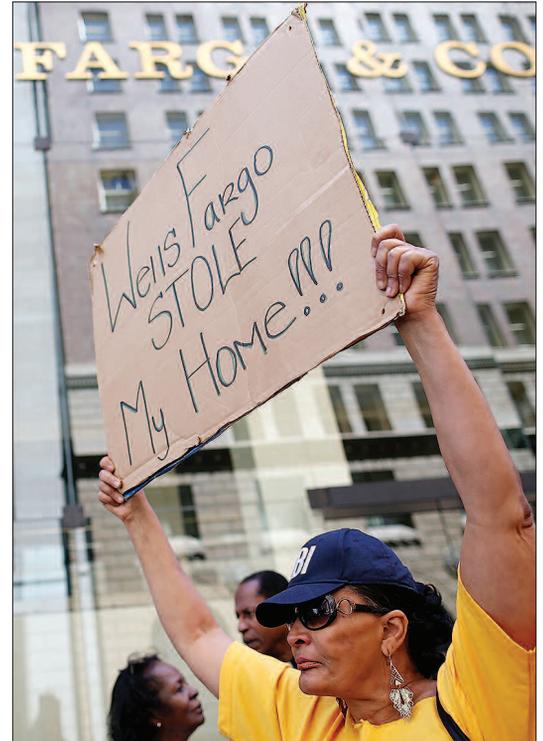


## Housing Discrimination

*Should government do more to reduce residential segregation?*

**A**lmost 50 years after enactment of the Fair Housing Act, racial segregation in housing persists in the United States, in large cities and suburbs alike. Fair-housing advocacy groups blame the federal government for lax enforcement of the law and state and local housing agencies for limited efforts to disperse affordable housing into predominantly white neighborhoods. They also cite federal studies and court cases that show continuing discrimination against African-Americans, in particular by mortgage bankers, landlords and real estate brokers. The Supreme Court cheered fair-housing advocates with a decision in June endorsing broad application of the law against policies that have a “disparate impact” on minorities. The Department of Housing and Urban Development (HUD) followed with a rule aimed at requiring communities to do more to advance fair-housing policies, but local resistance may slow those efforts. Meanwhile, complaints of housing discrimination against individuals with disabilities now account for a majority of the cases HUD receives each year.



*Demonstrators protest Wells Fargo's mortgage lending practices at its headquarters in San Francisco on April 23, 2013. The previous year the bank agreed to pay \$175 million to settle charges that its practices were discriminatory. Many experts say minority communities were flooded with subprime loans during the housing bubble and were hit hardest by foreclosures when the bubble burst.*

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**EXECUTIVE EDITOR:** Thomas J. Billitteri  
tjb@sagepub.com

**ASSISTANT MANAGING EDITORS:** Maryann Haggerty, maryann.haggerty@sagepub.com, Kathy Koch, kathy.koch@sagepub.com, Chuck McCutcheon, chuck.mccutcheon@sagepub.com, Scott Rohrer, scott.rohrer@sagepub.com

**SENIOR CONTRIBUTING EDITOR:**  
Thomas J. Colin  
tom.colin@sagepub.com

**CONTRIBUTING WRITERS:** Brian Beary, Marcia Clemmitt, Sarah Glazer, Kenneth Jost, Reed Karaim, Peter Katel, Barbara Mantel, Tom Price, Jennifer Weeks

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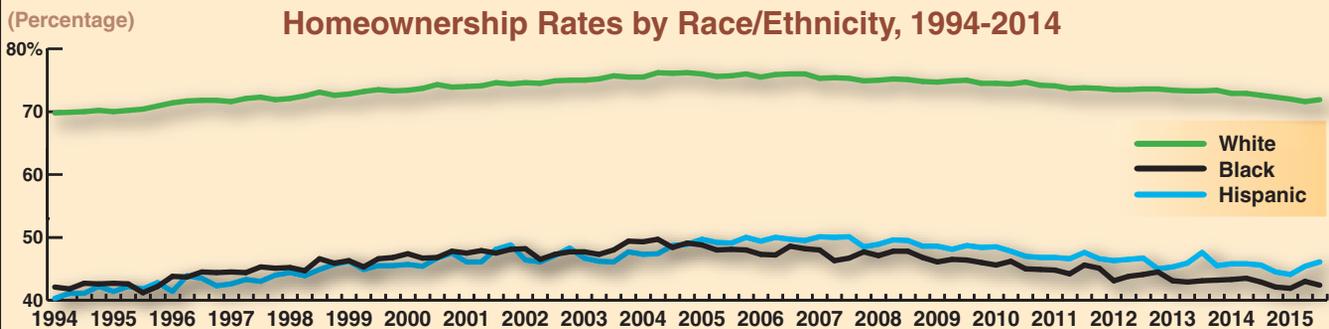
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## Homeownership Highest for Whites

Seventy-two percent of non-Hispanic white Americans own homes, compared with 46 percent of Hispanics and 43 percent of African-Americans. The gap between white and Hispanic homeownership rates narrowed over the past two decades, while the gap between whites and blacks widened. Ownership rates have fallen more for both minority groups than for whites since the beginning of the 2007-09 recession.



Source: Graphic from "Where You Live Matters: 2015 Fair Housing Trends Report," National Fair Housing Alliance, April 30, 2015, p. 9, <http://tinyurl.com/neuq462>; data downloaded from "Housing Vacancies and Homeownership" Historical Tables, Table 16, U.S. Census Bureau, <http://tinyurl.com/kxxz82g>

In a report issued in 2008 on the 40th anniversary of the law, a bipartisan commission convened by four major civil rights groups described HUD's enforcement efforts as "failing." The seven-member commission was co-chaired by two former HUD secretaries: Republican Jack Kemp and Democrat Henry Cisneros.<sup>4</sup>

In the Baltimore case, U.S. District Judge Marvin Garbis found HUD guilty of consigning the poor to the inner city instead of dispersing public housing throughout the region. "It is high time that HUD live up to its statutory mandate to consider the effect of its policies on the racial and socio-economic composition of the surrounding area," Garbis wrote in a stinging decision.<sup>5</sup>

Fair-housing advocates blame the private sector as well for the lagging progress in combating residential segregation. "We still have barriers in the real estate market," says Lisa Rice, executive vice president of the National Fair Housing Alliance (NFHA), a consortium of fair-housing groups. "We still have barriers in the lending market. We have barriers in the rental market."

Rice says housing authorities have mixed records in promoting racial integration. "Some housing authorities have not done what they should, and some are doing exactly what they should," she says. The "mosaic of housing authorities" in most cities also prevents breaking up urban segregation and diversification in the suburbs, according to Jacob Vigdor, a professor of public policy and governance at the University of Washington in Seattle.

In the pre-civil rights era, the real estate industry openly blocked African-Americans from moving into predominantly white neighborhoods either as homeowners or renters. The federal government created a program in 1934 to promote homeownership by insuring home mortgages, thus lowering interest rates on the loans. But the program effectively blocked use of the loans in African-American neighborhoods by "redlining" those areas — designating them on maps in red as credit-unworthy. White Americans used those loans after World War II to create suburbs, which then adopted restrictive zoning laws that still effectively operate to make

many homes unaffordable for lower-income black families.

On the positive side, residential segregation has been declining since fair housing became law nationwide. The number of metropolitan areas categorized by one of the leading experts as either highly or, in his terminology, "hypersegregated" has declined from 40 in 1970 to 21 in 2010. Still, Douglas Massey, a professor of sociology at Princeton University, says one-third of all African-American city dwellers were living in highly or hypersegregated neighborhoods as of 2010.<sup>6</sup> (See sidebar, p. 948.)

Despite the decline, "Many of our metro areas remain largely segregated," says Bryan Greene, a 25-year HUD veteran now serving as deputy assistant secretary for fair housing and equal opportunity.

Recent HUD enforcement actions indicate that tenants and homebuyers still encounter discrimination. HUD won settlements with housing authorities in Medina, Ohio, over alleged discrimination in administering the Section 8 voucher program and in Hazelton, Pa., over restrictive terms on would-be Hispanic

tenants. The Wisconsin-based Associated Bank agreed in May to provide minority customers \$200 million in mortgage loans to settle charges of redlining.<sup>7</sup>

Massey and others link the recent explosive clashes with police in Baltimore and Ferguson, Mo., to the isolation of African-Americans in cities. The riots and protests “have occurred in racially segregated, high-poverty neighborhoods,” writes Paul Jargowsky, a professor of public policy at Rutgers University in Camden, N.J.<sup>8</sup>

The decline in segregation has coincided with a shift in public housing policies away from construction of large, publicly owned “projects.” Instead, the government began providing the Section 8 subsidies for private rentals for the poor and tax credits to encourage developers to build affordable housing. The low-income housing tax credits (LIHTCs, pronounced lie-techs) required developers to build a certain percentage of units for low-income tenants, with rents no more than 30 percent of the area’s median income.

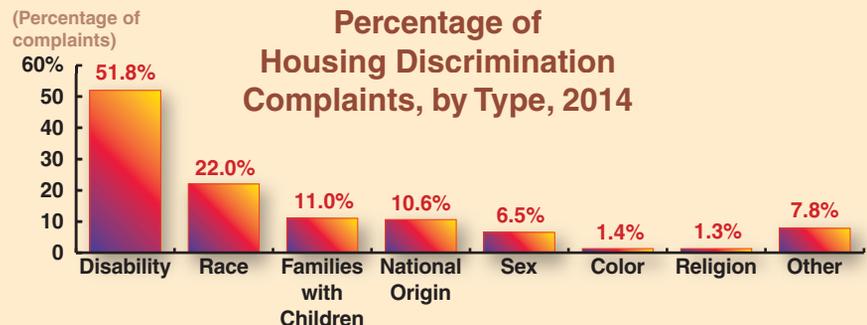
Judge Garbis faulted HUD and the Baltimore housing authority for concentrating subsidized units in the inner city, even as the old-style projects in minority neighborhoods were being demolished.

In a case that reached the Supreme Court this year, fair-housing advocates in Dallas similarly challenged the Texas state housing agency for awarding tax credits primarily to developers who built in predominantly minority neighborhoods. The issue in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.* was whether to apply the Fair Housing Act not only to intentional discrimination but also to government policies that adversely affect minorities — so-called disparate impact.<sup>9</sup>

The justices appeared to have a strong interest in re-examining lower court decisions that had adopted the broader disparate-impact view of dis-

## Disability Complaints Most Common

*Allegations of discrimination against people with disabilities represented more than half of complaints filed in 2014 with local, state and federal housing agencies, private fair-housing groups or the U.S. Department of Justice. Complaints alleging racial discrimination accounted for about 20 percent of the total.*



\* Percentages add to more than 100 because some complaints involve multiple categories.

Source: “Where You Live Matters: 2015 Fair Housing Trends Report,” National Fair Housing Alliance, April 30, 2015, p. 21, <http://tinyurl.com/neuq462>

crimination under the housing law. Twice the court had accepted cases posing the issue, in 2011 and 2012, but the cases settled instead. Fair-housing advocates were pleased in June when the court issued a 5-4 decision reaffirming the broader view of the law.

