

**Talking Points for Gustavo Velasquez
Dallas Fair Housing Symposium
Morton Meyerson Symphony Center
Dallas, Texas
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Thank you, Garry [Sweeney] for that generous introduction.

Good morning, everyone. It's a pleasure to be here.

Happy Fair Housing Month!

Before I begin I'd like to recognize Mayor Rawlings and thank him for being here today.

And I want to recognize Councilperson Carolyn Davis, who chairs the city's Housing Committee; Scott Griggs, who is the vice chairperson; A.C. Gonzales, the City Manager; and Warren Ernst, the City Attorney. Thank you all for being here.

I also want to recognize Betsy Julian, President of the Inclusive Communities Project, and Beverly Davis, who is the Assistant Director of Fair Housing and Human Rights for the Dallas Fair Housing Center, our local Fair Housing Assistance Program agency. Your efforts to further fair housing, along with the other advocates in the room, including Texas Appleseed and the Texas Organizing Project, is doing much to create greater housing opportunities for the residents of Dallas and the surrounding area. Keep up the good work!

In particular, I commend Betsy on her efforts with respect to low-income housing tax credits. We all know that the Low-Income Housing Tax Credit Program was created as a way to develop distressed areas, and that the program is the primary vehicle through which low-income

housing is being built, accounting for the financing of more than 2 million units since the program was created – but while the use of tax credits can be positive, they shouldn't be used to build housing in racially concentrated areas where there is little opportunity. So thank you, Betsy, for your efforts in this area.

This year the nation celebrates the 47th anniversary of the passage of the Fair Housing Act, the landmark law that makes it unlawful to discriminate in housing transactions based on race, color, national origin, religion, sex, familial status, and disability.

Keeping Fair Housing Intact

As we close out another Fair Housing Month, I want to take a few minutes to share some reflections about the State of Fair Housing in our country and why my office's efforts to further fair housing are so important.

If I had to sum it up in one sentence, I think it is fair to say that these last few years have been particularly challenging.

While there have been important gains that are helping us to become a more just and equal society, a more perfect union if you will, there are other areas where there is still much work to do.

For instance, the availability of affordable and assisted housing is critically low in this country, even in economically thriving areas such as Dallas and the state of Texas.

In particular, there have been issues involving the extent to which the city of Dallas was integrated and where low-income housing has been sited.

However, I am happy to say, we are making progress. Last November, HUD entered into a Voluntary Compliance Agreement with the city that resolved what we found when we took a look at the city's affordable housing practices.

Under the agreement, the city will continue with its InspireDallas program, now referred to as Neighborhood Plus, and develop an organized plan for the city that will provide quality affordable and assisted housing and all necessary supportive services in new areas of high opportunity, while improving conditions in communities where affordable and assisted housing opportunities currently exist.

The dual approach is similar to the two-pronged approach HUD believes is required to lift people out of concentrated areas of poverty where there is little opportunity.

We are living in a century of cities. People are moving back to cities, which is good for cities and creates demand. Yet, in many cities, the influx of people, particularly higher earning more affluent individuals, has caused rents to rise, pricing many lower-income families out of the market.

At HUD, we believe that cities should be for everyone. We want to see all parts of our cities come back to life, including low-income, minority concentrated areas, and that requires investing in these areas.

So I was pleased to hear that city leaders have adopted Neighborhood Plus as the mechanism for transforming city neighborhoods into thriving communities.

The VCA also directs the city to consider adoption of an ordinance prohibiting source of income discrimination, including discrimination against Housing Choice Voucher holders.

We believe that this is the right step as well.

The city of Austin adopted such an ordinance last year and, after successfully prevailing in Federal Court, is in the process of implementing it.

I understand, possibly in response to the Austin ordinance, that the Texas legislature is currently considering State action to prohibit adoption of future ordinances by Texas municipalities. I would like to take this opportunity to ask city of Dallas officials, and others, to oppose the pending state action because of the chilling effect it would have on the ability of low-income persons to secure housing in areas of opportunity.

For many low-income individuals and families, the Housing Choice Voucher program is the only way they can obtain quality affordable housing, so limiting the housing options of voucher holders denies housing to those who need it the most.

More important, we believe it goes against the intent of the Dallas VCA.

