

**SALISBURY
ANALYSIS OF IMPEDIMENTS
AND
FAIR HOUSING STRATEGY**

Prepared by

Neighborhood Solutions LLC

for the

City of Salisbury

August 1, 2005

EXECUTIVE SUMMARY

The US Department of Housing and Urban Development (HUD) broadly defines fair housing choice as "the ability of persons with similar incomes to have the same housing choices regardless of race, color, religion, sex, age, national origin, familial status, or disability." All state and local governments, particularly those that receive federal funds from HUD, are required to promote fair housing choice and to "affirmatively further fair housing." Since Salisbury receives Community Development Block Grant (CDBG) entitlement funds, the City not only has to promote fair housing choice and affirmatively further fair housing, but the City also has to complete an Analysis of Impediments (AI) to fair housing choice and to prepare a Fair Housing Strategy to overcome any identified impediments.

The data and analysis detailed in this report constitute Salisbury's Analysis of Impediments and Fair Housing Strategy. Salisbury has used its own funds to hire a consulting firm, Neighborhood Solutions LLC, to complete the AI and Strategy. In particular, Salisbury has undertaken a comprehensive review of public laws, regulations, policies and procedures as well as private procedures and practices in various areas to determine whether, either through omission or commission, any impediments or barriers to fair housing choice exist in the City. Because of their importance, Salisbury has concentrated on analyzing the impact of public land use, public and private rental, and public and private lending practices on fair housing choice.

A. Analysis of Impediments

The data that constitute the basis of Salisbury's AI are from both primary and secondary sources. The major secondary sources are the 2000 Census of Population and Housing data, 2001 Home Mortgage Disclosure Act (HMDA) data, and 1994/95 Maryland Office of Planning information. Primary data on City and County zoning and fair housing practices, Wicomico County Housing Authority (WCHA) and federal Section 8 practices, MD Department of Housing and Community Development and City CDBG financing, and Wicomico County rental practices have been derived from written surveys, program files, summaries of focus group and/or public meetings, and summaries of formal testing for discrimination.

1. Public Land Use Practices

Land use planning in the County is guided by the policies set forth in the Comprehensive Plan. The comprehensive plan is the basis for the preparation of specific legislation, such as zoning and subdivision regulations and the capital improvements program, among other documents. The City of Salisbury's authority to plan is also derived from Article 66B. Land use planning within the City is guided by the policies affirmed in the Metro Core Plan, which encompasses all the land and municipalities (Salisbury, Delmar, & Fruitland) within the metropolitan core of Wicomico County.

The Metro Core Plan is comprised of nine major elements, one of which is housing. This element includes requirements for the local government to take a closer look at housing characteristics, conditions, supply, and cost in the City. As a part of the inventory and an assessment of community housing, comparisons must be made to state and national figures. In addition to the inventory and assessment, the City must also project its future housing needs and plan for housing growth. Projections are made for single-family and multi-family housing. Goals, objectives, and policies are developed to address existing needs and future provision of housing in the community.

State funding for housing projects is not available to local governments unless they have adopted a comprehensive plan, and that plan must also be consistent with the community's zoning requirements. The purpose of these requirements is not to restrict the availability of funds for housing, but to make local governments recognize the importance of planning for housing. Citizens of course have the opportunity to influence comprehensive planning through established public participation procedures required as part of the planning process.

Most affordable housing projects must obtain some form of building permit, seek rezoning, or respond to land use provisions. In many instances, these require some form of public hearing. Even when a public hearing is not required to obtain the necessary permits to secure property and begin affordable housing development, local officials involved in the permit process may still find the need to respond to public concerns about the proposed project. In either case, project sponsors must frequently address potential or real opposition to their project plans in a public forum. Although the normal role of this process is to ensure that new development is consistent with the long-term needs of the community, land use and zoning politics often set the stage for local opposition to affordable housing development.

The recently passed “4 to 2” ordinance is an illustration of a public zoning action that appears to be creating an impediment to affordable housing. The new City regulation has resulted in higher rents and a tighter rental market. Although the policy is applied Citywide, virtually all of the complaints have come from the neighborhoods serving college students. The City already has investigated about 30 complaints, and has developed statements of probable cause for six of the complaints. As of August 1, 2005, six cases have been resolved. Of these six, five have been resolved by City staff, and these landlords have been ordered to reduce the number of tenants. The other case went to court, and it was resolved in the landlord’s favor. Due to such complaints the City may need to re-consider this ordinance in the future.

2. Public and Private Rental Practices

Public Rental Practices

The Wicomico County Housing Authority (WCHA) owns and manages 277 units of public housing. Currently, only 201 of the 277 public housing units are occupied with 76 or 23 percent of the units being vacant. WCHA also administers 307 Section 8 vouchers, of which 181 are reserved for City residents. Currently, 266 vouchers have been issued, with 126 remaining to be issued.

WCHA maintains separate waiting lists for its public housing units and Section 8 vouchers. Based on the income and racial characteristics of the families on the waiting lists, a total of 177 Salisbury families are waiting for Section 8 vouchers. Of these families, 42 percent have incomes between 50 and 80 percent of AMI; 66 percent have children; 15 percent are elderly; 19 percent have individuals with disabilities; and 84 percent are black families. Compared with the Public Housing and County Section 8 waiting lists, the families on the City Section 8 waiting list have slightly higher incomes, are older, and there are a higher percentage of black applicants. On the other hand, the

percentages of City families with children and/or disabled persons do not vary consistently with either of the percentages on the Public Housing and County Section 8 waiting lists. Assuming the socio-economic characteristics of the families currently residing in WCHA rental units, mirror these on the waiting lists, WCHA appears not to discriminate (with regard to income, age, ethnicity, family size, or disability) in renting its housing units.

Private Rental Practices

To determine whether any fair housing complaints had been submitted by the private sector during the period January 1, 2001 to June 30, 2004, the Mayor of Salisbury sent letters requesting information on housing discrimination complaints to the Maryland Commission on Human Relations (MCHR), which is responsible for protection of the constitutional right to fair housing choice regardless of race, color, religion, sex, age, familial status, national origin, or handicap in Maryland, and HUD. In early December, Salisbury's Mayor received two letters one each from the MCHR and HUD stating that for the period requested two fair housing complaints had been filed. In each case, one from a citizen residing in Hebron and another from a Salisbury resident, a "no probable cause" finding was issued. Consequently, both complaints ended with the investigation and no further action was considered necessary.

3. Public and Private Lending Practices

Both the public and private sectors contribute to financing housing construction and renovation in Salisbury and Wicomico County. However, it's primarily the public sector (the City and the non-profit developer, Salisbury Neighborhood Housing Services) that contributes to the rehabilitation of affordable housing for low and moderate-income households. As such, it's the public sector that assists the elderly, disabled, minorities, and other protected classes to finance affordable housing with federal, State, and local funds.

Public Lending Practices

For example, the non-profit Salisbury Neighborhood Housing Services (SNHS) has invested \$14.25 million in the City. It has financed first mortgages on 102 homes in the Camden neighborhood, 59 in the Church Street-Doverdale neighborhood, and 12 on the Westside. Further, SNHS has assisted 36 of the homebuyers in the Camden neighborhood, 20 in the Church Street-Doverdale neighborhood, and six on the Westside with loans for closing costs. SNHS also has financed rehabilitation loans on 21 homes in the Camden neighborhood, 11 in the Church Street-Doverdale neighborhood, and 12 on the Westside. In addition, 17 loans were made to residents in other areas of the City using funds from the State's Community Legacy Program and

Special Housing Loans Program. Since 1990, an estimated \$460,000 in CDBG funds has been used to support these housing efforts. Thirty-three percent of these loans have assisted minorities, 37 percent have been made to female heads of households, and 41 percent have gone to families making 80 percent or less of the AMI.

In addition, the joint City/County Department of Planning, Zoning and Community Development (PZCD) has operated a Countywide housing rehabilitation program, funded with CDBG money, since 1980. The program is designed to assist low-to-moderate income homeowners with renovation and repair of their homes, especially those with code violations. Over any two-year period roughly 35 homes have been rehabilitated, 15 of which are in the City. For the past 10 years the County also has been the local administrator of a State program to rehabilitate and abate lead paint hazards Countywide. Both rental properties and owner-occupied housing are eligible to receive these funds. Normally seven units a year are assisted, four of which are located in Salisbury.

The City's housing stock also includes 1,776 assisted housing units in 22 separate housing projects. Of the 22 projects, 14 are financed by HUD and eight are funded primarily by the State DHCD. Three of the MD DHCD projects also include federal HOME and Low Income Housing Tax Credits (LIHTC). Furthermore, 10 of the HUD financed projects (665 units) have project-based Section 8 vouchers. Of the 22 assisted projects, at least eight are targeted to very low income elderly and/or deaf renters (HUD 202 projects, Congregate Housing and State Elderly Rental Housing Program (ERHP) projects). Five of the projects, those assisted under Section 221(d)(4) of the National Housing Act, are focused primarily on very low income single persons who rent SRO or "Single Room Occupancy" units. Regardless of the funding source, all of the assisted units provide affordable housing for Salisbury's low and moderate income citizens.

Private Lending Practices

Federal recognition of the importance of residential credit culminated in the mid to late 1970s with the passage of two pieces of legislation. The Home Mortgage Disclosure Act (HMDA) of 1975 required private lenders to report the number and dollar volume of residential loans at the Census tract level. These data allowed people to monitor local investment and disinvestment activity, and to identify lenders or banks that were serving their local deposit bases and communities as opposed to those who were not. The Community Reinvestment Act (CRA) of 1977 made "redlining" illegal by stipulating that lenders had an affirmative obligation to make loans in low and moderate income communities.

In an attempt to investigate whether disparities (or possible discrimination) exist in Salisbury and/or Wicomico County between the mortgage loan acceptance rates for

minorities versus whites and for females versus males, 2001 HMDA data (i.e., 1964 owner-occupied loans for the County and roughly 176 loans for the City) were obtained from the Financial Institutions Examination Council. These data contain census tract information on loan applications received by financial institutions and by characteristics of the applicants. Data include loan type, amount, property location, applicant's race and gender, and loan approval or denial.

After a preliminary review, an analysis of applications for mortgages for the purchase of owner-occupied homes was attempted. Unfortunately, the information for Wicomico County and Salisbury was incomplete. Specifically, data on the reason for loan denial was missing in most instances for both the City and the County, thereby preventing any analysis of this factor. Therefore, any analysis of discrimination was impossible.

