

## Message From the President

Dear Friends:

The Fair Housing Council of Suburban Philadelphia would like to thank its many individual and corporate supporters who have made the year 2002 activities possible.

In addition special thanks to:

- The U.S. Department of Housing & Urban Development
- Delaware County Office of Housing & Community Development
- Lower Merion Township Department of Planning and Community Development
- Philadelphia Foundation
- The Boston Foundation/Liberty Mutual Group Fund

The year 2002 completed 46 years in the life of the Fair Housing Council of Suburban Philadelphia, a 501(c) (3) agency, that remains strongly committed to its stated purpose 'to promote open housing.' This Council began in 1956 with a core of volunteers in the Lansdowne-Upper Darby area as the Committee for Democracy in Housing and has undergone various name changes as its service needs and areas have expanded.

The policy-making 18 member 'working' Board of Directors, elected for staggered terms by the membership, is responsible for managing the affairs of the Council to assure that the Council's mission is accomplished. The committees of the board on which, with some few exceptions non-board members also can serve, have dealt with membership outreach, finance and fundraising, personnel matters, searching for new board members, monitoring agreements and working closely with the executive director and staff. A key action of the Council is its current participation in a legal suit concerning discrimination in homeowners insurance, which has kept the staff extremely busy this year.

The dedicated, hard working staff of the Council consists of three full time positions and a part time bookkeeper. We are pleased to report that a long-delayed retirement plan for the full time staff now is in place with appropriate procedures to meet agency and staff needs. Financial constraints had prevented the Board's earlier implementation of this very important benefit.

Under the leadership and hard work of two indefatigable Board members, Marion Murphy and Elaine Saraceni, we celebrated our 46th year through our second Annual Fund Raising Event held at the beautiful and stately Hunting Hills Mansion in Ridley State Park, with good food and an exciting auction. Our honorees were Mr. Gary Koerner, Executive Vice President of the Homebuilders Association of Chester and Delaware Counties and Ms. Mazie Hall, an inspirational advocate for fair housing who now is 100 years old. The Board awarded each of them the Fair Housing Council's Trophy Award for their 'Commitment to Fair Housing.' Ms. Hall was unable to attend but excerpts were played from her recent 'University Forum' radio interview with me, and Mr. Gary Koerner made an interesting and informative presentation.

As president of the Board of Directors over the past four years, I have been privileged to have had the strong support and involvement of very talented and committed people and a dedicated staff involved in both local and national housing issues. Discrimination continues to plague our communities. The Fair Housing Council of Suburban Philadelphia has demonstrated its stature by confronting and addressing these issues. It is important for each of us to seize the opportunity to invest in the positive future of communities by increasing our moral and financial support of the Council.

Jean E. Moore, Ed.D., ACSW  
President, Board of Directors

**Fair Housing Council of Suburban Philadelphia  
Statement of Activities  
Year Ended December 31, 2001\***

<b>Revenues &amp; Support</b>	
Government Contracts	162,048
Other Contracts	23,074
Grants	5,000
Litigation	4,795
Contributions	30,160
Dues	1,865
Total Revenues and Support	\$226,942
<b>Expenses</b>	
Compensation	141,255
Conferences	889
Consultants	25,632
Copying & Printing	9,604
Depreciation	1,617
Employee Benefits	8,379
Employee Travel	4,024
Fundraising Expense	2,154
In-kind	20,750
Insurance	500
Memberships, Contrib. & fees	3,751
Office Supplies	2,900
Payroll Taxes	12,865
Postage	2,476
Professional Fees	4,500
Proposals	7,510
Rent	18,774
Repairs & Maintenance	2,623
Telephone	3,170
Testing	12,807
Training	513
Utilities	2,552
Total Expenses	\$289,245
<b>Change in Net Assets</b>	(\$62,303)
<b>Net Assets—January 1, 2001</b>	\$167,477
<b>Net Assets—December 31, 2001</b>	\$105,174

\*This is an audited income statement as of December 31, 2001. The Council's financial records are audited yearly by Ostroff, Fair & Company, P.C., Certified Public Accountants. A final audited Statement of Activities for the year 2002 will be available by July 2003.

Finally, nationwide studies show the following conclusions that also include the residents of Delaware County:

- HUD estimates that only a little more than 1% of Americans experiencing housing discrimination file complaints.
- Subprime loans are three times more likely to occur in low-income neighborhoods than in high-income ones, and five times more likely to occur in black neighborhoods than in white neighborhoods. Regardless of income, minorities are more likely to receive sub-prime loans when refinancing their mortgages.
- There is widespread non-compliance with the Accessibility Requirements of the Fair Housing Act.
- Despite the fact that it has been illegal to discriminate against families with children for 14 years, it is not common knowledge among housing providers and consumers.

In addition to the Analysis of Impediments, the Council assisted the following organizations with various technical needs.