The VCA is the right step. I commend the city on the progress it has made during the past five months and I am confident that the progress will continue.

My office is available to assist in this endeavor in any way so don't hesitate to call on us. Garry Sweeney, who directs our fair housing efforts in this region, is here today and is always available to answer questions you might have or provide any assistance you need.

As the nation moves further into this 21st Century, I believe that we all have an obligation to reinvigorate the power of the Fair Housing Act, and to make sure that we settle once and for all the covenant that in

America.....we live free to choose where we live without regard to who we are, how we look, how we speak, or who we love.

HUD Secretary Julián Castro, a favorite son of this great state, has a vision as the national chief housing officer of an America where the playing field is level for all. This is part of his vision for a good reason. Every day in our nation someone is denied the opportunity to have a home of his or her own choosing.

For us to realize the vision of leveling the playing field and further advancing freedom of choice in housing, I ask that we join forces, and work toward opening communities to choice, inclusion and equal opportunity.

AFFH

You're probably saying to yourself that it sounds good, but how do we accomplish it?

One of the ways is through a new proposed rule HUD published that provides a planning framework that will make it easier for cities, states and other funded entities to meet their legal obligation to Affirmatively Further Fair Housing.

When the Fair Housing Act became law in 1968, it not only focused on providing redress and justice for people subject to direct housing discrimination. It also required that the country take proactive or affirmative steps to promote fair housing in every town and neighborhood.

Congress wrote into law 47 years ago the need, and legal mandate, to affirmatively open communities to housing choice. So it's about time the federal government assists communities across the country with a planning framework that provides cities, towns, states, and public housing authorities with clear definitions of what it means to affirmatively further, gives them local data, and encourages community participation.

A planning framework without any prescriptive outcomes, without a "gotcha mentality," but one that supports local communities so that on their own, they can effectively assess the opportunities they have to proactively eliminate barriers to housing choice, and set a plan in place to advance the national policy of fair and inclusive housing.

No one knows the challenges the city of Dallas is grappling with better than the people in this room today – not Washington bureaucrats.

We have been fortunate to have the civil rights community, and regular folks interested in a country of welcoming and inclusive communities, to comment in favor of this proposed regulation. And, I believe you all can play a role once the regulation becomes reality in mobilizing and engaging communities across Dallas and the entire state to participate in the dialogues that towns and cities will be having on how best to conduct fair housing planning and set fair housing goals.

And let me say one more thing about AFFH – the framework we are proposing for effective fair housing planning is not just about strategies to move people from one neighborhood to another. Facilitating choice by helping people move from neighborhoods of despair, high concentrations of minorities and poverty, to neighborhoods of opportunity is certainly a critical component of AFFH. But just as

important, it is also to promote investments, such as the preservation of affordable housing, so that all communities, and not just certain people, can thrive wherever they wish to live.

This is the two-pronged approach I spoke of earlier.

Impact of FHEO Work

Now, Affirmatively Furthering Fair Housing has the potential to bring about transformational outcomes in the United States.

But there are many other areas that reflect the impact of the work we conduct at HUD. Work we never conduct alone, but rather in collaboration with hundreds of local governments, like the city of Dallas, and private fair housing organizations.

In the last couple of years HUD and its partners obtained more than \$425 million dollars in compensation for victims of housing discrimination, a dramatic increase over previous years.

In addition to maximizing relief for individual victims, HUD has emphasized its Secretary-initiated authority to bring cases where no individual has stepped forward, or to secure relief for all of those harmed by discriminatory behavior. From 2013 through the present, HUD filed 27 Secretary-initiated complaints. And we continue to increase this type of enforcement today.

Using this authority, we were able to investigate allegations that a Norfolk, Virginia, area property management company had a policy of refusing to rent to persons with limited English proficiency. We initiated

the complaint after receiving a complaint from a Hispanic couple that had not been allowed to apply for housing or view units because the wife could not speak English well.

In Nashville, we reached a settlement resolving allegations that the owner and managers of an apartment complex discriminated against Hispanic residents when they terminated leases, ignored maintenance requests, and engaged in acts of intimidation and harassment based on national origin in an attempt to make them leave.

In the Virginia case, HUD reached a settlement for \$82,500 dollars and in the Nashville case we reached a settlement for \$179,000 dollars.

