



Greenville
NORTH CAROLINA

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**Analysis of
Impediments to Fair
Housing Choice**

December 12, 2013

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Section I: Introduction

Fair Housing is the right of individuals to obtain the housing of their choice, free from discrimination based on race, color, religion, sex, disability, familial status, or national origin. This right is assured by the **Federal Fair Housing Acts of 1968 and 1988**, as amended, which makes it unlawful to discriminate in the sale, rental, financing, and insuring of housing.

Under the Fair Housing Act an aggrieved person may file a complaint directly with the Department of Housing and Urban Development (HUD), or a State or local agency enforcing laws that are “substantially equivalent” to the Fair Housing Act, provided that the complaint is not filed later than one year after an alleged discriminatory housing practice has occurred. Upon the filing of such a complaint, HUD has the responsibility to serve notice of the complaint and conduct an investigation into the alleged discriminatory housing practice.

In order to ensure the prevention and elimination of housing discrimination, HUD requires all governing authorities directly receiving Consolidated Plan Program funds to certify that the community, consortium or state will “affirmatively further Fair Housing” within their jurisdictions. This requirement is codified in the Consolidated Plan requirements under 24 CFR 91.225. Public agency obligations under the Act may be grouped into three categories:

Intent: The obligation to avoid policies, customs, practices, or processes whose *intent* or *purpose* is to impede, infringe, or deny the exercise of fair housing rights by persons protected under the Act.

Effect: The obligation to avoid policies, customs, practices, or processes whose *effect* or *impact* is to impede, infringe, or deny the exercise of Fair Housing rights by persons protected under the Act.

Affirmative Duties: The Act imposes a *fiduciary* responsibility upon public agencies to anticipate policies, customs, practices, or processes that previously, currently, or may potentially impede, infringe, or deny the exercise of Fair Housing rights by persons protected under the Act.

The first two obligations pertain to public agency operations and administration, including those of employees and agents, while the third obligation extends to private as well as public sector activity.

The Greenville Analysis of Impediments discusses the results of recent analyses of impediments and the steps the City intends to take to implement policies that will prevent and eliminate housing discrimination in the City of Greenville.

Background

The Analysis of Impediments (AI) research and preparation involved a variety of data collection and analysis techniques, including:

- Analyzing demographic data available through the U.S. Census Bureau and American Community Survey, as well as descriptive data pertaining to the housing market and trends in real estate over the past several years.
- Interviews with local government staff and community representatives, as well as a review of source documents, including the most recent AI, conducted in 2008.

- An examination of Fair Housing policies and strategies from comparable urban communities to provide a basis for comparison between what Greenville's Fair Housing Plan proposes to do and other efforts.
- Examination of mortgage lending trends through the analysis of data available through the Home Mortgage Disclosure Act (HMDA). Enacted by Congress in 1975 and implemented by the Federal Reserve Board's Regulation C, HMDA requires lending institutions to report public loan data. Using the loan data submitted by these financial institutions, the Federal Financial Institutions Examination Council (FFIEC) creates aggregate and disclosure reports for each metropolitan area (MA) that are available to the public at central data depositories located in each MA.
- A review of the information available on Predatory Lending.

City of Greenville Public Meetings and Focus Groups

The City held two public meetings on the dates and at the locations noted below:

- August 28, 2013 from 5:30 - 7:30 pm at the Carver Library, 618 West 14th Avenue, Greenville, NC, 27834
- September 4, 2013 from 5:30 – 7:30 pm at the Sheppard Memorial Library at 530 South Evans Street, Greenville, NC 27834.

No comments were made by attendees at these meetings; however, the City collected responses to its fair housing survey from those present. The results of the survey are reported in Section V of this report. The City also held a focus group meeting on August 7, 2013 with realtors, housing advocates, and government officials and conducted follow up with the focus group. The issues below were discussed by the focus group:

- Fair housing issues are often raised as a result of other legal complaints. More education on rights and with whom complaints should be filed is needed.
- Disabled and Hispanic populations may need greater outreach to ensure they know where to properly report fair housing concerns because issues seem to be frequent in these communities based on the experiences of those present at the focus group meeting.
- Over the past five (5) years, the City has put a majority of HUD funds in West Greenville, but a shift is needed. The City is now investing in areas north of the river where there is a lack of affordable housing and four schools are underachieving.
- More partnering with financial institutions is needed to do sessions on financial literacy and affordability. Relationship with lenders and community groups should be leveraged to deliver these session and to educate lenders on HMDA data and possible discrimination in lending practices.

- Through the targeted public investment for affordable housing in one area, the city may be unintentionally segregating communities.

The City of Greenville, NC Human Relations Council

The Human Relations Office receives fair housing concerns and/or complaints from the general public, the Mayor and City Manager's offices, referrals from City Council members, from the Department of Social Services, Pitt County Schools, etc. Many housing situations handled by the Code Enforcement Division are referred to the Human Relations Office for assistance as well.

Under the Fair Housing Law, fair housing complaints are cross filed with the North Carolina Human Relations Commission and HUD. The Greenville Human Relations Office provides assistance to the State and Federal Agencies as requested. Based on the experience of the Human Relations Council and research conducted for this analysis, the impediments are identified are as follows:

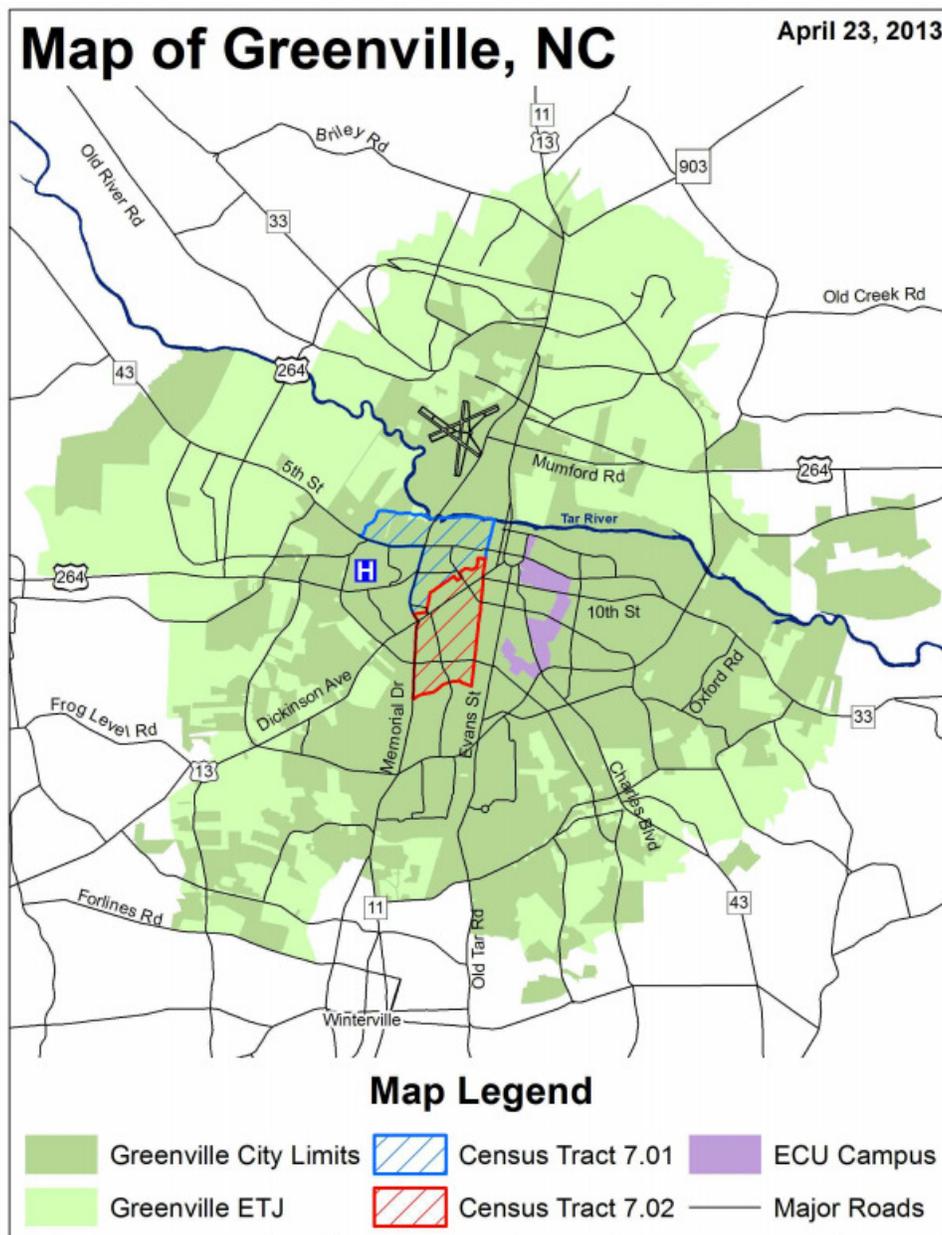
1. Lack of affordable housing forces the lower income population to find alternative housing. Alternative housing may consist of "doubling up," a practice where households combine to cut the expenses of housing. Others are forced to live in housing that is in poor condition that leads to disparate treatment of protected class families and individuals.
2. Lack of education about discrimination and fair housing laws prevents residents from reporting incidences of housing discrimination. An essential part of fair housing opportunities and enforcement is the education of the public regarding the rights and responsibilities afforded by fair housing laws. This includes the education of housing and financial providers, as well as citizens.
3. Awareness of fair housing issues is important. Everyone needs to know what may constitute a violation, and what they can do in the event they believe they may have been discriminated against. In addition, it is important for lenders, housing providers, and their agents to know their responsibilities and when they may be violating fair housing laws.
4. Substandard housing and low property maintenance contributes to the lack of safe, decent, and sanitary affordable housing. A pro-active property maintenance code enforcement program could help with the preservation of the rental housing stock.
5. Limited housing opportunities exist for the homeless, those who are at risk of homelessness, and special needs populations, and not enough funding for permanent housing is available. Too many citizens are on the brink of becoming homeless because they spend too much of their income on housing (many times not decent or safe housing).
6. Lack of Access to Homeownership limits opportunities. (Based on HMDA and apparent Predatory Lending Practices)

Education is one of the most pressing needs to ensure fair housing choices. It is imperative that individuals and families seeking housing know their rights and responsibilities and that those involved in the housing industry know their rights and responsibilities as well.

Shelter is one of the most basic needs for all human beings. Through HUD and the Fair Housing Act, the Federal government has made a commitment to ensure that all individuals and families are treated fairly in choosing housing to meet their need for shelter.

Section II: Demographic and Economic Overview

This section profiles the City of Greenville's demographic and housing trends by examining and mapping US Census 2010, American Community Survey 2007 – 2011 Five Year Estimates (ACS), ESRI and other relevant data. After analyzing demographic characteristics and trends, the section provides an analysis of the area's housing market and a household's ability to purchase a home. The section concludes with a synopsis of housing problems experienced by residents, such as cost burden, physical defects and overcrowding.



The following chart provides an overview of the City of Greenville’s demographic profile in 2000 and 2010. According to the 2010 Census the population within the City grew by 39.8 percent between 2000 and 2010 – going from 60,476 to 84,554.

Demographics	2000 Census	2010 Census or 2007 - 2011 ACS Estimates	% Change
Population	60,476	84,554*	39.8%
Households	28,145	36,071**	28.2%
Median Income	\$28,648	\$34,134**	19.1%

Source: 2000 Census; *2010 US Census; **2007 – 2011 American Community Survey Five Year Estimates

Between 2000 and 2011, the number of households increased by 28.2 percent, from 28,145 households in 2000 to 36,071 by 2011. Additionally the median income of households in Greenville has improved nearly 20 percent to \$34,134 in 2011, up from \$28,648 in 2000.

Sex of Population

Sex	Estimate	Percentage of Population
Male	37,743	45.7%
Female	44,833	54.3%
Total	82,576	100%

Source: American Community Survey 2007-2011 Five Year Estimates

American Community Survey estimates suggest females outnumber males within Greenville by over 7,000 persons, or 8.3 percent of the population. Compared to the national population of 49.2 percent males and 50.8 percent females, Greenville’s population is significantly weighted towards females. This is due in part to the 62 percent to 38 percent female/male ratio at Eastern Carolina University, which has a total student enrollment of 27,385¹.

Age of Population

The population of Greenville is quite young, with a median age of 26.0 years old according to American Community Survey estimates (2011). As one would imagine the largest age cohort in Greenville is those persons 20 to 24 years of age followed closely by those between the ages of 24 to 34 (20.0% and 16.2% respectively). This reflects little change from 2000 when the largest age cohort was ages 20 to 29 years, comprising 30.2 percent of the total population. Again, this is largely due to large percentage of the population attributable to Eastern Carolina University. A table outlining the percentage of population by age in Greenville follows.

¹ East Carolina University Admissions Department

Section II: Demographic and Economic Overview

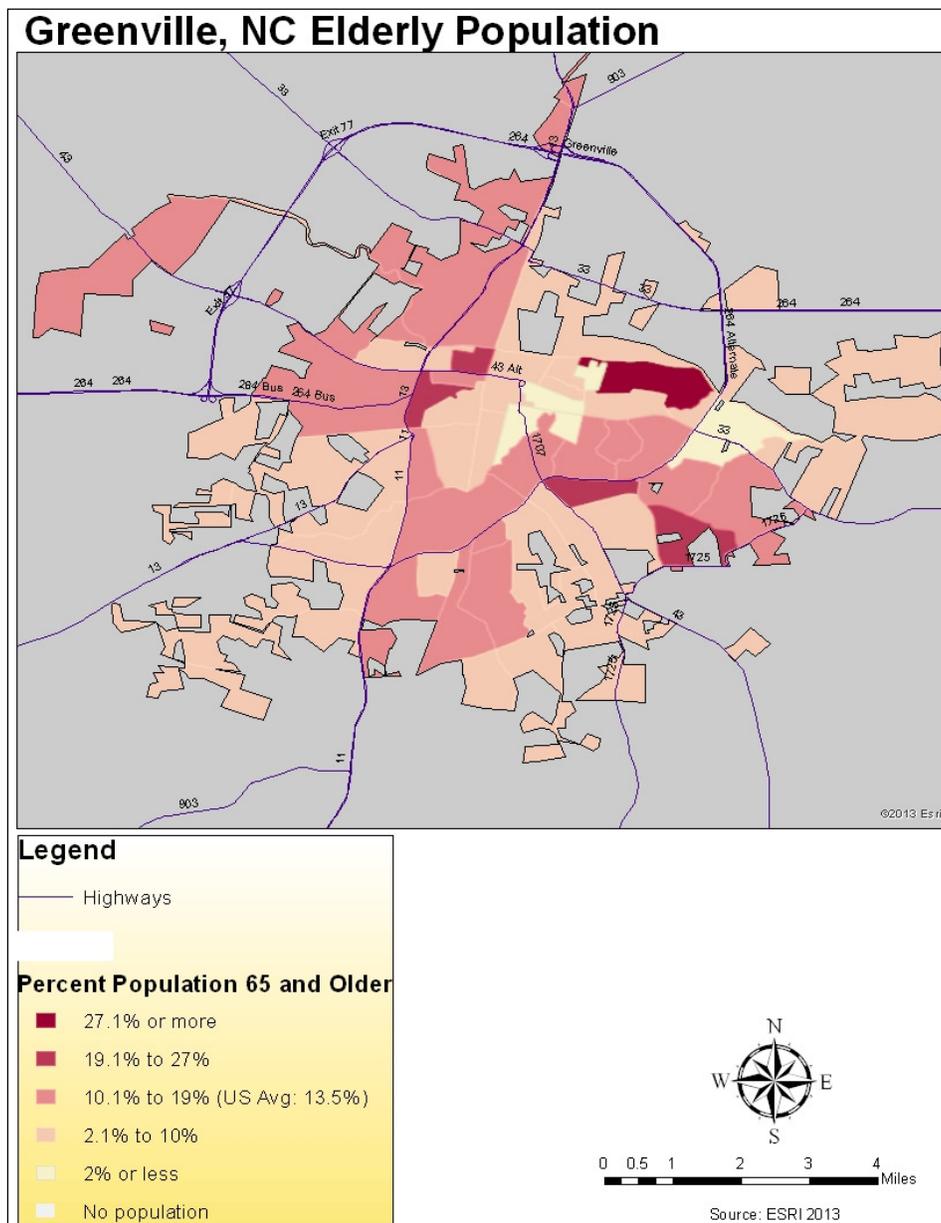
Age Range	Estimate	Percentage of Population
Under 5 years	4,777	5.8%
5 to 9 years	4,379	5.3%
10 to 14 years	4,100	5.0%
15 to 19 years	9,739	11.8%
20 to 24 years	16,532	20.0%
25 to 34 years	13,374	16.2%
35 to 44 years	8,929	10.8%
45 to 54 years	7,626	9.2%
55 to 59 years	3,667	4.4%
60 to 64 years	2,780	3.4%
65 to 74 years	3,581	4.3%
75 to 84 years	2,178	2.6%
85 years and over	914	1.1%
Median Age	26.0	N/A

Source: American Community Survey 2007-2011 Five Year Estimates

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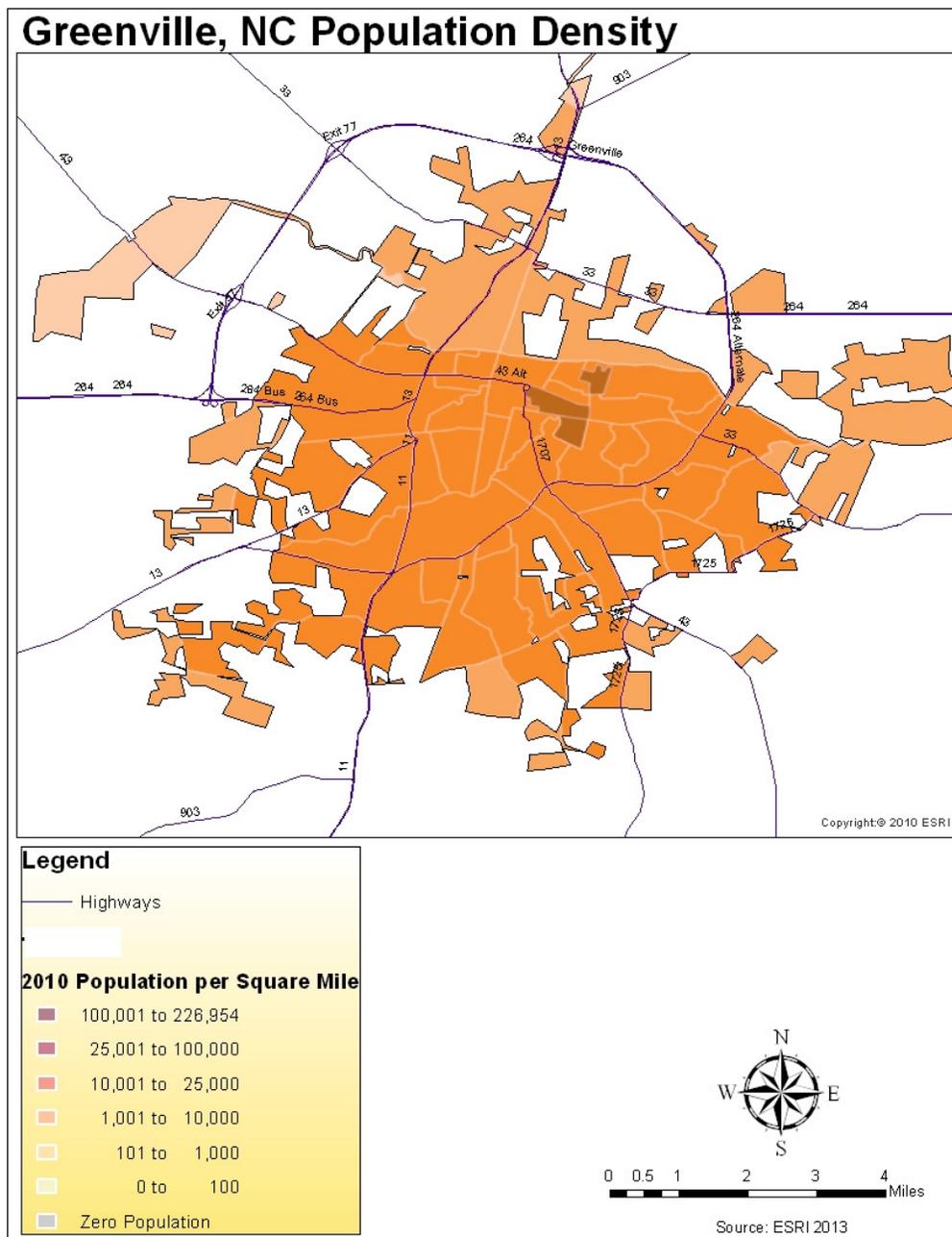
Elderly Population

From 1990 to 2000, the percent of persons 65 and older in the City of Greenville increased from 8.2 to 9.1 percent, declined very slightly to 8.8 percent in 2005, and was 8 percent in 2011. The map below displays the distribution of those persons 65 years of age and older throughout Greenville. Darker shaded areas have higher concentrations of elderly residents.



Population Density

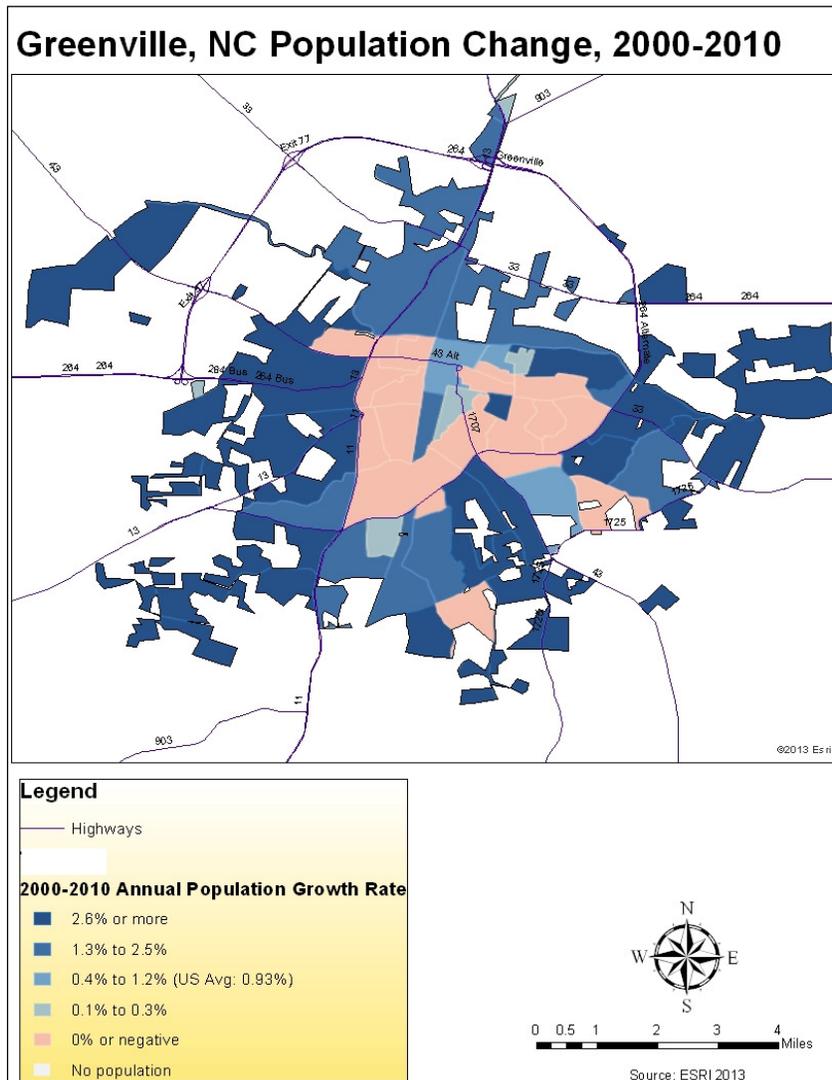
The map below displays population density throughout the City of Greenville. Denser areas are shaded darker orange and less dense areas are lighter.



