

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

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1989

Annual Report to Congress

**Civil Rights Data on HUD
Program Applicants and
Beneficiaries**



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Beneficiaries**

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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Office of the Assistant Secretary
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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY

WASHINGTON, D.C. 20410-0001

September 24, 1990

TO THE CONGRESS OF THE UNITED STATES

I am pleased to submit the 1989 Annual Civil Rights Data Report on Applicants and Beneficiaries of HUD Programs to the Congress. This first annual report describes the status of HUD's civil rights data collection, related issues, and the Department's plans for improving data collection.

President Bush and I have established the enforcement of fair housing for all as a priority of the Department. Collecting and analyzing the required civil rights data is an essential step in fulfilling our commitment to this priority.

In 1989, the Department installed a data system that will soon provide information on tenants living in 74 percent of the Nation's Public and Indian housing units. The Department has also begun collecting information about people living in HUD subsidized housing, including the location of their housing, which will enable the Department to target fair housing compliance where problems actually exist.

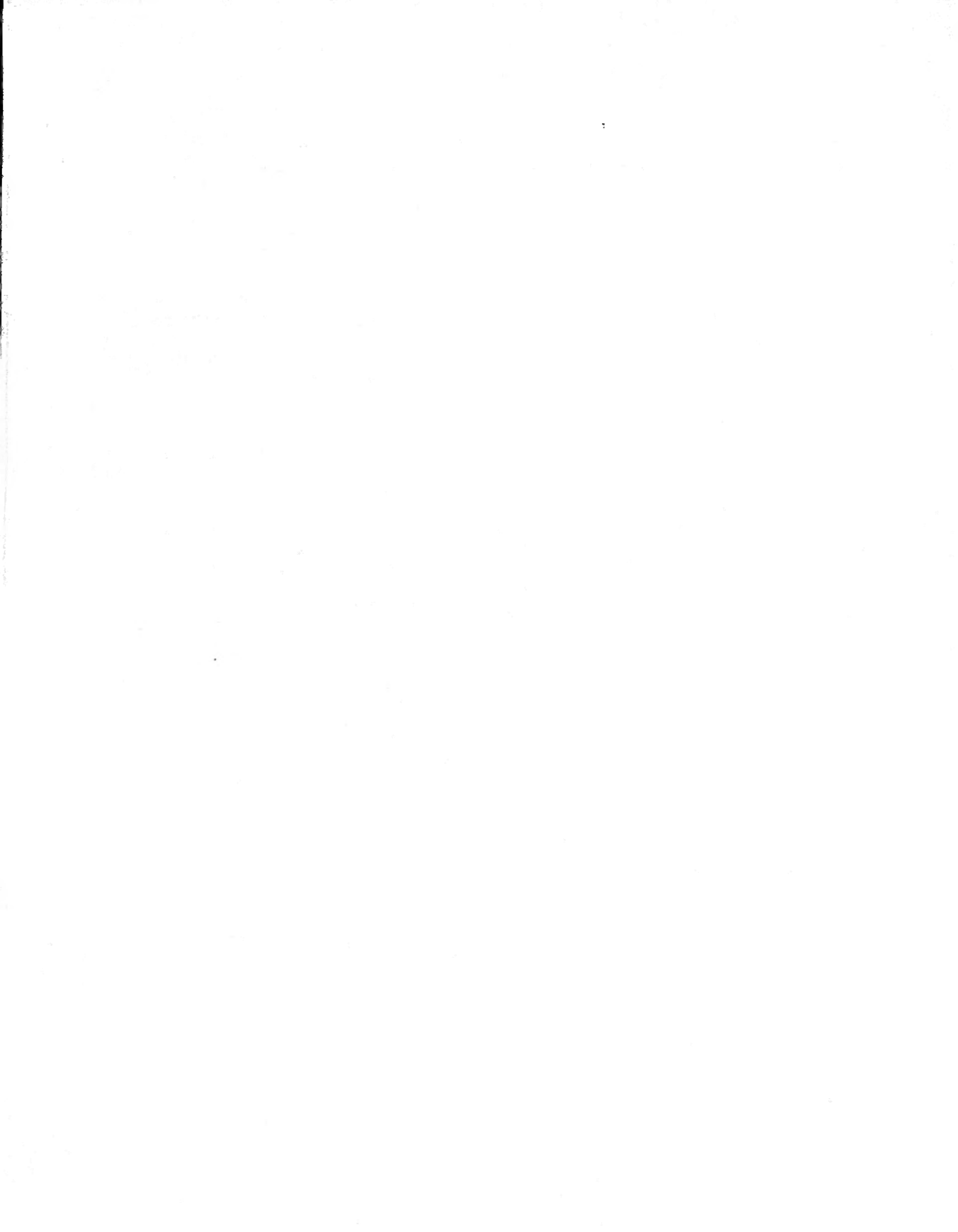
HUD has improved its techniques for collecting civil rights data. In the past, the Department focused on the beneficiaries of HUD programs. Information is now being gathered on applicants and potential recipients while also continuing to develop HUD's civil rights data processing and analysis.

The Department is committed to enforcing fair housing for all Americans. This report describes an important aspect of the enforcement process and I pledge to fully support this effort.

Very sincerely yours,

A handwritten signature in black ink, reading "Jack Kemp", with a long horizontal flourish extending to the right.

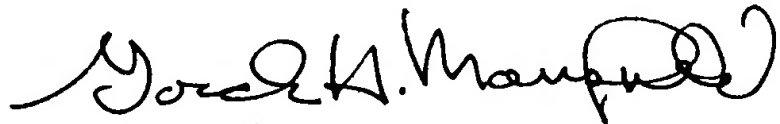
Jack Kemp



Foreword

This first Annual Civil Rights Data Report to Congress is in accordance with the mandates of Section 562 of the Housing and Community Development Act of 1987 and Section 808(e)(6) of the Fair Housing Act.

