

Fair Ways

April 1998

The Newsletter of The Fair Housing Council Of Suburban Philadelphia

President Unveils Increased Fair Housing Enforcement Plans

According to the most recent data from the U.S. census Bureau, in 1997 the nation's homeownership rate hit a record high of 66%. However, while the homeownership rate was 73% in suburbs last year, it was only 50% in cities, where low- and moderate-income residents and minorities are disproportionately concentrated. The data show that the homeownership rate last year was 72% among whites, but only 45% among African Americans and just 43% among Hispanics.

A U.S. Conference of Mayors report issued Feb. 23, titled "America's Homeownership Gap," said statistics collected by the Federal Reserve Board show that "minority households applying for mortgage credit were much more likely to be rejected than white households with similar income." For example, the data showed that only 10% of white applicants with incomes between 100 and 120% of the area median are denied conventional mortgages while the denial rate for Hispanics with the same income range jumps to 20% percent, and more than doubles to 23% for African Americans.

In light of these statistics, civil rights advocates across the country have been cheered by recent attempts of the federal government to step up enforcement activity. In November, President Clinton announced an initiative against housing related hate acts. In an address made at the White House Conference on Hate Crimes, President Clinton said that he intended to fight housing related acts of hate violence and intimidation with higher fines and stricter enforcement. "The Fair Housing Act says every family in this nation has the right to live in any neighborhood and in any home that they can afford," he said. "Our message to those who violate this law is simple: If you try to take this right away, we will make you pay..."

As part of the President's new initiative, Vice President Gore announced the President's intention to propose a \$22 million funding increase for the Department of Housing and Urban Development (HUD) at a Martin Luther King, Jr. Celebration in January. The increase would be used to expand HUD's programs that investigate discrimination. "President Clinton and I are proposing, as part of this initiative on race, the largest single increase in the enforcement of our civil rights laws in two decades. Through new reforms and through heightened commitment to enforcement, we will seek to prevent discrimination in employment, in education, in housing, in health care, in access for those with disabilities."

In response to this thrust, Secretary of HUD Andrew Cuomo has promised to double the number of enforcement actions HUD takes against violators of the Fair Housing Act.

Council Partners With Local Disability Groups

FHCSP will be joining with the Disabilities Law Project (DLP) and Freedom Valley Disability Center to help improve the support network for persons with disabilities in the Delaware Valley.

DLP, founded in 1977, provides legal protection and advocacy services to Pennsylvanians with disabilities. The agency's program of free legal assistance and class action/law reform litigation serves more than 1,500 disabled consumers across the state each year. In Greater Philadelphia, DLP receives

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FairWays is a publication of
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of Suburban Philadelphia**
"The Nation's Oldest Fair
Housing Council"

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For questions or comments regarding this newsletter, please contact the newsletter committee by calling the FHCS office.

FHCS, Inc. is a private non-profit fair housing organization that advocates and works for freedom of residence in Bucks, Chester, Delaware and Montgomery Counties, Pennsylvania.

A copy of the official registration and financial information may be obtained from the Pennsylvania Department of State by calling toll free within Pennsylvania 1-800-732-0999. Registration does not imply endorsement.

The State of Fair Housing...

(Message from the Executive Director)

By Jim Berry

On January 27, 1998 President Clinton delivered the 209th State of the Union Address to congress. In his speech, the President gave a glowing report on the economy and on our country generally asserting that "the State of the Union is strong." I wish it were possible to give the same glowing report about the state of fair housing. The Council is now in its 42nd year and the Fair Housing Act was passed 30 years ago. One would think after all this time, that acts of discrimination in housing would have largely disappeared. Unfortunately, while progress has been made on many fronts, it seems that people continue to find new ways of discriminating. Housing discrimination is not simply going to go away any time soon without a serious effort to eliminate it. Now, at the same time that President Clinton is requesting a 73% budget increase for fair housing enforcement for FY1999, and HUD Secretary Andrew Cuomo is promising to double the number of enforcement actions by HUD, Congress is considering HR 3206, which is being called the Fair Housing Amendments Act of 1998. This bill would repeal many of the

rights given to those with disabilities, legalize discriminatory speech even if the speech results in the denial of housing, "clarifies" familial status by excluding children in certain foster care and transitional living situations and essentially redefines "family," makes it more difficult for individuals to file discriminatory complaints of housing discrimination, and would require victims in housing discrimination zoning cases to exhaust all administrative remedies before filing a federal lawsuit. We are encouraging everyone to contact your representatives in opposition to HR 3206.

