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U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

# The Fair Housing Enforcement Demonstration



THE FAIR HOUSING ENFORCEMENT DEMONSTRATION

A Report on a demonstration of a cooperative relationship between HUD and local fair housing groups, involving the use of testing.

The U.S. Department of Housing and Urban Development sponsored this project in cooperation with the National Committee Against Discrimination in Housing, Inc.

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The research and studies forming the basis for this report were conducted pursuant to a cooperative agreement with the U.S. Department of Housing and Urban Development (HUD). The statements and conclusions contained herein are those of the cooperating party and do not necessarily reflect the views of the U.S. Government in general or HUD in particular. Neither the United States Government nor HUD makes any warranty, expressed or implied, or assumes responsibility for the accuracy or completeness of the information herein.

FOREWORD

Fair housing is both a right and responsibility for all Americans. It is important for all of us to strengthen our commitment to combatting housing discrimination. The Fair Housing Enforcement Demonstration was conducted to test the efficacy of a cooperative relationship between HUD and private fair housing groups to strengthen enforcement of Title VIII, the Fair Housing Law. It emphasized the use of testing as one element in this cooperative relationship aimed at strengthening fair housing enforcement.

One of the more important tools in the battle against discrimination in housing is the use of properly trained "testers". The Fair Housing Enforcement Demonstration showed that, when testing is done correctly, it can be a powerful technique for advancing fair housing. In a recent case, Havens Realty Corporation vs. Coleman, the Supreme Court affirmed that testers have the right to obtain correct information in housing. This case and the experience gained in this demonstration should encourage those responsible for enforcing fair housing to give more consideration to the use of testing.

This demonstration was also the first direct funding by HUD of local, private fair housing groups to develop fair housing complaints and to assist directly in HUD's enforcement process. It demonstrates the potential and benefits of involving local parties in the enforcement of the fair housing laws.

I recommend that all those concerned with fair housing enforcement study the lessons of this demonstration, particularly those State and local fair housing agencies that are participating in HUD's Fair Housing Assistance Program.

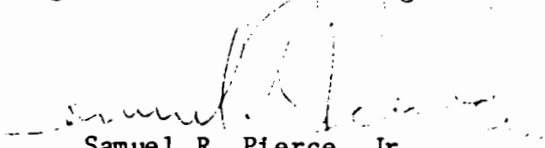
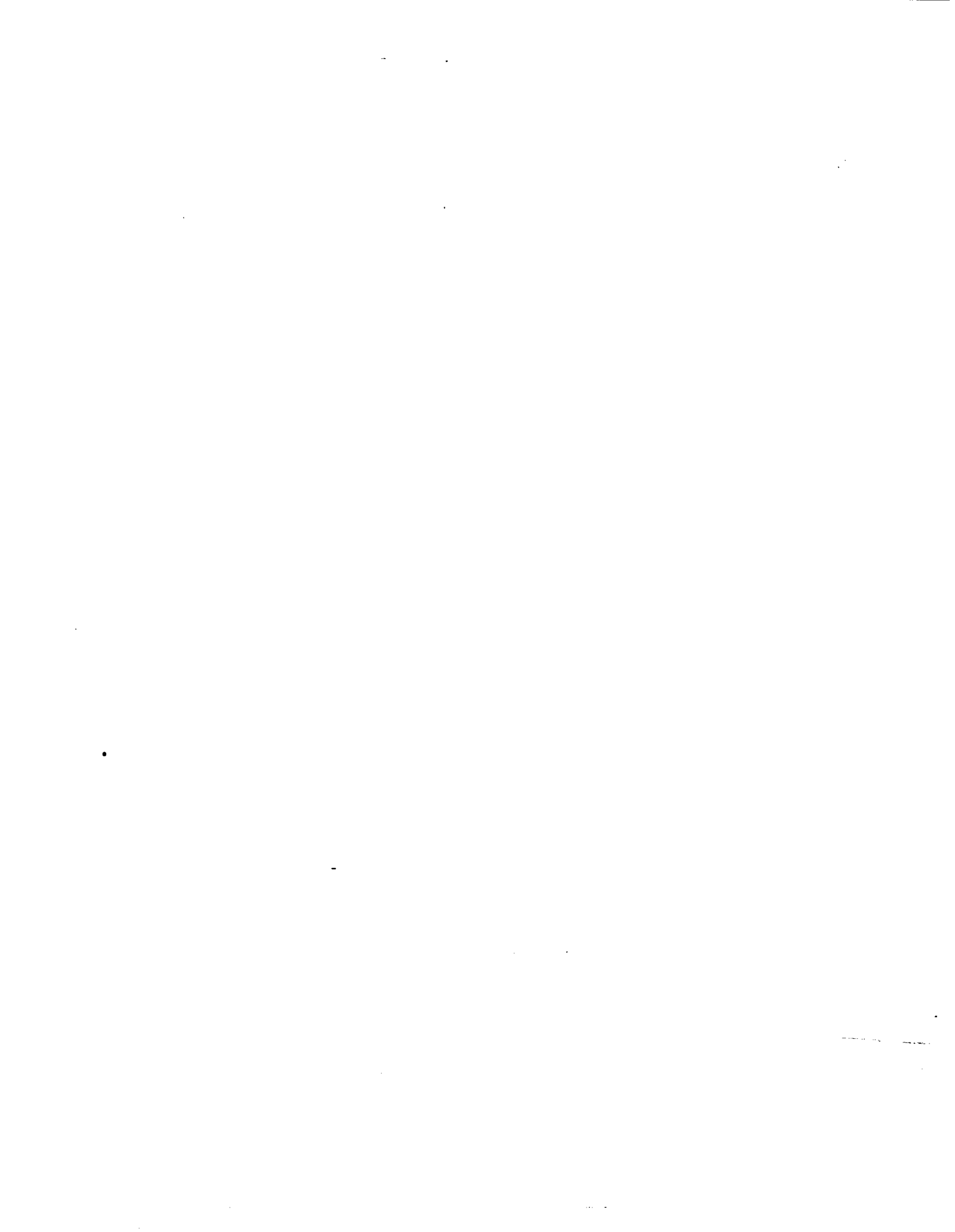
  
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## INTRODUCTION AND GENERAL SUMMARY

"Can the establishment of a formal relationship between the Department of Housing and Urban Development (HUD) and local private fair housing groups make enforcement of the fair housing laws more effective?" That question prompted HUD to launch jointly with the National Committee Against Discrimination in Housing the Fair Housing Enforcement Demonstration Project in 1978. A positive answer emerged after a 24-month experiment with nine locally-based, private fair housing groups in Atlanta, Boston, Chicago, Dallas, Detroit, Los Angeles, New York City, Northern New Jersey, and Richmond, Virginia.<sup>1</sup>

The demonstration started with each of the local groups on January 1, 1980, and continued through December 31, 1981, with seven of the groups. (Two groups were continued for a third year.) Under the terms of the cooperative agreements with HUD, each group received \$20,000 per year for 2 years for three major fair housing tasks:

- (1) receive and record complaints of housing discrimination;
- (2) conduct tests and other investigative work related to the complaints and refer the documented complaints to the Office of Fair Housing and Equal Opportunity in the appropriate HUD Region; and
- (3) conduct fair housing testing studies, unrelated to individual complaints, to uncover discriminatory practices and to report the discriminatory practices to the appropriate HUD Regional Office.

In addition, each private group could apply a modest portion (less than five percent) of the HUD funds to education and outreach.

Among the more significant achievements of the demonstration were the following:

- o the eight local groups for which data are comparable received and processed more than 5400 grievances or inquiries related to housing discrimination
- o 1,545 fair housing complaints were recorded
- o 903 tests were conducted on complaints
- o 734 complaints were referred to HUD
- o 1,179 complaints were closed, with 302, or 25 percent, resolved in favor of the complaining party.

Each of the local groups was able to process, test, and document more cases than their normal workload. In addition, HUD recorded 7,300 complaints in all 10 regions during the 24-month period, an increase of 1,384 over the preceding 2-year period. The number of complaints referred to HUD in the 8 demonstration sites was 734. Thus, it appears that over 50 percent of the overall increase in complaints recorded by HUD occurred in the areas where the demonstration was being conducted. As one local group stated:

In each area where there was a participant in the demonstration project, the number of complaints filed rose dramatically. There was a relatively high rate of success in the resolution of complaints. In Richmond, innovative conciliation agreements were designed not only to remedy the problems of the individual but also to improve the practices of the respondent real estate firms. Both individual victims of discrimination and the cause of fair housing have benefited from this effort.<sup>2</sup>

Every one of the nine local groups conducted one or more "fair housing studies" using testers. These studies involved the targeting of significant groups of the housing industry for special pattern and

practice examination. Overall, more than 30 studies were completed. Twenty-three of the 31 studies produced definite indications of unlawful discriminatory practices although only 18 supplied evidence of sufficient depth to warrant action without further testing. Five of the eight that produced little or no evidence of discrimination were, in effect, monitoring surveys to determine compliance with previously issued orders or negotiated agreements.

The principal result of the experimental "fair housing study" activity was that it demonstrated that testing can be a highly productive device for identifying and developing hard evidence concerning the more blatant and pervasive forms of unlawful discrimination. Education/Instruccion in Boston and the Fair Housing Center in Detroit can be credited with developing study models that could be effectively followed by other local groups elsewhere in the United States.

Some of the other significant achievements of the Demonstration were reflected in the interactions and processes set in place. Among them were the following:

- o A modest amount of Federal money invested in a local fair housing group generated an extraordinary amount of activity; the multiplier effect was substantial. It was estimated that \$1 of demonstration funding generated \$2 to \$3 in activity by the local groups.
- o The demonstration set in gear among the participating fair housing groups a process for rationalizing and standardizing procedures, recordkeeping, and reporting, and for objectively

measuring performance. Although great progress was made in this respect, there is a need for further improvement and greater uniformity in the procedures of private fair housing groups.

- o The workability, applicability, and practical effectiveness of a cooperative relationship between HUD and local groups was clearly demonstrated. However, it also showed that success in cooperative activity with private groups requires uniform procedures for Regional Office involvement and closer Central Office oversight of regional performance.

