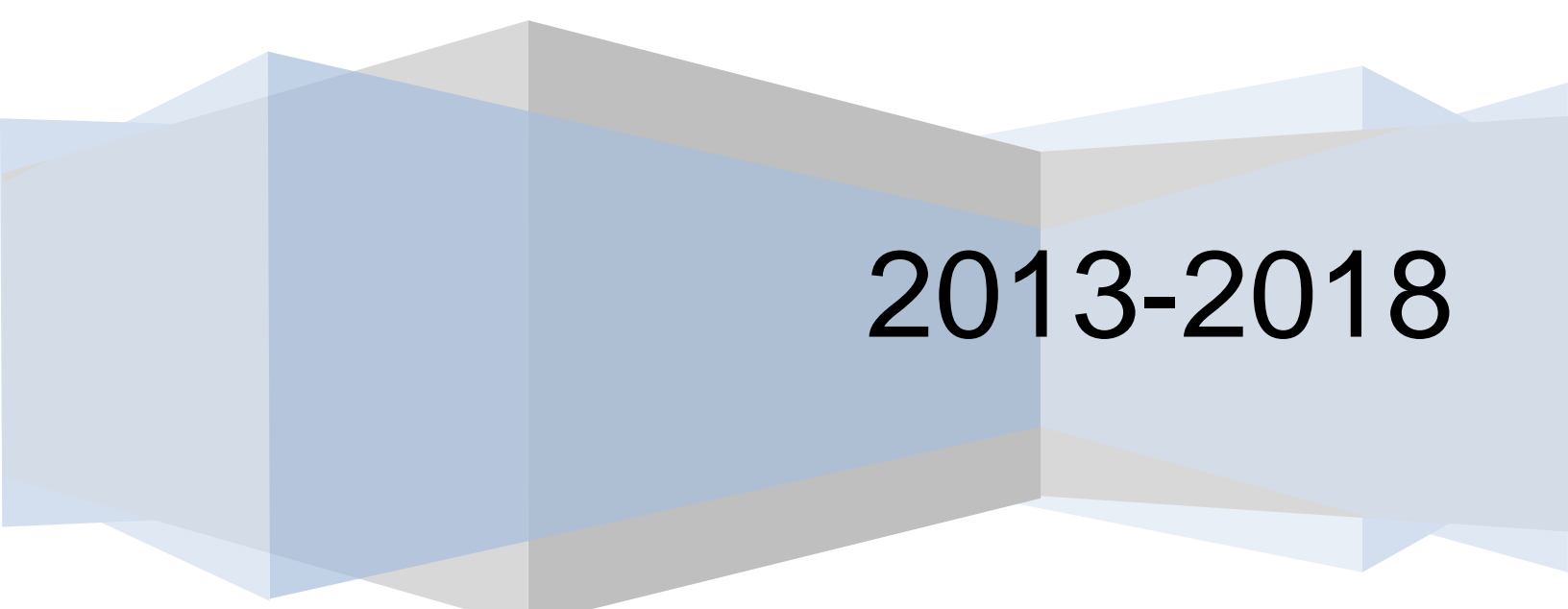


City of Waltham, Massachusetts

Analysis of Impediments to Fair Housing Choice

2013 - 2018

Planning Department, Housing Division



2013-2018

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Affirmatively Furthering Fair Housing

The Consolidated Plan's certification to affirmatively further fair housing (AFFH) requires all entitlement communities to undertake fair housing planning. The U.S. Department of Housing and Urban Development suggests that entitlement communities, such as Waltham, conduct Fair Housing Planning at least once every three to five years. Fair Housing Planning consists of three components: (1) conducting an Analysis of Impediments to Fair Housing Choice, (2) identifying actions to eliminate any identified impediments, and (3) maintaining AFFH records.

The City of Waltham, as a CDBG Entitlement community and a member of the Metro West HOME consortium is committed to affirmatively further fair housing by conducting an annual, comprehensive review of its programs, policies, ordinances, community development plan, master plan and administrative practices. This review will evaluate how local policy and programs affect the accessibility and availability of fair housing choice in Waltham.

Objectives of the FY13-18 Analysis of Impediments to Fair Housing choice (AI)

Fair housing choice is the right to equal access to all types of housing. Fair housing choice exists when all residents of a community have the ability to freely choose among options that will afford them access to safe, sanitary and affordable housing in neighborhoods where they can thrive. Fair housing choice is impeded by issues of affordability and housing discrimination (where people are not allowed to live where they choose). The overall goals of the FY13-18 AI are the following:

- To identify impediments in Waltham by presenting data from a variety of resources;
- To identify actions that will sustain current efforts to further fair housing and build on past progress, and by adopting new actions and strategies;
- To provide a framework on fair housing for City officials, policy makers, City staff, as well as private and public stakeholders, enabling them to take the lead in affirmatively

furthering fair housing by initiating dialogue, education and institutionalizing fair housing best practices and policies; and

- To serve as a resource for consumers, producers, and housing providers.

Executive Summary

According to the 2010 U.S. Census, Waltham is an urban community of 60,632 people located nine miles west of Boston bordered by Route 128 to the west and Route 2 to the north and bordered by the towns of Lexington, Lincoln, Weston, Belmont, Watertown and the city of Newton. It is diverse for a community of its size, with large numbers of small to medium-sized high-technology firms along Route 128 as well as an older, dense downtown commercial area along the Charles River. Due to its proximity to Boston and major highways, Waltham has become largely developed with commercial, industrial and residential uses, leaving little vacant land. In this sense, Waltham's development over the past 150 years from farming community to manufacturing center to a "high tech" suburb has yielded a diverse housing stock. Older multi-unit dwellings on small lots predominate around the downtown and south of the Charles River, while single family homes and newer condominium complexes cluster in the former farmlands around Trapelo Road, Beaver Street and Lake Street in North Waltham. This housing has been home to a multi-ethnic population over the century, due to immigration of people from northern and southern Europe, and, more recently, from the Caribbean, Central America and Southeast Asia. The city's strong manufacturing and commercial base have also yielded a diverse job pool, with numbers of both entry-level and technical blue and white-collar positions. This, combined with continued immigration, has produced a wide range of income groups in Waltham, with more than 40% of all households earning low or moderate incomes. Lower-income residents are concentrated in South Waltham, where the older housing stock is more affordable. As a result, Waltham's 2012 CDBG Target Area continues to be focused in the southern part of the city along the Charles River, encompassing most of the Southside neighborhood and the downtown.

The greatest obstacle to meeting Waltham's underserved housing needs is the sheer size of the need compared to the amount of vacant, developable land and money, available for developing housing affordable to low and moderate-income people. Waltham is nearly built-out with the exception of several large parcels of land owned by the Commonwealth of Massachusetts in the

northeastern quadrant of the city. The City's strategic location in close proximity to Interstate I-95 and Route 2 makes it ideal for developing housing to serve the regional housing market, resulting in rapidly rising property values and sales prices. Accelerating residential development, focused on replacing existing structures with relatively expensive townhouses and condominiums, has driven up the price of building affordable housing. These conditions have also hardened many citizens towards dense housing construction, particularly in Waltham's downtown, around which the city's CDBG Target Area is based.

Impediments to fair housing choice exist in Waltham. This analysis has found that there is a lack of knowledge by housing consumers of Fair Housing Laws, discriminatory practices and enforcement agencies and procedures. Housing consumers suspecting discrimination are reluctant to report it or proceed with filing fair housing complaints. Increasing fair housing awareness in the City and in the private and public sectors through education and training is important. These efforts will empower consumers by protecting their rights and will re-enforce the responsibilities of housing producers and providers.

Impediments to Fair Housing Choice and Subsequent Actions

An identification of impediments to fair housing choice in Waltham and the actions identified to overcome these impediments can be found in the Conclusions and Recommendations section of this report. A summary of the impediments that have been identified and the actions needed to overcome those impediments is as follows:

Impediments Identified in Public and Private Sector:

Impediment: Lack of knowledge by housing consumers of Fair Housing Laws, discriminatory practices and enforcement agencies and procedures. Further, those suspecting discrimination do not report it or proceed with filing fair housing complaints.

Actions: Strengthen education, training, and advocacy efforts and programs; Provision of informational materials on fair housing to rental property owners through mailings and electronic sources. Work with local agencies to provide fair housing seminars and outreach programs to the owners of rental properties.

Impediment: Lack of affordable housing. One of the components to providing fair housing is providing a variety of housing that is affordable to people of all races, ethnicities, religious affiliations, gender, and income levels. Approximately, fifty-four (54%) percent of the City's rental population is low to moderate income. Census data shows that 61% of rental households with income of less than \$50,000 (2009) pay 30% or more for their rent.

Actions: Encourage the development of all types of affordable housing throughout Waltham; continue to support programs that create or preserve affordable housing and which help leverage additional funds for these efforts; establish new programs that increase the ability to create and preserve affordable housing and housing choice. The City of Waltham Municipal Affordable Housing Trust Fund serves as a good communication link between the public and private sectors and enables joint planning for fair housing issues.

Impediment: The large number of rental units containing lead paint. This discourages families with children from finding housing and continues to be a factor in local housing.

Actions: The City continues to provide interest free deferred loans to homeowners for lead paint abatement. City Housing, Planning and Building staff have been certified as lead safe renovators. The City will continue to support training for City staff that will ensure compliance with Federal and State lead laws.

A. WHO

The Housing Division of the Planning Department of the City of Waltham has prepared the FY13-18 AI.

B. PARTICIPANTS

The FY13-18 AI was developed in conjunction with the help and participation of fair housing advocates, staff from the Planning Department, Health Department, Wires Department,

Engineering Department and the Building Department, educators and brokers in the local real estate industry, Waltham residents, the Waltham Municipal Housing Trust, Waltham Housing Authority and nonprofit housing and human service providers in the area.

C. METHODOLOGY USED

Waltham's approach to the AI was based on the methodologies recommended in HUD's Fair Housing Planning Guide, Vol. I. Housing Division staff followed the following agenda to compile the necessary information to complete the analysis.

1. **Project initiation.** Planning Department Housing Division staff begins the process of refining work tasks and the project schedule, establish reporting relationships, and review expectations of the project. We also collected relevant data, identified potential candidates for key person interviews, and discussed the public participation components of the study.
2. **Community and housing profile.** Housing staff used current data on population and households and Census data to produce a community and housing profile to provide background data for the AI.
3. **Fair lending and complaint data review.** The Housing Division obtained and analyzed Home Mortgage Disclosure Act (HMDA) data. Housing staff obtained complaint data from HUD and the Boston Fair Housing Center of Boston to understand the basis of housing discrimination complaints received and legal cases filed by the organizations.
4. **Policy review and analysis.** Housing staff examined housing policies and programs that influence fair housing choice and impediments through a review of the City's zoning regulations and land use policies, and from discussion with key persons knowledgeable about such policies.
5. **Key person interviews.** Housing staff interviewed planning and code enforcement officials in the City. Through these interviews, we gathered information about the City's current land use and housing policies. Housing staff also interviewed representatives from agencies serving special needs populations.
6. **Public participation.** As part of the AI, the City of Waltham distributed a fair housing survey through the Waltham Public Elementary Schools. Over 500 surveys were completed providing valuable input for the AI.
7. **Identification of impediments and development of the AI.** We examined our findings to determine what impediments to fair housing exist in the City of Waltham. Our findings and identified impediments are detailed in the AI.

D. ORGANIZATION OF REPORT

The FY13-18 AI is divided into nine sections. Each section is described below:

Section 1, Introduction and Executive Summary.

Section 2, Legal Framework briefly summarizes related federal and state and local fair housing laws and policies.

Section 3, Past Fair Housing Plans provides a summary of conclusions from prior fair housing analyses including the 2003 Housing Plan, the Fair Housing Plan 2006-2010 and the FY08 Analysis of Impediments.

Section 4, Analysis of Public Sector is a review of areas within the public domain such as zoning regulations, tax policies, neighborhood revitalization, building codes, and housing-related boards.

Section 5, Analysis of Private Sector is a review of lending and real estate practices in Waltham and the Greater Boston area.

Section 6, Analysis of Public and Private Sector is a review of fair housing monitoring, enforcement, housing complaint systems, education, and other interactions between the public and private sectors. This section also briefly discusses the importance of housing affordability and economic factors and their impacts on fair housing choice. A comprehensive analysis and strategies to address barriers to affordable housing can be found in the FY11-15 City of Waltham Consolidated Plan.

Section 7, Evaluation of Current Public Sector Housing Programs, Policies and Activities summarizes and reviews Waltham's housing programs and policies and their impact on fair housing choice. This section also summarizes recent initiatives undertaken to promote fair housing in Waltham.

Section 8, Evaluation of Waltham's Current Fair Housing Legal Status summarizes the current state of complaints and any pending legal issues involving fair housing choice.

Section 9, Conclusions and Recommendations presents the impediments to fair housing choice in Waltham, the actions identified to overcome these impediments, and the overall recommendations of the FY13-18 AI.

2. Legal Framework

A. DEFINITIONS

It shall be a violation of the law “For any person to make, print, or publish, or cause to be made, printed, or published any notice, statement or advertisement, with respect to the sale or rental of multiple dwelling, contiguously located, publicly assisted or other covered housing accommodations that indicates any preference, limitation, or discrimination based on race, color, religion, sex, sexual orientation..., national origin, genetic information, ancestry, children, marital status, public assistance reciprocity, or handicap or an intention to make any such preference, limitation or discrimination except where otherwise legally permitted.”¹

For the purposes of this analysis, housing discrimination is defined as any actions, omissions, or decisions taken that restrict housing choice or the availability of housing or have that effect on one or more individual of a protected class. The protected classes in Massachusetts are:

- Race
- Color
- National Origin
- Ancestry
- Religious Creed

Over subsequent years, additional protected classes were added:

- 1950: Age
- 1965: Sex
- 1973: Marital Status
- 1983: Disability
- 1983: Familial Status
- 1989: Sexual Orientation
- 2000: Genetic Information

¹ Chapter 151B: Section 4, of the General Laws of Massachusetts

- 2004: Veteran history/military status
- 2006: Source of Income

The Massachusetts Fair Housing Law was passed in 1946; more than twenty years before the Fair Housing Act would eventually be passed by Congress.

Here are some examples of discriminatory actions:

- discriminatory ads and statements
- different terms and conditions for different people
- steering
- harassment
- intimidation and retaliation
- outright denial of housing or services
- preventing families with children from renting a property due to lead paint

B. RELEVANT FEDERAL, STATE AND LOCAL LAWS

Fair Housing Act (42 U.S.C. § 3601, et. seq)., as amended: Title VIII of the Civil Rights Act of 1968 (Fair Housing Act): prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

Title VI of the Civil Rights Act of 1964: Title VI prohibits discrimination on the basis of race, color, or national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973: Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974: Section 109 prohibits discrimination on the basis of race, color, national origin, sex or religion in programs and activities receiving financial assistance from HUD's Community Development and Block Grant Program.

Title II of the Americans with Disabilities Act of 1990: Title II prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. HUD enforces Title II when it relates to state and local public housing, housing assistance and referrals.

Architectural Barriers Act of 1968: The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by handicapped persons.

Age Discrimination Act of 1975: The Age Discrimination Act prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

Executive Order 11063: Executive Order 11063 prohibits discrimination in the sale, leasing, rental, or other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

Executive Order 12892: Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating the effort. The order also establishes the President's Fair Housing Council, which will be chaired by the Secretary of HUD.

Executive Order 12898: Executive Order 12898 requires that each federal agency conduct its program, policies, and activities that substantially affect human health or the environment in a manner that does not exclude persons based on race, color, or national origin.

Executive Order 13166: Executive Order 13166 eliminates, to the extent possible, limited English proficiency as a barrier to full and meaningful participation by beneficiaries in all federally assisted and federally conducted programs and activities.

Executive Order 13217: Executive Order 13217 requires federal agencies to evaluate their policies and programs to determine if any can be revised or modified to improve the availability of community-based living arrangements for persons with disabilities.

State Legislation

Massachusetts General Law Chapter 151B (Massachusetts Anti-Discrimination Law): Regarding prohibited discriminatory housing practices, Chapter 151B closely resembles the federal Fair Housing Act. Chapter 151B has significantly expanded the classes of individuals

protected under the Fair Housing Act to further include: age, marital status, sexual orientation, ancestry, recipients of public or rental assistance, military and veteran status, or genetic information. Chapter 151B protection based on familial status does not apply to dwellings containing three apartments or less, if one of the apartments is occupied by an elderly or infirm (disabled or suffering from a chronic illness) person “for whom the presence of children would constitute a hardship.” Familial status is also protected under the Massachusetts Lead Paint Law, which prohibits the refusal to rent to families with children under six, or the eviction or refusal to renew the lease of families with children under six because of lead paint.²

Other Federal Legislation Relevant to Fair Housing

The Home Mortgage Disclosure Act (HMDA) requires certain lenders to make information available on the number and types of lending applications received and whether the applications were accepted. The information is broken down by census tract, sex, race and income.

The Community Reinvestment Act (CRA) requires financial institutions to meet the credit needs of their communities, with a particular focus on low-and moderate-income residents and areas, consistent with safe and sound operations. The requirements of the Act allow governments and advocacy groups to raise questions about the adequacy of a lending institution’s regulatory compliance, thus creating an incentive for institutions to be responsive to the needs of their communities.

3. Past Fair Housing Plans

The conclusions of Waltham's 2001-2005 Housing Plan, the 2006-2010 Fair Housing Plan and the FY08 Analysis of Impediments are outlined below.

A. 2008 Analysis of Impediments to Fair Housing Choice

Waltham's 2008 AI concluded that economics (e.g. lack of affordability) determines who lives in Waltham. Listed below are the impediments to fair housing identified in the AI:

- Almost half of Waltham’s Households – have incomes that qualify as low-to-moderate income.

2. [http:// www.malegislature.gov/laws/GeneralLaws](http://www.malegislature.gov/laws/GeneralLaws)

- 2000 census reports that 34% of Waltham renters paid more than 30% of their income for rent.
- In 2007 the median sales price of a single-family home was \$418,500.
- Insufficient number of housing units, rental and homeownership available to the low/moderate and minority population.
- Age of housing stock contributes to a need for Housing Rehabilitation and Lead Paint removal.
- Over 5,000 households are on the Housing Authority waiting list; elderly, family and special needs.
- The physical condition of many of the State-funded Waltham Housing Authority units - have deteriorated due to lack of consistent State funding.
- Gentrification – as property improvements and new development raise housing costs, it attracts more affluent people, and forces out those of modest means.
- Expiring Use Property – “The Mill” 258 units.
- Limited Funding Resources for expansion of and creation of new Affordable Housing Initiatives.
- Limited contact between the City and local Universities regarding housing issues.
- Limited contact between the City and the Business community regarding housing issues.
- Insufficient Fair Housing marketing and education strategies.
- Language Barriers new immigrant workers and residents.

B. 2006-2010 Fair Housing Plan

Waltham's 2006-2010 Fair Housing Plan concluded that the quantity and location of low income housing in Waltham is insufficient. Listed below are the impediments to fair housing identified in the AI:

- Large number of rental units containing lead paint discourages families with children from finding housing.
- Housing affordability gap for young families limits homeownership opportunities.
- Diminishing supply of affordable rental units limits housing choice for low income renters.
- Weak transportation link from the Interstate-95 business corridor to downtown Waltham prevents residents from easily accessing employment opportunities.

C. 2001-2005 Housing Plan

THE 2001- 2005 Housing Plan concludes that Waltham needs more housing that is affordable to people across a range of incomes.

A. Increase affordable rental opportunities in the existing stock

Home ownership costs have narrowed housing options for the majority of Waltham residents, keeping them in rental units and keeping the demand high for the rental stock. This has squeezed the low and moderate-income households by forcing them to pay more than they can afford or to make equally less desirable choices, like overcrowding. About half of Waltham's renters spend more than 30% of their gross income on housing. This means that roughly 5,000 renter households are currently experiencing a rent burden. Fifty percent of all low-income renters living in large families are overcrowded.

The geographic correlation of low-income areas and aging rental housing indicates a need for de-leading assistance, especially for families with children. All of the social service providers have stated that demand for special needs rental housing is increasing.