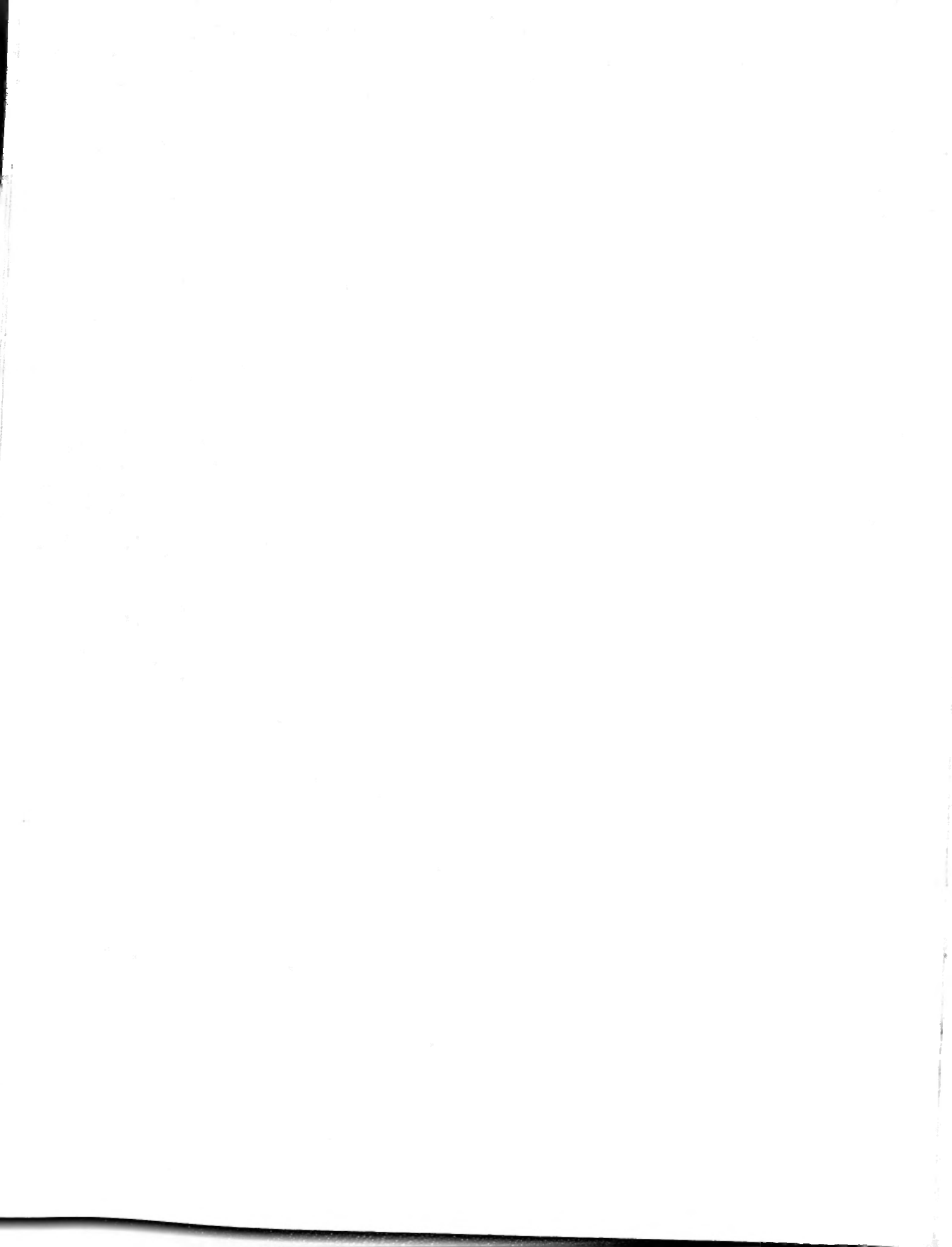
Accurate and complete data are critically important to the effective administration of the civil rights requirements in HUD programs and enforcement of the Nation's fair housing laws. This Report focuses on civil rights information as an essential tool in carrying out HUD's priority goal of fair housing for all.

A handwritten signature in black ink, appearing to read "Gordon H. Mansfield". The signature is fluid and cursive, with a large loop at the end.

Gordon H. Mansfield
Assistant Secretary for Fair
Housing and Equal
Opportunity

Table of Contents

Introduction	1
HUD Data Collection Systems	2
HUD Program Beneficiaries	2
HUD Program Applicants	7
Potential Beneficiaries of HUD Programs	8
Plans for Improved Data Collection	9
Conclusion	11



Introduction

The collection of civil rights data on the race, sex, ethnicity, handicap and family characteristics of the Department of Housing and Urban Development (HUD) program participants and beneficiaries is necessary to administer effectively the civil rights requirements in all HUD programs and to assure enforcement of the Federal Fair Housing Act. State and local civil rights agencies and private fair housing groups also use this information to secure compliance. In addition, HUD program offices can determine whom their programs are serving, and researchers, academics and advocates can monitor the Department's performance.

The following statutes require HUD to collect civil rights data and summarize the data in an Annual Report to Congress.