The following comments from participants in the demonstration further illustrate these results:

- FHC still utilizes many of the case management and investigation procedures developed for the FHDP. The chronological case log is an invaluable tool for keeping on top of case development. FHDP case closing categories have continued to be useful for our review of results achieved on a case by case basis. FHDP Test Report Forms, Testers Manual and Testing Procedures (although slightly revised to meet the needs for accurate court testimony) still form the basis for our testing program. (Clifford Schrupp, Executive Director, Fair Housing Center, Detroit, Michigan.)
- [With respect to the potential benefits from the reporting procedures developed in the demonstration] more standardized reporting procedures can be implemented in such a way as to improve the availability of information at the national level and to increase the level of professionalism at the local level. (Barbara Wurtzel, Executive Director, Housing Opportunities Made Equal (H.O.M.E.), Richmond, Virginia.)

Our work elicited interest within both the private and public interest [legal] bar. We had calls from attorneys in Salem and Fitchburg who had just taken on fair housing cases and wanted some advice on testing procedures. One was a private attorney, one a legal services attorney. A few days earlier we had calls from a private attorney in New Bedford and a public interest group in Boston on new cases they had taken. Prior to 1980 there was almost no interest in fair housing law in Massachusetts and almost all cases were referred to the Massachusetts Commission Against Discrimination.

For the first time that we are aware of since [the] Traficante [decision], white tenants groups and community associations joined with black persons as plaintiffs in legal action to end segregation in their neighborhoods and buildings. We have represented community groups in two successful settlements and have community group clients in three remaining cases based on our 1980 testing... This very grass roots participation has had a ripple effect among tenant's groups across the state, who now include fair housing as an integral part of their agendas. Those who have benefitted from financial settlements have often turned the funds to support local fair housing activities. (Patricia Morse, Executive Director, Education/Instruccion, Boston, Massachusetts.)

The remainder of this report is divided into four sections. The first describes the project and the initial selection and training activities. The next two sections discuss (1) the local groups' activities, particularly testing, associated with the handling of individual complaints of discrimination and (2) efforts to find and eliminate systemic (pattern or practice) discrimination through fair housing studies. The final section assesses the demonstration.

## SECTION I. PROJECT DESIGN AND LOCAL GROUP SELECTION AND TRAINING

### Background

Title VIII of the Civil Rights Act of 1968 established fair housing as a national policy. Eight years later, HUD initiated a national survey to measure the extent to which racial discrimination persisted in the sale and rental of housing to black Americans. Extensive data concerning market practices were collected in 40 randomly selected metropolitan areas in the following year (1977), and the subsequent report demonstrated conclusively that unlawful discriminatory practices prevailed in both rental and sales markets.<sup>3</sup>

Those findings were instrumental in prompting HUD to initiate a number of measures to strengthen HUD's administration of Title VIII. One of these measures was to launch a major demonstration project to test the efficacy of a cooperative relationship between HUD and private fair housing groups, with emphasis on the use of testing, to strengthen fair housing law enforcement.

### The Basic Concept

In August, 1978, HUD's Assistant Secretary for Policy Development and Research announced a plan for "a demonstration program to test whether the establishment of a formal relationship between HUD and local private fair housing groups can increase the effectiveness of enforcement of the fair housing laws." The letter inviting proposals went on to say that "HUD plans to enter into a cooperative agreement with a national organization with experience in fair housing

to provide training, technical assistance, and monitoring to the local groups who will participate in the demonstration."

The premise of the demonstration was that private local fair housing groups could assist HUD in identifying and rectifying instances of discrimination by receiving complaints, by providing knowledge about local problems, and to experiment with testing as a means of documenting complaints and of gathering information about discriminatory practices.

Testing is a simple but occasionally misunderstood procedure. The following definition is the one used in the demonstration.

Testing is a way of measuring differences in the quality, content, and quantity of information and service given to customers by real estate firms and rental property managers, attributable to a difference in race (or national origin, religion, or sex -- whatever variable is being tested). Teams of persons as similar as possible in all characteristics except as to race, pose as homeseekers. The team members visit the same real estate office, rental agency or apartment building at closely spaced intervals to apply for the same type of accommodation. Each tester records the responses and treatment received in accordance with a prescribed form. The two reports are then compared.<sup>4</sup>

The National Committee Against Discrimination in Housing (NCDH) was selected by HUD to assist in (1) choosing the local groups, (2) training them, (3) providing technical services, (4) monitoring their efforts and performance, and (5) assessing the performance of the local groups.

#### The Participants -- Organizational Relationships and Responsibilities

The key participants in the demonstration were HUD's Office of Policy Development and Research, nine local fair housing centers (identified as "local groups,"), the Office of Fair Housing and Equal Opportunity (FH&EO), and NCDH. If the demonstration were to achieve its objectives, it was essential that a number of other

offices and agencies had to be closely involved. The FH&EO office in each of the seven Regions in which one or more local groups were located and a number of State fair housing administrative agencies became closely involved. The degree of involvement varied from Region to Region and from State to State.

The formal relationship between HUD and the respective local groups was prescribed in their cooperative agreements. Each local group was to be held accountable by the Government Technical Representative (GTR) in the Office of Policy Development and Research. For purposes of day-to-day communication, consultation, and cooperation, the line of communication was to be directly between each local group and a Government Technical Monitor (GTM) in the FH&EO office in the appropriate Regional Office.

NCDH prepared and HUD approved the initial criteria for screening a broad list of local groups involved to a greater or lesser degree in fair housing activity. On the basis of the criteria, a total of 31 local groups were invited to submit proposals. Twenty-six of the groups responded. After evaluating each proposal to assure consideration of only those meeting certain standards, the nine groups selected were:

Education/Instruccion	Boston, Ma.	Region I
Open Housing Center	New York, N.Y.	Region II
Fair Housing Council of Northern New Jersey	Bergen County, N.J.	Region II
Housing Opportunities Made Equal (H.O.M.E.)	Richmond, Va.	Region III



Metro Fair Housing Services	Atlanta, Ga.	Region IV
Leadership Council for Metropolitan Open Communities	Chicago, Ill.	Region V
Fair Housing Center	Detroit, Mich.	Region V
Greater Dallas Housing Opportunities Council	Dallas, Texas	Region VI
Fair Housing Congress	Los Angeles, Calif.	Region IX

The Local Group Activity Plan

NCDH prepared and HUD approved a work plan for the respective groups that called for the following activities.

Complaint reception, recording, testing, and documentation:

Each group was expected to maintain a reception facility to provide information and counsel to persons who believed they had experienced discrimination. They were to record the complaints, conduct tests relative to the complaints, otherwise document the complaints, and refer the documented complaints to the appropriate regional FH&EO Office.<sup>5</sup>

Fair housing studies: To the extent that resources were available over and above those required for complaint activity, local groups were encouraged to conduct "fair housing studies." For the purposes of the demonstration, "fair housing studies" were defined to mean "testing to identify patterns of systemic discrimination." A study could be undertaken only after consultation with and the approval of both the Regional Office and the NCDH project manager. The studies had to be oriented to action against specific patterns and practices of discrimination. Research-oriented studies were disapproved; there had to be a plan or strategy for using the data to reduce or eliminate the discriminatory practices documented by the study.

Recordkeeping and reporting: The extent and manner in which records were to be maintained and reports prepared and submitted were detailed in the Handbook that was prepared for the demonstration. Three types of reports focusing on complaint activity, fair housing studies, and costs were required.

Public information: Each group was expected to issue information to the public in general and, more specifically, to those elements of the population most likely to experience discrimination concerning fair housing laws, how to recognize discrimination when it occurred, and where to go for assistance in filing a complaint. However, the amount of demonstration funds that could be allocated for this purpose was limited to \$2,000 per group over the two years.

### Training

NCDH conducted the first training sessions in December 1978 in advance of the start of work by the local groups in January 1979. Follow-up sessions were conducted in February 1981. Participants included two representatives from each local group, representatives of official State fair housing agencies, one representative of each of seven HUD Regional Offices, and several persons from HUD Central Offices of Policy Development and Research and Fair Housing and Equal Opportunity. The subject matter included general purposes and objectives, interagency relationships, Title VIII complaint procedures, fair housing studies, testing techniques and procedures, communications, recordkeeping and reporting procedures, and litigation. The principal printed materials around which the sessions were organized included the project Handbook and a Guide to Fair Housing Enforcement published by HUD and NCDH, covering enforcement and testing procedures.

## SECTION II. TITLE VIII COMPLAINT ACTIVITY

Under this demonstration the local groups were to receive, record, test or document, and refer complaints to HUD. Each local group was expected to establish, staff, and maintain a public service facility for purposes of providing information, counseling, and assistance to all persons who desired information concerning discrimination in housing. The groups were instructed to refer all complaints, with any supporting testing evidence, to the HUD Regional Office unless the complainant expressly stated an objection to such a procedure.<sup>6</sup> Complaints were to be referred to HUD as early as possible but not until testing and the greater part of the documentation process had been completed. In States having "equivalent" laws, copies of complaints were also to be forwarded directly to the State administrative agency.

### Testing Activity

Experimentation to determine the efficacy and value of fair housing testing and the investment required to maintain a testing capability was one of the primary objectives of the demonstration. In terms of volume, slightly more than half (57 percent) of the testing activity occurred in connection with the "fair housing studies" covered in Section III of this report. Testing in response to complaints recorded by the local groups and in response to HUD requests are summarized in this Section.

Collectively, the 8 participating local groups for which data are comparable completed 903 tests either in response to complaints

as used here includes all of the site visits directed to a particular real estate broker, rental office, etc., in response to a particular complaint.) Of the 903 tests, 781 responded to complaints recorded by the local groups and 122 were in response to specific requests from HUD or State administrative agencies. The average number of tests per group was 113, the range was from 31 to 242. There was a wide range in the percentage of tests requested by HUD or State agencies. Region I requested 18 tests representing 58 percent of the (nonstudy) tests conducted in Boston. Region II requested a total of 26 tests in New York City and Bergen County, N.J., equalling 10 percent of the (nonstudy) tests conducted in both areas. Region V requested a total of 21 tests in Chicago and Detroit amounting to 8 percent of the (nonstudy) tests conducted in those areas.

There was also a wide range in the intensity of testing relative to the number of complaints recorded. The number of tests conducted compared with complaints recorded ranged from a low of 33 percent in Boston to a high of 94 percent in Atlanta. The others fell within a range of 39 percent in Chicago to 75 percent in Detroit. There appears to be little correlation between the intensity of testing and the quality of performance when measured in terms of the disposition of the complaints. -

#### Quantitative Data<sup>7</sup>

The volume of complaints recorded, closed, and referred to HUD, and the number of tests conducted, etc., are presented in the table entitled Cumulative Summary of Complaint Activity (Appendix A - Table I). It will be noted that the participating local groups

recorded a total of 1,494 complaints over the 2-year period. Including the 51 complaints in active files on January 1, 1980, brings the total to 1,545. As of December 31, 1981, a total of 1,179 complaints had been classified as closed by the local groups with 366 remaining in the active files. The average number of complaints recorded per center was 187 with the range from 39 to 316. The average number closed per center was 147 with the range from 16 to 248.

