

STILL SEPARATE AND UNEQUAL:
THE STATE OF FAIR HOUSING IN AMERICA

PRESENTED BY...

**The National Commission on Fair
Housing and
Equal Opportunity**

WITH



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Dear Commissioner,

Welcome to Chicago, and the first hearing of the National Commission on Fair Housing and Equal Opportunity. Over the next few months we will travel the country together to collect information and hear testimony about the nature and extent of illegal housing discrimination and its origins, its connection with government policy and practice, and its effect on our communities. We will also explore options for change that can help achieve our shared goal of creating an America that lives up to the ideal of equal housing opportunity for all. We are grateful for your participation in this important work.

Nowhere is a more appropriate venue to kick off this discussion than here in Chicago, the birthplace of the fair housing movement and the city where issues of equal housing opportunity in an ever-changing real estate market remain at the forefront of public policy debate and discussion.

As you know, the title of this first hearing is *Still Separate and Unequal: The State of Fair Housing in America*. We will explore that claim by hearing from advocates, academics and victims regarding their experiences with the housing system in Chicago, the Midwest, and around the country. Witnesses will examine the extent of private actions of housing discrimination in various aspects of the housing market, focus on the demonstrable evidence that racial segregation still exists in our country, and identify some of the negative consequences of discrimination and segregation and the positive consequences of integration. In addition, witnesses will review the connections between the actions of federal agencies that have fostered segregation and the failures of the federal government to adequately enforce the federal fair housing laws.

In this briefing book you will find your agenda and schedule for the hearing, a description of the Commission, biographies of Commissioners and witnesses, written testimony of witnesses, suggested questions for each witness, and summaries of background material on fair housing in general, as well as some that is more focused on Chicago and the Midwest specifically. We hope that you will find this information useful in your preparation for the day's events.

We look forward to an interesting and informative series of hearings leading up to our final report and recommendations in December.

Thank you again for your leadership.

National Commission on Fair Housing and Equal Opportunity

Forty years after the passage of the Fair Housing Act in 1968 and twenty years after the Fair Housing Amendments Act of 1988, the National Commission on Fair Housing and Equal Opportunity has been convened to address the significant and ongoing national catastrophes of housing discrimination and residential segregation. Although their antecedents are found in our country's deliberate history of establishing separate neighborhoods for black and white Americans, these issues are not merely historical. Today, they continue to play an active and significant role in the real estate rental, sales, lending and insurance markets. Furthermore, continuing practices of discrimination and segregation affect not only African-Americans, but also Latinos, Arab-Americans, Asian-Americans, families with children, and people with disabilities.

The National Commission will be co-chaired by two leaders in the area of housing policy and former Secretaries of the Department of Housing and Urban Development: Henry Cisneros and Jack Kemp. Other Commissioners will include Okianer Christian Dark, Associate Dean for Academic Affairs at the Howard University College of Law; Gordon Quan, Houston, Former Mayor Pro Tem and Chair of the Housing Committee for the City of Houston; Pat Combs, past President of the National Association of Realtors; Myron Orfield, Professor at the University of Minnesota School of Law; and I. King Jordan, President-Emeritus of Gallaudet University.

The Commission will conduct four daylong regional hearings - in Chicago, Los Angeles, Boston, and Atlanta, and one half day hearing - in Houston - to collect information and hear testimony about the nature and extent of illegal housing discrimination and its origins, its connection with government policy and practice, and its effect on our communities. The first hearing will be held in Chicago on July 15. The other hearings will be held in Los Angeles on September 9, Boston on September 22 and Atlanta on October 17. The half-day Houston hearing will be held on July 31 in conjunction with the annual conference of the National Bar Association. It will focus on housing discrimination and re-segregation on the Gulf Coast since the hurricanes and federal housing programs that have failed to promote residential integration.

Each hearing will open with a statement from one or more of the commissioners that will recognize local and regional issues of discrimination and segregation, historically and structurally. At every hearing, witnesses will be included that can speak to the role that government policy, private discrimination, and housing industry practices play in perpetuating housing discrimination and segregation.

The first hearing, in Chicago on July 15, will focus on the history of residential racial segregation and the nature and scope of housing discrimination. Witnesses will examine the extent of private actions of housing discrimination in various aspects of the housing market, focus on the demonstrable evidence

that racial segregation still exists in our country, and identify some of the negative consequences of discrimination and segregation and the positive consequences of integration. In addition, witnesses will review the connections between the actions of federal agencies that have fostered segregation and the failures of the federal government to enforce the federal Fair Housing Act to address housing discrimination systematically and systemically.

The second regional hearing will be held in Los Angeles. Witnesses at that hearing will look at today's foreclosure crisis, its linkage to acts of discrimination and its connection to segregated communities. In addition, witnesses will examine whether or not the federal government is providing vigorous fair housing enforcement and education for the public, for the housing industry, and for victims or potential victims of discrimination. Community decision-making in areas such as zoning, its consideration of affordable housing proposals and the expenditure of federal grants continues to play a major role in how communities are sustained and grown,. Witnesses will testify about opportunities to advance fair housing in local communities and at the state level. The nature and extent of discrimination based on disability and on ethnic and language minorities will also be examined.

The third regional hearing, in Boston, will focus on some of the key players in advancing fair housing, and the failures, and strengths, of those players. Witnesses will look at the role of housing choice, consistent with fair housing law and policy, in establishing vibrant and integrated communities, the connections between integrated communities and the quality of life for residents, and ways federal programs can be used to achieve these communities. Because effective enforcement of fair housing laws is a critical component of ensuring that communities and especially their schools are integrated, two panels will examine the ways in which stronger fair housing enforcement at the local and national level can be used to confront discrimination and segregation, and what is needed to make fair housing enforcement by non governmental entities and by the government more effective.

The final regional hearing, in Atlanta, will look at the track record of the federal government in enforcing fair housing laws and the ways in which it has failed our country, both in individual cases and in overlooking opportunities to address discrimination systemically. There are federal enforcement actions that can be taken to make fair housing enforcement a reality, and witnesses will testify about their vision of an effective federal, state and local enforcement system.

The hearings will culminate with the release of a report in Washington, DC in December, 2008 which will detail the testimony provided at the hearings and outline recommendations for action in the future.

The hearings will be held at accessible locations and sign language interpretation will be available. Streaming video presentations of the hearings

will be available at <http://www.ustream.tv/channel/national-commission-on-fair-housing>

Maps demonstrating the extent of residential segregation in key communities across the region will be available at each hearing.

A photo exhibit, produced by photographer and civil rights icon Bernie Kleina, on the 1960s Chicago Freedom Movement will be featured at the Chicago hearing, along with videos showing some of the ways that discrimination occurs, and its effect on its victims.

The Commission was created through the partnership of four leading national civil rights organizations: the Leadership Conference on Civil Rights Education Fund (LCCR/EF); the Lawyers' Committee for Civil Rights under Law (LCCRUL); the National Fair Housing Alliance (NFHA); and NAACP Legal Defense and Educational Fund (LDF). These organizations are uniquely qualified to carry out this project. All four organizations share a commitment to fair housing carried out over decades and have worked together collaboratively on several initiatives. NFHA, LCCRUL and LDF serve on the executive committee of the LCCR, the sister organization to LCCR/EF, a coalition of nearly 200 national organizations. The LCCRUL, whose mission is to involve the private bar in providing legal services to address racial discrimination, implemented a National Commission on Voting Rights in 2005 and staged ten hearings across the country providing the entire record to the US Congress leading to the reauthorization of that seminal civil rights law in 2007. LCCR/EF, LDF and LCCRUL worked in collaboration with several other organizations to implement a public education campaign about the ongoing need for stronger enforcement of voting rights. The NAACP LDF is America's legal counsel on issues of race. Through advocacy and litigation, LDF pursues racial justice to move our nation toward a society that fulfills the promise of equality for all Americans. NFHA, the leading voice for fair housing, is the only national organization dedicated solely to ending discrimination related to housing in the United States. It is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States.

The Poverty and Race Research Action Council, along with fair housing consultant Sara Pratt and the Raben Group, LLC, are providing staff/consulting support to the Commission, along with pro bono assistance of several cooperating law firms recruited by the Lawyers' Committee for Civil Rights Under Law.

Biographies

Opening Speaker and Commissioners

Illinois Attorney General Lisa Madigan

In November 2002, Attorney General Madigan became the first female elected to serve as the Illinois Attorney General, and one of only a handful of female Attorneys General in the country. She was elected to a second term in November 2006, earning the largest vote total of any statewide candidate in that election.

Before her election as Attorney General, Madigan served in the Illinois Senate and worked as a litigator for a Chicago law firm. Prior to becoming an attorney, she was a teacher and community advocate, developing after-school programs to help keep kids involved in education and away from drugs and gangs. Madigan also volunteered as a high school teacher in South Africa during apartheid.

A thoughtful and determined advocate, Madigan has dedicated the energy and resources of her office to protecting women and children from the dangers of sexual predators on our streets and on the Internet. Under Madigan's stewardship, the Consumer Protection Division of the Attorney General's office has established a national reputation for aggressively safeguarding consumers from fraud and unsafe products. Madigan is a leader in the public's fight for open and accessible government, and she also has been credited with restoring integrity to Illinois' gambling industry. Additionally, Madigan has been widely praised for implementing a series of proactive law enforcement strategies to combat the spread of methamphetamine throughout the state.

Attorney General Madigan was the recipient in 2005 of the John F. Kennedy New Frontier Award, an honor presented annually to an American elected official whose contributions in office demonstrate the impact and value of public service in the spirit of President Kennedy. In 2006, Madigan was one of 24 elected officials chosen to receive an Aspen Institute Rodel Fellowship. The fellowship program recognizes the nation's most outstanding young political leaders and is focused on the ethics and responsibilities of public leadership and the study of democratic values.

Madigan is proud of the recognition she has received for her public service work from such organizations as the Illinois Center for Violence Prevention, the American Cancer Society, the Illinois Drug Enforcement Officers Association, Equality Illinois, the American Association of Retired Persons, the Society of Professional Journalists, the Illinois Equal Justice Foundation, the Illinois Association of Chiefs of Police, and the Illinois Environmental Council.

Madigan earned her bachelor's degree from Georgetown University and her J.D. from Loyola University Chicago School of Law. She and her husband, Pat Byrnes, have two daughters.

Co-Chairman Henry Cisneros

Henry Cisneros is Executive Chairman of the CityView companies, which funds homebuilders across the nation to create homes priced within the range of average families. CityView is a partner in building more than 40 communities in 12 states, incorporating more than 7,000 homes with a value of over \$2 billion.

After serving three terms as a City Councilmember, in 1981, Mr. Cisneros became the first Hispanic-American mayor of a major U.S. city, San Antonio, Texas. During his four terms as Mayor, he helped rebuild the city's economic base and spurred the creation of jobs through massive infrastructure and downtown improvements, marking San Antonio as one of the nation's most progressive cities. A scholarly study of America's Mayors, *The American Mayor*, ranked Mr. Cisneros as one of the fifteen best mayors in the nation in a period that spanned the 20th Century. After completing four terms as Mayor, Mr. Cisneros formed Cisneros Asset Management Company, a fixed income management firm operating nationally and ranked at the time as the second fastest growing money manager in the nation.

In 1992, President Clinton appointed Mr. Cisneros to be Secretary of the U.S. Department of Housing and Urban Development. He is credited with initiating the revitalization of many of the nation's public housing developments, with formulating policies which contributed to achieving the nation's highest ever homeownership rate, and with upgrading the nation's strategies to reduce homelessness. After leaving HUD in 1997, Mr. Cisneros became president and chief operating officer of Univision Communications.

Mr. Cisneros has also been author, editor or collaborator in several books including: *Interwoven Destinies: Cities and the Nation*. His book project with former HUD Secretary Jack Kemp, *Opportunity and Progress: A Bipartisan Platform for National Housing Policy*, was presented the Common Purpose Award for demonstrating the potential of bipartisan cooperation and *Casa y Comunidad: Latino Home and Neighborhood Design* and was awarded the Benjamin Franklin Silver Medal in the category of best business book of 2006. His most recent collaboration with former HUD Secretary Jack Kemp, *Our Homes, Our Communities*, is a guide for local leaders in designing comprehensive housing policies.

Mr. Cisneros holds a Bachelor of Arts and a Master's degree in Urban and Regional Planning from Texas A&M University. He earned a Master's degree in Public Administration from Harvard University, studied urban economics at the Massachusetts Institute of Technology, holds a Doctorate in Public Administration from George Washington University, and has been awarded more than 20 honorary doctorates from leading universities. He served as an infantry officer in the United States Army. He is married to Mary Alice P. Cisneros, who in 2001 was elected to San Antonio's City Council, and is the father of three children - Teresa, Mercedes, and John Paul - and has three grandchildren.

Co-Chairman Jack Kemp

Jack Kemp is Founder and Chairman of Kemp Partners, a strategic consulting firm which seeks to provide clients with strategic counsel, relationship development, and marketing advice, helping them to accomplish business and policy objectives.

From January 1993 until July 2004 Mr. Kemp was the co-director of Empower America, a Washington, D.C.-based public policy and advocacy organization he co-founded with William Bennett and Ambassador Jeane Kirkpatrick.

Mr. Kemp received the Republican Party's nomination for Vice President in August of 1996 and since then has campaigned nationally for reform of taxation, Social Security and education.

In 1995, Jack Kemp served as chairman of the National Commission on Economic Growth and Tax Reform, which promoted major reform and simplification on our tax code in order to unleash the American entrepreneurial spirit, increase economic growth and expand access to capital for all people.

Prior to founding Empower America, Mr. Kemp served for four years as Secretary of Housing and Urban Development. He was the author of the Enterprise Zones legislation to encourage entrepreneurship and job creation in urban America and continues to advocate the expansion of home ownership among the poor through resident management and ownership of public and subsidized housing.

Before his appointment to the Cabinet, Mr. Kemp represented the Buffalo area and western New York for 18 years in the United States House of Representatives from 1971-1989. He served for seven years in the Republican Leadership as Chairman of the House Republican Conference.

Before his election to Congress in 1970, Mr. Kemp played 13 years as a professional football quarterback. He was captain of the San Diego Chargers from 1960-1962. He was also the captain of the Buffalo Bills, the team he quarterbacked to the American Football League Championship in 1964 and 1965, when he was named the league's most valuable player. He co-founded the American Football League Players Association and was five times elected president of that Association. In 2006 Mr. Kemp was named as one of the NCAA's "100 Most Influential Student-Athletes". He was also recognized by Sporting News as one of the Top 50 Quarterbacks of All Time in 2005.

Mr. Kemp was born and raised in Los Angeles and educated in the LA public schools. He is married to the former Joanne Main of Fillmore, CA. Both are graduates of Occidental College. They have four children (Jeffrey, Jennifer, Judith and Jimmy) and seventeen grandchildren. The Kemps reside in Bethesda, Maryland and have a home in Vail, Colorado. They are also founding members and Honorary Board members of the Yellowstone Private Ski & Golf Club in Big Sky, Montana.

Commissioner Pat Combs

Pat V. Combs, a REALTOR® from Grand Rapids, Mich., is the 2008 Immediate Past President of the National Association of Realtors® (NAR). NAR is America's largest professional association, representing more than 1.3 million members involved in all aspects of the residential and commercial real estate industries.

Pat served as NAR President in 2007 and NAR President-Elect in 2006. In 2005, she was NAR First Vice President. She served as NAR Regional Vice President in 1997 of Region VI, composed of Michigan and Ohio.

A REALTOR® since 1971, Pat is the Vice President of Coldwell Banker-AJS-Schmidt, the second largest real estate company in Michigan. She holds the professional designations of Accredited Buyer Representative (ABR®); Certified Residential Specialist (CRS®); Graduate, REALTOR® Institute (GRI); and Performance Management Network (PMN).

Pat is a member of the NAR Leadership Team. In 2003, she served as National Fundraising Chair for the REALTORS® Political Action Committee and is an RPAC "Golden R." She has been chair of three major NAR committees: Education, Equal Opportunity, and Public Policy. Pat also served as committee liaison for three years.

At the state level, Pat was President of the Michigan Association of REALTORS® in 1995, and was chosen by her peers as Michigan "REALTOR® of the Year" in 2002. She was Michigan President of the Women's Council of REALTORS® in 1986. Active in her community, she served as chairman of the Michigan Real Estate Commission in 2002.

In 1990, Pat served as President of the Grand Rapids Association of REALTORS®.

Pat V. Combs, and her husband, Guy Combs, have a combined family of six children and four grandchildren.

Commissioner Okianer Christian Dark

Ms. Dark is the Associate Dean of Academic Affairs and Professor of Law at Howard University School of Law. Associate Dean Dark joined the faculty at the Howard University School of Law in the fall of 2001 where she teaches Torts, Products Liability, Advanced Torts and Health Law. She has been Associate Dean for Academic Affairs since July 2005 and also serves on a teaching team on Bioethics at the Howard University Medical School.

Associate Dean Dark served in the United States Attorney's Office (USAO) in Portland, Oregon, where she was an Assistant United States Attorney in the Civil Division and Supervisor of the Community Relations Unit. Prior to joining the USAO, Professor Dark was on the faculty of the T.C. Williams School of Law at the University of Richmond, in Richmond, VA. She joined the T.C. Williams faculty in 1984, where she taught Torts, Products Liability, Antitrust and Gender and the Law. She was the recipient of the University of Richmond's Distinguished Educator Award in 1990 and 1993 and the Distinguished Faculty Award by the Virginia Women Attorneys Association Foundation in 1991. At Howard, she received the Warren Rosmarin Professor Of Law Excellence Award in Teaching and Service and the Graduate Students Award for faculty of the year.

Associate Dean Dark has worked on Fair Housing issues for many years. She has offered her personal story as a victim of housing discrimination in a videotape titled "Who Can Ever Get Used to This?" In 1997, she was one of the recipients of the National Fair Housing Alliance's Awards for Excellence in recognition of her role in the promotion of equal housing opportunity for all. She also received a Hope for People Award in 1991 for her work on Fair Housing Matters from Hope Fair Housing.

Associate Dean Dark is very active in her community. In Portland, Oregon, she established a Saturday School Program for primary school-age children at the Urban League of Portland. She also established a Children's Book Fair (directed at preschool and school age children up to 8th grade) for the Urban League's annual event known as "Do The Right Thing" Day, which encourages children who are in school and are doing the right thing. This Book Fair continues on an annual basis in Portland now sponsored by the Multnomah County Library.

In the field of health, she was a founding member of the Board of Trustees of the Northwest Health Foundation in Portland, Oregon. She also was the Chair of the Grants committee for that foundation which gave out about \$2 million dollars in grants to nonprofit and governmental organizations to improve the health of Oregon and Southwest Washington residents. Presently, she is Chair of the Montgomery County Commission on Health which is the only citizen commission in Montgomery County concerned with public health.

Associate Dean Dark is a member of the Pennsylvania and New Jersey Bars and an associate member of the Virginia Bar. She received her Bachelor of Arts Degree Magna Cum Laude from Upsala College, in East Orange, New Jersey and her Juris Doctor from Rutgers University School of Law in Newark, New Jersey. At Rutgers University, Associate Dean Dark was the recipient of the Alumni Senior Prize (awarded to a graduating senior exhibiting the highest achievement in the law school and potential for success in the legal profession).

Commissioner I. King Jordan

King Jordan is the President Emeritus of Gallaudet University, the world's only university with all programs and services designed specifically for students who are deaf or hard of hearing.

In 1988, Gallaudet students, with support from many alumni, faculty, staff and friends of the University, protested the Board of Trustees' appointment of a hearing person to the presidency. Called Deaf President Now (DPN), the week-long protest was a watershed event in the lives of deaf and hard of hearing people all over the world. At its conclusion, the Board reversed its decision and named I. King Jordan, one of three finalists for the position, the eighth president of Gallaudet and the first deaf president since the institution was established in 1864.

Since DPN, I. King Jordan's leadership has heightened public awareness of the important educational contributions Gallaudet makes to the nation and the world. He serves as an international spokesperson for deaf and hard of hearing people, as well as an advocate for all persons with disabilities. Much sought after as a public speaker, Dr. Jordan continues to challenge the American public to examine their attitudes toward people with disabilities and to open their minds, hearts and workplaces to them.

Dr. Jordan is a native of Glen Riddle, Pennsylvania, a small town near Philadelphia. After graduating from high school, he enlisted in the Navy and served four years. An automobile accident left him profoundly deaf at age 21.

Dr. Jordan earned a B.A. in psychology from Gallaudet in 1970. The following year he earned an M.A., and in 1973 a Ph.D., both in psychology and both from the University of Tennessee. Upon receiving his doctorate, Dr. Jordan joined the faculty of Gallaudet's Department of Psychology. In 1983 he became chair of the department; three years later he was appointed dean of the College of Arts and Sciences.

As professor, department chair, dean, and president, Dr. Jordan made numerous scholarly contributions to his field. In addition, he has been a research fellow at Donaldson's School for the Deaf in Edinburgh, Scotland, an exchange scholar at Jagiellonian University in Krakow, Poland, and a visiting scholar and lecturer at schools in Paris, Toulouse, and Marseille, France.

Dr. Jordan holds eleven honorary degrees and is the recipient of numerous awards, among them: the U.S. Presidential Citizen's Medal, the Washingtonian of the Year Award, the James L. Fisher Award from the Council for Advancement and Support of Education (CASE), the Larry Stewart Award from the American Psychological Association, and the Distinguished Leadership Award from the National Association for Community Leadership. In 1990, President George Bush appointed Dr. Jordan Vice Chair of the President's Committee on Employment of People with Disabilities (PCEPD). In 1993, President Clinton reappointed Dr. Jordan Vice Chair of PCEPD.

Dr. Jordan and his wife, Linda have two grown children, I. King III, an associate professor of bioinformatics at Georgia Institutes of Technology, and Heidi, an administrator at the Florida School for the Deaf.

Dr. Jordan stepped down as Gallaudet president on December 31, 2006.

Commissioner Myron Orfield

Professor Myron Orfield is the Executive Director of the Institute on Race & Poverty, a non-resident senior fellow at the Brookings Institution in Washington, D.C., and an affiliate faculty member at the Hubert H. Humphrey Institute. He teaches and writes in the fields of civil rights, state and local government, state and local finance, land use, questions of regional governance, and the legislative process. For 2005-06, Professor Orfield served as the Fesler-Lampert Chair in Urban and Regional Affairs.

Professor Orfield graduated, summa cum laude, from the University of Minnesota, was a graduate student at Princeton University, and has a J.D. from the University of Chicago, where he was a member of the University of Chicago Law Review. Following law school, he clerked for the United States Court of Appeals for the 8th Circuit and then returned to the University of Chicago Law School as a Research Associate and Bradley Fellow at the Center for Studies in Criminal Justice. After working as an associate at Faegre & Benson in Minneapolis, he served as a Special Assistant Attorney General of Minnesota in the Solicitor General's Division.

In 1990, Professor Orfield was elected to the Minnesota House of Representatives, where he served five terms, and to the Minnesota Senate in 2000, where he served one term. There he was the architect of a series of important changes in land use, fair housing, and school and local government aid programs. His first book, *Metropolitics: A Regional Agenda for Community and Stability* (Brookings 1997), a study of local government structure and demographic, relates to these efforts.

For over a decade, Professor Orfield has been president of a nationally respected regional research organization undertaking studies involving the legal, demographic and land use profiles of various American metropolitan areas. His second book, *American Metropolitics: The New Suburban Reality* (Brookings 2002), is a compilation of his work involving the nation's 25 largest regions. Orfield's third book, *Region: Law, Policy and the Future of the Twin Cities* is forthcoming (2008, University of Minnesota Press).

Commissioner Gordon Quan

Gordon Quan is the former Mayor Pro Tem and Chair of the Housing Committee for the City of Houston. Mr. Quan has had a long history of community activism. Thee first Asian American elected citywide to the Houston City Council and first to serve as Mayor Pro Tem, Gordon believes each person can make a difference.

Born in China but raised in Houston, Gordon was a founding member of the Asian American Bar Association of Houston and the Asian American Coalition. He has served in leadership positions with several organizations - President, Houston Foundation; President, East Downtown Tax Increment Redevelopment Zone; Chair, Blue Ribbon Commission to End Chronic Homelessness in Houston; Chair, Plan for Affordable Housing in Houston; President, Asian American Democrats of Texas; President, Asian Pacific American Municipal Official of the National League of Cities.

Professionally, Gordon is the founder and managing partner of Quan, Burdette and Perez, P.C., one of the largest and most respected U.S. immigration law firms in America with offices in Houston, San Antonio, The Rio Grand Valley and Mexico City. He has been selected for Best Lawyers in America, Texas Super Lawyers, Best Lawyers in Houston, and is AV Rated by Martindale-Hubbell.

Gordon continues his community service as a member of the board of directors of the Coalition for the Homeless (Houston), the South Texas College of Law, Catholic Charities, and Neighborhood Center, Inc. He also chairs the Asian Chamber of Commerce and is Vice-chair of the Asia Society, Texas Center.

Gordon has been recognized as a "Trailblazer" by the National Asian Pacific American Bar Association, "Spirit of America" by the National Chinese American Citizen Alliance, a "Bridge Builder" by the Masons Society (the highest honor given to a non-Mason), "Friend of the Homeless" by the Coalition for the Homeless, "Councilmember of the Year" by the Houston Police Officers Union, a "Voice for Children" by Children at Risk among many others.

Mr. Quan earned degrees from the University of Texas (B.A. 1970), the University of Houston (M.Ed. 1973) and the South Texas College of Law (J.D. 1977).

Above all, Gordon Quan has always been a person who cares deeply about others and has tried to make life better for all. Married to the former Sylvia Lau for more than 30 years, they are the parents of three daughters, Caroline and husband Patrick Long, Kristen and husband Hunter Hammill, Katherine and grand-daughter Victoria Long

Co-Sponsoring Organizations

Leadership Conference on Civil Rights Education Fund

Founded in 1969 as the education and research arm of the civil rights coalition, the Leadership Conference on Civil Rights Education Fund (LCCREF) uses its research and education campaigns to promote an understanding of the need for national policies that support civil rights and social and economic justice. LCCREF initiatives are grounded in the belief that an informed public is more likely to support effective federal civil rights and social justice policies.

Through its public education campaigns on critical policy issues such as voting rights, judicial nominations, education reform, and affirmative action, LCCREF accentuates the vital relationship between the movement's storied past and contemporary civil rights issues. Our work presents the different perspectives of the constituencies of the coalition, thus providing policy makers, the press, and the public a broader context for the discussion of policy issues than would be available from any one organization.

Lawyers' Committee for Civil Rights Under Law

The Lawyers' Committee for Civil Rights Under Law, a nonpartisan, nonprofit organization, was formed in 1963 at the request of President John F. Kennedy to involve the private bar in providing legal services to address racial discrimination. The principal mission of the Lawyers' Committee is to secure, through the rule of law, equal justice under law.

The Committee's major objective is to use the skills and resources of the bar to obtain equal opportunity for minorities by addressing factors that contribute to racial justice and economic opportunity. Given our nation's history of racial discrimination, de jure segregation, and the de facto inequities that persist, the Lawyers' Committee's primary focus is to represent the interest of African Americans in particular, other racial and ethnic minorities, and other victims of discrimination, where doing so can help to secure justice for all racial and ethnic minorities.

National Fair Housing Alliance

Founded in 1988 and headquartered in Washington DC, the National Fair Housing Alliance (NFHA) is the only national organization dedicated solely to ending discrimination in housing. NFHA works to eliminate housing discrimination and to ensure equal housing opportunity for all people through leadership, education and outreach, membership services, public policy initiatives, advocacy and enforcement.

Today NFHA is a consortium of more than 220 private, non-profit fair housing organizations, state and local civil rights agencies, and individuals from throughout the United States. NFHA recognizes the importance of "home" as a component to the American Dream and hopes to aid in the creation of diverse, barrier free communities across the nation.

NAACP Legal Defense and Educational Fund, Inc.

The NAACP Legal Defense & Educational Fund, Inc. is the nation's oldest civil rights law firm. Founded by Thurgood Marshall in 1940, we have represented African Americans in most of the country's major racial discrimination cases. In many respects, LDF is legal counsel to America on issues of race.

Although LDF works primarily through the courts, its strategies include advocacy, educational outreach, monitoring of activity in the executive and legislative branches, coalition building and policy research. LDF focuses on issues of education, voter protection, economic justice and criminal justice. LDF pursues racial justice to move our nation toward a society that fulfills the promise of equality for all Americans.

Conference Agenda

Tuesday July 15, 2008



The National Commission on Fair Housing and Equal Opportunity

Conference Schedule

8:00 am	Registration and continental breakfast
9:00 am	<p>Welcome Wade Henderson, President, Leadership Conference on Civil Rights</p> <p>Opening Remarks Illinois Attorney General Lisa Madigan</p>
9:15 am	Statements from Commissioners
9:30 am	<p>Panel 1: The State of Fair Housing: What have we Accomplished? <i>Forty years after the enactment of the Fair Housing Act, and 20 years after the amendments that gave real power to HUD for enforcement, what progress have we made in ending segregation and promoting integration in our cities, town, and communities?</i></p> <p>John Logan, Brown University Thomas J. Sugre, University of Pennsylvania Margery Austin Turner, The Urban Institute Lisa Rice, National Fair Housing Alliance</p>
10:30 am	Break
11:00 am	<p>Panel 2: Costs and Consequences of the Residential Racial Divide <i>An examination of the impact that segregation and integration have on the economic, social, and educational fabric of our neighborhoods and communities.</i></p> <p>Kathy Clark, Chicago Area Fair Housing Alliance Deborah McKoy, Center for Cities and Schools, University of California - Berkeley Ebony SternJohn, Minneapolis, MN Willie Brown, State Farm Insurance</p>
12:00 pm	Lunch

Conference Schedule Continued.

1:30 pm Panel 3:
40 Years after the Fair Housing Act: Is the Federal Government Living up to its Mandate?
The federal government has a legal obligation to both combat discrimination and promote integration. This panel examines the historical and current performance of HUD and other federal agencies with regard to fair housing.
Florence Roisman, Indiana University School of Law - Indianapolis
George Lipsitz, University of California - Santa Barbara
Jim McCarthy, Miami Valley Fair Housing Center
William Tisdale, Metropolitan Milwaukee Fair Housing Council

2:30 pm Break

3:00 pm Panel 4:
Housing Choice and Access to Opportunity
In recent years, housing choice programs have been an increasing component of the work to promote integration. This panel examines the challenges that such programs present and ways to ensure both choice and equal opportunity. It also focuses on the programmatic and fair housing enforcement concerns that affect people with disabilities, and the effect that discrimination has on individuals and communities across the country.
Marca Bristo, Access Living
James Rosenbaum, Northwestern University
Bill Wilen, Sargent Shriver National Center on Poverty Law
Hector Gamboa, Spanish Coalition for Housing
Maria Kong, National Association of Real Estate Brokers

4:00 pm Additional Commentary

5:00 pm Closing Remarks
Shanna Smith, President, National Fair Housing Alliance

5:15 pm Adjournement



Biographies

Witnesses

Panel 1

The State of Fair Housing: What Have We Accomplished?

John Logan: Dr. John R. Logan is Professor of Sociology and Director of the initiative on Spatial Structures in the Social Sciences at Brown University. His books include *Urban Fortunes: The Political Economy of Place*, *Beyond the City Limits: Urban Policy and Economic Restructuring in Comparative Perspective*, and *The New Chinese City: Globalization and Market Reform*. His latest research project on “Katrina and the Built Environment: Spatial and Social Impacts” is funded by the National Science Foundation. Beginning in 2001, Dr. Logan directed a major effort to provide timely information on metropolitan issues from the 2000 Census. He has authored reports on racial segregation in neighborhoods and schools, on suburban diversity, and on the Hispanic, Asian, and Muslim-origin populations. In April 2003 he was selected by American Demographics magazine as one of five social demographers whose work has most influenced his field in the last 25 years.

Thomas Sugrue: Thomas Sugrue is the Edmund J. and Louise W. Kahn Professor of History and Sociology at the University of Pennsylvania. He has written extensively on the origins of the urban underclass, the movement to suburbia by whites and the consequences of such social construction and interaction. He has also provided expert witness testimony on a variety of civil rights court cases.

