

2005 IMPEDIMENTS & RECOMMENDATIONS

Several areas of improvement were identified throughout the duration of the report, most notably from the surveys, personal interviews, and the HMDA data. The impediments identified throughout the duration of this study can be grouped accordingly:

Priority Areas

- **Education and Employment:** Low-income residents often do not have adequate education to obtain better-paying jobs. As education, employment and income are all a function of the other, less formal education can result in higher financial burdens, and less money available towards housing.
- **Consumer Education:** A significant portion of the population of Greenville County lacks basic knowledge of personal finances and the home-buying process, as well as agencies and programs that provide housing services. This can seriously limit residents' abilities to obtain decent, affordable housing.
- **Affordable Housing Availability:** With the Section 8 housing program closed for the next 2 years, this poses a severe problem to Greenville County low-income renters. There are also not enough affordable housing units available to low-to-moderate income homeowners. This decreases opportunities for low-to-moderate income individuals and families to find decent housing.
- **Development Activity:** Rehabilitation and development of housing for low-to-moderate income residents is crucial to increasing availability. More emergency, supportive, and transitional housing is also important for individuals and families needing assistance.
- **Cultural Awareness and Diversity Training:** With the Hispanic population in Greenville County on the rise, cultural education as well as diversity and language training is important to decrease instances of discrimination, as well as to increase education, particularly within the housing industry.

Impediments

Several areas of improvement were identified throughout the duration of the report, most notably from the surveys, personal interviews, and the HMDA data. The impediments identified throughout the duration of this study can be grouped accordingly:

- **Economic Barriers**
- **Abusive Credit & Lending Practices**

- **Community Awareness & Outreach Issues**
- **Development/Construction Barriers**
- **Regulatory Barriers**
- **Transportation Issues**
- **Discrimination**
- **Cultural Barriers**
- **Natural Disasters & Other Barriers**

Economic Barriers

The following impediments to fair and affordable housing were grouped together, as they all serve as a function of each other. Without formal education, an individual will find difficulty finding gainful employment; without gainful employment, an individual will have less income to spend on transportation, healthcare, and housing.

Education

In terms of education and according to the U.S. Census, almost 25% of South Carolina's working population lacks a high school degree. With budgets for adult education and literacy programs being cut dramatically in the last three state budgets, the ever-increasing need to serve the undereducated population cannot be effectively met. Looking specifically at Greenville County, 20% of the total population reported not having completed high school. The county is ahead of the state and national averages, yet it is important to note that educational attainment varies by race/ethnicity. When looking at minorities, over a third of African American and Hispanic residents are without a high school degree. As a report by Carolina Careers states, "85% of the jobs in South Carolina require education and skills beyond a high school diploma." This in turn presents a substantial barrier to obtaining gainful employment.

