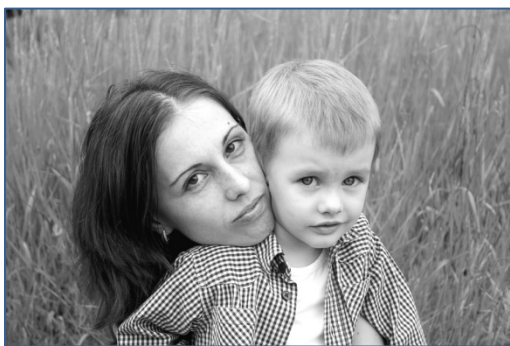


State of Vermont Analysis of Impediments to Fair Housing Choice

April 2012



ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

State of Vermont

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1. Executive Summary

A. Introduction

The State of Vermont has prepared an Analysis of Impediments to Fair Housing Choice (AI) to satisfy requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the State is charged with the responsibility of conducting its federal programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including units of local government which receive federal funds through the State. This AI covers all of Vermont except the City of Burlington, which receives its own allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). Unless otherwise noted, references to the State of Vermont throughout this document refer to the State excluding the City of Burlington. Where appropriate, the City of Burlington is included in the discussion of certain statewide issues and trends (i.e., areas of concentration, dissimilarity indices, etc.).

Communities receiving CDBG funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice (AI). The AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

B. Lead Agency

The Department of Economic, Housing, and Community Development (DEHCD) is responsible for the preparation and implementation of the AI. Staff from the Department identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

C. Agency Consultation

DEHCD engaged in an extensive consultation process with local public agencies, nonprofit organizations and other interested entities in an effort to develop a community planning process for the AI. A series of written questionnaires were mailed to many of the interviewees and detailed lists of issues were developed for the focus group sessions and interviews.

In May 2011, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate. A list of the stakeholders identified and invited to the focus group sessions and interviews is included in Appendix A.

In May and June 2011, DEHCD also utilized the expertise of the Champlain Valley Office of Economic Opportunity to conduct a series of five, statewide focus group sessions to identify current fair housing issues impacting members of protected classes, stakeholders and members of the public. Comments received through these focus groups are incorporated throughout the AI, where appropriate. Over 1,100 invitations were distributed for the Public Focus Group sessions. A list of the dates and locations of these public focus groups, along with a detailed summary of topics discussed, is included in Appendix B.

D. Demographic Observations

The following general fair housing observations were noted throughout the AI, particularly throughout the demographic and housing market analyses:

- **The total population in the State of Vermont increased 43.8% between 1970 and 2010.**

The largest increase occurred in Chittenden County, outside of the City of Burlington. Essex County, in the State's Northeast Kingdom, had the slowest growth rate during this period.

- **Population growth throughout the State has been most rapid among non-White and Hispanic residents.**

Between 1990 and 2010, the number of non-White residents more than tripled, increasing from 1.5% to 4.7% of the State's total population. Persons of two or more races are the largest non-White minority group and comprised 36.5% of the non-White population in 2010. The Asian/Pacific Islander population also comprised a significant proportion of the non-White population (27.5%) and increased 164.6% between 1990 and 2010. Vermont's total Hispanic population has also grown rapidly, from 0.7% of the State's population in 1990 to 1.5% in 2010. This represents a population increase of 138.4%.

- **There are 77 areas of minority concentration in the State, 12 of which are located in the City of Burlington.**

Areas of minority and/or ethnic concentration in the State (excluding Burlington) include 17 tracts of Black concentration, 16 tracts of Asian concentration, 15 tracts of American Indian/Alaska Native concentration, and 17 tracts of Hispanic concentration.

- **The State of Vermont is moderately segregated for Asians and Blacks and has low degrees of segregation for other minority groups.**

According to dissimilarity indices with Whites, Asians and Blacks experience moderate degrees of segregation, with respective indices of 41.8 and 38.8. All other minority groups experience low degrees of segregation with Whites, with persons of two or more races having the lowest dissimilarity index of 16.6.

- **Minority households were more likely than Whites to have annual incomes of less than \$25,000.**

Over 40% of AIAN households and over 31% of Black, Hispanic, and Asian households earned less than \$25,000 annually. By comparison, 22% of White households fell into this lower income bracket.

- **There are 14 impacted areas in the State which include concentrations of both LMI persons and minorities.**

In Vermont, 14 of the 23 census tracts identified as concentrations of LMI persons were also areas of minority concentration. Consequently, areas of minority concentration are more likely to also be areas of concentration of LMI persons.

- **Persons with disabilities were more than twice as likely to live in poverty as persons without disabilities in 2009.**

In Vermont (including the City of Burlington), 22% of persons with a disability were living in poverty, compared to 9.7% of persons without a disability.

- **Female-headed households with children accounted for more than half of all families living below the level of poverty in the State.**

One-third of female-headed households with children were living in poverty in 2010. By comparison, 15.8% of male-headed households with children and only 3.7% of married couples with children were living in poverty.

- **Black and AIAN residents were more likely to be unemployed than Whites, Asians, or Hispanics. Compared to Whites, Blacks were more than twice as likely to be unemployed while AIAN residents were almost three times as likely to be without a job.**

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

- **Counties in the predominantly rural Northeast Kingdom, specifically Essex and Orleans Counties, had the highest estimated foreclosure rates in 2009.**

Overall, the State of Vermont had the lowest foreclosure rate in the country in 2010. Counties in the State's Northeast Kingdom, on the other hand, had foreclosure rates more than double that of the State.

- **Minority households were more likely than Whites to have housing problems in the State.**

Among lower income renter households, 61.6% of Hispanics and 61.1% of Blacks had at least one housing problem compared to 52.5% of Whites. Similarly, among homeowners, 69.9% of Hispanics and 60% of Blacks had a housing problem compared to 55.6% of Whites.

- **Median housing value increased 42.8% in Vermont while real household income declined 3.1%.**

Franklin County experienced the largest increase in median housing value over the past decade. Median gross rent across the State also increased during this period in every county except Grand Isle County. These trends indicate that housing costs have become relatively more expensive since 2000, in particular for current and prospective homeowners.

- **Minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in Vermont.**

This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households may be disproportionately impacted because of their lower incomes.

- **Individuals whose sole source of income is a \$726 monthly SSI check cannot afford to rent a zero-bedroom unit in Vermont at the HUD fair market rent of \$880.**

This situation disproportionately impacts persons with disabilities whose only source of income may be their SSI checks.

- **The sales housing market in the State of Vermont is unaffordable for households earning the median household income.**

In 2010, only 25% of the units sold were affordable to households earning the MHI of \$51,284. By comparison, almost 38% of units sold in 2000 were affordable to households earning the median household income.

- **Regardless of race or ethnicity, households earning the MHI in Vermont cannot afford a home selling at the median sales price of \$199,000.**

This circumstance severely limits housing choice for lower income households as these households would likely have a difficult time purchasing a home.

- **Areas in Vermont with lower median sales prices tend to be located in or near impacted areas of both LMI and minority concentrations.**

Lack of affordable for-sale housing options in non-impacted areas limits housing choice for low-income and minority households.

E. Fair Housing Achievements in Vermont

The following fair housing achievements were noted throughout the AI:

- DEHCD submits all municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving a funding request from a municipality.
- Municipal recipients of CDBG funds throughout the State are required to attend a fair housing training prior to receiving funding awards. VHCB and VHFA recently adopted similar requirements for their funded parties as a condition of receipt of funding.
- Most new affordable housing projects sponsored by VHCB and VHFA exceed the minimum 5% mobility-accessible standard.
- VHCB makes affordable housing investments in non-impacted, more affluent communities, where housing is generally more expensive, to link essential community workers to employment centers.
- Affordable housing investments in Vermont are uniformly distributed and are located in both impacted and non-impacted areas.
- VHFA's QAP clearly indicates that VHFA is dedicated to the goal of preventing concentration of low-income housing and households throughout the State, as evidenced by the following:
 - Development may occur in "ski areas," which are generally rural, more affluent, and predominantly White areas with high cost housing. This helps to prevent concentration of affordable housing in Vermont's villages and urban centers.
 - If developments are constructed in communities where there is a lack of affordable housing, the project meets a Top Tier Priority.
 - Given the demand for more general occupancy housing units throughout the State, VHFA has made this a Top Tier Priority. This enables low-income families to move into communities that previously provided only age-restricted affordable housing.
 - To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement.
- ACCD's Language Access Plan is sufficient and would promote access to State services and programs to persons with limited English proficiency.
- The QAP incorporates Universal Design as a Top Tier Priority.

- The State of Vermont's Access Rules require that certain new residential construction projects be adaptable and visitable for persons with disabilities.
- Overall, the State of Vermont's Planning and Development Act addresses several essential topics related to affirmatively furthering fair housing.
- Through DEHCD, the State of Vermont has supported several affordable housing projects that were delayed due to NIMBYism or other legal challenges.

F. Potential Impediments to Fair Housing Choice – Public Sector

i. Minority households in Vermont have greater difficulty becoming homeowners.

Proposed Action I: Identify effective ways for the State, local units of government, fair housing advocates, certified housing counselors, and financial lenders to continue their work to increase home ownership among minorities, residents of LMI census tracts, and LMI residents. Such methods include:

- Continuing to expand sustainable home ownership opportunities through financial literacy education, including credit counseling and pre- and post-home purchase education.
- Providing lending, credit, and banking services in LMI census tracts and minority census tracts.
- Continuing marketing and outreach efforts of affordable mortgage products that are targeted for residents of LMI census tracts, LMI residents, and minorities.

Proposed Action II: DEHCD should adopt a Section 3 policy to ensure that employment and other economic and business opportunities generated by HUD assistance, to the greatest extent feasible, are directed to public housing residents and other LMI residents, particularly persons receiving government housing assistance, and business concerns that provide economic opportunities to low and very low- income residents.

ii. The State's supply of affordable housing that is accessible to persons with disabilities may be inadequate.

Proposed Action I: DEHCD, in partnership with state agencies, fair housing organizations, and disability advocacy organizations, should coordinate monitoring efforts to ensure that publicly-financed new residential construction and rehabilitation projects comply with all applicable federal and state accessibility requirements and are adaptable and visitable, at least to the extent required by law, for persons with disabilities.

Proposed Action II: DEHCD should partner with disability advocacy organizations to develop a Request for Qualifications for ADA consultants to provide technical assistance to CDBG and HOME grantees and to certify upon completion of each funded project that it is ADA compliant.

Proposed Action III: DEHCD, the Vermont Department of Public Safety, VCIL, and the Vermont Chapter of the American Institute of Architects (AIA) should work together on the creation and promotion of education and training sessions relative to federal and state accessibility requirements and the state's plan review processes. Accessibility compliance training, especially among architects throughout the State, is needed. Additional education and training will lead to a better understanding of various codes, requirements, and plan review processes and ultimately, insurance that new and rehabilitated housing units adhere to all applicable laws and regulations.

Proposed Action IV: DEHCD should partner with advocacy organizations and other state agencies and departments to identify both private and publicly-financed existing accessible units and to survey the existing and projected demand for such units, including the types of disabilities that need to be provided for. VHFA maintains a database of publicly-financed, wheelchair accessible rental units in the State which can be accessed at the following link: <http://www.housingdata.org/doarh/>. The State should build upon VHFA's Directory of Affordable Rental Housing to create a statewide database of all identified publicly *and* privately-funded accessible housing units to better serve the identified need.

Proposed Action V: The State should continue to provide funding to VCIL for its Home Access Program. This will enable VCIL to maintain its efforts to keep persons with disabilities housed in accessible units.

Proposed Action VI: VHFA should continue to incorporate Universal Design as a Top Tier Priority in its QAP.

iii. The State's supply of decent, affordable housing remains inadequate.

Proposed Action I: Through the efforts of DEHCD, VHFA, and VHCB, the State should continue to strike a balance in investing in both impacted and non-impacted areas. Specifically, the State should continue to balance its CDBG and HOME investments between the revitalization of impacted areas and the creation of new housing in non-impacted areas, such as in more rural, affluent communities.

Proposed Action II: VHCB should implement its newly drafted HOME Site and Neighborhood Standards Policy and Checklist.

Proposed Action III: Whenever feasible, local government entities throughout the State of Vermont should reduce or waive impact fees for area developers and nonprofit organizations seeking to build affordable housing units, including both renter and owner units. This practice will encourage additional affordable housing development and promote greater housing choice.

iv. The State's process for allocating and reporting CDBG and HOME funds is quite elaborate and extensive but could be improved from a fair housing perspective.

Proposed Action I: DEHCD should continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. This requirement was recently expanded to include recipients of HOME funds.

Proposed Action II: DEHCD should continue to submit municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving funding requests.

Proposed Action III: In its yearly CAPER documents submitted to HUD, DEHCD should map the addresses of all new affordable housing initiatives financed with public funds to depict their location relative to impacted areas.

Proposed Action IV: DEHCD and VHCB should amend the HOME Affirmative Marketing Plan so that it also explicitly applies to CDBG-assisted housing with five or more units.

Proposed Action V: DEHCD should initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing. This action will achieve the State's regulatory obligation to maintain records reflecting the actions taken to eliminate housing discrimination and affirmatively further fair housing choice.

Proposed Action VI: DEHCD should develop an MOU among all of the State's Fair Housing stakeholders, such as VHCB, VHFA, VHRC, the Public Housing Authorities, Vermont Legal Aid, and CVOEO, to provide for a systematic annual reporting of each organization's fair housing activities and the establishment of a unified database of such activities.

v. Several State policies could be improved from a fair housing perspective.

Proposed Action I: VHFA should continue the following Top Tier Priorities that encourage affordable housing development in non-impacted areas:

- Development may occur in "ski areas," which are generally rural, more affluent, and predominantly White areas with high cost housing. This helps to prevent concentration of affordable housing in Vermont's villages and urban centers.
- If developments are constructed in communities where there is a lack of affordable housing, the project meets a Top Tier Priority.
- Given the demand for more general occupancy housing units throughout the State, VHFA has made this a Top Tier Priority. This enables low-income families to move into communities that previously provided only age-restricted affordable housing.
- To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement.

Proposed Action II: DEHCD should continue to work with CVOEO to develop and implement a monitoring process through which they review a select number of municipal bylaws and plans of CDBG grantees each year for best fair housing practices and potential discriminatory provisions. DEHCD should provide adequate funding for this yearly activity and should not approve funding requests for municipalities found to have discriminatory land use provisions.

Proposed Action III: DEHCD and CVOEO should continue to partner with regional planning commissions throughout the State to complete additional reviews of municipal fair housing and land use planning regulations to ensure these communities are affirmatively furthering fair housing choice. Furthermore, the checklists included in the Chittenden County review should be replicated and distributed for use by other counties and regions throughout the State.

Proposed Action IV: The State, including DEHCD, should support the NRB's and ANR's efforts to further improve the Act 250 process as outlined in the "Report on Improving Vermont's Environmental Protection Process" allowing for transparency and accountability while at the same time streamlining the appeals process.

vi. Policy documents utilized by Public Housing Authorities throughout the State could be improved from a fair housing perspective.

Proposed Action I: With the exception of the Rutland Housing Authority, as the various Public Housing Authorities ("PHAs") review and update their respective Admissions and Continued Occupancy Plans ("ACOPs"), these policies should be revised to address all nine necessary topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

Proposed Action II: As the various PHAs review and update their respective Section 8 Admin Plans, the Barre, Bennington, Montpelier, St. Alban's City, and Springfield Housing Authorities should revise their plans to address all nine topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

vii. The majority of fair housing complaints filed through HUD and VHRC involved disability and familial status (e.g. presence of minors) as the bases for discrimination.

Proposed Action I: DEHCD should continue to provide funding to the Fair Housing Project of CVOEO to provide fair housing training, education, and outreach services.

Proposed Action II: CVOEO should conduct outreach, research, and analysis regarding national origin/ancestry discrimination and public assistance/Section 8 discrimination among landlords and property management companies in the rental housing market.

viii. Members of the protected classes could be more fully represented on State boards and commissions dealing with housing issues.

Proposed Action: The State should ensure that its outreach efforts in making gubernatorial appointments to boards and commissions includes a directed effort to solicit applications from members of classes protected by the federal and state Fair Housing Acts.

ix. There is a need for continued fair housing testing, education, training, and outreach.

Proposed Action I: DEHCD should continue to provide funding to the Fair Housing Project of CVOEO to provide fair housing training, education, and outreach services. The Fair Housing Project should provide these services to code officials, tenants, municipal officials, landlords, land trusts, CHDOs, various property management companies, and realtors.

Proposed Action II: DEHCD should continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. This requirement should be expanded to include recipients of HOME funds. These trainings should continue to focus on Fair Housing law in general, and on how federal and state Fair Housing Acts apply to land use planning and permitting in particular.

Proposed Action III: DEHCD should expand its fair housing training opportunities by creating an online training course more easily accessible to municipal officials and grantees of federal funds.

Proposed Action IV: The State, through DEHCD, should develop a Fair Housing Training Guide for permitting officials and affordable housing developers to ensure everyone involved in the development of affordable housing is aware of their legal rights and obligations under the federal and state Fair Housing Acts.

x. “Not in My Backyard” (NIMBY) can be found in any community and has a direct effect on the ability to develop affordable housing.

Proposed Action: At the urging of the State of Vermont, committees in both the Vermont House of Representatives and the Vermont Senate approved bills that would make it unlawful to discriminate in land use decisions and permitting of housing because a project would contain affordable housing during the 2012 legislative session. The State of Vermont should continue to support the enactment of this important legislation that would serve as a tool against NIMBYism, arising from the general public and from permitting officials.

xi. Public transit service is largely limited to higher-density, developed areas and does not accommodate persons working second and third shifts.

Proposed Action I: Identify opportunities for the development of medium density affordable family housing along existing transit routes. Collaborate with VTrans and public transportation providers throughout the State to serve these areas with public transit.

Proposed Action II: VTrans should continue to offer innovative programs to address the transit and commuting needs of households throughout the State, including the “Go Vermont” program.

xii. Mobile homes and mobile home parks are often located in floodplains and areas vulnerable to severe impacts from natural disasters.

Proposed Action I: The State should continue supporting First Stop Grant funding for CVOEO’s Mobile Home Project to provide technical assistance to mobile home residents on financing the purchase of mobile homes and mobile home parks.

Proposed Action II: The State should address delays in FEMA’s appeal process due to lack of condemnation by developing a state process to condemn homes or declare them uninhabitable.

Proposed Action III: DEHCD should work with its partners to assist in identifying appropriate locations to relocate mobile homes and mobile home parks located in floodplains.

G. Potential Impediments to Fair Housing Choice – Private Sector

i. The Vermont Association of Realtors (VAR) requires ample fair housing education requirements through its licensure and continuing education requirements. However, VAR does not have an established relationship with VHRC or CVOEO.

Proposed Action I: The Vermont Association of Realtors should partner with the Vermont Human Rights Commission to reinstitute regularly scheduled fair housing education opportunities available through the VHRC to VAR members.

Proposed Action II: CVOEO should establish a partnership with local Realtor associations throughout the State to provide fair housing training that is mandated as part of Realtors’ continuing education requirements.

ii. Several newspapers throughout the State do not comply with federal fair housing requirements.

Proposed Action: The Fair Housing Project of CVOEO and Vermont Legal Aid should continue to monitor real estate ads placed in newspaper publications, both print and online versions, to educate publishers of the legal requirements for such ads and to ensure compliance with the Fair Housing Act.

2. Introduction

A. Introduction to the Analysis of Impediments

The State of Vermont has prepared an Analysis of Impediments to Fair Housing Choice (AI) to satisfy requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the State is charged with the responsibility of conducting its federal programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including units of local government which receive federal funds through the State. This AI covers all of Vermont except the City of Burlington, which receives its own allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). Unless otherwise noted, references to the State of Vermont throughout this document refer to the State excluding the City of Burlington. Where appropriate, the City of Burlington is included in the discussion of certain statewide issues and trends (i.e., areas of concentration, dissimilarity indices, etc.).

Communities receiving CDBG funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act.

These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice (AI). The AI is a review of a jurisdiction's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

B. Fair Housing Choice

Equal and free access to residential housing (housing choice) is a fundamental right that enables members of the protected classes to pursue personal, educational, employment or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials, and private citizens must embrace if equality of opportunity is to become a reality.

Under federal law, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following five areas related to fair housing choice:

- The sale or rental of dwellings (public and private),
- The provision of financing assistance for dwellings,
- Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing,

- The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside impacted areas, and
- Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) relative to assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations) and/or 24 CFR Part 92 (i.e., the HOME program regulations).

As a recipient of federal funds (i.e. CDBG), the State of Vermont has specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice,
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the State's initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination and working toward its elimination,
- Promoting fair housing choice for all people,
- Providing racially and ethnically inclusive patterns of housing occupancy,
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income, and housing characteristics by protected classes across the State,
- Evaluate public and private sector policies that impact fair housing choice,
- Identify blatant or de facto impediments to fair housing choice, where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as 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, or national origin.

This Analysis 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. The State of Vermont is expected to review and approve the Analysis and use it for direction, leadership, and resources for future fair housing planning.

The Analysis will serve as a "point-in-time" baseline against which future progress in terms of implementing fair housing initiatives will be judged and recorded.

C. Obligation of CDBG Recipients to Affirmatively Further Fair Housing

In August 2009, Westchester County, NY settled a fair housing lawsuit brought against the County by the Anti-Discrimination Center of Metro New York, Inc. The outcome of this lawsuit is relevant to all HUD Urban County and State CDBG recipients, including Vermont.

This \$180 million lawsuit filed in April 2006 charged that Westchester County failed to fulfill its obligation to affirmatively further fair housing and ensure non-discrimination in its programs. Westchester County is an Urban County under HUD's CDBG and HOME Programs. As a condition of federal funding, all such communities receiving federal funds from HUD must certify to HUD each year that they will conduct their programs in a non-discriminatory manner that affirmatively furthers fair housing in accordance with the Civil Rights Act of 1964 and the federal Fair Housing Act. In making this certification, Westchester County was required to identify impediments to fair housing choice, take action to overcome those impediments, and to maintain records of its analysis and actions.

In the lawsuit, the Center charged that:

- Westchester County is a racially segregated county
- Westchester County's Analysis of Impediments to Fair Housing Choice (AI) was flawed because it considered housing needs based solely on income and failed to fully consider racial segregation and housing needs based on race
- Westchester County failed to inform municipalities receiving CDBG funds of their own obligation to consider the housing needs of persons living outside the communities, not just the needs of residents living within their municipal limits
- Westchester County failed to require municipalities receiving CDBG funds to increase the availability of affordable housing or otherwise affirmatively further fair housing
- As a result of the above, Westchester County made a false claim when it certified to HUD that the County would affirmatively further fair housing.

At issue in this case was not whether Westchester County created affordable housing. In fact, since 1998, the County spent over \$50 million in federal and state funds to aid in the construction of 1,370 affordable rental units and another 334 affordable owner units. It was the *geographic location* of the affordable housing units that were created within the County that was the critical factor in the lawsuit.

The Center alleged that the County's AI did not analyze how its placement of affordable housing affected segregation and racial diversity. It concluded that the County assisted the development of affordable housing units in lower income communities and that as a result, it increased the pattern of racial segregation in Westchester County. Furthermore, the suit charged that the County violated its cooperation agreements with local units of government which prohibits expenditures of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the County's action to comply with its fair housing certifications.

Faced with the threat of losing the \$180 million lawsuit and being cut off from another \$30 million in HUD funding, Westchester County agreed to a settlement with HUD and the Anti-Discrimination Center of Metro New York. Under the terms of the settlement, the County will pay \$21.6 million to HUD in non-federal funds. These funds will be deposited in the County's HUD account and used to build new affordable housing units in specified census tracts with populations of less than 3% Black and 7% Hispanic residents. An additional \$11 million will be paid to HUD, the Center and its counsel. The County will add \$30 million to its capital budget to build affordable housing in non-impacted (i.e., primarily White) areas. It is anticipated that the County will issue bonds to meet its financial obligations under the settlement.



The significance of this legal settlement for urban counties and states throughout the U.S. that receive federal funds from HUD is clear. First, the requirement to affirmatively further fair housing applies to all aspects of county and state government, not just HUD programs. Second, the lawsuit confirms that an urban county (or state) has an obligation to ensure that each local unit of government within its boundary affirmatively furthers fair housing. When an urban county or state makes this pledge to HUD, it is making the promise not just in its own right but also on behalf of each local unit of government within its jurisdiction. This does not necessarily mean that each municipality must finance and develop affordable housing, but it does mean that no municipality may impede or obstruct the creation of such housing by other entities. An urban county or state should provide CDBG and HOME funds to municipalities that affirmatively further fair housing. Furthermore, an urban county or state should not provide CDBG and HOME funds to municipalities that impede fair housing as such actions undermine the urban county's or state's own obligation to affirmatively further fair housing. Finally, an urban county or state must take action to eliminate barriers to fair housing wherever they may exist within its jurisdiction.

D. The Federal Fair Housing Act

i. What housing is covered?

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

ii. What does the Fair Housing Act prohibit?

a. In the Sale and Rental of Housing

No one may take any of the following actions based on race, color, religion, sex, disability, familial status, or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

b. In Mortgage Lending

No one may take any of the following actions based on race, color, religion, sex, disability, familial status, or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property

- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

c. In Insurance

It is unlawful to discriminate in connection to any housing-related transactions, including homeowner's insurance. Discrimination in the homeowner's insurance industry occurs when an insurer unlawfully treats current or prospective homeowners differently because they are a member of one or more of the protected classes. These differences in treatment may include charging higher rates, offering policies with inferior coverage, denying coverage all together, or not returning calls regarding requests for information.

d. Other Prohibitions

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right.
- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.
- Otherwise deny or make housing unavailable, such as in the zoning or permitting processes, based on a person's status in a protected class.

iii. Additional Protections for People with Disabilities

If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and persons with intellectual delays) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let a person with a disability make reasonable modifications to a dwelling or common use areas, at the person with a disability's expense, if necessary for the person with a disability to use the housing. Where reasonable, the landlord may permit changes only if the person with a disability agrees to restore the property to its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices, or services if necessary for the person with a disability to use the housing.

For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

iv. Housing Opportunities for Families with Children

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent, or
- A person who has legal custody of the child or children, or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.

A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

E. Vermont Fair Housing and Public Accommodations Act

The Vermont Fair Housing and Public Accommodations Act, 9 V.S.A. Chapter 139, prohibits housing discrimination on the basis of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, or handicap of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance. As a result, persons in Vermont have greater protection under the State's fair housing law than under the federal Fair Housing Act.

Specifically, the Fair Housing and Public Accommodations Act prohibit the following practices:

- Refusing to negotiate, sell or rent a dwelling to any qualified buyer or renter because of their race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, or handicap of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance,
- Discriminating against any person in the terms, conditions, or privileges of the sale or rental of a unit,
- Using discriminatory notices or advertisements indicating any preference or discriminatory limitation,
- Communicating that a dwelling is not available for inspection, sale or rent, when in fact it is available,
- Engaging in discriminatory lending practices,
- Engaging in blockbusting practices to steer persons into or away from neighborhoods or apartment complexes that are racially segregated,
- Setting terms and conditions of home loans in such a way as to discriminate,
- Denying membership or participation in a multi-listing service or similar organization related to the business of selling and renting real estate,
- Discriminating in the sale or rental of a unit because a person relies upon aids such as attendants, specially trained animals, wheelchairs, etc.,
- Refusing to make reasonable accommodations to a dwelling unit, including public and common areas,
- Committing acts of prejudice, violence, harassment, intimidation, or abuse directed against families or individuals or their residential property,
- Perpetuating segregated housing patterns; and

- Otherwise denying or making housing unavailable, such as in the zoning or permitting processes, based on a person's status in a protected class.

The Vermont Fair Housing and Public Accommodations Act has been determined by HUD to be substantially equivalent to the federal Fair Housing Act. As a result, the Vermont Fair Housing and Public Accommodations Act provides substantive rights, procedures, remedies, and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. As a result, HUD will refer complaints of housing discrimination that it receives from Vermont to the Vermont Human Rights Commission.

The Vermont Human Rights Commission (VHRC) is the state agency responsible for enforcing the State's Fair Housing and Public Accommodations Act. VHRC's mission is to promote full civil and human rights in Vermont. The Commission protects people from unlawful discrimination in housing, state government employment, and public accommodations. VHRC fulfills its mission by enforcing laws, mediating disputes, educating the public, providing information and referrals, and advancing effective public policies on human rights.

VHRC accepts and processes complaints of housing discrimination and conducts an investigation of the charges. If substantial evidence of violation of the Vermont Fair Housing and Public Accommodations Act is found, VHRC will attempt to resolve the dispute through settlement discussions. If settlement is not considered or reached, the Investigator completes the investigation and prepares an Investigative Report. After considering the Report, written responses from both parties involved with the case, and everything said at the Commission meeting, the Commissioners make a final determination whether or not there are reasonable grounds to believe that unlawful discrimination occurred. Reasonable grounds determinations made by the Commissioners become a matter of public record.

The Vermont Human Rights Commission does not conduct due process hearings and is without authority to impose remedies that benefit victims of unlawful discrimination. If the Commissioners issue a reasonable grounds determination, the Commission's executive director and legal counsel attempts for a period not to exceed six months to have the parties conciliate their dispute. The Commission may also seek relief in the public interest during this conciliation effort. Should conciliation efforts prove unsuccessful, the matter is brought back before the Commissioners who may direct the Commission's counsel to file suit seeking compensatory and punitive damages, injunctive relief as well as attorney's fees and civil penalties. In accord with federal enforcement procedures, all Commission complaints that are dual filed with HUD (alleging violations of both state and federal fair housing law) will be result in suit being filed should the complainant so desire.

The following chart depicts the protected classes of the various fair housing statutes for Vermont residents.

Figure 2-1
Comparison of Statutory Protections from Housing Discrimination

Protected Class	Federal Fair Housing Act	Vermont Fair Housing and Public Accommodations Act
Race	•	•
Color	•	•
National Origin	•	•
Religion	•	•
Sex	•	•
Familial Status (families with children under age 18)	•	•
Handicap/Disability Status	•	•
Marital Status		•
Age		•
Sexual Orientation		•
Gender Identity		•
Receipt of Public Assistance		•

F. Comparison of Accessibility Standards

There are several standards of accessibility that are referenced throughout the AI. These standards are listed below along with a summary of the features within each category or a direct link to the detailed standards.

i. Fair Housing Act

In buildings that are ready for first occupancy after March 13, 1991 and include four or more units:

- There must be an accessible entrance on an accessible route
- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All ground floor units and all units in elevator buildings must have:
 - An accessible route into and through the unit
 - Accessible light switches, electrical outlets, thermostats, and other environmental controls
 - Reinforced bathroom walls to allow later installation of grab bars, and
 - Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground-floor units. These requirements for new buildings do not replace any more stringent standards in state or local law.

ii. Americans with Disabilities Act (ADA)

ADA standards are required to ensure equal access to places of public accommodation and commercial facilities by individuals with disabilities. These building standards are to be applied during the design, construction, and alteration of such buildings and facilities to the extent required by regulations issued by federal agencies, including the Department of Justice (DOJ), under the Americans with Disabilities Act of 1990 (ADA). Revised ADA Title II and III Regulations

were adopted by the DOJ in 2010 and included the 2010 ADA Standards for Accessible Design, or the “2010 Standards.” As of March 15, 2012, compliance with the 2010 Standards is required for new construction, for alterations, and for places of recreation where guidance did not previously exist. These recreational areas include swimming pools, exercise equipment, golf courses, play areas, saunas and steam rooms, and boating and fishing platforms.

Changes incorporated into the 2010 Standards include:

- Addition of technical requirements based on children’s dimensions
- Use of ranges rather than absolutes for most elements
- Location of accessible routes must be in general circulation paths
- If a circulation path is provided between seated areas and a stage, it must be accessible
- All direct entrances in multi-level parking garages must be accessible
- More guidance on location of accessible seating in assembly areas
- Single-user toilet rooms must now provide both a parallel and side approach to a water closet

A complete description of the guidelines can be found online at:

http://www.ada.gov/2010ADASTandards_index.htm.

ADA regulations are to be followed to ensure equal access to programs for people with disabilities. The revised ADA Title II and III Regulations went into effect on March 15, 2011. In addition to the changes listed above, the amended regulations include revisions to definitions of service animals, wheelchairs and other power-driven mobility devices, and updated guidance for the provision of auxiliary devices and accessible ticketing practices. A complete description of the revised ADA Title II and III Regulations can be found online at:

<http://www.ada.gov/regs2010/ADAREgs2010.htm>.

iii. Uniform Federal Accessibility Standards (UFAS)

UFAS accessibility standards are required for facility accessibility by persons with physical disabilities for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. A complete description of the guidelines can be found at www.access-board.gov/ufas/ufas-html/ufas.htm.

iv. Section 504

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 require that at least 5% of all public housing units be accessible to persons with mobility impairments. In addition, at least 2% of public housing units must be accessible to persons with sensory impairments. These are minimum requirements. A higher percentage may be required in circumstances where greater need is determined by the PHA. The 2% sensory-accessible unit requirement can be a mobile requirement, depending on where the tenant with visual and/or impairments could stay in a standard unit. In addition, a PHA’s administrative offices, application offices, and other non-residential facilities must be accessible to persons with disabilities. Either the Uniform Federal Accessibility Standards (UFAS) or other safe harbor accessibility standards are the standard against which residential and non-residential spaces are judged to be accessible.

v. Visitability Standards

The term “visitability” refers to single-family housing designed in such a way that it can be lived in or visited by people with disabilities. A house is visitable when it meets three basic requirements:

- At least one no-step entrance,
- Doors and hallways wide enough to navigate a wheelchair through, and
- A bathroom on the first floor big enough to get into in a wheelchair, and close the door.

vi. Vermont’s Visitability Law

Vermont’s Visitability Law took effect in 2001 and is found at 20 V.S.A. § 2907. For purposes of the law, “residential construction” includes new construction of one-family or multi-family dwellings, excluding single-family dwellings built by an owner for the personal occupancy of the owner and owner’s family. According to the State’s Visitability Law, the following five standards are to be incorporated into single-dwelling residential construction:

- There must be at least one first floor exterior door that is at least 36 inches wide,
- On the first floor, interior doors between rooms must be at least 34 inches wide or open doorways that are at least 32 inches wide with thresholds that are level, ramped, or beveled,
- Interior hallways must be level and at least 36 inches wide,
- Environmental and utility controls and outlets must be located at heights that are in compliance with standards adopted by the Vermont Access Board, and
- Bathroom walls must be reinforced to permit the attachment of grab bars.

Common criticisms of the State’s Visitability Law are that it does not include a requirement for a zero-step entrance and it does not contain an enforcement/penalty provision.

vii. Universal Design

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without adaptation or specialized design. Seven principles guide Universal Design. These include:

- Equitable use (e.g., make the design appealing to all users)
- Flexibility in use (e.g., accommodate right- or left-handed use)
- Simple and intuitive use (e.g., eliminate unnecessary complexity)
- Perceptible information (e.g., provide compatibility with a variety of techniques or devices used by people with sensory limitations)
- Tolerance for error (e.g., provide fail-safe features)
- Low physical effort (e.g., minimize repetitive actions)
- Size and space for approach and use (e.g., accommodate variations in hand and grip size).

G. Methodology

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained as consultants to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to prepare the AI involving the State of Vermont. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income, and employment at the census tract, county, and/or state level
- Public policies affecting the siting and development of housing
- Administrative policies concerning housing and community development
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Agencies that provide housing and housing related services to members of the protected classes
- Consolidated Plans, Annual Plans, and CAPERs from the State of Vermont
- The 2006 Analysis of Impediments to Fair Housing Choice
- Fair housing complaints filed with HUD, VHRC, and Vermont Legal Aid
- Real estate advertisements
- 2000 CHAS data tables available from HUD
- 2010 residential segregation data available from Census Scope
- Interviews and focus group sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.

H. Development of the AI

i. Lead Agency

The Department of Economic, Housing, and Community Development (DEHCD) is responsible for the preparation and implementation of the AI. Staff from the Department identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

ii. Agency Consultation

DEHCD engaged in an extensive consultation process with local public agencies, nonprofit organizations and other interested entities in an effort to develop a community planning process for the AI. A series of written questionnaires were mailed to many of the interviewees and detailed lists of issues were developed for the focus group sessions and interviews.

In May 2011, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate. A list of the stakeholders identified and invited to the focus group sessions and interviews is included in Appendix A.

In May and June 2011, DEHCD also utilized the expertise of the Champlain Valley Office of Economic Opportunity to conduct a series of five, statewide focus group sessions to identify current fair housing issues impacting members of protected classes, stakeholders and members of the public. Comments received through these focus groups are incorporated throughout the AI, where appropriate. Over 1,100 invitations were distributed for the Public Focus Group sessions. A list of the dates and locations of these public focus groups, along with a detailed summary of topics discussed, is included in Appendix B.

iii. Review of Draft AI Document

DEHCD utilized the Fair Housing Committee of the Vermont Housing Council to review the draft AI prior to its broader, statewide release for Public Comment. DEHCD reviewed and compiled

comments received from Committee members and disseminated these comments to the consultants for consideration in the development of this AI. The Fair Housing Committee is comprised of representatives from DEHCD, the Vermont Human Rights Commission (VHRC), the Vermont Housing and Conservation Board (VHCB), the Vermont Housing Finance Agency (VHFA), the Champlain Valley Office of Economic Opportunity's Fair Housing Project, the Vermont State Housing Authority (VSHA), the Montpelier Housing Authority (MHA), Vermont Legal Aid (VLA), the Champlain Housing Trust, and the U.S. Department of Rural Development.

DEHCD released the draft AI to the public on February 9, 2012 for a thirty-day Comment Period and two public hearings were held on February 13, 2012, one for representatives from stakeholder organizations that participated in the development of the AI and one for the general public. DEHCD received verbal comments during the public hearings and written comments from Vermont Legal Aid, Inc. during the thirty-day Comment Period. These comments have been incorporated into the Final Draft as appropriate.

I. The Relationship between Fair Housing and Affordable Housing

As stated in the Introduction, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. In Vermont, this protection is also extended to persons based on marital status, sexual orientation, gender identify, age, and receipt of public assistance. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This AI analyzes a range of fair housing issues regardless of a person's income. To the extent that members of the protected classes tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often it is the implementation of public policies that create, or contribute to, the lack of affordable housing in communities, thereby disproportionately affecting housing choice for members of the protected classes.

This document goes well beyond an analysis of the adequacy of affordable housing in the State of Vermont. This AI defines the relative presence of members of the protected classes within the context of factors that influence the ability of the protected classes to achieve equal access to housing and related services.

3. Demographic Information

A. Demographic Profile

i. Population Trends

Vermont's population has consistently increased over the last four decades. In addition, Vermont is becoming more diverse, as its population growth has been most rapid among non-White and Hispanic residents.

Vermont is a state in the New England region of the northeastern United States and is the only New England state that does not border the Atlantic Ocean. Lake Champlain forms half of Vermont's western border, which it shares with New York. There are 14 counties in Vermont, only two of which are entirely surrounded by Vermont territory. According to population figures from the 2010 Census, Vermont is the second smallest state in the US, larger only than Wyoming. The capital of Vermont is Montpelier and the largest city is Burlington.

Unless otherwise noted, references to the State of Vermont throughout this document refer to the State exclusive of the City of Burlington, which receives its own allocation of CDBG funds from HUD. Where appropriate, the City of Burlington is included in the discussion of certain statewide issues and trends (e.g., areas of concentration, dissimilarity indices, etc.).

The State of Vermont has experienced significant population growth over the past forty years, from 405,697 persons in 1970 to 583,324 in 2010, representing a population increase of 43.8%.

Chittenden County (exclusive of the City of Burlington) experienced the largest increase in the number of residents, from 60,498 to 114,128 between 1970 and 2010. By 2010, nearly 20% of State residents were living in areas of Chittenden County outside of Burlington. Between 1970 and 2010, the largest proportional population increases occurred in one of the State's smallest counties, Grand Isle. Grand Isle County grew 95%, although in 2010 its total population was still less than 7,000. Population growth was slowest in Vermont's least populous county, Essex, which is situated in the State's Northeast Kingdom, a predominantly rural area.

Figure 3-1
Population Trends, 1970-2010

	1970	1980	1990	2000	2010	% Change 1970-2010**
Vermont Total	444,330	511,456	562,758	608,827	625,741	40.8%
State of Vermont*	405,697	473,744	523,631	569,938	583,324	43.8%
City of Burlington	38,633	37,712	39,127	38,889	42,417	9.8%
Addison County	24,266	29,406	32,953	35,974	36,821	51.7%
Bennington County	29,282	33,345	35,845	36,994	37,125	26.8%
Caledonia County	22,789	25,808	27,846	29,702	31,227	37.0%
Chittenden County*	60,498	77,822	92,634	107,682	114,128	88.6%
Essex County	5,416	6,313	6,405	6,459	6,306	16.4%
Franklin County	31,282	34,788	39,980	45,417	47,746	52.6%
Grand Isle County	3,574	4,613	5,318	6,901	6,970	95.0%
Lamoille County	13,309	16,767	19,735	23,233	24,475	83.9%
Orange County	17,676	22,739	26,149	28,226	28,936	63.7%
Orleans County	20,153	23,440	24,053	26,277	27,231	35.1%
Rutland County	52,637	58,347	62,142	63,400	61,642	17.1%
Washington County	47,659	52,393	54,928	58,039	59,534	24.9%
Windham County	33,074	36,933	41,588	44,216	44,513	34.6%
Windsor County	44,082	51,030	54,055	57,418	56,670	28.6%

*Exclusive of the City of Burlington. The City is its own entitlement community and receives its own allocation of federal funds from HUD.

Source: U.S. Census Bureau, National Historical Geographic Information System

The total population in the State of Vermont increased 43.8% between 1970 and 2010.

Population growth throughout the State, including the City of Burlington, has been most rapid among non-White and Hispanic residents.

Between 1990 and 2010, the number of non-White residents more than tripled, increasing from 1.5% to 4.7% of the State's total population, representing a 259.7% increase.

Population growth throughout the State, including the City of Burlington, has been most rapid among non-White and Hispanic residents. Between 1990 and 2010, the number of non-White residents more than tripled, increasing from 1.5% to 4.7% of the State's total population. Persons of two or more races are the largest non-White minority group and comprised 36.5% of the non-White population in 2010. The Asian/Pacific Islander population also comprised a significant proportion of the non-White population (27.5%) and increased 164.6% between 1990 and 2010.

Vermont's total Hispanic population has also grown rapidly, from 0.7% of the State's population in 1990 to 1.5% in 2010. This represents a population increase of 138.4%.

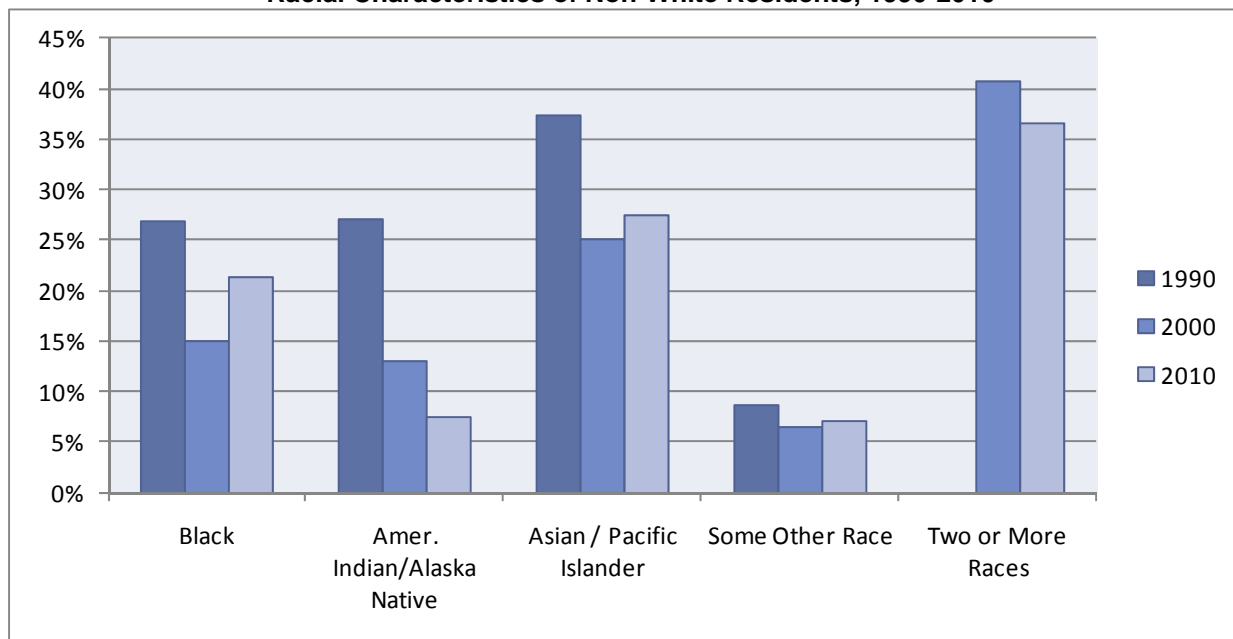
Figure 3-2
Population by Race and Ethnicity, 1990-2010

	1990		2000		2010		% Change 1990-2010
	#	%	#	%	#	%	
State of Vermont*	562,758	100.0%	608,827	100.0%	625,741	100.0%	11.2%
White Population	554,570	98.5%	588,836	96.7%	596,292	95.3%	7.5%
Non-White Population	8,188	1.5%	19,991	3.3%	29,449	4.7%	259.7%
Black	2,194	0.4%	2,981	0.5%	6,277	1.0%	186.1%
Amer. Indian/Alaska	2,215	0.4%	2,602	0.4%	2,207	0.4%	-0.4%
Asian / Pacific Islander	3,064	0.5%	5,005	0.8%	8,107	1.3%	164.6%
Some Other Race	715	0.1%	1,274	0.2%	2,105	0.3%	194.4%
Two or More Races	---	---	8,129	1.3%	10,753	1.7%	32.3%
Hispanic	3,862	0.7%	5,316	0.9%	9,208	1.5%	138.4%

Source: U.S. Census Bureau

*Numbers in the above chart include the City of Burlington

Figure 3-3
Racial Characteristics of Non-White Residents, 1990-2010



The following figure provides information on the race and ethnicity of the population in Burlington City, South Burlington City, Winooski, Colchester, and Essex in 2010. Within these Burlington Metro Area communities, Winooski, South Burlington, and Burlington are the most diverse. Almost 7% of Winooski's population is Black, compared to almost 4% in Burlington and almost

2% in South Burlington. In addition, over 6% of Winooski's population is comprised of Asian residents. By comparison, 3.6% and over 5% of the population in Burlington and South Burlington is Asian, respectively. Within the Burlington Metro Area, Burlington City had the largest percentage of Hispanic residents, as 2.7% of City residents were Hispanic.

Figure 3-4
Population by Race and Ethnicity, Burlington Area, 2010

	Total	White	Black	Asian	Native American/ Alaska Native	Hispanic
Vermont Total	625,741	95.3%	1.0%	1.3%	0.4%	1.5%
State of Vermont*	583,324	95.8%	0.8%	1.1%	0.4%	1.4%
Burlington Metro Area	104,242	90.3%	2.9%	3.8%	0.3%	2.2%
Burlington	42,417	88.9%	3.9%	3.6%	0.3%	2.7%
Colchester	17,067	94.6%	1.2%	2.1%	0.3%	1.6%
Essex	19,587	92.8%	1.5%	3.2%	0.3%	1.7%
South Burlington	17,904	90.0%	1.9%	5.4%	0.2%	1.9%
Winooski	7,267	82.6%	6.9%	6.2%	0.3%	2.2%

*Exclusive of the City of Burlington

Source: US Census Bureau, SF1 Data

ii. Areas of Racial and Ethnic Minority Concentration

In its 2010-2015 Consolidated Plan (CP), the State does not define areas of minority concentration. Such a definition is required by HUD, and will assist the State in identifying impacted areas. According to 24 CFR 91.210(a), local units of government are required to provide a description of areas within its jurisdiction with concentrations of racial and/or ethnic minorities. In addition, 24 CFR 91.210(a) states that the locations and degree of any concentrated areas must be identified, either in a narrative or on maps.

During the AI process, DEHCD staff made the decision to define an area of racial or ethnic minority concentration as census tracts with more than double the statewide proportion of each minority group.

In determining areas of racial and ethnic concentration, statewide population figures were determined to be more appropriate than using State figures exclusive of the City of Burlington, which would exclude this high-minority community. As total Statewide figures capture the total dispersion of subpopulations, their use ensures that the areas of concentration identified across Vermont meet a threshold reflective of overall segregation patterns.

One purpose of the AI is to assist the State in understanding and directing the geographic distribution of federal funds with settlement patterns in mind. Defining an adequate proportion of areas as relatively impacted will allow the state to gain a clear understanding of where the best opportunities exist to affirmatively further fair housing.

Based on the 2010 Census, Vermont's population was 95.3% White. Population growth throughout the State has been most rapid among non-White and Hispanic residents. In order to

highlight the State's increasing minority population, the State should define an area of racial or ethnic concentration as census tracts with more than double the statewide proportion of each minority group. The use of this definition more accurately illustrates areas in Vermont where a higher number of minorities reside and thus does not dilute this statistic. If the definition of 10% more than the statewide proportion was used to define areas of concentration, areas of concentration would not reflect the actual settlement patterns of minorities and would not accurately highlight the areas in which these populations are concentrated.

Blacks accounted for 1% of the overall population in 2010. Therefore, based on the recommended definition, an area of racial concentration of Blacks would include any census tract where the percentage of Black residents is 2% or higher. There are 22 census tracts that meet this criterion. Of these tracts, five are located in the City of Burlington and 17 are located in the remainder of the State.

Asian residents represent 1.3% of the total State population. An area of racial concentration of Asian residents would include any census tract where the percentage of Asians is 2.6% or higher. There are 19 census tracts meeting this criterion, 16 of which are located in the State exclusive of the City of Burlington. The remaining three Asian-concentrated tracts are in Burlington.

American Indian/Alaska Native (AIAN) residents represent 0.4% of population in the State. An area of racial concentration of AIAN residents would include any census tract where the percentage of AIAN residents is 0.8% or higher. There are 18 census tracts that meet this criterion. Three of these tracts are located in Burlington and the remaining fifteen tracts are located in the remainder of the State.

Hispanic residents represent 1.5% of the total State population. An area of ethnic concentration would include any census tract where the percentage of Hispanics is 3% or higher. There are 18 census tracts that meet this criterion. The majority of these tracts (17) are located in the State, exclusive of the City of Burlington.

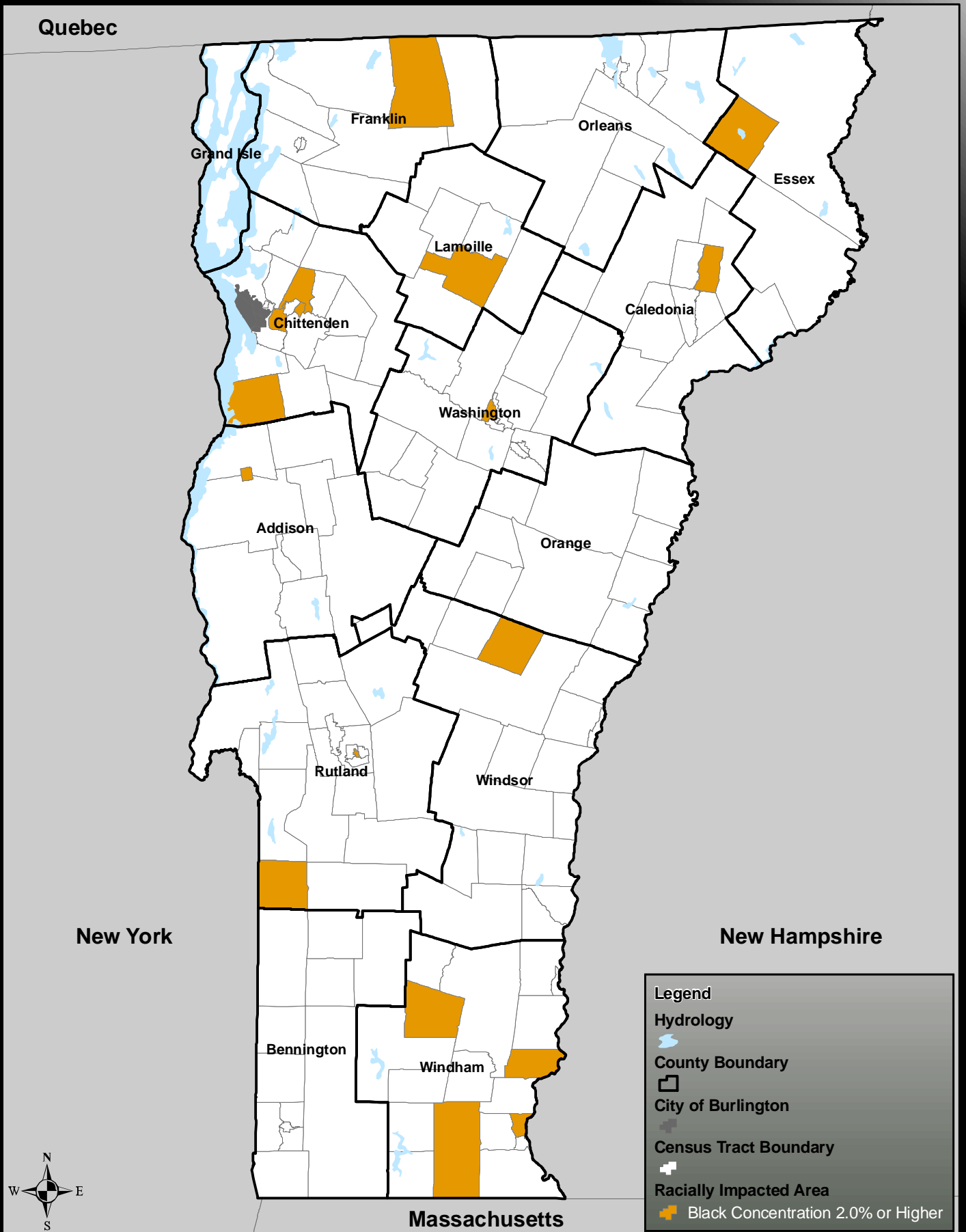
There are 77 areas of minority concentration in the State, 12 of which are located in the City of Burlington.