4. Survey of Fair Housing Choice

In January 2004, the City of Salisbury distributed a survey of housing and community development needs and fair housing issues to a sample of the City's citizens. The survey was distributed to an estimated 158 citizens of the City. In general, these citizens were either neighborhood advocates or public or private providers of social/community services. In the end, 60 citizens, an estimated 38 percent of those solicited, responded to the survey. These respondents included: community advocates (27), social service providers (9), public sector staff (6), Church ministers (6), housing developers (6), members of professional organizations (4), and Wicomico County Housing Authority (WCHA) representatives (2). The 60 respondents were asked to respond to two broad fair housing questions. Question 1 asked if one of eight public and/or private actions directly or indirectly created or led to impediments to fair housing choice. Question 2 asked the respondents if local public and/or private sector enforcement actions and educational programs sufficiently promoted fair housing in Salisbury. Additionally, the respondents were asked to explain why they believed that an action led to an impediment to fair housing.

Between 12 and 23 (or 20-40 percent) of the 60 respondents, stated that all of the listed public or private actions could create or lead to an impediment to fair housing choice. But another 24 to 30 (or 40-50 percent) respondents stated that the actions had no impact. While between 12 and 32 (or 20-33 percent) respondents had no response at all.

In general, 23 or roughly 40 percent of the 60 respondents thought that, of the public and private actions listed, planning and zoning actions could prospectively result in the most impediments to fair housing choice. In addition, some of the Community Advocates,

Professionals, and the Social Service Providers commented that: (1) many codes were unnecessarily restrictive, (2) the difficulty in getting permits discouraged building smaller and/or affordable housing; and (3) the “4 to 2 ordinance” was inappropriate, arbitrary and strongly affected the poor. As recommendations, they suggested reducing housing setbacks and other zoning requirements, particularly zero lot line development, for housing for residents with low and moderate incomes (LMI).

Of the 60 survey respondents, 34 (56.7%) said that current educational programs sufficiently promoted fair housing choice. Some of the Community Advocates, Professionals, Social Service Providers, Church Representatives, and a City Employee noted that there was not enough marketing and insufficient access to educational programs. A Community Advocate believed that the people most affected (e.g., the LMI) were the least informed. One respondent recommended that more advertising, education, and training was needed for individuals who were homeless or had low incomes.

5. Public Meeting Comments

In July through December of 2004, the City held numerous meetings to further identify, refine, and prioritize the Salisbury’s fair housing issues. Many of the citizens, previously surveyed, were invited to participate in the meetings. Three Housing Resources Board members chose to attend the July meeting, two City employees attended the August meeting, and six realtors, landlords and bankers were at the October meeting. Using the above survey results as a starting point, the meeting facilitator asked the attendees to comment generally on possible actions constraining fair housing choice, enforcement, and education. Further, phone calls and/or meetings were held with local representatives of the NAACP and Legal Aid in December 2004. Finally, in February and March 2005 two meetings were scheduled to be held with numerous low income renters. Despite wide publication of the meetings through direct mailing and the local media and working with the local Ministerial Alliance to get participants, no low income tenants showed up for either meeting. Information from all of these meetings contributed to the City’s position on fair housing choice.

On October 14, 2004, six realtors, landlords and bankers met with the City’s Director of Community Development and David Schultz of Neighborhood Solutions to discuss fair housing issues in Salisbury. Possible impediments reviewed included bad credit, language, rising housing prices, rising property taxes, and the recently passed “4 to 2” ordinance. To help resolve these issues the participants discussed the value of and need for a tenant advocate, a City housing policy (covering such issues as annexation, development, tipping fees, and unpaid property taxes), increased education programs (especially by SNHS and CCCHRB), and improved coordination.

On November 17, 2004, City staff and their consultant met with six members of the Mayor's Council in Support of Persons with Disabilities. Unlike other meetings this one included mostly discussion of the Council's activities as opposed to fair housing issues. The new Council Chairman described the objectives of the Council and its key program the 'Accessing Salisbury' effort. Information on the Council's joint public service announcement with the City on shopping in Salisbury was discussed. In addition, the Council members commented on promoting a business environment that is friendly to the disabled. Finally, the Council members concluded the meeting by citing the lack of supply of accessible and affordable housing units in Salisbury and indicating the need for information on existing accessible units.

B. Fair Housing Strategy

Thus, based on a review of Census statistics and public actions to affirmatively further fair housing, an analysis of public zoning and land use practices, public and private rental practices, public and private lending practices, and focus group/public meeting comments, a very small number of impediments to fair housing choice appear to exist in Salisbury. But there are also various actions which could resolve these problems or impediments. These actions can be summarized as follows: "Educate, Coordinate, and Formalize Housing Policy." As depicted in the following chart, this three-pronged approach constitutes the Fair Housing Strategy for the City of Salisbury.

1. Education

As highlighted in the focus group discussions, there is a lack of public awareness of fair housing in general, and specific rights and responsibilities in particular. This is further supported by the recent MCHR cases regarding discrimination based on race and religion, and the results of the analysis of private lending practices. Fair housing is a topic most Marylanders are uncomfortable discussing, and thus, they are generally ignorant of their rights and responsibilities.

Several actions, especially the development and implementation of a comprehensive local educational campaign, will overcome this problem. As discussed in detail by the focus group participants and summarized in Section III, education on fair housing is crucial to improving public awareness. Currently Salisbury as well as other Entitlement

communities engages in educational activities, but most of these actions are targeted to Fair Housing Month (April). Thus, the establishment of a continuous, year-round local campaign would be helpful. Moreover, the focus of the campaign should be the prevention of discrimination based on race and disability, since the majority of the recent MCHR fair housing complaints have been in these two areas. Partners in this undertaking should include Wicomico County, MCHR, HUD, the local CHRB, the NAACP, and realtors. This should be a five year activity to be initiated in SFY2007. Because fair housing education is an eligible CDBG activity, these federal funds could be a primary resource for this action.

Salisbury has become more ethnically diverse in recent years. Assistance is needed to help Hispanic and Asian persons understand their rights, responsibilities and opportunities. An activity to be initiated in SFY2007 will provide this assistance. The City in cooperation with Salisbury University and Wor-Wic Community College will develop and maintain a group of interpreters that would be available to assist bankers, realtors, and landlords in their transactions with non-English speaking persons.

Complementary to the establishment of a comprehensive local educational campaign, is the development and implementation of fair housing training. While the City and others have sponsored fair housing training in the past, it has been targeted to recipients of federal funds. The proposed training would be designed to inform Maryland housing developers, realtors, bankers, insurers, and management agents about fair housing. In particular, the developers would be educated about "reasonable accommodations," "reasonable modifications," and cost-efficient, accessible designs. While Salisbury would assume the lead in sponsoring such training, partners include HUD, MCHR, Maryland Association of Realtors (MAR), Maryland Bankers Association (MBA), and Home Builders Association of Maryland (HBAM). This activity too would be a five year one initiated in SFY2007, but unlike the others, the training would be held periodically depending on the need and funding availability.

2. Coordination

Although not discussed by any of the focus group participants nor revealed by analyses of data, another problem or barrier to fair housing in Salisbury is a lack of coordination. This includes a lack of coordination between the public and private sectors, but also between the City and County. Affirmatively furthering fair housing basically requires cooperation among all partners at all levels all the time. While disaggregating of communities into entitlement and non-entitlement jurisdictions facilitates the allocation of federal funds for HUD, it creates artificial barriers between and among the partners responsible for fair housing in Maryland.

To overcome this impediment Salisbury, as the primary public partner, would attempt to initiate a process which results in consistent, coordinated fair housing practices throughout the City and County. Such a process would include meetings among all the partners to review the various analyses of impediments and the actions designed to resolve them. This process also would attempt to include consideration of various differences and housing priorities. Once development of the Fair Housing Strategy is complete, Salisbury and the other public and private partners would jointly implement the actions. Development of this process is foreseen by the City as a five year activity to be initiated in SFY2007.

3. Formal Housing Development Policy

The City of Salisbury supports the development of affordable housing through annexation, higher density zoning, and the extension of water and sewer service. The latter policy fosters the development of affordable housing. Despite these actions and others in support of affordable housing, possible impediments reviewed included bad credit, language, rising housing prices, rising property taxes, and the recently passed “4 to 2” ordinance. To help resolve these issues the participants discussed the value of and need for a formal City housing policy (covering such issues as annexation, development, tipping fees, unpaid property taxes, and zoning), a tenant advocate, increased education programs (especially by SNHS and CCCHRB), and improved coordination. Given the City’s strong commitment to affordable housing, a formal City Housing Policy, including consideration of all of the previously cited issues and others, could help to make housing more affordable and available. Implementation of such a policy by the City as soon as it is feasible would facilitate the development of affordable housing.

SALISBURY
ANALYSIS OF IMPEDIMENTS
AND
FAIR HOUSING STRATEGY

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I. INTRODUCTION

The US Department of Housing and Urban Development (HUD) broadly defines fair housing choice as "the ability of persons with similar incomes to have the same housing choices regardless of race, color, religion, sex, age, national origin, familial status, or disability." All state and local governments, particularly those that receive federal funds from HUD, are required to promote fair housing choice and to "affirmatively further fair housing." Since Salisbury receives Community Development Block Grant (CDBG) entitlement funds, the City not only has to promote fair housing choice and affirmatively further fair housing, but the City also has to complete an Analysis of Impediments (AI) to fair housing choice and to prepare a Fair Housing Strategy to overcome any identified impediments.

The data and analysis detailed in this report constitute Salisbury's Analysis of Impediments and Fair Housing Strategy. Salisbury has used its own funds to hire a consulting firm, Neighborhood Solutions LLC, to complete the AI and Strategy. In particular, Salisbury has undertaken a comprehensive review of public laws, regulations, policies and procedures as well as private procedures and practices in various areas to determine whether, either through omission or commission, any impediments or barriers to fair housing choice exist in the City. Because of their importance, Salisbury has concentrated on analyzing the impact of public land use, public and private rental, and public and private lending practices on fair housing choice.

The data that constitute the basis of Salisbury's AI are from both primary and secondary sources. The major secondary sources are the 2000 Census of Population and Housing data, 2001 Home Mortgage Disclosure Act (HMDA) data, and 1994/95 Maryland Office of Planning information. Primary data on City and County zoning and fair housing practices, Wicomico County Housing Authority (WCHA) and federal Section 8 practices, MD Department of Housing and Community Development and City CDBG financing, and Wicomico County rental practices have been derived from written surveys, program files, and summaries of focus group and/or public meetings.

