

**AN OUTLINE OF PRINCIPLES, AUTHORITIES,
AND RESOURCES REGARDING
HOUSING DISCRIMINATION AND SEGREGATION**

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**In Memoriam: David Brady Bryson
1941-1999**

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	AN OVERVIEW OF THE PRINCIPAL FAIR HOUSING LAWS	3
III.	AN OUTLINE OF TITLE VIII LAW	4
IV.	THE CIVIL RIGHTS ACT OF 1866, 42 U.S.C. §§ 1981 AND 1982	11
V.	OTHER SOURCES OF FAIR HOUSING LAW	13
A.	The Fifth and Fourteenth Amendments	14
B.	The Thirteenth Amendment	15
C.	Title VI of the Civil Rights Act of 1964	16
D.	Federal Housing Statutes	16
E.	Executive Orders 11063 and 12892	16
F.	Other Federal Laws	17
1.	Equal Credit Opportunity Act, 15 U.S.C. §§ 1691 <u>et seq.</u>	17
2.	Community Reinvestment Act, 12 U.S.C. § 2901	17
3.	Uniform Relocation Assistance Act, 42 U.S.C. §§ 4601 <u>et seq.</u>	17
4.	§ 504 of The Rehabilitation Act of 1973, 29 U.S.C. § 794	17
5.	Americans with Disabilities Act of 1990, 42 U.S.C. § 12132	17
6.	Migrant and Seasonal Agricultural Worker Protection Act, 29 U.S.C. §§ 1801 <u>et seq.</u>	17
7.	Age Discrimination Act of 1975, 42 U.S.C. § 6101	17
8.	Home Mortgage Disclosure Act, 12 U.S.C. § 2801	17
G.	State Constitutions and Statutes and Local Ordinances	17
VI.	RESOURCES FOR LITIGATING FAIR HOUSING CASES	19
VII	USEFUL WEB SITES	20

I. INTRODUCTION

Housing discrimination and segregation are pervasive in the United States. A national study in 1989 showed that African-Americans and Latinos often encountered discrimination when they tried to rent or buy a home.¹ Two national studies released on September 16, 1999 show increasing racial disparities in home purchases, lending, and refinancing.² Other minorities are subject to discrimination, and people frequently encounter discrimination on the bases of familial status, disability, gender, marital status, source or amount of income, or sexual orientation.³

Most metropolitan areas in the United States are segregated by race.⁴ Fourteen metropolitan areas were identified as "hypersegregated" on the basis of census data for both 1980 and 1990.⁵ "Hypersegregation" describes MSAs for which census data show high levels of segregation on at least four of five dimensions by which segregation is measured.⁶ The consequences of the racial discrimination and segregation are severe, causing grievous personal

¹See John Yinger, *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination* 33-35 (Russell Sage 1995); see also John Yinger, *Access Denied, Access Constrained: Results and Implications of the 1989 Housing Discrimination Study* 80-85, in *Clear and Convincing Evidence: Measurement of Discrimination in America* (Michael Fox and Raymond J. Struyk, eds., Urban Institute Press 1993).

²Margery Austin Turner and Felicity Skidmore, *What We Know About Mortgage Lending Discrimination in America*, www.hud.gov/pressrel/newsconf/menu.html (1999).

³See U.S. Dept. of Housing and Urban Development, *1995 Annual Report to Congress: The State of Fair Housing in America* 5-10 (describing discrimination on the bases of sex, disability, and familial status); *id.* at 47 (listing numbers of complaints filed). See also Michael H. Schill and Samantha Friedman, *The Fair Housing Amendments Act of 1998: The First Decade*, 4 *Cityscape* 57, 61-64 (1999) (providing more recent information about the numbers of complaints on these bases).

⁴See Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* 61-78, 221-223 (Harvard U. Press 1993).

⁵Massey and Denton, *supra* note 3 at 74-75; Nancy A. Denton, "Are African Americans Still Hypersegregated?," in *Residential Apartheid: The American Legacy* 63 (Robert D. Bullard et al. eds., UCLA Press 1994).

⁶See Massey and Denton, *supra* note 3, at 74-75.

hurt,⁷ limiting access to good schools and good jobs,⁸ and making it very difficult for minorities to enjoy appreciating home values and to accumulate net worth.⁹ Integrated housing is the key to integrated schools.¹⁰

For all these reasons, battling housing discrimination and segregation is one of the most important activities in which we can engage. Enabling a family to move into a neighborhood where the schools are good and the streets are safe can be literally life-saving for the family, and increases the likelihood that our civil society may flourish. Fortunately, there are powerful laws against private and public discrimination, and lawyers can be compensated for doing this work through awards of attorneys' fees. All civil rights advocates hope that such programs as this will encourage others to vindicate the housing rights of all people.

⁷See Gwendolyn Brooks, "The Ballad of Rudolph Reed," in *Blacks* (Third World Press 1991).

⁸See Massey and Denton, *supra* note 3, at 149-153, 160-162; Gary Orfield, Segregated Housing and School Resegregation, in *Dismantling Desegregation: The Quiet Reversal of Brown v. Board of Education* 291-330 (Gary Orfield et al. eds. New Press 1996).