A total of 734, or 48 percent, of the complaints recorded were referred to HUD. This was an average of 92 per center; the range was from 22 to 163. There was a wide difference among the centers in the percentage of complaints referred. The Fair Housing Council in Detroit referred only 20 percent. H.O.M.E. in Richmond and Metro Fair Housing Services in Atlanta each referred 71 percent. The others ranged between 46 and 56 percent. A comparison between performance levels on referrals and other performance criteria indicates that there is little or no correlation. In other words, the best or poorest record on referrals does not necessarily correlate with good or poor performance in other respects.

#### Disposition of Complaints

Perhaps the most significant measure of performance is the nature of the disposition of complaints closed. The local groups were requested to provide brief descriptive summaries of complaints closed in their quarterly reports. The summaries were then grouped by classification as indicated in Tables II and III (see Appendix A). It will be noted that 16 percent of the closed complaints were resolved

by conciliation, consent decree, or other form of settlement after a formal finding of unlawful discrimination. Another 9 percent were resolved by offer of accommodation or other form of restitution without a finding of unlawful discrimination although discrimination appeared probable. Combining these two classifications (A and B), a total of 302, or 25 percent, resulted in some form of corrective action. Slightly more than one-third (34 percent) of the complaints fell into the classification of "unlawful discrimination probable" (classification C) but were closed because, in most instances, the complainant did not pursue or because the evidence was insufficient to warrant further action.<sup>8</sup>

When classifications A, B, and C are combined, they produce a total of 696 complaints, or 59 percent, closed with unlawful discrimination either established or considered probable.

Slightly over 25 percent of all complaints were closed and classified by the local groups as irrelevant to Title VIII or as inconclusive as to whether discrimination occurred (classification D). Eight percent were closed with a finding of "unlawful discrimination clearly not indicated." Altogether, 34 percent of the complaints closed were supported with little or no evidence of unlawful discrimination.

Classification C (unlawful discrimination probable but complaints closed because complainant did not pursue) raises the question of whether a portion of those might have been resolved in favor of the complainant if the local groups or HUD had pursued the complaints with greater speed and vigor.

Table IV (Appendix A) indicates, in percentage terms, how the 8 groups compare in their classification of complaints closed. It will be noted that there are wide variations among the local groups -- Richmond, Boston, and Chicago had the highest proportion of complaints closed in the A and B classifications (39, 37, and 33 percent respectively), while Dallas, Atlanta, and Detroit, with 15, 18, and 20 percent, respectively, had the lowest. -

#### HUD Action on Complaints

As indicated above and in Table I, a total of 734 (48 percent) of all complaints recorded were referred to HUD. HUD offices reported back to the local groups regarding their disposition on 325 (44 percent) of the referred complaints. As of December 31, 1981, HUD offices had not reported on the status of 409 complaints (56 percent). Thus, of all 1,179 complaints reported closed, at least 72 percent were closed by action of the local groups.

The data collection systems for the demonstration could not accommodate the ambiguities that prevailed regarding responsibility for follow-through on referred complaints. Complaints are referred but in most instances they are also actively pursued by the local group. The local groups are not, in general, hampered by the procedural considerations that govern HUD's actions. Thus, in those instances where the evidence of unlawful discrimination appears obvious or blatant the local group, if it has the resources to engage attorneys, may bring the matter to a close on its own. (Thus the cases listed as closed by the local groups may include cases on which HUD has not yet reported

back its final actions from the agency.) The exception in this regard was the close teamwork demonstrated by HUD Region III, H.O.M.E. in Richmond, and the Virginia Real Estate Commission. That probably explains why H.O.M.E. could report the highest proportion (39 percent) of complaints closed in the A and B categories.

One potentially useful device for measuring the effectiveness of the demonstration was never developed. There might have been and should have been a system for tracking each of the complaints referred by the local group to HUD. The reporting system indicated what happened to each complaint closed, but it did not indicate whether the disposition was by HUD action or by determination of the local group. Actually, in many cases there might have been two different actions if the local group came to one conclusion and HUD came to another. It is possible that a substantial number of complaints reported closed by the local groups continued to be active on the HUD docket.

#### Example of Successful HUD-Local Group Cooperation

HUD conducted the demonstration primarily to learn whether an effective relationship could be developed at the local level between HUD and private fair housing groups. The demonstration revealed many of the difficulties in successfully implementing such a relationship. It also showed that the potential benefits from closer cooperation can be substantial. The following discussion of a particularly successful case shows both how closer cooperation might work and what the benefits are.



The Fair Housing Demonstration Program (FHDP) had a major success in Region III. The demonstration accomplished precisely what it was intended to do, nurturing a co-operative working relationship among H.O.M.E., HUD, and the Virginia Real Estate Commission (VREC). As a direct result of this relationship, fair housing law enforcement was significantly strengthened. The demonstration produced:

- ° A huge increase, close to 1000 percent, in the number of complaints filed in the Richmond area.
- ° Successful resolutions of 39 percent of the complaints processed, the highest success rate of all participating areas.
- ° Numerous innovative and effective conciliation agreements.

The reasons why this happened in Region III relate to common goals, a facilitating structure, a strong enforcement process, and the "right" people. The remainder of this subsection discusses each of these factors.

The leading participants from all three agencies sought the same goal: improved fair housing enforcement. They represented different constituencies and loyalties, but were each firmly committed to the belief that by actively promoting a common enterprise it would simultaneously and effectively promote the objectives of their own agencies.

The tri-partite structure of the FHDP meant that each "determination to resolve" was based on better testing and investigation, and that each conciliation agreement generated more widespread benefits than would have been the case had the agencies worked alone.

The process developed by the Region III participants also allowed them to maximize their institutional and personal strengths and compensate for each other's weaknesses. For example, most of H.O.M.E.'s

expertise was in the designing of agreements, while representatives from HUD and from the VREC were experienced negotiators. Thus, the three agencies worked well together in accomplishing the entire conciliation process.

Almost always, HUD, VREC and H.O.M.E. participants worked out a draft of an agreement acceptable to all three parties prior to the conciliation session. They usually knew, before conciliation began, which provisions each party felt were essential.

Because they worked together over many months, they became quite efficient. They were able to develop their own new "boiler plate" conciliation document and to adjust it readily to the circumstances of each case. They also built up a history of negotiation successes each one of which made the inclusion of originally novel provisions more and more routine and acceptable to respondents.

H.O.M.E.'s carefully documented complaints and tests gave VREC and HUD a big head start on their complaint investigations. Verifying the complaints, and preparing test reports with accompanying documentation was usually a simple matter for the investigators. These materials typically provided the investigators with useful leads for their record searches. Such searches by VREC and HUD were often extremely productive, generating evidence that otherwise would have only been available to H.O.M.E. at the cost of filing a law suit. Moreover, record searches themselves sometimes pointed to certain weaknesses in the data, enabling the government agencies to make fruitful suggestions to H.O.M.E. about the need for additional testing.

Obviously, these testing and investigation benefits depended on a free and extensive flow of information among all three agencies. The active presence of all three parties to the FHDP at every conciliation session, acting as a team while each still clearly also represented the interests of his or her own agency, usually produced in respondents a willingness to sign agreements. Each FHDP agency felt that these agreements protected its own and its clients' interest, enhanced the public interest, and provided tools to the respondents to help them avoid future fair housing problems.

H.O.M.E. also could enter a case as a complainant and be entitled to full consultation. In cases in which H.O.M.E. felt it would be worthwhile to invest its time and resources, the organization filed as a complainant its own name based on the following criteria:

- ° opportunity for significant positive impact on the real estate market; or
- ° opportunity to develop new conciliation agreement content or procedures; or
- ° H.O.M.E.-generated data was the primary basis of the complaint; or
- ° lack of a suitable and necessary alternative complainant.

Probably because HUD's interpretation of Sec. 810(a) restricts HUD employees from publicizing conciliation agreements, HUD agreements often have no impact except on the immediate signatories. By contrast, VREC and H.O.M.E. each have a policy of publicizing agreements. The VREC deemed continuation of that policy to be so important that it would not have participated in the FHDP had any publicity restriction been placed on the Commission. These differences were appropriately resolved by

having each agency follow its own policy. Consequently, the VREC routinely reported the outcome of conciliation efforts in its newsletter and H.O.M.E. widely publicized each outcome.

The effect of these two publicity processes was two-fold. First, people in the housing industry were alerted to some of the burden of being respondents in complaints, especially where probable cause findings and determinations to resolve were made. In Richmond, this heightened awareness caused more responsible and prudent real estate firms to upgrade their internal monitoring and training programs in order to eliminate any behavior that is or may give the appearance of being illegally discriminatory. A second equally important effect of the publicity was an increase in homeseekers' awareness of the possibility of using administrative processes to obtain recourse for housing discrimination. Such knowledge directly stimulated the filing of many complaints.

Finally, the success in Region III is attributable to the efforts of the people involved. The individual participants, Joel Harnick from HUD Region III, Richard Kast from VREC, Linda Harnes and Barbara Wurtzel from H.O.M.E., joined at various stages by VREC's investigating team, enjoyed creative problem-solving.

While common goals, a facilitating structure, and a strong conciliation process made Region III achievements possible, it was the commitment, talent, and responsibility of the particular participants that made those achievements actually happen.

### HUD Data on Title VIII Complaints

For the purposes of this report, NCDH requested and obtained from HUD a set of computer printouts reporting the number of complaints docketed and closed by HUD. The data are reported by county for each of the nine metropolitan areas involved in the Demonstration for each of 4 years, 1978-81.

In as much as the demonstration was operational at the local level for the 24-month period January 1, 1980, through December 31, 1981, the combined figures for 1978-79 provide a baseline for comparing the data for 1980-81. Table V indicates the number of complaints docketed and closed for each of the 4 years with subtotals for each of the 2-year periods. Regional totals are indicated in two regions where more than one metropolitan area was involved. Table VI summarizes these data for complaints only, points out the differences between the two 2-year periods and compares the number of local group referrals with the increase or decrease in the numbers docketed by HUD.