II. DEMOGRAPHICS

A. General Statistics

According to 2000 Census data, 23,743 persons reside within the City limits of Salisbury. Roughly 60 percent of the persons are white, 32 percent are black with the remaining eight percent composed of other races, including Hispanics and Asians. An estimated 67 percent of the persons are over 21 years of age, with 12.5 percent over 65 years old or elderly. In addition, of those 12,761 individuals between 21-64 years of age, 2573 or 20 percent has a disability. These individuals are further organized into 9067 households with an average household size of 2.36 persons. Fifty-three percent of all households live in families with children; 47 percent are non-family households or individuals living alone.

The median household income in 1999 in Salisbury was \$29,191. However, the median income for the 2642 black households was \$22,870, compared with \$31,724 for the 6138 white households. Roughly 43 percent of all 9233 households earn less than \$25,000, while 34 percent earn between \$25,000 and \$50,000. Only 5.5 percent of the 9233 families earn \$100,000 or more. Of those City residents over 16 years of age, 63.5 percent are in the labor force and 36.5 percent are not seeking work. Of the 12,385 residents in the labor force, 1011 or more than five percent are unemployed. Many households (2286) live on Social Security income (\$10,503 mean SSI), others (1390 households) live on retirement income (\$14,119 mean income), and still others (434 households) receive public assistance (\$2753 mean assistance). In 1999, 820 families in Salisbury lived in poverty. Of these families, 426 or 52 percent were black families; 578 or 70 percent were families with children headed by single women, most of whom were also black (363 families).

Overall, according to 2000 Census data, approximately 3445, or 38 percent, of all 9,067 households in Salisbury experience some type of housing problem. Of these 9067 households, roughly 5661, or 62 percent, are renters, while 3406, or 38 percent, are homeowners. Of the 5661 total renters, 2774 or 49 percent have some type of housing problem. Conversely, of the 3406 homeowners, only 681 or 20 percent have a housing problem.

Housing Problems (Affordability, Overcrowding, and Substandard Conditions)

The most frequently experienced housing problem is lack of affordability. Housing affordability is the amount of the household income spent on the cost of housing. It is commonly assumed that a maximum of 30 percent of gross household income should be spent on housing costs, including utilities. Households spending more than that amount are said to have a cost burden. Households spending 50 percent or more of gross household income for housing costs are experiencing a severe cost burden. An estimated 3460 Salisbury households are cost burdened and roughly 1550 households are severely cost burdened. Conversely, less than two percent of all Salisbury's households live in substandard conditions and less than four percent of City households live in "overcrowded" (e.g., more than one person in each room) housing.

Although not shown, the same data for the City disaggregated by racial or ethnic group indicates that black households have disproportionately more housing problems than white households. Specifically, 52 percent of all 2661 black households have housing problems, while only 31 percent of all 5785 white households have housing problems. If black households in Salisbury are further split between renters and homeowners, 56 percent of black renters (2239 households) have housing problems and only 30 percent of black homeowners (422 households) have housing problems. Although 79 percent of Hispanic households have housing problems, only 162 or less than two percent of all Salisbury households are Hispanic. In general, such households are primarily migrants as indicated by 140 of the 162 Hispanic households being renters, working primarily in agricultural pursuits.

B. Minority and Low Income Concentrations

The City of Salisbury's Consolidated Plan defines an area of minority concentration as a "Census tract where at least 60 percent of the population who reside within the Census tract are identified as minority households, as defined by the US 2000 Census." There is only one census tract within the City of Salisbury which qualifies under this definition – Census Tract 3. Census Tract 3 encompasses the Westside neighborhood of Salisbury. Slightly over 93 percent of the residents of Census Tract 3 (the Westside neighborhood) are minorities.

Using HUD's definition of "Area Benefit," an area of low income concentration is one where 51 percent or more of the population is considered to be low income. Based on the 2000 Census, three census tracts in Salisbury

qualify under this definition – Census Tracts 1, 3, and 5. An estimated 70 percent of the residents in Census Tract 1 are low income, 91 percent in Census Tract 3 are low income, and 79 percent in Census Tract 5 are low income. Census Tract 3 includes the Westside neighborhood and Census Tract 1 includes the Church Street / Doverdale neighborhood. Both the Westside neighborhood and the Church Street / Doverdale neighborhood are priority neighborhoods for Salisbury’s CDBG funds.

While the Westside neighborhood (Census Tract 3) is a neighborhood with concentrations of both minorities (black) and low income households, there are few residents that wish to move. Their preference is to revitalize the neighborhood without integrating white, typically higher income households. Despite this preference, when the Westside residents were surveyed with respect to fair housing issues three residents chose to respond. One of the two respondents stated that all of the cited public and private actions could lead to impediments to fair housing choice, while the other said that none could. Both respondents said that current public and private educational and enforcement actions were adequate. The third Westside respondent said that most of the public and private actions could lead to fair housing impediments, but that most of the public and private enforcement actions were sufficient. The respondent also offered several comments. For instance, he commented that local banks were reluctant to finance applications from residents with poor credit ratings. He also criticized poor marketing of the availability of financial resources for low income residents.

III. CURRENT LEGAL STATUS

A. Maryland Commission on Human Relations

In Maryland protection of the constitutional right to fair housing choice regardless of race, color, religion, sex, age, familial status, national origin, or handicap is the responsibility of the Maryland Commission on Human Relations (MCHR). Because Maryland's law is substantially equivalent to the federal law, any individual may file a complaint alleging a discriminatory housing practice with the MCHR. Or, on its own initiative, the Commission may file a complaint. The Commission also may investigate whether a complaint should be initiated. Furthermore, if the MCHR investigates a situation and determines that probable cause exists, it may commence a civil action in the appropriate court. In resolving such action the court may award relief, including monetary damages, monetary penalties, and reasonable attorneys' fees and costs.

To assist in determining whether any fair housing complaints had been submitted during the period January 1, 2001 to June 30, 2004, the Mayor of Salisbury sent a letter to the MCHR requesting information on housing discrimination complaints. In early December, Salisbury's Mayor received a letter from the MCHR, dated November 29, 2004, stating that for the period requested two fair housing complaints had been filed. In each case, one from a citizen residing in Hebron and another from a Salisbury resident, a "no probable cause" finding was issued. Consequently, both complaints ended with the investigation.

B. U.S. Dept. of Housing and Urban Development

Salisbury's Mayor also sent a letter to HUD (Baltimore Office) requesting information on any housing discrimination complaints for the same time period. This letter was sent because HUD's Fair Housing Intake Office in Philadelphia, PA often receives such complaints. In response the City received a letter, dated December 1, 2004, from HUD stating that after checking with both the Fair Housing Intake Office and the MCHR two housing discrimination complaints had been received.

These two complaints are the same as those cited by the MCHR, one from Hebron and one from Salisbury. The complaint from Hebron was based on an allegation that because of their race, the complainants had not been permitted to rent an apartment. The complaint from Salisbury was based on an allegation that because of their religion, the complainants had not been permitted to rent an apartment. As cited above, both cases were concluded with findings of no probable cause. Thus, no findings of discrimination resulted.

IV. SURVEY AND MEETINGS ON FAIR HOUSING

A. Survey Results

In January 2004, the City of Salisbury distributed a survey of housing and community development needs and fair housing issues to a sample of the City's citizens. The City also placed the survey on its Internet website in order to obtain the comments of other residents, not formally solicited by mail. The overall purpose of the survey, as well as numerous community meetings held by the City during the summer and fall of 2004, was two-fold: (1) to obtain information on the priority housing and community development needs of the citizens in order to facilitate the development of the City's Consolidated Plan, and (2) to gather information on the status of public and private actions to promote fair housing choice to assist with the preparation of an Analysis of Impediments to Fair Housing Choice. Both the Consolidated Plan and the Analysis of Impediments are requirements of the U.S. Department of Housing and Urban Development (HUD) to obtain its annual allocation of Community Development Block Grant (CDBG) funds.

1. Survey of Fair Housing Actions

The survey was distributed to an estimated 158 citizens of the City of Salisbury. In general, these citizens either were neighborhood advocates or public or private providers of social/community services. In the end, 60 citizens, an estimated 38 percent of those solicited, responded to the survey. These respondents included: community advocates (27), social service providers (9), public sector staff (6), Church ministers (6), housing developers (6), members of professional organizations (4), and Wicomico County Housing Authority (WCHA) representatives (2). In addition, these 60 respondents and/or organizations represented numerous

neighborhoods of the City, Wicomico County, and neighboring counties. In particular, 22 respondents' organizations operated Citywide and 11 operated Countywide, while four organizations served residents of the Lower Shore counties, including Wicomico County and Salisbury. The remaining respondents lived in 18 different Salisbury neighborhoods, including the Camden Heights/Mid-Camden, Church Street/Doverdale, Newton, and Westside neighborhoods.

The 60 respondents were asked to respond to two broad questions. Question 1 asked if one of eight public and/or private actions directly or indirectly created or led to impediments to fair housing choice. Question 2 asked the respondents if local public and/or private sector enforcement actions and educational programs sufficiently promoted fair housing in Salisbury. Additionally, the respondents were asked to explain why they believed that an action led to an impediment to fair housing. Some respondents did not explain the reason for their concern, others did. Thus, numerous surveys were only partially completed. The specific responses by the seven different types of respondents (e.g., community advocate and social service provider) to the 10 specific questions are detailed below.

2. Survey Responses by Type of Respondent

This section presents a summary of the findings by each type of respondent to the questions in the Fair Housing survey.

Community Advocates (27)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	6	16	5
WCHA tenant selection	8	12	7
Property tax assessments	7	16	4
Planning and zoning	10	12	5
Housing, building, occupancy, health, & safety codes	7	14	6
Demo & displacement	3	17	7
Real estate practices	8	15	4
Banking & insurance practices	7	13	7

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	20	5	2
Educational programs	18	7	2

About 30 percent of the Community Advocates thought that each of the public and private actions listed in the survey could create or lead to impediments to fair housing. In addition, some respondents noted the following concerns that apply generally to all actions: (a) there is subtle discrimination overall; (b) racism at all levels of the community impacts housing opportunities; and (c) the lack of a comprehensive housing policy allows developers to ignore the housing needs of low and moderate income residents. Several Community Advocates also believed that the combined City and County property tax was so high that it encouraged development of homes outside of Salisbury. Some respondents felt that the current planning and zoning requirements were too strict and hard to enforce. Also several respondents believed that the housing, building, occupancy, health, and safety codes were too strict. Others said that often safety violations in the houses and apartments of handicapped persons were not fixed. Another respondent believed that rents were too high for income levels. Some respondents thought that local bankers had a greater degree of cynicism or lack of confidence in applicants who had poor credit or non-traditional credit. Finally, some commented that there was little or no help for persons to achieve financial stability.