Margery Turner: Margery Austin Turner directs the Urban Institute’s Metropolitan Housing and Communities policy center. A nationally recognized expert on urban policy and neighborhood issues, Ms. Turner analyzes issues of residential location, racial and ethnic discrimination and its contribution to neighborhood segregation and inequality, and the role of housing policies in promoting residential mobility and location choice. Ms. Turner served as Deputy Assistant Secretary for Research at HUD from 1993 through 1996, focusing HUD’s research agenda on problems of racial discrimination, concentrated poverty, and economic opportunity in metropolitan areas. Prior to joining HUD, Ms. Turner directed the housing research program at the Urban Institute. She has co-authored two national housing discrimination studies and has directed research on racial and ethnic steering, neighborhood outcomes for families who receive federal housing assistance, and emerging patterns of neighborhood diversity in city and suburban neighborhoods.

Lisa Rice: Lisa Rice is a Vice President with the National Fair Housing Alliance, overseeing the resource development, public policy and enforcement initiatives of the agency. Ms. Rice recently joined NFHA after serving as CEO of the Toledo Fair Housing Center and the Northwest Ohio Development Agency. While serving at those organizations, Ms. Rice developed and implemented Ohio’s first predatory lending remediation program and worked to help pass anti-predatory lending statutes. She has been involved in the investigation and resolution of precedent setting fair housing cases which have resulted in the elimination of systemic discriminatory practices in the lending and insurance arenas. Ms. Rice has also provided extensive fair housing training to consumers, government agencies, private sector institutions, and non-profit organizations. She has also provided consulting on a wide range of fair housing and diversity issues and her community service includes work on numerous boards and councils, currently serving on State Farm Bank’s Consumer Advisory Council.

Panel 2

Costs and Consequences of the Residential Racial Divide

Kathleen Clark: Kathleen Clark has been the Executive Director of the Lawyers' Committee for Better Housing, Inc. for seven years. After receiving her law degree from The John Marshall Law School, she practiced fair housing and civil rights law with the South Suburban Housing Center and Kinoy, Taren, and Geraghty P.C. Ms. Clark served 10 years as a board member with the Chicago Coalition for the Homeless and two terms on the Governing Board of the Chicago Continuum of Care. She has served as co-facilitator for Chicago Rents Right, a landlord-tenant educational advocacy group sponsored by the Chicago Department of Housing, and currently serves as president of the Chicago Fair Housing Alliance. Prior to law school, she served as the executive director of the Southwest YMCA in Alsip and worked at Aunt Martha's Youth Service Center. Ms. Clark has a master's degree in counseling psychology from Governors State University and a bachelor's degree in journalism from Bradley University. She is a staff member of the William Glasser Institute.

Deborah McKoy: Deborah McKoy is the Executive Director and founder of the UC Berkeley Center for Cities & Schools and serves as a lecturer in the Department of City Planning and Graduate School of Education. She has worked at the intersection of urban policy and education for fifteen years at national and international levels. Her diverse professional experiences include the NYC Legislative Speaker's Office, United Nation's Education for All initiative, NYC Housing Authority and NYC community development corporations. Deborah's work and research looks at the intersection of educational reform, community development and public policy. She has a Master's Degree in Public Policy and Administration from Columbia University and a Ph.D. in Educational Policy from UC Berkeley.

Eboni SternJohn: Eboni SternJohn and her husband Julius SternJohn were plaintiffs in a housing discrimination lawsuit against Robert Kreisler in the Minneapolis area. Mr. Kreisler took over ownership of an apartment building in which the SternJohns resided. He used several tactics to systematically evict Black tenants from what once had been a robustly diverse community. In October 2004, a judgment in the amount of \$1.1 million was secured, the largest judgment ever in a fair housing case in Minnesota. Mr. Kreisler was ordered to comply with several monitoring and compliance requirements for a period of five years. Mr. and Mrs. SternJohn currently reside in Blaine, MN with their two daughters, Migala and Olivia Seone.

Willie Brown: Willie Brown, CPCU, CLU, FLMI, is executive vice president of State Farm Mutual Automobile Insurance Company in Bloomington, Illinois. He assumed his current position in 2004, after a career with State Farm that began in 1971. Brown is a current member of the Boards of Directors of State Farm Indemnity Company, State Farm Guaranty Insurance Company and State Farm Foundation. Brown received a bachelor's degree from Illinois State University, Normal. He earned the Chartered Property Casualty Underwriter (CPCU) designation in 1981, the Chartered Life Underwriter (CLU) designation in 1976 and the Fellow, Life Management Institute (FLMI) designation in 1976. Brown is an active member of the McLean County United Way, 100 Black Men, Urban League and NAACP. Brown was elected to the ISU College of Business Hall of Fame in 2006 and to the Bloomington High School Hall of Fame in 2007.

Panel 3

Forty Years After the Fair Housing Act: Is the Federal Government Living Up to its Mandate?

Florence Wagman Roisman: Florence Roisman is the William F. Harvey Professor of Law at the Indiana University School of Law - Indianapolis. Her career has focused on low-income housing, homelessness, and racial discrimination and segregation in housing. She was the first recipient of the Kutak-Dodds Memorial Prize, the national Equal Justice Works Outstanding Faculty/Staff Award, and the Georgetown University Law Center Equal Justice Foundation Award for Outstanding Faculty Commitment to Public Interest Law. She received the D.C. Bar's Thurgood Marshall Award in 2000, and was honored by the Alliance for Justice in 1991. She was a co-founder and serves on the board of the Poverty and Race Research Action Council and also serves on the boards of the national ACLU, the ACLU of Indiana, the Society of American Law Teachers, and the Inclusive Communities Project of Dallas. She graduated from Harvard Law School *cum laude* and earned her B.A., with High Honors and Distinction, from the University of Connecticut, where she was elected to Phi Beta Kappa.

George Lipsitz: George Lipsitz is Professor of Black Studies and Sociology at the University of California, Santa Barbara. He is the author of eight books including *The Possessive Investment in Whiteness*, and *A Life in the Struggle*. Lipsitz serves as editor of the Critical American Studies series at the University of Minnesota Press and as co-editor of the American Crossroads series at the University of California Press. He has been active in struggles for educational equity and fair housing, and is a member of the Board of Directors of the National Fair Housing Alliance.

Jim McCarthy: Jim McCarthy is the President/CEO of the Miami Valley Fair Housing Center, Inc. He attended the University of Cincinnati and Wright State University. Mr. McCarthy is also the Chair of the Board of Directors of the National Fair Housing Alliance. Mr. McCarthy is one of the architects the Predatory Lending Solutions (PLS) project, a pioneering, multi-component project developed by the Fair Housing Center and its collaborative partners to address predatory mortgage lending. In March 2007, Mr. McCarthy testified before the House Subcommittee on Domestic Policy on "Foreclosure, Predatory Mortgage and Payday Lending in America's Cities." Mr. McCarthy is also a board member of the Miami Valley In-Ovations, the Montgomery County Family & Children First, and the Stable Families Outcome Team.

Bill Tisdale: William Tisdale is the President and CEO of the Metropolitan Milwaukee Fair Housing Council. Mr. Tisdale was the founding president of the National Fair Housing Alliance, where he served as president from 1988 - 1995. He has served on the boards of numerous organizations and committees relating to housing and civil rights, including several to which he was appointed by Governors Earl and Thompson. Mr. Tisdale has served as a fair housing consultant for the federal and state agencies, as well as non-profit organizations. He has been recognized many times for his public service, most recently by the National Community Reinvestment Coalition for his 30 years of local, state and national leadership on fair housing issues with the prestigious National Community Reinvestment Award. Mr. Tisdale has B.A. in Political Science from Northern Illinois University and Master's Degree in Urban Affairs from the University of Wisconsin - Milwaukee, where he has taught since 1990. He has also been a member of the faculty at Edgewood College.

Panel 4

Housing Choice and Access to Opportunity

Marca Bristo: Marca Bristo is President and CEO of Access Living of Metropolitan Chicago, one of the nation's foremost disability rights organizations. She helped guide Access Living from its small beginnings into an organization with a budget of \$4 million. From 1994-2002, Bristo served as the Presidentially-appointed Chairperson of the National Council on Disability. Ms. Bristo currently serves as Vice President for North America of Rehabilitation International, President of U.S. International Council on Disabilities and serves on the Boards of the Rehabilitation Institute of Chicago, The United States International Council on Disability, Metropolitan Planning Council Resource Board, and Citizen Action of Illinois Board. She has received numerous awards and recognitions, including the Distinguished Service Award of the President of the United States; the Americans with Disabilities Act Award for her role in the creation and passage of the law; the Henry B. Betts Award. Ms. Bristo holds two degrees: a B.A. in Sociology from Beloit College, and a B.S. in Nursing from Rush College of Nursing.

James Rosenbaum: James E. Rosenbaum (B.A.Yale, Ph.D.Harvard) is Professor of Sociology, Education, and Social Policy at Northwestern University. His books include *Crossing the Class and Color Lines*, Univ. of Chicago Press, 2000, and *Beyond College for All*, Russell Sage Foundation, 2001, which was awarded the Waller Prize in Sociology. His book, *After Admission: From College Access to College Success* will be published in November 2006. His studies of the *Gautreaux* housing mobility program examined the changes in low-income black youth whose families were assigned to middle-class suburbs or to inner-city areas, and it led to the Moving to Opportunity Program. His research has been published in sociology and policy journals, and has been reported in *the New York Times*, *the Washington Post*, *the Wall Street Journal*, *Fortune Magazine*, *Chronicle of Higher Education*, and *Sixty Minutes*.

Bill Wilen: William P. Wilen is the Director of Housing Litigation at the Sargent Shriver National Center on Poverty Law in Chicago. He has thirty-five years of experience in litigation and advocacy on behalf of low-income tenants and homeowners, and is one of the leading experts in the country on the rights of tenants of public housing developments. He is lead attorney in *Henry Horner Mothers Guild v. CHA & HUD*, a landmark public housing case involving construction of new town home units for Horner residents. He is class counsel in *Wallace v. CHA*, a case that challenges CHA's relocation practices, and in *Jones v. the Rockford Housing Authority and HUD*, an individual action involving public housing demolition and relocation. Before joining the Shriver Center in June 1996, he served for more than twenty-three years at the Legal Assistance Foundation of Chicago. He is a 1973 graduate of Northwestern University School of Law. In the last few years, Mr. Wilen has received numerous awards recognizing his long-term commitment and record of exemplary achievement in furthering housing justice for the poor.

Hector Gamboa: Hector Gamboa is the Program Development Manager for the Spanish Coalition for Housing, He has been working with Spanish Coalition for Housing for the last 12 years. Mr. Gamboa is responsible for the overall writing and preparation of grant proposals for the SCH programs. Mr. Gamboa has a long history of community service, over 30 years of working for organizations and social service agencies throughout the City of Chicago as well as the surrounding suburbs of Cicero, Berwyn, etc. He has served on the board of directors for organizations like Casa Aztlan, Metropolitan Tenants Organization, Designs for Change and Move Smart. The variety of experiences and areas of concerns that Mr. Gamboa has participated and contributed to has provided him with a broad and far reaching awareness, appreciation and sensitivity so as to allow for deeper understanding of social concerns and strategic solutions, most recently expanding capacity to service the growing demand from clients throughout the City of Chicago.

Maria Kong: Maria Kong is CEO of Markon Realty & Management, Inc., a company she formed in 1991. She been a dynamic and innovative force in the real estate industry for over 26 years and serves as a senior associate with Barrington Consultants, Inc. Currently, Ms. Kong is president of the National Association of Real Estate Brokers, the nation's oldest minority trade organization. She is the second female president in NAREB's 60 year history, the first Floridian and person of Caribbean descent to hold this position. Ms. Kong has served the boards of many organizations including the Women's Council of NAREB, the City of Lauderhill's Code Enforcement Board and its Housing Advisory Board, the South Florida Fannie Mae Partnership Office Advisory Board, the Dade County Anti-Predatory Lending Task Force, the Caribbean American Elected Leaders and Officials National Board, the South Florida Board of Realtists and its Women's Council, and the Chase Manhattan Mortgage Advisory Council.

Witness Testimony Summaries

Panel 1

The State of Fair Housing: What Have We Accomplished?

John Logan, Brown University

In his testimony entitled “Ethnic Diversity Grows, Neighborhood Integration Lags Behind,” Professor Logan discusses comparative levels of segregation experienced by whites, blacks, Hispanics, and Asians in metropolitan areas from 1980 to 2000. In his introduction, Logan argues that integration is an important policy aim because progress in eliminating segregation can be seen as proof of the American promise of equal opportunity. Drawing on data from the 1980, 1990, and 2000 Censuses, he notes that improvements have been made in reducing levels of black-white segregation, especially in metropolitan areas. On the other hand, he observes that the process of black-white integration has been proceeding very slowly and that advances in integration between whites and other minority groups have come slowly or not at all.

Increased immigration to the United States from countries in Latin American and Asian countries has increased white exposure to Hispanics and Asians, but levels of segregation from whites experienced by Hispanics and Asians have remained static. Alarming, segregation from whites, as measured by the Dissimilarity Index, has even increased slightly for Hispanics and Asians living in suburban areas. Despite this lack of progress, Professor Logan notes that Hispanic and Asian populations are far more integrated with white populations than are black populations.

Professor Logan finds one trend in common in relation to black-white, Hispanic-white, and Asian-white segregation: levels of segregation are consistently higher in metropolitan areas with higher minority populations. As such, levels of metropolitan black-white segregation are highest in the Rust Belt, Hispanic-white segregation is more pervasive in metropolitan areas in California, New Jersey, and New York, and Asian-white segregation is generally more significant in California.

Thomas Sugrue, University of Pennsylvania

Professor Sugrue will discuss the history of Federal policy toward fair housing and how those political and policy decisions interacted with state and local real estate practices to create the market structures that limited choices and opportunities for fair housing for all. He will examine the current consequences of constrained choice, and he will discuss the impacts of these segregated housing policies on opportunity, education, voting rights, and wealth.

Sugrue observes that segregation promotes mistrust and prejudice, which, in turn, increases the divisions between different races, ethnic origins, and socioeconomic classes:

Racially segregated neighborhoods are not alone the foreordained consequence of centuries of American racial prejudice; rather, they are the result of the actions of the federal and local governments, real estate agents, individual home buyers and sellers, and community organizations. Economic and social structures act as parameters that

limit the range of individual and collective decisions. The consequences of hundreds of individual acts or of collective activity, however, gradually strengthen, redefine, or weaken economic and social structures. The relationship between structure and agency is dialectical and history is the synthesis.

This leads to a grim reality - that “ persistent residential division by race remains a jarring anachronism in an increasingly racially diverse society.”

Margery Turner, The Urban Institute

Ms. Turner will give the following testimony regarding private discrimination and its connection to patterns of segregation. Her key points include:

- Although there has been progress since the passage of the Fair Housing Act, strong national evidence exists regarding the persistence of discrimination on the basis of race and ethnicity by private actors in the housing market.
- Paired testing, funded by HUD and conducted at ten year intervals, has provided evidence of the discrimination experienced by different racial and ethnic groups. Specifically, the 2000 Housing Discrimination Study reported that the change since 1989 in discrimination against African Americans and Hispanics and produced the first national estimates of discrimination against both Asians and Native Americans.
- HDS2000 estimates also showed that although discrimination against African American and Hispanic homebuyers has decreased, steering of African Americans has increased, as has the rate of Hispanics receiving unfavorable lending terms.
- Smaller-scale paired testing studies have focused on lending discrimination and discrimination against people with disabilities—revealing lending discrimination against both blacks and Hispanics and discrimination against people with disabilities in the rental market.
- Enforcement of the Fair Housing Act depends on complaints made by victims of discrimination. Unfortunately, discrimination is underreported; many may not recognize when they have been a victim or may not act. Testing may capture one slice of interaction, but does not document the discrimination that occurred previously (phone screening) or in later stages of a transaction (lease signing, contract negotiation). Other groups facing more barriers in the market, such as those with imperfect credit, might face more discrimination.
- Most Americans agree with the basic tenets of fair housing and want to live in more diverse neighborhoods. Still, neighborhoods remain segregated due to multiple factors, such as discrimination, but also including wealth disparities between races, and fears linked to increasing crime and declining property values.

According to Ms. Turner, solutions must be three-pronged, involving: (1) real enforcement to combat persistent discrimination, (2) education about the availability and desirability of diverse neighborhoods, and (3) incentives to encourage and nurture residential diversity.

Panel 2

Costs and Consequences of the Residential Racial Divide

Eboni SternJohn

Eboni SternJohn's testimony is an account of her family's experiences with housing discrimination in an apartment complex in Pillsbury, Minnesota. After having lived in the same building for four years, the SternJohns' lives changed dramatically when Robert Kreisler, a landlord intent on replacing all African American tenants with white tenants, purchased their building from their previous landlord. Over the course of the ensuing months, the SternJohns' basic attempts to get the landlord to fulfill his maintenance and repair responsibilities were met with threats of eviction. Living in fear, the SternJohns' quality of life plummeted, as their fellow African American residents left the building to move elsewhere. Although the SternJohns did not want to leave the community that they had grown accustomed to, the stress and fear elicited by the landlords' discriminatory abuse left them feeling as if they had little choice.

In 2002, after having left their Pillsbury, Minnesota, home of four years, the SternJohns filed suit against Robert Kreisler with the assistance of Justin Cummins, a Minneapolis civil rights attorney. In 2004, the SternJohns won the largest ever judgment in a Minnesota fair housing suit. The \$1.1 million judgment was not the only outcome of the decision as strong safeguards were put into place to prevent Kreisler and his agents from engaging in future discriminatory activity.

Panel 3

Forty Years After the Fair Housing Act: Is the Federal Government Living Up to its Mandate?

George Lipsitz, University of California, Santa Barbara

In his testimony entitled "Government Policies and Practices That Increase Discrimination," Professor Lipsitz argues that increased enforcement of federal housing discrimination law will not be sufficient to significantly reduce segregation and social inequality. Instead, he argues that purportedly race neutral tax policies reinforce a long national legacy of unequal economic development, have a profound effect on the quality and funding of communities' schools, and, consequently, prolong segregation. The correction of policies that grant favored tax treatment to income from inheritance and capital gains would, in combination with eliminating federal deductions for home mortgage interest and local property tax, level the economic playing field for minorities that have not traditionally possessed the advantages of homeownership.

He argues that privileged white gains made from a long legacy of discriminatory federal policy, from the Homestead Act of 1862 to the Federal Housing Act of 1934, are locked in by current tax policy. With the economic flexibility that could potentially emerge after the enactment of key tax reforms, he predicts that illegal housing discrimination would still be an obstacle for potential minority homebuyers, but major structural economic hindrances would be removed from their paths.

Florence Roisman is the William F. Harvey Professor of Law, Indiana University School of Law - Indianapolis. Her testimony covers the role of government policy in the creation of segregation, and possible policy solutions today. Roisman points out that "the federal government virtually created residential apartheid in four ways. It commanded the movement of white families to the suburbs...moved families through urban renewal and interstate highway plans, and it only provided a minimal amount of housing to replace the those dispossessed by these programs."

Professor Roisman provides a list of policy suggestions touching on the largest federal housing programs, and also calls for the creation of an executive agency whose single mission is to eliminate racism. "One reason why residential segregation - even in the federally assisted housing market - has not been eliminated or even substantially reduced is that no person or agency is focused exclusively upon achieving this result."

Panel 4

Housing Choice and Access to Opportunity

James Rosenbaum, Northwestern University

In his testimony, Professor Rosenbaum makes the following points:

- Housing projects create concentrated poverty which causes many kinds of harm.
- The Gautreaux program shows that residential mobility targetted to mostly white, affluent suburbs provides access to strong labor markets, good schools, and safety, and mothers and children strongly benefit.
- Gautreaux families tended to remain in the suburbs; 66% remained after 15 years.
- Although MTO hoped to replicate Gautreaux, MTO created a very strong study of a very weak version of Gautreaux. In the 1970s, the national housing voucher experiment showed if given vouchers, people choose familiar areas, segregated areas similar to the ones they left. MTO largely did the same thing. Although MTO families moved to low-poverty census tracts, they made short-distance moves, to segregated and economically declining areas, often in segregated enclaves near census-tract boundaries. They also attended terrible schools, often the same schools as previously. The one surprise was that these weak moves reduced depression and obesity for mothers and daughters.
- After seeing MTO results, no one will implement that exact program again. In retrospect, the program could have led to entirely different placements if it had provided information, advice and assistance about housing location and school choice.
- Policy Implications: Better-targeted vouchers are necessary if we don't want to merely recreate concentrated poverty enclaves in new places. Programs like Gautreaux, which provide information, active counseling, and housing location help encourage moves that improve racial integration, better neighborhoods, stronger labor markets, and better schools, which are likely to improve the lives of adults and children.

Bill Wilen, Sargent Shriver National Center on Poverty Law

Mr. Wilen's testimony chronicles the execution of the Chicago Housing Authority's (CHA) 2000 plan to revitalize its public housing stock. The plan entailed the demolition of all of the CHA's high-rise and mid-rise housing, along with some of its low-rise housing, to be replaced by new public housing units to be built in mixed income communities. CHA proceeded with the demolition of the slated buildings before the bulk of the new units were ready for occupancy. Instead of moving the former project residents into mixed income communities as planned, the CHA provided its former residents with Section 8 housing choice vouchers, with which the majority of the residents chose to remain in highly segregated and highly impoverished neighborhoods.

Mr. Wilen goes on to relate the response to the execution of the CHA's transformation plan. The Shriver Center and the Chicago Lawyers' Committee for Civil Rights Under Law represented former residents of the demolished public housing units in a class action suit that was settled in 2005. Under the terms of the settlement, the CHA was required to increase its support for former residents' attempts to resettle in diverse

mixed-income areas through the use of the Enhanced Housing Opportunity Program. Some former public housing residents have moved to more diverse and less economically disadvantaged areas through the program, but most have not.

Mr. Wilen offers the example of the phased demolition of Chicago's Henry Horner Homes as an alternative approach. As a result of a consent decree entered into by the CHA and the residents, the CHA was required to phase its demolition, and residents were not displaced during the process of public housing revitalization. In Mr. Wilen's view, phased demolitions are clearly preferable to the kinds of practices that left so many Chicagoans in substandard segregated housing in the aftermath of the implementation of the CHA's 2000 transformation plan.

Hector Gamboa of the Spanish Coalition for Housing will discuss the successes of his organization's mobility counseling program in placing Latino families in lower-poverty neighborhoods. His key points will include:

- Spanish Coalition for Housing's mobility program works with both individual families moving to new neighborhoods and families struggling to stay in their own gentrifying neighborhoods.
- Most families in the mobility program have been placed within the city of Chicago, although some placement has been to the inner suburbs. Spanish Coalition has had a success rate of 70%, with the majority of families moving to high-minority, lower-poverty areas.
- For those families porting out of the city, Spanish Coalition has effectively helped with the transition to neighborhoods such as Cicero. A scarcity of affordable housing options in other Chicago suburbs like Barrington has limited Latino families' ability to move to low-minority, low-poverty areas.
- Unfortunately, the availability of vouchers has been limited in the past. Historically, Latino families are underrepresented in Section 8 voucher programs. It has only been due to the *Latinos Unidos* consent decree that much of the differential treatment of Latinos in the administration of government programs has been improved. Through greater efforts to translate program materials and increased outreach by Spanish Coalition, more Latino families have applied to the Section 8 program.
- Mobility programs work when adequately funded. The need for housing choice vouchers is growing as poverty in Chicago increases and resources for these programs become further limited by cuts in funding.

Witness Testimony

The Unfinished History of Racial Segregation

Thomas J. Sugrue, Kahn Professor of History and Sociology, University of Pennsylvania

July 15, 2008

Residential segregation is the linchpin of racial division and separation. By segregation, I mean the separation of groups into neighborhoods dominated by members of a single racial or ethnic group. In most Northeastern and Midwestern metropolitan areas, as in the nation, the degree of black-white racial separation in residence remains high, despite evidence of shifting white attitudes about race, despite successful court challenges to programs that perpetuated racial segregation, such as *Shelley v. Kraemer* (1948), which ruled that racially restrictive covenants were unenforceable, and *Hills v. Gautreaux* (1976), which ruled against racially isolated public housing projects, and despite the Fair Housing Act of 1968 and litigation against discrimination in rental and real estate practices in the last three decades.

At the opening of the twenty-first century, the fifteen most segregated metropolitan areas in the United States were in the Northeast and Midwest. A half century after the Supreme Court struck down separate, unequal schools as unconstitutional, racial segregation is still the norm in northern public schools. The five states with highest rates of school segregation are all outside the South—New York, New Jersey, Illinois, Michigan, and California. The degree of black-white segregation has tended to lessen in communities with small black populations, areas around military bases (reflecting the racial heterogeneity of the armed services), and university towns, but in a country where residential segregation is still the norm, these places are anomalous.

Residential segregation by race has deep roots in private real estate practices, in American public policy, and in grassroots activism, especially by white homeowners, to maintain residential segregation. It is important not to draw a bright line between past and present, for the history of official and unofficial acts of housing discrimination has set into place patterns of racial separation that have been difficult to uproot—and has fostered major racial inequalities, particularly in multigenerational wealth accumulation.

The Deep Roots of Housing Segregation

Patterns of residential segregation were set into place with the development of racially restrictive covenants in the late nineteenth and early twentieth century. Included in deeds and enforced in civil courts, restrictive covenants controlled how a property could be developed, how it could be used, and who could live there. A device to preserve a neighborhood's homogeneity, covenants often specified minimum lot sizes, forbade multiple family housing, and by so doing priced out poor and working-class purchasers. Other restrictions further blocked access by low-income residents. In the early twentieth century, when most working-class people, especially rural migrants, kept chickens or pigs as a matter of survival, suburban developers put restrictions on household

animals, not just to keep out squealing pigs, but their owners too. By the 1920s, restrictive language grew more specific in categorizing not just undesirable uses but undesirable users. By the 1920s, deeds in nearly every new housing development in the North prevented the use or ownership of houses by people other than “the Caucasian race.” Using the racial argot of the day, covenants variously forbade home sales or rentals to “Africans, Negroes, and Ethiopians,” and less frequently Asians, Mexicans, and Jews. It was not until 1948 that the Supreme Court in *Shelley v. Kraemer* ruled that restrictive covenants were legally unenforceable.

But even in the absence of restrictive covenants, real estate brokers staunchly defended the practice of racial segregation. From the 1930s through the 1960s, the National Association of Real Estate Boards (which trademarked the name Realtor) issued ethical guidelines that specified that a Realtor “should never be instrumental in introducing to a neighborhood a character of property or occupancy, members of any race or nationality, or any individual whose presence will be clearly detrimental to property values in a neighborhood.” Lest there be any confusion, an industry brochure offered guidance. “[T]he prospective buyer might be a bootlegger who would cause considerable annoyance to his neighbors, a madam who had a number of call girls on her string, a gangster who wants a screen for his activities by living in a better neighborhood, a colored man of means who was giving his children a college education and thought they were entitled to live among whites...No matter what the motive or character of the would-be purchaser, if the deal would institute a form of blight, then certainly the well-meaning broker must work against its consummation.”

Private real estate practices alone did not shape the metropolitan landscape of segregation. Federal housing programs—especially those introduced in the New Deal mixed the gravel of racism into the mortar of public policy. FDR made the reform of the housing market one of the linchpins of his social policy. To that end, the government created the Home Owners Loan Corporation (HOLC) in 1933, which provided low-interest loans to homeowners at risk of foreclosure. In 1934, Roosevelt signed legislation creating the Federal Housing Administration, which wholly restructured the American mortgage market. The FHA--and for returning veterans after World War II, the Veterans Administration--guaranteed mortgages from default. These government programs wholly remade America’s real estate and banking industries by minimizing the risk of home loans. Federal guarantees allowed lenders to package long-term (usually thirty-year) mortgages at low interest rates. More than that, the FHA provided crucial financial support to the housing industry. Without federal intervention in the housing market, massive suburbanization would have been impossible. In 1930, only 30 percent of Americans owned their own homes; by 1960, more than 60 percent were homeowners. Homeownership became an emblem of American citizenship.

Federally-backed loans and mortgages were, however, seldom available to residents of racially mixed or “transitional” neighborhoods. The presence of even a single black family rendered a whole neighborhood “actuarially

unsound.” To assist lenders, the HOLC prepared "neighborhood security maps." The maps were elaborately drawn and backed up with detailed descriptions of a neighborhood's housing stock and racial, ethnic, and class composition. The best neighborhoods, denoted "A" and "B" were colored green and blue; the riskiest neighborhoods were denoted "C" and "D" and colored yellow and red. If "inharmonious racial and ethnic groups" lived in a neighborhood, "stability" would be at risk. Residents in neighborhoods with old housing stock (at risk of "transition to lower class occupancy") or with even a handful of black residents were marked "D" and were usually ineligible for FHA-backed loans. To preserve stability, FHA officials supported the use of restrictive covenants.

Compounding the discriminatory effects of housing policy were federal experiments in public housing during the New Deal and Truman's Fair Deal. The 1937 Wagner-Steagall Housing Act created the U.S. Housing Authority, fulfilling Roosevelt's pledge to assist the "one third of a nation ill housed." The USHA made real inroads in providing affordable housing for blacks—but, with few exceptions—by segregating public housing projects. Public housing programs, while federally funded, were locally administered. Public officials in northern cities chose the sites for housing projects and enforced eligibility requirements. In every major northern city, public housing projects were sited in deference to local housing patterns. The few "colored" projects usually adjoined segregated neighborhoods or were built on marginal land near waterfronts, industrial sites, railroad tracks, or highways. Blacks' pent-up demand for housing remained unfulfilled.

Reinforcing covenants and racially discriminatory lending policies were extralegal actions. Whites fought tenaciously to keep "undesirables" out of their neighborhoods as blacks migrated northward. Whites had economic reasons to resist the "Negro invasion," as they called it. Their ability to secure mortgages and loans was at risk. But their motivations were not solely economic. Intertwined with concerns about property values were fears of black predation. Above all, whites—both north and south—recoiled at the prospect of miscegenation. In the South, those fears were allayed through legal restrictions on intermarriage and racial mixing in public places; in the North, those fears were addressed by the regulation of housing markets. Whites protested, picketed and used violence to keep blacks out of their neighborhoods, to prevent the construction of racially-integrated public housing projects in their communities, and to resist the development of affordable housing open to minorities.

Cross-burnings, arson, window breakings, and mobs greeted black newcomers to white neighborhoods in nearly every major northern city between the 1920s and the 1960s. In Detroit, between 1945 and 1965, nearly 200 white neighborhood associations—most with the explicit purpose of keeping blacks away. In Chicago, mobs of angry whites beset blacks who had the temerity to cross the city's sharply defined neighborhood color lines in hundreds of racial incidents. In the 1966, when the Reverend Martin Luther King, Jr. led open housing marches in white Chicago neighborhoods, he and fellow nonviolent

protestors were pelted with bricks and stones. In Philadelphia, blacks who breached neighborhood boundaries were often victims of physical attacks—and racial incidents plagued racially changing neighborhoods as late as the 1990s. Even if the intensity and frequency of violence toward black newcomers waned after the 1960s in most metropolitan areas, survey researchers showed that African Americans continued to perceive many neighborhoods and suburban communities as hostile and unwelcoming because of their white residents' history of racial violence.

