

## II.

## Management Plan Accomplishments

### Overview

The staff of Region IX are responsible for managing 16.3 billion dollars in loans, grants, and mortgage insurance. They do this by working together and combining their efforts. The Management Plan is one of the vehicles used to accomplish Management Plan goals.

#### Definition

The Management Plan provides a unifying means for all organizations to develop, coordinate, and implement strategies and action plans to achieve departmental priorities and the measurable results identified in the Department's Annual Performance Plan (APP). The FY 2005 Management Plan:

- Directed the work of the entire Department in Headquarters and the field;
- Established the strategies, plans, and measures for the working-level results to be achieved during the fiscal year;
- Aligned HUD operations and resource allocations with departmental priorities;
- Established specific and coordinated accountability for results; and
- Ensured that we achieved the goals and objectives of the Secretary and the President in a unified way.

The next section provides a summary of Management Plan accomplishments by strategic goal.

## INCREASE HOMEOWNERSHIP OPPORTUNITIES

The objectives of this goal were: 1) expand national homeownership opportunities; 2) increase minority homeownership; 3) make the home buying process less complicated and less expensive; 4) fight practices that permit predatory lending; 5) help HUD-assisted renters become homeowners; and 6) keep existing homeowners from losing their homes.

The lack of affordable housing and access to credit, information and resources continue to be major obstacles for families and underserved minorities to achieve the dream of homeownership. Field Policy and Management (FPM) and Program Staff throughout the Region developed cross-cutting projects, programs and initiatives to build the capacity of individuals and families, as well as, organizations providing services directly to them. HUD staff throughout our Region developed partnerships, assisted in building capacity of existing organizations and actively participated in numerous homeownership events and activities.

Staff participated in 121 homeownership fairs and training events and assisted in establishing 36 community partnerships to promote homeownership. Single-Family staff endorsed 54,634 mortgages and completed 25,433 endorsements for first-time homebuyers. Positive results of HUD homeownership programs and the efforts of HUD staff are evidenced in the stories below.

### Monterey County HA Section 8 Renter Becomes A Homeowner

Diana Solis had long dreamed of owning her own home. With the assistance of several layers of financing and partnerships, the single mother's dream became a reality as she and her three children took ownership of a newly constructed three-bedroom home in Castroville, CA.

Ms. Solis had participated in the Housing Authority's Family Self-Sufficiency (FSS) and Section 8 Homeownership Voucher Programs. She graduated from the FSS program in July of 2004. She saved \$11,000 in her FSS escrow account and is currently employed as a pre-school teacher.

After graduation from the FSS program, she was referred to the Housing Opportunity Center (HOC). The HOC provides homeownership education and counseling classes, financial counseling services for Monterey County residents and is a part of Monterey County Housing Alliance (MoCHA). MoCHA is a collaborative of public and private partnerships that was created to promote homeownership and rental housing opportunities affordable to Monterey County residents through education and advocacy.



*At press conference Ms. Solis thanked MoCHA, HUD and all of its partners for helping her family's dream come true.*

Ms. Solis's received on-going counseling from (MoCHA after her name was drawn from the Monterey County's Inclusionary Housing Lottery. Her down-payment savings was matched by the Federal Home Loan Bank of San Francisco's IDEA Program.

The Monterey Housing Authority's homeownership program was a partnership with HUD, Citibank, Fannie Mae, MoCHA, Monterey County Inclusionary Housing Program and the housing staff.

### **Alameda County Housing Authority Section 8 Renter Becomes A Homeowner**

The Alameda County Housing Authority's newest homeowner is the very first to achieve homeownership using the Section 8 Housing Choice Voucher Homeownership Program subsidy. This was accomplished through a partnership with the City of Pleasanton's affordable homeownership program, Citibank and the Housing Consortium of the East Bay (a nonprofit service provider for the disabled).

In addition to receiving voucher subsidy the new homeowner received income through her job. She applied for assistance through the Housing Consortium's Homeownership Program (HCHOP). In March 2004 she applied to purchase a new condominium apartment in Pleasanton at a below market purchase price. In November 2004 she signed the purchase agreement for her new home.