Investment Plan

- Continue making deferred loans (CDBG) for de-leading and rehabilitation in 1-4 unit structures. If demand exceeds supply of funds in any given time period, create priorities for dwellings which house Section 8 tenants or, in other ways, lock in low-income tenancies.
- Provide financial assistance (HOME funds) to social service providers/vendors and the Waltham Housing Authority for the acquisition and rehabilitation of appropriate structures to accommodate various special needs populations.

B. Increase affordable home ownership opportunities in the existing stock

The ratio of the Median value of a single family home to the Median household income in Waltham in 1980 was 3.1. This figure rose to 5.5 in 1988, dropped slightly to 4.5 in 1995, and currently stands at 4.7. While this ratio has decreased, first-time homebuyers will still need financial assistance over the next five years.

Another problem, which is less obvious from a cost perspective, is absentee-owned multi-family buildings. Over half of the City's rental buildings are absentee-owned, a ratio that does not

induce neighborhood stability or neighborhood confidence. Increasing owner-occupancy in transitional neighborhoods serves to put more "care-takers" on each street and helps improve the equality of life in the area.

Investment Plan

- Acquire 1-4 unit tax-title properties from the City of Waltham at no cost and provide financial assistance to first-time homebuyers.
- Provide mortgage assistance (HOME) to first-time homebuyers of 1-4 unit properties.

C. Address the needs of the homeless and the soon to be homeless

The non-profit organizations that run homeless shelters in Waltham say that their facilities are being used by an increasing number of clients and or the length of stay has increased. The Bristol Lodge Shelters are at full capacity and even turn clients away.

Investment Plan

- Continue to supply grants (CDBG) to local service providers who help the homeless and the soon to be homeless.
- Provide rehabilitation grants (HOME) to transitional and emergency living facilities.

D. Address the housing needs of the special needs populations

The non-profit organizations that serve special needs populations in Waltham say that their facilities are being used by an increasing number of clients. The agencies report that, as a result, the need for supportive housing and services has also increased.

Investment Plan

- Continue to supply grants (CDBG) to local service providers who help the non-homeless special needs populations.
- Provide rehabilitation grants (HOME) to local service providers to make existing units suitable for special needs populations.

4. Analysis of the Public Sector

A. ZONING

While some Consolidated Plans can be a valuable source of data and ideas to inform the

development of a broader housing strategy – Consolidated Plans tend to be fairly narrow in scope and focused almost entirely on how the community will spend certain federal dollars. They thus do not generally address the zoning, planning, and tax policies needed to fully address a community's housing needs.

As in other public policy areas, the current set of housing policies in effect in any given community generally reflects a series of discrete policy decisions and compromises made over the course of many years. Some policies were developed more recently, while others were developed many years ago. Because housing markets change over time, some of these policies may no longer be up-to-date. Others may in fact be counterproductive or may conflict with one another. In many cases, there are housing programs to address certain pieces of the housing challenge, but not others. Periodically reviewing the community's overall approach to meeting its housing needs can ensure that policies are up-to-date and in sync as part of an effective strategy. A comprehensive housing strategy is also important for broadening the range of actors and agencies involved in working together to solve a community's housing problems.

Waltham Status under 40b – The City of Waltham possibly complies with the Chapter 40B land area methodology; however, it is well short of the 10% affordable housing goal (5.2%). The City of Waltham is committed to working with developers to create affordable housing opportunities in all new developments. A build-out analysis prepared by MAPC in conjunction with the City of Waltham Community Development Plan will be extremely helpful in guiding future housing development in the City using 40B.

Tax Exempt Properties - Waltham has a large number of properties owned by public entities and private tax-exempt organizations, including government agencies, religious and educational institutions, charities and other non-profit groups. Over 460 such parcels were analyzed. While these properties are distributed fairly evenly across the city, they range greatly in size from 5,000 SF lots to the 200-acre Fernald School campus. Most of the 700 dwellings on tax-exempt parcels are owned and operated by the Waltham Housing Authority or social service agencies that assist homeless or disabled people. None of these parcels is currently occupied by commercial or industrial uses.

Regulatory Tools in Furthering Fair Housing:

ARTICLE IX – Inclusionary Zoning Ordinance – This Article applies to any proposed multi-family development of ten or more units that requires a special permit to exceed the Floor Area Ratio allowed by right in that district. If the Article applies to a proposed development, the City Council determines (with input from the Waltham Municipal Affordable Housing Trust Fund) if the applicant must provide affordable housing on-site, off-site, or pay a fee in lieu of dwelling units. The City Housing Trust, Housing Division and City Council continue to work with all developers requiring a Special Permit to develop affordable housing. Most recently, the City worked with two small developers for three total affordable ownership unit that were sold by lottery. In addition the Watch Factory Lofts development is a rental property on the banks of the Charles River. The old WATCH Factory has been converted to rental apartments with some commercial space. Ten rental units were leased through a lottery in the fall of 2012 with an additional 10 affordable rental units being leased by lottery by fall 2013.

Affirmative Marketing - Every unit developed through the Inclusionary Zoning ordinance is required to follow affirmative marketing guidelines developed in collaboration with the state Department of Housing and Community Development (DHCD) on sale and resale. The City will monitor compliance.

Land Use - Build Out Analysis- The Metropolitan Area Planning Council (MAPC), hired by the City to prepare a Community Development Plan, developed assumptions and calculations based upon the City's Zoning Ordinances for two build-out scenarios covering 12,750 property parcels (94% of the total parcels in the city): a) maximum potential development By-Right, and b) maximum potential development by Special Permit. The initial assumptions and calculations were revised in consultation with the City's Planning Department and City Council. In addition, the Planning Department and City Council worked with MAPC to set reasonable standards for expectations for future development in each of the zoning districts and wards of the city. The analysis indicates that the Zoning Ordinances allow maximum By-right development of:

- Approximately 5,700 additional dwellings (in single or multi-family homes) and
- Almost 2,900,000 square feet (SF) of new commercial (retail/business/office) space.

Additional findings relative to By-Right development include:

- Wards One and Four have the highest development potential, and Wards Eight and Nine have the lowest potential, for By-Right residential development.

- Wards One and Seven have the highest potential, and Wards Six and Nine have the lowest potential, for By-Right commercial development.

Further conclusions indicate that the Zoning Ordinances allow maximum Special Permit development of:

- Approximately 12,200 additional dwellings (in single or multi-family homes) and
- Nearly 42,000,000 SF of new commercial (retail/business/office) space.

Other important conclusions relative to maximum development under Special Permits include:

- Wards Four and Nine have the highest potential, and Wards Three and Seven have the lowest potential, for Special Permit residential development.
- Conversion of commercial and industrial buildings into housing in Wards Eight and Nine could generate nearly 7,000 additional dwellings, while development of the Fernald Center in Ward Four can yield over 2,500 homes with Special Permits.
- Wards One and Seven have the highest development potential, and Wards Eight and Nine have the lowest potential, for Special Permit commercial development in this analysis
- Properties clustered along Route 128, in Ward One, have zoning capacity for development of an additional 25,000,000 SF of space

The build-out analysis is conservative in that it does not include development of most tax-exempt parcels in Waltham, which are assumed to remain unchanged from their current state.

Results

This parcel-based build-out analysis is a complex process with a large number of assumptions and conditions under which different calculations were applied to the data. The analysis was also run twice: first for the assumptions and calculations based upon the potential for By-Right development under the Zoning Ordinances, and then a second time using the assumptions and calculations derived from the Special Permit provisions of the Zoning Ordinances. Table One and Maps One and Two summarize the results of the Build-out Analysis assuming that future development is undertaken to the limits allowed By-right under Waltham's zoning regulations, and follows parameters, described later in the report, developed by MAPC and the Planning Department.

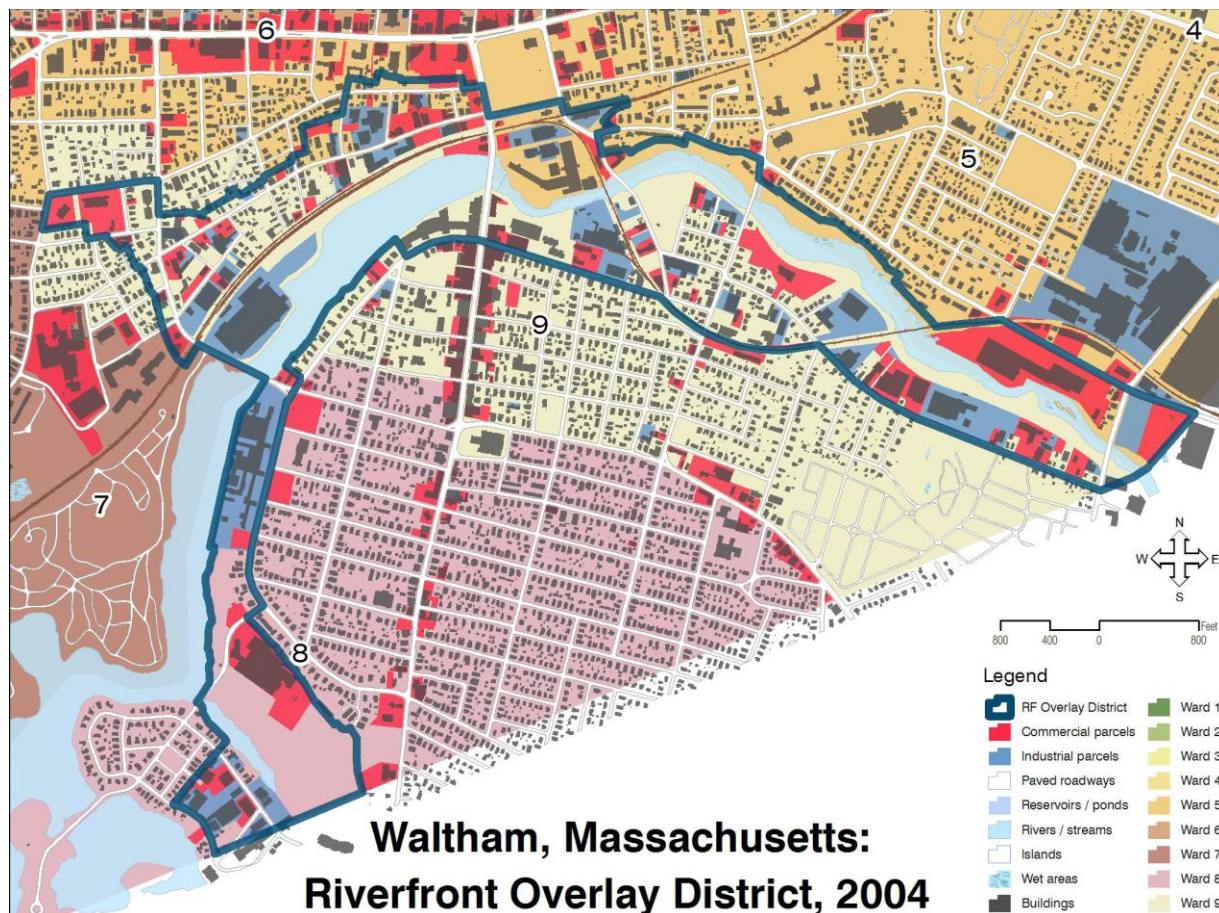
Table 1: By-Right Build-out Summary					
Ward	Parcels Analyzed	Existing Dwellings	Additional Dwellings	Existing Commercial Space (SF)	Additional Commercial Space (SF)
1	1,720	2,789	817	11,248,869	1,881,753
2	1,820	2,786	645 ¹	1,573,022	216,803
3	1,851	2,424	456 ²	2,894,823	101,130
4	1,394	1,628	1,535 ³	1,686,627	199,795
5	1,298	2,625	475	2,697,528	130,009
6	1,200	2,959	677	1,018,706	-213,031
7	1,312	1,762	482 ⁴	2,382,487	742,492
8	1,176	3,100	317	1,050,245	-12,429
9	967	2,663	318	2,060,469	-166,292
Totals	12,738	22,736	5,722	26,612,776	2,880,229

1. Includes actual construction of 264 multi-family units at The Ridge development.
2. Includes actual construction of 265 multi-family units at the former Middlesex County Hospital.
3. Includes projected development of 1,255 multi-family unit's By-Right at the Fernald School.
4. Includes construction of 364 units at Longview Place at the former Waltham Hospital.

The Hardy School – has also been declared “surplus” and is designated for re-use as Senior Elderly affordable housing. The construction is complete and the Nahum Hardy Residences is awaiting a decision from DHCD for inclusion on the subsidized housing inventory. The building has 19 elderly/ disabled units with 11 designated as affordable.

Riverfront Overlay District - The Riverfront Overlay district runs along the Charles River encompassing clusters of commercial and industrial properties along River, Calvary, Charles, Felton and Crescent Streets. The district includes several large, manufacturing and commercial facilities which are well-suited for adaptation to mixed residential and commercial use. The district has been added to the Zoning Ordinance to encourage a mixed-use space that includes multiple stories of apartments over ground floor shops and restaurants.

Exhibit 1. Riverfront Overlay District, Waltham, Massachusetts. 2004.



B. SITE SELECTION

Massachusetts Comprehensive Permit Law / Chapter 40B

The Comprehensive Permit Act³ is a Massachusetts law which allows developers of affordable housing to override certain aspects of municipal zoning bylaws and other requirements. It consists of Massachusetts General Laws (M.G.L.) Chapter 40B, Sections 20 through 23, along with associated regulations issued and administered by the Massachusetts Department of Housing and Community Development.⁴ Chapter 40B was enacted in 1969 to address the shortage of affordable housing statewide by reducing barriers created by local municipal building permit approval processes, local zoning, and other restrictions. Its goal is to encourage the production of affordable housing in all communities throughout the Commonwealth.

³ Massachusetts General Laws (M.G.L.) Chapter 40B sections 20-23

⁴ Code of Massachusetts Regulations 760 - CMR 56

Under Chapter 40B, in any municipality where less than 10% of its housing qualifies as affordable under the law, a developer can build more densely than the municipal zoning bylaws would permit, allowing more units per acre of land when building a new development, if at least 25% (or 20% in certain cases) of the new units have long-term affordability restrictions.

The law permits developers to override local zoning regulations to build apartment developments in areas zoned for single family homes, or area zoned for other purposes. A potential long-term effect is one of increasing housing density in the outer suburban ring of Boston without the infrastructure to make such development sustainable or desirable.

Since Chapter 40B was enacted in Massachusetts in 1969, the total number of units in Waltham built with a Comprehensive Permit is 264 of which 66 are affordably priced.

C. NEIGHBORHOOD REVITALIZATION AND IMPROVEMENTS

Access to funding, availability of housing stock and the burden of regulations may actually prove to be an impediment to fair housing for many. Less obvious, perhaps is the impediment related to a deteriorating neighborhood that signals both public and private disinvestment. Increased crime, decreased services and the presence of blight easily impede one's ability to secure affordable, safe housing. Conversely, Waltham's ability to maintain safe, decent and affordable housing within safe, intact neighborhoods is critical to enticing and retaining homeowners and building true community. Strong neighborhoods, both physically and socially, typically exhibit a cohesiveness that invites investment and sustainability, the byproduct of neighborhood revitalization.

Individuals with disabilities are seeking greater access to opportunities in every sector. Equal opportunity in housing offers the chance to live, work, and interact in richly diverse settings and opens doors to other opportunities in education, health care and employment. The City is actively engaged in promoting and sustaining affordable and equal access to housing opportunities for low- and moderate-income households. Waltham has engaged in a number of improvements to revitalize lower-income neighborhoods and to increase accessibility to public facilities for persons with disabilities.

The City uses federal Community Development Block Grant (CDBG) funds to improve the public facilities and infrastructure in eligible neighborhoods throughout the City. According to federal CDBG regulations, these area benefit activities may only be undertaken within neighborhoods that meet a requirement that 51 percent (51%) of the area's households have an income that is 80 percent (80%) or less than the area median income (AMI). HUD allows an exception approach when there are no areas within the jurisdiction that have at least 51 percent (51%) low- and moderate-income (LMI) residents. In order to be designated as a target neighborhood using this approach, a neighborhood must be within the highest quartile of the City in terms of the concentration of low- and moderate-income residents.

Based on the U.S. Census 2000, which established an LMI threshold in Waltham of 44.8 percent, 14 block groups were eligible for designation as target neighborhoods. However, in order to serve the neediest areas of the City, a policy decision was made to prioritize the eligible areas by highest LMI concentration and to connect contiguous block groups where possible.

The percentage of low- and moderate-income residents ranged from 44.8 to 72.7 percent in the 14 eligible block groups. The block groups that fall into the highest percentage category (60.1 to 72.7 percent) of low- and moderate-income residents are clustered around the central part of the City, in close proximity to the rail station and public surface transportation. These 14 contiguous block groups comprise the CDBG Target Area that has been in place following the 2000 Census. On average, the 14 block groups, or CDBG Target Area, have a higher racial minority population compared with the City's overall minority population. While the City of Waltham has 13.6% Hispanic population overall, the Target Area averages about 10% more ethnically Hispanic/Latino households than the city-wide proportion.

The FY11-15 Consolidated Plan's needs assessment process provided information for City staff to prioritize the most pressing needs. It became evident through the needs assessment process that there were five principal categories of neighborhood need:

- Public Improvements (street reconstruction, including curbs, sidewalks, and tree plantings)
- Public Facilities (public buildings such as schools, fire stations, police station and libraries)
- Parks/Open Space
- Public Service
- Economic Development

The City is dedicated to supporting improvements in designated target neighborhoods. Accessibility issues have been identified pertaining to neighborhood revitalization and improvement efforts. The FY11-15 Consolidated Plan provides further information on the needs assessment and strategic plans identified.

D. MUNICIPAL AND OTHER PROGRAMS AND SERVICES

The Waltham Community Development Block Grant program began in 1976, with one Planning Department staff person and an initial grant of approximately \$193,000. Today, the Waltham Planning Department has a staff of 5 and an annual combined Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) allocation of approximately \$1.5 million. For the past 37 years, the department has developed and managed a number of programs that help improve the economic, social, physical and housing environments for low-and moderate-income families and individuals living in Waltham. Currently, the Planning Department administers 2 programs that involve dozens of agencies, local officials, private lenders, non-and for-profit housing developers, businesses and individuals throughout the greater Waltham area to support low- and moderate-income housing, community facilities and services, and homelessness prevention. More information on the programs, including status updates and recent progress can be found in the FY11-15 Consolidated Plan, FY12 Annual Action Plan, and in the FY12 Consolidated Annual Performance Evaluation Report.

Planning staff frequently coordinates with the staff of other municipal departments to ensure that the various municipal departments work together on issues that directly affect the

provision of housing, neighborhood improvements, accessibility improvements and human service programs. These departments include the Parks and Recreation Department, the Public Works Department, the School Department, Health Department, the Public Buildings Department, and the Inspectional Services Department.

An analysis of these municipal programs and other municipal services such as police, fire protection, code enforcement and refuse collection does not indicate any discriminatory practices or unequal access to housing. The Planning Department will continue to utilize local, state and federally funded municipal services and programs through cross-departmental efforts and across public and private sectors to provide equal access in transitional and permanent housing opportunities.

E. EMPLOYMENT-HOUSING-TRANSPORTATION LINKAGE

The Waltham community amenities make it a highly desirable place to live for families and individuals of all ages. The City is well served by public transportation, making it an ideal location for residents employed or seeking employment within the Greater Boston area. Community services, including schools, parks, and recreational facilities are some of the best in the Greater Boston area. Residents have adequate access to a variety of commercial services and employment opportunities.

Waltham has a well networked transportation infrastructure, including the Massachusetts Bay Transit Authority's (MBTA) commuter rail and bus service. Each low-to-moderate income block group in Waltham is served by some form of public transportation. MBTA buses and commuter rail service is accessible. All customers have the right to use accessibility equipment (such as ramps, elevators, mobile lifts, and bridge plates). Service animals are welcome on MBTA vehicles and property during all hours of operation.

Transportation to and from Boston is provided by the MBTA Commuter Rail – Waltham is accessible by commuter rail on the Fitchburg line. The City of Waltham in conjunction with the MBTA (\$210,000) CDBG funding - has completed Handicapped improvements to the station. The improvements make the trains accessible to more visitors and workers coming and going from the City of Waltham. The train station is located on Carter St. directly behind City Hall.

Commuter rail is directly adjacent to the restaurants and businesses located in and around Moody St. The commuter rail also makes a stop at Brandeis University.