While many whites stayed their ground, many more decamped when blacks moved nearby—and many more simply avoided racially-mixed cities altogether. The mass migration of whites to suburbia resulted in staggering change. Between 1950 and 1960, 700,000 whites moved to Philadelphia's suburbs, at the same time that the city lost 225,000 whites and gained 153,000 blacks. Suburban Chicago gained more than one million whites, but the city lost 399,000 whites and gained 320,000 blacks. During the same period, the numbers of black suburbanites grew very slowly. Most blacks had no choice but to live in central cities. Those who suburbanized were confined to established black enclaves. As a consequence of the exclusion of blacks from many suburban areas, northern metropolitan area are divided by many invisible lines of race

Residential Segregation: The Last Forty Years The 1968 federal Fair Housing Act forbade discrimination against minorities by real estate brokers, property owners, and landlords. But real estate agents developed more furtive tactics to preserve the racial homogeneity of neighborhoods. The most significant was "steering," that is the practice of directing white home buyers to all-white communities and black home buyers to predominantly black or racially transitional neighborhoods. Real estate brokers catered to what they believed were the prejudices of their white customers. A 1979 study of real estate practices in metropolitan Detroit revealed the prevalence of racial steering by brokers who showed blacks houses in black or racially mixed neighborhoods and seldom showed whites houses in racially diverse communities or in places that had any visible minority population. More recent audit studies of housing discrimination conducted by the Department of Housing and Urban Development and by local housing and non-profit agencies -- where matched pairs of black and whites "testers" are sent to randomly selected real estate offices, consistently show the persistence of discriminatory treatment of black homeseekers and renters. Those findings have been borne out by research conducted by local fair housing agencies. In the eastern suburbs of Cleveland, for example, local housing officials documented steering and blockbusting activities well into the 1990s (before the lack of funding led to a cessation of testing and studies of real estate practices). In short, discrimination by brokers has played a significant role in maintaining patterns of racial segregation throughout the United States, with an especially pronounced effect in metropolitan Detroit. Put differently, discriminatory real estate practices assure that blacks and Hispanics do not have the same degree of choice when they are house hunting as do whites.

It is important to note that residential segregation by race is not a natural consequence of disparities in income between blacks and whites. Middle-class and wealthy blacks are no more likely to live near whites than poor blacks. In an examination of the thirty metropolitan areas with the largest black populations in the United States, sociologists Douglas Massey and Nancy Denton found no significant difference in the segregation rates of poor, middle-class, and well-to-do African Americans. "Even if black incomes continued to rise," write Massey and Denton, "segregation would not have declined: no matter how much blacks earned, they remained racially separated from whites." In metropolitan Detroit in 1990, the degree of residential segregation was uniformly high for blacks across the economic spectrum. The Index of Dissimilarity for black households with incomes below \$5,000 was three points lower than that of black households with incomes of greater than \$100,000. Rates of segregation among blacks and whites of equal incomes, ranging between \$5,000 and \$75,000 were even higher. In addition, large sections northern suburbs have housing that most blacks can afford.

Consequences of Racial Segregation: The Legacy of a Troubled PastThe questions -- where do you live? and who are your neighbors? -- are not trivial. A person's perspectives on the world, his friends, her group of childhood peers, his networks and job opportunities, her wealth or lack of wealth, his quality of education -- all of these are determined to a great extent by where he or she lives.

The persistence of racial separation has had profound consequences for minorities and whites alike. It creates racially homogenous public institutions that are geographically defined, most importantly school districts. It limits the access of many minorities to employment opportunities, particularly in predominantly white areas (largely rural and suburban areas) that have experienced rapid development and economic growth over the last half century. It limits minorities' access to place based networks that provide access to jobs and economic opportunities, particularly for youth. It leads to a racial concentration of poverty in cities and to racial polarization in politics and in the distribution of resources. Because of strict segregation in cities and suburbs, blacks and whites do not perceive their interests to be common; better-off white suburbanites are increasingly unwilling to see their tax dollars spent on programs that they perceive will benefit cities and their minority residents. Fleeing whites then look back onto their old neighborhood and blame minorities for its deterioration, without acknowledging the role that stereotypes, population flight, and disinvestment played in the reshaping of those neighborhoods. Racial separation has become a self-fulfilling prophecy. Whites do not live near minorities. Their residential distance fosters misinformation and mistrust. It leads to a perpetuation of racial stereotypes that then become a basis and justification for racial segregation.

Most Americans continue to live in neighborhoods that are not diverse racially or ethnically. There are few places where children of different racial backgrounds play together. Blacks and whites seldom talk across the fence.

They rarely meet causally on the streets. They do not worry together at their schools' parent-teacher nights. They do not often attend each other's birthday parties or belong to the same social clubs and churches or attend town meetings together. As children, they seldom belong to the same neighborhood sports teams. They rarely swim in the same pools. As teenagers, they rarely hang out together in malls or go on camping trips together or date. As adults, they intermarry very infrequently. They are not often at each others' weddings or funerals. Chance events or rituals, profound moments of bonding, or everyday social interactions -- these are the fabric of everyday life, the basis of relationships, of community, of commonality. Whites and non-whites are usually not part of each other's daily routines or witnesses to each other's life-changing events. Those routines and events occur in separate worlds. However diverse the United States has become in aggregate, the daily events and experiences that make up most Americans' lives take place in strikingly homogeneous settings.

Even more perniciously, past and present housing segregation has had devastating consequences for wealth accumulation by minorities, especially African Americans. In the postwar period, when whites were buying homes in unprecedented numbers—and accumulating wealth as a consequence of federal mortgage subsidies—blacks were disproportionately renters. Their houses depreciated in value because of systematic disinvestment in segregated, majority black neighborhoods. The result was that African Americans did not accumulate capital to pass to their children to the same extent as did whites.

Today, the starkest racial disparities in the United States are in wealth (a category that includes such assets as stocks, bonds, and especially real estate). Census surveys and social scientific studies have documented an enormous gap in asset holdings between blacks and whites, largely because of differences in holdings in real estate, the only significant asset that most Americans own. Blacks are still less likely to own their own homes (only about 45 percent, compared to 74 percent of whites). And because of persistent racial segregation, the value of homes that blacks own is significantly lower than that of whites. Using the most recent census data, the U.S. Census Bureau calculated that white households had a median net worth of \$74,900, whereas black households had a median net worth of only \$7,500. Whereas many whites can expect financial support at crucial junctures in their lives (going to college, getting married, buying a home) and inheritances as the result of their parents' accumulated wealth, few blacks can expect such good fortune.

In sum, persistent residential division by race remains a jarring anachronism in an increasingly racially diverse society. Residents of American metropolitan areas, especially in the Northeast and Midwest, have created a cognitive map of the city based on racial classifications. Those classifications exact a high price. The high degree of segregation by race reinforces and hardens perceptions of racial difference. It has profound effects on racial attitudes and

opportunities. It perpetuates racial inequalities in schooling. It maintains the extraordinarily large gap in wealth between whites and non-whites. And it creates a domino effect, seriously limiting interracial contact in many other arenas of American life. Past and present, housing segregation remains an unresolved legacy of America's troubled racial past.

Limits on Housing and Neighborhood Choice: Discrimination and Segregation in U.S. Housing Markets

Margery Austin Turner, The Urban Institute

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When Congress passed the Fair Housing Act in 1968, America's neighborhoods were starkly segregated by race and black families were routinely - and explicitly - denied homes and apartments in white neighborhoods. In the four decades since, we have made significant progress in combating housing discrimination, and the racial landscape of our cities and suburbs has changed dramatically. But blacks, Latinos, Asians, and Native Americans still experience discrimination when they search for homes and apartments. And neighborhood segregation - especially of blacks from whites - remains stubbornly high. This article summarizes the most recent research evidence on discrimination and segregation in U.S. housing markets to describe both the progress we have achieved and the challenges that remain.

How Much Housing Discrimination Still Occurs?

Since the 1960s, advocates for fair and open housing have used a technique called paired testing to detect and reveal discrimination by real estate and rental agents. In a paired test, two individuals - one white and the other minority - pose as equally qualified homeseekers. Both testers are carefully trained to make the same inquiries, express the same preferences, and offer the same qualifications and needs. From the perspective of the housing provider they visit, the only difference between the two is their race or ethnicity, and they should therefore receive the same information and assistance. Systematic differences in treatment - telling the minority customer that an apartment is no longer available when the white is told he could move in next month, for example - provide powerful evidence, easily understandable by juries and the general public, of discrimination that denies minorities equal access to housing.

To illustrate, the National Fair Housing Alliance recently filed lawsuits against major real estate companies in the cities and suburbs of Chicago, Atlanta, and Detroit. Paired testing in these communities revealed that real estate agents showed blacks and Latinos homes in majority-minority communities while showing whites homes in predominantly white communities, even though both white and minority testers could afford comparable prices and asked about neighborhoods near their work. In addition, agents made disparaging comments to white homebuyers about minorities and minority communities.¹ When a large number of consistent and comparable tests are conducted for a representative sample of real estate or rental agents, the results control for differences between white and minority customers, and directly measure the prevalence of discrimination across the housing market as a whole.² The

¹ <http://www.nationalfairhousing.org/index.php> (accessed 12/30/2007)

² In 2002, a methodological workshop convened by the National Research Council confirmed the potential of rigorous paired testing research, reviewed issues of statistical significance and

Department of Housing and Urban Development (HUD) recognized the potential of the paired testing methodology as a research tool and has used it to monitor the incidence of housing discrimination nationwide at roughly ten year intervals. Specifically, the 1977 Housing Market Practices Study provided the first solid estimates of the prevalence of discrimination against African American homeseekers³, and helped build the case for strengthening the enforcement of federal fair housing protections in the 1988 Fair Housing Act Amendments. The 1989 Housing Discrimination Study extended those initial national estimates to cover Hispanics and concluded that overall levels of adverse treatment against African Americans had remained essentially unchanged since 1977.⁴ And most recently, the 2000 Housing Discrimination Study (HDS2000) reported the change since 1989 in discrimination against African Americans and Hispanics, and up-to-date estimates of the incidence of discrimination, including the first national estimates of discrimination against Asians and Pacific Islanders and the first rigorous estimates of discrimination against Native Americans searching for housing outside of Native Lands.⁵

Evidence of Progress. Between 1989 and 2000, the incidence of discrimination against African Americans declined significantly, in both rental and sales markets nationwide. The incidence of discrimination against Hispanics homebuyers also declined, but no significant change occurred for Hispanic renters.⁶

More specifically, the incidence of discrimination against African American renters declined from 26 percent in 1989 to 22 percent in 2000, while discrimination against Hispanic renters stayed essentially unchanged at 26 percent. The decline in adverse treatment against black renters reflects the fact that blacks are now much more likely to be told about the same number of available units as comparable white renters, to be able to inspect the same

generalizability, and identified ways in which paired testing studies could be strengthened. See National Research Council, *Measuring Housing Discrimination in a National Study: Reprint of a Workshop* (Washington, DC: National Academies Press, 2002).

³ Wienk, Ron, Cliff Reid, John Simonson, and Fred Eggers. 1979. *Measuring Racial Discrimination in Housing Markets: The Housing Market Practices Study*. Washington, D.C.: U.S. Department of Housing and Urban Development.

⁴ Turner, Margery, Raymond Struyk, and John Yinger. 1991. *Housing Discrimination Study: Synthesis*. Washington, D.C.: U.S. Department of Housing and Urban Development.

⁵ Turner, Margery, Stephen Ross, George Galster, and John Yinger. 2002. *Discrimination in Metropolitan Housing Markets: National Results from Phase I of HDS2000*. Washington, D.C.: U.S. Department of Housing and Urban Development. Turner, Margery and Stephen Ross. 2003. *Discrimination in Metropolitan Housing Markets: Phase 2 – Asians and Pacific Islanders*. Washington, D.C.: U.S. Department of Housing and Urban Development. Turner, Margery and Stephen Ross. 2003. *Discrimination in Metropolitan Housing Markets: Phase 3 – Native Americans*. Washington, D.C.: U.S. Department of Housing and Urban Development.

⁶ The discrimination estimates reported here are based on the share of tests in which the white tester was *consistently* favored over his or her minority partner. For a detailed discussion of how measures of discrimination are constructed and how their statistical significance is determined, see Turner, Margery, Stephen Ross, George Galster, and John Yinger. 2002. *Discrimination in Metropolitan Housing Markets: National Results from Phase I of HDS2000*. Washington, D.C.: U.S. Department of Housing and Urban Development. 2.

number of units. Hispanics appear no better off than in 1989 on these indicators. They are now more likely than in 1989 to be quoted a higher rent compared to non-Hispanic whites when asking about the same unit. On the other hand, agents are more likely than in 1989 to encourage Hispanics to apply by asking them to complete an application and/or make future contact. In metropolitan sales markets, both African Americans and Hispanics have experienced quite dramatic declines in discrimination since 1989. Specifically, the incidence of discrimination dropped from 29 percent in 1989 to 17 percent in 2000 for African American homebuyers and from 27 percent to 20 percent for Hispanic homebuyers. These overall reductions in sales market discrimination reflect more complex changes in patterns of discrimination on individual treatment measures. For African Americans, the decline in adverse treatment is largest with respect to housing availability; black homebuyers are more likely to be told about the same number of available homes as whites than they were in 1989. However, black homebuyers are also more likely to be steered to racially mixed neighborhoods (while comparable whites are steered to predominantly white neighborhoods) compared to 1989. In other words, they may find out about just as many homes as comparable whites, but not necessarily in the same neighborhoods. Hispanic homebuyers are also much more likely now than in 1989 to be told about and to inspect the same number of available homes as non-Hispanic whites. They are also more likely to receive equal levels of follow-up contact from real estate agents. However, over the course of 1990s, agents appear to have expanded the assistance and information about financing that they provide to white customers, but not Hispanics, leading to an increase in the level of adverse treatment experienced by Hispanics on measures of financing assistance.

Persistence of Discrimination. Despite the significant progress since 1989, levels of discrimination against African American and Hispanic homeseekers remain unacceptably high. Moreover, HDS2000 shows (for the first time) that Asians and Pacific Islanders also face significant levels of adverse treatment nationwide, and that Native American renters may face even higher rates of discrimination than other groups (based on evidence from three states).⁷ In the rental market, estimates of discrimination are relatively similar across racial/ethnic groups, ranging from 29 percent for Native Americans to 20 percent for blacks. In the sales market, levels of discrimination are somewhat lower, but still significant -- ranging from 17 percent for African Americans to 20 percent for Asians.

Patterns of Discriminatory Treatment. Although overall summary measures are useful for estimating how big the problem of discrimination is, policymakers and practitioners should focus on individual treatment measures to develop strategies for reducing discrimination. In the rental market, the most frequent form of discrimination against blacks, Hispanics, and Native Americans is

⁷ Turner, Margery and Stephen Ross. 2003. *Discrimination in Metropolitan Housing Markets: Phase 2 – Asians and Pacific Islanders*. Washington, D.C.: U.S. Department of Housing and Urban Development. Turner, Margery and Stephen Ross. 2003. *Discrimination in Metropolitan Housing Markets: Phase 3 – Native Americans*. Washington, D.C.: U.S. Department of Housing and Urban Development.

denial of information about available housing units. This is a critically important form of discrimination because it so clearly limits the options from which minority homeseekers can choose. Both blacks and Hispanics are also less likely than comparable white homeseekers to be given opportunities to actually inspect available units, another extremely damaging form of discrimination. Asian renters, on the other hand, are just as likely as comparable whites to be able to inspect available units.

Patterns of discrimination look quite different in metropolitan sales markets. African American homebuyers still face some discrimination with respect to information about available homes, and opportunities to inspect homes. In addition, agents steer black customers to homes in less predominantly white neighborhoods, provide less information and assistance with financing, and offer less encouragement overall. Hispanic homebuyers also face some discrimination with respect to information about available homes, but the major obstacle they face appears to be the lack of assistance with financing compared to equally qualified white buyers. Finally, the incidence of discrimination against Asian homebuyers is shockingly high, including unfavorable treatment with respect to information about available homes, opportunities to inspect homes and assistance with financing.

It is important to recognize that the results presented here do not necessarily capture all the discrimination that may occur in the process of housing search. HDS2000, like most paired testing studies, focused on the initial, in-person encounter between a homeseeker and a rental or sales agent. But minorities may experience discrimination before this encounter can even occur, if they are unable to make an appointment to meet with the real estate or rental agent. A growing body of exploratory research suggests that most Americans can identify a person's race or ethnicity over the telephone with a fairly high degree of accuracy.⁸ If this is the case, some real estate and rental agents may use telephone screening to avoid minority customers altogether. Additional incidents of adverse treatment may also occur later in the housing transaction, when a renter submits an application or negotiates lease terms, or when a homebuyer makes an offer on a particular unit or applies for mortgage financing.

Mortgage Lending. In addition to the national estimates of discrimination by real estate and rental agents, a pilot paired testing study in two metropolitan areas -- Los Angeles, CA and Chicago, IL -- revealed serious problems of discrimination against blacks and Hispanics by mortgage lending institutions. Testers posing as first-time homebuyers visited mortgage lending institutions in person to inquire about how much they could qualify to borrow and what types of products might be available to them.⁹

Results indicate that in both metropolitan areas, African American and Hispanic homeseekers face a significant risk of being denied information that comparable white customers receive. Minority homeseekers were denied

⁸ Massey, Douglas S. and Garvey Lundy. 1998. *Use of Black English and Racial Discrimination in Urban Housing Markets*. Philadelphia, PA: University of Pennsylvania, Population Studies Center.

⁹ Turner, Margery Austin, Fred Freiberg, Erin Godfrey, Diane Levy, and Robin Smith. *Other Things Being Equal: Testing for Discrimination in Mortgage Lending* (Washington, DC: U.S. Department of Housing and Urban Development, 2002).

basic information about how much they could afford to borrow, told about fewer loan products, offered less “coaching” about how to qualify for mortgage financing, and given less aggressive follow-up from loan officers. The incidence of unfavorable treatment varied considerably across indicators, ranging from 10 to 15 percent of tests in which minorities were denied basic information that their white partners received to as high as 50 percent of tests in which whites received more “coaching” in how to qualify for financing than their minority partners.

To illustrate, in one test, although the white tester declined to authorize a credit check, the loan officer pre-qualified him for a maximum loan amount of \$200,000. When the same loan officer met with a Hispanic tester, he refused to provide any information or service without first conducting a credit check. The loan officer told the Hispanic tester, “we usually don’t meet with anyone without doing the credit check, it would be a waste of time for you and for me” and added “you can go to other lenders, they might be able to help you without first pulling out your credit as every mortgage corporation has a different policy.” Another loan officer pre-qualified a white tester for a home price of \$185,000 and a maximum loan amount of \$175,750, and provided a “Pre-Qualification Certificate.” Eight days later, the same loan officer pre-qualified a comparable African American tester for a home price of only \$165-175,000 and a maximum loan amount of \$160,000. The loan officer did not provide the African American tester with a “Pre-qualification Certificate.”

Home Insurance. In 1996, HUD funded an exploratory pilot study to determine whether the paired testing methodology could be effectively adapted to measure possible discrimination by home insurance providers against homes located in minority neighborhoods. Previous research had documented that homeowners in minority neighborhoods had more difficulty obtaining home insurance, received inferior coverage, or had to pay more for full coverage than homeowners in white neighborhoods, but no credible evidence on the extent to which *discriminatory treatment* might be a contributing factor. Testing for this study was conducted in three metropolitan areas, but in one of the three, the testing effort was detected by insurance providers and had to be terminated. Interestingly, results from this exploratory effort did not find systematic patterns of adverse treatment by home insurance providers against properties in minority neighborhoods. It did, however, raise concerns about possible disparate impacts from the rating area boundaries established by insurance companies. In other words, white and black neighborhoods that were similar in many respects, including quality of the housing stock, homeownership rates, and income levels, were assigned by the insurance companies to different rating areas and therefore received different rate quotes.¹⁰

Do Americans Know - and Exercise -- Their Fair Housing Rights?

The Federal Fair Housing Act prohibits all of the discriminatory practices that paired testing has revealed in metropolitan housing markets today. But enforcement of federal fair housing protections depends primarily upon complaints from victims of discrimination. In other words, minority

¹⁰ Wissoker, Douglas, Wendy Zimmermann, and George Galster, *Testing for Discrimination in Home Insurance* Washington, D.C.: Urban Institute, 1998.

homeseekers have to know their fair housing rights, recognize when those rights may have been violated, and take action (with the help of a local fair housing group or a private attorney, or by going directly to HUD).

Unfortunately, the evidence suggests that very few people actually do take action when they experience discrimination.

In order to assess both awareness of and support for federal fair housing protections, HUD recently commissioned two surveys of public awareness, the first in 2000/2001 with a follow-up in 2005.¹¹ The questionnaire centers around 10 scenarios, each describing a set of actions by landlords, home sellers, real estate agents, or lenders, eight of which involve conduct that is prohibited under federal law. Three scenarios describe discriminatory practices based on race or ethnicity:

A white family is selling their house through a real estate agent. They are white, and have only white neighbors. Some of the neighbors tell the family that, if a non-white person buys the house, there would be trouble for that buyer. Not wanting to make it difficult for a buyer, the family tells the real estate agent they will sell their house only to a white buyer.

A white family looking to buy a house goes to a real estate agent and asks about the availability of houses within their price range. Assuming the family would only want to buy in areas where white people live, the agent decides to show them only houses in all white neighborhoods, even though there are many houses in their price range in other parts of the community.

An Hispanic family goes to a bank to apply for a home mortgage. The family qualified for a mortgage but, in that bank's experience, Hispanic borrowers have been less likely than others to repay their loans. For that reason, the loan officer requires that the family make a higher down payment than would be required of other borrowers before agreeing to give the mortgage.

Respondents were asked if they approved or disapproved of the action taken in each scenario, and whether they thought it was legal or illegal.¹²

Analysis of survey responses found widespread knowledge of most federal fair housing protections, particularly those relating to race and ethnicity. Eight of ten people (81 percent) know that it is illegal to restrict home sales to white buyers; almost three quarters know that it is illegal for lenders to require higher downpayments based on an applicant's ethnicity (70 percent); and almost six of ten know that it is illegal for real estate agents to show white buyers homes

¹¹ Abravanel, Martin D. and Mary K. Cunningham. *How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws*. (Washington, DC: U.S. Department of Housing and Urban Development, 2002). Abravanel, Martin D. *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*. (Washington, DC: U.S. Department of Housing and Urban Development, 2006).

¹² The other scenarios covered protections against discrimination for families with children, disabled people, and people of differing religions. This survey was administered by telephone to a nationally representative sample of 1,000 adults.

only in predominantly white neighborhoods (58 percent). In general, people with higher incomes and education are generally more likely to understand federal fair housing protections. In addition, both blacks and Hispanics are significantly more likely than whites to know that limiting white buyers' house search to white neighborhoods is illegal; and Hispanics are more likely than either whites or blacks to know that restricting home sales to white buyers and requiring a higher downpayment based on ethnicity are illegal. Most Americans also express support for federal fair housing protections. Almost nine of every ten people say that they agree with prohibitions against restricting home sales to white buyers (88 percent) and against requiring a higher downpayment based on ethnicity (85 percent). And seven of ten say it should be illegal to show white buyers homes only in white areas (71 percent). Expressed support for these three protections is high for all population subgroups, but significantly higher among blacks and Hispanics than among whites for prohibitions against restricting home sales to white buyers and prohibitions against showing white buyers homes only in white areas. Despite quite widespread knowledge of and agreement with federal fair housing protections, however, most people who experience discrimination do not do anything about it. One reason is that people may not know that they have been victims of discrimination. The paired testing research shows that housing discrimination today is rarely overt; minority homeseekers are almost always treated courteously and are often told about some available houses or apartments. White testers sometimes report that they were discouraged from considering particular neighborhoods because they were racially mixed, or that agents expressed a preference for renting or selling to a white customer. But minority testers almost never hear such commentary. When discrimination takes the form of politely steering minority customers away from white neighborhoods, showing some but not all of the available apartments, or providing less assistance in resolving credit problems, victims are unlikely to know that comparable white customers receive better treatment.¹³ Although many instances of housing discrimination almost certainly go undetected, a substantial number of Americans believe that they have been victims of discrimination at some point in their lives. In the survey of public knowledge and attitudes discussed earlier,¹⁴ 17 percent of adults in the U.S. reported having experienced some form of housing discrimination. About half of these described forms of discrimination that would be prohibited under the federal Fair Housing Act, with race or ethnicity being the most common reason given for the perceived discrimination. One of every five African American adults and 6 percent of Hispanic adults reported having experienced discrimination based on their race or ethnicity at some time in their life.

¹³ The National Fair Housing Alliance estimates that at least 3.7 million instances of discrimination based on race, ethnicity, or national origin occur annually in the U.S. National Fair Housing Alliance. *The Crisis of Housing Segregation: 2007 Fair Housing Trends Report*. Washington, D.C.: National Fair Housing Alliance. 2007.

<http://www.nationalfairhousing.org/resources/newsArchive/2007%20Fair%20Housing%20Trends%20Report.pdf>. (accessed 12/30/2007).

¹⁴ Abravanel, Martin D. *Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law*. (Washington, DC: U.S. Department of Housing and Urban Development, 2006).

Even when people think they have experienced discrimination, however, few take action. A full 80 percent of the adults who report having experienced forms of discrimination that are federally prohibited took no action. Moreover, among the few who did something, the most common response to perceived discrimination was to complain to the person discriminating. Only 1 percent of the people who believe that they experienced discrimination went to a fair housing group to seek help or file a complaint, 1 percent filed a complaint with a government agency, and 2 percent talked to a lawyer.¹⁵

Two thirds of the people who took no action in response to perceived discrimination thought that it would not have been worth the effort (49 percent) or that it would not have helped (15 percent). A much smaller share (11 percent) said that they did not know how to complain. Interestingly, when asked a more abstract question about whether they would complain if they experienced discrimination in the future, much larger shares of adults say they would take action. Specifically, 4 of ten adults (41 percent) say that they would be “very likely” to take action, and another 25 percent would be “somewhat likely.” Among those who consider themselves very likely to respond, almost half (44 percent) say they would consult a lawyer, 26 percent say they would seek help or complain to a government agency, and 17 percent say they would go to a fair housing group.

These findings suggest that many Americans know what actions they could take in response to discrimination, and believe (in the abstract) that they would take action. Why then is the share of people who report that they actually did take action in response to perceived discrimination so low? It appears that people’s expectations about the time and effort involved in filing a complaint (including the possible psychic costs) and about the likelihood of obtaining good results discourage them from taking action, even when they believe that they have been the victims of discrimination, know that they are protected under federal law, and have a reasonably good idea about where they could go for help.

This is not to suggest that federal Fair Housing Act has been ineffective. Indeed, the decline in the overall incidence of discrimination against black renters and against both black and Hispanic homebuyers between 1989 and 2000 suggests that federal fair housing housing protections - along with public education and changing attitudes - have had a substantial impact on the behavior of real estate and rental agents. When fair housing organizations bring suits against discriminatory real estate and rental agents based on systematic paired testing and when courts impose substantial penalties in high-profile cases, housing providers have strong incentives to provide equal treatment to all their customers, regardless of race or ethnicity. Nonetheless, the persistence of significant levels of discrimination in housing markets today and the fact that most victims are either unaware or take no action, demonstrate that federal fair housing protections are not fully effective.

How Segregated Are Our Neighborhoods?

For much of the twentieth century, discrimination by private real estate agents, rental property owners, and lending institutions helped establish and sustain

¹⁵ These percentages may overlap, because respondents could give multiple responses to the survey question about responses to perceived discrimination.

stark patterns of racial and ethnic segregation in neighborhoods in urban areas across the country.¹⁶ When the federal Fair Housing Act was passed in 1968, most whites lived in neighborhoods that were almost exclusively white, while most blacks lived in majority-black areas. At that time, America's fast-growing suburbs were largely white, while its central cities were becoming increasingly black. And on a scale of zero to 100 (where 100 represents complete segregation), most large metropolitan areas - including Chicago, Milwaukee, Detroit, Boston, Indianapolis, and New York -- all registered levels of segregation above 70.¹⁷

In the decades since, levels of black-white segregation have declined across most of the country. But the decline has been slow, and levels of segregation remain high in most big urban areas - especially those where large numbers of blacks live. The average discrimination score for the nation's major metropolitan areas has declined from 73.9 percent in 1980 to 65.1 percent in 2000, with the biggest declines occurring in the metro areas with the smallest black populations.¹⁸ More neighborhoods today are shared by both whites and blacks than two decades ago, but many neighborhoods remain either predominantly white or predominantly black.¹⁹

Over the same period, America's racial and ethnic composition has changed dramatically, making the picture of residential segregation much more complex. As of 2000, the nation's population was 70 percent non-Hispanic white, 12.5 percent black, 12.5 percent Hispanic, and 4 percent Asian.²⁰ Hispanics and Asians are generally less segregated from non-Hispanic whites than are blacks, but their levels of segregation have risen, while black-white segregation has declined. Specifically, the average index of Hispanic/Anglo segregation registered 51.6 in 2000, up slightly from 50.8 in 1980, and

¹⁶ Private-sector discrimination was not the only factor, of course. Public policy - including federal homeownership assistance, public housing, urban renewal, and exclusionary zoning and land use regulations -- all played important roles in the establishment and maintenance of residential segregation. See for example, Massey, Douglas S. and Nancy Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. (Cambridge, Mass.: Harvard University Press. 1993) and Polikoff, Alexander. *Waiting for Gautreaux: A Story of Segregation, Housing, and the Black Ghetto*. (Evanston, IL: Northwestern University Press 2006).

¹⁷ This measure is known as the "dissimilarity index," and essentially reflects the share of minority group members who would have to move in order to achieve complete integration (defined as the same share of minorities in every census tract). This is one of several possible measures of segregation. See Massey, Douglas S. and Nancy A. Denton. "Trends in the Residential Segregation of Blacks, Hispanics, and Asians: 1970-1980." *American Sociological Review*, Vol. 52, No. 6 (Dec., 1987), pp. 802-825.

¹⁸ Again, we report trends in the dissimilarity index. See Logan, John R., Brian J. Stults, and Reynolds Farley. "Segregation of Minorities in the Metropolis: Two Decades of Change." *Demography* volume 41 number 1, February 2004:1-22.

¹⁹ Rawlings, Lynette A., Laura E. Harris, Margery Austin Turner. *Race and Residence: Prospects for Stable Neighborhood Integration*. (Washington, D.C.: The Urban Institute 2004). <http://www.urban.org/url.cfm?ID=310985> (accessed 12/30/2007)

²⁰ Turner, Margery Austin and Julie Fenderson. *Understanding Diverse Neighborhoods in an Era of Demographic Change*. (Washington, D.C.: The Urban Institute 2006). <http://www.urban.org/url.cfm?ID=411358> (accessed 12/30/2007)

Asian/white segregation stood at 42.1 in 2000, also up slightly from 41.2 in 1980.²¹

As the nation's population becomes more diverse, it becomes more difficult to make sense out of these traditional segregation measures. The latest census data offer both encouraging and discouraging evidence about trends in the racial and ethnic composition of city and suburban neighborhoods.²² Both city and suburban neighborhoods today exhibit more diversity—along lines of race, ethnicity, nativity, and income—than is commonly recognized. For example, more than half of all neighborhoods in the 100 largest metropolitan areas nationwide (56.6 percent) are home to significant numbers of whites, minorities, and immigrants, with no single racial or ethnic group dominating the minority population. Six of ten (60.8 percent) are mixed-income—dominated neither by households in the highest income quintiles nor by those in the lowest. And about a third of all tracts (34.9 percent) exhibit substantial diversity with respect to race, ethnicity, *and* income.

At the same time, however, a substantial share of neighborhoods remain either *exclusive*—occupied predominantly by affluent, native-born whites—or *isolated*—occupied predominantly by lower income minorities and immigrants.

Specifically, almost a quarter of all tracts in the 100 largest metro areas (23.8 percent) are racially and ethnically exclusive (more than 90 percent white), and 16.4 percent are economically exclusive (less than 10 percent low-income with high-income households predominating). Moreover, patterns of racial and ethnic exclusion coincide with economic exclusion; almost all economically exclusive neighborhoods also exclude African Americans, and most racially isolated neighborhoods (tracts where non-whites predominate) are economically isolated as well.

Between 1990 and 2000, the share of all neighborhoods in the top 100 metropolitan areas nationwide that were racially and/or ethnically diverse increased. Specifically, the share of tracts occupied exclusively by whites (less than 10 percent non-white) dropped from 38.1 percent in 1990 to 25.7 percent in 2000. The biggest increase occurred among tracts that were between 10 and 50 percent white, with a no single group dominating the non-white population. The number of tracts of this type climbed from 18.5 percent of all tracts in the top 100 metro areas to 24.2 percent between 1990 and 2000.

The racial/ethnic composition of most tracts (73.6 percent) remained relatively stable over the decade, but among those that changed, most gained minorities. Given the long history of racial segregation in the U.S., many people suspect that neighborhoods which appear to be racially diverse at any given point in time are actually in the process of transitioning (or tipping) from one racial majority to another. In fact, however, 57.7 percent of majority white tracts with blacks dominating the non-white population and 54.1 percent of

²¹ Logan, John R., Brian J. Stults, and Reynolds Farley. "Segregation of Minorities in the Metropolis: Two Decades of Change." *Demography* volume 41 number 1, February 2004:1-22.

