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## Chapter 4

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# *Review of Findings: Analysis of Impediments to Fair Housing Choice (1996)*

**I**n the review of findings and data collected during this analysis revealed that the entitlements jurisdictions of the City of Greenville and Greenville County adequately meet the Fair Housing Act requirements with visible and working activities, education, and initiatives. Both entitlements are committed to eliminating discriminatory practices in housing and use all programmatic and enforcement tools to achieve their goals. Greenville is progressive in its efforts to promote increased housing opportunities for residents in need. All sectors of the community, including financial institutions, service providers, for profit and not for profit housing producers, and local government have worked together to increase fair housing choice. Aggressive and creative initiatives must be implemented to improve the quality of life for all people. During the course of this study, existing impediments to fair housing were identified:

- **Education**—An increased awareness in fair housing education and programs is seen as crucial to the identification and elimination of discriminatory practices. Consumers and providers of housing and housing services alike need to be informed of their rights and responsibilities.
- **Credit**—Many sectors, particularly the banking community and landlords, emphasized that consumers need to be made aware of the importance of establishing and maintaining good credit.
- **Lending Practices**—There is a need for increased Community Reinvestment participation by area lenders in the minority and low-income communities. Disinvestment and redlining practices are a major area of concern.
- **Transportation**—The future funding of the Greenville Transit Authority has many residents concerned. The working poor and many elderly persons depend on public transportation.

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- ***Lack of Affordable Housing Choices***—Long waiting lists for public housing and for private assisted housing units force residents to live cost burdened, often in substandard housing.
  - ***Employment***—There is a lack of gainful employment opportunities within the City of Greenville, particularly in the predominately minority and low-income communities. There is an increased need for job training opportunities that promote self-sufficiency to aid citizens receiving public assistance.
  - ***Home Ownership Opportunities***—Creative lending programs that promote home ownership opportunities are not advertised to the public.
  - ***Insurance***—Disparate treatment of applications neighborhoods for insurance coverage and the handling of insurance claims from residents who live in predominately low income and minority needs to be addressed.
  - ***Environment /Public Policies***—Recent federal regulations requiring the disclosure of the hazards of lead-based paint in housing constructed prior to 1978 has raised the liability concerns of small investors.
  - ***Zoning***—Housing opportunities for special needs populations and the homeless are restricted by zoning regulations and land use restrictions.

### ***Analysis of Findings***

1. ***Lack of Information*** is cited as a barrier to fair housing. While there are financial barriers to fair housing, there is general agreement that there are non-financial barriers to fair housing choice. These non-financial obstacles appear to arise primarily with transactions of private, non-Realtor property owners. These owners are often ignorant of their legal obligations. Private owners, who are less accustomed to dealing with the ongoing mainstream real estate transactions in Greenville, are also behind the professional real estate community in their perceptions of what selling or renting to minorities, families, persons with disabilities, and other protected classes will do to property values. It is worth noting that whereas the professional real estate community is monitored and strongly influences organizations (such as the Greater Greenville Association of Realtors) with a commitment to promote fair housing, private owners are not monitored or involved with other private property owners. A vehicle needs to be developed to educate these property owners on fair housing laws and the responsibility to maintain their properties.

The data collected for this study showed enough evidence to conclude that discrimination was more prevalent in the rental sector. An analysis of complaints placed landlord/tenant disputes as the primary problem. The groups that reported the greatest perception of disparate treatment were inter-racial couples, households headed by single women, and households headed by never married minority women. For the later group, it is hard to determine if it is discrimination based on race, gender, or presumed financial inadequacy.

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Although there have been continuing efforts to educate residents on their fair housing rights, there remains a substantial population who still believe that “if you don’t like it, move” standard of operation must be tolerated.

Rental property owners complain that tenant abuse of their properties is forcing them to remove their units from the Section 8 program. The diminishing available housing stock is having an adverse affect on individuals who have Section 8 certificates or vouchers, but are unable to find acceptable housing. There is a strong need to educate residents on their responsibilities as tenants. As the demand for affordable housing increases, property managers are requiring rental references and credit checks. A negative rental history can leave a tenant with few housing options.

Many members of protected classes—linguistic minorities and those with hearing, vision, and other disabilities—often cannot benefit from written or spoken education and outreach efforts provided in the English language. Yet people in these groups have a critical need for fair housing and accessible housing education and outreach since they are often the victims of egregious prejudice and discriminatory actions.