“Recognition of disparate-impact claims is consistent with the FHA’s central purpose,” Justice Anthony M. Kennedy wrote in the June 25 decision joined by the court’s four liberal members. “It permits plaintiffs to counteract unconscious prejudices and disguised animus that escape easy classification as disparate treatment [intentional discrimination].”<sup>10</sup>

Just two weeks later, on July 8, HUD issued a long-awaited rule requiring state and local housing agencies to “affirmatively further” the fair-housing law’s goals of banning housing discrimination and promoting housing desegregation. HUD Secretary Julián Castro called the rule “the most serious effort” ever to require communities to reduce housing segregation.<sup>11</sup>

As HUD implements the new regulation, the National Association of Housing and Redevelopment Officials (NAHRO), which opposed the rule, continues to criticize it. The Republican-controlled House of Representatives voted on June 9 to block implementation of the rule on grounds that it would threaten local control of housing issues. (See “At Issue,” p. 953.)

Fair-housing advocates applaud the rule but continue to fault HUD for what they see as its lagging enforcement of the law. Federal programs are “perpetuating this long pattern of segregation,” Tegeler says. HUD relies on state and local housing authorities and private fair-housing groups to bring most individual cases. Interestingly, just over 50 percent of complaints received in 2014 involved possible discrimination against persons with disabilities — coverage added to the law in 1988. (See sidebar, p. 950.)

With racial issues in U.S. cities still roiling, here are some of the fair-housing questions being debated:

### *Are current government policies contributing to residential segregation?*

Texas' Department of Housing and Community Affairs is responsible for approving applications from builders for the federal tax credits for building low-income housing. Over the 10-year period from 1999 to 2008, 92 percent of the tax-credit units built in the Dallas area were in mostly nonwhite neighborhoods. The state agency, applying a complex formula, approved just under half of the applications to build in areas with 90 percent minority populations but only 37 percent of the applications in areas with 90 percent or more white population.

U.S. District Judge Sidney Fitzwater made those findings as part of his March 2012 ruling that the state agency had failed to justify the concentration of housing built with tax credits in minority neighborhoods. The Supreme Court's decision in the case left those findings in place but sent the case back to Fitzwater for further proceedings.<sup>12</sup>

Demetria McCain, executive vice president of the Inclusive Communities Project (ICP), the plaintiff in the case, says the state used the tax credits "not only to recreate racial segregation but to make it worse. It will be a long time before there's even a modicum of units in white areas," she says.

Tegeler, with the poverty research group, says the Texas pattern can be found nationwide. "The vast majority of housing programs are steering housing to minority neighborhoods," he says.

In defending its policies, the Texas agency noted that federal law requires housing agencies to give a preference to tax-credit applicants proposing to build in low-income areas. The state said it was neutrally applying a set of factors in acting on applications for the tax credits, including a state provision that a project's financial viability was to be the major criterion. In his ruling, however, Fitzwater ordered the state to give additional points for pro-

jects in areas with good schools and to disqualify projects proposed in high-crime areas or near landfills.

Commenting after the Supreme Court decision, a lawyer with the Washington Legal Foundation, a conservative public-interest law firm that backed Texas in the case, continued to defend concentrating affordable housing in low-income neighborhoods. Cory Andrews, a senior legal counsel at the foundation, argued that it makes sense to allocate tax credits to lower- instead of higher-income communities — "where, presumably, fewer low-income minorities will stand to benefit. If the goal is to provide affordable housing to people," Andrews explains, "you would presumably provide it in places where those people live."<sup>13</sup>

In its comment after the ruling, the National Association of Housing and Redevelopment Officials emphasized portions of Kennedy's majority opinion upholding housing authorities' discretion in policy priorities. "Disparate-impact theory does not override the permissibility of basing decisions on market factors, issues that contribute to quality of life, or other legitimate business interests," NAHRO said in a written statement.

Housing advocates and experts across the ideological spectrum join in condemning the federal policies that cut African-Americans out of federally subsidized home loans in the 1930s and during the critical post-World War II years. In a recent appearance on NPR's "The Diane Rehm Show," Richard Rothstein, a research associate with the liberal Economic Policy Institute, noted that the Federal Housing Administration insured loans for homebuyers "on the explicit condition" that no loans be approved for African-Americans. On the same program, Edward Pinto, a housing expert with the conservative American Enterprise Institute (AEI), called the policies of that era "abhorrent."<sup>14</sup>

Even after passage of the Fair Housing Act, the federal government failed to develop policies to affirmatively promote

desegregation, according to Rutgers professor Jargowski. "They could have required every new suburban community to have some element of affordable housing," Jargowski says. "We could have desegregated as we suburbanized. That's not what happened."

HUD now has a critical role to play in getting state and local housing authorities to break down segregated housing patterns, according to Fred Underwood, director of diversity at the National Association of Realtors. "The proof is going to be in how HUD and the local communities handle it," says Underwood, who previously worked on fair-housing enforcement for HUD and a private civil rights group. The test, he says, is whether policies "really do focus on a more holistic approach. It's not simply enforcing the law."

HUD official Greene says the department's new rule is intended to help housing authorities comply with the law. "Communities need for HUD to inform them what is necessary to meet these requirements," he says. In explaining the rule, however, HUD Secretary Julián Castro said that cutting off funds to agencies that fail to comply would be a "last resort."<sup>15</sup>

Rice, of the National Fair Housing Alliance, says her organization is working with local agencies to develop policies to promote integration. "We are making progress," Rice says. "The government is moving in the right direction." But institutional inertia and lack of funds hamper progress at the local level, she says.

"You're trying to change the way that these agencies do business," Rice says. "That's a heavy lift. That heavy lift becomes even heavier if those agencies don't have the funding to implement them."

### *Are current real estate and lending practices contributing to residential segregation?*

New Jersey's largest savings bank agreed in September to pay \$32.5 million

to settle federal charges that it violated the Fair Housing Act by concentrating branches and mortgage loans in white neighborhoods while avoiding predominantly black and Hispanic areas.

“Redlining is not a vestige of the past,” Vanita Gupta, head of the Justice Department’s Civil Rights Division, told reporters in announcing the action against Hudson City Savings Bank.<sup>16</sup>

Rice, with the fair-housing alliance, is especially critical of what she sees as continued redlining of minority communities by mainstream lenders. “There’s never been a time in U.S. history when the mainstream credit market has been the primary provider of credit for certain communities of color,” she says.

“Redlining was very much practiced as official policy,” HUD official Greene says. “Those kinds of practices don’t go away overnight.”

Minorities also continue to face discrimination at the hands of real estate brokers who screen racial and ethnic minorities from buying or renting in non-minority areas, according to a HUD-commissioned study released in 2013. Researchers from the Washington-based Urban Institute, a nonpartisan research organization, found that racial and ethnic minorities continue to face “subtle forms of housing denial” by real estate brokers and apartment owners, even though “blatant” acts of racial discrimination are declining.

“Discrimination still persists,” HUD’s then-secretary, Shaun Donovan, told reporters in releasing the study in mid-June.<sup>17</sup>

Minority communities also “got flooded with subprime loans” offered by so-called predatory lenders during the housing bubble and subsequent financial crisis of 2007-09, according to Gregory Squires, a professor of sociology and public policy at George Washington University in Washington, D.C. “And minority communities were hardest hit by foreclosures when the housing bubble burst.”

In response, Pete Mills, a senior vice president with the Mortgage Bankers

Association, says the industry has taken “dramatic steps . . . in strengthening its fair-lending performance,” and the government has “ample tools” to ensure compliance with nondiscriminatory lending laws. But Mills says credit-tightening rules adopted after the financial crisis now put lenders at risk of running afoul of HUD’s disparate-impact rule.

The regulations require lenders to

in June 2014 to pay \$25,000 in damages to settle charges that it referred the white testers posing as customers to a “safe” neighborhood while the supposed customers who were black were shown properties in a less desirable, high-crime area.

To conduct such testing, HUD contracts with private groups such as the National Fair Housing Alliance (NFHA),



AP Photo/Carlos Osorio

*A joyous Sallie Sanders stands in front of her new home in Hamtramck, Mich., in March 2010, more than 50 years after her family was forced out of their rental home in the same suburban Detroit neighborhood. In 1971, a federal judge found that Hamtramck officials had used urban-renewal projects to raze black areas, displacing Sanders’ family and hundreds of others. After years of delays following the ruling, the city has built more than a hundred homes for the children and grandchildren of the displaced Hamtramck residents who initially sued the city.*

closely examine factors such as a borrower’s income and debt levels, which indicate an applicant’s ability to repay, Mills explains. “The unintended consequence, he says, “is that these factors are often correlated by race, ethnicity and some of the other prohibited factors.”

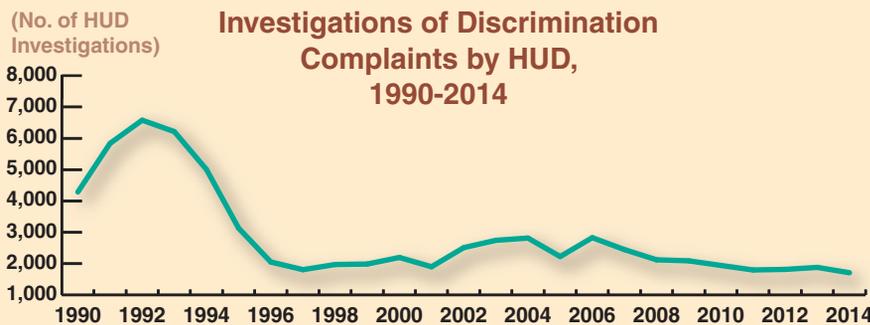
Real estate brokers often are caught up in small-scale HUD enforcement actions, many of them resulting from the use of black and white “testers” to uncover different treatment of would-be customers based on race. In one recent example, the Philadelphia real estate firm Brotman Enterprise agreed

which filed the complaint in the Brotman case. “Testing remains one of our most effective tools for exposing unlawful housing discrimination,” Greene said in a release announcing the settlement.<sup>18</sup>

The 2013 study was based on similar testing in 28 metropolitan areas. It found that African-Americans, Hispanics and Asians seeking apartments to rent were told about or shown fewer units than white testers. Among would-be homebuyers, African-Americans and Asians were shown fewer houses than whites, with no difference between Hispanics and whites.

## Federal Discrimination Investigations Decline

The Department of Housing and Urban Development (HUD) investigated 1,710 housing-discrimination complaints in 2014, roughly 20 percent of all those received. It was the fewest investigations since HUD was given additional enforcement authority under 1988 amendments to the Fair Housing Act. Investigations declined sharply from 1992 to 1997 as HUD increasingly referred complaints to state and local housing agencies for investigation.