The MBTA Express Bus – This line originates in downtown Boston, through Newton Corner to Waltham Center. The Express bus line is a popular line for workers commuting to and from Boston. Parking is available at the City-owned Common Street garage. The MBTA has 6 bus routes that service the City of Waltham. These include routes to North Waltham, Roberts (Brandeis), Trapelo Rd., Downtown, and the Highlands.

Transportation to and from Rte. 128 corridor is provided by the 128 Business Council. Shuttle service is available from the Alewife T-Station, Bentley University, and 128 Connection.

Public or alternative means of transportation is necessary for many residents in Waltham: 1,503 or 4.5 percent of workers did not have availability of a vehicle according to the U.S. Census ⁵ Also according to the U.S. Census, 2,186 individuals or 6.5 percent of Waltham's workers 16 and older use public transportation to get to work. 16.8 percent of Waltham's ethnically Hispanic/Latino population used public transportation to get to work, compared to about 3 percent of Whites alone (Not Hispanic/Latino).

F. BUILDING CODES AND ARCHITECTURAL ACCESSIBILITY

The 2005-2007 American Community Survey estimates that 1,682 people with physical disabilities, age 16 and over, live in the City of Waltham representing two (2.7) percent of the City's population.

In the City's efforts to affirmatively furthering fair housing the city's Building Inspector is ensuring that all residential developments meet state and federal accessibility statutes, regulations and codes. The test for accessibility is whether or not a condition is in conformity with the guidelines of the Americans with Disabilities Act (Public Law 101-336) and the regulations of the Massachusetts Architectural Access Board (521 CMR). For instance, an accessible housing unit is one that is usable by one or more persons with a physical disability and which conforms to the regulations derived from both the state and federal laws.⁶

⁵ U.S. Census American Factfinder, 2007-2011, Means of transportation to work by selected characteristics.

⁶ Americans with Disabilities Act (Public Law 101-336) , 521 CMR Architectural Access Board Rules & Regulations

The City of Waltham follows the Massachusetts State Building Code 8th Edition which mirrors the national building code, the International Code Council (ICC), and incorporates the provisions of the American National Standards Institute A117.1. State code requires new and rehabilitated commercial and multi-family residential developments to meet accessibility standards. In multifamily residential developments interior and exterior entryways, corridors, common areas and access from street and parking areas must meet accessible standards. All projects funded with CDBG and HOME funds must follow the appropriate accessibility program requirements.

Waltham Building Inspectors attend Architectural Accessibility trainings as part of their licensing annually. Additional training should be considered for CDBG and HOME project managers as well as Housing Authority personnel.

Arch. Access Checklist and Best Practices Policy for Housing Development Projects

Housing Division staff has consulted with the Planning and Building Departments and discussed how the City might develop a process that integrates architectural access compliance requirements when reviewing proposed CDBG and HOME-funded housing development projects for compliance with access regulations. The City does not currently have a municipal department, board or commission that reviews and or approves projects for architectural access beyond what is required in the building codes. It has been discussed that the Planning Department should develop with the assistance of the Building Department a scoping checklist that will ensure that assisted housing projects meet all applicable state and federal architectural access laws and regulations including: Uniform Federal Accessibility Standards (UFAS); Massachusetts Architectural Access Board (CMR 521); Federal Fair Housing Act; Section 504 of the Rehabilitation Act of 1973; Title II of the American Disabilities Act and all relevant Presidential Executive Orders.

G. VISITABILITY IN HOUSING

As the population ages and more people are living with physical disabilities, housing and community development must be re-examined. Inaccessible homes impede the daily lives of people who are mobility impaired due to illness, accident or age. Visitors to inaccessible homes face the danger of falling on the entry steps, the worry of not fitting into a bathroom and the embarrassment of being carried up the stairs. An affordable, sustainable and inclusive design approach for integrating basic accessibility features into all newly built homes is a movement known as Visitability.

Visitability is a movement to change home construction practices so that virtually all new homes, not merely those custom-built for occupants who currently have disabilities, offer a few specific features making the home easier for mobility-impaired people to live in and visit. HUD strongly encourages PJs to incorporate accessible design and construction features, in addition to those that are required, into all housing it develops with HOME funds, in order to provide "visitability." Housing that is "visitable" has a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community.

In completing this analysis it was very hard to find any data on visitability in housing in our City. However, the City's Building Inspector believes the City should put more effort into promoting any avenue that will accomplish accessibility in housing for all. The Housing Supervisor and the Building Inspector have recently discussed the feasibility of adopting local visitability requirements, through the City Council and amending the City Zoning Ordinance including whether it is within the City's legal jurisdiction to do so without intruding on the jurisdiction of the State Building Code.

H. PUBLIC HOUSING AUTHORITY: UNIT OCCUPANCY AND WAITLIST DEMOGRAPHICS; TENANT SELECTION PROCEDURES

The Waltham Housing Authority (WHA) has been the principal source of subsidized housing in the City since June 1, 1948, owning and managing 1289 units, or about 73 percent of all subsidized housing in Waltham. The Housing Authority manages both federal and state subsidy programs that provide housing to individuals and families whose annual household income does not exceed 50 percent of Area Median Income (AMI); the majority of WHA elderly tenants are at 30% or lower. The agency also administers the federal Section 8 Housing Choice Voucher Program that enables individuals and families to live in privately-owned and managed units.

Residents have the opportunity to become involved in the operation and management of the Housing Authority in two specific ways: 1) Housing Authority-M.G.L. c. 121B, sec.5 requires that one of the four Mayoral appointments to the Housing Authority's governing Board of Commissioners be a tenant who lives in a building owned and operated by, or on behalf of the Waltham Housing Authority. The resident appointee attends the monthly Board of Commissioners' meetings and currently acts as a designated signatory for Housing Authority checks. 2) The Tenants Grievance Panel is comprised of 1

tenant, 1 staff person and 1 dis-interested person. 3) The WHA currently has Tenant Associations at four HA housing sites as well.

Section 8 Housing Choice Voucher Program

As of January 2013, the Housing Authority administered Section 8 vouchers to 450 households, half of which are located within the City and the remaining half located in the surrounding area. This includes the administration of units in Boston, Cambridge, and Framingham. Not all towns will administer the vouchers that come from another HA. The WHA incurs over 100,000 dollars per year in admin costs for units outside of Waltham. According to Walter McGuire, Executive Director of the WHA, limited voucher availability continues to be an issue in 2013 as the number of available vouchers has remained at the same level as 2008. The section 8 application is a simple one page application that does not determine eligibility until the applicant is chosen. The current wait list for section 8 in Waltham is approximately 5 years. Once the applicant has been notified that they will receive a section 8 voucher, the clients undergo an extensive briefing on the Section 8 Program, which includes providing clients with informational packets on fair housing rights, and filing discrimination complaints with MCAD and HUD. The WHA reported that they do not usually hear about the specificity of complaints as clients are directed to contact HUD and or MCAD. The WHA also provides information on program policies, terms of vouchers, portability procedures, locating an apartment and lead-based paint information to its clients during consultation.

Waiting lists

The WHA consistently has a high demand for both HUD- and State-sponsored housing units and Section 8 vouchers. As of April 2013, the total number of households on the section 8 Voucher program waitlists was 146,268 statewide. Of those, 1,289 are Waltham residents. The HUD-sponsored units for seniors, people with disabilities or income-eligible individuals have a 1-2 year waiting list. Waits for entry into State-sponsored senior and disabled units are estimated to be 1-2 years, while waits for the approximately 297 family housing units are 2-3 years. According to the Executive Director, the WHA uses the Massachusetts NAHRO (National Association of Housing and Redevelopment Officials) Centralized Section 8 Waiting List. Eighty-nine Massachusetts housing authorities already utilize this computerized list which is updated every two years. All applicant information entered onto this list can be accessed and updated by all participating housing authorities and applications are always

accepted no matter where they originated from. The existing section 8 wait list as of April 2013 is provided in Table 2.

Table 2. WHA April 2013 section 8 wait list		
Items	# of Families	% of Total Families
Wait List Total	146268	
Extremely Low income > 30% AMI	139517	95.38%
Very Low Income >30% but <=50% AMI	7166	4.90%
Low Income >50% but <80% AMI	468	0.32%
Families with Children	50812	34.74
Elderly families	9321	6.37%
Families with Disabilities	48758	33.33%
White	66894	45.73%
Black	31441	21.50%
Asian	4456	3.05%
American Indian	2431	1.66%
Pacific Islander	634	0.43%
Hispanic	50736	34.69%

Metrolist

Metrolist is the Metropolitan Housing Opportunity Clearing Center. The Metrolist facilitates access to housing throughout the metropolitan Boston area by providing low- and moderate-income households with housing counseling and comprehensive information about government-assisted housing and housing on the private market. Owners of buildings receiving tax credits are also required to list vacancies and are asked to complete a yearly survey. Listing forms ask about waiting lists according to unit size, so consumers know whether a vacant unit is currently available or whether they need to join the list. Private owners are encouraged to list units as well. Area public housing authorities must inform the Center when they open and close waiting lists and must provide copies of their tenant selection plans and sample application forms. This program also includes ancillary services to make the program workable. Services include vacancy listings, housing counseling, transportation, and escort services.

Mass Access Housing Registry

Citizens' Housing and Planning Association (CHAPA) operates the Massachusetts Accessible Housing Registry (MassAccess). Mass Access is a website that helps people with disabilities

find affordable and accessible housing units throughout Massachusetts. The site follows specific Commonwealth Web Accessibility Standards, designed to meet the needs of users with disabilities. The website also allows owners and property managers to manage and publish their listings. The Department of Housing and Community Development requires that every Chapter 40B project utilize MassAccess when an accessible or affordable unit becomes available.

Current Occupancy

Over the past 10 years, the Waltham Housing Authority has observed an increase in its client population toward special populations including the elderly and individuals with physical and/or developmental disabilities. Due in part to the deinstitutionalization of people with mental illness and other disabilities in the 1980s and an aging population, the number of WHA residents with mental illness who are residing in elderly housing developments has increased. In response, the WHA has a part-time Social Worker on staff that identifies the needs of the residents in question and facilitates the supportive services. Springwell, a nonprofit organization and the state Massachusetts Rehabilitation Commission (MRC) both provide supportive services to Housing Authority residents. MRC facilitates services for residents that they place in WHA units. Thirty percent of the federally subsidized one bedroom units are occupied by elderly/disabled residents. The majority of all state and federal assisted elderly/disabled residents are at 30% AMI or below.

The WHA does not see an increase in hoarding cases. When a hoarding case is identified, the Housing Authority works closely with the City's Health Department, the Fire Department and the City's Housing Division. Financial assistance to rehabilitate the property is available from the CDBG-funded Housing Rehabilitation Program administered by the Housing Division of the Planning Department. The WHA stated that they are able to handle the current demand for fully accessible units, but that ongoing issues remain. Renovations have been made in family housing units in Waltham. The Housing Division is currently assisting the WHA with HOME funding providing energy improvements and exterior accessibility improvements at two elderly housing sites. According to the WHA, requests for reasonable accommodations are granted based on the receipt of a note of medical necessity.

Tenant Selection Preferences

The WHA maintains fair housing policies as part of their PHA plan, which is reviewed and approved by HUD annually. The Commonwealth of Massachusetts has selection regulations for its elderly housing, which restricts the non-elderly population to 13.5% of the units. In

addition, there are additional preferences and priorities that deal with displacement, victims of abuse, fire/flood victims, health and sanitary issues. The WHA does not have emergency-ready units. However, in the event emergency housing is needed, income eligible victims are placed at the top of the list and as soon as there is an available unit they are placed first. The WHA mostly sees a need for emergency placement for victims of domestic violence and works with social service agencies and the Waltham Police to expedite the process. Most recently, the WHA housed eight victims of an apartment building fire from Norumbega Terrace.

I. SALE OF SUBSIDIZED HOUSING AND POSSIBLE DISPLACEMENT

There are 18,902 units of affordable properties throughout the state at-risk of having their term of affordability expire over the next three years because their use restrictions are terminating and owners have the option to convert them to market rate housing.⁷ In November 2009, the Patrick Administration passed legislation to preserve existing privately-owned affordable housing in Massachusetts. The legislation establishes notification provisions for tenants, a right of first refusal for the Massachusetts Department of Housing and Community Development (DHCD) or its designee to purchase publicly assisted housing, and modest protections for tenants of projects with affordability restrictions that terminate. In addition, a \$150 million loan fund created by the state quasi-public Community Economic Development Assistance Corp (CEDAC) will be available to purchase these properties so that they can remain affordable in the future.

CHAPA provides the status of expiring use developments in each Massachusetts community. Their June 2010 report on Waltham shows that 330 units in 4 developments have affordability restrictions that expire.⁸ These units make up slightly more than one-quarter of Waltham's subsidized housing inventory. The units are owned by nonprofit affordable housing organizations that are expected to renew their affordability restrictions.

Possible Displacement

The City of Waltham has adopted a Residential Anti- Displacement and Relocation Assistance Plan in conjunction with the other HOME Consortium members in projects using federal funds.

⁷ <http://Chapa.org/pdf.CEDACatriskreportJan10.pdf>

⁸ <http://Chapa.org/pdf.CEDACatriskreportJan10.pdf>

J. PROPERTY TAX POLICIES

The tax rate for 2013 in Waltham is \$13.49 per thousand of assessed value. As approved by state law, the Waltham Board of Assessors administers tax assistance programs for various eligible taxpayers. These programs provide tax relief to many protected classes under State and Federal Fair Housing and Civil Rights laws, including income-eligible seniors (protected class: age), surviving spouses and children (protected class: familial status), veterans (protected class: military and veteran status / disability), and homeowners who are blind, infirm, and experiencing an economic hardship (protected class: disability).

According to the City Assessor's office the City of Waltham's Taxation Fund Committee is offering tax assistance by defraying the real estate taxes of low income elderly or low income disabled residents who are experiencing an economic hardship and meet the established guidelines. Applications for exemptions must be filed each year and exemptions are granted on an annual basis.

Valuating housing with affordability restrictions

Resale-restricted, owner-occupied housing offers an option for bringing homeownership within reach for lower income households. Few standardized policies and procedures exist for valuing and taxing resale-restricted homes, even in states where public policy favors this category of housing. Statewide, the valuation of housing with affordability restrictions is unclear. To be considered affordable, housing units must have an affordability restriction recorded on the property. This restriction ensures that the property's resale price is limited and affordable upon resale to future income eligible households. [Deed restricted property valuation at fair market value results in affordability issues for low-moderate income homeowners due to the higher property tax rate.] The Waltham deed restricted properties are assessed individually. An assessment is made based on the resale value of the restricted property to ensure that property owners are not being over taxed.

The FY11-15 WestMetro HOME Consortium Consolidated Plan⁹ has noted that a uniform approach to valuating units with affordability restrictions is needed, as there is currently no

⁹ <http://www.newtonma.gov/gov/planning/hcd/plans/>

Massachusetts statute or regulation and very limited case law dealing with the issue of what constitutes property value when affordability restrictions exist.

The Waltham HOME Program offers assistance by subsidizing acquisition and rehabilitation of affordable housing. The program utilizes a long term deed restriction on properties developed with HOME assistance. The City also monitors affordable units in the City that have been developed through the inclusionary zoning ordinance. To determine if valuation was affected when an affordability restriction was placed on the property, tax assessments from 10 properties were examined from the fiscal year prior to the restriction and the fiscal year after the restriction was in effect. A preliminary analysis, Table 3, shows that 3 assessed values increased after the affordability restrictions were placed on the property and 7 decreased.

Table 3. Assessed Values for Waltham Properties with Affordability Restrictions				
Property	Initial Price Basis under Restriction	Assessment in FY prior to restriction	Assessment in FY after restricted	Difference between FY Assessment
1	\$132,000	\$161,700	\$128,800	(\$32,900)
2	\$231,000	\$490,800	\$331,700	(\$159,100)
3	\$231,000	\$493,300	\$334,700	(\$158,600)
4	\$231,000	\$502,200	\$342,600	(\$159,600)
5	\$200,000	\$225,500	\$210,300	(\$15,200)
6	\$950,000	\$459,450	\$516,150	\$33,300
7	\$280,749	\$267,100	\$271,100	\$4,000
8	\$280,749	\$271,700	\$273,300	\$2,200
9	\$161,200	\$151,900	\$147,900	(\$4,000)
10	\$161,200	\$143,300	\$139,200	(\$4,100)

There is no evidence that any discrimination or inaccurate valuation has or is occurring. More research needs to be completed to determine if such properties reflect their affordable restricted value.

In researching assessment of affordable housing it is evident that affordable housing requires special analysis and although the assessment of affordable units is being completed there is no official documentation on how the assessments are handled. If statutes do not exist that explicitly state how to assess these housing units, assessment officials must advocate for

guidance from the State in this matter. In addition elected officials, governmental agencies, not for profit and for profit developers and other affordable housing stakeholders need to a part of this process. "Valuing Affordable Housing: A New Challenge for Assessor's" ¹⁰ surveyed 52 major jurisdictions nationwide to gather data about how assessor's were approaching the assessment and valuation of affordable properties. The responses received offer a broad perspective on the diversity of assessment practices and how they relate to housing. Currently the best practice appears to be the model that DHCD uses on deed restricted properties that are developed through the LIP Program .,¹¹ LIP units have an actual resale value on the property for the term of the affordability. This appears to be the best evidence of value.

K. BOARDS AND COMMITTEES RELEVANT TO FAIR HOUSING

The City of Waltham has several boards that work to oversee the review and approval of development projects, including affordable housing development, within the City. The advisory committees appointed by the Mayor provide important input on issues facing the community and offer advice to staff and local officials. The committees/boards provide evaluations and recommendations on housing development and city programs regarding the consistency in fair housing policy decisions concerning such matters as local resident selection preferences, affirmative fair housing marketing of City housing programs. The City Council handles most Special Permits, in particular, all Special Permits with affordable housing requirements.

Board of Survey and Planning

The Board is the citizen body that approves and or disapproves all subdivisions. It also participates with the City Council in the review of proposed zone changes. The Board of Survey and Planning consists of seven members who are residents of the City of Waltham appointed by the Mayor and confirmed by the City Council. The current Board consists of 5 men and 2 women.

Zoning Board of Appeals

¹⁰ Journal of Property Tax Assessment & Administration. Volume 4, Issue 2. Valuing Affordable Housing: A New Challenge for Assessor's by Maria Rizzetto and Jessica Zgobis (a survey/study of assessing deed restricted properties).

¹¹ Massachusetts Department of Housing and Community Development, *Local Initiative Program Guidelines* (Boston: Massachusetts Department of Housing and Community Development, updated October 2007).

The Zoning Board of Appeals consists of five regular and five associate members that are appointed by the mayor and subject to confirmation by the City Council. Members are appointed for staggered five year terms. Of the five regular board members, two are women.

Waltham Municipal Affordable Housing Trust Fund

The purpose of said trust is to provide for the creation and preservation of affordable housing in the City of Waltham to benefit low- and moderate-income households, including but not limited to senior housing, senior disabled housing, and disabled housing. An additional purpose of said trust is to give a preference in the distribution of individual affordable housing units to veterans and Waltham residents, to the extent permitted by applicable state and federal law.

The Waltham Municipal Affordable Housing Trust Fund shall investigate and research the need for affordable housing in the City, to provide recommendations and propose programs for development of such housing and to educate policymakers on housing issues. In addition the Fund:

- (a) Consults with the Massachusetts Housing Partnership regarding state and federal funding available for affordable housing purposes.
- (b) Researches and assesses affordable housing needs in the City and develops and recommends proposals and strategies to the Mayor and City Council regarding the use of any property, public or private, to increase the affordable housing stock in the City.
- (c) Makes recommendations to the Mayor regarding applications for state and federal housing development subsidies and grants. The Fund may, in the name of the City, as well as in its own name, seek public and private grants to advance affordable housing goals.
- (d) Subject to the provisions of the Waltham Zoning Ordinance, reviews all special permit petitions pending before the City Council which have an affordable housing requirement and makes recommendations to the City Council regarding the possibility and suggested methods of advancing affordable housing goals in such projects.
- (e) Subject to the provisions of the Waltham Zoning Ordinance, reviews all comprehensive permit petitions pending before the Waltham Zoning Board of Appeals and makes recommendations to the Waltham Zoning Board of Appeals regarding affordable housing as it relates to the pending petition.
- (f) Subject to the provisions of the Waltham Zoning Ordinance, reviews all proposals from developers voluntarily opting to comply with the affordable housing requirements of Article **IX** of said Zoning Ordinance (i.e., those not seeking a special permit or comprehensive permit

otherwise subject to said Article **IX**) and provides its recommendations, in writing, to the City of Waltham Building Inspector.

