



**The 2008 State of Fair Housing  
In the Six-County Chicago Region:  
40 Years After the Fair Housing Act**

**And**

**A Blueprint for Change  
For the Next Five Years**

**A Report of the  
Chicago Area Fair Housing Alliance**

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## EXECUTIVE SUMMARY

Forty years after the passage of the Fair Housing Act, racial and ethnic segregation still dominate the American housing market. While there has been progress toward opening housing opportunities for those protected by fair housing laws, discrimination and steering continue. Moreover, public policies addressing housing and community development have failed to actively promote fair housing and integration as originally intended through the Fair Housing Act.

This report demonstrates the need to prioritize fair housing activities and provide a plan for progress that will ensure equal housing opportunity, promote integration, and improve regional equity and sustainability.

Key findings include:

- In 2007, a total of 2,252 complaints were filed with private fair housing agencies in the Chicago region.
- The average non-white household faces some form of discrimination approximately half the time they search for housing.
- In 2007, the Illinois Department of Human Rights received 410 fair housing complaints throughout the state of Illinois, of which 259 originated in the six-county region.
- Recent research shows that whites demonstrate more self-segregating behaviors than other racial groups.

Key recommendations include that:

- The State take an active role in providing for non-profit fair housing activities by allocating \$1 million of its operating budget annually to fund private non-profit fair housing organizations;
- The Illinois Housing Development Authority revise its Qualified Allocation Plan to foster affordable housing development for families and other protected persons in high-opportunity communities;
- The State amend the Illinois Human Rights Act to include protections for Housing Choice Vouchers and Cook County eliminate the exclusion of Vouchers in its Human Rights Ordinance's source of income protection;
- HUD and Cook County hold accountable entitlement jurisdiction communities and sub-recipients, respectively, that fail to adequately provide for the affirmative furthering of fair housing;
- Community Reinvestment Act examinations of banking institutions put more emphasis on locating bank branches of depository institutions in underserved areas, and that lenders and underwriters take steps to develop responsible lending products for minorities and communities of color;
- Real estate agents and their companies develop policies to provide wide ranges of listings to their clients that include neighborhoods with a variety of demographics;

- The State prioritize economic development in communities with few jobs or declining job growth;
- Municipalities require inspection(s) of state and federal accessibility requirements during the construction and substantial rehab of multi-family buildings; and
- Municipalities develop policies to integrate immigrants into their communities rather than engaging in selective enforcement and making immigration enforcement a local priority.

## INTRODUCTION

Discrimination and segregation have long been concerns throughout the Chicago region. Beginning with the Chicago Freedom Movement of 1966, there has been a concerted effort to promote an open housing market in Chicago and the surrounding suburbs. This effort was eloquently summarized during a rally for open housing held at Soldier Field, where Rev. Dr. Martin Luther King, Jr. proclaimed,

We're going to make this an open city because it's right. We're going to make this an open city because it's practical. We're going to make this an open city because it's sound economics. We're going to make this an open city because we're tired of being humiliated.

Yet, in 2008, the region is still largely segregated and fair housing is still a pressing issue in Chicago and the region. Discrimination against people of color continues to occur between 20% to 40% of the time<sup>2</sup>. Fewer than a dozen of the 319 municipalities in the six-county area actively promote themselves to under-represented groups in an affirmative manner<sup>3</sup>. Predatory and other subprime lending practices are disproportionately targeted to poor and minority communities that receive relatively fewer services from traditional banks and lenders<sup>4</sup>. Housing and community development programs fail to affect integration positively<sup>5</sup>.

In 2005, the Leadership Council for Metropolitan Open Communities, a CAFHA member agency, published *The Segregation of Opportunities: The Structure of Advantage and Disadvantage in the Chicago Region* in conjunction with the University of Minnesota and Ohio State University<sup>6</sup>. It offered a peer-reviewed analysis of the extent of segregation and its effect on the region. The report concluded that people of color were far more likely to live in communities with strained local tax bases, poor schools, few job and transportation options, and lower qualities of life as compared to region-wide averages.

Earlier this year the United Nations' Committee on the Elimination of Racial Discrimination (CERD), after receiving reports from the United States and numerous US non-governmental organizations, commented on the racial segregation that is the norm in many US cities. In its concluding observations, CERD stated a deep concern that:

Racial, ethnic, and national minorities, especially Latino and African American persons, are disproportionately concentrated in poor residential areas characterized by sub-standard housing conditions, limited employment opportunities, inadequate health care facilities, under-resourced schools, and high exposure to crime and violence<sup>7</sup>.

CERD urged developing public housing outside poor, racially segregated areas, eliminating obstacles for Housing Choice Voucher holders, and combating racial steering.

Actions such as those recommended in the above reports and in CAFHA's **Blueprint for Change** are necessary if residents of the Chicago region are to realize the promise of integration, and fair housing choices for all protected classes throughout the region.

## FAIR HOUSING ENFORCEMENT

Over the last 40 years, private enforcement of fair housing law has provided relief to tens of thousands of complainants and plaintiffs as well as systemic change in the real estate, lending, and insurance industries. Yet, the number of complaints registered remains high and has actually increased over the past 10 years<sup>8</sup>.

**In 2007, a total of 2,252 complaints were filed with private fair housing agencies in the Chicago region<sup>9</sup> as indicated in the table below.**

Private Agencies: 2007 Fair Housing Complaints							
	Rental	Sales	Lending	Insurance	Harassment	Other*	TOTAL
Familial Status	284	48			256	68	656
National Origin	195	62	24	5	265	76	627
Race	292	84	47	3	30	40	496
Other**	109	26			35	46	216
Disability	147	22			31		200
Religion	13				18	12	43
Sex/Gender	6				4	1	11
Source of Income	2						2
Marital Status	1						1
<b>TOTAL</b>	<b>1,018</b>	<b>242</b>	<b>71</b>	<b>8</b>	<b>639</b>	<b>274</b>	<b>2,252</b>
*Other transactions include zoning, code enforcement, advertising, and foreclosure scams.							
**Other protected classes include age, sexual orientation, and housing choice vouchers.							
Lending includes predatory lending and appraisals.							

This figure is all the more alarming given that the National Fair Housing Alliance (NFHA) has shown that complainants only report approximately 1% of all acts of housing discrimination. This small percentage is due to a variety of factors including but not limited to:

1. Increasingly subtle and sophisticated discriminatory tactics -- Linguistic profiling, omission of information, "racism with a smile", and other methods have the effect of masking discrimination from unsuspecting, fair-minded persons.
2. Hopelessness or defiance – Many housing seekers simply give up or determine to look elsewhere after facing discrimination. In the case of some low-income persons, a feeling of powerlessness and urgency of other priorities for survival discourages complaints. Higher-income persons often decide to take what they consider to be a "personal action" by ignoring the violation and determining to spend their money elsewhere.

3. Lack of awareness of the laws – In many cases, especially those involving familial status, disability, and source of income, housing seekers are unaware that fair housing laws protect them from discrimination.
4. Undocumented status – Both federal and state fair housing laws protect all persons seeking housing, including undocumented persons. However, the fear or threat of deportation or detainment discourages the filing of complaints by undocumented persons. This concern expands to citizens and naturalized persons who have relationships with undocumented persons as well.

Since we know that only 1% of all cases get filed, we can estimate 225,000 acts of discrimination occurred in the Chicago region in 2007. Of these, approximately 50% would involve race or national origin complaints. The most recent American Community Survey (2006) estimates that the region had about 1.4 million non-white households. General understanding of housing mobility rates suggest that approximately 1 in 5 households moves annually. **Therefore, it is logical to conclude that the average non-white household faces some form of discrimination approximately half the time they search for housing.** Certainly, this is an intolerable level of discrimination.

#### Transaction Highlights

In **rental** transactions, race and familial status were the most common forms of discrimination complaint. In many cases, these complaints were in combination as minority female heads of households often encounter discrimination in their rental housing searches. Indeed, discrimination against families with children was included in the Fair Housing Amendments Act of 1988 in part because of research finding that property owners and managers were using the presence of children as a proxy to discriminate against African American households. Today, research suggests that this proxy has evolved to include a refusal to rent to Section 8 Housing Choice Voucher holders, who are represented disproportionately by minority families with female heads of households.