Population Change

The population within the City grew by 34.3 percent between 1990 and 2000 to reach 60,385 (from 44,972 in 1990). At the same time, the number of households increased by 49.2 percent from 1990 to 2000. Over the last ten years that tremendous growth has shown no signs of slowing down. As stated previously, according to the 2010 Census the population within the City grew by another 39.8 percent between 2000 and 2010 – going from 60,476 to 84,554.

The map below indicates the annual compound rate of total population change in the City of Greenville from 2000 to 2010. Blue shaded areas are those that experienced growth over the ten-year period, whereas the tan colored areas remained stagnant or shrank. The areas peripheral to the center of the City experienced the largest portion of the population growth. The urban core of the City experienced significantly less growth, with some areas even losing people.

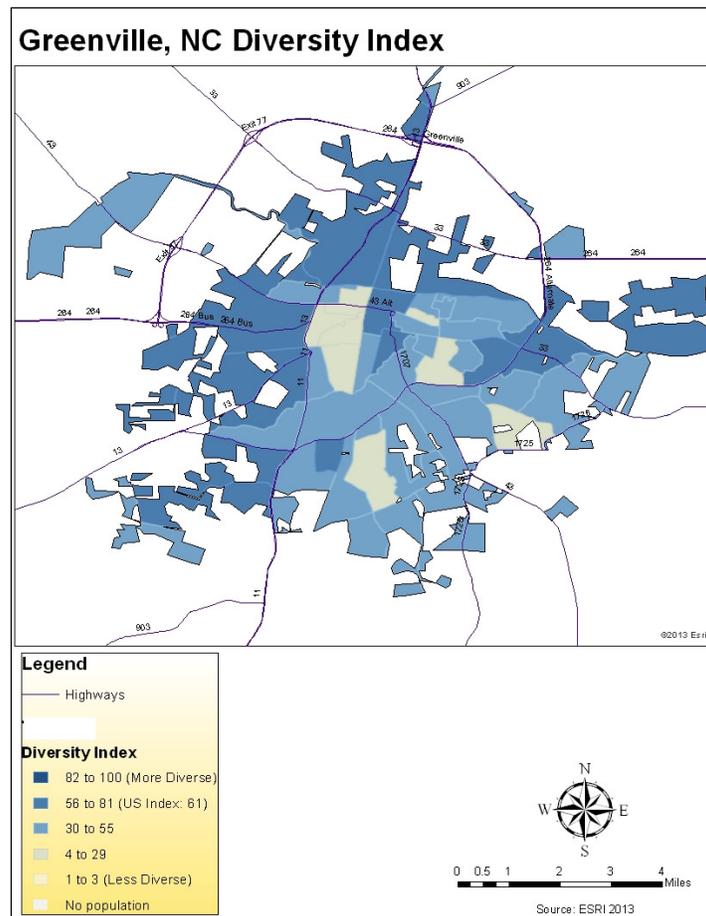


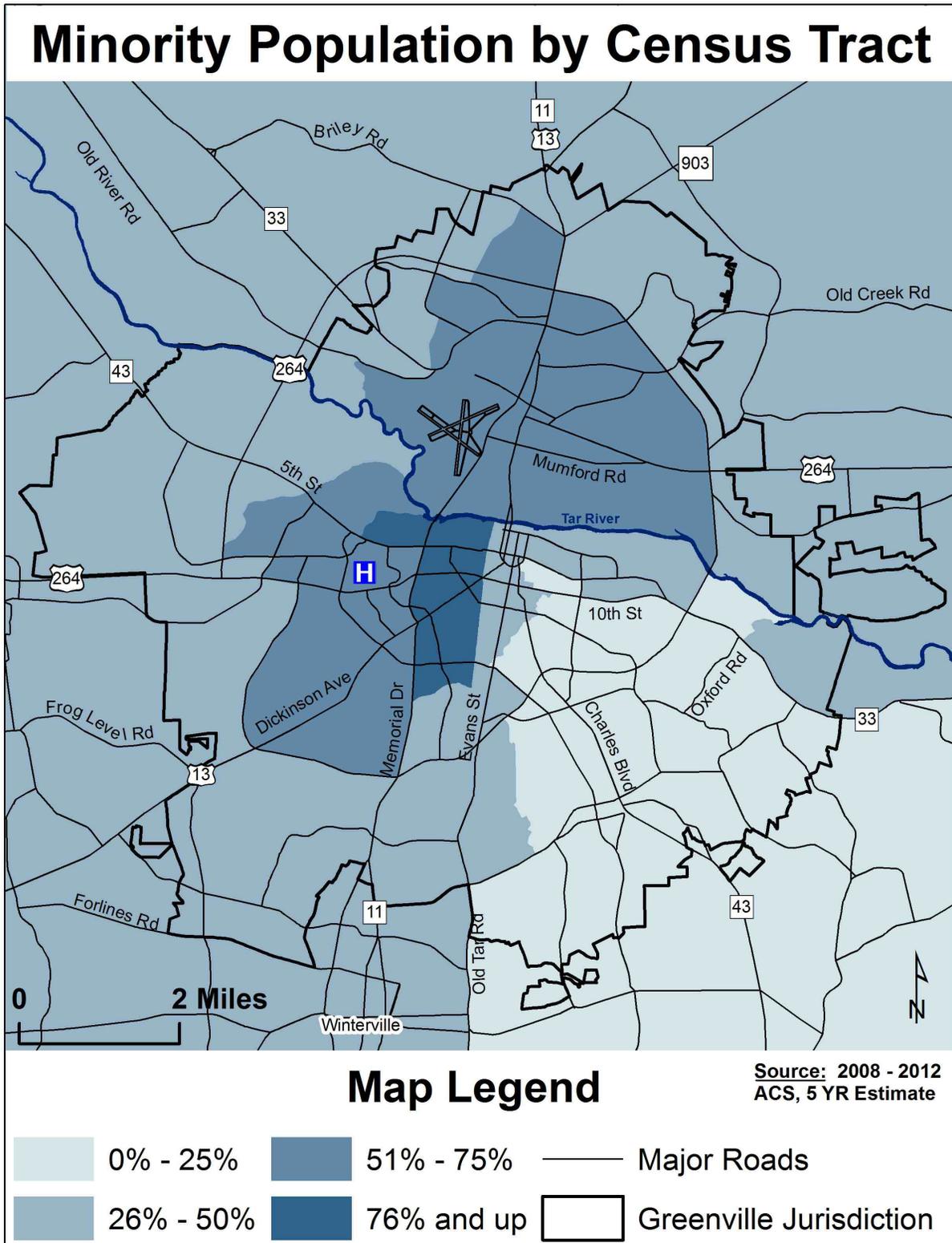
Population Race & Ethnicity

Between 2000 and 2010 the City of Greenville has become more ethnically diverse. In 2000, The City of Greenville’s population was 61.4 percent White, 34.2 percent Black, 0.5 percent American Indian/Alaska Native, 1.5 percent Asian, 0.1 percent Pacific Islander, 0.9 percent some other race, and 1.4 percent two or more races. The Hispanic population comprised 2.0 percent of the City’s total population.

According to the 2010 Census, the City’s population was comprised of 56.3 percent White, 37.0 percent Black, 0.4 percent American Indian/Alaska Native, 2.4 percent Asian, 1.8 percent Other and 2.2 percent two or more races. The Hispanic population had grown to 3.8 percent.

The map below is a visual summary of diversity throughout Greenville. The index displays the probability that two people chosen at random from a given area will be of different races or ethnic backgrounds. The index ranges from 0 (no diversity) to 100 (complete diversity). The national Diversity Index average is a score of 61. Darker areas on the map rank higher on the diversity index.

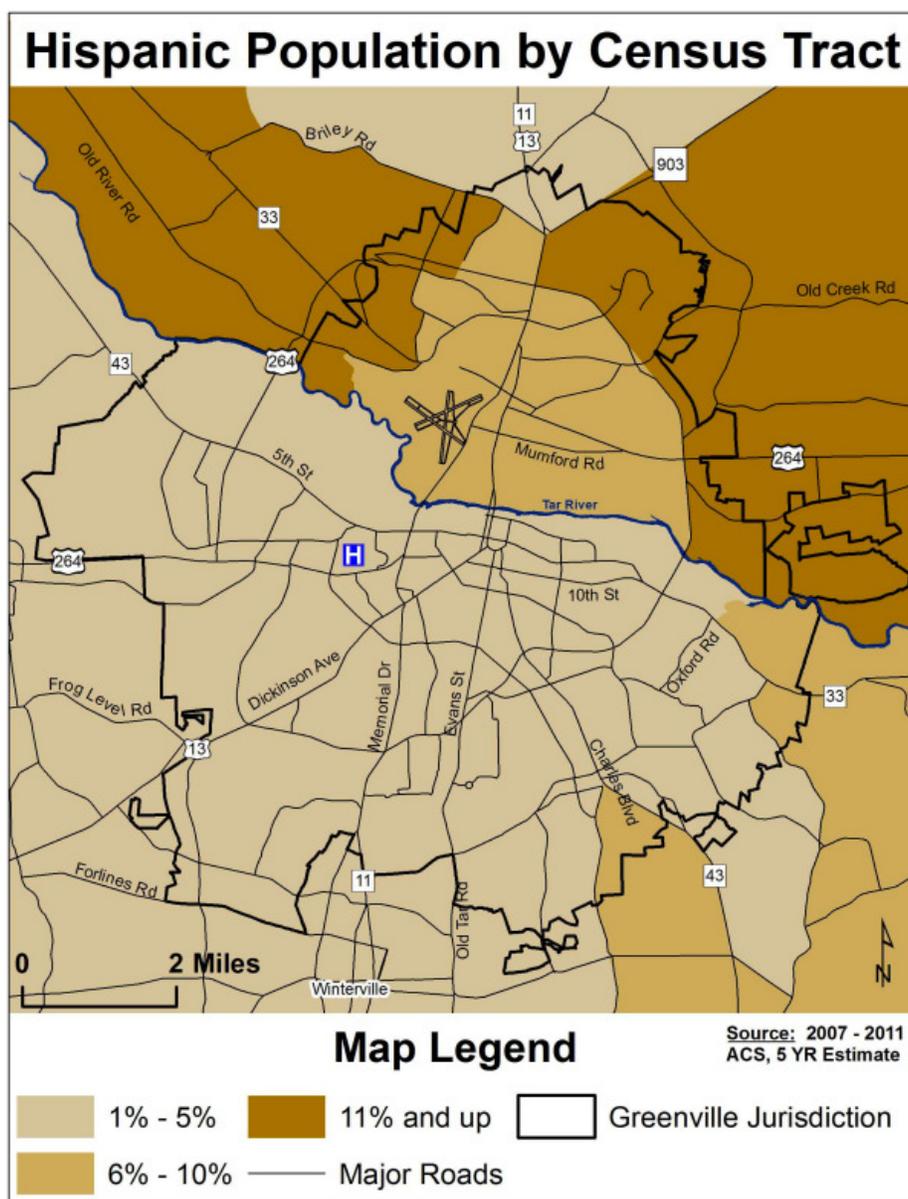




Hispanic Population

According to the American Community Survey 2007 – 2011 Five Year Estimates, Greenville’s Hispanic population was distributed to the north and east of downtown; more specifically north of the Tar River.

As indicated in the map below, there is a denser concentration (11 percent and above) of Hispanics residing north of the river towards the northeast perimeter of the City. A concentration of 6 to 10 percent Hispanic population is found to the east of downtown while just 1 to 5 percent of the population in the urban core is of Hispanic heritage.



When reviewed in conjunction with the Diversity Index map above, there is also significantly more diversity in the North & Northwest communities, while the central to SE are the least diverse. Furthermore, there is a direct correlation with poverty rates and median incomes as well as ownership rates in these same areas.

The concentration of Hispanics in the northern areas is, therefore, likely related to income constraints faced by many Hispanic households in the community. With Hispanics on average having lower incomes, they could be settling in more suburban or rural areas to find lower cost housing. Again, when compared to additional maps above, the lowest median household incomes are also found in the central City and moving north – while the highest median incomes are found in the southeast. Furthermore, the lowest home ownership rates are in the central City and moving north while the highest ownership rates are in the southeast. And following these trends, household poverty rates are highest in the north central and northeast, around the airport.

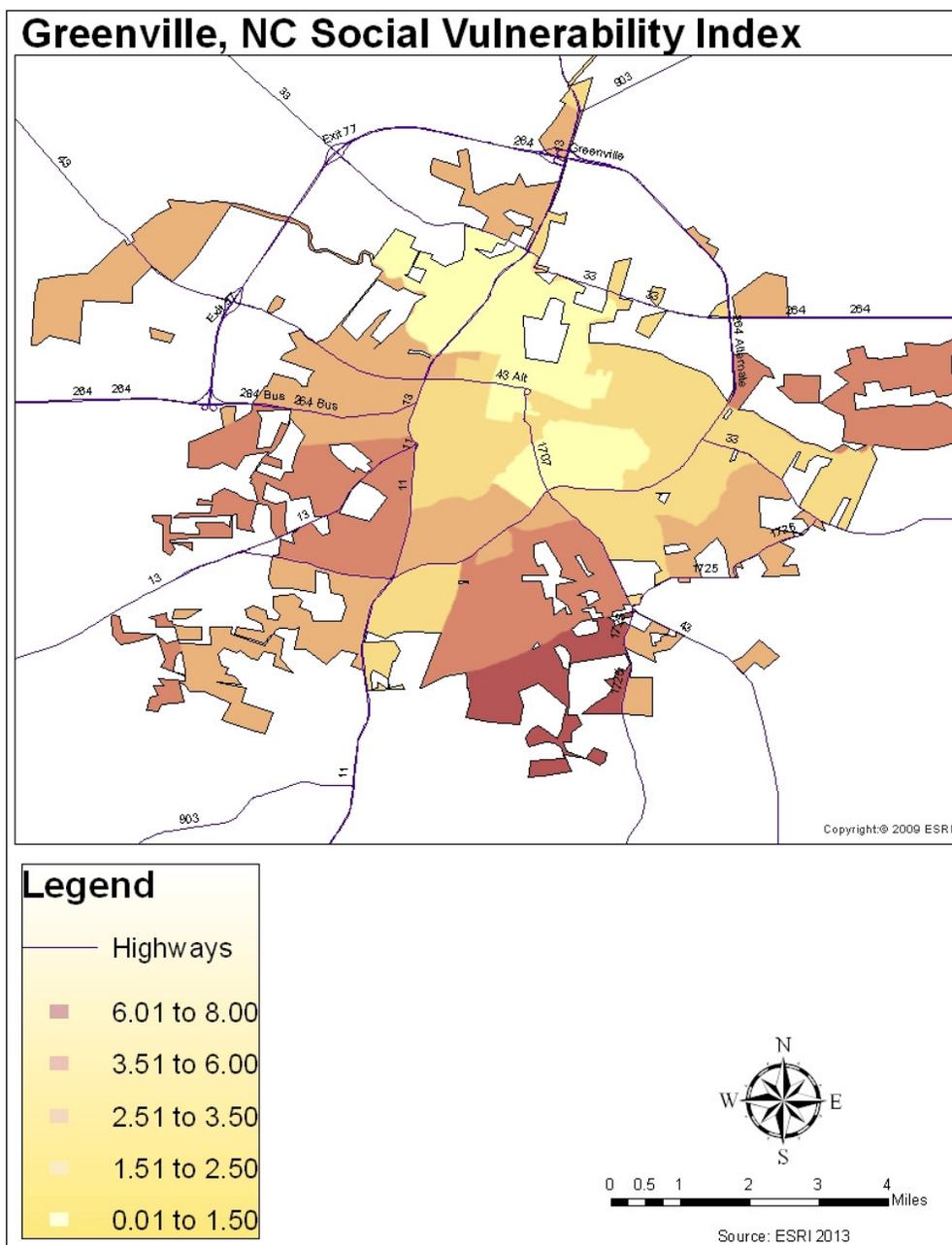
These trends seem to confirm what demographers have been observing in Hispanic settlement patterns throughout the United States since the 1990's. For many decades, metro areas were home to the bulk of the country's Hispanics. While large metro areas and urban centers still have significant concentrations of Hispanics, there has been a definite trend towards non-metro and suburban areas in recent years. A 2002 Brookings report, *Latino Growth in Metropolitan America: Changing Patterns, New Locations*, found the following, "Fifty-four percent of all U.S. Latinos now reside in the suburbs; the Latino suburban population grew 71 percent in the 1990s. In 1990 the central City and suburban Hispanic populations in the 100 largest metros were nearly identical, but during the next decade suburban growth so outpaced central City growth that by 2000 the suburban Hispanic population exceeded the central City population by 18 percent. New Latino destinations saw the fastest growth of Latino suburbanites."

Similarly, in 2012 a Pew Research Center report titled, *The 10 Largest Hispanic Origin Groups: Characteristics, Rankings, Top Counties*, found the following, "In 2010, the median household income for Hispanics in the U.S. was \$40,000, less than the U.S. median of \$49,800." Additionally, "The poverty rate among Hispanics was 25 percent in 2010. That compares with a 15 percent rate for the entire U.S. A recent Pew Hispanic Center report showed that more Latino children are living in poverty than any other major racial or ethnic group (Lopez and Velasco, 2011). Fewer than half (47%) of Hispanic household heads own their homes, lower than the overall U.S. rate of 65 percent."

It should be noted that much of the Hispanic population north of the river lives outside of the city limits. However, the social, environmental, and economic impact still has a direct effect on the City of Greenville's populace. Therefore, the City recognizes that there is a need for economic and community development.

Social Vulnerability

An alternate way of viewing social needs in a community is through the lens of social vulnerability. Social vulnerability refers to the socioeconomic, demographic, and housing characteristics that contribute to a community’s resiliency— that is its ability to adapt and bounce back from disasters and major disruptions. The map below summarizes the Social Vulnerability Index (SoVI) for Greenville. It answers the question “Where are the areas of relatively higher risk in the City of Greenville?” from the perspective of social vulnerability. Darker shaded areas represent higher vulnerability.



The index gives a different view of where potential social vulnerabilities exist than when singularly viewing measures of race, income, age, etc. While those indicators are factored in, a number of additional areas are also considered such as health status, housing, rural vs. urban, industrial development, social dependence, etc.

Household Demographic Profile

The table below shows the total number of households by type in the City of Greenville in 2010.

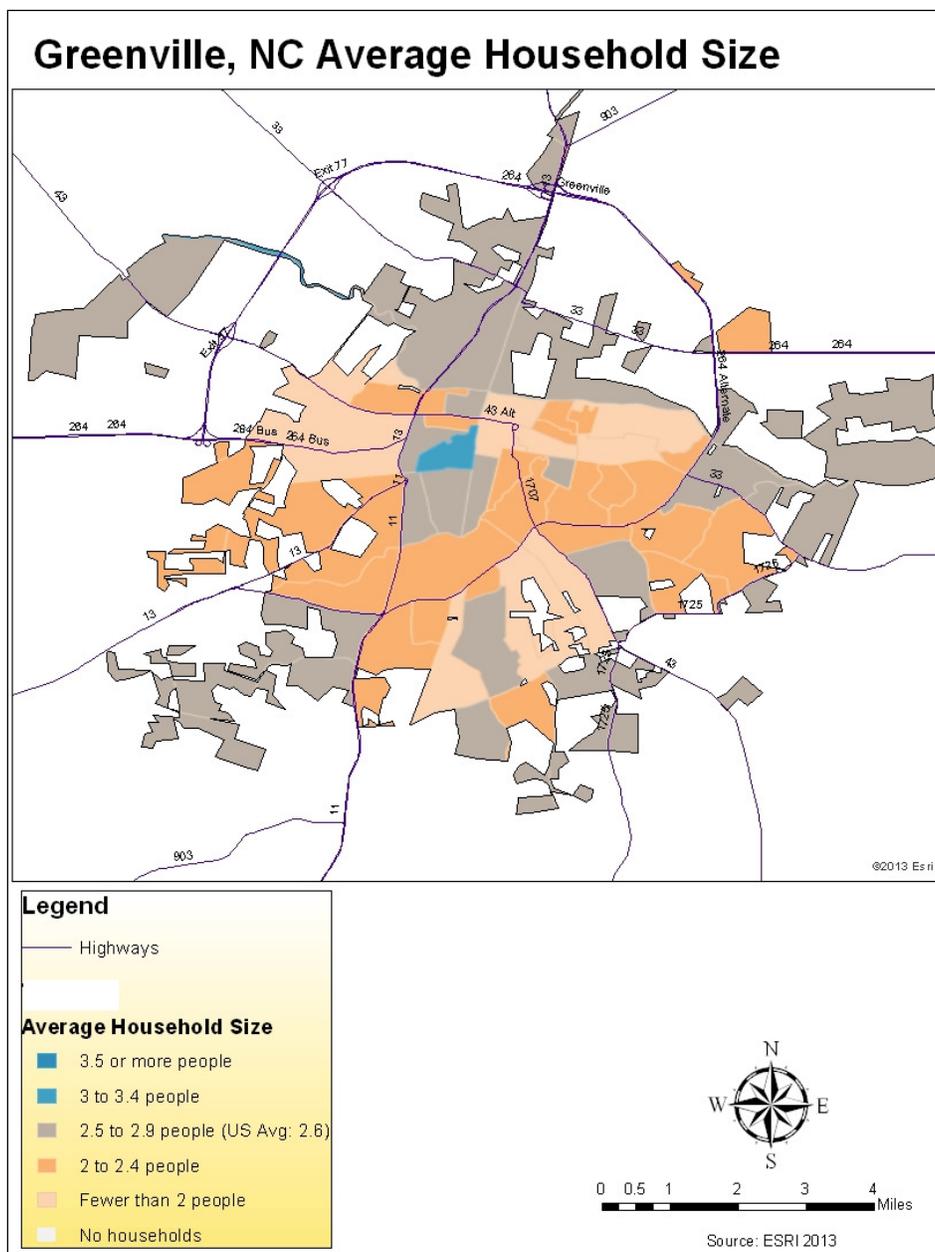
Households by Type		
	Units	Percent of Households
Total Households	36,071	100.0%
Family Households	16,685	46.3%
With own children under 18 years	8,129	22.5%
Female Head of Household (no husband present)	5,594	15.5%
Non-family households	19,386	53.7%
Householder living alone	13,193	36.6%
Average Household Size	2.2	N/A
Average Family Size	2.9	N/A

Source: 2010 US Census

In 2010 non-family households were the most prevalent type of household, comprising 53.7 percent of all households - while families made up only 46.3 percent of all households. Families with a female head of household and no husband present made up 15.5 percent of all households in the City. Twenty-two percent of all households included individuals under the age of 18. Furthermore, 14 percent of all households included individuals 65 years or older.

The number of households within the City increased from 25,187 in 2000 to 36,071 in 2010; however, the average household size has remained relatively unchanged at an average of 2.2 persons per household. Following state and national trends, single person households now make up 36.6 percent of all households in the City.

The map below visually displays average household sizes throughout Greenville. Generally speaking, households closer to the urban center and to Eastern Carolina University tend to have fewer people.



