

IMPLEMENTING THE 1988 FAIR HOUSING AMENDMENTS ACT

PENNSYLVANIA ADVISORY COMMITTEE
TO THE UNITED STATES
COMMISSION ON CIVIL RIGHTS

This summary report of the Pennsylvania Advisory Committee to the United States Commission on Civil Rights was prepared for the information and consideration of the Commission. Statements and viewpoints in the report should not be attributed to the Commission or to the Advisory Committee, but only to individual participants in the community forum where the information was gathered.

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April 1990

THE UNITED STATES COMMISSION ON CIVIL RIGHTS

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Letter of Transmittal

Pennsylvania Advisory Committee
to the
U.S. Commission on Civil Rights

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The Pennsylvania Advisory Committee submits this summary report to advise the Commission on the implementation of the 1988 Fair Housing Amendments Act. The report summarizes information received at a community forum conducted by the Advisory Committee in Philadelphia on April 6, 1989, as updated by new documents collected since then. Appropriate preparations for the forum were carried out, with every effort made to assure a balanced perspective on issues by inviting representatives of nonprofit housing agencies, the real estate industry, and the three levels of government.

In the mid-1980s, the Pennsylvania Human Relations Commission sent biracial housing teams into 13 counties; in 26 percent of the test cases, the minority tester received false or incomplete information suggesting that discrimination was at work. Our opening panelist, a Temple University public policy scholar, reminded us that housing discrimination in Philadelphia is longstanding and can be found in mid-1930s documents stored in the National Archives in Washington. All the panelists were in full agreement that housing discrimination persists in Pennsylvania. More specifically to the focus of this report, the panelists applauded the aims of the newest fair housing provisions, which expand coverage to discrimination on the bases of disability and familial status. At the same time, two panelists expressed alarm about how HUD's regulations might adversely affect their status as deferral agencies for HUD.

We unanimously approved this report, hoping that it might stimulate further interest and may even encourage the Commission to consider undertaking a national review of Federal housing enforcement today.

Respectfully,

SUSAN M. WACHTER, *Chairperson*
Pennsylvania Advisory Committee

Pennsylvania State Advisory Committee to the U.S. Commission on Civil Rights

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Acknowledgments

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I. BACKGROUND

... [W]e know from descriptions that the mass of Negroes had small and unhealthful homes, usually on the back streets and alleys.

W.E.B. DuBois
The Philadelphia Negro: a Social Study,
1899.

Housing Discrimination Longstanding

Since last summer, a flurry of articles and media reports focused on housing opportunities for minorities, the 1988 Fair Housing Amendments Act in specific, or both.¹ They especially interested the Pennsylvania Advisory Committee which early in 1989 had planned a forum on fair housing just as the U.S. Department of Housing and Urban Development (HUD) was publishing regulations aimed at implementing the new Federal fair housing provision.

In February 1989, the Director of HUD's Fair Housing Enforcement Section 3 Compliance unit agreed to appear at a forum scheduled at his convenience, but he was later unable to attend. Instead, during the Advisory Committee's April 6, 1989, forum held in Philadelphia,² HUD's Region III Director represented HUD. Other participants from the public sector were the heads of the housing units of the Pennsylvania Human Relations Commission (PHRC) and the Philadelphia Commission on Human Relations (PCHR). The nonprofit and private sector was represented by top officials of the Pennsylvania Association of Realtors, the Pennsylvania Low Income Housing Coalition, the Pittsburgh Urban League, and the Harrisburg Fair Housing Council.

Key to Access to Other Opportunities

In his preface to the review of the then-new law, Dr. David W. Bartelt, director of the Institute for Public Policy Studies at Temple University, depicted the persistence of segregated housing by using data from a 50-year data set on Philadelphia. He asserted that the centerpiece of most efforts to achieve a degree of equity in American society lies in attempts at reducing housing bias. Housing embodies the framework for much of family and personal life and is a tangible symbol of a person's place in the

¹E.g., H. Jane Lehmen, "Home Lending Study Suggests Racial Bias," *Washington Post* July 15, 1989, p. E-1; Chris Boyd, "Elderly Confused, Angry Over Fair Housing Act," *Washington Post*, Sept. 23, 1989, p. E-16 (hereafter cited as "Elderly Confused Angry..."); Frank Cook, "Cash Penalties Help Put Teeth in Housing Law," *Philadelphia Inquirer*, Dec. 3, 1989, p. H-1 (hereafter cited as "Cash Penalties Help Put Teeth in Housing Law").

²This summary report is based on the transcript of the April 1989, forum on file in the Commission's Eastern Regional Division of the U.S. Commission on Civil Rights and on the panelists' comments on a draft of the report. Other documentation intended to support, clarify, or update the report is cited where appropriate.

community. Access to housing opportunities is also linked to other opportunities, such as access to education and jobs. The problems of lack of access resulting in segregation, such as occur in Philadelphia, appear to be common to virtually every city where research has been done.

Referring to special maps provided to the Committee,³ Dr. Bartelt asserted that, looking at 1970 and 1980 data on black and white residential patterns in Philadelphia, "you would have to conclude simply on the basis of these maps that Philadelphia has made precious little, if any, progress in desegregating itself. In fact, there is an increase in the index of segregation over time, a persistent increase that goes back to the earliest time that we can measure this. It started in 1930 and continued through 1980, with only one small deviation in 1960, when the measure decreased temporarily." He also pointed out a "clearly identifiable Hispanic concentration in Philadelphia that is increasingly segregated as well," and suggested that Hispanics were more dispersed in 1970 than in 1980.

Racial Isolation in Housing and Schools

Dr. Bartelt was alarmed that the city has become a "racially isolated city particularly affected by the political and social consequences of living itself out as a persistently segregated community." He added that the residential patterns seem to have an effect on "electoral politics, budgetary discussions, and program allocations within the city of Philadelphia." Referring to an analysis of Federal Home Mortgage Disclosure Act data, he further noted that "the conventional and total lending that takes place within Philadelphia's neighborhoods closely follows the racial divisions that are present in the city."

At the same time, over the last 4 to 5 years there has been deep concern about the pattern of segregation that has shown up in Philadelphia schools, stated Dr. Bartelt. His institute has been measuring the dimensions of that problem and has observed by mapping the data that residential segregation is replicated in school segregation.⁴

However, there seems to be "a better record now than 5 years ago, as more students seem to be going into desegregated school patterns and into multicultural schools, which are schools oriented toward the growing Hispanic and Asian communities." But he further added that "when you control for such things as income and education and the amount of owner-occupied housing, race persists as a predicting variable explaining patterns of school quality and dropout rates."

Discrimination Found on Archival Maps

As for other data, Dr. Bartelt mentioned that while carrying out research in the National Archives in Washington, D.C., he studied documents created under the auspices of the Home Owners Loan Corporation for the Federal Home Loan Bank Board. During the depression, about 230 cities had been appraised, and their neighborhoods assessed on the basis of their mortgage worthiness. Color-coded maps were made for each of these cities, with

³See appendix A.

⁴A 1988 *New York Times* article reported no significant progress in desegregating predominantly black schools since the mid-1970s, with some school districts—such as Philadelphia's—showing more severe racial isolation. Edward B. Fiske, "School Integration Patterns Change," *New York Times*, June 23, 1988, p. A-16.

green indicating excellent quality neighborhoods; blue, neighborhoods not quite as good; and yellow and red, the less desirable neighborhoods. Regarding Philadelphia, Dr. Bartelt said:

The comments that are appended to the maps indicate that appraisals were done consciously and openly on the basis of race and ethnicity. A comment about Oak Lane, a green neighborhood in 1937, is "Beware of the Jewish encroachment." Now that is the legacy that we walk around with in this city. [The map] would be an historical artifact, were it not for the fact that you can predict the movement of minority populations across neighborhoods in this city, up to and including the pattern that we saw in 1970.

He further speculated that, even if equal opportunity in housing and in mortgages were provided, "enough hidden barriers [remain] within the normal way in which the housing markets works—for example, through appraisals, long-term disinvestment, and marketing approaches, that we will perpetuate the historical pattern." Thus, Dr. Bartelt said, fair housing opportunities, fair allocation of credit, changes in real estate procedures, and the like are necessary to achieve a desegregated Philadelphia. He acknowledged that there exists a paradox in these efforts; between 1970 and 1980, blacks and Hispanics have been able to move into neighborhoods that were previously barred to them, though it is also true that there is presently a stronger pattern of segregation. "Philadelphia is losing its job base, and a disproportionate number of whites are rapidly moving to other regions and to the suburbs. . . ."

II. GOVERNMENT PANELISTS

The state of fair housing . . . entering upon the Bush Presidency is more fragile and tentative than ever. New national leadership reflecting a commitment to the aspirations of the Nation's founders and dreamers and to the Fair Housing Amendments Act of 1988 can make a difference in the second generation struggle for fair housing.

James A. Kushner⁵
Vanderbilt Law Review, May 1989

New Federal Fair Housing Provisions

Raymond J. Solecki, director of HUD's Region III, which includes Pennsylvania, began by observing that Dr. Bartelt had focused upon patterns of segregation, which Mr. Solecki described as an effect of something. In his own work, Mr. Solecki deals with discrimination, which, he explained, is related to the cause. He also asserted that discrimination may not have a one-to-one correlation with the effect seen in patterns of segregation.

His mission at HUD is to ascertain whether, in a specific case, there is a causal connection between racial discrimination and a pattern of segregation. If a connection can be shown in a case, then a legal basis for applying enforcement measures exists.

Coverage Expanded to Disabled, "Familial" Status

The Fair Housing Amendments Act of 1988,⁶ explained Mr. Solecki, is an amendment to Title VIII of the Civil Rights Act of 1968,⁷ which bars discrimination on the basis of race, color, religion, sex, or national origin. The new act expands the prohibitions to include discrimination on the basis of handicap or "familial" status. The latter is essentially defined as a family or a group that has a child in its custody under the age of 18.⁸ Prohibited also are acts of coercion, threats, and violence against a person which interferes with that person's right to purchase or procure housing or to enjoy said housing. Such prohibitions were also intended as part of the 1968 act, but they are more explicitly stated in the new act.

As to the stronger enforcement powers given to HUD, Mr. Solecki reminded the Committee that the 1968 act was passed just after the

⁵James A. Kushner, Esq., "The Fair Housing Amendments Act of 1988: the Second Generation of Fair Housing," *Vanderbilt Law Review*, vol. 42, no. 4, May 1989, p. 1120.

⁶Pub. L. No. 100-430, 102 stat. 1619 (codified at 42 U.S.C. § 3601-3619 (1982)).

⁷Pub. L. No. 90-284, 82 stat. 73 (codified as amended at 42 U.S.C. § 3601-3619 (1982)).

⁸See, however, "Elderly Confused, Angry . . ." on the issue of older homeowners "who bought their homes believing they would live out their days in a retirement community, and suddenly they are faced with the prospects of having kids as neighbors."

assassination of Dr. Martin Luther King, Jr., and in order to pass it quickly, compromises were reached, including the omission of a strong enforcement mechanism. After an investigation, all that HUD could do through 1988 was to meet with the complainant and the respondent "to have a conciliation conference and say, Please, can we settle this in some way?" The parties would be able to go through the court system, but, if they chose the Federal enforcement mechanism, HUD could only conciliate.⁹

Options: Administrative Law Judge, U.S. District Court

Now, under the new act, if HUD finds reasonable cause pointing toward discrimination, HUD may offer the complainant or the respondent 20 days in which to exercise an option of either appearing before an administrative law judge at HUD or going through the Federal court system. In either situation, HUD attorneys or U.S. Justice Department attorneys will prosecute the case for the complainant and the Federal Government. The options—including going through the Federal court system, if one of the parties elects to do so—emerged out of the compromises reached in the Congress based on the demands of various groups ranging from the National Board of Realtors to the NAACP, who were demanding due process measures, Mr. Solecki explained.¹⁰

He also pointed out that HUD itself may initiate complaints. For example, if a study, developed with Dr. Bartelt or with the PCHR, revealed a linkage between racial discrimination and segregated residential patterns, then HUD could file a complaint in the case and prosecute it. Mr. Solecki predicted that this ability will prove a very important tool. He noted, too, that a complainant now is given 1 year in which to file a discrimination case with HUD, whereas only 180 days were previously allotted. Moreover, HUD is required to process the case in 100 days, although during his tenure at HUD, the average amount of time taken was somewhere between 200 and 300 days.¹¹ To help him meet his obligations, Mr. Solecki's staff has been doubled,¹² and he may now seek preliminary injunctions and temporary restraining orders and also subpoena witnesses. Injunctions, restraining orders, and subpoenas had been available before, but were rarely used.

⁹A recent *Washington Post* article briefly contrasted the earlier provisions with the new amendments, stating that "Under the old law, HUD could only negotiate a settlement." Jerry DeMuth, "Fair Housing Complaints Inundate HUD: High Volume Forces Victims to File Their Own Discrimination Suits," *Washington Post*, Oct. 14, 1989, p. E-2 (hereafter cited as "Fair Housing Complaints Inundate HUD. . ."). This article also attempts to assess HUD's ability to enforce the new amendments.

¹⁰*Philadelphia Inquirer* writer Frank Cook cites a housing advocate as believing that what is also stimulating the recent threefold increase in discrimination complaints "is cold cash—and the fact that it's relatively easy for a complainant to get into court. We're going to start getting [discriminators] right here in the pocket book," said a Pennsylvania Real Estate Commission member. "Cash Penalties Help Put Teeth in Housing Law."

¹¹*Ibid.* DeMuth cites HUD's Chicago Office as reporting that 100 of the 829 complaints filed there since the new amendments took effect have "gone beyond that 100-day limit for completion of an investigation." Another 154 complaints were closed "as successful resolutions," however.

¹²According to a Dec. 3, 1989, *Philadelphia Inquirer* report, however, the fair housing unit of the Justice Department is staffed by only 15 lawyers and three supervisors to serve the entire U.S. "Cash Penalties Help Put Teeth in Housing."

"Substantially Equivalent Agency"

Despite an augmentation of staff, his office will still need to rely on the resources of other agencies. Under the Fair Housing Assistance Program,¹³ HUD contracts with States and localities that have fair housing laws substantially equivalent to the Federal law, Mr. Solecki explained. Paid by HUD for each case handled, State and local agencies carry out investigations and enforcement under their laws and procedures. In accordance with the new act, State and local jurisdictions have 4 years in which to work with their legislatures in order to bring their fair housing agencies up to the new Federal standard.

Thus, if a jurisdiction does not have a fair housing provision covering the handicapped or family status, or a provision setting the completion of investigation and conciliation efforts within 100 days, then that jurisdiction would have to gain approval from its legislature to add any presently missing provision. Mr. Solecki noted that his regional office covers five States that contain 19 agencies considered substantially equivalent by HUD; Pennsylvania's State human relations commission is one such agency, and the municipalities of Philadelphia, Pittsburgh, Allentown, and Reading have similar agencies.

Roles of Justice Department, Regulatory Agencies

Mr. Solecki stated that, before passage of the new act, the U.S. Justice Department could prosecute "pattern and practice" cases such as when a major bank is seen as routinely discriminating against customers of a certain race:

Over the 20 years of the Civil Rights Act, very few cases were actually done because it was not a high priority on that sort of thing. But my latest information is that with the new amendments and the ability to go to court—on an individual case as well as the pattern and practice—the Justice Department will become very active doing that. And, in fact, the day after the regulations took effect, they filed three suits, which was obviously much more than they had done probably in the past year.¹⁴

He added that the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank (FRB), and the Home Loan Bank Board are explicitly called upon to cooperate with HUD in administering their equal opportunity programs. Indeed, the week after the Committee's forum, a symposium involving HUD, the FDIC, the FRB, the Home Loan Bank Board, and banks in the region would be held. It focussed on fair housing, fair lending, and on studies that might be initiated on ways to implement and enforce the law.

The new act further requires that HUD resume collecting data by race and ethnicity on the fair housing programs it administers. HUD had previously collected such data but ceased to do so over the past 10 or 15

¹³Pub. L. No. 93-383.

¹⁴Also note that DeMuth cites the president of a national fair housing coalition who praises the U.S. Justice Department as "wonderful. . . . Justice has been doing their job. That's been the story from California to Ohio to New Jersey." "Fair Housing Complaints Inundate HUD," p. E-3. *Philadelphia Inquirer* writer Frank Cook reports that the Justice Department filed 12 suits and amicus briefs in 24 other cases by early December 1989. "Cash Penalties Help Put Teeth in Housing Law," p. H-1.

years, according to Mr. Solecki. He also anticipated that the vast amount of information gathered should help HUD in initiating investigations and complaints in the future.

Pennsylvania Statute vis-a-vis 1988 Federal Act

Raymond Cartwright, fair housing director, PHRC, described the State agency as 30 years old, one of the earliest operating commissions in the U.S., which since 1967 has possessed one of the strongest fair housing statutes.¹⁵ The Pennsylvania law,¹⁶ he asserted, was stronger than the Federal statute until 1988, covering protections for the handicapped since 1974 and including "intimidation and coercion" provisions since 1967. In terms of implementation, the State statute was also stronger because the PHRC was "able to take actions beyond conciliation," that is, hold hearings, impose penalties, file suits, and the like.

Now, to retain its status with HUD, PHRC must adapt its statute to include, for example, familial status and punitive damages. Such changes will also affect each municipal fair housing agency in the State that had previously met the Federal standard as well as 21 others which have some form of fair housing law but have not yet been deemed by HUD as substantially equivalent. Mr. Cartwright added that 2 years ago PHRC sought to amend its statute to include familial status but was unsuccessful. He reported, however, that some of the local agencies have indicated that they expect their local legislatures to pass favorably on the needed amendments of their statutes within months. Yet others fear that "it will be virtually impossible for them to have these changes," judging them to be no more feasible than the "existing statutory shortcomings that already had denied them equivalency under the previous Title VIII."

New Act Commended but HUD Regulations Called Faulty

Mr. Cartwright stressed that his view and others he has gotten around the State is "we think that the law is great and that it is going in the direction we hope that all of us will go and the Federal Government, in this case, is leading. And we hope that we'll be able to join in the race." But, additional obstacles appear in the impact of HUD's new regulations. Despite allowing less than 3 weeks for comments on its draft regulations, HUD received extensive comments, including more than 20 pages of comments from the PHRC.¹⁷ Mr. Cartwright applauded HUD for heeding as much as 20 to 30 percent of such comments. However, most of the changes made by HUD "were in the areas of examples' which often appeared to provide contradictory information rather than [in] substantive areas."

Even less successful were attempts to get HUD to take into full consideration the experiences of the State and local agencies. One PHRC goal was to help HUD benefit from PHRC's past mistakes by not having to

¹⁵In addition to the forum transcript, Mr. Cartwright's prepared text was used for this summary record.

¹⁶Pennsylvania Human Relations Act, (Act of Oct. 27, 1955, P.L. 744 as amended); see also appendix B for a summary in poster form.

¹⁷See attachment to the Dec. 6, 1988, letter from Homer C. Floyd, executive director, Pennsylvania Human Relations Commission, to the Rules Docket Clerk of the U.S. Department of Housing and Urban Development (hereafter cited as Floyd Letter).

repeat them. For 20 years or more, PHRC and other agencies had used administrative law judges.