⁹See William A. Darity, Jr., and Samuel L. Myers, Jr., *Persistent Disparity: Race and Economic Inequality in the United States Since 1945*, at 149-154 (Edward Elgar 1998); Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (Routledge 1995); John Yinger, *Closed Doors, Opportunities Lost*, *supra* note 1.

¹⁰See Gary Orfield, Unexpected Costs and Uncertain Gains of Dismantling Desegregation, in *Dismantling Desegregation*, *supra* note 8, at 73, 105; Gary Orfield, Metropolitan School Desegregation Impacts on Metropolitan Society, 80 *Minn. L.Rev.* 825 (1996); William L. Taylor, The Continuing Struggle for Equal Education Opportunity, 71 *N.C. L.Rev.* 1693 (1993); Institute of Race and Poverty, *Examining the Relationship between Housing, Education, and Persistent Segregation* (U. Mn.1998); Myron Orfield, *Metropolitics: A Regional Agenda for Community and Stability* 90 (Brookings Institution/Lincoln Institute of Land Policy 1997); Florence Wagman Roisman, Sustainable Development in Suburbs and Their Cities: The Environmental and Financial Imperatives of Racial, Ethnic, and Economic Inclusion, 3 *Widener L.Symp.J.* 87, 106 (1998).

II. AN OVERVIEW OF THE PRINCIPAL FAIR HOUSING LAWS.

The principal federal fair housing laws are:

Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. § 3601 et seq.; and

The Civil Rights Act of 1866, 42 U.S.C. §§ 1981 and 1982.

State constitutions and laws also can be important.

III. AN OUTLINE OF TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968.

Title VIII of the Civil Rights Act of 1968 is Pub.L. 90-284, 82 Stat. 81 as amended, 42 U.S.C. §§ 3601 et seq.

HUD regulations implementing the Fair Housing Act are at 24 C.F.R. Parts 100 through 125. The HUD regulations "ordinarily command [] considerable deference. . . ."¹¹

1. Protected categories of people: The statute makes it unlawful to discriminate because of race, color, religion, sex, familial status, national origin or handicap. 42 U.S.C. § 3604(a),(f). (The words "disability" and "handicap" are used interchangeably.) "Familial status" refers to households with a child or children under 18 or a person who is pregnant or in the process of securing legal custody of a child under 18.

2. Definition of Handicap (or Disability). The statute defines handicap to mean "(1) a physical or mental impairment which substantially limits one or more of such person's major life activities, (2) a record of having such an impairment, or (3) being regarded as having such an impairment, but such term does not include current, illegal use of or addition to a controlled substance" 42 U.S.C. § 3602(h). The HUD regulations include in the definition of "is regarded as having an impairment": "(2)has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment" 24 C.F.R. 100.201(d)(2) (emphasis added). The Fourth Circuit has held that "limitation on major life activities" includes one's ability to obtain an apartment, so that one who has an impairment and is denied housing by a landlord is handicapped within the meaning of the statute. On this basis, the Fourth Circuit invalidated a landlord's refusal to rent to former substance abusers. *U.S. v. Southern Management Corp.*, 955 F.2d 914 (4th Cir. 1992).

Several recent U.S. Supreme Court decisions shed light on the meaning of critical terms: "impairment," "substantially limits," and "major life activity." *Bragdon v. Abbott*, 524 U.S. 624 (1998), holds that asymptomatic HIV infection is an impairment under the Americans with Disabilities Act¹² and that "major life activity" includes reproduction. *Sutton v. United Air Line*¹³ holds that working in a "broad class of jobs" is a major life activity and that "substantially limits" is to be decided by taking into account measures, devices, or medications that mitigate or ameliorate the impairment. (*Sutton* held that where myopia was corrected with eyeglasses and contact lenses it did not substantially limit the plaintiffs' ability to work in a broad class of jobs, though it did prevent their being commercial airline pilots.) For a case involving "being regarded

¹¹*Gladstone Realtors v. Village of Bellwood*, 441 U.S. 91, 107 (1979).

¹²Disability standards under the ADA are the same as disability standards under Title VIII.

¹³*Sutton v. United Air Line*, 527 U.S. 471 (1999); see also *Murphy v. United Parcel Service*, 527 U.S. 516 (1999), and *Albertsons, Inc. v. Kirkingburg*, 527 U.S. 555 (1999).

as having an impairment," see *Neithamer v. Brenneman Property Services, Inc.*, 81 F.Supp.2d 1 (D.D.C. 1999).

3. Prohibited acts. The statute broadly prohibits the refusal to sell, rent, or negotiate for sale or rental, or acts that "otherwise make unavailable or deny" dwellings. It also specifically prohibits making statements indicating preferences (§ 3604(c)) or discriminating in terms, conditions, privileges, services or facilities (§ 3604(b)).