2. ***Lack of Credit Education and Counseling*** was cited by the banking community to be the most significant barrier to affordable home ownership. Review of the Home Mortgage Disclosure Act information revealed the overall, number one reason for the denial of loan applications was credit history. Debt to income ratio follows as the second most common reason for denial. The overall numbers do not show significant percentage differences in the reasons for loan denial by race or gender, with the exception of applications for home improvement loans and non-occupant loans. Minority applications show a noticeably higher percentage of denial based on credit history than for whites.

Lack of down payment was identified as another major obstacle for mortgage applicants. Even if credit history is acceptable by lending standards, there often is not enough cash on hand to cover a down payment and closing costs. Money management skills developed in the early years promote responsible spending and saving habits. Credit counseling to repair credit is also in great demand. The resources that are available are insufficient to handle the current need. Additional credit counseling services are needed to assist those in need of credit repair and to assist individuals who aspire to become homeowners.

3. ***Lack of Lending Institutions That Access Minority Communities*** and low to moderate-income citizens was identified by minority community and religious leaders. This consensus seems to be substantiated by the significantly low number of mortgage and home improvement loans to predominately minority census tracts. Most of these tracts are within the City of Greenville. However, there is a disparity of loans made in the low income Community Development Block Grant (CDBG) target communities located in the County.
4. ***Low Public Transit Ridership*** has the future of the Greenville Transit Authority in peril. Fixed route ridership substantially decreased in 1995-1996. As funding depleted, services were reduced. Certain routes have been eliminated and weekend services have

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all been reduced or eliminated. Citizens of rural areas and the county municipalities cannot access public transportation.

Transportation is an important key to productive community life. Access to employment opportunities, health care, education and training, goods and services is limited for citizens who are poor, elderly, or handicapped. Finding reliable and affordable transportation is a serious and continuous difficulty.

Reliance on private automobiles is a financial burden; purchasing, operating, and maintaining an automobile consumes a great portion of the annual income for low-income households. If there is a lapse in insurance coverage or late payment of property tax, stiff financial penalties must be paid and SR-22 insurance must be purchased before the automobile can be legally operated. Public transportation offers an affordable alternative.

5. ***The Lack of Affordable Housing*** leaves many elderly and families with children cost burdened. Public housing waiting lists are long, especially for three or more bedrooms, up to one year for public housing and twenty-four months for Section 8. Elderly housing remains at 99% occupancy with long waiting lists. There are more persons on waiting lists than there are public or assisted units in the metro area.

Persons on fixed incomes and the working poor cannot afford market rents, which increase an average of five (5) to fifteen (15) percent annually. The average rent for a three (3) bedroom multi-family conventional unit in the City is \$608.00 per month. The county average for the same unit is \$552.00, according to a 1995 study by the Appalachian Council of Governments. Families faced with high market rents are forced into housing that is substandard, where they struggle to survive until assisted housing becomes available.

The elderly are the fastest growing population. Greenville County has the highest number of persons over eighty-five than any other county in the state. Housing for our seniors is critical in all stages of care, from independent or assisted living to skilled nursing care.

6. ***Lack of Gainful Employment*** opportunities within the City of Greenville and CDBG neighborhoods in the county are limited for unskilled workers. Minimum wage standards do not support self-sufficiency and personal economic advancement. The higher paying manufacturing jobs have been replaced with service occupations and sales jobs. The lower wages, which accompany these jobs, increase the demand for low cost housing.

The key to getting a good paying job or attracting industries that pay well is the level of education in the area. A person without a high school diploma has limited earning capability. It takes an average of seventeen (17) working years for someone without a college education to reach maximum earning capacity.

Significant discrepancies exist in the education attainment levels of African-Americans and whites. The percentage of African-Americans in the city completing a bachelor's degree or higher was 35 percent less than whites in the city. The county also showed

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higher education attainment levels for whites. Twenty-three (23) % of whites have a bachelor's degree or higher compared to 8.9% of African-Americans. In the city, African-Americans had 49% fewer high school graduates than whites. In the county there were 27% less.

Employers looking for a place to locate want and need a skilled and educated workforce. The jobs that pay good salaries require educated workers. The census tracts with the largest percentage of minorities also have the lowest incomes and the lowest level of educational achievement. Lack of educational achievement is a barrier to a good income and economic development, a barrier to affordable housing.