The board consists of five trustees with the Mayor a member and Chair of said board. All other members are appointed for a two year term by the Mayor subject to confirmation by the City Council. The current board consists of three male and two female members and are Waltham residents. The current appointees include a realtor, community builder, local business owner, and a community advocate.

Community Preservation Committee (CPC)

The Committee consists of nine voting members, as follows: The Conservation Commission, Board of Survey and Planning, Waltham Housing Authority, Waltham Historical Commission, and the Parks - Recreation Board each designates a member to serve as a member of the committee. The City Council shall appoint four members who are residents of the city and at the time of appointment and during their term shall not serve as an elected official a member of any other City of Waltham Board, Commission, Authority, or Committee or be a City of Waltham Employee. Members shall be designated or appointed prior to the end of each fiscal year to serve a one year term concurrent with the following fiscal year

Among its duties, the CPC studies the needs, possibilities, and resources of the City regarding community preservation and support of community housing. The Committee consults with the Mayor, the City Council, the Planning Director, the Housing Director, the Conservation Commission, the Waltham Historical Commission, the Board of Survey and Planning, the Parks-Recreation Board, the Waltham Housing Authority, the Waltham Municipal Affordable Housing Trust Fund, and any persons acting in those capacities or performing like duties, in conducting such studies. With respect to community housing, the CPC recommends wherever possible the reuse of existing buildings or construction of new buildings on previously developed sites. In every fiscal year the CPC must recommend not less than 10% of the annual revenues towards community housing.

Disability Commission

The Commission consists of seven voting members appointed by the Mayor and confirmed by the City Council. One member is an elected or appointed official of the City. The majority of the members consist of handicapped persons, all residents of the City. The Disability Commission

identifies, analyzes, and monitors public policies, programs, services and regulations that effect or may affect persons with disabilities. The commission makes recommendations and provides comprehensive coordination and support to appropriate City departments concerning public policies, programs, services and regulations.

Functions of the commission include the following:

- To identify, analyze, evaluate and monitor public policies, programs, services and regulations that affect or may affect persons with disabilities.
- To utilize a system of collection of information for the purposes of identifying inadequate or inaccessible programs and services, and duplication of programs and services.
- To make recommendations and to provide comprehensive coordination and support to appropriate City departments concerning public policies, programs, services and regulations as they affect or may affect persons with disabilities.
- To develop and promote information and referral services and such other assistance to disabled persons as may be appropriate regarding programs, services, rights and opportunities for persons with disabilities.
- To identify and recommend to local agencies, departments and organizations appropriate sources of City, state and federal funds which are available for expanding or improving services and programs for persons with disabilities.
- To provide the City's Personnel Department with technical assistance as to how to ensure reasonable accommodation, auxiliary aids and general access to the employment process for persons with disabilities.

The Disability Commission is currently completing a self-evaluation transition plan as it pertains to Title II. The City has allocated \$20,000 to begin Phase I of the Plan. The funding is appropriated for the Disability Commission from the revenue the city receives through handicap parking violations. The City will re- examine all its policies and practices. Programs and functions may have changed significantly since the section 504 self-evaluation was completed. Actions that were taken to comply with section 504 may not have been implemented fully or may no longer be effective. In addition, section 504's coverage has been changed by statutory amendment, particularly the Civil Rights Restoration Act of 1987, which expanded the definition of a covered program or activity. Therefore, public entities should ensure that all programs, activities, and services are examined fully, except where there is evidence that all policies were previously scrutinized under section 504.

A self-evaluation is a public entity's assessment of its current policies and practices. The self-evaluation identifies and corrects those policies and practices that are inconsistent with title II's requirements. As part of the self-evaluation, a public entity should:

- 1) Identify all of the public entity's programs, activities, and services; and
- 2) Review all the policies and practices that govern the administration of the public entity's programs, activities, and services.

An analysis of these boards and committees does not indicate any discriminatory practices or impediments limiting fair housing choice. This analysis recommends fair housing education for boards, committees, and commissions that work on housing issues.

5. Analysis of the Private Sector

A. LENDING POLICIES AND PRACTICES

Geographic Disparity

Paying More for the American Dream, ¹² A Multi State Analysis of High Cost Home Purchase Lending examined the cost of borrowing in six metropolitan areas in the United States. These areas include large urban areas - New York City, Los Angeles, Chicago, and Boston, ¹³ as well as the smaller urban areas of Charlotte, NC and Rochester, NY. This study confirms that large disparities remain in the pricing of home purchase loans based on HMDA 2005 data..

- In these six metropolitan areas, African American borrowers were 3.8 times more likely to receive a higher-cost home purchase loan than were white borrowers.

¹² Paying More for the American Dream, A Multi State Analysis of High Cost Home Purchase Lending, March 2007, a joint report completed by A Joint Report By: California Reinvestment Coalition, Community Reinvestment Association of North Carolina, Empire Justice Center, Massachusetts Affordable Housing Alliance, Neighborhood Economic Development Advocacy Project and the Woodstock Institute.

¹³ In this report, "Boston" is the Boston metro area consisting of Essex, Middlesex, Norfolk, Plymouth, and Suffolk Counties. This is the same area as the Massachusetts portion of the Boston Metropolitan Statistical Area defined by the federal government in 2003.

- In the same six metro areas, Latino borrowers were 3.6 times more likely than white borrowers to receive a higher-cost home purchase loan.
- Boston had the highest share of higher-cost loans to Latino borrowers at 54.5 percent.

In 2008, home-purchase lending to Black/African American and Hispanic/Latino borrowers was highly concentrated in a small number of the state's cities and towns. This includes just eight communities (including Springfield, Brockton, Worcester, and Boston) receiving over half of all lending to Latinos.¹⁴ Waltham was not one of these communities, with 11 home purchase loans originated to Black/African American borrowers and 7 to Hispanic/Latino borrowers, compared with 316 White borrowers in 2011. This data suggests that an underrepresentation of minority borrowers exists in the Waltham housing market.

Lending Disparity

*Changing Patterns XIX: Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Boston, Greater Boston, and Massachusetts 2011*¹⁵, is a yearly study prepared for the Massachusetts Community and Banking Council (MCBC) by Jim Campen. The report analyzes HMDA data to examine loan applicants and loan denial ratios among minorities in communities that are part of the Metropolitan Area Planning Commission (MAPC)¹⁶ as well as across the state. The report also focuses on fair access to *good* loans for traditionally underserved borrowers and neighborhoods by analyzing the ratios of higher-cost, less affordable loan products (or HALs)¹⁷ between traditionally underserved and White borrowers.

CRA Ratings or Community Reinvestment Act performance ratings were reviewed for the top mortgage lenders in Waltham as part of this AI. The Ratings system was helpful in

14 Massachusetts Department of Housing and Community Development. *Analysis of Impediments to Fair Housing Access and Action Steps to Mitigate Impediments*. 2011

15 *Changing Patterns XIX: Mortgage Lending to Traditionally Underserved Borrowers & Neighborhoods in Boston, Greater Boston, and Massachusetts 2011*¹⁵, is a yearly study prepared for the Massachusetts Community and Banking Council (MCBC) by Jim Campen

16 The MAPC consists of 101 cities and towns in the Greater Boston area, including Waltham

17 HALs are identified as having annual percentage rates at least three percentage points higher than the current interest rate on long-term U.S. Treasury Bonds

providing the city with current information (2010-2012) on each lender. A rating of outstanding and or satisfactory reflected the following:

- That the geographic distribution of the lender's loans reflected an adequate dispersion in low- and moderate-income census tracts as it is reflective of the distribution of owner-occupied housing in those census tracts.
- That the distribution of borrowers reflected , given the demographics of Massachusetts, an adequate record of serving the credit needs among individuals of different income levels, including low- and moderate-income.
- That the lender offered a variety of flexible lending practices, which are provided in a safe and sound manner to address the credit needs of low- and moderate-income individuals or geographies.
- That the lender offers Community Development services.
- That the lender follows Fair lending policies and practices and if complaints were received during the evaluation period.

The lenders with the largest market share of home purchase loans in Waltham all received an outstanding or satisfactory rating. A listing of the lenders is found in Table 7 of this report. While this does provide information on the lenders, their policies and practices it does not address the low number of minorities that are applying for home purchase loans in Waltham, especially African Americans. More research will need to be completed on lender outreach to minority borrowers.

Fair Access to Good Credit

A major element of the American dream is a home of one's own in the neighborhood of one's choice. Owning a home is one of the primary ways of accumulating wealth in our society, a form of wealth acquisition that is especially protected in the U.S. tax code. Being a homeowner increases people's feelings of control over their lives and their sense of overall well-being. High rates of homeownership are believed to strengthen neighborhoods as well, by increasing residents' stake in the future of their communities.

Not all Americans, however, enjoy equal access to the benefits of homeownership. Federal law prohibits discrimination in the homebuying process, mandating that all would-be homebuyers must be treated equally by real estate agents, lenders, appraisers, and insurance brokers.¹⁸ However, existing enforcement mechanisms may not be effective enough to guarantee equal treatment or equitable results. Indeed, research clearly shows that minorities still face substantial discrimination in the process of looking for a home to buy (or rent).¹⁹ Many people believe that minorities also face discrimination when they try to obtain a mortgage—a necessity for most Americans wanting to buy a home. There is no question that minorities are less likely than whites to obtain mortgage financing and that, if successful, they receive less generous loan amounts and terms. But whether these differences are the result of discrimination—rather than the inevitable result of objectively lower creditworthiness—is the subject of a raging debate. The problem is not that analysts or practitioners have ignored the question of discrimination in mortgage lending. Many research and investigative studies have addressed certain facets of it, using different data sets and analytic techniques to study various outcomes. The problem is that these studies have not produced a clear consensus on a set of conclusions.²⁰

Loan Denial Disparity

Based on 2011 HMDA data the denial rates on conventional (i.e., nongovernment-backed) mortgage loan applications by blacks was 30.95% with 38.10% of loan originations. The corresponding denial rates for whites was 11.30% with 72.23% of loan originations while denial rates for Hispanics were 28.17% with 53.2% of loan originations.

18 The Fair Housing Act, 42 U.S.C.A. §3601 *et seq.*; the Equal Credit Opportunity Act, 15 U.S.C.A. §1691 *et seq.*; and the Civil Rights Act of 1866, 42 U.S.C.A. §§1981, 1982.

19 Federal law also prohibits discrimination in housing based on sex, family composition, religion, and disability. This volume focuses on the issue of racial and ethnic discrimination.

20 For a comprehensive discussion of the myriad and complex issues involved in legal and analytic investigations of mortgage lending discrimination, see Goering and Wienk (1996).

Table 4. Lending Disparity profile, by Race

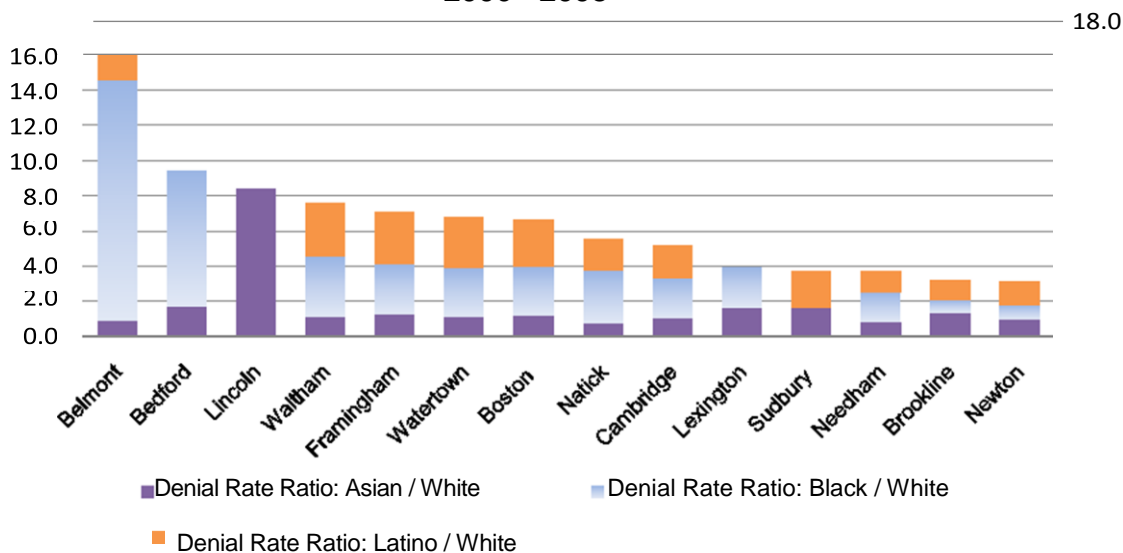
Race	Originations		Denials		Purchased Loans	Total Apps.
	#	%	#	%		
White	1342	72.23	210	11.3	316	2174
Black	16	38.10	13	30.95	11	53
Hispanic	38	53.52	20	28.17	7	78
Asian	179	71.60	27	10.8	52	302
Native Am.	0	0.00	0	0	1	1
Hawaiian	1	100.00	0	0	0	1
Multi Race	0	0.00	1	25	0	4
Unknown	220	61.45	53	14.8	546	904
Totals	1796	69.50	324	12.54	933	3517

Table 5. Lending Disparity profile, by Gender

Gender	Originations		Denials		Purchased Loans	Total Apps.
	#	%	#	%		
Male Alone	435	69.38	82	13.08	115	742
Female Alone	355	69.74	63	12.38	79	588
Male Primary	645	71.83	90	10.02	160	1058
Female Primary	158	69.30	34	14.91	35	263
Male/Male	31	70.45	9	20.45	5	49
Female/Female	31	79.49	3	7.69	12	51
Unknown	141	59.00	43	17.99	527	766
Totals	1796	69.50	324	12.54	933	3517

As Graph 1 (completed for the City of Newton's FY 11 - FY15 Analysis of Impediments) shows, compared to select communities in the Greater Boston area Newton had the lowest aggregate average of loan denial ratios from 2006 to 2008 while Belmont had the largest. In the same time period, Belmont also had the highest average Black/White loan denial ratio (13.7), Lincoln had the highest average Asian/White loan denial ratio (8.4), and Waltham had the highest average Latino/White loan denial ratio (3.0).

**Graph 1. Aggregate Average of Loan Denial Rate Ratios for
Select communities in the Greater Boston area,
2006 - 2008**



This and previous *Changing Patterns* reports document evidence that continuing racial and ethnic disparities exist in mortgage lending in the Greater Boston area. The reports have concluded that mortgage lending disparities do exist between White and non-White mortgagees, and that these disparities go beyond affordability. The data suggests that Waltham has high racial and ethnic loan denial disparities. The data also suggests that there is an underrepresentation of minority borrowers in the Waltham housing market, despite its proximity to the more racially diverse Boston.

Efforts must be made to ensure that fair, quality lending products are available to communities of color that are a true reflection of a consumers credit score. Some possible options for achieving this end are community assessments to determine if fair products are actually being offered to borrowers in Waltham.

Fair Lending Analysis

This section contains an analysis of home loan and community reinvestment data. Home Mortgage Disclosure Act (HMDA) data is commonly used in AI's to examine fair lending practices within a jurisdiction. As of 2004, HMDA data contain interest rates of high cost loans, which allows an analysis of high cost lending patterns.

Home Mortgage Disclosure Act (HMDA) Data analysis. The best source of analysis of mortgage lending discrimination is Home Mortgage Disclosure Act, or HMDA, data. HMDA data

consist of information about mortgage loan applications for financial institutions, savings banks, credit unions, and some mortgage companies. The data contains information about the location, dollar amount, and types of loans made, as well as racial and ethnic information, income, and credit characteristics of all loan applicants. The data is available for home purchases, loan refinances and home improvement loans.

HMDA data can provide a picture of how different applicant types fare in the mortgage lending process. The data can be used to identify areas of potential concern that may warrant further investigations. For example, by comparing loan approval rates of minority applicants with non-minorities who have similar income and credit characteristics, areas of potential discrimination may be detected.

The Federal Reserve is the primary regulator of compliance with fair lending regulations. When federal regulators examine financial institutions, they use HMDA data to determine if applicants of a certain gender, race, or ethnicity are rejected at statistically significant higher rates than applicants with other characteristics. The Federal Reserve uses a combination of sophisticated statistical modeling and loan file sampling and review to detect lending discrimination. Recently, the Federal Reserve began requiring banks to provide the rate spread above a certain annual percentage rate (APR) data for subprime loans. As such, HMDA data can now be used to examine differences in subprime pricing among borrowers of various races and ethnicities.

Loan application process. When a loan application is submitted by a borrower to a bank, a variety of actions can be taken by the bank, which are captured in the HMDA data:

- “Loan originated” indicates that the application was approved and the applicant accepted the loan;
- “Approved, not accepted” means that the application was approved, but the applicant chose not to accept the loan;
- “Denied” signifies that the application was not approved;
- “Withdrawn” indicates that the applicant chose not to pursue the loan before an approval decision had been made; and
- “File closed, incomplete” means that the application was incomplete and the loan was not evaluated.

The most recent HMDA data available is for 2012. Approximately 7,253 loan applications were made representing residents and/or properties in Census Tracts located in the City of Waltham. For our analysis, we limited loan applications to include the following:

- Owner-occupied homes—i.e.; those homes intended for use as a borrower's principal dwelling (not as a second home or investment property).
- Originated loans, loans that were denied, withdrawn, closed, purchased by another institution and approved but not accepted. Loans purchased by a financial institution and preapproval requests are excluded.
- Loans made for home purchases, refinances and home improvements.

After screening all loans based on those parameters, we were left with 5,128 loans to examine and analyze. These loan applications are analyzed below.

Loan type and purpose. An analysis of the loan application records included in the HMDA data for Waltham showed that the majority of loan applications (56 percent) were for conventional loan products and the remaining 44 percent were for government guaranteed loan products.

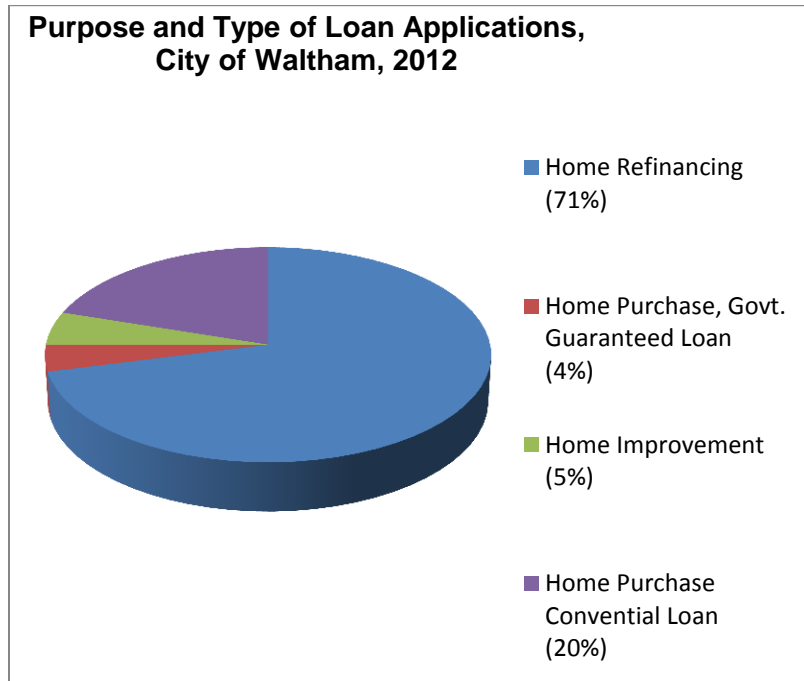
HMDA data report several types of loans. These include loans used to purchase homes, loans to make home improvements and refinancing of existing mortgage loans, as defined below.

- Home purchase loan. A home purchase loan is any loan secured by and made for the purpose of purchasing a housing unit.
- Home improvement loan. A home improvement loan is used, at least in part, for repairing, rehabilitating, remodeling, or improving a housing unit or the real property on which the unit is located.
- Refinancing. Refinancing is any dwelling-secured loan that replaces and satisfies another dwelling-secured loan to the same borrower. The purpose for which a loan is refinanced is not relevant for HMDA purposes.