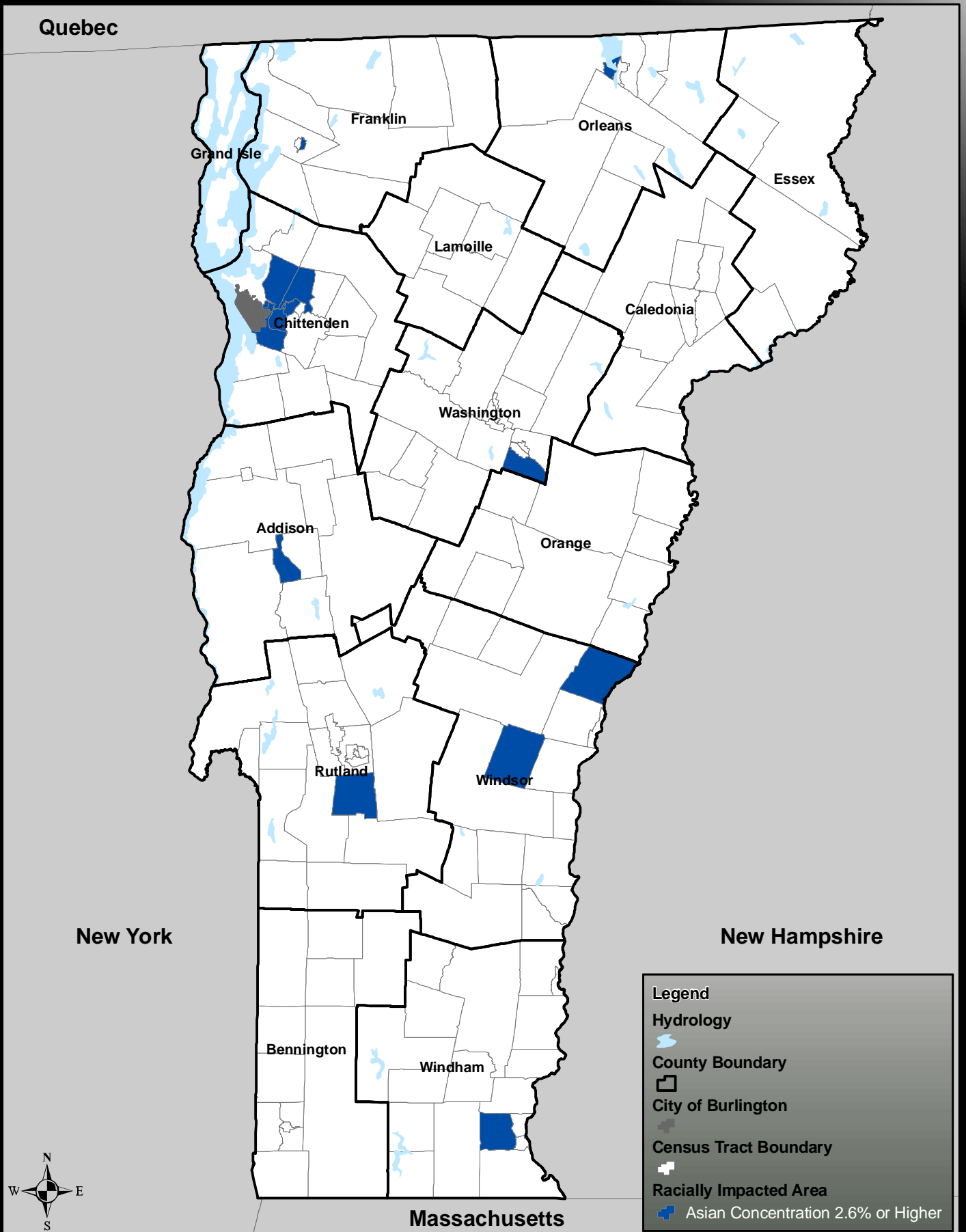
Areas of minority and/or ethnic concentration in the State, exclusive of the City of Burlington, include 17 tracts of Black concentration, 16 tracts of Asian concentration, 15 tracts of American Indian/Alaska Native concentration, and 17 tracts of Hispanic concentration.

Areas of minority and ethnic concentration in the State are illustrated geographically on Maps 1 through 4 on the following pages. Chittenden County had the highest number of areas of concentration of minority groups. Concentrations of Blacks, Asians, and Hispanics were also located throughout the State. Concentrations of American Indian/ Alaska Native residents were also scattered throughout the State, but were most common in the northernmost region of Vermont, including Franklin and Grand Isle Counties.

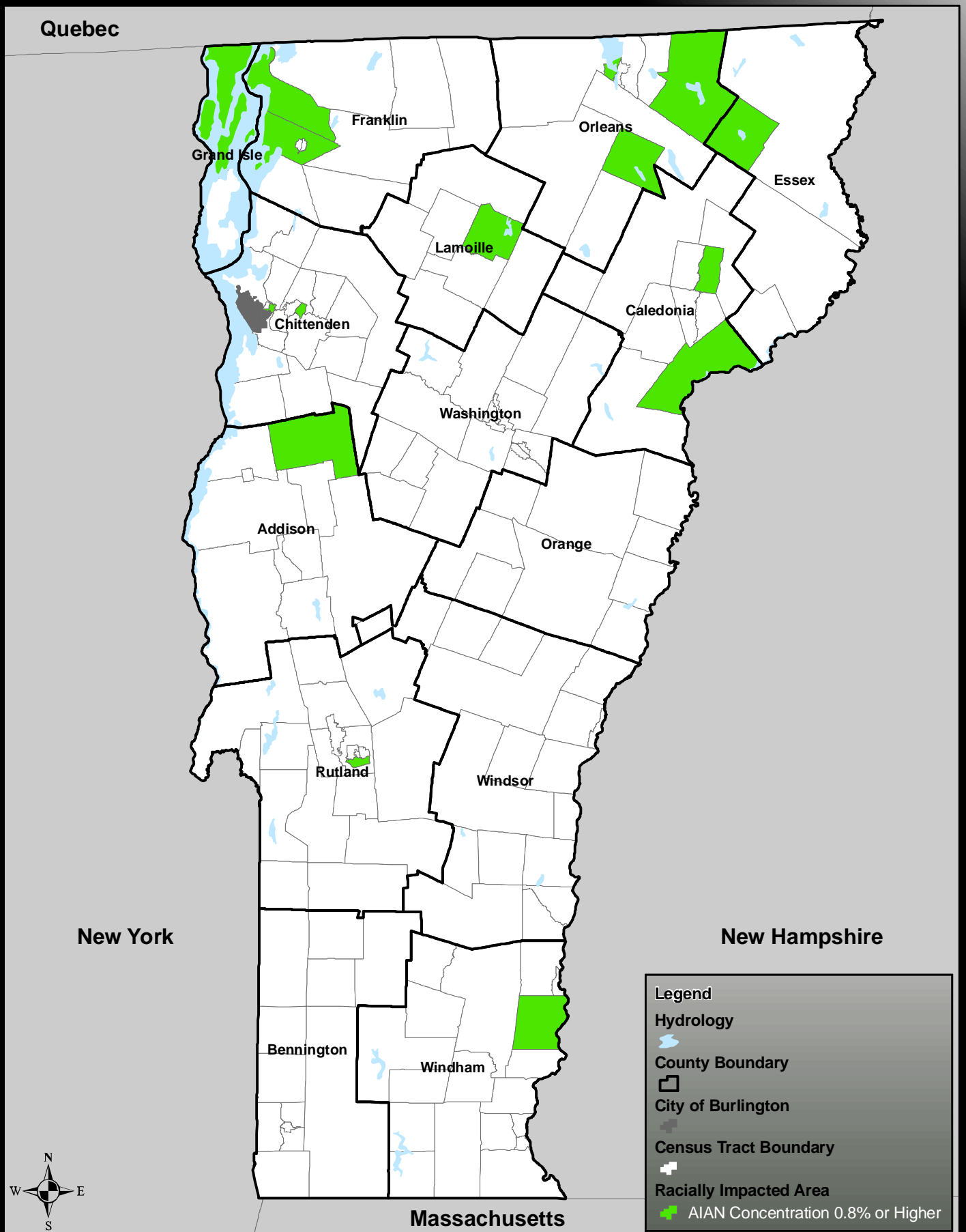
Map 1: Areas of Minority Concentration of Black Residents, 2010

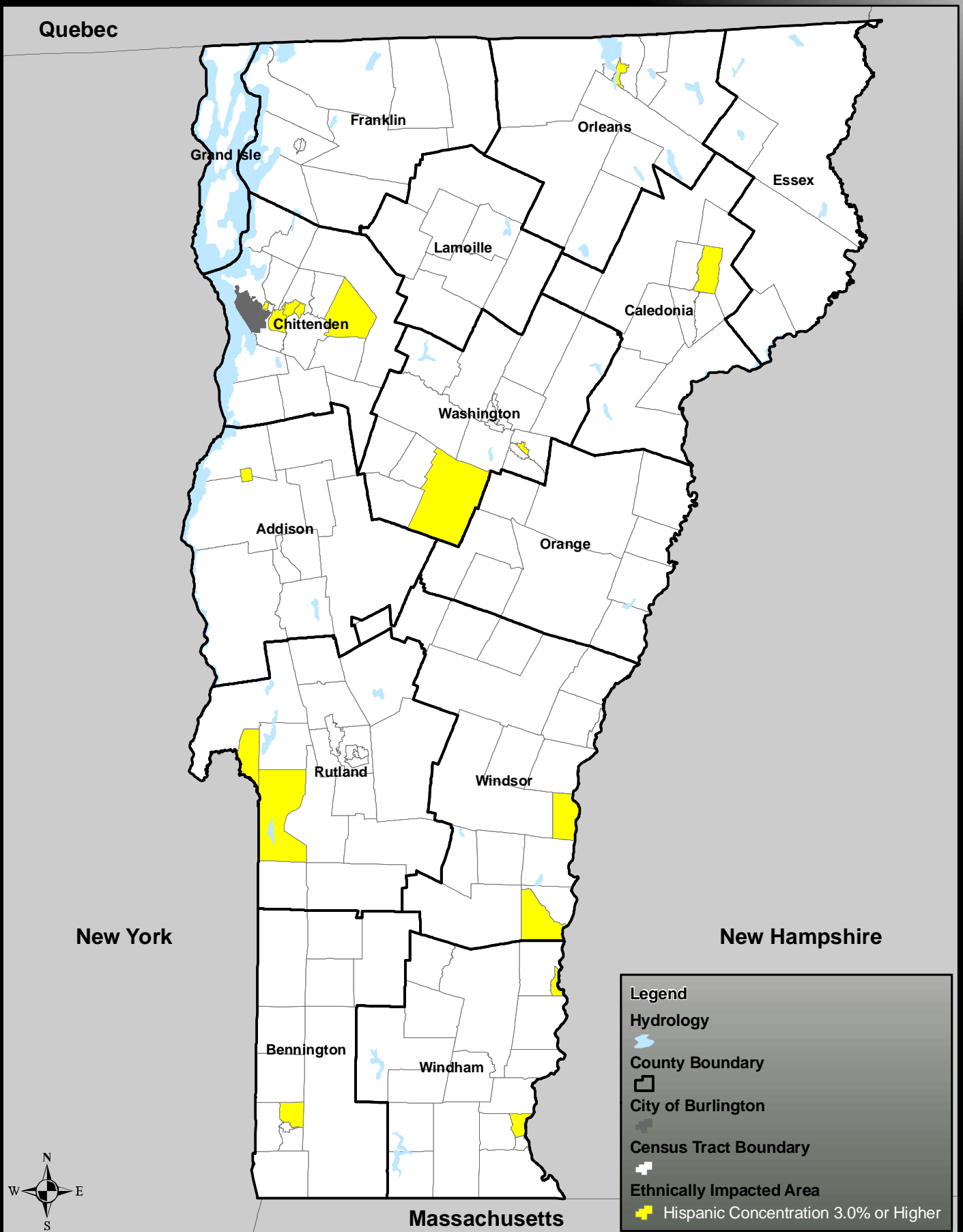
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iii. Residential Segregation Patterns

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and lower income minority inner-city neighborhoods. A potential impediment to fair housing is created where either latent factors, such as attitudes, or overt factors, such as real estate practices, limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high. Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates, and increased homicide rates.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation.¹ The index is typically interpreted as the percentage of the minority population that would have to move in order for a community or neighborhood to achieve full integration. A dissimilarity index of less than 30 indicates a low degree of segregation, while values between 30 and 60 indicate moderate segregation, and values above 60 indicate high segregation.

Dissimilarity indices in the following chart show that the State, including the City of Burlington, has low to moderate levels of segregation between Whites and minority populations. In addition to a White/Black index of 38.8, the State of Vermont has a White/Asian index of 41.8, which suggests that both groups are moderately segregated throughout the State. Additionally, the State has a White/American Indian Alaska Native (AIAN) index of 27.7, a White/multi-race index of 16.6, and a White/Hispanic index of 18.5. These numbers indicate that these subpopulations are more integrated across the State than Blacks and Asians.

¹ The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to $1/2 \sum \text{ABS} [(b/B)-(a/A)]$, where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.

Figure 3-5
State Dissimilarity Index Rankings, 2010

	DI with White Population*	Population	% of Total Population
White	---	601,966	95.3%
Black	38.8	6,402	1.0%
American Indian/Alaska Native	27.7	2,215	0.4%
Asian	41.8	8,283	1.3%
Other	26.9	2,166	0.3%
Two or more races	16.6	10,909	1.7%
Hispanic	18.5	9,439	1.5%
TOTAL	---	631,941	100.0%

* Each dissimilarity index indicates the percentage of one of the two population groups compared that would have to move to different geographic areas to create a completely even demographic distribution in the Balance of State

Note: Hispanic ethnicity is counted independently of race

Source: U.S. Census Bureau, Census 2010; Calculations by Mullin & Lonergan Associates

The State of Vermont is moderately segregated for Asians and Blacks and has low degrees of segregation for other minority groups.

According to the dissimilarity indices with Whites, Asians and Blacks experience moderate degrees of segregation, with respective indices of 41.8 and 38.8. All other minority groups experience low degrees of segregation with Whites, with persons of two or more races having the lowest dissimilarity index of 16.6.

Figure 3-6 details the White/Black, White/Hispanic, and White/Asian dissimilarity indices for each of Vermont's 14 counties. In all of the counties except for Chittenden, the number of persons for each minority subpopulation was less than 1,000. Therefore, these indices should be evaluated with caution. In cases where subgroup population is small, the dissimilarity index may be high even if the group's members are evenly dispersed. Addison County had the highest dissimilarity indices for the three minority groups, with a White/Black index of 42.2, a White/Hispanic index of 20.5, and a White/Asian index of 47.9. Both Windham and Chittenden County were also moderately segregated according to their White/Black and White/Asian dissimilarity indices. Asians in Caledonia County are moderately segregated, with a White/Asian index of 38.3. Throughout the rest of the State, Blacks, Hispanics, and Asians had low levels of segregation. Essex and Grand Isle Counties had the lowest dissimilarity indices for the minority groups. However, less than 100 persons of each minority group were living in these counties in 2010.

Figure 3-6
Vermont County Dissimilarity Index Rankings, 2010

Rank	County	Minority Population	White Population	Total Population	Dissimilarity Index
Black					
1	Addison	283	35,078	36,821	42.2
2	Chittenden	3,444	150,426	156,545	35.3
3	Windham	421	42,412	44,513	31.0
4	Caledonia	167	30,138	31,227	29.5
5	Orleans	162	26,310	27,231	28.8
6	Bennington	308	35,858	37,125	28.6
7	Washington	441	57,192	59,534	24.1
8	Windsor	327	54,563	56,670	23.4
9	Rutland	334	59,829	61,642	22.8
10	Lamoille	149	23,656	24,475	22.7
11	Franklin	213	45,648	47,746	22.6
12	Orange	110	28,077	28,936	22.4
13	Essex	18	6,138	6,306	18.3
14	Grand Isle	25	6,641	6,970	18.1
Hispanic					
1	Addison	385	35,078	36,821	20.5
2	Chittenden	3,087	150,426	156,545	18.1
3	Caledonia	331	30,138	31,227	17.4
4	Orleans	305	26,310	27,231	16.7
5	Rutland	681	59,829	61,642	16.5
6	Windham	820	42,412	44,513	16.5
7	Washington	995	57,192	59,534	16.5
8	Lamoille	322	23,656	24,475	13.6
9	Windsor	696	54,563	56,670	12.3
10	Bennington	525	35,858	37,125	12.0
11	Orange	282	28,077	28,936	11.0
12	Franklin	571	45,648	47,746	10.8
13	Grand Isle	80	6,641	6,970	2.7
14	Essex	59	6,138	6,306	1.2
Asian					
1	Addison	538	35,078	36,821	47.9
2	Caledonia	252	30,138	31,227	38.3
3	Windham	484	42,412	44,513	31.8
4	Chittenden	4,447	150,426	156,545	30.4
5	Windsor	542	54,563	56,670	27.8
6	Washington	513	57,192	59,534	26.9
7	Orleans	102	26,310	27,231	24.8
8	Orange	143	28,077	28,936	23.9
9	Bennington	285	35,858	37,125	21.5
10	Lamoille	129	23,656	24,475	18.4
11	Rutland	380	59,829	61,642	18.0
12	Franklin	245	45,648	47,746	17.6
13	Essex	22	6,138	6,306	7.0
14	Grand Isle	25	6,641	6,970	6.1

Source: U.S. Census Bureau, Census 2010; Calculations by Mullin & Lonergan Associates

iv. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. In Vermont, including the City of Burlington, the median household income for Whites and Hispanics was slightly higher than for Blacks, American Indian/Alaska Natives (AIAN), and Asians. In 2010, White and Hispanic households had similar median household incomes of \$52,147 and \$50,833, respectively. Comparatively, Asians had a median household income of \$39,671, the lowest among all minority groups. The median income for Blacks was \$40,873 or 78% of the median income for White households.

The U.S. Census Bureau determines the poverty status of households by examining the poverty status of the householder. Households are classified as poor when the total income of the householder's family is below the appropriate poverty threshold. The Census Bureau uses a set of dollar value thresholds that vary by family size and composition to determine who is living in poverty. Persons living in poverty tend to struggle more than the average household to pay for food, housing, and other goods and services such as child care and medical care.

As shown in Figure 3-7, poverty rates were highest among Black (27.4%) and AIAN (21.9%) households. Hispanic households also had a relatively high poverty rate of 19.2%, despite having the second highest median household income. In addition, almost 19% of Asian households were living below the poverty level in 2010. Poverty rates were lowest among White households (10.6%).

Figure 3-7
Median Household Income and Poverty Rates by Race/Ethnicity, 2010

	Median Household Income	Poverty Rate
Vermont	\$51,841	11.1%
Whites	\$52,147	10.6%
Blacks	\$40,873	27.4%
American Indian/Alaska Native*	\$40,372	21.9%
Asians	\$39,671	18.9%
Hispanics	\$50,833	19.2%

** Due to small sample size, the margin of error for the median household income estimate of American Indian/Alaska Natives is relatively large. Therefore, estimates should be evaluated with caution.*

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B19013, B19013A, B19013B, B19013C, B19013D, B19013I, B17001, B17001A, B17001B, B17001C, B17001D, B17001I)

The median household income in Chittenden County, including the City of Burlington, was the highest in 2010, at \$59,838 while Grand Isle County had the lowest poverty rate of 6.4%. Orleans and Essex Counties, located in the predominantly rural Northeast Kingdom, had the lowest median household incomes at \$40,202 and \$37,734, respectively.

Figure 3-8
Median Household Income and Poverty Rates in Surrounding Counties, 2010

	Median Household Income	Poverty Rate
Vermont Total	\$51,841	11.1%
Addison County	\$55,800	11.3%
Bennington County	\$47,396	10.9%
Caledonia County	\$42,706	13.5%
Chittenden County	\$59,878	10.8%
Essex County	\$37,734	16.9%
Franklin County	\$53,623	10.5%
Grand Isle County	\$57,436	6.4%
Lamoille County	\$52,232	12.0%
Orange County	\$52,079	10.0%
Orleans County	\$40,202	14.3%
Rutland County	\$47,027	11.8%
Washington County	\$55,313	10.5%
Windham County	\$46,714	11.1%
Windsor County	\$50,893	9.7%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B19013, B17001)

Within the Burlington Metropolitan Area in 2010, median household income ranged from \$69,522 in Essex to \$39,185 in the City of Burlington. The median household incomes in Colchester (\$62,399) and South Burlington City (\$61,007) were higher than the statewide MHI. In contrast, the MHI in Winooski was \$43,660, which was lower than the state median household income.

Among all households in Vermont, household income was relatively evenly distributed across income brackets, as shown in Figure 3-9. However, minority households were more likely to have annual incomes less than \$25,000. Among AIAN and Asian households, 40.1% and 33.3%, respectively, fell into this income bracket, while almost 32% of Black and Hispanic households had incomes at this level. On the opposite end of the spectrum, only 20.5% of Black households, and 22.7% of AIAN households had incomes of \$75,000 and higher, compared to 31.2% of White households. Asian and Hispanic households were more likely than other minority households to fall into this higher income bracket.

Figure 3-9
Household Income Distribution by Race, 2010

	Total	\$0 to \$24,999		\$25,000 to \$49,999		\$50,000 to \$74,999		\$75,000 and higher	
		#	%	#	%	#	%	#	%
All Households	256,612	58,431	22.8%	65,203	25.4%	53,382	20.8%	79,596	31.0%
White Households	248,542	55,874	22.5%	63,068	25.4%	51,972	20.9%	77,628	31.2%
Black Households	1,545	488	31.6%	492	31.8%	248	16.1%	317	20.5%
American Indian/Alaska Native	821	329	40.1%	168	20.5%	138	16.8%	186	22.7%
Asian Households	1,916	638	33.3%	462	24.1%	321	16.8%	495	25.8%
Hispanic Households	2,690	847	31.5%	476	17.7%	527	19.6%	840	31.2%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B19001, B19001A, B19001B, B19001I)

Minority households were more likely than Whites to have annual incomes of less than \$25,000.

Over 40% of AIAN households and over 31% of Black, Hispanic, and Asian households earned less than \$25,000 annually. By comparison, 22.5% of White households fell into this lower income bracket.

v. Concentrations of LMI Persons

The CDBG Program includes a statutory requirement that at least 70% of the funds invested benefit low and moderate income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for CDBG recipients such as the State of Vermont.

HUD data reveals that there are 23 census tracts in the State where at least 51.0% of residents (for whom this rate is determined) meet the criterion for LMI status. Of these, 15 tracts are also identified as areas of minority concentration.

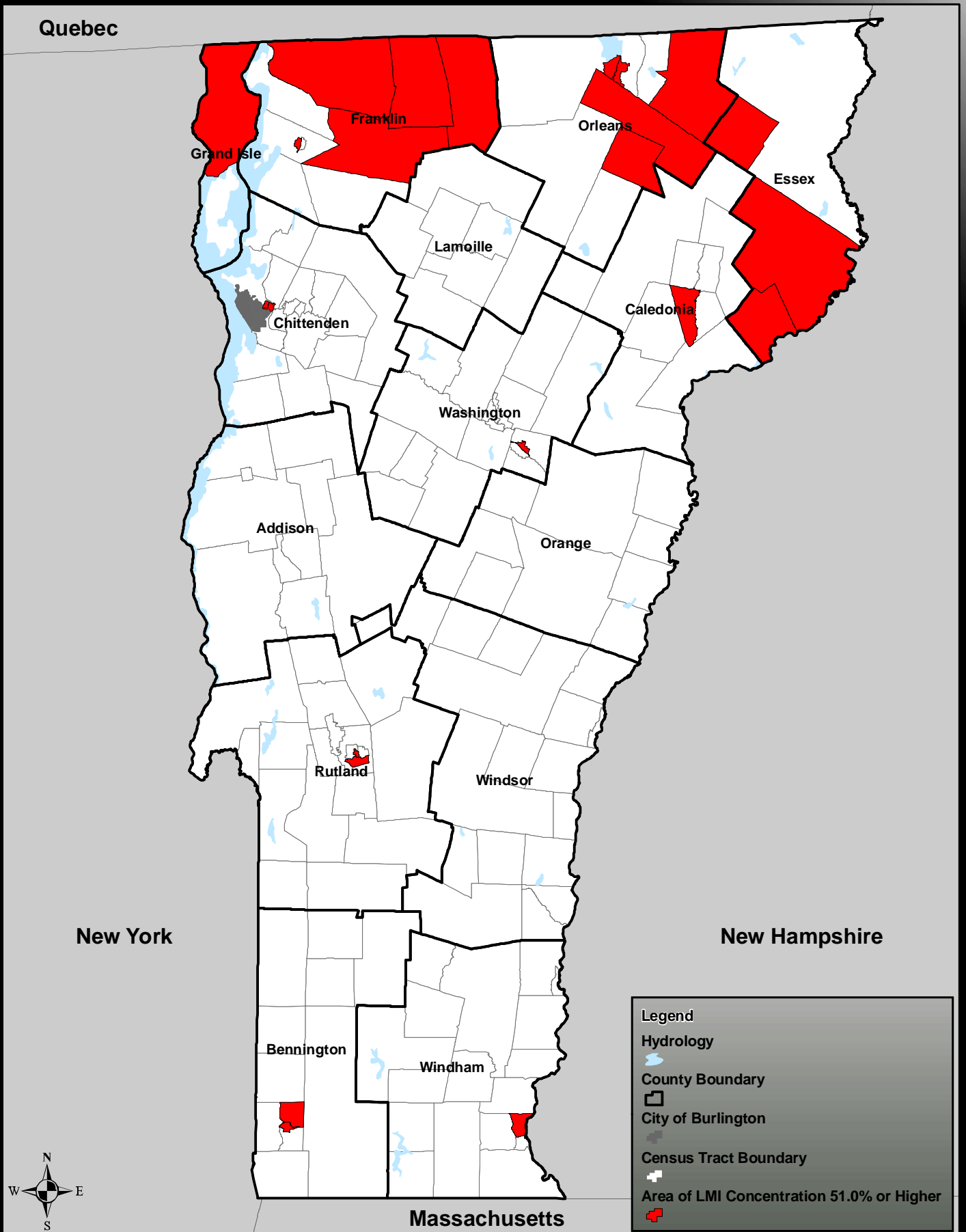
Map 5 illustrates areas of LMI concentration in the State. Areas of LMI concentration are concentrated in the State's northern region, including the rural Northeast Kingdom.

Map 6 illustrates the impacted areas in the State, which are defined as census tracts where concentrations of minority residents overlap with concentrations of LMI persons. It is within these impacted areas that housing and community development investments made by various state agencies will be analyzed later in the document. Defining and locating impacted areas is an important tool that can be used to track current investments and to guide future investments of federal and state funds allocated towards housing and community development projects throughout the State. State agencies should seek to strike a balance of investing said funds in both impacted and non-impacted, more affluent communities. The State's impacted areas are focused in the northern counties of Grand Isle, Franklin, Orleans, and Essex. Additional impacted areas are located in the urban centers throughout the State.

There are 14 impacted areas in the State which include concentrations of both LMI persons and minorities.

In Vermont, 14 of the 23 census tracts identified as concentrations of LMI persons were also areas of minority concentration. Consequently, areas of minority concentration are more likely also to be areas of concentration of LMI persons.

Figure 3-10 provides a summary of areas of minority and/or ethnic concentration as well as areas of LMI concentration throughout the State.



State of Vermont
Analysis of Impediments to Fair Housing Choice

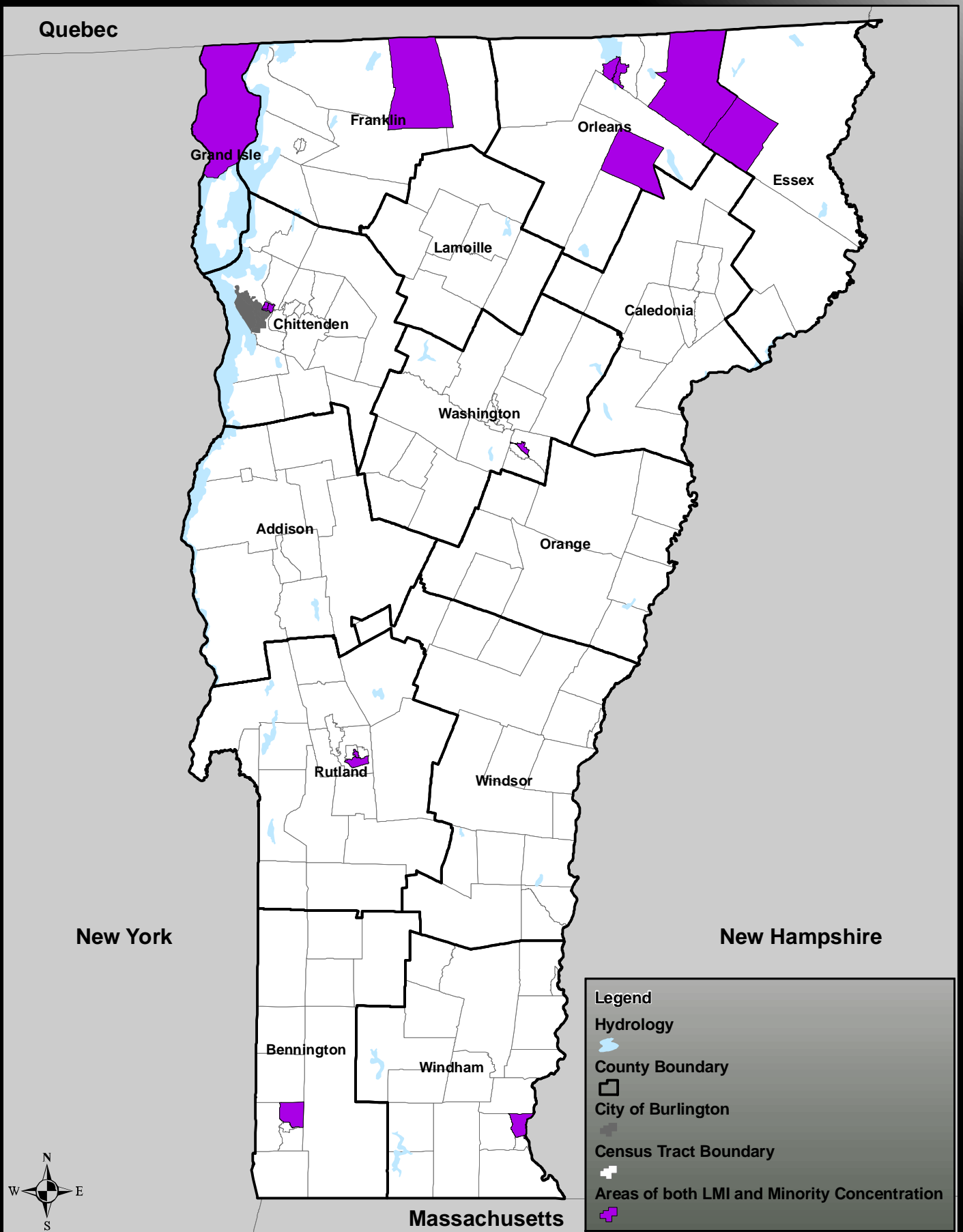


Figure 3-10
Impacted Area Summary Table, 2010

Census Tract	Minority Residents				% LMI	Impacted Area (Y or N)
	% Black	% Asian	% American Indian/Alaska Native	% Hispanic		
Addison County						
9601	0.4%	0.4%	0.8%	0.9%	31.8%	N
9602	0.0%	0.9%	0.0%	1.7%	24.1%	N
9603	3.3%	0.2%	0.0%	3.0%	44.6%	N
9608	1.9%	6.3%	0.0%	1.3%	45.6%	N
Bennington County						
9709	0.0%	0.0%	0.0%	5.4%	56.2%	Y
9712	0.0%	0.0%	0.0%	1.2%	57.4%	N
Caledonia County						
9572	4.0%	0.4%	2.6%	3.4%	40.2%	N
9574	0.6%	0.0%	0.0%	0.1%	52.0%	N
9579	0.6%	0.3%	0.9%	0.8%	34.3%	N
Chittenden County						
22	0.3%	3.1%	0.0%	0.6%	41.5%	N
24	0.8%	4.0%	0.0%	3.8%	63.7%	Y
25	1.2%	5.3%	3.2%	1.9%	59.8%	Y
26.01	1.6%	8.9%	0.0%	4.7%	34.5%	N
26.02	2.5%	1.2%	2.0%	3.1%	27.5%	N
27.01	4.1%	2.9%	0.2%	1.1%	25.5%	N
28	0.2%	1.3%	0.0%	3.2%	26.1%	N
32	2.7%	4.5%	0.2%	3.1%	42.7%	N
33*	1.1%	5.7%	0.1%	1.4%	21.9%	N
35.01	2.5%	1.1%	0.0%	1.2%	23.1%	N
City of Burlington						
1	1.0%	4.9%	1.0%	1.9%	46.0%	N
2	2.3%	1.4%	0.0%	0.6%	43.3%	N
3	1.3%	10.4%	0.0%	1.8%	79.3%	Y
4	1.7%	1.5%	0.4%	2.3%	75.9%	N
5	0.0%	0.0%	0.2%	3.2%	72.7%	Y
6	0.7%	2.6%	0.4%	0.6%	56.6%	Y
8	4.5%	1.2%	1.3%	2.6%	44.0%	N
9	2.4%	1.5%	0.7%	2.6%	56.4%	Y
10	6.2%	1.1%	1.0%	2.0%	77.1%	Y
11	6.2%	1.5%	0.0%	1.3%	33.8%	N
Essex County						
9502	3.5%	0.0%	0.8%	0.0%	59.8%	Y
9503	0.8%	0.5%	0.5%	0.3%	53.6%	N
9504	0.3%	0.7%	0.0%	0.4%	51.3%	N

Source: US Census Bureau, 2010 Census; U.S. Department of Housing and Urban Development

Census Tract	Minority Residents				% LMI	Impacted Area (Y or N)
	% Black	% Asian	% American Indian/Alaska	% Hispanic		
Franklin County						
101	0.2%	0.2%	0.6%	0.2%	53.8%	N
102	3.4%	0.5%	0.3%	0.6%	63.6%	Y
103	0.5%	0.0%	0.0%	0.9%	67.2%	N
104	0.4%	0.0%	0.6%	0.4%	53.7%	N
105	0.0%	0.3%	2.1%	1.7%	50.3%	N
106	0.2%	0.5%	1.4%	1.0%	40.6%	N
107	0.3%	0.3%	0.2%	1.5%	65.6%	N
108	1.5%	3.9%	0.0%	1.4%	41.6%	N
Grand Isle County						
201	0.1%	0.1%	1.0%	0.8%	56.3%	Y
Lamoille County						
9533	0.7%	0.0%	0.8%	1.1%	38.1%	N
9535	2.4%	0.0%	0.1%	1.4%	46.9%	N
Orleans County						
9511	0.0%	0.0%	1.0%	0.5%	56.0%	Y
9514	0.4%	0.0%	0.2%	3.6%	57.1%	Y
9515	1.5%	2.7%	1.6%	0.7%	52.6%	Y
9518	0.8%	0.0%	1.2%	0.4%	56.2%	Y
9519	0.4%	0.0%	0.2%	2.5%	51.3%	N
Rutland County						
9631	2.9%	0.6%	0.0%	1.6%	57.1%	Y
9633	1.0%	0.0%	1.0%	0.2%	53.7%	Y
9634	0.0%	3.0%	0.0%	0.8%	32.9%	N
9637	0.2%	0.0%	0.0%	7.2%	48.3%	N
9638	0.2%	0.3%	0.4%	3.0%	46.8%	N
9643	2.1%	0.0%	0.0%	0.0%	41.8%	N
Washington County						
9546	2.2%	0.0%	0.0%	0.0%	35.4%	N
9551	1.6%	0.0%	0.5%	3.2%	54.7%	Y
9554	0.0%	3.3%	0.0%	2.8%	44.9%	N
9555	1.9%	1.1%	0.3%	3.1%	40.6%	N
Windham County						
9670	0.0%	0.8%	0.0%	6.1%	46.3%	N
9674	2.7%	0.0%	0.3%	1.2%	44.1%	N
9676	0.0%	0.4%	0.8%	0.5%	39.3%	N
9677	2.1%	1.0%	0.1%	0.2%	35.4%	N
9682	3.8%	0.3%	0.5%	1.4%	38.4%	N
9684	0.0%	3.5%	0.3%	1.6%	37.2%	N
9686	2.4%	2.1%	0.2%	4.5%	51.9%	Y
Windsor County						
9650	0.0%	3.3%	0.3%	0.0%	18.8%	N
9651	3.9%	1.6%	0.0%	1.1%	49.3%	N
9658	0.1%	3.1%	0.1%	0.7%	28.4%	N
9660	0.0%	0.0%	0.5%	4.7%	45.7%	N
9666	0.6%	0.0%	0.2%	3.6%	45.0%	N

Source: US Census Bureau, 2010 Census; U.S. Department of Housing and Urban Development

vi. Disability and Income

The Census Bureau reports disability status for non-institutionalized persons with a disability age 5 and over. As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits housing providers from discriminating against applicants or residents because of their disability or the disability of anyone associated with them and from treating persons with disabilities less favorably than others because of their disability. The Act also makes it unlawful for any person to refuse to make reasonable accommodations in rules, policies, practices, or services, when such accommodations may be necessary to afford person(s) [with disabilities] equal opportunity to use and enjoy a dwelling. The Act also prohibits housing providers from refusing residency to persons with disabilities, or placing conditions on their residency, because those persons may require reasonable accommodations.

Reasonable accommodations may include changes to address the needs of persons with disabilities, including changes in rules, policies, practices, and procedures (e.g., permitting the use of an assistance animal). In addition, in certain circumstances, the Act requires that housing providers allow residents to make reasonable modifications to units and public/common areas in a dwelling when those modifications may be necessary for a person with a disability to have full enjoyment of a dwelling. Reasonable modifications include changes to a physical structure (e.g. constructing an entrance ramp).

In Vermont (including the City of Burlington), 13.6% of the population, or approximately 1 out of every 7 Vermonters, 5 years and older reported at least one disability in 2009.²

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In Vermont, among all persons with a disability in 2009, 22% were living below the poverty level, as defined by the U.S. Census Bureau. Among persons without a disability, only 9.7% were living below the level of poverty.³ Due to their lower, often fixed incomes, the average household income of persons with disabilities throughout Vermont is below the poverty threshold set for the State. Households comprised of persons with a disability, particularly those living at or below the poverty level, will struggle more than the average household in Vermont to pay for housing, groceries, child care, and other costs.

Between 2009 and 2011, Vermont Legal Aid's Housing Discrimination Law Project conducted rental visit tests and accessibility audits to test for, among other things, discrimination based on physical and mental disabilities. These tests indicate preferential treatment toward the tester without an apparent disability in 27% of the rental visit audits and significant or minor noncompliance with FHA design and construction accessibility requirements in 83% of the 18 accessibility tests.⁴

² U.S. Census Bureau, 2009 American Community Survey (B18101). Recent data for the City of Burlington is not available.

³ U.S. Census Bureau, 2009 American Community Survey (B18130). Recent data for the City of Burlington is not available.

⁴ Vermont Legal Aid's "Rental Discrimination Audit Report" published in March 2012.



Persons with disabilities were more than twice as likely to live in poverty as persons without disabilities in 2009.

In Vermont (including the City of Burlington), 22% of persons with a disability were living in poverty compared to 9.7% of persons without a disability.

Testing conducted by Vermont Legal Aid between 2009 and 2011 indicates housing providers generally disfavor renters with disabilities.

These tests indicate preferential treatment toward testers without an apparent disability in 27% of the rental visit audits and significant or minor noncompliance with FHA design and construction accessibility requirements in 83% of the 18 accessibility tests.

vii. Familial Status and Income

The Census Bureau divides households into family and non-family households. Family households are married-couple families with or without children, single-parent families, and other families made up of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

The 1968 Fair Housing Act, among other things, protects against sex discrimination. Protection for families with children was added in the 1988 amendments to the Act. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

The Vermont Fair Housing and Public Accommodations Act also protects against sex discrimination, but goes further to also prohibit discrimination based on sexual orientation, gender identity, marital status, and because a person intends to occupy a dwelling with one or more minor children, except in limited circumstances involving elderly housing and housing containing three or fewer units where the owner or a member of the owner's immediate family resides in one of the units.

In the State, the proportion of female-headed households increased from 8.8% in 1990 to 9.5% in 2010, and female-headed households with children increased from 5.8% to 6.4%. By comparison, married-couple family households with children declined from 28.9% to 19.5% of all households. There was an increase in the rate of male-headed households with children from 1.8% to 2.5% during this period.

Figure 3-11
Households by Type and Presence of Children, 1990-2010

	1990		2000		2010	
	#	%	#	%	#	%
Total Households*	195,875	100.0%	224,875	100.0%	239,761	100.0%
Family Households	138,567	70.7%	151,562	67.4%	155,547	64.9%
Married-couple family	115,118	58.8%	123,604	55.0%	122,604	51.1%
With Children	56,688	28.9%	55,384	24.6%	46,771	19.5%
Without Children	58,430	29.8%	68,220	30.3%	75,833	31.6%
Female-Headed Households	17,253	8.8%	19,701	8.8%	22,805	9.5%
With Children	11,270	5.8%	13,416	6.0%	15,298	6.4%
Without Children	5,983	3.1%	6,288	2.8%	7,507	3.1%
Male-Headed Household	6,196	3.2%	8,257	3.7%	10,138	4.2%
With Children	3,489	1.8%	5,283	2.3%	5,932	2.5%
Without Children	2,707	1.4%	2,974	1.3%	4,206	1.8%
Non-family and 1-person	57,308	29.3%	73,313	32.6%	84,214	35.1%

**Exclusive of the City of Burlington*

Sources: U.S. Census Bureau, 1990 (SFT-3, P019), Census 2000 (SF-3, P10); 2006-2010 American Community Survey (B11001, B11003)

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower incomes and the unwillingness of some landlords to rent their units to families with children. In the State (excluding the City of Burlington) in 2010, female-headed households with children comprised 51.5% of families living in poverty, even though they comprised only 14.7% of all families.⁵ Among female-headed households with children, one-third (33.3%) were living in poverty in 2010, compared to 15.8% of male-headed households with children and only 3.7% of married couples with children.⁶

Between 2009 and 2011, Vermont Legal Aid's Housing Discrimination Law Project conducted 95 paired rental visit tests to test, for among other things, familial status discrimination. The telephone audit results indicate that 41% of the paired tests illustrated either apparent discrimination against the tester with children or favorable treatment to the caller without children; and the rental visit audit results indicate that 31% of the testing results illustrated either apparent discrimination against the tester with children or treatment favorable to the tester without children.⁷

⁵ Source: U.S. Census Bureau, 2006-2010 American Community Survey Five-Year Estimates, B17012

⁶ Source: U.S. Census Bureau, 2006-2010 American Community Survey Five-Year Estimates, B17012

⁷ Vermont Legal Aid's "Rental Discrimination Audit Report" published in March 2012.

Female-headed households with children accounted for more than half of all families living below the level of poverty in the State.

One-third of female-headed households with children were living in poverty in 2010. By comparison, 15.8% of male-headed households with children and only 3.7% of married couples with children were living in poverty.

Testing conducted by Vermont Legal Aid between 2009 and 2011 indicates housing providers generally disfavor renters with children.

These tests reveal that 41% of telephone audits and 31% of rental visit audits resulted in either apparent discrimination against testers with children or treatment favorable to testers without children.

viii. Ancestry and Income

It is illegal to discriminate in the provision of housing on the basis of national origin or ancestry. Census data on native and foreign-born populations revealed 3.4% of the State's residents in 2009 were foreign-born or born outside of the U.S. in Puerto Rico or on U.S. island areas.⁸

Refugees represent a significant portion of the State's foreign-born population. Between 1983 and 2009, 5,662 refugees were resettled in Vermont. The vast majority of these refugees were settled in the Burlington metropolitan area. A 2006 report released by the Brookings Institute estimates that 3,056 refugees were resettled in the Burlington metropolitan area between 1983 and 2004.⁹

Refugees face numerous challenges with regard to housing choice. Stakeholders noted that households may not have credit histories or references from previous landlords, thereby limiting their options in the rental market. Refugees also may have more limited information on their housing rights and what constitutes discrimination. In addition, refugee households tend to be larger and therefore may require three-, four-, and five-bedroom units, which comprise less than one-third of the rental housing inventory in Vermont. Lastly, refugees are less likely to be fluent in English, making it more difficult to provide services to this population. In stakeholder interviews, fair housing advocates discussed anecdotal evidence of landlords who are unwilling to rent to applicants based on national origin or accents.

Between 2009 and 2011, Vermont Legal Aid's Housing Discrimination Law Project conducted 95 paired rental visit tests and 300 paired linguistic telephone tests to test for, among other things,

⁸ U.S. Census Bureau, 2005-2009 American Community Survey (B05002)

⁹ Audrey Singer and Jill H. Wilson (September 2006). "From 'There' to 'Here': Refugee Resettlement in Metropolitan America." Washington D.C.: The Brookings Institution.



race/color and national origin discrimination.¹⁰ The combined audit results indicate that, with respect to race and national origin, housing providers generally disfavor African American renters and renters of foreign origin and reflect preferential treatment toward white control testers in 38% of the race-based tests, 40% of the national origin tests, and 36% of the familial status tests.

Refugee populations, centered in the Burlington-Winooski metro area, may face additional challenges in acquiring and maintaining decent, affordable housing.

Refugee populations face unique challenges in obtaining decent housing, including limited credit histories, lack of knowledge of housing rights, large families, and limited English proficiency.

Testing conducted by Vermont Legal Aid between 2009 and 2011 indicates housing providers generally disfavor African American renters and renters of foreign origin.

These tests resulted in preferential treatment toward White control testers in 38% of the race-based tests, 40% of the national origin tests, and 36% of the familial status tests.

ix. Persons with LEP

Persons with limited English proficiency (LEP) are defined as persons who have a limited ability to read, write, speak or understand English. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. **Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon communities receiving federal funds from HUD to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.**

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In the State of Vermont (exclusive of the City of Burlington), there were 7,482 persons who spoke English less than “very well” in 2010, representing 1.4% of the population. Of these, 24% were native French speakers and almost 22% were native Spanish speakers.

¹⁰ Vermont Legal Aid’s “Rental Discrimination Audit Report” published in March 2012.

Figure 3-12
Language Spoken at Home by Ability to Speak English, 2010

Language Group	Number of LEP Persons*
Total	7,482
French	1,795
Spanish	1,640
Chinese	700
Serbo-Croatian	427
Other Indic Languages	415
African Languages	127

**Exclusive of the City of Burlington*

Source: 2006-2010 American Community Survey (B16001)

Within the Burlington Metropolitan Area, the languages with the highest number of LEP persons reflect trends similar to those statewide. The following figure provides a summary of the LEP persons by language group for Burlington, Colchester, Essex, South Burlington, and Winooski. Within the greater Burlington area, the City of Burlington had the highest number of LEP persons, or almost 1,800 persons who spoke English less than very well. On the contrary, there were only 431 LEP persons in Colchester.

Figure 3-13
Language Spoken at Home by Ability to Speak English in Burlington Area, 2010

Language Group	Burlington	Colchester	Essex	South Burlington	Winooski
Total LEP Population	1,788	431	606	654	543
Spanish	113	107	30	42	10
French	201	38	9	83	53
German	131	0	24	0	0
Portuguese	39	0	0	0	0
Russian	25	12	0	10	0
Serbo-Croatian	376	18	52	106	49
Other Slavic	0	37	0	11	0
Urdu	0	28	52	65	0
Other Indic	144	6	106	63	78
Other Indo-European	54	11	0	13	0
Chinese	83	82	316	349	0
Japanese	19	25	0	0	23
Korean	51	13	0	21	0
Vietnamese	319	75	0	0	87
Other Asian	137	15	0	0	0
African	49	6	26	4	76

Source: 2006-2010 American Community Survey (B16001)

To determine whether translation of vital documents is required, recipients of federal HUD funds must first identify the number of LEP persons in a single language group who are likely to qualify for and be served by the State's programs. In the State, Census data from the American Community Survey revealed there are potentially two individual languages with significant numbers (i.e., more than 1,000) of native speakers who also speak English less than "very well." These individual languages include French and Spanish. Given the large number of persons with LEP, the State has adopted a Language Access Plan (LAP) to ensure access to vital services.

x. Protected Class Status and Unemployment

In 2010, unemployment in the State was 5.8%, which was lower than the nationwide rate of 8.0%. Unemployment rates were higher among Blacks (11.6%) and AIAN residents (15.2%) than among Whites (5.7%), Asians (3.3%), and Hispanics (5.8%). Among minority populations, residents were less likely to be unemployed in the State than in the nation as a whole. The only exception to this was AIAN residents, who had a slightly higher rate in the State than elsewhere in the nation.

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

Figure 3-14
Civilian Labor Force, 2010

	United States	%	State of Vermont*	%
Total Civilian Labor Force (CLF)	148,011,610	100.0%	309,364	100.0%
Employed	136,120,161	92.0%	291,398	94.2%
Unemployed	11,891,449	8.0%	17,966	5.8%
Male CLF	77,934,455	100.0%	158,702	100.0%
Employed	71,435,701	91.7%	148,306	93.4%
Unemployed	6,498,754	8.3%	10,396	6.6%
Female CLF	70,077,155	100.0%	150,662	100.0%
Employed	64,684,460	92.3%	143,092	95.0%
Unemployed	5,392,695	7.7%	7,570	5.0%
White CLF	111,371,780	100%	298,808	100%
Employed	103,683,568	93.1%	281,730	94.3%
Unemployed	7,688,212	6.9%	17,078	5.7%
Black CLF	17,350,356	100.0%	2,005	100.0%
Employed	14,892,997	85.8%	1,773	88.4%
Unemployed	2,457,359	14.2%	232	11.6%
American Indian/Alaska Native CLF	1,073,603	100.0%	797	100.0%
Employed	922,723	85.9%	676	84.8%
Unemployed	150,880	14.1%	121	15.2%
Asian CLF	7,297,880	100.0%	2,908	100.0%
Employed	6,831,230	93.6%	2,812	96.7%
Unemployed	466,650	6.4%	96	3.3%
Hispanic CLF	22,071,708	100.0%	4,245	100.0%
Employed	19,944,483	90.4%	3,999	94.2%
Unemployed	2,127,225	9.6%	246	5.8%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (C23001, C23002A, C23002B, C23002D, C23002I)

Black and AIAN residents were more likely to be unemployed than Whites, Asians, or Hispanics. Compared to Whites, Blacks were more than twice as likely to be unemployed while AIAN residents were almost three times as likely to be without a job.

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

B. Housing Market

i. Housing Inventory

The State's housing stock grew by nearly 50,000 units, or 19.5%, between 1990 and 2010. All of Vermont's counties experienced growth in their housing stock during this period, as detailed in Figure 3-15. The most significant growth, in both number of units and percentage change, occurred in Chittenden County outside of the City of Burlington. From 1990 to 2010, Chittenden County's housing stock increased 33.3%, or by over 12,000 units. Rutland County experienced the slowest growth in housing units, with an increase of 8.3% over the past 20 years.

Figure 3-15
Trends in Housing Inventory in Vermont Counties, 1990-2010

	1990	2000	2010	% Change 1990 to 2010
Vermont Total	271,214	294,382	322,539	18.9%
State of Vermont*	255,734	277,987	305,642	19.5%
City of Burlington	15,480	16,395	16,897	9.2%
Addison County	14,022	15,312	16,760	19.5%
Bennington County	18,501	19,403	20,922	13.1%
Caledonia County	13,449	14,504	15,942	18.5%
Chittenden County*	36,615	42,469	48,825	33.3%
Essex County	4,403	4,762	5,019	14.0%
Franklin County	17,250	19,191	21,588	25.1%
Grand Isle County	4,135	4,663	5,048	22.1%
Lamoille County	9,872	11,009	12,969	31.4%
Orange County	12,336	13,386	14,845	20.3%
Orleans County	12,997	14,673	16,162	24.4%
Rutland County	31,181	32,311	33,768	8.3%
Washington County	25,328	27,644	29,941	18.2%
Windham County	25,796	27,039	29,735	15.3%
Windsor County	29,849	31,621	34,118	14.3%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau

ii. Types of Housing Units

In 2010, the American Community Survey reported there were 301,651 occupied housing units in the State (exclusive of Burlington). Of these, 63,176, or 20.9%, were multi-family units and 216,209, or 71.7%, were single-family units. Additionally, 7.3% of the housing stock in the State was mobile homes.

Figure 3-16 details units in structure for each of counties in Vermont. The largest number of multi-family units was in Chittenden County, where multi-family structures comprised 34.3% of the housing stock. Rutland and Washington Counties had the second highest proportion of multi-

family structures, with 27.7% and 27.4% of structures having two or more units, respectively. In Essex, Orange Counties, and Grand Isle Counties, multi-family structures comprised less than 10% of the housing stock.

Mobile homes comprised more than 10% of the housing stock in three counties: Grand Isle, Lamoille, and Orange.