- Section 562 of the Housing and Community Development Act (HCDA) of 1987 requires HUD to collect data and report annually to Congress on the racial and ethnic characteristics of persons eligible for, assisted by or otherwise benefiting from each community development, housing assistance, and mortgage and loan insurance and guarantee program.
- Section 808(e)(6) of the Fair Housing Act requires HUD to report annually to Congress data on the race, color, religion, sex, national origin, age, handicap and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of programs administered by the Department to the extent such characteristics are within the coverage of the provisions of civil rights laws that HUD administers. In order to develop the data to be included and made available to the public, the Act also requires the Secretary to collect such information as determined to be necessary or appropriate.

The primary sources for the civil rights data collected by the Department are the forms and reports prepared by program recipients or grantees and submitted to HUD. Each HUD program collects some data on the characteristics of persons or households who are affected by the program or its activities. Secondary sources are research, demonstrations and surveys. These efforts may be conducted by HUD or other organizations. The Bureau of the Census conducts biennially the American Housing Survey for HUD which includes data on the number of minority and female-headed households eligible for housing subsidy and on those households receiving subsidies.

This first annual report describes the status of HUD's civil rights data collection efforts and plans for improvement. It discusses information about HUD program beneficiaries, applicants and potential beneficiaries. Except where otherwise stated, the information in this report is for calendar year 1989.

HUD Data Collection Systems

The following briefly summarizes HUD's primary systems which collect civil rights data.

The **Multifamily Tenant Characteristics System (MTCS)** was developed after HUD staff recognized the need to integrate tenant-based information systems with project-based systems. Since MTCS is a major data system, a substantial commitment of resources has been made to ensure that MTCS is complete, accurate and relevant to the Department's needs for tenant data on certifications and recertifications for assisted housing, Section 8 voucher processing and fair housing compliance. By December 31, 1990, MTCS will have data for one full year of tenant admissions and reexaminations from 398 Public Housing Authorities (PHAs), including Indian Housing Authorities, having 500 to 4,999 dwelling units in management. The data will represent approximately 500,000 units, or 40 percent of the inventory.

Racial, ethnic and gender data for FHA insured, unsubsidized multifamily programs also are being collected through MTCS, which is enhancing the completeness and the quality of these data. When fully implemented to include tenant data for all FHA insured multifamily projects, MTCS will permit the first comprehensive analysis of tenant characteristics data since 1977.

The **Computerized Homes Underwriting Management System (CHUMS)** is a nationwide system used to assist HUD Field Office staff in processing single family mortgage insurance applications. It contains data on the race, ethnicity, sex and age of approved applicants for FHA-insured, single-family mortgages.

The **Field Office Reporting and Management System/Community Planning and Development (FORMS/CPD)** provides key information necessary to track activities relating to the Community Development Block Grant (CDBG) and Urban Development Action Grant (UDAG) Programs. This nationwide system reports the results of monitoring CPD programs by Fair Housing and Equal Opportunity (FHEO) staff. It is operated by Field Office staff and is accessible to Headquarters and Regional Offices.

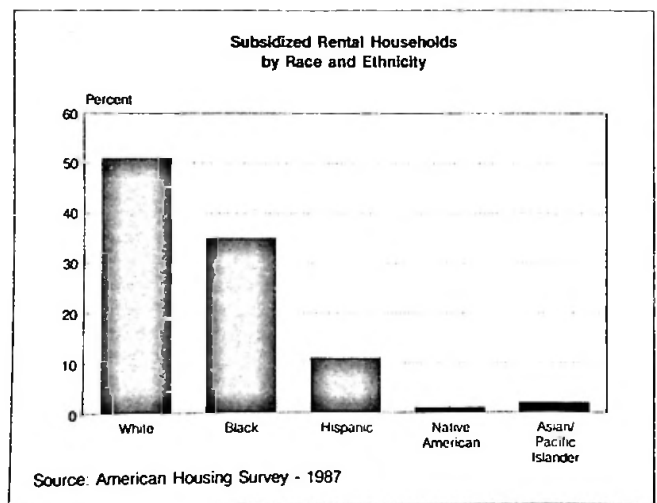
HUD Program Beneficiaries

Most HUD programs require the collection of data on program beneficiaries. This information is reported by program recipients and grantees and usually includes, at a minimum, the race, sex and ethnicity of persons or households that have benefited. In some instances the data are automated; in most cases, however, they are not.

Subsidized Housing Programs

The 1987 American Housing Survey (AHS) identifies about 4 million households that receive payments under Federal subsidized programs. This corresponds with data in HUD budget documents for the same period. While the AHS cannot identify family characteristics by HUD program, the budget documents indicate that units available for subsidy payments as of the end of fiscal year 1987 include: 1.4 million public housing units; approximately 800,000 units occupied by Section 8 certificate and voucher holders; 212,000 units of Section 202/8 elderly and handicapped; and 1.6 million units in other project-based programs, such as Section 8 New Construction and Section 236.

Exhibit I shows the subsidized rental households by race and ethnicity. Of the total 4,073,000 heads of households receiving subsidy payments: 2,058,000 (51 percent) were White; 1,445,000 (35 percent), Black; 440,000 (11 percent), Hispanic; 49,000 (one percent), Native American; and 81,000 (two percent), Asian or Pacific Islander.



Nationally representative data on Section 8 housing voucher and certificate holders are available from the Housing Voucher Demonstration for larger urban PHAs (Abt Associates Inc., January 1990). Exhibit 2 provides the distribution by race and ethnicity of 7,200 households from a sample of 20 PHAs.