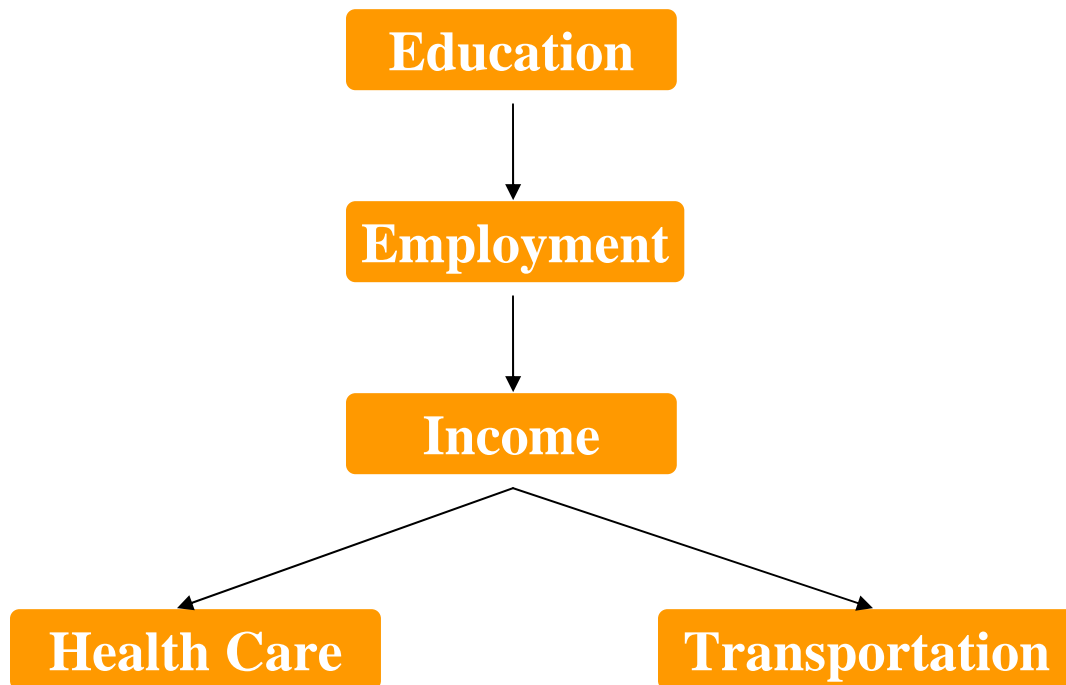
Employment

Without formal education, as noted above, residents may find a great deal of trouble finding a job providing livable wages. When looking at rates of unemployment, the rate for the Greenville Metropolitan Statistical Area (MSA) is lower than the rate for South Carolina as a whole. According to data from the U.S. Bureau of Labor Statistics there was an increase in the unemployment rate in the Greenville MSA within the last ten years, with a slight decrease from 2003-2004. As of 2004, the unemployment rate had dropped to 5.3. According to the 2000 Census, 3.1% of Greenville County's population was unemployed.

Income

According to the 2000 Census, the median annual income for Greenville County was \$41,149. As of 1999, 10.5% of individuals in the county were living below the poverty level; however, this percentage increases dramatically for African Americans and Hispanics. With the costs of land and construction skyrocketing and with high closing fees people falling into the lower to moderate income brackets may find it difficult to find affordable. With less available income to be dispersed towards the cost of housing, this could present a barrier. Again, without adequate income, not only does the cost of housing become a problem, but also transportation and health care costs. Without transportation and coverage in times of illness, individuals could face issues with getting to and from work or having to take too much time off from work, which in turn could result in the loss of the job and income.

Figure 210: Diagramming the Economic Barriers to Housing



Recommendations

- Continue to partner with WIA, Greenville Technical College and other job-training resources to help individuals attain skills needed for better paying jobs.
- Create micro-business development programs to train and assist low-to-moderate income entrepreneurs.

- Create/modify county-wide policies to address poverty and un- or under-employment issues.
- Research model programs nationwide that efficiently and effectively provide emergency funding for foreclosure prevention