4. Discrimination on the basis of handicap includes refusal to make **reasonable accommodations** in rules, policies, practices or services (§ 3604(f)(3)(B)) and refusal to allow a handicapped person to make **reasonable modifications** at his or her expense (§ 3604(f)(3)(A)). Reasonable modifications must be paid for by the person who seeks them -- e.g., a tenant -- but the cost of reasonable accommodations must be borne by the other party -- a landlord, a seller, a homeowners association, a city. Typical accommodations that are required are waiving "no pet" rules for seeing and hearing dogs for residents with vision or hearing impairments, and providing preferred parking for people with mobility impairments. See *Bronk v. Ineichen*, 54 F.3d 425 (7th Cir. 1995) (if dog were "hearing dog," no pets policy would have to be waived); *Jankowski Lee & Assoc. v. Cisneros*, 91 F.3d 891 (7th Cir. 1996) (parking space). Reasonable accommodations also are required in many zoning and subdivision restriction cases. See, e.g., *Hovsons, Inc. v. Township of Brick*, 89 F.3d 1096 (3d Cir. 1996) (requiring a New Jersey township to allow a nursing home in a residential area); *Hill v. Community of Damien of Molokai*, 911 P.2d 861 (N.M. 1996) (restrictive covenants); but see *Hemisphere Building Co. v. Village of Richton Park*, 171 F.3d 437 (7th Cir. 1999) (rezoning not required to allow homes to sell for \$90,000 rather than \$100,000).

24 C.F.R. § 100.204

Accommodations must be both reasonable and necessary.

This involves three questions:

- (1) What relationship must obtain between the disability and the request accommodation?
- (2) What is reasonable?
- (3) Does the proposed accommodation impose "undue financial or administrative burdens" or "require a fundamental alteration in the nature of [the] program?"¹⁴

5. Title VIII applies to governmental or private defendants.

6. Intent is not required to establish liability. Prima facie liability can be established by a showing of disparate effect.

¹⁴*Southeastern Community College v. Davis*, 442 U.S. 397, 410, 412 (1979); *School Board of Nassau County, FL v. Arline*, 480 U.S. 273, 288 (1987).

The courts of appeals have adopted different standards for determining disparate effect:

The Seventh Circuit introduced a four-factor test in *Metropolitan Housing Development Corp. v. Village of Arlington Heights* ("*Arlington Heights II*"), 558 F.2d 1283 (7th Cir. 1977), cert. denied, 434 U.S. 1025 (1978). The four factors are: "(1) how strong is the plaintiff's showing of discriminatory effect; (2) is there some evidence of discriminatory intent, though not strong enough to satisfy the constitutional standard of *Washington v. Davis*; (3) what is the defendant's interest in taking the action complained of; and (4) does the plaintiff seek to compel the defendant to affirmatively provide housing for members of minority groups or merely to restrain the defendant from interfering with individual property owners who wish to provide such housing?"¹⁵

The Sixth Circuit has adopted three of those four factors -- excluding the second, whether there is some evidence of intent. *Arthur v. City of Toledo*, 782 F.2d 565 (6th Cir. 1986). The 10th Circuit has followed this. See *Mountain Side Mobile Home Estates Partnership v. HUD*, 56 F.3d 1243 (10th Cir. 1995).

The Second and Third Circuits follow a "pure effect" test. See *Huntington Branch, NAACP v. Town of Huntington*, 844 F.2d 926 (2d Cir. 1988), review denied in part and judgment aff'd, 488 U.S. 15 (per curiam) and *Resident Advisory Board v. Rizzo*, 564 F.2d 126 (3d Cir. 1977), cert. denied, 435 U.S. 908 (1978). Compare *Familystyle of St. Paul, Inc. v. City of St. Paul*, 923 F.2d 91 (8th Cir. 1991).

There is no agreement about who has what burden of production or persuasion in disparate impact cases. Compare *Huntington* with *Mountain Side*, but note that the only case in which the Supreme Court held that the plaintiff always has the burden of persuasion in a disparate impact case was *Wards Cove Packing Co. v. Atonio*, 490 U.S. 642, 659 (1989), which was expressly overruled -- for Title VII -- in the Civil Rights Act of 1991.¹⁶

7. The courts recognize two kinds of discriminatory effect: greater adverse impact on one group than another or harm to the community by the perpetuation of segregation. (*Arlington Heights II*, 558 F.2d at 1290 and *Huntington*, 844 F.2d at 937.) Greater adverse impact need not mean that more minorities have been affected; if a larger percentage of minorities has been affected, the standard is satisfied. *Huntington*, supra.

8. Intentional Discrimination: Establishing a Prima Facie Case.

¹⁵*Arlington Heights II*, 558 F.2d at 1290. Close cases must be decided in favor of integrated housing. *Arlington Heights II*, 558 F.2d at 1294. Note that the four factors test includes but does not require intent.

¹⁶See Pub.L. No. 102-166, 105 Stat. 1071, 42 U.S.C. § 1981 note.

In some situations there is direct evidence of intentional discrimination. Where there is no direct evidence, a prima facie case may be established by indirect evidence. Some ways of proving intent by indirect evidence are set out by the Supreme Court in *Arlington Heights I* (*Village of Arlington Heights v. Metropolitan Housing Development Corp.*, 429 U.S. 252 (1977)). Another, formulaic way to establish a prima facie case is by showing that:

- a. The claimant is a member of a protected class;
- b. The claimant applied for and was qualified to rent or buy the property at issue;¹⁷
- c. The claimant was rejected; and
- d. The housing opportunity remained available.¹⁸

"[B]enign motive does not prevent [an action] from being discriminatory on its face." *Larkin v. State of Michigan Dept. of Social Services*, 89 F.3d 285, 290 (6th Cir. 1996) (spacing and notice requirements for Adult Foster Care facilities are discriminatory on their face). See also *Marbrunak, Inc. v. City of Stow, Ohio*, 974 F.2d 43 (6th Cir. 1992).

