

**Talking Points for Gustavo Velasquez**  
**Housing Opportunities Project for Excellence (HOPE)**  
**Miami, Florida**  
**April 17, 2015**

Good afternoon, everyone. Happy Fair Housing Month!

Thank you, José (Cintron), for that generous introduction.

And thank you for your leadership in directing the many activities HUD is undertaking to improve the lives of the residents of Miami and its surrounding suburbs.

I want to thank Keenya and HOPE for inviting me to speak. The great advocacy efforts of your organization says a lot about your recognition of the important role fair housing plays in creating equal housing opportunities in this area. You exemplify the kind of tireless energy we need in this work.

I also want to recognize Commissioner Sally Heyman of Miami-Dade County's 4<sup>th</sup> District, and thank her for sponsoring an amendment to the Miami-Dade Human Rights Ordinance that now requires condominium and homeowner associations to provide written justification for denying an application to rent or purchase. I often talk about the importance of partnerships in addressing various forms of housing discrimination, so thank you for your support.

Lastly, I want to recognize the steel band playing today. Not for their music, although I have enjoyed it very much, but because they are students from nearby Florida Memorial University. Last March we entered into a partnership with the university that calls for some of its students to participate in semester-long internships with HUD and its fair housing partners in Miami, including HOPE. Twenty students so far

have received training from HUD staff in civil rights related law, and several of them have had direct involvement in the processing of live cases HUD has been investigating. So the partnership is off to a great start and we look forward to its continued success.

In a sense, it is particularly appropriate that I have come to Florida for an event commemorating the 47<sup>th</sup> anniversary of the federal Fair Housing Act. When people think about civil rights, states like Alabama, Mississippi, and Georgia typically come to mind, since that's where much of the struggle took place. But Florida also played a prominent role in the movement.

As students in Raleigh and Greensboro, North Carolina, were conducting lunch counter sit-ins as a way of desegregating southern department stores, students from Florida A&M University and Florida State University were leading sit-ins at the Woolworth's lunch counter in downtown Tallahassee. In the weeks that followed, additional demonstrations took place at the same Woolworth's and also at McCrory's, another prominent southern department store.

Several national advocacy groups joined this effort. The Congress of Racial Equality, the NAACP, and the Civil Rights Congress participated in sit-ins, boycotts, and marches in an effort to desegregate Florida's public schools, lunch counters, and other public facilities.

Here in Miami, neighborhoods were divided by race, with African Americans and Jews frequently denied the opportunity to move out of segregated urban neighborhoods and into predominantly white suburbs.

Even hotels along the coast sometimes boasted the saying, "Always a view, never a Jew."

The activism and organized efforts of those students and civil rights leaders I just mentioned helped to bring about changes that would eventually end many of Florida's discriminatory practices and help desegregate its schools – schools like nearby Fulford Elementary School, which was integrated in 1960.

Those of you in the room today represent the continuation of that commitment to equality. Your work is an extension of Dr. King's dream of a nation in which men and women would be judged by the content of their character, not the color of their skin.

But 47 years after the passage of the Fair Housing Act, our work is still not done.

### **Keeping Fair Housing Intact**

As we celebrate another Fair Housing Month, I want to take a few minutes to share some reflections about the State of Fair Housing in our country. A few months ago, HUD Secretary Julián Castro and I had the opportunity on a conference call to share with hundreds of friends across the nation some of the most significant trends in fair housing.

I will elaborate today on some of those trends, but want to start by...acknowledging that for all of us working on promoting, defending, and upholding civil rights, these last few years have been particularly challenging.

Don't misunderstand me, we have seen important gains that are helping us to become a more just and equal society, a more perfect union.....from equal pay ...to marriage equality...to the fundamental right to health care.

But we have also witnessed setbacks in areas such as the right to vote and affirmative action, and chronic ailments in some parts of our country on issues like police abuse and criminal injustice.

In fair housing, we have to stay strong and defend what those student protestors aspired to achieve – equality. We cannot allow the few....to add fair housing to the list of setbacks.