We have had experience with what happens to complaints when they go beyond the informal resolution stage. We have been through court battles and found out which mines blew up in our faces and which of our provisions were safe and court-tested. . . . [Now HUD is] basically saying that we are going to have to adopt their procedures. . . [and] give up time-tested procedures in order to experiment with things we've already learned in some cases will fail.

Reluctance to Abandon Tested Procedures and Format

PHRC, on the other hand, is reluctant to abandon its time-tested investigative procedures and reporting format that it believes to be more effective than those recently prescribed by HUD.¹⁸ He said that many substantially equivalent agencies:

are using the format [that] they are because they have existing court precedents, they have legislative directions and mandates that tell them that this is acceptable to them, and another form may not be.

At the same time, Mr. Cartwright acknowledged the difficulties in assessing the impact of HUD's requirement for implementation procedures. During a recent week-long conference¹⁹ held by HUD near Washington, D.C., it appeared clear that the situation is far from clarified. A major question was how closely must an agency's procedures be to the procedures prescribed by HUD. For example, one tool developed for enforcement is called the "Final Investigative Report" (FIR). The PHRC uses a similar document which it calls "Facts Showing Cause/No Cause, etc."

Before comparing the two, Mr. Cartwright explained that, in addition to being PHRC's housing director, he also once served as the Title VIII Branch Chief for HUD and thus has supervised staff using both forms. He then stated that each form

has its strengths, each has its weaknesses. But the bottom line is, if you do a good investigation on either form, you can tell whether there is a basis for the complaint to proceed. Yet now we're told by HUD that anything less than an FIR would not meet Federal requirements or standards for us to continue as a substantially equivalent agency.

At the Washington conference with HUD, when it was asked how closely the procedures of a substantially equivalent agency must match those of HUD, the responses by HUD officials ranged from "pretty close" to "identical

¹⁸See "Pennsylvania Human Relations Comments on Proposed Rule 24 CFR Parts 100, 103, 104, 105, 106, 109, 110, 115 and 121, Implementation of Fair Housing Amendments Act of 1988," attached to the Floyd Letter, pp. 7-8.

¹⁹Mar. 12-17, 1989, in Alexandria, Va. In his column in a recent newsletter of the National Association of Human Rights, editor Jim Yates wrote after the above conference that "I feel that every enforcement agency supports the new law, regardless of how we might be perceived. But we have some serious differences with HUD and its interpretation of the law." Jim Yates, "HUD, FHAP's & the 1988 Fair Housing Act," *NAHRW News*, First Quarter 1989, pp. 6-7.

twins" with "cosmetic difference for informed observer [sic]."²⁰ Mr. Cartwright expressed strong doubt that legislatures in various States and localities would be willing to retaylor the language of their laws that closely.²¹

HUD's 100-Days Requirement

Mr. Cartwright also objected to HUD's requirement that State and local substantially equivalent agencies complete each case within 100 days. He argued that Congress actually requires HUD only to complete investigations within 100 days, not complete each case in that time. And yet HUD will determine whether an agency meets its substantially equivalent standards by whether "all housing cases [are] totally investigated in 100 days (3 months/10 days) and closed in 1 year."

Thus, the PHRC may fail to meet HUD's standard for substantially equivalent agencies. Yet, according to Mr. Cartwright:

Even Congress does not impose such a requirement on HUD! But the regulations say that PHRC and all other agencies will be assessed by that criteria. Again PHRC and local equivalent agencies will be hard pressed to comply and "nonequivalent" agencies appear to have no chance at all.

Irony In Possible Outcome

Were the PHRC ultimately to be judged by HUD as failing to meet the Federal standard, the irony would be that the PHRC could not continue as a substantially equivalent agency, and yet the PHRC was the first State agency to withstand a challenge in the U.S. Supreme Court to a housing authority desegregation case, said Mr. Cartwright. The PHRC was also the first to have a testing program accepted by the State Supreme Court, and the first to have an equal opportunity housing agreement with a real estate board at the State level. Moreover, PHRC's voluntary marketing agreement became the model for an agreement later adopted by the National Association of Realtors.

Repeating his praise of the new Federal act, Mr. Cartwright said that he and others were emotionally touched when spokespersons of the Leadership Conference on Civil Rights and the National Association of Realtors related how long they had to labor to craft acceptable compromises leading to enactment of the law. He added that "what we would like now is to be part of another dialogue and another compromise that would allow our

²⁰Mr. Cartwright subsequently commented on a draft of the forum report and shared documents related to legislation drafted in order to enable the Texas Human Relations Commission (THRC) to be deemed substantially equivalent by HUD. According to a Nov. 29, 1988, letter to THRC Executive Director William M. Hale from Assistant Attorney General Brooks Wm. Conover, III, of the office of the Attorney General of Texas, "Federal regulators" had apparently challenged certification of Texas' fair housing statute; Mr. Conover reasoned, however, that the statute "should be construed as *substantially equivalent* because it complies with 99.9 percent of the Federal standards. There is no requirement that the State and Federal laws be exactly the same." Attachment to Raymond W. Cartwright, letter to Tino Calabia, Dec. 28, 1989 (hereafter cited as Cartwright Letter).

²¹Mr. Cartwright also shared a 16-page bill he called the "initial legislative effort to make the Pennsylvania Human Relations Commission substantially equivalent." House Bill No. 1925, introduced by 18 members of the State General Assembly on Oct. 2, 1989. An attachment sent with the Cartwright Letter.

agencies to continue to dual file rather than. . . dual file and end up like pit bulls fighting over the bones of the case." He asked the Committee to help in reestablishing the dialogue between HUD and State and local agencies leading towards allowing the PHRC and the other agencies to continue their fair housing functions.²²

Philadelphia Ordinance—Broader Housing Protection

Rachel S. Lawton, housing unit supervisor in the Philadelphia Commission on Human Relations, also applauded the new act, citing its need in the face of housing discrimination that "is always changing to take on subtler and subtler disguises."²³ She said that for over 35 years the PCHR has investigated discrimination in housing under the Philadelphia Fair Practices Ordinance.²⁴ That ordinance, she said, had always offered broader protections than have Federal laws; it prohibits discrimination on the basis of race, color, sex, sexual orientation, religion, national origin, ancestry, physical handicap, which includes having AIDS or being perceived as having AIDS, marital status, age, presence of children, and source of income.

Ms. Lawton acknowledged that, to date,²⁵ the PCHR has enjoyed a mutually beneficial relationship with HUD, allowing PCHR to investigate dual-filed cases. However,

The next 40 months will determine whether the cooperative relationship between HUD and State and local agencies will survive or be so subject to such strict interpretation of the law that few State and local agencies will meet the new certification requirements. . . . The preliminary signs from HUD do not look good, particularly from HUD headquarters. . . .²⁶

²²In writing of this problem, a top HUD fair housing official asserts that "A successful intergovernmental relationship—forged over a decade of cooperation between more than 100 State and local civil rights agencies and the Federal Department of Housing and Urban Development—may have been undone." Steven J. Sacks, director, Fair Housing and Equal Opportunity, U.S. Department of Urban Development, "New Federal Fair Housing Approach Endangers a Relationship That Works," *Governing*, August 1989, p. 82 (hereafter cited as Sacks Commentary).

²³See also Marc Duvoisin, "Housing Bias, 1980's Style: It's Covert Now," *Philadelphia Inquirer*, Nov. 19, 1984, p. 1-A. Reporting on testing in Delaware County, Duvoisin wrote, "The overt hostility that confronted many members of minority groups when they were seeking homes 15 or 20 years ago has been replaced by covert discrimination—practiced with a smile and masked by cordiality—that is much harder to detect and to prosecute [I]n most cases, minority applicants who have been discriminated against do not know it."

²⁴Philadelphia Code, § 9-1104.

²⁵However, a January 1990, followup letter from Ms. Lawton indicated that "Since last April, . . . we are already seeing more than one government agency investigating the same complaint. . . . It seems unfair to both complainants and respondents to subject them to two different investigations on the same allegations in addition to it being a waste of tax payers money to conduct two parallel investigations on the same issue." Rachel Lawton to Tino Calabria, Jan. 4, 1990, pp. 1-2. See appendix C.

²⁶See also Sacks Commentary.

Regulations' Effects on Philadelphia

Citing the problems described by Mr. Cartwright, Ms. Lawton then outlined several effects on Philadelphia. For example, in 1973 the Commonwealth Court of Pennsylvania determined that the State human relations agency had no authority to award compensatory damages to complainants for mental anguish and humiliation, and the Philadelphia human relations agency presently does not have the authority to assess punitive damages up to \$50,000 for civil penalties, as is provided in Title VIII. Consequently, the 1973 court "ruling would have to be overturned and/or more specific language added to current laws authorizing relief on the State and local level similar to that provided for in Title VIII," she said. Currently, PCHR is limited to assessing a maximum of a \$300 fine and/or 90 days imprisonment for a violation of its fair practices ordinance.

Second, the provisions of the new act state that any law which requires a complaint to be filed in less than 180 days of the alleged discriminatory incident places an undue burden on the complainant, Ms. Lawton stated. She added that the PCHR now has a 90-day statute of limitations on the filing of complaints, and that, therefore, city council approval must be obtained to extend the time period to at least 180 days. Third, Philadelphia's law prohibits discrimination on the basis of physical handicap, but the PCHR may now be required to petition the city council to modify the ordinance to specifically include protection for those with mental handicaps.

Fourth, while Title VIII does indicate that the actions of a State or local fair housing unit should be subject to judicial review, HUD's rule takes it one step farther by requiring that the State or local law "must provide for civil enforcement of the law or ordinance by an aggrieved person by the commencement of an action in an appropriate court not less than one year after the occurrence of an alleged discriminatory housing practice," said Ms. Lawton. She added that complainants and respondents have always enjoyed the right to a judicial appeal to contest a PCHR finding after a PCHR public hearing, but the PCHR does not "have a bifurcated system whereby a complainant has a choice between PCHR's administrative process and a court of competent jurisdiction."

Fifth and last:

Building permits submitted after January 1, 1991 must include plans that buildings will be readily accessible to the handicapped in a number of different specific provisions. It remains unclear as to whether PCHR will be responsible for monitoring the approval of such plans or whether another city agency will be acceptable to handle that aspect of Title VIII law and/or who will be responsible for investigating discrimination complaints with regard to building code violations.

Ms. Lawton concluded that State and local fair housing agencies everywhere "are puzzling over HUD's motivation with regard to the strict interpretation of the law" and at the same time

one thing appears clear: many of us will not be able to make all of the changes in our various laws that are now necessary for certification. It remains to be seen whether HUD reassesses its requirements or whether the cooperative relationship will dissolve.²⁷

²⁷See also appendix C.

Negotiations and HUD Headquarters "Hard-Liners"

Advisory Committee member Joseph Fisher asked the public sector panelists whether these problems have been communicated to HUD and whether negotiations on the differences might still be possible. Mr. Cartwright replied that most of the substantially equivalent agencies belong to the International Association of Human Rights Organizations (IAHRO) which met with HUD staff. In addition, many agencies have lobbied through their Congressional delegations, having also previously submitted comments on the regulations to HUD, according to Mr. Cartwright.

Mr. Solecki said that he could not speak for HUD headquarters but speculated that the change in the White House administration has left some confusion. Inasmuch as HUD Secretary Jack Kemp has not yet "really taken hold at this point" and in the absence of an Assistant Secretary for fair housing, the situation could be "characterized as hard-line staff people imposing policy. . . ." ²⁸ At the same time, based on Secretary Kemp's comments, Mr. Solecki believed that fair housing is number two—after homelessness—on Secretary Kemp's list of seven priorities. For this reason, Mr. Solecki expressed optimism that the Secretary will nominate an Assistant Secretary who "will be cooperative and will take these kinds of arguments into account" and that "this initial confusion that we have will not persist. . . . It is just that we are in this hiatus right now where a lot of things are being talked about and said, and really nobody has the authority to say some of those things."

In the same vein, Ms. Lawton agreed that ways might somehow be worked out for "alternatives that could . . . maintain a . . . substantially equivalent relationship that might not involve having to change laws on State and local levels if it proves to be imprudent to do that or impossible to do that." She noted that cases are always dual filed under Title VIII and that, after a finding of probable cause, a complainant may go through the Federal process with the HUD administrative law judge or go into Federal court and retain the same access to the same remedies that are now on the Federal level, while still having State or local agencies investigate the complaint for the Federal Government. However, whether such ever does happen, "remains to be seen," said Ms. Lawton.

Forfeiture of Grandfather Clause and Other Losses

On the "hard-lining" that Mr. Solecki mentioned, Mr. Cartwright recalled that some substantially equivalent agencies asked HUD if they might submit the proposed legislative changes to HUD for its evaluation "so that we will know that what we are asking for would be acceptable" before the proposed changes go to their legislatures. HUD responded in the negative, and Mr. Cartwright said that, if any legislatures did adopt unreviewed proposals but such new legislation was then judged by HUD as deficient,

²⁸Mr. Solecki subsequently reported that "there is new leadership in Washington, D.C. now which appears cooperative and committed to seeing the relations with State and Local Civil Rights Agencies improve." Raymond J. Solecki, letter to Tino Calabria, Dec. 22, 1989. See also Dec. 11, 1989, HUD "Media Advisory" announcing that Gordon H. Mansfield was being sworn in that day as the new HUD Assistant Secretary for Fair Housing and Equal Opportunity.

we would lose our grandfather clause immediately rather than 4 years from now. And . . . we could only make this request for certification once a year. Now none of that is statutory; that is somebody's hard-nosed push.

Advisory Committee member Sam Hwang referred to Mr. Solecki's mentioning earlier that his staff has been doubled in size, and Mr. Hwang asked whether that increase was made in anticipation of Mr. Solecki's staff taking over the functions previously handled by the State and local agencies. Mr. Solecki replied that his staff is actually increasing to 17 from its previous size of 10. He added that the increase was aimed at his staff's handling the new responsibilities for handicap and familial status; the grandfather clause only allows the substantially equivalent agencies to work on the previously approved jurisdictions, not the two new ones. At the same time, he acknowledged that supplementary budgets had been proposed in Congress. These budgets had been intended to increase HUD staffs in the event that this other agreement does not work, "but right now, that was not the point of this initial [staff increase]."

Coordination More Critical Than Revenue

Mr. Hwang inquired whether the \$650 paid to the agencies by HUD for each complaint they process is sufficient and what the impact would be on the agencies if they were to lose this revenue. Mr. Cartwright replied that losing the revenue is not a key factor in terms of the loss of their substantially equivalent status. The monies would support the equivalent of one-and-a-half positions at most, and one position does nothing but process paper work. Fair housing enforcement is a function that the PHRC would have to do in any event.

According to Mr. Cartwright, the greater loss is the loss of coordination of the effort with HUD. For example, for years, PHRC has told the real estate industry that it only had to deal with one agency, whereas it would have to deal with two—both PHRC and HUD—if PHRC were to lose its substantially equivalent status.

Ms. Lawton added that the revenue earned for cases processed by her agency in Philadelphia goes into the city's general fund; no specific staff position is dependent on that revenue, and, thus, an agency worker would not necessarily be lost. But agencies throughout Pennsylvania would lose the opportunity to network with State and local agencies from around the U.S. during the national policy conference and other regional policy and training conferences sponsored by HUD several times a year. The PHRC would also lose opportunities to compete for additional HUD monies for fair housing-related projects such as projects with community organizations and universities on mortgage lending practices and the like.

III. NONGOVERNMENT PANELISTS

With Federal regulators long unwilling to put their muscle behind the CRA [Community Reinvestment Act], community groups have taken up the fight themselves.

*U.S. News & World Report*²⁹
February 27, 1989

Fair Housing Efforts of Realtors

Robert J. Tyler, chairman of the Pennsylvania Association of Realtors (PAR), described his organization as having 28,000 members in the Commonwealth who are well-informed about the new act, its rules, and regulations; most of them display posters in their offices about the latest requirements on fair housing. He believed that "realtors try to be a little more professional than the real estate agents." Regarding the Fair Housing Amendments Act of 1988, the National Association of Realtors worked with HUD and eventually reached an agreement on the regulations at the national level, although some individual realtors have questions about the impact on cost resulting from the new protections for the handicapped and questions on how many people may occupy a residence resulting from the new protections based on familial status.

Much before then, at the State level, the PAR had a memorandum of understanding with PHRC regarding how to proceed in marketing, rental, and sales.³⁰ Effective for a 5-year period that began on June 10, 1987, the memorandum also encourages the recruitment of minorities into the real estate industry. Furthermore, the PAR is attempting to gain the signatures of all realtors on this fair marketing agreement. Article 10 of the PAR's rules and regulations proscribes discrimination; individuals who believe that they have been discriminated against by a realtor or by a realtor associate may process a complaint through the PAR. Thus, for the purpose of compliance, there are the new Federal act, the State's enforcement activities, and PAR's mechanism.

Shortage of Affordable Housing for Families

Mary Ann Holloway, the executive director of the Pennsylvania Low Income Housing Coalition (PLIHC), described the PLIHC as existing since 1985 and as primarily composed of nonprofit organizations across the Commonwealth that are engaged in housing development, housing rehabilitation, and housing counseling. The PLIHC also serves the homeless in shelters or transitional housing and those who are seeking permanent housing.

²⁹"A Housing Program That Really Works," *U.S. News & World Report*, vol. 106, no. 8, Feb. 27, 1989, p. 27. (hereafter cited as "A Housing Program . . . Works").

³⁰The PAR and PHRC also published the 8-page "Fair Housing Guidelines," adopted by both agencies on Apr. 8, 1987.

She began by asserting that "there is a vast shortage of rental housing that is affordable for families"³¹ and said that "in our arts and our culture, we love children, but in our real estate, we are scared of them."³² The PLIHC membership in Delaware County, Lancaster, York, and Scranton has repeatedly told her that more education is needed so that the rights and obligations of tenants and landlords are universally understood.

She urged the Advisory Committee to encourage HUD to ensure that funds allocated to local jurisdictions under both HUD's Community Development Block Grant program³³ and the older Rental Housing Rehabilitation Program³⁴ help to benefit the handicapped. To benefit them would require giving assistance to the owners of rental housing who need to make their properties accessible. Ms. Holloway said that "the regulations, as they are written [now] presuppose that a tenant would have all of the funds available to them in order to make whatever reasonable adaptations would be necessary." She pointed out that not all handicapped persons are of low or moderate income but, on the other hand, not all of them have sufficient credit enabling them to make the necessary alterations. She added that there are provisions to render accessible certain percentages of the housing that HUD finances or insures, but those provisions may be waived, and waivers undercut the original goals.

Ms. Holloway also urged that some attention be paid to the State housing finance agency, the State department of community affairs, the State commerce department and the State department of industry and labor, which must cooperate insofar as State-level regulations, laws, and policies are affected. She noted that the State housing finance agency directly funds profit and nonprofit agencies. However, to her knowledge, "they have not aggressively and affirmatively stated that funding is available for providing accessible units."