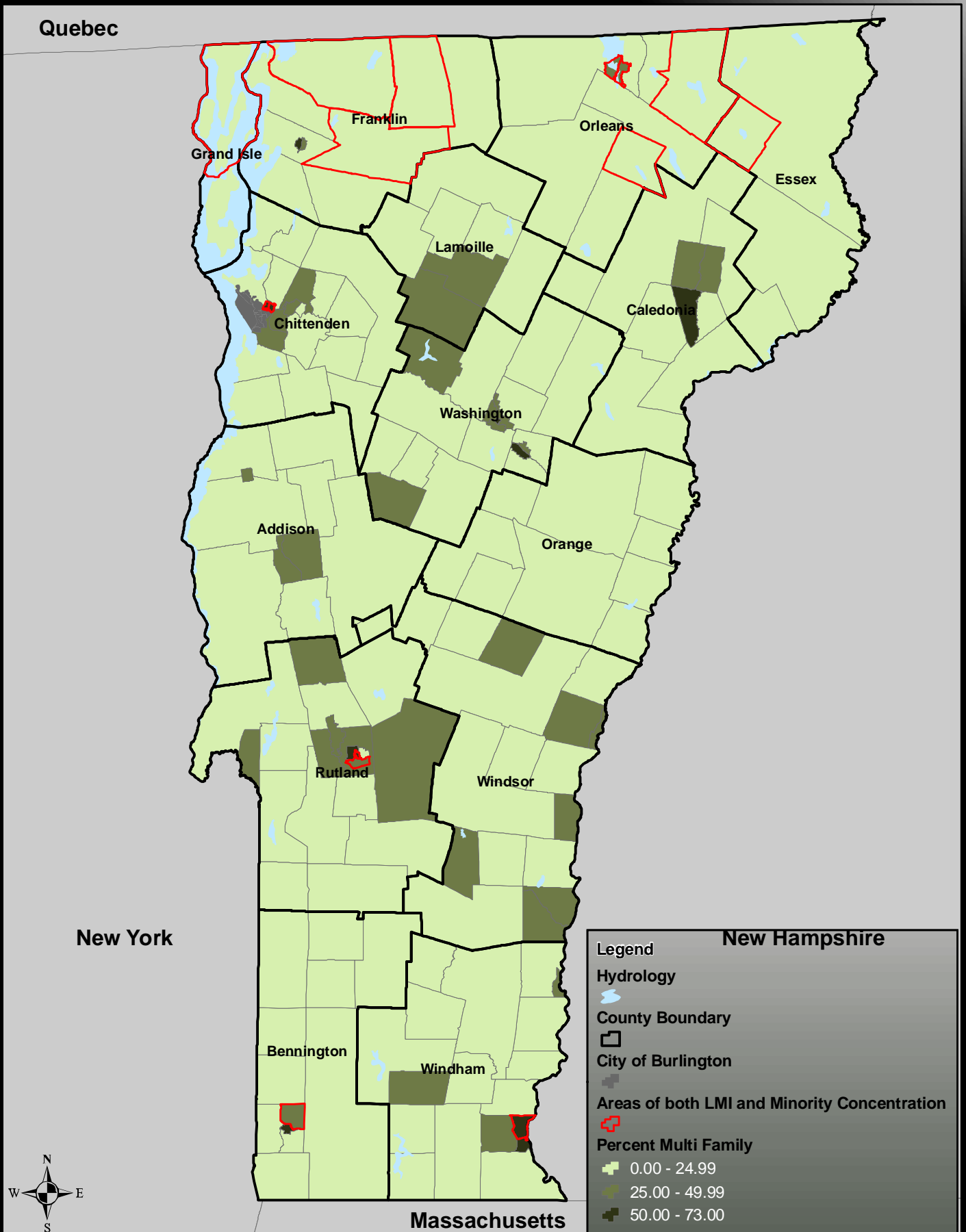
Figure 3-16
Units in Structure by County, 2010

	Total Units	Single-family units	Multi-family units					Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more	Total		
Vermont Total	319,364	222,983	40,762	16,847	6,236	10,113	73,958	22,318	105
State of Vermont*	301,651	216,209	35,164	14,380	5,017	8,615	63,176	22,161	105
City of Burlington	17,713	6,774	5,598	2,467	1,219	1,498	10,782	157	0
Addison County	16,619	12,924	1,242	586	104	208	2,140	1,555	0
Bennington County	20,802	15,212	2,881	751	140	308	4,080	1,484	26
Caledonia County	15,756	11,397	1,801	707	143	440	3,091	1,268	0
Chittenden County*	64,853	39,938	11,042	4,744	2,017	4,464	22,267	2,638	10
Essex County	4,987	4,128	246	68	15	11	340	515	4
Franklin County	21,335	15,918	2,554	473	205	367	3,599	1,813	5
Grand Isle County	5,019	4,100	180	39	40	7	266	653	0
Lamoille County	12,728	8,854	1,547	713	100	146	2,506	1,366	2
Orange County	14,660	11,889	830	292	85	122	1,329	1,440	2
Orleans County	15,996	12,350	1,374	571	151	51	2,147	1,496	3
Rutland County	33,619	21,905	5,684	1,650	768	1,206	9,308	2,393	13
Washington County	29,691	19,874	4,262	2,212	619	1,049	8,142	1,660	15
Windham County	29,388	20,927	3,305	1,417	882	1,197	6,801	1,647	13
Windsor County	33,911	23,567	3,814	2,624	967	537	7,942	2,390	12

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B25024)

Map 7 on the following page illustrates the percentage of multi-family structures in each census tract. The State is largely rural, and census tracts with higher proportions of multi-family structures are scattered in the urban, semi-urban, and educational centers across Vermont. Impacted areas in central and southern Vermont, including those in Chittenden, Rutland, Bennington, and Windham Counties, were more likely to have a higher proportion of multi-family units. In the impacted areas in the northern region of the State, however, multi-family units were less common.



iii. Protected Class Status and Home Ownership

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate. According to one study, "a family that puts 5 percent down to buy a house will earn a 100 percent return on the investment every time the house appreciates 5 percent."¹¹

Historically, minorities tend to have lower homeownership rates than Whites. In Vermont (exclusive of the City of Burlington) in 2010, Whites had a homeownership rate of 74.2%, while Blacks, Asians, AIAN, and Hispanics had significantly lower rates. Blacks had the lowest homeownership rate of 38.1%, followed by Hispanics with a rate of 59.2%. AIAN and Asian households had homeownership rates of 64.2% and 60%, respectively.

Figure 3-17 illustrates homeownership by race in each of Vermont's counties.

Figure 3-17
Homeownership by Race, 2010

	White		Black		AIAN		Asian		Hispanic	
	#	%	#	%	#	%	#	%	#	%
Vermont Total	183,162	71.4%	502	32.5%	473	57.6%	1,059	55.3%	1,521	56.5%
State of Vermont*	172,837	74.2%	475	38.1%	460	64.2%	901	60.0%	1,424	59.2%
Addison County	10,516	75.9%	9	100.0%	45	86.5%	15	65.2%	89	59.3%
Bennington County	11,068	72.7%	27	71.1%	12	85.7%	42	75.0%	124	68.9%
Caledonia County	8,806	71.6%	22	26.5%	37	100.0%	6	13.0%	60	59.4%
Chittenden County*	39,154	67.3%	247	28.3%	77	37.2%	708	54.9%	418	46.9%
Essex County	2,317	83.9%	3	100.0%	11	100.0%	7	58.3%	6	100.0%
Franklin County	13,473	75.6%	9	12.0%	145	72.9%	15	46.9%	93	83.8%
Grand Isle County	2,438	82.3%	7	100.0%	11	39.3%	0	0.0%	31	83.8%
Lamoille County	7,004	69.6%	0	0.0%	25	80.6%	0	0.0%	100	90.1%
Orange County	9,580	81.6%	9	64.3%	7	63.6%	26	72.2%	60	56.6%
Orleans County	8,142	76.9%	21	70.0%	13	37.1%	4	100.0%	26	46.4%
Rutland County	18,308	70.4%	25	46.3%	13	56.5%	44	81.5%	120	70.6%
Washington County	17,663	73.2%	3	5.9%	24	49.0%	54	76.1%	173	64.6%
Windham County	13,200	70.1%	94	62.7%	25	61.0%	88	69.3%	142	58.2%
Windsor County	17,662	73.3%	26	20.6%	28	33.7%	50	53.8%	79	30.5%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B25003A, B25003B, B25003C, B25003D, B25003I)

Minority households in Vermont were less likely to be homeowners.

Nearly three-quarters of White households in the State were homeowners, compared to 38.1% of Blacks, 64.2% of AIAN residents, 60% of Asians, and 59.2% of Hispanics, which reflects trends in median household incomes.

¹¹ Kathleen C. Engel and Patricia A. McCoy, "From Credit Denial to Predatory Lending: The Challenge of Sustaining Minority Homeownership," in Segregation: The Rising Costs for America, edited by James H. Carr and Nandinee K. Kuty (New York: Routledge 2008) p. 82.

iv. Foreclosure Trends

RealtyTrac, an aggregator of nationwide residential foreclosure, loan, and property sales data, provides information on national and local level foreclosure trends. According to RealtyTrac's report for the first quarter of 2011, Vermont had the lowest foreclosure rate in the nation. During this period, 32 properties received foreclosure filings, which include default notices, auction sale notices, and bank repossessions.¹² This represented an 8.6% decrease from the first quarter of 2010. According to RealtyTrac's database, only five households received foreclosure filings in April 2011, or 1 in every 62,849 housing units.

The Neighborhood Stabilization Program (NSP) was established by HUD for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. HUD NSP Estimates provide foreclosure data at the local level.¹³ Between January 2007 and June 2008, the State had an estimated foreclosure rate of 2.4%. Essex and Orleans Counties had the highest foreclosure rates of 6.3% and 5%, respectively.

Figure 3-18
Estimated Residential Foreclosure Rates by County, January 2007 – June 2008

	Foreclosure Filings	Total Mortgages	Foreclosure Rate
Vermont Total	3,798	161,527	2.4%
State of Vermont*	3,721	153,188	2.4%
Addison County	154	7,855	2.0%
Bennington County	220	8,114	2.7%
Caledonia County	196	5,728	3.4%
Chittenden County*	470	43,844	1.1%
Essex County	70	1,119	6.3%
Franklin County	457	16,272	2.8%
Grand Isle County	63	2,514	2.5%
Lamoille County	161	6,213	2.6%
Orange County	194	6,135	3.2%
Orleans County	220	4,371	5.0%
Rutland County	551	14,199	3.9%
Washington County	374	14,727	2.5%
Windham County	241	8,267	2.9%
Windsor County	350	13,830	2.5%

*Exclusive of the City of Burlington

Source: HUD NSP Foreclosure Estimates, 2008

¹² "Foreclosure Activity Decreases 15 Percent in Q1 2011," RealtyTrac Press Release dated April 13, 2011.

¹³ HUD NSP Estimates data, covering the period between January 2007 and June 2008, is not an exact count, but distributes the results of a national survey across geographic areas according to a model considering rates of metropolitan area home value decline, unemployment and high-cost mortgages.

Counties in the predominantly rural Northeast Kingdom, specifically Essex and Orleans Counties, had the highest estimated foreclosure rates in 2009.

Overall, the State of Vermont had the lowest foreclosure rate in the country in 2010. Counties in the State's Northeast Kingdom, on the other hand, had foreclosure rates more than double that of the State.

The Vermont Banking Division (VBD) provides data on the number of foreclosure filings by county. According to VBD, the number of foreclosures throughout the State, including the City of Burlington, decreased almost 15% from 2009 to 2010. Counties with the highest number of foreclosures over both years were Chittenden, Rutland, and Windsor. In 2010, there were 252 foreclosure filings in Rutland County, 223 in Chittenden County (including Burlington), and 189 in Windsor County.

Foreclosure activity is related to fair housing to the extent that it is disproportionately dispersed, both geographically and among members of the protected classes. Concentrated foreclosures and residential vacancy threaten the viability of neighborhoods as well as the ability of families to maintain housing and build wealth. Households carrying heavy cost burdens are prime candidates for mortgage delinquency and foreclosure.

v. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In Vermont, exclusive of the City of Burlington, minorities were much more likely than Whites to live in families with three or more persons. Among individual minority groups, Some Other Race households had the highest rate of larger family households, at 58.7%. All other minority groups, with the exception of Black families, were also more likely to have larger families, as shown in Figure 3-19. By comparison, almost 50% of White families were comprised of three or more persons in 2010.

Figure 3-19
Families with Three or More Persons, 2010

Race	% of Families with Three or More Persons
White	49.4%
Black	47.6%
American Indian/Alaska Native	54.2%
Asian	56.1%
Some Other Race Alone	58.7%
Two or More Races	56.7%
Hispanic	56.9%

Source: U.S. Census Bureau, Census 2010 (SF 1, P28A,B,C,D,F,G and H)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In the State (exclusive of the City of Burlington), 29.4% of the rental housing stock contained three or more bedrooms in 2010 compared to 74.7% of the owner housing stock.

Figure 3-20
Housing Units by Number of Bedrooms, 2010

Size of Housing Units	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
	Number of Units	Percent of Total Housing Units	Number of Units	Percent of Total Housing Units
0-1 bedroom	20,623	32.5%	6,091	3.5%
2 bedrooms	24,094	38.0%	38,510	21.8%
3 or more bedrooms	18,662	29.4%	131,781	74.7%
Total*	63,379	100.0%	176,382	100.0%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B25042)

There is a relative shortage of larger rental units in the State.

Among rental units in Vermont, less than 30% had three or more bedrooms. By comparison, 74.7% of owner-occupied units had at least three bedrooms. An inadequate inventory of larger units can lead to overcrowding, increased wear and tear, and substandard living conditions for large families.

vi. Cost of Housing

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods or communities because of a lack of affordable housing in those areas.

Real household income in Vermont decreased 3.1% between 2000 and 2010. During the same period, median housing value increased 42.8%, suggesting that the sales market in the State has become relatively less affordable, after adjusting for inflation. Median gross rent also increased 11.7% during this period.

Median housing value increased most significantly in Franklin County in the northern part of the State, where housing values grew 56% during the 2000s. Chittenden County (including the City of Burlington) experienced a 40% increase in housing value and 10.7% increase in real median gross rent. Only Grand Isle County, in the northernmost region of Vermont, experienced a decrease in median gross rent during this period.

Median housing value increased 42.8% in Vermont while real household income declined 3.1%.

Franklin County experienced the largest increase in median housing value over the past decade. Median gross rent across the State also increased during this period in every county except Grand Isle County. These trends indicate that housing costs have become relatively more expensive since 2000, in particular for current and prospective homeowners.



Figure 3-21
Trends in Median Housing Value, Rent, and Income, 1990-2010

	Median Housing Value*	Median Gross Rent*	Median Household Income*
2000			
Vermont Total	\$145,934	\$724	\$53,473
Addison County	\$145,672	\$740	\$56,465
Bennington County	\$151,431	\$704	\$52,256
Caledonia County	\$108,763	\$560	\$45,547
Chittenden County	\$181,926	\$866	\$62,396
Essex County	\$89,916	\$550	\$39,906
Franklin County	\$129,967	\$705	\$54,524
Grand Isle County	\$167,006	\$810	\$56,323
Lamoille County	\$150,384	\$710	\$51,510
Orange County	\$123,422	\$669	\$52,163
Orleans County	\$103,135	\$550	\$40,684
Rutland County	\$125,647	\$677	\$48,090
Washington County	\$134,154	\$679	\$53,625
Windham County	\$143,316	\$723	\$50,002
Windsor County	\$142,007	\$705	\$53,253
2010			
Vermont Total	\$208,400	\$809	\$51,841
Addison County	\$219,000	\$831	\$55,800
Bennington County	\$198,800	\$720	\$47,396
Caledonia County	\$154,200	\$601	\$42,706
Chittenden County	\$254,700	\$959	\$59,878
Essex County	\$124,300	\$581	\$37,734
Franklin County	\$202,800	\$822	\$53,623
Grand Isle County	\$235,600	\$787	\$57,436
Lamoille County	\$211,100	\$867	\$52,232
Orange County	\$182,700	\$766	\$52,079
Orleans County	\$149,200	\$647	\$40,202
Rutland County	\$172,100	\$727	\$47,027
Washington County	\$197,600	\$780	\$55,313
Windham County	\$204,600	\$731	\$46,714
Windsor County	\$209,900	\$839	\$50,893
% Change 2000-2010			
Vermont Total	42.8%	11.7%	-3.1%
Addison County	50.3%	12.3%	-1.2%
Bennington County	31.3%	2.3%	-9.3%
Caledonia County	41.8%	7.3%	-6.2%
Chittenden County	40.0%	10.7%	-4.0%
Essex County	38.2%	5.6%	-5.4%
Franklin County	56.0%	16.6%	-1.7%
Grand Isle County	41.1%	-2.8%	2.0%
Lamoille County	40.4%	22.1%	1.4%
Orange County	48.0%	14.5%	-0.2%
Orleans County	44.7%	17.6%	-1.2%
Rutland County	37.0%	7.4%	-2.2%
Washington County	47.3%	14.9%	3.1%
Windham County	42.8%	1.1%	-6.6%
Windsor County	47.8%	19.0%	-4.4%

*All numbers are in 2010 inflation-adjusted dollars. Sources: U.S. Census Bureau, Census 2000 (SF3-H76, H63, P53), 2006-2010 American Community Survey (B25077, B25064, B19013); Calculations by Mullin & Lonergan Associates, Inc.

a. Rental Housing

In addition to the growth in median housing costs outpacing growth in median household income, Vermont has experienced a significant loss of affordable rental units over the past decade. Between 2000 and 2010, the number of units renting for less than \$500 a month decreased by more than half, from 21,989 to 10,126. By comparison, the number of units renting for \$1,000 or more increased more than fivefold, from 2,738 to 15,820.

Figure 3-22
Loss of Affordable Rental Housing Units, 2000-2010

Units Renting for:	2000	2010	Change 2000-2010	
			#	%
Less than \$500	21,989	10,126	-11,863	-53.9%
\$500 to \$699	18,810	11,825	-6,985	-37.1%
\$700 to \$999	10,680	20,764	10,084	94.4%
\$1,000 or more	2,738	15,820	13,082	477.8%

Note: Does not include units with no cash rent

Excludes the City of Burlington

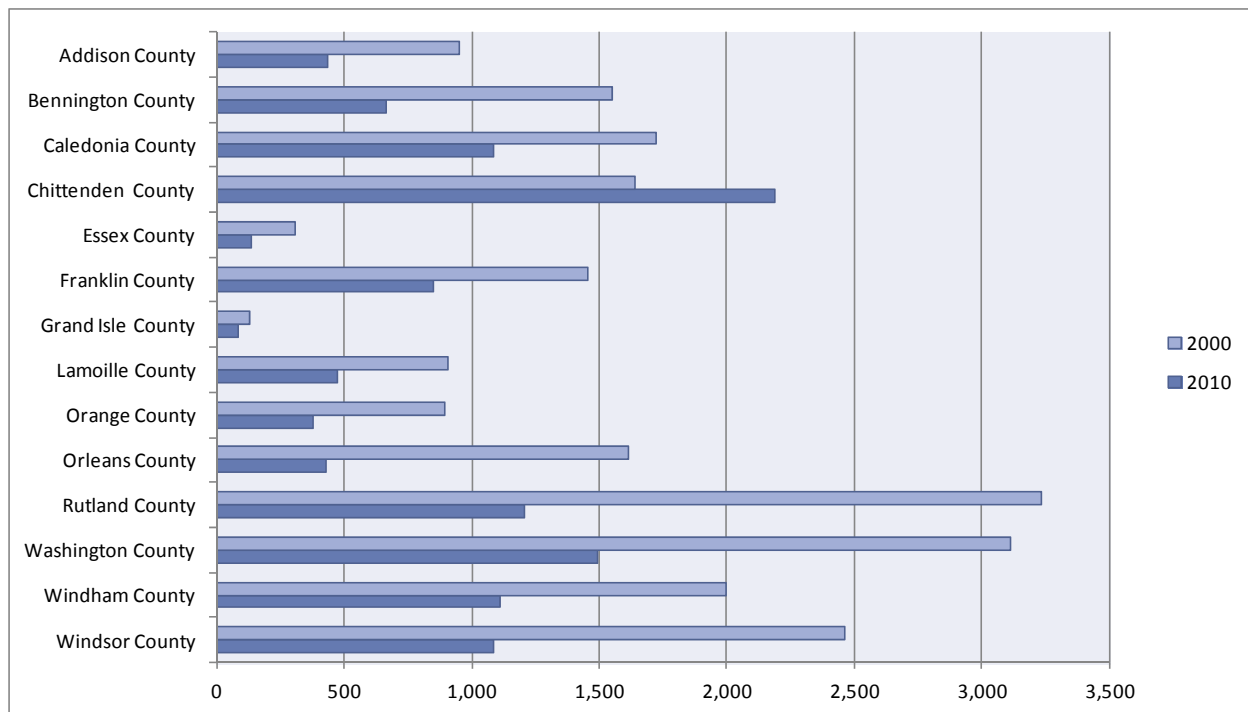
Sources: U.S. Census Bureau, Census 2000 (SF3, H62), 2006-2010 American Community Survey (B25063)

The loss of affordable rental units over the past decade has been significant in the State.

In Vermont, almost 12,000 units renting for less than \$500 a month were lost between 2000 and 2010. During the same period, the number of units renting for more than \$1,000 increased by over 13,000 units, or 477.8%.

Figure 3-23 illustrates the loss of affordable units renting for less than \$500 by County. The stock of affordable units was halved in eight of the State's 14 counties, with the largest decreases occurring in Orleans and Rutland Counties. In Rutland County, the number of units renting for less than \$500 a month decreased by more than 3,000.

Figure 3-23
Loss of Units Renting for Less than \$500 by County, 2000-2010



The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in each county in the U.S. for 2010. In Vermont, the Fair Market Rent (FMR) for a two-bedroom apartment is \$990. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a household must earn \$3,300 monthly or \$39,600 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$19.04 per hour.

In Vermont, a minimum wage worker earns an hourly wage of \$8.15. In order to afford the FMR for a two-bedroom apartment, a minimum wage earner must work 93 hours per week, 52 weeks per year. Or, a household must include 2.3 minimum wage earners working 40 hours per week year-round in order to make the two-bedroom FMR affordable.

In Vermont, the estimated average wage for a renter is \$10.75 an hour. In order to afford the FMR for a two-bedroom apartment at this wage, a renter must work 71 hours per week, 52 weeks per year. Or, working 40 hours per week year-round, a household must include 1.8 workers earning the average renter wage in order to make the two-bedroom FMR affordable.

Minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in Vermont.

This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households may be disproportionately impacted because of their lower incomes.

Monthly Supplemental Security Income (SSI) payments for an individual are \$726 in Vermont. If SSI represents an individual's sole source of income, \$218 in monthly rent is affordable, while the FMR for a zero-bedroom/efficiency unit is \$808.

Individuals whose sole source of income is a \$726 monthly SSI check cannot afford to rent a zero-bedroom unit in Vermont at the HUD fair market rent of \$880.

This situation disproportionately impacts persons with disabilities whose only source of income may be their SSI checks.

b. Sales Housing

The sales market in the State of Vermont, including the City of Burlington, has followed recent national trends, with a growth in the number of sales between 2001 and 2004 and a steep decline during the latter half of the decade. At the peak of the market in 2004, a total of 7,820 single family units and condos were sold. Between 2005 and 2010, when the market slowed considerably, the number of closings fell 33.8% to 4,903.

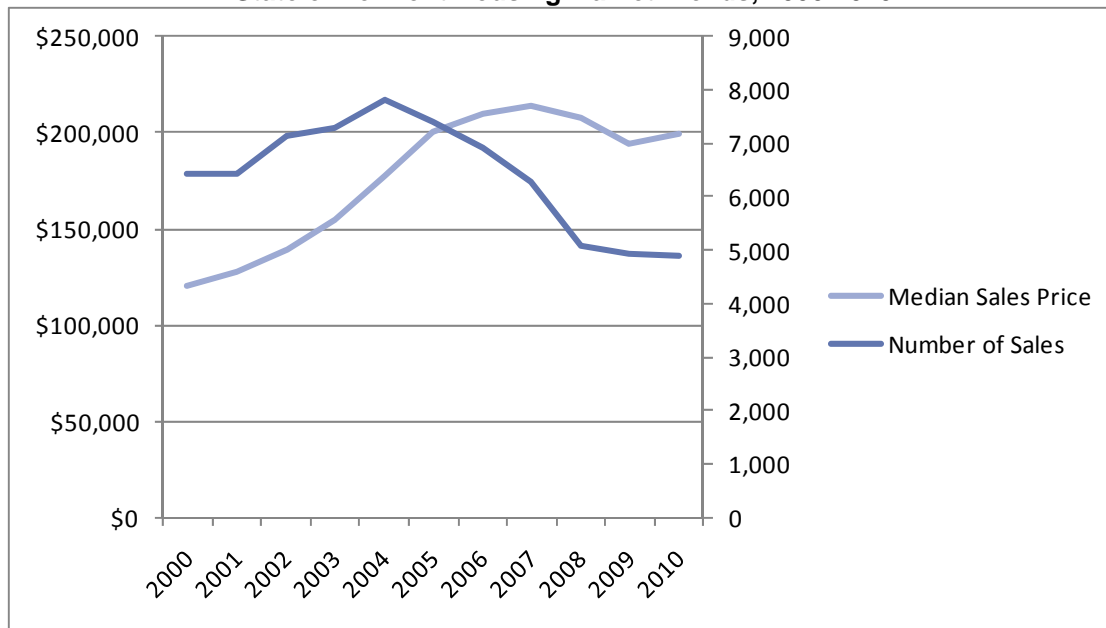
Median sales prices remained strong even after the number of closings began to fall, and the median sales price peaked at \$213,500 in 2007. By 2010, the median sales price had dropped 6.4% to \$199,900. The median sales price in the State remained relatively stable during the latter part of the 2000s, most likely due to the fact that Vermont has experienced very low foreclosure rates when compared to the rest of the country. Between 2006 and 2010, the average number of days on the market increased from 99 days in 2006 to a peak of 164 days in 2010.

Figure 3-24
State of Vermont Housing Market Trends, 2000-2010

Year	Single-Family & Condo Units		
	Number of Sales	Median Sales Price	Average Days on Market
2000	6,412	\$120,000	130
2001	6,428	\$127,500	116
2002	7,152	\$139,000	110
2003	7,304	\$155,000	90
2004	7,820	\$177,200	86
2005	7,407	\$200,000	91
2006	6,900	\$210,000	99
2007	6,276	\$213,500	120
2008	5,094	\$208,000	141
2009	4,934	\$194,000	147
2010	4,903	\$199,900	164

Source: Vermont Realtor Data

Figure 3-25
State of Vermont Housing Market Trends, 2000-2010



One method used to determine the inherent affordability of a housing market is to calculate the percentage of homes that could be purchased by households at the

median income level.¹⁴ A relatively affordable housing market is one in which at least 40% of the homes could be purchased by households at the median household income.

In 2000, the maximum affordable sales price for a household earning the median household income of \$40,856 was \$98,000. During that year, 2,405 units were sold for less than \$100,000, equivalent to 37.5% of all units sold. In 2010, the maximum affordable sales price for a household earning the median household income of \$51,284 was \$146,500. During that year, a total of 1,234 units were sold selling for less than \$140,000, representing 25% of all units sold. From 2000 to 2010, the number of units sold within the affordability range of households earning the median income decreased by almost half. Overall, the housing market in Vermont is unaffordable as only 25% of homes sold in 2010 were affordable to households earning the MHI of \$51,284.

Figure 3-26
Units Sold by Price, 2000-2010

Price Range	2000			2010		
	Single-Family	Condo	Total	Single-Family	Condo	Total
Under \$40,000	220	47	267	85	43	128
\$40,000 to \$59,999	333	96	429	107	20	127
\$60,000 to \$79,999	613	171	784	145	27	172
\$80,000 to \$99,999	723	202	925	187	23	210
\$100,000 to \$139,999	1,314	235	1,549	482	115	597
\$140,000 to \$159,999	487	83	570	297	110	407
\$160,000 to \$179,999	386	58	444	305	88	393
\$180,000 to \$199,999	261	29	290	344	74	418
\$200,000 to \$249,999	389	55	444	649	145	794
\$250,000 and over	626	84	710	1,391	266	1,657
TOTAL	5,352	1,060	6,412	3,992	911	4,903

Source: Vermont Realtor Data

The sales housing market in the State of Vermont is unaffordable for households earning the median household income.

In 2010, only 25% of the units sold were affordable to households earning the MHI of \$51,284. By comparison, almost 38% of units sold in 2000 were affordable to households earning the median household income.

Data was also available by zip code highlighting the median sales prices of single-family units and condominiums sold in 2000 and 2010, respectively, throughout the State. The following series of maps (Maps 8, 9, 10, and 11) provide information on the median sales prices of single-family homes and condos sold by zip code throughout the

¹⁴ Joe Light, "Last of the Red-Hot Markets," Money Magazine December 2007: 53-56.

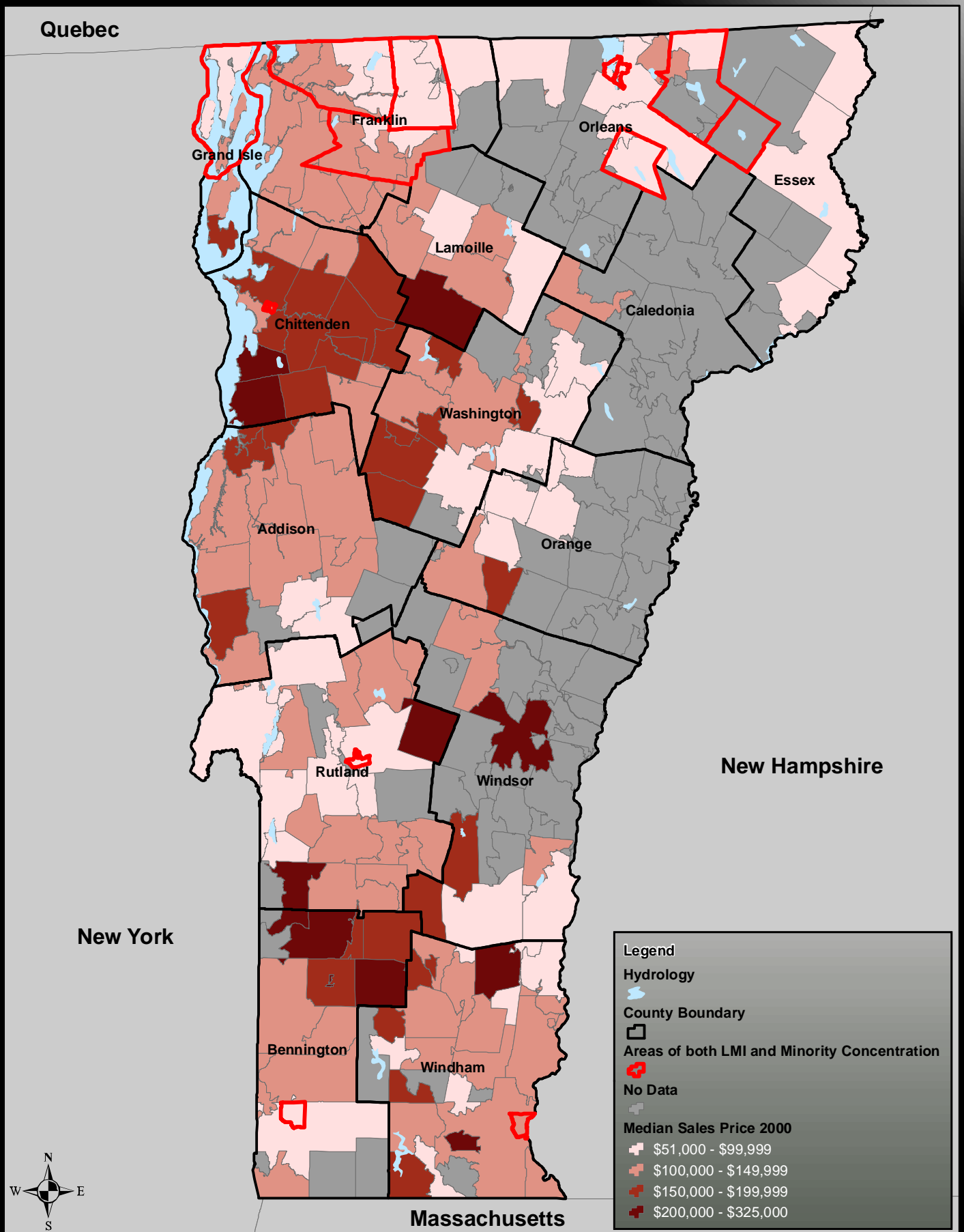
State for 2000 and 2010. As the maps illustrate, the housing market has become less affordable in certain areas of the State. For example, median sales prices are highest in the north central part of the State, including areas in Addison, Chittenden, and Washington Counties. In southern Vermont, areas throughout Windham County and in northern Bennington County have also experienced increases in median sales prices. The Northeastern Kingdom, which is predominantly rural, provides affordable housing options as most of the zip codes in this area had median sales prices in the lower price ranges in 2010.

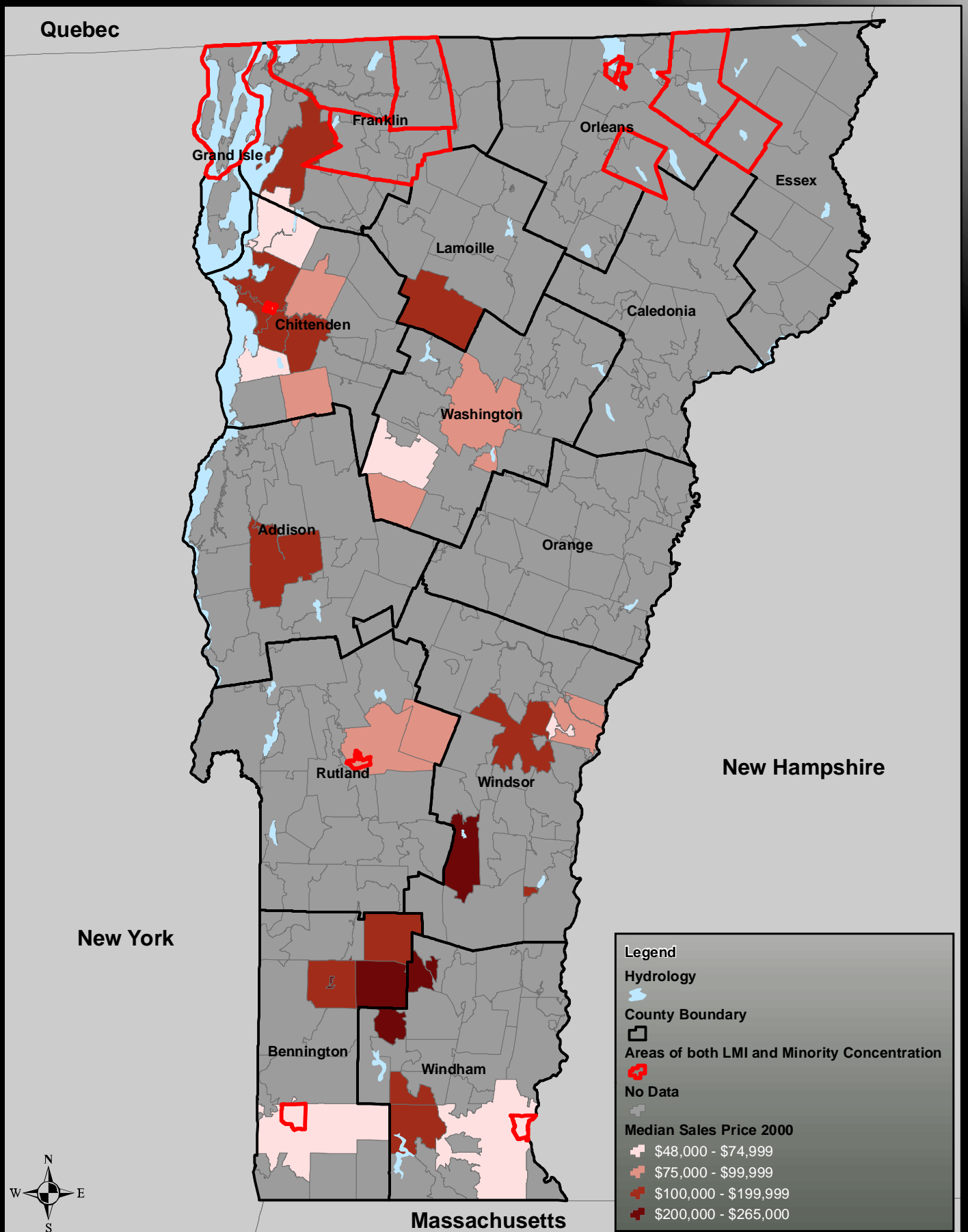
Condominiums provide an affordable housing option for households living throughout the State, particularly in parts of Orleans, Caledonia, Windham, and Bennington Counties. Overall, the areas with lower median sales prices tend to be located in or near impacted areas of both LMI and minority concentrations.

Areas in Vermont with lower median sales prices tend to be located in or near impacted areas of both LMI and minority concentrations.

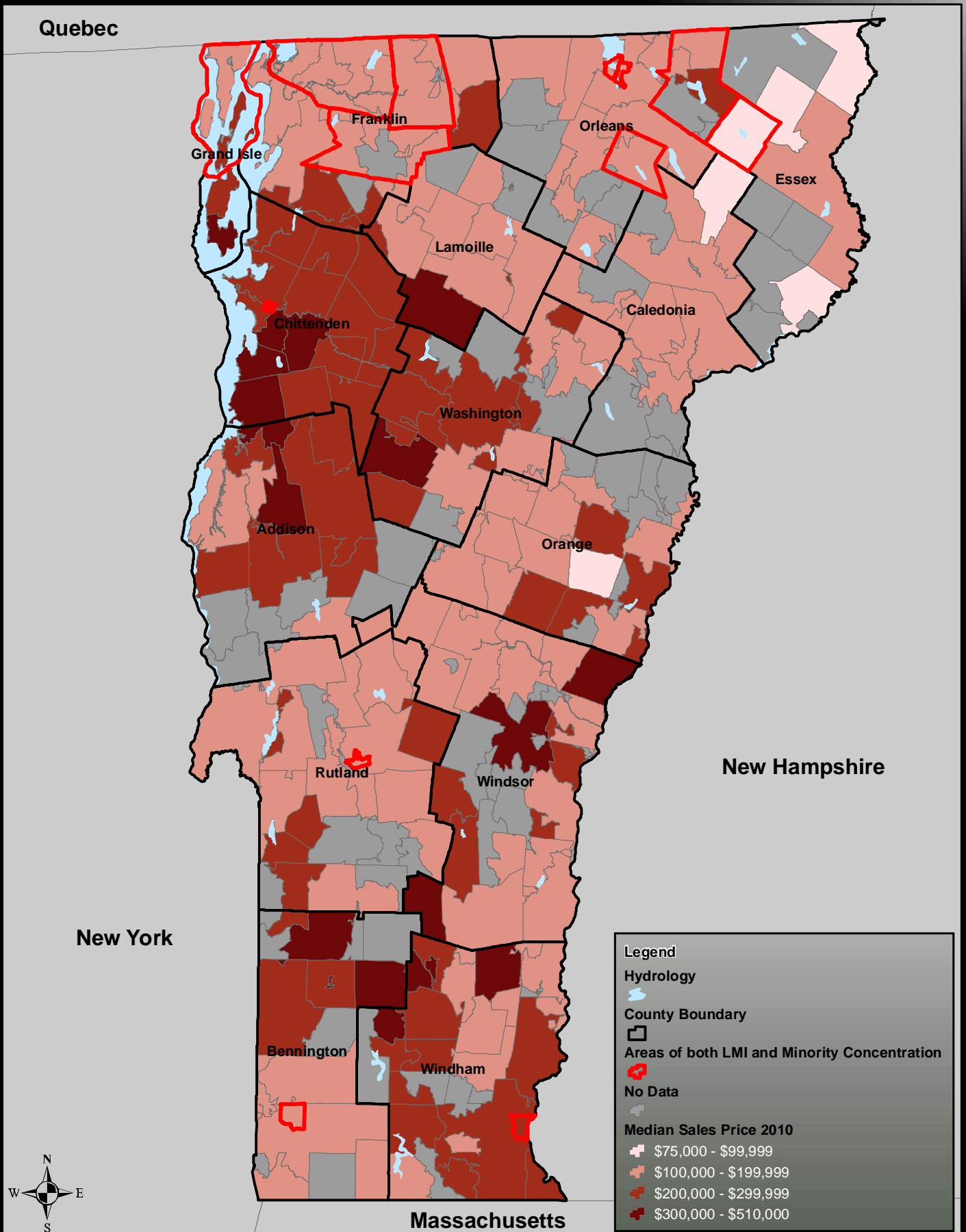
Lack of affordable for-sale housing options in non-impacted areas limits housing choice for low income and minority households.

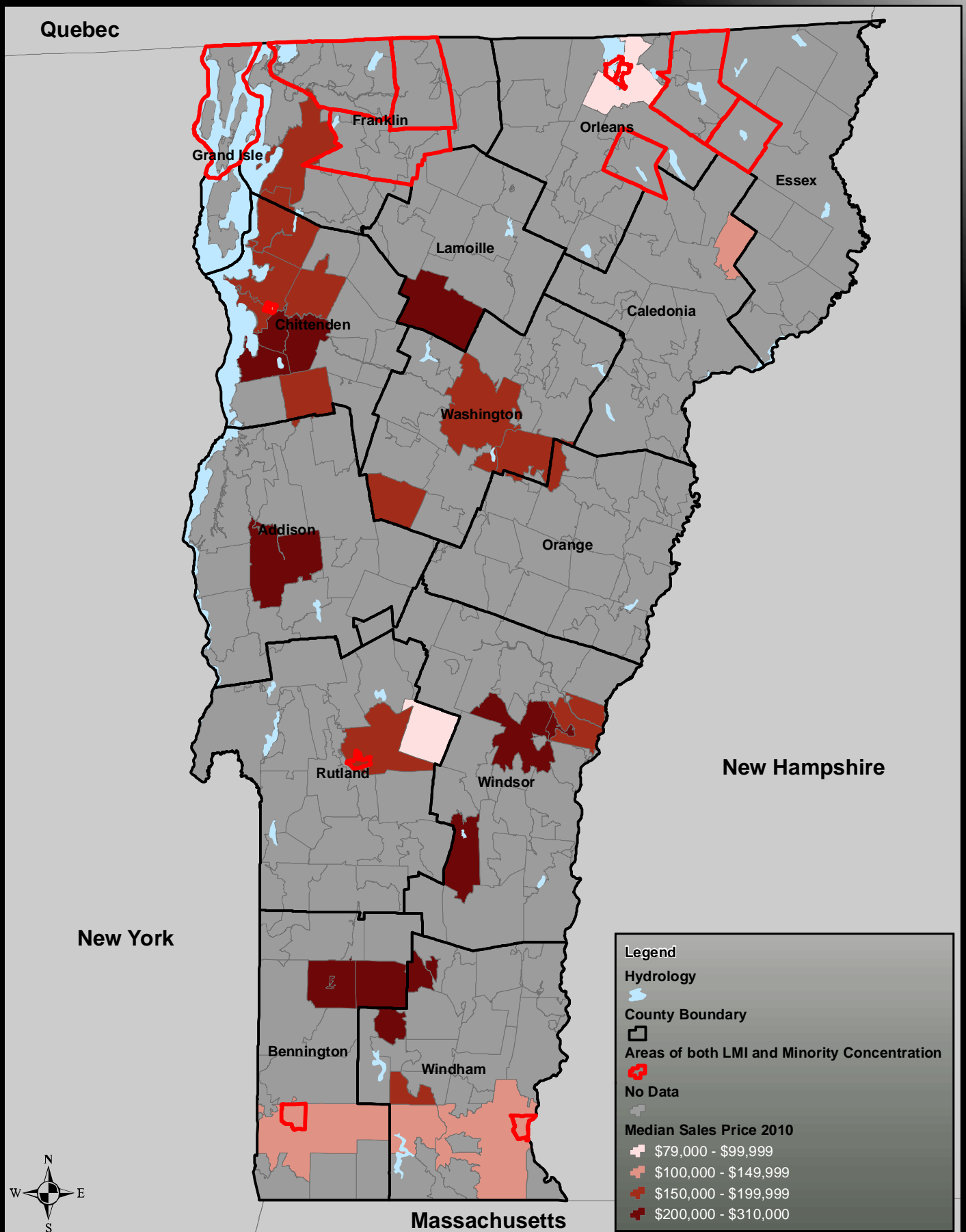






State of Vermont
Analysis of Impediments to Fair Housing Choice





It is also possible to determine the affordability of the housing market for each racial or ethnic group in the State. To determine affordability (i.e., how much mortgage a household could afford), the following assumptions were made:

- The mortgage was a 30-year fixed rate loan at a 5.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Property taxes were based on the statewide average rate, which was 1.71 for every \$100 fair market value,
- Additional consumer debt (credit cards, car loans, etc) payments totaled \$500 per month, and
- The buyer's total debt payments (including principal, interest, taxes and insurance [PITI] and other consumer debt) equaled no more than 35% of gross monthly income.

Figure 3-27 details the estimated *maximum* affordable sales prices and monthly PITI payments for Whites, Blacks, AIANs, Asians, and Hispanics in Vermont. Whites and Hispanics have relatively comparable median household incomes, and as such have similar maximum affordable purchase prices of around \$150,000. Black households have a lower affordable purchase price of \$95,000, while Asians earning median household income can afford a house selling for up to \$134,000. AIAN households had the lowest possible maximum affordable purchase price of \$68,000. Notably, households in Vermont earning the MHI cannot afford the median sales price of \$199,900, regardless of race or ethnicity.

Figure 3-27
Maximum Affordable Purchase Price by Race/Ethnicity, 2010

	Median Household Income	Monthly Mortgage Payment				Maximum Affordable Purchase Price
		Mortgage Principal & Interest	Real Estate Taxes	Homeowner's Insurance & PMI	Total PITI Payment	
Vermont Total	\$51,284	\$708	\$209	\$80	\$997	\$146,500
White Households	\$51,562	\$715	\$211	\$80	\$1,006	\$148,000
Black Households	\$40,240	\$459	\$135	\$80	\$674	\$95,000
AIAN Households*	\$34,250	\$329	\$97	\$80	\$506	\$68,000
Asian Households	\$48,563	\$647	\$191	\$80	\$918	\$134,000
Hispanic Households	\$51,858	\$722	\$213	\$80	\$1,015	\$149,500
2010 Median Sales Price: \$199,900						

* Due to small sample size, the margin of error for the median household income estimate of American Indian/Alaska Natives is relatively large. Therefore, estimates should be evaluated with caution.

Sources: 2005-2009 American Community Survey (B19013, B19013A, B19013B, B19013I); Vermont Realtor Data; Vermont Property Owners Report, February 2011; Calculations by Mullin & Lonergan Associates, Inc.

Regardless of race or ethnicity, households earning the MHI in Vermont cannot afford a home selling at the median sales price of \$199,000.

This circumstance severely limits housing choice for lower income households as these households would likely have a difficult time purchasing a home.

vii. Protected Class Status and Housing Problems

Lower income minority households, which include households earning between 0-80% of median income, tend to experience housing problems at a higher rate than lower income White households. HUD defines housing problems as (1) cost burden of 30% or more (i.e. paying more than 30% of gross income on monthly housing expenses), and/or (2) lacking complete kitchen or plumbing facilities, and/or (3) overcrowding of more than 1.01 persons per room.

In the State (excluding the City of Burlington) among all lower income renters, 61.6% of Hispanic households and 61.1% of Black households reported housing problems compared to 52.5% of Whites. The highest degree of housing problems was reported among family households and all other households.

Among owner-occupied households, Hispanics had the highest rates of housing problems. Nearly 70% of lower income Hispanic homeowners had housing problems compared to 60% of Black homeowners and 55.6% of White homeowners.

Figure 3-28
Lower Income Households with Housing Problems, 2000

	All Households 0-80% MFI		Elderly & 1-2 Person Households 0-80% of MFI		Family Households 0-80% of MFI		All Other Households 0-80% of MFI	
	Total	% with a Housing Problem	Total	%	Total	%	Total	%
Renters								
White Non-Hispanic	37,868	52.5%	10,014	45.3%	13,897	54.8%	13,957	55.4%
Black Non-Hispanic	226	61.1%	16	75.0%	122	62.3%	88	56.8%
Hispanic	375	61.6%	44	40.9%	162	61.7%	16	66.8%
Total	41,534	53.9%	10,718	45.8%	15,761	56.3%	15,055	56.3%
Owners								
White Non-Hispanic	49,266	55.6%	21,082	47.1%	19,758	61.5%	8,426	63.5%
Black Non-Hispanic	60	60.0%	20	40.0%	24	83.3%	16	50.0%
Hispanic	226	69.9%	76.0%	47.4%	104.0%	88.5%	46.0%	65.2%
Total	53,783	57.3%	22,914	49.1%	21,523	62.3%	9,346	66.0%

Source: HUD Comprehensive Housing Affordability Strategy data

Minority households were more likely than Whites to have housing problems in the State.

Among lower income renter households, 61.6% of Hispanics and 61.1% of Blacks had at least one housing problem compared to 52.5% of Whites. Similarly, among homeowners, 69.9% of Hispanics and 60% of Blacks had a housing problem compared to 55.6% of Whites.



4. Evaluation of Fair Housing Profile

This section provides a review of the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

A. Existence of Fair Housing Complaints

A lack of filed complaints does not necessarily indicate a lack of housing discrimination. Some persons may not file complaints because they are not aware of how to go about filing a complaint or where to go to file a complaint. In a tight rental market, tenants may avoid confrontations with prospective landlords. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker. Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Finally, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and following through with it. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

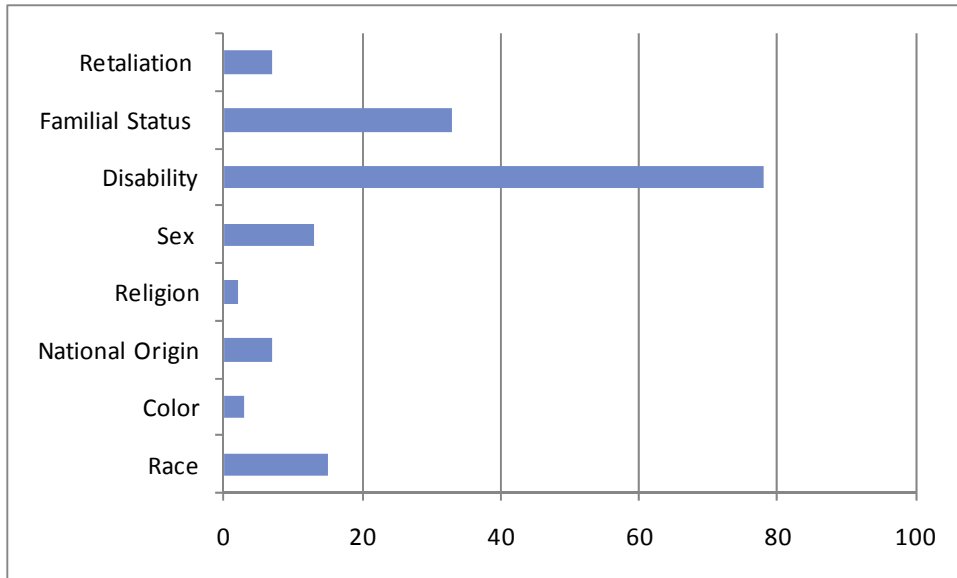
i. HUD's Office of Fair Housing and Equal Opportunity

The Office of Fair Housing and Equal Opportunity (FHEO) at HUD processes complaints from persons regarding alleged violations of the federal Fair Housing Act. Between January 2006 and December 2010, 158 complaints from the State of Vermont were either directly filed with FHEO, or dual-filed with the Vermont Human Rights Commission (VHRC) alleging violations of both state and federal fair housing laws. Such dual-filed complaints are routinely referred from FHEO to the VHRC for processing and investigation.

Of the 158 complaints in the State, 78 (49.4%) alleged discrimination on the basis of disability and 33 (20.9%) on the basis of familial status, or the presence of minor children. Fifteen complaints alleged discrimination on the basis of race and 13 on sex. Seven complaints were alleged on the bases of national origin and retaliation, respectively. Several complaints alleged discrimination on multiple bases.

The following figure provides a summary of the alleged bases of discrimination complaints filed through FHEO.

Figure 4-1
Alleged Bases of Discrimination Complaints filed through FHEO, 2006-2010



The status of the complaints filed through FHEO was not provided by HUD. Thus, an analysis of the outcome of the complaints and whether or not probable cause was found, the complainants withdrew their complaints, or a settlement was reached between parties prior to being processed through the judicial system could not be performed.

ii. Vermont Human Rights Commission (VHRC)

The mission of the Vermont Human Rights Commission (VHRC) is to promote full civil and human rights in the State of Vermont. The Commission protects people from unlawful discrimination in housing, state government employment, and public accommodations. VHRC processes complaints, conducts mediation or informal settlement negotiations, and performs investigations to determine if discrimination did or did not occur.

Between July 1, 2005 and June 30, 2010, a total of 130 housing complaints were resolved by VHRC. Of these complaints, 11 (9%) resulted in findings by the Commission that reasonable grounds existed to believe unlawful discrimination occurred. In addition, 61 (47%) complaints were resolved by agreement of the parties. In these cases, the complaints were either substantiated and/or settled. During the same period, with regard to new charges filed, 39% alleged discrimination based on disability, 17% alleged discrimination based on the presence of minor children, 14% on receipt of public assistance (which is protected under Vermont state fair housing law but not the federal Fair Housing Act), and 7% on race. The remaining protected classes (sex, marital status, retaliation, religion, and the state only categories of age, sexual orientation, and gender identity) accounted for 4% or fewer of the alleged bases, respectively. Several complaints alleged discrimination on multiple bases.

Throughout its investigation, the VHRC encourages both the charging and responding parties to consider whether they would be willing to settle the case and what terms they might agree to in settlement. In addition, VHRC also offers parties the opportunity to resolve cases with the

assistance of an independent professional mediator. Mediation is voluntary and offered by the VHRC at no cost to either party.

Once the Commission makes a final determination of reasonable grounds that unlawful discrimination occurred, by statute the Executive Director of the Commission is to engage the parties in conciliation efforts for a period not to exceed six months. If a case is not settled within that period, the VHRC must make a decision whether or not to take the case to court on behalf of the aggrieved individual. In dual-filed fair housing cases, the Commission must bring a lawsuit on behalf of the victim of discrimination if the victim so desires. This Commission rule is in accord with enforcement provisions of the federal Fair Housing Act and is necessary for the VHRC to maintain substantial equivalency with HUD's enforcement procedures.

B. Patterns and Trends in Fair Housing Complaints

Disability was the most commonly alleged basis of discrimination in the State of Vermont. Familial status (e.g. the presence of minor children) was the second most frequently alleged basis of discrimination. Such a high number of housing complaints based on disability and familial status discrimination indicate a need for testing, particularly among rental units, and fair housing education among landlords.

Nationally, race is the primary basis for housing discrimination complaints. HUD, however, is finding that more complaints are being filed on the basis of disability. Such is the case in Vermont.

Disability and familial status (e.g. presence of minors) were the primary bases for alleging housing discrimination in the State of Vermont.

These trends indicate a need for continued testing, fair housing education and outreach, and enforcement of fair housing laws among landlords.

Three complaints filed with the VHRC alleged discrimination based on the receipt of public assistance. The receipt of public assistance (e.g., a Section 8 Housing Choice Voucher) is a protected class under the Vermont Fair Housing and Public Accommodations Act. According to various stakeholders interviewed during the AI planning process, discrimination based on the receipt of public assistance is hard to prove, especially if landlords chose to "opt out" due to Housing Quality Standards (HQS) inspections associated with the Section 8 program. Additionally, many households seeking housing with a Section 8 voucher are unaware that receipt of public assistance is a protected class and may not realize they are being discriminated against when a landlord denies them access to a housing unit.

Discrimination based on the receipt of public assistance is difficult to prove and many households searching for rental housing units through the Section 8 program are unaware they are being discriminated against when they are denied a housing unit based on the use of a Section 8 voucher.

These trends indicate a need for fair housing outreach and education, particularly among landlords and persons seeking housing through the Section 8 voucher program.

C. Existence of Fair Housing Legal Proceedings

There are three fair housing cases in the State of Vermont that are presently in litigation. Summary detail on each of these is provided below.