7. ***Home Ownership Opportunities*** are not known to all members of the public. The lack of information about housing options is a serious impediment to affordable housing. The variety of programs offered by banks, non-profits, and the government make the problem seem insurmountable. There is some degree of coordination among the various agencies, such as the Greater Greenville Affordable Roundtable Association, but it is not enough. Different lenders offer different programs. It is difficult to disseminate the information in a way that is guaranteed to reach all those interested. Not all people read the newspaper, watch TV news, spend time in government offices, or have the time or transportation to visit a number of banks. In fact, one issue raised by the banking community is that most people in the market for affordable home ownership fear big banks.

Area lenders expressed extreme disappointment in the very low attendance to first time homebuyers education classes, attributed, in part, to a fear of big banks. Recruitment of interested consumers must be increased. The value of affordable loan products is in direct relation to the utilization of these loan products by consumers. The Greenville Housing Authority sponsors such education classes and records the highest attendance. Lenders have documented that mortgagors who have completed prepurchase education classes have the lowest number of defaults and foreclosures for the affordable loan products. The Greer Community Reinvestment Corporation, a non-profit housing corporation, requires postpurchase classes and states attendance at 100 percent.

A difficulty faced by the minority population of the City of Greenville is the relative shortage of quality medium income (\$80,000-\$100,000) housing in the City's minority neighborhoods. One result for this is that minority citizens who can afford better housing move to the county where housing commensurate with their incomes is more readily available. It would be highly desirable to increase the stock of mid-priced housing economically and geographically available to minority citizens of the City.

Residents need more home ownership options available. Home ownership develops family sufficiency and promotes neighborhood stability through providing opportunities for permanent residency.

8. ***Disparate Treatment of Applications for Insurance*** and the handling of insurance claims from residents who live in predominately low income and minority neighborhoods needs to be addressed. Reports of insurance cancellations or the increase in premiums after just one claim was reported. There is a perception in these communities that insurance red lining exists, resulting in higher premiums or the inability to be insured. In some cases,

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minorities reported premium rates as much as 20% higher than white insurance policy holders. Certain predominately minority neighborhoods reported paying higher premium rates, while fewer dollars were paid out in insurance claims.

9. ***Environmental Issues*** can directly or indirectly impede fair housing choice. Recent lead paint regulations, HUD CFR Part 35; EPA 40 CFR Part 745, require property and apartment managers to send disclosure and information regarding the possible hazards of lead-based paint to housing constructed prior to 1979, all current residents and future residents. Managers and owners are grumbling at the additional paper work that, ultimately, could have the effect of increasing rents. Small investors are nervous about increased liability, and are considering selling their properties rather than be faced with some future law suit. If this does occur, rental stock will deplete, particularly affordable rental stock. Rents for the remaining stock will rise in response to supply and demand.

There are approximately 88,313 housing units constructed prior to 1979 in the metro area: 15,812 units in the City of Greenville and 72,501 units located in the County and municipalities. All CDBG target areas contain housing with potential lead-based paint hazards.

10. ***Zoning and Other Public Policies*** should not have the effect of restricting housing choice. The NIMBY attitudes should not influence public policies. Accessible safe housing for those in the community with special needs must be assured. Recent findings from a 1995 study conducted by the Greenville Planning Commission revealed that while there are more flexible land use tools that allow a variety of living arrangements, particularly housing with supportive services, there is still the need to encourage the development of affordable rental opportunities. Public policies must assist with the provision of housing which can better accommodate the elderly, disabled, etc., and is readily accessible to public transportation.

Zoning is a key element in the provision of affordable housing. Land is the most expensive element on the provision of housing, so if the zoning calls for large lots, housing will be more expensive. Zoning for affordable housing would mean providing a sufficient amount of land for small lot single family and for multi-family developments.

## ***Recommendations***

### ***Goal 1***

Ensure that all citizens are aware of fair housing rights and available fair housing activities and programs.

#### ***Objective 1.1***

Provide educational programs and materials concerning fair housing rights and responsibilities through ongoing, continued support of the Greenville County Human Relations Commission programs and activities.

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***Strategy 1***

Disseminate educational materials to the public on federal and state housing laws.

***Strategy 2***

Provide comprehensive housing counseling.

***Strategy 3***

Provide the public with an awareness of certain housing issues, programs, and legislation through the media.