Source: "Where You Live Matters: 2015 Fair Housing Trends Report," National Fair Housing Alliance, April 30, 2015, p. 27, <http://tinyurl.com/neuq462>; data for the total number of cases provided by HUD

Rice, the NFHA executive director, says discrimination by real estate agents is hard to detect. "It's discrimination with a smile," Rice says. "It's no one telling you that they're not going to service you because you're a person of color. It's discrimination that happens behind cloak and veil."

On the industry side, National Association of Realtors' official Underwood acknowledges that violations still occur and says violators should be punished. "There is a strong commitment to eliminating discrimination in the market," he says.

Underwood says, however, that the incidence of "bad actors" is decreasing. "The focus on one particular point of the transaction obviously will uncover problems as long as problems exist in our society," Underwood says. "The question is how impactful are those situations."

Rice acknowledges that the real estate industry is itself increasingly diversified and calls the Realtors' commitment to fair housing "genuine." But

she says fair-housing enforcement is difficult because victims may not recognize discrimination when it occurs or may simply move on to another broker without ever filing a complaint.

She agrees with HUD that using testers is an important tool, but complains that Congress does not provide enough funding for the purpose. "There is a funding problem," Rice says. "Congress doesn't want to appropriate the funds necessary to deal with this particular issue."

The Office of Fair Housing and Equal Opportunity budget for fiscal 2015 was \$63.2 million — down from a peak of \$71.3 million in 2011, according to a spokesman in the agency's press office.

### **Can local officials do more to reduce racial segregation in housing?**

Crystal Wade had hoped to use a federal housing voucher to move out of her run-down townhouse in Ferguson, the predominantly black St. Louis suburb roiled by police-citizen tensions over the past year, and into a better

neighborhood elsewhere in St. Louis County. But after looking all over the county this summer for a big enough place that was affordable and available to tenants paying with Section 8 vouchers, she came up mostly empty.

Wade, who lives with her boyfriend and three daughters, ended up with a house in somewhat better condition but in another racially segregated neighborhood with a higher crime rate, although one with fewer vacant lots. Boyfriend Bryant Gaston was philosophical about the move. "I can adapt, yeah," he told a *New York Times* reporter. "Because, to be honest, that's what all black people have to do." <sup>19</sup>

Many housing policy experts on both sides of the ideological fence are similarly downbeat about the short-term potential for desegregating U.S. cities. "Inserting subsidized housing into suburban neighborhoods is going to be a drop in the bucket," says Peter Salins, a professor of political science at Stony Brook University in New York and a senior fellow at the Manhattan Institute, a conservative think tank.

"Massive investments went into creating segregated housing," Sherilyn Ifill, president and director-counsel of the NAACP Legal Defense and Educational Fund, said on "The Diane Rehm Show." "You cannot undo the damage simply by no longer making those investments."

The Section 8 housing voucher program — now officially called the Housing Choice Voucher Program — has built-in limitations, with a long waiting list — 25,000 in the city of St. Louis — and a \$2,200-per-month rental cap, which limits options for finding housing in better neighborhoods. In addition, landlords are generally under no obligation to accept Section 8 tenants. The city of St. Louis has a law requiring landlords to accept Section 8 vouchers, but the county does not.

Some housing experts also suggest that many people in minority neighborhoods are reluctant to move from familiar surroundings into majority-white

neighborhoods. “While expanding choice has a lot of appeal,” University of Washington professor Vigdor explains, “it doesn’t necessarily mean they’re going to make different choices.”

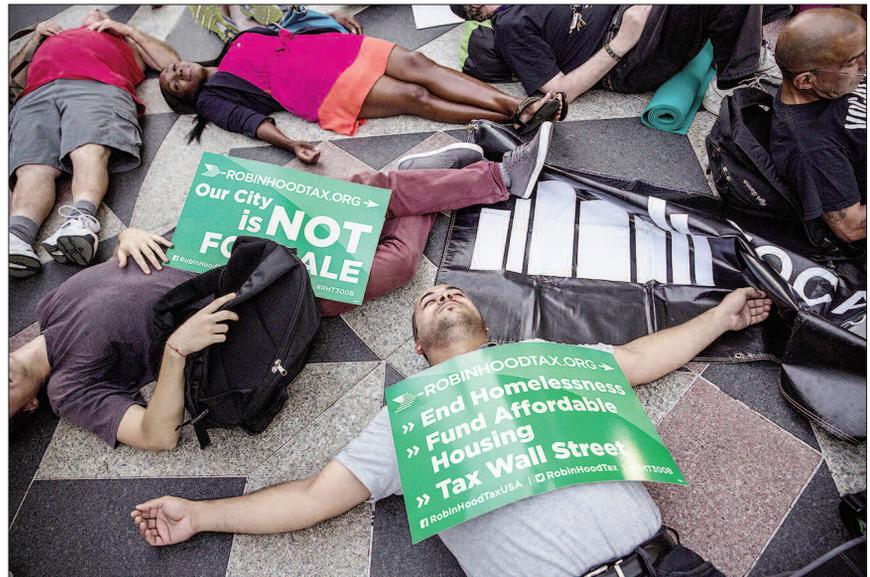
The researchers who studied the Baltimore program argue, however, that “intensive counseling” can overcome that reluctance. “Residential preferences can shift over time as a function of living in higher-opportunity neighborhoods,” they write.<sup>20</sup>

Political obstacles, including resistance from majority-white neighborhoods, may also limit the potential for desegregation. “If you allow this to be a purely local decision about where to put these projects,” Vigdor says, “there’s just going to be a natural gravitation toward neighborhoods that offer the least amount of resistance.”

Jargowsky, the Rutgers professor, says HUD itself has lacked the political will to force desegregation on communities. “They work so much with the housing authority, and the housing authority works with the developers,” he says. “Over time, many of the programs that were designed to make housing more dispersed, they ended up replicating the existing patterns.”

HUD official Greene concedes that the statutory command to “affirmatively further fair housing” is “probably the greatest unfinished business” at the department. “It’s a new rule but not a new requirement,” he explains, citing the language from the original 1968 law. “HUD had an obligation to affirmatively further fair housing, and by extension recipients of federal financial assistance from HUD had an obligation.” The new regulation, Greene says, “is intended to make sure that communities know the path forward and to help communities make sure that they’re dotting their i’s and crossing their t’s.” But the housing authorities’ national organization views the rule less favorably.

In comments submitted to HUD in mid-August, NAHRO said the new rule



Getty Images/Andrew Burton

*Housing activists in New York City hold a “die-in” on Sept. 17, 2015, to demand more affordable housing options for the homeless and the poor. Public-housing policies in the United States have shifted away from the construction of large, publicly owned “projects.” Instead, the federal government began providing Section 8 subsidies for private rentals for the poor and tax credits to encourage developers to build affordable housing.*

and the related “Assessment of Fair Housing” tool, which housing authorities must complete to show their compliance with the law, create “administrative burdens” while ignoring local community conditions. “Program participants are being pressured to set goals that do not fully reflect the needs and priorities of their communities and ignore the real-world constraints under which they operate,” NAHRO argued.

At the Supreme Court, NAHRO joined a brief that said housing authorities risked facing legal liability whether they placed affordable housing in minority neighborhoods or in majority-white communities. NFHA executive director Rice says the fear is misplaced, however.

“You have to have a multipronged approach to achieving fair housing,” Rice says. “The law makes it clear it’s not either-or,” she says. “You have to do both.”

Greene agrees. “HUD has steadfastly maintained that communities need to pursue a balanced approach,” he says. ■

## BACKGROUND

### Separate Worlds

White and black Americans have lived mostly in separate worlds from the post-slavery era until at least the mid-20th century. After slavery was outlawed, residential segregation resulted from law, custom and market forces as well as, significantly, mid-20th-century federal policies promoting homeownership and urban renewal that benefited whites but significantly disadvantaged blacks. The passage of the Fair Housing Act in 1968 made racial discrimination illegal, but racially identifiable neighborhoods continued to be the norm in U.S. cities and suburbs.

African-American slaves lived side by side with white slave owners, but they had no legal rights and gained neither income nor wealth from the fruits of their labor. Despite the abolition of slavery in 1865, most blacks in the

# HOUSING DISCRIMINATION

South continued to live in a form of indentured servitude, many as sharecroppers on the onetime slave plantations. They still effectively were denied legal, political or economic rights. Few African-Americans lived in the North before the Civil War, and immediately after the war their numbers grew only slightly. Some migrated westward along with white settlers seeking land and new lives in the American frontier.

After emancipation, some self-segregated themselves, establishing about 60 all-black townships across the country.<sup>21</sup> Two of those communities were destroyed by white rioters in the early 1920s following accusations of interracial sexual assaults. The Greenwood district in Tulsa, Okla. — proudly proclaimed as “the Black Wall

In the 20th century, the lure of jobs in the industrialized North and Midwest, combined with the harshness of the Jim Crow era, led more than 6 million African-Americans to move out of the South in a phenomenon now called the Great Migration.<sup>23</sup> But law, custom and market forces continued to limit black Americans’ ability to choose where to live.

Some cities enacted ordinances segregating neighborhoods by race — ostensibly to preserve racial harmony — although the Supreme Court ruled such ordinances unconstitutional in a 1917 Louisville, Ky., case.<sup>24</sup> Smaller communities — “sundown towns” — enforced, by custom, rules requiring African-Americans to leave by nightfall.<sup>25</sup> And real estate firms continued to use racial covenants,

white Chicago suburb of Cicero on July 11-12, 1951, after an African-American family moved into an apartment building. There were no deaths, but the building suffered at least \$20,000 in damage. A Cook County grand jury indicted the apartment owner for inciting a riot, but the charges were eventually dropped. The police chief and two officers were convicted in federal court for failing to protect the family’s rights.<sup>27</sup>

The federal government undertook major policies to promote homeownership as part of President Franklin D. Roosevelt’s New Deal, but the policies fortified patterns of residential segregation. The federal Home Ownership Loan Corp.’s practice of designating predominantly minority neighborhoods in red as uncreditworthy created the new word “redlining.” The Federal Housing Administration and Veterans Administration (VA) adopted the same practice, limiting the availability of federally insured home mortgages for African-Americans. Federal support for urban renewal in the post-World War II era cleared predominantly minority slums in many cities, but the displaced minorities got little by way of relocation assistance. Meanwhile, the real estate and credit industries continued many of the practices that disadvantaged would-be African-American tenants or homebuyers even after the demise of legally enforceable racial covenants.<sup>28</sup>

The midcentury civil rights revolution brought housing discrimination issues to the fore. President John F. Kennedy issued an executive order in 1962 directing federal agencies to prevent racial discrimination in housing owned or financed by the federal government. It took six more years for Congress to pass and President Lyndon B. Johnson to sign the Fair Housing Act. The legislation stalled even after the passage of the omnibus Civil Rights Act of 1964 and the Voting Rights Act of 1965, but Johnson helped push it across the congressional finish line just one week after

*Continued on p. 948*



*Demonstrators at U.S. District Court in Manhattan on Aug. 8, 1988, protest a judge’s decision to heavily fine Yonkers, N.Y., because its City Council refused to accept his housing desegregation order. Judge Leonard Sand ordered Yonkers to build public housing for minority residents in a white section, but the city resisted right up to the brink of municipal bankruptcy. More than 200 new townhouses for low-income minority families were finally opened for occupancy in 1992.*

Street” — was burned to the ground in a 15-hour assault that lasted from May 31 to June 1, 1921. The official death toll of 36 is believed to be low. Two years later, the all-black community of Rosewood, Fla., was razed in an incident known as the Rosewood massacre. The official death count of six blacks and two whites is similarly thought to be low.<sup>22</sup>

contractual terms that prohibited the sale of a property to African-Americans or, in some instances, to Jews. Only in 1948 did the Supreme Court rule that those restrictions could not be enforced in court.<sup>26</sup>

Racial segregation in housing also was enforced by anti-black intimidation and in some instances violent confrontations. A riot broke out in the all-

# Chronology

## 1930s-1950s

***Racial segregation in housing is legal, widespread and buttressed by federal policy.***

### 1933-34

Federal government establishes home loan assistance programs; “redlining” limits loans to African-Americans.