- **HRC v. Dale's Homes et al** – The case was filed on October 5, 2010 in Washington Superior Court. The alleged basis for discrimination is familial status or the presence of minor children. The complaint was brought by both the seller and contracted buyer of a mobile home that was situated on a lot in a mobile home park. The defendants refused to lease the home to the putative buyers because they have three minor children. New counsel for the defendant has entered his appearance and has agreed to pursue mediation prior to engaging in discovery.
- **HRC v. Addison Publishing d/b/a Addison Independent** – The case involves the publication of discriminatory advertising and the enforcement of a mediated Pre-Determination Conciliation Agreement. The owner and publisher of Addison Independent, Mr. Angelo Lynn, has repeatedly failed to pay the Housing Discrimination Project the \$3,500 in compensation that he previously agreed to as part of a mediated settlement, as well as \$6,000 worth of free fair housing advertising. In July 2009, Mr. Lynn initially refused to waive formal services of this small claims action filed in Washington Superior Court Civil Division. On May 4, 2011, the sheriff served Mr. Lynn with a fresh complaint. He has filed an answer alleging that he thought the agreement was not binding. After issuing a subpoena to the mediator, the matter went to hearing on August 8, 2011. The defendant failed to appear. The Court issued a default judgment against the defendant and after briefing awarded attorney's fees to the Commission. Judgment was issued on August 15, 2011. The VHRC succeeded in satisfying the judgment and on September 27, 2011, the respondent paid the Commission \$5,300. With these funds, the Commission paid the Housing Discrimination Project the \$3,500 which it was owed pursuant to the terms of the agreement. The remaining \$1,800 compensated the Commission for its fees and costs in bringing the collection action.
- **HRC v. Drown** – The case involves discriminatory advertising and alleged discrimination on the basis of familial status or the presence of minor children. The suit, brought in June 2005, claimed that Mr. Drown posted signs in his single-family two-bedroom house for rent located on Route 2 in Marshfield that read "NO KIDS." The lawsuit was brought on behalf of Rose Austin and her then two-year old daughter. Mr. Drown refused to rent the home to Ms. Austin. The case was tried before a jury on April 14, 2008. The following day the jury returned unanimous verdicts in favor of both the VHRC and Ms. Austin. The jury specifically

found that the signs posted on Mr. Drown's property violated state law prohibiting notices that state any preference, limitation, and discrimination based on the presence of a minor child as did Mr. Drown's statement that he would not rent to her because of the presence of her minor child. The jury awarded \$5 in economic loss (gas money to travel to the home), \$2,000 in emotional distress damages, and \$12,000 in punitive damages to punish Mr. Drown for his unlawful acts and to deter further such acts by Mr. Drown or others offering housing opportunities to the public.

The matter is still active as the VHRC is chasing Mr. Drown through various foreclosure actions. The subject property was sold at foreclosure auction last year and was purchased by his tenant. Both Ms. Austin and the Commission came away with about \$8,000 in proceeds from the sale. However, Mr. Drown owes at least that same amount to both plaintiffs, Ms. Austin and the Commission. Mr. Drown owns some other property that Ms. Austin, the HRC, and a number of other parties are trying to foreclose to satisfy outstanding judgments.

- **HRC v. Michael Cassidy d/b/a Cassidy Properties** – The HRC found reasonable grounds to believe that the respondent's imposition of an occupancy surcharge is a violation of fair housing law because of its disparate impact on families with children. Mr. Cassidy employs a practice of charging an extra \$50 monthly rental fee for each and every occupant of one of his rental units beyond the number of bedrooms provided. The complainants were charged this \$50 fee because they had an infant during their tenancy. The Commission authorized the filing of a lawsuit, which occurred on June 23, 2011. The case is still pending.

D. Determination of Unlawful Segregation

There are no unlawful segregation suits or court orders that have been filed and/or are pending in the State of Vermont.

5. Evaluation of Public Sector Policies

The analysis of impediments is a review of impediments to fair housing choice in the public and private sectors. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status, or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions, or decisions that have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, sex, disability, familial status, or national origin. Policies, practices, or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to persons of a particular race, color, religion, sex, disability, familial status, or national origin may constitute such impediments.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. This section evaluates the public policies in the State of Vermont to determine opportunities for furthering the expansion of fair housing choice.

A. Public Housing Authorities

The requirement to affirmatively further fair housing in the administration of federal grants and programs applies not only to local, state, and county governments but also to public housing authorities (PHAs). The Housing and Community Development Act of 1974, as amended, requires that public housing authorities carry out annual plans in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d – 2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (19 U.S.C. 794) and Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101). Additionally, public housing authorities must certify that they will affirmatively further fair housing.

According to 24 CFR 903.7(o), public housing authorities (PHAs) are considered to be in compliance with the affirmatively furthering fair housing certification requirement if they fulfill the following:

- Fulfill the requirements of 24 CFR 903.2(b)
- Examine PHA policies and programs and proposed policies and programs
- Identify any impediments to fair housing choice within those programs
- Address those impediments in a reasonable fashion in view of the resources available
- Work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement, and
- Maintain records reflecting these analyses and actions.

HUD interprets these certifying elements to include:

- Analyzing housing discrimination patterns and working toward their elimination
- Promoting fair housing choice for all persons participating or seeking to participate in PHA programs
- Providing racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the federal Fair Housing Act.

The regulations at 24 CFR 903.2(b) concern PHA deconcentration of poverty, income-mixing, non-discrimination, and requirements to affirmatively further fair housing. Federal regulations require PHAs to take affirmative steps to overcome the effects of conditions that limit participation in its programs on the basis of protected class status. HUD will challenge a PHA's certification of affirmatively furthering fair

housing choice if the PHA does not reduce racial and national origin concentration in developments or buildings and is determined to be perpetuating segregated housing.

The policies and procedures of PHAs throughout the State of Vermont were reviewed in detail as part of the AI due to the PHAs' shared obligation to affirmatively further fair housing. The policies and practices of for-profit and non-profit housing developers were reviewed insofar as the State's Affirmative Marketing Plan and subrecipient agreements included provisions that required these entities to comply with the State's obligation to affirmatively further fair housing.

There are ten public housing authorities (PHAs) throughout the State of Vermont, including the Vermont State Housing Authority (VSHA) and local housing authorities in the municipalities of Barre, Bennington, Brattleboro, Burlington, Montpelier, Rutland, St. Alban's City, Springfield, and Winooski. An interview was conducted with select staff members of the various PHAs throughout the State in May 2011. In addition, each PHA was asked to complete a written AI questionnaire. The Burlington Housing Authority was excluded from this analysis since the City of Burlington receives its own allocation of CDBG funds from HUD and recently completed its own respective AI.

The following information was developed from stakeholder interviews, responses to the AI questionnaires completed by the various PHAs, and the analysis of several policy documents provided by the PHAs.

i. Public Housing Inventory and Demographics

The number of public housing units owned and managed across the State differs by each PHA. VSHA and the St. Alban's City Housing Authority do not own or operate any public housing units. Of the remaining seven PHAs, three provided data on their current inventory of public housing units and the demographics of their respective residents, including race, disability status, and income level.

The Rutland Housing Authority currently owns and operates three public housing communities, including Forest Park, Sheldon Towers, and Templewood Court. Combined, these three developments in Rutland provide a total of 172 affordable housing units.

The Barre Housing Authority owns and manages seven public housing developments throughout its jurisdiction. These developments include Green Acres, Quarry Hill Apartments, Avery Apartments, Washington Apartments, the Tilden House, the Jefferson Apartments, and North Barre Manor. These seven communities provide a total of 366 public housing units.

The Montpelier Housing Authority owns and operates Pioneer Apartments, a public housing community for the elderly and persons with disabilities, which provides a combined 60 one-bedroom and two-bedroom housing units.

The following figure provides information on the various public housing communities owned and managed by the Rutland, Barre, and Montpelier Housing Authorities by bedroom size. These three housing authorities provide a combined 598 units of public housing in the State.

Figure 5-1
Public Housing Inventory, 2011

Development	Breakdown of Dwelling Units					
	0 Bedrooms	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total Units
Green Acres (BHA)	0	0	16	25	8	49
Quarry Hill Apts (BHA)	0	30	0	0	0	30
Avery Apts (BHA)	0	15	0	0	0	15
Washington Apts (BHA)	25	23	1	0	0	49
Tilden House (BHA)	37	38	4	0	0	79
Jefferson Apts (BHA)	0	24	0	0	0	24
North Barre Manor (BHA)	0	120	0	0	0	120
Pioneer Apartments (MHA)	35	25	0	0	0	60
Forest Park, Sheldon Towers, & Templewood Court (RHA)	54	80	14	19	5	172
Total Units	151	355	35	44	13	598

Source: Barre Housing Authority, Rutland Housing Authority, Montpelier Housing Authority

Information was also provided regarding the race, ethnicity, disability status, and income level of public housing residents in Barre, Rutland, and Montpelier. The following figure provides a summary of these demographics.

Almost two-thirds of public housing residents, or 66%, are extremely low income households earning 30% or less of the area median income. In addition, the majority of residents living in public housing are elderly households (56%) while persons with disabilities comprised almost 39% of public housing households. Over 84% of residents, primarily elderly tenants and tenants with disabilities, lived in either studio or one-bedroom units. White households represent almost 99% of public housing residents in Barre, Montpelier, and Rutland.

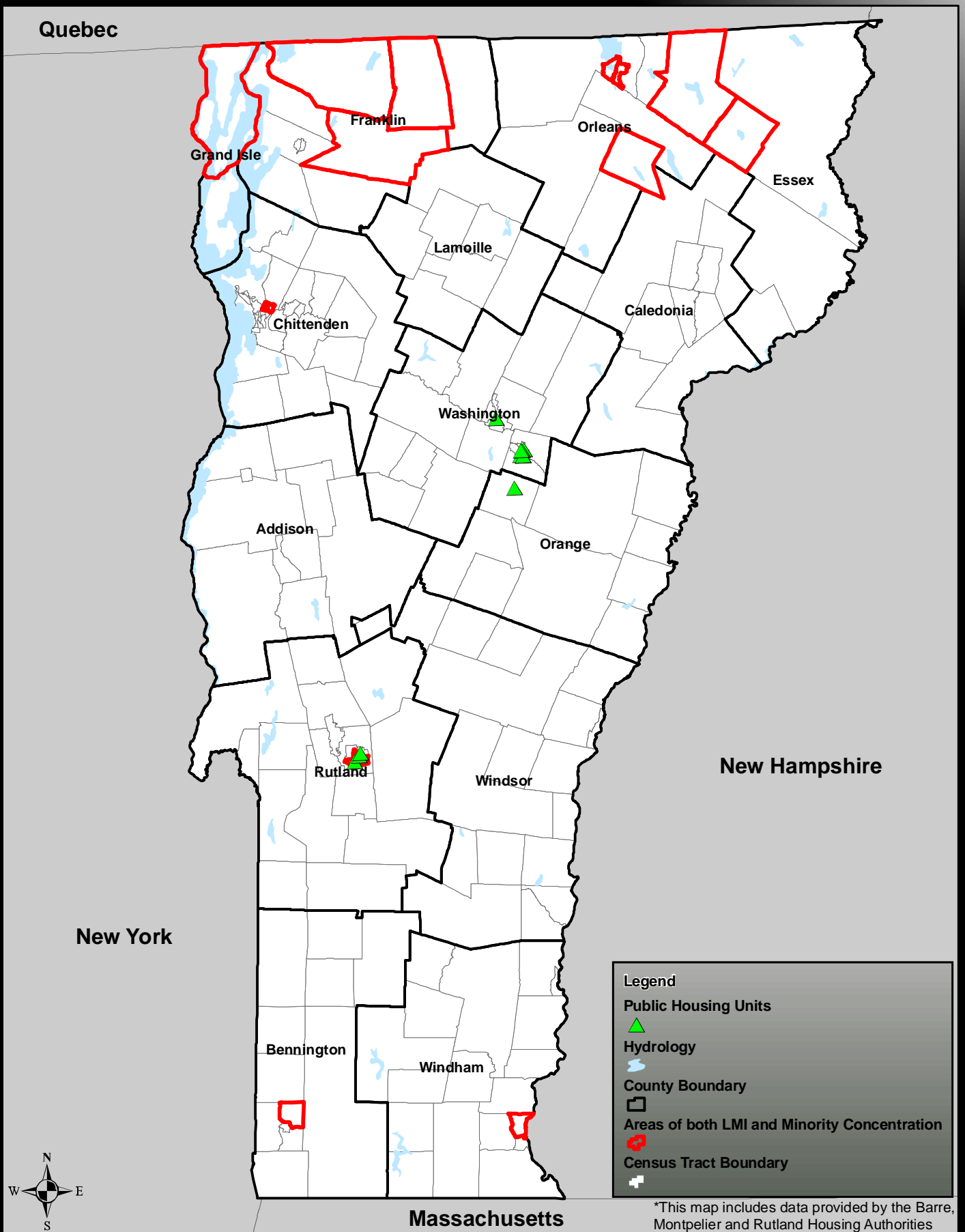
Figure 5-2
Characteristics of Current Public Housing Residents, 2011

Current Public Housing Residents	Barre HA		Montpelier HA		Rutland HA		TOTAL	
	# of Households	%	# of Households	%	# of Households	%	# of Households	%
Total Households	354	100.0%	60	100.0%	172	100.0%	586	100.0%
Extremely Low Income (<30% MFI)	223	63.0%	46	76.7%	117	68.0%	386	65.9%
Very Low Income (>30% but <50% MFI)	111	31.4%	11	18.3%	47	27.3%	169	28.8%
Low Income (>50% but <80 % MFI)	20	5.6%	3	5.0%	7	4.1%	30	5.1%
Families with Children	34	9.6%	0	0.0%	29	16.9%	63	10.8%
Elderly Households (1 or 2 persons)	224	63.3%	34	56.7%	73	42.4%	331	56.5%
Individuals/Families with Disabilities	114	32.2%	26	43.3%	87	50.6%	227	38.7%
Black Households	3	0.8%	2	3.3%	1	0.6%	6	1.0%
White Households	351	99.2%	58	96.7%	169	98.3%	578	98.6%
Asian Households	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Other Race of Households	0	0.0%	0	0.0%	2	1.2%	2	0.3%
Characteristics by Bedroom Size								
0 Bedroom	0	0.0%	35	58.3%	54	31.4%	89	15.2%
1 Bedroom	300	84.7%	25	41.7%	80	46.5%	405	69.1%
2 Bedroom	21	5.9%	0	0.0%	14	8.1%	35	6.0%
3 Bedroom	25	7.1%	0	0.0%	19	11.0%	44	7.5%
4 Bedroom	7	2.0%	0	0.0%	5	2.9%	12	2.0%
5+ Bedroom	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Sources: AI questionnaires completed by the Barre HA, Montpelier HA, and the Rutland HA

Map 12 on the following page shows the location of public housing units in Barre, Montpelier, and Rutland. With the exception of Rutland, public housing communities in these municipalities and towns are not concentrated in impacted areas.



ii. Public Housing Waiting Lists

Each PHA within Vermont manages its own respective public housing waiting lists. Combined, there are a total of 180 households on public housing waiting lists in Barre, Montpelier, and Rutland. Of these households, over 52% are extremely low income, 32% are very low income, and 16% are low income. Over 80% of applicant households waiting for a public housing unit are either elderly or have a disability. Family households with children account for 19% of applicants. Almost 97% of households on the public housing waiting lists are White.

Figure 5-3
Characteristics of Current Public Housing Applicants, 2011

Current Public Housing Waiting Lists	Barre HA		Montpelier HA		Rutland HA		TOTAL	
	# of Households	%	# of Households	%	# of Households	%	# of Households	%
Total Households	88	100.0%	34	100.0%	58	100.0%	180	100.0%
Extremely Low Income (<30% MFI)	44	50.0%	22	64.7%	29	50.0%	95	52.8%
Very Low Income (>30% but <50% MFI)	28	31.8%	8	23.5%	21	36.2%	57	31.7%
Low Income(>50% but <80 % MFI)	16	18.2%	4	11.8%	8	13.8%	28	15.6%
Families with Children	23	26.1%	0	0.0%	12	20.7%	35	19.4%
Elderly Households (1 or 2 persons)	35	39.8%	13	38.2%	25	43.1%	73	40.6%
Individuals/Families with Disabilities	30	34.1%	20	58.8%	23	39.7%	73	40.6%
Black Households	2	2.3%	1	2.9%	2	3.4%	5	2.8%
White Households	86	97.7%	33	97.1%	55	94.8%	174	96.7%
Asian Households	0	0.0%	0	0.0%	1	1.7%	1	0.6%
Other Race of Households	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Characteristics by Bedroom Size								
0 Bedroom	0	0.0%	34	100.0%	27	46.6%	61	33.9%
1 Bedroom	65	73.9%			15	25.9%	80	44.4%
2 Bedroom	19	21.6%	0	0.0%	13	22.4%	32	17.8%
3 Bedroom	4	4.5%	0	0.0%	3	5.2%	7	3.9%
4 Bedroom	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5+ Bedroom	0	0.0%	0	0.0%	0	0.0%	0	0.0%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Sources: AI questionnaires completed by the Barre HA, Montpelier HA, and the Rutland HA

Over 40% of applicants on the public housing waiting list include families or individuals with disabilities.

However, it is unknown how many of the households with persons with disabilities require an accessible unit.

iii. Admissions and Continued Occupancy Plans (ACOPs)

The Admission and Continued Occupancy Plan (ACOP) includes a PHA's policies on the selection and admission of applicants from a waiting list, screening of applicants for tenancy, occupancy standards and policies, informal review/grievance hearing procedures, rent determinations, and procedural guidelines on conducting inspections, to name a few. When examining the ACOPs of the various PHAs throughout Vermont, the policies were reviewed from a fair housing perspective to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing. Specifically, each ACOP was reviewed to determine if it included the following policies and if these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (relative to the application process, unit selection, and grievance procedures),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Accommodations for applicants who refuse a unit offered due to a disability or other special circumstance,
- Transfer policies and procedures and whether such policies impede housing choice for members of the protected classes,
- Pet policy accommodations for persons with disabilities that require service or assistance animals, and
- Grievance policies and procedures.

The following figure provides a summary of the analyses of the various PHA ACOPs in Vermont. A bullet point indicates that the PHA's ACOP included the specified policy and that it was consistent with the Fair Housing Act.

As Figure 5-4 illustrates, only the Rutland Housing Authority's ACOP covered all of the necessary topics. The remaining ACOPs reviewed did not address several key issues relative to affirmatively furthering fair housing. As the various PHAs review and update their respective ACOPs, these policies should be revised to address all of the aforementioned topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

Figure 5-4
Summary of PHA ACOP Reviews

	Vermont State HA*	Barre HA	Bennington HA	Brattleboro HA	Montpelier HA**	Rutland HA	St. Alban's City HA*	Springfield HA	Winooski HA
Fair Housing and Equal Opportunity Non-Discrimination Clause	N/A	•	•	•	•	•	N/A	•	•
Reasonable Accommodation for Persons with Disabilities	N/A	•	•	•		•	N/A	•	•
Accommodation for Persons with Limited English Proficiency	N/A	•		•	•	•	N/A	•	•
Definition of Family: Non-Related Individuals	N/A	•	•	•		•	N/A		
Tenant Selection and Waiting List Preferences	N/A	•	•	•	•	•	N/A		•
Accommodations for Refusal of Unit Offer	N/A				•	•	N/A		•
Transfer Policies and Procedures	N/A	•	•	•		•	N/A	•	•
Pet Policy Accommodations for Persons with Disabilities	N/A	•	•	•		•	N/A	•	•
Grievance Policies and Procedures	N/A	•		•	•	•	N/A		•

* Both the Vermont State HA and the St. Albans City HA do not own or manage any public housing units.

**In place of the ACOP, Montpelier HA's 5-year agency plan and freestanding policies related to reasonable accommodations, grievances, persons with LEP, and non-discrimination were reviewed for this analysis.

Source: Public Housing Authorities in Vermont

Seven PHA ACOPs were reviewed as part of this analysis. Only one of the ACOPs addressed all of the necessary topics while the remaining six did not address several key issues relative to affirmatively furthering fair housing.

With the exception of the Rutland Housing Authority, as the various PHAs review and update their respective ACOPs, these policies should be revised to address all nine topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

iv. Section 8 Housing Choice Voucher Program Inventory and Demographics

In addition to owning and managing public housing units, most PHAs throughout Vermont administer Section 8 Housing Choice Voucher Programs. Of these PHAs (excluding Burlington), four provided information on their current voucher holders, including demographic characteristics such as race and income level.

VSHA administers over 3,700 Section 8 vouchers throughout the State of Vermont. Due to the rural and small town nature of communities throughout the State, the remaining PHAs administer a much smaller number of vouchers. Combined, these four PHAs administer over 4,180 Section 8 Housing Choice Vouchers throughout Vermont.

The following figure provides a summary of the demographic characteristics of voucher holders from four of the nine PHAs which submitted data.

Figure 5-5
Characteristics of Current Section 8 Voucher Holders, 2011

Current Section 8 Voucher Holders	Vermont State HA		Barre HA		Montpelier HA		Rutland HA		TOTAL	
	# of Households	%	# of Households	%	# of Households	%	# of Households	%	# of Households	%
Total Households	3,827	100.0%	140	100.0%	121	100.0%	95	100.0%	4,183	100.0%
Extremely Low Income (<30% MFI)	1,491	39.0%	123	87.9%	98	81.0%	53	55.8%	1,765	42.2%
Very Low Income (>30% but <50% MFI)	402	10.5%	17	12.1%	19	15.7%	36	37.9%	474	11.3%
Low Income (>50% but <80 % MFI)	51	1.3%	0	0.0%	4	3.3%	6	6.3%	61	1.5%
Families with Children	1,354	35.4%	48	34.3%	29	24.0%	47	49.5%	1,478	35.3%
Elderly Households (1 or 2 persons)	877	22.9%	30	21.4%	16	13.2%	48	50.5%	971	23.2%
Individuals/Families with Disabilities	2,326	60.8%	115	82.1%	79	65.3%	50	52.6%	2,570	61.4%
Black Households	65	1.7%	4	2.9%	2	1.7%	0	0.0%	71	1.7%
White Households	3,726	97.4%	136	97.1%	119	98.3%	94	98.9%	4,075	97.4%
Asian Households	7	0.2%	0	0.0%	0	0.0%	0	0.0%	7	0.2%
Other Race of Households	47	1.2%	0	0.0%	0	0.0%	1	1.1%	48	1.1%
Characteristics by Bedroom Size										
0 Bedroom	125	3.3%	2	1.4%	11	9.1%	1	1.1%	139	3.3%
1 Bedroom	1,916	50.1%	70	50.0%	71	58.7%	47	49.5%	2,104	50.3%
2 Bedroom	1,144	29.9%	41	29.3%	27	22.3%	25	26.3%	1,237	29.6%
3 Bedroom	583	15.2%	22	15.7%	11	9.1%	19	20.0%	635	15.2%
4 Bedroom	54	1.4%	5	3.6%	1	0.8%	3	3.2%	63	1.5%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Sources: Vermont State HA, Barre HA, Montpelier HA, and Rutland HA

Of the 4,183 Section 8 voucher holders throughout the State, the majority of households are extremely low income. In addition, families with children account for over 35% of voucher holders while persons with disabilities represent 61.4% of voucher holders. White households comprise 97.4% of current Section 8 voucher holders.

v. Section 8 Housing Choice Voucher Program Waiting Lists

Each PHA within Vermont manages its own Section 8 waiting list. Of the PHAs that provided data on their Section 8 Housing Choice Voucher Programs, the following waiting lists are closed: VSHA, Montpelier, and Rutland. The Barre Housing Authority's Section 8 waiting list is currently open. There are a total of 3,306 households currently on the waiting list for a Section 8 Housing Choice Voucher in Vermont. Of these households, almost 70% are extremely low income. White households comprise 86.4% of applicants. In addition, families with children account for over 52% of applicants while households with a person with a disability represent almost 40% of

households waiting for a voucher. The majority of applicants are waiting for either a one-bedroom (44%) or two-bedroom (43.6%) unit.

The following figure provides an overview of the demographic characteristics of households on Section 8 voucher waiting lists throughout the State.

Figure 5-6
Characteristics of Current Section 8 Voucher Applicants, 2011

Current Section 8 Waiting List	Vermont State HA		Barre HA		Montpelier HA		Rutland HA		TOTAL	
	# of Households	%	# of Households	%	# of Households	%	# of Households	%	# of Households	%
Total Households	3,018	100.0%	146	100.0%	45	100.0%	97	100.0%	3,306	100.0%
Extremely Low Income (<30% MFI)	2,086	69.1%	107	73.3%	35	77.8%	73	75.3%	2,301	69.6%
Very Low Income (>30% but <50% MFI)	704	23.3%	39	26.7%	10	22.2%	24	24.7%	777	23.5%
Low Income (>50% but <80 % MFI)	10	0.3%	0	0.0%	0	0.0%	0	0.0%	10	0.3%
Families with Children	1,631	54.0%	59	40.4%	12	26.7%	34	35.1%	1,736	52.5%
Elderly Households (1 or 2 persons)	261	8.6%	37	25.3%	7	15.6%	19	19.6%	324	9.8%
Individuals/Families with Disabilities	1,209	40.1%	11	7.5%	32	71.1%	50	51.5%	1,302	39.4%
Black Households	211	7.0%	5	3.4%	1	2.2%	1	1.0%	218	6.6%
White Households	2,579	85.5%	139	95.2%	44	97.8%	96	99.0%	2,858	86.4%
Asian Households	13	0.4%	0	0.0%	0	0.0%	0	0.0%	13	0.4%
Other Race of Households	70	2.3%	0	0.0%	0	0.0%	0	0.0%	70	2.1%
Characteristics by Bedroom Size										
0 Bedroom	2	0.1%	3	2.1%	0	0.0%	0	0.0%	5	0.2%
1 Bedroom	1,271	42.1%	97	66.4%	29	64.4%	58	59.8%	1,455	44.0%
2 Bedroom	1,378	45.7%	27	18.5%	10	22.2%	26	26.8%	1,441	43.6%
3 Bedroom	312	10.3%	18	12.3%	6	13.3%	11	11.3%	347	10.5%
4+ Bedroom	36	1.2%	1	0.7%	0	0.0%	2	2.1%	39	1.2%

Note: Percentage may not equal 100% due to rounding and overlap among household types

Sources: Vermont State HA, Barre HA, Montpelier HA, and Rutland HA

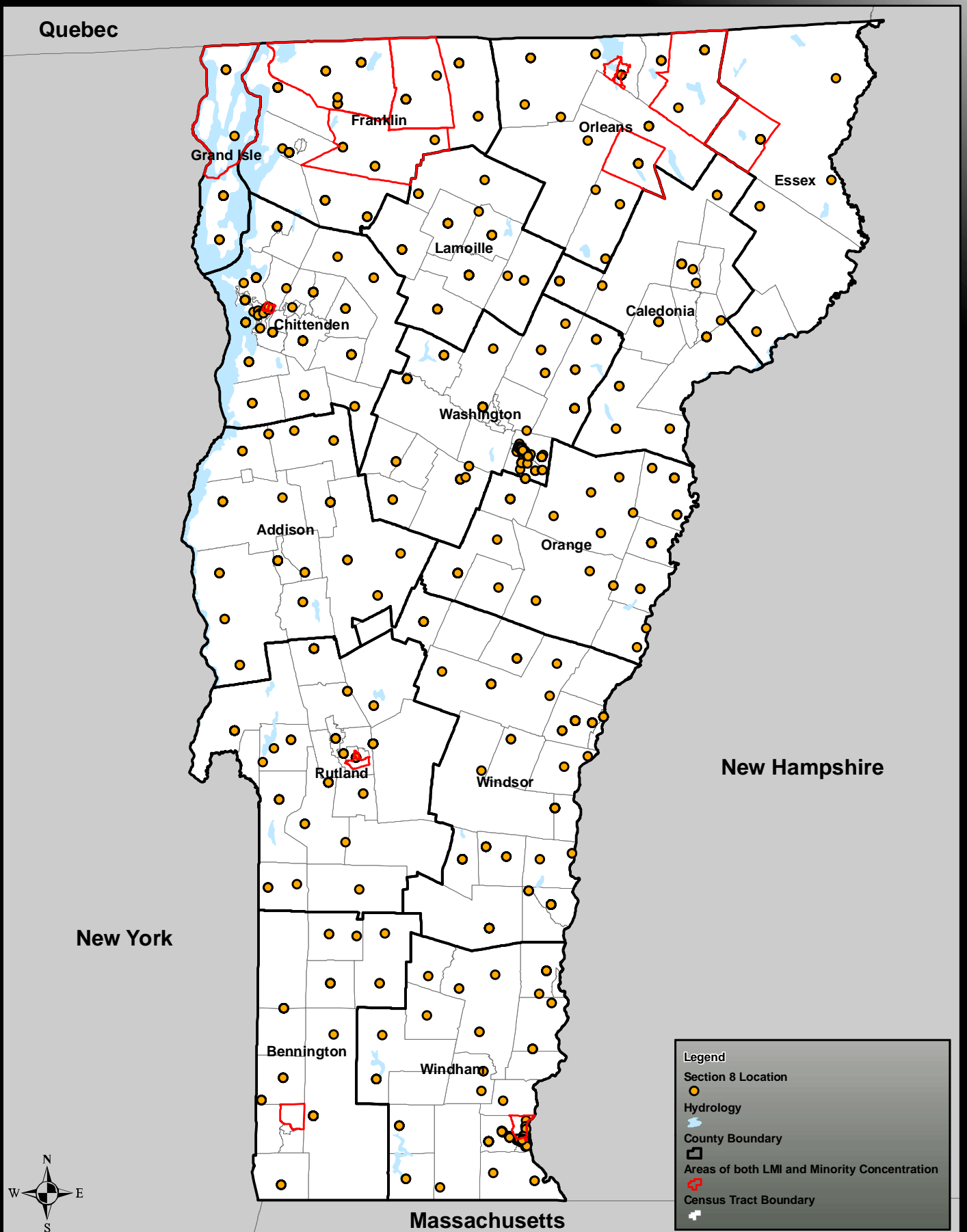
Over 50% of Section 8 applicants are families with children while another 39.4% represent families or individuals with disabilities.

This suggests a need for additional affordable rental housing units for families and persons with disabilities throughout Vermont.

vi. Section 8 Voucher Mobility

Map 13 on the following page illustrates the location of Section 8 voucher holders throughout Vermont. Data included in the map was provided by VSHA as well as the Barre, Brattleboro, Montpelier, Rutland, and Winooski Housing Authorities. As indicated by the map, there are voucher holders residing in several areas and regions throughout the State. Overall, voucher holders are uniformly distributed and are not concentrated in impacted areas. The majority of voucher holders are located in and around Vermont's larger towns and cities in closer proximity to services and amenities.

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Section 8 voucher holders are uniformly distributed and are not concentrated in impacted areas.

The majority of voucher holders are located in and around Vermont's larger towns and cities in closer proximity to services and amenities.

vii. Section 8 Housing Choice Voucher Administrative Plans

The Section 8 Housing Choice Voucher Administrative Plan (Admin Plan) is the policies and procedures manual that includes the regulations governing the housing assistance program. Generally, the Admin Plan includes policies that describe the selection and admission of applicants from the PHA waiting list, the issuance and denial of vouchers, occupancy policies, landlord participation, subsidy standards, informal review/hearing procedures, payment standards, the Housing Quality Standard (HQS) inspection process, and reasonable rents, to name a few. When analyzing the Section 8 Admin Plans of the various PHAs throughout Vermont, the policies were reviewed from a fair housing perspective to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing. Specifically, each Admin Plan was reviewed to determine if it included the following policies and if these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (in the application process, unit search and selection, and grievance process),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Recruitment of landlords who own properties in non-impacted areas,
- Portability policies and procedures and their effect on members of the protected classes,
- Higher payment standards for units that accommodate persons with disabilities, and
- Grievance policies and procedures.

The following figure provides a summary of the analyses performed on the various Section 8 Admin Plans throughout Vermont. A bullet point indicates that the PHA's Admin Plan included the specified policy and that it was consistent with the Fair Housing Act.

As Figure 5-7 illustrates, several of the Administrative Plans covered all of the necessary topics and were in compliance with the Fair Housing Act, including the Admin Plans of the Vermont State Housing Authority, the Winooski Housing Authority, and the Rutland Housing Authority. In contrast, other Admin Plans did not address several key issues relative to affirmatively furthering fair housing. As the various PHAs review and update their respective Section 8 Admin Plans, the PHAs in Barre, Bennington, Montpelier, St. Alban's City, and Springfield should revise their

respective Admin Plans, as indicated, to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

Figure 5-7
Summary of PHA Section 8 Administrative Plan Reviews, 2011

	Vermont State HA	Barre HA	Bennington HA	Brattleboro HA**	Montpelier HA*	Rutland HA	St. Alban's City HA	Springfield HA	Winooski HA
Fair Housing and Equal Opportunity Non-Discrimination Clause	•	•		---	•	•	•	•	•
Reasonable Accommodation for Persons with Disabilities	•	•		---		•	•	•	•
Accommodation for Persons with Limited English Proficiency	•	•		---	•	•	•	•	•
Definition of Family: Non-Related Individuals	•	•	•	---		•	•	•	•
Applicant Selection and Waiting List Preferences	•	•	•	---	•	•	•	•	•
Recruitment of Landlords in Non-Impacted Areas	•	•	•	---		•			•
Portability	•		•	---		•	•		•
Higher Payment Standards for Persons with Disabilities	•	•		---		•	•	•	•
Grievance Policies and Procedures	•	•	•	---	•	•	•		•

*In place of the Admin Plan, Montpelier HA's 5-year agency plan and freestanding policies related to reasonable accommodations, grievances, persons with LEP, and non-discrimination were reviewed for this analysis.

**Brattleboro HA's Section 8 Admin Plan is currently being updated and was not provided for purposes of this analysis.

Source: Public Housing Authorities in Vermont

A total of eight public housing Section 8 Administrative Plans were reviewed as part of this analysis. Three of the Admin Plans addressed all of the necessary topics and were found to be in compliance with the Fair Housing Act while the remaining five did not include several key issues relative to affirmatively furthering fair housing.

As the various PHAs review and update their respective Section 8 Admin Plans, the Barre, Bennington, Montpelier, St. Alban's City, and Springfield Housing Authorities should revise their plans to address all nine topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

B. Policies Governing Investment of Federal Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. The decline in federal funding opportunities for affordable housing for lower income households has shifted much of the challenge of affordable housing production to state, county, and local government decision makers.

The recent Westchester County, NY fair housing settlement also reinforces the importance of expanding housing choice in non-impacted areas (i.e. areas outside of concentrations of minority and LMI persons). Westchester County violated its cooperation agreements with local units of government which prohibit the expenditure of CDBG funds for activities in communities that do not affirmatively further fair housing within their jurisdiction or otherwise impede the Urban County's action to comply with its fair housing certifications. The State of Vermont has an obligation to affirmatively further fair housing by expanding housing choice outside of impacted areas.

HUD funds may be used for a variety of activities to serve a variety of goals, as follows:

- **Community Development Block Grant (CDBG):** The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of LMI levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.
- **HOME Investment Partnerships Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.
- **Emergency Solution Grants (ESG):** A federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional

- shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness.
- **Housing Opportunities for Persons with AIDS (HOPWA):** A federal grant program that provides housing assistance and related supportive services for programs targeted towards persons living with AIDS. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

The State of Vermont is a recipient of CDBG, HOME, ESG, and HOPWA funds. The State's CDBG funds are administered by the Vermont Community Development Program of the Department of Economic, Housing, and Community Development (DEHCD). The State agency responsible for the HOME program is DEHCD which contracts with the Vermont Housing and Conservation Board (VHCB) to administer the funds. ESG funds are administered by the Office of Economic Opportunity of the Agency of Human Services. In addition to helping with the administration of HOME funds, VHCB also administers HOPWA programming throughout the State that is awarded through the HOPWA competitive grant award process.

i. Allocation of Funds

The State of Vermont uses a consolidated application for the Vermont Housing Finance Agency (VHFA), the Vermont Community Development Program (VCDP), and the Vermont Housing and Conservation Board (VHCB). The common application form can be used to apply to one or all of the programs administered by these agencies. All applicants must fill out the common application form as well as the application supplements and required attachments for each agency to which they are applying for funds, e.g. VCDP for CDBG funds and VHCB for HOME funds.

The Housing and Community Development Act of 1974, as amended, requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the State is charged with the responsibility of conducting its federal housing programs in compliance with the federal Fair Housing Act. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including units of local government, which receive federal funds from the State.

As a condition of federal funding, the State must certify to HUD each year that it will conduct its federal housing programs in a non-discriminatory manner that affirmatively furthers fair housing in accordance with the Civil Rights Act of 1964 and the federal Fair Housing Act. Communities receiving CDBG funds are also required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status, or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and

Comply with the non-discrimination requirements of the Fair Housing Act. Communities receiving HOME funds also have an obligation to affirmatively further fair housing. One of the first civil rights laws applicable to recipients of HUD funding was Title VI of the Civil Rights Act of 1964. Title VI provides broad discretion to HUD to impose record-keeping and reporting requirements to effectuate its nondiscrimination mandate. Section 808 (e)(5) of the Fair Housing Act, or Title VIII

of the Civil Rights Act of 1968, requires HUD to administer its programs and activities in a manner affirmatively to further the policies of the Fair Housing Act. HUD imposes this requirement on recipients of its funds, including HOME funds. In addition to prohibiting discrimination in HOME-funded housing developments, recipients of HOME funds must analyze impediments to fair housing in their jurisdiction and take action to address identified impediments. Participating jurisdictions must also certify that they will affirmatively further fair housing in their Consolidated Plans in accordance with CFR 91.225, 91.325, and 91.425 for local governments, states, and consortia, respectively.

The State has an obligation to ensure that each local unit of government within its boundaries affirmatively furthers fair housing. This does not necessarily mean that each municipality must finance and develop affordable housing, but it does mean that no municipality may impede or obstruct the creation of housing by other entities.

a. Community Development Block Grant (CDBG) Funds

The Vermont Community Development Act stipulates that the allocation of CDBG funds through the VCDP shall be competitive, ensure that a wide range of community development activities are eligible and based on a system that measures the need and impact of the proposed projects (10 V.S.A. Chapter 29 Sec. 687).

The Vermont CDBG Program uses an online, web-based application system with an open and rolling application process. Applicants may apply at any time throughout the year. Funding availability is announced through several channels, including websites, email distribution lists, partner organizations, and the annual consolidated planning process. In addition, two formal CDBG Application Workshops are held each year and all localities, affordable housing developers, community development practitioners, community action agencies, regional planning and development organizations, and accessibility and homeless organizations are invited to attend the workshops through VCDP's extensive distribution list. Technical assistance is available to all applicants interested in applying for CDBG funds and is provided by the Department's Community Development Specialist.

The Vermont Community Development Board makes CDBG funding recommendations to the Secretary of the Agency of Commerce and Community Development (ACCD) on behalf of the Governor. In addition, VCDP staff review each project for eligibility and develop a staff analysis for each project. The staff analyze the project based on the following selection criteria:

- Project Need – The project must meet a documented community or regional need.
- Project Impact – The project must show how well it meets a national objective and how well it impacts the community.
- Project Feasibility – The project must be attainable and the representation and commitments within the application must be credible.

As part of the staff review process, VCDP contacts the Vermont Human Rights Commission (VHRC) to determine whether any findings against municipalities or other organizations have been made. To date, there have been no validated findings made in any of the municipalities that received CDBG funding.

DEHCD submits all municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving a funding request from a municipality.

In this way, DEHCD strives to avoid granting CDBG funds to a jurisdiction which may be engaged in discriminatory behavior relative to fair housing provisions.

No formal recommendation is made to the Board by VCDP staff members and projects are not scored by staff or Board members. It is the responsibility of VCDP staff to acknowledge issues and raise any unanswered questions relative to the need, impact, and feasibility of the proposed project. These questions and issues can be addressed by the applicant prior to making a presentation to the Board. Furthermore, the Board is guided in its decision making by the priorities listed in the State's Consolidated Plan, the demonstrated need of the project, the impact of the project on very low, low, and moderate income persons, and the feasibility of the project to be successful.

Since funding requests greatly exceed funding availability and most projects are able to demonstrate need, benefit to LMI persons, and are deemed feasible, the Board often focuses on readiness and critical timing issues. For instance, VCDP tends to fund projects that will have the greatest impact on LMI persons and projects that are ready to proceed. All eligible CDBG activities are open for funding through the VCDP. However, affordable housing and economic development projects are the State's top priorities, as outlined in the 2010-2015 Five-Year Consolidated Plan. DEHCD requires that all CDBG recipients attend a fair housing training program.

Municipal Recipients of CDBG funds throughout the State are required to attend a fair housing training as a condition of their receipt of funding.

b. Home Investment Partnerships Program (HOME) Funds

The Vermont Housing and Conservation Board (VHCB) administers the State's HOME program. The State's HOME program focuses on rental housing development and all units are constructed to comply with applicable building codes and statutory and regulatory requirements. VHCB considers applications for HOME Program funds at Board meetings three times per year. VHCB has information about the HOME application process on its website and accepts applications from both nonprofit and for-profit developers.

The application process for HOME funds is competitive and applications that are determined to meet the Threshold Criteria of the Consolidated Plan are evaluated and ranked according to how many of the Consolidated Plan's Affordable Housing Priorities they meet. Additional analysis completed by HOME staff includes whether or not the proposed project meets the HOME affordability requirements, the project can be completed within 24 months of an award, and the local utility company has been asked

to make a contribution to energy efficiency. After completing the evaluation process, VHCB staff make written recommendations to the Board.

Proposed projects must meet each of the following five thresholds before VHCB staff will bring them to the Board:

- A satisfactory legal mechanism for insuring perpetual affordability is proposed,
- The project location meets Board priorities and does not have a large number of negative features,
- The project is ready to proceed should funding be awarded,
- The project is financially viable (i.e., maintained affordable rents and demonstrated that operating cash flow and reserves are adequate), and
- A viable plan is in place to address any major health and safety concerns, if applicable.

Housing policy priorities established by the Board as part of the Five-Year Consolidated Plan are as follows:

- There is a demonstrated need for the type of housing proposed.
- The project involves neighborhood or downtown revitalization.
- A portion of the project serves very low income households and/or households with special housing needs.
- The project represents “at-risk housing” or housing where there has already been an investment of public funds.
- The project fulfills dual or multiple goals of VHCB including but not limited to historic preservation.
- There are existing identified and severe health or safety threats to lower income households and the project would correct those conditions.

In addition, HOME selection criteria include considerations of the neighborhood and project site, including proximity to services such as municipal water and sewer, historic significance, and floodplain and other environmental factors. The HOME selection process does not explicitly include an analysis of the racial and ethnic characteristics of an area. However, VHCB does assess the physical accessibility of the project in terms of compliance with Section 504 of the Rehabilitation Act of 1973 and encourages applicants to exceed the minimum 5% and 2% accessibility standards. According to VHCB, Housing Vermont, and the Vermont Housing Finance Agency (VHFA), most new affordable housing projects sponsored by these organizations exceed the minimum 5% and 2% standards and/or are constructed to be easily adapted for accessibility modifications.

Most new affordable housing projects sponsored by VHCB and VHFA exceed the minimum 5% mobility-accessible standard.

VHCB's HOME funds application asks about the marketing plan for the project and grantees are required to submit a copy of their tenant selection and affirmative marketing plan prior to the disbursement of HOME funds. VHCB recently adopted a policy requiring recipients of HOME funds to attend fair housing trainings as a requirement of receipt of HOME funding.

Like the CDBG program, recipients of HOME funds are now required to attend a fair housing training program.

Organizations that receive HOME funds will benefit greatly from attending a fair housing training session. This training should provide HOME recipients with proper education and information on their obligation to affirmatively further fair housing through the marketing and leasing of newly constructed housing units.

VHCB is building in some of the most exclusive communities in the State, including ski communities and resort towns. This is a conscious decision by VHCB to build affordable housing in these employment centers to preserve affordable housing for essential community workers. VHCB is willing to increase its per-unit subsidy in more expensive areas in order to build in areas with the greatest need. VHCB's current HOME per-unit subsidy is 50% of the HUD limit for an area, so there is a substantial amount of room to increase the subsidy to accommodate the development of housing in more expensive areas while staying within HUD's limits.

VHCB should continue to make affordable housing investments in non-impacted communities where housing is generally more expensive, to link essential community workers to employment centers.

Vacancies have become an issue in many of the newer rental developments built in Vermont's more affluent communities. Vacancies are high because these areas are somewhat isolated, with limited access to transportation or services, which deters many low-income families with children from living there. Due to vacancies associated with developing affordable housing in the State's non-impacted and more affluent communities, there is a critical need for market studies to be completed thoroughly and accurately, to reflect actual demand and need in a particular community or area. Housing should be built where it is needed while also remaining somewhat uniformly distributed between impacted and non-impacted areas.

ii. Geographic Distribution of Activities

Maps 14 and 15 on the following pages provide a geographic illustration of the location of various affordable housing investments made throughout Vermont over the last decade. Map 14 illustrates HOME program investments from 2006-2010; Map 15 highlights affordable rental

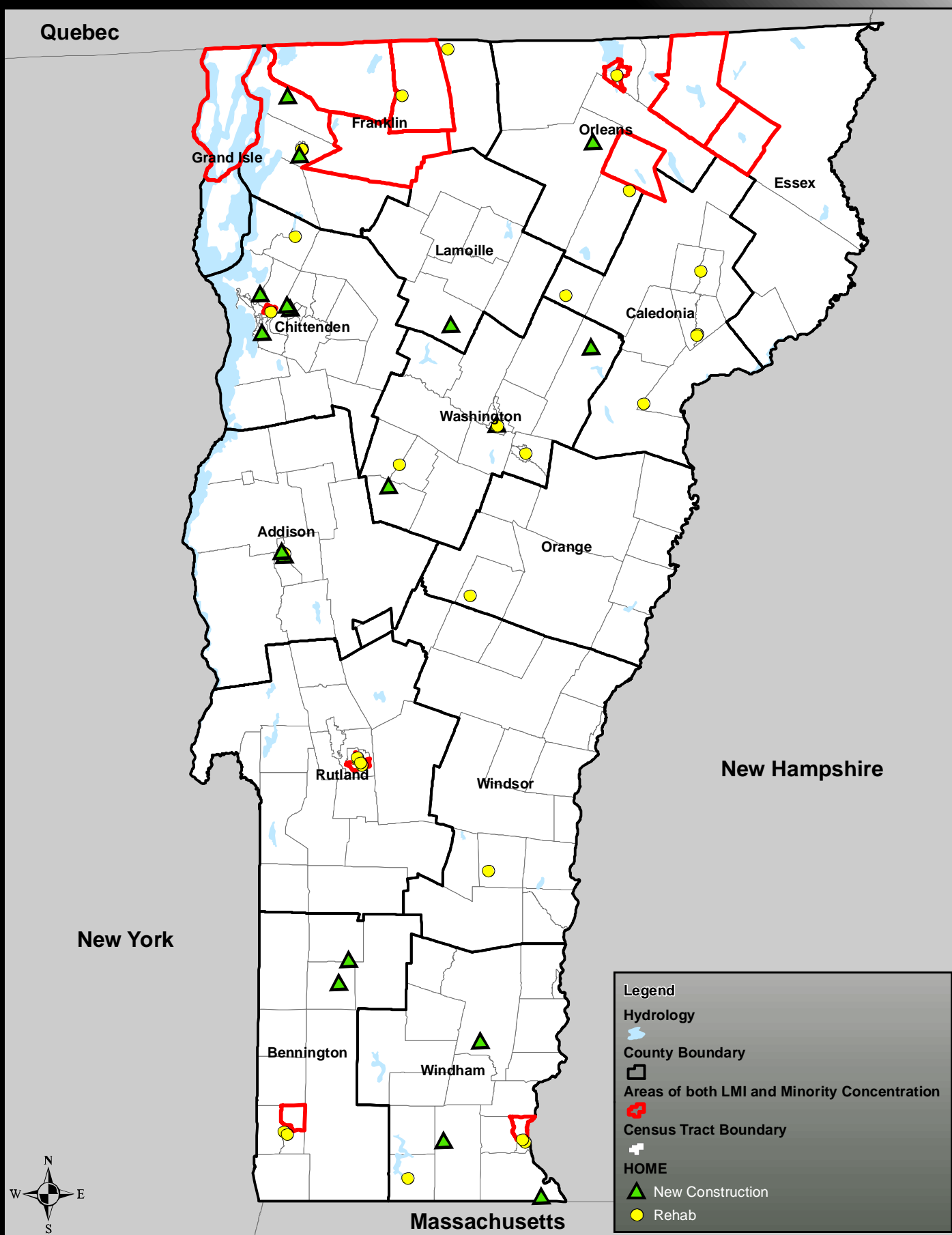
housing developments financed since 2000 using a variety of state and federal funds, including the Low Income Housing Tax Credits (LIHTC).

As the maps indicate, affordable housing investments are uniformly distributed throughout Vermont and are located in both impacted and non-impacted areas. Affordable housing investments financed using HOME funds, LIHTC, and other state and federal sources are not concentrated solely in impacted areas. The State, through the efforts of DEHCD, VHFA, and VHCB, should continue to strive to strike a balance in investing in both impacted and non-impacted areas.

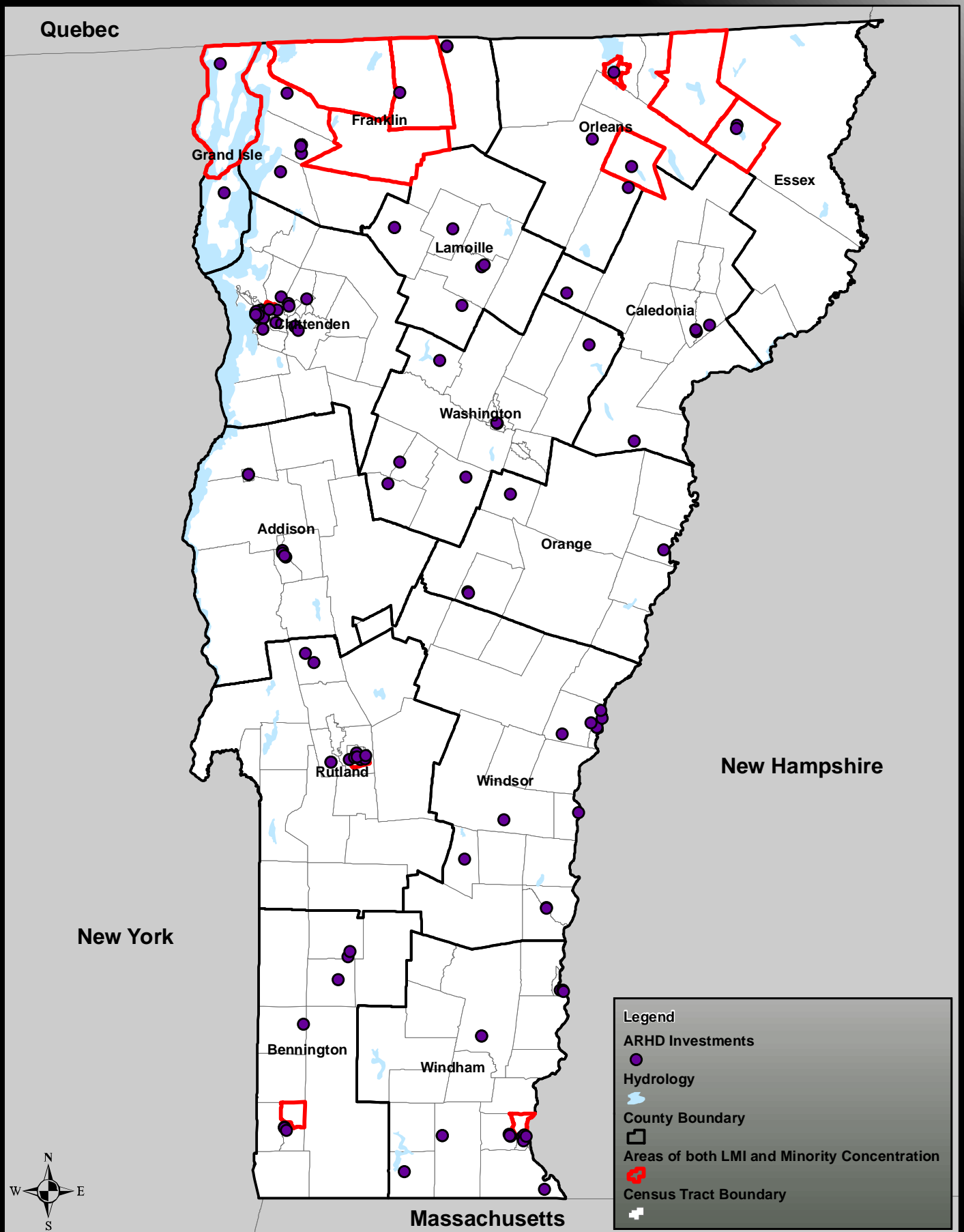
Affordable housing investments in Vermont are uniformly distributed and are located in both impacted and non-impacted areas.

Through the efforts of DEHCD, VHFA, and VHCB, the State should continue to strive to strike a balance in investing in both impacted and non-impacted areas.





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iii. Consolidated Plans and CAPERs

Communities receiving federal funds from HUD like the State of Vermont are required to prepare Five-Year Consolidated Plans (CPs) and Annual Plan (APs) that describe activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds. At the end of each fiscal year, a Consolidated Annual Performance and Evaluation Report (CAPER) is developed to report on the progress achieved by the State in its efforts to invest these federal funds and to affirmatively further fair housing. The following narrative includes an analysis of how the State of Vermont has affirmatively furthered fair housing choice through its investment of federal funds.

DEHCD established four general priorities for use of HUD funds under the 2010-2015 Consolidated Plan, including the following: affordable housing, employment opportunities, public facilities, and public services. Affordable housing and employment opportunities are Vermont's highest priorities. These priorities are further guided by the State's preference for development and growth in Designated Downtowns and Village Centers and its overarching priority of striving to achieve perpetual affordability of its affordable housing resources.

In its 2010-2015 Consolidated Plan, the State of Vermont identified the following goals under the national objective to provide decent housing:

- Increase the supply of rental housing
- Stabilize and rehabilitate the existing housing stock
- Provide housing for persons with disabilities
- Provide housing for the elderly
- Increase homeownership opportunities

Within the 2010-2015 CP, Vermont further states that its main priorities regarding the use of federal dollars for affordable housing are the preservation of existing units and the development of new projects or programs that contribute new units to the housing inventory. Projects must be cost effective, sustainable to the extent that they will not require recurring infusions of public funds, provide long-term affordability, and meet regional housing needs.