**Sales** discrimination complaints were most commonly based on race and national origin. This confirms the findings of HUD's 2000 Housing Discrimination Survey that steering continues to occur in the real estate industry. Too often, minority home seekers are provided listings and encouragement to buy largely or solely within neighborhoods where they would be in the majority. Moreover, white home seekers experience steering as well, perpetuating segregation in both directions.

While intentional steering is still active, non-malicious steering also occurs. As real estate companies have taken notice of increasing minority populations and incomes, they have targeted their services to these "emerging markets". In many cases, this has resulted in the pairing of agents and clients by race and ethnicity. Furthermore, these pairings often occur in offices located in predominantly minority communities. While this practice inarguably provides real estate services to minorities, the practice too often limits housing choices and results in the perpetuation of segregation. Thus, regardless of intent, the negative effects of the practice are the same and still actionable under fair housing law.

**Insurance** complaints are low. Three factors likely contribute to this phenomenon. First, the insurance industry is dominated by national, centralized companies. These companies made significant positive systemic changes as the result of a series of successful fair housing lawsuits across the country in the 1990s. Second, education and outreach activities confirm that there is a relatively lower awareness that fair housing laws cover insurance discrimination. Third, further systemic change requires additional input from government agencies, which are overburdened and slow to respond to concerns in the fair housing community.

Protected Class Highlights

**Disability** complaints are rising in number. This is likely due to a variety of factors including increased advocacy for and awareness of fair housing rights in disabled communities, an aging population that requires more accessible housing, and an ever-growing number of new and substantially rehabilitated properties that fail to comply with the laws' accessible design requirements.

**National origin** complaints have increased as well, due in large part to the rapidly growing Latino population in the region. Furthermore, Latinos are often unfairly targeted because of anti-immigrant sentiments.

Government agencies receive fair housing complaints directly and through fair housing organizations. In 2007, **HUD's Office of Fair Housing and Equal Opportunity received 304 complaints in the six-county region** as shown in the table below.

HUD: 2007 Fair Housing Complaints							
	Rental	Sales	Lending	Insurance	Appraisal	Other	Total
Race or Color	34	3	6	0	2	65	<b>110</b>
Disability	16	0	0	0	0	60	<b>76</b>
Familial Status	23	0	0	0	0	24	<b>47</b>
National Origin	8	2	2	0	0	27	<b>39</b>
Sex/Gender	3	1	1	0	0	8	<b>13</b>
Religion	5	0	0	0	0	7	<b>12</b>
Harassment or Retaliation	0	0	0	0	0	7	<b>7</b>
<b>Total*</b>	<b>89</b>	<b>6</b>	<b>9</b>	<b>0</b>	<b>2</b>	<b>198</b>	<b>304</b>
*There is some overlap as some cases were filed under multiple bases/issues.							

In 2007, the **Illinois Department of Human Rights received 410 fair housing complaints throughout the state of Illinois** as represented in the table below. Of

**these complaints, 259 originated in the six-county region.** Because of contractual agreements between IDHR and HUD, many of these complaints were filed at both agencies, although only one agency conducted an investigation. IDHR does not classify by the transaction types shown above, so cases are listed by protected class only.

<b>IDHR: 2007 Fair Housing Complaints</b>	
Race	150
Disability	104
Familial Status	56
National Origin/Ancestry	45
Sex/Gender	26
Religion	11
Retaliation	8
Sexual Orientation	4
Age	4
Marital Status	2
<b>TOTAL</b>	<b>410</b>

## SEGREGATION IN THE CHICAGO REGION

The most evident result of the failure to prioritize fair housing in the Chicago region is inordinately high segregation. The current pattern that characterizes urban communities in the United States has been referred to as “American Apartheid”<sup>10</sup> in which exists a “hypersegregation’ that has marginalized African-Americans and Latinos in the housing and job markets.”<sup>11</sup>

The Chicago region is no exception. **With a white:black dissimilarity index of 81<sup>12</sup>, the Chicago region ranks as the 5<sup>th</sup> most segregated in the country<sup>13</sup>** and has consistently ranked among the most segregated since the passage of the Fair Housing Act. Additionally, this high level of segregation cannot be explained either by income inequality or neighborhood preference<sup>14</sup>.

MIT professor and former HUD Deputy Assistant Secretary for Research Xavier de Sousa Briggs has described segregation as a structural process of containment and sprawl. In this process, minorities are contained in areas with lower levels of opportunity while whites move more freely throughout developing parts of the region with higher levels of opportunity. The dynamic nature of housing complicates this pattern. Areas of containment do not remain static and expansion can occur in all directions including toward and through the central city.

For African Americans, the area of containment in 1968 was limited to Chicago’s south and west sides. Today, this area of containment has evolved to include some suburban communities and exclude some previously predominantly African American neighborhoods in Chicago. Segregation of African Americans has occurred primarily through two practices – discriminatory barriers and white flight. Segregation within the City of Chicago is due primarily to barriers to expansion, including discrimination, hostility, and a lack of fair housing enforcement.

Meanwhile, suburban segregation of African Americans is almost entirely due to white flight. As middle class African Americans began to counter discriminatory barriers in Chicago by moving to predominantly white, working class suburbs, whites fled to other suburbs farther from Chicago. The result was an expanded region of African American segregation that included an area of contiguous communities on Chicago’s south side and in southern Cook County suburbs as well as a contiguous portion of Chicago’s west side and a cluster of west suburban communities.

Latino segregation has occurred in a slightly different manner in which discriminatory barriers funnel Latinos to communities already experiencing white flight. This has resulted in Latino “enclaves” that are isolated throughout the region. Thus, Latino segregation is not as contiguous as African American segregation. Still, it is just as injurious.

Concurrently, some communities in Chicago have seen a loss in minority residents as whites displace them, often through the process of gentrification. In the six-county region, median incomes for whites are higher than for African Americans and Latinos. Thus, as the effects of gentrification increase housing values, rents, and property taxes, minorities suffer

displacement in disproportionate numbers as whites move, taking advantage of new developments.

With few anomalies, this structure of containment and expansion consistently favors whites and predominantly white communities at the expense of people and communities of color. For minorities the process generally results in barriers to high-opportunity communities, displacement from improving communities, and disinvestment or avoidance by developers in the communities they call home. Conversely, whites generally have ample access to high-opportunity and improving communities and can avoid disinvested communities.

Census statistics verify this theory. According to the 2000 census, African Americans made up 37% of the population of the City of Chicago. Yet, 22 of Chicago's 77 community areas were at least 90% African American -- almost double the number of community areas with this level of segregation in 1970 (12). Moreover, these community areas all lie in two contiguous clusters on Chicago's south and west sides. Today, 42% of African American residents in Chicago live in these 22 community areas.

This increase in segregation within Chicago has occurred despite the expansion of African American populations in the suburbs, which have seen a similar pattern of increased segregation. Overall, African Americans make up 10% of the population in the 318 suburban municipalities of the Chicago region. However, 46% of suburban African Americans live in only 23 communities that are 50 to 97% black. The percentage of the population below the poverty level in these 23 municipalities is double (12%) the regional suburban average of 6%.

Similarly, the Latino population has suffered from increased segregation. From 1970 through 2000, the Latino population in Chicago increased 356%. Currently, Latinos make up 26% of Chicago's population. Yet, 49% of Chicago's Latinos live in only 11 of the 77 community areas in Chicago, all of which are more than 60% Latino. Like African American segregation, these community areas are also concentrated into two contiguous clusters.

Latinos make up 13% of the suburban population in the Chicago region. Throughout the 318 suburbs, 26% of Latinos live in only 10 communities where Latinos make up between 40 and 80% of the population. At 13%, the percentage of the population below the poverty level in these municipalities is even greater than for African Americans.

#### Personal Choices of Minorities are Not a Significant Cause of Segregation

The Chicago Area Study, conducted by the University of Illinois' Institute for Government and Public Affairs, asked 789 randomly selected Cook County residents over the age of 21 about their attitudes toward diverse communities and integration. The results showed that Cook County residents value living in racially and ethnically diverse neighborhoods. "All three groups chose a racial/ethnic mix that includes a substantial proportion of other racial/ethnic groups."<sup>15</sup>

However, the Survey also asked participants to list the communities where they had searched for housing in the previous 10 years. The answers showed that contrary to conventional wisdom, whites, not people of color, were most likely to self-segregate.