We also use Secretary-initiated investigations to discover when mortgage lenders are requiring borrowers with disability-related income to jump through additional hoops in order to get a mortgage.

The Department reached a settlement with Bank of America and Fannie Mae after allegations that the lender and Fannie Mae violated the Fair Housing Act by denying a borrower's application to modify her mortgage loan because she did not provide sufficient information about the nature of her disability.

And in another disability discrimination settlement, HUD reached a \$90,000 Conciliation Agreement with Coldwell Banker Residential Brokerage and the seller of a house in Worcester, MA, settling allegations that one of the mortgage company's agents and the seller violated the Fair Housing Act by preventing the sale of a house that was going to be used as a group home for persons with disabilities.

We are also increasing our impact by investigating policies and practices that systemically discriminate against groups protected by the law or where we see a questionable pattern that may lead to the exclusion of certain people. From 2012 to the present we have seen an increase in the number of systemic complaints from 234 cases to 325.

HUD has taken aggressive steps to combat systemic lending discrimination in recent years.

These aren't actions we are taking for the sake of increasing our enforcement efforts. These are actions we are taking because homeownership is the anchor that provides the stability families need to create better lives.

In one case, Mortgage IT paid \$12.1 million to resolve allegations that the residential lender discriminated against African American and Hispanic borrowers seeking mortgage loans during the lead-up to the housing crisis, by denying loans at higher rates and charging borrowers of color higher fees than similarly-situated white borrowers.

Just a few months ago, we negotiated a Conciliation Agreement with Illinois-based Midland States Bancorp resolving allegations that the bank avoided doing business in predominantly African American and Hispanic neighborhoods in St. Louis, Missouri, and northern Illinois, what we call "redlining." The settlement requires Midland States Bancorp to originate \$8 million in mortgage loans in majority minority neighborhoods and open full-service branches in Illinois and St. Louis.

So enforcing the Fair Housing Act in the area of mortgage lending or financing continues to be extremely important. Particularly when we are slowly coming back from the worst real estate crisis in decades.

A few years back we were concerned about widespread predatory lending taking place in many of our communities. Minorities were the targets of vast predatory underwriting out there. Then...the bubble burst. And after years of corrective action by the banking industry we now reach record levels of limited mortgage lending and homeownership across minority groups.

Black and Hispanics are at a 14-year low in their ability to secure a mortgage, and these are the same communities that have seen their home values completely wiped out.

When we talk fair housing and home lending, we are talking not just about protecting people from discrimination. We are talking about the economy of the United States recovering. We are talking about making the country stronger by giving everyone the opportunity to own a home and create wealth.

This is why at HUD we are working to expand credit access to communities that would not otherwise obtain it. We are doing this through loans insured by the Federal Housing Administration. And, we are looking forward to continue to expand access to credit in a much more restrictive secondary market by working closer with Fannie and Freddie through our fair lending oversight.

Going back to cases for a moment.....the highest number of complaints that we receive continues to involve discrimination against persons with disabilities, comprising 53% of all complaints that were filed in the country in 2013. HUD expects the high number of complaints in this

area to remain, as the population continues to age and we increase the public's awareness of the rights of persons with disabilities.

Over the last couple of years, we have published guidance on how to provide integrated housing opportunities for persons with disabilities, in accordance with the Supreme Court's landmark decision in *Olmstead vs. L.C.*

And we have issued guidance with respect to service animals. Despite this guidance, we continue to receive complaints that support animals are often excluded. HUD recently reached a settlement with Kent State University in Ohio resolving allegations that the university denied a student with disabilities' right to keep a support animal.

And even as our nation is more multicultural than ever before, discrimination based on national origin remains a problem, but we've also had some significant achievements in this area.

In one case, HUD reached an agreement with Huntsville Utilities, in Huntsville, AL, settling allegations that the company discriminated against prospective customers based on national origin by requiring that Hispanic applicants apply for residential utility service in person, while offering non-Hispanic applicants the option of applying in person or online. Hispanic applicants were also asked to provide a social security number.

In addition, after HUD found that the state of Nebraska was failing to ensure that persons with Limited English proficiency were able to access benefits from HUD assisted programs, the state signed a Voluntary Compliance Agreement addressing HUD's findings of

noncompliance. The VCA required the state to perform a Four-Factor Analysis and develop a Language Assistance Plan.