Some of the objectives outlined to achieve the State's goal to increase its rental housing stock include the following:

- Develop or rehabilitate affordable rental housing for extremely-low income families and individuals at or below 30% of median income,
- Assist landlords by providing low interest loans for the rehabilitation of existing rental units where at least 51% of the units house lower income families and individuals,
- Assist landlords by providing low interest loans for the redevelopment of underutilized properties or upper stories for housing, provided at least 51% of the units are filled by lower income families and individuals, and
- Develop projects that include a mix of affordable and market rate housing units consistent with VHFA's Qualified Allocation Plan (QAP).

To stabilize and rehabilitate its existing housing stock, the Five-Year CP states that Vermont will strive to acquire and rehabilitate mobile home parks where at least 51% of households are lower-income, to rehabilitate existing owner-occupied single-family and multi-family housing units, and to rehabilitate existing affordable housing, especially those developments that have project-based rental assistance or significant public investment.

The need for additional accessible housing units is widespread throughout the State. As such, one of the goals outlined in the State's CP is the provision of housing for persons with disabilities. Some of the State's objectives to achieve this goal include:

- Develop units of affordable rental and homeownership opportunities that comply with the Americans with Disabilities Act (ADA) and that allow people with disabilities full accessibility,
- Rehabilitate existing ownership units for low and moderate income families and individuals with disabilities, and
- Develop new units of affordable housing for people with disabilities that include on-site supportive services.

The FY 2009 CAPER was reviewed for the AI. In FY 2009, the State received \$7,411,472 in CDBG funds, \$3,447,576 in HOME funds, and \$364,366 in ESG funds. During this program year, 87% of CDBG funds were awarded to projects with LMI as the national objective. One project, which represented 3% of CDBG funds, addressed the urgent need national objective while the remaining 10% of funds addressed slums and blight. CDBG funds were used to support a wide variety of programs, including affordable housing projects and economic development initiatives aimed at job creation and retention. Between 2008 and 2011, the State has used an average of 4% annually of the Administrative allowance of its CDBG allocations directly to fund training and outreach of AFFH activities, which equates to an average of \$13,550 per year.

During FY 2009, DEHCD participated in many activities to affirmatively further fair housing. These activities are summarized in the CAPER and include, but are not limited to, the following:

- Collaborated with CVOEO's Fair Housing Project and VHRC to provide fair housing trainings throughout the State,
- Provided funding to CVOEO's Fair Housing Project to provide AFFH trainings to municipal officials, produce and distribute public education fair housing materials in five languages, and develop and produce a fair housing training video,
- Required all municipalities receiving CDBG funds to attend fair housing trainings,
- Chaired and staffed the Fair Housing Committee of the Vermont Housing Council,
- Provided funding for municipal land use training,
- Provided assistance to the general public relative to fair housing and landlord/tenant laws, and
- Maintained and updated a fair housing page on the Department's website to provide public access to fair housing information.

While very extensive and informative in addressing the State's overall affordable housing goals, the State's FY 2009 CAPER did not include a map of where its federally-assisted housing activities occurred, although the plan does indicate that the majority of funds were directed to LMI areas. The State should continue to strive to strike a balance between the revitalization of impacted areas and the creation of new affordable housing opportunities in non-impacted areas.

When preparing future CAPERs, DEHCD should map the addresses of all new affordable housing initiatives financed with public funds to depict their location relative to impacted areas.

This practice will enable the State to better demonstrate its various accomplishments in affirmatively furthering fair housing.

The State should continue to balance its CDBG and HOME investments between the revitalization of impacted areas and the creation of new housing opportunities in non-impacted areas.

iv. Affirmative Marketing Policy

As a recipient of CDBG and HOME funds, the State of Vermont is required to adopt affirmative marketing procedures and requirements for all CDBG- and HOME-assisted housing with five or more units. Such a plan should include:

- Methods of informing the public, owners, and potential tenants about fair housing laws and the State's policies,
- A description of what the owners and/or the State will do to affirmatively market housing assisted with CDBG or HOME funds,
- A description of what the owners and/or State will do to inform persons not likely to apply for housing without special outreach,
- Maintenance of records to document actions taken to affirmatively market CDBG- and HOME-assisted units and to assess marketing effectiveness, and
- A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

The State's HOME Program Affirmative Marketing Procedures and Requirements were reviewed as part of this analysis. The State's policy requires that any affirmative marketing plans submitted by owners address the issues listed above, with the exception of the State's monitoring of the grantees. The State's policy and procedures specify that housing rehabilitated under the HOME program shall be marketed to persons without regard to race, color, national origin, sex, religion, familial status, or disability. Housing grantees with projects containing five or more HOME units are required to adopt affirmative marketing policies and written tenant selection policies and submit these plans to VHCB for review.

VHCB has drafted a model Affirmative Marketing Plan for use by grantees marketing rental units. According to VHCB, all HOME grantees have adopted either the model plan or a slightly modified version that has been reviewed and approved by VHCB staff.

Grantees are required to display the Equal Housing Opportunity poster and incorporate the Equal Housing Opportunity logo in its letterhead, press releases, and advertisements. Furthermore, grantees are required to contact social service agencies before filling vacancies during the

affordability period as established in each HOME Grant Agreement. During FY 2009, VHCB completed 15 rental projects and collected demographic information to demonstrate effective efforts to affirmatively market to persons from all racial, ethnic, and gender groups as well as persons with disabilities.

VHCB monitors compliance with affirmative marketing plans as part of its ongoing monitoring of HOME grantees. When non-compliance is discovered, it is VHCB's policy to provide technical assistance in order to secure voluntary compliance. If this process proves to be unsuccessful, VHCB staff will refer aggrieved parties to the appropriate entity to seek redress.

In Vermont, CDBG-financed housing activities consisting of five or more units would require an Affirmative Marketing Plan.

Federal regulation requires grantees such as the State of Vermont to adopt affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units. The State should amend the HOME Affirmative Marketing Plan so that it also explicitly applies to CDBG-assisted housing with five or more units.

Acquisition, disposition, rehabilitation, construction, and homeownership assistance are all CDBG-eligible housing activities. The State does not always allocate CDBG for these activities in a given program year, but expanding the scope of the Affirmative Marketing Plan would ensure that CDBG-funded housing activities are held to the same standard as those funded through the HOME program.

v. Site and Neighborhood Selection Policy

Recipients of HOME funds are required to administer their program in compliance with the regulations found at 24 CFR 983.6(b), known as the Site and Neighborhood Standards. These standards address the site location requirements for newly constructed rental units financed with HOME funds.

Site selection for HOME-assisted construction of new rental units must comply with several standards, including among other things, promoting greater choice of housing opportunities and avoiding undue concentration of assisted persons in areas containing a high concentration of LMI persons. With few exceptions, site selection must include a location that is not in an area of minority concentration.

VHCB became aware of the site and neighborhood standards requirement during the AI planning process. After learning of this requirement, VHCB drafted a HOME Program Site and Neighborhood Standards Policy, along with a checklist to accompany the policy.

The draft Site and Neighborhood Standards Policy and associated checklist, dated August 26, 2011, were reviewed as part of this analysis. The policy and checklist were found to be in compliance with the regulations outlined at 24 CFR 983.6(b).

According to the policy, VHCB staff will perform a Site and Neighborhood Standards review for all new construction rental projects requesting HOME funds. The review will occur as part of the staff underwriting process, after receipt of the funding application and before funding recommendations are presented to the Board. All HOME project files will contain a completed checklist.

Upon learning of the Site and Neighborhood Standards requirements found at 24 CFR 983.6(b), VHCB drafted a Site and Neighborhood Standards Policy and Checklist for the State's HOME program. The policy and checklist were reviewed as part of this analysis and were found to be in compliance with the regulations outlined at 24 CFR 983.6(b).

C. Appointed Boards and Commissions

A community's sensitivity to fair housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships, and the extent to which these individuals relate within an organized framework of agencies, groups, and individuals involved in housing matters. The expansion of fair housing choice requires a team effort and public leadership and commitment is a prerequisite to strategic action.

i. Vermont Human Rights Commission

The Vermont Human Rights Commission (VHRC) is a five-member body appointed by the Governor, with the advice and consent of the Senate. The Commission's enabling statute (9 V.S.A. Chapter 141) states that no more than three members of the Commission can be of the same political party and that at least one member must be a racial minority.

VHRC's mission is to promote full civil and human rights in Vermont. The Commission protects Vermonters from unlawful discrimination in housing, state government employment, and public accommodations (e.g. schools, restaurants, stores, businesses, or government offices). VHRC fulfills its mission by enforcing Vermont's anti-discrimination law, advancing effective public policies on civil rights, mediating disputes, educating the public, and providing information and referrals. The Commission has legal authority to investigate complaints, negotiate settlements, and to bring action in court.

Of VHRC's five members, three are White, one is Black, and one is Asian. In addition, three are female and two are male. One member reported having a disability and one is openly gay.

ii. Vermont Community Development Board

The Community Development Board, in conjunction with the Vermont Community Development Program (VCDP) staff, reviews applications for CDBG funding. The Community Development Board is made up of nine members that are geographically selected from around the State and appointed by the Governor. The Board makes award recommendations to the Secretary of the Agency of Commerce and Community Development, who then makes the final funding decision.

Of the Board's nine members, all nine are non-Hispanic Whites. In addition, three are male and six are female.

iii. Vermont Housing and Conservation Board

The Vermont Housing and Conservation Board (VHCB) is an eleven -member board. According to its enabling statute, the Vermont Housing and Conservation Trust Fund Act (10 V.S.A. Chapter 15), the eleven-member Board is to consist of seven citizen members including an advocate for low income Vermonters, a farmer, a member of an affordable housing organization and a member of a conservation organization. The remaining four members of the Board include the Commissioners of the State agencies of Agriculture, Human Services, and Natural Resources, and the Executive Director of the Vermont Housing Finance Agency.

VHCB administers the State's HOME and HOPWA programs, its federal farmlands protection funds, and the State's Housing and Conservation Trust Fund. Since its inception, the Board has awarded nearly \$200 million to nonprofit housing and conservation organizations, towns, municipalities, and state agencies to develop more than 1,200 projects in 220 towns. This investment has directly leveraged approximately \$800 million from other private and public sources and resulted in the creation of nearly 9,000 units of affordable housing, the conservation of more than 368,500 acres of agricultural and recreational lands and natural areas, and the restoration of scores of historic community buildings for public use.

Of VHCB's eleven members, all are non-Hispanic Whites. In addition, four are female and seven are male.

iv. Vermont Housing Finance Agency

The mission of the Vermont Housing Finance Agency (VHFA) is to finance and promote affordable, safe, and decent housing opportunities for low- and moderate-income Vermonters. VHFA has authority over the State's "Small State Set-Aside" of \$2,525,000 in federal Low Income Housing Tax Credit (LIHTC) funds and \$400,000 in annual State Affordable Housing Tax Credits.

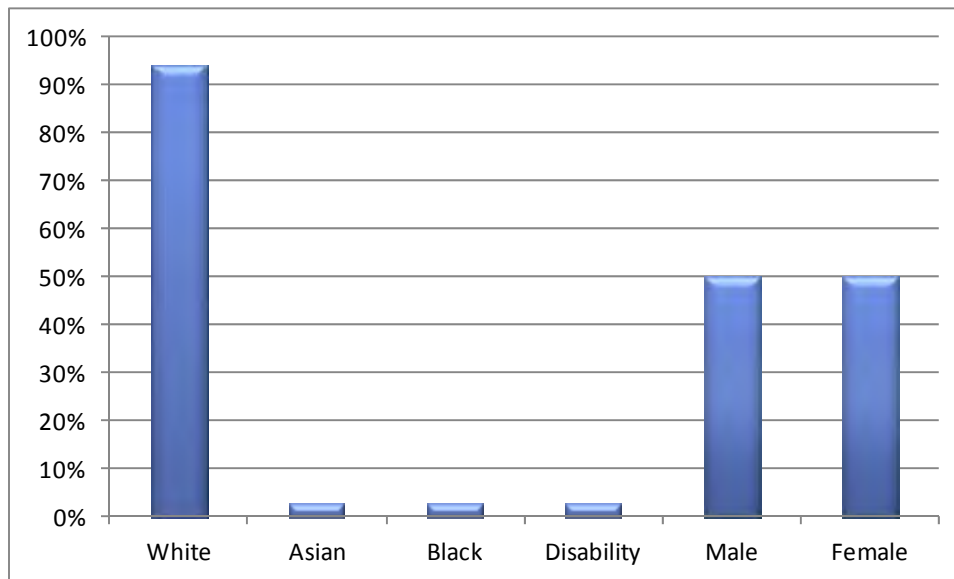
VHFA is governed by a nine member Board of Commissioners. The Board includes four Ex Officio members and five members appointed by the Governor of Vermont, representing private and public lending, real estate, and housing development interests.

Of the nine VHFA Board members, all are non-Hispanic Whites. In addition, five are male and four are female. None of the VHFA Board members reported having a disability.

Of the 34 members of the State's selected boards and commissions, there are 17 females and 17 males. The majority of board and commission members are non-Hispanic Whites. There is one Asian person and one Black person, both of which are members of the Human Rights Commission. One person with a disability sits on the VHRC. The following figure provides a summary of the composition of the boards and commissions analyzed.

Given the very low rate of minorities in Vermont, one Asian person out of 34 members is equal to almost 3% of the members analyzed, which is greater than the total Asian population statewide of 1.3%. In addition, Blacks make up almost 3% of the board and commission members while Blacks comprise 1% of the State's total population. In contrast, there are no Hispanic members on selected boards while Hispanics comprise 1.5% of the State's population. Likewise, the disabled population in Vermont is equivalent to almost 14% of the population, while persons with disabilities on selected boards and commissions total 2.9%.

Figure 5-8
Composition of Appointed Boards and Commissions, 2011



There is a lack of Hispanics and persons with disabilities on selected boards and commissions in the State of Vermont.

The experiences and perspectives of members of the protected classes would enhance decision-making processes in the State and offer the opportunity for greater advancement of fair housing choice in all aspects of government.

D. Qualified Allocation Plan (QAP)

The Qualified Allocation Plan (QAP) is a public policy that establishes Vermont Housing Finance Agency's priorities for affordable housing initiatives financed in part with equity from the sale of Low Income Housing Tax Credits (LIHTC). Each year, the QAP must be approved by the Governor of the State of Vermont before credits can be awarded by VHFA.

VHFA has authority over the State's "Small State Set-Aside" of \$2,525,000 in Federal LIHTC authority and \$400,000 in annual State Affordable Housing Tax Credits. Due to competition for the limited available funding, tax credit developers design their housing developments to achieve maximum scoring under VHFA's scoring categories. Therefore, the QAP has a major impact on what populations are served, the types of projects that will be undertaken (i.e. new construction or rehabilitation), and, indirectly, where affordable housing is built or rehabilitated.

In a recent federal fair housing case, *The Inclusive Communities Project, Inc. v. Texas Department of Housing and Community Affairs* (N.D. Tex. 2010), the Texas QAP was challenged by a local affordable housing advocate. The lawsuit alleged that the Texas Department of Housing and Community Affairs

(TDHCA), the housing finance agency for the State, disproportionately approved tax credits for low-income housing in minority neighborhoods and denied applications for family tax credit housing in predominantly White neighborhoods. The plaintiff alleged that TDHCA's policy in awarding credits perpetuated racial segregation in violation of the Fair Housing Act. TDHCA argued that it prioritized tax credit applications for projects located in Qualified Census Tracts (QCT) in accordance with Section 42 of the Internal Revenue Code and that, as such, it was unavoidable that tax credit projects would be located in concentrated minority neighborhoods rather than White neighborhoods. TDHCA submitted a motion for summary judgment (i.e. dismissal of the case), but on September 28, 2010, Judge Fitzwater denied TDHCA's motion and affirmed the plaintiff's standing to sue. This case is now headed to trial. It is within this context that the AI considers VHFA's QAP.

For the purposes of the AI, VHFA's 2011 QAP was reviewed to determine the extent to which it offers opportunities to expand fair housing choice for members of the protected classes. Rather than focusing on the requirements of Section 42 of the IRC, this review will examine those policies and priorities expressed in the QAP that are unique to VHFA and relevant to fair housing.

i. Priorities and Scoring Criteria

VHFA has designed its priority selection criteria to adhere to the State's Housing Needs Assessment, conducted as part of the 2010 Consolidated Plan. Applications must meet a minimum of three of the five "Top Tier Priorities" and one of the six "Second Tier Priorities" contained in the QAP in order to be considered.

One of the findings of the Housing Needs Assessment was a much higher statewide need for non-age-restricted, general occupancy housing than for independent senior housing. Development of general occupancy housing is a Top Tier Priority, unless the particular local market characteristics indicate a need for elderly housing.

Vermont strives to maintain its "historic settlement pattern of compact village and urban centers separated by rural countryside." Therefore, developing affordable housing in the village and urban centers is a Top Tier Priority. However, according to the QAP, developers can also meet this criteria when developing affordable workforce housing in "ski areas" (which are often located in some of the state's more rural and affluent communities) as long as downtown development is infeasible, the rural area is in need of affordable housing, the rural site is available at a below-market price, the proposed housing will be clustered, and residents will be adequately connected to community services.

This exception is a fair housing achievement. Interviews (with VHFA, the Vermont Housing and Conservation Board, and the State HOME Administrator) conducted as part of this analysis indicate the State goes out of its way, both financially and politically, to support affordable housing developments in non-impacted communities. This effort includes investing higher per-unit subsidies for these projects. The State's non-impacted areas tend to be more rural, affluent and predominantly White, and essential community workers often cannot afford to live in close proximity to their jobs at the resorts. Additionally, land costs in the downtown areas can be very expensive so this exception opens opportunities in site selection for affordable housing developers.

A separate Top Tier Priority is dedicated to new construction in communities where there is a lack of affordable housing stock (this same Priority has different criteria for rehabilitation developments). A new construction development in a rural/ski area would likely score "double points" since the rural/ski areas generally lack affordable housing.

VHFA recognizes "any project that incorporates a majority of special needs populations (as defined in [the] Consolidated Plan) and provides service-enriched housing" as meeting a Top Tier

Priority. The QAP defines special needs populations as households or individuals who cannot live independently without supportive services.

One of VHFA's Second Tier Priorities is a Mixed-Income Housing requirement. In order to meet this priority, developers must set-aside at least 20% of the units in the development to be either unrestricted for income and rents, or restricted to households with incomes above 60% of the area median gross income. Developments with less than 20 units need only one unit to meet this priority.

Notably, VHFA has threshold criteria which must be met for consideration as mixed-income housing. The standard is tiered, with no unrestricted or units above 60% of AMI required for developments of less than 20 units, 5% of the total units for developments of 20-49 units, and 10% of the units for developments of 50 units or more. This is a unique requirement, especially since the inclusion of market rate (unrestricted) or units above 60% of AMI reduces the applicable fraction of a LIHTC development. This reduces the eligible amount of LIHTC the project can sell to an investor, thereby reducing the project's funding sources.

Another Second Tier Priority can be met if the project complies with Universal Design requirements. Universal Design is a set of architectural requirements intended to make buildings usable by every person ("universally").

Beyond the first and second tier priorities, there are four other evaluation criteria which are ranked in significance behind the two tiers. One of these criteria is Geographic Targeting. Projects are recognized as meeting this criterion if they are located in areas which have historically been underserved by affordable housing. This is similar to criteria within Top Tier Priorities but ensures that this factor is still considered even if the project did not meet those Top Tier Priorities.



VHFA's QAP includes a number of noteworthy fair housing achievements. Furthermore, the QAP clearly indicates that VHFA is dedicated to the goal of preventing concentration of low-income housing and households throughout the State, as evidenced by the following:

Development may occur in non-impacted areas which are generally rural, more affluent, and predominantly White areas with high cost housing. This helps to prevent concentration of affordable housing in Vermont's villages and urban centers.

If developments are constructed in communities where there is a lack of affordable housing, the project meets a Top Tier Priority.

Given the demand for more general occupancy housing units throughout the State, VHFA has made this a Top Tier Priority. This enables low-income families to move into communities that previously provided only age-restricted affordable housing.

To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement.

ii. Incentivized Development Areas

The AI defines areas of racial or ethnic concentration as a census tract with double the statewide proportion of each minority group. Using this definition, there are 22 areas of Black concentration, 19 areas of Asian concentration, 18 areas of AIAN concentration, and 17 areas of Hispanic concentration in the State. Furthermore, the AI defines areas of LMI concentration as areas where 51% or more of residents meet the criteria for LMI status. In Vermont, 23 census tracts met the criterion for areas of LMI concentration.

Section 42 of the Internal Revenue Code encourages the production of tax credit housing in hard-to-serve areas known as Qualified Census Tracts (QCTs) and Difficult to Develop Areas (DDAs). The Code defines a DDA as "any area designated by the Secretary of Housing and Urban Development as an area which has high construction, land, and utility costs relative to the area median gross income." QCTs are census tracts in which one-half or more of the households have incomes below 60% of the area median income or the poverty rate is 25% or higher. Not more than 20% of a State's population may be designated as QCTs. Based on the QCT and DDA designations, developers using the LIHTC program to build or rehabilitate affordable rental housing can claim 30% more in eligible basis ("basis boost") than is available to identical projects outside of these areas.

VHFA complies with this federal requirement and adds another opportunity for projects to be eligible for a basis boost. For developments with 49 units or less only, a basis boost up to 130%

is available if a project reserves at least 10% of its units for supportive housing for clients of a human service agency or if the project greatly exceeds VHFA's Green Building Standards. Unlike the QCT and DDA qualifications, this boost criteria is not geographically-based.

Notably, in accordance with Section 42 (d)(5)(B)(v) of the Internal Revenue Code, VHFA, as the State Housing Credit Agency, is permitted to give a 130% basis boost to developments in areas which are not QCTs or DDAs if such a project needs the basis boost to be financially feasible. It is unclear, based on the QAP, whether or not VHFA uses the basis boost in this manner.

The following chart compares HUD QCTs, HUD DDAs, and areas of racial, ethnic, and/or LMI concentration within the State of Vermont. Highlighted census tracts on the chart represent QCTs that are also areas of racial, ethnic, and/or LMI concentration.



Figure 5-9
Comparison of QCTs, DDAs, and Areas of Concentration

Census Tract	Community	HUD QCT (2011)	HUD DDA (2011)	AI Racial, Ethnic, and LMI Concentrations *
1	Burlington, Chittenden County			• (A, AIAN)
2	Burlington, Chittenden County			• (B)
3	Burlington, Chittenden County	•		• (A, LMI)
4	Burlington, Chittenden County	•		• (LMI)
5	Burlington, Chittenden County	•		• (H, LMI)
6	Burlington, Chittenden County	•		• (A, LMI)
8	Burlington, Chittenden County			• (B, AIAN)
9	Burlington, Chittenden County			• (B, LMI)
10	Burlington, Chittenden County	•		• (B, AIAN, LMI)
11	Burlington, Chittenden County			• (B)
22	Chittenden County			• (A)
24	Chittenden County			• (A, H, LMI)
25	Chittenden County			• (A, AIAN, LMI)
26.01	Chittenden County			• (A, H)
26.02	Chittenden County			• (B, AIAN, H)
27.01	Chittenden County			• (B, A)
28	Chittenden County			• (H)
31	Chittenden County			• (A)
32	Chittenden County			• (B, A, H)
33	Chittenden County			• (A)
35.01	Chittenden County			• (B)
101	Franklin County			• (LMI)
102	Franklin County			• (B, LMI)
103	Franklin County			• (LMI)
104	Franklin County			• (LMI)
105	Franklin County			• (AIAN)
106	Franklin County			• (AIAN)
107	Franklin County			• (LMI)
108	Franklin County			• (A)
201	Grand Isle County			• (AIAN, LMI)
9502	Essex County			• (B, AIAN, LMI)
9503	Essex County			• (LMI)
9504	Essex County			• (LMI)
9511	Orleans County			• (AIAN, LMI)
9514	Orleans County			• (H, LMI)
9515	Orleans County			• A, AIAN, LMI)
9518	Orleans County			• (AIAN, LMI)
9519	Orleans County			• (LMI)

Census Tract	Community	HUD QCT (2011)	HUD DDA (2011)	AI Racial, Ethnic, and LMI Concentrations *
9533	Lamoille County		•	• (AIAN)
9535	Lamoille County		•	• (B)
	All of Lamoille County		•	
9546	Washington County			• (B)
9551	Washington County			• (H, LMI)
9554	Washington County			• (A)
9555	Washington County			• (H)
9572	Caledonia County			• (B, AIAN, H)
9574	Caledonia County			• (LMI)
9579	Caledonia County			• (AIAN)
9601	Addison County		•	• (AIAN)
9603	Addison County		•	• (B)
9608	Addison County		•	• (A)
	All of Addison County		•	
9631	Rutland County	•	•	• (B, LMI)
9633	Rutland County		•	• (AIAN, LMI)
9634	Rutland County		•	• (A)
9637	Rutland County		•	• (H)
9638	Rutland County		•	• (H)
9643	Rutland County		•	• (B)
	All of Rutland County		•	
9650	Windsor County		•	• (A)
9651	Windsor County		•	• (B)
9658	Windsor County		•	• (A)
9660	Windsor County		•	• (H)
9666	Windsor County		•	• (H)
	All of Windsor County		•	
9670	Windham County		•	• (H)
9674	Windham County		•	• (B)
9676	Windham County		•	• (AIAN)
9677	Windham County		•	• (B)
9682	Windham County		•	• (B)
9684	Windham County		•	• (A)
9686	Windham County		•	• (B, H, LMI)
	All of Windham County		•	
9709	Bennington County		•	• (H, LMI)
9712	Bennington County		•	• (LMI)
	All of Bennington County		•	
	All of Orange County		•	

* B=Black, A=Asian, AIAN=American Indian/Alaska Native, H=Hispanic, and LMI=Low/Moderate Income

In Vermont, there are a total of six QCTs. Five of the QCTs are concentrated in Chittenden County, specifically the City of Burlington. The sixth QCT is census tract 9631 located in Rutland County.

Lamoille, Addison, Orange, Rutland, Windsor, Bennington, and Windham Counties are all Difficult to Develop Areas. With the exception of Lamoille County, these counties comprise the entire southern half of the State.

All of the QCTs are also located in areas of racial, ethnic, and/or LMI concentration. Specifically, census tracts 3, 5, 6, and 10 in Chittenden County and tract 9631 in Rutland County are located in impacted areas, or areas which include areas of both minority and LMI concentration.

Prioritizing tax credit projects located in QCTs may limit fair housing choice because frequently these projects are located in areas where other tax credit housing is located. As such, this federally legislated priority for tax credit projects in QCTs is an impediment to fair housing choice. It should be noted, however, that this impediment is beyond the purview of VHFA.

VHFA is essentially caught between two conflicting federal statutes. On one hand, the federal government requires VHFA to affirmatively further fair housing choice by expanding the supply of affordable rental housing in non-impacted neighborhoods. On the other hand, the federal government requires VHFA to incentivize tax credit projects in QCTs, many of which are located in areas of racial, ethnic, and/or LMI concentration.

Section 42(m)(1)(B)(iii) of the Internal Revenue Code requires all states to provide a QAP preference for projects located in QCTs where such projects contribute to a concerted community revitalization plan. VHFA references this requirement in its QAP.

VHFA must strive to achieve a delicate balance in terms of the geography of its housing investments. While expanding fair housing choice requires VHFA to affirmatively select projects in non-impacted neighborhoods of opportunity, expanding affordable housing exclusively in neighborhoods of opportunity and withholding investment entirely from impacted areas could adversely affect efforts to revitalize neighborhoods in decline.

VHFA is in the unenviable position of being required to comply with two contradictory federal statutes.

On one hand, the federal Housing and Community Development Act and related statutes require VHFA to affirmatively further fair housing choice by expanding the supply of affordable rental housing in non-impacted neighborhoods. On the other hand, Section 42 of the Internal Revenue Code requires VHFA to incentivize tax credit projects in QCTs, many of which are located in impacted and concentrated areas.

It is beyond the purview of VHFA to overcome this federal impediment. Furthermore, VHFA must comply with both statutes in order to ensure continued tax credit authority under Section 42 and continued federal funding under the Housing and Community Development Act.

Expanding fair housing choice and breaking down historic patterns of segregation is a double-edged sword. For some residents of impacted neighborhoods, exercising fair housing choice means moving to another neighborhood that offers economic opportunity, proximity to the workplace, better schools, and a more safe and secure environment. Affirmative moves from impacted neighborhoods to areas of opportunity help to break down patterns of segregation. As such, it is important to allocate LIHTCs and other affordable housing resources in neighborhoods of opportunity in order to provide this choice to members of the protected classes and other LMI residents of the State.

For other residents that live in impacted neighborhoods, exercising fair housing choice means revitalizing the community into a more attractive and safer place so that they may continue to live in their neighborhood and so that others will want to move into the neighborhood. Public policy aimed at stabilizing decline and encouraging others to move into the neighborhood also helps to break down patterns of segregation. If VHFA fails to invest public resources in impacted neighborhoods, it is inevitable that these areas will continue to decline, thereby limiting fair housing choice on the part of members of the protected classes and other residents that would prefer to remain in the neighborhood.

Balancing a variety of resident housing preferences and complying with Section 42 of the Internal Revenue Code, HUD's site and neighborhood standards, and other federal regulatory requirements is achieved by making affordable housing investments in both neighborhoods of opportunity (also known as non-impacted areas) and by re-investing in impacted areas.

iii. Notification Requirements

Project notification requirements are evident in Section 42(m)(1)(A)(ii) of the Internal Revenue Code and the VHFA QAP.

Section 42(m)(1)(A)(ii) of the Internal Revenue Code states that Housing Credit Agencies must notify the chief executive officer (or an equivalent) of the local jurisdiction of the project and provide this person with an opportunity to comment on the project.

In compliance with the local jurisdiction notification policy, VHFA requires that developers, as part of the application, meet with the zoning administrator in the jurisdiction of their project and provide evidence that the municipality finds the proposed project's density permissible under the current zoning for the site.

Additionally, one of the benchmarks that developers must meet in order to receive a Reservation Certificate is securing all required local approvals and initiating the Act 250 approval process. Act 250 is a State law which requires developers of major projects (housing developments with more than 10 units) to apply for a permit which certifies the project does not create an undue burden or adverse effect on the environment (i.e. natural environment, government services, school district, etc.).

In the application, developers are asked to address how the municipality and community support the project, whether public and private community members and groups were contacted about the project, and whether the project was presented at any hearings or public meetings.

Finally, one of the Second Tier Priorities listed in the QAP is serving households on the public housing waiting lists. In order to meet this criterion, developers must secure a letter from the public housing authority stating that the proposed project will indeed serve the relevant households on their waiting list.

All of the above VHFA requirements were designed to ensure that the public or, at least, the key community stakeholders, are notified of the project. Both Section 42(m)(1)(A)(ii) and the policies

designed by VHFA to comply with that section of the Internal Revenue Code are barriers to fair housing choice because they increase the likelihood that the proposed project will be resisted by local NIMBYists. These requirements also increase the likelihood that the project may be opposed through political intervention. It should be noted that these regulatory barriers to fair housing choice are beyond the purview of VHFA.

The fair housing rule of thumb is that an affordable housing project should not be subjected to a higher standard of public notification than market rate housing. To do so is discriminatory. A community's land use regulations should be the sole determining factor in deciding whether a public meeting is required. If an apartment building is permitted by right in a certain location, a public hearing is not required under normal circumstances. The method of financing (i.e. conventional market-rate financing versus tax credit equity or other public subsidies) should not be a factor for consideration when deciding whether a public meeting is required.

VHFA is caught between a federal statute and a fair housing principle on the issue of notification.

While VHFA is complying with a federal statute by requiring developers to communicate with key community stakeholders during the development process, this requirement is in direct conflict with the fair housing principle that affordable housing should not be subject to any additional community notification above and beyond that which would be needed to develop market rate housing. While outside the purview of VHFA, this requirement increases the likelihood that a proposed project will be resisted by NIMBYists or through political intervention.

iv. Compliance Monitoring

Once constructed and placed in service, VHFA monitors each project to ensure compliance with regulatory requirements. One such requirement is the Fair Housing Act (FHA). VHFA requires the owner to disclose any findings of discrimination and to certify annually that it has not been a party to any such findings. Owners must also comply with the requirement under Section 42(h)(6)(B)(iv) that they may not refuse to lease a unit to an applicant solely because the applicant is a Section 8 voucher holder.

v. Accessible Units

The QAP includes a Second Tier Priority for projects which substantially incorporate Universal Design features, as previously discussed. In the application, developers list the number of accessible units provided at the project, but there is no indication that this is a factor in the decision making process.

The QAP incorporates Universal Design as a Top Tier Priority.

vi. Fair Housing Training and Marketing

In the LIHTC application, VHFA requires developers to indicate whether or not they have been the subject of any fair housing complaints or if any fair housing judgments have been issued against them. If applicable, developers must describe the nature of such complaints and/or judgments.

In order to receive a Reservation Certificate, owners must submit a “fair housing plan” suitable to VHFA, but the language in the QAP is vague.

VHFA recently adopted a policy requiring fair housing training for developers of VHFA-funded projects.

VHFA recently adopted a policy requiring fair housing training for developers of VHFA-funded projects.

E. Accessibility of Residential Dwelling Units

From a regulatory standpoint, local government measures define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspection procedures.

The Division of Fire Safety within the Department of Public Safety regulates housing construction through a variety of national and international codes, including the 2006 International Building Code (IBC), the 2009 International Code Council’s International Plumbing Code (IPC), the 2011 National Fire Protection Association’s National Electrical Code (NEC), the 2006 National Fire Protection Association’s Uniform Fire Code (UFC), and the 2006 National Fire Protection Association’s Life Safety Code (LSC).

Vermont’s Access Rules, most recently amended to comply with the 2010-2011 amendments to the ADA, provide accessibility guidelines for new residential construction. Specifically, 20 V.S.A. § 2907 ensures that residences provide minimal accessibility and offer the possibility of occupancy or visitation by a person with a disability. Residential construction is defined as the new construction of one-family or multi-family dwellings. Single-family dwellings built by the owner for personal occupancy by the owner and their family and the assembly of residential construction using prefabricated materials produced outside of Vermont are excluded from these accessibility standards.

Act 88, codified at 20 V.S.A. § 2907, requires that new residential construction must comply with the following standards:

- At least one first floor exterior door must be at least 36 inches wide,
- First floor interior doors between rooms must be at least 34 inches wide or open doorways must be at least 32 inches wide with thresholds that are level, ramped, or beveled,
- Interior hallways must be level and at least 36 inches wide,
- Environmental and utility controls and outlets must be located at heights that are in compliance with standards adopted by the Vermont Access Board (15-48 inches off the floor for front reach limits and nine inches to 54 inches for side reach limits), and
- Bathroom walls must be reinforced to permit the attachment of grab bars around the toilet, tub, shower stall and seat, etc.

According to various stakeholders interviewed as part of the AI planning process, many private residential construction projects are not complying with the State's visitability and adaptability laws outlined in 20 V.S.A. § 2907. Often times, topography is used as a justification to avoid compliance with the law.

Vermont law requires that certain new residential construction projects be adaptable and visitable for persons with disabilities.

The Visitability Law and Access Rules are a fair housing achievement, particularly to address the needs of Vermont's population of persons with disabilities and its elderly population that is aging in place. However, there may be compliance issues associated with the Visitability statute.

One common issue often expressed, particularly among architects and developers regarding the review of plans, is that staff often approve plans that are "technically ADA compliant" but not necessarily "fully ADA compliant." Further, there is no clearinghouse or "one-stop shop" for information on federal and state accessibility codes and requirements. The absence of a clearinghouse for information on the multitude of federal and state accessibility requirements is an impediment to fair housing choice in the State of Vermont. Additional education on accessibility requirements and plan review processes is essential to ensure that new housing construction and substantial rehabilitation are built according to all applicable federal and state standards.

The lack of a clearinghouse, or "one-stop shop," for information on federal and state accessibility codes and requirements and plan review processes is an impediment to fair housing choice.

DEHCD, the State Department of Public Safety, VCIL, and the Vermont Chapter of the American Institute of Architects (AIA) should work together on the creation and promotion of education and training sessions relative to federal and state accessibility codes and the state's plan review process. Accessibility compliance training, especially among architects throughout the State, is needed. Additional education and training will lead to a better understanding of various codes, requirements, and plan review processes and ultimately, insurance that new and rehabilitated housing units adhere to all applicable laws and regulations.

Other issues related to accessibility identified during stakeholder interviews and focus group sessions include:

- The State's older housing stock is not always readily adaptable for accessibility modifications,
- Accessible housing units are not readily available in areas where people want to live, and
- As Vermont's population continues to age, more accessible or easily adaptable units will be required.

There is a large amount of anecdotal evidence that supports the need for more accessible housing units in Vermont. But, there is a lack of statistical data to support this need. While a large portion of applicants on public housing and Section 8 waiting lists are persons/families with disabilities, it is not known how many of those on the waiting lists have a physical disability that requires a mobility-accessible unit.

Currently, the various PHAs, DEHCD, and other state departments do not have an appropriate method in place to measure the overall need for affordable, accessible housing. Census data and other sources of statistical information are insufficient to measure the demand for accessible housing. Primary research is required to analyze needs. This may involve consultations with public agencies, PHAs, and advocacy organizations, as well as consumer surveys aimed at the disability community. To determine the actual need in the State for additional accessible units, DEHCD should partner with advocacy organizations and other state agencies and departments to identify existing publicly- and privately-funded accessible units and to survey and assess the existing and projected demand for such units, including the types of disabilities that need to be provided for.

VHFA maintains a database of publicly-financed, wheelchair accessible rental units in the State which can be accessed at the following link: <http://www.housingdata.org/doarh/>. The State should build upon VHFA's Directory of Affordable Rental Housing to create a statewide database of all identified public *and* private accessible housing units to better serve the identified need.

To determine the actual need in the State for additional accessible units, DEHCD should partner with advocacy organizations and other state agencies and departments to identify existing publicly- and privately-funded accessible units and to survey and assess the existing and projected demand for such units, including the types of disabilities that need to be provided for. The State should build upon VHFA's Directory of Affordable Rental Housing to create a statewide database of all identified public and private accessible housing units to better serve the identified need.

F. Language Access Plan (LAP)

The Vermont Agency of Commerce and Community Development (ACCD) has a Language Accessibility Plan (LAP) for persons with limited English proficiency (LEP). The purpose of the Plan is to ensure that ACCD provides meaningful access to its programs and activities for persons with LEP. As an agency receiving federal funds, the policies outlined throughout the LAP apply to all ACCD departments, divisions, programs, and employees, including DEHCD.

The LAP states that it is the responsibility of the LEP Coordinator to monitor the ongoing efforts of all ACCD departments to comply with the policies outlined in the LAP. In addition, the LEP Coordinator provides technical assistance services by cataloging translation and interpreter resources and by maintaining a list of languages spoken by staff members. It is also the LEP Coordinator's responsibility to develop a process for determining, on an ongoing basis, whether new documents, programs, services, and activities need to be made accessible to LEP individuals.

The LAP states that an annual assessment of translation services, written materials, and language needs will be conducted by the LEP Coordinator to determine overall departmental needs. This assessment considers several factors to determine the appropriate level of assistance to be provided to LEP individuals, including the following:

- Number and proportion of persons in the applicable population from any one language group that is served or eligible to be served,
- Frequency with which LEP persons need to use specific documents or have the need to speak with program personnel,
- Importance of the program, activity, or service, and
- Resources vs. costs, small vs. large recipient programs, methods for controlling costs, and acquiring resources.

ACCD's LAP provides a definition for the term "vital documents." For LEP individuals, vital documents are defined as follows:

- Critical for ensuring meaningful access to the recipients' major activities and programs,
- Creating or defining legally enforceable rights or responsibilities of recipients and beneficiaries,
- Soliciting information necessary to determine eligibility for a program (e.g. intake application),
- The document itself may be the core of the service or activity provided,
- The program's focus may be to provide benefits or services to LEP populations (e.g. skills training to become Section 3 eligible), and
- The document is related to the major purpose of the program or activity.

ACCD's LAP also provides the threshold recommendations for the provision of services to LEP individuals. Vital documents are to be translated when the size of the language group is 1,000 or more of the eligible population in the market area or among current beneficiaries, or if the size of the language group is more than 5% of the eligible population or beneficiaries and more than 50 in number. In contrast, no written translation is required for language groups that equal 5% or less of the eligible population or beneficiaries and less than 1,000 in number. For language groups that include more than 5% of the eligible population or beneficiaries and 50 or less in number, translated written notice of the right to receive free oral interpretation of documents is required. According to the LAP, individual departments within ACCD maintain appropriate records of requests for communication assistance.

The policy states that reasonable services shall be supplied by the program at no cost to the individual. An LEP person's own interpreter can be used at the request of the LEP person and when the use of the interpreter will not compromise the effectiveness of services or violate the LEP individual's confidentiality. The LAP also includes a list of available interpretation and translation resources.

ACCD's Language Access Plan is sufficient and would promote access to State services and programs to persons with limited English proficiency.

G. State of Vermont Planning and Development Act

The Vermont Planning and Development Act (24 V.S.A. Chapter 117) was formerly adopted on March 23, 1968 and has been amended through 2004. Some of the intents and purposes of the Act, listed in Section 4302, include the following:

- To encourage the appropriate development of all lands in the State by the actions of municipalities and regions in a manner that will promote the public health, safety, and general welfare of Vermonters,
- To encourage appropriate architectural design,
- To encourage development of renewable resources,
- To facilitate the growth of villages, towns, cities, and neighborhoods so as to create an optimum environment with good civic design,
- To foster the engagement of municipalities, regional planning commissions, and state agencies in a continual planning process by encouraging citizen participation in the planning process, assisting municipalities to work together creatively to develop and implement plans, and to establish a coordinated, comprehensive planning process and policy framework to guide planning decisions, and
- To plan development so as to maintain the historic settlement pattern of compact villages and urban centers separated by rural countryside.

Another goal stated in the Act is to “ensure the availability of safe and affordable housing for all Vermonters.” The Act further states that housing should be encouraged to meet the needs of a diverse array of social and economic groups within each community, “particularly for those citizens of low and moderate income.” Moreover, the Act states that new and rehabilitated housing should be safe, sanitary, conveniently located near employment and commercial centers, and coordinated with the provision of necessary public utilities.

Section 4304 of the Act describes the Planning and Land Use Manual which is to be provided to all municipalities through ACCD. This manual provides a copy of the Act, examples of land use policies and maps that conform with plan requirements, examples of bylaws, capital programs, and budgets, and other explanatory material and data to aid municipalities in the planning process.

The Vermont Planning and Development Act authorizes the establishment of a municipal and regional planning fund in the State Treasury to assist municipal and regional planning commissions to carry out the various intents and purposes of the Act. Section 4306 provides additional information on this fund. The Act states that the source of funds for the municipal and regional planning fund will be comprised of 17% of the revenue from the State's property transfer tax. The Act further outlines how the funds should be allocated. Specifically, the Act states that 10% of the funds will be disbursed to the Vermont Center for Geographic Information. Another 70% of the funds are dispersed to the Secretary of ACCD for performance contracts with regional planning commissions to provide regional planning services. The remaining 20% of funds are disbursed to municipalities through a competitive program administered by ACCD.

The Act authorizes the creation of local and regional planning commissions, outlined in Sections 4321 and 4341, respectively. Pursuant to Section 4322, local municipal planning commissions may have no



less than three but no more than nine voting members. The powers and duties of local planning commissions are provided in Section 4325 and include preparing and amending plans for consideration by the municipal legislative body, undertaking capacity studies and making recommendations on matters of land development, urban renewal, transportation, economic and social development, urban beautification, and design improvements, holding public meetings, undertaking comprehensive planning, and preparing and presenting a recommended capital budget and program for a five-year period.

A regional planning commission may be created at any time by the act of voters or the legislative bodies of contiguous municipalities, upon the written approval of ACCD. Sections 4345 and 4345a outline the powers and duties of regional planning commissions. Some of the optional powers and duties include: undertake studies and make recommendations on issues such as land development, transportation, historic and scenic preservation, energy conservation, and industrial and commercial development, undertake comprehensive planning, administer economic development programs, and provide planning, training, and development services to area communities.

According to the Act, regional planning commissions should promote the mutual cooperation of its municipalities, assist and advise municipalities, provide technical and legal assistance to municipalities in the preparation and maintenance of plans, studies, and bylaws, prepare a regional plan and amendments that are consistent with the overall goals of the Planning and Development Act, and prepare guidelines for the provision of affordable housing in the region, in conjunction with the commissioner of the Department of Economic, Housing, and Community Development.

Necessary elements to be included in a regional plan are outlined in Section 4348a. Regional plans must include a land use element consisting of a map and statement of present and prospective land uses. A transportation element is also an essential component of regional plans and should highlight present and future transportation and circulation facilities and a map showing existing roads and highways, anticipated points of congestion, parking facilities, transit routes, terminals, bike trails, scenic roads, airports, railroads, and other similar facilities. The Act further identifies the need for regional plans to address a housing element. The housing element should identify the need for housing for all economic groups in the region and communities, along with data to justify existing housing needs.

Similarly, essential elements of a municipal plan are outlined in Section 4382 of the Act and include a land use plan, transportation plan, a utility and facility plan, and a housing component. A municipal plan's housing element must include recommended programs for addressing the housing needs of low to moderate income persons, as identified by the regional planning commission.

Section 4414 of the Act summarizes the permissible types of zoning regulations that can be adopted and enforced by municipalities throughout the State. The Act encourages the use of inclusionary zoning measures to provide for affordable housing and states that municipal bylaws may require that a certain percentage of housing units in a proposed subdivision or planned unit development meet defined affordability standards. These affordability standards may include lower income limits than those contained in the definition of "affordable housing" included in subdivision 4303(1). "Affordable housing" is defined as housing that is either owned or rented by its inhabitants whose gross annual household income does not exceed 80% of the county or MSA median income and the total annual cost of housing does not exceed 30% of the household's gross annual income. Inclusionary zoning provisions must adhere to the following:

- Be in conformance with specific policies of the housing element of the municipal plan,
- Be determined from an analysis of the need for affordable rental and sale housing units in the community,
- Include development incentives that contribute to the economic feasibility of providing affordable housing, such as density bonuses, reductions or waivers of certain zoning

- requirements for minimum lot sizes and parking, reductions or waivers of applicable fees, or reductions or waivers of required public improvements, and
- Require, through conditions of approval, that once affordable housing is built, its availability will be maintained through measures that establish income qualifications for renters or purchasers, promote affirmative marketing, and regulate the price, rent, and resale price of affordable housing units for a specified period of time as defined in the bylaws.

Planned Unit Developments (PUDs) are discussed in Section 4417. PUDs allow for greater flexibility in the application of land development regulations. Some of the purposes for PUD bylaws listed in the Act include:

- To encourage compact, pedestrian-oriented development and redevelopment,
- To promote a mix of residential uses or nonresidential uses in downtowns, village centers, new town centers, and associated neighborhoods,
- To encourage development in the countryside to be compatible with surrounding land uses, and
- To provide for flexibility in site and lot layout, building design, placement and clustering of buildings, use of open areas, provision of circulation facilities, including pedestrian facilities and parking, and related site and design considerations.

Section 4460 discusses appropriate municipal panels and provides clarity on the roles of planning commissions, zoning boards of appeal, and development review boards. Municipalities in Vermont have two options for development review. The first option is to have both a zoning board of appeal (ZBA) and a planning commission conduct various aspects of development review. The second option is to have a development review board (DRB) and a planning commission, in which case the DRB handles development reviews while the planning commissions handles only planning-related activities. Section 4460 specifically states that a locality may not have both a DRB and ZBA. According to the Planning Division of DEHCD, 98 municipalities throughout the State have a DRB.

According to stakeholders interviewed as part of the AI planning process, municipal development review and zoning boards are possible forums for NIMBYism. New multi-family housing developments are often subject to opposition based on the presence of children, and the perception that they have a higher impact on local schools and require higher levels of service. Permitting officials are often unaware of their responsibilities to affirmatively further fair housing and to comply with the federal and state Fair Housing Acts when making permitting decisions involving housing. Often, there is no strong local voice to correct assertions made in public meetings and to inform board members of their responsibility to affirmatively further fair housing and to not discriminate against classes protected under the federal and state Fair Housing Acts.

According to many stakeholders interviewed during the development of the AI, municipal development review processes are a potential forum for NIMBYism.

Through DEHCD, the State has supported several affordable housing projects that were delayed due to NIMBYism or other legal challenges.

Permitting officials are often unaware of their responsibilities to affirmatively further fair housing and to comply with the federal and state Fair Housing Acts when making permitting decisions involving housing. Fair housing training and education should continue to be provided to municipal officials and employees involved in the development review and permitting of affordable housing projects.

The State's Planning and Development Act addresses several topics related to the creation of affordable housing. For example, the Act promotes the use of inclusionary zoning and requires specific provisions relating to the equal treatment of housing and adequate provision of affordable housing including the requirement that all municipal zoning bylaws must provide for the development of mobile home parks, multi-family housing, and accessory apartments. The Act also requires that regional and municipal plans include a housing element, which should identify the housing needs of all economic groups. Furthermore, the Act requires the Attorney General to investigate complaints that a bylaw or its manner of administration violates provisions of the Act relating to equal treatment of housing and adequate provision of affordable housing. Upon determining that a violation has occurred, the Attorney General may file an action in the Environmental Court to challenge the validity of the bylaw or its manner of administration. In this action, the municipality shall have the burden of proof to establish by a preponderance of the evidence that the challenged bylaw or its manner of administration does not violate the Act. If the court finds the bylaw or its administration to be in violation, it shall grant the municipality a reasonable period of time to correct the violation and may extend that time. If the violation continues after that time, the court shall order the municipality to grant all requested permits and certificates of occupancy for housing relating to the area of continuing violation.

24 V.S.A. Section 4414(8) authorizes municipalities to include "waiver" provisions in its bylaws. A bylaw may allow a municipality to grant waivers to reduce dimensional requirements, in accordance with specific standards that are in conformance with the zoning ordinance. These standards may:

- Allow mitigation through design, screening, or other remedy,
- Allow waivers for structures providing for disability accessibility, fire safety, and other requirements of law, and
- Provide for energy conservation and renewable energy structures.

Several fair housing issues can arise relative to zoning processes. For example, the denial of a multi-family rental housing development project can be challenged as a violation of the Fair Housing Act based on claims of intentional discrimination, disparate impact, and/or continuing segregation. Municipalities should allow multi-family housing developments to occur throughout their communities to ensure full integration of the community.

Another example of potential violations with the administration and regulation of zoning ordinances is the failure to provide reasonable accommodations. If a group home wanted to locate in a single-family zoning district and a municipal zoning ordinance limits the number of unrelated persons living together to four people, but the proposed group homes intends to house five unrelated individuals, the municipality may be required to make a reasonable accommodation to allow for five unrelated persons instead of four.

Overall, the State of Vermont's Planning and Development Act addresses several essential topics related to affirmatively furthering fair housing.

For example, the Act promotes the use of PUDs and inclusionary zoning, and requires specific provisions relating to the equal treatment of housing and adequate provision of affordable housing to encourage mixed-use and affordable housing development. The Act also requires that municipal and regional plans contain a housing component to address the housing needs of all households, regardless of economic and social levels. Significantly, since 2004 the Act also requires the Attorney General to investigate complaints relating to the equal treatment of housing and adequate provision of affordable housing. These provisions do not, however, specifically address fair housing discrimination issues that can arise in the permitting process.

The State, through DEHCD, should develop a Fair Housing Training Guide for permitting officials and affordable housing developers to ensure everyone involved in the development of affordable housing is aware of their legal rights and obligations under the federal and state Fair Housing Acts.

i. Review of Municipal Land Use Plans and Regulations to Ensure They Affirmatively Further Fair Housing

The Vermont Planning and Development Act (24 V.S.A. Chapter 117) enables municipalities and regional planning commissions to formulate and adopt comprehensive plans. In addition, the Act also summarizes the permissible types of zoning regulations that can be adopted and enforced by municipalities throughout the State of Vermont.

From both an affordable housing and fair housing perspective, municipal and regional comprehensive plans should be reviewed to ensure that the plans include information relative to the following topics:

- Overall housing needs and goals,
- Designated growth areas,
- Linkage between housing and employment,
- Acknowledgement of obligation to affirmatively further fair housing, and
- Strategies to meet the housing needs of all households, regardless of race, ethnicity, income, or familial status.

The following list of items are essential components for the review of municipal zoning ordinances and related subdivision regulations, as outlined in HUD's Fair Housing Planning Guide:

- The opportunity to develop various housing types (including apartments and housing at various densities),
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning, and transit-oriented developments),

- Minimum lot size requirements (lot sizes that are too large can discourage affordable housing development),
- Dispersal requirements and regulatory provisions for housing facilities for persons with disabilities (e.g. group homes) in single-family zoning districts, and
- The definition of family and restrictions on the number of unrelated persons in dwelling units.

In addition, zoning ordinances should also be analyzed to determine the amount of land zoned and available for multi-family housing. Other provisions related to housing that should be reviewed in municipal zoning regulations to determine compliance with state and federal statutes include where mobile homes, modular housing, and prefabricated housing are permitted, where mobile home parks are permitted, and regulations concerning accessory dwelling units. Costly engineering studies and architectural drawings, particularly when required early in the review process when it is unclear whether a project will move forward or not, often drive up the cost of affordable housing development. Zoning processes and required studies and submittals should be reviewed to ensure they do not require costly analyses to be conducted unnecessarily.

The State does not currently review individual municipal comprehensive plans or zoning ordinances to ensure compliance with the federal Fair Housing Act or the State's Planning and Development Act. However, the State has been working with the Champlain Valley Office of Economic Opportunity (CVOEO) to develop a monitoring process through which municipal ordinances will be reviewed in a systematic manner for potential discriminatory language and practices. DEHCD has provided CDBG funding to CVOEO in order to complete municipal assessments for three CDBG grantees in FY 2012. In addition, the State provides guidance to municipalities on what their respective zoning ordinances should or should not include in order to achieve compliance with applicable federal and state fair housing laws.

The State currently does not review individual municipal comprehensive plans or zoning ordinances to ensure compliance with the Fair Housing Act or the State's Planning and Development Act.

The State of Vermont should continue to work with CVOEO to develop and implement a monitoring process through which a select number of municipal ordinances of CDBG grantees can be reviewed each year to ensure they affirmatively further fair housing.

Units of local government with discriminatory zoning ordinances should be provided technical assistance to amend the ordinances. Furthermore, the State should not approve funding requests for municipalities with discriminatory zoning ordinances.

