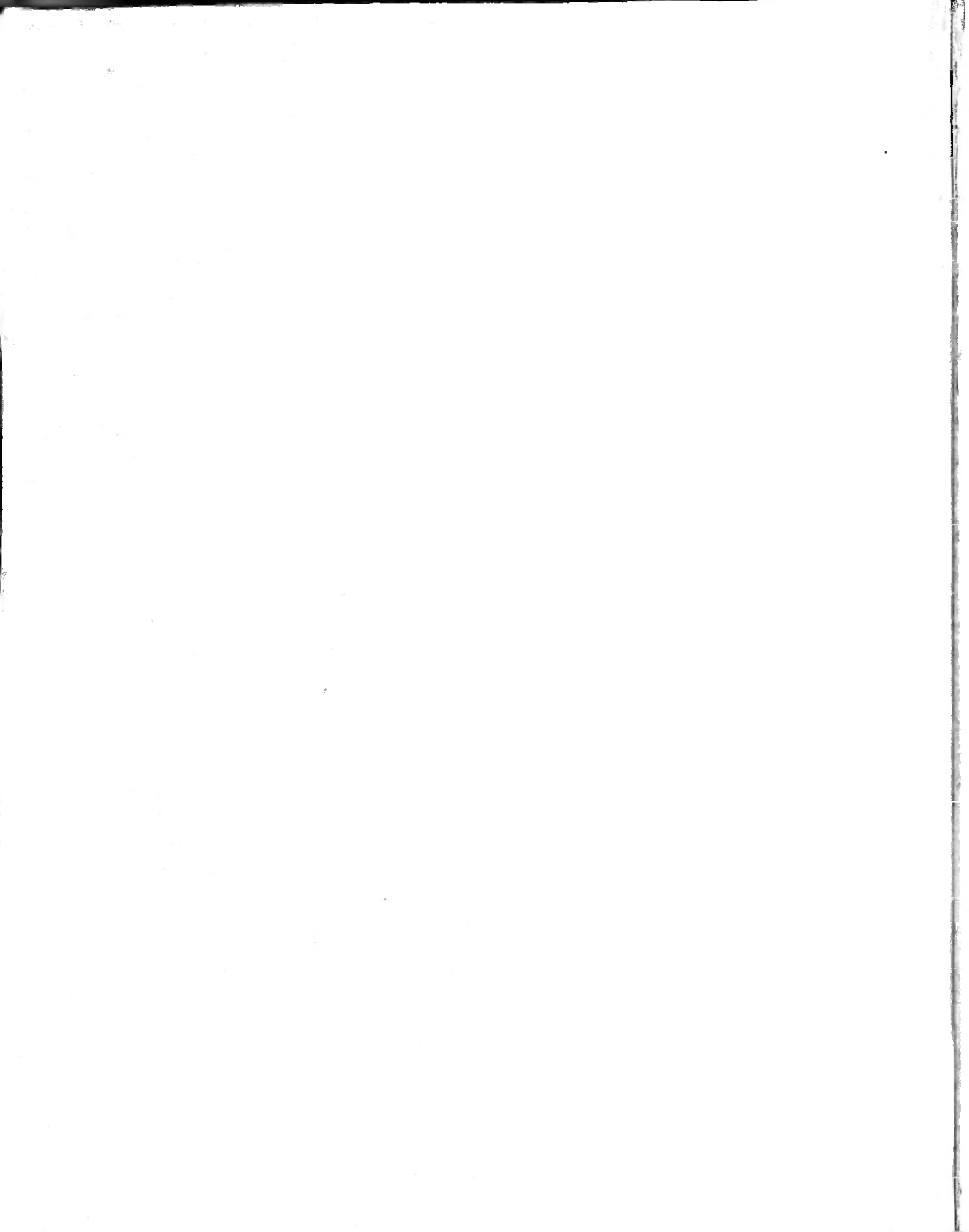




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# The Fair Housing Assistance Program Evaluation



## Foreword

Strengthening fair housing enforcement has been a primary goal of mine since becoming Secretary of the Department of Housing and Urban Development. I have proposed new fair housing amendments and have consistently worked for the funding of State enforcement agencies through the Fair Housing Assistance Program (FHAP).

This evaluation of FHAP by Abt Associates of Cambridge, Massachusetts, is an objective account of the experiences of State and local agencies in enforcing their fair housing laws. The report documents an increasing capacity on the part of State and local fair housing agencies to process housing discrimination complaints. This is a source of considerable satisfaction to me.

As the report indicates, since the start of HUD's fair Housing Assistance Program in 1980 these agencies are handling a larger number of fair housing cases, in a more timely manner, and with better settlements for successful complainants. They have also expanded the scope of their fair housing efforts, giving more attention to activities such as outreach, public education, affirmative marketing, and testing. A companion piece to this report, a case study on HUD complaint processing, indicates that HUD is also processing fair housing complaints in an improved manner.

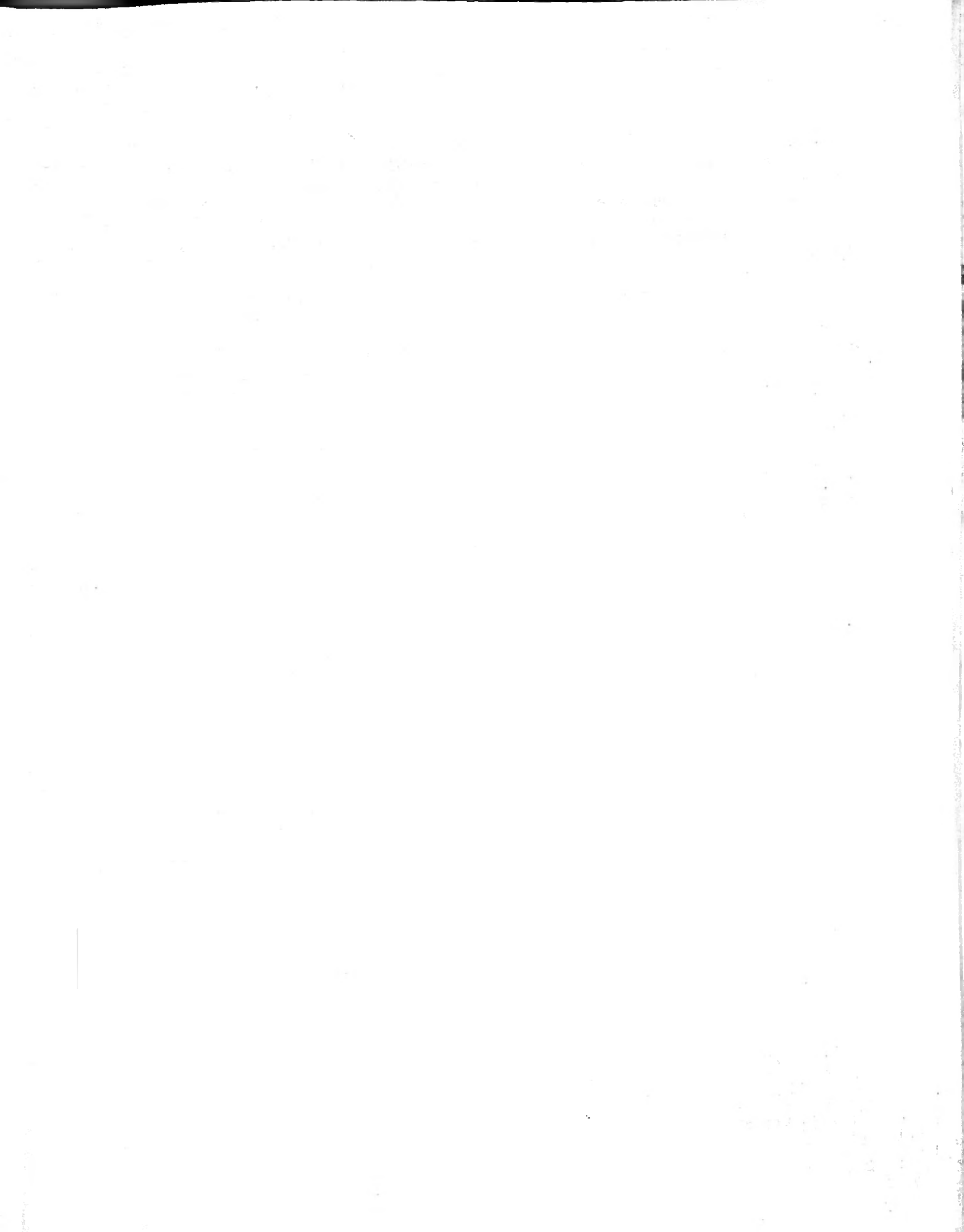
The Fair Housing Assistance Program clearly demonstrates the importance of properly targeted Federal programs in combating housing discrimination. We know, however, that this program alone cannot guarantee that equal access to housing becomes a reality. The total number of fair housing complaints filed at the Federal, State and local levels is very low compared to the incidence of discrimination found in various research efforts.

There remains much work to ensure every American fair housing opportunities, today and in the future. We must continue our efforts to inform victims of discrimination of their rights. We must continue to educate the public of the penalties for violating fair housing laws. We must use all available tools to enforce the law and strengthen fair housing enforcement.

Samuel R. Pierce  
Secretary

DEC 1 1985

WASHINGTON, D.C. 20410



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# The Fair Housing Assistance Program Evaluation

**Prepared by:**  
ABT Associates Inc.

James E. Wallace  
William L. Holshouser  
Terry Saunders Lane  
John Williams

**Prepared for:**

U.S. Department of Housing and Urban  
Development

Office of Policy Development and  
Research

June 1985

The research and studies forming the basis of this report were conducted pursuant to a contract with the Department of Housing and Urban Development (HUD). The statements and conclusions contained herein are those of the contractor and do not necessarily reflect the views of the U.S. government in general or HUD in particular.

## ABSTRACT

The Fair Housing Assistance Program was established in 1980 to enable the Department of Housing and Development to carry out its responsibilities under Title VIII of the Civil Rights Act of 1968 to refer complaints of housing discrimination to State and local agencies determined to have coverage and administrative enforcement capabilities equivalent to Title VIII. This evaluation of the program is based on a national sample of 15 such agencies and interviews with HUD staff.

The report reviews the design and implementation of the program; describes the agencies involved and their complaint processing practices; and analyzes the impact of the program on complaint volume, speed of resolution, and quality of resolution.

## ACKNOWLEDGEMENTS

The authors appreciate the help of a number of persons. Janine Sullivan made critical contributions in every phase, from setting up the field visits, to helping to conduct them, to organizing the data receipt and preparation and assisting in the preparation of the report. Irma Rivera-Veve and Rick DeFriesse provided expert data processing support. Georgette Wright provided secretarial support and managed the production of the report. Martin Sloan of the National Committee Against Discrimination (NCDH) assisted with training for the field visits, and he and Bruce Gelber of NCDH provided helpful criticism of the draft report.

Major authors of the report are as follows:

Executive Summary and Chapters 1 and 6--Jim Wallace

Chapter 2--John Williams of the MetroStudy Corporation

Chapters 3 and 4--Terry Lane

Chapter 5--Bill Holshouser.

As usual, we are responsible for the quality and completeness of the report.

We are especially appreciative of the cooperation and help given us both by staff at HUD and the (unnamed) State and local agencies we visited.

The study would not have been possible without them. We trust that the results will be helpful to all concerned with equal opportunity in housing.



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## EXECUTIVE SUMMARY

### EVALUATION OF THE FAIR HOUSING ASSISTANCE PROGRAM

This report examines the impact of the Federal Fair Housing Assistance Program (FHAP) on fair housing enforcement by States and localities whose fair housing laws are substantially equivalent to Title VIII of the U.S. Civil Rights Act. It describes the implementation of FHAP and considers its effects on procedures of State and local agencies and on the outcomes of the enforcement process.

#### The Fair Housing Assistance Program

Section 810(c) of Title VIII of the 1968 Civil Rights Act requires HUD to refer housing discrimination complaints to State and local agencies deemed to have powers and administrative capacity substantially equivalent to HUD's for handling housing discrimination complaints. However, HUD's early experience with complaint referrals under Section 810(c) indicated serious deficiencies in the ability of State and local agencies to effectively process complaints. Therefore, the Fair Housing Assistance Program was established in fiscal year 1980 to provide funds, training, and technical assistance to these agencies.

The financial assistance that FHAP provides to State and local agencies is divided into non-competitive funding for complaint processing (Type I) and competitive funding for fair housing activities broader than complaint handling (Type II). Agencies qualify for these funds by having been declared "substantially equivalent" by HUD and by executing a Memorandum of Understanding with HUD on the working relationships between HUD and the agency. Type I funding has two phases, a capacity-building phase and a payment-per-complaint phase. In the first two years of an agency's participation (Phase 1), the level of Type I funding is based on the number of complaints HUD receives for the jurisdiction. These funds are intended to support the agency's ongoing complaint processing and to build capacity for attracting more fair housing complaints and for handling them more effectively. Beginning with the third year (Phase 2) of Type I funding, complaint processing assistance is based on the actual number of fair housing complaints covered by Title VIII which are closed by the agency. The agency receives \$500 for each closed case.

As the primary condition for receipt of FHAP monies, agencies agree to accept referrals of housing complaints filed with HUD in their jurisdictions. They also agree to file with HUD all housing cases lodged with the agency that are eligible for Title VIII protection. Both types of complaints are known as "dual-filed" complaints because they are recorded both at HUD and at the agency. HUD monitors the progress of both types of dual-filed fair housing complaints to assure timely and effective processing by the agency.

Through the Fair Housing Assistance Program HUD thus establishes a cooperative agreement with State and local civil rights agencies that not only provides a mechanism for HUD to carry out its statutory obligation to refer cases to these agencies but also provides persons filing complaints directly with the agency a Federal review of their case.

This evaluation of the FHAP program is the first examination of FHAP implementation and its success in improving State and local complaint handling capacity. The results presented in the report are based on data collected at a sample of 15 FHAP agencies chosen from among the broad spectrum of State and local, and large and small, program participants. Surveys were also carried out at the eight Regional Offices with jurisdiction for the 15 sampled FHAP agencies and at HUD Headquarters, where overall responsibilities for FHAP implementation and complaint monitoring are lodged. Finally, data on 2000 closed cases were extracted from closed case files at the sample agencies. (Data from a sample 400 closed cases were also extracted at four of the Regional Offices which were visited. An analysis of these data is reported in Case Study on HUD Processing of Title VIII Complaints, which was prepared as part of the FHAP evaluation.)

#### Key Findings

The Fair Housing Assistance Program has successfully met its goal of enhancing the complaint processing capacity of State and local agencies. HUD has been able to establish a workable program for the screening and support of agencies carrying out the fair housing enforcement activities mandated by Title VIII of the Civil Rights Act of 1968. FHAP is enabling HUD to carry out its statutory requirement to refer cases to substantially equivalent agencies more effectively. Referred cases, along with fair housing cases filed directly with the agencies, are receiving increased attention as reflected



both in agency staffing and procedures and improved complaint outcomes.

Specifically:

1. Under the capacity-building portion of the program, agencies have typically enlarged and enhanced their fair housing activities. Although equal employment opportunity complaints comprised the large majority of complaints handled by FHAP agencies both before and during the FHAP period, the priority given to fair housing activities has increased under FHAP. Fair housing cases, as a percentage of total caseload, have increased from 5.6 percent before FHAP to 6.9 percent during the FHAP period at the 15 agencies visited. In addition, staff devoted to fair housing, as well as outreach activities to the public and staff training, have tended to increase -- even though seven of the 15 agencies studied suffered budget declines larger than the funds provided by the Fair Housing Assistance Program. Four agencies increased their full-time Fair Housing staff by one to three positions; another four by four or more positions. Moreover, agencies are also using a broader range of information sources in investigating fair housing complaints. For example, the use of written interrogatories to respondents, and telephone interviews of respondents and complainants have increased.
2. Agencies are handling a greater number of fair housing complaints. With the onset of FHAP, case filings at State and local agencies increased by 26 percent and closings by 19 percent. Half of this increase is accounted for in the referrals of cases from HUD; the remainder of the increase is in cases filed directly at the agencies.
3. The percentage of case closings that take two or more years has dropped sharply since FHAP began. Half of case closings occurred within 100 days both before and during the Fair Housing Assistance Program. However, a few cases take a very long time to close. Before FHAP, 18 percent of the closed cases had taken two years or more to close; by the payment-per-complaint period (Phase 2 of FHAP), only six percent took as long. Considering only cases closing within one year, and with other factors held constant, case durations were not appreciably shorter in the capacity-building period (Phase 1), but were shorter by 12 days in Phase 2.
4. The percentage of cases in which a resolution is reached has increased since the start of FHAP. Prior to FHAP, 12 percent of cases were closed with no resolution; since the program began this percentage has dropped to 2 percent. (See Table 1).
5. The percentage of cases resolved in favor of the complainant increased relative to the pre-FHAP period during Phase 1 but dropped back in Phase 2. As Table 1 shows, the percentage of cases with a pro-complainant resolution rose from 41 percent prior to FHAP to 45 percent in Phase 1; the percentage of pro-

Table 1

TYPE OF RESOLUTION BY PROGRAM PHASE

	<u>Pre-FHAP</u> <u>N=712</u>	<u>Phase 1</u> <u>M=622</u>	<u>Phase 2</u> <u>N=372</u>
No Resolution	12%	5%	2%
Resolution does not favor complainant	47	49	54
Resolution favors complainant	41	45	42
	<hr/>	<hr/>	<hr/>
	100%	100%	100%

---

Source: Case Record Abstract Forms.

Base: All cases except those closed for lack of jurisdiction, failure to proceed by complainant or withdrawn with no settlement.

complainant resolutions dropped back to 42 percent in Phase 2, however. The reason for the drop in pro-complainant resolutions in Phase 2 is unclear. However, it is not necessarily due to an incentive to close cases quickly in Phase 2 in order to receive payment; indeed, while the average time to close cases has decreased overall in Phase 2, the time to close cases which are resolved in favor of respondents has actually increased. This suggests that FHAP agencies are not closing such cases more quickly in order to receive payment for them.

6. In cases resolved in favor of the complainant, the quality of relief received by the complainant has improved. The probability of receiving a concrete form of relief as opposed to an apology or an affirmative action agreement, was 9 percentage points higher in Phase 1 and 4 percent higher in Phase 2 than in the pre-FHAP period. Moreover, the percentage of closings providing both monetary damages and a housing unit (either the contested unit or another) more than doubled under the Fair Housing Assistance Program (from 3 percent to 7 percent). (See Table 2.) Monetary awards also increased, with the median award rising from \$388 to \$500 (measured in constant dollars).

In summary, then, since the start of the FHAP program, participating agencies have increased their complaint handling capacity along a number of dimensions simultaneously. Agencies have used their FHAP money to support activities which directly improve the quality of complaint processing and to strengthen more general fair housing functions as well. The agencies are handling a larger volume of fair housing complaints in a more timely fashion. They are doing so without adverse effects on the probability of obtaining relief for complainants and with some improvements in the types of relief obtained.

The evaluation also provided the first information on costs incurred in complaint processing at FHAP agencies:

7. The median cost per complaint at the sample agencies was \$1422. During Phase 2 of FHAP, HUD reimburses the FHAP agencies \$500 per closed dual-filed complaint, whether it originates at HUD or the agency. The total amount received by the agencies during Phase 2 typically drops relative to Phase 1. Nonetheless, the \$500 payment lowers the cost of handling any particular complaint and allows agencies to handle a larger number of complaints for a fixed level of State and local resources than would be the case in the absence of FHAP funding. Therefore, agencies generally appear to be willing to participate in Phase 2 despite the funding drop. However, for a few agencies where HUD referrals comprise a substantial portion of the agency's caseload, participation in FHAP may

Table 2

## TYPE OF RELIEF GRANTED BY PROGRAM PHASE (PERCENTAGES)

<u>Type of Relief</u>	<u>Program Phase</u>		
	<u>Pre-FHAP</u> <u>N=225</u>	<u>Phase 1</u> <u>N=267</u>	<u>Phase 2</u> <u>N=130</u>
Apology or Aff. Action	35%	24%	30%
Contested Unit	27	25	25
Next Unit	10	16	10
Money Only	25	32	27
Money and Unit	3	2	7
	<u>100%</u>	<u>100%</u>	<u>100%</u>

---

Source: Case Record Abstract Forms. Data are weighted to account for Agency and case-level sampling.

Base: All cases with some relief to complainant.

generate additional complaint-processing expenses larger than the amount of funds provided by FHAP; such agencies may question the advisability of continued participation in the program.

Although FHAP has had a positive impact on State and local complaint processing, the study also found that implementation of the program has been impeded by coordination problems within HUD Headquarters' Office of Fair Housing and Equal Opportunity. The problems have interfered with developing clear and consistent guidance to Regional Offices and participating agencies in several critical areas of program implementation.

8. Regional Offices vary widely in the methods by which they carry out such FHAP activities as assessing agency performance. While some draft guidelines are available for Regional Offices to use in assessing agency performance in case handling, these indicate only data to be gathered and not criteria to use with the data. In the absence of other more explicit standards or a decision to allocate clear discretion to Regional Offices, differences in HUD and agency perspectives on such matters as complaint handling strategy remain areas of contention. HUD practices and expectations of agencies vary quite widely across the eight Regions examined.

For example, one area in which Regional Office practices vary widely is in negotiation with agencies of the Memoranda of Understanding (MOU) which set out the terms of the dual-filing arrangement. Some Regional Offices negotiate agreements which diverge from the standard MOU to take account of particular agency situations; other Regional Offices stick closely to the standard MOU.

9. Regional Offices do not use consistent definitions in monitoring cases handled by FHAP agencies. The evaluation found that some Regional Offices would consider a case closed if it had gone through the conciliation stage, the final stage of case processing available to HUD. The case would be considered closed even if the case went to public hearing. Other Regional Offices did not consider a case closed unless the FHAP agency itself had closed it. In addition some Regional Offices recognized complaints filed by the FHAP agency itself (known as Commissioners' or Director's Complaints) as candidates for payment, others did not.
10. Information transferred between HUD and FHAP agencies at the time of complaint filing is often incomplete. When HUD refers cases to FHAP agencies, it does not always send complete information about the cases, making it necessary for the agency to repeat complaint intake procedures. In addition, when complaints originate at the agency and are dual-filed with HUD, the agency may not provide enough information to determine

whether it might be a systemic case in whose processing HUD would like to be involved.

11. HUD's computer-based Complaint and Compliance Review System has not been effective in tracking complaint processing by FHAP agencies. The Complaint and Compliance Review System (CCRS) is the primary monitoring system used by HUD's Office of Fair Housing and Equal Opportunity (FHEO). Regional Offices enter basic information about new cases and case status into this system. CCRS was instituted for monitoring of HUD-processed complaints before there were many dual-field complaints. Until recently it has not been well-suited for tracking agency complaint processing, although some Regions and agencies have adapted it to their needs. However, FHEO has developed and tested a new CCRS component known as SEALS (for Substantially Equivalent Agencies -- Local and State) specifically designed to track State and local agency case handling. With full implementation of SEALS, a more complete record of agency complaint handling should be available.

The evaluation also found that HUD had not made effective use of the limited information which was available through CCRS prior to the implementation of SEALS. For example, only 7 of 15 agencies visited in the study received a regular report from HUD showing how agency cases are recorded in the HUD system. Moreover, those agencies which did receive such information reported that it was often inaccurate.

Finally the FHAP program provides interesting insights concerning the powers of FHAP agencies and how powers affect case processing and outcomes.

12. Testing is used by most of the sample agencies and is positively related to the probability that a case will be resolved in favor of the complainant. Among the agencies in the sample, 14 made use of testing (inquiry about the same dwelling by otherwise similar minority and white testers to see if there is difference of treatment). The use of testing by agencies rose from 8 percent of cases before the program to 11 percent during FHAP; the analysis indicates that testing increases the probability of a pro-complainant resolution by 20 percentage points, although most of the effect is concentrated in forms of relief such as apologies and affirmative action agreements.
13. Because their powers generally are broader than Title VIII, the State and local agencies develop different approaches to case processing than the conciliation approach generally used by HUD. Most of the agencies can conduct public hearings, initiate complaints or file court action, issue court enforceable orders, and issue injunctions. While these enforcement tools are seldom used, they influence choices of procedure. When an agency proceeds to a finding of probable

cause that discrimination has occurred, relatively strict rules of evidence are imposed, because the case may have to hold up in a public hearing or even in court. The result is that agencies tend to rely on resolution methods short of formal findings of cause, known as pre-determination settlements. (The emphasis by HUD on quick resolutions also leads to more cases being closed in pre-determination settlements.)

Neither of the two approaches to complaint resolution--conciliation and pre-determination settlement--is clearly superior to the other. For complaints closed in agencies' third year in the program, the distribution in kinds of relief (affirmative action, availability of housing, money award) for complaints resolved through predetermination settlements is not significantly different from that for conciliations.

### Recommendations

Evaluation findings suggest a number of steps which HUD might take in order to improve FHAP implementation and to enhance the processes of complaint referral and monitoring. Because the evaluation was intended to serve as a management tool for HUD officials, our recommendations only address activities which might be carried out by HUD; they are not concerned with steps which might be taken by agencies.

1. The implementation of FHAP and of the complaint referral and review process should be better coordinated within HUD Headquarters. Better coordination would insure more adequate and consistent guidance to Regional Offices in critical areas such as performance assessment and complaint monitoring procedures.
2. HUD should establish clearer guidelines for agency performance in complaint processing. Both Regional Offices and FHAP agencies would benefit from guidelines that provided more explicit performance criteria and/or that make clear to Regional Offices the areas in which they have flexibility in implementing the program.
3. HUD should develop a policy to ensure that complainants have access to Federal judicial remedies if agency remedies are not equivalent to Title VIII.
4. HUD should ensure that the negotiation of the Memorandum of Understanding leads to a document which clearly lays out the responsibilities of both HUD and the FHAP agency. Such a document should take account of any special circumstances at agencies which make the standard MOU inappropriate in some way. This will ensure that the MOU is a working document rather than simply a paper agreement.

5. HUD should develop consistent definitions regarding what constitutes a complaint and when a complaint is closed in order to alleviate Regional differences in payment arrangements on closed cases.
6. HUD training to FHAP agencies should reflect the growing sophistication of FHAP agencies.
7. HUD should provide FHAP agencies with more complete information about fair housing complaints at the time that complaints are referred to the agencies; similarly, agencies should provide more complete information about cases when they dual-file with HUD.
8. HUD should provide agencies with more frequent and more accurate reports on the status of agency cases which appear in HUD files.
9. HUD should encourage more frequent use of testing by FHAP agencies because testing is one of the most effective means of detecting the presence of discrimination.
10. In evaluating FHAP agency complaint processing methods HUD should recognize the powers under which these agencies operate and the implications of these powers for the most effective means of handling complaints.
11. HUD should consider alternative funding arrangements to the \$500 per closed complaint payment which is now used after the first two years of FHAP participation.



## CHAPTER 1

### INTRODUCTION

This chapter provides the setting for this evaluation of the Fair Housing Assistance Program (FHAP) by relating it to Title VIII of the Civil Rights Act of 1968. Here we also review the major issues addressed in the evaluation and summarize the evaluation methodology.

#### 1.1 Title VIII

Title VIII of the Civil Rights Act of 1968 (sometimes termed the Fair Housing Act) prohibits discrimination in the sale, rental and financing of housing and in the provision of brokerage services. Except for situations involving single-family houses sold or rented by an owner and owner-occupied rental dwellings of four units or less, persons may file a complaint with the Department of Housing and Urban Development if they believe they have been discriminated against on the basis of race, color, religion, sex, or national origin. For housing discrimination complaints filed with HUD under Section 810 of the Act the basic provision of Title VIII for enforcement is a conciliation mechanism, once HUD has determined that it should resolve the complaint. HUD efforts are limited to trying to remedy the problem "by informal methods of conference, conciliations, and persuasion"; HUD has no specific enforcement power. If HUD fails to obtain voluntary compliance within a specified time, the aggrieved person may file a Federal court suit under Section 810(d). Aggrieved persons also may file Federal suit directly, without a prior administrative complaint, under Section 812, and the U.S. Attorney General may bring Federal suit under Section 813 when there has been a "pattern or practice" of resistance to the rights granted by Title VIII. This evaluation addresses only the remedies available through HUD or equivalent agencies under Title VIII.

Section 810(c) of the Fair Housing Act directs that whenever a State or local agency enforces laws or ordinances "substantially equivalent" to Title VIII, HUD shall give that agency the first opportunity to process any complaint alleging a discriminatory housing practice. State and local agencies often have statutory powers -- such as agency-initiated complaints,

public hearings, or court proceedings -- that exceed the powers established for HUD under Title VIII (see Chapter 4). HUD may subpoena records and witnesses but must rely upon persuasion and conciliation to resolve a complaint. One of the potential advantages of a system of complaint referral to State and local agencies, then, is the possibility that stronger enforcement powers might be available to the complainant. Section 816 of Title VIII empowers the Secretary of Housing and Urban Development (HUD) to assist State and local agencies in administering the Fair Housing Law by providing them with technical and financial assistance. Established in 1979 and first funded in 1980 under this section of the Act, the Fair Housing Assistance Program (FHAP) is designed to provide, to those agencies to which HUD refers complaints, the training, incentives and resources to develop an effective work force for handling complaints and the technical assistance necessary to assure that HUD-referred complaints are handled effectively and efficiently.

In 1972, in order to establish guidelines for the Department in determining which State and local agencies were providing rights and remedies substantially equivalent to Title VIII, HUD published a regulation containing the standards for judging substantial equivalency (24 CFR Part 115). By 1975, the Department had granted interim recognition to 27 States and 16 localities. However, performance by the agencies charged with enforcement in these States and localities was disappointing; in 1975 alone, more than half of the complaints the Department referred to State and local agencies had to be reactivated for processing by HUD. All interim recognitions were withdrawn, and a moratorium was placed on all complaint referrals. By 1977, a special task force had re-evaluated these State and local agencies and determined that 22 States and one locality were in fact substantially equivalent. Complaint referral to these agencies, however, was conditioned on their willingness to enter into written Memoranda of Understanding with HUD defining the complaint processing relationship between agencies and HUD, to assure that processing would conform to Federal standards.

Recognizing that an effective relationship with State and local fair housing agencies depended, in part, on the ability of HUD to provide support to these agencies, Congress has appropriated \$3.7 million annually for this purpose since fiscal year 1980. The Division of Federal, State and Local Programs within the Office of Fair Housing and Equal Opportunity (FH&EO) has

used these funds to implement the Fair Housing Assistance Program (FHAP), begun in 1980.

#### Structure of FHAP

FHAP has two types of funding: Type I for complaint processing and Type II for special fair housing activities. Funding for complaint processing, or Type I funding, consists of basically non-competitive awards to substantially equivalent State and local agencies that have executed a Memorandum of Understanding with HUD. All such agencies are eligible to apply for funding to support, develop, or enhance their capacity to process housing discrimination complaints. During the first two years of any agency's support under FHAP, termed Phase 1, funding is related to an estimate of the number of housing discrimination complaints in the agency's jurisdiction. This two years of support is aimed at ensuring that the agency has the ability and capacity to handle fair housing complaints. Special one-time grants also are available for development of monitoring and reporting systems and for staff training. The HUD Office of Fair Housing and Equal Opportunity (FH&EO) requires training of relevant State and local agency personnel. The required training is conducted by HUD Regional Offices in conjunction with the division of Federal, State and Local Programs. Type I funding was approved for 32 agencies in FY 80 and for an additional 12 in FY 81. As of this evaluation, over 60 agencies had received this funding.

In the third year of the program and thereafter, termed Phase 2, Type I funding for complaint processing is provided to State and local agencies based on the number of dual-filed housing discrimination complaints actually processed by the agency. (A dual-filed complaint is a complaint which has been recorded or docketed at both HUD and a substantially equivalent agency, regardless of whether the complaint is first filed with the agency or with HUD.) The agency's prior year complaint-processing performance is used in determining the projected amount of funding for the agency, in accordance with specific unit reimbursement levels which are to be specified by FH&EO. The current payment rate is at \$500 per closed case.

Type II funding under FHAP provides competitive awards to agencies for special (non-complaint based) fair housing activities. Funding is made available to support specialized project proposals developed by State and local agencies to enhance the agencies' fair housing programs. Such funding can be obtained in any year of the program. Applications for funding are

submitted to HUD and are evaluated in accordance with eligibility criteria and funding standards described in an interim regulation (24 CFR Part 111). Both Type I and Type II funds are subject to Congressional appropriations and budget restrictions.

The FHAP program is administered through HUD Regional Offices. Regional Office staff assist in the review of substantial equivalency, in the development of the contractual agreements with State and local agencies, in providing training and technical assistance, and in the ongoing oversight of agencies and monitoring of their complaint processing. In the Memorandum of Understanding executed with participating agencies, HUD has provisions for reactivating complaints under certain circumstances, such as lack of prompt agency attention to a complaint or a HUD decision to proceed with a complaint under a broader action intended to combat a "systemic" pattern or practice of discrimination. Agencies also may agree to waive jurisdiction to HUD for certain complaints. HUD Headquarters uses a computer-based complaint monitoring system, the Complaint and Compliance Review System, to maintain a record of all Title VIII complaints, both those entirely within HUD's purview and those dual-filed with substantially equivalent State and local agencies.

## 1.2 Objectives of the Evaluation

The basic purpose of this evaluation is to determine the extent to which the Fair Housing Assistance Program has improved or enhanced the capacity of State and local agencies to resolve fair housing complaints. It provides an independent assessment of the effectiveness of FHAP funding during the first three years of the program's operation. This assessment has been encouraged by both the HUD Office of Fair Housing and Equal Opportunity and the Office of Management and Budget. A secondary purpose of the evaluation is to observe the impact of FHAP on the ongoing Title VIII complaint processing performed by HUD Regional Offices; observations about HUD complaint handling are reported separately. (See James E. Wallace and Terry Saunders Lane, Case Study on HUD Processing of Title VIII Fair Housing Complaints, Abt Associates Inc., Cambridge, Massachusetts, June 1985.)

The charter of this evaluation of the Fair Housing Assistance Program is limited in the sense that it is focused upon complaint processing under Title VIII of the Civil Rights Act of 1968. As such, the evaluation makes no attempt to deal with wider issues of housing discrimination, such as

the incidence of discriminatory acts or perceptions of discrimination, or ways of reducing the incidence of discrimination through approaches other than complaint processing (such as community education, voluntary agreements, judicial remedies, or actions on real estate State brokers' licenses).

The evaluation is designed to accomplish five basic objectives:

1. The provision of descriptive information on the design and implementation of the Fair Housing Assistance Program at both the Federal and State/local levels;
2. An examination of the utility of capacity-building activities associated with FHAP, including Type I funding for basic system development, in improving the ability of FHAP-funded agencies to process fair housing complaints and handle additional complaints;
3. An examination of the utility of existing monitoring and data systems for tracking complaint processing and outcomes;
4. An examination of the processes and outcomes of fair housing complaint handling by State and local agencies prior and subsequent to FHAP funding;
5. An evaluation of the overall performance and cost effectiveness of State and local agencies, as well as recommendations for improvements or revisions in the design and procedures for fair housing enforcement under FHAP.

### 1.3 Evaluation Design

This evaluation of the Fair Housing Assistance Program is a comprehensive study of the program, based on data collected at a sample of participating agencies, at the HUD Regional Offices responsible for administration of the program at these agencies, and at HUD Headquarters. The evaluation design calls for three levels of analysis:

1. Description of program implementation, agency characteristics and experience with the program;
2. Process analysis of the roles of HUD Headquarters, HUD Regional Offices, and agencies in implementing the program--using observations by HUD and agency staff, supplemented by program documentation; and
3. Statistical analysis of outcomes of housing complaints, to relate outcomes to agency characteristics and to program period.

The emphasis throughout is on pre-post comparisons using observations for program experience in the year prior to our evaluation visits to the agencies

in the study sample and for the year prior to the start of the agencies' first cooperative agreement (a form of contract) in the Fair Housing Assistance Program. Data from available sources are used to attempt to control for possible influences other than the program, and process information from interviews and program documentation is used to trace through likely sources of program impact. However, in the absence of a controlled design allowing for observation of some agencies not participating in the program, pre/post comparisons also may be influenced by other, unobserved, factors.

Primary data for this evaluation were collected in October and November of 1983 at a sample of 15 FHAP agencies, the eight HUD Regional Offices responsible for program administration for the sampled agencies, and at HUD Headquarters.<sup>1</sup> Interviews were conducted with key staff using interview guides developed in the course of the design of the evaluation. Case records of closed housing complaints were sampled at each of the 15 study agencies, for a total sample of 2000 closed complaints. Case records were sampled for the three-year period before the agency entered the program, for the first two years in the program (the capacity-building period), and -- for agencies that had reached this stage -- for the third year in the program, during which HUD payments were based on numbers of cases closed.<sup>2</sup> (A total of 400 additional case records were abstracted at four of the HUD Regional Offices visited; results from these data are reported separately; see footnote above.)

In addition to the interview materials, a number of program documents were collected. These included documents regarding the equivalence of agencies, the actual Memoranda of Understanding signed with each of the sampled agencies, funding justifications, records on staffing qualifications and tasks, and a variety of training documents, written instructions to the field, annual performance assessments of the Regional Offices, annual performance assessments of the State/local agencies, letters and correspondence.

The materials collected directly from HUD were supplemented by other

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<sup>1</sup>At HUD Headquarters, staff were interviewed in the Office of Fair Housing and Equal Opportunity, the Office of the General Counsel, and the Office of Contracts.

<sup>2</sup>Appendix II provides a description of the sampling plan for agencies and for case record selection.

documents concerning the enforcement of fair housing. Appendix I provides an annotated bibliography of these studies and reports.

This evaluation offers the opportunity to observe how the current system is working, what the interactions have been between HUD and the equivalent State/local agencies, and what the actual outcomes have been on a large random sample of fair housing complaints. The following chapters review the design and implementation of the Fair Housing Assistance Program, the nature of the agencies in the program and the apparent impact of FHAP and FHAP funding on the agencies, agency approaches to complaint processing, and the nature and possible program influences on the outcomes of fair housing complaints handled by FHAP agencies.





## CHAPTER 2

### DESIGN AND IMPLEMENTATION OF THE FAIR HOUSING ASSISTANCE PROGRAM

The purpose of this chapter is to describe and analyze the activities of the offices of the Department of Housing and Urban Development in the development and establishment of the Fair Housing Assistance Program (FHAP). The chapter focuses on the interactions among the offices at HUD Headquarters in Washington, the ten HUD Regional FHEO offices, and the State and local agencies with regard to the major components of FHAP. Following a brief discussion of the historical background to the design of the program, the chapter discusses HUD organization and resource allocation under FHAP. The balance of the chapter presents the major components of the program as carried out by different offices and branches within HUD. These include:

- Determination of Equivalence
- Memoranda of Understanding
- Types of Funding
- Training
- Complaint Referral and Monitoring
- Assessment of Agency Performance.

Finally, because FHAP has had consequences for the staffing and work tasks of HUD headquarters and Regional Offices, the chapter discusses the FHAP staffing and program responsibilities at HUD Headquarters and the problems of coordination of FHAP among different divisions. At the HUD regional level, a restructuring of staff tasks within the Title VIII division called for new relationships with headquarters, as well as changes in staffing and staff responsibilities. The effects of FHAP on the staffing of the Regional Offices will also be addressed.

#### 2.1 Program Origins and History

Although Title VIII was part of the Civil Rights Act of 1968, the Fair Housing Assistance Program did not begin until 1980. It drew from the example of a similar program that had been set up in 1965 by the Equal Employment Opportunity Commission under the Civil Rights Act of 1964. After a brief review of the EEOC program, this section summarizes the early history of Title VIII.

### The Precedent of Equal Employment Opportunity Commission Programs

The terms of Title VIII barring discrimination in the sale or rental of housing are paralleled in Title VII, enacted as part of the Civil Rights Act of 1964, which forbids discrimination in employment. Section 706 of Title VII details the procedures to be followed by the Equal Employment Opportunity Commission (EEOC) in processing charges of discrimination that are also within the jurisdiction of state and local agencies. The statute, later supplemented by EEOC regulations, defined the mechanism by which charges filed with EEOC are forwarded to those state and local fair employment agencies which have been accorded a status known as "706 Agency" (i.e. designated by EEOC as a referral agency based upon a review of state law, agency rules, regulations, organization, and financial data).

Since 1965, the Congress has appropriated EEOC funds for state and local agencies. The EEOC had developed three types of uses of the funds, all of which later were adapted for use in FHAP. In the early years, the funds were directed towards research, such as studies of discrimination in various industries, and projects designed to place more minorities in certain jobs. Starting in 1968, EEOC utilized the funds to improve the institutional capability of those agencies funded. In FY 1975, EEOC began contracting with state and local agencies for resolution of charges carried on EEOC's docket, through specific payments for each case processed by the state or local agency. (Center for National Policy Review 1977, pp. 25-27)

### Title VIII Early History

Title VIII of the Civil Rights Act of 1968 assigns to HUD the responsibility for the enforcement of fair housing. HUD has the power to investigate complaints and seek conciliation in effectuating the rights of those persons alleging discrimination. Under Section 810(c) of the Act, HUD is directed to provide first opportunity to process any housing discrimination complaint to those state or local agencies whose laws or ordinances are substantially equivalent to Title VIII.

The requirement to refer cases to state/local agencies was adopted in an atmosphere of political compromise. In the legislative history of Title VIII amendments were made to reduce federal powers of enforcement, and as part of this thrust to limit federal powers, to relegate as much enforcement as

possible to lower levels of government.<sup>1</sup> However, the referral process actually presented possibilities of enhancing the achievement of equal housing access. As described in Chapter 3, state and local laws and statutes in many cases offer a complainant stronger protections in terms of coverage, powers of enforcement, and remedies other than those available from HUD.

Pursuant to Title VIII, Section 810(c), HUD had given tentative recognition to state/local agencies during the early 1970's. Based upon the literature and the judgement of those within and without HUD, the referral of Title VIII complaints to the state/local agencies was not effective in enforcing fair housing in the 1970's. It was widely believed that the state/local agencies tended to place a higher priority on employment complaints, for which they received Federal compensation through the Equal Employment Opportunity Commission (EEOC) as "706 Agencies," so termed after the section of the federal statute establishing their relationship with EEOC. HUD had neither leverage with which to encourage the agencies to more effectively investigate housing cases nor funds to provide training and technical assistance in fair housing enforcement.

A report by the U.S. Commission on Civil Rights (1979) reviewed cases in three regions during the period 1973-1976, during which time 10 state agencies in the three regions were receiving complaint referrals. Of 97 complaints reviewed, only 15 had been accepted by HUD. Data on 60 of the remaining 82 complaints showed that 42 were returned to HUD for investigation because the states could not contact the complainant, the agency waived jurisdiction, or the agency did not investigate to HUD's satisfaction. Furthermore, the referral of complaints tended to create delays in the investigation of the complaints regardless of who did the investigation.

A HUD task force in 1975 found that some agencies did not have the processing capability to handle Title VIII complaints effectively, and HUD did not convert tentative recognition to final recognition. HUD further found

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<sup>1</sup>In the civil rights legislation making its way through the Senate in early 1968, an amendment offered by Senator Dirksen eliminated the "cease and desist" power that had been proposed by HUD as part of the administrative remedy in favor of "informal methods of conference, conciliation, and persuasion." Even this version failed initially to command enough votes, until the Kerner Commission Report on the urban riots of 1967 was released. The Kerner report recommended a comprehensive fair housing law. House agreement to the Senate amendments then was galvanized by the assassination of Dr. Martin Luther King on April 4, 1968. (See Schwemm, 1983, pp. 32-38.)

that some agencies with equivalent processing capabilities did not have the staff resources to handle the additional case load. (Center for National Policy Review, 1977). Following the task force report, only 23 agencies were officially declared to be equivalent in 1979.<sup>1</sup> HUD continued to refer fair housing complaints to those of the 23 agencies that entered into cooperative agreements with HUD, but the bulk of complaints that came to HUD were processed by HUD staff in the ten HUD regions. Many state and local agencies were also processing housing cases, but their cases were not generally filed with HUD.

In a study prepared in 1978 for the HUD Under Secretary, a number of recommendations were made with regard to the management structure within the HUD office of Fair Housing and Equal Opportunity and with regard to the enforcement of Title VIII by the regional offices of HUD. The study was followed by a task force which outlined a number of fair housing initiatives.

The chief initiative was the provision of funding to the state and local agencies in what became known as the Fair Housing Assistance Program (FHAP).<sup>2</sup> This program would provide funds to substantially equivalent agencies to share in the costs of complaint processing, to provide the services for building capacity to handle fair housing complaints, and to provide training and technical assistance to these agencies. There had been no previous appropriation for Title VIII enforcement; the law was administered for ten years with no specifically earmarked funding. Further, research indicated the importance of testing and funding of fair housing groups in any comprehensive program of fair housing, yet it was seen as politically

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<sup>1</sup>All but one of the 23 agencies that were declared equivalent in 1979 for purposes of processing Title VIII complaints were also processing EEOC-referred employment complaints. The fact that almost all of the state/local agencies that were determined by HUD to be substantially equivalent were also processing employment complaints with reimbursement from EEOC had a number of implications for the design and implementation of FHAP. The agencies were accustomed to dealing with a federal agency in the dual filing of charges of discrimination and had a number of expectations as to how it was to be done.

<sup>2</sup>Other initiatives included the development of a Title VIII Handbook, the drafting of Title VIII Regulations, the development of Systemic units within each regional office to handle broad patterns of discriminatory practices, and the institution of rapid response processing for certain types of complaints.

impossible to obtain funds directly designated for such purposes. State/local agencies were seen as feasible vehicles for funding such activities.

A new program office, called the Division of Federal, State, and Local Programs, was established. The office was assigned responsibility for the process of establishing agency equivalence and of arriving at agreements with agencies. Its staff worked to develop the budget justifications for FHAP and prepare early program plans.

Thus a new perspective was developed with regard to Federal strategy within HUD for enforcing Title VIII, through greater emphasis on the activities and statutes of State/local agencies. The new program could provide incentives to States and localities to strengthen their laws, increase staff capacity, provide training, and allow HUD to supervise the processing of complaints by the State/local agencies. Further, many States and localities already had statutes that were stronger than Title VIII. FHAP was seen as the only mechanism by which HUD could obtain funds for strengthening the Title VIII enforcement effort.

#### Funding

In September, 1978, the decision was made by the Office of Management and Budget (OMB) and HUD to seek \$3.7 million to support State/local agency processing of Title VIII complaints, under the authority of Section 818 of Title VIII. In August 1979, directors from six State and two local agencies were invited to Washington to provide input into the design of the new program. This advisory committee submitted a list of recommendations to HUD on the operation of the program. The panel recommended that HUD expend the proposed \$3.7 million entirely in payments to enforcement agencies that had been recognized as substantially equivalent. Funding was appropriated in the FY 1980 budget at the proposed level. Preconditions for FHAP funding were to be determination by HUD of an agency's substantial equivalence to Title VIII in coverage, powers and administrative apparatus and a willingness of the equivalent agency to enter into a memorandum of understanding on the conditions of cooperation.

The budget justifications drawn up in 1979 for FHAP provided for a capacity-building period of two years for each agency, to be followed by per case payment for cases investigated by the State/local agencies. The first two years was seen as necessary, not only to increase the technical capability of the agencies, but also to provide benchmarks for determining program

allocations once the agencies were established processors of Title VIII complaints.

The early experience of cases that had to be reactivated from the state and local agencies had led those with Title VIII enforcement responsibilities to be fearful of allowing anyone outside of HUD to assume control of the Title VIII investigations. The funding of state/local agencies for processing Title VIII complaints was thus acceptable only if it was combined with the means to strengthen local capacity. The allocation of funds for such capacity building was to be determined based on the expected caseloads of the agencies, based on complaints received by HUD for the jurisdiction.<sup>1</sup>

The capacity-building period was designed to be followed by payments to agencies on a per-case basis. Alternatives to the per case payment were discussed, but HUD had difficulty in identifying the factors that should be considered in determining the appropriate budget contribution to a state or local agency and the weight to be given to them, such as size of population of the jurisdiction, minority population, frequency of moving, vacancy rates, segregation indices, or level of housing complaints actually filed. Further, a formula for purchasing the processing of employment complaints based upon a per unit reimbursement had been tested, used, and found acceptable by Congress. Given these considerations, the decision was made to set up the program for per case reimbursement starting in the third year, keeping open the possibility of changing the allocation formula at a later time.

These two phases constituted "Type I" funding available to all substantially equivalent agencies. The first two years of the program were thus designed to provide support to increase the capacity of the agencies to process complaints in a manner satisfactory to HUD and to develop a data base providing information on the actual level of case processing by the state/local agencies. The two years would also provide HUD with time to build a solid working relationship with the agency in a supporting capacity before going over to the per-case reimbursement method.

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<sup>1</sup>At the outset of the program, HUD had almost no data on the actual volume of housing complaints handled by the state/local agencies. Under the terms of Section 810(c), HUD was referring cases to a number of state/local agencies but the agencies were not dual-filing the cases that originated with them.

In addition, some funds were reserved for competitive awards, termed Type II funding. The Type II competitive awards were designed to enhance the non-complaint-driven fair housing activities of the state and local agencies. For the first year of funding, the projects were broken down into three types: data systems, technical assistance, and innovative projects. Any agency could submit a proposal for any or all of the three areas.

The FH&EO staff justification for Type II funding was based on the belief that perhaps 2 million incidents of housing discrimination occurred annually; the 3000 complaints that came to HUD were only the tip of the iceberg. Hence it was believed that by building state/local agency capabilities, the number of Title VIII cases would increase, and the overall program to achieve national fair housing would be enhanced.

In its initial design, the program also called for two years of training for staff working in the state/local agencies. During the third year of the program, this feature was extended. HUD staff at both Headquarters and Regional Offices believe that training was an on-going necessity, due to staff turnover, changing housing law, and changing requirements of the program.

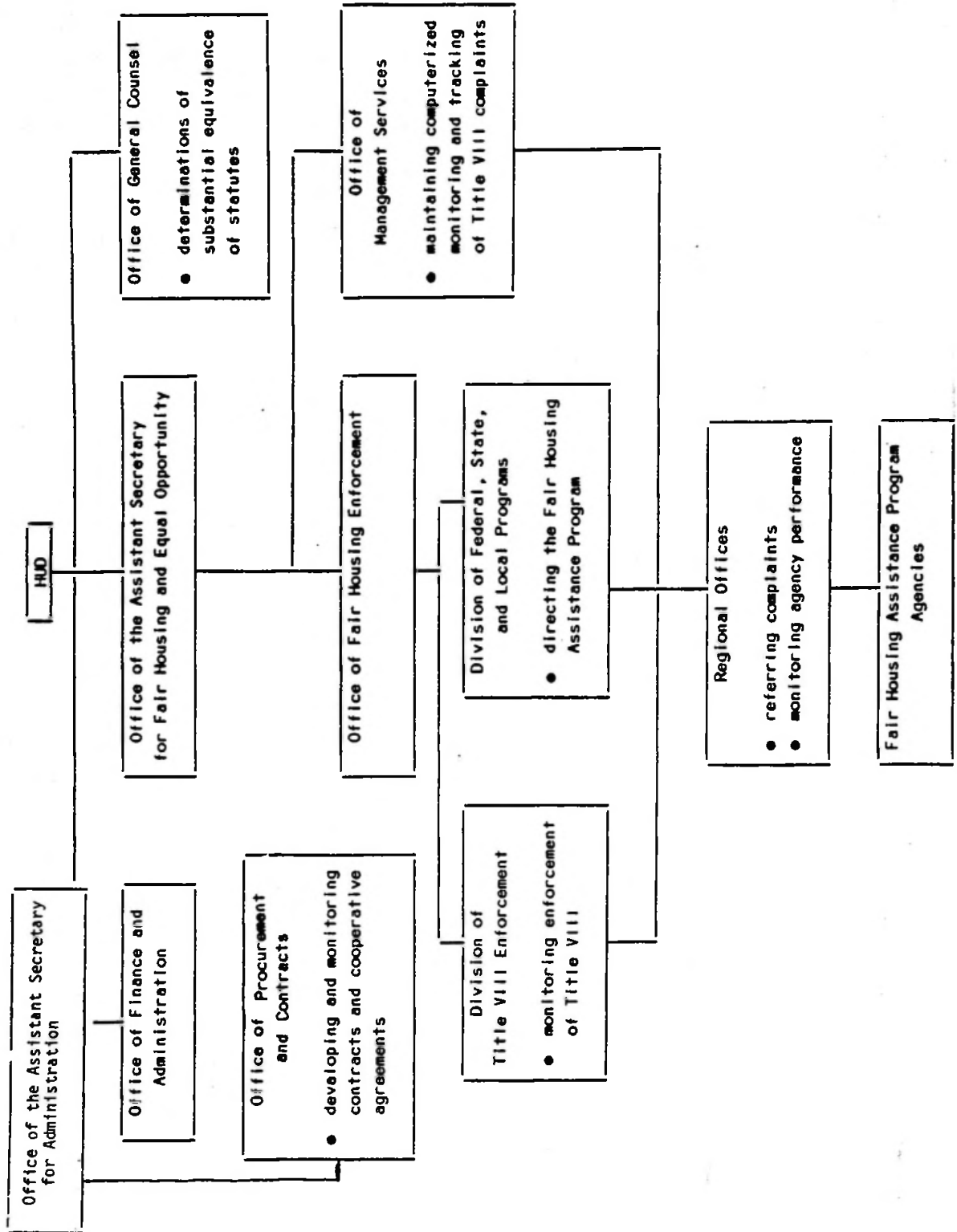
## 2.2 HUD Headquarters Responsibilities

This section reviews the functions of HUD Headquarters in FHAP. Regional Office activities are discussed in Section 2.3 below. Figure 2-1 depicts the major offices in HUD providing support for the program. A number of offices and divisions of HUD at both HUD Headquarters in Washington and the ten HUD regional offices have responsibilities for the implementation of FHAP. The major responsibility lies with the Office of the Assistant Secretary for Fair Housing and Equal Opportunity (FH&EO), which manages the Title VIII enforcement effort as well as FHAP.

Within FHEO, the Office of Fair Housing Enforcement has oversight of two key components of the FHAP program. One of these components is the implementation of the FHAP program itself, in such areas as training of agency staff and awarding of Type II funds. These functions are handled by the Division of Federal, State, and Local Programs. The other component is related to oversight of agency complaint processing, including referral of complaints received at HUD to agencies and monitoring the progress of all dual-filed complaints. This component is handled by the Division of Enforcement. The role of each of these divisions is discussed below.

Figure 2-1

HUD ORGANIZATIONAL RESPONSIBILITIES IN THE FAIR HOUSING ASSISTANCE PROGRAM





### Division of Federal State and Local Programs

The planning, development, and management of FHAP has been the responsibility of the Division of Federal State and Local Programs. It took the lead in developing the technical specification of the program, determining the allocation of funds to the state agencies, and setting up administrative mechanisms.

The Division staff saw their objectives in the FHAP program to be:

- Increasing number of complaints handled and improving the processing of complaints
- Reducing duplication (state & Federal processing)
- Devolving authority to the state level
- Influencing priority on housing cases in the agencies
- Encouraging the strengthening of state and local statutes on fair housing
- Increasing the legal capacity of the agencies.

In order to achieve these goals, the Division followed a methodical approach for setting up the program. The staff started with the EEOC model, which had to be sold to the Congress as applicable to housing cases. Then the program was to be enhanced with competitive projects whose purpose was to build up housing capacity. The Division had to develop the tools to make FHAP work: the documents, the contract language, the breakdown and allocations of funds for the program. During the first year, the Division operated the program from Washington.

A major activity of the Division during the first two years was the development and monitoring of the Type II competitive grants. The awards process for the competitive special projects during the first year was accomplished without input from the regions.

Headquarters staff was limited in number and severely restricted in travel funds.<sup>1</sup> In consequence, responsibilities tended to gravitate to the regional staff. This was true of training, program monitoring, determinations of equivalence, and negotiation of the Memoranda of Understanding.

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<sup>1</sup>The Division of Federal, State, and Local Programs was staffed by the division director, four other professionals, and a clerical position. This staff was responsible for starting and operating the program, and for the technical direction of cooperative agreements with a growing number of state and local agencies (approximately 70 by the third year of the program). The staffing of the division has remained stable over the last three years.

The current activities of the Division have as their primary focus the allocation of funds under FHAP to the state and local programs, the development of cooperative agreements with the state and local agencies, the monitoring of the technical agreements, and the management of the process by which the Type II competitive awards are announced and awarded.

In addition to monitoring ongoing operations, the Division has undertaken other projects. In April 1982, they developed and implemented a week-long training of HUD Title VIII personnel from all ten regions. Staff from the Division, as well as staff from the Office of Contracts and Management, believe that the training should be done every year because there are changes to staff, changes in the information system, and changes in program operation and directions.

#### Division of Title VIII Enforcement

The other major division in the Office of Fair Housing Enforcement is the Division of Title VIII Enforcement. The Title VIII Division has responsibility for the operation of HUD's Title VIII program, with overall management of case processing, including the monitoring of cases processed by the state and local agencies.

The Enforcement Division had no formal role in the development of the FHAP program. The Division became involved with the program indirectly in helping to draft procedures for dual filing complaints when the Regional Offices asked for guidance with regard to a set of programmatic issues, such as the definition of what constituted a complaint and how to handle the recordkeeping when the agencies made multiple cases or complaints out of one incident. Some issues arose as HUD was changing its own views of processing.

One major FHAP issue that involved the Division was the question of the standards by which a Title VIII complaint is processed. Division staff, in the course of conducting the annual performance reviews of the regional offices, went through a sample of cases processed by the agencies. There was concern about the quality of investigation, with one staff member stating, "We saw performance reviews of a couple of agencies where the agencies had no procedures for housing, but used the employment procedures, when they are totally different." Because the agencies are processing complaints filed under Federal law, the Deputy Assistant Secretary for FHEO instructed the Division staff to develop standards to assure that referred complaints would be treated in as careful a fashion as at HUD. The Division staff drafted a

special chapter on standards for the Title VIII Handbook, to be used during monitoring and performance reviews of the State and local agencies, but the draft handbook has yet to be made final. Title VIII regulations having more specific requirements on standards were drafted in 1980 but were not implemented.

For the Division of Enforcement, the development of FHAP was accompanied by a change in focus. Most complaints were no longer investigated by HUD staff, yet the Division maintained responsibility for the rights of the complainants and for monitoring the adequacy of complaint processing by State/local agencies. HUD's attempt to provide increased focus on systemic complaints did not coordinate effectively with the referral of complaints to the State/local agencies. In fact, it appeared that for many complaints, HUD did not have the necessary information from the initial complaint form to identify systemic complaints; neither was there a definition of the circumstances under which HUD would request a return of those complaints for systemic investigations by HUD staff. The systemic program, which started at the same time as FHAP, had lost staff by the third and fourth years of FHAP.

#### Coordination Between the Components of FHAP at HUD Headquarters

As the previous section indicated, the Enforcement Division became involved in the FHAP program only indirectly when Regional Offices asked for guidance in monitoring complaints. More generally, a lack of coordination between the Division of Federal, State and Local Programs and the Enforcement Division has led to some problems in program implementation.

To some extent these problems reflected the different missions of the two divisions. The FHAP program transferred certain Title VIII responsibilities to the FHAP agencies. A key purpose of the Division of Federal, State, and Local Programs which implemented FHAP was, therefore, to encourage the FHAP agencies to develop the capacity to take on these transferred responsibilities. On the other hand, the Enforcement Division had responsibility for ensuring that Federal rights guaranteed under Title VIII were protected. The Division was concerned that the complaints that were being referred to the State/local agencies might not be receiving as timely or thorough investigations as they would have received with HUD investigators. The difference in roles played by the two Divisions led to different views of the way in which functions such as complaint monitoring and performance assessment should be carried out.

Other factors contributed to the problems arising from this implicit difference in missions. First, the position of Office Director over the two divisions has stood vacant for most of the period in which the program has been operated. (In fact, for a considerable period, the office of the Deputy Assistant Secretary above the office was also vacant.) This hindered the decision-making process by which differences in approach between the two divisions could be resolved. Second, although a draft set of regulations for interpreting the substantive provisions of Title VIII and Title VIII handbook had been prepared, the draft of the regulations was set aside by the Department shortly after the start of the FHAP program, and the handbook has yet to be officially published. In the absence of procedural clarity, the opportunity for idiosyncratic interpretations of requirements was enhanced. (Indeed, no formal set of interpretive regulations for Title VIII complaint processing have ever been developed, although the Fair Housing Act was passed in 1968.) Third, the FHAP program started up quickly; this limited the ability to provide a smooth transition either at HUD Headquarters or in the field.

As a result of these factors, inadequate or inconsistent guidance was provided to Regional staff who implemented FHAP, including the complaint referral and monitoring process. In turn, this translated into a lack of standardization in program implementation at HUD's Regional Offices. This effect is discussed further in Section 2.3 of this chapter.

#### Other Headquarters Offices with FHAP Responsibilities

In establishing and operating the Fair Housing Assistance Program, several other offices at HUD Headquarters have provided support. Their roles are summarized briefly here.

Office of General Counsel. This office has had the responsibility of reviewing the statutes and ordinances of agencies thought to be candidates for substantial equivalence to Title VIII.

Office of Procurement and Contracts. This office has been responsible for developing the cooperative agreements with the State and local agencies and in administering the competition for Type II competitive awards for special programs. Contracts also has managed the financing of the HUD-sponsored regional training sessions for the agencies.

Office of Management Systems and Services. This office is responsible for the development and maintenance of the Complaint and

Compliance Review System (CCRS), which is the management information system for tracking and reporting on Title VIII complaints.

### 2.3 HUD Regional Offices

The FHAP program started as a Headquarters program, staffed at headquarters. The initial conceptualization of the role of the Regional Office staff in the operation of the program was weak. The program was in the latter half of its second year before the Headquarters Division set up a training session for regional staff in the handling of FHAP. Initially the regions were given little direction in the day-to-day operation of the program and consequent staffing needs. Staff were drawn from existing Title VIII personnel; as new responsibilities for FHAP evolved, they were assigned to the Title VIII investigators. Only afterwards were some of these investigators brought to Washington for a training session.

Toward the end of the first year, headquarters gave responsibility for the training of the agencies to the regions, which had to develop and implement training plans in a very short time frame. Since the regions undertook these tasks with little direction from HUD headquarters, there was considerable variation in the procedures used from one region to another.

Although the program had staffing implications for the regions, these were not taken into account in the budgeting and staffing process until the third year of the program. In that third year, the regional Title VIII staff was essentially held constant to its level of the prior year. In the fourth program year, new planning procedures were instituted under the Regional Allocation Guidelines System, which took full cognizance of the tasks demanded by FHAP. Up until that time, the response of the region had been more a matter of taking existing staff and responding in an ad hoc manner to the new demands that were made in consequence of the program.

Prior to FHAP, the Regional Offices' primary responsibility for Title VIII was the intake of complaints, their investigation and (for those complaints for which a finding of "Seek to Resolve" was reached) conciliation between complainant and respondent. In most regions, HUD regional staff had little or no communication with the staff of the State and local civil rights enforcement agencies.

By 1980, a regional staff structure was well-established for the investigation and processing of Title VIII complaints. Staff responsible for

investigations were located in the Regional Offices of FH&EO, under the direction of the Regional Director of FH&EO. The Title VIII Division Chief supervised the Equal Opportunity Specialists or Title VIII Investigators. The investigators were assisted by a Complaint Intake Analyst (CIA), who received and recorded complaints and referred them to the proper office.