Housing Discrimination in Greater Pittsburgh

James Frazier, housing director of the Pittsburgh Urban League, described the Pittsburgh chapter as 76 years old, and one of the oldest and the third largest in the U.S. Mr. Frazier expressed frustrations over the last 20 years of the original Fair Housing Act but also hoped that the new Fair Housing Amendments Act will improve matters. His league chapter serves Allegheny County and Pittsburgh, where segregation is increasing as in Philadelphia and other cities, according to Mr. Frazier. Citing 1977 data appearing in a 40-city study undertaken for HUD by the National Committee Against Discrimination in Housing,³⁵ he asserted that

³¹For the latest national data on housing, see F. John Devaney, *Housing in America 1985/86*, Current Housing Reports, Series H-121, No. 19, Bureau of the Census, U.S. Department of Commerce, and also "Is U.S. Housing Still Affordable?" *Census and You*, Vol. 24, No. 5, Bureau of the Census, May 1989, p. 1.

³²See also "Elderly Confused, Angry . . .".

³³Community Development Act of 1974, Pub. L. No. 93-383, as amended, and Housing and Community Development Act of 1987, Pub. L. 100-242, as amended. Also, Housing and Community Development Act of 1974, Pub. L. No. 93-383, as amended.

³⁴Housing Act of 1937, Pub. L. No. 75-412.

³⁵U.S. Department of Housing and Urban Development, *Measuring Racial Discrimination in American Housing Markets: the Housing Market Practices Survey*, prepared by R.E. Wienk, C.E. Reid, J.C. Simonson, and F.J. Eggers for the Division of Evaluation (Washington, D.C. 1979).

a black seeking to buy a dwelling unit runs a 50 percent chance of encountering discrimination and that a black seeking to rent one runs a 75 percent chance.

He also said that the recent *Atlanta Constitution* expose revealed that Pittsburgh has the second worst "minority turndown" rate in the lending market;³⁶ a black stands a 31 percent chance of being denied a loan, whereas a white stands only a 10 percent chance. To deal with this, the league will be increasing its activity in prepurchase housing counseling. The objective is to create a pool of "prequalified" minority home seekers in Allegheny County. Though the city of Pittsburgh has not agreed to do so, the county has agreed to provide funding to develop "prequalified" minority home seekers, said Mr. Frazier, "so that the excuses used by the banks of credit and work histories and all the other business that they keep throwing up at us will not be relevant. . . ." He further stated that Pittsburgh's lending institutions have been embarrassed by the recent findings and consequently, he expected them to be "a lot more cooperative." He ended his presentation with the observation that "We know a lot more than we did 20 years ago, and the tools are now at our disposal, and it is time that we put them to work."

Discriminatory Lending in Harrisburg

Melvin Johnson, chairman of the Harrisburg Fair Housing Council (HFHC), said that in 1979-80, his 15-year-old agency became aware of the financial redlining taking place in Harrisburg. By using the 1977 Community Reinvestment Act (CRA),³⁷ the HFHC became the second agency in the U.S. "to have a citation upheld based on a protest before the FDIC [Federal Deposit Insurance Corporation]."

According to Mr. Johnson, the forms of discrimination which the HFHC identified included credit criteria applied differently in different neighborhoods, lack of FHA or Veterans Administration (VA) programs in any of the lending institutions within the city, lack of loan officers in their branches in the inner city, and no publicity aimed at the inner city. He further asserted that customers were discouraged in discriminatory ways from even applying for a loan.

After the HFHC shared its information with the FDIC, one lending institution negotiated with the HFHC and to date has provided \$13 million in mortgage writedowns in Harrisburg's inner city; for example, if the interest rate is 11.5 percent elsewhere, it is 10.5 percent in the inner city or in low- and moderate-income neighborhoods. Institutions have also begun supporting credit counseling and lowering home improvement loan levels; previously they would not lend below several thousand dollars, and some loan seekers found it difficult to meet the credit criteria for that amount. He also reported that there are now three community review councils which monitor the number of loans made, the dollar value of those loans, and the characteristics of the census tracts targeted for the loans.

On the other hand, Mr. Johnson said that the HFHC has not gained full cooperation from the FDIC, the Federal Home Loan Bank Board, the Federal Reserve Bank, and the Comptroller of the Currency. He acknowledged that unofficial meetings with members of regulatory agencies have taken place.

³⁶See also "A Housing Program . . . Works."

³⁷Pub. L. No. 95-128, 91 Stat. 1147 (codified at 12 U.S.C. §§ 2901-2905 (1982)).

but "they promised us they were going to do this or . . . that, and really were saying to us, back off, because you are not really going to get anything. . . ." He also said that one major savings and loan bank in Greater Harrisburg has only one branch in the city and implied that the location of the branches of other banks reveals a negative pattern. Despite such difficulties, on April 25, 1989, the HCFC was scheduled to announce a no-downpayment home mortgage program for low- and moderate-income Harrisburg residents.

Empowering Communities Through the CRA

Dan Welliver, the HFHC researcher/statistician, then referred to mortgage disclosure data gathered from lending institutions that, he emphasized, are required to furnish such data on demand. (See attachment D.) Though the data do not conclusively distinguish to what extent race or income are the determinants, he said that 38 percent of the homes in Harrisburg are in low- and moderate- income tracts, but that only 29 percent of the loans and only 17 percent of the loan dollars go there. At the same time, though 45 percent of the homes are located in minority tracts, only 37 percent of the loans and only 22 percent of the loan dollars go there.

Acknowledging the rudimentary nature of such data, Mr. Welliver repeated that even this level of analysis puts information in the hands of community residents, empowering them to use the CRA to confront lending institutions with whatever patterns appear. He repeated the necessity of admitting the limitations of the data, but urged that residents point to what the data seem to show and then go beyond the confrontational stage; a partnership or other positive relationship should eventually be negotiated with the institutions. Referring to the no-downpayment mortgage program mentioned by Mr. Johnson, Mr. Welliver noted that it came about as the result of confronting banks with a poor record.

Prointegrative Housing Programs

Advisory Committee member Morris Milgram asked whether the monies allocated by such institutions are used for prointegration moves or for moves into segregated neighborhoods. He stated that it has been easy to obtain money to increase segregation. On the other hand, he reported that, through the leadership of Charles Brownlee of National Neighbors several years ago, \$6 million was obtained from the State of Ohio for prointegration moves in Cleveland, and more recently, another \$10 million was obtained for loans at 8.6 percent with 1.5 or 2 points. To his knowledge, no State housing finance agency except the Ohio agency is providing such funding.³⁸

Mr. Johnson responded that he has heard that similar funds are to be received by the city of Harrisburg. Though the funds are meant for low-income residents, Harrisburg's population mix is such that low-income areas are minority areas, he explained. Dr. Bartelt observed that in some CRA challenges neighborhood-based agencies:

³⁸Ohio Governor Richard Celeste set up a "prointegrative" housing fund in 1983 presently allowing black homebuyers in Cleveland and Cincinnati to purchase in white neighborhoods and whites to buy in black neighborhoods with 30-year mortgages fixed at 8.6 percent and with as little as 3 percent downpayments. See Gwen Ifill, "In Ohio, Using Mortgages to Boost Integration," *Washington Post*, Apr. 17, 1989, p. A-3.

are content to take a *Plessy v. Ferguson* [163 U.S. 537 (1896)] kind of approach to the problem of segregation. . . . They would be satisfied with separate but equal treatment . . . and . . . do not push to the point of insisting on support for [integration] . . . of housing but are satisfied to go after a larger slice of the bank's pie to keep their neighborhood essentially stable.

Mr. Frazier added that the Pennsylvania Housing Finance Agency used to support a minority home ownership program. Although now defunct, the program helped minorities to buy in depressed areas and was thus somewhat along the lines mentioned by Dr. Bartelt.

Summary: Committee Urges Commission to Contact HUD

The Advisory Committee heard Federal, State, and local officials discuss the 1988 Federal fair housing amendments, which include new provisions covering family status and the disabled. Two government panelists also elaborated on how the new act threatens the relationship between HUD and HUD's "substantially equivalent agencies." A Temple University research institute director illustrated how segregation in housing persists in Philadelphia. Specialists from nonprofit agencies in Pittsburgh and Harrisburg agreed that segregation exists in their localities, too; they outlined ways of empowering residents to negotiate with lending institutions and of better preparing potential home buyers.

The director of a statewide low-income housing agency urged that funding be allocated to render rental housing accessible to the handicapped, who are now covered by the new Federal act, and decried discrimination resulting in the exclusion of children from housing. At the same time, the chairman of the statewide realtors association said that his members are aware of the requirements of the new act and for some time have implemented fair marketing guidelines approved by the State human relations agency. He noted that housing discrimination complaints can be registered with his association which will also process them.

The Advisory Committee was alarmed by assertions by housing chiefs of the State and Philadelphia human relations commissions, regarding possible threats to the "substantially equivalent" status of their agencies. Upon the suggestion of Advisory Committee member Mark Stolarik, the Advisory Committee voted to have its chairperson, Susan M. Wachter, write to the Commission even before the summary report of the forum would be completed.

Dr. Wachter was asked to urge the Commission to encourage HUD to strengthen or reopen HUD's communications with the substantially equivalent agencies and to work out a compromise allowing State and local agencies to maintain their status thereby enabling them to continue to enforce fair housing in conjunction with HUD. The Advisory Committee has also unanimously approved this report for submission to the Commission.

IV. POSTSCRIPT

After the forum, Dr. Wachter communicated the Advisory Committee's concern to the Commission about several of the issues raised during the forum. Followup by the Commission occurred, and HUD subsequently responded.

See attachments E and F, the May 31, 1989, letter from the Commission Chairperson to the HUD Secretary and the HUD Secretary's September 6, 1989, reply. In the former, then-Commission Chairperson William B. Allen capsuled the issue regarding the "substantially equivalent" agencies and the possible loss of their status; he then asked that HUD staff consult with such agencies in Pennsylvania on the matter.

In his response, HUD Secretary Jack Kemp incorrectly assumed that the PHRC fair housing director "asked HUD officials whether HUD would review and approve a draft of proposed legislation before it was submitted to State and local legislatures." Secretary Kemp then implied that HUD denied the request because HUD "is not able to review proposed legislation in order to make a final determination on whether the proposed law would be certified as substantially equivalent. Final approval of proposed legislation before that legislation faces legislative consideration can be an empty exercise due to the vagaries of the legislative process." In fact, however, the PHRC fair housing director only asked that HUD review a draft—*not approve it—before* such a draft is submitted to the legislature.

At any rate, Secretary Kemp also wrote to Dr. Allen that "HUD officials would be available to provide technical assistance in developing legislation, and will make every effort to answer questions, and to meet with the Commission or other State and local officials. . . ."

Related to the issue of the possible loss of equivalency status is an article by one of the directors in HUD's Office of Fair Housing and Equal Opportunity, Steven J. Sacks. (See appendix G.) In a recent issue of *Governing*, Mr. Sacks appears to agree with the PHRC and PCHR fair housing chiefs in his August 1989, article entitled "New Federal Fair Housing Approach Endangers a Relationship That Works."³⁹

³⁹Sacks Commentary.



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Institute for Public Policy
Studies

March 29, 1989

Mr. Tino Calabia
U.S. Commission on Civil Rights
Suite 710
1121 Vermont Ave., N.W.
Washington, DC 20425

Dear Mr. Calabia:

My apologies for the delay in sending the enclosed materials for possible use in the April 6 symposium. As you can see, the attached collection of maps provides graphic evidence of the extent to which racial segregation is a long-term, deeply entrenched feature in Philadelphia's neighborhoods. I look forward to seeing you on April 6, and to a successful symposium.

Sincerely,

A handwritten signature in cursive script, appearing to read 'David W. Bartelt', written in black ink.

David W. Bartelt
Director

DWB/bju
enc.

APPENDIX A

FAIR HOUSING: A GRAPHIC PERSPECTIVE
David W. Bartelt
Institute for Public Policy Studies
Temple University

To accompany today's proceedings, we have enclosed maps prepared by the Social Science Data Library, a joint partner with IPPS in Temple University's Center for Public Policy, directed by Sandra Featherman, a wide ranging group of researchers who share a common interest in pursuing policy issues across a broad spectrum of the public interest. These maps reflect IPPS' and SSDL's ongoing concerns with the continuing patterns of segregation in Philadelphia's neighborhoods. During the past five years, in particular, we have developed an extensive series of census, demographic, economic and housing data bases on the city and the surrounding region.

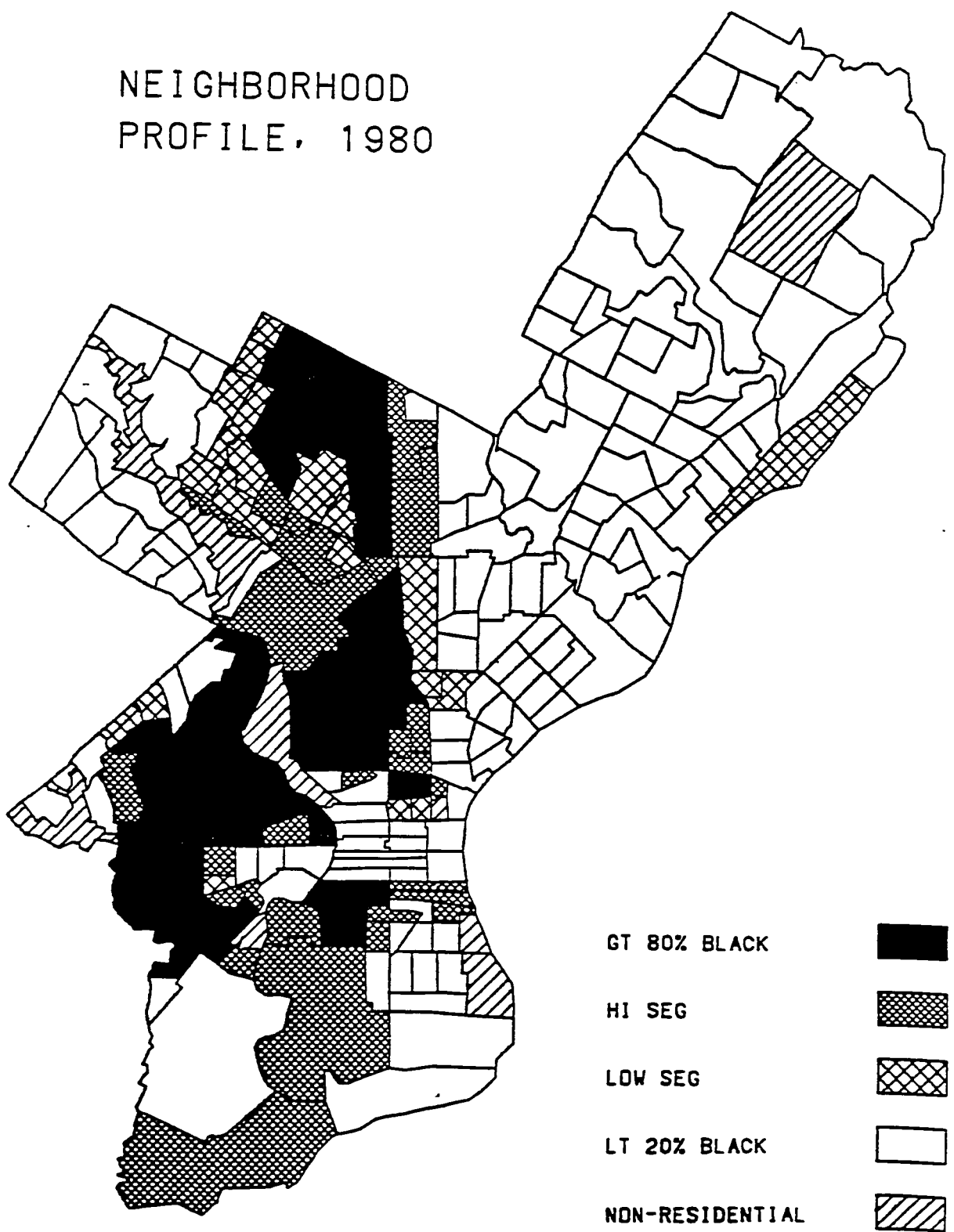
As discussions ensued with the organizer of this conference, it was decided to provide some graphic evidence of many of the basic findings setting the context for fair housing enforcement. As discussions typically focus on the changing face of segregation in Philadelphia, added features of the pattern of school responses, the political shifts in the city and the operations of the housing credit market need also be addressed. Use these maps as guidelines to the patterns of neighborhood organization and division in the city.






Two reservations need to be kept in mind as you examine these maps. First, these maps reflect, in the main, population snapshots of Philadelphia taken in 1980 - nine years ago. It is conceivable that dramatic changes have happened in the city, but population shifts in the past, while pronounced, have reflected an underlying continuity. Nonetheless, the maps are somewhat dated, and should be taken only as indicators of the basic racial divisions in the city. We have provided some earlier data so that underlying trends can be seen.

Second, we have focused on the city, even though the patterns of racial segregation extend more broadly across the region. The limited focus of these maps on Philadelphia should not obscure the fact that we recognize, and urge all others attending this conference to recognize, that the persistent segregation in the communities of the Delaware Valley is broad-based indeed.

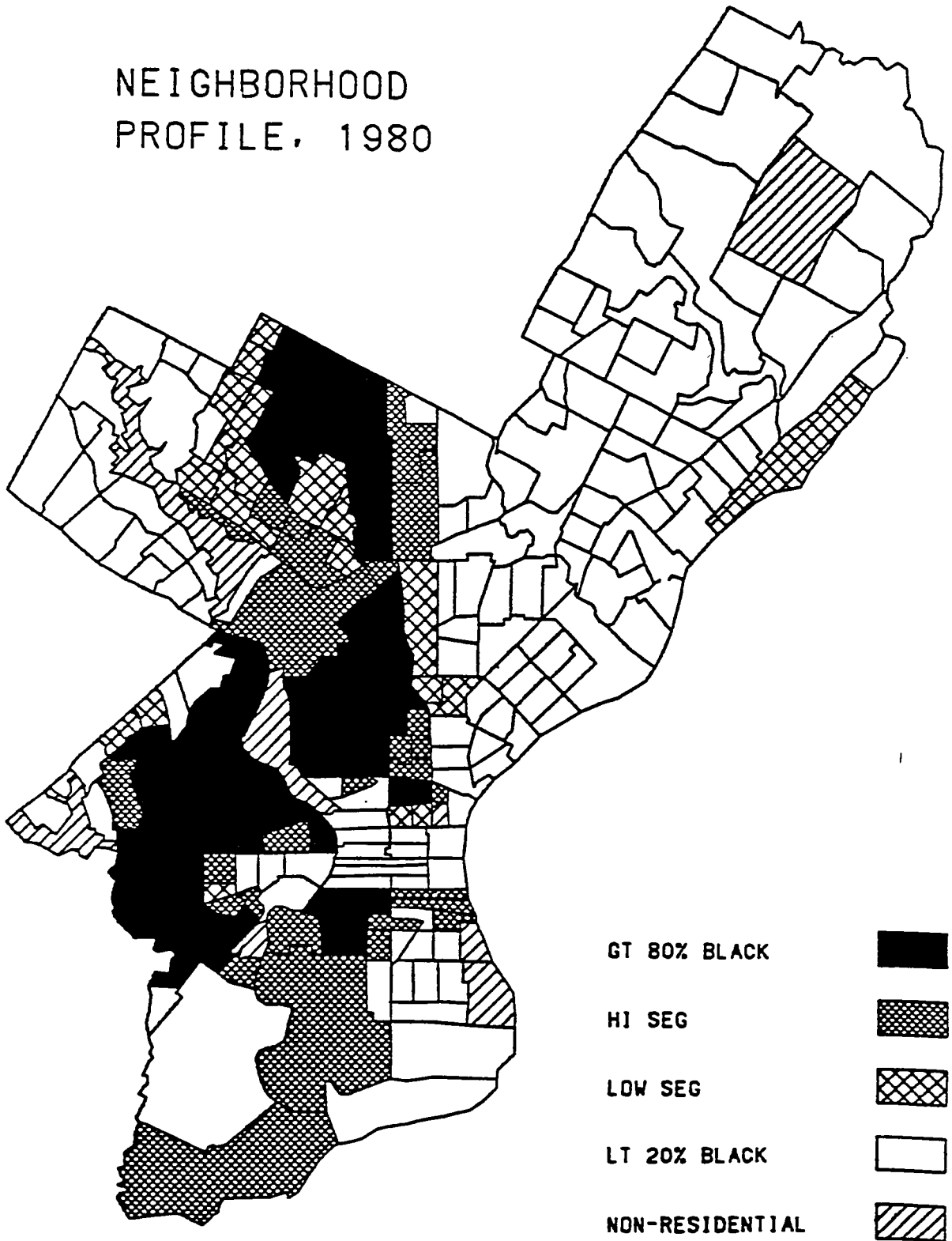
It will be tempting for some to argue that nothing has changed in the problems facing the fair housing community in the past 20 or 30 years. Listen to the discussion today and the picture will become clearer -- 20 years of fair housing legislation has not yielded integration, this much is certain. But many of the rigid codes and explicit regulations of racism have broken down barriers to communities excluded to minorities in 1960. Still, the task of achieving fair housing and desegregation for communities of many cities remains.

