

CITY OF SPRINGFIELD, MA

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING

I. INTRODUCTION & EXECUTIVE SUMMARY

In 1968 the United States Congress passed Title VIII of the Civil Rights Act, making acts of housing discrimination based on race, sex, national origin, religion, or ethnicity illegal. In 1998, Congress amended Title VIII to include discrimination against families with children and people with mental or physical illness.

The Assistant Secretary for Fair Housing and Equal Opportunity (FHEO) administers and enforces major legislation that ensures equal access to housing, guarantees equal opportunity in all HUD programs and prohibits, to a limited extent, discrimination in employment with respect to HUD programs.

According to HUD's Fair Housing Planning guide:

Provisions to affirmatively further fair housing (AFFH) are principal and long-standing components of HUD's housing and community development programs. These provisions flow from the mandate of Section 808(e)(5) of the Fair Housing Act which requires the Secretary of HUD to administer the Department's housing and urban development programs in a manner to affirmatively further fair housing.

Through the programs that fall under the umbrella of HUD's Community Planning and Development division, HUD aims to "expand mobility and widen a person's freedom of choice." These programs include the Community Development Block Grant (CDBG), the HOME Investment Partnership program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA).

According to the Fair Housing Planning guide, "the CDBG program contains a regulatory requirement to affirmatively further fair housing based upon HUD's obligation under Section 808 of the Fair Housing Act. The CDBG regulation also reflects the CDBG statutory requirement that the grantees certify that they will affirmatively further fair housing." Additionally, the HOME program regulation "states the statutory requirement from the Comprehensive housing Affordability Strategy (CHAS) that the jurisdictions must affirmatively further fair housing."

The CPD Department also requires CD grantees, including entitlement communities like Springfield, to document AFFH actions in annual performance reports that are submitted to HUD. Grantees must:

- Conduct an analysis to identify impediments to fair housing choice within the jurisdiction.
- Take appropriate actions to overcome the effects of any impediments identified through the analysis.

- Maintain records reflecting the analysis and actions taken to eliminate impediments to fair housing choice.

Therefore, the City of Springfield has analyzed impediments to fair housing in this report. Actions taken to eliminate these impediments will be detailed in the Consolidated Annual Performance and Evaluation Reports (CAPER) that are due to HUD in the September that follows each program year. Additional information about HUD's Fair Housing Planning requirements may be found on HUD's website at <http://www.hud.gov/groups/fairhousing.cfm>.

A. Who Conducted the AI

In 2001, the City of Springfield conducted a Fair Housing Planning process, including the Analysis of Impediments described above. In 2003, the City of Springfield's Office of Community Development revised its Analysis of Impediments (AI) with the help of MBL Housing and Development, Inc. a consultant hired based on direction from HUD. During the fiscal 2005-2006 program year, the City of Springfield augmented this AI with additional analysis.

The Consultant and the City of Springfield utilized interviews and a public hearing to solicit input and feedback for this AI. In addition to include the DRAFT AI in the DRAFT FY04-05 CAPER that was distributed for public comment prior to submission to HUD, the City also solicited direct feedback from directors at the following organizations:

- Massachusetts Fair Housing Center (nee Housing Discrimination Project HDP)
- Anti Displacement Project
- Springfield Housing Authority
- HAP, Inc, a regional housing partnership
- Catholic Charities
- Massachusetts Department of Housing and Community Development
- Massachusetts Commission Against Discrimination
- MBL Housing and Development, an affordable housing development consulting firm
- Pioneer Valley Planning Commission
- Western Mass Legal Services

The City of Springfield received feedback from the Massachusetts Fair Housing Center (MFHC) and revised this AI to address the issues raised by MFHC. A copy of the 9/30/05 letter from MFHC is attached to the end of this document. Due to the fact that these rather substantial comments were received at the end of the public comment period for the FY04-05 CAPER, the City determined it would meet with MFHC (OCD staff meet with Director Jaime Williamson on 10/27/05 and then resubmit the revised document for public comment as part of the FY06-07 Action Plan process.

B. Methodology

The framework for this AI is the "Suggested Format for the Analysis of Impediments" that is recommended by HUD in its Fair Housing Planning Guide.

In order to complete the AI, in 2003 the consultant reviewed the most recent statistical data, reviewed City and State policies and regulations, and conducted interviews with City officials and others knowledgeable about the local housing market.

In 2005, the Office of Community Development utilized interviews and held a public hearing to solicit additional feedback to augment and update the 2003 AI. The Office of Community Development also completed a comprehensive review of policies, practices and procedures that affect the location, availability, and accessibility of housing and assessed current residential patterns and conditions.

C. How Funded

Community Development Block Grant (CDBG) funds allocated for administrative costs were used to fund the work conducted to complete this AI.

D. Conclusions

1. IMPEDIMENTS FOUND

The following impediments to fair housing in Springfield were identified through this AI.

a. Lack of extensive amounts of undeveloped land.

According to the City's of Springfield Planning Department only approximately 3.4 percent or 0.7 square miles out of a total of 20.5 square miles of residential parcels in Springfield are developable at present (i.e. they do not contain any improvements/structures).

b. Imbalance between rental and homeownership in various neighborhoods.

Data analysis included in this AI indicates that although 49% of Springfield's housing stock is single family housing. In some neighborhoods that percentage exceeds 80%, while in the older, more urban neighborhoods with high concentrations of low and moderate income persons, minorities and/or persons with disabilities that rate falls to below 20%.

Homeownership rates mirror this pattern with the older urban neighborhoods averaging 5-20% of owner-occupancy vs. 67-86 % in outlying neighborhoods. Housing values and occupancy affordability correlate directly with these factors of stock and owner-occupancy.

c. Presence of deteriorated privately-owned properties that are vacant or not actively managed.

The results of a recent windshield survey of blighted properties in Springfield that are included as part of this AI indicate that blighting influences are predominately located in areas where homeownership rates are low and the boundaries of these areas overlap with areas where there is a large concentration of ethnic and racial minorities and low and moderate income persons.

d. Evidence of predatory lending, redlining and other discriminatory practices.

There is evidence that predatory lending and redlining are significant problems in Springfield, primarily concerning minority neighborhoods. In December 2003, the Pioneer Valley Planning Commission created a detailed analysis of the regional home lending market with an emphasis on fair lending practices and subprime lending. They examined lending market statistics for the Springfield SMSA from 1996 through 2001.¹ Analyzing loan outcomes by applicant demographics revealed that African-American and Latino applicants had consistently higher loan denial rates than white applicants, regardless of income level. Even high-income African-American and Latino applicants were denied home loans three times more often than white applicants.

Analysis of loan approval ratios – the total number of loans approved per loan denied from 1996 to 2001 – showed that the percentage of persons of color for a particular census tract has a significant inverse relationship with the approval ratio. Even when factors such as income, age, and housing stock are controlled, the racial and ethnic characteristic of a census tract is a significant predictor of loan outcomes.

PVPC's study found significant levels of subprime lending activity, with a concentration of such lending in the urban core census tracts of Springfield, areas with larger populations of persons of color. The study concluded that, "As evidenced by the geographical concentration of subprime applications and the characteristics of these same areas, the data indicates that subprime lenders may be targeting their efforts on low-income communities of color."

e. Existing patterns of segregation.

Springfield is a city of 17 distinct neighborhoods, a fact that has both positive and negative impacts. Much of Springfield's minority population has deep historical roots in particular neighborhoods. Within these ethnically based neighborhoods, residents feel a strong sense of community and can access shops, services, religious and social organizations.

Data analysis included in this AI indicates that within the City of Springfield minority concentration varies by neighborhood, but that the real disparities exist between Springfield and the other communities that are included as part of the

¹ Primary sources included the US Census and the Home Mortgage Disclosure Act records of the Federal Financial Institutions Examination Council.

Springfield Metropolitan Statistical Area (MSA), an areas that includes 27 cities and towns. Comparative data about indicates that the greater Springfield Metropolitan Statistical Area is ninth among 331 MSA's nationwide and that the dissimilarity index of white-Hispanic residential segregation and 65th for white/black segregation. The Springfield MSA includes suburban communities that are predominately white, while the area's minority population is concentrated in the urban core cities of Springfield and Holyoke. These patterns of segregation cross municipal boundaries and therefore cannot be addressed by City actions alone.

f. Language barriers & cultural differences.

Language barriers and cultural differences were also identified another potential impediment to fair housing in this AI. Hispanics are the fastest growing minority group in Springfield, increasing by 55.8% according to the 2000 Census. The total number of Hispanics, 41,343, represents 27.2% of the City's population. The City and surrounding region has also seen a more recent influx of Southeast Asian and Russian immigrants. Language barriers can exacerbate discrimination in accessing rental housing, homeownership, and appropriate mortgage financing.

For Springfield's newest immigrant groups, those from Southeast Asia and the former Soviet republics, differences in how housing is accessed and financed can create barriers. For example, Southeast Asian immigrants are often not familiar with the standard American mortgage process for home ownership and prefer to work and save until they are able to buy with cash.

As is common with nearly all new immigrant groups, later arrivals tend to move into neighborhoods where others from their home country already live. This pattern creates interesting and diverse ethnic neighborhoods but also results in concentration of minority groups.

g. The age of housing stock and the prevalence of lead-based paint hazards.

According to the analysis included in this AI the age of Springfield's housing stock and the prevalence of lead-based paint hazards are another impediment to fair housing in the city. Approximately 89% of Springfield's housing stock was built before 1979, and 36% was built before 1939. This is true for both renter and owner-occupied housing (87.7% of Springfield's rental housing and 91% of the owner-occupied was built before 1979). The age of the housing stock creates impediments to fair housing for several reasons. It means that much of the housing is in need of repair and expensive to operate, repair, and to maintain in good condition for both homeowners and rental property owners. The cost of maintaining older housing represents a barrier to homeownership for low and moderate-income buyers.

The age of the housing stock is also an impediment to fair housing for those with physical disabilities in that older housing is likely to contain physical barriers such as steep stairs, narrow passages and doorways, and small room sizes. The cost of and of making older housing accessible for those with disabilities limits the supply and availability of appropriate and affordable housing for many, especially those with limited income.

The age of the housing stock and corresponding significant presence of lead-based paint creates another impediment to fair housing. The Massachusetts Department of Public Health's Childhood Lead Poisoning Prevention Program lists Springfield as one of the "high risk" communities for childhood lead poisoning. The cost of addressing lead-based paint hazards limits the supply and availability of appropriate and affordable housing for many, especially families with small children and those with limited income.

2. ACTIONS TO ADDRESS IMPEDIMENTS

The City of Springfield will undertake the following actions to address the impediments to fair housing that were identified through this AI.

- a. Encourage infill/new construction of units suitable for homeownership on the scattered plots of land that remain available for development, particularly in neighborhoods where the homeownership rate is low.
- b. Implement balanced housing strategy; encourage homeownership throughout the city, with an emphasis on neighborhoods where homeownership rates are low and in neighborhoods that have little minority representation.
- c. Pursue strategies to address abandoned properties through demolition and/or redevelopment.
- d. Work with local lending institutions to do outreach to minority community to address the issue of predatory lending and housing repair scams.
- e. Work with surrounding communities to identify and overcome barriers to the regional racial imbalance.
- f. Continue to offer services, particularly first-time homebuyer education and counseling, fair housing education and credit counseling, in languages other than English (primarily Spanish) and target these programs to minorities.
- g. Provide financing and other incentives for property owners to upgrade housing, address lead-based paint hazards and make reasonable accommodations for residents with disabilities.

- h. Work with City Departments and the SHA to ensure fair housing practices are in place.
- i. Implement a coordinated system for monitoring and investigating fair housing complaints submitted to HUD, MCAD and MFHC.

II. JURISDICTIONAL BACKGROUND DATA

A. Demographic and Income Data

The population of the City of Springfield has remained relatively consistent over the past twenty years. Today, the City is home to a population of 152,082 residents.

	<u>1980</u>	<u>1990</u>	<u>2000</u>
Springfield Population	152,319	156,983	152,082

Source: United States Department of Commerce, Bureau of the Census.