- Apartment Association of Greater Philadelphia
- Carroll Park Community Council, Philadelphia
- Delaware Valley Realtors Association, Equal Opportunity Committee
- Diversified Investment Group
- Fair Housing Action Center of the Tenants Action Group, Philadelphia, PA
- Housing Opportunities Made Equal, Inc. of Buffalo, NY
- Kentucky Fair Housing Council
- Lexington Fair Housing Council
- Montgomery County Fair Housing Council
- North Carolina Fair Housing Center
- Property Owners Association of Chester Pennsylvania
- Tri County Human Services, Honesdale, PA
- United Neighborhoods of Lackawanna County

## Message From the Executive Director

Dear Friends of the Fair Housing Council:

It has been 46 years since a small group of people banded together to stand up for the right of people to live in our communities regardless of their race. This group's courage is only surpassed by its unwavering commitment to equal housing.

Despite the efforts of lawmakers over the past thirty-five years, discrimination in housing still pervades the United States. Housing discrimination persists in the suburban counties. The area remains largely segregated, and access to the small supply of affordable housing stock is limited because of housing discrimination. FHCSF believes that ongoing complaints of discrimination in housing rental, sales, accessibility, insurance and mortgage lending, will continue to increase as more people become familiar with their rights as home seekers and pursue action against biased providers. As a result, FHCSF's education and enforcement initiatives are essential to reducing the number of discriminatory incidents in suburban Philadelphia. These activities will also lay the groundwork for a longer-term strategy to ensure that Philadelphia's suburbs continue to grow into a vibrant, diverse group of communities where all neighbors are tolerated and respected, regardless of their socio-cultural background, family status or appearance.

In 2002, we have been successful on many fronts in promoting fair housing. Please take the time to read the details in this report. Our success in accomplishing equal housing opportunity depends on the support we receive from our members and the public and private entities that provide the necessary resources. We truly appreciate this support. You should be proud of what you have done to eliminate housing discrimination. Thank you.

James Berry  
Executive Director

## Education Report

The Council's Education program is one of its most important programs. Through our educational activities we disseminate information to consumers, housing counselors, advocates, government employees and housing providers. We all know that information is power. Without information individuals cannot know what their rights and responsibilities are under the law. Fair Housing is a Civil Rights law with very little public enforcement. Housing discrimination today rarely occurs in the blatant ways that it did a decade ago. Now it usually happens with a smile and a handshake. The Council attends and hosts educational programs, and prepares educational materials so that individuals can recognize housing discrimination when they encounter it, so that housing counselors can recognize it when their clients encounter it, so that government employees understand the ramifications of housing discrimination on their constituents, and so that housing providers understand their responsibilities under the law.

This year, Council staff spoke at 70 different agencies and events and more than 1,821 individuals were trained in Fair Housing. The following is a list of the many events:

- Delaware County First Time Homebuyers Program (10 sessions)
- Delaware County Housing Authority Housing Voucher Choice Program Briefings (34 sessions)
- Pressing Issues in Fair Housing 2002
- Chester Homebuyer Fair (2 Fairs)
- Delaware County Fair Housing Task Force (4 meetings)
- U.S. Department of HUD—Workshop on Competitive Grant Programs (2 sessions)
- Metropolitan Management Corporation (2 sessions)
- Delaware County Community Services Network (2 sessions)

- If you are a minority in Delaware County, you are more likely (28.5%) to get a government insured loan than if you are white (13.3%).
  - If you live in a low-income minority community in Delaware County, you are more likely to be denied a mortgage (22.6%) than if you live in a low-income white community (15.8%).
  - Although there are no high income minority communities in Delaware County, a comparison of the highest income minority community with the lowest income white community shows a significantly higher likelihood that you will be denied a mortgage if you live in the minority vs. the white community.
  - Segregation exists both Countywide and within municipal boundaries.
  - In a recent audit, FHCSF found that African-Americans encountered housing discrimination at 50% of 16 rental units tested in Delaware County, the highest amount of discrimination found in the four suburban counties.
  - There is no comprehensive housing counseling agency serving the residents of Delaware County.
- In addition, the following conclusions found in the region can also be applied to the residents of Delaware County:
- Research done in the Philadelphia region indicates that Americans can infer race from speech patterns alone, thus offering rental agents an opportunity to discriminate over the telephone.
  - A 1998 HUD report associated suburban Philadelphia with the highest percentage (57%) in the nation of very-low income renters living in worst-case scenarios (paying over half their incomes for rent, living in severely substandard housing, or both). A March 2000 study confirms the crisis is worsening: a decrease in the affordable housing supply has made poor suburban families more likely to face worst-case needs than their urban counterparts.
  - On average, persons with disabilities in the Philadelphia region would have to pay 112% of their benefit to rent a modest one-bedroom apartment.