NEIGHBORHOOD PROFILE, 1980

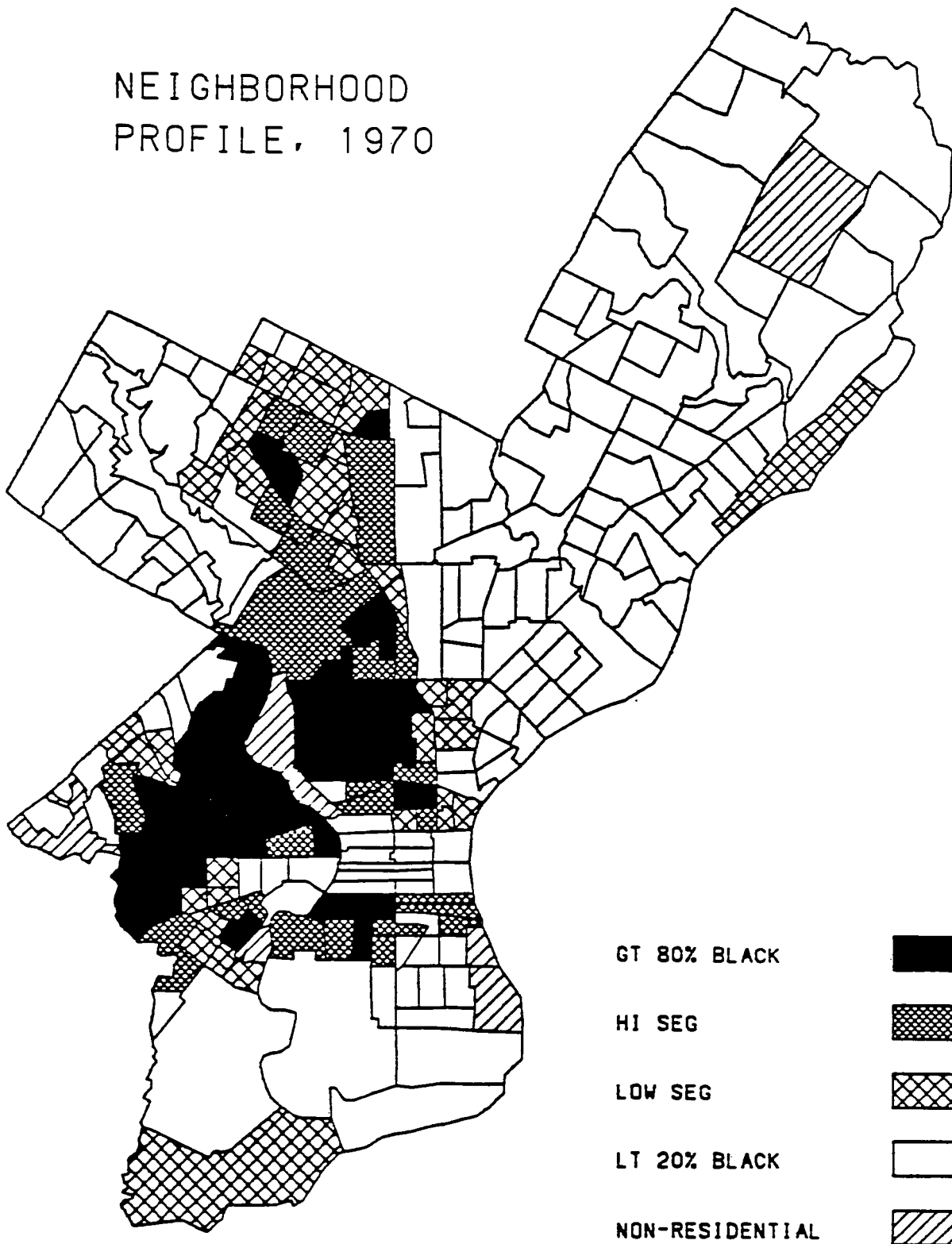


GT 80% BLACK	
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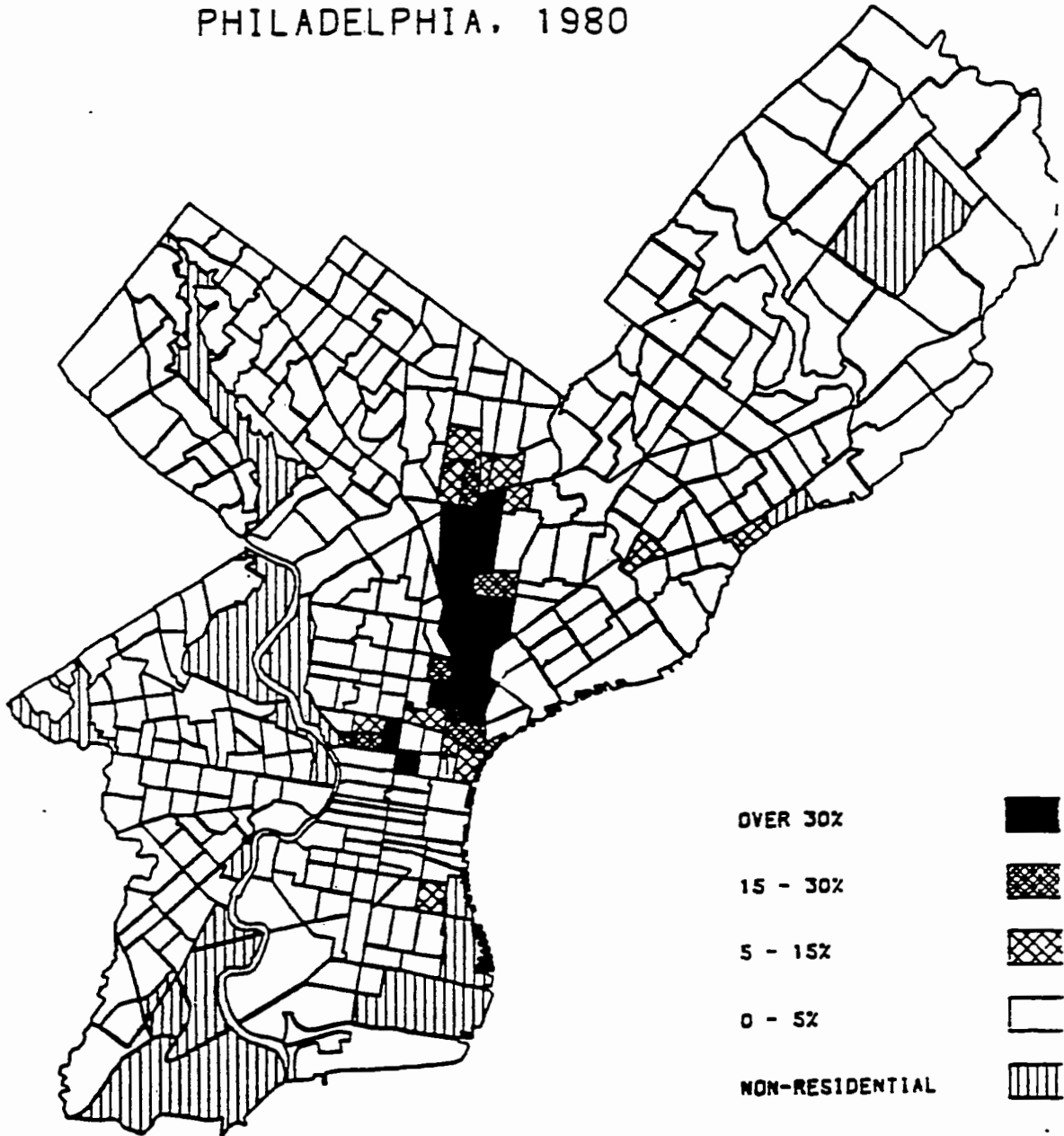
NEIGHBORHOOD PROFILE, 1980