Funding sources included:

- Section 8 Housing Choice Voucher Homeownership Program subsidy
- \$13,000 in grants from Housing Consortium of the East Bay (HCEB) towards the down payment and closing costs
- Specialized loan package from Citibank

The new homeowner is the first person with a developmental disability to purchase a home through HCEB and the Alameda County HA.

**Program Open Doors to Homes:** The staff at Neighborhood Housing Services of Orange County, a HUD approved non-profit counseling agency, helped the Ruelas family, a low-to-moderate income Hispanic family, find a way to purchase their first home using FHA loans and other local homebuying programs. The story, "Program Open Doors to Homes", has been posted on the California Homeownership page of the HUD website at <http://www.hud.gov/local/ca/news/2005-03-20.cfm>.

**Below are links to popular websites regarding homeownership:**

**Buying a home:** <http://www.hud.gov/buying/index.cfm>

**Owning a home:** <http://www.hud.gov/owning/index.cfm>

**HUD homes:** <http://www.hud.gov/homes/index.cfm>

**Foreclosure:** <http://www.hud.gov/foreclosure/index.cfm>

## PROMOTE DECENT, AFFORDABLE HOUSING

The objectives of this goal were: 1) provide capital and resources to improve economic conditions in distressed communities; 2) help organizations access the resources they need to make their communities more livable; 3) end chronic homelessness and move homeless families and individuals to permanent housing; and 4) mitigate housing conditions that threaten health.

To meet these objectives, Multi-Family staff completed 121 initial endorsements, twenty-seven (27) Section 202/811 initial closings, and thirty-eight (38) Section 202/811 final closings. FPM staff, in cooperation with program areas, promoted America's Affordable Communities Initiative at thirty-one (31) meetings and events with local officials and partners. Staff throughout the region also initiated a comprehensive program to implement HUD's Energy Action Plan, a strategy to promote energy efficiency and reduce energy consumption in HUD-funded and assisted properties.

Below is a summary of significant energy actions and initiatives undertaken by Region IX's program and field offices with assistance and support from the Regional Energy Representative, Wayne Waite.

### Promoting Energy Efficiency Through Energy Workshops, Training and Outreach Activities

During 2005 Region IX completed over 30 workshops, training and consultation events that provided information and technical assistance on energy efficiency strategies, energy programs and services, no cost/low cost energy efficiency measures, and best practices.

Efforts were made to reach each of HUD's core constituency groups to better understand their energy efficiency needs and opportunities to promote energy efficiency. The constituency groups reached by Region IX energy outreach include public housing authorities, multifamily sponsors and asset managers, local community development and housing agencies, community organizations, and residents of HUD properties assisted by HUD programs.

<i><b>Event Descriptions</b></i>	<i><b>Number</b></i>
<i>Energy Workshops/ Roundtables</i>	<i>20</i>
<i>Energy Efficiency Training</i>	<i>11</i>
<i>Energy Efficiency Technical Consultations</i>	<i>9</i>
<i>Outreach Meetings with Energy Program and Service Providers</i>	<i>&gt;25</i>

In addition, the Regional Energy Coordinator initiated outreach with over 25 energy efficiency programs and service providers to explore potential partnerships with HUD's Energy Action program. The partnerships that have been created as a result of this outreach will provide technical assistance and tangible energy efficiency improvements to HUD properties and grantees. The value of these improvements and services is projected to exceed several millions dollars through 2008.<sup>1</sup>

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<sup>1</sup> Organization contacted include: California Energy Commission, Affordable Home Energy Service, Con Sol Engineering, Energy Rated Homes of Nevada, GeoPraxis, H&L Energy Savers, Richard Heath and Associates, Hescong Mahone Group, ICF Consulting, Intergy Corporation, RESNET, Rocky Mountain Institute, Strategic Energy Innovations, Synergy Energy Management, South West Energy Efficiency Programs, Ecos Consulting, SAFE BIDCO, CalHFA, Enterprise Foundation, LISC, PG&E, SMUD, SDG&E, AMERESCO, and WESCO.

**Nungent Square:** Thirty-two low-income families now call Nugent Square home in this newly constructed complex in East Palo Alto. With Help from HUD and the County of San Mateo, East Palo Alto Community Alliance Neighborhood Development Organization (EPA CAN DO) built the beautiful new complex.