9. After the prima facie case of intentional discrimination has been established, the defendant must produce a legitimate, nondiscriminatory reason for its action. If the defendant does so, the burden of production and persuasion shifts to the plaintiff to show that the proffered reason is pretextual.¹⁹

In the context of notice and spacing requirements for Adult Foster Care facilities, the 6th Circuit recently held that defendants have the burden of "demonstrat[ing]" that the discriminatory provisions are "warranted by the unique and specific needs and abilities of those handicapped persons' to whom the regulations apply." *Larkin*, supra, 89 F.3d at 290.

10. Mixed motive cases. *Price Waterhouse v. Hopkins*, 490 U.S. 228 (1989), a Title VII employment discrimination case,²⁰ holds that the "because of" language in Title VII means that a defendant can escape liability by showing that the challenged decision would have been taken in the absence of discrimination. 490 U.S. at 252-253. HUD's Chief Administrative Law Judge has

¹⁷A futile application is not required. *Pinchback v. Armistead Homes Corp.*, 689 F.Supp. 541 (D. Md. 1988), aff'd in part and vacated in part, 907 F.2d 1447 (4th Cir. 1990), cert. denied, 498 U.S. 983 (1990).

¹⁸See *Indiana Civil Rights Cmsn. v. Washburn Realtors*, 610 N.E.2d 293, 295 (In. Ct. of App. 1993).

¹⁹See *Vakharia v. Swedish Covenant Hospital*, 1999 U.S. App. LEXIS 21569 (7th Cir. 9/9/99) (Title VII case). The standards derive from *McDonnell-Douglas v. Green*, 411 U.S. 792 (1973), *Texas Dept. of Community Affairs v. Burdine*, 450 U.S. 248 (1981), and *St. Mary's Honor Center v. Hicks*, 509 U.S. 502 (1993). The burden of persuasion in these cases always is on the plaintiff.

²⁰Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e.

held that *Price Waterhouse* applies to Title VIII cases. *HUD v. Denton*, HUDALJ 05-90-0012-1, decided February 7, 1992; FH-FL Rptr. Para. 25,014. The same ALJ opinion holds that Congress' reversal of *Price Waterhouse*, in Section 107(a) of the Civil Rights Act of 1991,²¹ has no effect on Title VIII. *Id.* at 11; see Schwemm, 28-9. The Seventh Circuit has applied *Price Waterhouse* to the Age Discrimination in Employment Act and would be likely to do so in Title VIII cases..²²

11. Coercion: 42 U.S.C. § 3617 makes it unlawful to "coerce, intimidate, threaten, or interfere with" anyone's exercise of rights protected by Title VIII. § 3617 prohibits "a broad range of activities." HUD Preamble, 24 C.F.R. ch. 1, sub. ch. A, App. 1. It covers "persons who are not involved in" the real estate transaction. *Id.* See *Smith v. Stechel*, 510 F.2d 1162, 1164 (9th Cir. 1975). See also *Michigan Protection and Advocacy Serv., Inc. v. Babin*, 18 F.3d 337, 347 (6th Cir. 1994) (breadth of § 3617); *Buckeye Community Hope Foundation v. City of Cuyahoga Falls*, 970 F.Supp. 1289, 1319-20 (N.D. OH 1997) (§ 3617 may apply to denial of site plan and building permits).

12. Affirmative action by government required. In addition to the basic requirements of Title VIII, 42 U.S.C. § 3608(d) requires that "all executive departments and agencies shall administer their programs and activities relating to housing and urban development (including any Federal agency having regulatory or supervisory authority over financial institutions) in a manner affirmatively to further the purposes of" Title VIII. Similarly, 42 U.S.C. § 3608(e)(5) imposes on HUD the duty to "administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies" of Title VIII. *Shannon v. HUD*, 436 F.2d 809 (3d Cir. 1970); *NAACP v. HUD*, 817 F.2d 149 (1st Cir. 1987); *NAACP, Boston Chapter v. Kemp*, 721 F. Supp. 361 (D. Mass. 1989).

13. Coverage: Title VIII applies to "dwellings," including vacant land offered for sale or lease for dwellings. The act has been held to apply to mobile home parks, homeless shelters, and summer homes. See *United States v. Columbus Country Club*, 915 F.2d 877 (3d Cir. 1990), cert. denied, 501 U.S. 1205 (1991); accord, *Hovsons, Inc. v. Township of Brick*, 89 F.3d 1096 (3d Cir. 1996) (nursing home).²³

²¹Pub.L. 102-66, 105 Stat. 1071, supra note 16.

²²*Visser v. Packer Engineering Assoc., Inc.*, 924 F.2d 655, 658 (7th Cir. 1991) (en banc). In *McNutt v. Board of Trustees of Univ. of Illinois*, 141 F.3d 706, 707 (7th Cir. 1998) the court said that it and others had applied *Price Waterhouse* "in all mixed-motive discrimination cases."

