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30 YEARS LATER A FAIR HOUSING REPORT

APRIL 1998



**SECRETARY ANDREW CUOMO
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

1968-1998 — CELEBRATING 30 YEARS OF FAIR HOUSING IN AMERICA

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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FOREWORD

This is the 30th anniversary of Title VIII of the Civil Rights Act of 1968 – the Federal Fair Housing Law.

Fair Housing is a cornerstone of our nation's historic push to create what President Clinton calls "One America" – an America where opportunity and success are within reach of all our citizens. An America where no one is denied an opportunity to build a better life because of race, color, religion, sex, national origin, family status or disability.

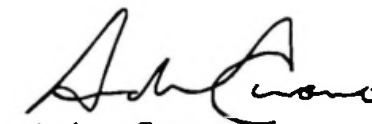
America has changed dramatically for the better in these past 30 years. More of us share neighborhoods, work, school and social relationships across racial and cultural lines than ever before.

But despite our progress, prejudice persists. Though minorities in America have more opportunity than ever, the stain of bigotry is still with us. Overt discrimination has declined, replaced by a more subtle but just as hateful "discrimination with a smile."

As HUD Secretary, I have vowed to crack down on all forms of housing discrimination. HUD has pledged to double the number of fair housing enforcement actions during President Clinton's second term. We are partnering with 67 nonprofit housing groups to reduce discrimination, and we have entered into more than 100 best practice agreements with key lenders, resulting in expanded opportunities for low-income minority families and women. Additionally, HUD will release a study later this year that focuses on mortgage lending discrimination in America's cities and on the persistence of urban redlining, which limits homeownership in inner-city neighborhoods. The President's proposed budget for fiscal year 1999 seeks \$22 million in increased HUD funds to intensify our fight against housing discrimination.

This report highlights some of the major steps taken by HUD and our partners – private and public – to combat housing discrimination and open housing opportunities to all Americans. It includes a retrospective of the first 30 years of the Fair Housing Act, which puts into context our continuing commitment to make from "Many Neighborhoods, One America."

As we celebrate three historic decades of America's commitment to the Federal Fair Housing Law, let us rededicate ourselves to the spirit of freedom, justice and equality that sped its passage.



Andrew Cuomo

Secretary

Department of Housing and Urban Development

HUD's Crackdown on Housing Discrimination

Over the past 30 years, Americans have made great strides in opening housing markets. More than ever before, all our citizens have an equal opportunity to live wherever they can afford. Yet the need to vigorously enforce fair housing laws remains as urgent today as ever. Providing housing opportunity is the key to letting all share in the American Dream, and the Fair Housing Act is an indispensable tool in this effort.

The U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity administers and enforces the Fair Housing Act and other legislation that ensures equal access to housing and provides equal opportunity and fair housing in all HUD programs.

Title VIII of the Civil Rights Act of 1968, better known as the Fair Housing Act, prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, sex or national origin. Title VIII was amended in 1988 by the Fair Housing Amendments Act, which expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of child under age of 18 and pregnant women).

To meet his goal of achieving "One America," President Clinton in September 1997 directed HUD to double the number of enforcement actions it brings under the Fair Housing Act during his second term. In response, Secretary Cuomo announced his commitment to "crack down" on housing discrimination.

HUD has taken several significant steps towards opening housing markets and doubling enforcement actions, including:

- **Proposing the largest single budget increase in civil rights law enforcement in two decades.** The President has proposed a 73 percent increase within HUD's 1999 budget for the Office of Fair Housing and Equal Opportunity. The proposed budget increase will provide more HUD funding for State and local public agencies that enforce fair housing laws and for public and private fair housing groups engaged in the prevention of housing discrimination. This increase in funding will help protect the right of every American family to live and raise their children in any neighborhood they can afford.
- **Increasing Relief Available for Complaints.** This past fiscal year, HUD took enforcement action in more of its cases than the previous year and obtained more relief for individuals in its settlements, \$9.6 million compared to \$4.4 million. The average case also conciliated for more money, \$12,774 compared to \$3,991. The enforcement actions brought by the Department demonstrate that discriminatory housing practices in America are not isolated occurrences, but are widespread, and a problem that favors no particular region of the country.

- **Signing Landmark Lending Settlements.** The Department signed the highest settlement of mortgage lending discrimination allegations in U.S. history with AccuBanc Mortgage Corporation. AccuBanc will target \$2.1 billion in mortgages to minorities and low- and moderate-income families in the next three years to enable them to become homeowners. Earlier, the Department signed a similar \$1.375 billion agreement with three Texas mortgage lenders (Temple-Inland Mortgage Corporation, Banc One Mortgage Corporation, and Overton Bank and Trust). The agreements followed investigations of claims that the lenders provided inferior terms to blacks and Hispanics who were seeking loans.
- **"Make 'Em Pay" Crackdown, Boosting Fines for Housing Discrimination Hate Acts.** As part of his crackdown on hate crimes, President Clinton announced a five-part "Make 'Em Pay" initiative to fight housing-related acts of hate violence and intimidation with sharply higher fines and increased enforcement. The President's announcement came on November 10 at the White House Conference on Hate Crimes and HUD published a proposed rule change in the Federal Register on December 18, 1997. "Make 'Em Pay" calls for increasing penalties for hate acts involving housing discrimination; a closer partnership between HUD and the Department of Justice, civil rights and advocacy groups, and fair housing organizations to identify and fight these crimes; better training for those fighting discrimination; and creative uses of interactive technologies to fight discrimination.
- **Administering the Fair Housing Initiatives Program (FHIP).** The FHIP Program was created by the 1988 Fair Housing amendments and became permanent in 1992. Since its inception, HUD has made nearly 600 awards totaling more than \$100 million. Currently, over 200 organizations, supported by FHIP in approximately 30 states, supplement HUD's efforts through their own enforcement, voluntary compliance, education and outreach activities. Under FHIP, 23 new organizations in 18 states have been established in communities which lack a substantially equivalent state and local agency and/or a private fair housing organization.
- **Enforcing Accessibility Requirements for Persons With Disabilities.** Last year HUD set aside \$1.3 million from FHIP to help organizations that focus on disability rights issues, a first for HUD. The set-aside also targets funds to organizations run by and for persons with disabilities, as opposed to more traditional fair housing groups for which disability is not the primary focus. Secretary Cuomo also announced a first-ever nationwide study to document the rate of compliance with the accessibility requirements. The study will look at projects across the country and interview architects and builders. The information will be used to more effectively target HUD's education and enforcement efforts.
- **Developing Joint Investigations with Private Fair Housing Groups and Fair Housing Assistance Program (FHAP) Agencies.** HUD has developed substantive cases with private fair housing organizations and FHAP groups, which help administer and enforce the Fair Housing Act. The kinds of cases include: steering based on

race in real estate sales transactions, lending discrimination, failure to design and construct accessible housing, and individual and systemic cases where joint or parallel investigations can result in strong enforcement actions.