A \$50,000 technical assistance grant from HUD was provided to pay for a project developer consultant to help EPA CAN DO manage the project. The County of San Mateo used \$907 thousand of its CDBG and \$1.7 million of its HOME funds. The City of East Palo Alto provided a \$1.1 million loan and the David and Lucille Packard Foundation provided \$425,000. In addition to the 32 units of housing, Nugent Square will be the new home of EPA CAN DO's Next Step Housing Counseling Center; and a 1,000 square foot community space which will be used for a computer lab and community space.



San Francisco FPM and CPD staffs were involved in the development of this project from the initial development stage. FPM staff continue to provide support for EPA CAN DO's Next Step Housing Counseling and Anti-Predatory Lending Programs.

**Park Lee Apartments:** Park Lee Apartments is a 523 unit, one and two-story walk up apartment community located at 1600 West Highland Avenue in Phoenix, Arizona. The project has experienced a successful operating history with attractive red brick construction, large unit sizes and a low-density park like setting with extensive amenities. The project was submitted as a 221d4 Substantial rehabilitation with initial closing occurring on 2/20/05. The rehabilitation being performed consists of refurbishing all unit interiors as well as outside property improvements. Ninety-five percent (95%) of the unit rental rates at the project will be restricted to households with income levels at or below 50% and 60% of the area median income due to an infusion of Low Income Housing Tax Credits provided by the State of



Arizona. The site includes a clubhouse, central laundry facilities, maintenance and storage sheds as well as a five-acre central park. The project location is close to the new light rail route currently under construction, with Spectrum Mall a little over 4 miles away. The project financing not only allowed for the rehabilitation to improve the project but also to maintain affordable housing in a much-needed area within the central Phoenix core. Amount of insured mortgage is \$23,500,000.



## STRENGTHEN COMMUNITIES

The four objectives in support of this goal were: 1) provide capital and resources to improve economic conditions in distressed communities; 2) help organizations access the resources they need to make their communities more livable; 3) end chronic homelessness and move homeless families and individuals to permanent housing; and 4) mitigate housing conditions that threaten health.

**Multi-Family Projects and Neighborhood Networks:** During FY 2005, Multi-Family staff completed 50 multi-family projects in underserved areas. As a result of staff efforts, eight (8) neighborhood networks were established to continue Multi-Family Housing's efforts to provide pre-employment and job-readiness training and to serve elderly tenants and their communities.

**Ten-Year Plans:** During FY 2005, the Region IX Homeless Assistance Coordinator, Eduardo Cabrera, worked with 24 jurisdictionally-driven ten-year planning processes on homelessness throughout the region. He is also provided assistance to all four states in their effort to coordinate across state agencies using State Interagency Councils to end homelessness. Furthermore, in an effort to work across federal agencies in the region, Mr. Cabrera and the HUD Regional Director, convened bi-monthly meetings of federal agency heads making up the Region IX Interagency Council on Homelessness. As of the end of the fiscal year the following ten-year plan commitments had been made:

- Arizona: Tucson
- California: Bakersfield, Santa Clara County, San Mateo County, Long Beach
- Hawaii: Honolulu, Hilo, Kauai, Maui

As a result of Eduardo's efforts, in conjunction with the local field office staff, Reno, Sparks and Washoe County in Nevada committed to developing a regional plan. Also, the State of Nevada established an Inter-agency Council and committed to developing a statewide plan.

**Fresno And Sacramento Field Offices Sponsor Northern/Central Valley Homeless Roundtable:** On February 24, CPD staff participated in the Northern/Central Valley Homeless Roundtable co-sponsored by HUD and the California State Department of Housing and Community Development (HCD). The purpose of the Roundtable was to create regular opportunities for homeless continuum participants to exchange information and to build partnerships. Over 50 representatives from the continuums serving the Counties of Sacramento, Placer, Sutter, Yolo, San Joaquin, and Stanislaus attended the Roundtable. CPD staff gave a presentation entitled, "Everything You've Ever Wanted to Know about HUD's Homeless Programs and were Afraid to Ask!" Specific topics of discussion included tips for submitting timely and accurate Technical Submissions, proper programmatic and financial documentation for monitoring, discharge planning, and accessing mainstream resources.