## Consulting Report

The Consulting program is the final program in the Council's three-pronged approach to fighting fair housing. This year, one of the main consulting activities the Council participated in was preparing the Delaware County Analysis of Impediments to Fair Housing Choice. When Congress first passed the Housing and Community Development Act in 1974, the U.S. Department of Housing and Urban Development (HUD) instructed recipients of Community Development Block Grant (CDBG) funds to "affirmatively further fair housing." The extent of the Affirmatively Furthering Fair Housing (AFFH) obligation has never been defined statutorily. However, HUD defines it as requiring a grantee to:

- Conduct an analysis to identify impediments to fair housing choice within the jurisdiction
- Take appropriate actions to overcome the effects of any impediments identified through the analysis
- Maintain records reflecting the analysis and actions taken in this regard.

The scope of the Analysis of Impediments is broad. It covers the full array of public and private policies, practices, and procedures affecting housing choice. The Analysis of Impediments:

- Serves as the substantive, logical basis for fair housing planning
- Provides essential and detailed information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates
- Assists in building public support for fair housing efforts both within a State or Entitlement jurisdiction's boundaries and beyond.

In this 60 page document, the Council found the following conclusions regarding freedom of choice in housing in Delaware County:

- Sales and Marketing Council: Selling to Diverse New Home Customers
- United Neighborhood Centers
- Homeownership Counseling Association
- Apartment Association of Greater Philadelphia (2 sessions)
- Community Impact Legal Services
- Office of Behavioral Health
- Wesley House Homeless Shelter
- Bucks County Housing Group
- Council of Governments
- The Future of Housing In Our Community

In April 2002 FHCSF hosted its second annual workshop "**Pressing Issues in Fair Housing**" 2002 to celebrate National Fair Housing month. This was a practical workshop for government employees, elected officials, housing counselors, non-profit employees and all others interested in a better understanding of fair housing issues as they relate to our communities. The topics presented at this year's workshop included: Predatory Lending by Ira J. Goldstein of The Reinvestment Fund, Impacts on Equity and Access to Opportunity by Karen L. Black of the Metropolitan Philadelphia Policy Center, and Resources to Combat Predatory Lending by Robert Salvin, Esq. of Community Impact Legal Services.

This year the Council published one issue of the publication *Delaware County Fair Housing News*. This publication is currently mailed to 1,811 industry professionals and advocates in Delaware County and receives rave reviews from various recipients. This publication is sponsored by a grant from the Delaware County Office of Housing & Community Development.

FHCSF published one issue of its fair housing newsletter *Fairways* this year. This newsletter once referred to as the "cutting edge of fair housing issues in

the region” by Tri-County MLS, currently has a circulation of 1,169 members, consumers, housing providers, government employees, and fair housing advocates across the nation.

Four meetings of the Delaware County Fair Housing Task Force were held in 2002. The purpose of this Task Force has been to gather information about impediments to fair housing choice in Delaware County; develop an action plan to address the impediments identified; and disseminate information that will help remove impediments to fair housing. The Task Force has now begun working on one of the chief impediments identified: predatory lending.

FHCSP has continued to disseminate its fair housing educational guides. These guides cover most topics in fair housing including: *Non-Discriminatory Rental Practices: A Fair Housing Guide for Apartment Management*; *A Fair Housing Guide to Homeowners Insurance*; *Need a Loan? Would you like some extra money? Don't Lose Your Home!* (a guide about predatory lending); *A Fair Housing Guide for Persons With Disabilities*; *Fair Housing: It's Your Right* (a general consumer's guide to fair housing); and *Fair Lending: A Fair Lending Compliance Program for Mortgage Lenders*. In addition to these materials developed by the Council, we also have fair housing materials in Spanish, Chinese, Korean, and Vietnamese.

Finally, in the year 2002 Council staff assisted more than 600 people with information and referral requests over the telephone.

## Enforcement Report

FHCSP's educational programs are at the core of the Council activities. Yet doing education without also having investigational tools to follow-up complaints along with enforcement mechanisms to assure fair housing

### **African Americans Face Discrimination 41% of the Time in Suburban Philadelphia Rental Market**

The Fair Housing Council of Suburban Philadelphia (FHCSP) conducted an audit from March to October of 2001 to study the extent of housing discrimination in the region's rental housing market. The audit consisted of 64-paired tests conducted in Bucks, Chester, Delaware, and Montgomery Counties. Apartment complexes in 45 different townships were tested. Both African American and white testers visited the sites to inquire about housing and record their experiences. FHCSP then compared their reports to see if the testers were treated equally.