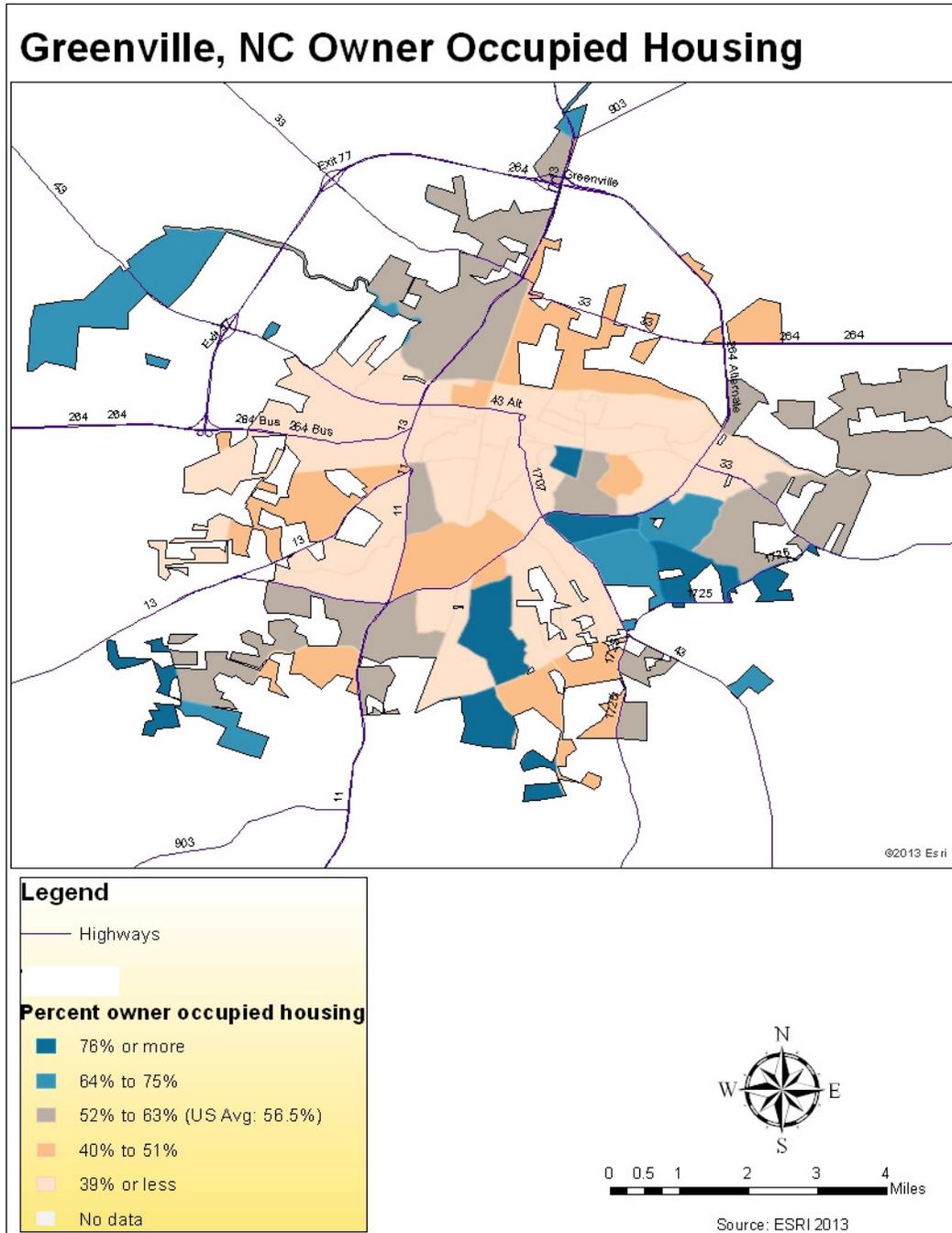
Overview of Housing Supply

In 2011, there were 39,152 housing units in City of Greenville, a net increase of 38 percent over that in 2000. While the housing stock continues to increase, homeownership has been declining. The rate dropped from 42.1 percent in 1990 to 39.2 percent in 2000, and down to 38.1 percent in 2011. In all years, the homeownership rates have been significantly below the national average of 65.1 percent in 2011.

The map below displays the distribution of owner occupied homes throughout Greenville. Blue shades represent areas with a higher prevalence of owner occupied

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homes, and beige/tan shades are areas with more renters. As can be seen from the map, rental housing is more dominant in the City center and immediate surrounding areas, with higher owner occupancy on the edges of the City.



Housing Units by Tenure, Structure Type & Size

The American Community Survey (2011) estimates nearly 62% of all occupied housing units are renter occupied while only 38 percent are owner occupied. Again, this is not surprising given the large student population at ECU.

Occupied Housing Units by Tenure		
Occupied Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units
33,786	12,857	20,929

Source: American Community Survey 2007 – 2011 Five Year Estimate

Single-family detached housing and multi-family housing (in structures of 5 to 19 units) were the most prevalent types among Greenville's housing stock. The table below provides an overview of the housing types in the City. In total, single family detached housing represents 38.4 percent of all occupied housing in the City. The majority of multi-family housing units (defined as a structure with four or more housing units) are located in buildings that contain between 5 and 19 units. Mobile homes represent just 3 percent of all occupied housing units.

Housing Units by Structure Type & Size		
	Occupied Housing Units	Percentage of All Occupied Housing Units
Occupied Housing Units	33,786	100%
Detached Single Family	12,968	38.4%
Attached Single Family	2,204	6.5%
2 Apartments	4,040	11.9%
3 or 4 Apartments	1,489	44.1%
5 to 9 Apartments	7,481	22.1%
10 to 19 Apartments	6,655	19.7%
20 or more units	3,262	9.7%
Mobile home or other type of housing unit	1,053	3.1%
	All Housing Units	Percentage of All Housing Units
All Housing Units (Occupied & Vacant)	39,152	100%
No Bedroom	361	0.9%
1 Bedroom	6,569	16.8%
2 Bedrooms	14,685	37.5%
3 Bedrooms	12,883	32.9%
4 Bedrooms	4,062	10.4%
5 or more Bedrooms	592	1.5%

Source: American Community Survey 2007 – 2011 Five Year Estimate

Typical of a large rental population, housing units comprised of two and three bedrooms make up 37.5 percent and 32.9 percent of all housing units within the City respectively.

Age and Condition of Housing

Based on the ACS 2007 – 2011 Five Year estimates, 9.6 percent of the total housing stock in the City of Greenville was built in 1959 or earlier, and is, therefore, over 50 years old. The 2000 Census indicates 14.8 percent of all housing units were built prior to 1959. These data also indicate that 44.7 percent of the housing stock was built prior to 1980, making lead-based paint a potential hazard.

Age of Housing Units		
Year Structure Built	Units	Percentage of All Units
Total Housing Units	39,152	100%
Built 2005 or later	6,048	15.4%
Built 2000 to 2004	6,753	17.2%
Built 1990 to 1999	8,870	22.7%
Built 1980 to 1989	5,603	14.3%
Built 1970 to 1979	4,937	12.6%
Built 1960 to 1969	3,209	8.2%
Built 1950 to 1959	2,380	6.1%
Built 1940 to 1949	607	1.6%
Built 1939 or earlier	745	1.9%

Source: American Community Survey 2007 – 2011 Five Year Estimates

Greenville's housing stock is newer than most with 55.3 percent of all housing units being built after 1990. Still, older units will need substantial financial investments in major structural systems to remain sound and livable. For low-income owners, these repairs are frequently unaffordable, and deferred maintenance hastens the deterioration of their units. Often low-income rental housing does not generate enough revenue to make improvements without raising the rent.

Vacant Units

Vacancy is a proportion of unoccupied units to all housing units. The table below details vacancy in Greenville by housing tenure. In 2011 the homeowner vacancy rate in the City was 7.1 percent, while rental units experienced 9.3 percent vacancy.

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Section II: Demographic and Economic Overview

Housing Vacancy		
Status	Units	Percentage of All Units
Total Housing Units	39,152	100%
Occupied Housing Units	33,786	86.3%
Vacant Housing Units	5,366	13.7%
Owner Occupied Units	12,857	38.1%
Renter Occupied Units	20,929	61.9%
Homeowner Vacancy Rate	N/A	7.1%
Rental Vacancy Rate	N/A	9.3%

Source: American Community Survey 2007 – 2011 Five Year Estimates

Median Income

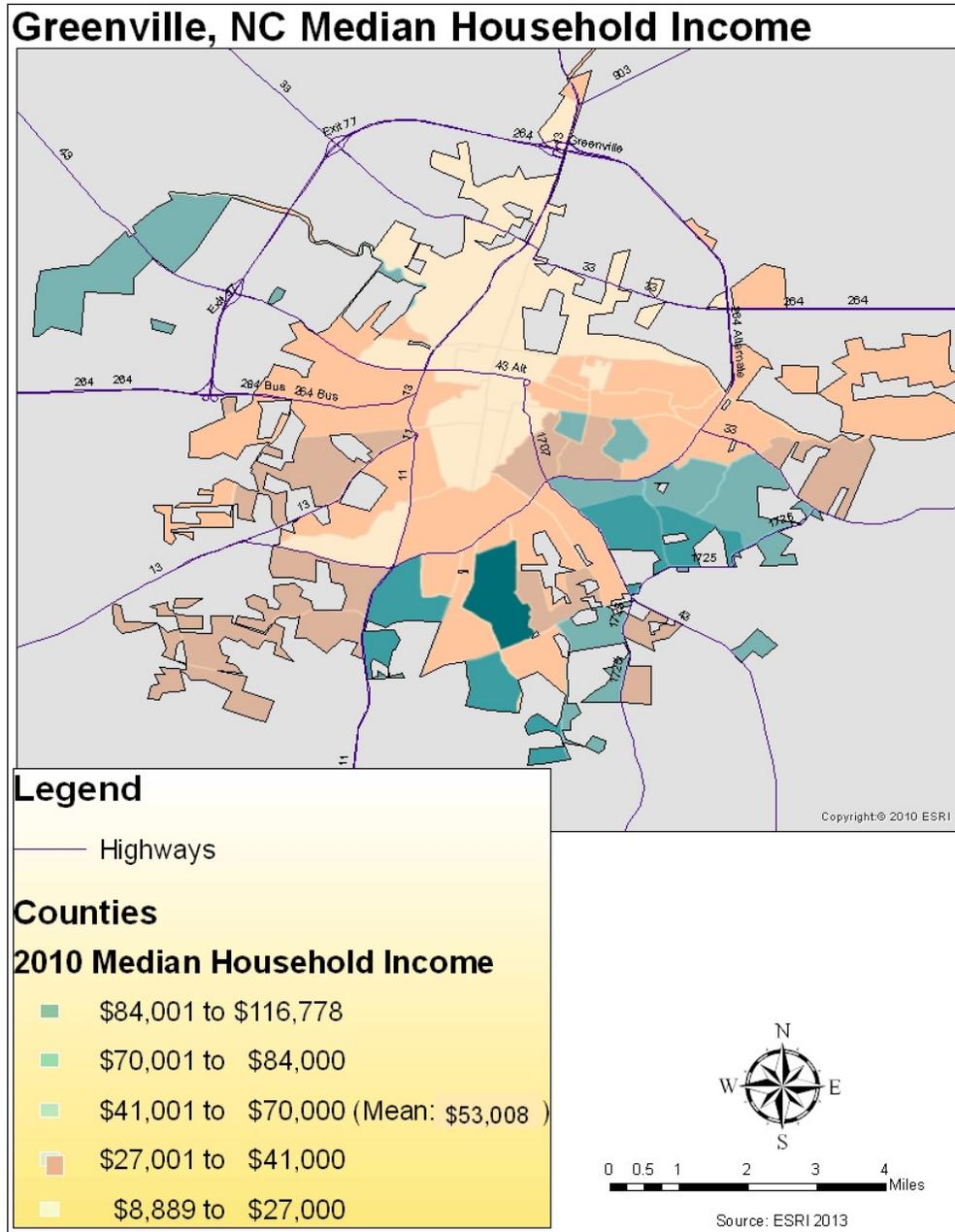
In 2011, the median income rose to \$31,134 up from \$26,648 in 2000, which represents a 16.8 percent increase over the period. In 2000, the bracket within which the highest number of households fell was below \$10,000 with 19.9 percent of the population earning less than \$10,000 per year. While in 2011, this income range still had the highest percentage of households, only 16.0 percent of the population earned less than \$10,000 per year. Unfortunately, nearly 40 percent (39.0%) of all households earn less than \$25,000 per year.

Median Household Income		
Income Range	Households	Percentage of all Households
Total Households	33,786	N/A
Less than \$10,000	5,407	16.0%
\$10,000 to \$14,999	2,805	8.3%
\$15,000 to \$24,999	4,983	14.7%
\$25,000 to \$34,999	4,069	12.0%
\$35,000 to \$49,999	4,877	14.4%
\$50,000 to \$74,999	4,653	13.8%
\$75,000 to \$99,999	2,684	7.9%
\$100,000 to \$149,999	2,263	6.7%
\$150,000 to \$199,999	950	2.8%
\$200,000 or more	1,095	3.2%
Median Household Income	\$34,134	N/A
Mean Household Income	\$53,008	N/A

Source: American Community Survey 2007 – 2011 Five Year Estimates

Section II: Demographic and Economic Overview

The map below geographically displays economic stratification in the City of Greenville, comparing each block group's median income to that of the entire City. Darker shaded areas have higher median incomes. The distribution illuminates the settlement patterns of people based on income.



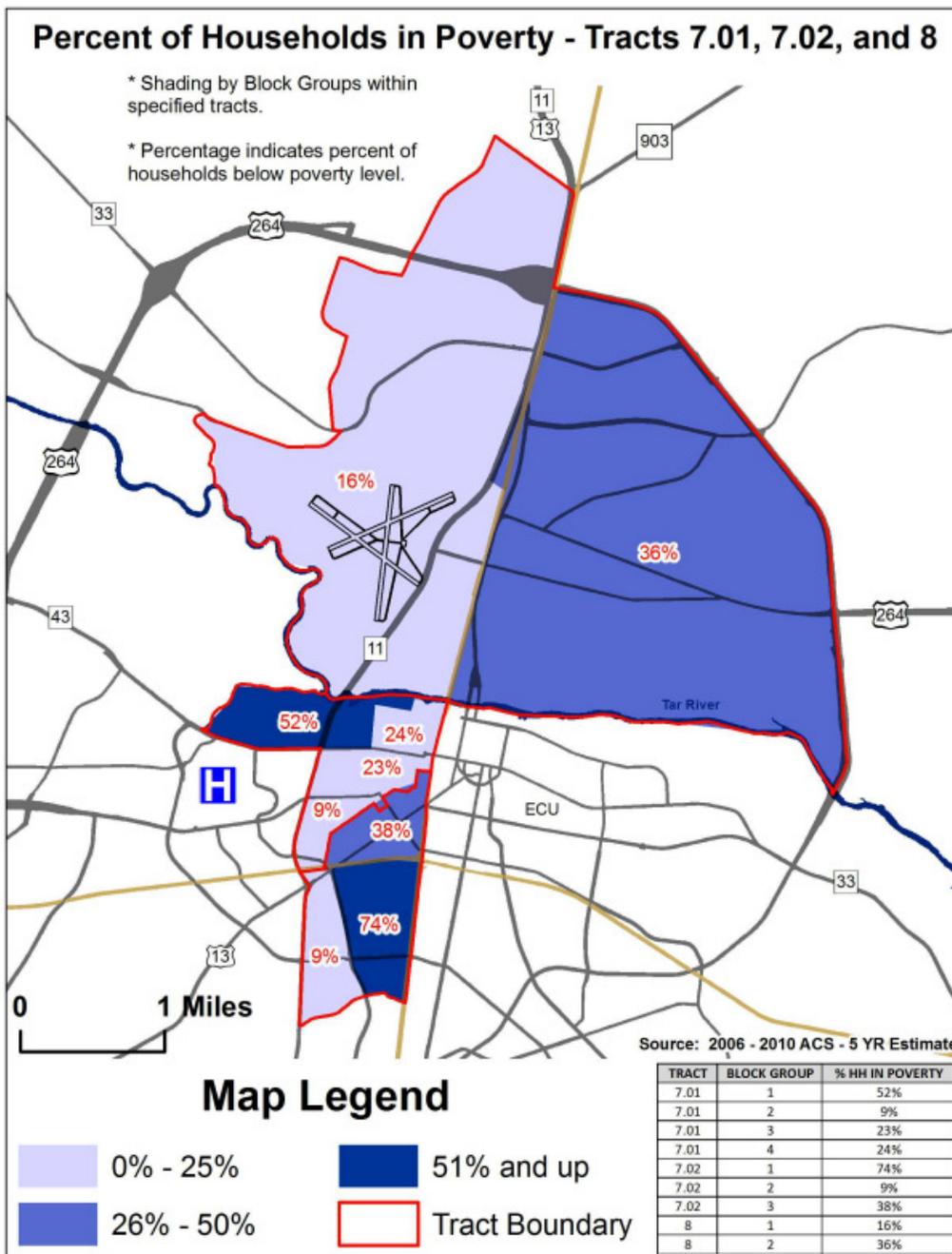
Poverty Rates

The table below displays poverty data for the City of Greenville. In 2011, 20.6 percent of families and 31.4 percent of all people in the City were living in poverty. Furthermore, families and households with children experience significantly higher poverty rates. Nearly 39 percent of families with children under five years old had experienced poverty level incomes over the past 12 months. Worse yet, 65.2 percent of single mother households with children under five years old were living in poverty during the past 12 months.

Percentage of Families and People Whose Income in the Past 12 Months Was Below The Poverty Level	
	Percent of Households
All Families	20.6%
With related children under 18 years	30.3%
With related children under 5 years only	38.8%
Married Couple Families	6.5%
With related children under 18 years	9.0%
With related children under 5 years only	12.7%
Families With Female Householder, no husband present	46.9%
With related children under 18 years	52.5%
With related children under 5 years only	65.2%
All People	31.4%
Under 18 Years	35.3%
65 Years and Over	9.4%
Unrelated Individuals 15 years and Older	46.7%

Source: American Community Survey 2007 – 2011 Five Year Estimate

The map below shows the census tracts with the highest percentage of households living at or below the poverty line. Darker blue shaded tracts have higher rates of poverty. Notice several census tracts have well over 20 percent of all households living in poverty with tract 7.01 block group 1 at 52 percent and tract 7.02 block group 1 at 74 percent.



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Labor Force

In 2000, Census data reported a labor force of 33,414 and an unemployment rate of 4.3 percent. The 2011 American Community Survey reports 45,212 persons in the labor force, and an average Civilian unemployment rate of 11.7 percent. More recent, according to the North Carolina Department of Commerce, as of May 2013 the unemployment rate in the Greenville Metropolitan Statistical Area (MSA) was 9.0 percent.

Employment by Industry

The largest numbers of residents within the City of Greenville are employed in the educational, health, and social services industry (36.2 percent). This category is followed distantly by the arts, entertainment, recreation, accommodation and food services industry (16.4 percent), displacing retail trade, which was second in 1990 and 2000 and now ranks third with only 11.8 percent of the work force population employed in this field. The table below shows the distribution of employed residents by industry within the City of Greenville.

Industry	Estimate	Percentage of Workforce
Agriculture, forestry, fishing & hunting, and mining	243	0.6%
Construction	1,295	3.3%
Manufacturing	2,868	7.2%
Wholesale Trade	896	2.3%
Retail Trade	4,701	11.8%
Transportation & warehousing and utilities	761	1.9%
Information	643	1.6%
Finance & Insurance and Real Estate	2,037	5.1%
Professional, scientific, management, administrative and waste management services	2,276	5.7%
Educational services, health care, and social assistance	14,378	36.2%
Arts, entertainment, recreation, accommodation and food services	6,526	16.4%
Other Services	1,811	4.6%
Public Administration	1,234	3.4%

Source: American Community Survey 2007 – 2011 Five Year Estimates

Housing Value

The median value of owner occupied housing units is \$147,600 according to the American Community Survey 2007 - 2011 Five Year estimates. Just over a quarter (27.6%) of all owner occupied homes, or 3,552 units, were valued at less than \$100,000.

Value of Owner Occupied Units		
	Units	Percent of Households
Total Owner Occupied Households	12,857	100.0%
Less than \$50,000	610	4.7%
\$50,000 to \$99,999	2,942	22.9%
\$100,000 to \$149,999	3,020	23.5%
\$150,000 to \$199,999	2,136	16.6%
\$200,000 to \$299,999	2,315	18.0%
\$300,000 to \$499,999	1,362	10.6%
\$500,000 to \$999,999	391	3.0%
\$1,000,000 or more	81	0.6%
Median Owner Occupied Home Value: \$147,600		

Source: American Community Survey 2007 – 2011 Five Year Estimate

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Housing Costs & Affordability

The following two tables detail monthly housing costs for owner and renter occupied households. The first table identifies actual housing costs in dollar amounts while the second table depicts housing costs as a percentage of household income.

Monthly Housing Costs		
Owner Costs	Units	Percentage of All Units
Owner Occupied Units w/ mortgage	9,973	N/A
Less than \$300	0	0%
\$300 to \$499	75	0.8%
\$500 to \$699	712	7.1%
\$700 to \$999	2,174	21.8%
\$1,000 to \$1,499	3,258	32.7%
\$1,500 to \$1,999	1,576	15.8%
\$2,000 or more	2,176	21.8%
Median Monthly Owner Costs: \$1,299		
Renter Costs	Units	Percentage of All Units
Occupied Units paying rent	20,499	N/A
Less than \$200	334	1.6%
\$200 to \$299	327	1.6%
\$300 to \$499	3,136	15.3%
\$500 to \$749	7,933	38.7%
\$750 to \$999	5,572	27.2%
\$1,000 to \$1,499	2,162	10.5%
\$1,500 or more	1,035	5.0%
Median Monthly Renter Costs: \$696		

Source: American Community Survey 2007 – 2011 Five Year Estimates

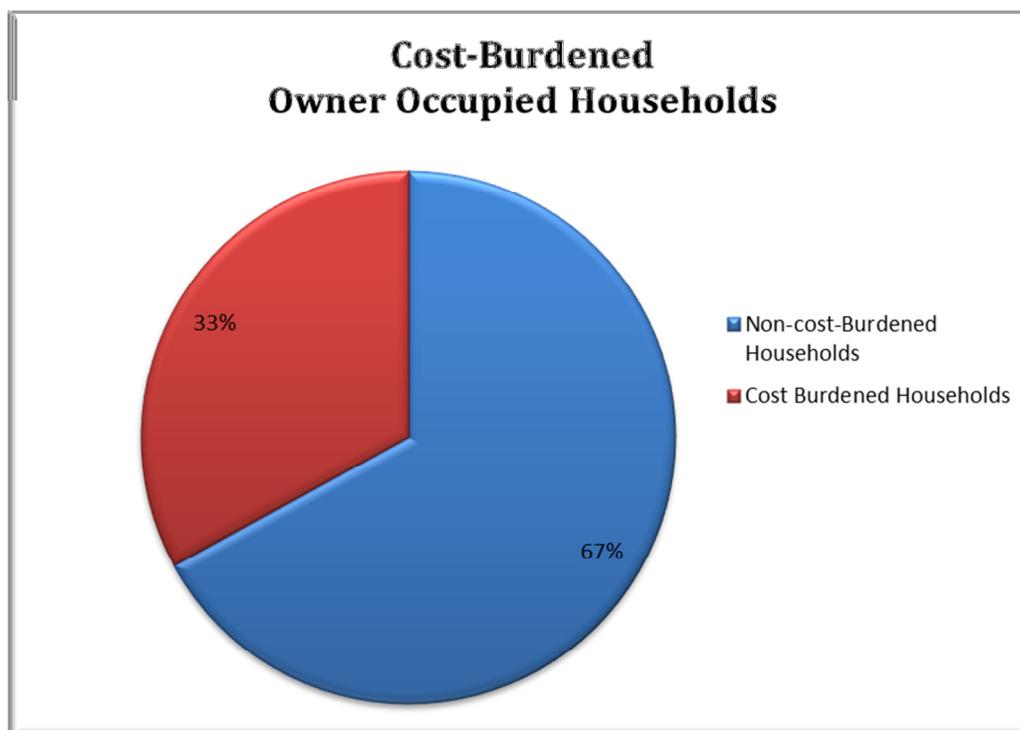
Housing affordability is calculated as 30 percent of income for rent, and 28 percent of income for homeownership. The difference is to allow for additional costs, such as utilities, that are customarily included in a tenant household's rent, but are borne by the household's income as homeowners.