45 percent of whites have searched only in communities where whites are in the majority...just 4 percent [of whites] have searched where any other group is in the majority... 81 percent [of African Americans] included in their search locations a community where they were in the minority... 35 percent of Latinos searched only in communities where another group was in the majority. An additional 37 percent of Latinos searched in both communities where they were in the majority and ones in which they were in the minority.<sup>16</sup>

Clearly, minority home seekers are considering affirmative moves at a greater rate than whites. **Research shows that if any group is self-segregating, it is whites.**

In large part, the choices made by white home seekers result from ignorance and/or misperceptions of majority-minority communities.<sup>17</sup> To overcome this situation, there is a need for improved marketing of the benefits available in communities of color (such as affordable housing options). Additionally, education regarding the values of diversity in neighborhoods for individuals, communities, and the region, should be part of the discussion around housing advocacy, social justice, and regional growth.

### **Housing Segregation Provides a Structure for Inequality**

As noted in the CERD report, these patterns of concentration and isolation interrelate with other patterns of inequality and opportunity. The communities that saw increases in minority percentages, are communities that also tend to have higher concentrations of poverty, mostly lower performing schools, lower fiscal capacities, less reliable transit options, higher crime, and fewer jobs.

Access to housing opportunities directly affects and compounds other factors in low-opportunity areas, such as job opportunities, health costs, and education costs<sup>18</sup>. As stated in the Naperville Analysis of Impediments, “Extreme housing segregation is connected to persistent racial discrepancies in quality of health care, education, jobs, and other public and private sector services. ...[T]he **elimination of residential segregation would lead to the disappearance of black-white differences in earnings, high school graduation rates, and unemployment.**”<sup>19</sup>

### Case Study 1: Rapid Ethnic Change in Cicero

From 1990 to 2000, Cicero's Latino population increased by 174% from 24,148 to 66,188. Latinos went from comprising 36% to 77% of the population. This rate of growth was two and a half times faster than the already rapid growth for the region as a whole. Clearly, Latinos moving to Cicero had found a community that provided fewer barriers to housing options.

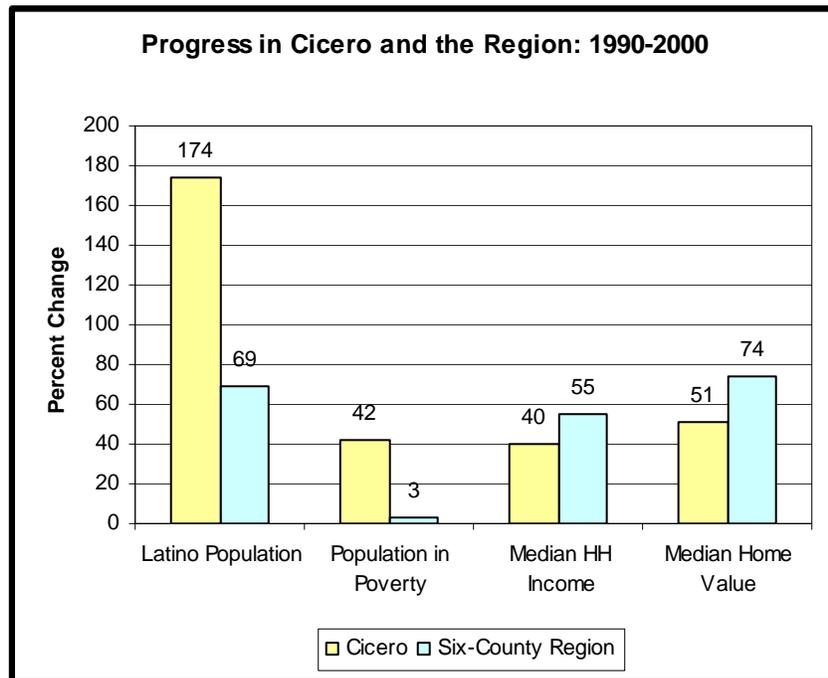
Yet, that opportunity correlated with white flight. Almost 25,000

non-Hispanic whites left Cicero between 1990 and 2000 – a little over one flight out for every two Latinos moving in.

During this same period, Cicero faded economically. The number of households in deep poverty, below 50% of the poverty level, increased by 10% in Cicero while it decreased by 4% for the region. Households in poverty increased a staggering 42% -- more than one thousand times greater than the regional average. Indeed, purchasing power for most residents of Cicero did not keep pace with the region. Median household incomes increased at a slower rate than the region. So slowly, in fact, that the 2000 median household income in Cicero was \$4,000 less than the regional median household income in 1990.

Similarly, wealth accumulation in Cicero also lagged behind the region. The median home value in Cicero in 2000 was \$1,000 less than the regional median home value in 1990. Despite their lower prices, values only increased by 51% in Cicero over the ten-year period, while they increased by 74% across the region.

The Cicero example is stark but by no means unique. **The median household incomes in the eleven suburbs with a Latino population of more than 10,000 averages about \$50,000 -- \$11,000 less than the average of the 16 suburbs with white populations of 40,000 or more.**



*Case Study 2: Racial Segregation in Naperville*

Naperville is the third-largest city in the region and one of the region's fastest growing. In the ten years from 1990 to 2000 the population increased 48% from 86,875 to 128,300. Naperville is also one of the most desirable communities for whites, African Americans, and Latinos<sup>20</sup>. Thus, it is disappointing that African Americans are segregated within the City of Naperville.

According to Naperville's 2007 Analysis of Impediments to Fair Housing Choice<sup>21</sup>, African Americans make up 3% of Naperville's population. This is well below the regional proportion of 20% and the 10% suburban

<b>Naperville Census Tracts</b>	<b>Total Population</b>	<b>White Population</b>	<b>Black Population</b>	<b>Percent Black</b>
CT 8461.01	5,990	5,054	54	1%
CT 8461.03	3,074	2,853	65	2%
CT 8461.04	1,342	1,014	34	3%
CT 8462.01	6,203	5,112	268	4%
CT 8462.02	1,489	1,148	21	1%
CT 8462.03	4,119	3,581	59	1%
CT 8462.04	6,667	6,894	56	1%
CT 8462.05	3,308	2,785	40	1%
CT 8462.06	4,380	4,104	79	2%
CT 8462.07	5,717	5,168	82	1%
CT 8463.04	5,025	3,674	93	2%
<b>CT 8464.01</b>	<b>3,418</b>	<b>2,320</b>	<b>573</b>	<b>17%</b>
CT 8464.03	6,913	5,848	331	5%
CT 8464.04	5,665	4,744	218	4%
CT 8464.05	3,328	2,720	50	2%
CT 8465.03	11,068	8,777	375	3%
CT 8465.04	6,014	5,441	138	2%
CT 8465.06	7,264	6,802	206	3%
CT 8801.03	8,472	7,462	136	2%
CT 8803.01	9,106	8,051	235	3%
CT 8803.02	19,796	16,991	774	4%
<b>Naperville Total</b>	<b>128,358</b>	<b>110,543</b>	<b>3,887</b>	<b>3%</b>

source: 2007 Naperville Analysis of Impediments

proportion. Despite this small percentage, 30% of African American residents of Naperville live within three of the community's 21 census tracts. **Geographically, most African Americans are disproportionately located in Naperville's northwest corner.** The census tract in the extreme northwest corner of Naperville is 17% African American (yellow in chart), and provides the nucleus for Naperville's African American population.

Population increases have been greatest in southern Naperville. If discrimination occurred less often and people felt more welcome in under-represented neighborhoods, these census tracts would be closer to the regional average than more developed census tracts. Instead, the census tract with the highest percentage of African Americans in 1990 increased in concentration while census tracts with the most population growth (the bottom three on the chart) continued to exhibit small population percentages of African Americans.

