

Group sues, says housing program perpetuates segregation

April 24, 2008

By KIM HORNER / The Dallas Morning News

A Dallas civil-rights organization has filed a lawsuit claiming that the state's largest affordable rental housing program perpetuates racial segregation.

The Dallas-based Inclusive Communities Project Inc. says in the suit that the Texas Department of Housing and Community Affairs has allowed most of the local apartment complexes financed with housing tax credits to be built in urban areas with high concentrations of poverty, crime and blight. Placing the developments in predominantly minority neighborhoods, according to the suit, has perpetuated racial segregation.

The case was filed March 28 in federal court in Dallas against the department and its governing board.

"Tax-credit housing is now the largest program for providing affordable housing in the country, the state and in this area," said Mike Daniel, an attorney for the Inclusive Communities Project. "Like all the other affordable housing programs, it is still marked by racial segregation which reduces its value to many of the people it's supposed to serve by subjecting them to conditions of slum and blight in order to get the housing."

The lawsuit asks the court to require the state Housing and Community Affairs Department to approve as many tax-credit projects in nonminority census tracts as it has in minority census tracts. The department administers a variety of housing programs for the state.

Michael Gerber, its executive director, disputed the claims but said he could not discuss specifics of the case.

"The bottom line is that we disagree with the premise of the litigation, and we're going to vigorously defend the department in court," he said.

Mr. Gerber said the department does not consider the race of the potential tenants in its decision whether to approve a project. He said the department has strict policies to avoid heavily concentrating the properties.

"You want to have a good mix of properties," Mr. Gerber said.

Housing tax credits provide incentive to build affordable apartments. Developers who receive the tax credits sell them to investors. The developers get cash to build their projects, and investors get a lower tax bill.

The Inclusive Communities Project was formed in 2004 as a result of a separate lawsuit involving housing discrimination.

In that landmark case, also handled by Mr. Daniel, a federal judge ordered the Dallas Housing Authority in 1995 to tear down segregated public housing projects in West Dallas and provide rental assistance vouchers to allow residents to move to predominantly white areas without concentrations of poverty. The vouchers provide extra financial assistance so residents can pay the higher rents in those neighborhoods.

The court provided funds for the Inclusive Communities Project to help low-income black families lease homes in those areas.

But the group filed its lawsuit last month because it has had problems finding the housing, said Betsy Julian, president of the Inclusive Communities Project. Only 70 of 383 apartment complexes in predominantly white Dallas suburbs surveyed by the group would accept the Section 8 rental vouchers. Of those, 26 were tax-credit projects, which are required to accept the vouchers.

"The real reason this is so important is these projects can't refuse to accept Section 8," Ms. Julian said.

Paula Washington, one of the project's clients, said she was turned down several times before finding a West Plano landlord willing to accept her voucher seven years ago.

"It's been a blessing," said Ms. Washington, a part-time florist who's happy that her son goes to Plano schools.

Several residents who live in tax-credit properties in southeast Oak Cliff said they would like to move.

But Robin Saddler, a disabled man who lives in the Villas of Sorrento – next to an illegal landfill – said he can't afford to on his disability income. He receives no rental assistance.

"I would like to move somewhere nice where crime is lower," he said. "I would like to be able to invite folks where I stay."

Oakwood Place Apartments resident Roshunda McKenzie said she cannot afford more than the \$500 a month she pays for her two-bedroom apartment at the run-down complex with many boarded-up units.

"I want to move to DeSoto," said the single mother of two young children who has no car and takes the bus to her job at a restaurant. "But the apartments are high."

THE LAWSUIT'S CLAIMS

A Dallas civil-rights group claims in a lawsuit that the state has allowed most housing tax-credit projects to be built in minority areas with high concentrations of poverty and crime. The group's claims include:

- 85 percent of tax-credit projects are in predominantly minority census tracts, compared with 51 percent of all rental units in Dallas.
- Only 3 percent of tax-credit projects are in predominantly white census tracts, while 19 percent of all rental units in Dallas are in predominantly white census tracts.
- Hispanics make up only 5 percent of residents in tax-credit projects that are in predominantly white census tracts. Just 4 percent of residents in those areas are black.
- Of the 115 tax-credit developments in Dallas, 32 are in areas with heavy industrial zoning, and 27 are in areas with other industrial zoning. Two are adjacent to a large illegal landfill. Five are near an illegal dump site.
- In 2004, the average violent crime rate for tax-credit developments was 137 crimes per 1,000 people, compared with the citywide rate of 35 crimes per 1,000 people.

SOURCE: The Inclusive Communities Project Inc.'s lawsuit against the Texas Department of Housing and Community Affairs

Where the developments are

In Dallas, 115 apartment developments are financed through the state's Housing Tax Credit Program. Here are their locations. Also shown are Dallas census tracts with population breakdowns by ethnicity:

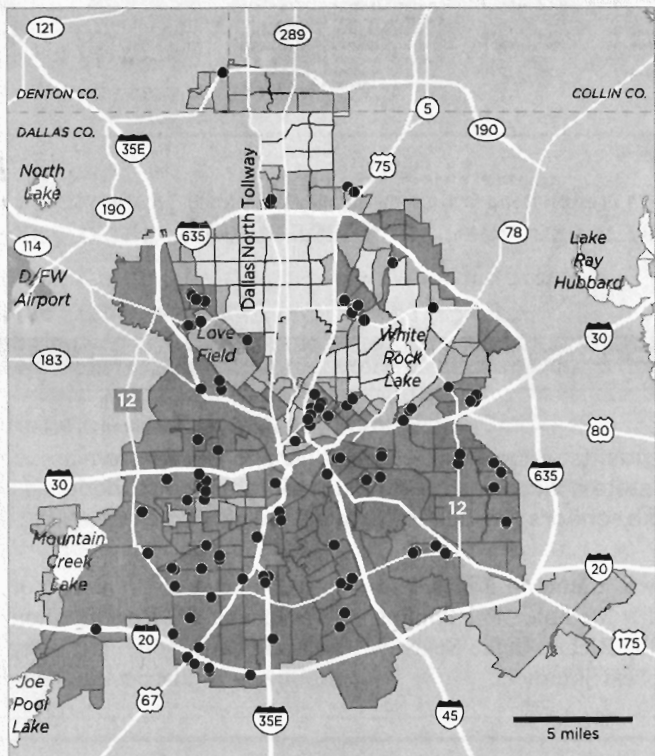
Key to population ethnicity

■ More than 75% minority

■ 50.1% to 75% minority

■ 25.1% to 50% minority

□ Less than 25% minority



SOURCES: Texas Department of Housing and Community Affairs; American Community Survey U.S. Census data from 2005

Data analysis and graphic by TOM SETZER/Staff Artist