

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

# **39 STEPS TOWARD FAIR HOUSING**



**EQUAL HOUSING  
OPPORTUNITY**

**FAIR HOUSING MONTH**



## **Preamble**

### *The 39 Steps Toward Fair Housing*

*depicts the issues, cases, developments and achievements that have been a part of this nation's efforts to end discrimination and create equal housing opportunities for all since the Fair Housing Act was passed in April 1968. And although equality in housing remains elusive to many minorities, HUD continues to enforce current fair housing laws and policies with conviction, provide education to the public about their fair housing rights, and reach out to the housing industry to build the kinds of alliances that will help ensure that every resident of this nation is afforded the opportunity to live where they choose.*



**FAIR HOUSING MONTH**

*As we take the next steps toward fair housing, let us move forward under the guiding principle:*

***“Fair Housing: It’s Not An Option;  
It’s the Law.”***

## YEAR

## STEPS TOWARD FAIR HOUSING

1968

Enactment of the Fair Housing Act- April 11, 1968. The Fair Housing Act, contained in Title VIII of the Civil Rights Act of 1968, prohibits discrimination in the sale, financing or rental of housing because of **race, color, religion, and national origin**.

1969

HUD issued the Title VIII Field Operations Handbook that institutionalized a formal complaint process.

1970

Shannon v. United States Department of HUD, 436 F.2d 809 (3rd Cir. 1970), involved a decision by HUD to approve the development of a project in an urban renewal area that was racially and economically integrated. The plaintiffs claimed that the development of subsidized, low-income housing in their neighborhood would destroy the existing racial and economic balance. The court held that HUD had to develop an institutional system for assessing the racial and socio-economic impact of the location of its projects.

1971

Project Sentinel, a non-profit corporation, was founded. It primarily assists individuals who face housing problems such as discrimination, repairs, deposits, privacy, dispute resolution, and mortgage foreclosure. A group of leaders from the corporate, educational and labor communities, as well as local fair housing advocates, founded the agency, which has grown steadily since it was founded. Project Sentinel is now the largest such agency in Northern California, serving an overall population of 3.5 million.

1972

HUD implemented project selection criteria for funding affordable housing developments. These criteria are used to rank a project's location by considering whether the site is in a non-minority concentrated, minority concentrated, or mixed area. The criteria provided a racial and socio-economic framework for reviewing the impact of HUD's project approval on neighborhoods where the development will be located.

1973

Enactment of Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities conducted by HUD or those receiving financial assistance from HUD.



**1974**

Sex is added as a protected class under the Fair Housing Act.

**1975**

Southern Burlington County N.A.A.C.P. v. Township of Mount Laurel, 67 N.J. 151 (1975) (commonly known as Mount Laurel I). In this case, the plaintiffs challenged the zoning ordinance of Mount Laurel Township, New Jersey on the grounds that the town operated to exclude low and moderate income persons from obtaining housing in the municipality. The Supreme Court ruled that a developing municipality may not use a land use regulatory scheme in order to prevent low and moderate-income persons from obtaining housing in the municipality.

**1976**

Congress amended the Equal Credit Opportunity Act to prohibit discrimination on the basis of race, color, religion, national origin, age, or receipt of public assistance.

**1977**

Congress enacted the Community Reinvestment Act ("CRA"). This act encourages banks to meet the credit needs of the local communities in which the banks operate. This includes addressing the needs of low-to moderate-income neighborhoods. The CRA responded to the often underdeveloped and inadequate flow of capital funds into low-income neighborhoods to aid in the fostering of neighborhood development, economic growth, and wealth building.

**1978**

A federal district court in Ohio held, for the first time, that the 1968 Fair Housing Act prohibited insurance redlining.

**1979**

Gladstone Realtors v. Village of Bellwood, 441 U.S. 91 (1979). In this case heard before the Supreme Court, residents accused two brokers of racial steering thereby impeding the homeowner's access to the benefits of living in an integrated setting. The Supreme Court held that the village and homeowners in a racially changing area have standing to challenge steering practices as indirect victims of housing bias. Furthermore, the Court determined that a municipality could be injured when its racial composition is adversely affected by race discrimination.



**1980**

The Fair Housing Assistance Program (FHAP) received its first Congressional appropriation. FHAP is a HUD program that provides financial assistance to state and local agencies enforcing fair housing laws that are “substantially equivalent” to the Fair Housing Act.

**1981**

*Majors v. Housing Authority of the County of Dekalb*, 665 F.2d 454 (5th Cir. 1981). A tenant with a documented history of mental illness kept a dog in her apartment despite the housing authority’s “no pets” policy. The housing authority refused to waive the “no pets” policy and brought eviction proceedings. The tenant filed a complaint in federal district court alleging that the housing authority violated Section 504 of the Rehabilitation Act by failing to waive its “no pets” policy as a reasonable accommodation for her disability. The district court granted the housing authority’s motion for summary judgment and the tenant appealed. The court of appeals held that the housing authority had deprived the tenant of the benefits of the housing program by enforcing the “no pets” rule, reasoning that waiving the “no pets” rule would allow the tenant to fully enjoy the benefits of the program and would place no undue burdens on the housing authority.