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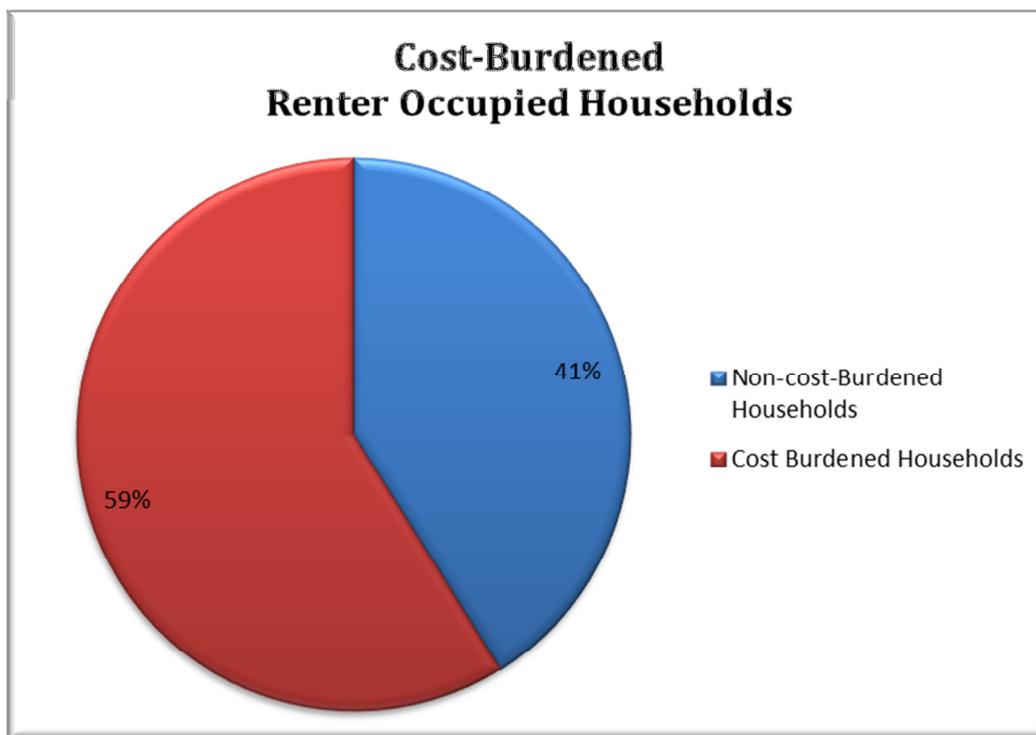
Monthly Housing Costs as percentage of Household Income		
Owner Costs	Units	Percentage of All Units
Owner Occupied Units w/ mortgage	9,952	N/A
Less than 20.0%	4,216	42.4%
20.0 to 24.9%	1,239	12.4%
25.0 to 29.9%	1,216	12.2%
30.0 to 34.9%	795	8.0%
35% or more	2,486	25.0%
Renter Costs	Units	Percentage of All Units
Occupied Units paying rent	20,007	N/A
Less than 15.0%	1,941	9.7%
15.0 to 19.9%	2,160	10.8%
20.0 to 24.9%	2,567	12.8%
25.0 to 29.9%	1,595	8.0%
30.0 to 34.9%	1,609	8.0%
35% or more	10,135	50.7%

Source: American Community Survey 2007 – 2011 Five Year Estimates

Unfortunately, 33 percent of all home owners are paying more than what is deemed affordable in monthly housing costs as illustrated in the chart below.



The case for renter households is far worse with 58.7 percent of all renters paying more than 30 percent of their income towards housing costs.



Housing Affordability Gap

In 2011, households earning less than \$14,999 totaled 8,212. Assuming that an affordable home value is roughly three times a household's annual income, this income group can afford a home valued at no more than \$45,000. In 2011 in the City of Greenville, there were just 610 owner-occupied homes valued at less than \$50,000. This represents a significant shortage of available for-sale housing for households at this income level.

In the City of Greenville, the current median value for a home is \$147,600. Presuming a down payment of 5 percent (\$7,380) and an interest rate of 4.25 percent would result in an estimated monthly payment (PITI) of \$798.13. At this monthly cost the median valued home would be affordable to a household earning \$46,740 or 137 percent of the area's median income. On the other hand, the median valued home would be out of reach for households earning less than about \$50,000 (when calculating for down payment and closing costs) or 65.4 percent of all households in the City of Greenville.

According to the 2011 ACS, the City of Greenville's median gross rent was \$696. At 30 percent of annual income, this rent would be affordable to a household earning \$25,056 or 73.4 percent of the area's median income. Unfortunately, 39 percent of all

households in Greenville earn less than \$25,000 per year and thus cannot afford the median rent. In general, rental housing in the City of Greenville is only affordable for those who earn an income above 80 percent of the City’s median.

Housing Problems

By Department of Housing and Urban Development (HUD) standards, there are three criteria by which a household is determined to have a housing problem:

- If a household pays more than 30 percent of its gross monthly income for housing, then it is considered cost burdened. HUD considers households that pay more than 50 percent of their income on housing costs to be severely cost burdened.
- If a household occupies a unit that lacks a complete kitchen or bathroom, then the unit has a physical defect.
- If a household contains more members than the unit has rooms, then the unit is overcrowded.

Housing Problems		
Characteristic	Units	Percentage of All Units
Lacking complete plumbing facilities	133	0.4%
Lacking complete kitchen facilities	328	1.0%
No telephone service available	1,281	3.8%
Occupants Per Room		
1.00 or less	33,215	98.3%
1.01 to 1.50	526	1.6%
1.51 or more	45	0.1%

Source: American Community Survey 2007 – 2011 Five Year Estimates

Based on HUD’s definition, 58.7 percent, (11,744 households) of renter occupied households within the City of Greenville renter households were cost-burdened in 2011, including 50.7 percent of all renters paying more than 35 percent of their household income towards housing costs. Considerably fewer homeowners with a mortgage experience this housing problem: 33 percent (3,281 households) were cost-burdened. According to the 2011 American Community Survey estimates, just 133 households (0.4 percent) lacked adequate plumbing facilities, while 1.0 percent of all households (328 households) lacked complete kitchen facilities. Additionally in 2011, 571 households (1.7 percent) of the City of Greenville households were overcrowded.

Section III: Fair Housing Status

Demographic Data

The demographic data in Section II indicates that the population within the City of Greenville grew by 39.8 percent between 2000 and 2010, or 3.98 percent annually

At the same time, the number of households increased by 28.2 percent from 2000 to 2011; however, the average household size has remained relatively unchanged at an average of 2.2 persons per household. Following state and national trends, single person households now make up 36.6 percent of all households in the City.

From 2000 to 2010, the percent of persons 65 and older in the City of Greenville decreased from 9.1 to 8 percent. The population of Greenville is quite young, with a median age of 26 years old according to American Community Survey estimates (2011). This reflects little change from the median age of 27.6 in 2000.

Complaints of Unlawful Discrimination

This section will review both the evidence of unlawful discrimination (in the form of an analysis of discrimination complaints) and the recent fair housing related activities of Greenville. The purpose of this section is to describe the current fair housing environment. Subsequent sections of this report will analyze this information for the purpose of identifying current impediments and action steps to minimize the effect of those impediments.

Unlawful discrimination is one of the most blatant impediments to fair housing, and it is, therefore, important to make efforts to measure the extent to which unlawful discrimination occurs in the housing market. Analyzing complaints brought by those who believe they have been illegally discriminated against can shed light on the barriers to housing choice and accessibility. Though the number of complaints cannot provide a complete picture of the level of discrimination, it can provide a snapshot of some of the barriers that may exist. The 2008 Analysis of Impediments for the Greenville-Pitt County Consortium can also shed some light on the community's perceptions of the fair housing environment in Greenville over a number of years.

At a minimum, three sources of information are available to report the types of fair housing complaints that have been made in the Greenville area: (1) the U.S. Department of Housing and Urban Development (HUD), (2) the North Carolina Human Relations Commission and (3) the Greenville Human Relations Council that, while not yet a HUD equivalent agency, provides fair housing and employment information, responds to requests for assistance, and tracks complaints or requests from consumers within the City.

HUD maintains records of all complaints filed that represent violations of federal housing law. From 2004 through 2009, HUD reported a total of 804 fair housing complaints from within the state of North Carolina with a high of 208 in 2004 and a low of 21 in 2007. The majority of these complaints, 582, were filed in entitlement areas in the state, while 222 were filed in the non-entitlement areas. Complainants may cite more than one basis. As a result, the number of bases cited can exceed the total number of complaints. The majority of the fair housing complaints filed with HUD in North Carolina were filed on the basis of race, with 363 of the 1,021 bases cited. An additional 267 complaints were filed on the basis of disability, 131 were filed on the basis of national origin, and 100 were filed on the basis of family status. Similar to the way bases are reported, more than one issue may be counted per each complaint. Of the cases filed during this period, 1,028 issues were cited with discrimination in terms, conditions or privileges in rental transactions cited 315 times. Discriminatory terms, conditions, privilege or services and facilities were cited 145 times and failure to make reasonable accommodation was cited 102 times. The most commonly cited issues related to rental transactions, which suggests that discriminatory acts leading to the filing of fair housing complaints are more commonly associated with the rental market.²

The number of complaints alleging racial or ethnic discrimination in the housing market also account for far less than the actual number of discriminatory acts suggested by recent studies. A series of national studies on the experiences of African Americans, Hispanics, and Asians and Pacific Islanders in the housing market has found evidence of consistent adverse treatment in roughly one of every five interactions with a sales or rental agent. A study on the experience of Native Americans in the rental market in three states found that they experience consistent adverse treatment in 28.5 percent of their interactions with a rental agent, on average.

In addition to presenting information on the level of racial, ethnic, or disability discrimination, recent HUD studies show that discrimination is often subtle. Much of the consistent adverse treatment reported in the aforementioned studies was uncovered using paired-testing—a method by which two persons, differing only on a single characteristic that is being tested (e.g., race), independently inquire about an advertised housing unit. Each of the testers independently records his or her experience, and any difference in treatment is often only apparent when an analyst compares the resulting information. Thus, the disparity between the number of complaints filed with HUD and FHAP agencies and the frequency of discrimination found in housing discrimination studies indicates that victims are often unaware that they have been discriminated against and suggests that discrimination is greatly underreported.

In January 2005, HUD established the Office of Systemic Investigations (OSI) to investigate discriminatory practices that are not reported by individuals. OSI uses methods such as paired-testing to investigate housing providers or other entities that it suspects of engaging in unlawful discrimination.

² State of North Carolina, Analysis of Impediment, Final Report November 2010

“Discrimination against Persons with Disabilities: Testing Guidance for Practitioners”

In July 2005, HUD published *Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners* as an aid for fair housing and disability-rights advocates, civil rights enforcement agencies, and others interested in testing for disability-based discrimination. The guidebook resulted from testing in the HUD-commissioned study entitled *Discrimination Against Persons with Disabilities: Barriers at Every Step*.

The guidebook describes the advantages and challenges of conducting telephone and in-person testing for discrimination against persons with disabilities. TTY testing was found to be an inexpensive effective testing strategy because it can be completed quickly, it does not require testers to travel, and it can span a wide geographic area. Moreover, relay operators provide customers with a verbatim report on each telephone call, providing an independent narrative of what occurred in the disabled portion of the test. However, because telephone calls are generally brief, these tests do not offer the opportunity to capture as much information about differential treatment as in-person tests.

The report also addresses two particular challenges faced by persons with disabilities when conducting in-person tests—transportation and access to the property and/or unit. Deaf or hard-of-hearing testers were not able to access housing that contained an intercom/buzzer entry system and blind testers sometimes had difficulty finding the front door or gaining access to rental properties or management offices. Therefore, the report concluded that it might make sense to send testers to their assignments with someone who could help them gain entrance, but who would not accompany them during tests.

Another significant challenge for disability testing is determining whether the property is accessible enough so that persons with mobility impairments can test it. Before using a property as a test site, *Barriers at Every Step* used a drive-by survey to determine whether it was accessible. The report also suggested that proxy testers be used to test properties that are not accessible.

With proper planning and support, persons with disabilities were able to effectively serve as testers. The most common types of assistance provided for testers with disabilities were transportation to and from the test site, training materials in other formats, such as Braille, and assistance from project staff in completing the test report forms. Cognitively disabled testers sometimes needed companions to accompany them during the test to help them remember and record the test experiences.

HUD intends for the study and report to serve as a guide for conducting disability discrimination testing. As such, they should be used in conjunction with other testing approaches that may be appropriate for the discriminatory practice being investigated. Copies of the report are available at <http://www.huduser.org>.”

HUD Fair Housing Enforcement Activity

HUD investigates complaints of housing discrimination based on race, color, religion, national origin, sex, disability, or familial status. At no cost, HUD will investigate the complaint and attempt to conciliate the matter with both parties. If conciliation fails, HUD will determine whether "reasonable cause" exists to believe that a discriminatory housing practice has occurred. If HUD finds "no reasonable cause, then " the Department dismisses the complaint. If HUD finds reasonable cause, the Department will issue a charge of discrimination and schedule a hearing before a HUD administrative law judge (ALJ). Either party may elect to proceed in Federal court. In that case, the Department of Justice will pursue the case on behalf of the complainant. The decisions of the ALJ and the Federal district court are subject to review by the U.S. Court of Appeals.

HUD/NCHRC/City of Greenville Title VIII Complaints

Since 2007, HUD and NCHRC received (and cross-filed) for consideration, 13 Greenville cases under the Fair Housing Act.

It can be extremely difficult to detect unlawful discrimination, as an individual home-seeker, and the resolution of these complaints, following investigation, is also important to consider. Note, the following definitions:

Administrative Closure—Action taken as a result of a judicial proceeding, lack of jurisdiction due to untimely filing, inability to identify a respondent or locate a complainant, or if a complainant fails to cooperate.

Conciliation—Parties meet to work out a resolution. Meeting is generally initiated by the equivalent agency (NCHRC) or HUD.

Withdrawal/Relief—Situation where the complainant wishes to withdraw without relief or there is relief granted following a resolution between the parties.

No Reasonable Cause—Although there may have been an action taken that appears to be discriminatory under the Fair Housing Law, there is not sufficient evidence uncovered as a result of investigation, to prove the action was in fact discrimination, or in other words one of "Reasonable Cause" to transfer to the U.S. DOJ, District Judge or the HUD Administrative Law Judge for a judicial ruling.

Reasonable Cause—As a result of investigation, that may also be considered in a conciliation or other attempted resolution action, there is sufficient evidence or "Reasonable Cause" to present the case to the (DOJ) District Judge or the HUD (ALJ), for a judicial ruling.

**Complaints Received under the Fair Housing Act, as amended Greenville Title VIII Cases Received
FY 2007 through FY 2013³**

Religion	1
Race	2
Race, Familial Status	0
Race, National Origin	0
Race, Disability, Familial Status	1
Race, Disability, Retaliation.....	0
Race, Color	0
Disability	5
Familial Status.....	1
Sex	0
Sex, Disability, Familial Status.....	0

As is the situation on a National level, the greatest numbers of cases filed are regarding race or disability or a combination of either with other protected classes.

Due to confidentiality, the individual disposition of each case has not been provided by HUD, although it is expected that some level of discriminatory behavior may have occurred in cases that were not processed further.

On a local level, the Green Human Relations Office tracks complaints related to housing discrimination and makes referrals to HUD, NCHRC, and legal aid as appropriate. In the period between 2007 and 2012, the Human Relations Office received one housing discrimination complaint in 2008 and three housing discrimination complaints in 2009. No complaints were received in any of the other years.

Fair Housing Initiatives

Greenville HRC Staff

The City of Greenville has designated a staff person to support the Human Relations Council through a Strategic Plan. The Human Relations Office deals with many rental issues on a daily basis. Affordability and decent safe housing remains an important challenge for Greenville/Pitt County residents. The challenge for persons or families who care for persons with disabilities is even greater. Requests from citizens needing affordable, decent, safe and accessible rental housing are on the rise.

³ The basis was not specified for three complaints reported by HUD. These complaints were for (1) Discriminatory advertising, statement, or notices; (2) Discrimination in terms/conditions/privileges relating to rental; and (3) Steering.

The most common problems are:

- Suitability – the problem of overcrowding or whether a household has enough bedrooms appropriate for the size of the family.
- Adequacy – the physical condition of a dwelling or whether a household has basic facilities to provide a safe and healthy environment.
- Affordability – exists when a household pays an excessive amount for shelter.

Section IV: Public Sector Analysis

Overview

The Fair Housing Act generally prohibits the application of special requirements through land-use regulations, restrictive covenants, and conditional or special use permits that, in effect, limit the ability of minorities or the disabled to live in the residence of their choice in the community. If large-lot minimums are prescribed, if a house must contain a certain minimum amount of square feet, or if no multi-family housing or manufactured homes are permitted in an area, the results can exclude persons protected by the Act. If local mandates make it infeasible to build affordable housing or impose significant obstacles, then a community must affirmatively work toward eliminating this impediment to fair housing choice.

The Fair Housing Acts of 1968 and 1988, as amended, also make it unlawful for municipalities to utilize their governmental authority, including zoning and land use authority, to discriminate against racial minorities or persons with disabilities. Zoning ordinances segregate uses and make differentiations within each use classifications. While many zoning advocates assert that the primary purpose of zoning and land use regulation is to promote and preserve the character of communities, inclusionary zoning can also promote equality and diversity of living patterns. Unfortunately, zoning and land-use planning measures may also have the effect of excluding lower-income and racial groups.

Zoning ordinances aimed at controlling the placement of group homes is one of the most litigated areas of fair housing regulations. Nationally, advocates for the disabled, homeless and special needs groups have filed complaints against restrictive zoning codes that narrowly define “family” for the purpose of limiting the number of non-related individuals occupying a single-family dwelling unit. The ‘group home’ arrangement/environment affords many persons who are disabled the only affordable housing option for residential stability and more independent living. By limiting the definition of “family” and creating burdensome occupancy standards, disabled persons may suffer discriminatory exclusion from prime residential neighborhoods.

Transportation

Transportation links are an essential component to successful fair housing. Residents who do not have access to commercial areas are limited in where they can shop for goods and services, as well as seek employment. The converse is true as well. Inadequate transportation routes limit the selection of housing to neighborhoods within transportation service areas. Convenient roads in good repair are as important for those who rely on their own vehicles for transportation as they are for those who rely on public transportation provided by the Pitt Area Transit System.

Neighborhood Revitalization

The City of Greenville carries out Federal programs administered by the U.S. Department of Housing and Urban Development. In FY 2013, the City of Greenville published its Consolidated Five Year Strategic Plan, which addressed housing and community development needs during the period of FY 2013 to 2018. The one-year Action Plan describes the activities to be undertaken during the fiscal year and how the City will use Federal and local resources to accomplish the stated objectives. The annual plan also describes how other community resources will be utilized to address the needs of the homeless, low to moderate income individuals and families, and other targeted populations. The 2013-2018 Consolidated Plan, that features extensive program targeting in the West Greenville area, will be submitted to HUD by June 2013.

Property Tax Policies

Across the country, older cities – with the support of the federal government – have begun to invest in economic and community development programs designed to revitalize their decaying urban cores. Greenville is no exception. The foundation upon which this kind of development is built is the ability to achieve fairness in the appraisal process within these neighborhoods. Since the starting point for most bank appraisals is the tax department, discriminatory assessment practices can undermine a homebuyer's ability to secure mortgage financing in an amount commensurate with the property's true market value.

Although the Fair Housing Act specifically prohibits the consideration of the racial or ethnic composition of the surrounding neighborhood in arriving at appraised values of homes, no practical means exist to investigate violations of this kind. One reliable approach, however, is to review, periodically, the assessment policies and practices of the taxing jurisdiction since their valuations generally comprise the bases for private appraisals.

Property tax assessment discrimination against low-income groups occurs when lower value properties and/or properties in poorer neighborhoods are assessed for property tax purposes at a higher percentage of market value, on average, than other properties in a jurisdiction. Regressive assessments (the tendency to assess lower value properties at a higher percentage of market value than higher value properties) are not uncommon in this country. They result from political pressures, practical problems in assessment administration and the use of certain inappropriate appraisal techniques. Assessments tend to remain relatively rigid at a time when property values are rising in middle income neighborhoods and are declining or remaining at the same level in low- income neighborhoods.

Inequities in property tax assessments are a problem for both lower-income homeowners and low-income tenants. Millions of low-income families own homes. Variations in assessment-to-market value ratios between neighborhoods or between higher and lower value properties can make a difference of several hundred dollars or

more each year in an individual homeowner's property tax bill. In addition to causing higher property tax bills, discriminatorily high assessment levels can also have an adverse impact upon property values. Buyers are less likely to purchase a property if the property taxes are perceived as too high thereby making the property less attractive and reducing its market value.

Another common inequity is the assessment of multifamily dwellings at a higher ratio to market value than single family dwellings. This type of inequity may be considered a form of discrimination against low-income groups because a higher percentage of low-income than middle-income persons live in multifamily rental dwellings. The requirement to pay a higher assessment is passed on to the tenant in the form of higher rent. Quite often, higher assessments also make it difficult for landlords to maintain property within the limits of the property's rent structure leading to substandard housing conditions.

Most jurisdictions rely heavily on a market value approach to determining value when conducting their property assessment appraisals. Under this approach, an appraiser compares recent sale prices of comparable properties within the area – in addition to site visits and a good deal of expert speculation – in arriving at an appraised value. The limitations inherent in market value approaches are many. Most prominent among them are the cumulative result of decades of discriminatory valuations, especially where the neighborhood is a minority one. Unless some radical re-appraisal process has been conducted within the preceding 10-year period, the present market value approach merely compounds past discrimination.

While the market value approach may operate successfully in some jurisdictions, a substantial percentage of jurisdictions rely primarily on a replacement cost approach in valuing properties. Making determinations of value based on comparable sales is a complex task, which requires considerable exercise of judgment. Assessor's departments, which must appraise every property within a jurisdiction, often do not find it feasible to make the detailed individual analysis required to apply the market value approach.

Zoning and Site Selection

Zoning may have a positive impact and can help to control the character of the communities that make up a City. In zoning, a careful balance must be achieved to avoid promoting barriers to equal housing.

Professor Richard T. Lal, Arizona State University surveying the view of representative studies concerning the nature of zoning discrimination states:⁴

“If land-use zoning for the purpose of promoting reason, order and beauty in urban growth management is one side of the coin, so can it be said that exclusion of affordable housing for low and moderate income groups is the other as practiced, zoning and other land-use regulations can diminish the general availability of good quality, low-cost dwellings....”

⁴ Professor Richard T. Lal, Arizona State University, “The Effect of Exclusionary Zoning on Affordable Housing.”

In considering how zoning might create barriers to fair housing, four key areas were reviewed; these included the following, which were selected because of the possible adverse effects they could have on families and persons with disabilities.

- Definitions used for “families” and “group homes”
- Regulations (if any) regarding group homes
- Ability for group homes or other similar type housing to be developed
- Unreasonable restrictions on developing multifamily units, such as lot size requirements.

While the definition of group care facility is broader in terms of the number of people that can be served and no limitation related to temporary disability, group housing is much more restricted in where it is permitted under current zoning designations. Family care homes are permitted under all single-family zoning districts as well as all multifamily and office use districts, neighborhood business districts (light commercial), agriculture districts and mixed use districts (traditional neighborhoods). Group homes, on the other hand, are not permitted in any single-family zoning districts and are only permitted in the highest density multifamily residential districts, commercial districts, office and public and institutional districts. This serves to limit group homes located in single-family and low density multifamily districts to only small-scale homes (six persons or less) that serve those with temporary disabilities. Generally, the concept of group homes is to integrate them into neighborhoods, providing the maximum amount of independent living in a community-based environment. For those group homes that serve persons with permanent disabilities and/or more than six occupants, this neighborhood integration is unattainable in Greenville based on current zoning restrictions.

