

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING INITIATIVES PROGRAM

STRATEGIC GOAL/OBJECTIVE	ACTUAL 2002	ESTIMATE 2003	ESTIMATE 2004
Strategic Goal FH: Ensure equal opportunity in housing.			
Discretionary BA (Dollars in Thousands)	\$20,250	\$20,250	\$20,250
FTE			
Headquarters	10	11	11
Field	31	40	40
Subtotal	41	51	51
S&E Cost (Dollars in Thousands)			
Personal Services	\$3,343	\$4,253	\$4,656
Travel	41	61	61
Transportation of Things	0	0	0
Rent, Communications & Utilities	0	0	0
Subtotal	3,384	4,314	4,717
Strategic Objective FH.2: Promote public awareness of Fair Housing laws.			
Indicator: The number of fair housing complaints identified by FHIP partners in the Southwest border region increases by 5 percent.	NA	Establish Baseline	Baseline + 5 percent
Indicator: As a result of the Departments education and outreach efforts discrimination complaints based on national origin filed with HUD in fiscal year 2004 increases by 20 percent over fiscal year 2003 level.	NA	Establish Baseline	Baseline + 20 percent
Indicator: The share of the population with adequate awareness of fair housing laws increases from the 2003 baseline by 2006.	NA	Establish Baseline	NA
Strategic Objective FH.3: Improve housing accessibility for persons with disabilities.			
Indicator: The share of newly constructed buildings that conform to selected accessibility requirements increases from the 2003 baseline.	NA	Establish Baseline	Baseline + 5 percent

NA = Not Available

EXPLANATION OF PERFORMANCE

Performance/Means and Strategies

The Office of Fair Housing and Equal Opportunity proposes \$20.250 million in FHIP program funding and \$4.717 million in S&E for a total of \$24.967 to support Strategic Goal FH: Ensure equal opportunity in housing for fiscal year 2004.

Funding for FHIP is critical to achieving the Department's Strategic Goal FH: Ensure Equal Opportunity in Housing and addressing the findings of recent HUD funded studies which closely examined the following: (1) housing discrimination in the residential sales and rental markets nationwide; (2) public awareness of fair housing laws and how individuals respond to the experience of discrimination; (3) discrimination in mortgage lending; (4) the effectiveness of fair housing testing; and (5) compliance with accessibility requirements of the Fair Housing Act. Taken together, these studies reveal that discrimination in the residential housing and mortgage markets is a common experience and a very small percentage of those who experience it take any action against it. This is due, in part, to a lack of awareness of what Federal, state, and local resources are available to address these problems couple with a belief that government agencies are not adequately equipped to address these issues.

Strategies:

OBJECTIVE FH.2: PROMOTE PUBLIC AWARENESS OF FAIR HOUSING LAWS

The share of the population with adequate awareness of fair housing law increases from the 2003 baseline by 2006.

- Education Campaign in six cities targeted at Hispanic Americans
- Public awareness and media campaign
- Combat predatory lending
- Promote the development of Grassroots and community and faith-based/fair housing partnerships

Increase by 5 percent the number of fair housing complaints identified by FHIP partners in the Southwest border region.

- Establish new fair housing organizations in targeted areas eligible for funding in areas addressed by HDS 2000

OBJECTIVE FH.3: IMPROVE HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The share of newly constructed buildings that conform to Fair Housing Act accessibility requirements increases from the 2003 baseline

- Establish a Fair Housing Training Academy
- Project for Accessibility and Training and Technical Guidance

JUSTIFICATION

Justification for FHIP funding is based on the following:

The Findings of HDS 2000. The HUD-commissioned Housing Discrimination Study, conducted in 2000 (HDS 2000), provides the most rigorous nationwide estimates of housing discrimination since HUD's Housing Discrimination Study in 1989.

Although, HDS 2000 found that since 1989 African American renters and homebuyers and Hispanic homebuyers experienced modest declines in discrimination rates the level of housing discrimination against these groups remains intolerably high. Further, discrimination against Hispanic renters has remained virtually the same. We expect this problem to be exacerbated as the nation's Hispanic population continues to grow at unprecedented rates. The Hispanic population has already grown by 58 percent since 1990.

New Evidence of a Lack of Awareness of Fair Housing Laws. A recent HUD study, "How Much Do We Know?" examined the extent to which the general public is aware of the nation's fair housing laws and their prohibitions against rental and sales discrimination.

The study indicates that while fair housing education and enforcement has greatly increased, many Americans do not recognize unlawful discrimination when it occurs. For example, 46 percent of people surveyed did not know that it is illegal for real-estate agents to limit a home search to certain neighborhoods based on the race of the home seeker and the racial composition of the neighborhood. When asked about differential treatment of families with children, an alarming 62 percent of those surveyed were not aware that it was illegal, even though it has been prohibited by Federal law for over 13 years.

New Evidence of an Underreporting of Housing Discrimination. The HUD awareness study, "How Much Do We Know?" also found that many persons who felt they had experienced discrimination did not report it.

According to the study, almost 1 in every 5 people who believe they experienced discrimination does not know what their rights are and where to complain. This suggests "a much greater incidence of perceived housing discrimination among the general public than a tally of complaints by government agencies, fair housing groups, or the legal system indicate." As a result of these findings, the report emphasizes that actions need to be taken "to raise the level of public knowledge about the complaint and enforcement process, and to encourage greater trust in the efficacy of the system."