**Indeed, many social justice issues are unlikely to be resolved unless they take into account, and attempt to overcome, the pattern of segregation.** Some examples of how housing segregation enables, exacerbates, and/or reinforces regional inequality include:

#### Affordable Housing Creation and Preservation

While the lack of affordable housing is a major concern in the region, it is important to note that it is not region-wide: the need is specific to predominantly white, high-opportunity municipalities. The Illinois Housing Development Authority (IHDA) has identified 49 communities in the region that have “less than 10% of their housing stock affordable to working families.”<sup>22</sup> All 49 of these municipalities have minority population percentages that are less than the suburban regional average.

Conversely, the preponderance of affordable housing is located in poor communities of color. In *The Segregation of Opportunities*, the Leadership Council found that 80% of housing affordable to low-income households is located in communities with lower opportunity while **higher-opportunity communities held only 4% of the housing affordable to people low incomes.** This pattern mirrored the pattern of racial segregation in the region<sup>23</sup>.

The primary technique municipalities utilize to limit affordable housing is land use policy. In particular, exclusionary zoning makes the development of new affordable housing nearly impossible in many suburbs, often by requiring large lots for single-family homes and restricting the development of multi-family housing. Because minority household incomes are lower on average than white household incomes, the lack of affordable housing in high-opportunity communities serves as an impediment to diversity. In order to change this pattern, exclusionary zoning laws must be revised to allow for greater density and variety in a community’s housing stock.

In addition, inclusionary zoning ordinances can provide numerous options for communities to provide affordable housing at many income levels. The flexibility of inclusionary zoning provides the opportunity for targeted housing development based on the needs of the community. Currently, inclusionary zoning has been implemented in a handful of suburban communities, most notably Highland Park, which has resulted in increased housing options for people of color, in this wealthy, predominantly white community. The suburb markets its affordable units to a diverse set of home seekers as new units are developed. **Of the nine units provided through affordable housing programs in Highland Park thus far, six have been occupied by minorities.**

#### The Jobs:Housing Mismatch

Land use policies have produced a disparity between the location of affordable housing and access to job opportunities. Many entry level and blue collar jobs are in the suburbs, where housing is unaffordable and lack of transit options make them inaccessible. Similarly, jobs in urban communities paying livable wages are not near sustainable housing. This jobs:housing mismatch leads to greater travel times to jobs in

the suburbs, and competition for the few scarce jobs in the city and inner-ring suburbs with affordable housing. To combat segregation of jobs in certain communities, recommendations have been made to “establish job-creation programs and improved access to employment in nearby communities....Access to jobs is important for survival in diverse communities.”<sup>24</sup>

In 2007, a study published by Good Jobs First found:

[T]hat the outer suburbs have received a disproportionately large share [of state funding]. At the same time, Chicago and many of its inner suburbs, which have experienced severe job loss – especially in manufacturing – have been shortchanged.<sup>25</sup>

The study went on to state:

Moreover, we found that the ability of core-area workers to take advantage of the new employment opportunities in the collar counties is limited by the fact that the vast majority of subsidized workplaces in the newly developing suburban areas are not easily accessible by public transportation from the city. This means that for the many car-less workers in low-income, especially minority, communities, those jobs are effectively out of reach.<sup>26</sup>

If the State were to prioritize employment and community development dollars in low-income and minority communities, the impact would reduce the disparities of the jobs:housing mismatch rather than perpetuate it.

### Lending Disparities

Over the past decade, a clear distinction has developed regarding the channels in which whites and people of color acquire mortgages. Whites are more likely to get a mortgage through a direct retail channel with a bank. People of color are more likely to attain financing through brokers. This is primarily due to the lack of quality mortgage services in communities of color, a fact seized upon by mortgage brokers looking to find untapped markets.

<b>Conventional Home Purchases -- City of Chicago</b>					
	Originations	Denials	Denial Ratio	High Cost Loans	High Cost Rate
White	52,545	15,529	0.30	11,402	21.7%
Black	31,243	27,625	<b>0.88</b>	19,547	<b>62.6%</b>
Latino	28,013	17,610	<b>0.63</b>	12,800	<b>45.7%</b>
Asian	6,058	2,218	0.37	1,325	21.9%

source: Woodstock Institute 2006 Community Fact Book

<b>Conventional Home Purchases -- Suburban Chicago</b>					
	Originations	Denials	Denial Ratio	High Cost Loans	High Cost Rate
White	188,204	51,086	0.27	44,159	23.5%
Black	27,858	21,563	<b>0.77</b>	17,731	<b>63.6%</b>
Latino	42,937	25,056	<b>0.58</b>	20,321	<b>47.3%</b>
Asian	17,288	5,582	0.32	3,736	21.6%

source: Woodstock Institute 2006 Community Fact Book

This dual system harms people of color because brokers often require higher fees and have an incentive to increase the interest rate of a loan through the practice of Yield Spread Premiums. Moreover, brokers are more likely than banks to engage in predatory lending and other unscrupulous practices.

While depository institution branches are prevalent in predominantly white communities, there are relatively few branches located in communities of color. In contrast, mortgage brokers are commonly located in communities of color. This disparity in the array of locations makes access to the best mortgage products more difficult for minority borrowers than for white borrowers even when qualifications are equal to or better for minorities.

This structure has trapped many minority and low-income borrowers in high adjustable rate mortgages. “Forty percent of Latino families and over half of African Americans who receive home loans get higher-cost mortgages, predominantly subprime loans.”<sup>27</sup> In a study of six metropolitan areas, including Chicago, analysts found “African American borrowers were 3.8 times more likely [and Latino borrowers were 3.6 times more likely] to receive a higher-cost home purchase loan than were white borrowers.”

A HUD study in Chicago for first-time homebuyers revealed, “that African American and Latino homebuyers faced ‘a significant risk of receiving less favorable treatment than comparable whites’ when visiting mainstream mortgage lending institutions to make pre-application inquiries. Among the most serious forms of discrimination discerned by the study were differential estimates of home price and total loan amount based on race.”<sup>28</sup>

### Foreclosures

In addition, the region is experiencing a foreclosure crisis in all communities. However, the dual market has resulted in a pronounced effect on communities of color. Chicago, as compared to the rest of the region, has the second highest percentage of foreclosure filings per 1,000 mortgageable properties (24.4%), with the highest levels of foreclosures in the low-income, predominantly minority community areas of Washington Park, Grand Boulevard, Woodlawn, West Garfield Park, and Englewood.<sup>29</sup> “Chicago area foreclosures remain largely concentrated in highly minority communities. Census tracts that are 80 percent or greater minority had foreclosure levels 2.5 times greater

than the six-county region in 2007. These tracts had 41.6 foreclosure filings per 1,000 mortgageable properties.”<sup>30</sup>

Foreclosures affect not only the homeowners but their neighborhoods and entire cities. “Research has shown that increased levels of foreclosure have the potential to cause declines in neighborhood property values and increases in neighborhood crime while putting an increased strain on municipal services and decreasing city revenues... Declining revenues can place an increased strain on the provision of necessary municipal services such as police and fire prevention.”<sup>31</sup> Because foreclosures occur more frequently in communities of color, these detrimental effects have affected minorities more than whites.

### Municipal Fiscal Capacity

As economic development dollars concentrate in already-affluent suburbs with exclusionary zoning policies, lower-opportunity communities suffer from disinvestment that reduces their fiscal capacities. The disproportionate effects of the foreclosure crisis intensify this reduced wealth in low-income communities. The lowered capacity results in fewer community services, substandard infrastructures, and reduced tax capacities.

As advocates for regional equality often argue, communities suffering from disinvestment and loss of jobs often need to increase their tax rates to provide for basic services due to the strained fiscal capacity that disinvestment places on these suburbs. Meanwhile, affluent suburbs rich with job growth can provide these same services with lower taxes. This dichotomy creates an incentive structure that encourages further disparity in regional investment and job creation.

