics. Focus group members and interviewees also indicated that on-site septic systems, that are required in areas of the state that are not served by public sewer systems, also drive the need for large lot sizes because they often require a dispersal field for the effluent. Recent changes in the state's wastewater statute require enough dispersal field that a secondary system can be installed if the first system fails, potentially doubling the lot size requirements.

IMPACTS:

Increases in lot size requirements often force a direct increase in the cost of housing development. Where minimum lot size is large, the potential for affordable housing development is low.

REMEDIAL ACTIONS:

The State of Vermont should continue researching new alternatives to the traditional on-site septic systems with particular interest being paid to systems that can reduce the

¹⁶ Page 100...Fair Housing Law section.

Section 4: Fair Housing Impediments and Remedial Activities

dispersal field requirements. Existing state programs and incentives, such as the Vermont Downtown Program, which promote more compact development in downtowns and village centers should be continued.

V. IMPEDIMENT: ZONING ORDINANCES THAT DO NOT ALLOW FOR HIGH DENSITY RESIDENTIAL USES, INCLUDING MULTI-FAMILY AND MOBILE HOME USES.

ISSUES:

Title 24, Section 4412 of the Vermont Municipal and Regional Planning Development Act, entitled “Equal Treatment of Housing,” provides that no municipality may exclude multifamily housing and mobile home uses.¹⁷ Some communities perceive that higher densities are a threat to their public education systems, potentially overloading their school infrastructure.¹⁸ However, under Vermont’s education funding structure, this may only become an issue if increased population results in the need for new schools to be built. Mobile or manufactured homes are also oftentimes viewed as undesirable additions to the community. Whatever the reason, some municipalities have been slow to amend their bylaws to comply with the requirements of the statute.

IMPACTS:

With the pressing need for additional affordable housing units discussed above, the state has been working to encourage communities to be more accepting of higher densities and less expensive housing options. The reluctance of some municipalities to accept these housing types into their communities makes it more difficult to meet the future housing needs of all of the citizens of Vermont.

¹⁷ Page 103...Fair Housing Law section.

¹⁸ Page 140...Focus Group Report

Section 4: Fair Housing Impediments and Remedial Activities

REMEDIAL ACTIONS:

The State of Vermont should work with partners such as the Vermont League of Cities and Towns and the Regional Planning Commissions to undertake a focused effort to identify municipalities that are out of compliance with the “Equal Treatment of Housing” requirements of 24 V.S.A. § 4412 of the Vermont Municipal and Regional Planning Development Act. The state, along with its local and regional partners, should then work with those communities to amend their bylaws to allow for higher density residential uses such as multifamily and mobile home uses. These communities should also include in their bylaws provisions that encourage cluster development and downtown/village centered housing opportunities that enhance housing options for their residents. Finally, the state should commission a study on the impact of higher density housing types on public schools.

VI. IMPEDIMENT: LACK OF AWARENESS OF THE FAIR HOUSING LAW AND RIGHTS GRANTED UNDER THE LAW.

ISSUES:

A common theme during the focus group sessions and interviews was that the average citizen seems to be relatively unaware of their rights under the fair housing laws and how to have their complaints heard if they feel that they have been treated unfairly.¹⁹ In addition to housing consumers, housing providers and real estate professionals must also be aware of what actions may constitute violations of fair housing laws. A lack of awareness means that many people fail to recognize actions that may be discriminatory, and therefore, violations of law. Funding to Fair Housing Assistance Program (“FHAP”) agencies and Fair Housing Initiatives Program (“FHIP”) agencies in Vermont from

¹⁹ Page 136...Focus Group Report

Section 4: Fair Housing Impediments and Remedial Activities

HUD's Office of Fair Housing and Equal Opportunity is relatively low and their use of funds has many demands.

IMPACTS:

Without a general understanding of the requirements of fair housing laws, discriminatory acts can become common place in real estate transactions. There are subtle techniques that are sometimes used to put off people that are seen as undesirable tenants, including telling them that there are no units available or simply handing them literature and telling that they will have to come back another time for a showing. These types of actions are designed to hide discrimination behind a friendly face and disguise discriminatory intent. A better awareness of fair housing laws and rights within the community would alert prospective renters and buyers of actions that may seem friendly on their face, but have the intent and effect of limiting housing choice, and will ensure that housing providers and real estate professionals treat potential tenants and customers in a nondiscriminatory manner.