Overall, the number of complaints docketed by HUD in 8 of the 9 metropolitan areas increased from 920 to 2,025, a difference of 1,105, or 120 percent. During the same period, the local groups referred a total of 734 complaints to HUD which could, conceivably, account for 66 percent of the increase.

The differences are highly dramatic in several instances. The number of complaints in the Richmond area increased by almost 1,000 percent whereas the increases in the New York area and northern New Jersey were 252 percent and 325 percent, respectively. However, the

data should be viewed as suggestive only and treated with caution. Referrals from the local group can account for only 43 percent of the increase in the Richmond area. The local group in northern New Jersey referred 114 complaints. HUD reports docketing only 51. The local group in Boston referred only 22 complaints but HUD reports an increase of 154. HUD reports a decrease of 10 (2 percent) in the number of complaints docketed in the Dallas area even though the local group reports having referred 60 complaints.

In the 6 HUD regions in which the 8 local groups were active (Regions I through VI), the number of complaints docketed by HUD increased from 4,020 in 1978-79 to 5,325 in 1980-81, a difference of 1,305. Since the number of complaints docketed by HUD in the 8 metropolitan areas increased by 1,105 during the period, it appears that 85 percent of the net increase occurred in the metropolitan areas where the demonstration was being conducted. Nationwide, the number of complaints docketed increased from 5,916 in 1978-79 to 7,300 in 1980-81, a difference of 1,384. Thus, the number of complaints referred to HUD by the 8 local groups for which data are comparable represent over 50 percent of the increase which occurred nationwide.

It is probably safe to say that local group referrals contributed significantly to the overall increase in the number of complaints docketed by HUD in the eight metropolitan areas and nationwide but it would be imprudent to specify a precise figure.

Section IV contains an assessment of the Title VIII complaint activity.

### SECTION III: FAIR HOUSING STUDIES

Each local group was expected to conduct one or more "fair housing studies" providing it had sufficient resources to do so after giving all the attention necessary to recording and testing individual Title VIII complaints.

The purpose and nature of the studies merits repeating here. "Fair housing studies" were defined to mean "testing to identify patterns of systematic discrimination." The demonstration Handbook stipulated that "The studies must be oriented to specific action to reduce practices of discrimination..." There had to be a valid rationale for the selection of areas or targets for study. Also, there had to be a plan or strategy for the use of the data. All studies were to be jointly planned and approved with the HUD Regional Offices and also required the advance approval of the NCDH project manager.

More than 40 different studies were proposed. Several were too vaguely conceived to justify approval. A few were discontinued due to staff turnover, and a few others were initiated so late that they had not been completed as the demonstration came to a close in December 1981. Thirty-one were completed. Table VII (Appendix A) provides quantitative information concerning the dimensions of the study effort.

Altogether, the marketing practices of 608 different firms were tested, although the number tested in sufficient depth to provide meaningful evidence was substantially less than that. Many of the firms were relatively small operations surveyed as part of a larger

class. Others were rental property management firms with as many as 100 large rental complexes under management. In 23 of the 31 studies there were definite indications of unlawful discrimination; 18 of these supplied sufficient evidence to appear to merit some form of action. As of December 31, 1981, action had been initiated on only seven.

Descriptions of several of the most instructive studies are summarized below. The remaining studies are summarized in Appendix B. Section IV assesses the merits and results of using testing to identify and eliminate systemic discrimination.

EDUCATION/INSTRUCCION, INC. BOSTON (E/I)

Allston/Brighton Study

Allston/Brighton is a rather large neighborhood in northwest Boston with a population of approximately 67,000. Traditionally it had been an ethnically diverse, lower middle class area with a black population of about 13 percent in 1980. Boston College and Boston University attract a large student population. The study consisted of two surveys, one conducted solely by telephone and the other by site visits. The total universe tested consisted of 30 firms. All 30 were covered by the telephone survey; the site survey covered 17 of the same 30. Altogether, there were a total of 89 tests.

In the telephone survey the firms selected were those advertising units for rent within a given time frame. The test teams consisted of three persons; one that would normally be identified by voice as "white" on the telephone, one that would be identified as "black,"



and one as "Hispanic." Any given test would always have a "white" tester and either a "black" or "Hispanic," but not all tests included both the "black" and "Hispanic." A total of 42 tests were conducted; 2 firms were tested three times, 9 were tested twice, and the balance once each. In all 42 tests the white testers were invited to come to the office to be shown a unit. The black and/or Hispanic testers were informed that no units were available 31 times. Only six firms gave the same information to all team members.

The firms selected for site visits were those already covered by the telephone survey that continued to advertise units for rent and had exhibited differential treatment over the telephone. There were 47 tests; 6 firms were tested once, 8 were tested from 2 to 4 times, and 3 from 5 to 8 times.

In 23 of 47 tests only whites were shown units while minority testers were told nothing was available. In 14 tests team members in each instance were shown different units. In three tests both testers were shown the same unit but in one of those there were differences in the stated condition of occupancy. Thus, of the 17 firms tested, only 2 responded in a completely nondiscriminatory manner.

#### The Fenway Study

The Fenway study was conducted on a much smaller scale. The Fenway neighborhood is characterized by having a substantial portion of its housing supply in larger apartment buildings. Three firms which acted as management agents for some of the larger owners of rental

property were selected. There were a total of 17 tests, all by site visit. Two of the firms were tested seven time each, the third three times. The test results can be summarized as follows:

Firm A showed apartments to the white testers in six out of seven tests and showed none at all to the black testers.

Firm B showed apartments to the white testers in six of seven tests and showed the black tester an apartment only once. In that instance the white and black testers were shown apartments in different buildings.

Firm C showed apartments to the white testers in three tests and to the black testers in two tests. In no test were white and black testers shown apartments in the same building.

#### Actions Taken

E/I filed complaints against 12 of the firms covered by the 2 studies with both HUD and the Massachusetts Commission Against Discrimination (MCAD). MCAD accepted responsibility for five; settled two for \$100 plus affirmative marketing agreements with each, and dismissed three with findings of "no probable cause." HUD failed in its attempt to conciliate the other seven. E/I then filed action against the same seven in U.S. District Court. One of the seven was also referred to the U. S. Department of Justice which filed suit in February 1982.

Of the seven taken to District Court, one later settled out of court for \$2,500 plus pledges by the respondent to perform community services for one year. The remaining six cases were in various stages of discovery or settlement when the demonstration came to a close.

Four facts merit special attention.

1. The studies resulted in the first legal action against Boston's largest residential property owner.
2. The action taken by the Department of Justice was the first Title VIII suit instituted under the current administration.
3. Three rulings by three different judges in the U.S. First Circuit established the standing of community organizations and tenant groups to sue under Title VIII.
4. All of the above actions were taken without the involvement of bona fide homeseekers.

FAIR HOUSING CENTER, DETROIT (FHC)

The Fair Housing Center completed two studies. Each study focused on a single, large real estate firm.

Study I - This study was targeted toward a property management firm that operated 11 rental complexes with a total of about 2,200 dwelling units. All 11 of the complexes are located in predominantly white suburban areas. It was decided to test each complex 4 times with a total of 44 tests. The number of tests was equivalent to 2 percent of all the units but equal to about 81 percent of the vacancies known to be available during the 3-month testing period. Thirty, or 68 percent, of the 44 tests showed evidence of discriminatory treatment against black testers. Discriminatory treatment was evident at 10 of the 11 complexes.

The study was completed by April 1980 and the results transmitted to HUD shortly after. While it was learned indirectly that the HUD Regional Office negotiated a conciliation agreement with the firm, no information concerning the agreement was transmitted to the Fair Housing Center.

Study 2. The second study focused on a different firm that owned and managed a number of large apartment complexes. This study was limited to a group of eight complexes, all located in predominantly white suburban areas. A total of 34 tests (4 each on 6 complexes and 5 each on 2) were conducted. Differences in treatment of white and black testers were evident in 26, or 76 percent, of the tests. In 19, or 56 percent, of the tests, the black tester was told "nothing available" while the white tester was told that one or more units were available and often was invited to inspect the units. In other instances both testers were told that nothing was available "now" but the white tester was given an early date for possible availability while the black tester was not. At one complex white testers gained admittance to the rental office on five occasions while the black tester did not gain admittance even once.

This study was completed in April 1981 and copies of the report promptly transmitted to both the HUD Region II Office and the Department of Justice. The Department of Justice instituted legal action in the Spring of 1982. The respondent firm agreed to sign an affirmative marketing agreement. The Fair Housing Center initiated its own legal action and obtained an out-of-court settlement in the amount of \$52,500.

Study 3. The FHC began a third study focusing on a real estate brokerage firm operating branch offices in eight suburban communities. While patterns of discrimination were indicated in some of the offices, testing had to be discontinued because of insufficient funds before sufficient evidence required to support legal action had been collected.

#### SECTION IV. ASSESSMENT

This section assesses of the value of the demonstration from two perspectives.

1. Did the demonstration provide for improved service to those who have cause to believe that they have been unfairly treated in the housing market?
2. Was HUD's own effectiveness increased through a formal relationship between HUD and local, private fair housing groups?

While the information in the preceding sections indicates that the answers to these two questions is an unqualified "yes," this section makes this assessment in greater detail.

Has the demonstration generated an increased flow of Title VIII complaints at the offices of the local groups? Has it contributed to a larger flow of Title VIII complaints at the HUD Regional Offices? Has the work performed by the local groups in testing, documenting, and referring complaints enabled HUD to be more effective in resolving complaints? Has it enabled the local groups to more fully and effectively document complaints through testing and other means? Has it enabled the local groups to be more effective in their own efforts to resolve complaints?

Has the demonstration made it possible for more complainants to obtain the accommodations applied for? Has it resulted in more penalties being imposed upon discriminating landlords or brokers? Has the demonstration produced information concerning systemic patterns and practices of unlawful discrimination of such a nature that HUD, the Department of Justice, or local groups can initiate administrative or legal action against violators? Have such actions actually been taken? Have such actions resulted in any court decisions, consent orders, or agreements that would serve as a deterrent to other possible violations?

Has the demonstration contributed to developing an environment favorable to a cooperative relationship between HUD Regional FH&EO offices and local fair housing groups? Has it contributed to the development of procedures, reporting mechanisms, etc., through which cooperative efforts can be implemented? Can these mechanisms be replicated and adapted so they can be applied in other situations?

