



Testimony to the National Commission  
on Fair Housing and Equal Opportunity

Chicago, IL

July 15, 2008

**The Chicago Area Fair Housing Alliance (CAFHA)** is an association of private fair housing organizations, governmental bodies, and other concerned groups and individuals in the six county metropolitan Chicago region. CAFHA seeks to:

- Develop and support programs that further fair housing rights and opportunities;
- Develop strategies to promote long-term racial diversity; and
- Combat discrimination and harassment based on the protected classes in local, state, and national fair housing laws.

As a regional entity, CAFHA provides a critical voice that addresses fair housing issues on a metropolitan-wide level. CAFHA expresses the concerns of its members by promoting equal housing opportunities through education, research, and advocacy.

CAFHA conducts original research on housing trends and engages in policy analysis, highlighting how the individual power to choose one's housing, and the full physical access to such housing, affects one's employment, education, transportation, and even the proliferation of sprawl. It provides essential data on enforcement, education, and affirmative efforts in the Chicago metropolitan area.

Significant research contributions have included the 1998 report, "The Two Faces of FHA," a policy paper detailing FHA and HUD practices that contributed to community disinvestment and decline, with recommendations for reforms in FHA lending and HUD oversight, and the three-part report "Putting the "Choice" in Housing Choice Vouchers," released in 2003-2004.

In addition, CAFHA advocates for legislation and policies that assure equal opportunity for people protected by fair housing law. Thus CAFHA is well-positioned to present testimony on the devastating consequences of discrimination and segregation.

Forty years ago, Dr. Martin Luther King focused the Chicago Freedom Movement on fair and open housing. Thousands of people participated in the marches and demonstrations in Soldier Field, Marquette Park, Grant Park, in front of Chicago City Hall and elsewhere. This was the first large scale fair housing campaign in the country and the most ambitious civil rights campaign in the North. It placed the issue of equal opportunity in housing and the fight against housing segregation not just before the people of Chicago, but before the nation.

Sadly, the unpleasant reality of racial segregation and discrimination in housing compromises rights guaranteed to all Americans and continues to threaten our communities today. By some measures, the segregation of Chicago has worsened or at best has remained the same as it was forty years ago when King initiated the Chicago fair housing campaign. In fact, sociologists, Nancy A. Denton and Douglas Massey, identify Chicago as a city that is "hyper-segregated" and they point out that

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Chicago is only five percent more integrated today than it was in 1970. Thus, the Chicago area continues as one of America's most segregated regions.

This written testimony from CAFHA will provide:

- A summary of the 2005 report "The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region;,"<sup>1</sup>
- The findings of discrimination against Section Eight/Housing Choice Voucher holders based on testing of landlords in Chicago and the Western Suburbs<sup>2</sup>;
- Recent case examples that are vivid portrayals of the deleterious effects of discrimination, referencing the ongoing discrimination in the Chicago region as reported in CAFHA's recently-released report on the state of fair housing in the Chicago region,<sup>3</sup> and;
- Recommendations for increased enforcement, educational efforts, and certain policy and legislative changes.

Copies or summaries of the reports referenced are provided.

### **"The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region"**

This report of the Leadership Council for Metropolitan Open Communities is based on the "simple notion" that accessing opportunities is based in large measure on where one lives and documents the correlation between race, income, and access to opportunities. Stark racial and economic disparities exist in the Chicago region.

For this report, opportunity factors utilized were: proximity and availability of transportation and jobs; quality of schools; community health or quality of life; and tax capacity and public services. Each factor had a number of variables which were combined and averaged to place communities into one of five quintiles, from "highest opportunity" to "lowest opportunity."

Principal findings of the research:

- Limited income households have few housing choices in high opportunity areas. Less than 4% of housing in high opportunity areas is affordable to families with limited incomes.
- 94% of Black residents and 83% of Hispanic residents live in "low opportunity" communities.

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<sup>1</sup> A Report of the Leadership Council for Metropolitan Open Communities, May 2005.

<sup>2</sup> "LOCKED OUT: Barriers to Choice for Chicago Housing Voucher Holders," Report from Lawyers' Committee for Better Housing, 2002, Testing conducted by HOPE Fair Housing Center and South Suburban Housing Center.

<sup>3</sup> "The 2008 State of Fair Housing In the Six-County Chicago Region: 40 Years After the Fair Housing Act, And A Blueprint for Change for the Next Five Years," A Report of the Chicago Area Fair Housing Alliance, Rob Breymaier and Mandie Schmid. Report available at <http://www.chicagoareafairhousing.org/>

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- The “high opportunity” areas in the Chicago region had 34 times as many jobs created within a 10-mile radius in a 5-year period as the “low opportunity” communities.
- Disparities are also found in quality of life issues, such as crime, health, and recreational opportunities.

The report makes clear that people of color continue to experience vastly different levels of access to quality public education, employment choices, and accumulation of wealth. To take just one of these areas – education -- the following statistics indicate the ongoing impact of discrimination and segregation:

- The Chicago area ranks fourth in the nation in African American-Caucasian school segregation.
- 30% of all public schools are 100% African American, and 47% are 90% or more African American.
- Nearly 60% of African American high school freshman do not graduate with a degree in four years.<sup>4</sup>

To put it succinctly, minorities as a whole do not have the same access to opportunities as the majority white population.