On the other hand, the state of FHCS is strong. In February Deborah Butler joined our team as our new Test Coordinator. Now, with an additional staff person, the Council will be able to increase its activity into areas that have been underserved in the past due to limited resources. In addition, with the Council's current HUD fair housing enforcement (FHIP-PEI) grant and the Delaware County educational (CDBG) Grant the Council has the resources to offer a full spectrum of fair housing services. So although the state of fair housing across the nation seems mired, the state of FHCS, I am

Claim of Environmental Racism to be Heard by US District Court

A City of Chester advocacy group, Chester Residents Concerned for Quality Living, was recently given the right to pursue a lawsuit filed two years ago against the Pennsylvania Department of Environmental Protection (DEP). The Third Circuit Court of Appeals has overturned a previous decision stating that the Chester group *has* met all the legal tests required for a private right of action. The decision sends the case back to US District Judge Stewart Dalzell.

The Chester group is alleging that the DEP has violated federal civil rights statutes in issuing permits for five waste-treatment facilities in the city. In the last decade, the DEP has issued permits for a trash incinerator, an infectious-waste facility, a construction-waste recycling operation and a contaminated-soil treatment plant and the city is already the site of the Delcora sewage treatment plant. About 65% of Chester's approximately 40,000 residents are African American. All of the municipal waste and sewage in Delaware County, which is

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Environmental Racism....

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almost 90% white, is processed in the city. Likewise, only 7.5% of the county population lives in Chester, yet more than 60% of the waste-processing facilities in the county are in the city, according to the resident's original complaint.

The DEP has stated that it was only following state and federal regulations in the reviewing and

awarding of permits and that there was no "discriminatory intent" in its actions. The Chester group, however, has cited the federal EPA regulation that stipulates that if a state agency receives and uses federal money, its actions should not have the *effect* of discrimination, even if there was no *intent* to discriminate.

Settlements

FHCSP v. The Regency

Bob (not his real name) lived at the Regency and was having problems with the management. One of the problems was that he was required to notify the complex when he had friends coming over who were Black. The Council sent testers to the site to investigate whether there was in fact discrimination occurring at the Regency. The results of two tests showed that both African American testers were told an apartment would be available in a couple of weeks but could not be shown currently. They were told to call back at a later date and then come see it when it was finished. This would have been impossible, because it would not have given a homeseeker enough time to find a place before they needed to move. Both the white testers, however, were shown the apartment being repaired and even told they could have a price break on the rent. The Council filed a complaint at the US Dept. of Housing and Urban Development (HUD), and after negotiations, settled for damages. The owners and managers of the Regency will now be trained in fair housing laws, HUD will monitor their compliance with the laws, and the Council will test them for further compliance recommendations.

FHCSP v. Smith & Sheehan

Vince was looking for a new apartment for his family. He thought he had found the perfect place when he read an ad in the newspaper. The size seemed right, the price was good, utilities were included and it was in the country on a horse farm. Yet when he called to inquire, he was told that he could not live there because the owner did not allow children. He was told the reason was a spiral staircase leading into the apartment. The owner was afraid a child might fall and get hurt. The Council tested the property and the testers were told the same thing. A complaint was filed at HUD, and after negotiations, was settled. The owners claimed

that they were not aware that it was illegal to not rent to families with children. According to case law, the parents must make a decision about what is or is not safe for their children, the landlord cannot make that decision for them. The owners of the property have agreed to comply with the law in the future and the Council will train them in fair housing laws.

FHCSP v. Morelli

The *Phoenix* newspaper published an advertisement for a 1BR apartment that was "suitable for 1 person." The Council investigated and discovered that the apartment was not an efficiency apartment and that they were limiting the occupancy to 1 person. The owners could not present any evidence to prove a business necessity for this policy, and the Council contended that this policy had the discriminatory effect of eliminating families with children from the property. A complaint was filed at HUD, and after negotiations, was settled for damages. The owners of the property have agreed to comply with the law, follow the 1995 HUD guidelines (24 C.F.R. Part 109) for future advertising and be trained in fair housing laws. The Morelli's records will also be monitored for two years by HUD.

"Discrimination against any American is un-American. We must vigorously enforce the laws that make it illegal."

President Clinton

State of the Union Address
1/27/98



Public Radio Broadcast

Everyone Tune In!

"The Fair 'Fear' in Fair Housing - It's the Law"
Monday April 20th 5:30 PM
Thursday April 23rd 5:30 PM
WRTI 90.1 FM

Temple University Public
Radio Network

Jean Moore, Host & Executive Producer

Guests:

Jim Berry, Executive Director, FHCSP
Cliff Boardman, FHCSP Counsel
Cary Isard, FHCSP Founder & Board member
J.J. McGettigan, President CARR Real Estate

First Union/Corestates Merger

The Council has been watching the negotiations on the First Union-Corestates merger closely. Why would a bank merger be of interest to a fair housing group? Areas of concern in such mergers include the possibility of disproportionate numbers of branch closings in lower income and minority neighborhoods, and also changes in lending policies that have a discriminatory effect on minorities. First Union's track record is not good. The year after First Union purchased Fidelity Bank, their loans in lower income and minority neighborhoods decreased. First Union also has a mortgage denial rate that is two times higher for blacks than for whites and three times higher for Hispanics.

