
Analysis of Impediments to Fair Housing Choice 2015



Prepared by the
Connecticut Fair Housing Center



State of Connecticut
Department of Housing

EXECUTIVE SUMMARY

The Department of Housing gratefully acknowledges the hard work of the current and former employees of The Connecticut Fair Housing Center, its Board of Directors, contractors, and volunteers, without whom this Analysis of Impediments would not have been possible.

This report is an effort to catalogue and quantify a range of factors that create barriers to fair housing choice. However, this analysis does not purport to address every factor affecting housing segregation and discrimination. This report may spark thoughts on other such factors and future research that should be taken to address them.

Introduction

The State of Connecticut is committed to affirmatively furthering fair housing (“AFFH”). The creation of the Department of Housing (“DOH”) as the state’s lead agency for all matters related to housing has enabled the state to more effectively create and preserve quality affordable housing throughout the state, connecting individuals and families to educational and job opportunities, health care, shopping, and recreational amenities.

As a recipient of federal housing funding from the U.S. Department of Housing (“HUD”), the state is required to analyze the impediments to fair housing choice and then take steps to overcome the impediments it identifies. This Analysis of Impediments to Fair Housing Choice (“AI”) is intended to satisfy this requirement and enable the state to more quickly overcome the barriers to full and equal access to safe, decent, affordable housing in economically vibrant, diverse communities throughout the state.

Connecticut Demographic Data

A review of current demographic data reveals that since 1980 there has been considerable growth in Connecticut’s population of color and a decrease in the non-Hispanic White population. Looking ahead, data projections predict that the population of non-Hispanic Whites will continue to decrease in number through at least 2030. Meanwhile, populations of color will continue to grow in both number and as a percentage of the state’s total population. Racial and ethnic demographic trends are also closely linked to age in Connecticut. In general, the non-Hispanic White population is older than other racial and ethnic groups. Other groups that are growing in number in Connecticut include Asian-Americans, people with disabilities, the elderly, and single parent households.

The income data for the demographic groups that are growing in Connecticut reveals significant disparities in income between these groups and non-Hispanic Whites,¹ people without disabilities, and dual-parent families. Non-Hispanic Blacks,² Hispanics,³ women, single-parent families, and people with disabilities are disproportionately low-income and, as a result, have a disproportionate need for affordable housing.

Connecticut Housing Patterns

As is the case nationwide, decades of public and private policies and practices have resulted in high levels of segregation within many Connecticut communities. Demographic and geographic data indicate that several groups including people of color, people with lawful sources of income other than employment, people with disabilities, and single-parent households are particularly concentrated in the state’s lowest income communities. By creating and preserving affordable housing units throughout the state, placing greater emphasis on expanding the creation of affordable housing in local and state planning documents, promoting zoning ordinances that allow multifamily housing, emphasizing mobility counseling, promoting fair lending practices, foreclosure prevention, affordable homeownership, mixed-use transit-oriented development, and other initiatives, the state can change its current demographic patterns.

As mounting social science research confirms the significant role that housing location plays in enabling people to access and make the most of educational, economic, employment, and social opportunities, it is clear that affordable housing policy is critical to ensuring a promising future for every resident of Connecticut and the state itself.

¹ The U.S. Census defines Whites as anyone who is of European ancestry. Whenever possible this report uses data for Whites, referred to as non-Hispanic Whites. Inclusion of people of Hispanic ethnicity is noted when necessary.

² Used to describe anyone of African descent. Whenever possible this report uses data for non-Hispanic Blacks, but in some cases such data is not available.

³ This report adopts the U.S. Census Bureau’s definition of “Hispanic,” “a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.”

Fair Housing Impediments and Action Steps

Based on the research and analysis conducted in connection with this Analysis of Impediments, the following impediments to fair housing are particularly important to overcome in order to affirmatively further fair housing in Connecticut.