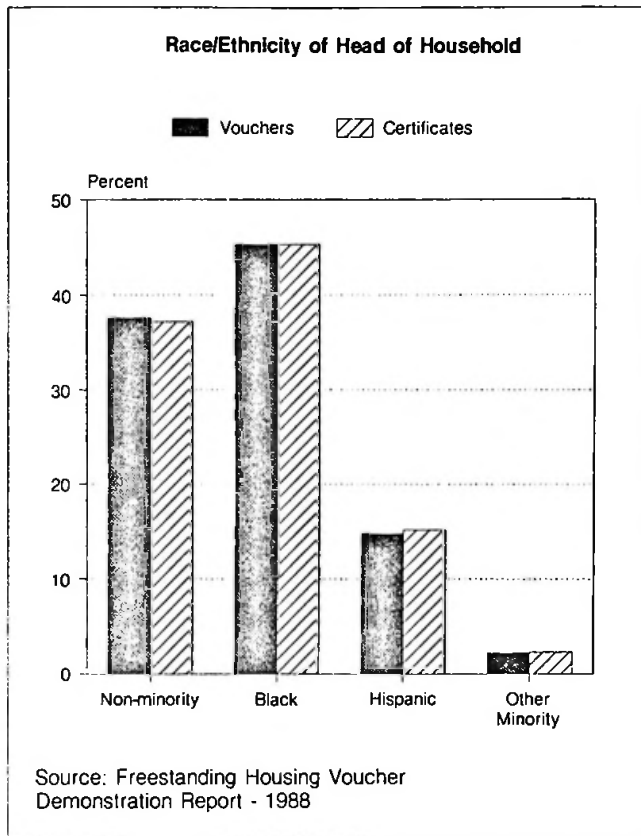


Exhibit 2

Public Housing Programs

The MTCS has information on the characteristics of tenants living in conventional public housing. Exhibit 3 shows the race and ethnicity of the heads of households in mid-sized PHAs as of April 1990. Of 240,151 admissions and readmissions: 93,093 were White (39 percent); 113,305 Black (47 percent); 20,196 Hispanic (eight percent); 9,160 American Indian/Alaskan Native (four percent)*; and 4,397, Asian and Pacific Islander (two percent).

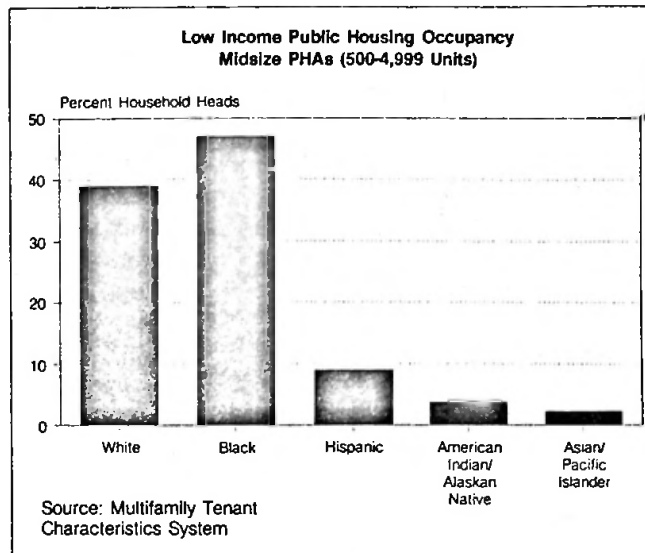


Exhibit 3

*Of the 9,160 American Indians/Alaskan Natives, 8,244 or 90 percent are served by Indian Housing Authorities.

FHA Unsubsidized Programs

HUD's consolidated single family statistical system, which includes all automated data systems for single family housing, uses mortgage credit worksheets to collect data on the race, sex and income of a 40 percent sample of applicants who were approved as part of regular insurance operations. This information is published regularly in "FHA Homes" and "FHA Trends." Exhibit 4 provides 1988 data on single-family home mortgage characteristics for the Section 203(b) Program. Data for 1989 are not yet available.

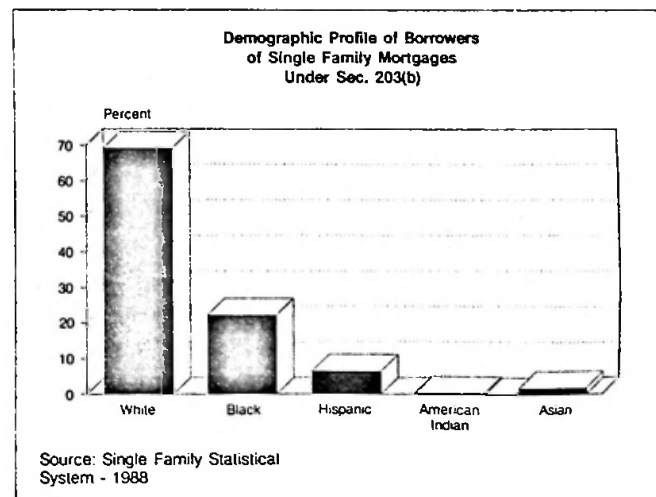


Exhibit 4

Exhibit 5 provides information on insured, unsubsidized multifamily housing occupancy by race, ethnicity and gender of head of household as of April 1990. Based on a response from 60 percent of management agents, 232,427 units were occupied, of which 180,446 households were White (78 percent), 36,598 were Black (16 percent), 7,973 were Hispanic (3 percent), 1,161 were Indian/Alaskan (.4 percent), and 6,249 were Asian/Pacific Islander (2.6 percent).