### **Discrimination against Families with Section Eight/Housing Choice Vouchers**

In “Locked Out: Barriers to Choice for Chicago Housing Choice Voucher Holders” a report based on testing of Chicago landlords, the Lawyers’ Committee for Better Housing found that rejection of families solely because they have a voucher is widespread and the discrimination is more prevalent when the voucher holder is Black or Hispanic. The vast majority of voucher holders in Chicago are minority. Thus discrimination against families with a voucher is often a proxy for race discrimination.

Specific findings included:

- Approximately half of landlords refused to rent to white testers posing as apartment seekers when rent would be paid by a Housing Choice Voucher;
- When Black and Hispanic testers contacted the landlords who were willing to rent to a white tester, additional discrimination was found, with 36% of the willing landlords in the random sample and 45% of landlords in targeted opportunity areas rejecting minority testers;
- An additional 16-19% of landlords equivocated, reducing the number of landlords who responded positively to minority voucher holders to 15% in a random sample and just over 10% in opportunity areas.

A later study found similar results in the western suburbs. Sixteen communities in the western Cook County suburbs were selected for the testing project. After randomly

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<sup>4</sup> Segregation in Chicago 2006,” Center for Urban Research and Learning at Loyola University Chicago. Full Report Available at [www.cfm40.org](http://www.cfm40.org)

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selecting apartment advertisements from area newspapers and online sources, testers began a three-stage testing process using Caucasian/White, African American/Black , and Hispanic/Latino testers with phone voices identifiable to their race/ethnicity.

Over half of landlords with available apartments for rent -- 54% -- refused to accept a white tester posing as a renter with a voucher. Only 32% said they would accept tenants with the voucher; another 7% said they would accept the voucher with conditions, such as higher rent rate, three times the security deposit, an impeccable credit history, etc. Another 7% said they were unfamiliar with the voucher or that they might consider renting to a voucher holder. The numbers of acceptance were significantly lower for the minority testers with vouchers, with some landlords misrepresenting availability and others who would accept white voucher holders refusing to accept minorities.

As an alternative to providing families with public housing, the Section Eight voucher program is intended to open up market rate units to qualifying low-income families so that they may obtain housing in the private market. For voucher holders in the Chicago area, these testing results mean the potential of making a move to the western suburbs or the neighborhood of their choice in Chicago is definitely limited by discrimination. For African-American and Hispanic voucher holders, it is even more difficult, as the survey shows a significant additional bias against minority voucher holders. In fact, as the LCBH testing shows, refusing to accept HCV tenants likely gives some landlords a safe haven against a charge of racial or ethnic discrimination. The vast majority of voucher holders in Chicago area African-American.

### **“The 2008 State of Fair Housing in the Six-County Chicago Region: 40 Years After the Fair Housing Act and A Blueprint for Change For the Next Five Years”**

This recently released report of the Chicago Area Fair Housing Alliance contends that public policies addressing housing and community development have failed to actively promote fair housing and integration as originally intended by the passage of the Fair Housing Act.

Forty years after the passage of the Fair Housing Act, racial and ethnic segregation still dominate the American housing market. While there has been progress toward opening housing opportunities for those protected by fair housing laws, discrimination and steering continue. Moreover, public policies addressing housing and community development have failed to actively promote fair housing and integration as originally intended through the Fair Housing Act.

This report demonstrates the need to prioritize fair housing activities and provides a plan for progress that will ensure equal housing opportunity, promote integration, and improve regional equity and sustainability.

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Key findings include:

- In 2007, a total of 2,252 complaints were filed with private fair housing agencies in the Chicago region. This figure is particularly alarming in light of the National Fair Housing Alliance's finding that individuals only report about 1% of all acts of housing discrimination. Approximately half of the housing discrimination involves race or national origin.
- The average non-white household faces some form of discrimination approximately half the time they search for housing.
- In 2007, the Illinois Department of Human Rights received 410 fair housing complaints throughout Illinois, of which 259 originated in the six-county Chicago region.
- Recent research shows that whites demonstrate more self-segregating behaviors than other racial groups.

Chicago's inordinately high pattern of segregation is a visible symbol of the failure to prioritize fair housing in the region. Currently ranked as the fifth most segregated city in the country, Chicago has consistently been among the most segregated since the passage of the Fair Housing Act.

### **Recent Chicago Fair Housing Cases: Discrimination Is Not Always Subtle**

#### *Contract to Purchase Home Cancelled in Favor of White Buyers*

Jerome Hoskins, an African-American, was awarded \$25,000 in a settlement of his federal court Fair Housing Act complaint in March 2008, against a real estate agent and the sellers of a south suburban single family residence. Hoskins was looking to purchase a home in Homewood to get his seven year old son enrolled before school began in the fall of 2006. He is a veteran of the Desert Storm military action and eventually moved to Homewood in October 2006 after purchasing another property.