Most of the loan applications in Waltham were for refinancing existing home loans; these represented 71 percent of the applications. Twenty four percent were for home purchases and 5 percent were for home improvement loans.

Exhibit 3
Action Taken on
Loan Applications,
Waltham, MA 2012

Source: HDMA Data 2011
MSA/MD: 15764



Disposition of loans. The following exhibit shows the number and percent of the action taken on the loan applications for Waltham in 2012. Fifty-one point seven percent of the city's loan applications were originated (approved) and 9.21 percent of the applications were denied. The remaining loan applications were withdrawn or incomplete.

Exhibit 4
Action Taken on
Loan Applications,

Source: HDMA Data 2011
MSA/MD: 15764

City of Waltham	#of Loan Applications	Percent
Loan originated	1796	51.07
Approved, but not accepted	933	26.53
Denied by financial institution	324	9.21
Withdrawn by applicant	237	6.74
File closed incomplete	127	3.61
Rejected by Applicant	100	2.84
Totals	3517	100%

Nineteen percent of home purchase loan applications were denied. Denial rates were higher for home improvement (22.8 percent) and refinance (20.1 percent) loans, which is common because these types of loans are riskier for lenders.

Race/ethnicity of loan applicants. Almost 62 percent of the Waltham loan applications were from applicants who reported their primary race to be White. A little over 2% percent of applicants were Hispanic or Latino. Denial rates among all minority and ethnic applicants were higher than the city's overall denial rate of 12.54 percent. Blacks experienced a 30.95% denial rate and Hispanics denial rate was 28.17%. White borrower's denial rate was 11.30% while Asian borrowers experienced a 10.80% denial rate.

Table 6. Race and Ethnicity of Loan Applicants 2011

Race	#	%
White	2174	61.81
Black	53	1.51
Hispanic	78	2.22
Asian	302	8.59
Native American	1	0.03
Hawaiian	1	0.03
Multi-Race	4	0.11
Unknown	854	25.7
Total	3517	100%

A higher denial rate for Blacks and Hispanics minorities does not necessarily indicate fair housing problems. It can be explained, in part, by these populations having lower incomes than Whites in the city overall. It is also possible that credit histories vary among applicants with different racial/ethnic characteristics. Without a detailed analysis of each applicant it is unclear if the reason for the difference is due to variables other than income that are considered in making the lending decision (e.g., credit history, debt to income ratios) or if discrimination in lending could be occurring.

An overview of all lenders was completed for this analysis. A total of 230 lenders provided 3,517 prime mortgages (this includes primary mortgages, re-finances and home improvement loans) for all property types to all races including Hispanic ethnicity in Waltham in 2011. No Subprime loans were reported to HMDA. Table 7 provides mortgage data for 2011 based on HMDA data

providing an example of the top 20 lenders. Eight of the top twenty lenders have locations in Waltham. The remaining 1281 (36%) of mortgages were provided by the remaining 222 lenders.

Bank of America JP Morgan Chase and Wells Fargo were the biggest lenders in Waltham in 2011. They were also two of the biggest lenders state and nationwide, accounting for 25.4% of all first-lien holds according to HMDA data.

Table 7. Mortgage Lenders Market Share Waltham, MA 2011

Lender	# of Loans	% of Loans
Bank of America	355	10.09
Wells Fargo	281	7.99
JP Morgan Chase	229	6.51
RBS Citizens	146	4.15
Ally Bank	136	3.87
GMAC Mortgage	117	3.33
Mortgage Master	112	3.18
Citimortgage Inc.	89	2.53
U. S. Bank	85	2.42
Citibank	81	2.3
Sovereign Bank	80	2.27
Leader Bank	75	2.13
PHH Mortgage	69	1.96
Metlife Bank	64	1.82
Watertown Savings	61	1.73
Salem Five bank	60	1.71
NE Moves Mortgage	55	1.56
Greenpark Mortgage Co.	51	1.45
Provident Funding	47	1.34
Rockland Trust	43	1.22
Totals	2236	63.56

According to Changing Patterns XVIII, the overall level of lending was substantially lower in 2011 than during the year before. Home purchase loans fell 8% statewide, continuing a multi-year downward trend. Government backed loan's (GBL's) continued to account for historically high shares of total lending in 2011. Statewide, GBL's accounted for 29% of all home purchase loans and for 6% of the much larger number of re-finance loans.

In Boston, Greater Boston and Massachusetts in 2011, the denial rates on conventional mortgage loan applications by blacks, both for home purchase and re-finance were in every case more than twice as high as the corresponding denial rates for whites. The denial rates for Latinos were always at least 1.7% times as high as the white denial rates. Black/white and

Latino/white denial disparity ratios were significantly lower for applications for government-backed loans.

Even though black and Latino applicants had, on average, substantially lower incomes than their white counterparts, the higher denial rates experienced by blacks and Latinos cannot be explained by their lower incomes. When applicants in Boston, Greater Boston and statewide are grouped into income categories, the 2011 denial rates for blacks and Latinos were in almost every case well above the denial rates for white applicants in the same income category.

Reasons for denial.

The HMDA data did include some limited information from lenders on why they turned down an application. Institutions are allowed to cite up to three reasons (from a list of nine) why an application was turned down. Lenders listed debt to income ratio, employment history, collateral and credit history as the most common reasons for denial of loans for home purchase.

100% of Hispanic loan denials were for credit history

57% of White denials were for credit history

50% of Black denials were for credit history

33% of Asian denials were for credit history

HMDA data also contain summary information on the reasons for denial by type of loan and applicant characteristics, which can help explain some of the variation in approval rates among applicants. As demonstrated in the exhibit that follows, poor credit history is the major reason for applications denials for home improvements and home purchase loans, as well for Hispanic or Latino applicants. Inadequate collateral is the major reason for application denials for refinance loans and applicants who are not Hispanic or Latino (this is a change from recent years, where poor credit history was the primary factor). It is likely that these residents who were denied loans due to inadequate collateral have seen a recent loss in value of their homes and probably owe more on their home than what it is currently valued. A high debt-to-income ratio is another important reason that loans are denied.

Subprime analysis. This section examines how often Hispanic or Latino borrowers in Waltham received subprime loans compared to borrowers who are Not Hispanic or Latino. For the purposes of this section, we define “subprime” as a loan with an APR of more than 3 percentage

points above comparable Treasuries. This is consistent with the intent of the Federal Reserve in defining “subprime” in the HMDA data.

We also call loans “super subprime” which have APRs of more than 7 percentage points above comparable Treasuries. This is our own definition, created to identify very high-cost loans.

Of the 1,796 mortgage loans originated in Waltham in 2011, none were considered subprime by our definition (i.e., these loans met or surpassed the pricing reporting threshold required by HMDA data).

Lending By Borrower Race/Ethnicity and Income

Regulation and the creation of a more fair lending market requires legislators to pay particular attention to the nuances of communities of color to ensure that they benefit equally from consumer protections. Even the most determined lending institution will have difficulty cultivating business from minority customers if its underwriting standards contain arbitrary or unreasonable measures of creditworthiness. Consistency in evaluating loan applications is also critical to ensuring fair treatment. Since many mortgage applicants who are approved do not meet every underwriting guideline, lending policies should have mechanisms that define and monitor the use of compensating factors to ensure that they are applied consistently, without regard to race or ethnicity.

Policies regarding applicants with no credit history or problem credit history should be reviewed. Lack of credit history should not be seen as a negative factor. Certain cultures encourage people to “pay as you go” and avoid debt. Willingness to pay debt promptly can be determined through review of utility, rent, telephone, insurance and medical bill payments. In reviewing past credit problems, lenders should be willing to consider extenuating circumstances. For lower-income applicants in particular, unforeseen expenses can have a disproportionate effect on an otherwise positive credit record. It is important to distinguish between length of employment and employment stability. Many lower income people work in sectors of the economy where job changes are frequent. Lenders should focus on the applicant’s ability to maintain or increase his or her income level, and not solely on the length of stay in a particular job.

Successful participation in credit counseling or buyer education programs is another way that applicants can demonstrate an ability to manage their debts responsibly.

Lenders should be aware of the programs available to reduce the costs and risks of lending to customers who do not meet conventional underwriting standards. Lenders can participate in loan programs offered by federal, state, and local agencies, or develop products to serve these customers in cooperation with public and private nonprofit organizations. Lenders should explore the various public programs designed for borrowers with special needs. Lenders may also wish to encourage working with the public sector to develop products that assist lower-income borrowers by using public money to reduce interest rates, provide down payment assistance, or otherwise reduce the cost of the mortgage. Encourage lenders to work with special secondary mortgage market programs designed for lower income homebuyers. Lenders should seek out federal and state mortgage programs targeted to first time or lower income homebuyers. State and local agencies may offer soft second mortgages, down payment assistance, and other enhancements that can help an otherwise creditworthy applicant qualify for a conventional first mortgage.

Lending Institutions

The Federal Home Loan Bank of Boston (FHLB) offers its member banks four options for funding affordable housing and economic development in the Boston area. The Affordable Housing Program (AHP) provides funds for homeownership and rental housing proposals that benefit very low- to moderate-income individuals and families. FHLB funds have been used in a number of housing development projects in Waltham and have been critical to the success of the HOME Program CHDO housing development efforts. The Federal Home Loan Bank of Boston is committed to the principles of equal opportunity in employment and in contracting, regardless of race, color, national origin, sex, religion, age, disability status, sexual orientation, veteran status, genetic information, gender identity, or any other applicable protected status. The Bank is also committed to prohibiting retaliation or reprisal against any individual for making a good faith complaint of discrimination in employment or in contracting, or for assisting in the investigation of such a complaint.

The FHLB New England Fund (NEF) provides member financial institutions with advances to support housing and community-development initiatives that benefit moderate-income

households and neighborhoods. The NEF serves a broader range of moderate-income households than the Bank's Community Development advance and provides special flexibility for mixed-income residential development. In general, the NEF can be used to finance affordable homeownership and rental housing opportunities for families with incomes at or below 140 percent of the median income for the area. NEF advances can be used to fund loans for acquisition, refinancing, construction, and/or rehabilitation.

The Massachusetts Affordable Housing Trust Fund (AHTF) provides resources to create or preserve affordable housing throughout the state for households whose incomes are not more than 110% of median income. The purpose of the Affordable Housing Trust Fund is to support the creation or preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income, as defined by HUD. AHTF funds focus on those activities that create, preserve or acquire housing throughout the state for the benefit of those households. AHTF funds may also be used for permanent or transitional housing for homeless families and individuals, and for the modernization, rehabilitation and repair of public housing.

B. REAL ESTATE POLICIES AND PRACTICES

The Civil Rights Act of 1968 prohibited the following forms of discrimination:

- Refusal to sell or rent a dwelling to any person because of his/her race, color, religion or national origin. People with disabilities and families with children were added to the list of protected classes by the Fair Housing Amendments Act of 1988.
- Discrimination against a person in the terms, conditions or privilege of the sale or rental of a dwelling.
- Advertising the sale or rental of a dwelling indicating preference of discrimination based on race, color, religion or national origin (amended by Congress as part of the Housing and Community Development Act of 1974 to include sex and, as of 1988, people with disabilities and families with children.)
- Coercing, threatening, intimidating, or interfering with a person's enjoyment or exercise of housing rights based on discriminatory reasons or retaliating against a person or organization that aids or encourages the exercise or enjoyment of fair housing rights.
- In 1988 Congress voted to weaken the ability of plaintiffs to prosecute cases of discriminatory treatment in housing.

This analysis revealed that 58 percent of the Waltham housing discrimination complaints filed with HUD in 2008 - 2013 contained allegations of discrimination based on disability. This figure was greater than the percentage of complaints filed on the basis of race (8 percent), familial status (25 percent), national origin (25 percent), gender (8 percent), and retaliation (16 percent).²¹ It is important to note that in each of the twelve filed cases there were multiple fair housing violations cited.

The Fair Housing Center of Greater Boston had received 7 complaints between the same periods of time. The housing discrimination complaints filed with the FHCGB between 2008 - 2013 contained allegations of discrimination based on source of income at 57%. This figure was greater than the percentage of complaints filed on the basis of race (14 percent), familial status (28 percent), national origin (28 percent), marital status (14 percent), and age (14 percent).²² Three of the complaints filed with FHCGB were for multiple fair housing issues.

5 Analysis of the Public and Private Sector

This section analyzes the interactions between the public and private sectors and identifies the efficacy and gaps found within fair housing enforcement, education, and outreach. This section also briefly discusses the importance of housing affordability and economic factors and their impacts as impediments to fair housing choice.

A. FAIR HOUSING ENFORCEMENT

In order to build, sustain, and grow strong, stable, diverse communities, we need strong federal leadership that coordinates fair housing policy and practice across agencies. The combined efforts of leaders within the West Metro Consortium communities, fair housing advocates, committed members of the housing industry and government action has ensured that housing opportunities are fairer than they were four decades ago. Local Lenders' and Realtors' mission statements include a commitment to fair housing, and state real estate licensing laws require fair housing training and continuing education.

²¹ HUD response to fair housing complaint filed for Waltham, MA from 2008-2013

²² Fair Housing Center of Greater Boston response to fair housing complaints filed between 2008-2013

Enforcement such as monitoring and complaint systems, as well as more proactive and preventative measures such as informational programs, education, outreach, training, and advocacy, are needed to ensure that fair housing laws are institutionalized and adhered to in both the public and private sectors.

Formal Complaint Process

The Planning Director of the City of Waltham is the Fair Housing Officer for the City. Fair Housing complaints are directed to the Housing Division. Housing staff handles housing discrimination complaints and provides complainants with information and assistance if needed on how to file a complaint. The complaint process is posted on the City of Waltham's Housing web site.²³ Tenant - landlord disputes are also referred to WATCH, Inc. a local housing advocate that assists tenants and landlords with mediation. All landlord - tenant complaints made to the Housing Office are mailed information form the Attorney General's Office regarding Tenant / Landlord Rights.

Compliance and Monitoring

The Fair Housing Center of Greater Boston, The Disability Law Center and the Fair Housing Action Plan all recommend the need for ongoing monitoring, consistent fair housing data collection on market rate and subsidized housing units, and occasional investigative testing to improve and expand fair housing practices in both the public and private sectors. Limited personnel and financial resources make it difficult to conduct these efforts in a consistent, structured and efficient manner, both HOME and CDBG program budgets have been reduced annually since the last AI in 2008.

This analysis has found that there is notification of available accessible/affordable housing units in Waltham on websites or other public clearinghouses such as MassAccess²⁴, Metrolist²⁵, and Massaffordablehomes.org.²⁶ All owners, managers and housing authorities with accessible apartments are required to register accessible units with the Mass Access

²³ www.city.waltham.ma.us/housing

²⁴ The MassAccess Housing Registry (MAHA) helps people to find affordable housing in Massachusetts. A key feature of the Registry is to highlight homes for people with disabilities who need accessible or barrier-free housing.

²⁵ The Metropolitan Housing Opportunity Clearing Center (Metrolist) collects and provides information primarily about government subsidized apartments for rent, and homes for sales, in and around Boston.

²⁶ Massaffordablehomes.org is a listing of affordable home lotteries and affordable home re-sales throughout the State of Massachusetts.

Clearinghouse. The City of Waltham does not have a separate comprehensive listing of its accessible housing at this time.

B. INFORMATIONAL PROGRAMS, EDUCATION, OUTREACH AND ADVOCACY

As part of this analysis, city officials, residents and key stakeholders agree that there is a lack of fair housing education available in the city. Stakeholders agree that the first step in raising awareness of fair housing rights and issues must begin with municipal training. Stakeholders note that the current fair housing information the city is currently providing is sufficient, however, it is not a broad enough outreach. Stakeholders agree that outreach must reach the entire community.

This analysis finds that housing consumers, producers, and providers are not knowledgeable about fair housing processes and laws.

Housing Consumers (or home seekers)

As part of this AI a survey was conducted of citizens. This survey asked questions about citizens' awareness and knowledge of fair housing laws; their opinions about fair housing laws; if they had been discriminated against or knew someone who had; and what their course of action would be if they were faced with discrimination. Survey questions relayed types of discrimination. Overall, feedback with community members made it explicitly clear that lack of education about fair housing rights and laws presents a significant impediment to fair housing choice in Waltham. Lack of education is pervasive and difficulties remain in consistently empowering consumers. A total of 2400 surveys were processed through the Waltham Public Elementary schools. The surveys were in English, and translated to Spanish and French Creole. The Housing Division received over 500 completed surveys back. The previous survey completed in 2008 was provided to the city through the Housing web site and the results were very low, with only 20 completed surveys returned.

The survey results report the following:

Gender. Census data shows a much higher response from females (78%) vs. males (19%)

Marital status. 75% of the individual respondents are currently married

Race/ethnicity. The racial composition of respondents in the completed surveys were primarily white at 65%, 1% black, 1% Asian. Thirty three percent of respondents chose not to answer.

Twenty one percent of respondents stated they were Hispanic.

Homeownership. The survey results presented a higher percentage of homes that are Owner-occupied (50%), compared to (45%) percent of renters. Five percent chose not to answer.

Household income. Household income data for participating respondents in the City: Seventeen (17%) percent of the respondents earned less than \$19,300, while only nine (9%) percent of survey respondents earned between \$19,300 and \$38,450. Fourteen (14%) percent earned between \$38,450 and \$65,000. Forty- Five (45%) percent of respondents earned over \$65,000. The remaining 15% chose not to answer.

Understanding of Fair Housing Law

This section contains the results of survey questions that tested citizens' awareness and knowledge of fair housing law. The survey asked respondents to rate their knowledge of fair housing law on a scale of One to three. One being very knowledgeable, two being knowledgeable and three having no knowledge at all of fair housing law. Forty-eight percent answered that they have no knowledge of fair housing law. Only 16% of respondents stated they were very knowledgeable. The remaining 36% chose not to answer.

Experience with Housing Discrimination and Actions Taken

Citizens were asked a series of questions on housing discrimination. Had they ever been denied access to housing in our city and the reason why. Information was provided in each survey regarding protected classes and we asked for a response based on the protected class. We asked for a brief description of the complaint and if any action had been taken. We also asked if they were satisfied with the results of their complaint. Eight (8%) percent of survey respondents stated they had been denied access to fair housing in the City and no action had been taken. Only one response indicated a formal complaint being made through a housing advocate and it was resolved satisfactorily. Of the 8%, 8 citizens were denied housing based on familial status, 10 citizens were denied housing on source of income. It is unclear if this was source of income and not quantity of income. Children were also a reason for denial for 7 respondents. Two of the seven respondents with children were denied because the rental had lead paint. There were a few complaints that discussed immigration status and bad credit.

The survey did not ask home seekers if they went through a realtor, housing authority, or a private landlord. This information would have been very useful and we will incorporate this information in a follow up survey for the AI update in 2014.

Accessing fair housing information.

The last set of questions were related to how citizens would access information about their fair housing rights if they wanted to. Citizens were asked if they were to receive information regarding fair housing law and resources, in what form would they wish to receive it? The most common responses of the survey were to receive information through media resources, email and or internet search (local government sources of information) (44 percent), information received through workshops (16 percent). A slightly higher percentage of respondents (18 percent) said they would like to receive information in brochures/newsletters/posters. Most of the protected populations under the fair housing laws are not aware of or are unable to access resources available to them.

Producers and Providers of Housing

A Fair Housing Survey was prepared by Housing staff and sent to Waltham Real Estate Agencies and Local Lenders. The survey was a questionnaire that would assist the city with some clarity on how to focus Fair Housing Training. The response was underwhelming and suggests that education should be offered to the Lending and Real Estate Fields. The partnership of the City and local businesses that provide housing would prove invaluable to our efforts on fair housing rights and additional outreach could be made throughout our community through the combined effort.

The Waltham Housing Authority along with non- and for-profit developers should be included in any educational outreach we make. Interviews made with municipal departments for this analysis verify that there is a definite need to reach out the private landlords of small residential housing in the City. There is a need for extensive educational campaign to raise fair housing awareness levels in the city.

