

The State of Fair Housing

FY 2005 Annual Report on Fair Housing



The Office of Fair Housing and Equal Opportunity



TABLE OF CONTENTS

CHAPTER 1 THE STATE OF FAIR HOUSING.....	1
RESPONSE TO HURRICANES KATRINA AND RITA.....	3
Education and Outreach	4
Local Education Efforts	4
Fair Housing Advertising Campaign for Hurricane Evacuees	4
Letter to Housing Industry on Complying with the Fair Housing Act	4
Secretary-Initiated Enforcement	4
FHAP Grants to Address Discrimination.....	5
Accessibility for Evacuees of Hurricanes Katrina and Rita.....	5
Accessible FEMA Trailers	5
Fair Housing Accessibility FIRST Education	5
Guidance for Senior Developments on Housing Katrina and Rita Evacuees.....	5
FY 2005 ACCOMPLISHMENTS.....	6
Fair Housing Research	6
Housing Discrimination Study Phase IV: Persons with Disabilities	6
Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners.....	7
Fair Housing Enforcement.....	7
HUD Systemic Investigations Unit.....	7
Fair Housing Education and Outreach	8
HUD Office of Education and Outreach	8
Fair Housing Advertising Campaigns	9

Fair Housing Public Service Announcements..... 9

Hispanic Outreach Campaign..... 9

National Fair Housing Training Academy 9

Fair Housing Assistance Program and Fair Housing Initiatives Program 10

 New Fair Housing Assistance Program Agencies..... 10

 Fair Housing Initiatives Program Performance-Based Funding Component..... 10

Fair Housing Act Accessible Design and Construction Requirements 10

 ICC Grant for the Adoption of Safe Harbor Codes for Housing Accessibility 11

Table 1.1 States and Localities that Have Adopted a Safe Harbor Building Code..... 11

Table 1.2 States in the Process of Adopting a Safe Harbor Code..... 12

 Approval of the 2003 IBC as a Safe Harbor for Compliance with the Fair Housing Act..... 12

 Fair Housing Accessibility FIRST 12

Chart 1.1 FIRST Training Sessions by HUD Regions, January 13, 2003-August 24, 2005..... 13

 FIRST Training Sessions..... 13

 FIRST Website 14

 Design and Construction Resource Center 14

Table 1.3 Types of Customers by Fiscal Year..... 15

Table 1.4 Topics of Inquiries to DCRC by Contract Year..... 16

CHAPTER 2 OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY...17

ACTIVITIES OF FHEO 17

Laws Enforced by FHEO..... 17

FHEO Activities to Ensure Equal Opportunity in Housing and HUD Programs 18

FHEO STAFFING AND BUDGET 19

Table 2.1 FHEO Staffing, FY 2002-FY 2005..... 19

Table 2.2 Congressional Allocations for Fair Housing, FY 2002-FY 2005 19

REORGANIZATION OF THE OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY 20

Chart 2.1 FHEO Organizational Chart, FY 2004 20

Chart 2.2 FHEO Organizational Chart, FY 2005 21

Operations and Management 22

Office of Management, Planning, and Budget.....	22
Office of Administrative Services.....	22
Office of Information Services and Communication	22
Enforcement and Programs	23
Office of Programs	23
Office of Systemic Investigations	23
Office of Enforcement.....	24
Office of Policy, Legislative Initiatives, and Outreach	24
Regional Offices of Fair Housing and Equal Opportunity	25
Office of Field Oversight.....	25
TRAINING IN FY 2005	25
Title VIII, Intake, Investigation, and Conciliation Handbook.....	25
Title VIII Handbook Training.....	26
Education and Outreach Training.....	26
CHAPTER 3 HUD ENFORCEMENT OF THE FAIR HOUSING ACT	27
<hr/>	
HUD’S INVESTIGATION OF TITLE VIII FAIR HOUSING COMPLAINTS.....	27
Complaints Filed with HUD for Investigation.....	29
<i>Chart 3.1 Complaints Filed with HUD for Investigation (FY 2002–FY 2005).....</i>	<i>29</i>
Bases of Complaints Filed.....	29
<i>Table 3.1 Bases in HUD Complaints (FY 2002–FY 2005)</i>	<i>30</i>
Issues in Complaints Filed	31
<i>Table 3.2 Issues in HUD Complaints (FY 2002–FY 2005).....</i>	<i>32</i>
Compliance with Notice Requirements	35
Closures	36
<i>Chart 3.2 HUD Closed Complaints (FY 2002–FY 2005).....</i>	<i>36</i>
Types of Closures	37
<i>Chart 3.3 HUD Complaint Outcomes, by Type (FY 2002–FY 2005).....</i>	<i>38</i>
Timeliness of Investigations	39

<i>Chart 3.4 HUD Newly Aged Complaints (FY 2002–FY 2005)</i>	39
ADJUDICATING FAIR HOUSING COMPLAINTS	40
<i>Table 3.3 Administrative Outcomes, FY 2005</i>	40
<i>Table 3.4 Post-Charge Consent Orders, FY 2005</i>	41
CHAPTER 4 THE FAIR HOUSING ASSISTANCE PROGRAM	43
<hr/>	
FAIR HOUSING ASSISTANCE PROGRAM (FHAP)	43
<i>Table 4.1 FHAP Agencies, by State, FY 2005</i>	44
<i>Chart 4.1 Map of States with or without FHAP Agencies, FY 2005</i>	47
Investigation of Fair Housing Complaints by FHAP Agencies	48
Complaint Filings	49
<i>Chart 4.2 Complaints Filed with FHAP Agencies (FY 2002–FY 2005)</i>	49
Bases in Complaints Filed	50
<i>Table 4.2 Bases in Complaints Filed for Investigation by FHAP Agencies (FY 2002–FY 2005)</i>	50
Issues in Complaints Filed	51
<i>Table 4.3 Issues in FHAP Complaints (FY 2002–FY 2005)</i>	52
Closures	53
<i>Chart 4.3 FHAP Closed Complaints (FY 2002–FY 2005)</i>	54
Types of Closures	54
<i>Chart 4.4 FHAP Complaint Outcomes, by Type (FY 2002–FY 2005)</i>	55
Timeliness of Investigations	55
Investigations Closed Within 100 Days	55
CHAPTER 5 THE FAIR HOUSING INITIATIVES PROGRAM	57
<hr/>	
FAIR HOUSING INITIATIVES PROGRAM (FHIP)	57
Education and Outreach Initiative (EOI)	57
The General Component (EOI-GC)	57
The Disability Component (EOI-DC)	57

The Asian and Pacific Islander Fair Housing Awareness Component (EOI-APIC)	58
The Minority Serving Institution Component (EOI-MSIC).....	58
Private Enforcement Initiative	58
Performance Based Funding Component (PBFC)	58
Fair Housing Organizations Initiative	59
<i>Table 5.1 FHIP SuperNOFA Awards (FY 2002-FY 2005)</i>	59
<i>Table 5.2 Funds Distributed through the FHIP SuperNOFA (FY 2003-FY 2005)</i>	59
<i>Table 5.3 FY 2005 Fair Housing Initiatives Program (FHIP) Awards by State</i>	60
Alabama.....	60
Arizona.....	60
Arkansas.....	60
California.....	60
Connecticut.....	63
District of Columbia.....	63
Florida.....	63
Georgia.....	64
Hawaii.....	65
Idaho.....	65
Illinois.....	65
Kentucky.....	66
Louisiana.....	66
Maine.....	66
Massachusetts.....	66
Michigan.....	67
Minnesota.....	67
Mississippi.....	68
Missouri.....	68
Montana.....	68
Nebraska.....	69
Nevada.....	69
New Jersey.....	69
New York.....	69
North Carolina.....	71
North Dakota.....	71
Ohio.....	71
Oklahoma.....	72
Oregon.....	72
Pennsylvania.....	72
Rhode Island.....	73
South Carolina.....	73
Tennessee.....	74
Texas.....	74
Vermont.....	74
Virginia.....	75
Washington.....	75
Wisconsin.....	76

CHAPTER 6 OVERSIGHT OF RECIPIENTS OF HUD FUNDS77

Complaints Against Recipients of HUD Funds..... 78
Table 6.1 Complaints Against Recipients of HUD Funds, FY 2005..... 78

Compliance Reviews of Recipients of HUD Funds 79
Table 6.2 Compliance Reviews of Recipients of HUD Funds, FY 2005..... 79

FY 2005 VCAs..... 80
 Miami-Dade Housing Agency..... 80
 Housing Authority of the City of Houston 80
 Housing Authority of the City of Pittsburgh..... 80
 Housing Authority of the City of Las Vegas..... 81
 Housing Authority of Baltimore City..... 81

CHAPTER 7 FAIR HOUSING AND CIVIL RIGHTS IN HUD PROGRAMS83

FHEO Reporting Responsibilities 83
 Racial and Ethnic Categories 84

Federal Housing Administration 84
 FHA-Insured Single-Family Home Purchase Loans..... 85
Table 7.1 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Home Purchase Loans, FY 2005 85
 FHA-Insured Single-Family Refinance Loans 86
Table 7.2 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Refinance Loans, FY 2005..... 86

Multifamily Subsidized Housing Programs..... 87
 Project Rental Subsidies 87
 Project-Based Section 8 87
 Rental Assistance Payment (RAP) Contracts..... 87
 Rent Supplement Contracts 87
 Section 202 Supportive Housing for the Elderly 87
 Section 811 Supportive Housing for Persons with Disabilities 87
 Direct Loans 88
 Section 202 Direct Formula Interest Rate Loans..... 88

<i>Table 7.3 Protected Characteristics of Persons Provided With Housing Assistance from Rental Subsidies, For 18-Month Period Ending September 30, 2005</i>	89
Multifamily/FHA Housing Programs	91
Financing Subsidies: Mortgage Insurance and Mortgage Interest Rate Subsidies.....	91
Section 236.....	91
Below Market Interest Rate (BMIR) Program Section 221(d)(3)	91
<i>Table 7.4 Protected Characteristics of Persons Provided With Housing Assistance Through Mortgage Insurance and Mortgage Interest Rate Subsidies, For 18-Month Period Ending September 30, 2005</i>	92
Homeless Assistance	93
Continuum of Care	93
Supportive Housing Program	94
Shelter Plus Care Program.....	94
Single Room Occupancy	94
<i>Table 7.5 Characteristics of Participants in Homeless Assistance, Continuum of Care Programs, FY 2005</i>	95
HOME Investment Partnerships Program	96
<i>Table 7.6 Protected Characteristics of Residents of HOME-Assisted Rental Units, FY 2005</i> ...	97
Rental Units Under HOME	97
Homebuyer Program.....	98
<i>Table 7.7 Protected Characteristics of Beneficiaries of the HOME Investment Partnerships Programs' Homebuyer Program, FY 2005</i>	98
Homeowner Rehabilitation Program	99
<i>Table 7.8 Protected Characteristics of Beneficiaries of the HOME Investment Partnerships Programs' Homeowner Rehabilitation Program, FY 2005</i>	99
Community Development Block Grant	100
<i>Table 7.9 Protected Characteristics of Beneficiaries of CDBG's Single-Unit Housing Rehabilitation, Multi-Unit Housing Rehabilitation, and Homeownership Assistance Programs, FY 2005</i>	101
Public Housing	101
<i>Table 7.10 Protected Characteristics of Beneficiaries of the Public Housing Program, For the 18-Month Period Ending on September 30, 2005</i>	102
Housing Choice Vouchers	103
<i>Table 7.11 Protected Characteristics of Beneficiaries of the Housing Choice Voucher Program, For the 18-Month Period Ending on September 30, 2005</i>	104
Moderate Rehabilitation Program	105

Table 7.12 Protected Characteristics of Beneficiaries of Moderate Rehabilitation Program, For the 18-Month Period Ending on September 30, 2005 106

ABOUT THIS REPORT

This report was prepared in accordance with Sections 808(e)(2) and (6) of the Fair Housing Act and Section 561(j) of the Housing and Community Development Act of 1987, as amended. These statutory mandates require the Secretary of Housing and Urban Development to report annually to Congress on several aspects of HUD's work in fair housing. In particular:

- Section 808(e)(2) of the Fair Housing Act directs HUD to report on the “nature and extent of progress made nationally in eliminating discriminatory housing practices and furthering the purposes of the Fair Housing Act, obstacles remaining to achieving equal housing opportunity, and recommendations for further legislative or executive action.” It also directs HUD to report on the number of instances in which steps in the complaint process—including investigating a complaint, making a determination of cause, commencing an administrative hearing, or issuing a decision—were not completed as prescribed by law.
- Section 808(e)(6) of the Fair Housing Act requires that HUD annually report data to Congress on the race, color, religion, sex, national origin, age, disability, and family characteristics of persons and households who are applicants for, participants in, or beneficiaries or potential beneficiaries of programs administered by HUD to the extent such characteristics are within the coverage of the provisions of the civil rights laws administered by HUD.
- Section 561(j) of the Housing and Community Development Act of 1987, as amended, requires HUD to report on the progress made in accomplishing the objectives of the Fair Housing Initiatives Program, including a summary of enforcement, education, and outreach activities funded under the program.

This report provides information on the foregoing activities for the period beginning October 1, 2004, and ending September 30, 2005.

CHAPTER 1 THE STATE OF FAIR HOUSING

In the fall of 2005, HUD came to the aid of the hundreds of thousands of Gulf Coast residents displaced by Hurricanes Katrina and Rita. HUD's participation in the recovery effort included deploying staff to the region to ensure that unlawful discrimination did not prevent displaced individuals from finding appropriate temporary or permanent housing. To do this, HUD conducted education and outreach and intervened on behalf of people facing discrimination to help them obtain housing immediately. For example, HUD staff helped make a mobile home community open to families with children after receiving a complaint that the park was unlawfully excluding them.

In the months following the storms, HUD and organizations that HUD funds through the Fair Housing Initiatives Program (FHIP) encouraged displaced individuals throughout the country to report discrimination to HUD or state and local government agencies under the Fair Housing Assistance Program (FHAP). HUD and FHIP groups appeared on radio shows, placed billboard and newspaper ads, and launched a nationwide advertising campaign to inform evacuees of their fair housing rights and how to file a housing discrimination complaint. HUD and FHIP personnel also distributed fair housing flyers at Federal Emergency Management Agency (FEMA) Disaster Recovery Centers (DRC) and shelters and answered questions from DRC and shelter workers and displaced individuals on housing discrimination.

The massive number of displaced individuals led to HUD efforts to expand the number of temporary and permanent housing opportunities. HUD opened up thousands of housing opportunities for those left homeless by the hurricanes by modifying its policy for senior housing developments. On November 14, 2005, HUD issued guidance that allowed thousands of senior housing developments throughout the country to make housing available to evacuees from Hurricanes Katrina and Rita who are under the age of 55 and retain the developments' privilege under the Fair Housing Act to otherwise restrict housing to older persons. HUD expects this exemption to help alleviate the housing crunch in areas of the country where a large number of individuals displaced by the hurricanes have relocated.

HUD also helped increase temporary housing opportunities for persons with disabilities who were displaced by the hurricanes. HUD met with FEMA representatives and other government officials to educate them on federal accessibility requirements and the kinds of modifications needed to make trailers accessible for persons with mobility impairments. As a result, FEMA agreed to make at least 14 percent of manufactured housing accessible to persons with disabilities by installing a ramp or making other reasonable modifications.

In addition, HUD is helping to make sure that persons with disabilities are able to return to the region by taking steps to ensure that apartment and condominium buildings that were destroyed by the hurricanes are rebuilt in a manner that is accessible to persons with disabilities. In November 2005, the HUD-funded Fair Housing Accessibility FIRST program trained approximately 60 architects, builders, state code officials, and FEMA representatives in the Gulf Coast region on the accessibility requirements of the Fair Housing Act. The Department of Justice joined the sessions, providing training on the accessibility requirements under Section 504 of the Rehabilitation Act for federally funded housing.

Finally, HUD's Assistant Secretary for Fair Housing and Equal Opportunity, Kim Kendrick, has pledged that the fair housing rights of hurricane evacuees will remain a major focus of fair housing programs in FY 2006. Within days of her confirmation as Assistant Secretary on October 7, 2005, Assistant Secretary Kendrick issued a letter to remind the housing industry that it is unlawful to deny an individual access to housing on the basis of race, color, national origin, religion, sex, familial status, or disability. Assistant Secretary Kendrick pledged swift enforcement action when evidence arises of unlawful discrimination.

HUD's activities to assist those displaced by the hurricanes were in addition to its nationwide fair housing enforcement and education efforts.

In FY 2005, the agencies received roughly the same number of complaints as they did in FY 2004, for a combined 9,254 complaints, with FHAP agencies investigating over 70 percent of those. HUD and FHAP agencies had witnessed a 13 percent increase in housing discrimination complaints in FY 2004, ending that fiscal year with 9,187 complaints. HUD and FHAP agencies most often received complaints alleging disability discrimination, which for the first time surpassed race discrimination as the most common allegation in complaints. Disability discrimination complaints accounted for about 41 percent of the complaints filed with HUD and FHAP agencies.

Although disability was the most common basis for discrimination in complaints filed with HUD and FHAP agencies in FY 2005, a recent HUD study suggests that those complaints represent only a small fraction of incidents of disability discrimination in the housing market. In July 2005, HUD issued the fourth phase of its Housing Discrimination Study—*Discrimination Against Persons with Disabilities: Barriers At Every Step*. The study examined the Chicago area rental market and found that hearing-impaired persons, using a telephone-operator relay to search for rental housing, experienced consistent adverse treatment 49.5 percent of the time. The study also found that mobility-impaired persons using wheelchairs experienced consistent adverse treatment 32.3 percent of the time when they visited rental properties.

The number of complaints alleging racial or ethnic discrimination in the housing market also account for far less than the actual number of discriminatory acts suggested by recent studies. A series of national studies on the experiences of African Americans, Hispanics, and Asians and Pacific Islanders in the housing market has found evidence of consistent adverse treatment in roughly one of every five interactions with a sales or rental agent. A study on the experience of Native Americans in the rental market in three states found that they experience consistent adverse treatment in 28.5 percent of their interactions with a rental agent, on average.

In addition to presenting information on the level of racial, ethnic, or disability discrimination, recent HUD studies show that discrimination is often subtle. Much of the consistent adverse treatment reported in the aforementioned studies was uncovered using paired-testing—a method by which two persons, differing only on a single characteristic that is being tested (e.g., race), independently inquire about an advertised housing unit. Each of the testers independently records his or her experience, and any difference in treatment is often only apparent when an analyst compares the resulting information. Thus, the disparity between the number of complaints filed with HUD and FHAP agencies and the frequency of discrimination found in housing discrimination studies indicates that victims are often unaware that they have been discriminated against and suggests that discrimination is greatly underreported.

In January 2005, HUD established the Office of Systemic Investigations (OSI) to investigate discriminatory practices that are not reported by individuals. OSI uses methods such as paired-testing to investigate housing providers or other entities that it suspects of engaging in unlawful discrimination.

OSI also responds to allegations of discriminatory housing practices that an initial investigation suggests may have a nationwide impact or otherwise affect a large number of persons. OSI is thereby able to help persons that may not be aware that they have been victims of discrimination, as well as prevent future discriminatory acts by addressing the systemic practices behind an individual complaint of discrimination.

In FY 2005, HUD also created the FHIP Performance-Based Funding Component (PBFC) to help support private organizations in conducting long-term investigations of the housing or lending market for evidence of systemic discrimination. The PBFC offers 3-year grants of up to \$275,000 per year for private organizations with a proven record of developing complaints of systemic discrimination in the housing or lending industry and then pursuing them through the HUD complaint process or in court. The 13 organizations that received PBFC grants are part of the 104 groups in 37 states and the District of Columbia that were awarded FHIP funding in FY 2005.

The following is a description of HUD initiatives during FY 2005 and the months following the Gulf Coast hurricanes that helped HUD meet the fair housing needs of displaced individuals, expand HUD's capacity for enforcing fair housing laws, and raise public awareness of fair housing.

RESPONSE TO HURRICANES KATRINA AND RITA

Two days before Hurricane Katrina made landfall, Secretary Jackson assembled a team that would be ready to respond to housing needs in the aftermath of the hurricane. That team, called the HUD Recovery and Response Center, drew on employees from all HUD program offices, including HUD's Office of Fair Housing and Equal Opportunity.

Immediately after Hurricane Katrina, in anticipation of possible housing discrimination as large populations of African American and other minority residents relocated to surrounding communities, FHEO dispatched staff to Baton Rouge to work with the Federal Emergency Management Agency (FEMA) in the Disaster Recovery Centers.

Since September, FHEO has maintained a staff presence of three to five persons in Baton Rouge. Also, FHEO increased its presence in Mississippi and maintained its Houston office, where the greatest number of hurricane evacuees relocated. FHEO staff assisted evacuees in their search for housing and thereby helped to prevent discrimination. For example, staff advised landlords that they could not discriminate against families with children and provided guidance to evacuees on obtaining accessible housing.

FHEO staff also worked closely with the fair housing and disability-rights advocacy organizations in the Gulf Coast Region. HUD funds many of these groups through FHIP. To aid these Gulf Coast fair housing groups in their post-hurricane efforts, HUD allocated an additional \$1.2 million for outreach to evacuees and investigation of discrimination complaints.

FHEO also initiated the following activities to assist victims of Hurricanes Katrina and Rita.

EDUCATION AND OUTREACH

Local Education Efforts

HUD recognized that many individuals seeking housing, and many landlords providing it, might not know their rights and responsibilities under the Fair Housing Act. In the first month after Hurricane Katrina, HUD took out advertisements in local papers in the Gulf Coast advising people of the Fair Housing Act's prohibitions of discrimination and how to report such discrimination to HUD. HUD staff also distributed fair housing posters and flyers at Disaster Recovery Centers, at shelters, and among a range of organizations throughout the Gulf Coast. HUD staff and its partners in the Gulf Coast also appeared on radio and television programs to provide information on fair housing.

Fair Housing Advertising Campaign for Hurricane Evacuees

HUD awarded \$300,000 to the New York State Human Rights Commission to work with the Advertising Council to develop a national media campaign to educate evacuees from Hurricanes Katrina and Rita on their fair housing rights. The Advertising Council engaged the creative team of Lowe Worldwide to produce the advertisements. The campaign consisted of television, radio, and print advertisements. HUD and its partners launched the radio and print advertisements in December 2005, and the television advertisements in January 2006. The advertisements are also available in Spanish.

The message of the advertisements is that for hurricane evacuees, "the storm isn't over." For example, the radio advertisement depicts some of the excuses that housing providers use to discriminate against persons when they inquire about housing and encourages hurricane evacuees and the public to call HUD's housing discrimination hotline (1-800-669-9777) if they suspect that they have been denied housing for discriminatory reasons.

Letter to Housing Industry on Complying with the Fair Housing Act

On October 25, 2005, Assistant Secretary Kendrick issued a letter to the housing industry in response to reports that some evacuees were being unfairly denied housing opportunities. The letter reminded housing providers that it is unlawful to deny an individual access to housing on the basis of race, color, national origin, religion, sex, familial status, or disability. The letter also promised swift action from HUD if there is evidence that any landlord or property manager refused someone housing on one of these grounds.

The letter can be viewed at <http://www.hud.gov/fairhousing>.

SECRETARY-INITIATED ENFORCEMENT

In taking action against discrimination, HUD did not wait for people to file complaints. Through investigations initiated by the Secretary, HUD can investigate possible discrimination where no one has stepped forward to file a complaint. HUD opened a Secretary-initiated investigation into Louisiana parishes that have refused either to host FEMA trailers or have imposed significant restrictions on their placement. The main issue being investigated is whether the parishes' objections may have been racially motivated.

FHAP GRANTS TO ADDRESS DISCRIMINATION

HUD awarded a total of \$550,000 in grants to FHAP agencies to partner with nonprofit fair housing organizations in conducting enforcement and education activities related to discrimination against hurricane evacuees. The Texas Work Force Commission received \$200,000; the Louisiana Public Protection Division received \$200,000; and the Arkansas Fair Housing Commission, the Oklahoma Human Rights Commission, the City of Dallas Fair Housing Office, and the Fort Worth Human Relations Commission received a combined \$150,000.

ACCESSIBILITY FOR EVACUEES OF HURRICANES KATRINA AND RITA

Accessible FEMA Trailers

A significant part of HUD's Gulf Coast effort has been to advise FEMA on disability accessibility as FEMA creates mobile-home communities to temporarily house the people displaced by the hurricanes. HUD provided FEMA with a design for an accessible mobile home, provided guidelines on how to make mobile-home communities accessible, and worked with FEMA to establish a standard for all manufactured-housing communities that at least 14 percent of homes be accessible to persons with disabilities.

Fair Housing Accessibility FIRST Education

FHEO directed its accessibility education efforts to the Gulf Coast to ensure that as developers rebuild, their properties are accessible to people with disabilities. The Fair Housing Accessibility FIRST (Fair Housing Instruction, Resources, Support, Technical Guidance) program held training programs for builders and others in Mississippi and Louisiana in November 2005. In FY 2006, Fair Housing Accessibility FIRST will hold seminars in Texas and Florida.

GUIDANCE FOR SENIOR DEVELOPMENTS ON HOUSING KATRINA AND RITA EVACUEES

On November 14, 2005, HUD issued guidance for senior developments to provide housing to evacuees from Katrina and Rita who are under the age of 55. HUD issued its guidance in response to inquiries from managers and owners of "55 and over" communities that wanted to make housing available to displaced persons but maintain their privilege to otherwise restrict the housing to older persons.

The Fair Housing Amendments Act of 1988 (the Act), amended by the Housing for Older Persons Act of 1995, exempts certain communities from the Act's prohibition against familial status discrimination, provided they demonstrate their intent to provide "housing for older persons." For a community or facility to qualify for the "housing for older persons" exemption, the Act requires, among other things, that 80 percent of all occupied households be occupied by at least one person 55 years of age or older. The Department does not count unoccupied units and units occupied by caretakers and maintenance workers when evaluating whether an elderly housing development meets the 80 percent threshold. HUD's new guidance states that evacuees from these hurricanes will receive similar consideration.

HUD interprets the Fair Housing Act's "housing for older persons" exemption as broad enough to allow "housing for older persons" developments to admit evacuees under the age of 55 and not count them toward the 80 percent and 20 percent calculations, so long as the housing provider admits evacuees regardless of familial status.

This guidance is available at <http://www.hud.gov/fairhousing>.

FY 2005 ACCOMPLISHMENTS

FAIR HOUSING RESEARCH

Housing Discrimination Study Phase IV: Persons with Disabilities

In July 2005, HUD released its first study of housing discrimination against persons with disabilities. The study, *Discrimination Against Persons with Disabilities: Barriers at Every Step*, examined the Chicago-area rental market and found that hearing-impaired people experienced consistent adverse treatment 49.5 percent of the time when using a telephone-operator relay to search for rental housing. Mobility-impaired people using wheelchairs experienced consistent adverse treatment 32.3 percent of the time when they visited rental properties.

The study used paired testing to compare the treatment of a person with a disability with a similarly qualified non-disabled person inquiring about the same advertised unit. Each tester inquired about the unit and independently recorded his or her experience. A tester was considered to have experienced consistent adverse treatment if he or she received no favorable treatment on any of the treatment indicators (e.g., whether or not they were told the advertised unit was available, how many units they were told about, and if they were offered an application), while the other tester received favorable treatment on one or more indicators.

In 25.7 percent of calls, housing providers denied access to deaf testers using a TTY service by hanging up, refusing requests for information, or questioning the veracity of the caller. When the leasing agents accepted TTY calls, TTY users received significantly less information about the application process than comparable hearing customers did. Compared to similarly situated non-disabled home seekers, people using wheelchairs were told about and shown fewer units 35.4 percent of the time. Both wheelchair users and TTY users received significantly less encouragement to pursue a rental agreement and were less likely to be offered a rental application than were non-disabled customers.

In addition to prohibiting differential treatment, the Fair Housing Act requires landlords to make reasonable accommodations for persons with disabilities, such as providing a designated accessible parking space when on-site parking is available. Landlords also must allow a reasonable modification at the tenant's expense, such as installing a wheelchair ramp. The study found that almost 16 percent of rental housing providers who indicated that they had units available for the wheelchair user refused to allow the user to make a reasonable modification to the structure of the unit. In addition, nearly 20 percent of housing providers with on-site parking refused to make the reasonable accommodation of providing a designated accessible parking space for a wheelchair user.

Finally, the study found that at least one-third of the advertised rental properties in the Chicago area were not accessible to wheelchair users. So, from the outset of their search, a person who uses a wheelchair was limited to only about two-thirds of the Chicago-area rental market.

The study also conducted exploratory testing for discrimination against persons with mental illness, developmental or cognitive disabilities, or who were blind or visually impaired. These pilot tests did not produce statistically representative measures of discrimination for individuals with these disabilities.

Copies of the study may be obtained at <http://www.huduser.org>.

Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners

In July 2005, HUD published *Discrimination Against Persons with Disabilities: Testing Guidance for Practitioners* as an aid for fair housing and disability-rights advocates, civil rights enforcement agencies, and others interested in testing for disability-based discrimination. The guidebook resulted from testing in the HUD-commissioned study entitled *Discrimination Against Persons with Disabilities: Barriers at Every Step*.

The guidebook describes the advantages and challenges of conducting telephone and in-person testing for discrimination against persons with disabilities. TTY testing was found to be an inexpensive effective testing strategy because it can be completed quickly, it does not require testers to travel, and it can span a wide geographic area. Moreover, relay operators provide customers with a verbatim report on each telephone call, providing an independent narrative of what occurred in the disabled portion of the test. However, because telephone calls are generally brief, these tests do not offer the opportunity to capture as much information about differential treatment as in-person tests.

The report also addresses two particular challenges faced by persons with disabilities when conducting in-person tests—transportation and access to the property and/or unit. Deaf or hard-of-hearing testers were not able to access housing that contained an intercom/buzzer entry system and blind testers sometimes had difficulty finding the front door or gaining access to rental properties or management offices. Therefore, the report concluded that it might make sense to send testers to their assignments with someone who could help them gain entrance, but who would not accompany them during tests.

Another significant challenge for disability testing is determining whether the property is accessible enough so that persons with mobility impairments can test it. Before using a property as a test site, *Barriers at Every Step* used a drive-by survey to determine whether it was accessible. The report also suggested that proxy testers be used to test properties that are not accessible.

With proper planning and support, persons with disabilities were able to effectively serve as testers. The most common types of assistance provided for testers with disabilities were transportation to and from the test site, training materials in other formats, such as Braille, and assistance from project staff in completing the test report forms. Cognitively disabled testers sometimes needed companions to accompany them during the test to help them remember and record the test experiences.

HUD intends for the study and report to serve as a guide for conducting disability discrimination testing. As such, they should be used in conjunction with other testing approaches that may be appropriate for the discriminatory practice being investigated.

Copies of the report are available at <http://www.huduser.org>.

FAIR HOUSING ENFORCEMENT

HUD Systemic Investigations Unit

The Office of Systemic Investigations (OSI) was established in January 2005 to respond to allegations of discriminatory housing practices that may have nationwide impact or otherwise affect a large number of persons. OSI investigates complaints of systemic discrimination, launches Secretary-initiated

investigations, and files Secretary-initiated complaints. For example, if HUD receives an individual complaint against a property management company, and the investigation reveals that the company manages at least 5,000 units nationwide, OSI may conduct a preliminary investigation to determine if the alleged discriminatory acts are part of a company-wide policy or practice. HUD would then examine the results of its preliminary investigation to determine if the evidence warrants a Secretary-initiated investigation or complaint against the company.

OSI works closely with other HUD program offices, such as the Office of Community Planning and Development and the Office of Public and Indian Housing, to address fair housing issues involving recipients of federal financial assistance. OSI also works with the Office of General Counsel, which provides legal assistance throughout the investigation and conciliation of systemic complaints.

In FY 2005, OSI conducted compliance reviews and systemic investigations that included:

- A Title VI compliance review of the Bay St. Louis Housing Authority in Mississippi in response to allegations of racial steering and segregation;
- An investigation of a major insurance company in New York, in response to a complaint that the company offered different policies with lesser coverage to minority homeowners; and
- An investigation of a nationwide management company, its owners, and the City of Gainesville, Florida, in response to alleged discrimination in the maintenance of a federally assisted property.

FAIR HOUSING EDUCATION AND OUTREACH

HUD Office of Education and Outreach

The Office of Education and Outreach (OEO) began operation in January 2005. The mission of OEO is to increase public awareness of federal fair housing laws and HUD's role in enforcing these laws. HUD expects that these activities will both increase reporting of housing discrimination and deter housing and lending professionals from engaging in discriminatory practices.

During FY 2005, OEO focused primarily on outreach to the public, with OEO staff participating in more than 400 outreach activities throughout the country. OEO staff conducted presentations about fair housing laws and issues, participated in the conferences and meetings of national and local organizations, and attended community events.

OEO also managed the fair housing exhibit booth at approximately 20 events throughout the country. These events ranged from small local to larger annual events hosted by major organizations. The booth provided information on fair housing through an on-site display, which allowed visitors to meet HUD personnel and ask questions about fair housing. OEO staff distributed an extensive amount of fair housing literature at those events, specifically, "Are You a Victim of Housing Discrimination?" and "Equal Opportunity for All." These brochures were available in English, Spanish, Chinese, Vietnamese, Korean, and Arabic.