The federal complaint alleged that Hoskin's contract to purchase the Homewood residence of an elderly white woman was accepted by her, but that a day later, her real estate agent notified Hoskin's agent that she was terminating the contract. The very next day, the owner entered into a sales contract with a young white couple. Also alleged was that two adult daughters of the owner were present when the home was first shown to Hoskins and when it was later shown to the white couple, and that while they did not speak to Hoskins, one of the daughters allegedly told the white couple that she was sure her mother would want to sell the house to them before anyone else. The complaint alleged that Hoskins was never notified that any other offers were being made, or given an opportunity to modify his offer on the property, prior to being notified that his contract was being terminated.

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South Suburban Housing Center, the regional fair housing organization serving the south suburbs, investigated the allegations and assisted Hoskins in filing a fair housing complaint with HUD prior to the filing of the federal lawsuit.

#### Tenant Experiences Discrimination after African-American Boyfriend Moves In

The South Suburban Housing Center investigated a complaint of race-based discrimination against an apartment complex owner in a segregated white southwest Chicago suburban community. The complaint was brought by a white woman who had been a tenant at the complex for more than ten years. She had enjoyed a good relationship with the complex owner until her African American boyfriend moved in with her. After that event, the owner refused to maintain broken appliances in her unit, charged her additional monthly fees, and refused to renew her lease.

SSHC conducted a series of race-based fair housing test investigations that revealed the owner provided untruthful information about available apartments and quoted higher security deposit amounts to black testers matched with equally qualified whites posing as apartment seekers. SSHC and the victim filed a joint fair housing complaint with HUD that was eventually charged as a violation of the Fair Housing Act and sent for an administrative hearing. The case was removed to federal court, and settled in a pre-trial conference (July 2007), where the defendant apartment complex owners agreed to pay \$42,000 in damages to the aggrieved parties and to comply with other injunctive relief. The discrimination they experienced caused the victimized woman and her boyfriend to move out of the complex and the community.

#### African-American Family Attacked by Skinheads after Move to Fox Lake

A federal court jury ordered three alleged skinheads to pay a suburban family \$230,000 in retribution for a vicious racially-motivated attack that occurred in far northwest suburban Fox Lake. The jury awarded the five members of the family \$100,000 in compensatory damages and \$130,000 in punitive damages.

Phyllis Williams and Jimmy Gilmore and their three teenage children sued Shaun Derifield, Harley Hermes and Michael Canlas for attacking the three Williams children because they are African-American. As the three children walked home from a high school football game in August 2002, the defendants called them a racial epithet, told them to get out of their town or they would kill them, and held a knife to Deona Williams' throat. Ms. Williams testified that she cried and pleaded with the defendants not to kill her. Ms. Williams and her parents testified that the attack shattered their family happiness in what they thought was their dream home.

All three defendants pled guilty to charges in the attack in 2003 and received prison sentences. Among the nine counts in the complaint (Case No. 04 C 5633) were civil

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rights conspiracy, fair housing intimidation, and violation of the state Hate Crime Act. Plaintiffs were granted summary judgment on all their claims based on the defendants' guilty pleas in criminal court.

The Williams-Gilmore family was represented by the Chicago Lawyers' Committee for Civil Rights Under Law, Inc., Kirkland & Ellis LLP, and Sonnenschein Nath & Rosenthal LLP. Attorneys from the law firms represented the family pro bono through the Bias Violence Project of the Chicago Lawyers' Committee for Civil Rights Under Law, Inc.

### *Neighbors Discourage Black Purchaser with Confederate Flag, Racial Epithet*

An African American female reported to HOPE Fair Housing that she was seeking to purchase a home. Their realtor took the home seeker and her two grandchildren to view a home for sale in a western suburb. As they were entering the home, according to the woman, neighbors from across the street – one woman and two men -- ran out, saying loudly "Oh, hell, no niggers." The realtor stated that she glanced over and noticed a Caucasian woman removing a large American flag from a pole on the porch; she returned with a large Confederate flag, placing it on the flag pole. She further said that, as a professional she had "failed my client by exposing her and her grandchildren to this type of bold racism." The neighbors with the flags allegedly explained to the police that this was because they were celebrating NASCAR.

Subsequently, the buyer decided not to pursue purchase of that house. The incident is being investigated by HOPE Fair Housing for a HUD or Federal lawsuit. Potential plaintiffs are the buyer, the real estate agent, and HOPE.

### **Recommendations for Improving the State of Fair Housing**

Three key recommendations of the 2008 CAFHA report have applicability beyond local and state jurisdictions:

- The Federal Fair Housing Act be amended to extend protections for Housing Choice Voucher holders, as well as for other sources of income, such as disability payments;
- HUD hold accountable entitlement jurisdiction communities and sub-recipients, respectively, that fail to adequately provide for the affirmative furthering of fair housing;
- Community Reinvestment Act examinations of banking institutions put more emphasis on locating bank branches of depository institutions in underserved areas, and that lenders and underwriters take steps to develop responsible lending products for minorities and communities of color.

### *Add Source of Income as a Protected Class*

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