²³42 U.S.C. § 3607(a) exempts religious organizations and private clubs, but this is very narrowly interpreted. See Schwemm § 9.3(3) and *United States v. Columbus Country Club*, 915 F.2d 877 (3d Cir. 1990), cert. denied, 501 U.S. 1205 (1991).

Sale or rental of a single family house by its owner without a broker or advertising or of units in owner-occupied buildings of 4 units or fewer may be exempt from most of the prohibitions of Title VIII Act, 42 U.S.C. § 3603(b). They are not exempt from 42 U.S.C. § 3604(c), which makes it unlawful "to make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation, or discrimination based on race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation, or discrimination." They also are not exempt from other civil rights laws, notably 42 U.S.C. § 1982. See Schwemm, Chapter 9 and *infra*, pp. 10-11.

14. Examples of prohibited conduct:

- a. Refusing to sell, rent or negotiate; otherwise making housing unavailable; adopting burdensome procedures or delaying tactics; "grudging" sales or techniques.
- b. Racial steering. *Zuch v. Hussey*, 394 F.Supp. 1028 (E.D. Mich. 1975), *aff'd* in relevant part, 547 F.2d 1168 (6th Cir. 1977).
- c. Exclusionary zoning and land use restrictions. See Schwemm, § 13.4(3).
- d. Mortgage and insurance redlining and discriminatory appraisals: *Laufman v. Oakley Building and Loan Co.*, 408 F.Supp. 489 (S.D. Ohio 1976) (mortgage redlining); *NAACP v. American Family Mutual Insurance Co.*, 978 F.2d 287 (7th Cir. 1992), *cert denied*, 113 S.Ct. 2335 (1993); see Schwemm § 13.4(4) and Chapter 18.
- e. Discriminatory terms, conditions, services and facilities. See Schwemm Chapter 14.
- f. Discriminatory advertising, notices and statements. See Schwemm Chapter 5.
- g. False representations of unavailability. See Schwemm Chapter 16.
- h. Blockbusting. See Schwemm Chapter 17.
- i. Coercion, intimidation, threats, interference. See Schwemm Chapter 20.
- j. Eviction and rehabilitation. See *Brown v. Artery Organization*, 654 F.Supp. 1106 (D.D.C. 1987).
- k. Refusing to allow termination of lease for tenant with disability. *Samuelson v. Mid-Atlantic Realty Co.*, 947 F.Supp. 756 (D. DE 1996).
- l. Sexual Harassment. See *Honce v. Vigil*, 1 F.3d 1085 (10th Cir. 1993); compare *Dicenso v. Cisneros*, 96 F.3d 1004 (7th Cir. 1996) (2-1 rejection of HUD's decision, while accepting the legal principle).
- m. Eviction because of race or other protected status of a guest. 24 C.F.R. § 100.60(b)(5).
- n. "All adult" or "singles only" housing, except within the "housing for older persons" definition of § 3607 (b)(1)-(3).²⁴

²⁴42 U.S.C. § 3607(b) (1) . . . Nor does any provision in this title regarding familial status apply with respect to housing for older persons.

(2) As used in this section, "housing for older persons" means housing--

- o. "Protecting" families with children from certain areas. See Schwemm § 11.6.

15. **Statutory Construction.** The Supreme Court has held unanimously that the language of Title VIII is "broad and inclusive," implementing a "policy that Congress considered to be of the highest priority," requiring "a generous construction" of the statute. *Trafficante v. Metropolitan Life Ins. Co.*, 409 U.S. 205, 209, 211, 212 (1972). See Schwemm § 7.2.

16. **Relief Available.** Section 3613 authorizes a court to award actual and punitive damages, equitable relief, and, to a prevailing party, a reasonable attorney's fee and costs.

In an administrative proceeding, HUD or the state agency may award actual damages, a civil penalty, and injunctive or other equitable relief. 42 U.S.C. § 3612(g). HUD is authorized to award damages for emotional distress as well as other forms of loss.

With respect to compensatory and punitive damages, see *City of Chicago v. Matchmaker Real Estate Sales Center*, 982 F.2d 1086 (7th Cir. 1992) (compensatory and punitive damages awarded, but punitive damages were appropriate only against direct actors, not on the basis of vicarious liability against principal who had taken substantial steps to prevent discrimination).

(A) provided under any State or Federal program that the Secretary determines is specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or

(B) intended for, and solely occupied by, persons 62 years of age or older; or

(C) intended and operated for occupancy by persons 55 years of age or older, and--

- (i) at least 80 percent of the occupied units are occupied by at least one person who is 55 years of age or older;
- (ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subparagraph; and
- (iii) the housing facility or community complies with rules issued by the Secretary for verification of occupancy, which shall--
 - (I) provide for verification by reliable surveys and affidavits; and
 - (II) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii). Such surveys and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

IV. CIVIL RIGHTS ACT OF 1866, 42 U.S.C. §§ 1981 and 1982.

Section 1981 (a) provides: "All persons within the jurisdiction of the United States shall have the same right in every State and Territory to make and enforce contracts, to sue, be parties, give evidence, and to the full and equal benefit of all laws and proceedings for the security of persons and property as is enjoyed by white citizens, and shall be subject to like punishments, pains, penalties, taxes, licenses, and exactions of every kind, and to no other."