### Education Inequality

Most notable among these disparities is the difference in the quality of education provided to children in high-opportunity, predominantly white communities versus that provided to children in low-opportunity communities of color. NFHA found that lower-income neighborhoods have less access to quality education, in terms of committed, qualified teachers and availability of resources. “Schools serving greater numbers of students of color [have] significantly fewer resources than schools serving mostly White students... from qualified teachers to curriculum offerings” and “predominantly White schools also benefit from stability in teaching staff.”<sup>32</sup> Meanwhile, other research has found that “diversity can open up opportunities for improved quality of life in areas of housing, education, and economic development for *all* residents.”<sup>33</sup>

The Civil Rights Project at UCLA found that segregation by race and income has accelerated since the 1980s<sup>34</sup>. Schools in the Midwest were the most segregated. Concurring with a study by Susan Mayer of the University of Chicago<sup>35</sup>, the Civil Rights Project has also found that segregation has disproportionately limited opportunity in majority-minority schools, perhaps stating the impact of racial segregation most plainly:

If skin color were not systematically linked to other forms of inequality, it would, of course, be of little significance for educational policy. Unfortunately, that is not and never has been the nature of our society. Socioeconomic segregation is a

stubborn, multidimensional, and deeply important cause of educational inequality.<sup>36</sup>

In the Chicago region, the Metropolitan Planning Council and A+ Illinois have provided evidence of school inequality and policy recommendations for improvement. First among the facts provided by A+ Illinois is that the state is the worst in the nation in providing equitable schools – receiving the only “F” for equity of school funding. In addition, A+ Illinois reports that a tremendous disparity exists in the amount spent per pupil. **School districts in the most property-wealthy communities spent up to \$13,000 more per student than districts in property-poor communities.**

This inequality is not only immediately important but also interrelated to the perpetuation of segregation. As research indicates, “Public and private schools are important to the health of diverse communities. Education and community safety are the two indicators of community vitality most frequently mentioned... Schools are visible symbols of a community and its quality of life... used as a measure of investment in the future of a community.”<sup>37</sup>

### Conclusion

Housing segregation continues to affect many other aspects of quality of life, including access to quality health care<sup>38</sup> and grocery options<sup>39</sup> as well as proximity to pollution<sup>40</sup>. Certainly, there is a need to address this structure of inequality in order to remedy both racial discrimination in the housing market and the array of problems that interrelate with housing segregation.

While the disadvantages to people of color and those with low incomes is clearest, whites and those with higher incomes suffer as well. Negative consequences include daily frustrations such as traffic congestion that result from sprawl. Sprawl also creates longer-term problems such as losses of local farmland and increased infrastructure costs, not to mention the competition to attain affordable homes as the cost of homeownership continues to rise.

Perhaps most importantly, segregation perpetuates a continuing level of distrust and uncertainty between racial and ethnic groups. Separated from one another in most facets of daily life, our knowledge about those different from ourselves derives more through third-party sources, such as the media and popular entertainment, than from actual human contact.

**In short, integration is not only an end to strive for, in and of itself, but the process of moving toward more integrated communities provides the means to improve our society as a whole.** Communities that expend the effort to encourage integration often benefit in other ways. In the Chicago region, the model cited most often is Oak Park. However, Oak Park is not alone; integration strategies have been successfully implemented in places such as Homewood in the southern suburbs; Beverly in Chicago; and Grayslake in Lake County. Outside Illinois, communities like Maplewood/South Orange in New Jersey; Shaker Heights in Ohio; and West Mount Airy in Philadelphia, Pennsylvania have used racial equity and affirmative marketing

strategies to sustain successful communities with abundant opportunities for all residents. More importantly, these examples show that integration strategies can work, given sufficient support.

As we commemorate the 40<sup>th</sup> anniversary of the Fair Housing Act, we can clearly see that combating discrimination is not sufficient. We need to encourage true integration of communities as well. “By demonstrating that diversity works, we can confront the fears of all residents – residents of different races, ethnicities, and social classes – that they will be displaced by others.”<sup>41</sup> Integration provides the opportunity to learn the passions and skill sets of those dissimilar from ourselves, and learn from the many years of experience their cultures’ histories provide. Conversely, isolation breeds discontent with those who are different from ourselves, often due to pure ignorance. Integration can provide a structure of equality and fairness that will reduce intolerance, hatred, and discrimination in the future. Therefore, in addition to continuing to fight to defend the rights of those protected by fair housing law, **CAFHA recommends working for the action items discussed in the following Blueprint for Change. These recommendations outline systemic changes needed in order to provide a structure of equality for all and help to move the Chicago region towards greater integration.**



## **A BLUEPRINT FOR CHANGE**

### **Fund Private Fair Housing Activities in the State's Operating Budget**

The State of Illinois should provide funding in its operating budget to supplement inadequate federal funding for fair housing enforcement and the affirmative furthering of fair housing. There are currently seven active enforcement organizations<sup>42</sup> and two agencies actively affirmatively furthering fair housing<sup>43</sup> in the Chicago region. In each case, these agencies provide vital services to improve the welfare of the region and its residents. There are other agencies that provide fair housing support as well through mobility counseling, legal services, and advocacy. Currently, none of these organizations receives operating support from the State specifically to promote fair housing.

Furthermore, federal funding for private non-profit fair housing activities decreased over the past decade and then remained stagnant while costs of operating fair housing organizations has increased. This neglect has resulted in the loss of 14 fair housing organizations nationwide and threatens another 18 in 2008<sup>44</sup>. Among these losses was the Leadership Council for Metropolitan Open Communities in the Chicago region.

Because of the highly segregated nature of the Chicago region, the need for fair housing organizations is elevated. Given the need for these activities and the benefits of integration, *CAFHA recommends the State begin to take an active role in providing for non-profit fair housing activities by allocating \$1 million of its operating budget annually to fund private non-profit fair housing organizations.* This allocation would ensure greater agency stability and quality of service.

### **Include Affirmative Furthering in the Low Income Housing Tax Credit Program**

HUD's Moving to Opportunity program found that 25% of low-income public housing residents would volunteer to use vouchers to move from public housing to higher opportunity communities if given the chance<sup>45</sup>. In Chicago, this concurs with the experiences of Gautreaux program participants. Through the initial Gautreaux program, 7,100 families made affirmative moves from public housing to communities with lower concentrations of poverty. Most of the participants reported satisfaction with their moves because of the improved opportunities their new communities offered<sup>46</sup>.

However, the production of affordable family housing is almost exclusively in low-income and minority communities<sup>47</sup>. Affordable housing programs in Illinois do not encourage development of affordable housing in higher-opportunity communities.

Phil Tegeler of the Poverty and Race Research Action Council has analyzed the lack of affirmative furthering of fair housing in federal programs<sup>48</sup> such as the Low Income Housing Tax Credit (LIHTC) program. The LIHTC program provides a large number of

low-income housing units through tax credits to for profit and non-profit developers of affordable housing. IHDA administers the program and evaluates prospective projects, determining what developments the State will fund through a Qualified Allocation Plan (QAP).

Established 18 years after the Fair Housing Act required HUD to affirmatively further fair housing in all of federal housing programs, the affordable housing produced by the LIHTC program has been predominantly located in poor communities with high minority populations. Those units located in higher-opportunity areas are largely senior housing developments that exclude opportunities for low-income and minority families.

Because the LIHTC credits are an important part of community development efforts, it would be harmful to use them solely in high-opportunity communities. However, the MTO and Gautreaux experiences suggest that developing 25% of the units in higher-opportunity communities would benefit low-income families and foster integration. *Thus, CAFHA recommends that IHDA revise its QAP to foster affordable housing development for families and other protected persons in high-opportunity communities.*

### **Add Source of Income as a Protected Class**

Housing Choice voucher holders theoretically may move into any neighborhood they choose, but “landlords need not accept any particular individual rental applicant, and a study of Housing Choice Voucher holders’ experiences in the City of Chicago conducted by the Lawyers’ Committee for Better Housing and HOPE Fair Housing Center found that ‘discrimination against Housing Choice Voucher holders appears to be disturbingly common.’”<sup>49</sup> In fact, refusal to rent to prospective tenants based on their source of income is a persistent problem throughout the Chicago region. A second study conducted by the Lawyers’ Committee for Better Housing and HOPE Fair Housing Center in the western suburbs, where voucher holders are not protected, found that landlords were reluctant to rent to voucher holders and that this reluctance grew when voucher holders were African American or Latino.

Outside of the City of Chicago and a few scattered suburbs, there is no protection against discrimination for voucher holders. This absence of protection has contributed to a concentration of voucher holders in poor and minority communities, including segregation by race (i.e. Latino voucher holders concentrated in predominantly Latino communities).<sup>50</sup> Thus, voucher holders find their choices limited and do not attain the benefits intended in the program.