**Focus Group on Chronic Homelessness:** On September 27, Eduardo Cabrera hosted a national meeting in Long Beach. The day-long focus group discussed ending Chronic Homelessness in Resort Communities. Thirteen jurisdictions throughout Region IX participated in the meeting.

**Following is a popular website regarding homelessness:**

<http://www.hud.gov/homeless/index.cfm>

## **EMBRACE HIGH STANDARDS OF ETHICS, MANAGEMENT, AND ACCOUNTABILITY**

The objectives for this goal were: 1) Rebuild HUD's human capital and further diversify its workforce; 2) Improve HUD's management, internal controls, and systems and resolve audit issues; 3) Improve accountability, service delivery, and customer service of HUD and its partners; 4) Ensure Program Compliance; 5) improve internal communications and employee involvement.

To meet these objectives, FPM staff, in cooperation with program staff, initiated fifty-eight (58) Continuity of Operations (COOP) activities throughout the region. FPM staff planned and conducted twenty-five (25) focus groups. To ensure program integrity Multi-Family staff completed 1,111 Management and Occupancy Reviews (MORs). The purpose of the reviews was to assure proper payments of Section 8 assisted units. FHEO staff completed ten (10) Title VI/Section 109 reviews, seventeen (17) monitoring reviews of FHIP grants and four (4) reviews of FHAP agencies.

Below are specific examples of activities undertaken during the fiscal year.

**Financial Training For HUD Staff:** On May 19, William Wildman, Managing Director, RBC Dain Rauscher conducted training for twenty-four HUD staff on Bonds, Low Income Housing Tax Credits and HUD financing. Staff from Multifamily, Legal, CPD and IG Audit attended the training. The training was well-timed since the Multifamily office is getting more mixed financing projects.

**Multifamily Newsletter:** Regional Web Master, David Lockwood, posted the San Francisco Multifamily Newsletter on CA web page. The web address is:  
<http://www.hud.gov/local/ca/working/localpo/mfhsgnews.cfm>.

In addition, David created web-based Listserv to send announcement of new editions to over 4,000 Industry Partners. It also allows people to subscribe "on-line." This already has, and will, save publishing costs, mailing costs and will substantially reduce staff time. He also posted fair housing month activities on the web. The postings can be found at the CA state calendar on Internet – <http://www.hud.gov/>.

**Focus groups:** On April 22, a Public Housing Director's Focus Group was convened in Tucson with most of the public housing directors in Arizona participating in a very lively discussion. HUD facilitators Rebecca Flanagan, Sharon and Terry Kennard, received meaningful suggestions to improve HUD's customer service. This was the third focus group to be conducted.

On May 12, Tony Ramirez, Rebecca Flanagan and Ken LoBene facilitated a customer service focus group among single-family mortgage lenders. Participants had cogent remarks about the administrative requirements and mortgage limitation of FHA at this time.

**Succession planning:** As part of the FY 2005 Management Plan development meetings, a task force on succession planning was created for Region IX. Task force members included the Senior Training Advisor, CPD Director in Los Angeles, CPD Director in San Francisco, Field Office Director in Phoenix, and Field Office Director in Sacramento. As a result of several meetings, the task force prepared a memorandum that identified key issues, questions, and data regarding succession and workforce planning.

**San Francisco Free HUD Web Clinic:** **San Francisco Free HUD Web Clinic:** On August 24, Candis Harrison, David Lockwood and John Carpenter presented training at a free web clinic in San Francisco. The 50 participants were from non-profits, state and local governments, public housing agencies, faith and community-based organizations, tribal entities, property management companies, realtors, and brokers. Jennie Remigio, FPM, coordinated the logistics for the clinic.



**HUD Staff Receive Cross-Training:** On April 28 and 29<sup>th</sup>, the Los Angeles Field Office sponsored “Don’t Miss The Bus”. This was an all employee day of cross training that spanned over the course of two days. The tour provided all Los Angeles HUD Employees the opportunity to receive a day of cross-training in the form of a bus tour that emphasized some of the most noteworthy projects in the metropolitan Los Angeles Area. The Field Office showcased some lessons learned and best practices across many of the different program areas. Employees were briefed on collaborations, partnerships, the various funding sources, best practices, etc., during the tour. The cross-training bus tour served as a medium for sharing knowledge, enhancing communications between employees from the different disciplines, and identifying ways they can learn from each other in an effort to produce positive results.