More than 67 percent of the Community Advocates believed that the public and private actions sufficiently promoted fair housing choice. However, several respondents noted: (a) the lack of code enforcement placed tenants at a disadvantage; (b) that private sector actions are driving up rental housing costs for single family homes so that the rents were higher than the mortgages; and (c) the enforcement of zoning was selective in various City neighborhoods. One respondent recommended that code enforcement could be improved, if the fear of eviction was removed when a complaint was filed. Some respondents commented that the people most affected by fair housing information and educational activities were the least informed; and that there were not enough public information and educational programs. Finally, some respondents said there was not sufficient marketing and/or access to fair housing resources by all citizens.

Social Service Providers (9)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	3	4	2
WCHA tenant selection	3	4	2
Property tax assessments	4	3	2
Planning and zoning	3	4	2
Housing, building, occupancy, health, & safety codes	3	4	2
Demo & displacement	4	3	2
Real estate practices	2	5	2
Banking & insurance practices	2	5	2

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	4	3	2
Educational programs	5	2	2

One of the Social Service Providers stated that all of the actions listed in the survey could create or lead to impediments to fair housing. Generally, the Providers commented on three actions: (a) property taxes were too high for lower income people; (b) the new “4 to 2 ordinance” strongly affected the poor; and (c) vacant, dilapidated houses were not demolished in a timely manner. Three respondents (60%) commented that current enforcement actions and information and educational programs sufficiently promoted fair housing, but one respondent (20%) thought that enforcement actions were not adequate.

Of the two Community Action Agency representatives, one believed that all of the actions listed in the survey, except planning and zoning, could create or lead to impediments to fair housing. Both respondents stated that current information and educational programs sufficiently promoted fair housing choice, but one respondent thought that enforcement actions were inadequate.

The Aging representatives stated that all of the public and private actions, except real estate practices and bank and insurance practices, could create or lead to impediments to fair housing. One respondent also thought that the business environment related to fair housing was poor. Finally, the respondent said that current enforcement and educational programs did not sufficiently promote fair housing choice. The single Emergency Shelter provider did not comment on any of the questions, claiming that he had insufficient information.

Housing Developers (6)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	1	3	2
WCHA tenant selection	1	2	3
Property tax assessments	0	3	3
Planning and zoning	2	1	3
Housing, building, occupancy, health, & safety codes	2	1	3
Demo & displacement	1	2	3
Real estate practices	1	2	3
Banking & insurance practices	1	2	3

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	3	1	2
Educational programs	2	1	3

Of the six housing developers who responded, two were For-profit and four were Non-profit Developers. One of the two For-profit Developers said that all actions, except property tax assessments and demolition and displacement decisions, could create or lead to impediments to fair housing. Both respondents also stated that current enforcement actions sufficiently promoted fair housing. One For-profit respondent thought that the educational programs were adequate.

Of the four Non-profit Developers, one stated that the planning and zoning actions, the housing, building, and other codes, and demolition and displacement decisions could create or lead to impediments to fair housing. One respondent also thought that the current enforcement actions and educational programs sufficiently promoted fair housing choice, but another Non-profit respondent said that both actions were inadequate.

Public Sector Staff (6)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	2	3	1
WCHA tenant selection	2	4	0
Property tax assessments	2	3	1
Planning and zoning	1	3	2
Housing, building, occupancy, health, & safety codes	2	3	1
Demo & displacement	1	4	1
Real estate practices	3	1	2
Banking & insurance practices	0	3	3

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	3	1	2
Educational programs	2	1	3

Of the six public sector staff, four were City employees and two were State employees. Both of the State Staff said that two actions listed in the survey (site selection policies and property tax assessments) could create or lead to impediments to fair housing. One State respondent said that WCHA procedures and policies, planning and zoning actions, housing, building, other codes, and real estate practices could create impediments. Both State respondents had no comment on the sufficiency of the enforcement actions and educational programs in promoting fair housing choice.

Of the four City Staff, three commented that six actions listed in the survey were not creating or leading to impediments to fair housing. Two said that housing, building and other codes were not creating or leading to impediments. Two respondents thought that real estate practices could lead to impediments. At least one

respondent said that WCHA procedures, housing, building and other codes, demolition and displacement decisions could lead to impediments. The City respondents commented that: (a) the County PHA needed to develop adequate fair housing procedures; (b) code violations needed to be addressed; and (c) mixed-use development should be considered after demolition.

Three respondents said that current enforcement actions sufficiently promoted fair housing choice, while two respondents thought that educational programs were adequate. The respondents also noted that a local fair housing organization to represent low income persons was needed. Also, additional advertising of fair housing resources was needed.

Church Representatives (6)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	3	2	1
WCHA tenant selection	2	2	2
Property tax assessments	1	3	2
Planning and zoning	3	2	1
Housing, building, occupancy, health, & safety codes	2	2	2
Demo & displacement	2	2	2
Real estate practices	2	2	2
Banking & insurance practices	2	2	2

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	4	1	1
Educational programs	4	1	1

Of the six Church Representatives, three said that site selection policies and planning and zoning actions could create or lead to impediments to fair housing. Two Church respondents said that five other actions could result in impediments. The respondents also commented that prejudice and injustice existed widely. Four respondents stated that current enforcement actions and educational programs sufficiently promoted fair housing, but one respondent said that the actions were not adequate. The respondents said more educational and training materials were needed, especially for individuals who were homeless, or had low incomes.

Members of Professional Organizations (4)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	1	2	1
WCHA tenant selection	1	2	1
Property tax assessments	2	1	1
Planning and zoning	4	0	0
Housing, building, occupancy, health, & safety codes	2	1	1
Demo & displacement	1	1	2
Real estate practices	2	1	1
Banking & insurance practices	1	1	2

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	1	2	1
Educational programs	1	2	1

Of the four Professionals, all thought that planning and zoning actions could create or lead to impediments to fair housing, and two said that property tax assessments, housing, building and other codes, and real estate practices could be impediments to fair housing. One respondent even said that all eight actions could be impediments. The respondents commented that: (a) it was difficult to get zoning permits to develop affordable housing; (b) current zoning codes were too restrictive; (c) zoning setbacks and other requirements should be reduced for affordable housing; and (d) zero lot line development should be considered. One respondent noted that the WCHA needed to improve fair housing policies. Two of the four respondents said that current enforcement actions and educational programs did not sufficiently promote fair housing choice; but one respondent said that the actions were adequate. The respondents commented that the public and private

sector did not have the manpower to enforce fair housing rules and that the educational programs left the public clueless.

WCHA Staff (2)

Question 1: Do you think that any of the following public (City of Salisbury) and/or private actions directly or indirectly create or lead to impediments to fair housing choice?

ACTIONS	Yes	No	No response
Site selection	0	1	1
WCHA tenant selection	0	1	1
Property tax assessments	0	1	1
Planning and zoning	0	1	1
Housing, building, occupancy, health, & safety codes	0	1	1
Demo & displacement	0	1	1
Real estate practices	0	1	1
Banking & insurance practices	0	1	1

Question 2: Do you think that the current public and/or private sector activities sufficiently promote fair housing choice in Salisbury?

ACTIONS	Yes	No	No response
Enforcement actions	2	0	0
Educational programs	2	0	0

Of the two WCHA Staff, one said that none of the actions listed in the survey could create or lead to impediments to fair housing. The other had no response. Both respondents commented that current fair housing enforcement actions and educational programs sufficiently promoted fair housing choice.

3. Summary of Survey Responses

Depending on the question posed, between 12 and 23 (or 20-40 percent) of the 60 respondents stated that the cited public or private actions could create or lead to an impediment to fair housing choice. But another 24 to

30 (or 40-50 percent) of the respondents stated that the actions had no impact. While between 12 and 32 (or 20-33 percent) of the respondents had no response at all.

In general, 23 (roughly 40 %) of the 60 respondents thought that, of the public and private actions listed, planning and zoning actions could prospectively result in the most impediments to fair housing choice. In addition, some of the Community Advocates, Professionals, and the Social Service Providers commented that: (1) many codes were unnecessarily restrictive, (2) the difficulty in getting permits discouraged building smaller and/or affordable housing; and (3) the "4 to 2 ordinance" was inappropriate, arbitrary and strongly affected the poor. As recommendations, they suggested reducing housing setbacks and other zoning requirements, particularly zero lot line development, for housing for residents with low and moderate incomes (LMI).

Also some of the Community Advocates noted that there was subtle discrimination throughout Salisbury, and that there was racism, which adversely impacted fair housing opportunities, in all neighborhoods of the City. In addition, many respondents thought that LMI housing needs were ignored by developers because of the lack of a comprehensive housing policy. Some of the Church Representatives noted that generally there was prejudice and injustice, and that most decisions on fair housing choice were not fairly considered.

In addition to the general comments, some of the City staff and the Professional respondents noted that the County PHA needed to perform better and to develop adequate procedures and policies to serve their LMI tenants. Also, some of the Community Advocates and Social Service Providers commented that property taxes were too high for lower income people and prevented them from keeping their property. They further thought that the combination of County and City property taxes acted to encourage new homes to be built outside the City. Other respondents noted that safety violations were not fixed for the handicapped. Some of the Social Service Providers and City staff also commented on need for mixed-use development, including housing upstairs, after dilapidated buildings were demolished. Some respondents thought that local bankers had a greater degree of cynicism or lack of confidence in applicants, who had poor credit or non-traditional credit. Finally, some commented that there was little or no help for persons to achieve financial stability.

Of the 60 survey respondents, 37 (61.6%) believed that current Fair Housing enforcement actions sufficiently promoted fair housing choice. Some of the Community Advocates thought current requirements were too strict and that enforcement of zoning was selective in various neighborhoods of the City. In addition, many respondents said private sector activities were driving up rental housing costs for single family homes to point that rents exceeded mortgages. One of the Social Service Providers noted that the business environment in the City was poor. A City staff member recommended the need for a local fair housing organization to represent LMI persons.

Of the 60 survey respondents, 34 (56.7%) said that current educational programs sufficiently promoted fair housing choice. Some of the Community Advocates, Professionals, Social Service Providers, Church Representatives, and a City Employee noted that there was not enough marketing and insufficient access to educational programs. A Community Advocate believed that the people most affected (e.g., the LMI) were the least informed. One respondent recommended more advertising, education, and training was needed for individuals who were homeless or had low incomes.

