

**City of Alexandria, Virginia****MEMORANDUM**

DATE: JUNE 9, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: CONSIDERATION OF RESULTS OF FISCAL YEAR 2008 FAIR HOUSING TESTS

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**ISSUE:** Consideration of the results of fair housing tests performed in Fiscal Year 2008

**RECOMMENDATION:** That City Council accept the results of fair housing tests conducted in Fiscal Year 2008 for potential 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 2008, the Office of Housing identified and tested 64 apartment complexes in the City with 20 or more units for potential discrimination based on race and/or national origin (African-American/Hispanic). Testing was conducted from March to May 2008.<sup>1</sup>

**Test Methods and Results.** The City uses paired testers posing as interested renters. Pairs consisting of one minority tester and one white, non-Hispanic 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. 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.

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.

A total of 8 testers, two African-American, four White, and two Hispanic testers were recruited and participated in the testing exercise. A total of 27 complexes were tested by African-American testers, and 37 were tested by Hispanic testers. No evidence of potentially discriminatory treatment was found in the tests conducted by African-American testers. Evidence of potential discriminatory treatment was found in two of the 37 apartment complexes tested by the team of Hispanic testers, representing 3.1% of the total 64 apartment complexes tested, and 3.0% of all the 66 total 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. Neither of the retests of the two complexes uncovered behavior that indicated potential discrimination.

**Comparison of Prior Test Results.** Testing for race and national origin using African-American and Hispanic testers has indicated only minimal incidence of disparate treatment on the basis of race and national origin. Results of tests conducted since Fiscal Year 2000 have been consistent with the current test results, identifying few instances of possible disparate treatment which were not repeated on retests. No problems were identified in the 2006 mortgage lending or real estate sales testing.

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<sup>1</sup> Fewer apartment complexes tested this year than in prior years, due in part to a reduction in the number of management offices, as smaller apartment complexes have combined management to reduce staff (i.e. in several instances, a number of smaller complexes are now managed by one company from a central office.) This has resulted in fewer locations to which testers can be sent to inquire about available apartments.

Conclusions. Because no evidence of preferential treatment was indicated in retests of the two 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 two 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.

**STAFF:**

Melodie Baron, Division Chief, Landlord-Tenant Relations

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

Mildrilyn Stephens Davis, Director, Office of Housing

**Attachment A**

**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 <sup>2</sup>
1990	Rental - Multifamily Apt Bldgs	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)

<sup>2</sup>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.

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

<b>Fiscal Year</b>	<b>Market Type</b>	<b>Basis (Protected Class)</b>	<b>Total Test Sites</b>	<b>Total Tests (including retests)</b>	<b># Tests w/problems (including retests)</b>	<b>#sites with problems</b>	<b>% problem tests (including retests)</b>	<b>% problem sites</b>	<b>Action taken Complaints Filed/Monetary Settlements Remedial Action</b>
1993/1994	Rental Multifamily Apt. Bldgs	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

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	Rental Multifamily Apt Bldgs	Race/National Origin-- Middle Eastern/Asian	73	45 Middle Eastern 32 Asian	3	3	3.9%	4.11%	Complaints Filed 0 Monetary Settlement 0 Remedial Action for problems
2008	Rental Multifamily Apt Bldgs	Race/National Origin—African-American /Hispanic	64	27 African-American 37 Hispanic	2	2	3.1%	3.0%	Recommend Remedial Acton for complexes with identified problems