REMEDIAL ACTIONS:

The HRC should increase its educational activities around the state, concentrating on providing instruction and information to potential victims of discrimination. The state, housing advocacy groups, and regional and local partners should collaborate on fair housing public education efforts to ensure scarce resources are utilized prudently and to ensure that a consistent message is conveyed. Collaborative outreach efforts should be directed to housing consumers, regulators, and providers. Venues such as the Municipal Officers Management Series ("MOMS"), the Town Officers Education Conferences ("TOECS"), Vermont Interactive Television, and other professional conferences and

Section 4: Fair Housing Impediments and Remedial Activities

seminars should be explored. Efforts to highlight April as National Fair Housing Month should also be undertaken. Funding for fair housing activities should be allocated by the state to supplement education and testing funding received from HUD by Fair Housing Assistance Program (“FHAP”) agencies and Fair Housing Initiatives Program (“FHIP”) agencies and consideration should be given to legislation currently pending in the Vermont Legislature, H.112, which allocates money to DHCA for fair housing education efforts. The state should also provide funding for continuing the education and outreach activities outlined in the State of Vermont’s Fair Housing Initiative, of which this Analysis of Impediments is a component.

VII. IMPEDIMENT: NEED TO STRENGTHEN FAIR HOUSING REQUIREMENTS FOR MUNICIPAL GRANTEES OF HUD COMMUNITY DEVELOPMENT BLOCK GRANT (“CDBG”) FUNDS.

ISSUES:

Municipalities that receive grants of HUD CDBG funds from DHCA are required by federal regulations to certify that they affirmatively further fair housing in their communities.²⁰ DHCA leaves the decision as to the type of fair housing activities that will be undertaken to the communities. Unfortunately these communities often have little familiarity with fair housing laws and the options available to them in carrying out their fair housing responsibilities. The typical response to the fair housing certification requirement is the display of a fair housing poster that provides a minimal amount of information to the residents of the community, and has limited impact on increasing citizens’ awareness of their fair housing rights and responsibilities. Broader public information efforts at the local level are needed to advance equal treatment in the housing

²⁰ Page 87...Fair Housing Law section.

Section 4: Fair Housing Impediments and Remedial Activities

markets and to ensure municipal CDBG grantees comply with this required HUD certification.

IMPACTS:

One of the biggest impediments to fair housing in most areas around the country, and in Vermont, is a lack of knowledge of fair housing rights and obligations. Renters and homebuyers are sometimes taken advantage of by unscrupulous professionals in the industry and a lack of knowledge of fair housing rights leaves these households without recourse.

REMEDIAL ACTIONS:

The State of Vermont should strengthen the requirements on municipal CDBG grantees to provide more fair housing education throughout the state. DHCA, in consultation with the Fair Housing Committee of the Housing Council, should develop and enforce a compliance protocol for municipal grantees, with noncompliance ultimately becoming a disqualifier for future receipt of CDBG grant funds. Other states have requirements that are specific in nature and demand tangible actions that address fair housing awareness. These actions may include a requirement that municipal grantees adopt a fair housing proclamation, enact a fair housing ordinance, conduct fair housing outreach during National Fair Housing Month (April), and/or provide fair housing workshops in their communities. Communities around the country sponsor essay and/or poster contests for school aged children in an attempt to reach potential victims of housing discrimination through the children. At a minimum, municipal grantees should be required to include in their fair housing plans provisions for fair housing workshops that take education efforts out to the community.

VIII. IMPEDIMENT: DISCRIMINATION IN RENTAL AND SALES MARKETS.

ISSUES:

As reported in the Fair Housing Law section,²¹ the Champlain Valley Office of Economic Opportunity (“CVOEO”) has conducted fair housing tests in both rental and sales housing markets across the state. These tests compared the treatment of paired non-class members and members of protected classes in home rental and sales transactions. The tests centered on race, familial status, and disability. Test results showed that members of the protected classes were likely to be provided with less information than non-class members and the requirements placed on the protected class members were beyond those required of the non-class members. For instance, the testing found that minorities were more likely to be asked if they had been pre-approved for mortgage financing than non-minorities. While the extent of testing was relatively small in scale, the findings were of great concern, indicating an underlying practice of discrimination against protected class members.