- **Promptly Investigating Hate Crimes.** HUD and the Department of Justice respond promptly to hate crimes that interfere with people's housing rights. Recently the two agencies have worked closely in investigating cases of racial intimidation in an Atlanta suburb and Bethesda, Maryland, and a cross-burning in Rushville, Missouri. The two agencies bring valuable investigative experience to the President's initiative to punish hate crimes and to prevent them from occurring in the first place.
- **Focusing on HUD funding.** The Department is sending a strong message to recipient of HUD funding that HUD funds will not be used to discriminate. For example, HUD conducted an investigation of the Housing Authority of the City of Biloxi (HACB) when it learned of possible steering and mistreatment of minorities. The Department uncovered evidence that the HACB has been blatantly steering blacks and Vietnamese to the HACB's worst developments while reserving its better-maintained developments for whites. As a result of these and other civil rights violations, HUD has denied two former HACB employees from participating in any HUD funding program.
- **Working with Justice.** The Department of Justice took action against the Village of Addison, Illinois, which had selectively demolished housing in a predominantly Hispanic area without relocating or compensating the Hispanic residents. HUD investigated the matter and referred it to the Department of Justice when it found evidence that the Village's actions violated the Fair Housing Act. HUD aided Justice in obtaining a \$3.9 million settlement by threatening to withhold Community Development Block Grant funds from the community until it resolved the matter.
- **Forging New Voluntary Compliance Agreements With Major Industry Groups.** HUD continues to forge new agreements with the National Association of Realtors (NAR), the National Association of Real Estate Brokers, the National Association of Home Builders, the Mortgage Bankers Association, the National Apartment Association, and others to educate members of these associations on their fair housing obligations and to take affirmative steps to contribute to fair housing.
- **Developing New Ways to Identify Potential Victims of Discrimination.** HUD already is receiving more inquiries from potential victims as a result of the agency's increased focus on housing discrimination and is currently developing a new, simplified form for potential victims to file complaints. The form, which will be available in English and Spanish, is already up on the Internet. HUD has also instituted new 1-800 numbers for use by each of its 10 current enforcement offices to make communication with potential victims easier and cheaper.

- **Signing Best Practices Agreements.** Effective partnerships between the government and industry help ensure speedier voluntary compliance with the Fair Housing Act. A number of "Best Practices Agreements" have been signed with key players in the industry. The Mortgage Bankers Association was the first. Since then more than 117 lenders have signed such agreements. Signatories include: individual mortgage lenders, state credit union leagues, state mortgage lending associations, depository institutions such as savings and loans and banks, and state housing finance agencies.
- **Boosting Minority Homeownership/ One America.** HUD and the National Association of Realtors signed an historic partnership agreement to promote equal housing opportunity and increase minority homeownership. This One America agreement is intended to dismantle barriers to homeownership and encourage those in the real estate profession to go the extra mile to help create One America.
- **Providing Outreach to Rural Areas.** Secretary Cuomo signed a Memorandum of Understanding with the Department of Agriculture to ensure that people living in rural areas, such as migrant farm workers, know their rights under the Fair Housing Act. Under the agreement, USDA will forward complaints involving USDA-funded rural housing programs to HUD for prompt investigation.
- **Providing Education and Outreach.** While HUD will continue to vigorously enforce the fair housing laws, education remains our best weapon to stop discrimination before it happens. HUD currently provides fair housing training and education through its field offices and numerous grantees.
- **Undertaking a Study of Lending Discrimination.** Secretary Cuomo announced that the Department will undertake a study this year to further explore the extent of lending discrimination against minorities. The 1996 Home Mortgage Disclosure Act data, the most recent data available, found that 48.8 percent of African-Americans and 34.4 percent of Hispanics seeking conventional home purchase loans were rejected. Whites were turned down 24.1 percent of the time, while Asians were denied at a 13.8 percent rate.
- **Implementing Oversight of Government-Sponsored Enterprises (GSEs).** FHEO cooperated with the Offices of Housing, General Counsel and Policy Development and Research in drafting and promulgating the final GSE rule issued Dec. 1, 1995. Now, HUD is implementing Section 1325 of that rule (Fair Housing) which prohibits discrimination by the GSEs. The Act establishes a powerful oversight responsibility at HUD to examine the GSEs' underwriting guidelines, appraisal policies and business practices. HUD is beginning this oversight role through Memorandums of Understanding (MOUs) with federal bank supervisory agencies and by initiating review of underwriting and appraisal standards of the GSEs. The importance of these concerns has been recognized by the industry and advocacy groups.
- **Encouraging Fair Lending and Community Reinvestment.** HUD, DOJ, and the federal regulatory agencies play a critical role in promoting fair housing and revitalizing urban areas by enforcing federal lending laws and promoting community reinvestment.
- **Promoting Environmental Justice.** HUD, the Environmental Protection Agency, DOJ and the Department of Transportation are already working together to identify and correct environmental hazards — such as concentrations of toxic-waste dump sites — which plague minority communities.
- **Improving Technology.** HUD is using a new computer software program to document investigative data, which improves and speeds up investigations. This system will be available to state and local enforcement agencies this year. Internet resources are also being used to gather investigative data, and new data analysis systems are making lending discrimination investigations more effective.
- **Ensuring Fair Housing Planning.** Fair Housing Planning is an integral component of the Consolidated Plan — the planning tool for a community's use of CDBG, HOME, ESG, and HOPWA funds. Through Fair Housing Planning, a community analyzes impediments to fair housing and sets forth a plan for allocating its federal housing and community development funds to address those problems. The Department has taken an aggressive role in ensuring that Consolidated Plan communities identify and address fair housing problems.
- **Interagency Task Force on Fair Lending.** Through the leadership of HUD, DOJ, and the Office of the Comptroller of the Currency, the Interagency Task Force on Fair Lending was created in 1994 to provide a coordinated Federal policy and enforcement of the nation's fair lending laws. Since 1994, HUD has taken a lead role in formulating the Task Force's agenda and strategy.