Moreover, fair housing agencies report that source of income often correlates with racial and familial status discrimination. Because landlords may legally deny housing to voucher holders, they can use this basis to conceal their discrimination based on race, national origin, disability, familial status, or other protected classes. This logic has been used previously when familial status was added as a protected class partly because of its use as a proxy for racial discrimination.

*CAFHA recommends amending the Illinois Human Rights Act to include protections for Housing Choice Vouchers and eliminating the Cook County Human Rights Ordinance's exclusion of Section 8 in its source of income protection to improve access to decent housing and high-opportunity communities for voucher holders. This addition will also improve the housing rights of disabled persons, families, and people of color with vouchers who suffer discrimination by proxy through source of income discrimination.*

### **Enforce CDBG Obligations to Affirmatively Further Fair Housing**

Currently, communities that receive Community Development Block Grants and their sub-recipients do little to affirmatively further fair housing as required. One immediate action that many could take is to activate the fair housing and community relations commissions that have lain dormant for decades<sup>51</sup>. In a study conducted in 2005, fewer than 25 suburban municipalities had commissions that met at least annually.

In fact, few of these commissions even provided information about fair housing and any municipal ordinances regarding housing rights. In this digital age, it is simple enough for a municipality to include a fair housing section on its web site. Ideally, that section would include information on what the ordinance covers and a complaint form for printing or e-mailing.

The failure to provide these simple services denies opportunities for residents and prospective residents to voice their concerns or register a fair housing complaint. The result is that governments fail their residents through ignorance of fair housing violations and the need for remedies. .

Municipalities should also market themselves affirmatively. Throughout the suburbs, fewer than a dozen communities actively promote themselves as open and inclusive. In most cases, these suburbs have a majority of African Americans. An important step toward progress would be to see all suburbs promote themselves to underserved groups.

A critical component to this process is proper enforcement of CDBG Entitlement Jurisdictions fair housing goals by HUD's Office of Community Planning and Development (CPD). *CAFHA recommends that HUD hold accountable communities that fail to provide for the affirmative furthering of fair housing. So too, should Cook County delay or deny funding to sub-recipients if they fail to follow through on the previous year's fair housing action plan.*

Of course, these steps require proper staff training regarding fair housing law. Many municipalities could fulfill this without hiring new staff. Attorneys in law departments could provide legal assistance. Similarly, employees in community services, planning, neighborhood services, or the police department could provide assistance in filing a complaint.

Perhaps the most effective approach would be to subcontract with a non-profit fair housing agency to provide these services to the community. By working with a non-profit organization with fair housing expertise, the community can assure that fair housing complaints would be considered fairly, that education and outreach would be comprehensive, and that marketing would attempt to attract people of all protected classes.

### **Prioritize Fair Lending Regulation and Enforcement**

“In Chicago, high-risk lenders had a market share of 19 percent in low-income communities and a 6 percent market share in upper-income areas.”<sup>52</sup> That is an increase of over three times the prevailing rate of sub-prime lenders in low-income versus high-income areas.

There are a number of steps that federal and state regulators can take to ameliorate this disparity. Most obviously, *CAFHA recommends that CRA examinations put more emphasis on locating bank branches of depository institutions in underserved areas.* In determining the need for more branches in minority and low-income communities, regulators should examine which channels borrowers most often access to obtain credit with a lender. If banks make most of their loans to minority communities through brokerage or wholesale channels while making most of their loans to whites through loan officers or retail channels, regulators should investigate further to see how this dual channel system results in disparate impacts in minority communities. Regulators should not allow the dual channel structure to suffice on its face as a reason for different terms and conditions in loans. Rather, the evidence of a dual structure should be a flag to investigate the possibility of a violation of fair lending law.

*CAFHA also recommends that lenders and underwriters take steps to formulate responsible lending products for minorities, low to moderate-income persons, and others who have been shut out of conventional mortgage products.* . One such step could be to lower the minimum credit score required for prime mortgages. On average, African Americans and Latinos have lower credit scores (approximate average 640) than their white counterparts (approximate average 700). This has increased the cost of credit to minority borrowers. However, the Federal Reserve has found that a good cutoff for credit scoring in most cases is 620.<sup>53</sup> Yet, most lenders choose cutoffs around 680. This results in fewer prime mortgages for African American and Latino borrowers. This step then, could help to narrow the lending gap to communities of color.

### **Improve Affirmative Measures in the Real Estate Industry**

Overall, “the best available nationwide housing audit data indicate that minorities encounter unlawful discrimination approximately one out of every five times they inquire

about renting or purchasing a home.”<sup>54</sup> Research conducted in Chicago between 2004 and 2005 revealed that “four in 10 blacks (41 percent), one-third of Latinos (32 percent), and just one in five (18 percent) whites report experiencing at least one form<sup>55</sup> of housing discrimination based on their race/ethnicity.”<sup>56</sup> HUD’s 2000 Housing Discrimination Survey (HDS) found that steering continues to affect the housing options available to prospective homeowners in the Chicago region.

A complaint brought by the National Fair Housing Alliance (NFHA) against RE/Max East-West highlighted this practice. NFHA’s testing found steering based upon national origin, in which RE/Max agents consistently showed White homebuyers homes in White communities and Latino homebuyers homes in majority ethnic communities.<sup>57</sup> NFHA also filed a case against Coldwell Banker Residential in Chicago’s Gold Coast office on the basis of discrimination against African Americans in the north side neighborhoods of Lincoln Park, the Loop, Gold Coast, and Lakeview by showing only seven total condominium units to them, as compared to 36 total condominium units shown to Whites.<sup>58</sup>

Indeed, a study conducted by the University of Illinois’ Institute for Government and Public Affairs found that “African Americans and Latinos seek out many different community types, even though, given patterns of segregation, we know they end up in communities that are highly segregated (especially blacks). This disjuncture between blacks’ and Latinos’ preferences and their actual neighborhoods probably originates, at least in part, in barriers presented by discriminatory treatment, in the form of exclusion, steering, and unfriendliness.”<sup>59</sup>

However, as noted in the State of Fair Housing, steering often occurs in ways that are not directly intentional yet the result is the same. In either case, intentional or unintentional, *CAFHA recommends that real estate agents and their companies develop policies to provide wide ranges of listings to their clients that include neighborhoods with a variety of demographics.*

### **Prioritize Community Development in Lower-Opportunity Communities**

Targeting development dollars toward low-income communities and communities of color would go a long way toward providing equal opportunity for self-improvement in the region. Rather than spending public money in places where job growth is plentiful and sustainable, *CAFHA recommends that the State prioritize economic development in communities with few jobs or declining job growth.*

This could also provide much-needed capital for infrastructure improvements. In either case, the investment would also provide greater incentives for integration in predominantly minority communities. Carefully monitored, this type of investment could provide improved opportunity without the negative displacement effects of gentrification.

## **Integrate Federal Accessible Design Standards into Municipal Building Codes and/or the Illinois Code**

With the exception of the City of Chicago, when municipalities issue residential building permits, they do not evaluate whether the proposed designs demonstrate compliance with the new construction provisions of the Fair Housing Act, which are meant to ensure accessibility/usability by persons with disabilities. These provisions require that multi-family housing with four or more units include basic attributes of accessibility (e.g., accessible entrances, accessible routes, accessible kitchens and bathrooms, and accessible common areas). Because municipalities do not assess compliance with these federal requirements, residential housing is often designed and constructed in a manner that violates the Act and prevents access by persons with disabilities.

Chicago has incorporated the Act's new construction requirements into its building code. As a result, before the city issues permits for residential housing, designs are evaluated for compliance with federal requirements. To reduce the incidence of inaccessible new residential housing, CAFHA recommends that other municipalities follow Chicago's lead.

In addition, *CAFHA recommends that municipalities require inspection(s) of accessibility requirements during the construction phase.* Commonly, when municipalities inspect buildings during the construction phase, their inspectors do not evaluate accessibility requirements. As a result, there is no system in place to ensure that new residential buildings are constructed to be accessible to persons with disabilities. This too often results in housing that is constructed with major accessibility violations, even when the architectural designs for the building complied with the access requirements.