B. Public Meeting Comments

In July, August, October, and November of 2004, the City held numerous meetings to further identify, refine, and prioritize the City's fair housing issues. Many of the citizens, previously surveyed, were invited to participate in the meetings. Three Housing Resources Board members chose to attend the July meeting, two City employees attended the August meeting, six realtors, landlords and bankers were at the October meeting, and six members of the Salisbury Disability Council shared their views at a November meeting. The City also made a major effort to obtain comments from low and moderate income renters. But after getting **zero** responses from 250 letters requesting attendance at a November meeting, the City used an alternative approach to identify tenants that may have issues with fair housing choice. Based on comments by Church representatives in the survey discussed above, the City worked through the Wicomico County Ministerial Alliance to encourage affected tenants to attend a second focus group meeting on February 16, 2005. Unfortunately, again at this meeting no low income tenants attended.

1. Meeting with City of Salisbury Employees

On August 11, 2004, there was a meeting between Neighborhood Solutions, the City's consultant, and Bill Holland, Director of Building, Housing and Zoning for the City of Salisbury, and Jack Lenox, Director of the Salisbury / Wicomico Planning, Zoning and Community Development Department. The three generally discussed various City programs, laws, and regulations that could possibly impede fair housing.

The City of Salisbury supports growth through annexation, higher density zoning, and the extension of water and sewer service. The latter policy fosters the development of affordable housing. Specifically, the developer has to pay upfront for any extended facilities. However, the City may reimburse the developer, if the public facilities were to eventually serve adjacent housing projects as well. This policy applies to all neighborhoods, but the City could deny services to a housing development, if the cost of the facilities was too high for the viability of the project.

The recently passed "4 to 2" ordinance appears to be creating an impediment to affordable housing. The new City regulation has resulted in higher rents and a tighter rental market. Although the policy is applied Citywide, virtually all of the complaints have come from the neighborhoods serving college students. The City already has investigated over 30 complaints and has developed statements of probable cause. To date all of the cases that have been resolved have been decided in the landlord's favor.

The City's strongly enforces its housing codes. About 150 inspections per quarter are completed, of which roughly 112 result in citation orders or housing violations. Of these, 11 or 12 go to court. The inspection process involves an order to vacate, securing of the building, 30-60 days to correct the violations, and if not

corrected, demolition. The entire process usually takes over six months to determine whether demolition is appropriate.

The City also has a new Rental Registration program. This program requires a landlord to purchase a rental business license and the City to inspect rental units for code violations. If the landlord is cited three times in two years and does not fix the property, he is considered a habitual offender. Also his annual fee is raised to \$500 per unit with annual inspections regularly undertaken for three years. Fines are \$100 per occurrence.

2. Meeting with Private Sector Representatives

Realtors, Landlords, and Bankers

On October 14, 2004, six representatives [one realtor (Ms. Terry Manion), one landlord (Ms. Lisa Ludwig) and four bankers (Mr. Marty Neat, Mr. Oliver Waters, Ms. Carolyn Adkins, Ms. Ellen Van de Grift)] met with Deborah Stam, the City's Director of Community Development, and David Schultz of Neighborhood Solutions to discuss fair housing issues in Salisbury. Possible impediments reviewed included bad credit, language, rising housing prices, rising property taxes, and the recently passed "4 to 2" ordinance. To help resolve these issues the participants discussed the value of and need for a tenant advocate, a City housing policy (covering such issues as annexation, tipping fees, and unpaid property taxes), increased education programs (especially by SNHS and CCCHRB), and improved coordination.

For example, at a previous public meeting there was a concern that many home buyers with bad credit did not want to take the Salisbury Neighborhood Housing Services (SNHS) required six month housing counseling course, because it was too long. Consequently, some home buyers got themselves into financial trouble by seeking quick loans from predatory lenders. Mr. Neat said that most banks attempt to work with families seeking home loans. In addition, some banks require first-time home buyers to take the SNHS training. Further, he said that bankers are not doing anyone a favor by putting them in a home that they cannot afford – lenders want home buyers to succeed.

Ms. Manion stated that the biggest impediment to fair housing choice in the City is the language barrier. It is difficult to communicate with prospective home buyers who do not speak English. She suggested that the City should investigate working with Salisbury University or the Community College to provide volunteer student translators. Ms. Stam stated that SNHS had a staff person who spoke Spanish, but that there was a lack of translators who spoke other languages, such as Korean.

Several others also said that the cost of housing and the average salary were widely divergent in Salisbury. Further, housing prices were increasing and many potential home buyers earning only \$7.00 per hour cannot afford to buy a home in Salisbury. Also, retirees coming into the area were driving up housing prices. In

addition, increases in City property taxes and utility bills were driving up the cost of housing. The disparity between City and County property taxes were driving folks out of the City.

Mr. Neat stated that the "4 to 2" ordinance was also an impediment. Neighborhood folks think of the ordinance as a tool to help resolve the student rental problem, since college housing rentals was the argument for passing the ordinance. However, other populations were impacted too. For example, young people cannot afford to live by themselves and have to take in other renters. Finally, when anyone with limited financial resources, including a young person, buys a home and can only have one roommate, often financial problems arise.

Next the group discussed possible actions to improve fair housing choice in Salisbury. One action discussed was the hiring of a tenant advocate who educates renters on fair housing issues as well as ways to be an effective tenant. Speaking for her rental housing group, Ms. Ludwig said that she already educates her tenants, most of whom are college students. Asked whether this training has helped, she indicated that it was a great success, since she has few issues with her tenants. In particular, she uses the "Good Tenant 101" brochure and suggested that it should be more widely distributed. She also said that the Salisbury Area Property Owners Association (SAPOA) had been very helpful with the education of the landlords. SAPOA has encouraged every landlord to meet all property requirements and to minimize any code violations.

Mr. Schultz said that the City has a strong commitment to affordable housing, but asked if a formal City Housing Policy would help to make housing more affordable and available. Such a policy should at least include annexation and development. Unfortunately, the City's current development policy is inconsistent across neighborhoods. Ms. Stam said that there is any number of reasons why various aspects of a development project may get revised. For housing developers, these unknowns drive up housing costs. They want consistency so that everyone knows what the requirements are upfront. One reason for differential treatment could be current water and sewer capacity which is nearing maximum capacity. The City Public Utilities Department is working on developing more capacity, but it isn't completed yet. The County is also getting more restrictive with their development decisions.

Tipping fees and unpaid back taxes also impact the development of affordable housing. For instance, when SNHS demolishes a vacant, dilapidated house prior to constructing new affordable housing, getting rid of the debris is very expensive. The County used to assist by waiving the tipping fee and/or burning it down. Now neither option is available to SNHS. Ms. Manion also noted that certain properties in foreclosure have large amounts of accrued taxes. Forgiveness by the City of these unpaid property taxes would help with housing affordability. In particular, the City could offer to forgive such taxes for non-profit housing developers, like SNHS, in certain circumstances.

However, all participants thought that the most important action that needed to be promoted and expanded was education of the tenants, property owners, and general citizens. Help and advice on fair housing exists, but most folks just don't know about it. Most of the attendees had not heard of the Coastal Counties Community Housing Resource Board and were not sure what they did. Conversely, the attendees were aware of SNHS' classes and considered both the services and the organization to be wonderful. Several recommended that SNHS' classes (some of which relied on volunteer bankers, landlords etc.) be expanded. They also thought that there was a need to better coordinate efforts of public and private agencies involved in

fair housing education and training. For example, the Board of Education needs to play a role, as does Junior Achievement. Both organizations work with youth, the former with High School kids and the latter with younger teens.

Salisbury Mayor's Council in Support of Persons with Disabilities

On November 17, 2004, City staff (Debbie Stam, Carol Turner, and John Pick) and their consultants (Dave Schultz and Penny Davis of Neighborhood Solutions) met with six members of the Mayor's Council in Support of Persons with Disabilities (Gates Tyler, Tim Meagher, Ed Hearthway, Mike Purkey, John Fields, and Lee Whaley). Unlike other meetings this one included mostly a discussion of the Council's activities as opposed to fair housing issues. Michael Purkey, the new Council Chairman, described the objectives of the Council and its key program the 'Accessing Salisbury' effort. Information on the Council's joint public service announcement with the City on shopping in Salisbury was discussed. In addition, the Council members commented on promoting a business environment that is friendly to the disabled.

Further, Debbie Stam reported that Paul Rendine said he had received phone calls from many disabled individuals saying that they would like to live in Salisbury, but were having trouble finding an accessible apartment. The Moss Hill housing development was the only project with accessible units that the Council could cite. Councilman Tim Meagher also commented that handicapped ramps were discouraged by the City's Historic District Commission in the historic districts, particularly Newtown and Camden. The lack of available funding for accessibility modifications was also discussed. Most thought the process for accessibility modifications to private homes also was not user-friendly. For instance, many local contractors and retailers were not aware of the options for making modifications. Generally, portable ramps were being used because they were cheaper and easier to move. Finally, the Council members concluded the meeting by citing the lack of supply of accessible and affordable housing units in Salisbury and citing the need for information on existing accessible units.

C. Local CHRB, NAACP, and Legal Aid

1. Coastal Counties Community Housing Resources Board

In July 2004, City (Debbie Stam) and County (Lori Carter, Jacqui Tigner) employees and a representative from Neighborhood Solutions (David Schultz) met with three Board members (Tom Davis, Bill Whitmore, and Sharon Teagle) of the Coastal Counties Community Housing Resources Board (CCCHRB). The CCCHRB is responsible for educating local citizens on fair housing. The main resources used are:

- (a) The Tenant-Landlord Rights Guidebook prepared by Baltimore Neighborhoods;
- (b) Choosing Housing Curriculum, to educate students about housing and how to choose whether to buy or rent a house; and
- (c) Fair Housing Curriculum, to teach middle and high school students about fair housing laws and housing discrimination.

Mr. Davis said that he has met with the Assistant Superintendent of Schools in Wicomico County about both the Choosing Housing and the Fair Housing Curriculum. Although the Superintendent understands the value of the programs, the school system has not implemented them. Currently, the school system is focused on teaching diversity.

The CCCHRB, however, has been effective in getting communities to focus on Fair Housing Month. Each April, the Board asks the City and the County to issue proclamations and sponsor poster contests. The poster contests, in particular, have been successful. The City of Salisbury has been a leader in issuing a proclamation to support Fair Housing Month.

Ms. Teagle commented that most housing in the region is geared to families with children. There is not enough variety, particularly housing for single persons or the handicapped. In some private developments, there are two or three units available for handicapped persons. However, property managers only temporarily reserve these units for the disabled. If no disabled are initially interested, the units are rented to anyone. Ms. Teagle considers this approach to be financially successful (with the lowest vacancy rate), but socially wrong.