On Friday March 13, 1998 the Federal Reserve Board held public hearings on the merger. At the hearing, testimony on both sides of the issue was strong. Several local non-profits headed by Andrew Frishkoff of the PA Low Income Housing Coalition (PALIHC) and Steve Culbertson of the PA Association of Community Development Corporations (PACDC) have entered into an agreement with First Union. First Union has pledged an approximately 5% to 10% increase in lending in lower income neighborhoods and charitable giving from what First Union and Corestates would have given separately during the next 5 years. One of the specific items negotiated was First Union's promise not to close bank branches more than 4 blocks (0.3 miles) apart which are located in lower income census tracts and census tracts that are greater than 40% minority population for a period of at least 3 years. Cities specifically mentioned in the agreement within the Council's service area include Chester, Norristown, Media, Coatesville, and Bristol. The agreement was supported by

Philadelphia Mayor Ed Rendell who called the merger "sad but inevitable."

Opponents of the merger, however, suggested that First Union had "bought off" these groups. Several opponents warned that First Union would eventually close branches in lower income and minority neighborhoods. Then, with its recent purchase of the Money Store, the nation's largest high-interest-rate lender, would increase their marketing of these expensive loans to these neighborhoods. J. Whyatt Mondesire, President of the Philadelphia Branch NAACP, pointed to statistics for Charlotte, NC, First Union's corporate center. In Charlotte alone, First Union's mortgage history shows that for every 1 white who is rejected for a mortgage there are 4 or 5 Blacks being rejected. State Rep. Andrew Carn (D., Phila.) and Sen. Arlen Specter (R. Pa.) were also opposed to the merger mentioning among other things, the threat to competition and the cost to the area in jobs.

So what will happen now? The Fed will make a decision to allow or reject the merger, and whether First Union needs to sell off a substantial portion of Corstate's assets. Sen. Specter warned that he would be watching the Fed's actions carefully and may decide to introduce a bill that could force First Union to sell billions of Corstate's assets or cancel the deal. And what will be the result on our region in terms of fair housing? Will First Union's stated five-year commitment of loans and charitable giving be just the beginning of a happy partnership for our region, or will we see discrimination in access to credit in minority and lower income census tracts, and higher denial rates for minorities after 5 years? We don't know, but the Council will be watching closely.

"The homeownership gap remains far too wide. It's time to move beyond talking about this serious problem and move forward more aggressively to solve it. All Americans - no matter where they live, no matter what their race or ethnicity - have a legal right under the Fair Housing Act to be treated equally when they apply for a home mortgage. We will ensure that this legal right is enforced."

HUD Secretary
Andrew Cuomo

Jim Berry Joins PALIHC Board of Directors

By Trish Schoor, PALIHC Membership & Communications Coordinator

In 1997 at the Pennsylvania Low Income Housing Coalition's (PALIHC) Annual Meeting in Carlisle, PA a new 30 member board of directors was elected representing housing groups and consumers from across the state. Included on the new board is Jim Berry, Executive Director of FHCSF. PALIHC staff are very happy to have Jim's special expertise in fair housing law to navigate through this year's policy developments. Jim is serving on the Finance Committee and is working with board and staff on designating resources to new projects, with a special focus on creating an Energy Services, Corp. to negotiate utility rates for low income consumers. The Coalition was founded in 1985. Its mission is to ensure access to safe, decent and affordable housing for all Pennsylvanians, particularly those with low incomes, through state and national policy advocacy. PALIHC tracks legislation and provides regular updates and comments to members of the Coalition and other interested parties. PALIHC's primary housing-related legislative issues include: annual housing and community development budgets, landlord/tenant laws, property taxation, zoning laws, fair housing laws, and building codes.

HUD Issues Lender Self-Test Rule

In December, HUD issued a final regulation implementing provisions encouraging voluntary compliance by lenders with the Fair Housing Act self-test program involving real estate-related loan transactions. The law provides for corrective action to remedy violations revealed by such tests. HUD says the rule, which went into effect Jan. 30, offers lenders incentives for "innovative, effective and non-routine fair lending monitoring and self-correction while ensuring the rights of discrimination victims." The regulations say the results of voluntary self-tests are privileged if the lenders undertake remedial action to address likely violations identified by the examinations. But the regulations say too, that lenders can't invoke the privilege unless they take corrective action.