Fair Housing Advertising Campaigns

Fair Housing Public Service Announcements

In August 2003, HUD and the Advertising Council launched a series of fair housing public service announcements. In FY 2005, the campaign produced five new radio advertisements, including "Answering Machine" in English, and "Thoughts" and "Want Ad" in English and Spanish. In addition, the campaign produced "Do You" and "Phone Conversation" in Vietnamese, Cantonese, Hmong, and Korean. Print ads were produced in the above Asian languages, as well as in Khmer, Arabic, Urdu, Bengali, Thai, and Punjabi. Those ads were distributed to over 300 media outlets nationwide. From the start of the campaign in August 2003 through January 2006, the advertisements received more than \$73,183,400 in donated airtime on television and radio and print space in newspapers.

The ads can be viewed at <http://www.hud.gov/fairhousing> or <http://www.fairhousinglaw.org>.

Hispanic Outreach Campaign

During Fair Housing Month in April, HUD entered into a \$10,000 contract with the Hispanic Radio Network to develop radio and print advertising campaign for increasing awareness of the Fair Housing Act among recent Hispanic immigrants. Hispanic Radio Network aired the fair housing radio advertisement 143 times on 14 Hispanic radio stations in 10 major markets in California, Florida, Illinois, North Carolina, Pennsylvania, and Texas. Those stations have a combined average of more than 2.5 million listeners per day. In addition, Hispanic Radio Network published fair housing articles in four Spanish-language newspapers and on two Spanish-language websites.

NATIONAL FAIR HOUSING TRAINING ACADEMY

FY 2005 marked the first full year of operation of the National Fair Housing Training Academy. HUD created it to provide training and certification to housing discrimination investigators from Fair Housing Assistance Program (FHAP) agencies and HUD. Investigators obtain certification by completing the 5-week program and must earn continuing education credits to maintain their certification.

During FY 2005, the academy offered the first two weeks of the 5-week curriculum. Week 1 courses covered the topics of fair housing law and ethics, critical thinking and investigations, and clear writing through critical thinking. Week 2 courses instructed participants on the psychological impact of racial discrimination, reasonable accommodations and modifications, and discovery techniques and evidence. Courses for weeks 3-5 will begin in FY 2006.

In FY 2005, 398 FHAP investigators and 86 HUD staff successfully completed Week 1 courses, and 286 FHAP investigators and 25 HUD staff successfully completed Week 2 courses.

The academy faculty is composed of 47 instructors from a variety of backgrounds, including the real estate and mortgage lending industries, law schools, and fair housing and civil rights organizations. All instructors are required to attend an orientation session prior to receiving class assignments.

FAIR HOUSING ASSISTANCE PROGRAM AND FAIR HOUSING INITIATIVES PROGRAM

New Fair Housing Assistance Program Agencies

In FY 2005, HUD admitted the Geneva (New York) Human Rights Commission and the City of North Olmsted (Ohio) Department of Law to the Fair Housing Assistance Program (FHAP), bringing the total number of FHAP agencies to 103. In order to participate in FHAP, a jurisdiction must enact a law that provides rights, procedures, remedies, and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. HUD provides funds to FHAP agencies to support the enforcement of their jurisdictions' fair housing laws.

Fair Housing Initiatives Program Performance-Based Funding Component

In FY 2005, HUD established the Performance-Based Funding Component (PBFC) as part of the Fair Housing Initiatives Program (FHIP).

FHIP is a competitive grant program that provides funding for public, private, and non-profit organizations that conduct fair housing activities. The PBFC offers 3-year grants of up to \$275,000 per year, for private, tax-exempt organizations that investigate alleged violations of the Fair Housing Act and of substantially equivalent state and local fair housing laws. HUD created the PBFC to support the development of long-term systemic investigations.

In order to be eligible for the PBFC, an applicant must qualify for funding under the FHIP Private Enforcement Initiative¹ and must have received excellent performance reviews from HUD during FY 2002 and FY 2003.

FAIR HOUSING ACT ACCESSIBLE DESIGN AND CONSTRUCTION REQUIREMENTS

To increase the supply of housing usable by persons with disabilities, the Fair Housing Act and HUD's Fair Housing Accessibility Guidelines established seven design and construction requirements for multifamily dwellings with four or more units built for first occupancy after March 13, 1991. The requirements are an accessible entrance on an accessible route; accessible public and common-use areas; usable doors; an accessible route into and through the dwelling unit; accessible light switches, electrical outlets, thermostats, and environmental controls; reinforced walls in bathrooms for later installation of grab bars; and usable kitchens and bathrooms. In buildings with an elevator, all of the dwelling units must meet these requirements. In buildings without an elevator, only the ground floor units must comply.

HUD recognizes eight safe harbors for compliance with the Fair Housing Act's accessibility requirements.² A safe harbor is a law, accessibility standard, or building code that HUD has recognized

¹ See 24 CFR 125.401 for the eligibility requirements of the FHIP Private Enforcement Initiative.

² The eight safe harbors are: HUD Fair Housing Accessibility Guidelines published on March 6, 1991 and the Supplemental Notice to Fair Housing Accessibility Guidelines: Questions and Answers About the Guidelines, published on June 28, 1994; HUD Fair Housing Act Design Manual; ANSI A117.1 (1986) used with the Fair Housing Act, its implementing regulations, and the Guidelines; CABO/ANSI A117.1 (1992) used with the Fair Housing Act, its implementing regulations, and the Guidelines; ICC/ANSI A117.1 (1998) used with the Fair Housing Act, its implementing regulations, and the Guidelines; Code Requirements for Housing Accessibility 2000 (CRHA); International Building Code 2000 as amended by the 2001 Supplement to the International Codes; International Building Code 2003, with one condition. The use of IBC 2003 as a safe harbor is conditioned upon the use of the following interpretation: "ICC interprets Section 1104.1, and specifically the exception to Section

as being consistent with the Fair Housing Act’s design and construction requirements. HUD encourages developers and builders to use a HUD-recognized safe harbor to ensure that they have met the accessibility requirements of the Fair Housing Act.

ICC Grant for the Adoption of Safe Harbor Codes for Housing Accessibility

Through May 30, 2005, the International Code Council (ICC) continued its activities under an FY 2002 grant to provide training and technical assistance to jurisdictions for the adoption of HUD-recognized safe harbor codes. By adopting a HUD-recognized safe harbor as part of the building review and permit process, a state or locality will assure consistency with the Fair Housing Act’s accessibility requirements, as long as the code official does not waive or misinterpret any of the requirements. In this way, a safe harbor code increases accessible housing opportunities for persons with disabilities and reduces the potential for litigation against those involved in the design and construction of multifamily dwellings.

Table 1.1 States and Localities that Have Adopted a Safe Harbor Building Code

Adoption Prior to the ICC Grant	Adoption as a Result of the ICC Grant
District of Columbia Maine Michigan Nebraska Washington	Florida Idaho Maryland Montana New Jersey New Mexico New York Ohio Oklahoma Pennsylvania South Carolina Utah Wisconsin Phoenix, Arizona
Source: International Code Council	

Between December 20, 2001, and May 30, 2005, ICC assisted 13 states and the city of Phoenix with adopting one of the safe harbor documents. As a result, 17 states and the District of Columbia have safe harbor building codes. In addition, five states have started the process for adopting the 2003 International Building Code, a conditionally recognized safe harbor code.

1104.1, to be read together with Section 1107.4, and that the Code requires an accessible pedestrian route from site arrival points to accessible building entrances, unless site impracticality applies. Exception 1 to Section 1107.4 is not applicable to site arrival points for any Type B dwelling units because site impracticality is addressed under Section 1107.7.”

Table 1.2 States in the Process of Adopting a Safe Harbor Code

States in the Process of Adopting a Safe Harbor
Connecticut
Minnesota
Oregon
Tennessee
Wyoming
Source: International Code Council

ICC provided training on safe harbor codes through legislative and technical workshops. During the course of the grant period, ICC held 28 workshops throughout the country, reaching a combined 1,175 participants. Legislative workshops demonstrated to state legislators and their staff, mortgage lenders, real estate professionals, and disability organizations the benefits of adopting a safe harbor code at the state level. Technical workshops instructed architects, builders, design professionals, and code officials on the Fair Housing Act's design and construction requirements.

ICC also responded to requests for technical assistance. During the grant period, ICC provided technical assistance on the Fair Housing Act's accessibility requirements to 360 design professionals, 84 building officials, and 24 legislators, citizens, and others.

In the fall of 2004, ICC launched a free online course on the design and construction requirements of the Fair Housing Act and the safe harbors for compliance. The course was designed for code officials, design professionals, builders, and architects and was approved for 12 learning-unit hours by the American Institute of Architects. From the fall of 2004 through May 30, 2005, 145 building and design professionals had both completed the course and passed the exam.

Approval of the 2003 IBC as a Safe Harbor for Compliance with the Fair Housing Act

In a final report printed in the Federal Register on February 28, 2005, HUD announced its approval of the conditional use of the 2003 International Building Code (IBC), which is published by the International Code Council (ICC) as a safe harbor for compliance with the accessibility requirements of the Fair Housing Act. HUD allowed the 2003 IBC to be used as a safe harbor on the condition that ICC would clarify its interpretation of one of the accessibility provisions in a manner that will require an accessible route. The report requires ICC to publicize this interpretation to past and future purchasers of the IBC.

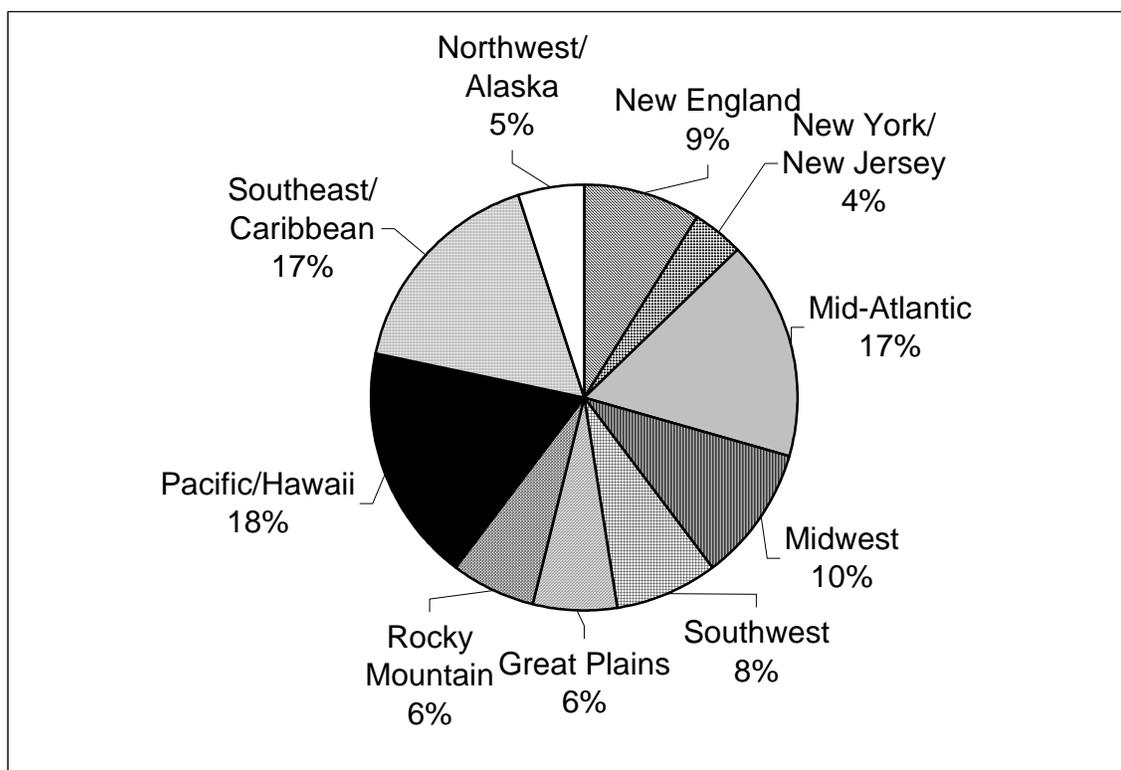
ICC, the National Association of Home Builders, and other industry groups have since asked HUD to help facilitate consistency between future editions of the IBC and the Fair Housing Act accessibility requirements. As a result, HUD worked successfully with housing-industry and disability-rights groups during the code development process to gain the approval of two significant changes to the 2006 IBC at code hearings in September 2005. HUD is in the process of providing technical guidance on one change that ICC will publish as part of its commentary on the 2006 IBC.

Fair Housing Accessibility FIRST

HUD launched Fair Housing Accessibility FIRST (Fair Housing Instruction, Resources, Support, Technical Guidance) in 2003 to provide training and technical guidance to architects, builders, developers, and others on the design and construction requirements of the Fair Housing Act. FIRST

consists of a comprehensive training curriculum that is accredited by the American Institute of Architects, a website (<http://www.fairhousingfirst.org>), and a Design and Construction Resource Center (1-888-341-7781) that architects and others can contact for expert assistance with design questions. Between August 25, 2004, and August 24, 2005, various local groups for professional development also accredited the FIRST training curriculum.

Chart 1.1 FIRST Training Sessions by HUD Regions, January 13, 2003-August 24, 2005



Source: BearingPoint

FIRST Training Sessions

Between August 25, 2004, and August 24, 2005, FIRST trained 1,443 people through 24 training sessions in 19 states. Each session featured one or more of the 11 training modules covering the Fair Housing Act, other disability-rights laws, and the technical requirements of designing and constructing accessible routes, kitchens, bathrooms, and public and common-use areas. The 11 training modules included the new modules that were created during this time—"Making Housing Accessible Through Accommodations and Modifications" and "Design and Construction Requirements of the Fair Housing Act: Technical Overview." Between August 25, 2004, and August 24, 2005, the training sessions sustained a 94 percent satisfaction rate among participants.

The sessions conducted between August 25, 2004, and August 24, 2005, surveyed the attendees on the number of multifamily units with which they were currently working. The attendees reported a total of 357,501 multifamily units in which they were currently assisting with development, design, or construction. As a result of FIRST training, those units will likely be built in an accessible manner.

Chart 1.1 shows the distribution of the 79 FIRST training sessions conducted from the launch of the program on January 13, 2003, through August 24, 2005. The Pacific/Hawaii, Mid-Atlantic, and Southeast/Caribbean regions received the largest shares of FIRST training sessions.

FIRST Website

From August 25, 2004, through August 24, 2005, the FIRST website was redesigned to make it more user-friendly and to provide additional resources. The information newly posted to the FIRST website includes a section on 87 Frequently Asked Questions and Answers, copies of the 11 training modules, and a training calendar. The FIRST website received more than 28,500 distinct hits from August 25, 2004, through August 24, 2005, and appeared as a link from 52 websites for the housing industry or disability-advocacy groups.

Design and Construction Resource Center

The Design and Construction Resource Center (DCRC) is a toll-free hotline staffed by experts on the accessibility requirements of the Fair Housing Act and other federal accessibility laws. Architects and other design professionals can contact DCRC for answers to their design questions. In FY 2005, DCRC responded to 3,598 requests for technical guidance.

Tables 1.3 and 1.4 show the types of customers that contacted DCRC and the topics of the inquiries received by DCRC. Data are reported by fiscal year. It should be noted that DCRC began operation in January 2003 and therefore the data for FY 2003 cover only the last 9 months of that fiscal year.

Table 1.3 Types of Customers by Fiscal Year

Customer	FY 2003*	FY 2004	FY 2005
Access Consultant	12	32	78
Architect	280	559	793
Attorney	36	81	83
Civil Engineer	12	32	55
Condo Association/Member	54	138	112
Contractor/Builder/Plumber/Electrician	45	113	93
Developer	41	37	35
Disability Rights Advocate	94	201	199
Educator	2	12	4
Elder 62+	26	19	15
Elder Service Provider/Advocate	8	14	10
Fair Housing Advocate	19	54	76
Family/Friend	123	420	367
HUD Official	35	79	64
Interior Designer	3	9	10
Landscape Architect	2	3	2
Manufacturer/Sales Representative	7	14	18
Media	2	9	7
Person with a Disability	353	1,010	821
Property Manager	71	173	192
Property Owner	24	115	98
Realtor	17	29	28
State or Local Code Official	63	51	98
State or Local Housing Official	37	105	73
State or Local Fair Housing Official	13	14	27
Student	9	8	10
Tenant	14	70	66
Other Federal Government Official	10	20	8
Other Local/State Official	5	16	21
Don't Know	85	90	68
Other	20	42	67
Total Number of Inquiries	1,522	3,569	3,598

*Data are for the period from January 13, 2003, through September 30, 2003.

Source: BearingPoint

Table 1.3 breaks down by fiscal year the total number of inquiries received and the types of customers that contacted DCRC. DCRC received approximately the same number of calls in FY 2004 and FY 2005, with between 3,500 and 3,600 individuals contacting DCRC in each fiscal year. Architects and persons with disabilities have consistently been the most frequent users of DCRC since its establishment in 2003. During FY 2005, architects and persons with disabilities each made up slightly more than one-fifth of DCRC callers, accounting for 793 callers and 821 callers, respectively.

Table 1.4 Topics of Inquiries to DCRC by Contract Year

Topic	FY 2003*	FY 2004	FY 2005
Complaint	156	778	592
Legal/Cases/Standing	15	15	23
Reasonable Accommodation	325	1,061	926
Reasonable Modification	184	555	478
Accessible Building Entrance on an Accessible Route	240	440	323
Accessible Common and Public Use Areas	169	527	558
Usable Doors	129	167	135
Accessible Route Into and Through the Dwelling Unit	104	102	120
Accessible Light Switches, Electrical Outlets, Thermostats, and Other Environmental Controls	81	43	37
Reinforced Walls in Bathrooms	79	60	32
Usable Kitchens and Bathrooms	152	265	319
FHAA Overview	24	192	183
Materials Request	44	65	188
Retrofitting	25	28	12
Scoping/Coverage	352	776	1,456
Terms and Conditions	75	179	160
Non-Fair Housing Question	109	446	290
Training	141	166	158
Assistive Animal	123	359	254
Other	95	74	103

*Data are for the period from January 13, 2003, through September 30, 2003. Some inquiries involved more than one topic.

Source: BearingPoint

Table 1.4 lists the topics of inquiries received by DCRC since the launching of FIRST in January 2003. Scoping/coverage and reasonable accommodation have been the most frequent topics of inquiries. In FY 2005, scoping/coverage led the list of topics by a significant margin with 1,456 inquiries. The second-highest number of calls concerned reasonable accommodations, with 926 inquiries. Other frequent inquiry topics have been complaints, reasonable modification, and accessible common and public-use areas.

CHAPTER 2 OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

ACTIVITIES OF FHEO

The mission of HUD's Office of Fair Housing and Equal Opportunity (FHEO) is to create equal housing opportunities for all people in America by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, age, disability, or familial status.

FHEO carries out its mission by enforcing federal fair housing and civil rights laws, training fair housing professionals, and educating the public about fair housing rights and responsibilities. FHEO receives, investigates, and conciliates fair housing complaints; monitors HUD programs for compliance with fair housing laws; and works with other federal agencies, state and local governments, and private organizations to promote fair housing and equal opportunity in housing.

LAWS ENFORCED BY FHEO

- Title VI of the Civil Rights Act of 1964 (Title VI), as amended, which prohibits discrimination based on race, color, or national origin in programs and activities receiving federal financial assistance;
- Title VIII of the Civil Rights Act of 1968, as amended, widely known as the Fair Housing Act, which prohibits discrimination in the sale, rental, and financing of dwellings and in other housing-related transactions, on the basis of race, color, national origin, religion, sex, familial status, or disability;
- Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended, which prohibits discrimination based on disability in any program or activity receiving federal financial assistance and in HUD programs and activities;
- Section 3 of the Housing and Urban Development Act of 1968 (Section 3), which requires that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns that provide economic opportunities to low- and very low-income persons;
- Section 109 of the Housing and Community Development Act of 1974 (Section 109), as amended, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD programs, including the Community Development Block Grant Program, Urban Development Action Grants³, Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee Program. While Section 109 does not directly prohibit discrimination based on age or disability, the statute states

³ Urban Development Action Grants have not been funded since FY 1988.

that the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973 apply to these programs;

- The Architectural Barriers Act of 1968, which requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and usable by persons with disabilities;
- Title II of the Americans with Disabilities Act of 1990 (ADA), which prohibits discrimination based on disability in programs, services, and activities provided or made available by public entities. The U.S. Department of Justice has primary enforcement responsibility for Title II. HUD enforces Title II when it relates to state and local public housing, housing assistance, and housing referrals;
- The Age Discrimination Act of 1975, which prohibits discrimination based on age in programs or activities receiving federal financial assistance;
- Title IX of the Education Amendments Act of 1972, which prohibits discrimination based on sex in education programs or activities that receive federal financial assistance. The U.S. Department of Education has primary enforcement responsibility for Title IX. HUD enforces Title IX in HUD-funded educational and training programs and activities; and
- Executive Orders 11063, 12898, and 13166.

FHEO ACTIVITIES TO ENSURE EQUAL OPPORTUNITY IN HOUSING AND HUD PROGRAMS

- Receiving, investigating, and conciliating complaints of discrimination involving housing sales, rental, advertising, mortgage lending, property insurance, multifamily housing design and construction, community development, and environmental justice;
- Managing the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP), which allow HUD to partner with state and local governments and private organizations to carry out fair housing enforcement, education, and outreach activities;
- Monitoring HUD programs and activities for compliance with federal fair housing and civil rights laws and to ensure that federal housing policies affirmatively further fair housing;
- Reviewing and commenting during departmental clearances of proposed rules, handbooks, legislation, reports, and notices of funding availability as they relate to fair housing and civil rights-related program requirements;
- Establishing fair housing and civil rights requirements and fair housing policy in program regulations;
- Investigating complaints, performing compliance reviews, and providing technical assistance to help local housing authorities, multifamily housing developers, and community development agencies meet their obligations to promote economic opportunity for low- and very low-income persons;
- Monitoring government-sponsored enterprises, Fannie Mae and Freddie Mac, for compliance with the Fair Housing Act and the fair housing provisions and housing goals of the Federal Housing Enterprises Financial Safety and Soundness Act;

- Working with other government agencies on fair housing issues, such as predatory lending, lending discrimination, limited English proficiency, and environmental justice issues;
- Working with private industry groups to promote voluntary compliance with fair housing and economic opportunity requirements;
- Educating the public on their rights and housing providers on their responsibilities under the Fair Housing Act; and
- Furthering knowledge of fair housing by assisting in housing discrimination studies.

FHEO STAFFING AND BUDGET

Table 2.1 FHEO Staffing, FY 2002-FY 2005

Location	Number of Employees			
	FY 2002	FY 2003	FY 2004	FY 2005
Field Staff	492	589	560	498
Headquarters Staff	161	155	150	119
TOTAL	653	744	710	617

In FY 2005, FHEO had a total of 617 full-time equivalents (FTE). This was the lowest staff level in 4 years. Four-fifths of FHEO staff were located in regional and field offices throughout the country, while the remaining staff were located in Headquarters in Washington, DC.

Table 2.2 Congressional Allocations for Fair Housing, FY 2002-FY 2005

Program	FY 2002	FY 2003	FY 2004	FY 2005
FHEO Salaries and Expenses	\$ 58,544,211	\$ 65,747,911	\$ 68,827,885	\$ 62,246,000
FHAP Funding	\$ 25,600,000	\$ 25,482,000	\$ 27,586,275	\$ 26,288,000
FHIP Funding	\$ 20,250,000	\$ 20,118,375	\$ 20,130,525	\$ 19,840,000
TOTAL	\$104,394,211	\$111,348,286	\$116,544,685	\$108,374,000

In FY 2005, HUD's fair housing budget totaled \$108,374,000. This included more than \$62 million for salaries and expenses and more than \$46 million for HUD's two fair housing programs, the Fair Housing Assistance Program (FHAP) and the Fair Housing Initiatives Program (FHIP).

REORGANIZATION OF THE OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY

Chart 2.1 FHEO Organizational Chart, FY 2004

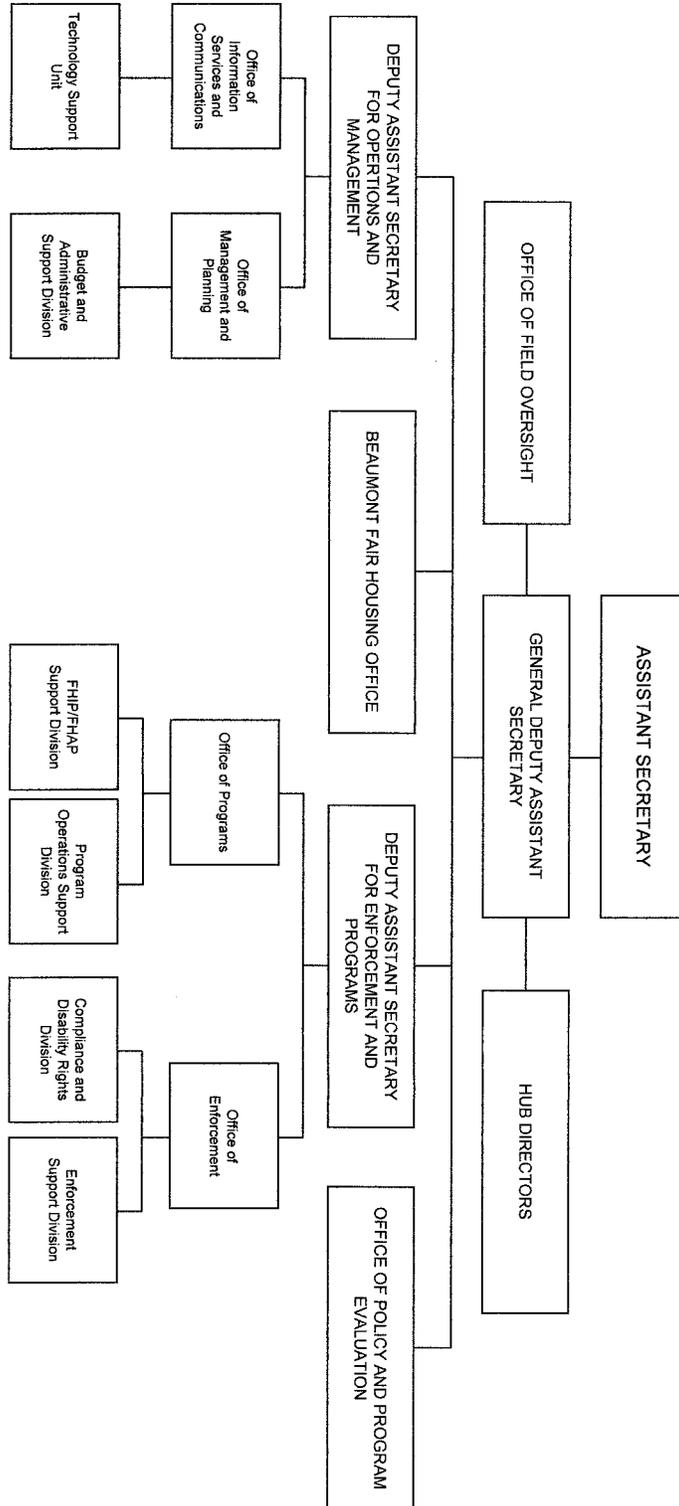
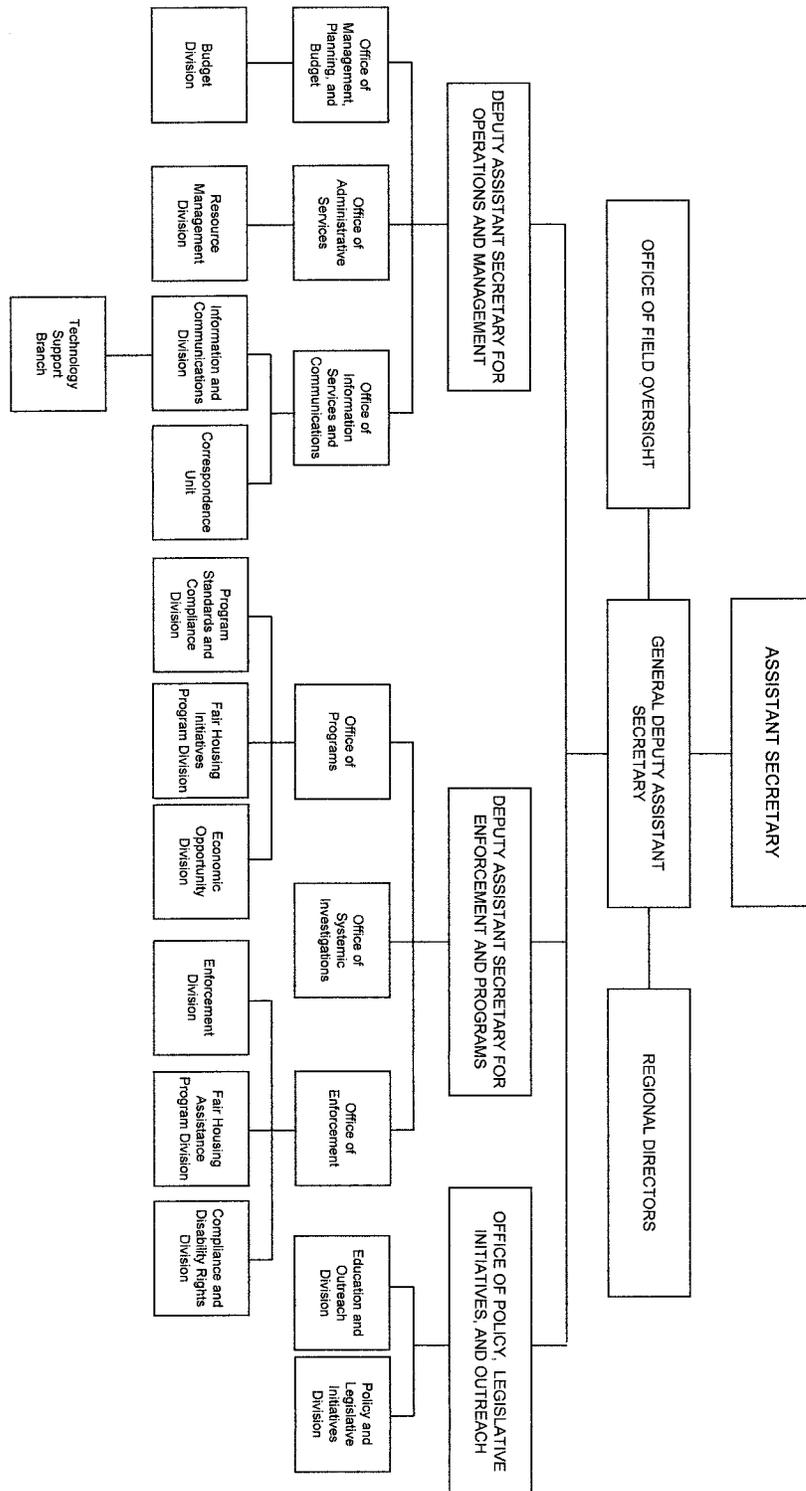


Chart 2.2 FHEO Organizational Chart, FY 2005



In January 2005, FHEO reorganized its structure to improve efficiency and management. These changes resulted in new divisions and a clearer reporting structure. The following describes the duties of the offices within FHEO and some of the changes that occurred as a result of the realignment. Charts 2.1 and 2.2 show FHEO's previous structure and the new structure after the realignment, respectively.

OPERATIONS AND MANAGEMENT

Three offices report to the Deputy Assistant Secretary for Operations and Management: (1) the Office of Management, Planning, and Budget; (2) the Office of Administrative Services; and (3) the Office of Information Services and Communications.

Office of Management, Planning, and Budget

The FY 2005 FHEO reorganization renamed the Office of Management and Planning as the Office of Management, Planning, and Budget in order to reflect the budgetary duties of this office. This office is responsible for implementing the Government Performance and Results Act (GPRA) in FHEO activities; publishing the Annual Performance Plan, the Strategic Plan, and the year-end Performance and Accountability Reports; and managing HUD's fair housing budget.

The reorganization divided the Budget and Administrative Support Division into the Office of Administrative Services, which was elevated to a separate office, and the Budget Division, which remained under the Office of Management, Planning, and Budget.

The Budget Division is responsible for budget formulation, execution, and contract administration. This Division reviews and coordinates the submission of budget estimates to the Office of Management and Budget (OMB) and Congress. It also establishes and maintains financial systems for fund control of FHEO's appropriated funds; directs the maintenance of FHEO's obligations, expenditures, and forecasts; and analyzes the accounts for the Fair Housing Initiatives Program, the Fair Housing Assistance Program, and FHEO salaries and expenses.

Office of Administrative Services

In FY 2005, FHEO established the Office of Administrative Services to provide human resource, property management, and administrative services for FHEO. The Budget and Administrative Support Division performed the duties of the Office of Administrative Services prior to the reorganization.

In the reorganization, the Resource Management Division was established under the Office of Administrative Services. The division is responsible for executing and processing all personnel and recruitment actions for FHEO.

Office of Information Services and Communication

The Office of Information Services and Communication oversees the Information and Communications Division and the Correspondence Unit. Both divisions were created in the FY 2005 FHEO reorganization.

FHEO created the Information and Communications Division in response to an increase in the volume of work from FHEO's expanded use of the Internet. The division provides technical assistance and support for FHEO activities.

The Information and Communications Division oversees the Technology Support Branch. The branch, which was previously called the Technology Support Unit, is responsible for providing the systems necessary to carry out the functions of FHEO. For example, the branch develops and maintains FHEO's case-tracking system, TEAPOTS (Title Eight Automated Paperless Office Tracking System).

FHEO established the Correspondence Unit in order to review and track congressional, White House, Secretary-level, Freedom of Information Act (FOIA), and intradepartmental correspondence.

ENFORCEMENT AND PROGRAMS

The Deputy Assistant Secretary for Enforcement and Programs manages three offices: (1) the Office of Programs; (2) the Office of Systemic Investigations; and (3) the Office of Enforcement. The Office of Programs and the Office of Enforcement each consist of three divisions.