**1982**

*Havens Realty Corp. v. Coleman*, 455 U. S. 363 (1982). Complainants alleged respondents engaged in racial steering in violation of Section 804 of the Fair Housing Act. The complainants included a prospective renter, two testers and HOME, a fair housing organization located in Richmond, Virginia. The Supreme Court held that the testers had standing to sue because they alleged that the neighborhood was damaged by the denial of interracial associations, and that the fair housing organization had standing to sue because the owner’s racial steering practices impaired HOME’s ability to provide housing counseling and referral services.

**1983**

Housing and Urban-Rural Recovery Act of 1983 created the housing voucher program as an alternative to Section 8 rent certificates. These vouchers may afford families wider housing choices.



**1984**

McDiarmid v. Economy Fire and Casualty Co, 604 F. Supp. 105 (S.D. Ohio 1984). In this case, the Federal District Court of Ohio held that the Fair Housing Act applies to homeowners insurance discrimination, despite the fact that insurance is not specifically mentioned in the Act.

**1985**

In response to the Mount Laurel Decision, the New Jersey Legislature passed the state's "Fair Housing Act," accepting the premise that there was some constitutional obligation for municipalities to foster some degree of affordable housing. This legislation created the Council on Affordable Housing (COAH), an administrative agency established to facilitate the creation of affordable housing through regulatory guidance.

**1986**

Low-Income Housing Tax Credit (LIHTC), created through the Tax Reform Act of 1986, is a resource that allows state and local authorities to provide tax credits to developers that rehabilitate, acquire, or construct new housing that targets low-to moderate-income households, thus generating affordable housing.

**1987**

Section 561 of the Housing and Community Development Act of 1987, 42 U.S.C. 3616, established the Fair Housing Initiatives Program (FHIP) to strengthen the Department's enforcement of the Fair Housing Act and to further fair housing. FHIP funds fair housing organizations and other non-profit groups to provide vital services to their communities. These services include providing education and outreach activities so that community members are aware of their rights. FHIPs also conduct investigatory and enforcement activities, offering an outlet for community members who may have fair housing related complaints. There are approximately 100 fair housing organizations nationwide. In FY 2007, FHIP is funded at \$18,100,000.

**1988**

The Fair Housing Amendments Act (FHAA) added disability and familial status (the presence or anticipated presence of children under 18 in a household) to the Fair Housing Act's list of protected classes. The FHAA made major changes to the enforcement actions under the Act, giving more authority to the Department of Housing and Urban Development to enforce the fair housing law. The FHAA extended the statute of limitations for federal lawsuits from 180 days to two years and removes a \$1,000 cap on punitive damages. The FHAA also opened up new avenues



for enforcement of the rights of people with disabilities to live in the housing of their choice. For the first time, private-party transactions, where disability discrimination takes place, were subject to scrutiny in federal court.

**1989**

HUD v. Blackwell, 1989 WL 386958 (HUD ALJ 1989). This was the first case to be prosecuted under HUD's enforcement authority created by the amended Fair Housing Act. The Administrative Law Judge (ALJ) held that the respondent violated the Fair Housing Act on the basis of race. The ALJ ordered respondents to sell the property in question to one of the complainants, as well as to pay actual damages of over \$65,000 and a civil money penalty of \$10,000.

**1990**

The Americans with Disabilities Act (ADA) was enacted on July 2, 1990. ADA prohibits private employers, state and local governments, employment agencies and labor unions from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions and privileges of employment.

**1991**

Fair Housing Accessibility Guidelines were adopted by HUD to provide builders and developers with technical guidance on how to comply with the specific accessibility requirements of the Fair Housing Amendments Act of 1988.

**1992**

Authority was given to conduct Moving to Opportunity for Fair Housing (MTO) as part of § 152 of the Housing and Community Development Act of 1992. MTO is a research demonstration that combined tenant-based rental assistance with housing counseling to help very low-income families move from poverty stricken urban areas to low-poverty neighborhoods.

**1993**

Empowerment Zone and Enterprise Community Programs were created under the Federal Omnibus Budget Reconciliation Act of 1993 as a strategy to promote revitalization efforts in economically distressed urban and rural areas.





**1994**

Executive Order 12892, as amended, requires federal agencies to affirmatively further fair housing in their programs and activities, and provides that the Secretary of HUD will be responsible for coordinating this effort. The Executive Order also established the President's Fair Housing Council, to be chaired by the Secretary of HUD.