Although the number of residents has remained consistent, the profile of residents has changed significantly. One of the greatest changes to Springfield’s population is the number of residents who live in poverty. While the income of residents lagged behind the balance of the Commonwealth in 1980, the gap widened in the 1980s and 1990s. In 2000, Springfield’s median family income was 58.8% of that for the Commonwealth. The median income of the City has not kept pace with that of the region or the Commonwealth. This widening income gap has significant implications on every aspect of life within the city.

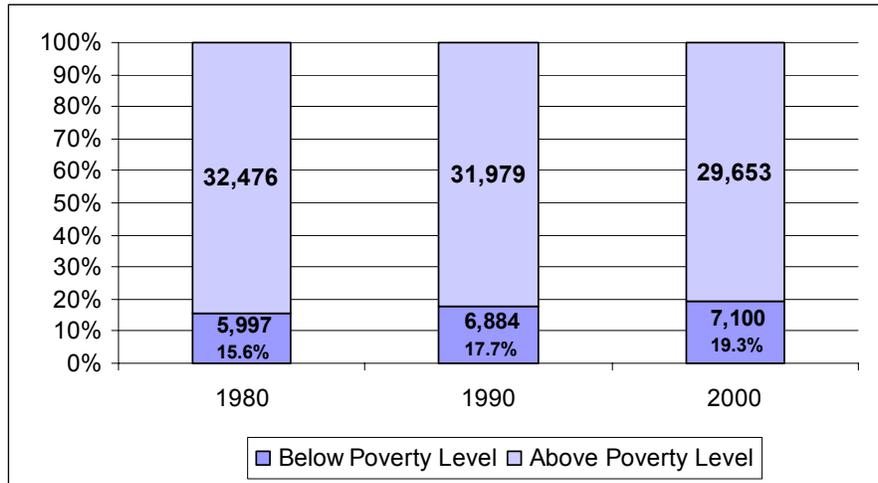
Median Family Income	<u>1980</u>	<u>1990</u>	<u>2000</u>
Springfield	\$ 16,607	\$ 30,824	\$ 36,285
Hampden County	\$ 19,596	\$ 31,100	\$ 49,257
Massachusetts	\$ 21,166	\$ 44,367	\$ 61,664
% of Hampden County	84.7%	99.1%	73.7%
% of Massachusetts	78.5%	69.5%	58.8%

Per Capita Income	<u>1980</u>	<u>1990</u>	<u>2000</u>
Springfield	\$ 5,819	\$ 11,584	\$ 15,232
Hampden County	\$ 6,731	\$ 14,029	\$ 19,541
Massachusetts	\$ 7,459	\$ 17,224	\$ 25,952
% of Hampden County	86.5%	82.6%	77.9%
% of Massachusetts	78.0%	67.3%	58.7%

Source: United States Department of Commerce, Bureau of the Census.

The number of families living below the poverty line increased significantly, as detailed in the bar graph below.

Families with Income Below Poverty Level 1980-2000



Source: Springfield Planning Department analysis of 1980, 1999 and 2000 US Census.

When depicted on a block group level (a subset of the census tracts used by the US Census department), low income and minority concentrations throughout the City are particularly evident. Called “areas of low-income concentration” and “areas of minority concentration,” the City defines these areas as block groups where the concentration of the respective income or minority group is higher than the percentage of the same demographic group in the overall city population.

The following table overviews the percentages of citywide concentration that are used as the baseline in the racial minority and ethnicity concentration maps that follow. For reference, a blank map with the boundaries of all block groups in the City and a table with the data that served as the foundation for the concentration maps mentioned above.

Low and Moderate Income and
Minority Concentrations in Springfield, MA

	POPULATION	PERCENT OF TOTAL CITY POPULATION
INCOME		
Low or Moderate Income	87,056	59.4%
RACE		
Black and African American	31,472	20.7%
American Indian and Alaska Native	590	0.4%
Asian	2,859	1.9%
Other/Multi Racial	32,191	21.2%
Total Non White (incl. Black and African American, Asian, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and Other/Multi Racial)	67,204	44.2%
ETHNICITY		
Hispanic	41,359	27.2%

Source: United States Department of Commerce, Bureau of the Census.

Note: In the "Race" category the total number of Native Hawaiian and Other Pacific Islanders amounts to 98 or 0.1 percent of the Springfield population.

Within the City of Springfield minority population varies by neighborhood, but the disparities are not as great as those between Springfield and some of its neighboring communities.

Springfield is a city of 17 distinct neighborhoods, a fact that has both positive and negative impacts. Much of Springfield's minority population has deep historical roots in particular neighborhoods. Within these ethnically based neighborhoods, residents feel a strong sense of community and can access shops, services, religious and social organizations.

The City of Springfield is also the center of a Metropolitan Statistical Area that includes 27 other cities and towns. Comparative data about these communities and others in the United States indicates that the greater Springfield Metropolitan Statistical Area is ninth in the country in the dissimilarity index of white-Hispanic residential segregation and 65th for white/black segregation, out of 331 MSA's listed. The Springfield MSA includes suburban communities that are predominately white, while the area's minority population is concentrated in the urban core cities of Springfield and Holyoke. These patterns of segregation cross municipal boundaries and therefore cannot be addressed by City actions alone.

**Percentage Minority and Ethnic Population in
Springfield, MA MSA Towns and Cities**

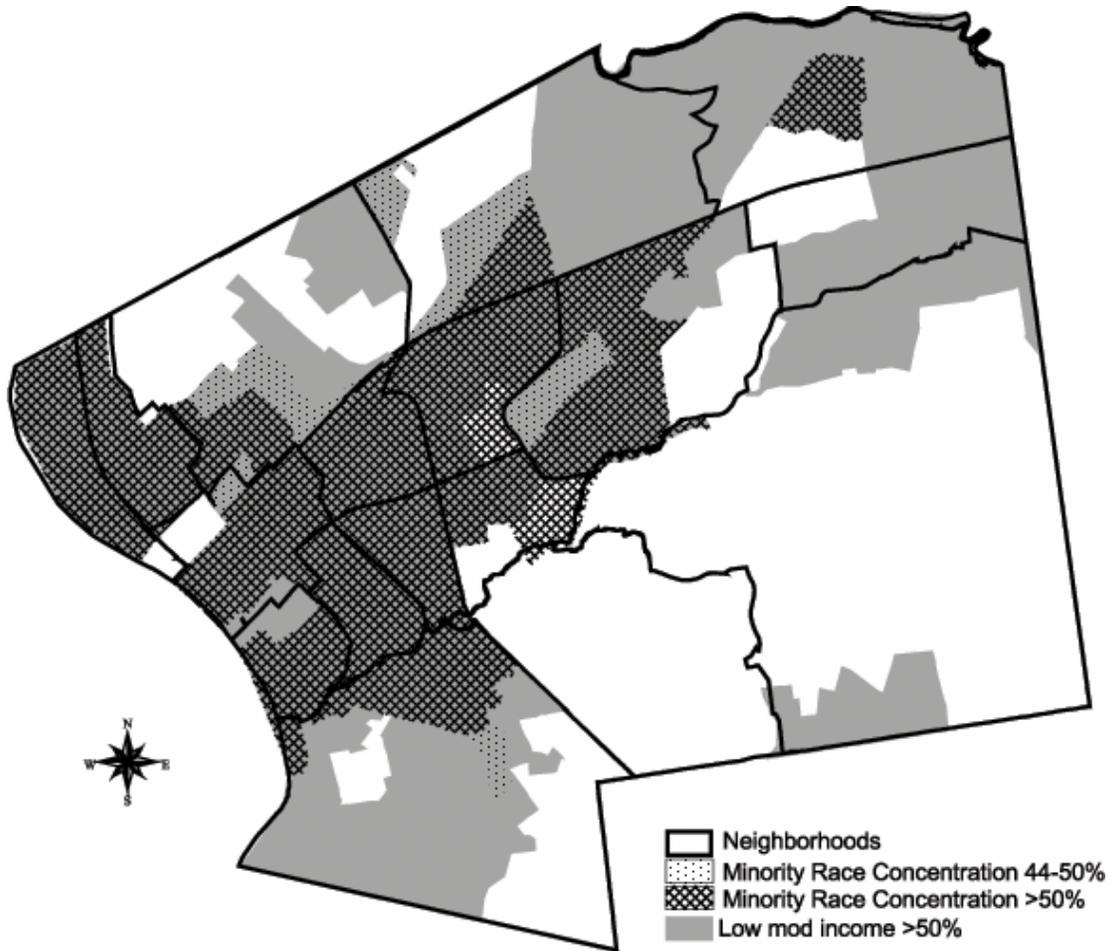
Community	Population	% Minority Race*	% Hispanic
Amherst	34,874	20.7	6.2
Belchertown	12,698	3.8	1.6
Chicopee	54,653	10.2	8.8
East Longmeadow	14,100	2.3	.9
Easthampton	15,994	4.5	2.1
Granby	6,132	3.2	1.2
Hadley	4,793	4.2	1.7
Hampden	5,171	1.7	0.6
Hatfield	3,249	2.0	1.0
Holyoke	39,838	34.2	41.4
Huntington	2,174	2.4	1.8
Longmeadow	15,633	4.7	1.1
Ludlow	21,209	4.2	6.5
Monson	8,359	2.3	1.2
Montgomery	654	2.0	0.8
Northampton	28,978	10	5.2
Palmer	12,497	3.2	1.2
Russell	1,657	2.5	1.5
South Hadley	17,196	6.0	2.4
Southampton	5,387	1.6	0.9
Southwick	8,835	2.6	1.7
Springfield	152,082	43.8	27.2
Sunderland	3,777	11.3	2.4
Ware	9,707	3.5	2.1
West Springfield	27,899	9.3	5.8
Westfield	40,072	5.3	5.0
Wilbraham	13,473	3.5	1.4
Williamsburg	2,427	2.1	0.7

Source: United States Department of Commerce, Bureau of the Census.

Note: "Minority Race" is defined as Black, Asian, American Indian, and Other/Multi Racial persons.

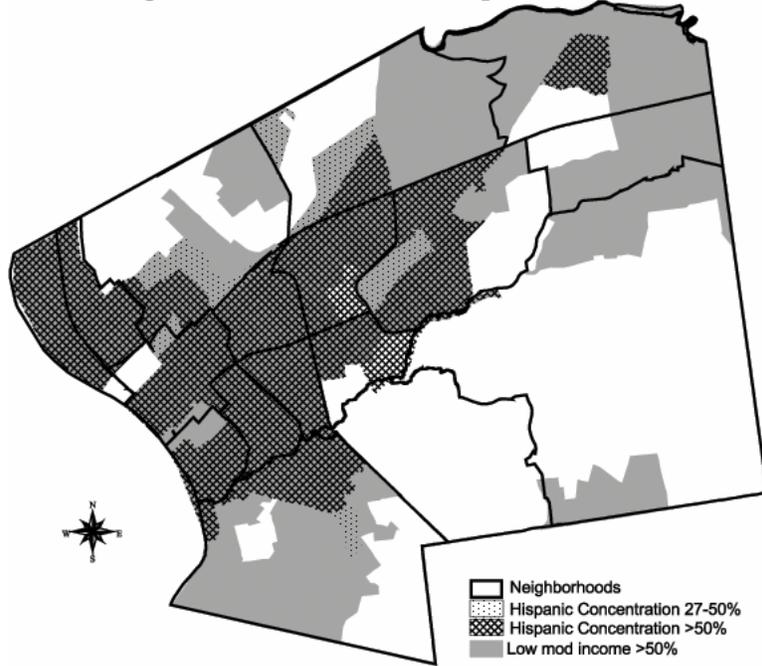
Census tract and block group data from the 2000 US Census indicates that the areas where there are high concentrations of racial and ethnic minorities and persons with disabilities overlap with the areas in the city where there is a high concentration of low and moderate income persons.