In 1996, Mr. Davis and Mr. Whitmore participated as testers to identify the existence of housing discrimination on the Eastern Shore. Organized and undertaken by the Maryland Human Relations Commission (MHRC), preliminary findings indicated that discrimination appeared to occur about 40 percent of the time. But a copy of the report was not sent to the CCCHRB until 2000. Mr. Whitmore was dissatisfied with the report, and he feels that MHRC is not effective at handling discrimination cases. For example, the Maryland Human Relations Commission reported receiving 55 housing complaints from citizens in Wicomico County during the past year. These complaints were mostly between landlords and tenants involving incidents which really weren't discrimination. HUD reported no cases of discrimination against the City of Salisbury in the past year. Lastly, he mentioned the local NAACP appears to be effective in taking discrimination complaints.

Ms. Teagle said that most persons who are discriminated against are worried about repercussions to their job or livelihood. On training, she felt that outsiders (people from outside the Eastern Shore) would have no

credibility with the local residents. Despite this opinion, she believes that teaching or educating the children is the most effective way to provide information to the adults. CCCHRB also thinks that the local realtors have a good understanding of fair housing laws. The Maryland Association of Realtors has regularly conducted training on fair housing.

In conclusion, the Coastal Counties Community Housing Resources Board has three primary concerns:

- (a) There is no City housing policy to encourage fair housing choice. This deficiency means that there is no formal directive to developers and citizens that would lead to greater housing choice;
- (b) There is limited communication with citizens on fair housing. The City needs to hire an advocate to represent the tenants; and
- (c) There is no follow-up on fair housing issues at the local or State levels. No agency appears to be interested in fair housing.

2. National Association for the Advancement of Colored People (NAACP)

In mid-November the City's consultant, Dave Schultz of Neighborhood Solutions, spoke with Ron Molock, a real estate agent from Cambridge who volunteers with the National Association for the Advancement of Colored People (NAACP) as a housing assistant. He provides advice and technical assistance to both renters and homeowners regarding housing issues in general, not fair housing issues per se. He provides services to individuals and families throughout the entire Lower Eastern Shore, and deals with 15 housing cases per year. Of these 15 cases, 10 deal with renters, and five with homeowners. He has had about three cases per year in Salisbury. Generally the renters have complained about the landlords not making needed repairs. The homeowners, however, have complained about the enforcement of municipal codes. He has interceded with the landlords and attempted to get the repairs made and with the City staff on behalf of the homeowners concerns. Fortunately, none of these housing complaints have ever been submitted to the MCHR or HUD.

3. Legal Aid

On December 20, 2004, David Schultz of Neighborhood Solutions interviewed Wanda Fields with the Salisbury Office of the Legal Aid Bureau by telephone. She indicated that Legal Aid dealt with a number of landlord-tenant cases each year, but these were not housing discrimination cases per se. Such cases, when they arose were referred to MCHR or HUD. Most of Legal Aid's cases covered situations where tenants were living in substandard units and the landlord refused to make the needed repairs. Consequently, Legal Aid assisted the tenants both to escrow their rent payments and to deal with housing court. Even though these cases did not result in any acts of housing discrimination, they did affect the housing choice of the tenants.

Ms. Fields also commented on two specific situations that could possibly result in impediments to fair housing choice. First, fair housing problems could arise if City housing inspectors allowed landlords time extensions to make repairs and/or the City inspectors showed other acts of leniency to landlords who had to implement code requirements. Also, fair housing problems could arise if City housing inspectors' condemnation actions resulted in a "de facto" eviction of the tenants making a complaint. This obviously is unfair. Second, she noted that there was a lack of affordable rental units for low income tenants, which restricted their housing choice.

In addition, she concurred with the survey findings that there was a lack of knowledge regarding fair housing laws among tenants. She felt that tenants only got involved in public forums when they or their housing units were directly impacted. As such, she was not surprised with the lack of interest by low income tenants in meeting with the City and discussing fair housing issues.

V. ANALYSIS OF PUBLIC AND PRIVATE ACTIONS

As part of the Analysis of Impediments, Salisbury has undertaken a review of public laws, regulations, policies and procedures as well as private procedures and practices in various areas to determine whether, either through omission or commission, any impediments or barriers to fair housing choice exist in the City and Wicomico County. Because of their importance, the City concentrated on analyzing the impact of local land use, public and private rental, and public and private lending practices on fair housing choice.

A. Land Use Practices

The scope of zoning and land use practices have broadened over the years. Occasionally the legitimate goals of protecting and enhancing property values, preserving neighborhood character, and protecting municipal fiscal bases have resulted in economic and social exclusion. These regulations, which include minimum lot size, minimum lot width, minimum house size, and restrictions on housing types among others, have limited both the public and private sectors from building affordable housing in many locations. Conversely, inclusionary practices, such as Multiple Priced Dwelling Unit (MPDU) programs, Planned Unit Developments, and cluster zoning, facilitate the development of affordable housing and enhance fair housing choice. As detailed in the City's current Municipal Zoning Ordinance the City is "empowered to regulate and restrict the height, number of stories and size of buildings and other structures, the percentage of a lot that may be occupied, the size of yards, courts and other open spaces, the density of population and the location and use of buildings, structures and land for off-street parking, trade, industry, residence or other purposes" as well as undertake selected inclusionary practices, such as planned unit developments, and cluster zoning.

1. Site Selection and Planning and Zoning Practices

State Planning and Zoning Policies

For the past 25 years, Maryland's community development policies and practices have been framed by two pieces of legislation - the **Chesapeake Bay Critical Area Protection Act (1984)** and the **Economic Growth, Resource Protection, and Planning Act (1992)**. The first law and criteria create a 1000 foot buffer zone or "critical area" around the Chesapeake Bay and its tributaries. This encompasses some 640,000 acres or 10 percent of the State's land area and spans 16 counties and 44 municipalities, including Wicomico County and the City of Salisbury. In order to minimize adverse impacts on water quality and to protect natural habitats, housing developers are encouraged to locate all projects outside of the "critical area" or in or adjacent to already existing "intensely developed areas" within the critical area. The second law establishes a process for managing growth and development based on seven widely accepted "visions." These visions build and expand upon the priorities of the Critical Areas legislation, particularly in encouraging development in existing communities and rural population centers.

During the 1990s the State made these laws the centerpiece of all public housing and community development activities. Among others, the State's community development priorities were to: (1) direct growth to existing communities and (2) revitalize older, distressed neighborhoods. Both laws also recognized the primary responsibility of local jurisdictions in land use decisions and required joint implementation by the State and local jurisdictions. In particular, the Critical Areas Act required each local jurisdiction to adopt its own Critical Areas Program. These programs essentially identified and mapped which sections of the land within the "critical area" were "intensely developed areas," "lesser developed areas," or "resource conservation areas." In addition, the Act allowed all jurisdictions flexibility to adapt to unique local circumstances and explicitly expanded local planning and zoning authority. In particular 10 different development mechanisms, such as adequate facilities ordinances, MPDUs, and inclusionary zoning, were encouraged. Since the local planning and zoning offices were responsible for both preparing the comprehensive plans and critical area programs and approving local development projects for consistency with the laws, these entities are at the heart of implementation of both growth management statutes.

Since these laws directly constrain the location of growth and development, they indirectly affect housing choice in Maryland. They could negatively affect housing choice by resulting in a State or local decision not to assist the construction of new affordable housing in a critical area. However, because these laws equally affect all ages, races, sexes, etc, any adverse impact affects everyone equally. They also could positively affect housing choice by resulting in the establishment of local MPDU programs, which promotes deconcentration. Given this uncertainty, the impact of State community development policy on fair housing choice is probably neutral.

Salisbury Planning and Zoning Practices

Municipalities and non-charter counties within the State of Maryland are granted specific planning and zoning authorities by Article 66B of the State Annotated Code. Planning and zoning authority for charter counties, including Wicomico County, is granted by Article 25A of the State Annotated Code. The City of Salisbury and Wicomico County have assumed planning and zoning powers as established by the Annotated Code and have invested such powers with the Salisbury - Wicomico County Planning and Zoning Commission which is accountable directly to the City and County Councils.

Land use planning in the County is guided by the policies set forth in the Comprehensive Plan. The comprehensive plan is the basis for the preparation of specific legislation, such as zoning and subdivision regulations and the capital improvements program, among other documents. The City of Salisbury's authority to plan is also derived from Article 66B. Land use planning within the City is guided by the policies affirmed in the Metro Core Plan, which encompasses all the land and municipalities (Salisbury, Delmar, & Fruitland) within the metropolitan core of Wicomico County.

The Metro Core Plan is comprised of nine major elements, one of which is housing. This element includes requirements for the local government to take a closer look at housing characteristics, conditions, supply, and cost in the City. As a part of the inventory and an assessment of community housing, comparisons must be made to state and national figures. In addition to the inventory and assessment, the City must also project its future housing needs and plan for housing growth. Projections are made for single-family and multi-family housing. Goals, objectives, and policies are developed to address existing needs and future provision of housing in the community.

State funding for housing projects is not available to local governments unless they have adopted a comprehensive plan, and that plan must also be consistent with the community's zoning requirements. The purpose of these requirements is not to restrict the availability of funds for housing, but to make local governments recognize the importance of planning for housing. Citizens, of course, have the opportunity to influence comprehensive planning through established public participation procedures required as part of the planning process.

Regarding impediments to fair housing, discrimination is not confined to America's urban centers. Rural communities also confront racial, ethnic, sex, age and other forms of housing discrimination. The "Not in My Back Yard" (NIMBY) syndrome is a common factor in preventing affordable housing development in some communities, and NIMBY opposition may provide the basis for a fair housing complaint. NIMBY is a term used to describe residents' desires and actions to prevent certain land uses near their homes or their communities, and NIMBY opposition often takes place in the arena of local zoning and land use politics. While NIMBY attitudes may be expressed towards the development of shopping malls or waste treatment plants, the term is associated in many people's minds with actions aimed at preventing the development of low-income, affordable or special-use housing.

All resident opposition to affordable housing development is shaped by the local,

social and political environment, the reputation and actions of the developer, and the local perceptions of the population to be served by the project. In this sense, each case of local opposition to a proposed affordable housing project could include any or all of those aforementioned issues.

Most affordable housing projects must obtain some form of building permit, seek rezoning, or respond to land use provisions. In many instances, these require some form of public hearing. Even when a public hearing is not required to obtain the necessary permits to secure property and begin affordable housing development, local officials involved in the permit process may still find the need to respond to public concerns about the proposed project. In either case, project sponsors must frequently address potential or real opposition to their project plans in a public forum. Although the normal role of this process is to ensure that new development is consistent with the long-term needs of the community, land use and zoning politics often set the stage for local opposition to affordable housing development.