Summary of Key Actions in Support of the Nation's Fair Housing Goals

September 1997 - April 1998

SEPTEMBER 30, 1997

**CLINTON ADMINISTRATION CRACKS DOWN ON HOUSING
DISCRIMINATION WITH NEW CHARGES AND \$15 MILLION IN GRANTS**

In conjunction with the White House Conference on Race Relations, Secretary Cuomo announces his commitment to "crack down" on housing discrimination and to double the number of enforcement actions taken by HUD during President Clinton's second term. Several victims of discrimination speak of their experiences at the announcement. Antonina Ippolito describes how a caller threatened to firebomb her home if she leased one of her rental properties to blacks or Hispanics. Mr. and Mrs. David Fernandez of Caldwell, Idaho, recount how they were prevented from purchasing a manufactured home from Mrs. Fernandez's father because the owner of the park, in which the home was sited, did not want Hispanics living there. A video-taped statement from an witness, shown only in silhouette, describes how this former rental agent was instructed to code property listings with the word "Archie" — short for Archie Bunker — if the owner did not want blacks or Hispanics as tenants.

At the same event, HUD announces the release of \$15 million in grant money to private non-profit groups that fight housing discrimination at the community level.

OCTOBER 13, 1997

**HUD ACTION ON FOUR HOUSING DISCRIMINATION
CASES FOLLOWS CRACKDOWN ANNOUNCED BY PRESIDENT**

Following up on President Clinton's September 30th pledge, Secretary Cuomo announces the successful resolution of four complaints of race-based housing discrimination in Alabama, Pennsylvania, Arizona and California. Each complaint was resolved by means of a voluntary enforcement agreement. Damages paid to complainants ranged from \$3,000 to \$10,000. These agreements, which are enforced by the Department of Justice, provide relief to individuals injured by discrimination, give HUD greater oversight into the operations of the housing provider or agent against whom the complaint was filed, and commit the provider or agent to non-discriminatory practices in the future.

OCTOBER 21, 1997

**HUD CRACKDOWN ON HOUSING DISCRIMINATION CONTINUES
WITH CHARGES RISING OUT OF THREATS TO BLACK FAMILY IN
WEST VIRGINIA**

In Charleston, West Virginia, the Department announces the filing of charges against a white family for harassing their black neighbors by barricading the path leading to the black family's land, threatening members of the black family with a gun and a knife, and hanging black plastic ducks from a white cross mounted near the black family's land. Craig and Gloria Smith said members of the Hobbs family intimidated them and their three small children with threats of violence and racial slurs ever since they moved their modular home onto a piece of land adjoining the Hobbs' property.

Ms. Smith said, "We never had a chance to enjoy being homeowners. We were always worrying about coming home to find all of our windows broken, or being burned out at night."

OCTOBER 30, 1997

**HUD AWARDS \$11.5 MILLION TO GOVERNMENT AGENCIES IN 32 STATES TO
FIGHT ILLEGAL HOUSING DISCRIMINATION; FILES CHARGES AGAINST IOWA
LANDLORD WHO REFUSED TO RENT TO BLACKS**

In Davenport, Iowa, Secretary Cuomo announces the award of \$11.5 million to civil rights enforcement agencies in 32 states. The funds will support fair housing investigations and enforcement by state and local government partners around the country. The Secretary also announces that HUD will take legal action against Frank Quijas, a Davenport landlord who repeatedly turned away black apartment-seekers, telling them that his lawyer told him that he "doesn't have to rent to blacks." Jacqueline Ash and Andre Echols, black apartment-seekers who were discriminated against by Quijas, are being represented in a civil suit against Quijas by the Department.

Ash and Echols both said that Quijas -- who owns three duplexes -- told them he would not rent to them because they are black. "I was stunned," Ash said. "I haven't experienced this kind of discrimination personally before, so I was really shocked. I was shaking when I hung up. Then I sat down to cry."

"I am used to lies, I'm used to people discriminating and trying to hide it, but I was surprised when Quijas spoke to me like that," Echols said. "To know that you are hated, that you are unwelcome, because you have been born into this world and born black -- that's a painful feeling."

NOVEMBER 7, 1997

**HUD SETTLES HOUSING DISCRIMINATION CASE INVOLVING
ACCESSIBILITY FOR PEOPLE WITH DISABILITIES IN GEORGIA**

Secretary Cuomo announces the successful resolution of a complaint alleging that new multi-family housing built in Tucker, Georgia, was constructed without important accessibility features required by the Fair Housing Act. The builder of Bentley Place Apartments, Charlie Roberts, acknowledges that accessible housing "is the law of the land and . . . a reasonable law," and pledges to retro-fit the 228-unit complex to bring it into full compliance with the accessibility requirements of the Act. In addition, the builder agrees to pay \$4,000 to the fair housing advocacy group that identified the violations.

NOVEMBER 10, 1997

**PRESIDENT CLINTON ANNOUNCES "MAKE 'EM PAY" CRACKDOWN,
BOOSTING FINES FOR HOUSING DISCRIMINATION HATE ACTS**

As part of his crackdown on hate crimes, President Clinton announces a five-part "Make 'Em Pay" initiative to fight housing-related acts of hate, violence and intimidation with sharply higher fines and increased enforcement. The plan set forth by the President and Secretary Cuomo:

- Increases penalties for hate acts involving housing discrimination;
- Strengthens the partnership between HUD and the Department of Justice;
- Creates a closer relationship between HUD and non-federal civil rights agencies;
- Promises more training on the investigation and resolution of hate crime complaints; and
- Commits HUD to development of a new interactive site on its existing Web Page to make it easier to report hate crimes.

