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A Fair Housing Agenda for 2008 and Beyond

By [Gregory D. Squires](#)



With more than 3.7 million instances of housing discrimination occurring annually and segregation remaining a central feature of the nation's housing markets, fair housing remains the critical unfinished agenda of the civil-rights movement. Your administration has the opportunity to craft policies that can dismantle the structures of discrimination.

The typical white resident in the United States lives in a neighborhood that is 80-percent white compared to 33 percent for the typical black, according to researchers with the Mumford Center at Brown University. The Urban Institute reports that over 80 percent of neighborhoods that were all white in 1990 remained so in 2000 and over 90 percent of those that were predominantly black in 1990 were predominantly or exclusively black in 2000.

The overwhelming weight of social science evidence reveals that these patterns do not reflect residents' preferences or income disparities across groups, but rather discriminatory policies and practices by housing providers and policymakers. The National Fair Housing Alliance recently reported that in 2007 HUD and the Justice Department filed fewer than 100 fair-housing cases.

Segregation and the discrimination that nurtures it have serious adverse consequences for those who are trapped in predominantly minority neighborhoods that are also disproportionately poor. As James Carr and Nandinee Kutty showed in their recent book, *Segregation: The Rising Costs for America*, such neighborhoods have inferior schools,

fewer job opportunities, more dangerous surroundings, less access to health care, greater exposure to environmental hazards, and other disamenities.

The first step for the new administration is passage of the Housing Fairness Act (H.R. 2926, S. 1733). It would double funding for the Fair Housing Initiatives Program to \$52 million. These funds support nonprofit fair-housing organizations that have been the key vehicle for fair-housing law enforcement. In 2007 these groups filed 10 times more fair-lending complaints than did HUD and the U.S. Department of Justice combined. The key investigative tool used by fair-housing groups is paired testing—whereby comparably qualified whites and non-whites approach housing providers posing as home-seekers looking for similar housing or housing-related services. The Housing Fairness Act would fund a \$20 million nationwide paired testing program providing for 5,000 tests, approximately 50 in each of the 100 largest metropolitan areas.

HUD remains the nation's primary public fair-housing law-enforcement agency. But its efforts have been stymied by the agency's focus on individual complaints. HUD should launch systemic, secretary-initiated complaints to address broader patterns and practices by powerful actors in the housing industry on a much wider scale.

Among the costs of the subprime and predatory-lending scandals is the exacerbation of segregation, as racial minorities have been targeted by aggressive mortgage bankers and steered to high-priced loans even when they qualify for conventional loans. By reducing their ability to increase equity in their homes and accumulate wealth, housing choices are restricted and segregation is exacerbated. A strong federal anti-predatory lending law would encourage integration in the nation's metropolitan neighborhoods. At a minimum, lenders should be required to verify applicant income and assure that borrowers can repay the loan. Investors should also be liable when they finance predatory mortgages. Sanctions should be harsher when racial minorities and other groups protected by fair housing laws (e.g. women, the elderly) are targeted.

In the wake of Katrina and other storms, insurance redlining is making a strong comeback. Property insurers should be required to disclose where they do business similar to the way the Home Mortgage Disclosure Act requires lenders to report the locations where they originate home loans. The subsequent transparency would facilitate efforts by regulators, consumer groups, and insurers themselves to assure fair access to insurance products.

Inclusionary-zoning laws requiring developers to set aside a specific percentage of units for low-income families have been enacted in hundreds of communities. Building on these initiatives would create more opportunities for such families, a disproportionate share of whom are racial and ethnic minorities, to live in communities from which they have traditionally been excluded. Federal agencies could require such inclusionary programs as a condition for receiving block grants and other funds, and the administration could use its bully pulpit to encourage more local actors to act accordingly.

Several University of North Carolina legal scholars have proposed that elite universities favor students from integrated high schools in their admissions process. This would provide a tangible incentive toward integration; at least some white families would seek out integrated communities and schools with diverse student populations rather than avoid them. Federal agencies could require such initiatives as a condition for federal financial assistance (e.g. for student loans, research grants), and the president could encourage universities to pursue these innovative admission procedures.

There is no shortage of ideas for reducing segregation and discrimination in the nation's housing markets. The key challenge is to mount the political power to implement remedies that have proven to work or offer real promise. Walter Mondale who, with Edward Brooke, co-sponsored the Fair Housing Act in 1968, famously wrote that "the reach of the proposed law was to replace the ghettos with truly integrated and balanced living patterns." In this the 40th anniversary year of the Fair Housing Act, it is long past time to realize this illusive goal.

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