The recently passed "4 to 2" ordinance is an illustration of a public zoning action that appears to be creating an impediment to affordable housing. The new City regulation has resulted in higher rents and a tighter rental market. Although the policy is applied Citywide, virtually all of the complaints have come from the neighborhoods serving college students. The City already has investigated about 30 complaints, and has developed statements of probable cause for six of the complaints. As of August 1, 2005, six cases have been resolved. Of these six, five have been resolved by City staff, and these landlords have been ordered to reduce the number of tenants. The other case went to court, and it was resolved in the landlord's favor. Due to such complaints the City may need to re-consider this ordinance in the future.

2. Housing/Building Codes and Demolition Practices

Among other housing activities, the joint City/County Department of Planning, Zoning and Community Development (PZCD) has operated a Countywide housing rehabilitation program, funded with CDBG money, since 1980. The program is designed to assist low-to-moderate income homeowners with renovations and repairs to their homes, especially those with code violations. Over any two-year period roughly 35 homes have been rehabilitated, 15 of which are in the City. For the past 10 years the County has also been the local administrator of a State program to rehabilitate and abate lead paint hazards Countywide. Both rental properties and owner-occupied housing are eligible to receive these funds. Normally seven units a year are assisted, four of which are located in Salisbury. Due to the City's older housing stock, the average cost of lead abatement is \$38,000-\$45,000 per house. However, rehabilitation and/or abatement costs have been as high as \$62,000.

The Salisbury Building, Housing and Zoning (BHZ) Department is fairly pro-active in inspecting housing for code violations. For instance, in CY2003 the City issued 60 citations to have buildings boarded up, 30 citations for dilapidated structures, 38 condemnation orders, and five demolition orders. In the past the City used funds from the State's Hot Spot Crime Prevention Initiative to demolish roughly 16 vacant, dilapidated homes. Now City General Funds are used to demolish such blighted structures (i.e., an estimated three homes a year at a cost of \$6000-\$8500 per house). Within the last eight years the City has demolished 60-70 abandoned, blighted homes. Typically, the owner is cited for health/safety/blight code violations and given

60 days to make repairs and come into compliance; otherwise, the City will demolish the structure. Almost all of the homes demolished have been in the Church Street and Westside neighborhoods.

According to the City's BHZ Director, much of the City's housing stock (both rental and owner-occupied) is old and costly to repair. Inspections indicate old plumbing, leaking roofs, lack of smoke detectors, etc. When cited, a majority of the landlords attempt to make the necessary repairs. But many of the elderly homeowners, who are on fixed income, have little or no funds to make the needed repairs. In October 2003, the City created a new Rental Registration & Inspection Program to expand its enforcement capabilities. Hopefully, this program will help the City to identify those old, vacant, large homes that could be bought, rehabilitated and added back into the City's housing stock.

B. Rental Practices

1. Wicomico County Housing Authority and Section 8 Policy

The Wicomico County Housing Authority (WCHA) owns and manages 277 units of public housing. There are 100 units of family housing at Booth Street and 75 units of senior housing at Riverside Apartments in the City. There also are 90 scattered-site units in Salisbury, Fruitland, and Hebron, of which 50 units are located within the City. The Authority owns 12 new homes. All WCHA units meet Housing Quality Standards (HQS). Currently, only 201 of the 277 public housing units are occupied with 76 or 23 percent of the units being vacant. WCHA also administers 307 Section 8 vouchers, of which 181 are reserved for City residents. Currently, 266 vouchers have been issued, with 126 remaining to be issued. Although the Housing Authority is operated by the County, the majority of all tenants are from Salisbury.

Because of the above poor operational practices, as well as improper financial reporting practices, WCHA is considered "troubled" by the federal government. As reported in the April 22, 2004 Salisbury Daily Times, the Authority has two years to implement HUD's recommended changes or be taken over by the federal government. For instance, WCHA has outlined details in its Annual FY2005 Plan to return the Authority to a "non-troubled" status, such as hiring a new permanent Executive Director. This action was completed in August 2004. Other goals for the fiscal year include reviewing and revising WCHA's admissions and occupancy policy for both public housing and Section 8 units, its housing choice voucher plan, and auditing of all financial procedures to ensure compliance with all of HUD's rules and regulations and return to fiscal integrity. In particular, WCHA wants to *reduce all of its public housing vacancies* and achieve 100 percent occupancy. WCHA also wants to process a limited number of housing choice vouchers as project-based to help reduce the vacancies.

In addition to maintaining federal eligibility requirements for rental of both public housing and Section 8 units, WCHA requires all tenants to "live and/or work in the jurisdiction (Wicomico County)". Moreover, this preference ranks second for those seeking to rent units with Section 8 vouchers. According to many citizens interviewed and/or surveyed, this preference or requirement, despite being previously approved by HUD,

directly contributes to WCHA's high rate of vacancies. Thus, if the Authority intends to achieve 100 percent occupancy in FY2006, WCHA may wish to reconsider this preference, perhaps deleting it completely.

WCHA maintains separate waiting lists for its public housing units and Section 8 vouchers. The following table, taken from the FY2005 Annual Plan, shows the income and racial characteristics of the families on the three waiting lists. A total of 177 Salisbury families are on the WCHA waiting list for Section 8 vouchers; 42 percent of which have incomes between 50 and 80 percent of AMI; 66 percent have children; 15 percent are elderly; 19 percent have individuals with disabilities; and 84 percent are black families. Compared with the Public Housing and County Section 8 waiting lists, the families on the City Section 8 waiting list have slightly higher incomes, are older, and there are a higher percentage of blacks. On the other hand, the percentages of City families with children and/or disabled persons do not vary consistently with either of the percentages on the Public Housing and County Section 8 waiting lists. Assuming the socio-economic characteristics of the families currently residing in WCHA rental units, mirror those cited, WCHA appears not to discriminate (with regard to income, age, ethnicity, family size, or disability) in renting its housing units.

Characteristics of Families on the Waiting Lists

Family Type	Public Housing	City Section 8	County Section 8
Total	210	177	203
Income less than 30% AMI	196	45	202
Income between 30% - 50% of AMI	13	58	1
Income between 50% - 80% of AMI	1	74	0
Elderly	23	26	12
Families with Disabilities	56	34	26
Families with Children	131	117	165
Black	158	148	159
White	46	24	37
Hispanic	2	3	3

2. Private Sector Rental Practices

As discussed in Section IIIA and IIIB above, private sector rental practices in Salisbury and Wicomico County are basically nondiscriminatory in nature. However, as reflected in a 1996 DHCD-funded MCHR investigation

of private rental practices on the Eastern Shore, eight of 76, or over 10%, of those apartment complexes and trailer parks tested allegedly violated federal and State fair housing laws. Four of the alleged violations occurred in Wicomico County, two in Cecil County, and one each in Dorchester and Kent Counties. All of the alleged violations involved racial discrimination. In most of the instances the majority and minority testers were given different information on waiting lists, unit availability, credit checks, and security deposits. At one site the minority tester was "steered" to a complex predominantly occupied by minorities. The MCHR has initiated formal complaints in all eight instances of alleged violation of fair housing laws.

Conversely, according to current MCHR and HUD information, private sector rental practices are not discriminatory. To determine whether any fair housing complaints had been submitted during the period January 1, 2001 to June 30, 2004, the Mayor of Salisbury sent letters to the MCHR and to HUD requesting information on housing discrimination complaints. In early December, Salisbury's Mayor received letters from both MCHR and HUD stating that for the period requested two fair housing complaints had been filed. In each case, one from a citizen residing in Hebron and another from a Salisbury resident, a "no probable cause" finding was issued. The complaint from Hebron was based on an allegation that because of their race, the complainants had not been permitted to rent an apartment. The complaint from Salisbury was based on an allegation that because of their religion, the complainants had not been permitted to rent an apartment. As cited above, both cases were concluded with findings of no probable cause. Thus, no findings of discrimination resulted.

C. Lending Practices

Both the public and private sectors contribute to financing housing construction and renovation in Salisbury and Wicomico County. However, it's primarily the public sector (the City and the non-profit developer, Salisbury Neighborhood Housing Services) that contributes to the construction of affordable housing for low and moderate-income households. As such, it's the public sector that assists the elderly, disabled, minorities, and other protected classes in financing affordable housing with federal, State, and local funds. The private sector too provides funding for low and moderate-income households.

1. Public Sector Lending Practices

Housing Assistance Programs in Salisbury

To date, the Salisbury Neighborhood Housing Services (SNHS) housing programs have resulted in an investment of \$14.25 million in Salisbury. It has financed first mortgages on 102 homes in the Camden neighborhood, 59 in the Church Street-Doverdale neighborhood, and 12 on the Westside. Further, SNHS has assisted 36 of the homebuyers in the Camden neighborhood, 20 in the Church Street-Doverdale neighborhood, and six on the Westside with loans for closing costs. SNHS has also financed rehabilitation grants and/or loans on 21 homes in the Camden neighborhood, 11 in the Church Street-Doverdale neighborhood, and 12 on the Westside. In addition, 17 loans were made to residents in other areas of the City using funds from the State's Community Legacy Program and Special Housing Loans Program. Since 1990, an estimated \$460,000 in CDBG funds has been used to support these housing efforts. Thirty three percent of these loans have assisted minorities, 37 percent have been made to female heads of households, and 41 percent have gone to families making 80 percent or less of the AMI.

These loans have been augmented by SNHS' homebuyer education and credit counseling programs in order to prepare low- and moderate-income individuals for homeownership. In particular, the SNHS operates a pilot Individual Development Account (IDA) program for low-income families. The IDA program is designed to help low-income families develop sound budgeting practices and savings habits over a two-year period, while they are accumulating money for their down payment. The City provides SNHS with administrative funds (e.g., \$28,000 in FY2003) annually to support these programs. However, the demand for these programs far exceeds the funds and staff available.

In addition, the joint City/County Department of Planning, Zoning and Community Development (PZCD) has operated a Countywide housing rehabilitation program, funded with CDBG money, since 1980. The program is designed to assist low- and moderate-income homeowners to renovate and repair their homes, especially those with code violations. Over any two-year period roughly 35 homes have been rehabilitated, 15 of which are in the City. For the past 10 years the County has also been the local administrator of a State program to rehabilitate and abate lead paint hazards Countywide. Both rental properties and owner-occupied housing are eligible to receive these funds. Normally seven units a year are assisted, four of which are located in Salisbury. Due to the City's older housing stock, the average cost of lead abatement is \$38,000-\$45,000 per house. However, rehabilitation and/or abatement costs have been as high as \$62,000.