NOVEMBER 13, 1997

HUD-FUNDED GROUP ANNOUNCES SETTLEMENT OF SUIT AGAINST LANDLORD CHARGED WITH EVICTING BLACK NUN BECAUSE OF HER RACE

Secretary Cuomo commends the Leadership Council of Chicago for their use of HUD funds to investigate and resolve a complaint filed by the Sisters of Providence after two nuns were evicted from a Chicago apartment, allegedly because one was black. Sister Kathleen Burke, who is white, describes how she had leased an apartment with another nun from Clarence and Eileen Jacobs for four years. After Burke's first roommate left, Phillis Sheppard, a black psychologist and also a Sister of Providence at the time, moved in with Burke. When a member of the Jacobs family met Sheppard and became aware of her race, the nuns were abruptly told to vacate. The Jacobs agree to pay the Order an undisclosed sum in addition to the \$165,000 required to settle a related complaint filed before the city human relations commission.

NOVEMBER 15, 1997

HUD AND THE NATIONAL ASSOCIATION OF REALTORS JOIN FORCES TO PROMOTE EQUAL OPPORTUNITY & BOOST MINORITY HOMEOWNERSHIP UNDER PRESIDENT'S ONE AMERICA INITIATIVE

During the national convention of the National Association of Realtors in New Orleans, Secretary Cuomo and NAR sign an historic partnership agreement to promote equal housing opportunity and increase minority homeownership. The initiative creates a new training and certification program open to more than 1.5 million real estate professional across the nation. NAR adopts President Clinton's One America Logo for use by agents who are trained and certified in fair housing, committed to the principals of equal housing opportunities, and who have no fair housing violations filed against them.

NOVEMBER 25, 1997

HOUSING DISCRIMINATION CHARGES ARE FILED AGAINST OWNERS AND MANAGERS OF RICHMOND, VA, APARTMENT COMPLEX; MANAGER ALLEGEDLY SAID SHE WOULD KEEP "NIGGERS" OUT

In Richmond, Secretary Cuomo announces that HUD will file housing discrimination charges against the owners and managers of Wedgewood Village, an apartment complex in Richmond, Virginia, for refusing to rent to African Americans. HUD's investigation uncovered black apartment-seekers who were provided false information to discourage them from applying to Wedgewood Village. White tenants told HUD that the on-site apartment manager, Rita Baines-Lewis, boasted to them that she was "keeping the niggers out." The civil charges announced are against Lewis, the apartment management company, and the owners of the apartments for discriminating against prospective black tenants. In addition, HUD issues an order barring Lewis from employment by any company that receives HUD housing assistance for one year.

DECEMBER 5, 1997

HOUSING DISCRIMINATION CHARGES ARE FILED AGAINST LOUISIANA APARTMENT OWNER

In Lake Charles, Louisiana, Secretary's Representative Betsy Julian announces the filing of charges against Danny LeBlanc of Lake Charles for refusing to rent a studio apartment to Gene Lewis of Mossville because Lewis is African American. Lewis responded to an advertisement to see the studio apartment, located in a four-unit building, and was shown the unit by a woman who allegedly warned him that the owner was prejudiced. When Lewis met with the owner after viewing the apartment, the owner told him, "I don't like to rent to you people ... brown, black, colored, whatever you call yourselves." Later, a representative from the community organization ACORN called and LeBlanc told him that an apartment was still available. The Department's investigation revealed that within 12 days of Lewis's initial call to LeBlanc, LeBlanc rented three units — all to whites.

DECEMBER 15, 1997

JUSTICE TAKES ACTION ON HUD DISABILITY COMPLAINTS IN LAS VEGAS

Following an investigation conducted by HUD, the Department of Justice files a lawsuit against Rock Spring Vista Properties, the developers and architects of four housing developments in Las Vegas, Nevada, for allegedly failing to construct housing complexes that are accessible to persons with disabilities.

JANUARY 5, 1998

HUD REACHES AGREEMENT WITH PINELLAS COUNTY HOUSING AUTHORITY OVER FAIR HOUSING LAW VIOLATIONS

The Department announces that the Pinellas County Housing Authority in Florida has signed a voluntary compliance agreement to end housing discrimination uncovered by HUD investigators. The agreement commits the housing authority to take a series of actions over a five-year period to ensure that the Authority's minority and disabled residents get the same treatment, housing options, and level of services as majority residents. The Housing Authority has agreed to help move African American residents to predominantly white housing and to reimburse residents with disabilities for improvements they made to their units.

HUD found that the Housing Authority had been excluding African Americans from predominantly white developments and also made residents with disabilities pay for their own access improvements, such as wheelchair ramps (PHAs are responsible for these costs). Since 1987, only four African American elderly families have lived in the Housing Authority's two elderly developments, and HUD also found a pattern of residential segregation at two of the family developments.

JANUARY 14, 1998

IOWA LANDLORD ACCUSED OF HOUSING DISCRIMINATION AGREES TO PAY BLACKS \$24,000 AFTER HUD FILES CHARGES

Secretary Cuomo announces that a Davenport landlord has agreed to pay three African Americans a total of \$24,000 to settle housing discrimination charges filed by HUD.

Landlord Frank Quijas will pay each of the three \$8,000 to avoid further legal proceedings, Cuomo said. Quijas also agreed in the settlement to sell the three duplex apartments he now rents out and to leave the real estate business. In addition, Quijas agreed to apologize in writing to Jacqueline Ash, Andre Echols, and Tondalaya Williams, all black residents of Davenport.

Ash, Echols, and Williams all said Quijas directly told them he would not rent to black tenants. During HUD's investigation, Quijas told investigators he had not rented to African Americans in about 25 years.

JANUARY 15, 1998

INVESTIGATION IS LAUNCHED INTO ALLEGED WIDESPREAD "DISCRIMINATION WITH A SMILE" IN CALIFORNIA APARTMENTS

Secretary Cuomo launches an investigation of allegations of widespread housing discrimination by a Southern California property management company and owners of nine Orange County apartment complexes with over 1,300 units.