### 1948

In a landmark ruling, Supreme Court holds that courts cannot enforce racial covenants on real estate.

### 1951

A race riot breaks out in Cicero, Ill., when an African-American family moves into an apartment building, drawing worldwide condemnation after being broadcast on television.

## 1960s-1970s

***Government moves to bar racial discrimination in housing.***

### 1962

President John F. Kennedy issues executive order prohibiting racial discrimination in housing owned or financed by federal government.

### 1968

President Lyndon B. Johnson signs Fair Housing Act into law one week after assassination of the Rev. Martin Luther King Jr. . . . Supreme Court says racial discrimination in housing had been illegal under Civil Rights Act of 1866.

### 1974

Fair Housing Act is amended to prohibit gender-based discrimination. . . . Equal Credit Opportunity Act broadly prohibits discrimination by lenders. . . . Section 8 program is established to provide subsidies for low-income renters.

### 1975

Home Mortgage Disclosure Act is enacted to gather demographic data from mortgage lenders.

### 1977

Community Reinvestment Act requires federally regulated financial institutions to meet the credit needs of their communities.

## 1980s-1990s

***Congress strengthens fair-housing enforcement.***

### 1985

Federal judge orders Yonkers, N.Y., to build public housing for minorities in a predominantly white neighborhood; the homes open for occupancy in 1992.

### 1986

Low-Income Housing Tax Credit program is created under the Tax Reform Act of 1986 to help finance construction of low-income housing.

### 1988

Fair Housing Act is amended to cover familial status, disabilities; amendments also strengthen Department of Housing and Urban Development’s (HUD) enforcement authority.

### 1995

Public housing tenants sue HUD and Baltimore officials for concentrating public housing in minority neighborhoods; similar suits are filed in more than a dozen cities during the decade.

## 2000-Present

***Residential segregation declines overall, but persists in many U.S. cities.***

### 2005

Federal judge finds HUD guilty in Baltimore case of failing to disperse affordable housing throughout the metropolitan region.

### 2008

Bipartisan commission calls for re-orienting federal housing programs to help minorities move to less racially and economically segregated communities.

### 2009

Federal judge says Westchester County, N.Y., misrepresented desegregation efforts in seeking federal funds.

### 2012

Federal judge faults Texas housing agency for awarding tax credits for low-income housing mostly in minority neighborhoods in Dallas; state’s appeal eventually reaches Supreme Court. . . . Wells Fargo agrees to pay \$175 million to settle charges that it discriminated against minorities in its mortgage lending practices.

### 2013

A HUD-commissioned study finds racial screening by real estate brokers is still widespread.

### 2015

Supreme Court upholds “disparate impact” liability for housing policies that result in segregation. . . . HUD issues “Affirmatively Furthering Fair Housing” rule to enforce long-standing obligation under 1968 law; National Association of Housing and Redevelopment Officials calls for rule to be scrapped. . . . New Jersey’s largest savings bank agrees to pay more than \$30 million to settle “redlining” charges. . . . Judge in Dallas housing case sets briefing schedule for further proceedings.

## Fewer Metro Areas Seens as “Hypersegregated”

*All-white neighborhoods “extinct,” but inner-city poverty worsens.*

Residential segregation along racial lines has declined in the United States since passage of the Fair Housing Act in 1968, but experts who have crunched the numbers disagree on exactly how much.

One leading researcher using 2010 census figures counts 21 U.S. metropolitan areas as “hypersegregated,” or extremely segregated, down from 40 in 1970.

“Despite evidence of progress in many metropolitan areas, therefore, the United States has not become a race-blind society,” concluded Princeton University sociology professor Douglas Massey. The United States “has not been able to eradicate hypersegregation from its urban areas.”<sup>1</sup> Massey defined the degree of residential segregation in an area using a methodology that weighs several criteria, rather than setting specific percentages of people of varying races.

Two other researchers, using a different methodology to analyze the same census figures, proclaimed “the end of the segregated century.”<sup>2</sup> Harvard economics professor Edward Glaeser and University of Washington public policy professor Jacob Vigdor say all-white neighborhoods in nonrural areas used to be common but are now “effectively extinct.” The scholars, affiliated with the free market-oriented Manhattan Institute, cite as evidence the migration to the suburbs of higher-income African-Americans.

“There’s been a dramatic change in the number of neighborhoods where you find exactly zero African-American residents,” says Vigdor. “These used to be very common and are very rare now.”

Massey and co-author Jonathan Tannen, a PhD student in urban and population policy at Princeton, say 26 percent of

the nation’s African-Americans live in hypersegregated metropolitan areas, compared with 47 percent in 1970.

Residential segregation can be quantified in five different ways. The most commonly used method calculates the relative number of blacks and whites who would have to exchange neighborhoods to achieve an even distribution. On average, in the eight most segregated cities, seven out of every 10 blacks and seven out of every 10 whites would have to swap neighborhoods to have an even residential distribution. Other methods calculate the relative isolation of African-Americans, the degree of clustering around racially defined neighborhoods, the relative amounts of space occupied by whites and blacks and the degree of racial concentration around the metropolitan center.

In Massey’s calculation, eight cities are hypersegregated on all five of those measures and 13 others on four of the five. Together, those 21 cities account for about one-third of African-Americans living in metropolitan areas. Six of the eight most segregated cities are in the Midwest’s Rust Belt: Milwaukee, Detroit, St. Louis, Chicago, Cleveland and Flint, Mich. The two others also are once heavily industrialized cities: Birmingham, Ala., and Baltimore.<sup>3</sup>

Hispanics and Asians have not experienced anywhere near the high degree of residential segregation from whites experienced by African-Americans, according to Massey. The 2010 census figures show that three-fourths of urban Hispanics and 100 percent of Asian urbanites are in cities with moderate or low segregation. Those figures “underscor[e] the continued distinctiveness of black

*Continued from p. 946*

the assassination of the Rev. Martin Luther King Jr. in April 1968. King had helped dramatize the issue by focusing on fair housing as one of the goals after he allied with the grassroots Chicago Freedom Movement, beginning in late 1965.<sup>29</sup>

The Fair Housing Act prohibited private discrimination in housing on the basis of race, religion or national origin, with some exceptions — for example, for small boarding houses. It included a provision requiring local governments to affirmatively further integration, but gave HUD only limited enforcement authority. In an ironic postscript, the Supreme Court ruled two months later that private discrimination in housing had been illegal for more than a century

under the Civil Rights Act of 1866, which guaranteed blacks the same contract rights as white persons.<sup>30</sup>

### Slow Changes

Congress and the federal judiciary expanded fair-housing protections under federal law through a succession of statutes and judicial decisions beginning in the 1970s. Over time, enforcement combined with voluntary compliance and affirmative efforts by some local housing authorities to reduce black-white residential segregation somewhat, but most African-Americans still lived in highly segregated metropolitan neighborhoods. And resistance to integration

persisted, as demonstrated by one high-profile clash over public housing in Yonkers, N.Y.

The Supreme Court set the stage for strengthening fair-housing enforcement by interpreting the job discrimination provisions of the Civil Rights Act of 1964 to cover not only intentional discrimination but also employment practices that had an adverse or disparate impact based on race. The 1971 ruling in *Griggs v. Duke Power Co.* allowed a civil rights challenge to a supposedly race-neutral job requirement for a high school diploma — without adequate justification — based on its adverse impact on African-Americans. Over the next four decades, federal appeals courts uniformly held that

segregation in metropolitan America,” Massey and Tannen write.

Another leading expert on the issue criticizes Glaeser’s and Vigdor’s decision to use the migration of Asians and Hispanics into predominantly black neighborhoods to suggest reduced segregation. “They calculated segregation as black versus non-black,” says Paul Jargowsky, a professor of public policy at Rutgers University in Camden, N.J. “I feel that when we’re talking about segregation, what we’re really concerned about is how segregated a particular minority group is from the majority.”

All of the experts agree that despite reduced segregation, predominantly black neighborhoods are suffering from increased concentration of poverty. “Once the barriers to free housing choice were lessened, the first to leave these neighborhoods were the more affluent,” Vigdor says.

Jargowsky calculated that the number of people living in high-poverty ghettos, barrios and slums has nearly doubled since 2000 — from 7.2 million to 13.8 million today. “We are witnessing a nationwide return of concentrated poverty that is racial in nature,” he wrote in an article for The Century Foundation, a liberal think tank in Washington.<sup>4</sup>

In their article, Massey and Tannen say poverty is particularly concentrated in hypersegregated areas. “Owing to the important role that it plays in concentrating poverty,” they wrote, “segregation is critical to understanding racial stratification in the United States today.”

— **Kenneth Jost**



Getty Images/Bloomberg/Brendan Hoffman

*Harvard economics professor Edward Glaeser contends all-white neighborhoods in nonrural areas, once common, are now “effectively extinct.” Other experts disagree, saying many cities are still extremely segregated.*

<sup>1</sup> See Douglas S. Massey and Jonathan Tannen, “A Research Note on Trends in Black Hypersegregation,” *Demography*, Population Association of America, June 2015 [published online March 20, 2015], <http://tinyurl.com/odta3bf>.

<sup>2</sup> Edward Glaeser and Jacob Vigdor, “The End of the Segregated Century: Racial Separation in America’s Neighborhoods, 1890-2010,” *Civic Report*, No. 66, Manhattan Institute, January 2012, <http://tinyurl.com/7sz2hjh>.

<sup>3</sup> For a complete list of the cities designated as “hypersegregated” in 1970 and in 2010, see Tanvi Misra, “America Has Half as Many Hypersegregated Metros as It Did in 1970,” *City Lab* (blog of *TheAtlantic.com*), May 21, 2015, <http://tinyurl.com/oca9f7s>.

<sup>4</sup> Paul A. Jargowsky, “Architecture of Segregation: Civil Unrest, the Concentration of Poverty, and Public Policy,” The Century Foundation, Aug. 7, 2015, <http://tinyurl.com/q2uzvyt>.

practices by housing authorities, real estate firms or lenders could similarly be challenged under a theory of disparate-impact liability without proof of intentional discrimination.