A Note From The Membership Committee

We would like to thank everyone who has paid this year's dues and gently remind those who have not. Our basic membership fee of \$10 for individuals and \$20 for organizations is still the best bargain in town!

Thanks, also, to the ten willing volunteers who have agreed to make phone calls to remind Council members of special events. Would **you** like to join the telephone squad? We will need more people as our membership grows. Please call Kathleen Henderson at (610) 558-5186 if you can help in this way.



Council Partners With...

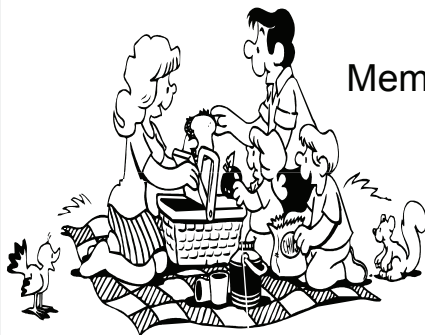
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referrals from and serves clients of disabled providers regionwide, including centers for independent living, local chapters of United Cerebral Palsy, local chapters of the Arc (formerly the Association for Retarded Citizens), mental health associations, and other advocacy groups. The agency also provides technical assistance and litigation support to attorneys on a national level. DLP will be working with the Council to improve our disability testing methodology, training our testers, and litigating disability complaints.

Freedom Valley Disability Center in Newtown Square, Delaware County, was founded in 1986. It began as a satellite program of the Philadelphia Center for Independent Living and is now an independent nonprofit agency serving persons with disabilities throughout Bucks, Chester, Delaware and Montgomery Counties. As an independent living center, Freedom Valley operates with a mission to help people with disabilities achieve or maintain more self-sufficient and productive lives in their communities. The agency also works to educate the public about disability issues, including the housing needs of the disabled, and to promote a barrier-free society for its constituents. FHCSF will train the staff at Freedom Valley about fair housing laws so that they can act as an information and referral service for their clientele. Freedom Valley will provide fair housing workshops to disabled consumers regarding their legal rights as homeseekers and options when facing housing discrimination, and will also be helping the Council recruit disabled individuals as fair housing testers.

"Housing Discrimination is an ugly part of America's past, it is intolerable, it is illegal, and it has no place in our present or our future."

HUD Secretary
Andrew Cuomo



Come One, Come All!

Members, supporters, and friends of all ages are invited to the Council's annual picnic

Saturday June 6, 1998 5 PM

(Raindate June 7, 1998)

**At the Isards' Home at
3218 Garrett Road, Drexel Hill**

Bring something to grill for your family, a salad or dessert to share, and outdoor games. The Council provides condiments and beverages. For directions, call the FHCSF office at (610) 604-4411.





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The Nation's Oldest Fair Housing Council

Council's 41st Annual Meeting

On January 5, 1998 the Council held its 41st Annual meeting. At the meeting, awards were given to previous board members who will not be serving on the 1998 board. These included David Brook, Natalie Gorvine, Kathleen Henderson, Joyce Kane, Sharon Kellaher, and Naomi Marcus. We want to thank all of them for their many years of hard work, their dedication to the Council, and all the contributions they made in the Council's fight for freedom of housing over the years. Also honored with an award for all her past services was Cary Isard whom we are also happy to welcome back to the 1998 board after a years absence. During the meeting, Bill Henderson, Chairperson of the Board of Directors and Council staff Jim Berry and Jan Chadwick reported on the Council's many activities and successes in 1997. If you would like a copy of the Council's 1997 Annual Report, please contact the FHCS office. The 1998 FHCS Board of Directors include: Joseph Aiken, Ann Cope, Ed Dougherty, John Furth, Lynne Green, Bill Grigsby, Ora Gudnitz, George Harris, William Henderson, Peter Hill, Cary Isard, Trina Johnston, Carol Karash, Marion Mathes, Jean Moore, Guillermo Rivera, Elaine Saraceni, and Jacci Vigilante, Esq. Thank you all for your hard work and commitment!



New Staff Joins Council

On February 1, Deborah Butler joined Council staff as the new Test Coordinator. Deborah is an attorney who has long desired to join an organization that has a practical hands-on ability to fight for civil rights. Deborah has experience as a judicial law clerk and an Assistant City Solicitor, and has handled various matters in civil rights, real estate and lending practices.

Since joining the FHCS staff, Deborah has had several speaking engagements and has been written about in the *Bucks County Courier Times*. She has already recruited and trained several new testers and has begun outreaches to recruit testers in the Hispanic, Asian and disabled communities. Deborah is a member of Delta Sigma Theta Sorority and has been busy recruiting new testers there as well.

Council staff is very excited to have Deborah on board and is looking forward to expanding the services available to fight for freedom of housing