The Civil Rights Act of 1991 made what had been all of Section 1981 into subsection (a) of that statute and added two new subsections, (b) and (c). Section 1981(b) provides that "the term 'make and enforce contracts' includes the making, performance, modification, and termination of contracts, and the enjoyment of all benefits, privileges, terms, and conditions of the contractual relationship." Subsection (c) specifies that the section applies to both private action and action under color of state law. This was added to undo the Supreme Court's ruling in *Patterson v. McLean Credit Union*, 491 U.S. 164 (1989).

Section 1982 provides: "All citizens of the United States shall have the same right in every State and Territory, as is enjoyed by white citizens thereof to inherit, purchase, lease, sell, hold, and convey real and personal property."

See Schwemm, Chapter 27.

These sections apply to state, local and private discrimination. They contain no exemptions, and therefore may apply to properties exempt under Title VIII (e.g., an owner-occupied, 4-unit building). Also, they are not limited to "dwellings," as at least some provisions of Title VIII are. The statute of limitations may be longer than Title VIII's (see Schwemm, Section 27.6(2)).

On the other hand, Sections 1981 and 1982 bar only racial discrimination. While this is construed broadly enough to cover most national origin claims (see Schwemm, Section 27.3(1)), it certainly does not include discrimination based on sex, family status, disability, etc. Note also that 1982 (but not 1981) is limited to citizens. Standing may not be as broad as under Title VIII; proof of discriminatory intent generally is required.

Jones v. Alfred H. Mayer Co., 392 U.S. 409, 413 (1968) ("1982 bars all racial discrimination, private as well as public, in the sale or rental of property . . ."). "The *Jones* opinion is the main interpretive source of the legislative history of the Civil Rights Act of 1866 . . . [and] the Supreme Court's principal statement on the relationship of Section 1982 and Title VIII. . . ." Schwemm, Section 27-1, p. 27-5.

In *Clark v. Universal Builders, Inc.*, 501 F.2d 324 (7th Cir. 1974), cert. denied, 419 U.S. 1070 (1974), the Seventh Circuit held that Section 1982 "is violated if the facts demonstrate that defendants exploited a situation created by socioeconomic forces tainted by racial discrimination." It held that plaintiffs stated a claim by alleging "that (1) as a result of racial

residential segregation dual housing markets exist and (2) defendant sellers took advantage of this situation by demanding prices and terms unreasonably in excess of prices and terms available to white citizens for comparable housing." 501 F.2d at 330-334.²⁵

Mixed Motives under § 1982. Smith v. Sol D. Adler Realty Co., 436 F.2d 344, 349-50 (7th Cir. 1970) held that if racial discrimination were any part of the motivation for a decision, the decision would violate § 1982. Query whether this is affected by *Price Waterhouse* (see supra at 7).

Attorney's fees and court costs also are available under 42 U.S.C. § 1988.

²⁵On remand, the district court held that plaintiffs' proof failed, and the court of appeals affirmed. 706 F.2d 204 (7th Cir. 1983). Schwemm, Section 27.3(2)(c) at 27-17 note 82.

V. OTHER SOURCES OF FAIR HOUSING LAW

A. THE FIFTH AND FOURTEENTH AMENDMENTS TO THE FEDERAL CONSTITUTION (due process and equal protection of the laws).

See Schwemm, Chapter 28.

1. Government action required.

Private individuals may be held liable if they conspired with public officials to deprive people of their 14th amendment rights. See Schwemm at 28-5.

Public Housing Authorities clearly are covered. Whether privately owned, publicly subsidized units are subject to constitutional constraints depends on a variety of factors. See Schwemm, 28-3-28-5. Compare *Miller v. Hartwood Apartments, Ltd.*, 689 F.2d 1239, 1242-44 (5th Cir. 1982) (no) and *Zephier v. Pierce*, 714 F.2d 856, 858-59 (8th Cir. 1983)(dicta)(no) with *Jeffries v. Georgia Residential Finance Authority*, 678 F.2d 919, 922-25 (11th Cir.), cert. denied, 459 U.S. 971 (1982). For descriptions of federally assisted programs, see NATIONAL HOUSING LAW PROJECT: HUD HOUSING PROGRAMS: TENANTS' RIGHTS § 16.5.1. NATIONAL HOUSING LAW PROJECT, RHCD (FMHA) HOUSING PROGRAMS: TENANTS' AND PURCHASERS' RIGHTS (2d ed. 1995 and 1996 Supplement).²⁶

2. Intentional discrimination required; how to prove intent.

"Proof of racially discriminatory intent or purpose is required to show a violation of the Equal Protection Clause." *Village of Arlington Heights v. Metropolitan Housing Development Corp.* ("Arlington Heights I"), 429 U.S. 252, 265 (1977).

Racial animus need not be the only factor, or even the dominant or primary one; it need only be "a motivating factor . . ." "Arlington Heights I, 429 U.S. at 265. "[R]acial discrimination is not just another competing consideration. When there is a proof that a discriminatory purpose has been a motivating factor in the decision, . . . judicial deference is no longer justified." *Arlington Heights I*, 429 U.S. at 265-266.