The nature of the changes in the work tasks of the Regional Offices brought in by FHAP required staff changes, training, and the development or expansion of procedures. For many of the staff that were involved with Title VIII, the work tasks changed from a primary emphasis on investigating and processing Title VIII complaints to one of monitoring the ways the State and local agencies were handling housing complaints.

In theory, the referral of Title VIII complaints to the State/local agencies relieved some pressure on regional HUD staff so that they could now engage in other activities. These activities might encompass public relations and outreach, technical assistance and support to fair housing groups, technical support to States and localities in the passage of fair housing statutes, development of new brochures, and further research on the utilization of statistics in the targeting of housing complaint activity. Such activities, though they did take place to a limited extent in individual regions, were never articulated as a program or policy.

The balancing of the demands of the traditional Title VIII processing and the FHAP monitoring was by no means similar in all regions. HUD regional staff were called upon to perform new and challenging tasks with no training at the outset and little direction. Many staff persons found the program threatening to their traditional Title VIII processing activities.

Moreover, the FHAP program affected the Regional Office workload in diverse ways. In some regions, virtually all complaints that came to HUD were now referred to the FHAP agencies; in other regions, the HUD caseload was not greatly affected by the referrals under FHAP, and the HUD Title VIII staff continued primarily to investigate Title VIII cases. As may be seen in Table 2-1, the overall number of Title VIII cases processed and closed by HUD staff declined from 2763 to 1596 cases between Fiscal Year 1979 and Fiscal Year 1983. Over two-thirds of these FY 83 closings were in two regions (Regions V and VI), while six regions closed fewer than 50 cases. In FY 1979, every region had had over 80 complaints.

Identifying the consequences of FHAP for the regional staff levels

is complex, as Regional Office staffing patterns were changing in a number of ways. In FY80, systemic units were set up and staffed in each of the Regional Offices, increasing the number of Title VIII staff. But in FY 83, area offices in Regional-office cities were co-located into Regional Offices. In the resulting merger, staff positions were lost. FHAP has certainly reduced the case load of complaints for nine of the ten regions, but has led to increased responsibilities in referrals of cases, monitoring of processing, and annual performance assessments of the State/local agencies. As seen in Table 2-1, the Title VIII staff has been reduced in some regions, particularly in Regions III and VII. In other regions, there has been some stability in the number of professional staff assigned to Title VIII, but their responsibilities have shifted away from investigations. More time is now spent in monitoring and performance assessments.

The regions manage the day-to-day operation of referring complaints to the State/local agencies. They make the initial performance assessments of agencies to determine their equivalency. They are required to monitor the progress of those complaints referred to the State and local agencies.

During the first four years, other responsibilities evolved and became formalized, including HUD's mandatory training sessions that were generally region-wide, the technical monitoring of the obligations of the State and local agencies under the terms of the cooperative agreements covering HUD payments to the agencies, the annual performance assessments of the agencies, and the monitoring of the Type II competitive awards to the agencies.

The clearest response in HUD staffing patterns was in Regions I, II, III, and VII, which assigned a HUD investigator to serve as monitor for a specific agency or all those in a particular State. In Region V, one investigator was made the FHAP coordinator responsible for most of the reporting back and forth among all the FHAP agencies.

In the absence of standards of acceptable investigation, there was considerable conflict on how to proceed with the monitoring. One view was that the agencies had been declared equivalent; they should be given scope to handle the cases as they saw fit, with minimal checking. An ongoing training program was seen as the means of maintaining high standards of processing. A second view was that, while agencies were basically competent, they should be closely monitored on every case and encouraged to process cases as HUD

Table 2-1

CHANGES IN NUMBER OF COMPLAINTS PROCESSED BY HUD STAFF,  
AND NUMBER OF HUD STAFF, DURING THE PERIOD FROM FY 79 TO FY 83

REGION	Complaints		Title VIII	
	CLOSED FY79	CLOSED FY83	Staff FY80	Staff FY83
Region I	89	5	5	6
Region II	112	25	4	3
Region III	334	48	12	9
Region IV	330	205	13	13
Region V	241	495	11	13
Region VI	736	451	Not in study	
Region VII	134	78	10	5
Region VIII	115	35	Not in study	
Region IX	567	202	17	14
Region X	105	2	4	4
TOTAL	2763	1596		

Sources: HUD CCRS system for data on complaints Regional interviews and regional organizational charts for data on staffing.



would. A third position was that the handling of cases by some agencies was already demonstrated to be so incompetent that the equivalent status of these agencies should be revoked and they should be removed from the program. In some regions, all three views were represented. With no clear direction from HUD headquarters, these conflicts were not resolved.

Some of the conflicts that developed in the regions were a reflection of the conflicts in HUD Headquarters. In addition to the lack of standards on the processing, there was lack of clarity on the role of the regions in the criteria for acceptable agency performance. Regional staff were unclear as to the scope of their authority in denying equivalence. Similarly, there were confusing signals from Headquarters with regard to flexibility in the negotiation of the Memoranda of Understanding, and with respect to policy on recall of cases from the agencies.

The lack of clarity in the management of these basic program elements can be summarized in this way: there was no person in any region who was designated as a FHAP staff person, nor was there an administrative structure developed for the regional direction of FHAP. Program decisions at the regional level were made in an ad hoc manner, frequently by staff persons assigned to the processing of complaints. In some cases, these very staff persons were fundamentally opposed to the program and not committed to making it function smoothly.

In the spring of 1981, after the program had been in operation for about eight months, regional staff concerned with Title VIII were invited to a training session in Columbia, Maryland, set up by Headquarters. This training session provided a basic grounding in the elements of the program and some synthesis of the experience of the different regions. It clearly delineated some of the responsibilities of the HUD Regional staff for the different elements of the program. But it essentially avoided the issue of the standards to be applied in determining the adequacy of case processing by the State and local agencies. Nor did it clarify the circumstances or procedures for recall. Further, many of the Title VIII staff who were operating the program in the region did not come to the training and thus its effectiveness was diluted. Even after the training, the regions were struggling to structure the staffing and organization to handle the added responsibilities of FHAP.

In addition, a draft Handbook on Title VIII was in preparation. Two chapters were distributed to the regional staff, including a discussion of the

assessment of performance equivalence of agencies. However, the Handbook was never approved, and so the draft chapters lacked authority.

The situation in late 1983, when contractor staff visited eight of the ten regions, is summarized below. (Regions VI and VIII were not visited because no FHAP agencies from those regions were drawn in the study sample.)

REGION I (Boston). Nearly all Title VIII cases are now being investigated by the State/local agencies within the region. In 1980, the office added a systemic branch under the Director of Compliance, but the branch was merged into the Title VIII Branch in 1983. The number of systemic cases handled has dwindled in response to FHAP as the region is not seeking return of cases from agencies for this purpose.

REGION II (New York). Although there has been a decline in Title VIII staff, the region staff state that the reduction is not directly caused by FHAP. The Title VIII staff is now handling increased monitoring, training, technical assistance, and performance evaluations of the State/local agencies in New York and New Jersey. They have devoted some time to additional activities, such as assistance to thirty communities in passing local fair housing ordinances.

REGION III (Philadelphia). The systemic unit, started in September, 1980, was abolished during FY 83. While the staff is still processing Systemic case, the number of such cases has declined sharply. The region generally does not request waiving of cases from the State/local agencies for systemic processing. Regional Title VIII staff devote increased time to FHAP training, technical assistance, and monitoring. In addition, they have assumed responsibilities for reviews of affirmative marketing plans.

REGION IV (Atlanta). FHAP responsibilities are substantial, with FHAP contracts in FY83 with 10 agencies, and four additional agencies proposed for equivalence. The staff has remained constant despite the increased work load of training, monitoring, performance evaluations, and technical assistance. Staff feels that the quality of HUD's own processing may be adversely affected by the workload pressure. Regional staff stated that they thought that there should be a separate FHAP unit in the region to handle training and technical assistance.

REGION V (Chicago). Initially, the region developed the position of FHAP coordinator to handle the reporting mechanisms with the State/local agencies. In October, 1982, they changed the responsibilities among their investigators by assigning investigators special monitoring duties for the State/local agencies, and added an intake analyst to support the additional paperwork of FHAP. Unfilled vacancies were a serious strain on staff at the time of our visit.

REGION VI (Dallas). Not visited. The region has only one equivalent agency (the State of New Mexico).

REGION VII (Kansas City). With the merger of the area office into the Regional Office, the Regional Office lost 6 staff person in FY 1983. The number of Title VIII cases in the region nearly tripled between FY 79 and FY 83. The regional staff believe that FHAP has had a negative effect on the quality of HUD processing because of the increased responsibilities on decreased staff.

REGION VIII (Denver). Not visited.

REGION IX (San Francisco). In FY 83 the region had 11 investigators, who also had responsibilities for monitoring, technical assistance, and training under FHAP. Individual Title VIII investigators are also assigned FHAP agencies to monitor. The arrangement with the California Department of Fair Employment and Housing -- the agency with the largest volume nationally of housing cases -- basically calls for HUD to retain responsibility for pursuing cases filed with HUD in most of the State. HUD complaint activity has declined since FHAP began to less than half the pre-FHAP volume.

REGION X (Seattle). Regional staff states that the regional staff was overloaded prior to FHAP when HUD processing requirements were heavier, and that the referring of complaints to the agencies has relieved some of the overload. The role of Regional staff is now almost entirely FHAP agency and complaint monitoring.

#### 2.4 Determination of Equivalence

A fundamental basis for the FHAP program is that participation is limited to those agencies that have been recognized as substantially equivalent to Title VIII and have signed a Memorandum of Understanding with HUD. At the outset of FHAP, there were 24 States and one locality which were recognized as substantially equivalent, an increase of two over those recognized at the end of the 1977 reassessment of equivalence. Given the lack of financial assistance prior to FHAP, most of these agencies did not have a current Memorandum of Understanding with HUD; there was little positive response by the agencies to HUD's requests for formalized complaint processing agreements.

With the development of FHAP, however, interest by States and localities in becoming recognized as substantially equivalent increased dramatically. On September 19, 1980, recognition was extended to three additional States and ten additional localities, for a total of 38 equivalent jurisdictions. By September 1981, the number had increased to 48. When the

sample for this study was drawn in 1983, 61 agencies had been declared equivalent and were in FHAP.

The process of determination of equivalence is in two parts. First it is necessary to determine the equivalence of the law or statute of the jurisdiction. Second, HUD makes an appraisal of the administrative capacity of the jurisdiction to enforce the law in a substantially equivalent manner.

When agencies initially made their request for equivalence, they usually come to the HUD's Regional FHEO office. These requests are transmitted from the Assistant Secretary for FH&EO to the General Counsel for determination of legal equivalence. The determination of the equivalence of law or statute for State-wide agencies is usually performed by General Counsel at Headquarters, while the determination for local (municipal or county) agencies is usually handled by the regional counsel subject to concurrence by Headquarters. Following the determinations of law, the performance assessments of the staff or agencies enforcing the laws are made by the regional FH&EO. While the Assistant Secretary holds the authority to overrule the determination made, in practice the regional determinations have been approved.

#### Determination of Equivalence of Law or Statute

The full set of criteria for determining substantial equivalence as set forth in 24 CFR 115.3 is as follows:

In order for a determination to be made that a State or local fair housing law provides rights and remedies for alleged discriminatory housing practices which are substantially equivalent to those provided in the Act, the law or ordinance must:

- (a) Provide for an administrative enforcement body to receive and process complaints;
- (b) Delegate to the administrative enforcement body comprehensive authority to investigate the allegations of complaints, and power to conciliate complaint matters;
- (c) Not place any excessive burdens on the complainant which might discourage the filing of complaints;
- (d) Not contain exemptions which substantially reduce the coverage of housing accommodations as compared to section 803 of the Act which provides coverage with respect to all dwellings except, under certain circumstances, single family homes sold or rented by the owner, and units in owner occupied dwellings containing living quarters for no more than four families; and
- (e) Be sufficiently comprehensive in its prohibitions so as to be an effective instrument in carrying out and achieving the intent and purposes of the Act, i.e., the prohibition of the following acts if they are based on discrimination because of race, color, religion, sex, or national origin:

- (1) Refusal to sell or rent.
  - (2) Refusal to negotiate for a sale or rental.
  - (3) Making a dwelling unavailable.
  - (4) Discriminating in terms, conditions, or privileges of sale or rental, or in the provisions of services or facilities.
  - (5) Advertising in a discriminatory manner.
  - (6) Falsely representing that a dwelling is not available for inspection, sale, or rental.
  - (7) Blockbusting.
  - (8) Discrimination in financing.
  - (9) Denying a person access to or membership or participation in multiple listing services, real estate brokers' organizations, or other services.
- Provided, that a law may be determined substantially equivalent if it meets all of the criteria set forth in this section but does not contain adequate prohibitions with respect to one or more of the acts based on discrimination because of sex, or with respect to one or more of the cases described in paragraphs (e)(7), (8), and (9) of this section.
- (f) In addition to the factors described in paragraphs (a), (b), (c), (d), and (e) of this section, consideration will be given to the provisions of the law affording judicial protection and enforcement of the rights embodied in the law. However, a law may be determined substantially equivalent even though it does not contain express provision for access to State or local courts.

The determination of equivalence of the statutes of a State or locality was described "to some extent" as a mechanical process. The State/local law must cover race, color, religion and national origin. According to staff from the Office of General Counsel, it could be declared equivalent even in the absence of coverage of sex if strong enough in other ways. (In this event, cases not covered by local law would continue to be processed by HUD.)<sup>1</sup> The other basic elements include power to subpoena and the requirement to investigate and conciliate.

There were a number of areas that were described as judgmental, in which statutes that were in some respects narrower than Title VIII would still be deemed to be legally equivalent. The most common ones are:

EXEMPTIONS - Title VIII has some exemptions in coverage including single-family house sale, units in small owner-occupied buildings, and religious exemptions. Exemptions may be somewhat different for State and local laws which are nonetheless substantially equivalent.

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<sup>1</sup>Regulations concerning substantial equivalence published in August 1984 stipulate that State/local laws must also cover discrimination on the basis of sex.

- PROHIBITED ACTIVITIES - some items such as block busting or coverage of financing of home improvement loans might not be required.
- TIMING - The statute did not have to match the Title VIII 180-day limit for filing.
- LIMITS ON REMEDY - There was usually no evaluation of limits on the remedy.
- REGULATIONS ON PROCESSING PROCEDURES - the basic issue here was whether there were regulations that unduly limited the State's investigatory powers.

#### Equivalence of Judicial Remedy

While FHAP specifically deals with an agency's administrative authority to settle fair housing complaints, the judicial remedies available to a complainant within a State may affect a complainant's access to Federal Courts after an unsatisfactory administrative conclusion on a complaint. However, HUD approval of State judicial remedies is not now regarded as a criterion for equivalency of a State/local law.

Section 810(d) of Title VIII specifically authorizes suits in United States district court within a designated time period after an administrative complaint is filed. There is, however, a statutory proviso -- that is, an exception to the usual rule -- to the effect that the suit under section 810 may not be brought in Federal court if there is a "judicial remedy under a State or local fair housing law which provides rights and remedies . . . which are substantially equivalent to the rights and remedies provided under this title." (Emphasis added). The implication is that the right to institute litigation in U.S. District Court, after unsuccessful administrative proceedings with HUD, is inhibited only if there is a substantially equivalent State judicial remedy under a substantially equivalent State or local law. Section 812(c) of Title VIII provides a complainant an independent, direct access to Federal court that is unaffected by the considerations discussed here regarding suits under Section 810(d).

In light of this special restriction on a complainant's access to Federal court, it might be expected that HUD regulations would spell out the kinds of State judicial remedies that would preclude Federal court action. However, as indicated above, HUD regulations (24CFR 115.3(f)) merely provide for "consideration" of State judicial protection in determining "substantial equivalency." Moreover, the HUD regulation states, "a law may be determined substantially equivalent even though it does not contain express provision for access to State or local courts." At present HUD's protection of a complainant lacking appropriate access to State court is Section 115.6 of 24CFR, which states that HUD will reactivate referred complaints if "the applicable State or local law fails to provide access to a State or local court."

The difficulty is that HUD, in setting forth the conditions for determining "substantial equivalency", has focused entirely on the issue of equivalent administrative authority under the State or local law and has not considered the equivalency of the State or local judicial remedy. Indeed, the Office of General Counsel at HUD has not generally attempted to review remedies. In view of the proviso in section 810(d), this gap in HUD regulatory criteria has created problems exemplified by the Denny case.<sup>1</sup>

It seems important for HUD to clarify its view of the adequacy of the judicial remedy in determining "substantial equivalency."<sup>2</sup> Otherwise, housing discrimination victims who seek administrative enforcement may ultimately be precluded from Federal court redress under Section 810(d) in States where judicial remedies are far less equivalent than in Colorado.

#### Determination of Equivalence of Administrative Capability

At the outset of FHAP, the responsibility within HUD for determination of the administrative capability of the agencies was not well

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<sup>1</sup>In Denny v. Hutchinson Sales Corp., 649 F. 2d 816, 819 (10th Cir. 1981), the U.S. Court of Appeals held, on the basis of HUD's determination that the Colorado Fair Housing Act was "substantially equivalent," that the U.S. District Court had no jurisdiction, pursuant to section 810(d) of Title VIII. In so holding, the Court ignored HUD's lack of consideration of the substance of state judicial remedies or access to state court in determining "substantial equivalency." The Court ruled that HUD's determination of "substantial equivalency" should not be overturned unless the Department's interpretation was "plainly erroneous." The state law's failure to provide for judicial award of attorney fees or punitive damages was not deemed sufficient grounds for overturning HUD's determination.

<sup>2</sup>Subsequent Federal regulations have clarified this issue. See page 169 for further discussion.

defined. Several regions complained that agencies were declared equivalent without the knowledge of HUD's own Regional FHEO staff. A decision thus was made during the first year of the program to require that the regions approve the administrative capability of the agencies carrying out the mandate of a State or local fair housing law.

In making the determination, the regional FHEO staff was to consider an agency equivalent if the agency:

- Consistently and affirmatively seeks the elimination of all prohibited practices under its fair housing law;
- Consistently and affirmatively seeks and obtains the type of relief designed to prevent recurrence of such practices;
- Has established a mechanism for monitoring compliance with any agreements or orders entered into or issued by the agency to resolve discriminatory housing practices;
- Engages in comprehensive and thorough investigative activities;
- Commences and completes the administrative processing of a complaint in a timely manner.<sup>1</sup>

However, the regions were given little guidance on how to interpret each of the five considerations stated above. Some regions in fact thought that the standards did not apply during the "capacity- building" period, since the agencies were receiving HUD funds, technical assistance, and training for the first two years. Other regions focused more heavily on such issues as thoroughness in past investigations of housing complaints in determining equivalence.

To assist the regions with these issues, during the second year of the program at HUD Headquarters drafted procedures which, while not required, were suggested for use (draft Chapter 16 of a proposed Title VIII handbook). The draft specified certain kinds of data to collect, and interviews to hold,

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<sup>1</sup>The explicit statutory requirement in Section 810(c) of Title VIII is that ". . . the Secretary shall take no further action with respect to such complaint if the appropriate State or local law enforcement official has, within thirty days from the date the alleged offense has been brought to his attention, commenced proceedings, or, having done so, carries forward such proceedings with reasonable promptness." HUD regulations further define the terms "in a timely manner" by stating that "the average complaint should, under ordinary circumstances, be investigated, and where applicable, set for conciliation, within 30-45 days." (24CFR115-8(5) (1984))



not only with persons in the agency, but persons working in the area of civil rights in the jurisdiction. While it provided guidance on the collection and organization of factual data, it provided little guidance with regard to the criteria to be used. The performance evaluation, as well as the annual performance assessments, are based upon on-site reviews of agency performance in complaint processing, as well as on organizational structure, budget, staff, and other evidence of the agency's ability to administer its law. The following elements have been used for such assessments:

- Interviews with staff persons from the State/local agency
- Analysis of open and closed cases
- Interviews with other government agencies and officials
- Interviews with private organizations such as fair housing groups.

The final instruction in the draft Chapter 16 simply states "The report should thoroughly assess the agency's capability", without giving any direction as to what might or should lead to a determination of adequate performance. In consequence, the determination of performance equivalence has varied substantially, according to the special circumstances of each State or locality. The greatest variation appears to be with regard to the interpretation of past thoroughness of investigation. Regions III and V have placed little weight on this factor, approving new agencies on the premise that capability would be built up with technical assistance during the capacity building period. Other regions have hesitated to confer the approval implied by equivalence when the agencies are new or the records of past investigations demonstrated a lack of thoroughness.

Some determinations, particularly of non-equivalence, became quite controversial. The regions sometimes attempted to pass the responsibility for the decision to HUD Headquarters. However, Headquarters operated on the principle that recognition would not be granted without regional approval. In some cases, agency staff would hold discussions with HUD's Headquarters staff in an attempt to bypass the Region. However, after the early months of the program, the determination of equivalence became a clear regional prerogative. The equivalence of at least one agency (Ohio) has been withheld on recommendation of the Regional Office.

### Ongoing Performance Assessment of Agencies

The annual performance reviews of those agencies accepting FHAP funds provide a vehicle for following any changes in circumstances which could affect an agency's equivalence recognition. By regulation CFR 24 Part 115, HUD may withdraw equivalence from a jurisdiction. HUD has at times taken steps to withdraw equivalence from an agency, but as of Fall 1983 when data were collected for this study, such withdrawal had not actually taken place since FHAP started.<sup>1</sup>

During the first two years of the program, it was not clear to the regions that they had to make continuing performance assessments of the State/local agency. The files of the regions visited did not usually have regular annual performance assessments of the agencies until the third year of the program; for the third year, the written assessments were not complete in their coverage of agencies nor consistent in content.

On an annual (or semi-annual) basis, the regions have been instructed to visit the State/local agencies, in order to make a performance assessment of the agency's administration of its fair housing law. The regions are to obtain information with regard to agency accomplishments, organizational structure, budget, staffing, training, and current copies of agency rules, regulations, complaint procedures, to the extent that they have changed since the previous evaluation. Further, the regions are to review any cases that have been recalled due to delays or in the interests of justice, and the data collected on the agency's processing of cases during the previous year. No clear criteria have been developed, however, for applying these data to a decision on agency equivalence. The Regional FHEO directors' recommendations are to be submitted to the Assistant Secretary for FHEO, through the headquarters Division of Federal, State and Local Programs. Procedures -- not yet actually used -- have been spelled out for the withdrawal of recognition in the event that the Assistant Secretary for FHEO concurs with the recommendation of the Regional FHEO director of a negative finding of performance equivalence.

In practice, regions have varied as to their reporting of performance equivalence. Region I develops a report providing a detailed summary of

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<sup>1</sup>In mid 1984 equivalence was withdrawn from the Wichita, Kansas agency when it was dissolved.

its investigative findings in the course of performance assessments. Other regions have in some cases simply summarized the data collected in the designated areas of performance.

## 2.5 The Memorandum of Understanding

In addition to establishing substantial equivalency, the other major condition for agency participation in FHAP is the execution of a Memorandum of Understanding. The eligibility criteria and funding standards which appear in 24 CFR Part 111 require that an agency must have executed a written Memorandum of Understanding with the Department describing the working relationship to be in force between the agency and the HUD Regional Office of Fair Housing. The purpose of the Memorandum of Understanding between HUD and the State/local agencies is to provide for cooperation and coordination in handling housing discrimination complaints, to eliminate duplicative enforcement activity, and to maximize their respective fair housing efforts through sustained communication.

Prior to FHAP, HUD had signed Memoranda of Understanding with a number of State/local agencies to whom it was referring Title VIII complaints for processing. In the spring of 1980, a new model Memorandum of Understanding was drafted which made major changes in the complaint processing procedures, particularly those focused upon dual filing, waiver, worksharing, recall, and reporting. The intent of the new Memorandum of Understanding, as described in a memo from the Assistant Secretary to the Regional Administrators (May 29, 1980) was to provide "maximum flexibility for Regional Offices to negotiate needed details with individual agencies."

The Regional Offices were given the responsibility to negotiate and sign the Memorandum of Understanding with each of the State/local agencies that were seeking FHAP funds using the model Memorandum of Understanding.

The major components of the Memorandum of Understanding are:

- **Commitment to Dual Filing.** This provides for the docketing of a valid complaint at both HUD and the agency, to guarantee the complainant's rights under both State and Federal law. The dual filing further provides for a central collection of statistics on complaints, to give a more accurate picture of housing discrimination within a particular jurisdiction. Finally, through dual filing, a data base is set up through which a rational division of labor may be made between HUD and the agency handling the complaints.

- Waiver. This provides for HUD processing for complaints which have a systemic interest.
- Worksharing. This sets out general guidelines on circumstances calling for HUD to process some of the complaints in an agency's jurisdiction.
- Recall. The recall of a complaint implies a problem with processing by the State or local agency, usually delays in closing.
- Partial Processing. The provision allows for joint and cooperative processing of a given complaint if circumstances warrant.
- Conciliation. The provision was based upon HUD's belief at the outset that joint conciliation efforts by HUD and the agency could increase the likelihood of settlement.
- Reporting. This provision is designed to meet HUD's needs for obtaining information with regard to complaints processed by the agency, and allows for HUD to monitor the progress of processing according to its responsibilities under Title VIII.

#### HUD Experience in Negotiating Memoranda of Understanding

There was some confusion about the degree of flexibility allowed in negotiating Memoranda of Understanding. Regional experience with negotiation varied. In Region IX, the Memorandum of Understanding that was signed with the California Department of Fair Employment and Housing varied dramatically from the model. While the agency dual-files housing cases filed with the agency, HUD itself processes most of the California cases filed with HUD. Less extensive changes in the Memorandum of Understanding signed with Illinois were not accepted at headquarters, resulting in a continuing impasse between that State agency and HUD. Other regions simply imposed the wording of the Memorandum of Understanding on the State/local agencies.<sup>1</sup> HUD regional staff complained of inconsistent direction from headquarters. In one local agency visited, the agency signed an additional Memorandum of Understanding when the geographical area for the agency expanded. The Memorandum of Understanding

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<sup>1</sup>In 14 of the 15 agencies visited, staff who were involved in the negotiations of the MoUs stated that there was no negotiation except on very minor points. HUD simply imposed the MoU as a contract document necessary to receive FHAP funds.

for the expanded area was not accepted by HUD headquarters; wording already approved for the city was not accepted for the surrounding county.

HUD's inflexibility in negotiating the Memorandum of Understanding made the agreement less useful as a working document. For example, three of the agencies visited indicated that they had received instruction from the HUD Regional Office telling them that the agencies had to process all cases referred by HUD, an instruction quite at variance with the terms of the Memorandum of Understanding.

Even now, there is much regional diversity in the perceived role of the Memorandum of Understanding. Five of the eight regions visited said that the Memorandum of Understanding was useful in building a cooperative relationship with the agency and in the clarification of procedures; the three others did not agree. The eight regions were evenly split on whether the Memoranda of Understanding were useful in changing agency behavior. Even those who said it was useful qualified their answer. Those who did not like the Memorandum of Understanding felt that it was unrealistic or served to separate the agencies from HUD, rather than increasing the cooperation. One region noted that the Memorandum of Understanding "set agencies apart from HUD with Washington's blessing." Only three of the regions visited considered the Memorandum of Understanding a working document. HUD regional staff are more likely to refer to statutes and regulations than to the Memorandum of Understanding.

By and large, the wording of the Memoranda of Understanding for the fifteen agencies that we visited followed quite closely the language and intent of the model Memorandum of Understanding. There were a few striking exceptions. In one instance the HUD Regional retained the right to process cases that originated at HUD and not refer them to the State agency. In another, the agency did not agree to waive back to HUD the systemic complaints. Other agencies negotiated longer time frames for interaction and reporting between State and HUD Regional Office.

Agency staff involved in the investigations of fair housing complaints often appeared unaware of the basic provisions of the agreement. The Memorandum of Understanding was signed at the outset of the program by agency officials who did not customarily become involved in the processing of housing complaints. The Title VIII investigators at Regional HUD were frequently not aware of the specific provisions of the Memorandum of Under-

standing. Staff at the agencies were even less aware of it; indeed, in some of the agency interviews, it was difficult to question about the Memorandum of Understanding. Only in a few agencies did it appear to be a working document.

In several respects, the content of the standard Memorandum of Understanding was not sufficient to achieve its purpose of ensuring maximum cooperation between the agency and HUD. There were shortcomings with regard to detailing the information that HUD was to provide to the agencies, the level of detail about a complaint that originated at one agency that was transmitted to the other, and the procedures for transferring processing of a complaint from one agency to another (whether for recall, lack of jurisdiction, or in the interest of justice for the complainant). Finally, the Memorandum of Understanding described a reporting system that was rarely used, but created a reporting burden on the agencies. (This is discussed in Section 2.7).

It is interesting to note some of the points not in the model Memorandum of Understanding. Only one Memorandum of Understanding addressed the issue of the filing relationships between States and sublocalities within the State. None of the Memorandum of Understandings addressed the question of what constitutes thorough investigation or satisfactory complaint handling. There is no discussion of the issues raised by HUD's own conciliations following a "Determination to Resolve", as compared to the State/local agency findings of "Probable Cause." It could well be that clarification of the differences between normal HUD processing and normal agency processing could have alleviated some of the conflict that later developed over this issue. (See Section 2.7 below.) Also, for a program in which the first phase is called "capacity building", the Memorandum of Understanding is strangely silent on what the content and goals of capacity building should be. Finally, the sections in the Memorandum of Understanding on training were exceedingly vague. Lack of clarity on this topic may have contributed to conflicts over what training was allowable or desirable.

On the other hand, the Memorandum of Understanding did spell out clear guidelines with regard to the time frames in which agency staff were expected to investigate and close housing complaints jointly filed with HUD. At times of conflict, the Memorandum of Understanding was referred to as a means of influencing agency processing to conform more closely with HUD's

expectations. It also provided a mechanism in the event of the recall by HUD of a complaint.

## 2.6 HUD-Sponsored Training of State/Local Agency Staff

Training and technical assistance was described as one of the major components of the Fair Housing Assistance Program in 24 CFR Part 111. The standard Memorandum of Understanding executed between HUD and each agency contains the following language:

In recognition of the continuing need of both signatories to train staff (investigators, conciliators, attorneys, administrators) the signatory parties agree to initiate periodic training conferences where training will be jointly undertaken in order that a uniform measure and standard of performance may be pursued by the signatory parties with respect to what constitutes an effective and satisfactory investigation or conciliation of a complaint alleging a fair housing rights violation. Each signatory will share responsibility for the preparation of such training in accordance with budgetary constraints. In like manner, training shall be arranged for research, administrative, and technical assistance staff and for attorneys of the two signatory parties.

### Training and Technical Assistance

The training component of FHAP was designed to remedy problems that had occurred in previous referrals of complaints from HUD to the State/local agencies prior to FHAP. Training was seen as the mechanism by which HUD could assure consistency in administration of and approaches to fair housing enforcement.

The HUD-sponsored training (discussed in Section 2.3 above) was to be provided to all investigators that were handling fair housing cases and was to include components based upon techniques of investigation and conciliation and recent developments in fair housing law.

Another training component, individualized training, was seen as more closely tailored to meet the needs of a particular agency, according to its special requirements or existing staff capabilities. Such training could be provided in-house, by HUD staff, or by private groups. The only requirement was that the training be relevant to the agency's overall fair housing objectives. (This component was dropped in 1982 because it was too difficult to implement.) Technical Assistance funds were allocated to enable the agencies to provide technical assistance to the larger community, such as

private fair housing groups, forums of real estate brokers, or citizens groups.

At the outset of the FHAP program, HUD Headquarters had been considering the development of standard nationwide training for the FHAP agencies. However, the decision was made to turn over to the Regional Staff responsibility for the development and implementation of the training in each region. With only five months left in the first fiscal year of the Program, a letter was sent to all Regional Administrators advising them to complete at least one training session in that period.<sup>1</sup> Up until that time, the regional FHEO staff had in most cases not planned region-wide trainings.

The memorandum provided a set of guidelines, requirements, and suggestions to the Regional Office staff in the implementation of the training. These called for the development of a training task force with a representative of each State/local agency, the development of a training program that should be for at least three full days, and completion of planning for the training conference prior to June 1, 1981.

The regions have now implemented the regional mandatory trainings for at least the first three years of the program. The regional variations have been along the following dimensions:

- Some regions have combined with other regions in offering the training.
- Some regions offer the training with no outside paid trainers, drawing the trainers only from the staff of HUD and the agencies, while other regions depend to a considerable degree upon private sector attorneys or trainers.
- Some regions have encouraged extensive agencies input in planning the training sessions.

In general, the trainings that appeared to be most valuable to the agencies and were well-received were those in which there was a high proportion of trainers from outside of HUD and the agencies, and in which the agencies had greater input with regard to the format of the training. This was seen most clearly in the statements of agency staff in regions where the trainings had changed from being given primarily by HUD staff to being given primarily by outside trainers.

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<sup>1</sup>Memorandum to Regional Administrators, April 1, 1981, from Weldon Latham: "Training State and Local Agencies Under the Fair Housing Assistance Program (FHAP)."



The HUD-sponsored trainings received high marks for knowledgeability, relevance, and quality. Most agencies felt that their staff who attended the sessions came away from them with an increase in their commitment, skills, and knowledge of housing law. However, there were a number of qualifications:

The time spent on the HUD training undermines the time to be spent on training needs of our agency staff. The HUD training dominates the time available. We need training on topics peculiar to (State) law...In the (HUD) training, we had non-lawyers talking about the law.

Our training needs to be directed especially to understand what happens at hearing, so cases will be better prepared for litigation (not available in HUD training).

(The HUD training was) not specific enough, too vague. It must focus on skills (e.g., report writing).

It would be good for a newer agency; for one with experience, nothing new.

The national overview wasn't new material, not relevant to our case processing staff. Case processing presentation was pitched to the less experienced agencies, too basic. The HUD system is different because of different coverage and more limited powers. The training had the problem that the HUD way was the way.

In summary, the training sessions provided a mechanism for HUD to affect the quality of the agency processing of fair housing cases and to encourage the agencies to broaden their views of fair housing beyond their traditional practices. At its best, the training did just that: increased the skills, knowledge, and commitment of agency staff to develop procedures that resulted in more rapid processing and better protection for the complainant. At its worst, the trainings were narrow and focused upon HUD's own requirements for processing and information exchange; this resulted in sessions that were poorly received and at times resented.

The training sessions were planned only for an agency's first two years in the program. The original plans further called for the training program to be developed by HUD Headquarters under contract to a nationally recognized group capable of training in the area of fair housing. These original concepts changed in the absence of the development of a centralized training program: the responsibilities for the training fell to the regions. Agency staff generally reported that the training sessions by the third year

of the program had improved markedly. The need to continue the annual trainings beyond the second year of the program became apparent to HUD staff at both Headquarters and Region, and such trainings have now become an ongoing characteristic of the program.

However, the training sessions still leave something to be desired from the perspective of the agencies. Many agency staff felt that the training from one year to the next was repetitive and not geared to the specific needs of the agencies. Those training sessions that were given by fair housing experts outside of HUD were generally rated as more useful than the sessions given by HUD's own staff.

## 2.7 Dual-Filing and HUD Complaint Monitoring Procedures

The Memorandum of Understanding outlines the procedures by which HUD will refer cases to agencies for processing and agencies will file cases with HUD for monitoring and payment. Most agencies use the standard Memorandum of Understanding with minor modifications, relying on the document's specifications regarding dual-filing procedures, waiver of cases, worksharing and joint processing agreements, reporting requirements, and recall of cases by HUD. In this section, we examine the ways in which these MOU provisions are implemented and problems that have emerged during that process.

### Dual-Filing Procedures

Once the State/local agencies had a completed Memorandum of Understanding and had signed the Cooperative Agreement, the HUD staff had to initiate new procedures to refer complaints to the State/local agencies, and to receive copies of complaints initiated with the State/local agencies and record them as Title VIII housing complaints. Though there was some dual filing prior to the FHAP program, State/local agencies had infrequently forwarded their housing complaints to HUD.

The Memorandum of Understanding specifies that HUD and agencies can both docket complaints but they are to inform potential complainants of their rights to file with the other agency. At the start of the dual-filing procedure, the complainant submits a complaint, either to HUD or to the State/local agency. Each agency proceeds through its regular and normal intake procedure. The case is recorded on the appropriate forms, and a determination is made of jurisdiction under either the Federal or State law. If the complaint is made to the State/local agency, the agency proceeds with

its investigation, sending a copy of the complaint to the HUD region for joint filing. If the complaint comes to the HUD region and the complaint is seen to be within the jurisdiction of a FHAP agency, the complaint and any supporting documentation or information is forwarded to the State/local agency for investigation.

During the FHAP period, most of the dual-filed complaints (87 percent overall) originated at the agencies and were then filed with HUD. The proportion of agency-originating complaints ranged from a low of 42 percent at one local agency to a high of 100 percent at four local agencies. This meant that agencies generally completed their own intake forms as well as the HUD 903 Complaint Intake Forms and forwarded the required information to HUD soon after intake. None of them relied on the HUD 903 Forms for their own intake procedures, and one State agency did not complete the HUD 903 Form at all.

One of the problems faced by HUD staff was a determination of which complaints filed with agencies held systemic interest and should be handled by HUD staff. The information contained on the complaint form was seen as insufficient to determine systemic implications. HUD intake specialists also stated that information needed to be available on whether, during an investigation, systemic implications arose. In general, HUD was not notified when this occurred.

When intake originated at HUD, problems emerged for agencies. Nine of them reported difficulties. Common agency criticisms were that HUD did not screen complaints well enough for discrimination (allowing landlord-tenant disputes not based on discrimination to be filed) and that the HUD Form 903 did not provide adequate information for them to complete intake. Yet HUD personnel were reluctant to expand the details written on the Form because they forwarded it to respondents as part of their routine notification process. Several agencies wanted HUD to use their intake forms, but this plan had not been implemented.

The agencies also noted that since little information was recorded about complainants, they had difficulty locating them either to fulfill their own intake requirements or to proceed with investigation. One region had addressed this problem by supplementing the 903 Form with a locator sheet that recorded alternative telephone numbers, addresses, and persons who could refer information or queries to complainants. Further, when HUD forwarded the 903 Forms without notarizing them, the agencies had to recontact complainants in

order to complete their intake. All of those problems meant that intake had to be repeated with complainants once dual-filing took place. This situation is at best inconvenient for complainants, but it can have serious consequences if the complainant approaches HUD close to the end of the agency's time period for filing. Some agencies have a shorter filing period than the 180 days in Title VIII. In some States, the agency by statute had little time to complete an investigation, and delays in referral could be critical.<sup>1</sup>

Another concern focused on HUD's policy of promptly notifying respondents of complaints against them before the FHAP agency could conduct tests as part of an investigation. This practice was problematic for HUD-originated complaints, because respondent notification often occurred at the same time the dual-filing procedures were underway. While respondent notification is a statutory requirement under Title VIII, some FHAP agencies indicated a desire for HUD to use more discretion about how promptly to notify.

Another problem lay with the coverage. For example, State law for one agency prohibits discrimination in the sale or rental of housing. Persons discriminated against in refinancing, or obtaining insurance on a house already owned or rented are not protected under State law, but they are under Title VIII. Thus, both for complaints filed with HUD and for those filed with the agencies serious gaps in information and cooperation occur, often to the detriment of the complainant. It would appear that the intake process needs some additional emphasis in order to meet the requirements of both HUD and the agencies.

#### Waiver of Cases and Worksharing

The waiver provision of the Memorandum of Understanding is designed to allow HUD to process systemic cases within an agency's geographical jurisdiction and provide assistance to agencies if their workloads become too great to handle cases adequately. The worksharing agreement also provides agencies with a mechanism to obtain staff assistance from HUD personnel in

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<sup>1</sup>For example, assume an agency had a statute of limitations of 120 days from the date of the alleged incident of discrimination and the complainant goes to HUD on the 110th day. HUD completes the 903 Form and does not notarize it. It is received at the agency on the 115th day. In this hypothetical example, the agency has five days left to locate the complainant, complete intake, and notarize the complaint.

cases where the joint force of HUD and the agency may best serve the interests of justice. However, to date, these provisions have been little used. At the time of the interviews for this study, four agencies had waived cases back to HUD. One agency did so only when it could not locate complainants who had originally filed their complaints with HUD. Another did so because its statutory filing period of 90 days had expired and HUD's (180 days) was still open.

Worksharing or joint processing occurred in less than 10 cases spread across seven agencies, usually involving HUD-sponsored housing developments. In two instances, it was hoped that joint conciliation would be more persuasive to the respondent. One agency asked HUD to participate in two conciliation meetings, in order to be sure that it was familiar with HUD requirements and procedures for case processing. While most of the joint processing work was successful, difficulties emerged when agency and HUD staff disagreed about the nature of settlement at conciliation. With different standards and strategies in place at the two agencies, it was difficult to determine who should prevail.

#### Reactivation

Under the FHAP program, the joint filing of a complaint provides protection to the complainant both under the State/local statute, and under the Federal Title VIII. Under the procedures, the recall to HUD of a complaint that is being investigated by the State/local agency is considered in four circumstances:

- 1) Where the State/local agency does not proceed in a timely manner
- 2) Where the State/local agency does not have jurisdiction
- 3) Where findings are clearly erroneous
- 4) Where a failure of conciliation leaves the complainant without a judicial remedy.

HUD may recall cases from agencies and proceed with its own investigations if agencies do not comply with key deadlines: investigation must have commenced within 30 days of dual-filing, investigation must be complete within 60 days of dual-filing, and conciliation must be complete or administrative proceedings must have begun within 90 days. The Memorandum of Understanding specifies that HUD may elect not to proceed with recall if the agency provides adequate reasons for delay and demonstrates that it will

proceed expeditiously. Recall is the last step in the monitoring process, and is viewed by HUD as the last resort which should be avoided if possible. Although reactivation may provide a complainant additional protection, it also can create confusion and inconvenience for complainants and usually occurs only in intractable situations which HUD and agency staff agree may be ameliorated by transfer of the case to HUD. Not surprisingly then, actual recall is rare, although HUD staff raise the possibility of recall when they are concerned about excessive processing delays.

Twelve agencies indicated that HUD had discussed recall of cases with them. In most agencies, HUD raised the possibility of recall for fewer than 5 cases over the entire FHAP period. Almost all of the cases were aged, ranging from 80 days to 2 years. When timeliness was at issue, agencies generally gave special attention to the cases in order to reach closure as quickly as possible. Other situations generating discussions of recall included: cases that had gone to agency appeal; complainant dissatisfied with findings of no probable cause who wanted HUD to reopen the cases; and complainants who could not be located by the FHAP agencies.

Discussion of recall did not ordinarily result in execution of the procedure. According to agency records, a total of about 45 cases were recalled by HUD from six agencies. Twenty-five of those cases were found at one State agency which had determined it did not have jurisdiction to handle them.

The reactivated cases were a mixture of ones originally opened at HUD and others originally opened at the agencies. One HUD respondent questioned whether HUD could recall cases which had originated at State and local agencies. He believed that HUD should clarify this question. Presumably agencies are free to pursue a dual-filed but recalled case unless prohibited from doing so by their Memorandum of Understanding. Similarly, once a complainant filing a complaint with an agency has chosen to have the agency dual-file the case with HUD, the Memorandum of Understanding provisions on recall by HUD for processing would appear to apply.

#### Definitional Issues

Lack of common definitions also created confusion in ten locales. The most frequent problem centered on determining when a case is closed. HUD procedures and deadlines assume that cases are closed after conciliation, since HUD has no provisions for administrative hearings. Therefore, the

stipulation that cases be closed within 90 days was based on the assumption that conciliation had taken place. The distinction between case closure after completed conciliation and case closure later in complaint processing (e.g., after hearing or court proceedings) had to be clarified so that agencies could comply with HUD deadlines and receive payment for cases after conciliation had been finished. Cases that required additional work therefore remained open at agencies but not at HUD.

Several Regions "close" a case being processed by a State/local agency at the point when conciliation has failed, and the complaint proceeds to the hearing stage, as it would be closed for case processing at HUD at the time that conciliation fails. However, other Regions prefer not to close the case until the State/local agency closes the case. Hence, in Phase 2, some agencies will receive FHAP compensation of \$500 per case at a different point in time than other agencies.

The definitions of "administrative closure", "complaint withdrawn," and "lack of jurisdiction" also vary across agencies. The differences are a problem in at least two Regions (V, IX), because HUD staff will not reimburse agencies for cases closed in these ways. The HUD representatives argue that agencies have not undertaken investigations and therefore should not receive reimbursement. In contrast, agency staff note that some of these cases may require considerable effort. For example, investigation may be needed to verify whether a respondent owns a dwelling covered by Title VIII or local statute (e.g. owner-occupied building with less than 4 units). If not, the case may be closed for lack of jurisdiction or a complaint may be withdrawn after considerable effort to ascertain the nature and validity of the case.

The definition of a "case" has been problematic, since some agencies file multiple cases when more than one respondent is involved in an incident of discrimination (e.g. owner, rental agent, apartment manager) while others do not. This practice meant that agency caseload figures were based on different concepts, and the practices had important funding implications for the payment per complaint phase. By the time this study took place, this issue had been settled by HUD. HUD counted one case per incident of discrimination and paid accordingly.

Some agencies have the power to initiate complaints, known as director's complaints. Some Regions acknowledge these as reimbursable complaints well within the intent of the program. Other Regions refuse

payment on the grounds that Title VIII does not provide for such agency-initiated complaints and because it would be too easy for agencies to manufacture complaints just to get the payment.

#### Agency Powers and Practices

Major differences between HUD and the FHAP agencies have arisen over the agencies' strategies of case handling. From the evidence in this evaluation, much of the controversy stems from the powers for administrative relief that agencies have which are broader than those provided HUD under Title VIII. An agency, for the most part, develops a case which it may have to present at a hearing or other judicial setting. Agency staff and some HUD staff agree that the evidentiary level required for a finding of Probable Cause is more stringent than that for a finding of Determination to Resolve. HUD simply needs to ascertain that the weight of the evidence indicates that discrimination probably occurred in order to make a finding of "determination to resolve." Consequently, "predetermination settlements" at FHAP agencies may be similar to HUD's "conciliated settlements," if agency investigators perceive that settlement is likely but a finding of probable cause is not.

Similarly, there is a conceptual difference between HUD's finding of Allegation Not Supported and the agencies' finding of No Probable Cause. Some agency staff reported that they normally cannot simply drop a case for lack of sufficient evidence; they must actually prove their case. In one the complainant has the right to appeal the agency's finding of No Probable Cause. Yet, when the statistics are compiled by HUD, the cases of No Probable Cause are summarized as cases of "Allegation Not Supported." To some HUD staff, this designation is an evidence of a poor investigation rather than a finding that there was no act of discrimination.

These nuances of language have created tensions between HUD and agency staff. HUD representatives have urged agencies to push for findings of cause and conciliation because they believe better settlements can be achieved in this way. Agencies argue that HUD doesn't understand their legal restrictions and that they should handle their complaints as in the past.

According to regional staff, HUD Headquarters staff have applied pressure for the regions to increase their recall, particularly for cases in which State/local agencies have found No Probable Cause and for cases not closed within 120 days. In contrast, other Headquarters advice suggested caution in recall policy, on the principle that agencies should be given



considerable discretion in their choice of investigative techniques (such as testing) and powers (such as hearings) because they are broader than HUD's.

The chief problem, however, has concerned the standards for judging quality of investigation. HUD Headquarters has not established a policy on this issue, and each region has made its own determination of how to assess whether a State/local agency has properly processed a case. In the event of negative determination, the regions have acted differently. In Region III, some cases were sent back requesting further investigation. In other regions, the HUD liaison person suggested recalling a case only to be overruled by a supervisor. The agencies themselves complained that HUD staff were highly idiosyncratic and arbitrary in their judgment of the agency's case handling. Regions III, VII, and IX have now developed written materials to use in determining adequacy of an investigation.

#### Reporting and Case Monitoring

The Memorandum of Understanding provides some general requirements for agencies and HUD to report to one another about the progress and resolution of dual-filed cases. The Memorandum of Understanding states that reporting to HUD Headquarters will be done in accordance with Chapter 7, "State/Local Referral Agency Reporting Requirements," of HUD Handbook 8000.1, Fair Housing and Equal Opportunity Complaint and Compliance Review Reporting and Control Procedures. In fact, in no region visited were these reporting mechanisms completely used as described. The cited procedures are tedious, unworkable, and do not provide HUD with the information desired for monitoring case progress. Every region developed alternative structures, but agencies still complained about the complexity and time-consuming nature of the reporting systems actually required.

The nominal vehicle for the exchange of information between agencies and HUD was a form already in existence before FHAP, the Form 948 State/Local Referral Agency Report. HUD is to track whether case processing complies with the three important deadlines (30, 60 and 90 days). The 948 Form consists of five copies: the first is kept by the Regional Office, the second records the 30 day status report, the third records case progress at 60 days, the fourth is used at the 90-day check, and the last one is the agency's copy. The Regional Office is supposed to send to each agency the appropriate copy of the form for each open dual-filed case as the time limits approach. Data from the

forms are to be used to trigger more detailed monitoring checks by HUD representatives when deadlines are missed.

The 948 Form was deemed to meet the statutory requirements for monitoring, even though HUD and agency experience with its use had been mixed. The form already had OMB approval, and it was not necessary to contend with the time-consuming development and approval process for a new form. The form was to be used simply as an aid to the regions for monitoring the progress of cases and not directly as part of the computer tracking system maintained by HUD Headquarters, (discussed in the next section).

None of the Regional Offices implemented the 948 Form as designed; all supplemented the Form with periodic visits and telephone contacts for more thorough case monitoring. Each region developed its own system. Regions III and IX dispensed with the 948 form altogether. Region V went through the rituals of collecting the 948, form, but ignored it for all its own recordkeeping procedures. Region II used the 948 form but did not rely on it. Regions III, IX, and X tracked the cases handled by the State/local agencies using the HUD Headquarters computer (the Complaint Compliance and Review System) and substituting the name of the agency for the name of the HUD investigator. Regions IV and V rely on the telephone for periodic monitoring of progress. Region VII relies most heavily on close scrutiny of closed cases. In Regions III, VII and X, HUD required monthly reports from agencies about the status of all open cases. In Region II, written narratives had to be submitted about aged cases. The other four regions relied on telephone monitoring to assess progress and problems.

The frequency of contact between Regional HUD offices and agency staff varied according to the size of the dual-filed caseload. Those agencies with caseloads of 40 or more tended to report discussion with HUD staff at least once a week, while those with smaller caseloads indicated that interactions with HUD occurred only once or twice a month.

In order to comply with HUD requirements, six agencies set outside dates for case closure and five agencies established goals for dates of completed investigations. Four agencies indicated that these practices also reflected agency regulations or caseload objectives for investigators.

At five of the nine agencies that set dates for future case events, supervisors checked on case progress and questioned investigators when

problems occurred. In the other situations, investigators were expected to monitor their own activities.

Nine agencies also tried to anticipate the progress of cases and to set deadlines for investigators by establishing anticipated dates of future actions. Others recorded special data about the cases. Only two agencies maintained the HUD cases in a separate file or log. None of the agencies made distinctions in case monitoring according to the point of origin of the cases, (whether the case originally was filed with HUD or was filed directly with the agency).

Twelve agencies indicated that their regular data management systems allowed them to identify whether dual-filed housing cases had exceeded the 30, 60, and 90 day deadlines set by HUD for initial action, completion of investigation and case closure. Normally, the agencies prepared monthly reports about the age of cases, although one agency updated that information weekly. The remaining three agencies had to prepare special reports about the HUD cases by manually assembling relevant data.<sup>1</sup>

From the point of view of agency respondents, the process of transmitting data to HUD was not problem-free. Ten respondents had criticism, most focused on isolated incidents of HUD staff losing case files, misplacing 903 or 948 forms, sending out incomplete 903 Complaint Forms and the like. However, two comments focused on the structure of the system. One respondent felt that HUD should provide regular information to the agencies about the status of agency cases in their data system. (Only seven agencies in the sample routinely received reports from HUD.) In this way errors could be corrected and attention could be given to aging cases. Another respondent felt that three reports within 90 days was excessive, and that reporting after 60 and 90 days would be sufficient.

Agencies complained about cases that were waived to HUD or recalled by HUD. Once a complaint went to HUD for processing, there was no formalized feedback to the agency about its progress. The agency staff felt that the communication was a one way street; all information flowed to HUD, but no information came back.

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<sup>1</sup>None of the agencies had adopted the HUD 903 Complaint Intake or 948 State/Local Referral Agency Forms for their own uses, although at times, they kept them in the case files.

A final problem area was in HUD's recordkeeping for information sent by the agency to HUD. HUD's records of the progress of the complaint were quite different from those of the agencies. Except in one region, when the agency sent information to HUD, they did not receive confirmation of HUD's recording of that information. In that region, the HUD Regional Office sent monthly reports to the agency on HUD's records of the agency caseload, so that the agency could correct errors or work with HUD to make records match. Other agencies complained that they would receive multiple requests for information on complaints long closed by the agency.

## 2.8 Complaint and Compliance Reporting System (CCRS)

Prior to FHAP, HUD had already put into operation a computerized management information system for keeping track of the complaints generated under Title VIII. This system was designed primarily to track the processing of the cases as performed by HUD staff. As long as most processing was done by HUD, the CCRS focused on HUD processing and the system was not questioned. But after FHAP, a majority of Title VIII cases now came to be processed by the State/local agencies, and the CCRS had lost its essential function of tracking the progress of Title VIII complaints.<sup>1</sup>

For the operation of the reporting system on Title VIII complaints, the major forms are:

- Form 903 Complaint Intake form. This form records basic data about the complainant, the nature of the alleged act of discrimination, and some information about the respondent.
- Form 930.1a Regional Monthly Status Summary of Complaints Received under Title VIII of the Civil Rights Act of 1968 and Executive Order 11063. Data from this form is used to make entry of data into HUD's computer.

In addition there are monthly reporting forms to be prepared by HUD Regional Offices summarizing the complaint activity for the month within the Regional Offices.

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<sup>1</sup>Under the system, a form was developed, Form 948, to provide a reporting mechanism for those cases that were referred to state/local agencies for processing. As very few cases were referred prior to FHAP, the form never received much use, and that part of the system was never programmed for the computer.

At the outset of the program, the CCRS was used to develop data on the number of Title VIII complaints filed (essentially those filed with HUD) within the jurisdictions of all agencies filing for funds under FHAP. The form has a place for a five digit code to indicate the State and county where the alleged act of discrimination occurred. This code was used by HUD Headquarters to provide a count of the number of cases prior to FHAP.

Before the program started, there was consideration of the report formats desired as regular reports for the FHAP program, and to track the progress of those complaints referred to the State/local agencies. At that time the changes made with regard to Title VIII were minor and involved changes in codes that could be used in order to differentiate rapid response cases and systemic cases from the regular Title VIII cases processed by HUD regional staff. However, there were no changes made to the system to accommodate the new FHAP program. In particular, no provision was made to incorporate the use of the 948 Referral Agency Form in the CCRS.

The HUD Regional Offices reported all Title VIII cases, including those referred to the State/local agencies, on the 930.1a form at the time that the case was first reported to HUD. According to HUD Handbook 8000.1 Fair Housing and Equal Opportunity Complaint and Compliance Review Reporting and Control Procedures, the 930.1a is to include selected information on all complaints, including a file number, date received and closed, closing code, relief or compensation at closing, information from the complaint intake form on the complainant, respondent, basis, date of violation. For complaints referred to State/local agencies, only five other pieces of information are requested:

1. date referred
2. date of 30 day check
3. date of 60 day check
4. date of 90 day check
5. date recalled

In contrast, cases processed by HUD have a considerable detailed recording of milestone action completion dates, concerning the assignment to investigation, date analysis completed, date investigation commenced, date investigation completed, date of determination, resolution code, date conciliation commenced, date conciliation completed, and name of FHEO

specialist assigned the case. There was no mechanism by which this information was to be recorded for cases processed by State/local agencies.

In that no changes were made to the CCRS in response to the start of FHAP, the automated system provides little information on the progress of cases referred to the agencies, until the case is closed. However, as the regions were responsible for the monitoring of the cases, they developed unique procedures, specific to each region, as to how to monitor the processing by the States, and the recordkeeping system to be used.

For purposes of tracking cases dual-filed with FHAP agencies, the CCRS had a number of specific shortcomings:

1. There was no place on the CCRS system designed to designate the name or identify the State/local agency. Hence it was not possible even to determine the number of cases processed by an agency unless it was the only agency within a State. Some regions compensated for this lack by entering an agency identifier in the location of the HUD investigator identification.
2. The system contained no information with regard to the processing of the State/local agency. Hence it was not useful for determining the types of delays or processes used by a State agency. It was not possible, for example, possible to determine if a State/local agency used rapid response processing.
3. The system was not designed to effectively handle recalls, for example, to determine if the case was recalled by HUD because of delay in processing, waiving of the case to HUD at the request of the agency, recall by HUD because of the lack of jurisdiction by the State/local agency, or waiving of systemic case to HUD at the request of HUD.
4. There were no mechanisms by which the State/local agencies could determine if the entries in the system were correct and make corrections or edits.
5. The date of closing entered by the regions had little relationship with the date actually closed by the agencies. Hence estimates of actual processing time by the State/local agencies were in error.
6. The HUD codes for closing did not fit the State/local agency processing, definitions, or codes, and inaccurately reflected what was taking place in the agencies.
7. There was inconsistent reporting of outcomes for those cases processed by the agencies where conciliation failed, and the complaint progressed to a hearing or court proceeding.

As a result of these shortcomings in the CCRS, a number of problems have developed. Regional Office use of CCRS for monitoring dual-filed cases has required ingenuity to adapt the system to their purposes. Without systematic feedback to agencies, miscommunication can occur and cases can be missed that should be tracked. Without information on processing steps or consistent definitions on dates and closings, national data on case processing become distorted and subject to misinterpretation.

After two years of program experience, pressure came from three different sources to modify the system. First, reports on the timeliness of processing the complaints produced misleading data and led to some inaccurate conclusions with regard to the timeliness of processing by the State/local agencies. Secondly, the system was not useful as a check or a tool for paying the agencies based upon closed cases. Thirdly, the regions were so inconsistent in their use of the system for referred cases as to throw the whole system into doubt. Some regions were using their own computers to monitor progress and essentially ignored the data that was input to the CCRS. Other regions input data for FHAP cases in the same manner as they did for their own cases, substituting the name of the agency for the name of the EO specialist investigating the complaint.

A task force was set up with regard to the revisions of the CCRS to track not only the HUD processing but also the FHAP processing to make the recordkeeping for Title VIII more efficient. The proposed system addresses most of the problems that were in the old system. It builds on the old system, but resolves most of the issues.

Two major issues have been bypassed as of this time: (1) the frequency of monitoring or reporting of cases from the State/local agencies; and (2) how to send feedback to the State/local agencies so that errors may be spotted and corrected.

## 2.9 Potential Improvements to Program Implementation

From these observations on the design and implementation of the Fair Housing Assistance Program, areas for possible improvements can be identified. They are the inter-division differences with the HUD Headquarters Office of Fair Housing and Equal Opportunity, the determination of substantial equivalence (including reviews of continuing equivalence and the issue of standards for complaint handling), explicit requirements of the Memorandum of

Understanding, information exchange between HUD and the agencies on individual complaints at intake and on complaint status, and definitional issues.

#### HUD Headquarters Coordination

The differences in mission and perception between the Division of Enforcement in carrying out its responsibilities for overall enforcement of Title VIII and the Division of Federal State and Local Programs in carrying out its responsibilities for implementation of the Fair Housing Assistance Program require better coordination within the Office of Fair Housing and Equal Opportunity. Clearer internal mechanisms for resolving differences between these two divisions are essential for reducing inconsistencies in direction to Regional Offices and ultimately to the participating FHAP agencies. The criterion would seem to be how best to carry out the requirements of Title VIII, including devolvement of enforcement activities to qualifying State/local agencies, while maintaining HUD's responsibilities to persons whose rights are protected under Title VIII.

#### Determination of Equivalence

The "performance equivalence" of agencies requires more explicit Headquarters guidance. If agencies are to be given an initial period within which to meet HUD standards, this should be explicit. If agencies are to meet standards at the outset, these should be explicit. Even the draft Title VIII handbook does not provide criteria, only guidance on types of data to collect.

Concerns about premature recognition of agencies might be met by re-establishing the "interim" equivalence status with some probationary period during which agency performance would be evaluated against established criteria and at the end of which a final determination would be made.<sup>1</sup> Establishing such criteria would also facilitate the ongoing reviews of performance assessment of the agencies by HUD and would improve on the present system that identifies types of data to collect but does not identify what criteria to apply to the information collected. In the absence of such criteria it would be important nevertheless for HUD Headquarters to promulgate a clear policy indicating that Regional Offices have discretion in applying their own judgements to the individual situations of the agencies under their jurisdiction.

Clarification is needed on the role of State judicial remedies in HUD's determination of equivalence. Although HUD regulations allow for "consideration," HUD generally has not attempted to investigate State judicial

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<sup>1</sup>HUD made provisions for an "interim referral" status in the August 1984 regulations on substantial equivalence (24 CFR Part 115).



remedies as part of its review of ability of a State or local agency to provide administrative enforcement of housing discrimination complaints. However, in the Denny decision by the U.S. Court of Appeals in Colorado, the court ruled that, because HUD had ruled the Colorado Fair Housing Act as "substantially equivalent" the complainant had no recourse to Federal court under Section 810(d), the State court remedies being regarded as substantially equivalent. To avoid such a loss of remedy under State laws, it would help if HUD would declare that State judicial remedies are not part of its determination of substantial equivalency or would make review of State judicial remedies a specific component of the equivalence requirements.<sup>1</sup>

In establishing equivalency criteria, HUD could acknowledge the different role that agency determinations of probable cause play in their case handling from HUD determinations to resolve. Agencies tend to impose higher standards of evidence in their determinations of probable cause or no probable cause, because a failed conciliation is not the end of the process for most agencies. An appeal to a hearing or to a State court will result in overturning of agency rulings if the higher standards of evidence required at these subsequent stages is not upheld. The implication is that criteria such as the fraction of complaints for which a finding is made (or for which a resolution is attempted through conciliation, as opposed to a pre-determination settlement), may not be appropriate for the agency setting. More appropriate areas would be the nature of information about a complaint necessary to proceed with it, independently of the mode of closing, and the timeliness and appropriateness of the resolution of the complaint.

In any case, explicit criteria are needed for ongoing performance assessments. Areas in which explicit criteria are needed include:

- volume of fair housing complaints,
- timeliness of investigation and resolution of cases, and
- adequacy of relief granted.

#### Memorandum of Understanding

One particular area requires attention in the Memorandum of Understanding HUD uses with FHAP agencies to set out the terms of interaction between HUD and the agency. Capacity building needs to be addressed explicitly in the document to clarify HUD's expectations and agency commitments about improvements in the agency's ability to attract and process fair housing complaints. From the experience of the 15 agencies visited, it

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<sup>1</sup>This issue has been clarified through regulations issued in 1984. See page 169 for further information.

would appear that HUD should make more efforts to negotiate a Memorandum of Understanding that reflects the specific circumstances of each agency, with the objective that it become more of a working document than a part of the "boilerplate" of the cooperation agreement with HUD. The Memorandum of Understanding also should reflect the recommendations below regarding information exchange and definitions.

#### HUD-Sponsored Training

Agency assessments indicate that the mandatory HUD training has improved in adaptability to agency context. Agencies indicated a need for continuing support in training. A one-time session does not acknowledge the need to train new staff or to address emerging issues in program operations in HUD-agency relationships.