Earlier, however, President Richard M. Nixon had squelched a politically treacherous plan by his housing secretary, George Romney, to use HUD funds to force cities, counties and states to try to break up residential segregation. Romney ordered HUD officials to withhold grants for water, sewer or highway projects from jurisdictions with policies that fostered segregation. Once opposition reached the Oval Office, Nixon ordered the policy rescinded in a 1972 memo to his domestic policy director, John Ehrlichman.<sup>31</sup>

Congress expanded the Fair Housing Act in 1974 to prohibit discrimination on the basis of sex and again in 1988 to prohibit discrimination on the basis of family status or disabilities. HUD used the sex and family status provisions as the basis of a non-statutory regulation issued in 2012 to prohibit discrimination on the basis of sexual orientation or gender identity in HUD-assisted housing.<sup>32</sup> The disabilities provision required builders to construct new, multifamily dwellings to meet specified adaptability and accessibility requirements. The 1988 law also authorized HUD to file discrimination complaints, gave individuals more time to file an administrative complaint or a lawsuit and somewhat expanded

available remedies. Significantly for the eventual Supreme Court case, the law included language that appeared to adopt judicial decisions recognizing disparate-impact liability under the law.

HUD’s major low-income housing programs began taking shape in the 1970s and ’80s. The Housing and Community Development Act of 1976 replaced an existing rent-subsidy program with the Section 8 voucher program. Qualified low-income tenants found their own housing but had to pay no more than 30 percent of their adjusted gross income for rent; public housing authorities made up the difference with direct payment to landlords. A decade later, Congress aimed at the supply side of the issue by authorizing, as

# Pet-Policy Dispute Lands in Court

*Tenants with disabilities have right to “support animals.”*

Armed with a prescription from her doctor, Chelsy Walsh called one of the owners of her Sioux Falls, S.D., apartment complex in January 2014 to say she would be buying a dog as a “support animal” for her mental health. But Linda Christensen told Walsh that animals were not allowed at the Viking Villas and warned Walsh that she would have trouble finding another place to live because she was receiving a federal subsidy under the Section 8 voucher program.

Today, the seemingly everyday landlord-tenant dispute over pets is literally a federal case after the Department of Housing and Urban Development (HUD) charged Linda and her husband Robert with violating the Fair Housing Act by discriminating against Walsh on the basis of her disability. The Christensens are disputing the charge, which is pending in a federal court in South Dakota.

Congress expanded the landmark 1968 law in 1988 by also prohibiting discrimination based on disabilities. The law initially prohibited discrimination in the sale, rental or financing of housing on the basis of race, national origin or other characteristic. Today, disability-related claims account for just over half of the Fair Housing Act complaints received by HUD, state or local agencies or nongovernmental organizations that fight housing discrimination.<sup>1</sup> A majority of the complaints — 57 percent — stem from allegations that landlords or apartment owners failed

to make “reasonable accommodation” for individuals with disabilities, as the law requires, according to HUD statistics.<sup>2</sup>

“I don’t think that housing providers even this far after the Fair Housing Act have totally realized that people with disabilities are a protected class and they can’t be discriminated against,” says Kenneth Shiotani, a senior staff attorney with the Washington-based National Disability Rights Network, an umbrella organization for state and local disability rights groups.

The National Apartment Association says it “strongly supports” the right of tenants with disabilities to request reasonable accommodations, but says requests for emotional support animals are “a particular area of concern.” “A lack of clarity in the law . . . allows for abuse and imposes an unfair burden on property owners,” the association told *CQ Researcher* in a written statement supplied on request.

Walsh, who suffers from post-traumatic stress disorder and bipolar disorder, formalized her phone call with a written request a week later and then filed an administrative complaint with HUD. In June she bought a seven-year-old, 10.5-pound shih tzu-lhasa apso mix.

Robert Christensen allegedly responded by asking Walsh to sign a “Companion Animal/Pet Policy Agreement” that included inspection and property damage provisions and allowed the owners to revoke permission for the animal at their “sole discretion.”

part of the Tax Reform Act of 1986, dollar-for-dollar tax credits for developers to build or rehabilitate affordable housing. Over time, it was estimated that the tax credits were responsible for 90 percent of the affordable housing built in the country.

Meanwhile, Congress strengthened fair-housing protections with three laws aimed at preventing discrimination in the mortgage industry. The Equal Credit Opportunity Act, enacted in 1974, prohibited discrimination in the approval of credit applications on the basis of race, sex, national origin, marital status or receipt of public assistance. Adopted a year later, the Home Mortgage Disclosure Act required lenders to disclose data on loan applications and approvals to address the concern about credit shortages in some urban neighborhoods. The Community Reinvestment Act, passed in 1977, added an affirmative

obligation for federally regulated financial institutions to address financing needs of communities they served.

Over time, Americans generally came to accept the principle of fair housing, but concrete steps to integrate neighborhoods still stirred controversy. In one dramatic example, a federal judge provoked a political standoff in Yonkers, an exurban area just north of the Bronx in New York; Judge Leonard Sand found the city guilty of discrimination in 1985 because all public housing was sited in a small, predominantly African-American section. Sand ordered the city to build public housing for minority residents in a white section, but the city resisted right up to the brink of municipal bankruptcy. The 230 townhouses were finally opened for occupancy in 1992; they now house about 200 low-income minority families.<sup>33</sup>

The nation’s demographics were

changing rapidly in the late 20th century because of increased immigration from Latin America and Asia under liberalized country-of-origin rules enacted by the landmark Immigration and Nationality Act of 1965.

With the Fair Housing Act in effect, the newly arriving Latino- and Asian-Americans encountered less overt discrimination than immigrants had experienced in the past; some found homes in predominantly white neighborhoods, but many moved into predominantly black neighborhoods. By the end of the century, black-white residential segregation had also decreased, but only slowly. The number of “hypersegregated” metropolitan areas in the United States declined from 40 as of 1970 to 21 in 2010, according to Massey, and within those areas, the degree of black-white segregation had fallen only slightly.<sup>34</sup>

Walsh considered the agreement overly burdensome and moved out.

After failing to conciliate the dispute, HUD turned the case over to the Justice Department, which filed the federal suit on Sept. 15 seeking damages for Walsh and an injunction to prevent the Christensens from future discrimination on the basis of disability.

Michael Paulson, an attorney representing the Christensens, says the dispute resulted from “a communication issue” with Walsh. “My clients have done absolutely all that they can to make reasonable accommodations,” Paulson says. The lawyer also agrees with the apartment owners’ association that the disabilities provision is subject to abuse because the language is vague and the requirements for proving a disability too lax.

Requests for service or emotional support animals are “a fairly routine problem,” according to Shiotani, a 10-year veteran with the disability rights network. Under the law, tenants with disabilities cannot be denied permission or charged a fee for having a service or support animal live with them. Among other examples, HUD’s website explanation of the law says apartment owners cannot refuse to rent because they are uncomfortable with an individual’s disability and can be required to make such accommodations as a reserved parking space or some structural modifications at the resident’s expense.<sup>3</sup>

The HUD summary also explains that most multifamily buildings

constructed after March 13, 1991, must meet seven design and construction requirements, including accessible entrances and common spaces. Individual units must have “usable doors” — that is, wide enough for a wheelchair; “usable” kitchens and bathrooms; reinforced bathroom walls and accessible light switches and other controls. Construction-related complaints account for under 5 percent of all cases, according to HUD statistics.<sup>4</sup>

The increasing number of disability-related fair-housing complaints reflects the effect of education and outreach efforts by HUD itself and advocacy organizations, according to Bryan Greene, HUD’s deputy assistant secretary for fair housing.

“Discrimination against people with disabilities remains much more in the open than many other forms of discrimination,” he says. “It’s very important for people with disabilities that you stand up for your fair-housing rights.”

— *Kenneth Jost*

<sup>1</sup> “Where You Live Matters: 2015 Fair Housing Trends Report,” National Fair Housing Alliance, April 30, 2015, <http://tinyurl.com/neuq462>.

<sup>2</sup> “Annual Report on Fair Housing,” U.S. Department of Housing and Urban Development, November 2014, p. 6, <http://tinyurl.com/o4mxb0h>.

<sup>3</sup> See “Disability Rights in Housing,” U.S. Department of Housing and Urban Development, undated, <http://tinyurl.com/3ujp6fx>.

<sup>4</sup> “Annual Report on Fair Housing,” *op. cit.*

## Unsettled Times

Racial segregation in housing decreased further in the 21st century, but migration patterns combined with an economic downturn to leave many cities with significantly higher degrees of concentrated poverty in predominantly minority neighborhoods. Fair-housing advocates complained about lagging federal enforcement under President George W. Bush and about the disproportionate effect that the 2007-09 housing bust had on minority neighborhoods. Those groups cheered, however, when the Supreme Court in June upheld the broader, disparate-impact definition of housing discrimination and HUD issued its rule in July detailing local governments’ affirmative duty to promote integrated housing.

The number of discrimination complaints filed by HUD “spiraled down-

ward” during the Bush administration, according to data in the 2008 report of the private National Commission on Fair Housing, a bipartisan group convened by civil rights organizations and headed by two former HUD secretaries: Democrat Henry Cisneros and Republican Jack Kemp. The number had fallen under President Bill Clinton from 125 in fiscal 1995 to 88 in fiscal 2001, and then fell sharply under Bush to only 31 in fiscal 2007. Data from the fair-housing alliance showed the number rose under President Obama to a peak of 55 in fiscal 2011 but fell by more than half to only 27 in fiscal 2014. Both reports faulted HUD for its slow pace in processing complaints.<sup>35</sup>

Meanwhile, federal judges had signaled impatience with housing desegregation efforts in two high-profile cases on the East Coast. In his 2005 ruling in the Baltimore case, Garbis accused

HUD of “effectively wearing blinders” by placing low-income housing only in minority neighborhoods. Four years later, U.S. District Judge Denise Cote faulted suburban Westchester County, N.Y., for misrepresenting its desegregation efforts when applying for federal funds by leaving the location of low-income housing up to individual villages and towns. The county settled the case six months later by promising to site low-income housing in predominantly white neighborhoods, but the county is now facing possible penalties for failing to follow through on the accord.<sup>36</sup>

The big housing story of the early 21st century, however, was the foreclosure crisis, brought on by the bursting of a decades-long housing bubble. African-Americans were hurt the worst, according to experts and advocacy groups, because mainstream lenders made them targets for risky subprime

loans. In the 2008 report, the national commission charged that “predatory lenders” had steered minority homebuyers into subprime loans, with appealing but ultimately risky features, even when they could have qualified with mainstream mortgage lenders. The commission urged a federal crackdown on unscrupulous lenders. In 2012, Wells Fargo, the nation’s largest mortgage lender, agreed to pay \$175 million to settle charges that its independent brokers discriminated against black and Hispanic borrowers.<sup>37</sup>