**1995**

Housing for Older Persons Act of 1995, 42 U.S.C. § 3607(b)(2)(C), amended the Fair Housing Act to permit a development's occupancy by at least one person 55 years or older in 80 percent or more of the housing units without the provision of significant facilities and services specifically designed to meet the physical or social needs of older persons. The provision also allows for a good faith defense in civil money damages when an individual reasonably relies on the housing for older persons exemption and has no actual knowledge that the facility is ineligible for the exemption and the facility has not stated formally in writing that the facility complies with the requirements for exemption.

**1996**

The Fair Housing Act Design Manual was published. This manual provides guidance regarding ways to design and construct housing that complies with the Fair Housing Act. The manual also explains the accessibility requirements of the Act, which must be incorporated into the design and construction of multifamily housing covered by the Act.

**1997**

HUD negotiated a voluntary "Best Practices Agreement" with the Mortgage Bankers Association and signs individual Best Practices Agreements with more than 117 lenders. These voluntary Agreements offered an opportunity for lenders to incorporate fair housing and equal opportunity principles into their mortgage lending standards, as well as increase low-income and minority lending.

**1998**

HUD v. Perland Corp. et al., 1998 WL 142159 (HUD ALJ 1998). This case involved a complaint that was filed by the Will-Grundy Center for Independent Living, alleging discrimination in violation of the Fair Housing Act's requirement that certain multifamily housing be designed and constructed to provide accessibility features. In this case of first impression, the Administrative Law Judge held that the respondents violated the Fair Housing Act's design and construction requirements and orders the property owned by the respondents to be brought into compliance,



and that each respondent must pay a \$3,000 civil money penalty. Furthermore, for those portions of the development no longer owned by the respondents, the ALJ ordered payment of \$10,000 for future retrofits of the ground floor unit and common areas.

**1999**

Executive Order 13166, Improving Access for Limited English Proficiency (LEPs), requires that federal agencies take reasonable steps to provide meaningful access to federally conducted and assisted programs and activities for limited English proficient individuals. This involves determining language needs and providing appropriate language assistance to LEP individuals.

**2000**

Housing Discrimination Study (HDS 2000), a national housing discrimination study sponsored by HUD to measure patterns of racial and ethnic discrimination in urban housing markets, was released. The study involved three phases of paired testing focusing on the levels of housing discrimination experienced by African-Americans, Hispanics, Asian and Pacific Islanders, and Native Americans.

**2001**

Olmstead Executive Order 13217 was signed by President Bush implementing the Olmstead decision, which provides that the federal government should ensure placement of individuals with disabilities, whenever possible, in community settings rather than institutionalized environments.

**2002**

HUD and the National Association of Home Builders (NAHB) entered into a partnership to educate and train persons in the housing industry about their obligations to provide accessible housing to persons with disabilities.

**2003**

The National Fair Housing Ad Campaign, featuring public service announcements highlighting fair housing laws and providing victims of housing discrimination with vital information about their rights under the Fair Housing Act, was launched.

**2004**

The National Fair Housing Training Academy, which trains housing discrimination investigators of FHAP agencies on processes to use in conducting thorough, high quality and timely investigations, was established.



**2005**

HUD and the Department of Justice (DOJ) issued a Joint Statement on Reasonable Accommodations under the Fair Housing Act that provides technical assistance to persons with disabilities and housing providers regarding their rights and obligations under the Act regarding reasonable accommodations.

**2006**

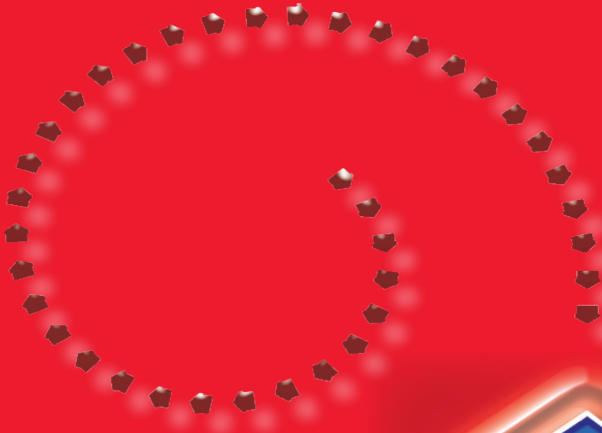
HUD charged Erie Insurance Group and five agencies licensed to sell Erie insurance products with violating the Fair Housing Act. Homeowners who lived in African-American neighborhoods were more likely to receive inferior insurance products from Erie than those homeowners living in white neighborhoods with comparable homes.

**2007**

HUD published its "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient (LEP) Persons." In accordance with the requirements of Executive Order 13166, this Guidance was published to clarify recipients' obligations to LEP persons. The effective date of the Guidance is March 17, 2007.



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