The Fair Housing Project (FHP) of the Champlain Valley Office of Economic Opportunity (CVOEO) partnered with the Chittenden County Regional Planning Commission (CCRPC) in 2008 and the Lamoille County Planning Commission (LCPC) in 2007 to complete a review of the respective municipal fair housing and land use planning regulations in the two counties. Both

analyses provide excellent examples of fair housing “best practices” and should be used as a tool for other counties and municipalities throughout the State that are reviewing their plans and ordinances to ensure compliance with federal and state statutes relative to fair housing and land use planning.

The review of fair housing and land use planning regulations in Chittenden County, completed in December 2008, provided an extensive set of checklists for municipal officials to use when revising plans and bylaws and when considering taking other actions. These checklists are a valuable tool to help ensure that local plans and regulations affirmatively further fair housing. As such, these plans should be replicated for use by other counties and regions throughout the State.

The reviews completed in Chittenden County and Lamoille County by CVOEO are valuable tools that should be replicated in other communities statewide. These extensive reviews of municipal planning, land use, and zoning regulations, along with comprehensive plans, provided municipalities within the two counties with the knowledge and information necessary to ensure the various communities are affirmatively furthering fair housing through their respective municipal policies and procedures.

The checklists included in the Chittenden County review should be replicated and distributed for use by other counties and regions throughout the State.

H. Act 250

Vermont’s Land Use and Development Law, also known as Act 250 (10 V.S.A. Chapter 151), was established in 1970. The law provides a public, quasi-judicial process for reviewing and managing the environmental, social, and fiscal consequences of major subdivisions and developments in Vermont through the issuance of land use permits. Act 250 permits are required for the following types of projects:

- The construction of 10 or more housing units within a radius of five miles, or the construction or maintenance of mobile homes or trailer parks with 10 or more units,
- The subdivision of land into 10 or more lots of any size within a five mile radius or within the jurisdictional limits of a District Environmental Commission within a continuous period of five years,
- Construction of improvements for a commercial, industrial, or residential use above the elevation of 2,500 feet,
- The construction of improvements for any commercial or industrial purpose (including not-for-profit developments but excepting farming, logging, or forestry) on more than 10 acres of land; or on more than one acre of land if the municipality does not have both permanent zoning and subdivision bylaws,
- Within a town that does not have both permanent zoning and subdivision regulations, the subdivision of land into six or more lots of any size within a continuous period of five years,

- The construction of improvements for a commercial, industrial, or governmental purpose which will be a substantial change or addition to or expansion of an existing pre-1970 development of the type which would require a permit if built today,
- The construction of improvements for a governmental purpose if the project involves more than 10 acres or is part of a larger project that will involve more than 10 acres of land,
- The construction of a support structure which is primarily for communication or broadcast purposes and which extends 50 feet, or more, in height above ground level or 20 feet, or more, above the highest point of an attached existing structure,
- The drilling of an oil or gas well,
- The exploration for fissionable source materials beyond the reconnaissance phase or the extraction or processing of fissionable source material, and
- The sale, by public auction, of any interest in a tract or tracts of land which have been divided for the purpose of resale into five or more lots within a radius of five miles and within any period of ten years.

The Act 250 permitting process is implemented through the State's nine District Environmental Commissions. The Governor appoints citizens to the nine District Commissions, which have three members each. The responsibility of each District Environmental Commission is to consider each application for a land use permit in accordance with the criteria stated in 10 V.S.A. Chapter 151. Before granting a permit, each District Environmental Commission must ensure that the development or subdivision meets the following 10 criteria:

1. Will not result in water or air pollution,
2. Has sufficient water available for the needs of the subdivision or development,
3. Will not reasonably burden any existing water supply,
4. Will not cause unreasonable soil erosion or affect the capacity of the land to hold water,
5. Will not cause unreasonably dangerous or congested conditions with respect to highways or other means of transportation,
6. Will not create an unreasonable burden on the educational facilities of the municipality,
7. Will not create an unreasonable burden on the municipality in providing governmental services,
8. Will not have an undue adverse effect on aesthetics, scenic beauty, historic sites, or natural areas and will not imperil necessary wildlife habitat or endangered species in the immediate area,
9. Conforms with the Capability and Development Plan which includes considerations such as the impact the project will have on the growth of the town or region, primary agricultural soils, energy conservation, costs of scattered developments, public utility services, etc., and
10. Is in conformance with any local or regional plan or capital facilities program.

At the conclusion of the hearing, the District Environmental Commission will either adjourn the hearing or declare a recess to allow additional information to be presented. If the hearing is adjourned, the District Environmental Commission will issue a decision in the form of Findings of Fact and Conclusion of Law, and if appropriate, a Land Use Permit, within 20 days. A decision issued by a District Environmental Commission may be appealed to the Superior Court, Environmental Division, by the applicant, town, regional planning commission, a state agency, or any person aggrieved by the decision.

The burden of proof is on the applicant for Criteria 1, 2, 3, 4, 9, and 10. In contrast, the burden of proof lies with those in opposition of a proposed application for Criteria 5, 6, 7, and 8. A permit can be conditioned, but not fully denied, under Criteria 5, 6, and 7.

A common theme identified during the AI focus group sessions, which were coordinated by the Fair Housing Project of the Champlain Valley Office of Economic Opportunity (CVOEO), was the impact of various planning, zoning, and environmental permits and regulations on affordable housing, including Act 250 and whether the Act 250 process, and in particular the appeals process, potentially serves to impede fair housing choice by making it unduly burdensome to develop affordable housing. The Act 250 approval process is required for many different types of development projects, including commercial and industrial uses as well as market rate and affordable housing developments. Act 250 may pose a potential impediment to fair housing choice in that it provides a forum for NIMBYists to oppose a project.

According to several stakeholders interviewed during the AI planning process, NIMBYism is prevalent in areas throughout the State, in both municipal and Act 250 permitting processes. An example of this is a proposed affordable housing project that includes 36 units on approximately eight acres of land. The proposed development preserves the pattern of mixed forests, meadows, and small, rising hills by concentrating a dense extension of the village on the flat portion of the land and leaving the sloped meadow and trees largely untouched. The development includes apartments that will be a mix of 14 small duplex and triplex buildings along with the renovated Grange Hall building. The buildings will mimic surrounding architecture with steep roofs, porches, and clapboard siding.

The Town approved the project in October 2009 and a District Environmental Commission approved it in December 2009. However, abutting neighbors have voiced their concerns to the project and continue to file appeals. The neighbors' main contention with the project is that it is simply too big and would permanently change the character of the neighborhood. Proponents argue the project is perfectly manageable and would provide much needed affordable housing in the town.

In October 2011, a judge denied the neighbors' appeal and gave the developer approval to build the 36 new units. However, the neighbors plan to file subsequent appeals and continue their efforts to postpone and permanently derail the project.

The Vermont Natural Resources Board ("NRB"), among other things, provides administrative and legal support to the nine District Environmental Commissions. In 2011, the Legislature adopted JRH.19 (R-264), a joint resolution "supporting the administration's efforts to examine and provide recommendations for improving . . . the effectiveness of Vermont's state and municipal environmental protection process." This resolution provides for the Secretary of the Agency of Natural Resources ("ANR") and Chair of the NRB to review the permit process and to develop recommendations intended to assure environmental protection, while making the process "more efficient, more effective, more user-friendly, more open, more predictable, better coordinated, and quicker for applicants and citizens." This process included conducting focus groups with diverse stakeholders; meetings with state agency officials; and public meetings throughout the state. The NRB and ANR published the results of this process in a report entitled "*Report on Improving Vermont's Environmental Protection Process*" dated December 16, 2011. The *Report* identifies numerous options to increase efficiency in the permitting process and to streamline the appeals process, and concludes that: 1) the Act 250 process works quite well; 2) ANR can improve some of its processes through internal changes; and 3) the appeals process needs major improvements.

Interestingly, the *Report* notes "comments from diverse participants in this process recognized that limiting party status does not really prevent the 'NIMBYs' or those that use an environmental issue for other purposes, and that the process needs to be open and accessible for it to have credibility."

The State should support the NRB's and ANR's efforts to further improve the Act 250 process as outlined in the "Report on Improving Vermont's Environmental Protection Process" allowing for transparency and accountability while at the same time streamlining the appeals process.

I. NIMBYism

As discussed in earlier sections of this AI, the phenomenon known as NIMBY ("Not in My Backyard") is a significant factor that can impede the development of affordable housing, including group homes, public housing, and numerous other housing programs. NIMBY refers to organized opposition to proposed land uses and can arise in the context of nearly every type of proposed development. It usually refers to citizen-directed actions aimed at preventing the development of affordable housing in or near an existing residential community. NIMBYism is often rooted in fear and suspicion of people who will occupy affordable housing; people who are different from the neighborhood's current residents. Myths about the effects of affordable housing and special-use housing are prevalent. This makes approvals of affordable housing developments difficult since such developments often invoke a negative connotation in the minds of many middle and upper income property owners. Concerns about overcrowding schools and imposing undue burdens on other community resources are often pretexts for discriminatory animus. References to "crime" and "those people" are often thinly veiled code words for low and moderate-income individuals and families, and racial and ethnic minorities.

NIMBYism was identified to as a potential impediment in every Focus Group conducted by CVOEO during the development of this AI. Focus Group participants identified the following as some examples of NIMBYism: community resistance to a warming shelter; a community where the housing trust "doesn't even try" to build because there is so much resistance; a town where legal action was required to allow the creation of a recovery center for women; an affluent community where the public backlash against an affordable housing development was so swift that funders were immediately scared away; and bylaws in one medium-sized community that effectively make it impossible to build a shelter.

NIMBY attitudes are not just confined to members of the general public. There is also the potential that elected officials and local volunteer board members may impose their own NIMBY inclinations when acting in an official capacity in the approval or permitting of an affordable housing development. This was an area of particular concern in two of the Focus Groups. One person commented that "if you want to see discrimination, watch a meeting [of the town Select Board]." Another commenter stated that larger towns with significant rental populations act as "receiving towns" for marginalized populations and that local officials then use that as a basis for saying the town doesn't want/cannot afford any more affordable housing. Finally, a Focus Group participant observed that local boards can drag out the permitting and approval process (or simply deny projects) for all sorts of reasons. This creates a situation where developers no longer want to build in those towns.

During the 2012 legislative session, committees in both the Vermont House of Representatives and the Vermont Senate approved bills that would make it unlawful to discriminate in land use decisions and permitting of housing because a project would contain affordable housing. The State of Vermont should continue to support the enactment of this important legislation that would serve as a tool against NIMBYism, arising from the general public and from permitting officials.

J. Impact Fees

Impact fees are charges on new development to finance the construction or expansion of off-site capital improvements that are necessitated by and benefit the new development. Impact fees have become an

important method in infrastructure financing and an essential element of local government efforts to fund infrastructure or public services. These fees often help to assist in the development of needed parks, schools, roads, sewer improvements, water treatments, utilities, libraries, and public safety buildings for newly developed areas.

Many states recognize and allow the use of impact fees as a way to regulate land use. Title 24 Chapter 131 of the Vermont Statutes outlines the purpose and use of impact fees at the municipal level. The purpose of 24 V.S.A. Chapter 131 is to enable municipalities to require beneficiaries of new development to pay their proportionate share of the cost of municipal and school capital projects which benefit them and to require them to pay for or mitigate any negative effects associated with construction. The statute defines an impact fee as “a fee levied as a condition of issuance of a zoning or subdivision permit which will be used to cover any portion of the costs of an existing or planned capital project that will benefit or is attributable to the users of the development or to compensate the municipality for any expenses it incurs as a result of construction.”

Section 5205 of Chapter 131 discusses exemptions of impact fees and states that municipalities may exempt certain types of development from any or all parts of the impact fee assessed, provided the exemption achieves other policies or objectives specified in a municipal plan, e.g. the provision of affordable housing or the creation of employment opportunities.

One drawback associated with impact fees is that they can discourage new housing construction, particularly projects that are undertaken by nonprofit housing developers and community development corporations. In order to encourage new construction of affordable rental and homeownership housing, local government entities should substantially reduce or waive impact fees for affordable housing units, whenever feasible. It is standard practice for some municipalities to waive or reduce impact fees in order to enhance the feasibility of affordable housing developments. This practice should be replicated in other areas throughout the State.

Whenever feasible, local government entities throughout the State of Vermont should reduce or waive impact fees for area developers and nonprofit organizations seeking to build affordable housing units, including both rental and owner-occupied units.

This practice will encourage additional affordable housing development and promote greater housing choice throughout the State.

K. Public Transit

Households without a vehicle, which in many cases are primarily low- to moderate-income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. The linkage between residential areas of concentration of minority and LMI persons (e.g., impacted areas) and employment opportunities is key to expanding fair housing choice for members of the protected classes.

In 2010, 5.6% of households in the State of Vermont (exclusive of Burlington) were transit-dependent.¹⁵ Among renter households, over 15% did not have access to a vehicle, compared to only 2.1% of owner-occupied households. Among the individual counties across the State, transit dependence was highest in Windham and Caledonia Counties, at 7.5% and 6.8%, respectively. Grand Isle County had the lowest overall transit dependence, as only 2.8% of all households did not have access to a vehicle.

Figure 5-10
Percent of Transit-Dependent Households by Tenure, 2010

	All Households	Renter-Occupied	Owner-Occupied
Vermont Total	6.1%	15.9%	2.2%
State of Vermont*	5.6%	15.2%	2.1%
Addison County	4.2%	11.9%	1.7%
Bennington County	6.4%	17.4%	2.3%
Caledonia County	6.8%	18.6%	2.1%
Chittenden County*	4.5%	13.4%	1.7%
Essex County	4.9%	14.0%	3.1%
Franklin County	5.1%	15.8%	1.5%
Grand Isle County	2.8%	10.6%	1.0%
Lamoille County	5.8%	11.7%	3.1%
Orange County	4.4%	14.3%	2.1%
Orleans County	6.2%	17.1%	2.8%
Rutland County	6.6%	14.7%	3.1%
Washington County	6.3%	18.2%	1.8%
Windham County	7.5%	18.0%	2.9%
Windsor County	4.9%	13.1%	1.7%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B25044)

The majority of State residents (86%) drove to work, with 75.5% driving alone and almost 11% carpooling. Public transportation was utilized by only 0.7% of Vermonters. Busses were the most popular mode of public transit. In addition, over 5% of residents walked to work while almost 7% worked from home.

¹⁵ Transit dependent households include all households without access to an available vehicle.

Figure 5-11
Means of Transportation to Work for Workers 16 Years or Older, 2010

	#	%
Total:*	299,022	100.0%
Car, truck, or van	257,087	86.0%
Drove Alone	225,619	75.5%
Carpooled	31,468	10.5%
Public Transportation	2,126	0.7%
Bus or trolley bus	1,934	0.6%
Subway	86	0.0%
Railroad	47	0.0%
Taxicab	119	0.0%
Motorcycle	533	0.2%
Bicycle	1,185	0.4%
Walked	15,277	5.1%
Other means	2,206	0.7%
Worked at home	20,489	6.9%

*Exclusive of the City of Burlington

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B08301)

The Public Transit Section of the Vermont Agency of Transportation (VTrans) provides financial and technical assistance to transit districts, transit authorities, municipal transit systems, and nonprofit public transit systems throughout the State. This function is carried out through the administration of both state and federal programs relating to general public transportation and transit programs specific to the needs of senior citizens and persons with disabilities.

The State of Vermont is currently in the process of completing a new, updated Public Transit Long Range Plan. The last Plan was completed in 2007. The following primary issues and deficiencies were identified in the 2007 Plan:

- The need for more flexible interpretation of local match funds and more funding for operations and capital,
- An increase in the number of persons with a disability as well as the aging and poor populations, who are often without a vehicle,
- The need for Transit Oriented Design (TOD) as a way to minimize the need for private transportation,
- Continued coordination of the delivery of services by maintaining and enhancing the service model currently in place, which involves a high level of program coordination with the Agency of Human Services (AHS),
- Regional connectivity and intercity connectivity to replace routes eliminated by Greyhound/Vermont Transit, which were located primarily in the western corridor and along Route 4,
- Connectivity and increased service to the Northeast Kingdom, and

- The expansion of the “Go Vermont” Program.

The following figure provides a summary of the identified needs and recommended policies to address those needs as outlined in the 2007 Long Range Public Transit Plan.

Figure 5-12
Identified Public Transit Needs and Recommended Policies, 2007

Area of Need	Policy
Maintain/Increase Funding	<ul style="list-style-type: none"> -Maximize the use of federal funds in support of public transit throughout the State -Encourage public transit providers to generate as much local match as possible -Explore innovative funding solutions such as public-private partnerships
Changing Demographics and Land Use	<ul style="list-style-type: none"> -Support wise development of land -Consider the needs of an aging population and transit dependence
Human Service Coordination	<ul style="list-style-type: none"> -Continue to work with AHS to ensure the coordinated delivery of transportation services (e.g. the Medicaid Non-Emergency Medical Transportation (NEMT) Program)
Energy & Environment	<ul style="list-style-type: none"> -Promote public transit and other carpooling/car-sharing opportunities to reduce negative environmental impacts of transportation
Intercity Bus & Regional Connections	<ul style="list-style-type: none"> -Support the intercity bus network in Vermont by providing sufficient facilities at convenient locations

Source: AI questionnaire completed by the Public Transit Section of the Vermont Agency of Transportation

VTrans works closely with the State’s 11 Regional Planning Commissions (RPCs). The RPCs conduct housing, transportation, and land use planning efforts on a regional basis. VTrans is actively involved in multi-modal transportation planning through the Transportation Planning Initiative (TPI). The TPI was initiated in 1992 and is a collaborative and cooperative planning process between VTrans and the RPCs. The TPI is designed to include all segments of the public in planning improvements to Vermont’s transportation system. The goal is to expand local decision making and planning of transportation priorities, projects, and long range plans.

According to the AI questionnaire completed by VTrans, no transit service is available 24 hours per day in Vermont. However, there are some routes that run for a 12-hour period and cover second shift work at major employment centers. The vast majority of public housing, group homes, and other affordable rental housing facilities are serviced by public transit routes, either through fixed routes or demand response. These populations are viewed as a source of ridership by all transit providers. VTrans has an extensive subsidized, low-fare commuter program that is administered statewide. Over the past eight years, 90% of new service funding in Vermont has been in commuter routes with routes designed to meet the needs of the State’s low income populations.

Transit-dependent Vermonters may be restricted in their employment opportunities due to the limited service hours and routes offered by the State's public transportation providers.

With the lack of available 24-hour service and limited 12-hour service, persons who work second and third shifts do not have public transportation available to them to ensure uninterrupted employment.

VTrans uses a Transit Dependence Index (TDI) to determine transit needs and examines data at the block group level to more accurately identify and depict areas of potential transit need. This index includes data on the five population segments that tend to be most dependent on transit services, including the elderly, youth, persons with disabilities, low income populations, and households without access to a vehicle. While VTrans calculates demand using the TDI, specific transit scheduling, routing, etc. is the responsibility of the individual transit operators throughout the State.

The "Go Vermont" Program, a project of VTrans, provides automated rideshare matching and vanpool services to all citizens, regardless of schedule and frequency of need. "Go Vermont" offers commuting options and information for Vermonters looking for less expensive and more environmentally friendly ways to travel. In addition, the "Go Vermont" website provides information on walking, biking, public transportation, and ridesharing. The Program currently has 4,154 members and has saved 6,901,723 miles, 106.74 tons of carbon dioxide, and \$3,749,744 in transportation costs.¹⁶

In response to concentrated employment in the northwest region of the State, VTrans established Link Commuter Services from all adjacent counties which are specifically geared towards the needs of commuters. The State has also made increased investments in low-cost commuter service from outlying areas to major employment centers to better meet the needs of Vermonters, particular those residing in rural towns and areas. VTrans is currently exploring the support of different feeder routes to replace and enhance some of the routes and services lost in the inter-city areas. As a response to an overall lack of local and state funding to support transit programs and projects, the State of Vermont has been increasingly generous in transferring highway funds to transit.

Given the limited amount of local and state funding earmarked for public transportation, VTrans continues to offer innovative programs and initiatives to help address the transit needs of households throughout the State, including programs such as "Go Vermont."

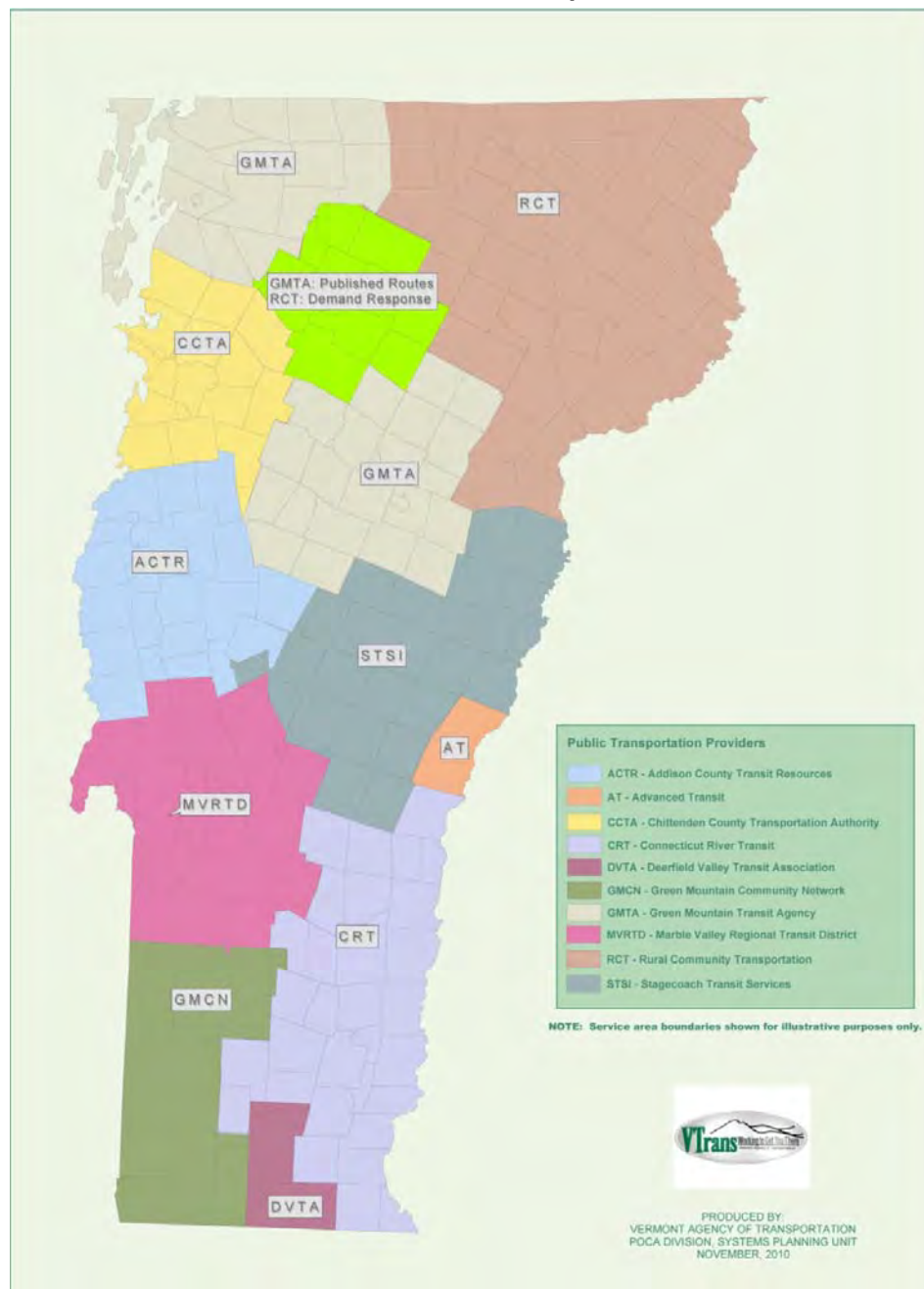
There are a total of 10 public transportation providers throughout the State, including Addison County Transit Resources (ACTR), Advanced Transit (AT), Chittenden County Transportation Authority (CCTA), Connecticut River Transit (CRT), Deerfield Valley Transit Association (DVTA), Green Mountain Community Network (GMCN), Green Mountain Transit Agency (GMTA), Marble Valley Regional Transit

¹⁶ Source: <http://www.connectingcommuters.org>



District (MVRTD), Rural Community Transportation (RCT), and Stagecoach Transit Services (STSI). The following figure provides a depiction of the geographic areas throughout the State serviced by each provider.

Figure 5-13
Service Areas of Vermont's Public Transportation Providers, 2010



Source: <http://www.aot.state.vt.us/PublicTransit/providers.htm>

L. Taxes

Taxes impact housing affordability. While not an impediment to fair housing choice, real estate taxes can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.

Property tax increases are mitigated for most households in Vermont by an income sensitive Property Tax Adjustment mechanism and Renter Rebate. Homeowner's with incomes less than \$90,000 can make a claim for a reduction in the statewide education tax, which is based on income. Municipal taxes are adjusted for households with incomes below \$47,000. The Renter Rebate Program refunds to eligible renters the portion of rent paid that exceeds an established percentage for household income.

Property is assessed at the local municipal level in Vermont. Property taxes are assessed on the value of all real property as of April 1 of each year. Local assessing officials, known as "listers" in Vermont, are charged with determining the appraisal value of property. Listers are obligated under law to appraise property at fair market value. The legislative body of the municipality, such as the City Council or another selected board, sets a tax rate to raise money to pay for necessary municipal expenses. There are also provisions in Vermont for the levying of taxes in villages and fire districts.

For purposes of education funding, all real property is classified as either homestead or non-residential. A statewide education tax is imposed on these two classes of property at different rates, as stated in 32 V.S.A. Chapter 135. The homestead education tax rate in each municipality depends on the local per student spending. In the average town in Vermont, the school tax rates are more than twice as high as the municipal tax rate.¹⁷

The only way to compare total tax rates among towns in Vermont is by using the "effective tax rate." The effective tax rate is calculated as if all properties in town are listed at 100% of fair market value. The following two tables provide additional information on tax rates in Vermont. Figure 5-14 compares residential tax rates and estimated annual real estate tax payments for select municipalities throughout Vermont while Figure 5-15 provides the average tax rates by county for the State of Vermont.

Tax liabilities in the State range from \$940 in Woodford to \$2,550 in Brattleboro. Of the taxing districts with the highest tax liabilities (\$2,000 or more), the majority were larger municipalities or towns including Montpelier, Rutland City, Barre City, Newport City, and St. Albans City. Among specific counties in Vermont, the average tax rate for residential property was highest in Orange County and lowest in Essex County. By comparison, the average tax rate for non-residential property was highest in Washington County and lowest in Grand Isle County. Statewide average tax rates were 1.71 for homestead properties and 1.83 for non-residential properties.

¹⁷ Source: Supplement to *Vermont Property Owners Report*, February 2011

Figure 5-14
Estimated Annual Real Estate Taxes for Select Municipalities, 2010

County	Municipality	Homestead Property Rate	Taxes per \$100,000 Assessed Value
Addison County	Addison	1.84	\$1,840.00
	Hancock	2.00	\$2,000.00
Bennington County	Bennington	1.74	\$1,740.00
	N. Bennington	1.92	\$1,920.00
	Woodford	0.94	\$940.00
Caledonia County	Danville	1.58	\$1,580.00
	St. Johnsbury	1.84	\$1,840.00
Chittenden County	Burlington	1.74	\$1,740.00
	Essex Junction	1.68	\$1,680.00
	Essex Town	1.74	\$1,740.00
	Jericho	1.73	\$1,730.00
	South Burlington	1.68	\$1,680.00
	Winooski	1.85	\$1,850.00
Essex County	Concord	1.72	\$1,720.00
Franklin County	Fairfield	1.72	\$1,720.00
	St. Albans City	2.01	\$2,010.00
	St. Albans Town	1.52	\$1,520.00
Grand Isle County	Grand Isle	1.49	\$1,490.00
Lamoille County	Elmore	1.36	\$1,360.00
	Hyde Park	1.94	\$1,940.00
Orange County	Chelsea	1.87	\$1,870.00
	Williamstown	1.69	\$1,690.00
Orleans County	Greensboro	1.85	\$1,850.00
	Newport City	2.16	\$2,160.00
	Newport Town	1.53	\$1,530.00
Rutland County	Chittenden	1.50	\$1,500.00
	Rutland City	2.27	\$2,270.00
	Rutland Town	1.42	\$1,420.00
	West Rutland	1.81	\$1,810.00
Washington County	Barre City	2.37	\$2,370.00
	Barre Town	1.74	\$1,740.00
	East Montpelier	1.78	\$1,780.00
	Montpelier	2.34	\$2,340.00
	Woodbury	1.67	\$1,670.00
Windham County	Brattleboro	2.55	\$2,550.00
	Rockingham	2.12	\$2,120.00
	Windham	1.74	\$1,740.00
Windsor County	West Windsor	1.50	\$1,500.00
	Windsor	2.40	\$2,400.00
Statewide		1.71	\$1,710.00

Source: Supplement to the Vermont Property Owners Report, February 2011

Figure 5-15
Estimated Average Tax Rates by County, 2010

	Average Homestead Property Tax Rate	Average Non-Residential Property Tax Rate
State of Vermont	1.71	1.83
Addison County	1.78	1.83
Bennington County	1.56	1.73
Caledonia County	1.73	1.87
Chittenden County	1.64	1.77
Essex County	1.18	1.70
Franklin County	1.51	1.78
Grand Isle County	1.47	1.60
Lamoille County	1.70	1.79
Orange County	1.84	1.88
Orleans County	1.61	1.81
Rutland County	1.70	1.83
Washington County	1.78	1.89
Windham County	1.82	1.85
Windsor County	1.83	1.87

Source: Supplement to the Vermont Property Owners Report, February 2011; Calculations by Mullin & Loneragan Associates, Inc.

There are several statewide programs to assist property owners in lowering their tax liability. Owners of primary residences whose household income is under \$90,000 may qualify for greatly reduced school taxes on their home. In addition, there is a phase-out transition zone which allows some primary homeowners with incomes up to about \$106,000 to get partial tax relief. Primary homeowners with incomes under \$47,000 may qualify instead for a reduction in their assessment, and/or a rebate on their total property taxes, including municipal taxes.

Based on municipal tax rates and a home assessed at \$100,000, annual real estate property tax liabilities vary greatly across the State, from \$940 in Woodford up to \$2,550 in Brattleboro.

This translates to an additional \$78 each month in Woodford, or \$212 in Brattleboro, when calculating housing costs.

M. Natural Disasters

On August 28, 2011, Tropical Storm Irene brought personal loss and public damage the State has not experienced in a generation. The storm's floodwaters took lives and caused incredible damage to homes,

property, land and the natural environment. More than 3,500 homes were damaged, including 500 mobile homes. On September 6th, the Vermont Agency of Commerce and Community Development (ACCD) activated the Irene Housing Task Force through its Department of Economic, Housing and Community Development. Comprising 25 local, state, federal and non-profit housing and service agencies, the Task Force served to collect critical housing-needs information and disseminate resource information and guidance to Vermonters in need.

The Task Force helped locate available rental housing, identify gaps in assistance, assess the need for temporary housing units, coordinate the response of housing agencies and advise FEMA's Housing Team on the needs of Vermonters. ACCD developed a call-center for business and rental-housing owners, and used the data gathered to provide preliminary damage assessments to Vermont Emergency Management (VEM). The Task Force also identified a need to provide case management to help survivors access the resources available to them. The Agency of Human Services (AHS), through its Field Service Directors and various Community Action Agencies (CAAs), reached out to Vermonters to determine their immediate needs. This work – which included providing assistance, making service referrals and encouraging survivors to register with FEMA – was done in coordination with both FEMA and the Red Cross. Homeownership Centers were trained by the Small Business Association to help survivors not only apply for housing assistance, but also appeal determinations.

Mobile homes and their parks were severely impacted by Tropical Storm Irene. Sixteen mobile parks and more than 500 mobile homes – both in parks and on private land – were either damaged or destroyed. ACCD in collaboration with CVOEO's Mobile Home Project continues to work closely with owners and residents to meet the particular recovery challenges they face. One such hurdle is the obligation of mobile home owners to pay for the disposal of their destroyed homes. To address this need, Lt. Governor Phil Scott created the Mobile Home Removal Program in coordination with ACCD, the Mobile Home Project, the Vermont chapter of Associated General Contractors, Vermont Long-Term Disaster Recovery Group, Inc. (VLTD RG) and the Vermont Community Foundation (VCF). The program paid for the removal of destroyed homes in parks across the state – saving residents disposal costs of as much as \$4,500 – and is now reimbursing owners who disposed of mobile homes before the program was established. In total, the program removed 68 mobile homes from six mobile home parks between October 31st and December 8th, disposing of 946 tons of waste with 105 tons of salvageable metal removed. With the exception of state employee time to help coordination, all \$300,000 in funding came from private donations.¹⁸

¹⁸ *Irene Recovery Report: A Stronger Future, January 12, 2012.*



6. Evaluation of Private Sector Policies

In addition to the public sector policies that influence fair housing choice, there are private sector policies that can influence the development, financing, and advertising of real estate. While Vermont cannot be held responsible for impediments to fair housing choice identified in private sector policies, the State does have an obligation to identify such impediments and bring them to the attention of the appropriate entity. In some cases, it is appropriate and even expected that the State will attempt to communicate the existence of such impediments to the appropriate entity. For example, if real estate advertisements in a State publication are noted to contain questionable language that may be discriminatory, the State should advise the publication of its legal obligations under the Fair Housing Act.

In this section of the AI, mortgage lending practices, high-cost lending, and real estate advertising are analyzed.

A. Mortgage Lending Practices

Under the terms of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (F.I.R.R.E.A.), any commercial lending institution that makes five or more home mortgage loans must report all residential loan activity to the Federal Reserve Bank under the terms of the Home Mortgage Disclosure Act (HMDA). The HMDA regulations require most institutions involved in lending to comply and report information on loans denied, withdrawn, or incomplete by race, sex, and income of the applicant. The information from the HMDA statements assists in determining whether financial institutions are serving the housing needs of their communities. The data also helps to identify possible discriminatory lending practices and patterns.

The most recent HMDA data available for the State of Vermont is from 2007 to 2009. Reviewing this data helps to determine the need to encourage area lenders, other business lenders, and the community at large to actively promote existing programs and develop new programs to assist residents in securing home mortgage loans for home purchases. The data focus on the number of homeowner mortgage applications received by lenders for home purchase of one- to four-family dwellings and manufactured housing units in the state. The information provided is for the primary applicant only. Co-applicants were not included in the analysis. In addition, where no information is provided or categorized as not applicable, no analysis has been conducted due to lack of information.

Overall, the trends in Vermont are reflective of nationwide trends. The joint report “Paying More for the American Dream IV,” released in May 2010, examines the lending disparities between minorities and Whites in seven cities across the country. The report finds that prime mortgage loans have declined among minority communities more than twice as quickly than in White communities. Additionally, prime refinance loans dropped almost five times as much in minority communities than in White communities.¹⁹

Figure 6-1 summarizes three years of HMDA data by race, ethnicity, and action taken on the applications, followed by a detailed analysis.

¹⁹ Accessed online at http://www.nedap.org/resources/documents/PayingMoreIV_Final.pdf



Figure 6-1
Summary Report Based on Action Taken Mortgage Data, 2007-2009

	2007		2008		2009	
	#	%	#	%	#	%
Applied for	10,978	100.0%	7,247	100.0%	7,552	100.0%
Black	51	0.5%	39	0.5%	21	0.3%
White	8,636	78.7%	5,709	78.8%	5,738	76.0%
Asian	102	0.9%	73	1.0%	89	1.2%
Hispanic*	95	0.9%	56	0.8%	52	0.7%
Other race	37	0.3%	33	0.5%	29	0.4%
No information/NA	2,152	19.6%	1,393	19.2%	1,675	22.2%
Originated	5,680	51.7%	4,034	55.7%	3,958	52.4%
Black	23	45.1%	24	61.5%	13	61.9%
White	4,921	57.0%	3,504	61.4%	3,395	59.2%
Asian	65	63.7%	46	63.0%	58	65.2%
Hispanic*	52	54.7%	31	55.4%	27	51.9%
Other race	16	43.2%	19	57.6%	9	31.0%
No information/NA	655	30.4%	441	31.7%	483	28.8%
Denied	1,430	13.0%	874	12.1%	887	11.7%
Black	14	27.5%	9	23.1%	1	4.8%
White	1,233	14.3%	725	12.7%	754	13.1%
Asian	11	10.8%	11	15.1%	13	14.6%
Hispanic*	24	25.3%	7	12.5%	5	9.6%
Other race	12	32.4%	7	21.2%	12	41.4%
No information/NA	160	7.4%	122	8.8%	107	6.4%

Note: Data is for home purchase loans for owner-occupied one-to-four family and manufactured units. Total applications does not include loans purchased by another institution. Other application outcomes include approved but not accepted, withdrawn and incomplete.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2007-2009

The most obvious trend in 2007-2009 HMDA data for Vermont is the drop in the number of loan applications, and subsequent drops in originations and denials. The number of loan applications dropped by approximately one-third between 2007 and 2008, from 10,978 to 7,247, before rising slightly to 7,552 in 2009. This is reflective of national trends and can be attributed primarily to stagnating home sales rates in the State that coincided with the national housing market crisis. However, in Vermont, the drop in mortgages and housing sales was not as dramatic as elsewhere in the country, where mortgage applications fell as much as 50%.

Over the course of the three years, the percentage of applications that resulted in loan originations increased slightly. Conversely, between 2007 and 2009, the proportion of applications resulting in denials

decreased from 13.0% to 11.7%. The percentage of successful applications for almost all racial and ethnic groups increased: White applicants rose from 57.0% to 59.2%; Black applicants rose from 45.1% to 61.9%; and Asian applicants rose from 63.7% to 65.2%. Hispanic applicants were the only minority group that decreased, dropping from 54.7% to 51.9%. It should be noted, however, that none of the groups of non-Whites had a significant sample size of 100 applicants or more.

The following section contains detailed analysis for applications filed in 2009, the latest for which information is available.

Figure 6-2
Summary Report Based on Action Taken Mortgage Data, 2009

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Type										
Conventional	4,815	63.8%	2,568	53.3%	215	4.5%	640	13.3%	1,314	27.3%
FHA	1,924	25.5%	974	50.6%	44	2.3%	150	7.8%	745	38.7%
VA	372	4.9%	186	50.0%	12	3.2%	36	9.7%	133	35.8%
FSA/RHS	441	5.8%	230	52.2%	7	1.6%	61	13.8%	128	29.0%
Loan Purpose: Home Purchase										
One to four-family unit	7,222	95.6%	3,815	52.8%	264	3.7%	761	10.5%	2,286	31.7%
Manufactured housing unit	330	4.4%	143	43.3%	14	4.2%	126	38.2%	34	10.3%
Applicant Race										
American Indian/Alaska Native	20	0.3%	6	30.0%	1	5.0%	9	45.0%	4	20.0%
Asian/Pacific Islander	89	1.2%	58	65.2%	1	1.1%	13	14.6%	16	18.0%
Black	21	0.3%	13	61.9%	1	4.8%	1	4.8%	6	28.6%
Hawaiian	9	0.1%	3	33.3%	0	0.0%	3	33.3%	3	33.3%
White	5,738	76.0%	3,395	59.2%	229	4.0%	754	13.1%	1,270	22.1%
No information/Not Applicable	1,675	22.2%	483	28.8%	46	2.7%	107	6.4%	1,021	61.0%
Hispanic**	52	0.7%	27	51.9%	1	1.9%	5	9.6%	19	36.5%
Applicant Sex										
Male	3,926	52.0%	2,308	58.8%	163	4.2%	524	13.3%	878	22.4%
Female	2,139	28.3%	1,282	59.9%	77	3.6%	279	13.0%	457	21.4%
No information	1,487	19.7%	368	24.7%	38	2.6%	84	5.6%	985	66.2%
Total	7,552	100.0%	3,958	52.4%	278	3.7%	887	11.7%	2,320	30.7%

Source: Federal Financial Institutions Examination Council, 2009

Note: Percentages in the Approved, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total figures.

* Total applications do not include loans purchased by another institution.

** Hispanic ethnicity is counted independently of race.

i. Conventional Loans vs. Government-Backed Loans

Loan types in 2009 included conventional mortgage loans and government-backed loans, including FHA, VA, and FSA. Comparing these loan types helps to determine if the less stringent underwriting standards and lower down payment requirements of government-backed loans expand homeownership opportunities. In the State of Vermont, 36.2% (2,737) of the households that applied for a mortgage loan applied for a government-backed loan. Of these, 37 (0.1%) were minority households.

The denial rates for government-backed loans were lower overall than the denial rate for conventional loans, although denial rates for FSA loans were slightly higher than those for conventional loans. The denial rates for applications by loan type are as follows:

- The denial rate for FHA loans was 7.8%
- The denial rate for VA-guaranteed loans was 9.7%.
- The denial rate for FSA loans was 13.8%.
- The denial rate for conventional loans was 13.3%.

ii. Denial of Applications

In 2009, the mortgage applications of 887 households in the State of Vermont were denied (11.7%). Denial reasons were given for 697 households and include the following:

- Debt-to-Income ratio: 30.0%
- Credit history: 27.4%
- Collateral: 17.8%
- Other: 8.2%
- Credit application incomplete: 5.0%
- Insufficient Cash: 4.3%
- Employment history: 3.4%
- Unverifiable information: 2.2%
- Mortgage insurance denied: 1.7%.

An unsatisfactory debt-to-income ratio, poor credit history, and lack of sufficient collateral are the major reasons for denial of home mortgage applications.

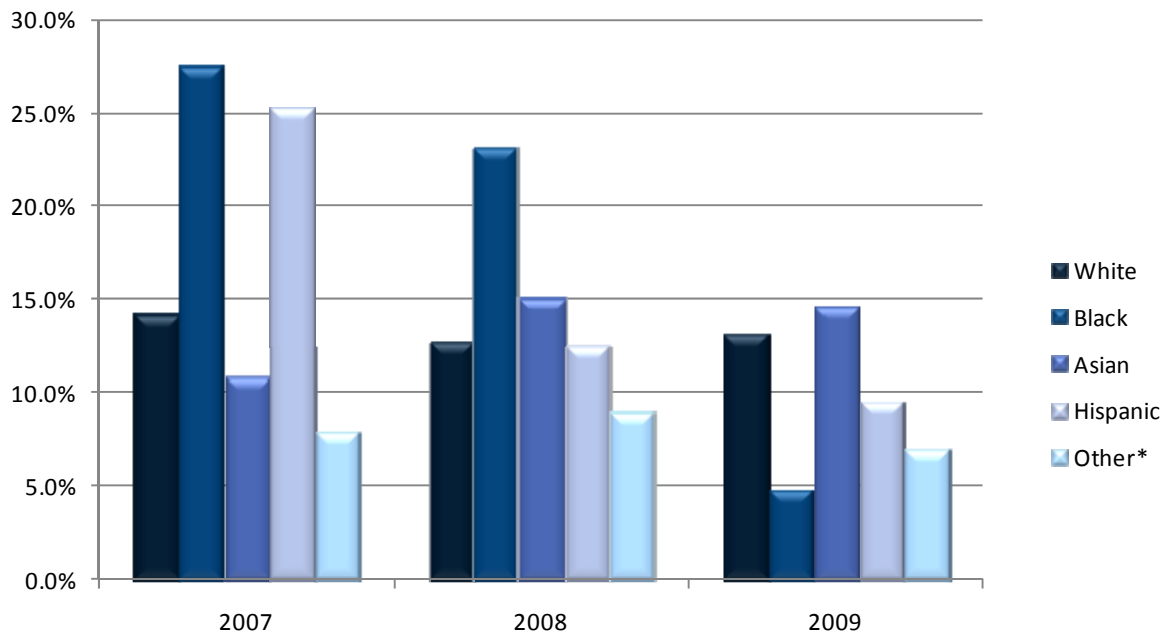
Between 2007 and 2009, the denial rates for Whites decreased from 14.3% to 13.1%. During the same period, the denial rates for non-White applicants (which excludes Hispanics) also decreased, but they remained significantly higher than rates for Whites. For all non-White applicants, the denial rate was 18.7% in 2009 compared to 19.5% in 2008. For Hispanic households, the denial rate in 2007 was 25.3%. After decreasing significantly to 12.5% in 2008, the denial rate for Hispanics dropped further to 9.6% in 2009.

Figure 6-3
Denials by Race and Ethnicity, 2007-2009

	2007			2008			2009		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Am. Indian/Alaska Native	32	12	37.5%	20	6	30.0%	20	9	45.0%
Asian	102	11	10.8%	73	11	15.1%	89	13	14.6%
Black	51	14	27.5%	39	9	23.1%	21	1	4.8%
Hawaiian	5	0	0.0%	13	1	7.7%	9	3	33.3%
White	8,636	1,233	14.3%	5,709	725	12.7%	5,738	754	13.1%
Not provided	2,152	160	7.4%	1,393	122	8.8%	1,675	107	6.4%
Hispanic*	95	24	25.3%	56	7	12.5%	52	5	9.6%

* Hispanic ethnicity is counted independently of race.

Figure 6-4
Denial Rates by Race and Ethnicity, 2007-2009



For this analysis, lower income households include those with incomes between 0% - 80% of the median family income (MFI), while upper income households include families with incomes above 80% of MFI.

Applications made by lower income households accounted for 44.3% of all denials in 2007 and 48.6% of all denials in 2008. However, they accounted for 29.1% of total applications for those two years. In 2009, lower income households comprised half of all denials but only one third of all applications.

Figure 6-5
Denials by Income, 2007-2009

	2007			2008			2009		
	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Below 80% MFI	3,112	634	20.4%	2,199	425	19.3%	2,518	440	17.5%
At least 80% MFI	6,598	716	10.9%	4,409	422	9.6%	4,114	394	9.6%
Total	10,978	1,430	13.0%	7,247	874	12.1%	7,552	887	11.7%

Note: Total includes applications for which no income data was reported.

Among lower income households, denial rates were generally slightly higher among minorities, although the small sample sizes of these populations make comparisons difficult. In 2009, the denial rate for Black households (12.5%) was lower than for White households (17.9%). While

denial rates for Whites remained relatively stable between 2007 and 2008, the rates for Black households decreased from 38.9% to 33.3%, while Hispanic household denial rates decreased from 41.0% to 0.0%.

Figure 6-6
Denials by Race for Lower Income Applicants, 2007-2009

	2007			2008			2009		
	Total Applications*	Denials	Denial Rate	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Am. Indian/Alaska Native	21	7	33.3%	7	4	57.1%	6	4	66.7%
Asian	27	4	14.8%	21	6	28.6%	33	7	21.2%
Black	18	7	38.9%	18	6	33.3%	8	1	12.5%
Hawaiian	3	0	0.0%	2	1	50.0%	5	0	0.0%
White	2,693	556	20.6%	1,906	350	18.4%	2,149	384	17.9%
Not provided	350	60	17.1%	245	58	23.7%	317	44	13.9%
Hispanic**	39	16	41.0%	25	4	16.0%	17	0	0.0%
Total	3,112	634	20.4%	2,199	425	19.3%	2,518	440	17.5%

* Hispanic ethnicity is counted independently of race.

** Total applications do not include loans purchased by another institution.

Overall, denial rates were lower for upper income households than lower income households. Among upper income households, however, minorities continued to experience significantly higher denial rates compared to White households. Among upper income Black households in 2009, the denial rate was 0%, although there were only 13 applications made. Upper income White households (9.6%) had lower denial rates than upper income Hispanic households (14.3%) and Asian households (11.1%).

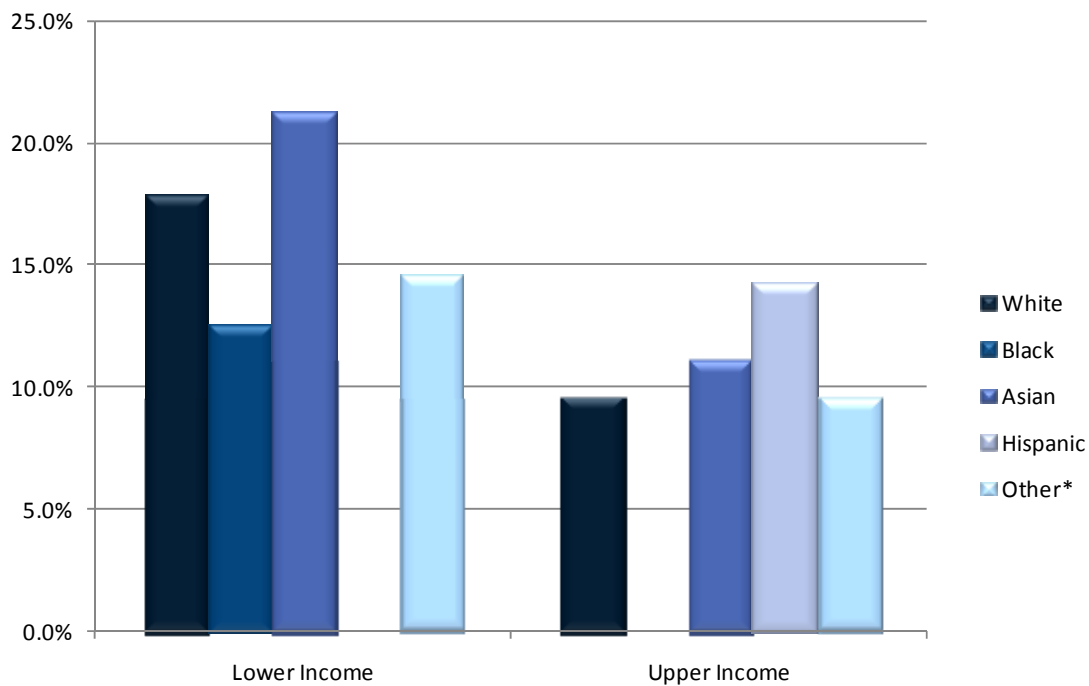
Figure 6-7
Denials by Race for Upper Income Applicants, 2007-2009

	2007			2008			2009		
	Total Applications*	Denials	Denial Rate	Total Applications	Denials	Denial Rate	Total Applications	Denials	Denial Rate
Am. Indian/Alaska Native	9	4	44.4%	12	2	16.7%	12	5	41.7%
Asian	71	7	9.9%	52	5	9.6%	54	6	11.1%
Black	31	7	22.6%	21	3	14.3%	13	0	0.0%
Hawaiian	1	0	0.0%	11	0	0.0%	3	2	66.7%
White	5,500	612	11.1%	3,685	352	9.6%	3,374	325	9.6%
Not provided	986	86	8.7%	628	60	9.6%	658	56	8.5%
Hispanic**	50	8	16.0%	30	3	10.0%	35	5	14.3%
Total	6,598	716	10.9%	4,409	422	9.6%	4,114	394	9.6%

* Total applications do not include loans purchased by another institution.

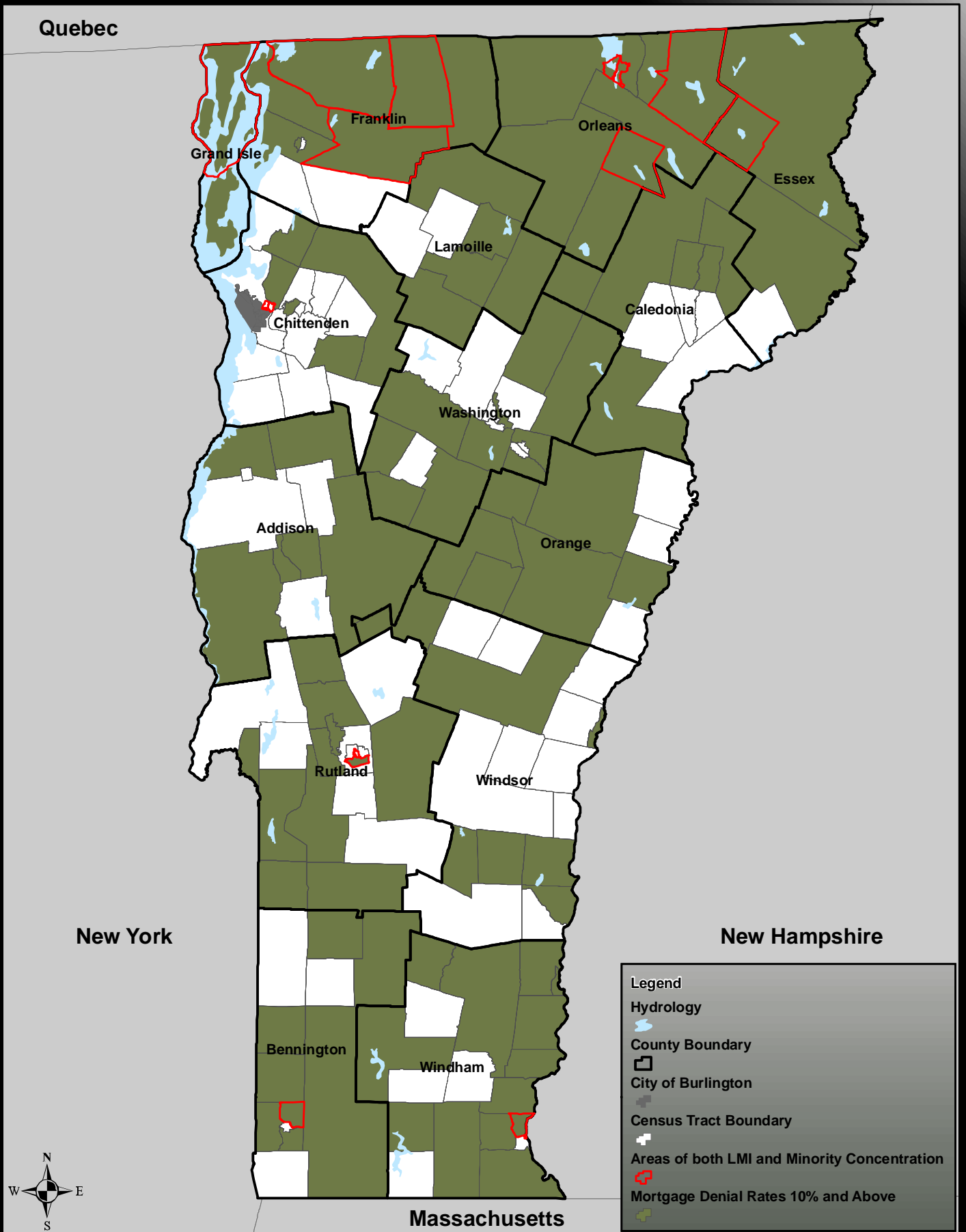
** Hispanic ethnicity is counted independently of race.

Figure 6-8
Denial Rates by Race and Income, 2009



* Other races include American Indian/Alaska Native and Hawaiian applicants, and applicants for whom no racial information is provided.