²² Turner, Margery Austin and Julie Fenderson. *Understanding Diverse Neighborhoods in an Era of Demographic Change*. (Washington, D.C.: The Urban Institute 2006).

<http://www.urban.org/url.cfm?ID=411358> (accessed 12/30/2007)

majority white tracts with Hispanics dominating remained in the same category between 1990 and 2000. Of those that transitioned, about one-third remained majority white, but with neither blacks nor Hispanics dominating the minority population. The remaining two-thirds became majority-minority. And interestingly, majority white tracts where Hispanics dominated the minority population in 1990 were more likely to transition to majority minority status by 2000 than were majority white tracts where blacks dominated.

Finally, tracts that were majority white in 1990 with neither blacks nor Hispanics dominating the minority population were the most likely to be in the same category in 2000. Almost 7 of every 10 tracts in this category remained the same over the decade. Among those that changed, about a third (35.6 percent) remained majority white but transitioned to either black or Hispanic dominance of the minority population. Another 15.6 percent became majority minority with either blacks or Hispanics dominating the minority population, and 43.6 percent became majority minority with neither blacks nor Hispanics dominating.

These trends (like the recent changes in patterns of housing discrimination) paint a mixed picture. The evidence suggests that more opportunities exist today than in the recent past for whites and minorities to live together in diverse neighborhoods, but that many neighborhoods still remain either exclusive (predominantly white and affluent) or isolated (predominantly minority and poor). Moreover, many neighborhoods that are racially and ethnically diverse appear to be stable, but a substantial minority may be transitioning to majority-minority status. In other words, while we are making real progress in combatting both housing discrimination and segregation, stubborn problems remain unresolved.

Does Housing Segregation Limit Access to Economic Opportunity?

Residential segregation not only separates white and minority neighborhoods, it has also distanced minority jobseekers from areas of employment growth and opportunity. Specifically, beginning in the late 1960s, John Kain argued that the concentration of blacks in segregated central city neighborhoods limited their access to employment, as growing numbers of jobs dispersed to predominantly white suburban locations.²³ In effect, this “spatial mismatch” hypothesis posits that demand for labor has shifted away from the neighborhoods where blacks are concentrated, that discrimination in housing and mortgage markets prevents blacks from moving to communities where job growth is occurring, and that information and transportation barriers make it difficult to find and retain jobs in these distant locations. William Julius Wilson expanded on this basic hypothesis, arguing that the exodus of jobs from central city locations, combined with the persistence of residential segregation, contributed to rising unemployment among black men during the 1980s, as well as to worsening poverty and distress in black neighborhoods.²⁴

²³ Kain, John F. 1968. “Housing Segregation, Negro Employment, and Metropolitan Decentralization.” *Quarterly Journal of Economics* 82(2):175-92.

²⁴ Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago, Ill.: The University of Chicago Press. A recent review finds that most empirical studies support the spatial mismatch hypothesis. Specifically, of 28 studies reviewed, 21 confirm the hypothesis, and the seven that reject it are methodologically flawed. Ihlanfeldt, Keith R. and David

How have recent changes in patterns of residential segregation affected the spatial mismatch problem? A recent analysis uses dissimilarity indexes (which are widely used to measure the extent of segregation between racial and ethnic groups) to quantify the spatial separation between people and jobs.²⁵ As of 2000, the dissimilarity index between population and employment is highest for African Americans (53 on a scale where 100 represents complete segregation), lower for Asians (43) and Hispanics (44), and lowest for whites (33). During the 1990s, the index declined for blacks and Hispanics, while remaining essentially unchanged for Asians, and increasing slightly for whites. These improvements appear to result primarily from changes occurring within metropolitan regions, not from people moving between regions. The extent of mismatch remains greatest where black-white residential segregation is highest, and reductions in spatial mismatch are associated with declines in segregation levels.

Thus, there is strong evidence that residential segregation continues to separate minorities from centers of employment opportunity, and that this separation contributes to unequal employment outcomes. But the traditional image of minorities trapped in central city neighborhoods while jobs disperse to more and more distant suburban locations is probably too simplistic. Today, minority workers (and especially low-skilled black workers) are still over-represented in central cities, while jobs (especially low-skill jobs) are widely dispersed throughout the suburbs. And although many minorities have gained access to suburban residential communities, these are often not the suburban jurisdictions that offer the most promising job opportunities.

Moreover, nearly half of all low-skill jobs in the white suburbs are inaccessible by public transportation, making it particularly difficult for minority residents of other sub-areas to reach them. Not surprisingly, therefore, the race or ethnicity of new hires into low-skill jobs generally matches the racial composition of the area where jobs are located and black workers in particular are under-represented in jobs that are located in predominantly white suburban communities.²⁶ In addition, ratios of low-skilled jobs to less-educated people are consistently lowest in black and Latino areas and highest in the white suburbs. And although jobs in the central business district may be accessible for workers of all races and ethnicities, these jobs tend to be highly competitive and may require higher skills.²⁷ Thus, residential segregation continues to put

L. Sjoquist. 1998. "The Spatial Mismatch Hypothesis: A Review of Recent Studies and Their Implications for Welfare Reform." *Housing Policy Debate* 9(4): 849-92.

²⁵ Raphael, Steven and Michael A. Stoll. 2002. *Modest Progress: The Narrowing Spatial Mismatch Between Blacks and Jobs in the 1990s*. Washington, D.C.: The Brookings Institution Living Cities Census Series.

²⁶ Stoll, Michael A., Harry J. Holzer, Keith R. Ihlanfeldt. 2000. "Within Cities and Suburbs: Racial Residential Concentration and the Spatial Distribution of Employment Opportunities Across Sub-Metropolitan Areas." *Journal of Policy Analysis and Management*. 19(2): 207-231.

²⁷ Holzer, Harry J. 2001. "Racial Differences in Labor Market Outcomes Among Men," in Neil J. Smelser, William Julius Wilson, Faith Mitchell (editors) *America Becoming: Racial Trends and Their Consequences*. Washington, D.C.: National Academy Press.

considerable distance between minority workers - especially African Americans - and areas of greatest employment opportunity.

Residential segregation also contributes to minorities' unequal educational attainment, and hence to their disadvantage position in the evolving labor market. Black high school graduation rates, employment rates, and wages are all negatively affected by the level of black-white segregation in a city. Other things being equal, high levels of segregation have been shown to increase high school drop-out rates among blacks, reduce employment among blacks (while increasing the white employment rate), and widen the gap between black and white wages.²⁸ Research indicates that public school desegregation plans of the 1970s reduced high school dropout rates among blacks by between 1 and 3 percentage points (half of the total decline achieved during the decade), while having no effect on dropout rates among whites.²⁹

What is it about racial segregation that undermines the educational attainment, skills, and qualifications of minorities? The effects are most obvious - and most severe - in distressed central city neighborhoods where many low-income minorities are concentrated.³⁰ Many of these neighborhoods are served by failing public schools with high drop-out rates, low instructional quality, and poor test scores.³¹ Black and Hispanic children attending these schools are at a tremendous disadvantage, even if they stay in school and work hard.

In addition, other conditions typical of distressed central city neighborhoods undermine their chances of succeeding academically and attaining the skills necessary to compete effectively in today's labor markets. In particular, peer pressure plays a critical role in shaping the choices of young people. If many of their friends and neighbors are uninterested in school or engaging in crime and other dangerous behaviors, teenagers will be more apt to see these activities as acceptable, even fashionable, behavior. Considerable research finds that teens from high poverty and distressed neighborhoods are less successful in school than their counterparts from more affluent communities; they earn lower grades, are more likely to drop out, and less likely to go on to college.³² Kids

²⁸ Cutler, David M. and Edward L. Glaeser. 1997. "Are Ghettos Good or Bad?" *The Quarterly Journal of Economics*. 112(3):827-872.

²⁹ Guryan, Jonathan. 2001. *Desegregation and Black Dropout Rates*. NBER Working Paper No. 8345. NBER Website. 3/6/2005/ <<http://www.nber.org/papers/w8345>>.

³⁰ See Massey, Douglas S., and Nancy Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Cambridge, Mass.: Harvard University Press to understand how residential segregation led to the concentration of minority poverty.

³¹ O'Regan and Quigley. 1996. "Spatial effects upon employment outcomes: the case of New Jersey teenagers." *New England Economic Review* (May/June):41-57.

³² Aaronson, Daniel. 1997. "Sibling Estimates of Neighborhood Effects." In Jeanne Brooks-Gunn, Greg J. Duncan, and J. Lawrence Aber (eds) *Neighborhood Poverty II: Policy Implications in Studying Neighborhoods*. New York: Russell Sage Foundation Press. Brooks-Gunn, Jeanne, Greg J. Duncan, Pamela Kato Klebanov, and Naomi Sealand. 1993. "Do Neighborhoods Influence Child and Adolescent Development?" *American Journal of Sociology* 99(2):353-95. Case, Anne and Lawrence Katz. 1991. "The Company You Keep: The Effects of Family and Neighborhood on Disadvantaged Youth." NBER Working Paper 3705. Cambridge, MA: National Bureau of Economic Research. Clark, Rebecca. 1992. "Neighborhood Effects of Dropping Out of School

from poor neighborhoods are also less likely to get jobs during and immediately after high school. And finally, young people who live in high crime areas have been found to be more likely to commit crimes themselves.³³ But the effects of residential segregation on educational achievement are not limited to distressed central city neighborhoods. Growing up in the segregated suburbs can also undermine the potential of minority young people, though in more subtle ways. Minority neighborhoods generally have lower house values than comparable white neighborhoods, and consequently, a lower property tax base from which to fund public schools.³⁴ And public school performance in minority suburban communities typically falls considerably short of the standard expected of schools in the white suburbs.³⁵ In fact, a panel study of Texas public school students finds that the achievement of black students declines significantly as the percentage of blacks in their schools rises.³⁶

Next Steps Toward Open and Inclusive Neighborhoods

Our nation has made important progress over the last 40 years toward the goals of free and fair housing choice and open and inclusive neighborhoods. But we still have a long way to go. Discrimination persists, limiting the choices open to minority homeseekers and making their housing search more difficult and costly. And neighborhood segregation remains stubbornly high, limiting opportunities for minorities to share fully in our nation's social and economic opportunities.

Research strongly suggests that Americans want more residential integration than we are getting. A substantial majority of whites say they would be comfortable living in a neighborhood that is more than 20 percent black, and more than half say they would be comfortable in neighborhoods that are more than one third black. When asked to choose the racial mix they would most prefer, most blacks select a neighborhood that is roughly half white and half

Among Teenage Boys.” Working paper. Washington, DC: The Urban Institute. Connell, James Patrick and Bonnie Halpern-Felsher 1997. “How Neighborhoods Affect Educational Outcomes in Middle Childhood and Adolescence: Conceptual Issues and an Empirical Example.” In Jeanne Brooks-Gunn, Greg J. Duncan, and J. Lawrence Aber (eds) *Neighborhood Poverty I: Context and Consequences for Children..* New York: Russell Sage Foundation Press. Crane, Jonathan. 1991. “The Epidemic Theory of Ghettos and Neighborhood Effects on Dropping Out and Teenage Childbearing.” *American Journal of Sociology.* 96(5):1226-59. Duncan, Greg J., James Patrick Connell, and Pamela Klebanov. 1997. “Conceptual and Methodological Issues in Estimating Causal Effects of Neighborhoods and Family Conditions on Individual Development. In Jeanne Brooks-Gunn, Greg J. Duncan, and J. Lawrence Aber (eds) *Neighborhood Poverty I: Context and Consequences for Children..* New York: Russell Sage Foundation Press.

³³ Case, Anne and Lawrence Katz. 1991. “The Company You Keep: The Effects of Family and Neighborhood on Disadvantaged Youth.” NBER Working Paper 3705. Cambridge, MA: National Bureau of Economic Research.

³⁴ Oliver, Melvin L. and Thomas M. Shapiro. 1997. *Black Wealth/White Wealth: A New Perspective on Racial Inequality.* New York, NY: Routledge.

³⁵ Cashin, Sheryll. 2004. *The Failures of Integration: How Race and Class Are Undermining the American Dream.* New York, NY: Public Affairs.

³⁶ Hanushek, Eric A., John F. Kain, Steven G. Rivkin. *New Evidence about Brown v. Board of Education: The Complex Effects of School Racial Composition on Achievement.* NBER Working Paper No. 8741. NBER Website. 3/6/2005/ <<http://www.nber.org/papers/w8741>>.

black, but most would be willing to move into a neighborhood with a larger share of whites in order to obtain high quality, affordable housing.³⁷ If Americans would prefer to live in more racially mixed neighborhoods, why does residential segregation remain at such stubbornly high levels? Today, neighborhoods that are predominantly white or predominantly minority tend to stay that way *not* because minorities are explicitly excluded from white neighborhoods but because multiple factors combine to sustain segregation and undermine the stability of the mixed neighborhoods many Americans would prefer. One of these factors is the disparity between whites and minorities in incomes and wealth. Whites on average have higher incomes and wealth (due in part to past patterns of discrimination and segregation) and can afford to live in neighborhoods that are out of reach for many minorities. But economic differences do not account for most of the residential segregation that remains today; if households were distributed across neighborhoods entirely on the basis of income rather than race or ethnicity, levels of segregation would be dramatically lower.³⁸ Some people argue that neighborhood segregation today is really a matter of choice - that minorities prefer to live in neighborhoods where their own race or ethnicity predominates and choose not to move to white neighborhoods. Indeed, the evidence suggests that the average black person's ideal neighborhood has more blacks living in it than the average white person's ideal, most blacks would prefer to live in neighborhoods where their own race accounts for about half the population, rather than 20 to 30 percent. Thus, when minority homeseekers "choose" a more predominantly minority neighborhood, it may actually be because their information was limited by discrimination, or because they felt unwelcome in the more predominantly white neighborhoods they visited.³⁹ Finally, considerable evidence suggests that the fears of white people perpetuate neighborhood segregation, despite the fact that a majority of whites say they want to live in more mixed neighborhoods than they do. Specifically, many white people fear that an influx of minorities into their neighborhood will inevitably lead to a downward spiral of declining property values, rising crime, and white flight. These fears cause them to flee - precipitating exactly the downward spiral they feared and reinforcing a self-fulfilling prophecy about racial tipping. Similarly, whites avoid moving into neighborhoods that they perceive are becoming increasingly mixed, because they fear an influx of more minorities, declining property values, and rising crime. This avoidance by whites of neighborhoods that probably look especially attractive to minority homeseekers leads to resegregation and reinforces expectations about racial tipping.⁴⁰

³⁷ Farley, Reynolds, Elaine L. Fielding, and Maria Krysan. "The Residential Preferences of Blacks and Whites: A Four-Metropolis Analysis" *Housing Policy Debate* Volume 8 Issue 4. 1997.

³⁸ Charles, Camille Zubrinsky. "The Dynamics of Racial Residential Segregation." *Annual Review of Sociology*. 2003, 29:167-207.

³⁹ Krysan, Maria and Reynolds Farley. "The Residential Preferences of Blacks: Do They Explain Persistent Segregation?" *Social Forces* 80.3 (2002) 937-980.

⁴⁰ Charles, Camille Zubrinsky. "The Dynamics of Racial Residential Segregation." *Annual Review of Sociology*. 2003, 29:167-207. Charles, Camille Zubrinsky, "Can We Live Together? Racial Preferences and Neighborhood Outcomes," in Xavier de Souza Briggs, ed., *The Geography of*

Given the complexity - and subtlety - of the processes sustaining residential segregation in urban America today, how should policymakers respond? The evidence argues for a three-pronged strategy: 1) enforcement - to combat persistent discrimination; 2) education - about the availability and desirability of diverse neighborhoods; and 3) incentives - to encourage and nurture residential diversity. Each of these three components is essential to achieving the full potential of the other two.

The vigor of federal fair housing enforcement has waxed and waned over the last four decades, but has consistently relied too heavily on complaints from victims of discrimination as the trigger for investigation and action. Because discrimination today is so hard to detect, much of it goes unrecognized, and when homeseekers do suspect discrimination, most feel that taking action is not worth the time and effort it would require. The federal government should provide more funding to support pro-active paired-testing of real estate agents, rental housing providers, lending institutions, mortgage brokers, and insurance companies in city and suburban communities across the country. This kind of testing does not have to meet the scientific standards of research studies, but it should be thoughtfully designed and targeted, and responsibly implemented to detect discrimination that may be prevalent in particular neighborhoods, rental complexes, or companies. Pro-active testing can reveal discriminatory practices that would otherwise go unpunished, and when housing providers know that testing is ongoing, they are more likely to comply with the law. But enforcement alone is not enough; discrimination is no longer the primary barrier to residential mixing. In most metropolitan areas today, a substantial number of neighborhoods - at a range of income levels - are racially and ethnically diverse. But many homeseekers - both minority and white - are likely to be more familiar with neighborhoods where their race predominates, and may be doubtful about the viability or openness of more diverse communities. A public education campaign, possibly in conjunction with an easily accessible information clearinghouse, highlighting the existence and assets of racially diverse neighborhoods could help overcome fears and stereotypes among both minority and white homeseekers. This kind of public information effort could be conducted by a local fair housing organization or by a metropolitan housing counseling center, using local Community Development Block Grant (CDBG)⁴¹ or supplemental Fair Housing Initiatives Program (FHIP) funding. The third essential prong in a meaningful fair housing strategy for the 21st century calls for explicit incentives that encourage both minority and white homeseekers to make pro-integrative moves and that nurture the viability and stability of diverse neighborhoods. Examples of such incentives include enhanced downpayment assistance or low-interest loans for homebuyers who move to a neighborhood where their race or ethnicity does not predominate, equity insurance programs that guarantee homeowners in diversifying neighborhoods a reasonable sales price in the future if they remain in their

Opportunity: Race and Housing Choice in Metropolitan America. Washington, D.C.: Brookings Institution Press, 2005. Farley, Reynolds, Charlotte Steeh, and Maria Krysan. "Stereotypes and Segregation: Neighborhoods in the Detroit Area." *American Journal of Sociology* volume 100 number 3 (November 1994): 750-80.

⁴¹ The federal government currently requires jurisdictions that receive CDBG funds to conduct an analysis of impediments to fair housing and to fund activities that address these impediments.

homes today, and targeted enhancements to school quality, police protection, streetscapes, or parks and recreational facilities in neighborhoods that are racially or ethnically mixed. These types of incentives and investments are needed to short-circuit the self-fulfilling prophecy of racial tipping and disinvestment that undermines the stability of diverse neighborhoods today. However, they could generate political opposition, and should therefore be carefully framed to make it clear that no homeseeker is required to make a pro-integrative move, and that whites and minorities alike can qualify for a “bonus” if and when they choose diversity.

The last four decades have witnessed substantial victories in the battle against housing discrimination and residential segregation. But discrimination still limits choice for people of color. And too many of us live in neighborhoods that are less diverse and inclusive than we would prefer. Because the dynamics that sustain segregation today are complex and subtle, our strategies for overcoming them must become more nuanced and comprehensive, including continuous monitoring and stepped-up enforcement to detect and penalize discrimination, expanded information and education about the availability and vitality of inclusive neighborhoods, and explicit incentives to counteract prevailing fears and stereotypes about the instability of racially and ethnically mixed communities. The federal government should take the lead in making this three-pronged strategy a reality, providing money and leadership to support initiatives by local governments and nonprofit organizations, so that we can achieve the vision of free and fair housing choice.

Testimony of Florence Roisman
BEFORE THE COMMISSION ON FAIR HOUSING AND EQUAL OPPORTUNITY

Chicago, Illinois
July 15, 2008

Government - federal, state, and local - has been and still is the principal engine of racial and economic segregation in the United States. This statement will focus on the federal government. The "sad, shameful fact is that . . . the federal government is still - forty years after the 1964 Civil Rights Act - spending billions of dollars to keep people of color in housing that is separate and unequal, in units, buildings, and neighborhoods that are vastly inferior to the units and buildings and neighborhoods in which federal housing dollars help white, 'Anglo' people to live."

Part I reviews the government's responsibility for segregating housing. Part II proposes some solutions. Part II necessarily is suggestive only, by no means exhaustive.

I. The Federal Government's Only Responsibility for Creating and Maintaining Residential Racial Segregation.

Beginning in 1932, the federal government virtually created residential apartheid in four ways:

- It essentially commanded the movement of white families to the suburbs through the FHA (Federal Housing Administration) and VA (Veterans Administration) programs, which made buying suburban homes cheaper than renting in the cities and assured that the suburban housing would be racially segregated and available almost exclusively to whites);
- It displaced millions of households - disproportionately households that were poor and of color - through the urban renewal and interstate highway programs;
- It provided only a limited amount of housing for the poor people of color who had been displaced by the urban renewal and highway programs, and made most of that replacement housing high-rise, high-density public housing in central city, high poverty, predominantly minority-occupied neighborhoods;
- It provided tax subsidies for homeownership that benefitted whites far more than people of color.

These federal efforts destroyed racially integrated communities, drove whites out of cities and into all-white suburbs, and literally embedded racially segregatory land use patterns, establishing boundaries that people came to see as natural, inevitable, and permanent.

From the time of its first serious involvement in housing during World War I through 1954, the Federal government openly and deliberately engaged in de jure racial segregation. Even after the decision in *Brown v. Board*, federal housing programs continued to operate on a racially discriminatory and segregatory way. President Kennedy's Executive Order of 1962 and the provisions of the Civil Rights Act of 1964 had no real effect on the operation of these federal programs. In 1968, the Kerner Commission warned:

Federal housing programs must be given a new thrust aimed at overcoming the prevailing patterns of racial segregation. If this is not done, those programs will continue to concentrate the most impoverished and dependent segments of the population into the central-city ghettos where there is already a critical gap between the needs of the population and the public resources to deal with them. This can only continue to compound the conditions of failure and hopelessness which lead to crime, civil disorder and social disorganization.

Title VIII of the 1968 Civil Rights Act prohibited discrimination and segregation in housing and imposed on all federal agencies administering housing and urban development programs the obligation "affirmatively to further" both non-discrimination and integration. HUD never has promulgated regulations to implement the "affirmatively further" requirements. At least until 1992, neither HUD nor any other federal agency did anything significant to satisfy its constitutional obligation to dis-establish the existing residential segregation, let alone to promote residential integration. In 1995, HUD's Assistant Secretary for Fair Housing and Equal Opportunity said:

That the federal government, including HUD, has a long history of having precipitated and perpetuated housing discrimination, there can be no question. . . . The federal government's home-ownership programs also reinforced discrimination and separation by income and race in our housing markets. The earliest Federal Housing Administration (FHA) mortgage insurance programs enabled and encouraged middle-class white families to obtain financing for new housing in the burgeoning suburbs. . . .":

In 1995, Secretary Cisneros testified to Congress that "public housing is itself concentrated in high poverty neighborhoods. Due to deliberate siting decisions, public housing tends to be located in areas lacking jobs, economic opportunities and basic amenities." He acknowledged that HUD had been "complicit in creating isolated, segregated, large-scale public housing" and that "HUD has traditionally been part of the problem."

Secretary Cisneros brought to HUD staff experienced in and deeply committed to efforts to undo residential racial segregation, and from 1993 to 2000, several initiatives promoted those efforts, though their overall impact was small. Since 2000, however, those efforts have been abandoned. Indeed, HUD has continued to exacerbate the problems of racial and economic segregation in the programs it administers. HUD has administered the

voucher program in such a way as to discourage families from moving to high opportunity areas. In the HOPE VI program, HUD is squandering an opportunity to undo segregation in the worst of the racially isolated public housing developments, instead sponsoring the demolition of 75,000 public housing units and replacing them with many fewer, smaller, often more expensive dwellings. The incentives HUD built into the HOPE VI program virtually assure that replacement housing will be limited to the same racially isolated neighborhoods rather than racially diverse, high opportunity areas.

Meanwhile, since 1987, the principal federal program for creating new and rehabilitated subsidized housing has been one administered not by HUD but by the Department of the Treasury and state and local housing finance agencies. This is the Low Income Housing Tax Credit program (LIHTC). The Treasury Department has refused to acknowledge that its obligation “affirmatively to further” desegregation means that it must assure that tax credits are allocated so as to reduce the level of residential racial segregation and that data about racial segregation be collected and reported. Neither Treasury nor the housing finance agencies have taken effective steps to require even that racial segregation be taken into account when decisions are made about where to site LIHTC developments. Treasury does not even require reporting on the racial characteristics of the sites or the residents of the developments. Not surprisingly, but outrageously, this has resulted in the apparent reality that the occupants of many LIHTC developments themselves are racially segregated and that the developments are sited in neighborhoods that are racially impacted. In fact, studies indicate that many of the LIHTC financed developments for families with children are being sited in neighborhoods that are predominantly minority and undoubtedly are “served” by low-performing schools. Thus, the Treasury Department, administering the principal subsidized housing development program today, is ignoring the mandate “affirmatively to further” residential integration, not requiring that siting decisions even take into account the impact on segregation and not even requiring submission of the data that would be necessary to determine authoritatively the extent to which that mission is being accomplished. The federal government is repeating in the LIHTC program the evils of the urban renewal program.

The other federal agencies with major responsibilities for housing are the departments of Agriculture, Veterans Affairs, and Defense. Neither the Department of Agriculture nor the Department of Veterans Affairs has done anything effective to dis-establish segregation or promote integration. It is likely that the Department of Defense may have a better record in this respect, since studies have shown that communities in the vicinity of military bases are among the best integrated in the United States, but there has been relatively little study of this. On the other hand, the Department of Defense apparently has done a terrible job of assuring that people on active duty are able to occupy decent housing. Past studies have indicated that many service-people live in substandard housing and some experience literal homelessness.

II. Proposed Solutions: What Should We Do?

Solutions to the problem of residential racial segregation are not hard to identify. What has been difficult has been finding people who combine the power, the vision, and the courage to implement these remedies. The following discussion of proposed solutions to the problem of residential racial segregation is divided into four parts: (1) general principles, (2) actions that can and should be taken by the members of this Commission and other individuals, (3) actions that can and should be taken by the President and other parts of the Executive Branch; and (4) actions that can and should be taken by Congress.

1. General Principles.

John Charles Boger, Dean of UNC Law School and a former civil rights lawyer, drew from other, more successful, civil rights statutes, three lessons for fair housing:

- (1) rely upon objective, system-wide goals;
- (2) demand concrete progress toward those goals from the chief institutional actors who implement them; and
- (3) offer powerful financial incentives, both positive and negative, to promote compliance.

To this I would add:

- (4) Remedies must be both race-conscious and class-conscious. If we use only class-conscious standards, we will not achieve racial desegregation. (This is one of the lessons of the MTO experiment.) If we use only race-conscious standards, we will not provide any redress for the poor people of color who have been most victimized by past segregation. Please note in this regard that affirmative race-conscious remedies are fully justified under Title VIII and the Thirteenth Amendment.
- (5) Regionalism. While the federal government bears enormous responsibility for the residential apartheid in the United States, much damage also has been done by state action and inaction and by local zoning and other land use regulation. The federal government has powerful leverage with state and local governments, and should emphasize regional administration at every opportunity.

2. What Members of this Commission and Other Individuals Can and Should Do.

The public discourse about residential integration has been controlled by the Right. The public in general is hostile to residential racial integration, largely because of fear and ignorance. In fact, residential integration has had beneficent impacts on communities that have experienced it, but the general public does not know about this.

It is essential that progressives provide leadership in a public discussion about the value and necessity of residential racial - and economic - integration. We need people - like Secretaries Kemp and Cisneros - speaking out about the value of integration. What the “experts” know is not known or believed by the general public.

3. What the President and Executive Branch Can and Should Do.

A. The President Should Establish an Agency Whose Single Mission is the Elimination of Residential Racial Segregation.

One reason why residential racial segregation - even in the federally assisted housing market - has not been eliminated or even substantially reduced is that no person or agency is focused exclusively on achieving this result. While HUD and the Department of Justice have lead responsibilities in this area, each also has multiple, diverse, and sometimes contradictory missions, as evidenced in the fact that civil rights cases brought against federal agencies are defended by the Civil Division of the Department of Justice (while the civil Rights Division brings civil rights cases on its own), and that HUD and other federal agencies often are defendants in civil rights cases (although all federal agencies are obligated “affirmatively to further” fair housing and HUD is charged with principal authority for achieving this result). We need an agency whose sole mandate is eliminating residential racial segregation.

The President should establish such an office within the White House. Congressional authorization and funding for a permanent agency also should be sought. (See below.)

One of the first things this agency should do is draft and propose national “fair share” legislation as suggested in John Charles Boger, *Toward Ending Residential Segregation: A Fair Share Proposal for the Next Reconstruction*.

B. HUD

In January 2008, Housing Scholars and Research and Advocacy Organizations in the United States filed a report to the U.N. Committee on the Elimination of Racial Discrimination. The Report contained recommendations for actions that HUD should take to bring the United States into compliance with the International Convention on the Elimination of all Forms of Racial Discrimination. In addition to the recommendations of that report, I offer these suggestions:

As the agency with primary responsibility for enforcing the obligation “affirmatively to further” fair housing, HUD should require that all agencies administering housing and development programs require that assisted developments adhere to specific goals and timetables for including appropriate percentages of minorities, voucher holders, people with disabilities, size, and very low income and large families. Each development should be required to have and implement an Affirmative Fair Housing Marketing Plan (AFHMP) and each development should be required to report semi-annually on the racial, disability, size, and income characteristics of its occupants, separating the reporting on families with children from other households.

In every situation in which HUD or another federal agency has discretion in distributing funds, it should favor communities that promote desegregation, by inclusionary zoning and other methods. As Michael Schill has proposed, federal and state governments should “reduce the fiscal motives of municipalities to zone out low-cost housing by increasing intergovernmental grants-in-aid, thereby diminishing local reliance on the property tax.”

Mobility standards should be incorporated into every housing-related program administered by a federal, state, or local agency. Mobility programs should be improved by adding assistance with education (including adult literacy), employment, childcare, transportation, and other issues.

HUD should revise its public housing, HOPE VI, voucher, Community Development Block Grant (CDBG), and other program requirements to promote racial and economic integration and undo and forbid actions that perpetuate segregation. In particular, HUD should:

1. Create and fund a fair housing enforcement organization in each MSA that does not have one, with a particular charge to protect Section 8 recipients from unlawful discrimination;
2. Require and fund effective mobility counseling in all Section 8 programs and authorize and encourage every Section 8 administering agency to grant exception rent levels, approve over-FMR tenancies, enlarge the 120-day search time, and advise recipients that this relief is available, all with the goal of enabling poor people of color to use vouchers in communities that have excellent resources
3. Strongly prefer regional administration of Section 8;
4. Review all residency preferences and invalidate any that have the effect of perpetuating racial or economic segregation;
5. Require PHAs to make payments needed to facilitate desegregative moves;

6. Improve mobility programs by addressing employment, gender, transportation, childcare, and other issues;
7. Preserve and desegregate federally assisted housing developments;
8. Initiate effective Title VI compliance reviews, starting with the largest and most segregated MSAs; addressing all federally assisted programs, including State and local Community Development Block Grant expenditures, and focusing on relief that includes promotion of inclusionary zoning ordinances and other effective desegregative activities;
9. Re-create the Voluntary Mobility Program and the Regional Opportunity Counsel initiative, with mobility standards;
10. Revise the FHA program to promote desegregation, including providing incentives for home purchases that promote desegregation, such as a lease-purchase option and a zero downpayment program, as recommended by the Twentieth Century Fund Task Force on Affordable Housing.

C. The Department of the Treasury:

The Department of the Treasury should by regulation direct that allocating agencies assure that tax credit developments “affirmatively further” racial desegregation, and should require that agencies collect data on the racial, economic, and disability characteristics of the neighborhoods in which proposed developments are located and of residents who live in existing developments. The Department also should require, scrutinize, monitor, and enforce affirmative fair marketing plans for all tax credit developments. These requirements should address racial integration and fair representation of voucher holders, people with disabilities, and households with incomes below 30% AMI.

Treasury should establish by regulation that HFAs may not simply require certification of compliance with civil rights obligations but must establish, monitor, and enforce performance standards.