I call upon all of you who work with new immigrant communities to continue to help us spread the message about these individuals' fair housing rights, regardless of their immigration status, and to bring information about discrimination against them to HUD.

We must recognize and respect that the very fabric of our nation is the rich diversity of our people.

I also want to highlight our recent efforts to uncover and stop situations where women are the target of housing discrimination.

For example, we have taken the lead on discrimination against women who were denied mortgage loans because they are pregnant or on maternity leave.

Just last October, we reached a \$5 million settlement with Wells Fargo Home Mortgage, resolving allegations that the lender discriminated against several women who were pregnant, or had recently given birth, and were on maternity leave.

One of the couples in that case lives in Jarrell, Texas. The couple filed a complaint after being told by Wells Fargo employees that some people don't return to work after the birth of a little one and that they could not close until the mother returned to work, notwithstanding the fact that she was receiving temporary leave pay and had provided information that she intended to return to work.

The seller in the same transaction also filed a complaint because he was impacted by the delayed closing that resulted from the banks discriminatory practices. These complainants received monetary settlements as part of the \$165,000 settlement that was distributed to six families.

A month earlier, HUD and Jackson, TN-based mortgage lender FirstBank Mortgage Partners reached an agreement that called for the bank to \$35,000 to settle allegations that it violated the Fair Housing Act when it denied a mortgage loan to a couple because one of the applicants was on maternity leave.

Since 2010, 113 maternity leave discrimination complaints have been filed with HUD, resulting in more than 53 settlements for a total of nearly \$6.6 million.

And we have taken action in several recent cases involving sexual harassment.

Last October, HUD charged landlords in West Virginia and Tennessee with sexually harassing female tenants and threatening them with homelessness if they did not comply.

In the West Virginia case, a management company and three former employees that managed an apartment complex in Cross Lanes were charged after allegedly sexually harassing at least five women who lived there. In one instance, the manager used his keys to break into a tenant's apartment and demand that she have sex with him or lose her home and her Section 8 voucher. With her children sleeping in the apartment, the woman felt that she could not refuse.

Here's a woman who had to subject herself to the ultimate degradation and humiliation just to keep a roof over her children's heads.

In the west Tennessee case, a single mother alleged that her property manager made repeated requests to take sexually suggestive photographs of her and propositioned her for sex. When she refused, the manager allegedly texted her that she would receive a 30-day notice to vacate and that she was to "get the hell out."

No woman should have to endure sexual harassment in order to keep her home.

Both of these cases are with the Department of Justice.

And while enforcement is a vital component of addressing harassment, we also recognize the importance of educating housing providers about their responsibilities in this area. That's why we want to put into place a harassment rule that will clearly describe the types of practices that would constitute discrimination.

We understand that it can sometimes be difficult for providers to be familiar with every law impacting the way they do business, particularly federal law, so we want to help them by bringing greater clarity.

By identifying what discrimination is when it comes to harassment, we will be helping to protect housing providers from any liability.

The nation has come a long way in advancing women's rights, but some of our recent cases tell us that we still have work to do.

Especially in the area of domestic abuse. We have seen tragic cases against women who are threatened with the loss their homes because they are in abusive situations.

We are investigating these types of cases under sex or familial status, and we are working collaboratively with others at HUD and the rest of the Federal government to protect housing rights under the Violence Against Women's Act.

Recently we charged a case in Maryland and settled another in Pennsylvania. In the Maryland charge, our investigation found that the woman was served with an eviction notice because the police were called after she and her son were violently stabbed by her then-boyfriend. The case is currently with the Department of Justice.

And two months ago we reached a similar agreement with the City of Berlin, NH, settling allegations that the city had enacted an ordinance requiring landlords to evict tenants cited three or more times for "disorderly action," which included domestic violence incidents. Under that settlement, the city amended its ordinance to make it clear that the ordinance is not to be used against victims of reported incidents of domestic violence.

Finally, HUD is also continuing its efforts to address discrimination against lesbian, gay, bisexual, and transgender individuals. In February 2012, HUD published a final rule which ensures that housing that is assisted by HUD or subject to an FHA insured mortgage be made available without regard to actual or perceived sexual orientation, gender identity, or marital status.