Greenville’s land use plan requires that adequate public facilities be available for any development activities. In this context, “adequate public facilities” generally refers to governmental strategies for assuring that all infrastructure required to meet the service demands of a particular development is available as development occurs. Such strategies can, where permitted by statute, require that the costs for all or a portion of such infrastructure be borne by the developer (ultimately the consumer), and not the general public. Currently, the policy of the City of Greenville is that all streets, water, sewer and storm drainage facilities within a subdivision, including any required water quality retention ponds, are paid for by the developer.”

The ability to provide affordable housing to low-income persons is often enhanced by an entitlement grantee’s willingness to assist in defraying the costs of development. Effective approaches include contributing water, sewer or other infrastructure improvements to projects as development subsidies or waiving impact and other fees. These types of approaches help to reduce development costs and increase affordability allowing developers to serve lower-income households.

Planning and Zoning Commission

The Planning and Zoning Commission is an advisory body appointed by the Mayor and confirmed by City Council.

The Commission is intended to be representative of the community and members are encouraged to be deeply interested in its physical, social, and economic betterment. Members are responsible for the development of a comprehensive plan, which the Commission prepares and recommends to City Council, along with other specialized plans and studies. A majority of the Commission's work, however, involves hearing and making recommendations to the City Council on zoning map amendments, conditional use permit requests, special use permit requests and street closings.

Membership on the commission requires several hours a month attending regular meetings with special meetings often necessary to consider projects and plans. Although the commission's work is concentrated mostly in meetings, additional time is needed to adequately review agenda items and visit sites prior to meetings.

Building Codes (Accessibility)

The City of Greenville has adopted North Carolina's statewide building codes. In 2005, North Carolina received ADA certification of its statewide accessibility code, making it one of only six states to receive this status at that time. The certification identifies North Carolina's accessibility code as meeting or exceeding the new construction and alterations requirements of Title III of the Americans with Disabilities Act. While the state's codes are so recognized, North Carolina's most recent consolidated plan states that current zoning and development practices in the state may not be in the spirit of affirmatively furthering fair housing. Strategies to address this barrier include enhanced discussion with individuals and entities that reach out to the Consolidated Plan subgrantees about best practices in land use planning, making people more aware of North Carolina's new land use laws and suggesting advocacy for reducing NIMBYism.

Consolidated Plan Housing Programs

Affordable Housing Needs and Activities

The Greenville Community Development and Housing Programs are designed to implement various housing assistance strategies that include rehabilitation, down payment assistance for first-time homebuyers, and new construction of affordable housing. The City's community and neighborhood development activities are designed to:

- Assist with neighborhood improvement projects;
- Assist small businesses;

- Provide public services;
- Help low to moderate-income residents acquire needed information, knowledge, and skills;
- Enhance the provision of public services; and
- Provide relocation assistance to residents who are required to move from their homes

The majority of these projects will be located in the West Greenville area.

Community Development Block Grant Program

The Community Development Block Grant (CDBG) program is used to plan and implement projects that foster revitalization of eligible communities. The primary goal of the program is the development of viable urban communities. Program objectives include the provision of decent housing, a suitable living environment, and expanded economic opportunities principally for low- to moderate-income individuals and families. Greenville has been an entitlement City for over 20 years and receives its CDBG allocation directly from HUD.

HOME Investment Partnership Program

The HOME Investment Partnership (HOME) program is used to assist in developing affordable housing strategies that address local housing needs. HOME strives to meet both the short-term goal of increasing the supply and availability of affordable housing and the long-term goal of building partnerships between state and local governments and nonprofit housing providers.

Affordable Housing Needs and Activities

The Community Development and Housing Department has designed and implemented various housing assistance strategies that include rehabilitation, down payment assistance for first-time homebuyers, and new construction of affordable housing. The City's community and neighborhood development activities are designed to assist with neighborhood improvement projects, assist small businesses, provide public services, help low- to moderate-income residents acquire needed information, knowledge and skills to build their capacity, enhance the provision of public services and provide relocation assistance to residents who are required to move from their homes. The majority of these projects will be located in the West Greenville area.

Housing and neighborhood improvement needs and activities are described 2013-2018 Consolidated Plan Strategic plan.

Community Housing Development Organization (CHDO) Activities: The City provides funding to nonprofit developers for the new construction of affordable houses for purchase by low-income families.

Housing assistance for AIDS victims is provided through the State-funded HOPWA Program.

Assistance to the homeless is provided through the State funded ESG and various federally-funded SHP Programs.

Five-Year Housing Strategy

Affordable Housing Priorities

Faced with the reality of limited Federal and local government resources for housing, Greenville has been challenged to create a comprehensive, affordable housing program to meet the demands of priority needs households along the entire housing continuum--rental, ownership, special needs, supportive housing, etc. While the unmet need for rental housing for extremely low income households might suggest that all resources should be devoted to addressing this gap, resources must also be devoted to addressing the housing needs of low- and moderate-income households that have cost burdens and other housing problems to ensure the housing continuum is intact and flowing. This includes enabling more homeownership among these income groups, which the City has determined is important for stabilizing families and neighborhoods. It also includes preserving the existing affordable housing stock.

To meet the needs of households along the entire housing continuum, the City has identified the following as its top priorities for using CDBG, HOME and other public funds between 2013 and 2018 for affordable housing.

TOP PRIORITIES
Housing Assistance
Owner-Occupied Rehabilitation
Rental Housing Production
Property Acquisition
Tenant Displacement/Relocation
Acquisition/New Construction of Multi-family Rental/Homeowner Units
Downpayment Assistance
Other Special Housing Needs
Transitional Affordable Housing Production
Non-Housing Community Development Assistance
Public Services
Public Facilities Improvement

Institutional Structure

The Community Development Department of the City of Greenville is the lead agency implementing the City's strategies for addressing housing and community development needs identified as part of its consolidated planning process. The Department, with City Council approval, oversees the allocation of Greenville's allocation of CDBG and HOME funds and is responsible for maintaining records, overseeing work done using these federal funds and reporting information to HUD concerning the performance of these programs. The Greenville Housing Authority is responsible for the development and maintenance of the City's public housing. The member agencies of the Greenville-Pitt County Continuum of Care Housing Coalition work with the City on the 10 Year Plan to Eliminate Homelessness and to address the ongoing needs of the homeless and persons with special needs. The City also coordinates its efforts with other local, state and federal institutions to address specific needs or to implement new programs. Affordable housing in Greenville is provided through a variety of public agencies, nonprofit organizations, private sector developers and lenders. In many cases, individual housing providers focus their efforts on specific income groups, tenure types or on providing certain types of housing and supportive services.

Intergovernmental Cooperation

The City of Greenville has enjoyed a positive relationship with the Greenville Housing Authority, Pitt County, and the HOME Consortium and Continuum of Care Agencies for many years. The City of Greenville staff and the other Agencies work cooperatively and share information relative to the City's strategies to address housing and other community development needs.

Lead-Based Paint Hazard Reduction

Lead poisoning is one of the worst environmental threats to children in the United States. While anyone exposed to high concentrations of lead can become poisoned, the effects are most pronounced among young children. All children are at higher risk to suffer lead poisoning than adults, but children under age six are even more vulnerable because their nervous systems are still developing. At high levels, lead poisoning can cause convulsions, coma, and even death. Such severe cases of lead poisoning are now extremely rare, but do still occur. At lower levels, observed adverse health effects from lead poisoning in young children include reduced intelligence, reading and learning disabilities, impaired hearing, and slowed growth.

Since the 1970s, restrictions on the use of lead have limited the amount of lead being released into the environment. As a result, national blood lead levels for children under the age of six declined by 75 percent over the 1980s and dropped another 29 percent through the early 1990s. Despite the decline in blood-lead levels over the past decade, recent data show that 900,000 children in the United States still have blood lead levels above 10µg/dL (micrograms of lead per deciliter of whole blood). These levels are unacceptable according to the Centers for Disease Control and Prevention (CDC) which

lowered blood lead intervention levels for young children from 25µg/dL to 10µg/dL in 1991. Many of these lead-poisoned children live in low-income families and in old homes with heavy concentrations of lead-based paint. The CDC identified the two most important remaining sources of lead hazards to be deteriorated lead-based paint in housing built before 1978 and urban soil and dust contaminated by past emissions of leaded gasoline.

The national goal for blood lead levels among children ages six months to five years is to limit elevations above 15µg/dL to no more than 300,000 per year and to entirely eliminate elevations above 25µg/dL.

Many housing units in Greenville may have lead-based paint. Since the City of Greenville undertakes the rehabilitation of limited to comprehensive rehabilitation of housing units (many of which were constructed prior to 1978), painted surfaces will be disturbed as part of this process. As such, the City is required to incorporate lead-based paint hazard evaluation, approved remediation/reduction strategies and clearance requirements for all housing structures built before 1978.

To reduce the potential for adverse health effects attributable to the rehabilitation of deteriorated lead-based paint surfaces, the City provides educational material. All customers receiving housing rehabilitation assistance from the City are informed about the potential health hazards posed by the presence of deteriorated lead-based paint, which includes information about protecting their families from this hazardous substance.

In addition, Project Managers who oversee rehabilitation projects are trained to incorporate proper hazard reduction techniques into the treatment of lead-based paint. Instead of performing lead hazard evaluations on properties proposed for rehabilitation, it is Greenville's policy to automatically presume that lead-based paint and/or lead-based paint hazards are present when the housing was built before 1978. Visual assessment, stabilization and standard treatment methodologies are employed to achieve clearance for each comprehensive rehabilitation project. The City of Greenville will conduct one of the following lead hazard reduction methods as routine to rehabilitation activity:

- If interim controls are required, conduct standard treatments in lieu of interim controls on all applicable surfaces, including soil, to control lead based paint hazards that may be present
- If abatement is required, abate all applicable surfaces, including soil, to control lead based paint hazards that may be present

As the result of elevated lead poisoning cases that were reported by the local media, the City has stepped up its activities to elevate public consciousness regarding the adverse effects of lead poisoning in the Greenville community include and secure funding for lead hazard reduction activities.

- A household has an affordability problem if more than 30 percent of a household’s income is paid towards rental/mortgage cost.
- Discrimination – exists when tenants and homebuyers are treated differently in their search for housing or denied housing on the basis of the following protected classes: race; color; sex; the presence of minor children (familial status); disability; national origin and religion.

Measuring Performance Results

The Greenville 2013-18 Consolidated Plan Strategy includes a Fair Housing Certification to support fair housing initiatives designed to affirmatively further fair housing choice and to increase access to housing and housing programs and services.

Proposed Accomplishments

Updating the Analysis of Impediments to correspond with the submission of the 2013-2018 Consolidated Plan.

Finally, the City Programs designed to support the Fair Housing Choice initiatives are as follows:

HOUSING ASSISTANCE	
Goal	Creation of Decent Affordable Housing
Category	Affordable Housing; Public Housing
Annual Funding	CDBG - \$340,000; HOME- \$298,000
Needs Addressed	Reduce substandard housing and blight; Preserve and increase affordable housing; Produce affordable housing; Maintain housing for special needs population
Geographic Area	West Greenville Revitalization Greenville Scattered Site Areas
Time Frame	2012-2018
Annual Output and Proposed Accomplishments	Rehabilitation of 12 houses

Section V: Fair Housing and Greenville's Private Sector

Homeownership rates are important to a community's financial well-being. Prospective homebuyers expect to have access to mortgage credit; and home ownership programs must be available without regard to discrimination, income, or profession. To truly live up to fair housing laws, all persons must have the ability to live where they want and can afford.

Access to mortgage credit enables residents to own their homes, and having access to home improvement loans allows them to keep older houses in good condition. Access to refinancing loans allows homeowners to make use of the equity in their home for other expenses. Mortgage credit, home improvement loans, and refinancing loans together keep neighborhoods attractive and keep residents vested in their communities.⁵

Traditional Private Lenders in Greenville

Poor lending performance results in various long-term and far ranging community problems. Of these, disinvestment is probably the most troubling. Disinvestment in Greenville by its lenders would reduce housing finance options for borrowers and weaken competition in the mortgage market for low-moderate income neighborhoods. High mortgage costs, less favorable mortgage loan terms, deteriorating neighborhoods, reduced opportunities for home ownership, reduced opportunities for home improvement and the lack of affordable housing are only a few of the consequences of inadequate lending performance. Financial decay in the business sector as well as in the private sector is also a result of disinvestment in the form of business relocation, closure, and bankruptcy. Full service local lenders that have traditionally served residents and businesses are one of the main elements that keep neighborhoods stable.

Significant changes occurred in the lending market between 2007 and 2011, not only in Greenville but throughout the United States. The causes of the downturn are complex, however, a recent U.S. Government Accountability Report described the following reasons for the economic crisis:

According to many researchers, around mid-2007, losses in the mortgage market triggered a reassessment of financial risk in other debt instruments and sparked the financial crisis. Uncertainty about the financial condition and solvency of financial entities resulted in a liquidity and credit crunch that made the financing on which many businesses and individuals depend increasingly difficult to obtain. By late summer of 2008, the ramifications of the financial crisis ranged from the failure of financial institutions to increased losses of individual savings and corporate investments. Academics and others have identified a number of factors

⁵ Profile of Lima, Ohio, Federal Reserve Bank of Cleveland, Fall 2000.

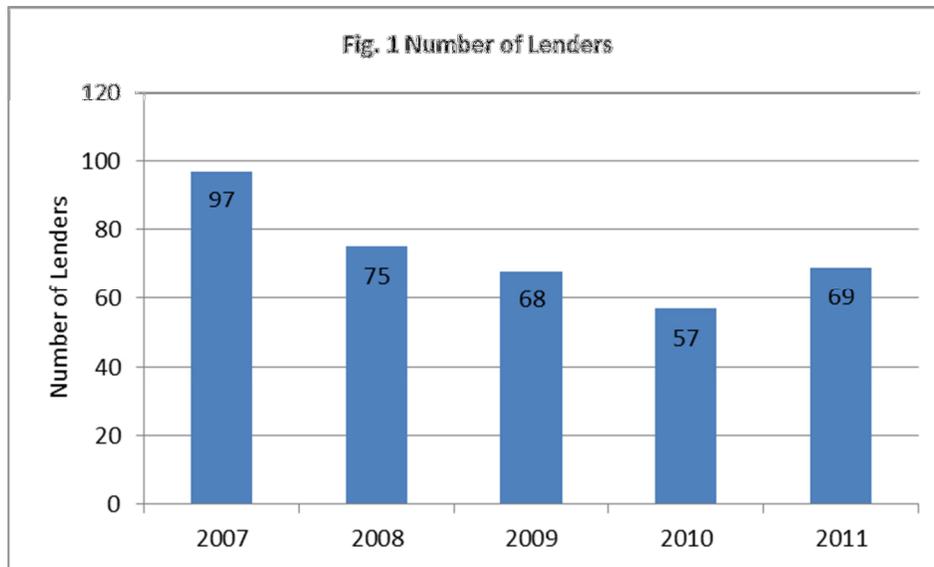
that may have helped set the stage for problems in the mortgage market and the broader financial system. These factors, in no particular order, include:

- financial innovation in the form of asset securitization, which reduced mortgage originators' incentives to be prudent in underwriting loans and made it difficult to understand the size and distribution of loss exposures throughout the system;
- imprudent business and risk management decisions based on the expectation of continued housing price appreciation;
- faulty assumptions in the models used by credit rating agencies to rate mortgage-related securities;
- gaps and weaknesses in regulatory oversight, which allowed financial institutions to take excessive risks by exploiting loopholes in capital rules and funding themselves increasingly with short-term liabilities;
- government policies to increase homeownership, including the role of Fannie Mae and Freddie Mac in supporting lending to higher-risk borrowers; and
- economic conditions, characterized by accommodative monetary policies, ample liquidity and availability of credit, and low interest rates that spurred housing investment.

The United States periodically has experienced banking crises of varying severity. The financial crisis that began in 2007 was the most severe banking crisis experienced by the United States since the 1930s.⁶

As a result, the number and type of lenders have changed since 2007. National lending institutions began to acquire smaller institutions and have an increasingly more active local presence. Greenville had 69 financial institutions with a home or branch office in the City as of the 2011 aggregate report for the Greenville MSA. The number of all mortgage lenders in Greenville has risen and fallen over the years, but has decreased by an overall average of 7 percent each year since 2007. In 2011, there were 28.9 percent fewer lenders serving the area than in 2007. See Figure 1 for number of lenders in Greenville since 2007.

⁶ *Financial Regulatory Reform: Financial Crisis Losses and Potential Impacts of the Dodd-Frank Act*, GAO-13-180, January 2013.



Source: HMDA, 2007-2011

The physical presence of financial institutions in communities facilitates relationships with banks, and the location of these institutions is a primary concern for a community. Areas left without branches or with access to only ATM machines must find alternative sources for services (such as check cashing businesses or finance companies), which can be more expensive than traditional financial institutions or credit unions.

Number of Lenders

Percent Change 2000 to 2004

The number of all mortgage lenders in Greenville showed an overall decrease of 28.9 percent from 2007 to 2011. The pattern of lender activity depicted above closely mirrors a similar pattern nationwide that reflects the recent instability of the lending industry. The table below shows the top five lenders in Greenville and their 2011 market share for mortgage applications (all types and purposes). As lenders, these institutions wrote 24.8 percent of the residential lending business in Greenville in 2011. With all other lenders with locations in the MSA harnessing another 13.9 percent, local lenders realized a total of 38.7 percent of the City's residential mortgage business in 2011. The remaining 61.3 percent went to lenders who do not have offices or branches in Greenville. This means that the residential real estate lending marketplace in Greenville is controlled by remote lenders.

2007 to 2008	-22.7%
2008 to 2009	-9.3%
2009 to 2010	-16.2%
2010 to 2011	21.1%

Five Largest Lending Institutions

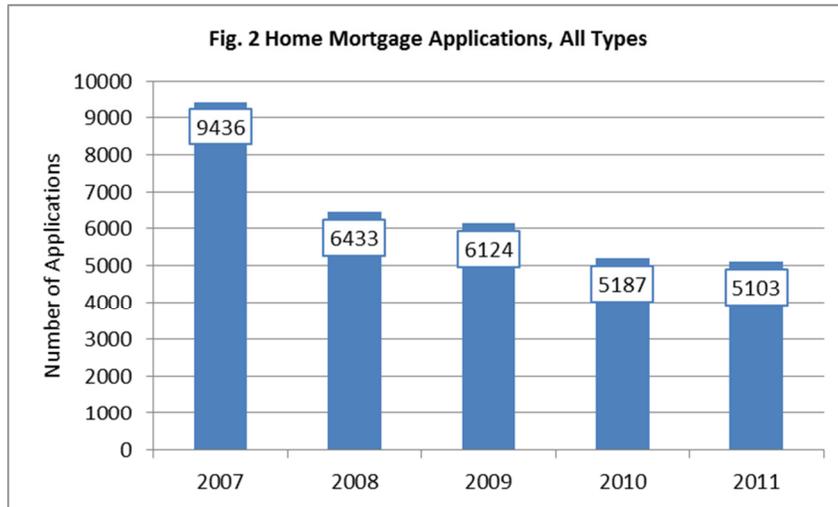
Institution	% Market Share 2011
Branch Banking and Trust	21.2%
Wells Fargo	17.2%
State Employees Credit Union	7.3%
Bank of America	5.6%
RBC Bank	4.6%

Source: HMDA, 2011

Sited throughout the City along the path of several high-traffic routes, the above lenders are readily accessible by residents at lower income levels, as well as more affluent borrowers. Greenville's highest-volume lenders are scarcer in high-income tracts. However, affluence allows prospective borrowers greater access to other sources of funds, such as might be found through remote or on-line brokers, who accommodate their needs remotely without the need for face-to-face interaction.

The statistical databases used for this analysis were up-to-date census data and the Home Mortgage Disclosure Act (HMDA) data for the years 2007 to 2011, inclusive. HMDA data on loan activity are reported to document home purchase, refinancing, and home improvement loans. The broadest measure of lending activity is total market activity, which covers all three categories of home loans (purchase, refinance, and home improvement). In this report, if the loan purpose is not specified in the text or figures, the reference is to total market activity. The applications represented in Figure 2 are for all loans: conventional, government-backed, refinance, home improvement for owner-occupied, single-family dwellings.

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Source: HMDA, 2007-2011

Loan Applications

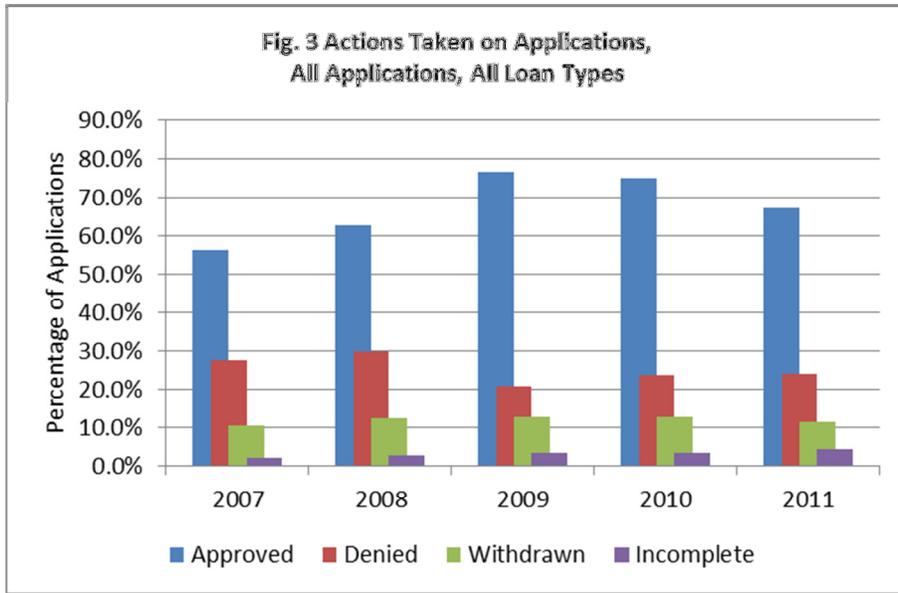
Percent Change 2007 to 2011

While 2007 showed a continued rise in loan applications over prior years, a subsequent overall market decline followed. This market decline was driven by a housing downturn and increased defaults and foreclosures. This led to fewer mortgage applications. Loan applications in Greenville dropped 31.8 percent between 2007 and 2008 and continued to decline over the next three years. Between 2007 and 2011, loan applications in Greenville declined a total of 46 percent.

2007-2008	-31.8%
2008-2009	-4.8%
2009-2010	-15.3%
2010-2011	-1.6%

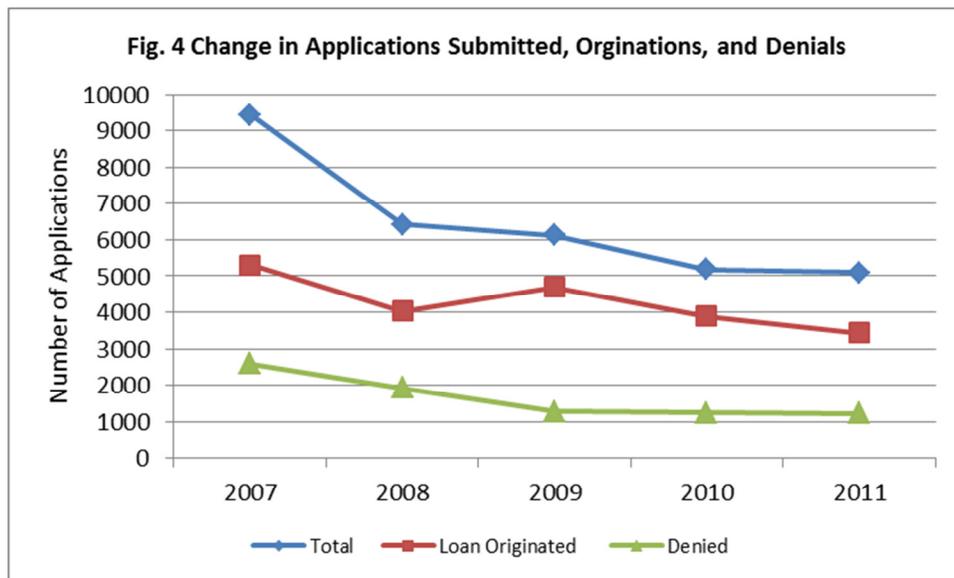
From 2007 to 2009, approval rates on mortgage applications increased steadily (Figure 3); however, these approvals were made on a significantly smaller pool of loan applications as show in Figure 2.