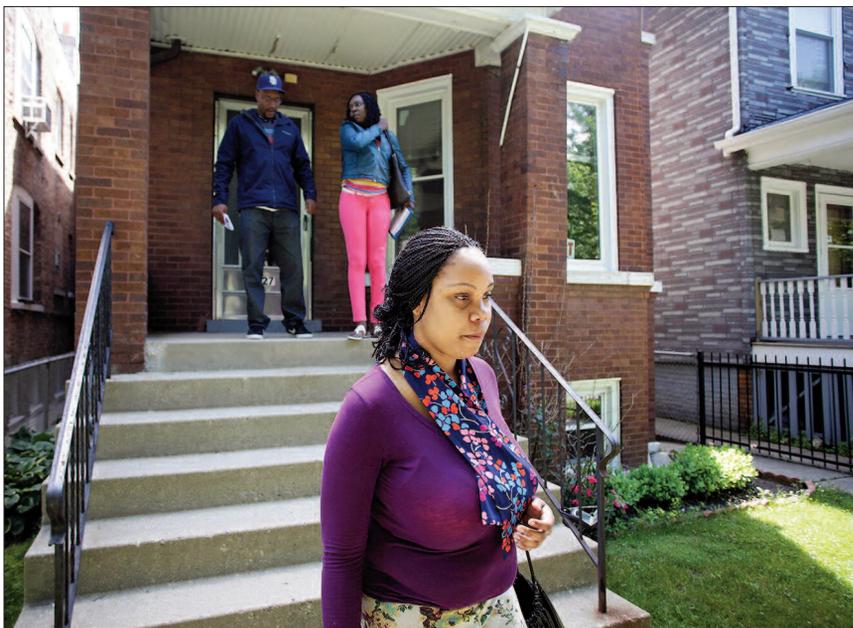
to uphold the broader definition.

The Legal Defense Fund’s Ifill called the ruling “a crucial victory for all Americans who care about the continuing impact of segregation.” But Roger Clegg, general counsel of the conservative Center for Equal Opportunity, warned the decision would encourage “race-based decision-making in the housing area, exactly what the Fair Housing Act was meant to prohibit.”<sup>39</sup>

Two weeks after the Supreme Court decision, HUD announced its long-under-development rule aimed at

to try to block implementation of the rule, and Republicans and conservatives renewed criticism of the rule after it was issued. The Senate has not acted on the House measure.

Pinto, of the American Enterprise Institute, called the rule “the latest of a series of attempts by HUD to social-engineer the American people.” But Marc Morial, president of the National Urban League, a New York-based civil rights organization, called it “a serious effort by the administration to, in effect, enforce one of the legacy civil rights laws.” ■



Getty Images/The Washington Post/Joshua Lott

*Tracy Carrithers and Carla Cathion search for suitable rental housing in Chicago on June 27, 2015. The two women planned to pay their rent with vouchers from the federal government’s Section 8 program for low-income families. The program has built-in limitations, including long waiting lists and a \$2,200-per-month rental cap, which limits options for finding housing in better neighborhoods. In addition, landlords generally are not obligated to accept Section 8 vouchers.*

Over time, the Supreme Court generally upheld broad applications of the Fair Housing Act — for example, in a 1982 decision allowing “testers” to sue real estate firms for racial screening.<sup>38</sup> The court’s unsuccessful moves in the 2011 and 2012 to reconsider the question of disparate-impact liability stirred fears that the conservative majority was about to limit the law to intentional discrimination. Civil rights forces instead applauded the 5-4 decision, issued on June 25,

strengthening the requirement that state and local agencies affirmatively reduce residential segregation. Speaking to *The New York Times*, HUD Secretary Castro stressed cooperation over confrontation as the goal in dealing with local agencies. Enforcement “is possible,” Castro said, “but our preference is to work cooperatively and steadfastly with communities.”<sup>40</sup>

The Republican-controlled House of Representatives voted 239-191 on June 9

## CURRENT SITUATION

### Stepping Up Efforts

HUD’s fair-housing enforcement unit is stepping up efforts to desegregate U.S. cities, even as its staffing has fallen to historically low levels and it is outsourcing many of its cases to state and local civil rights agencies.

“Our numbers and staff have been declining,” says Greene, second in command in HUD’s Office of Fair Housing and Equal Opportunity. “We do have a great challenge ahead of us, and it’s very much on the resource effort.”

“There is a funding problem,” says NFHA Executive Director Rice. “Congress doesn’t want to appropriate the funds necessary to deal with this particular issue.”

Congress authorized funds in fiscal 2015 for only 516 employees at the fair-housing office, the lowest number since HUD was given additional enforcement authority in 1988 and far below the 750 recommended by the Kemp-Cisneros commission in 2008, according to NFHA’s most recent annual report. The understaffing “has increased the number of aged cases, delaying justice

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# At Issue:

## Should Congress block HUD's new fair-housing rule?



**REP. PAUL GOSAR, R-ARIZ.**

WRITTEN FOR *CQ RESEARCHER*, NOVEMBER 2015

As President Obama reaches the end of his second term, he has made it clear that his top priority during his waning days is to further his far-left political agenda by forcing big government programs on the American people. The calling card of this administration has been to use overreaching executive mandates and regulations to force American families, businesses and consumers into complying with its misguided utopian ideology.

The Affirmatively Furthering Fair Housing (AFFH) rule, introduced by the Department of Housing and Urban Development (HUD) this past July, is no different. This overreaching new rule is an attempt to extort communities into giving up control of local zoning decisions and reengineer the makeup of our neighborhoods. Important federal housing grants will be stripped away if communities do not fit the racial and economic standards concocted by D.C. bureaucrats. Just as the president has used the Department of Justice, Internal Revenue Service and Department of Homeland Security as a political weapon, he has now expanded his arsenal to include HUD as a way of punishing neighborhoods that don't fall in line with his liberal view of where Americans should live.

Let me be clear: This new Washington mandate has nothing to do with race, as housing discrimination has been illegal for more than 40 years. The 1968 Fair Housing Act already makes discrimination illegal in the "sale, rental and financing of dwellings based on race, religion, sex or national origin." Apparently, it's not enough to provide everyone with equal opportunity in housing matters. What the Obama administration wants is equal outcomes, and the only possible way to produce this is for the federal government to force itself upon local jurisdictions.

Similar to other big-government policies from this administration, the flawed AFFH rule will result in more harm than good by way of increased taxes, depressed property values and further harm to impoverished communities. Local zoning decisions have always been, and should always be, made by local communities and municipalities. American citizens should be free to choose where they would like to live and not be subject to neighborhood engineering and gerrymandering at the behest of an overreaching federal government. Congress must remain vigilant in opposing this new edict, and I am pleased that, so far, many of my colleagues have recognized the perils associated with this looming threat that will negatively impact homeownership.



**REP. KEITH ELLISON, D-MINN.**

WRITTEN FOR *CQ RESEARCHER*, NOVEMBER 2015

For decades, our nation has prohibited housing discrimination based on race, sex, religion, national origin and disability. The law prohibits landlords from discriminating and precludes discrimination by towns, cities, counties and states receiving federal housing funds.

Our nation faces an alarming rental-housing crisis. Our limited federal housing assistance must provide more than shelter; it must provide opportunities for families to thrive in communities with jobs and access to high quality education, health care and transportation.

Despite having more than 11 million households spending more than 50 percent of their income on rent, fewer than one in four who qualify for housing assistance receive it. Limited federal housing funds should provide housing and reduce racial segregation and concentrated poverty.

HBO's miniseries "Show Me a Hero" vividly depicted what happens when federal housing dollars are spent exclusively in low-income and minority communities. These communities are at a higher risk for crime, poor schools and limited access to jobs and health care.

The Affirmatively Furthering Fair Housing rule requires local governments to use their funds to actively increase fair housing. They must provide options for those who receive housing assistance to live in supportive communities that provide opportunities to their families. Federal housing funds should afford low-income families, people with disabilities and the elderly access to community resources. By providing low-income families access to jobs, health care and good schools, we can reduce racial segregation and concentrated poverty.

We must resist Republican attacks to end the Fair Housing requirements for federal funds. Despite arguments that fair-housing rules are about "unrealistic utopian ideas of what every community should resemble," we must be proactive and use limited housing resources to reduce segregation. Everyone benefits when people with disabilities, African-Americans, Latino Americans, families with children, immigrant families and the elderly live in safe communities with access to jobs and quality services.

For too long, ZIP codes have been the defining factor in determining access to quality education, jobs and health care. Unequal access to vital resources results in unequal access to opportunity, undermining our nation's prosperity and success. We should expand housing assistance and ensure that our families and communities can thrive.

*Continued from p. 952*

for victims of discrimination and resolution for respondents,” the alliance states.<sup>41</sup>

The alliance also faults as “insufficient” the funding for HUD’s Fair Housing Initiatives Program, which awards grants to private organizations for education, outreach, testing, investigation and mediation. During the Obama administration, funding for the program has risen from \$27.5 million in fiscal 2009 to \$40.1 million in fiscal 2015 — far short of the \$75.4 million in applications from fair-housing groups in fiscal 2009. The amount still is insufficient to “monitor local housing markets or address the overall incidence of housing discrimination,” the alliance says.<sup>42</sup>

Greene says present-day discrimination is more subtle and thus harder to detect or even recognize than the blatant refusal to sell or rent in the days before the Fair Housing Act. “Our tools to uncover that kind of discrimination have to be sharper today,” he says.

Many subtle real estate practices of old continue, Greene explains. “Many of the people in the real estate industry were trained under the old guidelines,” he says. Testing evidence “amply illustrates some of the practices that go on today,” Greene adds.

Redlining by lenders also continues, Greene says, with some banks choosing not to make loans or establish offices in minority neighborhoods. He cites the pending Hudson City case as an example. He notes that the complaint quotes Hudson City executives as favoring European or Asian ethnic groups when opening offices on predominantly white Staten Island, and ignoring African-Americans and Hispanics.

HUD itself had come under criticism in the 2008 Kemp-Cisneros commission report. The three major federal programs — Section 8 vouchers, public housing and low-income housing tax credits (LIHTCs) — “do very little to further fair housing and, in some cases, work to create and/or maintain segregated housing patterns,” the report

stated. “These programs must be re-oriented to focus, in part, on helping families move to less racially and economically segregated communities.”<sup>43</sup>

The report also said HUD had “failed” in ensuring that state and local recipients of federal housing assistance comply with the obligation to “affirmatively further” fair housing. The new rule is aimed in that direction, but NAHRO, the housing officials’ organization, is unhappy with HUD’s promise of help in meeting the obligation.

NAHRO noted in its mid-August statement that HUD is promising to supply some data for the new Assessment of Fair Housing tool, but it called the information “unwieldy and hard to understand.” Some of the information “relies on complex social science indices . . . whose meaning is largely unintelligible to most users,” NAHRO added.

Even as NAHRO and other groups are calling for rewriting the rule, the Dallas fair-housing group Inclusive Communities Project hopes the new rule will help reorient housing policies there. ICP vice president McCain says she hopes HUD will get “very serious” about enforcing the rule — by withholding federal funds if necessary.