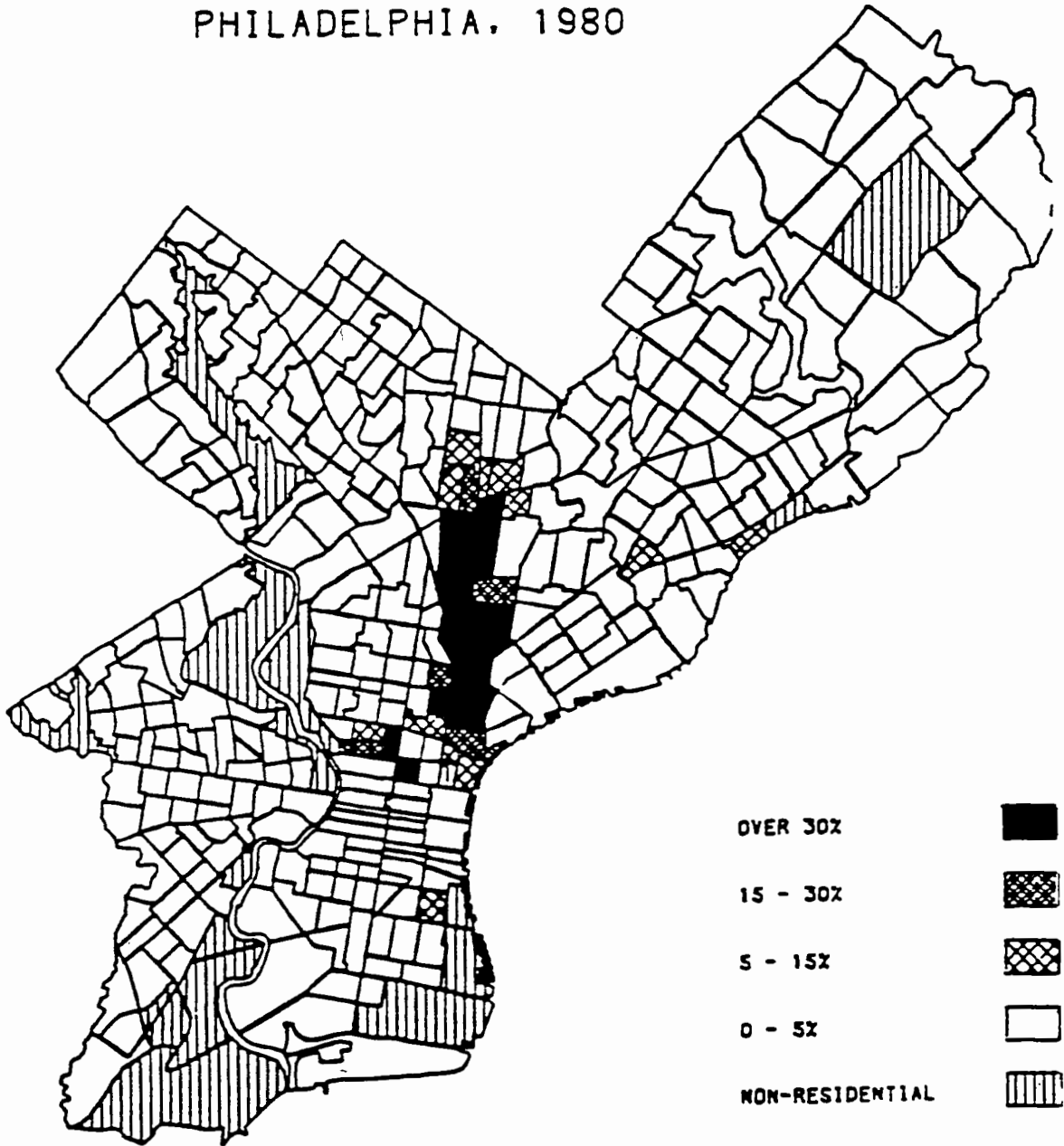
NEIGHBORHOOD
PROFILE, 1970



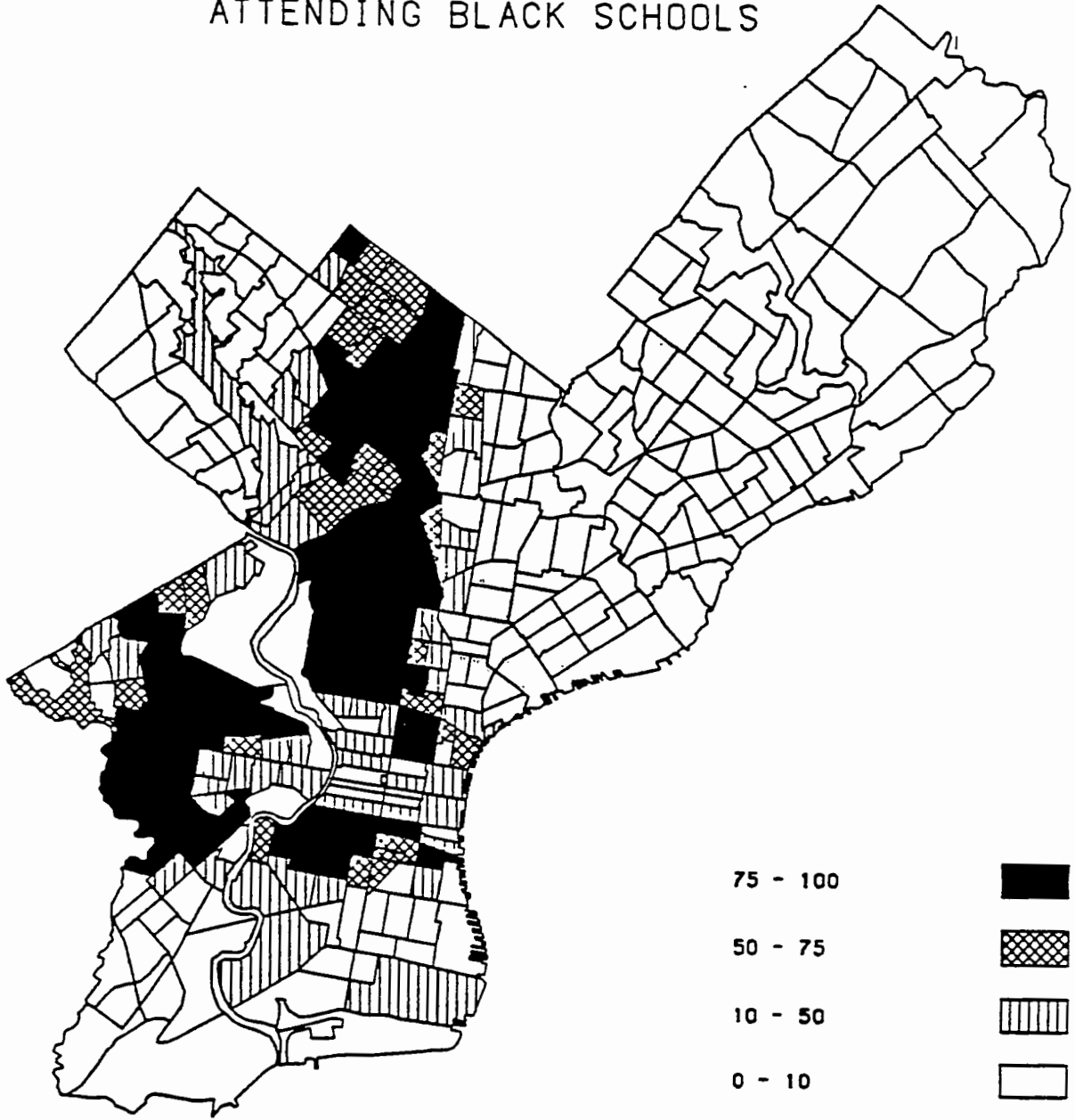
PERCENT HISPANIC;
PHILADELPHIA, 1980



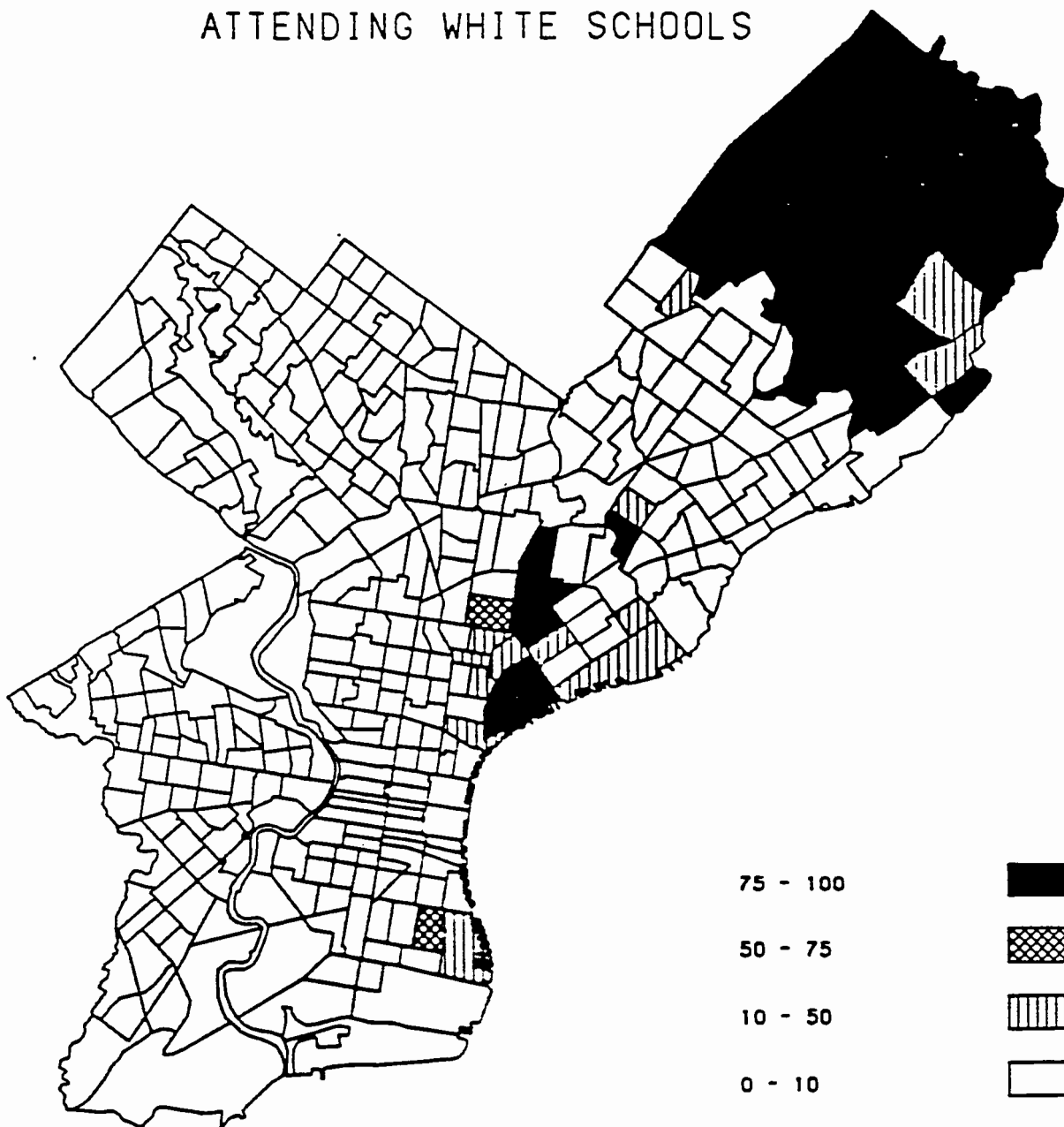
PERCENT HISPANIC;
PHILADELPHIA, 1980



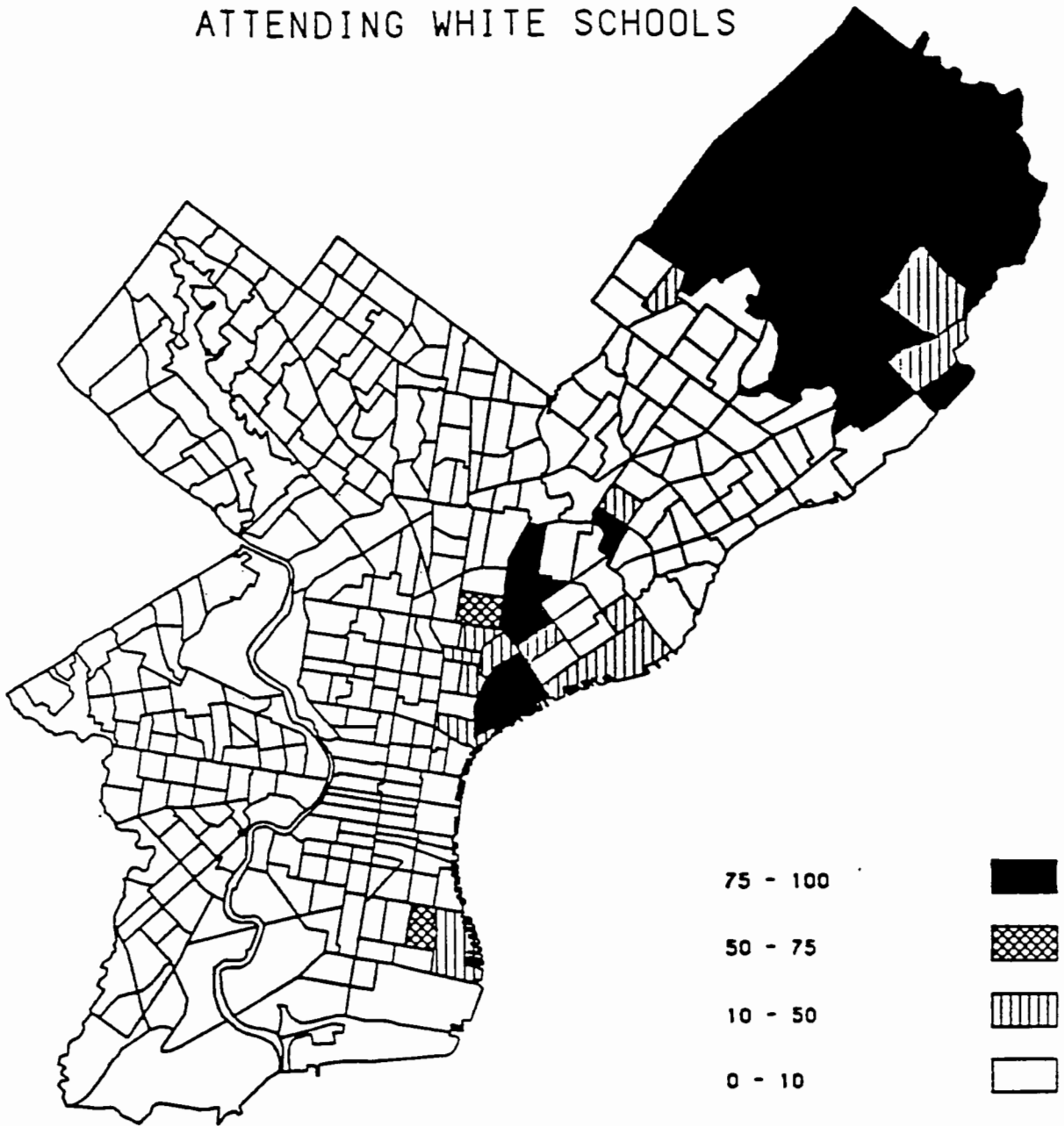
PERCENT OF STUDENTS
ATTENDING BLACK SCHOOLS



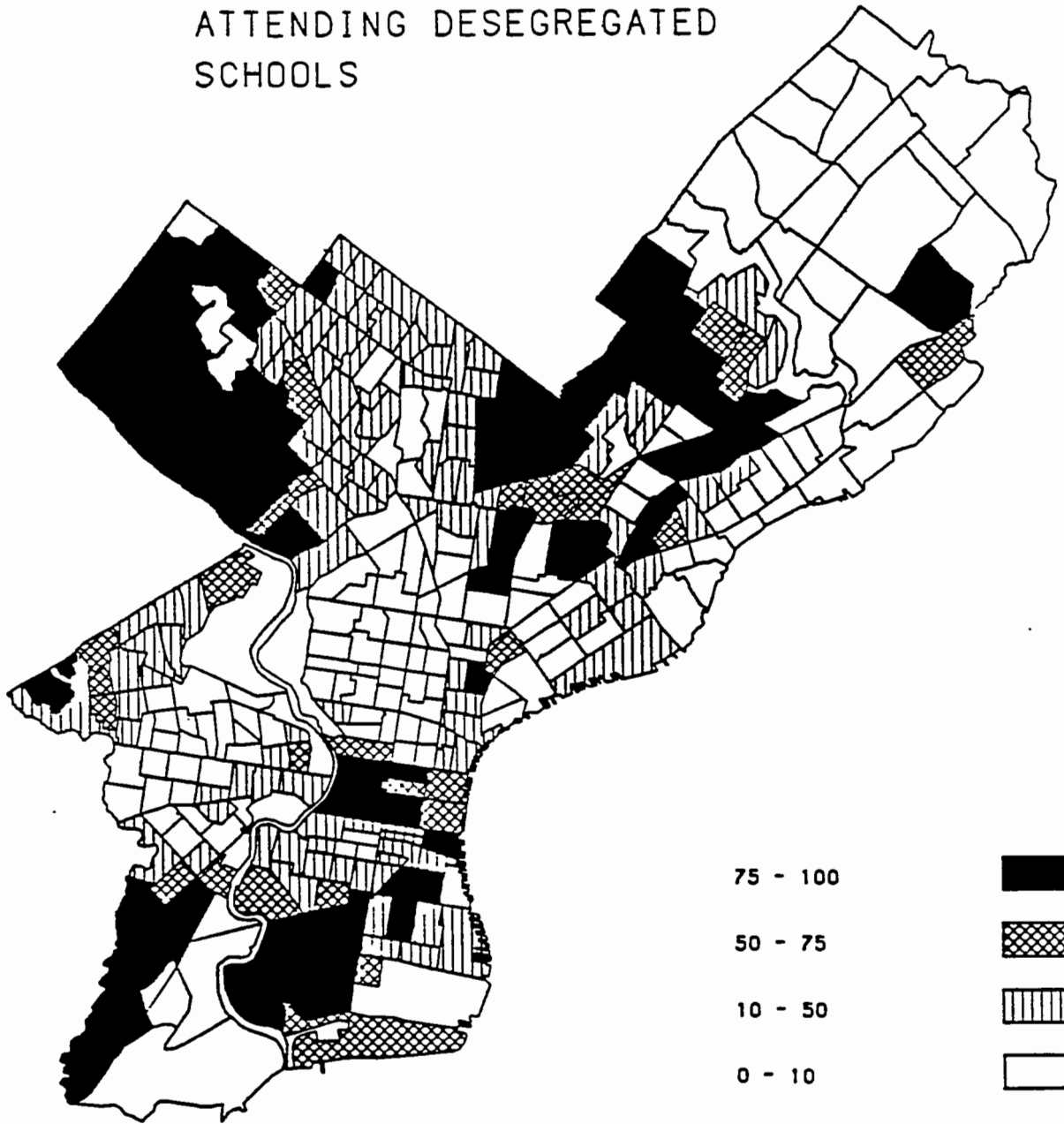
PERCENT OF STUDENTS
ATTENDING WHITE SCHOOLS



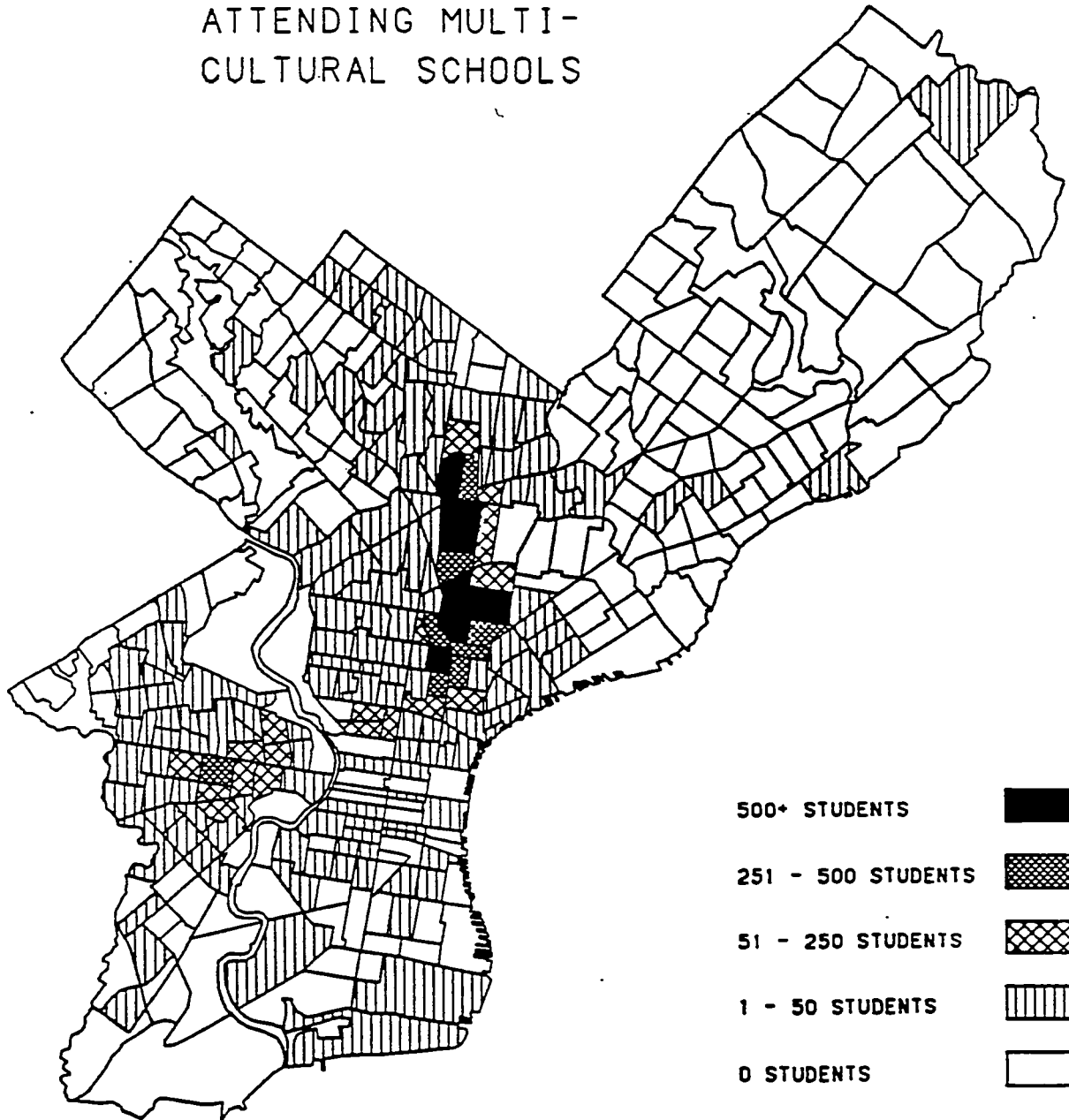
PERCENT OF STUDENTS
ATTENDING WHITE SCHOOLS



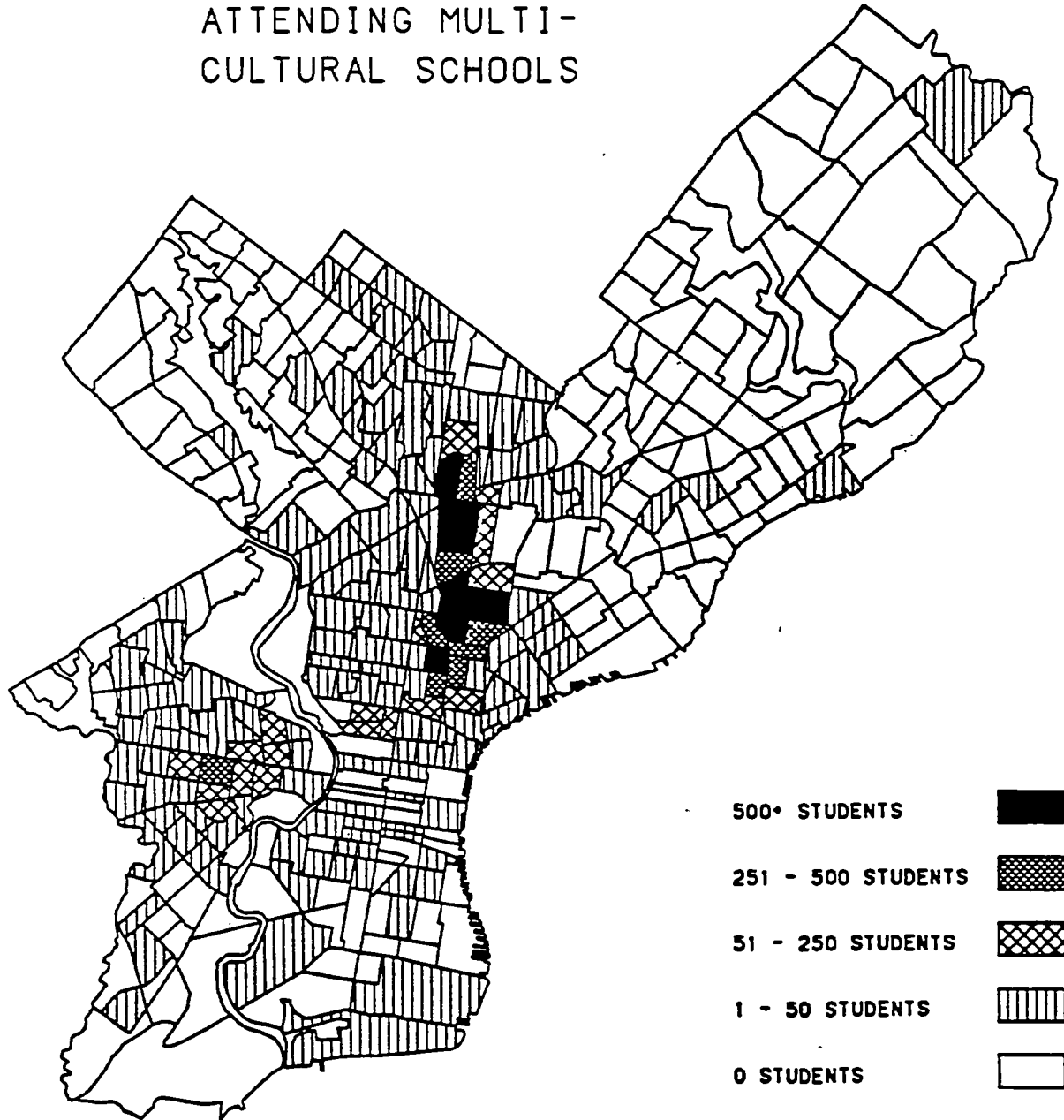
PERCENT OF STUDENTS
ATTENDING DESEGREGATED
SCHOOLS