D. The Department of Justice:

The Department of Justice should restore its fair housing testing program, and should target testing on LIHTC developments in high opportunity areas to assure that racial minorities, voucher holders, and people with disabilities are not subjected to discrimination.

The Department should initiate strategic litigation enforcing Title VIII in situations that will have the greatest impact in achieving racial desegregation.

E. Actions that Can and Should be Taken by Congress.

1. Congress should vastly increase the number of vouchers available and should require higher FMRs, exception rents, extended search times, and authority and funding for other mobility elements that will promote desegregation. Vouchers should be targeted to very low income minority families with children who will move from high poverty neighborhoods to neighborhoods that have little poverty, good public schools, and a substantial percentage of white, Anglo residents.

2. Congress should require that before any currently occupied public or federally assisted housing unit is demolished or otherwise removed from the low-rent stock (regardless whether demolition or disposition already has been authorized or displacement proceedings begun and regardless of the status of the occupants), the occupants must be provided with decent and affordable replacement housing adequate in size and located (with respect to educational, employment, and other resources) in a neighborhood desired by the occupants after the occupants have had an opportunity to receive effective mobility counseling.

3. Congress should amend the federal Fair Housing Act

- * to add source of income as a protected category, so that landlords would be forbidden to refuse to rent to people because they are voucher holders;
- * to resolve the statute of limitations issue raised by the decision in *Garcia v. Brockway*;
- * to clarify that the statute protects people already living in their homes and prohibits discriminatory or segregatory provision of municipal services (thus resolving the issues presented by the decisions in *Halprin v. Prairie Single Family Homes* and *Cox v. City of Dallas*);
- * to bring Title VIII into conformity with Title VII with respect to mixed-motive analysis and other matters;
- * to add sexual orientation as a protected category.

4. Congress should amend Section 42 of the Internal Revenue Code to require all of the changes that have been suggested for the Department of the Treasury and also should amend the Qualified Census Tract (QCT) and Difficult Development Area (DDA) provisions of the statute so as to eliminate

the incentives to place LIHTC developments in areas that are predominantly minority and poor. Congress also should prohibit the siting of LIHTC family developments in neighborhoods served by public schools that have poor records under the No Child Left Behind statute. Congress also should require Housing Finance Agencies to establish in their Qualified Allocation Plans (QAPs)

- * that an essential element of siting decisions is the impact the siting and occupancy would have on racial and economic segregation, with desegregation a standard by which decisions are made;
- * that all developments must submit and enforce Affirmative Fair Housing Marketing Plans;
- * that all developments must collect and report data on the racial, income, and disability status of occupants;
- * minimize local approval and contribution requirements.

5. Congress should enact national fair share legislation.

6. Congress should re-define “disability” for purposes of the housing programs to include households that include a child or children with disabilities. (The definition now is only for heads of households or spouses with disabilities.)

7. Congress should provide incentives and otherwise encourage state legislatures to mandate inclusionary zoning requirements for local communities, and local communities to adopt and enforce inclusionary zoning requirements even absent state mandates.

**“Government Policies and Practices that Increase Discrimination”
George Lipsitz; July 15, 2008**

For fair housing advocates, a crucial part of the problem of racial inequality and injustice stems from the ways in which people of different races in the United States are relegated to different spaces. Housing and lending discrimination work insidiously to skew opportunities and life chances along racial lines. We would make enormous progress toward racial justice if fair housing laws were only strengthened and enforced.

Yet stronger laws and better law enforcement alone will not be enough to counter the ways that race skews opportunities and life chances in our society. Although private acts of direct discrimination by individuals remain pervasive, existing racial gaps in wealth, inheritance, asset accumulation, health, education, and employment are also sustained and exacerbated by putatively race neutral policies and practices by governments at all levels. Local, state, and federal governments do not do enough to combat discrimination to be sure, but even worse, they add to existing injustices and inequality by providing subsidies for segregation and rewards for racism.

At all levels, government policies today produce unearned advantages and unjust enrichments for whites while imposing unfair impediments to asset accumulation, education, employment, and health care for people of color. These policies actually increase the rewards of past discrimination by extending favored treatment to the descendants of its perpetrators. In addition, they make victims of past discrimination pay a disproportionate share of the burdens of social change by exploiting the accumulated weaknesses incurred by aggrieved communities.

Putatively race-neutral tax policies consistently subsidize those forms of income most likely to be inherited as a result of successful discrimination in the past. Housing discrimination has allowed whites to “lock in” advantages of homeownership and its attendant subsidies. Legal scholar Daria Roithmayr describes the long history of restrictive covenants, racial zoning, redlining, steering, block busting, and mob violence between 1866 and 1948 as part and parcel of a concerted action by a racial cartel that monopolized the benefits of homeownership for whites. Government action played a direct role in providing whites with assets that appreciated in value and could be passed down to subsequent generations. The 1862 Homestead Act gave 1.5 million families some 246 million acres of land. Only whites could receive these lands. Today, some 46 million adults can trace the core of their families’ wealth to assets originally secured on an expressly racist basis from the Homestead Act. Similarly, the 1934 Federal Housing Act put the full faith and credit of the federal government behind the home mortgage industry, creating the largest redistribution of wealth and assets in U.S. history. The expressly racist categories required by the act’s appraisal manuals made sure that between 1934 and 1968, ninety-eight percent of FHA loans went to whites.

Current housing, home loan, and tax policies inhibit the entry of new competitors into the housing market. They add to the locked-in advantages and wealth of those who inherit the advantages secured on a discriminatory basis from the Homestead Act and the FHA. For example, the home mortgage interest deduction -- and the favored tax treatment given to income derived from inheritance and capital gains -

all work to augment the value of the unfair gains secured through direct discrimination in previous eras. Segregated suburban schools and neighborhoods provide whites with assets that appreciate in value and with privileged access to insider information and personal networks that give them decided advantages in securing the eighty to ninety percent of jobs in U.S. society that are never openly advertised. Yet the “locked in” gains of past discrimination also secure subsidies in the present. Homeowners generally deduct the costs of local property taxes from their federal income tax. This lowers their federal tax obligations and makes it financially desirable for them to support property tax increases that fund local schools. Similarly, the home mortgage interest deduction increases property values which add to the income of wealthy districts. In contrast, school districts whose constituents include large numbers of renters or less affluent homeowners who do not itemize deductions do not secure similar funding for their schools. A study in 2001 showed that while the poverty stricken city of Camden, New Jersey received \$1,140 per student in federal aid (mostly from Title 1 grants), property tax and mortgage interest deductions funneled \$2,399 per student to the wealthy suburban city school system in Princeton, New Jersey.ⁱ

From the 1930s through the 1970s, federal urban renewal and highway construction subsidized the rewards of whiteness. Federally assisted urban renewal projects demolished twenty percent of the central city housing units occupied by African Americans during the 1950s and 1960s.ⁱⁱ People of color made up more than sixty percent of the population displaced by urban renewal.ⁱⁱⁱ Ninety percent of the low income housing units destroyed by urban renewal were never replaced. Urban renewal demolished some sixteen hundred Black neighborhoods in cities north and south. Clinical psychiatrist and public health specialist Mindy Thompson Fullilove argues that urban renewal in the mid-twentieth century was of sufficient scale and scope that it destroyed the emotional ecosystems of Black communities, inducing a profound alienation, a collective traumatic stress reaction that she describes as “root shock.”^{iv}

It would be naïve to think that the designers of urban renewal were unaware of the racial consequences of their actions. Yet they did not have to express intentional racial animus. The cumulative vulnerabilities of communities populated by the victims of housing discrimination meant that the neighborhoods slated for destruction had large numbers of absentee landlords, suffered from political isolation and powerlessness, and locations near downtown desirable for creating centralized convention facilities, museums, concert halls, and subsidized hotel and office developments. Although large scale urban renewal programs seem to be a thing of the past, the logic that guided racialized urban renewal persists in a wide range of public policies including tax abatements, tax increment financing, and issuance of industrial development revenue bonds.

Addressing the skewing of opportunities and life chances along racial lines in the society require stronger fair housing laws and better law enforcement. But we also need to end these practices and policies that widen racial disparities and instead create new programs designed to promote equal opportunity through asset accumulation, educational equity, and environmental justice.

What kinds of residential mobility improve lives?

James E. Rosenbaum, j-rosenbaum@northwestern.edu, July 10, 2008

Neighborhood effects on the lives of families and young people have long been an important topic of research. After William J. Wilson convincingly showed the mechanisms by which concentrated poverty causes many kinds of harm to adults and children, the next question was what would happen to families who moved out of these areas? Federal courts are currently considering whether to mandate racial or socioeconomic integration in housing and school settings (Thompson v. HUD; Meredith and Parents cases). Unfortunately, since poor families are usually trapped in dangerous neighborhoods and their children are trapped in poor schools (South and Deane 1993; South and Crowder 1997; Massey and Denton 1993), we don't get the chance to observe how a different environment might affect their life chances. Moreover, families choose neighborhoods, and the characteristics of families that lead them to choose certain neighborhoods are also likely to affect family and child well-being. Residential mobility programs, where poor families relocate to opportunity-rich communities via housing vouchers, provide one way we can begin to separate the effects of family background and neighborhood conditions. However, unrestricted vouchers won't work. In the 1970s, the national housing voucher experiment showed if given vouchers, people choose familiar areas, segregated areas similar to the ones they left (Cronin and Rasmussen, 1981). In this talk, I review one important mobility plan—Chicago's Gautreaux program—and examine a decade of research following the fortunes of the families who moved as a part of this intervention.

The Gautreaux Program

As a result of a 1976 Supreme Court decision, the Gautreaux program allowed low-income black public housing residents in Chicago to receive Section 8 housing certificates (or vouchers) and move to private-sector apartments either in mostly-white suburbs or within the city. Between 1976 and 1998, over 7000 families participated, and over half moved to suburban communities. Because of its design, the Gautreaux program presents an unusual opportunity: it allows us to examine whether individual outcomes change when low-income black families move to safer neighborhoods with better labor markets and higher quality schools.

Gautreaux participants circumvented the typical barriers to living in suburbs, not by their jobs, finances, or values, but by acceptance into the program and quasi-random assignment to the suburbs. The program provided housing subsidy vouchers and housing support services, but not employment or transportation assistance. Unlike the usual case of working-class blacks living in working-class suburbs, Gautreaux targeted middle- and upper-income white suburbs as the destinations for low-income blacks. Participants moved to more than 115 suburbs throughout the six counties surrounding Chicago. Suburbs with a population that was more than 30% black were excluded by the consent decree. A few very high-rent suburbs were excluded by funding limitations of Section 8 certificates.

Early Findings

Early research on Gautreaux had shown large and significant relationships

between placement neighborhoods and subsequent gains in employment and education. A study of 330 Gautreaux mothers in the early 1990s found that suburban movers had higher employment than city movers, but not higher earnings, and the employment difference was especially large for adults who were unemployed prior to the move (Rosenbaum, 1995). Another study found that, compared with city movers, Gautreaux children who moved to the suburbs were more likely to graduate from high school, attend college, attend four-year colleges (vs. two-year colleges), and if they were not in college, to be employed and to have jobs with better pay and with benefits (Ibid.). These differences were very large, often larger than the effects of education and training programs targeted at these specific outcomes.

Analyses indicated that children moving to suburbs were just as likely to interact with neighbors as city movers, but the suburb movers interacted with white children while city movers interacted mostly with black children. The program seems to have been effective at integrating low-income black children into middle-class white suburbs. Although suburban schools were often far ahead of city schools in terms of curriculum level, mothers reported that suburban teachers often extended extra efforts to help their children catch up with the class. Initial concerns that these children would not be accepted were unsupported by the evidence.

Recent Research

To improve upon the design and data quality of the earlier work, more recent research used administrative data to locate recent addresses for a 50% random sample of Gautreaux movers who had relocated before 1990, as well as track economic outcomes for mothers. Additionally, multiple census measures were used to characterize neighborhoods and a more comprehensive accounting for pre-program characteristics was employed in the regression models. The use of administrative records permitted us to locate 1504 of 1507 families, and we found that 66% of suburban families remained in the suburbs an average of 15 years after placement. After premove individual and neighborhood attributes were controlled, the racial composition of placement neighborhood predicted racial composition of current neighborhood (DeLuca and Rosenbaum 2003), and mothers continued to live in areas with much lower poverty rates and higher household incomes (Keels et al. 2005).

Individual level economic outcomes, such as welfare receipt, employment, and earnings were also influenced by the income and racial characteristics of placement neighborhoods. Women who moved to mostly white neighborhoods with higher levels of socioeconomic resources did better than their counterparts in areas with low resources and high levels of black residents (Mendenhall, DeLuca, and Duncan 2006). Research on the children of the original Gautreaux families has demonstrated that the neighborhoods where they resided in the late 1990s were substantially more integrated than their overwhelmingly minority origin neighborhoods (Keels 2007a).

How Did Gautreaux “Work”?

We analyzed interviews with 150 Gautreaux mothers and found that after the move, they described a new a sense of efficacy and control over their lives and that the major changes in their environments helped them to see that they had

the ability to make improvements in their lives. Certain features of the new suburban neighborhoods changed their perception of what was possible. Specifically, the women reported that they felt better about having an address in the suburbs, and not having to put down a public housing address on job applications. Other women noted that by moving to areas with more white residents, they and their children got to know more white people, and racial stereotypes were debunked. One child whose only exposure to white people were those she saw on TV reported that after moving, she discovered that not all whites looked like TV actors.

Social interactions with whites allowed some of these women to feel that they had more social and cultural know-how and feel much less intimidated by future contexts in which they might have to interact with whites. Additionally, working through some of the initial difficulties of the transitions to the suburbs allowed these women to realize that they could handle manageable challenges along the way to better jobs and more schooling. In comparison, the drugs or gang violence in their old city neighborhoods seemed to be forces too big for them to control and therefore permanent impediments to the advancements they were trying to make in their lives. These findings suggest to us that one's repertoire of capabilities can vary depending on the type of neighborhood one lives and works in.

Was Gautreaux a Social Experiment?

The Gautreaux program resembled a quasi-experiment. Families were assigned to conditions in a quasi-random manner, unrelated to their preferences and attributes. In principle, participants had choices about where they moved. In practice, qualifying rental units were secured by rental agents working for the Gautreaux program and offered to families according to their position on a waiting list, regardless of their locational preference. Although participants could refuse an offer, few did so, since they were unlikely to ever get another.

As a result, few significant differences were found between suburban and city movers' personal attributes, but premove neighborhood attributes show small, but statistically significant differences on 2 of 9 comparisons. This may indicate selection bias, although random assignment studies [by the HUD-sponsored Moving to Opportunity \(MTO\)](#) also find some substantial differences (Goering and Feins 2003, Table 7.1). Yet the observed premove differences may not explain much of the outcome difference. For instance, while suburban movers came from slightly lower-poverty tracts than city movers (poverty rate of 40.6% vs. 43.8%), they moved to census tracts with dramatically lower poverty rates (5.0% vs. 27.3% DeLuca and Rosenbaum 2003). While small (3 percentage point) differences in initial neighborhoods may account for part of the outcome differences, it is hard to dismiss the possible influence of the enormous differences in placement neighborhoods. Current papers have discussed these issues and examine multiple neighborhood level indicators, detailed preprogram neighborhood differences, and intergenerational effects (DeLuca and Rosenbaum 2003; Keels et al. 2005; Mendenhall, DeLuca, and Duncan 2006; DeLuca et al. 2007; Keels 2007a and 2007b).

[MTO: A strong study of a weak mobility program.](#)

In contrast, MTO was an experiment, with the random assignment of low-income families to three conditions—an experimental group (who moved to low-poverty census tracts), an open-choice Housing Voucher group, and a “no move” control group. MTO was developed to formally test the Gautreaux findings, with more rigorous design, and pre/post move data collection. Unfortunately, while MTO was a stronger study, it was a weaker “neighborhood change treatment.” The Gautreaux program moved families an average of 25 miles away from their original neighborhood, to radically different labor markets, where nearly all children attended schools with above-average achievement and were too far away to interact with prior friends. In comparison, MTO moved most families less than 10 miles away, mostly in the city, most children attended schools with very low achievement (below the 25 percentile nationally), and many children continued interacting with old friends. In addition, despite wide recognition that spatial mismatch separated low income minorities from the areas of job growth (Holzer, 1991), MTO’s short moves did not target job growth areas or put families much closer to such areas, and there were some declines in the income level of the census tracts they moved to (Orr et al, 2003).

While Gautreaux suburban children attended much better schools and enjoyed improvements in educational outcomes relative to the city movers, the MTO treatment group children attended terrible schools and, not surprisingly, showed no difference in test scores, school dropout, or self reported measures of school engagement compared to the control group an average five years after random assignment (Sanbonmatsu et al. 2006). Indeed, most MTO experimental families sent their children to schools in the same school district (often the same schools), and even when they changed schools, the new schools were not much better than the original schools.

While Gautreaux was associated with gains in mothers' employment, the MTO treatment group showed no impact compared with the control group. However, less noted, the MTO control group had a 100 percent employment gain (Orr, et al., 2003)—an extraordinary. These MTO outcomes were measured in the late 1990s, during a strong labor market and strong welfare reform, so it is possible that every employable person was already doing working, and residential moves had no additional effect for that reason. In addition, there is no indication that the experimental group’s short-moves closed the spatial mismatch gap at all.

Nonetheless, both Gautreaux and MTO found large improvements on mothers' and children's feelings of safety. MTO also showed significant reductions in depression and obesity among mothers and daughters (but no difference for sons). Gautreaux studied neither of these outcomes.

Although MTO hoped to replicate Gautreaux, MTO created a very strong study of a very weak version of Gautreaux. As noted, the national housing voucher experiment showed if given vouchers, people choose familiar areas, segregated areas similar to the ones they left. MTO largely did the same thing. Although MTO families moved to low-poverty census tracts, they made short-distance moves, to segregated and economically declining areas, often in segregated enclaves near census-tract boundaries. They also attended terrible schools, often the same schools as previously. The one surprise was that these weak moves reduced depression and obesity for mothers and

daughters.

After seeing MTO results, no one will implement that exact program again. In retrospect, the program could have led to entirely different placements if it had provided information, advice and assistance about housing location and school choice.

Policy Implications: Better-targeted vouchers are necessary if we don't want to merely recreate concentrated poverty enclaves in new places. The Gautreaux program was not designed as an experiment, and it lacked the rigorous controls of an experiment. Nonetheless, it provides a study of a strong residential mobility program which was targeted to create moves to more integrated neighborhoods, much better neighborhoods, stronger labor markets, and better schools. MTO provides a stronger study, but a weaker program. In the future, we need strongly targeted programs, like Gautreaux (and perhaps like Baltimore's Thompson program), which provide information, active counseling, and housing location help which are likely to improve the lives of adults and children.

**TESTIMONY OF WILLIAM P. WILEN
DIRECTOR OF HOUSING LITIGATION
SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW
BEFORE THE NATIONAL COMMISSION ON FAIR HOUSING AND EQUAL
OPPORTUNITY, JULY 15, 2008, CHICAGO, ILLINOIS**

CHA'S PLAN FOR TRANSFORMATION

In 2000, the City of Chicago and the Chicago Housing Authority (CHA) began an ambitious program in order to revitalize its public housing stock. Although CHA had been considering massive demolition of its inventory of housing since 1995, CHA finally reached agreement with HUD and the tenants' Central Advisory Board in 2000 on a redevelopment plan—the Plan for Transformation.

Under the Plan, CHA has demolished its entire inventory of high-rise and mid-rise housing, and in some cases, low-rise housing (about 22,000 units). CHA plans to rebuild or rehabilitate 25,000 very low-income public housing units. Approximately 7,200 units will be constructed in mixed-income communities. Originally the Plan was to be completed in ten years, from 2000 to 2009. However, delays in new construction have caused the deadline to be pushed back to 2014 and perhaps longer. As of July 2008, according to a recent report by the Chicago Tribune, only 30% of the units constructed in mixed-income communities have been completed, for a total of 2,171 units—5,015 units remain to be built.⁴²

RELOCATION OF CHA RESIDENTS

Under the Plan for Transformation, CHA did not phase the demolition of the high-rises and mid-rise buildings as was done at another CHA development, the Henry Horner Homes, a development governed by a consent decree. Rather, wrecking balls swung and bulldozers rolled from one end of CHA developments to the other, forcing the vast majority of residents to move with Section 8 housing choice vouchers.

Due to the massive demolition and lack of newly constructed or rehabilitated housing, as many as 4,851 CHA families were forced to relocate involuntarily from their public housing units into the private market between 1995 and 2005.⁴³ CHA had entered into a Relocation Rights Contract with the residents that promised to help displaced families move into neighborhoods more racially and economically integrated than those from which they were displaced. However, the CHA's relocation process produced the opposite result. CHA residents were relocated by CHA into neighborhoods that were just as racially segregated, and nearly as poor, as the communities from where they were forced to move. For example, between 1995 and 2002, of the more

⁴² See Jason Grotto, Laurie Cohen, Sara Olkon, *Public Housing Limbo*, CHI. TRIB. July 6, 2008 at Sec. 1, Page. 1.

⁴³ See Paul Fischer, *Where Are the Public Housing Families Going? An Update* at 4 (2003); CHI HOUS. AUTH, Chapter 3: *Transitioning Families to New Communities*, in FY 2006 MOVING TO WORK ANNUAL PLAN, PLAN FOR TRANSFORMATION YEAR 7 at 74 (2005).

than 3,200 families forced to relocate with housing choice vouchers, almost 83 percent relocated to neighborhoods that were at least 90 percent African-American.⁴⁴ Nearly 50 percent moved to “high-poverty” neighborhoods, where 30 percent or more of the residents were below the poverty line.⁴⁵ In 2003, 97 percent of the residents relocated by CHA relocated to areas racially segregated with a significant population of African-American families.⁴⁶

WALLACE V. CHA

In order to remedy this situation, the Shriver Center and the Chicago Lawyers’ Committee for Civil Rights Under Law litigated the *Wallace v. CHA* case, which was filed in January 2003 and settled in May 2005. The Wallace plaintiffs alleged that: (1) CHA was in violation of federal fair housing laws and its own contractual obligations by failing to provide adequate relocation and effective social services to thousands of families displaced by CHA’s Plan for Transformation; (2) by failing to provide the services, CHA had perpetuated the segregation of these families by steering them into segregated neighborhoods; and (3) the implementation of CHA’s housing programs failed to affirmatively further fair housing.⁴⁷

Under the settlement, CHA was obligated to use its “best and reasonable efforts” to provide programs to assist *Wallace* class members to exercise their own choices in relocating to economically and racially integrated communities. The main program utilized by CHA was the Enhanced Housing Opportunity Program (EHOP), under which former public housing residents who had already moved into the private rental market with housing choice vouchers could participate. Under EHOP, displaced residents were entitled to receive several notices of eligibility to participate, to enroll in the program for up to one year, to learn about the benefits of moving to racially integrated communities, and to take tours to such neighborhoods. These families also had access to social services provided by CHA’s Service Connector Program or CHA’s Housing Choice Voucher administrator (CHAC). These families were offered housing in “EHOP neighborhoods,” which are less than 24% poverty and less than 30% African-American. Families still residing in CHA were also permitted to participate in EHOP. CHA was obligated to provide them with individual service plans developed with case-workers, small group presentations encouraging moves to racially integrated and low-poverty areas, a community search tour that included visits to racially integrated and low-poverty housing units, and case-managed social services for 12 months after moving.

⁴⁴ Paul Fischer, *Where Are the Public Housing Families Going? An Update* at 4 (2003)

⁴⁵ *Id.* at 5, 6

⁴⁶ See Thomas P. Sullivan, *Independent Monitor’s Report to the Chicago Housing Authority and the Central Advisory Council Regarding Phase II-2003 of the Plan for Transformation* at 7 (2004)

⁴⁷ See *Wallace v. Chi. Hous. Auth.*, 298 F. Supp. 2d 710 (N.D. Ill. 2003) (denying CHA’s motion to dismiss), *on reconsideration in part*, 321 F. Supp. 2d 968 (N.D. Ill. 2004); *Wallace v. Chi. Hous. Auth.*, 224 F.R.D. 420, 430 (N.D. Ill. 2004) (granting in part plaintiffs’ motion for class certification).

However, according to the latest information provided by CHA, the *Wallace* relocation programs have achieved only mixed results. Since June 2005, CHA's Housing Choice Voucher Administrator, CHAC, has notified over 3,000 relocated families of the availability of EHOP. Of this number, 528 or approximately 17% have made the decision to enroll. But the percentage that moved to an EHOP Opportunity Area was only 5% of the total number enrolled, or 29 families. An additional 128 families (25% of total number enrolled) moved to low poverty areas that were greater than 30% African-American. Most of the families (242 or 47% of total enrolled) continued to move to areas of high poverty and high racial concentration. The remaining families "ported out" (i.e. moved to another jurisdiction), were terminated from EHOP for cause or simply didn't move.

On the plus side of the equation, 30% of the families enrolled moved from high poverty to low poverty areas, resulting in a vast improvement over their current neighborhood. But 70% of the participants have not moved to lower-poverty neighborhoods, and many have moved to areas of high racial concentration.

AN ALTERNATIVE APPROACH

Because CHA opted for immediate demolition and relocated most of the families into high-poverty, racially concentrated areas, the residents, for the most part, remain today in segregated housing in poor areas of the City's west and south sides. Because of the delay in construction of the new units in mixed-income communities and the dearth of families participating in EHOP, it is likely that these families will remain segregated for the immediate future. However, it did not have to be that way, for at least two reasons.

First, if CHA had phased its demolition at each development site, more residents would have been able to remain on-site until the new units in mixed-income communities were constructed. At Henry Horner Homes on Chicago's Near West Side, pursuant to the terms of a consent decree entered in 1995, CHA was required to phase its demolition. Demolition began on two vacant 16-story high-rises and on three adjacent mid-rises, two of which were sparsely populated. The existing residents were consolidated into mid-rise buildings in other parts of Horner. None of the Horner residents who elected to remain on-site or in the neighborhood were involuntarily relocated prior to being provided replacement housing. In fact, most of the residents remained in their original units until their new units were ready.

By phasing the demolition, CHA was able to leave most residents in place during the time of new construction. Once the units were completed, the first phase of Horner families moved in from the Horner high-rises. The high-rises were then demolished, new units constructed, and then the families from the Horner mid-rises moved in. By keeping the families at Horner and not forcing them out of the development with housing choice vouchers, the parties to the decree were able to prevent resegregation of the residents in other parts of the city, and to more rapidly house them once new construction was completed. As of February 2008, all of the families who resided at Horner were able to move into their newly constructed units without having to be displaced. In this manner, the new public housing units were filled with Horner families who were allowed to remain in their historic community, which is gradually turning into an integrated mixed-income community.

Second, if CHA had employed a housing mobility counseling program as part of its efforts to relocate residents, more residents would have been able to find and accept housing in low-poverty, integrated areas. But CHA's desire to clear the sites as soon as possible was its paramount concern when the residents were relocated—not to providing residents with integrated housing opportunities. The housing opportunities were to be provided when the new units were built, but the delay in construction has meant that needed units will not be available to the majority of the displaced families for many years to come.

TESTIMONY BY DR. MARIA KONG
THE IMPORTANCE OF CREATING DIVERSE COMMUNITIES

Growing a country of inclusivity in housing with diverse communities is important in creating:

1. Safer neighborhoods
2. Reduced discrimination
3. More racial tolerance
4. Increased community bonding
5. Barrier to predators
6. Reduced tensions between races
7. Better standards of living
8. Better health
9. Reduced government subsidies and programs

When individuals are given the opportunities to interact as neighbors they learn each other's cultures, they share and also adopt different ethnic behaviors, they look out for each other as neighbors, and so they defend and protect each other as community members, easing racial tension and separatism.

The United States has grown on the premise of segregated communities for hundreds of years—a process which promoted intolerance, separatism, racism, and ultimately feelings of superiority and inferiority in the races. It has only been forty (40) years since the Fair Housing Act was passed in the United States. Although this country is one of the most diverse country in the world, comprising of citizens of every race and culture, we have not been able to achieve a unity of cultures or a great reduction in discrimination as is experienced in other parts of the world such as Jamaica, whose motto is “Out of Many, One People”—a country where there is no need for any document requiring anyone to fill out their race or ethnic background. Everyone lives happily wherever they choose with no fear as long as they are able to afford that dwelling, whether it is in a rich, middle class, or poor neighborhood, because all those communities are shared by all racial and ethnic backgrounds.

It is important that the United States move forward to creating diversity in communities by planning for community integration. Although we promote fair housing, we realize from statistics that we have thousands of complaints on discrimination in housing, causing HUD's Office of Fair Housing and Equal Opportunity to be backlogged many years in dealing with cases. Fair housing and discrimination cannot be just eradicated by laws, there has to be more definitive actions to change the behavior of people and to put communities into an integrated state to create acceptance, tolerance, and understanding between races. It is important that more be done to ensure the harmony of people of all races by creating:

1. Diverse communities by providing incentives for integration
2. Mandatory rules for builders
3. Tax credits with certain mandates tied to the credit

4. Proper monitoring and enforcement
5. Housing and community standards
6. More equitable standards and equipment in schools, hospitals, supermarkets, and social services for all communities
7. Plans should be made immediately within the government to help cities accomplish equitable standards for the people of those communities, with plans for integration of cities.
8. Eradicate discrimination where one race bears the burden of unfair increased utility and other bills because of living in one type of community or being a certain race.

There is no plan by the government to move America to a more perfect union. There is no plan to help citizens attain a better cultural tolerance and therefore reduce discrimination and increase access to neighborhoods. This must be a long term plan for the government which is adopted by states and cities. Discrimination and alienation in America will continue forever not only in housing, but in all other areas of life if action is not taken by the government to develop and support diverse communities so all races and ethnicities will feel included and have the same access to opportunities in all areas of life in America, including schools, jobs, and benefits. It is statistically true that black neighborhoods suffer neglect and are disproportionately discriminated against when it comes to the quality of schools, supermarkets, and other services in their communities. It creates frustration and feeling of hopelessness when inferior treatment is given, and it creates a mental barrier for an entire race of people. This promotes crimes, hate for those races that are treated better, alienation, and distrust for people of other races. Creating diverse neighborhoods would be a start to working on “country unity”, the hope of a better tomorrow for all races as well as:

1. The reduced ability of one race to be targeted for unethical practices and behavior because of residence in a transitional neighborhoods
2. The ability for cities to move forward with their economic agenda and not be strangled with the problems of so called “ghetto” areas created by unfair treatment and hopelessness.

You don't have to be in a rich housing development to have good neighborhoods, integration will promote:

1. Pride
2. Contentment
3. Harmony
4. Peace
5. Tolerance
6. Hope

When people feel they are all playing on a level playing field and changes occur in human behavior, this leads to:

1. Reduced crime
2. Reduced mental depression
3. Reduced feeling of hopelessness
4. Reduced neglect of property
5. Reduced predators
6. Reduced feeling of isolation and unfair treatment
7. Reduced anger
8. Reduced health issues
9. Reduced deaths in communities
10. Reduced need for government subsidies and living benefits.

Ultimately, integrated communities will be seen as aiding in the development of great communities which will attract:

1. New businesses
2. New residents
3. New investors
4. Growth for cities
5. Safer neighborhoods
6. Greater diversity

Analysis of Racial and Ethnic Residential Segregation

in Chicago, Cleveland, Detroit and Milwaukee

Introduction

The American civil rights movement provided a momentum for racial change that spurred the passing of the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Fair Housing Act of 1968, along with many state and local legislative efforts to establish equality in all aspects of American life. Observers at the time noted improvements in the attitudes of whites towards nonwhites,⁴⁸ and the socioeconomic gap between whites and nonwhites was shrinking.⁴⁹ Forty years after the passing of the Fair Housing Act, we examine whether these nondiscrimination laws, especially the Fair Housing Act, have helped reduce the levels of residential segregation in our cities. This memo does not attempt to explain the causes of racial and ethnic residential segregation. Instead, it draws upon sociological studies that have measured segregation levels in American metropolitan areas over the course of the past 60 years in hopes of providing some indication of the greater trends that have developed in our cities throughout that time. Specifically, this memo focuses upon segregation levels in Chicago, Cleveland, Detroit and Milwaukee.