Impediments to Fair Housing

State of Connecticut Impediments

1. Lack of affordable housing in a variety of locations.

- Need for increased collaboration among State agencies to ensure that policies and funding affirmatively further fair housing and promote integration;
- While progress has been made in prioritizing fair housing in connection with selecting projects to receive state housing funding, a continued emphasis on fair housing and integration is needed to ensure these programs will effectively affirmatively further fair housing;
- Lack of predevelopment funding to assist and support developers, particularly in communities where opposition to fair housing delays projects to the point of infeasibility;
- Limited access to public transit;
- Need to change the perception among many developers that subsidies necessary to construct new affordable housing require unacceptable complications, delays, and bureaucracy.

2. Lack of adequate data to determine if the State and municipalities are promoting integration and affirmatively furthering fair housing.

- Outdated laws and regulations that may not conform to the most recent changes in State and Federal fair housing laws;
- Shortage of staff committed to data collection and ongoing monitoring related to affordable housing investments;
- Need for greater coordination among state agencies and municipalities to collect robust and consistent data.

3. Lack of resources for fair housing education, enforcement, and mobility counseling.

- Need for modifications to State programs for mobility counseling, rental assistance, and other housing assistance that do not affirmatively further fair housing because of a lack of resources and programmatic restrictions such as inadequate rent ceilings for rental assistance which, if modified, would provide tenants greater range of options for housing locations;

- Although the State has taken significant steps toward addressing the lack of funding for fair housing activities, more support is needed to ensure that the State is affirmatively furthering fair housing to the greatest extent possible and that all parties are complying with applicable fair housing law.

Local municipal impediments

1. Lack of affordable housing in a variety of locations.

- Lack of affordable rental units with three or more bedrooms in suburban and rural communities;
- Lack of regional coordination to promote adequate affordable housing;
- Need for more municipal officials to appreciate the benefits and feasibility of constructing sustainable and attractive mixed-income housing that includes units affordable to low-income households;
- Need for the widespread adoption of zoning that facilitates affordable multifamily and homeowner-ship developments, including modifications to zoning that creates barriers to such developments, including, for example, large lot requirements, density requirements, unnecessarily restrictive definitions of “families”, and the lack of multifamily zones;
- Use of residency preferences in tenant selection for affordable housing, which may promote segregation;
- Lack of participation in public transit planning to promote access to the municipality for people in the protected classes;
- Need to use current state and federal funding to prioritize construction of affordable housing.

2. Lack of data to determine if a municipality is meeting its obligation to affirmatively further fair housing.

- Inadequate local data in municipal POCDs to determine if the municipality is meeting its goals to affirmatively further fair housing.

3. Inadequate understanding of the municipality’s/local public housing authority’s obligation to affirmatively further fair housing.

- Inadequate local fair housing complaint processes, including a lack of understanding of appropriate complaint referral procedures;
- Lack of local fair housing enforcement mechanisms;
- Failure to ensure that local housing authorities and other housing providers do not use illegal tenant screening procedures or residency preferences.

Real Estate Industry Impediments

- Limited understanding of fair housing laws, particularly with regard to reasonable accommodations of disabilities;
- Refusal of many property owners to accept Section 8 HCV and RAP subsidies or an SDG;
- Unreasonably restrictive occupancy standards that screen out families with children;
- Steering and refusing to sell or rent apartments or houses—particularly based on race, ethnicity, familial status, or source of income.

Developer Impediments

- Need for more developers to appreciate the benefits and feasibility of constructing sustainable and attractive mixed-income housing that includes units affordable to low-income households;
- Frequent failure to develop wheelchair adaptable units;
- Lack of compliance with the accessibility requirements of the Fair Housing Act;
- Tendency to lease to households at highest allowable income within the applicable restrictions;

Banking Industry Impediments

- Neglect of properties taken in foreclosure if they are located in high poverty areas or areas with high concentrations of people of color;
- Need to ensure no discriminatory practices in lending to prospective non-White homeowners;
- Need for proactive approaches to maintain and improve properties taken in foreclosure and/or transfer such properties to parties, including private for-profit and non-profit developers able to maintain and improve them, with or without public subsidies.

