

After 51 years, fair housing still an unfinished journey

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Fifty-one years ago this month, the Fair Housing Act was enacted to ensure that housing discrimination was illegal. Yet just days before the annual observance of Fair Housing Month began, headline news articles reminded the nation that housing discrimination still exists.

For example, on March 19, the Office of the Comptroller of the Currency (OCC) fined Citibank \$25 million for violations related to mortgage lending. At issue was Citibank's "relationship pricing" program that afforded mortgage applicants either a credit on closing costs or a reduced interest rate. These cost breaks were intended to be offered to customers on the basis of their deposits and investment balances. According to OCC examination at Citibank, these "relationships" did not include all eligible customers — particularly people of color. The regulator's conclusion was that the bank's practices led to racial disparities.

The settlement calls for all 24,000 consumers affected to receive \$24 million in restitution.

Days later on March 28, the federal department of Housing and Urban Development charged Facebook with violating the Act by enabling its advertisers to discriminate on its social media platform. According to the lawsuit, Facebook enabled advertisers to exclude people based on their neighborhood — a high tech version of the historical redlining of neighborhoods where people of color lived.

With 210 million Facebook users in the United States and Canada alone, the social media mogul took in \$8.246 billion in advertising in just the last financial quarter of 2018.

As April's annual observance of Fair Housing Month began, the chair of the House Financial Services Committee used that leadership post to bring attention to the nagging challenges that deny fair housing for all. In her opening statement at the hearing held April 2, Chairwoman Maxine Waters set the tone and focus of the public forum.

"According to the National Fair Housing Alliance, individuals filed 28,843 housing discrimination complaints in 2017," said Waters. "Under the Trump Administration, fair housing protections are under attack.... According to news reports, Secretary Carson proposed taking the words 'free from discrimination' out of HUD's mission statement."

"He also reportedly halted fair housing investigations," continued Waters, "and sidelined top advisors in HUD's Office of Fair Housing and Equal Opportunity. These are unprecedented attacks on fair housing that must not go unanswered."

Several committee members posed similar concerns and offered comments that echoed those of Waters. Additional issues raised during the hearing spoke to a lack of enforcement, data collection, gentrification, racial redlining, restrictive zoning and disparate impact.

A panel of housing experts provided substantive testimony that responded to many of these issues, while also acknowledging how many fair housing goals have not yet been achieved.

Cashauna Hill, the Executive Director of the Greater New Orleans Fair Housing Action Center provided additional information on delays encountered with HUD's Fair Housing investigations. Although HUD set a standard for these complaints to be investigated within 100 days, many complaints go well beyond the agency's own guidelines. Cases older than 100 days are categorized as "aged" in HUD parlance.

"In 2017, HUD had 895 cases that became aged during that same year, and it had 941 cases that were already considered aged at the beginning of the fiscal year," noted Hill. "During that same time period, Fair Housing Assistance Program agencies had 3,994 cases that became aged and 1,393 cases that were already considered aged at the beginning of the fiscal year."

"Practically, what this means for groups like the Fair Housing Action Center," continued Hill, "is a delay in making victims of discrimination whole, and a delay in correction of housing providers' discriminatory behavior."

Speaking on behalf of the Zillow Group, Dr. Skylar Olsen, its Director of Economic Research, cited additional data that underscored racial disparities and problems that continue with access to credit.

"Homeownership is a key tool for building wealth, and more than half the overall wealth held by American households is represented by their primary residence," said Olsen. "But access to homeownership is not shared equally. In 1900, the gap between black and white homeownership rate was 27.6 percentage points. Today it is 30.3 percentage points."

Further according to Olsen, the Home Mortgage Disclosure Act (HMDA) shows that "black borrowers are denied for conventional home loans 2.5 times more often than white borrowers."

Debby Goldberg, Vice President of Housing Policy and Special Project with the National Fair Housing Alliance, posed a core question that was as basic as it was direct.

"How do we ensure that future generations of all backgrounds live in neighborhoods rich with opportunity?" said Goldberg. "Fair housing."

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