This section answers the two central questions raised above by examining this fuller list of issues. The discussion is organized under three general subject headings:

- o Complaint Activity
- o Fair Housing Studies
- o Measuring Local Group Performance.

#### Complaint Activity

The major focus of the demonstration was the reception, recording, testing and processing of complaints. From the broader perspective of the goals of both HUD and the local groups, the effectiveness of

than would have occurred if the same group had not been involved in this demonstration. Three of the groups have indicated that they might not have been able to continue operations at all during the period without the additional resources provided by the demonstration. Three others have stated that while they might have continued operation, they could not have provided the same level of service to complainants, they could not have tested as intensively on complaints, and they would not have conducted the fair housing studies at all in the absence of the funds provided through the demonstration.

Testing in response to complaints was given a great deal of emphasis in the demonstration Handbook. The local groups reported that 781 tests were conducted on 1,545 complaints recorded. The wide range in the relative intensity of testing by local groups has been noted in Section II -- one group tested only 33 percent of its complaints while another group tested 94 percent. When the level of testing is compared with the nature of the disposition of complaints, there appears to be little, if any, correlation. That is, a high level of testing does not necessarily correlate with a high level of findings in favor of complainants. This does not mean that testing was not useful in helping resolve complaints but only that the effectiveness of testing varies with the nature of the complaint. Local groups have to exercise discretion in deciding when to use testing.

Periodic reviews of the closing summaries submitted by the local groups indicated that the closings were properly classified in the A and B, and the D through H categories. (See Appendix A, Table III,

for definitions.) While there might be a question as to whether a given complaint should have been either A or B, or either D or E, there would be little doubt that they properly fell within the broader combinations. Thus, it can be concluded that 785, or 66 percent, of the 1,179 complaints closed were properly allocated to the broader A and B or D through H combinations. The 394 or 34 percent of the complaints that fell into classification C -- "unlawful discrimination probable but complaints closed because complainant did not pursue or evidence insufficient" -- raises some nagging questions.

It is possible that if there had been further testing and investigation of these complaints a portion would have been reclassified to "allegations irrelevant." However, there is also the prospect that if response had been more prompt that the complainant would not have lost interest or that, in any event, the discriminatory respondent would have been put on notice.

One of HUD's objectives in launching the demonstration was to determine whether such a venture would lead to an increased volume of complaints. This did, indeed, occur. As noted earlier, the number of complaints docketed by HUD in the 8 metropolitan areas where the demonstration was in operation represented over 50 percent of the nationwide increase. However, the number of complaints from the nine metropolitan areas participating in the demonstration increased by 1,170 or 85 percent of the nationwide increase, even though the local groups referred only 734 complaints. Thus, for some reason not readily explainable, the metropolitan areas in which the demonstration was functioning generated an upsurge in complaints far in



complaint activity must be measured in terms of services to complainants. In terms of the specific goals of the demonstration, it would also have to be measured in terms of whether meaningful cooperation between HUD Regional Offices and local groups developed and was productive.

From the perspective of services to complainants, it seems obvious that the demonstration was very effective. As reported in Section II, 8 local groups recorded 1,545 complaints and closed 1,179. It is reasonable to assume that nearly all of the remaining 366 were closed by the groups within months after the demonstration came to an end. Twenty-five percent of the complaints were resolved in a manner that provided some satisfaction or restitution to the complainants.

As mentioned above, 25 percent of all complaints closed were resolved in favor of the complainants. There was a wide range of achievement in this respect. H.O.M.E., in Richmond, resolved 39 percent in favor of the complainants, Boston's rate was 37 percent, Chicago's was 33 percent. At the lower end of the scale were Dallas with 15 percent, Atlanta with 18, and Detroit with 20. There are many possible explanations for these differences. It is likely that Richmond was more selective in what it documented as a complaint in the first place, thus eliminating from its case count a greater proportion of those complaints that would otherwise be closed in such categories as "allegations irrelevant to Title VIII."

Unfortunately, there are no solid baseline data available to indicate whether this represents a greater volume of complaints or a qualitatively more effective record of resolving the complaints

excess of other metropolitan areas but also substantially above the number of complaints referred by the local groups. This increase in complaints provided the desired basis for experimenting with teamwork between HUD and local private fair housing groups.

If the teamwork between the HUD Regional FH&EO offices and the local groups was to function as an ideal arrangement, the local groups would bear the burden of serving as the first point of contact with the complainants, recording the complaints, conducting tests, documenting all relevant information, and referring the complaints to HUD. HUD, with its greater resources and investigative powers, would take the matter from there and bring the complaint to resolution. That concept was inherent in the demonstration.

To a substantial degree, matters did work out that way between H.O.M.E. in Richmond and Region III, as described in more detail in Section III. FHC in Detroit in its relationship with the Region V office was at the opposite extreme with only minimal communication. There was close communication between the Greater Dallas Housing Opportunity Council (GDHOC) and Region VI but it did not result in meaningful cooperation. As indicated above, Dallas had the lowest level of complaints resolved in favor of complainants. In Atlanta, the relationship between Metro Fair Housing Services (MFHS) and the Region IV office was hesitant, even reluctant, during the first 2 years. However, in the third year of the demonstration that situation was almost totally reversed; regular communication and close cooperation became the rule.

As clearly indicated in the description of the Title VIII complaint activity and the fair housing studies, HUD failed to make full use in some Regions of the information and resources provided by the local fair housing groups. This variation in performance can be traced in large measure to a failure at the HUD Central Office level to communicate the aims of the demonstration and the importance of Regional Office participation.

On the positive side, the experience in Region III can be set up as a model and a standard for a cooperative and effective working relationship. The demonstration was less effective as a device for promoting intensive cooperative activity between the other Regional Offices and the local groups. This is not to say that the demonstration is not a success in several other respects.

In brief, the experience with respect to complaint activities can be summarized as follows:

Compared with the volume of complaints docketed by HUD nationwide, the complaint load of the eight local groups was quite significant. The 1,545 complaints recorded by the 8 groups is equal to 21 percent of HUD's total nationwide complaint load for the same period.

The increase in the number of complaints docketed by HUD in the 8 metropolitan areas represented over 50 percent of the nationwide increase. Local group referrals appear to be responsible for roughly two-thirds of the increase in the 8 metropolitan areas.

HUD reported to the local groups on closing 325, or 44 percent, of the complaints referred to it. However, the reporting system did not distinguish between HUD and local group disposition of complaints.

An analysis of the numbers of complaints closed each quarter indicates that on the average complaints were closed within 6 months after filing. No analysis has been made to determine how many complaints may have aged beyond that time frame.

With 25 percent of complaints being resolved in favor of the complainants and 41 percent closed as being "irrelevant to Title VIII" or having "too little substance," etc., it appears that 66 percent of all complaints were properly concluded. This leaves 34 percent in the category "discrimination probable but complaint closed because complainant did not pursue," etc. Local groups and HUD should carefully consider ways of assuring more rapid response or, in any event, following up with further testing and investigation even though the complainant is no longer seeking redress.

While it is evident that the demonstration contributed to an increased flow of complaints to HUD, it is difficult to ascertain the effectiveness of the cooperative efforts in the processing and disposition of complaints. It clearly worked effectively in the H.O.M.E. (Richmond)

Region III relationship, which can be cited as a model. It was also working effectively in the MFHS (Atlanta) Region IV relationship during the third year of the demonstration. The quality of the Regional Office local group relationship was more mixed for the other demonstration sites.

#### Fair Housing Studies

The fair housing study element of the demonstration was intended to be experimental. Fair housing studies were given a priority secondary to receiving and documenting Title VIII complaints. The principal criterion for assessing their value must be that the activity either resulted in remedial action or, at the very least, that the information developed by the studies was of a nature that merited one or all of the following: administrative action, pattern and practice action by the Department of Justice, or litigation by the local group.

It had been anticipated that several local groups would have been so fully occupied with complaints that there would have been no time or resources available for the studies. This turned out not to be the case. Each group completed at least one study, two groups completed five each, and one group completed six. Altogether, 31 studies were completed, an average of 3.4 per group.

Testing along the lines of the fair housing studies prescribed under the demonstration is not unique. However, only a few centers not involved in the demonstration have had the resources to pursue

testing except in response to complaints. It is doubtful that the nine centers would have conducted such testing activity at more than a fraction of the same scale if they had not been involved in the demonstration. It is interesting to note, therefore, that the total of the funds invested in the studies exceeds the amount of the demonstration funds so invested by more than three to one. For each dollar HUD invested in fair housing studies, the local groups contributed an additional \$2 in testing activity and approximately another \$1.30 in litigation activity from their own resources.<sup>9</sup>

Eight of the 31 studies produced little or no indication of unlawful discrimination and 5 others produced information so marginal that no corrective action could have been taken. Thus, given the criteria mentioned above, 13, or 42 percent, of the studies were unproductive. Since this was an experimental venture, such mixed results might have been expected. However, there are some lessons to be learned from the experience. Through the demonstration, HUD was able to focus the activity of the local groups in fair housing testing, an area which it believed to be particularly beneficial. If this type of activity is to be continued in the future, it will be useful to note here the more obvious reasons why certain studies did not produce evidence of unlawful discrimination.

Insufficient preliminary scouting to identify clearly appropriate targets. Despite the Handbook emphasis against "research oriented studies," several studies were targeted to "find out" if there was discrimination in certain targeted areas or by certain classes of firms. Repeated emphasis by the project manager produced some improve-

ment in this respect in the second year. All of the studies initiated in the last three quarters were productive.

Shallow testing of too large a target group. This is related to the item above. Once again it appears that some local groups conducted a "survey" to find out if there was discrimination. A large number of smaller firms were tested once each. While in many instances a test strongly indicated unlawful discrimination, one test by itself in the absence of a bona fide complainant is generally considered insufficient to justify administrative action or litigation.

Testing in areas characterized by relatively small complexes in tight rental market areas. In such areas, vacancies in any one property are rare and often rented within a short time. Under such conditions, it is difficult to ascertain by testing whether an advertised unit is, in fact, available. Repeated tests of a given property are likely to be inconclusive. In the absence of bona fide home seekers, testing in this type of situation is likely to be unproductive.

A few of the studies, especially in the early months of the demonstration, were inadequately designed. In some instances, there were too few testers available to assure that testing was done in a thorough manner. In other instances, it is evident that the testing supervisor had had too little training and experience.

Testing on a sustained basis is expensive. Before entering upon such an activity, great care must be taken to assure that resources are adequate to the job, that the dimensions of the study

are scaled to the resources available, that the study is well targeted, and that there is a plan of action for follow-through.