As part of the “Don’t Miss the Buss” tour, Los Angeles Employees visited Harbor Village in Harbor City, CA. Originally built as “temporary housing” for World War II workers in 1941, the new Harbor Village is a 624-unit mixed-income community of rental and homeownership units: 400 - project-based Section 8, 224 - market rate.

**Customer Service Plan:** During the fiscal year, each field offices developed a Customer Service Plan for their office. Each plan outlined a planned action to provide customers with consistent and comprehensive assistance and support in a professional manner. FPM staff developed and implemented the plans in coordination with program areas. The plans include a set of standards that are based on the following criteria:

- Reliability – Our ability to provide what was promised, dependably and accurately.
- Assurance - Our ability to convey trust, competence, and confidence.
- Tangibles - Our products customers receive from us
- Empathy – Our degree of caring and understanding deserved by every customer.
- Responsiveness – Our willingness to provide rapid turnaround and response time.
- Method - Our modes of communication (e.g. forms, letters, clarity of telephone lines)



## **PROMOTE PARTICIPATION OF FAITH-BASED AND COMMUNITY ORGANIZATIONS**

The objectives for this goal were: 1) reduce regulatory barriers to participation by faith-based and community organizations; 2) conduct outreach to inform potential partners of HUD opportunities; 3) expand technical assistance resources deployed to faith-based and community organizations; and 4) encourage partnership between faith-based community organization and HUD's traditional grantees.

To meet these objectives, FPM staff developed and expanded the capacity of local faith-based and community-based organizations to serve the needs of the community by providing seventy-seven (77) technical assistance and training sessions.

**Regional Council Established To Promote Faith-Based And Community Initiatives:** During the fiscal year, Regional Director Richard Rainey and Regional Faith-Based Coordinator, Lillie Zinnerman, established a region-wide council to develop collaborative, inter-agency strategies to promote faith-based and community initiatives.

Region IX's Federal Regional Council (FRC) is a consortium of 16 Departments and Agencies representing nearly 30 different program offices in Region IX (Arizona, California, Hawaii, Nevada and the Outer Pacific Islands). The FRC's goal is to work in a coordinated manner to make federal programs more effective in Region IX. The FRC promotes a range of issues in support of children, families and communities such as: welfare reform; transportation; environmental justice; immigration; children's health insurance; nutrition; economic development; and housing.

The Departments of the FRC are:

- Agriculture (USDA)
- Education (ED)
- Energy (DOE)
- Health & Human Services (HHS)
- Homeland Security (HLS)
- Housing & Urban Development (HUD)
- Justice (DOJ)
- Labor (DOL)
- Interior (DOI)
- Transportation (DOT)
- Veterans Affairs (VA)

The Agencies are:

- Environmental Protection Agency (EPA)
- Small Business Administration (SBA)
- Internal Revenue Services (IRS)
- Federal Deposit Insurance Corporation. (FDIC)
- General Services Administration (GSA)

## Region IX FY 2005 Annual Report

The HHS Regional Director, Emory Lee, is the FRC Chairman. The FRC meets monthly and has six standing committees, focused upon broad geographic areas and or special populations encompassing the vast expanse of Region IX:

- Border Committee
- Tribal Affairs
- Central San Joaquin Valley
- Outer Pacific
- Homelessness (Region IX Interagency Council on Homelessness (ICH)
- Faith-Based and Community Organizations.

The Committees are chaired by agency heads and co-chaired and/or coordinated by agency staff. The Committees meet on a monthly, or on an as-needed basis.

Mr. Rainey gave the opening remarks for the August 17 and September 8 meetings. The purpose of the first two meetings was to inform, educate, collaborate and communicate about the members' respective programs and resources. At the August 17 meeting, Lillie Zinnerman gave a brief status report of the organization's progress and provided the council with a recent News Release about HUD grants recently awarded. The meeting was hosted by DOT/ETA in San Francisco.