Assisted Housing Inventory

The City's housing stock also includes 1,776 assisted housing units in 22 separate housing projects. Of the 22 projects, 14 are financed by HUD and eight are funded primarily by the State DHCD. Three of the MD DHCD projects also include federal HOME and Low Income Housing Tax Credits (LIHTC). Furthermore, 10 of the HUD financed projects (665 units) have project-based Section 8 vouchers. Of the 22 assisted projects, at least eight are targeted to very low income elderly and/or deaf renters (HUD 202 projects, Congregate Housing and State Elderly Rental Housing Program (ERHP) projects). Five of the projects, those assisted under Section 221(d)(4) of the National Housing Act, are focused primarily on very low income single persons who rent SRO or "Single Room Occupancy" units. Typically the SRO units include no rental subsidies, unlike the Congregate Housing Program for the low income elderly which covers assistance with activities of daily living. Regardless of the funding source, all of the assisted units provide affordable housing for Salisbury's low and moderate income citizens.

Salisbury Assisted Housing Inventory, 2004

Project Name	Program Name	Total Units	Sec 8 Units	Expiration Date	Opt Out
HUD Projects		1276	665		
Brookridge Townhses I	221(d)(4)	80			No
Brookridge Townhses II	221(d)(4)	140			No
College Ave Apartments	221(d)(4)	120			No

Deaf Independent Res II	202	12	12	05/06/2007	No
Deaf Indep Res III	202	9	9	05/03/2008	No
Lakeview Apartments	202	37	37	12/20/2021	No
Loretta Village	202	20	20	07/31/2017	No
Moss Hill Townhouses	236	200	160	05/31/2005	No
Pemberton Manor Apts	236	209	143	06/30/2024	No
Pine Bluff Village	Congregate	151	150	01/17/2020	No
Summit Apartments		10	10	03/31/2007	No
Tide Mill Apartments	221(d)(4)	104			No
Waterside Apartments	Elderly	68	68	11/30/2013	No
West Road Apartments	221(d)(4)	56	56	06/30/2005	No
State Projects		500			
Eastgate Village	Bond	60			
Gateway Village I	ERHP	58			
Gateway Village II	HOME	62			
Gateway Village III	ERHP	36			
Schumaker Place	Bond	96			
Mitchell's Landing	PRHP	24			
Salisbury Commons	HOME	96			
Village at Mitchell Pond	HOME/LIHTC	68			

2. Private Sector Lending Practices

Federal recognition of the importance of residential credit culminated in the mid to late 1970s with the passage of two pieces of legislation. **The Home Mortgage Disclosure Act (HMDA) of 1975** required private lenders to report the number and dollar volume of residential loans at the Census tract level. This data allowed people to monitor local investment and disinvestment activity and to identify lenders or banks that were serving their local deposit bases and communities as opposed to those who were not. **The Community Reinvestment Act (CRA) of 1977** made "redlining" illegal by stipulating that lenders had an affirmative obligation to make loans in low and moderate income communities. In brief, CRA required lenders to do business in communities that were traditionally objects of redlining and disinvestment, while HMDA provided people with the information to make sure they were doing it.

In an attempt to investigate whether disparities (or possible discrimination) exist in Salisbury and/or Wicomico County between the mortgage loan acceptance rates for minorities versus whites and for females versus males, 2001 HMDA data (i.e., 1,964 owner-occupied loans for the County and roughly 176 loans for the City) were obtained from the Financial Institutions Examination Council. These data contain information on loan applications received by financial institutions and by characteristics of the applicants. The data relate to home

purchase and home improvement loans originated or purchased by financial institutions. Data include loan type, amount, property location, applicant's race and gender, and loan acceptance or approval.

After a preliminary review, an analysis on applications for mortgages for the purchase of owner-occupied homes was attempted. Unfortunately, the information for Wicomico County and Salisbury was incomplete. Specifically, the data on the reason for loan denial was missing in most instances for both the City and County, thereby preventing any analysis of this factor.

VI. FAIR HOUSING STRATEGY

Based on the previous summary of statistics (Section II) and public actions to affirmatively further fair housing (Section III), focus group/public meeting comments (Section IV), and the review of public zoning and land use practices, public and private rental practices, public and private lending practices (Section V), some impediments to fair housing choice appear to exist in the City of Salisbury. However, various actions can be undertaken to resolve these problems or impediments. These actions can be succinctly summarized as follows: to "educate, coordinate, and create a formal Housing Policy." In fact, this three-pronged approach constitutes the Fair Housing Strategy for Salisbury.

A. Education

As highlighted in the focus group discussions, there is a lack of public awareness of fair housing, in general, and specific rights and responsibilities, in particular. This is further supported by the recent MCHR cases regarding discrimination based on race and religion, the results of the 1996 testing for racial discrimination in private rental practices, and the results of the analysis of private lending practices. Fair housing is a topic most Marylanders are uncomfortable discussing, and thus they are generally ignorant of their rights and responsibilities. Nevertheless, Salisbury, like Maryland, is home to minorities, women, the elderly, and the disabled.

Several actions, especially the development and implementation of a comprehensive local educational campaign, will overcome this problem. As discussed in detail by the focus group participants and summarized in Section III, education on fair housing is crucial to improving public awareness. Currently Salisbury, like other Entitlement communities, engages in educational activities, but most of these actions are targeted to Fair Housing Month (April). Thus, the establishment of a continuous year-round, local campaign would be helpful. Moreover, the focus of the campaign should be the prevention of discrimination based on race and disability, since the majority of the recent MCHR fair housing complaints have been in these two areas. Partners in this undertaking should include Salisbury, Wicomico County, MCHR, HUD, the local CHRB, the NAACP, and realtors. This should be a five year activity to be initiated in SFY2007. Because fair housing education is an eligible CDBG activity, these federal funds could be a primary resource for this action.

In the past ten years, Salisbury has become more ethnically diverse. During the October 2004 focus group meeting for landlords, realtors, and bankers, it was noted that assistance was needed to help Hispanic and Asian persons understand their rights, responsibilities and opportunities. A way to provide this assistance would be for the City to work with Salisbury University and Wor-Wic Community College to develop and maintain a group of interpreters that would be available on call to assist bankers, realtors, and landlords in their transactions with non-English speaking persons. This activity should be initiated in SFY2007.

Accessible housing for those with disabilities also was a major topic at the November 2004 meeting with the Salisbury Disability Council. In order to facilitate accessibility this Council, in partnership with others, has committed to promoting an accessible downtown to shopping as well as other activities. The Council members also cited the lack of supply of accessible and affordable housing units in Salisbury and the need for information on existing accessible units. To help resolve this problem, the City could compile information and create an automated database on assisted, accessible rental units. With the aid of WCHA, local housing administrators, and developers, Salisbury could develop such a database within the next two to five years. The database for handicap-accessible units is expected to be completed by the end of SFY2008, while that for all other assisted rental units should be done by SFY2010.

Complementary to the establishment of a comprehensive local educational campaign, is the development and

implementation of fair housing training. While the City and others have sponsored fair housing training in the past, it has been targeted to recipients of federal funds. The proposed training would be designed to inform Maryland housing developers, realtors, bankers, insurers, and management agents about fair housing. In particular, the developers would be educated about "reasonable accommodations," "reasonable modifications," and cost-efficient, accessible designs. While Salisbury would assume the lead in sponsoring such training, partners include HUD, MCHR, Maryland Association of Realtors (MAR), Maryland Bankers Association (MBA), and Home Builders Association of Maryland (HBAM). This activity too would be a five year one initiated in SFY2007, but unlike the others, the training would be held periodically depending on the need and funding availability.

B. Coordination

Although not discussed by any of the focus group participants, nor revealed by analyses of data, another problem or barrier to fair housing in Salisbury is a lack of coordination. This includes a lack of coordination between the public and private sectors, but also between the City and County. Affirmatively furthering fair housing basically requires cooperation among all partners at all levels all the time. While disaggregating of communities into entitlement and non-entitlement jurisdictions facilitates the allocation of federal funds for HUD, it creates artificial barriers between and among the partners responsible for fair housing in Maryland.

To overcome this impediment Salisbury, as the primary public partner, would attempt to initiate a process which results in consistent, coordinated fair housing practices throughout the City and County. Such a process would include meetings among all the partners to review the analyses of various impediments and the actions designed to resolve them. This process also would attempt to include consideration of various differences and housing priorities. Once development of the Fair Housing Strategy is complete, Salisbury and the other public and private partners would jointly implement the actions. Development of this process is foreseen by the City as a five year activity to be initiated in SFY2007.

C. Formal Housing Policy

The City of Salisbury supports the development of affordable housing through annexation, higher density zoning, and the extension of water and sewer service. The latter policy fosters the development of affordable housing. The developer has to pay upfront for any extended facilities; however, the City may reimburse the developer if the public facilities were to eventually serve adjacent housing projects as well. This policy applies to all neighborhoods, but the City could deny services to a housing development if the cost of the facilities was too high for the viability of the project. The City also obtains federal funds to assist with the development of affordable housing.

Despite these actions and others in support of affordable housing, possible impediments reviewed included bad credit, language barriers, rising housing prices, rising property taxes, and the recently passed "4 to 2" ordinance. To help resolve these issues the meeting participants discussed the value of and need for a formal City housing policy (covering such issues as annexation, tipping fees, unpaid property taxes, and zoning), a tenant advocate, increased education programs (especially by SNHS and CCCHRB), and improved coordination.

Currently the City handles housing development on a project by project basis, no formal housing policy exists. Such a policy would, at the minimum, include annexation. Unfortunately, the City's current annexation policy is inconsistent across neighborhoods. For housing developers, these unknowns drive up housing costs. They want consistency, so that everyone knows the requirements upfront. One reason for differential treatment could be current water and sewer capacity which is nearing maximum capacity. The City Public Utilities Department is working on developing more capacity, but it isn't completed yet. The County is also getting more restrictive with their development decisions.

Tipping fees and unpaid back taxes also impact the development of affordable housing. For instance, when SNHS demolishes a vacant, dilapidated house prior to constructing new affordable housing, getting rid of the debris is very expensive. The County used to assist by waiving the tipping fee and/or burning it down. Now neither option is available to SNHS. In addition, certain properties in foreclosure have large amounts of accrued taxes. Forgiveness by the City of these unpaid property taxes would help with housing affordability. In particular, the City could offer to forgive such taxes for non-profit housing developers, like SNHS, in certain circumstances.

The recently passed "4 to 2" ordinance also appears to be creating an impediment to affordable housing. The new City regulation has resulted in higher rents and a tighter rental market. Although the policy is applied Citywide, virtually all of the complaints have come from the neighborhoods serving college students. A review of the problems resulting from this zoning regulation and others could become part of a formal City Housing Policy. Given the City's strong commitment to affordable housing, a formal City Housing Policy, including consideration of all of the previously cited issues and others, could help to make housing more affordable and available.