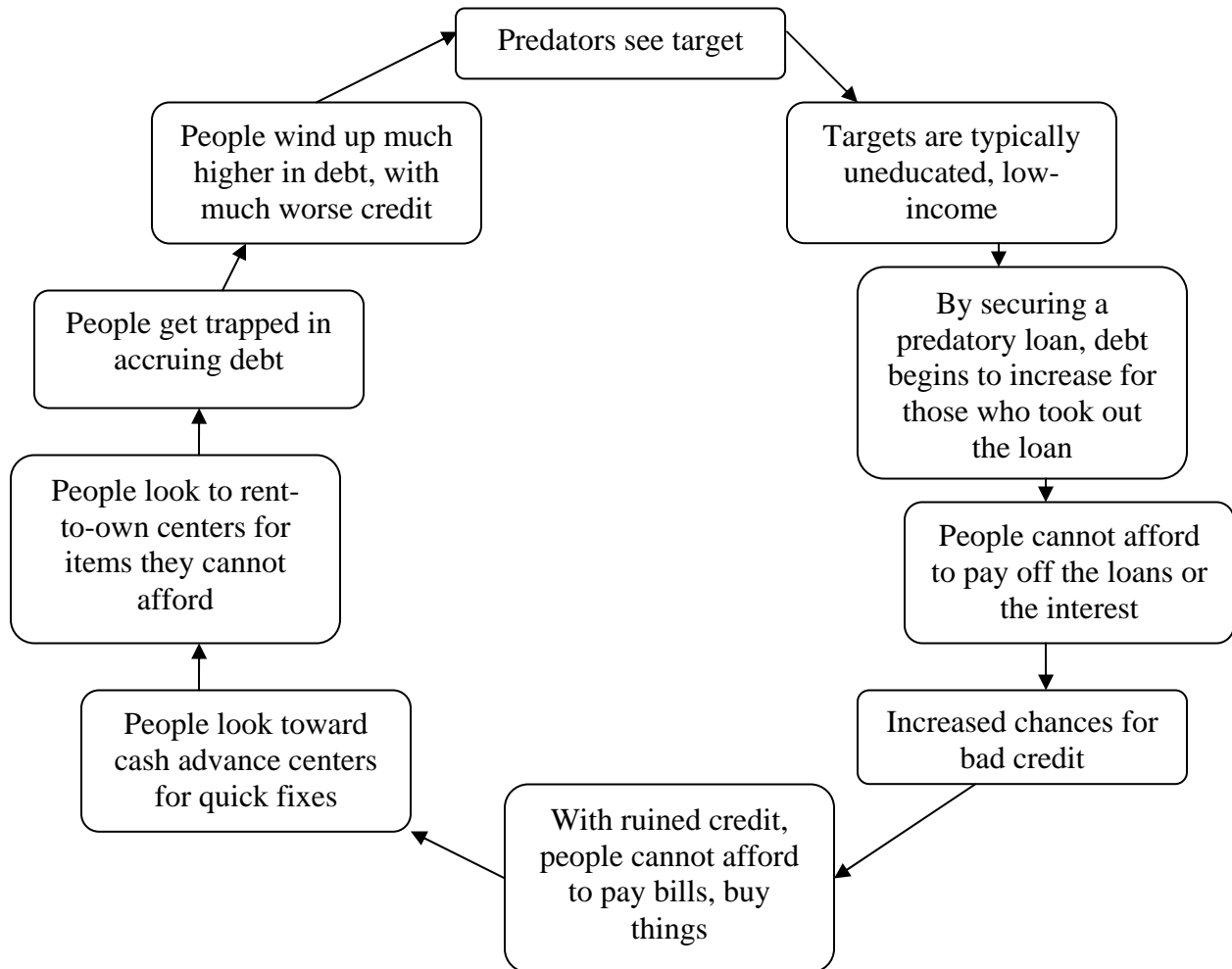
Abusive Credit & Lending Practices

Abusive credit and lending practices can hugely impede an individual's chances of finding affordable housing. According to the HMDA results, one of the largest and most common reasons for application denial for all loan types was poor credit history. Poor credit can be a result of several different reasons both at the personal and institutional levels.

Predatory Lending

According to the Center for Responsible lending, “predatory mortgage lending has a disproportionate impact on communities of color, and may help perpetuate a shameful disparity in wealth between white households and minority households. Elderly citizens, women, and residents in rural communities also face a greater risk of receiving mortgages with abusive features” (www.responsiblelending.org). The neighborhood survey results also indicated that 8% of the study population reported having been victims of predatory lending, and of these only about one-third reported seeking counseling to help resolve the problem. Predatory lending and other abusive credit practices continue to be a barrier to fair and affordable housing within Greenville County, and unfortunately by the time many individuals realize they have been taken advantage of, it is often irreversible. As also mentioned previously in this report, current predatory lending laws carry only slightly punishments for violators.

Figure 211: Diagramming the Process of Bad Credit Practices



Payday Lending

In addition to predatory lending from mortgage and bank lenders, both payday lending and rent-to-own centers contribute to the ever increasing amount of credit debt that individuals are accruing. Responsibility on part of the individual is also a key factor in credit. According to the Center for Responsible Lending (www.responsiblelending.org), “payday loans are small cash advances, usually of \$500 or less.” The borrower gives a postdated check or direct access for direct withdrawal to their checking account to the lender, and the borrower then gets the cash, minus the amount of the fees charged by the lender. Fees amount to at least \$15 per every \$100 borrowed, for a typical 2 week cash advance (this is equal to an annual percentage rate (APR)

of 400%). After the borrower's payday, the lender will then deposit the remainder of the original postdated check back into the lender's account. The industry of payday lenders and cash advance centers "targets low-income working consumers, including welfare-to-work women, military personnel, and others who have little savings and live paycheck to paycheck." When applying for this type of loan, all that is required is that the borrower has to prove employment – however, monthly income and expenses are not taken into account when issuing the loan. If the borrower cannot repay the cash advance when it is due, most lenders will let it roll over into the next pay period, and the borrower continues to accrue debt.