Office of Programs

The Office of Programs consists of three divisions: (1) the Program Standards and Compliance Division; (2) the Fair Housing Initiatives Program Division; and (3) the Economic Opportunity Division. Prior to the FY 2005 reorganization, the Office of Programs consisted of the Program Standards Division and the Fair Housing Initiatives Program (FHIP)/Fair Housing Assistance Program (FHAP) Support Division.

In FY 2005, FHEO changed the name of the Program Standards Division to the Program Standards and Compliance Division to more fully reflect the scope of its activities. This division is responsible for coordinating civil rights-related program requirements for HUD programs that are covered by Title VI, Section 504, and Section 109. It provides technical assistance and training to HUD program staff on civil rights-related program requirements. The division also coordinates, implements, manages, and monitors the civil rights front-end monitoring protocol and limited monitoring protocol.

As a result of the reorganization, the FHIP/FHAP Support Division was separated into the FHIP Division and the FHAP Division. The FHIP Division remained under the Office of Programs, while the FHAP Division moved to the Office of Enforcement. The FHIP Division manages FHIP grant agreements, ensuring that grantees operate in compliance with all OMB and HUD requirements.

Under the reorganization, FHEO established the Economic Opportunity Division, which oversees HUD's administration of Section 3 of the Housing and Urban Development Act of 1968 and HUD's responsibilities under Executive Order 11246. As part of this effort, the Economic Opportunity Division monitors recipients of HUD funding for compliance with Section 3 and investigates complaints filed under this statute.

Office of Systemic Investigations

One significant outcome of the reorganization was the creation of the Office of Systemic Investigations. This office was established under the Office of the Deputy Assistant Secretary for Enforcement and Programs. This office is responsible for identifying, coordinating, conducting, and otherwise managing

the investigation of systemic complaints, Secretary-initiated investigations, and complaints involving novel or complex issues and high profile concerns. These cases include mortgage lending, homeowners insurance, and design and construction.

Office of Enforcement

The Office of Enforcement is made up of three divisions: (1) the Enforcement Division; (2) the Fair Housing Assistance Program (FHAP) Division; and (3) the Compliance and Disability Rights Division. The Enforcement Division and the Compliance and Disability Rights Division were already part of the Office of Enforcement, while the FHAP Division was added in FY 2005.

The Enforcement Division is responsible for providing national guidance and technical assistance to FHEO field offices investigating complaints filed with HUD pursuant to the Fair Housing Act. The Enforcement Division is also responsible for conducting reconsideration reviews for Fair Housing Act complaints dismissed with determinations of no reasonable cause. The division also reviews Fair Housing Act complaints to determine whether or not the First Amendment to the U.S. Constitution preempts HUD's authority to investigate the complaint. In addition, the Enforcement Division reviews preliminary findings in Title VI complaints and conducts on-site compliance reviews and investigations for Title VI complaints. Furthermore, the Office of Enforcement monitors HUD funding recipients for their compliance with Voluntary Compliance Agreements (VCAs) through complaints or compliance reviews conducted under Title VI, Section 504, and Section 109.

The FY 2005 reorganization separated the FHIP/FHAP Division by moving the FHAP Division to the Office of Enforcement, since FHAP agencies' primary activity is enforcement. The FHAP Division oversees FHAP agencies, reviews agencies for substantial equivalency, and assists FHAP agencies in processing cases.

The Compliance and Disability Rights Division formulates policies, administers compliance standards, and provides technical assistance on the design, construction, and alteration of housing and other buildings to meet the requirements for accessibility imposed by the Fair Housing Act, Section 504, and the ADA.

OFFICE OF POLICY, LEGISLATIVE INITIATIVES, AND OUTREACH

The Office of Policy, Legislative Initiatives, and Outreach consists of the Policy and Legislative Initiatives Division and the Education and Outreach Division. The Office of Policy, Legislative Initiatives, and Outreach was previously called the Office of Policy and Program Evaluation and did not have separate divisions.

The Policy and Legislative Initiatives Division assumed the duties of the Office of Policy and Program Evaluation to develop and evaluate fair housing policy. The reorganization added the function of initiating, implementing, and evaluating legislative initiatives.

As part of the reorganization, FHEO created the Education and Outreach Division. The goal of this Division is to raise public awareness of fair housing laws and HUD's role in their enforcement. The Division develops strategies for FHEO's outreach to the public and housing industry groups.

REGIONAL OFFICES OF FAIR HOUSING AND EQUAL OPPORTUNITY

The Regional Offices for FHEO are responsible for administering the Department's programs in connection with equal opportunity and civil rights in their respective regions. Regional Offices process and investigate complaints of housing discrimination, implement civil rights requirements in HUD programs, conduct compliance reviews, manage and monitor FHIP/FHAP activities, and coordinate education and outreach activities.

FHEO is divided into the following regions:

- Region 1: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
- Region 2: New Jersey and New York
- Region 3: Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
- Region 4: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Puerto Rico, and the U.S. Virgin Islands
- Region 5: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
- Region 6: Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
- Region 7: Iowa, Kansas, Missouri, and Nebraska
- Region 8: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
- Region 9: Arizona, California, Hawaii, Nevada, Guam, North Mariana Islands, American Samoa, and the Trust Territory of Pacific Islands
- Region 10: Alaska, Idaho, Oregon, and Washington

Each Regional Office has an intake branch, an FHEO Center, a program compliance branch, an enforcement branch, and a field office.

OFFICE OF FIELD OVERSIGHT

The Office of Field Oversight was previously named the Field Oversight Staff. This office is the primary point of contact between the Regional Offices and FHEO Headquarters. The Office of Field Oversight provides advice and assistance on the implementation of FHEO programs and activities in Regional and field offices. It analyzes performance data and provides input to assist in the evaluation and performance of the Regional Offices.

TRAINING IN FY 2005

TITLE VIII, INTAKE, INVESTIGATION, AND CONCILIATION HANDBOOK

The Office of Fair Housing and Equal Opportunity published portions of the revised Title VIII Intake, Investigation, and Conciliation Handbook ("Handbook") in 2005. The Handbook provides revised and new guidance on processing complaints pursuant to the Fair Housing Act and includes all aspects of the investigative process, from intake through conciliation and closure.

The former Handbook was distributed in two separate publications, in 1995 and 1998, and had not been updated to include FHEO notices and guidance published since 1998. The new Handbook includes revised conciliation guidance, with a model conciliation agreement and worksheets on damages; a revised intake chapter, which includes guidance on proper receipt and processing of complaints at intake; improved techniques for planning and conducting investigations; a revised and updated chapter on administrative closures; and a new chapter "Preparation of the Case File," which provides guidance on the proper identification and filing of evidence collected during the investigation.

Title VIII Handbook Training

In FY 2005, FHEO and Office of General Counsel (OGC) conducted three joint training sessions on the updated Handbook. The purpose of this training was to ensure consistent complaint processing throughout the country, increase participant knowledge of specific aspects of complaint processing, and improve FHEO and OGC collaboration in complaint processing. The three sessions were titled Intake, Administrative Closures, and Planning and Conducting the Investigation.

Intake provided guidance to staff involved in the complaint intake process. Attendees learned how to collect, review, and record information; interview aggrieved parties; and evaluate the jurisdiction of complaints.

Administrative Closures covered the standards and procedures for handling administrative closures, the conditions and factors that must be assessed prior to administratively closing a complaint, and a discussion of closures for lack of jurisdiction and withdrawals with resolution.

Planning and Conducting the Investigation focused on the basic steps in an investigation, documentation of the investigation, preparation of the investigation plan, and analysis of evidence.

EDUCATION AND OUTREACH TRAINING

FHEO's new Office of Education and Outreach conducted training in New Orleans, Louisiana, from August 9 through August 11, 2005. This training was attended by 22 fair housing specialists from FHEO's field offices who work on education and outreach for their regions. The purpose of the training session was to outline a strategy for FHEO's education and outreach efforts and develop measures for the effectiveness of these activities. The group created a step-by-step plan on how each region would address its education and outreach needs.

CHAPTER 3 HUD ENFORCEMENT OF THE FAIR HOUSING ACT

HUD'S INVESTIGATION OF TITLE VIII FAIR HOUSING COMPLAINTS

Congress charged HUD with enforcing the Fair Housing Act and its implementing regulations. The Fair Housing Act prohibits discrimination based on race, color, religion, national origin, sex, disability, or familial status in virtually all housing-related transactions. It covers public, assisted, and most private housing, with very few exceptions. The Fair Housing Act and its implementing regulations require HUD to investigate, attempt to conciliate, and, if necessary, adjudicate complaints of discrimination involving home sales, rentals, advertising, mortgage lending, property insurance, community development, and environmental justice.

Anyone who believes he or she has experienced housing discrimination or that a discriminatory housing practice is about to occur may file a complaint with HUD in person, by telephone, through the mail, or via the Internet. A HUD intake analyst then determines if the complaint meets minimal jurisdictional standards. For example, an intake analyst screens out complaints where allegations not covered by the Fair Housing Act, e.g., eviction for failure to pay rent. If the complaint is jurisdictional, the complainant signs the complaint, and a copy is sent to the respondent.

At no cost to the complainant, HUD fully investigates a complaint to determine if there is reasonable cause to believe that the Fair Housing Act was violated or that a violation was about to occur. HUD interviews the parties and witnesses and,

Complex Pays \$5,000 to Mother for Discrimination Against Children

Merlino v. Village on the Green, et al.

In the summer of 2004, Nora Merlino was looking for an apartment for herself and her two children in Tuckerton, New Jersey. She called Village on the Green, a 120-unit complex to inquire about the availability of a two-bedroom unit. The manager asked who would be living in the apartment. When Ms. Merlino replied it was for her and her children, the manager asked if they were of opposite sex. She said yes and was told the development had a 200-person waiting list. Ms. Merlino then had a male friend call to inquire about a two-bedroom apartment. The manager told him that two apartments would be available soon and invited him to see the units.

Ms. Merlino contacted the Fair Housing Council of Northern New Jersey, a private fair housing group in HUD's Fair Housing Initiatives Program. The Council sent a tester to Village on the Green. That tester was similarly told she could not rent a two-bedroom apartment, because she had two children of opposite sex who planned to share a room, and that such an arrangement was illegal.

The manager admitted that she had refused to permit applicants who planned to have children of opposite sex occupy the same bedroom. She said an official from the local board of health informed her that it was illegal for children of the opposite sex to occupy the same bedroom. The investigation found that there was no such ordinance.

On June 10, 2005, the parties agreed to conciliate the case. The settlement included \$5,000 in relief for Ms. Merlino, and Village on the Green agreed to repeal their rule and allow HUD monitoring.

when appropriate, conducts an on-site investigation. HUD has the authority to issue subpoenas and, when necessary, seek temporary restraining orders.

From the time of the filing of a complaint, HUD works with all parties to resolve the case through conciliation, as required by the Fair Housing Act. During the conciliation, HUD represents the public's interest in the case. Both of the parties and HUD must sign any conciliation agreement. An agreement may include a monetary payment, the requirement for the respondent and the respondent's staff to receive fair housing training, or an agreement to provide the reasonable accommodation requested by the complainant.

Housing Developers Agree to Pay \$1.2 Million for Retrofitting Improperly Constructed Building
Felchlin v. Lambert Development, et al.

Michael Felchlin purchased a unit in The Renaissance, a new luxury condominium complex in downtown San Diego, California. Mr. Felchlin uses a wheelchair because of a spinal injury from an auto accident more than 30 years ago. After spending \$15,000 of his own money to make his two-bedroom condominium wheelchair-accessible, he filed a complaint with HUD.

In June 2005, HUD negotiated a \$1.2 million settlement agreement between Mr. Felchlin and the project developer, Lambert Development LLC, contractor Roel Construction Company, and the architectural firm, Carrier Johnson.

Under the terms of the settlement, the developer will make improvements to common areas, including modifying building entrances and doors in the corridors, exercise room, and public bathrooms, and making the common area kitchen and bathrooms accessible. The remaining funds will go toward making improvements, upon request, to individual units, such as widening doors, lowering thresholds, and making lavatories accessible. Mr. Felchlin will receive \$95,000.

Throughout the conciliation process, HUD continues to investigate the complaint. If HUD finds no reasonable cause to believe that the Fair Housing Act was violated or that a violation is about to occur, the complaint is dismissed, although the complainant retains the right to pursue the matter through private litigation.

If HUD finds reasonable cause to believe that a violation occurred or is about to occur, it issues a charge of discrimination. The parties then may choose to pursue the matter before a HUD Administrative Law Judge (ALJ) or in a U.S. district court.

If the case goes before an ALJ, HUD represents the government, bringing the case on behalf of the aggrieved person. Once before an ALJ, the parties can resolve the case through a consent order signed by the judge or proceed to trial. Housing discrimination charges heard before an ALJ carry a maximum civil penalty of \$11,000 for a first offense, plus actual damages for the complainant; injunctive or other equitable relief; and attorney fees. Penalties are higher if the respondent has committed prior violations of the Act.

If either party elects federal district court, the U.S. Department of Justice represents the government while bringing the case on behalf of the aggrieved person. If discrimination is proved, a district court may

award damages for the complainant, injunctive or other equitable relief, and attorney fees. District courts also may award punitive damages.

COMPLAINTS FILED WITH HUD FOR INVESTIGATION

The following chart shows the number of complaints filed with HUD for investigation in the past 4 fiscal years. HUD actually receives significantly more complaints through its hotline, 1-800-669-9777; website; or in-person visits than is reflected in HUD’s complaint numbers. However, HUD refers any complaints within a jurisdiction with substantially equivalent laws or ordinances to the appropriate FHAP agency for investigation. For this reason, though education and outreach efforts may increase the number of complaints received by HUD, the number of complaints filed with HUD tends to decrease as jurisdictions are added to FHAP. (See Chapter 4 for an analysis of complaints filed with FHAP agencies.)

Chart 3.1 Complaints Filed with HUD for Investigation (FY 2002–FY 2005)

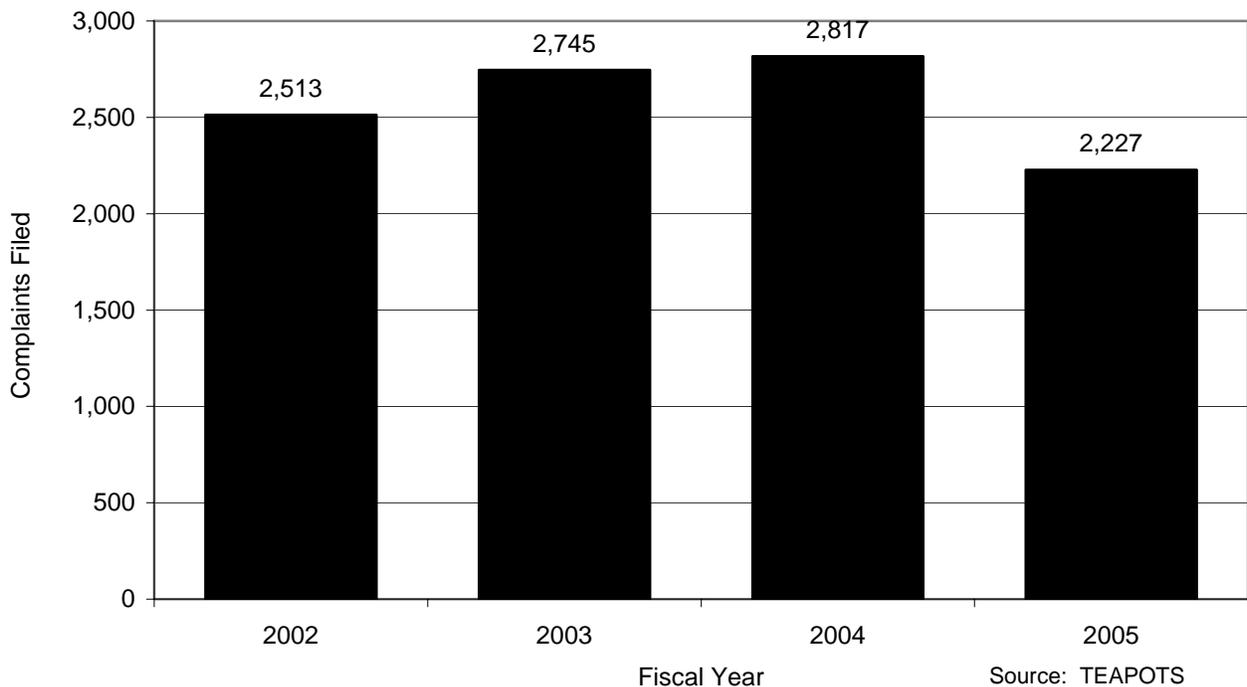


Chart 3.1 Complaints Filed with HUD for Investigation (FY 2002–FY 2005) shows that after increasing steadily for 3 years, the number of complaints filed with HUD dropped by 21 percent, or 590 complaints in FY 2005. Between FY 2002 and FY 2005, an average of 2,576 complaints were filed with HUD annually.

Bases of Complaints Filed

Any complaint filed must allege a basis for the discrimination. The Fair Housing Act lists seven prohibited bases for discrimination: race, color, religion, national origin, sex, disability, and familial status. In addition, the Fair Housing Act creates a cause of action for people who are retaliated against for having filed or assisted with a housing discrimination complaint. Table 3.1 shows the number of complaints that alleged a violation on each basis.

Table 3.1 Bases in HUD Complaints (FY 2002–FY 2005)

Basis	FY 2002		FY 2003		FY 2004		FY 2005	
	Number of Complaints	% of Total						
Disability	1,085	43%	1,183	43%	1,112	39%	1,095	49%
Race	977	39%	1,110	40%	1,130	40%	911	41%
Familial Status	349	14%	412	15%	380	13%	263	12%
Sex	265	11%	339	12%	319	11%	217	10%
National Origin	232	9%	273	10%	275	10%	203	9%
<i>National Origin- Hispanic or Latino</i>	178	7%	190	7%	199	7%	158	7%
Religion	65	3%	75	3%	191	7%	36	2%
Color	37	1%	42	2%	46	2%	18	1%
Retaliation	98	4%	94	3%	121	4%	95	4%
Number of Complaints Filed	2,513		2,745		2,817		2,227	

Percentages do not total 100 percent, because complaints may contain multiple bases.

Source: TEAPOTS

Because one complaint can allege multiple bases, the total number of bases reported in *Table 3.1 Bases in HUD Complaints (FY 2002–FY 2005)* is larger than the number of complaints filed. In FY 2005, the number of complaints filed decreased under every basis. This is due to the decrease in the number of complaints filed for investigation as seen in Chart 3.1.

With one notable exception, disability discrimination, the percentage of complaints under each basis remained fairly constant from FY 2002 through FY 2005. Though the number of disability complaints decreased, the share of complaints that alleged disability discrimination increased by 10 percentage points from FY 2004 to FY 2005. As can be seen in Table 3.2, this increase is due to a near constant number of complaints of failure to permit reasonable modifications and complaints of failure to make a reasonable accommodation, along with an increase in the number of complaints for failure to build multifamily properties in conformance with the Fair Housing Act’s accessibility requirements.

Race complaints continued to be about 40 percent of the complaints filed with HUD for investigation (41 percent in FY 2005). National origin complaints consisted of 9 percent of all the complaints filed, with national origin discrimination against Hispanics or Latino continuing to make up 7 percent of all complaints filed with HUD. Religious discrimination complaints again made up 2 percent of all complaints filed.

Familial status discrimination covers acts of discrimination against families with children or if one of the members is pregnant. In FY 2005, the percentage of complaints with an allegation of familial status discrimination fell to 12 percent, after consisting of 15 percent of HUD's complaints in FY 2003.

Homeseller Pays \$15,000 After Being Charged With Discrimination For Refusing to Sell to African American Couple

Benton, et al. v. Arnett, et al.

Marvin and Stephanie Benton, an African American couple, wanted to purchase a house in Scott, Arkansas. After looking at several homes, they decided to place an offer through their real estate agent, Wayne Smith, on a home owned by Teddy Arnett. The Bentons offered to purchase the property for \$139,900, the full list price, with the seller agreeing to pay 6 percent of the closing and prepaid fees and 3 percent of the down payment through a buyer assistance program.

Later that day, Lillie Arnett, serving as her son's agent, advised Mr. Smith that the offer was not acceptable and inquired if the Bentons were African American. Mr. Smith declined to answer the question and informed her that the inquiry was a violation of the Fair Housing Act. At 7:30 p.m., the Bentons' agent submitted their offer, which waived all requests for assistance with the closing costs, down payment, and prepaid fees, and offered \$135,900 for the home.

Two days later, the Arnetts' next-door neighbors, a white couple, offered to purchase the house for \$138,000, contingent on their ability to obtain financing. Mr. Arnett accepted their offer, and Ms. Arnett informed Mr. Smith that they had decided to accept another offer. During the conversation, Mr. Smith advised her that his clients were making a third offer of \$139,900. Ms. Arnett rejected that offer as well.

The Arnetts' neighbors did not apply for financing, and 4 months later Mr. Arnett sold the house for \$130,000 to a buyer who was white.

On October 26, 2004, HUD issued a charge of discrimination against Lillie and Teddy Arnett. On December 8, 2004, the Bentons and Arnetts agreed to settle the case. Under the terms of the settlement, Mr. Arnett will pay the Bentons \$15,000, and the Arnetts will attend fair housing training.

Issues in Complaints Filed

Any complaint of housing discrimination must specify the discriminatory actions that allegedly violated or would have violated the Fair Housing Act. HUD records these discriminatory practices in overarching categories, or the "issues." For example, a complaint alleging that a person was told there were no units available, when a unit was in fact open, would be recorded under the issue "False Representation of Nonavailability." Table 3.2 shows the number of complaints filed with HUD from FY 2002 to FY 2005 broken down by issue. After each issue, the section of the Fair Housing Act prohibiting the activity is provided. If a single complaint alleged multiple issues, it was counted once under each issue alleged.

Table 3.2 Issues in HUD Complaints (FY 2002–FY 2005)

Issue	FY 2002		FY 2003		FY 2004		FY 2005	
	Number of Complaints	% of Total						
Refusal to Sell § 804(a) and § 804(f)(1)	82	3%	74	3%	83	3%	40	2%
Refusal to Rent § 804(a) and § 804(f)(1)	581	23%	638	23%	663	24%	516	23%
Steering § 804(a) and § 804(f)(1)	21	1%	33	1%	60	2%	30	1%
Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sales of Property § 804(b) and § 804(f)(2)	1,286	51%	1,540	56%	1,742	62%	1,280	57%
Discriminatory notices, statements, or advertisements § 804(c)	145	6%	101	4%	151	5%	160	7%
False Representation of Nonavailability § 804(d)	54	2%	83	3%	67	2%	64	3%
Failure to Permit a Reasonable Modification § 804(f)(3)(A)	23	1%	27	1%	43	2%	43	2%
Failure to Make a Reasonable Accommodation § 804(f)(3)(B)	466	19%	465	17%	475	17%	445	20%
Non-Compliance with Design and Construction Requirements § 804(f)(3)(C)	59	2%	73	3%	59	2%	100	4%
Financing § 805(a)	194	8%	213	8%	185	7%	138	6%
Mortgage Redlining § 805(a)	2	>0.5%	3	>0.5%	2	>0.5%	8	>0.5%
Refusal to Provide Mortgage Insurance § 805(a)	2	>0.5%	15	1%	3	>0.5%	1	>0.5%
Coercion or Intimidation, Threats, Interference, and Retaliation § 818	367	15%	471	17%	375	13%	367	16%
Number of Complaints Filed	2,513		2,745		2,817		2,227	

Percentages do not total 100 percent, because complaints may contain multiple issues.

Source: TEAPOTS

Because one complaint can allege multiple issues, the total number of issues reported in *Table 3.2 Issues in HUD Complaints (FY 2002–FY 2005)* is larger than the total number of complaints. The decrease in complaints filed with HUD for investigation was seen in almost every issue.

In FY 2005, complaints of discriminatory refusal to sell dropped to just 40 complaints, a decrease of more than 50 percent from FY 2004. Whereas a discriminatory refusal to sell results in an outright denial of the place to live, steering is the practice of limiting the choices for housing to certain communities, streets, or neighborhoods. This practice often perpetuates racial segregation in communities. In FY 2005, complaints of steering returned to 30 complaints or 1 percent of the complaints filed with HUD.

A lender who refuses to make loans in certain neighborhoods or an insurer who refuses to insure properties in certain census tracts is considered to be “redlining.” In FY 2005, eight complaints contained allegations of discriminatory redlining. While this was an increase of just six complaints, it is significant because it was one of the few issues that had an increase in complaints in FY 2005.

When selling or renting a home, it is illegal to make, print, or publish any statement or advertisement that indicates a discriminatory limitation or a discriminatory preference. In FY 2005, 160 complaints contained an allegation of discriminatory statements, a small increase from FY 2004. Complaints of discriminatory statements consisted of 7 percent of the complaints filed with HUD in FY 2005.

“Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sale of Property” continued to be the most common issue in complaints filed with HUD, alleged in 57 percent of complaints filed with HUD.

The Fair Housing Act has provisions specific to the needs of persons with disabilities. One provision requires a housing provider to make reasonable accommodations in its rules, policies, practices, or services, if it is necessary to afford equal opportunity to a person with a disability to use and enjoy a dwelling. For example, if a housing provider does not allow pets, but a blind resident requires the use of a seeing-eye dog, the housing provider must allow the resident to have the assistance animal. If the housing provider refuses, it would be a violation of the Fair Housing Act.

HUD Charges Realty Group for Targeting Deceptive Practices to Hispanics

Puerto v. Capital Funding Group, et al.

Martha Elena Puerto and her husband, who are both Hispanic, dreamed of owning their own home. For years, they worked and saved their money, finally accumulating enough for a down payment. After some searching, they found a home in Pflugerville, Texas, with the help of their real estate agent, Liliana Ramirez of the Capital Funding Group. Capital Funding Group is a business owned and run by Anibal and Janet Silva, who acted as brokers and loan processors for Ms. Puerto.

A day or two before the closing, Mr. Silva contacted Ms. Puerto and asked her to meet him at his office between 9:00 p.m. and 10:00 p.m. to discuss the loan papers. After the Puertos and Ms. Ramirez arrived, Mr. Silva and Ms. Ramirez got into an argument, and Mr. Silva fired Ms. Ramirez and asked her to leave immediately. After Ms. Puerto’s real estate agent left, Mr. Silva told her that her interest rate was going to be raised from 9 percent to 10 percent, and that she and her husband needed a down payment of \$12,000 instead of the \$5,000 originally quoted. Ms. Puerto terminated the transaction and demanded a refund of the \$1,030 she had given them. The Silvas refused and demanded an additional \$300.

Through a different real estate agent and broker, Ms. Puerto and her husband eventually bought a different home at an interest rate of 6 percent.

During the investigation, Ms. Ramirez admitted that the Silvas targeted Hispanics and mistreated them. She said that Capital Funding Group did business with Hispanics because they felt it was easy to get them to sign documents, because they do not read or are unable to read them. Ms. Ramirez explained that the Silvas wanted money up-front and that she usually charged Hispanic customers money before they were approved for financing.

On July 12, 2005, HUD charged Anibal and Janet Silva with discriminating on the basis of national origin in violation of the Fair Housing Act in this case and three others. On August 8, 2005, an election was made to have the case tried in Federal Court.

Apartment Complex Charged with Discrimination for Refusing to Install Grab Bars

Myers v. Fleur de Lis Villas, et al.

Stacy Myers has a physical impairment that limits her ability to walk and maintain her balance. Prior to moving into her apartment at Fleur de Lis Villas in Las Vegas, Nevada, Ms. Myers informed the resident manager, Vivian McClendon, that she needed grab bars installed in her unit, but when she moved in, they were not installed. Ms. Myers made multiple requests and provided a letter from her doctor verifying her need for this accommodation, but had no success. When Ms. Myers attempted to have grab bars installed at her own expense, Ms. McClendon refused to allow them.

Fleur de Lis Villas never installed the grab bars, though installation is a normal practice of the building. Approximately one-third of its units have grab bars, and they usually have one on-site or can quickly order it.

The owner, Robert Kiermeyer informed Ms. Myers that he would not install grab bars because they would not address her problem. He told her that the property was “not equipped to handle handicapped” tenants and that she had to be “capable of independent living.” He advised her to seek housing for persons with moderate to severe disabilities because the building’s insurance only covered mild disabilities. Ms. Myers was stunned by this letter and explained her right to the installation of grab bars. She included a letter from her doctor that stated she was capable of living there.

Ms. McClendon sent Ms. Myers a notice terminating her lease, but rescinded it after receiving Ms. Myers’ response. However, the building refused to renew her 6-month lease, forcing her on a monthly lease.

Ms. Myers then received a second termination. According to Mr. Kiermeyer, the termination was issued out of concern for Ms. Myers’ safety and protection, because the management feared she would injure herself on the premises, which would pose a liability.

On June 15, 2005, HUD charged the respondents with discrimination. The case was resolved by consent order on December 1, 2005.

Similarly, the Fair Housing Act requires a housing provider to permit, at the expense of the resident, reasonable modifications to the unit if such modifications are necessary for the resident to have full enjoyment of the premises. For example, if a person in a wheelchair requires a ramp in order to access his apartment, so long as it is reasonable, the housing provider would have to permit the resident to make that modification. The housing provider would violate the Fair Housing Act if she refused.

The Fair Housing Act also requires that all multifamily properties constructed for first occupancy after 1991 must be accessible to persons with disabilities. The accessibility requirements apply to all units in a multifamily building with an elevator and to the ground floor units in multifamily properties that do not have elevators. All common spaces must be accessible regardless of building type.

In FY 2005, almost one-fourth of the complaints filed with HUD alleged discrimination under one of these issues. Complaints of illegal design and construction almost doubled, increasing from 59 in FY 2004 to 100 in FY 2005, one of the few issues to have an increase in complaints in FY 2005. Refusal to make a reasonable accommodation was alleged in 445 complaints and 43 complaints alleged a refusal to permit a reasonable modification. Though the total number of complaints filed with HUD fell by over 20 percent, the number of reasonable accommodation and reasonable modification complaints remained relatively constant.

COMPLIANCE WITH NOTICE REQUIREMENTS

HUD routinely served notice to aggrieved persons filing complaints.

The Fair Housing Act requires that, upon the filing of a fair housing complaint, HUD must serve notice to the aggrieved person. The notice acknowledges that a complaint was filed and provides information regarding important deadlines and the choice of forum provided by the Fair Housing Act.

HUD has automated this function so that, as soon as an investigator entered a complaint into HUD's database, the Title Eight Automated Paperless Office Tracking System (TEAPOTS), a notice is automatically printed out. The investigator then mails it to the aggrieved person. HUD sent notices via first class mail with return receipts. In FY 2004, HUD routinely issued notices for the 2,227 complaints filed with HUD.

HUD routinely served notice on the respondents in Fair Housing Act complaints.

The Fair Housing Act requires HUD to serve notice on each respondent within 10 days of the filing of a complaint. The notice must identify the alleged discriminatory housing practice(s) and advise the respondent of all procedural rights and obligations. A copy of the complaint must be included.

HUD has automated this function so that a notice and a copy of the complaint are automatically generated when a complaint is entered into TEAPOTS. An investigator then mails the materials to the respondent. HUD sent notice via first class mail with a return receipt, so the investigator could verify that the respondent received notice.

HUD Charges Owner who Refuses to Rent to Families *Spears v. Walter Perlick Family Trust, et al.*

In October 2003, Milwaukee, Wisconsin, resident Sharon Spears saw the following ad in the Milwaukee Journal Sentinel: "*Quiet neighborhood. 1 and 2 BR, Heat, appl. and A/C.*" This property on West Martin Drive sounded perfect for Ms. Spears and her child. When she called to inquire about the property owned by the Walter Perlick Family Trust, the manager asked if she had any children. When Spears responded that she had one child, she was told that kids were not allowed there.

Ms. Spears immediately told her mother about the conversation. Incredulous, her mother called the rental company and had the same experience—the person answering the phone told her, "I'm sorry, we don't rent to children." When pressed for an explanation, the manager explained that she was only following instructions.

Upset about this treatment, Ms. Spears called the Metropolitan Milwaukee Fair Housing Council (MMFHC), a fair housing organization in HUD's Fair Housing Initiatives Program. MMFHC conducted multiple tests confirming that Perlick and the site manager refused to rent to families with children. When one tester requested a two-bedroom for herself and her child, the on-site manager explained that because she had a child, she would have to live in another building, in which there were no vacancies. When the second tester attempted to rent a two-bedroom apartment for herself and her husband, the manager told her there was one available. He asked who it was for and how many exact people would be living in the unit. After the tester stated that it was for her and her husband, the manager confirmed that there were no kids and explained that West Martin Drive was a senior building, where everyone was age 30 or older.

On July 14, 2005, HUD charged the respondents with violating the Fair Housing Act on the basis of familial status. On August 2, 2005, an election was made to have the case tried in federal court.

In a small number of Fair Housing Act complaints, the respondent was not notified within 10 days. Pursuant to a Memorandum of Understanding (MOU) with the U.S. Department of Justice, if a criminal investigation was underway, HUD delayed notification of the respondent until the Department of Justice concluded its criminal investigation.

In FY 2005, HUD received 2,227 complaints and consistently provided respondents with notice.

CLOSURES

Chart 3.2 shows the number of investigations concluded by HUD in each of the past 4 fiscal years.