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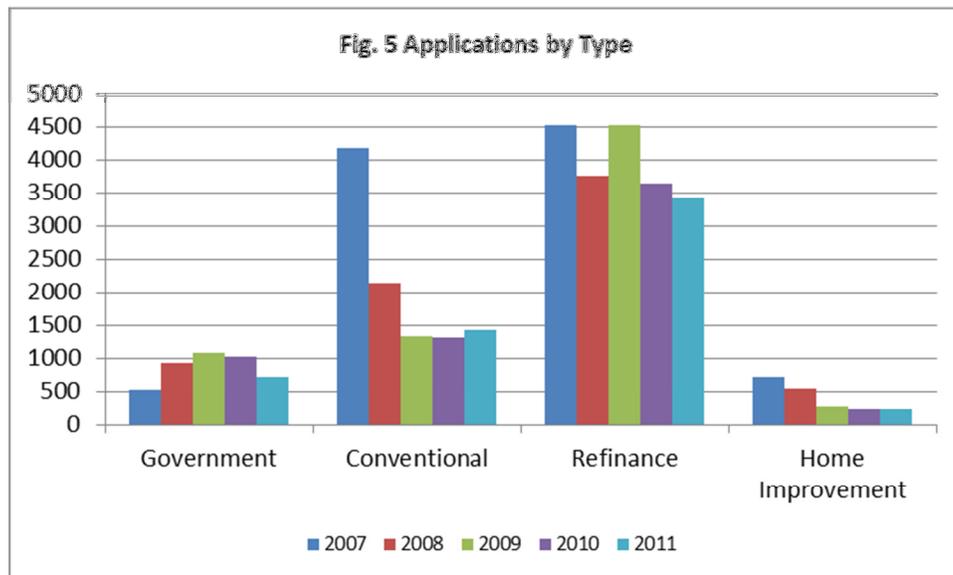
Source: HMDA 2007-2011

Figure 4 shows the relationship among of the number of applications, approvals, and denials for the five-year period in Greenville. In contrast to Figure 3, which shows that the *percentage* of applications approved out of those submitted slightly increased each year, Figure 4 shows that the overall number of loans approved continued to decrease throughout the five year period. Approvals and denials largely kept pace with the exception of 2009. In 2009, the number of approvals compared to denials spiked slightly.



Source: HMDA, 2007-2011

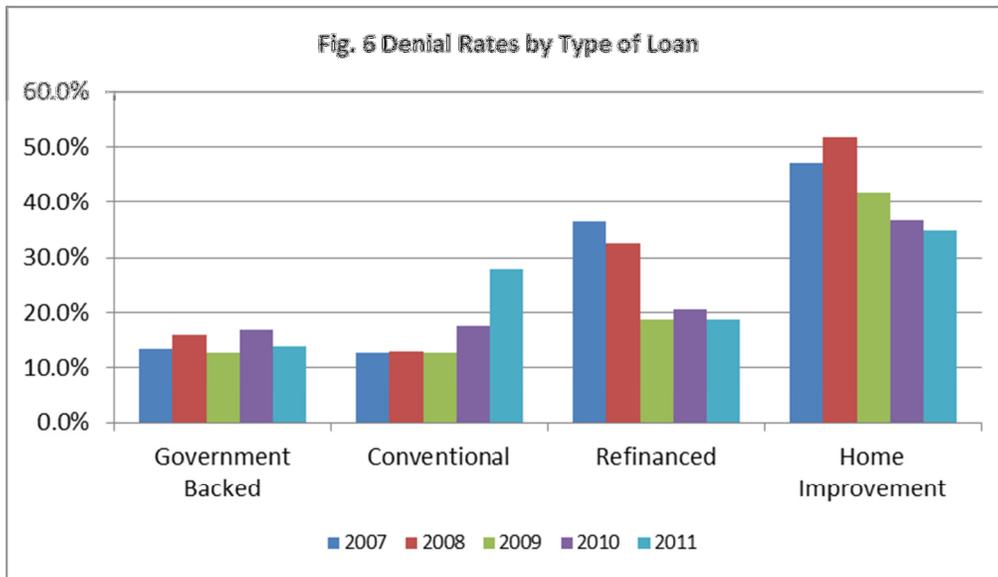
One factor that might contribute to a change in the rate of loan originations is the difference in the types of loans applicants seek. A review of applications by type (Figure 5) reveals that, generally, refinancing is the most sought-after loan type. Refinancing is commonly thought of as a way for homeowners to access cash. Refinancing applications generally stayed constant with small spikes in 2007 and 2009. Conventional loan applications, however, declined significantly over the five year period falling from 4,132 applications in 2007 to 1,316 applications at the lowest point in 2010. Overall conventional loan applications decreased nearly 66 percent between 2007 and 2011 in Greenville. However, as the conventional mortgage market tightened and the subprime market contracted, applicants sought federal government insured or guaranteed mortgage loan programs, such as those offered by FHA and VA, to finance their homes. Government-backed loan applications steadily rose over this period increasing over 50 percent between 2007 (525 applications) and 2009 (1083 applications). Home improvement loan applications, in general are the least sought-after product and saw a steady decline over the five year period, which is likely attributable to the overall market contraction.



Source: HMDA, 2007-2011

Conventional home purchase loans are a strong indicator of how many families are able to purchase single-family housing in the City. The denial rate for these loans has risen over 15 percent since 2007 from 12.6 to 28 percent with sharp increases in 2010 and 2011 (Figure 6). This variation is likely due to the overall instability of the mortgage

market in recent years. Government loans maintain their position as the most stable in terms of rate of denials with rates ranging between 13.3 percent and 17 percent, but settling back to 13.8 percent in 2011.



Source: HMDA, 2007-2011

Applicants for both refinance and home improvement loans already have equity in their homes and have histories as borrowers. For these reasons, securing additional financing ought to be easier. In general, there are two reasons why homeowners apply for refinance loans. One involves borrowing funds in the amount of the existing mortgage at a lower interest rate so that the homeowner's monthly mortgage payment is lower. Certainly, this type of loan is favorable, since the homeowner will be spending less income on the home's mortgage and, theoretically at least, more money in the local economy. The second type is one in which the homeowner extracts accumulated equity in order to afford a large-ticket expense, such as a wedding or a new vehicle, or to consolidate accumulated smaller debts. This type of refinance can be viewed less favorably, since the owner is disinvesting in the property by withdrawing accumulated wealth. From a lender's point of view, this reduction in the owner's equity represents a higher risk for the lender. Denials for refinance loans decreased over the period since 2007 from 36.6 percent to 18.8 percent.

Historically home improvement loan applications appear to have had the highest rate of denials, but this may be due to the fact that lenders use the home improvement category to report both second mortgages and equity-based lines of credit. Although home improvement loans may be a means for financially ailing homeowners to generate funds for needed repairs, in Greenville, denial rates spiked in 2008, increasing to 51.8 percent before falling to 35 percent by 2011. Nearly 15 percent of Greenville's housing

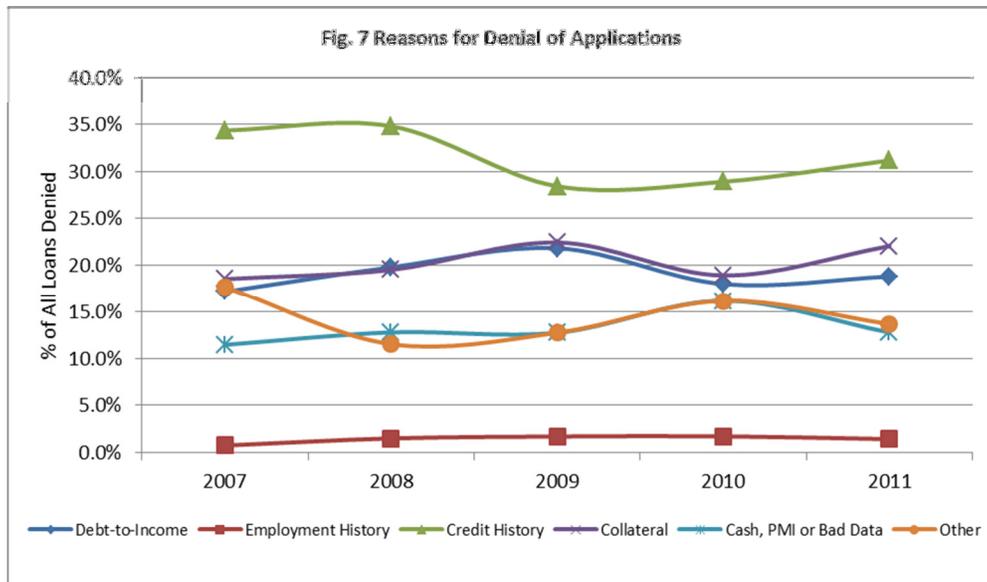
stock is more than 50 years old. Reinvestment in the form of home improvement is crucial to maintaining the supply of comfortable—and ultimately sellable—homes. Without improvements, homeowners are unable to command a fair market value once they decide to sell. Decreasing denial rates on these types of loans may reflect changing policies in the lending industry.

When loans are denied, lenders record the reasons for these decisions. Figure 7 shows the percent of denials by reason for the period from 2007 to 2011 for all loans of all types. Figure 7 reveals the fluctuations across all reasons for denial over this period, which is likely the result of lenders adjusting standards to the changing mortgage market. Overall, however, the most common reason for denying loans continues to be the applicant's Credit History. Although this rate has been holding steady at around 30 percent after a peak of 34.8 percent of all denials in 2008, it is still the most common reason, at 31 percent in 2011. Collateral and Debt to Income Ratio peaked as reasons for denial in 2009, each rising about 4 percentage points respectively. While rising to a recent high level of over 16.2 percent in 2010, the combined value of insufficient cash, unverifiable information, and an incomplete credit application has been relatively steady at 12.8 percent over three of the last four years. The "Other" reasons category of denials showed variation across the period ranging from a high of 17.7 percent in 2006 to a low of 12.8 percent in 2009.⁷

Employment history continues to be the least common reason for denials, and remained relatively stable between 1.4 and 1.7 percent of denials over the past four years.

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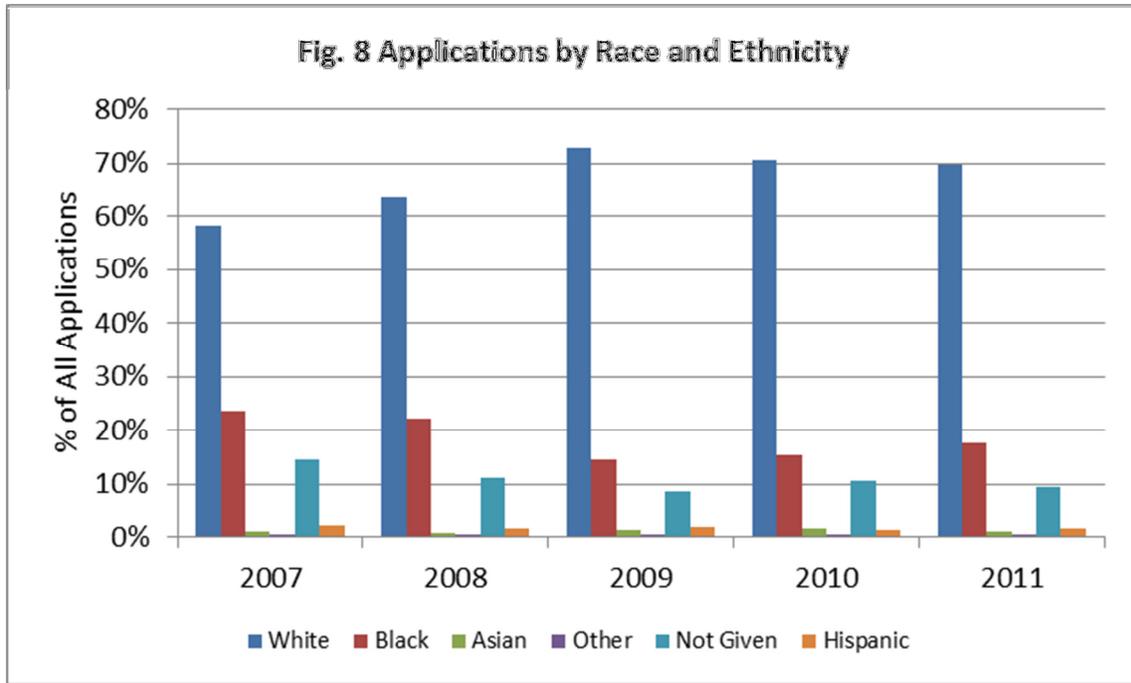
⁷ According to FFIEC's "A Guide to HMDA Reporting- Getting it Right!," the "Other" category addresses "length of residence, temporary residence, and other reasons." "Reasons for denial" is an optional category except for those institutions regulated by OTS and Office of the Comptroller of the Currency.



Source: HMDA, 2007-2011

Ideally, the percentages of loan applications received would mirror the percent of population of each racial group. As described in the demographic section, the 2010 population of Greenville is comprised of 56.3 percent White and 37 percent Black residents. However, in Greenville there is disparity between loan applications received from Blacks and those received from Whites. In 2011 the percent of applications made by white consumers was 70 percent, up from a low of 58 percent in 2007 (Figure 8). At the same time, the rate of applications from Black consumers decreased from 24 percent in 2007 to recent lows of 15 percent in 2009 and 2010. Applications by Black consumers showed a slight rise to 18 percent in 2011. Still, in an area where African-Americans comprise nearly over 37 percent of the population, these percentages show that Black applicants are underrepresented and have shown withdrawals from the market generally over the past five (5) years. This fact should be an area of concern for the City of Greenville.

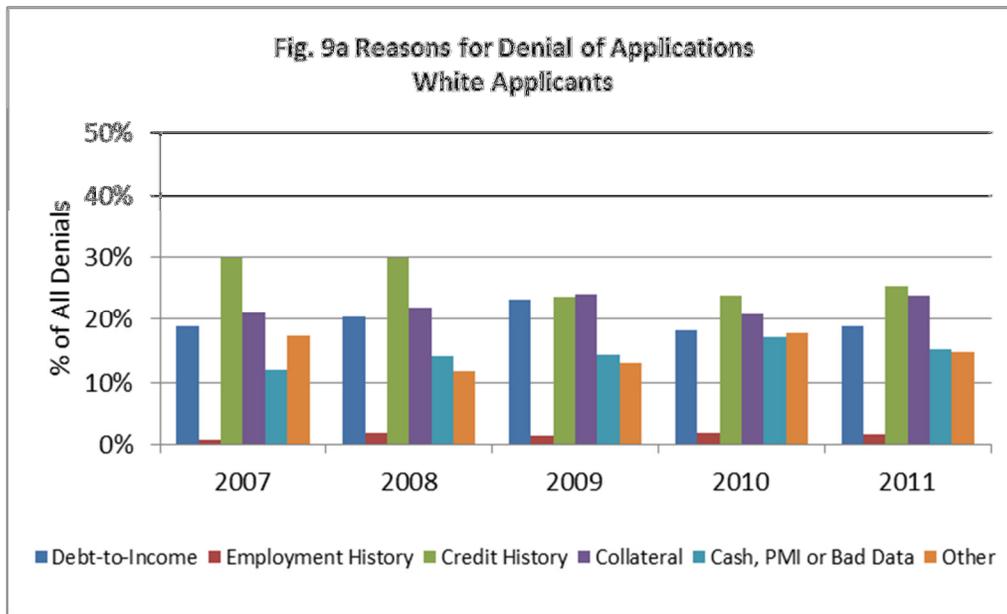
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Source: HMDA, 2007-2011

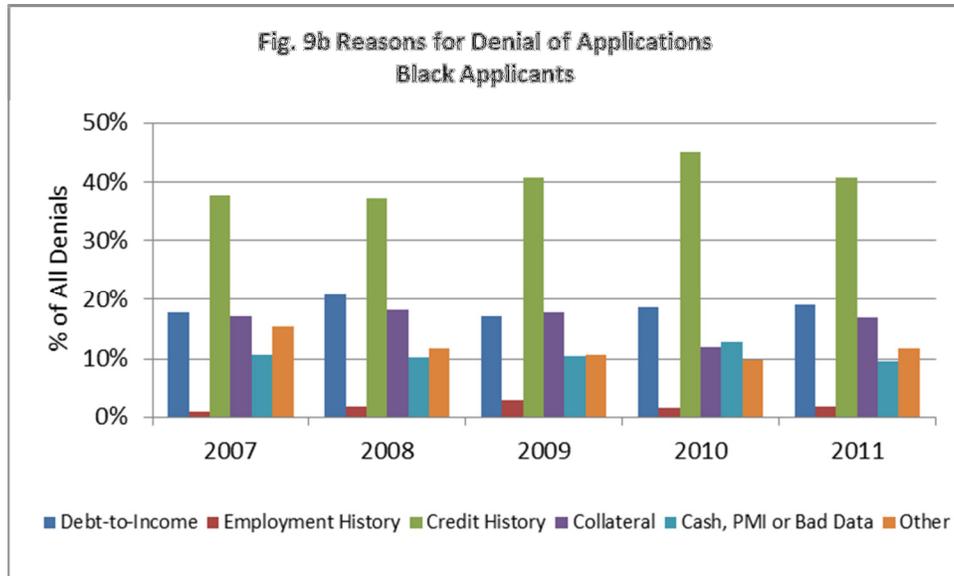
Reasons for denial among White applicants only is depicted in Figure 9a. Unacceptable credit history maintains its position as the most common reason for denial. A clear decline is apparent from 2007 (30.0 percent) to 2011 (25.0 percent). Insufficient collateral has been on the rise in recent years as the second most common reason for denial (24 percent in 2006). Debt-to-Income ratios were the third highest reason for denial and represented 19 percent of denied applications in 2011. “Other” reasons for denial have fluctuated over this period, ranging from a low of 12 percent in 2008 to a high of 18 percent in 2010. The rate for the combined category of insufficient cash, unverifiable information, and inability to secure private mortgage insurance and incomplete applications fluctuated from a low of 12 percent in 2007 to a high level of 18 percent in 2005.

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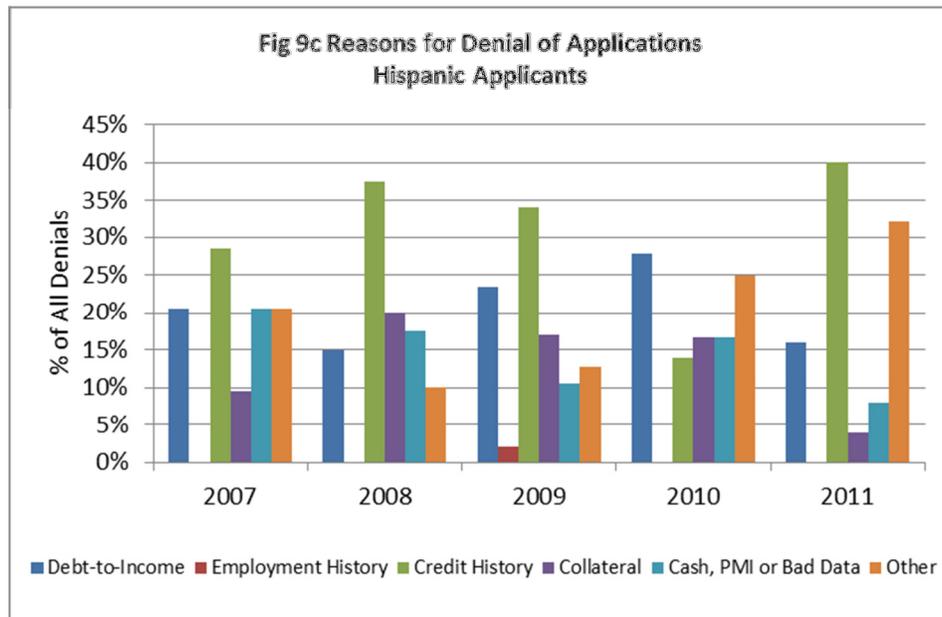
Source: HMDA, 2007-2011

As with White applicants, credit history was the most common reason for loan denials among Black applicants (Figure 9b) but at higher rates than for White applicants. The rate of denials for this reason ranged from a low of 37 percent in 2008 to a high of 45 percent in 2010, ending at 41 percent in 2011. This rate is 16 points higher than for White applicants in 2011. Denials based on Debt to Income Ratio emerged as the second most frequent reason for denials among Black applicants, ranging from a low of 17 percent in 2003 to its highest point of 19 percent in 2010 and 2011 with a peak of 21 percent in 2008. When compared with White applicants, the range in percentages is comparable in this category. Insufficient collateral was next in frequency among Black applicants and generally ranged between 17-18 percent except for a dip in 2010 to 12 percent. This rate is lower than for White applicants where this reason for denial ranged between 21-24 percent over the same period. The combined category of insufficient cash, unverifiable information, inability to secure private mortgage insurance and incomplete applications ranged from 12 to 17 percent but held steady between 14-15 percent during three (3) of the years amid this period when applications from black applicants were denied for this reason. Employment History continues to be the least frequent reason for denials for both White and Black applicants.



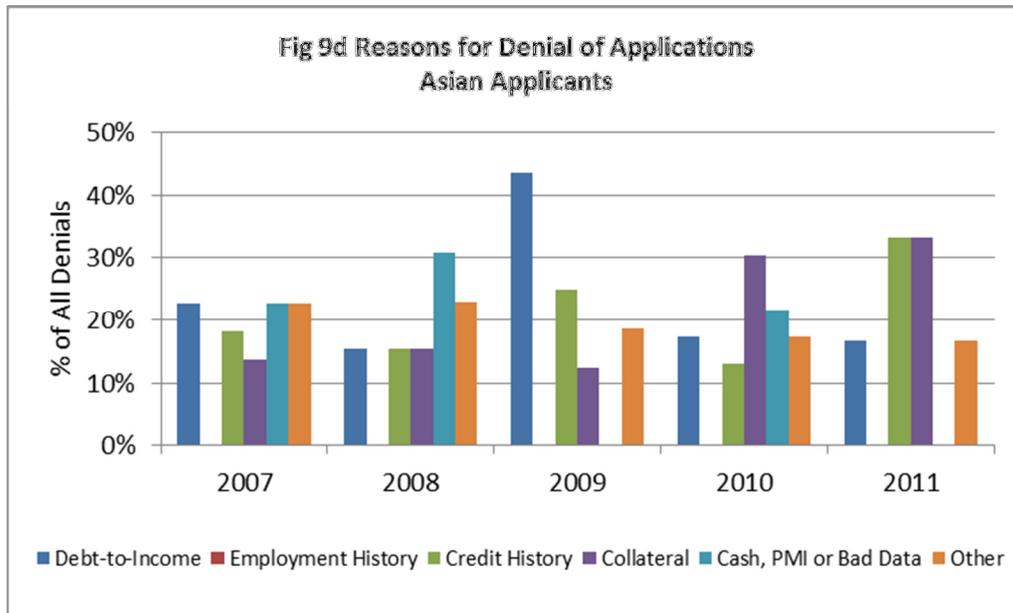
Source: HMDA, 2007-2011

Figure 9c illustrates denial reasons for Hispanic applicants; however, their very small numbers make meaningful analysis difficult. Applications from Hispanics declined significantly over a five (5) year period in Greenville, falling from 63 applications in 2007 to 25 in 2011, or a decrease of 60 percent.