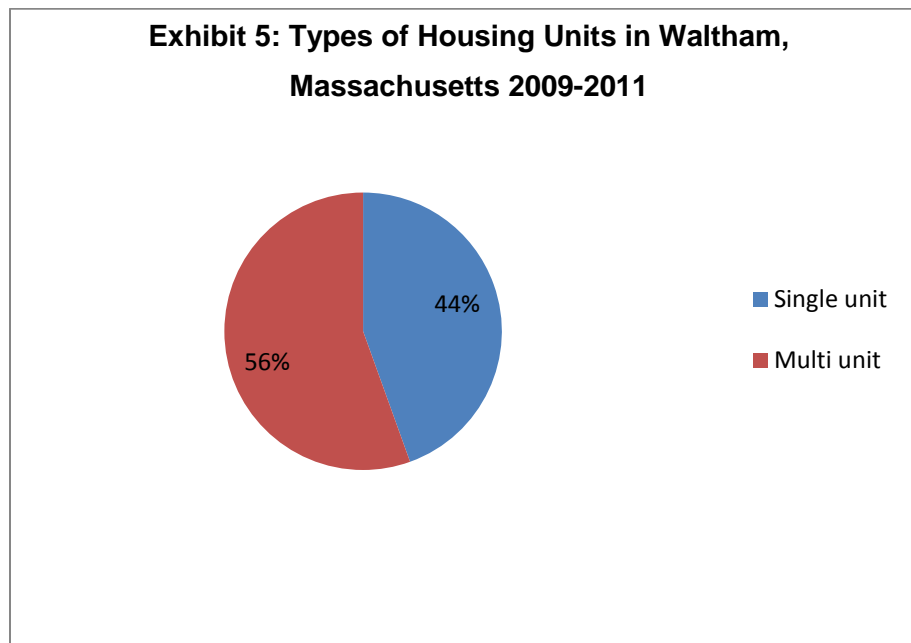
Local Government and Private Sector

It is evident that fair housing education and training needs to be applied in the public and private sectors. Fair housing education and training must be made available to those with the ability to affect local housing policy. This would include City staff, public officials as well as boards and committees. Public and private housing providers should become aware of new fair housing issues and any updates and or changes to fair housing law.

The City's leadership is needed in addressing housing discrimination to ensure fair housing principles are incorporated into municipal requirements, programs and policies, as well as advocating on a city wide level. The public and private sectors must work together to achieve this. Waltham can be more proactive in its outreach and education with its municipal staff and provide more educational opportunities to private and public sectors.

C. HOUSING AFFORDABILITY AND ECONOMIC FACTORS

In 2009-2011, Waltham had a total of 26,000 housing units, 7 percent of which were vacant. Of the total housing units, 44 percent were in single-unit structures, 55.5 percent were in multi-unit structures, and less than 0.5 percent were mobile homes. Thirteen percent of the housing units were built since 1990. The median number of rooms in all housing units in Waltham is 5. Of these housing units, 42 percent have three or more bedrooms.



Occupied Housing Unit Characteristics

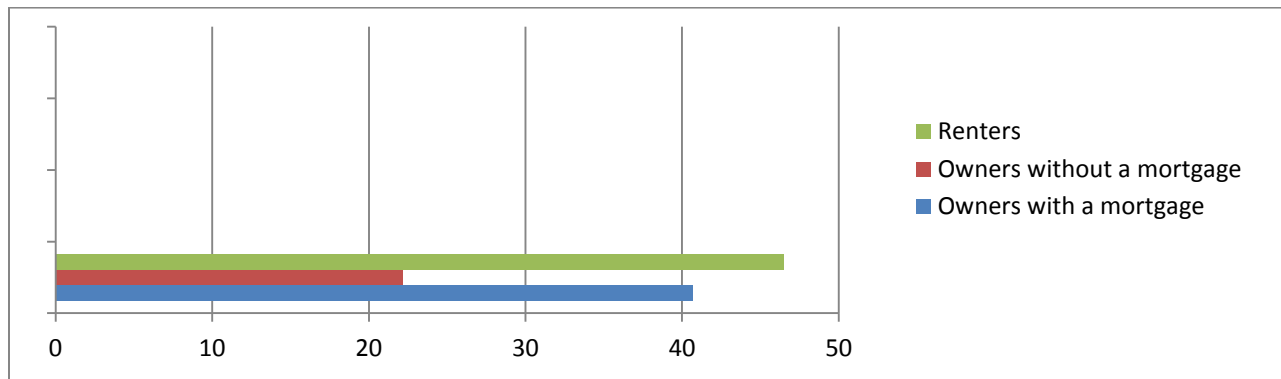
In 2009-2011, Waltham had 24,180 occupied housing units - approximately 12,000 (50 percent) owner occupied and 12,000 (50 percent) renter occupied. Sixty-four percent of householders of

these units had moved in since 2000. 70.9% percent of the owner occupied units had a mortgage.

Housing Costs

The median monthly housing costs for mortgaged owners was \$2,279, non-mortgaged owners \$706, and renters \$1,267. 41% percent of owners with mortgages, 22 percent of owners without mortgages, and 49 percent of renters in Waltham spent 30 percent or more of household income on housing.

Graph 2. Occupants with a Housing Cost Burden in Waltham, MA 2009-2011



According to HUD, housing is “affordable” when housing costs do not exceed 30% of a household’s combined income. The National Low Income Housing Coalition report “Out of Reach” examines the annual income of residents and their ability to afford rental housing. In 2013, the FMR for a one-bedroom apartment is \$1,156.00. Based on paying no more than 30% of income for housing, an individual would have to earn \$50,000.00 to afford a one bedroom apartment in 2013. Based on that rent and income, an individual would have to earn \$24.03 per hour. An individual earning the minimum wage would have to work over 120 hours per week in order to afford a one-bedroom apartment in Waltham. Massachusetts’s minimum wage is \$8.00 per hour.

Table 8. Comparative Fair Market Rental Rates 2009- 2013

FY	0 bedroom	1 bedroom	2 bedroom	3 bedroom	4 bedroom
2009	1080.00	1146.00	1345.00	1609.00	1767.00
2010	1090.00	1156.00	1357.00	1623.00	1783.00
2011	1083.00	1149.00	1349.00	1613.00	1773.00
2012	1099.00	1166.00	1369.00	1637.00	1799.00
2013	1035.00	1156.00	1444.00	1798.00	1955.00

The American Community Survey 2007-2011 states that the median rent in Waltham was \$1,321.00. It is estimated that 49.4% percent are paying more than 30% of their income towards gross rent. 45% percent of owners housing costs are also over 30% of household income.

Homeownership remains elusive for many Waltham residents. The homeownership rate in 2010 was 49.6%, an increase of 3.6% from the 2000 homeownership rate in the City. This is still lower than the Commonwealth's homeownership rate of 65.3 % in 2010 and the national homeownership rate of 68% percent according to the U.S. Census. The U.S. Census Bureau shows the national homeownership rate is the second highest on record, behind only 2000, since homeownership data collection began in 1890. However, the rate decreased by 1.1 percentage points to 65.1 percent between 2000 and 2010. The decrease is the largest since the period from 1930 to 1940.

Such data contributes to the understanding that there is a growing need for assistance to first time homebuyers. As ethnic minority groups have increased, so too has the number of young families. As a group, they are typically trying to become homeowners for the first time. The recent HOME Program budget cuts have made it impossible for the City to assist first time homebuyers on the level needed. The City has lost over 40% of its HOME funding in the last two years alone. The cost of housing in the City of Waltham can restrict low-and moderate-income families from purchasing or renting housing units, especially detached single family homes.

High cost of housing, high development costs, land acquisition and lack of available land for new development limits opportunities, diverse siting of affordable housing, and housing choice. The overall shortage of affordable and accessible rental units and extremely low vacancy rates of these

units throughout the City of Waltham limits availability. The age of housing stock coupled with the existence of lead paint hazards and limited financial resources for landlords to abate lead paint limits housing choices for families with young children. Although reusing existing stock is promoted, the age and type of existing housing stock makes it difficult to rehabilitate units to become fully accessible units in a cost effective manner.

It is the goal of the City of Waltham to allocate its federal HOME and CDBG funding to the needs of the City. The Planning Department will provide technical advice to the Mayor and City Council and undertake a wide range of projects in order to protect and enhance the quality of life in Waltham. The Planning Department will administer the Federal Community Development Block Grant and HOME Programs providing support to low and moderate income residents in the city.

7. Evaluation of Current Housing Programs, Policies and Activities

A. HOUSING PROGRAMS

HOME Investment Partnerships Program and CDBG Program

Waltham receives approximately \$1 million in federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds annually, which it utilizes to preserve, purchase and rehabilitate affordable housing in the City. CDBG funds and all HOME funds are allocated toward maintaining affordable housing units and/or assisting low- and moderate-income households in purchasing and/or upgrading existing homes in Waltham.

CDBG Rehabilitation Loan Program

The rehab loan program began in 1976 with the purpose of increasing the supply of decent, safe and sanitary affordable housing in the City of Waltham. Funded through the CDBG Program, the program provides funding to income eligible homeowners, rental property owners and organizations that serve low- and moderate income individuals for correction of code violations, accessibility improvements, lead and asbestos (hazard) abatement, weatherization, energy conservation and efficiency improvements.

Waltham's housing stock has relatively diverse mix of structural types. According to the American Fact Finder 2007-2011 American Community Survey, single-family homes comprise 44.2% of the city's housing stock, two-four family homes make up 25.9% and larger multi-family buildings make up the remaining 29.9% of the stock. Although more than 7% of Waltham's housing was built during the last decade, much of it is relatively old. Of the total, more than 79.7% were built before 1980, including 38.8% built before 1939. The majority of the City's housing was built before 1978; the year lead paint laws went into effect. In addition to lead paint abatement, the aging housing stock is also likely to need more repair and rehabilitation than newer housing. 20.3% of Waltham's housing stock was built since 1980.

Table 9. Age of Housing Units

Year structure built	Number of units	Percent
2005 or later	822	3.3
1990-2004	2494	9.9
1970-1989	4144	16.4
1950-1969	6073	24
1940-1949	1918	7.6
1939 or earlier	9784	38.8
Total	25,235	100%

The age of the housing stock produces a need for Housing Rehabilitation and Lead Removal programs. The Housing Rehabilitation and Lead Removal programs offered by the City, address code violations, encourage energy efficiency, and require lead removal that meets State standards. Interest free, deferred loans assist with no financial burden on the homeowner. The CDBG and HOME funding invested in rehabilitation and lead removal has a direct effect on the living conditions of low-moderate income homeowners and renters. Each code violation corrected, each energy-efficient heating system installed and each unit de-leaded, contributes to better living conditions for low-moderate income tenants and homeowners in the City of Waltham. The locations of the properties that have received assistance have been tracked and reflect all areas of the City. In addition to local newspaper advertising, a brochure detailing the Programs is mailed to every home in the City, once a year with the water billing.

Community Preservation Act

The Community Preservation Act was adopted by Waltham voters in November 2005. The Act provides for \$3.5 million annually for Waltham – 10% is required to be earmarked for Housing. Money raised from a one percent surcharge on real estate taxes and a Massachusetts state matching fund is used to acquire, create and preserve open space; acquire and preserve historic resources; acquire, create and preserve land for recreation use; create, preserve and support community housing; and rehabilitate or restore community housing acquisitions/developments. The CPA provides an additional funding resource for affordable housing, and CPA-funded community housing can benefit households earning under 100 percent of AMI.

Waltham Down Payment Assistance Program

The Waltham Down Payment Assistance Program Homebuyer Assistance Program provided assistance to income-eligible first time homebuyers of up to 17% of the purchase price not to exceed \$62,000 in zero interest rate deferred loans to ensure that the homeowner had a twenty percent down payment, payable on sale or transfer of the property. The program helped to mitigate some of the existing obstacles that prevented low- and moderate-income households from purchasing a home by giving the qualifying households the ability to choose market rate units for sale.

The DPA program has been suspended for the FY13 program year while the City determines how best to provide housing assistance to low-mod homebuyers. The HOME Program budget cuts in the past five years have made our current model only accessible to 1-2 homebuyers. The budget must also allow for lead paint abatement as well as a 17% down payment. The City has discussed discontinuing the homebuyer program and work towards modeling program that can assist the rental population.

Accessibility Programs

The Mayor's Office works closely with various City departments to resolve temporary and long-term access issues. The FY11-15 WestMetro HOME Consolidated Plan and FY11 Annual Action Plan both provide greater detail of accessibility programs Consortium-wide. The top four accessibility priority needs as expressed by the MCPD in order of importance are:

1. Improvements to public thoroughfares
2. Improvements to public buildings
3. Improvements to parks and recreational areas and facilities
4. Improvements to nonprofit agencies

The Disability Commission is currently completing a self-evaluation transition plan as it pertains to Title II. The City has allocated \$20,000 to begin Phase I of the plan. The funding is appropriated for the Disability Commission from the revenue the city receives through handicap parking violations.

B. HOUSING PROGRAM POLICIES

Affirmative Marketing and Minority Outreach

The City of Waltham has adopted the following Affirmative Marketing plan. The procedures and requirements are in place for the City HUD-funded rental and homebuyer projects. Each procedure is designed to attract eligible persons in the housing market area to available housing programs without regard to race, color, national origin, sex, religion, familial status, or disability. While this Plan is mandated for all projects having 5 or more units, it is encouraged for use with smaller projects as well. The Affirmative Marketing Plan is updated periodically. The last update to the Affirmative Marketing Plan was completed in June of 2012.

Any member of the City of Waltham shall:

- I. Require Sub-grantees who are making housing units or programs available to applicants to practice the Member's affirmative marketing procedures and requirements. The language mandating this shall exist in the CITY OF WALTHAM MORTGAGE LOAN AGREEMENT or program AFFIDAVIT OF UNDERSTANDING. Examples of this include but are not limited to the use of commercial media, use of community contacts, use of the Equal Housing Opportunity logo and slogan and the display of a Fair Housing poster.
- II. Use the "Equal Housing Opportunity" slogan and logo when advertising program availability in local or state-wide newspapers. The logo shall not be used without the slogan at any time.



- III. Require Housing Providers of HUD-funded housing units to inform and solicit applications from persons in the housing market who are not likely to apply for housing without special outreach. This includes, but is not limited to, the use of community organizations, newspapers or other media outlets, places of worship, employment centers, fair housing groups, or housing counseling agencies.
- IV. Keep records describing actions taken by the Member, its sub-grantees, and owners of property that affirmatively market housing units. These records shall be logged and included in the annual update of the *Consolidated Planning Strategy* (CPS) under the *Affirmatively Furthering Fair Housing* component.
- V. Annually assess the success of affirmative marketing actions in the annual update of the Member's Analysis of Impediments to Fair Housing (AI). The AI will include what corrective actions will be taken where affirmative marketing efforts are not proven sufficient.
- VI. Make available program descriptions and applications in languages other than English, as appropriate.
- VII. Include language in each application and program description that states applicant eligibility shall not be based on race, color, national origin, sex, religion, familial status or disability.

These efforts shall be amended if records indicate that Affirmative Marketing and Minority Outreach goals and objects are not met or if current procedures prove to be ineffective.

The policy calls to action state and local housing agencies, housing authorities, fair housing organizations and the nonprofit and for-profit housing and community development industries to partner in fair housing actions and initiatives.

Local Resident Selection Policy

In no event may a local preference exceed more than 70% of the affordable units in a Project according to DHCD's policy. The City of Waltham's local preference policy for rental and homeownership affordable housing developments is set at 70%. The Guidelines for Uniform Local Resident Selection Preferences in Affordable Housing are intended for use in affordable rental and homeownership programs at initial distribution of units and upon turnover or resale. The local resident selection preference policy should be as uniform as program constraints will allow across Waltham's programs that distribute funding or regulate affordable housing, including but not limited to the CDBG and HOME Programs, Community Preservation Act Program, Inclusionary Zoning Ordinance, and Chapter 40B. When a developer utilizes one or more of these regulatory and funding programs, the housing staff with DHCD's approval will ensure that the uniform guidelines are followed. The policy also adopts the affirmative fair housing marketing and selection plans established by DHCD to prevent potential discriminatory outcomes.

Residential Anti-Displacement and Relocation Assistance Plan for City of Waltham

Permanent Relocation

It is the policy of the City of Waltham to take all reasonable steps to minimize displacement as a result of CDBG and HOME assisted projects, including:

- Consider whether displacement will occur;
- Identify potential relocation workload and resources early;
- When possible, assure residential occupants of buildings rehabilitated that they are offered an opportunity to return;
- Plan projects to include "staging" where this would eliminate temporary displacement; and
- Follow notification procedures carefully so that families do not leave because they are not informed about planned projects or their rights.

When a project does require relocation the Waltham Planning Department will ensure in a timely manner that all notices are sent in compliance with both the URA and the Real Property Acquisition Policies Act of 1970.

Temporary Relocation

Temporary relocation often occurs as the result of lead abatement and other rehabilitation activities in renter- and owner-occupied units. Although the Rehab Loan Program is not required to, it pays for the temporary relocation of displaced renters and/or homeowners whose residences are being rehabilitated.

Monitoring Policy and Plan

In 2008, the City of Waltham implemented a Monitoring and Compliance Plan for CDBG and HOME Program-funded housing projects. The City of Waltham's Planning Department is required by HUD to ensure that all HUD-funded housing projects comply with federal guidelines and restrictions under CDBG regulations at 24 CFR Part 570.501(b) and HOME Program regulations at 24 CFR Part 92. These include federal fair housing laws and regulations. Housing development projects are monitored to ensure that the requirements outlined in the loan agreement which contain these federal guidelines and regulations are being met.

For each project, the City must verify that the population being served is income-eligible, residents are not being charged more than 30% of their gross annual household income, lease contracts are for at least a one year term, and assisted units meet Section 8 Minimum Housing Quality Standards (HQS). The City also monitors all federally and locally funded down payment assistance homebuyer units, which consists of an annual verification of the homeowner's principal residence, that the property insurance is valid and the property maintains HQS compliance.

Monitoring Objectives and Strategy

Overall monitoring objectives of the HOME/ CDBG monitoring plan include:

- Identifying and tracking program and project and project results;
- Identifying technical assistance needs of CHDOs and sub recipient staff;
- Ensuring timely expenditure of HOME/CDBG funds;
- Documenting compliance with Program rules;
- Preventing fraud and abuse; and
- Identifying innovative tools and techniques that support affordable housing goals.

Ongoing Monitoring

Ongoing monitoring must occur for all HOME-assisted activities each program year. Basic ongoing monitoring involves conducting periodic reviews of activities to ensure regulatory compliance and track program performance. For all developers, sponsors, and contractors receiving HOME funds for projects the organization should be required to submit periodic progress reports to Housing Division about its activities. The City's agreement with the organization should identify the format and frequency of project or program-related reports. Monitoring staff should follow the progress of the organization's project to ensure that deadlines are being met and that eligible costs are being submitted for work completed.

On-Site Monitoring

On-site monitoring seeks to closely examine whether performance or compliance problems exist and identify the aspects of the program or project that are contributing to the adverse situation. The City should use a risk factor analysis to target certain HOME/CDBG Program areas or organizations for in-depth monitoring each year. During an on-site review, monitoring staff shall identify aspects of the program or project where the organization is performing well and poorly. Assess compliance with program requirements. Determine whether record keeping is adequate. Prepare a report summarizing the results of the review and describe any required follow-up activity.

Site Visit

Before conducting the on-site visit, monitoring staff should review the organization's: HOME/CDBG application(s) and executed HOME/CDBG Agreements, recent status reports, financial reports, any previous correspondence and reports from past on-site monitoring reviews.

These items should be reviewed to assess progress and or any changes in activities as well as identify any existing or potential problems. Monitoring staff gathers information from a variety of sources and completes the following steps during the on-site review.

- Conduct an initial meeting with the executive director, program director, or other official to explain the purpose and schedule for the review;
- Interview members of the organization's staff to gather information about activities and performance;
- Review additional materials provided by the entity to obtain more detailed information about the program or project;

- Examine a sampling of files to verify the existence of required documentation and the accuracy of reports being sent to the City;
- Visit a sampling of program sites (or the project itself) to confirm information contained in program files;
- Conduct an exit conference with appropriate senior staff to discuss the preliminary conclusions of the review and identify any follow-up actions necessary.

After visiting the project site, monitoring staff should properly record the results of the review. Fill out all applicable checklists and document with clear notes. Attach to the checklists all documentation required to support conclusions from the review and place the checklists and documentation in the HOME/CDBG monitoring file for that organization.