Springfield, MA Census Tracts and Block Groups with High Concentrations of Low & Moderate Income Persons and High Minority Race Concentrations

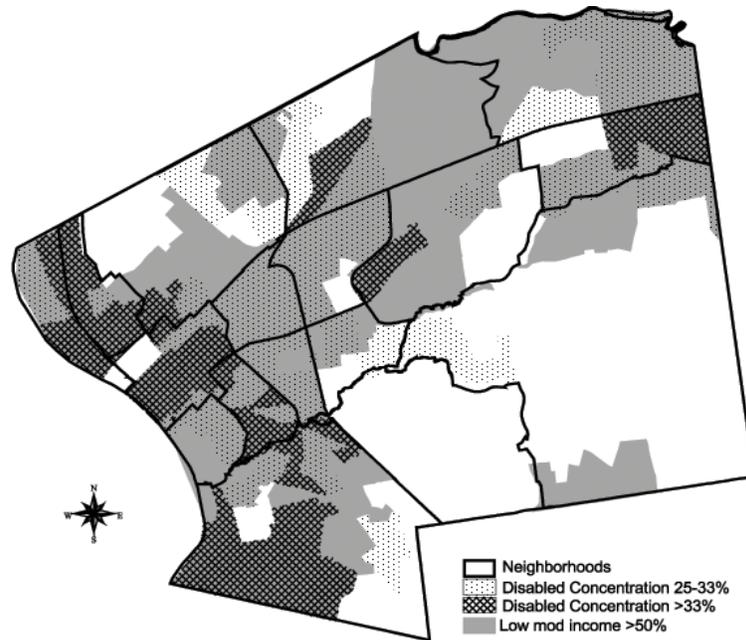


Note: "Minority Race" is defined as Black, Asian, American Indian, and Other/Multi Racial persons.

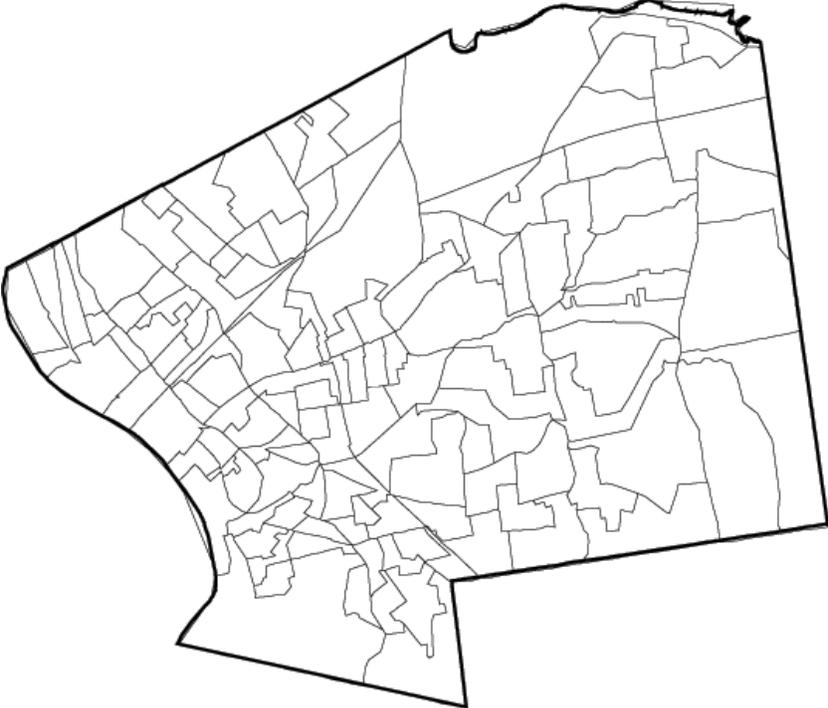
Springfield, MA Census Tracts and Block Groups with High Concentrations of Low & Moderate Income Persons and High Concentrations of Hispanic Persons



Springfield, MA Census Tracts and Block Groups with High Concentrations of Low & Moderate Income Persons and High Concentrations of Disabled Persons



Blank Map of Springfield with Boundaries of All Block Groups



B. Employment data

The Springfield economy continues to lag significantly behind that of the state and the nation.

Like other cities in the northeast, Springfield's employment centers--primarily areas that had large concentrations of manufacturing jobs--have diminished in size and relative importance. The local economy is now a service-based economy that is heavily dependent on the Trade, Transportation, Utilities and the Education and Health Services sectors, as indicated in the employment data in the table below.

Industry	Calendar Year Average			
	2001	2002	2003	2004*
Construction	2,309	2,192	1,943	1,726
Manufacturing	6,455	5,622	5,141	5,230
Trade, Transportation and Utilities	14,965	14,309	13,966	13,482
Information	2,299	2,083	2,255	2,018
Financial Activities	8,689	8,498	8,293	8,060
Professional and Business Services	7,757	7,277	6,348	6,310
Education and Health Services	24,755	25,610	26,369	26,728
Leisure and Hospitality	5,350	5,462	5,670	5,582
Other Services	3,983	4,394	4,869	5,054
Public Administration	3,363	3,308	3,047	2,877
Total Employment	79,925	78,755	77,901	77,117
Number of Establishments	4,316	4,764	5,235	5,459
Average Annual Wage	\$37,115	\$38,288	\$39,649	NA
Total Wages	\$2,966,429,396	\$3,015,400,588	\$3,088,673,412	\$1,582,442,029*

*Data for 2004 is for the first 6 months of the calendar year.

Source: Massachusetts Department of Employment and Training, Series ES 202; data is not seasonally adjusted. Data is based on place of employment not place of residence.

In addition, unemployment rates are high:

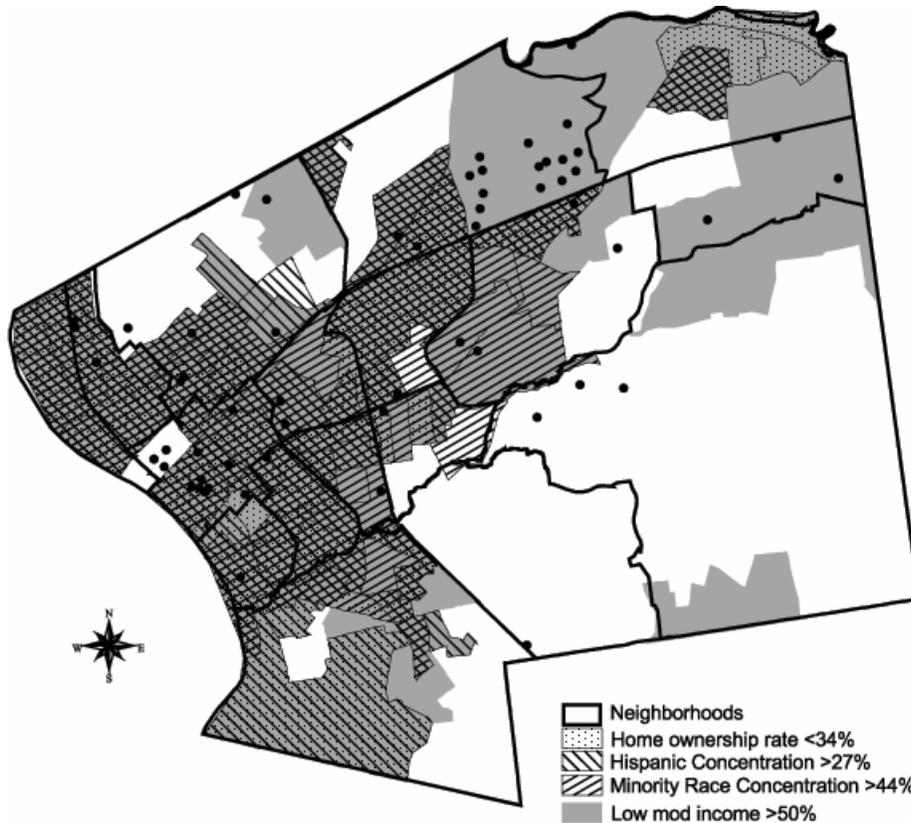
	Springfield	Massachusetts	U.S.
2004	6.5%	5.1%	5.5%
2003	8.5%	5.8%	6.0%
2002	7.4%	5.3%	5.8%
2001	5.4%	3.7%	4.8%
2000	4.4%	2.6%	4.0%
1999	5.0%	3.2%	4.2%

Source: Massachusetts Department of Labor

Job opportunities for Springfield's low and moderate income residents have decentralized to locations all over the city and the region.

The increasing fragmentation of Springfield's employment centers is indicative of the de-concentration of job opportunities in the region for Springfield residents. The following map, based on the list of Springfield's largest employers that follows, indicates that Springfield's largest employers are scattered all over the City.

Springfield's Largest Employers Plotted by Headquarters Location



Firms with more than 100 Employees in Springfield			
American International College	1000 State St	Menlo Worldwide Forwarding Inc	100 Brookdale Drive
American Medical Response of Massachusetts	595 Cottage St	Mental Health Association Inc	995 Worthington St
Amtrak	66 Lyman St	MML Investors Services, Inc., a division of MassMutual	1414 Main Street
Arrow Security Co Inc	237 Memorial Dr	New England Orthopedic Surgeons	300 Birnie Ave Ste 201
Astenjohnson Inc	40 Progress Ave	Nu Visions Manufacturing LLC	225 Carando Dr
Babson Capital Management LLC, a division of MassMutual	1500 Main Street	Parkview Specialty Hospital	1400 State Street
Banknorth National Association	1441 Main St	Performance Food Group	340 Taylor St
Bay State Gas Company	2025 Roosevelt Ave	Peter Pan Bus Lines Inc	1776 Main St Ste 1
Baystate Medical Center, Inc	759 Chestnut St	R M Sullivan Transportation	649 Cottage St
Behavioral Health Network	342 Bernie Avenue	Reeds Landing	807 Wilbraham Rd
Big Y Foods Inc	2145 Roosevelt Ave	Richco Janitor Service Inc	237 Memorial Dr
Center for Human Development/ Behavioral Network	332 Bernie Avenue	Shriners Hospital For Children	516 Carew St
Chapin Center	200 Kendall St	Sisters of Providence Health System and Mercy Medical Center	233 Carew St 271
Diocese of Springfield	65 Elliot St	Smith and Wesson	2100 Roosevelt Avenue
Disability Management Services	1350 Main St Ste 8	Smurfit Stone	320 Parker St
Durham School Services Inc	99 Arnold Ave	Solutia, Inc.	730 Worcester Street
Electro-Term-Hollingsworth, Inc.	90 Memorial Dr Ste 4	Springboard Technology	1 Federal Street
F.L. Roberts & Co. Inc.	93 West Broad Street	Springfield Anesthesia Service	908 Allen St
Falcon Hotel Corp	1 Monarch Pl Ste 25100	Springfield College	263 Alden St
Farmiland Foods	20 Carando Drive	Springfield Technical Community College (STCC)	1 Armory Square
Filenes Department Store	1655 Boston Rd	Springfield Wire Inc	243 Cottage Street
First Student	600 Berkshire Ave	Stop & Shop Companies, Inc	470 North Main Street
Fontaine Bros Inc	510 Cottage St	The Springfield Republican	1860 Main St
Gastite/Titeflex Industrial Products	603 Hendee St	Transit Express	2840 Main St
Goodwill Industries of the Springfield/Hartford Area, Inc.	285 Dorset St	U S Security Associates Inc	191 Chestnut St Ste 2a
Greater Springfield Senior Services	66 Industry Ave Ste 9	United Personnel Services Inc	1331 Main St
Health New England Inc.	1 Monarch Place, fl 15	United States Postal Service	1883 Main St Rm 146
JC Penney Outlet	1700 Boston Rd	Van-Pak Inc	255 Cadwell Dr
Kim Center Adult Day Care Health, Leslie Educational Alternatives	604 Cottage St	Verizon Communications Inc	365 State St
KMART Corporation	1277 Liberty St	Visiting Nurse Association	50 Maple St
Life Laboratories	299 Carew St	Wal-Mart	1105 Boston Rd
Marriott International Inc	1550 Main Street	West Street Inn, Multi Cultural Community Service Pioneer Valley	1000 Wilbraham Rd
Martin Luther King Community Center	106 Wilbraham Rd	Western Massachusetts Electric Company	300 Cadwell Dr
MassMutual Financial Group	1295 State St	Western New England College	1215 Wilbraham Rd
Meadwestvaco Corporation	2001 Roosevelt Ave	WGGB -TV	1300 Liberty St

Source: Business West Magazine and calls to individual employers.