Source: HMDA, 2007-2011

Asian applicants are also rather infrequent in Greenville and show the same decline as Hispanic applicants. In 2007 there were 22 Asian applicants. In 2011 the number decreased to 12, or a decrease of nearly 50 percent. As with Hispanic applicants, identifying trends over the five (5) year period is difficult. Figure 9d illustrates their denial reasons over the analysis period.

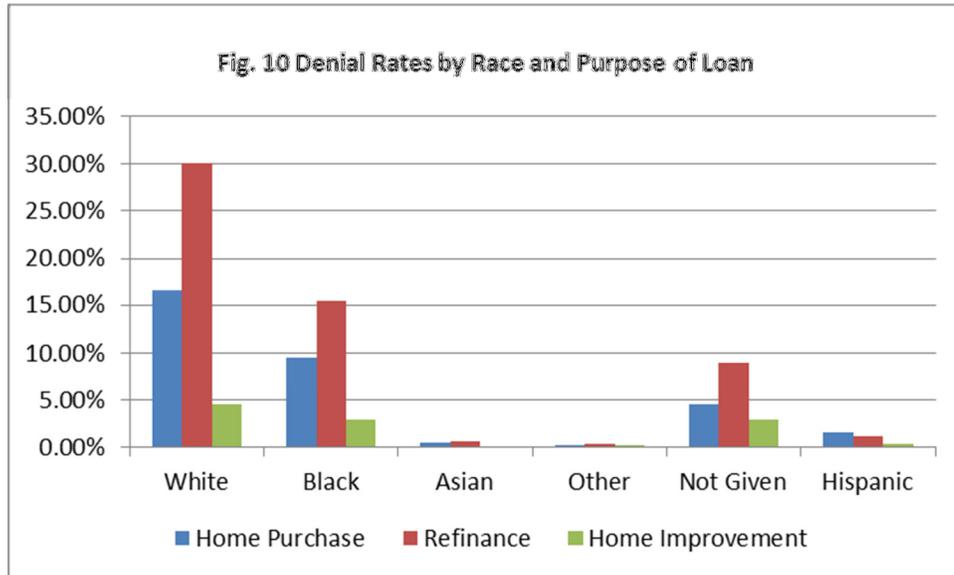


Source: HMDA, 2007-2011

With the exception of Credit History and Collateral, reasons for denial across the races generally mirror those for all races combined (Figure 7). However, credit history denial rates in Greenville exceed the national rates for Black and Hispanic applicants. For White applicants, however, Credit History denial rates are below the national average with Collateral being above the national rate. For instance, in 2011 Credit History denial rate on the national level across all loans was 30 percent for White applicants, 36 percent for Black applicants, and 30 percent for Hispanic applicants. In Greenville, however, Black and Hispanic rates were 41 and 40 percent respectively. Rates for denial based on Credit History for White applicants in Greenville in 2011 were 25 percent. While this data may suggest that the economic downturn had a more severe impact on the credit ratings of Black and Hispanic applicants in Greenville, it's a trend that may suggest harsher scrutiny of the Credit History of Black and Hispanic applicants as compared to White applicants.

When examining the denial rates by the loan type (purchase, refinance, or home improvement), White applicants were denied more often than were Black applicants

among those who reported their race (Figure 10). However, White applicants represent a higher percentage of applicants overall. Further, a crucial caveat in these data is the very large percentage of applicants whose race was not reported, particularly among those seeking loans to refinance. With nearly 10 percent of applicants for refinance loans and an additional 5 percent of those seeking home purchase loans not reporting their race, any conclusions attempted from comparing data from Black and White applicants in these areas will be critically flawed. Nonetheless, this is an area that merits continued attention.



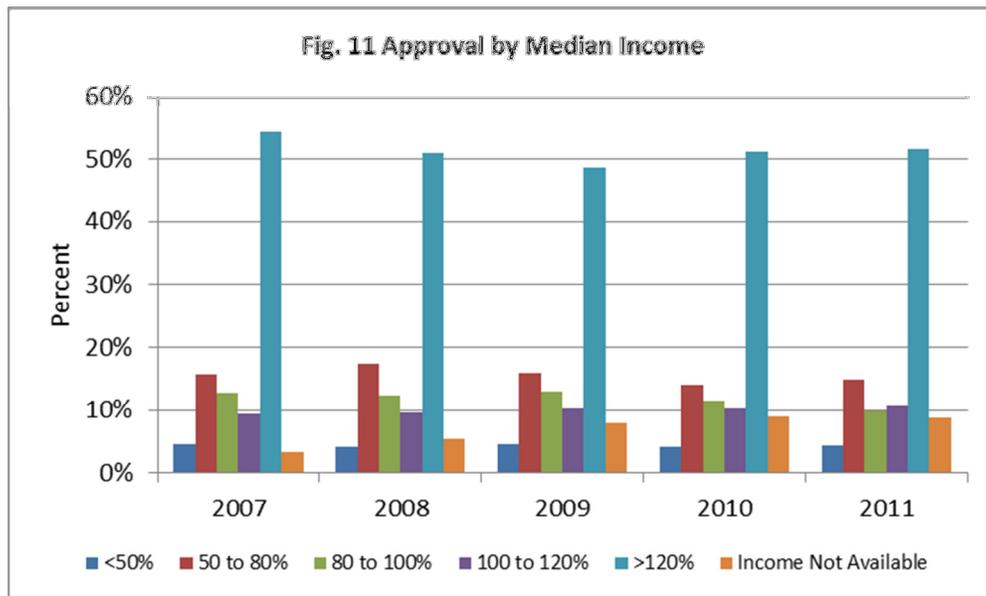
Source: HMDA, 2007-2011

Low- and moderate-income households make up a substantial portion of Greenville's total households. According to the description in the demographic section of this report, 16.0 percent of all households in Greenville earn less than \$10,000. The second highest earning level was \$15,000 to \$24,999, with 14.7 percent of households at this level. As compared to a median income of \$34,134, this meant that 30.7 percent of the population earned less than 73 percent of this amount. Because homeownership is the primary way of increasing personal net worth and assets, for these households access to credit for home loans is essential.

In Greenville, of the 5,306 loans approved in 2007, just 17 percent went to low- and moderate-income borrowers combined: 5 percent to those households earning less than 50 percent of the area's median income and 16 percent to those earning from 50 percent to 80 percent (Figure 11). Of the 3,438 loans approved in 2011, this combined percentage had increased to 19 percent: 4 percent to those households earning less

than 50 percent of the area's median and 15 percent to those earning from 50 percent to 80 percent

Understandably, those whose earnings exceed 120 percent of the area's median would be more likely to secure loan approval. Figure 11 below illustrates the great disparities that exist among income levels. In no year over the last five (5) years in Greenville have more than 17 percent of applications been approved among any income group except those earning over 120 percent of the median income. Applicants in the group earning over 120 percent of the median income had approval rates of between 49 and 54 percent during this period.



Source: HMDA, 2007-2011

On average during this period, about 7 percent of applicants' incomes are not available. While there are several reasons why incomes may not be reported, it is unlikely that these applicants would be from low- or moderate-income levels. Applicants who earn incomes near the median are more likely to be required to verify income; whereas, those at the highest level often do not face this requirement. It is, therefore, almost certain that this additional 7 points refers to the highest earners. This means that an additional 7 percentage points can be added to those of higher income groups, illustrating an even further disparity among income groups in loan approvals.

An examination of origination rates by income by race can prove to be a revealing tool. The uppermost bars on the graph shown in Figure 12 represent the rate of originations in 2011 for each income group (Low/Mod, Middle and Upper), regardless of race.

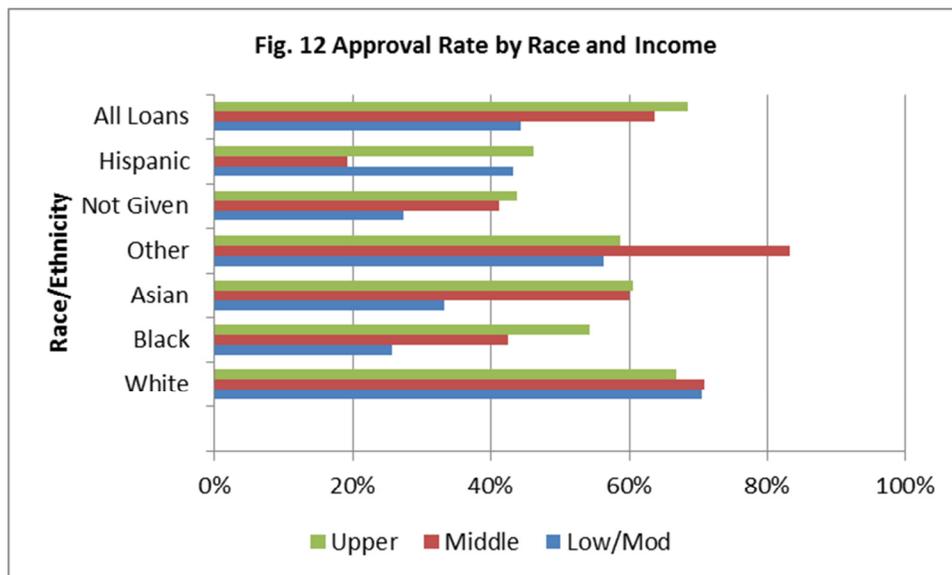
White applicants were well above the mean at all income levels (34 points, overall). Black applicants were below the mean at all income levels. Overall, Black applicants fell nearly 53 points below the mean.

Asian applicants fell slightly below the mean across all income levels, with percentages falling under the mean between 11 and 4 points. Overall, Asian applicants fell 63 points above the mean.

While those who described their race as Other were significantly above the mean in the low/moderate and middle- income levels (12 and 19 points above, respectively), the small number of applicants that fall in this category make meaningful analysis difficult.

Applicants who did not specify their race fell far below the mean at all income levels, with an aggregate difference of 64 points. These low approval rates among low-income applicants who did not specify race might be more a function of income and other measures of creditworthiness than of race, but we cannot be certain, since there is no way to know who declined to specify race.

Hispanic applicants who earned below 80 percent of the area’s median income experienced approval rates around the same as the mean. However, Middle earners fell significantly below the mean (45 points) and Upper level earners were also less likely to have loans originated, and differ from the mean by 22 points. As with applicants in the Other race category, the volume of Hispanic applications was small in comparison to White and Black applicants, therefore, it is difficult to analyze trends from this data.



While this analysis reveals distinct differences in rates of origination, it is often difficult to disentangle race from income. Still, there appears to be evidence that race plays a role

in loan approval in Greenville, which may or may not be specifically attributable to overt discrimination in lending.

Conventional wisdom points to structural factors that serve to restrict access to the services that accompany participation in the homeownership and mortgage arenas. When prospective homebuyers are prevented from accessing the appropriate opportunities, structural discrimination takes place. Obvious examples of these factors may be steering in the real estate industry, a lack of earning opportunities in the labor market, or too few educational opportunities that can lead to incomes that might improve creditworthiness. While these examples are easy to cite, most structural discrimination is quite unintentional, very subtle, and extremely difficult to identify.

Alternative Lending Sources

While conventional lenders focus their marketing efforts on consumers with few or no credit blemishes (those with "A" credit), an alternative source of loan funds for consumers with lower credit scores ("B" or "C" credit) is sub-prime lending institutions. While sub-prime lenders simplify the application process and approve loan applications more quickly and more often, these lenders also charge higher interest rates to help mitigate the increased risk in lending to consumers with poorer credit histories. Interestingly, consumers who borrow from sub-prime lenders often do qualify for loans from conventional lenders, but succumb to marketing tactics that encourage them choose sub-prime institutions over conventional. Recent studies by Freddie Mac, the government-sponsored entity that purchases mortgages from lenders and packages them into securities that are sold to investors, show that between 25 percent and 35 percent of consumers receiving high cost loans in the sub-prime market qualify for conventional loans. This may be a result of the loss of conventional lenders in the community. Having fewer lenders from which to choose, consumers select those that are conveniently located, even at a higher price.

Another source of loans is check cashing or "payday" lenders. Check cashing outlets (such as currency exchanges) cash payroll, government, and personal checks for a fee. Their popularity increases as customers lose access to banks or cannot afford rising fees associated with the inability to maintain minimum balance requirements. Consumers use these outlets for their banking needs and are charged for the services they receive. These businesses offer temporary "payday loans" by accepting a postdated check from the customer, who receives the funds immediately, minus a fee. When used regularly, these fees can equate to double-digit interest rates.

Although these services tend to be located in areas of highest minority and low-income concentration, they are also found in very close proximity to local lenders. Customarily, however, they fill the void left by banks that have moved from the area.

While most sub-prime lenders serve a need by targeting borrowers with sub-par credit histories, some go too far. Those that do are known as predatory lenders. Lending becomes predatory when lenders target specific populations (such as low-income, minority, or elderly homeowners), charge excessive fees, frequently refinance the loan, and often mislead the borrower. Since wealth is often tied to property ownership, this system threatens to deprive residents of their assets by overextending their home's equity and, in some cases, foreclosing on the homes of people who cannot afford the high interest rates and associated fees.

Mainstream financial institutions often unwittingly exclude the very groups targeted by predatory lenders when they market loan products. Additionally, unknowing consumers find themselves at a disadvantage due to a lack of financial savvy. The lending process can be complicated, and often consumers are ill prepared to deal with the large volume of paperwork required for the loan process. Most predatory lenders use their clients' inexperience to their advantage, and do not provide quality counseling for consumers seeking their products. They use the consumers' ignorance as their opportunity to reap profits. In the end, borrowers pay substantially higher interest rates and purchase unnecessary credit, life, and disability insurance products.

Sub-prime lenders charge higher rates to compensate for higher risk. While these types of loans and lenders provide an important service to those without opportunities, these institutions have been associated with predatory lending nationally and are a source of potential concern locally. When compared to the list of sub-prime lenders provided by HUD, there were none identified within the City limits of Greenville through this analysis. However, owner-occupied home purchase loans that were originated in 2011 that qualified as a higher priced loan⁸ were analyzed for the Greenville MSA. The following table shows the percentage points above the average prime offer rate for loans by race, ethnicity, and income in 2011.

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⁸ "On July 14, 2008, the Federal Reserve Board announced amendments to Regulation C that revised the rules for reporting price information on higher - priced loans. For loan applications taken prior to October 1, 2009, HMDA required lenders to compare the annual percentage rate (APR) on the loan to the yield on a Treasury security with a comparable term to maturity to determine whether a loan was required to be reported as higher - priced. If the difference exceeded 3 percentage points for a first lien loan or 5 percentage points for a junior lien loan it was classified as higher - priced and the rate spread was reported. Under the amended rule, lenders instead compare the APR on the loan to a survey - based estimate of APRs currently offered on prime mortgage loans of a comparable type. Lenders then report the spread if the spread is equal to or greater than 1.5 percentage points for a first - lien loan or 3.5 percentage points for a subordinate - lien loan. The revised reporting methodology applies to Loan applications taken on or after October 1, 2009 and for loans that close on or after January 1, 2010, regardless of their application dates." Retrieved July 29, 2013 at http://www.ffiec.gov/hmda/pdf/HMDA_2009Disc_Changes.pdf

**Percentage Points Above Average Prime Offer Rate
(includes only loans equal to more than 1.5% above the Average Prime Offer Rate)**

	Mean	Median
RACE		
Asian	1.91	1.91
Black or African American	2.27	1.75
White	1.81	1.75
Joint (White/Minority Race)	1.79	1.79
ETHNICITY		
Hispanic or Latino	2.65	2.65
Not Hispanic or Latino	1.84	1.75
Joint (Hispanic or Latino/Not Hispanic or Latino)	1.52	1.52
White, not Hispanic	1.80	1.75
Other, including Hispanic	2.16	1.78
INCOME		
Less than 50% of MSA Median	2.24	1.78
50-79% of MSA Median	1.80	1.75
80-99% of MSA Median	1.67	1.66
100-119% of MSA Median	1.95	1.81
120% of more of MSA Median	1.81	1.74

As shown in the table, mean percentage points above average prime offer rates range from 1.67 percent to 2.65 percent. In the category of race, rates for Black or African American borrowers had a mean percentage above the average prime offer rate of 2.27 percent, or almost half a percentage point higher than for White borrowers. Data for ethnicity shows that Hispanic borrower rates had a mean of 2.65 percent above the average prime offer rate, or .8 percent higher than the percentage above prime for Non-

Hispanic borrowers. Further, borrowers earning less than 50 percent of the MSA Median income had a mean percentage above prime of 2.24 percent, while the mean rate for all other incomes ranged between 1.65-1.95 percent percentage points above prime. These data do not conclusively prove that predatory lending has been targeted toward selected racial and ethnic minorities or incomes, only that such inequitable shares exist and should be of concern to Greenville policy makers and bankers alike.

Advertising

In the context of fair housing, discriminatory advertising is any advertising that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status or national original, or an intention to make any such preference, limitation, or discrimination. Overt or tacit discriminatory preferences or limitations are often conveyed through the use of particular words, phrases, or symbols.

A general review of several local Greenville online publications and print publications showed no systematic attempt to exclude particular demographic groups. Still, there were several incidents found that suggest that there is a need for fair housing training review sessions for real estate agents, mortgage brokers, other significant players in the real estate market, and the local press.

While a review of print publications, including The Real Estate Book for Greater Greenville, NC, Volume 22, Issue 10 (For sale homes), Apartment Finder for Greater Greenville, NC, Fall 2013, and The Daily Reflector newspaper dated Saturday, September 21, 2013, revealed no concerns, a review of advertisements in the online classified section of The Daily Reflector revealed a general absence of the HUD or Fair Housing logos. The HUD Equal Housing Opportunity logo appeared in just one apartment complex's advertisements in the daily classified section. The logo does not appear anywhere else in these issues.

An analysis of the apartment listings in the local Greenville online newspaper revealed more inclusive descriptions than exclusive, including close proximity to schools, units for persons 65 and over, and handicap accessible units. Statements such as these affirm fair housing by reaching out to elderly and disabled residents and families with children.

A review of two online apartment search sites for rentals in the Greenville area, www.apartmentguide.com and www.apartmentfinder.com, showed that listings did not include the fair housing logo or any fair housing statements. The listings, however, included links to the property management websites, which did include HUD's fair housing logo consistently.

No models are used on the search sites and few are used on the property management sites, which lessens any opportunity for suggestive advertising.

The General Public

The City of Greenville conducted a survey designed to address a wide variety of issues related to fair housing and affirmatively furthering fair housing. The purpose of the survey, a relatively more qualitative component of the analysis of impediments, was to gather the knowledge, experiences, opinions and feelings of stakeholders and interested citizens regarding fair housing. The survey served as a vehicle for gathering information on fair housing problems in the public sector, perceptions of public policies and practices and their impact on fair housing as well as any possible codes or regulations that might be perceived as barriers to fair housing choice in Greenville.

Respondents

The survey, which was conducted online and in paper form, received a total of ten (10) responses from agencies and seventy-one (71) responses from residents. Two (2) of the resident responses were not complete. Agencies and residents were provided different survey questions. Agencies solicited for participation included representatives of: housing groups, minority organizations, disability resource groups, real estate and property management associations, banking entities, and others groups involved in the fair housing arena. The announcement and survey link were posted on the City’s website.

Most questions in the survey required simple “yes,” “no,” or “don’t know” responses, although some questions allowed the respondent to offer written comments.

Because of the relatively small number of respondents and the concentration of respondents in certain categories, it is difficult to assess trends or extrapolate the results to the wider population. The results, however, may help to illuminate issues to be pursued by the City.

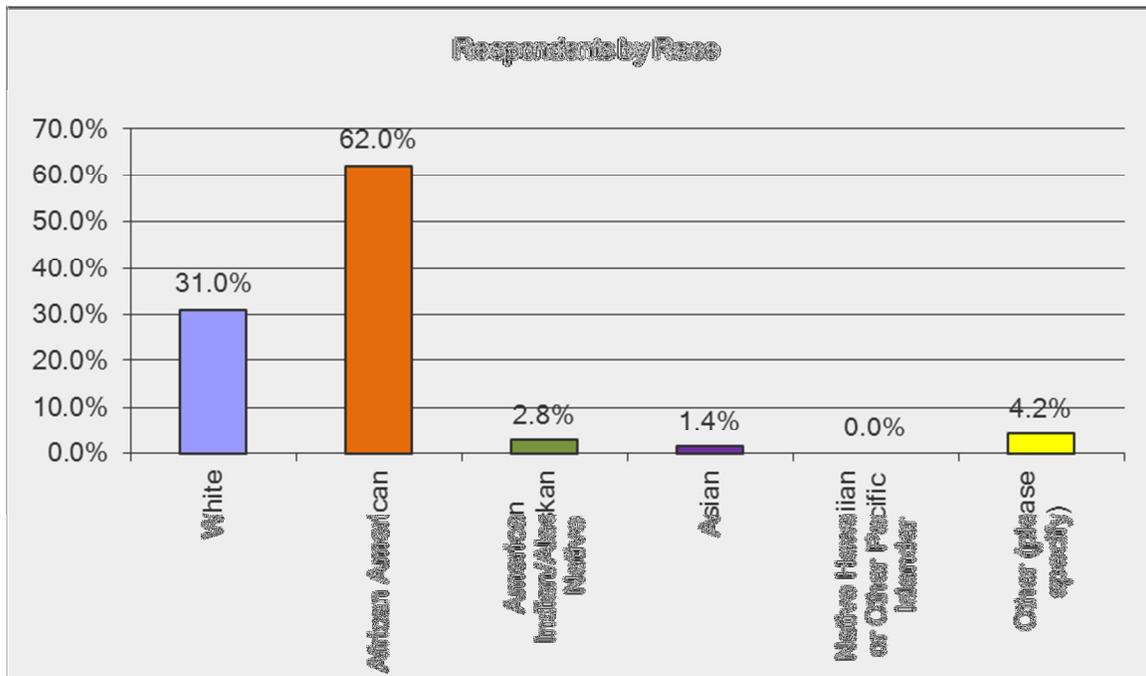
The survey asked agency respondents to identify their role in the housing industry. Responses are presented in the following table. Only six (6) of the ten (10) agency respondents completed this question. Responses came from a range of industry types with realtors representing two (2) of the agencies.

Agency Respondents by Industry

Industry	Number of Respondents
Housing Counselor	1
Housing Provider	1
Legal Provider	1
Realtor	2
Community Development Financial Institution	1

Section V: Fair Housing and Greenville's Private Sector

As noted, seventy-one (71) residents of Greenville completed the survey. Of these respondents, fifty-eight (58) were female and thirteen (13) were male. The races of those completing the survey are provided in the figure below. Forty-four (44) of the respondents were African American (62%) and twenty-two (22) of the respondents were White (31%). Additionally, three (3) respondents (4.2%) identified themselves as Hispanic, two (2) respondents (2.8%) identified themselves as American Indian/Alaskan Native, and one (1) identified itself as Asian (1.4%). One (1) respondent identified as both White and African American. Further, eleven (11) respondents identified themselves as disabled.