Chart 3.2 HUD Closed Complaints (FY 2002–FY 2005)

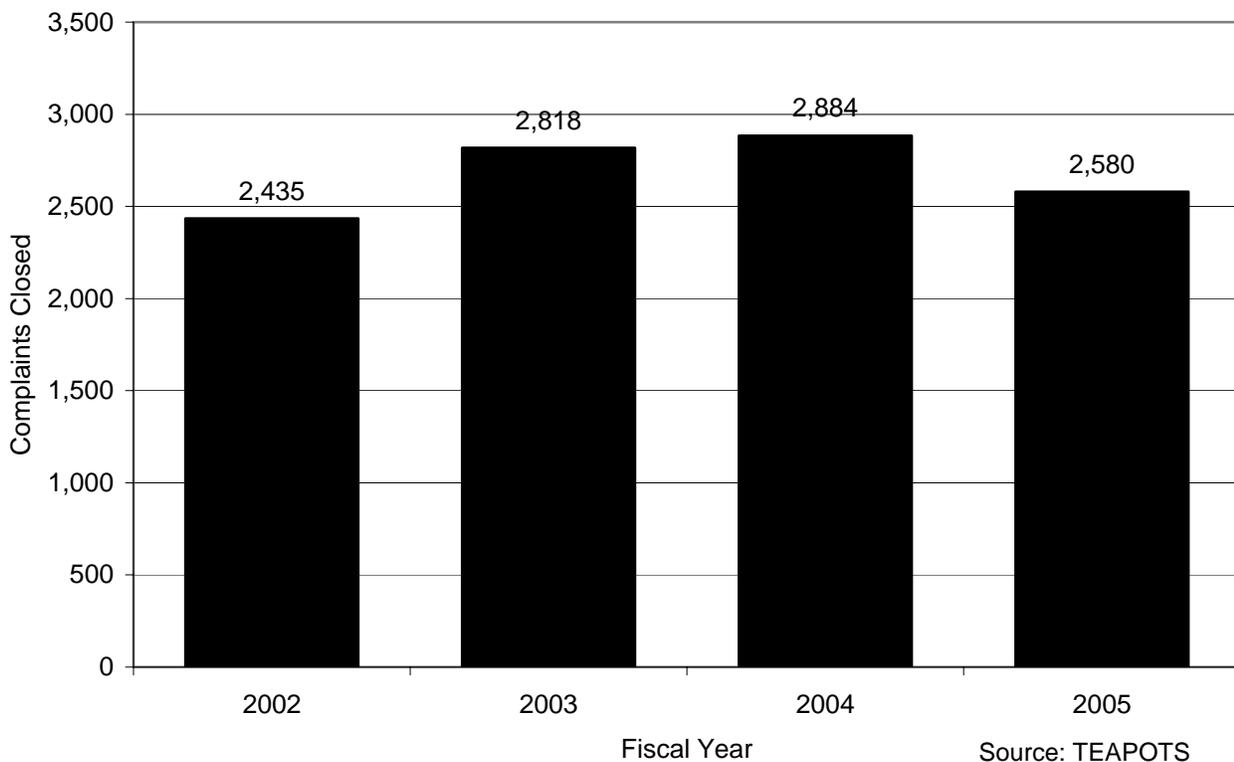


Chart 3.2 HUD Closed Complaints (FY 2002–FY 2005) shows that in FY 2005, HUD completed 2,580 investigations, a 10 percent drop from the number of complaints closed in FY 2004. This reflects the significant decrease in the number of complaints filed with HUD for investigation. From FY 2002 to FY 2005, HUD closed an average of 2,679 complaints annually.

Housing Provider Charged, Testing Evidence Shows Racial Discrimination

Jones v. Stevens

Michele Jones, a 23-year-old single white female, needed a home for herself and her daughter, who is biracial (white and African American). She was referred to a single-family home for rent outside a trailer park, where her friend lived, in Saraland, Alabama. After having her friend inquire about the house, Ms. Jones completed the application and moved in.

Ms. Stevens, the owner, monitored Ms. Jones' visitors and questioned her about any African American visitors. One day, after Ms. Jones spoke with Ms. Stevens' African American handyman, Ms. Stevens told her she didn't want him coming over to Ms. Jones' house anymore. She said, "Everybody around here knows that I don't let those people come around here. If I had known you were like that, with a mixed child, you would never have come here." She added, "The next time I rent to someone I will be sure to look the kids in the face real good."

Ms. Jones felt she was being constantly monitored and worried what Ms. Stevens would say if her daughter's father and his relatives came by to visit. She grew so uncomfortable that she and her daughter moved out.

Still shaken by the discrimination and intimidation she encountered, she contacted the Mobile Fair Housing Center (MFHC). On October 1, 2003, MFHC sent two tester families to the mobile home park. The first family consisted of a black husband, his white wife, and their biracial daughter. When the husband inquired about renting a trailer, Ms. Stevens attempted to ignore him and then accused him of working for HUD. She told him she did not have anything available and would not answer any of his questions.

Later that same day, the second tester family, who were white, called Ms. Stevens to set up an appointment. When the family arrived, Ms. Stevens apologized for being rude on the telephone. She said that HUD was investigating her and she thought he might be a secret agent for them. She further explained that she had rented to a white girl and did not know at the time that the girl had "one of those mixed babies." Ms. Stevens told the tester that she could not put up with all the loud noise and all the boys that the white girl had over, so she made her move out. Ms. Stevens showed the tester family three lots available for rental and discussed other rental information with them.

On March 28, 2005, HUD charged Ms. Stevens with discrimination on the basis of race in violation of the Fair Housing Act. On April 21, 2005, the parties elected to have the case heard in federal court.

TYPES OF CLOSURES

In FY 2005, HUD investigations resulted in the following outcomes.

Administrative Closure—An administrative closure occurs when the complainant withdraws the complaint, fails to cooperate, or can no longer be located. HUD also administratively closes complaints when it lacks jurisdiction.

Conciliation/Settlement—A complaint may be voluntarily resolved in two ways. First, pursuant to the Fair Housing Act, HUD will attempt to conciliate a complaint. If this is successful, the respondent and the complainant enter into a conciliation agreement that is approved by HUD and enforceable by DOJ. The conciliation agreement will include provisions that satisfy the public interest. A complaint may also be voluntarily resolved through a private settlement between the complainant and the respondent. A private settlement is not submitted for approval to HUD, is not enforceable by DOJ, and typically does not contain public interest relief. In FY 2005, 334 complaints were resolved through private settlement.

No Reasonable Cause Determination—After a complaint is filed, HUD fully investigates it to determine whether there is reasonable cause to believe a violation occurred or will occur. If the evidence fails to support the complaint, a no reasonable cause determination is issued.

Charge—If HUD determines that reasonable cause exists to believe that a discriminatory housing practice occurred or is about to occur, HUD issues a charge of discrimination.

Department of Justice (DOJ) Referral—HUD refers to DOJ housing discrimination matters that involve criminal allegations, a suspected pattern and practice of discrimination, or possible zoning or land use violations.

Chart 3.3 HUD Complaint Outcomes, by Type (FY 2002–FY 2005)

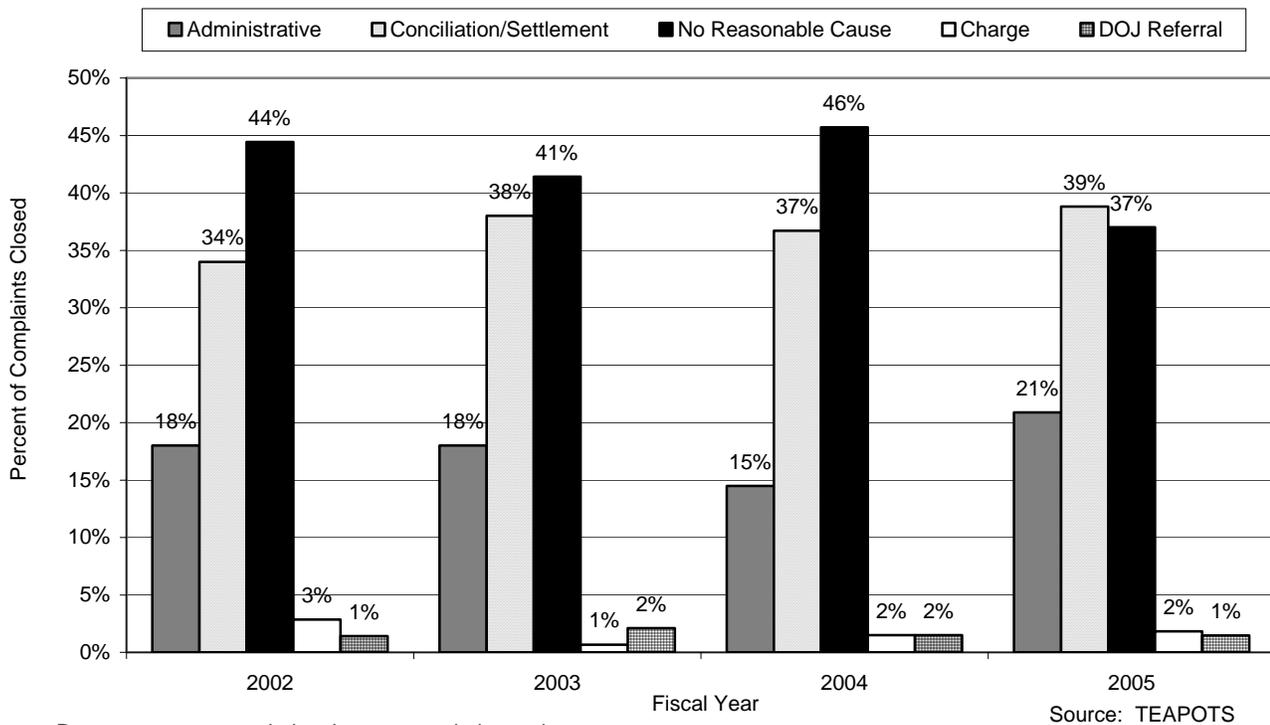


Chart 3.3 HUD Complaint Outcomes, by Type (FY 2002–FY 2005) shows that from FY 2004 to FY 2005, the proportion of complaints that HUD closed with a determination of no reasonable cause decreased from 46 percent to 37 percent. In FY 2005, HUD had its lowest percentage of such no cause determinations since FY 2000. Conciliation or settlement was, by a narrow margin, the most common way in which HUD closed complaints, representing 39 percent of all closures.

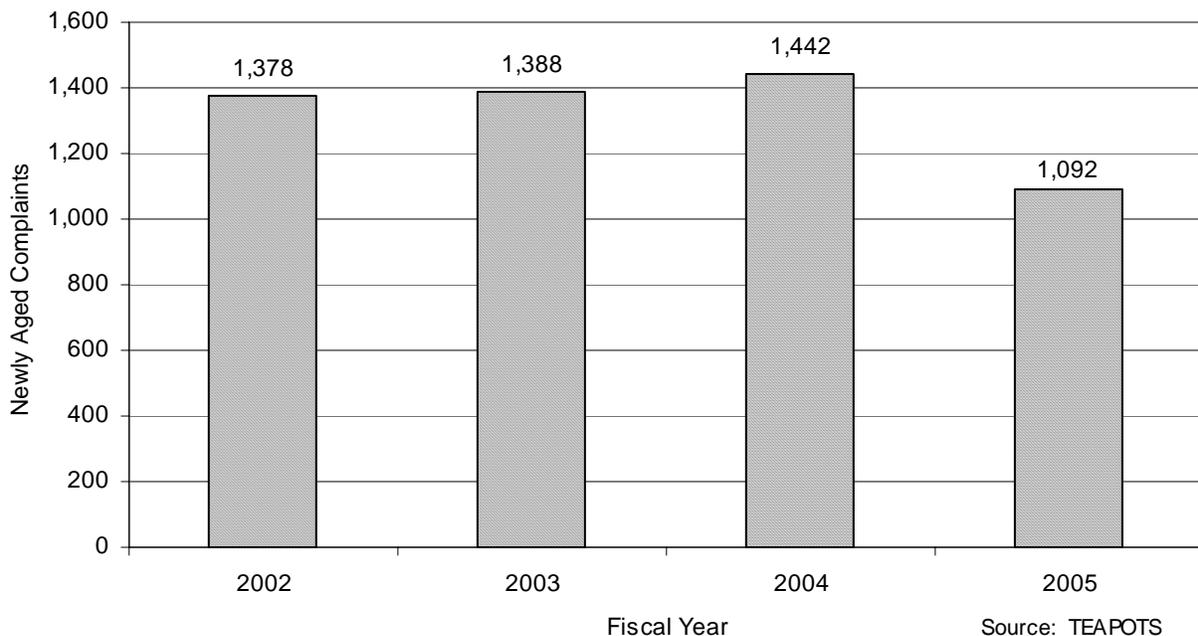
At the same time, the percentage of administrative closures increased to 21 percent of all the complaints closed. Charges of discrimination in FY 2005 remained at the same level as FY 2004. The share of complaints that were referred to DOJ decreased slightly from FY 2004 to FY 2005.

TIMELINESS OF INVESTIGATIONS

The Fair Housing Act requires that HUD complete each investigation and issue a determination within 100 days of the filing of the complaint, unless it is impracticable to do so.

Congress requires HUD to report annually on the number of investigations that are not completed within 100 days of the filing of a complaint. In other words, HUD must report the number of investigations that pass the 100-day mark in that fiscal year. These complaints could have been filed with HUD in FY 2004 or FY 2005. The chart below shows the number of investigations that exceeded that mark in each of the previous 4 fiscal years.

Chart 3.4 HUD Newly Aged Complaints (FY 2002–FY 2005)



In FY 2005, 1,092 investigations passed the 100-day mark, a decrease of 350 from FY 2004. This drop of 24 percent was slightly higher than the 20 percent decrease in complaints filed with HUD, indicating that a smaller percentage of HUD’s complaints were being allowed to pass the 100-day mark.

Completion of these 1,092 investigations within 100 days was impracticable when a case involved a great number of witnesses or respondents, large volumes of evidence, or particularly complex evidence.

ADJUDICATING FAIR HOUSING COMPLAINTS

Administrative Law Judges (ALJs) adjudicate the Fair Housing Act complaints that HUD brings on behalf of aggrieved persons, when neither party elects to proceed in federal court. In addition to conducting HUD’s administrative hearings, ALJs assist parties with settlement negotiations, provide training to the public and attorneys, and facilitate mediation. Table 3.3 shows the outcome of ALJ cases in FY 2005.

Table 3.3 Administrative Outcomes, FY 2005

Number	Status
39	Election to U.S. District Court
13	Settlement by consent order
1	ALJ dismissed on initial decision
1	Secretary withdrew the case to reissue the charge
4	Secretary withdrew the charge due to private settlement
1	ALJ dismissed the case due to private settlement

Sources: ALJ Database and TEAPOTS

Table 3.3 Administrative Outcomes, FY 2005 shows the outcome of each case potentially before a HUD ALJ in FY 2005. In 39 of the cases, the aggrieved person or the respondent elected to go to federal court. In 13 of the cases, the aggrieved person and the respondent, with approval by HUD, opted to settle the complaint with an initial decision and consent order issued by an ALJ. Table 3.4 provides additional detail on the charges that settled by consent order. One case was dismissed by the ALJ. In another case the Secretary withdrew the charge in order to reissue it. In four cases, the Secretary withdrew the charge, because the parties had settled the complaints privately, and in one additional complaint the ALJ dismissed the case because the parties settled privately.

Table 3.4 Post-Charge Consent Orders, FY 2005

Basis of Charge	Damages	Civil Penalties
National Origin (Not Hispanic or Latino)	\$ 23,000	
Race (Black or African American)	\$ 7,000	
Race and color (Black or African American)	\$ 70,000	
Familial Status (Children Under 18)	\$ 4,250	
Familial Status (Children Under 18)	\$ 6,000	
Race and color (Black or African American)	\$ 15,000	
Race and color (Black or African American)	\$ 1,600	
Race and color (Black or African American)	\$ 7,500	
Disability (Physical)	\$ 2,500	
Disability (Physical)	\$ 1,000	
Familial Status (Children Under 18)	\$ 5,000	\$ 2,000
Race (Black or African American)	\$ 10,000	
Disability (Physical)	\$ 3,000	

Sources: ALJ Database and TEAPOTS

Table 3.4 Post-Charge Consent Orders, FY 2005 shows the 13 complaints that resulted in consent orders in FY 2005. In total, \$157,850 was recovered through consent orders.

CHAPTER 4 THE FAIR HOUSING ASSISTANCE PROGRAM

FAIR HOUSING ASSISTANCE PROGRAM (FHAP)

State and local agencies in HUD's Fair Housing Assistance Program (FHAP) play a significant role in enforcing the fair housing laws of this nation.

FHAP provides funding to state and local fair housing enforcement agencies for capacity building, complaint processing, training, and information systems designed to further fair housing within each FHAP agency's jurisdiction. FHAP agencies are paid for each case that they investigate. The amount they receive is based on the timeliness and the quality of the investigation.

To participate in FHAP, a jurisdiction must demonstrate that it enforces a fair housing law that provides rights, remedies, procedures, and opportunities for judicial review that are substantially equivalent to those provided by the federal Fair Housing Act.

In FY 2005, HUD added two agencies to the FHAP program. The City of North Olmsted (Ohio) joined the program on December 6, 2004. The Geneva (New York) Human Rights Commission joined on July 26, 2005. By the end of FY 2005, 103 FHAP agencies were in 37 states and the District of Columbia; 89 percent of the population of the United States lived within the jurisdiction of a FHAP agency.

Housing Provider Found Guilty of Discrimination against Interracial Couple

Morales v. Villa 26 and Jackson v. Villa 26

Adrienne Morales, who is Hispanic and Irish, was searching for an apartment in Lawrence, Kansas, for her and her boyfriend, Wayne Johnson, who is African American. When she went to Villa 26, she was given an enthusiastic tour by the manager Lynn Sander. She told the manager that she needed to come back and show her boyfriend the place. Ms. Sanders did not ask about their marital status. When they returned to view the apartment, Ms. Sanders was cold to them and refused to give a tour to Mr. Jackson. Later that week, Ms. Sanders called Ms. Morales to inform her that she was rejecting their application because they were unmarried and she felt it would be a sin to rent to them.

Ms. Morales and Mr. Jackson filed complaints of housing discrimination with the Lawrence County Human Relations Commission. During the investigation, Villa 26 claimed that it changed its policies around the time that Ms. Morales and Mr. Jackson were looking for housing. However, after Villa 26 rejected their application, it rented two apartments to unmarried white couples. In addition, Villa 26 did not inform residents of the building of this change in policy, and continued to permit an unmarried white couple to reside there.

On May 12, 2005, a jury in Douglas County District Court determined that the defendants had intentionally engaged in racial discrimination. Ms. Morales and Mr. Jackson were awarded \$3,390 in actual damages and \$76,000 in punitive damages. In addition, the defendant had to pay \$35,000 in attorney's fees to the Lawrence County Human Relations Commission.

Table 4.1 FHAP Agencies, by State, FY 2005

State	FHAP Agencies
Arizona	State: Arizona Attorney General's Office Localities: City of Phoenix Equal Opportunity Department
Arkansas	State: Arkansas Fair Housing Commission
California	State: California Department of Fair Employment and Housing
Colorado	State: Colorado Civil Rights Division
Connecticut	State: Connecticut Commission on Human Rights and Opportunities
Delaware	State: Delaware Division of Human Relations
District of Columbia	State: District of Columbia Office of Human Rights
Florida	State: Florida Commission on Human Rights Localities: City of Bradenton Community Development Department Broward County Office of Equal Opportunity Hillsborough County Board of County Commissioners Jacksonville Human Rights Commission Lee County Office of Equal Opportunity Orlando Human Relations Department Palm Beach County Office of Human Rights Pinellas County Office of Human Rights St. Petersburg Human Relations Department City of Tampa Office of Community Relations
Georgia	State: Georgia Commission on Equal Opportunity
Hawaii	State: Hawaii Civil Rights Commission
Illinois	State: Illinois Department of Human Rights Localities: Springfield Community Relations Commission
Indiana	State: Indiana Civil Rights Commission Localities: Elkhart Human Relations Commission Fort Wayne Metropolitan Human Relations Commission Gary Human Relations Commission Hammond Human Relations Commission South Bend Human Relations Commission

State	FHAP Agencies
Iowa	<p>State: Iowa Civil Rights Commission</p> <p>Localities: Cedar Rapids Civil Rights Commission Davenport Civil Rights Commission Des Moines Human Rights Commission Dubuque Human Rights Commission Mason City Human Rights Commission Sioux City Human Rights Commission Waterloo Commission on Human Rights</p>
Kansas	<p>Localities: Lawrence Human Relations Commission Community and Neighborhood Services Department, City of Olathe Salina Human Relations Department City of Topeka Human Relations Commission</p>
Kentucky	<p>State: Kentucky Commission on Human Rights</p> <p>Localities: Lexington-Fayette Urban County Human Rights Commission Louisville Metro Human Relations Commission</p>
Louisiana	<p>State: Louisiana Public Protection Division</p>
Maine	<p>State: Maine Human Rights Commission</p>
Maryland	<p>State: Maryland Commission on Human Relations</p>
Massachusetts	<p>State: Massachusetts Commission Against Discrimination</p> <p>Localities: Boston Fair Housing Commission Cambridge Human Rights Commission</p>
Michigan	<p>State: Michigan Department of Civil Rights</p>
Missouri	<p>State: Missouri Commission on Human Rights</p> <p>Localities: Kansas City (MO) Human Relations Department</p>
Nebraska	<p>State: Nebraska Equal Opportunity Commission</p> <p>Localities: Lincoln Commission on Human Rights Omaha Human Relations Department</p>
New Jersey	<p>State: New Jersey Division on Civil Rights</p>
New York	<p>State: New York State Division of Human Rights</p> <p>Localities: Geneva Human Rights Commission Rockland County Commission on Human Rights</p>

State	FHAP Agencies
North Carolina	<p>State: North Carolina Human Relations Commission Localities: Asheville/Buncombe County Community Relations Council City of Asheville City of Charlotte/Mecklenburg County Community Relations Committee Durham Human Relations Commission Greensboro Human Relations Department New Hanover County Human Relations Commission Orange County Department of Human Rights and Relations Winston-Salem Human Relations Commission</p>
North Dakota	<p>State: North Dakota Department of Labor</p>
Ohio	<p>State: Ohio Civil Rights Commission Localities: City of North Olmsted Department of Law Dayton Human Relations Council Parma Law Department Shaker Heights Fair Housing Review Board</p>
Oklahoma	<p>State: Oklahoma Human Rights Commission</p>
Pennsylvania	<p>State: Pennsylvania Human Relations Commission Localities: Lancaster County Human Relations Commission Pittsburgh Human Relations Commission Reading Commission on Human Relations York City Human Relations Commission</p>
Rhode Island	<p>State: Rhode Island Commission for Human Rights</p>
South Carolina	<p>State: South Carolina Human Affairs Commission</p>
Tennessee	<p>State: Tennessee Human Rights Commission Localities: City of Knoxville Department of Community Development</p>
Texas	<p>State: Texas Workforce Commission Localities: Austin Human Rights Commission City of Corpus Christi Department of Human Relations City of Dallas Fair Housing Office Fort Worth Human Relations Commission Garland Office of Housing and Neighborhood Services</p>
Utah	<p>State: Utah Anti-Discrimination Division</p>
Vermont	<p>State: Vermont Human Rights Commission</p>
Virginia	<p>State: Virginia Department of Professional and Occupational Regulation, Fair Housing Administration Localities: Fairfax County Human Rights Commission</p>

**INVESTIGATION OF FAIR HOUSING
COMPLAINTS BY FHAP AGENCIES**

FHAP agencies receive complaints in a number of ways. They receive complaints directly from the public, via telephone, the Internet, or in person. In addition, FHAP agencies receive complaints from HUD. If HUD receives a housing discrimination complaint that falls within the jurisdiction of one of its FHAP agencies, HUD will refer the complaint to that agency.

After receiving a complaint, the FHAP agency will interview the complainant and draft a formal complaint. This complaint will be signed by the complainant and then served on the respondent, who is given an opportunity to answer the complaint.

The FHAP agency will fully investigate the complaint in a timely manner and, throughout each investigation, work with the parties to conciliate the complaint.

If a FHAP agency is unable to conciliate a complaint successfully, it determines whether there is reasonable cause to believe that housing discrimination occurred or was about to occur. If the FHAP agency finds no reasonable cause to believe that discrimination occurred or was

about to occur, the complaint is dismissed, although the complainant retains the right to pursue the matter through private litigation.

If a FHAP agency finds reasonable cause to believe housing discrimination occurred or was about to occur, the agency litigates the complaint in an administrative proceeding or in civil court. The system of adjudication is set forth in each jurisdiction's fair housing law.

In FY 2005, more than three-fourths of the complaints within HUD's jurisdiction were filed with a FHAP agency.

**Housing Provider Pays \$1 Million
After Refusing to Provide an Accessible Parking
Space for 5 Years**

Carper v. Globus Enterprises, et al.

Shirley Carper has a degenerative joint disease in her knees, which causes her to have trouble using stairs. She lived at 2001 California, in San Francisco, California, for 24 years, raising her two children there. Ms. Carper had a parking space in the lower level of the parking garage, and to get to her home from there she had to climb 14 steep metal stairs, which aggravated her knees. In May 2000, Ms. Carper requested a parking space on the upper level as a reasonable accommodation to her disability. Despite her repeated requests, the building's owners would not give her an upper-level parking space and instead sent her upsetting letters questioning her ailment.

Ms. Carper sought help from Project Sentinel, a private fair housing group in the Fair Housing Initiatives Program (FHIP). Project Sentinel submitted additional requests and explained the need for this parking space to her landlord, but 2001 California continued to refuse to provide Ms. Carper with a parking space. Having no success, Project Sentinel assisted Ms. Carper in filing a complaint with the California Department of Fair Employment and Housing.

On November 4, 2005, the parties settled in Superior Court, providing \$1 million in compensatory damages and an upper-level parking space for Ms. Carper, and \$2,650 to Project Sentinel as compensation for the resources it expended assisting Ms. Carper.

COMPLAINT FILINGS

In FY 2005, FHAP agencies were present in 37 states and the District of Columbia. Chart 4.2 shows the annual number of complaints filed with FHAP agencies in the past 4 years.

Chart 4.2 Complaints Filed with FHAP Agencies (FY 2002–FY 2005)

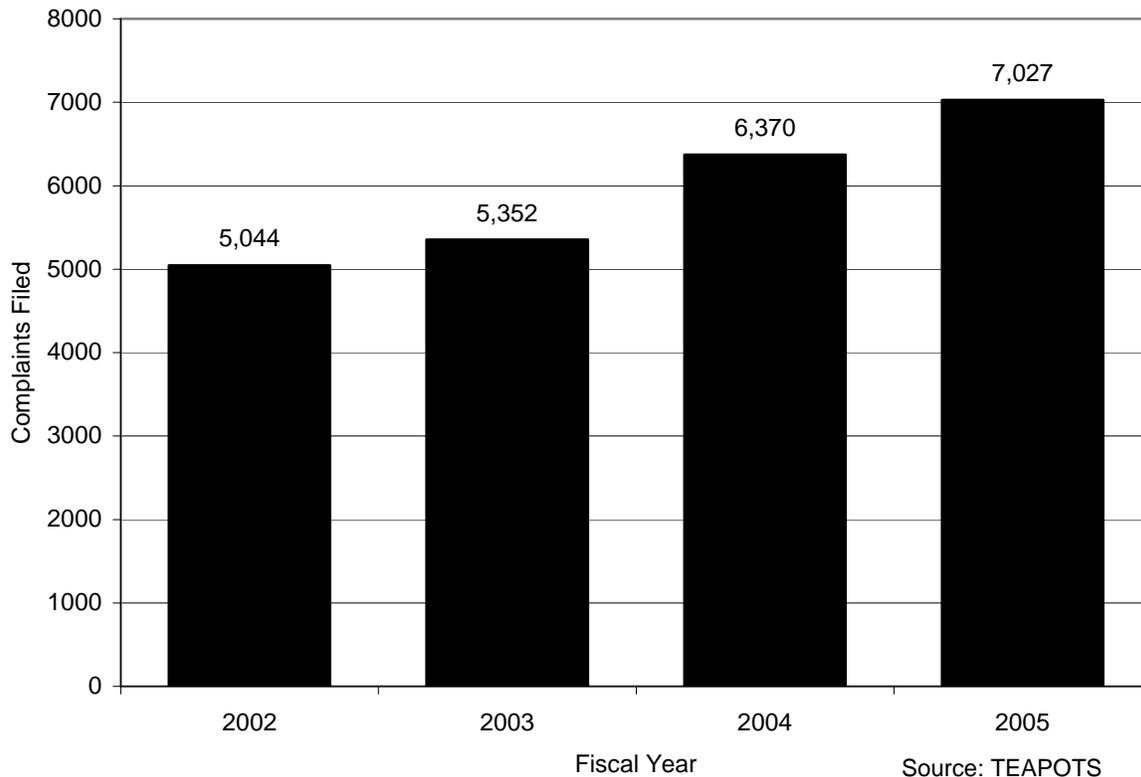


Chart 4.2 Complaints Filed with FHAP Agencies (FY 2002–FY 2005) shows that the number of complaints filed with FHAP agencies has increased every year for the past 3 years. In FY 2005, FHAP agencies received 7,027 complaints, a 10 percent increase over FY 2004, and the largest number of complaints filed with FHAP agencies since Congress passed the Fair Housing Amendments Act in 1988.

A substantially equivalent state law must include the seven prohibited bases enumerated in the federal Fair Housing Act: race, color, religion, national origin, sex, disability, and familial status. A substantially equivalent state law must also prohibit acts of retaliation against a person for having filed or assisted with a housing discrimination complaint. Table 4.2 shows the number of complaints filed under each basis.

BASES IN COMPLAINTS FILED

Table 4.2 Bases in Complaints Filed for Investigation by FHAP Agencies (FY 2002–FY 2005)

Basis	FY 2002		FY 2003		FY 2004		FY 2005	
	Number of Complaints	% of Total						
Race	1,972	39%	2,075	39%	2,382	37%	2,561	36%
Disability	1,773	35%	1,969	37%	2,371	37%	2,671	38%
National Origin	677	13%	770	14%	993	16%	1,022	15%
<i>National Origin-Hispanic or Latino</i>	459	9%	511	10%	717	11%	702	10%
Familial Status	869	17%	879	16%	977	15%	1,151	16%
Sex	590	12%	592	11%	678	11%	744	11%
Religion	135	3%	162	3%	169	3%	182	3%
Color	149	3%	139	3%	124	2%	124	2%
Retaliation	291	6%	310	6%	320	5%	357	5%
Number of Complaints Filed	5,044		5,352		6,370		7,027	

Percentages do not total 100 percent, because complaints may contain multiple bases.

Source: TEAPOTS

There can be multiple bases for filing a single complaint. As a result, the total number of bases reported in *Table 4.2 Bases in Complaints Filed for Investigation by FHAP Agencies (FY 2002–FY 2005)* is larger than the number of complaints filed. In keeping with the 10 percent rise in complaints filed with FHAP agencies, the number of complaints filed under almost every basis increased in FY 2005.

In FY 2005, discrimination on the basis of disability became the most common complaint filed with FHAP agencies for the first time since the Fair Housing Amendments Act was passed in 1988. There were 2,671 such complaints filed—this was 38 percent of the total complaints filed. A large part of this increase was due to the rise in reasonable accommodation complaints, as can be seen in Table 4.3.

Race complaints continue to make up a large percentage of the complaints filed with FHAP agencies. In FY 2005, 36 percent, or 2,561 complaints, contained an allegation of race discrimination. Though more complaints were filed under each basis, the share of complaints alleging discrimination based on national origin, familial status, sex, or religion remained almost constant. Complaints alleging retaliation followed the same pattern.

The number of national origin complaints that alleged discrimination against Hispanics or Latinos decreased slightly, falling from 717 complaints in FY 2004 to 702 complaints in FY 2005. Despite this, national origin complaints increased.

**Parties Agree to Resolve Complaint of Discrimination
Based on Religion in Land Sale**

Lee v. Lytle, et al.

Cui Ye Lee was searching for one lot of land on which she could build her home. She found a 2.5 acre lot in Mims, Florida, owned by Susan Lytle. Ms. Lee met with Ms. Lytle and offered her \$68,000 cash with a down payment of \$10,000 for the lot. Ms. Lytle, who was asking for \$70,000, agreed to the offer if Ms. Lee paid the closing costs. The next day, Ms. Lee called Ms. Lytle about an hour before she was due to sign the contract and deliver the down payment. During that conversation, Ms. Lytle informed her that she had decided to take the lot off the market.

Ms. Lee is a practicing Buddhist who wears a Buddha around her neck. She suspected she had been discriminated against and filed a complaint with the Florida Commission on Human Rights. The commission sent two testers to the property. Ms. Lytle told the first tester that the lots were \$70,000 each. The tester responded that she only had \$65,000. Ms. Lytle said that if the tester would agree to use her son as the builder, she would agree to \$65,000 and her son would give her a \$5,000 credit toward the building costs. When the second tester called, Ms. Lytle told her, "You sound like a good Christian."

Ms. Lee went to the lot again and saw that 'For Sale' signs were still up, so she asked if the property was still available. Ms. Lytle stated that the property was not available because the access road was not built.

Ms. Lytle sold the property to another couple for \$75,000. When that couple sought to purchase the lot, Ms. Lytle informed the couple that she was a Christian, and told them, "If you want the lot, you need to go home and pray."

The Florida Commission on Human Rights charged Ms. Lytle with discrimination on the basis of religion. The parties settled the case on August 30, 2005, through a judicial consent order. Ms. Lytle agreed to pay Ms. Lee \$20,000.