"Determining whether invidious discriminatory purpose was a motivating factor demands a sensitive inquiry into such circumstantial and direct evidence of intent as may be available." "The impact . . . whether it 'bears more heavily on one race than another' . . . may provide an important starting point." *Id.* The court is to consider impact, "the historical background of the decision," departures from normal procedural sequence, departures from substantive standards, and legislative or administrative history. *Arlington Heights I*, 429 U.S. at 267-268.

²⁶See Resources, *infra* at 17.

"Disproportionate impact is not irrelevant, but it is not the sole touchstone of an invidious racial discrimination." *Arlington Heights I*, 429 U.S. at 265.

(a) Intentional Discrimination -- Pretext -- The Concept of a Prima Facie case.

Where the evidence of discriminatory motive is circumstantial rather than direct, courts often use the prima facie case concept developed by the Supreme Court for Title VII cases. In general, this requires that the plaintiff show:

- 1) membership in a protected class;
- 2) an attempt to secure the unit, and qualification therefor;
- 3) rejection; and
- 4) the housing opportunity's continued availability.²⁷

Once a plaintiff has made this showing, the defendant has to produce a legitimate, non-discriminatory reason for the rejection. Plaintiff then has the opportunity of proving that that is a pretext, and that the real reason is an impermissible one. See *supra* at 6.

(b) Intentional Discrimination -- Mixed Motive Cases.

At least for cases brought under the Constitution, the Supreme Court has held that proof of mixed motives does not necessarily invalidate the challenged action; it merely shifts to defendant "the burden of establishing that the same decision would have resulted even had the impermissible purpose not been considered." *Arlington Heights I*, 429 U.S. at 271 n. 21.

The major difference between "pretext" cases and "mixed motive" cases is that the burden of persuasion shifts to the defendant at least in some of these mixed motive cases. See Schwemm § 10.3 at 10-15 to 10-16.

B. THE THIRTEENTH AMENDMENT: "Neither slavery nor involuntary servitude . . . shall exist within the United States"

See Schwemm, § 27.8.

The Thirteenth Amendment's purpose "was to eradicate not only the physical incidence of slavery but its 'badges and incidents' as well. See *Jones v. Alfred H. Mayer Co.*, 392 U.S. 409,440 (1968). *** '[T]reating black persons different [sic] from white persons, and thereby segregating them, may violate the Thirteenth Amendment.' *Baker v. McDonald's Corp.*, [680 F.Supp. 1474,] . . . 1480 n. 12 [(S.D.Fla. 1987), aff'd, 865 F.2d 1272 (11th Cir. 1988), cert. denied, 110 S.Ct. 57 (1989)]." *Houston v. City of Cocoa* [Fla.], Fair Housing-Fair Lending Rptr.,

²⁷These requirements are applied flexibly. See *Pinchback v. Armistead Homes Corp.*, 907 F.2d 1447 (4th Cir. 1990), cert. denied, 498 U.S. 983 (1990) (application and rejection not required where a claimant did not apply because she would have been rejected because of race).

¶ 15,625, p. 16,211.

C. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964.

Pub.L. 88-352, 42 U.S.C. § 2000d et seq.; HUD regulations: 24 C.F.R. Part 1.

Title VI itself requires intentional discrimination, but the HUD (and other agency) regulations are satisfied by a showing of discriminatory impact. *Alexander v. Choate*, 469 U.S. 287, 293 (1985). See *Sandoval v. Hagan*, 197 F.3d 484 (11th Cir. 1999), cert. granted sub nom. *Alexander v. Sandoval*, 2000 U.S. LEXIS 4960 (Sept. 26, 2000) (implied private right of action under federal regulations prohibiting disparate impact discrimination).

Title VI used for discriminatory municipal services. *Dowdell v. City of Apopka, Florida*, 698 F.2d 1181 (11th Cir. 1983).

Title VI used in public housing case -- *Gautreaux v. Romney*, 448 F.2d 731 (7th Cir. 1971).

D. THE FEDERAL HOUSING STATUTES.

There are two basic federal housing statutes: the United States Housing Act of 1937 ("USHA") (codified in Title 42 U.S.C.) and the National Housing Act ("NHA") (codified in 12 U.S.C.). The USHA includes the public housing program and the Section 8 programs; the NHA includes the HUD-assisted and HUD-insured programs. These basic statutes have been amended, sometimes dramatically, by housing and community development legislation enacted in subsequent years. The programs created by these statutes are subject to the Constitution and to Title VIII and other statutory prohibitions against discrimination, but some provisions of the housing legislation are particularly pertinent to fair housing. The best sources for information about these programs are the National Housing Law Project manuals and the Housing and Development Reporter.²⁸

The largest federal program funding production and rehabilitation for moderate -- and low -- income households is the Low Income Housing Tax Credit program, 26 U.S.C. § 42. It prohibits discrimination on the basis of § 8 status (§ 42(h)(6)(B)(iv)). It is subject to the other civil rights laws, but often does not observe them (See Florence Wagman Roisman, *Mandates Unsatisfied: The Low Income Housing Tax Credit Program and the Civil Rights Laws*, 52 MIAMI L.REV. 1011 (1998).)

E. EXECUTIVE ORDERS 11063 AND 12892.

See Schwemm, §§ 3.4 and 21.1. Executive Order 11063, 27 Fed. Reg. 11,517 (1962); Executive Order 12892, January 17, 1994 (revoking E.O.12259). Regulations at 24 C.F.R. Part 107.