#### Information Exchange on Complaints

For cases filed originally with HUD and referred to FHAP agencies, a number of improvements in practice would aid the agencies in determining whether they have jurisdiction and in proceeding more promptly with investigation. Referred complaints should be notarized whenever possible, because this is a standard requirement of agencies. All available information on how to locate the complainant(s) and respondent(s) should routinely be passed along to the agencies. Finally, all facts about the case available to HUD should also be passed along to the agencies. The standard complaint form (HUD 903) presently does not provide for such types of information.

For cases that are filed with the agencies and then dual-filed with HUD, more information is needed that would enable HUD Regional Offices to identify the systemic enforcement potential of the complaint. At present no mechanism exists to identify such potential either on the standard complaint form or in the reporting arrangements on complaints in progress, should agency investigation identify such potential.

Regional Offices should share experience in using the capacities of the Complaint and Compliance Review System for monitoring complaint status at agencies. This includes using the CCRS to identify agencies so that agency reports can be generated and using Regional Office and Headquarters management information staff to provide regular (weekly) updates by Regional Offices and feedback to Regions on case status by agency. The same reports then can be used to provide periodic feedback to agencies on case status, to enable agencies to correct mistaken entries, and to provide a basis for agency updates on their dual-filed cases.

### Definitions

Agencies would benefit from clarifications in case and case status definitions. Some of the problems here arise particularly under the payment-per-complaint system and have become time consuming both to agency staff and HUD staff in resolving differences. The primary areas needing clarification are:

Closing definition. Because HUD closure would be declared when a case has completed the conciliation process, some Regions use a similar rule for purposes of declaring a case closed for payment and, sometimes, for purposes of monitoring. Other Regions track and do not authorize payment until the case has been closed under agency rules, which may involve a substantial delay pending completion of a hearing, for example.

Closing codes. More consistent interpretation of results reported to HUD and more consistent criteria for payment on closed complaints would be facilitated by developing better definitions for such categories as "administrative closure," "complaint withdrawn," and "lack of jurisdiction." HUD also needs to promulgate a clear rule about whether such types of closings qualify for payment.

Agency-initiated complaints. Some Regions currently recognize such complaints (sometimes called "director's complaints") as a legitimate form of proceeding, especially in systemic enforcement, and allow payment for them, even though there is theoretically no limit on the number of such complaints that an agency could file. Other Regions regard these complaints as clearly outside the statutory provisions of Title VIII and therefore not eligible for payment. A consistent policy should be developed.



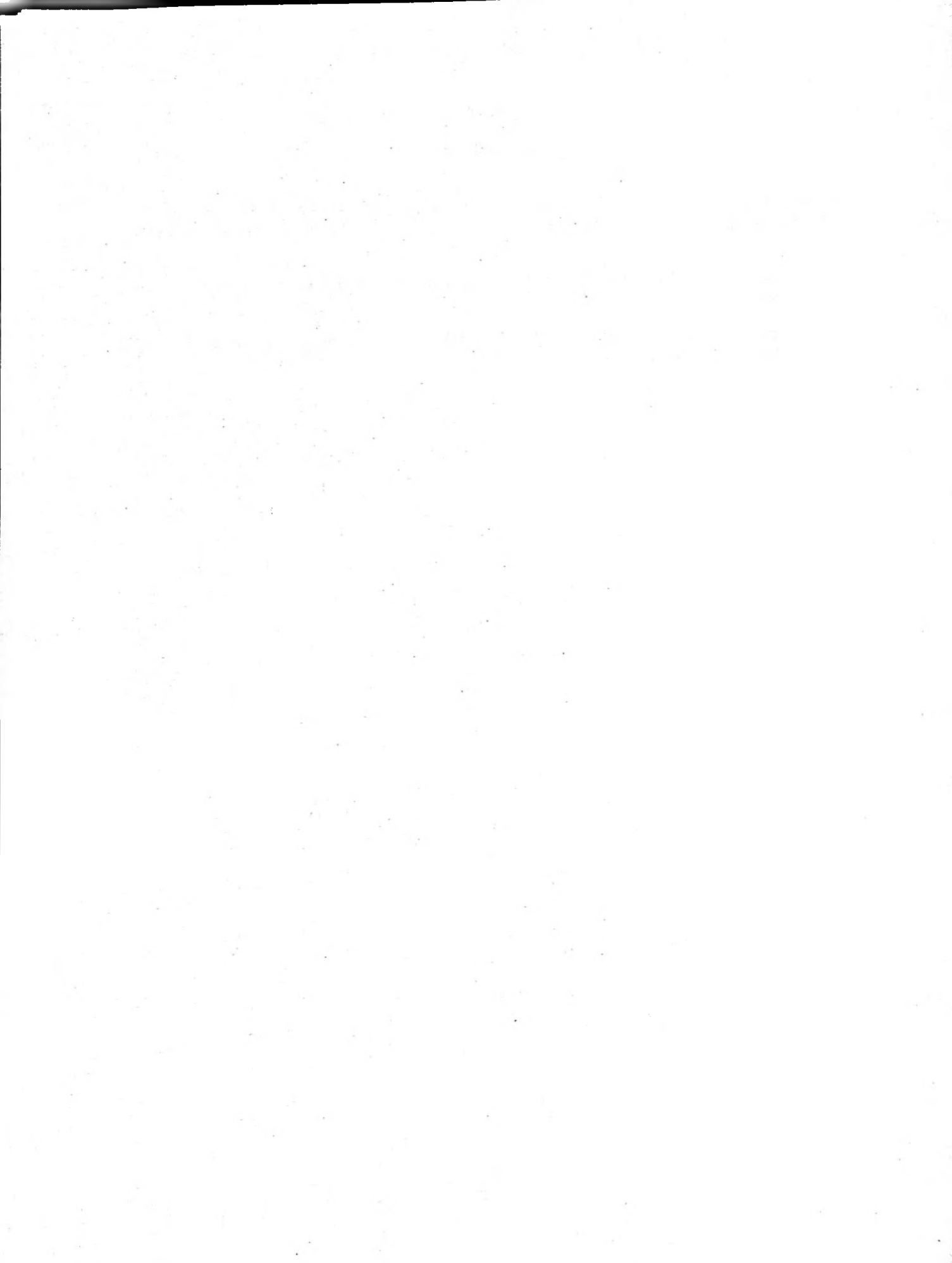
## CHAPTER 2

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## CHAPTER 3

### THE ROLE OF FAIR HOUSING ACTIVITIES AND FHAP WITHIN STATE AND LOCAL AGENCIES

#### 3.1 Introduction

The Fair Housing Assistance Program (FHAP) relies on State and local fair housing agencies and commissions to carry out processing of Title VIII complaints. These agencies were not created specifically to perform FHAP functions; they have other responsibilities for civil rights enforcement, public education, and the like. Their goals and activities are shaped by local statutes and regulations, staff philosophy, and the nature of fair housing problems in their service areas. Consequently, many different types of agencies are responsible for implementing the Fair Housing Assistance Program, within the general constraints that State or local fair housing legislation must be substantially equivalent to Title VIII of the 1968 Federal Civil Rights Act and that the agencies must demonstrate administrative capacity for complaint processing substantially equivalent to that of HUD.

Because variations in agency structure can make a difference in the performance of Title VIII responsibilities, and because FHAP participation may have had some impact on agency structure and operation, this chapter presents a summary of important differences and similarities among FHAP agencies and explores the influences of the program's regulations, funding, and requirements upon organizational patterns and agency budgets. This information provides a picture of the agencies that carry out the program, as well as contextual material to help explain agency complaint processing procedures and complaint processing outcomes (addressed in Chapters 4 and 5).

The chapter focuses on the role of fair housing activities within the agencies' overall mandates for civil rights work. It specifically explores the influence of FHAP upon agency missions, staffing patterns, caseloads, budgets and costs of complaint processing.

Additional background materials about agency operations are found in Appendix III. The Appendix includes descriptions of fair housing activities (especially outreach, testing programs and systemic work) staff composition and experience and data management and monitoring systems at all 15 sample

agencies. It also provides illustrative case material about specific outreach, testing and systemic projects at selected individual agencies.

The data presented here come from agency records and interviews with agency representatives conducted during October and November 1983.

### 3.2 Agency Mission and Fair Housing Strategies

Since State and local agencies process individual fair housing complaints and promote fair housing practices on the part of private and public housing suppliers, it is important to understand how agencies view their responsibilities for fair housing work, how those activities fit into overall agency operations, and how strategies for carrying out fair housing work have changed since participation in FHAP. This context can shape the ways in which FHAP funds are used and the ways in which FHAP is viewed by agency staff.

One important feature of the State and local agencies in the sample is that all of them have organizational mandates which are broader than promotion of fair housing and enforcement of civil rights in the area of housing. This attribute reflects the functions of the agencies within their State or local government settings. Seven of the agencies are State or local human rights commissions, with broad responsibilities for encouraging equal opportunity in housing, employment, education and the like. The other eight are line agencies (or divisions of line agencies) within State or local government itself. For example, one is a division of the State attorney general's office, while two are departments of human rights.

Because of their broad mandates, none of the sample agencies are responsible solely for fair housing activities or processing only housing discrimination complaints. All but one processed employment complaints, and all but two handled public accommodation cases (Table 3-1). Nine agencies also had general responsibilities for improving race relations, through projects such as a neighborhood stabilization program in which staff work with local community leaders to establish stable community functioning which will facilitate housing and school integration. This type of activity was more frequently a responsibility of local rather than a State agencies. Eight agencies also handled monitoring of affirmative action requirements on State or local employment contracts.



Table 3-1

## SCOPE OF AGENCY ACTIVITIES BEYOND FAIR HOUSING

<u>Scope of Agency Activities</u>	<u>All Agencies</u> (N=15)	<u>State Agencies</u> (N=8)	<u>Local Agencies</u> (N=7)
Process equal employment complaints	14	8	6
Process public accommodation complaints	13	8	5
Monitor affirmative action compliance	8	4	4
Improve race/community relations	9	3	6
Process education discrimination complaints	6	3	3
Process credit discrimination complaints	3	3	0
Other (e.g. alternative to courts, process discrimination in commercial space complaints)	2	1	1

Source: Agency Staff Interviews.

To highlight the strategies agencies use to carry out their responsibilities for promoting fair housing, respondents were asked to indicate the priority (high, medium, low or none) given by their organizations to nine different fair housing methods during the past year. The nine specified methods included:

- Processing of complaints filed by individuals;
- Outreach to encourage complaint filing by individuals;
- Processing of systemic complaints;
- Public education of housing consumers and/or members of the real estate community;
- Working with housing developers, realtors and landlords to establish affirmative marketing plans;
- Expedited processing of housing complaints in which unit is still available and desired by complainant;
- Lobbying to improve State or local fair housing legislation;
- Use of "testers" to document housing discrimination; and
- Work with fair housing groups.

Respondents could also describe other techniques, if they wished. The ratings were then scored.<sup>1</sup>

(See Appendix III-B for descriptions of how the methods were implemented.)

Not surprisingly, the highest score was received by processing of individual complaints (see Table 3-2). All 15 agencies gave it high priority, so the highest possible score of 45 (15 responses of high priority) was attained. Of course, this finding may be associated with the fact that FHAP funds are explicitly intended to facilitate complaint processing.

The next highest score (38) was associated with outreach to generate housing complaints, followed by testing (36) and expedited processing used to obtain units for complainants (32). The methods that involved broader definition of fair housing work beyond enforcement of civil rights statutes, such as public education of realtors, requirements for affirmative action on the part of housing suppliers, efforts to expand coverage of fair housing legislation; processing of systemic complaints, work with fair housing groups, all received lower scores, in the low to mid 20s. These patterns suggest that most of the

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<sup>1</sup>The priorities were scored as follows: a High rating equaled 3 points, a Medium rating equaled 2 points, a Low rating was given 1 point, and No priority received 0 points.

Table 3-2

## TOTAL PRIORITY GIVEN TO FAIR HOUSING METHODS

	<u>Priority During Past Year<sup>a</sup></u>	<u>Change Since PreFHAP<sup>b</sup></u>
Processing of Individual Complaints	45	+9
Outreach	38	+11
Testing	36	+7
Expedited processing	32	+6
Public education	28	+5
Work with private fair housing groups	26	0
Systemic work	26	0
Work to change housing legislation	25	+2
Affirmative marketing	22	+6
Other (review zoning changes, hotline, placement of public housing)	22	+5

Source: Agency Staff Interviews.

<sup>a</sup>Scores based on: High priority=3, Medium priority=2, Low priority=1, No priority=0.

<sup>b</sup>Scores based on higher priority now=1, lower priority now=-1, no change=0.

agencies primarily define their fair housing responsibilities in a narrow way, focusing on enforcement work.

For most methods, States and local agencies reported similar scores. However, more local agencies give high or medium priority to public education (6 of 7 agencies) than did State agencies (5 of 8). In addition, State agencies were more likely to report high or medium priority for work with local fair housing groups (6 of 8 agencies), probably because more local groups existed in their target areas.

The scope of fair housing work varied considerably within the individual agencies. Three agencies undertook work in each of the ten areas, and most of the approaches were given high or medium priority. Using the same rating scheme as before, the individual agency scores of this group were all 24 or more. Nine agencies were clustered together with scores of 20 to 23, while three agencies had considerably lower scores of 17, 11 and 10. The lowest score was held by a local agency which reported that it did no work at all in the areas of systemic processing, public education, affirmative marketing, legislative lobbying, or work with private fair housing groups, and that it had no special fair housing projects which were not captured by the nine basic categories. Scores of State and local agencies were found to be similar.

#### Changes in Priority Given to Fair Housing

Since one purpose of FHAP funding is to improve the capacity of agencies to handle fair housing complaints and enhance their abilities to promote fair housing in their target areas, one set of interview questions explored whether and how priority for fair housing had changed within the agencies between the year prior to participation in FHAP and the year prior to the survey. Respondents were asked to indicate whether the ten methods described above received more, less or the same priority in the year just prior to participation in FHAP. For purposes of summarizing the results, a score of +1 was given if the method received more priority now, a score of 0 was assigned if no change took place, and a score of -1 was given if the method received less priority now. In this way, we can assess whether any overall change in priority occurred for each of the nine methods.

The overall trend was toward increased priority for all but two of the methods, with most change occurring in the areas of outreach and processing of individual complaints. (See Table 3-2.) With the highest

possible score set at +15 (15 respondents indicating that the method received more priority now), Outreach was scored +11, and processing of individual complaints was scored +9. The methods of public education, affirmative marketing, expedited complaint processing and testing showed modest increases in priority, with scores of +5 to +7. On average, no change occurred in the priority given to processing of systemic complaints or work with private fair housing groups.

Using the same rating scheme, the overall shift in priorities of individual agencies also can be assessed. An agency that indicated that all ten methods received more priority now than in the pre-FHAP year would achieve the highest score of +10, while the lowest score of -10 would result if all ten methods received less priority now. Most of the agencies indicated a shift toward increased priority for a variety of fair housing strategies, with the most change taking place at State agencies. Five State agencies reported high change scores (+5 to +8), while only one local agency indicated that this much change had occurred. Only one local agency indicated that, on balance, fair housing methods received less priority during the study year than in the year prior to participation in FHAP.

When asked to explain why changes in methods had taken place, nine respondents indicated that availability of FHAP funds or HUD requirements had resulted in modifications. Four people felt that change in agency staff or commissioners had contributed to the changes.

In summary, the FHAP agencies generally are organizations with mandates for broad civil rights activities; responsibility for promoting fair housing is one of a wide range of organizational activities. The agencies typically define their fair housing mandates as primarily focused on processing of individual housing discrimination complaints. Less attention is given to other methods such as pursuing systemic discrimination, public education, or work with private fair housing groups.

### 3.3 Agency Staffing Patterns

Another important feature of agencies that undertake fair housing work is the size, nature and organization of their staffs. The knowledge, skills and attitudes of staff members can shape the fair housing orientation of an agency as well as the competence with which complaint processing is handled. Therefore, in this section, we describe the staffing patterns of the

agencies within the study sample, including the size of the overall staffs and the number of people assigned to fair housing, and the staffing changes that have taken place since FHAP began, with special attention to influences that can be traced to HUD requirements or suggestions. (See Appendix III-D for information about experience and demographic characteristics of agency staff.)

#### Overall Staff Size

The sample agencies show a wide variation in staffing configurations. During the fiscal year prior to the survey, two State agencies had more than 250 full-time personnel; the two smallest agencies were local agencies with six and seven people. Median staff size was 36 for all agencies. In general, the State agencies tended to have larger staffs than local agencies, as Table 3-3 illustrates.

#### Fair Housing Staff

Slightly more than half of the agencies (9) used specialists to process at least some portion of the housing cases, typically to carry out investigations. During the year prior to the interviews, most of these nine agencies had small staffs of housing specialists. Three agencies had only one specialist each, and only three others had more than 10 staff members with special expertise and responsibility for fair housing cases.

The decision to hire fair housing specialists was not strongly related to the nature or size of the target area, the size of the housing caseload, or the overall size of the agency staff. For example, three local agencies relied on generalists to process housing cases, while three State agencies, including two with the largest caseloads in the country, also used the same approach.

Four of the agencies using specialists felt that the use of housing specialists represented a major organizational strength, because investigators can focus on the unique issues associated with housing discrimination. On the other hand, one State agency using generalist investigators had chosen that approach so that all 11 branch offices could handle a full range of complaints. If specialists were used, they would have to cover much larger geographical areas. Another argument used to support having generalist investigators was that complainants are better served by having access to alternative investigators when their assigned investigator is sick or on leave. (The analysis of complaint outcomes in Chapter 5 suggests that having

Table 3-3

TOTAL NUMBER OF STAFF MEMBERS AT FHAP  
AGENCIES DURING MOST RECENT FISCAL YEAR

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<u>Number of Staff</u>	<u>All Agencies</u> (N=15)	<u>State Agencies</u> (N=8)	<u>Local Agencies</u> (N=7)
1-30	5	0	5
31-100	6	5	1
101-249	2	1	1
250+	2	2	0

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Source: Agency Staff Interviews.

fair housing specialists is not necessarily related to greater likelihood of obtaining relief for complainants.)

#### Changes in Staffing Patterns Since FHAP Began

Most of the agencies (9) reported that the total number of staff members had declined between the fiscal year prior to FHAP and the fiscal year prior to the survey. The staff decreases were more common at State agencies; seven of them had experienced this change, and none reported increases. In contrast, only two local agencies had decreased, while four had increased their personnel (see Table 3-4).

These staff reductions took place in response to budget reductions which occurred over the same time period. Eight of the nine agencies receiving less State or local appropriations in the most recent fiscal year also reported fewer staff members compared to the fiscal year prior to FHAP. (Section 3.5 provides more detail about the composition of and changes in agency budgets.)

However, these patterns were not reflected among the fair housing staff positions. In fact, eight agencies, including six State agencies that reported overall staff decreases, increased their full-time fair housing positions (see Table 3-4). Full-time staff worked on outreach, intake, investigation, community relations and education, and/or clerical tasks. One local and two State agencies created new fair housing divisions, with from 4 to 20 newly hired housing specialists. While almost half of the agencies had no full-time housing staff prior to FHAP, only four still used that approach by the year prior to the study. Most of the changes in fair housing staffing occurred at State agencies, as Table 3-4 documents.

Nine agencies reported that increased specialization of staff, allowed a more intensive focus on fair housing, and that this development occurred because of FHAP money and in response to HUD review of performance equivalence. HUD requests for more attention to housing work in conjunction with increased funding from Type I grants led to the addition of housing staff and/or creation of special fair housing units.

These findings suggest that agencies did attempt to give increased attention to fair housing work as FHAP got under way even though they were often faced with budget constraints. As Section 3.2 showed, they reported giving more priority to fair housing activities as FHAP progressed. We will



Table 3-4

CHANGE IN OVERALL STAFF SIZE BETWEEN PRE-FHAP  
FISCAL YEAR AND MOST RECENT FISCAL YEAR

	<u>All Agencies</u> (N=15)	<u>State Agencies</u> (N=8)	<u>Local Agencies</u> (N=7)
Decrease of greater than 10%	5	3	2
Decrease of 1 to 10%	4	4	0
No Change	2	1	1
Increase	4	0	4

Change in Number of Full-Time Fair Housing Staff<sup>a</sup>  
Between Pre-FHAP Fiscal Year and Most Recent Fiscal Year

	<u>All Agencies</u> (N=15)	<u>State Agencies</u> (N=8)	<u>Local Agencies</u> (N=7)
Decrease	1	0	1
No change	6	2	4
Increase of 1 to 3 full-time positions	4	3	1
Increase of 4 or more full-time positions	4	3	1

Source: Agency Staff Interviews.

<sup>a</sup>Includes only staff members assigned fulltime to fair housing work such as investigation, outreach, intake, community relations and education, clerical tasks.

examine in the next section how fair housing caseloads changed over the same period.

### 3.4 Agency Caseload

The composition of agency caseload is another aspect of agency functioning which delineates the role of fair housing within the overall functioning of an agency. None of the agencies in this sample reported that fair housing cases comprised their dominant case type. In fact, for most of them, housing cases made up a relatively minor portion of the total caseloads (see Table 3-5). Across the 15 agencies sampled housing cases were 5.6 percent of total case closings in the three years prior to FHAP. Ten agencies, including seven State organizations, noted that fair housing cases constituted 10 percent or less of their total caseloads during the fiscal year prior to the survey. Only two agencies indicated that their fair housing caseloads constituted more than 25 percent of total caseloads, and both of them had local target areas.

On the other hand, employment cases typically were the dominant case type, especially for the Statewide agencies. Employment cases made up 90 percent or more of the caseloads at six State agencies, while, at five local agencies, employment cases were under 80 percent of the totals.

One of the express purposes of the capacity-building phase of FHAP is to assist agencies to increase their abilities to generate and process fair housing complaints. One measure of the success of this effort is the extent to which the number of closed fair housing complaints and their proportion of the caseload changed between the year prior to participation in FHAP and the year prior to the interview for this study. Overall, the sample agencies closed 1,137 fair housing cases during the year before each joined the program. During the most recent year the same agencies closed 1,992 fair housing cases, for an increase of 75 percent.<sup>1</sup> Thirteen agencies reported that annual fair housing caseloads had increased (see Table 3-6). However, most of that increase was concentrated among the two largest State agencies and the largest local agency in the sample. Each of them reported that the size of their annual caseloads had increased by more than 150 cases between

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<sup>1</sup>When the agency caseloads from the sample are weighted up to national totals, the change is much less dramatic -- about 30 percent, as discussed in Chapter 5.

Table 3-5

## CASELOAD COMPOSITION

Closed Fair Housing Cases As Percent of Total Closed Caseload During Most Recent Fiscal Year

	<u>All Agencies<sup>a</sup></u> (N=15)	<u>State Agencies</u> (N=8)	<u>Local Agencies</u> (N=7)
Less than 10 percent	10	7	3
10 - 25 percent	3	1	2
Greater than 25 percent	2	-	2

Closed Employment Cases As Percent of Total Closed Caseload

	(N=15)	(N=8) <sup>b</sup>	(N=7)
50 - 80 percent	5	-	5
80.1 - 90.0 percent	3	2	1
90.1 - 96.2 percent	7	5	1

Source: Agency Staff Interviews.

<sup>a</sup>Data from three agencies were only available regarding open cases.

<sup>b</sup>Data from one agency were available only for all non-housing cases.

Table 3-6

CHANGE IN ANNUAL NUMBER OF CLOSED FAIR HOUSING CASES BETWEEN  
PRE-FHAP FISCAL YEAR AND MOST RECENT FHAP FISCAL YEAR

	All Agencies (N=15)	State Agencies (N=8)	Local Agencies (N=7)
Decrease	1	0	1
No change	1	1	0
Increase of 20 cases or less	6	2	4
Increase of 21-50 cases	2	1	1
Increase of 51-100 cases	2	2	0
Increase of more than 150 cases	3	2	1

Percentage Change in Closed Fair Housing Cases as a  
Proportion of Total Caseload Between Pre-FHAP  
Fiscal Year and Most Recent FHAP Fiscal Year

Decrease of 0.1-6.7%	5	2	3
No change	1	1	0
Increase of 0.1-5.0%	7	5	2
Increase of 14.0-16.0%	2	0	2

Source: Agency Staff Interviews.

the two time periods under study. On the other hand, for six of the agencies reporting increases, the changes were small (fewer than 20 cases). Four of those agencies had local target jurisdictions.

The proportion of fair housing cases in each agency's caseload increased modestly, from 5.6 percent pre-FHAP to 6.9 percent in the first year in FHAP. Seven agencies reported less than a 5 percent increase while two local agencies reported increases of approximately 15 percent (see Table 3-6).

In summary, while agency respondents indicated that most fair housing methods, especially outreach and processing of fair housing complaints, received more attention in the most recent year than in the year before FHAP program began and that fair housing staff had increased, the overall impact on annual caseload size and composition was modest. Nevertheless, three agencies did report major increases in their caseloads, due in part to referrals from HUD and in part to increased awareness by potential complainants that the FHAP agencies were handling fair housing cases (see Chapter 5 for more discussion of the interaction between HUD and FHAP agency caseloads).

### 3.5 Role of FHAP Funding in Agency Budgets

As we have seen, fair housing activities, staff and caseloads are typically a small but increasing subset of FHAP agency operations. Here, we will assess the role of FHAP funding within the context of overall agency budgets and describe the ways in which those funds have been used.

To place this discussion in context, let us first describe the size and range of total agency budgets. The total annual budgets ranged from a low of \$92,000 to a high of \$9.8 million. The State agencies in the sample had substantially larger budgets than local agencies, with six of the eight State agencies reporting total budgets of greater than \$1 million for the most recently completed fiscal year. In contrast, five of the seven local agencies had total annual budgets of less than \$550,000. With this background, let us examine the ways FHAP funds have been used and the importance of those funds to fair housing work within the agencies.

#### Use of FHAP Funds

The funds provided by FHAP have the basic purposes of building agency capacity for and providing ongoing support for handling fair housing cases (Type I funds) and encouraging special or innovative activities in

support of fair housing (Type II funds). All of the agencies in the sample received Type I funds (which include both the capacity-building flat payments and the payments per closed case), while only eight had obtained Type II competitive grants. Of those eight, six were State agencies. As Table 3-7 illustrates, in most of the agencies, especially the State agencies, the Type I funds were reportedly used to pay for special training of fair housing staff. Funds covered in-house training programs, while several agencies also sent staff to training programs or sessions provided by other organizations, such as Rights Advocates Training Services and the International Organization of Human Rights Agencies. Eight agencies used Type I monies to hire new fair housing staff. Six agencies tapped these resources to improve their data and/or word processing capabilities, while four expanded their outreach programs.

Agencies used the Type II grants to expand their fair housing activities beyond processing of individual complaints. For example, five them developed special manuals. One handbook described methods for pursuing systemic cases, while another discussed elements of and issues in the investigation of housing discrimination complaints. A third reviewed techniques for preparing and utilizing public service announcements or outreach campaigns.

Five other agencies used the Type II funds to expand their systemic activities, by analyzing national and/or State data to demonstrate patterns of housing discrimination or redlining by lending institutions or insurance companies. Four organizations received funding to adapt their data or word processing systems. For example, one agency developed a formatted consent order which could be modified on word processing equipment. In another agency, a special tracking and reporting system was developed for housing cases that were dual-filed with HUD.

#### Importance of HUD Funds to Agency Budgets

The first measure of the role and importance of HUD monies is the amount of FHAP funds as a percentage of total agency budget during the most recent fiscal year. For most (12) of the agencies, this figure is low -- at less than 10 percent of total budget. Only two local agencies indicated that the HUD funds were equal to 20 percent or more of their total resources.

Typically, the total grant amounts provided to individual agencies decreased between the two-year capacity building period and the first year of

Table 3-7

## USE OF FHAP FUNDS

<u>Use of Type I Funds</u>			
	<u>All Agencies (N=15)</u>	<u>State Agencies (N=8)</u>	<u>Local Agencies (N=7)</u>
Train staff (other than mandatory HUD training)	11	7	4
Support existing staff	6	4	2
Hire new staff	8	4	4
Improve data processing or word processing capabilities	6	2	4
Expand outreach	4	2	2
Increase systemic work	1	-	1
Conduct testing	1	-	1
Provide community education	3	1	2
Provide \$ or support to private fair housing groups/coalitions	2	1	1
<u>Use of Type II Funds</u>			
	<u>All Agencies (N=8)</u>	<u>State Agencies (N=6)</u>	<u>Local Agencies (N=2)</u>
Improve data or word processing capability	4	3	1
Expand outreach	3	3	0
Publish fair housing manuals	5	5	0
Increase systemic work	5	4	1
Testing	3	3	0
Provide community education	2	2	0
Provide support to fair housing groups	2	2	0

Source: Agency Staff Interviews.

the payment-per-complaint phase. Overall, seven of the twelve agencies that had entered the payment-per-complaint phase reported decreases in total FHAP funding. The three agencies that had not yet moved into that phase anticipated decreases as well. For agencies in which housing complaints are a small fraction of workload and FHAP funds a small percentage of total budget, these decreases are absorbed by the other funding sources. Several agencies indicated, however, that the reduced HUD funding caused or would cause staff reductions or restrictions in other areas such as training or outreach.

However, the degree to which HUD funds are important to fair housing work and to agency functioning may be underestimated by the size of FHAP monies in relation to overall budgets. Prior to FHAP, all 15 agencies funded their fair housing activities with appropriations from their State or local governments. No agency reported receiving any other special grants to support processing of housing complaints. Yet between the fiscal year prior to participation in FHAP and the most recent fiscal year, 9 of 13 agencies (including seven States) experienced decreases in their State or local budget allocation when allowance is made for inflation in the national cost of government services<sup>1</sup> (Table 3-8). One local agency reported no significant change and three local agencies experienced increases beyond inflation. Three

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<sup>1</sup>In order to determine whether state or local allocations had increased or decreased in real dollars, we developed an inflator utilizing the Price Index for State and Local Government Purchases of Goods and Services which is a component of the Implicit Price Deflator for the Gross National Product (see Survey of Current Business, Vol. 63, No. 7, July 1983, p. 80). Each agency budget for the pre-FHAP year was inflated by the proportion that the index increased between the pre-FHAP year and the post-FHAP year. For example, if the pre-FHAP fiscal year began in July 1979, and the post-FHAP fiscal year began in July 1982, the inflator for the 1979 budget figures equals:

$$\frac{\text{1982 Index of State and Local Purchase of Goods and Services}}{\text{1979 Index}}$$

The resulting inflator is used to increase the 1979 budget to 1982 dollars. That figure can then be compared to the actual 1982 state/or local allocation for the FHAP agency. The difference between the 1979 allocation in current dollars and the actual allocation can then be used to calculate the percentage decrease or increase of the actual budget from the budget that would result if it simply kept pace with inflation. Comparable calculations are made for each agency depending upon the years in which the pre-FHAP and post-FHAP fiscal years occurred.



Table 3-8

PERCENTAGE DIFFERENCE BETWEEN 1982 ACTUAL STATE OR LOCAL  
APPROPRIATION TO FHAP AGENCIES AND APPROPRIATION FOR  
PRE-FHAP YEAR INFLATED TO 1982 DOLLARS

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	<u>All Agencies (N=13)</u>	<u>State Agencies (N=7)</u>	<u>Local Agencies (N=6)</u>
Decrease of 21-25%	3	2	1
Decrease of 10-20%	2	2	-
Decrease of 10% or less	4	3	1
Increase of less than 10%	1	-	1
Increase of 10% or more	3	-	3

Relationship of Change in State or Local  
Appropriation to Amount of FHAP Funding  
In Most Recent Fiscal Year

	<u>All Agencies (N=13)<sup>a</sup></u>	<u>State Agencies (N=7)</u>	<u>Local Agencies (N=6)</u>
Agency Budget Decreases Exceed FHAP Funding	7	6	1
FHAP Funds Exceed Agency Budget Cuts	2	1	1
Agency Budget Increases (before counting FHAP Funds)	4	0	4

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Source: Agency Staff Interviews.

<sup>a</sup>One state agency and one local agency could not provide data for the fiscal year prior to FHAP funding.

agencies reported declines in State and local appropriations of more than 20 percent.

In general, the FHAP funds did not replace the full value of the decreases in the budget allocations, especially at State agencies. For seven of the nine agencies reporting budget decreases, the decreases exceeded the value of the FHAP grants (see Table 3-8).

The combination of increasing budget constraints combined with the awards of FHAP grants from HUD raises the question as to whether FHAP funds simply replaced the declining local appropriations or were used by agencies to refocus their activities to include greater emphasis on housing work.<sup>1</sup> This issue of substitution of funds from one source for funds (or lack of funds) from another source is known as "fungibility". When agency directors were asked directly about it, none of them reported that the FHAP funds had replaced other monies for simply continuing previous housing activities. However, when asked to document how FHAP funds had been utilized by their agencies, six respondents reported that they had been used in part to support existing staff, with the staff able to focus their efforts more fully on fair housing work. Three of these respondents were from agencies that had experienced declines in the real value of their State appropriations.

Findings from earlier sections of this chapter shed additional light on this issue, indicating that fungibility was limited. For example, although overall staff size decreased at eight of the nine agencies with budget declines, the size of the fair housing staff increased in six of those agencies. Eight of those agencies also reported new fair housing staff activities undertaken with Type I or Type II grants. All of them showed increased fair housing caseloads and five claimed increased priority given to fair housing work since FHAP began. Therefore, while some of the FHAP funds may have supported the salaries of existing staff and/or agency activities undertaken before FHAP began, the evidence suggests that FHAP monies did also allow agencies to give additional attention to fair housing.

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<sup>1</sup>This issue is important because HUD regulations provide that, to be eligible for Type I funds, agencies must not "unilaterally reduce the level of financial resources currently committed to fair housing complaint processing," although "budget and staff reductions occasioned by legislative action outside the control of the agency will not result in a per se determination of ineligibility." 24 CFR 111.105(a) (3) (1984).

Finally, as the next section of this chapter will demonstrate, the average agency processing costs for fair housing cases substantially exceed the HUD payment level of \$500 per complaint provided during the payment phase of FHAP. Therefore, once agencies enter that program phase, they cannot rely on HUD funds to fully support their fair housing operations.

### 3.6 Administrative Costs

Since HUD provides funds to State and local civil rights agencies to strengthen their fair housing work and, in the third year of participation, provides funds specifically for case handling, policymakers are naturally interested in the level and components of the costs of fair housing activity at the FHAP agencies. In this section, we examine four issues about administrative costs:

- How do unit costs of case handling vary across the 15 sample agencies?
- What factors help to explain those variations?
- How do the unit costs of case handling compare to HUD's payment of \$500 per closed case?
- How do the agencies fare financially during the case payment phase?

In order to address these questions, we will utilize a cost analysis methodology, modified according to limitations in the quantity and quality of data available from the agencies and the time allotted for data collection efforts in this study. Collecting cost data was but one of a large number of areas to be covered in each site visit. As a result, the quality and completeness of the data are quite dependent upon the agencies' records and staff cooperation in completing our standard data collection forms. The approach is described below.

The primary administrative cost statistic needed for this evaluation is a unit cost per complaint. Conceptually, the definition of a unit cost is straightforward, as indicated in Equation (1):

$$(1) \quad \text{UNIT COST} = \frac{\text{FAIR HOUSING COSTS}}{\text{NUMBER OF FAIR HOUSING CASES}}$$

Equation (1) includes an implicit assumption of a comparable time period for the numerator and the denominator of the right-hand side of the equation. In this study, the most recent agency fiscal year is used as the normal time period for analysis.

Total Fair Housing Costs per Closed Housing Case

We will examine a series of variations on the basic concept described above. The first calculation is a unit cost related to the payment arrangement in the third and subsequent years of agency funding and calculated as follows:

$$(2) \quad \text{UNIT FAIR HOUSING CASE COST} = \frac{\text{TOTAL FAIR HOUSING COSTS}}{\text{TOTAL CLOSED FAIR HOUSING CASES}}$$

The numerator of the equation, total fair housing costs, includes all costs of handling FHAP and other fair housing cases, other fair housing activities-- such as research and public education--and all support costs (e.g., agency administration, rent, overhead, etc.). In 11 agencies, those total fair housing expenditure figures were available, because agency accounts can be analyzed that way. In four places, however, fair housing costs are mixed with costs of handling non-fair-housing cases, so we have to allocate costs in some way.

A common allocation device is to use the relative number of cases, that is to allocate costs according to the number of housing and non-housing cases in the agency's caseload. This is not a very desirable procedure.<sup>1</sup> Implicit in such an allocation is an assumption that the average expenditure to complete a fair housing complaint is the same as the cost necessary to complete any other civil rights enforcement complaint. Discomfort with this assumption is legitimate, given that one objective of the analysis is to determine the unit cost for fair housing complaints. Also, the current HUD payment formula assumes a higher cost for fair housing assistance (\$500) relative to the Equal Employment Opportunity Commission funding formula (\$375). If employment cases are indeed less expensive to process, and large numbers of them are found in the agency caseload, this allocation procedure will underestimate the fair housing costs per case. Given these cautions, a

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<sup>1</sup>See Budding, David W., James E. Wallace, and Richard S. Ames, Issues in the Design of Administrative Cost Reporting Requirements in the AFDC Program, Cambridge, Mass., Abt Associates, June 1981.

unit cost derived from a proportional caseload allocation procedure is developed for the four agencies. Although flawed, it is the only available measure based on objective cost data.

For this first calculation, we utilize a denominator based on total closed fair housing cases for the fiscal year under study. This number includes all cases dual-filed with HUD plus all housing cases not dual-filed (e.g., not protected under Title VIII). It excludes duplicate cases arising from one incident of discrimination. This figure presents some problems as well. It does not provide an estimate of overall caseload handled by an agency within a year, because (1) it may include cases opened during an earlier period but closed with little effort in the year studied, (2) it may exclude inquiries which do not become cases; and (3) it excludes cases which were opened during the fiscal year under study but not closed during that time.

This calculation provides an introductory view of the unit costs of case handling at the 15 sample agencies. The data indicate a wide variation in total fair housing costs per closed case, from a low of \$876 per case at a State agency to a high of \$8,468 per case at small local agency. As Table 3-9 shows in the first column, when all fair housing activities are included (not limited to complaint processing) the local agencies tended to have unit costs for fair housing activities which were higher than those for State agencies; median total fair housing costs per case were \$5,477 at local agencies and \$1,606 at State agencies.

It is important to remember that, especially for local agencies, these costs include fair housing activities which are not specifically related to processing of complaints. The unit costs tend to be higher at agencies which emphasize activities such as public education, advocacy, community relations, and research. For example, three of the four local agencies with high costs per case (ranging from \$5,477 to \$8,468 per case) conducted extensive community fair housing activities which were not specifically tied to processing of complaints.

#### Costs of Processing Fair Housing Complaints

In order to focus more narrowly on the costs of handling housing complaints, we asked agency respondents to provide cost data associated only with that task. The costs include labor and non-labor expenditures required to accomplish outreach to generate complaints, intake, investigation,

conciliation, public hearings, appeals, supervision of case handling, and clerical activities to support case processing. The figures exclude costs associated with public education, research, coordination with or organization of fair housing groups or coalitions, efforts to change legislation, and public relations.

Such data are available for thirteen agencies. Ten provided actual labor expenditures associated with case handling, either by identifying the personnel who worked on housing cases or estimating the proportion of time spent by individual staff members on housing cases. These agencies either had housing specialists or a housing division, or were small enough so that the agency fiscal officer could allocate the time and salaries of each member of the staff. At three agencies, there were no housing specialists for the fiscal year under study, but labor costs associated with enforcement for all cases could be separated from other agency labor expenses (e.g., education, public information, overall agency administration, contract compliance). These labor expenses were then divided between housing and non-housing cases according to the proportion of those case types in the total closed agency caseload for the previous fiscal year. (This allocation has the shortcoming mentioned earlier of biased estimates unless housing and other cases receive equal effort.)

The non-labor expenses associated with handling of housing cases were derived from actual expenditures at five agencies. At the other eight, the ratio of housing complaint processing labor to all labor expenditures was used to allocate all non-labor expenditures to housing complaint processing versus other activities.

Once these data were assembled, we calculated the complaint processing cost per case for each agency as follows:

$$(3) \text{ UNIT COMPLAINT PROCESSING COST} = \frac{\text{TOTAL HOUSING COMPLAINT PROCESSING COSTS}}{\text{NUMBER CLOSED HOUSING CASES}}$$

The figures for closed housing cases included all housing cases dual-filed with HUD as well as those not covered by Title VIII and therefore not dual-filed. As before, the totals exclude duplicate cases filed for single incidents of discrimination.

The distribution of unit costs for complaint processing is also displayed on Table 3-9. They ranged from a low of \$899 per case at a State

Table 3-9  
COSTS PER FAIR HOUSING CASE

<u>State Agency</u>	<u>Total Fair Housing Cost/Case<sup>a</sup></u>	<u>Fair Housing Complaint Processing Cost/Case<sup>c</sup></u>
1	\$ 1286	\$ 959
2	3093	1793
3	(1056) <sup>b</sup>	899
4	3135	2665
5	2537	2151
6	(876) <sup>b</sup>	---- <sup>d</sup>
7	(1837) <sup>b</sup>	---- <sup>d</sup>
8	1374	1149
<hr/>		
State Agency Mean:	\$ 1899	\$ 1603
State Agency Median:	\$ 1606	\$ 1471
<hr/>		
<u>Local Agency</u>		
1	\$ 6833	\$ 1337
2	6914	4493
3	5477	1422
4	8468	2468
5	1208	1117
6	3261	1501
7	(2914) <sup>b</sup>	1402
<hr/>		
Local Agency Mean:	\$ 5011	\$ 1963
Local Agency Median:	\$ 5477	\$ 1422
<hr/>		
Overall Mean:	\$ 3218	\$ 1797
Overall Median:	\$ 2914	\$ 1422

Source: Agency Staff Interviews.

<sup>a</sup>Calculated as follows: 
$$\frac{\text{Costs for all fair housing activities}}{\text{Closed fair housing cases}}$$

<sup>b</sup>These four agencies could not provide expenditure data associated with all fair housing activities. Therefore, an allocation procedure was used, as described in the text. These fair housing costs are estimated from average case costs:

Total Agency Expenditures

Ratio of closed housing cases to all closed cases x Total number of closed cases

<sup>c</sup>Calculated as follows: 
$$\frac{\text{Costs for Housing Complaint Processing}}{\text{Closing fair housing cases}}$$

<sup>d</sup>Two state agencies were excluded. One agency had no housing specialists and no data about complaint processing costs. Another state agency referred most of its housing cases to local agencies for processing; therefore most of its case level housing activities were limited to monitoring the local agencies' work.

agency to a high of \$4,493 per case at a local agency.<sup>1</sup> Three of seven State agencies had unit costs of between \$899 and \$1,149, while only one local agency reported a cost that low. However, median unit costs for fair housing complaint processing were about the same for local agencies (\$1422) as for state agencies (\$1471) for the six state agencies with available data.

#### Factors Shaping Variation in Unit Costs of Complaint Processing

In light of the wide variation among the unit costs for complaint processing, we attempted to identify some of the important factors affecting those costs. While some of the reasons are idiosyncratic and some of the variation may be due to measurement error (e.g., are the labor costs at each site really associated with complaint processing?), some important patterns do emerge (see Table 3-10). The five most interesting regression equations are shown here (see Table 3-11 for other variables which were examined as well). The adjusted R<sup>2</sup> values for the models range from 0.64 to 0.70 with F value significant at the 0.05 level of confidence. The models consistently show that higher costs are associated with higher percentages of cases closed with predetermination settlements or withdrawn with resolution and with higher proportions of cases closed at conciliation. These cases also require greater effort than those closed by withdrawal with no resolution or due to failure to proceed (significant at the 0.10 level). The models also demonstrate that the total number of housing cases closed during the previous fiscal year had a negative effect on unit costs (significant in four models at the 0.05 level of confidence). In other words, economies of scale could be realized as the size of the caseload increases.

Interestingly, no significant effects were found due to State or local target area, mean number of days to close housing cases, mean salary of investigator or attorney, or phase of FHAP funding (capacity-building v. payment-per-complaint).

These initial findings based on our small sample of FHAP agencies suggest that increased housing caseloads could contribute to reduced unit costs of processing but that emphasis on processing cases through to

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<sup>1</sup>The agency having the low of \$876 of total costs per case did not have data available for costs of complaint processing alone. The agency with the low of \$899 for complaint processing costs had a cost of \$1056 on the broader total cost measure.



TABLE 3-10

## FACTORS SHAPING UNIT COMPLAINT PROCESSING COSTS

	<u>Model 1</u>	<u>Model 2</u>	<u>Model 3</u>	<u>Model 4</u>	<u>Model 5</u>
Dependent Variable:	Complaint Processing Costs Per Closed Housing Case	Complaint Processing Costs Per Closed Housing Case	Complaint Processing Costs Per Closed Housing Case	Complaint Processing Costs Per Closed Housing Case	Complaint Processing Costs Per Closed Housing Case
Mean of Dependent Variable:	\$1,797	\$1,797	\$1,797	\$1,797	\$1,797
Intercept	480.5	533.34	586.6	904.2	958.72
N	13	13	13	13	13
Adjusted R <sup>2</sup>	.64	.68	.66	.69	.70
F Value	5.19**	7.33*	5.72*	6.22*	6.49*
<u>Independent Variables</u>	<u>Coefficients</u>	<u>Coefficients</u>	<u>Coefficients</u>	<u>Coefficients</u>	<u>Coefficients</u>
No. Cases Closed	-4.03*	-4.19*	-4.08*	-3.32‡	-3.90*
% cases closed with PDS	68.38**	68.40**	61.21*	63.25**	64.72**
% cases withdrawn-- no settlement	-37.95‡	-37.33‡	-38.3‡	-39.73*	-38.09*
% cases closed by conciliation	67.28‡	68.70‡	60.39	63.04‡	61.35‡
Other independent variables	Local Agency: 102.68 (state agency excluded)	(none) —	Mean days to close case: 1.11	Cases closed/ investigator: -9.19	Payment per complaint phase: -416.87 (capacity- building phase excluded)

Source: Case Record Abstracts.  
‡ significant at the 0.10 level  
\* significant at the 0.05 level  
\*\* significant at the 0.01 level  
\*\*\* significant at the 0.001 level

Table 3-11

VARIABLES TESTED IN REGRESSION MODELS  
PREDICTING UNIT COMPLAINT PROCESSING COSTS

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Dependent Variable: Unit complaint processing cost per closed housing case per FHAP agency for most recent agency fiscal year.

Independent Variables for Each Agency:<sup>a</sup>

1. Average annual investigator/attorney salary
  2. Total number closed housing cases in most recent fiscal year, excluding duplicate cases filed regarding one incident of discrimination.
  3. Mean number housing cases closed per staff member involved in direct case processing activities (investigator, attorney, supervisor)
  4. Priority given to fair housing methods (composite score based on priority given to nine fair housing methods, with high priority = 3 points; medium priority = 2 points; low priority = 1 point)<sup>b</sup>
  5. Mean number days to close housing cases during most recent fiscal year
  6. Percent housing cases closed with predetermination settlements or withdrawn with settlement
  7. Percent housing cases closed by complaint withdrawn without settlement or complainant fails to proceed
  8. Percent cases closed at conciliation
  9. State or local jurisdiction of agency
  10. Phase of FHAP funding (capacity-building, payment-per-complaint)
  11. Number of systemic cases
- 

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<sup>a</sup>Some case closing types were not included. The percentages of cases closed with lack of jurisdiction, administrative closure, lack of probable cause, at public hearing, or in court were not examined separately.

<sup>b</sup>See Section 3.1 of this chapter for discussion of the methods and the priority they receive.

resolutions either prior to or after findings are costly, albeit perhaps better quality, procedures.

Mechanisms for increasing caseloads may include agency outreach and/or referrals from HUD. Let us turn now to the implications of this latter procedure for administrative costs of the FHAP agencies.

#### Relationship of FHAP Funding to Agency Spending

During the third and subsequent years of FHAP participation, HUD compensates agencies at \$500 for each closed dual-filed case. This arrangement means that compensation is received not only for cases which are referred to agencies by HUD but also for those that are opened at the agency and then dual-filed with HUD. Since the previous analysis has revealed that unit costs for complaint processing exceed \$500 at all agencies in the sample, the practice of compensation for cases that are filed with the agency is very important to the FHAP agencies if they are to cover the costs of cases added to their caseloads through referrals from HUD. The term "referral" is used here narrowly to indicate cases filed first with HUD, then referred to an agency, not to all dual-filed cases.

In this section, then, we will examine the impact of the HUD payment per complaint mechanism and funding level upon agency budgets and costs. We want to assess the relationship between the volume of HUD-referred cases and agency-originating cases, and the relationship of HUD reimbursement per case to agency cost per case, to ascertain how the agencies fare financially. In this way, we can identify the point at which accepting more HUD referrals will start to increase the agency's net complaint processing costs, after considering the increase in agency resources provided by HUD funds.<sup>1</sup>

This problem can be analyzed through use of the following formula:

Let  $N_A$  = Number of agency-originated fair housing cases (meaning that they are dual-filed);

$N_H$  = Number of HUD-referred cases;

$c$  = Average agency cost per case for complaint processing;

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<sup>1</sup>Let us assume for simplicity that the average cost per complaint remains roughly constant as complaints are added to the workload, even though the regression analyses indicate that the marginal cost of adding more cases is slightly smaller than average unit cost, as economies of scale are realized.

$h$  = HUD payment per closed, dual-filed fair housing case, currently \$500; and

$r = N_H/N_A$  (ratio of HUD-referred cases to agency-originated cases).

The agency budget is the same with or without the HUD referrals at the point when

$$cN_A = c(N_A + N_H) - h(N_A + N_H)$$

or

$$c = (c - h) \times (1 - r)$$

Rearranging,

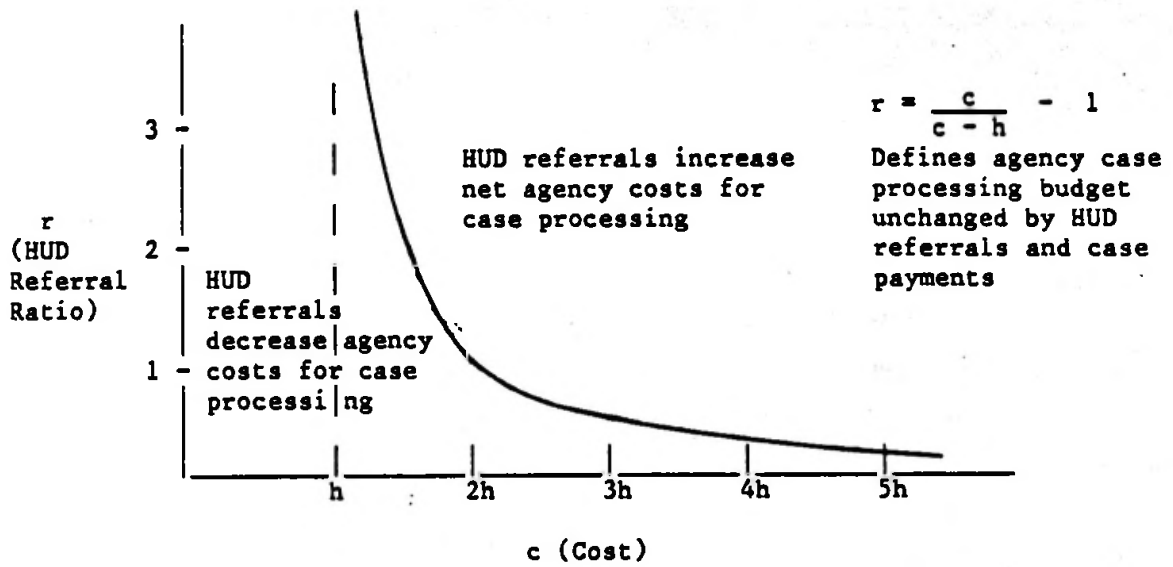
$$r = \frac{c}{c - h} - 1.$$

This "breakeven budget condition" is graphed in Figure 3-1. Table 3-12 indicates the break-even points at different costs per case, when compensation is set at \$500 per case. For example, if an agency's actual unit cost for complaint processing were \$500, it could accept an unlimited number of referrals from HUD with no net loss of revenue. However, as the agency's average cost per case climbs, the referral ratio must drop. At \$1,500 per case, for example, the ratio of HUD-referred cases to agency-referred cases cannot exceed 0.50, or the agency will have higher net costs after the referrals than it would have had without them.

With this model in mind, we can now examine the relationships of the actual agency unit complaint processing costs and the actual referral ratios to the "breakeven budget condition." Figure 3-2 shows the relationship of the agency average costs to this "breakeven budget condition" with HUD reimbursement set at \$500 per case, for the 15 agencies in our sample. The HUD referral ratios for each agency were computed from the sample of case records abstracted at each agency. Cases were counted as HUD-referred only if the case record showed that the case was filed originally with HUD; the ratio then was computed from sample cases closed during FHAP. Even though all agency costs are above \$500, for most agencies the combination of HUD referrals relative to agency-originated cases and average case processing costs falls below the "breakeven" line, meaning that the agency actually benefits financially from taking the HUD referrals in exchange for HUD paying \$500 for the agency-originated cases as well as referred ones. That is, the

Figure 3-1

BREAK-EVEN POINT FOR HANDLING HUD REFERRALS



$$r = \frac{\text{Number of cases referred from HUD}}{\text{Number of dual-filed cases originating with agency}}$$

c = Average agency cost per housing case

h = HUD payment per case

Table 3-12

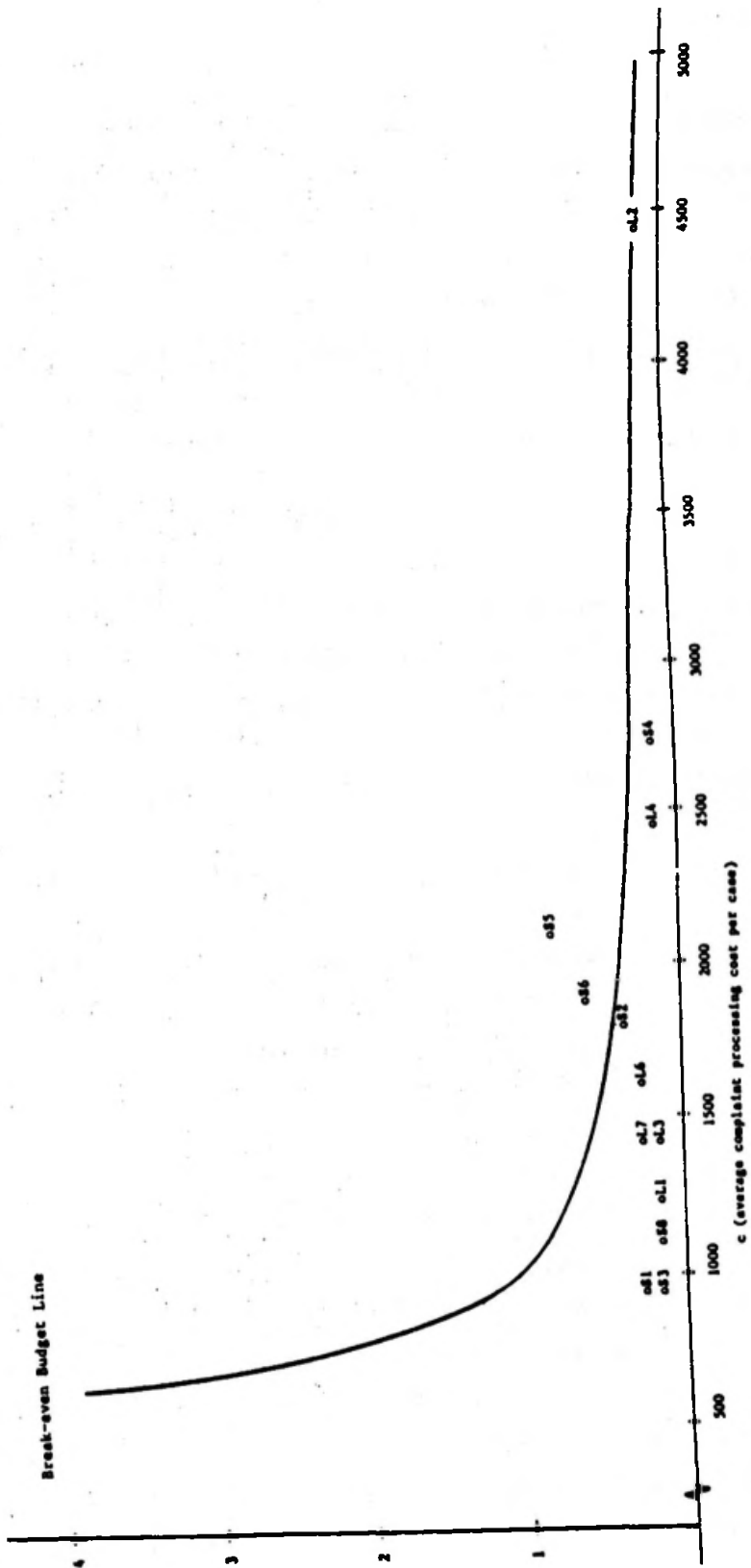
## BREAKEVEN COSTS OF HANDLING HUD REFERRALS

<u>Agency Complaint Processing Cost per Closed Housing Case</u>	<u>Ratio of HUD Referred Cases to Agency Originated Cases<sup>a</sup></u>
500	No limit
550	10
625	4
750	2
1000	1
1500	0.5
2000	0.333
2500	0.250
3000	0.200
3500	0.1667
4000	0.143
5000	0.111
6000	0.091

<sup>a</sup>Indicates ratio of HUD to agency cases which an agency can accept, given the agency unit costs for complaint handling and a HUD payment of \$500 per closed housing case, before agency budget is adversely affected.

Figure 3-2

RELATIONSHIP OF HUD PAYMENT, RATIO OF HUD REFERRED CASES TO AGENCY-ORIGINATING CASES, AND UNIT COMPLAINT PROCESSING COSTS



r (ratio of HUD-referred to agency-originated cases)

increase in agency resources from HUD payments is larger than the increase in agency expenses, including costs associated with handling HUD-referred cases. These agencies can afford to handle additional case volume (beyond those referred by HUD) or undertake other fair housing activities with the net addition to their budget resulting from FHAP payments, if they so choose.

Only two agencies, one State and one local organization, had large enough ratios of HUD referrals to be experiencing a net increase in complaint processing costs after HUD referrals and case payments. One respondent recognized this problem, noting during the study interview that the costs of complaint processing exceeded what the agency received from HUD during the capacity-building phase. He went on to mention that since most of their housing caseload was referred by HUD, it did not seem fair for HUD to refer cases and then pay them at a "ludicrous level".

For three other agencies, it is hard to know whether the agency-originated cases include those that would have gone to HUD prior to FHAP. In these instances, agency caseloads have gone up substantially, while filings directly with HUD from their jurisdiction have declined. In two locales, the HUD Regional Office is located within a few blocks of State and local agencies, so complainants can easily apply directly to the FHAP agencies rather than to HUD for assistance. That approach is reinforced by an extensive media-based outreach campaign by the local agency. Given this uncertainty, it is difficult to conclude whether those agencies are reaping a net increase in resources through FHAP or have simply absorbed much of HUD's caseload for which they are paid at less than the average cost.

The current approach of combining higher unit costs than the HUD payment level with low HUD referrals means that agencies do have financial incentives to participate. This arrangement not only adds to agency resources but provides HUD and agency staff with leverage to press for greater attention to housing and housing complaints. HUD not only obtains the services of the agency for processing cases referred to the agency by HUD but also gains access to information about and influence over the entire portfolio of the agency's fair housing cases. Within the range of what is acceptable to agency staff, HUD can exert influence toward more careful investigations and toward quicker resolutions of all the agency's fair housing cases, for example.



3.7 Summary and Recommendations

In general the Fair Housing Assistance Program has elevated the relative importance of fair housing activities at State/local agencies, most of which have had the preponderance of their work in employment cases. Even in the face of agency budgets declining by more than the amount of Fair Housing Assistance Program funds, some agencies have added fair housing staff and otherwise given increased emphasis to fair housing in areas such as work with private fair housing groups and public education. The special Type II funds have been used for such activities as publishing fair housing manuals, improving data or word processing capability, expanding outreach, and making more use of testing in investigations.

Compared with the poor agency response to HUD referrals of fair housing cases before the Fair Housing Assistance Program, these are marked improvements. Because HUD funds and other assistance such as training are available resources for processing cases filed directly with an agency as well as for the relatively small fraction of housing cases that are actually referred from HUD, agencies basically have been receptive and cooperative. They have provided HUD access to information about and influence over the processing of a large number of fair housing cases filed directly with the agencies that typically had not been dual-filed with HUD before the Fair Housing Assistance Program. In this sense, the Fair Housing Assistance Program has not only facilitated the explicit requirement of Title VIII for referral of HUD-filed cases to qualifying State/local agencies but has brought Federal attention to more fair housing cases than would otherwise occur.

However, in assessing whether the current funding arrangements provide all of the incentives desired by HUD, one must review possible HUD program objectives, which could cover at least three broad areas: increasing the volume of fair housing complaints, improving the quality of resolutions (in terms of quickness and adequacy of relief to complainants with bona fide complaints), and/or encouraging broader improvements in housing access for protected groups. Each of these objectives can be examined with respect to the program incentives under Phase 1 capacity building and Phase 2 payments per complaint.

Incentives to increase the volume of fair housing cases are greater under Phase 1 than under Phase 2. Capacity-building funding provides a direct addition to agency resources with relatively unrestricted funds. While no

specific monetary incentive is attached, agencies are expected to direct more attention to housing cases and to engage in such activities as outreach and establishing linkages with local fair housing groups. For most agencies, however, caseloads increased only modestly, if at all, in this phase, with the result that the FHAP funding level typically drops as the agency enters Phase 2. As mentioned earlier, seven of the twelve agencies that had entered the payment-per-complaint phase reported decreases in total FHAP funding. While the Phase 2 funding may provide a net increase in the agency budget over the pre-FHAP level, the payment level for closed complaints is typically much less than the agency's average cost per case (and likely less than the marginal cost per case as well). This payment arrangement provides financial resources to increase total fair housing cases above the volume handled prior to FHAP but only to the "breakeven" point. One could speculate that still more fair housing cases might be handled if an agency's primary funding source (city or State government) were motivated to fund more housing cases because the cost is "discounted" by the HUD contribution for each case.

Incentives for quick resolution and for positive results for complainants are also mixed across the two phases. The capacity-building period includes a number of positive incentives. The establishment of the relationship with HUD in itself draws fresh attention to housing issues and housing complaints. In addition, HUD monitoring of complaint handling at 30-day intervals increases the pressure for speedy resolution of cases. Finally, the HUD-sponsored training of staff focuses on housing cases and on effective resolution of housing cases. In the payment-per-complaint phase, the fundamental program incentive is for speedy resolution to achieve a closing qualifying for payment with the most efficient expenditure of staff time. While quick resolutions are desirable, the results achieved by quick resolutions might not be. (Fortunately, as the analysis in Chapter 5 indicates, both faster and better resolutions are achieved during FHAP relative to the pre-FHAP period. Moreover, relief obtained through the generally more rapid predetermination settlements appears to be as good as that achieved through formal findings of cause and conciliation.)

Fair housing activities broader than complaint handling are encouraged more under the capacity-building phase than under the payment-per-complaint phase. Phase 1 funding is broader in concept, is unrestricted in its use, often is accompanied by Type II funding for special projects, and

typically involves more money for the agency than the total under Phase 2. Even so, if the relative numbers of HUD referrals is below the breakeven point discussed earlier, the agency budget under Phase 2 is better off than pre-FHAP and the agency has some resources, if it so chooses, for processing more complaints or for other fair housing activities, such as outreach, public education, research and the like.