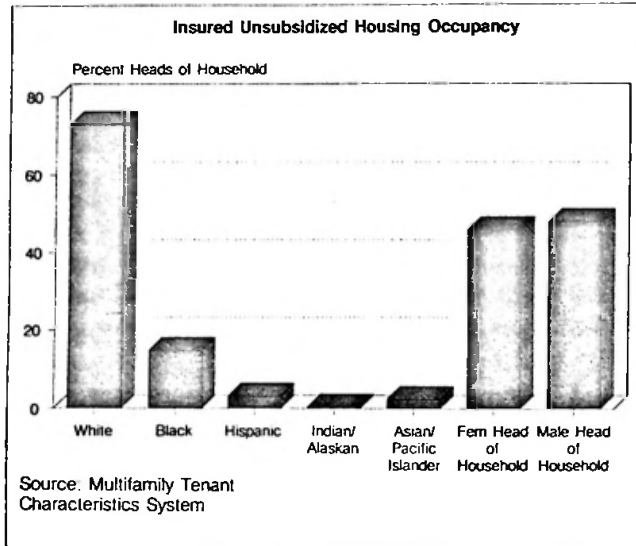


Exhibit 5

Community Planning and Development (CPD) Programs

Grantees of the following CPD programs submit reports to HUD about their beneficiaries: Community Development Block Grant (CDBG) Entitlement, Urban Development Action Grant (UDAG), Rental Rehabilitation, Section 312 Rehabilitation Loans, and Urban Home-steading. Grantees also report data on Minority Business Enterprise (MBE) participation in their programs.

In fiscal year 1987 a total of 5,367,000 direct beneficiaries were identified for the CDBG Entitlement program, of which 2,708,160 (49 percent) were White, 1,847,000 (34 percent) Black, 699,000 (13 percent) Hispanic, 84,630 (three percent) Asian, and 28,210 (one percent) Indian. The beneficiaries are depicted in Exhibit 6 below.

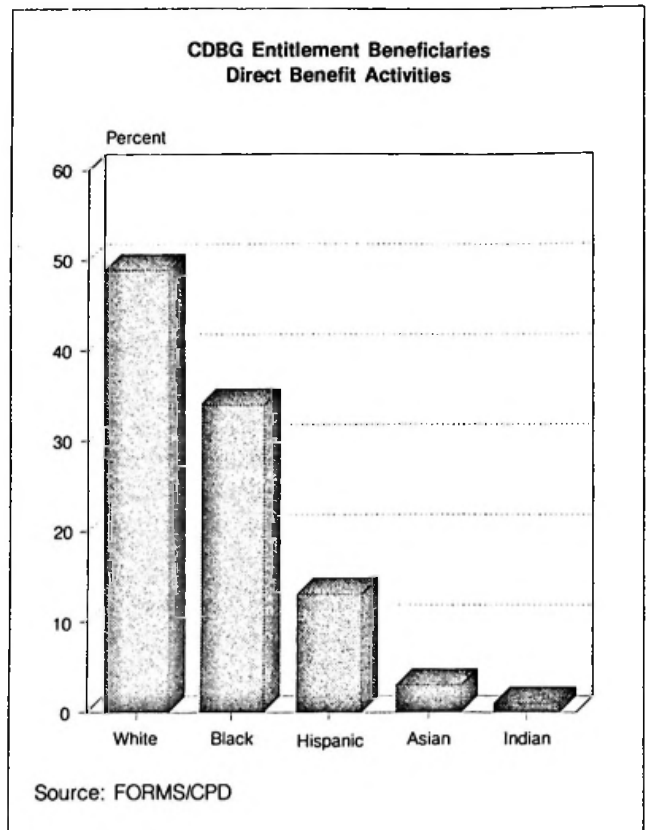


Exhibit 6

Of the new permanent jobs created under the UDAG Program in 1989, 36 percent went to minorities. Twenty-six percent of UDAG contracts went to minority contractors and, of the \$1.3 billion for all UDAG contracts, \$358 million or 29 percent went to minority contractors.

Data from the Rental Rehabilitation Program Cash Management Information System show that the overall number of residents increases after rehabilitation due to much higher occupancy rates. Cumulatively, from October 1983 through June 30, 1989, the total number of tenants residing in units rehabilitated under this program increased from 50,149 prior to rehabilitation to 80,499 after rehabilitation was completed. The number of minority tenants increased from 26,710 prior to rehabilitation to 44,824 after rehabilitation, and the number of female-headed households increased from 23,517 to 45,887.

The Urban Homesteading Program is designed to reach lower income and minority households. In fiscal year 1989, 65 percent of homesteaders were minorities. Data are collected quarterly through the Urban Homesteading Program Management Information System.

In fiscal year 1989 the Section 312 Rehabilitation Loan Program was restricted to single family loans for Urban Homesteading borrowers. Minorities represented 62 percent of all Section 312 Rehabilitation Loan beneficiaries.

Annually, MBE goals are assigned to the Regional Offices. For fiscal year 1989 CPD grantees awarded minority owned businesses 13 percent of all contract dollars and 33 percent of all contracts.

In fiscal year 1989 HUD awarded \$1.4 million (21 percent) of the total of \$6.8 million available for the Technical Assistance Program to 15 Historically Black Colleges and Universities (HBCU). Each competitively selected HBCU recipient provides technical assistance in support of local community development efforts.

In the Community Development Work Study Program students work part time while pursuing graduate and undergraduate degrees in community and economic development, community planning, and community management. HUD awarded \$3 million to 28 universities, colleges and regional planning organizations in fiscal year 1989 to assist 114 economically disadvantaged and minority men and women.

Fair Housing and Equal Opportunity

The Fair Housing Amendments Act was signed by President Reagan on September 13, 1988 and became effective March 12, 1989. This Act strengthened the Civil Rights Act of 1968, as amended, in two major ways: adding handicap and familial status to the classes protected from discrimination; and expanding the powers of HUD and the Department of Justice to enforce the law. In 1989, after the Act became effective, more than half of HUD complaints alleged housing discrimination on the basis of familial status, a new covered class. Approximately one-third of all HUD complaints alleged racial discrimination, and almost 20 percent alleged discrimination based on handicap.