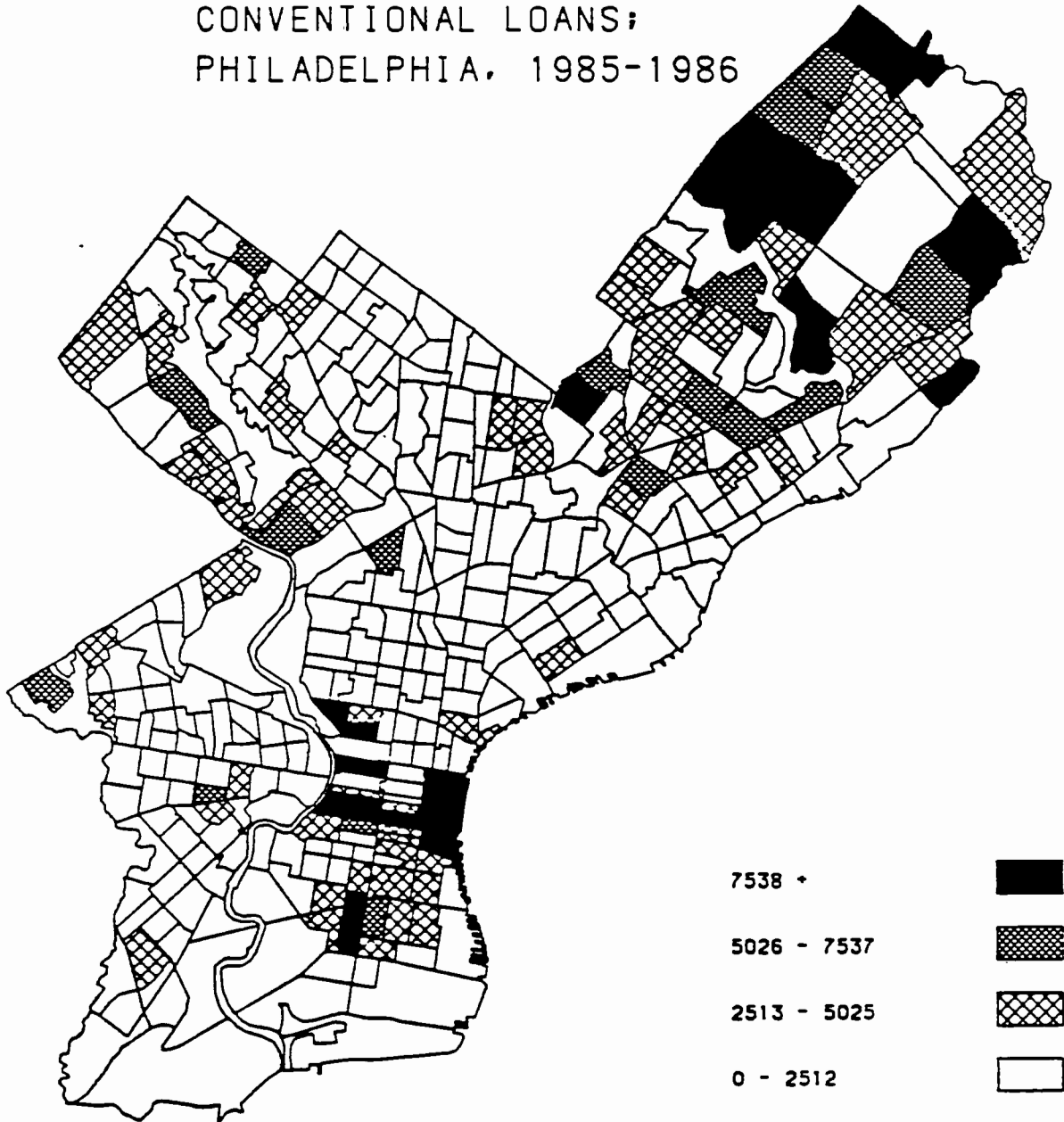
NUMBER OF STUDENTS
ATTENDING MULTI-
CULTURAL SCHOOLS



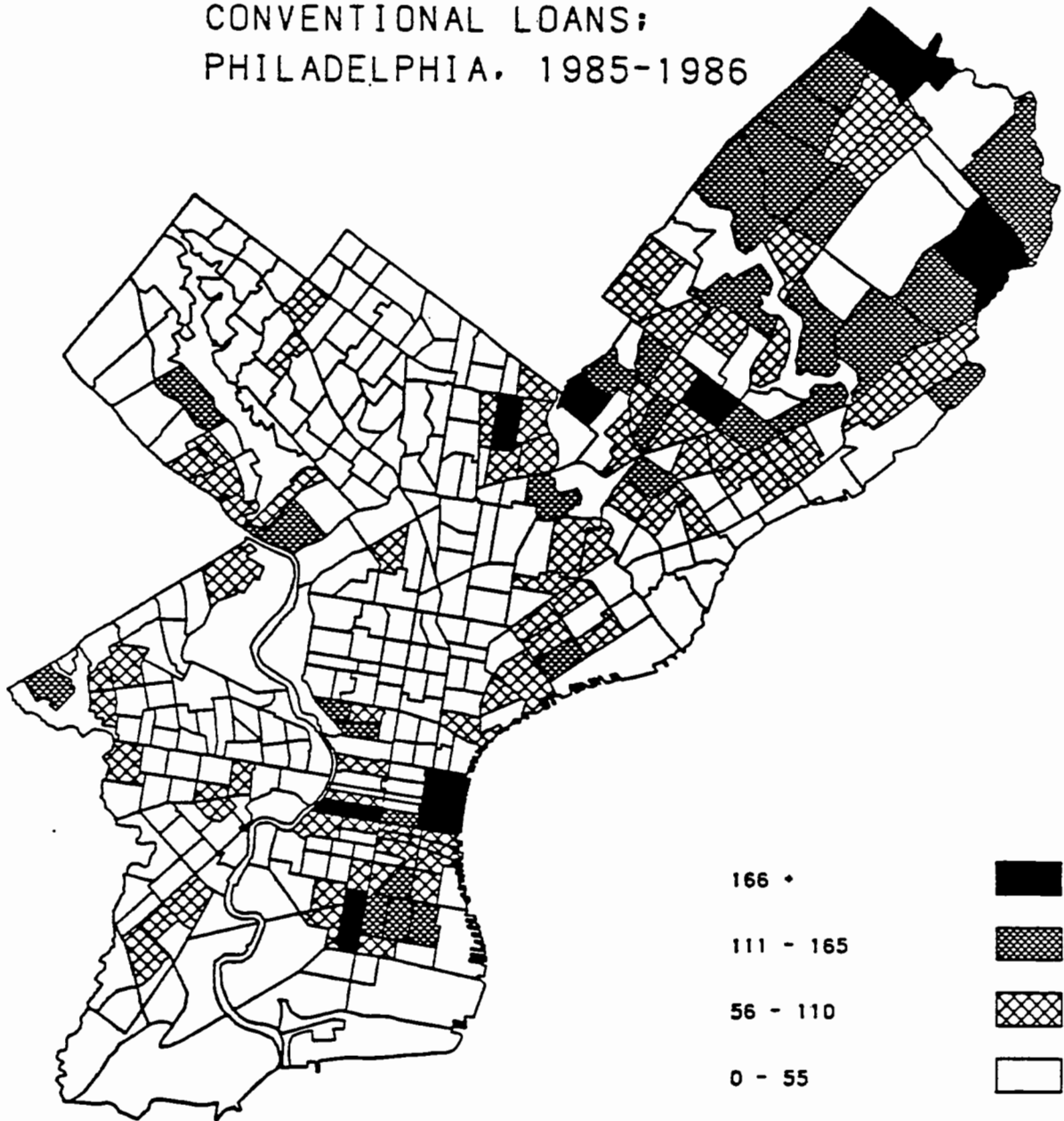
NUMBER OF STUDENTS
ATTENDING MULTI-
CULTURAL SCHOOLS



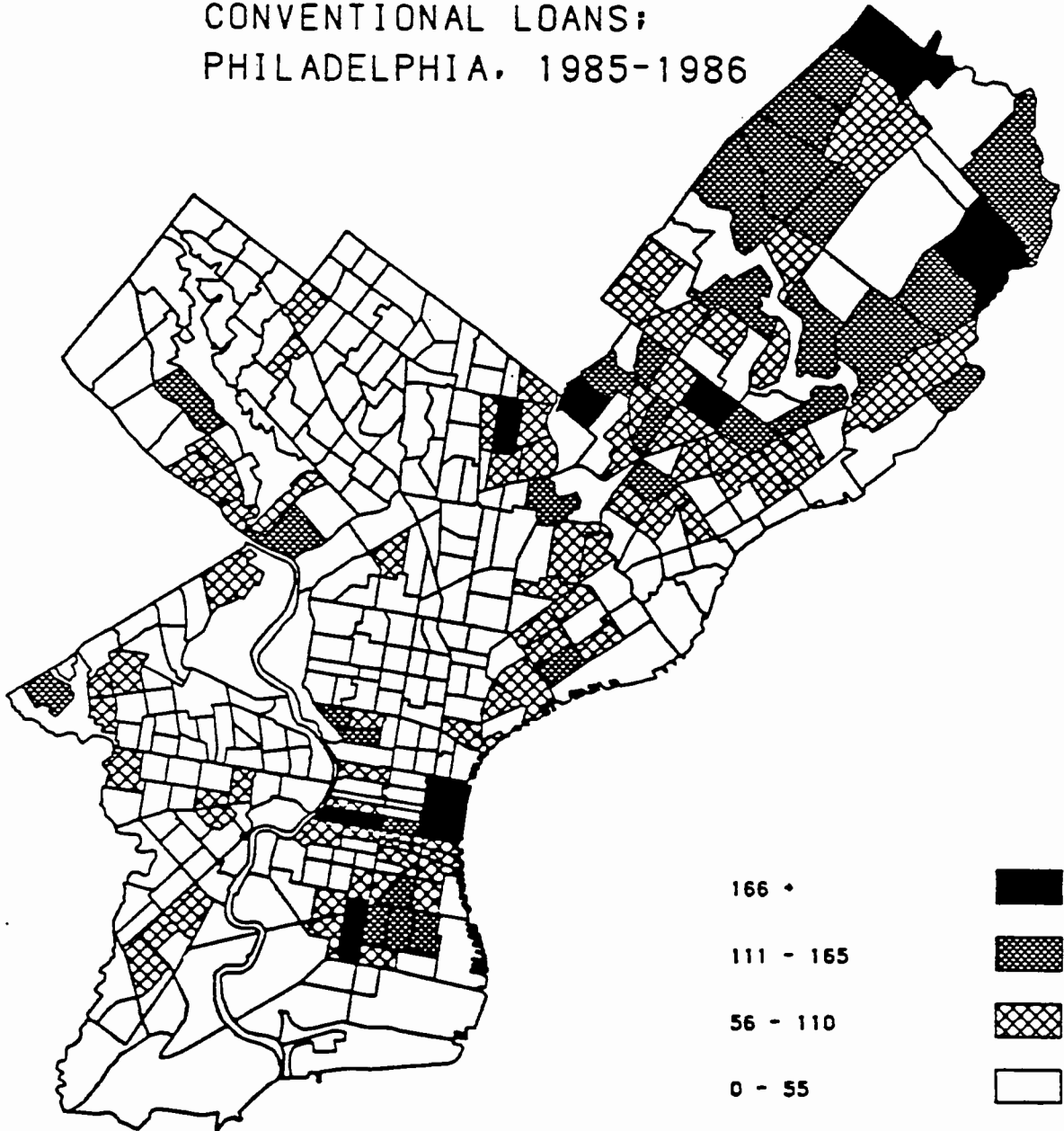
DOLLAR VALUE OF
CONVENTIONAL LOANS;
PHILADELPHIA, 1985-1986



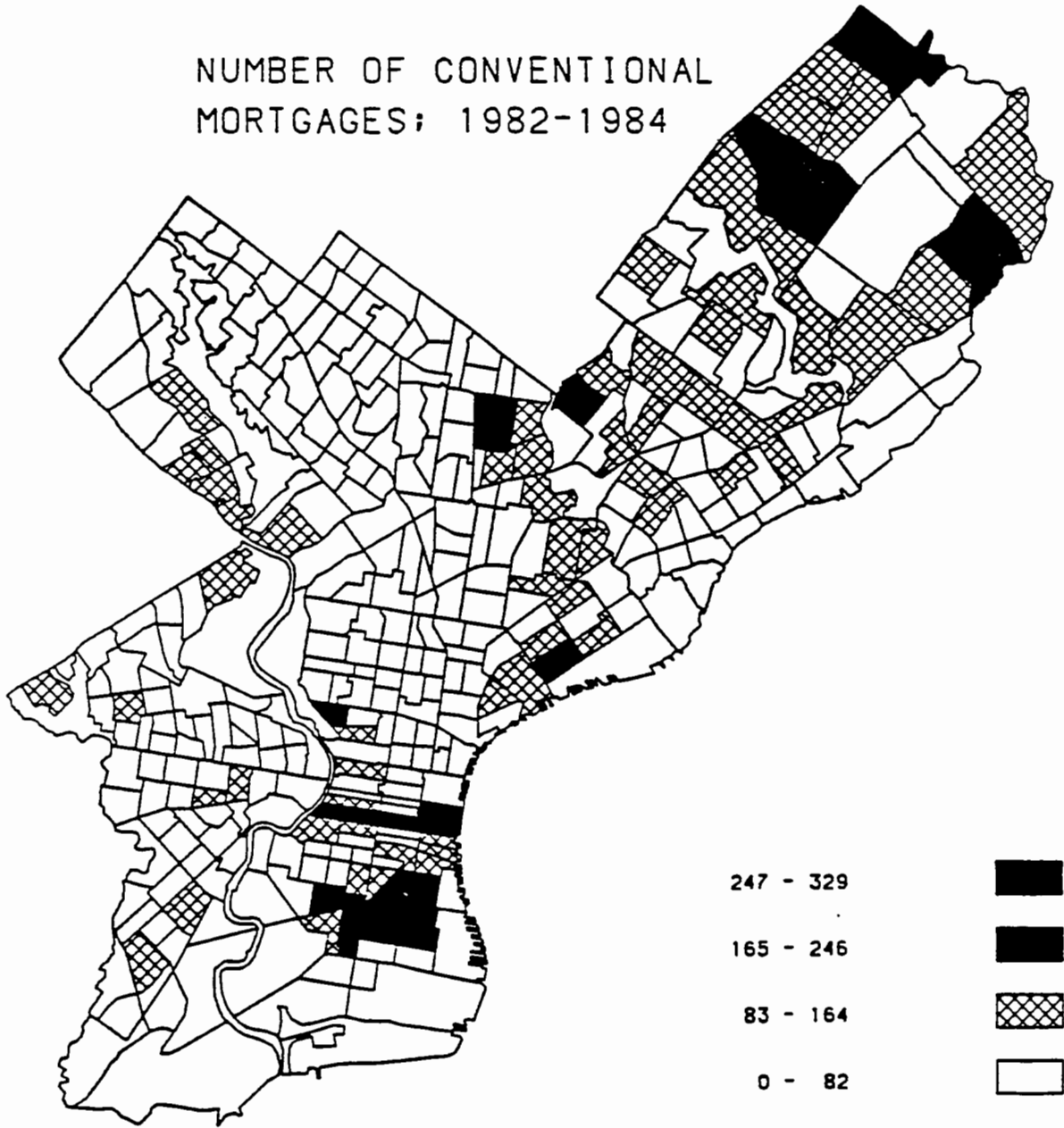
NUMBER OF
CONVENTIONAL LOANS;
PHILADELPHIA, 1985-1986



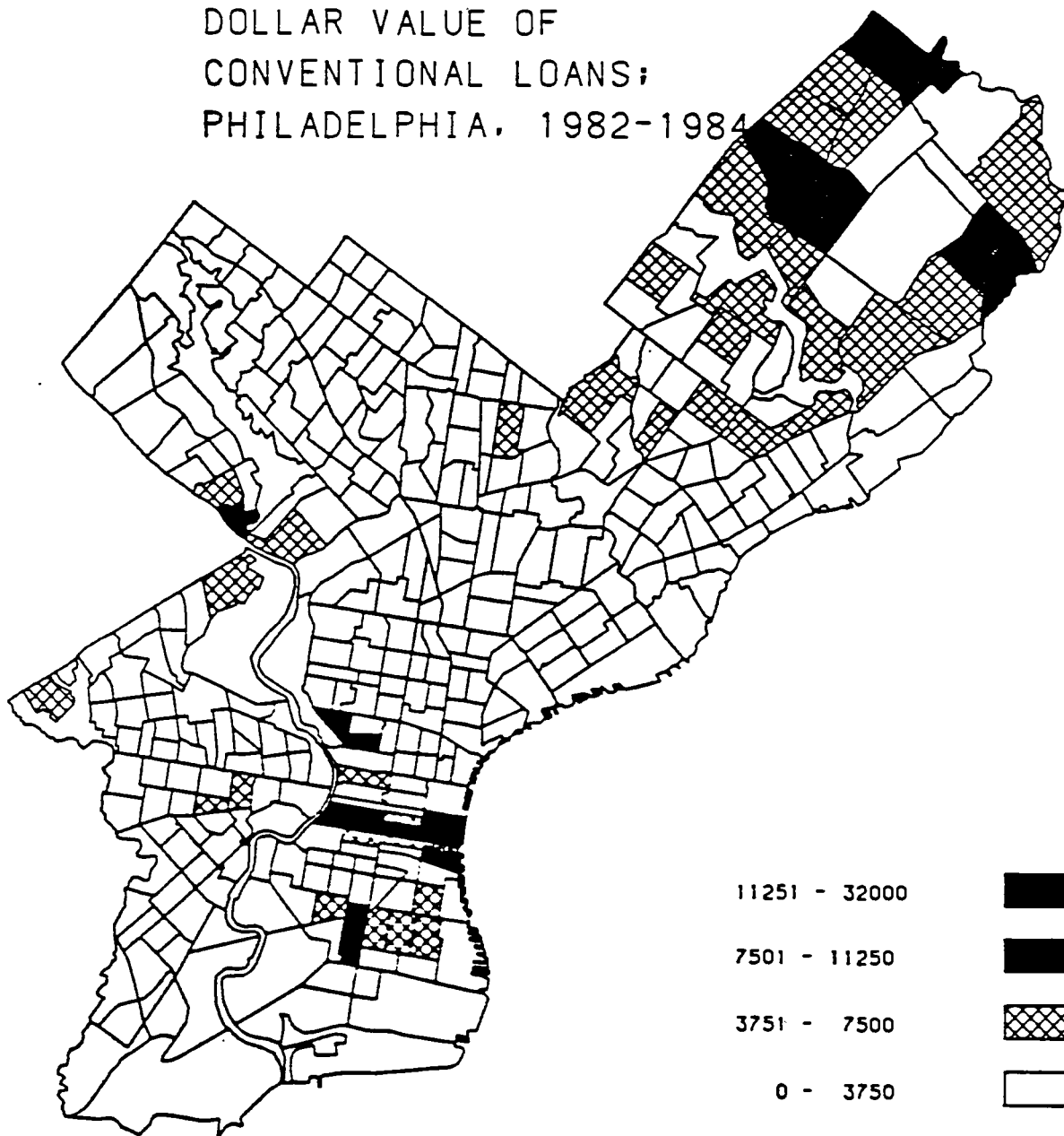
NUMBER OF
CONVENTIONAL LOANS;
PHILADELPHIA, 1985-1986