Limited public transportation options in the city further inhibit low and moderate income workers. According to the 2000 US Census, workers living in block groups with high concentrations of both low and moderate income persons and ethnic and racial minorities are somewhat less likely to have access to their own private transportation. In lieu of their own private transport to and from work, they car pool, utilize public transportation, bicycle or walk to work. Additionally, according to the 2000 US Census patterns of travel times to work for individuals in these protected classes were not dissimilar from those of the workers residing in the balance of Springfield's neighborhoods.

Employment trends also indicate that small businesses will be the source of job opportunities in the future. A study published by the US Small Business Administration recently reported that Springfield and Hampden County had the highest average level of new business start-ups in the country from 1990 through 2001.

A comparison of private employment in Springfield during the first six months of 2003 and the same data for the same period in 2004 indicates that while total private employment decreased by 0.5 percent, the total number of private firms in Springfield increased by 12.4 percent during the same period which points to the trend that small businesses are likely to be the source of job opportunities for Springfield residents in the future.

Average Private Employment, Springfield, MA

	Average Private Employment January -June				Private Firms			
	2003	2004	% of Change		2003	2004	% of Change	
			Total 2004	2003 to 2004			Total 2004	2003 to 2004
Construction	1,606	1,504	2.3%	-6.4%	149	153	2.9%	2.7%
Manufacturing	5,246	5,230	8.1%	-0.3%	154	150	2.8%	-2.6%
Trade, Transportation and Utilities	11,339	10,972	17.0%	-3.2%	709	713	13.3%	0.6%
Information	2,265	1,929	3.0%	-14.8%	41	45	0.8%	9.8%
Financial Activities	8,377	8,043	12.5%	-4.0%	329	334	6.2%	1.5%
Professional and Business Services	6,343	6,310	9.8%	-0.5%	552	551	10.3%	-0.2%
Education and Health Services	19,809	20,226	31.4%	2.1%	464	464	8.7%	0.0%
Leisure and Hospitality	5,043	5,180	8.0%	2.7%	315	320	6.0%	1.6%
Other Services	4,736	5,050	7.8%	6.6%	2,053	2,626	49.0%	27.9%
TOTAL	64,763	64,443	100.0%	-0.5%	4,766	5,356	100.0%	12.4%

Source: Massachusetts Department of Employment and Training, Series: ES 202. Data is not seasonally adjusted; data is based on place of employment not place of residence.

Springfield-based, minority-owned businesses are not growing at the same rate as the overall small business community, however. Although they make up 20% of the total number of businesses in the City, Springfield-based, minority-owned businesses are seeing total receipts coming in at only \$90,626,000 or 0.5 percent of total receipts of Springfield establishments in 1997.

	Massachusetts, 1997			Springfield, 1997		
	Minority Only	Total	Percent of Total	Minority Only	Total	Percent of Total
Total Establishments						
Establishments	39,039	537,150	7.3%	1,582	7,914	20.0%
Total Sales and Receipts (\$1, 000)	6,980,154	517,291,479	1.3%	116,508	17,052,367	0.7%
Sales and Receipts per Establishment (\$000)*	\$ 179	\$ 963		\$ 74	\$ 2,155	
Establishments with Employees						
Establishments	7,641	135,309	5.6%	102	2,683	3.8%
Total Sales and Receipts (\$1, 000)*	6,133,900	498,376,149	1.2%	90,626	16,868,908	0.5%
Sales and Receipts per Establishment (\$000)*	\$ 803	\$ 3,683		\$ 888	\$ 6,287	
Employees	53,243	2,852,762	1.9%	668	75,930	0.9%

Source: US Economic Census, 1997 (note: More current data (2002 survey) will not be available until late 2005)

The paucity of developable industrial and commercial sites in Springfield also hinders the city's ability to attract and retain jobs for low and moderate income residents. In 2004, the lion share of building sales, land sales, lease activity and facility updates are taking place in suburban locations in towns along Springfield's periphery, which is largely due to the lack of developable industrial/commercial land in the city. According to CB Richard Ellis, the only additions to the inventory of industrial properties in the greater Springfield area are "build to suits." As a result, the CB Richard Ellis report says, the vacancy rate in industrial property decreased from 10 percent in 2002 to 9 percent in 2003 and continued to decline in 2004.²

² CB Richard Ellis Market Report, 2004

C. Residential Real Estate Availability

This lack of available residential real estate, especially large tracts of land, for new housing construction is another potential impediment to fair housing as it limits development activity in the city. According to the City’s of Springfield Planning Department only approximately 3.4 percent or 0.7 square miles out of a total of 20.5 square miles of residential parcels in Springfield are developable at present (i.e. they do not contain any improvements/structures).

D. Housing profile

According to the 2000 US Census, the City of Springfield, known as the City of Homes, has 61,172 units of housing.

To the issue of racial or ethnic disproportion in the overall housing market, the table below shows the proportions of all households in Springfield (owners and renters) with housing needs as identified by HUD’s Comprehensive Housing Affordability Strategy (CHAS). Data is presented for various household income levels that related to the areas median household income. The final column presents the thresholds over which minority groups would be identified as having a disproportionate housing need relative to the population as a whole.

Median Family Income	Total Households	Households with Any Housing Problem	% with Any Housing Problem	Disproportionate Need Threshold
< 30% MFI	13,147	9,282	70.6%	80.6%
30.01-50% MFI	8,468	4,979	58.8%	68.8%
50.01-80% MFI	10,936	3,948	36.1%	46.1%
> 80.01% MFI	24,519	2,354	9.6%	19.6%

Source: CHAS Data; 2000 US Census

The following table presents CHAS housing need data for ethnic and racial groups in Springfield.

Median Family Income	Total Minority Households	Households with Any Housing Problem	% with Any Housing Problem	Disproportionate Need Threshold Exceeded?
BLACK NON-HISPANIC HOUSEHOLDS				
< 30% MFI	2,765	1,861	67.3%	No
30.01-50% MFI	1,850	1,265	68.4%	No
50.01-80% MFI	2,160	870	40.3%	No
> 80.01% MFI	4,030	472	11.7%	No
ASIAN NON-HISPANIC HOUSEHOLDS				
< 30% MFI	170	135	79.4%	No
30.01-50% MFI	98	79	80.6%	Yes
50.01-80% MFI	110	45	40.9%	No
> 80.01% MFI	359	60	16.7%	No
HISPANIC HOUSEHOLDS				
< 30% MFI	5,333	3,792	71.1%	No
30.01-50% MFI	2,354	1,389	59.0%	No
50.01-80% MFI	1,943	820	42.2%	No
> 80.01% MFI	2,835	570	20.1%	Yes

Source: CHAS Data; 2000 US Census

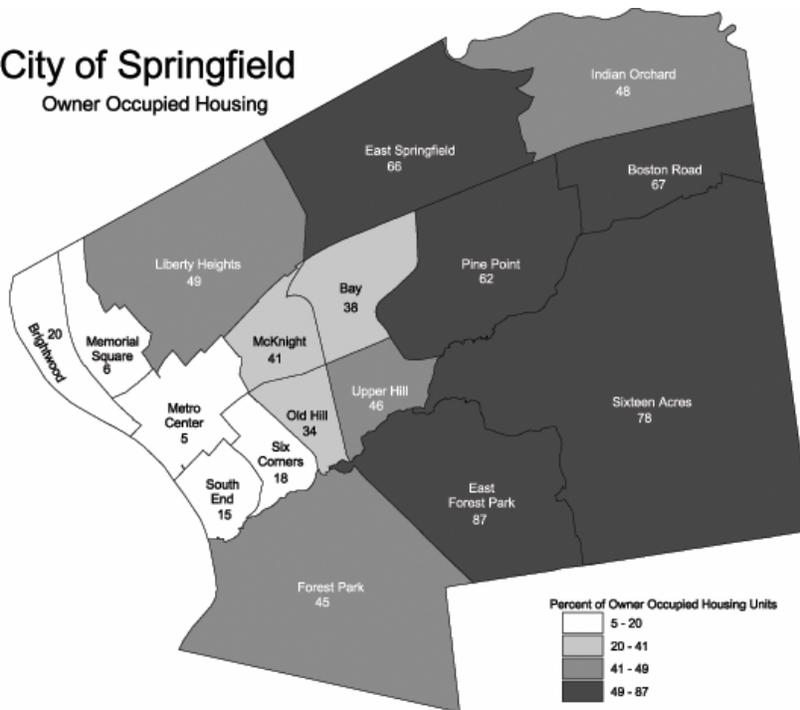
Based upon an analysis of HUD's CHAS data, two income groups of minority households were determined to have disproportionate housing needs. These two groups, as illustrated in the chart above, are Asian, non-Hispanic households with incomes between 30-50% of median and Hispanic households with incomes over 80% of median.

Further analysis of Springfield's housing stock indicates that Springfield has two distinct housing markets.

Overall, 49% of Springfield's housing stock is single family housing. Yet in some neighborhoods that percentage exceeds 80%; while in the older, more urban neighborhoods with high concentrations of low and moderate income persons, minorities and/or persons with disabilities that rate falls to below 20%.

Homeownership rates mirror this pattern with the older urban neighborhoods averaging 5-20% of owner-occupancy vs. 67-86 % in outlying neighborhoods. Housing values and occupancy affordability correlate directly with these factors of stock and owner-occupancy.

City of Springfield
Owner Occupied Housing



The increased demand for affordable single family homes in stable neighborhoods has also resulted in a significant rise in median sales prices.

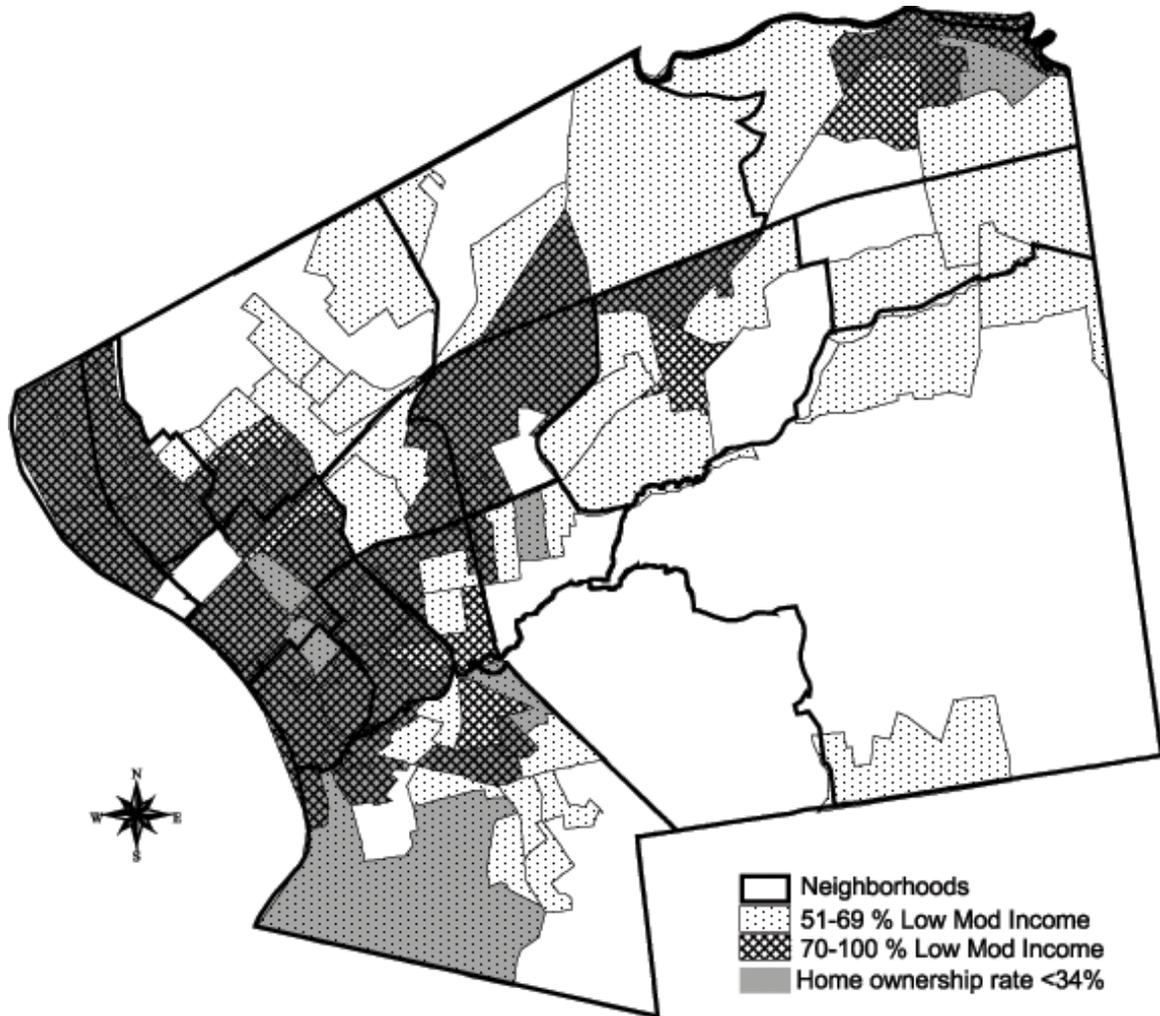
Median Sales Price, Residential Units Springfield MA