***Strategy 4***

Conduct public forums and workshops

***Strategy 5***

Monitor and report unfair housing practices in Greenville.

***Objective 1.2***

Establish a metro area landlord association within one year.

***Strategy 1***

The Greenville County Human Relations Commission can take a lead role in the establishment of a landlord association that can meet monthly or quarterly.

***Strategy 2***

Speakers can provide information on housing laws and issues at each regular meeting.

***Objective 1.3***

Educate residents on their responsibilities as tenants.

***Strategy 1***

Provide educational materials to be distributed by service providers and landlords.

***Strategy 2***

Work with landlord association to improve landlord and tenant relationships.

***Objective 1.4***

Expand coalitions and networks to regional and state levels to address the housing needs and concerns of our citizens within one to three years.

***Strategy 1***

Conduct a statewide housing summit for fair housing related agencies and advocacy groups to coordinate activities and resources.

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***Strategy 2***

Develop a schedule of training events, conferences, and workshops to be held by HUD, Fair Housing, Alliances, Coalitions for Homelessness, etc. Prioritized participation and improved attendance annually.

***Objective 1.5***

Provide ongoing support the Fair Housing Information Line.

***Strategy***

Create public awareness through advertising in the yellow pages.

***Objective 1.6***

Coordinate the organization of the Greater Greenville Fair Housing Association.

***Strategy 1***

Solicit membership representation from minority communities, business and industry, political jurisdictions, not for profit corporations, educational and religious organizations, and other interested individuals and organizations.

***Strategy 2***

Expand to adjoining counties in subsequent years.

***Objective 1.7***

Access linguistic minorities and those with hearing, vision, and other disabilities through partnerships.

***Strategy 1***

Form partnerships with the Greenville Hispanic Coalition, South Carolina Protection and Advocacy for the Handicapped, AID Upstate, and the Greenville Literacy Association to provide fair housing and accessible housing education and outreach. This strategy can be achieved within one year.

***Strategy 2***

Reach out to the Asian community to identify their housing concerns within three to five years.

***Goal 2***

Provide credit education and counseling services that are accessible to our citizens.

***Objective 2.1***

Increase the availability of credit education and counseling available to those individuals who aspire to become homeowners.

***Strategy 1***

Support credit-counseling services available to low and moderate income citizens.



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***Strategy 2***

Provide credit counseling and budget management to tenants through existing programs and services.

***Objective 2.2***

Develop an in-school educational program that would teach middle school and high school students about personal finance.

***Strategy 1***

Reach young people well before they consider buying a house by teaching money management information like banking and checking accounts, credit, how to save for a house, retirement savings, and other relevant issues. Implement within one to three years.

***Strategy 2***

Solicit the support of the banking community to provide the education or curriculum or both to teach students about the costs and benefits of how they spend their money, and how that affects them now and in the future.

***Goal 3***

Increase lending institution involvement in minority and low-income communities.

***Objective 3.1***

Review Home Mortgage Disclosure Act (HMDA) data each year for potentially illegal activity.

***Strategy***

Provide support to the Greenville County Human Relations Commission or some other agency to conduct an analysis of the data.

***Objective 3.2***

Create a community reinvestment alliance within one year.

***Strategy 1***

Facilitate regular meetings of the local Community Reinvestment Act (CRA) officials in which dialogue can be opened and problems identified.

***Strategy 2***

Work with local lenders to increase the marketing of loan products to the minority and low-income communities by recommending a quarterly report detailing the available programs.

***Strategy 3***

Create economic opportunity in CDBG target neighborhoods with support from the banking community.

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**Goal 4**

Make public transportation available to the citizens of the Greenville metro area.

**Objective 4.1**

Encourage community empowerment on transportation issues that impact on the lives of low-income citizens.

**Objective 4.2**

Monitor Greenville Transit Authority board of directors meetings.

**Objective 4.3**

Petition City Council, County Council, and the legislative delegation for support in the critical transportation needs of the community.

**Objective 4.4**

Encourage private citizen participation in creating taxi services, van pools, car pools, etc.

**Goal 5**

Encourage the development of affordable housing opportunities and accessibility.

**Objective 5.1**

Support efforts to increase the number of multi-bedroom affordable housing units for families.

**Strategy**

Provide ongoing support to efforts of local housing developers in creating increased affordable housing units.

**Objective 5.2**

Promote development of housing for the elderly.

**Objective 5.3**

Coordinate efforts to increase the number of affordable housing units available for persons with special needs.