"Illegal actions alleged at these apartments involve discrimination with a smile," Cuomo said. "Instead of telling people to their faces that minorities are unwelcome in an apartment complex, rental agents allegedly told some of them politely — and falsely — that no apartments were available or none would be available for several weeks. When this type of discrimination occurs, people don't even realize they've been victimized."

The rarely used Secretary-initiated investigation was sparked by complaints filed with HUD by the Fair Housing Council of Orange County against Yoder Shrader Management Company of Orange County and the owners of nine apartment complexes managed by the firm.

JANUARY 19, 1998

VICE PRESIDENT ANNOUNCES \$22 MILLION INCREASE PROPOSED BY CLINTON ADMINISTRATION TO FIGHT HOUSING DISCRIMINATION

Vice President Al Gore announces that President Clinton will propose a \$22 million budget increase for HUD to intensify the fight against housing discrimination.

In a speech at the Ebenezer Baptist Church in Atlanta to mark Martin Luther King Day, the Vice President says the additional funds "will help bring Martin Luther King's dream of equality for all Americans a step closer to reality."

The increase, to be proposed in the President's 1999 Federal Budget, would boost funding for HUD's Office of Fair Housing and Equal Opportunity to \$52 million from the current \$30 million — a 73 percent increase. The initiative is a primary element of the President's "One America" policy to bring Americans together.

FEBRUARY 2, 1998

HUD SETTLES HOUSING DISCRIMINATION LAWSUIT INVOLVING DISABLED WOMAN IN ALABAMA

Secretary Cuomo announces a \$110,000 settlement of a housing discrimination lawsuit filed by a disabled Alabama woman who said her landlord refused to move her to an apartment that is wheelchair-accessible.

The woman, who asked not to be publicly identified, said she has been unable to enter the only bathroom of her apartment in Jemison since moving there in April 1995 because her wheelchair will not fit through the door. As a result, the woman has been dependent on her two teenage daughters to help her meet her personal hygiene needs outside the bathroom.

FEBRUARY 12, 1998

**HOUSING DISCRIMINATION CHARGES ARE FILED AGAINST
TEXANS ACCUSED OF REFUSING TO RENT APARTMENTS TO BLACKS**

Secretary Cuomo announces filing of housing discrimination charges against the manager and owners of two Austin, Texas, apartment complexes, accusing them of falsely telling an African American man that no apartments were available at the same time apartments were being rented to whites.

Black and white volunteers posing as prospective tenants at the apartments found that black "testers" were told no units were available or were discouraged from applying, while white testers were shown available units.

FEBRUARY 17, 1998

**ARIZONA LANDLORD AND NEWSPAPER ACCUSED OF HOUSING
DISCRIMINATION AGAINST PARENTS AGREE TO SETTLEMENT**

An Arizona landlord accused of illegally discriminating against a couple because they have children—and a newspaper that published ads for an adults-only section of the landlord's apartment complex—have agreed to a \$90,000 settlement of housing discrimination charges, Secretary Cuomo announces.

The settlement is believed to be one of the first of its kind in Arizona involving a newspaper accused of illegally publishing a discriminatory housing ad in violation of the Fair Housing Act. In addition, the \$75,000 cash portion of the settlement is the largest amount ever paid to settle a charge of housing discrimination against families with children in Arizona, according to the Southern Arizona Housing Center in Tucson. The Housing Center filed the lawsuit on behalf of a family that said they were told they could not rent an apartment at the Plaza Apartments in Sierra Vista because it was in an area reserved for adults.

FEBRUARY 18, 1998

JURY AWARDS \$40,000 IN CHICAGO RACE CASE

On February 18, 1998, The Chicago Tribune reported that a jury awarded \$40,000 to an African American homebuyer and two associates for racial intimidation they suffered when they sought to rent a home in a predominantly white Chicago neighborhood. The homebuyer and one of her associates are police officers. The case was brought by HOPE, a private fair-housing group based in the Chicago area, and a recipient of HUD Fair Housing Initiative Program (FHIP) funds.

According to testimony, when Lolita Fenner first arrived to view the house, several white neighbors passed by and gave her ugly stares. Then a white neighbor from his front porch, two houses down, shouted, "You're in the wrong neighborhood! If you buy that house, there will be trouble." By the time Fenner left the house, a small mob of white residents had gathered to harass her and her associates, and the man from the neighboring porch threatened them with physical harm. This defendant, a fireman by occupation, was also found guilty of a misdemeanor assault charge for his acts.

The Tribune quoted Secretary Cuomo on the incident. He said, "All housing discrimination is intolerable and illegal. It is especially outrageous that police officers who are willing to lay down their lives for the public's safety can be victimized by this crime."

MARCH 9, 1998

**PROVIDER OF HOUSING FOR HISPANIC PERSONS SETTLES
DISCRIMINATION LAWSUIT FOR \$101,000**

Secretary Cuomo and Project Sentinel, a Bay Area fair housing agency funded by HUD, announce the settlement of a federal court lawsuit alleging that the managers and owner of El Granada Mobile Home Park in Moss Beach discriminated against Hispanic residents and Hispanic prospective applicants.

The plaintiffs, which included buyers, sellers, and realtors of mobile homes in the park, settled the matter with the park for undisclosed terms, while the park paid Project Sentinel \$101,000 for investigative and legal expenses.

After the plaintiffs approached the fair housing group about possible discrimination in the park, Project Sentinel investigated the matter by conducting paired tests using Hispanics and Caucasian testers posing as mobile homeseekers and by examining rental application files. The plaintiffs and Project Sentinel filed suit after the investigation revealed alleged discriminatory practices.

MARCH 10, 1998

**HUD ANNOUNCES LANDMARK \$1.4 BILLION LENDING
DISCRIMINATION SETTLEMENT; WILL CONDUCT STUDY
OF MORTGAGE DISCRIMINATION**

HUD signs a landmark \$1.4 billion agreement with three Texas mortgage lenders (Temple-Inland Mortgage Corporation, Banc One Mortgage Corporation, and Overton Bank and Trust) following an investigation of claims that the lenders provided inferior terms to blacks and Hispanics who were seeking loans. More than 20,000 low- and moderate-income and minority families are expected to receive home mortgages as a result of the agreement.