²⁸See Resources, *infra* at 18-19.

F. OTHER FEDERAL LAWS.

1. Equal Credit Opportunity Act, 15 U.S.C. §§ 1691 et seq. Prohibits creditor discrimination "with respect to any aspect of a credit transaction" on the basis of race, color, religion, national origin, sex or marital status, age or "because all or part of the applicant's income derives from any public assistance program" See Schwemm § 29.4. Fed. Res.Bd. Regulation B was promulgated pursuant to ECOA; see 12 C.F.R. Part 202. Relief available: actual damages, punitive damages up to \$10,000; equitable and declaratory relief; attorney's fees and costs. Federal jurisdiction without regard to amount in controversy. Covers applications for mortgages and other forms of credit with respect to housing; "it has been held to provide a right of action for residents in segregated neighborhoods who are denied credit because of the racial makeup of their area." Schwemm, 29.4, p. 29-7, footnote omitted, citing cases.
2. Community Reinvestment Act, 12 U.S.C. § 2901.
3. Uniform Relocation Assistance Act, 48 U.S.C. § 4601 et. seq.
4. § 504(a) of the Rehabilitation Act of 1973, 29 U.S.C. § 794(a) (2000). See Schwemm § 29.3. "No otherwise qualified individual with a disability . . . shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. . . ."
5. Americans with Disabilities Act of 1990, 42 U.S.C. § 12132 (2000). "Subject to the provisions of this title, no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs, or activities of a public entity, or be subjected to discrimination by any such entity."
6. Migrant and Seasonal Agricultural Worker Protection Act, 29 U.S.C. §§ 1801 et seq.
7. Age Discrimination Act of 1975, 42 U.S.C. § 6101; HUD Regulations, 24 C.F.R. Part 146.
8. Home Mortgage Disclosure Act, 12 U.S.C. § 2801

G. STATE CONSTITUTIONS AND STATUTES AND LOCAL ORDINANCES.

State and local laws often prohibit forms of discrimination not covered by federal law. See, e.g., *Franklin Tower One v. N.M.*, 725 A.2d 1104, 157 N.J. 602 (1999) (prohibiting discrimination on the basis of § 8 status); *Commission on Human Rights and Opportunities v. Sullivan Associates*, 739 A.2d, 238, 250 Conn. 763 (1999), *reh'g denied*, 251 Conn. 924 (1999) (same); *Thomas v. Anchorage Equal Rights Cmsn.*, 165 F.3d 692 (9th Cir. 1999) *reh'g granted, opinion withdrawn*, 192 F.3d 1208 (9th Cir. 1999) (marital status).

VI. RESOURCES FOR LITIGATING FAIR HOUSING CASES.

ROBERT SCHWEMM, HOUSING DISCRIMINATION: LAW AND LITIGATION (Clark Boardman Callaghan 1996)

JAMES A. KUSHNER, FAIR HOUSING: DISCRIMINATION IN REAL ESTATE, COMMUNITY DEVELOPMENT AND REVITALIZATION (2d ed. McGraw-Hill 1995)

JUDGE DAVID L. BAZELON CENTER ON MENTAL HEALTH LAW

INDEX OF FAIR HOUSING MATERIALS FOR PEOPLE WITH DISABILITIES

www.bazelon.org

For advice about cases involving discrimination against people with disabilities, contact Michael Allen, Esquire or Sherry Trafford, Esquire

1101 15th Street, N.W., Suite 1212

Washington, DC 20005

(202) 467-5730 Telephone

(202) 223-0409 Fax

NATIONAL HOUSING LAW PROJECT

HUD HOUSING PROGRAMS: TENANTS' RIGHTS (2d ed. 1994, 1996 and 1998 Supplement)

RHCDS (FMHA) HOUSING PROGRAMS: TENANTS' AND PURCHASERS' RIGHTS (2d ed. 1995 and 1996 Supplements)

These manuals are available from the

National Housing Law Project

614 Grand Ave., Ste. 320

Oakland, CA 94610

(510) 251-9400 Telephone

(510) 251-0600 Fax

WEST GROUP

HOUSING & DEVELOPMENT REPORTER

NATIONAL CENTER FOR YOUTH LAW

114 Sansome St., Ste. 900

San Francisco, CA 94104

(415) 543-3307 Telephone

(415) 956-9024 Fax

Handsnet: HNO366

(For advice about cases involving familial status discrimination)

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Washington, DC 20005
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(202) 371-9944 Fax

NATIONAL FAIR HOUSING ADVOCATE
835 W. Jefferson St., Room 100
Louisville, KY 40202
(502) 583-3247 Telephone
(502) 583-3180 Fax
<http://www.fairhousing.com>
Free subscriptions to monthly publication available.

VII. USEFUL WEB SITES:

<http://www.nlihc.org/oor99/> (National Low Income Housing Coalition's Out of Reach).

<http://www.bazelon.org/> (Bazelon Center).

<http://www.fairhousing.com/> (National Fair Housing).

<http://www.hud.gov/> (HUD).

See Gwendelyn A. Daniels, Legal Sources on the Internet: Housing, 34
Clearinghouse Rev. 233 (2000) (listing and describing these and other websites).