



Fair Housing News

Fair Housing: It's Not an Option, It's the Law!



Summer 2008

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Our Mission

To promote equal housing opportunities for all persons in America by administering laws that prohibit discrimination in housing on the basis of race, color, religion, sex, national origin, disability, and familial status.

Senate Confirms Steven Preston as HUD Secretary

On June 4, 2008, the United States Senate unanimously confirmed Steven Preston as the 14th Secretary of HUD. In response to the Senate's confirmation, President George W. Bush reiterated his belief that Mr. Preston "will aggressively work to ensure that the Department remains focused on its mission" of providing affordable housing free from discrimination, helping families purchase and stay in their homes, and promoting economic development. Furthermore, the President described Mr. Preston as "a consensus builder who will build on our efforts to work with Congress on responsible legislation addressing our Nation's housing policies." Mr. Preston took the Oath of Office on June 6th.



Secretary Preston takes the Oath of Office

HUD Enters into a Section 504 Voluntary Compliance Agreement with the City of Bakersfield, California



On June 19, 2008, HUD entered into a Voluntary Compliance Agreement (VCA) with the City of Bakersfield, California to resolve a complaint alleging that a mobility-impaired individual had applied for the City's down-payment assistance program, but had been denied because none of the 74 units in the residential development targeted for the program were accessible. HUD determined that none of the units in the development met Section 504's accessibility requirements, which mandate that at least 5 percent of the units be accessible to individuals with mobility impairments and at least 2 percent be accessible to individuals with sight and hearing impairments. As part of the VCA, the City of Bakersfield agreed to spend up to \$99,380 to make four units accessible or adaptable for individuals with mobility impairments and two units accessible for individuals with sight and hearing impairments. In addition, the City agreed to inform all parties inquiring about the property about the settlement and to train all Economic and Community Development Department staff on fair housing laws and obligations.

HUD Announces Plan to Create More Accessible Housing in Cuyahoga County, Ohio

On July 25, 2008, HUD announced a Voluntary Compliance Agreement (VCA) with the Cuyahoga Metropolitan Housing Authority (CMHA) that will create more accessible units for senior citizens and individuals with disabilities. In the agreement, CMHA has pledged to modify a minimum of 482 units to include numerous features of accessible design, as well as to improve the management of its housing waiting list to maximize the availability of accessible units and to provide employees with training about the responsibilities and procedures created under the VCA. Fittingly, the agreement coincided with the 18th anniversary of the Americans with Disabilities Act, which prohibits, among other things, discrimination on the basis of disability in programs, services, and activities provided or made available by public entities. According to Assistant Secretary Kim Kendrick, "[c]reating more affordable housing opportunities for persons with disabilities fulfills both the purpose and the intent of this landmark law."



HUD Charges Managers and Owners of Las Vegas Condo Complex with Violating the Fair Housing Act by Denying a Reserved Parking Space

On June 23, 2008, HUD charged Arbors Owners' Association, Inc. and First Columbia Community Management, Inc in Las Vegas, Nevada, with violating the Fair Housing Act for allegedly denying a resident with disabilities a reserved parking space after his garage was deemed unusable due to water damage. The case is currently pending before an Administrative Law Judge.

Plato Neocleous suffers from foot and ankle problems that severely limit his ability to walk more than 100 feet. On May 5, 2007, Mr. Neocleous's unit, including the garage, was damaged due to flooding from the pipes of a neighboring unit. Mr. Neocleous notified the Owners' Association and Management of the flooding and, since his garage was not usable, requested a reserved parking space as a reasonable accommodation for his disability.

On May 22, 2007, Mr. Neocleous's request was included on the Owners' Association Board meeting agenda, after which the Association asked Mr. Neocleous to pay for the cost of designating the parking space as reserved. Mr. Neocleous declined, arguing "that the costs of designating a reserved parking space... are not 'unreasonable' for the Association to bear." As a consequence, Mr. Neocleous's request for a reserved parking space was denied.

Under the federal Fair Housing Act, a housing provider is required to make reasonable accommodations in rules, policies, or services, such as designating a reserved parking space, if it is necessary to afford a resident equal opportunity to use and enjoy a dwelling.

Department of Justice Settles Disability Discrimination Case with Connecticut Landlord for \$115,000

On May 27, 2008, the United States Department of Justice announced a \$115,000 settlement to resolve a lawsuit alleging that a Windsor Locks, Connecticut landlord violated the Fair Housing Act when he refused to grant a resident's request for a reasonable accommodation for her daughter and retaliated against the resident when she attempted to exercise her rights under the Fair Housing Act.