The three lenders committed to the agreements after the Fort Worth Human Relations Commission filed fair lending complaints with HUD under the Fair Housing Act, based on testing results alleging unlawful discrimination.

The total commitment reflected in the Temple-Inland agreement is the second largest of any such settlement reached under the Fair Housing Act.

Additionally, the Department announces that it will conduct a study of mortgage discrimination this year in an effort to close the "homeownership gap" that divides suburbs from cities and whites from minorities. The homeownership rate was 72.5 percent in suburbs last year but only 49.9 percent in cities, where low- and moderate-income residents and minorities are disproportionately concentrated.

"Our goal is simple justice for minority and other urban families, as well as bringing our diverse nation together as part of President Clinton's One America Initiative," Secretary Cuomo said. "We must end all forms of illegal housing discrimination -- including mortgage lending discrimination -- if we expect to become One America not just in rhetoric but in reality."

MARCH 13, 1998

**OPEN HOUSING CENTER FILES LAWSUIT ALLEGING HOUSING
DISCRIMINATION BY BROOKLYN REAL ESTATE AGENCY**

The Open Housing Center of New York files a federal class action lawsuit accusing a Brooklyn realty company of illegal housing discrimination against African Americans, the Center and Secretary Cuomo announce.

The Open Housing Center, which receives HUD funding, says it filed the suit in U.S. District Court in Brooklyn against Ted Bouzalas Realty in Brooklyn, and its owners/agents, based on tests that showed the realty company consistently turned away prospective black tenants by telling them no apartments were available -- at the same time it was showing apartments to whites.

In the suit, the Open Housing Center seeks to require the realty firm to stop discriminating and to offer minorities equal opportunity at rental units. It also seeks monetary damages to pay for fair housing training and advertisements in minority media to inform minorities of rental units in the Bay Ridge area.

Bouzalas Realty owns or manages many buildings, including seven properties involved in the lawsuit with 231 apartment units. The complexes are located in the Bay Ridge section of Brooklyn, a predominantly white, moderate-income area.

The Open Housing Center says in its lawsuit that it investigated the rental practices of the realty company after receiving complaints that Bouzalas Realty did not rent to blacks.

MARCH 31, 1998

**HUD CHARGES OREGON MOBILE HOME PARK OWNER WITH HOUSING
DISCRIMINATION THAT HARMS BOY, HIS PARENTS, AND ELDERLY WOMAN**

Secretary Cuomo announces that HUD has filed housing discrimination charges against a Salem mobile park owner accused of refusing to rent space to a couple because they had a 4-year old son.

The civil charges filed by HUD accuse Larry Angell, owner of the Scofield Mobile Home Park, and park manager Hazel Dwigans of illegally discriminating against Paul and Margo Gibson and their then 4-year old son, Christopher, by refusing to allow them to live in the park last April.

The refusal forced the Gibson family to cancel their plans to purchase a mobile home in the park from Lorna Knodel, who was then 89. Knodel is also listed as a discrimination victim because of the lost sale, as is Barbara Griffin, her real estate agent.

Griffin said Angell rejected rental requests for Knodel's home site by at least four families with young children who wanted to buy the home. However, Angell allowed a 51-year-old woman with no young children to rent the suite in June, enabling her to buy Knodel's home.

The Gibsons said Angell told them he did not allow young children to live in his mobile home park. In addition, HUD's investigation found that Angell wrote in the mobile home park's newsletter last May that the park was limited to adults only. The newsletter stated: "No minor children in the main park on a permanent basis."

Additionally, the Fair Housing Council of Oregon conducted comparison tests using volunteers posing as prospective tenants that found housing discrimination was occurring.

APRIL 3, 1998

HUD ANNOUNCES RECORD \$3.1 BILLION LENDING DISCRIMINATION SETTLEMENT, WINS \$325,000 HOUSING DISCRIMINATION CASE IN NEW ORLEANS, FILES CIVIL CHARGES AGAINST FOUR MISSOURI MEN IN CROSS-BURNING CASE

Secretary Cuomo announces the highest settlement of mortgage lending discrimination allegations in U.S. history – a conciliation agreement signed by AccuBanc Mortgage Corp. targeting \$2.1 billion in mortgages to minorities and low- and moderate-income families in the next three years to enable them to become homeowners. In addition, AccuBanc agreed to spend \$24 million over the next three years in mortgage closing cost assistance to targeted families. Fair housing agencies expect over 15,700 families will receive mortgages because of the agreement.

Tests of AccuBanc service were conducted by whites and minorities posing as applicants for home mortgage loans. One test in Dallas showed that a minority tester was told he was eligible for an \$85,000 loan, while a white tester with a less favorable financial record was told he was eligible for a loan of \$110,000 to \$150,000. The agreement with AccuBanc, said Secretary Cuomo, "is a victory for all involved. More minority families will get the opportunity to become homeowners and AccuBanc will do increased business. AccuBanc has set an example of good corporate citizenship."

In New Orleans, a housing discrimination lawsuit against the Riviera Oaks Apartments is settled for \$325,000. The apartment owners were accused of segregating African American tenants in apartments on one side of the 140-unit complex, requiring them to use a separate swimming pool from whites, and denying them the same services provided to white tenants. Owners of the apartments have fired the on-site manager and are selling the apartments.

Additionally, HUD files civil charges of housing discrimination against four Missouri men involved in a cross-burning in Rushville at the home of a woman of Cape Verdean heritage who they believed was part of an African American family. Liza Costa found a seven-foot cross burning on her front lawn last year. "I don't understand what these men were thinking," she said. "I don't understand what gave them the right to decide who's good enough to live in this town."