## Squaring Off in Court

The Inclusive Communities Project is back before a federal trial judge in Dallas challenging the Texas Department of Housing and Community Affairs (TDHCA) to award more federal tax credits for affordable housing in white neighborhoods.

The Supreme Court’s decision to recognize disparate-impact liability under the Fair Housing Act sent the seven-year-old case back for a decision on the merits of ICP’s allegation that state policies were causing discrimination against African-Americans. But Justice Kennedy’s opinion for the majority included several comments and instructions that could help housing authorities

or private developers being sued on the grounds of disparate impact.

ICP and the state squared off over how Judge Fitzwater should conduct future proceedings. As part of a Sept. 10 joint status report, ICP argued that it had already proved, “using uncontested evidence,” the discriminatory effect of the housing authority’s policies. The only remaining issues, the group argued, were whether the state could justify its policies or there were fewer discriminatory alternatives.

The TDHCA, however, said the judge should reconsider his earlier summary judgment in ICP’s favor, noting that the Supreme Court had “repeatedly questioned” whether ICP had even alleged a disparate-impact claim and had “strongly suggested” that the state had “a valid defense.” The agency said Fitzwater “did not have the benefit of the Supreme Court’s explanation of what is required to establish a disparate-impact cause of action” when he made his earlier ruling.

On Oct. 8, Fitzwater said he would reconsider whether ICP had established a prima facie case of discrimination, needed to proceed to the other issues, and said either side could present additional evidence. “The judge is trying to be eminently fair,” says Michael Daniel, the attorney representing ICP. In his opinion, Kennedy stressed that housing authorities and private developers should be given “leeway to state and explain the valid interest served by their policies” when sued on the grounds of disparate impact. “Entrepreneurs must be given latitude to consider market factors,” he explained, and zoning officials must consider “a mix of factors” affecting a community’s “quality of life.”

Kennedy also said a statistical disparity alone was insufficient to make a case unless a plaintiff could cite policies by the defendant causing the disparity. The TDHCA reasserted that federal law, not its own policies, create a preference for building tax-credit units in minority neighborhoods. But ICP says the state agency’s formula failed to give

points to developments that would further what it called “a concerted community revitalization plan.”

Fitzwater’s eventual ruling could be delayed until 2016. The losing party will probably appeal his decision to the Fifth Circuit appeals court.

Meanwhile, ICP has a separate lawsuit pending against the U.S. Department of the Treasury and the Office of Comptroller of the Currency for allegedly failing to promote fair housing in its policies regarding low-income housing tax credits. Treasury administers the LIHTC program; the Comptroller oversees portions of it to make sure national banks don’t invest in LIHTC projects unless they would primarily promote the public welfare, including housing for low- and moderate-income families.

ICP’s complaint, filed in August 2014, alleges that neither Treasury nor the Comptroller has regulations related to the perpetuation or elimination of racial segregation. The two sought to have the case dismissed, but Fitzwater issued an opinion on Aug. 4, allowing most of the suit to proceed. The government’s answer on the merits was to be filed on Oct. 30.<sup>44</sup> ■

## OUTLOOK

### Political Challenges

As mayor of Seattle, Ed Murray is pushing a multipronged plan to provide affordable housing in a city now ranked among the 10 most expensive in the United States. Murray’s plan includes an array of tax breaks and land use changes, but he retreated in the face of strong political opposition from a proposal to allow multifamily buildings in parts of the city now zoned for single-family houses only.<sup>45</sup>

Murray’s about-face on the so-called upzoning proposal underscores the

volatile nature of housing policy debates even when race is not an explicit issue. As Stony Brook professor Salins notes, the low-density zoning laws that created the modern American suburb lead inevitably to higher housing prices and thus economic segregation.

Salins favors easing those zoning restrictions but cautions against linking any changes to breaking down residential segregation. “If you want to kill any chance of economic integration and racial integration,” he says, “tie the two together.”

Despite progress on fair housing, experts and advocates alike agree that institutional barriers to residential desegregation are still daunting. “We’ve come quite a bit of a way in terms of achieving fair housing, but we still have a long way to go,” says NFHA Executive Director Rice.

Rothstein, the Economic Policy Institute researcher, agrees with HUD official Greene that case-by-case enforcement of fair-housing laws is not enough to break down the barriers that created and now to some extent maintain residential segregation. “Prohibiting ongoing discrimination can’t undo that,” Rothstein remarked on “The Diane Rehm Show.” Legal Defense Fund President Ifill said on the same program: “If you have massively invested in the creation of white suburbs . . . you cannot undo the damage of that simply by no longer making those investments.”<sup>46</sup>

The housing officials group’s opposition to the new HUD rule indicates that the government can expect local resistance as it seeks to enforce the long-standing obligation to affirmatively further fair housing. Political opposition seems certain if communities are required to put housing that minority buyers and tenants can afford into predominantly white neighborhoods. “The greatest opposition is going to be from neighborhoods that don’t have any of that housing yet,” says Vigdor, the University of Washington professor.

“We have a long way to go,” says

Tegeler, with the Poverty & Race Research Action Council. “These structures are not easy to undo. They require a lot of courage from officials and a lot of work from people at the local and regional level.”

Like others, Vigdor and Tegeler profess at least a measure of cautious optimism about future trends. At HUD, Greene sees reason for optimism in changing preferences across racial and ethnic lines about where to live. “I’m very hopeful that we’re going to see the dial turn toward more integrated communities in this country,” Greene says. “I see more people moving into cities because they want to live in an integrated community.”

In its annual report, the fair-housing alliance stressed that housing patterns have far-reaching consequences — on schools, air quality, access to jobs and transportation and the ability to accumulate wealth through homeownership.

“Inequality persists in all of these areas along racial and ethnic lines,” Shanna Smith, the group’s president and CEO, wrote in an accompanying press release, “which means that we need an all-out strategy to build up neighborhoods and provide a range of safe and affordable housing options for all Americans.”<sup>47</sup> ■

### Notes

<sup>1</sup> All quotes and background drawn from Stefanie DeLuca and Jessi Stafford, “Voices of the Baltimore Housing Mobility Program,” The Century Foundation, March 2014, <http://tinyurl.com/p9tajgt>. Kimberly’s last name and other details were omitted in the multimedia presentation. For an academic paper based on the investigation, see Jennifer Darrach and Stefanie DeLuca, “Living Here Has Changed My Whole Perspective: How Escaping Inner-City Poverty Shapes Neighborhood and Housing Choice,” *Journal of Policy Analysis and Management*, Vol. 33, Issue 2 (spring 2014), <http://tinyurl.com/qyu5x56> (\$\$). A pre-publication version of the article is available at <http://tinyurl.com/pwyhvxxv>. For a more positive view about public housing, see David Madden, “Five Myths About Public Housing,” *The Washington Post*, Sept. 13, 2015, p. B3, <http://tinyurl.com/oltz8l>.

<sup>2</sup> The suit was filed initially by the American Civil Liberties Union of Maryland (ACLU) and joined by the NAACP Legal Defense and Educational Fund (LDF). For legal and other materials, see the ACLU's website, <http://tinyurl.com/nlqjer7>, or the LDF's website, <http://tinyurl.com/pc8f7x6>.

<sup>3</sup> The law is codified at 42 U.S.C. §§3601-3619, <http://tinyurl.com/ph2td8b>; the "affirmatively further" provision is section 3608(e)(5).

<sup>4</sup> "The Future of Fair Housing: Report of the National Commission on Fair Housing and Equal Opportunity," <http://tinyurl.com/qaent5>. The commission was convened by the Lawyers' Committee for Civil Rights Under Law, the Leadership Conference on Civil Rights, the NAACP Legal Defense and Educational Fund and the National Fair Housing Alliance.

<sup>5</sup> The full text of the decision is at: <http://tinyurl.com/pe85hx4>. For coverage, see Eric Siegel, "Judge criticizes pooling poor in city," *The Baltimore Sun*, Jan. 7, 2005, <http://tinyurl.com/p7jx4vj>.

<sup>6</sup> Douglas S. Massey and Jonathan Tannen, "A Research Note on Trends in Black Hypersegregation," *Demography*, Population Association of America, June 2015 (published online March 20, 2015), <http://tinyurl.com/odta3bf>.

<sup>7</sup> See "Fair Housing and Equal Opportunity," undated, accessed October 2015, <http://tinyurl.com/4a9ku8b>.

<sup>8</sup> Paul A. Jargowsky, "Architecture of Segregation: Civil Unrest, the Concentration of Poverty, and Public Policy," The Century Foundation, Aug. 7, 2015, <http://tinyurl.com/q2uzvvt>.

<sup>9</sup> For an account, see Kenneth Jost, "Fair Housing Law Held to Apply Broadly," in *Supreme Court Yearbook 2014-2015*, <http://tinyurl.com/po8ks9n>. For case materials and pre- and post-decision coverage, see *SCOTUSblog*, <http://tinyurl.com/n2o892m>.

<sup>10</sup> *Texas Department of Housing and Community Affairs v. Inclusive Communities Project, Inc.*, <http://tinyurl.com/o5xfds>. Kennedy's opinion was joined by Justices Ruth Bader Ginsburg, Stephen G. Breyer, Sonia Sotomayor and Elena Kagan; the main dissenting opinion was written by Justice Samuel A. Alito Jr. and joined by Chief Justice John G. Roberts Jr. and Justices Antonin Scalia and Clarence Thomas.

<sup>11</sup> See "HUD Announces Final Rule on Affirmatively Furthering Fair Housing," <http://tinyurl.com/ov4z4j5>. The press release includes a link to the text of the rule. Castro is quoted in Emily Badger, "Long-awaited rules aim to strengthen housing act," *The Washington Post*, July 8, 2015, <http://tinyurl.com/qcd8eck>.

<sup>12</sup> For comprehensive compilation of materials from plaintiff's side, see the website of the law firm Daniel & Beshara, <http://tinyurl.com/ofhvej>.

<sup>13</sup> Cory Andrews, "Supreme Court's Victory for Disparate Impact Includes a Cautionary Tale," *SCOTUSblog*, June 25, 2015, <http://tinyurl.com/nkd3pf6>.

<sup>14</sup> "Housing Discrimination, Racial Segregation, and Poverty in America," The Diane Rehm Show, Sept. 16, 2015, <http://tinyurl.com/ou4ysbf>.

<sup>15</sup> See Julie Hirschfeld Davis and Binyamin Appelbaum, "Obama Unveils Stricter Rules on Fair Housing," *The New York Times*, July 9, 2015, <http://tinyurl.com/px3xqf4>.

<sup>16</sup> "CFPB and DOJ Order Hudson City Savings Bank to Pay \$27 Million to Increase Mortgage Credit Access in Communities Illegally Redlined," Consumer Financial Protection Bureau, Sept. 24, 2015, <http://tinyurl.com/q9uec68>. The settlement also includes a \$5.5 million penalty. The press release includes links to the complaint and proposed consent decree. For coverage, see Richard Newman, "Hudson City Settling Case," *Herald News* (Passaic County, N.J.),

Sept. 25, 2015, <http://tinyurl.com/nvnvff7>.