If the current relationship between unit costs and HUD payments remains, it would not be surprising to find agencies resisting ever-increasing referrals from HUD beyond a certain point or seeking increased payment levels or asking payment for agency-initiated cases, while limiting or eliminating HUD referrals.<sup>1</sup> A more extreme possibility is that agencies might decide that the financial incentive is so low that they choose to withdraw from the program. It is important to remember that most of the agencies joining the program in the future will be local ones. From the findings of this evaluation, these new agencies are likely to have HUD referrals representing a higher fraction of housing caseload than for current FHAP agencies, to have low annual housing caseloads, and to emphasize broader housing concerns than complaint handling in their concept of agency mission. These factors will tend to make the program less attractive financially to them than has been true for the State agencies. The lack of incentives will grow more acute as they move into the payment-per-complaint phase of the program.

Most persons concerned about housing discrimination are convinced that actual experience with discrimination is much more widespread than is indicated by the some 5,000 or 6,000 complaints handled annually by HUD and State/local agencies combined. The current program concentrates on reactive complaint processing and does not encourage agencies to take advantage of their greater powers either for better settlements of complaints or for addressing the broader context of equal opportunity in housing. Some agencies undertake to identify broad patterns of discrimination and to pursue them through such actions as combined enforcement on a group of cases against the same respondent. Some agencies actively seek to identify discriminatory practices and make use of the agency's power to file complaints at its own initiative (director's complaints). Some agencies take cases to public

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<sup>1</sup>At least one agency has sought the latter option as a condition for FHAP participation.

hearings or to court. Some agencies undertake programs of education to housing suppliers in housing rights. All of these approaches require resources beyond those for complaint processing. The payment-per-complaint arrangement does not explicitly encourage such broader efforts.

Given these potential problems, HUD may wish to consider some new funding options. For example, if HUD wishes to provide more explicit incentives to increase complaint volume, some alternative funding arrangements should be explored which acknowledge that agency costs for complaint handling are generally much larger than the current \$500 payment. One alternative for increasing the incentives to handle more cases would be to establish a higher payment level once an agency had closed a threshold number each year.

Consider for example, an agency having average complaint processing costs of \$1500 per case. Suppose that in Phase I the agency has had 30 fair housing cases filed directly with the agency and 10 filed with HUD and referred to the agency. The agency's budget situation is as follows in Phase 2 if the case volume and point of origin remain the same:

Costs of Complaint Processing:  
 40 cases x \$1500 = \$60,000

Funds for Complaint Processing:  
 Basic agency funding source:  
 30 cases x \$1500 = \$45,000

FHAP funding:  
 40 cases x \$500 = 20,000  
 \$65,000

The agency has additional resources beyond those required for the complaints received. HUD could maintain the \$500 per complaint contribution up to 45 cases:

Costs	45 x 1500	=	\$67,500
Funds:			
Agency	30 x 500	=	\$45,000
FHAP	45 x 500	=	<u>22,500</u>
TOTAL			\$67,500

Beyond this breakeven point, the HUD contribution would appear to have to increase to provide a direct incentive to handle more cases. Once the threshold is passed, the agency could voucher for each additional case at a higher per-case amount, such as \$1,000 per case. The payment level might not

have to cover the full marginal cost of handling additional cases; agencies continue their ongoing responsibilities in housing and can be expected to seek needed additional funding from their sponsoring legislative bodies. This payment approach also establishes an incentive for efficient case handling.

In order to encourage rapid case handling and high quality resolutions, complaint-based payments could create an appropriate, output-oriented incentive scaled by factors such as complaint type or type of closing. Agency staff complained that the flat payment fails to reflect the difference in resources required by different types of complaints, and this arrangement fuels some of the conflicts observed between HUD Regional Office staff and agency staff, as discussed in Chapter 2. However, gross distortions in agency practices are not in evidence. Even so, if HUD is interested in emphasizing use of administrative hearings, public hearings, and court actions, where advantageous, then some accommodation in payment arrangement according to the demands of the complaint may be in order. The danger is that a system of payments set by complaint or closing type is bound to increase administrative costs both for HUD and the agencies, and such a system might create conflict and disagreement between HUD and the agencies.

Finally, if HUD would like to enable agencies to expand the scope of fair housing work beyond complaint processing, the funding strategy must explicitly enhance this goal. The objective might be achieved by continuing flat grants beyond the first two program years and offering opportunities for agencies to apply for Type II grants for special innovative projects. Overall, a mixed funding approach seems appropriate, that is, some broadly based support coupled with payments tied to complaints. HUD and the agency would then be sharing in a base of housing complaint handling as well as providing support for whatever broader activities in support of fair housing the agency developed. An additional incentive contribution for closed cases past some threshold number would encourage both the activities needed to generate more filings of housing cases and expeditious processing by the agency.



## CHAPTER 4

### PROCEDURES FOR HANDLING FAIR HOUSING COMPLAINTS AT FHAP AGENCIES

Since HUD relies on substantially equivalent State and local agencies to process fair housing complaints, it is important to understand the local legal contexts within which the agencies operate and the ways in which local statutes or ordinances shape case processing. Case handling strategies chosen by agencies can enhance or diminish the protection offered by Title VIII. Therefore this chapter addresses the following questions:

- In what ways do the local legal contexts for FHAP agencies differ from Title VIII and how do they differ from one another?
- What are the basic elements in the processing of fair housing complaints, and how do agencies implement them? How have these practices changed since FHAP began?

This material provides a descriptive background for the analysis in Chapter 5 to assess and explain the outcomes of cases closed by the sample agencies. Agency-sponsored training, an important element of preparation and implementation of case handling procedures, is described in Appendix III-E.

#### 4.1 Legal Context of FHAP Agencies

FHAP agencies generally operate under the guidance of legislation that offers broader coverage, more extensive tools and broader powers to grant administrative relief to complainants than do the Federal agencies under Title VIII of the 1968 Civil Rights Act.<sup>1</sup> While this pattern does not ensure aggressive enforcement of housing discrimination cases, it does provide important background for understanding what agencies can do to pursue infringement of housing rights.

##### Protected Groups

Almost all of the agencies in the sample (13) offered assistance to a broader range of protected groups than the ones covered by Federal law. Title VIII provides coverage on the basis of race, color, sex, national origin, and religion. Only two local southern agencies were limited to

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<sup>1</sup>Agencies differ in extent of coverage as discussed in Chapter 2.

coverage specified by Title VIII (see Table 4-1). Eight agencies provided coverage on the basis of marital status and eight offered protection to handicapped or disabled persons. Three agencies processed complaints on the basis of age, and two reported protection for families with children.<sup>1</sup> Two local agencies reported provisions for protection of persons on the basis of occupation or source of income, political opinion or ideology, personal appearance or sexual orientation.

Thirteen statutes or ordinances had broader coverage of rental units in owner-occupied buildings than does Title VIII, which exempts rentals in owner-occupied buildings with up to four units. Four of those statutes covered all rental units, and four excluded only the rental of rooms in owner-occupied buildings. Four other laws covered buildings with three units or more, and one covered owner-occupied housing with four units or more. No major differences were found between State and local agencies with respect to protected groups, although State agencies had fewer exemptions regarding owner-occupied units, and more State agencies offered protections to persons with handicaps or disabilities.

#### Statutes of Limitations

Eight agencies had the same 180-day filing period as by Title VIII. Two agencies allowed complaints to be filed for up to one year after incidents, but five operated with shorter filing periods. Four of them can accept complaints only up to 90 days after alleged incidents, and in one State, the complaint had to be filed within 60 days unless the complainant could demonstrate that s/he had no knowledge of the violation until after the initial 60 days had expired. In that case, a 60-day extension would be obtained. At least one agency respondent reported that problems arose if people first filed their complaints at HUD, the complaints were then referred to the agency for processing and notarization was still not complete. At times the filing period had expired before these procedures are completed. Then, the complaint had to be waived back to HUD.

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<sup>1</sup>Fair housing complaints with no Title VIII basis amounted to only one percent of the cases sampled, as shown in appendix Table V-2. Some cases indicated both a Title VIII basis and another, non-Title VIII basis. For example, one percent of sampled cases indicated discrimination because of children, 3 percent because of source of income, and 3 percent because of disability.



Table 4-1

## PROTECTED GROUPS UNDER STATE AND LOCAL LEGISLATION OF FHAP AGENCIES

<u>Coverage</u>	<u>All Agencies N=15</u>	<u>State Agencies N=8</u>	<u>Local Agencies N=7</u>
Title VIII Coverage only <sup>a</sup>	2	0	2
Marital Status	8	4	4
Handicap or disability	8	5	3
Publicly assisted housing	3	2	1
Age	3	2	1
Families with children/parental status	2	1	1
Political opinion or ideology	2	0	2
Occupation or source of income	1	0	1
Personal appearance	1	0	1
Sexual orientation	1	0	1
<u>Exemptions of rental units<sup>b</sup></u>			
None	4	2	2
Rental of rooms in owner-occupied buildings	4	3	1
Rental of unit in owner-occupied buildings of 2 units	4	3	1
Rental of unit in owner-occupied buildings of up to 3 units	1	0	1

Source: Agency Staff Interviews, Summary of State/Local Legislation by National Committee Against Discrimination in Housing.

<sup>a</sup>Race, color, sex, national origin, religion.

<sup>b</sup>Title VIII exempts units in owner-occupied buildings intended to be occupied by no more than four families.

### Procedural Tools

The State and local agencies have a larger array of legal tools than HUD to use when they are processing housing complaints. Under Section 810 of Title VIII, HUD can investigate an alleged complaint by means of interviews and examination of records. If necessary, it can issue subpoenas and interrogatories, and then it can conduct conciliation conferences in an effort to resolve the issues. "Rapid response" procedures have been developed to quickly handle cases in which units in question are still available.

Most of the agencies had and used all of these powers. However, three local agencies were hampered by lack of clarity about whether they could use subpoenas. Twelve could issue interrogatories or take depositions, and one other could call another local agency if these tools were needed. However, only seven agencies reported use of special "rapid processing" techniques; other respondents argued that their regular procedures were adequate to handle cases requiring quick action.

In addition to the powers comparable to those specified by Title VIII, all 15 agencies could initiate complaints or court action. Fourteen of the agencies conducted testing to assess whether discrimination had taken place. (While testing is not proscribed by Title VIII, HUD has had a policy of not using testing in its own processing.) Thirteen agencies could arrange for cease and desist orders. Twelve could conduct public hearings. Eleven could issue injunctions and two more could call on other local agencies to do so.

### Relief for Complainants

The agencies generally had stronger powers than HUD in the area of relief to complainants. Under Section 810 of Title VIII, HUD can negotiate the payment of damages to secure resolutions from respondents who are willing to conciliate.<sup>1</sup> HUD also can require affirmative action marketing. The Federal court cannot order revocation of brokers' licenses, since they are issued by individual states.

In contrast, all but one FHAP agency in the study sample could order affirmative marketing or award of actual damages, and they did not have to

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<sup>1</sup>Although HUD cannot file court suits directly, complainants can. Under Section 812 of Title VIII, the federal court may award actual damages, legal fees, punitive damages up to \$1,000 for each separate violation, and/or awards for pain and suffering.

rely on conciliation to obtain these resolutions. Six agencies could obtain payments for pain and suffering, seven could award punitive damages and five could require payment of legal fees. One agency, however, had been expressly forbidden by a State court from monetary awards because such relief was not indicated directly in their statute. Eight respondents said that they could recommend revocation of brokers' licenses, but none could carry out that remedy within their own agencies.

#### Influence of HUD on State or Local Fair Housing Legislation .

Since HUD must assess whether State or local fair housing statutes are substantially equivalent to Title VIII, that process can influence the content of those laws. Among our sample of agencies, five local organizations worked to change their ordinances in order to comply with HUD requirements. For example, one southern agency requested advice from HUD staff so that the ordinance could actually be based on Title VIII. In another locale, changes were sought to make bias in advertising an explicitly discriminatory practice.

In summary, all of the agencies have a number of elements in their statutes which mean that their powers are broader than those specified under Title VIII. These powers are part of what shapes agency case handling strategy. The next section describes the actual practices of agencies and the extent of use of their statutory powers.

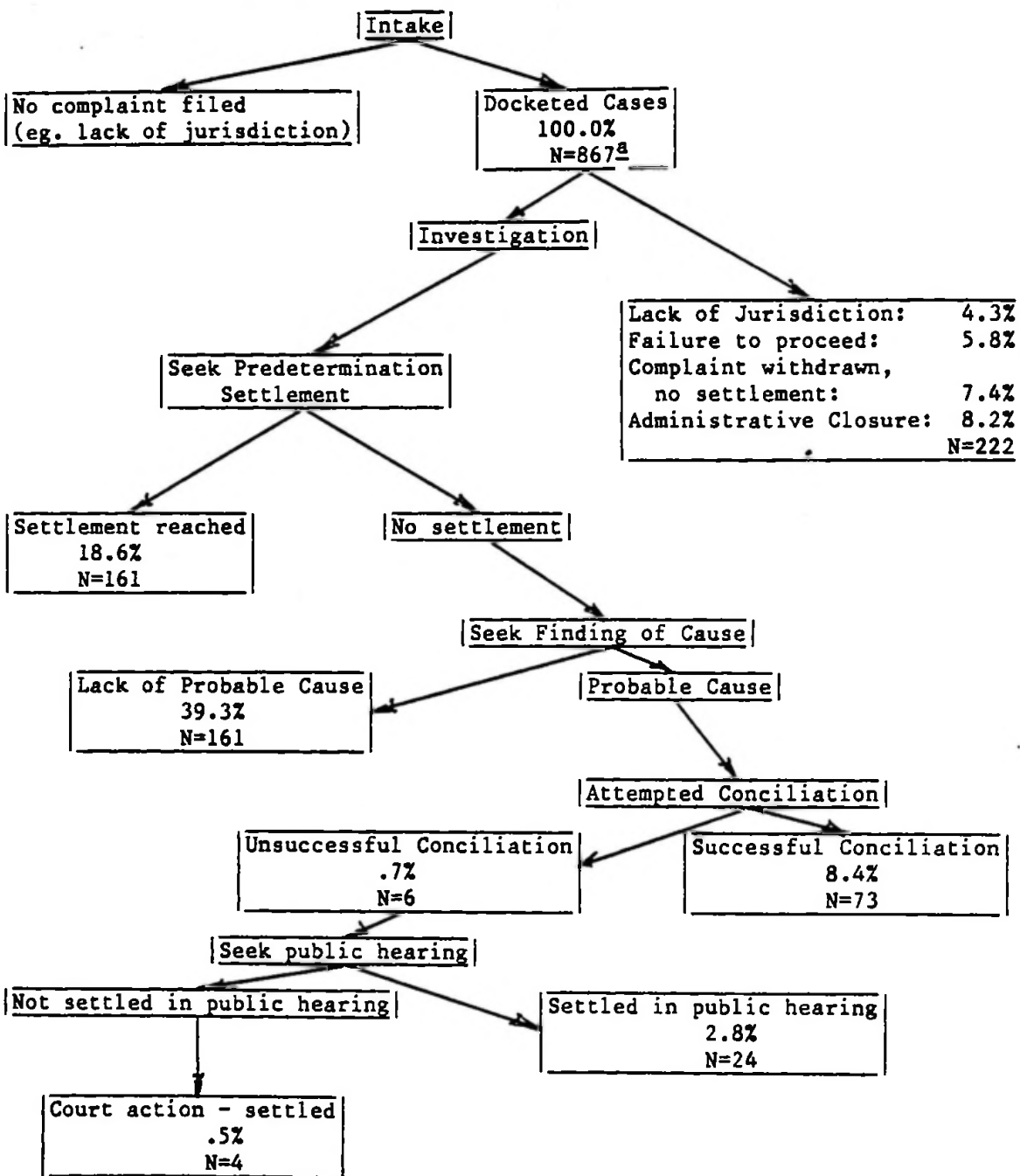
#### 4.2 Complaint Processing Strategies

In order to structure the analysis of complaint processing approaches by individual agencies, it is useful to refer to a model of complaint processing, as outlined in Figure 4-1. A complaint may pass through all the steps shown or drop out or be resolved at almost any point along the way -- for example, through lack of jurisdiction at intake or through a predetermination settlement. Complaints may be withdrawn throughout the process -- either because complainants become discouraged or as part of an agreement with respondents that no further action will occur if they provide some resolution to complainants.

In addition, relief may occur at almost any place in the process: a complainant may withdraw if the unit in question is provided by the respondent, or monetary relief might be secured as a result of a predetermination settlement, conciliation, a hearing, or court action.

Figure 4-1

MODEL OF STEPS IN PROCESSING OF FAIR HOUSING COMPLAINTS -- PRE-FHAP PERIOD



<sup>a</sup>Other closings (time period expires) or missing data: 4.0%, N=35

The figure shows the basic range of possibilities. Some agencies may have eliminated certain steps, such as predetermination settlements, for strategic reasons, or may not be able to carry out certain steps, such as public hearings, because they are not empowered to do so.

In order to be deemed substantially equivalent, an agency must demonstrate to HUD that it can handle complaints in at least the same manner as HUD. Therefore, it must be able to process complaints through the stage of conciliation. As the previous section documented, all but three of the agencies can also hold public hearings to pursue resolutions when conciliation fails.

To obtain a picture of the flow of complaints through the complaint processing procedures, let us look at the proportion of cases closed at each step in the model (see Figure 4-1). During the three years prior to FHAP, a small percentage of cases dropped out soon after intake and filing of formal docketed complaints, due to lack of agency jurisdiction (4.3%). Between intake and completion of processing, 13.2 percent of the complainants chose not to continue with their complaints and withdrew without resolution or else failed to proceed. About one-fifth of the cases were resolved at the stage of predetermination settlement. At this point, a written resolution agreement was generally prepared. Most of the remaining cases were closed at the next step, determination of probable cause. Here, almost 40 percent were closed with findings of No Probable Cause, and cumulatively, almost 85 percent of the cases were closed by this point. Few conciliation closures were reported (8.4%), and very few closures took place at the stage of hearings (2.8%) or court action (.5%).

The relatively low proportion of cases going to public hearing or to court casts an interesting light on the often-stated contrast between HUD's powers and those of the State and local agencies: it appears that these powers are used explicitly in, at most, about one percent of agency cases nationwide; the remaining 99 percent are resolved -- or not resolved -- at stages which also fall within HUD's powers. Of course, the threat of public hearing or recourse to court may well add a weapon to an agency's arsenal that HUD does not possess. One agency reported that it routinely used a "call of the list" of respondents in outstanding cases to announce the schedule of their public hearing. Most respondents were eager to reach some resolution to avoid a public hearing. However, it should also be noted that the agencies'

additional powers also bring additional restrictions with them. As noted in Chapter 2, agencies tend to be bound to judicial standards of evidence to justify a finding in favor of either party, while HUD staff report that they can make a "determination to resolve" on less stringent grounds.

Although the basic pattern between the pre-FHAP and FHAP period is similar, as Figure 4-2 indicates, a larger proportion of cases were formally resolved with predetermination settlements. More than a fourth of the cases were resolved in that way during FHAP in contrast to less than a fifth before FHAP. In addition, a somewhat larger proportion of the cases were closed with findings of no probable cause (44 percent compared to 39 percent). The use of public hearings or court action did not change. The individual agencies in the sample tended to report the same general practices, with some variation occurring depending on particular techniques used at different steps in the process. To explore those differences, we turn now to an examination of each stage of case processing. In addition, Appendix IV presents the types of case closing found among the sampled cases at each of the FHAP agencies.

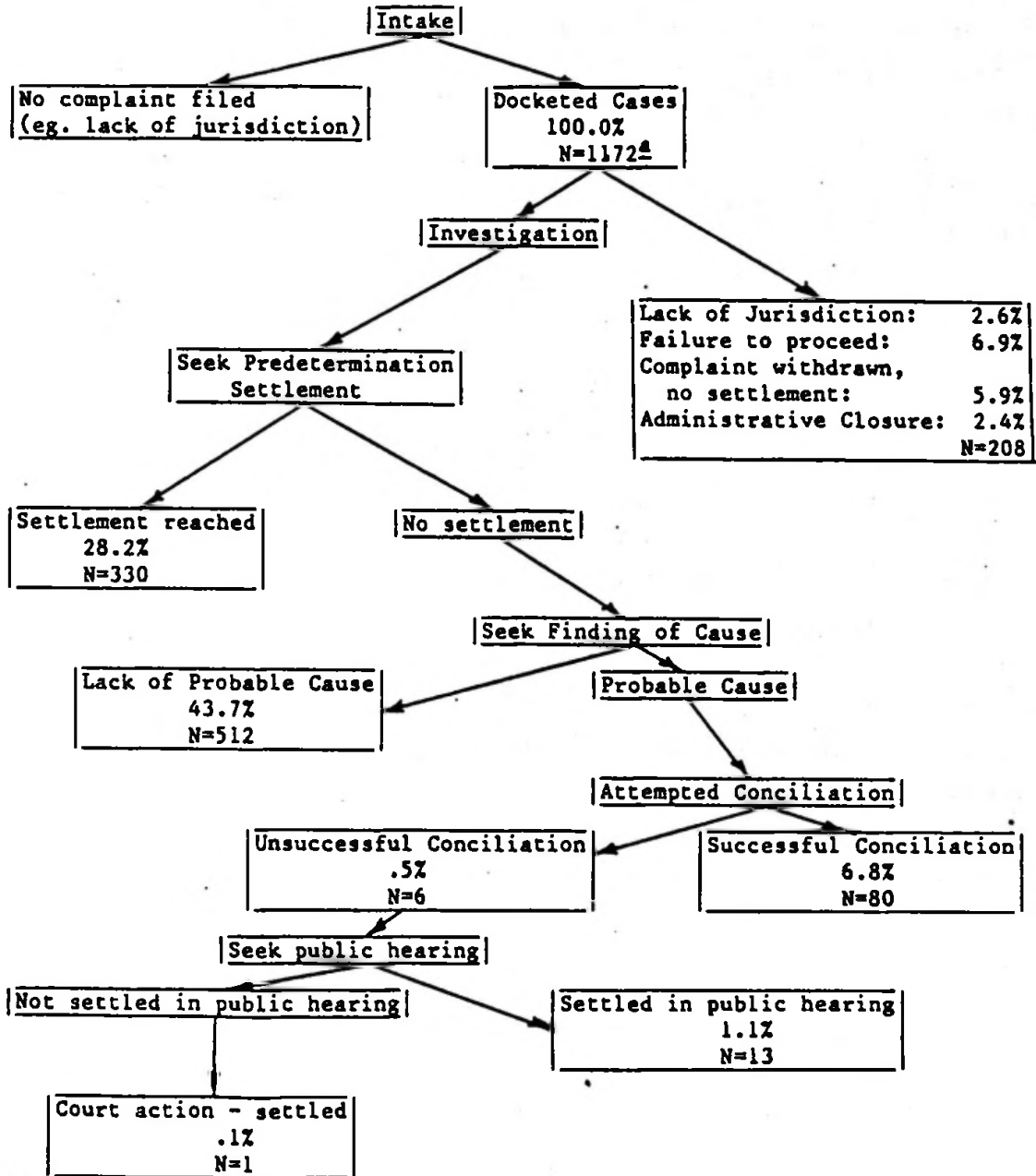
#### Intake

Complaint intake is the set of procedures in which a prospective complainant inquires about his/her civil rights, explains the incident of discrimination in-person, by mail, or by telephone and decides whether to formally file a complaint by completing an agency intake and/or complaint form. An agency representative ascertains whether the nature of the incident is covered by Title VIII and/or local statute (e.g., whether the complainant is a member of a protected group, whether the property in question is covered, and whether the nature of the respondent's behavior may be discriminatory). The complaint must also be filed within a specified time period and must fall into the agency's geographic jurisdiction. The agency staff member explains the complaint processing procedures to the potential complainant and advises him/her how to complete required agency forms.

Seven of the State agencies, but none of the local agencies, maintained separate branches where intake and investigation of fair housing complaints could take place. The intake process was completed at eight agencies by an investigator; at three of those locales, the investigators were housing specialists. At the other seven agencies, intake specialists completed the initial screening process. All but one of the agencies reported that intake procedures and decisions were reviewed by a supervisor (or by an

Figure 4-2

MODEL OF STEPS IN PROCESSING OF FAIR HOUSING COMPLAINTS -- FHAP PERIOD



NOTE: A test of differences in the pre-FHAP (Figure 4-1) to FHAP patterns was made with the following result:

Chi-square value = 56.87, d.f. 5,  $p < .0001$  (unsuccessful conciliation and Court Action collapsed to a single category).

<sup>a</sup>Other closings (recall, time period expires) or missing data: 1.9%, N=22

investigator, if intake was undertaken by an intake specialist). The degree of screening performed at intake to cull out inquiries that do not constitute fair housing complaints varies widely across agencies. Inquiries screened out at intake (that is, that were intentionally not docketed) ranged from 5 to 95 percent, by agency staff estimates. A range of 25 to 35 percent was typical. This variation should be kept in mind in interpreting the distribution of case closings reported in Chapter 5. Obviously the looser is the screening, the higher will be the proportion of docketed complaints that close for lack of jurisdiction, for example.

#### Case Docketing

Case docketing occurs when a complaint written by either the complainant or an agency staff member has officially been filed. At this point, the case is assigned an identifying number, and it can be prepared for assignment to an investigator. At all of the sample sites, this step could take place only when the complainant had signed a formal agency complaint form or affidavit which was then notarized.

#### Investigation

Once the case has been formally docketed and recorded and assigned to an investigator, formal investigation can begin. Agencies have an array of possible investigative techniques at their disposal; their investigators choose among them depending on the nature of the individual complaint the enforcement powers granted to the agency, views of investigators and supervisors about appropriate investigative practice, the scope of agency resources in relation to the size of agency caseload, range of work responsibilities of individual investigators, and agency regulations about investigations. HUD training or requirements can also shape investigative practice. In light of these varying influences, it is not surprising that the 15 agencies in the sample displayed considerable difference in the ways they carried out investigations.

Rapid Case Processing. Most of the agencies (11) did not have special procedures to handle cases which require rapid action (e.g., cases in which a unit was still available). Six respondents felt that such a procedure was unnecessary, because all housing cases were expedited, with initial investigative procedures underway within a day or so of intake. However, four agencies did report special procedures: one reported occasional use of temporary restraining orders to prevent rental or sales of units in question,



while two others indicated that tests were completed within 24 hours so that efforts to secure the unit for the complainants could be undertaken very quickly.

One local agency utilized a unique rapid processing procedure known as confrontation. In cases in which a unit was still for rent or sale, testers were sent out immediately to ascertain whether discrimination had occurred. If so, a finding of probable cause was obtained from the agency's legal division, that finding was presented to the respondent in the presence of the complainant, and an offer to settle the complaint was made with the understanding that the unit in question be provided immediately to the complainant. This technique was generally completed within a few days of the original filing.

Testing. In situations where a complainant believes that s/he has suffered discrimination while attempting to rent or purchase a unit, agencies can try to document discrimination by having a "tester" also inquire about the unit from the same realtor or landlord. Generally, the tester has approximately the same demographic characteristics as the complainant but differs according to the alleged basis of discrimination (e.g., race, sex, ethnic origin). If the tester is able to secure the same or a similar unit, the agency can use the information on difference of treatment as part of its investigation.

During the three years prior to FHAP, testing was used by nine agencies (six State and three local organizations) in 8.3 percent of all closed cases.<sup>1</sup> Usually, testing was carried out by agency staff, but sometimes local fair housing groups completed the audits.

The prevalence of the practice varied considerably from one agency to another. Data from six agencies showed tests in less than ten percent of the cases while, at two sites, tests occurred in 11 percent and 21 percent of the cases respectively. At one State agency, more than one third of the case records showed that tests had been completed. (See Appendix III-C for descriptions of testing programs at individual agencies in the sample.)

Testing was used somewhat more widely during the period after FHAP began, in part because the Havens decision in 1982 gave standing to complaints

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<sup>1</sup>Data source: sample of 867 closed fair housing cases.

filed by testers.<sup>1</sup> According to the study sample of case records, 11.3 percent of all closed cases included testing, and all but one agency had utilized the technique.<sup>2</sup> Seven agencies used the technique in less than ten percent of the cases, while five others reported tests in 10 to 20 percent of all cases. Two State agencies used testing in about one-fourth of all closed cases.

Methods of Collecting Information from Complainants and Respondents. In order to determine what occurred during the alleged incident of discrimination and to ascertain a respondent's rental or sales practices, agencies can choose from among several investigative practices. These include formal face-to-face fact-finding meetings between complainant and respondent (and/or his/her representative); written interrogatory to the respondent; an affidavit from the respondent documenting what occurred; in-person and/or telephone interviews with the complainant and/or respondent individually; in-person or telephone interviews with witnesses; required submissions of rental records or affirmative marketing performance by respondent; and property examinations.

As Table 4-2 indicates, in the period before FHAP participation, agencies relied most heavily on written interrogatories to respondents, in-person interviews and telephone interviews with respondents or complainants, and submission of rental records. Less common were fact-finding meetings, telephone interviews with witnesses, required affidavits from respondents, affirmative marketing documentation by respondents, or property examinations. Use of all of these techniques except property search and in-person interviews with witnesses increased significantly during the years after FHAP began, and notable increases occurred in the uses of written interrogatories to respondents, submission of rental records, and telephone interviews with complainants and respondents.

HUD staff have argued that personal interviews with complainants and respondents are important investigative practices. Table 4-3 shows that agencies usually conducted in-person interviews with respondents and complainants during investigations. During the FHAP period, there were no in-person interviews in only seven percent of all closed cases. Personal

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<sup>1</sup>Havens Realty Corporation v. Coleman, 455 U.S. 363 (1982).  
<sup>2</sup>Data Source: sample of 1172 closed fair housing cases.

Table 4-2

METHODS OF COLLECTING INVESTIGATIVE  
INFORMATION IN CLOSED HOUSING CASES

	Percent of Cases in Which Technique was Used	
	Pre-FHAP Period (N=737) <sup>a</sup>	FHAP Period (N=1100) <sup>a</sup>
Written interrogatory to respondents***	38.9	56.7
In-person interviews with complainants	48.5	50.3
Submission of rental records by respondents***	35.6	46.1
In-person interviews with respondents	39.5	42.8
Telephone interviews with respondents***	26.4	39.6
Telephone interviews with complainants***	24.1	36.4
Telephone interviews with witnesses***	13.0	19.2
Fact-finding meetings*	14.8	18.4
In-person interviews with witnesses	21.1	18.4
Affidavits from respondents***	16.4	18.1
Other contact with respondents	14.7	16.1
Affirmative marketing records from respondents+	4.8	6.8
Property search	2.1	2.7

Source: Case Record Abstracts.

+ Chi-square value, pre-FHAP to FHAP, significant at 0.10.

\* Chi-square value, pre-FHAP to FHAP, significant at 0.05.

\*\*\* Chi-square value, pre-FHAP to FHAP, significant at 0.001

<sup>a</sup>Percentages based on cases for which investigative techniques are recorded. During the Post-FHAP period, no information was available for 72 cases, while in the earlier period, data were missing on 139 cases.

Table 4-3

TYPES OF INTERVIEWS USED DURING  
INVESTIGATIONS OF FAIR HOUSING COMPLAINTS

	Pre-FHAP: Percent of Closed Cases (N=626) <sup>a</sup>	Post FHAP: Percent of Closed Cases (N=1054) <sup>b</sup>
In-person interviews with complainants and respondents separate	37.2 %	35.1 %
In-person interviews with respondents only	16.5	22.2
Fact-finding meeting (interviews with complainants and respondents together)	17.4	19.2
In-person interviews with complainants only	18.5	14.4
No in-person interviews	9.6	7.1
Other	0.8	2.0
TOTAL	100.0 %	100.0 %

Source: Case Record Abstracts.

Chi square = 18.36, 5 d.f.; significant at 0.01.

<sup>a</sup>For 109 cases, no information was available about types of interviews used during investigation.

<sup>b</sup>For 202 cases, no information was available about types of interviews used during investigation.

interviews occurred with both complainants and respondents, either in fact-finding meetings or separately, in more than half of all cases. Interviews with respondents alone were used more frequently in the program than before, while interviews with complainants alone were used less frequently. The two approaches account for about a third of the cases in each period.

#### Predetermination Settlement

One procedural technique used by many of the agencies is the predetermination settlement (PDS) or complaint withdrawn with resolution, in which a resolution is obtained for the complainant prior to a formal determination of probable cause. (The extent to which these types of resolutions are associated with relief for complainants is assessed in Chapter 5.)

During the period of participation in FHAP, all of the sample agencies except one used predetermination settlements as one possible way of resolving complaints. Across all sites, more than one-fourth of cases closed during that period were resolved in this way. However, the emphasis on predetermination settlement varied widely, with one agency closing more than two-thirds of its cases at this point<sup>1</sup> and three others settling about one-third through PDS.<sup>2</sup> Six others closed about one-fourth of their cases with this method, while the remaining four reported fewer than one-fifth of their cases closed in this manner.<sup>3</sup>

The emphasis on PDS and complaints withdrawn with resolution increased substantially between the pre-FHAP and FHAP periods. During the three years prior to FHAP, about 15 percent of all cases were closed with these resolutions, compared to almost one quarter during the program. At nine agencies, the percentage of cases closed in this way increased by more than 5 percent. At seven of those agencies, the percentage of cases closed at PDS increased by more than 10 percent.

The increased emphasis on PDS reflected several theories held by agency staff. One idea was that early resolution would result in more rapid

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<sup>1</sup>This percentage is very high because the agency can come to a predetermination settlement even after a formal finding has been made.

<sup>2</sup>All three of these agencies allowed their investigators to propose settlements to respondents prior to formal finding of cause.

<sup>3</sup>Three of the agencies in this last group had policies designed to avoid PDS, while the other had only recently begun to use PDS conferences as a means of reaching settlements.

processing and perhaps obtain greater success in obtaining contested units for complainants. Another hope was that PDS or early resolution resolutions could avoid the legal requirements for obtaining a finding of cause, which at most agencies required evidence that could be substantiated in court. As a practical matter, several agencies indicated that HUD's emphasis on timely closings increased their tendency to use PDS to achieve quicker resolutions.

One possibility is that a PDS might convert a likely finding of No Probable Cause (or lack of sufficient evidence) into a resolution. The evidence regarding the link between predetermination settlements and findings of No Probable Cause (NPC) is inconclusive. Of the ten agencies reporting an increase of more than five percent in early resolutions, only five also reported a decline in NPC findings of more than five percent, and three reported an increase in NPC findings of 10 percent or more.

Only one agency (STATE5) used PDS much less frequently during the FHAP period than before, with the percentage of cases closed in this way declining from more than 45 percent to about 30 percent. This agency undertook the change in procedure in part because of urging from HUD staff, who argued that better resolutions could be achieved if determinations of cause were obtained and formal conciliation meetings were held. However, the change did not have the desired effect. The percentage of cases closed with lack of probable cause increased from 9.1 percent to 22.9 percent and the proportion of cases closed at conciliation declined from 22.7 percent to 1.5 percent. The proportion of complaints withdrawn with no resolution also increased from 22.7 percent to 36.7 percent.

#### Finding of Cause

As was noted earlier, almost half of all cases (43.7 percent) were closed with findings of No Probable Cause during the FHAP years. This percentage had increased (up from 39.3 percent) since the years prior to FHAP. The percentage of complaints with no resolution declined from 12 percent to 2 percent. During the FHAP period, the agencies displayed wide variation in the proportion of cases closed at this point in the process, from a low of 6.5 percent to a high of almost three-fourths of all cases. Overall, a third of the sample agencies closed between 50 and 70 percent of their cases in this way during both the FHAP and pre-FHAP periods. The number of agencies closing between 40 and 50 percent of their cases with lack of probable cause findings increased from three to six.

Thus, it was apparently unlikely or difficult for agencies to obtain findings of cause so that case processing could move onto formal conciliation efforts. It is possible that this reflects inadequate investigation or avoidance of the time and expense of formal proceedings. However, these high proportions of no cause findings may also occur because of inappropriate or unfounded complaints or due to agency requirements and regulations. For example, as noted earlier, some respondents argued that cause findings had to be backed by legally substantiated evidence. In other locales, numerous reviews of recommendations for findings created obstacles. At all 15 agencies, investigators made recommendations about findings to their supervisors; only one agency permitted the investigator to follow through alone to make a final decisions about a finding of cause. For findings of No Probable Cause, two additional investigators in the agency typically were involved in reviewing the recommendation and then making the final decision. Ordinarily, housing supervisors handled the reviews; at seven agencies the executive directors made final decisions. In three State agencies, findings had to be made by the agency's commissioners. For findings of probable cause, two agencies indicated that they had procedures involving three levels of review, and one State agency required that five separate people review and concur with the final decision.

#### Conciliation

The proportion of cases resolved at conciliation declined slightly from 9.1 percent in the pre-FHAP period to 7.3 percent in the FHAP period. In both periods, the bulk of the conciliations were deemed successful; more than 90 percent of the conciliations resulted in resolutions. During the FHAP period, five agencies closed between 10 and 15 percent of their cases in this way, while the rest closed fewer than 10 percent by conciliation. Only four agencies reported substantial changes in the use of this technique between the pre-FHAP or FHAP period. Three of the sample agencies could not hold public hearings on their own, and of the cases closed at the remaining 12 agencies, only 2.9 percent were resolved at hearings during the pre-FHAP period and 1.2 percent were closed at hearings after FHAP began.

Only five court cases appeared in the sample of case records over the entire study period. All but one of these originated at a State agency.

### Delays in Case Processing

When asked to identify the major points in case processing where delays occur, nine respondents mentioned that they had difficulties obtaining required information from respondents, either during investigations or in preparation for conciliation meetings. They could threaten to issue subpoenas in extreme cases, but those were rarely actually used. Generally, they relied on persuasion and setting deadlines to secure the materials they needed. Problems also occurred at the stage of making a finding of cause (or no probable cause) at three agencies, either because of extensive review requirements or backlog in clerical work required to prepare formal finding documents. Once findings were made, additional delays took place at four agencies, either because staff were not available to conduct conciliation meetings or respondents would not cooperate. At the point of public hearings, three agencies reported serious backlogs due to staffing constraints in their legal divisions.

#### 4.3 Summary

The State/local agencies in FHAP typically have broader coverage and powers than Title VIII. The differences in powers, particularly, appear to influence agency case processing strategy although agencies differ greatly in their approaches.

The major change in case processing between the pre-FHAP period and the FHAP program period was the increased reliance on predetermination settlements as a means of closing complaints prior to formal finding of cause. In fact, when agency staff were asked whether major changes had been made in case handling procedures since the onset of FHAP, only two mentioned changes in case handling strategy and both of them involved increased use of predetermination settlements. Nine other respondents indicated that changes had been made, but these all centered on efforts to increase the speed of case handling to comply with HUD monitoring requirements. These changes included assigning additional staff to housing cases, assigning cases more quickly to investigators, and setting up new filing procedures to more readily identify dual-filed housing cases.

The increased use of Predetermination settlements by some of the FHAP agencies means that three basic strategies for complaint processing



emerged during the FHAP period.<sup>1</sup> One, the early resolution strategy, includes efforts to close cases as early as possible with resolutions that are acceptable to complainants. Fact-finding meetings are stressed as a vehicle for achieving resolution, and investigators can propose resolutions to complainants and respondents alike. The case closings are characterized by a high proportion of predetermination settlements and cases withdrawn with resolution; there is a correspondingly low proportion of cases closed at conciliation. Four local and four State agencies fit this model, with closures of predetermination settlement or complaints withdrawn with resolution ranging from 25.1 to 71.0 percent of all closures with closures at conciliation ranging from only 1.2 to 9.0 percent.

The second major complaint processing approach is the legalistic strategy, in which a legal finding of cause is sought so that formal conciliation can be undertaken. In this model, predetermination settlements are avoided or even prohibited. Three local agencies used this approach, closing only 7.3 percent or less of their cases with predetermination settlements or complaint withdrawals with resolutions. Closings at conciliation ranged from 13 to 15 percent.

The third strategy is really a mixed model, in which no strong preference is expressed for resolutions at any point in the process, and with fact-finding meetings used mainly to gather information or negotiate resolutions, if appropriate. Fifteen to twenty-five percent of the cases are closed with predetermination settlements and conciliation closings vary from 7.7 to 14.3 percent. Four State agencies are in this group.

These patterns are quite different from the way these agencies operated before joining FHAP. At that time, only three agencies utilized the early resolution model, while five relied on the legalistic strategy. Six others had no strong preference. One State agency used both approaches by closing almost half its cases with PDS and another one quarter at conciliation.

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<sup>1</sup>The classification scheme relies on data about types of case closing in addition to interview responses about case handling practices. In Chapter 5, the case handling strategy is used to classify what agencies preferred to do, rather than what they actually did about complaint processing.

The shift to the early resolution strategy may reflect a response to HUD's emphasis on timely closing of complaints, although HUD Regional Office staff typically indicated their attempts to influence agencies to make complete investigations, leading to findings, before attempting to reach resolution. The increased use of testing to gather evidence coincided with the Havens decision in support of testing, and may have increased the agencies' options about both investigation and choice of closing type. The influence of these complaint-processing strategies is explored in the next chapter on complaint outcomes.

## CHAPTER 5

### OUTCOMES OF COMPLAINT PROCESSING

#### 5.1 Chapter Overview

The previous chapter described variations in agencies' complaint processing procedures, relating them whenever possible to the agencies' larger strategies for combatting housing discrimination. This chapter turns from process and intent to examine the results that State and local agencies have achieved in fair housing cases. The analysis begins from three research questions:

1. What impact has FHAP had on the number of cases processed by State or local fair housing agencies?
2. What impact has FHAP had on the speed with which cases are processed and resolved by State or local fair housing agencies?
3. What impact has FHAP had on the quality of case outcomes achieved by State or local fair housing agencies?

It should be noted that each of these questions contains an implicit value-judgment: all else equal, FHAP will be considered more successful to the extent that it increases the number of cases, the speed of resolution, and/or the quality of outcomes at State or local fair housing agencies. This is true, but only if these changes do not work at cross-purposes. It is possible that agencies may improve on one measure at the cost of another--that they will process more cases, for example, but process them poorly and achieve worse outcomes. Or they may reach better outcomes, but take much longer to attain a resolution. Because such tradeoffs are possible, the analysis will examine tradeoffs among outcome measures as well as agency performance on each measure separately.

Following this overview, the chapter is divided into six sections. The first, Section 5.2, discusses the data used in the analysis. The next three sections, 5.3 through 5.5, examine in turn each of the analytic questions posed above: FHAP impact on numbers of cases, speed of resolution, and quality of outcomes. The final section (5.6) summarizes the chapter's findings and their implications, including consideration of tradeoffs among outcome measures.

## 5.2 Data Sources

The primary data for the analyses reported in this chapter were gathered by Abt Associates during field visits to State and local fair housing agencies in our sample. Agency figures on numbers of openings, closings, and cases carried over by year were collected from each agency, with every effort made to impose consistent definitions from one agency to the next. Then a sample of 2000 closed cases was drawn at the agencies, and detailed information on each of the sampled cases was recorded on a Case Record Abstract Form. These case-level data included items recording key dates-- e.g., opening, closing, date of assignment to investigator, date investigation was completed, and dates of any predetermination conferences, conciliation meetings, hearings, or court proceedings. Other items included information on respondents, complainants, issue, basis, investigative methods used, experience of investigators, type of closing, relief granted, amount of money awarded, and the stages of case processing through which each case passed.

These data were used to derive variables reflecting case characteristics theoretically related to the outcome variables in the analysis. Some of these variables were taken directly from the Case Record Abstract -- e.g., case basis or issue, respondent characteristics<sup>1</sup> -- while others, such as whether or not a case was covered by Title VIII, required combining several items of information from different parts of the form. Some variables, such as investigative methods used and type of relief granted, required extensive preliminary analysis to derive categories which best captured the pattern of the data in a way that could be used in the analytic models.

In addition to these data from files and records, some variables reflecting agency characteristic and procedures were derived from Abt interviews with agency administrators. Examples include the number of cases closed per investigator, the number of fair housing cases at an agency as a percentage of all cases at that agency, and a variable indicating whether agency investigators are fair housing specialists or generalists who also process complaints of other types.

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<sup>1</sup>Case characteristics are tabulated by program period in Appendix V. Tables V-1 through V-4 provide issue, basis, respondent, and sale/rental housing at issue.

### 5.3 Numbers of Fair Housing Cases Processed by State or Local Fair Housing Agencies

It is generally believed that the number of acts of housing discrimination far exceeds the number of fair housing complaints filed with enforcement agencies or with the courts. Housing market practices studies have supported this belief. (See Appendix I.) Such studies tend to show widespread discrimination. They also show that the most common form of discrimination is denial of a unit's availability, which -- because it is very difficult for the victim to detect -- may lead to few complaints. The evidence thus implies some level of discriminatory behavior much greater than the less than 6000 cases handled annually by HUD and by substantially equivalent State and local agencies.

Given the widespread practice of housing discrimination, it is all to the good if the FHAP program induces State or local agencies to handle more fair housing cases than they handled previously. The program encourages this outcome in three ways:

- Cases filed with HUD that fall within the agencies' jurisdictions are referred for processing to the agencies.<sup>1</sup>
- Agencies were given "capacity-building" money during Phase 1 of FHAP. This money could be used in various ways to increase the volume of cases processed--e.g., by adding staff, doing more outreach or public education, or by increasing the efficiency of complaint processing.
- Agencies in Phase 2 are offered payment for each case processed. For agencies with relatively low referrals of cases filed with HUD, the FHAP payment for all cases, including agency-filed cases, generates additional resources that can be used for handling additional cases.<sup>2</sup>

This section will examine trends in agency case volumes. The basic data for the analysis will be the agencies' own counts of the numbers of cases

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<sup>1</sup>Throughout this chapter, "agency" and "agencies" are used to refer to state or local agencies which have been found to be substantially equivalent to Title VIII in their powers and protection and which participate in the FHAP program. Where reference to any other sort of agency is intended -- e.g., a non-substantially equivalent fair housing agency--this is made clear in context.

<sup>2</sup>The discussion in Chapter 3 above shows that HUD's payment for closed cases can be an incentive for most of the agencies in the sample.

they have opened and closed by year. (Counts of closed cases for the three-year period before FHAP and for the two-year and one-year periods of the program were made by the abstractors on our field visits, but these counts do not provide annual detail.) In general, these figures have been obtained for three years before the agency began FHAP participation and for each year thereafter, up to and including August, 1983. Data have been weighted to reflect each agency's probability of being selected into the sample, which in turn reflects the number of agencies in the stratum from which each sample was drawn.<sup>1</sup>

Table 5-1 shows numbers of openings for State and local agencies for each of the three years before agencies entered FHAP and for the first three years of FHAP participation. For a few agencies, missing data for the third year before FHAP and for the second and third FHAP years have been filled in with figures for that agency from adjacent years. This primarily affects the post-FHAP figures: many agencies are not yet in the third year of FHAP participation; some are not yet in their second year. In order to produce valid totals across program years, some assumptions had to be made about numbers of cases likely to be handled in these years. The assumption adopted here is that caseloads would remain unchanged in subsequent years in those agencies which are still in the capacity-building phase. Other assumptions might have been adopted: a straight-line extrapolation might have been made from change across previous years, or an average change from agencies which were in Phase 2 might have been attributed to agencies not yet at that stage. Either of these alternatives, however, would have run the risk of exaggerating the impact of the program, since the general trend is upward. The percentage increases in openings shown at the bottom of Table 5-1 compare the annual number of openings in the first FHAP year with the average annual number of openings for the two years prior to FHAP; data are available for all 15 agencies for this calculation. The increase is 26 percent overall, 24 and 28 percent for local and State agencies.

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<sup>1</sup>The strata were (1) largest agencies, (2) large state agencies, (3) small state agencies, (4) large local agencies, and (5) small local agencies. See Appendix II for details on sample design. The alternative of using HUD data from the Complaint Compliance and Review System (CCRS) is inappropriate for examining these trends, because the CCRS recorded very few of the agency cases in their pre-FHAP period.

Table 5-1

## OPENINGS BY PROGRAM YEAR

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<u>Program Year</u>	<u>Local Agencies</u>	<u>State Agencies</u>	<u>All Agencies</u>
FHAP - 3	906	2070	2977
FHAP - 2	771	1802	2573
FHAP - 1	926	1878	2804
FHAP + 1	1050	2350	3400
FHAP + 2	1006	2547	3554
FHAP + 3	1036	2774	3810
First Year of FHAP Relative to Two Years Prior to FHAP <sup>a</sup>	24%	28%	26%

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Source: Agency case-opening figures, adjusted to program years and weighted to national figures. Missing years filled from adjacent years.

<sup>a</sup>This comparison is used because it can be computed for all agencies; there are no years with missing data.

More generally, Table 5-1 shows an increase in case volume as agencies enter the FHAP program and an overall trend toward increasing case volume during the FHAP program years. In that more of the State agencies have participated in FHAP for three years and we have more complete data for these agencies over the full six-year period, some observation can be made across this period. State agencies declined in caseload during the three years prior to program entry, then jumped during their first year in the program and continued to rise over the subsequent two years.

Table 5-2 shows comparable figures on case closings. Again the percentage increase in annual closings for the first FHAP year is compared to the average annual closings for the two years prior to FHAP. Not surprisingly, the figures are similar to those in Table 5-1, although the relative increase for local agencies (30 percent) is higher than for state agencies (15 percent). The overall increase of 19 percent is dominated by the state agencies. Again, there is a jump in number of closings during the first year in the program, followed by mixed figures for local agencies and a slower rise for State agencies in years two and three of FHAP.

The percentage increases in closings between the last pre-FHAP year and the first post-FHAP year are: 19 percent for local agencies, 25 percent for State agencies, and 23 percent overall. Much the same is true for openings, where the comparable figures are 13 percent local, 25 percent State, and 21 percent overall. This is due, at least in part, to an increase in HUD referrals. Table 5-3 shows proportions of HUD referrals by program phase. HUD referrals increased by 11 percentage points of the agencies' housing caseload between the pre-FHAP period and Phase 1. This would account for about half of the agencies' pre/post increase, leaving some potential program effect unexplained by an increase in referrals alone.

There may be reasons other than the beginning of the FHAP program which explain this increase in case volume, however. Housing market conditions and the extent to which persons in protected categories were buying or renting houses may have been different. Or one or two major agencies may have increased their caseload for reasons unrelated to FHAP, while others' caseloads stayed the same or even decreased.

#### Multivariate Analysis of Case Volume

To assess whether some of these factors were influential, a regression equation was estimated, using as the dependent variable the annual



Table 5-2

## CLOSINGS BY PROGRAM YEAR

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<u>Program Year</u>	<u>Local Agencies</u>	<u>State Agencies</u>	<u>All Agencies</u>
FHAP - 3	862	2207	3070
FHAP - 2	653	2159	2812
FHAP - 1	784	1836	2621
FHAP + 1	934	2302	3236
FHAP + 2	1092	2594	3687
FHAP + 3	988	2621	3608
First Year of FHAP Relative to Two Years Prior <sup>a</sup>	30%	15%	19%

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Source: Weighted agency caseload figures. Missing years filled from adjacent years.

<sup>a</sup>This comparison is used because it can be computed for all agencies; there are no years with missing data.

Table 5-3

ORIGINS OF AGENCY CASES BY PROGRAM PHASE

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<u>Program Phase</u>	<u>Percentage of Cases Originating At</u>		
	<u>HUD</u>	<u>Agency</u>	<u>Total</u>
Pre-FHAP	2 %	98%	100%
Phase 1	13	87	100
Phase 2	13	87	100

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Source: Case Record Abstract Forms.

numbers of openings for each agency for each of six years: the three calendar or fiscal years prior to the agency's entry into FHAP and the three years following that date (if data were available). The independent variables were (1) a set of agency dummy variables (coded "1" if the observation for case openings was from that agency, "0" otherwise); (2) a continuous variable indicating the calendar year of the observation; (3) program variables, one indicating the proportion of the observation year which fell into the FHAP period and one indicating the proportion of the observation year which fell into Phase 2; (4) an interaction term to capture any interaction between the year variable and the program variables denoting entry into FHAP. The agency variables were intended to detect agency-specific explanatory factors, whose effect would otherwise be mistakenly attributed to the program variables. The year variable was intended to allow for a trend in volume over time apart from entry into FHAP. The program variables were intended to test for the impact of the program itself.

The regression results indicate no statistically significant program effect, despite the observation of an upward trend in the raw data and the additional case referrals from HUD in the program. The coefficients on all the agency variables were statistically significant. In fact, variations among agencies explain most of the variation in case volume. The year variable was marginally significant, indicating something of a trend in volume independent of FHAP. Neither of the program variables was statistically significant. In effect, the time trend, represented by the calendar year variable is difficult to distinguish from the pre-post change represented by the program variables. The model does not allow us statistically to separate time trends in case volume with effects of participation in FHAP.<sup>1</sup> The overall data presented in Table 5-1 are probably a clearer indication of change related to the program. The structure of the data simply makes it unlikely that a program effect can be detected by the model. (The full regression equation and a version with the logarithm of openings as the dependent variable are presented in Table V-5, Appendix V. A parallel model with annual closings as the dependent variable yielded virtually identical

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<sup>1</sup>In fact, each of the program variables are found to be largely explained by other variables in the equation. The regression routine computes the  $R^2$  of an independent variable when regressed on all the other independent variables. The program variables each had  $R^2$  of .84 or higher.

results. Most of the variation in case volume is explained by the set of agency dummies. No other variables or groups of variables, including the program variables, were significant. See Table V-5.)

#### 5.4 Changes in Speed of Case Resolution

One of the research questions guiding the analysis is whether FHAP improves the speed with which complaints of housing discrimination are resolved. In this analysis, speed of resolution is measured as elapsed time between case filing and case closing (duration).<sup>1</sup>

The range of times observed for case duration is very large, with a number of sampled cases closing the same day they were filed and a few remaining open more than ten years. The fast-closing cases tended to be closed for lack of jurisdiction. It was not always possible to tell why the longest-running cases took so long--some were obviously complex systemic cases that went to public hearing and even to court, but others were not self-evidently complex or unusual.

Because of the few very long cases in the sample distribution, mean times tend to be unreliable. For this reason, medians will be used as indicators of central tendency throughout the descriptive portion of this section. As an example, Table 5-4 shows both weighted means and medians by program phase for time from opening to closing.<sup>2</sup> It is evident that the means are not only quite different from the medians, but that they are consistently skewed upward. In this situation, the median is a much more stable and reliable measure.

It is interesting to note that the means in Table 5-4 decline sharply across the three phases shown in the table, but that the medians remain almost unchanged. This seems to indicate that the time required to

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<sup>1</sup>A second measure also was attempted: the interval between case filing and the completion of investigation. This measure would be somewhat less affected by the events that lead to some very long durations, e.g., conciliation and hearings. However, many agency records routinely listed the completion of investigation as the same day the case was closed. As a result this measure does not reduce duration as much as might be expected on theoretical grounds. Results using the time to complete investigation are reported in appendix tables.

<sup>2</sup>The weights account for the sampling of agencies and of closed case records from three periods--pre-FHAP, Phase 1 and Phase 2.

Table 5-4

## MEAN AND MEDIAN DAYS FROM OPENING TO CLOSING BY PROGRAM PHASE

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<u>Program Phase</u>	<u>All Cases</u>		
	<u>Weighted Mean</u>	<u>Median</u>	<u>Number of Cases</u>
Pre-FHAP	411	103	805
Phase 1	302	106	704
Phase 2	223	102	426

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<u>Cases Closed Within One Year</u>			
Pre-FHAP	103	76	644
Phase 1	108	84	593
Phase 2	106	84	371

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Source: Case Record Abstract Forms.

close the typical case changed very little, but that there were fewer extremely long cases closed after FHAP participation began. To exclude the influence of extremely long cases, calculations of duration were made for cases closed within a year. As displayed in the lower portion of Table 5-4, the patterns show little change across program periods, although the means being larger than the medians indicates that even within the year the distribution is skewed toward longer durations.

These differing patterns for all closed cases as compared to cases closed within one year make problematic the interpretation of program effect. A number of possible influences should be considered. For example, the agencies' mix of cases or their ability to achieve results in a given period of time may have changed. In order to examine these possibilities, we turn now to a closer examination of duration.

Table 5-5 shows opening-to-closing times by program phase, with times collapsed into categories which reflect some of HUD's policy interests. (HUD Headquarters encourages Regional Offices to monitor progress on agency cases at 30, 60, and 90 days after opening. Some Regions do so. Others pay particular attention to cases that may be taking too long to close, especially monitoring cases that have been open 120 days or longer.) The table shows some evidence of a shortening of case durations during the two FHAP phases. Most striking, perhaps, is the decline in cases taking longer than two years to close--from almost 18 percent of all pre-FHAP cases to 6.4 percent in Phase 2.<sup>1</sup>

There is little difference among the three periods at the 60-day checkpoint: 30 percent of pre-FHAP cases and Phase 1 cases and 31 percent of Phase 2 cases had been closed at that point. After six months, however, there is a more noticeable difference: cumulatively, 58 percent of pre-FHAP cases, 66 percent of Phase 1 closed cases, and 72 percent of Phase 2 cases were closed within six months. These differences indicate a shortening of time to close cases under FHAP--one which does not show itself in medians (here about 100 days) but which works primarily by closing potentially long-

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<sup>1</sup>The sample is of cases closed in a particular program phase, regardless of when the case opened. Thus, there is not the bias toward shorter cases that would be found in a sample of cases opened during Phase I and Phase II. If anything, cases have a chance to be longer in the later phases simply because the agency has been in existence longer.

TABLE 5-5

TIME TO CLOSING (CATEGORIZED) BY PROGRAM PHASE

	PRE-FHAP		PHASE I		PHASE II		TOTAL	
	N	\$ Cum.	N	\$ Cum.	N	\$ Cum.	N	\$ Cum.
0-30 Days	124	15.4%	103	14.7%	53	12.4%	280	14.5%
31-60 Days	116	14.3	105	15.0	79	18.6	300	15.5
61-90 Days	91	11.2	93	13.2	52	12.2	235	12.2
91-120 Days	64	7.9	72	10.3	49	11.5	185	9.6
121 Days - 6 Months	78	9.7	86	12.4	74	17.2	239	12.3
6 Months - 1 Year	117	14.5	101	14.4	60	14.0	278	14.4
1-2 Years	74	9.2	63	9.0	33	7.8	171	8.8
Over 2 Years	144	17.8	76	10.9	27	6.4	248	12.8
TOTAL	809	100.0	699	100.0	428	100.0	1,936	100.0

Source Case Record Abstract Form

Base: Total cases in data file include 867 pre-FHAP, 736 Phase I, 436 Phase 2. Table "N's" are smaller because cases with missing values are excluded.

running cases somewhat sooner. It is natural to wonder what sorts of cases these may be. In order to answer this question, we now turn to an examination of duration by case closing and settlement categories.<sup>1</sup>

#### Variations in Duration by Closing Type

Median durations (time to closing and time to completion of investigation) by type of case closing are presented in Table 5-6. The top half of the table shows information for all cases, while the bottom half shows medians only for cases which closed within one year after opening. The latter set of cases is examined separately because it provides a perspective that is of interest in evaluating the FHAP program. The analysis of all cases reflects what agencies do with their entire caseload, including cases that may have been opened long before FHAP came into being. The cases that close within one year, however, are by definition relatively new cases. Study of these cases can show how the introduction of FHAP may have influenced agency handling of currently active cases, as opposed to others--possibly atypical--which have been on hand for some time.

Some patterns in Table 5-6 are fairly consistent across periods. Cases which go to conciliation or hearing tend to take much longer to close--and to complete investigation--than other cases.<sup>2</sup> The most common closing codes are Predetermination Settlement (which includes "Withdrawn with Settlement") and Lack of Probable Cause (which includes "Lack of Sufficient Evidence"). These are also among the shorter-duration closings. Another general pattern is the diminishing incidence across program periods of closing types that have long case durations. The relatively long median times for Failure to Proceed by Complaining Party and Administrative Closure are somewhat

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<sup>1</sup>Differences in duration were also examined by respondent type, basis, and issue. None of these factors was much related to case duration, and thus they are not presented here. The multivariate analysis presented later in this section--see Table 5-9--shows relationships between issue, basis, and respondent type and duration.

<sup>2</sup>The median duration of 3066 days for pre-FHAP cases which went to hearing deserves some comment. Most of the cases (15) in this category are cases with different complainants and respondents but the same attorney representing all complainants; they were filed on the same day and closed on the same day--over eight years later. These cases are included in the descriptive analysis, but have been dropped from the multivariate analysis presented later in this chapter.



TABLE 5-6  
 MEDIAN CASE DURATION BY CLOSING TYPE

	PRE-FHAP			PHASE 1			PHASE 2		
	Median Number of days to . . .								
	Closing	End of Investig.	N	Closing	End of Investig.	N	Closing	End of Investig.	N
<u>All Cases</u>									
Lack of Jurisd.	36	32	34	54	38	28	41	41	18
Failure to Proceed	134	182	185	99	92	89	126	119	53
Admin. Closure	341	326	68	218	151	28	439	294	8
PDS	98	68	143	77	78	283	67	65	117
LOPC	88	68	325	111	88	291	184	97	284
Conciliat.	144	134	75	188	79	57	384	221	24
Hearing	3844(a)	3844(a)	23	349	384	9	514	514	4
Court	939	939	4	1571	1571	1	—	—	8
Expired or Recalled	223	223	1	2348	2348	5	—	—	8
Other	114	78	38	235	85	7	38	34	4
TOTAL			882			782			424
<u>Cases Closed Within One Year</u>									
Lack of Jurisd.	32	27	31	38	37	19	41	41	18
Failure to Proceed	45	49	75	74	74	71	94	91.5	42
Admin. Closure	114	113	31	135	128.5	12	153.5	153.5	4
PDS	83	77	137	73	64.5	192	64.5	62	188
LOPC	78	58	289	91	73	251	99	87	189
Conciliat.	185	68	55	184.5	39	36	127.5	188	14
Hearing	326	7	1	132	132	5	196	134	1
Court	252	252	1	—	—	8	—	—	8
Expired or Recalled	223	223	1	56	56	1	—	—	8
Other	48.5	58.5	28	48	48	4	28	22	3
TOTAL			641			591			371

Source: Case Record Abstract Forms

Notes: Total cases in data file include 867 pre-FHAP, 736 Phase 1, 436 Phase 2.  
 Table "N's" are smaller because cases with missing variables (or over one year) are excluded.

(a) Pre-FHAP hearings category is dominated by 15 cases handled by the same attorney for different complainants against several respondents—all filed on the same day and closed on the same day.

counterintuitive. Both codes often appear to indicate some breakdown in proceedings at a later stage in the case--perhaps a complainant who has moved out of the area, or a proposed agreement which the agency feels is reasonable but which the complainant will not sign.

The data presented in the lower part of Table 5-6 follow the same general patterns seen in the upper portion, though durations are naturally shorter. There is a large drop in duration for cases closed for "failure to proceed by complaining party." This probably indicates that the distribution of durations is bimodal for this group--i.e., some complainants break off proceedings quickly and others only after considerable time has passed.

