


City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 18, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: RESULTS OF FISCAL YEAR 2007 FAIR HOUSING TESTS

ISSUE: Consideration of the results of fair housing tests performed in Fiscal Year 2007

RECOMMENDATION: That City Council accept the results of fair housing tests conducted in Fiscal Year 2007 for discrimination in rental apartments based on race and national origin.

BACKGROUND: The Fair Housing Testing Program uses pairs of trained testers to identify evidence of discrimination in the provision of housing by the rental, sales, and mortgage lending industries. The program is overseen by the Fair Housing Testing Program Advisory Committee and tests for discrimination prohibited by the City's Human Rights Ordinance. Federal fair housing law prohibits housing discrimination on the basis of race, color, religion, sex, age, familial status, national origin or handicap. State fair housing law includes the same protections, and adds elderliness. The City's Human Rights Ordinance adds protection against housing discrimination on the basis of marital status and sexual orientation. Prohibited rental, sales, and lending practices include, but are not limited to, refusal to rent, sell, or negotiate the sale or rental of housing, but also discrimination in the terms, conditions, or privileges of rental or sale, as well as the provision of services or facilities.

Since the Fair Housing Testing Program started in 1990, the Office of Housing has conducted a series of tests to identify discriminatory housing practices in real estate sales, lending, and rental housing based on race, familial status, persons with disabilities, and sexual orientation.

A summary of the test results of all categories tested since the program was initiated in 1990 has been provided as an attachment to this report. These data allow for comparison of the test results to measure progress in industry compliance with fair housing laws. This information is also helpful in evaluating the effectiveness of City programs, including testing, fair housing education, outreach, and enforcement activities.

DISCUSSION: During Fiscal Year 2007, the City tested 73 apartment complexes in the City with 20 or more units for discrimination based on race and/or national origin against persons of Middle Eastern or Asian origin. Testing was conducted from March to May 2007. ¹

The City has previously tested for discrimination on the basis of race and national origin against

¹Fewer apartment complexes were tested in this fiscal year than in past years due in part to condominium conversions and major renovations at two complexes which have caused these properties to temporarily suspend leasing units.

Hispanic and African American persons in rental housing, real estate sales and mortgage lending. This is the first time the City tested for racial discrimination using Asian or Middle Eastern testers. Recent testing for discrimination against Asian and Middle Eastern testers has been performed in Arlington, Fairfax and Prince William Counties.

The U.S. Department of Housing and Urban Development (HUD) has noted concerns about increased discrimination against foreign nationals since September 11, 2001, particularly persons of Middle Eastern origin. On January 6, 2003, HUD issued guidance cautioning landlords to be consistent in all screening, leasing, and establishment of rules and privileges of tenancy to ensure equal treatment of all persons, including practicing Muslims and people of Middle Eastern or South Asian descent.

In addition, in 2003, results were released from the second phase of a national Housing Discrimination Study (HDS2000), sponsored by the Department of Housing and Urban Development (HUD) and conducted by the Urban Institute. Phase 2 of the study focused on discrimination in metropolitan housing markets against Asians and Pacific Islanders. Like the City's testing, the study was prepared using paired testers. The Urban Institute reported that "Asians and Pacific Islanders face significant levels of discrimination when they search for housing in large metropolitan areas nationwide" The study concluded that "Overall, the level of consistent adverse treatment against Asian and Pacific Islander renters is 21.5 percent—about the same as the level for African American and Hispanic renters."

Test Methods and Results. The City uses paired testers posing as interested homeseekers. Pairs consisting of one minority tester and one non-ethnic white control tester were assigned approximate household income and desired home features, and were closely matched on all variables relating to the tests except for race and national origin. Apartment complexes were tested by either a Middle Eastern team or an Asian tester team. Control testers were slightly less qualified financially than minority testers, but both testers were assigned an annual income that qualified them to rent a unit based on the rents of the complex being tested. The Middle Eastern testers wore traditional garments during the testing based on the tester's culture.

After visiting rental offices and speaking with a rental agent, testers individually recorded the information and assistance they received about available units, including number and dates of availability, amenities, rental rates and deposits, and other terms and conditions. After completing an independent report, the testers were separately interviewed by a staff person who compared the written reports and interviews.