The case originated when HUD issued a charge on June 7, 2007, and one of the parties elected to go to federal district court. The lawsuit, which alleged that Mahmoud M. Hussein denied a resident's minor daughter a reasonable accommodation so that she could keep an assistance dog to help manage her cerebral palsy, seizure disorder, and depression, was filed on August 1, 2007. The lawsuit also claimed that Hussein retaliated against the girl's mother by refusing to renew her annual lease and beginning eviction proceedings when the mother requested and pursued the accommodation.

Under the settlement, Mr. Hussein will pay \$115,000 in monetary relief, with \$102,000 to compensate the mother and daughter and \$13,000 for attorneys' fees. Furthermore, the landlord will attend fair housing training, implement a reasonable accommodation policy, and comply with notice, monitoring, and reporting requirements.

HUD Resolves Lending Discrimination Complaint Based on National Origin



On July 14, 2008, HUD signed a Conciliation Agreement resolving a national origin and lending discrimination complaint between a limited English proficient Hispanic couple from Bridgeport, Connecticut, and EMC Mortgage Corporation (EMC).

In January 2006, the couple closed on a \$375,000 home. Although they had good credit scores and a substantial down payment, EMC allegedly discouraged them from using the money for a down payment and instead encouraged them to borrow the full purchase price. In addition, the company allegedly steered them towards a subprime \$300,000 adjustable rate mortgage with a 1 percent teaser interest rate, and a second subprime \$75,000 Home Equity Line of Credit with an 11.3 percent interest rate, in spite of the fact that the couple's credit score qualified them for a conventional fixed rate mortgage with prime rates.

In their complaint, the couple alleged that EMC discriminated on the basis of national origin. They alleged that EMC misrepresented facts, including the pair's income, credit, and ability to repay, in order to have them qualify for the two subprime loans. The couple further alleged that they were assigned higher interest rates and fees than they qualified for based on their credit score and what they could afford.

To settle, the couple and EMC agreed to modify the terms of the original loans and recalculate the outstanding balance by re-appraising the property, combining the two subprime loans into one 30-year mortgage with a 5 percent fixed interest rate, forgiving approximately \$75,000 of the loan debt as of July 2008, and waiving all closing costs, points, and fees associated with the loan modification.

HUD Charges Indiana Condominium Association with Racial Discrimination



On May 29, 2008, HUD charged the Autumn Ridge condominium association in Munster, Indiana, as well as three members of its Board of Directors, with violating the Fair Housing Act when the sale of an apartment to an African-American couple was allegedly refused because of their race. HUD also charged the association and its Board with discriminating against families with children. The case is currently pending in federal district court.

In the summer of 2006, Diane Webster-Rangel placed her Autumn Ridge apartment on the market for sale. In October 2006, Kourtney Valentine and David Haddox, a newly-engaged African-American couple, decided to purchase their first home. On November 21, 2006, Ms. Valentine and Mr. Haddox made an offer on Ms. Webster-Rangel's apartment, which was accepted just four days later.

Following the acceptance of the offer, a real estate agent representing Ms. Valentine and Mr. Haddox contacted the association about a provision in the Condominium Declaration that prohibited minor children from living in the development, as Ms. Valentine had two children. The Board maintained that the children would not present a problem, but requested that they meet with Ms. Valentine and Mr. Haddox in person.

On November 30, 2006, Ms. Valentine and her real estate agent met with the Board of Directors and allegedly, upon realizing Ms. Valentine was African-American, the Board expressed its desire to also meet with Mr. Haddox before rendering the necessary approval to allow the couple to purchase the unit. A meeting was scheduled for December 9th, but on December 2nd the Board informed Ms. Valentine and Mr. Haddox that their purchase of Ms. Webster-Rangel's apartment was denied, purportedly on the grounds that Autumn Ridge had previously had problems with children living in the complex. Subsequently, in the spring of 2007, Ms. Webster-Rangel's apartment was sold to a white couple with no children for a price below what had been offered by Ms. Valentine and Mr. Haddox.

New York Apartment Complex Settles Complaints Alleging Race and Familial Status Discrimination

On June 6, 2008, the developer, owner, and managing agent of Collegiate Village, part of a 928-unit multifamily apartment complex in Buffalo, New York, agreed to pay \$57,000 to settle complaints alleging housing discrimination on the basis of race and familial status.

On February 12, 2008, Housing Opportunities Made Equal (HOME) filed three complaints with HUD alleging that Affinity Renewal Development LLC (developer), Ken-Vil Associates Limited Partnership (owner), and Renewal Housing Corporation (managing agent) engaged in discriminatory housing practices when they disproportionately displaced African Americans and families with children during remodeling projects and proposed restricting future eligibility for housing to students.