Statewide, the Illinois Accessibility Code (IAC) requires that new residential housing be accessible to persons with disabilities. Under the IAC, prior to issuing permits, municipalities must evaluate whether the designs comply with the IAC. However, municipalities are not obliged to assess whether the plans comply with the Fair Housing Act. Therefore, a municipality may issue a permit to a builder even though the plans, in actuality, violate federal law. This is not an uncommon occurrence, according to Access Living of Metropolitan Chicago, which has conducted numerous tests of new multi-family housing units.

*Accordingly, CAFHA recommends that the new construction requirements of the Fair Housing Act be incorporated into the IAC and that the IAC be amended to require that municipalities assess for compliance with the FHA.*

By improving accessibility, everyone benefits. Persons with disabilities have increased housing options. For the majority of people who have friends and family with disabilities, barriers to visitability would be reduced. And housing options for the large number of aging baby boomers would be expanded.

## **Ensure Fair Housing Rights of Immigrants**

As courts across the country strike down local initiatives that target undocumented immigrants, a clear message for municipalities is emerging – leave immigration enforcement to the federal government. City councils and village boards should refrain from adopting measures that put roadblocks in the way of obtaining safe and effective housing and avoid using code enforcement or zoning ordinances to target certain racial or ethnic groups. Issues such as overcrowding and poor housing quality pose legitimate hazards to the safety and welfare of any community, but adopting policies and practices that make new immigrants, whether documented or undocumented, fearful of local officials does little more than sweep the problem under the rug. Code violations and substandard living conditions go unreported, the quality of the housing stock begins to decline, and no one benefits.

Instead, *CAFHA recommends that municipalities ensure that zoning rules are applied equally to all groups, code enforcement is not selectively performed in certain neighborhoods, and local resources are not wasted on immigration enforcement.* Municipalities should develop policies and practices to integrate new immigrants into the fabric of the community. In *Forging the Tools for Unity*, the Metropolitan Mayors Caucus and Notre Dame's Institute for Latino Studies recommend that municipalities create opportunities for cross-cultural learning and conflict resolution, encourage new immigrant involvement in civic life, support ESL programs, and provide cultural competency training for front-line municipal staff<sup>60</sup>.

Immigration has dramatically changed many communities in the region, and adapting to these changes can be difficult. Integrating new immigrants into municipal life is a key step in ensuring that these newest residents develop a shared purpose in the community. The more welcoming a community becomes, the more time and energy new residents, immigrant or not, will contribute to their new community.

IN CONCLUSION, CAFHA believes that the implementation of these recommendations will result in a greater equality and harmony as well as improved regional growth. By affirmatively furthering fair housing, both improve civil rights enforcement as well as promote opportunities for self-improvement in the region. These measures will also result in the amelioration of many attribute of healthy communities, including affordable housing, community development, school funding, health care, and others that interrelate with expanded housing access and integration.

**APPENDIX**

Fundamental Background on Fair Housing

Fair housing ensures housing access to all people, regardless of background. Fair housing proponents aim to ensure all protected classes of people have equal housing opportunities at the local, state, and federal level.

	<b>Federal Fair Housing Act &amp; Amendments</b>	<b>Illinois Human Rights Act</b>	<b>Cook County Human Rights Act</b>	<b>Chicago Fair Housing Ordinance</b>
<b>Protected Classes</b>	<p>Race Color Religion Sex (including sexual harassment) National Origin  Disability Familial Status (presence of children under the age of 18)</p>	<p>Race Color Religion Sex (including sexual harassment) National Origin Ancestry Age (40+) Marital Status Sexual Orientation  Unfavorable Military Discharge Status Military Status  Disability Familial Status (presence of children under the age of 18)</p>	<p>Race Color Religion Sex (including sexual harassment) National Origin Ancestry Age (40+) Marital Status Sexual Orientation  Source of Income (not including a Housing Choice Voucher) Military Discharge Status  Housing Status Disability Familial Status (presence of children under the age of 18)</p>	<p>Race Color Religion Sex (including sexual harassment) National Origin Ancestry Age (40+) Marital Status Sexual Orientation  Source of Income (including a Housing Choice Voucher) Military Discharge Status  Disability Familial Status (presence of children under the age of 18)</p>
<b>Administrative Filing Agency</b>	<p>U.S. Department of Housing and Urban Development  (312) 353-7776 (800) 669-9777 (800) 927-9275 (TDD)</p>	<p>Illinois Department of Human Rights  (312) 814-6200 (800) 662-3942 (312) 263-1579 (TDD)</p>	<p>Cook County Commission on Human Rights  (312) 603-1100 (312) 603-1101 (TDD)</p>	<p>Chicago Commission on Human Rights  (312) 7442852 (312) 744-1088 (TDD)</p>
<b>Statute of Limitations</b>	<p>1 year from alleged violation  (2 years if filed in federal court)</p>	<p>1 year from alleged violation  (2 years if filed in federal court)</p>	<p>180 days from alleged violation</p>	<p>180 days from alleged violation</p>

	<b>Federal Fair Housing Act</b>	<b>Illinois Human Rights Act</b>	<b>Cook County Human Rights Act</b>	<b>Chicago Fair Housing Ordinance</b>
<b>Major Prohibitions</b>	Refusing to sell or rent, negotiate the sale or rental, or otherwise make unavailable or deny a dwelling	Refusing to sell or rent, negotiate the sale or rental, or otherwise make unavailable or deny a dwelling	Refusing to sell or rent, negotiate the sale or rental, or otherwise make unavailable or deny a dwelling	Refusing to sell or rent, negotiate the sale or rental, or otherwise make unavailable or deny a dwelling
	Imposing different terms or conditions			
	Making discriminatory statements or publishing discriminatory communications (no exemptions)	Making discriminatory statements or publishing discriminatory communications (no exemptions)	Making discriminatory statements or publishing discriminatory communications (no exemptions)	Making discriminatory statements or publishing discriminatory communications (no exemptions)
	Lying about the availability of a dwelling			
	Blockbusting/Steering	Blockbusting/Steering	Blockbusting/Steering	Blockbusting/Steering
	Retaliating against, interfering with, or intimidating a person exercising his/her fair housing rights (or someone assisting that person)	Retaliating against, interfering with, or intimidating a person exercising his/her fair housing rights (or someone assisting that person)	Retaliating against, interfering with, or intimidating a person exercising his/her fair housing rights (or someone assisting that person)	Retaliating against, interfering with, or intimidating a person exercising his/her fair housing rights (or someone assisting that person)
<b>Exemptions</b>	Owner-Occupied buildings with 4 units or fewer	Owner-Occupied buildings with 4 units or fewer		
	Rental of a single family home if the owner owns less than 3 homes	Rental of a room in a private home (sex only)	Rental of a room in a private home (sex only)	Rental of a room in a private home (sex only)
	Religious clubs or private organizations that supply housing for their members	Religious clubs or private organizations that supply housing for their members		
	Reasonable occupancy limits	Reasonable occupancy limits	Reasonable occupancy limits	Reasonable occupancy limits
	Designated housing for older persons (familial status only)	Designated housing for older persons (familial status only)	Designated housing for older persons (familial status only)	Designated housing for older persons (familial status only)

According to the Illinois Human Rights Act, Sec. 7-108 (D) housing choice must be available to all, regardless of income or race. Specifically, special outreach efforts

should be utilized, promoting housing opportunities in areas of majority white concentration to minority groups, and vice versa. Additionally, it is a civil rights violation for the owner of any housing accommodation to discriminate against any blind, hearing impaired or physically disabled person because he has a guide, hearing or support dog. Such considerations are easily overlooked when owners stipulate a no-pet policy in their buildings. Members of protected classes should be given special attention in any municipality's fair housing plan.

#### Governmental Housing Enforcement Agencies

Agencies in Chicago that help identify fair housing complaints and enforce fair housing legislation include:

The Chicago Commission on Human Relations, which has an adjudication division and a community relations and education division. The Commission investigates complaints, works toward conciliation, and holds public hearings.

The Cook County Commission on Human Rights enforces the Cook County Human Rights Ordinance by investigating, conciliating, and adjudicating complaints.