IMPACTS:

Fair housing laws are in place to level the playing field for all households looking for appropriate housing. Discrimination in the housing market takes housing choices away from households that are protected under fair housing laws, especially if they are unfamiliar with their rights, and unfairly denies them their equal rights under the laws.

²¹ Page 75...Fair Housing Law section.

Section 4: Fair Housing Impediments and Remedial Activities

REMEDIAL ACTIONS:

Additional testing should be conducted by agencies and organizations with an interest in assuring equal access to housing in Vermont. The state should provide funding for testing and enforcement activities to expand the scope of the work that needs to be done. Consideration should also be given to legislation currently pending in the Vermont Legislature, H.112, which allocates money to DHCA for such efforts. Funding requests should be submitted to HUD through its Fair Housing Initiatives Programs. The results of the testing programs should be widely publicized in a public education effort to highlight the discriminatory practices common in the market place and to inform citizens to be aware of them. The HRC and private enforcement entities should then be cognizant of complaints filed relating to these practices and vigorously enforce the state's fair housing laws when warranted. The results of the enforcement efforts should be widely publicized.

Current interpretations of the enabling legislation for the HRC may prevent the organization from organizing testing efforts of its own because the legislation prohibits it from using volunteers to investigate complaints. This language does not seem, however, to prohibit the use of volunteers, or paid workers, from providing assistance with testing programs. Testing and complaint investigation can be seen as two very different activities. The HRC should request a definitive evaluation of their enabling legislation to determine their ability to use volunteers in testing efforts and if it is shown that the legislation prohibits complaint-based testing it should be amended to allow it.

Section 4: Fair Housing Impediments and Remedial Activities

Funding should be made available for private enforcement of fair housing laws.

Organizations that provide legal assistance for lower income persons often receive fair housing complaints. Some of these complaints can be forwarded to HUD or the HRC, but many require immediate injunctive relief to assist the tenant in their efforts to secure housing. Private enforcement may be the best forum for meeting these needs.

IX. IMPEDIMENT: LACK OF PUBLIC TRANSPORTATION OPTIONS. ISSUES:

As housing within developed downtown and village centers becomes more expensive, lower income households often look to less developed, rural areas for less costly housing options. Typically, land in the rural areas is less expensive than in urban areas, allowing lower priced housing to be built. Manufactured and mobile home parks also tend to be located in rural areas more frequently than in developed downtowns. While these options allow lower income households more flexibility in their housing choices, the relative distance that they must then commute to jobs puts a different set of stresses on their budgets. The costs of commuting into the developed areas, where jobs are located, particularly as gasoline prices are rising at rapid rates, can counter the cost saving of rural housing.

IMPACTS:

The increase in transportation costs that come with rural housing can eliminate it as a viable housing option. Members of several protected classes, such as persons with disabilities, are more likely to use public transportation, as shown in the Fair Housing Index, and the lack of public transportation between rural housing areas and employment centers may have a negative impact on these groups. Households with limited resources

Section 4: Fair Housing Impediments and Remedial Activities

tend to have less reliable transportation, leading to increased expenses and/or problems maintaining employment due to absenteeism caused by an inability to get to work.

Additional transportation options would allow rural workers to reduce or share their expenses, making the rural housing option more affordable and practical.

REMEDIAL ACTIONS:

The state should work with agencies in regions where commuter jobs are located and expand *Park and Ride* and *Rideshare* programs that supplement current public and private transportation systems. Park and Ride programs provide a parking facility for commuters who then take a bus, van, or carpool into the area where their job is located. Rideshare programs work to find carpooling partners for people with moderate to long commutes where expenses can be shared among the participants.

The state should continue to investigate all possible sources of rural public transportation assistance. These sources might include Community Development Transportation Lending Services Fund available through the Community Transportation Association of America, Surface Transportation funds from the Federal Highway Administration, the Intermediary Lending Program from the U.S. Department of Agriculture, the Job Access and Reverse Commute program operated by the Federal Transit Administration of the Department of Commerce, and Non-urbanized Area Formula Transit Grants, known as Section 5311 grants from the Federal Transit Administration. These funds, where not already in the state's inventory of sources, would aid in expanding current efforts in the rural areas of the state.

Section 4: Fair Housing Impediments and Remedial Activities

The Vermont Agency of Transportation also should collaborate with the Agency of Human Services to assure that appropriate transportation for persons with disabilities is available throughout the state.