APRIL 21, 1998

HUD LAWSUIT ENDS IN VICTORY FOR DISABILITY COMMUNITY; DEPARTMENT, LENDER SETTLE DISCRIMINATION ALLEGATIONS

HUD civil action on behalf of the Will-Grundy Center for Independent Living, a service and advocacy organization for persons with disabilities in Joliet, IL, forces a builder to make new multifamily housing units accessible to persons with disabilities and pay damages estimated at \$62,000.

HUD's Chief Administrative Law Judge ordered Perland Corp. and its president/owner, William Persico of Crest Hill, IL, to retrofit seven unsold condominiums and the common area for one building to bring them into compliance with the Fair Housing Act. Thomas A. Buchar and Associates, Inc., the architects at the Meadow View Terrace Condominiums in Joliet, settled separately and agreed to pay \$9,000.

"HUD is aggressively enforcing the Fair Housing Act's accessibility requirements," said Secretary Andrew Cuomo. "If builders and architects build inaccessible housing, they're going to have to fix it – regardless of cost or convenience."

Additionally, the Secretary announces that SFM Mortgage, with headquarters in Bedford, TX, has agreed to settle a lending discrimination complaint by committing more than \$35.4 million over the next three years to improve homeownership opportunities for low- and moderate-income minority families. An estimated 762 targeted families are expected to receive home loans as a result of the agreement with HUD.

Testing results showed treatment by SFM employees toward African American and Hispanics which did not meet the company's own standards and may have violated the Fair Housing Act.

30 Years of Fair Housing in America: A Retrospective of the Fair Housing Act

1968 - 1998

Housing discrimination and segregation undermine the vitality of America's cities, suburbs, and rural communities in countless ways. Discrimination denies families the opportunity to live wherever they can afford to buy a home. It denies families with children access to housing. And it denies disabled people the opportunity to live independently and productively in our communities. HUD's Office of Fair Housing and Equal Opportunity (FHEO) is charged with leading the federal government's efforts to reverse the legacy of housing discrimination and make fair housing opportunities a reality. HUD's Office of Policy Development and Research lends critical support — building the knowledge base about the extent of housing discrimination, its effects, and promising options for reducing housing discrimination across America.

The Fair Housing Act: Origin and Impact

The civil rights revolution of the 1960s gained momentum after President Johnson pressed forward with President Kennedy's initiatives. The Civil Rights Act of 1964 dealt with employment, school and public accommodations, desegregation, and equal access to all Federally funded programs. The Voting Rights Act of 1965 was another milestone. But fair housing legislation remained the most difficult area to gain support. Many states and localities adopted their own fair housing legislation, but the Congress was reluctant to act.

In the spring of 1967, urban disorders tore through the country. In response, President Johnson appointed the Kerner Commission to explore the links between racial discrimination and urban policy. On March 1, 1968, the Kerner Commission released its "Report of the National Advisory Commission on Civil Disorders." The report concluded that America was "moving towards two societies, one black, one white—separate and unequal." The report also discussed the problems of residential segregation and slum formation as the root-cause of the 1967 urban disorders.

It was in this highly charged atmosphere, on April 4, 1968, that Dr. Martin Luther King was assassinated. This was a turning point in our nation's history, propelling Congress to pass the Civil Rights Act of 1968, which included Title VIII, the historic Fair Housing Act. One week later President Johnson signed it into law.

Title VIII of the Civil Rights Act of 1968 prohibits discrimination based on race, color, religion, sex, or national origin in the sale, rental, advertising or financing of housing.

The law was initially flawed in its grant of only "conciliation powers," which encouraged the parties to reach voluntary conciliations of complaints. The law did not authorize HUD to investigate and prosecute complaints, which made enforcement difficult and limited. The 1988 Fair Housing Amendments Act remedied this situation, providing HUD with additional authority to combat housing discrimination. HUD could now sue for violations of the Fair Housing Act, and seek injunctive and monetary relief on behalf of the victims of discrimination.

The new law also gives HUD the authority to initiate its own investigations and complaints without any limits on the targets, methods, or remedies sought. This systemic, or "pattern and practice" authority, when coupled with other investigative and testing powers, creates the potential for substantial intervention in local housing and credit markets.

In addition to the Fair Housing Act, the Equal Credit Opportunity Act of 1974 prohibits discrimination in credit transactions based on race, color, national origin, sex, marital status, age or derivation of parts or all of one's income from public assistance. The Act assigns administrative enforcement responsibility to 12 different federal agencies and requires the Federal Reserve Board to coordinate their activities.

The addition of rights for persons with disabilities as well as for families with children adds new constituencies for fair housing research. Following the increase in the new classes who may now lay claim to fair housing protections and services, the 1988 amendments have substantially increased the number of whites who file fair housing complaints. In addition, the requirement that all new multi-family housing constructed after 1992 have accessibility provisions is assumed to impact significantly on housing supply and delivery for many renters.

The Fair Housing Act — as amended in 1988 — established a carefully crafted partnership between HUD and the Department of Justice, assigning responsibilities to each agency for which it is best suited. This balanced arrangement garnered strong bipartisan support, and was widely accepted by both the housing industry and the fair housing advocacy community. The Justice Department is primarily responsible for litigating fair housing cases of major national significance. A small staff of highly trained litigators in the Civil Rights Division focuses on "pattern and practice" cases, whose resolution will have a widespread and lasting impact on discrimination and segregation throughout the Nation. HUD, on the other hand, is responsible for helping the thousands of families and individuals who believe their fair housing rights have been violated. Within a year of the passage of the Fair Housing Act of 1968, complaints were received at the rate of 1,000 a year. Complaints had leveled off at 5,000 a year by 1988. With the passage of the 1988 amendments, complaints again increased to an annual level of 10,000 by the mid-1990s. Between 1989 and 1998, more than 6,700 complaints under the Fair Housing Act resulted in housing relief for complainants.

Housing Discrimination Persists — and So Does the Need for Fair Housing Enforcement

Three decades after passage of the Fair Housing Act, minority homeseekers routinely face discrimination when they search for housing or try to obtain mortgage financing. On average, they are told about fewer available units than comparable white homeseekers, provided less information and assistance, steered away from affluent white neighborhoods, or offered less favorable terms and conditions for loan approvals. In fact, based on rigorous tests, it is estimated that African American and Hispanic homeseekers who visit real estate or rental agents to ask about advertised housing experience discrimi-

nation almost 50 percent of the time. Mortgage lending institutions are almost twice as likely to reject loan applications from African American and Hispanic homebuyers as from whites with comparable incomes. Persistent housing discrimination also closes doors to families with children, and denies housing to disabled people. For example, research indicates that 20 to 25 percent of rental houses and apartments exclude families with children.