The Illinois Department of Human Rights investigates and the Illinois Human Rights Commission adjudicates complaints of violations of the Illinois Human Rights Act and, if a violation is determined to have occurred, determine a fair remedy for the victim of the violation.

The Illinois Housing Development Authority (IHDA)'s *Affirmative Fair Housing Marketing Plan* requires that each multifamily development, receiving loan financing from IHDA and/or participating in a HUD multifamily housing program, carry out a marketing program to attract prospective tenants of all minority and non-minority groups within the housing market area regardless of race, color, religion, sex, disability, familial status or national origin. In addition to any general marketing activities, each development must carry out an affirmative marketing program.<sup>61</sup>

The Housing and Community Development Act of 1974 requires federal, state and local entities, including states, cities and counties, to act affirmatively to further fair housing. This "affirmatively furthering" obligation requires that entities that receive federal funding from HUD take steps to identify and address housing discrimination throughout their communities. One of the most significant funding streams is the Community Development Block Grant (CDBG) program" and agencies obtaining CDBG funds are required to "prepare an Analysis of Impediments to Fair Housing Choice (AI) as part of their planning process."<sup>62</sup> Jurisdictions may fail to offer an accurate or updated AI, but HUD does little to enforce "sanctions on communities that have failed to affirmatively further fair housing," although they did issue in February 2007 "a memorandum of guidance outlining local jurisdictions' obligations to affirmatively further fair housing and to include fair housing in their comprehensive plans and CDBG funding decisions."<sup>63</sup>

<sup>1</sup> Rob Breymaier is a Director of CAFHA. Mandie Schmid served as a paid research consultant and is a Ph.D. candidate at the University of Illinois at Chicago. The authors would like to thank Kathy Clark, Marian Honel, Justin Massa, Mary Jo Noriega, Betsy Shuman-Moore, and Ken Walden for their input and comments on this report.

<sup>2</sup> HUD's 2000 Housing Discrimination Survey; Foreman, Tyrone and Maria Krysan (2006) Chicago Area Study. University of Illinois Institute for Government and Public Affairs.

<sup>3</sup> Breymaier, Rob and Brian White (2004) *Empty Promises*. Leadership Council for Metropolitan Open Communities.

<sup>4</sup> Smith, Geoff (2003) *Reinvestment Alert 22: Where Banks Aren't*. Woodstock Institute.

[www.woodstockinst.org/publications/download/reinvestment-alert-22%3a--where-banks-aren%27t/](http://www.woodstockinst.org/publications/download/reinvestment-alert-22%3a--where-banks-aren%27t/).

<sup>5</sup> Tegeler, Phillip D. (2005) "Segregation in Housing Programs" in Briggs, Xavier ed. *The Geography of Opportunity*. Brookings Press.

<sup>6</sup> Lukehart, John, et al. (2005) *The Segregation of Opportunities: the Structure of Advantage and Disadvantage in the Chicago Region*. Leadership Council for Metropolitan Open Communities.

[www.luc.edu/curl/lcmoc/research/segregation.html](http://www.luc.edu/curl/lcmoc/research/segregation.html).

<sup>7</sup> United Nations Committee on the Elimination of Racial Discrimination. Seventy-second Session. 2008. *Consideration of Reports Submitted by States Parties Under Article 9 of the Convention: Concluding Observations*. United States of America.

<sup>8</sup> HUD Office of Fair Housing and Equal Opportunity (2007) *The State of Fair Housing: FY2007 Annual Report on Fair Housing*.

<sup>9</sup> All agencies are member agencies of CAFHA.

<sup>10</sup> Nyden, Philip, John Lukehart, Michael T. Maly, and William Peterman (1998) "Neighborhood Racial and Ethnic Diversity in U.S. Cities" *Cityscape* 4(2).

[www.luc.edu/curl/projects/past/documents/cityscpe/vol4num2/ch1.pdf](http://www.luc.edu/curl/projects/past/documents/cityscpe/vol4num2/ch1.pdf).

<sup>11</sup> Ibid.

<sup>12</sup> SUNY Albany's Lewis Mumford Center. [mumford.albany.edu/census/WholePop/WPsort/sort\\_d1.html](http://mumford.albany.edu/census/WholePop/WPsort/sort_d1.html).

An index of 81 means that 81 percent of whites would need to move to predominantly black census tracts and 81 percent of African Americans would have to move to white census tracts in order for each census tract to reflect the region's diversity (approximately 60% white and 20% African American). Regions with indices above 60 are considered highly segregated. Regions with indices below 30 are considered fairly integrated.

<sup>13</sup> Ibid.

<sup>14</sup> See Rusk, David, Phil Nyden, William Peterman, and John Lukehart (1998) *Black, White and Shades of Brown*. Bill Peterman has since analyzed numbers for the 2000 census and concluded that income still does not account for patterns of racial segregation.

<sup>15</sup> Forman, Tyrone and Maria Krysan (2008) "Racial Segregation in Metropolitan Chicago Housing" *Policy Forum* 20:3 University of Illinois Institute of Government and Public Affairs.

[www.igpa.uiuc.edu/about/experts.asp?a=38](http://www.igpa.uiuc.edu/about/experts.asp?a=38)

<sup>16</sup> Ibid.

<sup>17</sup> Krysan, Maria (2007) Presentation to the May meeting of the Chicago Area Fair Housing Alliance.

<sup>18</sup> Lukehart, John, et al. (2005)

<sup>19</sup> Lauber, Dan (2007)

<sup>20</sup> Ibid.

<sup>21</sup> Lauber, Dan (2007) *Analysis of Impediments to Fair Housing Choice in the City of Naperville, Illinois 2007* [www.planningcommunications.com/ai/naperville\\_ai\\_2007.pdf](http://www.planningcommunications.com/ai/naperville_ai_2007.pdf)

<sup>22</sup> "Illinois Housing Development Authority Releases List of 49 Communities that Must Comply with Affordable Housing Planning and Appeal Act". [www.ihda.org/admin/Upload/Files/8e3d4770-6932-4503-a3ad-665a0c32edcb.pdf](http://www.ihda.org/admin/Upload/Files/8e3d4770-6932-4503-a3ad-665a0c32edcb.pdf)

<sup>23</sup> Lukehart, John, et al. (2005)

<sup>24</sup> Nyden, Philip, John Lukehart, Michael T. Maly, and William Peterman (1998) "Conclusion" *Cityscape* 4:2. [www-personal.umich.edu/~gmarkus/ps327f07.htm](http://www-personal.umich.edu/~gmarkus/ps327f07.htm).

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- <sup>55</sup> Ibid. Forms of discrimination surveyed based on race/ethnicity were: If respondents felt that they had experienced a landlord/real estate agent not renting or selling to them; racial steering; bias in the mortgage industry; or neighbors who made life difficult for them.
- <sup>56</sup> Ibid.

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<sup>57</sup> Ibid.

<sup>58</sup> National Fair Housing Alliance (2008) *2007 Fair Housing Trends Report* [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

<sup>59</sup> Foreman and Krysan (2008).

<sup>60</sup> Alejo, Berenice and Sylvia Puente (2007) *Forging Tools for Unity: A Report on Metro Chicago's Mayors roundtables on Latino Integration*. [latinostudies.nd.edu/pubs/pubs/Roundtables\\_WEB.pdf](http://latinostudies.nd.edu/pubs/pubs/Roundtables_WEB.pdf).

<sup>61</sup> These affirmative marketing efforts are to be directed toward the group(s) that, because of the development's location or other factors, is considered to be the 'least likely' to apply for housing at the development. The marketing program must also include outreach efforts to all persons with disabilities. In addition, those developments with accessible or adaptable apartments are to include, in their marketing program, specific outreach efforts to persons with physical disabilities. "Affirmative Fair Housing Marketing Plan." Nov. 2006. Illinois Housing Development Authority website.

[www.ihda.org/admin/Upload/Files/a8dff534-2db1-415f-8635-e8d2f318cc60.doc](http://www.ihda.org/admin/Upload/Files/a8dff534-2db1-415f-8635-e8d2f318cc60.doc).

<sup>62</sup> National Fair Housing Alliance (2008) *2007 Fair Housing Trends Report* [www.nationalfairhousing.org](http://www.nationalfairhousing.org).

<sup>63</sup> Ibid.