During the 2005 Fiscal Year, the FRC developed a "Resource Guide" which outlines the agency goals and key programs for the members of Departments and Agencies in the FRC. It also provides contact information for people seeking federal assistance. Information about the 16 federal departments and agencies comprising the FRC is provided in the Resource Guide. For more information about the FRC, the contact is Emory Lee, FRC Secretariat at 415-437-8500, [Emory.lee@hhs.gov](mailto:Emory.lee@hhs.gov).

**Senior Fair hosted by Set for Life:** On September 10, the Los Angeles Field Office and the Santa Ana HOC participated in a Senior Fair hosted by Set for Life, a faith-based group providing a variety of health and housing resources for seniors in the Monrovia/Duarte area. The well-organized event was held at the Second Baptist Church of Monrovia but was supported by the councils of both cities. Also participating were local social service agencies, healthcare providers, law enforcement and fire agencies, lenders and real estate professionals. The FDIC distributed consumer protection information. Pauline Louie (FPM) and Enrique Ramirez (out-stationed SFH) coordinated HUD's participation with organizers, and distributed information about elderly housing, Section 8, and homeownership. HOC Underwriter Flo Reinhardt gave a presentation on reverse mortgage loans.

**Affordable Housing Workshop:** On Friday, May 6, the Los Angeles Field Office conducted an affordable housing workshop in partnership with the Federal Deposit Insurance Corporation (FDIC), Public Counsel, Legal Aid Foundation of Los Angeles, Century Housing, Little Tokyo Service Center CDC for Faith based and community organizations. Representatives from 70 religious and grassroots organizations attended the workshop that was held at Public Counsel in Los Angeles. The goal of the workshop was to help community organizations understand hidden assets (i.e. land) that can be used for housing, as well as the different roles they can play in the development process.

**Information about the faith-based and community initiative can be found at:**

<http://www.hud.gov/offices/fbci/>

## ENSURE EQUAL OPPORTUNITY IN HOUSING

The objectives for this goal were: 1) resolve discrimination complaints on a timely basis; 2) promote public awareness of fair housing laws; and 3) improve housing accessibility for persons with disabilities.

To meet these objectives, FPM staff, in coordination with FHEO staff, participated in forty-two (42) activities that furthered Fair Housing. Special emphasis was focused on activities during April, Fair Housing month. FHEO staff conducted eight (8) Section 504 compliance reviews of HUD recipients.

**Training session on fair housing requirements:** San Francisco CPD staff worked closely with staff from the Office of Fair Housing and Equal Opportunity (FHEO) in San Francisco to develop a training session on fair housing requirements for CPD formula grantees. On January 20, 2005, CPD and FHEO conducted a focus group with CPD grantees to solicit suggestions for training topics, presentation of material, and useful handouts and resources. Based on the information gathered during the focus group, the joint CPD/FHEO team was able to develop a training agenda that included the following:

- An overview of Fair Housing laws, regulations, and requirements for Title VI, Section 504, Section 109, and Title II of the Americans with Disabilities Act; and Limited English Proficiency (LEP) guidelines; and
- Program planning, analysis, data collection, and reporting requirements for planning and reporting documents submitted to HUD;

**Fair Housing Training Sessions:** CPD and FHEO staff in San Francisco developed and conducted four training sessions on fair housing requirements for CPD formula grantees. Over 150 participants representing entitlement grantees and nonprofit fair housing providers attended one of the four training sessions held in Sacramento, Fresno, and Oakland in May, and in Phoenix in June. The training agenda included an overview of Fair Housing laws, regulations, and requirements for Title VI, Section 504, Section 109, and Title II of the Americans with Disabilities Act; and Limited English Proficiency (LEP) guidelines. The training provided an opportunity for CPD grantees to increase their understanding of general fair housing requirements, clarify a variety of issues with FHEO and CPD staff, and share success stories and challenges with their colleagues.

**Web Postings:** David Lockwood promoted Fair Housing Month events (including seminars and trainings for partners) as Features on all Region IX Internet state (CA NV AZ HI) index pages and on all Region IX calendar page and Internet state (CA NV AZ HI) calendar pages. For example, Fair Housing Activities for the month of April 2005 were posted on the Calendar For The Month of April 2005 at the hud.gov website <http://www.hud.gov/local/index.cfm?state=ca>.