ISSUES IN COMPLAINTS FILED

A complaint must allege a discriminatory action that is prohibited by the state or locality's substantially equivalent fair housing law. HUD tracks these discriminatory actions using broad categories called "issues." Table 4.3 sorts by issue the number of complaints filed with FHAP agencies from FY 2002 to FY 2005. If a complaint alleged multiple issues, it was counted under each issue. While these complaints would be filed under the state or locality's substantially equivalent fair housing law, for convenience, the table refers to the section of the federal Fair Housing Act that would apply to that issue.

Table 4.3 Issues in FHAP Complaints (FY 2002–FY 2005)

Issue	FY 2002		FY 2003		FY 2004		FY 2005	
	Number of Complaints	% of Total						
Refusal to Sell § 804(a) and §804(f)(1)	202	4%	213	4%	243	4%	331	5%
Refusal to Rent § 804(a) and § 804(f)(1)	1,408	28%	1,238	23%	1,543	24%	1,760	25%
Steering § 804(a) and § 804(f)(1)	44	1%	38	1%	44	1%	56	1%
Terms, Conditions, Privileges, Services and Facilities in the Rental or Sale of Property § 804(b) and § 804 (f)(2)	2,879	57%	2,898	54%	3,464	54%	3,960	56%
Discriminatory notices, statements, or advertisements § 804(c)	397	8%	339	6%	393	6%	480	7%
False Representation of Nonavailability § 804(d)	112	2%	123	2%	149	2%	185	3%
Failure to Permit a Reasonable Modification § 804(f)(3)(A)	75	1%	72	1%	108	2%	117	2%
Failure to Make a Reasonable Accommodation § 804(f)(3)(B)	800	16%	812	15%	996	16%	1,220	17%
Non-Compliance with Design and Construction Requirements § 804(f)(3)(C)	89	2%	137	3%	237	4%	233	3%
Financing § 805(a)	251	5%	285	5%	361	6%	385	5%
Mortgage Redlining § 805(a)	8	>0.5%	2	>0.5%	16	>0.5%	6	>0.5%
Refusal to Provide Mortgage Insurance § 805(a)	10	>0.5%	40	1%	8	>0.5%	3	>0.5%
Coercion or Intimidation, Threats, Interference, and Retaliation § 818	553	11%	632	12%	716	11%	825	13%
Number of Complaints Filed	5,044		5,352		6,370		7,027	

Percentages do not total 100 percent, because complaints may contain multiple issues.

Source: TEAPOTS

Table 4.3 Issues in FHAP Complaints (FY 2002–FY 2005) shows the number and percentage of the major issues in complaints received by FHAP agencies. In keeping with the 10 percent increase in complaints seen in Table 4.1, complaints increased under almost every category.

The majority of complaints filed with FHAP agencies (56 percent) included an allegation of discrimination in the “Terms, Conditions, Privileges, Services, and Facilities in the Rental or Sale of Property.” This includes cases where a landlord charges families with children a higher security deposit or where a homeowners association refuses to allow a Jewish family to display a Hanukkah menorah while permitting Christmas displays.

The second most common issue was “Refusal to Rent,” which was alleged in almost one-fourth of all FHAP complaints. Complaints alleging that someone refused to sell a home for a discriminatory reason made up 5 percent of HUD’s cases.

In addition to outright refusing to sell or rent, it is also illegal to falsely deny availability. This makes it illegal for a landlord to tell a prospective Hispanic renter that he has no vacancies when the landlord actually has apartments available. Complaints of false denials increased by 24 percent, to 185 complaints. Three percent of complaints filed with FHAP agencies included such allegations.

It is also illegal to steer people to homes on a discriminatory basis. For example, when an African American couple is searching for a home, it is illegal for a real estate agent to automatically limit their home search to neighborhoods with large minority populations. Complaints of discriminatory steering increased by 27 percent, to 56 complaints in FY 2005.

An advertisement for housing cannot indicate a preference or limitation based on race, color, religion, national origin, sex, disability, or familial status. For example, if a landlord published an advertisement in a newspaper stating “Christians only” or “No kids,” both the newspaper and the landlord would be in violation of the Fair Housing Act. In addition, it is illegal for a couple selling their home to tell prospective buyers that they want a white couple to purchase it. Complaints of discriminatory advertisements or statements increased by 22 percent, to 480 complaints.

The Fair Housing Act has three provisions that assist persons with disabilities to have an equal opportunity to use and enjoy their housing. First, the Fair Housing Act requires that a housing provider must make a reasonable accommodation in its rules, policies, practices, or services, if it is necessary for a person with a disability to use and enjoy their home. Second, persons with disabilities must be permitted at their own expense to modify the property in reasonable ways as is necessary for them to use and enjoy their home. Finally, the Fair Housing Act requires that all multifamily properties constructed for first occupancy after 1991 must be accessible to persons with mobility impairments. The accessibility requirements apply to all units in a multifamily building with an elevator and the ground floor units in multifamily properties that do not have elevators. All of the common spaces must be accessible regardless of building type.

Complaints of refusal to permit a reasonable modification increased by just nine complaints from FY 2004 to FY 2005. Complaints of failure to comply with design and construction requirements decreased by four complaints from FY 2004 to FY 2005. More than 1,200 reasonable accommodation complaints were filed with FHAP agencies in FY 2005. This was a 22 percent increase over FY 2004. This increase accounts for a significant portion of the overall increase in disability discrimination complaints filed in FY 2005 (Chart 4.1).

CLOSURES

Chart 4.3 FHAP Closed Complaints (FY 2002–FY 2005) shows the total number of complaints closed by FHAP agencies in each of the past 4 fiscal years.

Chart 4.3 FHAP Closed Complaints (FY 2002–FY 2005)

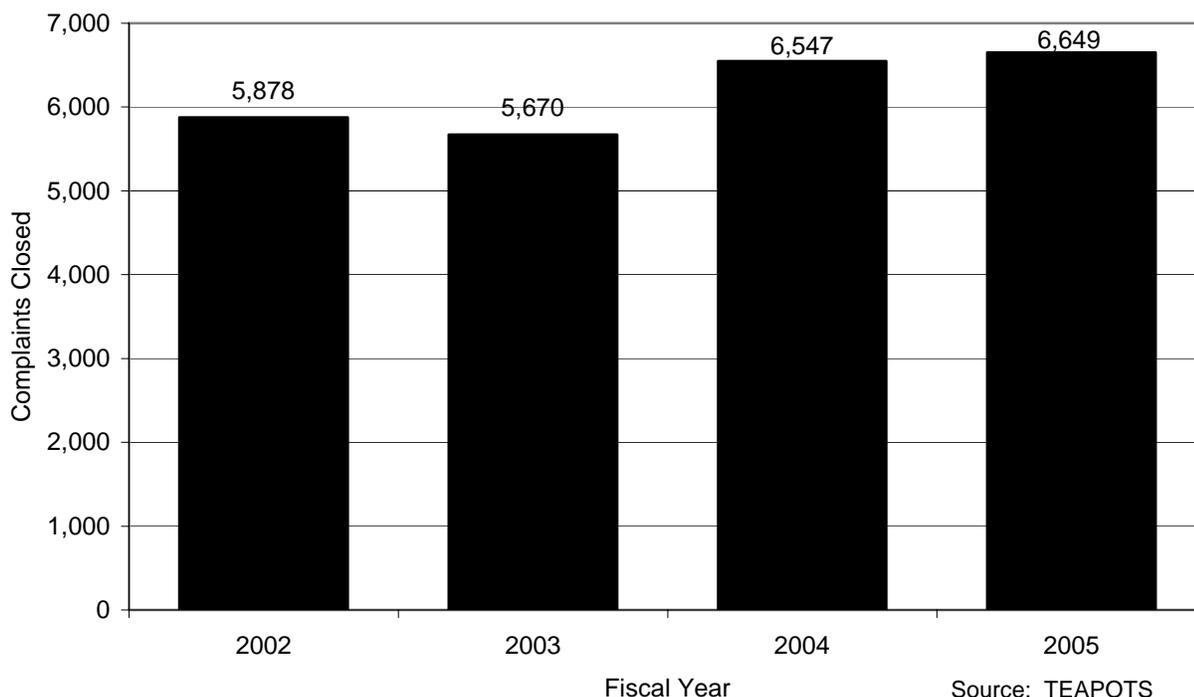


Chart 4.3 FHAP Closed Complaints (FY 2002–FY 2005) shows that in FY 2005, FHAP agencies closed 6,649 complaints. This was an increase of 102 complaints or 1.5 percent over FY 2004. In the past 4 fiscal years, FHAP agencies have closed an average of 6,186 complaints annually.

Types of Closures

FHAP agencies closed complaints in the following ways:

Administrative Closure—An administrative closure occurs when the complainant withdraws the complaint, fails to cooperate, or can no longer be located. Cases are also administratively closed for lack of jurisdiction.

Conciliation/Settlement—A complaint is closed in this way when it is resolved by a voluntary agreement. The agreement protects the rights of the complainant, the respondent, and the public. The FHAP agency is usually a party to the agreement, although this type of closure also includes private agreements between the complainant and respondent. In FY 2005, 794 complaints closed with private settlements.

No Reasonable Cause Determination—After a complaint is filed, a FHAP agency fully investigates it to determine whether there is reasonable cause to believe a violation occurred or will occur. If the evidence fails to support the complaint, the FHAP agency issues a no reasonable cause determination.

Reasonable Cause Determination—If the investigation yields reasonable cause to believe that a violation has occurred or is about to occur, the FHAP agency issues a determination of reasonable cause.

Chart 4.4 FHAP Complaint Outcomes, by Type (FY 2002–FY 2005)

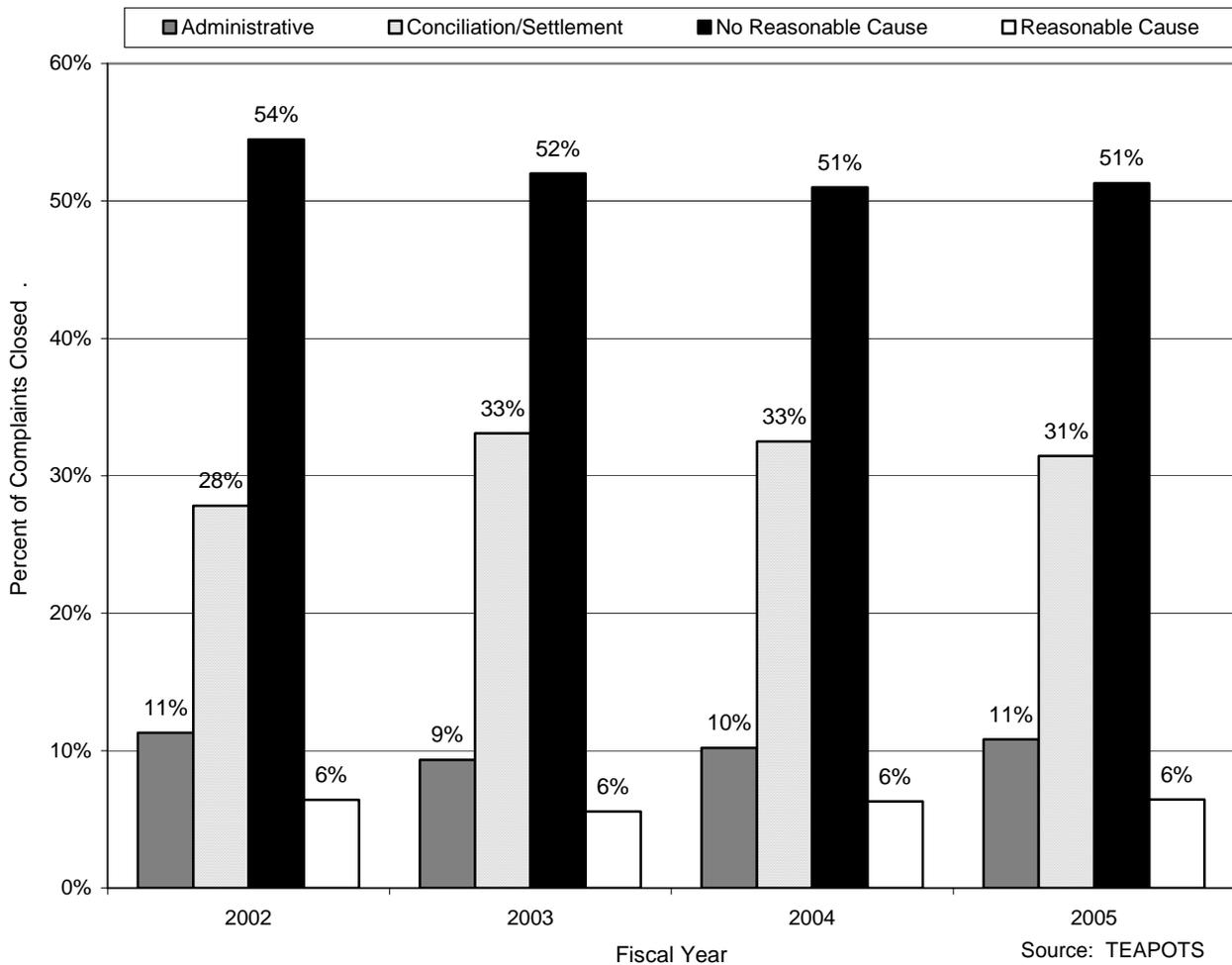


Chart 4.4 FHAP Complaint Outcomes, by Type (FY 2002–FY 2005) shows that the distribution of outcomes in FHAP complaints has remained relatively constant for the past 3 fiscal years. The percentage of administrative closures increased by one percentage point, while the percentage of conciliations or settlements decreased by two percentage points. The share of cases that FHAP agencies closed with a determination of reasonable cause or a determination of no reasonable cause was the same as in FY 2004.

TIMELINESS OF INVESTIGATIONS

Investigations Closed Within 100 Days

Each fair housing investigation filed with a FHAP agency must be investigated and completed within 100 days, unless it is impracticable to do so. In FY 2005, 3,830 FHAP investigations passed the 100-day mark. This was more than 1,000 fewer than in FY 2004. These investigations exceeded the 100-day mark for a variety of reasons. It was impracticable to complete a case within 100 days when a case involved a great number of witnesses or respondents, large volumes of evidence, or particularly complex evidence.

In order to provide greater incentive for FHAP agencies to process cases in a timely manner, HUD's criteria for payment to FHAP agencies considers the length of the investigation. FHAP agencies that fail to meet the timelines for proficiency are paid less or sometimes nothing at all for their investigation.

Housing Provider Agrees to Pay \$5,000 After Complaint of Racial Discrimination

Nero v. Carriage House Apartments

Mary Nero and her 16-year-old granddaughter, who are African American, needed to find a new apartment because of the constant noise from neighbors playing loud music. During her walks around her Dallas, Texas, neighborhood, Ms. Nero noticed Carriage House Apartments, which was about half a block away and seemed to be a nice quiet complex. With her lease due to expire in a month, Ms. Nero called the complex to inquire about an available unit. The property manager quoted a monthly rental rate of \$625 for a two-bedroom apartment and a \$300 security deposit. Ms. Nero was excited about the new apartment because it had a quiet atmosphere and the rent was \$125 less than her current rent.

However, when Ms. Nero and her granddaughter visited Carriage House, the property manager raised the security deposit to \$650 and informed her that she would get it back if "she didn't destroy the property." Ms. Nero was embarrassed that the manager implied that she would destroy the property in front of her granddaughter and was hurt and humiliated by the experience.

Two days later when her white friend called about an apartment at Carriage House, the manager told him the security deposit would be \$300, and when he arrived to view the housing, the deposit remained at \$300. The white friend also received two follow-up calls from the property manager regarding his interest in the unit and offering to work with him on the deposit. Ms. Nero received no such inquiries or offers.

Carriage House admits that Ms. Nero was offered a different deposit amount than her white friend who inquired about the same size and type unit and that her white friend was told that he could pay the deposit in installments. Carriage House asserts that this was because the property manager got along better with the white friend than Ms. Nero.

Ultimately, Ms. Nero discontinued her search and continued living in the noisy apartment, because she did not want to risk further humiliation.

The Dallas Fair Housing Office investigated the complaint and found cause to believe that discrimination occurred. On November 3, 2005, the parties settled the complaint through a judicial consent order. The consent order provided that Carriage House would pay Ms. Nero \$5,000 and establish a written nondiscriminatory policy for the assessment of rental rates and security deposits and require attendance at fair housing training for all employees who accept applications or negotiate or set terms of rental with prospective tenants.

CHAPTER 5 THE FAIR HOUSING INITIATIVES PROGRAM

FAIR HOUSING INITIATIVES PROGRAM (FHIP)

The Fair Housing Initiatives Program (FHIP) was created under the Housing and Community Development Act of 1987. The three goals of FHIP are to (1) educate the public and the housing industry on their rights and responsibilities under the Fair Housing Act, (2) increase compliance with the Fair Housing Act and with substantially equivalent state and local fair housing laws, and (3) establish a network of experienced fair housing enforcement organizations throughout the country.

FHIP funds were allocated under three initiatives: (1) the Education and Outreach Initiative (EOI), (2) the Private Enforcement Initiative (PEI), and (3) the Fair Housing Organizations Initiative (FHOI). HUD makes most FHIP funds available competitively, through a notice of funding availability (NOFA) or a request for proposals (RFP).

EDUCATION AND OUTREACH INITIATIVE (EOI)

EOI is used for the development and implementation of programs to inform and educate the public about their rights and obligations under federal, state, and local fair housing laws. All groups receiving EOI funds must have a process for referring possible fair housing violations to HUD.

In FY 2005, EOI was separated into four components under the Regional/Local/Community-Based Program and one component under the National Program. The four components of the Regional/Local/Community-Based Program for FY 2005 were (1) the General Component (EOI-GC), (2) the Disability Component (EOI-DC), (3) the Asian and Pacific Islander Fair Housing Awareness Component (EOI-APIC), and (4) the Minority Serving Institution Component (EOI-MSIC).

The General Component (EOI-GC)

The General Component (EOI-GC) funded organizations that carried out general fair housing outreach and education activities. HUD made 27 EOI-GC awards in FY 2005.

The Disability Component (EOI-DC)

The Disability Component (EOI-DC) emphasized the needs of persons with disabilities, so that persons with disabilities, housing providers, and the general public could understand better their rights and obligations under the Act and fully appreciate the forms of housing discrimination that persons with disabilities may encounter. Although this component had a disability focus, the funded activities were available to everyone. HUD made nine EOI-DC awards in FY 2005.

The Asian and Pacific Islander Fair Housing Awareness Component (EOI-APIC)

The Asian and Pacific Islander Fair Housing Awareness Component (EOI-APIC) was created in response to HUD's recent housing discrimination study (HDS 2000), which showed that Asians and Pacific Islanders experienced consistent adverse treatment in the residential rental and sales markets. Recipients sponsored fair housing classes, seminars, and fairs to educate the API communities on their rights and designed a fair housing course of study (lesson plans, fair housing material to be used, performance tests to measure students knowledge) that can be duplicated by other fair housing groups to be used with the API communities. Recipients also developed advertising campaigns to distribute educational materials through community and faith-based organizations, immigrant advocacy groups, schools and universities, and workplaces. Although this component focused on providing services to Asians and Pacific Islanders, the services were available to everyone. HUD made four EOI-APIC awards in FY 2005.

The Minority Serving Institution Component (EOI-MSIC)

The Minority Serving Institution Component (EOI-MSIC) funded applicants that focused on furthering HUD's goal of establishing partnerships with Tribal Colleges and Universities, Historically Black Colleges and Universities, Hispanic-serving institutions, and Asian and Pacific Islander-serving institutions. Working with local fair housing organizations, and other federal government agencies, these organizations developed curricula for students to pursue careers in fair housing law and investigations. HUD made one EOI-MSIC award in FY 2005.

PRIVATE ENFORCEMENT INITIATIVE

PEI General Component (PEI-GC) funds were used for intake of housing discrimination complaints, testing, and evaluating tests. Funding could also be used for investigation, mediation, or litigation of housing discrimination complaints.

PEI funding was restricted to fair housing enforcement organizations with at least one year of experience in complaint intake, complaint investigation, and testing for fair housing violations. These organizations also had to have meritorious claims in the 2 years prior to filing an application. Qualified fair housing enforcement organizations could receive funding if they had the aforementioned enforcement-related and meritorious claims experience in at least 2 of the 3 years prior to filing an application.

Performance Based Funding Component (PBFC)

The PEI-Performance Based Funding Component (PBFC) was established in FY 2005 to award exceptional enforcement organizations with continuous funding for a 3-year period. This funding stream will allow these agencies to implement strategic plans and devise strategies for lengthy systemic investigations. Organizations used these funds for intake of allegations of housing discrimination, testing, evaluating testing results, or providing other investigative and complaint support for administrative and judicial enforcement of fair housing laws. These funds were also used for investigations of individual complaints and systemic housing discrimination for further enforcement processing by HUD, through testing and other investigative methods.

Consideration for PBFC funding was given to organizations that had excellent performance reviews in FY 2002 and FY 2003, a minimum score of 95 on their performance assessment in FY 2002 or FY 2003, and a minimum score of 95 on their application from the technical evaluation panel.

In FY 2005, HUD made 48 PEI-GC grants and 13 PEI-PBFC grants.

FAIR HOUSING ORGANIZATIONS INITIATIVE

FHOI provided assistance to a qualified fair housing organization (QFHO) that either established or helped to build the capacity of newer groups to become a viable fair housing organization in an area that was either underserved by such fair housing organizations in the past or had experienced an influx of new immigrants. In FY 2005, one QFHO received a grant of approximately \$500,000 to be allocated over a 3-year period. At the conclusion of the 3-year grant in FY 2008, the new organization will be able to conduct complaint intake and testing. The organization will be able to investigate complaints of individual and systemic housing discrimination, mediate disputes of housing discrimination, litigate fair housing cases, and procure expert witnesses.

Table 5.1 FHIP SuperNOFA Awards (FY 2002-FY 2005)

Initiative	FY 2002	FY 2003	FY 2004	FY 2005
EOI	49	67	47	42
PEI	48	52	57	61
FHOI	2	2	1	1
Total	99	121	105	104

Table 5.2 Funds Distributed through the FHIP SuperNOFA (FY 2003-FY 2005)

Initiative	FY 2003	FY 2004	FY 2005
EOI	\$5,318,375	\$3,780,550	\$3,940,000
PEI	\$10,200,000	\$11,850,000	\$13,600,000
FHOI	\$2,100,000	\$2,099,975	\$500,000
Total	\$17,618,375	\$17,730,525	\$18,040,000

Table 5.3 FY 2005 Fair Housing Initiatives Program (FHIP) Awards by State

Alabama			
Birmingham	Fair Housing Center of Northern Alabama	\$220,000	PEI-GC
<p>The Fair Housing Center of Northern Alabama (FHCNA) will operate in 23 of Alabama's 67 counties. During its 12-month grant, FHCNA will conduct fair housing enforcement, education, and outreach activities to address rental, insurance, and sales discrimination, and assist disabled residents throughout the state in requesting reasonable accommodations and reasonable modifications.</p>			
Mobile	Fair Housing Agency of Alabama	\$97,905	EOI-GC
<p>The Fair Housing Agency of Alabama (FHAA) will conduct workshops and training seminars for the public, housing providers, mortgage lenders, and housing advertisers on fair housing. FHAA will also provide counseling germane to home purchasing, renting, and mortgage lending. FHAA will use electronic and print media as part of this effort.</p>			
Montgomery	Central Alabama Fair Housing Center	\$219,200	PEI-GC
<p>The Central Alabama Fair Housing Center will conduct enforcement activities in Montgomery and throughout 29 central Alabama counties. These efforts will include testing the sales, rental, insurance, and lending markets for discrimination; producing targeted enforcement-related radio and television ads; and expanding its fair housing services for Latinos, recent immigrants, and persons with disabilities.</p>			
Arizona			
Phoenix	Arizona Fair Housing Center	\$219,535.20	PEI-GC
<p>Arizona Fair Housing Center (AFHC) will provide fair housing enforcement activities in the seven county area of Central and Northern Arizona, where 73 percent of Arizona's population resides. AFHC will investigate, mediate, and litigate complaints of discrimination or refer them to the appropriate government agency. AFHC will also perform complaint-based tests for two FHAP agencies—the city of Phoenix and the Arizona State Attorney General's Office—and initiate 300 tests (175 rental, 35 insurance, 20 mortgage lending, 16 sales, and 54 accessibility) for systemic discrimination. Service will be concentrated on the large Hispanic population of over 900,000 persons in the service area, with proportional efforts addressing discrimination against American Indians, Asians, African Americans, families with children, and persons with disabilities. AFHC will use 5 percent of the allocated funds for education and outreach for persons with limited English proficiency.</p>			
Arkansas			
Little Rock	Arkansas Community Housing Corporation	\$100,000	EOI-GC
<p>The Arkansas Community Housing Corporation (ACHC) will conduct fair housing education and outreach activities in Pulaski, Faulkner, Lonoke, Saline, Jefferson, and Lincoln counties. ACHC will educate persons through workshops and showcases on fair housing and homeownership, and will perform outreach in apartment complexes, mobile homes parks, and neighborhoods with high loan denial rates. Services will be available to everyone, though some efforts may focus on minorities, immigrants, and families with children.</p>			
California			
Fresno	Housing Authority of the City of Fresno	\$100,000	EOI-DC
<p>The Housing Authority of the City of Fresno will use this grant to develop fair housing materials and curricula, conduct fair housing educational symposia in the city of Fresno, and provide outreach to the community through print and electronic media.</p>			

Fresno	Fair Housing Council of Central California	\$220,000	PEI-GC
<p>The Fair Housing Council of Central California (FHCCC) will provide comprehensive fair housing services in the Central Valley of California. FHCCC will assist victims of housing discrimination by conducting complaint intake, investigation, and mediation. FHCCC will use testing to detect steering and other forms of unlawful discrimination in public and private housing. FHCCC will also conduct education and outreach throughout the community and target some efforts to new immigrants, undocumented persons, and persons with disabilities.</p>			
Los Angeles	ByDesign Financial Solutions	\$100,000	EOI-APIC
<p>ByDesign Financial Solutions is a nonprofit organization that will conduct community-based education to strengthen, increase, and promote awareness of fair housing in Fresno County. ByDesign Financial Solutions will focus on the needs of Hispanics, African Americans, and Southeast Asian immigrants by providing fair housing workshops in English, Spanish, and various Asian dialects; staffing information booths; and appearing on local television and radio community affairs programs.</p>			
Los Angeles	Asian Pacific American Legal Center of Southern California	\$100,000	EOI-APIC
<p>Asian Pacific American Legal Center (APALC) will conduct fair housing education and outreach for Cambodian, Chinese, Vietnamese, and Korean communities in Los Angeles. Using multilingual outreach, APALC will inform these communities about fair housing resources and address cultural barriers that may prevent them from exercising their fair housing rights. This strategy will include educational workshops, multilingual pamphlets, videotapes, and media.</p>			
Napa	Greater Napa Fair Housing Center	\$99,990	EOI-GC
<p>The Greater Napa Fair Housing Center (GNFHC), a non-profit organization, provides fair housing services in Napa County. GNFHC will conduct a coordinated education and outreach project aimed at increasing public awareness of fair housing issues and assisting people in exercising their fair housing rights. GNFHC will hire and train a bilingual staff person to intake complaints of discrimination and perform education and outreach activities. GNFHC will reach out to attorneys, housing providers, and real estate professionals through its Annual Fair Housing Month Luncheon and will educate the public through a series of workshops. GNFHC plans to conduct 2 general fair housing workshops for the public at the library; 8 workshops for government service providers, clients, and grassroots, faith-based, and community-based organizations; 8 workshops for Housing Choice Voucher holders, landlords, and non-profit housing providers at the Housing Authority of the city of Napa; 6 workshops targeted to the Latino and LEP community; and 6 workshops on elderly and disability issues at the Gasser Foundation, which will be marketed through independent living programs and senior organizations.</p>			
Oakland	Sentinel Fair Housing	\$219,432	PEI-GC
<p>Sentinel Fair Housing will provide fair housing enforcement in Alameda and Contra Costa counties and the city of Vallejo in southern Solano County. Throughout the region, Sentinel Fair Housing will perform rental and sales tests for discrimination and conduct tests for predatory lending practices in the city of Oakland.</p>			
Oakland	Mental Health Advocacy Services, Inc.	\$100,000	EOI-DC
<p>Mental Health Advocacy Services, Inc., will conduct an education and outreach program for the public with a focus on persons with disabilities. Mental Health Advocacy Services will conduct these programs in organizations that provide emergency shelter and transitional housing in the city and county of Los Angeles with a special emphasis on Central (Downtown) Los Angeles, Venice, and Santa Monica.</p>			
Oakland	Bay Area Legal Aid	\$220,000	PEI-GC
<p>Bay Area Legal Aid (BALA) will provide fair housing services in the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara. BALA will enforce fair housing laws by investigating, conciliating, and litigating housing discrimination complaints, and recruiting and training volunteers to conduct undercover testing. BALA will also hire two trainers to conduct fair housing and fair lending training for local government agencies and organizations. BALA's services are available to everyone, though it will make specific outreach efforts to immigrants with limited English proficiency and rural populations.</p>			

Ontario	Inland Fair Housing and Mediation Board	\$219,999.20	PEI-GC
<p>The Inland Fair Housing and Mediation Board (IFHMB) will conduct fair housing enforcement and education in San Bernardino County and parts of Riverside and Los Angeles counties. IFHMB will establish a satellite office in an outlying area to help deliver its services. IFHMB will conduct enforcement testing and refer housing discrimination complaints to HUD. IFHMB will also provide fair housing workshops and develop a brochure on accessibility. IFHMB will collaborate with Hermandad Mexicana and other groups to provide bilingual fair housing services and will collaborate with faith-based organizations, including Christian Business Development and Catholic Charities, to educate their clientele about fair housing.</p>			
Palo Alto	Project Sentinel, Inc.	\$214,568.80	PEI-GC
<p>Project Sentinel, Inc., will operate a fair housing enforcement project serving the city of Fremont and the counties of San Francisco, San Mateo, Santa Clara, and Stanislaus. As part of this effort, Project Sentinel will work with the Fair Housing Law Project, civil rights attorneys, and community organizations. Project Sentinel will conduct complaint-based investigations and organization-initiated systemic investigations in order to detect discrimination based on race, ethnicity, familial status, and disability. Project Sentinel will also promote public awareness of fair housing and predatory lending practices.</p>			
San Francisco	AIDS Legal Referral Panel	\$70,222	EOI-DC
<p>The AIDS Legal Referral Panel will promote awareness and knowledge of fair housing laws among people living with HIV/AIDS and other disabilities, as well as among housing and service providers in the city and county of San Francisco and the surrounding Bay area. Through presentations, literature, and training, the panel will educate people on the available fair housing services. When appropriate, the panel will refer complaints to Project Sentinel for discrimination testing.</p>			
San Francisco	La Raza Centro Legal	\$100,000	PEI-GC
<p>La Raza Centro Legal will perform fair housing education and outreach in Contra Costa, San Mateo, Alameda, and San Francisco counties. La Raza Centro Legal will provide fair housing counseling and referrals, workshops, bilingual materials, and media outreach.</p>			
San Francisco	California Rural Legal Assistance, Inc.	\$220,000	PEI-GC
<p>California Rural Legal Assistance, Inc. (CRLA), will make its services available to everyone while focusing on serving agricultural communities, migrant and seasonal farm workers, recent immigrants, indigenous groups, persons with limited English proficiency, and ethnic minorities residing in rural California. Activities include fair housing testing, complaint referrals, and enforcement actions. In addition, CRLA will continue to collaborate with other agencies and community-based organizations to conduct fair housing education and outreach.</p>			
San Rafael	Fair Housing of Marin	\$220,000	PEI-GC
<p>Fair Housing of Marin (FHOM) provides fair housing enforcement services, including complaint intake, investigation, and referral. FHOM's enforcement activities also include the recruitment and training of testers. FHOM will supplement their enforcement activities with fair housing education for the public, particularly racial and ethnic minorities, immigrants, the elderly, and persons with disabilities.</p>			
Woodland	Legal Services of Northern California, Inc.	\$100,000	EOI-GC
<p>Legal Services of Northern California, Inc. (LSNC), will collaborate with community-based organizations to conduct fair housing workshops and training sessions in the rural regions of California, including Placer, Amador, Calaveras, El Dorado, Nevada, and Sierra counties. Though available to all, its activities will target persons with disabilities, Latinos, and immigrants with limited English proficiency in the Tahoe region of El Dorado County.</p>			