Middle Eastern testers were recruited with the assistance of the American-Arab Anti-Discrimination Committee (ADC). The ADC, founded in 1980 by former U.S. Senator James Abourezk, is a grassroots civil rights organization, and the largest Arab-American organization of its kind. Staff received assistance from the Asia Society in recruiting Asian testers. The Asia Society is an international organization founded in 1956 by John D. Rockefeller to strengthen relationships and deepen understanding among the peoples of Asia and the United States.

A total of 17 testers, six Middle Eastern, nine White, and two Asian persons, were recruited and participated in this testing exercise. Of the 73 apartment complexes tested, 41 were tested by persons of Middle Eastern origin, while the remaining 32 complexes were tested by persons of Asian origin. No evidence of potential discrimination was found in the 32 apartment complexes tested by the Asian

tester teams. Possible differential treatment was noted in 3 of the 41 apartment complexes tested by Middle Eastern tester teams (4.11% of complexes tested -- 3.9% of all tests, including retests.) When potentially disparate treatment is noted, staff sends a second team of testers to retest the complex to assist in an analysis of whether the recorded behavior was an isolated incident or indicates a possible discriminatory pattern of practice. None of the retests for the three complexes uncovered behavior that indicated potential discrimination.

Comparison of Prior Test Results. Because this is the first time the City has tested for discrimination against Asian and Middle Eastern persons, there are no results to directly compare. However, recent testing for race and national origin using African-American and Hispanic testers has indicated a steady decline in the incidence of disparate treatment on the basis of race and national origin. Testing was last conducted for race and national origin discrimination in 2000 for rental housing, and in 2006 for mortgage lending and real estate sales. The results of the rental housing tests conducted in 2000 were consistent with the current test results, and identified three instances of possible disparate treatment (not repeated on retests). No problems were identified in the 2006 mortgage lending or real estate sales testing.

Conclusions. Because no evidence of preferential treatment was indicated in retests of the three properties identified with potential problems, staff is not recommending that the City file any complaints with the Human Rights Office. However, staff proposes to meet with the owners and managers of these properties to discuss testing results and problematic procedures and practices identified, offer and provide fair housing training to the staff of these complexes, and monitor these properties for compliance for two years. These recommended actions will be considered by the Fair Housing Testing program Advisory Committee on June 15.

ATTACHMENT: Summary of the Results of the City of Alexandria's Fair Housing Testing Program

STAFF:

Melodie Baron, Division Chief, Landlord-Tenant Relations

Onwuchekwa Okpara, Ph.D., Relocation Advisor, Landlord-Tenant Relations

Mildrilyn Stephens Davis, Director, Office of Housing

**SUMMARY OF THE RESULTS OF THE CITY OF ALEXANDRIA'S
FAIR HOUSING TESTING PROGRAM**

| Fiscal Year | Market Type | Basis (Protected Class) | Total Test Sites | Total Tests (including retests) | # Tests w/problems (including retests) | #sites with problems | % problem tests (including retests) | % problem sites | Action taken Complaints Filed/Monetary Settlements Remedial Action ² |
|-------------|--------------------------------------|---------------------------------------|------------------|--|--|---------------------------|---|------------------------------|--|
| 1990 | Rental - Multifamily Apt Bldge | Race National Origin (Hispanic) | 79 Apt. Bldgs | 96 Tests Race 53 National Origin 43 | Race 11 Nat. Org. 8 | Race 7 Nat. Org. 7 | Race 20.8% Nat. Org. 18.6% | Race 8% Nat. Org 8.9% | Complaints Filed - 1 (Race) Monetary Settlement - \$10,000 Remedial actions for all problems |
| 1991 | Rental Real Estate Firms | Race National Origin (Hispanic) | 21 | 24 Tests Race 16 National Origin 8 | Race 3 Nat. Org. 0 | Race 3 Nat. Org 0 | Race 12.5% | Race 14.3% | Complaints Filed 0 (No problems on retests) Remedial Action for all problems |
| 1992 | Rental Multifamily Apt. Bldgs. | Familial Status | 71 | 93 | 10 | 10 | 10.8% | 14.1% | Complaints Filed - 1 Monetary Settlement \$4,000 Remedial action for all problems (9 cases involved occupancy standards which were modified) |

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² In addition to the monetary settlements, the owners of the complexes agreed to disclose all available units to all prospective renters regardless of race, sex, familial status, sexual orientation, disability, national origin, color, religion, or ancestry; provide fair housing training to all their staff; and if the owners advertise for rental vacancies, they shall do so in compliance with the fair housing advertising regulations. The owners were also required to display fair housing posters visible to the public in their rental offices.