Calendar Year	1-Family	Condo	All Sales
2005*	126,500	66,000	133,000
2004	118,900	89,414	124,000
2003	105,000	78,500	105,000
2002	92,000	78,950	90,000
2001	84,900	74,113	80,500
2000	76,000	73,200	74,000
%Change 2000-			
2004	56.4%	22.2%	67.6%

Source: The Warren Group

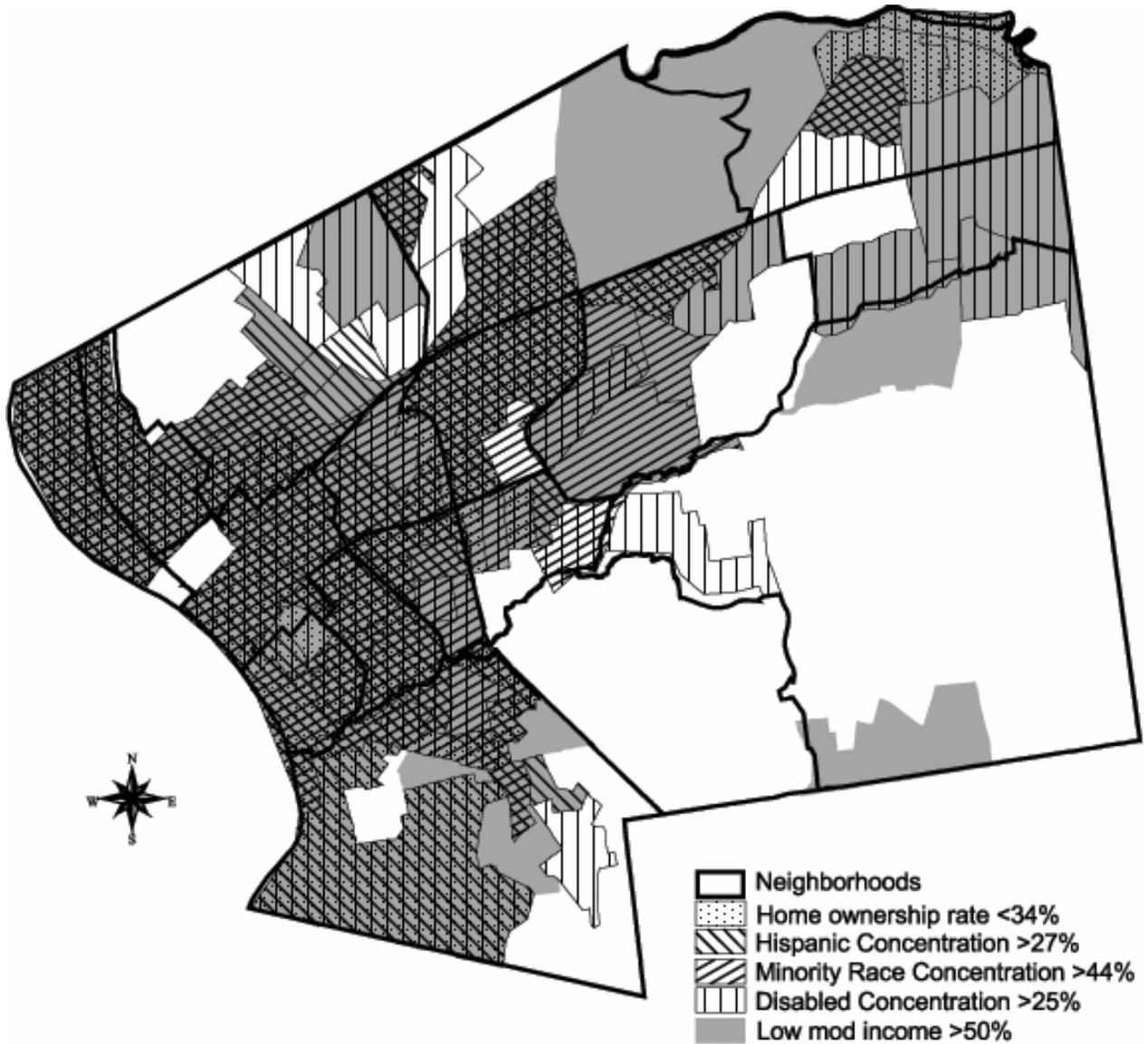
Low homeownership rates are prevalent in areas with large concentrations of low and moderate income persons and ethnic and racial minorities. The following map illustrates that the block groups that fall into the lowest percentage of homeownership are also areas of low-income concentration.

Springfield, MA Census Tracts and Block Groups with High Concentrations of Low and Moderate Income Persons and Low Homeownership Rates



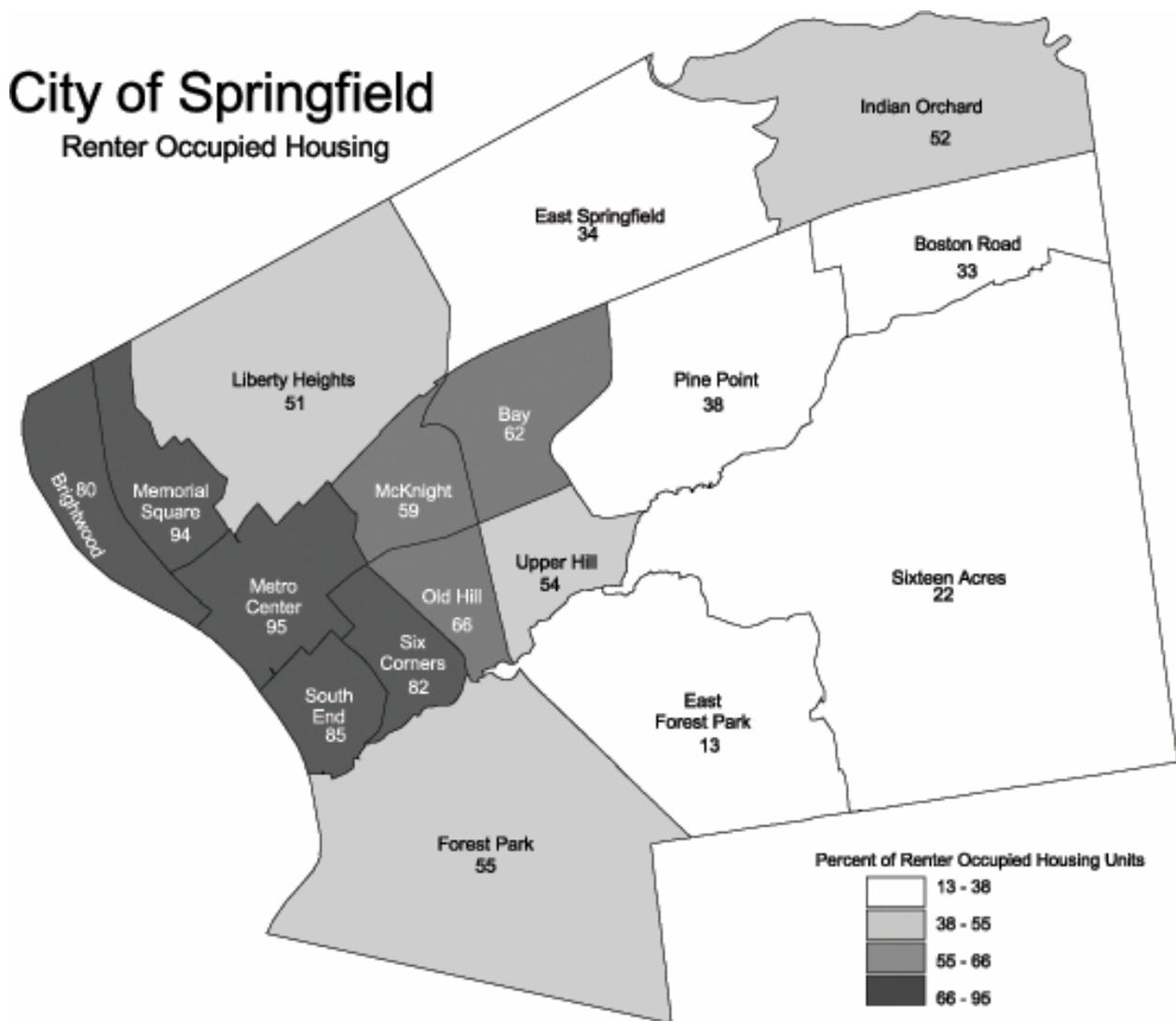
Areas where there are high concentrations of persons in protected classes also correlate to areas with low-homeownership rates but not to the same degrees as that for low-income areas.

Springfield, MA Census Tracts and Block Groups with High Concentrations of Low and Moderate Income Persons and Low Homeownership Rates



Rental stock within Springfield is primarily pre-1940 stock in larger multi-family apartment blocks. Generally these properties are in need of modernization and in some cases significant rehabilitation. This stock has limited utility as housing for persons with disabilities.

The data identifies a rent burden for the majority of lower income rental households. In some categories, nearly 80% of the households experience a cost burden. Very low income elderly household are also likely to have disproportional housing costs. To meet these needs as well as those of vulnerable populations including the needs of the persons with HIV/AIDS and persons with disabilities, the City will target its housing resources towards the development of additional affordable rental units.



While the City of Springfield has a relatively affordable housing market, the City struggles to meet the housing needs of its low and moderate income residents. Limited household income and an aged housing stock create an enormous demand for safe, affordable housing.

The Massachusetts Department of Housing and Community Development's Chapter 40B Subsidized Housing Inventory shows that 17.2 percent or 10,522 units of the City's total housing stock are subsidized to assist low-income residents, which far exceeds the State's goal of 10 percent affordability and is only surpassed by Aquinnah at 26.5 percent, Holyoke at 21.0 percent, Boston at 18.9 percent, and Chelsea at 17.6 percent. However, the public housing and tenant-based Section 8 certificate waiting lists indicate that there is continued demand for affordable housing in the City. The SHA oversees a total of 2,387 public housing units and an additional 2,675 units under contract through rental assistance programs. An additional 169 units under contract through rental assistance programs are currently under construction or under substantial rehabilitation.

The SHA waiting list currently contains 2,602 families, approximately 89.5 percent of which are considered to be extremely low-income families. Only a small percentage (1.2 percent) of waitlist households have incomes between 50-80 percent of median. This disproportionate representation highlights the severe shortage of housing units available to households below 30 percent of median. While elderly households represent a portion of the waitlist households, the majority (94 percent) of those on the wait list are families, 61.1 percent are Hispanic, and 33.1% are families with a disabled member.

The chart below provides a detailed breakdown of households on the SHA waitlist.

Housing Needs of Families on the Waiting List			
	# of families	% of total families	Annual Turnover
Waiting list total	2602		
Extremely low income <=30% AMI	2330	89.5	
Very low income (>30% but <=50%)	240	9.2	
Low income (>50% but <80% AMI)	32	1.2	
Families with children	1591	61.1	
Elderly families	186	7.1	
Families with Disabilities	862	33.1	
Race/ethnicity (White)	434	16	
Race/ethnicity (Black)	446	17	
Race/ethnicity (Hispanic)	1666	64	
Race/ethnicity (Other)	56	2	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	855	32	530
2 BR	1049	40	535
3 BR	597	22.9	530
4BR	91	3.4	76
5 BR	9	0.3	6
5+ BR	1	0.03	2

Source: Springfield Public Housing Authority

The Springfield Housing Authority has undertaken an assessment of its need for accessible units (Section 504 compliance). In the assessment, a number of factors including current utilization and wait list needs were considered. The SHA determined that the current stock meets the current and anticipated demand. In the Springfield, MA MSA, however, subsidized housing units are not evenly distributed among the cities and towns, as indicated in the following table.