We know it won't be easy. As fair housing professionals, we are really a small group trying to tackle a big problem. But I take comfort in knowing that every journey of a thousand miles begins with a single step.

Being in Miami, I am reminded of a parable that speaks to how individual acts, while seemingly insignificant, can bring about major change.

A woman strolling down a beach one day saw a young man who appeared to be dancing at the water's edge. Every half a minute or so, the man would bend down, then straighten back up and cast his arms toward the water. As the woman moved closer she could see that the sand was littered with starfish, and the man was throwing them, one by one, back into the sea.

She said to the man, "There are stranded starfish as far as the eye can see. What difference can saving a few of them possibly make?"

Smiling, the man stooped down and tossed another starfish out into the water, saying, "It made a difference to that one."

We have the unique opportunity, as an army of those whose actions are guided by a moral compass, to reinvigorate the power of the Fair Housing Act, and 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.

Secretary Castro 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, in this 21st Century, 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, stopping fair housing from becoming the next civil rights victim, and further advancing freedom of choice in housing, I ask that we join forces, and share the relevance of opening communities to choice, inclusion and equal opportunity.

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## **AFFH**

To continue to move our country toward becoming a land of full inclusion in housing and freedom of choice, HUD published a new proposed rule 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.

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, you all can play a pivotal role once this regulation becomes reality to mobilize and engage communities across Miami and the entire state of Florida to participate in the dialogues that towns and cities will be having on how best to conduct fair housing planning and 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.

It's important for everyone working in fair housing to advocate for this balanced approach to community planning.

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### **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 government partners and private fair housing partners, like HOPE.

Just in the last 12 months alone, you used the results of fair housing testing you conducted to develop four systemic investigations of racial discrimination in the rental market that have resulted in federal litigation.

In addition, your creative use of FHIP funding has resulted in your extending your educational efforts statewide, providing entitlement jurisdictions, public housing authorities, and other recipients of federal financial assistance with training in how to comply with fair housing and other civil rights related program requirements.

So thank you again for the great work you are doing. With the help of organizations like HOPE, we are accomplishing much.

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.

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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.

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Another way that we have increased our impact is 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. 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.

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. Consider that for minorities their home equity represents their total wealth far more than for their white counterparts.

So, 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.

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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.

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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 women who were pregnant, or had recently given birth, and were on maternity leave.

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.

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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.

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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.

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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 fact, the first settlement agreement HUD reached under the rule resolved an allegation that Bank of America had violated the rule when it denied an FHA-insured mortgage loan to a lesbian couple in Florida.

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 leave you today with some ideas you can take away. In addition to all the information I've shared with you. Let me try to summarize the path forward in three concrete areas of our work; basic areas on which millions of people depend on us for.

First, on the work regarding affirmatively furthering fair housing, I am confident we are going to have a new national regulation very soon. We are only a few months away. A couple of months if we are lucky. AFFH is a complicated phrase. It's even hard to say it. So we are going to call it Fair Housing Planning. 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 voice or 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 their future investments in housing and infrastructure.

And you...you can help in making public participation as inclusive as it can be.

Second, Enforcement. Our partners out there, state and local governments, private fair housing organizations, legal assistance groups, we need you to continue to do the hard work of investigating, prosecuting, and bringing cases to HUD or doing it on your own through

the judiciary.... so that we don't rest until everyone who believes they are a victim of discrimination has his or her issues heard under the law.

And third, Education. We must continue to raise awareness of the obligations of housing providers and the rights families and individuals are entitled to. And this education and public awareness work is most critical in communities that are still racially concentrated areas of poverty, neighborhoods that today continue to live the legacy of segregation, vulnerable communities such as those of recent immigrants, persons with physical and mental disabilities who still don't have access to integrated housing, members of the LGBT community, and families in poverty, especially those with small children.

I call these three areas our continued call to action.

### **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. It's not the same as jogging on Miami Beach, but 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 that, like you, continue to defend and protect our most valuable right to equal and inclusive housing for all.

Thank you very much.