"[The resolution] helps ensure equal opportunity at Collegiate Village and equitable treatment for those who have been affected by the project."

-Scott W. Gehl, Executive Director of HOME

The \$57,000 settlement will be distributed to 110 residents and former residents, offering \$200 rebates to former long-term tenants affected by the remodeling projects, as well as lump sums to HOME and the three former tenants who filed the discrimination charges. In addition, the developer, owner, and managing agent have pledged to set aside 25 units for low-income tenants with rent subsidies.

Chicago Freedom Movement Photo Exhibit Travels the Country

Bernard J. Kleina's photo exhibit, entitled *The Chicago Freedom Movement – Remember Why You're Here, Brother*, will travel to FHEO field offices throughout the fall of 2008. The exhibit includes pictures of the Freedom Movement's 1965-66 civil rights marches in Chicago that called for open and equal housing. It features Dr. Martin Luther King, Jr. and other civil rights activists who fearlessly journeyed through predominately white neighborhoods in order to highlight the problems of racial discrimination and segregation in neighborhoods nationwide.



Mr. Kleina currently serves as the Executive Director of HOPE Fair Housing Center in Wheaton, Illinois, where he has worked for nearly 40 years. HOPE is the oldest fair housing center in Illinois, and it aims to promote equal housing through education, research, outreach, enforcement, training, and advocacy.

HUD's Office of Fair Housing and Equal Opportunity

451 Seventh Street, SW
Washington, DC 20410

Individuals may report housing discrimination to HUD by calling

1-800-669-9777 (Voice)
1-800-927-9275 (TTY)

or by completing a form at

www.hud.gov/fairhousing



Assistant Secretary Kim Kendrick Testifies Before the House Judiciary Subcommittee

On June 12, 2008, Assistant Secretary Kim Kendrick testified before the House of Representatives Judiciary Subcommittee on the Constitution, Civil Rights, and Civil Liberties. Ms. Kendrick's testimony, along with that of Jessie Liu, Deputy Assistant Attorney General for the Civil Rights Division of the Department of Justice, spoke about the enforcement of the Fair Housing Act. In her written statement, Ms. Kendrick pointed out that "[i]n the past forty years, our nation has made great progress in fulfilling the promise of equal opportunity in housing. Today, our cities and neighborhoods are less segregated, loan underwriting guidelines no longer spell out different policies based on race, and many building codes across the country now require new multifamily housing to be accessible to persons with disabilities."



Assistant Secretary Kim Kendrick (right) and Deputy Assistant Attorney General Jessie Liu testify in front of the House Judiciary Subcommittee

Students Gain Experience in Fair Housing

This summer, high school, undergraduate, graduate, and law students joined HUD's Office of Fair Housing and Equal Opportunity (FHEO) as interns. The summer interns worked in HUD's headquarters, as well as in regional and field offices across the country, and gained first hand experience in many areas, such as the Fair Housing Assistance Program, Fair Housing Initiatives Program, and education and outreach.



Assistant Secretary Kim Kendrick and Summer Interns in the HUD Headquarters Fair Housing Office



San Francisco, CA Interns



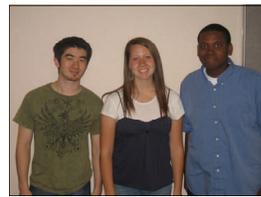
Newark, NJ Interns



Chicago, IL Interns



Denver, CO Interns



Seattle, WA Interns

HUD Launches National Fair Lending Media Campaign

In late spring 2008, HUD launched a National Media Campaign focusing on fair lending. As part of this effort, HUD produced a bilingual Public Service Announcement (PSA) featuring Dennis Haysbert based on the campaign's slogan, "One Call. Many Answers." The PSA, which appeared on television and on more than 500 movie screens in 14 states during the week of July 18-25, encourages the public to contact HUD if they believe they are a victim of lending discrimination. To complement the PSA, HUD also hosted lending forums in Atlanta, Boston, Charlotte, Chicago, Cleveland, Columbus, Denver, Detroit, El Paso, Philadelphia, Las Vegas, and Washington, DC throughout the summer months.

Letter From Assistant Secretary Kim Kendrick Published in *USA Today*

On June 12, 2008, *USA Today* published a Letter to the Editor submitted by FHEO Assistant Secretary Kim Kendrick. Ms. Kendrick's letter was written in response to the publication's article, "Housing complaints increase, but fewer charges are filed," which ran on May 27, 2008.

In her letter, Ms. Kendrick noted that the May 27th article misrepresented the efforts of HUD in its protection and enforcement of the Fair Housing Act. Ms. Kendrick further highlighted the critical role that HUD's Fair Housing Assistance Program (FHAP) partners play in eradicating housing discrimination.