Connecticut			
Hartford	Connecticut Fair Housing Center, Inc.	\$220,000	PEI-GC
<p>Connecticut Fair Housing Center, Inc. (CFHC), will investigate housing discrimination complaints and conduct testing to detect discriminatory practices. CFHC will advise complainants of their rights under the Fair Housing Act and assist them in filing complaints with HUD or the Connecticut Commission on Human Rights and Opportunities. CFHC will also work with grassroots, faith-based, and community-based organizations to conduct education and outreach. For example, CFHC will continue to work with the Connecticut Anti-Predatory Lending Task Force to teach first-time homebuyers to identify predatory lending practices and instruct them on fair housing and fair lending laws.</p>			
District of Columbia			
Washington	Howard University	\$99,997	EOI-MSIC
<p>Howard University (HU) faculty will develop a fair housing law and investigation curriculum in partnership with community and faith-based organizations in Washington, DC, such as Housing Counseling Services, Inc., MANNA, Inc., and the Coalition for Environmentally Safe Communities. Students will be able to obtain a certificate by completing courses on topics such as fair housing law, common discriminatory practices, methods of testing, analyzing evidence, conducting interviews, and writing reports. Students will also intern with community organizations to gain practical experience advising clients and preparing complaints to refer to HUD. HU will share the curriculum with other colleges and universities.</p>			
Washington	The Equal Rights Center	\$220,000	PEI-GC
<p>The Equal Rights Center (ERC) will conduct matched paired tests for rental, sales, and lending discrimination based on race, national origin, and disability. ERC will also survey the accessibility of new multifamily housing, conduct complaint intake and investigation, and assist persons with disabilities to request reasonable accommodations. These activities will be conducted in the greater Washington area, including Maryland and Virginia. In addition, ERC will conduct education and outreach through community meetings.</p>			
Washington	Housing Counseling Services, Inc.	\$100,000	EOI-GC
<p>The goal of Housing Counseling Services, Inc. (HCS), is to expand housing opportunities by increasing awareness of fair housing laws. HCS will do this by conducting fair housing outreach and education targeted to low- and moderate-income households and underserved populations. HCS will also encourage housing industry professionals, community-based service providers, and community and faith-based leaders to play a more active role in promoting equal housing opportunity.</p>			
Florida			
Cocoa	Fair Housing Continuum, Inc.	\$275,000	PEI-PBC
<p>Fair Housing Continuum, Inc. (FHC), will provide fair housing enforcement services in central Florida. FHC will conduct complaint intake and investigation, recruit and train testers, conduct testing, and survey newly constructed condominiums and apartments for compliance with the Fair Housing Act's accessibility requirements. In addition, FHC will conduct fair housing education and outreach in central Florida.</p>			
Jacksonville	Jacksonville Area Legal Aid, Inc.	\$274,972.67	PEI-PBC
<p>Jacksonville Area Legal Aid, Inc. (JALA), will provide advocacy and enforcement to affirmatively further fair housing throughout six northeast Florida counties. JALA will focus on housing discrimination, lending discrimination, and advocating for the rights of persons with disabilities. JALA will recruit and train testers, conduct tests, and, in conjunction with its partners, provide legal representation to victims of housing discrimination. Education and outreach efforts include enforcement training to its partner organizations and conducting community education sessions.</p>			

St. Petersburg	Gulfcoast Legal Services, Inc.	\$220,000	PEI-GC
<p>Gulfcoast Legal Services, Inc., will establish the "Fair Housing Project" (FHP) to provide private enforcement of the fair housing laws on behalf of victims of discrimination in Pinellas County. The FHP will receive and investigate complaints and conduct systemic and complaint-based testing. The FHP will resolve some complaints through conciliation or litigation and refer others to FHAP agencies in Florida. In addition, FHP will conduct outreach to the public on fair housing.</p>			
Tallahassee	Legal Services of North Florida, Inc.	\$100,000	EOI-GC
<p>Legal Services of North Florida, Inc. (LSNF), will provide fair housing education and outreach in the rural counties of Santa Rosa and Walton and the small urban counties of Escambia and Okaloosa. LSNF will also investigate and refer housing discrimination complaints to HUD.</p>			
Tampa	Bay Area Legal Services, Inc.	\$127,467.89	PEI-GC
<p>Bay Area Legal Services, Inc., will operate a fair housing enforcement program in Hillsborough County, with an emphasis on serving persons with disabilities, racial and ethnic minorities, persons with limited English proficiency, and immigrants. Activities include conducting paired rental, sales, and lending tests and providing legal representation to victims of housing discrimination. Bay Area Legal Services will also conduct fair housing education and outreach throughout the community.</p>			
West Palm Beach	Legal Aid Society of Palm Beach County	\$100,000	EOI-GC
<p>The Legal Aid Society of Palm Beach County (LASPB) will provide fair housing education and outreach in Palm Beach County. LASPB will conduct workshops to educate service providers on recognizing common forms of housing discrimination. These workshops will be open to the public and held at physically accessible sites. LASPB will also develop ten educational flyers on subjects (e.g., prominent fair housing cases or legal developments) that are of special interest to particular communities and will distribute them at area events. LASPB will periodically assess the results of its education and outreach work.</p>			
Georgia			
College Park	JC Vision and Associates, Inc.	\$99,990	EOI-DC
<p>JC Vision and Associates, Inc., will increase awareness of the Fair Housing Act within southeast Georgia communities. JC Vision will conduct fair housing education for first-time homebuyers. JC Vision will also develop a complaint referral process and conduct intake of complaints of housing discrimination.</p>			
East Point	Metro Fair Housing Services, Inc.	\$216,894.40	PEI-GC
<p>Metro Fair Housing Services, Inc. is a non-profit fair housing enforcement organization that serves the city of Atlanta and Fulton and DeKalb counties. Metro will provide private enforcement services and conduct systemic testing. Activities will also include the preparation of an analysis of impediments to fair housing choice, investigative studies, and action plans, as well as the continuation of workshops on fair housing. Metro will provide fair housing services at its satellite office in Gainesville, which has experienced rapid growth in its Hispanic population over the last 5 years.</p>			
Savannah	Savannah-Chatham County Fair Housing, Inc.	\$ 134,859.20	PEI-GC
<p>Savannah-Chatham County Fair Housing, Inc. (SCCFH), will provide fair housing enforcement services in Savannah and the surrounding counties of Chatham, Bryan, and Effingham. SCCFH will investigate and resolve housing discrimination complaints and publicize successful enforcement actions. SCCFH will use paired testing to detect discrimination in the housing market, and refer enforcement proposals to HUD. SCCFH will also sponsor two training sessions on fair housing law, conduct two training sessions on accessible design and construction, and provide technical assistance to housing authorities on reasonable accommodations and modifications.</p>			

Hawaii			
Honolulu	Legal Aid Society of Hawai`i	\$220,000	PEI-GC
<p>Legal Aid Society of Hawai`i (LASH) will assist victims of housing discrimination through intake, referral, and advocacy. LASH will investigate allegations of housing discrimination and will resolve complaints through mediation, settlement, conciliation, or litigation. LASH will use testing as part of its enforcement efforts. LASH will also continue to educate the public about fair housing, especially housing providers and community leaders.</p>			
Idaho			
Boise	Intermountain Fair Housing Council	\$219,399.20	PEI-GC
<p>The Intermountain Fair Housing Council (IFHC) will conduct a statewide fair housing enforcement effort, serving Idaho's largely rural population. The 18-month project will focus on persons who have a low income, recent immigrants, persons with disabilities, and families with children. IFHC will provide a toll-free hotline, assistance with reasonable modifications or reasonable accommodations, and complaint referrals to HUD. Testing will include paired rental phone tests, paired rental site tests, and site audits for accessibility. To educate the public about fair housing, IFHC will sponsor large outreach events and television and radio programs.</p>			
Illinois			
Chicago	Chicago Lawyers' Committee for Civil Rights Under Law, Inc.	\$219,960.80	PEI-GC
<p>The Chicago Lawyers' Committee For Civil Rights Under Law, Inc., will address housing discrimination and predatory lending practices in the Chicago metropolitan area. The Lawyers' Committee has entered into a partnership with Interfaith Housing Center of the Northern Suburbs, CHAC, Inc., and Chicago's Housing Choice Voucher administrator to refer housing discrimination complaints to the Lawyers' Committee for investigation and testing. The Lawyers' Committee will work with community-based organizations to educate its members on fair housing.</p>			
Chicago	Access Living of Metropolitan Chicago	\$220,000	PEI-GC
<p>Access Living of Metropolitan Chicago will provide fair housing enforcement services in Chicago and surrounding areas. Access Living's services will be available to all but will focus on people with disabilities. In order to encourage voluntary compliance with the Fair Housing Act and its design and construction provisions, Access Living will hold workshops on fair housing for consumers, real estate professionals, property managers, housing providers, developers, and architects.</p>			
Chicago	The John Marshall Law School	\$219,973.60	PEI-GC
<p>The John Marshall Law School will continue to expand and promote its Fair Housing Legal Clinic, a broad-based full-service project to assist persons who have experienced housing discrimination. The project will serve the Chicago Metropolitan area, particularly its Empowerment Zone, South Side, West Side, and Pilsen/Little Village Clusters, and parts of northwest Indiana. The Clinic will maintain an active caseload and, when warranted, will provide testing services.</p>			
Homewood	South Suburban Housing Center	\$262,500	PEI-PBC
<p>South Suburban Housing Center (SSHC) will conduct fair housing activities in southern Cook, Will, and Kankakee counties in Illinois, plus central Illinois and northwest Indiana. SSHC will provide a full range of fair housing services including complaint intake, investigation, mediation, and referrals. SSHC will also conduct education and outreach, including predatory lending presentations. SSHC's activities will be available to the public but will focus on the fair housing needs of African Americans, Latinos, and persons with disabilities.</p>			

Rockford	Prairie State Legal Services, Inc.	\$100,000	EOI-GC
<p>Prairie State Legal Services (PSLS) will provide fair housing education in the northernmost 35 counties in Illinois (excluding Cook and Will counties). PSLS will conduct a series of informal legal education presentations for community-based agencies that provide support, advocacy, or other assistance. PSLS will also hold a series of public fair housing workshops on the common types of discrimination encountered in the rental, sales, and lending markets.</p>			
Wheaton	HOPE Fair Housing Center	\$274,702.33	PEI-PBC
<p>The HOPE Fair Housing Center will continue providing fair housing enforcement services in Du Page, Kane, McHenry, northwestern and western Cook counties, 26 rural counties in northern Illinois, and the metropolitan areas of Aurora, Elgin, Rockford, Peoria, Bloomington, Moline, Rock Island, LaSalle, Peru, and Ottawa. Testing efforts will include conducting at least 90 enforcement tests to detect steering and rental discrimination. HOPE will target providers of retirement housing and assisted living facilities as subjects for its investigations.</p>			
Kentucky			
Lexington	Lexington Fair Housing Council	\$205,258	PEI-PBC
<p>The Lexington Fair Housing Council (LFHC) will conduct fair housing enforcement activities in underserved and rural communities in Kentucky. LFHC will investigate and resolve complaints of housing discrimination and conduct a study of housing discrimination in Kentucky. Testing activities will include recruiting and training testers and conducting paired tests for discrimination in the rental and sales markets. LFHC will also conduct education and outreach activities in western and central Washington County.</p>			
Louisiana			
New Orleans	Advocacy Center	\$100,000	EOI-DC
<p>Advocacy Center will address the pressing need in north and central Louisiana for a coordinated fair housing education and outreach campaign for individuals with disabilities. In doing so, the Center will collaborate with the Greater New Orleans Fair Housing Action Center and the Human Development Center. Although the Center's activities will target persons with disabilities, its services will be available to all.</p>			
Maine			
Portland	Pine Tree Legal Assistance, Inc.	\$220,000	PEI-GC
<p>Pine Tree Legal Assistance, Inc. (PTLA), will continue providing fair housing enforcement services throughout Maine. PTLA will test for rental discrimination, help individuals file complaints with government agencies, and assist persons with disabilities in requesting reasonable accommodations.</p>			
Massachusetts			
Boston	Fair Housing Center of Greater Boston	\$274,166.67	PEI-PBC
<p>The Fair Housing Center of Greater Boston (FHCGB) will provide fair housing services for the Greater Boston area. Activities will include intake, investigations, and the development of complaint-based and systemic cases. In addition, FHCGB will recruit and train testers to conduct individual or paired tests for rental, sales, mortgage lending, or insurance discrimination.</p>			

Holyoke	The Housing Discrimination Project, Inc.	\$220,000	PEI-GC
<p>The Housing Discrimination Project, Inc. (HDP), will provide fair housing services in central and western Massachusetts. Activities will include the intake, investigation, and testing of complaints; development of systemic cases; recruitment and training of testers; and educational workshops. HDP will also expand the Linguistic Profiling Project to central Massachusetts by introducing a fair housing curriculum for ESL programs conducted by adult learning centers and organizations. This curriculum will teach new immigrants how to prevent being a victim of discriminatory or fraudulent housing practices.</p>			
Worcester	Legal Assistance Corporation of Central Massachusetts	\$220,000	PEI-GC
<p>Legal Assistance Corporation of Central Massachusetts (LACCM) will provide fair housing enforcement services over a 12-month period in central Massachusetts. LACCM will receive, investigate, and refer complaints to HUD. Testing efforts will include recruiting new testers, training testers, and performing complaint-based and audit-based tests. In addition, LACCM will conduct four fair housing workshops, as well as produce and distribute flyers and brochures about the Fair Housing Act.</p>			
Michigan			
Detroit	Fair Housing Center of Metropolitan Detroit	\$112,360.80	PEI-GC
<p>Fair Housing Center of Metropolitan Detroit (FHCMD) will receive, investigate, and refer complaints of housing discrimination to HUD or the Michigan Department of Civil Rights. Testing activities will include recruiting and training testers; conducting complaint-based lending, sales, rental, and appraisal tests; and conducting systemic tests of senior housing complexes for discrimination based on race, religion, or disability. In addition, FHCMD will provide public education on fair housing laws.</p>			
Grand Rapids	Fair Housing Center of Greater Grand Rapids	\$218,244	PEI-GC
<p>Fair Housing Center of Grand Rapids (FHCGR) will provide fair housing enforcement in Kent County and expand its services in ten nearby counties. Activities will include receiving, investigating, mediating, and litigating complaints of housing discrimination. When necessary, FHCGR will refer complaints to enforcement agencies. FHCGR will also survey public awareness of fair housing in local communities and disseminate fair housing information.</p>			
Kalamazoo	Fair Housing Center of Southwest Michigan	\$199,209.60	PEI-GC
<p>The Fair Housing Center of Southwest Michigan will enforce fair housing laws in nine counties in southwest Michigan, Barry, Branch, Calhoun, Kalamazoo, Allegan, St. Joseph, Berrien, Cass, and Van Buren counties. The effort will include investigating fair housing complaints and assisting persons with disabilities with requests for reasonable accommodations and reasonable modifications. The Center will recruit testers, and conduct complaint-based and audit-based rental, real estate, and lending tests. It will refer any evidence of housing discrimination to HUD.</p>			
Minnesota			
Minneapolis	Legal Aid Society of Minneapolis	\$220,000	PEI-GC
<p>The Legal Aid Society of Minneapolis (LASM) will collaborate with Southern Minnesota Legal Services to provide fair housing enforcement in 53 southern and central Minnesota counties. Efforts will concentrate on low-income families, persons with disabilities, new immigrants, and homeless people. LASM will conduct intake and refer viable complaints to HUD.</p>			
St. Paul	ACORN Housing	\$100,000	EOI-APIC
<p>ACORN Housing will increase compliance with the Fair Housing Act through an intensive public outreach and education campaign with a focus on Asian and other minority communities. Serious racial disparities exist for Asians, Latinos, and African Americans in the Twin Cities' housing market, often at levels far greater than the national average. This project will provide outreach in Hmong, Spanish, and English.</p>			

Mississippi			
Gulfport	Gulf Coast Fair Housing Center	\$220,000	PEI-GC
<p>Gulf Coast Fair Housing Center (GCFHC) will continue its fair housing enforcement services in five counties along the Mississippi Gulf Coast. Activities will include intake, investigation, and testing of complaints; development of systemic cases; recruitment and training of testers; and a legal seminar for attorneys.</p>			
Hattiesburg	University of Southern Mississippi	\$100,000	EOI-DC
<p>The University of Southern Mississippi will conduct Housing Smart II, a project by the Institute for Disability Studies at the University of Southern Mississippi. The goals of the project are twofold: (1) to ensure equal opportunities in housing to Mississippians with disabilities and (2) to increase homeownership for persons with disabilities. Although the project will primarily provide education and outreach to citizens with disabilities, its services will be available to all.</p>			
Missouri			
St. Louis	Metropolitan St. Louis Equal Housing Opportunity Council	\$220,000	PEI-GC
<p>Metropolitan St. Louis Equal Housing Opportunity Council will serve residents in the St. Louis area, southern Illinois, and eastern Missouri. The Council's activities will include investigating complaints, recruiting testers, and conducting rental, sales, lending, and accessibility tests. The Council will hold complaint intake sessions at immigrant groups, disability groups, faith-based organizations, and homeless shelters. The Council will also distribute a quarterly newsletter and sponsor a fair housing conference.</p>			
St. Louis	Missouri Tax Justice Research Project	\$100,000	EOI-GC
<p>The Missouri Tax Justice Research Project (MTJRP) will collaborate with grassroots organizations and churches to increase awareness of the Fair Housing Act. MTJRP will train individuals to become "fair housing ambassadors" in their communities. MTJRP will use research to identify the worst offending lenders in the Kansas City and St. Louis metropolitan areas and then go on the ground to educate the public about subtle, widespread lending discrimination, and assist victims in filing complaints. MTJRP will forward well-documented complaints and evidence of discriminatory predatory lending to HUD.</p>			
Montana			
Billings	City of Billings	\$92,879	EOI-GC
<p>The city of Billings will work with 47 community organizations to provide fair housing education and outreach in the greater Billings area. In response to the findings of a recent HUD study on housing discrimination, the collaborative will address discrimination against American Indians in Billings. The collaborative will also establish a faith-based initiative directed at eliminating homelessness for families. As part of the collaborative, an experienced fair housing education group will provide a workshop on universal design, accessibility, and removing regulatory barriers.</p>			
Missoula	Montana Fair Housing Center	\$220,000	PEI-GC
<p>Montana Fair Housing Center (MFHC) will provide fair housing enforcement services throughout Montana. MFHC will accept, track, and mediate complaints of housing discrimination. Testing efforts will include recruiting and training testers, conducting complaint-based rental tests, and initiating systemic tests for discriminatory lending, sales, insurance, and design and construction practices. MFHC will continue current outreach activities and make fair housing presentations to housing providers, consumers, and government officials.</p>			

Nebraska			
Omaha	Family Housing Advisory Services, Inc.	\$275,000	PEI-PBC
<p>Family Housing Advisory Services, Inc. (FHAS), will operate a fair housing enforcement program in Nebraska and western Iowa. The project will provide intake, investigation, counseling, and mediation services to individuals who file housing discrimination complaints. The project will also initiate investigations of systemic discrimination. FHAS will focus on extending services to immigrants with limited English proficiency and persons with disabilities.</p>			
Nevada			
Reno	Silver State Fair Housing Council	\$203,629	PEI-PBC
<p>The Silver State Fair Housing Council will investigate complaints of housing discrimination in northern Nevada, with an emphasis on underserved and rural communities. Silver State will recruit and train testers and conduct tests for rental discrimination both in-person and via the telephone. Silver State will also develop and maintain a tracking system for multifamily housing projects.</p>			
New Jersey			
Hackensack	New Jersey Citizen Action	\$100,000	EOI-GC
<p>New Jersey Citizen Action (NJCA), with its Financial Education and Technology Centers in Newark and Camden, has loan counseling centers in 11 locations and active financial education programs for numerous grassroots, faith-based, and neighborhood organizations. NJCA will leverage its resources to cover the entire state. Focus will be on all low- and moderate-income households in New Jersey, with special focus on minorities, people with limited English proficiency, persons with disabilities, and seniors. NJCA also plans to expand educational programs and increase distribution of educational materials regarding predatory lending and how to spot, avoid, and report such practices. Other activities include holding 4 train-the-trainer workshops for community leaders and 125 consumer education workshops. NJCA will also identify and train victims of predatory lending to serve as spokespersons in a media campaign.</p>			
New York			
Bohemia	Long Island Housing Services, Inc.	\$220,000	PEI-GC
<p>Long Island Housing Services, Inc. (LIHS), will provide comprehensive fair housing enforcement in Long Island and Nassau and Suffolk counties. LIHS will conduct testing and assist clients with filing housing discrimination complaints. LIHS will co-sponsor fair housing seminars in the Primary Metropolitan Statistical Area on Long Island.</p>			
Brooklyn	South Brooklyn Legal Services, Inc.	\$220,000	PEI-GC
<p>South Brooklyn Legal Services, Inc. (SBLS) will undertake an 18-month project that will serve New York City residents with an emphasis placed on residents of Brooklyn and Queens. SBLS will assist clients who are alleging housing discrimination in home financing and sales. Additionally, SBLS will screen, investigate, and analyze all complaints and provide legal and other assistance to help targeted homeowners avoid foreclosure. SBLS will subcontract with the Neighborhood Economic Development Advocacy Project to generate computer maps that diagram discriminatory patterns.</p>			
Brooklyn	New York Agency for Community Affairs	\$99,975	EOI-GC
<p>New York Agency for Community Affairs will conduct targeted outreach through grassroots organizations and faith-based institutions to reach underserved populations in Nassau County and Long Island. While services will be available to all, outreach activities will target immigrant and minority populations, particularly those with limited English proficiency. In addition, the agency will educate the public and lenders about the need to address impediments to homeownership. Outreach coordinators will work with partner organizations to achieve these goals.</p>			

Buffalo	Housing Opportunities Made Equal, Inc.	\$218,930.40	PEI-GC
<p>Housing Opportunities Made Equal, Inc. (HOME), is a grassroots community-based civil rights organization, established in 1963. HOME's mission is to address housing discrimination in Erie and Niagara counties. HOME will conduct intake of allegations of discrimination involving rental, sales, lending, and insurance transactions. Additionally, HOME will conduct paired systemic tests of rental complexes and real estate firms and conduct accessibility tests of rental complexes. Further, HOME will train the staff of two grassroots, faith-based organizations (Back-to-Basics Outreach Ministries, Inc., and Gerard Place) and a minority-serving institution (Hispanic United of Buffalo). HOME also will publish and distribute 3,000 copies of a Spanish-English fair housing brochure.</p>			
Jackson Heights	United Spinal Association	\$99,643	EOI-DC
<p>The United Spinal Association (USA), in partnership with the International Code Council (ICC), will offer a national program to educate housing providers, builders, contractors, realtors, lenders, disability advocacy or fair housing groups, and state and local legislators on the Fair Housing Act's accessibility requirements.</p>			
New York City	Neighborhood Economic Development Advocacy Project	\$100,000	EOI-GC
<p>Neighborhood Economic Development Advocacy Project (NEDAP) brings together faith-based and other community-based groups, as well as legal services organizations from the five boroughs of New York City to address fair housing issues, particularly predatory mortgage lending. NEDAP will focus on new immigrants, a population that is especially vulnerable to unfair lending practices. In doing so, NEDAP will carry out extensive education and outreach services to residents and organizations in the city by conducting fair lending presentations, and developing an aggressive media campaign on lending issues. NEDAP will identify foreclosure patterns and train federal and state bank examiners on patterns and instances of possible fair lending and fair housing violations. NEDAP will also expand its legal referral network to forward housing discrimination complaints to relevant enforcement agencies.</p>			
New York City	Asian Americans For Equality	\$100,000	EOI-APIC
<p>Asian Americans for Equality (AAFE) serves clients from all five boroughs of New York City. However, due to the high proportion of Asian immigrants, AAFE will target the population in the Asian community with a focus on Korean and Chinese immigrants in Chinatown, Flushing, and Brooklyn. Through linguistically and culturally sensitive outreach material, AAFE will educate minority residents on sales discrimination and predatory lending. AAFE's education and outreach will include producing multilingual predatory lending handbooks, brochures, and websites; conducting media outreach, workshops, and seminars; and providing one-on-one homeownership counseling.</p>			
New York City	Housing Council in the Monroe County Area	\$77,110	EOI-GC
<p>Housing Council in the Monroe County Area will provide education and outreach activities that improve housing opportunities for low-income households, minorities, persons with limited English proficiency, the homeless, and persons with disabilities. The Council will hold fair housing workshops in multiple languages at faith-based, grassroots, and community-based organizations. In addition, the Council will work with local pre-purchase programs to present fair housing information to homebuyers. Fair housing education will also be directed at real estate professionals and landlords. Other activities include encouraging accessible design features, assisting victims in filing housing discrimination complaints, and providing case management and support to victims of discrimination.</p>			
White Plains	Westchester Residential Opportunities, Inc.	\$202,048	PEI-GC
<p>Westchester Residential Opportunities, Inc. (WRO), will enrich its existing fair housing education and testing program by substantially expanding the testing component. WRO will recruit, train, and supervise fair housing testers who will conduct paired tests in Westchester and Putnam counties. WRO will conduct tests in response to specific complaints and initiate rental and sales tests.</p>			

North Carolina			
Elizabeth City	Elizabeth City State University	\$99,968	EOI-GC
<p>Elizabeth City State University (ECSU), a historically black university with a long tradition of providing community services and public information, will increase awareness of the Fair Housing Act. ECSU will target Pasquotank, Perquimans, Chowan, Currituck, Camden, and Gates counties in rural northeastern North Carolina.</p>			
North Dakota			
Bismarck	North Dakota Fair Housing Council	\$188,538.40	PEI-GC
<p>The North Dakota Fair Housing Council (NDFHC) is in the process of changing its name to "Fair Housing of the Dakotas" to more accurately reflect its work in North and South Dakota. NDFHC is currently the only fair housing organization operating in those states. NDFHC will strengthen enforcement activities through the use of testing and the filing of fair housing complaints. NDFHC will conduct complaint-based paired tests of the housing and lending markets. NDFHC will issue 4 newsletters and distribute 10,000 publications on fair housing, predatory lending, and homeownership. In addition, it will conduct 12 fair housing workshops for housing providers and consumers, specifically persons with disabilities and persons with limited English proficiency. NDFHC will also provide outreach to 15 underserved communities regarding fair housing rights.</p>			
Ohio			
Akron	Fair Housing Contact Service	\$220,000	PEI-GC
<p>Fair Housing Contact Service (FHCS) will enforce fair housing in Akron. FHCS will address housing barriers for persons with disabilities by creating model admissions policies for assisted living facilities and homeless shelters that comply with the Fair Housing Act. In addition, FHCS will distribute predatory lending materials in Spanish and publish a report on remedying barriers to housing for foreign-born populations and persons with disabilities.</p>			
Cincinnati	Housing Opportunities Made Equal of Greater Cincinnati	\$219,762.64	PEI-GC
<p>Housing Opportunities Made Equal of Greater Cincinnati (HOME) will conduct enforcement activities in the greater Cincinnati area. This area includes the Hamilton, Warren, Butler, and Clermont counties in southwest Ohio. In doing so, HOME will intake complaints and refer appropriate matters to HUD. Testing efforts include paired sales and rental tests and conducting an audit of multifamily developments covered by the design and construction requirements of the Fair Housing Act. HOME will also conduct fair housing seminars for architects, designers, and mental health providers.</p>			
Cleveland	Housing Research and Advocacy Center	\$220,000	PEI-GC
<p>The Housing Research and Advocacy Center will conduct a fair housing enforcement project in Cuyahoga, Lorain, and Geauga counties. The project will focus on activities designed to reduce discrimination against African Americans and persons with disabilities. Activities will include sales, rental, lending, and insurance tests. These activities will be conducted in collaboration with Heights Community Congress and the Fair Housing Resource Center to ensure complete testing in the targeted areas. In addition, the Center will hold two fair housing trainings and release an updated report on lending patterns in the area.</p>			
Cleveland	Housing Advocates, Inc.	\$217,640	PEI-GC
<p>Housing Advocates, Inc., will enforce fair housing laws in Cuyahoga and Geauga counties. Housing Advocates will work with Westside United Church of Christ and Heights Community Congress to address discriminatory housing problems in the Cleveland metropolitan area. Housing Advocates will concentrate its efforts on eliminating barriers to housing choice for minorities and persons with disabilities.</p>			

Columbus	Coalition on Homelessness and Housing in Ohio	\$220,000	PEI-GC
<p>The Coalition on Homelessness and Housing in Ohio (COHHIO) will focus on serving persons with disabilities who are living in or are eligible to apply for Project-Based Section 8 housing. Ohio ranks fifth in the nation in the number of Project-Based Section 8 buildings, with 80,459 units. COHHIO will reach out to professionals who serve persons with disabilities, as well as housing providers that are subject to Section 504 requirements. COHHIO will deliver fair housing services to non-metropolitan areas such as Allen, Ashtabula, Athens, Butler, Greene, Hancock, Jefferson, Licking, Logan, and Wood counties.</p>			
Dayton	Miami Valley Fair Housing Center, Inc.	\$220,000	PEI-GC
<p>Miami Valley Fair Housing Center, Inc. (MVFHC), will provide fair housing enforcement, testing, and education in Dayton. MVFHC will document evidence of systemic discrimination in rental and sales markets by conducting testing and investigating discriminatory policies and practices. In addition, the MVFHC will administer sales tests focused on racial steering and random audits for design violations on properties that have been constructed and approved for occupancy within the past 2 years. MVFHC will conduct education programs to teach people to recognize and report housing discrimination in the rental, sales, mortgage lending, and insurance markets.</p>			
Painesville	Fair Housing Resource Center, Inc.	\$220,000	PEI-GC
<p>Fair Housing Resource Center, Inc., will enforce fair housing laws in Lake and Ashtabula counties. The Center will test for discrimination in the rental and sales markets. A particular focus will be given to discrimination against African Americans, Hispanics, families with children, and persons with disabilities.</p>			
Oklahoma			
Oklahoma City	Metropolitan Fair Housing Council of Greater Oklahoma City, Inc.	\$217,724	PEI-GC
<p>The Metropolitan Fair Housing Council of Greater Oklahoma City, Inc., will continue its current statewide fair housing enforcement activities. This project will use testing and other HUD-approved enforcement tools to gather evidence and investigate complaints of housing discrimination.</p>			
Oregon			
Portland	Legal Aid Services of Oregon	\$100,000	EOI-GC
<p>Legal Aid Services of Oregon (LASO), in partnership with the Fair Housing Council of Oregon, will increase awareness of fair housing rights and responsibilities in Oregon and southwest Washington. LASO will address predatory lending, provide instruction on accessible design and construction, and effectively remove regulatory barriers in the development of affordable housing. Target populations include immigrants, persons with disabilities, residents of rural communities, real estate agents, and housing developers. In addition, LASO aims to expand the largest statewide multiple listing service database to include information on accessible features in homes for sale. LASO will air 12 fair housing programs on access cable that will be translated into four languages and prepared for online access. Other activities include conducting education forums for developers and governmental groups and hosting a statewide fair housing summit for community leaders.</p>			
Pennsylvania			
Erie	St. Martin Center	\$99,956	EOI-GC
<p>St. Martin Center (SMC), a HUD-registered faith-based social service agency, will conduct education and outreach in Erie County with an emphasis on areas that are economically depressed or have a large minority population. Through mass mailings and radio public service announcements, SMC will disseminate information to low- and moderate-income households, minorities, immigrants, and persons with disabilities. This information will educate people on the difference between landlord-tenant issues and fair housing issues and will teach people how to file housing discrimination complaints. SMC will also educate consumers on what to expect in a home purchase transaction.</p>			

Glenside	Fair Housing Council of Montgomery County	\$270,000	PEI-PBC
<p>The Fair Housing Council of Montgomery County (FHCMC) will provide fair housing enforcement in Philadelphia and Montgomery County. FHCMC will receive, investigate, mediate, and, when necessary, refer complaints of housing discrimination to HUD. FHCMC will make its services available to the public, but will target immigrants and persons with disabilities.</p>			
Pittsburgh	Fair Housing Partnership of Greater Pittsburgh, Inc.	\$220,000	PEI-GC
<p>The Fair Housing Partnership of Greater Pittsburgh, Inc. (FHP), is an independent fair housing enforcement agency whose mission is to provide effective and efficient fair housing advocacy services in the greater Pittsburgh region. FHP will continue to investigate and test complaints of discrimination. FHP will also conduct an audit for sales discrimination based on physical disability, as well as an audit for sales discrimination based on race. These audits will be conducted in communities surrounding re-segregated neighborhood schools in the Pittsburgh School District.</p>			
Scranton	United Neighborhood Center of Lackawanna County, Inc.	\$82,603	EOI-GC
<p>United Neighborhood Centers of Lackawanna County, Inc. (UNC), will conduct fair housing education and outreach in the northeastern Pennsylvania counties of Lackawanna, Wayne, and Pike, which have rapidly changing demographics. UNC will educate real estate agents and landlords on the requirements of the Fair Housing Act to ensure compliance with all fair housing laws. UNC will educate social service agency staffs, in an effort to enlist their assistance in educating persons with disabilities, as well as the chronically homeless. Additionally, UNC will conduct community forums to disseminate fair housing information and assist victims of discrimination.</p>			
Swarthmore	Fair Housing Council of Suburban Philadelphia, Inc.	\$275,000	PEI-PBC
<p>The Fair Housing Council of Suburban Philadelphia, Inc. (FHCSF), will provide fair housing services in the five-county Greater Philadelphia area, consisting of Montgomery, Bucks, Delaware, Chester, and Philadelphia counties. FHCSF will receive and process fair housing complaints and conduct telephone tests. Although FHCSF's services will be available to all, it will focus its efforts on persons with disabilities, victims of predatory lending, persons with limited English proficiency, families with children, and residents of the Empowerment Zone. Educational efforts include conducting workshops, distributing 6,000 educational guides, publishing 15 industry magazine articles, and distributing 6 newsletters.</p>			
Rhode Island			
Bridgeport	ACORN Fair Housing—A Project for the American Institute for Social Justice	\$100,000	EOI-GC
<p>ACORN Fair Housing—A Project for the American Institute for Social Justice will conduct education and outreach on housing discrimination and predatory lending in Bridgeport and Hartford, Connecticut, as well as Providence, Rhode Island. In addition, ACORN Fair Housing will conduct research and analysis of conventional and subprime lending to detect evidence of redlining and reverse redlining of neighborhoods that have large low-income or minority populations. ACORN Fair Housing will also organize and conduct seminars and “Neighborhood Speak Outs” on fair housing to help citizens identify predatory loans and avoid entering into predatory loan agreements, in addition to educating them on what to do if a predatory lender has victimized them.</p>			
South Carolina			
Georgetown	Waccamaw Regional Council of Governments	\$98,915	EOI-GC
<p>Waccamaw Regional Council of Governments (WRCOG) will expand its program to provide fair housing education and outreach to Georgetown, Horry, and Williamsburg counties. WRCOG will continue to provide fair housing education as well as comprehensive fair housing planning and development assistance to local governments, non-profit groups, and housing industry professionals. WRCOG will conduct “Fair Housing Month” and “Homeownership Month” activities, including a regional affordable housing fair. WRCOG will refer discrimination complaints to HUD.</p>			