Recommendations for Actions by the State

Because non-Hispanic Blacks, Hispanics, people with disabilities, and single-parent families are disproportionately low-income and in need of affordable housing, investing in affordable housing in a variety of locations will help change historic segregation patterns. The State has already begun this work. To continue to affirmatively further fair housing, DOH, as the State's leading agency in all housing matters, should take and encourage the following actions:

Encourage the creation and rehabilitation of affordable housing in a variety of locations

- In each DOH competitive funding round, and in the CHFA Qualified Allocation Plan, continue to assign a high point value for developments that achieve fair housing goals, in particular expanding affordable housing opportunities in high opportunity communities for groups that experience the most discrimination and highest degree of segregation (Blacks, Latinos, persons with disabilities, and people with a legal source of income other than employment), and continue to refine the effectiveness of the criteria used for awarding such points.
- Continue extensive outreach to municipalities, developers, advocates for affordable housing, supportive housing and fair housing, federal agencies other state agencies and quasi-governmental entities to increase affordable housing units in high opportunity communities and make targeted investments to revitalize predominantly low-income, highly segregated communities.
- Conduct specific outreach to municipalities to highlight legal requirements to affirmatively further fair housing and promote housing choice and economic diversity through conservation and development policy and zoning regulation.
- Conduct one or more funding rounds for projects and programs designed specifically to affirmatively further fair housing.
- Continue to award incentives to municipalities under the IHZ program to increase affordable housing units in high opportunity communities.
- Exercise appropriately the Commissioner of DOH's discretion to approve projects that promote fair housing choice and racial and economic integration even if they are inconsistent with the State Plan of Conservation and Development.
- Increase funding flexibility to seize immediate development opportunities to increase affordable housing units in high opportunity communities.
- Evaluate the effectiveness of DOH and CHFA funding rounds in facilitating the creation of new family affordable housing units to ensure the availability of affordable family housing in diverse areas.
- Provide guidance for effective affirmative marketing plans for developers of affordable housing.
- Engage with developers and municipal officials to help them appreciate the benefits and feasibility of constructing sustainable and attractive mixed-income housing that includes units affordable to low-income households.
- Conduct outreach to change the perception among many developers that subsidies necessary to construct new affordable housing require unacceptable complications, delays, and bureaucracy

Collaborate with other State Agencies to Affirmatively Further Fair Housing

- DOH, DECD, DOT, SDE, DEEP, DMHAS, OPM and other state agencies should seek opportunities to align policies and funding, including, for example, TOD funding to expand affordable housing opportunities with effective access to public transit.
- When making funding decisions, the State should award high point values to affordable housing developments in areas that are higher opportunity, have access to employment, and are within a short distance from rail or bus service.

Convene stakeholders to review proposed legislative solutions to existing impediments to fair housing choice

- Review State regulations to ensure they are in compliance with federal regulations, including consulting with stakeholders to review Connecticut's Fair Housing Regulations located at 8-37ee-1 et seq., and the impact of that regulation on tenant admission to properties funded jointly by the State and HUD (especially concerning two preferences permitted under current State regulation: the residency preference and the preference for individuals of those groups determined least likely to apply as determined by affirmative fair housing marketing plans).
- Develop model zoning regulations that promote housing choice and diversity.
- Review state laws and regulations and make recommendations for changes where there are conflicts with state or federal fair housing legal requirements or where there are opportunities to more effectively affirmatively further fair housing, including, for example, modifying the exemption in CGS §46a-64c, which permits discrimination against minors regardless of their capacity to perform under the lease, and amending CGS § 8-23 to require that municipal POCDs include an analysis of the regional housing need where the region encompasses the closest areas of minority and poverty concentration.