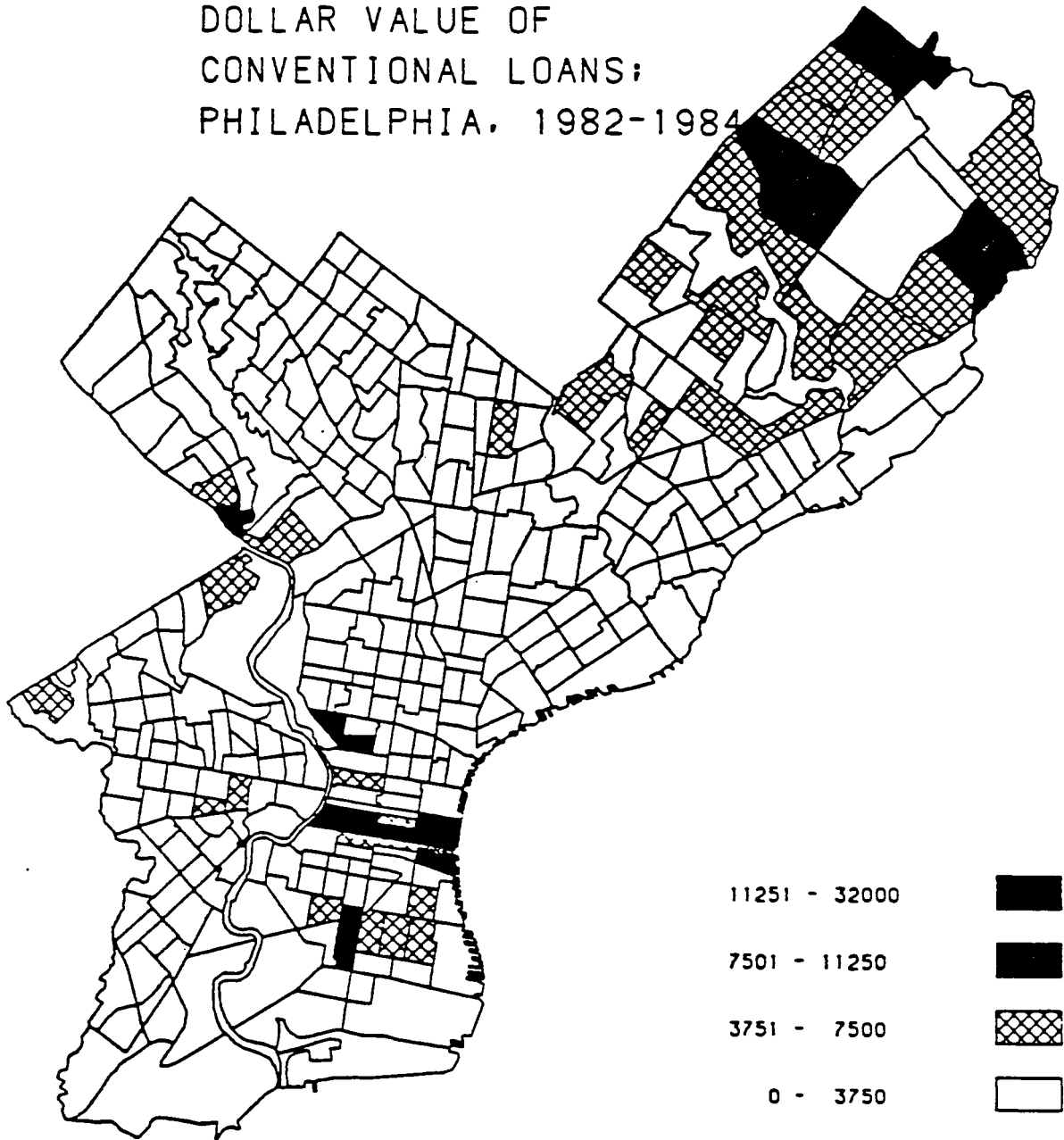
NUMBER OF CONVENTIONAL
MORTGAGES; 1982-1984



DOLLAR VALUE OF
CONVENTIONAL LOANS;
PHILADELPHIA, 1982-1984



DOLLAR VALUE OF
CONVENTIONAL LOANS;
PHILADELPHIA, 1982-1984





**COMMONWEALTH OF PENNSYLVANIA
HUMAN RELATIONS COMMISSION**

**FAIR HOUSING PRACTICES
ARE GUARANTEED BY THE
PENNSYLVANIA HUMAN RELATIONS ACT**

According to this Act it is unlawful, because of any person's

- RACE
- CORLOR
- RELIGION
- SEX
- ANCESTRY
- NATIONAL ORIGIN
- HANDICAP
- DISABILITY

TO:

1. Refuse to sell, lease, finance or otherwise withhold housing or commercial property, or
2. Discriminate in the terms or conditions of selling, leasing, financing, or in providing facilities, services or privileges in connection with the ownership, occupancy or use of any housing or commercial property, or
3. Print or otherwise circulate any statement indicating a preference or limitation, or make any inquiry or record in connection with the sale, lease or financing of any housing or commercial property.

OR, BECAUSE OF ANY PERSON'S

- Use of a guide or support animal due to blindness, deafness or physical handicap or because the user is a handler or trainer of such animals.

TO:

4. Refuse to lease or finance, or
5. Discriminate in the terms of selling or leasing, or in providing facilities, services or privileges in connection with the ownership, occupancy or use of any housing or commercial property, or
6. Print or otherwise circulate any statement indicating a preference or limitation, or make any inquiry or record in connection with the lease of any housing or commercial property.

IT IS UNLAWFUL TO:

7. Evict or attempt to evict an occupant of any housing before the end of a lease because of PREGNANCY OR BIRTH OF A CHILD.
8. Engage in practices which attempt to induce the listing, sale or other transaction, or discourage the purchase or lease of housing or commercial property by making direct or indirect references to the present or future composition of the neighborhood in which such a facility is located with respect to RACE, COLOR, RELIGION, SEX, ANCESTRY, NATIONAL ORIGIN, HANDICAP, DISABILITY, OR GUIDE OR SUPPORT ANIMAL DEPENDENCY.

Prominent posting of this notice in a well-lighted, easily accessible place in the office, model home, sample apartment or other place of business where negotiations or agreements are customarily made for the renting or purchasing of housing accommodations is required under the Pennsylvania Human Relations Act (Act of October 27, 1955, P.L. 744, s amended).

WARNING: Removing, defacing, covering up or destroying this notice is a violation of the Pennsylvania Crimes Code and may subject you to fine or imprisonment.

For further information, write, phone or visit the Pennsylvania Human Relations Commission
Headquarters Office: Executive House, 101 S. 2nd Street, Suite 300 • P.O. Box 3145 • Harrisburg, PA 17105-3145
Telephone: (717) 787-4410

To file a complaint contact the Regional Office nearest you:

Pittsburgh
300 Liberty Avenue
Pittsburgh, PA 15222
(412) 565-5395

Harrisburg
3405 N. Sixth Street
Harrisburg, PA 17110
(717) 787-9780

Philadelphia
711 State Office Building
Philadelphia, PA 19130
(215) 560-2496

**CITY OF PHILADELPHIA**

COMMISSION ON HUMAN RELATIONS
601 City Hall Annex, Philadelphia, Pa 19107
Telephone: (215) 686-4670

LEAH GASKIN WHITE, ED.D.
Executive Director

THOMAS J. RITTER, Chairperson

Tino Calabria
Pennsylvania Advisory Committee
United States Commission on Civil Rights
Eastern Regional Division
1121 Vermont Avenue, N.W. Rm. 710
Washington, D.C. 20425

January 4, 1990

Dear Mr. Calabria,

Thank you for sending me the draft copy of the Pennsylvania Advisory Committee's report on "Implementing the 1988 Federal Fair Housing Amendments Act." I very much appreciated being invited to participate in the April, 1988 forum on which this report is based. The Philadelphia Commission on Human Relations has long supported the need for broader and stronger federal fair housing laws and we wholeheartedly endorse the passing of this new law.

However, as this report will attest, state and local agencies, that currently have a cooperative relationship with HUD to investigate fair housing complaints, are being challenged by HUD to change their laws to practically mirror those on the federal level within 40 months of the passing of the federal law or face losing their substantial equivalency status. For over twenty years, state and local agencies have been working cooperatively with the federal government to develop a coordinated approach to enforcing fair housing laws. If this relationship dissolves, due to our being unable to pass laws on our local levels to mirror the stronger federal laws, then we will be reduced to having two and possibly three different state, local and federal agencies investigating the same complaints.

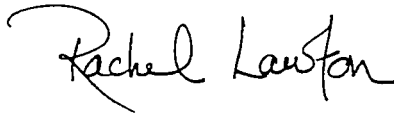
Since last April when I testified about our serious concerns regarding this issue, we are already seeing more than one government agency investigating the same complaint. Because PCHR, like all other state and local agencies, is not considered substantially equivalent with regard to familial status and handicap, there have been several cases that both PCHR and HUD have had the responsibility to investigate. It seems unfair to both complainants and respondents to subject them to two different investigations on the same allegations in addition to it being a

page 2

waste of tax payers money to conduct two parallel investigations on the same issue.

As much as PCHR is anxious to expand it's jurisdiction and enforcement powers, we can not guarantee that it will happen within 40 months or beyond. If we lose our substantial equivalency status with HUD, the public can look forward to having two separate investigations done on every fair housing complaint that comes into our office. Now what kind of sense does that make and won't it have a negative impact on our ability to effectively combat housing discrimination in this country?

Sincerely,

A handwritten signature in cursive script that reads "Rachel Lawton". The signature is written in black ink and is positioned above the typed name and title.

Rachel Lawton
Supervisor, Housing Unit

APPENDIX D

ANALYSIS OF LENDING ACTIVITY
HARRISBURG AREA FINANCIAL INSTITUTIONS
1985 - 1987

A Presentation of Findings from Research Conducted
for the
Harrisburg Fair Housing Council, Inc.

In Partial Fulfillment of Contracted Services Provided
under the
Federal Housing Assistance Project

Daniel M. Welliver
Researcher / Statistician Consultant
February, 1989

INTRODUCTION

The Harrisburg Fair Housing Council, Inc., in a cooperative project with the Harrisburg Human Relations Commission, continues to conduct research on the lending practices and patterns for Harrisburg's local lending institutions.

In 1986, Dr. P.R. Morgan, who worked under contract with the Harrisburg Fair Housing Council, issued a report on the lending behavior of local institutions for the period of 1980 - 1984. Dr. Morgan's report primarily summarized raw data collected from the 1980 Census as well as Annual Reports, Community Reinvestment Act Statements, and Home Mortgage Disclosure Act Statements obtained from local institutions.

In November of 1987, with funding from the Department of Housing and Urban Development's Fair Housing Assistance Project, the Harrisburg Fair Housing Council contracted with Daniel M. Welliver to "Continue the analysis of the 1986 study, and to collect 1985 and 1986 data."

This report is the result of the continued collection of data (which now includes 1987 data as well), and of additional analysis.

Advanced statistical studies of lending in Chicago, Baltimore, and most recently in Atlanta have documented that low and moderate income neighborhoods, and neighborhoods with a relatively higher minority population, receive a disproportionately low share of mortgage and home improvement loan dollars. The data accumulated in these studies, and the level of sophistication of statistical analysis, allowed the effects of many confounding variables to be identified so that conclusions could be drawn regarding the focal independent variables of neighborhood income and race.

The level of statistical analysis for the study of Harrisburg's lending patterns does not allow for such clear conclusions to be drawn. Nonetheless, the data summarized in this report presents no evidence that Harrisburg has avoided the problematic situations identified in other cities around the country.

The most significant findings appear in the first two sections of the report, which is presented in a total of five major sections:

1. MAPS, DEFINITIONS and MARKET-WIDE PATTERNS
2. COMPARATIVE ANALYSIS OF LOCAL LENDERS -- BARCHARTS
3. INDIVIDUAL LENDER PROFILES
4. RAW DATA ON HOME IMPROVEMENT LOANS -- 1985 - 1987
5. SUPPLEMENT -- RAW DATA

SECTION 1

MAPS, DEFINITIONS and MARKET-WIDE PATTERNS

This section is comprised of four maps of the Harrisburg area.

Below is a description of what each map represents. In these descriptions, key terms used throughout this report will be defined.

In addition, the descriptions of the maps will include a brief overview of market-wide lending patterns identified by this study.

MAP 1

Map 1 is a general reference map indicating, by number, the census tracts that comprise the Greater Harrisburg Area.

The remaining three maps will not show the number assigned to each individual census tract. Map 1 is provided so that census tracts can be identified by number by the reader when necessary or desired,

MAP 2

Map 2, Map 3, and Map 4 include only the 28 focal census tracts examined in this study. The 28 census tracts that appear on the maps are those census tracts that either comprise or directly adjoin the City of Harrisburg.

Those census tracts that are shaded on Map 2 are those that will be referred to throughout this study as "City Tracts." They are those 17 tracts that comprise the City of Harrisburg.

According to 1980 Census data, 56% of all 1-to-4 Unit Structures found in the 28 census tracts on the map were located in these 17 shaded census tracts.

Of all of the mortgages and home improvement loans made by the eleven financial institutions included in this study in the 28 tracts from 1985 - 1987, 54% were made in these City Tracts.

Of all of the income earned by persons living in the 28 focal tracts on the map, 45% was earned by persons living in City Tracts.

Of all of the mortgage and home improvement lending in the 28 focal tracts on the map, 41% was lent for homes in City Tracts.

MAP 3

The shaded census tracts in Map 3 are those that this study will refer to as "Low/Moderate Income Tracts."

For the purposes of this study, Low/Moderate Income Tracts are defined in the same way that many of the federal regulatory agencies for financial institutions define Low/Moderate Income Tracts -- they are those tracts for which the average (mean) family income for the census tract is 80% or less of the average (mean) family income for the entire Standard Metropolitan Statistical Area.

Although 38% of all of the 1-to-4 Unit Structures on the map are located in Low/Moderate Income Tracts, only 29% of the mortgages and home improvement loans made by studied institutions were made in these tracts from 1985 - 1987.

Furthermore, although 26% of all income earned in the 28 tracts was earned by persons in Low/Moderate Income Tracts, only 17% of all loan dollars were invested in these tracts.

Although additional research would be needed to substantiate any clear conclusion, these statistics give an initial indication that there may be a disproportionately small amount of investment by local Harrisburg lenders in the low/moderate income neighborhoods of Harrisburg.

MAP 4

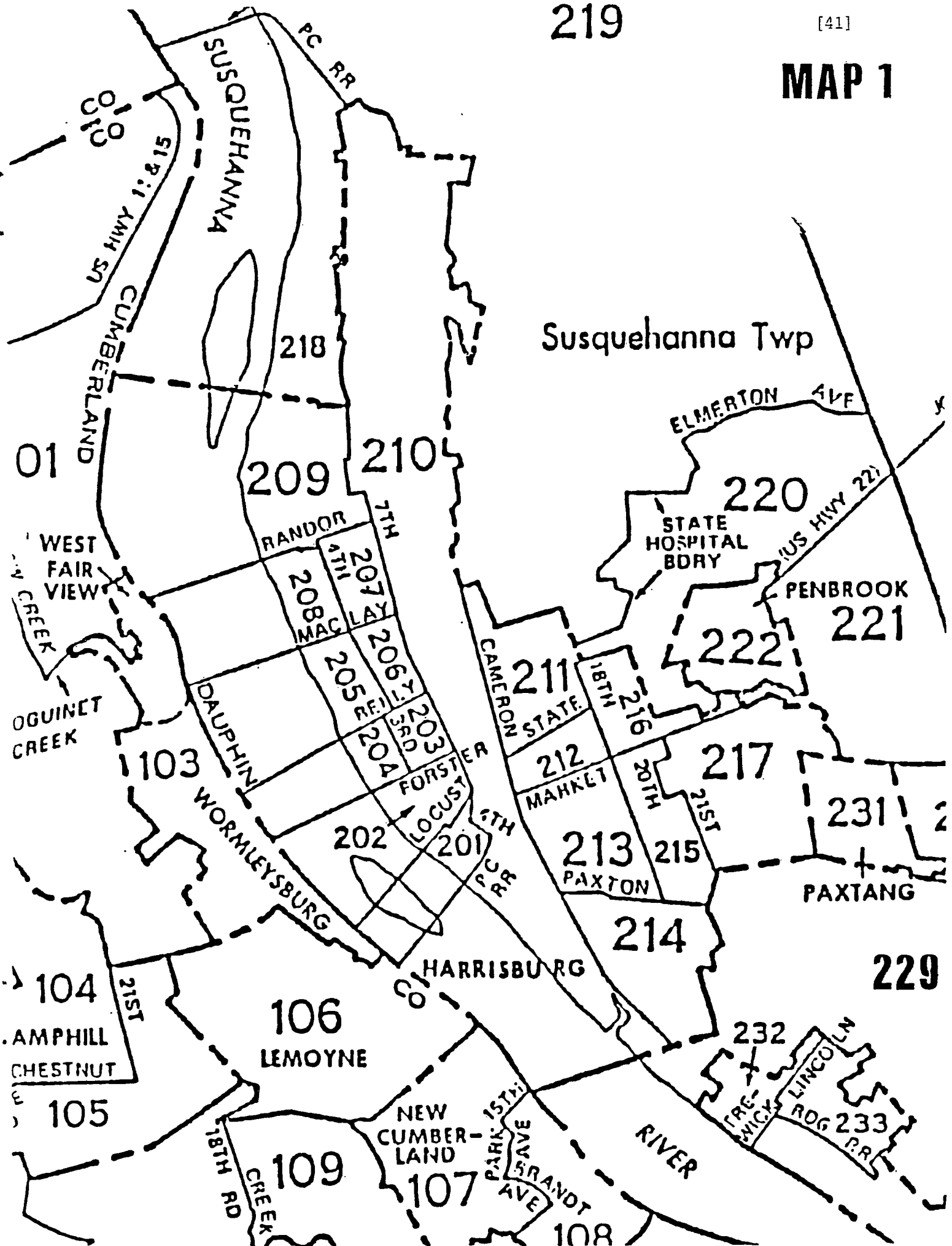
The shaded areas of Map 4 are "Minority Tracts." Minority tracts are those 12 census tracts in which 30% or more of the population at the time of the 1980 Census were ethnic minorities.

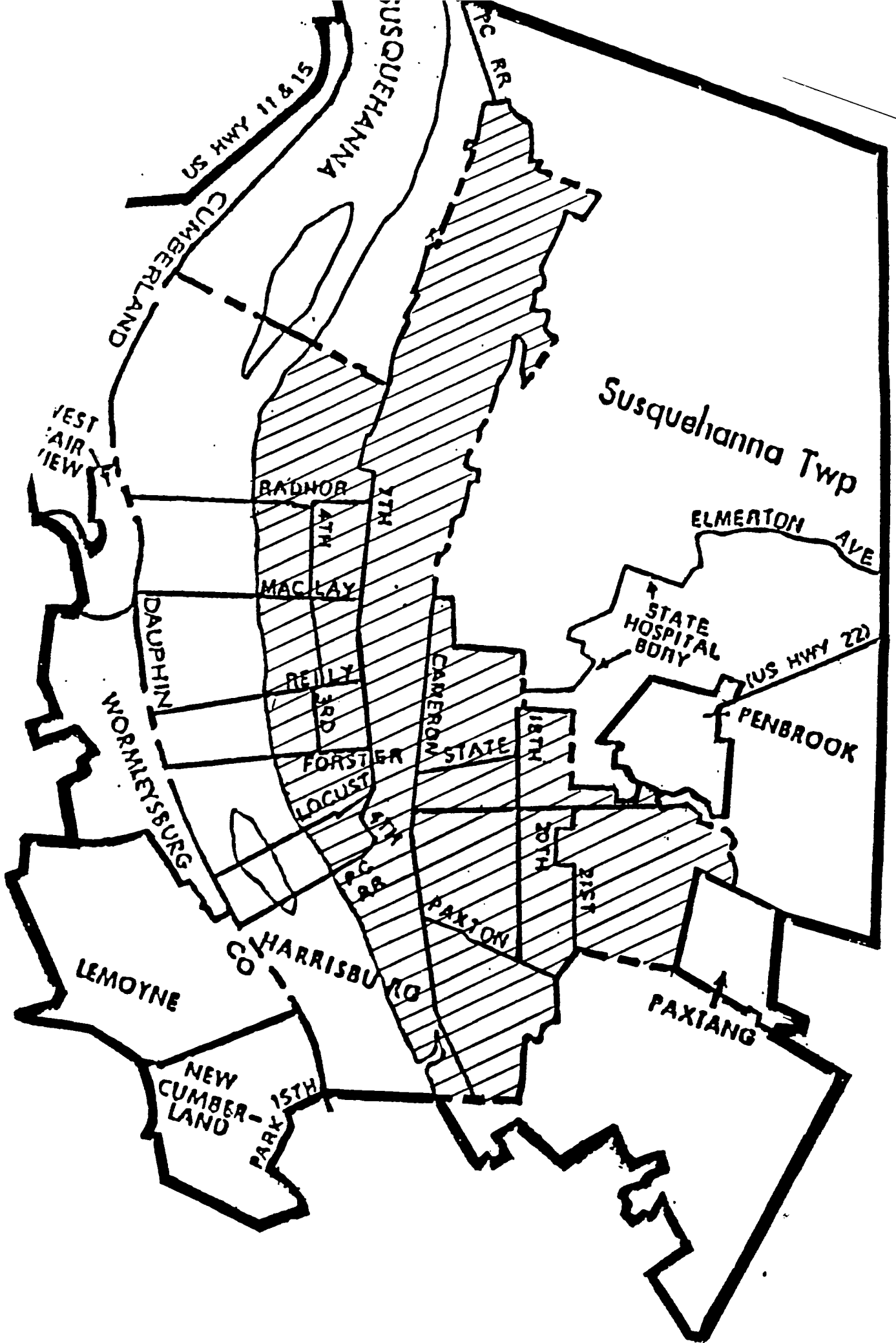
The Minority Tracts contain 45% of the 1-to-4 Unit Structures in the 28 focal census tracts, yet only 37% of mortgages and home improvement loans were made in these tracts.