The overall record from the perspective of local group performance is positive. Eighteen, or 58 percent, of the studies produced firm evidence of unlawful discrimination. Not all of these were conducted in sufficient depth to warrant legal action without further testing and investigation but they all clearly identified practices that needed to be pursued.

Also on the positive side were those studies that show great promise as models for future activity of this nature. The studies completed by Education/Instruccion (E/I) in Boston and the Fair Housing Council in Detroit are highly instructive. The essential characteristics that make these studies stand out are the procedures followed for narrowing the target and testing the more flagrant discriminators in sufficient depth to make a strong case.

The studies have been slow to generate significant action. From the perspective of prompt and effective action in response to specific study results the experience of H.O.M.E., in Richmond is instructive. Acting in the role of complainant, H.O.M.E. filed complaints against those firms found to be discriminating with both the Virginia Real Estate Commisison (VREC) and HUD. The HUD Region III office was particularly prompt and innovative in its response to the complaints. Complaints were filed against 11 firms. Seven were resolved by conciliation and three were still under investigation when the demonstration came to a close.



The E/I studies in Boston produced sufficiently strong evidence against one firm to cause the Department of Justice to institute its first pattern and practice suit since January 1981 and the first one in the greater Boston area in many years. Altogether, E/I filed complaints against 12 firms with both the Massachusetts Commission Against Discrimination (MCAD) and HUD. MCAD accepted jurisdiction for five and resolved two by conciliation. HUD attempted conciliation on seven but had been unsuccessful on all seven as of the time this report was written. E/I has also filed suit against seven firms.

The Open Housing Center (OHC) studies in New York produced information that caused the New York State Attorney General to take action against a neighborhood organization. A second study produced information a private law firm is pursuing on a pro bono basis. HUD reported successful conciliation of one matter on which it had requested testing by OHC.

The study conducted by the Fair Housing Council of Bergen County on the practices of a group of real estate brokers in Clifton, N.J., resulted in a HUD conciliation, an affirmative marketing agreement, and a training program for the staffs of the real estate brokers involved.

A study initially completed by MFHS in Atlanta was updated by further testing in 1982 and 1983 and was being actively pursued by the Region IV office as this report was being written. The first five of six studies conducted by LCMOC in Chicago all produced evidence of discrimination by a substantial number of the firms tested. However, the testing generally was not of sufficient depth

to warrant action in the absence of complaints from bona fide complainants. Complaints from bona fide homeseekers were filed against six firms. The disposition of those six complaints has not been reported. The sixth study was focused on a single large firm. It was completed as the demonstration came to a close. LCMOC indicated an intention to file a complaint with the Illinois State Human Rights Department. There is no report of any action by HUD in response to the LCMOC studies.

As reported earlier, the studies conducted in Dallas and Los Angeles either did not produce results of sufficient depth to warrant action or were being completed as the demonstration came to a close.

FHC in Detroit produced two outstanding studies. The most significant aspect of these studies was the fact that they were targeted toward firms that were particularly vulnerable to charges of discrimination. A second characteristic was the depth of the testing. In the first study there were 44 tests on 11 properties managed by one firm. In the second study there were 34 tests on 8 properties under a single management. Both studies produced indisputable evidence of the most blatant practices of discrimination. While the Handbook authorized the local groups to refer their study findings to the Department of Justice and to initiate their own legal actions after referring their findings to HUD, the FHC consented to a request from the HUD Region V office not to do so in order to allow HUD ample opportunity to take administrative action. The study results were referred to HUD in April 1980. It is known that HUD pursued its own investigation but there have been no reports of action. The results of the

second study were referred to both the HUD Region V office and the Department of Justice in April 1981. The Department of Justice filed a lawsuit based on the study evidence in March 1982 which was concluded by a consent agreement providing for a variety of measures to assure nondiscriminatory marketing practices in the future. In addition, FHC filed its own suit on behalf of 30 bona fide homeseekers which was resolved by a consent agreement providing for \$30,000 to be distributed to the bona fide homeseekers and \$22,500 to FHC for costs and attorney fees.

In brief, it seems fair to summarize the assessment of the fair housing study activity as follows:

What had been intended to be a supplementary activity designed to absorb any resources left over after complaints had been effectively pursued produced a remarkable volume of activity. It is estimated that each dollar of demonstration funds generated an additional two to three dollars' worth of activity from local sources or voluntary support.

About three-fifths of the studies produced firm evidence of discrimination, although about half of those required additional testing in greater depth to assure effective action.

Some of the studies were so successful in developing information that they can be offered as models upon which future activities of this nature could be patterned.

Joint consultation between HUD Regional Offices and the local groups on selection of targets and design of studies was spotty. A couple of regions showed a great deal of interest while others showed no interest at all. Region III pursued the Richmond study results with vigor during the 2-year demonstration period and Region IV began to exercise considerable initiative in response to the MFHS study with Atlanta during the third year.

Overall, the study activity produced an impressive body of actionable evidence of unlawful discrimination and a series of models for conducting such studies in the future.

#### Measuring Local Group Performance

Local fair housing groups, whether involved in the demonstration or not, generally do not fit into a common mold. Each was conceived and nurtured by local leadership under varying local circumstances. All generally share the same goals and objectives and are led by persons who are strongly motivated and very dedicated. However, procedures, staff structures, and operational styles vary widely.

It was to be expected, then, that there would be some difficulty in achieving sufficient uniformity in local group activity, record-keeping, and reporting to permit a valid overall measurement of performance.

There were, indeed, some problems at the outset. Several of the groups displayed strong inclinations to utilize the HUD funds to

record complaints and conduct testing (in accordance with Handbook specifications) but to refer complaints to HUD selectively (in violation of the specifications). A few groups found the preparation of the quarterly reports burdensome and displayed some resistance. All of these problems were cleared away by the close of the second quarter. By the third quarter, the data on complaints recorded, tested, referred, and resolved had been fully reported by the participating groups.

There was considerable variation in the manner in which the local groups pursued complaints. One group, responding to the unique characteristics of the tight market within which it functioned, placed a great deal of emphasis on rapid response and assisting the home-seeker in obtaining access to the specific unit that had been applied for and denied. This meant that most tests consisted of a single telephone call to confirm availability of the unit, followed by telephone negotiations, possible threat of legal action, and resolution by offer of the accommodation. A significant proportion of such transactions, including the recording of the initial complaint, were conducted entirely by telephone with no face-to-face contact at all. Helping the client to obtain an accommodation was paramount.

One local group, located in a State with no fair housing law, had no recourse to attorneys, made no effort to resolve complaints, and depended solely on HUD action. A second group functioned in the same manner in the first year but began to refer some complaints to attorneys in the second year. A third group had only a minimal complaint load and devoted almost all of the demonstration funds to conducting the fair housing studies.

H.O.M.E. in Richmond, the Region III HUD office, and the Virginia Real Estate Commission developed a cooperative relationship that was unique and came closest to realizing the basic objectives of the demonstration.

Five of the local groups either had attorneys on staff or recourse to legal assistance from private attorneys. While they referred all or most of their complaints to HUD, they usually had taken action and resolved the complaints before HUD, with its more cumbersome procedures, could act.

Local group efforts with respect to fair housing studies greatly exceeded expectations. The activity clearly demonstrated that this is an extraordinarily efficient and effective device for collecting hard evidence of systemic violations of Title VIII. Additional efforts remain to be taken to involve HUD Regional offices and the Department of Justice in fair housing studies prepared by local groups in order to achieve timely and effective action.

One problem that bears mention is that of staff turnover. Only three of the local groups retained the staff members assigned to the demonstration throughout the 2-year period. Three local groups (Atlanta, Dallas, and Los Angeles) experienced total staff turnover within months after the first training sessions. In three other centers, the executive heads of the agencies remained but the personnel assigned primary responsibility for the demonstration were replaced. Staff turnover among local fair housing centers is understandable. With some exceptions, the centers are meagerly financed and offer little job security. It is probably difficult to recruit

competent and dedicated staff to begin with and equally difficult to retain good personnel over an extended period of time. The modest sum of \$20,000 per year from this demonstration was enough to generate additional productivity on the part of those centers that could already demonstrate a history of continuity and productivity. It was not enough to assure the employment and retention of competent personnel for a limited period in centers that are financially marginal to begin with.

One aspect of the demonstration that was probably implicit from the beginning but not explicitly recognized was the contribution made toward a process of developing a common discipline, a common terminology, a common set of standards for measuring performance. The local fair housing movement started more or less independently in dozens of localities. Motivations and goals were held pretty much in common, but policies, procedures, techniques, terms, recordkeeping devices, etc., were all independently developed and widely disparate. During the first months of the demonstration, there was evidence of resistance toward the rather elaborate reporting system. Reporting was far from satisfactory during the first two quarters. By the third quarter, the reports were becoming consistently uniform and adequate and measurement was becoming possible. As time passed, the center personnel began to express appreciation for the discipline that the reporting system imposed upon them, recognizing that it was a useful device for encouraging more orderly procedures within their own operations. By the end of the demonstration period seven of the nine groups had reached the point of submitting consistent and well documented reports.

## FOOTNOTES

- 1 The demonstration is described in more complete detail in an earlier assessment. Persons interested in more information concerning specifications, procedures, statistical data, etc., are referred to the report dated April 1982. Copies are available from HUD USER, P. O. Box 280, Germantown, MD. 20874.
- 2 Dr. Barbara Wurtzel, Executive Director, Housing Opportunities Made Equal (H.O.M.E.), Richmond, Virginia, in a letter addressed to NCDH commenting on the April 1982 report on the demonstration.
- 3 Ronald F. Wienk, Clifford E. Reid, John C. Simonson, and Frederick J. Eggers, Measuring Racial Discrimination in American Housing Markets. U.S. Department of Housing and Urban Development, April 1979. Preliminary findings were announced in April 1978.
- 4 Quoted from Guide to Fair Housing Law Enforcement, page 39, published by the National Committee Against Discrimination, 1979, under contract with HUD.
- 5 The local groups were not prevented or constrained from seeking to resolve complaints or to combat systemic discriminatory practices through litigation or other action, provided that HUD funds were not used for those purposes.
- 6 While each local group could, at its discretion, use its own complaint form for initially recording the complaint, all complaints appearing to involve Title VIII violations were to be recorded on a HUD 903 Housing Discrimination Complaint Form for referral to the appropriate HUD Regional Office. Every effort was made to obtain the complainant's signature on the complaint form but the absence of a signature did not preclude referral of the complaint to HUD.
- 7 Again, quantitative data are shown for only eight of nine local groups. Data from Los Angeles were not sufficiently compatible with data from other sources to permit inclusion.
- 8 The number for the A plus B classifications can be considered quite reliable since the criterion common to both is that there must have been some satisfaction to the client. It is possible that some local groups were more exacting than others in deciding whether unlawful discrimination had been established. Classification C is open to interpretation. Some groups were more strict than others in deciding that discrimination is probable in situations when the complainant declined to pursue the matter.