Encourage the collection and analysis of data to determine if the State is meeting its goals to affirmatively further fair housing

- Within existing resources, support the collection and public dissemination of data regarding impediments to fair housing choice and efforts to affirmatively further fair housing, including for example, housing needs data (including the need for accessible units), affordable housing production, municipal zoning data, geocoded data for all State-assisted affordable housing investments and individual and family support program beneficiaries (subject to privacy rights).
- Work with agencies assisting people who need accessible features in their housing to conduct a survey or fair housing testing to gauge the difficulty of finding accessible housing and determine whether housing is in compliance with the design and construction requirements of the federal FHA to generate a count of the accessible inventory.
- Improve collection and publication of data on housing qualifying as "affordable" under the Affordable Housing Land Use Appeals Act, Con. Gen. Stat. § 8-30g.
- Collect detailed data on the demographics of Security Deposit Guaranty program beneficiaries and credit mobility counseling participants and the geographical usage of those resources in order to assess the fair housing impact of the programs.
- Collect and maintain comprehensive data regarding local zoning regulations including, for example, geocoded local zoning maps that enable a better understanding of development opportunities for affordable housing and any impediments to such development.
- HomeConnecticut developments should be the focus of fair housing testing and/or be required to report the racial, ethnic, and familial status of the tenants occupying such housing.
- Undertake a fair housing analysis of the lending data the State purchases from third party consultants such as CoreLogic and the Warren Group.
- Seek resources to enable the State to evaluate the fair housing impact of the State's Eviction and Foreclosure Prevention Program, EMAP, and any other State programs intended to reduce the incidence and impact of foreclosure on households and communities.

- Support research using HMDA data to identify lenders with high rates of loan denials involving Blacks, Hispanics, women, and people with disabilities.

Ensure State and local planning documents affirmatively further fair housing

- Incorporate fair housing strategies and goals into the next ConPlan.
- Include a strategy for prioritizing the preservation and creation of affordable housing that promotes integration in the next ConPlan.

Maximize the effectiveness of State programs that promote mobility

- Review for effectiveness all DOH mobility counseling, rent bank and Security Deposit Guaranty programs and make appropriate changes to ensure they are promoting fair housing choice.
- Explore the benefits of housing authorities participating in programs that adjust allowable rents in both the RAP and Section 8 HCV programs by geographic subareas to ensure families' access to all parts of a region.
- With regard to the mobility counseling programs, DOH should explore enhancements such as:
 - More nuanced profiles of communities including, for example, adding school performance, crime statistics, and other community amenity information to the poverty income data currently being used.
 - Prioritizing moves within the mobility contracts to ensure that the program is focused on assisting clients interested in moving to higher opportunity areas.
 - Including support services after the move in the mobility contracts, to ensure a smooth transition that works for the household.
 - Providing car or bus tours of thriving neighborhoods.
 - Rewarding mobility counselors for referring cases of alleged housing discrimination to the proper agencies.
 - Link mobility counselors to State-assisted affordable housing developments and include outreach to mobility counselors as part of affirmative fair housing marketing requirements.
- Research the cost of increasing RAP certificate payments to levels that are sufficient to support opportunity moves.
- Support local housing authorities' efforts to get the staffing, training, and supervision they need to assist clients with the moves that are best for their families, regardless of geographic location.
- Within existing resources, review the admissions criteria of all housing currently receiving State subsidies or State administered financial assistance to ensure that no housing providers are applying illegal independent living requirements.
- Review developments created in IHZs to ensure they are marketed to those least likely to apply and tenancy data should be maintained and reviewed to assess the impact of the program on affirmatively furthering fair housing.
- Continue to conduct ongoing monitoring of all State-assisted developments to ensure they are marketed to those least likely to apply and tenancy data should be maintained and reviewed to assess the impact of the program on affirmatively furthering fair housing.
- Review the efficacy of providing additional monetary incentives within the HomeConnecticut program to encourage more deeply affordable housing.