The 2009 HMDA data for the State of Vermont was analyzed to determine if a pattern of loan denials exists by census tract. Of the 168 total census tracts throughout the State, 77 census tracts experienced a denial rate at or above 13% in 2009. Of the 77 tracts with denial rates greater than or equal to 13% (which is above the 11.7% overall denial rate in 2009), 10 are impacted areas. Consequently, there is no correlation between impacted areas and mortgage loan denial rates. Map 16 on the following page illustrates the rate of mortgage loan denials.



B. High-Cost Lending Practices

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties, and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels, and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, Housing Mortgage Disclosure Act data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

i. Home Purchase Loans

In 2009, there were 7,552 home purchase loans made for single-family or manufactured units in Vermont. Of this total, 6,632 disclosed the borrower’s household income and 135 reported high-cost mortgages. Overall, lower income households were more likely to have high-cost mortgages than upper income households.

A determination on whether minorities are overrepresented in high-cost lending cannot be reasonably reached based on an analysis of loans in Vermont by race and ethnicity. The sample sizes of these populations are too small to be statistically significant. Among lower income minority households, Blacks and Hispanics did not have any high-cost mortgages while two Asian households had high-cost loans. By comparison, 64 White households had a high-cost loan.

Among upper income households, the small size of minority populations again made comparisons difficult. Of the eight Black upper income households, two had high-cost mortgages. By comparison, 53 White households experienced high-cost loans in 2009. No other minority or ethnic group was reported to have high-cost mortgages.

Figure 6-9
High-Cost Home Purchase Loans by Race/Ethnicity and Income, 2007-2009

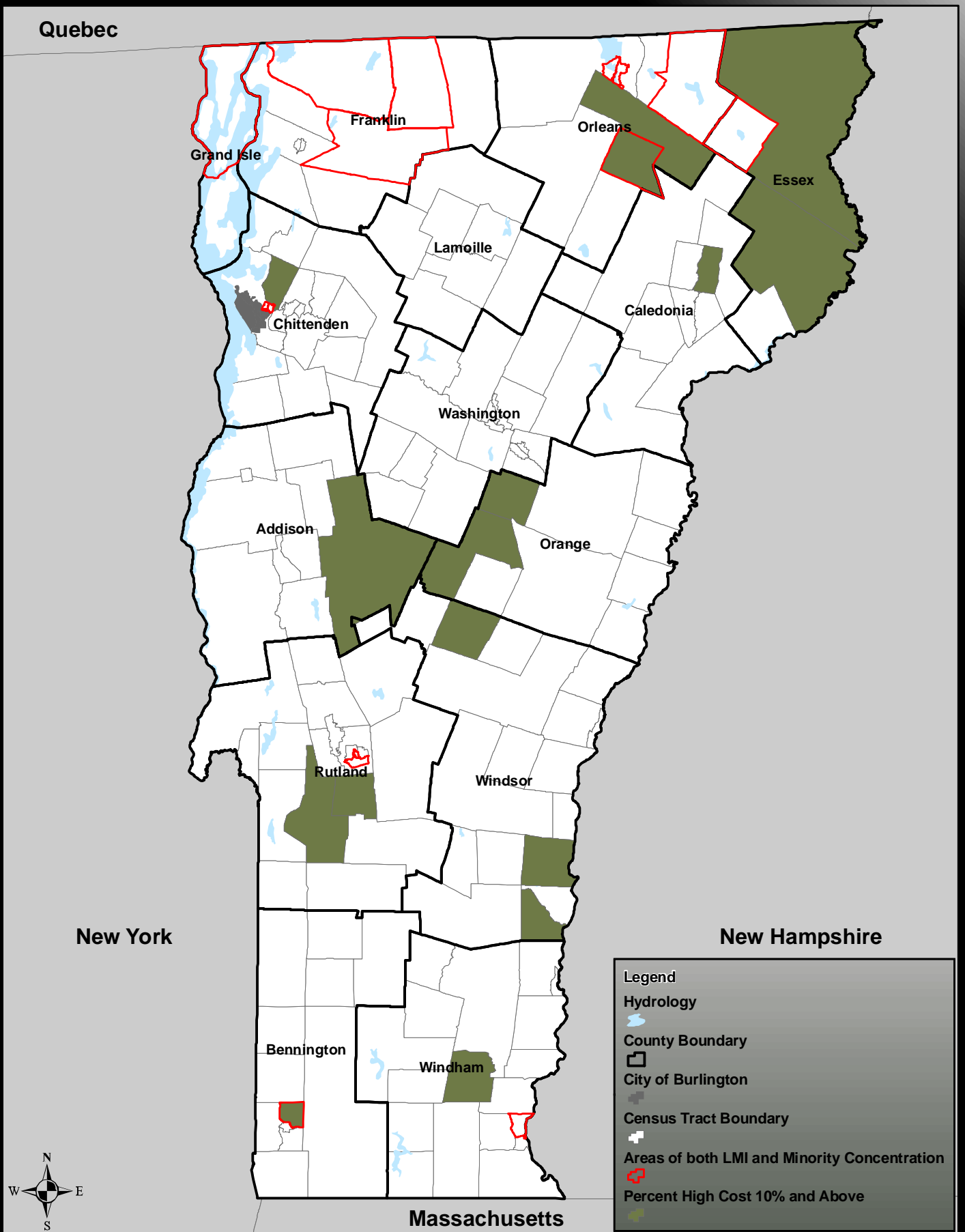
		Lower Income			Upper Income		
		Total Originations	# High-Cost	% High-Cost	Total Originations	# High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	8	1	12.5%	4	0	0.0%
	Asian	19	1	5.3%	46	3	6.5%
	Black	6	0	0.0%	17	2	11.8%
	Hawaiian	2	0	0.0%	1	1	100.0%
	White	1,469	192	13.1%	3,223	290	9.0%
	Not provided	150	16	10.7%	481	42	8.7%
	Hispanic*	19	8	42.1%	31	3	9.7%
	Total	1,654	210	12.7%	3,772	338	9.0%
2008	Am. Indian/Alaska Native	1	0	0.0%	10	0	0.0%
	Asian	14	0	0.0%	32	0	0.0%
	Black	10	1	10.0%	14	1	7.1%
	Hawaiian	1	0	0.0%	7	0	0.0%
	White	1,093	86	7.9%	2,363	137	5.8%
	No information/NA	95	7	7.4%	336	14	4.2%
	Hispanic*	15	0	0.0%	16	1	6.3%
	Total	1,214	94	7.7%	2,762	152	5.5%
2009	Am. Indian/Alaska Native	2	0	0.0%	4	0	0.0%
	Asian	22	2	9.1%	35	0	0.0%
	Black	5	0	0.0%	8	2	25.0%
	Hawaiian	2	1	50.0%	1	0	0.0%
	White	1,240	64	5.2%	2,119	53	2.5%
	No information/NA	145	4	2.8%	333	9	2.7%
	Hispanic*	9	0	0.0%	18	0	0.0%
	Total	1,416	71	5.0%	2,500	64	2.6%
Three-Year Totals		4,284	375	8.8%	9,034	554	6.1%

Note: Does not include loans for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

Notably, the percentage of high-cost mortgages among both lower and upper income households declined significantly between 2007 and 2009, along with the total number of applications and originations. This could be due to policy changes that have limited subprime lending and/or to the necessity for lenders to make rates more competitive as the total number of applications dropped.

Analyzing high-cost lending by census tract in 2009 can identify areas where there are disproportionately larger numbers of high-interest loans. Of the 16 tracts with a high-cost loan percentage of 10% or more, two were also impacted areas. Similar to mortgage loan denial rates, there is no correlation between high-cost loans and impacted areas. Map 17 on the following page illustrates the percentages of high-cost mortgages extended to Vermont residents.



ii. Refinancing Loans

This analysis also looks at high-cost lending among refinancing loans. A refinanced loan replaces an original mortgage and allows borrowers to take advantage of lower rates, switch from a variable to a fixed-rate mortgage, consolidate debt, and/or receive cash using the home's equity.

In Vermont in 2009, there were 15,853 refinancing loans for which income was reported. Of these, 366 (2.3%) were high-cost loans. From 2007 to 2009, lower income households were much more likely than upper income households to have a high-cost refinancing loan.

Similar to home purchase loans, there were only 218 refinance loans made to minority households in 2009. Of these, one loan was considered high cost.

Figure 6-10
High-Cost Refinancing Loans by Race/Ethnicity and Income, 2007-2009

		Lower Income			Upper Income		
		Total Originations	# High-Cost	% High-Cost	Total Originations	# High-Cost	% High-Cost
2007	Am. Indian/Alaska Native	15	6	40.0%	10	1	10.0%
	Asian	8	1	12.5%	25	5	20.0%
	Black	12	3	25.0%	30	5	16.7%
	Hawaiian	2	1	50.0%	3	0	0.0%
	White	2,194	483	22.0%	5,114	691	13.5%
	Not provided	414	124	30.0%	1,092	171	15.7%
	Hispanic*	15	4	26.7%	29	5	17.2%
	Total	2,645	618	23.4%	6,274	873	13.9%
2008	Am. Indian/Alaska Native	14	3	21.4%	6	2	33.3%
	Asian	14	0	0.0%	26	0	0.0%
	Black	4	0	0.0%	18	1	5.6%
	Hawaiian	2	0	0.0%	8	1	12.5%
	White	1,996	366	18.3%	5,147	369	7.2%
	No information/NA	240	26	10.8%	869	36	4.1%
	Hispanic*	8	0	0.0%	29	4	13.8%
	Total	2,270	395	17.4%	6,074	409	6.7%
2009	Am. Indian/Alaska Native	10	0	0.0%	25	0	0.0%
	Asian	36	0	0.0%	71	1	1.4%
	Black	11	0	0.0%	28	0	0.0%
	Hawaiian	4	0	0.0%	12	0	0.0%
	White	3,580	162	4.5%	9,997	163	1.6%
	No information/NA	524	11	2.1%	1,555	29	1.9%
	Hispanic*	27	1	3.7%	60	0	0.0%
	Total	4,165	173	4.2%	11,688	193	1.7%
Three-Year Totals		9,080	1,186	13.1%	24,036	1,475	6.1%

Note: Does not include loans for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

C. Real Estate Practices

i. Vermont Association of Realtors

Vermont is served by the Vermont Association of Realtors (VAR) as well as twelve local Boards of Realtors. Vermont's local Boards of Realtors include Franklin County, Northwestern Vermont, Orleans County, Lamoille Area, Northeast Kingdom, Central Vermont, Addison County, Rutland County, Windsor County, South Central, Crown Point, and Southern Vermont.

VAR was chartered in 1945 and currently serves more than 1,800 members. New members receive instruction in fair housing as part of the licensing requirements of the Vermont Office of Professional Regulation. In order to become a licensed real estate salesperson in Vermont, each applicant must complete a 40-hour salesperson pre-licensing course and pass both the national and state real estate exams. As part of the 40-hour course, there is a unit on fair housing that includes information on leasing as well as fair housing and civil rights laws. Fair housing topics fill approximately four hours of the 40-hour course. There are three chapters within the course textbook that involve fair housing topics, including the federal Fair Housing Act and Vermont laws in relation to the State's additional protected classes.

All new members must go through a new member orientation. In the past, the Vermont Human Rights Commission conducted fair housing trainings for new VAR members but has not been requested to do so in recent years. This practice should be reinstituted. As part of this orientation, a fair housing video is shown, followed by a brief discussion on fair housing issues. Additionally, each real estate agent must renew his or her license every two years. Sales agents must earn 16 hours of approved continuing education every two years as part of the licensing renewal requirements. There is a four-hour mandatory course that must be taken by all real estate agents as part of their continuing education. This mandatory course has a brief fair housing component that reviews fair housing laws. In addition, VAR typically offers a two-hour fair housing course as part of its continuing education curriculum. However, this course has not been offered over the past three years. VAR runs its continuing education courses based on the complaints and violations it receives. In recent years, real estate advertising, particularly online advertising, has become a hot button issue. Fair housing complaints have not been as much of a concern and therefore the fair housing continuing education course has not been offered in recent years.

Most fair housing and legal courses offered through VAR are taught by attorneys. Instructors must be approved by the Vermont Real Estate Commission (VREC) as a provider. Course curriculum is also reviewed and approved by the Commission.

VREC handles and investigates complaints against licensed real estate salespersons. VAR typically refers fair housing complaints to VREC. VAR also works with the Vermont Housing Finance Agency (VHFA) and area land trusts but does not have an established relationship with the Vermont Human Rights Commission (VHRC).

The Vermont Association of Realtors should reinstitute its past partnership with the Vermont Human Rights Commission (VHRC) to promote regularly scheduled fair housing education opportunities available through the VHRC to VAR members.

ii. Vermont Real Estate Commission

The Vermont Real Estate Commission is a seven-member board whose members are appointed by the Governor to administer laws related to the real estate profession in the State of Vermont. VREC's mission is public protection and the Commission fulfills this mission by performing the following:

- Ensuring that applicants are qualified for licensure,
- Setting standards for the profession by proposing statutes and adopting administrative rules, and
- Investigating complaints of unprofessional conduct and taking disciplinary actions against licensees when necessary to protect the public (with the assistance of the Office of Professional Regulation).

VREC publishes a bi-annual newsletter that provides educational information on legislative updates and other pertinent housing information. The newsletters also include a summary of activities performed by the Commission related to complaints submitted alleging real estate salesperson unprofessional conduct. Between May 2010 and August 2011, there were 56 new cases of unprofessional conduct opened. Of these, 31 cases concluded without action. Disciplinary actions were taken in 14 cases. Hearings were still pending for 15 cases and charges were pending in two cases. The newsletters also provide a listing of the names of salespersons against which disciplinary actions were taken.

D. Rental Advertising

Under federal law, the making, printing, and publishing of advertisements that state a preference, limitation, or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin is prohibited. The prohibition applies to publishers, such as newspapers and directories. The prohibition also applies to persons and entities placing real estate advertisements.

Publishers and advertisers are responsible under federal law for making, printing, or publishing an advertisement that violates the Fair Housing Act. Thus, they should not publish or cause to be published an advertisement that expresses a preference, limitation, or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols, or other approaches that are considered discriminatory.

For this AI, the real estate sections of the following newspapers were reviewed: Addison County Independent, The Barre Montpelier Times Argus, Brattleboro Reformer, Burlington Free Press, The Hardwick Gazette, The Mountain Times, Rutland Daily Herald, and Valley News. The following figure provides a summary of the analysis of the real estate classifieds in each respective newspaper.

The publisher's policy on accepting advertisements was prominently displayed and easy to read in two of the eight newspapers' real estate sections reviewed. Specifically, the *Addison Independent* and the *Rutland Daily Herald* included their policies in relation to equal housing opportunity, noting the federally protected classes and that the respective newspapers will not knowingly accept any advertising for real estate which is in violation of the Fair Housing Act.

Most of the larger real estate firms and brokerages included the fair housing/equal housing opportunity logo in their banner ads. However, a large number of firms did not include the logo. This logo must be prominently displayed in the advertisements placed by real estate brokerage firms.

Potential discriminatory language was found in one rental advertisement in the *Burlington Free Press* dated April 23, 2011. The ad for an unfurnished studio apartment stated it was "ideal for [a] single professional." The rule of thumb when advertising residential real estate for rent or for sale is to describe

the property, and not the people who may occupy it. Stating that a unit available for rent is ideal for a single professional may discourage others, such as a married or unmarried couple with or without children, a single parent with a child, or an elderly couple from inquiring about the property.

Figure 6-11
Summary of Real Estate Classified Ads Reviewed by Newspaper

Newspaper	Date of Publication	Publisher's Policies	Placement of Fair Housing/Equal Opportunity Logos in Large Firm Ads	Potential Discriminatory Language
Addison County Independent	April 21, 2011	Yes	Yes	No
The Barre Montpelier Times Argus	April 24, 2011	No	Most Firms	No
Brattleboro Reformer	April 23-24, 2011	Online	No	No
Burlington Free Press	April 23, 2011	Online	Most Firms	Yes
The Hardwick Gazette	April 20, 2011	No	No	No
The Mountain Times	April 21-27, 2011	No	One Larger Firm	No
Rutland Daily Herald	April 23, 2011	Yes	One Larger Firm	No
Valley News	April 23, 2011	No	Most Firms	No

The real estate classified sections of eight newspapers in Vermont were reviewed as part of this analysis. The publisher's policies for several of the newspapers were not available in the print versions nor were these policies easily accessible online. In addition, several large real estate brokerage firms did not include the equal housing opportunity logo in their banner ads. Only one advertisement was found to include discriminatory language.

Fair housing education, particularly among real estate brokers, real estate sales persons, and advertising professionals, is needed in the State of Vermont. In addition, continued monitoring of real estate ads should be conducted by fair housing advocacy organizations in order to ensure that real estate ads placed in newspaper publications throughout Vermont are in compliance with the Fair Housing Act.

CVOEO's Fair Housing Project and Vermont Legal Aid's Housing Discrimination Law Project monitor advertisements placed in various online versions of newspapers published throughout the State. CVOEO has notified several newspapers regarding potentially discriminatory advertising language. Common findings include discriminatory advertising on the alleged bases of familial status and/or disability. In order to continue to bring attention to this matter, CVOEO should maintain its efforts aimed at monitoring Internet postings. In addition, continued fair housing education and training related to advertising is needed throughout the State to raise awareness of fair housing issues in advertising housing units, both for sale and for rent.

CVOEO's Fair Housing Project and Vermont Legal Aid's Housing Discrimination Law Project should continue to monitor advertisements posted on various online newspapers throughout the State to ensure that these advertisements are in compliance with the Fair Housing Act. In addition, CVOEO should continue to provide fair housing education, training, and outreach on fair housing advertising issues.

7. Current Fair Housing Profile

A. Progress since Previous AI and Current Fair Housing Activities

The State of Vermont's last AI was completed in 2006. The following nine impediments to fair housing choice were identified in the 2006 AI:

- Lack of affordable housing,
- Rental housing units in poor condition,
- Lack of accessible housing,
- Zoning ordinances that require large lots,
- Zoning ordinances that do not allow for high density residential uses, including multi-family and mobile home uses,
- Lack of awareness of fair housing laws and rights granted under the law,
- Need to strengthen fair housing requirements for municipal grantees of HUD CDBG funds,
- Discrimination in rental and sales housing markets, and
- Lack of public transportation options.

Since the 2006 AI, the State of Vermont, through the Department of Economic, Housing, and Community Development (DEHCD), has undertaken a number of activities to address the impediments listed above. For example, DEHCD collaborates with the Champlain Valley Office of Economic Opportunity's Fair Housing Project and the Vermont Human Rights Commission (VHRC) to provide fair housing trainings several times per year throughout the State. These trainings are mandatory for all CDBG grant recipients, are offered in all regions of the State, and are updated to keep up with current events. In FY 2010, 22 municipalities, regional planning commissions, affordable housing developers, and nonprofits participated in the fair housing trainings. The workshops cover a broad range of topics and are designed to provide relevant information to area lenders, affordable housing developers, property managers, and municipal officials by:

- Providing an introduction to Vermont and federal fair housing laws,
- Discussing the current regulatory barriers to fair housing choice in Vermont,
- Examining fair housing law requirements impacting municipal zoning practices and decision making,
- Reviewing available tools that enable municipalities to comply with fair housing law, and
- Exploring planning concepts designed to encourage the development of a variety of housing types.

In addition to fair housing trainings, DEHCD provides CDBG funding annually to the Fair Housing Project of the Champlain Valley Office of Economic Opportunity (CVOEO) to produce and distribute public education materials in fourteen languages for residents with limited English proficiency (LEP). CVOEO also developed and produced the following videos since the 2006 AI: "Reducing the Political and Social Barriers to Fair Housing," "Tearing Down the Regulatory Barriers to Fair Housing," "Fair Housing and Growth Centers-What is the Connection," and "Planning Tools to Further Fair Housing." These videos are available at no cost. The most recent video, "Reducing the Political and Social Barriers to Fair Housing," was broadcast on Vermont's local access cable channels.

DEHCD also chairs and staffs the Fair Housing Committee of the Vermont Housing Council. The Fair Housing Committee provides a venue for open discussion and the exchange of ideas on fair housing issues encountered and addressed by member organizations on a daily basis. The Committee also



keeps members up-to-date on each organization's fair housing efforts and allows the exchange of best practices and the dissemination of fair housing information. The Fair Housing Committee is comprised of the following organizations: DEHCD, the Vermont Human Rights Commission, the Champlain Valley Office of Economic Opportunity, the Vermont Housing Finance Agency, the Vermont Housing and Conservation Board, the Vermont State Housing Authority, the Vermont Center for Independent Living, the Montpelier Housing Authority Vermont Legal Aid, the Champlain Housing Trust, and the U.S. Department of Rural Development. The Vermont Affordable Housing Coalition routinely receives meeting invitations and meeting minutes.

As mentioned previously, DEHCD requires all municipalities receiving CDBG funding to attend fair housing training on federal and state fair housing laws and on ways municipalities can affirmatively further fair housing at the local level. Since this requirement was implemented in 2007, **more than one-quarter of Vermont's 255 municipalities have received fair housing training.** DEHCD also ensures that all CDBG grantees adopt a Fair Housing Policy and submit verification of such policy to the Department. As part of the Vermont Community Development Program's staff review of CDBG grant applications, the VHRC is contacted to determine whether any findings against municipalities have been made.

DEHCD also staffs the Vermont Land Use Education and Training Collaborative. The Collaborative is a partnership of organizations that engage in outreach and technical assistance to local land use officials and works together to provide coordination and support to the development and delivery of land use education. In the past, DEHCD also provided funding for the Municipal Education Grant (MEG) Program which provides municipalities with funds for training volunteer boards and commissions to help them perform their planning and regulatory duties. In FY 2010, 28 municipalities received MEGs, bringing trainers directly to their respective communities to learn about statutory provisions relative to affordable housing, inclusionary zoning, and prohibitions on exclusionary zoning practices.

The Vermont Neighborhood Program (VNP) provides financial benefits to stimulate the development of new housing throughout the State, including affordable housing, in areas in and around Vermont's designated downtowns, village centers, new town centers, and growth centers. DEHCD administers and staffs the VNP. At a minimum, a proposed Vermont Neighborhood must incorporate smart growth principles and design standards that promote compact, pedestrian-oriented development patterns and have residential densities of at least four units of single-family dwellings per acre and higher densities for duplexes and multi-family housing. Since the program's inception in 2008, only two municipalities have applied to the program, including the Town of Essex and the City of Winooski. Essex's Vermont Neighborhood included 27 affordable housing units.

DEHCD also maintains and updates a fair housing page on the Department's website to provide public access to fair housing information such as the State's AI, links to various fair housing resources and advocacy groups, and current and past editions of "Fair Housing News," which is published by VHRC and the Fair Housing Project of CVOEO. Assistance to the general public is also provided by DEHCD relative to fair housing and landlord/tenant issues. The Department fields inquiries and complaints from the public and makes referrals to the VHRC when necessary.

The State has also just begun new initiative with CVOEO's Fair Housing Project to identify municipalities that not only have adopted land use regulations supporting a broad range of housing types (e.g. multi-family housing and group homes) but also that implement those regulations in a manner that affirmatively furthers fair housing. These assessments will then be used to develop models for best practices for other municipalities to duplicate throughout the State.

The Vermont Housing and Conservation Board (VHCB) administers the State's HOME program and has been very proactive with the promotion of affordable housing development in non-concentrated areas throughout the State. For example, VHCB is building affordable housing in some of the State's more affluent communities. This is a conscious decision by VHCB to build affordable housing in employment centers in resort towns to preserve affordable housing for essential community workers.

In 2010, VHCB co-sponsored a fair housing conference presented by Vermont Legal Aid called “Fair Housing and Sustainable Community Planning.”

In addition, through the HOME handbook, VHCB provides fair housing information to owners, developers, and managers of affordable housing. VHCB educates grantees on an on-going basis through the application, development, and monitoring processes.

B. Other Fair Housing Organizations

i. The Fair Housing Project of the Champlain Valley Office of Economic Opportunity

The mission of the Champlain Valley Office of Economic Opportunity (CVOEO) is to address fundamental issues of economic, social, and racial justice and to work with low-income people to achieve economic independence. CVOEO was incorporated in 1965 and is one of five Community Action Agencies in Vermont. CVOEO serves primarily the northwestern corner of the state, including Franklin, Grand Isle, Chittenden, and Addison Counties. CVOEO also coordinates three Statewide Housing Services programs, including the Fair Housing Project, the Mobile Home Project, and Vermont Tenants, Inc.

The Fair Housing Project (FHP) works to eradicate housing discrimination in Vermont through education and outreach related to fair housing laws. The FHP assists people who believe they have faced housing discrimination; offers referrals to the appropriate agencies; and provides fair housing education to housing providers, municipal officials, landlords, real estate professionals, nonprofit organizations and anyone else who will listen. Specific fair housing activities undertaken by FHP in the past two years are as follows:

- Conducted fair housing trainings and workshops for various housing authorities, municipal officials and planners, housing trusts, and nonprofit organizations,
- Produced fair housing handbooks in fourteen languages,
- Produced fair housing guides for landlords and property managers,
- Hosted four housing-related broadcasts on Community Access television,
- Advertised six months of public services announcements at Vermont’s largest movie theater,
- Advertised six months of educational displays on two busses in two of Vermont’s largest metropolitan areas,
- Published fair housing information in Vermont’s largest weekly newspaper,
- Distributed fair housing materials through all 189 public libraries in the State,
- Completed two fair housing related municipal assessments for the Lamoille County Regional Planning Commission and the Chittenden County Regional Planning Commission, and
- Published a quarterly newsletter with fair housing information and updates which is sent to approximately 1,000 people statewide.

The Fair Housing Project also maintains a discrimination hotline and monitors web postings on Craigslist and other classified advertising websites. When potential discriminatory advertising is found, FHP sends letters to offenders to notify them of the lack of compliance with fair housing laws.

CVOEO provides fair housing training to code officials, tenants, municipal officials, landlords, land trusts, Community Housing Development Organizations (CHDOs), and property management agents of land trust rental communities. However, CVOEO does not have an established relationship with Realtors throughout the State.

CVOEO, through the Fair Housing Project, provides fair housing training to code officials, tenants, municipal officials, landlords, land trusts, CHDOs, and various property management companies. CVOEO does not interact with the various Realtor associations throughout the State.

CVOEO should establish a partnership with local Realtor associations throughout the State to provide fair housing training that is mandated as part of Realtors' continuing education requirements.

ii. Vermont Legal Aid

Vermont Legal Aid (VLA) provides free civil and legal services to people throughout Vermont who are poor, elderly, or have disabilities and who would otherwise be denied justice or the necessities of life. Through legal representation, community education, public policy and legislative advocacy, VLA asserts the social and economic interests of their clients and seeks to address the causes of poverty, discrimination, and equality.

Vermont Legal Aid ("VLA") is a nonprofit legal services program that has provided legal information, advice, and representation throughout Vermont on a wide range of civil legal issues for over 45 years. VLA provides intake, legal advice, legal forms, pro se assistance, and full representation to victims of housing discrimination in affirmative and defensive litigation and administrative proceedings and also advocates with local, regional, and State officials for inclusive, integrated neighborhoods. VLA operates a fair housing testing program that conducts both complaint-based and audit/systemic fair housing testing. VLA also conducts training and public legal education through outreach, trainings, media, and its website: www.vtlawhelp.org.

Most of VLA's affirmative litigation, education and outreach, and all of its fair housing testing is funded by a Private Enforcement Initiative (PEI) grant through HUD's Fair Housing Initiatives Program (FHIP). VLA also receives funding from other sources in its representation of housing discrimination victims, primarily in the eviction defense and reasonable accommodations and modifications contexts. VLA carries out testing, enforcement, and educational activities to prevent and address discriminatory housing practices.

In the past three years under its HUD FHIP grant, VLA:

- Provided legal assistance to over 150 housing discrimination complainants
- Conducted more than 130 paired, site tests and more than 250 paired telephone and linguistic profiling tests on federally-prohibited bases of race, color, national origin, sex, and familial status
- Carried out 20 site-based physical accessibility tests

- Testified before the Burlington and South Burlington City Councils in opposition to restrictive land use decisions and development planning in those cities
- Initiated housing discrimination investigations in 13 other municipal, land use and planning, group home, and other contexts
- Partnered with the Chittenden County Regional Planning Commission and other fair housing partners in its application for and implementation of its HUD Sustainable Communities Initiative grant
- Conducted housing discrimination trainings for attorneys, staff and officials of public housing authorities, municipal officials, local and regional planners, and nonprofit organizations
- Monitored rental housing websites (i.e. craigslist) for discriminatory housing advertisements and advised advertisers of discriminatory ads
- Educated the public about housing discrimination law through broadcast news and broadcast and cable television informational programs; radio PSAs; direct mailings; public testimony before city councils; educational outreach to LEP immigrants and nonprofits; trainings of private attorneys, local and regional planners; quarterly newsletters, and its website.

iii. Vermont Center for Independent Living

The Vermont Center for Independent Living (VCIL), founded in 1979, is a nonprofit organization that is directed and staffed by individuals with disabilities. VCIL works to promote the dignity, independence, and civil rights of Vermonters with disabilities. Like other independent living centers throughout the country, VCIL is committed to cross-disability services, the promotion of active citizenship, and working with others to create services that support self-determination and full participation in community life.

VCIL's Home Access Program (HAP) provides home entry and bathroom accessibility modifications for low-income Vermonters with physical disabilities. These modifications increase opportunities for participation in the civic and social life of the community. The HAP includes:

- Home entry and bathroom modifications for people with disabilities whose income is 80% of median income. The modifications are designed with the individual in mind and may be as simple as an entry ramp to a house, an accessible shower, or even a handheld shower attachment.
- Financial assistance for nonprofit housing providers for accessibility modifications in their affordable rental housing projects.

VCIL's HAP funds provide five \$5,000 grants per year to housing land trusts (HLTs) and public housing authorities (PHAs) throughout the State to make accessibility improvements to existing properties' public spaces such as community rooms and laundry facilities. The majority of HAP funding is dedicated to individual residences for both homeowners and renters in the private sector. The HLTs and PHAs already provide reasonable accommodations and modifications as required under the Fair Housing Act.

Since 2008, VCIL has provided over \$1.6 million to 197 households across the State to make accessibility improvements to their homes and apartments. There are 56 people on the HAP waiting list. VCIL estimates at HAP's current funding levels, the waiting list will continue to grow in 2012. The following figure provides annual information on the number of households assisted through VCIL's HAP, the amount of HAP funds spent, and the program's waiting list from 2008-2011.

Figure 7-1
HAP Program Accomplishments, 2008-2011

Year	Number of Households Served	Amount of Funding Spent	Number of People on Waiting List
2008	40	\$308,999.50	225
2009	59	\$307,254.69	166
2010	98	\$757,854.89	29
2011	*	\$307,000.00	56
Total	197	\$1,681,109.08	

Source: VCIL

*Total number of households served not available for 2011 as of 12/15/11

The provision of funds to private families and HLTs and PHAs to make accessibility improvements is a good use of VCIL HAP funds and should continue.

The State of Vermont should assist in providing funding to VCIL so it can extend its efforts to keep persons with disabilities housed in accessible units through the HAP program.

VCIL also handles housing complaints from its clientele and works with the VHRC to handle and process such complaints. VCIL prefers mediation of housing complaints because it enables the organization to:

- Obtain a more effective resolution,
- Obtain affirmatives from the respondent,
- Require education for landlords, and
- Secure positive results for tenants in a more efficient manner.

VCIL has a good working relationship with the VHRC and mediations have been fairly successful.

8. Fair Housing Achievements & General Observations

The following fair housing achievements and observations were noted throughout previous sections of the AI. Both the achievements and observations are based on primary research collected and analyzed and the numerous interviews and focus group sessions conducted for this report. The fair housing accomplishments include commendable actions, policies, and procedures already undertaken by the State of Vermont that affirmatively further fair housing. Policy recommendations included in the State's Fair Housing Action Plan will encourage the continuation and advancement of many of these accomplishments.

In addition, the observations help to establish context for the impediments included in the following section. While none of these observations rose to the level of an impediment to fair housing choice in the State of Vermont, the issues remain noteworthy in that they establish context for subsequent sections of the AI.

A. General Fair Housing Observations

The following general fair housing observations were noted throughout the AI, particularly throughout the demographic and housing market analyses:

- **The total population in the State of Vermont increased 43.8% between 1970 and 2010.**

The largest increase occurred in Chittenden County, outside of the City of Burlington. Essex County, in the State's Northeast Kingdom, had the slowest growth rate during this period.

- **Population growth throughout the State has been most rapid among non-White and Hispanic residents.**

Between 1990 and 2010, the number of non-White residents more than tripled, increasing from 1.5% to 4.7% of the State's total population. Persons of two or more races are the largest non-White minority group and comprised 36.5% of the non-White population in 2010. The Asian/Pacific Islander population also comprised a significant proportion of the non-White population (27.5%) and increased 164.6% between 1990 and 2010. Vermont's total Hispanic population has also grown rapidly, from 0.7% of the State's population in 1990 to 1.5% in 2010. This represents a population increase of 138.4%.

- **There are 77 areas of minority concentration in the State, 12 of which are located in the City of Burlington.**

Areas of minority and/or ethnic concentration in the State (excluding Burlington) include 17 tracts of Black concentration, 16 tracts of Asian concentration, 15 tracts of American Indian/Alaska Native concentration, and 17 tracts of Hispanic concentration.

- **The State of Vermont is moderately segregated for Asians and Blacks and has low degrees of segregation for other minority groups.**

According to dissimilarity indices with Whites, Asians and Blacks experience moderate degrees of segregation, with respective indices of 41.8 and 38.8. All other minority groups experience low degrees of segregation with Whites, with persons of two or more races having the lowest dissimilarity index of 16.6.

- **Minority households were more likely than Whites to have annual incomes of less than \$25,000.**

Over 40% of AIAN households and over 31% of Black, Hispanic, and Asian households earned less than \$25,000 annually. By comparison, 22% of White households fell into this lower income bracket.

- **There are 14 impacted areas in the State which include concentrations of both LMI persons and minorities.**

In Vermont, 14 of the 23 census tracts identified as concentrations of LMI persons were also areas of minority concentration. Consequently, areas of minority concentration are more likely to also be areas of concentration of LMI persons.

- **Persons with disabilities were more than twice as likely to live in poverty as persons without disabilities in 2009.**

In Vermont (including the City of Burlington), 22% of persons with a disability were living in poverty, compared to 9.7% of persons without a disability.

- **Female-headed households with children accounted for more than half of all families living below the level of poverty in the State.**

One-third of female-headed households with children were living in poverty in 2010. By comparison, 15.8% of male-headed households with children and only 3.7% of married couples with children were living in poverty.

- **Black and AIAN residents were more likely to be unemployed than Whites, Asians, or Hispanics. Compared to Whites, Blacks were more than twice as likely to be unemployed while AIAN residents were almost three times as likely to be without a job.**

Higher unemployment, whether temporary or permanent, will mean less disposable income for housing expenses.

- **Counties in the predominantly rural Northeast Kingdom, specifically Essex and Orleans Counties, had the highest estimated foreclosure rates in 2009.**

Overall, the State of Vermont had the lowest foreclosure rate in the country in 2010. Counties in the State's Northeast Kingdom, on the other hand, had foreclosure rates more than double that of the State.

- **Minority households were more likely than Whites to have housing problems in the State.**

Among lower income renter households, 61.6% of Hispanics and 61.1% of Blacks had at least one housing problem compared to 52.5% of Whites. Similarly, among homeowners, 69.9% of Hispanics and 60% of Blacks had a housing problem compared to 55.6% of Whites.

- **Median housing value increased 42.8% in Vermont while real household income declined 3.1%.**

Franklin County experienced the largest increase in median housing value over the past decade. Median gross rent across the State also increased during this period in every county except Grand Isle County. These trends indicate that housing costs have become relatively more expensive since 2000, in particular for current and prospective homeowners.

- **Minimum wage earners and single-wage earning households cannot afford a housing unit renting for the HUD fair market rent in Vermont.**

This situation forces these individuals and households to double-up with others, or lease inexpensive, substandard units. Minorities and female-headed households may be disproportionately impacted because of their lower incomes.

- **Individuals whose sole source of income is a \$726 monthly SSI check cannot afford to rent a zero-bedroom unit in Vermont at the HUD fair market rent of \$880.**

This situation disproportionately impacts persons with disabilities whose only source of income may be their SSI checks.

- **The sales housing market in the State of Vermont is unaffordable for households earning the median household income.**

In 2010, only 25% of the units sold were affordable to households earning the MHI of \$51,284. By comparison, almost 38% of units sold in 2000 were affordable to households earning the median household income.

- **Regardless of race or ethnicity, households earning the MHI in Vermont cannot afford a home selling at the median sales price of \$199,000.**

This circumstance severely limits housing choice for lower income households as these households would likely have a difficult time purchasing a home.

- **Areas in Vermont with lower median sales prices tend to be located in or near impacted areas of both LMI and minority concentrations.**

Lack of affordable for-sale housing options in non-impacted areas limits housing choice for low-income and minority households.

B. Fair Housing Achievements

The following fair housing achievements were noted throughout the AI:

- DEHCD submits all municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving a funding request from a municipality.
- Municipal recipients of CDBG funds throughout the State are required to attend a fair housing training prior to receiving funding awards. VHCB and VHFA recently adopted similar requirements for their funded parties as a condition of receipt of funding.
- Most new affordable housing projects sponsored by VHCB and VHFA exceed the minimum 5% mobility-accessible standard.
- VHCB makes affordable housing investments in non-impacted, more affluent communities, where housing is generally more expensive, to link essential community workers to employment centers.
- Affordable housing investments in Vermont are uniformly distributed and are located in both impacted and non-impacted areas.
- VHFA's QAP clearly indicates that VHFA is dedicated to the goal of preventing concentration of low-income housing and households throughout the State, as evidenced by the following:
 - Development may occur in "ski areas," which are generally rural, more affluent, and predominantly White areas with high cost housing. This helps to prevent concentration of affordable housing in Vermont's villages and urban centers.
 - If developments are constructed in communities where there is a lack of affordable housing, the project meets a Top Tier Priority.

- Given the demand for more general occupancy housing units throughout the State, VHFA has made this a Top Tier Priority. This enables low-income families to move into communities that previously provided only age-restricted affordable housing.
- To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement.
- ACCD's Language Access Plan is sufficient and would promote access to State services and programs to persons with limited English proficiency.
- The QAP incorporates Universal Design as a Top Tier Priority.
- The State of Vermont's Access Rules require that certain new residential construction projects be adaptable and visitable for persons with disabilities.
- Overall, the State of Vermont's Planning and Development Act addresses several essential topics related to affirmatively furthering fair housing.
- Through DEHCD, the State of Vermont has supported several affordable housing projects that were delayed due to NIMBYism or other legal challenges.

9. Potential Impediments to Fair Housing Choice

The following observations collected during the development of the AI constitute the potential impediments or barriers to fair housing choice listed in this section. These impediments are linked to remedial strategies in the Fair Housing Action Plan.

A. Public Sector

i. Minority households in Vermont have greater difficulty becoming homeowners.

Minority households in Vermont were less likely to be homeowners. Nearly three-quarters of White households in the State were homeowners, compared to 38.1% of Blacks, 64.2% of AIAN residents, 60% of Asian residents, and 59.2% of Hispanics, which reflects trends in median household incomes. These trends reflect the existing disparities of household incomes among these groups.

DEHCD works directly with programs such as CVOEO, VHCB AmeriCorps, Creating Assets Savings and Hope (CASH) Coalition, Association of Africans Living in Vermont, Somali-Bantu Community Association, Vermont Works for Women, both the Chittenden County and Franklin-Grand Isle United Way, and Habitat for Humanity to expand homeownership opportunities. DEHCD is also fortunate to have regular meetings with all community land trusts in the state, facilitated by VHCB, as well as a statewide alliance that connects all five Home Ownership Center programs operated out of Gilman Housing Trust, Central Vermont Community Land Trust, NeighborWorks® of Western Vermont, and Windham & Windsor Housing Trust.

The State of Vermont has long supported its strong and vibrant Home Ownership Centers. Located throughout all of Vermont's fourteen (14) counties, the Homeownership Centers provide financial counseling and homebuyer education to low and moderate income individuals and households to expand homeownership opportunities. Private sector lenders have also worked with the Home Ownership Centers to expand lending to low and moderate- income individuals and households.

Proposed Action I: Identify effective ways for the State, local units of government, fair housing advocates, certified housing counselors, and financial lenders to continue their work to increase home ownership among minorities, residents of LMI census tracts, and LMI residents. Such methods include:

- Continuing to expand sustainable home ownership opportunities through financial literacy education, including credit counseling and pre- and post-home purchase education.
- Providing lending, credit, and banking services in LMI census tracts and minority census tracts.
- Continuing marketing and outreach efforts of affordable mortgage products that are targeted for residents of LMI census tracts, LMI residents, and minorities.

Proposed Action II: DEHCD should adopt a Section 3 policy to ensure that employment and other economic and business opportunities generated by HUD assistance, to the greatest extent feasible, are directed to public housing residents and other LMI residents, particularly persons receiving government housing assistance, and business concerns that provide economic opportunities to low and very low- income residents.

ii. The State's supply of affordable housing that is accessible to persons with disabilities may be inadequate.

Over 40% of applicants on the public housing waiting list and 39.4% of applicants on the Section 8 waiting list include families or individuals with disabilities. However, it is unknown how many of the households with persons with disabilities require an accessible unit. This suggests a need for additional affordable rental housing units for persons with disabilities throughout Vermont.

Most new affordable housing projects sponsored by VHCB and VHFA exceed the minimum 5% mobility-accessible standard established by the Uniform Federal Accessibility Standards (UFAS).

The State of Vermont's Access Rules and visitability statute require that certain new residential construction and rehabilitation projects be adaptable and/or visitable for persons with disabilities. The Access Rules and visitability statute are fair housing achievements, particularly to address the needs of persons with mobility disabilities throughout Vermont and its elderly population that is aging in place. However, the Vermont visitability statute lacks an enforcement mechanism.

The lack of a clearinghouse, or "one-stop shop," for information on applicable federal and state accessibility requirements and the State's plan review processes was identified as an impediment to fair housing choice by stakeholders, including developers, architects and funders, prior to and during the development of this AI.

DEHCD, the Vermont Department of Public Safety, VCIL, and the Vermont Chapter of the American Institute of Architects (AIA) should work together on the creation and promotion of education and training sessions relative to federal and state accessibility requirements and the State's plan review processes. Accessibility compliance training, especially among architects throughout the State, is needed. Additional education and training will lead to a better understanding of various codes and procedures and ultimately, insurance that new and rehabilitated housing units adhere to all applicable laws and regulations.

There is a large amount of anecdotal evidence that supports the need for more accessible housing units in Vermont. But there is a lack of statistical data to support this need. To determine the actual need in the State for additional accessible units, DEHCD should partner with advocacy organizations and other state agencies and departments to identify existing accessible units and to survey the existing and projected demand for such units, including the types of disabilities that need to be provided for. The State should also build upon VHFA's Directory of Affordable Rental Housing to create a statewide database of all identified publicly- and privately-funded accessible housing units to better serve the identified need.

VCIL's provision of funds, through its Home Access Program (HAP), to private families living in housing land trust (HLT) units and public housing authority (PHA) units to make reasonable accommodation improvements is a good use of funds and should continue as a way to provide accessible units.

Proposed Action I: DEHCD, in partnership with state agencies, fair housing organizations, and disability advocacy organizations, should coordinate monitoring efforts to ensure that publicly-financed new residential construction and rehabilitation projects comply with all applicable federal and state accessibility requirements and are adaptable and visitable, at least to the extent required by law, for persons with disabilities.

Proposed Action II: DEHCD should partner with disability advocacy organizations to develop a Request for Qualifications for ADA consultants to provide technical assistance to CDBG and HOME grantees and to certify upon completion of each funded project that it is ADA compliant.

Proposed Action III: DEHCD, the Vermont Department of Public Safety, VCIL, and the Vermont Chapter of the American Institute of Architects (AIA) should work together on the creation and promotion of education and training sessions relative to federal and state accessibility requirements and the state's plan review processes. Accessibility compliance training, especially among architects throughout the State, is needed. Additional education and training will lead to a better understanding of various codes, requirements, and plan review processes and ultimately, insurance that new and rehabilitated housing units adhere to all applicable laws and regulations.

Proposed Action IV: DEHCD should partner with advocacy organizations and other state agencies and departments to identify existing publicly- and privately-funded accessible units and to survey the existing and projected demand for such units, including the types of disabilities that need to be provided for. The State should also build upon VHFA's Directory of Affordable Rental Housing to create a statewide database of all identified publicly and privately-funded accessible housing units to better serve the identified need.

Proposed Action V: The State should continue to provide funding to VCIL for its Home Access Program. This will enable VCIL to maintain its efforts to keep persons with disabilities housed in accessible units.

Proposed Action VI: VHFA should continue to incorporate Universal Design as a Top Tier Priority in its QAP.

iii. The State's supply of decent, affordable housing remains inadequate.

The loss of affordable rental units over the past decade has been significant in the State. In Vermont, almost 12,000 units renting for less than \$500 a month were lost between 2000 and 2010. During the same period, the number of units renting for more than \$1,000 increased by over 13,000 units, or 477.8%.

There is a relative shortage of larger rental units throughout the State. Among rental units in Vermont, less than 30% had three or more bedrooms. By comparison, 74.7% of owner-occupied units had at least three bedrooms. An inadequate inventory of larger units can lead to overcrowding, increased wear and tear, and substandard living conditions for large families.

Over 50% of Section 8 applicants are families with children. This suggests a need for additional affordable rental housing units for families throughout Vermont.

Proposed Action I: Through the efforts of DEHCD, VHFA, and VHCB, the State should continue to strike a balance in investing in both impacted and non-impacted areas. Specifically, the State should continue to balance its CDBG and HOME investments between the revitalization of impacted areas and the creation of new housing in non-impacted areas, such as in more rural, affluent communities.

Proposed Action II: VHCB should implement its newly drafted HOME Site and Neighborhood Standards Policy and Checklist.

Proposed Action III: Whenever feasible, local government entities throughout the State of Vermont should reduce or waive impact fees for area developers and nonprofit organizations seeking to build affordable housing units, including both renter and owner units. This practice will encourage additional affordable housing development and promote greater housing choice.

iv. The State's process for allocating and reporting CDBG and HOME funds is quite elaborate and extensive but could be improved from a fair housing perspective.

DEHCD submits the names of all municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving a funding request from a municipality. In this way, DEHCD strives to avoid granting CDBG funds to a jurisdiction which may be engaged in discriminatory behavior relative to fair housing provisions.

Municipal recipients of CDBG funds throughout the State are required to attend a fair housing training as a condition of receiving their respective CDBG funding awards.

Like the CDBG program, recipients of HOME funds are now required to attend a fair housing training program. Organizations that receive HOME funds will benefit greatly from attending a fair housing training session. This training should provide HOME recipients with proper education and information on their obligation to affirmatively further fair housing through the marketing and leasing of HOME-funded housing units.

When preparing future CAPERs, DEHCD should map the addresses of all new affordable housing initiatives financed with public funds to depict their location relative to impacted areas. This practice will enable the State to better demonstrate its various accomplishments in affirmatively furthering fair housing.

Federal regulation requires grantees such as the State of Vermont to adopt affirmative marketing procedures and requirements for all CDBG-assisted housing with five or more units. The State should amend the HOME Affirmative Marketing Plan so that it also explicitly applies to CDBG-assisted housing with five or more units.

Acquisition, disposition, rehabilitation, construction, and homeownership assistance are all CDBG-eligible housing activities. The State does not always allocate CDBG for these activities in a given program year, but expanding the scope of the Affirmative Marketing Plan would ensure that CDBG-funded housing activities are held to the same standard as those funded through the HOME program.

Proposed Action I: DEHCD should continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. This requirement was recently expanded to include recipients of HOME funds and VHFA-funded project developers.

Proposed Action II: DEHCD should continue to submit municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving funding requests.

Proposed Action III: In its yearly CAPER documents submitted to HUD, DEHCD should map the addresses of all new affordable housing initiatives financed with public funds to depict their location relative to impacted areas.

Proposed Action IV: DEHCD and VHCB should amend the HOME Affirmative Marketing Plan so that it also explicitly applies to CDBG-assisted housing with five or more units.

Proposed Action V: DEHCD should initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing. This action will achieve the State's regulatory obligation to maintain records reflecting the actions taken to eliminate housing discrimination and affirmatively further fair housing choice.

Proposed Action VI: DEHCD should develop an MOU among all of the State's Fair Housing stakeholders, such as VHCB, VHFA, VHRC, the Public Housing Authorities, Vermont Legal Aid,

and CVOEO, to provide for a systematic annual reporting of each organization's fair housing activities and the establishment of a unified database of such activities.

v. Several State policies could be improved from a fair housing perspective.

Stakeholders throughout the AI process cited state and municipal permitting appeals processes as potential impediments to fair housing by subjecting affordable housing developments to costly and lengthy legal challenges by NIMBYists.

The State currently does not review individual comprehensive plans or zoning ordinances to ensure compliance with the Fair Housing Act or the State's Planning and Development Act. The reviews of municipal fair housing and land use planning regulations completed in Chittenden County and Lamoille County by CVOEO are valuable tools that should be replicated in other communities statewide. These extensive reviews of municipal planning, land use, and zoning regulations, along with comprehensive plans, provided municipalities within the two counties with the knowledge and information necessary to ensure the various communities are affirmatively furthering fair housing through their respective municipal policies and procedures.

The NRB and ANR recently published a report entitled "Report on Improving Vermont's Environmental Protection Process," dated December 16, 2011. The Report identifies numerous options to increase efficiency in state permitting processes and streamline the appeals process as it relates to state environmental permitting, and concludes that: 1) the Act 250 process works quite well; 2) ANR can improve some of its processes through internal changes; and 3) the appeals process needs major improvements. Interestingly, the Report notes "comments from diverse participants in this process recognized that limiting party status does not really prevent the "NIMBYs" or those that use an environmental issue for other purposes, and that the process needs to be open and accessible for it to have credibility.

Proposed Action I: VHFA should continue the following Top Tier Priorities that encourage affordable housing development in non-impacted areas:

- Development may occur in "ski areas," which are generally rural, more affluent, and predominantly White areas with high cost housing. This helps to prevent concentration of affordable housing in Vermont's villages and urban centers.
- If developments are constructed in communities where there is a lack of affordable housing, the project meets a Top Tier Priority.
- Given the demand for more general occupancy housing units throughout the State, VHFA has made this a Top Tier Priority. This enables low-income families to move into communities that previously provided only age-restricted affordable housing.
- To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement.

Proposed Action II: DEHCD should continue to work with CVOEO to develop and implement a monitoring process through which they review a select number of municipal bylaws and plans of CDBG grantees each year for best fair housing practices and potential discriminatory provisions. DEHCD should provide adequate funding for this yearly activity and should not approve funding requests for municipalities found to have discriminatory land use provisions.

Proposed Action III: DEHCD and CVOEO should continue to partner with regional planning commissions throughout the State to complete additional reviews of municipal fair housing and land use planning regulations to ensure these communities are affirmatively furthering fair housing choice. Furthermore, the checklists included in the Chittenden County review should be replicated and distributed for use by other counties and regions throughout the State.

Proposed Action IV: The State, including DEHCD, should support the NRB's and ANR's efforts to further improve the Act 250 process as outlined in the "Report on Improving Vermont's Environmental Protection Process" allowing for transparency and accountability while at the same time streamlining the appeals process.

vi. Policy documents utilized by Public Housing Authorities throughout the State could be improved from a fair housing perspective.

Seven public housing authorities' ("PHA") Admissions and Continued Occupancy Plans ("ACOPs") were reviewed as part of this analysis. Only one of the ACOPs addressed all of the necessary topics (see Figure 4-4) and the remaining six did not address several key issues relative to affirmatively furthering fair housing.

A total of eight public housing Section 8 Admin Plans were reviewed as part of this analysis. Three of the Admin Plans addressed all of the necessary topics and were found to be in compliance with the Fair Housing Act while the remaining five did not include several key issues relative to affirmatively furthering fair housing.

Proposed Action I: With the exception of the Rutland Housing Authority, as the various PHAs review and update their respective ACOPs, these policies should be revised to address all nine necessary topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

Proposed Action II: As the various PHAs review and update their respective Section 8 Admin Plans, the Barre, Bennington, Montpelier, St. Alban's City, and Springfield Housing Authorities should revise their plans to address all nine topics to ensure that all Vermont PHAs have in place policies that affirmatively further fair housing.

vii. The majority of fair housing complaints filed through HUD and VHRC involved disability and familial status (e.g. presence of minors) as the bases for discrimination.

Disability was the most common alleged basis for discrimination, followed by familial status, e.g. the presence of minor children.

Discrimination based on the receipt of public assistance is difficult to prove and many households searching for rental housing units through the Section 8 program are unaware they are being discriminated against when they are denied a housing unit based on the use of a Section 8 voucher.

These trends indicate a need for continued testing, fair housing education and outreach, and enforcement of fair housing laws, particularly among landlords.

Proposed Action I: DEHCD should continue to provide funding to the Fair Housing Project of CVOEO to provide fair housing training, education, and outreach services.

Proposed Action II: CVOEO should conduct outreach, research, and analysis regarding national origin/ancestry discrimination and public assistance/Section 8 discrimination among landlords and property management companies in the rental housing market.

viii. Members of the protected classes could be more fully represented on State boards and commissions dealing with housing issues.

There is a lack of Hispanics and persons with disabilities on selected boards and commissions in the State of Vermont. The experiences and perspectives of members of the protected classes

would enhance decision-making processes in the State and offer the opportunity for greater advancement of fair housing choice in all aspects of government.

Proposed Action: The State should ensure that its outreach efforts in making gubernatorial appointments to boards and commissions includes a directed effort to solicit applications from members of classes protected by the federal and state Fair Housing Acts.

ix. There is a need for continued fair housing testing, education, training, and outreach.

Refugee populations, centered in the Burlington-Winooski metro area, may face additional challenges in acquiring and maintaining decent, affordable housing. Refugees face unique challenges in obtaining decent housing, including limited credit histories, lack of knowledge of housing rights, large families, and limited English proficiency. The results of testing conducted by Vermont Legal Aid between 2009 and 2011 indicate discrimination based on race/color and national origin is occurring in the rental market.

Throughout the development of the AI, state and local permitting processes were identified as potential impediments to fair housing choice because they are often subject to community opposition and NIMBYism and because permitting officials are often unaware of their responsibilities to affirmatively further fair housing and to comply with the federal and state Fair Housing Acts when making permitting decisions involving housing.

Fair housing training and education should be provided to Act 250 administrators and members of municipal development review boards, zoning boards of appeals, and planning commissions throughout the State.