<sup>9</sup> The five groups for which the cost allocation data were assembled reported an average investment of \$47,776 in the activity. An average of \$30,731 was for Demonstration Project permitted activities, of which \$13,731 were demonstration funds. "Demonstration Project permitted" activity would have included planning and design, testing, analysis, preparing reports, and referral of the results to HUD and the project manager. The \$13,731 figure suggests that 33 percent of the demonstration funds allocated to the local groups over the two year period were invested in the studies.

Table 1  
 HUD/NCMI FAIR HOUSING DEMONSTRATION PROJECT  
 CUMULATIVE SUMMARY OF COMPLAINT ACTIVITY  
 For 8 Quarters: January 1, 1980 thru December 31, 1981

	E/I BOSTON	OHC, NEW YORK	FHC, BER- GEN COUNTY	HOME, RICHMOND	FHS, ATLANTA	FHC, DETROIT	LCMOC, CHICAGO	GDHOC, DALLAS	TOTALS	AVERAGES
<b>A: Grievances</b>	149	709	2,252	324	193	513	334	996	5,470	684
<b>B-1: Active File 1/1/80</b>	0	20	16	6	2	7	0	0	51	6
<b>2: New Complaints Recorded</b>	39	224	267	126	99	314	316	109	1,494	187
<b>3: Documentation Completed</b>	29	193	233	-	75	260	-	72		109
<b>4: Closed</b>	16	217	248	103	61	216	234	84	1,179	147
<b>5: Active File as of</b>	23	27	35	29	40	105	82	25	366	46
<b>C-1: Referred to HUD</b>	22	114	148	94	70	63	163	60	734	92
<b>3: Closed by HUD</b>	6	34	47	64	27	5	98	44	325	41
<b>5: Disposition Not Reported</b>	16	80	101	30	43	58	65	16	409	51
<b>F : Respondent Units Tested</b>	31	126	133	72	95	242	124	80	903	113
Requested by HUD or States	18	21	5	-	11	9	22	36	122	15
Site Visits	80	187	194	170	202	576	140	121	1,670	209
<b>G : Inquiries by HUD</b>	11	8	5	13	6	-	51	33	127	16

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Table II  
 HUD/NCDH FAIR HOUSING DEMONSTRATION PROJECT  
 CUMULATIVE SUMMARY OF CLASSIFICATION OF COMPLAINTS CLOSED  
 FOR 8 Quarter(s): January 1, 1980 thru December 31, 1981

LOCAL GROUP	E/I, BOSTON	ONC, NEW YORK	FHC, BER- GEN COUNTY	HOPE, RICHMOND	FHS, ATLANTA	FHC, DETROIT	LCMOC, CHICAGO	GDHOC, DALLAS	TOTALS	AVERAGES
TOTAL COMPLAINTS CLOSED	16	217	248	103	61	216	234	84	1,179	147
A: Unlawful disc. established; complaints resolved thru adjudication, consent de- cree, settlement, or concilia- tion	5	40	34	24	9	21	53	6	192	24
D: Unlawful disc. probable - complaints resolved by offer of accommodation or other form of restitution from respon.	1	13	22	16	2	22	25	9	110	14
C: Unlawful disc. probable but complaints closed because com- plainants did not pursue or evidence insufficient	0	68	95	31	14	61	105	20	394	49
D: Inconclusive - allegations irrelevant to Title VIII or be- cause of too little substance	1	61	54	21	0	109	39	24	309	39
E: Unlawful disc. clearly not indicated	5	22	19	7	11	0	8	20	92	11
F: Reported closed by HUD or State Agency without information as to disposition	4	4	11	1	1	2	0	0	23	3
G: Closed by LG after referral to HUD or State Agency with no in- formation as to status	0	0	1	0	7	1	0	0	9	1
H: Other	0	9	12	3	17	0	4	5	50	6

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TABLE III  
COMPLAINTS CLOSED BY CLASSIFICATION

<u>CLASSIFICATION</u>	<u>NUMBER</u>	<u>PERCENT</u>
TOTAL COMPLAINTS CLOSED	1,179	100
A: Unlawful discrimination established; complaints resolved through adjudication, consent decree, settlement, or conciliation	192	16
B: Unlawful discrimination probable -- complaints resolved by offer of accommodation or other form of restitution from respondent	110	9
C: Unlawful discrimination probable but complaints closed because complainants did not pursue or evidence insufficient	394	34
D: Inconclusive -- allegations irrelevant to Title VIII or because of too little substance	309	26
E: Unlawful discrimination clearly not indicated	92	8
F: Reported closed by HUD or State Agency without information as to disposition	23	2
G: Closed by LG after referral to HUD or State Agency with no information as to status	9	1
H: Other	50	4

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TABLE IV  
COMPLAINTS CLOSED  
BY COMBINATION OF CLASSIFICATIONS

	<u>A + B</u>	<u>A + B + C</u>	<u>D, E, F, G, H,</u>
	Percent	Percent	Percent
Boston	37	37	62
New York	24	56	44
Bergen County	23	61	39
Richmond	39	70	30
Atlanta	18	41	59
Detroit	20	48	52
Chicago	33	78	22
Dallas	15	42	58

TABLE V

TITLE VIII COMPLAINTS IN NINE DEMONSTRATION AREAS  
NUMBER OF COMPLAINTS DOCKETED AND CLOSED BY HUD  
1978 - 1982

HUD	Metro	RECEIPTS						CLOSURES					
		1978-79			1980-81			1978-79			1980-81		
Region	Area	78	79	Total	80	81	Total	78	79	Total	80	81	Total
I	Boston	33	49	82	91	145	236	40	42	82	61	113	174
II	New York	49	58	107	113	264	377	72	58	130	98	147	245
	No. New Jersey	3	9	12	25	26	51	3	9	12	17	22	39
	Reg. II Totals	52	67	119	138	290	428	75	67	142	115	169	284
III	Richmond	10	12	22	118	123	241	13	13	26	81	88	169
IV	Atlanta	49	39	88	57	68	125	51	36	87	56	71	127
V	Detroit	16	13	29	23	115	138	20	9	29	17	59	76
	Chicago	114	120	234	157	364	521	161	105	266	152	203	355
	Reg. V Totals	130	133	263	180	479	659	181	114	295	169	262	431
VI	Dallas	153	193	346	190	146	336	155	182	337	184	167	351
IX	Los Angeles	142	176	318	189	194	383	159	169	328	193	169	362
<b>Totals 9 Metro Areas</b>		<b>569</b>	<b>669</b>	<b>1,238</b>	<b>963</b>	<b>1,445</b>	<b>2,408</b>	<b>674</b>	<b>623</b>	<b>1,297</b>	<b>859</b>	<b>1,039</b>	<b>1,898</b>
<b>National Totals</b>													
Ten Regions				5,916		7,300				6,780		6,459	
Six Regions				4,020		5,325				4,642		4,623	

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TABLE VI

TITLE VIII COMPLAINTS IN NINE DEMONSTRATION AREAS

Increases and Decreases in Numbers of Complaints Docketed  
by HUD 1980-81 Compared With 1978-79

HUD Region	Metro Area	Complaints Docketed		Difference		Referrals From Local Groups <sup>1</sup>	
		78-79	80-81	Number	%	Number	%
I	Boston	82	236	154	187	22	14
II	New York	107	377	270	252	114	42
	No. New Jersey	12	51	39	325	148	379
	Reg. Total	119	428	309	260	262	85
III	Richmond	22	241	219	995	94	43
IV	Atlanta	88	125	37	42	70	189
V	Detroit	29	138	109	376	63	58
	Chicago	234	521	287	127	163	128
	Reg. Total	263	659	396	150	226	57
VI	Dallas	346	336	-10	-2	60	
	Total 8 Metro Areas	920	2,025	1,105	120	734	66
IX	Los Angeles	318	383	65	20		
	Total 9 Metro Areas	1,238	2,508	1,170	95		
Nationwide Totals:							
	6 Regions <sup>2</sup>	4,020	5,325	1,305	32	734	56
	10 Regions	5,916	7,300	1,384	23	734	53

<sup>1</sup> The percentage figures in this column indicate the proportion of the increase in complaints filed with HUD in the respective metropolitan areas that might be attributable to referrals from the local groups. This is hypothetical only.

<sup>2</sup> Regions I through VI in which the eight local groups exclusive of Los Angeles were operative.

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TABLE VII  
FAIR HOUSING STUDIES  
COMPLETED BY NINE LOCAL GROUPS

	<u>Studies</u>	<u>Number of:</u> <u>Firms</u>	<u>Tests</u>
<u>All Groups</u>	31	608	1192
<u>Local Groups</u>			
Education/Instruccion Boston	2	33	106
Open Housing Center New York	5	62	175
Fair Housing Council Bergen County	3	32	54
H.O.M.E. Richmond	5	89	238
Metro Fair Housing Atlanta	1	2	27
Fair Housing Council Detroit	3	13	95
Leadership Council Chicago	6	206	259
GDHOC Dallas	2	133	160
Fair Housing Congress Los Angeles	2	38	78



APPENDIX B

THE FAIR HOUSING STUDIES

Brief Summaries

OPEN HOUSING CENTER, NEW YORK CITY (OHC)

OHC conducted seven fair housing studies. Five were related to rental housing and covered 55 firms which, taken collectively, managed at least 226 rental complexes and also acted as rental brokers for an unknown number of others. The remaining two studies related to sales housing and covered six brokers and one neighborhood association that acted in the role of a broker. There were a total of 175 tests.

While all seven studies provided at least some evidence of unlawful discrimination, OHC concluded that the testing in four of the studies had not been in sufficient depth to support legal action. A report of each study was transmitted to the HUD Regional Office. HUD reported that it had completed a conciliation with respondents involved in one of the studies but provided no details. No other HUD action was reported.