Risk Factor Analysis

With limited staff and time resources, the City cannot perform on-site reviews of all HOME/CDBG funded activities during every monitoring event. Risk factor analysis will help to determine where Member staff time and attention is best focused.

Scheduling and Notification

On-site monitoring should be done when determined necessary by on-going monitoring. Monitoring staff should contact the entity being monitored at least two weeks prior to the planned date of the on-site visit in order to schedule the monitoring review. Once the entity has been contacted and the actual dates are scheduled, monitoring staff should send a letter to the entity that confirms:

- The date and time of the visit;
- The names of the City staff conducting the site visit;
- The elements of the program or project that will be monitored;
- The files and records that will be reviewed; and
- The members of the organization who should be available for interviews.

The City also monitors inclusionary zoning and 40B units by communicating with the applicable subsidizing agency and property managers to ensure that applicable housing regulations and policies are adhered to after initial occupancy.

Limited English Proficiency / Language Assistance Plan

It is the policy of the Planning Department to ensure that all Limited English Proficiency (LEP) individuals and/or deaf or hearing impaired individuals who participate in programs and services are offered free access to competent interpreters during consultations, case-related communications and/or public hearings. Language assistance includes interpretation and/or translation, if needed. All public advertisements in local papers must provide information that interpretation services are available at the advertised public hearing if needed.

HUD Section 3 Requirements

Section 3 is a provision of the Housing and Urban Development Act of 1968, as amended, and falls under HUD's Office of Fair Housing and Equal Opportunity. Section 3 recognizes that the normal expenditure of certain HUD funds typically results in new jobs, contracts, and other economic opportunities; and when these opportunities are created, low- and very low-income persons residing in the community in which the funds are spent (regardless of race and gender), and the businesses that substantially employ them, should receive priority consideration.

The requirements of Section 3 apply to recipients of HUD financial assistance exceeding \$200,000 that is used for projects involving housing construction, rehabilitation, or other public construction. Covered assistance includes CDBG, HOME, Disaster Recovery Assistance, Housing for Persons with Aids (HOPWA) and certain Economic Stimulus Funding.

C. RECENT FAIR HOUSING ACTIVITIES

Fair Housing Website

The Housing Division provides fair housing information on its website. To view the City's fair housing information website go to: <http://www.city.waltham.ma.us/housing-department/pages/fair-housing-information>. The Housing Division will continue to update its fair housing information materials on the website to provide greater detail to protected classes. The City will take steps to improve fair Housing Information and resources on its website for both the public and private sector.

Distribution of Brochures

Broadening access for persons with limited English proficiency (LEP) is a general fair housing principle that must permeate all policies and decision-making. A top priority for Waltham is to broaden fair housing awareness and access in compliance with HUD Title VI requirements pertaining to persons of Limited English Proficiency (LEP) duty to affirmatively further fair housing as discussed in this AI. An important action step, in addition to internal evaluation and external guidance, is to translate important documents and information on the city's website. Such documents should include fair housing information, CDBG and HOME program applications and guidelines, and related documents, key resources such as heating assistance, as well as documents describing how to obtain housing assistance.

The City of Waltham provides brochures developed by The Fair Housing Center of Greater Boston to the public in Russian, Chinese, Spanish, and English. The brochures include information on housing discrimination based on race, national origin, family status, and source of income and on more specific topics such as fair housing for first time homebuyers, fair lending practices, and a "Landlords Know the Law!" brochure.

Current Activities

As part of this AI the City distributed 2400 Fair Housing surveys through the Waltham Public Elementary Schools in the months of February and March of 2013.

The Housing Division distributed 2013 Fair Housing Posters to the Waltham Housing Authority for placement in elderly, disabled and family housing throughout the City.

Since 2009 the Housing Division has assisted in LIP applications for affordable housing completed through the Inclusionary Zoning Ordinance. This Ordinance extends to developments of both rental and ownership units. 32 Common Street, 255 Winter Street and phase one of the Watch Factory Lofts has provided 13 high quality fair housing opportunities to low and moderate income people. The assistance provided was completed in cooperation with the developers, DHCD and City Departments.

The Housing Division met with the Fair Housing Center of Greater Boston in May of 2013 for assistance with this analysis and discussion on a plan for future training for the City of Waltham, its employees, local businesses, and its residents.

8. Evaluation of Jurisdiction's Current Fair Housing Legal Status

A. Fair Housing Complaints or Compliance Reviews where The Department of Housing and Urban Development (HUD) has Issued a Charge of or Made a Finding of Discrimination

The City of Waltham has received no fair housing complaints or compliance reviews where HUD has issued a charge of or made a finding of discrimination.

B. Where there is a Determination of Unlawful Segregation or Other Housing Discrimination by a Court or a Finding of Non-Compliance by HUD Under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973, or where the Secretary has Issued a Charge Under the Fair Housing Act Regarding Assisted Housing within a Recipients Jurisdiction, an Analysis of the Actions which Could be Taken by the Recipient to Help Remedy the Discriminatory Condition, Including Actions Involving the Expenditure of Funds By the Jurisdiction.

The City of Waltham has received no findings on non-compliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973. The City has not been charged under the Fair Housing Act by the Secretary.

C. Fair Housing Discrimination Suit Filed by the Department of Justice or Private Plaintiffs

According to the City Solicitor, The City of Waltham has not been a party to any fair housing discrimination suits filed by the Department of Justice or private plaintiffs.

D. Complaints Lodged Against Private Parties Located in Waltham

As part of this analysis, the Housing Division staff compiled listings of complaints that were lodged against private parties located in Waltham with the U.S. Department of Housing and Urban Development (HUD), the Massachusetts Commission Against Discrimination (MCAD), and the Fair Housing Center of Greater Boston.

Complaints received by HUD

From 2008 to 2013, 12 complaints were filed which were located in the City of Waltham. All were processed.

Table 10. HUD Fair Housing Complaints for Waltham, MA 2008 - 2013.

Bases	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Race					1	
Nat. Origin					2	
Nat. Org - Hisp.					1	
Sex	1					
Disability	2		1	2	1	1
Familial Status	2		1			
Retaliation	1				1	
Total Cases	5		2	2	2	1

Table 11. Completed HUD Fair Housing Complaints for Waltham, MA , 2008 -2013

Case type	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Administrative Closure	1					1
Cause	1	1				2
Settled	1			1		2
No Cause	1	1		3	2	7
Total	4	2		4	2	12

Compensation was awarded in two cases, one in 2009 and in 2010 totaling \$2,100.00. While 24 complaints had been filed, this analysis finds that only half were completed and from the 12 completed cases 7 were found to have no cause.

Complaints received by The Fair Housing Center of Greater Boston (FHC) from 2007 through November 2012, there were seven fair housing complaints filed with the FHC.

Table 12. FHC Complaints for Waltham, 2007 - 2012

	YEAR	COMPLAINT	PROTECTED CLASS CITED	RESOLUTION
1	2008	RENTAL	Nat'l. Origin, Source of income, Familial	Investigated, not fair housing
2	2008	RENTAL	Source of income	Complainant declined to pursue
3	2009	RENTAL	Source of income	Testing only, showed evidence of discrimination and was referred to the Attorney General's Office for further
4	2010	RENTAL	Race, National Origin	Investigated, not fair housing
5	2011	RENTAL	Age	Complainant declined to pursue
6	2012	HARASSMENT	Familial Status	Administratively Closed, unable to contact
7	2012	RENTAL	Marital status, Source of Income	Internally declined, unable to corroborate discrimination

The administrative enforcement process is intended to provide an impartial investigation of claims filed with HUD and FHAP agencies. The Fair Housing Act requires that complaints be investigated within 100 days if feasible and that the parties be provided a written statement of reasons when an investigation is not concluded within 100 days. There is also a statutory obligation to engage in conciliation efforts to attempt to resolve complaints. At the close of the investigation, the investigating agency makes a determination as to whether or not there is reasonable cause to believe that discrimination has occurred. If a determination of reasonable cause is made, the government charges the respondent with violating the law and brings a complaint on behalf of the complainant in an administrative hearing before a HUD administrative law judge or a judicial proceeding.

[These statistics reflect the findings in Waltham showing that discrimination is not isolated, but rather is occurring in Waltham.] The Fair Housing Survey conducted by the Housing Division shows alleged discrimination has occurred but is unrecognized or has gone unreported and that alleged discrimination is occurring and households do not know where to file an alleged discrimination complaint or have the support to follow through.

Fair housing is the policy of the City of Waltham and implementation of the policy requires the positive commitment, involvement and support of each of our citizens. The City of Waltham is committed to highlight the Fair Housing Act by continuing to address discrimination in our community, to support programs that will educate the public about the right to equal housing opportunities and to plan partnerships with other organizations to help assure every resident of their right to fair housing.

9. Conclusions and Recommendations

The following is a summary of the identified impediments to fair housing choice. The impediments are broken-down by relevant category: Public Sector, Private Sector and Public/Private Sector as well as by subcategory (e.g. zoning and site selection). This section also includes the City's actions to address these impediments as well as to generally assure that the environment in Waltham is conducive to fair housing choice for all. Other relevant documents include the FY11-15 Consolidated Plan.

A. IMPEDIMENTS IDENTIFIED IN PUBLIC SECTOR

Zoning

Waltham has focused on the development of affordable housing as a means of affirmatively furthering fair housing choices for its residents through the various policies, funding mechanisms, programs and changes in its zoning laws.

Impediment:	The current Inclusionary Zoning Ordinance directs assistance to households at or below 80% of the median income. To this date affordable units developed under this ordinance market at the 80% income level only. No units to date have been marketed to incomes below the 80% of AMI.
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Actions:	Recommend that a review be made of the current Inclusionary Zoning Ordinance in the City Council for consideration to change the income level assisted from 80% of AMI to 60% of AMI.
Impediment:	The City's existing system for reviewing, approving and monitoring residential developments for compliance with local, state and federal architectural access requirements needs to be examined and significantly strengthened.
Actions:	Develop a committee that will review the current policy on architectural access requirements. The Committee should involve representatives from the Disability Commission, the Planning Department, the Building Department and the Waltham Housing Authority.
	Continue to require Inspectional staff to attend trainings on architectural accessibility. In addition, train key personnel in other city departments on architectural access regulations. Ensure staff involved with CDBG and HOME funded projects are current in housing accessibility and accessibility in public accommodations requirements.
	Ensure that accessibility provisions are included in CDBG and HOME written agreements.

B. IMPEDIMENTS IDENTIFIED IN PRIVATE SECTOR

Impediment:	Lack of knowledge by housing consumers of Fair Housing Laws, discriminatory practices and enforcement agencies and procedures. Residents experiencing discrimination do not report it or proceed with filing fair housing complaints.
Actions:	Strengthen education, training, and advocacy efforts and programs; Provision of informational materials on fair housing to rental property owners. Work with local agencies to provide fair housing seminars and outreach programs to the owners of rental properties.

Improve information provided through the city website that address fair housing to include resources for developers, real estate agencies and lenders.

Impediment: Lack of affordable housing. One of the components to providing fair housing is providing a variety of housing that is affordable to people of all races, ethnicities, religious affiliations, gender, and income levels. Approximately, fifty-four (52%) percent of the City's rental population is low to moderate income. Census American Community Survey 2009-2011 data shows that 46% of rental households with income of less than \$50,000 pay 30% or more for their rent.

Actions: Encourage the development of all types of affordable housing throughout Waltham; continue to support programs that create or preserve affordable housing and which help leverage additional funds for these efforts; establish new programs that increase the ability to create and preserve affordable housing and housing choice. The Waltham Municipal Affordable Housing Trust Fund serves as a good communication link between the public and private sectors and enables joint planning for fair housing issues. Consider the development of a Security Deposit Grant Program for low to moderate income renters.

Impediment: The large number of rental units containing lead paint. This discourages families with children from finding housing and continues to be a factor in local housing.

Actions: The City continues to provide interest free deferred loans to homeowners for lead paint abatement. City Housing, Planning and Building staff have been certified as lead safe renovators. The City will continue to support training for City staff that will ensure compliance with Federal and State lead laws.

Private Sector Real Estate Policies and Practices

Impediment: Based on the results of the community survey completed by the Housing Division in 2013, and information learned through providing residents with assistance with landlord/tenant issues, discrimination based on race, national origin, familial status, source of income, and disability occurs in the City's rental and for-sale real estate markets.

Actions: Improve outreach to the Real Estate Community in Waltham. Provide fair housing education for real estate brokers and agents, property managers and landlords through workshops with the Fair Housing Center of Greater Boston. Provide real estate agencies, property managers, and landlords with resources such as brochures or other literature in multiple languages containing information about the fair housing laws to distribute to all prospective tenants and homebuyers.

Impediment: Lack of multi-lingual marketing materials from lenders that describe the services and information they make available to populations not often targeted by the mortgage industry, particularly information on all mortgage products for which an applicant may be eligible. Additional translation will increase opportunities to minority consumers,

Actions: Form partnerships with local lenders and housing counseling agencies to provide or sponsor consumer education programs on bank products and services, financial management, savings and investment and/or credit. Continue to require HOME program down payment assistance applicants to attend homeownership classes.

C. IMPEDIMENTS IDENTIFIED IN PUBLIC AND PRIVATE SECTOR

To establish best practices and proactive strategies City wide, the municipality needs to take the lead for the City, its residents and businesses.

Impediment: Lack of a lead agency within the City to promote fair housing and develop policy that will assist in the co-ordination across municipal departments and its outreach to citizens and businesses.

- Actions:** Recommend the creation of a Fair Housing Committee that will be made up of members from a broad spectrum of public and private groups that include persons with a strong interest and desire to promulgate fair housing policy. The purpose of the Committee will be to aid the City in its effort to foster a climate in which the individual human dignity and civil rights of all people are respected and where every potential homeowner has access to all housing regardless of race, color, religious creed, national origin, ancestry, age, children, marital status, disability, sexual orientation, public assistance status, or gender. The function of the Committee will be to act in a monitoring and advisory capacity toward the implementation and evaluation of the City's fair housing policies. The Committee in conjunction with the Planning Department will be the public voice for advocating for the goals of Fair Housing. The Fair Housing Committee will oversee the development and implementation of the Fair Housing Plan. The Committee will also take a lead role in fair housing education throughout the City in the form of annual fair housing workshops, creating and distributing fair housing brochures (including translation into different languages), and as a referral service for residents, landlords, and housing industry representatives.
- Impediment:** Current activities related to fair housing complaints are received by the Housing Division of the Planning Department. The staff does not take official fair housing complaints, but rather refers to either HUD or the Fair Housing Center of Greater Boston. Landlord tenant issues are often referred to BC Legal Aid and or a local housing advocacy group that provides mediation services. There is no current data or system that provides the City with any information about discrimination taking place within the local real estate agencies and or private landlords.
- Actions:** The Housing Division will conduct fair housing audits with the Fair Housing Center of Greater Boston of the rental and for-sale markets to determine fair housing compliance and to provide valuable input to the City's future Fair Housing Plans. This information will be shared with other municipal offices and committees.

Impediment: Large number of rental units containing lead paint discourages families with children from finding housing.

Actions: The City will continue to fund the CDBG Lead Loan Program to address the issue of lead paint in our aging housing stock that limits housing choices for families with young children.

Impediment: Financial difficulties families face when renovating older housing stock to make the housing accessible is especially cost prohibitive to the elderly and disabled population.

Actions: The City will continue to provide the CDBG Housing Rehabilitation Loan Program for low to moderate income eligible applicants.

D. RECOMMENDATIONS

The mission of The City of Waltham through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the City, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment. It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

1. Encourage Equity: Support public and private housing and community investment proposals that promote equality and opportunity for all residents. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.

2. Be Affirmative: Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law.

3. Promote Housing Choice: Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.

- 4. Enhance Mobility:** Enable all residents to make informed choices about the range of communities in which to live. Provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities and how to access them.
- 5. Promote Greater Opportunity:** Utilize resources to stimulate private investment that will promote a desirable and diverse community. Foster neighborhoods that will improve the quality of life for existing residents. Make each neighborhood a place where any resident could choose to live, regardless of income.
- 6. Reduce Concentrations of Poverty:** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
- 7. Preserve and Produce Affordable Housing Choices:** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
- 8. Measure Outcomes:** Collect and analyze data on households including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
- 9. Rigorously Enforce All Fair Housing and Anti- Discrimination Laws and Policies:** Direct resources to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

Appendix A: Jurisdictional Background Data

The jurisdictional background data for the FY13-2018 AI is comprised of relevant indicators useful when analyzing impediments to fair housing choice. These indicators include population and age, economic status, housing costs, housing conditions and demographics focusing on race, ethnicity, familial status and disability.

Population

Waltham is a metropolitan city of 60,632, situated nine miles from Boston, encompassing a total area of 13.6 square miles. The Charles River cuts a path through the southern section of Waltham. Waltham has a diverse housing stock, with dense multi-family housing in the southern

section of the City and larger lot single-family housing in the northern section. The City also boasts large park and open space facilities such as Prospect Hill Park and the Robert Treat Paine Estate.

According to the U.S. Census, the Waltham population is 60,632. Based on 2010 Census data the racial diversity of the city is 75.4% White, 6% African American, 0.2% Native American, 9.8% Asian, and 6.3% from other races. The remaining 2.3% are not counted in this census data. Hispanic or Latino of any race were 13.7% which was 4.1% higher than the Hispanic population count in Massachusetts.

Waltham's total population has increased by 2.37% since 2000 when the population count was 59,226. The racial diversity has changed slightly in the 10 years as well. The white population has decreased by 7.02 %. The Asian population has increased by 35.71% and the Black population has also increased by 39.67%. The Hispanic population has increased by 64.58%.

The median age in Waltham is 33.9 years. 49.8 percent of the population is male and 50.2% is female. 12.3% of the population is 65 and older. 23.1% is between the ages of 45 and 64 years old. 31.6% is 25 to 44 years old. 33% of the population is under 25.

Economic status and housing costs

Affordable housing is housing deemed affordable to those with a median household income as rated by country, province (state), region or municipality. Housing must be reasonably adequate in standard and location for lower or middle income households and does not cost so much that a household is unlikely to be able to meet other basic needs on a sustainable basis. Housing choice is a response to an extremely complex set of economic, social, and psychological impulses. For example, some households may choose to spend more on housing because they feel they can afford to, while others may not have a choice. HUD's accepted guideline for housing affordability is a housing cost that does not exceed 30% of a household's gross income. When the monthly carrying costs of a home exceed 30–35% of household income, then the housing is considered unaffordable for that household. Determining housing affordability is complex.

Income is the primary factor— not price and availability, that determines housing affordability. In a market economy the distribution of income is the key determinant of the quantity and quality of

housing obtained. Therefore, understanding affordable housing challenges requires understanding trends and disparities in income and wealth. Housing is often the single biggest expenditure of low and middle income families. For low and middle income families, their house is also the greatest source of wealth

There are 23,520 households, of which 20.3% included those under the age of 18, 41.7% were married couples living together, 9% were headed by a single mother, and 47% were non-families. 35% of all households were made up of individuals and 9% had someone living alone who was 65 or older. The average household size was 2.28 and the average family size was 2.99.

The 2010 median income for a household was \$68,326, and the median income for a family was \$82,233. Males had a median income of \$42,324, as opposed to \$33,931 for females. The per capita income was \$33,717. 10.2% of the population and 6.4% of families lived below the poverty line. 10.5% of those under 18 and 5.3% of those 65 and older lived below the poverty line. Median Income by race is as follows; White \$70,849; Black or African American \$23,665; Asian \$88,158 and Hispanic or Latino origin of any race \$69,088.

The median age of home buyers in Massachusetts in 2008 was 39 years old. 55 percent of all home purchases in Massachusetts in 2010 were made by first-time home buyers (compared to 50 percent nationally). The 2013 median home value in Waltham is 14.8% greater than the Massachusetts average and 111.5% greater than the National average. The median price asked for homes in Waltham is 41.7% greater than the Massachusetts average and 131.1% greater than the National average. The median rental rates in Waltham is 28.9% greater than the Massachusetts average and 60.4% greater than the National average.