There have been two major national research projects (often called "audits") that used testing to uncover disparate treatment in housing on the basis of race or national origin. The first project was the 1977 *Housing Market Practices Survey*; the second, the *Housing Discrimination Study* (HDS), gathered audit data from 25 metropolitan areas in 1989.

In 1977, HUD found that 27 percent of rental agents and 15 percent of sales agents committed at least one act of housing discrimination. These acts probably reached over 2.5 million black Americans in search of housing. In 1989, comparable levels of housing denial were reported: 20.5 percent discrimination in the rental market and 11 percent for sales with an additional 7 percent of racial steering in the sales market.

These studies provided a benchmark for the conduct of large-scale audits and a sense that Title VIII of the Civil Rights Act of 1968 had no measurable impact on the aggregate level of racial mistreatment in American metropolitan areas. No new forms of racial mistreatment emerged — just much of the same systematic differences in treatment or illegal discrimination.

In 1990, researcher George Galster published evidence on the forms of housing discrimination up through the late 1980s. Using audit data for the years 1981-88, Galster found that discrimination in rental cases averaged 41 percent, with a range from 4 percent to 76 percent. In the sales market, he found an average of discrimination of 21 percent, with the incidence ranging from zero to 29 percent.

The audit findings, although variable across cities, revealed that discrimination was most likely to be practiced by offering blacks fewer apartments, establishing different application procedures, and providing less courteous treatment. In the sales market, there were differences in the number of homes shown, information provided, and qualifying requirements cited.

Changing Patterns of Metropolitan Residential Segregation in the United States

In part because of the persistence of discrimination in housing, American communities remain profoundly divided on the basis of race and ethnicity. Most African Americans and Hispanics live in neighborhoods that are predominantly minority, while most whites live in neighborhoods that are predominantly or even exclusively white. In 1990, more than half of blacks in the metropolitan areas of Chicago, Philadelphia, Detroit, St. Louis, Baltimore, Cleveland, Memphis, and Buffalo lived in neighborhoods that were at

least 90 percent black. Although average measures of segregation declined during the 1970s and 1980s, major metropolitan areas across the country were only slightly less segregated in 1990 than in 1970 or 1980, and absolute levels of segregation in most urban communities remain unacceptably high.

The extent of racial residential segregation in the United States has declined modestly but continually over the two decades since 1970. During the 1970s, in the wake of extensive civil rights and fair housing legislation, there were modest decreases in residential segregation. Researchers Douglas Massey and Nancy Denton compared standard levels of segregation — which range between 0 and 100 and measure the percentage of the population that would have to move to achieve an integrated residential configuration — in 1970 and 1980 for the 30 metropolitan areas with the largest black populations. They report that the average for Northern metropolitan areas declined from an average of 84.5 in 1970 to 80.1 in 1980. In Southern metropolitan areas, the average declined from 75.3 in 1970 to 68.3 in 1980.

For the decade of the 1980s, William Frey and Reynolds Farley reported further declines in racial residential isolation, comparing patterns for blacks, Latinos, and Asians to whites.

Changes in Housing Discrimination Since The Fair Housing Amendments Act of 1988

A key issue is whether the stronger set of fines and punishments made possible by the 1988 amendments caused any measurable change in the behavior of rental and sales agents.

While there is limited information about the impact of the 1988 law, a number of audits done by private fair housing groups since 1990 in several cities help shed some light on the change or persistence in levels and forms of housing discrimination. In 1993 in Marin County, California, for example, testers experienced "clear evidence of discrimination" 29 percent of the time and another 26 percent had treatment favoring the white tester. The level of discrimination includes telling whites about more units, making it easier for whites to get longer-term leases, offering applications to whites but not blacks, and half-off rent to a white but not to a black. In no case were any racially derogatory remarks made.

Differences in treatment of minorities may now be more subtle and woven into apparently race-neutral processes so that it is more difficult to document, isolate, and attack through conventional anti-discrimination strategies.

HUD's Fair Housing Research Program

HUD has long conducted an aggressive program of research related to fair housing in America. The most significant contributions were the large-scale 1977 and 1989 audits, but newer studies are considering discrimination in lending and homeowner insurance, as well as best practices by lenders who have sought to increase the business they do with minority homebuyers.

Over the years, HUD has itself been sued by many fair housing advocates, essentially for running public housing as segregated housing. The Clinton administration made a historic decision that HUD would no longer contest these suits but rather settle them and work to integrate assisted housing. The Department recently began a major project to assess the effectiveness of some eight public housing consent decrees in achieving integrated housing.

HUD also has underway major research demonstrations with key implications for fair housing policy. The most important is Moving to Opportunity demonstration in Baltimore, Boston, New York, Chicago, and Los Angeles. It is intended to tell us how a family is affected by moving from a high-poverty to a low-poverty neighborhood. Recent media coverage and the first report to Congress have emphasized the enormous satisfaction that participating families feel when they move to safer neighborhoods to raise their children.

In its current budget proposal (FY99), HUD is calling for a \$10 million new project that will test for discrimination in housing and measure HUD's performance in promoting fair housing. Through the Fair Housing Initiatives Program (FHIP), HUD will make grants to local testing agencies, which will use a standard testing method. The results of their tests will be used for local enforcement actions, but they also will be reported to HUD for statistical analysis. This procedure will allow the Department to report on the nature and extent of housing discrimination on an ongoing basis beginning as early as the year 2000.

Conclusion

Residential segregation continues to be one of the most important domestic challenges facing America. Fighting housing discrimination is a central and long-standing responsibility of the U.S. Department of Housing and Urban Development. HUD's efforts in enforcement, testing, and building knowledge are a vital part of the larger effort to build One America.

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30 years later, a fair
housing report