Community	2000 Census: Housing Units	% Subsidized Units 2005
Amherst	9,020	10.7
Belchertown	5,002	6.3
Chicopee	24,337	10.4
E. Longmeadow	5,350	7.6
Easthampton	7,058	7.3
Granby	2,288	3.0
Hadley	1,943	13.4
Hampden	1,843	3.5
Hatfield	1,420	3.6
Holyoke	16,180	21.0
Huntington	847	8.0
Longmeadow	5,832	7.3
Ludlow	7,815	2.2
Monson	3,184	5.8
Montgomery	254	0.0
Northampton	12,282	11.7
Palmer	5,371	7.6
Russell	634	4.6
South Hadley	6,757	4.9
Southampton	2,003	2.4
Southwick	3,488	4.7
Springfield	61,001	17.2
Sunderland	1,658	0.6
Ware	4,285	10.2
W. Springfield	12,196	3.2
Westfield	15,362	6.9
Wilbraham	5,021	4.5
Williamsburg	1,057	6.5

Source: Massachusetts Department of Housing and Community Development (DHCD)'s Chapter 40B Subsidized Housing Inventory.

D. Maps

The City of Springfield utilizes maps throughout this AI to assist in showing housing/job/transportation relationships, areas of racial/ethnic integration and segregation and locations of housing choices are distributed throughout this document.

E. Other Relevant Data

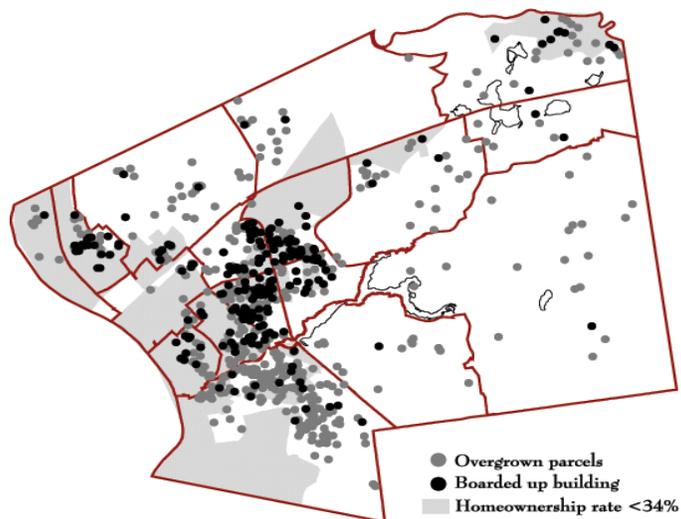
BLIGHT

A recent windshield survey of blighted properties in Springfield yielded a list of 238 “abandoned” structures. Primarily residential in nature, 89.1 percent or 212 of these sites were 1-4 family units. Of the balance of the properties, 8 were large multi family site, and 18 were commercial or industrial facilities. Just under 87 percent of the structures are privately owned.

A complaint list of requests to cleanup 589 sites with debris and/or overgrowth is another blighting influence that is concentrated in Springfield’s low and moderate income and minority neighborhoods. Of these sites, 147 are tax delinquent and 70% have multiple complaints.

The following map shows that these blighting influences are predominately located in areas where homeownership rates are low, which, as indicated in the maps above, overlap with areas where there is a large concentration of ethnic and racial minorities and low and moderate income persons.

**Springfield, MA Census Tracts and Block Groups with
Low Homeownership Rates
with Overlay of Recently Identified Boarded Up Buildings and Overgrown Parcels**



LANGUAGE BARRIERS AND CULTURAL DIFFERENCES

Language barriers and cultural differences are another potential impediment to fair housing that can be identified through analysis of basic demographic and housing data. Hispanics are the fastest growing minority group in Springfield, increasing by 55.8% according to the 2000 Census. The total number of Hispanics, 41,343, represents 27.2% of the City's population. The City and surrounding region has also seen a more recent influx of Southeast Asian and Russian immigrants. Language barriers can exacerbate discrimination in accessing rental housing, homeownership, and appropriate mortgage financing.

For Springfield's newest immigrant groups, those from Southeast Asia and the former Soviet republics, differences in how housing is accessed and financed can create barriers. For example, Southeast Asian immigrants are often not familiar with the standard American mortgage process for home ownership and prefer to work and save until they are able to buy with cash.

As is common with nearly all new immigrant groups, later arrivals tend to move into neighborhoods where others from their home country already live. This pattern creates interesting and diverse ethnic neighborhoods but also results in concentration of minority groups.

LEAD HAZARDS

Other potential impediments include the age of housing stock and the prevalence of lead-based paint hazards. 89% of Springfield's housing stock was built before 1979, and 36% was built before 1939. This is true for both renter and owner-occupied housing (87.7%

of Springfield’s rental housing and 91% of the owner-occupied was built before 1979). The age of the housing stock creates impediments to fair housing for several reasons. It means that much of the housing is in need of repair and expensive to operate, repair, and to maintain in good condition for both homeowners and rental property owners. The cost of maintaining older housing represents a barrier to homeownership for low and moderate-income buyers.

The age of the housing stock is also an impediment to fair housing for those with physical disabilities in that older housing is likely to contain physical barriers such as steep stairs, narrow passages and doorways, and small room sizes. The cost of and of making older housing accessible for those with disabilities limits the supply and availability of appropriate and affordable housing for many, especially those with limited income.

The age of the housing stock and corresponding significant presence of lead-based paint creates another impediment to fair housing. The Massachusetts Department of Public Health’s Childhood Lead Poisoning Prevention Program lists Springfield as one of the “high risk” communities for childhood lead poisoning. The cost of addressing lead-based paint hazards limits the supply and availability of appropriate and affordable housing for many, especially families with small children and those with limited income.

Springfield continues to be defined as a "high risk" community for lead poisoning by the Commonwealth's Department of Public Health. Springfield has a total of 61,172 housing units, 10.1 percent of these units were built before 1950 and are occupied by families living below the poverty level, putting them on the Lead Hazard High Risk List. Approximately 36.3% of the units in Springfield were built prior to 1940, and a full 89.9% were built pre-1979 – both indicators that the units are likely to contain lead-based products.

Springfield's population of 152,082 includes 20,083 children less than six years of age (Census, DPH). According to the 2000 U.S. Census, nearly 60% of the City's households are low or moderate income. According to U.S. Census data, there are 7,100 households living in poverty in Springfield or roughly 20% of the population.

The Lead Hazards section of Environmental Defense "Scorecard", which is co-sponsored by the Alliance to End Childhood Lead Poisoning, ranks census tracts by the potential lead hazards. When evaluated by "children under 5 living in poverty" "Scorecard's" summary of Lead Hazards documents the unmet need.

SUMMARY OF LEAD HAZARDS – CITY OF SPRINGFIELD

Neighborhood	Number Of Units at High Risk*	% of Total High Risk	Units Built Pre 1950	Units With Low Income	Children Under 5 Living In Poverty
Bay	240	3.9%	700	450	200
Boston Road	---	---	---	---	---

Brightwood	194	3.1%	650	840	292
East Springfield	160	2.6%	1,300	300	160
East Forest Park	---	---	---	---	---
Forest Park	1,282	20.7%	6,330	1,828	771
Indian Orchard	314	5.1%	1,770	643	249
Liberty Heights	575	9.3%	3580	1,350	563
McKnight	380	6.1%	1,100	550	200
Memorial Sq	301	4.8%	540	911	410
Metro Center	530	8.5%	1,330	920	200
Old Hill	320	5.2%	910	510	300
Pine Point	235	3.8%	1,480	650	432
Six Corners	730	11.8%	1,800	1,200	590
Sixteen Acres	216	3.5%	850	709	344
South End	470	7.6%	1,260	740	341
Upper Hill	260	4.2%	1,500	330	270
TOTAL	6,207	100.0%	25,100	11,931	5,322

Source: Scorecard/Environmental Defense (Note: Due to differences in neighborhood boundaries between data sources, Scorecard's data cannot be directly correlated to income, race, ethnicity and disabled person concentrations in Springfield.)

*This measure is the number of housing units that were built before 1950 and are occupied by families living below the poverty level.

Note: For the minority concentration data a grey box indicates that the percentage is higher than the citywide average. In the low and moderate income persons column, a grey box indicates the concentration is greater than 50.

III. EVALUATION OF CITY'S CURRENT FAIR HOUSING LEGAL STATUS

A. Fair housing complaints or compliance reviews where the Secretary has issues a charge of or made a finding of discrimination.

The Massachusetts Commission Against Discrimination (MCAD) ensures equality of opportunity by enforcing the Commonwealth's anti-discrimination laws, MGL Chapters 151b and 272, through the resolution of complaints of discrimination in the areas of employment, housing, public accommodations, services, credit and education. The MCAD reports all fair housing related complaints to the Department of Housing and Urban Development as required under law. The table on the following pages lists housing discriminations regarding property in Springfield reported to HUD between January 1, 2000, and the present.

"Closure Type" and the "Respondent" information is summarized below. Of the 56 listed 33 reported incidences of housing discrimination were found to have no probable cause. The two (2) cases listing the City of Springfield as the respondent are classified as having no probable cause.

Closure Type	
Active	5
Complainant Failed to Cooperate	1
No Probable Cause	33
Probable Cause Finding Active	2
Settled	8
Settled; Probable Cause	2
Withdrawn	5
	<hr/>
	56

Respondent	
Private	44
Springfield Housing Authority	10
City of Springfield	2
	<hr/>
	56

Fair Housing Complaints or Compliance Reviews Filed with HUD
Springfield, MA
January 1, 2000 - present.

Record	Respondent	Date Filed	Basis of Alleged Discrimination	Issue Description	Closure Type
010002668	Private	02/07/00	National Origin	Discrimination in terms/conditions/privileges relating to rental	Withdrawn
010005648	Private	02/23/00	Disability	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010004978	Private	03/10/00	National Origin	Discriminatory refusal to rent	No Probable Cause
010005238	City of Springfield	05/25/00	Race, Color	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010003148	Private	06/07/00	Color, National Origin	Other discriminatory acts	No Probable Cause
010003148	Private	06/07/00	Color, National Origin	Discriminatory acts under Section 818 (coercion, etc.)	No Probable Cause
010003878	Springfield Housing Authority	06/16/00	National Origin	Discriminatory refusal to rent and negotiate for rental	No Probable Cause
010003878	Springfield Housing Authority	06/16/00	National Origin	Discriminatory terms, conditions, privileges, or services and facilities	No Probable Cause
010004058	Springfield Housing Authority	07/13/00	Disability	Discriminatory terms, conditions, privileges, or services and facilities	Settled
010006498	Private	09/17/00	Race, Harassment	Discrimination in terms/ conditions/ privileges relating to rental	No Probable Cause
010006498	Private	09/17/00	Race, Harassment	Discriminatory acts under Section 818 (coercion, etc.)	No Probable Cause
010005958	Private	09/26/00	National Origin, Family Status	Discriminatory refusal to rent	No Probable Cause
010006278	Private	09/27/00	Race, Color	Discrimination in terms/conditions/privileges relating to rental	Withdrawn
010100458	Springfield Housing Authority	10/10/00	Disability	Discrimination in terms/conditions/privileges relating to rental	Settled; probable cause finding 5/9/2001
010100458	Springfield Housing Authority	10/10/00	Disability	Failure to make reasonable accommodation	Settled; probable cause finding 5/9/2001
010100298	Private	10/23/00	National Origin	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause

Record	Respondent	Date Filed	Basis of Alleged Discrimination	Issue Description	Closure Type
010100298	Private	10/23/00	National Origin	Discriminatory acts under Section 818 (coercion, etc.)	No Probable Cause
010100888	Private	11/01/00	Retaliation	Discriminatory acts under Section 818 (coercion, etc.)	Complainant failed to cooperate
010100698	Private	11/08/00	Disability	Discriminatory acts under Section 818 (coercion, etc.)	Withdrawn
010101868	Private	01/31/01	Race, Color	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010101868	Private	01/31/01	Race, Color	Discriminatory acts under Section 818 (coercion, etc.)	No Probable Cause
010102028	Private	03/02/01	Family Status	Discriminatory refusal to rent	Probable cause finding 9/6/2001; ACTIVE
010102028	Private	03/02/01	Family Status	Discriminatory refusal to rent and negotiate for rental	Probable cause finding 9/6/2001; ACTIVE
010102218	Private	03/15/01	Disability	Failure to make reasonable accommodation	No Probable Cause
010102708	Springfield Housing Authority	05/25/01	Disability	Failure to make reasonable accommodation	Settled
010103018	City of Springfield Dept. of Code Enforcement	06/15/01	National Origin	Discrimination in the appraising of residential real property	No Probable Cause
010104008	Private	07/11/01	Race	Discriminatory terms, conditions, privileges, or services and facilities	Withdrawn
010200978	Private	01/03/02	Disability	Discriminatory terms, conditions, privileges, or services and facilities	No Probable Cause
010201238	Springfield Housing Authority	01/29/02	National Origin, Disability, Family Status	Discriminatory refusal to rent and negotiate for rental	No Probable Cause
010201478	Private	02/12/02	Disability	Discriminatory terms, conditions, privileges, or services and facilities	No Probable Cause
010202348	Private	04/30/02	Family Status	Discriminatory refusal to rent	Settled
010202358	Private	05/02/02	National Origin	Discriminatory refusal to sell	Withdrawn
010202678	Private	06/20/02	National Origin	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010203068	Private	08/06/02	Race, Color, Family Status	Discriminatory refusal to rent and negotiate for rental	No Probable Cause

Record	Respondent	Date Filed	Basis of Alleged Discrimination	Issue Description	Closure Type
010203068	Private	08/06/02	Race, Color, Family Status	False denial or representation of availability	No Probable Cause
010203068	Private	08/06/02	Race, Color, Family Status	Otherwise deny or make housing available	No Probable Cause
010203898	Springfield Housing Authority	10/02/02	Disability	Failure to make reasonable accommodation	No Probable Cause
010301168	Private	12/30/02	National Origin	Discriminatory terms, conditions, privileges, or services and facilities	No Probable Cause
010302808	Private	04/07/03	National Origin, Family Status	Discriminatory refusal to rent	No Probable Cause
010303058	Private	05/14/03	Race	Discrimination in the purchasing of loans	Settled
010303728	Private	06/30/03	Race	Discrimination in terms/conditions/privileges relating to rental	Settled
010400628	Springfield Housing Authority	12/10/03	Disability	Failure to make reasonable accommodation	Settled
010401258	Springfield Housing Authority	01/14/04	Race, Color, Disability	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010402298	Private	04/15/04	Race	Discriminatory financing (includes real estate transactions)	Settled
010402458	Private	04/27/04	Race	Discriminatory financing (includes real estate transactions)	Settled
010403198	Private	06/29/04	Race, Color, National Origin	Discrimination in the making of loans	No Probable Cause
010403198	Private	06/29/04	Race, National Origin	Redlining	No Probable Cause
010404588	Private	09/24/04	Family Status	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010500798	Private	11/19/04	Race	Discrimination in terms/conditions/privileges relating to rental	No Probable Cause
010503158	Private	04/01/05	Race, Religion	Discriminatory financing (includes real estate transactions)	No Probable Cause
010503318	Private	05/03/05	Race	Discriminatory refusal to rent	No Probable Cause
010504098	Private	06/02/05	Race, Color	Discriminatory advertising, statements and notices	Active

Record	Respondent	Date Filed	Basis of Alleged Discrimination	Issue Description	Closure Type
010504098	Private	06/02/05	Race, Color	Discriminatory terms, conditions, privileges, or services and facilities	Active
010504028	Private	06/10/05	Disability	Failure to make reasonable accommodation	Active
010503838	Private	06/14/05	National Origin	Discrimination in terms/conditions/privileges relating to rental	Active
010504468	Private	07/28/05	Race, Color	Discriminatory terms, conditions, privileges, or services and facilities	Active

B. Fair housing discrimination suit filed by the Department of Justice or private plaintiffs

-- NONE --

C. Reasons for any trends or patterns

As evidenced through the list above, no fair housing complaints or compliance reviews have been identified where the Secretary has issued a charge of or made a finding of discrimination in the last five years. Please note, however, that a very small percentage of discrimination is actually reported as most protected classes do not know that they have been discriminated against or do not know what constitutes discrimination.

D. Discussion of other fair housing concerns or problems

--NONE --

IV. IDENTIFICATION OF IMPEDIMENTS TO FAIR HOUSING CHOICE

A. PUBLIC SECTOR

1. ZONING AND SITE SELECTION

A review of Springfield’s zoning ordinances finds that they do not adversely affect the availability of housing for minorities, families with children, and persons with disabilities. However, the City’s lack of extensive amounts of undeveloped land could constitute an impediment to new housing development.

2. NEIGHBORHOOD REVITALIZATION, MUNICIPAL AND OTHER SERVICES, EMPLOYMENT-HOUSING-TRANSPORTATION LINKAGE

A review of Springfield's public policies concerning the approval of sites for the construction of assisted or private housing indicate that they do not adversely affect the availability of housing for minorities, families with children, and persons with disabilities.

Springfield is a 300-year old city and, as is typical of many older cities, there is an imbalance between rental and homeownership in various neighborhoods, with multi-family rental housing concentrated in older neighborhoods close to the city center. Springfield has long been known as the "City of Homes," but the concentration of multi-family housing limits homeownership opportunities in certain neighborhoods. These neighborhoods are also the neighborhoods where minority populations are concentrated, as indicated in Section II Jurisdictional Background Data above. The Balanced Housing Strategy the City is currently working on will guide development and meet neighborhood needs in a manner that affirmatively furthers fair housing.

The City's first-time homebuyer program will be a key component of this Balanced Housing Strategy. The City of Springfield utilizes HOME funding to foster and promote homeownership in the City by allocating funds for the rehabilitation of existing houses or new, construction of single family houses to be marketed and sold to first-time homebuyers. These homebuyers must be income eligible under HOME program guidelines and, depending upon the amount of funding that was allocated for a project, must maintain the home as their primary residence to between 5 and 15 years.

The continued presence of privately-owned residential and commercial properties that are deteriorated, vacant and/or not actively managed, especially in neighborhoods in and around the center of the City, also has a detrimental effect on the housing market as a whole in some neighborhoods. The presence of these properties discourages responsible rental owners and potential homebuyers from investing in or improving other homes nearby. Current data about blighting influences in Springfield neighborhoods indicates that they are concentrated in the areas of the city that have low homeownership rates, and large concentrations of low and moderate income persons, minorities and, to a lesser degree, disabled persons.

Springfield is served by a regional transit authority that enables people to access housing and employment in various locations throughout the City and the region. However, the Pioneer Valley Transit Authority has reduced services over the past 6 months. The City continues to monitor these service reductions.

3. PHA AND OTHER ASSISTED/INSURED HOUSING PROVIDER TENANT SELECTION PROCEDURES; HOUSING CHOICES FOR CERTIFICATE AND VOUCHER HOLDERS

Tenant selection procedures at the Springfield Housing Authority appear to meet all fair housing requirements. The SHA maintains a community-wide waiting list with separate lists for public housing and the Section 8 Housing Choice Voucher Program and has a centralized admissions office. For Section 8 admissions, the SHA has established preferences for victims of domestic violence, residents who live and/or work in Springfield and for “elderly persons/families, disabled persons/families and displaced persons/families over other single persons”³.

In Massachusetts the Department of Housing and Community Development (DHCD) also administers a statewide Section 8 Housing Choice Voucher Program through regional subcontractors. Those Springfield residents who participate in the Section 8 program administered by HAP, Inc. can use their vouchers anywhere in Massachusetts.

From 1997 through 2002, the Springfield Housing Authority and HAP, Inc. worked together on a Regional Opportunity Counseling Program that provided mobility counseling for Section 8 program participants and did outreach to owners of rental properties outside of areas of high concentrations of poverty. Since that program is no longer available, the SHA’s new five year plan for fiscal years 2005 through 2009 states that they will provide voucher mobility counseling and that their monthly goal is to enlist one potential voucher landlord per month with a unit in a low poverty area. Unit information will be added to a database and made available to all clients. All new landlords who inquire about the Section 8 program will receive an information packet in the mail. At the time the five year plan was published, the Springfield Housing Authority’s voucher homeownership program had 7 participants and planned to expand the program to 25 participants.⁴

4. SALE OF SUBSIDIZED AND AFFORDABLE HOUSING AND POSSIBLE DISPLACEMENT

The City of Springfield has worked aggressively to preserve privately-owned subsidized rental housing that is at risk due to expiring use restrictions or expiring project based rental assistance contracts. The City has worked with several resident groups to facilitate the sale of subsidized housing projects to resident-controlled organizations and continues to do so. Three of Springfield’s largest subsidized family housing projects have been purchased by resident owned corporations: Allen Park (263 units) in 1994 and Spring Meadow (232 units) in 1997, and Cathedral Hill (48 units) in 2004. The City provided financial assistance which leveraged substantial investment of other state and federal funds to make these tenant buy-outs possible. Similar plans are currently being implemented to preserve Liberty Hill Cooperative Housing (88 units) through a major

³ Springfield Housing Authority Annual Plan for Authority Fiscal Year ending 3/31/04

⁴ Springfield Housing Authority Strategic Plan for Fiscal Years 2005-2009

redevelopment plan sponsored by the existing tenant cooperative. The City also supported and provided funding for the resident purchase and infrastructure rehabilitation of the Boston Road Mobile Home Park. With 302 homes, Boston Road is the largest urban mobile home park in the state and a critical housing resource for low and moderate income households in the community.

5. PROPERTY TAX POLICIES

A review of the City of Springfield’s property tax policies for impediments that adversely affect fair housing choice indicates that there are no significant impediments to fair housing.

The City of Springfield has two different tax rates. Industrial/commercial property was taxed at \$33.36 per \$1,000, and residential property was taxed at \$17.51 per \$1,000. Tax revenue derived from property taxes (not including personal tax) breaks down in the following manner:

Industrial	6.6 %
Commercial	26.0 %
Residential	67.4 %

The City of Springfield’s Assessor’s Office also administers real estate tax exemption and abatements programs as allowed under Massachusetts law. Abatements are available through a process of appeals. In addition, exemptions to real estate taxes are governed under Massachusetts General Law Chapter 50 Sections 5. They are offered to persons who fall into one or more of the following categories: Blind, Veteran with a service connected disability, Surviving Spouse, Minor Child of Deceased Parent, Senior Citizens Age 70 or older, Hardship (as defined by legal statute and interpreted by the Massachusetts Department of Revenue).

6. PLANNING AND ZONING BOARDS

A review of the City of Springfield’s Planning Board for impediments to fair housing choice indicates that there are no significant impediments to fair housing.

7. BUILDING CODES (ACCESSIBILITY)

As required by the Commonwealth of Massachusetts, the City of Springfield has adopted the Architectural Accessibility Barrier Standard, which is comprised of standards that are stricter than the requirements of the Americans with Disabilities Act. The standards apply to any new construction and any rehabilitation for which the costs exceed 30 percent of the assessed value of the property.

B. PRIVATE SECTOR

1. LENDING POLICIES AND PRACTICES

There is evidence that predatory lending and redlining are significant problems in Springfield, primarily concerning minority neighborhoods. In December 2003, the Pioneer Valley Planning Commission created a detailed analysis of the regional home lending market with an emphasis on fair lending practices and subprime lending. They examined lending market statistics for the Springfield SMSA from 1996 through 2001.⁵ In order to distinguish differential lending practices based on justifiable measures of risk and ability to pay from patterns of discrimination based on race, several different methods of analysis were used. Analyzing loan outcomes by applicant demographics revealed that African-American and Latino applicants had consistently higher loan denial rates than white applicants, regardless of income level. Even high-income African-American and Latino applicants were denied home loans three times more often than white applicants. Analysis of loan approval ratios – the total number of loans approved per loan denied from 1996 to 2001 – showed that the percentage of persons of color for a particular census tract has a significant inverse relationship with the approval ratio. Even when factors such as income, age, and housing stock are controlled, the racial and ethnic characteristic of a census tract is a significant predictor of loan outcomes.