Payday loans are advertised as "one-time assistance during a financial emergency." However, this is not actually the case. According to a 2003 study conducted by the Center for Responsible Lending, over 90% of payday loans are given to individuals who are repeat borrowers. In fact, "only 1% of all payday loans are made to one-time emergency borrowers." Thirty-six states at the time of this report allowed payday lending."

Renting-To-Own

Rent-to-own companies provide various home appliances, furnishings, etc. for rent. However, the individuals who seek these centers do not conventionally rent the items they wish to own – with the companies charging "rent," either monthly, weekly, etc., for a certain amount of time, plus interest. In other words, after renting an item for several months or even years, the customer will often pay much more than the item was originally worth. After the stated amount of time and payments, the customer then owns the said property. If the customer is late with a payment, the store can charge an unlimited amount of finance charges, and usually repossess the rented property. According to a report by the US Public Interest Group in 1997, "the store does not have to report how much it is charging in interest."

Looking at those agencies with a Greenville, SC address alone, a trip to WhitePages.com revealed 27 payday lenders and 3 rent-to-own centers.

Recommendations

- Increase awareness and education on the warning signs of predatory lending.
- Encourage community residents to report abusive credit practices.
- Continue to hold and fund forums and lecture series with the private sectors to educate lenders on abusive practices.
- Encourage those who have been victims to seek appropriate counseling and help.
- Discourage people from using cash advance or rent-to-own centers frequently.

Community Awareness & Outreach

Lack of education and awareness of the housing industry and the home-buying process, personal finances, and abusive lending practices remains a problem in Greenville. During personal interviews with community leaders and professionals in the housing industry, several key informants commented that education and outreach about personal finances/credit, home-buying, securing loans, etc. should start at the high school level or earlier. Based on the neighborhood survey completed spring of 2005, results suggested a strong interest by a majority of respondents in furthering their education through programs such as ESL or GED attainment, homeowner education, job training, budgeting, and recovering credit.

Web sites available for Greenville County regarding consumer issues are scarce. The HRC has developed a comprehensive web site that includes information on affordable housing availability, homebuyer education courses, housing and credit counseling, as well as fair housing and mediation and police relations. In addition to written information presented on the site, pictures, past reports and presentations, and even videos are available free to the public (http://www.greenvillecounty.org/Human_Relations/fair_housing.asp). However, according to the agency survey results in the present *AI* study, only a slight majority of agencies polled were aware of the HRC's database search option (Help in Housing), leaving almost 48% in the dark.

Recommendations

- Increase programs on personal finances and first time home-buying to middle and high school students.
- Increase awareness of fair and affordable housing programs targeting property managers (fair housing programs, predatory lending programs, financial literacy activities, etc.).
- Assess the need for flexible housing education class times, additional languages needed, etc.
- Conduct public forums to educate communities where low-to-moderate income housing may be developed, and also to address concerns and issues of those in the neighborhood.
- Advocate for continuing education of landlords, and provide necessary workshops and education hours, particularly pertaining to landlord/tenant laws and fair housing, as well as how to handle tense tenant-landlord situations.
- Keep home-buyer education programs funded and well advertised; Increase funding for all educational programs.

Housing Availability

There is a lack of affordable housing for low-to-moderate income residents. With the median gross rent for Greenville County almost doubling within the last decade, and approximately 25% of Greenville's population paying 35% or more of their monthly income in rent, this in itself appears to suggest that affordable housing is becoming scarcer and scarcer. The Section 8 for Greenville County has been closed for the next 2 years, increasing the difficulty for low-to-moderate income residents seeking housing assistance. Also, with a lack of incentives for landlords to encourage renting more cost-efficient units to low-to-moderate income residents, there is a lack of willingness and profit on the part of the landlords to offer affordable housing options.

In terms of homeownership, as mentioned previously in the community profile section, the majority of houses on the market in 1999 were valued at \$100,000 or more. With a lack of donated or inexpensive land as well as costly impact fees and hidden building costs, the costs of developing housing often increase the price of the home until it is out of the affordable range. Also, neighborhood approvals, environmental laws, and public policy can often increase the costs by adding unnecessary amenities to new developments.