Tennessee			
Jackson	West Tennessee Legal Services, Inc.	\$275,000	PEI-PBC
<p>West Tennessee Legal Services, Inc. (WTLS), will conduct fair housing enforcement in Tennessee. WTLS will conduct complaint intake and investigate allegations of discriminatory housing practices. Additionally, WTLS will test for rental, sales, and predatory lending discrimination. The project will serve the public; however, emphasis will be placed on service delivery to Hispanics with limited English proficiency.</p>			
Nashville	Tennessee Fair Housing Council	\$219,542	PEI-GC
<p>The Tennessee Fair Housing Council (TFHC) will provide fair housing enforcement in central Tennessee. In doing so, TFHC will focus on complaint intake and consumer referral through coordination with other fair housing organizations. TFHC will also provide technical assistance to housing providers and conduct education and outreach activities.</p>			
Texas			
Austin	Austin Tenants' Council, Inc.	\$219,487.20	PEI-GC
<p>The Austin Tenants' Council, Inc. (ATC), will continue to investigate complaints and test for housing discrimination in the Austin metropolitan statistical area. ATC will use its resources to identify discrimination and assist complainants in enforcing their rights under the Fair Housing Act. The project will focus on issues regarding the rights of persons with disabilities and recent immigrants and will address the high loan denial rates for minority homebuyers. In addition, ATC will strive to raise public awareness of the effects of housing discrimination.</p>			
Dallas	ACORN Institute, Inc.	\$96,952.58	EOI-GC
<p>The ACORN Institute, Inc., in an effort to increase minority homeownership, will target education and outreach activities in lower income minority communities, particularly areas with immigrants with limited English proficiency and areas with changing demographics across the Dallas/Fort Worth metropolitan area. Through partnerships with grassroots organizations and local churches, ACORN will educate community members to become "fair housing ambassadors" in their communities.</p>			
San Antonio	San Antonio Fair Housing Council	\$219,997.60	PEI-GC
<p>San Antonio Fair Housing Council's overarching goal is to provide effective enforcement and advocacy for victims of housing discrimination in San Antonio (Bexar County) and 15 surrounding counties. The Council will receive, investigate, and resolve complaints of discrimination. The Council will test for sales and rental discrimination and conduct audits for accessibility compliance in newly constructed multifamily housing and independent living facilities.</p>			
San Antonio	City of San Antonio	\$30,135	EOI-GC
<p>The City of San Antonio Fair Housing Program (CSAFHP) will concentrate its efforts on eliminating discrimination and improving housing accessibility for persons with disabilities. The Fair Housing Program will address the specific concerns of persons with disabilities in Bexar County by developing new outreach materials and producing a training video in English and Spanish designed for persons with disabilities. A comprehensive listing of accessible housing in the target area will be compiled and updated regularly for community-wide distribution.</p>			
Vermont			
Burlington	Champlain Valley Office of Economic Opportunity	\$100,000	EOI-GC
<p>Champlain Valley Office of Economic Opportunity (CVOEO) will focus on removing regulatory barriers to affordable housing and provide education and outreach on predatory lending to mobile home park residents, minority populations, and persons with disabilities. In doing so, CVOEO will partner with professional and community groups. CVOEO will continue to provide complaint intake and referral services.</p>			

Springfield	The Housing Discrimination Project, Inc.	\$500,000	FHOI
<p>The Housing Discrimination Project, Inc. (HDP), a qualified fair housing organization with an extensive history of fair housing enforcement, is sponsoring the Vermont Fair Housing Council, a program under Vermont Legal Aid, Inc. (VLA). HDP is located in Holyoke, Massachusetts, and VLA is located in Springfield, Vermont, approximately 90 miles away. This fair housing project will be implemented in Vermont, which is experiencing an influx of new immigrants. There will also be a special emphasis on predominately rural areas. VLA will receive, investigate, and resolve or refer complaints of housing discrimination. VLA will also create a testing program by recruiting and training testers in the local community. In addition, VLA will educate the public through a website, newsletter, and brochures.</p>			
Virginia			
Charlottesville	Piedmont Housing Alliance	\$72,263	EOI-GC
<p>Piedmont Housing Alliance (PHA) is a regional organization dedicated to improving the lives of low- and moderate-income households by creating housing and community development opportunities throughout the Thomas Jefferson Planning District. PHA will provide local solutions through education on fair housing rights and responsibilities in the rental, sales, and lending markets. PHA will maximize new and existing relationships by working with a range of established service providers and community organizations to reach and educate the public.</p>			
Newport News	Office of Human Affairs, Inc.	\$58,215	EOI-GC
<p>The Office of Human Affairs, Inc., (OHA), will conduct fair housing and homeownership education and outreach activities in the Newport News area. The program will provide improved access to homeownership and rental opportunities for low- and moderate-income persons and increase homeownership opportunities in Newport News, especially in the underserved neighborhoods of Planning District I.</p>			
Richmond	Virginia Office for Protection and Advocacy	\$100,000	EOI-DC
<p>The Virginia Office for Protection and Advocacy (VOPA) will continue to empower persons with disabilities and others by providing them with education on fair housing as well as the necessary skills to assist them in protecting their rights. VOPA will disseminate information about federal and state fair housing protections throughout Virginia. Specific activities include the use of Internet-based technology, at least one statewide videoconference, a series of smaller training sessions statewide, multiple train-the-trainer sessions, and an information and referral service.</p>			
Roanoke	Total Action Against Poverty	\$87,928.62	EOI-GC
<p>Total Action Against Poverty (TAP) will provide education and outreach activities, which will aim to increase the awareness of fair housing issues as well as compliance with the Fair Housing Act. To do so, TAP will coordinate with the city of Roanoke's Fair Housing Board to hold public fair housing seminars for various groups and organizations. TAP will also develop a marketing campaign that includes coordination with local television stations to air public service announcements, the use of 48 billboards throughout the service area, and the distribution of informational brochures. Additionally, TAP will conduct one fair housing conference or symposium to educate the public as well as housing providers about fair housing issues.</p>			
Washington			
Spokane	Northwest Fair Housing Alliance	\$220,000	PEI-GC
<p>Northwest Fair Housing Alliance (NWFHA) will continue to engage in enforcement activities in Spokane and its surrounding communities. NWFHA will address barriers to housing for Hispanics and persons with limited English proficiency. NWFHA will expand its complaint intake, investigation, and testing services in order to increase the number of fair housing complaints filed with HUD and the Washington State Human Rights Commission, particularly with respect to national origin and disability discrimination.</p>			

Tacoma	Fair Housing Center of South Puget Sound	\$275,000	PEI-PBC
<p>The Fair Housing Center of South Puget Sound (FHGPS) will focus on enforcement activities through an increase in case intake and investigations. The project will include the intake and investigation of complaints of discrimination in rental, sales, and mortgage lending. FHGPS will recruit and train testers to conduct paired rental, sales, and mortgage lending tests in communities located in western and central Washington.</p>			
Wisconsin			
Milwaukee	Metropolitan Milwaukee Fair Housing Council	\$274,996	PEI-PBC
<p>The Metropolitan Milwaukee Fair Housing Council (MMFHC), in partnership with local faith-based and community-based organizations, will continue its efforts to enforce fair housing laws. In doing so, MMFHC will increase the intake of predatory lending complaints. MMFHC will train testers, conduct complaint-based testing, and provide case management services to victims of housing discrimination. In addition to conducting testing and providing services, MMFHC will investigate the accessibility of new multifamily properties in a number of Milwaukee communities.</p>			

CHAPTER 6 Oversight of Recipients of HUD Funds

HUD reviews HUD-funded programs to ensure that they are administered in a nondiscriminatory manner and that they affirmatively further fair housing. Within HUD, FHEO has the primary responsibility for ensuring that the state and local government agencies and private entities that receive HUD funding comply with civil rights statutes and civil rights-related program requirements.

HUD reviews its programs by: (1) investigating complaints alleging discrimination by a HUD-funded agency and (2) conducting compliance reviews of recipients. HUD also monitors HUD-funded recipients to determine their performance under the civil rights-related program requirements of the Office of Community Planning and Development, the Office of Public and Indian Housing, and the Office of Housing.

The following statutes prohibit HUD-funded agencies from engaging in discrimination:

- Title VI of the Civil Rights Act of 1964 (Title VI), which prohibits discrimination in federal programs on the basis of race, color, or national origin;
- Section 109 of the Housing and Community Development Act of 1974, as amended, which prohibits discrimination on the basis of race, color, religion, sex, or national origin in programs and activities receiving financial assistance from HUD programs including the Community Development Block Grant Program, Urban Development Action Grants⁴, Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee Program. Section 109 does not directly prohibit discrimination based on age or disability. However, the statute states that the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973 apply to these programs or activities;
- Section 504 of the Rehabilitation Act of 1973 (Section 504), which prohibits discrimination on the basis of disability in any federally assisted program. Section 504 regulations require that in federally assisted housing with five or more units, five percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with mobility impairments. An additional 2 percent of the dwelling units, or at least one unit, whichever is greater, must be accessible for persons with hearing and vision impairments;
- Title II of the Americans with Disabilities Act of 1990 (ADA), which prohibits discrimination on the basis of disability in state or local government services;
- Section 282 of the Cranston-Gonzalez National Affordable Housing Act, which prohibits discrimination on the basis of race, color, religion, sex, or national origin under any program or activity receiving assistance from the HOME Investment Partnerships program. Section 282 of the Cranston-Gonzalez National Affordable Housing Act does not directly prohibit discrimination based on age or disability. However, the statute states that the prohibitions against

⁴ Urban Development Action Grants have not been funded since FY 1988, although there is substantial program income generated by UDAG-assisted activities and those funds are treated as CDBG program income.

discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973 apply to these programs or activities;

- The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities that receive federal financial assistance; and
- Title IX of the Education Amendments Act of 1972 (Title IX), which prohibits discrimination on the basis of sex in education programs or activities that receive federal financial assistance.

COMPLAINTS AGAINST RECIPIENTS OF HUD FUNDS

When someone files a discrimination complaint against a recipient of HUD funds, HUD investigates it to determine whether the recipient violated civil rights laws. At the conclusion of the investigation, HUD makes a finding of compliance or noncompliance with the law. Typically, HUD issues a Letter of Findings (LOF) to the recipient and to the complainant. The LOF contains the findings of fact, a finding of compliance or noncompliance, a description of an appropriate remedy for each violation, if any, and in Section 109 and Section 504 complaint investigations, a notice of the right of the recipient or the complainant to request a review of the LOF.

Once HUD makes a determination of noncompliance, it informs the recipient and complainant in writing with a final Letter of Findings (LOF) and attempts to resolve the matter through informal means. The typical method used to informally resolve complaints is the Voluntary Compliance Agreement (VCA), which details the steps the recipient must take to correct civil rights and other related violations set out in the LOF. If the recipient refuses to informally resolve the matter, HUD can take appropriate action to effect compliance, including but not limited to suspension or debarment proceedings under 24 CFR Part 24; suspension or termination of existing federal funds or refusal to grant future federal financial assistance to the recipient (but only after an administrative hearing); or referral of the matter to the Department of Justice with a recommendation for appropriate enforcement action.

Table 6.1 shows the number of complaints received in FY 2005 that alleged discrimination by a recipient of HUD funds and the civil rights law that was allegedly violated.

Table 6.1 Complaints Against Recipients of HUD Funds, FY 2005

	Title VI	Title IX	Section 504	Section 109	Title II of ADA	Age Discrim	Total
Filed Prior to FY 2005	762	0	967	175	272	18	2,194
Filed in FY 2005	403	0	696	31	213	2	1,345
Investigations Closed	235	0	380	22	115	2	754

Source: TEAPOTS

Table 6.1 *Complaints Against Recipients of HUD Funds, FY 2005* shows that the majority of complaints filed in FY 2005 against recipients of HUD funds alleged Section 504 violations, followed by violations of Title VI, Title II of the Americans with Disabilities Act, and Section 109. In FY 2005, HUD received two complaints of violations of the Age Discrimination Act and no Title IX complaints.

In FY 2005, HUD completed 754 investigations arising from complaints against HUD-funded agencies. The closure rates followed the filing rates, with the most closures for Section 504 complaints, followed by Title VI, Title II of the ADA, Section 109, and the Age Discrimination Act.

COMPLIANCE REVIEWS OF RECIPIENTS OF HUD FUNDS

HUD conducts compliance reviews to determine whether a recipient of HUD funding is in compliance with applicable civil rights laws and HUD's implementing regulations. HUD undertakes compliance reviews based on criteria established by HUD. HUD also initiates a compliance review when a civil rights problem is detected through HUD program monitoring, HUD risk analysis, HUD programs limited monitoring reviews, or information obtained from other sources including complaints or news media reports.

After a review to assess whether the recipient of HUD funds has complied with civil rights laws, HUD makes a finding of compliance or noncompliance. Whether there is a finding of compliance or noncompliance, HUD typically issues an LOF. An LOF contains the findings of fact, a finding of compliance or noncompliance, and a description of an appropriate remedy for each violation identified, if any.

Table 6.2 Compliance Reviews of Recipients of HUD Funds, FY 2005

	Title VI	Title IX	Section 504	Section 109	Title II ADA	Age Discrim	Total
Initiated Prior to FY 2005	140	0	196	22	20	0	378
Initiated in FY 2005	60	0	74	7	4	0	145
Compliance Reviews Closed	47	0	64	13	1	0	125
Compliance Reviews with LOFs	58	0	80	11	0	0	149

Source: TEAPOTS

Table 6.2 *Compliance Reviews of Recipients of HUD Funds, FY 2005* shows that the majority of compliance reviews were for violations of Section 504. Title VI compliance reviews were the second-most prevalent, followed by Section 109 and Title II of the Americans with Disabilities Act compliance reviews. No Age Discrimination Act or Title IX compliance reviews were conducted in FY 2005.

In FY 2005, HUD issued 149 LOFs. The majority resulted from Section 504 compliance reviews; this was followed by Title VI compliance reviews and Section 109 compliance reviews.

Once HUD makes a determination of noncompliance, it must inform the recipient in writing and attempt to resolve the matter through informal means. The typical method used to informally resolve a finding of noncompliance is a Voluntary Compliance Agreement (VCA), which details the steps the recipient will take to correct the civil rights and other related violations. If the recipient refuses to informally resolve the matter, HUD can take other appropriate action to effect compliance, including but not limited to: suspension or debarment proceedings under 24 CFR Part 24; suspension or termination of existing federal funds or refusal to grant future federal financial assistance to the recipient (but only after an administrative hearing); or referral to the Department of Justice with a recommendation for appropriate enforcement action.

FY 2005 VCAs

Miami-Dade Housing Agency

In February 2004, HUD conducted a compliance review of the Miami-Dade Housing Agency's (MDHA) properties, programs, and services. This compliance review was conducted under Section 504 of the Rehabilitation Act of 1973 and Title II of the ADA. HUD's compliance review revealed deficiencies related to the physical accessibility of common areas and individual housing units. In addition, the review revealed inaccessibility to MDHA's housing and non-housing policies and to its procedures for persons with disabilities.

On March 26, 2005, HUD and MDHA entered into a VCA. Under the terms the VCA, MDHA will construct or convert a minimum of 478 accessible housing units for persons with physical disabilities, over a period of 6 years. The VCA also requires MDHA to complete accessibility modifications to its administrative offices to ensure that its offices are fully accessible to individuals with disabilities. MDHA will also hire or appoint appropriate staff to implement the terms and conditions of the VCA and modify its policies and procedures to ensure that persons with disabilities have an equal opportunity to participate as applicants and residents in MDHA's programs, services, and activities.

Housing Authority of the City of Houston

In May 2004, HUD conducted a compliance review of the Housing Authority of the City of Houston (HACH). This compliance review was conducted under the authorities of Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990. HUD issued its preliminary Letter of Findings (LOF) of Non-Compliance in September 2004. In its findings, HUD noted that HACH had failed to make a minimum of 5 percent of its housing units accessible for individuals with disabilities. In addition, HACH's administrative offices, where public housing and Section 8 applications are accepted and where HACH conducts intake meetings for those applicants, were not accessible to individuals with disabilities. HACH had also failed to adopt and implement a number of critical policies: Occupancy, Admission, and Transfer Policies; Reasonable Accommodation Policy and Procedures; and an Effective Communication Policy.

HUD and HACH signed a VCA in August 2005. The VCA required the HACH to construct or convert a minimum of 5 percent or 180 of its total housing units as Uniform Federal Accessible Standards (UFAS)-accessible units within 4 years. HACH's administrative offices and newly opened Training Institute will be accessible to persons with disabilities. The Agreement resolves several potential civil rights concerns that HUD uncovered during its review. For example, HACH will adopt a HUD-approved Reasonable Accommodation Policy to ensure that applicants and residents are advised of their right to request reasonable accommodations, and the procedure to request those accommodations. HACH will also establish a grievance and appeal process for individuals who were denied a reasonable accommodation. In addition, HACH will amend its Admissions and Continued Occupancy Policy incorporating the necessary HUD-approved, updated policies and procedures.

Housing Authority of the City of Pittsburgh

In March 1995, HUD executed a VCA with the Housing Authority of the City of Pittsburgh (HACP). Under the terms, HACP was required to conduct an updated Section 504 Needs Assessment to identify the needs of its current residents, applicants, and income-eligible persons with disabilities in the city of Pittsburgh and to develop a transition plan to make requisite numbers of units accessible to meet the needs of persons with disabilities. In addition, the VCA required HACP to develop specific performance

targets with interim steps to make all structural changes necessary to ensure that at least 5 percent of its public housing units complied with Section 504.

The VCA was extended several times with some amendments, but as of 2003, HACP still had not completed the required needs assessment and transition plan. FHEO conducted a Section 504 on-site review during the week of June 30, 2003, to determine HACP's compliance with Section 504 and the VCA. HUD issued its preliminary Letter of Findings on April 19, 2004, which stated its determination that HACP was in noncompliance with both the terms of the VCA and Section 504. During the week of January 10, 2005, HUD conducted an on-site review of HACP's compliance with Section 504 and Title II of the ADA.

HUD's on-site review revealed noncompliance with respect to accessibility of the HACP's housing units, as well as accessibility to HACP's housing and non-housing programs, services, and activities. In addition, HUD's review concluded that HACP's Admission and Occupancy Policies, Transfer Policy, and Reasonable Accommodation Policy and procedures were not operated and implemented in a manner to ensure that these policies and practices did not discriminate against qualified individuals with disabilities on the basis of their disabilities.

On June 3, 2005, HUD and the Housing Authority of the City of Pittsburgh executed a VCA. Under the terms, HACP will create 264 fully accessible units for low-income persons with disabilities in the city of Pittsburgh within the next 5 years. In addition, the Agreement requires HACP to revise its policies on admissions and occupancy, transfers, and reasonable accommodations for persons with disabilities to ensure that they comply with Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990.

Housing Authority of the City of Las Vegas

During the week of January 26, 2004, OGC-Fair Housing participated in a joint Section 504 and Title VI compliance review of the Housing Authority of the City of Las Vegas (HACLV). The review, coordinated with representatives from FHEO headquarters and the San Francisco FHEO-HUB office, and additional HUD-FHEO participants from around the country, focused on the accessibility of the common areas in the housing and non-housing facilities; accessibility of the housing units; interviews with key HACLV staff and residents; and review of records, including waiting lists, maintenance records, transfer lists, and tenant files. During the review, the team conducted interviews with key HACLV staff, including the Executive Director and Deputy Executive Director.

On April 21, 2004, FHEO issued its preliminary Letter of Findings and Accessibility Report.

During the week of August 23, 2004, OGC-Fair Housing and FHEO conducted negotiations with the Housing Authority of the City of Las Vegas. The parties negotiated the terms of a VCA. The VCA was fully executed by all parties, effective December 22, 2004. Under the terms, HACLV will be required to construct or convert a minimum of five percent, or 104 of its 2,074 total housing units, as UFAS-accessible. In addition, the VCA will require HACLV to modify its policies regarding: the provision of services to individuals who are limited English proficient; tenant assignment and selection; transfers; reasonable accommodation; and effective communication.

Housing Authority of Baltimore City

In October 2002, HUD made a formal referral under Section 504 of the Housing Authority of Baltimore City (HABC) to the U.S. Department of Justice (DOJ), Housing and Civil Enforcement Section. Despite

ongoing negotiations between HUD and HABC, HUD considered that its efforts at voluntary resolution had failed and requested that DOJ pursue appropriate remedies against HABC.

HABC and DOJ have been involved in ongoing mediation with the private plaintiffs in order to resolve the outstanding issues of noncompliance prior to filing suit. On December 23, 2003, DOJ informed HUD-OGC that it had reached an "agreement in principle" with HABC and the private plaintiffs to resolve the outstanding violations via a proposed Consent Decree. On December 22, 2004, the Magistrate, DOJ, HABC, and the private plaintiffs executed the final Consent Decree.

Under the terms of the Consent Decree, HABC is required to construct or convert a total of 1,038 UFAS-accessible units, including 755 units for persons with mobility disabilities and an additional 283 units for persons with hearing and/or visual disabilities. In addition, the Consent Decree requires that 7 percent of the units be UFAS-accessible in developments or buildings constructed after 2003. In addition, the Consent Decree requires HABC to create 1,850 affordable housing opportunities, 850 tenant-based vouchers, 500 Section 8 project-based vouchers, and 500 public housing units.

CHAPTER 7 FAIR HOUSING AND CIVIL RIGHTS IN HUD PROGRAMS

FHEO REPORTING RESPONSIBILITIES

Section 808 of the Fair Housing Act requires that HUD annually report to the Congress, and make available to the public, data on race, color, religion, sex, national origin, age, disability, and family characteristics of households who are applicants for, participants in, or beneficiaries or potential beneficiaries of, programs administered by the Department to the extent that such characteristics are within the coverage of the provisions of law and Executive Orders referred to below.

- Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs and activities receiving federal financial assistance;
- Title VIII of the Civil Rights Act of 1968, as amended, widely known as the Fair Housing Act, which prohibits discrimination based on race, color, national origin, religion, sex, familial status, or disability in the sale, rental, and financing of dwellings and in other housing-related transactions;
- Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in any federally funded program or activity and in HUD programs or activities;
- The Age Discrimination Act of 1975, which prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance;
- The Equal Credit Opportunity Act, which prohibits any creditor from discriminating against any applicant with respect to any aspect of a credit transaction on the basis of race, color, religion, national origin, sex, marital status, or age (provided the applicant has the capacity to contract);
- Section 1978 of the Revised Statutes (42 U.S.C. 1982), which gives all citizens of the United States, regardless of race, the same rights in every state and territory to inherit, purchase, lease, sell, hold, and convey real and personal property;
- Section 8(a) of the Small Business Act, which authorizes the Small Business Administration (SBA) to enter into contracts with other federal agencies. The SBA then subcontracts the actual performance of the work to small businesses owned and controlled by socially and economically disadvantaged individuals. Through a memorandum of understanding, SBA delegated the authority to HUD to contract directly with 8(a) firms;
- Section 527 of the National Housing Act (12 U.S.C. 1735 f-5), which prohibits discrimination on the basis of sex in any federally related mortgage loan, or federal insurance, guaranty, or other assistance in connection therewith;
- Section 109 of the Housing and Community Development Act of 1974, as amended, which prohibits discrimination on the basis of race, color, national origin, sex, or religion in programs and activities receiving financial assistance from HUD programs including the Community

Development Block Grant Program, Urban Development Action Grants⁵, Economic Development Initiative Grants, Special Purpose Grants, and the Section 108 Loan Guarantee Program. While Section 109 does not directly prohibit discrimination based on age or disability, the statute does state that the prohibitions against discrimination on the basis of age found in the Age Discrimination Act of 1975 and the prohibitions against discrimination on the basis of disability found in Section 504 of the Rehabilitation Act of 1973 apply to these programs;

- Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), which calls upon the Secretary to require that public and Indian housing agencies, community planning and development recipients and their contractors and subcontractors make their best efforts, consistent with existing federal, state, and local laws and regulations, to give to low- and very low-income persons the training and employment opportunities generated by development assistance; and
- Executive Orders 11063, 11246, 11625, 12250, 12259, and 12432.

Racial and Ethnic Categories

Prior to the last census, the Office of Management and Budget (OMB) significantly revised standards for federal agencies that collect, maintain, and report federal data on race and ethnicity. HUD offices implemented this data format on January 1, 2003.

Under OMB's policy, individuals responding to inquiries about race have the option to select one or more of five racial categories: (1) "American Indian or Alaska Native;" (2) "Asian;" (3) "Black or African American;" (4) "Native Hawaiian or Other Pacific Islander;" and (5) "White." OMB's policy treats ethnicity separately from race. Persons must choose one of two ethnic categories: (1) "Hispanic or Latino;" or (2) "Not Hispanic or Latino."

The previous OMB guidelines on race had been in place since 1977. Under those guidelines, there were only four racial categories: (1) "American Indian or Alaskan Native;" (2) "Asian or Pacific Islander;" (3) "Black;" and (4) "White." Persons also did not have the option of selecting multiple categories. In the past, some agencies incorrectly classified Hispanic as a race instead of an ethnic category.

In FY 2005, some of HUD's programs provided data under the old format; others conformed to the current guidelines; and still others provided data using a combination of the two formats.

The following sections report on the protected characteristics of beneficiaries of HUD-funded programs and briefly describe the programs.

FEDERAL HOUSING ADMINISTRATION

In response to the problems of economic depression of 1929, the Federal Housing Administration was created when Congress passed the National Housing Act of 1934 to support homeownership and housing development. It became part of the Department of Housing and Urban Development in 1965. FHA insures private lenders against loss on mortgage financing for single-family homes, multifamily housing projects, health care facilities, property improvements, and manufactured homes. By insuring

⁵ Urban Development Action Grants have not been funded since FY 1988, although there is substantial program income generated by UDAG-assisted activities and those funds are treated as CDBG program income.

private lenders against loss, HUD encourages lenders to invest capital in single-family, multifamily, and other housing markets.

FHA's programs are designed to expand homeownership and affordable housing opportunities. They are operated under four mortgage insurance funds (the FHA Funds), which are supported through income from premiums, sales of HUD-owned properties, interest on investments, congressional appropriations, and other sources.

HUD insures single-family loans made by FHA-approved lenders for up to 98.75 percent of the appraised value. Depending on the size of the loan, a single-family loan can be for up to 30 years. Most mortgagors pay at least a three percent down payment, but the Secretary may determine a larger amount.

FHA-Insured Single-Family Home Purchase Loans

Table 7.1 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Home Purchase Loans, FY 2005

Protected Characteristic	Loans to Persons with Characteristic	Dollar Amount of Loans to Persons with Characteristic
Purchase Total	395,759	\$ 43,533,864,013
Race		
American Indian or Alaska Native	1.4%	1.4%
Asian	1.2%	1.5%
Black or African American	14.1%	14.1%
Native Hawaiian or Other Pacific Islander	2.5%	2.6%
White	78.6%	77.7%
Not Disclosed	7.0%	8.0%
Ethnicity		
Hispanic	14.4%	15.9%
Not Hispanic	83.8%	81.9%
Not Disclosed	1.9%	2.1%
Sex		
Female	36.8%	33.4%
Male	62.4%	65.6%
Not Disclosed	0.9%	1.0%
Percentages may not total 100 percent due to rounding.		

Source: Single Family Data Warehouse

FHA-Insured Single-Family Refinance Loans

Table 7.2 Protected Characteristics of Mortgagors Who Obtained FHA-Insured Single-Family Refinance Loans, FY 2005

Protected Characteristic	Loans to Persons with Characteristic	Dollar Amount of Loans to Persons with Characteristic
Refinance Total	159,666	\$ 18,798,670,952
Race		
American Indian or Alaska Native	1.5%	1.4%
Asian	1.0%	1.1%
Black or African American	18.5%	18.6%
Native Hawaiian or Other Pacific Islander	1.2%	1.3%
White	71.2%	71.1%
Not Disclosed	10.1%	10.1%
Ethnicity		
Hispanic	15.0%	15.1%
Not Hispanic	79.7%	79.8%
Not Disclosed	5.3%	5.2%
Sex		
Female	33.5%	31.8%
Male	63.9%	65.8%
Data Not Available	2.6%	2.4%
Percentages may not total 100 percent due to rounding.		

Source: Single Family Data Warehouse

In FY 2005, more than three-fourths of FHA-insured purchase loans were made to white borrowers (78.6 percent). Black or African American borrowers received 14.1 percent of the loans. Asian borrowers and American Indian or Alaska Native borrowers each received less than 2 percent of purchase loans. Native Hawaiian or Other Pacific Islander borrowers received 2.5 percent of the loans. Racial data were not available for the recipients of almost 7.0 percent of purchase loans.

Hispanic borrowers received 14.4 percent of FHA-insured purchase loans. Ethnicity data were not available for the recipients of 1.9 percent of purchase loans.

In FY 2005, the racial distribution of FHA-insured refinance loans was similar to that of purchase loans. Whites constituted the largest group of borrowers (71.2 percent), while black or African American borrowers were the next largest group (18.5 percent). Less than 2 percent of refinance loans were made to Asian borrowers, American Indian or Alaska Native borrowers, or Native Hawaiian or Other Pacific Islander borrowers. Racial data were not available for the recipients of almost 10.1 percent of FHA-insured refinance loans.

Hispanic borrowers received 15.0 percent of FHA-insured refinance loans. Ethnicity data were not available for the recipients of 5.3 percent of refinance loans.

Men were the principal borrowers for 62.4 percent of FHA-insured purchase loans and 63.9 percent of FHA-insured refinance loans. This is partially because, in the case of married couples, the women often were recorded as co-borrowers.

MULTIFAMILY SUBSIDIZED HOUSING PROGRAMS

Project Rental Subsidies

The housing subsidies described below are paid to owners on behalf of tenants to keep their rents affordable. This assistance is tied to the property and differs in that respect from tenant-based rental assistance programs (e.g., housing choice vouchers), where the subsidy follows the tenant when the tenant moves to another property.

Project-Based Section 8

Through Project-Based Section 8, HUD provides rental assistance to families in assisted FHA-insured and non-insured properties to ensure that these properties remain affordable to low-income families.

Rental Assistance Payment (RAP) Contracts

RAP was established by the Housing and Community Development Act of 1974 to provide additional rental assistance to property owners on behalf of very low-income tenants. RAP is available only to Section 236 properties and was the predecessor of the Project-Based Section 8 program.

Rent Supplement Contracts

The Rent Supplement Program was established by the Housing and Urban Development Act of 1965 and was the first project-based assistance program for mortgages insured by HUD's Office of Housing. These contracts were available to Section 221(d)(3) BMIR, Section 231, Section 236 (insured and noninsured), and Section 202 properties for the life of the mortgage. The program was suspended under the housing subsidy moratorium of January 5, 1973. This moratorium stopped the funding of any additional projects, although previously funded projects continue to receive funding.

Section 202 Supportive Housing for the Elderly

Section 202 Supportive Housing for the Elderly helps expand the supply of affordable housing with supportive services for the elderly. It provides elderly persons with options for independent living in an environment that offers services such as cooking, cleaning, and transportation. Once the project is developed, funding is provided through the Section 202 project rental assistance contract (PRAC) to cover the difference between the HUD-approved operating cost for the project and tenants' contributions toward rent.

In order to live in Section 202 housing, a household must be very low-income (below 50 percent of the median income for the area) and must have at least one member who is age 62 or older.

Section 811 Supportive Housing for Persons with Disabilities

The Section 811 Supportive Housing for Persons with Disabilities Program allows persons with disabilities to live independently, by providing a supply of rental housing that has supportive services.

Once the project is developed, funding is provided through a Section 811 PRAC to cover the difference between the HUD-approved operating cost for the project and tenants' contributions toward rent.

In order to live in Section 811 housing, a household, which may consist of a single qualified person, must be very low-income and at least one member must be at least 18 years old and have a disability, such as a physical or developmental disability or chronic mental illness.

Direct Loans

Section 202 Direct Formula Interest Rate Loans

The Section 202 Direct Formula Interest Rate Loan Program replaced the Section 202 Direct Low-Interest Loan Program. Both programs provided long-term, direct loans to finance housing for elderly persons or persons with disabilities. However, formula interest rate loans carried an interest rate based on the average yield on 30-year marketable obligations of the United States, and properties were developed with 100 percent Section 8 assistance to help keep units affordable to low-income families. This program is commonly referred to as Section 202/8. While no new projects have been developed under this program since 1991, previously developed projects are still in operation.

The Direct Formula Interest Rate Loan Program ended in 1991, becoming the Section 202 Capital Advance program and the Section 811 Capital Advance Program. Both programs have PRAC funding, which is described above. The Section 202 Capital Advance Program can serve only elderly persons, while the Section 811 Capital Advance Program was created to develop housing for persons with disabilities.