PVPC's study found significant levels of subprime lending activity, with a concentration of such lending in the urban core census tracts of Springfield, areas with larger populations of persons of color. The study concluded that, "As evidenced by the geographical concentration of subprime applications and the characteristics of these same areas, the data indicates that subprime lenders may be targeting their efforts on low-income communities of color."

The PVPC study also documented that non-local lending institutions increased their share of the region's lending market during the period from 1997 to 2001. The loan approval rate for lenders based in the region was found in this study to be considerably higher than that for non-local lenders. Some local banks are doing active outreach to first-time homebuyers, offering good affordable mortgage products, and participating in efforts such as the Massachusetts Housing Partnership's Soft Second Loan Program.

At a Pioneer Valley Summit on Fair Lending and Financial Literacy held on September, 23 2005, PVPC and partners presented their status of their work to develop and implement a cohesive financial literacy and fair lending strategy for the region.

The proposed activities to be conducted as part of the strategy are:

1. Networking (lenders and nonprofits need to interact with each other so they may better serve the individuals in low income communities)
2. Volunteer income Tax Assistance (VITA) Sites and Banking Services

⁵ Primary sources included the US Census and the Home Mortgage Disclosure Act records of the Federal Financial Institutions Examination Council.

3. Financial Literacy Programs
4. Educational Opportunities for Bankers and Realtors
5. Marketing

As part of this summit, PVPC also reported the highlights of their update on Fair and Subprime Lending in the Pioneer Valley. The data presented clearly pointed to the fact that--except for one census tract in a nearby city, areas with high shares of subprime lending are solely located in Springfield's poorest, least white neighborhoods.

The following key findings are excerpts from this report:

General Trends:

- "Refinancing responds most strongly to interest rate changes."
- "Loan approval rates are generally high, though lower for refinancing and home improvement loans."
- "Average value of home loans have remained steady."

Local Lenders:

- "Local Lenders are losing market share."
- "Local lenders have much lower loan denial rates than non-local lenders."

Denial Rates & Discrimination:

- "Denial rates, in general, correspond to applicant income."
- "African American and Hispanic borrowers are much more likely to be denied a home loan than a white borrower of the same income."
- "Applicants with no race identified face the highest denial rates, suggesting the possibility of discrimination masked by absent data."

Subprime Lending:

- "Subprime lenders have a substantial share of the home loan market."
- "Subprime lenders largest market share is in refinancing loans."
- "Subprime lending is concentrated in the region's poorest and least white communities."

C. PUBLIC AND PRIVATE SECTOR

1. FAIR HOUSING ENFORCEMENT

The Massachusetts Fair Housing Center (nee Housing Discrimination Project), a private, non-profit fair housing enforcement organization that cites its goals as being to ensure equal access to housing regardless of race, ethnicity, gender or other characteristics which are frequently the basis for illegal discrimination. The organization's mission is to promote fair housing practices, as a specific aspect of their broader purpose of the elimination of prejudice and discrimination generally and in the housing market especially; to improve community relations; lessen neighborhood tensions and combat community deterioration; to cooperate with other groups in attain the forgoing objectives; and to carry out programs of research,

education, and dissemination to the membership and to the public in connection with any of the foregoing.

The organization reported that the top issues that generate discrimination complaints in Springfield are as follows (in order):

1. Race or national origin
2. Disability
3. Familial status
4. Section 8
5. Predatory lending

The mission of the Massachusetts Commission Against Discrimination's (MCAD's), another enforcement entity, is to enforcing the Commonwealth's anti-discrimination laws in employment, housing, public accommodations, credit, mortgage lending, and education. Established by Massachusetts General Law Chapter 151B, Section 3, the Commission enforces General Law Chapter 149, Section 105D, Chapter 151B, Chapter 151C, Chapter 272, Section 92A, Section 98 and Section 98A, and Chapter 111, Section 199A.

The Commission works to eliminate discrimination and advance the civil rights of the people of the Commonwealth of Massachusetts through law enforcement (filing of complaints, investigations, mediations and conciliations, hearings, and litigation) and outreach (training sessions, public education, and testing programs).

The Commission also reviews and advises the Governor's Cabinet Offices concerning the state's affirmative mandates in employment, housing, construction contracting, and minority and women business enterprises (Executive Order 452)

Partnerships with the US Department of Housing and Urban Development and the federal Equal Employment Opportunity Commission now account for more than half of the Commission's operating budget and partnerships with municipal human rights commissions bring MCAD services to local communities across the state.

2. INFORMATIONAL PROGRAMS

The City of Springfield, the Massachusetts Commission against Discrimination, and the Massachusetts Fair Housing Center (nee Housing Discrimination Project) all provide basic fair housing information to Springfield residents. (See Section V below)

3. VISITABILITY IN HOUSING

As indicated above, HOME-funded programs are subject to Federal laws governing accessibility for disabled persons. These standards are dictated by accessibility requirements that include detailed about who is protected by these standards and when these accessibility laws must be followed. HUD strongly encourages jurisdictions to incorporate "visitability" principles into

their accessible design and construction projects funded with HOME funds, in addition to those that are required.

According to HUD, 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. Visitability can be achieved for little cost, with the use of two simple design standards: (1) providing a 32-inch clear opening in all interior and bathroom doorways; and (2) providing at least one accessible means of egress/ingress for each unit.

At present, the City of Springfield encourages and welcomes HOME fund proposals that incorporate HUD's visitability standards into their design and construction features, but at this time the City does not make funding decisions based on whether visitability is a component of a proposed project.

D. There has been no determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by HUD under Title VI of the Civil Rights Act of 1964 or Section 504 of the Rehabilitation Act of 1973. The Secretary of HUD has not issued a charge under the Fair Housing Act regarding assisted housing in Springfield.

V. ASSESSMENT OF CURRENT PUBLIC AND PRIVATE FAIR HOUSING PROGRAMS AND ACTIVITIES

As detailed above, Springfield is served by the Massachusetts Commission Against Discrimination (MCAD) whose mission is to ensure equality of opportunity by enforcing the Commonwealth's anti-discrimination laws in employment, housing, public accommodations, credit, mortgage lending, and education. In addition to enforcement, MCAD also works to eliminate discrimination and advance civil rights through outreach (training sessions, public education, and testing programs). MCAD's only office outside of Boston is located in Springfield.

Western Massachusetts is also served by the Massachusetts Fair Housing Center (MFHC)(nee Housing Discrimination Project) a private nonprofit that focuses exclusively on housing discrimination. MFHC handles more than 200 discrimination complaints per year and conducts outreach to families at high risk of discrimination to make them aware of fair housing laws and illegal housing practices. MFHC's staff visit local social service agencies to present workshops on fair housing rights; teach first-time home buyers about their rights; counsel homeowners about their mortgages; and publish and distribute informative materials in four languages. MFHC also trains housing providers on the fair housing laws, to prevent discrimination before it occurs.

HAP, Inc., the region's housing partnership, was recently awarded a HUD Fair Housing Initiatives grant for a program year starting March 1, 2004. HAP will conduct fair housing education and outreach to members of protected categories, including homeless families and individuals, recent immigrants, first-time homebuyers, and those with disabilities. They will also provide fair housing education and training to rental property owners. HAP and Housing Discrimination Project work closely together and HAP will provide some services under the grant through a subcontracting arrangement.

The City through its Office of Housing and Neighborhood Services is redeveloping its fair housing plan delivery system so it may function more effectively to accomplish the goals established in this AI. An overview of results achieved through this new system will be included in the FY05-06 CAPER that will be submitted for public review and comment prior to submission to HUD in fall, 2006.

VI. CONCLUSIONS AND RECOMMENDATIONS

1. IMPEDIMENTS FOUND

The following impediments to fair housing in Springfield were identified through this AI.

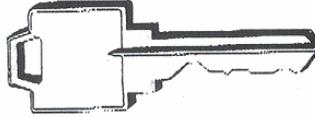
1. Lack of extensive amounts of undeveloped land.
2. Imbalance between rental and homeownership in various neighborhoods.
3. Presence of deteriorated privately-owned properties that are vacant or not actively managed.
4. Evidence of predatory lending and redlining.
5. Existing patterns of segregation.
6. Language barriers & cultural differences.
7. The age of housing stock and the prevalence of lead-based paint hazards.

2. ACTIONS TO ADDRESS IMPEDIMENTS

The City of Springfield will undertake the following actions to address the impediments to fair housing that were identified through this AI.

- a. Encourage infill/new construction of units suitable for homeownership on the scattered plots of land that remain available for development, particularly in neighborhoods where the homeownership rate is low.
- b. Implement balanced housing strategy; encourage homeownership throughout the city, with an emphasis on neighborhoods where homeownership rates are low and in neighborhoods that have little minority representation.
- c. Pursue strategies to address abandoned properties through demolition and/or redevelopment.
- d. Work with local lending institutions to do outreach to minority community to address the issue of predatory lending and housing repair scams.
- e. Work with surrounding communities to identify and overcome barriers to the regional racial imbalance.
- f. Continue to offer services, particularly first-time homebuyer education and counseling, fair housing education and credit counseling, in languages other than English (primarily Spanish) and target these programs to minorities.
- g. Provide financing and other incentives for property owners to upgrade housing, address lead-based paint hazards and make reasonable accommodations for residents with disabilities.
- h. Work with City Departments and the SHA to ensure fair housing practices are in place.
- i. Implement a coordinated system for monitoring and investigating fair housing complaints submitted to HUD, MCAD and MFHC.

**HOUSING
DISCRIMINATION
PROJECT, INC.**



**PROYECTO DE
DISCRIMINACION
EN LA VIVIENDA**

September 30, 2005

Juan Gerena
36 Court Street
Room 313
Springfield, MA 01103

Dear Juan:

Thank you for sending me a copy of the draft for the City of Springfield's CAPER report. Unfortunately I was unable to attend the meeting on September 22, however I do have some concerns regarding the information provided which I have outlined below.

1. The lending community that the city seeks to work with has already publicly recognized that they have had difficulty in performing outreach within the minority community as is evidenced by their loss of market share in regards to home loans.
2. The PVPC study that is referred to recognizes that there may be discriminatory practices that exist within the local lending community. While they have indeed attempted to make changes they have not sufficiently demonstrated that they have resolved their own internal processes to eliminate these practices.
3. There is no plan that specifically addresses the existing patterns of segregation that exists within the City of Springfield. The City's First Time Homebuyer program is not a sufficient tool because it does not address the lack of available affordable housing in neighborhoods that have little or no minority representation.
4. There is no specific plan that addresses the issue of predatory lending or housing repair scams that occur within the city of Springfield.
5. The Springfield Housing Authority has consistently demonstrated that they engage in discriminatory practices as is evidenced by the number of complaints and settlements. There is no plan that addresses how this issue will be resolved.
6. While the City recognizes a need to educate the public regarding their fair housing rights a part-time staff member is not an adequate solution based on the size of the city

57 Suffolk Street, Suite 302, Holyoke, MA 01040
voice/TTY 413-539-9796 or 800-675-7309
Fax 413-533-9978
e-mail: hdp@the-spa.com

405 Main Street, Worcester, MA 01608
phone 508-799-7496
TTY 508-755-3260
Fax 508-752-5918

and the scope of problems that exist. Perhaps together we can formulate a more comprehensive plan that addresses the city's needs.

7. Under informational programs there is no information.
8. The number of complaints received by HUD is not a complete representation of fair housing cases/complaints because they do not always include the cases received by HDP.

I would be glad to speak to you or one of your representatives as to how the Housing Discrimination Project can assist you in meeting the fair housing needs of the city by creating a comprehensive plan that addresses the concerns noted above as well as the ones identified in the report. I would also like to contribute some of the research that has done by the Housing Discrimination Project.

Sincerely,



Jamie R. Williamson
Executive Director