#### Duration by Party Favored in Settlement

Table 5-7 shows median case durations by resolution type categories. Cases closed for lack of jurisdiction or failure to proceed and cases withdrawn without resolution have been excluded from this table because they closed for reasons largely beyond the agencies' control. The cases remaining are those whose outcome the agency could clearly influence. The basic categories shown are "no resolution" (e.g., administrative closure, time expired) "pro-respondent resolution" and "resolution not in complainant's favor." Unsuccessful conciliations are shown separately, both because they are of policy interest and because they seem different from other types of "no resolution." In general, durations appear to lengthen under FHAP for cases resolved in favor of the respondent and cases which are not resolved. (No-Resolution cases closed within one year are an exception in Phase 2.)

Cases with pro-complainant outcomes are resolved more quickly under FHAP. The median for all cases dropped from a pre-FHAP level of 125 to a Phase 2 level of 72, and a similar change occurs for cases closed within one year. This pattern would appear to be favorable to complainants, as long as proportions of pro-complainant resolutions and amounts of relief granted are at least as high under FHAP as they were before the program began.

#### Duration by Relief Granted Complainants

Table 5-8 shows case durations by categories of relief granted to complainants. Only complainants who achieved some relief are included in this table. Not surprisingly, cases in which the contested unit is awarded--or kept, in evictions--tend to close quickly. However, those obtaining the right to the next unit (including the right to reapply) close almost as quickly. Cases with money awards tend to run longest. This may merely indicate that if

TABLE 5-7  
 MEDIAN CASE DURATION BY TYPE OF RESOLUTION

	PRE-FHAP			PHASE 1			PHASE 2		
	Closing	End of Investig.	N	Closing	End of Investig.	N	Closing	End of Investig.	N
<b>All Cases</b>									
No Settlement	234	220	80	572	263	25	439	290	10
Resolution not in Favor	81	69	327	113	90	288	108	99	205
Unsuccessful Conciliation	708	708	5	432	432	2	284	275	2
Pro-Complainant	125	104	252	91	70	280	72	70	148
<b>TOTAL</b>			<b>644</b>			<b>595</b>			<b>365</b>
<b>Cases Closed Within One Year</b>									
No Settlement	97	93	47	135	120.5	12	59	59	5
Resolution not in Favor	78	58	288	92	74	247	108.5	87.5	188
Unsuccessful Conciliation	151.5	151.5	2	277	277	1	126	104	1
Pro-Complainant	98	70	198	74	62	243	67	64	127
<b>TOTAL</b>			<b>535</b>			<b>503</b>			<b>321</b>

Sources: Case Record Abstract Form

Base: All cases except those closed for lack of jurisdiction, failure to proceed by complainant and withdrawn with no settlement. This excludes 228 cases. Another 187 are excluded because cases with missing values are excluded.

Notes: No Settlement means case was closed without reaching a conclusion clearly in favor of either complainant or respondent.

Not in Favor means case ultimately was closed in favor of respondent (as in a hearing) even if interim steps may have favored complainant.

Unsuccessful Conciliation means the case reached a finding of probable cause but could not reach a settlement satisfactory to the complainant.

Pro-complainant means the case ultimately was closed in favor of the complainant.

TABLE 5-8  
 MEDIAN DURATION BY RELIEF GRANTED

	PRE-FMAP			PHASE 1			PHASE 2		
	Closing	End of Investig.	N	Closing	End of Investig.	N	Closing	End of Investig.	N
Median Numbers of days to . . .									
<u>All Cases</u>									
Apology or Aff. Action	188	177	65	64	50	63	68	68	33
Next Unit	98	76	25	98	66	43	53	53	14
Money Only	201	194	51	231	132	73	201	180	32
Contested Unit	77	57	59	56	49	65	65	63	39
Unit plus Money	140	140	6	138	46	9	82	58	9
TOTAL			206			253			127
<u>Cases Closed Within One Year</u>									
Apology or Aff. Action	188	82	41	55.5	45.5	58	64	64	29
Next Unit	80	75	23	93	65	42	43	43	12
Money Only	127	98	36	129	108	52	150	121.5	24
Contested Unit	72.5	57	56	55	49	65	61	58	36
Unit plus Money	139	139	5	127.5	90.5	8	70	57.5	8
TOTAL			161			225			109

Sources: Case Record Abstract Form

Base: All cases with some relief to the complainant. Cases with missing values are excluded.

a case runs for a long time, the unit is gone and only money damages remain as a solution. The most consistent change across program phases appears to be for cases in which the only relief was an apology or an affirmative action agreement. These cases closed more quickly under FHAP. Results are more mixed in other categories. Again, the patterns for cases closed within one year are similar across categories and program phases to those for all cases, except that durations are shorter.

#### Multivariate Analysis

In order to examine the simultaneous effects of the factors influencing variation of case durations a series of regression models was developed. The various measures of duration described above were used as dependent variables:

- days from opening to closing for all cases;
- days from opening to completion of investigation for all cases;
- days from opening to closing for cases closed within one year;
- days from opening to completion of investigation for cases closed within one year.

The independent variables used in the regression equations were as follows:

Agency dummy variables were introduced to avoid incorrectly attributing agency-specific effects to the program or to other cross-agency variables. These variables are coded "1" for the agency at which a given case was handled, "0" otherwise. At least one dummy variable from a mutually exclusive and exhaustive set must be excluded for the equation to be estimated. The largest State agency was excluded in these regressions, meaning that its influence is in the intercept term.

Numbers of openings in year case opened was introduced to control for caseload effects, such as periods when the staff had more cases than they could handle efficiently.

A sales dummy was coded "1" if the case involved a sales transaction, "0" otherwise.

Respondent type variables were coded "1" for each respondent type in a given case, "0" if no respondent of that type was listed--e.g., local housing authority (LHA), bank, rental agency, superintendent, broker. The excluded category was "owner or builder."

Basis variables were coded "1" for each basis listed for a case, "0" for any basis not listed. The largest category, "Race," was excluded.

Issue variables were coded "1" for each issue listed for a given case, "0" for each issue not listed. "Refusal to Rent or Sell or Denial of Access" was excluded.

Closing type variables were coded "1" for the primary closing code listed for each case, "0" for other codes. "Lack of Probable Cause" was the excluded category.

Relief variables were coded "1" if the relief granted fell into the category listed, "0" otherwise. "Unit Plus Money" was the excluded category.

Program variables were coded to measure FHAP impact. Since the sample was drawn from cases closed in each program phase, these variables were adjusted to reflect the proportion of each case's duration that fell into the period in which it closed. (Pre-FHAP closings are the excluded category.)

Two models were estimated for case duration to closing, one for all cases and one for cases closed within one year. The results for both models are shown in Table 5-9. (This table only shows regressions of the opening-to-closing variable. Similar models were estimated using duration from opening to end of investigation as the dependent variable; the results are shown in Appendix V, Table V-6.) In Model 1, the agency variables are highly significant as a set and most agency variables are individually statistically significant. This indicates that there are differences among the agencies which are not captured by any of the other independent variables in the model. The respondent, basis, and issue variables have little explanatory power. The coefficients on most of the closing type variables are statistically significant; this set and the set of relief variables are also statistically significant as groups. Of most interest to the evaluation, of course, are the program variables. In Model 1, both phases of FHAP are associated with significantly shorter case durations, indicating that, with all other variables in the equation held constant, cases were closed more rapidly under FHAP than they had been before the program.

Model 2, restricted to cases closed within a year, shows generally weaker explanatory power and fewer statistically significant coefficients, since the variation in the dependent variable has been constrained. The most striking difference is that the program effect, found in Model 1 for both Phase 1 and Phase 2, is present here only for Phase 2; cases handled entirely within Phase 2 close 12 days sooner, controlling for other effects. (The direction of the effect is the same in both models.) Another notable

TABLE 3-9  
REGRESSION RESULTS: TIME TO CLOSE

	MODEL 1	MODEL 2
Dependent Variable	Time to Close (days)	Time to Close (days)
Mean of Dependent Var.	216.40	187.17
Base	All Cases(n)	Cases Closed within a Year
N	1870	1393
Intercept	-14.31	124.02
Adjusted R-Square	.32	.23
INDEPENDENT VARIABLES	COEFFICIENT	COEFFICIENT
Agency Dummy Variables	F = 35.7700	23.2200
LOC 1	131.310	19.04
LOC 2	130.140	24.63
LOC 3	181.3200	-15.86
LOC 4	71.20	-72.7800
LOC 5	228.1700	-2.47
LOC 6	112.44	-182.5300
LOC 7	438.8000	13.62
ST 1	175.6800	17.14
ST 2	262.3200	24.41
ST 3	141.8900	-6.88
ST 4	599.281	75.7800
ST 5	382.7500	38.570
ST 6	148.470	-22.74
ST 7	244.7600	12.48
NUMBER OF OPENINGS IN YEAR OF CASE	.4700	-.880
SALES DUMMY	31.48	7.73
Respondent Variables	F = 1.29	2.160
LMA	38.54	35.6300
BANK	-13.33	-3.46
RENTAL AGENCY	-15.47	-4.73
SUPERINTENDENT	-18.14	3.49
BROKER, OTHER	48.570	18.12
Basic Variables	F = 1.17	F = 0.48
SEX ONLY	-9.47	-7.37
NET SEX OR RACE	-24.47	-2.78
Issue Variables	F = 0.16	F = 0.48
TERMS	-14.46	4.32
EVICTON	-14.46	3.73
FINANCING, BROKER	-3.89	3.38
Closing Variables	F = 22.5600	F = 8.8800
LACK OF JURISDICTION	-115.37	-47.2500
FAILURE TO PROCEED	34.62	-23.7100
ADMIN. CLOSURE	273.7800	28.890
PREDET. SETTLEMENT	-57.8100	-7.73
CONCILIATION	182.530	26.620
HEARING, COURT	486.3800	84.410
EXPIRED, RECALLED	-278.31	-34.77
OTHER	76.48	9 -23.140
Relief Variables	F = 3.6700	F = 10.2100
APOLOGY, AFFIRM. ACT.	-9.38	-25.870
NEXT UNIT	2.56	-17.74
MONEY ONLY	81.830	29.7200
CONTESTED UNIT	-34.79	-25.1900
Program Variables	F = 46.2400	F = 1.89
PHASE 1	-115.2600	-3.78
PHASE 2	-192.1300	-12.120

Source: Case Record Abstracts

Notes: (a) Base includes all cases except those with missing data.

- Statistically significant at the 0.10 level
- Statistically significant at the 0.05 level.
- ∞ Statistically significant at the 0.01 level.

difference is that fewer agency dummy variables are statistically significant, and some change direction from positive to negative, as a result of the switch in the direction of the intercept term.

The pattern on the time required to close a case thus shifts in basically desirable directions during the program;

The percentage of closed cases that are closed within 90 days of filing improves—the percentage rises from 49 percent pre-FHAP to 53 (Phase 1) to 55 percent (Phase 2) during the program;

The percentage of cases with very long durations also decreases—the percentage of cases closed after more than two years decreases from 18 percent pre-FHAP to 11 percent in Phase 1 to 6 percent in Phase 2 (without studying a cohort of opened cases, rather than the current sample of closed cases, one cannot be sure whether this is a result of the program or a result of agencies closing a large fraction of the very old cases in the pre-FHAP period);

Cases settled in favor of the complaint are settled more quickly during the program than before—median durations decreased from 90 days pre-FHAP to 74 days in Phase 1 and to 67 days in Phase 2 among cases closing within a year (to avoid overinterpreting the closing of very long cases);

In a multivariate model, where other factors can be controlled for, durations are reduced by 12 days in Phase 2 among cases closed within a year.

Even a quick settlement in favor of the complaint is not necessarily a good settlement. That depends on the nature or the relief obtained. The next section addresses this concern.

#### 5.5 Case Resolutions

Ultimately, the most important outcome at a fair housing agency is the impact the agency has on the housing situation of persons in protected categories. An agency may strive for such impact in many ways—by public education or education of persons and groups in the housing industry, by systemic work which seeks to change industry practices or the legal remedies available to complainants, or by human relations efforts to alleviate the prejudices which undergird discrimination.

A key indicator of agency impact is in the results which are achieved for individual complainants. HUD attempts to monitor, and if necessary, to improve agency performance in this regard in several ways.



Agencies' powers and records of performance are reviewed before an agency is recognized as substantially equivalent, and periodically thereafter. Training is offered to staff, administrators, and commissioners. Complaint handling is monitored, and consultation is offered for problem cases. As a last resort--rarely used in practice--a HUD Regional Office may recall a case and handle it internally.

Various aspects of agency strategies and use of HUD resources have been discussed in earlier chapters of this report. This section examines the results achieved in fair housing cases. Two aspects of case settlements will be analyzed. The first is the probability of reaching a pro-complainant settlement. The second is the type of relief granted to complainants. The first measure concerns all cases, while the second is based only on those in which some relief is attained.

Not every case can or should have a pro-complainant outcome. The agency's task is to determine, insofar as possible, the facts in the case. If the facts support the complainant's claim of discrimination, then a settlement in the complainant's favor is in order; if the facts do not support the complainant, a finding in favor of the respondent is appropriate. There are obviously many other factors that may influence case outcome, and some cannot be taken into account in the analysis. If there is an unusual amount of interracial hostility in a city or State, for example, the process may not work as objectively as it is described in legislation. Complainants may file unfounded charges against unpopular respondents; political forces may work to protect respondents with "connections," even against well-founded complaints. Zealous but poorly trained investigators may try to make every case come out in the complainant's favor--and this may lead to pro-complainant outcomes in the short run and to outside intervention in the longer run, e.g., from courts deciding cases on appeal. Or overly conservative agency staff may decide that they must at all costs avoid angering the real estate establishment, and thus may tend to find for the respondent unless the burden of proof is overwhelmingly in the complainant's favor. The objective case data gathered from agency records for this evaluation provide few clues about these important political and attitudinal factors. The reader is referred to earlier chapters in this report which deal with agency orientation and strategy (Chapter 3), and with detailed complaint processing procedures (Chapter 4).

Cases which, by definition, could not have been resolved by the agencies have been dropped from the analysis--i.e., cases closed for lack of jurisdiction, failure to proceed on the part of the complainant, or complaint withdrawn with no resolution.<sup>1</sup> The remaining cases can be classified according to whether the case was resolved in favor of the complainant, the respondent, or neither party. Table 5-10 shows the proportion of cases settled in each of these ways. The category of "unsuccessful conciliations" is broken out (even though it contains very few cases) because it is neither clearly pro-complainant nor pro-respondent and is of particular interest to HUD. Table 5-10 shows the proportion of "no resolution" cases--largely "administrative closures"--declining sharply under FHAP. (This doubtless contributed to the shorter case durations in the program relative to the pre-FHAP period.) Both resolutions not in favor of complainants and pro-complainant resolutions rise under FHAP as a proportion of all resolutions. It thus appears that more cases are being resolved under FHAP than previously, but not necessarily in one direction. In addition Phase 2 resolutions show a pattern of still higher incidence of settlements not in favor of complainants than for Phase 1, while the incidence of pro-complaint resolutions declines relative to Phase 1.

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<sup>1</sup>It was clear before data collection began that such codes might mean different things at different agencies, and might indicate some pattern of action or inaction which the evaluation should attempt to uncover. If a complainant feels that an agency is doing nothing constructive about a case, (s)he may withdraw the complaint solely as a result of that assessment of agency performance. In order to guard against misleading data, case abstractors were trained to search for alternative codes in these instances: rather than merely recording the agency's code, they were to list the closing code which best summarized "what happened" as reflected in the case folder. Of course, this could only be done to the extent that folders provided adequate information; most did, though by no means all. Table IV-1 in Appendix IV shows closing codes for all agencies. The reader may easily determine from this table how many cases were dropped at each agency because they fell into the excluded closing categories under discussion here.

Table 5-10

## TYPE OF RESOLUTION BY PROGRAM PHASE (PERCENTAGES)

	Program Phase		
	<u>Pre-FHAP</u> N = 712	<u>Phase 1</u> N = 622	<u>Phase 2</u> N = 372
No Resolution	12.3%	5.2%	2.5%
Resolution not in Complainant's Favor	46.6	49.2	54.5
Unsuccessful Conciliation	.6	.2	.6
Pro-Complainant Resolution	40.6	45.3	42.4
	<hr/> 100%	<hr/> 100%	<hr/> 100%

Source: Case Record Abstract Forms. Data are weighted to account for Agency- and Case-level sampling.

Chi-square = 42.48,  $p < .001$  (df = 4) for table with Unsuccessful Conciliation collapsed into No Resolution.

Base: Cases excluded if closed for Lack of Jurisdiction, Failure to Proceed on the part of the complainant or Complaint Withdrawn with No Resolution.

### Type of Relief

The finding that pro-complaint resolutions rise during capacity building (Phase 1) and fall back almost to the pre-FHAP level during the payment per complaint phase (Phase 2) raises an obvious question. Does the incentive in Phase 2 to close cases quickly and receive payment for them lead to less thorough investigations and in turn to fewer resolutions in favor of complainants? The answer would appear to be no. Table 5-7, presented earlier, indicates that although the duration of cases resolved in favor of complainants has decreased, the duration of cases not resolved in favor of complainants has actually increased somewhat. If agencies were conducting less thorough investigations in order to close cases more quickly, one would expect to see the duration of cases resolved in favor of respondents decreasing as well. Therefore, although we do not know the reasons for the differences in complaint outcomes in Phases 1 and 2, it does not appear to be associated with the payment-per-complaint method of funding associated with Phase 2.

Table 5-11 shows the percentages of cases which were resolved in each of five relief categories. In many ways, the figures for Phase 1 of FHAP are different either from the pre-FHAP or the Phase 2 figures, although there is a marked increase in Phase 2 in cases in which the complainant won both a monetary settlement and either the next or the contested unit.<sup>1</sup> The Phase 2 percentage is more than double that in the pre-FHAP period. Otherwise, the Phase 2 pattern is much like the pre-FHAP pattern. In general, the differences are not large, but they test as statistically significant. They show a decline in the percentage of cases resolved by an apology or an

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<sup>1</sup>The relief code data have been simplified for presentation in Table 5-11. There were many other codes and many combinations which do not appear in the table. The codes indicating that money, a unit, or both were won have been given priority here: cases have been coded into that category if that relief code appears, regardless of other codes that may also appear, e.g., "apology." Cases in the "Apology or Affirmative Action" category thus did not get either money or a unit. Awards of "next available unit" and "right to reapply" have been grouped under the "Next Unit" heading.

Table 5-11

## TYPE OF RELIEF GRANTED BY PROGRAM PHASE (PERCENTAGES)

<u>Type of Relief</u>	<u>Program Phase</u>		
	<u>Pre-FHAP</u> N = 225	<u>Phase 1</u> N = 267	<u>Phase 2</u> N = 130
Apology or Aff. Action	34.8%	23.9%	30.3%
Next Unit	10.4	16.3	10.1
Money Only	24.7	32.2	27.2
Contested Unit	27.0	25.3	25.3
Money and Unit	3.2	2.3	7.1
	100%	100%	100%

Source: Case Record Abstract Forms. Data are weighted to account for agency- and case-level sampling.

Chi-square = 18.402 with 8 degrees of freedom, statistically significant at the .05 level.

Base: All cases with some relief to complainant.

affirmative action agreement under FHAP,<sup>1</sup> and an increase in the percentage of cases in which money but not the unit was gained. Cases in which the contested unit was awarded stayed about the same, and cases in which the next unit or the right to reapply was won rose in Phase 1 but then fell to the pre-FHAP level again in Phase 2.

The case record data also help to assess the relative efficacy of predetermination versus conciliated settlements. Table 5-12 displays the distributions of types of relief obtained in each of the three program phases (pre-FHAP, Phase 1 and Phase 2) for complaints closed through predetermination settlements, conciliations, and hearings or court action.<sup>2</sup> (Although included in the table, so few cases are closed through public hearing or court action during the program that they do not support conclusions about their relative efficacy.) The overall result is that predetermination settlements and conciliations are effective in their own ways but that neither is clearly superior to the other. Each of these closing types has about the same percentage of cases resulting in an apology or affirmative action requirement. Predetermination settlements appear more likely in the pre-FHAP or Phase 1 periods to result in relief involving obtaining the contested unit or the next available one (47 percent of predetermination settlements versus 29 percent of conciliations pre-FHAP and 47 percent versus 17 percent in Phase 1). In the pre-FHAP period, conciliations were more likely to involve a money award in the relief granted (43 percent compared with 16 percent under

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<sup>1</sup>Relief coded by the agency as "apology" or "affirmative action agreement" are combined into one category in Table 5-10. It cannot be determined on the basis of agency data how often either of these relief types is substantive and how often it is merely pro forma. Some agencies tend to try for--and often get--affirmative action agreements with "teeth," e.g., requirements that a major landlord or developer submit application and rental records for several years on all his/her apartment complexes in the jurisdiction in question. Other agencies have a standard affirmative action agreement written into their standard settlement form; such "boilerplate" agreements often have neither monitoring provisions nor penalties attached to them. The range in meaning for the term "affirmative action agreement" should be kept in mind in reading this section; however, data are not sufficient to permit us to decide which agreements are substantive and which are not.

<sup>2</sup>Among the three types of resolutions most likely to yield a result favorable to complainants, the incidence of predetermination settlements clearly increased with FHAP. The predetermination percentages were 53 percent pre-FHAP, 74 percent in Phase 1, and 81 percent in Phase 2, the payment-per-complaint phase.

Table 5-12

TYPE OF RELIEF BY CLOSING TYPE AND PROGRAM PHASE

Type of Relief	PROGRAM PHASE									
	PRE-FHAP		PHASE 1		PHASE 2		PHASE 2			
	Pre-deter- mination Settlement	Hear- ing or Court	Concil- iation	Hear- ing or Court	Pre-deter- mination Settlement	Concil- iation	Hear- ing or Court	Pre-deter- mination Settlement	Concil- iation	Hear- ing or Court
None	N=150 12%	N=43 5%	N=90 9%	N=61 5%	N=203 7%	N=61 5%	N=9 10%	N=119 11%	N=23 20%	N=4 12%
Apology or Affirmative Action	24	78	20	18	23	18	0	26	28	0
Next Unit	12	0	10	4	20	4	0	10	3	0
Money	16	17	34	54	22	54	56	22	31	38
Contested Unit	35	0	19	13	27	13	0	25	12	0
Unit and Money	0	0	9	5	28	5	15	5	6	50
Total (within Rounding)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Case Record Abstract Forms. Data are weighted to account for agency and case-level sampling.

Overall Chi-square tests: Pre-FHAP: Chi square = 89.6, d.f. = 10, p <.001

Phase 1: Chi square = 131.4, d.f. = 10, p <.001

Phase 2: Chi square = 25, d.f. = 10, p <.005.

Chi-square tests on Pre-determination and Conciliation Settlements:

Pre-FHAP: Chi-square = 27.2, d.f. = 5, p <.001

Phase 1: Chi-square = 33.0, d.f. = 5, p <.001

Phase 2: Chi square = 6.2, d.f. = 5, not significant

Base: All cases closed through pre-determination settlement, conciliation, hearing or court action.

predetermination settlements); however, by Phase 1 predetermination settlements including a money award are 50 percent compared with 59 percent for conciliations. By Phase 2 there is no significant difference between the distributions of types of relief under predetermination settlements compared with conciliations.

A final figure to consider in describing case outcomes is the amount of monetary relief awarded complainants who won such relief. The mean and median figures are shown by program Phase in Table 5-13. As with duration figures, the median appears to be a more stable measure than the mean, and therefore, a better indicator of central tendency. Table 5-13 shows amounts of dollar awards at about the same level during the pre-FHAP and Phase 1 periods, then rising in Phase 2. Thus, if there is a program effect in this measure, it is to be sought in Phase 2.

In order to gain more perspective on the meaning of the patterns just described, we turn now to a multi-variate analysis of case resolutions.

#### Multivariate Analysis

The probability of obtaining relief for the complainant and the probability of obtaining each type of relief were examined in a series of regression equations, summarized in Table 5-14. The binary dependent variables used would indicate logit models. However, computing cost considerations led to using ordinary least squares regression models. For overall relief, where the overall proportion is around 0.35, the two types of models should give similar results. For some of the component forms of relief, however, where some proportions are in the range of 0.01 to 0.05 the results shown may be at some variance from those that logistic estimations would give.

Model 1 in Table 5-14 shows the result when the probability of obtaining relief is regressed on a number of independent variables, including agency dummies; respondent, issue, and basis variables; case duration variables; and variables which measure the extent to which each case fell into the FHAP Phase in which it closed. All the variables except those indicating duration have been described earlier in discussing the regression analysis of speed of case resolution. The seven duration variables in Table 5-14 are simply dummy variables which are coded "1" if the case closed within the time indicated, and are coded "0" otherwise; the category "91 days to 120 days" is excluded so the regression equation can be estimated.



Table 5-13

MEAN AND MEDIAN AMOUNTS OF MONETARY RELIEF BY PROGRAM PHASE

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<u>Program Phase</u>	<u>Weighted Mean</u>	<u>Median</u>
Pre-FHAP (N = 58)	\$530	\$388
Phase 1 (N = 82)	520	369
Phase 2 (N = 41)	982	500

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Source: Case Record Abstract Forms

Amounts are in 1983 constant dollars, adjusted by Consumer Price Index.

TABLE 5-14  
REGRESSION RESULTS: RESOLUTION ACHIEVED

Dependent Variable	MODEL 1	MODEL 2	MODEL 3	MODEL 4	MODEL 5	MODEL 6
	Prob. of Pro-CP Outcome	Prob. Relief Appl/AA	Prob. Relief Next U.	Prob. Relief Money	Prob. Relief Cont. U.	Prob. Relief Money/U.
Mean of Dependent Var.	.3746	.1021	.054	.0997	.1044	.0142
N	1694	1694	1694	1694	1694	1694
Intercept	.341**	.07	.026	.136**	.097*	.012
Adjusted R-Square	.070	.047	.04	.066	.09	.02
F Value	4.07***	4.35***	2.09***	4.33**	5.52***	1.90***
<b>INDEPENDENT VARIABLES</b>						
Agency Dummy Variables	F = 6.45***	F = 3.72***	F = 3.55***	F = 2.42***	F = 6.05***	F = 1.32
LOC 1	.161**	-.094**	.11***	-.002**	.194***	.034*
LOC 2	-.003	.003	.116***	-.009	-.035	.002
LOC 3	-.143	-.14*	-.029	-.012**	-.013	.051*
LOC 4	-.120*	-.135**	-.004	.042	-.069	.039*
LOC 5	.0175	.034	.014	.004**	-.041	.004
LOC 6	-.191**	-.035	-.026	-.050	-.076*	.003
LOC 7	.093	.075*	.041	.022	-.039	-.006
ST 1	-.144**	-.076**	-.004	-.054*	-.007	-.002
ST 2	.202***	.051*	.062**	-.0004	.069*	.02*
ST 3	-.019	-.040*	-.006	-.053**	.077**	.01
ST 4	.042	.000	.057*	-.003*	.047	.014
ST 5	.105*	.041	.071*	.034	-.01	.03
ST 6	-.007	-.066*	.029	.021	-.075*	.004
ST 7	-.016	.023	.017	.040	-.099*	-.005
TITLE VIII CASE	-.045	.006	.007	-.009	-.032	-.017*
SALES DUMMY	-.063	-.051	.006	-.054*	.051	-.015
TESTING	.202***	.126***	-.046*	.075	.011	.037***
Respondent Variables	F = 1.26	F = 0.91	F = 2.29*	F = 2.09*	F = 1.02	F = 0.20
LMA	-.00000	-.022	.059*	-.129*	.102*	-.01
BANK	-.106	.11	-.017	-.134	-.054	-.007
RENTAL AGENCY	-.0441	-.041	.0002	-.0906	-.014	.012
SUPERINTENDENT	-.005	-.004	.029*	-.034*	.005	-.001
BROKER, OTHER	-.107	-.013	-.027	-.026	-.04	-.0009
Basis Variables	F = .14	F = 3.07**	F = .03	F = 1.9	F = .20	F = 1.77
SEX ONLY	.02	.064**	-.000	-.044*	.014	-.000
NOT SEX OR RACE	.000	.032	.02	-.024	-.003	-.017*
Issue Variables	F = .59	F = 10.72***	F = 6.43***	F = 2.00	F = 12.16***	F = 2.71*
TERMS	-.05	.100***	-.042*	-.046	-.040*	-.022*
EVICTION	-.009	.023	-.066***	-.050*	.11***	-.019*
FINANCING, BROKER	-.015	.125***	-.053*	.006	-.105*	-.000
Duration Variables	F = 9.23**	F = 3.14**	F = 1.01*	F = 0.21***	F = 7.60***	F = 0.91
0 TO 30 DAYS	.160***	.046	.021	-.037	.137***	.001
31 TO 60 DAYS	.047	.019	-.007	-.017	.030	.014
61 TO 90 DAYS	.041	.025	-.005	-.023	.037	.007
121 DAYS-4 MONTHS	-.045	-.031	-.026	.01	-.010	.021*
6 MO.-1 YEAR	-.010	-.039	-.044*	.105**	-.042	.002
1 - 2 YEARS	.021	-.040	-.037	.140**	-.036*	.013
OVER 2 YEARS	.025	.062*	-.052*	.097	-.001*	-.0005
Program Variables	F = 7.00***	F = .34	F = 3.74*	F = 3.10*	F = .64	F = 4.55**
PHASE I	.112***	.011	.027**	.043**	.012	.000
PHASE II	.020	-.006	.013	.006	-.014	.020**

Bases: All cases except those closed for lack of jurisdiction, failure to proceed, or withdrawn with no settlement, accounting for 228 cases.  
Another 117 cases were excluded because data were missing for one or more variables.

Notes: \*Significant at the 0.10 level.

\*\*Significant at the 0.05 level.

\*\*\*Significant at the 0.01 level.

\*\*\*\*Significant at the 0.001 level.

The dependent variables in Models 2 through 6 in Table 5-14 are a mutually exclusive and exhaustive subset of categories which make up the dependent variable in Model 1. (Note that the coefficients on variables in Models 2 through 6 add to the coefficients in Model 1 for each variable, within margins of rounding error. This modeling permits us to examine the contribution of each type of relief to the overall measure of probability of obtaining relief at all.) The F value for all equations is statistically significant at the .01 level or better, though the explanatory power, as reflected in adjusted R-square, is not high in most models. The different sets of variables--respondent, issues, basis, etc.--were tested as groups as well as individually. The F values shown opposite the group headings in the table give the joint significance of the variables in each group.

Table 5-14 is complex and contains more information than can be scanned at a glance. Therefore, we will examine it in detail. The single most interesting figures are probably the coefficients on the two program-period variables; this is where a program effect on settlements will be visible, if there is one. In fact, a positive effect is present. The significant F value for Program Variables in Model 1 indicates that, when the effect of other factors is held constant, complainants were more likely to obtain relief under FHAP than previously. (The F-test indicates that the coefficients combined would be as low as zero by chance only once in a thousand times or less. There is thus a very high probability that this finding is not a chance result of sampling). The coefficients on the program variables are both positive, but only that for Phase 1 is significantly different from zero; This accords with the patterns found in the bivariate analysis presented in Table 5-11, in which the percentage of pro-complainant settlements rose in Phase 1, then dropped somewhat--but not to pre-FHAP levels--in Phase 2.

Phase 1 has a program effect of 11 percentage points, controlling for the other factors in the model such as agency, case type, and case duration. Of this increase, about four percentage points were due to increases in the probability of money-only settlements and about four percentage points were due to an increase in the probability of obtaining the next unit or the right to reapply.

Phase 2 generally shows no significant program effect. The most notable exception is in the likelihood of obtaining both money and a unit in a

settlement (Model 6). Here, the Phase 2 figure is significantly different from zero and is also larger than the (statistically non-significant) Phase 1 coefficient.

There are many other interesting findings in Table 5-14. The variable that measures whether an agency used testing (auditing) during its investigation of a complaint is positive on the overall probability of obtaining a pro-complaint settlement and significantly different from zero. This may be interpreted to mean that testing increases the probability of a pro-complainant outcome. However, the direction of causality is not necessarily clear: it may also indicate that a case which lends itself to testing is one which is more likely to be resolved in the complainant's favor. The nature of the information kept in typical case files did not facilitate such determinations of the underlying nature of a case. Curiously, the primary contribution to the overall effect of testing appears to be in cases with relief involving apologies or affirmative action or money award, perhaps because the evidence from a test forces some concession from the respondent but not necessarily a unit.

The respondent, issue, and basis variables in general have little explanatory power.<sup>1</sup> None of them is significant as a group in Model 1. Thus, we find that variations in respondent type, case issue, or case basis make little difference in the likelihood that a case will be resolved in a complainant's favor. Some of them are significant in Models 2 through 6, indicating that these factors can make a difference in the type of relief that is obtained. Some of these "findings" are almost matters of definition; they can be summarized as follows:

- The type of respondent involved is related to the probability of obtaining the next available unit or the right to reapply: if the respondent is an LHA or superintendent, the complainant is more likely to obtain this type of relief than if the respondent is an owner or builder, bank, or broker.
- The type of respondent is also related to the probability of obtaining a "money only" settlement. If the respondent is an LHA or superintendent, the

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<sup>1</sup>Indeed, a variable distinguishing cases appearing to be covered by Title VIII from other fair housing cases was insignificant across all models.

complainant is less likely to get this kind of settlement.

- Case basis is related to the probability of obtaining an apology or affirmative action agreement but no other relief: if the allegation is discrimination on the basis of sex (rather than race, largely), the complainant is more likely to get a settlement of this kind.
- Case issue is related to the probability of obtaining an apology or affirmative action agreement (but no unit or money): if the issue is "discrimination in terms or conditions of sale or rental" or "discrimination in financing or broker services," the chances of getting a settlement of this type is significantly higher than if the issue is "refusal to rent or sell" or "denial of access," all else equal.
- Issue is also related to the probability of obtaining the next available unit or the right to reapply: terms and conditions, financing and broker services, and eviction cases are all less likely to get a settlement of this type than are "refusal" or "denial of access" cases.
- Issue is also related to the probability of obtaining the contested unit: eviction cases are--not surprisingly--more likely to get the unit in question, while terms and conditions and financing or broker services cases are less likely to get this kind of relief.

The duration variables are statistically different from zero in all models, indicating that the time a case is open is related to its outcome. The signs on the coefficients in Model 1 are especially striking: the signs on all the shorter duration categories are positive, while those in the longer categories are all negative. This means that, all else equal, cases which close more quickly are more likely to be resolved in the complainant's favor (or, put another way, cases that are likely to be resolved in the complainant's favor are resolved more quickly. As in other examples in this section, the direction of causation is not clear and may run both ways.) The duration variables are also significant in Models 2 through 6. Cases which close more quickly are more likely to result in the complainant's obtaining a unit (Models 2, 5, and 6). Long-running cases are more likely to result in a money-only settlement--probably because the unit is no longer available (Model 4).

It is important to note that the probability that a case will be resolved in favor of the complainant is strongly affected by which particular FHAP agency handles the case, as the coefficients on the dummy agency variables indicate. Variation across agencies contributes significantly to the differences in case outcomes, as indicated by the large F value and by the significant coefficients for most of the agency dummy variables. Moreover, the variations are not consistently associated with whether the agency is a State or a local agency. Within either category the number of agencies with positive coefficients (more likely than the excluded, or reference, agency to obtain relief for complainant) is about the same as the number with negative coefficients (less likely to obtain relief for complainant). Taken with similar findings with respect to agency dummies in the multivariate analyses of case volume and speed of case resolution, this finding highlights the wide range in performance across the agencies which receive funding through the FHAP program.

The program may have simultaneous effects on a number of intermediate agency actions related to outcomes, such as trying to close cases more quickly. In order to examine the explicit program effect on complaint outcome more directly, the regressions reported in Table 5-14 were repeated, excluding the duration variables. The explanatory power of the equation dropped dramatically when the duration variables were omitted, but the program effect remained, including the concentration of pro-complaint impact in the coefficient on the Phase 1 case closings. (The full regression equation is shown in Table V-8, Appendix V.) These results remained essentially unchanged when the respondent, issue, and basis variables--none of which added much to the equation's power--were also dropped. (See Table V-9.)

#### Multivariate Analysis of Relief with Agency Characteristics

The forms chosen thus far for models of relief to the complainant have focused upon making the clearest estimates of program effects. For this reason, individual agency contributions have been represented by a full set of shift dummies.

As a final model of relief, a specification was chosen that sacrifices the clarity of the program effect by including a number of case and agency variables indicating agency characteristics or choices in case processing; that is, the program may well operate through affecting agency choices in case processing, so that controlling for these choices may reduce the apparent

program effect (independent of them). Although a sample of 15 agencies provides limited degrees of freedom for this purpose, some insights can be gained on those agency behaviors that are most influential on case outcomes. Another limitation is that some of these variables can only be evaluated for the most current year or at best for the current year and a pre-FHAP year.

The model included the following independent variables not already introduced:

HUD Case, indicating whether the case record showed that the case was referred from HUD (= 1, 0 otherwise); one might expect more attention to these cases because of perceived salience to HUD;

Experience of Investigator, indicating the number of years from the year the investigator began work in fair housing to the year the particular case was closed; one would expect greater experience to lead more often to relief;

Agency Experience, indicating the number of years from the year the agency began work in fair housing to the year of case closing; one would expect more experienced agencies to be more likely to achieve relief;

Fair Housing Specialists, indicating whether the agency indicated that it provided investigators specializing in fair housing cases (available only for the most recent year) = 1, 0 otherwise; specialization presumably improves the chances for relief;

Closed Cases per Investigator, indicates the average number of closed cases per investigator for the most recent year; one would expect higher workloads to lead to a lower incidence of relief;

Fair Housing Fraction, indicates the fraction of cases that are fair housing, available for each of three periods (pre-FHAP, Phase 1, and Phase 2); agencies with relatively more fair housing cases or with a relative increase might be more expert at obtaining favorable settlements for these cases;

Fair Housing Closings, indicates the number of fair housing case closings in the year a particular case closed (another rough measure of workload); while current closings are at best a crude measure, one might expect relatively larger numbers of cases to compete for attention, delay action, and lower the chances for obtaining relief;

Case Handling Strategy, indicates an overall assessment by the site visitors for the study of the agency's case handling strategy:

PDS emphasis (0,1)  
Findings emphasis (0,1)  
Mixed strategy is the excluded category

(FHAP and pre-FHAP measures available); arguments in both directions are made about this choice of strategy;

Agency Strata Dummies, indicate annual number of closed fair housing cases in the most recent year:

Large State Agency (100 to 200 closed cases annually)  
Small State Agency (fewer than 100 closed cases annually)  
Large Local Agency (40 to 200 closed cases annually)  
Small Local Agency (fewer than 40 closed cases annually)

Very Large agencies were the excluded category.

Table 5-15 presents the results for the model. Variables with significant coefficients in the expected direction were:

- Caseload per investigator--probability of obtaining relief for complainant declines 0.2 percentage points for each additional closed case per year;
- Agency experience--Older agencies do better on getting relief; agencies vary in chances of obtaining relief by about two percentage points per year of agency experience;

Having fair housing specialists appears to have a counter intuitive relationship to the likelihood of obtaining relief, by about 10 percentage points. (However, this variable is largely accounted for by the other independent variables; a regression of the fair housing specialist variable on all the others has an  $R^2$  of 0.72.) With the exception of large local agencies, each of the case volume/State/local agency categories indicated significantly higher likelihood of obtaining relief for complainants (by about 20 percentage points) than the reference category, the four very large agencies (one local and three state agencies). Finally, the coefficient for the fraction of case closings represented by housing cases indicates an inexplicably negative relationship to procomplainant resolutions although the magnitude is trivial--a change of 6/100ths of a percent over the entire range.



TABLE 5-15

MODEL OF PROCOMPLAINANT RESOLUTION, AGENCY VARIABLES INCLUDED  
MODEL

Dependent Variable	Prob. of Pro-CP Outcome
Mean of Dependent Variable	.347
N	993
Intercept	.039
Adjusted R-Square	.074
F Value	3.4000
<b>INDEPENDENT VARIABLES</b>	
<b>Agency Stratum Variables</b>	F = 2.40*
LARGE STATE	.125**
LARGE LOCAL	.037
SMALL STATE	.141*
SMALL LOCAL	.214*
<b>Agency Characteristics</b>	F = 3.92000
FAIR HOUSING FRANCHISE	-.0006*
CLOSED CASES/INVEST.	-.003**
POS EMPHASIS	.049
FINDINGS EMPHASIS	-.036
AGENCY CASE CLOSINGS	.0002
AGENCY EXPERIENCE	.017***
INVESTIGATOR EXPER.	.001
FAIR HOUSING SPECIALISTS	-.145**
HUD-REFERRED CASE	.043
SALES DUMMY	-.104
TESTING	.239***
TITLE VIII CASE	-.014
<b>Respondent Variables</b>	F = .01
LHA	-.085
BANK	-.082
RENTAL AGENCY	-.038
SUPERINTENDENT	.012
BROKER, OTHER	-.092
<b>Basis Variables</b>	F = 0.01
SEX ONLY	-.035
NOT SEX OR RACE	.043
<b>Issue Variables</b>	F = 1.68*
TERMS	-.023
EVICTION	.092*
FINANCING, BROKER	.05
<b>Duration Variables</b>	F = 2.83*
0 TO 30 DAYS	.139*
31 TO 60 DAYS	.045
61 TO 90 DAYS	.047
121 DAYS-6 MONTHS	-.071
6 MONTHS-1 YEAR	-.019
<b>Program Variables</b>	F = 2.40*
PHASE I	.042
PHASE II	-.047

Source: Case Record Abstracts, Agency Staff Interview

Note: All cases closed within one year except those closed for lack of jurisdiction, failure to proceed, or withdrawn with no resolution.

\*Significant at the 0.10 level.  
 \*\*Significant at the 0.05 level.  
 \*\*\*Significant at the 0.01 level.  
 \*\*\*\*Significant at the 0.001 level.

The other variables included in the model--the experience of investigators, the contemporary number of closings, and whether a case is referred from HUD--all were individually insignificant.

Although the combined effect of the program variables for Phase 1 and Phase 2 are significant at the 0.10 level, the individual variables for Phase 1 and Phase 2 are insignificant in this model. The earlier models, which carry only an agency shift dummy and leave changes in agency characteristics and choices as endogenous, do pick up a program effect, presumably through changes in influential agency characteristics. Absent a study of agencies that did not participate in FHAP, we have no means for testing the causality here, because we cannot ascertain whether agencies made some of these changes because of the program or whether they would have made the changes even in the absence of the program. But overall impressions gained from the study, as indicated by the discussions of agency changes and responses to the program in Chapter 3 and Chapter 4, suggest that it is plausible to attribute at least part of the change observed to FHAP.

#### Dollar Amount of Awards

Dollar amounts of awards were regressed on a series of independent variables, including the program variables used in the regressions on relief and type of relief. The explanatory power of the resulting equation was low--adjusted R-square = .06--and only three variables were significantly related to the dependent variable in the multivariate context. One of these was the Phase 2 variable; even with other differences controlled, this reinforces the observation in Table 5-13 that higher dollar amounts were awarded in cases closed in Phase 2. The program phase variables as a group also tested as significantly greater than zero ( $F = 3.45$  with 110 d.f.), largely because of the Phase 2 awards. The other two variables with significant coefficients were the sales dummy and a variable measuring cases closed per investigator--an indicator of staff workload. Sales cases were likely to obtain higher awards than cases of other types ( $p < .01$ ). Cases at agencies with higher

staff workloads received lower awards, all else equal, than cases at other agencies.<sup>1</sup> The full regression equation is shown in Table V-10 in Appendix V.

## 5.6 Summary

Ultimately, the goal of the Fair Housing Assistance Program is to increase the capacity of FHAP agencies to process fair housing complaints. Ideally, then, FHAP would increase the volume of cases handled by these agencies, improve the timeliness of resolutions, and increase the chances that those complainants who have been discriminated against receive relief. This chapter has addressed each of these dimensions individually and has provided some examination of whether trade-offs have occurred among them.

With respect to case volume, it was found that agencies are handling more cases than they were before FHAP began; about half of this increase is due to HUD referrals and about half to increase in the number of agency-originated cases. In the multivariate analysis presented in Section 5.3, however, no significant program effect was found; the lack of a significant program effect was somewhat puzzling, given the impact on overall case volume of HUD referrals of cases to agencies in conjunction with FHAP.

The analysis of speed of case resolution showed a strong program effect. It is clear that not only are there fewer cases closed after very long durations but that more of the closed cases are closed within 90 days than was true prior to FHAP. It might be argued that FHAP itself has had no impact on case duration, but rather that agencies may have cleared out their old cases prior to entering the program. Such a hypothesis is not supported by the data however. When the model included only cases closed within one year, the program effect was still present; this program effect was larger in the payment-per-complaint phase than in the capacity-building phase.

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<sup>1</sup>The "workload" variable could only be computed for the most recent fiscal year at each agency. There is thus only one value per agency--and it is clearly a more accurate value for recent cases than for earlier ones. Data did not permit the development of a more detailed measure of workload over the various years from which cases were sampled. Perhaps this measure can be thought of as a reflection of the number of cases that agencies tend to assign to investigators and is dominated by practices of agencies that have reached Phase II.

Not only do cases close more quickly under FHAP, but fewer cases are closed with no resolution. As a result, the proportions of cases resolved in favor of respondents and complainants both increase. In particular, the percentage of cases resolved in favor of complainants increased by 5 percentage points during the capacity-building phase, but fell halfway back almost to the pre-FHAP level during the payment-per-complaint phase. As noted in Section 5.5, however, the decline in pro-complainant resolutions in the payment-per-complaint phase does not appear to be due to incentives to close cases as quickly as possible to receive payment.

For those complainants receiving relief, the chance of receiving a concrete form of relief (as opposed to apologies or affirmative action agreements) increased. Again, the program effect was strongest in the capacity-building phase, although the monetary relief was higher in the payment-per-complaint phase for the relatively few cases where such relief was obtained. An interesting finding with respect to quality of relief was that predetermination settlements are apparently not inferior to settlements reached through conciliation in terms of relief granted to complainants.

In summary, then, the FHAP period has been associated with improvements along a number of complaint-processing dimensions simultaneously. There does not appear to be a tendency to trade off positive impacts along one dimension with negative impacts along another. Agencies are looking for ways to handle cases more quickly--e.g., more PDS settlements--but do not appear to be lowering the quality of case outcomes as a result. This does not rule out the possibility that a few agencies may be responding to FHAP incentives in a way that would hurt complainants--but if this is happening, it is not happening frequently enough to show up in the overall patterns found in the program. Agencies do not seem to be reducing quality in order to get more HUD money in the payment-per-complaint phase; indeed timeliness and quality of resolutions are both improved. In concluding, however, it is important to note that differences in agency outcomes were found for the capacity-building and payment-per-complaint phases of FHAP. Given the relatively short period of time for which the payment-per-complaint phase was in operation at the time of this study, it is important that further observations of program impact in this phase be carried out.

Finally, it is important to remember that the multivariate analyses of complaint outcomes indicated wide variations in the performance of FHAP agencies. While FHAP would clearly appear to have had a positive impact on complaint processing, it has not necessarily equalized the performance level across agencies.

D

## CHAPTER 6

### RECOMMENDATIONS

Evaluation findings suggest a number of steps which HUD might take in order to improve Fair Housing Assistance Program (FHAP) implementation and to enhance the processes of complaint referral and monitoring. Because the evaluation was intended to serve as a management tool for HUD officials, our recommendations only address activities which might be carried out by HUD; they are not concerned with steps which might be taken by agencies.

These recommendations are listed below with an indication of their origins in the main body of the report. Recommendations are closely related to one another. The thrust of Recommendations 1 through 6 is the need for further guidelines for FHAP implementation and for complaint referral and review. There is a need for greater consistency and standardization by HUD headquarters in order to promote consistency and standardization by the Regional Offices. Moreover, successful implementation requires effective information exchange between HUD and FHAP agencies (Recommendations 7 and 8). The development of guidelines from HUD Headquarters must recognize the specific powers of FHAP agencies (Recommendations 9 and 10). Finally, Recommendation 11 considers whether the current funding system is well-suited for meeting long-term program goals.

1. The implementation of the Fair Housing Assistance Program (FHAP) and of the complaint referral and review process should be better coordinated within HUD Headquarters.

Implementation of the FHAP program is lodged in the Division of Federal, State, and Local Programs, while responsibility for overall enforcement of Title VIII is lodged in the Division of Enforcement. Close coordination between these divisions is essential to ensure that HUD deals with substantially equivalent agencies in a consistent manner. In the past, differences in mission and perception between the two divisions have led to differences<sup>3</sup> of opinion on the most effective ways to implement FHAP and the complaint referral and review process and have led to inconsistent guidance from HUD Headquarters to Regional Offices and FHAP agencies. Clearer internal mechanisms for resolving such differences are needed. Better coordination would assure more adequate and consistent guidance to Regional Offices in

critical areas such as performance assessment and complaint monitoring procedures. (See Chapter 2.)

2. HUD should establish clearer guidelines for agency performance in complaint processing, both for initial and ongoing assessment of performance equivalence.

The standards for initial determination of "performance equivalence" of agencies require more explicit Headquarters specification. If agencies are to be given an initial period within which to meet HUD standards, this should be explicit. If agencies are to meet standards at the outset, these should be explicit.

With respect to initial determination of performance equivalence, there have been concerns that agencies were recognized as equivalent before they had developed a sufficient track record. In response to concerns about premature recognition of agencies HUD has established an "interim referral" status for a probationary period during which agency performance can be evaluated against established criteria and at the end of which a final determination of equivalence can be made. If "interim referral" is to function successfully, it is critical that the regulations associated with it, the standards which agencies must meet to achieve equivalence, and the criteria by which these standards are judged must be clearly specified. In particular, HUD and the agency need to agree on progress which the agency should make in attracting and processing fair housing complaints within a specified time after "interim referral" status is granted. Establishing such criteria would also facilitate the ongoing reviews of performance assessment of the agencies by HUD and would improve on the present system that identifies types of data to collect but does not identify what criteria to apply to the information collected. Areas in which explicit criteria are needed include: volume of fair housing complaints handled by the agency, timeliness of investigation and resolution of cases, and adequacy of relief granted. Both Regional Offices and FHAP agencies would benefit from guidelines that provided more explicit performance criteria. Also, HUD Headquarters could give Regional Offices latitude in developing and applying performance standards in areas where national standardization is not deemed critical. If such areas exist, HUD Headquarters should clearly specify them. (See Chapter 2.)



3. HUD should develop a policy to ensure that complainants have access to Federal judicial remedies if agency remedies are not equivalent to Title VIII.

Whether or not a finding of substantial equivalence implies equivalence of judicial remedies has been a source of some confusion. In the Denny decision by the U.S. Court of Appeals in Colorado, the court ruled that, because HUD had ruled the Colorado Fair Housing Act as "substantially equivalent" the complainant had no recourse to Federal court under Section 810(d), the State court remedies being regarded as substantially equivalent. However, regulations on substantial equivalence published in August 1984 state that "a grant of recognition is not a determination that the judicial protection and enforcement of the rights embodied in a State or local fair housing act are substantially equivalent to those found in the [Federal] Act. Therefore, HUD should also develop procedures to ensure that complainants are aware of Federal as well as State and local remedies and that they have access to Federal remedies in cases where these are stronger than State and local remedies. (See Chapter 2.)

4. HUD should ensure that the negotiation of the Memorandum of Understanding leads to a document which clearly lays out the responsibilities of both HUD and the FHAP agency.

The Memorandum of Understanding sets out the terms of interaction between HUD and the FHAP agency. Because agencies vary in their coverage and powers, HUD should make more efforts to negotiate a Memorandum of Understanding that reflects the specific circumstances of each agency. The Memorandum of Understanding also should reflect agreements regarding the type of information to be exchanged between HUD and the agencies, the timing of information transfers, and definitions relevant for the complaint referral and review process (see Recommendation 6). The MOU should be more explicit about the framework for joint processing of those cases in which participation by both HUD and the FHAP agency is appropriate. These steps will ensure that the MOU is a working document rather than simply a paper agreement. (See Chapter 2.)

5. HUD should develop consistent definitions regarding what constitutes a complaint and when a complaint is closed in order to alleviate Regional differences in payment arrangements on closed cases.

Differences now exist on how Regional Offices define a "case" (level of documentation required, whether within its jurisdiction), "closing" (whether a case proceeding beyond the point of failed conciliation should be considered closed for payment purposes), and whether complaints filed at agency initiative (director's complaints) qualify for payment. Agencies would benefit from clarifications in case and case status definitions. In particular, some of the problems have arisen under the payment-per-complaint system and have become time consuming both to agency staff and HUD staff in resolving differences of opinion on when payment is authorized.

The primary areas needing clarification are:

Case definition. Different agencies require different levels of documentation before a case can be officially docketed. The extent to which cases are screened prior to docketing can affect both case volume and the distribution of closing types. HUD needs to take account of these differences in evaluating agency performance. In addition, HUD needs to state how it defines a case, i.e., it must specify the type of documentation an agency must obtain for a case if it is to be a candidate for payment at the time it is closed.

It should also be noted that HUD may require less documentation than an agency to docket a case. For example, HUD does not require notarization and may refer an unnotarized complaint to an agency. If the agency requires that complaints be notarized, it may not docket the case until much later or not at all. In evaluating how agencies handle referred complaints, HUD must recognize differences in HUD and agency definitions of what constitutes a complaint.

Closing definition. Because HUD closure would be declared when a case has completed the conciliation process, some Regions use a similar rule for purposes of declaring a case closed for payment and, sometimes, for purposes of monitoring. Other Regions track and do not authorize payment until the case has been closed under agency rules, which may involve a substantial delay pending completion of a public hearing, for example.

Closing codes. More consistent interpretation of results reported to HUD and more consistent criteria for payment on closed complaints would be facilitated by developing better definitions for such categories as "administrative closure," "complaint withdrawn," and "lack of jurisdiction." HUD also needs to promulgate a clear rule about whether such types of closings qualify for payment.

Agency-initiated complaints. Some Regions currently recognize such complaints (sometimes called "director's complaints"), especially for systemic enforcement purposes, as legitimate candidates for payment during the payment-per-complaint phase of FHAP, even though there is theoretically no limit on the number of such complaints that an agency could file. Other Regions regard these complaints as clearly outside the statutory provisions of Title VIII and therefore not eligible for payment. A consistent policy should be developed. (See Chapter 2.)

6. HUD training to FHAP agencies should reflect the growing sophistication of FHAP agencies.

Agencies indicated a need for continuing training support beyond the capacity building phase of FHAP because a single training session does not deal with the need to train new staff or to address emerging issues in the fair housing area or in HUD-agency relationships. HUD has now extended training for FHAP agencies beyond the capacity building phase. In turn, HUD training programs should reflect the growing sophistication of FHAP agencies. Topics which might receive greater coverage in the future include the development and processing of systemic cases and the utilization of the new SEALS component of CCRS. Training should also be designed to better share information across agencies on successful practices or tools developed through Type II projects. Finally, HUD should consider the use of joint case-processing as a training technique.

Because the topics which must be covered in training sessions include areas related to both FHAP itself and to complaint referral and monitoring, close coordination is needed in planning the content of training at Headquarters and in the field between staff responsible for these two components. The long-term development of more sophisticated and effective enforcement and outreach programs further underscores the need for coordination between HUD Headquarters and the Regional Offices in developing training programs. Currently there is too much decentralization in the development of training agenda to facilitate effective utilization of lessons learned from previous HUD and agency experience with Type I, Type II, and training. (See Chapter 2.)

7. HUD should provide FHAP agencies with more complete information about fair housing complaints at the time that complaints are referred to the agencies; similarly, agencies should provide HUD with more complete information about cases when they dual-file with HUD.

For cases filed originally with HUD and referred to FHAP agencies, a number of improvements in practice would aid the agencies in determining whether they have jurisdiction and in proceeding more promptly with investigation. All facts about the case available to HUD should also be passed along to the agencies. In particular, all available information on how to locate the complainant(s) and respondent(s) should routinely be passed along to the agencies. The standard complaint intake form (HUD 903) does not currently provide for such types of information.

For cases that are filed with the agencies and then dual-filed with HUD, more information is needed that would enable HUD Regional Offices to identify the systemic enforcement potential of the complaint. At present no mechanism exists to identify such potential either on the standard complaint form or in the reporting arrangements on complaints in progress, should agency investigation identify such potential. Agencies may feel they have a disincentive to identify systemic cases and turn them over to HUD because they will not receive payment. Therefore, HUD might consider a payment for "partial processing" in such cases. (See Chapter 2.)

8. HUD should provide agencies with more frequent and more accurate reports on the status of agency cases which appear in HUD files.

Regional Office and Headquarters management information staff should provide regular (bi-weekly or monthly) updates to Regional Offices and feedback to Regions on case status for each agency. The same reports then can be used to provide regular feedback to agencies on case status, to enable agencies to correct mistaken entries, and to provide a basis for agency reports back to HUD on their dual-filed cases. The new SEALS data system is expected to improve HUD-agency information transfer. HUD and agency staff should work closely together to ensure that the new SEALS system is used effectively by both HUD and the agencies in tracking complaint progress. (See Chapter 2.)

9. HUD should encourage more frequent use of testing by FHAP agencies because testing is one of the most effective means of detecting the presence of discrimination.

In situations where a complainant believes that s/he has suffered discrimination while attempting to rent or purchase a unit, agencies can try to document discrimination by having a "tester" also inquire about the unit from the same realtor or landlord. The tester has approximately the same demographic characteristics as the complainant but differs according to the alleged basis of discrimination (e.g., race, sex, ethnic origin). If the tester is able to secure the same or a similar unit, the agency can use the information on difference of treatment as part of its attempt to resolve cases.

During the three years prior to FHAP, testing was used by nine agencies (six State and three local organizations) in 8.3 percent of all closed cases. Usually, testing was carried out by agency staff, but sometimes local fair housing groups conducted the audits. Testing was used more widely during the period after FHAP began, possibly because the Havens Supreme Court decision in 1982 gave standing to complaints filed by testers or because of the demonstration program HUD sponsored on work with private fair housing groups in testing. According to the study sample of case records, 11.3 percent of all closed cases included testing, and all but one agency had utilized the technique. (See Chapter 4 and Appendix III-C for the above.)

The use of testing by an agency during its investigation of a complaint is associated with an increase of twenty percentage points in the overall probability of obtaining a pro-complaint resolution. This could be interpreted to mean that testing significantly increases the probability of a pro-complainant outcome, although it is also possible that a case which lends itself to testing is one which is more likely to be resolved in the complainant's favor. Testing appears to have the strongest effect in cases with relief involving apologies or affirmative action or money award, perhaps because the evidence from a test forces some concession from the respondent but not necessarily a unit. (See Chapter 5.)

10. In assessing FHAP agency complaint processing methods HUD should recognize the powers under which these agencies operate and the implications of these powers for the most effective means of handling complaints.

The State/local agencies in FHAP typically have broader coverage and powers than Title VIII. The differences in powers, particularly, appear to influence agency case processing strategy although agencies differ greatly in their approaches. The major change in case processing between the pre-FHAP period and the FHAP program period was the increased reliance on predetermination settlement, as a means of closing complaints prior to formal finding of cause. (See Chapter 4.)

HUD should recognize the circumstances which lead agencies to use a predetermination settlement strategy. The standards of evidence used by the agencies in their determinations of probable cause or no probable cause reflect the fact that a failed conciliation is not the end of the process for most agencies. An appeal to a hearing or to a State court will result in overturning of agency rulings if the standards of evidence required at these subsequent stages have not been met. Thus a probable cause finding has very different implications for agencies than does the "determination to resolve" made by HUD on its cases. HUD findings are to result in conciliated resolutions; in the event that conciliation fails, HUD cannot take individual cases further (although HUD may refer systemic cases to Justice). The implication is that criteria for assessing performance--such as the fraction of complaints for which a finding is made (or for which a resolution is attempted through conciliation, as opposed to a pre-determination resolution)--may not be appropriate for the agency setting, particularly since the evaluation found that predetermination resolutions and resolutions reached through conciliation did not tend to differ in quality. More appropriate criteria might include the nature of information which the agency requires about a complaint in order to proceed with it, and the timeliness and appropriateness of the resolution of the complaint. (See Chapter 2.)

11. HUD should consider alternative funding arrangements to the \$500 per closed complaint payment which is now used after the first two years of FHAP participation.

If HUD wishes to encourage increases in complaint volume, wishes agencies to be open to receiving a larger number of HUD referrals and wishes to encourage a broad range of fair housing activities, the payment-per-complaint phase of the program may be too limited. The evaluation found that agency costs in processing complaints were considerably higher than the \$500 per closed complaint which they receive from HUD. While HUD payments do not cover the full cost of processing a complaint, the HUD payments do effectively lower the cost of each complaint processed by the agency so that the agency can handle a larger number of complaints for a fixed budget. For many agencies, the payment thus provides the ability to expand their caseload (and/or to support a range of other fair housing activities). However, under a payment-per-complaint system where the payment is less than the cost of processing a complaint, there is a limit to the extent to which agencies can expand their caseloads before there is a need to supplement their budget with additional funds provided at the State or local level. In fact, some agencies whose caseload is greatly increased by HUD referrals after entering the FHAP program may find that they need a greater State or local budget to handle their caseload even if they do not generate more complaints at the local level. Such agencies may question the wisdom of continued participation in the FHAP program. Moreover, the payment-per-complaint funding system leads to uncertainty on the part of the agency concerning the total funding it will receive from year to year and makes it difficult to plan the level of fair housing activities to be carried out.

A funding method different from the current payment-per-complaint system could increase the incentives for agencies to conduct outreach to increase their caseloads and also to support a broad range of other fair housing activities. HUD might use a mixed funding strategy, for example. In such a strategy, agencies might receive a base level of funding which could be used to support complaint processing or other fair housing activities. Then, once some threshold in volume of complaints had been reached, HUD might supply additional funding on a payment-per-complaint basis; the level of payment per complaint should be set at a high enough level that it would encourage

agencies to perform the outreach needed to increase complaint volume. (See Chapter 3.)

In concluding, we note that through the Fair Housing Assistance Program HUD has been able to establish an effective program for the screening and support of agencies carrying out the fair housing enforcement activities mandated by Title VIII of the Civil Rights Act of 1968. The Fair Housing Assistance Program enables HUD to carry out its statutory requirement to refer cases to substantially equivalent agencies, and referred cases are receiving increased attention as reflected both in agency staffing, programs, and case handling. Moreover, the program, by encouraging the dual-filing with HUD of the much larger number of cases that are originally filed with the agencies, provides a mechanism for a Federal review of these cases. Most importantly, since the start of the FHAP program, FHAP agencies have achieved better complaint outcomes; they have handled a higher volume of complaints in a more timely fashion and have provided more concrete relief to successful complainants. Despite these program successes, problems in FHAP implementation raise questions about whether FHAP effectiveness can be sustained. Implementation of the recommendations outlined in this chapter will help to ensure that these program benefits are not short-lived and that the program achieves long-term viability.



## APPENDIX I

### AN ANNOTATED BIBLIOGRAPHY OF BACKGROUND LITERATURE

Center for National Policy Review, State Agencies and their Role in Federal Civil Rights Enforcement. Catholic University School of Law, Washington, D.C. 20064, 1977.

This report is an analysis of what happens when agencies of the Federal government charged with the duty of enforcing civil rights laws have deferred their own actions until State agencies have had an opportunity to resolve the controversy.

The interchange of civil rights complaints between Federal and State agencies is complex. Problems abound, with State agencies claiming they do not understand what criteria Federal agencies apply to State agency work and Federal agencies claiming that State agencies are not doing what they should. Differences in Federal and State law and procedure result in conflict: An artificial and largely negative attitude has developed that a civil rights complaint is either a Federal or a State concern, but not a concern of both. What is often lost is an active concern for, and accountability to, the individual who has suffered discrimination.