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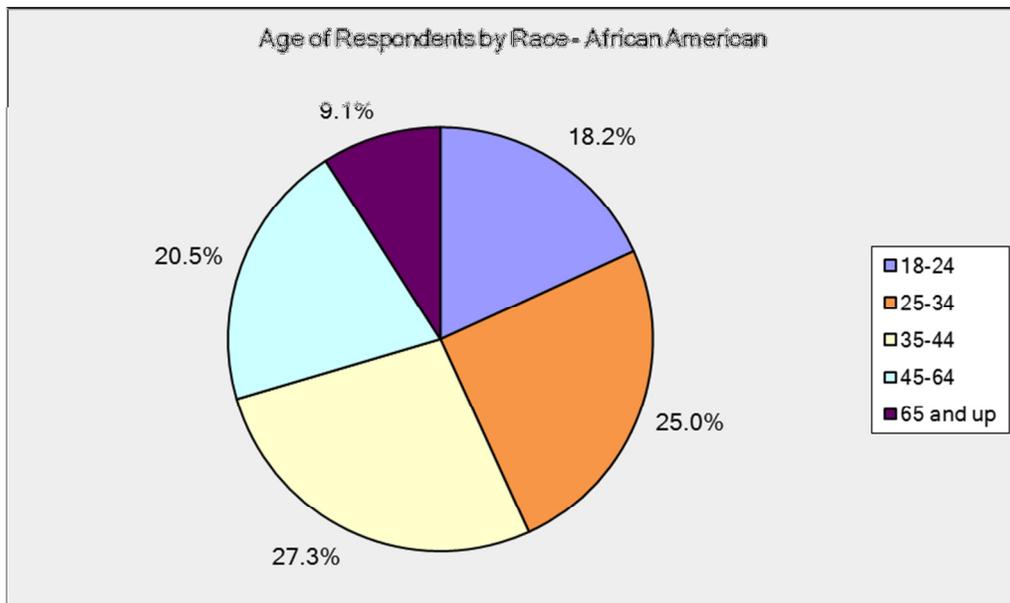
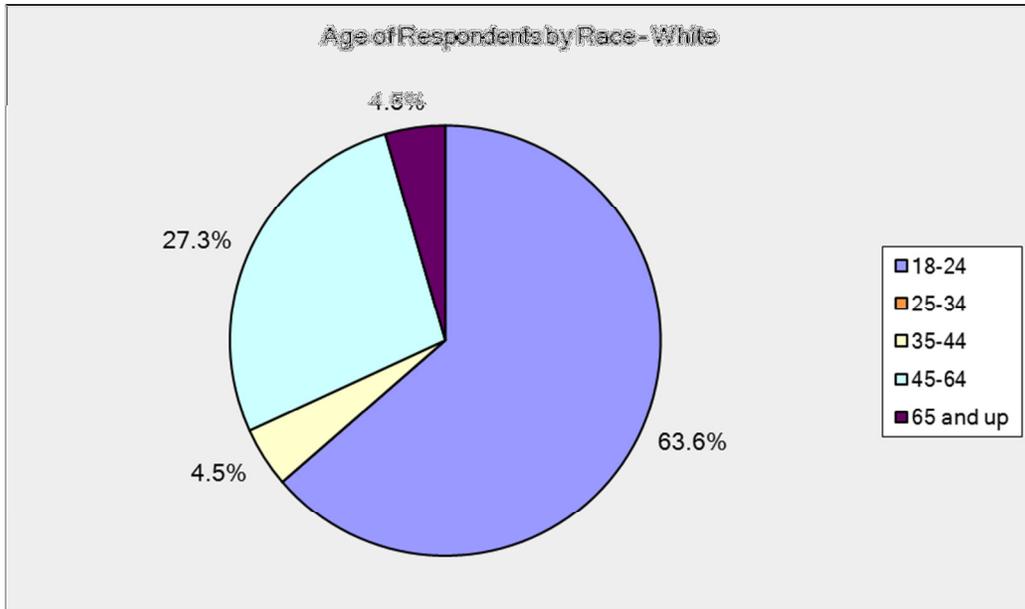
With respect to age, the largest number of respondents fell in the 18-24 year old category (21 respondents), which follows the Greenville populations' general age distribution percentages. The 25-34 and 35-44 year old categories included the same number of respondents with 14 in each category. Seventeen (17) respondents fell within the 45-64 year old category. Five (5) respondents fell in the 65 and up category.

Resident Respondents by Age

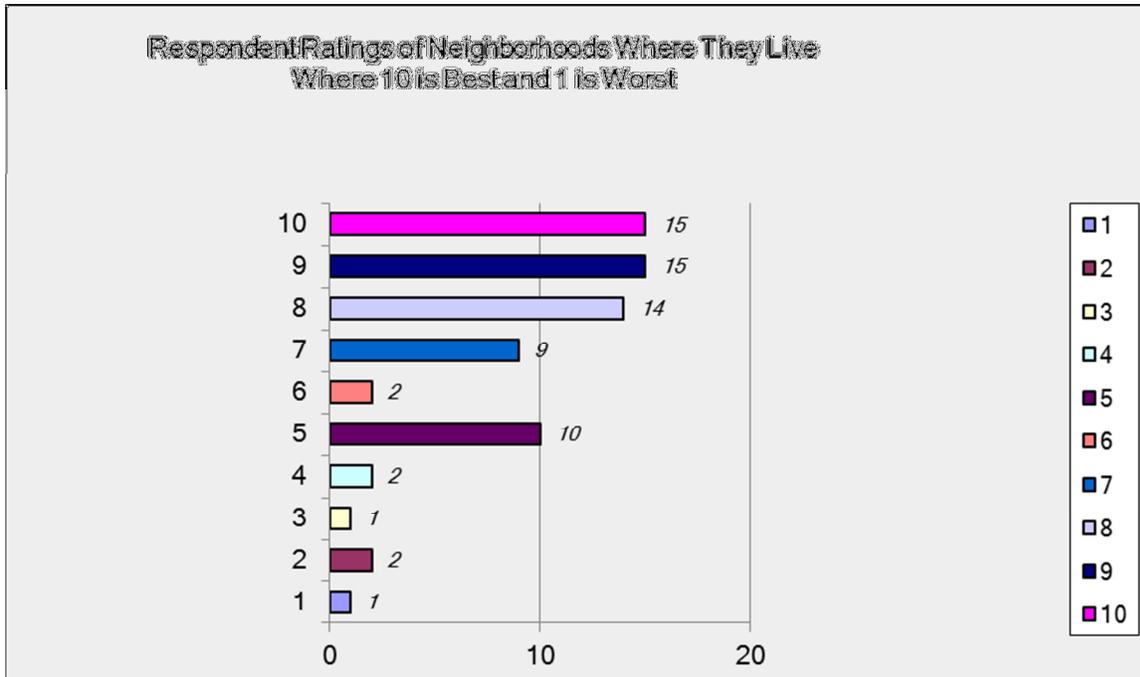
Age	Number of Respondents
18-24	21
25-34	14
35-44	14
45-64	17
65 and up	5

In comparing age to race, the majority of white respondents fell in the 18-24 year old category (14 of 22 respondents.) No white respondents fell in the 25-34 year old category, one (1) fell in the 35-44 year old category, six (6) fell in the 45-64 year old category, and one (1) fell in the 65 and over category. In contrast, African American respondents were more evenly distributed with eight (8) of the forty-four (44) respondents reporting that they were 18-24 years old, eleven (11) reporting 25-34 years old, twelve (12) reporting 35-44 years old, nine (9) reporting 45-64 years old, and four (4) reporting 65 and over. The figures below illustrate these results.

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When asked to rate their neighborhood on a scale of 1 to 10 where 10 is the best and 1 is the worst, 65 of the 71 respondents, or about 91.5 percent, rated their neighborhood as a 5 or above and nearly 75 percent of the respondents rated their neighborhoods as 7 or above (see Figure 16 below).



In comparing neighborhood ratings to the race of respondents, all except one White respondent rated their neighborhood as above a 5. This one White respondent that rated its neighborhood below 5 fell in the 65 and over age category and gave a rating of 1. The percentage of White respondents that rated their neighborhood as a 7 or above was nearly 91 percent. In contrast, 73 percent of African American respondents rated their neighborhoods as a 7 or above. Among African Americans, the percentage of respondents that rated their neighborhoods as below 7 were generally higher as age categories increased. The percentages of African American respondents that rated their neighborhoods below 5 in each category follows: 18-24 - 1 percent; 25-34 – 27 percent; 35-44 - 17 percent; 45-64 – 33 percent; and over 65 – 25 percent. Neighborhood ratings by race and age are represented in the table below.

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Section V: Fair Housing and Greenville's Private Sector

		18-14	25-34	35-44	45-64	65 and over
White	1					1
	2					
	3					
	4					
	5	1				
	6					
	7					
	8	1			4	
	9	6		1	1	
	10	6			1	
African American	1					
	2		1			1
	3			1		
	4		1			
	5	1		1	3	1
	6		1			1
	7	1	2	3	2	
	8	2	2	4		1
	9	3	2		2	
	10	1	2	3	2	
American Indian/ Alaskan Native	1					
	2					
	3					
	4					
	5		1		1	
	6					
	7					
	8					
	9					
	10					
Asian	1					
	2					
	3					
	4					
	5					
	6					
	7			1		
	8					
	9					
	10					
Hispanic	1					
	2					
	3					
	4			1		
	5		1			
	6					
	7					
	8					
	9		1			
	10					

Fair Housing Laws

Agency respondents were asked whether fair housing laws serve a useful purpose. The overwhelming majority of respondents, 90 percent, noted that fair housing laws serve a useful purpose, and only 10 percent said that these laws are difficult to understand or follow. Further, about 89 percent of agency respondents noted that there is a specific training process to learn about fair housing law, while 11 percent said they did not know if training was available. The results of this section are presented in table below.

Responses by Agency Respondents to Questions on Fair Housing Laws

Questions	Yes	No	Don't Know	Skipped
Do these laws serve a useful purpose?	9	1	0	0
Are these laws difficult to understand or follow?	1	9	0	0
Is there a specific training process to learn about fair housing law?	8	0	1	1

Fair Housing in Communities

The survey asked about the state of fair housing in the respondent's community. Four of the agency respondents noted that they have concerns about fair housing in their community, and half of the agency respondents said that they could identify barriers to affirmatively furthering fair housing in Greenville, as seen in the table. The general theme of the barriers that were cited by the 6 agency respondents who answered the question was that there is a lack of awareness of or education on fair housing laws. Two cited a lack of education or training and 3 cited a need to raise awareness or conduct marketing. One respondent cited insufficient funding for groups that combat violations. The adequacy of fair housing outreach and education efforts were also evaluated directly in the survey. Half of the agency respondents noted that there was too little outreach and education in their community. Meanwhile, the remaining respondents were split about equally between believing efforts were sufficient and stating that they did not know.

Responses by Agency Respondents to Questions on Fair Housing Concerns and Outreach

Question	Yes	No	Don’t Know	Skipped
Do you have concerns about fair housing in your community?	4	5	1	0
Do you see barriers to affirmatively furthering fair housing in your community?	5	5	0	0
Are there geographic areas in your community that have fair housing problems?	4	2	4	0
Is there sufficient outreach and education regarding affirmatively furthering fair housing?	2	5	2	1

The need for increased awareness and education is supported by the resident responses to the survey question that asked whether they are aware of their rights under the Federal Fair Housing Act and North Carolina Fair Housing Act. Of the 71 resident respondents, 17 respondents (or about 25 percent), said they were not aware of their rights, while 52 respondents said they were aware.

The table below presents survey results regarding fair housing activities in the agency respondent’s community. Survey results showed that only one agency respondent was aware of fair housing testing and that most respondents, nearly 78 percent, were not aware. As a result, about 55 percent stated that there was too little fair housing testing in their communities and 44 percent said they did not know whether there was sufficient fair housing testing. Further, more than half of respondents were not aware of a City-wide fair housing plan although 44 percent said that they were aware of such a plan.

Responses by Agency Respondents to Questions on Fair Housing Activities

Question	Yes	No	Don’t Know	Skipped
Are you aware of any fair housing testing in your community?	1	7	1	1
Is there sufficient fair housing testing in Greenville, NC?	0	5	4	1
Are you aware of a statewide fair housing plan?	4	5	0	1

Local Government Policies and Activities Related to Fair Housing

Agency respondents were also asked to evaluate local government policies and activities in terms of their relationship to fair housing. About 44 percent of agency

respondents, 4, noted that they were not aware of local government actions that had adversely affected fair housing, 5 of the agency respondents said they did not know, and one did not answer the question. None of the respondents said they were aware of a government action that adversely affected fair housing. One agency respondent, however, cited public housing authority non-compliance, stating that staff at the public housing authority is not effective at educating residents on fair housing and promoting long-term home-ownership. When asked whether there are codes or regulations that represent barriers to fair housing choice, one agency respondent stated yes, 3 stated no, 5 stated they did not know, and one respondent skipped the question. In written comments asking about specific codes or regulations that represent barriers to fair housing choice, the one respondent that indicated a concern said that the Residential Rental Act does not provide strong protections for tenants in general, and that North Carolina's generally poor protections for those in the rental market create an atmosphere of non-compliance in all areas concerning housing since landlords find it easy to work around violations. When asked whether there are any public administrative policies that represent barriers to fair housing choice, one agency respondent stated yes, 2 respondents stated no, 6 said they did not know and one did not answer the question.

Responses of Agency Respondents to Questions on Local Government Policies and Activities Related to Fair Housing

Question	Yes	No	Don't Know	Skipped
Has local government taken actions which adversely affected fair housing choice?	0	4	5	1
Are there fair housing non-compliance issues with any public housing authorities?	1	2	6	1
Are there codes or regulations that represent barriers to fair housing choice?	1	3	5	1
Are there any public administrative policies that represent barriers to fair housing choice?	1	2	6	1

Fair Housing Complaints

Resident respondents were asked whether they have been affected by housing discrimination connected to an incident that occurred in North Carolina in the last 5 years. Of the 71 respondents, 59 answered no, but 7 answered yes and 3 answered don't know. Two respondents did not answer the question. Resident respondents were also asked on what basis they believed they were discriminated against. Thirteen respondents answered this question even though only 7 had indicated that they felt they were discriminated against in the last 5 years in the prior question. Answers were distributed across the categories of source of income (3), age (3), race (5), national origin (1), disability (1), and familial status (2). (Two of the respondents stated that they were discriminated against on two bases- race/age and source of income/age.) Ten of the respondents reporting a basis for discrimination were African American, 1 was Asian, and 2 were Hispanic. The bases of discrimination by race are noted in the table below. (The 2 respondents that reported 2 bases of discrimination were both African American.) Of those reporting discrimination based on age, 1 fell in the 18-24 category, 1 fell in the 25-34 category, and 1 fell in the 45-64 category.

Basis of Discrimination Reported by Race

	African American	Asian	Hispanic
Source of Income	3	0	0
Age	3	0	0
Race	3	1	1
National Origin	1	0	0
Disability	1	0	0
Religion	0	0	0
Gender	0	0	0
Familial Status	1	0	1
Other	0	0	0

Of these 13 respondents who reported a basis of discrimination, 9 stated that the discrimination occurred by a landlord or property manager at an apartment complex, while 2 said the discrimination occurred by a real estate agent in a single family neighborhood. One did not answer the question. When asked if the respondents reported the incident, 6 stated that they had not while 4 stated that they had reported the incident to a fair housing group, 2 reported it to a government agency and 2 reported it to someone else, which was not specified. (Note that one additional person answered this question who had not previously indicated discrimination.) Of the 6 respondents who stated that they did not report the incident, 3 said they did not know where to report it, one was not sure of their rights, one said they did not think it would

make a difference, and one was afraid of retaliation. Additionally, agency respondents were asked to indicate where they would refer someone who had a fair housing complaint. All commenters (5) stated that they would refer victims to the City of Greenville (2), HUD (2), or both (1). One commenter noted that they would refer victims directly to HUD because they are unsure how helpful the State's agency would be in addressing the complaint.

Summary

A fair housing survey regarding the state of fair housing in Greenville showed that some concerns about fair housing in Greenville exist even among the small pool of respondents. Based on responses to demographic questions, the respondents were primarily female with the majority of respondents being African American and under the age of 65 living in neighborhoods they would rate as average or above average. Hispanics and seniors represented just a small percentage of the respondents. Based on resident respondent results, it appears that satisfaction with one's neighborhood tends to decrease with age and that White respondents were generally more satisfied with their neighborhoods than other respondents. About 18 percent of the respondents (13 out of 71) reported a basis of discrimination and nearly half of these stated that they did not report the discrimination. While resident responses were limited in relation to Greenville's population, there was an indication from these responses and agency feedback that citizens need more education on their rights and what to do in the event of a perceived violation of fair housing. Agency respondents supported this theme and stated that there is a need for additional outreach and education efforts regarding fair housing in Greenville. Further about half of the agency respondents noted concerns about fair housing in Greenville and felt that barriers to affirmatively furthering fair housing exist.

Section VI: Conclusions and Recommendations

This section presents the Draft Fair Housing Analysis Update for the 2013-2018 Consolidated Plan. It primarily includes existing impediments to fair housing choice currently being addressed and the plans recommended to remedy them. The update relies on public/private information regarding the real estate and banking industries, Greenville housing and community development activities, North Carolina and Greenville Human Relations Agencies, and the Greensboro and Atlanta HUD Offices of Fair Housing and Equal Opportunity.

Impediment 1

Lack of affordable housing forces the lower income population to find alternative housing. Alternative housing may consist of “doubling up,” a practice where households combine to cut the expenses of housing. Others are forced to live in housing that is in poor condition that leads to disparate treatment of protected class families and individuals.

Plan

The financing industry may have the best strategy for this impediment. While it appears to be true that there are insufficient affordable housing units available for housing choice in Greenville, the fact is that a surplus of moderately priced housing is available. Lower income home seekers may attempt to follow financing recommendations such as using the City’s down payment assistance programs.

The City’s down payment assistance is available to everyone. While some applicants appear to be well-educated in the homebuyer loan process, the lending industry feels that most still are not. When lenders counsel prospective borrowers about the financial responsibility associated with home mortgages, offering practical advice regarding savings and spending, borrowers become frustrated and seek mortgage loans elsewhere. If all mainstream lenders have similar policies, then it is possible that this serves to drive people to seek loans through brokers and subprime lenders. Therefore, a stronger push to promote homebuyer counseling appears to be an appropriate solution.

Additionally, the City plans to dedicate more time and resources in communities north of the river than it has in the past. Since 2003, West Greenville has seen the most investment from the City’s entitlement funds; however, the City does have “scattered site” programs that allow citizens from across the community to benefit from HUD entitlement funding. Residents living north of the river have lower incomes and the

concentration of Hispanic residents is higher in this area. This small shift in focus will help to address housing burdens for this area of the City.

Furthermore, the City intends to continue its' support of affordable housing tax credit developments outside of the low income census tracts. Also, the City will begin to investigate and evaluate the creation of a Neighborhood Revitalization Strategy Area (NRSA).

Impediment 2

Lack of education about discrimination and fair housing laws in Greenville result in citizens who are unaware of rights or where to report violations and lenders who may not be knowledgeable about fair housing practices. An essential part of fair housing opportunities and enforcement is the education of the public regarding the rights and responsibilities afforded by fair housing laws. This includes the education of housing and financial providers, as well as citizens. Everyone needs to know what may constitute a violation, and what they can do in the event they believe they may have been discriminated against. In addition, it is important for lenders, housing providers and their agents to know their responsibilities and when they may be violating fair housing laws.

Plan

Education is a key element on two fronts. First, it is one of the most pressing needs to ensure fair housing choice. It is imperative that individuals and families seeking housing know their rights and responsibilities and that those involved in the housing industry understand their rights and responsibilities, as well.

Secondly, providing public education that produces an employable workforce with higher earning potential will help improve creditworthiness of future homebuyers. The onus falls to the public school system to ensure that tomorrow's residents have the skills they need to be competitive in the job marketplace, as well as to be educated consumers armed with the skills to make informed decisions.

The City will continue its efforts to educate the public through Fair Housing month activities and a local loan counseling program. Further, the City's Community Relations Officer will continue to coordinate the City's community-wide Fair Housing Workshop annually and disseminate information throughout the year about Greenville's fair housing activities. Information may include monthly public service announcements through local media (radio, television, and newspapers) advertising fair housing mediation services and distribution of print materials to local merchants and residents advertising fair housing workshops and fair housing mediation services to residents of community development target areas.

Special outreach may be made to school-aged children to start early education on fair housing issues. Housing discrimination education programs can be developed around Fair Housing month. To avoid teaching laws in a stale format, the approach should be to explore opinions, beliefs and behavior in age appropriate ways. Additionally, a poster contest may be held as part of the month's activities and winning posters can be featured in advertisements and materials the City uses for its fair housing education generally.

Further, the City will encourage lenders, housing providers and their agents to know their responsibilities and to attend training on fair housing laws. Over the long term, the City will promote the development of a voluntary affirmative action marketing agreement by the local Board of Realtors and Home Builders Association.

The City will provide assistance to residents in the resolution of housing complaints. The City's Community Relations Officer will refer discrimination complaints which cannot be resolved through mediation to the U.S. Department of Housing and Urban Development or the N.C. Human Relations Commission.

The City will continue to evaluate the need for the establishment of a local Fair Housing Ordinance and the effectiveness of the Fair Housing Plan.

Impediment 3

Substandard housing and low property maintenance contribute to the lack of safe, decent, and sanitary affordable housing. A pro-active property maintenance code enforcement program could help with the preservation of the rental housing stock.

Plan

The City will consider several activities to increase the availability of affordable housing opportunities and programs to preserve existing rental housing stock throughout the City including a program to assist homeowners in rehabilitating substandard housing stock in an effort to keep those units affordable once renovations have been completed.

Impediment 4

Limited housing opportunities exist for the homeless, those who are at risk of homelessness, and special needs populations. There is not enough funding for permanent housing. Too many citizens are on the brink of becoming homeless because they have to spend too much of their income on housing (many times not decent or safe housing).

Plan

The City will continue to support programs to increase family self-sufficiency and to prepare homeless, at risk, and special needs populations for rental or homeownership opportunities through financial literacy, credit counseling, and rental assistance. The City also needs to support a number of initiatives to assist low-moderate homebuyers with down-payment assistance, default delinquency counseling, anti-predatory lending counseling and homeless prevention programs.

The City will also strive to convene working groups of providers that deliver services to the homeless, those at risk of homelessness, and special needs populations to establish referral networks that more easily connect those in need with available resources. Additionally, by convening these groups, service providers may find ways to share resources and maximize their efforts by working together.

Impediment 5

Lack of access to homeownership (Based on HMDA and apparent Predatory Lending Practices) limit housing choices.

This Impediment can be addressed in the 2013-2018 Consolidated Plan as the City considers inequities that may occur in homeownership opportunities for protected classes or those covered by the Fair Housing Law.

An analysis of the HMDA data in this document reveals, for example, that while black residents comprise 37 percent of the population, 18 percent of all home purchase mortgage applications come from black families/individuals. As a result, it appears that black applicants may be underrepresented with the problem worsening over recent years. Hispanics and Asians are also underrepresented in loan applications as compared to their share of the population. City programs targeted to assist low-moderate income protected classes should focus more closely on educating the population on the importance of homeownership and how to access local lending resources.

In addition, consistently high denial rates on home improvement loans may reflect policies in the lending industry, but this is an area that warrants some attention in Greenville. The disinvestment associated with an inability to raise funds to maintain one's home in an older housing stock can have an undesirable effect on the community when it occurs in great numbers.

Plan

Mortgage brokers know that people do business with people who look like them, and so they hire people that resemble the markets they serve. This is good marketing, but also encourages minority homebuyers to seek loans with lenders who are not necessarily

looking out for the borrowers' best interests. Additionally, brokers are most familiar with the products that are most popular in the markets they serve and are not aware of all the products offered by the institutions they represent, thus limiting their offerings to higher-cost products. Unfortunately, uninformed buyers also choose lenders on the basis of word-of-mouth referrals from friends and family, and the belief that banks do not lend money to minorities.

To educate potential homebuyers, the City will work to create homebuyer guides that inform first-time buyers and other purchasers about the process involved in locating, qualifying for, and securing a home. Steps such as inspection, negotiation, and closing would be explained as well as the roles of different players (real estate agents, loan officers, and others). Typical costs can be outlined as well. The Guide may include information on geographic areas that are not yet integrated to promote equal housing opportunity in these areas. Sections on housing resources and basic fair housing rights would be included as well. These guides should be produced in Spanish and any other language that has a concentrated population in Greenville at the time of publication. The City will also work with local agents and community groups to arrange house or neighborhood tours that allow residents to explore available opportunities that may be outside of their immediate surroundings.

Again, the solution lies in educating consumers, although it is difficult to reach them when they will not avail themselves of the opportunities.