**Strategy**

Increase the number of supportive housing units available for the mentally and physically disabled, persons with HIV/AIDS, and persons with other special needs.

**Objective 5.4**

Create a housing unit database within two to three years.

**Strategy 1**

Initiate the help of area landlords and real estate companies to provide information on the size, cost, and location of available housing, Section 8 status, and name and phone number of contact needed.

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***Strategy 2***

Enable potential tenants to obtain information from one source.

***Strategy 3***

Locate the database at a one stop housing information center, preferably in an easily accessible public building.

***Goal 6***

Encourage educational and employment opportunities for our residents.

***Objective 6.1***

Support dropout prevention programs.

***Strategy***

A dropout prevention program will help to raise the minimum educational attainment level of our community to attract employers.

***Objective 6.2***

Encourage the growth of Greenville Technical College.

***Strategy***

Affordable, quality educational opportunity: Local students will be more likely to stay in the area and continue their education past high school, if affordable opportunities are available.

***Objective 6.3***

Support adult education programs, particularly in low-income communities.

***Objective 6.4***

Support employment readiness and training programs to encourage self-sufficiency.

***Objective 6.5***

Support the development of employment opportunities for low income, disadvantaged youth between the ages of 17-21 years.

***Strategy 1***

Training programs, such as YOUTH BUILD, can be developed to teach job skills such as building maintenance, lawn care, roofing, landscaping, masonry, carpentry, etc.

***Strategy 2***

Mentoring under such programs that teach work ethic as well as trade skills can foster personal achievement through higher education goals.

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**Goal 7**

Increase affordable home ownership opportunities for low to moderate income households.

**Objective 7.1**

Create a one-stop housing information center within two years.

**Strategy 1**

Make housing information easily accessible to a broader sector of the general public.

**Strategy 2**

Non profit housing providers, lenders, government, and private producers of affordable home ownership products can keep updated information available at the center.

**Strategy 3**

Provide credit-counseling services at the center. Persons desiring to become homeowners can be counseled as to how they can qualify for a loan.

**Objective 7.2**

Support the construction of middle priced housing in predominately minority neighborhoods.

**Strategy**

Create incentives through collaboration between local government and private builders.

**Objective 7.3**

Increase attendance to first time homebuyers' education classes.

**Strategy 1**

Promote home ownership by effectively marketing homebuyer education classes to low and moderate income citizens.

**Strategy 2**

Encourage lenders to recruit residents through community centers and neighborhood churches.

**Goal 8**

Monitor insurance activities to prevent redlining and unfair insurance practices.

**Objective 8.1**

Identify offending companies and agencies.

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***Strategy 1***

Create awareness through fair housing education to citizens of predominately minority and low income neighborhoods.

***Strategy 2***

Receive, research, and resolve insurance complaints.

***Goal 9***

Support public policies, such as land use regulations, zoning, and code enforcement which promote safe, accessible, affordable housing for persons of low to moderate income and citizens with special needs.

***Objective 9.1***

Promote flexible land use controls to encourage development of non-traditional single-family residences.

***Strategy***

Encourage the Greenville County Planning Commission to research land use regulations that are more flexible than conventional zoning.

***Objective 9.2***

Advocate streamlining governmental administrative regulations regarding the location, coordination, and construction of housing in the county.

***Strategy***

Encourage the Greenville County Planning Commission to research the possibility of adopting a uniform set of land use regulations with some degree of flexibility.

***Objective 9.3***

Ensure there are sufficient affordable housing opportunities available.

***Strategy 1***

Assist the Greenville County Planning Commission to explore the feasibility of offering density bonuses for scattered-site, rental units dedicated to the Greenville Housing Authority.

***Strategy 2***

Encourage non-profits to use assistance programs for the construction of rental housing.

***Objective 9.4***

Decrease the number of substandard housing units in the Greenville metro area.

***Strategy 1***

Support enforcement of existing laws so that landlords maintain their property to meet housing codes.

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***Strategy 2***

Support more aggressive code enforcement.

***Strategy 3***

Utilize all available resources for increased rehabilitation of existing housing stock.

***Objective 9.5***

Ensure that affordable, accessible safe housing exists for those in the community with special needs.

***Strategy***

Support the development of affordable rental opportunities, accessible to public transportation, which can better accommodate the elderly, disabled, persons with HIV/AIDS.