

Overview of Dallas litigation on discriminatory Fair Market Rents (FMRs) in the Housing Choice Voucher program (2009-2014)

In *ICP v. United States Department of Housing and Urban Development*, 2009 WL 3122610 (N.D. Tex. 2009) and 2009 WL 3446232 (N.D. Tex. 2009), the Inclusive Communities Project challenged HUD's use of rent data from a 12 county area to set a single fair market rent for the Housing Choice Voucher program. These fair market rents set the amount of subsidy that will be paid to the landlord on behalf of the voucher family. HUD had long used the rents in the low income minority concentrated areas to set the rents for the entire multi-county region. This made most of the units in those low income minority concentrated areas available for vouchers while severely limiting the availability of units in the predominantly White, high opportunity areas.

ICP settled the case when HUD agreed to use Zip Codes as the geographic basis for fair market rents in the Dallas area. The FY 2011 Zip Code fair market rents were the first Zip Code fair market rents adopted by HUD pursuant to the settlement. These fair market rents allowed hundreds of HCV participants to locate in majority White Zip Codes. According to an independent study, the 2011 Zip Code fair market rents had the following results:

After this intervention, [the ICP settlement] voucher recipients in Dallas chose neighborhoods with substantially lower violent crime rates and lower poverty rates, and the net cost of the intervention was zero. Collinson, Robert A. and Ganong, Peter, Incidence and Price Discrimination: Evidence from Housing Vouchers (June 9, 2013) http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2255799

After 2011, HUD reverted to the same pattern of overpaying in minority areas and underpaying in White areas that marked the previous FMR setting process, which again resulted in limiting voucher families access to predominately white, higher opportunity areas while steering them disproportionately to units in predominately minority, high poverty areas.

Daniel & Beshara, P.C., the law firm which represents ICP in the litigation and related advocacy efforts, filed objections on behalf of ICP to the subsequent reversal of the 2011 maximum rental rates in the 2012 through 2014 SAFMRS.

On April 22, 2014 ICP filed a new lawsuit challenging HUD's administration of the SAFMR process in the Dallas area from 2012 through 2014.

The complaints, court rulings, and related materials can be found at the website of Daniel & Beshara, P.C., www.danielbesharalawfirm.com/Pages/HUDEFMR.aspx