Executive Summary

The social, political and economic gains made by blacks or African Americans during the 1960s and 70s did not translate into significant changes in the level of residential segregation in Chicago, Cleveland, Detroit and Milwaukee. While black segregation has declined in these cities since 1960, the decline has been slow and overall levels of segregation remain high. All four cities ranked in the top 10 nationally in terms of black segregation and have been at or near the top of such national rankings since 1960. Moreover, residential segregation was significantly higher for blacks or African Americans than for all other groups in these four cities.

Moreover, during the past 40 years, increasing numbers of Hispanics have migrated to these cities resulting in residential segregation of this group. This phenomenon has resulted in Hispanics living in more isolated settings than they did in 1960. Hispanic segregation increased in Chicago, Cleveland, Detroit and Milwaukee, but overall levels remained modest when compared with black segregation in those cities. Furthermore, Hispanic segregation in Cleveland and Detroit remained relatively low when compared with other American metropolitan areas. Chicago, on the other hand, ranked 5th overall in terms of Hispanic segregation in 2000. Milwaukee ranked 12th.

⁴⁸ See Thomas L. Van Valey, Wade Clark Roof & Jerome E. Wilcox, *Trends in Residential Segregation: 1960-1970*, 82 AMERICAN JOURNAL OF SOCIOLOGY 826-27 (1977) [See Tab 2]; Thomas F. Pettigrew, *Attitudes on Race and Housing: A Social-Psychological View*, in SEGREGATION IN RESIDENTIAL AREAS: PAPERS ON RACIAL AND SOCIOECONOMIC FACTORS IN CHOICE OF HOUSING 21, 21-84 (A. H. Hawley & V. P. Rock eds., 1973) (finding that summary of local and nationwide surveys regarding attitudes on open housing showed that "[w]hite American attitudes . . . [had] become increasingly more favorable").

⁴⁹ See Van Valey, Roof & Wilcox, *supra* note 1 at 827; Reynolds Farley & Albert Hermalin, *The 1960s: A Decade of Progress for Blacks?*, 9(3) DEMOGRAPHY 353-70 (1972) (finding that the socioeconomic gap between whites and nonwhites, particularly blacks, narrowed in a number of key areas, including income, occupation and education).

Summary of Reports and Studies

On Housing Discrimination and Residential Segregation in the Midwest

Summary: Housing Discrimination and Segregation in the Midwest

The following provides summaries of a number of reports and studies addressing the issue of residential discrimination and residential segregation in major metropolitan areas of the Midwest. The studies address the following cities: Akron, Chicago, Cincinnati, Cleveland, Columbus, Dayton, Des Moines, Detroit, Grand Rapids, Homewood, Milwaukee, Minneapolis, St. Louis, Toledo, and Wheaton. The studies summarized herein are:

CensusScope - United States Segregation: Dissimilarity Indices: US Metro Areas Ranked by White/Black Dissimilarity Index ("CensusScope Report") (ranking residential segregation in major U.S. metropolitan areas according to the dissimilarity index)

Discrimination in Metropolitan Housing Markets: National Results from Phase I of HDS2000 (2002) ("Urban Institute Study") (studies the incidence of adverse treatment of minorities seeking housing in both rental and purchaser markets nationwide, and compares results with similar study conducted in 1989)

Searching for Rental Housing with Section 8 in the Chicago Region (2000) ("Section 8 Report") (studies the experience of home-seekers using Section 8 vouchers to obtain housing in Chicago, with particular emphasis on persons displaced from demolished public housing projects)

Residential Segregation and Housing Discrimination in the United States: Violations of the International Convention on the Elimination of all Forms of Racial Discrimination (2008) ("U.N. Report") (outlines ways in which the U.S. is allegedly in violation of the International Convention on the Elimination of All Forms of Racial Discrimination)

Do We Know More Now? Trends in Public Knowledge, Support and Use of Fair Housing Law (2006) ("HUD II") (follow-up study of public perception and support for fair housing laws)

How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws (2002) ("HUD I") (studies public awareness of, and attitudes toward, fair housing laws)

Locked Out: Barriers to Choice for Housing Voucher Holders: Report on Section 8 Housing Choice Voucher Discrimination - Lawyer's Committee for Better Housing ("LCBH Report") (surveyed Chicago landlords to determine extent of source-of-income discrimination against home-seekers using Section 8 housing vouchers)

Ethnic Diversity Grows, Neighborhood Integration Lags Behind (2001) ("Munford Report") (ranks residential segregation among major metropolitan areas according to the dissimilarity and isolation indices)

Local Implementation: Milwaukee, Wisconsin: Response to the Periodic Report of the United States to the United Nations Committee on the Elimination of Racial Discrimination (2008) (“Milwaukee Report”) (outlines issues of discrimination in the Milwaukee area)

Racial Segregation in Metropolitan Chicago Housing (2008) (“Forman Study”) (provides statistical analysis of three competing theories explaining persistence of residential segregation in Chicago)

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 (2008) (“CAFHA Report”) (reports on the number of fair-housing complaints filed in the Chicago area and provides policy recommendations)

The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region (2005) (“Leadership Council Study”) (categorizes Chicago communities according to an “opportunity index,” then correlates affordable housing, racial, and poverty distribution with communities’ levels of “opportunity”)

Racial Segregation in Metropolitan Chicago Housing, 20(3) Policy Forum 1-5 (2008) (“UIC Study”) (uses census survey data collected in 2000 and 2005 to address the question of why racial segregation exists in Chicago forty years after the passage of the Fair Housing Act)

Statement of Fair Housing and Civil Rights Advocates on Hope VI Reauthorization, Poverty & Race Research Action Council (“Hope VI Statement”) (offers a set of constitutional and civil rights principles)

Summaries of Fair Housing Articles

Discrimination in Metropolitan Housing Markets: National Results from Phase I of HDS2000 (2002) (“Urban Institute Study”)

The Urban Institute Study measures the incidence of adverse treatment faced by African Americans and Latinos in metropolitan housing markets nationwide, and estimates the change in adverse treatment over the last decade. The Study differentiates between the rental and sales markets for housing.

The Study focuses on the initial contact between a buyer or renter and a real estate agent. Using paired testing, the study compares real estate agents’ treatment of similarly situated white, African American, and Latino customers. The Study then compares its findings with results from an earlier study conducted in 1989. The following metropolitan areas, with populations in excess of 100,000, were surveyed for the study: Atlanta, Austin, Birmingham, Chicago, Dayton-Springfield, DC, Denver, Detroit, Houston, Los Angeles, Macon/Warner/Robins, New Orleans, New York, Orlando, Philadelphia, Pittsburgh, Pueblo, San Antonio, San Diego, and Tucson. These sites were similarly surveyed in 1989, in order to allow for comparisons over the last decade.

The Study concluded that, while the incidence of adverse treatment against African-American and Latino home-buyers and renters has decreased, it is still greater than the amount of adverse treatment faced by whites. For the rental market, the Study found that whites were consistently favored over African Americans in 21.6% of the tests, and over Latinos 25.7% of the time. In the sales market, the African-Americans faced discrimination 17% of the time and Latinos 19.7% of the time.

Over the period from 1989 to 2000, the Study found “a consistent pattern of decline across measures of discrimination against African American renters.”⁵⁰ The results were inconclusive for Latino renters. For both African American and Latino homebuyers, “the net measures dropped significantly for most forms of treatment, because the incidence of minority-favored treatment increased more than the incidence of white-favored treatment.”⁵¹

With regard to the cities of interest to the Commission, the Study found that African American renters appear to face the lowest levels of consistent adverse treatment in Chicago and Detroit in relation to the national average.⁵² While discrimination against African American and Latino home-seekers remains a problem in metropolitan areas nationwide, the Study suggests that there are local variations.

⁵⁰ Urban Institute Study, p.8-5.

⁵¹ Urban Institute Study, p.8-5.

⁵² Urban Institute Stud, p.8-6.

Searching for Rental Housing with Section 8 in the Chicago Region (2000)
("Section 8 Report")

The Section 8 Report is based upon focus group surveys of participants in the Section 8 voucher program in Chicago. The Report focuses heavily on the experience of relocatees displaced by the demolition of Chicago public housing projects and their subsequent experience with the Section 8 vouchers program. The goal of the Report is to obtain the perspective of low-income residents about the effects of the increase in the Section 8 population and the shift from public housing projects to market housing, as well as their perceptions about the Section 8 program.

The Report examines four different types of households: relocatees from public housing projects, Section 8 applicants from the general waiting list, Section 8 participants who succeeded in finding units, and Section 8 participants who were unable to find housing. One concern addressed in the report is the likelihood that Section 8 voucher holders will continue to cluster in a small number of low-income areas.

The Report concludes that among Section 8 voucher holders, there is no statistically significant difference between those who succeeded and those who failed to secure housing. It also finds that rumors about the Section 8 program abound, and participants have a suspicious perception of the program and its purposes.

The Report touches upon some of the bad conditions faced by Section 8 participants in their limited housing choices. Of use might be the testimonial excerpts scattered throughout the Report. The excerpts hint about the difficulty in securing housing from landlords who refuse to accept the Section 8 vouchers, which are predominately held by African Americans.

Residential Segregation and Housing Discrimination in the United States
Violations of the International Convention on the Elimination of all Forms of
Racial Discrimination ("U.N. Report")

The U.N. Report provides a listing of the ways in which the United States is allegedly in violation of the International Convention on the Elimination of All Forms of Racial Discrimination ("CERD"), with regard to housing policies. Of particular use are the sections addressing policies for public housing and Section 8 vouchers, as well as a section discussing the failure of the government to address private acts of housing discrimination.

The Report is strongly premised on the position that the United States government is largely responsible for the current state of housing discrimination through its historical use of discriminatory practices. The authors allege that these practices serve to perpetuate residential segregation. In response, the Report produces a number of policy recommendations designed to address the problems raised in the Report.

Section III, in particular, addresses private acts of discrimination, including steering, discriminatory and predatory lending, and ineffective and slow enforcement of fair housing laws.

The U.N. Report does not address particular geographic markets. Instead, the Report is focused generally at the national level. The bibliography of the Report could be useful for identifying other sources to address the issue presented in this binder.

Do We Know Where We Are: Trends in Public Knowledge, Support and Use of Fair Housing Laws ("HUD II")

HUD II addresses public support and perceptions of fair housing laws, as well as the extent of perceived discrimination. Of most use will be Chapter 5: Responses to Perceived Discrimination. HUD II is a follow-up to an earlier study (Public Awareness of the Nation's Fair Housing Laws (HUD I)), and provides an update of the research in the earlier study.

HUD II was conducted as a telephone survey that was not limited in its geographic scope, but that targeted certain sub-groups, including African Americans and Latinos. The study used a series of hypothetical scenarios to test whether respondents perceive discrimination in each.

The study finds that, while the level of public knowledge about fair housing laws has not improved since 2001, the level of support for such laws has increased. Additionally, the study concludes that about half of the respondents who perceived discrimination had no bases under federal law. HUD II also examines whether respondents who perceived discrimination filed complaints. The study shows a low rate of complaints compared to the rate of perceived discrimination.

How Much Do We Know? Public Awareness of the Nation's Fair Housing Laws (2002) ("HUD I")

HUD I provides the underlying basis for comparisons used in HUD II. As in the subsequent study, HUD I examines public awareness of and attitude toward fair housing laws. There is no geographic limit on the study.

Standing alone, the HUD I results merely show the extent to which individuals are aware of, or support, fair housing laws. The primary findings in HUD I provide the baseline for the later comparisons made in HUD II.

Locked Out: Barriers to Choice for Housing Voucher Holders, Report on Section 8 Housing Choice Voucher Discrimination, Lawyer's Committee for Better Housing ("LCBH Report")

The LCBH Report is based upon a test of 207 Chicago-area landlords. The test addressed discrimination based upon the use of Housing Choice Voucher. Under the protocol of the test, a white phone tester, posing as a potential renter with a Housing Choice Voucher, contacted an assigned landlord. If the white tester was told that the housing voucher would not be accepted, the test ended. If the white tester was positively invited to continue after revealing that he/she was a voucher holder, or there was no clear positive or negative response, a second match test was conducted. This second test, usually conducted on the same day, utilized an African American or Latino tester, also posing as a potential renter with a Housing Choice Voucher.

The LCBH Report includes three primary findings: 1) Housing Choice Voucher holders routinely face source-of-income discrimination from Chicago landlords; 2) evidence exists of increased discrimination and difficulty for voucher holders attempting to seek housing in areas targeted by the Chicago Housing Authority ("CHA"); and 3) testing revealed that there is evidence Housing Choice Voucher holders face additional illegal discrimination based on race or ethnicity. In its conclusion, the LCBH Report finds that "Housing Choice Voucher holders face multi-level barriers of discrimination based on source of income, race, and ethnicity."⁵³

Ethnic Diversity Grows, Neighborhood Integration Lags Behind (2001)
("Munford Report")

The Munford Report provides statistical analysis of data from the 2000 Census. The report addresses both the dissimilarity and isolation indices between whites and various minority groups. The results are broken down by top-50 metropolitan areas with high minority populations. For example, the dissimilarity index for whites and African Americans looks at the 50 metropolitan areas with the highest populations of African Americans.

The report shows that several cities of interest to the Commission are featured among the ten most segregated cities. Detroit, Milwaukee, Chicago, Cleveland, Cincinnati, and St. Louis all have a dissimilarity rating of greater than 74 (with 100 being fully segregated, and 0 being fully integrated).

The Munford Report provides much of the same data as appears in the CensusScope Study, but with the addition of analysis to interpret the significance of the data and trends. The report also tracks the data from the 2000 Census in relation to the 1990 and 1980 Censuses.

⁵³ LCBH Report, p.10.

Local Implementation: Milwaukee, Wisconsin, Response to the Periodic Report of the United States to the United Nations Committee on the Elimination of Racial Discrimination (2008) (“Milwaukee Report”)

The Milwaukee Report addresses a number of discrimination issues in the Milwaukee area including housing discrimination. With regard to housing discrimination, the report focuses almost exclusively upon the number of racial discrimination claims filed each year in Milwaukee. It also mentions mortgage lending discrimination and the disparity in home ownership between whites and African Americans. The report concludes with a list of recommendations for the federal government, the State of Wisconsin, and local governments.

The report briefly mentions a paired test conducted in Milwaukee using four pairs of testers. A single landlord was surveyed, and the results showed that the landlord indicated that no units were available to the minority testers, while saying the opposite to the white testers. No other housing testing is mentioned in the report.

Racial Segregation in Metropolitan Chicago Housing (2008) (“Forman Study”)

The Forman Study provides a measure of segregation in the Chicago area, based upon Census data, then addresses three competing theories explaining the level of segregation. Focusing exclusively on the Chicago area, the study involved face-to-face interviews with 789 Chicago residents to establish whether respondents had experienced discrimination in obtaining housing. The Study also addressed where the respondents searched for housing to determine the degree to which different groups “self-segregate.” As part of the research, the Study tracked respondent income.

The Study concludes that segregation does not necessarily decrease as economic well-being increases. Economic factors alone do not explain continuing levels of segregation. Second, the Study finds that African American and Latino preferences do not explain the persistence of segregation. Finally, the Study concludes that discrimination in housing persists for minority respondents. Based upon its data, the Study provides a number of policy recommendations.

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 (2008) (“CAFHA Report”)

The CAFHA Report addresses a number of fair housing issues before providing a sweeping set of recommendations. The Report’s focus is Chicago and the surrounding areas. While addressing discrimination in housing, the Report provides statistics for the number of complaints filed in 2007 in the Chicago area and Illinois in general. It then estimates the total number of fair housing violations based upon the number of reported complaints.

The next section of the Report addresses the extent of segregation in the Chicago region. Using case studies of particular suburban areas, the Report highlights the issue

of “white flight” as a cause for the current rate of segregation in Chicago. The Report relies on the dissimilarity index as its measure of segregation between groups. Following the case studies, the Report opines on some of the problems created by segregation including: the lack of affordable housing in wealthy areas compared to the abundance in impoverished areas; the abundance of jobs for low-income individuals in areas without affordable housing; disparities in lending; disparate foreclosure rates; and inequality in education.

In concluding, the Report finds Chicago must increase efforts to integrate in order to alleviate the problems identified. Following the conclusion, the Report provides “A Blueprint for Change,” a comprehensive list of recommendations.

The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region (2005) (“Leadership Council Study”)

The Leadership Council Study classifies Chicago-area communities according to an “Opportunity Index.” Each community is scored based upon a number of factors pertaining to schools, quality of life, transportation/jobs, and fiscal characteristics. The Study then divides the communities into five equal quintiles, ranked from 1 to 5 according to “opportunity,” with 5 being the highest opportunity communities.

Having organized Chicago’s communities according to the opportunity each offers, the Study then examined each opportunity group in relation to the racial and poverty distribution and the availability of affordable housing across the communities. The Study found that the communities with the greatest “opportunity” also had the lowest levels of affordable housing. In addition, the lowest-opportunity communities also contained 94% of African American residents and 83% of Latino residents. Poverty rates were also highest in the low-opportunity communities, with 86% of people below the poverty line living in those communities.

In concluding, the Study states that there are stark racial and economic disparities between the different opportunity groups. The Study then moves beyond the data gathered to opine that the causes of the disparity are policy and structural factors, “including governance, tax, land use and zoning, investment, housing, and other public and private market policies that effectively discriminate.”⁵⁴ Finally, the Study provides a comprehensive list of recommendations intended to address the disparities identified in the data.

⁵⁴ Leadership Council Study at 14-15.

Racial Segregation in Metropolitan Chicago Housing, 20(3) Policy Forum 1-5
(2008) ("UIC Study")

The authors of this article examine why residential segregation in Chicago remains so high forty years after the passage of the Fair Housing Act of 1968. Examining U.S. Census data, the authors note that the Chicago metro area ranks as the fifth, sixth, and ninth most residentially segregated metropolitan area in the United States for African Americans, Latinos, and Asians, respectively. The authors examined the three most common explanations for racial residential segregation: (1) in-group preferences; (2) economic status; and (3) discrimination.

In order to determine whether in-group preferences are a cause of segregation, the authors asked 789 randomly selected Cook County residents over the age of 21 about their attitudes toward diverse communities and integration. The results belied the complex nature of residential preference among races and ethnicities. While Cook County residents of all three racial/ethnic groups said they were interested in diverse neighborhoods, an examination of the expression of those preferences, in the form of actual search locations, revealed far less evidence of a commitment to diversity on the part of whites. African Americans and Latinos, on the other hand, sought out many different community types, even though census data revealed that they ended up in communities that are highly segregated (especially African Americans). The authors concluded that the disjuncture between African Americans' and Latinos' preferences and their actual neighborhoods can most likely be attributed to discriminatory barriers, including exclusion, steering, and unfriendliness.

Second, the report found that money is not the powerful explanation for racial segregation that conventional wisdom might suggest. Despite finding that segregation levels are lower for Asians and Latinos that possess greater financial means, the same is not true for African Americans. African American - white dissimilarity indexes for the Chicago metropolitan area show little change as income increases, meaning the most affluent African Americans are nearly as segregated as the poorest African Americans. In contrast, dissimilarity indexes for Latinos and Asians fell by about one-third when comparing those individuals with higher incomes to those with lower incomes.

Finally, the authors concluded that 40 years after the federal Fair Housing Act and Chicago Freedom Movement, African Americans and Latinos in Cook County continue to report substantial levels of unfair and illegal treatment from members of the housing industry. The authors' survey asked if respondents felt that they had experienced housing discrimination in any of several forms, including: a landlord/real estate agent not renting or selling to them based on their race or ethnicity; racial steering; racial bias in the mortgage industry; or neighbors who made life difficult for them because of their race or ethnicity. The survey showed that 4 in 10 African Americans (41 percent) and one-third of Latinos (32 percent) reported experiencing at least one form of housing discrimination based on their race/ethnicity. In comparison, less than one in five (18 percent) whites reported the same. From these numbers, the authors concluded that racial/ethnic discrimination in housing remains an ongoing reality in the lives of all Chicagoans, but especially in the lives of African Americans and Latinos.

Statement of Fair Housing and Civil Rights Advocates on Hope VI
Reauthorization, Poverty & Race Research Action Council (“Hope VI
Statement”)

Supported by a number of fair housing advocacy groups throughout the country, this statement establishes a set of constitutional and civil rights principles for legislators and interested parties to consider when discussing reauthorization of the federal HOPE VI public housing revitalization program. The statement is most focused upon policies regarding the relocation of families living in public and subsidized housing.

The statement makes several suggestions regarding the planning of HOPE VI redevelopment projects. As a guiding principle, the advocates support requiring each HOPE VI redevelopment plan to take into consideration the extent to which public housing in a particular housing market historically operated to perpetuate racial and economic segregation of low income families, and whether the redevelopment plan takes adequate steps to rectify that segregation. To that end, the statement proposes giving displaced residents a “Right to a Desegregated Housing Opportunity,” pursuant to which any resident may choose to relocate to an area in which their race does not predominate, either in a public housing unit or with a voucher.

The advocates support meaningful involvement of displaced residents in the planning process. However, the advocates warn that not all residents’ interests will be aligned in any given area. To empower displaced residents, the statement proposes a “Right to Return” whereby all residents may choose to return to the redeveloped site they had left. As part of this right, displaced residents may participate in the redevelopment decisions. Furthermore, the advocates suggest that the right will be insured by requiring the establishment of an adequate number of replacement units on the redeveloped site.

The advocates suggest conditioning the number of affordable housing units preserved on a redeveloped site upon whether the development area could reasonably be expected to attract significant market driven investment. If such investment is predicted for a site, because, for example, it is located in a higher income, non-minority or racially integrated neighborhood, then the advocates suggest that the revitalization plan should preserve as many affordable housing units as possible. If a site, on the other hand, is located in an environmentally dangerous or generally distressed neighborhood, then the advocates suggest replacing only so many affordable housing units on that site as are requested by the displaced residents. These principles are designed to prevent the perpetuation of segregation through HOPE VI redevelopment.

In regards to the housing market as a whole, the statement supports “one for one replacement” of all units in order to avoid the loss of affordable housing in a particular city. The statement also suggests that every replacement should be as good or better than the resident’s previous housing unit. This means that demolished units should be replaced with units of comparable size so that larger families can avoid the difficulties of finding three bedroom and larger units. When a family is relocated, the advocates support requiring public housing authorities to account for and keep track of that family so as to monitor and minimize the hardships caused by displacement. Each of these

principles are designed to ensure that the HOPE VI redevelopment program is administered to rectify the ills of previous public housing programs and not to merely revitalize distressed areas of a city for the benefit of developers and future high-income residents.

The CensusScope Report: United States Segregation: Dissimilarity Indices

The CensusScope Report provides a ranking of dissimilarity index data from the 2000 Census. The dissimilarity index is the most commonly used measure of segregation between two groups, reflecting their relative distributions across neighborhoods within a city or metropolitan area. The index can range in value from 0, indicating complete integration, to 100, indicating complete segregation. In most cities and metro areas, however, the values are somewhere between those extremes.

Although it is possible to average the data and to identify some regional trends, it is important to note that there is no single way that residential segregation functions in America. Instances of both high and low levels of segregation for every combination of racial groups exist.

The cities of interest to the Commission range from 2nd (Detroit) to 137th (Des Moines) in the rankings for dissimilarity index. Also featured in the top twenty are Milwaukee-Waukesha (3rd), Chicago (5th), Cleveland (9th), St. Louis (13th), and Cincinnati (14th).

Summary of Key Midwestern Fair Housing Cases

This memorandum addresses Title VIII of the Civil Rights Act of 1968, commonly referred to as the Fair Housing Act ("FHA"). The FHA was the Federal Government's attempt to guarantee equal opportunity in the area of housing to Americans by making it illegal to discriminate against others on specified bases. The FHA makes it unlawful to discriminate against individuals on the basis of race, color, religion, sex, handicap, familial status, or national origin in the sale or rental of residential dwellings.

The FHA prohibits seven activities if they are motivated in whole, or in part, by consideration of one of the bases specified in the FHA, such as race. The Housing and Development Reporter summarizes the prohibited activities as follows:⁵⁵

- Refusing to sell or rent to, or deal or negotiate with any person;
- Discriminating in terms or conditions for buying or renting housing;
- Discriminating by advertising that housing is available only to certain persons;
- Denying that housing is available for inspection, sale, or rent when it is actually available;
- "Blockbusting" for profit, i.e., persuading homeowners to sell or rent housing by telling them that minority groups are moving into the neighborhood;
- Denying or making different terms or conditions for home loans by commercial lenders such as banks, savings and loan associations, or insurance companies;
- Denying to anyone the use of or participation in any real estate services, such as brokers, organizations, multiple listing services, or other facilities relating to the selling or renting of housing.

The following is a summary of important Midwestern fair housing cases:

Hills v. Gautreaux, 425 U.S. 284 (1976).

Gautreaux was a landmark constitutional fair housing action that was brought in 1966 by African-American tenants in, and applicants for, public housing in Chicago. Two separate suits were filed: one was against the Chicago Housing Authority ("CHA") and the other was against the Department of Housing and Urban Development ("HUD"). The two suits were later joined into a single action. *Gautreaux* weaved its way through the federal courts, including an appearance at the United States Supreme Court.

The plaintiffs in *Gautreaux* claimed that the CHA and HUD had racially discriminated in public housing. In the suit against the CHA, the plaintiffs alleged that between 1950 and 1965 "substantially all of the sites for family public housing selected by the CHA . . . were 'at the time of such selection, and are now,' located 'within the areas known as the Negro Ghetto.'" *Hills v. Gautreaux*, 425 U.S. 284, 286 (1976). The

⁵⁵ HOUSING AND DEVELOPMENT REPORTER § 14:5 (Barry G. Jacobs ed., Thomson West 2008).

plaintiffs further alleged that the CHA selected the sites to “avoid the placement of Negro families in white neighborhoods.” *Id.* In the companion suit against HUD, the plaintiffs alleged that HUD had “assisted in the carrying on and continues to assist in the carrying on of a racially discriminatory public housing system within the City of Chicago” by granting financial assistance and other support for CHA’s discriminatory housing projects. *Id.* at 287.

In 1969, the Northern District of Illinois entered summary judgment against CHA on the ground that it had violated the plaintiffs’ constitutional rights by selecting public housing sites and assigning tenants on the basis of race. See *Gautreaux v. Chicago Housing Authority*, 296 F. Supp. 907 (N.D. Ill. 1969). Uncontradicted evidence submitted to the court established that the CHA was operating a racially segregated public housing system with “four overwhelmingly white projects located in white neighborhoods and with 99.5% of the remaining family units located in Negro neighborhoods and 99% of those units occupied by Negro tenants.” *Hills v. Gautreaux*, 425 U.S. 284, 287-88 (1976).

The district court rejected the argument that the “history of tension, threats of violence and violence” between the races justified CHA’s policy of racial segregation. *Gautreaux v. Chicago Housing Authority*, 296 F. Supp. 907, 909 (N.D. Ill. 1969). Furthermore, the court stated that CHA’s “officials were bound by the Constitution not to exercise CHA’s discretion to decide to build upon sites which were chosen by some other agency on the basis of race.” *Id.* at 914.

In 1970, after ruling against the CHA, the district court granted HUD’s motion to dismiss for a lack of jurisdiction and a failure to state a claim on which relief could be granted. *Id.* at 289. The Seventh Circuit reversed this decision and ordered the District Court to enter summary judgment for the plaintiffs concluding that “HUD, through its Secretary, violated the Due Process Clause of the Fifth Amendment . . . by knowingly sanctioning and assisting CHA’s racially discriminatory public housing program.” *Gautreaux v. Romney*, 448 F.2d 731, 740 (7th Cir. 1970).

The issue in this dispute that reached the Supreme Court began when the plaintiffs requested metropolitan area relief, rather than relief limited to the city limits of Chicago. The district court held it would not consider a metropolitan plan for relief because the unconstitutional actions of the CHA and HUD were committed within the limits of Chicago and solely against the residents of that city. *Gautreaux v. Romney*, 363 F. Supp. 690, 691 (N.D. Ill. 1973). On appeal, the Seventh Circuit concluded that “any remedial plan to be effective must be on a suburban or metropolitan area basis.” *Gautreaux v. Chicago Housing Authority*, 503 F.2d 930, 936 (7th Cir. 1974). The Seventh Circuit reversed and remanded the case for “the adoption of a comprehensive metropolitan area plan that will not only disestablish the segregated public housing system in the City of Chicago . . . but will increase the supply of dwelling units as rapidly as possible.” *Id.* at 939. The two agencies petitioned the Supreme Court for a reversal of this decision and certiorari was granted.

In *Gautreaux*, the Supreme Court considered whether the federal courts had the authority to order HUD to take remedial action outside of the city limits of Chicago when HUD had violated the Fifth Amendment by funding a “racially discriminatory

family public housing program” within the city of Chicago. The court held that the federal courts had the authority to order HUD to take action outside of the city limits of Chicago because HUD violated the Constitution.

The court rejected HUD’s argument that *Milliken v. Bradley*, 418 U.S. 717 (1974), suggested that federal courts lacked the authority to order parties that “violated the Constitution to undertake remedial efforts beyond the municipal boundaries of the city where the violation occurred.” The court stated that when there is a constitutional violation federal courts should make every effort to employ methods “to achieve the greatest possible degree of [relief] taking into account the practicalities of the situation” and that “all reasonable methods be available to formulate an effective remedy.”

Here, the court determined the remedy was appropriate because the Chicago housing market, not the Chicago city limits, was the relevant geographic area for purposes of the plaintiffs’ housing options. The court concluded that “[t]o foreclose such relief solely because HUD’s constitutional violation took place within the city limits of Chicago would transform *Milliken* . . . into an arbitrary and mechanical shield for those found to have engaged in unconstitutional conduct.”

Village of Arlington Heights v. Metropolitan Housing Development Corp., 558 F.2d 1283 (7th Cir. 1977) (Arlington Heights II).

In Arlington Heights II, the Seventh Circuit considered whether plaintiffs must provide proof of a municipality’s racially discriminatory intent in its actions, or if proof of the discriminatory effect of an action is sufficient to establish a violation of the FHA. The court rejected a categorical rule that discriminatory intent is always necessary when it stated, “at least under some circumstances a violation of section 3604(a) can be established by a showing of discriminatory effect without a showing of discriminatory intent.” Therefore, it is possible to establish a violation of Section 3604(a) of the FHA based solely on a showing of discriminatory effect.

Arlington Heights II is also important for its holding that conduct which “perpetuates segregation and thereby prevents interracial association . . . will be considered invidious under the [FHA] independently of the extent to which it produces a disparate effect on different racial groups.”

The plaintiffs in Arlington Heights II were the Metropolitan Housing Development Corporation (“MHDC”) and the Clerics of St. Viator, a religious order. The Clerics entered into a contract with MHDC to sell some of their property to MHDC. MHDC planned to construct federally financed low-cost housing on the property. The contract was contingent upon the Village of Arlington Heights rezoning the property as a multiple family dwelling classification. The Village denied the petition for rezoning.

The plaintiffs sought to compel the Village to rezone the property to allow the construction of federally financed low-cost housing. The plaintiffs argued that the Village’s refusal to rezone was racially discriminatory, while the Village contended it

refused to rezone in order to keep property values high. Ultimately, the court remanded the case to the district court to determine if the decision not to rezone perpetuated segregation as a matter of fact.

Village of Arlington Heights v. Metropolitan Housing Development Corp., 429 U.S. 252 (1977) (Arlington Heights I).

Arlington Heights I is a constitutional case in which the U.S. Supreme Court created the constitutional standard for racial discrimination in housing cases. The Supreme Court ruled on the constitutional question and then remanded the case to the Seventh Circuit to address the statutory issue, which it did in Arlington Heights II.

Arlington Heights I is important because the constitutional standard it elaborated can be compared with the legal standard for racial discrimination under the FHA announced in Arlington Heights II. This comparison illustrates the increased protection against racial discrimination in housing that is provided by the FHA. In Arlington Heights I, the court held that “[p]roof of racially discriminatory intent or purpose is required to show a violation of the Equal Protection Clause.” Arlington Heights II made it clear that proof of discriminatory intent is not necessary to establish a violation of the FHA.