Table 7.3 Protected Characteristics of Persons Provided With Housing Assistance from Rental Subsidies, For 18-Month Period Ending September 30, 2005

Protected Characteristic	Project-Based Section 8 ¹	Rent Supplement	Rental Assist. Program (RAP)	Section 202 PRAC ²	Section 811 PRAC	Section 202 Direct Loan w/ Section 8
Total Households	1,006,788	14,471	17,878	212,639	81,241	24,396
Race						
Black	39.9%	40.2%	51.1%	25.4%	22.4%	21.2%
White	53.4%	54.5%	41.9%	66.0%	73.7%	72.3%
Other	4.8%	2.8%	4.9%	7.4%	2.5%	5.0%
Data Not Available	2.0%	2.6%	2.25%	1.2%	1.4%	1.5%
Ethnicity						
Hispanic	12.7%	17.5%	17.4%	11.6%	5.5%	9.8%
Not Hispanic	87.3%	82.5%	82.6%	88.3%	94.3%	90.1%
Age of Head of Household						
Younger than 31	24.3%	10.8%	12.6%	0.0%	13.9%	1.7%
31–41	12.9%	12.6%	12.6%	0.1%	23.7%	3.3%
42–51	11.8%	14.1%	13.5%	0.1%	31.2%	6.1%
52–61	10.7%	14.0%	13.4%	0.5%	20.7%	7.8%
62 Or Older	40.4%	48.5%	48.1%	0.0%	13.9%	1.7%
Sex of Head of Household						
Female	76.7%	72.8%	73.1%	73.3%	46.8%	69.3%
Male	23.3%	27.2%	26.9%	26.7%	53.2%	30.7%
Disability						
Households Reporting a Disability ³	27.5%	22.6%	18.8%	0.5%	89.6%	18.3%
Families with Children						
Households with Children ⁴	36.1%	26.8%	29.3%	0.1%	2.9%	0.4%
All data were from the TRACS system for the 18-month period ending on September 30, 2005. Households were excluded when their records showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either program termination or move-out.						
1. The Section 8 Project-Based column excludes all households covered under Section 202/8. It includes all new and substantial rehabilitation projects, property disposition projects, Section 8 projects with Loan Management Set Asides (LMSA), and State Housing Finance and Development Agency projects. Also includes all households in Section 236 and BMIR projects having Section 8 LMSA assistance. These households were not included in Table 7.4 to avoid duplication.						
2. The Section 202 PRAC column contains a small number of Section 202/162 households.						
3. "Households Reporting a Disability" indicates that the head, spouse, or co-head was shown as a person with a disability.						
4. "Households with Children" indicates households with at least one child under the age of 18.						

Source: Tenant Rental Assistance Certification System (TRACS)

Project rental subsidy and direct loan data were not reported with the racial categories required by OMB, but ethnicity was reported separately from race.

White households accounted for at least two-thirds of those receiving housing assistance through Section 202 PRAC, Section 811 PRAC, and Section 202 Direct Loan with Section 8. Black households constituted at least one-fifth of the beneficiaries of these programs.

In Project-Based Section 8 and Rent Supplement programs, more than half of the households were white, 53.4 percent and 54.5 percent, respectively. Black households constituted about two-fifths of the beneficiaries of these programs.

The Rental Assistance Program (RAP) was the only program where black households were the majority of the beneficiaries (51.1 percent). White households constituted about two-fifths of RAP beneficiaries.

One in six households in Rent Supplement and RAP were Hispanic. More than one-ninth of the households were Hispanic in Project-Based Section 8 and Section 202 PRAC. In the other programs, less than one-tenth of the households were Hispanics.

In Section 202 PRAC, 99.3 percent of heads of households were over the age of 62. This was because the household must have a member who is elderly to qualify for Section 202 PRAC. The program did not report 100 percent elderly, because the reporting was limited to the head of the household, and a household could have qualified for Section 202 PRAC if another family member was elderly.

Persons over the age of 62 accounted for 81.2 percent of those receiving housing assistance from the Section 202 Direct Loan Program with Section 8. This was because many of the projects funded under this program were created for the elderly. In Project-Based Section 8, Rent Supplement, and RAP, at least 40 percent of all of the heads of household were older than 62.

The Section 811 program deviated significantly from this trend, with just 10.5 percent of the heads of households over 62. This is because most organizations that serve the elderly applied for funding through the Section 202 program and would not have applied for Section 811 funding.

Women headed a clear majority of the households in all but one of the programs. The majorities ranged from a high of 76.7 percent of households benefiting from Project-Based Section 8 to 69.3 percent of the households in Section 202 Direct Loan. The only rental assistance program that deviated from this pattern was Section 811 PRAC, where slightly less than half of the households were headed by women.

In Section 811, almost nine in ten households had someone with a disability. While at least one member must have a disability in order for a household to participate in the program, the total was not 100 percent. This was because the data captured only whether the head, spouse, or co-head had a disability. It can be assumed that in the remaining 10 percent of households, a member other than the head, spouse, or co-head had a disability.

The number of persons with a disability in Section 202 PRAC was one-tenth of one percent. This was because those benefiting from Section 202 PRAC had no incentive to disclose a disability, because it did not provide them with any additional benefits.

Families with children constituted more than one-fourth of the households receiving housing assistance from Project-Based Section 8, Rental Supplement, and RAP. Less than one percent of the households in either of the Section 202 programs had children living with them.

MULTIFAMILY/FHA HOUSING PROGRAMS

Financing Subsidies: Mortgage Insurance and Mortgage Interest Rate Subsidies

Section 236

This FHA program, established by the Housing and Urban Development Act of 1968, combined federal mortgage insurance with interest reduction payments to encourage the production of low-cost rental housing. While no longer providing insurance or subsidies for new mortgage loans, existing Section 236 properties continue to receive interest subsidies. Under this program, HUD provided interest subsidies in order to lower a project's mortgage interest rate to as little as one percent. The interest reduction payment resulted in lower operating costs and consequently, a reduced rent structure.

The Section 236 basic rent is the rent that the owner must collect to cover the property's costs, given the mortgage interest reduction payments made to the property. All tenants pay at least the Section 236 basic rent and, depending on their income level, may pay a rent up to the Section 236 market rent.

Some Section 236 properties experienced escalating operating costs, causing the basic rent to increase beyond levels readily affordable to many low-income tenants. To maintain the financial health of the property, HUD may have allocated project-based rental assistance through a Section 8 Loan Management Set-Aside (LMSA) to a Section 236 property. Some Section 236 properties receive other forms of project-based rental assistance from programs such as the Rent Supplement program.

Below Market Interest Rate (BMIR) Program Section 221(d)(3)

This FHA program insured and subsidized mortgage loans to facilitate the new construction or substantial rehabilitation of multifamily rental or cooperative housing for low- and moderate-income families. This program no longer provides subsidies for new mortgage loans, but existing Section 221(d)(3) BMIR properties continue to operate under it.

Families living in Section 221(d)(3) BMIR projects are considered subsidized because the reduced rents for these properties are made possible by subsidized mortgage interest rates. Some BMIR projects experienced escalating operating costs that have caused the BMIR rents to increase beyond levels that are affordable to lower and moderate-income tenants. When this occurs, HUD may have allocated project-based rental assistance through Section 8 Loan Management Set-Aside (LMSA) to these properties to decrease vacancies and improve the project's financial position.

Table 7.4 Protected Characteristics of Persons Provided With Housing Assistance Through Mortgage Insurance and Mortgage Interest Rate Subsidies, For 18-Month Period Ending September 30, 2005

Protected Characteristic	Section 236	Below Market Interest Rate (BMIR)
Total Households ¹	41,312	8,706
Race		
Black	36.5%	42.6%
White	57.3%	46.0%
Other	4.6%	9.0%
Data Not Available	1.6%	2.4%
Ethnicity		
Hispanic	10.8%	14.0%
Not Hispanic	89.2%	86.0%
Age of Head of Household		
Younger than 31	22.6%	23.9%
31–41	15.4%	23.0%
42–51	12.3%	19.1%
52–61	9.9%	15.2%
62 Or Older	39.9%	18.9%
Sex of Head of Household		
Female	66.0%	58.6%
Male	34.0%	41.4%
Disability		
Households Reporting a Disability ³	13.9%	7.1%
Families with Children		
Households with Children ⁴	30.3%	43.5%

All data were from the TRACS system for the 18-month period ending on September 30, 2005. A household was excluded if its record showed a head of household younger than 15 years of age or older than 105 years of age or if the record showed either program termination or move-out.

1. "Total Households" indicates the number of households with tenant data in TRACS.
2. "Hispanic" includes any household reported as Hispanic regardless of any entry in the "race" field. The sum of the percentages in the "Race or Ethnicity" column is 100 percent.
3. "Households Reporting a Disability" indicates a head, spouse, or co-head who has reported a disability.
4. "Households with Children" indicates households with at least one child under the age of 18.

Source: Tenant Rental Assistance Certification System (TRACS)

Recipients of Section 236 and BMIR did not consistently report data in a form that complied with the OMB standards. As a result, data provided on Section 236 and BMIR did not meet the racial and ethnicity standards.

According to Table 7.4, the majority of households provided with housing assistance through Section 236 were white (57.3 percent). Black households consisted of 36.5 percent of the households. The

remaining 4.6 percent of the households that identified themselves did so as a race other than black or white. Almost 11 percent of the households were Hispanic, and the remaining 89.2 percent were not Hispanic.

Of the households provided with housing assistance through Section 236, 39.9 percent had a head of household who was older than 62. More than one-fifth of the households (22.6 percent) were headed by someone younger than 31, and more than one-third of the heads of households were between 31 and 61 years of age.

Two-thirds of the households benefiting from Section 236 were headed by a woman. Less than one-third of the households had a child. Just 14 percent of the households assisted through Section 236 reported a head, spouse, or co-head with a disability.

White households accounted for close to half of households assisted through BMIR (46.0 percent); black households constituted 42.6 percent; and 9.0 percent of the households identified themselves as a race other than black or white. Of the households assisted through BMIR, 14.0 percent were Hispanic.

Of the households receiving housing assistance through BMIR, the largest group was headed by someone younger than 31 years of age (23.9 percent), and 23.0 percent of households were headed by someone between 31 and 41 years of age. Households where the head was over age 62 made up 18.9 percent of all households.

The majority of households (58.6 percent) receiving subsidies through BMIR were headed by a woman. A child was present in 43.5 percent of households benefiting from BMIR. Only 7.1 percent of the households reported a head, spouse, or co-head with a disability.

HOMELESS ASSISTANCE

Five homeless assistance programs address the needs of persons who are homeless. Through the Emergency Shelter Grant program HUD provides assistance to state and local governments to improve the quality of existing emergency shelters for the homeless, create additional shelters, meet the costs of operating shelters, provide essential social services to the homeless, and help prevent homelessness. Under the Title V program, HUD collects and publishes information about surplus federal property that can be used to provide shelter, services, storage, or other types of aid to homeless persons. The three remaining programs are part of the Continuum of Care system in homeless assistance grants. These are described in detail below.

Continuum of Care

Programs funded through the Continuum of Care system are designed to meet the physical, economic, social, and shelter needs of persons who are homeless. These programs are the Supportive Housing Program, the Shelter Plus Care Program, and the Single Room Occupancy Program. Grants for these programs are made available through a notice of funding availability published by HUD. Eligible applicants include states, units of local government, public housing agencies, and private nonprofit organizations.

Supportive Housing Program

The Supportive Housing Program (SHP) helps develop housing and related supportive services for people moving from homelessness to independent living. Supportive Housing helps homeless people live in a stable place, increase their skills or income, and gain more control over their lives.

Shelter Plus Care Program

The Shelter Plus Care Program provides rental assistance that, when combined with social services, provides supportive housing for homeless persons with disabilities and their families. The program allows for a variety of housing choices, such as group homes or individual units, coupled with a range of supportive services (funded by other sources).

Single Room Occupancy

The Single Room Occupancy (SRO) Program is authorized by Section 441 of the McKinney-Vento Homeless Assistance Act. It provides rental assistance and moderate rehabilitation of buildings with multiple single-room units designed to accommodate single homeless individuals. These rooms often do not contain individual food preparation or bathroom facilities. A public housing agency makes Section 8 rental assistance payments to the landlords for the homeless people who rent the rehabilitated units.

Table 7.5 Characteristics of Participants in Homeless Assistance, Continuum of Care Programs, FY 2005

Protected Characteristic	Percent of Participants with Characteristic
Race of 173,914 adult participants	
American Indian or Alaska Native	2.0%
Asian	0.8%
Black or African American	37.5%
Native Hawaiian or Other Pacific Islander	0.8%
White	50.3%
American Indian or Alaska Native and White	0.7%
Asian and White	0.1%
Black or African American and White	0.8%
American Indian or Alaska Native and Black or African American	0.2%
Other Multi-racial	3.0%
Ethnicity of 173,914 adult participants	
Hispanic or Latino	12.8%
Not Hispanic or Latino	85.4%
Sex of 315,205 adult participants and other family members	
Female	50.4%
Male	49.6%
Age of 315,205 adult participants and other family members	
Younger than 18	27.4%
18–30	22.7%
31–50	40.1%
51–61	8.1%
62 or Older	1.7%
Special Needs¹ of 173,914 adult participants	
Mental Illness	25.6%
Alcohol Addiction	23.0%
Drug Abuse	25.2%
HIV/AIDS and Related Diseases	2.2%
Developmental Disability	2.3%
Physical Disability	8.8%
Domestic Violence	10.0%
Other	6.4%
<p>1. These figures represent only the approximate number and percentage of disabling conditions reported. Based on this data, it is not possible to determine how many unique individuals are represented by the disabling conditions reported.</p> <p>Percentages may not total 100 percent due to rounding.</p>	

Source: Based on APR data submitted for 1,974 projects funded through HUD's Continuum of Care competition for program year ending in 2005 as of November 14, 2005.

HUD collected race, ethnicity, sex, age, and special needs information on participants that entered Supportive Housing, Shelter Plus Care, or Single Room Occupancy in FY 2005. The following data

were extracted from the Annual Progress Reports (APRs) submitted by HUD homeless assistance grantees.

In FY 2005, the racial and ethnicity data on new participants in Homeless Assistance Programs complied with OMB guidelines.

In FY 2005, the largest group of entering participants was whites, which constituted 50.3 percent of those who entered the Continuum of Care programs. Blacks or African Americans constituted the second largest group, at 37.5 percent of entrants. American Indians or Alaska Natives made up 2.0 percent. Asians and Native Hawaiians or other Pacific Islanders each made up just under one percent. Multiple races were selected by about 5 percent of participants.

In accordance with OMB guidelines, ethnicity was reported separately from race. Almost 13 percent of participants in Continuum of Care programs were Hispanic or Latino.

There was almost an even split along gender lines for new participants and family members entering the Continuum of Care program: 50.4 percent female versus 49.6 percent male. An examination of the age ranges of those entering the program and their family members shows that 27.4 percent were younger than 18, and 22.7 percent were between 18 and 30. Two-fifths of the new participants and their families (40.1 percent) who entered the program were between 31 and 50; 8.1 percent were between 51 and 61; and 1.7 percent were older than 62.

Data in the Special Needs portion of Table 7.5 was for adult participants. A participant could report more than one disabling condition. Mental illness, alcohol addiction, and drug abuse were the most commonly reported ones, each reported by approximately one in four participants. Smaller numbers of participants reported a physical disability (8.8 percent), a developmental disability (2.3 percent), and HIV/AIDS or related diseases (2.2 percent).

HOME INVESTMENT PARTNERSHIPS PROGRAM

The HOME Investment Partnerships Program (HOME) is the only federal block grant for state and local governments designed exclusively to provide affordable housing for low-income households. States and localities may use their HOME allocations to: (1) construct or rehabilitate rental units or housing for homeownership, (2) provide direct financial assistance to first-time or other qualified homebuyers, and (3) provide assistance to rehabilitate eligible owner-occupied properties. Funding is also available for other reasonable and necessary expenses related to the development of non-luxury housing, including site acquisition or improvement, demolition of dilapidated housing to make way for HOME-assisted development, and payment of relocation expenses. In certain cases, HOME funds may be used to provide tenant-based rental assistance.

Each year, HUD allocates HOME funds among the states and hundreds of localities nationwide. HOME funds are allocated to units of general local government on the basis of a formula that considers, among other factors, the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, and fiscal distress.

During FY 2005 HUD issued a series of guides on meeting fair housing and equal opportunity requirements in administering the HOME program and in HOME-assisted projects. These guides, which cover topics such as the Fair Housing Act, the Section 504 accessibility requirements, the obligation to affirmatively further fair housing, and the Section 3 economic opportunity requirements, were distributed to HOME grantees and their partners throughout the nation.

The following tables contain data on the race and familial status of households that benefited from the HOME Investment Partnerships program in FY 2005. Data were extracted from the Integrated Disbursement and Information System (IDIS).

Table 7.6 Protected Characteristics of Residents of HOME-Assisted Rental Units, FY 2005

Protected Characteristic	Percent of Households with Characteristic
Total Occupied Units	32,640
Race or Ethnicity	
American Indian or Alaska Native	0.31%
Asian	1.97%
Asian or Pacific Islander	0.34%
Black or African American	39.13%
Hispanic or Latino	18.48%
Native Hawaiian or Other Pacific Islander	0.27%
White	40.53%
American Indian or Alaska Native and White	0.13%
Asian and White	0.02%
Black or African American and White	0.18%
American Indian or Alaska Native and Black or African American	0.03%
Other Multi-Racial	0.00%
Familial Status	
Families with Children	35.85%
Percentages do not total 100 percent due to rounding.	

Source: Integrated Disbursement and Information System (IDIS)

Rental Units Under HOME

Recipients of funding for rental units under HOME provided data in a variety of formats, some of which complied with the OMB standards, while others did not. To accommodate this, HOME's reporting combined the old and the new formats for reporting racial and ethnic data. Both old and new racial categories were used, and race and ethnicity were combined under one category.

Table 7.6 provides data on the race or ethnicity and familial status of households that received rental units through the HOME program in FY 2005. In FY 2005, roughly 40 percent of the households that received rental units were white, while 39 percent of households were black or African American. Hispanic or Latino households totaled 18.48 percent of beneficiaries; 0.34 percent of beneficiaries identified as Asian or Pacific Islander, with an additional 1.97 percent selecting Asian and 0.27 percent selecting Native Hawaiian or Other Pacific Islander. Just 0.31 percent were American Indian or Alaska Native.

As of FY 2005, 35.85 percent of the households receiving rental assistance through the HOME program had children.

Homebuyer Program

Homebuyer programs allow participating jurisdictions to establish programs that create affordable homeownership opportunities. These programs can provide direct assistance to low-income households in the form of grants or loans to cover some of the costs of homebuying, such as down payment, closing costs, or carrying costs. These programs can also address issues of supply by providing funding through construction loans or loan guarantees for acquisition, rehabilitation, or new construction of single-family homes.

Table 7.7 Protected Characteristics of Beneficiaries of the HOME Investment Partnerships Programs' Homebuyer Program, FY 2005

Protected Characteristic	Percent of Households with Characteristic
Total Occupied Units	32,148
Race or Ethnicity	
American Indian or Alaska Native	0.00%
Asian	1.24%
Asian or Pacific Islander	0.06%
Black or African American	29.38%
Hispanic or Latino	30.72%
Native Hawaiian or Other Pacific Islander	0.12%
White	46.05%
American Indian or Alaska Native and White	0.00%
Asian and White	0.07%
Black or African American and White	0.21%
American Indian or Alaska Native and Black or African American	0.09%
Other Multi-Racial	0.00%
Familial Status	
Families with Children	62.57%
Percentages do not total 100 percent due to rounding.	

Source: Integrated Disbursement and Information System (IDIS)

Beneficiaries of HUD's HOME Homebuyer program reported data in both the old and new OMB formats. Homebuyer data used the old and new names of racial categories and allowed multiple races to be selected, but combined race and ethnicity under one reporting category.

Table 7.7 provides information on households that received homebuyer assistance under the HOME program in FY 2005. The three largest groups of beneficiaries were white (46.05 percent), Hispanic or Latino (30.72 percent), and black or African American (29.38 percent). Slightly more than one percent of the households selected Asian, with an additional 0.07 percent selecting Asian and white and 0.06 percent selecting the category Asian or Pacific Islander.

Families with at least one child constituted more than 62 percent of the households in homebuyer programs.

Homeowner Rehabilitation Program

Through homeowner rehabilitation programs, eligible homeowners may apply for financial assistance to rehabilitate their homes. These funds can be used to make essential improvements, bring houses up to code, improve energy efficiency, or increase accessibility. Funding is provided through grants, loans, interest subsidies, and loan guarantees to pay for hard costs, related soft costs, and refinancing expenses. Table 7.8 provides the race or ethnicity and familial status demographics on households that received assistance through homeowner rehabilitation programs under the HOME program in FY 2005.

Table 7.8 Protected Characteristics of Beneficiaries of the HOME Investment Partnerships Programs' Homeowner Rehabilitation Program, FY 2005

Protected Characteristic	Percent of Households with Characteristic
Total Occupied Units	14,876
Race or Ethnicity	
American Indian or Alaska Native	0.52%
Asian	0.87%
Asian or Pacific Islander	0.00%
Black or African American	27.42%
Hispanic or Latino	15.04%
Native Hawaiian or Other Pacific Islander	0.70%
White	58.96%
American Indian or Alaska Native and White	0.02%
Asian and White	0.10%
Black or African American and White	0.12%
American Indian or Alaska Native and Black or African American	0.03%
Other Multi-Racial	0.00%
Familial Status	
Families with Children	36.44%
Percentages do not total 100 percent due to rounding.	

Source: Integrated Disbursement and Information System (IDIS)

Beneficiaries of HUD's HOME Homeowner Rehabilitation program reported data in both the old and new OMB formats. As a result, the reporting on homeowner rehabilitation programs used the old and new names of racial categories and reported race and ethnicity together.

In FY 2005, the majority of beneficiaries were white households (58.96 percent), followed by black or African American households (27.42 percent). Hispanic or Latino households, which were counted under race, were the third largest group of beneficiaries (15.04 percent). The remaining racial categories each constituted less than one percent of the participating households.

Families with children constituted 36.44 percent of the households that received assistance through the HOME Homeowner Rehabilitation program.

COMMUNITY DEVELOPMENT BLOCK GRANT

The Community Development Block Grant (CDBG) program is authorized by Title I of the Housing and Community Development Act of 1974, as amended. CDBG provides annual grants on a formula basis to states, entitled metropolitan cities, and urban counties to implement a wide variety of community and economic development activities directed toward neighborhood revitalization, economic development, and community facilities and services. CDBG activities are initiated and developed at the local level based on a community's perception of its needs and priorities.

Each entitlement grantee receiving CDBG funds is free to determine what activities it will fund, as long as certain requirements are met, including that each activity is eligible and meets one of the following broad national objectives: benefits persons of low- and moderate-income, aids in the prevention or elimination of slums or blight, or meets other community development needs of a particular urgency that the grantee is unable to finance on its own.

CDBG funds may be used for a wide variety of activities, including the rehabilitation of residential structures and the provision of homeownership assistance. Generally, the construction of new housing by units of general local government is ineligible for CDBG assistance; however, new housing construction may be carried out by eligible Community Based Development Organizations under 24 CFR 570.204(a).

Table 7.9 contains information on the race or ethnicity of households that benefited from CDBG's single-unit and multi-unit residential rehabilitation and homeownership assistance during FY 2005. Additional CDBG programs also had beneficiaries. Data were extracted from the Integrated Disbursement and Information System (IDIS).

According to Table 7.9, the largest group of beneficiaries of single-unit housing rehabilitation was whites (50.4 percent). Blacks or African Americans constituted 30.0 percent. More than 15 percent of participants selected multiple races. Overall, 19.4 percent of participants reported their ethnicity as Hispanic or Latino.

Whites constituted the majority of those benefiting from the multi-unit housing rehabilitation program (51.7 percent). The next largest group was blacks or African Americans (33.0 percent). Asians constituted 4.1 percent of the beneficiaries. Beneficiaries selecting multiple races constituted 10.7 percent. Hispanic or Latino ethnicity was reported by 14.9 percent of multi-unit housing rehabilitation beneficiaries.

Whites constituted the largest group of those benefiting from CDBG homeownership assistance (62.5 percent). Black or African American participation followed closely behind at 28.1 percent. Multiple races were reported by 4.9 percent of beneficiaries. Hispanic or Latino ethnicity was reported by nearly 17 percent of homeownership assistance recipients.

Table 7.9 Protected Characteristics of Beneficiaries of CDBG's Single-Unit Housing Rehabilitation, Multi-Unit Housing Rehabilitation, and Homeownership Assistance Programs, FY 2005

	Single-Unit Housing Rehabilitation	Multi-Unit Housing Rehabilitation	Homeownership Assistance
Total Number of Participants	110,792	22,972	7,066
Race			
American Indian or Alaska Native	0.7%	0.1%	0.5%
Asian	1.3%	4.1%	3.7%
Black or African American	30.0%	33.0%	28.1%
Native Hawaiian or Other Pacific Islander	0.3%	0.4%	0.2%
White	50.4%	51.7%	62.5%
American Indian or Alaska Native and White	1.4%	0.8%	0.2%
Asian and White	0.3%	0.1%	0.1%
Black or African American and White	0.9%	1.3%	0.1%
American Indian or Alaska Native and Black or African American	0.2%	0.1%	0.0%
Other Multi-Racial	14.7%	8.4%	4.5%
Ethnicity			
Hispanic or Latino	19.44%	14.91%	17.04%
Not Hispanic or Latino	80.56%	85.09%	82.96%
Percentages may not total 100 percent due to rounding.			

Source: Integrated Disbursement and Information System (IDIS)

PUBLIC HOUSING

The mission of public housing is to provide safe, decent rental housing for eligible low-income families, the elderly, and persons with disabilities. Through public housing, HUD administers federal aid to local housing agencies and provides technical and professional assistance in planning, developing, and managing these developments. Public housing comes in a variety of forms, from scattered single-family houses to high-rise apartments. These sites are managed by local housing agencies that provide housing to low-income residents at affordable rents.

Public housing is limited to low-income families and individuals. The local housing agency determines the eligibility of a potential resident based on annual gross income, citizenship or immigration status, and whether he or she qualifies as elderly or disabled.

Table 7.10 provides data on the race, ethnicity, sex, disability, age, and presence of children of public housing households. The table includes data on all households for which demographic information was reported to the public housing program—the actual number of public housing households was higher.

Table 7.10 Protected Characteristics of Beneficiaries of the Public Housing Program, For the 18-Month Period Ending on September 30, 2005

Protected Characteristic	Percent of Persons with Characteristic
Persons residing in Housing through the Public Housing Program	2,526,110
Race	
American Indian or Alaska Native	0.84%
Asian	2.11%
Black or African American	49.27%
Native Hawaiian or Other Pacific Islander	0.43%
White	46.54%
White and American Indian or Alaska Native	0.03%
White and Asian	0.02%
White and Black or African American	0.30%
Other Combination	0.16%
Data Not Provided	0.29%
Ethnicity	
Hispanic or Latino	24.61%
Not Hispanic or Latino	75.21%
Data Not Provided	0.19%
Age	
Younger than 18	42.05%
18- 26	13.11%
27- 34	7.96%
35- 44	9.07%
45- 54	8.28%
55- 64	7.07%
65- 74	6.09%
75 or Older	6.38%
Sex	
Female	61.95%
Male	38.05%
Disability	
Persons with a Disability	16.30%
Household Characteristics	
Total Number of Households	495,588
Households with Children ¹	43.8%
<p>All data were from the PIC system for the 18-month period ending on September 30, 2005. Households were excluded when their records showed a head of household younger than 15 years of age or older than 105 years of age, or if the record showed either program termination or move-out.</p> <p>1. "Households with Children" indicates households with at least one child under the age of 18.</p>	

Source: Public and Indian Housing Information Center

According to Table 7.10, almost half (49.27 percent) of the residents of public housing programs were black or African American. This was followed closely by white households (46.54 percent). The next largest group was Asian households (2.11 percent). American Indian or Alaska Native and Native Hawaiian or other Pacific Islanders each constituted less than one percent of those benefiting from public housing. Hispanic or Latino ethnicity was reported by almost one-fourth of all public housing residents.

About 42 percent of beneficiaries were below the age of 18, with those between 18 and 26 making up 13.11 percent. People over the age of 65 represented 12.47 percent of beneficiaries. At least one child was present in 43.8 percent of the households in public housing.

The majority of public housing residents were female (61.95 percent). Persons with disabilities constituted 16.30 percent of the beneficiaries of the public housing program.

HOUSING CHOICE VOUCHERS

Housing choice vouchers (HCVs) are issued to low- and very low-income families to help them lease or purchase safe, decent, and affordable housing. Those participating in the program may choose any housing that meets the program requirements. They are not limited to a unit located in a subsidized housing project.

In Table 7.11, data on race, ethnicity, sex, disability, age, and the presence of children were reported for households with HCVs. The total reported did not capture all households in the program—the actual number of households with HCVs was higher.

According to Table 7.11, beneficiaries of the HCV program were evenly split between blacks or African Americans (47.85 percent) and whites (46.75 percent). Asians accounted for 2.75 percent of voucher holders, while American Indians or Alaska Natives and Native Hawaiian or other Pacific Islanders each held less than one percent of vouchers. Persons who selected multiple races were 0.57 percent of beneficiaries. Hispanic or Latino ethnicity was reported by slightly more than 18 percent of HCV recipients.

Almost 50 percent of those benefiting from the HCV program were under the age of 18, and the next largest beneficiary group was between ages 18 and 26. Persons over age 65 made up 6.08 percent of voucher holders.

The majority of people receiving housing through the HCV program were female (62.73 percent). Less than one-fifth of voucher holders had a disability (15.87 percent). Almost 60 percent of households with an HCV had children under the age of 18.

Table 7.11 Protected Characteristics of Beneficiaries of the Housing Choice Voucher Program, For the 18-Month Period Ending on September 30, 2005

Protected Characteristic	Percent of Persons with Characteristic
Persons in the Housing Choice Voucher Program	5,356,188
Race	
American Indian or Alaska Native	0.86%
Asian	2.75%
Black or African American	47.85%
Native Hawaiian or Other Pacific Islander	0.57%
White	46.75%
White and American Indian or Alaska Native	0.04%
White and Asian	0.02%
White and Black or African American	0.31%
Other Combination	0.20%
Data Not Provided	0.64%
Ethnicity	
Hispanic or Latino	18.21%
Not Hispanic or Latino	81.32%
Data Not Provided	0.47%
Age	
Younger than 18	49.24%
18-26	11.75%
27-34	9.27%
35-44	10.67%
45-54	8.16%
55-64	4.83%
65-74	3.14%
75 or Older	2.94%
Sex	
Female	62.73%
Male	37.27%
Disability	
Persons with a Disability	15.87%
Household Characteristics	
Total Number of Households	1,201,600
Households with Children ¹	58.24%
<p>All data were from the PIC system for the 18-month period ending on September 30, 2005. Households were excluded when their records showed a head of household younger than 15 years of age or older than 105 years of age, or if the record showed either program termination or move-out.</p> <p>1. "Households with Children" indicates households with at least one child under the age of 18.</p>	

Source: Public and Indian Housing Information Center

MODERATE REHABILITATION PROGRAM

The Moderate Rehabilitation (Mod Rehab) program provides project-based rental assistance for low-income families. This program began in 1978 as an expansion of the rental certificate program when HUD determined that at least 2.7 million rental units had deficiencies requiring a moderate level of upgrading. Mod Rehab was repealed in 1991, and no new projects have been authorized for development. Assistance is limited to properties previously rehabilitated pursuant to a housing assistance payments contract between an owner and a public housing agency.

Eligible families are placed on the public housing agency's housing choice voucher or separate Mod Rehab waiting list. When vacancies occur in Mod Rehab projects, the agency refers eligible families from its waiting list to the owner, who then interviews the family.

In Table 7.12, data on the characteristics of race, ethnicity, sex, disability, age, and the presence of children were reported for all households in Mod Rehab. The total reported did not capture all households in the Mod Rehab Program—the actual number of households in the Mod Rehab program was higher.

According to Table 7.12, beneficiaries were evenly split between blacks or African Americans (47.03 percent) and whites (49.41) percent. Asian households constituted 1.40 percent of those receiving housing through Mod Rehab, and American Indian or Alaska Native households constituted 1.07 percent. Native Hawaiian or other Pacific Islander households were less than one percent of households benefiting from the Mod Rehab program. A little more than one-fourth of those receiving housing assistance were Hispanic or Latino (26.15 percent).

A little more than a third of persons housed through the moderate rehabilitation program were younger than 18. About a quarter of the residents were between 35 and 54 years of age. About 7 percent of the residents are over 65 years of age.

The majority of people receiving housing assistance through Mod Rehab were female (55.99 percent). Slightly more than one-fifth of the persons in Mod Rehab had a disability (21.22 percent). At least one child was in one-third of the households (33.06 percent).

Table 7.12 Protected Characteristics of Beneficiaries of Moderate Rehabilitation Program, For the 18-Month Period Ending on September 30, 2005

Protected Characteristic	Percent of Persons with Characteristic
Persons residing in Housing through the Public Housing Program	83,893
Race	
American Indian or Alaska Native	1.07%
Asian	1.40%
Black or African American	47.03%
Native Hawaiian or Other Pacific Islander	0.50%
White	49.41%
White and American Indian or Alaska Native	0.01%
White and Asian	0.02%
White and Black or African American	0.30%
Other Combination	0.08%
Data Not Provided	0.18%
Ethnicity	
Hispanic or Latino	26.15%
Not Hispanic or Latino	73.67%
Data Not Provided	0.18%
Age	
Younger than 18	35.74%
18- 26	14.22%
27- 34	8.67%
35- 44	11.85%
45- 54	13.88%
55- 64	8.51%
65- 74	4.20%
75 or Older	2.94%
Sex	
Female	55.99%
Male	44.01%
Disability	
Persons with a Disability	21.22%
Household Characteristics	
Total Number of Households	47,915
Households with Children ¹	33.06%
<p>All data were from the PIC system for the 18-month period ending on September 30, 2005. Households were excluded when their records showed a head of household younger than 15 years of age or older than 105 years of age, or if the record showed either program termination or move-out.</p> <p>1. "Households with Children" indicates households with at least one child under the age of 18.</p>	

Source: Public and Indian Housing Information Center