In February we released additional guidance under the Equal Access Rule on how best to provide shelter to transgender persons in single-sex shelters or other facilities.

And to better understand the nature and extent of housing discrimination against same-sex couples, HUD commissioned a nationwide study. The study found that same-sex couples experience adverse treatment more often than heterosexual couples when responding to Internet advertisements for rental units, and that gay male couples were more likely to receive adverse treatment than lesbian couples.

Call to Action

I want to end my remarks today with a plea for your help; a call for greater collaboration as we move forward.

I often speak about the power of partnerships. Combatting the kinds of housing challenges I've described today can only be accomplished when people that represent local government, industry, developers and advocates come together around common causes.

If history has shown us nothing else it has shown us that great talent can overcome great problems.

Great Talents Overcome Great Problems

One of the great masterpieces of classical music is Handel's Messiah. Individuals have marveled at its beauty for nearly 250 years. And yet Handel composed this masterpiece five years after he had suffered a life-threatening heart attack.

Pablo Picasso didn't have health problems, but early in his career he had serious money problems. When he was a young unknown painter struggling to make ends meet, he was often forced to burn his own paintings in the fireplace in order to keep warm.

Mozart struggled to make ends meet early in his career, also. At one point he was so poor that he couldn't even afford to buy wood to heat the shabby little room where he lived. During the winter he wrapped his hands in woolen socks as he composed the music that would make him great.

Each of these individuals confronted tremendous walls of adversity in their lives, but they found a way over or through those walls. As a result, they made major contributions to humanity.

The affirmatively furthering fair housing regulation we hope to publish later this year reminds me of such adversity. It has been widely criticized and has been the subject of much discussion. AFFH is a complicated phrase. It's even hard to say it. So we are going to call it Fair Housing Planning.

But no matter what we call it, it has the potential to transform neighborhoods. Once the final rule is in place, we expect it to be a central component of municipalities' efforts to plan viable ways to create communities where everyone has a chance to get ahead. And when it comes to fair housing planning, we all play a role. Fair housing planning is not just the government's work.

We are going to need lots of public engagement, public mobilization, and public participation, particularly by those groups who often don't have a say in local community planning. We need people to be engaged

so that no community is left out of the goals that states, cities, and towns will set for meeting their obligation to create equal housing opportunities.

Those of you here today can help in making public participation as inclusive as it can be.

We also encourage regional collaboration.

Cities and local counties and governments working together to develop strategies that best address the challenges they face can be extremely productive as they look for better and more efficient ways to provide this much-needed source of affordable housing.

Finally, we must continue our emphasis on education. We must continue to raise awareness of the importance of cities and housing providers meeting their civil rights obligation and the rights families and individuals are entitled to.

It's difficult for any municipality to meet their compliance obligations if they don't know what those are or what's expected of them. So we are committed to increasing our efforts to train and educate them so that they are more aware of federal law and can take proactive steps to meet their obligations.

And because examples of the correct way to comply with federal laws are excellent teaching tools, we will work toward providing cities best practices that demonstrate how housing providers can prevent engaging in discriminatory practices.

Together I believe that we can help cities get it right. I believe that together we can help them meet their obligation to comply with fair housing and civil rights laws.

Closing

I'll tell you something in closing; my hobby is running, long distance running. I love to run across the national mall in Washington, D.C., from the Capitol building all the way to Arlington Cemetery and back. Once you start running across the national mall, it's just addictive. In the 12 years I've been doing the run, I've seen the construction of the Native American museum finished; Dr. King's landmark memorial erected; and most recently the entire build out of the new African American History museum. I hope one day I get to see the Hispanic American museum be built as well. I hear there are plans for that as well.

In all, I've come to appreciate the national mall in the nation's capital not just as a running path, a place of congregations for millions, or one of America's most beautiful places to visit. It is also a place for inspiration. Inspiration about who we are and what we have become. A place where everyone, absolutely everyone, has a place, a corner, a niche, a space to build one's journey toward inclusion and prosperity.

This is thanks to all of the people who, like you, are committed to defending and protecting our most valuable right to equal and inclusive housing.

Thank you very much.