It is concluded that the process of civil rights deferral is not working properly. Federal agencies have created deferral mechanisms which evidence an increasing abdication of Federal civil rights responsibility. Among the changes suggested are: (1) rigorous standards for selecting State units to which Federal agencies will defer; (2) a process by which Federal units may rely on the appropriately chosen agencies to process complaints; (3) a clarification of the working relationship between Federal and State agencies as to the application of Federal or State law; (4) unification of the standards used in investigation; (5) provision of a greater amount of Federal financial assistance for State civil rights efforts; and (6) development of technical support programs to help boost the quality and quantity of State agency investigations and resolutions.

Franklin J. James, Betty L. McCummings, Eileen A. Tynan, Discrimination, Segregation and Minority Housing Conditions in Sunbelt Cities: A Study of Denver, Houston, and Phoenix. Center for Public-Private Cooperation, Graduate School of Public Affairs, University of Colorado, March 1983 (draft). Prepared for the Colorado Civil Rights Division, with support of the U.S. Department of Housing and Urban Development, the Office of the Assistant Secretary for Fair Housing, the Division of Federal, State, and Local Programs under the Fair Housing Assistance Program.

This research report documents the continuing effects of discrimination and segregation on the housing and neighborhood opportunities of Blacks and Hispanics in the Sunbelt, and assesses the current state of selected fair housing efforts.

The report examines the patterns of neighborhood segregation in three metropolitan areas; it measures housing and neighborhood conditions for Blacks and Hispanics in order to ascertain the degree to which discrimination per se has limited housing and neighborhood opportunities; it presents the results of new audits of discrimination experienced by Blacks and Hispanics in the rental or purchase of housing in Denver; it describes and evaluates fair housing efforts in the three communities; and it identifies opportunities for new fair housing actions which could make a difference. The report suggests that discrimination against Hispanics is as great as that directed against Blacks. Yet Hispanics are much less likely to initiate housing complaints.

Ketron, Inc., with the Women's Law Project, An Examination of State Laws Prohibiting Sex and Marital Status Discrimination in Housing and Home Finance. Prepared for the Office of Policy Development and Research, Washington, D.C., May 1977.

The report summarizes the results of an intensive study of State laws prohibiting housing discrimination based on sex or marital status in eleven States. The enforcement effort in these States was seen as instructive for Federal enforcement efforts; most of the eleven States were declared as equivalent agencies under Title VIII and some were processing Title VIII complaints referred by HUD.

The study involved an extensive review of all sex and marital status housing complaints closed by agencies in the eleven States between January 1975 and June 1976.

The purpose of the study was to determine the extent to which State statutes and enforcement procedures ensure that all victims of sex and marital status discrimination obtain just relief for their injuries, and, if denied, why the relief should be denied.

The study concluded that resources of State agencies were not fairly distributed for purposes of prohibiting sex discrimination, and that funds should be allocated to enable agencies to publicize laws and the kinds of relief available. Training and handbooks on investigation techniques should be made available. Remedies provided were inadequate, and greater efforts should be made to award the complainant the full amount of damages incurred. A number of other administrative steps were suggested.

National Committee Against Discrimination in Housing, Nationwide Directory of Fair Housing Enforcement Agencies, prepared for the U.S. Commission on Civil Rights, Washington, D.C., June 1983 (draft).

This survey compiles basic facts about over 90 State and local fair housing laws. All of the laws examined prohibit discrimination for the same protected classes as the Civil Rights Act of 1968 and many go beyond. Most laws ban the same discriminatory housing practices as the Federal law, include the general language "otherwise make unavailable or deny a dwelling to any person" because of a protected characteristic, and often contain other specific proscriptions. In the area of exemptions, some State and local laws provide broader exemptions than the Federal law (which exempts religious organizations, private clubs, rooms or units and single-family houses sold or rented by an owner under certain conditions), including dormitories, retirement communities, and adults-only communities, while some have narrower exemptions. Under enforcement powers, agencies tend to have broader powers than under the Federal law, including, sometimes, the power to file complaints by the agency itself, seek temporary injunctive relief, conduct hearings, award damages; some provide for State judicial remedies.

Ronald E. Wienk, Clifford E. Reid, John C. Simonson, Frederick J. Eggers, Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey. Division of Evaluation, Office of Policy Development and Research. U.S. Department of Housing and Urban Development, Washington, D.C. 20410, April 1979.

The study had two major objectives: (1) To measure the nature and extent of discrimination against blacks in American housing markets; (2) to determine what factors, including the enforcement of housing civil rights legislation, influence the observed discrimination against blacks. The report analyzes data collected in 1977 when approximately 300 whites and blacks, in matched pairs, shopped for housing advertised in metropolitan newspapers within 40 metropolitan newspapers.

The data for the study were collected under contract by the National Committee Against Discrimination in Housing NCDH, and analyzed by staff from the U.S. Department of Housing and Urban Development.

The study provides evidence that blacks are systematically treated less favorably with regard to housing availability. Discrimination in the rental market was 27 percent and in the sales market 15 percent. The effect on housing searches may be cumulative. For example, if 27 percent of rental agents discriminate, then a black who visits four rental agents can expect to encounter at least one instance of discrimination 72 percent of the time.

The procedure used is known as an audit, in which a white individual and a black individual successively visit a given real estate or rental agency in search of housing. Two individuals of the same sex are matched as closely as possible in terms of age, general appearance, income, and family size, in every relevant way except skin color. The two individuals request identical housing and record their respective experiences. Measurements were made of housing availability, courtesy, terms and conditions, and information requested and volunteered, for both sale and rental housing.

U.S. Department of Housing and Urban Development, Enforcing the Fair Housing Law: An Evaluation of the Title VIII Process in Region IX. Paper prepared by Region IX Program Planning & Evaluation, March 1978.

This report is the result of an evaluation of the operations and potential of Title VIII of the Civil Rights Act of 1968 as administered by HUD in Region IX (California, Arizona, Nevada, and Hawaii).

The evaluation used a methodology that incorporated the organizational structure of the Regional Office of FH&EO, documentation and interviews with HUD personnel, the costs of processing Title VIII complaints, and a computer-assisted analysis of all complaints processed in FY 1976. To assess the potential impact of the Title VIII process, interviews were conducted with complainants, respondents, conciliators, lawyers, and others involved with Title VIII.

The findings suggest that HUD's Title VIII process is ineffective in achieving the reduction of discriminatory housing practices. HUD spent \$430,000 in FY '76 to support Title VIII in Region IX. For this expenditure, 1,117 cases were processed, 117 resulting in "affirmative action" agreements only, 26 resulting in monetary settlement, and one resulting in housing relief. Monetary awards totaled \$18,387, as a result of an expenditure of \$430,000. The process is further weakened by HUD's questionable role as "mediator" when in fact HUD acts like--and is perceived as--an advocate for the complainant.

If discrimination is against the law, then by definition, discrimination is a legal issue. Yet the process established to deal with the issue is non-legal, non-binding, non-punitive. At the core of the issue is a slow, cumbersome, voluntary "conciliation" process which HUD has inadequate powers to enforce. In order to combat discrimination effectively, something both stronger and faster is needed. One of the recommendation alternatives was to delegate complaint processing to those with enforcement powers.

U.S. Department of Housing and Urban Development. The Fair Housing Enforcement Demonstration. A Report on a demonstration of a cooperative relationship between HUD and local fair housing groups, involving the use of testing. Office of Policy Development and Research, Washington, D.C., 20410, August 1983.

The purpose of this study was to determine if a formal relationship between the Department of Housing and Urban Development and local private fair housing groups could make the enforcement of fair housing laws more effective. The study led to the funding of nine locally based fair housing groups in nine States in 1980 and 1981.

The study concluded that testing can be a highly productive device for identifying and developing hard evidence concerning the more blatant and pervasive forms of unlawful discrimination. The study suggested that a modest investment of monies in local fair housing groups generated an extraordinary amount of activity... the multiplier effect was substantial. The workability, applicability, and practical effectiveness of a cooperative relationship between HUD and local groups was clearly demonstrated.

United States Commission on Civil Rights, The Federal Fair Housing Enforcement Effort, Washington, D.C.: U.S. Government Printing Office, March 1979.

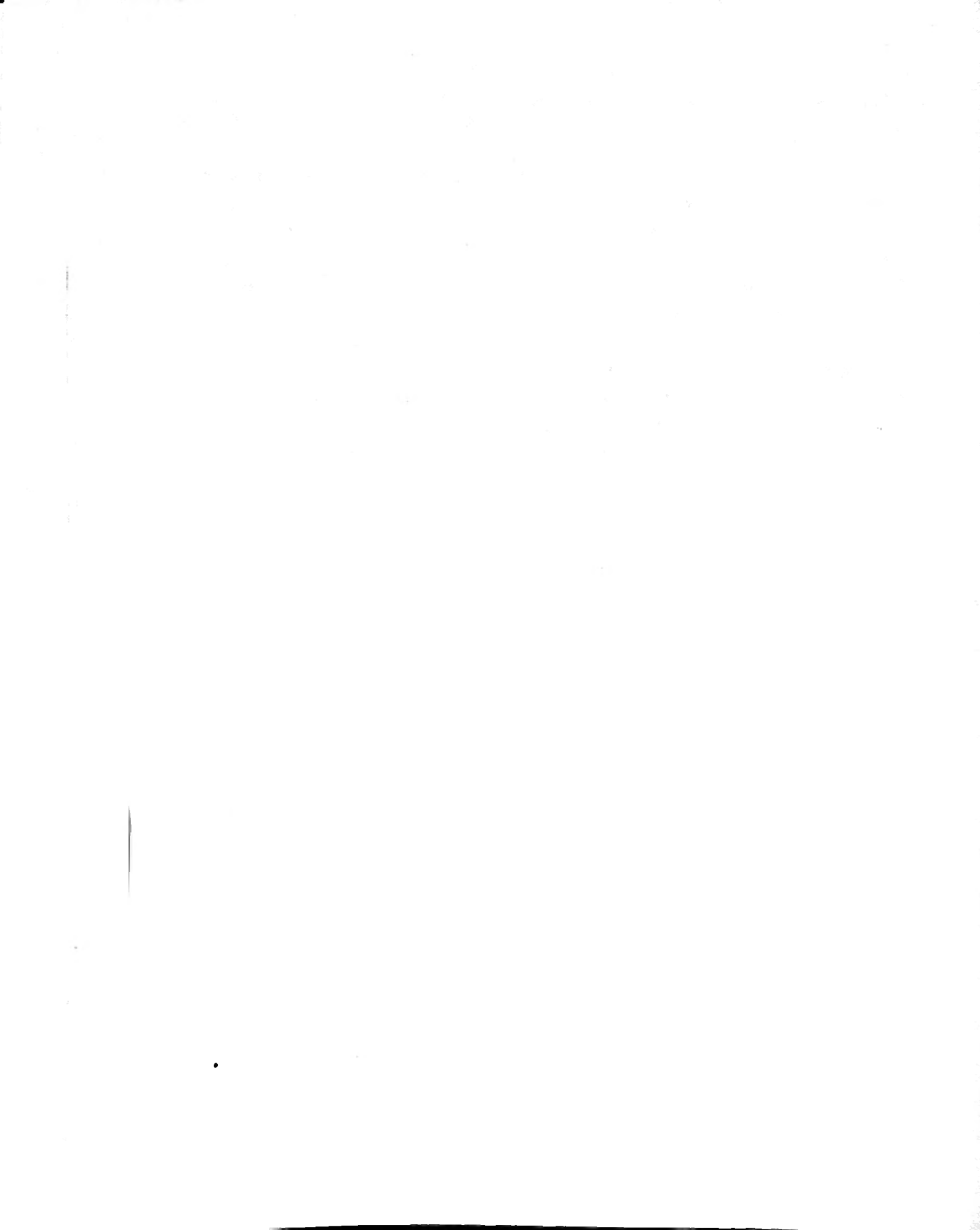
This report was critical of the powers provided HUD under Title VIII and noted that a possible advantage of referral to State/local agencies would be their stronger enforcement powers. State agencies were noted to "have been more successful than HUD in achieving successful conciliations... [but that] the process of referring complaints more frequently to State agencies only added to the lengthy time it took the Department to make final determinations on complaints" (p. 33).

The report recommended that stronger powers for enforcement be added to Title VIII and that larger budgets be provided for HUD for Title VIII enforcement.



United States Commission on Civil Rights, Federal Civil Rights Commitments:  
An Assessment of Enforcement Resources and Performance, Clearinghouse Publica-  
tion 82, November 1983.

The portion of this report addressed to HUD and Title VIII enforce-  
ment was based primarily upon a review of HUD budget documents and of data  
available on numbers of housing cases. The report criticizes budget levels as  
inadequate to the mission and notes that staff levels have been decreasing  
(although the Assistant Secretary for Fair Housing and Equal Opportunity notes  
that other parts of HUD have suffered even greater declines). The report is  
critical of the small number of staff administering the Fair Housing Assist-  
ance Program in Washington and of the lack of budget proposals for further  
training of regional staff. Backlogs in complaints and delays in closing  
complaints are noted; the report indicates that about half of FY82 cases were  
dual-filed with FHAP agencies and two-thirds of the backlogged cases were FHAP  
agency cases.



## APPENDIX II

### AGENCY CHARACTERISTICS AND SAMPLING PLAN

This evaluation selected for study 15 out of the 61 state and local civil rights enforcement agencies receiving funding under the HUD Fair Housing Assistance Program as of the fall of 1982. At the selected agencies, interviews were conducted to gather information on agency operations in processing fair housing complaints. Also, case record samples of closed complaints were drawn for cases processed before the program and during the program, to provide a basis for analysis of program impact on complaint outcomes. Case-record samples were drawn so as to provide estimates about complaint outcomes across different types of agencies and over time. Eight HUD Regional Offices responsible for monitoring the selected agencies were visited (out of the ten HUD regions) and interviews conducted with staff responsible for HUD's actions in establishing the program, in monitoring, and in recalling or reactivating cases deemed more appropriate for HUD to handle. At four of the Regional Offices, a random sample of cases processed by HUD was collected for periods before and after the start of FHAP; these cases are the basis for the analysis of HUD processing of fair housing complaints reported separately.

The sampling plan thus called for four samples: a stratified sample of FHAP agencies; a sample of HUD Regional Offices consisting of the offices associated with the FHAP agencies selected; a stratified sample of closed complaint case records at the selected FHAP agencies; and a stratified sample of closed complaint case records for HUD-processed cases at the corresponding HUD Regional Offices. For the complaint samples, then, the sampling process is two-stage, with agencies as the primary sampling unit for agency-processed complaints and with HUD Regional Offices as a purposive primary sampling unit for HUD-processed cases. The agency-provided case-record sample was stratified according to whether the complaint was closed before the agency entered the program and, for complaints closed during the program, according to the payment phase during which the complaint was closed (Phase 1 is the two-year initial funding period in which HUD provides flat grants for capacity building and Phase 2 is the subsequent funding arrangement under which agencies are paid a flat amount per closed complaint). The sample for HUD-

processed cases was stratified on whether complaints were closed before or after the beginning of FHAP.

This appendix summarizes considerations in the selection of FHAP agencies (Section II.1), and in the selection of complaint case records at the selected agencies (Section II.2).

## II.1 AGENCY SELECTION

The sample of agencies selected had to serve several evaluation objectives:

- identifying set of agencies from which FHAP agency behavior now and in the future (especially with regard to approaches to fair housing complaints) can be generalized;
- providing a first stage in a two-stage sampling process for gathering data on complaint outcomes in the program; and
- identifying a useful spread of Regional Offices for gathering information on the HUD role in the program, including sampling of HUD-processed cases.

### Selection Factors

HUD specifically identified the following evaluation concerns to be considered in selecting agencies for detailed data collection through site visits:

- national generalizations about program management and performance;
- differences in performance of state versus local agencies in the program;
- the volume of complaints (that is, larger versus smaller agencies);
- experience in handling fair housing complaints (including both experience in complaint processing and experience in FHAP);
- differences in management and performance across HUD Regions.

The phase of the program of most concern is the payment-per-complaint phase, because this is the ongoing version of the program. However, HUD is also interested in the experience of agencies just entering the program and still operating under flat-grant capacity-building funding. Each of these concerns

deserves some comment as it bears on selection strategies, particularly the choice of strata for a stratified random sample.

Generalization in this evaluation takes two forms. The first is national generalization about program management and performance of agencies. This part of the evaluation depends primarily upon a careful process analysis of the operation of the program at HUD Central, the Regional Offices, and the agencies themselves. This form of generalization does not call for strict statistical inference to the universe of FHAP agencies--the evidence available often will not be quantitative nor lend itself to being made quantitative. Indeed, with a sample of 15 agencies out of a universe of 61, statistical precision is limited even for quantifiable variables as measured at a probability sample of agencies. (For example, the half-width of a 90 percent confidence interval on an estimated outcome proportion of 0.5 is 0.19, including the finite population correction. The confidence interval is from 0.31 to 0.69.)

The second form of generalization involves complaint outcomes. These are assessed not in absolute terms but in terms of variation that is associated with differences in agency context variables and in agency practices. Descriptions of complaint characteristics should be generalizable to the national program. For this second form of generalization, agencies are the first stage in a two-stage cluster sample, as discussed later in this appendix.

The mix of state and local agencies is important both for the overall sample and for the variation within HUD Regions. Local agencies are likely to differ from statewide agencies in a number of respects and should be included in the study sample even if their complaint volume does not rival that of the state agencies. Within HUD Regions, the mix of state and local agencies has important administrative implications. Monitoring activities are likely to be multiplied in situations in which a state has both a statewide agency and one or more local FHAP agencies. In these situations, HUD may also face an ambiguous decision on referrals of complaints originating in an area covered by both a local FHAP agency and the statewide agency, unless clear jurisdictions have been negotiated or specified in the relevant legislation and ordinances or in Memoranda of Understanding.

As of January 1983, 61 state and local agencies had been declared substantially equivalent by HUD and had signed contracts to receive at least one award of Type I and/or Type II funds. Twenty-six agencies had statewide jurisdictions, while 35 had local service areas. As Table II-1 and Figure II-1 illustrate, the FHAP agencies were concentrated at that time in the HUD Regions on the East Coast and in the Midwest, while Regions VI in the Southwest and VIII in the Rocky Mountain states have only one FHAP agency each. In the Deep South (Region IV), only one state was fully covered, although eight local FHAP agencies were also in place. The largest numbers of local FHAP agencies were in Regions III, IV, and V.<sup>1</sup>

In order to inform the sampling procedures for the study, some background data were gathered about each of the 61 FHAP agencies from the HUD Regional Offices. Background data categories included caseload size; fair housing cases as percentage of total caseload; agency budget, including FHAP funds; year agency began fair housing enforcement; and year agency began FHAP participation. The information presented in Table II-2 was drawn from that brief survey conducted in January 1983.

Complaint volume is an important factor in agency selection, both because the ongoing program budget will be tied to complaint volume and because higher-volume agencies also have more extensive complaint processing experience.

Annual fair housing complain volume per agency tended to be low; almost half the agencies closed fewer than 20 cases during the year prior to the survey. This group included almost two-thirds of the local agencies. However, almost one-third of the state agencies closed more than 100 cases, with one processing more than 500 cases in one year. In fact, the state agencies closed more than three-quarters of all the cases. Local agencies that have small complaint volumes must be admitted in the universe to be sampled, because this is the type of agency most likely to qualify for the program in the future. As Table II-2 shows, fair housing complaint processing was not the dominant activity for most of the FHAP agencies. Almost half of all agencies reported that fair housing cases made up less than 10 percent of

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<sup>1</sup>By April 1984, 20 additional agencies had been declared substantially equivalent, including those that cover the states of Illinois, South Dakota, Alaska, Montana, plus 16 local agencies.

Table II-1

## GEOGRAPHIC LOCATION OF FHAP AGENCIES, 1983

	<u>All Agencies</u> (N=61)	<u>State Agencies</u> (N=26)	<u>Local Agencies</u> (N=35)
Region I (Maine, New Hampshire, Massachusetts, Connecticut, Rhode Island, Vermont)	5	5	0
Region II (New York, Puerto Rico, Virgin Islands)	3	2	1
Region III (Pennsylvania, Maryland, Delaware, District of Columbia, Virginia, West Virginia)	14	5	9
Region IV (Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Florida, Mississippi)	9	1	8
Region V (Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri)	12	4	8
Region VI (Louisiana, Arkansas, Oklahoma, Texas, New Mexico)	1	1	0
Region VII (Arkansas, Missouri, Iowa, Nebraska)	9	3	6
Region VIII (North Dakota, South Dakota, Montana, Wyoming, Utah, Colorado)	1	1	0
Region IX (California, Nevada, Arizona, Hawaii)	3	2	1
Region X (Washington, Oregon, Idaho)	4	2	2

Figure II-1

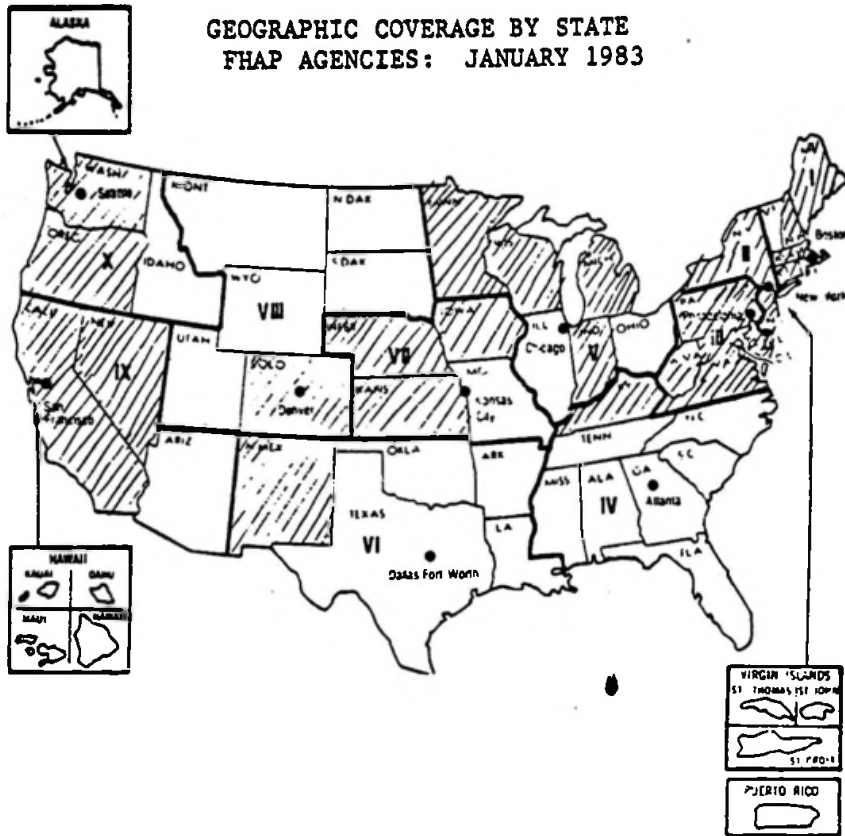




Table II-2

SELECTED CHARACTERISTICS OF AGENCIES PARTICIPATING  
IN THE FAIR HOUSING ASSISTANCE PROGRAM (1983)

	<u>All Agencies</u> (N=61)	<u>State Agencies</u> (N=26)	<u>Local Agencies</u> (N=35)
<u>Annual Number of Closed Fair Housing Cases</u>			
1-19	44%	23%	60%
20-49	21	12	29
50-99	18	35	6
100+	16	31	6
<u>Fair Housing Cases As Percent of Total Caseload</u>			
0- 9%	48%	69%	31%
10-19%	26	19	31
20-49%	18	8	26
> 50%	8	4	11
<u>Size of Annual Budget</u>			
0-\$100,000	18%	0%	31%
\$100,001 - \$250,000	22	8	31
\$250,001 - \$500,000	23	20	26
\$501,001 - \$1 million	10	20	3
\$1,000,001 - \$5 million	20	36	9
More than \$5 million	7	16	0
<u>Year Agency Began Fair Housing Enforcement</u>			
Prior to 1960	12%	19%	6%
1960-1969	51	54	49
1970-1979	31	27	34
1980 or later	7	0	11
<u>First Year of Participation in FHAP</u>			
1980	59%	96%	31%
1981	15	4	23
1982	26	0	46

their total civil rights caseloads. This pattern was especially striking for the state agencies; more than two-thirds of them reported that their fair housing caseloads were this small in relation to the rest of their enforcement activities. In contrast, only five agencies (four of them local) had fair housing caseloads which equaled 50 percent or more of total caseloads. Just two agencies handled only housing complaints, although they had other responsibilities as well. One of these was a state real estate commission, while the other was a local community and economic development office.

The agencies also varied dramatically in size as measured by their overall budgets for one fiscal year. Not surprisingly, the state agencies reported substantially larger budgets than did the local FHAP agencies. More than half of the state agencies reported budgets of greater than \$1 million, while only three local agencies were funded at that level. In contrast, almost one-third of the local agencies operated on very small allocations (less than \$100,000 per year) and two-thirds of all the local agencies had funding of less than \$250,000 per year (Table II-2).

The area of agency experience raises two important issues--time that may be required to develop better techniques, and interaction with program funding. First, agencies are presumed to have a learning curve with respect to effective handling of complaints. The agencies with longer experience have had more opportunity to develop methods to reach potential complainants, to perform effective investigations, and to obtain favorable settlements when discrimination is found.

Most of the FHAP agencies had substantial experience in processing fair housing complaints, with almost two-thirds beginning fair housing enforcement before 1970 (Table II-2). State agencies tended to have more fair housing experience than local agencies; almost three-fourths of them had begun fair housing work prior to 1970. Four local agencies were relatively inexperienced, having begun complaint processing in 1980 or later.

The second dimension of agency experience relates to experience with the Fair Housing Assistance Program itself, as summarized in Table II-2. The FHAP agencies can be divided into three distinct groups, depending upon the timing of their initial funding from HUD. FHAP agencies are funded for two years with capacity-building grants established by HUD based upon (but not limited to) complaint volume in the agency's geographic target area. This is

known as Phase I. Two groups of FHAP agencies are in this phase. One group of 16, the Recent Entry agencies, received their first funding in late 1982. The other group (nine agencies) received their first funding in late 1981 and completed the second year of capacity-building during 1983.

The largest group of agencies, the 36 Payment-Per-Complaint agencies, has moved into Phase II of program funding. Starting in the third year of funding, grants are based solely on fair housing complaint volume; agencies receive \$500 per closed complaint. This funding mechanism is the "steady state" version of the program; that is, it represents the way in which FHAP will operate once all agencies have had the opportunity to develop their abilities to generate and handle complaints effectively and efficiently.

From the perspective of funding cycles alone, it might seem desirable simply to exclude agencies that have completed less than two years of the Phase I funding. However, eight of the nine agencies funded for their first year with FY 1981 appropriations were local agencies, and 17 of 18 agencies first funded with FY 1982 funds were local agencies. Ruling them out would unnecessarily limit the local category in agency selection. Further, as other local agencies qualify for FHAP in the future, study findings on early phases of capacity-building should prove useful.

However, the desire to explore the experiences of agencies at different points in FHAP does not require that FHAP experience be used as a separate stratification criterion for sampling. Stratification according to state or local jurisdiction is essentially a stratification on funding groups as well. Among the 26 state agencies considered, 25 are currently Payment-Per-Complaint agencies. Among the 35 candidate local agencies, 16 are Recent Entry agencies, 8 are capacity-building agencies, and 11 are Payment-Per-Complaint agencies.

The agency sample is also used to assess differences in management and performance across HUD Regions, with regard both to differences in Regional Offices' handling of the program and to possible differences in agency operations across regions. Agency differences may relate to Regional Office differences or to other geographic factors, such as the incidence of protected populations and the history of discrimination. Even if certain Regional Offices are unique, it was not regarded as essential to visit them if the incidence of protected populations or of complaints filed under Title VIII is

small. An example is Region VI, which has only New Mexico as a funded equivalent agency and which registered only eight complaints in FY 1981. Regional Offices visited were those Regions having the selected agencies in their jurisdictions; eight of the ten Regional Offices were visited for this evaluation.

#### Sampling Design

After reviewing the various purposes which the agency sample must serve and reviewing agency characteristics from data supplied by the HUD Regional Offices, the following approach to agency selection was taken. Agencies were stratified according to state/local agencies. Further, because outcomes of interest are expected to vary with complaint volume, the annual complaint volume in the most recent year of record was used to stratify agencies by size to improve the precision of population estimates.

State and local agencies form separate strata, to allow roughly equal allocation of the agency sample to each type and thereby to satisfy the evaluation objective of providing a sample supporting comparisons between these two types. Agency selection proportional to size would yield a much smaller proportion of local agencies, even though the program has about equal numbers of local and state agencies. Investigation of agency characteristics showed that the state agencies tend to be older and more experienced (including experience in FHAP), so that no separate stratification on these properties was needed.

From complaint volume information provided by Regional Offices, annual complaint volumes of over 200 cases define very large agencies. Natural breaks are at 100 complaints for state agencies and at 40 complaints for local agencies (see Table II-3). These divisions also break the local agency complaint volume per stratum into equal size and similarly for state agencies. In the largest size category, the four agencies are self-representing (selected with probability one); they are so large that they form a group unto themselves. In the other strata, the agencies were selected at random with equal probabilities within the stratum.

The allocation of the 15-agency sample to these strata is shown in Table II-4. The objective was to allocate the agency sample roughly proportional to total complaint volume in the strata. Noting that the Very Large agency stratum has one local agency and three state agencies, the overall

Table II-3

## SIZE STRATA OF FHAP AGENCIES

Very Large Agencies (More than 200 closed fair housing cases in most recent year)

(N = 4)

	<u>Candidates</u>	<u># Cases</u>	<u>Hud Region</u>	<u>Years in Program</u>
1.	New York City	203	2	2
2.	Massachusetts	275	1	3
3.	New York State	302	2	3
4.	California	545	9	3
	Subtotal	1,325		

Large State Agencies (More than 100 closed housing cases in most recent year)

(N = 5)

	<u>Candidates</u>	<u># Cases</u>	<u>Hud Region</u>	<u>Years in Program</u>
1.	Virginia	123	3	3
2.	Connecticut	132	1	3
3.	Indiana	144	5	3
4.	Pennsylvania	146	3	3
5.	Michigan	190	5	3
	Subtotal	735		

Table II-3 (Continued)

## SIZE STRATA OF FHAP AGENCIES

Small State Agencies (Less than 100 closed fair housing complaints in most recent year)

(N = 18)

	<u>Candidates</u>	<u># Cases</u>	<u>HUD Region</u>	<u>Year in Program</u>
1.	New Mexico	11	6	3
2.	New Hampshire	12	1	3
3.	Maine	15	1	3
4.	Nebraska	15	7	3
5.	Delaware	16	3	3
6.	Nevada	16	7	3
7.	Kansas	20	7	3
8.	Oregon	30	10	3
9.	West Virginia	30	3	3
10.	Rhode Island	50	1	3
11.	Minnesota	51	5	3
12.	Kentucky	60	4	3
13.	Washington	70	10	2
14.	Wisconsin	83	5	3
15.	Iowa	84	7	3
16.	Maryland	90	3	3
17.	Colorado	91	8	3
18.	New Jersey	<u>91</u>	2	3
	Subtotal	835		

Large Local Agencies (More than 40 closed housing cases in most recent year)

(N = 4)

	<u>Candidates</u>	<u># Cases</u>	<u>HUD Region</u>	<u>Years in Program</u>
1.	Kansas City, Missouri	46	7	1
2.	Kansas City, Kansas	50	7	2
3.	Minneapolis, Minnesota	60	5	2
4.	Prince George County, Maryland	<u>104</u>	3	1
	Subtotal	260		

Table II-3 (Continued)

## SIZE STRATA OF FHAP AGENCIES

Small Local Agencies (Fewer than 40 closed housing cases in most recent year)

(N = 30)

	<u>Candidates</u>	<u># Cases</u>	<u>HUD Region</u>	<u>Years in Program</u>
1.	Howard County, MD	1	3	1
2.	Iowa City, Iowa	1	7	1
3.	Beckley, W.V.	2	3	1
4.	Bloomington, IL	2	5	1
5.	South Bend, IN	2	5	1
6.	New Hanover, North Carolina	3	4	1
7.	Springfield, IL	3	5	2
8.	Columbus, IN	4	5	1
9.	Huntington, W.V.	5	5	1
10.	Jacksonville, FL	6	4	1
11.	Charlotte-Necken- burg, N.C.	7	4	3
12.	St. Petersburg, FL	7	4	1
13.	Salina, Kansas	7	7	1
14.	Fort Wayne, IN	8	5	3
15.	Tacoma, WA	10	10	3
16.	Omaha, Nebraska	12	7	3
17.	Seattle, Wash.	13	10	3
18.	Pittsburgh, PN	15	3	2
19.	Lincoln, Nebraska	15	7	3
20.	Gary IN	16	5	1
21.	Orlando, FL	17	4	2
22.	Raleigh, N.C.	20	4	2
23.	Knoxville, TN	20	4	1
24.	Evanston, IL	22	5	1
25.	Clearwater, FL	22	4	2
26.	Charleston, W.V.	23	3	3
27.	Phoenix, AZ	25	9	3
28.	Montgomery County, MD	28	3	3
29.	District of Columbia	31	3	3
30.	Philadelphia	<u>32</u>	3	3
	Subtotal	379		
	Total Cases	3,534		

Table II-4

## ALLOCATION OF AGENCY SAMPLE

<u>Stratum</u>	<u>Sample</u>	<u>Population</u>	<u>Total Annual Cases in Stratum</u>	<u>Average # Cases Represented Per Agency in Sample</u>
1. Very Large Agencies	4	4	1,325	331
2. Large State Agencies	2	5	735	368
3. Small State Agencies	3	18	830	278
4. Large Local Agencies	2	4	260	130
5. Small Local Agencies	<u>4</u>	<u>30</u>	<u>379</u>	<u>95</u>
Total	15	61	3,534	235



sample contains eight state agencies and seven local agencies. Five state agencies are allocated to Strata 2 and 3 combined; the state agency sample (5) is allocated across the two strata roughly in proportion to total annual complaint volume in a stratum. A similar allocation is made for the local agency sample.

This approach provides a balance between the extremes of selecting agencies purely at random, which would probably result in a sample with a low number of state agencies, and selecting a sample based solely on size of caseload, which would be dominated by state agencies. The latter strategy would probably produce a sample composed of three-quarters state agencies, since they handle three-fourths of the national caseload. However, since small local agencies are the primary agency type in FHAP, especially in the past two years, such an approach would not yield the most useful sample for analysis of agency characteristics and program operations.

Table II-5 illustrates the deliberate emphasis of the study on agencies with large fair housing caseloads, but shows that an approximately equal division between state and local organizations was maintained. Two-thirds of the state agencies in the sample have caseloads of 100 cases or more, while only 30 percent of all state agencies have caseloads that large. Some of the other characteristics of the agencies are linked to the caseload size as well. For example, agencies with large budgets are also overrepresented in the sample. More than a third of the state agencies in the sample have budgets over \$5 million, whereas only 16 percent of all state agencies have budgets that large. In similar fashion, the local agencies in the sample tend to have larger budgets than all local agencies.

Since the older, more experienced agencies tend to have larger caseloads, state and local agencies that began fair housing enforcement prior to 1970 are overrepresented in the sample. In addition, since the larger agencies tended to join FHAP at its onset in 1980, those agencies also were more likely to appear in the sample.

The resulting sample provides a set of agencies that represent the preponderant administrative and operational character of FHAP. The balance of state and local agencies allows this comparison to be carried through the analysis. The results on case outcomes (Chapter 5) take advantage of the

Table II-5

## COMPARISON OF ALL FHAP AGENCIES TO THOSE IN STUDY SAMPLE

	<u>All State Agencies</u> (N=26)	<u>Sample State Agencies</u> (N=8)	<u>All Local Agencies</u> (N=35)	<u>Sample Local Agencies</u> (N=7)
<u>Annual Number of Closed Closed Fair Housing Cases</u>				
1-19	23%	13%	60%	43%
0-49	12	13	29	29
50-99	35	13	6	-
100+	31	63	6	29
<u>Size of Annual Budget</u>				
\$ 0 - 100,000	-	-	31	14
\$101 - 250,000	8	-	31	-
\$251 - 500,000	20	-	26	71
\$501 - 1 million	20	25	3	-
\$1 - 5 million	36	36	9	14
More than \$5 million	16	38	-	-
<u>Year Agency Began Fair Housing Enforcement</u>				
Prior to 1960	19	25	6	14
1960-69	54	63	49	57
1970-79	27	13	34	29
1980 or later	-	-	11	-
<u>First Year of Participation in FHAP(26)</u>				
1980	96	100	31	43
1981	4	-	23	29
1982	-	-	46	29

probabalistic selection of agencies and case records to develop weighted national estimates of case characteristics and outcomes.

## II.2 CASE RECORD SAMPLING AT SELECTED FHAP AGENCIES

For each selected agency, a random sample of closed case records was drawn. Separate samples were drawn for cases closed during the period before the agency began to receive FHAP funding and for cases closed during the FHAP program, also distinguishing complaints closed in the capacity-building phase of agency funding (first two years) from the payment-per-complaint phase (third year). Case closings during FHAP funding and in the three years prior to FHAP funding (where records were available) were used to define the sampling frame based on counts performed at each agency.

### Sampling Rates

The analysis calls for a number of contrasts and comparisons of agency characteristics and of complaint outcomes grouped according to agency characteristics. The conservative plan for case-record sampling, therefore, called for sampling to achieve roughly equal precision of estimates of complaint characteristics across agencies and between pre-program and during-program complaints in a given agency, even though the analysis always involves some pooling of agencies.

Assume that one wishes to have 90 percent confidence that the estimated proportion of a case characteristic in an agency differs from the true proportion by no more than some tolerance,  $d$ . Using the sampling properties of the binomial distribution, the half-width of a 90 percent confidence interval for the true proportion, corrected for sampling from a finite population, is (Cochran, 1977 pp24, 25):

$$d = 1.645 [(pq/n)^{1/2}] [(N-n/(N-1))]^{1/2}$$

$$\text{or } n = n_0 N / (N + n_0 - 1),$$

where  $n_0$  is the sample size required from an infinite population ( $n_0 = pq/(d/1.645)^2$ ),  $p$  is the true population proportion,  $q = 1-p$  is the complement of  $p$ ,  $n$  is the sample size, and  $N$  is the size of the population. To determine the necessary sample size, one sets the half-width equal to the acceptable tolerance,  $d$ , and solves for  $n$ .

The data collection plan provided for approximately 1600 case-record abstracts. The tolerance for pre-FHAP samples was set at 0.06 and for each of the post-FHAP periods at approximately 0.08. Because five of the fifteen agencies had not entered the payment-per-complaint phase of the program, the sample at the ten that had entered this phase was increased to provide a larger total sample for this phase. Assignments of sample size were based on estimated case counts by program period from a survey of HUD Regional Offices, supplemented by calls to agencies. The actual case counts at the agencies and actual samples drawn for each of the periods at each agency are tabulated in Table II-6.

#### Sample Weights for Case Record Data

A series of weighting variables were developed to take account of the selection probabilities of agencies and of the case sampling fractions at the agencies visited. The weights are shown in Table II-6. The following variables were developed:

WC = a case-level variable (for each period) that is the ratio of cases counted in the agency files for each period to the number we drew in our sample for that period. This weight is different for each period sampled because the sampling fraction was different.

WA = agency weight. This is the inverse of selection probability, which is the number of agencies sampled in a stratum divided by the population of agencies in that stratum.

W = WA\*WC a case level population weight. This weight is used to estimate national totals.

WAD = W\* (Total Sample/Sum of the weighted sample). This adjusted weight rescales the weights in each period so that the sum of the weights equals the total actual sample in that period. It is used in descriptive tables to avoid false indicators of statistical significance.

#### Quality of Case Record Data Available for the Analysis

All 15 of the State and local agencies included in the study sample existed before HUD began the FHAP program. Since FHAP began, there have been some efforts to standardize forms, codes, terminology, and other aspects of record-keeping, at least within HUD regions, but to date such efforts have not produced much uniformity. Each agency tends to have its own method of recording case data and its own codes for case issue and basis, type of closing, and relief granted. Even when two agencies use the same words in

TABLE 11-4

CASE COUNTS, SAMPLES, AND SAMPLE WEIGHTS BY PERIOD

REGION	AGENCY WEIGHT	PRE-TRIAL CASES	PRE-TRIAL SAMPLES	CASE WEIGHT (WC)	POPULATION WEIGHT (V)	SUM OF THE WEIGHTS	ADMITTED CASE WEIGHT (UAD)	FALLS 1 CASE COUNT	FALLS 1 SAMPLE	FALLS 1 POPULATION WEIGHT (V)	FALLS 1 CASE WEIGHT (WC)	FALLS 1 POPULATION WEIGHT (V)	ADJUSTED WEIGHT (UAD)	FALLS 2 CASE COUNT	FALLS 2 SAMPLE	FALLS 2 POPULATION WEIGHT (V)	FALLS 2 CASE WEIGHT (WC)	FALLS 2 POPULATION WEIGHT (V)	ADMITTED CASE WEIGHT (UAD)	TOTAL: 361
STATES	1	600	94	6.800	6.800	403	.6781	434	43	6.806	6.806	6.806	.7776	253	75	3.272	3.272	3.272	.5470	361
STATES	4	272	90	3.766	14.71	1630	1.670	140	43	3.206	13.71	13.71	1.440	30	47	1.915	11.49	11.49	1.732	361
STATES	1	1000	90	11.71	11.71	1056	1.100	474	87	3.201	3.201	3.201	.4900	100	72	2.722	2.722	2.722	.6455	361
STATES	2.5	443	23	4.666	15.17	1107	1.303	316	60	6.407	11.43	11.43	1.466	172	66	2.484	6.313	6.313	1.096	361
STATES	2.5	32	21	1.040	3.610	33	.3661	40	40	1	3.3	3.3	.3016	30	30	1	2.3	2.3	.0183	361
STATES	6	70	70	1	6	430	.4072	87	56	1.20	10.40	10.40	1.364	6	6	1	6	6	1.609	361
STATES	6	30	30	1	6	133	.4072	7	7	1	6	6	.7632	6	6	1	6	6	1.609	361
STATES	1	1053	33	11.33	11.33	1023	1.131	932	96	9.700	9.700	9.700	1.175	800	57	3.290	3.290	3.290	.7740	361
TOTAL: 361																				
TOTAL: 137																				
COUNT: 700																				
LOCALS	1	143	63	0.307	6.307	341	.6131	432	33	3.300	3.300	3.300	.6756	33	33	3.300	3.300	3.300	.6756	361
LOCALS	2	133	100	1.303	3.010	316	.3010	31	31	1	2	2	.3011	3	3	2	2	2	.3011	361
LOCALS	2.5	0	0	1	7.3	60	.7631	10	10	1	1	1	.9070	3	3	1	1	1	.9070	361
LOCALS	2.5	43	63	1	7.3	333	.7631	15	15	1	1	1	.9070	3	3	1	1	1	.9070	361
LOCALS	3	10	10	1	3	34	.2003	33	33	1	1	1	.2411	3	3	1	1	1	.2411	361
LOCALS	2.5	70	41	1.207	12.00	323	1.303	45	34	1.336	9.926	9.926	1.303	21	21	1	1	1	1.303	361
LOCALS	2.5	114	41	3.073	31.05	943	3.033	105	39	3.073	30.10	30.10	3.446	64	35	1.764	12.00	12.00	2.133	361
TOTAL: 367																				
COUNT: 840																				

their records, the meaning may not be the same. Some agencies use the term "conciliation" narrowly, to mean a meeting held after a determination of probable cause has been made, in order to try to reach a mutually agreeable resolution of the complaint. Other agencies use the same term much more broadly to mean any effort to reach such a resolution, whether or not a determination has been made and whether or not an actual meeting took place.

Other differences result from agency strategies. Some agencies, after making a finding of probable cause, bargain with respondents by offering to close the case in a way which does not imply that the respondent is guilty, if the respondent offers a satisfactory settlement. Others proceed to conciliation routinely in the same situation. Thus, a closing code of "settled in conciliation in favor of the complainant" may correspond to a code of "administrative closure" in another agency. Variations of this type had been identified during reconnaissance visits as field instruments were being developed. Site visitors were therefore trained to probe beneath the words used in codes and to impose consistent definitions wherever possible. All such reclassifications were documented and discussed with agency administrators and with other Abt analytic staff members. Thus, the data available for the analysis are more standardized than would be the case if they were merely collections of agency codes and records.

Similar attempts at standardization have been made in counting how many cases an agency processed. Two principal factors caused lack of comparability in this regard. The first was the stringency with which cases were screened before they were docketed; the second was the fact that some agencies opened multiple cases when other agencies, faced by the same circumstances, would only have opened one. When a potential complainant wishes to file a complaint, some agencies, after a preliminary determination of jurisdiction, ask the person to file some official record of the complaint--usually an intake form and an affidavit--and then count this as a case. Other agencies subject these intake documents to another round of screening before a case is officially docketed. This means that there is some discrepancy built into the agencies' counts of their caseloads. Abt Associates site visitors were trained to ask about these variations and to take them into account.

The problem of multiple cases was handled in a similar fashion. Some agencies like to open cases in the name of more than one complainant--a husband and wife, for example--because their potential awards to any one complainant are very limited. For a single alleged incident of discrimination, some like to open separate cases against various respondents--as owner, a superintendent, and a rental manager, for example--in order to avoid complication if a case against one of these parties is dropped while another continues. Moreover, agencies have not been consistent in these practices. At various times, HUD regional offices have both urged agencies to adopt the practice of multiple filing and urged them to stop it. Since reimbursement per case began in Phase 2 of FHAP, HUD Central has discouraged the practice because of its potential for multiplying the number of cases for which agencies would be reimbursed. (Many agencies resent these rules and contend that such multiple cases often take as much work as an equal number of separate cases.) Again, Abt site visitors attempted to learn about the agencies' practices and to adjust for multiple cases, so that our count across agencies would be as consistent as possible. (These issues are discussed at greater length in Holshouser et al., 1983.)

Despite the lack of comparability in agencies' records, it is our judgment that efforts at standardization have been successful enough to provide the analysis with a reliable data base. Data have been subjected to a series of internal and external consistency checks. Apparent inconsistencies have been resolved by checking against hard copy or, much more rarely, by rechecking with the agency in question. A few cases had to be dropped from some analyses because key data were incurably contradictory, but this affected fewer than one percent of the cases in any given analysis.

Missing data were sometimes a larger problem, particularly for the period prior to FHAP. At many agencies, older case records had been destroyed, and case sampling had to be done from whatever the agency had retained--sometimes computer files with fairly complete records of case transactions and events, but sometimes only old file cards or logs with handwritten dates and codes. Cases sampled from sources other than a complete case record folder tended to have only the most basic data items and to lack the detail available on other cases. Opening and closing dates, issue and basis, closing code and relief, if any, were usually recorded; interim dates,

investigative methods, staff who had handled the case, and detailed complainant and respondent data were usually missing. Fortunately, preliminary analysis has revealed that much of this detail, while interesting, is of secondary importance. The data items most critical to the analysis tend to be those that are most basic and most universally present.

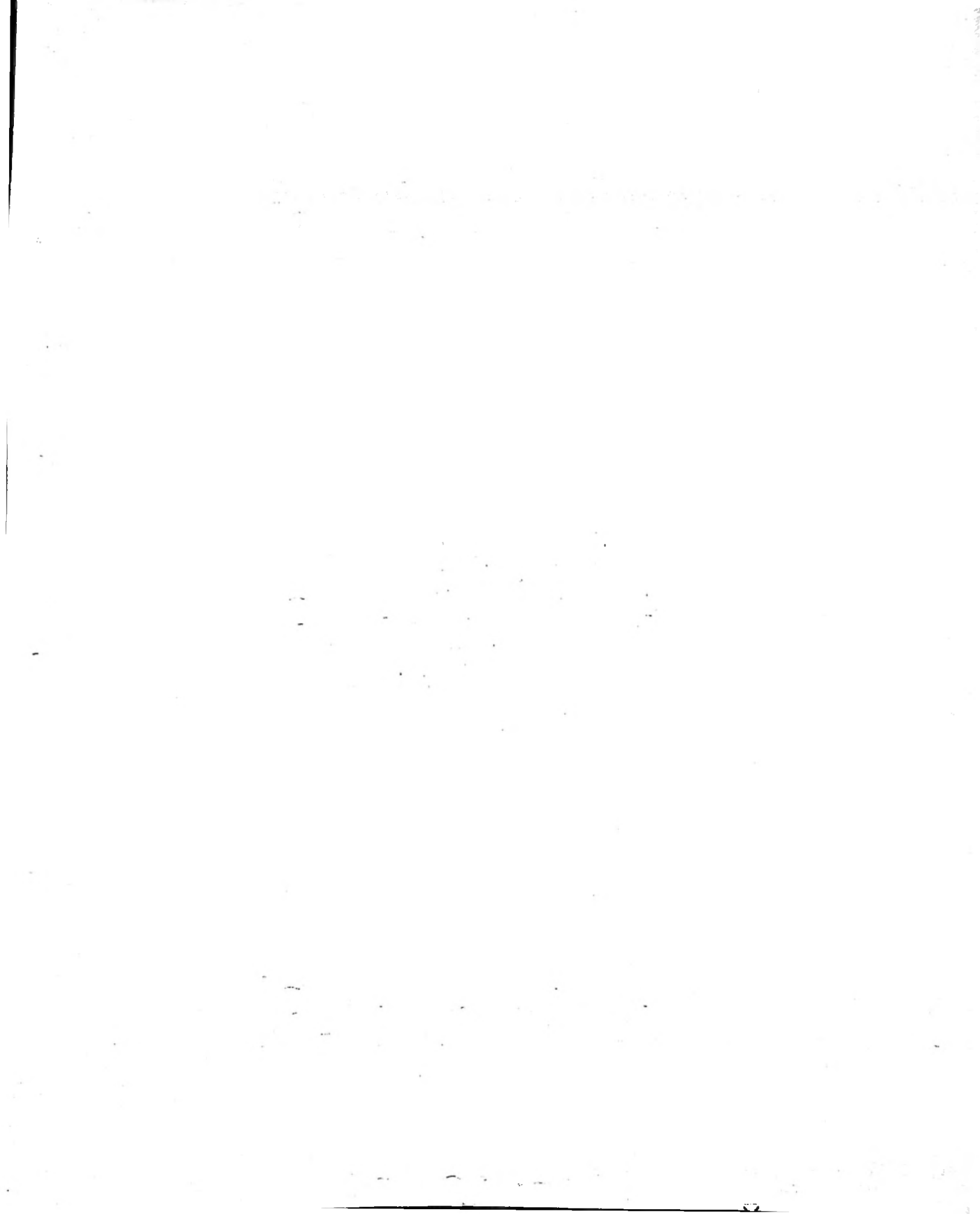


APPENDIX II

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## APPENDIX III-A

### FAIR HOUSING TECHNIQUES USED BY FHAP AGENCIES

During the interviews for this evaluation, agency staff described the ways in which they carried out nine fair housing methods:

Processing of complaints filed by individuals;

Outreach to encourage complaint filing by individuals;

Processing of systemic complaints;

Public education of housing consumers and/or members of the real estate community;

Working with housing developers, realtors and landlords to establish affirmative marketing plans;

Expedited processing of housing complaints in which unit is still available and desired by complainant;

Lobbying to improve State or local fair housing legislation;

Use of "testers" to document housing discrimination; and

Work with fair housing groups.

The brief descriptions presented here illustrate some of the techniques used to carry out those methods.. Appendix III-B provides more specific examples of outreach and public education programs; Appendix III-C provides more detail on processing of systemic complaints and use of "testers" to document housing discrimination.

Outreach - Most agencies relied on community meetings with public and private organizations throughout their target areas to publicize their presence and responsibilities. Several of them had developed comprehensive campaigns, including radio and television announcements by celebrities, distribution of brochures and posters and newsletters.

Public Education - Ten of the agencies sponsored public education activities, especially for housing suppliers in their areas. These programs often involved group discussions designed to inform suppliers about State and Federal anti-discrimination statutes and to obtain their views about how the laws affected their businesses. Two agencies also prepared flyers about State laws. At one local agency, a special program acquainted local attorneys with

civil rights legislation, so that they could pursue fair housing cases in Federal court if conciliation failed at the agency.

Processing of Systemic Complaints - Only four agencies in the sample (two State and two local) handled investigations of patterns of discriminatory practice by real estate firms, brokers or landlords with largescale holdings or listings. Usually, the agencies initiated their own complaints of this type, based on records of multiple complaints against one respondent. The State agency with the largest fair housing caseload also processed the most systemic complaints, approximately 15 during the year prior to the survey.

Testing - All but two of the sample agencies used testing to assess whether individual complainants had encountered discrimination when searching for housing. Most of them relied on staff members and volunteers or representatives from private fair housing groups to complete the tests.

Lobbying to Improve Local Legislation - Nine agencies reported that they had worked during the previous year to improve State or local legislation regarding discrimination in housing. Six had tried to secure coverage for families with children, while two attempted to obtain statutory authority to award punitive or compensatory damages. Two agencies also worked to improve coverage for handicapped persons. Respondents from two State agencies noted that they usually supported bills introduced by others but did not take activist roles in legislative reform.

Affirmative Marketing - In addition to requirements for affirmative marketing in settlements with individual respondents, seven agencies encouraged affirmative marketing through public education programs for housing suppliers, participation in Community Housing Resources Boards, or specific agreements with municipalities about affirmative marketing in State-assisted housing developments.

Work with Fair Housing Groups - Ten agencies reported that they worked cooperatively with other private and public fair housing organizations in their areas. For example, the director of the housing division at one local agency served as chair of a citywide fair housing coalition which included representatives of numerous public and private agencies with a wide range of responsibilities about housing development and regulation. The others relied on private fair housing groups, community action agencies,

neighborhood associations and/or tenant organizations to make referrals, conduct public education campaigns about fair housing, provide volunteers for testing, and even complete some formal intake activities for their agencies.

The State agencies reported that relationships with local fair housing organizations were not always smooth. Six respondents recounted specific incidents or difficulties which tended to involve disputes about which agency should handle specific complaints. The State agencies believed that complainant rights were best served when they handled the investigations. At times, the fair housing groups were choosing to urge complainants to go directly to court with counsel from their own organizations.



## APPENDIX III-B

### STRATEGIES FOR OUTREACH AND FAIR HOUSING EDUCATION

Efforts to publicize Federal, State or local housing discrimination laws can take place in two major ways. One is through outreach to inform individual citizens about their civil rights, while the other is public education of housing suppliers to ensure that they are aware of their responsibilities to offer equal housing opportunities to all applicants. Outreach to individuals has received substantial attention from the 15 FHAP agencies in the study sample, with nine of them indicating that it received high priority during the year prior to the survey. Public education of housing suppliers was typically a lower priority; only three agencies reported that it had received high priority.

In this Appendix, we provide descriptions of the range of outreach techniques and public education approaches used by Fair Housing Assistance Program agencies. First, the techniques are compared to identify common methods as well as unique approaches. Then the most extensive projects are described.

#### Outreach to Individuals

Almost all of the agencies in the sample indicated that they had made some efforts to encourage possible victims of housing discrimination to submit complaints. Only two local agencies had not undertaken work in this area during the year prior to the survey.

As Table III-B-1 indicates, the most common outreach technique was staff presentations at community meetings. Target groups included private fair housing organizations, public agencies and municipal officials in the FHAP agency's service areas. This approach was used by the seven State and six local agencies that attempted to increase their housing caseload.

Five of the State agencies and two local agencies prepared special brochures, pamphlets or newsletters describing the laws prohibiting discrimination, the role of the agencies in protecting individual civil rights, and procedures for filing complaints. Seven agencies also developed posters or bus advertisements for display throughout their jurisdictions. One newsletter included a letter of commitment to equal opportunity from the

Table III-B-1

OUTREACH TECHNIQUES USED BY FHAP AGENCIES  
DURING YEAR PRIOR TO STUDY

	<u>State Agencies<sup>a</sup></u> (N=7)	<u>Local Agencies<sup>b</sup></u> (N=6)
Community meetings	7	6
Public service announcements/ appearances on radio & TV talk shows	4	3
Brochures/pamphlets/newsletters	5	2
Posters or ads	4	3
Publicize pro-complainant decisions after hearing	5	2
Encourage referrals from fair housing groups	3	1
Housing hotline	1	1
Other (handbook for renters)	0	1

<sup>a</sup>One state agency respondent mentioned no specific outreach activities.

<sup>b</sup>One agency respondent mentioned no specific outreach activities.



State's governor, highlighted activities of State organizations and individuals active in the civil rights field, and presented outcomes of important recent housing cases. FHAP funding supported preparation of these materials at four agencies.

Seven agencies also used the electronic media to disseminate information about State or local laws and the availability of assistance. Five of them reported that they had prepared radio and television public service announcements; in two cases, well-known public figures such as Roberta Flack, Dennis Weaver and Mr. "T" were the spokespersons for the agencies. One State agency used a Type 2 grant to analyze its experiences in preparing public service announcements and to write a handbook describing how to undertake such a project. One unusual use of television was the preparation of a tape that included interviews with victims of discrimination and documentation of their experiences as they visited housing units.

Seven agencies, especially State agencies, noted that they publicized pro-complainant decisions after hearings, while four State agencies worked with fair housing groups that were willing to make referrals of persons experiencing housing discrimination. Two agencies trained staff or volunteers at fair housing groups to screen complaints, and one agency arranged for some of its intake to be handled in these community locations.

Two agencies maintained housing hotlines, manned by staff or volunteers who could assess the nature of a housing problem and refer complaints to the appropriate resource. Often, the problems were not housing discrimination complaints but were related to difficulties between landlord and tenants. In those cases, counselors could offer advice about ways to obtain building inspections, regain security deposits, etc. Another agency developed a handbook for renters, designed to help them assess the nature of their own problems and obtain assistance at the suitable agency.

#### Education of Housing Suppliers

In conjunction with outreach to potential victims of discrimination, ten agencies had implemented public education programs for members of the real estate community during the previous year. Ordinarily, they consisted of meetings with local real estate brokers, builders, or apartment managers. Information was provided about the stipulations of Federal, State, and local

laws and the penalties associated with discrimination. One State agency was working with the State board of real estate brokers to help it enhance its own training package for members. Two agencies had used audiovisual packages as part of the sessions, and one had prepared a brochure highlighting commonly posed questions about the States' law.

#### Changes in Outreach Strategies Since FHAP Began

During the on-site interviews, agency respondents described the changes in priority given to a variety of fair housing methods and described how those methods were carried out. Eleven of fifteen respondents noted during those interviews that outreach received more attention after FHAP began. As Table III-B-2 shows, thirteen agencies used more outreach techniques during the previous year, while only three had used that many in the year before FHAP began. All agencies relied on presentations to community groups during both time periods, but during the year prior to the study, agencies reported marked increase in media campaigns; distribution of flyers, pamphlets or brochures; and work with local fair housing groups to encourage referrals to the FHAP agencies.

#### Impact of Outreach on Agency Caseloads

Most of the agencies who implemented outreach activities were not concerned that the work would generate more housing complaints than they could process. They either felt that their staffs were not fully utilized and/or believed that regular outreach was necessary to maintain their current caseload levels.

It is difficult to disentangle the effects of outreach upon fair housing caseload from other factors, such as change in coverage of State or local laws or referrals from HUD. For example, one local agency reported that its fair housing caseload had increased by 169 cases between the year prior to FHAP and the most recent fiscal year, a period of two years. During that time, a major media outreach campaign had been undertaken and the city ordinance was modified to include coverage on the basis of marital status. Few referrals were received from HUD during that time. Agency respondents noted that complaints with marital status as the basis of discrimination did increase the caseload, but no specific data were available.

Table III-B-2

## NUMBER OF OUTREACH TECHNIQUES USED BY FHAP AGENCIES

<u>Number of Outreach Techniques</u>	<u>Agencies in Pre-FHAP Year (N=15 agencies)</u>	<u>Agencies in Most Recent Year (N=15 agencies)</u>
1	12	2
2	3	3
3 or 4	0	7
5 to 7	0	3

NOTE: Outreach techniques include: presentations at community meetings; distribution of brochures, flyers or pamphlets; placement of posters in public locations; media campaigns on radio or television; housing hotlines; referrals from local fair housing organizations; and/or other techniques (booths at conventions, mass mailings).

In another situation, the number of cases increased by 336, but few were referred by HUD. During the same period, the number of cases handled by HUD from the same area declined by about 300, while the State agency embarked on a major outreach campaign coupled with an education effort targeted at businesses, members of the real estate community, fair housing organizations and local governments to encourage referrals.<sup>1</sup> Perhaps the increase in complaints filed with the State agency means that the people who would otherwise have gone to HUD for assistance simply were attracted to the State agency instead.

The experience of one local agency illustrates the uncertainty of the above conclusions. In this case, the agency reported that it had used FHAP funds to distribute pamphlets, especially in minority neighborhoods, and had designed posters for use on local buses. However, the fair housing caseload for the most recent year was only five cases larger than during the agency's pre-FHAP year, and nine of the cases had originally been filed with HUD. While it is possible that not enough time had passed to realize the effects of outreach the agency staff was discouraged by the results. It may be that the form or design of the outreach materials were inadequate.<sup>2</sup>

#### Extensive Outreach Campaigns

Four agencies in the sample had implemented particularly comprehensive outreach campaigns targeted at individuals. Two of them were State agencies and two were local organizations.

One of the State agencies handled a large fair housing case volume, with more than 500 cases closed during the year prior to the survey. Using FHAP funds, fair housing groups across the State operated a hotline under contract to the State agency. After dialing H-O-U-S-E-I-N-G, an individual

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<sup>1</sup>In 1982, the State Supreme Court ruled that refusing to rent to families with children is discriminatory, but the agency has refused to accept complaints on this basis unless the State legislature explicitly modifies the statute and appropriates additional funds.

<sup>2</sup>Outreach efforts in a variety of government-sponsored programs are reviewed in William L. Hamilton, A Social Experiment in Program Administration, Cambridge, MA: Abt Associates Inc., 1979, pp. 16-48. It describes the relative effectiveness of various outreach techniques upon application rates in a housing allowance program.

described his/her housing problem to a trained counselor who referred housing discrimination complaints to the State agency for further action. The agency also had prepared television public service announcements with Carroll O'Connor and Dennis Weaver delivering the messages about the illegality of housing discrimination. Packets describing fair housing rights were distributed to major employers in the State; they included special materials that could be put in paycheck envelopes.

The agency informed local governments about its powers to enforce State laws, encouraging them to make referrals when appropriate. Using HUD funds, the agency produced a publication entitled "Fair Housing: A Guide for Local Governments," and agency staff worked with local officials to form new fair housing groups and Community Housing Resources Boards.

All of these activities grew out of a renewed interest in fair housing that was catalyzed by a 1981 Fair Housing Strategy Task Force. At the request of the agency director, representatives of 17 community fair housing groups identified problems in Statewide efforts to combat discrimination in housing and recommended specific actions or strategies to alleviate the difficulties. The group prepared a comprehensive set of suggestions, with several focusing on the need for the State Department to publicize its presence and highlight its commitment to fair housing.

Another State agency with substantial outreach to individuals was able to launch its activities because a new director used FHAP monies to expand the agency's work in fair housing. Outreach consisted of speeches to citizen groups and public agencies; radio announcements; setting up an information booth at a Statewide municipal convention; assisting four fair housing councils to do outreach and then accepting referrals from them; dissemination of posters and brochures targeted at individuals who had experienced discrimination; and provision of agency advisors to Community Housing Resource Boards. The agency also wrote a newsletter entitled "Outreach," which publicized the State's commitment to equal opportunity and its ability to prosecute violators of State law.