Hope, Inc. v. DuPage County, Illinois, 738 F.2d 797 (7th Cir. 1984)

In *Hope, Inc.*, the Seventh Circuit considered whether low and moderate income individuals, and a not-for-profit organization whose purpose was to alleviate the general housing shortage for such individuals, had standing to bring a class action suit against DuPage County and developers alleging discrimination in housing. The court held that the individual plaintiffs “failed to either allege or subsequently prove the causal connection between the County Board’s activity and their asserted injury.” Furthermore, the court held that the plaintiffs “failed to establish . . . that their injury be redressable through judicial intervention.”

The court relied upon the Supreme Court’s decision in *Warth v. Seldin*, 422 U.S. 490, 508 (1975), which held that in order for individual plaintiffs to satisfy the constitutional requirements of standing they must establish that they have suffered a “demonstrable, particularized injury.” Here, the plaintiffs did not establish that any proposed projects for low or moderate income housing “was in any way impeded, much less denied, by any discrete and concerted activity on the part of the DuPage County Board.”

Village of Bellwood v. Dwivedi, 895 F.2d 1521 (7th Cir. 1990)

In *Dwivedi*, the Seventh Circuit considered whether the plaintiffs, the Village of Bellwood, the Leadership Council for Metropolitan Open Communities (“the Council”), and the individual “testers” hired by the Council, had standing to bring an action against a brokerage firm alleging a violation of the FHA. Testers are individuals investigating allegations of discrimination by pretending to be interested in

purchasing a home. The court held that all of the plaintiffs had standing to bring the action and extended the logic of *Havens Realty Corp. v. Coleman*, 455 U.S. 363 (1982) to cover Sections 3604(a) and 3604(b). Despite these holdings, the court remanded the case for a new trial due to faulty jury instructions.

The plaintiffs in *Dwivedi* investigated real estate agencies to see if they were steering black homebuyers to Bellwood and white homebuyers to adjoining suburbs. The plaintiffs brought the action against Raj Realty, its owner Chandra Dwivedi, and two of its employees after concluding Raj Realty had engaged in racial steering. The jury found that the defendants had racially steered testers in violation of Section 3604 of the FHA.

It was clear that the Village and the Council had standing, but interpretation was needed to determine if the testers had standing as well. In coming to its decision that the testers had standing the court relied upon the Supreme Court's decision in *Havens* which holds "that a tester to whom a real estate agent makes a misrepresentation forbidden by 3604(d) has standing to complain about the misrepresentation, because the statute creates a right to be free from such misrepresentations." Even though there were no misrepresentations in this case, the court found that the "logic of *Havens* embraces discrimination in the provision of services, forbidden explicitly by section 3604(b) and implicitly by section 3604(a)."

City of Chicago v. Matchmaker Real Estate Sales Center, Inc., 982 F.2d 1086 (7th Cir. 1992)

In *Matchmaker*, the court considered the appropriateness of the types of damages paid by defendants found to have racially steered "testers" in violation of Section 3604 of the FHA. The court held that compensatory damages are proper under the FHA, but that a portion of the compensatory damages awarded to a nonprofit corporation for "frustration of purpose" was in error. Additionally, the court held that individual agents of the real estate agency were liable for punitive damages for their actions, but that punitive damages could not be assessed against the realty corporation and its sole shareholder.

The plaintiffs in *Matchmaker* were the City of Chicago, the Leadership Council for Metropolitan Open Communities ("the Council"), and the individual "testers" hired by the Council. The plaintiffs brought the action against *Matchmaker Real Estate Sales Center, Inc.* ("Matchmaker"), its sole shareholder, and its sales agents. At trial, a magistrate judge found that the defendants had racially steered testers in violation of Section 3604 of the FHA because the evidence indicated that the real estate brokers and agents encouraged patterns of racial segregation in available housing by showing members of racial groups to buildings occupied primarily by members of such racial group.

While the court upheld most of the lower court's decision, it did reverse the magistrate judge's decision holding *Matchmaker* and its sole shareholder liable for punitive damages. The court relied on *Hamilton v. Svatik*, 779 F.2d 383, 389 (7th Cir. 1985) which noted, "a principal is liable for punitive damages for the discriminatory

acts of her agent only if she knew of or ratified the acts.” Here, the sole shareholder’s inactivity after complaints of racial steering were made did not show that he knew of or ratified the discriminatory acts when they occurred.

Wallace v. Chicago Housing Authority, 321 F.Supp.2d 968 (N.D. Ill. 2004).

In *Wallace*, the Northern District of Illinois considered two issues concerning the FHA’s statute of limitations: (1) whether a private party may bring a pattern-or-practice claim under the FHA, or if such an action may only be brought by the Attorney General; and (2) if a private party may bring such a claim whether the plaintiffs’ allegations were sufficient in this case. The court held that a private party or parties may bring a pattern-or-practice claim under the FHA, and that the plaintiffs had successfully alleged a pattern-or-practice claim.

The plaintiffs in this class action suit were former Chicago Housing Authority (“CHA”) residents who challenged the CHA’s displacement of former residents from public housing into segregated, impoverished areas. They contended that the CHA had a policy of not providing adequate relocation services or providing relocation services that steered plaintiffs into racially and economically segregated neighborhoods.

This suit never made it to trial because the parties settled on May 31, 2005. In the Settlement Agreement and Order, the CHA denied the allegations raised by the plaintiffs, but agreed “to make best and reasonable efforts to provide programs to assist class members to exercise their own choices to relocate to economically and racially integrated communities.”⁵⁶ The Settlement Agreement and Order requires the CHA to provide information to plaintiffs’ counsel so that the success of the implementation of the plan can be evaluated.

Zuch v. Hussey, 394 F.Supp 1028 (E.D. Mich. 1975).

In *Zuch*, the court analyzed Section 3604(a) of the FHA to determine if it prohibited real estate companies from steering prospective homebuyers into neighborhoods full of people of the same race as the homebuyer. Additionally, the court analyzed Section 3604(e) of the FHA to consider if it prohibited real estate companies from sending representatives into neighborhoods to make negative comments about the recent influx of black residents. The court concluded that racial steering was prohibited by Section 3604(a) and that the section was violated even if the steering was unsuccessful.

Additionally, the court held that Section 3604(a) has no requirement, except in the case of refusal to deal, that a prospective buyer is a bona fide purchaser. Therefore, Section 3604(a) is violated when companies attempt to steer individuals investigating allegations of discrimination by pretending to be interested in purchasing a home, commonly called “testers.” Finally, the court held that the use of racial fears by real

⁵⁶ Settlement Agreement and Order (N.D. Ill. 2005) (NO. 03 C 0491).

estate companies to encourage homeowners to sell their homes, or “blockbusting,” was prohibited by Section 3604(e).

Paschal v. Flagstar Bank, 295 F.3d 565 (6th Cir. 2002).

In *Flagstar*, the court considered whether the “continuing violations” doctrine was applicable when the defendant bank denied a loan to plaintiffs more than three years before the complaint was filed when the plaintiffs, within three years of filing the complaint, had (1) written the bank a letter withdrawing their loan application on the grounds of unfair treatment, and (2) the bank had granted plaintiffs’ request to withdraw the application. Following Tolbert’s three prong inquiry, the court held that these actions did not constitute wrongful conduct by the bank within three years before the suit was filed, and therefore, the claim was barred by the statute of limitations.

The Paschals were one of eight sets of African-American couples who filed a mortgage-lending discrimination lawsuit against Flagstar Bank. The plaintiffs brought actions under Sections 3605 and 3617 of the FHA. The jury found by a preponderance of the evidence that Flagstar had denied a loan to Pashals based upon their race. The Sixth Circuit set aside the jury verdict because the Pashals’ claim was barred by the three year statute of limitations and the “continuing violations” doctrine did not apply in this case.

NAACP v. American Family Mutual Insurance Co., 978 F.2d 287 (7th Cir. 1992).

In *American Family*, the NAACP challenged American Family’s practice of “redlining” in Milwaukee as racially discriminatory because the areas that were redlined were primarily African-American communities. Redlining in the insurance context consists of charging higher rates, or declining to provide insurance for people who live in particular areas because they live in those areas. The court considered whether an insurance company’s practice of redlining areas in a community in which black families were concentrated violated the FHA. The court concluded that redlining in the insurance context based upon the racial demographics of a community violates Section 3604 of the FHA.

While the Seventh Circuit held as a matter of law in *American Family* that Section 3604 applies to redlining, it did not consider whether American Family had been applying its redlining practice in a racially discriminatory manner. The case was remanded to district court for a determination of the facts to see if the insurance company was redlining on the basis of racial demographics.

United States v. City of Parma, Ohio, 661 F.2d 562 (6th Cir. 1981)

The court addressed a number of issues in Parma, including: (1) whether a city is a “person” for the purposes of the FHA; (2) whether the application of the FHA to a city violates the Tenth Amendment; and (3) whether the evidence supported the district court’s conclusion that the City of Parma had violated the FHA. The court held: (1) a city is a “person” for the purposes of the FHA; (2) the application of the FHA to cities and other municipalities does not violate the Tenth Amendment; and (3) the evidence supported the district court’s findings that Parma had violated the FHA.

This action was brought by the Attorney General of the United States against the City of Parma, Ohio, a suburb of Cleveland. The Attorney General filed the action seeking to enjoin Parma from violating the FHA. The district court had ruled in the Attorney General’s favor finding that Parma had violated the FHA with a series of actions which had the purpose and effect of maintaining Parma as a “virtually all-white community.”⁵⁷

Ultimately, the Sixth Circuit affirmed the ruling that Parma had violated the FHA. Parma’s unlawful conduct included rejecting low and moderate-income public housing in development plans, making zoning decisions based on racial considerations, and not adopting a resolution welcoming all persons of good will to the city.

Laufman v. Oakley Building & Loan Co., 408 F. Supp. 489 (S.D. Ohio 1976).

In Laufman, the Southern District of Ohio considered whether a building and loan association’s practice of “redlining” areas in a community in which black families were concentrated violated the FHA. Redlining in the lending context is declining to grant loans, or granting loans with inferior terms to people who live in particular areas because they live in those areas. The court held that the use of racial considerations in the practice of redlining violates the FHA and concluded that the plaintiffs stated a cause of action under Sections 3604, 3605, and 3617 of the FHA.

The plaintiffs in Laufman were a group of residents who brought an action against the Oakley Building and Loan Company for its use of redlining. The plaintiffs alleged that Oakley denied their loans because of the racial composition of their neighborhood. The defendant’s motion for summary judgment was denied because the plaintiffs stated a cause of action.

⁵⁷ Parma continues to be almost all white today. As of the 2000 census, 95.67% of the its 85,655 residents were white and only 1.06% were black.

Jaimes v. Toledo Metropolitan Housing Authority, 758 F.2d 1086 (6th Cir. 1985).

In *Jaimes*, the plaintiffs were four low-income minority individuals residing in the Toledo metropolitan area who were representing a class of similarly situated individuals. The plaintiffs alleged that the Toledo Metropolitan Housing Authority, which had changed its name to the Lucas Metropolitan Housing Authority, had violated the FHA, other statutes, and the Constitution by discriminating in the operation of its housing and making an effort to place public housing in predominantly minority areas. The Sixth Circuit held that the plaintiffs lacked standing with respect to their allegations relating to their desire to move to a particular suburb. The court also held that plaintiffs had standing regarding the claim of racial segregation of existing housing projects and their location in areas of high minority concentration.

Graoch Associates No. 33, L.P. v. Louisville/Jefferson County Metro Human Relations Commission, 508 F.3d 366 (6th Cir. 2007).

In *Graoch*, the owner of an apartment complex in Louisville, Kentucky sought a declaratory judgment that he did not violate the FHA by withdrawing from the Section 8 program. The Sixth Circuit considered whether a landlord's withdrawal from the Section 8 program may give rise to liability under the FHA solely because it had a disparate impact on members of a protected class. The court rejected a "categorical rule against disparate-impact challenges to withdrawals from Section 8." Due to its rejection of the categorical rule, the court considered what standards should be used for measuring disparate impact in such cases. The court held that "disparate-impact claims against private defendants under the FHA should be analyzed using a form of the McDonnell Douglas burden-shifting framework."

Although the court rejected a categorical rule, it still dismissed the case under the McDonnell Douglas analysis it adopted. The court noted that the Commission "did not even allege facts making the statistical comparison necessary to state a prima facie case of disparate-impact discrimination" as is required by the analysis.

Summaries of Books

Addressing Housing Discrimination and Segregation

American Apartheid by Douglas S. Massey and Nancy A. Denton

The goal of Massey and Denton's book is to bring segregation to the forefront in discussions concerning the origins of poverty in America. Their central thesis is that "racial segregation - and its characteristic institutional form, the black ghetto - are key structural factors responsible for the perpetuation of black poverty in the United States. Residential segregation is the principal organization feature of American society that is responsible for the creation of the urban underclass." (9-10).

Massey and Denton argue that the residential segregation of blacks is mistakenly viewed as a natural outcome based on "impersonal social and economic forces," when this "extreme racial isolation" was in fact "manufactured by whites through a series of self-conscious actions and purposeful institutional arrangements that continue today." (2). Most troublesome to them, however, is the fact that black segregation has shown little change over time. (2)

For Massey and Denton, segregation is not only a problem in itself, but its consequences are very severe and have far-reaching impacts. By concentrating poverty, it builds

a set of mutually reinforcing and self-feeding spirals of decline into black neighborhoods...the damaging social consequences that follow from increased poverty are spatially concentrated as well, creating uniquely disadvantaged environments that become progressively isolated - geographically, socially and economically - from the rest of society. (2).

Moreover, segregation has a structural effect that "lies beyond the ability of any individual to change; it constrains black life chances irrespective of personal traits, individual motivations, or private achievements." (3)

Sundown Towns by James Loewen

In his book Sundown Towns, sociologist James Loewen analyzes the historical development, maintenance, and current state of America's "sundown towns" - communities which deliberately, systematically exclude African Americans and other minorities. Deriving their name for the implicit and often explicit rule that African Americans must leave the area before sunset, "sundown towns" existed and continue to exist throughout the country with a striking prevalence. Loewen asserts that the number of such times was very widespread, especially in Illinois, Indiana, Ohio and the suburbs of Detroit. For example, he estimates that in Illinois 475 of 671 (71%) of towns of more than one thousand people were likely "sundown towns" prior to 1970.

Loewen asserts that the phenomenon of "sundown towns" has been underemphasized in the historical narrative of racial segregation, allowing the development of all-white communities to seem "accidental" or even "natural." Loewen's extensive survey of towns reveals a variety of forms of sundown policies including the posting of explicit signs warning African Americans to leave before sunset, racial ordinances, racially

restrictive covenants, “freeze-out” and “buyout” campaigns, and overt violence. Loewen illustrates how communities can remain sundown long after abandoning the policies mentioned above and how they negatively impact African Americans, whites, and the social system as a whole.

The impact of these practices has been severe. An analysis of the present racial make-up of these towns indicates that, according to the 2000 Census, almost all of them remain virtually all-white.

The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit
by Thomas J. Sugrue

The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit, by Thomas Sugrue, examines how the once prosperous city of Detroit has become a symbol of the American urban crisis. Detroit has lost nearly a million people and hundreds of thousands of jobs since the 1950’s, conditions that, along with discrimination and segregation, created Detroit’s current crisis of black urban poverty. Sugrue disagrees with the conventional wisdom that Detroit’s urban crisis began with its riot in 1967 and worsened with the inauguration of Coleman Young as Detroit’s first black mayor in 1974; instead, he contends that a new ghetto developed during the supposed prosperity and social consensus of the 1950’s.

By the time Young was inaugurated, the forces of economic decay and racial animosity were far too powerful for a single elected official to stem [T]he bleak landscapes and unremitting poverty of Detroit in the 1970’s and 1980’s are the legacies of the transformation of the city’s economy in the wake of World War II, and of the politics and culture of race that have their origins in the persistent housing and workplace discrimination of the postwar decades.

Thus, racial violence, discrimination, and deindustrialization worked together to reshape the urban landscape in America after WWII, and this was particularly hard felt in Detroit, where the interplay of these racial, economic, and political factors “set the stage for the fiscal, social, and economic crises that confront urban America today.”

There are No Children Here by Alex Kotlowitz

There Are No Children Here, by Alex Kotlowitz, follows the lives of Pharoah Rivers, 9, and Lafayette Rivers, 11, brothers growing up in the Henry Horner Homes, one of Chicago’s most notorious public housing projects. After meeting and befriending the boys through his work as a journalist, Kotlowitz in 1988 asked their mother, LaJoe, if he could write a book about them and other children living in the projects. She replied, “But you know, there are no children here. They’ve seen too much to be children.”

The book follows the lives of the brothers over the course of two years, as their lives are punctuated by horrific events, neighborhood violence, personal accomplishments and mistakes, family drama, and small joys. Kotlowitz uses this two-year span in the lives of these two boys to illuminate child poverty in American more generally as well as the

lives of Chicago public housing residents more specifically. He cites statistics from the Children's Defense Fund that an estimated 12 million children in the United States live in poverty; in Chicago, the rate is one in three children.

Waiting for Gautreaux by Alexander Polikoff

Alexander Polikoff's book traces the landmark and protracted case, Gautreaux v. CHA and HUD. Polikoff, along with a team from the ACLU, successfully litigated the case and continued to stay involved through the judgment's difficult and imperfect implementation in the 1980's and 1990's.

Although Polikoff won the case against both HUD and CHA, with courts finding they had intentionally discriminated against blacks in public housing, he traces how difficult implementation of the remedial plans ordered by the courts was. After appointing a receiver in the place of CHA, the program had considerably more success. The scattered site program eventually took 8,000 families from public housing to the suburbs.

Making the Second Ghetto by Arnold Hirsch

Hirsch uses the term "second ghetto" to label the culmination of institutionalized segregation in Chicago, occurring around the time of the 1968 riots. By distinguishing this second development of segregation from the first, Hirsch illustrates that the second ghetto was not just a natural result of the first, but rather that it was created as a result of a whole new set of factors. Hirsch claims that too much blame has been placed on the pre-WWII period, which only serves to absolve the government and other key actors who contributed to the making of the second ghetto. He notes that

First, a host of fresh decisions, not merely the acquiescence of old ones, redrew and reinforced the ghetto's boundaries. There is no denying the burden of the past, but Chicago's neighborhoods and leadership sustained the actions of past generations with a passion that went beyond the grudging consent given to inevitable developments.Chicago's second ghetto is a dynamic institution, not a dead inheritance from the past. As such, there was a sense of an opportunity lost. (253).

Segregation: The Rising Costs for America, Edited by James H. Carr and Nandinee K. Kutty

Segregation: The Rising Costs for America reveals how past and ongoing discriminatory practices in the nation's housing and lending markets have produced extreme levels of residential segregation that result in significant disparities in access to good jobs, quality education, homeownership attainment and asset accumulation between minority and nonminority households. The book also demonstrates how problems facing minority communities are increasingly important to America's long-term economic vitality and global competitiveness.

The case for these claims begins with an exploration of the central role that housing plays in building household and family wealth, and the ways in which housing discrimination undermines the effective functioning of mortgage and financial markets in lower-income and minority communities.

Because of the strong link between access to decent housing and access to quality schools, good jobs, healthy and safe environments, supportive social networks, and the accumulation of housing wealth, the discriminatory denial of access to housing is arguably the single most powerful tool to undermine individuals' upward mobility. Whether it is providing minorities with incomplete or misleading information about available housing units on the market, providing them with inaccurate information about the quality of neighborhoods and local schools, or giving them inferior and unnecessarily costly access to mortgage credit, these biased practices directly limit housing options for homeseekers, in direct contravention of fair housing legislation.

This book explains how these forms of discrimination keep individuals from achieving their full potential as contributing members of society, stifle human achievement, create unnecessary social program dependencies, and breed dysfunctional behavior. In short, housing discrimination is counterproductive to the national interest.

By the middle of this century, today's minorities will constitute half of the U.S. population—and yet this burgeoning population is disproportionately impoverished, ill-housed, poorly educated, and tenuously linked to labor markets. This book argues that the first major step toward seriously addressing the substantial barriers to economic and social mobility for minority households is to eliminate disparate treatment from the housing markets. By taking that single step, hundreds of thousands—if not millions—of households who are ready and prepared to succeed in the competitive marketplace will not be stymied by the continued artificial barrier of illegal discrimination.

A Dark History

By way of history, this book shows that the hypersegregation and isolation that characterize a majority of African American communities in the United States are a *twentieth century phenomenon*—not the direct extension of slavery. Whereas in the late 1800s and early 1900s African Americans and whites lived in close physical proximity to one another in both the North and the South, albeit in an unequal and discriminatory structure, this pattern was stalled and reversed with a series of private actions,

reinforced and institutionalized by public laws, judicial mandates, and regulatory guidelines. African-Americans and other racial minorities were systematically subjected to policies, laws and social constructs designed to keep the races separate and provide premier opportunities for whites. Programs and practices that systematically harmed minority households and communities included the use of restrictive housing covenants that limited housing location for minorities; a wide range of discriminatory practices by real estate professionals that further marginalized housing choice for African Americans; lack of government redress against violence to minorities who sought to move out of their segregated communities; biased underwriting policies of the Home Owners Loan Corporation, Federal Housing Administration, and Veterans Administration that further limited minority locational choice, as well as undermined the value of properties in minority communities; urban renewal programs that targeted the destruction of minority communities in several U.S. cities; forced relocation of African American families to isolated, unsafe, and poorly constructed high-rise public housing projects; and inferior treatment of minorities in the GI Bill, New Deal programs, and other public housing assistance efforts. These policies and practices related to housing and other economic areas, as well as the general national climate in which these policies and practices thrived, explain much of the present state of disadvantage faced by millions of American families. Collectively, these programs had the impact of denying African Americans, Latinos and other groups access to quality housing in growing and vibrant communities with proximity to quality public educational institutions and jobs. This reality greatly undermined the accumulation of black/brown wealth, in the form of housing assets, as well as denying racial and ethnic minorities access to broader societal opportunities.

Upon this historical background, a central thesis of this book is that discrimination continues to persist at high levels, thus ensuring that the legacy of past discriminatory practices will not easily fade as mere relics of the past. A main cause of these persistent social barriers is the nation's failure to enforce existing fair housing and lending laws. Such enforcement is woefully underfunded and low on the public policy priority agenda. For example, although the Fair Housing Act was passed in 1968, the U.S. Department of Justice did not prosecute a major case against a mortgage lending institution until the early 1990s—the case against Decatur Federal S&L.

Case Study: Subprime Lending

As is by now widely known, subprime lending has grown rapidly since the early 1990s. In 2005, annual subprime loan originations were worth \$625 billion, *a fivefold increase* since 2001 and *a thirteen-fold increase* since 1994. By 2006 the subprime share of total mortgage originations had reached 23 percent. And with the proliferation of subprime lending came the great increase in predatory practices in mortgage lending, especially within minority communities.

Thanks to the combination of easier availability of mortgage credit and the excessively high costs of many subprime loans, the good news of rising homeownership rates among minority families in the 1990s was dampened by the increasing share of minority homeowners who pay more than half their income for housing, thereby elevating the risks of foreclosure. In the nation's largest twenty-five cities, over the 1990s the number of African American homeowners increased by 16 percent, but the number of African American homeowners who paid more than half their income for housing grew by 39

percent. The net result of the excessive use of predatory, high-cost lending in minority communities is clear: the nation is in the middle of one of the most significant foreclosure crises in history. The Center for Responsible Lending estimates that 2 million American families with subprime mortgages are currently at risk of losing their homes to foreclosure, at a cost of as much as \$164 billion. Because of the disproportionate impact of predatory lending on African American households, we are now seeing black homeownership fall rapidly. Indeed, over the last three years, the decline in homeownership among African Americans has destroyed almost half the gains made in the decade from 1994 to 2004.

And yet fair lending enforcement has remained mired in ambiguity and inaction. There have been virtually no court decisions in cases related to home mortgage lending discrimination, and federal enforcement agencies such as the Office of the Comptroller of the Currency (OCC) and the Federal Reserve Board have been reluctant to investigate cases of disparate impact discrimination, despite clear guidance from the Federal Financial Institutions Examination Council (FFIEC) that establishing disparate impact discrimination is a method of proving lending discrimination.

A Brief Look at Other Topics Covered

- **Recent Trends in American Segregation:** By some measures, segregation has declined in recent decades. But where segregation has declined, it has generally been in relatively small Sunbelt communities with small African American populations. Also, in many areas of the country where segregation has declined, it can be attributed to increased exposure of blacks to Latinos. In older Northeastern and Midwestern industrial communities, traditional levels of black-white segregation persist.
- **Income and Wealth Disparities:** Housing is the foremost source of wealth creation for the typical American family. Substantially lower homeownership rates for African American and Latino households, due directly to discriminatory actions of the past that continue today, translate into severe wealth disparities by race/ethnicity in America. While more than 75 percent of non-Hispanic whites own homes, less than 50 percent of African Americans and Latinos are homeowners.
- **Education:** Recent studies show that children from lower-income backgrounds are at a disadvantage for educational attainment as well as economic success in life because they are less likely to learn from parents the values, negotiating skills, and language usage that are important for success. Children living in disadvantaged neighborhoods are likely to suffer from poor nutrition, undiagnosed physical and mental challenges, learning difficulties, and a home or neighborhood environment that is not conducive to learning.
- **Access to financial services:** Years of discrimination and denial of access to formal avenues of credit have created a bifurcated financial system in the United States. While mainstream financial services are available to middle-

and upper-income and nonminority communities, alternative financial services—such as those provided by pawnshops, check cashers, payday lenders, rent-to-own shops, title lenders, and predatory subprime lenders—tend to dominate lower-income and minority communities.

- **Housing and Health:** The link between housing and children’s health is best known in the case of lead paint, which has harmful effects on the development of children. Housing location also affects access to physicians, good hospitals, and other healthcare facilities. Stability of housing tenure also reduces stress and stress-related ailments, such as hypertension.
- **Housing and Social Networks:** Social networks can promote emotional well-being and a sense of safety, and can also open up a range of important opportunities. Social networks act as social capital. Segregated neighborhoods tend to offer social networks that are likely to be less useful for economic advancement.

As this book demonstrates, much of our success as a nation is the result of carefully crafted federal policies that intentionally and directly helped to build the largest and most affluent middle-class society of any nation on earth. Our shortcoming as a nation was that access to those programs and initiatives was not shared equally among all Americans, and the negative results are clear. Compensating for decades of denial of opportunity will not be easy. Because housing is the centerpiece of opportunity in America, this book offers ways to ensure that all Americans have access to the remarkable benefits homeownership can offer. Its primary aim is an enhanced public policy dialogue on the issues and arguments presented in its chapters. Acknowledging and discussing the reality of past and continued housing discrimination, and its negative impacts on families and communities, is the first step toward changing positively the environment for fair housing enforcement. Purging discriminatory housing practices is essential to ensuring that all Americans have the opportunity to achieve their full human potential and value as contributing members of U.S. society.

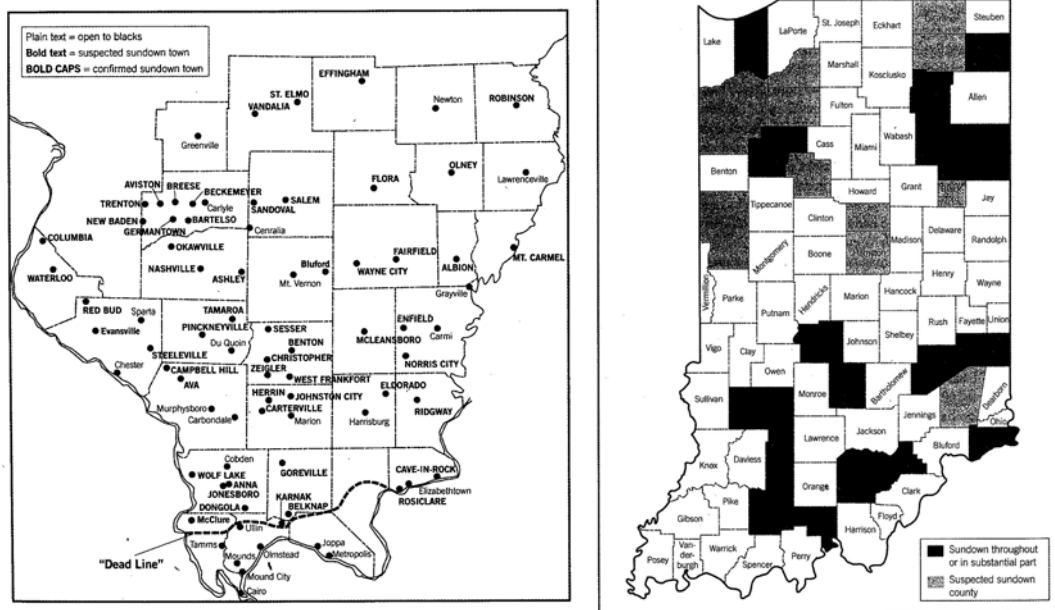
Sundown Towns:

The Growth of Segregation in the Midwest

Sundown Towns

Following the Civil War, communities throughout the Midwest began deliberately and systematically to exclude African Americans and other minorities. These communities, have been designated “sundown towns” by the author, James Loewen, because of the implicit - or often explicit - practice that African Americans must leave the area before sunset. A variety of practices resulted in such racial exclusion from these towns, including intimidation, violence, and sometimes formal law. Today, the effects of this exclusion still demonstrate that almost all the “sundown towns” in the Midwest remain virtually all white, and that many communities in the region still retain the deliberate, systematic exclusionary practices that characterize sundown towns.

Midwestern “sundown towns” are often imagined as unfortunate anomalies in a country where the locus of historical racism has been placed in the South. The work of sociologist James Loewen reveals, however, that “sundown towns” were widespread throughout the region and the effects of the exclusionary practices continue to exist today with surprising prevalence. Loewen argues that a *majority* of incorporated places outside of the South purposely excluded African Americans.⁵⁸ In Illinois, for example, he asserts that 475 of 671 (71%) of towns of more than one thousand people were likely “sundown towns” prior to 1970.⁵⁹ Loewen also suggests that “sundown towns” constituted a majority of towns in Ohio and Indiana.⁶⁰ Figures 1 and 2 illustrate the prevalence of “sundown towns” and counties in Southern Illinois and Indiana.



Figs 1 and 2. Sundown towns in Southern Illinois and Sundown Counties in Indiana⁶¹

⁵⁸ JAMES LOEWEN, *SUNDOWN TOWNS* 4 (2005)

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.* at 63, 66.

DEVELOPMENT OF MIDWESTERN SUNDOWN TOWNS

Loewen's research details a disturbing history of deliberate exclusion of minorities from towns throughout the Midwest accomplished through a variety of means. A common method was the posting of signs at the city's limits to warn African Americans to leave before sunset. Most of the signs Loewen found included variations of the text "[N-word], don't let the sun go down on you in ____" (*sic*).⁶² Loewen's research suggests these signs were common throughout the Midwest in the first half of the twentieth century. For example, he reports that Wendell Wilkie, the 1940 Republican nominee for President, was nominated in his hometown of Elwood, Illinois and that two African American Republicans attending his nomination rally were greeted by such a sign as they entered the city.⁶³ Variations of these signs were reportedly on display even until the 1970's in such towns as Hobart, Indiana,⁶⁴ Anna, Illinois,⁶⁵ and Pickneyville, Illinois.⁶⁶ Other signs warned against entering the city at all.

Communities throughout the Midwest also used formal exclusionary ordinances to exclude African Americans. Loewen found evidence of such ordinances in 25 towns in Illinois, and 20 more in Indiana, noting the peculiarity of towns such as De Land, Illinois, which, because of its relative geographic isolation, had no reason to expect an influx of non-white residents, but still created an ordinance.⁶⁷ Loewen suggests that this reflects the national attitude of the time - that it was considered "prudent" to enact these ordinances.⁶⁸ Even in cases where there was no formal exclusionary ordinance, the community's law enforcement officers often excluded African Americans citing "unwritten" rules.⁶⁹

White residents and institutions also created "sundown towns" by taking action Loewen describes as "freeze-out" and "buy-out." A particularly well documented example of this could be found in Bell City, Missouri in 1939, where the white residents present at a community meeting passed eight "resolutions" regarding the explicit exclusion of African Americans from participation in city life, including urging property owners not to rent to African Americans.⁷⁰ Towns which froze-out African Americans did so through coordinated exclusionary efforts from schools and churches, as well as rental properties. In buy-out campaigns, white communities bought the property of the African American residents. Loewen notes that the buy-out offers were often accompanied by threats.⁷¹

Actual acts of violence were important to completing the exclusion of African Americans as well. Anna, Illinois has remained all-white since a 1909 "spectacle lynching." Even today, the town's name is popularly understood to stand for "Ain't No [N-word]'s Allowed" (*sic*) by locals.⁷² Another example is Vienna, Illinois, where in 1954, a riot resulted in the destruction of the homes of all African-American residents, of whom there had been thirty-

⁶² *Id.* at P7.