Three of the studies are briefly summarized as follows:

Study III - A Major Rental Property Owner

OHC focused one fair housing study on the activities of a major rental property firm which owns and operates at least 100 rental complexes. Their firm was the subject of a consent order obtained by the Department of Justice in 1971. (Order dissolved in 1973.) OHC wished to monitor current practices. Of the 11 tests, 2 were inconclusive and 2 indicated steering but referrals were not denied. Seven tests clearly indicated discrimination.

The results were referred to HUD. HUD indicated readiness to take action if one or more bona fide complainants could be found. At a later date HUD indicated readiness to proceed with or without complaints. OHC elected not to take action.

#### Study V - A Neighborhood Association

OHC also investigated a volunteer neighborhood group that was taking listings of houses for sale and apartments for rent and referring applicants. There were reports of racial screening. Two of three tests provided clear indication of a discriminatory referral system. The information was referred to the New York State Attorney General. Papers for a court suit were prepared but negotiations for settlement resulted in an "Assurance of Discontinuance" under which the association agreed to discontinue its referral activities.

#### Study VII - Queens Brokers

Much of the process of renting housing in the New York area, especially of those properties that are relatively small, is handled by rental agents. OHC had reason to believe that many agents serve as "screens" for owners wishing to exclude certain minorities. OHC first "scouted" 12 such agents and then proceeded to test 6. Testing of two of these proved inconclusive. Tests on the other four produced clear evidence of unlawful discrimination. The results have been reported to HUD but there is no reported information of HUD action. However, OHC has arranged for the pro bono services of a private law firm to bring a class action suit against the four agents.

FAIR HOUSING COUNCIL, BERGEN COUNTY, N.J. (FHC)

The first two studies conducted by FHC were too broadly targeted and of insufficient depth to produce conclusive evidence of discrimination. The third study, which was of higher quality, is briefly summarized.

Study III - Real Estate Agencies, City of Clifton, Passaic County

Ten real estate firms, all functioning as brokers and some also acting as rental agents, were selected for testing. Three of the smaller firms were tested once, one was tested twice, and six were tested three times. There were a total of 23 tests. All 10 firms were found to be discriminating in at least 1 test. In fact, 21, or 91 percent, of the 23 tests indicated differential treatment.

FHC referred the study findings to the HUD Region II Office and on February 3, 1982, filed a complaint with HUD against the six firms that were tested at least three times each. The HUD Region II Office undertook conciliation proceedings with five of the six brokers and obtained an affirmative marketing agreement with each. Under the agreements, the five brokers arranged to have their staff participate in training sessions in fair housing marketing procedures which were jointly conducted by FHC and the HUD regional staff.

A report from FHC states that the "sessions began with considerable hostility on both sides but were concluded on a cordial note." A later report indicated, however, that the firms "were not living up to their agreement."

HOUSING OPPORTUNITIES MADE EQUAL, RICHMOND, VIRGINIA (H.O.M.E.)

H.O.M.E. completed 5 separate studies covering 89 firms with a total of 238 tests. Three of the studies focused on groups of firms that had been (1) respondent in complaints previously filed with either the Virginia Real Estate Commission (VREC) or HUD or both, (2) the subject of an earlier series of tests, and (3) the subject of a steering survey conducted in 1978. While each of the three studies produced some evidence of unlawful discrimination, the principal indications were that all of the firms had substantially improved their practices. It was decided, therefore, that formal action would not be appropriate.

The two remaining studies are summarized as follows:

Study 1. Eight firms that had been respondents in prior litigation by individuals, H.O.M.E., or the Department of Justice were selected for testing. There were 39 tests. The number of tests per firm ranged from 1 to 13. While seven of the eight firms exhibited some degree of difference in treatment, there was sufficient evidence to justify action on only five. One of the five replaced its manager and changed its policies shortly after the tests were completed so no action was instituted. H.O.M.E. filed complaints against the remaining four with both the VREC and HUD. Conciliation agreements were signed by three.

Study 2. This study was focused on 12 firms that had been named in complaints in which either the complainant did not pursue or the evidence was insufficient to justify pursuit. A total of 52 tests

were conducted, with the number of tests per firm ranging from 1 to 10. Differential treatment was indicated by 10 of the 12 firms in 24 of the 52 tests. One firm demonstrated differential treatment in five of six tests. No action was taken against three firms. Complaints were filed by H.O.M.E. with HUD and VREC against seven. Complaints were brought by individuals against two firms. Four complaints resulted in conciliation agreements, one was dismissed (no probable cause), and probable cause was found in two.

METRO FAIR HOUSING SERVICES, ATLANTA (MFHS)

In 1981, MFHS conducted a series of tests on two large rental property management firms. Tests on one firm were inconclusive. Tests on the other firm provided conclusive evidence of unlawful discrimination. Test results were forwarded to both the HUD Regional Office and the Department of Justice. No action was taken by either agency within the statutorily required 180 days. MFHS initiated additional testing on the same firm in 1982 and again in 1983, completing 79 tests altogether. In a followup report, the MFHS wrote the following:

On February 9, we filed against four of the apartments in the management complex. We decided with HUD to file against only four for their Title VIII Systemic unit. They will do their investigation, and then we will file in federal court as well. We are getting beautiful cooperation from HUD now. Several of our black testers are filing as well.

One of the things we feel so concerned about in this case, is that the discrimination is, for the most part, not blatant -- it is very subtle and very effective. In almost every instance, the apartment managers were very polite and nice to the black testers, showed them units, but gave higher deposit fees, higher rental rates, later availability dates, etc. Very consistent.

In fact, in several instances, some of HUD's Systemic unit people had difficulty seeing the discrimination -- saying such stuff as "The apartment manager really went out of her way, got in her car, and showed the black tester a unit at the other end of the complex." But the black would never have known, without the white tester's results, that she had been given a much later availability date.

LEADERSHIP COUNCIL FOR METROPOLITAN OPEN COMMUNITIES, CHICAGO (LCMOC)

LCMOC completed six studies, all related to rental properties. Studies I and VI were focused on large rental complexes of 200 units or more located in suburban areas. Study I consisted of 37 tests on 37 large rental complexes located in 3 communities. Differential treatment was noted in 18 of the 37 tests. Study VI consisted of 30 tests on 21 large rental complexes all under single ownership. Differential treatment was indicated at only six sites. The testing for this study was not completed until December 31, 1981.

Studies II, III, IV, and V were all quite similar in nature. Specific, predominantly white, older neighborhoods, most of which were contiguous to neighborhoods that are predominantly black, with a high proportion of the residential properties consisting of moderate size apartment buildings (6 to 50 units) were selected. Much of this property is either managed by owners who live on the premises or have a resident manager. Much of the renting is done informally with a minimum of advertising. Notice of availability is often by word of mouth. This system provides a protective screen for landlords who discriminate and makes testing difficult.

In these 4 studies, 156 sites were tested with a total of 201 tests. Discrimination was indicated in 157, or 78 percent, of the tests. Since the tests were widely and thinly spread, the results did not justify bringing action against particular respondents on the basis of the test results alone. To the extent that bona fide complainants could be found, complaints were filed on six of the tests.

#### GREATER DALLAS HOUSING OPPORTUNITIES CENTER (GDHOC)

GDHOC partially completed one fair housing study that conformed more or less to the objectives and specifications for the studies under the demonstration. A second study was structured as a research project. While the latter meets high professional standards as a research undertaking, it did not achieve what was intended under the demonstration.

#### Study 1 - Apartment Selector Agencies

GDHOC had received information that apartment selector agencies (firms specializing in serving apartment seekers by obtaining listings of available units and charging clients a fee for referrals) were acting as screening and steering mechanisms whereby minority apartment seekers were diverted away from the racially and ethnically exclusive properties and steered toward accommodations in the areas of racial and ethnic concentration.

Eleven tests were conducted on eight different offices. One test was voided. Two indicated equal treatment. Two firms that showed differential treatment on the first test were tested a second time. Altogether, five of the firms provided unequal services to the minority tester (either black or Hispanic) in seven different tests.

GDHOC considered the study as a trial and referred the preliminary findings to the HUD Regional Office. The report indicates that GDHOC expected instruction from the Regional Office as to whether further testing should be done. There was little or no followup from the Regional Offices as of the date of this report.

#### Study 2 - Housing Discrimination Against Mexican-Americans

The objective of this study was to measure the degree of discrimination accorded darker skinned persons with Hispanic names vis-a-vis either lighter skinned Hispanics or whites with Anglo names. A total of 149 tests were conducted. Approximately 125 complexes were tested once each, and 25 were tested more than once. Differential treatment was accorded in 57 percent of the tests. Clear evidence of discrimination was indicated in 33 percent of the tests. This study was, however, spread at shallow depth over too large a universe to support legal action. The results were forwarded to the HUD Regional Office. No action or followup was reported.



FAIR HOUSING CONGRESS, LOS ANGELES

Study 1 - Model Home Parks

The Fair Housing Council of the San Fernando Valley conducted a study of mobile home parks in the Valley. Thirty-seven were selected from a universe of 60. There were 51 tests; 29 parks were tested once each and 8 tested from 2 to 6 times each. The results indicate that there is almost universal exclusion of families with children and couples of childbearing age. Discrimination against black testers was clearly indicated by only one park. Some differences were indicated in several other tests but denial of availability was not evident. Observation of the parks strongly suggested that the occupancy patterns were exclusively white or nearly so. The study results should be interpreted as inconclusive rather than as evidence that the parks generally do not discriminate. More intensive, perhaps specially designed testing would be necessary before firm conclusions could be drawn.

The Fair Housing Council referred the results of the study to the California Department of Fair Employment and Housing.

Study 2 - Property Management Firm

The Civil Rights Division of the Department of Justice, when informed of the fair housing study plans under the demonstration, requested that a study be made of the rental practices of a property management firm known to be managing at least 15 large rental complexes in the Long Beach, Orange County, and West San Gabriel Valley areas. This firm was subject to a consent order obtained by the Department of Justice at an earlier date.

The Fair Housing Foundation of Long Beach assumed responsibility for the study. Tests were attempted at 14 complexes but were completed at only 13. There were a total of 41 tests. Each complex was tested at least twice, and four were tested from four to seven times each.

The study was not, however, expertly conducted. In many instances, the black and white testers conducted their site visits on different days, in some instances as much as 3 days apart.

The test results as reported lead to the following tentative conclusions:

- o Five of the 14 complexes responded in a clearly discriminatory manner.
- o Three appeared to treat the testers equally.
- o The tests on the remaining six were either inconclusive or incomplete.



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