The results of this study concur with the findings of a 2001 study of segregation in Washington DC by the George Washington University. That study found that, "Out of the 10.9 percent of blacks who reported that they experienced discrimination within the housing market, more than 90 percent did not take legal action, and one of the key reasons for not doing so was because they thought that nothing would come of it." The study also reported that of all respondents who experienced discrimination, 37 percent did nothing about it because of a lack of funds and lack of knowledge of where to file a complaint. The report concluded, "In light of the number who took no legal action because they did not have the money, or did not know where to file a complaint, there appears to be a substantial misunderstanding of the rights available to housing discrimination victims. Stronger enforcement efforts are warranted. An increased effort is needed to address discrimination issues facing prospective homebuyers and rental seekers."

New Evidence of Discrimination in Mortgage Lending. A recent HUD-commissioned study of 2 major metropolitan areas titled "All Other Things Being Equal" dated April 2002, documented how African Americans and Hispanics are more likely than whites to receive unfavorable treatment when they inquired about mortgage loans. African American and Hispanic Homebuyers were more likely to be denied basic information on loan amounts, quoted lower loan amounts, told about fewer products, offered less coaching, and received less follow-up than white with similar financial characteristics.

Proven Effectiveness of Fair Housing Testing. The HUD-funded Urban Institute study, "A National Report Card on Discrimination in America: The Role of Testing" concluded, "There is a broad agreement that a meaningful reduction in rental discrimination will require a great deal more testing and enforcement. These tests will, over time, require the use of more sophisticated testing techniques and necessitate a higher level of expenditure." The study specifically stated that organizations need adequate funding under HUD's fair housing programs in order to carry out this critical activity.

An Expected Increase in Disability-Related Complaints. Finding accessible housing is one of the biggest challenges for persons with disabilities. Two recent reports, one by the National Council on Disability and one funded by HUD found that much more must be done to achieve compliance with the Fair Housing Act's multifamily housing accessibility requirements that went into effect in 1991.

Additionally, President Bush's New Freedom Initiative calls for the swift implementation of the Supreme Court's decision in Olmstead vs. L.C. Olmstead holds that unjustified isolation or segregation of qualified individuals through institutionalization is a form of unlawful disability-based discrimination. The Department expects an increase in disability-related complaints as qualified individuals move into mainstream society.

TOTAL BUDGET ALLOCATION

Overall, the fiscal year 2004 Budget for FHIP will be allocated in the following manner.

Currently, there are 3 program initiatives funded under the FHIP authorizing statute - (1) Education and Outreach, (2) Private Enforcement, and (3) Fair Housing Organizations. Since fiscal year 1996, HUD has not sought funding for the fourth initiative, Administrative Enforcement Initiative (AEI) as this initiative provided funding to substantially equivalent State and local agencies that now receive their funding under the Fair Housing Assistance Program (FHAP). All FHIP-funded projects are required to address discrimination under each of the categories highlighted in the Fair Housing Act (race, color, religion, sex, familial status, national origin, and disability); however, applicants for FHIP funding will also be advised to

Fair Housing Initiatives Program

emphasize the program activities outlined in this year's Budget (public awareness, accessibility requirements, Southwest Border (colonias), and partnerships between fair housing and community and faith-based grassroots organizations).

- (1) Education and Outreach Initiative (EOI) \$12.150 million. This Initiative provides funding for projects that educate the public on the rights and obligations of the Fair Housing Act and substantially equivalent State and local fair housing laws.

This will be used to continue support for fair housing activities throughout the country with an emphasis on increasing public awareness, persons with disabilities, and on developing grassroots community and faith-based fair housing partnerships.

- (2) Private Enforcement Initiative (PEI) \$6 million. This Initiative provides funding to private, tax-exempt organizations that have engaged in enforcement-related activity for at least a year in the 2 years preceding the filing of the FHIP application. The increased regional, State, local and community-based activity proposed for the Education and Outreach Initiative (EOI), as well as for the continued support outlined above in public awareness, Southwest Border (colonias), community and faith-based partnerships, and accessibility requirements, will result in increased demands for the enforcement-related services provided under PEI.
- (3) Fair Housing Organizations Initiative (FHOI) \$2.1 million. The purpose of FHOI is to establish fair housing enforcement agencies in unserved and underserved areas. This Initiative provides funding to increase fair housing enforcement either by establishing new fair housing enforcement organizations or by expanding the capacity of existing organizations to engage in fair housing enforcement.

The Department is considering creating a system that will allow a steady funding stream to be awarded non-competitively to prior and current grantees that have exhibited an identified track record of excellent performance. HUD is considering making this change to ensure that prior and current grantees who are high performers can retain qualified personnel to further fair housing.

PROGRAM ACCOMPLISHMENTS

- For fiscal year 2002, the FHIP received a 55 percent increase in the number of applications requesting FHIP funding. With previous budget amounts, the Department was able to fund approximately 60 to 65 awards under FHIP. A significant number of FHIP agencies have been receptive to submitting proposals that addressed the Administrations strategic goals dealing with reducing housing discrimination and eliminating homelessness, and ensuring equal opportunity for all. For example, most of the increase for fiscal year 2002 was under the EOI where many of the applicants were first time faith-based and grassroots community organizations.
- FHIP initiated a Model Codes activity under a previous budgeted amount that would promote collaborative activities involving disability rights advocacy groups, housing industry organizations, and other agencies and institutions capable of encouraging adoption of building codes at the State and local levels that are consistent with the accessibility requirements of the Fair Housing Act. The awardees have made contact with housing industry persons and elected officials in all 50 states to determine the consistency of their building code requirements with the accessibility requirements of the Fair Housing Act. Additional work is underway.
- According to a report entitled, "\$170,000,000 and Counting," which summarizes the FHIP's achievement in litigation and in reducing housing discrimination, "at least 50 percent of the litigation actively reported has been assisted through HUD resources."
- Enforcement grantees filed 489 complaints with the Department for processing in fiscal year 2001.

Resource Management Information

No additional FTEs are requested in fiscal year 2004.