⁶³ *Id.* at 65.

⁶⁴ *Id.* at 207

⁶⁵ *Id.* at 3

⁶⁶ *Id.* at 222

⁶⁷ *Id.* at 99.

⁶⁸ *Id.*

⁶⁹ *Id.* at 100.

⁷⁰ *Id.* at 106.

⁷¹ *Id.* at 108.

⁷² *Id.* at 3.

four in the 1950 census. In the 2000 census, Vienna had only one African-American resident.⁷³ In 1905, a similar event happened in Harrison, Arkansas, where following the arrest of an African American man, an armed mob of between 20-30 white men stormed the town's African American neighborhood, attacking people and property. Most African American residents left the night of the attack and today Harrison is still considered a "sundown town."⁷⁴ Mr. Loewen found evidence of similar mob events throughout the Midwest, from Joplin, Missouri to Springfield, Illinois.⁷⁵

The threat of violence was also widely used to exclude African Americans. According to an 83-year-old resident of Mason County, the sheriff would meet African Americans at the county line and tell them not to come in.⁷⁶ Residents in Villa Grove, Illinois confirmed that the town at one time had a whistle that would signal every evening at 6pm when all African Americans were required to leave the town.⁷⁷

Distinct from Midwestern "sundown towns" which expelled their African American residents, the planned suburbs that began to emerge in the first half of the twentieth century were *designed* as "sundown towns," and never had an original African American population to drive out. Loewen cites Greenhills, Ohio; Greendale, Wisconsin; Mariemont, Ohio; and Park Forest, Illinois as examples of this kind of town.⁷⁸

"Sundown suburbs" also made use of racial covenants in deeds, restricting the use of real estate through private agreements. Loewen notes that these private agreements received public endorsement through entities like city councils that would not approve developments without these covenants, and points out that the Federal Housing Authority would not insure loans without such covenants.⁷⁹ By some estimates, as much as 80% of land in the Chicago area carried racially restrictive covenants by 1940.⁸⁰ The Supreme Court found these covenants unenforceable in 1948,⁸¹ but many realtors and banks quickly compensated by refusing to sell homes or make loans for homes to African Americans in "sundown suburbs."⁸² The Detroit metropolitan area was designated the most segregated American metropolitan area in 2001,⁸³ and suburban towns used particularly exclusionary practices that played an important role in this pattern. In one suburb, Grosse Pointe, realtors developed a point system to evaluate potential buyers which included point assignments for various ethnicities.⁸⁴ Fifteen suburbs in the greater Detroit area were labeled "sundown towns" by Loewen because of such practices.⁸⁵ See Figure 3.

⁷³ *Id.* at 10.

⁷⁴ *Id.* at 36 – 37.

⁷⁵ *Id.* at 92.

⁷⁶ *Id.* at 60.

⁷⁷ *Id.* at 64.

⁷⁸ *Id.* at 112-113.

⁷⁹ *Id.* at 257-258.

⁸⁰ *Id.* at 258. See also Wendy Plotkin, 'Hemmed in': The struggle against racial restrictive covenants and deed restrictions in Post-WWII Chicago, JOURNAL OF THE ILLINOIS STATE HISTORICAL SOCIETY (2001) available at http://findarticles.com/p/articles/mi_qa3945/is_200104/ai_n8929165/pg_1?tag=artBody;col1.

⁸¹ Shelley v. Kraemer, 334 U.S. 1 (1948).

⁸² LOEWEN at 259-262.

⁸³ EDWARD L. GLAESER & JACOB L. VIGDOR, THE BROOKINGS INST., RACIAL SEGREGATION IN THE 2000 CENSUS: PROMISING NEWS 8 (2001) available at <http://www.brookings.edu/es/urban/census/glaeser.pdf>.

⁸⁴ LOEWEN at 262.

⁸⁵ *Id.* at 117.

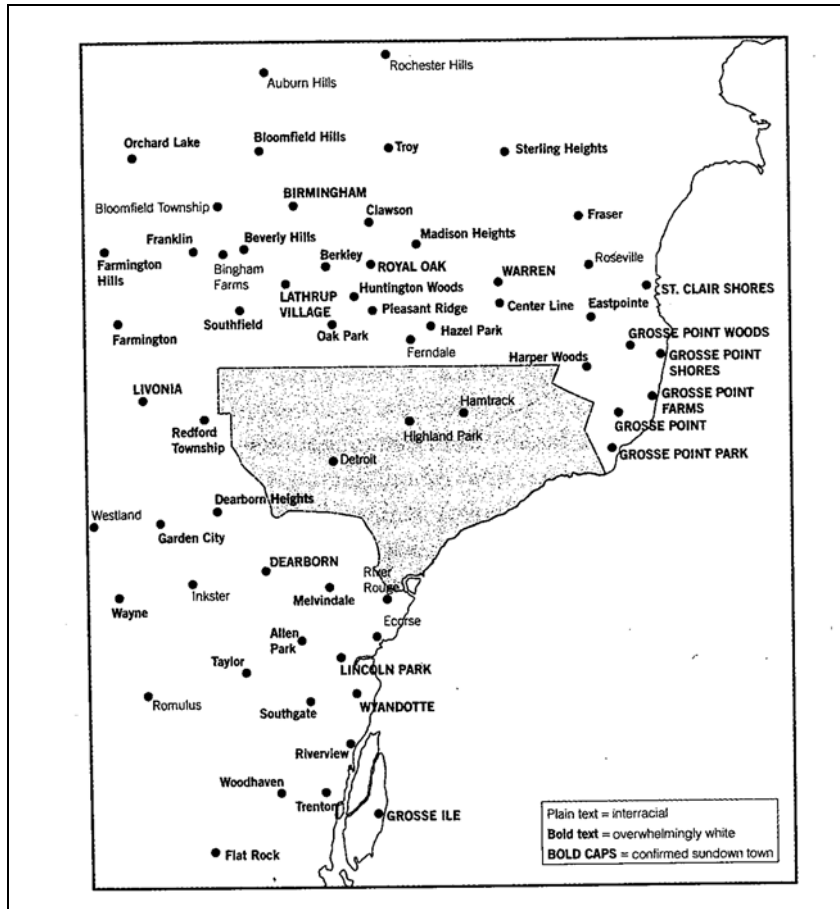


Fig. 3. Sundown towns in Detroit metropolitan area.⁸⁶

MIDWESTERN SUNDOWNTOWNS TODAY

Although the harmful effects of residential segregation are well documented, the role of “sundown towns” has been underemphasized in the larger story of such segregation. This story has instead overemphasized the role of economic and other institutional factors, neglecting the power of deliberate, systematic exclusion in the racial segregation that now seem “accidental” or even “natural” to many Midwesterners. Although many of the Midwestern towns discussed above have clearly abandoned deliberate, systematic exclusion of African Americans, memories of this past exclusion continue to maintain the boundaries of racial segregation throughout this region. Appendix A compares data from the 1940 and 2000 censuses for 189 Midwestern towns identified in *Sundown Towns* as current or historical sundown towns. The vast majority of these communities remain overwhelmingly white today.

⁸⁶ *Id.*

Loewen suggests that perhaps the most powerful force in this maintenance of segregation is pure reputation. As communities become known as “sundown towns,” those reputations can persist for decades.⁸⁷ In his research, Loewen encountered evidence of these reputational effects even among very young people. At a university event at the University of the Ozarks, an African American student warned other students not to enter nearby Greenwood, Arkansas or else “you will die.”⁸⁸ A student at the University of Illinois-Chicago warned that African Americans should be sure to have enough gas to pass through Beecher, Illinois.⁸⁹ Oral history in New Palestine, Indiana still warns African Americans to refrain from even driving through the town, where it is believed that the land for the high school was donated by the Klu Klux Klan.⁹⁰ Loewen interviewed an attorney in Martinsville, Illinois, who was unsure whether there would be a violent reaction if a black family moved into the community.⁹¹

Beyond the reputational effects, Loewen found contemporary examples of “sundown towns” excluding African Americans through the traditional historical means of threat. Into the 1990’s, communities such as Sullivan, Missouri, White County, Indiana, and Marlowe, Oklahoma had “Don’t Let the Sun Go Down on You . . .” signs.⁹² Villa Grove continued to signal at 6:00pm every night warning African Americans to leave town until 1999.⁹³

CONCLUSION

In the analysis of the factors which drive residential segregation and unequal access to housing, the role of “sundown towns” and their effects is an element which requires more attention than it has garnered in the past. Fair housing policy in the Midwest must take into account both the ramifications of the historical prevalence of sundown towns in the region and the continuing presence of communities which deliberately and systematically exclude African Americans and other minorities.

⁸⁷ *Id.* at 342.

⁸⁸ *Id.* at 382.

⁸⁹ *Id.*

⁹⁰ *Id.* at 383.

⁹¹ *Id.* at 384.

⁹² *Id.* at 380.

⁹³ *Id.* at 384.

Appendix

The table below compares census data from 1940⁹⁴ and 2000⁹⁵ for 189 Midwestern towns described as historical sundown towns in Sundown Towns. The vast majority of these towns remain overwhelming white, despite many of them having abandoned sundown policies several decades ago.

Sundown Town	1940 CENSUS					2000 CENSUS				
	Total pop.	White Residents		Black Residents		Total pop.	White Residents		Black Residents	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent
ARKANSAS										
Greenwood	1,219	1,219	100.00%	0	0.00%	814	777	95.45%	2	0.25%
Harrison	4,238	4,238	100.00%	0	0.00%	11,012	10,758	97.69%	20	0.18%
Lepanto	1,198	957	79.88%	241	20.12%	921	894	97.07%	0	0.00%
Mena	3,510	3,510	100.00%	0	0.00%	2,133	1,757	82.37%	332	15.56%
Mountain Home	2,318	2,318	100.00%	0	0.00%	930	905	97.31%	1	0.11%
Ozark	1,402	1,251	89.23%	151	10.77%	7,112	6,837	96.13%	17	0.24%
Paragould	7,079	7,029	99.29%	50	0.71%	3,525	3,401	96.48%	5	0.14%
Rogers	3,550	3,550	100.00%	0	0.00%	5,637	5,463	96.91%	11	0.20%
Sheridan	1,338	1,170	87.44%	168	12.56%	2,165	1,945	89.84%	4	0.18%
Springdale	3,319	3,319	100.00%	0	0.00%	12,152	11,816	97.24%	14	0.12%
ILLINOIS										
Anna	4,092	4,092	100.00%	0	0.00%	956	945	98.85%	7	0.73%
Arcola	1,837	1,837	100.00%	0	0.00%	4,534	4,455	98.26%	16	0.35%
Arlington	5,668	5,665	99.95%	3	0.05%	2,647	2,616	98.83%	4	0.15%
Ashland	1,139	1,139	100.00%	0	0.00%	1,361	1,342	98.60%	2	0.15%
Assumption	2,218	2,206	99.46%	12	0.54%	3,557	3,524	99.07%	4	0.11%
Auburn	1,952	1,952	100.00%	0	0.00%	3,412	3,363	98.56%	11	0.32%
Bellwood	5,230	5,230	100.00%	0	0.00%	8,631	8,430	97.67%	41	0.48%
Benton	7,372	7,367	99.93%	5	0.07%	5,464	3,893	71.25%	1,331	24.36%
Berwyn	48,451	48,297	99.68%	154	0.32%	559	551	98.57%	0	0.00%
Breese	2,206	2,206	100.00%	0	0.00%	11,298	10,927	96.72%	104	0.92%
Carterville	2,893	2,893	100.00%	0	0.00%	1,654	1,642	99.27%	3	0.18%
Christopher	3,833	3,833	100.00%	0	0.00%	1,923	1,907	99.17%	0	0.00%
Cicero	64,712	64,705	99.99%	7	0.01%	111,454	90,287	81.01%	17,096	15.34%
Coal City	1,852	1,852	100.00%	0	0.00%	5,421	5,334	98.40%	5	0.09%

⁹⁴ U.S. CENSUS OF POPULATION AND HOUSING, 1940: 1940 CENSUS OF POPULATION (1942).

⁹⁵ P3 RACE [71] - UNIVERSE: TOTAL POPULATION: 2000. CENSUS SUMMARY FILE 1 (SF 1) 100-PERCENT DATA. AMERICAN FACTFINDER (2000) available at <http://factfinder.census.gov/servlet/>.

THE STATE OF FAIR HOUSING IN AMERICA

Sundown Town	1940 CENSUS					2000 CENSUS				
	Total pop.	White Residents		Black Residents		Total pop.	White Residents		Black Residents	
		Number	Percent	Number	Percent		Number	Percent	Number	Percent
Deerfield	2,283	2,277	99.74%	6	0.26%	1,853	1,795	96.87%	12	0.65%
Des Plaines	9,518	9,516	99.98%	0	0.00%	6,822	6,548	95.98%	79	1.16%
Dongola	1,870	1,870	100.00%	0	0.00%	2,055	2,046	99.56%	0	0.00%
Dwight	2,499	2,498	99.96%	1	0.04%	1,979	1,961	99.09%	2	0.10%
East Alton	4,680	4,679	99.98%	1	0.02%	55,245	51,570	93.35%	673	1.22%
Effingham	6,180	6,180	100.00%	0	0.00%	33,857	32,434	95.80%	863	2.55%
Eldorado	4,891	4,891	100.00%		0.00%	52,524	36,124	68.78%	11,788	22.44%
Fairfield	4,008	4,007	99.98%	1	0.02%	1,854	1,810	97.63%	5	0.27%
Farmer City	1,833	1,833	100.00%	0	0.00%	12,384	12,110	97.79%	44	0.36%
Gillespie	4,440	4,440	100.00%	0	0.00%	996	987	99.10%	2	0.20%
Girard	1,741	1,741	100.00%	0	0.00%	806	772	95.78%	1	0.12%
Granite City	22,974	22,969	99.98%	3	0.01%	1,162	1,154	99.31%	1	0.09%
Greenup	2,692	2,692	100.00%	0	0.00%	20,742	19,121	92.18%	211	1.02%
Havana	3,999	3,993	99.85%	1	0.03%	3,147	3,107	98.73%	5	0.16%
Herrin	9,352	9,352	100.00%	0	0.00%	3,048	3,015	98.92%	3	0.10%
Johnston City	5,418	5,418	100.00%	0	0.00%	23,462	13,003	55.42%	9,247	39.41%
Jonesboro	1,521	1,521	100.00%	0	0.00%	2,836	2,797	98.62%	3	0.11%
Kenilworth	2,935	2,806	95.60%	123	4.19%	3,771	3,708	98.33%	11	0.29%
Kincaid	1,749	1,749	100.00%	0	0.00%	4,363	4,220	96.72%	40	0.92%
La Salle	12,812	12,811	99.99%	1	0.01%	2,912	2,880	98.90%	3	0.10%
Lacon	1,627	1,627	100.00%	0	0.00%	475	470	98.95%	1	0.21%
Lewistown	2,355	2,355	100.00%	0	0.00%	2,494	2,426	97.27%	4	0.16%
Libertyville	3,930	3,929	99.97%	0	0.00%	128,358	109,346	85.19%	3,887	3.03%
Mahomet	1,369	1,369	100.00%	0	0.00%	491	479	97.56%	0	0.00%
Maroa	1,033	1,033	100.00%	0	0.00%	3,872	3,769	97.34%	37	0.96%
Marshall	2,758	2,757	99.96%	1	0.04%	4,877	4,788	98.18%	7	0.14%
Martinsville	1,296	1,296	100.00%	0	0.00%	6,880	6,792	98.72%	20	0.29%
Metamora	1,627	1,627	100.00%	0	0.00%	58,720	49,586	84.44%	594	1.01%
Monticello	2,523	2,520	99.88%	3	0.12%	9,796	9,182	93.73%	125	1.28%
Mount Olive	2,559	2,559	100.00%	0	0.00%	2,522	2,495	98.93%	2	0.08%
Mount Zion	1,194	1,194	100.00%	0	0.00%	4,317	4,246	98.36%	13	0.30%
Moweaqua	1,366	1,366	100.00%	0	0.00%	4,048	3,990	98.57%	4	0.10%
Naperville	5,272	5,269	99.94%	1	0.02%	1,366	1,354	99.12%	1	0.07%
Nashville	2,416	2,415	99.96%	0	0.00%	1,441	1,422	98.68%	0	0.00%
Neoga	1,052	1,052	100.00%	0	0.00%	76	74	97.37%	0	0.00%
Newman	1,103	1,103	100.00%	0	0.00%	5,136	4,941	96.20%	89	1.73%

THE STATE OF FAIR HOUSING IN AMERICA

Sundown Town	1940 CENSUS					2000 CENSUS				
	White Residents			Black Residents		White Residents			Black Residents	
	Total pop.	Number	Percent	Number	Percent	Total pop.	Number	Percent	Number	Percent
Niantic	1,031	1,031	100.00%	0	0.00%	38,829	33,296	85.75%	184	0.47%
Oak Lawn	3,483	3,483	100.00%	0	0.00%	4,845	4,752	98.08%	12	0.25%
Oak Park	66,015	65,875	99.79%	98	0.15%	5,398	5,168	95.74%	41	0.76%
Oakland	1,131	1,131	100.00%	0	0.00%	211	195	92.42%	0	0.00%
Oblong	1,547	1,547	100.00%	0	0.00%	4,797	4,723	98.46%	6	0.13%
Olney	7,831	7,827	99.95%	3	0.04%	777	768	98.84%	2	0.26%
Palestine	1,626	1,626	100.00%	0	0.00%	18,420	17,662	95.88%	61	0.33%
Pana	5,966	5,964	99.97%	2	0.03%	4,525	4,428	97.86%	13	0.29%
Pawnee	1,006	1,006	100.00%	0	0.00%	1,458	1,420	97.39%	0	0.00%
Pekin	19,407	19,400	99.96%	0	0.00%	2,128	2,098	98.59%	3	0.14%
Peru	9,296	9,296	100.00%	0	0.00%	3,422	3,378	98.71%	0	0.00%
Pinckneyville	3,146	3,146	100.00%	0	0.00%	2,150	2,124	98.79%	0	0.00%
Ramsey	2,007	1,996	99.45%	0	0.00%	2,245	2,221	98.93%	3	0.13%
Red Bud	1,302	1,302	100.00%	0	0.00%	54,016	39,667	73.44%	702	1.30%
Riverton	1,524	1,494	98.03%	30	1.97%	85,616	41,327	48.27%	956	1.12%
Robinson	4,311	4,311	100.00%	0	0.00%	738	735	99.59%	0	0.00%
Royalton	1,772	1,772	100.00%	0	0.00%	6,830	6,606	96.72%	64	0.94%
Sandoval	1,796	1,796	100.00%	0	0.00%	1,135	1,121	98.77%	2	0.18%
Sesser	2,117	2,117	100.00%	0	0.00%	1,532	1,512	98.69%	1	0.07%
South Pekin	1,044	1,044	100.00%	0	0.00%	45,798	37,380	81.62%	377	0.82%
Spring Valley	5,010	4,981	99.42%	29	0.58%	1,580	1,563	98.92%	3	0.19%
Springfield	75,503	72,122	95.52%	3,357	4.45%	2,077	2,053	98.84%	0	0.00%
St. Joseph	1,435	1,434	99.93%	1	0.07%	4,616	4,441	96.21%	52	1.13%
Steeleville	1,212	1,212	100.00%	0	0.00%	2,033	1,993	98.03%	0	0.00%
Sullivan	3,101	3,101	100.00%	0	0.00%	5,138	5,087	99.01%	4	0.08%
Tamaroa	2,171	2,171	100.00%	0	0.00%	3,577	3,523	98.49%	5	0.14%
Taylorville	8,313	8,250	99.24%	63	0.76%	1,056	1,048	99.24%	0	0.00%
Toluca	1,230	1,230	100.00%	0	0.00%	20,535	2,412	11.75%	16,783	81.73%
Vandalia	5,288	5,288	100.00%	0	0.00%	5,614	5,563	99.09%	4	0.07%
Vienna	1,173	1,073	91.47%	100	8.53%	1,261	1,259	99.84%	0	0.00%
Villa Grove	2,072	2,072	100.00%	0	0.00%	31,301	29,653	94.73%	622	1.99%
Villa Park	7,236	7,234	99.97%	0	0.00%	9,835	9,488	96.47%	31	0.32%
Virден	3,041	3,040	99.97%	1	0.03%	2,700	2,675	99.07%	7	0.26%
Warren	1,119	1,119	100.00%	0	0.00%	2,652	2,371	89.40%	7	0.26%
Warsaw	1,895	1,895	100.00%	0	0.00%	1,647	1,628	98.85%	0	0.00%
West Frankfort	12,383	12,382	99.99%	1	0.01%	1,130	1,126	99.65%	0	0.00%

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Wilmette	17,226	16,979	98.57%	225	1.31%	1,434	1,402	97.77%	6	0.42%
Windsor	1,005	1,005	100.00%	0	0.00%	22,017	21,527	97.77%	31	0.14%
Zeigler	3,006	3,006	100.00%	0	0.00%	1,225	1,217	99.35%	0	0.00%
INDIANA										
Aurora	4,828	4,828	100.00%	0	0.00%	22,075	19,679	89.15%	369	1.67%
Batesville	3,065	3,065	100.00%	0	0.00%	1,234	1,208	97.89%	1	0.08%
Bluffton	5,417	5,417	100.00%	0	0.00%	1,793	1,771	98.77%	2	0.11%
Boonville	5,426	5,277	97.25%	149	2.75%	8,196	8,077	98.55%	11	0.13%
Brownsburg	1,136	1,136	100.00%	0	0.00%	4,326	4,269	98.68%	13	0.30%
Chesterton	2,470	2,470	100.00%	0	0.00%	1,339	1,314	98.13%	1	0.07%
Elwood	10,913	10,913	100.00%	0	0.00%	6,033	5,862	97.17%	1	0.02%
Evansville	97,026	90,194	92.96%	6,862	7.07%	1,717	1,698	98.89%	1	0.06%
French Lick	2,042	1,859	91.04%	182	8.91%	750	743	99.07%	1	0.13%
Goshen	11,375	11,367	99.93%	6	0.05%	9,536	9,312	97.65%	32	0.34%
Greensburg	6,065	6,062	99.95%	3	0.05%	27,651	24,791	89.66%	156	0.56%
Greenwood	2,499	2,499	100.00%	0	0.00%	6,975	5,829	83.57%	1,047	15.01%
Hobart	7,166	7,156	99.86%	10	0.14%	1,669	1,650	98.86%	3	0.18%
Huntington	13,903	13,903	100.00%	0	0.00%	6,834	6,732	98.51%	44	0.64%
Jasper	5,041	5,040	99.98%	1	0.02%	1,496	1,485	99.26%	3	0.20%
Linton	6,263	6,263	100.00%	0	0.00%	1,125	1,112	98.84%	0	0.00%
Martinsville	5,009	5,007	99.96%	2	0.04%	3,488	3,446	98.80%	11	0.32%
New Harmony	1,390	1,390	100.00%	0	0.00%	740	724	97.84%	1	0.14%
North Judson	1,408	1,408	100.00%	0	0.00%	11,427	11,161	97.67%	81	0.71%
Rochester	3,835	3,801	99.11%	34	0.89%	2,553	2,504	98.08%	8	0.31%
Valparaiso	8,736	8,728	99.91%	4	0.05%	3,965	3,909	98.59%	4	0.10%
IOWA										
Bedford	2,151	2,144	99.67%	7	0.33%	37,733	34,951	92.63%	555	1.47%
Villisca	2,011	2,011	100.00%	0	0.00%	14,520	14,148	97.44%	47	0.32%
KANSAS										
Lindsborg	1,913	1,912	99.95%	0	0.00%	10,488	10,099	96.29%	46	0.44%
Nickerson	1,052	1,052	100.00%	0	0.00%	3,094	3,051	98.61%	11	0.36%
MICHIGAN										
Birmingham	11,196	11,064	98.82%	124	1.11%	25,363	23,773	93.73%	353	1.39%
Bloomfield Hills	1,281	1,200	93.68%	77	6.01%	1,568	1,448	92.35%	16	1.02%
Dearborn	63,504	63,415	99.86%	35	0.06%	11,698	11,536	98.62%	11	0.09%

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Grosse Ile	2,206	2,181	98.87%	25	1.13%	9,737	9,574	98.33%	5	0.05%
Grosse Pointe	6,179	6,038	97.72%	140	2.27%	29,383	24,431	83.15%	449	1.53%
Grosse Pointe Farms	7,217	7,046	97.63%	165	2.29%	10,260	10,011	97.57%	8	0.08%
Grosse Pointe Park	12,646	12,450	98.45%	183	1.45%	17,450	17,072	97.83%	37	0.21%
Grosse Pointe Woods	2,805	2,801	99.86%	4	0.14%	121,582	104,858	86.24%	13,275	10.92%
Livonia	8,728	8,717	99.87%	11	0.13%	36,037	34,790	96.54%	159	0.44%
Melvindale	4,764	4,756	99.83%	0	0.00%	1,941	1,828	94.18%	71	3.66%
Owosso	14,424	14,424	100.00%	0	0.00%	12,100	11,737	97.00%	30	0.25%
Warren	22,186	22,178	99.96%	8	0.04%	353	345	97.73%	6	1.70%
Wyandotte	30,618	30,614	99.99%	4	0.01%	5,774	5,676	98.30%	5	0.09%
MINNESOTA										
Austin	18,307	18,287	99.89%	7	0.04%	30,560	21,286	69.65%	6,987	22.86%
Duluth	101,065	100,659	99.60%	314	0.31%	916	906	98.91%	0	0.00%
Edina	5,855	5,839	99.73%	10	0.17%	898	853	94.99%	1	0.11%
MISSOURI										
Albany	2,010	2,010	100.00%	0	0.00%	27,428	25,879	94.35%	440	1.60%
Bolivar	2,636	2,636	100.00%	0	0.00%	218	216	99.08%	0	0.00%
Branson	1,011	1,011	100.00%	0	0.00%	1,264	1,247	98.66%	1	0.08%
El Dorado Springs	2,342	2,342	100.00%	0	0.00%	1,620	1,590	98.15%	1	0.06%
Hermann	2,308	2,308	100.00%	0	0.00%	618	584	94.50%	13	2.10%
Joplin	37,144	36,298	97.72%	831	2.24%	3,940	3,573	90.69%	65	1.65%
Lamar	2,992	2,988	99.87%	4	0.13%	1,344	1,328	98.81%	1	0.07%
Maryville	1,026	1,012	98.64%	14	1.36%	1,675	1,625	97.01%	1	0.06%
Memphis	1,935	1,927	99.59%	8	0.41%	805	755	93.79%	0	0.00%
Monett	4,395	4,395	100.00%	0	0.00%	3,321	3,223	97.05%	37	1.11%
Mount Vernon	1,982	1,971	99.45%	11	0.55%	591	577	97.63%	6	1.02%
Neosho	5,318	5,239	98.51%	79	1.49%	1,194	1,151	96.40%	3	0.25%
Pierce City	1,208	1,208	100.00%	0	0.00%	6,414	6,173	96.24%	29	0.45%
Springfield	61,238	59,432	97.05%	1,804	2.95%	97,775	84,931	86.86%	1,248	1.28%
Ste. Genevieve	2,787	2,742	98.39%	45	1.61%	456	453	99.34%	0	0.00%
Webb City	6,756	6,713	99.36%	20	0.30%	19,291	18,545	96.13%	175	0.91%
NEBRASKA										

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North Platte	12,429	12,324	99.16%	34	0.27%	5,670	5,510	97.18%	45	0.79%
Plattsmouth	4,268	4,268	100.00%	0	0.00%	10,894	10,374	95.23%	39	0.36%
OHIO										
Cuyahoga Falls	20,546	20,541	99.98%	5	0.02%	86,918	80,532	92.65%	1,415	1.63%
Elmwood Place	4,248	4,145	97.58%	103	2.42%	100,545	95,975	95.45%	951	0.95%
Galion	8,685	8,675	99.88%	10	0.12%	138,247	126,205	91.29%	3,697	2.67%
Greenhills	2,677	2,676	99.96%	1	0.04%	17,080	16,448	96.30%	108	0.63%
Marion	30,817	30,454	98.82%	361	1.17%	1,937	1,919	99.07%	1	0.05%
Mount Sterling	1,115	1,099	98.57%	16	1.43%	9,764	9,528	97.58%	63	0.65%
Niles	16,273	16,044	98.59%	215	1.32%	28,006	26,976	96.32%	146	0.52%
Parma	16,365	16,362	99.98%	2	0.01%	23,314	21,589	92.60%	188	0.81%
Ross	1,536	1,536	100.00%	0	0.00%	12,443	11,507	92.48%	367	2.95%
Shaker Heights	23,393	22,806	97.49%	582	2.49%	47,425	44,712	94.28%	546	1.15%
Springfield	70,662	62,352	88.24%	8,293	11.74%	461	454	98.48%	5	1.08%
St. Bernard	7,387	7,386	99.99%	1	0.01%	10,735	9,382	87.40%	565	5.26%
Urbana	8,335	7,649	91.77%	685	8.22%	15,713	15,244	97.02%	27	0.17%
Waverly City	1,757	1,757	100.00%	0	0.00%	2,823	2,648	93.80%	17	0.60%
WISCONSIN										
Barnsdall	1,831	1,831	100.00%	0	0.00%	2,674	2,642	98.80%	6	0.22%
Cherokee	2,553	2,552	99.96%	1	0.04%	45,504	41,609	91.44%	1,217	2.67%
Lexington	1,084	1,077	99.35%	7	0.65%	6,050	5,717	94.50%	51	0.84%
Marlow	2,899	2,864	98.79%	0	0.00%	4,425	4,275	96.61%	8	0.18%
Norman	11,429	11,410	99.83%	1	0.01%	2,061	2,038	98.88%	0	0.00%
Okemah	3,811	3,682	96.62%	92	2.41%	10,581	10,134	95.78%	157	1.48%
Paden	620	619	99.84%	1	0.16%	9,143	8,823	96.50%	79	0.86%
Stilwell	1,717	1,471	85.67%	0	0.00%	3,775	3,638	96.37%	4	0.11%
Appleton	28,436	28,426	99.96%	1	0.00%	382	374	97.91%	0	0.00%
Beaver Dam	10,356	10,349	99.93%	1	0.01%	4,017	3,881	96.61%	27	0.67%
Greendale	2,527	2,527	100.00%	0	0.00%	409	398	97.31%	0	0.00%
Manitowoc	24,404	24,371	99.86%	1	0.00%	10,505	9,559	90.99%	109	1.04%
Oshkosh	39,089	39,060	99.93%	12	0.03%	1,385	1,336	96.46%	3	0.22%
Sheboygan	40,638	40,636	100.00%	1	0.00%	3,866	3,560	92.08%	129	3.34%
Superior	35,135	34,986	99.58%	27	0.08%	5,535	5,373	97.07%	14	0.25%
West Bend	5,452	5,452	100.00%	0	0.00%	7,396	6,616	89.45%	16	0.22%

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- i . Richard Rothstein, "How the U.S. Tax Code Worsens the Education Gap," *New York Times*, April 25, 2001, A17
 - ii . John R. Logan and Harvey Molotch, *Urban Fortunes: The Political Economy of Place* (Berkeley and Los Angeles: University of California Press, 1987), 182
 - iii . Arlene Zarembka, *The Urban Housing Crisis: Social, Economic, and Legal Issues and Proposals* (New York, Westport, Connecticut, London: Greenwood Press, 1990), 104
 - iv . Mindy Thompson Fullilove, *Root Shock: How Tearing Up Neighborhoods Hurts America and What We Can Do About It* (New York: Ballantine, 2005)