The median home sale price in Waltham for 2010 was \$385,000 which is essentially flat when compared to 2009. Waltham's median sale price has decreased 12% since the height of the market in 2005. Waltham's median sales price has gone up 38% since 2000. When comparing the median sale price of single family homes and the median household income of renters in

Waltham, a gap became apparent. This affordability gap makes homeownership difficult for renters and limits ownership opportunities to renters.²⁷

Table 13. First Time Homebuyer Purchasing Power 2010

Geography	Affordable to Renter Earning Median Income	Median Sales Price Single Family	Price Gap	Median Sales Price Condo 2010	Price Gap
Waltham	\$232,200	\$385,000	\$152,800	\$257,980	\$25,780

Table 14. Waltham Rental Market Affordability 2010

Household Size	Median Renter Income	Fair Market Rent	Percent of Income Needed for Rent
Family of 4		2 BR 2010	
80% AMI	\$64,400	\$1357	25%
60% AMI	\$55,080	\$1357	30%
50% AMI	\$51,550	\$1357	31.6%

It is important to note that according to the 2009-2011 American Community Survey 3 year estimates, of the 12,023 renter occupied units in the city, 46% earn less than \$50,000.²⁸

Condition of housing and lead-based paint hazards

Massachusetts has been at the forefront of the prevention of childhood lead poisoning and the reduction of childhood lead exposure. Since 1971, Massachusetts law has required the removal

²⁷ Calculations based on the HUD 2010 AMI for a family of 4 with a 10% down payment, with a 30 year fixed rate mortgage at 4% interest. Also included are homeowner expenses of property tax, homeowners insurance and condo fees if applicable. 2010 tax rate used in calculation.

²⁸ U.S. Census American Community Survey, 2009 - 2011

or covering of lead paint hazards in homes where any children under six reside and has mandated a program for the prevention, screening, diagnosis, and treatment of lead poisoning. Massachusetts' lead laws are among the strongest and most comprehensive of the states, and the Massachusetts Childhood Lead Poisoning Prevention Program (CLPPP) is viewed as a pioneering program that has been effective in reducing lead poisoning and exposure. The CLPPP oversees the mandatory lead screening of all children under the age of 6, the provision of appropriate medical and environmental services to affected individuals and their families, and the development and implementation of policies aimed at eliminating sources of lead exposure. To those ends, CLPPP also engages in a wide slate of research, educational, and clinical activities. These efforts in Massachusetts have been quite successful in substantially reducing lead levels and lead poisoning rates. As of 2010, only 0.078% of screened Massachusetts children had lead levels above 20 µg/dL.

Seventy percent of the housing stock in Waltham was built during 1979 or before. Since lead paint was banned in 1978, older housing presents an obstacle for many families (particularly low- and moderate-income families) looking for housing and the removal of lead paint can often require an expensive remediation process for the owner. The survey completed by the Housing Division for this analysis shows that landlords have denied households the opportunity to live in a unit due to the presence of lead paint in a unit, which is illegal under Massachusetts law.

According to information from the Massachusetts Department of Public Health, the incidence rate of blood lead levels in children in Waltham has increased in the moderately-elevated category from 2008 to 2012. The number of lead-poisoned has not increased in the same time span.²⁹ By comparison, in 2012 there were 9 communities in Massachusetts determined to be “high risk” for incidences of lead paint poisoning by the Department of Public Health in data collected from July 1, 2007 through June 30, 2012. Statewide, there were 673 cases of children with elevated blood lead levels during this period. Fifty four percent or 344 cases were from high-risk communities.

29. Information for this analysis provided by the Massachusetts Department of Public Health, City of Waltham lead poisoning data, 2008-2012.

Source: MA Department of
Public Health 2012

Table 15. Lead result counts City of Waltham 01/01/2008 - 12/31/2012

Blood Lead Level Categories						
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Table 16. Blood Lead Level Categories by year

Year	<15	≥15	15-19	20-24	<25	≥25
2008	874	3	1	1	876	1
2009	764	1	0	1	765	0
2010	699	1	0	0	699	1
2011	699	2	1	0	700	1
2012	941	5	3	1	945	1

	<15	≥15	15-19	20-24	<25	≥25
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Incidence of blood lead levels
(BLL)

BLL 15-19 Moderately-elevated

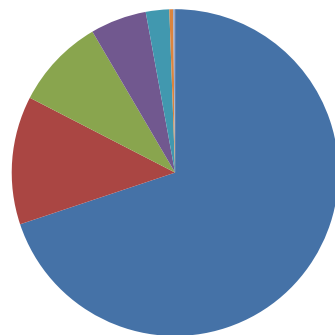
BLL 20-24 Elevated

BLL ≥ 25 Lead poisoned

Race and Ethnicity

When analyzing determining factors of housing choice, race and ethnicity are core indicators of fair housing especially when analyzed in relationship with socio-economic determinants of housing choice. In this section, race and ethnicity relationships with poverty rates, income, and homeownership/rental opportunities are examined. Other factors that affect housing choice for persons of different race and ethnicities, such as fair lending practices and instances of housing discrimination, are discussed in Section 5 of this analysis. According to 2010 Census, 13.66% percent of households in Waltham described themselves as being Hispanic/Latino. Asian residents are 9.66% percent of the population.

Exhibit 6. Race and Ethnicity

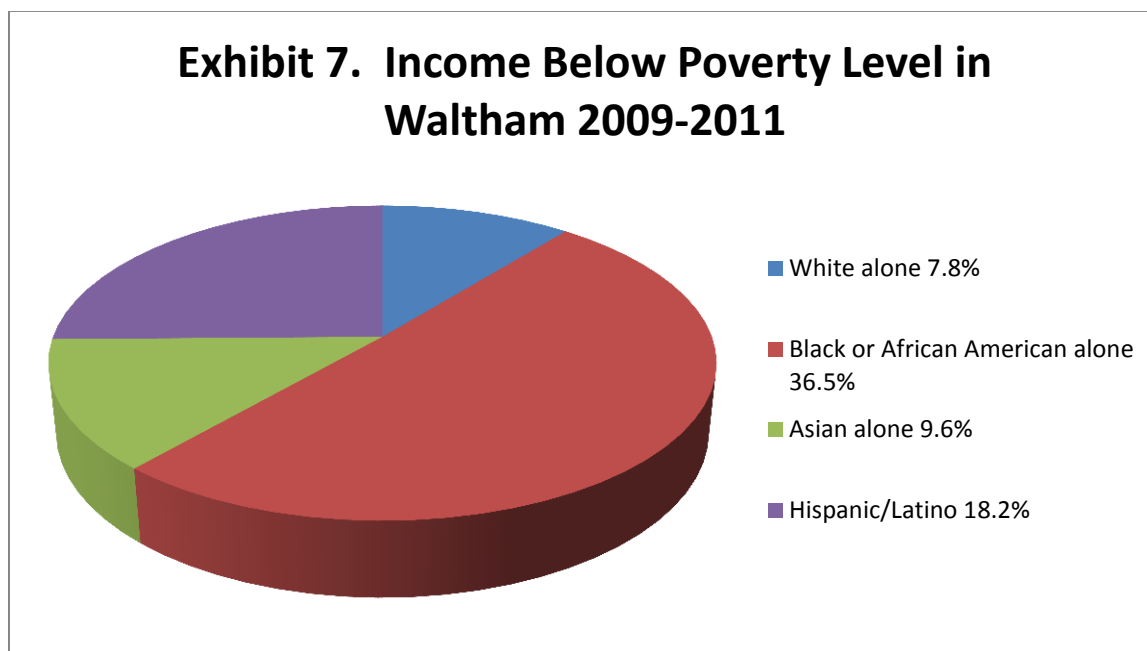


- White alone - 45,697 (75.4%)
- Hispanic - 8,280 (13.7%)
- Asian alone - 5,860 (9.7%)
- Black alone - 3,651 (6%)
- Two or more races - 1,507 (2.5%)
- Other race alone - 272 (0.4%)
- American Indian alone - 139 (0.2%)

Race and Ethnicity: poverty and income levels

Data at the state level suggests that a relationship exists between race, ethnicity and poverty; racial and ethnic minorities in Massachusetts are more likely to have an income below the poverty level. In Massachusetts in 2010, 10.7 percent of the population had an income below the poverty level, contrasted with that of 16.2 percent of Asians, 30 percent of Black/African Americans, and 38 percent of Hispanics/Latinos below the poverty level.

Waltham demographics resemble the state trend, as shown in the chart below. According to Census American Community Survey Data, 2009-2011 a total of 5,581 individuals, 10.4 percent of Waltham population, had incomes below the poverty level. Of this, 7.8 percent were White alone (not Hispanic/Latino), compared to Black/African American (36.5 percent) and Asian (9.6 percent).⁷⁴ With respect to ethnicity, 18.2 percent of Hispanic/Latino householders in Waltham were below the poverty level in 2010. See Exhibit 7 below.

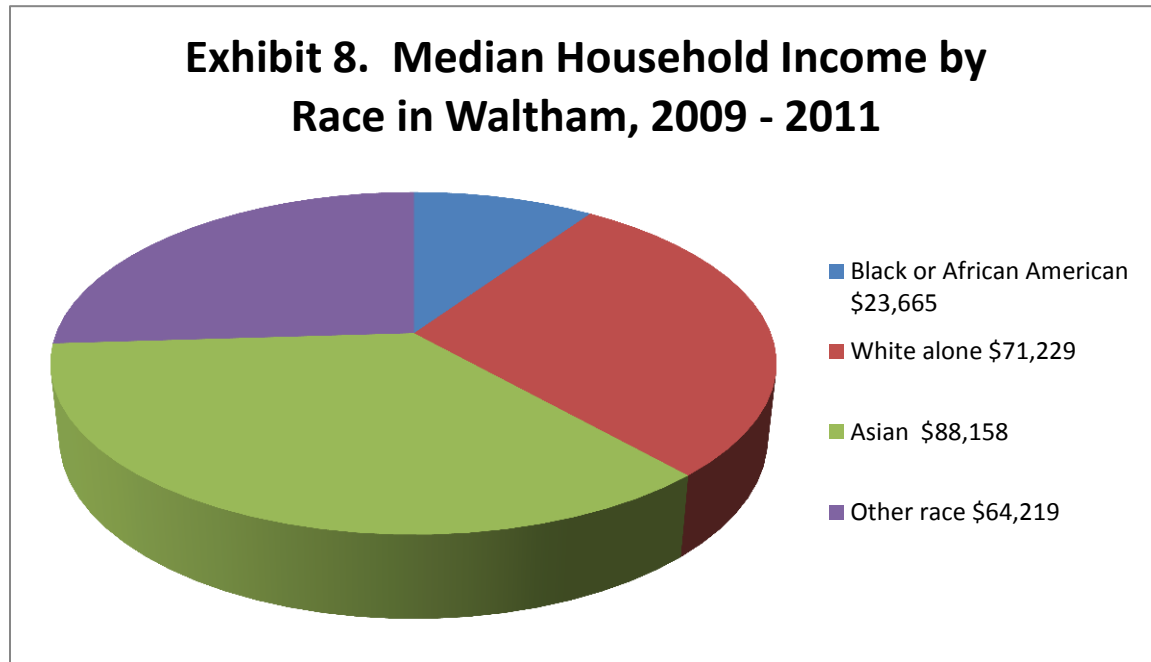


Source: U.S. Census, American Fact Finder– Sample Data Tables: S1903 2009-2011 Community Survey 3 year estimates.

Race and Ethnicity: Median and Distributed Income Levels, Ownership and Rental Costs

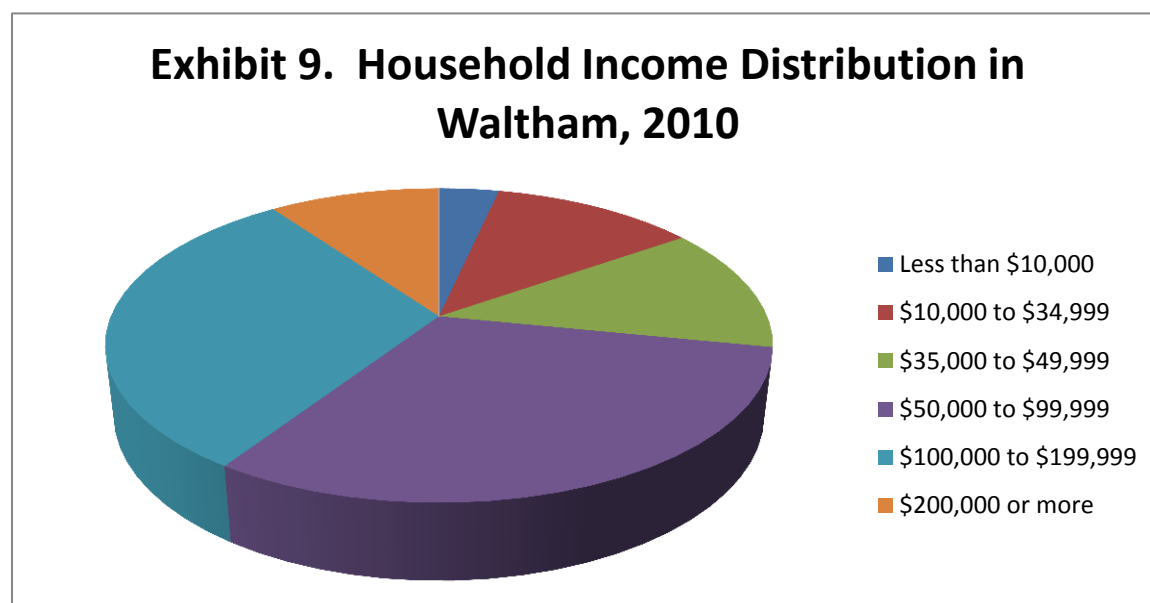
According to the 2009-2011 American Community Survey, the median household income in Waltham was \$86,052. The median household income was lowest for Black/African

American households. It should be noted that there was no 2009-2011 Survey data available for Other Race, Native Hawaiian and Other Pacific Islander or American Indian and Alaska native for Waltham. See Exhibit 8 below.



Source: U.S. Census, American Fact Finder Selected Economic Characteristics 2007-2011 American Community Survey 5-year estimates DP03

2010 Household Income Census data was not available by race and ethnicity.



Ownership costs

The median selected monthly owner costs as a percentage of household income in Waltham showed that homeowners are cost burdened; paying more than 34 percent of income to owner costs.³⁰

Table 16. Selected Monthly Owner Costs as a Percentage of Monthly Income

Housing Units with a Mortgage		Total units 8,020
Less than 20%	2385	29.7%
20% to 24.9%	1234	15.4%
25% to 29.9%	771	9.6%
30% to 34.9%	875	10.9%
35% or more	2755	34.4%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Table 17. Selected Monthly Owner Costs as a Percentage of Monthly Income

Housing Units without a Mortgage		Total units 3285
Less than 10%	973	29.6%
10% to 14.9%	623	19%
15% to 19.9%	519	15.8%
20% to 24.9%	287	8.7%
25% to 29.9%	199	6.1%
30% to 34.9%	211	6.4%
35% or more	473	14.4%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

30 The U.S. Census defines selected monthly owner costs as the sum of payments for mortgages, deeds of trust, contracts to purchase, or similar debts on the property (including payments for the first mortgage, second mortgage, home equity loans, and other junior mortgages); real estate taxes; fire, hazard, and flood insurance on the property; utilities (electricity, gas, and water and sewer); and fuels (oil, coal, kerosene, wood, etc.). It also includes, where appropriate, the monthly condominium fees or mobile home costs (installment loan payments, personal property taxes, site rent, registration fees, and license fees).

Rental Costs

Table 18. Gross Rent

Occupied Units Paying Rent		
number of units	11,907	
Less than \$200	38	3%
\$200 to \$299	175	1.5%
\$300 to \$499	786	6.6%
\$500 to \$749	582	4.9%
\$750 to \$999	1574	13.2%
\$1000 to \$1,499	4231	35.5%
\$1,500 or more	4521	38.0
Median Dollars	1321	

Source: U.S. Census Bureau, 2007-2011 American Community Survey

TABLE 19: Gross rent as a percentage of Household income (GRPI)

Occupied Units Paying Rent (excluding units where GRPI cannot be computed)		
Number of units	11,592	11,592
Less than 15.0 percent	1,343	11.6%
15.0 to 19.9 percent	1,656	14.3%
20.0 to 24.9 percent	1,594	13.8%
25.0 to 29.9 percent	1,268	10.9%
30.0 to 34.9 percent	1,113	9.6%
35.0 percent or more	4,618	39.8%

Source: U.S. Census Bureau, 2007-2011 American Community Survey

Familial status

According to the Census data³¹, the percentage of families with dependent children (<18 years) in Waltham was 38.3 percent. In Waltham 42% of occupied housing consists predominantly of three or more bedrooms, providing ample units suitable for families. Large families are defined as a family of five or more people. According to 2009– 2011 American Community Survey estimates, large families make up 5 percent of all households in Waltham³².

Although there are ample large rental units available for large families they are not affordable. This is a significant hardship for low-income households preventing them from meeting their other basic needs, such as nutrition and healthcare, or saving for their future and that of their families. Low-income large families need housing that is affordable and suitable for the

31 U.S. Census, 2007-2011 American Community Survey Selected Housing Characteristics DP04

32 U.S. Census, 2009-2011 American Community Survey 3 year estimates B11016

size and composition of their households. Most large families require lead-free housing because of the presence of young children. This necessity can limit housing choice.

Persons with Disabilities

A disability is defined as a long-term impairment of one or more major life functions, such as sight, hearing or mobility. In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself. Census data reported that 3,074 people with physical disabilities live in the City of Waltham, representing six percent of the City's population.

Table 20. Disability Population by Age Group, 2005-2007

Geography	Population Over 5	% with Disability	Percent with Disability by Age Group		
			5-15	16-64	65+
Waltham	17,103	28%	2%	71%	9.7%

Source; Census 2000 Summary File 39 SF-3)P041

Exhibit 10. Percentage of Disabled Population in Waltham, Massachusetts

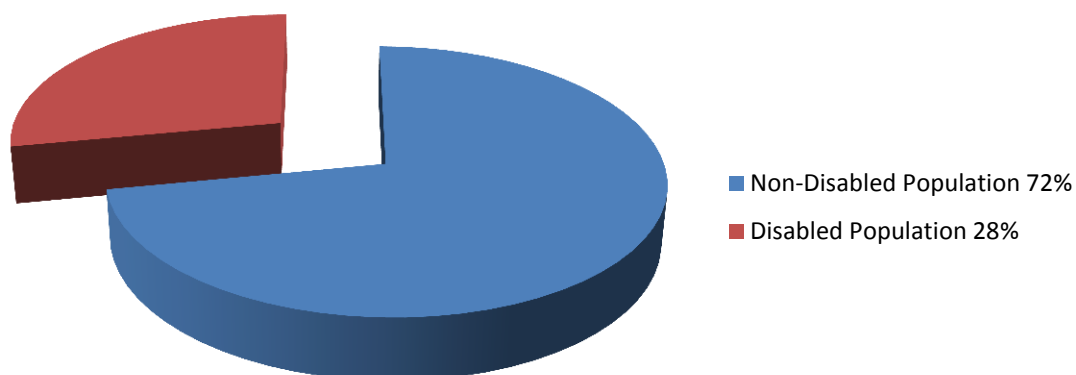


Table 21 provides a consolidated report of disability for Waltham. The data include all households in which at least one family member has a long-lasting condition that substantially impedes basic physical activity, such as walking or climbing stairs, and/or a physical, mental, or emotional condition that interferes with personal self-care. In Waltham, frail elderly (75+) are more likely than elderly (65+) persons to have a disability. The ACS (2005-2007) reports on disabilities by type. The highest responses by type include: sensory, physical, and mental disabilities.

Table 21. Housing Needs of Disability Households in Waltham

Total disabilities tallied	Waltham, MA
Total disabilities tallied for people 5 to 15 years	364
Sensory disability	33
Physical disability	41
Mental disability	245
Self-care disability	45
Total disabilities tallied for people 16 to 64 years	12184
Sensory disability	697
Physical disability	1621
Mental disability	1588
Self-care disability	538
Go outside home disability	2589
Employment disability	5151
Total disabilities tallied for people > 65	4555
Sensory disability	808
Physical disability	1412
Mental disability	478
Self-care disability	529
Go outside home disability	1328

Source: Census 2000 summary file 3 (SF-3) - Sample Data P041

SIGNATURE PAGE

Chief Elected Official:

Jeannette A. McCarthy, Mayor
City of Waltham, Massachusetts

Date