Of the 3,732 HUD complaints filed after March 11, 1989, 772 alleged two or more bases of discrimination. The total number of complaints filed, by basis, were: Familial Status 1,923 (51.5 percent); Race 1,309 (35 percent); Handicap 713 (19 percent); Sex 410 (10.9 percent); Color 169 (4.5 percent); National Origin 161 (4.3 percent); and Religion 61 (1.6 percent). Exhibit 7 shows the bases of complaints HUD received alleging housing discrimination in 1989 after the effective date of the Act. (The total number of bases is greater than the number of complaints.)

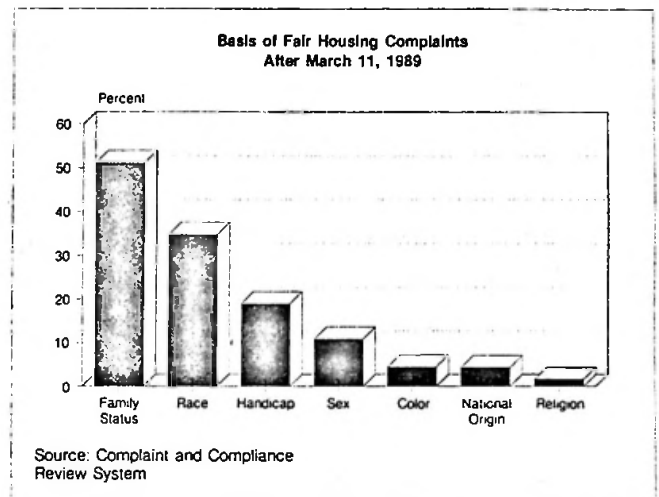


Exhibit 7

Complaints against recipients in HUD programs also are processed under other civil rights authorities. During fiscal year 1989 a total of 362 such complaints were received, of which 262 (72.4 percent) were received under Section 504 of the Rehabilitation Act of 1973 (alleging discrimination based on handicap); 78 (21.5 percent) were received under Title VI of the Civil Rights Act of 1964 (alleging discrimination based on race, color or national origin), and 22 (6.1 percent) under Section 109 of the Housing and Community Development Act of 1974, as amended (alleging discrimination based on race, color, sex or national origin).

Exhibit 8 indicates the distribution of complaints received by civil rights authority in HUD.

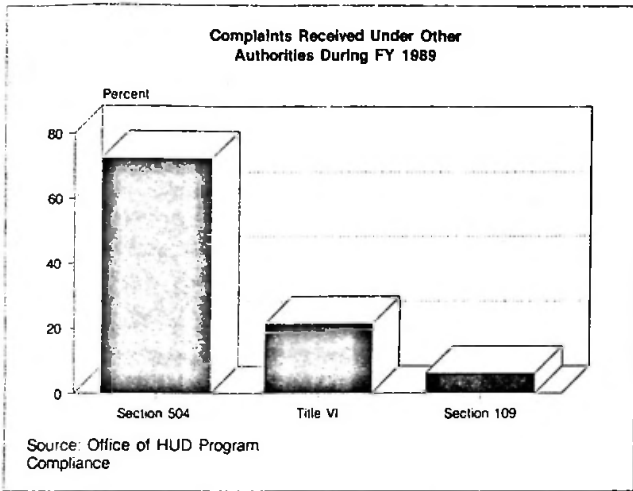


Exhibit 8

Under an Interagency Agreement with the Equal Employment Opportunity Commission to use its EEO-4 form, FHEO collects employment data on CDBG Entitlement and HUD-administered Small Cities program grantee departments, subrecipients and agencies operating with grant funds.

FHEO Field Offices compare the racial and ethnic group and male and female statistics in the local labor force of the grantee's jurisdiction with the new hires and overall employment reported on the HUD/EEO-4 to determine any underrepresentation of minorities and women in grantee employment. Due to funding restrictions at the Equal Employment Opportunity Commission, the last year for this national analysis was 1985. These data showed very significant minority male and female hiring proportions as demonstrated in Exhibit 9. Of the 1,084,080 full-time employees, 32 percent of males were minority and 52 percent of females were minority. Of the 101,596 part-time employees, 38 percent of males were minority and 37 percent of the females were minority. FHEO plans to collect and process these data on a national basis in 1991.

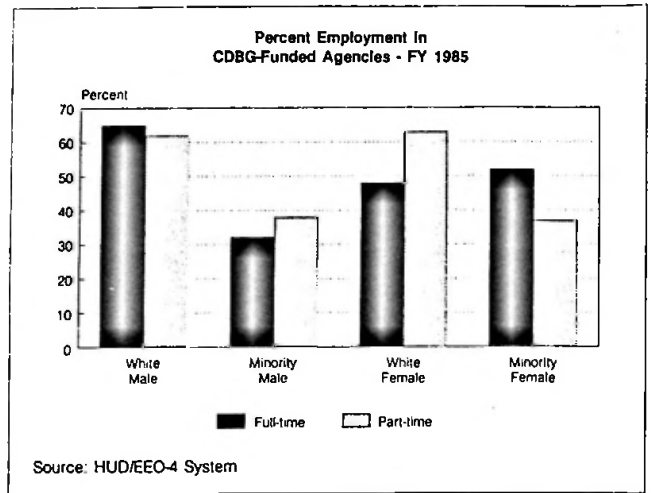


Exhibit 9

Currently, PHAs maintain some racial and ethnic data on their employees. The type and specificity of the data vary by PHA. These data, although not reported to HUD, are available in the PHA for review by HUD staff.