Recommendations

- Support programs that rehabilitate old and condemned homes for use as affordable housing.
- Increase the production of affordable rental units that are low-income and elderly/disabled friendly.
- Increase public/private sector partnerships to off-set costs of developing.
- Provide more incentives and tax breaks for landlords to encourage renting more cost-efficient units.
- Learn what the community wants/needs before beginning new low-to-moderate income development.
 - Community focus groups
- Replace low-to-moderate income housing with low-to-moderate income housing.
 - Ex. Jesse Jackson Townhomes/HOPE VI

Regulatory & Development Barriers

Other possible impediments to fair and affordable housing were mentioned during the personal interview process. First of all, regulatory barriers can often play a role in impeding residents from finding housing they can afford. Recent reports claim “the regulatory barriers put in place by local governments are one of our greatest challenges” to developing affordable housing (Denver Habitat for Humanity, 2005). The barriers mandate requirements on developing homes that, as mentioned above, add additional costs to the price of the home. An affordable house in the beginning construction phase will often result in costing more due to these barriers. Impact fees, environmental policies, and neighborhood approval processes only add to the final cost of the home.

Recommendations

- Create a committee to examine and adjust regulatory barriers faced in Greenville County development.
- Reward and acknowledge organizations, companies, agencies and communities that promote and support affordable housing and related services.
- Research feasibility of a local tax which would generate funding for a Fair & Affordable Housing Trust Fund.
- Provide incentives to developers for building affordable housing.
- Zone more vacant land for affordable, single, multi-family, infill/scattered housing.

Transportation Issues

During an interview with the Greenville Transit Authority, lack of transportation was identified as a significant barrier to fair and affordable housing choice. With transit routes limited due to a lack of funding, housing that is outside the GTA service area, does not have access to public transportation. This poses a challenge by increasing travel costs, taking income away from other monthly costs such as rent and utilities.

Recommendations

- Develop affordable housing closer to public transportation routes.
- Increase public support and funding of Greenville’s transit system.
- Promote and support alternate transportation.

- i.e. Ride-share, employer mini-buses, vans

Discrimination

Discrimination continues to be a barrier to fair and affordable housing in Greenville County, according to the current study. According to the results of the neighborhood survey of 172 residents, 8 felt they had been discriminated when trying to acquire a rental property and 3 felt so when trying to acquire a sale property. Out of the renters, 1 person felt their national origin was the cause for discrimination, while another felt their familial status was the reason. The other 5 rental respondents felt the reasons for discrimination varied from receiving Section 8 to having no job. Local agencies and non-profits surveyed for the report noted that almost 70% of their clients claimed to have experienced discrimination when seeking housing, and results also suggested that some residents are still facing problems with discrimination such as NIMBYism, or “Not In My Back Yard.”

Other possible discriminations barriers that exist are more socially-based. Historical segregation, ultimately brought on by discrimination in past decades, was identified during the interviews as still being prevalent in Greenville. In this case, lower-income neighborhoods tend to be minority communities.

Recommendations

- Continue education efforts to both the public and private sectors on what practices are defined as discrimination, how to report any discriminatory acts, as well as repercussions that could be felt by those who carry out wrongful acts.
- Encourage the reporting of discriminatory acts.
- Provide educational and diversity programs to communities where NIMBYism may become a problem.

Cultural Barriers

The fastest growing segment of the population is of Hispanic origin, with a growth rate of 371% from 1990 to 2000. People of Hispanic (or Latino) origin make up 3.8% of the Greenville County population¹. Meanwhile, Greenville

¹http://factfinder.census.gov/servlet/SAFFFacts?_event=Search&geo_id=&_geoContext=&_street=&_county=greenville+county&_cityTown=greenville+county&_state=04000US45&_zip=&_lang=en&_sse=on&pctxt=fph&pgsl=010

is ranked 11th nationally for fastest growing Hispanic population². Keeping these facts in mind, immigrants in Greenville County are increasingly facing barriers to fair and affordable housing particularly in regards to discrimination, education, and language.