Attachments

**SUMMARY OF THE RESULTS OF THE CITY OF ALEXANDRIA'S
FAIR HOUSING TESTING PROGRAM (Continued)**

| Fiscal Year | Market Type | Basis (Protected Class) | Total Test Sites | Total Tests (including retests) | # Tests w/problems (including retests) | #sites with problems | % problem tests (including retests) | % problem sites | Action taken Complaints Filed/Monetary Settlements Remedial Action |
|-------------|--|---|------------------|---------------------------------|--|--|-------------------------------------|---------------------------|--|
| 1993/1994 | Rental Multifamily Apt. Bldge | Disabilities - AIDS, Past Alcoholism, Past Addiction, Mental Illness Hearing/Mobility Visual Impairment. | 78 | 291 | 28 | 25 | 9.6% | 32% | Complaints Filed - 3 Monetary Settlement \$2,500 (total all complaints) Remedial Action for all problems |
| 1996 | Rental Housing Apt. Bldgs | Race (Limited Retest) | 20 | 20 (8 Targeted 12 Random) | 0 | 0 | 0 | 0 | No Action Taken |
| 1997 | Rental Multifamily Apt Bldgs | Sexual Orientation | 75 | 79 | 3 | 3 | 5% | 4% | Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems |
| 1998 | Real Estate Sales Realtors (tested 3x for condo/SF/TH) | Race/National Origin (Hispanic) | 16 | 62 Race 45 NO 17 | Race 8 Nat Org 6 | Race 7 Nat Org 3 (1 site w/problems in race and national origin tests) | Race 17.7% Nat Org 35.3% | Race 44% Nat Org 18.7% | Complaints Filed 3 (1 withdrawn) Monetary Settlements \$10,000 (total all complaints) Remedial Action for all problems |
| 1999 | Rental Multifamily Apt. Bldgs | Disability Hearing, Vision, Mobility Impairments | 70 | 218 | 6 | 5 | 2.8% | 7.1% | Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems |
| 2000 | Rental Multifamily Apt Bldgs | Race/National Origin (Hispanic) | 72 | 75 Race 50 Nat Org 25 | Race 2 Nat Org 1 | Race 2 Nat Org 1 | Race 4% Nat Org 4% | Race 4.2% Nat Org 4.2% | Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems |

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**SUMMARY OF THE RESULTS OF THE CITY OF ALEXANDRIA'S
FAIR HOUSING TESTING PROGRAM (Continued)**

| Fiscal Year | Market Type | Basis (Protected Class) | Total Test Sites | Total Tests (including retests) | # Tests w/problems (including retests) | #sites with problems | % problem tests (including retests) | % problem sites | Action taken Complaints Filed/Monetary Settlements Remedial Action |
|-------------|------------------------------|--|------------------------|---------------------------------|--|----------------------|-------------------------------------|-----------------|---|
| 2001/2002 | Rental Multifamily Apt Bldgs | Familial Status | 85 | 87 | 2 | 2 | 2.2% | 2.3% | Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems |
| 2003/2004 | Rental Multifamily Apt Bldgs | Race/National Origin | 28 Race20 Nat Org 8 | 28 | 0 | 0 | 0 | 0 | Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems |
| | | Sexual Orientation | 18 | 18 | 0 | 0 | 0 | 0 | |
| | | Familial Status | 19 | 19 | 0 | 0 | 0 | 0 | |
| | | Mobility Impairments | 18 | 19 | 1 | 1 | 5.2% | 5.5% | |
| | | Total | 83 | 84 | 1 | 1 | 1.2% | 1.2% | |
| 2005/2006 | Real Estate Sales Offices | Race/National Origin (Hispanic) | 12 | 12 Race 9 Nat Org 3 | 0 | 0 | 0 | 0 | No Problems Found |
| 2006 | Mortgage Lending | Race/National Origin (Hispanic) | 11 | 11 Race 8 Nat Org 3 | 0 | 0 | 0 | 0 | No Problems Found |
| 2007 6 | Rental Multifamily Apt Bldgs | Race/National Origin-- Middle Eastern/Asian | 73 | 45 Middle Eastern 32 Asian | 3 | 3 | 3.9% | 4.11% | Recommend Remedial Acton for complexes with identified problems |