<sup>17</sup> Margery Austin Turner *et al.*, "Housing Discrimination Against Racial and Ethnic Minorities 2012," Urban Institute, prepared for U.S. Department of Housing and Urban Development, June 2013, <http://tinyurl.com/oqn74wl>. For coverage, see Shaila Dewan, "Discrimination in Housing Against Nonwhites Persists Quietly," U.S. Study Finds," *The New York Times*, June 12, 2013, p. B3; web version: <http://tinyurl.com/p83kolr>.

<sup>18</sup> "HUD, Philadelphia-Area Real Estate Company Reach Agreement Resolving Racial Steering Allegations," U.S. Department of Housing and Urban Development, June 24, 2014, <http://tinyurl.com/ncue7lu>.

<sup>19</sup> John Eligon, "An Indelible Black-and-White Line," *The New York Times*, Aug. 9, 2015, <http://tinyurl.com/pnlfczv>.

<sup>20</sup> Darrah and DeLuca, *op. cit.*

<sup>21</sup> "The Black Towns Project," <http://tinyurl.com/np8jppc>; Larry O'Dell, "All-Black Towns," *Encyclopedia of the Great Plains*, The University of Nebraska Lincoln, 2011, <http://tinyurl.com/q2g3mhj>.

<sup>22</sup> James H. Hirsch, *Riot and Remembrance: The Tulsa Race War and Its Legacy* (2002); R. Thomas Dye, "Rosewood, Florida: The Destruction of an African American Community," *The Historian*, Vol. 58, No. 3 (spring 1996), pp. 605-622.

<sup>23</sup> For a compelling account, see Isabel Wilkerson, *The Warmth of Other Suns: The Epic Story of America's Great Migration* (2010).

<sup>24</sup> The decision is *Buchanan v. Warley*, 245 U.S. 60 (1917). The Supreme Court's unanimous decision sustained a challenge to the ordinance brought by a white property owner who had sought to sell his home to an African-American.

<sup>25</sup> For an account, see James W. Loewen, *Sundown Towns: A Hidden Dimension of American Racism* (2005).

<sup>26</sup> The decision is *Shelley v. Kraemer*, 334 U.S. 1 (1948).

<sup>27</sup> See Arnold R. Hirsch, *Making the Second Ghetto: Race and Housing in Chicago 1940-1960* (1998).

<sup>28</sup> For an overview, see Ta-Nehisi Coates, "The Case for Reparations," *The Atlantic*, June 2014, <http://tinyurl.com/nopprgt>.

<sup>29</sup> HUD's website has a celebratory account of the enactment: "History of Fair Housing," <http://tinyurl.com/6f7exxg>.

<sup>30</sup> The decision is *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409 (1968).

<sup>31</sup> Account drawn from Nikole Hannah-Jones, "Living Apart: How the Government Betrayed a Landmark Civil Rights Law," *ProPublica*,

## About the Author



**Kenneth Jost** has written 170 reports for *CQ Researcher* since 1991 on topics ranging from legal affairs and social policy to national security and international relations. He is the author of *The Supreme Court Yearbook* and *Supreme Court From A to Z* (both CQ Press). He is an honors graduate of Harvard College and Georgetown Law School, where he teaches media law as an adjunct professor. He also writes the blog *Jost on Justice* (<http://jostonjustice.blogspot.com>). His earlier reports include "Racial Diversity in Public Schools" (September 2007) and "School Desegregation" (April 2004).

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<sup>32</sup> The statutes have been codified as indicated: Equal Credit Opportunity Act, 15 U.S.C. §§1691 *et seq.*; <http://tinyurl.com/pvhr53>; Home Mortgage Disclosure Act, 12 U.S.C. §§ 2801 *et seq.*, <http://tinyurl.com/2wb8xpx>; Community Reinvestment Act, 12 U.S.C. §§ 2901 *et seq.*, <http://tinyurl.com/4w74td>. The LGBT rule, formally entitled "Equal Access to Housing in HUD Programs — Regardless of Sexual Orientation or Gender Identity," was issued on Jan. 27, 2012, and took effect after formal publication on March 5, 2012, <http://tinyurl.com/6s3jj8p>.

<sup>33</sup> See Lisa Belkin, "The Painful Lessons of the Yonkers Housing Crisis," *The New York Times*, Aug. 14, 2015, <http://tinyurl.com/nhnqpg7>.

<sup>34</sup> Massey and Tannen, *op. cit.*

<sup>35</sup> See "Fair Housing Enforcement at HUD Is Failing," in "The Future of Fair Housing: Report of the National Commission on Fair Housing and Equal Opportunity," December 2008, <http://tinyurl.com/phzn4c6>; National Fair Housing Alliance, "Where You Live Matters: 2015 Fair Housing Trends Report," April 30, 2015, p. 28, <http://tinyurl.com/neuq462>.

<sup>36</sup> See Fernanda Santos, "Judge Faults Westchester County on Desegregation Efforts," *The New York Times*, Feb. 27, 2009, <http://tinyurl.com/pyho9ja>; Sam Roberts, "Housing Accord in Westchester," *The New York Times*, Aug. 11, 2009, <http://tinyurl.com/lgl36q>; Mark Lungariello, "Feds: Housing accord violated," *The Journal News* (Westchester County, N.Y.), July 23, 2015, <http://tinyurl.com/ph8osw3>.

<sup>37</sup> See "Fair Housing and the Foreclosure Crisis," *Future of Fair Housing*, *op. cit.*, <http://tinyurl.com/czpj9b>; Charlie Savage, "Wells Fargo Will Settle Mortgage Bias Charges," *The New York Times*, July 13, 2012, <http://tinyurl.com/mdoqvqo>.

<sup>38</sup> The decision is *Havens Realty Corp. v. Coleman*, 455 U.S. 363 (1982).

<sup>39</sup> Quoted in Jost, *op. cit.*

<sup>40</sup> Davis and Appelbaum, *op. cit.*

<sup>41</sup> "Where You Live," *op. cit.*, pp. 41-42.

<sup>42</sup> *Ibid.*, pp. 43-44.

<sup>43</sup> See "Summary of Recommendations," in *Future of Fair Housing*, *op. cit.*

<sup>44</sup> For text of complaint and other materials, see website of the law firm Daniel & Beshara, <http://tinyurl.com/o6rudg>.

<sup>45</sup> See Daniel Beekman, "Mayor Murray backs off plan to increase density in single-family

## FOR MORE INFORMATION

**Housing and Civil Enforcement Section**, NWB, Civil Rights Division, U.S. Department of Justice, 950 Pennsylvania Ave., N.W., Washington, DC 20530; 202-514-4713; [www.justice.gov/crt/housing-and-civil-enforcement-section](http://www.justice.gov/crt/housing-and-civil-enforcement-section). Enforces the Fair Housing Act, the Fair Lending Act and the public accommodations provisions in Title II of the Civil Rights Act of 1964.

**Manhattan Institute for Policy Research**, 52 Vanderbilt Ave., New York, NY 10017; 212-599-7000; [www.manhattan-institute.org](http://www.manhattan-institute.org). A conservative think tank, renamed in 1981 from the International Center for Economic Policy Studies, that supports market-oriented policies in, among other areas, housing and land use.

**Mortgage Bankers Association**, 1919 M St., N.W., 5th floor, Washington, DC; 20036; 202-557-2700; [www.mba.org](http://www.mba.org). Represents all segments of the real estate finance industry on legislative and regulatory issues and works to develop open and fair standards and practices for the industry.

**NAACP Legal Defense and Educational Fund**, 40 Rector St., 5th floor, New York, NY 10006; 212-965-2200; [www.naacpldf.org](http://www.naacpldf.org). Civil rights organization that has been involved in fair-housing litigation through much of its history.

**National Association of Housing and Redevelopment Officials**, 630 I St., N.W., Washington, DC 20001; 202-289-3500; [www.nahro.org](http://www.nahro.org). Represents housing and redevelopment officials who administer federal housing programs, including public housing and section 8 housing choice vouchers.

**National Association of Realtors**, 500 New Jersey Ave., N.W., Washington, DC 20001; 202-383-1000; [www.realtor.org](http://www.realtor.org). An influential trade association with 1 million members in the commercial and residential real estate industries.

**National Disability Rights Network**, 820 1st St., N.E., Suite 740, Washington, DC 20002; 202-408-9514; [www.ndrn.org](http://www.ndrn.org). Advocates for basic rights for persons with disabilities, including nondiscrimination in housing.

**National Fair Housing Alliance**, 1101 Vermont Ave., N.W., #710, Washington, DC 20005; 202-898-1661; [www.nationalfairhousing.org](http://www.nationalfairhousing.org). A consortium of more than 220 private, nonprofit fair housing organizations, state and local civil rights agencies and individuals.

**Office of Fair Housing and Equal Opportunity**, U.S. Department of Housing and Urban Development, 451 7th St., S.W., Washington, DC 20410; 800-669-9777; [www.hud.gov/fairhousing](http://www.hud.gov/fairhousing). The office responsible for the administration, enforcement, development and public understanding of federal fair-housing provisions.

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<sup>46</sup> "Housing Discrimination, Racial Segregation, and Poverty in America," *op. cit.*

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# The Next Step:

## *Additional Articles from Current Periodicals*

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**Reckard, E. Scott, and Andrew Khouri, “L.A. suit accusing Wells Fargo of predatory mortgage lending practices is dismissed,” *Los Angeles Times*, July 17, 2015, <http://tinyurl.com/q7aeenb>.**

A federal district court judge dismissed a lawsuit filed by the City of Los Angeles against Wells Fargo & Co. for allegedly making predatory loans to minorities.

**Stempel, Jonathan, “M&T Banks settles lawsuit claiming New York City lending bias,” *Reuters*, Aug. 31, 2015, <http://tinyurl.com/pdbjbz8>.**

M&T Bank Corp. agreed in a settlement reached in a lawsuit filed by a nonprofit group to improve loan-officer training, avoid steering minority customers to minority-dominant neighborhoods based on the clients’ race and pay legal fees and damages for plaintiffs represented in the case.

### **Racial Segregation**

**Davis, Julie Hirschfield, and Binyamin Appelbaum, “Obama Unveils Stricter Rules Against Segregation in Housing,” *The New York Times*, July 8, 2015, <http://tinyurl.com/px3xqf4>.**

A new HUD policy will require cities to report how they use federal housing funds to reduce segregation, a move some conservatives have derided as social engineering or an attempt to enforce a “utopian” ideology.

**Henderson, Tim, “Can Cities Desegregate? Some Show How It’s Done,” *The Pew Charitable Trusts*, Oct. 2, 2015, <http://tinyurl.com/pvvtgen>.**

Cincinnati and other cities have adopted policies to successfully integrate neighborhoods, though some experts say the successes resulted from declining local prejudice rather than policies.

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