A large local agency also maintained an ongoing outreach campaign, repeated every few months in order to continually remind citizens and landowners about city law. Outreach was part of a citywide coordinated focus on fair housing by a Fair Housing Task Force, composed of representatives from

city and private agencies. The Task Force was chaired by the FHAP agency's fair housing director and a staff member from the city's Department of Housing Preservation and Development. The overall campaign was titled "WE CAN OPEN DOORS FOR YOU." Electronic media and print publicity highlighted a range of services for city residents, including processing of individual housing discrimination complaints, dispute resolution, community organization, referral to social and housing services, and the Housing Data Bank Referral Service, which matched the housing needs of handicapped persons and their families with suitable units. A citywide multi-lingual campaign appeared in English and ethnic newspapers, posters advertised a housing hotline, and notables such as Roberta Flack prepared radio and television commercials.

One of the local agencies with a small housing caseload also maintained regular periodic outreach to publicize its overall purpose, that of citizen involvement in public affairs and community action to promote civil rights and good race relations. The agency director felt that advocacy for social change on behalf of minorities and the poor was the primary function of the agency, rather than processing of individual complaints regarding discrimination. Therefore, the agency stressed improved police-community relations and affirmative action in employment and housing; it also lobbied for improved educational opportunities for minority children in the city. To enhance public knowledge of all activities, the agency conducted an annual four- to six-week outreach campaign. It consisted of radio and television spots, appearances on talk shows by agency staff members and local realtors, and meetings with community groups.

#### Examples of Public Education Campaigns for Housing Suppliers

Several agencies reported that realtors, developers, apartment owners and managers, and individual landlords needed information about the housing laws, and that the agency staff needed to be sensitive to their legitimate concerns, such as reviewing prospective occupants' ability to handle housing costs and credit-worthiness. Therefore, one agency sponsored roundtable discussions throughout its statewide jurisdiction, giving individual suppliers opportunities to learn about their responsibilities and express their own ideas. Another State agency worked out agreements with State and local boards of real estate brokers for them to train their members

and monitor compliance. A local agency offered to provide information and advice to individual suppliers on request.

In order to involve the real estate community more fully, one State agency invited members to sit on its advisory committee and asked them to develop special training materials for real estate brokers throughout the State. A local agency went even further by involving the local Board of Realtors in case handling. If the agency found that a respondent in a case was a member of the Board, it offered the respondent the option of having the case transferred to the Board for investigation and hearing by its professional ethics committee. If either party in the case objected to findings by the committee, the case could be transferred back to the local agency for further investigation and a determination of cause.





## APPENDIX III-C

### TESTING AND SYSTEMIC CASE PROCESSING

This appendix examines the extent to which FHAP agencies in the sample use testing to document housing discrimination either for investigations of individual complaints or to demonstrate patterns of discrimination by housing suppliers. It also examines the range of other activities undertaken by the agencies in the area of research to prepare systemic cases, methods of handling systemic cases and interactions with HUD about systemic cases.

#### Testing During Investigation of Individual Complaints

In keeping with their overall emphasis on processing of individual housing complaints as a means of promoting fair housing, almost all of the agencies (14) used "tests" or "audits" to document discrimination during the time they participated in FHAP. Only one State agency never used the technique. Generally, the technique works by trying to document any difference of treatment. If a complainant feels that s/he has experienced discrimination either when visiting a specific unit or requesting services from a broker or realtor, the agency sends a pair of individuals to inquire about the same unit or services. These individuals are matched in all ways except that characteristic which is alleged as the basis for discrimination. For example, a white individual and a black individual carefully matched according to age, income, family size and other essential characteristics, successively visit a given real estate or rental agent in search of housing. Each member of the team requests the same type of housing and records his or her experience on a standardized form. The information and treatment received by the team members are then compared. Racial discrimination exists, by definition, if the black team member receives less complete information and/or less favorable treatment than the white member, or is systematically guided to different housing units.

The method is useful for complaints involving refusal to rent or sell property, discrimination in the terms of rental or sale, false denials that housing is available, discrimination in financing, and steering. It relies upon both members of the testing team inquiring about the same unit or

service. The technique does not assist investigations of evictions or refusals to renew leases.

During the period of participation in FHAP, about half of the agencies (8) used testing in 10 percent or less of their case investigations, while six conducted tests in more than 10 percent of the cases.<sup>1</sup> One agency mentioned that more tests could be conducted if referrals from HUD were received more quickly. The time lag generally meant that units were no longer available by the time the testers were sent.

The agencies reported a mixture of staffing approaches for carrying out testing programs. Two State agencies and six local agencies relied only on their own staff to conduct the tests. While these agencies could control the performance of the testers, they also were limited in the types of pairs they could create based on the racial, ethnic and sex composition of their staff. In order to broaden the personal characteristics of possible testers, or to have the ability to perform tests in a wider variety of geographic locations, five State and one local agency relied on staff or volunteers associated with private fair housing organizations. Two agencies trained volunteers to be on call for this purpose, and two agencies offered modest reimbursement (\$20 per test) to volunteers for their work.

Two special programs are worth noting. In 1983, a State agency used a Type 2 grant to train testers at its 12 district offices. The training was provided to agency staff (including supervisors, investigators and district administrators) and members of private fair housing organizations. Each training module consisted of six hours of classroom instruction that covered the theory and methods of testing, offered role play practice and included actual tests in the community. Participants also learned how to assess their experiences and report the results. After the sessions ended, the agency provided follow-up sessions to evaluate the testing program. During the FHAP

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<sup>1</sup>Data based on sample from the FHAP period of 1172 closed fair housing cases at 15 agencies.

period, tests were completed at the agency during investigations of 10 percent of all closed cases.<sup>1</sup>

This agency also had received HUD funds to support preparation of a manual about testing. It was in the planning stage at the time of the interview, and was designed to include guidance for persons providing training to testers.

One local agency had instituted a special "confrontation" procedure for use when a complainant indicated that the unit s/he desired was still available for rent or sale. A tester was sent out immediately to ascertain whether discrimination had occurred. If it appeared that the complainant's civil rights had been abridged, a finding of Probable Cause was secured from the Legal Division, and the respondent was confronted with the evidence and asked to provide the unit to the complainant. If that resolution was obtained, the case was closed, usually within one or two days. During the FHAP period, tests occurred during investigation of 15 percent of all closed cases.<sup>2</sup>

HUD funds were used by three other agencies to strengthen their testing capabilities. One used the funds to support training of its own staff, while two others provided training to volunteers and staff associated with private fair housing groups.

#### Agency Activities to Combat Systemic Discrimination

In addition to investigating specific individual complaints of discrimination, agencies may assess whether specific realtors, propertyowners and/or lending institutions display widespread patterns of discrimination affecting large numbers of individuals, large geographic areas and/or large-scale property holdings. Agencies may conduct their own research to document the nature, location and persons or organizations involved in systemic discrimination, or rely on patterns of individual complaints to indicate where

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<sup>1</sup>Data source: sample of 183 closed cases drawn from agency files for the years of FHAP participation.

<sup>2</sup>Data source: sample of 79 closed cases drawn from agency files for the years of FHAP participation.

they should target their systemic investigations. All of the agencies in this sample were empowered to file agency-initiated complaints if patterns of practice seemed to warrant formal investigation.

However, the agencies in the sample gave little attention to systematic discrimination. Only four agencies (two State and two local) indicated that they had undertaken any work to document patterns of discrimination on the part of specific real estate brokers or landowners and had processed any systemic cases in recent years. Five others had plans to undertake research and/or testing projects which would enhance their ability to handle systemic cases; all of these projects were financed by HUD Type 2 funds.

Several respondents argued that pursuit of systemic discrimination and the preparation of systemic cases required enormous financial and staff resources which were not available to them, especially in times of reduced public funds and serious housing shortages. They felt that their efforts (and available resources) had to be devoted primarily to aiding individuals to locate suitable units. One local agency noted that its placement in city government had made pursuit of systemic discrimination almost impossible because of political pressures.

Within the limited scope of systemic work by FHAP agencies, let us briefly describe what has been done. One State agency with a large housing caseload also handled the most systemic cases as well, 18 during 1983. These cases were agency-initiated complaints, developed through a systemic testing program funded by a Type 2 grant. The agency's central Housing Program Office worked with the 11 district offices to select property management firms, real estate brokers and large landholders in the rental market who were suspected of discriminatory activity. Staff used a combination of complaint history, community reputation, and demographic analysis of 1980 U.S. Census data to choose appropriate firms. For example, in one district, the staff decided to test the rental practices of two property management firms that had been the subject of multiple complaints. In another area, the district office selected the real estate firms that handled the most rental housing in the community.

Once a potential respondent had been identified, the agency arranged for a series of tests, or audits, to be carried out. Testers included

District Office personnel as well as staff and volunteers at fair housing groups which had signed contracts with the State agency for this purpose. Once evidence of discrimination was established, the agency filed its own complaints.

Rental apartment associations cooperated with the agency throughout the project. Representatives attended press conferences about the findings and made statements to their members and the general public about the importance of compliance with Federal and State civil rights laws.

A local agency with a large housing caseload maintained a small systemic unit within its housing division, staffed by a part-time director and a part-time investigator. The unit closed about four cases per year, although more investigations were initiated. The agency was able to file its own complaints, so systemic cases were developed with that purpose in mind. The systemic unit selected real estate brokers for investigation when several individual complaints were filed against the same respondents, or if the agency learned that a realtor or large landowner had a reputation for excluding minorities or certain ethnic groups from particular buildings or neighborhoods. Sometimes a complaint was considered because advertising appeared to be discriminatory.

Once the agency chose a broker for investigation, it sent out a team of testers to check on rental practices over a three-month period. During that time, three separate tests were conducted. A comparable team from the city Attorney General's Office also completed three tests. If the teams found discrimination, the FHAP agency's Legal Division reviewed the case for a finding of cause. If it recommended a finding of Probable Cause, the respondent could agree to conciliation or proceed to public hearing.

Successful conciliation generally included requirements for affirmative marketing and display of equal housing opportunity posters. The broker had to submit application and tenant records along with the location and duration of vacancies. Every three months, staff from the systemic unit checked on progress toward affirmative action.

Because systemic cases were time-consuming and expensive to pursue, this agency shared the burden with other city agencies which were members of a

citywide Fair Housing Task Force. For a while, the Task Force had hired an attorney to process systemic cases; more recently, the local chapter of Urban League had agreed to take on that responsibility. In addition, the city's Corporation Counsel was able to process such cases.

Another large State agency had used a Type 2 grant to complete a manual outlining how systemic cases should be developed and processed. The manual reviewed the relevant Federal and State laws prohibiting discrimination in the housing market, with specific attention to systemic discrimination by mortgage lenders, realtors, and landholders in the private market and by public housing authorities. The manual described common fair housing law violations, investigative methods and sources of data to document systemic discrimination; it also provided extensive discussion about the use of testing in systemic work.

This agency had increased its systemic work during the FHAP program. Prior to participation in FHAP, it handled no systemic cases, while 10 were completed during the FHAP year prior to the study. Most of these were agency-initiated complaints based on evidence from testing. Potential complaints emerged from several sources: multiple complaints against one respondent; opinions of investigators about possible practices of individual respondents; referrals from public and private agencies across the State (e.g., legal services agencies, community fair housing groups, members of the private bar); review of city fair housing plans; practices and policies of public housing authorities. A special systemic unit handled the cases. Investigative staff were all attorneys specializing in housing. They prepared formal plans for how to proceed and reviewed progress weekly with the agency's housing director. In the case of a private respondent, extensive audits were used to prepare evidence of discrimination.

The fourth agency which carried out systemic investigations was a small local agency with an overall housing caseload of less than 10 cases per year. However, that caseload typically included three or four systemic cases, because the agency always used testing to ascertain whether an individual complaint represented a more widespread pattern. This approach was in keeping with the agency's philosophy that its mission was to improve the overall racial climate of the city through advocacy and social change. Consequently,

when systemic discrimination was found and when settlement agreements were prepared, the agency required affirmative action reports from respondents regarding not only the particular apartment building in question, but all of their land holdings.

Interaction between these four agencies and HUD about processing of systemic cases varied substantially. One agency did not dual file its systemic cases at all, and HUD played no part in the investigations. This practice had been chosen because the agency could not comply with the case processing deadlines established by HUD. The three other agencies usually did dual file the cases. Their staffs simply discussed the progress of the systemic cases individually, recognizing that the routine deadlines were generally inappropriate.

One agency had jointly processed a systemic case with HUD. The case focused on residency requirements established by a local housing authority. The two agencies had decided to pursue separate investigations because both felt they could bring important strengths to the investigation. However, the FHAP agency and HUD disagreed about the appropriate way to conciliate the case, so the theory of inter-governmental cooperation as a means of creating leverage with the respondent was not implemented as had been hoped.

Five agencies had received funds from HUD to analyze data that would indicate where discrimination was occurring. For example, two agencies were focusing on mortgage availability, while another intended to analyze racial and ethnic housing patterns revealed by 1980 U.S. Census data. A fourth had a data base generated from information provided annually to the State by owners of multiple dwelling units. With the Type 2 grant, the agency planned to assess patterns of discrimination as revealed by those data. The fifth agency planned to survey recent movers in order to learn whether they had experienced discrimination during their housing searches. In all of the cases, the agencies hoped the results would help them to target their efforts to develop systemic cases. At the time of the interviews, none of these studies had been completed.





## APPENDIX III-D

### STAFF COMPOSITION AND EXPERIENCE

Since the FHAP agencies are specifically mandated to provide and enhance opportunities for legally-protected groups encountering discrimination in employment and housing, many observers believe that agencies should make special efforts to employ representatives of those groups so that the special concerns of the client population can be incorporated into agency policy and practice. In addition, it is argued that specific training or experience in civil rights and legal work may be important influences on the quality of complaint processing. With these concerns in mind, this appendix provides descriptive data about the racial and gender composition of agency commissioners and staff, their civil rights and legal experience, and the responsibilities of commissioners within agencies.

#### Demographic Characteristics of Agency Commissioners and Staff

As Table III-D-1 indicates, the proportion of minorities and women found in five different housing staff positions varies substantially. Except in the job classification of support staff, minorities were better represented than women. The largest discrepancy was found among the directors of the agencies. Eighty percent of them (12 directors) were black, but only 20 percent (or three of them) were female. In addition, a lower proportion of minorities and women were found among the supervisors than was true for the fair housing investigators. The support staff members were overwhelmingly female; one-third were minority.

Similar patterns were noted among the individual agencies. For example, at six of the State commissions and five of the local commissions, more than half of the commissioners were black, Hispanic or Asian-American. However, more than half of the members were female at only two boards of commissioners. Four agencies, three of them local, indicated that no minority supervisors worked in fair housing, and five also had no women in these positions. On the other hand, the agencies tended to employ more minorities as investigators. Nine reported that more than one-half of the fair housing investigative staff minority, while seven had that many women investigators (see Table III-D-2).

Table III-D-1

PERCENTAGE OF MINORITIES<sup>a</sup> AND WOMEN AMONG AGENCIES COMMISSIONERS  
AND STAFF MEMBERS WITH FAIR HOUSING RESPONSIBILITIES

	<u>Commissioners</u> (N=184)	<u>Executive Directors</u> (N=15)	<u>Supervisors<sup>a</sup></u> (N=57)	<u>Support Investigators<sup>b</sup></u> (N=144)	<u>(Clerical, Accounting)<sup>b</sup></u> (N=35)
Percentage Minority <sup>c</sup>	57	80	56	67	34
Percentage Women	40	20	37	55	94

<sup>a</sup>Data provided by 13 agencies.

<sup>b</sup>Data provided by 9 agencies.

<sup>c</sup>Minorities are black, Hispanic, Asian-American, American Indian.

Table III-D-2

Percentage of Minorities and Among Women Commissioners  
Fair Housing Staff, by Agency

<u>Percent Minority</u>	<u>Commissioners</u> (N=15 agencies)	<u>Supervisors</u> (N=11 agencies) <sup>a</sup>	<u>Support Investigators</u> (N=13 agencies)	<u>Staff</u> (N=10 agencies)
0	0	4	0	2
1-50%	4	4	4	5
51% or more	11	3	9	2
<u>Percent Women</u>				
0	1	5	3	0
1-50%	12	4	3	0
51% or more	2	2	7	10

<sup>a</sup>Two agencies had no housing supervisors. Two provided no staff background data.

### Staff Background and Experience

State agencies tended to have staff members with more experience in civil rights and legal work than was true at local agencies. At five of the eight State agencies, staff involved in case processing had a median of five or more years of civil rights experience, while none of the local agencies had staff with that much relevant background. Three of the local agencies had no staff members with legal experience aside from the Director or Assistant Director. For three other local agencies, the legal staff had a median of two years experience. In contrast, at five State agencies, attorneys had four years or more of legal experience.

### Agency Leadership

All but one of the 15 agencies operated under the direction and leadership of boards of commissioners. As indicated in the discussion about agency mission and activities, the views of these people can be instrumental in shaping the orientation and structure of the agencies.<sup>1</sup> Commissioners generally had primary responsibility for setting policy for the agencies and acting as advisors and resources to senior executive staff. This practice was found at 10 of the 15 agencies and at seven of the eight State agencies. At 10 of the agencies, commissioners had responsibilities for direct involvement in case disposition, if the cases involved public hearings or agency appeals. However, commissioners were not ordinarily involved in direct case handling activities such as intake, investigation, or supervision.

Three agencies were organized so that commissioners actually functioned as the executive directors and senior administrative staff. However, at 11 others, executive directors were appointed at the pleasure of the commissions or by the senior public official of the agency's jurisdiction (e.g., governor, mayor, city manager, county commissioner). Only one of the executive directors held a civil service position, and one other held a term appointment. In spite of the lack of guaranteed job security, nine of the senior executives had been employed by their agencies for five years or more

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<sup>1</sup>The state commissions tended to be similar in size. They ranged in size from three to eleven, with five of the eight state commissions comprising seven members. In contrast, the local commissions had from 5 to 60 members, with four made up to 13 to 17 commissioners.

and only three had held their positions for less than one year. Consequently, the directors also reported substantial experience in the field of civil rights. Eleven of them had 10 years or more of relevant experience, and eight had spent more than 15 years in the field, representing major career commitments to civil rights.

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## APPENDIX III-E

### SUPERVISION OF CASE HANDLING AND FHAP AGENCY SYSTEMS FOR CASE MONITORING

The effectiveness of agency case handling is dependent in part upon the agency's approach to supervision of investigators and upon the information on case status available to investigators and their supervisors. This Appendix describes the approaches used by the 15 agencies in the study sample.

#### Supervision of Case Handling

Agencies can attempt to control the effectiveness of case handling through supervision and monitoring of individual cases. This process may include review of the timeliness and/or thoroughness of investigation and review of some or all cases; it may happen at different time intervals. While all agencies reported that case supervision occurred at least once on every case, complexity and thoroughness of case review varied substantially.

For example, 10 agencies monitored the timeliness of case processing by setting deadlines for key events during investigations (e.g., expected dates for responses from respondent, deadlines for completion of investigation). At half of these agencies, supervisors checked on case progress and questioned investigators when problems occurred. At the other agencies, investigators were simply expected to comply with the deadlines.

Quality of investigation was examined for all cases by supervisors at six agencies. They discussed actions taken on each case during weekly or bi-monthly meetings with individual investigators or small groups of investigators. The other nine agencies used quality review only when problems emerged, either because of difficult investigations or because cases were aging beyond prescribed deadlines. The role of supervisors in case handling also varied. Ten agencies indicated that supervisors only discussed cases with their staff and did not normally handle cases themselves. At the other five agencies, all of which were Statewide organizations, supervisors did participate in investigations, if such action was deemed necessary.

Using four dimensions of case supervision (review of timeliness of case processing, review of quality of case processing, proportion of cases reviewed, and frequency of review), we can classify all of the agencies according to the extent of case supervision. The first group includes three

State and four local agencies with a low level of case supervision. They are characterized by crisis-oriented supervision (or supervision by exception) -- cases are reviewed only if they are out of compliance with HUD or local processing deadlines or if investigators identify serious difficulties. The second group provides thorough case review. Each open case is discussed regularly, with attention to specific actions undertaken during investigation and progress toward resolution. Supervisors provide assistance if necessary. Eight agencies -- five State and three local -- are in this group.

Whatever the approach to supervision, both investigators and supervisors depend upon information about case status. The next section summarizes the observations made about agency data operations.

#### Agency Data and Case Tracking Systems

All organizations have to establish mechanisms for managing information about their operations. In the case of civil rights agencies, a system should be able to:

- Track progress on individual cases, in terms of elapsed time on open cases and actions taken during investigation.
- Track caseload size and composition for individual investigators in order to monitor productivity, provide assistance when appropriate, and analyze quality of case handling.
- Analyze "systemic" discrimination by ascertaining whether multiple complaints have been filed against the same respondent or whether discrimination is concentrated in certain geographic subsections of the agency's target area.
- Facilitate preparation of periodic reports summarizing the size and nature of the housing caseload, progress on open cases, and types of outcomes achieved in closed cases. These reports are needed by HUD and may be requested by other funding sources as well.

Here, we examine the major characteristics of the systems, the problems which have emerged with them, and the ways they have changed since FHAP began. The rest of the Appendix describes in detail the data management and monitoring systems of four FHAP agencies in the sample.

Overall Characteristics. Two-thirds of the agencies used manual systems of case files, logs and file cards to both track case handling and prepare statistics about their caseloads. The other five, with computerized systems, were all State agencies. The choice of manual versus computerized



data management is, of course, strongly related to the size of the agency caseload. All of the agencies with total annual closed caseloads of 890 cases or less had manual systems, while four of the five agencies with more than 1300 closed cases had computerized systems. The four local agencies with the smallest caseloads (289 closed cases or less) relied almost entirely on the case files themselves. One of these agencies also maintained a log according to the date of case filing.

Overall, eight agencies reported that they had special monitoring systems for fair housing cases. Usually, the case file comprised the major element of the monitoring system. Investigators used it to document work completed on each case, and supervisors relied on it during supervisory conferences. Therefore, ten respondents indicated that records of major case events were kept only in case files; three of the State agencies with computerized data systems also recorded appropriate dates there.

Weaknesses in Data and Monitoring Systems. All but two respondents reported that they had major problems with their data management systems. (The two with no difficulties felt that their housing caseloads were small enough to be easily tracked on an individual manual basis.) The other eight agencies with manual systems complained that the logs and files were time consuming to maintain and analysis was very slow. Seven of these respondents felt that computerized systems were essential, and three were in the process of automating through purchase of minicomputers.

However, the presence of a computerized system did not guarantee problem-free data management. Two State agencies reported that they could not do any special analyses on their data bases, because programming responsibility and capability was lodged in another State agency. Three of these agencies were able to generate monthly reports summarizing the age of cases, but they felt that more frequent information would enhance their supervision capabilities. Another State agency with a computerized system had been unable to carry out any case tracking work, but was in the process of developing new case activity codes and beginning to plan for collection and analysis of those data.

Changes in Case Monitoring Systems. Most of the agencies (11) had made changes in their data gathering and case tracking systems since they began to participate in the Fair Housing Assistance Program. Two of the

agencies that did not make changes were large State agencies with computerized systems. Eight respondents partially attributed the changes to FHAP requirements, particularly the need to report on the age of individual cases. HUD had offered assistance to four of these agencies, either through Type II grants or advice, but eleven others thought HUD should provide funding and/or technical assistance if it required special data from them. To illustrate the different ways in which these purposes are achieved by the FHAP agencies in the study sample, four data systems of varying design and complexity are described here.

#### Illustrative Agency Systems

Small Local Agency System. One of the least complicated systems was maintained by a small local agency which had closed seven housing cases during the previous year and only 63 of other case types. The agency primarily relied on the case files to provide information as needed. Since the annual caseload was so small, status reports for HUD and internal use were prepared by reviewing the case files. Assessment of individual investigator performance was completed in two ways. Weekly conferences between the supervisor and investigators included review of the progress of individual cases and assessment of workload.

Agency standards for case handling guided these conferences. For example, investigators were expected to obtain information from respondents no more than 10 days after a verified complaint was filed. Investigations should last no more than 60 days; a recommendation of finding should be made within that time frame as well. After the closing of each case, the housing supervisor reviewed the quality of the investigation and case outcome. These standards and procedures were known by all staff, and performance in case handling was included in regular personnel evaluations.

The agency did not use its data and monitoring system to explore systemic discrimination, because it examined each individual complaint for that purpose. Testers documented whether discrimination had occurred and ascertained whether the complaint was legitimate and whether it represented a wider pattern of discriminatory behavior.

Small State Agency. A State agency that annually closed more than 180 housing cases maintained only a slightly more complex data management system. The Housing Division manually monitored its cases separately from other cases handled by the agency. Progress on individual cases was assessed in several ways. At the three regional offices, supervisors used case logs to determine how long cases remained open and what actions were being taken on each one. At least monthly, they discussed cases with the investigators under their supervision. During these conferences, they reviewed investigative procedures, set deadlines for receiving information from complainants and respondents, and established target dates for completing investigations. At this time, they also examined the workload and performance of individual investigators. When necessary, priority could be given to any cases that had been open for a substantial period of time.

Administrators at the central office had tickler files to aid them with monitoring of agency-wide progress on housing cases. One file highlighted key dates and deadlines for all open housing cases, while the other was limited to the dual-filed cases and identified dates associated with the 30-, 60-, and 90-day deadlines. The Assistant Director of Housing also maintained a log which recorded HUD file number, origin of case, closing date, HUD referral date, type of closing, agency docket number, and names of complainant and respondent.

Status reports to HUD were filed monthly. When the agency received the HUD CCRS computer listing of dual-filed cases, the Assistant Director of Housing called each regional supervisor to ascertain the status of each case. He made annotations on the computer lists and returned them to HUD. The agency did not use the 948 forms at all. Since no central management information system was in place, the agency could not easily assess the overall performance of investigators across the State, nor could it analyze systemic discrimination patterns or prepare statistical reports. In order to carry out any of these tasks, the Regional offices had to submit information to the main administrative office for analysis. It is not surprising that these activities were rarely undertaken.

At the time of the interviews, the agency was planning to computerize its housing data management system and had received a \$45,000 Type II Grant to support this approach.

Large Local Agency. The local agency which closed 238 housing cases during the year prior to the survey had developed an elaborate manual case tracking and data management system which allowed the agency to fulfill all four of the major functions outlined above.

The agency had a separate Housing Division which operated out of one main location. All administrators, investigators and supervisors were housed there, and provided regular case information to the Administrative Assistant for Data Management within the Housing Division.

In order to facilitate evaluation of progress on individual cases, each of the nine investigators completed a Case Assignment Sheet each month for all open cases. It recorded the case number, title of case file, date assigned, date closed or transferred to the Legal Division and type of closing. At a glance, the supervisors could assess investigator workload and obtain a brief view of how many cases remained open and for how long. This material supplemented the Case History Form kept in the case file and daily exchanges between investigators and supervisors about case progress.

To facilitate ongoing analysis of the total housing caseload, the Administrative Assistant for Data Management maintained a Case Log for each fiscal year to keep an updated accounting of all housing cases. The log was separated by months and was ordered by case number. The case number consisted of seven digits, with the first three set aside for the sequence number of the case, the next two allocated to the month, the last two identifying the year. For example, case number 1380883 was the 138th case opened in August 1983. The log also recorded the case name, date filed, intake officer, investigator, and type of case (e.g., dual-filed, handicapped, marital status).

Using information from the Case Assignment sheets, the Case Status Reports and the Case Log, the Administrative Assistant prepared a monthly management report for internal agency use. It summarized the number of cases received, complaints closed (with conciliation, withdrawn with benefits, no probable cause, withdrawn, administrative closure); cases transferred to the Legal Division (after finding of probable cause, for legal opinion or subpoena enforcement, no probable cause appeal); number of hotline calls; average processing time; and number of real estate tests conducted for systemic purposes. The report also included lists of all housing cases closed during the month,

with separate identification of dual-filed cases opened and closed during the month.

The agency also had two card files, with data about housing cases organized by name of complainant and name of respondent. These cards were often used to develop evidence of systemic discrimination.

While the manual system did allow the agency to adequately carry out its data management, analysis and monitoring functions, it was slow and unwieldy to use, and required substantial amount of staff time to keep up to date. The agency hoped to obtain funding to computerize at least some portion of the system, but no specific plans had been made at the time of the interview.

Large State Agency. To illustrate the capabilities of a computerized data management, let us turn now to the system used by a State agency closing more than 6000 cases of all types in a year and almost 300 housing cases. This agency did not have a separate housing division; all investigators and attorneys were generalists. Therefore, one data system was used to collect information about all cases.

In order to allow the central administrative staff of the agency to assess progress on cases, workload of investigators and staff productivity, the Data Management Division collected daily information from the 11 branch offices. All investigators completed a Case Activity Form about case actions completed each day. In addition, a special complaint form was filled out for data entry whenever a new complaint was filed. The forms were sent weekly to the central office. This information was then used to generate 56 different monthly reports summarizing event histories of active complaints, complaints sent to public hearing, data about complainants and respondents, workload of investigators, etc. Some of these reports were listings of cases, while others provided summary statistics. One list was known as the "bottleneck report" and identified for supervisors the workload of individual investigators and the most recent events undertaken on each of their cases. This information was used during supervisory conferences to review case progress and adjust case assignments.

Two documents were particularly relevant for monitoring of HUD cases. One listed HUD complaints filed since 1976, by complaint number. It

identified the respondent, the complainant, date of commissioner orders, most recent event, final disposition, and the branch office handling the complaint. A second report identified new HUD complaints reported during that month, by branch office. It listed complainant, respondent, address of premises, and date of filing.

In spite of this system, none of the reports specifically monitored the progress on HUD cases in relation to the 30, 60, and 90 day deadlines. In order to comply with these requirements and to complete the 948 monitoring forms for HUD, one staff person spent half time on these tasks. Every two weeks, she contacted each of the 11 Regional Offices to obtain updated information about the open dual-filed cases. She completed the 948 forms as required, requested explanations about aged cases and then passed those on to HUD, and notified branch offices if HUD was threatening to recall cases.

At the time of this study, the agency had not attempted to analyze the data for the purpose of developing evidence of systematic discrimination by specific respondents. Processing of systemic cases had not received any priority because budget reductions had recently caused major staff layoffs while complaint volume rose.

The computerized system had some flaws. For example, it required data entry by means of keypunched cards. Therefore, data entry was completed in batches every few weeks. Consequently, the monthly reports were generally somewhat out of date. In addition, supervisors wanted more frequent reporting about caseload activity and investigator workload, but that objective had not been achieved.

## APPENDIX III-F

### TRAINING OF FAIR HOUSING STAFF

Since the knowledge and skills of agency staff can be important factors that shape how the civil rights of complainants are protected, training for fair housing staff may influence the effectiveness of agency performance. In this Appendix, we examine the ways in which the agencies have provided training to staff and their own assessments of their present training needs. (Chapter 2 discussed the reactions of FHAP agency staff to training and technical assistance provided by HUD.)

#### In-House Training Methods

All 15 agencies in the study sample used on-the-job training to orient new staff members, but the scope and methods varied. For example, four organizations relied on supervisors and/or the departing staff members to provide assistance and information to new personnel. Eight agencies also had prepared written materials for new staff. That information typically covered administrative procedures, investigative practices, local and Federal legislation, and/or settlement procedures. In a few agencies, these training approaches were supplemented by weekly staff meetings, formal lectures and discussions, or meetings with experts from other local agencies.

Nine agencies also indicated that they had provided formal training sessions to fair housing personnel during the year prior to the survey. The sessions tended to focus on one or more of the following issues: changes in relevant case law and/or State or local legislation; investigation techniques; and/or testing and its uses in individual cases as well as for establishing patterns of discrimination.

Several unique programs were reported. One consisted of a series of workshops aimed at improving the writing skills of investigators who were required to prepare case files that could be used by attorneys, supervisors, and the like. Another was a special program for intake staff/counselors who learned how to screen a wide range of requests for assistance that included landlord-tenant problems as well as housing discrimination issues.

Four agencies (three State and one local) had particularly extensive programs. During the previous year, one of the State organizations had

conducted about 20 sessions exploring a variety of issues that arise during investigation, while another had presented about 10 sessions covering testing as a means of developing systemic discrimination cases. This agency also offered administrative and supervisory training to its senior managers; sessions on substantive law, case analysis, negotiation techniques, and creative remedies and settlements were given for investigative staff.

A third State agency had sponsored a variety of workshops for management, supervisors, investigators and support staff. Topics included: writing and report preparation, legal rules of practice and procedure, interpretation of State anti-discrimination law, leadership development, performance appraisal, time and stress management, and methods for conflict resolution. The local agency had trained volunteer testers and intake counselors in comprehensive three-to-five day sessions and had offered special sessions about Title VIII and case law.

#### Training Provided by Outside Organizations Other Than HUD

Nine of the agencies turned to universities, private advocacy groups, other human rights agencies, or national associations to obtain special training for their staffs. A wide range of topics was covered, such as: training for commissioners; management skills and techniques; investigative and conciliation skills; and affirmative marketing. The provider organizations included Harvard University Kennedy School of Government; University of North Carolina Institute of Government; Rutgers University; University of Connecticut; the National Commission Against Discrimination in Housing; the American Arbitration Association; Kentucky Rights Advocates Training Service; and the Fort Wayne Civil Rights Commission.

#### Training Needs

All but one agency respondent felt that some additional training would be helpful. The materials offered by the agencies, other groups, and HUD have not satisfied all of the perceived needs for skill and knowledge improvement.

Agencies wanted further training on issues already addressed by in-house training and/or other educational groups. The most common need was for improvement in investigation and/or conciliation techniques, mentioned by six respondents. Five people noted that information about changes in State or



Federal housing law would also be useful, while four others felt that discussion of the real estate business would be helpful to staff who were trying to develop affirmative marketing plans, revoke real estate licenses, or challenge mortgage financing arrangements. Other concerns included staff supervision, preparation of cases for public hearing, rapid processing of housing cases, intake procedures, testing methods, and outreach strategies.

Five agencies reported that they had systematic ways of defining training issues. For example, one large State agency had established a training committee which assembled and defined training options for review by field offices and central management. In another locale, monthly staff meetings often identified training requirements.

Seven respondents felt FHAP had been instrumental in helping them to assess training issues and then to plan and implement staff improvement projects. Relationships with HUD personnel caused at least four agencies to assess their own procedures and consider alternative methods and views of investigation and conciliation. For example, one respondent mentioned that her agency had always taken the position that it must be neutral toward complainants and respondents. When HUD staff challenged that approach, the agency had to consider why it had taken that position so that it could defend the view or modify it. Pressure by HUD for complaint processing within specified time limits had caused three agencies to examine their procedures in order to streamline routine activities. In all of these instances, training was required to explain and implement alternative practices.

Respondents generally felt that a mixture of talents was needed to fulfill all the training requirements. Most of them (12) felt that they had resource people on their own staffs who could fill some training needs, but 10 people, including all but one from the local agencies, also said that HUD could be helpful, especially if trainers were selected because they had special expertise in the issues under discussion. Finally, 12 persons noted that national consultants or experts should be tapped to provide particular information about topics such as legal theory, mediation and negotiation, leadership development, and testing.

The major factors restricting the abilities of agencies to meet their training needs were time and money. Directors and supervisors were reluctant to allow investigators to focus on training while workloads were

heavy and lack of funds restricted travel, precluded purchase of expertise from consultants, and prevented purchase or rental of video equipment.

**APPENDIX IV**

**TYPES OF CASE CLOSINGS AT INDIVIDUAL FHAP AGENCIES**

Table IV-1  
 PERCENTAGE DISTRIBUTION OF TYPES OF CASE CLOSINGS FOR FAIR HOUSING CASES DURING PRE-FHAP PERIOD

State Agency	N	Lack of Jurisdiction	Failure to Proceed/Withdrawn--No Settlement	Predetermination Settlement/Withdrawn with Settlement	Administrative Closure	Lack of Probable Cause	Conciliation	Public Hearing	Court	Other	100%
1	94	4.3	2.1	16.0	20.2	47.9	3.2	0.0	0.0	6.4	100%
2	98	0.0	2.0	21.4	16.3	18.4	16.3	22.5	0.0	3.1	100%
3	90	2.2	10.0	21.1	2.2	56.7	7.8	0.0	0.0	0.0	100%
4	73	5.5	26.0	15.1	1.4	37.0	9.6	0.0	1.4	2.7	100%
5	22	0.0	22.7	45.5	0.0	9.1	22.7	0.0	0.0	0.0	100%
6	70	4.3	5.7	4.3	0.0	70.0	8.6	1.4	2.9	2.9	100%
7	22	18.2	18.2	22.7	0.0	40.9	0.0	0.0	0.0	0.0	100%
8	93	1.1	11.8	24.7	1.1	48.4	5.4	0.0	0.0	0.0	100%
Local Agency	1	53	3.8	13.2	20.8	20.8	1.9	0.0	0.0	0.0	100%
	2	101	7.9	28.7	7.9	18.8	5.9	1.0	0.0	0.0	100%
	3	8	0.0	0.0	25.0	62.5	12.5	0.0	0.0	0.0	100%
	4	43	7.0	4.7	18.6	51.2	14.0	0.0	0.0	2.3	100%
	5	18	11.1	50.0	11.1	16.7	5.6	0.0	0.0	0.0	100%
	6	41	7.3	2.4	0.0	61.0	26.9	0.0	0.0	2.4	100%
	7	41	2.4	24.4	2.4	24.4	9.8	0.0	2.4	22.0	100%

Source: Case Record Abstracts

TABLE IV-2

PERCENTAGE DISTRIBUTION OF TYPES OF CASE CLOSINGS FOR FAIR HOUSING CASES DURING FHAP PERIOD

	N	Lack of Jurisdiction	Failure to Proceed/Withdrawn--No Settlement	Predetermination Settlement/Withdrawn with Settlement	Administrative Closure	Lack of Probable Cause	Conciliation	Public Hearing	Court	Recall	Other
State Agency	1 140	3.6	7.9	27.9	6.4	40.7	7.9	0.7	0.0	0.7	4.3
	2 110	3.6	10.9	24.5	0.0	48.2	9.1	1.8	0.0	0.0	1.8
	3 162	0.0	7.4	20.4	0.6	56.8	11.1	3.7	0.0	0.0	0.0
	4 133	4.5	12.0	24.8	3.0	46.6	9.0	0.0	0.0	0.0	0.0
	5 70	8.6	35.7	30.0	0.0	22.9	1.4	0.0	0.0	1.4	0.0
	6 49	0.0	8.2	24.5	4.1	44.9	14.3	0.0	2.0	0.0	2.0
	7 13	7.7	0.0	15.4	0.0	69.2	7.7	0.0	0.0	0.0	0.0
	8 183	0.6	8.7	40.4	0.6	45.9	1.1	1.1	0.0	0.0	1.6
Local Agency	1 79	2.5	20.3	35.4	8.9	27.9	5.1	0.0	0.0	0.0	0.0
	2 31	0.0	6.5	71.0	3.2	6.5	3.2	3.2	0.0	0.0	6.5
	3 15	0.0	20.0	6.7	6.7	53.3	13.3	0.0	0.0	0.0	0.0
	4 15	0.0	6.7	0.0	0.0	73.3	13.3	6.7	0.0	0.0	0.0
	5 52	1.9	19.2	25.0	0.0	48.1	5.8	0.0	0.0	0.0	0.0
	6 55	7.3	3.6	7.3	1.8	63.6	14.6	0.0	0.0	0.0	1.8
	7 65	0.0	30.8	32.3	1.5	21.5	6.2	0.0	0.0	0.0	7.7

EIV/3

Source: Case Record Abstracts



APPENDIX V  
SUPPLEMENTARY TABLES FOR CHAPTER 5

Table V-1

## ISSUE BY PERIOD

R_ISSUE	PERIOD			TOTAL
	1	2	3	
	118	60	40	.
Missing	.	.	.	.
A	66	16	6	.
Missing	.	.	.	.
1	480	427	235	1141
Refused or Denied	27.68	24.62	13.58	65.89
	42.01	37.37	20.62	
	70.36	64.63	60.21	
2	68	105	62	235
Terms and Conditions	3.92	6.09	3.55	13.57
	28.93	44.88	26.20	
	9.97	15.98	15.75	
3	73	98	62	233
Eviction or refusal to renew lease	4.22	5.64	3.60	13.46
	31.38	41.88	26.73	
	10.73	14.79	15.94	
4	21	18	9	48
Financing or Broker Ser- vices	1.21	1.06	0.52	2.79
	43.29	38.04	18.67	
	3.07	2.79	2.31	
5	40	12	23	74
Other	2.30	0.69	1.31	4.29
	53.62	15.98	30.39	
	5.85	1.80	5.79	
TOTAL	682	660	391	1732
	39.34	38.10	22.56	100.00

CHI-SQUARE

37.210 DF= 8 PROB=0.0001



Table V-2  
BASIS BY PERIOD

R_BASIS	PERIOD			TOTAL
	1	2	3	
	18	0	2	
Missing	.	.	.	
1	473	395	270	1137
	23.41	19.55	13.35	56.32
Race (only)	41.57	34.72	23.71	
	55.72	53.64	62.04	
2	85	53	32	170
Race combined with an-	4.22	2.63	1.59	8.43
other allegation other	50.05	31.13	18.81	
than sex	10.05	7.20	7.37	
3	33	46	18	98
Race and sex plus any	1.65	2.30	0.89	4.84
other allegations	34.01	47.52	18.46	
	3.92	6.31	4.15	
4	75	68	36	179
Sex (but not race) plus	3.72	3.39	1.78	8.88
any other allegations	41.83	38.18	19.98	
	8.84	9.30	8.25	
5	173	165	76	414
Other TVIII bases	8.58	8.19	3.74	20.51
(national origin,	41.81	39.94	18.25	
religion)	20.41	22.47	17.39	
6	9	8	3	20
Any other basis	0.45	0.40	0.17	1.01
	44.15	38.98	16.87	
	1.07	1.08	0.80	
TOTAL	848	736	434	2019
	42.02	36.46	21.52	100.00

CHI-SQUARE

17.288 DF= 10 PROB=0.0682

Table V-3

## RESPONDENT BY PERIOD

R_RESPDT	PERIOD			TOTAL
	1	2	3	
	5	9	1	.
	.	.	.	.
	.	.	.	.
A	68	15	7	.
	.	.	.	.
1	338	262	181	781
	17.51	13.56	9.34	40.41
Builder or owner only	43.33	33.55	23.12	
	42.69	36.81	42.19	
2	47	54	36	136
	2.44	2.77	1.84	7.05
Broker or salesperson plus any other respondent	34.57	39.27	26.15	
	5.95	7.52	8.33	
3	46	48	26	120
	2.40	2.47	1.36	6.23
Rental agency plus any other respondent	38.56	39.61	21.83	
	5.86	6.70	6.14	
4	314	314	157	784
	16.25	16.22	8.10	40.57
Superintendent or manager plus any other respondent	40.05	39.98	19.97	
	39.62	44.04	36.58	
5	13	8	3	24
	0.68	0.41	0.14	1.22
Bank or other lender plus any other respondent	55.48	33.37	11.15	
	1.66	1.11	0.62	
6	18	15	17	50
	0.92	0.78	0.90	2.59
Local Housing Authority only	35.57	29.93	34.50	
	2.25	2.11	4.04	
7	16	12	9	37
	0.81	0.63	0.47	1.91
Other	42.58	33.06	24.37	
	1.98	1.71	2.10	
TOTAL	793	712	428	1933
	41.02	36.83	22.15	100.00

CHI-SQUARE

17.930 DF= 12 PROB=0.1178

Table V-4

SALE/RENT BY PERIOD

FREQUENCY PERCENT ROW PCT COL PCT	1	2	3	TOTAL
0	123	31	12	166
Missing	6.04	1.52	0.61	8.17
	73.89	18.62	7.48	
	14.20	4.21	2.86	
1	64	43	29	136
For Sale	3.12	2.13	1.41	6.67
	46.88	31.97	21.15	
	7.35	5.90	6.59	
2	668	656	389	1713
For Rent	32.75	32.18	19.10	84.03
	38.98	38.29	22.73	
	77.07	89.11	89.29	
3	1	2	2	5
Both	0.06	0.11	0.08	0.25
	23.67	45.29	31.04	
	0.14	0.32	0.37	
4	11	3	4	18
Other	0.53	0.17	0.19	0.88
	59.65	18.78	21.57	
	1.24	0.46	0.89	
TOTAL	866	736	436	2038
	42.50	36.11	21.39	100.00

CHI-SQUARE

81.223

DF=

8

PROB=0.0001

SAS

Table V-5

MODEL: R14I1  
 DEP VARIABLE: ANNUAL FAIR HOUSING CASE OPENINGS  
 REGRESSION MODELS FOR ANNUAL CASE OPENINGS AND CLOSINGS

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	18	1214467	67470.403	29.223	0.0001
ERROR	72	1662336	2308.835		
C TOTAL	90	1380703			
ROOT MSE		48.050339	R-SQUARE	0.8796	
DEP MEAN		107.692	ADJ R-SQ	0.8495	
C.V.		44.61817			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE	VARIABLE NAME
INTERCEP	1	351.831	22.678855	15.514	0.0001	0.394875	
NEWYR	1	7.125735	4.181404	1.704	0.0927	0.003480	Year - 75
YRPH12	1	-14.956642	31.714801	-0.472	0.6386	0.567721	New Year * PH12
LOCAL1	1	-357.762	26.937963	-13.281	0.0001	0.512709	Agency Dummies
STATE1	1	-164.872	26.399335	-6.245	0.0001	0.541667	
STATE2	1	-308.721	25.683989	-12.026	0.0001	0.520482	
STATE3	1	-131.679	26.201463	-5.026	0.0001	0.541318	
STATE4	1	-237.592	25.692267	-9.234	0.0001	0.549164	
LOCAL3	1	-387.060	31.481851	-12.312	0.0001	0.541570	
STATE7	1	-190.986	25.686273	-7.436	0.0001	0.544791	
LOCAL1	1	-374.952	35.132223	-10.604	0.0001	0.542332	
LOCAL4	1	-341.470	27.561289	-12.385	0.0001	0.506059	
STATE5	1	-347.931	26.572214	-13.302	0.0001	0.542878	
STATE6	1	-359.522	26.848733	-13.392	0.0001	0.571500	
LOCAL6	1	-320.522	32.010672	-10.013	0.0001	0.589204	
LOCAL2	1	-367.905	26.019965	-13.929	0.0001	0.517377	
LOCAL5	1	106.476	20.204504	5.221	0.0042	0.517121	
FHAP	1	21.808108	47.184024	0.462	0.6453	0.004121	Part of year in FHAP
FHAP PH 2	1					0.159381	Part of year in Phase 2

TEST: AGENCY (ALL DUMMIES)	NUMERATOR: 82190.9	DF: 14	F VALUE: 35.5984
	DENOMINATOR: 2308.84	DF: 72	PROB > F: 0.0001
TEST: PH12PH2 = (PH12+PH2)	NUMERATOR: 652.508	DF: 1	F VALUE: 0.2826
	DENOMINATOR: 2308.84	DF: 72	PROB > F: 0.5966
TEST: PROG = (PH12, PH2)	NUMERATOR: 328.829	DF: 2	F VALUE: 0.1424
	DENOMINATOR: 2308.84	DF: 72	PROB > F: 0.8675

TABLE V-5 (continued)

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MODEL: R14I2  
 DEP VARIABLE: Logarithm of Annual Case Openings

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB > F
MODEL	18	160.262	8.903418	38.688	0.0001
ERROR	72	16.569728	0.230135		
C TOTAL	90	176.831			
ROOT MSE		0.479724		0.9063	
DEP MEAN		3.914627		0.8329	
C.V.		12.25465			

VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	5.590434	0.226421	24.690	0.0001	0.394875
NEWYR	1	0.071253	0.041746	1.7038	0.0922	0.003480
YRPH12	1	0.138762	0.031663	4.338	0.0001	0.567721
LOCAL7	1	-2.423881	0.268943	-9.013	0.0001	0.512709
STATE1	1	-1.578777	0.263563	-5.966	0.0001	0.521667
STATE2	1	-1.576386	0.256423	-6.148	0.0001	0.520482
STATE3	1	-0.399362	0.261590	-1.527	0.1312	0.541318
STATE4	1	-0.893625	0.256506	-3.487	0.0008	0.549164
LOCAL3	1	-4.207558	0.314308	-13.384	0.0001	0.609164
STATE7	1	-2.858542	0.256446	-11.149	0.0001	0.541570
LOCAL1	1	-0.777597	0.350752	-2.211	0.0376	0.644791
LOCAL4	1	-3.245815	0.275291	-11.728	0.0001	0.506278
STATE5	1	-2.363254	0.275027	-8.593	0.0001	0.506278
LOCAL6	1	-2.569279	0.268052	-9.588	0.0001	0.571504
LOCAL2	1	-1.733570	0.319587	-5.424	0.0001	0.589204
LOCAL5	1	-4.233185	0.262373	-16.134	0.0001	0.517377
FHAP	1	-0.863404	0.204172	-4.233	0.0001	0.004121
FHAP PH 2	1	-0.180604	0.471075	-0.383	0.7026	0.159381

TEST:	AGENCY	NUMERATOR:	DENOMINATOR:	DF:	DF:	F VALUE:	PROB > F:
TEST:	PH12PH2	0.432161	0.230135	72	72	0.1878	0.6661
TEST:	PROG	0.218961	0.230135	72	72	0.0951	0.9094

SAS

Table V-5 (continued)

MODEL: R14I1  
DEP VARIABLE: ANNUAL FAIR HOUSING CASE CLOSINGS

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	18	1059626	58868.120	19.799	0.0001
ERROR	70	208135	2973.358		
C TOTAL	88	1267761			
ROOT MSE		54.528507	R-SQUARE	0.8358	
DEP MEAN		106.607	ADJ R-SQ	0.7936	
C.V.		51.14921			

VARIABLE OF INTERCEP	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	318.132	26.296421	12.098	0.0001	0.369756
NEWYR	6.455837	5.054442	1.315	0.1927	0.003493
YRPH12	-21.319	36.061506	-0.595	0.5538	0.005686
LOCAL1	-140.586	30.570051	-4.672	0.0001	0.005126
STATE1	-252.619	29.146716	-8.668	0.0001	0.005205
STATE2	-192.455	29.760600	-6.441	0.0001	0.005321
STATE3	-329.322	29.156439	-11.301	0.0001	0.005407
STATE4	-180.480	29.794651	-6.041	0.0001	0.005483
LOCAL2	347.197	35.147653	9.883	0.0001	0.005521
LOCAL3	313.785	30.076531	10.409	0.0001	0.005612
STATE5	313.785	30.365216	10.368	0.0001	0.005652
LOCAL4	326.019	31.202048	10.468	0.0001	0.005718
STATE6	334.547	30.483372	10.995	0.0001	0.005781
LOCAL5	167.010	36.565748	4.571	0.0001	0.005821
PHAP	7.456724	31.232769	0.241	0.8155	0.005856
PHAP PH 2		53.737084	0.139	0.8900	0.005912

TEST: AGENCY	NUMERATOR:	70608.1	DF:	14	F VALUE:	23.7469
	DENOMINATOR:	2973.36	DF:	70	PROB > F:	0.0001
TEST: PH12PH2	NUMERATOR:	1198.83	DF:	1	F VALUE:	0.4032
	DENOMINATOR:	2973.36	DF:	70	PROB > F:	0.5273
TEST: PROG	NUMERATOR:	1258.7	DF:	2	F VALUE:	0.4233
	DENOMINATOR:	2973.36	DF:	70	PROB > F:	0.6563

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Table V-5 (continued)

MODEL: R14I2  
DEP VARIABLE:

LOGARITHM OF ANNUAL FAIR HOUSING CLOSINGS

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	18	162.367	9.020403	40.887	0.0001
ERROR	70	15.443360	0.220619		
C TOTAL	88	177.811			
ROOT MSE		0.467701	R-SQUARE	0.9131	
DEP MEAN		3.909599	ADJ R-SQ	0.8908	
C.V.		12.01406			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	5.469627	0.226514	24.147	0.0001	0.369756
NEWYR	1	0.054018	0.033538	1.261	0.2189	0.003493
YRPH12	1	0.153296	0.310629	-0.494	0.6232	0.056861
LOCAL7	1	-2.099546	0.263343	-7.709	0.0001	0.051254
STATE1	1	-0.441454	0.258343	-1.709	0.0919	0.052032
STATE2	1	-1.162333	0.251066	-4.630	0.0001	0.052231
STATE3	1	-0.265240	0.256354	-1.035	0.3042	0.054743
STATE4	1	-0.654884	0.251150	-2.606	0.0112	0.052032
LOCAL3	1	-4.208084	0.230833	-18.248	0.0001	0.054861
STATE7	1	-2.706555	0.251089	-10.779	0.0001	0.053597
LOCAL1	1	-0.737690	0.251214	-2.936	0.0361	0.052463
LOCAL4	1	-3.982369	0.287405	-13.856	0.0001	0.052463
STATE5	1	-2.285781	0.260201	-8.788	0.0001	0.052463
STATE6	1	-2.182345	0.262380	-8.225	0.0001	0.052463
LOCAL6	1	-2.485340	0.262373	-9.485	0.0001	0.052463
LOCAL2	1	-1.213316	0.271431	-4.473	0.0001	0.052463
LOCAL5	1	-4.278951	0.200504	-21.330	0.0001	0.052463
FHAP	1	-0.224766	0.462884	-0.486	0.6288	0.052463
FHAP PH 2	1					

TEST:	AGENCY	NUMERATOR:	DF:	DENOMINATOR:	DF:	F VALUE:	PROB > F:
TEST:	PH12PH2	10.7721	14	0.220619	70	48.8268	0.0001
TEST:	PH12PH2	0.405179	1	0.220619	70	0.1837	0.6696
TEST:	PROG	0.263242	2	0.220619	70	0.1193	0.8877

TABLE V-6

REGRESSION MODELS OF DURATION THROUGH INVESTIGATION  
 MODEL: J1  
 DEP VARIABLE: INOUR (DURATION THROUGH INVESTIGATION)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	43	63610525	1479315	20.032	0.0001
ERROR	1826	134842950	73846.084		
C TOTAL	1869	198453475			
ROOT MSE		271.746	R-SQUARE	0.3205	
DEP MEAN		196.450	ADJ R-SQ	0.3045	
C.V.		138.3283			

VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	-2.247396	91.692313	-0.025	0.9804	
PSALES	1	23.627189	28.541778	0.828	0.4079	0.819957
LMA	1	45.778275	40.459080	1.131	0.2580	0.945434
BANK	1	-5.160581	64.430062	-0.080	0.9362	0.819215
AGENCY	1	-9.262847	28.588968	-0.324	0.7460	0.887856
SUPT	1	4.478105	14.538980	0.308	0.7581	0.783478
BROKOTH	1	5.5172688	25.905332	0.213	0.8333	0.797996
BSEX	1	-2.981347	21.978399	-0.136	0.8916	0.921049
OTHBAS	1	-18.988826	15.918967	-1.193	0.2331	0.868805
TERMS	1	2.635368	20.970185	0.126	0.9000	0.797067
EVICT	1	-7.042030	21.164910	-0.333	0.7394	0.886015
FINBROK	1	2.699499	39.987100	0.090	0.9288	0.814074
LOCAL3	1	157.080	92.158055	1.704	0.0901	0.382743
STAT5	1	271.075	70.814249	3.828	0.0001	0.183555
LOCAL5	1	183.290	74.076135	2.474	0.0134	0.208325
STATE6	1	99.471638	70.179133	1.417	0.1565	0.142402
STATE1	1	147.024	44.615914	3.295	0.0010	0.196556
STATE7	1	181.257	82.703690	2.192	0.0285	0.333040
STATE2	1	246.048	63.928917	3.849	0.0001	0.113331
STATE3	1	109.112	40.368444	2.703	0.0069	0.211383
STATE4	1	549.718	53.229147	10.327	0.0001	0.145284
LOCAL2	1	122.669	66.256675	1.831	0.0690	0.169737
LOCAL6	1	90.871990	73.031112	1.231	0.2200	0.161670
LOCAL4	1	30.794500	80.254504	0.383	0.7029	0.255533
LOCAL7	1	402.578	73.042287	5.512	0.0001	0.161569
LOCAL1	1	118.268	49.856680	2.372	0.0178	0.258538
FHOYRO	1	0.423236	0.147110	2.877	0.0041	0.076986
LOJ	1	-112.019	68.857100	-1.627	0.1039	0.259925
FTP	1	40.473106	63.054059	0.642	0.5210	0.088472
ADMIN	1	237.365	66.4411073	3.574	0.0004	0.235586
POS	1	-93.773651	27.598850	-3.398	0.0007	0.278704
LOPC	1	-135.785	82.312929	-1.650	0.0992	0.023704
HEARYA	1	390.894	66.351385	5.891	0.0001	0.771515
EXPCALL	1	-253.757	202.564	-1.253	0.2105	0.900815
OTHCL	1	15.389618	61.072440	0.252	0.8011	0.545932
PRO-CP	1	22.583284	65.438995	0.345	0.7301	0.040636
PRO-RESP	1	137.655	96.534353	1.397	0.1626	0.016551
UNSCON	1	337.268	114.409	2.948	0.0032	0.708232
WORDS	1	24.976572	37.350588	0.669	0.5038	0.395747
NEXT	1	9.230889	41.796571	0.221	0.8252	0.520991
MONONLY	1	95.269943	36.712423	2.595	0.0095	0.374478
CONUNIT	1	-8.296544	36.551876	-0.227	0.8205	0.359550
P2	1	-116.479	16.816084	-6.927	0.0001	0.681164
P3	1	-186.930	21.158042	-8.835	0.0001	0.652772

TEST: AGENCY	NUMERATOR:	2535929	DF:	14	F VALUE:	34.3407
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.0001
TEST: PROG	NUMERATOR:	3266509	DF:	2	F VALUE:	44.2340
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.0001
TEST: RESP	NUMERATOR:	101761	DF:	5	F VALUE:	1.3780
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.2284
TEST: BASIS	NUMERATOR:	53049	DF:	2	F VALUE:	0.7184
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.4977
TEST: ISSUE	NUMERATOR:	3786.55	DF:	3	F VALUE:	0.0513
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.9792
TEST: CLOSING	NUMERATOR:	1249607	DF:	8	F VALUE:	16.9218
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.0001
TEST: SETLMENT	NUMERATOR:	281214	DF:	3	F VALUE:	3.8081
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.0099
TEST: GOODNESS (RELIEF)	NUMERATOR:	232907	DF:	4	F VALUE:	3.1539
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.0135
TEST: CASE ISSUE/BASIS/RESP	NUMERATOR:	64981.7	DF:	10	F VALUE:	0.8800
	DENOMINATOR:	73846.1	DF:	1826	PROB > F:	0.5514



MODEL: J1  
DEP VARIABLE: INDUR

TABLE V-6 (cont'd)  
DURATION THROUGH INVESTIGATION  
(Cases closed within a year)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB > F
MODEL	43	2532744	58901.022	11.110	0.0001
ERROR	1551	8224058	5301.778		
C TOTAL	1594	10755801			
ROOT MSE		72.813308	R-SQUARE	0.2355	
DEP MEAN		94.389969	ADJ R-SQ	0.2143	
C.V.		77.14094			

VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	117.186	27.146303	4.317	0.0001	
PSALES	1	-0.616255	8.614032	-0.072	0.9430	0.832684
LMA	1	36.259249	11.860376	3.057	0.0023	0.943519
BANK	1	4.705067	20.255086	0.232	0.8163	0.869692
AGENCY	1	-11.921169	8.297278	-1.437	0.1510	0.379342
SUPT	1	3.700563	4.197125	0.882	0.3781	0.780395
BROKOTH	1	10.670288	7.608095	1.402	0.1610	0.800933
BSEX	1	-2.140580	6.369184	-0.336	0.7369	0.912984
OTHBAS	1	-4.205930	4.575019	-0.919	0.3581	0.864209
TERMS	1	6.346174	5.999654	1.058	0.2903	0.736613
EVICT	1	8.370117	6.148188	1.361	0.1736	0.882616
FINBROK	1	3.871542	8.759738	0.442	0.6586	0.358626
LOCAL3	1	-1.258592	26.033559	-0.480	0.6311	0.355891
STATE5	1	-27.760474	20.531806	-1.352	0.1765	0.180547
LOCAL5	1	-14.393134	21.257307	-0.677	0.4984	0.338893
STATE6	1	-55.359621	20.827330	-2.730	0.0064	0.132658
STATE1	1	6.130631	12.823695	0.478	0.6327	0.201895
STATE7	1	-25.841378	23.382205	-1.087	0.2771	0.319885
STATE2	1	-20.526808	18.597466	-1.104	0.2699	0.117020
STATE3	1	-16.649733	11.735008	-1.419	0.1562	0.206965
STATE4	1	57.688505	15.244931	3.811	0.0004	0.196168
LOCAL2	1	15.023609	18.962960	0.792	0.4283	0.154422
LOCAL6	1	-98.047086	21.565300	-4.547	0.0001	0.144891
LOCAL4	1	-79.738157	22.083214	-3.619	0.0005	0.227874
LOCAL7	1	1.461927	22.053442	0.066	0.9471	0.202093
LOCAL1	1	18.081912	14.225571	1.268	0.2069	0.248622
FHOYRO	1	-0.079217	0.032553	-1.862	0.0625	0.070862
LOJ	1	-41.108610	20.036470	-2.019	0.0437	0.228731
FTP	1	-13.454905	19.008847	-0.705	0.4809	0.087360
ADMIN	1	41.755252	20.249422	2.062	0.0394	0.283458
POS	1	-6.108913	8.516875	-0.717	0.4733	0.230702
LOPC	1	-21.580379	25.331661	-0.852	0.3944	0.020903
HEARYA	1	36.722223	27.399011	1.324	0.1858	0.865577
EXPCALL	1	-10.325966	55.021102	-0.188	0.8512	0.876754
OTHCL	1	-30.266260	20.382141	-1.484	0.1380	0.518612
PRO-CP	1	3.597290	19.597290	0.184	0.8544	0.037912
PRO-RESP	1	28.119172	30.084391	0.935	0.3501	0.014842
UNSCON	1	90.327141	41.070200	2.199	0.0280	0.787768
WOROS	1	-6.832845	10.653727	-0.641	0.5214	0.341124
HLAT	1	-9.583982	11.740896	-0.816	0.4144	0.512216
MONONLY	1	41.325991	10.877204	3.799	0.0002	0.426797
CONUNIT	1	-13.409224	10.297558	-1.302	0.1930	0.349271
P2	1	-9.666809	4.872172	-1.984	0.0474	0.641703
P3	1	-11.091830	5.981195	-1.854	0.0639	0.612154

TEST: AGENCY	NUMERATOR:	122399	OF:	14	F VALUE:	23.0864
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0001
TEST: PROG	NUMERATOR:	13102.9	OF:	2	F VALUE:	2.4714
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0848
TEST: RESP	NUMERATOR:	14946.6	OF:	5	F VALUE:	2.8192
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0154
TEST: BASIS	NUMERATOR:	2291.34	OF:	2	F VALUE:	0.4322
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.6492
TEST: ISSUE	NUMERATOR:	4653.84	OF:	3	F VALUE:	0.8778
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.4541
TEST: CLOSING	NUMERATOR:	25816.4	OF:	8	F VALUE:	4.9694
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0201
TEST: SETLMNT	NUMERATOR:	12898.1	OF:	3	F VALUE:	2.4328
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0623
TEST: GOODNESS	NUMERATOR:	53402.6	OF:	4	F VALUE:	10.0726
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0001
TEST: CASE	NUMERATOR:	9579.54	OF:	10	F VALUE:	1.8069
	DENOMINATOR:	5301.78	OF:	1551	PROB > F:	0.0548