Although 32% of all income earned in the area shown on the map was earned in Minority Tracts, only 22% of loan dollars found their way to these tracts.

There appears to be a significant difference in the number of loans and the amount of loan dollars associated with Minority Tracts in comparison to the other census tracts studied.

MAP 1





Susquehanna Twp

ELMERTON AVE

STATE HOSPITAL BLDG

IUS HWY 22

PENBROOK

PAXTON

PAXTANG

LEMOYNE

NEW CUMBERLAND

PARK 15TH

HARRISBURG CO

DAUPHIN

WORMLEYSBURG

WEST AIR VIEW

CUMBERLAND

51 & 11 A.M.K. ST

SUSQUEHANNA

PC RR

RADNOR

4TH

7TH

MAC LAY

REILLY

3RD

FORSTIER

LOCUST

CAMERON

STATE

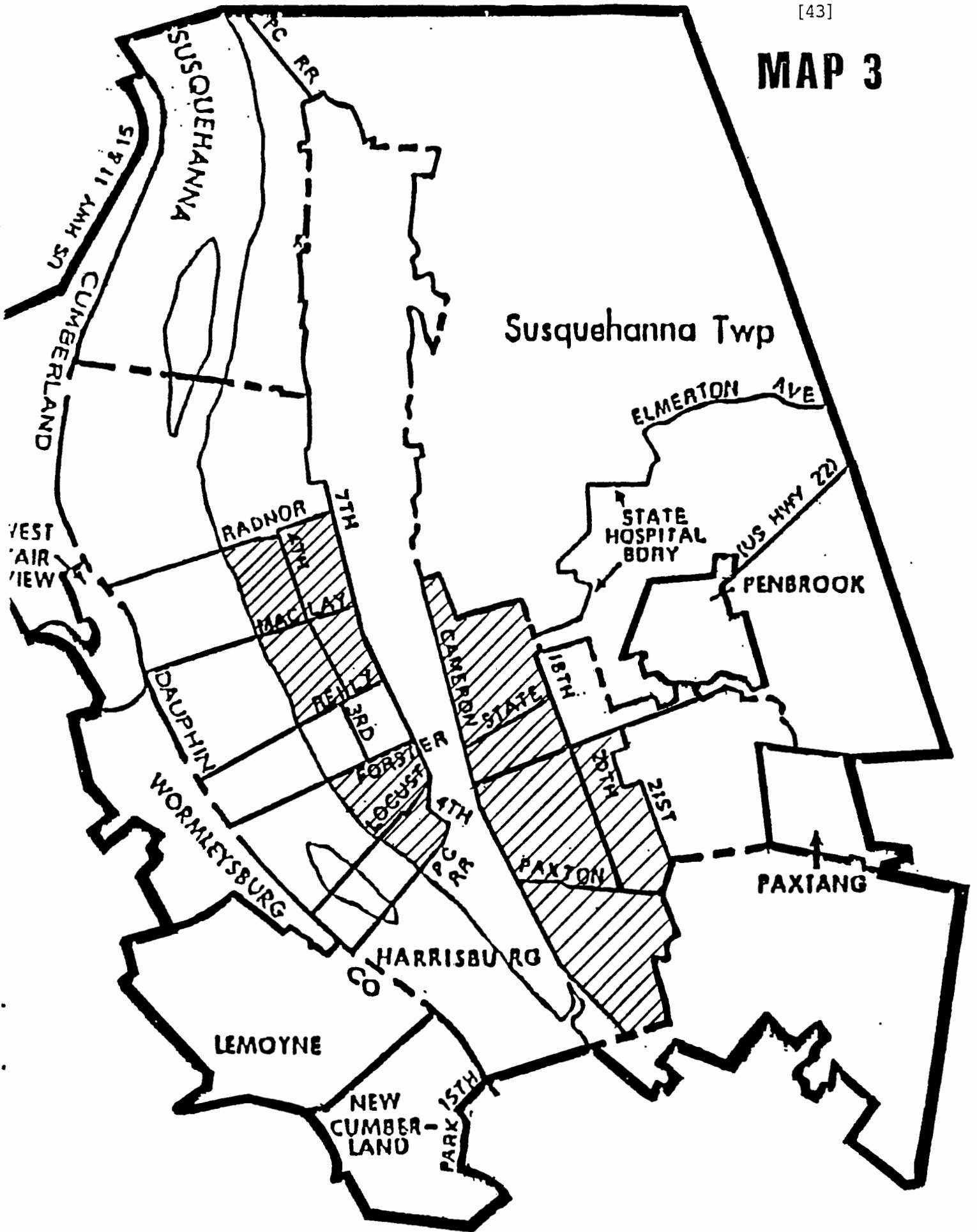
18TH

20TH

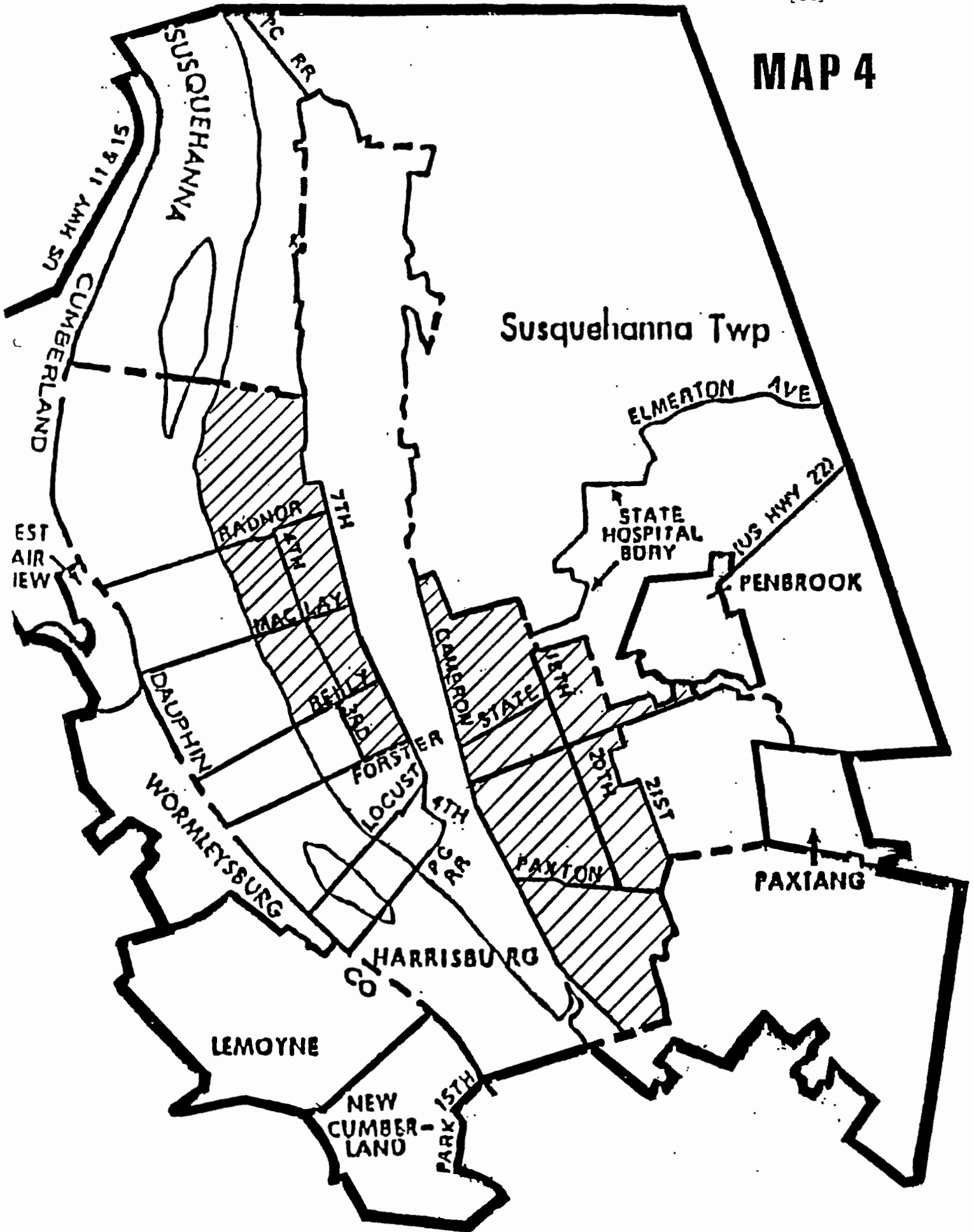
21ST

MA

MAP 3



MAP 4





UNITED STATES
COMMISSION ON
CIVIL RIGHTS

1121 Vermont Avenue, N.W.
Washington, D.C. 20425

May 31, 1989

Honorable Jack Kemp, Secretary
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.
Washington, D.C. 20410

Dear Jack:

Last month in Philadelphia, the Pennsylvania Advisory Committee to the U.S. Commission on Civil Rights held a forum focussing on the Fair Housing Amendments Act of 1988. The Committee was fortunate to have representation from the fair housing enforcement units of the Department of Housing and Urban Development (HUD), the Pennsylvania Human Relations Commission, and the Philadelphia Commission on Human Relations. Also involved were representatives of the Pennsylvania Association of Realtors, the Pennsylvania Low Income Housing Coalition, the Pittsburgh Urban League, and the Harrisburg Fair Housing Council.

Eventually the results of this public forum will be presented to us at the Commission on Civil Rights for review and approval. That is a process that will take some time yet. Many of our staff and Advisory Committee members who were directly involved, however, are of the opinion that some elements of the presentations at this forum require your immediate attention.

The concerns that have been expressed to me center above all on the arrangements and regulations that allow for local and state agencies to serve in their areas as "substantially equivalent" agencies relative to HUD. Some of the fair housing chiefs of these agencies fear that they may not be able to make all of the changes in their laws according to the regulations as those regulations are being interpreted at HUD. The head of the State's fair housing unit also told the Advisory Committee that HUD officials had been asked whether they would review a draft of the proposed legislation before it is submitted to the state or local legislatures; HUD's response was negative. And yet, if the enacted legislation is then judged by HUD as deficient, the agency involved would immediately lose its current equivalency status which the new act provides for under a "grandfather clause."

Honorable Jack Kemp

- 2 -

May 31, 1989

In light of these concerns, I would hope that your staff might consult with affected agencies in Pennsylvania even before you receive the Advisory Committee's summary report. The transcript will eventually be forwarded to your regional office in Philadelphia for verification. Until that time, however, I am asking our staff to make themselves available to consult with your staff regarding their important concerns.

As you know, some parts of the new legislation form a first step in what might ultimately become pathbreaking approaches toward the protection of civil rights. With all such undertakings, the most important moments are those first moments of implementation, when it is crucial that humane and common-sense practices be wedded to the principles invoked if we aim to assure ultimate success. That is the spirit in which I now encourage your attention to these matters.

Best regards,



WILLIAM B. ALLEN
Chairman

cc: Commissioners, U.S. Commission on Civil Rights
Susan M. Wachter, Chairperson
Pennsylvania Advisory Committee
Melvin L. Jenkins, Acting Staff Director
U.S Commission on Civil Rights



SEP 18 1989

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

September 6, 1989

Mr. William B. Allen
Chairman
United States Commission on Civil Rights
1121 Vermont Avenue, N.W.
Washington, D.C. 20005

Dear Mr. Allen:

This is in response to your letter of May 31, 1989 concerning HUD's involvement with the efforts of State and local agencies to promote or develop laws which are "substantially equivalent" to the Federal Fair Housing Amendments Act of 1988 (hereafter the "Act"). As you know, HUD is charged with enforcement of the Act but whenever a complaint alleges a discriminatory housing practice within the jurisdiction of a State or local public agency which HUD has certified as substantially equivalent, HUD must refer the complaint to that certified agency before taking any action with respect to the complaint.

Specifically, you mentioned the concerns expressed at a public forum held in Philadelphia in April by the Pennsylvania Advisory Committee to the United States Commission on Civil Rights. The housing director for the State's Human Relations Commission evidently had asked HUD officials whether HUD would review and approve a draft of proposed legislation before it was submitted to State and local legislatures. HUD denied the request to give final approval of proposed legislation before it could be considered by any legislature.

The Fair Housing Act, as amended, continues to recognize efforts of State and local agencies in enforcing the Act's prohibitions against discriminatory housing practices. Consistent with that recognition, the Act, and Part 115 of the implementing regulations, provide a revised process for certification of agencies as "substantially equivalent" in place of the former recognition process. Under the Act, jurisdictions which were recognized as equivalent prior to enactment of the Act- 38 states and 84 localities- can continue to process complaints referred from HUD (except those based on handicap and familial status discrimination) until September 12, 1992. Those jurisdictions which become certified under the amended Act can continue to receive referrals after that date.

A determination to certify an agency as substantially equivalent includes consideration of whether the law, on its face, provides equivalent substantive rights; procedures; remedies; and judicial review. HUD also will consider whether the current practices and past performances of the agency demonstrate that, in operation, the law actually provides rights and remedies which are substantially equivalent to those provided in the Act.

In addition, the regulations provide that a determination as to whether a State or local law "on its face" is adequate for certification is not limited to an analysis of the literal text of the law but must also take into account regulations, directives, and rules of procedure of a State or local agency, as well as other relevant matters of State or local law or interpretations of competent authorities.

While HUD officials would be available to provide technical assistance in developing legislation, and will make every effort to answer questions, and to meet with the Commission or other State and local officials if necessary, HUD is not able to review proposed legislation in order to make a final determination on whether the proposed law would be certified as substantially equivalent. Final approval of proposed legislation before that legislation faces legislative consideration can be an empty exercise due to the vagaries of the legislative process. Moreover, HUD cannot reasonably give its imprimatur to proposed text standing on its own because of the number of factors that the regulations require HUD to consider in certifying an agency as substantially equivalent.

Let me assure you, however, that HUD officials are willing to assist the Pennsylvania Advisory Committee, or any State or local agency that seeks our technical assistance with proposed legislation. HUD supports local and state agencies in their development and promotion of legislation and other rules and regulations concerning fair housing issues. We look forward to hearing from the Committee and also to the forthcoming Advisory Committee's summary report. I appreciate your long-standing commitment to fair housing and hope to work together more often during my administration at HUD.

Very sincerely yours,

A large, stylized handwritten signature in black ink, appearing to read "Jack Keap". The signature is written in a cursive, flowing style with a large loop at the beginning and a long horizontal stroke at the end.

Jack Keap

NEW FEDERAL FAIR HOUSING APPROACH ENDANGERS A RELATIONSHIP THAT WORKS

A not-so-funny thing happened in the process of strengthening the federal fair housing law. A successful intergovernmental relationship—forged over a decade of cooperation between more than 100 state and local civil rights agencies and the federal Department of Housing and Urban Development—may have been undone.

The new fair housing law, widely cheered when Congress passed it last year, dramatically increases the enforcement powers of the federal government. First, the law has been expanded to protect two additional groups from discrimination: the handicapped and families with children. Second, it enhances the government's remedial powers, providing HUD, for the first time, with authority to impose penalties and order appropriate relief when the law has been violated. Previously, HUD could do no more than make referrals to the Justice Department when it thought it saw a pattern or practice of discrimination, and hope that Justice would see fit to prosecute.

But there is a down side to the new law, which requires a little history to explain. The original 1968 fair housing law included a provision requiring HUD to turn over the processing of complaints of housing discrimination to any state or local agency that had a fair housing law "substantially equivalent" to the federal statute. Little happened as a result. By 1979, only 23 jurisdictions were recognized by HUD as having substantially equivalent laws, and only nine were working closely with HUD.

That changed with the enactment in 1979 of the Fair Housing Assistance Program, which authorized HUD to provide financial assistance to "equivalent" agencies that agreed to process cases of alleged housing discrimination referred to them by HUD. Since then, the number of recognized state and local agencies has grown from 23 to 113. And the percentage of the total national caseload of housing discrimination complaints that these agencies



process rose from less than 10 percent in 1979 to more than 70 percent in 1988.

HUD has invested more than \$30 million in building this successful intergovernmental partnership, which has stretched the tight staff resources available for civil rights enforcement by promoting a careful division of work among agencies with overlapping jurisdiction.

Now, however, the entire program may be in jeopardy. The 1988 law mandates not only that the state or local law provide equivalent "rights and remedies," but also equivalent "procedures" and "judicial review." Moreover, the HUD regulations further increase the burden on states and localities by requiring that local laws protect all categories of individuals covered by federal law.

It is hard to see the rationale for this requirement. Why should HUD ignore the ability of these agencies to protect people they have traditionally protected simply because their laws fail to cover an additional group?

The regulations set up still other barriers to continued cooperation between state and local agencies and HUD. For example, HUD requires local building codes for new housing to track the federal standards of accessibility for the handicapped and—what is much more serious—that the civil rights agencies be given the powers to enforce these standards. But building code enforcement is invariably the province of other local officials and is unlikely to be vested in the civil rights agencies.

In theory, at least, HUD could soften the regulations once it was evident that they were impairing enforcement of the 1988 fair housing law. It is also possible that Congress could change the law, although that seems unlikely, given how recently the legislation was passed and the lack of experience of state and local civil rights agencies in lobbying Congress. That leaves only the alternative of action by state and local legislative bodies to bring their laws into "equivalency." Federal law gives them until 1992 to do this. It would not be easy, but it would be worth the effort the civil rights agencies would put into it.

If these state and local legislative efforts fail, it is clear that the new federal law and regulations will jeopardize the survival of a longstanding and effective intergovernmental relationship. That would be too bad. □

Steven J. Sacks, former director of the Federal, State and Local Programs Division of the U.S. Department of Housing and Urban Development, is now director of the Program Standards Division in the department's Office of Fair Housing and Equal Opportunity. The views expressed in this commentary are his own, and do not represent the policy or positions of HUD.