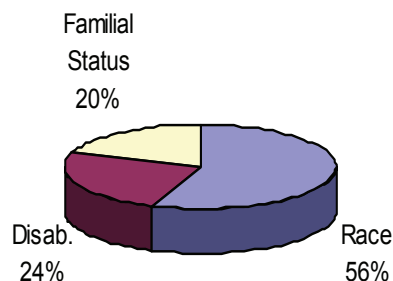
The audit leaves no doubt that our region has not achieved equal access to housing, even 34 years after the passage of the Fair Housing Act. FHCSP found that African American home seekers that are qualified for the rental housing of their choice can expect to face discriminatory treatment 41% of the time in the Suburban Philadelphia area. Furthermore, this audit demonstrates that discriminatory practices are often quite subtle and are unlikely to be detected by an African American home seeker who does not have the benefit of comparing his or her treatment with that of a white home seeker. Rarely are African Americans told blatantly that they are being denied housing because of their race. In the 21<sup>st</sup> century, discrimination is more often practiced with a smile and a handshake.

For example, in one test an African American tester visited a complex and met with an agent who asked the tester to fill out an application before viewing any apartments. The agent said she didn't know what was available and did not show the tester any apartments. A white tester visited the complex one hour later. This tester was told by the same agent that there were two apartments available and the tester was shown these apartments. The agent told the tester that he "looked like a nice stable guy" and encouraged him to apply.

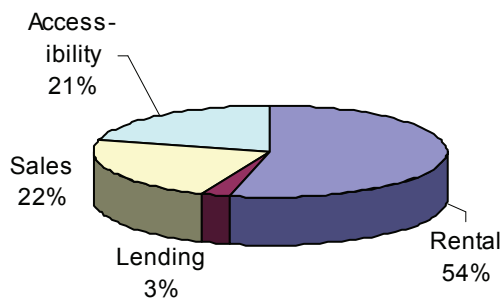
Despite the efforts of lawmakers over the past 34 years, discrimination in housing still pervades the United States. The results of these tests clearly show that housing discrimination persists in Philadelphia's suburban counties. The area remains largely segregated, and access to the small supply of affordable housing stock is limited by barriers to racial minorities.

When the Council receives a complaint, staff members may assist the victim in filing a complaint, help the disabled victim to negotiate a reasonable accommodation or a reasonable modification, refer the victim to an outside agency or private attorney or investigate the site by sending testers to test for compliance with fair housing laws. In addition to complaint based tests, the Council worked on special testing projects this year with the U.S. Department of Housing & Urban Development and Lower Merion Township. The following charts show a breakdown of these tests based on the housing type tested and the protected class tested for.

### Protected Class



### Housing Type/Transaction



compliance, would make our educational activities worthless. FHCSF's programs of education and enforcement go hand-in-hand.

This year FHCSF worked on 2 Fair Housing Initiatives Program Grants from the U.S. Department of Housing & Urban Development through their Private Enforcement Initiatives Program. This funding helps FHCSF continue testing complaints of housing discrimination when they come in and continue testing for compliance with fair housing laws throughout the housing industry.

In addition, FHCSF completed a contract with township of Lower Merion to test random landlords in the township for compliance with Fair Housing Laws. A total of 30 tests were conducted on the basis of familial status and race. Unfortunately, In 23% of the tests, testers encountered differences in treatment because of their minority status.

Also this year, FHCSF spent a considerable amount of time working on a lawsuit that was filed in the fall of 2001. FHCSF, the National Fair Housing Alliance (NFHA), Housing Opportunities Made Equal of Richmond Virginia, the Toledo Fair Housing Center, and Metropolitan Milwaukee Fair Housing Council filed suit in federal district court in Washington, D.C. against Prudential Insurance Company of America and Prudential Property and Casualty Insurance Company (Prudential) for violations of the federal Fair Housing Act.

The suit is based on ongoing evidence that Prudential continues to engage in pervasive discriminatory practices and policies that restrict, limit or deny homeowners insurance in predominantly African American, Latino and integrated neighborhoods in the United States.

In Suburban Philadelphia, matched paired tests comparing the predominantly African American West End of the City of Chester with predominantly white

neighborhoods surrounding Chester verified the differential treatment. Some examples of the differences encountered by testers included:

- An African American tester whose home was selling for \$33,000 was told their property must be worth between \$75,000 and \$100,000 to be qualified for insurance while the white tester was given a quote for a home with a selling price of \$62,000.
- An African American tester was quoted a market value policy costing 98% more than the replacement cost policy quoted the white tester
- An African American tester was told they would only qualify for a market value policy whereas the white tester was offered a replacement cost policy.

Access to affordable insurance is essential for homeownership, business and commercial development and urban redevelopment initiatives. If insurance is not available, or is available only on unfavorable terms and conditions, efforts to achieve fair housing, to nurture economic opportunity, and the basic rights of citizenship are undermined.”

Once again, FHCSP received a considerable amount of complaints of housing discrimination this year. The following chart shows a breakdown based on the type of discrimination individuals are reporting.