**Additional information regarding various fair housing issues can be found at:**

<http://www.hud.gov/offices/fheo/index.cfm>

**Multifamily Industry Meetings:** The MFH Office invited FHEO staff to address industry partners at the quarterly multifamily industry meetings and included fair housing information in their quarterly newsletter. The December 2004 issue of their newsletter, Pacific Currents, contained a lengthy article entitled “Tips on How to Avoid a Housing Discrimination Complaint” that was written by Jeff Jackson, Supervisory Equal Opportunity Specialist in the San Francisco Office. (See the beginning of Mr. Jackson’s article on the following page.)

## SPECIAL FEATURE

### Fair Housing and Equal Opportunity

#### Tips on How to Avoid a Housing Discrimination Complaint

By Jeff Jackson, Supervisory Equal Opportunity Specialist

In fiscal year 2003, HUD's Pacific/Hawaii Regional office processed approximately 350 housing discrimination complaints, involving properties in California, Arizona, Nevada and Hawaii. During the same period, the four state and local agencies which process fair housing complaints in the states of California, Arizona, Hawaii, and the city of Phoenix, processed another 835 complaints. The chart below summarizes the number of complaints filed with HUD, and the combined total with the four state and local agencies, by protected group:

	HUD		State/Local Agencies	
Race:	84	24.2%	288	34.5%
Color:	5	1.4%	22	1.3%
National Origin:	45	12.9%	114	13.7%
Religion:	9	2.6%	12	1.4%
Sex:	27	7.7%	69	8.3%
Handicap:	190	54.4%	307	36.8%
Familial status:	36	10.3%	150	18.0%
Retaliation:	18	5.2%	75	9.0%

As you can see from the chart, well over one-third of all complaints filed in this region were filed on the basis of handicap or disability. Approximately another third are filed on the bases of race or color of skin. National origin complaints have traditionally comprised about 10% of all complaints filed, but have risen in the years following the World Trade Center disaster.

Retaliation is not a protected class, but fair housing laws provide that an individual who is pursuing his or her fair housing rights and is subjected to acts of discriminatory treatment as a result of that, may file complaints on the basis of retaliation. Note that some state and local fair housing laws include additional protected classes other than the seven listed above. For example, in California it is also unlawful to discriminate on the bases of age, marital status, sexual orientation, or source of income.

Of the above complaints, around 30% have alleged a discriminatory refusal to rent a dwelling or acts which otherwise made a dwelling unavailable. Nearly 40% have alleged discriminatory terms or conditions of tenancy. Over 20% of all

complaints alleged issues relating to disabled people alleging denials of reasonable accommodations.

There are commonly held to be five "theories" of discrimination which are either set forth directly in the various federal and state fair housing laws passed over the years, or have evolved through legal interpretation of fair housing laws by the courts. These five are:

**1. Overt discrimination:** An outright refusal to rent, or differential treatment, based on a person's membership in a protected class. For example, an apartment manager who refuses to rent to families with children, claiming that the complex has no play areas and is not a suitable place to house minor children.

**2. Differential treatment:** Treating residents or applicants who are of one protected class worse than others outside that class are treated. For example, denying tenancy to a Black tenant based on derogatory items in a credit report, while renting to a White applicant with a virtually identical credit report. Or, discouraging a mobility-impaired applicant from pursuing housing in a second-floor apartment because there is no elevator in the building, and the manager is concerned about liability in an emergency.

**3. Disparate impact:** A facially-neutral rule or policy (i.e., it doesn't make any reference to any particular protected class) but which adversely affects members of one or more protected classes significantly more often than those outside of that class. For example, a numerical occupancy policy which states that no more than one person will occupy a bedroom makes no reference to any protected class. But the policy may have disparate impact on persons with familial status (minor children) because it's much likelier that households of more than two persons will include a minor child than be all adults. As you can probably see, a violation of this theory of discrimination does not require a knowing intent to discriminate.

#### Quick Quiz... No. 1



**Question:** Can you list the seven protected classes identified in the Federal Fair Housing Act upon which complaints of housing discrimination may be filed with HUD?

**Answer:** Found on page 14