HUD Program Applicants

Applicant characteristics data are collected in housing programs such as Section 8 Existing, Section 8 Moderate Rehabilitation, Title I Property Improvement and Manufactured Homes, and Section 202 Housing for Elderly or the Disabled. Since the data generally are not automated, their use is limited. In cases where data are automated, they often are maintained on a personal computer system in a way which limits the potential for data retrieval and manipulation.

The consolidated single-family statistical system does not provide data on the characteristics of rejected applicants. With the passage of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, which amended the Home Mortgage Disclosure Act, the reporting of race and sex of rejectees is now required; therefore, the data in the future will be more comprehensive.

Applicant data also are collected by other HUD programs and information on minorities is compiled for specific purposes.

Examples are:

- Public Housing Authorities (PHAs) are required to maintain information on the race, ethnicity, sex and age of the applicants for assisted housing. These data, although not normally reported to HUD, are available in the PHA for review by HUD staff. PHAs also maintain records on the disposition of each application, with the reasons for rejections. Where so ordered by the courts, e.g. *Young vs. Kemp*, the information collected by certain PHAs is automated and forwarded to HUD for review.
- CDBG grantees are required to maintain data on the extent to which each racial and ethnic group and single-head of household, by gender, has applied for any program or activity funded in whole or in part with CDBG funds. These data are reviewed by HUD staff in the recipients' offices.

- The goal of Affirmative Fair Housing Marketing (AFHM) is for "individuals of similar income levels in the same housing market area to have a like range of housing choices ... regardless of their race, color, religion, sex or national origin" (24 CFR 200.610). Developers, sponsors and managers are required to submit a Report on Applicants for Multifamily Rental Housing which indicates the results of their marketing to those groups least likely to apply for housing identified in the AFHM plan. They also are to report, by race and ethnicity of the head of household, the acceptances, rejections and reasons for any rejections.

An evaluation (by FHEO's Office of Program Standards and Evaluation) of the AFHM Plans in Multifamily projects indicated that racial and ethnic data for marketing were incomplete. Also, reporting on applicants was found to be very low, hampering the ability of Field and Regional staff to monitor. The Office made recommendations which will result in additional technical assistance for developers and managers. Guidance also will be incorporated in a revision to the Affirmative Fair Housing Marketing Handbook.

Potential Beneficiaries of HUD Programs

Currently, few racial and ethnic data are collected that directly measure persons or households who are potential beneficiaries of or are eligible for HUD programs. For example:

- The only national racial or ethnic data on potential beneficiaries for HUD multifamily or single family housing programs are provided through the Bureau of the Census American Housing Survey. Exhibit 10 shows the proportions by racial and ethnic group of households eligible for subsidized rental housing. Of the 13,383,000 households eligible for subsidized rental housing: 8,024,000 (60 percent) were White; 3,241,000 (24 percent), Black; 1,698,000 (13 percent), Hispanic; 89,000 (.6 percent), Native American; and 331,000 (three percent) were Asian or Pacific Islander.

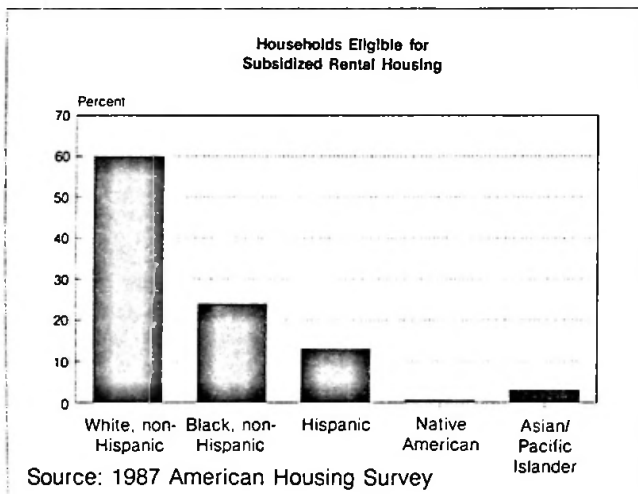


Exhibit 10

- Exhibit 11 shows the percentage of the eligible renter households receiving subsidies by racial and ethnic group. Of the 8,024,000 White eligible renter households, 2,086,000 (26 percent) received subsidies; of 3,241,000 Blacks eligible, 1,394,000 (43 percent) were subsidized; of 1,698,000 eligible Hispanics, 459,000 (27 percent) received subsidies; of 89,000 Native Americans eligible, 45,000 (51 percent) received subsidies; and of 331,000 Asian or Pacific Islander eligible renter households, 79,000 (24 percent) received subsidies.