Proposed Action I: DEHCD should continue to provide funding to the Fair Housing Project of CVOEO to provide fair housing training, education, and outreach services. The Fair Housing Project should provide these services to code officials, tenants, municipal officials, landlords, land trusts, CHDOs, various property management companies, and realtors.

Proposed Action II: DEHCD should continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. This requirement was recently expanded to include recipients of HOME funds and VHFA-funded project developers.

Proposed Action III: DEHCD should expand its fair housing training opportunities by creating an online training course more easily accessible to municipal officials and grantees of federal funds.

Proposed Action IV: The State, through DEHCD, should develop a Fair Housing Training Guide for permitting officials and affordable housing developers to ensure everyone involved in the development of affordable housing is aware of their legal rights and obligations under the federal and state Fair Housing Acts.

x. “Not in My Backyard” (NIMBY) can be found in any community and has a direct effect on the ability to develop affordable housing.

As discussed in earlier sections of this AI, the phenomenon known as NIMBY (“Not in My Backyard”) is a significant factor that can impede the development of affordable housing, including group homes, public housing, and numerous other housing programs. It usually refers to citizen-directed actions aimed at preventing the development of affordable housing in or near an existing residential community. NIMBY attitudes are not just confined to members of the general public. There is also the potential that elected officials and local volunteer board members may impose their own NIMBY inclinations when acting in an official capacity in the approval or permitting of an affordable housing development. NIMBYism is often rooted in fear and suspicion of people who will occupy affordable housing; people who are different from the neighborhood’s current residents. Myths about the effects of affordable housing and special-use housing are prevalent. This makes approvals of affordable housing developments difficult since such developments often invoke a negative connotation in the minds of many middle and upper income property owners. Concerns about overcrowding schools and imposing undue burdens on other community resources are often pretexts for discriminatory animus. References to “crime” and “those people” are often thinly veiled code words for low and moderate-income individuals and families, and racial and ethnic minorities.

Proposed Action: At the urging of the State of Vermont, committees in both the Vermont House of Representatives and the Vermont Senate approved bills that would make it unlawful to discriminate in land use decisions and permitting of housing because a project would contain affordable housing during the 2012 legislative session. The State of Vermont should continue to support the enactment of this important legislation that would serve as a tool against NIMBYism, arising from the general public and from permitting officials.

xi. Public transit service is largely limited to higher-density, developed areas and does not accommodate persons working second and third shifts.

Transit-dependent Vermonters are restricted in their employment opportunities due to the limited service hours and routes offered by the State’s public transportation providers. With the lack of available 24-hour service and limited 12-hour service, persons who work second and third shifts do not have public transportation available to them to ensure uninterrupted employment.

Given the limited amount of local and state funding earmarked for public transportation, VTrans continues to offer innovative programs and initiatives to help address the transit needs of households throughout the State, including programs such as “Go Vermont.”

Proposed Action I: Identify opportunities for the development of medium density affordable family housing along existing transit routes. Collaborate with VTrans and public transportation providers throughout the State to serve these areas with public transit.

Proposed Action II: VTrans should continue to offer innovative programs to address the transit and commuting needs of households throughout the State, including the “Go Vermont” program.

xii. Mobile homes and mobile home parks are often located in floodplains and areas vulnerable to severe impacts from natural disasters.

As noted previously, mobile homes experienced a significant share of the damage caused by Tropical Storm Irene. While mobile homes provide an important affordable ownership option to Vermonters, their value, location and low-resistance to water damage can create additional obstacles to recovery following a disaster. Few Vermonters have significant discretionary



resources with which to secure replacement housing. Securing financing to purchase a new mobile home is too often out of reach. While continued aid from Homeownership Centers and private resources will flow to mobile homeowners to secure replacement housing and defray the cost of removing destroyed mobile homes, these are short-term stopgaps for the bigger and more complex issues.

Proposed Action I: The State should continue supporting First Stop Grant funding for CVOEO's Mobile Home Project to provide technical assistance to mobile home residents on financing the purchase of mobile homes and mobile home parks.

Proposed Action II: The State should address delays in FEMA's appeal process due to lack of condemnation by developing a state process to condemn homes or declare them uninhabitable.

Proposed Action III: DEHCD should work with its partners to assist in identifying appropriate locations to relocate mobile homes and mobile home parks located in floodplains.

B. Private Sector

- i. **The Vermont Association of Realtors (VAR) requires ample fair housing education requirements through its licensure and continuing education requirements. However, VAR does not have an established relationship with VHRC or CVOEO.**

Proposed Action I: The Vermont Association of Realtors should partner with the Vermont Human Rights Commission to reinstitute regularly scheduled fair housing education opportunities available through the VHRC to VAR members.

Proposed Action II: CVOEO should establish a partnership with local Realtor associations throughout the State to provide fair housing training that is mandated as part of Realtors' continuing education requirements.

- ii. **Several newspapers throughout the State do not comply with federal fair housing requirements.**

The real estate classified sections of eight newspapers in Vermont were reviewed as part of this analysis. The publisher's policies for several of the newspapers were not available in the print versions nor were these policies easily accessible online. In addition, several large real estate brokerage firms did not include the equal housing opportunity logo in their banner ads. Only one advertisement was found to include discriminatory language.

Fair housing education, particularly among real estate brokers, real estate sales persons, and advertising professionals, is needed in the State of Vermont. In addition, continued monitoring of real estate ads should be conducted by fair housing advocacy organizations in order to ensure that real estate ads placed in newspaper publications throughout Vermont comply with the Fair Housing Act.

Proposed Action: The Fair Housing Project of CVOEO and Vermont Legal Aid should continue to monitor real estate ads placed in newspaper publications, both print and online versions, to educate publishers of the legal requirements for such ads and to ensure compliance with the Fair Housing Act.

10. Fair Housing Action Plan

Based on the identified impediments to fair housing choice and the proposed actions included in Section 9, the following Fair Housing Action Plan has been developed. The format of this chart should more easily facilitate the completion of the State of Vermont's Annual Plan and CAPER documents. Each year during the Annual Plan process, the State will identify the strategies it will undertake to affirmatively further fair housing. At the end of each program year, progress made toward achievement of the strategies will be reported in the State's CAPER.

Figure 10-1
Fair Housing Action Plan

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #1: Minority households in Vermont have greater difficulty becoming homeowners.						
Increase homeownership opportunities among minority and lower income households	A. Identify effective ways for the State, local units of government, fair housing advocates, certified housing counselors, and financial lenders to continue their work to increase homeownership among minorities, residents of LMI census tracts, and LMI residents. Potential strategies include increased education, marketing, and outreach efforts.	A. DEHCD, other State agencies, local units of government, fair housing advocacy organizations, area lenders, and homeownership counseling agencies	A. Documentation of education and outreach sessions conducted	A. Ongoing	A. TBD	A.
	B. DEHCD should adopt a Section 3 policy to ensure that employment and other economic and business opportunities generated by HUD assistance, to the greatest extent feasible, are directed to public housing residents and other LMI residents, particularly persons receiving government housing assistance, and business concerns that provide economic opportunities to low and very low- income residents.	B. DEHCD	B. Documentation that policy was approved and has been implemented	B. 2012-2013	B. TBD	B.

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #2: The State's supply of affordable housing that is accessible to persons with disabilities may be inadequate.						
Increase the supply of accessible, affordable housing throughout the State	A. Coordinate monitoring efforts to ensure that publicly-financed new residential construction and rehabilitation projects comply with all applicable federal and state accessibility requirements.	A. DEHCD, state agencies, fair housing organizations, and disability advocacy organizations	A. Documentation of monitoring efforts	A. Ongoing	A. TBD	A.
	B. Partner with disability advocacy organizations to develop a RFQ for ADA consultants to provide technical assistance to CDBG and HOME grantees.	B. DEHCD , VHCB, VCIL	B. Copy of RFQ and contract(s) with consulting firm(s)	B. 2012-2013	B. TBD	B.
	C. Create and promote education and training sessions relative to federal and state accessibility requirements and the state's plan review processes.	C. DEHCD, Vt. Dept. of Public Safety, VCIL, and Vermont Chapter of AIA	C. Copy of curriculum used at trainings and sign-in sheets	C. Ongoing	C. TBD	C.
	D. Partner with advocacy organizations and other state agencies to identify existing accessible units and to survey the existing and projected demand for such units. Build upon VHFA's existing database to create a statewide database of all identified publicly and privately-financed accessible housing units.	D. DEHCD, VCIL, HRC, CVOEO, VHFA, VHCB	D. Documentation that survey and database were completed	D. 2013-2014- (Survey); 2014-2016 (database)	D. TBD	D.
	E. Continue to provide funding to VCIL for its Home Access Program.	E. VHCB, DEHCD	E. List of VCIL's accomplishments through funding provided	E. Ongoing, As-needed	E. TBD	E.
	F. Continue to incorporate Universal Design as a Top Tier Priority in the State's QAP.	F. VHFA	F. Documentation from QAP	F. Ongoing	F. TBD	F.
Impediment #3: The State's supply of decent, affordable housing remains inadequate.						
Increase the supply of decent, affordable housing throughout the State	A. Continue to strike a balance in investing in both impacted and non-impacted areas.	A. DEHCD, VHCB, VHFA	A. Percentage of units built in impacted vs. non-impacted areas	A. Ongoing	A. TBD	A.
	B. Implement the newly drafted HOME Site and Neighborhood Standards Policy and Checklist.	B. VHCB	B. Documentation that policy was implemented	B. 2012	B. TBD	B.
	C. Whenever feasible, local government entities throughout the State of Vermont should reduce or waive impact fees for area developers and nonprofit organizations seeking to build affordable housing units, including both renter and owner units.	C. Local units of government	C. Documentation that fees were waived	C. Ongoing	C. TBD	C.

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #4: The State's process for allocating and reporting CDBG and HOME funds is quite elaborate and extensive but could be improved from a fair housing perspective.						
Improve processes for allocating and reporting investments of state and federal funds to ensure compliance with applicable laws and regulations	A. Continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. Expand this requirement to recipients of HOME funds and VHFA-funded developers through recently adopted policies of VHCBC and VHFA.	A. DEHCD, VHCBC, VHFA	A. Documentation from training sessions; sign-in sheets	A. Ongoing	A. TBD	A.
	B. Continue to submit municipal CDBG applicants to the VHRC to confirm whether or not there are any fair housing concerns in a jurisdiction prior to approving funding requests.	B. DEHCD	B. Documentation that municipal reviews were completed	B. Annually	B. TBD	B.
	C. Map the addresses of all new affordable housing initiatives financed with public funds in the yearly CAPER.	C. DEHCD	C. Copy of map	C. Annually	C. TBD	C.
	D. Amend the HOME Affirmative Marketing Plan so that it also explicitly applies to CDBG-assisted housing with five or more units.	D. DEHCD and VHCBC	D. Documentation that Plan was amended	D. 2012	D. TBD	D.
	E. Initiate a Fair Housing Log to record activities undertaken throughout the year to affirmatively further fair housing.	E. DEHCD	E. Copy of Fair Housing Log	E. Ongoing	E. TBD	E.
	F. Develop an MOU among Fair Housing stakeholders to provide for a systematic annual reporting of fair housing activities and a unified	F. DEHCD	F. Copy of MOU, annual reports, and database	F. 2012-2013	F. TBD	F.

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #5: Several State policies could be improved from a fair housing perspective.						
Amend State policies to be in compliance with all applicable federal laws and authorities	A. Continue the Top Tier Priorities that encourage affordable housing development in non-impacted areas within the QAP.	A. VHFA	A. Documentation of policies remaining part of the QAP	A. Ongoing	A. TBD	A.
	B. Continue to work with CVOEO to develop and implement a monitoring process through which a select number of municipal bylaws and plans of CDBG grantees are reviewed.	B. DEHCD	B. Documentation of municipal laws and plans reviewed	B. Annually	B. TBD	B.
	C. Continue to partner with regional planning commissions throughout the State to complete additional reviews of municipal fair housing and land use planning regulations.	C. DEHCD, CVOEO, RPCs	C. Copies of reviews completed	C. Ongoing	C. TBD	C.
	D. Support the NRB's and ANR's efforts to further improve the Act 250 process.	D. DEHCD, other statewide agencies and departments	D. Documentation of support	D. Ongoing, As needed	D. TBD	D.
Impediment #6: Policy documents utilized by Public Housing Authorities throughout the State could be improved from a fair housing perspective.						
Amend PHA policies to be in compliance with all applicable federal laws and authorities	A. Revise ACOPs to address all nine necessary topics to ensure that fair housing choice is being afforded to members of the protected classes.	A. Various PHAs throughout the State	A. Documentation that ACOPs were amended	A. 2012-2013	A. TBD	A.
	B. Revise Section 8 Admin Plans to address all nine topics to ensure that fair housing choice is being afforded to members of the protected classes.	B. Various PHAs throughout the State	B. Documentation that Admin Plans were amended	B. 2012-2013	B. TBD	B.

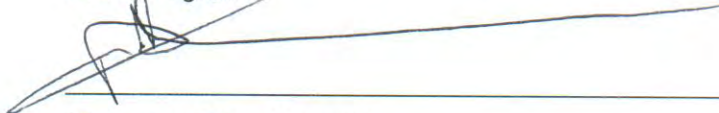
Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #7: The majority of fair housing complaints filed through HUD and VHRC involved disability and familial status (e.g. presence of minors) as the bases for discrimination.						
Support fair housing education and outreach programs and research and analysis to reduce housing discrimination	A. Continue to provide funding to the Fair Housing Project of CVOEO to provide fair housing training, education, and outreach services.	A. DEHCD	A. Documentation of funding allocated to CVOEO; List of CVOEO's accomplishments	A. Annually	A. TBD	A.
	B. Conduct outreach, research, and analysis regarding national origin/ancestry discrimination and public assistance/Section 8 discrimination among landlords and property management companies in the rental housing market.	B. CVOEO	B. Results of research and analysis	B. Ongoing	B. TBD	B.
Impediment #8: Members of the protected classes could be more fully represented on State boards and commissions dealing with housing issues.						
Ensure that members of the protected classes are represented on appointed boards and commissions dealing with housing issues	The State should ensure that its outreach efforts in making gubernatorial appointments to boards and commissions includes a directed effort to solicit applications from members of classes protected by the federal and state Fair Housing Acts.	Various state departments and agencies	Documentation that efforts were made to recruit members of the protected classes on serve on selected boards and commissions	Annually	TBD	
Impediment #9: There is a need for continued fair housing testing, education, training, and outreach.						
Increase and enhance fair housing outreach and education efforts throughout the State	A. Continue to provide funding to organizations such as the Fair Housing Project of CVOEO to provide fair housing training, testing, education, and outreach services.	A. DEHCD	A. Documentation of funding allocated to CVOEO; List of VLA's and CVOEO's accomplishments	A. Annually	A. TBD	A.
	B. Continue to require municipal recipients of CDBG funds to attend a fair housing training as a condition of receiving CDBG funds. Expand this requirement to recipients of HOME funds and VHFA-funded developers through recently adopted policies of VHCB and VHFA.	B. DEHCD, VHCB, VHFA	B. Documentation from training sessions; sign-in sheets	B. Ongoing	B. TBD	B.
	C. Expand fair housing training opportunities by creating an online training course more easily accessible to municipal officials and grantees of federal funds.	C. DEHCD	C. Documentation that online course is complete; number of participants	C. 2012-2013 (development and set up); Ongoing	C. TBD	C.
	D. Develop a Fair Housing Training Guide for permitting officials and affordable housing developers	D. DEHCD	D. Copy of Fair Housing Training Guide	D. 2013-2014	D. TBD	D.

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #10: "Not in My Backyard" (NIMBY) can be found in any community and has a direct effect on the ability to develop affordable housing.						
Promote and support affordable housing developments by discouraging NIMBYism	Continue to support the enactment of legislation approved by the Vermont House of Representatives and Senate that would make it unlawful to discriminate in land use decisions and permitting of housing because a project contains affordable housing.	DEHCD, VHCB, VHFA, CVOEO, other state agencies and departments, housing providers, and housing developers	Attendance at hearings and documentation that support has been provided (e.g. letters, emails, other correspondences), etc.	Ongoing, as-needed	TBD	
Impediment #11: Public transit service is largely limited to higher-density, developed areas and does not accommodate persons working second and third shifts.						
Increase access to public transit options for minority and LMI households	<p>A. Identify opportunities for the development of medium density affordable family housing along existing transit routes. Collaborate with VTrans and public transportation providers throughout the State to serve these areas with public transit.</p> <p>B. Continue to offer innovative programs to address the transit and commuting needs of households throughout the State, including the "Go Vermont" program.</p>	<p>A. DEHCD, VHCB, VHFA, other state agencies and departments, housing providers, housing developers, and VTrans</p> <p>B. VTrans</p>	<p>A. Documentation from meetings held to discuss transit service; Map highlighting targeted areas for transit expansion ; other evidence of efforts.</p> <p>B. List of participants in "Go Vermont" program</p>	<p>A. Ongoing</p> <p>B. Ongoing</p>	<p>A. TBD</p> <p>B. TBD</p>	<p>A.</p> <p>B.</p>
Impediment #12: Mobile homes and mobile home parks are often located in floodplains and areas vulnerable to severe impacts from natural disasters.						
Provide assistance to households living in mobile homes and mobile home parks that have been affected by natural disasters such as flooding	<p>A. Continue to support First Stop Grant funding for CVOEO's Mobile Home Project to provide technical assistance to mobile home residents on financing the purchase of mobile homes and mobile home parks.</p> <p>B. Address delays in FEMA's appeal process due to lack of condemnation by developing a state process to condemn homes or declare them uninhabitable.</p> <p>C. Work with partners to assist in identifying appropriate locations to relocate mobile homes and mobile home parks located in floodplains.</p>	<p>A. DEHCD and other state agencies</p> <p>B. DEHCD and other state agencies</p> <p>C. DEHCD and partner organizations</p>	<p>A. Number of residents assisted through First Stop program</p> <p>B. Number of homes condemned or declared uninhabitable</p> <p>C. Locations identified for relocation of mobile homes and mobile home parks; number of homes relocated</p>	<p>A. Ongoing</p> <p>B. Ongoing</p> <p>C. Ongoing</p>	<p>A. TBD</p> <p>B. TBD</p> <p>C. TBD</p>	<p>A.</p> <p>B.</p> <p>C.</p>

Goals	Strategies to Meet Goals	Responsible Entities	Benchmark	Year to be Completed	Proposed Investment	Date Completed
Impediment #13: The Vermont Association of Realtors (VAR) requires ample fair housing education requirements through its licensure and continuing education requirements. However, VAR does not have an established relationship with VHRC or CVOEO.						
Support fair housing education and outreach programs to reduce housing discrimination in real estate practices	A. Reinstitute partnership between the Vermont Human Rights Commission and the VAR to provide regularly scheduled fair housing education opportunities available through the VHRC to VAR members.	A. VAR , VHRC	A. Documentation that regular education opportunities were offered; Sign-in sheets from trainings	A. Ongoing	A. TBD	A.
	B. Establish a partnership with local Realtor associations throughout the State to provide fair housing training that is mandated as part of Realtors' continuing education requirements.	B. CVOEO	B. Documentation that trainings were provided; Sign-in sheets from trainings	B. Ongoing	B. TBD	B.
Impediment #14: Several newspapers throughout the State do not comply with federal fair housing requirements.						
Eliminate discriminatory language in real estate advertisements	Continue to monitor real estate ads placed in newspaper publications, both print and online versions, to educate publishers of the legal requirements for such ads and to ensure compliance with the Fair Housing Act.	CVOEO and VLA	Documentation that monitoring activities were completed	Ongoing	TBD	

11. Signature Page for the State of Vermont

By my signature I certify that the Analysis of Impediments to Fair Housing Choice for the State of Vermont is in compliance with the intent and directives of the regulations of the Community Development Block Grant Program.



(Governor Peter Shumlin)

5/23/2012

Date



12. Appendix A: Stakeholder List

- Vermont Department of Economic, Housing and Community Development (DEHCD)
- Vermont Housing Finance Agency (VHFA)
- Vermont Housing & Conservation Board (VHCB)
- Vermont State Housing Authority (VSHA)
- Vermont Human Rights Commission (VHRC)
- Vermont Legal Aid
- Champlain Valley Office of Economic Opportunity (CVOEO)
- Vermont Center for Independent Living (VCIL)
- Brattleboro Housing Authority
- Rutland Housing Authority
- Montpelier Housing Authority
- Barre Housing Authority
- Winooski Housing Authority
- Housing Vermont

The following list provides a summary of one-on-one and group interviews conducted by M&L during May 2011:

May 23, 2011

- Meeting with Julie Kelliher, Ann Karlene Kroll, and Jennifer Hollar, DEHCD
- Meeting with Kathy Berk and Arlene Shorten-Goodrich, VSHA

May 24, 2011

- Robert Appel, VHRC
- Kevin Stapleton and Dani Fuoco, CVOEO
- Joann Troiano, Montpelier HA; Chip Castle, Louisa Olson, and Debbie Lakus, Barre HA; Kevin Loso, Rutland HA; and Bill Morlock, Springfield HA
- Janet Dermody, VCIL

May 25, 2011

- Josh Hanford, CDBG Program
- Willa Davidian and Gus Seelig, VHCB
- Eric Schmidt, Housing Vermont
- Sarah Carpenter and Joe Erdelyi, VHFA

In addition, the following interviews were conducted via phone throughout the AI process:

October 2011

- Tess Kennedy, VAR
- Rachel Batterson, VLA

In addition, invitations for local focus groups were sent to staff at each Regional Planning Commission and Housing Trust in the state, all 1,100 individuals who receive the Fair Housing Project's quarterly newsletter and a host of other agencies, firms, and groups with an interest in fair housing. No specific demographic or professional mix was attempted, and all who wished to participate were allowed to attend.



13. Appendix B: Summary of CVOEO's AI Focus Groups

INTRODUCTION

The Fair Housing Project of the Champlain Valley Office of Economic Opportunity conducted six focus groups as part of the Vermont Agency of Commerce and Community Development's 2011 Analysis of Impediments to Fair Housing Choice. These focus groups were designed to provide insight into possible impediments from a wide range of participants across the state. Electronic invitations were sent to approximately 1,300 people. Each focus group was open to all invitees.

METHODS

Geographically, the sessions were arranged so that people from all 14 counties could participate. At least one session occurred within an hour's drive for just about every Vermonter. Host towns and dates were as follows:

Date	Location	Attendees
June 8, 2011	Burlington	17
June 9, 2011	Brattleboro	9
June 14, 2011	Barre	7
June 15, 2011	West Rutland	7
June 16, 2011	Lyndonville	8
June 28, 2011	St Albans	3

Invitations were sent to staff at each Regional Planning Commission and Housing Trust in the state, all 1,100 individuals who receive the Fair Housing Project's quarterly newsletter and a host of other agencies, firms and groups with an interest in fair housing. No specific demographic or professional mix was attempted, and all who wished to participate were allowed to attend.

Each session started with a brief introduction explaining the purpose of the focus groups. This included a cursory introduction to fair housing and protected classes followed by examples of both direct discrimination and discriminatory actions by municipalities and other decision-making bodies. Finally, participants were informed of the following:

- An audio recording of the session would be made.
- A note-taker would be keeping a written account of comments. These comments would inform the report but would not include the identity of the speaker.
- The Fair Housing Project will accept and incorporate any written comments provided to us after the session but before submission of this report to DEHCD.

After those introductory comments, participants were asked a series of three questions and asked to respond and discuss. A facilitator guided the discussion and asked follow up questions. The three questions:

1. Have you, or anyone you know, experienced housing discrimination?
2. Are there instances or circumstances in your community that you think may be discriminatory?
3. In your opinion, what is the biggest obstacle to fair housing choice?
 - In your community
 - Region
 - State

While these questions were used to guide the discussion, participants were given broad leeway to discuss any impediments to fair housing they identified or believed to exist. Because the discussions flowed from one question to the next without much change in observations, we chose to report the responses by topic area instead of by question asked.

Multiple participants made observations relating to eight broad categories of impediments. Those included housing affordability; disability discrimination; discrimination against recipients of public assistance; landlords / tenant law; familial status discrimination; planning and zoning; a shortage of transitional housing and race.

DISCUSSION

In the following pages, we summarize the responses for each category of impediments and include a brief discussion of the comments we received.

AFFORDABILITY

The impact of affordability on people in protected classes was a significant theme in each of the six focus groups. A lack of access to affordable housing was mentioned as an impediment for people with disabilities, who on average have lower incomes than other Vermonters. It was also mentioned as a barrier for families and minority population in and around Chittenden County. One dominant theme was the high cost of construction / development which made it very difficult to build affordable, family-size units. Landlords also expressed concern that Housing Trusts had a competitive advantage thanks to access to inexpensive capital.

An advocate for low-income individuals stated that s/he has seen a rise in the amount of “doubling up and couch surfing” in recent years. Others mentioned a “growing gap” between the amount of affordable housing being built and the need, feeling that not enough was being built. A legal advocate for low income individuals stated that we also need to answer the question “*Where* is the affordable housing being built?” His/her sense was that affordable housing was being concentrated into select neighborhoods.

One participant (an employee of one of the Housing Trusts) noted that many towns do not want more affordable housing, stating that they “have enough poor people”. This idea was repeated in two other groups. On a related note, the Housing Trust employee pointed out that many of the old homes in his/her area are too large and too expensive to maintain for most families today.

A community member who has worked to bring affordable housing to his/her small town stated that “for a small town, support for affordable housing is tough and the scale of the housing will have to be smaller. It’s just not as cost effective as putting it in a place like Rutland”. He also commented that most affordable housing programs don’t meet the needs of small communities because they require building so many units. Finally, he pointed out that the vacation homes in his community (near Okemo) drive up the prices of all housing.

Referring to the southeastern region of Vermont, one participant pointed out that there are significant vacancies but “people can’t afford them”. This led to two comments related to the livable wage and how that wage is between \$17 and \$19, well above most available jobs.

A Housing Trust Director estimated that the organization loses approximately \$250,000 per year renting 100 units to families. S/he pointed out that no one else in the areas is building affordable housing because it simply can’t be profitable. This was followed up with a discussion about whether or not the Housing Trusts have an unfair economic advantage with access to inexpensive capital for new construction vs. landlords trying to rent older homes.

RECEIPT OF PUBLIC ASSISTANCE / SECTION 8 HOUSING CHOICE VOUCHERS

Denial of tenancy based on receipt of public assistance was a significant topic of discussion at five of the six focus groups. Two subtopics were discussed at length: Whether or not landlords were required to accept housing choice vouchers, and how accepting vouchers impacted business. Multiple landlords expressed confusion as to whether or not they were mandated to participate. One asked whether Sec 8 and HAP requirements wouldn't be considered an alteration of their business model. For purposes of this report, issues related to landlords will be covered in the landlords /evictions section below.

A housing advocate expressed that s/he sees discrimination against Section 8 Housing Choice Voucher holders frequently. According to her clients, landlords tell them they "don't participate in the program". This was echoed by another housing advocate at the same group. An identical sentiment was expressed in a separate group, and in both cases it raised a discussion about how to inform clients of their rights and encourage them to use them. On a similar theme, an advocate in a third group stated that landlords tell her they don't allow people on state assistance in their units.

Some landlords in attendance appreciate the program and participate freely because they see it as a guaranteed source of payment. Others expressed that folks in poverty tend to be louder and that there is a stigma attached to low-income housing. This person also stated that there is a misconception that urban drug dealers come to Vermont and take part in the Section 8 program, so landlords fear renting to them.

One housing authority staff person stated that the agency has a list of landlords that it prefers not to do business with (due to earlier problems). The list is not made public, but when a client goes to a landlord on the list and is told "we don't participate in the program" it might be due to the agency refusing to do business with them. According to the staff person, this is done to protect the client.

Finally, one housing advocate stated that denials based on Section 8 are a "huge issue", and that "lots of people with vouchers don't know that denial is illegal."

DISABILITY

Disability discrimination was discussed in significant detail at one of the six focus groups, in part because the session was held near a very large community of people who are deaf. Despite the fact that inquiries related to disability discrimination are the plurality of calls we receive to our hotline, it was much less discussed at other trainings. The issue of discrimination against people who are deaf was discussed at length in one group - a subsection below is dedicated to the topic.

One participant stated that s/he often hears of reasonable accommodation requests being denied, a form of disability discrimination. S/he suspected that landlords need more training in this area. A landlord stated that RA's for animals can "bite" landlords. This LL has never heard of a doctor denying a request for an RA letter. S/he further stated that assistive animals are "across the board a negative experience for landlords." This, in his/her opinion, is the most abused thing about disability and fair housing.

One person who works with people with physical disabilities commented on accessibility in communities. Specifically, he wondered if the lack of sidewalks and very rough sidewalks in some neighborhoods could be an impediment to fair housing for people with limited mobility.

An advocate related the story of a grandmother who used a wheelchair in a southern Vermont town. She lived in subsidized housing, but the landlord refused to install a ramp at the door.

A case manager commented that there is growing need for first-floor accessible units, a concern that will intensify as more Vermonters age in place. Other comments related to disability included: A concern about what constitutes “undue financial burden”; An impediment created by requiring tenants to fund reasonable modifications in unsubsidized housing; Landlords denying people with mental illness because they present abnormal behaviors at showings, and landlords seeking private medical information about a disability before allowing an reasonable accommodation.

Discrimination against people who are deaf or hard of hearing.

The Austine School for the Deaf is located in southeastern Vermont. At a focus group in that region, a variety of examples of discrimination against people who are deaf/Hard of Hearing were provided. While disability discrimination appears to be a problem throughout the state, the extent of discrimination against people who are deaf in this region seems to be particularly acute. The discrimination appears in two forms: People being denied equal terms and conditions because they are deaf, and a host of concerns related to interpreter/translation accommodations.

An advocate for the deaf described two situations where a deaf couple were denied a return of their security deposit, and it appeared to her that the landlord was taking advantage of them because they were deaf.

The same advocate described a situation where a deaf couple was completing the purchase or sale of a home, and were denied an interpreter to complete the transaction. The advocate believes the son of the couple filled that role. Hearing children are sometimes pulled out of school to interpret for their deaf parents. Many parents are afraid they won’t receive services if they ask for help or complain.

One person expressed concern because the housing authority posts notifications in English, while most deaf people use ASL as their first language. This leads to miscommunications and landlords entering units without the tenants being aware.

Two people expressed concern that finding qualified interpreters was difficult and expensive. The Austine School has qualified interpreters but they often can not serve as unbiased translators because they know the deaf person.

Finally, a housing professional described a situation where a deaf woman lost her life during a tornado. The town’s warning sirens went off and most people took shelter, but she was unaware. S/he also mentioned the need for smoke/CO2 detectors that use a strobe light as well as a siren.

LANDLORD / TENANT LAWS, POLICIES & RELATIONS

This category is a catch-all for a variety of comments and concerns relating to landlord-tenant law in Vermont. Four of six focus groups included landlords or landlord representatives and four also included tenant legal advocates. There were two recurring theme throughout the groups: Evictions and housing standards. We address each below along with a sampling of other comments:

The impact of the eviction process and no-cause evictions on fair housing.

Some landlords contend that the eviction process is too slow and cumbersome, creating a situation where landlords aren’t willing to take much risk on a tenant. According to a landlord, this impact is significant enough that some landlords are choosing to leave units vacant. If

landlords were able to remove tenants in a timely manner, they'd be "willing to take a chance on riskier tenants". A Landlord Association director stated that he has researched eviction law in other states and that Vermont has one of the longest eviction periods.

Legal advocates expressed concern that no cause evictions could be used as a tool for discrimination. They also contend that when done properly the eviction process is quite swift. According to the advocates, the no-cause eviction is a major impediment to fair housing choice. Advocates also contend that illegal eviction and intimidation are sometimes a problem. Some tenants live in substandard housing and if they attempt to address concerns with a landlord they are evicted for no cause instead.

Housing Standards and Inspections.

Multiple landlords expressed concern with Section 8 Housing Quality Standards inspections. The primary complaint was a delay in getting the inspection, such that landlords would lose a month or more of rental income waiting for an inspection. One landlord would like to see the policy amended so that if a tenant moves out after a short period of time the previous inspection would remain valid. Another landlord suggested that landlords with established track records of good standards might be allowed to avoid recurring inspections.

Outside of Section 8 Standards, multiple people expressed concern about the condition of the rental housing stock in general. One suggested that the state needs to create incentives for landlords to improve their housing. Apparently, such a program existed in the 1970's and acted as a revolving loan fund. To participate, landlords would agree to guarantee a certain number of years of affordability. The landlord would very much like to see that program reinstated. S/he also expressed concern that the Housing Trusts serve to drive landlords out of the affordable market because they have access to funds for new construction while landlords are left maintaining old stock. The age of the rental stock also created problems related to energy efficiency. Whether utilities are paid by the landlord or the tenant, very inefficient properties make housing even less affordable.

Other concerns

- Some landlords specialize in renting to the hard-to-house; for instance, people with mental illness, criminal backgrounds or serious credit problems. This is also "probably true" for refugee populations and people of non-American national origin. The housing they provide is often substandard but the tenants have no recourse for fear of eviction. In some cases, these relationships develop into exploitation and sexual abuse.
- One landlord finds the limits on advertising to be a burden. S/he stated that it would be nice to be able "to be clear about who fits and who doesn't". A legal advocate stated that such advertising can be discriminatory.
- Refugee families present challenges because they don't "live the same way" and their culture / habits can create code violations.
- One landlord has had a negative experience renting to blacks because many come from NY to control the cocaine trade, make very poor tenants.
- One landlord stated that the quality of tenants has declined in the past 20 years, and the amount of drug use has increased.
- An advocate for youth stated that landlords are reluctant to rent to young people, and that these youth would not find housing if not for efforts on their behalf. The reluctance to lend usually stems from preconceived notions about youth and/or a lack

of credit history. Criminal records for relatively minor offenses also serve as an impediment for young people.

FAMILIAL STATUS DISCRIMINATION

Potential familial status discrimination generates the second most number of complaints to fair housing organizations in Vermont, behind only disability. Below, we summarize the comments from all six focus groups. Despite its prevalence in complaints, familial status discrimination was a minor topic in the groups.

One landlord advocate stated that children in apartments create “lots of wear and tear” and therefore excluding them is a business decision. Children also create problems with other tenants because they generate a lot of noise, in some cases driving other tenants out of the building. A legal advocate for tenants countered this by stating that the same concerns could arise from people who are deaf, couples who argue and other instances.

A single white female who had recently gone through the rental process heard more than one landlord state something to the effect of “Great, I was looking for someone without kids!”

A lack of multi-bedroom units was expressed as an impediment for families in both Brattleboro and Burlington. This is a problem for many families, but is more acute for refugee families who have very limited incomes in a market dominated by student rentals.

In one town with a small graduate college, word of mouth is used for most rentals and the multi-bedroom units tend to remain with students. Therefore, it is challenging for families to find housing.

One town selectboard meeting involved a discussion among members that “more seniors were OK” but that the area had enough kids – more would be a burden on the school system.

PLANNING, ZONING AND MUNICIPAL DECISION MAKING

This section addresses a variety of potential impediments related to municipal or state level regulations and the decision making bodies that interpret and enforce those regulations.

A common theme was the disconnect between affordable units and access to services. The state and developers can not keep up with increasing need and in some communities the affordable units are built far from services.

Another theme was municipal resistance to certain types of developments which creates a disparate impact on people in protected classes. This included examples such as community resistance to a warming shelter; a community where the housing trust “doesn’t even try” to build because there is so much resistance; a town where legal action was required to allow the creation of a recovery center for women; an affluent community where the public backlash against an affordable housing development was so swift that funders were immediately scared away; and bylaws in one medium-sized community that effectively make it impossible to build a shelter.

A planner suggested that many town zoning regulations probably do not Affirmatively Further Fair Housing, even if they are not a violation of the Fair Housing Act. S/he also wondered if Act 250 doesn’t serve to impede fair housing by making it unduly burdensome to develop affordable housing.

Large lot sizes were mentioned as a potential impediment, but some residents of rural towns stated that there was no demand for smaller lot sizes or more affordable housing. Another

person responded that they realize regulations are designed to preserve rural character and keep low density, but the only way to make development affordable is to have higher density.

A Housing Trust staff person discussed the impact of historic preservation. S/he stated that preservation creates an impediment to fair housing when the rules drive up the cost of rehabbing old housing stock. He contends that the manner in which the state administers historic preservation could be discriminatory. Historic Preservation was also mentioned as an impediment for people with disabilities seeking accessibility modifications. When the tenant is required to fund a modification and the price of that modification is driven up significantly by historic preservation regulations, it has the effect of denying the modification.

A housing advocate stated that two impediments are lead paint and a lack of statewide enforcement of rental housing health code. In another session, a landlord expressed the same sentiment.

One attendant expressed concern that many small, rural towns can not develop multifamily housing because there is no municipal sewer system.

An area of particular concern in two groups was the actions of Select Boards. One person commented that “if you want to see discrimination, watch a meeting [of the town Select Board].” Another addressed the fact that larger towns with significant rental populations act as “receiving towns” for marginalized populations. Select Boards then begin saying they don’t want / can’t afford any more. Finally, a participant observed that Select Boards can drag out the permitting and approval process (or simply deny projects) for all sorts of reasons. This creates a situation where developers no longer want to build in those towns.

Several participants offered ideas and suggestions to overcome these barriers. Those included:

- An incentive to construct affordable housing. Suggestions included a break on permits or property taxes - or, conversely, a fee applied to market rate housing.
- Put a face on discrimination, bringing the potential tenants to life in resident’s minds. This person suggested that it’s easy to discriminate against unknown people, but harder to do it to someone you know.
- Start with a project that can get approved, and build on it. “Once you get something in there, people aren’t likely to protest others. Maybe it’s easier to get a senior center?”
- An anti-NIMBYism SWAT team. Pull together people familiar with fair housing who have good people skills and ask them to write editorials and put together information to help swing public perception.
- Education and Training for Select Boards.

TRANSITIONAL HOUSING

Throughout three of the six focus groups, a recurring theme was the need for transitional housing. This included housing for people transitioning out of corrections, housing for people with disabilities who are attempting to re-integrate into the community, and housing for young people who are transitioning out of their parents’ home or out of a shelter. While disability was the only protected class directly addressed, participants felt strongly that a lack of transitional housing was an impediment to housing choice for many people.

One advocate stated that Vermont “doesn’t seem to believe in group homes” for people with disabilities. S/he believes these individuals could really benefit from them, especially those with cognitive disabilities. Vermont, however, seems to want to encourage independent living, which often leads to them being homeless.

Another participant stated that the group home concept seemed “archaic”.

An advocate for homeless youth suggested that the common one-year lease agreement made it difficult for his clients because they very likely might need to break the lease, damaging their ability to find subsequent housing.

Housing for people transitioning out of Corrections was a challenge addressed in two groups. People with a criminal record "have a really difficult time finding housing". Municipalities with ordinances regarding where sex offenders can live "create a barrier to housing choice. They served their time and need to be housed somewhere". One person stated that there is "lots" of discrimination against people who have been in corrections, "much of it very understandable."

With the state releasing inmates more rapidly, the need for housing them grows. Towns are often very reluctant to allow transitional housing for these individuals even if it is highly monitored and the residents did not commit violent offenses.

RACE / NATIONAL ORIGIN

Despite Vermont's relative lack of racial diversity, several comments on the topic were offered. The refugee population in Chittenden County continues to face significant barriers to housing, though not all of those barriers are related to discrimination.

An advocate from Chittenden County stated that in his/her experience if clients have unfamiliar names or are from a different culture, assumptions are made about them that serve to exclude them from housing.

A landlord would like agencies working with refugees to do more education about cultural issues. For instance, making sure that clients know "setting the thermostat to 90 degrees" is not acceptable. Another landlord would like to see the agencies work with clients for a longer period so the refugees learn more about living in American culture.

Two legal advocates both pointed to large statistical variances in where people of color live - with almost all minorities living in Burlington, Winooski and South Burlington.

An advocate for youth stated that racism is "the biggest issue". S/he stated that people in Vermont make gut reactions about people and rationalize them, but it's actually racism. Stereotyping also shows up as a subtle form of racism.

14. Appendix C: Fair Housing Organization Profiles

CVOEO—Fair Housing Project

The mission of the Champlain Valley Office of Economic Opportunity (CVOEO) is to address fundamental issues of economic, social, and racial justice and to work with low-income people to achieve economic independence. CVOEO coordinates three statewide housing services programs, including the Fair Housing Project (FHP).

The FHP works to eradicate housing discrimination in Vermont through education and outreach. The FHP educates real estate professionals, property managers, municipal officials, and the general public about fair housing law. Specific fair housing activities undertaken by CVOEO's FHP over the past few years include the following:

- Conducted fair housing trainings for various housing authorities, municipal officials and planners, housing trusts, and nonprofit organizations
- Responded to approximately 200 annual calls to the Fair Housing Hotline, an information and referral service for individuals who believe they have experienced housing discrimination

- Produced fair housing handbooks in 14 different languages
- Advertised through various media avenues including Community Access Television, public service announcements, newspapers, public libraries, and educational displays on busses, to educate the public on fair housing rights and issues
- Published a quarterly newsletter
- Completed two fair housing related municipal assessments for the Lamoille County Regional Planning Commission (RPC) and the Chittenden County RPC.

In addition, the FHP provides educational resources for numerous agencies and monitors web postings for discriminatory housing advertisements.

Currently, the FHP provides fair housing trainings to an array of stakeholders throughout the greater Vermont housing community. However, the FHP does not have an established relationship with realtors throughout the State.

Recommendations

The State of Vermont's 2012 AI recommends that CVOEO/FHP should:

- ♦ Continue to provide a wide array of programming dedicated to fair housing training, outreach, and education services
- ♦ Establish a partnership with local Realtor associations throughout the State to provide fair housing training that is mandated as part of Realtors' continuing education requirements
- ♦ Continue to partner with regional planning commissions throughout the State to complete additional reviews of municipal fair housing and land use planning regulations
- ♦ Conduct outreach, research, and analysis regarding national origin/ancestry discrimination and public assistance/Section 8 discrimination among landlords and property management companies in the rental housing market
- ♦ Continue to monitor real estate ads placed in newspaper publications, both print and online versions, to ensure compliance with the Fair Housing Act

The State of Vermont, through the Department of Economic, Housing, and Community Development (DEHCD), has undertaken a number of fair housing activities over the last several years to address existing impediments to fair housing choice identified in its 2006 AI. These activities include, but are not limited to, the following:

- Provided fair housing trainings for a wide variety of stakeholders in partnership with CVOEO and VHRC
- Provided CDBG funds annually to CVOEO's Fair Housing Project (FHP) to produce and distribute fair housing public education materials in several different languages and to produce a series of educational videos concerning fair housing
- Supported the Fair Housing Committee of the Vermont Housing Council by chairing and staffing the committee
- Submitted CDBG applicants to the VHRC and Attorney General for review prior to approving funding requests
- Required all municipalities receiving CDBG funds to attend fair housing training as a condition of their grant award
- Administered and staffed the Vermont Neighborhood Program (VNP) which provides financial benefits to stimulate the development of new housing throughout the State
- Maintained a fair housing page on the Department's website to provide public access to fair housing information
- Staffed the Vermont Land Use Education and Training Collaborative and maintained content on the Vermont Planners Information Center (VPCI) website
- Began planning a new initiative in partnership with CVOEO's FHP to identify municipalities with best practices in terms of land use regulations related to fair housing to be used as models for other municipalities throughout the State to duplicate

Recommendations

The State of Vermont's 2012 AI recommends that DEHCD should:

- ◆ Continue to submit municipal CDBG applicants to the VHRC prior to approving funding requests and continue to require recipients of CDBG funds to attend fair housing trainings
- ◆ Continue to work with CVOEO's FHP to develop and implement a municipal fair housing monitoring process
- ◆ Provide technical assistance to units of local governments that need to amend their zoning ordinances to comply with the Fair Housing Act
- ◆ Partner with CVOEO's FHP to conduct outreach, research, and analysis regarding national origin/ancestry discrimination and public assistance/Section 8 discrimination among landlords and property management companies in the rental housing market
- ◆ Continue to provide funding to the FHP to provide fair housing training, education, and outreach services to Vermonters
- ◆ Require members of municipal development review boards, especially those in municipalities that receive federal entitlement funds, to attend fair housing trainings

The Vermont Center for Independent Living (VCIL) is a nonprofit organization that is directed and staffed by individuals with disabilities. VCIL works to promote the dignity, independence, and civil rights of Vermonters with disabilities. VCIL is committed to cross-disability services, the promotion of active citizenship, and working with others to create services that support self-determination and full participation in community life.

VCIL's Home Access Program (HAP) provides home entry and bathroom accessibility modifications for low-income Vermonters with physical disabilities. These modifications increase opportunities for participation in the civic and social life of the community. The HAP includes:

- Home entry and bathroom modifications for people with disabilities whose income is 80% of median income.
- Financial assistance to nonprofit housing providers for accessibility modifications in their affordable rental housing projects.

A significant portion of HAP funds are currently provided to private families who live in community land trust (CLT) properties or public housing authority (PHA) units throughout the State to make accessibility improvements.

VCIL also handles housing complaints from its clientele and works with VHRC to handle and process such complaints. VCIL prefers mediation of housing complaints because it enables the organization to obtain a more effective resolution, obtain affirmatives from the respondent, require education for landlords, and secure positive results for tenants in a more efficient manner. VCIL has a good working relationship with VHRC and mediations have been very successful.

Recommendations

The State of Vermont's 2012 AI recommends that VCIL should:

- ♦ Continue to provide funds to private families and nonprofit organizations through its Home Access Program
- ♦ Continue to partner with the VHRC to mediate disability-related housing discrimination complaints

Relative to housing for persons with disabilities, the AI recommends that the State of Vermont assist in providing funding to VCIL so it can continue its efforts to keep disabled persons housed in accessible units through the HAP program.

In addition, DEHCD should partner with disability advocacy organizations and other state agencies to identify existing accessible units and to survey the existing and projected demand for such units. From the survey and assessment, a state-wide database of all accessible housing units should be created.

The Vermont Housing and Conservation Board (VHCB) administers Vermont's HOME program and has been very proactive with the promotion of affordable housing developments in non-concentrated areas throughout the State. For example, one of VHCB's current initiatives focuses on building affordable housing in some of the State's more exclusive communities, e.g. ski communities. This is a conscious decision by VHCB to build affordable housing in employment centers in resort towns to preserve affordable housing for essential community workers.

In addition to promoting the construction of affordable housing units in non-impacted areas, VHCB is also undertaking other initiatives relative to fair housing. In 2010, VHCB co-sponsored a fair housing conference presented by Vermont Legal Aid called "Fair Housing and Sustainable Community Planning."

In addition, through the HOME handbook, VHCB provides fair housing information to owners, developers, and managers of affordable housing. VHCB educates grantees

on an on-going basis through its application, development, and monitoring processes.

Unlike the CDBG program, recipients of HOME funds are not required to attend a fair housing training program.

VHCB recently drafted a Site and Neighborhoods Standards Policy to comply with regulations found at 24 CFR 983.6(b). These standards address the site location requirements for newly constructed rental units financed with HOME funds. The policy and accompanying checklist were reviewed as part of the AI process and were found to be in compliance with applicable regulations.

According to VHCB officials, most new affordable housing projects sponsored by VHCB exceed the minimum 5% mobility-accessible standard.

VHCB also requires that all new rental units constructed with HOME funds meet the State's visitability standards.

Recommendations

The State of Vermont's 2012 AI recommends that VHCB should:

- ◆ Continue to make affordable housing investments in non-impacted, more affluent communities and resort towns to link essential community workers to employment centers
- ◆ Implement its newly drafted HOME Site and Neighborhoods Standards Policy and Checklist
- ◆ Require that recipients of HOME funds attend a fair housing training prior to receiving funding awards (just like recipients of CDBG funds are required to do so)
- ◆ Continue to strike a balance in investing in both impacted and non-impacted areas

The mission of the Vermont Housing Finance Agency (VHFA) is to finance and promote affordable, safe, and decent housing opportunities for low- and moderate-income Vermonters. VHFA has adopted several goals to advance its mission including, but not limited to, the following:

- Provide access to low cost, flexible, innovative programs for individuals in need of affordable mortgage financing
- Stimulate the development, financing, and preservation of affordable housing, including both rental and homeownership housing opportunities for LMI households

VHFA has authority over the State's "Small State Set-Aside" of \$2,525,000 in federal Low Income Housing Tax Credit (LIHTC) funds and \$400,000 in annual State Affordable Housing Tax Credits. The Qualified Allocation Plan (QAP) is a public policy that establishes VHFA's priorities for affordable housing initiatives financed in part with LIHTC. Tax credit developers design their housing development projects to achieve maximum

scoring under VHFA's scoring categories outlined in the QAP.

The QAP includes a number of noteworthy fair housing achievements and clearly indicates that VHFA is dedicated to the goal of preventing concentration of low-income housing and households throughout the State, as evidenced by the following:

- Development may occur in "ski areas"
- Developments located in communities where there is a lack of affordable housing meet a Top Tier Priority
- To avoid concentration of LMI residents, VHFA has a threshold mixed-income requirement and an even stricter Second Tier Priority mixed-income requirement
- The QAP incorporates universal design as a Top Tier Priority.

According to VHFA officials, most new affordable housing projects sponsored by VHFA exceed the minimum 5% mobility-accessible standard.

Recommendations

The State of Vermont's 2012 AI recommends that VHFA should:

- ♦ Continue to strike a balance in investing in both impacted and non-impacted areas
- ♦ Continue to promote the development of affordable housing in affluent, non-impacted communities
- ♦ Update the QAP to list fair housing training as a requirement for members of the project development and management teams that are awarded tax credits
- ♦ Continue the Top Tier Priorities that promote greater housing choice, including the ski area priority, mixed-income priority, general occupancy priority, Universal Design standards priority, and the non-impacted area priority

The mission of the Vermont Human Rights Commission (VHRC) is to promote full civil and human rights in the State of Vermont. VHRC pursues its mission by:

- Enforcing laws,
- Mediating disputes,
- Educating the public,
- Providing information and referrals, and
- Advancing effective public policies on human rights.

The Commission protects people from unlawful discrimination in housing, state government employment, and public accommodations. VHRC processes complaints, conducts mediation or informal settlement negotiations, and performs investigations to determine if discrimination did or did not occur.

Throughout its investigation of discrimination complaints, the VHRC encourages both the charging and responding parties to consider

whether they would be willing to settle the case and what terms they might agree to in settlement. In addition, VHRC offers parties the opportunity to resolve cases with the assistance of an independent professional mediator. Mediation is voluntary and offered by VHRC at no cost to either party.

On its website, VHRC offers substantial information on how to file a complaint and provides links to complaint forms that can be downloaded, completed, and submitted to the Commission. There is a separate form for housing, employment, public accommodations, and school-related complaints.

VHRC's website also provides educational information on fair housing, including federal and state statutes related to fair housing. The website also provides information on a wide variety of housing issues including advertising, disability issues, steering, condo boards and associations, occupancy limits, and exemptions to fair housing laws, to name a few.

Recommendations

The State of Vermont's 2012 AI recommends that VHRC should:

- ♦ Continue to provide a wide array of programming dedicated to fair housing training, education, and outreach
- ♦ Continue to investigate housing-related complaints alleging discrimination
- ♦ Continue to partner with other organizations and state agencies, including CVOEO and DEHCD, to educate Vermonters on fair housing laws and issues
- ♦ Continue to monitor real estate advertisements placed in newspaper publications, both print and online versions, to ensure compliance with the Fair Housing Act

Vermont Legal Aid (VLA)

Vermont Legal Aid (VLA) provides free civil and legal services to people throughout Vermont who are poor, elderly, or have disabilities and who would otherwise be denied justice or the necessities of life. Through legal representation, community education, public policy and legislative advocacy, VLA asserts the social and economic interests of our clients and seeks to address the causes of poverty, discrimination, and equality.

VLA is a nonprofit legal services program that has provided legal information, advice, and representation throughout Vermont on a wide range of civil legal issues for over 45 years. VLA provides intake, legal advice, legal forms, pro se assistance, and full representation to victims of housing discrimination in affirmative and defensive litigation and administrative proceedings and also advocates with local, regional, and State officials for inclusive, integrated neighborhoods. VLA operates a fair housing testing program that conducts both complaint-based and audit/systemic fair housing testing. VLA also conducts training and public legal education through outreach, trainings, media, and its website: www.vtlawhelp.org.

Most of VLA's affirmative litigation, education and outreach, and all of its fair housing testing is funded by a Private Enforcement Initiative (PEI) grant through HUD's Fair Housing Initiatives Program (PHIP). VLA also receives funding from other sources in its representation of housing discrimination victims, primarily in the eviction defense and reasonable accommodations and modifications contexts. VLA carries out testing, enforcement, and educational activities to prevent and address discriminatory housing practices.

In the past three years under its HUD PHIP grant, VLA:

- Provided legal assistance to over 150 housing discrimination complainants

- Conducted more than 130 paired, site tests and more than 250 paired telephone and linguistic profiling tests on federally-prohibited bases of race, color, national origin, sex, and familial status
- Carried out 20 site-based physical accessibility tests
- Testified before the Burlington and South Burlington City Councils in opposition to restrictive land use decisions and development planning in those cities
- Initiated housing discrimination investigations in 13 other municipal, land use and planning, group home, and other contexts
- Partnered with the Chittenden County Regional Planning Commission and other fair housing partners in its application for and implementation of its HUD Sustainable Communities Initiative grant
- Conducted housing discrimination trainings for attorneys, staff and officials of public housing authorities, municipal officials, local and regional planners, and nonprofit organizations
- Monitored rental housing websites (i.e. craigslist) for discriminatory housing advertisements and advised advertisers of discriminatory ads
- Educated the public about housing discrimination law through broadcast news and broadcast and cable television informational programs,; radio PSAs; direct mailings; public testimony before city councils; educational outreach to LEP immigrants and nonprofits; trainings of private attorneys, local and regional planners; quarterly newsletters, and its website.

Recommendations

The State of Vermont's 2012 AI recommends that VLA:

- ◆ Continue to provide fair housing training to planners, housing providers, municipalities, attorneys, and other professionals, including PHA staff
- ◆ Continue to partner with CVOEO, VHRC, VICL and other fair housing organizations to promote greater fair housing outreach, public education, and training about fair housing
- ◆ Continue to test and investigate complaints alleging housing discrimination and undertake systemic, agency-initiated investigations of housing discrimination
- ◆ Continue to conduct systemic testing of all federally-prohibited bases of housing discrimination
- ◆ Seek funding to conduct housing discrimination testing of Vermont-only prohibited bases
- ◆ Continue to advise housing discrimination complainants and to represent discrimination victims in administrative hearings and in state and federal courts
- ◆ Continue to monitor and respond to discriminatory real estate advertisements to ensure housing providers' knowledge of and compliance with the federal Fair Housing Act.