VARIABLES IN TABLE V-6

PSALES	0,1	indicating housing for sale
LHA	0,1	indicating Local Housing Authority respondent
BANK	0,1	indicating bank or other financial institution as respondent
AJENCY	0,1	indicating rental agency as respondent
SUPT	0,1	indicating superintendent or manager as respondent
BROKOTH	0,1	indicating real estate broker or other as respondent (owner, builder excluded)
BSEX	0,1	indicating basis is sex only
OTHBAS	0,1	indicating other bases, not race (race and race in combination with other bases excluded)
TERMS	0,1	indicating terms and conditions as issue
EVICT	0,1	eviction as issue
FINBROK	0,1	financial or broker services as issue (refusal to rent or sell or denial of access excluded)
FHYRO	0,1	number of fair housing case openings in year case opened
LOJ	0,1	case closed for lack of jurisdiction
FTP	0,1	case closed for failure to proceed on part of complainant
ADMIN	0,1	administrative closure
PDS	0,1	pre-determination settlement
LOPC	0,1	closed with lack of probable cause
HEARYA	0,1	closed in public hearing or court action
EXPCALL	0,1	expired or recalled
OTHCL	0,1	other closing types except for conciliation, the excluded category for the model
PRO-RESP	0,1	pro-respondent settlement
PRO-CP	0,1	pro-complainant settlement

VARIABLES IN TABLE V-6 (Continued)

UNSCON	0,1	unsuccessful conciliation (excluded are cases closed without settlement)
WORDS	0,1	relief was apology or affirmative action
NEXT	0,1	relief was next available unit
CONUNIT	0,1	relief was contested unit only, excluded category is relief as both money award and a unit, either contested or next available
P2		fraction of total case duration in Phase 1 (Period 2)
P3		fraction of total case duration in Phase 2 (Period 3)

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TABLE V-7  
REGRESSION MODELS OF RELIEF  
MODEL: J1  
DEP VARIABLE: RELIEF (Cases Closed within a Year)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	32.453242	0.954507	4.419	0.0001
ERROR	1396	301.509	0.215981		
C TOTAL	1430	333.962			
ROOT MSE		0.464737	R-SQUARE	0.0972	
DEP MEAN		0.371069	ADJ R-SQ	0.0752	
C.V.		125.2427			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.310922	0.066449	4.679	0.0001	
PSALES	1	-0.070123	0.061318	-1.144	0.2530	0.840093
LHA	1	0.010060	0.074389	0.135	0.8925	0.935781
BANK	1	-0.127027	0.139325	-0.912	0.3621	0.863726
AJENCY	1	-0.016407	0.054550	-0.301	0.7636	0.878826
SUPT	1	0.017439	0.028681	0.608	0.5433	0.755697
BROKOTH	1	-0.078137	0.051190	-1.526	0.1271	0.791949
BSEX	1	0.015573	0.042185	0.369	0.7121	0.920158
OTHBAS	1	0.017456	0.039763	0.439	0.6607	0.516659
TESTG	1	0.196512	0.048867	4.021	0.0001	0.921520
TERMS	1	-0.023899	0.040277	-0.593	0.5530	0.818978
EVICT	1	0.024092	0.040967	0.588	0.5566	0.891012
FINBROK	1	0.0001785202	0.056883	0.000	0.9997	0.894317
P2	1	0.115514	0.030023	3.847	0.0001	0.771714
P3	1	0.028841	0.037013	0.779	0.4360	0.744225
LOCAL3	1	-0.128247	0.113385	-1.131	0.2582	0.896094
STATE5	1	0.164598	0.080719	2.039	0.0416	0.813104
LOCAL5	1	-0.00443164	0.079627	-0.056	0.9556	0.749378
STATE6	1	-0.098942	0.058023	-1.705	0.0884	0.696175
STATE1	1	-0.130830	0.049638	-2.636	0.0085	0.600504
STATE7	1	-0.015248	0.100688	-0.151	0.8797	0.902802
STATE2	1	0.175272	0.053485	3.277	0.0011	0.605487
STATE3	1	-0.032152	0.046026	-0.699	0.4849	0.587687
STATE4	1	0.037800	0.060453	0.625	0.5319	0.672909
LOCAL2	1	-0.00569445	0.061999	-0.092	0.9268	0.666215
LOCAL6	1	-0.195279	0.063782	-3.062	0.0022	0.664030
LOCAL4	1	-0.135161	0.074735	-1.809	0.0707	0.771686
LOCAL7	1	0.166960	0.078753	2.120	0.0342	0.834954
LOCAL1	1	0.194376	0.059447	3.270	0.0011	0.682405
T030	1	0.164902	0.046802	3.523	0.0004	0.523788
T060	1	0.042530	0.041508	1.025	0.3057	0.553629
T090	1	0.038686	0.044191	0.875	0.3815	0.596279
T06M0	1	-0.044992	0.044695	-1.007	0.3143	0.603404
T01YR	1	-0.020975	0.042868	-0.489	0.6247	0.564312
T8	1	-0.032972	0.044736	-0.737	0.4612	0.526383

TEST: AGENCY	NUMERATOR:	1.1693	DF:	14	F VALUE:	5.4139
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.0001
TEST: PROG	NUMERATOR:	1.66273	DF:	2	F VALUE:	7.6985
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.0005
TEST: DURATION	NUMERATOR:	0.929422	DF:	5	F VALUE:	4.3033
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.0008
TEST: RESP	NUMERATOR:	0.185388	DF:	5	F VALUE:	0.8584
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.5101
TEST: BASIS	NUMERATOR:	.0304541	DF:	2	F VALUE:	0.1410
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.8685
TEST: ISSUE	NUMERATOR:	0.059509	DF:	3	F VALUE:	0.2755
	DENOMINATOR:	0.215981	DF:	1396	PROB >F :	0.8440

MODEL: J2A  
 DEP VARIABLE: WORDS (APOLOGY OR AFFIRMATIVE ACTION)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	10.381921	0.305351	3.703	0.0001
ERROR	1396	115.116	0.082462		
C TOTAL	1430	125.498			
ROOT MSE		0.287161	R-SQUARE	0.0827	
DEP MEAN		0.097135	ADJ R-SQ	0.0604	
C.V.		295.6314			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.063078	0.041059	1.536	0.1247	
PSALES	1	-0.043208	0.037888	-1.140	0.2543	0.840093
LHA	1	-0.011030	0.045965	-0.240	0.8104	0.935781
BANK	1	0.085907	0.086089	0.998	0.3185	0.863726
AJENCY	1	-0.016905	0.033707	-0.502	0.6161	0.878826
SUPT	1	0.016099	0.017722	0.908	0.3638	0.755697
BROKOTH	1	0.013739	0.031630	0.434	0.6641	0.791949
BSEX	1	0.072862	0.026066	2.795	0.0053	0.920158
OTHBAS	1	0.041343	0.024570	1.683	0.0927	0.516659
TESTG	1	0.018641	0.030195	0.617	0.5371	0.921520
TERMS	1	0.120974	0.024887	4.861	0.0001	0.818978
EVICT	1	0.030419	0.025313	1.202	0.2297	0.891012
FINBROK	1	0.134374	0.035148	3.823	0.0001	0.894317
P2	1	0.019970	0.018551	1.076	0.2819	0.771714
P3	1	-0.00830671	0.022871	-0.363	0.7165	0.744225
LOCAL3	1	-0.155038	0.070061	-2.213	0.0271	0.896094
STATE5	1	0.065434	0.049877	1.312	0.1898	0.813104
LOCAL5	1	0.024296	0.049201	0.494	0.6215	0.749378
STATE6	1	-0.076767	0.035852	-2.141	0.0324	0.696175
STATE1	1	-0.081598	0.030671	-2.660	0.0079	0.600504
STATE7	1	0.031542	0.062215	0.507	0.6122	0.902802
STATE2	1	0.002330023	0.033049	0.071	0.9438	0.605487
STATE3	1	-0.052385	0.028439	-1.842	0.0657	0.587687
STATE4	1	0.003214801	0.037354	0.086	0.9314	0.672909
LOCAL2	1	-0.023626	0.038309	-0.617	0.5375	0.666215
LOCAL6	1	-0.046630	0.039411	-1.183	0.2369	0.664030
LOCAL4	1	-0.134826	0.046179	-2.920	0.0036	0.771686
LOCAL7	1	0.155851	0.048661	3.203	0.0014	0.834954
LOCAL1	1	-0.110757	0.036732	-3.015	0.0026	0.682405
T030	1	0.042957	0.028919	1.485	0.1377	0.523788
T060	1	0.014372	0.025648	0.560	0.5753	0.553629
T090	1	0.022916	0.027305	0.839	0.4015	0.596279
T06MO	1	-0.024904	0.027617	-0.902	0.3673	0.603404
T01YR	1	-0.039731	0.026488	-1.500	0.1339	0.564312
T8	1	0.009956933	0.027642	0.360	0.7187	0.526383

TEST: AGENCY      NUMERATOR: 0.324617    DF: 14    F VALUE: 3.9366  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.0001

SAS  
 TEST: PROG      NUMERATOR: 0.077289    DF: 2    F VALUE: 0.7373  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.3919

TEST: DURATION    NUMERATOR: 0.173184    DF: 5    F VALUE: 2.1002  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.0622

TEST: RESP      NUMERATOR: .0389172    DF: 5    F VALUE: 0.4719  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.7993

TEST: BASIS      NUMERATOR: 0.384021    DF: 2    F VALUE: 4.6570  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.0096

TEST: ISSUE      NUMERATOR: 0.974862    DF: 3    F VALUE: 11.8220  
 DENOMINATOR: .0824616    DF: 1396    PROB >F : 0.0001

SAS

MODEL: J2B  
 DEP VARIABLE: NEXT (NEXT AVAILABLE UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	4.940974	0.145323	2.673	0.0001
ERROR	1396	75.890613	0.054363		
C TOTAL	1430	80.831586			
ROOT MSE		0.233159	R-SQUARE	0.0611	
DEP MEAN		0.060098	ADJ R-SQ	0.0383	
C.V.		387.965			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.031687	0.033338	0.950	0.3420	
PSALES	1	-0.000257995	0.030763	-0.008	0.9933	0.840093
LHA	1	0.051825	0.037321	1.389	0.1652	0.935781
BANK	1	-0.023980	0.069899	-0.343	0.7316	0.863726
AJENCY	1	-0.000763345	0.027368	-0.028	0.9778	0.878826
SUPT	1	0.030663	0.014389	2.131	0.0333	0.755697
BROKOTH	1	-0.025320	0.025682	-0.986	0.3243	0.791949
BSEX	1	-0.0054391	0.021164	-0.257	0.7972	0.920158
OTHBAS	1	0.011444	0.019949	0.574	0.5663	0.516659
TESTG	1	-0.048636	0.024516	-1.984	0.0475	0.921520
TERMS	1	-0.041571	0.020207	-2.057	0.0398	0.818978
EVICT	1	-0.072218	0.020553	-3.514	0.0005	0.891012
FINBROK	1	-0.058158	0.028538	-2.038	0.0417	0.894317
P2	1	0.044897	0.015063	2.981	0.0029	0.771714
P3	1	0.015238	0.018570	0.821	0.4120	0.744225
LOCAL3	1	-0.030314	0.056885	-0.533	0.5942	0.896094
STATE5	1	0.087736	0.040497	2.166	0.0304	0.813104
LOCAL5	1	-0.010272	0.039949	-0.257	0.7971	0.749378
STATE6	1	0.030425	0.029110	1.045	0.2961	0.696175
STATE1	1	-0.00432722	0.024903	-0.174	0.8621	0.600504
STATE7	1	0.021872	0.050515	0.433	0.6651	0.902802
STATE2	1	0.062739	0.026834	2.338	0.0195	0.605487
STATE3	1	-0.010548	0.023091	-0.457	0.6479	0.587687
STATE4	1	0.060579	0.030329	1.997	0.0460	0.672909
LOCAL2	1	0.117620	0.031105	3.781	0.0002	0.666215
LOCAL6	1	-0.027744	0.032000	-0.867	0.3861	0.664030
LOCAL4	1	-0.00367766	0.037494	-0.098	0.9219	0.771686
LOCAL7	1	0.052591	0.039510	1.331	0.1834	0.834954
LOCAL1	1	0.118835	0.029825	3.984	0.0001	0.682405
T030	1	0.022497	0.023480	0.958	0.3382	0.523788
T060	1	-0.00671428	0.020825	-0.322	0.7472	0.553629
T090	1	-0.00431921	0.022170	-0.195	0.8456	0.596279
T06MO	1	-0.027837	0.022423	-1.241	0.2146	0.603404
T01YR	1	-0.043803	0.021507	-2.037	0.0419	0.564312
T8	1	-0.0011249	0.022444	-0.050	0.9605	0.526383

TEST: AGENCY    NUMERATOR: 0.185467    DF: 14    F VALUE: 3.4116  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.0001

SAS  
 TEST: PROG    NUMERATOR: 0.245051    DF: 2    F VALUE: 4.1177  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.0112

TEST: DURATION    NUMERATOR: .0979266    DF: 5    F VALUE: 1.8014  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.1085

TEST: RESP    NUMERATOR: .0975476    DF: 5    F VALUE: 1.7944  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.1099

TEST: BASIS    NUMERATOR: .0124655    DF: 2    F VALUE: 0.2293  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.7951

TEST: ISSUE    NUMERATOR: 0.315564    DF: 3    F VALUE: 5.8048  
 DENOMINATOR: .0543629    DF: 1396    PROB >F : 0.0007

SAS

MODEL: J2C  
 DEP VARIABLE: MONONLY (MONEY AWARD ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	9.513520	0.279809	3.955	0.0001
ERROR	1396	98.756221	0.070742		
C TOTAL	1430	108.270			
ROOT MSE		0.265974	R-SQUARE	0.0879	
DEP MEAN		0.082460	ADJ R-SQ	0.0657	
C.V.		322.5501			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.107317	0.038030	2.822	0.0048	
PSALES	1	-0.052934	0.035093	-1.508	0.1317	0.840093
LHA	1	-0.110095	0.042574	-2.586	0.0098	0.935781
BANK	1	-0.119170	0.079737	-1.495	0.1353	0.863726
AJENCY	1	0.013383	0.031220	0.429	0.6682	0.878826
SUPT	1	-0.032316	0.016415	-1.969	0.0492	0.755697
BROKOTH	1	-0.025613	0.029296	-0.874	0.3821	0.791949
BSEX	1	-0.055929	0.024143	-2.317	0.0207	0.920158
OTHBAS	1	-0.018117	0.022757	-0.796	0.4261	0.516659
TESTG	1	0.142368	0.027967	5.091	0.0001	0.921520
TERMS	1	-0.031405	0.023051	-1.362	0.1733	0.818978
EVICT	1	-0.050141	0.023446	-2.139	0.0326	0.891012
FINBROK	1	0.026551	0.032555	0.816	0.4149	0.894317
P2	1	0.028290	0.017183	1.646	0.0999	0.771714
P3	1	0.00752804	0.021183	0.355	0.7224	0.744225
LOCAL3	1	0.005602557	0.064892	0.086	0.9312	0.896094
STATE5	1	-0.012525	0.046197	-0.271	0.7863	0.813104
LOCAL5	1	0.016592	0.045571	0.364	0.7158	0.749378
STATE6	1	0.019767	0.033207	0.595	0.5518	0.696175
STATE1	1	-0.035840	0.028408	-1.262	0.2073	0.600504
STATE7	1	0.046139	0.057625	0.801	0.4235	0.902802
STATE2	1	0.012792	0.030610	0.418	0.6761	0.605487
STATE3	1	-0.061148	0.026341	-2.321	0.0204	0.587687
STATE4	1	-0.069315	0.034598	-2.003	0.0453	0.672909
LOCAL2	1	-0.071546	0.035483	-2.016	0.0440	0.666215
LOCAL6	1	-0.053072	0.036503	-1.454	0.1462	0.664030
LOCAL4	1	0.032703	0.042772	0.765	0.4446	0.771686
LOCAL7	1	0.032061	0.045071	0.711	0.4770	0.834954
LOCAL1	1	-0.063712	0.034022	-1.873	0.0613	0.682405
T030	1	-0.035319	0.026785	-1.319	0.1875	0.523788
T060	1	-0.015703	0.023756	-0.661	0.5087	0.553629
T090	1	-0.022287	0.025291	-0.881	0.3783	0.596279
T06MD	1	0.008062226	0.025579	0.315	0.7527	0.603404
T01YR	1	0.101017	0.024534	4.117	0.0001	0.564312
T8	1	0.012183	0.025603	0.476	0.6343	0.526383

TEST: AGENCY      NUMERATOR: 0.127746    DF: 14    F VALUE: 1.8058  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.1330

SAS  
 TEST: PROG      NUMERATOR: .0991911    DF: 2    F VALUE: 1.4021  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.2464

TEST: DURATION    NUMERATOR: 0.501502    DF: 5    F VALUE: 7.0891  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.0001

TEST: RESP      NUMERATOR: 0.162961    DF: 5    F VALUE: 2.3036  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.0422

TEST: BASIS      NUMERATOR: 0.195706    DF: 2    F VALUE: 2.7665  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.0632

TEST: ISSUE      NUMERATOR: 0.160476    DF: 3    F VALUE: 2.2685  
 DENOMINATOR: .0707423    DF: 1396    PROB >F : 0.0775

SAS

MODEL: J2D  
 DEP VARIABLE: CONUNIT (CONTESTED UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	16.285293	0.478979	5.095	0.0001
ERROR	1396	131.226	0.094001		
C TOTAL	1430	147.511			
ROOT MSE		0.306596	R-SQUARE	0.1104	
DEP MEAN		0.116702	ADJ R-SQ	0.0887	
C.V.		262.7179			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.102270	0.043838	2.333	0.0198	
PSALES	1	0.043459	0.040453	1.074	0.2829	0.840093
LHA	1	0.089327	0.049076	1.820	0.0689	0.935781
BANK	1	-0.059153	0.091915	-0.644	0.5200	0.863726
AJENCY	1	-0.015686	0.035988	-0.436	0.6630	0.878826
SUPT	1	0.002894425	0.018922	0.153	0.8784	0.755697
BROKOTH	1	-0.039793	0.033771	-1.178	0.2389	0.791949
BSEX	1	0.012761	0.027830	0.459	0.6466	0.920158
OTHBAS	1	-0.0053259	0.026232	-0.203	0.8391	0.516659
TESTG	1	0.027582	0.032238	0.856	0.3924	0.921520
TERMS	1	-0.048051	0.026572	-1.808	0.0708	0.818978
EVICT	1	0.137178	0.027027	5.076	0.0001	0.891012
FINBROK	1	-0.097275	0.037527	-2.592	0.0096	0.894317
P2	1	0.014705	0.019807	0.742	0.4580	0.771714
P3	1	-0.011208	0.024418	-0.459	0.6463	0.744225
LOCAL3	1	-0.00612236	0.074802	-0.082	0.9348	0.896094
STAT5	1	-0.013947	0.053252	-0.262	0.7934	0.813104
LOCAL5	1	-0.041314	0.052531	-0.786	0.4317	0.749378
STATE6	1	-0.078483	0.038279	-2.050	0.0405	0.696175
STATE1	1	-0.00927662	0.032747	-0.283	0.7770	0.600504
STATE7	1	-0.111126	0.066426	-1.673	0.0946	0.902802
STATE2	1	0.081383	0.035285	2.306	0.0212	0.605487
STATE3	1	0.083472	0.030364	2.749	0.0061	0.587687
STATE4	1	0.022123	0.039882	0.555	0.5792	0.672909
LOCAL2	1	-0.031043	0.040902	-0.759	0.4480	0.666215
LOCAL6	1	-0.070861	0.042079	-1.684	0.0924	0.664030
LOCAL4	1	-0.066614	0.049304	-1.351	0.1769	0.771686
LOCAL7	1	-0.062252	0.051955	-1.198	0.2310	0.834954
LOCAL1	1	0.211430	0.039218	5.391	0.0001	0.682405
TO30	1	0.133580	0.030876	4.326	0.0001	0.523788
TO60	1	0.037325	0.027384	1.363	0.1731	0.553629
TO90	1	0.035267	0.029153	1.210	0.2266	0.596279
TO6MO	1	-0.019950	0.029486	-0.677	0.4988	0.603404
TO1YR	1	-0.038972	0.028281	-1.378	0.1684	0.564312
T8	1	-0.041369	0.029513	-1.402	0.1612	0.526383

TEST: AGENCY      NUMERATOR: 0.533343    DF: 14    F VALUE: 5.6738  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.0001

SAS  
 TEST: PROG      NUMERATOR: .0567122    DF: 2    F VALUE: 0.33  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.5471

TEST: DURATION    NUMERATOR: 0.641092    DF: 5    F VALUE: 6.8200  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.0001

TEST: RESP      NUMERATOR: 0.109709    DF: 5    F VALUE: 1.1671  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.3228

TEST: BASIS      NUMERATOR: .0137056    DF: 2    F VALUE: 0.1458  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.8643

TEST: ISSUE      NUMERATOR: 1.27647    DF: 3    F VALUE: 13.5794  
 DENOMINATOR: .0940011    DF: 1396    PROB >F : 0.0001



MODEL: J2E  
 DEP VARIABLE: MONUNIT (MONEY AWARD AND UNIT)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	34	1.020755	0.030022	2.131	0.0002
ERROR	1396	19.671068	0.014091		
C TOTAL	1430	20.691824			
ROOT MSE		0.118706	R-SQUARE	0.0493	
DEP MEAN		0.014675	ADJ R-SQ	0.0262	
C.V.		808.894			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.006569034	0.016973	0.387	0.6988	
PSALES	1	-0.017181	0.015662	-1.097	0.2728	0.840093
LHA	1	-0.00996713	0.019001	-0.525	0.6000	0.935781
BANK	1	-0.010631	0.035587	-0.299	0.7652	0.863726
AJENCY	1	0.003563314	0.013934	0.256	0.7982	0.878826
SUPT	1	0.0009745827	0.007325903	0.013	0.9894	0.755697
BROKOTH	1	-0.00114974	0.013075	-0.088	0.9299	0.791949
BSEX	1	-0.00868193	0.010775	-0.806	0.4205	0.920158
OTHBAS	1	-0.011889	0.010156	-1.171	0.2420	0.516659
TESTG	1	0.056558	0.012482	4.531	0.0001	0.921520
TERMS	1	-0.023846	0.010288	-2.318	0.0206	0.818978
EVICT	1	-0.021145	0.010464	-2.021	0.0435	0.891012
FINBROK	1	-0.00547508	0.014529	-0.377	0.7064	0.894317
P2	1	0.007652106	0.007668712	0.998	0.3185	0.771714
P3	1	0.025590	0.00945414	2.707	0.0069	0.744225
LOCAL3	1	0.057625	0.028961	1.990	0.0468	0.896094
STATE5	1	0.037900	0.020618	1.838	0.0662	0.813104
LOCAL5	1	0.006266052	0.020339	0.308	0.7581	0.749378
STATE6	1	0.006116824	0.014820	0.413	0.6799	0.696175
STATE1	1	0.0002117898	0.012679	0.017	0.9867	0.600504
STATE7	1	-0.00367492	0.025718	-0.143	0.8864	0.902802
STATE2	1	0.016028	0.013662	1.173	0.2409	0.605487
STATE3	1	0.008457447	0.011756	0.719	0.4720	0.587687
STATE4	1	0.021198	0.015441	1.373	0.1700	0.672909
LOCAL2	1	0.002899001	0.015836	0.183	0.8548	0.666215
LOCAL6	1	0.003028116	0.016292	0.186	0.8526	0.664030
LOCAL4	1	0.037253	0.019089	1.952	0.0512	0.771686
LOCAL7	1	-0.011292	0.020116	-0.561	0.5746	0.834954
LOCAL1	1	0.038580	0.015184	2.541	0.0112	0.682405
T030	1	0.001187691	0.011954	0.099	0.9209	0.523788
T060	1	0.013251	0.010602	1.250	0.2116	0.553629
T090	1	0.007110213	0.011287	0.630	0.5288	0.596279
T06M0	1	0.019637	0.011416	1.720	0.0856	0.603404
T01YR	1	0.0005146527	0.010950	0.047	0.9625	0.564312
T8	1	-0.012631	0.011427	-1.105	0.2692	0.526383

TEST: AGENCY      NUMERATOR: 0.018593      DF: 14      F VALUE: 1.3195  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.1879

SAS  
 TEST: PROG      NUMERATOR: .0516383      DF: 2      F VALUE: 3.046  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.0259

TEST: DURATION      NUMERATOR: .0140851      DF: 5      F VALUE: 0.9996  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.4172

TEST: RESP      NUMERATOR: .0013033      DF: 5      F VALUE: 0.0925  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.9915

TEST: BASIS      NUMERATOR: .0123234      DF: 2      F VALUE: 0.8746  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.4173

TEST: ISSUE      NUMERATOR: .0385208      DF: 3      F VALUE: 2.7337  
 DENOMINATOR: 0.014091      DF: 1396      PROB >F : 0.0417

SAS

TABLE V-8  
REGRESSION MODELS OF RELIEF  
(Duration Variables Omitted)

MODEL: J1  
DEP VARIABLE: RELIEF (CASES CLOSED WITHIN THE YEAR)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	29	27.806133	0.958832	4.388	0.0001
ERROR	1401	306.156	0.218527		
C TOTAL	1430	333.962			
ROOT MSE		0.467469	R-SQUARE	0.0833	
DEP MEAN		0.371069	ADJ R-SQ	0.0643	
C.V.		125.9788			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.362858	0.060732	5.97	0.0001	
PSALES	1	0.071457	0.061544	1.15	0.2500	
LMA	1	0.016249	0.074846	0.22	0.8282	
BANK	1	0.137038	0.137965	1.00	0.3182	
AGENCY	1	0.015339	0.054865	0.28	0.7788	
SUPT	1	0.074846	0.028881	2.59	0.0100	
BROKOTH	1	0.024322	0.041166	0.59	0.5500	
BSEX	1	0.026322	0.042900	0.62	0.5300	
OTHBAS	1	0.024322	0.042900	0.57	0.5700	
TESTG	1	0.020000	0.044099	0.45	0.6500	
TERMS	1	0.019191	0.044099	0.43	0.6700	
EVICT	1	0.032222	0.041099	0.78	0.4300	
FINBROK	1	0.119355	0.037199	3.22	0.0001	
P2	1	0.033333	0.033333	1.00	0.3182	
P3	1	0.031177	0.037000	0.84	0.4000	
LOCAL3	1	0.000000	0.037000	0.00	0.9999	
STAT5	1	0.106666	0.113778	0.94	0.3400	
LOCAL5	1	0.044444	0.072000	0.61	0.5300	
STATE6	1	0.129999	0.050000	2.59	0.0100	
STATE1	1	0.166666	0.049184	3.39	0.0001	
STATE7	1	0.051813	0.085500	0.60	0.5400	
STATE2	1	0.020000	0.051952	0.39	0.6900	
STATE3	1	0.046666	0.045500	1.03	0.3000	
STATE4	1	0.023333	0.037777	0.62	0.5300	
LOCAL2	1	0.032222	0.033333	0.97	0.3200	
LOCAL6	1	0.118584	0.065103	1.81	0.0700	
LOCAL4	1	0.151015	0.074488	2.03	0.0400	
LOCAL7	1	0.122702	0.058492	2.10	0.0300	
LOCAL1	1	0.078771	0.073355	1.07	0.2800	
T8	1	0.035842	0.044969	0.79	0.4200	

TEST: Agency	NUMERATOR:	0.951417	DF:	14	F VALUE:	4.3538
	DENOMINATOR:	0.218527	OF:	1401	PROB > F:	0.0001
TEST: PROG	NUMERATOR:	1.78818	DF:	2	F VALUE:	8.1829
	DENOMINATOR:	0.218527	DF:	1401	PROB > F:	0.0003
TEST: RESP	NUMERATOR:	0.169156	DF:	5	F VALUE:	0.7741
	DENOMINATOR:	0.218527	DF:	1401	PROB > F:	0.5705

SAS						
TEST: BASIS	NUMERATOR:	0.0707725	DF:	2	F VALUE:	0.3239
	DENOMINATOR:	0.218527	DF:	1401	PROB > F:	0.7234
TEST: ISSUE	NUMERATOR:	0.0713852	DF:	3	F VALUE:	0.3267
	DENOMINATOR:	0.218527	DF:	1401	PROB > F:	0.8083

SAS

TABLE V-8 (continued)

MODEL: J2A  
 DEP VARIABLE: WORDS (APOLOGY OR AFFIRMATIVE ACTION)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	29	9.515999	0.328138	3.964	0.0001
ERROR	1401	115.982	0.082785		
C TOTAL	1430	125.498			
ROOT MSE		0.287724	R-SQUARE	0.0758	
DEP MEAN		0.097135	ADJ R-SQ	0.0567	
C.V.		296.2112			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.076271	0.037330	2.040	0.0415	
PSALES	1	-0.045049	0.037880	-1.189	0.2335	
LHA	1	-0.017809	0.045944	-0.388	0.6994	
BANK	1	0.084078	0.035956	2.338	0.0198	
AGENCY	1	-0.014179	0.036304	-0.388	0.6994	
SUPT	1	0.014279	0.017736	0.799	0.4231	
BROKOTH	1	0.013206	0.031643	0.416	0.6744	
BSEX	1	0.076338	0.026054	2.928	0.0031	
OTHBAS	1	0.042874	0.024587	1.742	0.0844	
TESTG	1	0.019297	0.020006	0.964	0.3341	
TERMS	1	0.121914	0.023296	5.238	0.0001	
EVICT	1	0.033312	0.025199	1.321	0.1851	
FINBROK	1	0.000000	0.025334	0.000	1.0000	
P2	1	0.023033	0.018504	1.242	0.2181	
P3	1	-0.050784	0.022799	-2.228	0.0266	
LOCAL3	1	0.000000	0.070033	0.000	1.0000	
STATE5	1	0.000000	0.039470	0.000	1.0000	
LOCAL5	1	0.000000	0.039470	0.000	1.0000	
STATE6	1	0.063812	0.043933	1.452	0.1463	
STATE1	1	0.089650	0.033564	2.672	0.0080	
STATE7	1	0.009351	0.030275	0.309	0.7545	
STATE2	1	0.021029	0.062073	0.339	0.7348	
STATE3	1	0.023038	0.031976	0.721	0.4681	
STATE4	1	0.059289	0.028322	2.093	0.0393	
LOCAL2	1	0.029204	0.035930	0.813	0.4163	
LOCAL6	1	0.046706	0.037609	1.242	0.2181	
LOCAL4	1	0.026509	0.037249	0.711	0.4755	
LOCAL7	1	0.138871	0.045847	3.027	0.0023	
LOCAL1	1	0.013472	0.048311	0.278	0.7890	
LOCAL1	1	0.131935	0.036151	3.649	0.0003	
T8	1	0.009590	0.027678	0.346	0.7290	

TEST: AGENCY	NUMERATOR: 0.316273	DF: 14	F VALUE: 3.8204
	DENOMINATOR: .0827853	DF: 1401	PROB > F: 0.0001
TEST: PROG	NUMERATOR: 0.087909	DF: 2	F VALUE: 1.0619
	DENOMINATOR: .0827853	DF: 1401	PROB > F: 0.3461
TEST: RESP	NUMERATOR: .0357756	DF: 5	F VALUE: 0.4321
	DENOMINATOR: .0827853	DF: 1401	PROB > F: 0.8279
SAS TEST: BASIS	NUMERATOR: 0.421671	DF: 2	F VALUE: 5.0935
	DENOMINATOR: .0827853	DF: 1401	PROB > F: 0.0063
TEST: ISSUE	NUMERATOR: 0.991601	DF: 3	F VALUE: 11.9780
	DENOMINATOR: .0827853	DF: 1401	PROB > F: 0.0001

SAS

TABLE V-8 (continued)

MODEL: J28  
 DEP VARIABLE: NEXT (NEXT AVAILABLE UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	29	4.451340	0.153494	2.815	0.0001
ERROR	1401	76.380246	0.054518		
C TOTAL	1430	80.831586			
ROOT MSE		0.233492	R-SQUARE	0.0551	
DEP MEAN		0.060098	ADJ R-SQ	0.0355	
C.V.		388.5193			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.029466	0.030335	0.971	0.3315	
PSALES	1	-0.00137994	0.030740	-0.045	0.9642	0.843763
LHA	1	0.047420	0.037284	1.272	0.2036	0.940321
BANK	1	-0.029674	0.069754	-0.425	0.6706	0.869806
AJENCY	1	0.0007659472	0.027318	0.028	0.9776	0.884529
SUPT	1	0.029158	0.014393	2.026	0.0430	0.757477
BROKOTH	1	-0.026782	0.025678	-1.043	0.2971	0.794427
BSEX	1	-0.00206075	0.021143	-0.097	0.9224	0.924652
OTHBAS	1	0.012058	0.019953	0.604	0.5457	0.517945
TESTG	1	-0.048569	0.024529	-1.980	0.0479	0.923217
TERMS	1	-0.041446	0.020212	-2.051	0.0405	0.820920
EVICT	1	-0.070530	0.020526	-3.436	0.0000	0.895893
F1NBROK	1	-0.057653	0.028559	-2.019	0.0437	0.895893
P2	1	0.046838	0.015016	3.119	0.0019	0.778724
P3	1	0.016874	0.018499	0.912	0.3618	0.752026
LOCAL3	1	-0.038798	0.056830	-0.683	0.4949	0.900404
STAT5	1	0.070552	0.039972	1.765	0.0778	0.836988
LOCAL5	1	-0.022743	0.039710	-0.573	0.5669	0.760600
STATE6	1	0.020164	0.028927	0.697	0.4859	0.707045
STATE1	1	-0.016258	0.024567	-0.662	0.5082	0.618833
STATE7	1	0.014173	0.050373	0.281	0.7785	0.910513
STATE2	1	-0.046405	0.025949	-1.788	0.0739	0.649316
STATE3	1	-0.015434	0.022983	-0.672	0.5020	0.594911
STATE4	1	0.037261	0.029158	1.273	0.2015	0.730144
LOCAL2	1	0.102787	0.030520	3.368	0.0008	0.693984
LOCAL6	1	-0.00892181	0.030228	-0.295	0.7679	0.746261
LOCAL4	1	-0.00290847	0.037200	-0.078	0.9377	0.785959
LOCAL7	1	0.037594	0.039205	0.959	0.3378	0.850432
LOCAL1	1	0.103592	0.029337	3.531	0.0004	0.707284
T8	1	-0.00186949	0.022461	-0.083	0.9337	0.527077

TEST: AGENCY	NUMERATOR:	0.158452	DF:	14	F VALUE:	2.9064
	DENOMINATOR:	.0545184	DF:	1401	PROB >F:	0.0002
TEST: PROG	NUMERATOR:	0.267782	DF:	2	F VALUE:	4.9118
	DENOMINATOR:	.0545184	DF:	1401	PROB >F:	0.0075
TEST: RESP	NUMERATOR:	.0917638	DF:	5	F VALUE:	1.6832
	DENOMINATOR:	.0545184	DF:	1401	PROB >F:	0.1343

SAS TEST: BASIS	NUMERATOR:	.0110759	DF:	2	F VALUE:	0.2032
	DENOMINATOR:	.0545184	DF:	1401	PROB >F:	0.8162
TEST: ISSUE	NUMERATOR:	0.30687	DF:	3	F VALUE:	5.6287
	DENOMINATOR:	.0545184	DF:	1401	PROB >F:	0.0009

SAS

TABLE V-8 (continued)

MODEL: J2C  
 DEP VARIABLE: MONONLY (MONEY AWARD ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	29	7.006012	0.241587	3.342	0.0001
ERROR	1401	101.264	0.072280		
C TOTAL	1430	108.270			
ROOT MSE		0.268849	R-SQUARE	0.0647	
DEP MEAN		0.082460	ADJ R-SQ	3.0453	
C.V.		326.036			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.098415	0.034928	2.818	0.0049	
PSALES	1	-0.045935	0.035395	-1.298	0.1946	0.843763
LMA	1	-0.095695	0.042930	-2.229	0.0260	0.940321
BANK	1	-0.114847	0.030317	-3.430	0.0001	0.869806
AJENCY	1	0.011329	0.031455	0.360	0.7188	0.884529
SUPT	1	-0.029631	0.016572	-1.788	0.0740	0.757477
BROKOTH	1	-0.020598	0.029567	-0.697	0.4861	0.794427
BSEX	1	-0.060035	0.024344	-2.466	0.0138	0.924652
OTHBAS	1	-0.013144	0.022974	-0.790	0.4298	0.517945
TESTG	1	-0.141530	0.028243	-5.011	0.0001	0.923217
TERMS	1	-0.029611	0.023273	-1.272	0.2035	0.820920
EVICT	1	-0.051018	0.023634	-2.159	0.0310	0.895893
FINBROK	1	0.029081	0.032884	0.884	0.3767	0.895538
P2	1	0.020583	0.017290	1.190	0.2341	0.778722
P3	1	-0.000494	0.021301	-0.233	0.8155	0.752026
LOCAL3	1	0.020353	0.065436	0.311	0.7558	0.900404
STATE5	1	0.023737	0.046023	0.516	0.6061	0.836988
LOCAL5	1	0.039096	0.035723	1.100	0.2692	0.760600
STATE6	1	0.038065	0.033307	1.143	0.2533	0.707045
STATE1	1	-0.012048	0.028287	-0.426	0.6702	0.618883
STATE7	1	0.049981	0.058001	0.862	0.3890	0.910513
STATE2	1	0.045048	0.029879	1.508	0.1319	0.649311
STATE3	1	-0.052194	0.026464	-1.972	0.0488	0.594911
STATE4	1	-0.018612	0.033573	-0.554	0.5794	0.73014
LOCAL2	1	-0.035989	0.035141	-1.024	0.3060	0.693981
LOCAL6	1	-0.071867	0.034806	-2.065	0.0399	0.746261
LOCAL4	1	0.032908	0.042839	0.768	0.4425	0.785959
LOCAL7	1	-0.062377	0.045142	-1.382	0.1673	0.850432
LOCAL1	1	-0.037708	0.033780	-1.116	0.2645	0.707284
T8	1	0.012904	0.025863	0.499	0.6179	0.527077

TEST: AGENCY	NUMERATOR:	0.139306	DF:	14	F VALUE:	1.9273
	DENOMINATOR:	.0722796	DF:	1401	PROB > F:	0.0202
TEST: PROG	NUMERATOR:	.0609649	DF:	2	F VALUE:	0.8435
	DENOMINATOR:	.0722796	DF:	1401	PROB > F:	0.4304
TEST: RESP	NUMERATOR:	0.131837	DF:	5	F VALUE:	1.8240
	DENOMINATOR:	.0722796	DF:	1401	PROB > F:	0.1041
SAS TEST: BASIS	NUMERATOR:	0.224938	DF:	2	F VALUE:	3.1121
	DENOMINATOR:	.0722796	DF:	1401	PROB > F:	0.0448
TEST: ISSUE	NUMERATOR:	0.164921	DF:	3	F VALUE:	2.2817
	DENOMINATOR:	.0722796	DF:	1401	PROB > F:	0.0761

SAS

TABLE V-8 (continued)

MODEL: J2D  
 DEP VARIABLE: CONUNIT (CONTESTED UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	29	13.079834	0.451029	4.700	0.0001
ERROR	1401	134.431	0.095954		
C TOTAL	1430	147.511			
ROOT MSE		0.309764	R-SQUARE	0.0887	
DEP MEAN		0.116752	ADJ R-SQ	0.0698	
C.V.		265.4323			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.145604	0.040244	3.618	0.0003	
PSALES	1	0.039514	0.040782	0.969	0.3328	0.843763
LHA	1	0.076346	0.049463	1.543	0.1229	0.940321
BANK	1	-0.067076	0.092540	-0.725	0.4687	0.809806
AJENCY	1	-0.015679	0.036242	-0.433	0.6654	0.884529
SUPT	1	0.002467487	0.019095	0.013	0.9897	0.757477
BROKOTH	1	-0.039046	0.034066	-1.146	0.2519	0.794427
BSEX	1	0.021523	0.028049	0.767	0.4430	0.924652
OTHBAS	1	-0.000401694	0.026470	-0.015	0.9879	0.517945
TESTG	1	-0.030865	0.032542	-0.948	0.3431	0.923217
TERMS	1	-0.045535	0.026814	-1.698	0.0897	0.820920
EVICT	1	-0.142753	0.027231	-5.242	0.0001	0.895893
FINBROK	1	-0.095713	0.037888	-2.526	0.0116	0.895538
P2	1	0.020307	0.019921	1.019	0.3082	0.778724
P3	1	-0.00677222	0.024542	-0.276	0.7826	0.752026
LOCAL3	1	-0.029541	0.075394	-0.392	0.6953	0.900404
STATE5	1	-0.064464	0.053029	-1.216	0.2243	0.836986
LOCAL5	1	-0.077084	0.052681	-1.463	0.1436	0.760600
STATE6	1	-0.104788	0.038376	-2.731	0.0064	0.707045
STATE1	1	-0.040414	0.032592	-1.240	0.2152	0.618833
STATE7	1	-0.137113	0.066827	-2.052	0.0404	0.910513
STATE2	1	0.035044	0.034426	1.018	0.3089	0.649316
STATE3	1	0.071672	0.030491	2.351	0.0189	0.594911
STATE4	1	-0.034129	0.038683	-0.882	0.3778	0.730144
LOCAL2	1	-0.073668	0.040489	-1.819	0.0691	0.693984
LOCAL6	1	-0.00957446	0.040103	-0.239	0.8113	0.746261
LOCAL4	1	-0.078984	0.049359	-1.600	0.1098	0.785959
LOCAL7	1	-0.101273	0.052012	-1.947	0.0517	0.855043
LOCAL1	1	0.172236	0.038920	4.425	0.0001	0.707284
T8	1	-0.043949	0.029799	-1.475	0.1405	0.527077

TEST: AGENCY	NUMERATOR: 0.510492	DF: 14	F VALUE: 5.3202
	DENOMINATOR: .0959536	DF: 1401	PROB >F: 0.0001
TEST: PROG	NUMERATOR: .0743554	DF: 2	F VALUE: 0.7801
	DENOMINATOR: .0959536	DF: 1401	PROB >F: 0.4585
TEST: RESP	NUMERATOR: .0909703	DF: 5	F VALUE: 0.9481
	DENOMINATOR: .0959536	DF: 1401	PROB >F: 0.4498
SAS			
TEST: BASIS	NUMERATOR: .0292888	DF: 2	F VALUE: 0.3052
	DENOMINATOR: .0959536	DF: 1401	PROB >F: 0.7370
TEST: ISSUE	NUMERATOR: 1.33254	DF: 3	F VALUE: 13.8874
	DENOMINATOR: .0959536	DF: 1401	PROB >F: 0.0001

MODEL: JZE  
 DEP VARIABLE: MONUNIT (MONEY AWARD AND UNIT) TABLE V-8 (continued)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB > F
MODLL	1	0.930330	0.930330	2.326	0.0001
ERROR	1401	19.741494	0.014091		
C TOTAL	1430	20.691824			
ROOT MSE		0.118706	R-SQUARE	0.0459	
DEP MEAN		0.014675	ADJ R-SQ	0.0262	
C.V.		808.8934			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.013101	0.015422	0.850	0.3957	
PSALES	1	0.0118607	0.015628	-0.762	0.4449	
LMA	1	0.0118939	0.018955	-0.627	0.5307	0.843763
BANK	1	0.000951923	0.033463	-0.287	0.7788	0.9403221
AGENCY	1	0.002369132	0.013889	0.171	0.8666	0.8698006
SUPT	1	0.002682225	0.017234	0.154	0.8845	0.8845229
BROKOTH	1	0.001662258	0.013055	0.127	0.9070	0.7574777
BSEX	1	0.009440955	0.010749	0.878	0.3799	0.7944227
OTHBAS	1	0.0120065	0.010144	1.189	0.2345	0.9246552
TESTG	1	0.0569226	0.010276	5.565	0.0001	0.5179443
TERMS	1	0.0224513	0.010276	2.186	0.0333	0.9232177
EVICT	1	0.0222774	0.010435	2.134	0.0333	0.8209220
PINBROK	1	0.00662605	0.014519	0.456	0.6482	0.8955893
P2	1	0.008891597	0.007634	1.165	0.2449	0.8955338
P3	1	0.027188	0.009497	2.899	0.0039	0.7787244
LOCAL3	1	0.057991	0.028892	1.977	0.0449	0.7520226
STAT5	1	0.037634	0.020321	1.852	0.0664	0.9006044
LOCAL5	1	0.007144012	0.020138	0.354	0.7233	0.8369888
STATE6	1	0.006916472	0.014706	0.470	0.6388	0.7606000
STATE1	1	0.0007103709	0.012490	0.057	0.9544	0.7070455
STATE7	1	0.0001165414	0.025609	0.005	0.9964	0.6188311
STATE2	1	0.016581	0.013192	1.257	0.2099	0.9105111
STATE3	1	0.008695121	0.011685	0.744	0.4566	0.6493111
STATE4	1	0.020790	0.014824	1.402	0.1611	0.5949111
LOCAL2	1	0.01379648	0.015516	0.889	0.3729	0.7301414
LOCAL6	1	0.0171182	0.015368	1.111	0.2611	0.6939884
LOCAL7	1	0.038839	0.018915	2.048	0.0413	0.7462661
LOCAL4	1	0.0107220	0.019932	0.538	0.5908	0.8559559
LOCAL1	1	0.040686	0.014915	2.728	0.0065	0.8504332
T3	1	-0.012518	0.011419	-1.096	0.2732	0.7072844

TEST: AGENCY	NUMERATOR:	0.0201641	DF:	14	F VALUE:	1.4310
	DENOMINATOR:	0.014091	DF:	1401	PROB > F:	0.1309
TEST: PROG	NUMERATOR:	0.0589046	DF:	2	F VALUE:	4.1803
	DENOMINATOR:	0.014091	DF:	1401	PROB > F:	0.0155
TEST: RESP	NUMERATOR:	0.0015097	DF:	5	F VALUE:	0.1071
	DENOMINATOR:	0.014091	DF:	1401	PROB > F:	0.9887

SAS						
TEST: BASIS	NUMERATOR:	0.0132899	DF:	2	F VALUE:	0.9431
	DENOMINATOR:	0.014091	DF:	1401	PROB > F:	0.3896
TEST: ISSUE	NUMERATOR:	0.0418639	DF:	3	F VALUE:	2.9710
	DENOMINATOR:	0.014091	DF:	1401	PROB > F:	0.0304

SAS

TABLE V-9

REGRESSION MODELS OF RELIEF  
(Duration and Case Type Variables Omitted)

MODEL: J1  
DEP VARIABLE: RELIEF

(For Cases Closed within a Year)

SOURCE	DF	SUM OF SQUARES	F VALUE	PRG>F
MODEL	19	506916	6.403	0.0001
ERROR	1411	307455		
C TOTAL	1430	333962		
ROOT MSE		0.466796		
DEP MEAN		0.371069		
C.V.		125.7977		
R-SQUARE		0.0794		
ADJ R-SQ		0.0670		

VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.390212	0.45360	8.603	0.0011	0.959522
PSALES	1	-0.111008	0.057629	-1.926	0.0543	0.941008
TESTG	1	0.1194880	0.048572	4.012	0.0011	0.799487
P3	1	0.031137	0.029628	4.023	0.0011	0.765569
LOCAL3	1	0.0168936	0.036655	0.849	0.3958	0.930961
STATES	1	-0.103204	0.111735	-1.314	0.1892	0.865861
LOCAL5	1	-0.068124	0.076342	-0.892	0.3724	0.822492
STATE6	1	-0.130091	0.057502	-2.262	0.0238	0.715141
STATE7	1	-0.172493	0.047981	-3.594	0.0003	0.648316
STATE2	1	-0.102856	0.100211	-1.020	0.3029	0.919519
STATE3	1	-0.049295	0.050912	-0.979	0.3235	0.613959
STATE4	1	-0.029753	0.045233	-0.657	0.5073	0.750083
LOCAL2	1	-0.053100	0.059644	-0.890	0.3735	0.726260
LOCAL6	1	-0.176516	0.059467	-2.932	0.0033	0.770676
LOCAL4	1	0.170333	0.073057	2.332	0.0139	0.814709
LOCAL7	1	0.125938	0.077865	1.617	0.1050	0.861684
LOCAL1	1	0.143862	0.057613	2.497	0.0126	0.732992
T8	1	-0.049532	0.034246	-1.446	0.1433	0.906244

TEST: AGENCY      NUMERATOR: 14      OF: 14      F VALUE: 4.4792  
DENOMINATOR: 0.217899      OF: 1411      PROB > F: 0.0001

TEST: PROG      NUMERATOR: 2      OF: 2      F VALUE: 8.3467  
DENOMINATOR: 0.217899      OF: 1411      PROB > F: 0.0002



SAS

TABLE V-9 (continued)

MODEL: J2A  
DEP VARIABLE: WORDS (APOLOGY OR AFFIRMATIVE ACTION ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	19	5.431049	0.285845	3.359	0.0001
ERROR	1411	120.067	0.085094		
C TOTAL	1430	125.498			
ROOT MSE		0.291708		0.0433	
DEP MEAN		0.097135		0.0304	
C.V.		300.3126			

VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO=0 PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.131674	0.28346	4.645	0.0001	0.959522
PSALES	1	-0.029827	0.036013	-0.828	0.40974	0.799487
TESTG	1	0.003833	0.03554	1.126	0.25994	0.765569
P2	1	0.005012	0.019515	0.259	0.80268	0.930961
P3	1	-0.001321	0.022907	-0.582	0.55862	0.865862
LOCAL3	1	0.051631	0.047707	1.052	0.29325	0.715141
STAT5	1	0.064219	0.035934	1.815	0.07207	0.822492
LOCAL5	1	-0.083197	0.035934	-2.327	0.01912	0.648316
STATE6	1	-0.098257	0.022623	-4.357	0.00011	0.919163
STATE1	1	0.036120	0.031815	1.128	0.25718	0.613959
STATE7	1	-0.022828	0.037272	-0.612	0.53789	0.750083
STATE2	1	-0.064448	0.037272	-1.718	0.08919	0.726276
STATE3	1	-0.024140	0.037162	-0.648	0.51365	0.770709
STATE4	1	-0.032810	0.045659	-0.721	0.46936	0.814684
LOCAL2	1	-0.0450247	0.045659	-1.004	0.31356	0.861692
LOCAL6	1	0.110685	0.036003	3.020	0.0008	0.733624
LOCAL4	1	0.120663	0.036003	3.347	0.0008	0.906244
LOCAL7	1	-0.120403	0.021401	-5.617	0.0001	
LOCAL1	1	-0.00977864	0.021401	-0.457	0.6478	

TEST: AGENCY  
 TEST: PROG

NUMERATOR: 0.339903  
 DENOMINATOR: .0850937  
 DF: 14

NUMERATOR: 0.149264  
 DENOMINATOR: .0850937  
 DF: 2

F VALUE: 3.9945  
 PROB > F: 0.0001

F VALUE: 1.7541  
 PROB > F: 0.1734

SAS

TABLE V-9 (continued)

MODEL: J2B

DEP VARIABLE: NEXT (NEXT AVAILABLE UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	19	3.063510	0.161237	2.925	0.0001
ERROR	1411	77.768076	0.055116		
C TOTAL	1430	80.831536			
ROOT MSE		0.234757		0.0379	
DEP MEAN		0.060078		0.0249	
C.V.		390.6415			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.042574	0.022813	1.866	0.0622	0.959522
PSALES	1	-0.018036	0.028984	-0.622	0.5339	0.941008
TESTG	1	-0.045835	0.024429	-1.879	0.0605	0.799487
P2	1	0.043215	0.014901	2.900	0.0038	0.765569
LOCAL3	1	0.010636	0.018435	0.572	0.5637	0.930961
STATE5	1	-0.047524	0.056195	-0.842	0.3999	0.865861
LOCAL5	1	-0.051919	0.039515	-1.314	0.1897	0.822492
STATE6	1	-0.041130	0.038395	-1.073	0.2837	0.715146
STATE1	1	-0.013668	0.028919	-0.473	0.6365	0.648381
STATE7	1	-0.021739	0.024131	-0.903	0.3669	0.919516
STATE2	1	0.01062339	0.024131	0.021	0.9831	0.676193
STATE3	1	-0.017925	0.025605	-0.788	0.4308	0.613959
STATE4	1	0.029234	0.022748	1.278	0.0984	0.750083
LOCAL2	1	0.111133	0.029997	3.704	0.0002	0.726260
LOCAL6	1	-0.00948428	0.029998	-0.317	0.7512	0.770676
LOCAL4	1	-0.013733	0.036743	-0.374	0.7084	0.814709
LOCAL7	1	0.025871	0.039161	0.661	0.5090	0.861684
LOCAL1	1	0.094106	0.028976	3.268	0.0012	0.732992
T8	1	-0.011514	0.017223	-0.669	0.5039	0.906244

TEST: AGENCY      NUMERATOR: 0.168569      DF: 14      F VALUE: 3.0585  
 DENOMINATOR: .0551156      DF: 1411      PROB > F: 0.0001

TEST: PROG      NUMERATOR: 0.240179      DF: 2      F VALUE: 4.3577  
 DENOMINATOR: .0551156      DF: 1411      PROB > F: .0.0130

TABLE V-9 (continued)

MODEL: J2C		MONONLY (MONEY AWARD ONLY)		MEAN SQUARE		F VALUE		PROB > F		TOLERANCE	
DEP VARIABLE:		SUM OF SQUARES		SQUARE		F VALUE		PROB > F		TOLERANCE	
SOURCE	DF										
MODEL	19	5.427278	0.285646	3.919	0.0001						
ERROR	1411	102.842	0.072886								
C TOTAL	1430	108.270									
ROOT MSE		0.269974	R-SQUARE	0.0501							
DEP MEAN		0.082460	ADJ R-SQ	0.0373							
C.V.		327.4013									
VARIABLE	OF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=C	PROB >  T	TOLERANCE					
INTERCEP	1	0.0632222	0.026234	2.411	0.0161	0.952087					
PSALES	1	-0.042794	0.033330	-1.283	0.0194	0.941008					
TESTG	1	0.0153662	0.028092	0.547	0.0001	0.769487					
P2	1	0.011367	0.0017135	0.663	0.05072	0.995569					
P3	1	-0.00751839	0.0021200	-0.353	0.07229	0.930961					
LOCAL3	1	0.0028583	0.0064622	0.443	0.06583	0.862246					
STATE5	1	0.00706604	0.0044153	0.153	0.08768	0.915146					
LOCAL5	1	0.0029537	0.0054440	0.533	0.05036	0.871481					
STATE6	1	-0.0039609	0.0033256	-1.191	0.02358	0.619516					
STATE1	1	0.00856588	0.0027750	3.093	0.00000	0.715193					
STATE7	1	0.0038111	0.0057958	0.653	0.05109	0.919519					
STATE2	1	0.0057766	0.0029445	1.963	0.00500	0.674195					
STATE3	1	-0.0041760	0.0026159	-1.593	0.01106	0.613959					
STATE4	1	-0.0032396	0.0033263	-0.977	0.03201	0.750080					
LOCAL2	1	-0.004059	0.0034493	-1.177	0.02466	0.720676					
LOCAL6	1	-0.0077403	0.0034393	-2.251	0.00333	0.770679					
LOCAL4	1	0.0028287	0.0042253	0.669	0.05038	0.814708					
LOCAL7	1	0.0064575	0.0045034	1.434	0.01518	0.861684					
LOCAL1	1	-0.0032608	0.0033321	-0.979	0.03279	0.893299					
18	1	0.0015358	0.0019806	0.775	0.04382	0.906244					
TEST: AGENCY		NUMERATOR: 14	DF: 1411	F VALUE: 2.0453							
		DENOMINATOR: .0728862	DF: 1411	PROB > F: 0.0123							
TEST: PROG		NUMERATOR: .0315006	DF: 1411	F VALUE: 0.6322							
		DENOMINATOR: .0728862	DF: 1411	PROB > F: 0.6492							

SAS

TABLE V-9 (continued)

MODEL: J20  
DEP VARIABLE: CONUNIT (CONTESTED UNIT ONLY)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	19	8.375710	0.440827	4.471	0.0001
ERROR	1411	139.135	0.098607		
C TOTAL	1430	147.511			
ROOT MSE		0.314018	R-SQUARE	0.0568	
DEP MEAN		0.116702	ADJ R-SQ	0.0441	
C.V.		269.0779			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR H0: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	0.153938	0.030514	5.045	0.0001	0.959522
PSALES	1	-0.002817705	0.038768	-0.073	0.9421	0.941008
TESTG	1	0.021776	0.032675	0.666	0.5052	0.799487
P2	1	0.024945	0.019931	1.252	0.2109	0.765569
LOCAL3	1	-0.00166638	0.024658	-0.068	0.9368	0.930961
STATE5	1	-0.040692	0.052854	-0.770	0.4416	0.865861
LOCAL5	1	-0.118413	0.051356	-2.306	0.0213	0.822492
STATE6	1	-0.105508	0.038682	-2.728	0.0065	0.715146
STATE1	1	-0.045001	0.032278	-1.394	0.1635	0.648381
STATE2	1	-0.128424	0.067413	-1.907	0.0570	0.919316
STATE3	1	0.006070775	0.034249	0.177	0.8593	0.674193
STATE4	1	-0.021188	0.030427	-0.700	0.4840	0.613959
LOCAL2	1	-0.090547	0.040123	-2.257	0.0242	0.750083
LOCAL6	1	-0.031287	0.040004	-0.782	0.4343	0.726260
LOCAL4	1	-0.107881	0.049146	-2.193	0.0283	0.770676
LOCAL7	1	-0.094309	0.052381	-1.800	0.0720	0.814709
LOCAL1	1	-0.163590	0.038757	-4.221	0.0001	0.861684
T8	1	-0.037623	0.023037	-1.633	0.1027	0.733292

TEST:	AGENCY	NUMERATOR:	DENOMINATOR:	DF:	F VALUE:	PROB > F:
		0.530158	0.0986075	14	5.3764	0.0001
		0.938126	0.0986075	2	0.9514	0.3865

TABLE V-9 (continued)

SAS

MODEL: J2E  
 DEP VARIABLE: MONUNIT (MONEY AWARD AND UNIT)

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	19	0.795304	0.041858	2.969	0.0001
ERROR	1411	19.896520	0.014101		
C TOTAL	1430	20.691824			
ROOT MSE		0.118748		0.0384	
DEP MEAN		0.014675		0.0255	
C.V.		809.1805			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	-0.00119659	0.011539	-0.104	0.9174	0.959522
PSALES	1	0.0117534	0.014660	-1.977	0.02319	0.941008
TESTG	1	0.0113722	0.012399	0.826	0.4091	0.799487
P3	1	0.006224663	0.00753247	2.545	0.0083	0.765569
LOCAL3	1	0.00541689	0.00932842	1.906	0.0569	0.930961
STAT5	1	0.0332885	0.019987	1.666	0.0960	0.865861
LOCAL5	1	0.005336673	0.019428	-0.315	0.7153	0.822492
STATE6	1	0.001145976	0.014620	0.094	0.9153	0.715146
STATE7	1	0.004869509	0.012293	0.391	0.6952	0.648381
STATE3	1	0.0110932	0.011506	-0.950	0.3422	0.919516
STATE4	1	0.03212468	0.014973	2.181	0.0302	0.613953
LOCAL2	1	0.000333689	0.015128	0.022	0.8327	0.613083
LOCAL6	1	-0.001361778	0.019808	-0.067	0.4701	0.720260
LOCAL7	1	-0.00597393	0.017921	-0.333	0.7399	0.770676
LOCAL1	1	0.00597393	0.017921	0.333	0.4930	0.814784
T8	1	-0.00597393	0.017921	-0.333	0.4930	0.732992

TEST: AGENCY NUMERATOR: 0.017638 DF: 14 F VALUE: 1.4016  
 DENOMINATOR: 0.014101 DF: 1411 PROB > F: 0.1443

TEST: PROG NUMERATOR: 0.0495502 DF: 2 F VALUE: 3.5139  
 DENOMINATOR: 0.014101 DF: 1411 PROB > F: 0.0300

SAS

TABLE V-10  
REGRESSION MODEL OF INDEXED DOLLAR AMOUNT OF AWARD

DEP VARIABLE: IDA

SOURCE	DF	SUM OF SQUARES	MEAN SQUARE	F VALUE	PROB>F
MODEL	21	13372679	636794	1.399	0.1340
ERROR	110	50061675	455106		
C TOTAL	131	63434354			
ROOT MSE		674.616	R-SQUARE	0.2108	
DEP MEAN		581.689	ADJ R-SQ	0.0601	
C.V.		115.9752			

VARIABLE	DF	PARAMETER ESTIMATE	STANDARD ERROR	T FOR HO: PARAMETER=0	PROB >  T	TOLERANCE
INTERCEP	1	1215.862	555.634	2.188	0.0308	0.875627
PSALES	1	1009.971	366.044	2.753	0.0068	0.724527
IESTG	1	-8.763483	166.609	-0.053	0.9581	0.613704
P3	1	-65.711837	316.848	-0.207	0.8427	0.682938
PCPERINV	1	-11.167913	5.878320	-2.005	0.0474	0.190935
CFRAC	1	-1.193991	15.878069	-0.075	0.9402	0.441728
LOC	1	169.729	266.000	0.638	0.5247	0.291562
HUDCASE	1	10.41240	241.991	0.043	0.9677	0.712401
RELIEF	1	-132.447	577.096	-0.230	0.8176	0.452503
MFTEN	1	-354.517	141.390	-0.937	0.3510	0.416677
SPECFH	1	0.486226	215.314	0.640	0.5105	0.297406
FHC	1	22.075201	0.638272	1.522	0.1292	0.369258
EXPER	1	-7.398416	19.375	-0.184	0.8547	0.564671
T030	1	-68.41912	308.983	-0.222	0.8254	0.618882
T060	1	-225.965	298.733	-0.756	0.4519	0.436972
T090	1	-162.886	294.155	-0.554	0.5809	0.374074
T01MO	1	-378.593	258.055	-1.467	0.1452	0.288124
T01YR	1	-245.760	282.651	-0.869	0.3865	0.310722
OVER2	1	-242.692	290.314	-0.836	0.4050	0.330577

TEST: PROG      NUMERATOR:      DF:      F VALUE:      3.4527  
DENOMINATOR:      1571341      DF:      110      PROB > F:      0.0351

TEST: DURATION      NUMERATOR:      DF:      F VALUE:      0.4474  
DENOMINATOR:      203625      DF:      110      PROB > F:      0.8454

TABLE V-10 VARIABLES

CCPERINV = Number of closed case per investigator (annual)  
FHFRAC = Fraction of cases that are fair housing  
LOC = Local agency (0,1) (State agencies in excluded category)  
HUDCASE = Case indicates it is referred from HUD  
M\_RELIEF = Fraction of cases in period with some form of relief  
FFTEN = 3 if site visitors judged agency tended to make formal findings  
2 if strategy is mixed  
1 if strategy favors predetermination settlements  
SPECFH = Agency assigns fair housing specialists (0,1)  
FHC = Annual number of closings in year case closed  
AGE = Number of years of agency fair housing work  
EXPER = Number of years investigator at agency

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