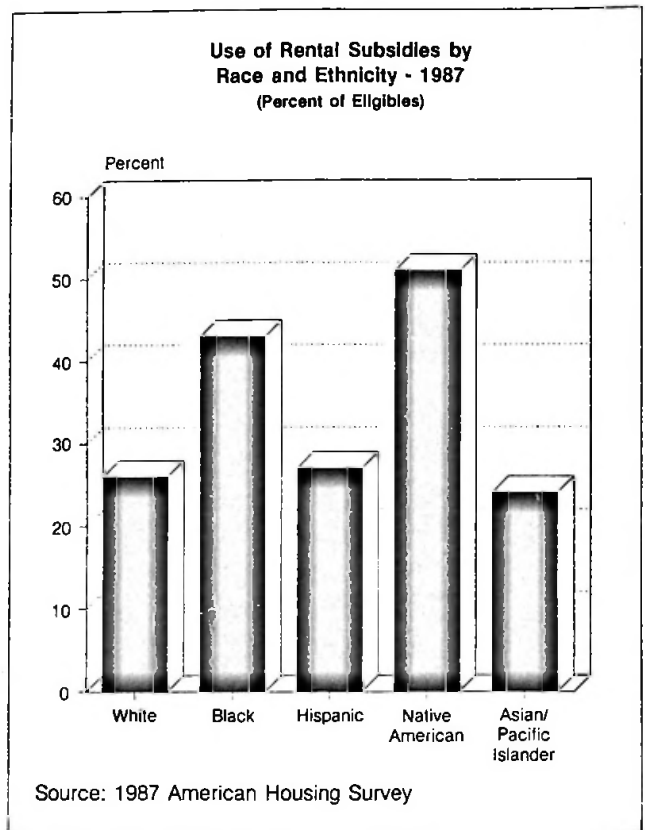


Exhibit 11

- Developers, sponsors and managers are required to submit an Affirmative Fair Housing Marketing Plan which identifies the housing assistance needs of those groups least likely to apply for housing. These data are used to target marketing efforts.
- The Housing Assistance Plan (HAP), prepared by the CDBG grantee, assesses the housing assistance needs of low and moderate income households residing, and expected to reside, in a community.

Grantees estimate the number of minority households and summarize any special housing conditions and/or needs of particular groups (e.g., female-headed households, persons with handicaps, minority groups). Grantees also set three-year and incremental annual HAP goals and describe planned actions to address any special housing conditions or needs.

- FHEO uses the CDBG Grantee Performance Report (GPR) to determine program benefits for minorities and overall minority participation in the CDBG program by comparing expenditures and participation to need. The data required to determine

need are minority population, by census tract or project area, and minority income. Where these data are not available, surrogate data for minorities are developed by obtaining the percent of minorities in the low-income population of the jurisdiction. Grantees report, by race, the direct beneficiaries of their program and the actions taken to affirmatively further fair housing.

Plans for Improved Data Collection

Following are HUD actions to improve data collection:

- Because data are not available on the characteristics of rejected borrowers, the Computerized Homes Underwriting Management System (CHUMS) is being enhanced to collect these data in mortgage and loan programs. The loan application registers of lenders covered by the Home Mortgage Disclosure Act (HMDA) are required to be submitted by March 1, 1991. HUD, working with the Federal Reserve Board, is developing automated data processing requirements and quality control procedures and output reports.
- The collection of data (including race and ethnicity) is being assessed as part of a HUD contract for a complete review of assisted housing programs. As a result, there has been a delay in the revision of a major tenant characteristics data collection system affecting information for Section 8, Rent Supplement, Rental Assistance Payment (RAP), Section 236, Below Market Interest Rate (BMIR) and HUD-owned programs. Implementation of recommendations from the review cannot be expected until 1991. In the meantime, a pilot implementation of the first phase of the Tenant Rental Assistance Certification System (TRACS) to track tenant certifications and recertifications for assisted housing is underway. TRACS data collection will feed into MTCS for a single source of tenant characteristics for all assisted housing programs.
- The Department is considering methods to better coordinate and integrate the diverse mechanisms within HUD that collect and report civil rights information. Much data are interdependent and serve the needs of two or more HUD programs, e.g., identification of potential beneficiaries in the required Housing Assistance Plan and beneficiary data in the Rehabilitation programs require the same type of information for analysis. Jointly, FHEO and HUD program offices are planning for integration of processing which involves record and file development, accessing and retrieval and reporting.

- The assessment of compliance with fair housing requirements depends upon accurate demographic and socio-economic data for small areas. The Office of Policy Development and Research, with support from FHEO, has hired a contractor to collect project site identifiers for public and assisted housing and to geocode HUD activity locations. The racial and ethnic composition of census tracts of HUD beneficiaries can be obtained with projections of the 1980 Bureau of the Census data. The 1990 Census will assist greatly with accurate data on the characteristics of those served by HUD programs. The collection of project site codes permits the analysis and monitoring of tenant assignment policies within projects. For example, within the same project, minorities and nonminorities may be segregated by building. Data by project would not reveal segregated assignment practices. Project site code identification of correct street addresses also provides a link between the American Housing Survey and HUD project based information and decennial Census data.
- Through a contract, the Department inventoried data forms collecting civil rights information. The contractor also reviewed information systems and made recommendations for needed changes. Work is underway to assist HUD program offices in collecting data where needed, improving the quality of and accessibility to existing data and assuring reporting capability.
- The Automated Monitoring Reporting System (AMRS) provides CDBG Entitlement Grantees with assistance in automating their Grantee Performance Reports and electronically transmitting beneficiary data. Although not all grantees are participating, and not all GPR forms are automated, complete coverage is anticipated in the future.
- As new HUD programs are developed, FHEO will monitor actions to provide guidance to program applicants and recipients and to HUD program staff to assure that appropriate civil rights data are collected and used. New programs will include Enterprise Zones, Rural Initiatives, Drug Free Public Housing and programs implementing the Stewart B. McKinney Homeless Assistance Act.
- FHEO and other HUD program offices are promoting the design of data collection forms to accept electronic or optical scanning for input into automated systems.
- Efforts will be made to collect PHA applicant data on eligibility, unit size needed, position on the wait list, unit offers and other information needed for the Annual Report to Congress and to assist FHEO's compliance review program.

Conclusion

Much work remains to be done relative to HUD civil rights data collection, processing and analysis, but a monumental effort has begun. The Secretary has made the enforcement of the Fair Housing Act, including mandated civil rights data collection and reporting to Congress, one of his major priorities. The Program Assistant Secretaries and the Assistant Secretaries for Administration, Policy Development and Research and Fair Housing and Equal Opportunity are all working together to assure that this data mission is completed. Next year's report will measure our progress.

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