Promote fair housing enforcement and education

Within existing resources:

- Support education and training for landlords regarding fair housing obligations.
- Support testing for the incidence of housing discrimination.
- Support the enforcement of fair housing laws.

Recommendations for Actions by HUD

HUD is an important partner with the State of Connecticut in affirmatively furthering fair housing. While the State cannot require HUD to take action, it is hoped that HUD will take the following steps to promote fair housing in Connecticut.

Collaborate with other Federal Agencies to Affirmatively Further Fair Housing

- When awarding grants for TOD developments or other affordable housing, HUD should prioritize fair housing considerations and make access to affordable housing in a variety of locations a paramount objective.

Maximize the effectiveness of HUD programs that promote mobility

- Increase Section 8 HCV Program voucher payment levels so that they are sufficient to support opportunity moves.
- Collaborate with the State to assess whether the use of residency preferences should be discouraged unless they clearly show no adverse impact on people of color, families with children, or people with disabilities.
- Consider reviewing the admissions criteria of all housing currently receiving HUD subsidies or HUD administered financial assistance to ensure that no housing providers are applying illegal independent living requirements.

Promote fair housing enforcement and education

To the greatest extent possible:

- Increase support for fair housing education and training for landlords regarding fair housing obligations.
- Increase support of testing programs that assess the incidence of housing discrimination.
- Increase support the enforcement of fair housing laws.

Recommendations for Actions by Municipalities

Municipalities play a central role in ensuring that Connecticut's residents have access to housing in a variety of locations. To ensure that their planning documents and municipal ordinances affirmatively further fair housing, municipalities should:

Encourage the creation and rehabilitation of affordable housing in a variety of locations

- Identify developable land within the municipality for developers of affordable housing.
- Participate in regional planning efforts to ensure that there is affordable housing in a variety of locations.

Encourage the collection and analysis of data to determine if the municipality is meeting its goals to affirmatively further fair housing

- Report municipal and regional racial and ethnic composition data in municipal POCDs.

Ensure local planning documents affirmatively further fair housing

- Publish the municipality's POCD on its website.

Convene stakeholders to review proposed legislative solutions to existing impediments to fair housing choice

- Review occupancy ordinances, regulations and/or guidelines to ensure that the rules are not unnecessarily restrictive for families with children. At a minimum, they should be in line with reasonable local fire and building codes.
- Determine whether the zoning ordinances and other occupancy rules are enforced in a non-discriminatory way.
- Review zoning ordinances to determine if they require special permits for affordable housing or require large lot sizes, low density requirements, or other policies that would make the development of affordable housing expensive and propose changes to such requirements.
- If the municipality's zoning ordinance does not include a statement that people with disabilities have the right to request a reasonable accommodation of a change in any zoning ordinance, add this to the existing zoning ordinances.

Maximize the effectiveness of programs that promote mobility

- If a municipality uses a residency or employment preference to select affordable housing tenants, it should conduct an analysis to determine if such requirements have an illegal disproportionate impact on non-Hispanic Blacks, Hispanics, people with disabilities, single-parent families, and people with housing subsidies.
- Maintain and make easily available comprehensive, current lists of available housing units, with a special emphasis on units in high-opportunity neighborhoods. Consider additional funding for housing authorities to support this effort.

Promote fair housing enforcement and education

- Appoint a fair housing officer, have him or her trained on their duties and responsibilities as a fair housing officer, and publicize the person's name, contact information, and job responsibilities.
- Sponsor, or work with housing provider associations to sponsor, fair housing trainings for housing providers.
- Refer complaints of housing discrimination to HUD, CHRO, or a private fair housing agency.
- Provide Spanish (and possibly other languages) as an option on the main telephone line for reporting fair housing complaints or asking housing related questions.
- Pool resources to provide language access to LEP individuals on a regional basis including translating and making available vital housing forms in Spanish.

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