

Statement of
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on Fair Housing in the District of Columbia
Before the
District of Columbia Advisory Committee to the
United States Commission on Civil Rights

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Good morning. I am Peter Tatian, a senior researcher in the Urban Institute's Metropolitan Housing and Communities Policy Center. I am also the director of NeighborhoodInfo DC, an information resource for the District of Columbia.¹ For the past five years, NeighborhoodInfo DC has provided data and research that help inform policymakers, nonprofit organizations, funders, and citizens on important issues and trends facing the city and its region. As part of this work, I was a coauthor of the *Analysis of Impediments to Fair Housing Choice in the District of Columbia* report that the Urban Institute prepared for the D.C. Department of Housing and Community Development (DHCD) in 2005.² I appreciate the opportunity to provide this testimony highlighting fair housing issues in Washington, D.C., that we raised in that 2005 analysis.

In preparing our 2005 *Analysis of Impediments* report, we conducted a literature review of national and local materials on fair housing issues; we analyzed data sources on patterns of segregation, home sales, mortgage lending, and subsidized housing; we compiled a fair housing profile for the city, summarizing current laws, trends in fair housing complaints, and fair housing programs and activities; we asked the Washington Lawyers Committee on Civil Rights and Urban Affairs to conduct an analysis of key court cases on local fair housing law; and we held a roundtable discussion and conducted interviews with key stakeholders, which included local government officials, developers, lenders, realtors, community organizations, and local and national fair housing experts. All of this information was compiled and summarized in our final *Analysis of Impediments* report, which was submitted to DHCD.

The focus of all this work was to answer two main questions:

- What are the main impediments to fair housing choice in the District of Columbia?

¹ NeighborhoodInfo DC is a partnership between the Urban Institute and the Washington, D.C., Local Initiatives Support Corporation. For more information, please visit <http://www.NeighborhoodInfoDC.org>.

² The *Analysis of Impediments* report is available at <http://www.urban.org/publications/411393.html>.

- What actions should the District of Columbia take to address these impediments?

Overall, we found four major impediments and recommended a set of actions to address each one:

1. *Real estate market participants not complying with fair housing laws.* Our analysis suggested that some realtors, mortgage lenders, and property managers continued to practice unlawful discrimination that violated fair housing laws. Our report documented fair housing complaints filed through lawsuits or with the D.C. Office of Human Rights. We recommended enhanced fair housing enforcement, testing,³ and reporting activities to increase awareness of and compliance with fair housing laws, as well as improved education, outreach, and coordination regarding fair housing requirements and activities.
2. *Affordable housing for low- and moderate-income households and special-needs housing were available in a small and decreasing number of District of Columbia neighborhoods.* We wrote the *Analysis of Impediments* report near the height of the D.C. housing market boom. The data in the report documented that black, Latino, and Asian households had lower incomes than white households, and that rapidly rising rents and home prices were putting housing in more neighborhoods out of reach for many of these families. While not a violation of fair housing law, these real estate market trends were reinforcing an already pronounced pattern of racial and ethnic segregation in the city. We recommended that the city work to increase affordable housing opportunities in neighborhoods throughout the city, in particular by considering implementing the recommendations of the D.C. Comprehensive Housing Strategy Task Force, whose final report was issued in April 2006.⁴
3. *Households were not considering housing opportunities across a broad range of neighborhoods that provided a desired quality of life and contained quality affordable housing.* While income disparities across racial and ethnic groups contributed to segregated residential patterns, our analysis suggested that households across all income groups lived in racially and ethnically segregated neighborhoods. To the extent that these patterns were a matter of choice, this finding suggested to us that households may not be making housing decisions with information about the full range of options available across the city. We recommended steps, such as providing more information on housing options in a wide variety of neighborhoods, to help ensure that housing choices were not needlessly constrained.

³ Fair housing testing involves using paired testers who have identical profiles except that they differ according to a class protected by fair housing laws. For example, a black and a white tester with similar characteristics might be paired in tests targeting apartment managers. Each tester would, in turn, inquire about apartments available from the same manager. Any differences in treatment may be evidence of unlawful discrimination.

⁴ The Task Force's final report is available at <http://www.brookings.edu/reports/2006/04cities.aspx>.

4. *Certain members of protected classes exhibited low levels of home buying literacy and high proportions had no credit history or a blemished credit history.* Our report noted the increasing use of credit scores and automated lending technology to make decisions on rental and mortgage applications and discussed the negative impact this development would have for any D.C. residents who had poor or no credit histories. In addition, our report documented the disproportionately higher use of subprime mortgage products by blacks and Latinos in D.C., a pattern that was related to the lower credit worthiness of these home buyers, but which we pointed out could also suggest predatory lending activities that were being targeted to black and Latino neighborhoods. As we now are aware, the use of subprime loans has led directly to higher foreclosure rates in these same neighborhoods. To address these issues, we recommended that the city work with local and national partners to increase creditworthiness and financial literacy among city residents.

In conclusion, we felt that our report provided a thorough overview of the fair housing situation in the District of Columbia at the time and that our recommendations provided solid steps for the city and its partners to follow to make further progress on reducing impediments to fair housing choice for D.C. residents. Thank you for your attention, and I would be happy to answer any questions you may have.



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The views expressed in this testimony are those of the author and should not be attributed to the Urban Institute, its trustees, or its funders.