Recommendations

- Encourage other departments and agencies who do not offer bilingual services to consider this option for clientele.
- Continue the use of cultural events and mass media to reach Hispanic communities.
- Provide diversity/cultural sensitivity training to landlords, property managers, mortgage brokers, and other members of the housing industry.

Human Conditions

Human conditions are factors that a person experiences personally that can affect their ability and opportunity to obtain housing – either in the way of not being able to find employment, to gain credit, to keep up good credit, etc. These conditions can range from a variety of physical, emotional, and mental conditions that in turn inhibit an individual's ability to function on a day to day basis. Human conditions identified throughout the course of this study were: disability, illness, mental illness, addiction, and having a criminal record. While illness and addiction can become a financial burden leaving little money left for housing, having a criminal background can keep an individual from obtaining housing once a background check has been completed during the housing application process.

Recommendations

- Increase supportive and transitional housing for residents in need.
- Support the local 10 year plan to end homelessness (Blue Print for Ending Homelessness).

Other Impediments

Crime

Social problems, such as higher crime and drug rates in a neighborhood can create barriers to housing by deterring and scaring away residents who could

² (http://www.pbs.org/pov/pov2004/farmingville/special_hypergrowth.html)

afford housing there, or property managers interested in creating business in the area.

Recommendations

- Identify community leaders.
- Increase the visibility of police in neighborhoods with a high crime rate.
- Promote use of crime prevention surveys and community crime watch programs.
- Educate residents on police relations.
- Encourage reporting of crimes.

Natural Disasters

Finally, though more classified as a temporary impediment, natural disasters can also pose a problem to housing affordability and availability. As was seen recently in the aftermath of Hurricane Katrina, thousands of people lost everything and were displaced from their homes – particularly a problem for those who were already lower-income. With Greenville opening its arms to just over 100 evacuees from New Orleans, the real task began with determining where all of these residents would live after the temporary shelter at the Expo Center was closed. After partnering with other agencies to establish counseling for all those evacuees that wished to stay, “when the shelter closed on September 25th, all remaining evacuees were offered temporary housing in four extended stay motels until permanent housing could be arranged” (Hurricane Katrina Briefing, GC HRC, October 31, 2005).

Recommendations

- Pre-identify available emergency housing for Greenville County.
- Identify and support partner agencies for times of crisis.
- Encourage contributions to those partner agencies.
- Pre-plan with FEMA for reimbursement requests for disaster relief.

CONCLUSIONS

While there have been some improvements since the analysis in 2001, Greenville County's low-to-moderate-income population is still burdened with barriers to fair and affordable housing choice. While problems with credit histories and abusive lending practices are still one of the most common impediments, the lack of affordable housing – both rental and owned - within the county only perpetuates the problem. While discrimination is a lot more subtle in the housing industry, with the drastic increase in foreign immigrants (particularly Hispanics) cultural barriers are ever present and remain a problem. The community as a whole lacks education and awareness of the housing industry, personal finances and abusive lending practices. Other impediments such as regulatory barriers, transportation issues, and human conditions were also highlighted throughout the duration of this study. There is still room for improvement, especially as Greenville continues to grow in population and popularity, particularly with the expansion/renovation of downtown area. As this becomes more and more prominent, it is important not to marginalize the low-to-moderate income communities, as well as need for affordable and fair housing.

Continuing Research

Researching and identifying impediments to fair and affordable housing and determining ways of combating them should be a continual process. Further recommendations for research include, but are not limited to, the following:

- Creating comprehensive community surveys, conducted by both mail and telephone. The survey sample should be representative of the county/city as a whole and should measure income, housing status, employment status, education levels, race/ethnicity, age, any experience with discrimination within the housing industry, as well as qualitative questions regarding what residents would like to see and would be interested in participating in within their communities
- Creating comprehensive local bank, mortgage lender, and realtor surveys to target gaps in awareness and education regarding abusive credit practices, discrimination, and fair housing law
- Creating surveys to county high schools and local colleges/technical schools to determine gaps in awareness and education regarding personal finances

- Using asset-mapping techniques to determine where pockets of both urban and rural poor are located in the County in regards to local resources and transportation routes
- As stated in the previous impediment study, analyze and map the location of individuals living on Section 8 to determine clusters of urban poverty in Greenville County